

COMPARABLE LAND SALE NO. 1

DATE OF SALE: 9-25-87 **SIZE (ACRE):** 159.99 **PRICE/ACRE:** \$934 **RECORD NO.:** 1

STATE: Alaska **RECORDING DISTRICT:** Haines

USGS QUAD MAP NO.: Juneau C-4, C-5

GION: Southeastern

SUB-REGION: Haines

COMMUNITY/NEIGHBORHOOD: William Henry Bay

LOCATION: William Henry Bay, West side of Lynn Canal, about 35 miles north of the Juneau Airport and 35 miles south of Haines, Alaska

LEGAL DESCRIPTION: USS 1212

RIGHTS CONVEYED: Fee simple except for oil and gas

GRANTOR: Forest Fuhr

GRANTEE: William Henry Bay Corporation

TAX ID: B-WHB-USS1212 **INSTRUMENT:** Land Contract **BOOK/PAGE:** 292/0889 **REC'D DATE:** 10-21-87

SALES PRICE: \$149,500 **TERMS:** \$135,500 D/T, \$2,000 per month, 10% interest, balance 9-15-94

CEV/ADJ. PRICE: \$149,500 **BASIS FOR ADJUSTMENT:** None - short term note.

CONFIRMED WITH: Dan Turner, Haines Assessor
Charles Horan, MAI Comparable Data Sheet

BY/ DATE: DLP/1-94
DLP/2-94

PRESENT USE: Vacant

INTENDED USE: Recreation Subdivision/Lodge

IMPROVEMENTS: None

HIGHEST & BEST USE: Recreation

LEGAL ACCESS: Yes

TOPOGRAPHY: Hilly

PHYSICAL ACCESS: Boat, float plane

SITE SHAPE: Irregular

AD IMPROVEMENTS: None

SOILS: Good, well draining gravels and sand

UTILITIES: None

EASEMENTS: Normal

ZONING: None

WATERFRONT: Ocean-1,799', Beardslee R.-5,000'

VEGETATION: Forested, 60-70% flat river bottom rising steeply on east, west and south.

MARKET EXPOSURE: Unknown

SUPPLY & DEMAND CHARACTERISTICS: There is a limited market for large acreage tracts of land similar to the subject in the Haines area.

BASIS FOR PURCHASE PRICE: Unknown believed to have been negotiated.

BUYER/SELLER MOTIVATION: Buyer intended to develop site for recreation with lodges and cabins. Seller was probably getting ready to retire.

COMMENTS:

Unable to locate buyer or seller through tax records or information. All information was confirmed by the Haines assessor, Dan Turner, who had received information from the seller just after the sale, and Charles Horan, MAI, (Comparable Data Sheet). Mr. Horan indicates that there is a very small market for large acreage tracts similar to the subject. Site was subdivided into 61 rural homesites.

Large tidal flat obscures boat access at low tides. The flats have wet grassy lands, beaver ponds, and patches of Hemlock and Spruce.

COMPARABLE LAND SALE NO. 2**DATE OF SALE:** 12-19-88 **SIZE (ACRE):** 98.5 **PRICE/ACRE:** \$863 **RECORD NO.:** 2**STATE:** Alaska **RECORDING DISTRICT:** Sitka **USGS QUAD MAP NO.:** Sumdum C-4,5**REGION:** Southeastern**SUB-REGION:** Juneau**COMMUNITY/NEIGHBORHOOD:** Windham Bay**LOCATION:** Windham Bay, Windham, Alaska**LEGAL DESCRIPTION:** USMS 37, 38,39, 40, and 41, and the unpatented claim Pauline, Sitka Land District**RIGHTS CONVEYED:** Fee simple except for oil and gas**GRANTOR:** Cliff Slater, Denali Charters**GRANTEE:** Laura and Scott Rideout, et al**TAX ID:** Not taxed**INSTRUMENT:** W D**BOOK/PAGE:** 310/991**RECD'G DATE:** 1-18-89**SALES PRICE:** \$85,000**TERMS:** Cash**CEV/ADJ. PRICE:** \$85,000**BASIS FOR ADJUSTMENT:** None**CONFIRMED** Cliff Slater 767-5575**BY/** DLP/1-94**WITH:** Laura and Scott Rideout, et al 568-2263**DATE:** DLP/1-94**PRESENT USE:** Vacant, mining claims**INTENDED USE:** Potential lodge with some panning activity.**IMPROVEMENTS:** Old Post Office**HIGHEST & BEST USE:** Recreation**LEGAL ACCESS:** Yes**TOPOGRAPHY:** Generally level w/slight slope**PHYSICAL ACCESS:** Boat, plane**SITE SHAPE:** Irregular**ROAD IMPROVEMENTS:** None**SOILS:** Partially drained**UTILITIES:** None**EASEMENTS:** Normal**ZONING:** None**WATERFRONT:** Streams and Ocean**VEGETATION:** Forested - sparse**MARKET EXPOSURE:** Buyer advertised it on his own for several years. It sold within six months of listing it with a broker.**SUPPLY & DEMAND CHARACTERISTICS:** Small market but fairly active with numerous buyers and sellers.**BASIS FOR PURCHASE PRICE:** Negotiation. Both buyer and seller felt it represented market.**BUYER/SELLER MOTIVATION:** Seller's partners moved out of state. Buyer and partners considered it a piece of recreational property.**COMMENTS:**

This is an irregularly configured site located at the head of Windham Bay. The site has extensive frontage due to the accumulation of mining tailings that line the beach front. There is a stream that runs through the middle of the property with several drainage courses. Soil conditions are alluvial. The site has generally level topography, except to the rear and side property lines. There is some tree covering of hemlock and spruce. There is about 1,957 feet of stream frontage. Seller was a partner with several relatives. He sold the site when they moved out of state because he did not feel that he could work the sites alone. Seller indicates that the site yields good gold quantities for recreational miners. Buyers acquired site for different reasons. One is a recreational gold panner who works the site for fun. Two of the other buyers thought they may someday wish to put a lodge on the site. So far no lodge has been constructed. This was the former site of a village and Post Office building that operated in the 1920's. The building is still on site but was allocated no value by the buyers or seller. The minerals value from gold panning was not allocated a specific value, but rather was considered to be an amenity of the site.

COMPARABLE LAND SALE NO. 3

DATE OF SALE: 7-22-93 **SIZE (ACRE):** 80 **PRICE/ACRE:** \$2,500 **RECORD NO.:** 3

STATE: Alaska **RECORDING DISTRICT:** Kvichak

USGS QUAD MAP NO.: Dillingham A-5

REGION: Western Alaska

SUB-REGION: Dillingham

COMMUNITY/NEIGHBORHOOD: Nushagak River

LOCATION: Southwest corner of the confluence of the Nushagak and Iowithla Rivers, approximately 26 miles east of Dillingham, Alaska

LEGAL DESCRIPTION: U.S. Survey No. 7729, Section 31, T12S, R50W, SM and Section 3, T13S, R50W, SM

RIGHTS CONVEYED: Fee simple surface estate only.

GRANTOR: Esther Ladd

GRANTEE: Burt Bomhoff

TAX ID:

INSTRUMENT: MOA

BOOK/PAGE: 42/52

RECD'G DATE: 4-12-94

SALES PRICE: \$200,000

TERMS: \$100,000 down, 9% interest and five year term.

CEV/ADJ. PRICE: \$200,000

BASIS FOR ADJUSTMENT: None - large down with short term.

CONFIRMED WITH: Dick Larson, BIA
Burt Bomhoff

BY/ DATE: DLP/8-94
DLP/8-94

PRESENT USE: Old cabin, no value

INTENDED USE: Commercial recreation

IMPROVEMENTS: Old cabin

HIGHEST & BEST USE: Recreational

LEGAL ACCESS: Yes

TOPOGRAPHY: Rolling

PHYSICAL ACCESS: Boat or float plane

SITE SHAPE: Flag

ROAD IMPROVEMENTS: Unimproved

SOILS: Predominately well drained, 15% wet

UTILITIES: None

EASEMENTS: Normal

ZONING: None

WATERFRONT: 1,848' on Nushagak, 200' on the Iowithla

VEGETATION: Wooded with spruce birch and brush.

MARKET EXPOSURE: BIA auction properties are typically advertised for four weeks prior to bid deadline.

SUPPLY & DEMAND CHARACTERISTICS: Burt Bomhoff indicated this is a one of a kind lodge site. World class sites are limited.

BASIS FOR PURCHASE PRICE: Highest bid received at BIA auction. Sold for significantly more than appraised value.

BUYER/SELLER MOTIVATION: Buyer is considering developing the site with a lodge. Site was excess to sellers needs.

COMMENTS:

The buyer indicated that he owned and operated the Goldenhorn Lodge for 15± years. Reportedly this lodge was one of the premier luxury lodges in western Alaska. Buyer had established a small cabin on the subject site for fly fisherman clients. Buyer claimed this site is world class with one of the best places in the region, as fly fisherman can catch King Salmon from shore. Buyer sold his existing lodge operation in 1990 and immediately began an extensive search for a new lodge site. After three years, intensive aerial searches, and title searches from government records, the buyer heard that this site was going to BIA auction. Buyer was aware of that his bid was significantly greater than appraised value, but felt the site was a one of a kind for a lodge operation. He felt that because he had successfully operated a lodge for 15± years, he knew what he could afford to pay for the site.

COMPARABLE LAND SALE NO. 4

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| DATE OF SALE: 7-15-93 | SIZE (ACRE): 119.99 | PRICE/ACRE: \$1,908 | RECORD NO.: 4 |
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| STATE: Alaska | RECORDING DISTRICT: Kvichak | USGS QUAD MAP NO.: Iliamna A- |
| REGION: Western Alaska | | SUB-REGION: Iliamna |

COMMUNITY/NEIGHBORHOOD: Lake Nonvianuk

LOCATION: North bank Nonvianuk River, 1.5 miles west of Lake Nonvianuk, Alaska

LEGAL DESCRIPTION: U.S. Survey No. 8146

RIGHTS CONVEYED: Fee simple surface estate only.

GRANTOR: Edwin Peterson

GRANTEE: T Corporation (Chris Branham)

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| TAX ID: | INSTRUMENT: MOA | BOOK/PAGE: 29/202 | RECD'G DATE: 2-14-94 |
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SALES PRICE: \$229,000 **TERMS:** \$150,000 down, 8% interest, six year term.

CEV/ADJ. PRICE: \$229,000 **BASIS FOR ADJUSTMENT:** None - large down with short term.

CONFIRMED Dick Larson, BIA
WITH: Vicky Kirby, BBNA

BY/ DLP/8-94
DATE: DLP/8-94

PRESENT USE: Vacant

INTENDED USE: Commercial recreation

IMPROVEMENTS: None

HIGHEST & BEST USE: Recreation

LEGAL ACCESS: Yes

TOPOGRAPHY: Rolling

PHYSICAL ACCESS: Boat or float plane

SITE SHAPE: Flag

ROAD IMPROVEMENTS: Unimproved

SOILS: Predominately well drained, 15% wet

UTILITIES: None

EASEMENTS: Normal

ZONING: None

WATERFRONT: 300-400' Lake and 2,500' River

VEGETATION: Wooded with spruce birch and brush

MARKET EXPOSURE: Previously advertised with no response. Remained on BBNA Realty's offering list until this offer.

SUPPLY & DEMAND CHARACTERISTICS: Close to Iliamna, many recreational uses, fairly active market with intermittent demand and competing sites.

BASIS FOR PURCHASE PRICE: Negotiated, considered arms-length.

BUYER/SELLER MOTIVATION: Buyer is considering developing the site with a lodge.

COMMENTS:

This parcel is 1.5 miles west of Nonvianuk Lake. It has good access by float plane on Larson Lake and and boat access along Nonvianuk River. A tributary of the Alagnak River, which is designated a wild and scenic river. The Alagnak River is a tributary of the Kvichak, which is the outlet of Lake Iliamna. The Nonvianuk River is known for its world class sport fishing for trout and salmon. This area has good hunting, fishing, boating and rafting. The site has numerous sites adequate for permanent structure development.

COMPARABLE LAND SALE NO. 5

DATE OF SALE: 4-88 **SIZE (ACRE):** 19.3 **PRICE/ACRE:** \$5,181 **RECORD NO.:** 5

STATE: Alaska **RECORDING DISTRICT:** Kodiak **USGS QUAD MAP NO.:** Kodiak A-6

REGION: Southcentral **SUB-REGION:** Kodiak Island

COMMUNITY/NEIGHBORHOOD: Olga Bay

LOCATION: Olga Bay near Horse Marine Lagoon, Kodiak Island, Alaska

LEGAL DESCRIPTION: USS 1889

RIGHTS CONVEYED: Fee simple estate including subsurface

GRANTOR: Ayakulik Associates

GRANTEE: B & M Burkholder

TAX ID: **INSTRUMENT:** QCD **BOOK/PAGE:** 91/37 **RECD'G DATE:** 4-18-88

SALES PRICE: \$100,000 **TERMS:** 20% down, 10% interest, five year balloon

CEV/ADJ. PRICE: \$100,000 **BASIS FOR ADJUSTMENT:** None - terms are considered to be cash equivalent.

CONFIRMED WITH: Grantor, KIB Questionnaire
Pat Carlson, KIB Assessor who confirmed for court testimony.
Reed Stoopes, Grantor Rep.

BY/ DATE: WH/5-27-88
DLP/8-94
DLP/8-94

PRESENT USE: Vacant **INTENDED USE:** Commercial Set Net and Commercial Recreation

IMPROVEMENTS: None **HIGHEST & BEST USE:** Recreation

LEGAL ACCESS: Yes **TOPOGRAPHY:** Visual

PHYSICAL ACCESS: Boat or float plane **SITE SHAPE:** Irregular, high front to depth ratio

AD IMPROVEMENTS: None **SOILS:** Visual

UTILITIES: None **EASEMENTS:** Typical

ZONING: Conservation **WATERFRONT:** Extensive Olga Bay frontage

VEGETATION: Some cottonwood stands, low brush, grasses and alder thickets.

MARKET EXPOSURE: Formally listed with Kodiak Island Realty firm. Unable to confirm length of marketing time.

SUPPLY & DEMAND CHARACTERISTICS: Although limited, there is some demand for strategic sites like this parcel.

BASIS FOR PURCHASE PRICE: Negotiated

BUYER/SELLER MOTIVATION: Seller acquired site as part of larger real estate transaction, Liquidated site as it was surplus to their needs. Buyer wanted to develop hunting and fishing lodge.

COMMENTS:

Site is located on the east end of Olga Bay near the head of Horse Marine Lagoon. Site has a very favorable frontage to depth ratio. The owners have constructed a residence to support their commercial fishing operation. On another portion of the site a guide has developed a seasonal fishing guide operation. According to Reed Stoopes, there is no known mineral deposits on this site. He felt that it was extremely unlikely that the buyers allocated more than a nominal value for the subsurface estate.

COMPARABLE LAND SALE NO. 6

DATE OF SALE: 6-88 **SIZE (ACRE):** 32.35 **PRICE/ACRE:** \$3,246 **RECORD NO.:** 6

STATE: Alaska **RECORDING DISTRICT:** Kodiak **USGS QUAD MAP NO.:** Karluk A-1

REGION: Southcentral

SUB-REGION: Kodiak Island

COMMUNITY/NEIGHBORHOOD: Olga Bay

LOCATION: Northwest portion of Olga Bay, Kodiak Island, Alaska

LEGAL DESCRIPTION: USS 1886

RIGHTS CONVEYED: Fee simple estate including subsurface

GRANTOR: Ayakulik Associates

GRANTEE: DJ King (486-3962) and TA MacDonald

TAX ID: **INSTRUMENT:** QCD **BOOK/PAGE:** 91/705 **RECD'G DATE:** 6-21-88

SALES PRICE: \$105,000 **TERMS:** \$21,000 down, 10% interest, five year balloon

CEV/ADJ. PRICE: \$105,000 **BASIS FOR ADJUSTMENT:** None - terms are considered to be cash equivalent.

CONFIRMED WITH: Grantee, KIB Questionnaire
Pat Carlson, KIB Assessor who confirmed for court testimony.
Reed Stoopes, Grantor Rep.

BY/ DATE: WH/TC/2-93
DLP/8-94
DLP/8-94

PRESENT USE: Vacant

INTENDED USE: Commercial recreation

IMPROVEMENTS: None

HIGHEST & BEST USE: Recreation

LEGAL ACCESS: Yes

TOPOGRAPHY: Rolling Hills

PHYSICAL ACCESS: Boat or float plane

SITE SHAPE: Irregular, high front to depth ratio

ROAD IMPROVEMENTS: None

SOILS: Low marshy with some building areas

UTILITIES: None

EASEMENTS: Typical

ZONING: Conservation

WATERFRONT: 2,574' Olga Bay frontage, small creek and pond

VEGETATION: Some cottonwood stands, low brush, grasses and alder thickets.

MARKET EXPOSURE: Formally listed with Kodiak Island Realty firm. Unable to confirm length of marketing time.

SUPPLY & DEMAND CHARACTERISTICS: Although limited, there is some demand for strategic sites like this parcel.

BASIS FOR PURCHASE PRICE: Negotiated

BUYER/SELLER MOTIVATION: Seller acquired site as part of larger real estate transaction, Liquidated site as it was surplus to their needs.
Buyers wanted it to support their fishing sites.

COMMENTS:

This site is located at the northwest corner of Olga Bay. The site offers substantial Olga Bay frontage. There is a large pond and creek on the parcel. Beach access is good with long gravel beach. Since purchase the owners have constructed a small hunting and fishing lodge. The property borders the Kodiak National Wildlife Refuge, noted for both Kodiak Brown Bear and Sitka Blacktail Deer. The general area is rolling hills with brush overgrowth and many low marshy areas. According to Reed Stoopes, there is no known mineral deposits on this site. He felt that it was extremely unlikely that the buyers allocated more than a nominal value for the subsurface estate.

COMPARABLE LAND SALE NO. 7

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| DATE OF SALE: 1-89 | SIZE (ACRE): 29.1 | PRICE/ACRE: \$3,436 | RECORD NO.: 7 |
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| STATE: Alaska | RECORDING DISTRICT: Kodiak | USGS QUAD MAP NO.: Trinity Islands D-1 |
| REGION: Southcentral | | SUB-REGION: Kodiak Island |

COMMUNITY/NEIGHBORHOOD: Moser Bay

LOCATION: Snug cove in Moser Bay, Kodiak Island, Alaska

LEGAL DESCRIPTION: USS 50

RIGHTS CONVEYED: Fee simple estate including subsurface

GRANTOR: Ayakulik Associates

GRANTEE: R. Ellingson,(487-2603), J Masneri, C. Slater

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| TAX ID: | INSTRUMENT: QCD | BOOK/PAGE: 94/667 | RECD'G DATE: 1-24-89 |
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SALES PRICE: \$100,000 **TERMS:** 10% interest with yearly payments, ten year term.

CEV/ADJ. PRICE: \$100,000 **BASIS FOR ADJUSTMENT:** None - terms are considered to be cash equivalent.

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| CONFIRMED Grantor | BY/ KIB/3-89 |
| WITH: Pat Carlson, KIB Assessor who confirmed for court testimony. | DATE: DLP/8-94 |
| Reed Stoo pes, Grantor Rep. | DLP/8-94 |

PRESENT USE: Vacant **INTENDED USE:** Set Net Fishing Operations

IMPROVEMENTS: None **HIGHEST & BEST USE:** Recreation

LEGAL ACCESS: Yes **TOPOGRAPHY:** Undulating

PHYSICAL ACCESS: Boat or float plane **SITE SHAPE:** Irregular

AD IMPROVEMENTS: None **SOILS:** Varies from developable to very wet and marshy

UTILITIES: None **EASEMENTS:** Typical

ZONING: Conservation **WATERFRONT:** 1,155' Moser Bay frontage, small creek and pond

VEGETATION: Low brush, grasses and alder thickets.

MARKET EXPOSURE: Formally listed with Kodiak Island Realty firm. Unable to confirm length of marketing time.

SUPPLY & DEMAND CHARACTERISTICS: Although limited, there is some demand for strategic sites like this parcel.

BASIS FOR PURCHASE PRICE: Negotiated

BUYER/SELLER MOTIVATION: Seller acquired site as part of larger real estate transaction, Liquidated site as it was surplus to their needs. Buyer used it support his fishing operations.

COMMENTS:

This parcel is a former cannery site and was purchased by a group of fisherman who operate set net sites in the immediate area and plan to use the site in support of their fishing operations. The topography of the site is poor due to a large wetland in the center of the parcel and steep bluffs on the rear and side property lines. Although the anchorage is fair to good, access to the beach is impeded by the shallow depths at the head of the cove. The parcel has a pond and a stream running across the property. According to Reed Stoo pes, there is no known mineral deposits on this site. He felt that it was extremely unlikely that the buyers allocated more than a nominal value for the subsurface estate.

COMPARABLE LAND SALE NO. 8

DATE OF SALE: 3-89 **SIZE (ACRE):** 19.61 **PRICE/ACRE:** \$5,099 **RECORD NO.:** 8

STATE: Alaska **RECORDING DISTRICT:** Kodiak **USGS QUAD MAP NO.:** Karluk A-2

REGION: Southcentral **SUB-REGION:** Kodiak Island

COMMUNITY/NEIGHBORHOOD: Olga Bay

LOCATION: Southwest end of Olga Bay near Olga Creek, Kodiak Island, Alaska

LEGAL DESCRIPTION: USS 174

RIGHTS CONVEYED: Fee simple estate including subsurface

GRANTOR: Ayakulik Associates

GRANTEE: S&D Omlid,(486-5633), O&C Omlid

TAX ID: **INSTRUMENT:** QCD **BOOK/PAGE:** 94/228 **RECD'G DATE:** 3-9-89

SALES PRICE: \$100,000 **TERMS:** \$5,000 down, 10% interest, 5 year balloon

CEV/ADJ. PRICE: \$100,000 **BASIS FOR ADJUSTMENT:** None - terms are considered to be cash equivalent.

CONFIRMED Grantor
WITH: Pat Carlson, KIB Assessor who reconfirmed for court testimony.
Reed Stoopes, Grantor Rep.

BY/ PSC/4-4-89
DATE: DLP/8-94
DLP/8-94

PRESENT USE: Vacant

INTENDED USE: Set Net Fishing Operations

IMPROVEMENTS: None

HIGHEST & BEST USE: Residential/Recreational

LEGAL ACCESS: Yes

TOPOGRAPHY: Fairly level

PHYSICAL ACCESS: Boat or float plane

SITE SHAPE: Irregular

AD IMPROVEMENTS: None

SOILS: Varies

UTILITIES: None

EASEMENTS: Typical

ZONING: Conservation

WATERFRONT: 1,326 Olga Bay frontage

VEGETATION: Low brush, grasses and alder thickets.

MARKET EXPOSURE: Formally listed with Kodiak Island Realty firm. Unable to confirm length of marketing time.

SUPPLY & DEMAND CHARACTERISTICS: Although limited, there is some demand for strategic sites like this parcel.

