

Habitat Protection Workshop  
June 7 & 8, 1993

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# DRAFT

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## HABITAT PROTECTION WORK GROUP JUNE 4, 1993 8:30 A.M.

### ATTENDEES

Marty Rutherford  
Jess Grunblatt  
Kim Sundberg  
Ken Rice  
Mark Kuwada  
Cathy Berg  
Dave Gibbons  
Jerome Montague  
Art Weiner  
Howard Valley  
Jim Carmichael  
Uwe Gross  
Bill Timme  
Bob Spies  
Carol Fries  
Walt Sheridan, via teleconference

### The following items were distributed:

HPWG Field Trip Objectives  
May 28th letter to Kathryn Anderson  
May 13th letter to EVOS  
May 19th letter to TC  
June 2nd letter to Bill Wallace  
May 26th letter to Glenn Olds  
June 1st letter to Marty Rutherford

### AGENDA

1. CARL Program Report - W. Sheridan
2. Meeting with AJV - 9:00 a.m.
3. Status Report/Peer Review Workshop (6/7-8) - A. Weiner
4. Discussion Re: Afognak/Kenai Fjords Field Trip - K. Sundberg
5. TNC Data Dictionary Product - J. Grunblatt
6. Status Reports
  - Seal Bay - M. Rutherford
  - Eyak Lands - K. Rice
  - Lower Kenai/Port Chatham - K. Sundberg
7. "Services" Discussion
8. Other?

### AJV Meeting

AJV asked for this meeting but Marty is not sure what their expectations are. They probably want to understand our process better and what the timelines are.

Kim stated he is frustrated with the expectations at some of the big meetings. Eyak and Chenega were trying to make some kind of point that they were not being treated adequately and HPWG has not paid enough attention to them. It is very frustrating at the staff level to deal with this. Kim questioned how productive these meetings are and wondered if just Marty and Dave could meet with them. Marty stated that they have wanted to meet with the HPWG group. Dave stated the key is to state that HPWG cannot negotiate with them. Kim stated he didn't feel it was a productive use of his time. Marty stated it is not very productive, but the Trustees, at least Cole, expect HPWG to do this. Ken stated that AJV has said in the past that they don't particularly want to develop this land, but if they have to make money, they will. Jess questioned if they are clear on what type of process we have. Marty stated she has talked with them many times about it; however, she doesn't expect them to lobby HPWG.

Dave stated some of their problems are mainly linked to brown bear, so if you rank the parcels, they may not come out very high. Kim stated AJV was set up to give villages on Kodiak selection rights. Marty stated they are probably nervous because the feds are moving on the criminal money. Kim stated they are probably also nervous about the TC spending money on Afognak. Marty stated they are nervous about the TC spending a great deal of money and then they might have to go elsewhere to spend more. The key is that we are probably not going as fast they want. Kim stated we have to be careful that we don't create a pattern with these meetings. Ken stated that these meetings are more for the benefit of the other side rather than HPWG.

Jim Carmichael introduced the members of his group. AJV has some ideas on how to proceed. They have in excess of 100,000 acres on Afognak Island which will be for sale. Howard and Jim sent a letter to Dave explaining that and suggesting a way that they would like to proceed. AJV is uncomfortable with threats and with a process by which they exaggerate their values and HPWG underexaggerates what they are willing to pay. They would prefer a process which is more cooperative. HPWG will have a great deal of discretion in identifying tracts they might be interested in. Instead of an adversarial process, AJV would like to argue for the reasonableness of their price. They would like to work cooperatively to best combine the variables. He has come up with a model to try to explain AJV's viewpoint in terms of value. They have not done a valuation process; however, they think they have the capability to have the model spit out the value of several alternative parcels. They don't want to sell solely the areas which have the highest financial benefits and should be able to identify high and low value areas which have good habitat value.

Jim provided a diagram and stated their tracts of land are around the island. For purposes of the model, he assigned some values. The areas in black are the highest value lands they own. AJV would

not sell the highest value lands as stand-alone parcels, but they would be combined with some lower value areas to avoid being high graded. They would provide some mix and match. AJV would like to have HPWG understand how AJV can meet their financial responsibilities. If HPWG would like to select combinations, AJV would be happy to go back and try to run the variables through the computer program and come back with a price. Parcel A could be sold with any other blue parcel. The blue parcels have different values, but they would sell any of them with parcel A. Unit C is so important to AJV financially that they would only consider selling three portions. You don't get to buy B and C unless you buy everything. Marty stated this model is not very different from the model the subgroup worked with on Seal Bay. If HPWG told AJV what they like and the value is too much, the boundaries could be modified. Parcel C is so big and valuable that they would only sell it with a lot of stuff. They could knock a corner off and value it the same way they did with A and B. Kim asked if there are any tracts on Afognak that AJV would not sell. Jim stated he is not aware of any; however, there is an area, Delphin Peninsula, that was on some of the earliest maps that is not on the current map which was sent to Dave. Mark asked if the value is based strictly on timber harvests. Jim stated it is not; however, timber is the biggest resource. Marty reiterated that HPWG is not the negotiator, and the evaluations have not been completed. Marty stated that valuation information was provided by Seal Bay and used as a tool. She asked whether AJV was willing to do this. Jim stated that the confidentiality factors need to be explored first. They view HPWG as the group which identifies the highest value habitat.

Jim provided a map diagram which translates to AJV's holdings. The Lower Lakes unit is their most expensive area and corresponds to Parcel C. AJV suggested looking at the outer coast which is Parcel D. Melina Lakes has recreational value and is divided into subunits. You can't combine subunits. Art asked if AJV could overlay this data set with the interests and could you draw a map which areas they would be willing to go fee simple. Jim stated they don't have any interest in doing anything less than fee simple; however, they might consider some alternative. The assumption is that everything is fee simple. Some development includes recreational use. They are not just looking at logging but also viewsheds, cabins, and recreational zones. Jim stated they have been at this for awhile and have not been able to get to the first step. AJV would like to establish a simple process that gets more complicated as it needs to. They have a huge parcel of land that lends itself to all kinds of permutations. Dave inquired about the parcel of land they are not willing to put up. Jim stated that all of the lands in the model are pristine; however, AJV has some other land that has been committed, such as a road for cutting. What HPWG is not interested in buying will be developed. AJV would like for HPWG to tell them what they would like to get the value on.



Dave stated the TC has directed HPWG to do a comprehensive evaluation of all parcels in the oil-spill area where there is an interest. Jim stated extensive data can be made available with confidentiality restrictions. Most of the owners being surveyed in the spill area will have smaller compact tracts of land. Jim stated if HPWG wants values on selected areas, they will provide them in a timely manner. AJV's assumption is that HPWG wants manageable units. Art stated that what he is getting at is the buffer concept. Marty stated the TC has indicated that they want this information all at one time to get a sense of habitat values. AJV does not want to move from opportunity parcels to threatened parcels. Marty stated the TC wanted HPWG to identify the imminently threatened parcels as well as two opportunity parcels. The TC took the top five parcels. HPWG is in the comprehensive process now.

AJV is not going to accelerate or alter their development plans to try to influence or accelerate HPWG's process. AJV has some flexibility if they have about 6 or 8 months to alter their plans. The Delphin Point area is already committed to logging. Next year they plan to go into area 4. Art suggested that possibly HPWG could collaborate with AJV to maintain the integrity of some of the land. AJV is a partnership where they are tenants in common. All AJV lands are on the table; none of the ANC lands are. Kim asked if HPWG could access AJV lands. AJV stated absolutely, and they would welcome the opportunity to point out some things which HPWG is not familiar with. Dave stated this is the type of cooperation HPWG is interested in. AJV stated that the Seal Bay acquisition has put pressure on management.