BASIS FOR PURCHASE PRICE: Negotiated

BUYER/SELLER MOTIVATION: Seller acquired site as part of larger real estate transaction, Liquidated site as it was surplus to their needs. Buyer used it support his fishing operations.

COMMENTS:

This parcel fronts Olga Bay and a creek along the front. It was bought as a support center for fishing operations. A large shop and two cabins have been built. The site is fairly level and offers good access, but the anchorage is poor in times of wind. According to Reed Stoopes, there is no known mineral deposits on this site. He felt that it was extremely unlikely that the buyers allocated more than a nominal value for the subsurface estate.

COMPARABLE LAND SALE NO. 9

DATE OF SALE: 06-01-91 **SIZE (ACRE):** 151.21 **PRICE/ACRE:** \$2,500 **RECORD NO.:** 9

STATE: Alaska **RECORDING DISTRICT:** Kodiak **USGS QUAD MAP NO.:** Kodiak D-4

REGION: Southcentral **SUB-REGION:** Kodiak Island

COMMUNITY/NEIGHBORHOOD: Uganik Passage near Terror Bay

LOCATION: East shore of Uganik Passage, Kodiak Island, Alaska

LEGAL DESCRIPTION: U.S. Survey 7886

RIGHTS CONVEYED: Fee simple surface estate only

GRANTOR: Clara Helgason

GRANTEE: U.S. Fish & Wildlife

TAX ID: R5200004110 **INSTRUMENT:** W D **BOOK/PAGE:** 108/320 **RECD'G DATE:** 8-6-91

SALES PRICE: \$470,000 **TERMS:** Cash

CEV/ADJ. PRICE: \$378,025 **BASIS FOR ADJUSTMENT:** Reduction of personal property items and house and outbuildings.

CONFIRMED WITH: Dick Larson, BIA Appraiser
Bob Rice, U.S. Fish & Wildlife
Duke Bertke, Selling Agent
John Merrick, Koniag

BY/ DATE: SDD/11-91
DLP/01-94
DLP/01-94
DLP/03-94

PRESENT USE: Bear hunting lodge

INTENDED USE: Inclusion into KNWR

IMPROVEMENTS: SFR, outbuildings

HIGHEST & BEST USE: Recreation

LEGAL ACCESS: Yes

TOPOGRAPHY: Sloping

PHYSICAL ACCESS: Boat

SITE SHAPE: Irregular

ROAD IMPROVEMENTS: Unimproved

SOILS: Average

UTILITIES: None

EASEMENTS: Normal

ZONING: Conservation

WATERFRONT: Ocean

VEGETATION: Cottonwoods, scrub alder and grass.

MARKET EXPOSURE: Initially listed for \$1.8M. It was slowly lowered to about \$1M over the first year. Relisted at \$550,000 prior to sale. See comments section.

SUPPLY & DEMAND CHARACTERISTICS: There is a limited market for large sites in the Kodiak and Afognak area.

BASIS FOR PURCHASE PRICE: Appraisal.

BUYER/SELLER MOTIVATION: Seller was elderly and son needed a hip replacement. Bob Rice indicated that the buyer is limited by law to pay no more or less than market value.

COMMENTS:

This is the sale of the surface estate of the Helgason homestead, an inholding in the Kodiak National Wildlife Refuge, to U.S. Fish and Wildlife for \$470,000. The subsurface estate is owned by Koniag. Improvements consist of an older one-story, 1,055 square foot, two-bedroom, one-bath home plus outbuildings and personal property valued at \$91,975, rounded. The land was valued at \$378,025 or \$2,500 per acre. The terrain varies from moderate to steeply sloping. Vegetation consists of cottonwoods, scrub alder and grass. There is good deer and bear hunting in the area. Moored boats would be exposed to some northwesterly winds, but most of the area is generally protected. There is almost one mile of beach frontage. The northern half of the site has poor beaches with steep rocky bluffs along the waterfront and lots of boulders. Waterfront elevation varies from sea level to almost 40 feet. The southern portion of the site has much better access off the water and superior beaches. The USF&W Service did not acquire this site for the improvements. The improvements are an additional cost of acquiring the site. They will utilize the improvements as a place to bunk down USF&WS officials closer to the refuge. USF&WS offered \$468,000 when the property was initially listed at \$1.8M. After the price was reduced to \$550,000 USF&WS again approached the seller who agreed to the price after several weeks of contemplation. The federal government pays for all transaction and closing costs, except for real estate commissions when they acquire property. Mr. Rice estimates the transaction costs of this acquisition was roughly \$30,000. The listing agent is quite ill and was not able to be interviewed regarding marketing strategy and market exposure. Based on conversations with the selling agent and buyer, it is reasonable to conclude that the site had adequate market exposure with a term between one and two years.

COMPARABLE LAND SALE NO. 10

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| DATE OF SALE: 8-93 | SIZE (ACRE): 574.88 | PRICE/ACRE: \$1,739 | RECORD NO.: 10 |
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| STATE: Alaska | RECORDING DISTRICT: Kodiak | USGS QUAD MAP NO.: Kodiak A-2 |
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REGION: Southcentral**SUB-REGION:** Kodiak Island**COMMUNITY/NEIGHBORHOOD:** Ayakulik River**LOCATION:** Ayakulik River, south end of Kodiak Island, Alaska**LEGAL DESCRIPTION:** Portions of Sections 27, 28, 33, 34 T34S, R33W, SM**RIGHTS CONVEYED:** Fee simple estate including subsurface estate**GRANTOR:** Offeree: Ayakulik, Inc.**GRANTEE:** Offeror: Conservation Fund**TAX ID:****INSTRUMENT:** N/A**BOOK/PAGE:** N/A**RECD'G DATE:** N/A**SALES PRICE:** \$1,000,000**TERMS:** Cash offer**CEV/ADJ. PRICE:** \$1,000,000**BASIS FOR ADJUSTMENT:** None**CONFIRMED** Ken Hertz Ayakulik, Inc.**WITH:** Bob Putz, Conservation Fund 304 876-2815**BY/** DLP/08-94**DATE:** DLP/08-94**PRESENT USE:** Fish weir and cabin**INTENDED USE:** Preservation/Refuge Addition**IMPROVEMENTS:** None**HIGHEST & BEST USE:** Multi-use recreation**LEGAL ACCESS:** Yes**TOPOGRAPHY:** Rolling**PHYSICAL ACCESS:** Boat or float plane**SITE SHAPE:** Irregular**ROAD IMPROVEMENTS:** Unimproved**SOILS:** Unconfirmed**UTILITIES:** None**EASEMENTS:** Normal**ZONING:** Conservation**WATERFRONT:** Ayakulik River and ocean frontage Kodiak A-2**VEGETATION:** Low land brush and non-merchantable timber**MARKET EXPOSURE:** Not marketed, buyer approached seller**SUPPLY & DEMAND CHARACTERISTICS:** Although limited, there is some demand for strategic sites like this parcel.**BASIS FOR PURCHASE PRICE:** Negotiated. Reportedly Board of Directors approved transaction but one shareholder objected as he thought they should hold out for \$1.5 Million.**BUYER/SELLER MOTIVATION:** Buyer desired to limit access to valley located behind this parcel. Land is considered excess to sellers needs.**COMMENTS:**

This offer to purchase was turned down by the sellers. This parcel is very desirable as a lodge location, because it is at the mouth of the Ayakulik River, a world class salmon fishing stream. The topography is rolling with the river bisecting the site, and sufficient room for an airstrip. There is a fish and game cabin and weir on the site. Bob Putz indicated that the Conservation Fund desired to effectively block access to the valley located behind this parcel. They also did not want to see the river frontage subdivided into numerous 10 acre tracts with subsequent hunting and guide operations. Mr. Putz indicated that they would not pay more than \$1 Million as they had alternate sites they were trying to preserve. However, the site was appraised for \$1 Million and Mr. Putz indicated they had escrowed the \$1 Million in anticipation of the sale finally consummating. The Conservation Fund will donate the site to the Park Service for inclusion into KNWR. The site is not subject to 22G restrictions.

COMPARABLE LAND SALE NO. 11

DATE OF SALE: 7-7-92 **SIZE (ACRE):** 153.67 **PRICE/ACRE:** \$651 **RECORD NO.:** 11

STATE: Alaska **RECORDING DISTRICT:** Haines

USGS QUAD MAP NO.: Skagway A-2, A-3

REGION: Southeastern

SUB-REGION: Haines

COMMUNITY/NEIGHBORHOOD: Glacier Point at Chilkat Inlet

LOCATION: Ten miles south of Haines at Glacier Point, Alaska

LEGAL DESCRIPTION: Lot 3, Section 18, and Lot 3, Section 19, T32S, R60E, CRM, and Lot 5, Section 13, and Lot 7, Section 24, T32S, R59E, CRM, Haines, Alaska

RIGHTS CONVEYED: Fee simple except for oil and gas

GRANTOR: Glacier Point Properties, Ltd., Bernard Poirier

GRANTEE: Robert Durett, et al

TAX ID: B-GLP-00-0300

INSTRUMENT: SWD

BOOK/PAGE: 21/991

RECD'G DATE: 8-10-92

SALES PRICE: \$100,000

TERMS: Cash

CEV/ADJ. PRICE: \$100,000

BASIS FOR ADJUSTMENT: None

CONFIRMED WITH: Cory Durett, Grantee

BY/ DATE: DLP/1-94

PRESENT USE: Subd. for recreational

INTENDED USE: Speculation

IMPROVEMENTS: None

HIGHEST & BEST USE: Recreational

LEGAL ACCESS: Yes

TOPOGRAPHY: Level

PHYSICAL ACCESS: Boat, plane

SITE SHAPE: Irregular

ROAD IMPROVEMENTS: None

SOILS: Good, with alluvial sand and gravel

UTILITIES: None

EASEMENTS: Normal

ZONING: None

WATERFRONT: Ocean - 2,600 feet

VEGETATION: Spruce and cottonwoods

MARKET EXPOSURE: Grantee indicates site was listed with Haines realtor, but that they directly negotiated with seller. Unable to confirm sale with grantor.

SUPPLY & DEMAND CHARACTERISTICS: Limited market for large acreage tracts in the Haines area.

BASIS FOR PURCHASE PRICE: Negotiated. Buyer feels it was fair market value of site.

BUYER/SELLER MOTIVATION: Buyer unsure how they will utilize the site. Buyer reports that the seller was having cash flow problems.

COMMENTS:

Located on the west side of Chilkat Inlet, on the delta immediately below the Davidson Glacier. Site was previously subdivided for recreational cabin sites. There is a small airstrip along the beach. A portion of this airstrip encroaches on the adjoining property. However, according to the grantee there is enough runway on the subject site to accommodate small aircraft. This site had previously sold for \$76,000 or \$495 per acre in July 1989. Terms were undisclosed. Seller foreclosed on the site and sold it to Durett, et al.

COMPARABLE LAND SALE NO. 12**DATE OF SALE:** 10-86 **SIZE (ACRE):** 69.09 **PRICE/ACRE:** \$1,158 **RECORD NO.:** 12**STATE:** Alaska **RECORDING DISTRICT:** Seldovia **USGS QUAD MAP NO.:** Seldovia A-5**REGION:** Southcentral **SUB-REGION:** Kachemak**COMMUNITY/NEIGHBORHOOD:** Chrome Bay**LOCATION:** Chrome Point, Port Chatham, Lower Kachemak Bay, Alaska**LEGAL DESCRIPTION:** USMS 1422, 2154-A, 2165-A in Section 21, T11S, R15W, SM**RIGHTS CONVEYED:** Fee simple, both surface and subsurface**GRANTOR:** UMETCO Minerals Corporation (Union Carbide)**GRANTEE:** Kenton Bloom, David S. Seaman, et al**TAX ID:** 191-060-03 **INSTRUMENT:** Deed **BOOK/PAGE:** 28/912 **RECD'G DATE:** 10-86**SALES PRICE:** \$80,000 **TERMS:** Cash**CEV/ADJ. PRICE:** \$80,000 **BASIS FOR ADJUSTMENT:** None**CONFIRMED WITH:** Kenton Bloom, Grantee, 235-4247**BY/ DATE:** DLP/1-94**PRESENT USE:** Defunct chrome mine**INTENDED USE:** Recreational subdivision**IMPROVEMENTS:** No value**HIGHEST & BEST USE:** Recreation or commercial recreation**LEGAL ACCESS:** Yes**TOPOGRAPHY:** Varies, moderate to steep**PHYSICAL ACCESS:** Boat, Sea plane**SITE SHAPE:** Irregular**ROAD IMPROVEMENTS:** None**SOILS:** Good**UTILITIES:** None**EASEMENTS:** Normal**ZONING:** Unzoned**WATERFRONT:** Ocean**VEGETATION:** Wooded, mod. density spruce**MARKET EXPOSURE:** Listed for six months with an Anchorage broker.**SUPPLY & DEMAND CHARACTERISTICS:** Active market with numerous buyers for properties of this size.**BASIS FOR PURCHASE PRICE:** Seller firm, sold for asking price.**BUYER/SELLER MOTIVATION:** Seller restructuring assets. Buyer subdivided into recreational subdivision. Buyer felt price was below market.**COMMENTS:**

The buyer subdivided the site and has sold eight lots since 1987. Two of the original sites are listed for resale. Buyer acquired both surface and subsurface in order to ensure the site would never be mined again. Buyer did not allocate a specific value to the subsurface estate. He did however indicate that he would not have acquired the site unless he received both the surface and subsurface estates. Buyer felt seller was divesting a site that was economically unfeasible to develop. There is approximately 3,657 feet of frontage in Port Chatham Bay. Frontage elevation varies from 0 to 250 feet. Access to this site is somewhat difficult because the route is unprotected from the severe Gulf of Alaska winter storms.

COMPARABLE LAND SALE NO. 13

DATE OF SALE: 08-13-90 **SIZE (ACRE):** 74.96 **PRICE/ACRE:** \$1,135 **RECORD NO.:** 13

STATE: Alaska **RECORDING DISTRICT:** Homer **USGS QUAD MAP NO.:** Iliamna D-1
REGION: Southcentral **SUB-REGION:** West Cook Inlet

COMMUNITY/NEIGHBORHOOD: Chinitna Bay

LOCATION: South shore of Chinitna Bay, west side of Cook Inlet, Alaska

LEGAL DESCRIPTION: Lot 7, USS 8355 within Section 15, Township 4 South, Range 22 West, Seward Meridian

RIGHTS CONVEYED: Fee simple surface estate

GRANTOR: Raymond J. Juliussen

GRANTEE: Les D. Vandevere

TAX ID: 231-110-15 **INSTRUMENT:** WD **BOOK/PAGE:** 18/960 **RECD'G DATE:** 08-01-90

SALES PRICE: \$85,101 **TERMS:** Cash

CEV/ADJ. PRICE: \$85,101 **BASIS FOR ADJUSTMENT:** None

CONFIRMED WITH: Gary Fandel, KPB Assessor
Gary Fandel, KPB Assessor
Rose Brady and Pearl Chanar, BIA Realty

BY/ DATE: TRD/10-90 & 04-91
DLP/01-94
DLP/01-94

PRESENT USE: Vacant

INTENDED USE: Commercial recreation (future lodge)

IMPROVEMENTS: None

HIGHEST & BEST USE: Rural Residential/Recreation

LEGAL ACCESS: Yes

TOPOGRAPHY: Sloping

PHYSICAL ACCESS: Boat or float/wheel plane

SITE SHAPE: Trapezoidal

ROAD IMPROVEMENTS: Unimproved

SOILS: Good

UTILITIES: None

EASEMENTS: None

ZONING: Unzoned

WATERFRONT: Ocean

VEGETATION: Wooded

MARKET EXPOSURE: Advertised four to six weeks.

SUPPLY & DEMAND CHARACTERISTICS: Market has several buyers and sellers at any given time.

BASIS FOR PURCHASE PRICE: Fair market value as established by BIA appraisal.

BUYER/SELLER MOTIVATION: It is believed seller lived out of area and land was surplus to his needs. Buyer indicated intent to develop lodge on the site.

COMMENTS:

This wooded site slopes gently towards Chinitna Bay. It is about 50 miles west of Homer and has extensive frontage in relation to depth. Beach is gravel type. Access is by boat or plane. Property was native allotment. Unable to confirm with grantor and grantee. This site may have several potential uses given its water frontage and back land. A portion of this site is suitable for a lodge. However, most of the development in the area is remote single-family. Almost three and one-half years later no lodge has been developed on the site.

COMPARABLE LAND SALE NO. 14

DATE OF SALE: 6-14-91 SIZE (ACRE): 80 PRICE/ACRE: \$875 RECORD NO.: 14

STATE: Alaska RECORDING DISTRICT: Iliamna USGS QUAD MAP NO.: Iliamna D-5
REGION: Western Alaska SUB-REGION: Lake Iliamna

COMMUNITY/NEIGHBORHOOD: Eagle Bay

LOCATION: Eagle Bay, northern shore of Lake Iliamna, Alaska

LEGAL DESCRIPTION: Lot 1, U.S. Survey No. 7127, Section 2 and 11, T5S, R32W, Seward Meridian

RIGHTS CONVEYED: Fee simple estate except for oil and gas.

GRANTOR: Alexan S. Paisely

GRANTEE: Joe Hess

TAX ID: Not taxed INSTRUMENT: WD BOOK/PAGE: 18/809 RECD'G DATE: 7-23-91

SALES PRICE: \$70,000 TERMS: Cash

CEV/ADJ. PRICE: \$70,000 BASIS FOR ADJUSTMENT: None

CONFIRMED John Cress, BIA
WITH: Kim Paisley, JKP Realty, Listing Agent
Bernie Vockner, OMB Remote Properties, Selling Agent

BY/ KRH/12-91
DATE: DLP/01-94
DLP/01-94

PRESENT USE: Vacant INTENDED USE: Recreational Subdivision

IMPROVEMENTS: None HIGHEST & BEST USE: Recreational

LEGAL ACCESS: Yes TOPOGRAPHY: Flat to rolling

PHYSICAL ACCESS: Boat or float plane SITE SHAPE: Irregular

ROAD IMPROVEMENTS: Unimproved SOILS: Poor to fair

UTILITIES: None EASEMENTS: Normal

ZONING: None WATERFRONT: Lake

VEGETATION: Mostly tundra, some willow and scrub brush.

MARKET EXPOSURE: Listed for sale for over nine months.

SUPPLY & DEMAND CHARACTERISTICS: Close to Iliamna, many recreational uses, fairly active market with intermittent demand and competing sites.

BASIS FOR PURCHASE PRICE: Negotiated, considered arms-length.

BUYER/SELLER MOTIVATION: Seller owned several parcels. Buyer intended to subdivide and sell recreational lots.

COMMENTS:

The seller immediately subdivided the site and listed it with Bernie Vockner. Mr. Vockner indicated that there has been no sales after more than one year on the market. Mr. Vockner had heard rumors that the owner may have sold two or three of the sites himself. The site was part of a native allotment.

COMPARABLE LAND SALE NO. 16

DATE OF SALE: 7-15-93 **SIZE (ACRE):** 79.95 **PRICE/ACRE:** \$1,126 **RECORD NO.:** 16

STATE: Alaska **RECORDING DISTRICT:** Bristol Bay **USGS QUAD MAP NO.:** Dillingham A-5

REGION: Southcentral **SUB-REGION:** Bristol Bay

COMMUNITY/NEIGHBORHOOD: Aleknagik

LOCATION: North bank of Lake Aleknagik, six miles west of the community of Aleknagik.

LEGAL DESCRIPTION: U.S. Survey No. 9288, Lot 1

RIGHTS CONVEYED: Fee simple surface estate only.

GRANTOR: Elsie Chythlook

GRANTEE: Mark A. Vingoe et al

TAX ID: **INSTRUMENT:** WD **BOOK/PAGE:** 40/884 **RECD'G DATE:** 9-03-93

SALES PRICE: \$90,000 **TERMS:** Cash

CEV/ADJ. PRICE: \$90,000 **BASIS FOR ADJUSTMENT:** None

CONFIRMED WITH: J. Richard Larson, BIA Files
Vicky Kirby and Allan Backford, BBNA Realty
Carol Boquard, Grantee

BY/ DATE: DLP/8-94
DLP/8-94
DLP/8-94

PRESENT USE: Vacant **INTENDED USE:** Personal recreation and possible subdivision

IMPROVEMENTS: None **HIGHEST & BEST USE:** Recreation/Rural Residential

LEGAL ACCESS: Yes **TOPOGRAPHY:** Undulating

PHYSICAL ACCESS: Boat or float plane **SITE SHAPE:** Irregular

ROAD IMPROVEMENTS: Unimproved **SOILS:** Predominately good with 10-15% wet

UTILITIES: None **EASEMENTS:** Normal

ZONING: None **WATERFRONT:** Estimated to have three miles of lake frontage

VEGETATION: Dense spruce and birch

MARKET EXPOSURE: Advertised four weeks prior to BIA auction where no bids were received, Site was then advertised locally until sale one year later.

SUPPLY & DEMAND CHARACTERISTICS: Many recreational uses, limited market activity with intermittent demand and competing sites.

BASIS FOR PURCHASE PRICE: Native allotments cannot by law sell below appraised value.

BUYER/SELLER MOTIVATION: Seller desired to finance sons education. Buyers constructing a personal cabin and are considering subdividing the site to sell recreational lots.

COMMENTS:

This parcel has excellent subdivision potential because of the numerous fingers provided by the jogging shoreline. Amenities include good views, hunting and fishing characteristics. There is a youth camp approximately one mile away that limits it's desirability as a lodge site. Grantee indicates that there are numerous bears on the parcel that keep tearing up the grantees campsites.

COMPARABLE LAND SALE NO. 17

DATE OF SALE: 6-86 **SIZE (ACRE):** 78.42 **PRICE/ACRE:** \$1,090 **RECORD NO.:** 17

STATE: Alaska **RECORDING DISTRICT:** Kodiak

USGS QUAD MAP NO.: Kodiak C-5

REGION: Southcentral

SUB-REGION: Kodiak Island

COMMUNITY/NEIGHBORHOOD: Uganik Bay

LOCATION: Uganik Bay, north end of Kodiak Island

LEGAL DESCRIPTION: USS 3879, Portions A & D

RIGHTS CONVEYED: Fee simple estate including subsurface.

GRANTOR: D. Reed (486-3709)

GRANTEE: Herman Fox, et al

TAX ID:

INSTRUMENT: QCD

BOOK/PAGE: 81/518

RECD'G DATE: 8-86

SALES PRICE: \$90,500

TERMS: 50% down balance was owner financed.

CEV/ADJ. PRICE: \$85,500

BASIS FOR ADJUSTMENT: Adjusted down \$5,000 for contributory value of old buildings on the site.

CONFIRMED Grantor and Grantee, KIB Questionnaire

BY/ WH/11-86

WITH: Pat Carlson, KIB Assessor who confirmed for court testimony.

DATE: DLP/8-94

PRESENT USE: One-half of Reed Homestead

INTENDED USE: Residential/Fish Site

IMPROVEMENTS: Old buildings \$5,000 value

HIGHEST & BEST USE: Rural Residential/Recreation

LEGAL ACCESS: Yes

TOPOGRAPHY: poor

PHYSICAL ACCESS: Boat or float plane

SITE SHAPE: Irregular

ROAD IMPROVEMENTS: None

SOILS: Unconfirmed

UTILITIES: None

EASEMENTS: Typical

ZONING: Conservation

WATERFRONT: Uganik Bay water frontage, small creek

VEGETATION: Cottonwood and brush

MARKET EXPOSURE: No market exposure. One friend sold to another.

SUPPLY & DEMAND CHARACTERISTICS: There is limited demand for sites similar to this parcel.

BASIS FOR PURCHASE PRICE: Negotiated

BUYER/SELLER MOTIVATION: Unable to confirm buyer or seller motivations.

COMMENTS:

This is half of the Reed homestead, the topography is poor and the anchorage is good. The sale included numerous old buildings valued at \$5,000. There is a non-anadromous creek on the property. Vegetation is cottonwood and brush.

COMPARABLE LAND SALE NO. 18

DATE OF SALE: 11-06-89 **SIZE (ACRE):** 273.63 **PRICE/ACRE:** \$3,889 **RECORD NO.:** 18

STATE: Alaska **RECORDING DISTRICT:** Kodiak **USGS QUAD MAP NO.:** Afognak A-4
REGION: Southcentral **SUB-REGION:** Kodiak Island

COMMUNITY/NEIGHBORHOOD: Afognak Island

LOCATION: Southwest side of Afognak Island facing Raspberry Straits, Alaska

LEGAL DESCRIPTION: Tracts A & B, Sheet No. 2 of 2, Plat 89-8-RS, Sections 17 and 20, Township 25 South, Range 22 West, Seward Meridian, Kodiak Rec. Dist.

RIGHTS CONVEYED: Fee simple surface only

GRANTOR: Enola Mullan and Mike Mullan

GRANTEE: Aleneva Joint Ventures

TAX ID: R5425220002/3 **INSTRUMENT:** MOA **BOOK/PAGE:** 977/66 **RECD'G DATE:** 11-06-89

SALES PRICE: \$1,194,375 **TERMS:** \$200,000 down, 7% interest, \$198,450 per year till paid in full.

CEV/ADJ. PRICE: \$1,064,269 **BASIS FOR ADJUSTMENT:** The note is discounted at 10% which indicates a CEV of \$1,098,269 less \$34,000 for the cabin.

CONFIRMED WITH: Dick Larson, Bureau of Indian Affairs
Sharlene Sullivan, Selling Agent, Associated Island Brokers, Inc.

BY/ DATE: DLP/1-94
DLP/1-94

PRESENT USE: Vacant **INTENDED USE:** Religious community

IMPROVEMENTS: Cabin, \$34,000 value **HIGHEST & BEST USE:** Rural Residential/Recreation

LEGAL ACCESS: Yes **TOPOGRAPHY:** Gently rolling

PHYSICAL ACCESS: Boat, float plane **SITE SHAPE:** Irregular

ROAD IMPROVEMENTS: None **SOILS:** Good

UTILITIES: None **EASEMENTS:** Normal

ZONING: Conservation/5 acre **WATERFRONT:** Ocean

VEGETATION: Densely wooded forest

MARKET EXPOSURE: Not advertised, buyer approached seller who asked Ms. Sullivan to assist in the sale. The transaction took over two years to finalize.

SUPPLY & DEMAND CHARACTERISTICS: Ms. Sullivan does not believe there is any other parcel that would have satisfied the purchaser. See comments.

BASIS FOR PURCHASE PRICE: Negotiation. Price was negotiated prior to any appraisal. Ms. Sullivan indicated both parties believed this was market value.

BUYER/SELLER MOTIVATION: The seller's are both elderly and would prefer living closer to medical facilities. Buyer motivation listed in comments section.

COMMENTS:

Supply & Demand Characteristics (Con't): The buyer had approached many private individuals and native corporations about acquiring a large site similar to this parcel. Until finding this comparable they were unable to locate a parcel that satisfied all of their needs. The purchaser desired a remote site that was large enough to satisfy their future needs and would isolate them from other people. It must have extensive ocean frontage and protected coves for their fishing fleet. The beaches had to be easily accessible and not too steep. Finally they were looking for an area that had good fishing and hunting to satisfy their subsistence lifestyle. Ms. Sullivan indicated that they had found no other site that offered all of these amenities.

The site is irregularly shaped, has approximately one and one-half miles of waterfront and has marketable timber. The timber resource was a significant portion of value, although the exact amount cannot be released. However subsequent market analysis conducted by Koncor indicates that the cost to harvest the timber at the date of purchase was greater than the value of the timber because helicopters would be required for logging to occur. Ms. Sullivan does not believe the buyers intend to commercially harvest the timber as that is not compatible with their subsistence and isolation needs. Timber value was not a motivation for the purchase. The site goes completely dry at low tide and there is no deep water access to the uplands. The limited access to the uplands was part of the reason the logging was economically unfeasible. The property is in a fairly well protected area fronting Raspberry Strait Narrows. It is well drained with rolling hillside and in close proximity to good fishing. The property was purchased by a Russian religious group formerly known as the Old Believers for the establishment of a new community.

COMPARABLE LAND SALE NO. 19

DATE OF SALE: 7-92 **SIZE (ACRE):** 159.97 **PRICE/ACRE:** \$676 **RECORD NO.:** 19

STATE: Alaska **RECORDING DISTRICT:** Kodiak **USGS QUAD MAP NO.:** Karluk C-2
REGION: Southcentral **SUB-REGION:** Kodiak Island

COMMUNITY/NEIGHBORHOOD: Karluk/Sturgeon River

LOCATION: Approximately 2.5 miles up the Sturgeon River from Shelikoff Straight on the southwest side of Kodiak Island. Approximately 5 miles south of Karluk.

LEGAL DESCRIPTION: USS 6724 in Section 12, T31S, R33W, SM

RIGHTS CONVEYED: Fee simple surface estate

GRANTOR: Estate of David W. Waesellie

GRANTEE: Mike Cusak, Jr., Alaska Outdoor Experiences (277-3033)

TAX ID: R5612000001 **INSTRUMENT:** MOA **BOOK/PAGE:** 115/18 **RECD'G DATE:** 8-27-92

SALES PRICE: \$126,000 **TERMS:** \$16,345 down (13%), balance carried by seller at 8% for 30 years.

CEV/ADJ. PRICE: \$108,167 **BASIS FOR ADJUSTMENT:** The note was discounted at 10%, indicating a present value of the interest savings of \$17,833.

CONFIRMED WITH: Dick Larson, BIA
Bob Brody, Listing Agent, Affiliated Island Brokers
Mike Cusak, Jr.

BY/ DATE: DLP/1-94
DLP/1-94
DLP/1-94

PRESENT USE: Vacant

INTENDED USE: Fishing Lodge

IMPROVEMENTS: None

HIGHEST & BEST USE: Commercial - Fish/Hunting Lodge

LEGAL ACCESS: Yes

TOPOGRAPHY: Level to rolling hillsides

PHYSICAL ACCESS: Boat or float plane

SITE SHAPE: Square

ROAD IMPROVEMENTS: None

SOILS: Glacial till, sand, marsh, permafrost

UTILITIES: None

EASEMENTS: Normal

ZONING: Conservation

WATERFRONT: River - 3,000 feet

VEGETATION: Typical of area with grasses, ferns, willow and alder thickets.

MARKET EXPOSURE: Actively marketed with Associated Island Brokers beginning 1987 until sale in 1992. This included publication in their Remote Properties pamphlet.

SUPPLY & DEMAND CHARACTERISTICS: Adequate number of alternative sites and potential buyers.

BASIS FOR PURCHASE PRICE: Based on 1987 BIA appraisal performed by Dick Larson. Subsequent appraised value was less but sales price remained at 1987 appraised value.

BUYER/SELLER MOTIVATION: Buyer desired site for its excellent hunting and fishing characteristics. Sellers had inherited site and didn't need it.

COMMENTS:

Fronts on Sturgeon River with good cabin sites along the river and interior acreage. Located within Kodiak National Wildlife Refuge but is not subject to 22G limitations. Purchased for fishing lodge. Fishing and hunting is excellent in this area. As of January 1993 no lodge has been constructed, however there is a cabin constructed on the site. According to Mr. Brody the grantee desired to expand his guiding area beyond his extensive Iliamna guiding operation. Boat access is difficult at low tides. Supposedly the hunting and fishing is excellent because the access is so difficult. Airstrip has been dug down two feet and buyer is not sure when he will complete it. Until the airstrip is operable, the best means of access are by boat and float plane at high tide. There is a lagoon on this portion of the Sturgeon River that the buyer utilizes for float plane access. There are commercial flights that service Karluk. From there the property is a short hop by plane or about 30 minutes by skiff. Buyer indicated that he felt the sales price was below market value, although the site was marketed for five years.

COMPARABLE LAND SALE NO. 20

| | | | |
|----------------------------|-------------------------|----------------------------|-----------------------|
| DATE OF SALE: 10-92 | SIZE (ACRE): 180 | PRICE/ACRE: \$1,722 | RECORD NO.: 20 |
|----------------------------|-------------------------|----------------------------|-----------------------|

STATE: Alaska **RECORDING DISTRICT:** Kodiak **USGS QUAD MAP NO.:** Karluk B-2

REGION: Southcentral

SUB-REGION: Kodiak Island

COMMUNITY/NEIGHBORHOOD: Olga Bay

LOCATION: East of Dog Salmon River, within Olga Bay, south end of Kodiak Island, Alaska

LEGAL DESCRIPTION: West 1/2 Section 23, T35S, R30W, SM

RIGHTS CONVEYED: Fee simple surface estate only

GRANTOR: Jack Wichers and Duane Stuckle

GRANTEE: Mike Cusak, Jr., Alaska Outdoor Experiences (277-3033)

TAX ID: R5353002303/4/5

INSTRUMENT: DFT

BOOK/PAGE: N/A

RECD'G DATE: DFT

SALES PRICE: \$310,000

TERMS: \$100,000 down, seller offered terms of 10% interest with payments of \$2,000.

CEV/ADJ. PRICE: \$310,000

BASIS FOR ADJUSTMENT: None, seller offered terms

CONFIRMED WITH: Jack Wichers, Grantor, (303) 290-9555

BY/ DATE: DLP/8-94

PRESENT USE: Vacant

INTENDED USE: Commercial recreational

IMPROVEMENTS: None

HIGHEST & BEST USE: Multi-use recreational

LEGAL ACCESS: Yes

TOPOGRAPHY: Varies, 140 acres of 1/2 section is underwater.

PHYSICAL ACCESS: Boat or float plane

SITE SHAPE: Irregular

ROAD IMPROVEMENTS: None

SOILS: 60% to 70% is well drained, remainder is poorly drained.

UTILITIES: None

EASEMENTS: Typical

ZONING: Conservation

WATERFRONT: 3,250' ocean frontage

VEGETATION: Large cottonwoods on front of parcel.

MARKET EXPOSURE: Site was marketed with Associated Island Brokers for 5 weeks at \$450,000 prior to the sale.

SUPPLY & DEMAND CHARACTERISTICS: There is a very small market for large parcels similar to this site in the Kodiak area.

BASIS FOR PURCHASE PRICE: Price was negotiated. Seller offered terms, deal fell through when the buyer could not make the down payment.

BUYER/SELLER MOTIVATION: Buyer desired site for its excellent hunting and fishing characteristics. Sellers was under no duress to sell this site.

COMMENTS:

This site has extensive frontage on Olga Bay, with good beaches and a small semi-protected bay. This area is renowned for its supreme fishing and hunting. The Dog Salmon River is located 1/4 mile to the west and supports Kodiak Island's largest sockeye salmon run. About 30% to 40% of the site has poorly drained soils with several beaver ponds and small creeks.

The deal fell through when the buyer could not make the original down payment. The site remained list for sale at \$450,000 until April 1993. At that time it was subdivided into four parcels ranging in size from 30 acres to 52 acres. The combined asking price of the smaller parcels is \$450,000, or \$2,500 per acre. No offers have been accepted since the Cusak deal fell through. The seller indicates that the Fish and Wildlife Service has expressed an interest in acquiring the entire parcel. USF&WS had the site appraised in early 1994. The seller felt their offer was significantly below market value. The seller is aware that the Fish and Wildlife Service had paid \$2,500 per acre for the 151 acres located on Uganik Passage.

COMPARABLE LAND SALE NO. 21

DATE OF SALE: 4-18-94 **SIZE (ACRE):** 59.98 **PRICE/ACRE:** \$3,001 **RECORD NO.:** 21

STATE: Alaska **RECORDING DISTRICT:** Kodiak **USGS QUAD MAP NO.:** Kodiak D-2
REGION: Southcentral **SUB-REGION:** Kodiak Island
COMMUNITY/NEIGHBORHOOD: Afognak Island
LOCATION: Southeasterly shore of Afognak Island between mouth of Afognak Bay and Afognak Strait, Alaska
LEGAL DESCRIPTION: U.S. Survey No. 5698, Lot 20, T25S, R22W, SM

RIGHTS CONVEYED: Fee simple surface estate only.

GRANTOR: Jacob Lukin 454-2262

GRANTEE: Alex Kalugin et al 235-5109

TAX ID: **INSTRUMENT:** MOA **BOOK/PAGE:** 977/568 **RECD'G DATE:** 4-18-94

SALES PRICE: \$180,000 **TERMS:** \$36,000 down, 10% interest and eight year term.

CEV/ADJ. PRICE: \$180,000 **BASIS FOR ADJUSTMENT:** None - terms are considered to be cash equivalent.

CONFIRMED WITH: Alex Kalugin, Grantee 235-5109

BY/ DATE: DLP/8-94

PRESENT USE: Former village site **INTENDED USE:** Russian family acquired to subdivide as personal homesites Desired to be close to Old Believers located three miles away.
IMPROVEMENTS: Old cabin, no value **HIGHEST & BEST USE:** Rural Residential/Recreation
LEGAL ACCESS: May not have legal access **TOPOGRAPHY:** Flat
PHYSICAL ACCESS: Through adjacent waterfront lot **SITE SHAPE:** Irregular
ROAD IMPROVEMENTS: Unimproved **SOILS:** Little overburden
UTILITIES: None **EASEMENTS:** Normal
ZONING: Conservation **WATERFRONT:** None
VEGETATION: Sitka spruce and bushes

MARKET EXPOSURE: Buyer was informed of availability by the Old Believers colony members who live three miles away.

SUPPLY & DEMAND CHARACTERISTICS: Buyer indicates this was the closest available site to the Old Believers colony. Other sites are available but not proximal.

BASIS FOR PURCHASE PRICE: Negotiated

BUYER/SELLER MOTIVATION: Buyers desired to establish residences near the Old Believers religious colony. According to buyer the seller was elderly and needed money.

COMMENTS:

This parcel has good fishing and hunting amenities and it is adjacent to public domain land, two amenities the buyer desired. As the site is land locked, access is gained by crossing the adjacent Kodiak Island Borough owned former village school site from the water. Buyers claim that Borough has agreed to lease them an easement to cross their site to the water. Buyer desired to acquire the easement, however Borough did not want to sell. No lease payment or term has been determined. Bud Cassidy of the Kodiak Island Borough indicates that the Borough may not be able to grant an easement as they received title which limited the use to school site or public use only. Mr. Cassidy raised this issue with State officials who claimed that the ownership is with the Borough. Thus, the Borough is unsure if they have the legal right to grant an easement to the Kalugin's. Legal access to the site is unclear at this time. Waterfront access along this area is poor due to the extreme tides which limit accessibility. Also this waterfront area is subject to severe winter storms.

The parcel contains some areas of ponding water left over from the 1964 tsunami that also vacated the now abandoned community of Afognak Village. Most of the site is well drained. The site has many large trees. The site had a high timber value. Buyer said they did not allocate a timber value in the purchase price. However, they will use some of the timber to build personal residences. The water front in this area suffers from severe winter storms.

Buyers desired to be close to the Old Believers religious colony. They were unaware of any other sites close to the colony. This religious group desires to be separate from the general public and external influences upon their beliefs.

COMPARABLE LAND SALE NO. 22

DATE OF SALE: Listing **SIZE (ACRE):** 159.99 **PRICE/ACRE:** \$2,200 **RECORD NO.:** 22

STATE: Alaska **RECORDING DISTRICT:** Kodiak **USGS QUAD MAP NO.:** Kodiak B-6

REGION: Southcentral **SUB-REGION:** Kodiak Island

COMMUNITY/NEIGHBORHOOD: Uyak Bay

LOCATION: West shore of Uyak Bay, Kodiak Island, Alaska

LEGAL DESCRIPTION: U.S. Survey No. 9434

RIGHTS CONVEYED: Fee simple surface estate only.

GRANTOR: Alberta E. Aga

GRANTEE: Available for purchase

TAX ID: **INSTRUMENT:** N/A **BOOK/PAGE:** N/A **RECD'G DATE:** N/A

SALES PRICE: \$352,000 **TERMS:** Cash equivalent financing available, typical terms are 15 to 20% down, at 10% interest and a 15 to 20 year term.

CEV/ADJ. PRICE: \$352,000 **BASIS FOR ADJUSTMENT:** None

CONFIRMED WITH: BIA Bid Package and Rose Brady
J. Richard Larson

BY/ DATE: DLP/8-94
DLP/8-94

PRESENT USE: Vacant

INTENDED USE: Unknown

IMPROVEMENTS: None

HIGHEST & BEST USE: Rural Residential/Recreation

LEGAL ACCESS: Yes

TOPOGRAPHY: Sloping

PHYSICAL ACCESS: Boat or float plane

SITE SHAPE: Irregular

ROAD IMPROVEMENTS: Unimproved

SOILS: Predominately good with 10-15% wet

UTILITIES: None

EASEMENTS: Normal

ZONING: None

WATERFRONT: Extensive Uyak Bay frontage

VEGETATION: Alders, forbs, grasses, cotton wood and willow. No merchantable timber.

MARKET EXPOSURE: Advertised four weeks prior to BIA auction where no bids were received. Site has been listed with BIA Realty since August 1994.

SUPPLY & DEMAND CHARACTERISTICS: Limited market activity with intermittent demand and competing sites.

BASIS FOR PURCHASE PRICE: Site is available for purchase.

BUYER/SELLER MOTIVATION: Land excess to sellers needs.

COMMENTS:

This parcel has very good deep water frontage and is suitable for several uses. There is no merchantable timber but the site has dense surface vegetation including cottonwood and willow. It's location allows easy access to other good recreation areas like Larsen Bay, etc.,

COMPARABLE LAND SALE NO. 23**DATE OF SALE:** 08-01-90 **SIZE (ACRE):** 2,220 **PRICE/ACRE:** \$203 **RECORD NO.:** 23**STATE:** Alaska **RECORDING DISTRICT:** Homer**USGS QUAD MAP NO.:** Seldovia D-5**REGION:** Southcentral**SUB-REGION:** Kenai Peninsula**COMMUNITY/NEIGHBORHOOD:** Homer**LOCATION:** Within 8 miles north, south and east of Anchor Point on the Kenai Peninsula, Alaska**LEGAL DESCRIPTION:** Lengthy legal, see Property Description**RIGHTS CONVEYED:** Fee simple - surface only.**GRANTOR:** Security National Trust, Inc.**GRANTEE:** Cloyd Moser and Chuck Homan**TAX ID:** 159-290-01**INSTRUMENT:** WD**BOOK/PAGE:** 200/265**RECD'G DATE:** 08-01-90**SALES PRICE:** \$450,000**TERMS:** \$50,000 down, \$400,000 deed of trust, 12% interest, 30 year amortization.**CEV/ADJ. PRICE:** \$450,000**BASIS FOR ADJUSTMENT:** None - terms are considered to be cash equivalent.**CONFIRMED WITH:** Grantee
Cloyd and Erwin Moser
John McGrew, formerly of Grantor**BY/ DATE:** S. McSwain
DLP/1-94
DLP/2-94**PRESENT USE:** Paper platted recreation lots**INTENDED USE:** Recreation subdivision**IMPROVEMENTS:** None**HIGHEST & BEST USE:** Recreation Subdivision**LEGAL ACCESS:** Yes**TOPOGRAPHY:** Varies, wetlands/uplands**PHYSICAL ACCESS:** None**SITE SHAPE:** Irregular**ROAD IMPROVEMENTS:** Unimproved**SOILS:** Fair, from extensive peat to good**UTILITIES:** None**EASEMENTS:** Normal**ZONING:** Unzoned**WATERFRONT:** Stream**VEGETATION:** Sparse with some spruce**MARKET EXPOSURE:** None, seller approached buyer.**SUPPLY & DEMAND CHARACTERISTICS:** Active market with numerous buyers and sellers.**BASIS FOR PURCHASE PRICE:** Buyer paid asking price.**BUYER/SELLER MOTIVATION:** Seller was liquidating the parcel and turned a substantial profit in short time frame.**COMMENTS:**

This property includes random tracts in six subdivisions that are subdivided into 222 paper platted ten acre tracts. These paper plat lots can be sold individually "as is" without physical access since they were platted prior to newer subdivision regulations. The tracts are typically located one-half to three miles from existing roads or the Sterling Highway, with section line easements for future road access. The Inlet View Tract (200 acres) has gravel road access east one mile from the highway - the grantees developed vehicular access to all but two subdivisions. This is a popular recreation area with good hunting in the fall and snow machining in the winter. Vegetation ranges from low bog plants in the wet peat areas (40%) to good gravel soils on the higher ground (60%) with spruce trees. This comparable sold for \$380,000 (plus \$50,000 in commissions) in December 1985. The grantees subsequently defaulted on the loan. It was then acquired by First National Bank of Anchorage, who purchased some of failed First Federal Bank's assets from FDIC. First National Bank of Anchorage then sold to Security National Trust for \$252,000 in March 1990. The grantees of the August 1990 sale did not have a cash equivalent estimate and would not have purchased it if it were a cash deal only. The parcel was never offered to the general public but was offered directly to the grantee. Mr. McGrew formerly of the grantor indicated that he thought the site would have sold for more, perhaps up to as much as \$250 per acre if it had been advertised. The grantees are selling the lots for up to \$15,000 each with zero down financing or a 50% discount for cash. Erwin Moser indicates that as of February 1994 approximately 100 of these lots have been sold. He indicated that the default rate is about 10%.