AJV needs to update their models which work through their assumptions. The combinations could then be run reasonably quick. The next step would be to sit down with a subgroup of HPWG to determine some subsequent refinement. Art stated HPWG should be able to extrapolate the model to their polygon. AJV will leave the diagram and will make the map information available.

Kim asked if there are any Native allotments or small parcels. Jim stated there are Randalls Lodge and a dwelling on Hog Island. The only islands AJV does not own are Discovery and Delphin islands. Mark asked what does AJV want out of this. AJV stated the artistry of this situation is how does HPWG preserve the most habitat and how does AJV maintain the most timber. The blue areas can be purchased as stand alone but not the black areas. Kim asked if Koenig has any information on mineral areas. AJV has posed the question to the appraiser, and it will probably take about twenty days.

Kim will be out collecting information in the AJV area on June 28-30th. Parcels A,B,C and D will be viewed on this trip, and AJV agreed to provide an airplane for viewing their land.

## **CARL PROGRAM**

Walt indicated to Marty that he had reviewed this program. He found it to be very similar to HPWG's. They tried to keep the politics out of it but they weren't very successful. Walt felt there was nothing technically which could be built into our process with one exception, public meetings. Once the comprehensive process is done, HPWG should go out to the public and hold meetings. Additional technical and public perception information is sought.

Marty polled HPWG to see if they felt something like this would be beneficial. Ken stated HPWG should hit those areas where some evaluation has been done (Kodiak and Afognak). The public could be shown the kinds of information HPWG has obtained. Dave stated the TC was very definite about the technical merits information, and they will deal with the politics. Ken stated that you present the technical input along with the public input. The benefit is the public wants to know what we are doing. The information could be taken back to the TC. You have to evaluate where the information came from and its value. A lot of people in the smaller communities want to sit down and talk. Kim stated he doesn't want to create a whole lot of bureaucracy. The public wants to lobby the TC. Marty stated we are hearing some real frustration from the public that they don't have any input to the process. Kim stated HPWG should brief the PAG of our status.

Walt stated that some of the heavy analysis of the CARL program will not be practical for HPWG; however, it might be beneficial to ask them how the public process is helpful in dealing with the politics and narrowing the range of choices.

**ACTION ITEM:** HPWG will think of ways to accommodate the public in this program.

## **STATUS REPORT/PEER REVIEW WORKSHOP**

Carol distributed a proposed agenda for the workshop, which might need tightening up in terms of what you want to get out of it. Art broke out questions for each focus group. The modeling question has been resolved and was not worth the effort of including in the context of this workshop. Bob submitted a list of participants. It was hard to get in touch with any of the spotted owl experts. Art questioned if it is necessary to break into focus groups given the number of people attending. Bob stated the problem he sees is the efficiency of large groups; however, they are necessary for introduction of what the problems are. The primary objective is to hear from other people and try to relate their experience. Barbara will take the plenary and summary session notes on the 7th and 8th. Bob will moderate the workshop.

Carol will modify the agenda as follows:

Introduction

Overview - Art

Brief presentation - TNC and CARL

Each invitee's idea of what they have to contribute

Detailed breakout of our process - collective technical subgroups

At this point in the agenda, a decision will be made whether to break into focus groups.

Marty discussed the configuration of the meeting room. HPWG agreed to the triangle shape. The meeting will start in the large conference room and move downstairs if more space is required.

Jess requested that Remote Sensing/GIS be substituted with Information Data Requirements. Art has prepared flowchart handouts. All the packages contain information necessary during the workshop.

#### **AFOGNAK/KENAI FJORDS FIELD TRIP**

Kim provided a copy of the HPWG subgroup field trip objectives and discussed the areas and the itinerary. They will conduct an on-site habitat protection parcel analysis from Seward to Afognak which contain 12 parcel groups.

Art stated in the past they had problems knowing where they were and evaluating the wrong parcel. Kim stated he will be taking a hand-held GPS. All the resource maps will be taken on board the boat for validation. Art stated that Apple will loan a color 185-C computer for use for two weeks.

Marty stated she spoke with Carol to discuss Cathy's participation. Carol expressed concern with the technical conciseness of this process and also felt the people who had done the bird studies should be the ones going on the field trip. She basically thinks the field trip is a joy ride. Kim stated the bird people do not have the resources to do the comprehensive process. Marty wants Carol to hear the flip side of the argument. Art stated that it is necessary for Carol to understand field work. Jess stated that Carol should be shown some of the data. Marty stated there may be some way to finesse this and get Carol's cooperation. Walt stated we need to broaden our focus to get FWS' agreement rather than just Carol's. Marty stated if HPWG doesn't do this, the whole process could be endangered. Kim stated the process is working fairly well and the TC just wants good information. Walt stated it is important that DOI feels comfortable.

Jess stated he could take Tom Gerlack's information, and Cathy could be the bridge to moving the information into HPWG's process. At that point, it might make more sense to Carol. Marty suggested that Kim talk with Carol. Mark stated it is very beneficial to look at the lands but is not sure HPWG can systematically survey

them. Kim disagreed and felt we have the people who know what to look for. Ken stated this will not increase the precision of the information, but there is a tremendous value in saying we have had people on the parcels to look at the values. Jess stated the next step would be to do some basic vegetation work. Walt suggested someone do pencil work on what the cost would be. Ken stated a year ago HPWG agreed that doing field work for each parcel was cost prohibitive and that is why remote sensing information was used. Kim stated there is a tremendous cost savings to the TC by going this route. Cathy, Jess and Kim will be going out. Cathy will talk with Carol to explain HPWG's discussion. Marty stated that if Carol is not comfortable after this, she would like an opportunity to speak with her.

Marty asked what are the limitations with having AJV providing flight support. Ken questioned whether there was a conflict of interest. Kim stated if it is part of state business, it would be okay. Walt stated he would run this by some of his ethics gurus. Marty stated it might be a secondary issue for Carol. Jess stated another selling point is this is also an opportunity to understand what AJV's recreational objectives are. Ken stated another issue is if you have a cooperative landowner, will that influence any ranking of the land. Walt stated that HPWG should go ahead and pay for their own air travel so that they are squeaky clean. Kim stated that no budget has been put together. HPWG agreed to pay their own travel portion and have Carmichael set up the charter. Kim stated his cost and the cost of the rig are coming out of Fish and Game's budget. Marty stated she has \$100,000, and it is being tapped out. She may have to go to Ken and Mark soon. Walt stated at a minimum, we have to visit the sites. There is also a situation where negotiations are ongoing with Eyak, and adequate support is necessary for that.

**ACTION ITEM:** HPWG supports this particular field trip and recommends that in the future taking a look at the process.

Mark feels this issue needs more discussion and thinks there may be better ways of doing the field trip, such as using a helicopter. Ken supports Mark's position and feels there is a trade off between cost and time and perceptions. Ken stated he could support using a boat on the outer Kenai coast.

#### **TNC DATA DICTIONARY**

Jess stated the dictionary is at a final draft stage and includes additional support documents. There was fairly wide participation. TNC hopes to have the final version available on June 15th. The draft might be useful in the workshop in discussing available data. HPWG will need to make a decision on how wide the distribution will be. The public document will be a subset of the data dictionary. HPWG will also need to figure out how to deal with the digital version. TNC would be interested in cooperating in the future when



additional information is received. The overall goal is that this will be a living database.