Legal Description1) Tracts 1-46, Stariski Creek Acres #2 (460 Acres)
Sections 31 and 32, Township 3 South, Range 14 West, SM2) Tracts 1-8 and 11-14, Chakok Acres (120 Acres)
Section 9, Township 4 South, Range 14 West, SM3) Tracts 1-64, Terrace View (640 Acres)
Sections 12 and 13, Township 4 South, Range 14 West, BLM4) Tracts 1-48, High Line Acres (480 Acres)
Section 22, Township 4 South, Range 14 West, SM5) Tracts 1-20, Inlet View (200 Acres)
Sections 7 and 18, Township 5 South, Range 14 West, SM6) Tracts 1-32, Salmon Heights (320 Acres)
Section 8, Township 5 South, Range 14 West, SM

COMPARABLE LAND SALE NO. 24

DATE OF SALE: 12-91 SIZE (ACRE): 120 PRICE/ACRE: \$367 RECORD NO.: 24

STATE: Alaska RECORDING DISTRICT: Homer USGS QUAD MAP NO.: Seldovia C-5
REGION: Southcentral SUB-REGION: Kenai Peninsula
COMMUNITY/NEIGHBORHOOD: Anchor Point
LOCATION: Four miles SE of Anchor Point and 1 mile east of the Sterling Highway.
LEGAL DESCRIPTION: W1/2 NW1/4, NW1/4 SW1/4, Section 8, T5S, R14W, SM

RIGHTS CONVEYED: Fee simple, buyer thought all but oil & gas.

GRANTOR: Philip Maser, Jr.

GRANTEE: Leonard T. Schultz

TAX ID: 171-010-27 INSTRUMENT: W D BOOK/PAGE: 211/998 RECD'G DATE: 1-92

SALES PRICE: \$44,000 TERMS: \$10,000 down, 10% interest, 15 year term.

CEV/ADJ. PRICE: \$44,000 BASIS FOR ADJUSTMENT: None - terms are considered to be cash equivalent.

CONFIRMED Cloyd Moser, Broker
WITH: Leonard T. Schultz, Grantee

BY/ DLP/1-94
DATE: DLP/1-94

PRESENT USE: Vacant INTENDED USE: Residential/Recreation

IMPROVEMENTS: None HIGHEST & BEST USE: Residential/Recreation

LEGAL ACCESS: Yes TOPOGRAPHY: Varies

PHYSICAL ACCESS: Undeveloped SITE SHAPE: Rectangular

ROAD IMPROVEMENTS: Unimproved SOILS: Poor to average

UTILITIES: None EASEMENTS: Normal

ZONING: Unzoned WATERFRONT: None

VEGETATION: Varies from swampy to heavy density spruce forest.

MARKET EXPOSURE: None, seller approached buyer.

SUPPLY & DEMAND CHARACTERISTICS: Active market with numerous buyers and sellers.

BASIS FOR PURCHASE PRICE: Negotiated.

BUYER/SELLER MOTIVATION: Broker indicated that he did not believe the seller was under duress. Seller unwilling to discuss sale. Buyer felt sales price represented fair market value.

COMMENTS:

Approximately 35% of this is wetlands unsuitable for development. Buyer subdivided the parcel into three lots and has since sold all three parcels. Access not develop to the site, however, the broker owned the adjacent site and is supposedly developing access to this parcel. Electricity and telephone is approximately one-half mile away.

COMPARABLE LAND SALE NO. 25

DATE OF SALE: 2-92 **SIZE (ACRE):** 80 **PRICE/ACRE:** \$188 **RECORD NO.:** 25

STATE: Alaska **RECORDING DISTRICT:** Homer **USGS QUAD MAP NO.:** Seldovia D-5
REGION: Kenai Peninsula **SUB-REGION:** Homer
COMMUNITY/NEIGHBORHOOD: Anchor Point
LOCATION: Eleven miles NNE of Anchor Point and 1.3 mile east of the Sterling Highway, Anchor Point, Alaska
LEGAL DESCRIPTION: W1/2 SW1/4 of Section 9, T3S, R14W, SM

RIGHTS CONVEYED: Fee simple surface only.
GRANTOR: John J. and Lucy McDonald
GRANTEE: Arlo D. and Leslie A. Buchholz
TAX ID: 159-112-10 **INSTRUMENT:** W D **BOOK/PAGE:** 212/326 **RECD'G DATE:** 2-92

SALES PRICE: \$15,000 **TERMS:** Cash
CEV/ADJ. PRICE: \$15,000 **BASIS FOR ADJUSTMENT:** None

CONFIRMED WITH: Arlo Buchholz, Grantee 612-597-3650
Diane Martin, Selling Agent **BY/ DATE:** DLP/1-94

PRESENT USE: Vacant **INTENDED USE:** Retirement homesite
IMPROVEMENTS: None **HIGHEST & BEST USE:** Residential/Recreation
LEGAL ACCESS: Yes **TOPOGRAPHY:** Varies
PHYSICAL ACCESS: Undeveloped **SITE SHAPE:** Rectangular
ROAD IMPROVEMENTS: Unimproved **SOILS:** Buyer unsure
UTILITIES: None **EASEMENTS:** Normal
ZONING: Unzoned **WATERFRONT:** None
VEGETATION: Varies from muskeg areas to moderately dense spruce stands.

MARKET EXPOSURE: Listed April 1991 for \$32,000 terms or \$22,000 cash.

SUPPLY & DEMAND CHARACTERISTICS: Active market with numerous buyers and sellers.

BASIS FOR PURCHASE PRICE: Negotiation.

BUYER/SELLER MOTIVATION: Buyer acquired the site as a future retirement homesite. Seller motivation was unconfirmed.

COMMENTS:

It is estimated that 25% of this site is wetlands area that is not suitable for development. Electricity is approximately one-half mile away. This is a popular recreation area with good hunting in the fall and snow machining in the winter. Vegetation ranges from low bog plants in the wet peat areas (25%) to good gravel soils on the higher ground (75%) with spruce trees. Buyer indicates he acquired this site as it seemed to have more uplands area than his other alternatives.

COMPARABLE LAND SALE NO. 26

DATE OF SALE: 10-92 **SIZE (ACRE):** 480 **PRICE/ACRE:** \$219 **RECORD NO.:** 26

STATE: Alaska **RECORDING DISTRICT:** Homer

USGS QUAD MAP NO.: Seldovia D-5

REGION: Kenai Peninsula

SUB-REGION: Homer

COMMUNITY/NEIGHBORHOOD: Anchor Point

LOCATION: Eight miles NNE of Anchor Point and 1.7 miles east of the Sterling Highway

LEGAL DESCRIPTION: SE1/4 and SE1/4 SW1/4 of Section 29, NE1/4 NW1/4 and S1/2 NW1/4 of Section 32 T3S, R14W, SM

RIGHTS CONVEYED: Fee simple surface only.

GRANTOR: Astoria Investments

GRANTEE: Cloyd Moser/Quantum Health

TAX ID: 159-200-13

INSTRUMENT: W D

BOOK/PAGE: 219/432

RECD'G DATE: 12/92

SALES PRICE: \$105,000

TERMS: \$72,000 down, buyer would not disclose term or interest rate, but indicated they were at market.

CEV/ADJ. PRICE: \$105,000

BASIS FOR ADJUSTMENT: None - terms are considered to be cash equivalent.

CONFIRMED WITH: Cloyd Moser, Grantee 344-2008
Buzz Moore 235-2507

BY/ DATE: DLP/1-94

PRESENT USE: Vacant

INTENDED USE: Residential/Recreation

IMPROVEMENTS: None

HIGHEST & BEST USE: Residential/Recreation

LEGAL ACCESS: Yes

TOPOGRAPHY: Varies

PHYSICAL ACCESS: Undeveloped

SITE SHAPE: Irregular

ROAD IMPROVEMENTS: Unimproved

SOILS: Good

UTILITIES: None

EASEMENTS: Normal

ZONING: Unzoned

WATERFRONT: None

VEGETATION: Swampy in the low land and spruce on the higher ground.

MARKET EXPOSURE: None, Buzz Moore brokered transaction in return for timber rights.

SUPPLY & DEMAND CHARACTERISTICS: Active market with numerous buyers and sellers.

BASIS FOR PURCHASE PRICE: Negotiated. Several offers and counter offers. Mr. Moore feels the price was fair market value.

BUYER/SELLER MOTIVATION: Grantee indicated that seller was not under undue pressure to sell the site.

COMMENTS:

This is the December 1992 sale and resale of 480 acres in Anchor Point. The first sale was when Buzz Moore negotiated the sale of site from Joseph Wayer to Security National, Inc. for \$72,000, cash, (\$150 per acre) with Mr. Moore getting to keep timber rights as his commission. Timber was taken off and sold as wood chips for pulp and export timber in Homer. Mr. Moore has finished logging the site taking just under 1,000,000 board feet of timber.

Security National then sold the site to Astoria Investments for an undisclosed amount of money. Astoria Investments immediately resold the site to Quantum Health for \$105,000 with \$72,000 down, and remainder at market terms. This most recent sale equals \$219 per acre.

Quantum Health subsequently subdivided into Eagle Estates and sold off all of the lots. Access was developed from an adjacent subdivision. It is estimated that 35% of the larger parcel site is wetlands area that is not suitable for development. Electricity and telephone is about 1.5 miles from this site.

COMPARABLE LAND SALE NO. 27

DATE OF SALE: 04-93 **SIZE (ACRE):** 520 **PRICE/ACRE:** \$183 **RECORD NO.:** 27

STATE: Alaska **RECORDING DISTRICT:** Homer

USGS QUAD MAP NO.: Seldovia D-5

REGION: Kenai Peninsula

SUB-REGION: Homer

COMMUNITY/NEIGHBORHOOD: Anchor Point

LOCATION: Eight miles NE of Anchor Point, Alaska

LEGAL DESCRIPTION: S1/2, S1/2 in Section 2, NE1/4 & E1/2 NW1/4 & NE1/4 SW1/4 & N1/2 SE1/4 NW1/4 in Section 11, T4S, R14W, SM

RIGHTS CONVEYED: Fee simple including surface and subsurface.

GRANTOR: Rita E. Silberman

GRANTEE: Bill Germann, ROLCO

TAX ID: 165-030-05

INSTRUMENT: WD

BOOK/PAGE: 222/883

RECD'G DATE: 05-93

SALES PRICE: \$95,000

TERMS: Cash

CEV/ADJ. PRICE: \$95,000

BASIS FOR ADJUSTMENT: None

CONFIRMED WITH: Bill Germann, ROLCO, Grantee 206 624-0623

Tim Tennis, Assessor
Buzz Moore

BY/ DLP/2-94

DATE: DLP/2-94

DLP/2-94

PRESENT USE: Vacant

INTENDED USE: Speculative logging and subdivision

IMPROVEMENTS: None

HIGHEST & BEST USE: Residential/Recreation

LEGAL ACCESS: Yes

TOPOGRAPHY: Varies

PHYSICAL ACCESS: Undeveloped

SITE SHAPE: Flag

ROAD IMPROVEMENTS: Unimproved

SOILS: Average

UTILITIES: None

EASEMENTS: Normal

ZONING: Unzoned

WATERFRONT: Streams

VEGETATION: Combination of low wet areas and hilly moderately dense spruce areas.

MARKET EXPOSURE: Buzz Moore contacted seller who told him she had listed it with a broker out of Homer. Could not locate listing broker to see if advertised.

SUPPLY & DEMAND CHARACTERISTICS: Active market with numerous buyers and sellers.

BASIS FOR PURCHASE PRICE: Asking price, no negotiation. Mr. Moore indicated that he thought it was fair market value.

BUYER/SELLER MOTIVATION: Buyer intends to selectively log the site. Development of access will stage for development.

COMMENTS:

The buyer recently acquired this site and three others in order to selectively log the sites and develop access. Buyer intends to log off only those trees that have a 10+ inch diameter breast height. The logs will be marketed as both lumber and chips. He will only clear cut those areas absolutely required to develop access or for staging logging operations. He plans to reseed any areas that are clear cut with the exception of roadways. According to the buyer the trees on this site are between 100 and 150 years old.

Buyer believes that by selectively logging the site he will increase the residual value of the underlying parcel. Logging operations require the development of access and logging roads. The buyer believes that by effectively managing the logging operation the site will be enhanced as it will be more open and have developed access. Buyer indicated that spruce bark beetle infestation is in the immediate area and may soon spread to this site.

COMPARABLE LAND SALE NO. 28

DATE OF SALE: 05-12-93 **SIZE (ACRE):** 360.91 **PRICE/ACRE:** \$194 **RECORD NO.:** 28

STATE: Alaska **RECORDING DISTRICT:** Homer **USGS QUAD MAP NO.:** Seldovia D-5

REGION: Kenai Peninsula **SUB-REGION:** Homer

COMMUNITY/NEIGHBORHOOD: Anchor Point

LOCATION: Eight miles NE of Anchor Point, Alaska

LEGAL DESCRIPTION: Government Lot 2, S1/2 NE1/4 SE1/4 in Section 3, N1/2 NE1/4 in Section 10, T4S, R14W, SM

RIGHTS CONVEYED: Fee simple including surface and subsurface.

GRANTOR: FDIC

GRANTEE: Bill Germann, ROLCO

TAX ID: 165-030-53 **INSTRUMENT:** QCD **BOOK/PAGE:** 224/729 **RECD'G DATE:** 07-93

SALES PRICE: \$70,000 **TERMS:** Cash

CEV/ADJ. PRICE: \$70,000 **BASIS FOR ADJUSTMENT:** None

CONFIRMED WITH: Bill Germann, ROLCO, Grantee 206 624-0623
Angie Newby, Listing Agent, Homer Realty 235-5294
Tim Tennis, Assessor

BY/ DATE: DLP/2-94
DLP/2-94
DLP/1-94

PRESENT USE: Vacant

INTENDED USE: Speculative logging and subdivision

IMPROVEMENTS: None

HIGHEST & BEST USE: Residential/Recreation

LEGAL ACCESS: Yes

TOPOGRAPHY: Varies

PHYSICAL ACCESS: Undeveloped

SITE SHAPE: Irregular

ROAD IMPROVEMENTS: Unimproved

SOILS: Average

UTILITIES: None

EASEMENTS: Normal

ZONING: Unzoned

WATERFRONT: None

VEGETATION: Combination of low wet areas (40%) and hilly moderately dense spruce areas.

MARKET EXPOSURE: Site listed with Homer Realty for about two months prior to earnest money agreement. Site was listed at \$72,000 during the entire listing period.

SUPPLY & DEMAND CHARACTERISTICS: Active market with numerous buyers and sellers.

BASIS FOR PURCHASE PRICE: FDIC could not confirm if purchase price was based on appraisal or negotiation. Broker indicated site was listed at \$72,000.

BUYER/SELLER MOTIVATION: FDIC wanted to liquidate its remaining assets. Buyer intends to selectively log the site and enhance value by developing access.

COMMENTS:

The seller was unable to locate this file to confirm details of the sale. The buyer recently acquired this site and three others in order to selectively log the sites and develop access. Buyer intends to selectively log only certain trees that will enhance the residual value of the remaining parcel. He will log off only those trees that have a 10+" diameter breast height. The logs will be marketed as both lumber and chips. He will only clear cut those areas absolutely required to develop access or for staging logging operations. He plans to reseed any areas that are clear cut with the exception of roadways. According to the buyer the trees on this site are between 100 and 150 years old.

Buyer believes that by selectively logging the site he will increase the residual value of the underlying parcel. Logging operations require the development of access and logging roads. The buyer believes that by effectively managing the logging operation the site will be enhanced as it will be more open and have developed access. Buyer indicated that spruce bark beetle infestation is in the immediate area and may soon spread to this site.

COMPARABLE LAND SALE NO. 29

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| DATE OF SALE: 08-93 | SIZE (ACRE): 560 | PRICE/ACRE: \$250 | RECORD NO.: 29 |
|----------------------------|-------------------------|--------------------------|-----------------------|

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|--------------------------------|----------------------------------|--|
| STATE: Alaska | RECORDING DISTRICT: Homer | USGS QUAD MAP NO.: Seldovia D-5 |
| REGION: Kenai Peninsula | SUB-REGION: Homer | |

COMMUNITY/NEIGHBORHOOD: Anchor Point

LOCATION: Eight miles NE of Anchor Point, Alaska

LEGAL DESCRIPTION: S1/2, N1/2 & NE1/4 SE1/4 & W1/2 SE1/4 & SW1/4 of Sec.14, & E1/2 NE1/4 & NE1/4 SE1/4 of Sec. 13, T4S, R14W, SM

RIGHTS CONVEYED: Fee simple surface estate.

GRANTOR: Elizabeth Dempsey

GRANTEE: Bill Germann, ROLCO

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|---------------------------|-----------------------|---------------------------|---------------------------|
| TAX ID: 165-111-44 | INSTRUMENT: WD | BOOK/PAGE: 226/338 | RECD'G DATE: 09-93 |
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| SALES PRICE: \$140,000 | TERMS: Cash |
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| CEV/ADJ. PRICE: \$140,000 | BASIS FOR ADJUSTMENT: None |
|----------------------------------|-----------------------------------|

CONFIRMED Bill Germann, ROLCO, Grantee 206 624-0623
WITH: Tim Tennis, Assessor
Buzz Moore 235-2507

BY/ DLP/2-94
DATE: DLP/2-94
DLP/2-94

PRESENT USE: Vacant

INTENDED USE: Speculative logging and subdivision

IMPROVEMENTS: None

HIGHEST & BEST USE: Residential/Recreation

LEGAL ACCESS: Yes

TOPOGRAPHY: Varies

PHYSICAL ACCESS: Undeveloped

SITE SHAPE: Flag

ROAD IMPROVEMENTS: Unimproved

SOILS: Average

UTILITIES: None

EASEMENTS: Normal

ZONING: Unzoned

WATERFRONT: Creek

VEGETATION: Combination of low wet areas and hilly moderately dense spruce areas.

MARKET EXPOSURE: Buzz Moore approached seller directly on behalf of grantee. Never formally marketed.

SUPPLY & DEMAND CHARACTERISTICS: Active market with numerous buyers and sellers.

BASIS FOR PURCHASE PRICE: Negotiated through several offers and counter offers.

BUYER/SELLER MOTIVATION: Buyer intends to selectively log the site. Development of access will stage for development.

COMMENTS:

The buyer recently acquired this site and three others in order to selectively log the sites and develop access. Buyer intends to log off only those trees that have a 10+" diameter breast height. The logs will be marketed as both lumber and chips. As of February 1994 about 50% of this site has been logged. Only those areas absolutely required, in order to develop access or for staging logging operations will be clear cut. Any areas that are clear cut, with the exception of roadways will be reseeded. According to the buyer the trees on this site are between 100 and 150 years old.

Buyer believes that by selectively logging the site he will increase the residual value of the underlying parcel. Logging operations require the development of access and logging roads. The buyer believes that by effectively managing the logging operation the site will be enhanced as it will be more open and have developed access. Buyer indicated that spruce bark beetle infestation is in the immediate area and may soon spread to this site.

COMPARABLE LAND SALE NO. 30

DATE OF SALE: 08-93 **SIZE (ACRE):** 600 **PRICE/ACRE:** \$392 **RECORD NO.:** 30

STATE: Alaska **RECORDING DISTRICT:** Homer **USGS QUAD MAP NO.:** Seldovia D-5

REGION: Kenai Peninsula **SUB-REGION:** Homer

COMMUNITY/NEIGHBORHOOD: Anchor Point

LOCATION: Seven miles southeast of Anchor Point, Alaska

LEGAL DESCRIPTION: NW1/4 and W1/2, NE1/4 and NE1/4, NE1/4 and S1/2, Section 9, T5S, R14W, S. M.

RIGHTS CONVEYED: Fee simple estate.

GRANTOR: Edmond J. McMahon 489-2265

GRANTEE: Brookwood Inc.

TAX ID: 171-010-08 **INSTRUMENT:** W D **BOOK/PAGE:** 224/957 **RECD'G DATE:** 8-93

SALES PRICE: \$235,000 **TERMS:** \$50,000 down (22%), unable to confirm other financing details.

CEV/ADJ. PRICE: \$235,000 **BASIS FOR ADJUSTMENT:** None - terms are considered to be cash equivalent.

CONFIRMED WITH: Tim Tennis, KPB Assessor

BY/ DATE: DLP/1-94

PRESENT USE: Vacant

INTENDED USE: Farm/Ranch

IMPROVEMENTS: None

HIGHEST & BEST USE: Residential/Recreation

LEGAL ACCESS: Yes

TOPOGRAPHY: Varies from sloping to rolling

PHYSICAL ACCESS: Undeveloped

SITE SHAPE: Irregular

ROAD IMPROVEMENTS: Unimproved

SOILS: Typically poor to average in region

UTILITIES: None

EASEMENTS: Normal

ZONING: Unzoned

WATERFRONT: None

VEGETATION: Typical is grass and alders with spruce on higher areas.

MARKET EXPOSURE: Unable to confirm market exposure.

SUPPLY & DEMAND CHARACTERISTICS: Active market with numerous buyers and sellers.

BASIS FOR PURCHASE PRICE: Unknown

BUYER/SELLER MOTIVATION: Reportedly buyer intends to live on or near site and utilize the subject for ranching and farming etc.

COMMENTS:

Buyers did not wish to comment on this sale. Unable to contact seller. Information reported was data obtained from the Kenai Peninsula Borough tax assessor, assessing maps and topography maps.

COMPARABLE LAND SALE NO. 31

DATE OF SALE: 1-89 **SIZE (ACRE):** 138.6 **PRICE/ACRE:** \$4,690 **RECORD NO.:** 31

STATE: Alaska **RECORDING DISTRICT:** Ketchikan

USGS QUAD MAP NO.: Ketchikan

REGION: Southeastern

SUB-REGION: Ketchikan

COMMUNITY/NEIGHBORHOOD: Revillagegado Island and Prince of Wales Island

LOCATION: Two parcels are located on Revillagegado Island, and two are at the north end of Prince of Wales Island, Alaska

LEGAL DESCRIPTION: USMS 1598, 423, 1040, 1042

RIGHTS CONVEYED: Fee simple surface and subsurface

GRANTOR: David and Kaye Syre

GRANTEE: Ketchikan Pulp Company

TAX ID:

INSTRUMENT: QCD

BOOK/PAGE: 163/213

RECD'G DATE: 1-89

SALES PRICE: \$650,000

TERMS: Cash

CEV/ADJ. PRICE: \$650,000

BASIS FOR ADJUSTMENT: None

CONFIRMED WITH: Ralph Lewis, Ketchikan Pulp, 225-2151

Ralph Lewis, Ketchikan Pulp

BY/ C. Horan/11-12-92

DATE: DLP/3-94

PRESENT USE: Vacant

INTENDED USE: Logging

IMPROVEMENTS: None

HIGHEST & BEST USE: Logging

LEGAL ACCESS: Yes

TOPOGRAPHY: Varies from sloping to hilly

PHYSICAL ACCESS: Boat, Float Plane, Logging Roads

SITE SHAPE: Irregular

ADJACENT IMPROVEMENTS: Logging roads on adjacent sites

SOILS: Thin layer of overburden over marble bedrock.

UTILITIES: None

EASEMENTS: Typical

ZONING: None

WATERFRONT: 1,000 feet of ocean frontage

VEGETATION: Heavily forested with hemlock and spruce.

MARKET EXPOSURE: Seller approached buyer. Buyer indicates that seller was a land broker who made a living turning these types of properties. Unable to contact seller.

SUPPLY & DEMAND CHARACTERISTICS: There is a small but fairly active market for similar properties in this region.

BASIS FOR PURCHASE PRICE: Negotiated

BUYER/SELLER MOTIVATION: Buyer intended to log. Unable to confirm details of sale with the seller.

COMMENTS:

The following descriptive information was provided by Charles Horan, MAI and confirmed as accurate by Ralph Lewis, the buyers representative.

These four parcels contained a total of 138.6 acres. Parcel 1 has about 600 feet of frontage and contains about 40.7 acres. It is very close to parcel 2 which contains 20 acres and lies in a hillside creek drainage. These sites are located in the Misty Fjords National Monument and are timbered. Parcel 3 consists of two adjacent mining claims containing a total of 40 acres. It is on a knoll above Red Bay and sloping downward to within 1,200 feet of the bay. They are heavily forested with hemlock and spruce. The site is well drained and has a thin layer of overburden on marble bedrock. The immediate adjacent lands are USFS owned and have been clear cut. There is a logging road which ends near the subject. Parcel 4 contains 37.9 acres and is located 13 miles east of Point Baker. The parcel has about 400 feet of frontage on Sumner Strait, is heavily forested, gently sloping and well drained. The beach may be exposed to strong easterly winds during the winter months. Logging roads are in the area but are not extended to the site.

The site was purchased based on the value of the timber. No residual value was given to the cut over land or for mineral potential. The price paid was for timber only, there was no allocation to mineral value.

COMPARABLE LAND SALE NO. 32

DATE OF SALE: 7-18-89 **SIZE (ACRE):** 623.427 **PRICE/ACRE:** \$1,604 **RECORD NO.:** 32

STATE: Alaska **RECORDING DISTRICT:** Ketchikan **USGS QUAD MAP NO.:** Craig B-4

REGION: Southeastern **SUB-REGION:** Klawock

COMMUNITY/NEIGHBORHOOD: Wadleigh Island

LOCATION: Wadleigh Island, approximately 1.5 miles west of Klawock, Alaska

LEGAL DESCRIPTION: Assemblage of 33 patented mining claims within T27S R80E, CRM, Sections 33 and 34, and T73S, R80E

RIGHTS CONVEYED: Fee simple surface and subsurface

GRANTOR: USX Corporation of Delaware

GRANTEE: Robert Reed and Mike Blair dba B&M Logging of Estacada, Oregon

TAX ID: **INSTRUMENT:** Mining Deed **BOOK/PAGE:** 171/257-262 **RECD'G DATE:** 7-89

SALES PRICE: \$1,000,000 **TERMS:** Unspecified down payment, a minimum \$50,000 deposit was paid. Balance was paid out of logging royalty in 2.3 years. C. Horan thought terms represented a cash transaction.

CEV/ADJ. PRICE: \$1,000,000 **BASIS FOR ADJUSTMENT:** None - terms are considered to be cash equivalent.

CONFIRMED WITH: Michael Blair
Robert Reed, Jr.

BY/ DATE: C. Horan/11-13-92
DLP/3-94

PRESENT USE: Vacant

INTENDED USE: Logging

IMPROVEMENTS: None

HIGHEST & BEST USE: Logging/Mineral

LEGAL ACCESS: Yes

TOPOGRAPHY: Moderate to undulating

PHYSICAL ACCESS: Boat, Plane

SITE SHAPE: Irregular

ROAD IMPROVEMENTS: None

SOILS: Good with thin organic layer that supports heavy timber.

UTILITIES: None

EASEMENTS: Typical

ZONING: None

WATERFRONT: 7,000 feet ocean

VEGETATION: Heavily forested with hemlock, spruce and cedar.

MARKET EXPOSURE: Site was marketed but unable to confirm marketing time.

SUPPLY & DEMAND CHARACTERISTICS: Very small market for large acre parcels in this area.

BASIS FOR PURCHASE PRICE: Land was acquired in a bid. Buyer added a 2% limestone royalty as the buyers felt the sellers had a high regard for the mining claims.

BUYER/SELLER MOTIVATION: Site was excess to sellers needs. Buyers desired to log the site.

COMMENTS:

The following information was provided by C. Horan, MAI who had interviewed the buyer. Robert Reed, Jr. confirmed that that Mr. Horan's analysis was representative of the transaction.

The site consists of contiguous mining claims which comprise a large portion of Wadleigh Island and total 623.4 acres. There is an estimated 7,000' of water frontage. The topography is moderate to undulating with elevations generally below 500' down to water level. There are several drainages and draws on the site. The site is remote and has no utilities. It is not within a municipal boundary and is not subject to zoning restrictions or tax assessments. Merchantable timber quantity estimates ranged from 10.7 MMBF to 22MMBF. It was estimated to be 75% hemlock, 24% spruce and 1% cedar. The sale held out 2% of gross revenue FOB site from limestone quarry.

Buyers were motivated by its timber potential and had at least two offers to sell stumpage when the sale took place. The stumpage sold for \$1,000,000 to Murphy Timber on September 29, 1989, Book 171, Page 266. Murphy Timber felt there was 12 to 15 MMBF of exportable timber on site at the time of sale. The buyers had been negotiating with an option holder for a price of about \$800,000. The option holder lost his position and the land went to bid where the buyer acquired the site for \$1,000,000 and a 2% limestone royalty was reserved for the seller. The buyers felt the value of merchantable timber supported 100% of the purchase price. No portion of the value was allocated to the subsurface estate (minerals) or cutover land.

COMPARABLE LAND SALE NO. 33

DATE OF SALE: 7-21-89 **SIZE (ACRE):** 512 **PRICE/ACRE:** \$781 **RECORD NO.:** 33

STATE: Alaska **RECORDING DISTRICT:** Ketchikan

USGS QUAD MAP NO.: Craig D-5

REGION: Southeastern

SUB-REGION: Near Prince of Wales Island

COMMUNITY/NEIGHBORHOOD: Edna Bay on Kosciuko Island

LOCATION: Edna Bay on Kosciuko Island, west of Prince of Wales Island, 60 miles west of Wrangell, Alaska

LEGAL DESCRIPTION: Within section 28, 29, and 33, T68S, R76E, Copper River Meridian

RIGHTS CONVEYED: Fee simple surface and subsurface.

GRANTOR: Alcoa Aluminum

GRANTEE: William (Skip) Ritcher, WAP 7917, Flying Tiger

TAX ID:

INSTRUMENT: WD

BOOK/PAGE: 169/650

RECD'G DATE: 7-89

SALES PRICE: \$400,000

TERMS: Cash

CEV/ADJ. PRICE: \$400,000

BASIS FOR ADJUSTMENT: None

CONFIRMED WITH: Bev Davis, Selling Agent, Capital Realty
Skip Ritcher
Marty McDowell, DOT
Bev Davis, Capital Realty

BY/ DATE: C. Horan/9-5-91
C. Horan/9-5-91
C. Horan/9-5-91
DLP/3-94

PRESENT USE: Abandoned limestone quarry

INTENDED USE: Buyer intended to log the site, and had unspecified future development plans.

IMPROVEMENTS: None

HIGHEST & BEST USE: Logging

LEGAL ACCESS: Yes

TOPOGRAPHY: Varied from level to sloping

PHYSICAL ACCESS: Boat, Plane, Logging road

SITE SHAPE: Irregular

ROAD IMPROVEMENTS: Logging roads onsite

SOILS: Good

UTILITIES: None

EASEMENTS: Typical

ZONING: None

WATERFRONT: 3,520 feet Edna Bay

VEGETATION: Hemlock, spruce and cedar.

MARKET EXPOSURE: Listed for sale in excess of two years. Advertised in the Wall Street Journal and locally.

SUPPLY & DEMAND CHARACTERISTICS: Selling agent indicates that market for large acre sites similar to this comparable is very small.

BASIS FOR PURCHASE PRICE: Negotiated, not based on appraisal or timber cruise.

BUYER/SELLER MOTIVATION: Seller divested site as mineral deposits were not as valuable as desired. Buyer motivation undisclosed.

COMMENTS:

We were unable to contact either the buyer or seller to confirm the actual price paid or buyers motivation. We have relied on information supplied to us by Charles Horan, MAI who has interviewed the buyer. The following information was provided by Charles Horan, MAI.

The buyer originally thought that the site contained about 2 MMBF of merchantable timber. After logging about 800 MBF he felt there was about 200 MBF left to log. The project ran into cost overruns and the expectation of return on logging was not achieved. Originally, he had estimated that the logging should have netted the value of the land with no increment to value of cut over land, subsurface or mineral value.

The purchaser intended to log the timber lands and had an unspecified future development plans for the remainder. He supposed that it could be used for homesites. It was important to the buyer that there was deep water access with possible shipping potential. The site was also important because it represented a large contiguous ownership in an area where large pieces are extremely rare.

COMPARABLE LAND SALE NO. 34

DATE OF SALE: 5-22-91 **SIZE (ACRE):** 229.1 **PRICE/ACRE:** \$546 **RECORD NO.:** 34

STATE: Alaska **RECORDING DISTRICT:** Juneau **USGS QUAD MAP NO.:** Juneau D-4

REGION: Southeastern **SUB-REGION:** Juneau

COMMUNITY/NEIGHBORHOOD: Johnson Creek above Berners Bay

LOCATION: Johnson Creek above Berners Bay, 60± north of downtown Juneau, Alaska

LEGAL DESCRIPTION: USMS 261, 264, 265, 266, and 678 within Sections 10, 11, 14 and 15, T35S, R62E, CRM

RIGHTS CONVEYED: Fee simple surface only.

GRANTOR: University of Alaska

GRANTEE: Hyak Mining Company

TAX ID: 3N060BB0110/20 **INSTRUMENT:** QCD **BOOK/PAGE:** 345/250 **RECD'G DATE:** 5-22-91

SALES PRICE: \$125,000 **TERMS:** 10% down, 10% interest, with quarterly payments of \$112,500 for 15 years.

CEV/ADJ. PRICE: \$125,000 **BASIS FOR ADJUSTMENT:** None - terms are considered to be cash equivalent.

| | | | |
|------------------|---------------------------------------|--------------|----------|
| CONFIRMED | U of A Representative Marty Epstein | BY/ | DLP/1-94 |
| WITH: | U of A Representative Mary Montgomery | DATE: | DLP/1-94 |
| | Neil McKinnon, Hyak Mining Co. | | DLP/1-94 |

PRESENT USE: Old mill site **INTENDED USE:** Surface support site for subsurface mining activity

IMPROVEMENTS: None **HIGHEST & BEST USE:** Logging/Mineral

LEGAL ACCESS: Yes **TOPOGRAPHY:** Varies from level to hilly

PHYSICAL ACCESS: Walk in **SITE SHAPE:** Irregular

ROAD IMPROVEMENTS: None **SOILS:** Varies from poor to good

UTILITIES: None **EASEMENTS:** Normal

ZONING: None **WATERFRONT:** Ocean

VEGETATION: Some rocky hillsides, timber and creek bottom land, sparsely forested

MARKET EXPOSURE: Not advertised. Grantee owned subsurface estate, and had surface rights to support ongoing mining operations. Site of little value to others.

SUPPLY & DEMAND CHARACTERISTICS: This market has a limited number of buyers and sellers. This site is unique as grantee was mining subsurface.

BASIS FOR PURCHASE PRICE: Negotiated. Seller felt the sales price represented market value. Buyer felt price was high at time but in retrospect thinks it was market.

BUYER/SELLER MOTIVATION: Seller (UAA) has 210,000 total acres of land for sale or lease. Buyer desired site to resolve access and permit concerns.

COMMENTS:

This is the sale of an old mill site that was part of a larger mining operation. The buyer is a mining company that owned the subsurface and wanted to explore this site, but needed the surface estate to resolve access and permitting concerns. There are no utilities available. The site was thought to be covered with mostly unmerchantable spruce and hemlock. There is some second growth and substantial clearings with brush and other modest vegetation claiming the mining areas. Apparently the buyer and seller had negotiated the sales price over along period of time and both felt it was an arms length transaction. The seller had no other immediate buyer prospects and wanted to limit the liability. Both parties felt it was a clearing up of a nuisance. The buyer ended up selling the timber at a price that paid for the site. Buyer feels that there is very little remaining value to the surface site after it has been logged.

COMPARABLE LAND SALE NO. 35

| | | | |
|----------------------------|---------------------------|----------------------------|-----------------------|
| DATE OF SALE: 12-91 | SIZE (ACRE): 340.7 | PRICE/ACRE: \$2,348 | RECORD NO.: 35 |
|----------------------------|---------------------------|----------------------------|-----------------------|

STATE: Alaska **RECORDING DISTRICT:** Ketchikan **USGS QUAD MAP NO.:** Craig A-2

REGION: Southeastern **SUB-REGION:** Hetta Inlet

COMMUNITY/NEIGHBORHOOD: Copper Harbor

LOCATION: Copper Harbor off of Hetta Inlet, Prince of Wales Island, Alaska

LEGAL DESCRIPTION: USMS 419A, and portions of USMS 419B, USMS 1023, within Sections 3, 4, 5, 8 and 9, T77S, R58E, CRM

RIGHTS CONVEYED: Fee simple surface and subsurface.

GRANTOR: Key Bank of Alaska

GRANTEE: Joe Henry, Southcentral Timber Development, Inc.

| | | | |
|----------------|------------------------|---------------------------|---------------------------|
| TAX ID: | INSTRUMENT: QCD | BOOK/PAGE: 197/659 | RECD'G DATE: 12-91 |
|----------------|------------------------|---------------------------|---------------------------|

SALES PRICE: \$800,000 **TERMS:** Mostly financed with extra collateral. Note to be paid out of logging operations within one year.

CEV/ADJ. PRICE: \$800,000 **BASIS FOR ADJUSTMENT:** None - terms are considered to be cash equivalent.

CONFIRMED WITH: Joe Henry
Dan Mock, Key Bank of Alaska 564-0446
Joe Henry

BY/ DATE: C. Horan/11-12-92
C. Horan/11-17-92
DLP/3-94

PRESENT USE: Vacant

INTENDED USE: Logging

IMPROVEMENTS: None

HIGHEST & BEST USE: Logging

LEGAL ACCESS: Yes

TOPOGRAPHY: Moderate to undulating

PHYSICAL ACCESS: Boat, Plane

SITE SHAPE: Irregular

ROAD IMPROVEMENTS: None

SOILS: Good with thin organic layer that supports heavy timber.

UTILITIES: None

EASEMENTS: Typical

ZONING: None

WATERFRONT: 1,410 feet ocean

VEGETATION: Heavily forested with hemlock, spruce and cedar.

MARKET EXPOSURE: Site was reportedly listed at \$1,500,000 for over a year prior to foreclosure. Several offers between \$1.0 million and \$1.2 million, but site foreclosed before execution of these offers. Key Bank marketed at \$1.2 million before this offer.

SUPPLY & DEMAND CHARACTERISTICS: Limited market for large acre parcels in this area.

BASIS FOR PURCHASE PRICE: Negotiated.

BUYER/SELLER MOTIVATION: Seller had foreclosed on previous owner and desired to minimize its losses. Buyer intended to log the site in order to pay off the note and was unsure of what he would do with the remainder.

COMMENTS:

The following information was provided by C. Horan, MAI who had interviewed the buyer. The buyer confirmed that that Mr. Horan's analysis was representative of the transaction although he would not reconfirm the sales price. Unable to contact seller's representative to confirm detail.

The site consists of 23 mining claims that encompass steep mountainous slopes up to 3,500 feet above sea level. It contains nearly 340.7 acres, with an estimated 1,410' of water frontage. Two creeks run through the site. The topography is moderate to undulating with about 15 acres of level cleared area near the beach. There is a relatively well protected anchorage in Copper Harbor. The site is remote and has no utilities. It is not within a municipal boundary and is not subject to zoning restrictions or tax assessments. Merchantable timber quantity estimates ranged from 5 MMBF to 8 MMBF. Seller estimated it was between 5 and 7 million board feet. Buyer subsequently indicated that it was less than the sellers estimate.

Buyer was motivated by its timber potential. There was no formal stumpage value estimate or detailed logging program developed at the time of purchase. The purchasers retained Sullivan Logging Company to log the site with Charlie Nash as the onsite consultant. Buyer tried to sell stumpage but was unable to locate a buyer, perhaps due to the high asking price. The buyer had five or six different ideas of what type of development would occur on the site. He felt at the time of purchase that the timber had to pay the entire price with no particular residual to the cutover land or subsurface mineral estate. Buyer was vague on timber values and stumpage estimates.

COMPARABLE LAND SALE NO. 36

DATE OF SALE: 4-92 **SIZE (ACRE):** 264.18 **PRICE/ACRE:** \$348 **RECORD NO.:** 36

STATE: Alaska **RECORDING DISTRICT:** Valdez

USGS QUAD MAP NO.: Cordova D-7

REGION: Southcentral

SUB-REGION: Prince William Sound

COMMUNITY/NEIGHBORHOOD: Fidalgo Bay

LOCATION: South shoreline of Fidalgo Bay, East of Irish Cove, Prince William Sound, Alaska

LEGAL DESCRIPTION: USMS 1584, Patent No. 1072905, Section 35, T12S, R7W, and Sections 2 and 3, T13S, R7W, Copper River Meridian

RIGHTS CONVEYED: Fee simple surface and subsurface estate.

GRANTOR: Charles Herbert

GRANTEE: Citigreen, Inc.

TAX ID:

INSTRUMENT: SWD

BOOK/PAGE: 116/454

RECD'G DATE: 04-92

SALES PRICE: \$92,000

TERMS: Cash

CEV/ADJ. PRICE: \$92,000

BASIS FOR ADJUSTMENT: None

CONFIRMED WITH: Chuck Herbert, Grantor, 248-9140

Bob Rice, Grantee

Claire Doig, Forest and Land Management (206) 866-8045

BY/ DLP/3-94

DATE: DLP/3-94

SEC/3-94

PRESENT USE: Defunct Copper Mine

INTENDED USE: Logging

IMPROVEMENTS: Vacant

HIGHEST & BEST USE: Logging

LEGAL ACCESS: Yes

TOPOGRAPHY: Undulating to very steep

PHYSICAL ACCESS: Boat, Float Plane

SITE SHAPE: Irregular

ROAD IMPROVEMENTS: None

SOILS: Good

UTILITIES: None

EASEMENTS: None

ZONING: None

WATERFRONT: 1,200' ocean frontage

VEGETATION: Hemlock mixed with spruce.

MARKET EXPOSURE: The subject was on and off the market for over ten years.

SUPPLY & DEMAND CHARACTERISTICS: Limited demand for large acreage parcels in this region.

BASIS FOR PURCHASE PRICE: Negotiated. Price was gradually lowered over a 10 year period from \$400,000 to \$250,000, the listing price at date of sale.

BUYER/SELLER MOTIVATION: Buyer desired site for its timber. Sellers were becoming elderly and land was surplus to their current needs.

COMMENTS:

This parcel consists of 15 patented claims formerly mined for copper. The seller indicates there is over 5,200 feet of mining tunnels on the site. A large portion is very steep upland with marginal shoreline influence. Nearby Irish Cove offers protected waters. The predominate shoreline profile is low to medium bank. Upland terrain ascends steeply from the shoreline and then changes to an undulating plateau of approximately 50 acres. Some logging on a small portion of the upland occurred in the early 1980's. Buyer has established a logging operation adjacent to this site. Seller granted the buyer permission to conduct a timber cruise which indicated between 90 and 100 acres had merchantable timber. Based on this information the buyer offered to buy the timber rights for \$48,000. The seller refused because he wanted to divest himself of the entire parcel. The final sales price of \$92,000 was negotiated. Seller indicated that the \$92,000 sales price represented the fair market value of the site. Seller does not believe that the Exxon oil spill impacted the value of his site. There is no evidence of undue stimulus or duress affecting the sales price of this property. The buyers completed the purchase after having discussed a sale of the cutover land with Tatitlik Corporation - the owner of surrounding lands. According to Mr. Claire Doig, an independent forester and land manager representing Tatitlik, \$35,000 (\$132/acre) was the tentative figure for the cut-over land. Mr. Doig reported that the market prospects for the cut-over land were nil but the acquisition would have eliminated a potential nuisance and minimized a perceived liability (abandoned mine shafts). Per Mr. Doig, the subsequent sale of the cutover land was never completed and the \$132/acre indicator was not supportable in the marketplace. If the transaction had been consummated, the transaction would have reflected the influence of undue stimulus and a nuisance value at best. Mr. Doig is confident that the buyers recovered all of their investment from the timber and suggested that \$100 per acre was the upper-end of allocations that can be justified for cut-over land in Alaska. Mr. Rice reported that his company usually assumes a residual value of between \$50 and \$100 per acre for cut over land. He indicated this may be low in comparison to the residuals allocated in other parts of the country but cited the lack of a market and a relatively long regeneration time for the resource.

COMPARABLE LAND SALE NO. 37

DATE OF SALE: 2-93 **SIZE (ACRE):** 190.4 **PRICE/ACRE:** \$1,822 **RECORD NO.:** 37

STATE: Alaska **RECORDING DISTRICT:** Ketchikan

USGS QUAD MAP NO.: Ketchikan A-6, B-6

REGION: Southeastern

SUB-REGION: Ketchikan

COMMUNITY/NEIGHBORHOOD: Gravina Island

LOCATION: Gravina Island

LEGAL DESCRIPTION: USMS 725

RIGHTS CONVEYED: Fee simple except for oil and gas.

GRANTOR: Gravina Island Associates

GRANTEE: MRGC Timberland Ltd. Partnership

TAX ID: 3050000-082000

INSTRUMENT: SWD

BOOK/PAGE: 212/127

RECD'G DATE: 8-5-93

SALES PRICE: \$347,000

TERMS: Would not disclose. As site was purchased for logging, terms are assumed to be cash or its equivalent.

CEV/ADJ. PRICE: \$347,000

BASIS FOR ADJUSTMENT: None - terms are considered to be cash equivalent.

CONFIRMED Connie, Haines Assessing office

WITH: Larry Blydenstein, MRGC Timberland (206) 452-4933

BY/ DLP/01-94

DATE:

PRESENT USE: Vacant

INTENDED USE: Logging

IMPROVEMENTS: None

HIGHEST & BEST USE: Logging

LEGAL ACCESS: Yes

TOPOGRAPHY: Varies from level to hilly

PHYSICAL ACCESS: Boat, airplane

SITE SHAPE: Varies

ROAD IMPROVEMENTS: None

SOILS: Good

UTILITIES: None

EASEMENTS: Normal

ZONING: General

WATERFRONT: Ocean

VEGETATION: Forested - Moderately Dense

MARKET EXPOSURE: Buyer approached seller. Seller would not comment on market exposure.

SUPPLY & DEMAND CHARACTERISTICS: Buyer indicates that there is a shortage of timber land in southeastern Alaska and the western United States.

BASIS FOR PURCHASE PRICE: Timber cruise and subsequent negotiation.

BUYER/SELLER MOTIVATION: Seller motives unknown. Buyer motives are profit driven.