DNR was not able to participate. Marty stated it was an internal problem; however, it will be done without additional cost. One issue was confidentiality. State statutes require that DNR provide a comprehensive data dictionary to the Alaska state library system. This information could be housed in OSPIC for FOIA requests.

Jess stated comments can be made; however, TNC is not terribly flexible at this point. HPWG needs to establish where the central repository will be for updating data. Art asked if Walt was satisfied that TNC fulfilled their contract obligation. Walt stated he would defer to Jess on this; however, he was satisfied and would close out on this. Kim stated the dictionary is an interesting compilation of valuable information.

**ACTION ITEM:** Jess will put in writing his analysis as to whether TNC has met their contractual responsibilities prior to HPWG's next meeting.

#### **SEAL BAY**

DNR is finishing up the preliminary title search and will also do the final title search. A letter from Koniag, Inc., was distributed expressing their wish to reserve their right to develop subsurface estate for the purpose of mineral, sand, gravel and rock extraction.

NEPA analysis was done by DNR and was provided to Mike Barton. DNR felt it fell under the categorical exclusion. NEPA analysis needs to be done on Tonki Cape prior to the August meeting.

**ACTION ITEM:** HPWG will recommend against title insurance because they don't do very good title searches, and it could be from 2% to 6% of the cost.

#### **EYAK LANDS**

Eyak will make another presentation by next week if they can come to agreement on a proposal. The evaluation needs to be finalized. Ken is unclear on whether we need to provide information to Bruce or if Bruce needs to provide information to us. HPWG should develop a bottom line negotiating position for protecting the area. HPWG has provided a map prepared by Art and Jess showing the areas we are interested in.

Marty stated the real problem is Cordova is broke, and they cannot mandate no use without a taking.

The cultural resources information was obtained from Judy Bittner but it cannot be put on the map due to confidentiality. Jess is

preparing base maps for the teleconference.

**ACTION ITEM:** HPWG will review the proposal upon receipt and make a decision.

**ACTION ITEM:** Kim's subgroup scheduled a meeting to discuss analysis of the lower Eyak River on Wednesday afternoon, June 9th.

#### **LOWER KENAI/PORT CHATHAM**

The ball is in Nanwalek's court, and HPWG is waiting for something back. The AG's office has asked them to give a proposal for Port Chatham. Kim stated it would be nice to have a proposal prior to going down there.

#### **SERVICES**

During the TC meeting, the issue of services was converted into a resources-based issue. Art called Craig to get some information about why this happened. Craig would like some information regarding what would be the effect of knocking out services from a resources point of view and how that would affect ranking. Art stated it definitely would affect ranking. The problem is consistency among the work groups.

Marty stated Cole wants to spend a couple of months working this issue through the Department of Justice. If this does not work, he will elevate this to Judge Holland. Neither party wants to do that. HPWG will continue with their interpretation of services and habitat protection. An analysis of what the alternatives would be will be written up. Art is troubled with producing a product using our system and then having to re-evaluate everything based on a new system. Walt suggested redoing the list without services. Art wants Marty to talk with Alex and Craig regarding what they want in the memo, and also he would like a decision on how HPWG stays consistent with RPWG. Walt stated a subgroup needs to examine the value of a resource to mankind. Ken stated it wouldn't change the evaluation process.

**ACTION ITEM:** HPWG will present the list of categories developed after peer review.

**ACTION ITEM:** Marty will talk with Alex and Craig regarding what should be included in the memo.

#### **OTHER**

Dave stated he is in the process of finding a lock for the small conference room and turning it over to HPWG to house confidential materials.

#### **FUTURE AGENDA ITEMS**

July - discussion on how to deal with field trips  
regarding the rest of the oil spill area.  
June 15th - review outcome of workshop  
Tonki Cape analysis

#### **HPWG MEETING**

The next HPWG meeting is scheduled for Tuesday, June 15th at 8:30.

#### **NOTES**

Marty needs to ensure that the Tonki Cape analysis is done prior to the August meeting.

Cathy will contact Chuck Gilbert to determine his participation with HPWG.

Mark and Dave will act as go betweens with HPWG and NOAA.



# Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 "G" Street, Anchorage, AK 99501

Phone: (907) 278-8012 Fax: (907) 276-7178



May 25, 1993

**To:** Exxon Valdez Oil Spill Habitat Protection Workshop Participants

**From:** Exxon Valdez Oil Spill Habitat Protection Work Group

**RE:** Habitat Protection Workshop Preparation and Participation

The Exxon Valdez Oil Spill Habitat Protection Work Group appreciates your willingness to participate in the Habitat Protection Workshop. At this workshop we will examine the interim Habitat Protection/Acquisition process that has been developed. Our objective is to refine this process to develop a peer reviewed defensible process for long term habitat protection/acquisition, a part of the restoration plan for the area affected by the Exxon Valdez Oil Spill. The workshop will open with a general introductory session at 9:00 AM on Monday, June 7, 1993. Following an overview of the process to date, the workshop will break into small groups which will address the following specific topics:

1. Habitat Protection/Acquisition Process Structure
2. Project Design Paradigm
3. GIS/Remote Sensing Support

There follows a list of questions for each topic which we would like the groups to address. We would appreciate any supporting information or documentation which you feel might be appropriate to support any suggestions or examples you may wish to present. If you have materials you would like distributed at the workshop we will be happy to make copies and see that they are made available. We are including in this packet background information on Habitat Protection as a part of Restoration efforts to date as well as information concerning the Restoration Plan and recent acquisition efforts. It would be helpful if you had an opportunity to look over this information and familiarize yourself with the Restoration Process prior to the workshop.

We look forward to working with you on June 7 and 8. Please feel free to contact us with any questions or concerns you might have.



### **Workshop Information In Summary:**

**Time:** 9:00 AM

**Date:** June 7 & 8, 1993

**Place:** 645 G Street, Ground floor conference room.  
If you need to receive messages, or maintain contact with your office, we suggest checking in with the receptionist on the fourth floor prior to the meeting.

**Contacts:** Carol Fries (907) 762-2450  
Local information, meeting particulars, general assistance  
Art Weiner (907) 278-8012  
Technical questions, habitat protection  
Applied Marine Sciences (510) 373-7142  
Travel and Contract Questions

### **Attachments and Enclosures:**

Habitat Protection Workshop Questions  
Restoration Framework  
Restoration Framework Supplement  
Opportunities for Habitat Protection Acquisition  
Seal Bay Proposal  
Draft Restoration Plan  
Parcel Ranking and Evaluation Table

## **Habitat Protection Workshop Questions**

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### **Habitat Protection/Acquisition Process Structure**

The Habitat Protection Process was developed to provide procedural guidance to the Trustee Council for habitat protection/acquisition decisions. Flow charts depicting the process are in the *Restoration Framework Supplement*. We are seeking review of these constituent elements and the manner in which they are integrated into the process.

1. Are the *Threshold Criteria*, that we are currently using, appropriate, and are they positioned correctly in the flow?
2. Who should negotiate acquisitions?
3. How should services be factored in to the process?
4. How should post-acquisition management be handled?
5. Should public accessibility be factored in to the evaluation?
6. Who should establish the ranking and should the ranking list be made public?
7. What is the best way to fix value on ranked parcels, i.e., how can we prevent our actions from inflating values on highly ranked parcels?
8. What type of *project tracking process* would work best for our purposes?
9. Should public comments factor into the ranking? If so, how?
10. Is acquisition of fee title the only practical protection tool or should we continue to consider acquisition of partial interests?
11. How can we best explain our decision to acquire essential, linked habitats on private lands when these same habitats occur, with significant frequency on public lands?
12. How would you justify fee title acquisition of linked habitats when anticipated recovery of target resources will occur in the short term?

### **Project Design Paradigm**

The goal of the evaluation element of the process is to characterize, locate and evaluate areas linked to the recovery or replacement of resources and services injured by the spill. It attempts to delineate geographically the most scientifically credible areas that would conserve both the linked habitats and their natural support systems.

1. Are the *Evaluation/Ranking Criteria* adequate to meet this goal? Should we *weight* more of the evaluation criteria?
2. Should we be using a strategic design paradigm such as watersheds or riparian zones?
3. Are services' adequately represented within the *Evaluation/Ranking Criteria*?
4. Are we too dependent upon *Best Professional Judgment*?
5. Do the criteria for rating benefit of parcels to injured resources/services make sense? If not, could you suggest a better method?
6. Do the resource and services linkages make sense?
7. Are the linkage categories logical or should we lump or split them differently? For example: Should all anadromous fish be lumped into the single category of anadromous fish habitat? Should recreation be split into consumptive and non-consumptive uses?
8. Should diversity and rarity of species and habitats be factored into the evaluation?
9. How should we compare the relative sizes of parcels considering the differences in the biology of the linked resources?
10. Should we be looking at both essential habitats and movement corridors?

## **Draft Habitat Protection Workshop Questions**

### **GIS/Remote Sensing Support**

GIS and remote sensing are important technical support elements for the habitat protection/acquisition option.

1. What is the appropriate use for GIS/RS technology in this context?
2. Will the current mix of hardware and software be adequate to meet our needs?
3. What are the best ways to integrate GIS/RS into habitat modeling?
4. Are there new technologies that we should consider using?

TRWG  
II

To: Marty Rutherford  
From: Jess Grunblatt  
Re: The Nature Conservancy Data Dictionary Project  
Date: June 1, 1993

The Trustee Council, through the participation of The Nature Conservancy (TNC), has recently completed a preliminary directory of oil spill related data. The purpose of this compilation was to broadly identify data within public and private organizations that are relevant to the oil spill process. Such an effort was intended not only to inventory existing data, but also to focus attention on relevant issues of access, accuracy, data gaps, as well as further GIS development and coordination. The Data Dictionary should be considered draft pending resolution of relevant issues such as format, completeness, data access and data publishing. However the data dictionary can be of immediate use in the upcoming Habitat Modeling workshop and development of the annual workplans. In the long term this document can be expected to be expanded and refined and provide valuable input to the full range of oil spill activities such as environmental monitoring, resource mapping, contingency planning, response and damage assessment.

TNC was chosen to perform the data dictionary compilation as a means of facilitating agency participation by providing staff to assist groups in document compilation and to provide a neutral forum for the identification of issues. This approach recognizes the technical expertise as well as the institutional concerns and requirements of participants.

Response by the oil spill community has been excellent with broad participation particularly among public agencies (see attachment 1). However, Alaska Dept. of Natural Resources/LRIS was unable to participate (see attachment 2). This is unfortunate given their role as central repository for oil spill information and oil spill funding commitments to the Department. I would hope that we could gain their cooperation in the near future so this important work can progress.

The purpose of GIS is to promote integrated access and enhanced analysis of spatial data. This Data Dictionary is a logical first step in this process. Continuing work should be recommended (see attachment 3) and should include:

- 1) Gain AKDNR participation.
- 2) Evaluate, update and maintain Data Dictionary.
- 3) Identify public access requirements and goals for data distribution and publishing.
- 4) Evaluate long term data needs and role of existing data to all aspects of oil spill response.
- 5) Determine role of central repository for oil spill data.
- 6) Identify reporting requirements for oil spill participants to promote continuing data coordination.
- 7) Promote long term cooperation among oil spill participants.



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## DATA DIRECTORY CONTACT LIST

NAME/TITLE		CONTACT TYPE				
		Contributed Data	Provided Contact Leads, No Data	Forms Not Returned	Data Not Within Scope of Project	Has Not Responded/ Could Not Respond
<b>Federal</b>						
<i>Bureau of Land Management</i>						
	Sue Britt COMPUTER SPECIALIST	***				
	Terry Hobbs AUTOMATED DATA RESEARCH SPECIALIST				***	
	Gus Panos SUPERVISORY CARTOGRAPHER		***			
	John Toms SUPERVISORY LAND SURVEYOR			***		
<i>Corps of Engineers</i>						
	Hank Bay BIOLOGIST		***			
	Richard Gutleber SUPERVISORY BIOLOGIST			***		
<i>Environmental Protection Agency</i>						
	Linda Comerci ENVIRONMENTAL PROTECTION SPECIALIST		***			
	Bruce Duncan ECOLOGIST					***

NAME/TITLE		CONTACT TYPE				
		Contributed Data	Provided Contact Leads, No Data	Forms Not Returned	Data Not Within Scope of Project	Has Not Responded/ Could Not Respond
<b>Federal, cont.</b>						
	<i>National Marine Fisheries Service</i>					
	Chris Broderson FISH BIOLOGIST RESEARCH, AUKE BAY	***				
	Barbara Mahoney FISHERY BIOLOGIST	***				
	Brad Smith FISHERY BIOLOGIST	***				
	Stan Rice PROGRAM MANAGER, AUKE BAY		***			
	<i>National Oceanic and Atmospheric Administration</i>					
	Lori Harris EDITOR, HAZMAT SEATTLE	***				
	John Whitney SCIENTIFIC SUPPORT COORDINATOR FOR ALASKA	***				
	<i>National Park Service</i>					
	George Dickison CHIEF, GIS BRANCH	***				
	Gayle Irvine COASTAL RESOURCE SPECIALIST		provided contacts		***	
	Mike Tetreau BIOLOGY TECH., KENAI FJORDS	***				
	<i>Soil Conservation Service</i>					
	Ted Cox SOIL CONSERVATIONIST	***				

# CONFIDENTIAL

NAME/TITLE	CONTACT TYPE				
	Contributed Data	Provided Contact Leads, No Data	Forms Not Returned	Data Not Within Scope of Project	Has Not Responded/ Could Not Respond
<b>Federal, cont.</b>					
<i>Soil Conservation Service, cont.</i>					
Tom Ward STATE FORESTER					***
<i>US Fish and Wildlife Service</i>					
Dick Barnes RESEARCH WILDLIFE BIOLOGIST		***			
John Brewer CARTOGRAPHER TECHNICIAN	***				
Donna Dewhurst WILDLIFE BIOLOGIST		***			
Daniel Doshier REFUGE MANAGER		***			
Janey Fadely WILDLIFE BIOLOGIST	***				
Tom Gerlack WILDLIFE BIOLOGIST	***				
Steve Harrison DIVISION CHIEF, INFORMATION RESOURCE MGMT.	***				
Tom Jennings GIS COORDINATOR	***				
Leslie Kerr CHIEF, PLANNING SECTION		***			
Bill Kirk GENERAL BIOLOGIST	***				