COMMENTS:

Seller would not disclose terms of the sale. Buyer would confirm everything except price. Buyer did say that the price was not very much above the reported \$347,000, that the seller had paid for the site in February 1993. Seller had acquired the site in a non-arms length transaction. Buyer indicates that no value was allocated to the cut-over site. They would not have acquired the site if the value of the timber alone had not yielded a satisfactory return. Mr. Blydenstein indicated that he is unaware of any market for cut-over timberland in Alaska because of the extensive amount of time for regrowth to occur. It is his opinion that \$100 per acre may be a little high as a value for cut over land considering that there is no known market for cut-over timber land. However he felt that maybe it represented a fair speculation considering that taxing authorities generally assess cut over timber land at very low values so that the holding costs are almost minimal.

COMPARABLE LAND SALE NO. 38**DATE OF SALE:** Fall 1993 **SIZE (ACRE):** 10,634.43 **PRICE/ACRE:** \$125 **RECORD NO.:** 38**STATE:** Alaska **RECORDING DISTRICT:** Palmer**USGS QUAD MAP NO.:** Anchorage C-7**REGION:** Southcentral**SUB-REGION:** Talkeetnas**COMMUNITY/NEIGHBORHOOD:** Hatcher Pass**LOCATION:** South of the Independence Mine State Park approx. 60 road miles north of Anchorage and 20 road miles north of Palmer, Alaska**LEGAL DESCRIPTION:** Length aliquot parts description located in T19N, R1E, Seward Meridian**RIGHTS CONVEYED:** Leasehold Surface Estate**GRANTOR:** Lessor- State of Alaska**GRANTEE:** Lessee- Hatcher Pass Development Co. owned by Fred Rogers of Ketchum, Idaho**TAX ID:** N/A**INSTRUMENT:** Lease Agreement **BOOK/PAGE:** 734/350**RECD'G DATE:** 09-27-93**SALES PRICE:** \$13,300,000 **TERMS:** Base land lease is \$93,000 per annum plus sliding percentage of gross revenue.**CEV/ADJ. PRICE:** \$1,330,000 **BASIS FOR ADJUSTMENT:** Calculated by capitalizing base lease of \$93,000 by 7%.**CONFIRMED WITH:** Mike Sullivan, DNR, State of Alaska
Greek Taylor, DNR, State of Alaska**BY/ DATE:** DLP/1-94
DLP/1-94**PRESENT USE:** Recreational**INTENDED USE:** Commercial - Ski resort**IMPROVEMENTS:** None**HIGHEST & BEST USE:** Recreation**LEGAL ACCESS:** Yes**TOPOGRAPHY:** Sloping to steep**PHYSICAL ACCESS:** Automobile, airplane**SITE SHAPE:** Irregular**ROAD IMPROVEMENTS:** Gravel**SOILS:** Glacial till, alpine tundra and talus**UTILITIES:** None**EASEMENTS:** Normal**ZONING:** Talkeetna Mtns. Special Use Dist.**WATERFRONT:** None**VEGETATION:** Dense alders, weathered bedrock with alpine tundra and exposed talus.**MARKET EXPOSURE:** This site has been available for lease for many years. At least one other time the site was negotiated for a potential lease.**SUPPLY & DEMAND CHARACTERISTICS:** There are other alternative sites available. Several entities have considered similar projects in this region.**BASIS FOR PURCHASE PRICE:** Negotiation.**BUYER/SELLER MOTIVATION:** Lessor was willing to accept lower base lease value in return for performance bonds and larger percentage of future gross revenue.**COMMENTS:**

This is the 55 year lease of a large site in the northern portion of southcentral Alaska. The lease expires at midnight on September 15, 2048. The site consists mostly of steep mountainous terrains that will be developed with a ski resort. The lessee anticipates completing the first of three phases, which includes opening the ski slopes, by the fall of 1995. There is no water frontage, but there is expansive views of the Matanuska Valley and the Talkeetna Mountains.

Ground rents consist of two components, a base rent of \$93,000 per year and a sliding percentage of gross revenues. According to Greek Taylor of the State of Alaska Department of Natural Resources, the State was willing to accept a low base ground rent in order to get the project off of the ground. In return for a lower base rate they negotiated a higher percentage of the future gross revenues, and they required the lessee to post development bonds to protect them if the lessee failed to develop the site. The base ground rents are considered to be less risky than percentages of speculative revenues. A capitalization rate of 6% to 8% is considered to fairly reflect a "safe" rate. To derive a per acre indicator, we have capitalized the base annual ground rents of \$93,000 @ 7%.

$$\$93,000 \div .07 = \$1,330,000, \text{ rounded.}$$
$$\$1,330,000 \div 10,634.43 = \$125 \text{ per acre}$$

PART IV - ADDENDA



Sales of Large Remote Tracts in Alaska

Several notable transactions used in other appraisals of large tracts of remote Alaska acreage have been considered by the appraisers but disqualified as adequate data for the analysis of the subject. Due to the nature of the subject and the assignment, the inclusion of many of these transactions as "comparables" is likely to be expected. These transactions are summarized in the following table and the reasoning leading to their disqualification as adequate data are summarized in subsequent paragraphs.

| Location | Date | Seller | Buyer | Area |
|---------------------------------|-----------------|--------------------------------------|-------------------------------------|---------------|
| Various | various | various Native Regional Corporations | various agencies of the U. S. Govt. | large tracts |
| <u>National Parks</u> | | | | |
| Wrangell- St. Elias | 9-85 | M. Walker | USNPS | 160 |
| Gates of the Arctic | 6-88 | F. Gagnon | | 160 |
| Denali | 3-89 | L. Cook | | 121 |
| <u>Tok area</u> | | | | |
| Tetlin | 11-88 | Tetlin Corp. | U. S. A. F. | 2,901 |
| Tanacross | 11-88 | Tanacross Inc. | U. S. A. F. | 2,935 |
| Gulkana | 1-89 | AHTNA | U. S. A. F. | 5,409 |
| Kachemak Bay | 3-83 | Seldovia Native Ass. | Alaska DNR | 3,578 |
| | 4-85 | Seldovia Native Ass. | Alaska DNR | 960 |
| Pribilof Islands | 1-84 | St. George & St. Paul Corps. | USFWS | 8,224 |
| Hydaburg, Goat Isl. | 5-88 | Haida Corp. | USA | 4,749 |
| Tazimina Lake | 7-91 | Kijik | USNPS | 9,444 |
| Trading Bay | 12-90 | KPB | Marathon Oil | 320 |
| <u>EVOS Trustee Council</u> | | | | |
| Kachemak | 8-93 | Seldovia Native Ass. | Alaska DNR | 23,802 |
| Afognak | 11-93 | Seal Bay Timber | Alaska DNR | 41,549 |
| Kodiak | 11-94 | AKI, OHI, & Koniag | U. S. FWS | n/a |
| Kodiak Island | 10-91 | Leisnoi Native Corp. | Kodiak Isl. Borough | 660 |
| Kodiak National Wildlife Refuge | pending 8-94 | various Native Alotees | USFWS | small parcels |

Various Alaska Locations

Vast amounts of acreage in Alaska have been the subject of several proposed and completed exchanges that have occurred over the past several years. Most are characterized by a sorting-out process in which various agencies of the U. S. Government desired to reacquire tracts of land that were selected by native corporations under ANCSA. The exchanges do not represent adequate data (evidence of free open-market activity). There were no other prospective purchasers and the transactions reflect only project-related acquisitions by government agencies. In some cases, values were assigned without benefit of appraisals. In summary, the data and ultimately the "market" in which the transactions occurred, is not sufficiently adequate to derive meaningful value indicators that can be reliably correlated to the subject. While the exchanges have been considered, the data has not been used in our analysis.

Inholding Acquisitions in Various National Parks in Alaska

Three transactions represent acquisitions by the Park Service of inholdings within the boundaries of a national park (Wrangell-St. Elias, Denali, Gates of the Arctic). All are reported as arm's length transactions and as a sub-market, the market for inholdings appears to be minimally adequate. Numerous inholdings resulting from the creation of parks, wilderness, and wildlife refuges are scattered throughout Alaska. Inholdings can be strategic as commercial sites and/or desirable for private recreation. The presumption of suitable alternatives and numerous purchasers is not unreasonable.

If the properties were exposed to the market for a reasonable period, the purchase price eventually negotiated by a private sector purchaser could provide evidence of market value. However, where a negotiated sale does not follow a reasonable marketing period, the relevance of the data is suspect - particularly if the purchaser is a government agency under undue stimulus in the form of potential private development that would be incompatible. Project-related acquisitions are generally inadequate as evidence of market activity - at best reflecting only the price the seller was willing to accept, given knowledge of the purchasers motivations and a supposition of "deep pockets".

Pribilof Islands - Bering Sea, Alaska (1-84)

This parcel was acquired to preserve bird and seal sanctuaries in a coastal marine environment. The transaction is inadequate as evidence of meaningful "market" activity. First, the purchase was project-related. Assuming the tracts represent bonafide strategic or crucial habitat, there could not be numerous sellers offering suitable substitutes. Second, there were not numerous purchasers for these parcels. Subsequent to closing, the reasonable probability of recovering the investment is perceived to be little to none. The purchase price, approximately \$640 per acre, was reported to have been established by a 1984 Congressional Act (PL 96-487).

Subsequently, a U. S. Fish & Wildlife Service appraisal, based on the economic Highest and Best use, concluded a value of only approximately \$83 per acre.³³ "The price authorized by Congress in that instance - eight times the market value - represented, not the workings of a market, but rather a political decision and a possible example of poor public policy judgment."³⁴ Finally, the sale occurred prior to the general crash in Alaska "market" values.

Kachemak Bay, (Tutka Bay), Kenai Peninsula, Southcentral Alaska (3-83)

The transaction represents a project-related re-acquisition of lands by the State of Alaska. The parcel, situated within the boundaries of Kachemak Bay State Park, had been selected by the Seldovia Native Corporation pursuant to ANCSA. The transaction (an exchange) occurred prior to the crash in real estate values in the mid-80s. Furthermore, with the exception of waterfront acreage, there were not numerous prospective buyers for the property in bulk - much of which consists of steep backlands. Nor were there numerous sellers offering suitable alternatives. The tract was a key component of the project.

Given these circumstances, the transaction is not evidence of meaningful "market" activity and its use in an appraisal seeking market value is inappropriate.

³³. Victoria Adams and Bill Mundy, MAI, "The Valuation of High-Amenity Natural Land", *The Appraisal Journal* (January 1991) 48-53.

³⁴. Richard J. Roddewig, MAI and Gary R. Papke, "Market Value and Public Value: An Exploratory Essay", *The Appraisal Journal* (January 1993) 52-62.

Kachemak Bay, (near Halibut Cove), Kenai Peninsula, Alaska (4-85)

This transaction also represents a project-related re-acquisition by the State of Alaska in the same area. For the same reasons summarized in the previous paragraph, use of this transaction is inappropriate.

Goat Island - Hydaburg, Southeast Alaska (5-88)

This transaction was reported as a complex 3-part transaction resulting from the Haida Land Exchange Act of 1986. The legislation engineered a major acquisition by the U. S Forest Service that effectively rescued the owner, the Haida (Native) Corporation, from bankruptcy. The final values were arbitrarily assigned without the benefit of an appraisal. The transaction represents only the workings of political processes rather than evidence of free and open market activity.

Tok - Interior Alaska (11-88)

The U. S. Air Force acquired three large tracts in the interior of Alaska in late 1988/early 1989. Any perception that the number of transactions (3) represent an active marketplace is misinterpreted. All three are located in the same general area and represent project-related acquisitions by the same government agency for the "back-scatter" over-the-horizon radar system. For Air Force accounting purposes, they are identified as the Tok and Gulkana acquisitions. The two sites are differentiated by the nature of the property rights conveyed. Ahtna conveyed the Gulkana site in fee simple. Tanacross and Tetlin conveyed only a perpetual easement to the Tok site.

According to Moira Dennis, a real estate specialist with the U. S. Air Force at Elmendorf Air Force Base, the Corps of Engineers normally serves as an agent for such acquisitions. Per Ms. Dennis, Ahtna was not willing to accept the appraised values. Condemnation was considered. Attorneys for the land owner (Ahtna) went to Washington and negotiated the transaction at a higher level - with the Deputy Secretary of the Air Force. Likewise, the land owners of the Tok sites (Tanacross and Tetlin) were not willing to accept the appraised values and the negotiation proceedings went to a higher administrative level.

Consideration of these transactions as evidence of market activity is inappropriate. There were not numerous buyers driving values and the

properties had not been exposed to the market. Market prospects for the properties were slim to none. Such market conditions suggest that negotiations would heavily favor the buyer. Yet, the net result suggests gun-to-the-head negotiations in which the purchaser was at the wrong end. Given the project's criteria with regard to location, elevation, etc., and the extreme pressure to keep the project on a time-line - suitable alternatives, if any, were not practical. The parcels were appraised just prior to the acquisitions by an MAI appraiser. The appraiser concluded the Highest and Best Use was speculation and the per acre value conclusions ranged from \$200 to \$300 (fee simple). Administratively negotiated prices reflect per acre indicators from \$476 to \$511 per acre.

It should be noted that the U. S. Air Force acquired only perpetual easements on the Tok site(s). The agreement provided for a reversion back to the land owner in the event the Air Force abandoned the site. Abandonment, in terms of time, is defined as one year. Due to a cut in project funding, the site was never utilized. As of February 1994, an "Environmental Close-Out" was pending in Washington and the site is expected to revert back to the land owners (Tanacross and Tetlin). The Air Force is not entitled to any refunds, rebates, or prorations. In effect, the U. S. Air Force bought an option on a perpetual easement to 5,836 acres - at a price nearly double the appraised value of the fee simple interest. In summary, these transactions cannot be construed as evidence of open market activity. Their use in an appraisal seeking "market value" is wholly inappropriate.

Tazimina Lake - Lake Clark, Western Alaska (7-91)

This acreage, "selected" under ANCSA, lies within the boundaries of Lake Clark National Park and Reserve. A conservation easement purchased by the U. S. National Park Service effectively re-acquired the property for public use and assured compatibility with the management of the park/preserve. As a project-related acquisition, the transaction is not considered to provide a reliable indicator of "market" value. With the exception of a handful of waterfront parcels, market prospects for the property would have been poor and the only probable purchaser of this large block of acreage was the purchaser - a government agency under undue stimulus - the prevention of incompatible development. The objectives of the Park Service are not market driven and use of the data in the valuation of the subject is not appropriate.

Trading Bay - West Cook Inlet, Southcentral Alaska (12-90)

Marathon Oil Company acquired a 320 acre parcel (\$923/acre) on the west side of Cook Inlet for use as a drilling mud disposal site. The acreage is set-back from the water and is accessible to/from the limited infrastructure of the area by a gravel road. While the sale represents an arm's length transaction, it does not provide a reliable indicator of value.

First, the price is not supported by the sales and listings of similar tracts on the eastside of the Inlet - a submarket characterized by numerous sellers and buyers. Parcels (40 to 160 acres) with paved road access, available gas and electricity, are generally available for less than \$1,000 per acre. An 80 acre parcel with similar topography, located on the east side of the Inlet near the waterfront, roads, and commercial dock facilities was offered for sale during a six-month listing period in 1992 for approximately \$600 per acre. According to the listing agents, interest was minimal and the listing expired without an offer.

Second, in the sub-market in which the transaction occurred, there were not numerous sellers and the purchaser had few practical alternatives given the nature of the intended use. According to a representative of the Kenai Peninsula Borough (owner), the purchaser already had a suitable site on the east side of Cook Inlet. However, because of objections from nearby rural residents, Marathon elected to acquire a more remote site. The Kenai Peninsula Borough was the only source.

An extremely limited pool of prospective purchasers for properties on the west side of the Inlet is insufficient to drive values and the contention that the negotiated price was justified by a scarce supply of available land is not valid. In fact, in relation to true market demand, a dramatic oversupply of land is available. Although not marketed, the extensive holdings of the Kenai Peninsula Borough are generally available for purchase, lease, etc. In summary, the data is not considered to provide a reliable indicator of value and has not been included in our analysis.

Acquisitions by the Exxon Valdez Oil Spill Trustee Council

The settlements of civil and criminal suits stemming from the 1989 Exxon Valdez Oil Spill created super-funds of cash. The most notable is the \$900 million fund that is overseen by the Exxon Valdez Oil Spill Trustee Council. Approximately 19 parcels have been targeted for acquisition to preserve habitat. To date, acquisitions in Kachemak Bay on the Kenai Peninsula and on Afognak Island have been completed.

Understandably, acquisitions by the EVOS Trustee Council should not be considered evidence of free open-market activity. First, there are not numerous sellers. The Council is not free to shop throughout the state for alternatives for which there may be a greater urgency. Rather, the Council is directed to a limited number of specific properties that meet certain criteria - habitat for species affected by the oil spill.

Second, except for viable timberlands, there are not numerous buyers. The funds represent a one-time windfall, afterwhich, a reasonable probability of subsequent buyers for these large tracts is little to none. In otherwords, there is no sense of continuance. It would be difficult to support a contention that a transaction was representative of "market", if, immediately after closing the realistic prospects for reselling or otherwise recovering the investment in the foreseeable future were little to none.

Nevertheless, we have analyzed the transactions in order to identify meaningful indicators, if any.

Kachemak Bay

The re-acquisition of approximately 24,000 acres within the boundaries of Kachemak State Park had been pursued for approximately 15 years. For the past several years, the project had been a dead issue until recently resurrected as a result of the Exxon Valdez Oil Spill and subsequent settlements. Appraisers for both parties indicated an unusually wide range of value (excluding timber) from approximately \$12 million to \$23 million.

The upper-end indicator was based on a Highest and Best Use stated as "...natural land to be preserved and managed for its scenic, wildlife, and

recreational resources”³⁵. This conclusion was inappropriate and nearly all of the comparables used in the analysis would not meet the test of a market transaction. The appraisal was flawed.

The lower-end indicator was based on a Highest and Best Use stated as “...for recreational use and that the property be included in the Kachemak Bay State Park”³⁶. This conclusion was inappropriate but the appraisers employed a creative mathematical “attribute point system” that was not without merit.

An appraisal review panel consisting of three independent appraisers could not concur with either value estimate and concluded a value of approximately \$18 million including timber. It should be noted that the appraisers on the review panel did not independently appraise the property. The panel had only one week to complete an assignment that was extremely limited in scope. The panel relied largely on the data and Highest and Best Use conclusions of the two appraisals. Value estimates by the panel, assuming timber was cut on a portion of the land, ranged from \$11.62 million to \$15.49 million. Direct negotiations with the state legislature resulted in a value of \$20,000,000 (including timber) - representing the upper-end of the range assuming timber was cut (\$15.49 million) plus the estimated value of the timber (\$4.5 million). An unsupported \$2,000,000 was added to the purchase price to reflect a consideration for subsurface rights.

This transaction is clearly inappropriate as a “comparable”. First, the acquisition cannot be considered as a representation of the workings of a free and open market. Second, an inappropriate conclusion of Highest and Best Use (see Highest and Best Use Analysis) was a common thread throughout the valuation process.

Afognak Island (Seal Bay and Tonki Cape)

The acquisition of 41,549 acres on Afognak Island was completed after complex negotiations were forged into an agreement subject to appraisals. Appraisals indicated the negotiated purchase price was wholly supported by the 17,166 acres at Seal Bay. Yet, the owner/seller agreed to donate 24,384 additional acres (including timber rights) at Tonki Cape in order to facilitate the transaction.

³⁵. Seldovia Native Association appraisal, Mundy - Day- Bunn (9-89)

³⁶. Seldovia Native Association appraisal, Follett and Associates (12-89)

The nuts and bolts of the deal can be perceived according to two scenarios summarized in the following table. Scenario #1 most likely reflects the perception of the owner/seller - 17,166 acres at Seal Bay were sold for \$38,700,00 and the additional 24,384 acres at Tonki Cape were donated. The donation was likely to have favorable tax consequences for the grantor. Scenario #2 fairly reflects the perception of the purchaser - simply, 41,550 acres were purchased for \$38,700,00.

| | Appraised Value Seal Bay | Appraised Value Tonki Cape | Appraised Values (aggregate) | <u>Scenario #1</u> Sale of Seal Bay Parcel (Tonki Cape donated) | <u>Scenario #2</u> Aggregate sale of both Seal Bay and Tonki Cape |
|----------------------------------|--------------------------------|----------------------------------|------------------------------------|---|---|
| Area | 17,166 acres | 24,384 acres | 41,550 acres | 17,166 acres | 41,550 acres |
| Values/Price | \$41,000,000 | \$11,000,000 | \$52,000,000 | \$38,700,000 | \$38,700,000 |
| Less: Appraised Timber Values | (\$36,500,000) | (\$3,700,000) | (\$40,200,000) | (\$36,500,000) | (\$40,200,000) |
| Ind. Residual Land Value | \$4,500,000 | \$7,300,000 | \$11,800,000 | \$2,200,000 | none |
| Ind. Per Acre Residual Value | \$262 | \$299 | \$284 | \$128 | none |

If the entire purchase price was wholly supported by the 17,166 acres at Seal Bay, why would the owner/seller leave millions of dollars on the table? The motives of the owner/seller are unclear and the transaction invites conjecture. For example, it may not be unreasonable to theorize that the owner/seller was either subject to undue stimulus or was not knowledgeable and accepted a below-market price. On the other hand, it is entirely possible the owner/seller was more aware of true market prospects than the appraisers. The agreed upon purchase price, coupled with anticipated tax treatment of the donation, was probably recognized by the owner/seller as a preferable option to risky long term prospects dependent on a volatile timber industry. Sealaska Corporation reportedly "has enough timber for another decade of harvesting...". "Koncor Forest Products, a corporation formed by Native shareholders from Ouzinkie, Kodiak, Yakutat and Chenega...", "...has enough of its own stands of trees, primarily on Afognak and Montague Islands, to last through the next 25-30 years."³⁷

³⁷. "Timber markets are good, but supplies are short", *Alaska Journal of Commerce*, (5/30/94) 11

On the Kachemak lands, merchantable timber was identified only in pockets and the resource comprised a minority component of value. Based on the appraised values reported for the Seal Bay and Tonki Cape parcels, the timber resource represents the majority component of value. The transaction reflects arm's length negotiations. And, given that parcels were presumably suitable for an economic use (timber), it is not unreasonable to speculate that values would be driven by the supply and demand characteristics of the timber industry. Assuming other timberlands are available and more than one timber company competes in the industry - the value of viable timberlands should be optimized. However, without knowledge of the extent that favorable tax treatment on the donation might offset the \$13,300,000 left on the table (difference between the appraised values and the negotiated price), the willingness on the part of the owner/seller suggests that the appraised values are suspect.

Ultimately, the "donation" of the Tonki Bay tract dilutes the reliability of this transaction as evidence of free open-market activity. The trail of the negotiations suggests that the agreed-upon price of \$38,700,000 represents an approximation of a pre-determined objective of the owner/seller. If the owner/seller was not subject to duress or undue stimulus, the donation represents an acknowledgment on the part of the owner/seller of the real-world prospects for much of Alaska's remote acreage.

The transaction has some elements of a market transaction. And, it is important to recognize that the entire purchase price was supported by the economic value of the timber resource. The subjects have none. A property with a quantifiable timber resource cannot be considered "comparable" to one without simply because their "intended" uses are the same. If the transaction reflects any meaningful indicator - it is the indicated range of allocations for "cut-over" timber land - \$0 to \$128 per acre (see analyses in previous table). The allocations may fairly reflect an acknowledgment of the minimal per acre values that can be justified for large tracts of remote land for which long-term "speculation" is the Highest and Best Use.

Kodiak Island (Akiok-Kaguyak, Old Harbor, Koniag)

As of the date of valuation, negotiations are underway for the acquisition of tens of thousands of acres in the southwest region of Kodiak Island. Preliminary reports indicate negotiations are expected to finalize at 2 to 3 times the appraised market value estimates even though agency reviewers at the highest level in Washington concluded the methodology employed was reasonable and the individual value estimates were well-supported.

An investigation of the circumstances surrounding the acquisitions will indicate undue stimulus is a factor in the acquisition process. The prevention of development that might be incompatible with the goals and objectives of the Refuge, and the securing of habitat for the recovery of species supposedly affected by the spill, are atypical motivations based on subjective criteria. Also, there was pressure to complete negotiations prior to the November 3, 1994 elections as particular outcomes may not have been favorable for either the land owners or advocates for the acquisitions.

Summary of EVOS Acquisitions

Resemblance to arm's length negotiations for properties not under the threat of eminent domain is not sufficient to qualify a transaction. These acquisitions clearly do not meet the tests of a market transaction. Noticeably absent is the "principal of substitution" and market exposure - two significant considerations in the analysis of any transaction. Neither should the acquisitions be construed as indications of the premium public agencies must pay to acquire property for the public interest. It is important to recognize that the "sellers" in the acquisitions to date, are Native Corporations. As previously noted, undeveloped lands belonging to Native Corporations enjoy exemption from taxes, if any, and special protection from creditors. Furthermore, cultural resources (archaeological sites) have been documented on most of the EVOS parcels. Understandably, the Use and/or Investment Value to a Native Corporation may be higher than "market" value. It is not unreasonable to conclude that the price at which a Native Corporation would be willing to sell - would likely be higher than the price at which a typical owner would sell. Therefore, sales prices reflected by transactions in which undeveloped Native Corporation property was conveyed may reflect only indicators of "personal value" - as opposed to the economic concept of market value.

Salonie Creek - Kodiak, Alaska (10-91)

This is a large tract of land acquired by the Borough for public use. It had been utilized as a military firing range. The property had not been exposed to the market but the market for this property type could be described as sufficiently active that the parties would be knowledgeable. However, the sale has little relevance to the value of the subject because it is not remote. The parcel is located near the City of Kodiak, has road access and electricity is available. It is zoned Rural Residential and subdivision into homesites was a probable use of usable portions.

Pending Small Parcel Acquisitions in the Kodiak NWR

We are aware that the U. S. Fish and Wildlife Service is currently pursuing the acquisitions of several Native Allotments on Kodiak Island within the boundaries of the Kodiak National Wildlife Refuge. As of the date of this report, the transactions have not been consummated and details are not available. The Federal portion of the EVOS settlement is believed to be the source of funds for these acquisitions. Even if details were available, it is unlikely the transactions would qualify as adequate data for valuation purposes. They represent project-related acquisitions by a government agency subject to undue stimulus - the prevention of development incompatible with the goals and objectives of the Refuge. The transactions cannot be considered evidence of free and open market activity.

Conclusion

The transactions analyzed are not appropriate for use in an appraisal seeking "market" value. Acquisitions by public agencies and the EVOS Trustee Council discussed previously do not qualify as adequate evidence of free open-market activity. Liberal acceptance of their intended uses (preservation/conservation) as their Highest and Best Use, and considering them as "comparables" would result in subsequent flawed appraisals - economically unsupportable value estimates. In other words, one flawed appraisal, "supported" by the consummation of the deal, spawns another so that the appraisal process begins to establish, rather than measure, value.

Supplemental info

Our allocation of premium water frontage is based on a review of the topographical maps and an aerial inspection. Worksheet measurements are noted on the topographical maps. The allocation of premium waterfront acreage is calculated as follows:

| General Locale | EVOS Ref.# | Est. Miles of WTF w/Favorable Topography | Acres per Mile @ Avg. Depth of 660' | Est. Premium WTF Acres. |
|-------------------|------------|--|-------------------------------------|-------------------------|
| Eshamy Lagoon/Cr. | CHE 01 | 7.75 miles | x 80 | 600 acres |
| Eshamy Lake | CHE 01 | 3.50 miles | x 80 | <u>280 acres</u> |
| <i>Total</i> | CHE 01 | | | 880 acres |

| | | | | |
|-------------------|--------|------------|------|------------------|
| Jackpot Bay | CHE 02 | 7.00 miles | x 80 | 560 acres |
| Jackpot Lakes/Cr. | CHE 02 | 2.00 miles | x 80 | <u>160 acres</u> |
| <i>Total</i> | CHE 02 | | | 720 acres |

Summary (Allocation of Strategic Waterfront Acreage)

Significant quantities of land in Prince William Sound have been generally unavailable for decades and a projection of probable land use patterns is speculative. However, in order to recognize the contribution of strategic waterfront acreage contained within the boundaries of a large tract, we have developed a method of allocation that recognizes an appropriate average "depth" for waterfront acreage that can be expected to command a premium and the extent of the water frontage featuring favorable physical features and characteristics (topography, etc). The allocations are summarized as follows:

| EVOS Parcel No. | CHE 01 | | CHE 02 | |
|--|------------|------|------------|------|
| Total Acreage | 7,900 | 100% | 12,900 | 100% |
| Premium Waterfront Acres | <u>880</u> | 11% | <u>720</u> | 6% |
| Non-Premium WTF & Contiguous Backlands | 7,020 | 89% | 12,180 | 94% |

November 3, 1993
TRANSALASKA TITLE INSURANCE AGENCY, INC.
PRELIMINARY COMMITMENT FOR TITLE INSURANCE

To: USDA Forest Service - J. Harmening
40-0109-3-0331 / 43-0109-4-0012
P.O. Box 21628
709 W. 9th Room 501b
Juneau, Ak 99802-1628

Order Number: 1932677 Amended #1

A consolidated statement of all charges
will be provided at closing.

Effective Date: September 14, 1993 at 8:00 a.m.

| | <u>Amount</u> | <u>Premium</u> |
|--------------------------|---------------|----------------|
| Owner's Coverage | Not disclosed | \$ 250.00 |
| Extra Parcel Charge | | \$ 750.00 |
| Additional Parcel Search | | \$1,600.00 |

First American Title Insurance Company, agrees to issue, or cause to be issued, on request and on recording of any appropriate document, a policy or policies as applied for, with coverages as indicated, based on this preliminary commitment that title to the property described herein is vested on the date shown above in:

THE CHENEGA CORPORATION, an estate in fee simple

subject only to the exceptions shown herein and to the terms, conditions and exceptions contained in the policy form. This report and commitment shall have no force or effect except as a basis for the coverage specified herein.

TRANSALASKA TITLE INSURANCE AGENCY, INC.

Cheryl L. Vargas, Title Officer

November 3, 1993
TRANSALASKA TITLE INSURANCE AGENCY, INC.
PRELIMINARY COMMITMENT FOR TITLE INSURANCE

To: USDA Forest Service - LMW/Harmening
40-0109-3-0331
P.O. Box 21628
709 W. 9th Room 501b
Juneau, Ak 99802-1628

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THE CHENEGA CORPORATION, an estate in fee simple

subject only to the exceptions shown herein and to the terms, conditions and exceptions contained in the policy form. This report and commitment shall have no force or effect except as a basis for the coverage specified herein.

TRANSALASKA TITLE INSURANCE AGENCY, INC.

COPY

Cheryl L. Vargas, Title Officer

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DESCRIPTION:

PARCEL NO. 1:

Sections 6, 7, 18 and 19, Township 4 North, Range 9 East, Seward Meridian, Valdez Recording District, third Judicial District, State of Alaska.

PARCEL NO. 2:

Sections 1 through 5 and Sections 7 through 36, Township 4 North, Range 8 East, Seward Meridian, Valdez Recording District, Third Judicial District, State of Alaska.

PARCEL NO. 3:

Sections 11 through 15, Sections 22 through 28 and Sections 33 through 36, Township 4 North, Range 8 East, Seward Meridian, Valdez Recording District, Third Judicial District, State of Alaska.

EXCEPTING THEREFROM the subsurface estate and all rights, privileges, immunities and appurtenances of whatsoever nature, accruing unto said estate pursuant to the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688, 704; 43 U.S.C. 1601, 1613 (f) (1976) as reserved by the United States of America in the Patent of record to said land as to Section 22, 27 and 28.

PARCEL NO. 4:

Sections 5 through 7 and Section 18, Township 3 North, Range 8 East, Seward Meridian, Valdez Recording District, Third Judicial District, State of Alaska.

PARCEL NO. 5:

Sections 1 through 4, Sections 8 through 17, Sections 22 through 24 and Section 27, Township 3 North, Range 7 East, Seward Meridian, Valdez Recording District, Third Judicial District, State of Alaska.

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PARCEL NO. 6:

Sections 11, 14, 15, 22 thru 27 and Section 36, Township 1 North, Range 8 East, Seward Meridian, Valdez Recording District, Third Judicial District, State of Alaska.

EXCEPTING THEREFROM the subsurface estate and all rights, privileges, immunities and appurtenances of whatsoever nature, accruing unto said estate pursuant to the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688, 704; 43 U.S.C. 1601, 1613 (f) (1976).

PARCEL NO. 7:

Section 1, 2, 11 thru 14, 19, 24, 30 thru 33, Township 1 North, Range 9 East, Seward Meridian, Valdez Recording District, Third Judicial District, State of Alaska.

EXCEPTING THEREFROM the subsurface estate and all rights, privileges, immunities and appurtenances of whatsoever nature, accruing unto said estate pursuant to the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688, 704; 43 U.S.C. 1601, 1613 (f) (1976).

EXCEPTING THEREFROM all that portion thereof as contained in U.S. Survey No. 2496.

PARCEL NO. 8:

Section 5 thru 8, 18 thru 20, Township 1 North, Range 10 East, Seward Meridian, Valdez Recording District, Third Judicial District, State of Alaska.

EXCEPTING THEREFROM all that portion as contained in Mineral Survey 929 and U.S. Survey 1639.

EXCEPTING THEREFROM the subsurface estate and all rights, privileges, immunities and appurtenances of whatsoever nature, accruing unto said estate pursuant to the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688, 704; 43 U.S.C. 1601, 1613 (f) (1976).

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PARCEL NO. 9:

Section 1, 2, 10 thru 15, 23 thru 27, 33 and 34, Township 1 South, Range 8 East, Seward Meridian, Valdez Recording District, Third Judicial District, State of Alaska.

EXCEPTING THEREFROM all that portion thereof as contained in U.S. Survey 1728, U.S. Survey 2498 and U.S. Survey 4936.

FURTHER EXCEPTING THEREFROM all that portion thereof as contained in plat of Chenega Bay Subdivision shown on Plat Book 90 at Page 9 Valdez Recording District, Third Judicial District, State of Alaska.

FURTHER EXCEPTING THEREFROM all that portion as contained in Modified Quitclaim Deed recorded July 19, 1983 in Book 98 at Page 792 and as corrected by Quitclaim Deed recorded October 15, 1990 in Book 112 at Page 160.

FURTHER EXCEPTING THEREFROM all that portion as contained in Deed recorded June 14, 1985 in Book 102 at Page 738.

FURTHER EXCEPTING THEREFROM all that portion as contained in Deed recorded April 7, 1988 in Book 107 at Page 880.

FURTHER EXCEPTING THEREFROM all that portion as contained in Deed recorded April 7, 1988 in Book 107 at Page 891.

FURTHER EXCEPTING THEREFROM all that portion as contained in Deed recorded August 20, 1992 in Book 117 at Page 834.

EXCEPTING THEREFROM the subsurface estate and all rights, privileges, immunities and appurtenances of whatsoever nature, accruing unto said estate pursuant to the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688, 704; 43 U.S.C. 1601, 1613 (f) (1976)).

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PARCEL NO. 10:

Section 3 thru 10, 16 thru 20, 22 thru 27, 30, 33 thru 36, Township 1 South, Range 8 East, Seward Meridian, Valdez Recording District, Third Judicial District, State of Alaska.

EXCEPTING THEREFROM the subsurface estate and all rights, privileges, immunities and appurtenances of whatsoever nature, accruing unto said estate pursuant to the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688, 704; 43 U.S.C. 1601, 1613 (f) (1976).

EXCEPTING THEREFROM all that portion thereof as contained in U.S. Survey Nos. 712 and 713, Mineral Survey Nos. 782, 584, 888 and 970.

FURTHER EXCEPTING THEREFROM all that portion contained in plat of Latouche Island Townsite Subdivision Addition No. 1 shown on Plat Book 79 Page 3 and Book 79 at Page 259, Valdez Recording District, Third Judicial District, State of Alaska.

PARCEL NO. 11:

Section 1, Township 2 North, Range 7 East, Seward Meridian, Valdez Recording District, Third Judicial District, State of Alaska.

EXCEPTING THEREFROM the subsurface estate and all rights, privileges, immunities and appurtenances of whatsoever nature, accruing unto said estate pursuant to the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688, 704; 43 U.S.C. 1601, 1613 (f) (1976).

PARCEL NO. 12:

Section 2 thru 11, 16, 26, 30 thru 32 and 36, Township 2 North, Range 8 East, Seward Meridian, Valdez Recording District, Third Judicial District, State of Alaska.

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PARCEL NO. 12, CONTINUED....:

EXCEPTING THEREFROM the subsurface estate and all rights, privileges, immunities and appurtenances of whatsoever nature, accruing unto said estate pursuant to the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688, 704; 43 U.S.C. 1601, 1613 (f) (1976)).

EXCEPTING THEREFROM all that portion thereof as contained in U.S. Survey Nos. 627 and 2019.

FURTHER EXCEPTING THEREFROM all that portion thereof as contained in ANCSA Section 3(e) application AA-14423.

PARCEL NO. 13:

Sections 1 thru 3, 8 thru 17, 19 thru 23, 26 thru 35, Township 3 North, Range 8 East, Seward Meridian, Valdez Recording District, Third Judicial District, State of Alaska.

EXCEPTING THEREFROM the subsurface estate and all rights, privileges, immunities and appurtenances of whatsoever nature, accruing unto said estate pursuant to the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688, 704; 43 U.S.C. 1601, 1613 (f) (1976)).

EXCEPTIONS:

1. Reservations and exceptions as contained in United States Patent, and/or in acts authorizing the issuance thereof as to Sections 22, 27 and 28 of Parcel No. 3.
2. Taxes and/or Assessments, if any, due the City of Valdez.
(Information to follow)
3. Any defect or invalidity of the title to said land based on the fact that no patent has been issued by the United States of America. Upon the issuance of said patent and recordation thereof in the Valdez Recording District, said land will be subject to all the provisions and reservations contained therein.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or other facts which a correct survey would disclose, and which are not shown by the public records.
5. Rights of access and egress from said premises. We find no Notice in the records of any dedicated or improved roadways abutting subject property.
6. Terms, covenants, conditions and provisions, including rights of way and easements as contained in the Alaska Native Claims Settlement Act, dated December 18, 1971, U.S. Public Law 92-203, 85 Stat. 688, 43 U.S.C. 1601 et seq.
7. Reservation of the subsurface estate in said land including, but not limited to, right of entry to explore, develop or remove minerals from said subsurface estate, as set forth in Sections 14(f) and 14(g) of the Alaska Native Claims Settlement Act referred to hereinabove.

NOTE: No assurance is given as to the vertical delineation of the surface and subsurface estates in said land as provided in said act.

8. A claim, if any, of any person of a right, title, interest, or possession to the property, or any portion thereof, under the Alaska Native Allotment Act of May 17, 1906, 34 Stat 197, as amended; thence Alaska Native Claims Settlement Act of 1971 S18, 43 USC S1617; or the Alaska National Interest Land's Conservation Act of 1980, S905, 43 USC S1634.

9. Any adverse claim based upon the assertion that some portion of said land is tide or submerged lands, or has been created by artificial means or has accreted to such portion so created.
10. Any preference rights which may exist under the Alaska Land Act, terms, provisions and reservations under the Submerged Lands Act (43 USCA 1301, 67 Stat. 29) and the enabling act (Public Law 85-508, 72 Stat. 339).
11. Rights and easements of the United States over and across lands lying beneath Navigable Waters, Tidelands necessary to its jurisdiction over Commerce, Navigation and Fisheries.
12. Exceptions and reservations under Section 1303, Title 43 USCA.
13. Any prohibition or limitation on the use, occupancy or improvements of the land resulting from the right of the public or riparian owners to use any waters which may cover the land or to use any portion of the land which is now or may formerly have been covered by water.
14. Terms, reservations, conditions and provisions contained in the interim conveyance from the United States of America as herein noted

Dated: June 28, 1979
Recorded: July 19, 1979
Book: 87 Page: 381

And amendments thereto:

Recorded: November 19, 1990
Book: 112 Page: 458

And amendments thereto:

Recorded: November 19, 1990
Book: 113 Page: 753

Affects a portion of herein and other property.

15. Unrecorded Lease, including terms and provisions thereof, executed by and between (not disclosed), Lessor and PRINCE WILLIAM SOUND AQUACULTURE CORPORATION, Lessee as disclosed by instrument recorded January 27, 1981 in Book 92 at Page 911.

No representation is made as to the present ownership of said Leasehold or matters affecting the rights or interests of the Lessor or Lessee arising out of or occasioned by said Lease.

16. Federal Tax Lien:
Against: CHENEGA CORPORATION
Amount: \$3,648.68
Filed: September 30, 1985
Reception No.: 85-000824
17. Unrecorded Lease, including terms and provisions thereof, executed by and between (not disclosed), Lessor and CHN, INC., Lessee as disclosed by instrument filed June 20, 1987
Reception No. 87-540.

No representation is made as to the present ownership of said Leasehold or matters affecting the rights or interests of the Lessor or Lessee arising out of or occasioned by said Lease.

18. Agreement, including terms and provisions thereof, executed by and between the parties indicated for the purpose set out therein:
First Party: CHENEGA CORPORATION
Second Party: CHN, INC.
Recorded: October 11, 1988
Book: 108 Page: 668
Purpose: Memorandum of Agreement
19. Agreement, including terms and provisions thereof, executed by and between the parties indicated for the purpose set out therein:
First Party: CHENEGA CORPORATION
Second Party: CHN, INC.
Recorded: October 11, 1988
Book: 108 Page: 677
Purpose: Memorandum of Agreement
20. Terms, reservations, conditions and provisions contained in the interim conveyance from the United States of America as herein noted
Dated: August 12, 1986
Recorded: April 24, 1989
Book: 109 Page: 409

21. Lease, including terms and provisions thereof:
Lessor: CHENEGA CORPORATION
Lessee: STATE OF ALASKA, DEPARTMENT OF FISH
AND GAME
Term: 5 years - commencing on the 1st day
of May, 1989 and ending on the 30th
day of April, 1994
Recorded: March 20, 1991
Book: 113 Page: 17

Affects portion of Parcel No. 2

No representation is made as to the present ownership of
said Leasehold or matters affecting the rights or
interests of the Lessor or Lessee arising out of or
occasioned by said Lease.

22. Terms, reservations, conditions and provisions contained in
the interim conveyance from the United States of America as
herein noted
Recorded: July 12, 1991
Book: 113 Page: 756

Affects Sections 11, 14 and 15 of Parcel No. 3.

23. Lease, including terms and provisions thereof:
Lessor: CHENEGA CORPORATION
Lessee: STATE OF ALASKA, DEPARTMENT OF
FISH AND GAME
Term: 5 years
Recorded: May 11, 1990
Book: 111 Page: 273

No representation is made as to the present ownership of
said Leasehold or matters affecting the rights or
interests of the Lessor or Lessee arising out of or
occasioned by said Lease.

Affects portion of Sections 20 and 21 of Parcel No. 13.

24. Lease, including terms and provisions thereof:
Lessor: CHENEGA CORPORATION
Lessee: STATE OF ALASKA, DEPARTMENT OF
FISH AND GAME
Term: 5 years
Recorded: May 11, 1990
Book: 111 Page: 281

No representation is made as to the present ownership of said Leasehold or matters affecting the rights or interests of the Lessor or Lessee arising out of or occasioned by said Lease.

Affects portion of Section 24 of Parcel No. 9.

25. Lease, including terms and provisions thereof:
Lessor: CHENEGA CORPORATION
Lessee: STATE OF ALASKA, DEPARTMENT OF
FISH AND GAME
Term: 5 years
Recorded: December 5, 1991
Book: 115 Page: 199

No representation is made as to the present ownership of said Leasehold or matters affecting the rights or interests of the Lessor or Lessee arising out of or occasioned by said Lease.

Affects portion of Section 23 of Parcel No. 13 and portion 31 of Parcel No. 12.

26. Lease, including terms and provisions thereof:
Lessor: CHENEGA CORPORATION
Lessee: STATE OF ALASKA, DEPARTMENT OF
FISH AND GAME
Term: 5 years
Recorded: December 5, 1991
Book: 115 Page: 207

No representation is made as to the present ownership of said Leasehold or matters affecting the rights or interests of the Lessor or Lessee arising out of or occasioned by said Lease.

Affects portion of Section 23 of Parcel No. 13 and portion of Section 31 of Parcel No. 12.

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27. The effect of any unrecorded and/or existing leases and tenancies.
28. Submission and our review of a Certified Corporate Resolution of the Board of Directors and/or appropriate portions of the By-Laws of the Corporation set out herein authorizing the proposed transaction:
Corporation: THE CHENEGA CORPORATION
Transaction: Not disclosed
29. THE EFFECT OF MATTERS, if any, which may affect the title and which do not specifically describe real property. The name search necessary to ascertain the existence of such matters has not been completed. The name or list of names involved in purchasing will be required in order to complete this report.
30. Any adverse claim to any portion of said land which lies within the bed of any creeks, rivers or lakes, below the mean high water line.

NOTE: State of Alaska, Division of Insurance Order R92-1 requires the immediate billing of this class of service and the collection of the charge within 30 days of the first billing. Delayed payment or nonpayment may be viewed as a rebate or inducement under AS 21.66.310.

Thank you for your order. If we may be of any further assistance, please call 561-1844.