CONFIDENTIAL

NAME/TITLE		CONTACT TYPE				
		Contributed Data	Provided Contact Leads, No Data	Forms Not Returned	Data Not Within Scope of Project	Has Not Responded/ Could Not Respond
<b>Federal, cont.</b>						
<i>US Fish and Wildlife Service, cont.</i>						
	Gary Muehlenhardt WILDLIFE BIOLOGIST	***				
	Phil Schempf PROJECT LEADER	***				
<i>US Forest Service</i>						
	Bruce Williams DATA BASE ADMINISTRATOR	***				
	Ken Winterberger FORESTER	***				
<i>US Geological Survey, EROS Field Office</i>						
	Emily Binnian SENIOR SCIENTIST			***		
<i>US Geological Survey, Earth Science Information Center</i>						
	A.C. Brown CARTOGRAPHER	***				
<b>State</b>						
<i>Alaska Department of Environmental Conservation</i>						
	Russel Kunibe ENVIRONMENTAL SPECIALIST			***		
	Ward Lane ANALYST/PROGRAMMER & EVOS DOCUMENTATION MANAGER	***				



CONFIDENTIAL

NAME/TITLE		CONTACT TYPE				
		Contributed Data	Provided Contact Leads, No Data	Forms Not Returned	Data Not Within Scope of Project	Has Not Responded/ Could Not Respond
State, cont.						
<i>Alaska Department of Fish and Game</i>						
	Carol Barnhill CARTOGRAPHER III	***				
	Debra Clausen HABITAT BIOLOGIST	***				
	Jim Cochran MARICULTURE COORDINATOR	***				
	Karen Crandell CODED WIRE TAG COORDINATOR	***				
	Carmine DiCostanzo CHIEF OF COMPUTER SCIENCES	***				
	Jim Fall REGIONAL SUPERVISOR, SUBSISTENCE	***				
	Marianne McNair RESEARCH ANALYST III	***				
	Mike Mills CHIEF OF RESEARCH & TECHNICAL SERVICES	***				
	Sam Sharr AREA RESEARCH BIOLOGIST, CORDOVA	***				
	Bruce Simmons ANALYST/PROGRAMMER IV	***				
	Becky Strauch ANALYST/PROGRAMMER II			***		
	Charles Utermohle RESEARCH ANALYST III	***				

CONFIDENTIAL

NAME/TITLE	CONTACT TYPE				
	Contributed Data	Provided Contact Leads, No Data	Forms Not Returned	Data Not Within Scope of Project	Has Not Responded/ Could Not Respond
<b>State, cont.</b>					
<i>Alaska Department of Fish and Game</i>					
Frank Wallis ANALYST/PROGRAMMER IV	***				
<i>Alaska Department of Natural Resources</i>					
Richard McMahon GIS PROJECT MANAGER					***
Dorothy Mortenson GIS CARTOGRAPHER					***
<b>Borough</b>					
<i>Kodiak Island Borough</i>					
Bud Cassidy RESOURCE MANAGER OFFICER			***		
<i>Kenai Peninsula Borough</i>					
Chris Clough GIS TECHNICIAN	***				
Jerry Hobart CHIEF APPRAISER	***				
<b>Private Organizations</b>					
<i>Afognak Native Corporation</i>					
Jim Carmichael GENERAL MANAGER			***		

CONFIDENTIAL

NAME/TITLE	CONTACT TYPE				
	Contributed Data	Provided Contact Leads, No Data	Forms Not Returned	Data Not Within Scope of Project	Has Not Responded/ Could Not Respond
<b>Private Organizations, cont.</b>					
<i>Akhiok-Kaguyak, Inc.</i>					
Ralph Eluska PRESIDENT					***
<i>Alaska Natural Heritage Program</i>					
Julie Michaelson DATA MANAGER	***				
<i>Alyeska Pipeline Service Company</i>					
Sharon Hillman ENVIRONMENTAL ENGINEER SUPERVISOR		***			
<i>America North/EMCON</i>					
Ella Ede QUALITY ASSURANCE OFFICER		***			
<i>Chenega Native Corporation</i>					
Charles Totemoff PRESIDENT			***		
<i>Chugach Alaska Corporation</i>					
Mark Stall LANDS MANAGER		***			
John Johnson CULTURAL RESOURCE MANAGER	***				
<i>Exxon, Inc.</i>					
via Woodward-Clyde Consulting					***

CONFIDENTIAL

NAME/TITLE	CONTACT TYPE				
	Contributed Data	Provided Contact Leads, No Data	Forms Not Returned	Data Not Within Scope of Project	Has Not Responded/ Could Not Respond
<b>Private Organizations, cont.</b>					
<i>Koncor Forest Products</i>					
Joe Wehrman LAND MANAGER	***				
<i>Koniag, Inc.</i>					
John Merrick MANAGER OF LAND & RESOURCES				***	
<i>North Pacific Aerial Photo</i>					
					***
<i>Regional Citizens Advisory Council</i>					
Marge Fowler PROGRAM COORDINATOR FOR SCIENTIFIC ADVISORY COMMITTEE	***				
<i>Resource Data, Inc.</i>					
Kimball Forest PRINCIPAL	***				
<i>Trans Pacific Computing</i>					
Marshal Kendziorek PRINCIPAL		***			
<i>Woodward-Clyde Consulting</i>					
Debbie McCormick ASSISTANT PROJECT BIOLOGIST		***			
Bryan Trimm SENIOR STAFF SCIENTIST		***			

Ecotrust  
Randal Hagenstein

x x x

CONFIDENTIAL

NAME/TITLE		CONTACT TYPE				
		Contributed Data	Provided Contact Leads, No Data	Forms Not Returned	Data Not Within Scope of Project	Has Not Responded/ Could Not Respond
Individuals						
	Nancy Lethcoe	***				
	Mike Horne					***



Attachment 2

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER  
LAND RECORDS INFORMATION SECTION

WALTER J. HICKEL, GOVERNOR

P.O. BOX 107005  
ANCHORAGE, ALASKA 99510-7005  
PHONE: (907) 762-2332

April 21, 1993

DEPARTMENT OF  
NATURAL RESOURCES

APR 22 1993

COMMISSIONER'S OFFICE  
ANCHORAGE

Ms. Kathy Hess  
The Nature Conservancy  
601 West Fifth Avenue, Suite 550  
Anchorage, AK 99501

Dear Ms. Hess:

Following our discussion last Thursday afternoon, I was able to more fully review the EVOS Data Directory form you have drafted. After reading through the form and assessing the scope of this most worthwhile project, some additional comments and concerns come to mind.

**Rights to distribute data:** Much of the data we hold as part of the NRDA process was sourced from other agencies. I recommend that you make clear that agencies only distribute data products to which they have performed a value-added service. Also, groups considering distribution of digital products would be advised to get approval for derivative products as well. For example, in our case, this would include coordination with and permission from ADEC for any shoreline oiling themes, or NOAA for any HAZMAT or bathymetry themes.

**Data Format - GIS vs. Tabular vs. Manual:** Does your form only address digital GIS data as it implies? Are digital tabular data, which may have a geographic component (eg. DEC water quality samples), or manual data, (eg. ADFG commercial fisheries surface oiling observations, National Park Service shoreline surveys, USFWS post SSAT shoreline surveys), included in this exercise? Perhaps you would benefit from including an example of these data types.

**Access:** As we discussed, this is a complicated topic. During the last budget process, two alternative proposals were made to publish GIS oil spill data. Both were rejected. Policy determinations must be made if agencies are expected to provide access to digital data without corresponding funding provided to defray costs.