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CHE 01
ESHAMY BAY

HABITAT PROTECTION PARCEL ANALYSIS

| | | |
|--|-------------------------|-----------------------|
| PARCEL #: CHE01 | PARCEL NAME: Eshamy Bay | SCORE: 66.0 |
| LANDOWNER: Chenega Village Corporation | | PARCEL ACREAGE: 7,900 |

| INJURED RESOURCE / SERVICE | POTENTIAL FOR BENEFIT | COMMENT |
|----------------------------|-----------------------|--|
| PINK SALMON | Moderate | Eleven documented spawning streams. |
| SOCKEYE SALMON | High | One documented stream/lake; productive spawning and rearing system. |
| CUTTHROAT TROUT | High | Highest population of cutthroat in western Prince William Sound; western and northern extent of the range. |
| DOLLY VARDEN | High | One documented stream; important overwintering area; high productivity. |
| PACIFIC HERRING | Low | |
| BALD EAGLE | High | Nine documented nest sites; critical feeding area. |
| BLACK OYSTERCATCHER | Moderate | Known feeding; probable nesting. |
| COMMON MURRE | Low | |
| HARBOR SEAL | Moderate | Important feeding area; probable haulouts in nearshore rocks. |
| HARLEQUIN DUCK | Moderate | Probable nesting; feeding and loafing in nearshore waters. |
| INTERTIDAL/SUBTIDAL BIOTA | Moderate | Sheltered rocky intertidal and estuary habitats. |
| MARBLED MURRELET | Moderate | Probable nesting; feeding and loafing in nearshore waters. |
| PIGEON GUILLEMOT | Low | |
| RIVER OTTER | High | Feeding on streams and intertidal; documented denning and latrine sites; major ADF&G river otter study area. |
| SEA OTTER | Moderate | Feeding concentrations; possible pupping. |

HABITAT PROTECTION PARCEL ANALYSIS

| | | |
|--|-------------------------|-----------------------|
| PARCEL #: CHE01 | PARCEL NAME: Eshamy Bay | SCORE: 66.0 |
| LANDOWNER: Chenega Village Corporation | | PARCEL ACREAGE: 7,900 |

| | | | | | | | | |
|---|----------|---|---|---|---|---|---|-------|
| RECREATION/TOURISM | High | Important sport and commercial fishing; hunting; sightseeing; hiking; and camping. | | | | | | |
| WILDERNESS | Moderate | Adjacent to a high-activity area; minimal development on parcel. | | | | | | |
| CULTURAL RESOURCES | Low | | | | | | | |
| SUBSISTENCE | High | Known harvest area for multiple resources; salmon, waterfowl, bear, and marine invertebrates. | | | | | | |
| | | | | | | | | |
| ECOLOGICAL SIGNIFICANCE: Highly important sockeye salmon spawning and rearing system; highest cutthroat trout population in western Prince William Sound, also, western- and northern-most extent of range; high-use recreation area. | | | | | | | | |
| ADJACENT LAND MANAGEMENT: U.S. Forest Service; Chenega Village Corporation. | | | | | | | | |
| ADDITIONAL CONSIDERATIONS: Long history of development and commercial uses within the outer bay; use will probably continue. ADF&G permanent weir site on parcel. | | | | | | | | |
| PROTECTION OBJECTIVE: 1) Maintain water quality and riparian habitats for anadromous fish; 2) maintain nesting opportunities for bald eagle, marbled murrelet; 3) minimize disturbance to nearshore and intertidal habitat use; and 4) maintain opportunities for recreational use. | | | | | | | | |
| RANKING CRITERIA | | | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | TOTAL |
| 7H, 8M | Y | Y | Y | N | Y | Y | Y | 66.0 |

¹ Parties other than landowner may own partial rights (e.g., timber, minerals).

CHE 02
JACKPOT BAY

HABITAT PROTECTION PARCEL ANALYSIS

| | | |
|--|--------------------------|------------------------|
| PARCEL #: CHE02 | PARCEL NAME: Jackpot Bay | SCORE: 72.0 |
| LANDOWNER: Chenega Village Corporation | | PARCEL ACREAGE: 12,100 |

| INJURED RESOURCE / SERVICE | POTENTIAL FOR BENEFIT | COMMENT |
|----------------------------|-----------------------|---|
| PINK SALMON | High | Eleven documented spawning streams; high productivity. |
| SOCKEYE SALMON | High | One documented spawning stream; productive spawning and rearing system. |
| CUTTHROAT TROUT | Moderate | Documented spawning and rearing. |
| DOLLY VARDEN | High | One documented stream; high productivity; important overwintering area. |
| PACIFIC HERRING | Low | |
| BALD EAGLE | Moderate | Five documented coastal nest sites; nest sites also located along stream; important winter feeding area. |
| BLACK OYSTERCATCHER | Low | |
| COMMON MURRE | Low | |
| HARBOR SEAL | Moderate | Documented haulout on nearshore island; feeding in nearshore waters. |
| HARLEQUIN DUCK | High | High potential for nesting on three streams; feeding and loafing in nearshore waters. |
| INTERTIDAL/SUBTIDAL BIOTA | Moderate | Eelgrass beds in protected embayments; mussel beds; abundant <i>Fucus</i> in head of bay; estuary habitats. |
| MARbled MURRELET | Moderate | Probable nesting; feeding and loafing in nearshore waters. |
| PIGEON GUILLEMOT | High | Large colony immediately adjacent to parcel; feeding concentrations in nearshore waters. |

HABITAT PROTECTION PARCEL ANALYSIS

| | | |
|--|--------------------------|------------------------|
| PARCEL #: CHE02 | PARCEL NAME: Jackpot Bay | SCORE: 72.0 |
| LANDOWNER: Chenega Village Corporation | | PARCEL ACREAGE: 12,100 |

| | | | | | | | | |
|--|----------|--|---|---|---|---|---|-------|
| RIVER OTTER | Moderate | Feeding on streams and intertidal; possible denning and known latrine sites. | | | | | | |
| SEA OTTER | Moderate | Feeding concentrations; possible pupping. | | | | | | |
| RECREATION/TOURISM | High | Important sport fishing; hunting; sightseeing; hiking; and camping; high-use fly-in charters; regionally important area; protected small boat anchorage. | | | | | | |
| WILDERNESS | High | Minimal development on parcel. | | | | | | |
| CULTURAL RESOURCES | Moderate | Four documented sites. | | | | | | |
| SUBSISTENCE | High | Known harvest area for multiple resources; salmon, waterfowl, bear, and marine invertebrates. | | | | | | |
| | | | | | | | | |
| ECOLOGICAL SIGNIFICANCE: Highly important pink and sockeye spawning and rearing system; high-use recreation area--sport fishing; camping; hiking; kayaking; rafting. | | | | | | | | |
| ADJACENT LAND MANAGEMENT: U.S. Forest Service; Chenega Village Corporation. | | | | | | | | |
| ADDITIONAL CONSIDERATIONS: History of subsistence use. | | | | | | | | |
| PROTECTION OBJECTIVE: 1) Maintain water quality and riparian habitats for anadromous fish; 2) maintain nesting opportunities for bald eagle, marbled murrelet and pigeon guillemot; 3) minimize disturbance to nearshore and intertidal habitat use; and 4) maintain opportunities for recreational use. | | | | | | | | |
| RANKING CRITERIA | | | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | TOTAL |
| 8H, 8M | Y | Y | Y | N | Y | Y | Y | 72.0 |

¹ Parties other than landowner may own partial rights (e.g., timber, minerals).

PROFESSIONAL QUALIFICATIONS

Diane Black-Smith, MAI

Member Appraisal Institute

Member Number 6193

Education

Graduated University of Washington (1970 - 1974) - Bachelor of Arts Degree

Graduated West Anchorage High School, 1970

Appraisal Courses Successfully Completed

| | |
|--|--|
| SREA Appraisal Course 101 | University of Alaska, 1974 |
| AIREA Appraisal Course 1B | Seattle Pacific University, 1975 |
| SREA Appraisal Course 201 | University of Alaska, 1976 |
| SREA Appraisal Course R-2 | University of Alaska, 1979 |
| AIREA Appraisal Course II | Case Studies |
| | University of Colorado, 1980 |
| | University of San Diego, 1985 |
| AIREA Appraisal Course II | Report Writing, University of Colorado, 1980 |
| AIREA Appraisal Course II | Standards of Professional Practice |
| | University of Portland, 1980 |
| | Anchorage, Alaska, 1987 |
| AIREA Appraisal Course IV | Litigation Valuation |
| | University of Colorado, 1980 & 1985 |
| Appraisal Institute - Standards of Professional Practice Parts A & B, 1991 | |
| IRWA Course 403 | Easement Valuation, 1992 |
| IRWA Course 802 | Legal Aspects of Easements, 1992 |
| IRWA Course 401 | The Appraisal of Partial Acquisitions, 1994 |

Seminars

- Debate and Open Forum on "Public Interest Value", American Society of Farm Managers and Rural Appraisers, November 1994
- 1994 Understanding Limited Appraisals & Appraisal Reporting Options
Alaska Chapter - Appraisal Institute
- 1993 Market Extractions, Alaska Chapter - Appraisal Institute
- 1993 Appraising Troubled Properties, Alaska Chapter - Appraisal Institute
- 1992 Course 403 - Easement Valuation, International Right of Way Association
- 1992 Course 802 - Legal Aspects of Easements, International Right of Way Association
- 1992 Under the Microscope: Highest and Best Use, Appraisal Institute
- 1992 Advanced Electronic Spreadsheet Lotus 1-2-3, Appraisal Institute
- 1992 Residential Appraisal Reports from a Reviewer's Perspective, Appraisal Institute
- 1991 General and Residential State Certification Review Seminar Appraisal Institute
- 1988 Alaska Condemnation Law and Procedures - Instructor
- 1987 Capitalization Workshop

Numerous special seminars and workshops with the American Institute and Society of Real Estate Appraisers from 1974 through 1992. Accumulate an average of 20 credit hours annually for recertification credit with the Appraisal Institute.

PROFESSIONAL QUALIFICATIONS

Diane Black-Smith

Page 2

Professional Recognition

| | |
|--------------------------|--|
| Past President (1987) | Alaska Chapter No. 57 of Real Estate Appraisers |
| State Coordinator (1988) | National Appointment by AIREA to represent Alaska for Legislation in the Appraisal Industry. |
| Board Member | Municipality of Anchorage, Board of Equalization (Alternate 1986, 1987, and 1988) |
| Court Experience: | Qualified as an Expert Witness in the Alaska Superior Courts and Federal Bankruptcy Court |

Employment History

Black-Smith and Richards, 2602 Fairbanks Street, Anchorage, Alaska
Owner/President - Established Company in December, 1980.

Fee Appraiser June 1977 to December 1980 with Appraisal Company of Alaska, and Noey and Associates, Anchorage, Alaska

Staff Appraiser - Department of Transportation and Public Facilities, State of Alaska, June 1975 to June 1977

Appraisal Experience

Diane Black-Smith, MAI, established the firm of Black-Smith and Richards, Inc., in December of 1980. In addition to managing the business, Ms. Black-Smith is a full time commercial real estate appraiser. She is a member of the Appraisal Institute, having been awarded the MAI (Member Appraisal Institute) on November 6, 1980, Certificate Number 6193.

Ms. Black-Smith is primarily a commercial real estate appraiser, with particular emphasis in urban properties including office and retail buildings as well as industrial warehouse type properties. Approximately 20 to 40 percent of her annual assignments involve appraisals for government acquisition for road right-of-ways, parks, school sites, and remote acreage.

Property types upon which full narrative appraisal reports have been made include warehouse, office buildings, industrial plants, convenience stores and gas stations, motels, apartments, shopping centers, and numerous special purpose type properties.

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

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

| | |
|---|----------------------------------|
| Texaco, Inc. | MAPCO, Inc. |
| Carr-Gottstein Corporation | National Bank of Alaska |
| Security Pacific Bank Alaska | Security Pacific Bank Washington |
| Alaska Railroad Corporation | The Jack White Company |
| First National Bank of Anchorage | Port of Anchorage (MOA) |
| Chrysler Corporation | U.S. Army Corps of Engineers |
| Municipality of Anchorage | City of Seward |
| Department of Housing and Urban Development | U.S. Department of the Interior |

Agencies and Clients (Cont'd)

Federal Deposit Insurance Corporation
Seley Corporation
Cape Fox Corporation
Peoples Westchester Savings Bank
The Resolution Trust Corporation
The Blomfield Corporation
7-11 Alaska Corporation
ALAGCO (SeaAlaska Corporation)
Internal Revenue Service
State of Alaska

Department of Transportation and Public Facilities
Department of Fish and Game
Department of Natural Resources
Department of Law

Northrim Bank
Weidner Investment Services
Air Van Lines, Inc.
Kenai Native Association, Inc.
Tanadgusix Corporation
San Jacinto Savings Association
Cook Inlet Region, Inc.
U.S. Navy
Key Bank Alaska

References

Vivian Dietz-Clark
Municipality of Anchorage
Department of Property and Facility Management
P.O. Box 196650
Anchorage, Alaska 99519-6650
(907) 786-8368

Bill McGrew, Vice President
Office of the President
First National Bank of Anchorage
Anchorage, Alaska
(907) 265-3559

George (Rick) Kauzlarich
Appraisal Supervisor
Right-of-Way Division
State of Alaska
Department of Transportation and
Public Facilities
Anchorage, Alaska
(907) 266-1538

Mr. Mark Pfeffer, Architect
Koonce Pfeffer Inc.
745 W. 4th Avenue, Suite 400
Anchorage, Alaska 99501
(907) 274-7443

Dennis P. Drennan, SR/WA
Manager, Realty Services Branch
Western Division, Naval Facilities
Engineering Command
San Bruno, California
(415) 877-7604

Richard Todd
State of Alaska
Assistant Attorney General
Office of the Attorney General
(907) 276-3550

R. (Robert) Smith
Real Estate Agent
Marketing Department
Texaco, USA - Seattle Division
10602 NE 38th Place
Kirkland, Washington
(206) 827-0761

Mr. Alan Trawver
Trawver Land Services
7900 Upper O'Malley Road
Anchorage, Alaska 99516
(907) 346-2433

PROFESSIONAL QUALIFICATIONS

Diane Black-Smith

Page 3

References (Cont'd)

Chris Anderson, Vice President
Key Bank of Alaska
101 West Benson Boulevard
Anchorage, Alaska 99503
(907) 562-6100

Ms. Gladys M. Wilson
Municipality of Anchorage
Department of Property and Facility Management
P.O. Box 196650
Anchorage, Alaska 99519-6650
(907) 786-8396

Mr. Jim Pfanis, Loan Officer
Commercial Real Estate
National Bank of Alaska
P.O. Box 100600
Anchorage, Alaska
(907) 265-2140

Paul Kapansky
Alaska Housing Finance Corp.
520 E. 34th Avenue
Anchorage, Alaska 99503
(907) 561-1900

No. 31

Effective: 05/24/93

Expires: 06/30/95

STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

Division of Occupational Licensing

P.O. Box 110806, Juneau, Alaska 99811-0806

Board of Certified Real Estate Appraisers

Certifies That

DIANE L. BLACK-SMITH

Is A Certified

General Real Estate Appraiser

Commissioner: Paul Fuhs

**QUALIFICATIONS OF THE APPRAISER
STEVEN E. CARLSON**

EDUCATION

University of Alaska, Anchorage - BBA in Real Estate
Real Estate Fundamentals
Real Estate Appraising
Real Estate Investment Analysis
Real Estate Law
Real Estate Management

National Association of Realtor's Courses

Fundamentals of Real Estate, Investment and Taxation
Fundamentals of Location and Market Analysis
Advanced Real Estate Taxation and Marketing Tools for Real Estate
Impact of Human Behavior on Commercial Investment Decision Making

Appraisal Courses Taken

Course 214 - Skills of Expert Testimony, International Right of Way Association, April 1994
Course 600 - Environmental Awareness, International Right of Way Association, April 1994
Course 401 - The Appraisal of Partial Acquisitions, International Right of Way Association, April 1994
Course 410 - Standards of Professional Practice, Part A (USPAP), Appraisal Institute, January 1993
Course 420 - Standards of Professional Practice, Part B, Appraisal Institute, January 1993

Seminars Taken

Syndicating the Single Family Dwelling
Exchanging A to Z
Taxation and Estate Planning
Creative Real Estate Paper
Navigable Waters and Wetlands, International Right of Way Association, April 1994
Understanding Limited Appraisals & Appraisal Reporting Options, Appraisal Institute, July 1994
Debate and Open Forum on "Public Interest Value", American Society of Farm Managers and Rural Appraisers, November 1994

BUSINESS EXPERIENCE

Black-Smith and Richards, Inc., Appraiser
Erickson and Associates, Appraiser
Licensed Real Estate Sales Associate in 1976
Licensed as Associate Broker in 1978
Currently holds a State of Alaska Real Estate Broker's License
Development of residential lots and housing

LIMITING CONDITIONS AND ASSUMPTIONS

By this notice, all persons and firms reviewing, utilizing or relying on this report in any manner bind themselves to accept these assumptions and limiting conditions. Do not use this report if you do not so accept. The following conditions are a part of the appraisal report, they are a preface to any certification, definition, fact or analysis, and are intended to establish as a matter of record that the appraiser's function is to provide a present market value indication for the subject property based upon the appraiser's observations as to the subject property and real estate market. This appraisal report is an economic study to estimate value as defined in it. It is not an engineering, construction, legal or architectural study nor survey and expertise in these areas, among others, is not implied.

Limit of Liability

The liability of Black-Smith & Richards, Inc., and employees and affiliated independent contractors, is limited to the client only and to the fee actually received by appraiser (total per appraiser). Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees that in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements of any type in such suit, regardless of outcome, client will hold Appraiser completely harmless in any such action.

Copies, Publication, Distribution, Use of Report

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of the Appraiser for the use of the client, the fee being for the analytical services only.

The Bylaws and Regulations of the Appraisal Institute of the National Association of Realtors require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate; except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he may select; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of appraiser. (See last item in this list for client agreement/consent.

Confidentiality and Use

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report, unless indicated as "Review Appraiser". No change of any item in the report shall be made by anyone than the Appraiser and/or officer of the firm. The Appraiser and firm shall have no responsibility if any such unauthorized change is made.

The Appraiser may not divulge the material (evaluation) contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the Appraisal Institute as they may request in confidence for ethics enforcement, or by a court of law or body with the power of subpoena.

Trade Secrets

This appraisal was obtained from Black-Smith & Richards, Inc., or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4). Notify the Appraiser(s) signing report or an officer of Black-Smith & Richards, Inc., of any request to reproduce this appraisal in whole or part.

Information Used

No responsibility is assumed for accuracy of information furnished by work of or work by others, the client, his designee, or public records. We are not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with Black-Smith & Richards, Inc., and possibly signing the report, are independent contractors. The comparable competitive data and market information relied upon in this report has been confirmed, to the extent reasonably possible, with one or more parties familiar with the transaction or from affidavit or other source though reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds or subject property.

Testimony, Consultation, Completion of Contract for Appraisal Service

The contract for appraisal consultation or analytical service is fulfilled, and the total fee is payable upon completion of the report. The Appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

Exhibits

The generalized sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. . Site plans are not surveys unless shown from separate surveyor.

Property Components, Soils and Legal Considerations

The appraiser and/or firm has no responsibility for matters legal in character or nature, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.

The legal description is assumed to be correct as used in this report as furnished by the client, his designee, or as derived by the Appraiser.

Please note that no advice is given, or opinion implied other than stated in this report, regarding mechanical or plumbing equipment, structural integrity or adequacy, nor soils and potential for settlement, drainage, and such (seek assistance from qualified architect and/or engineer) nor matters concerning liens, title status, and legal marketability (seek legal assistance), and such. The lender or owner may wish to require mechanical or structural inspections by qualified and licensed contractor, civil or structural engineer, architect, or other expert.

The Appraiser has inspected as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structural, or

other components. We have not critically inspected mechanical components of any type within the improvements and no representations are made herein as to (or to) these matters unless estimate considers there being no conditions that would cause a loss of value.

Dollar Values, Purchasing Power

The market value estimated, and the costs used, are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.

Inclusions

Furnishings and equipment or personal property or business operations, except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. In some property types, business and real estate interests and values may be and are combined.

Proposed Improvements, Conditioned Value

Improvements proposed, if any, on or off-site, as well as any repairs required are considered for purposes of this appraisal to be completed in good and workmanlike manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to change upon inspection of the property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and projected or as specifically labeled in the report.

Market Value: Defined, In Report, Change, Dynamic Market, Influences, Alteration of Estimate by Appraiser

The estimated market value, which is defined in the report, is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value or investment value or value in use is a reflection of such benefits and Appraiser's interpretation of income and yields and other factors derived from general and specific client and market information.

Such estimates are as of the date of the estimate of value; they are thus subject to change as the market and value is naturally dynamic.

The "Estimate of Market Value" in the appraisal 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.

Appraisal report and value estimate subject to change if physical or legal entity or financing different than that envisioned in this report.

The land or soil of the area being appraised appears firm, unless otherwise noted; however, subsidence in the area is unknown. The Appraiser(s) do not warrant against this condition or occurrence or problems arising from soil conditions. The appraisal is based on there being no hidden, inapparent, or apparent conditions of the property site, subsoil, or structures or toxic materials which would render it more or less valuable. The appraiser and firm have no responsibility for any such condition or for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment is considering to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment may be made by us as to adequacy of insulation, type of insulation, or energy rating or

energy efficiency of the improvements or equipment which is assumed standard for subject age and type.

If the Appraiser has not been supplied with a water and sewer adequacy test, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining the above mentioned items. The Appraiser has no responsibility for any costs or consequences arising due to the need, or the lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

Legality of Use

The appraisal is based on the premise that, there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building, use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

Component Values

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

Auxiliary and Related Studies

No environmental or impact studies, special market study or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report.

Management of the Property

It is assumed that the property which is the subject of this report will be under prudent and competent ownership, care and management; being neither inefficient nor super-efficient.

Continuing Education Current

The Appraisal Institute conducts a mandatory program of continuing education for its designated members; MAI Designates who meet the minimum standards of this program are awarded periodic educational certification and; MAI(s) signing the report is/are currently under this program.

Authentic Copies

The authentic copies of this report are signed in blue ink. Any copy that does not have the above is unauthorized and may be altered.

Insulation and Toxic Materials

Unless otherwise stated in this report, the Appraiser(s) signing this report have no knowledge concerning the presence or absence of toxic materials and/or urea-formaldehyde foam insulation in existing improvements; if such is present the value of the property may be adversely affected and reappraisal at additional cost necessary to estimate the effects of such. It is assumed there are no hazardous wastes buried or otherwise deposited on or under or dangerously near the subject site. No visual evidence of such waste was noted in the inspection, but no studies have been done to determine the presence or absence of such hazardous wastes; the appraiser has no liability for any hazardous material that may be found to be present or to affect the site.

Review

Unless otherwise noted herein, named review Appraiser of/from Black-Smith & Richards, Inc., has reviewed the report only as to general appropriateness of technique and format, and has not necessarily inspected the subject or market comparable properties.

Changes, Modifications

The Appraisers and/or officers of Black-Smith & Richards, Inc., reserve the right to alter statements, analysis, conclusion or any value estimate in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us when the report was finished.

Acceptance of, and/or use of, this appraisal report by client or any third party constitutes acceptance of the above conditions. Appraiser liability extends only to stated client, not subsequent parties or users of any type, and the total liability of appraiser and firm is limited to the amount of fee received by appraiser. Retention and or use of the report signifies acceptance of all assumptions and limiting conditions specified.