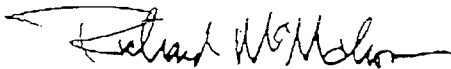
**Timing:** Your current May deadline creates conflicts with our existing commitments. We currently have work scheduled through late June on a number of projects with deadlines pre-set by the restoration team, the restoration planning group, or principal

investigators. Our projection for completing the database forms, following your preliminary loading from our data dictionary, is mid to late summer. Please bear in mind that last Thursday was the first time I saw a draft of this form.

In-Depth Form: There are currently four pages to cover a single theme. Some of the detail may not be necessary. For example, feature type may be extraneous since most GIS data can be moved through a variety of formats and structures depending upon the task at hand; requesting a geographic extent map for all themes will require significant time to verify each layer's coverage, coarse work on this topic would only mislead a reader of the directory; scale or resolution is requested twice on the same page; processing history will require time to accurately compile; and the known problems category is somewhat vague, this might be better served from the positive side of requesting typical use of the data.

I know you have quite a project on your hands to compile this valuable compendium and I am pleased to see it getting started. Given the issues raised in this letter and the volume of work we have to complete the task, I would like to expeditiously schedule a meeting with The Nature Conservancy. This would allow us to clarify expectations, agree to a work schedule, and address strategies for a publication (i.e. access) process. Without this clarification we will be unable to move forward with you on this project. I look forward to hearing from you in the near future.

Sincerely,



Richard McMahon  
ADNR GIS Project Manager

cc: Marty Rutherford, ADNR Restoration Team  
Mark Broderson, ADEC Restoration Team  
Dianne Lyles, Chief, Land Records Information Section  
Dorothy Mortenson, ADNR GIS Cartographer  
Tom Jennings, USFWS Technical Services Number 3



June 1, 1993

Jess Grunblatt  
Habitat Protection Work Group  
Exxon Valdez Oil Spill Trustee Council  
Restoration Office  
645 "G" Street  
Anchorage, AK 99501

Re: TNC/Forest Service Challenge Cost Share Agreement

Dear Jess:

By copy of this letter, The Nature Conservancy is transmitting a draft directory of information relevant to habitat protection within the Exxon Valdez oil spill (EVOS) area. The final version will be transmitted on or before June 15, 1993.

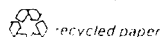
The document is being transmitted in draft form due to the need for some agency participants to complete review of information related to their respective agencies. Accordingly, to prevent dissemination of incorrect information, we request that you not make copies of this draft version of the directory.

As we discussed at our May 13, 1993 meeting, this product represents a good starting point for identifying the existence and location of information related to habitat protection within the EVOS area. Some contacts, including the Alaska Department of Natural Resources, were not able to respond to our information requests due to other pressing priorities. We recommend that the Habitat Protection Work Group continue efforts to incorporate information from those contacts into the directory.

As we also discussed at the May 13th meeting, the Habitat Protection Work Group will need to spend some time working directly with EVOS agencies on follow-up matters related to directory improvement. Since Conservancy involvement will not contribute much to subsequent interaction between the Work Group and EVOS agencies on directory matters, we respectfully recommend that the challenge cost-share agreement be considered completed with the transmittal of the final directory.

601 West Fifth Avenue, Suite 550 • Anchorage, Alaska 99501-2226  
Telephone (907) 276-3133 • Fax (907) 276-2584

International Headquarters: 1815 North Lynn Street, Arlington, Virginia 22209



If you have any questions about the draft directory please  
contact Kathy Hess, project manager.

Sincerely,

A handwritten signature in dark ink, appearing to read "Stephen C. Planchon", with a long horizontal flourish extending to the right.

Stephen C. Planchon  
Conservation Programs Director

CC Walt Sheridan



United States  
Department of  
Agriculture

Forest  
Service

Alaska Region

P.O. Box 21628  
Juneau, AK 99802-1628

Reply to: 1950

Date: MAY 26 1993

Rpwg  
II

Mr. Glenn Olds  
Commissioner  
State of Alaska  
P.O. Box 107005  
Anchorage, AK 99510-7005

Dear Mr. Olds:

We received your letter concluding that the acquisition of uplands adjacent to Seal Bay, Afognak Island, by the State of Alaska may be categorically excluded from documentation in an environmental impact statement or environmental assessment. All funding for this acquisition is to come from the Exxon Valdez Oil Spill Joint Trust Fund.

Specifically, the proposed action meets the criteria identified in Section 31.1b(6)(b) of Forest Service Handbook 1909.15, Environmental Policy and Procedures, for a categorical exclusion.

We concur with this determination. No further National Environmental Policy Act analysis is required.

Sincerely,

*James A. Wolfe*  
for MICHAEL A. BARTON  
USDA Representative  
Trustee Council

cc:

Ken Rice, Land Management Planning, Chugach NF, Supervisors Office  
Maria Lisowski, Office of the General Counsel, Regional Office  
Jim Wolfe, Engineering & Aviation Management, Regional Office  
Fred Norbury, Planning, Programming, and Budgeting, Regional Office

DEPARTMENT OF  
NATURAL RESOURCES

MAY 28 1993

COMMISSIONER'S OFFICE  
ANCHORAGE



Caring for the Land and Serving People

FS-6200-28b(3/92)



RPWG  
II

## STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

## DIVISION OF LAND

LAND & RESOURCES SECTION  
3601 C STREET  
P.O. BOX 107005  
ANCHORAGE, ALASKA 99510-7005  
PHONE: (907) 762-2680

June 2, 1993

International Forestry Consultants, Inc.  
1020 - 108th Avenue N.E., Suite 101 Eastwood Building  
Bellevue, Washington 98004  
Attn: Mr. Bill Wallace

Re: Seal Bay/Tonki Cape Appraisal Contract

Dear Mr. Wallace,

Find enclosed three sets of a personal services contract related to your providing appraisal services to value native corporation land at Seal Bay and Tonki Cape on north east Afognak Island. Please review the document carefully then sign and date any two copies in the indicated signature blocks on the cover contract (Standard Agreement Form) and return them to this office as soon as possible. You may retain the third copy for your records.

For your information the document is composed of several sections. These are as follows:

1. Standard Agreement Form.
2. Appendix B2, Insurance requirements.
3. Appendix C. Services to be performed by contractor.
4. Appendix D. Consideration.
5. Appendix E. RFP copy.
6. Appendix F. Your proposal as part of the contract.
7. Attachment A. Project legal descriptions.
8. Attachment B. Project map.

To expedite approval of the contract I ask that before you mail the contracts back to this office please xerox the signed front contract page and fax it to my office at (907) 762-2529.

If you should have any questions concerning the contract feel free to call me at (907) 762-2680.

I look forward to working with you on this project.

Sincerely



Dennis L. Lattery  
Review Appraiser

Attachment: Three Contract Sets

## STANDARD AGREEMENT FORM

1. Agency Contract Number L & WM 93-1		2. ASPS Number 93-0181		3. Financial Coding 10-00-56-90		4. Agency Assigned Encumbrance Number	
5. Vendor Number N/A				6. Alaska Business License Number Pending Application			
This contract is between the State of Alaska.							
7. Department of Natural Resources			Division Land			hereafter the State.	
8. and, International Forestry Consultants, Inc. hereafter the Contractor							
Mailing Address		Street or P.O. Box		City		State ZIP + 4	
101 Eastwood Bldg.,		1020-108th Ave. N.E.		Bellevue		WA 98004	
9.							
ARTICLE 1. Appendices: Appendices referred to in this contract and attached to it are considered part of it.							
ARTICLE 2. Performance of Service:							
2.1 Appendix A (General Provisions), Articles 1 through 14, governs the performance of services under this contract.							
2.2 Appendix B sets forth the liability and insurance provisions of this contract.							
2.3 Appendix C sets forth the services to be performed by the contractor.							
ARTICLE 3. Period of Performance: The period of performance for this contract begins June 6, 1993 and ends August 6, 1993.							
ARTICLE 4. Considerations:							
4.1 In full consideration of the contractor's performance under this contract, the State shall pay the contractor a sum not to exceed \$ 32,000.00 in accordance with the provisions of Appendix D.							
4.2 When billing the State, the contractor shall refer to the Authority Number or the Agency Contract Number and send the billing to:							
10. Department of Natural Resources				Attention: Division of Land			
Mailing Address P.O. Box 107005, Anchorage, AK 99510				Attention: Dennis L. Lattery			
11. CONTRACTOR							
Name of Firm International Forestry Consultants, Inc.							
Signature of Authorized Representative				Date			
Typed or Printed Name of Authorized Representative							
Title				Employer ID No. (EIN) or SSN			
13. CERTIFICATION: I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alterations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the variety, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815 - 820. Other disciplinary action may be taken up to and including dismissal.							
12. CONTRACTING AGENCY							
Department/Division Natural Resources/Div. of Land				Signature of Head of Contracting Agency or Procurement Officer			
Date				Date			
Signature of Project Director				Typed or Printed Name of Authorizing Official Chris Rutz			
Typed or Printed Name of Project Director Dennis L. Lattery				Title Procurement Officer			
Title Review Appraiser							

NOTICE: This contract has no effect until signed by the head of contracting agency or designee.

## APPENDIX B<sup>2</sup>

### INDEMNITY AND INSURANCE

#### Article 1. Indemnification

The contractor shall indemnify, save harmless and defend the state, its officers, agents and employees from all liability, including costs and expenses, for all actions or claims resulting from injuries or damages sustained by any person or property arising directly or indirectly as a result of any error, omission or negligent act of the contractor, subcontractor or anyone directly or indirectly employed by them in the performance of this contract.

All actions or claims including costs and expenses resulting from injuries or damages sustained by any person or property arising directly or indirectly from the contractor's performance of this contract which are caused by the joint negligence of the state and the contractor shall be apportioned on a comparative fault basis. Any such joint negligence on the part of the state must be a direct result of active involvement by the state.

#### Article 2. Insurance

Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of Insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Contracting Officer prior to beginning work and must provide for a 30 day prior notice of cancellation, nonrenewal or material change. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach and grounds for termination of the contractor's services.

**2.1. Workers' Compensation Insurance:** The contractor shall provide and maintain, for all employees of the contractor engaged in work under this contract, Workers' Compensation Insurance as required by AS 23.30.045. The contractor shall be responsible for Workers' Compensation Insurance for any subcontractor who directly or indirectly provides services under this contract. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection not less than \$100,000 per person, \$100,000 per occurrence. Where applicable, coverage for all federal acts (i.e. U.S.L. & H. and Jones Acts) must also be included.

**2.2. Comprehensive (Commercial) General Liability Insurance:** with coverage limits not less than \$300,000 combined single limit per occurrence and annual aggregates where generally applicable and shall include premises-operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.

**2.3. Comprehensive Automobile Liability Insurance:** covering all owned, hired and non-owned vehicles with coverage limits not less than \$100,000 per person/\$300,000 per occurrence bodily injury and \$50,000 property damage.

**2.4. Professional Liability Insurance:** covering all errors, omissions or negligent acts of the contractor, subcontractor or anyone directly or indirectly employed by them, made in the performance of this contract which result in financial loss to the state. Limits required are per the following schedule:

Contract Amount	Minimum Required Limits
Under \$100,000 . . . . .	\$100,000 per Occurrence/Annual Aggregate
\$100,000-\$499,999 . . . . .	\$250,000 per Occurrence/Annual Aggregate
\$500,000-\$999,999 . . . . .	\$500,000 per Occurrence/Annual Aggregate
\$1,000,000 or over . . . . .	Negotiable—Refer to Risk Management

APPENDIX CARTICLE 2.3 Services to be performed by contractor.

- A. The Department agrees to hire the Appraiser as an independent fee appraiser, and the Appraiser agrees to accept employment as an independent fee appraiser for the express purpose of appraising and thus arriving at the Fair Market Value of said property as described in the Special Instructions Section attached hereto and made a part hereof (see Section C of this APPENDIX).
- B. The Appraiser agrees to fully complete the appraisals and furnish them to the Department in duplicate, unless otherwise instructed in APPENDIX C, Special Instructions, Section C. The original shall bear a personal signature, the other signature may be a duplicate. The Appraiser shall also furnish a signed certification page with each contract.

Content of the appraisal report will follow "Part II - Individual Parcel Reports" within the "Uniform Appraisal Standards For Federal Land Acquisitions" - circa 1992.

- C. Subject to terms and conditions of this contract the Appraiser agrees to furnish six copies of completed appraisal reports determining the market values of two parcels of private land located on northeast Afognak Island, Alaska. The parcels, referred to as the Seal Bay Unit and the Tonki Cape Unit, are as described in attachment A, entitled "Partition Parcel Limited Warranty Deed" and Sortyard Limited Warranty Deed". The two parcels are situated as indicated on the attached map, Attachment B, entitled "Afognak Joint Venture Property & Akhiok-Kaguyak, Inc. and Old Harbor Native Corporation Partition Property Afognak Island".

The date of value to be determined will be as of May 14, 1993. The Appraiser will separately determine, one for each property, market value, as defined by USPAP, of the surface estate of the two properties. The subsurface estate, as defined by the Alaska Native Claims Settlement Act, is owned by the local native regional corporation, Koniag.

C. Special Instructions (continued)

The Appraiser agrees to all terms and conditions of the Request For Proposals (RFP), ASPS # 93-0181, attached to this contract as Appendix E, and to the terms of his proposal, attached to this contract as Appendix F.

D. Appraisal Instructions Pertaining to Valuation of State Lands

GENERAL APPRAISAL INSTRUCTIONS PERTAINING TO VALUATION OF STATE LANDS

The following are general criteria applicable to an acceptable appraisal report furnished to the Division of Land. Appraisal reports will be subject to review by the Division and, in this instance the U. S. Forest Service, for compliance with these criteria.

1. **Purpose of the Appraisal:** The purpose of the appraisal is to estimate market value.
2. **Definition of Market Value:** Appraisals will be based on the following definition of market value contained in the "Uniform Standards of Professional Appraisal Practice" of the Appraisal Foundation (USPAP).

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

- A. buyer and seller are typically motivated;
- B. both parties are well informed or well advised, and acting in what they consider their best interest;
- C. a reasonable time is allowed for exposure in the open market;



- D. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
  - E. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
- 3. **Terms of Sale:** Market value shall be estimated in terms of financial arrangements equivalent to cash and typical for the market.
  - 4. **Property Rights Appraised:** The property rights to be appraised are fee simple less mineral rights (unless special instructions indicate otherwise).
  - 5. **NARRATIVE APPRAISAL REPORTS REQUIRED:** The organization and content for a narrative report can be flexible and will vary with the assignment. The following outline is a suggestion for the purpose of illustrating content requirements.<sup>1</sup>
    - i. Introduction
      - a. Title Page
      - b. Letter of Transmittal
      - c. Table of Contents
      - d. Certification of Value
      - e. Summary of Important Conclusions
    - ii. Premises of the Appraisal
      - a. Assumptions and Limiting Conditions
      - b. Purpose and Use of the Appraisal
      - c. Definition of Value, Date of Value Estimate, and Date of Inspection
      - d. Statement That Value is Estimated in Terms of Cash or Financial Arrangements Equivalent to Cash
      - e. Property Rights Appraised
      - f. Scope of Appraisal
    - iii. Presentation of Data (including location maps, plat or survey maps, and subject photographs)
      - a. Identification of the Property

---

<sup>1</sup> The Appraisal of Real Estate 9th Edition, The American Institute of Real Estate Appraisers, 1987, page 578

- b. Identification of Personal Property or Other Items That Are Not Real Property
- c. Area, City, Neighborhood, and Location Analyses
- d. Zoning, Taxes, and Assessment Data
- e. Site Data, Including Easements and Restrictions

Discuss individual subject particulars such as size, quality of access, soils, availability of utilities, topography, water frontage, view, etc. This may be

e. (continued)  
in narrative for individual tracts or graphic form (charts) for subdivision appraisals. Regardless of what form is used or where the information is placed in the report, individual descriptions of each property must be provided.

- f. Description of Improvements
- g. History, Including Prior Sales and Current Offers or Listings

- iv. Analyses of Data and Conclusions
  - a. Highest and Best Use of Land as Though Vacant
  - b. Highest and Best Use of Property as Improved (if applicable)
  - c. Sales Comparison Approach Including Explanation of Adjustments

Include sufficient explanation and market support of value conclusion. It is essential that adjustments made in relating comparable sales to subject properties be fully discussed.

Adjustment grids indicating adjustments of comparables to subject, in either dollar amounts or expressed as percentages, are preferred. Generally, the larger the adjustment required, the more essential that the adjustment be supported by market data (i.e. paired sales or other sales data) and fully

discussed in the narrative.

- d. Cost Approach (if not applicable, explain why)
- e. Income Capitalization Approach (if not applicable, explain why)
- f. Reconciliation of the Value Indications into a Final Value Estimate.
- g. Qualifications of the Appraiser

v. Addenda

6. **Subject Photographs:** Onsite photographs are required, and must be ample to demonstrate subject quality and variation. Low altitude photographs taken from aircraft are acceptable as a minimum and only when properties in a picture can be identified (i.e. specific lots or blocks, a certain corner facing a certain direction, etc.). When low altitude photographs taken with a hand held camera are submitted without proper onsite photographs, the appraiser assumes responsibility that such photographs depict conditions as they exist on the ground. This responsibility may include reinspection of the site, at the appraiser's expense, if a valuation error is evident resulting from the appraiser's failure to conduct a proper onsite inspection. The need for ample good quality photographs representing the entire project is stressed.
7. **Plat or Survey Maps:** Legible copies are required, showing the size and dimensions of each parcel appraised.
8. **Comparable Sales and Lease Data:** Each comparable sales transaction shall be confirmed by a party or parties to the sale, field inspected. Each sale will be described on comparable sales forms in the appraisal reports. Photographs of each sale are required, unless waived by the Division of Land. Aerial photographs are acceptable, if they meet the criteria for subject photographs. The photograph should be attached to the sale form or facing page.
9. **Conditions of Sale:** The use of private market sales transactions in valuing state land is preferred. Use of Department of Natural Resources (DNR) sales transactions is discouraged. Reports where either all or a majority of sales were derived from DNR files may be returned to the appraiser as unacceptable.

10. **Fee Appraiser Qualifications:** The fee appraiser must be found acceptable to DNR in terms of education and appraisal experience prior to completing appraisal work for state business. DNR maintains a list of appraisers who are currently acceptable, and this list is available upon request. An appraiser who is not on the list must submit a resume of his or her appraisal training and experience. In the case of leases, the appraiser must be certified as a General Real Estate Appraiser by the Alaska Board of Certified Real Estate Appraisers.
11. The appraiser is referred to appropriate State statutes and regulations governing sale, disposal or purchase of the various interests in State lands, particularly regarding agricultural interest, for consideration as to possible effect on value. Appropriate regulations applying to lands under appraisal will be provided with each appraisal contract.
12. Fee appraisal of State land for general sale, lease, or exchange: The fee appraiser must be found acceptable to the Department in terms of education and appraisal experience. A designation such as MAI or certification by the Board of Certified Real Estate Appraisers is not mandatory but may be required if the Department determines the requirement is appropriate.
13. In appraising the market value of agricultural rights for sale or lease, the Appraiser is referred to appropriate regulations, "11 AAC 67.160-195, Disposal of Agricultural Interest in Land," for specifics regarding definition of agricultural rights, interest to be conveyed, and permitted uses and restrictions.

Special note is made of the requirements that each of the valuation processes applicable in valuing agricultural lands, income and the market data method in this instance, be addressed in any appraisal of such lands. Exclusion of either method from consideration must be accompanied by narrative justification for doing so.

14. The period of performance under this contract shall commence

and expire on the dates indicated under ARTICLE 3 on the front page of this contract. This performance period may be extended in the event of extenuating circumstances but such extensions of time will be at the sole discretion of the Department. Requests for extension of time must be made, in writing, in advance of the expiration date of the contract allowing sufficient time for the Department to process a contract amendment through the Department of Administration in the event that the extension, in the opinion of the contracting officer, is justified.



Appendix DArticle 4.1 Consideration.

A. Consideration for services rendered shall not exceed the dollar amount indicated in Article 4, Section 4.1 on the face of this contract.

B. The Certifying Officer, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the state to do so. ( See APPENDIX A, ARTICLE 5. Termination).

C. In the event this contract is terminated at the convenience of the Department or by default or failure of the contractor to perform, the contractor may be required, after notice of termination in writing, to turn over to the Department all data, maps, photographs, or other materials acquired in performing this contract, and otherwise provide proof of work completed on the contract up to the date of notice of termination. Based upon information thus furnished, the Department will determine the consideration to be paid, if any, for services rendered.

D. Payment for Services: Payment of seventy per cent (70%) of the invoiced fee will be paid to the contractor upon delivery of the completed appraisals. The remaining thirty per cent (30%) of the fee will be paid following review and acceptance of the appraisal.

BOOK 28 PAGE 389

When Recorded Return To:

James K. Wilkens  
Bradbury, Bliss & Riordan  
431 West 7th Avenue, Suite 201  
Anchorage, Alaska 99501-3583  
(907) 278-4511

PARTITION PARCEL LIMITED WARRANTY DEED

The Afognak Joint Venture, a joint venture comprised of Alaska corporations whose address is 214 W. Rezanof, Kodiak, Alaska 99615 ("Grantor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid, grants, conveys and sells an undivided 32.6075% interest to Akhiok-Kaguyak, Inc., an Alaska corporation whose address is 5028 Mills Drive, Anchorage, Alaska 99508, and an undivided 67.3925% interest to Old Harbor Native Corporation, an Alaska corporation whose address is P.O. Box 71, Old Harbor, Alaska 99643, as tenants in common, ("Akhiok-Kaguyak, Inc. and Old Harbor Native Corporation are jointly referred to as "Grantee") the following described property situated in the Kodiak Recording District, Third Judicial District, State of Alaska, more fully described as follows:

Seward Meridian

KODIAK RECORDING DISTRICT

T. 20 S., R. 17 W.

Sec. 32

T. 21 S., R. 16 W.

Sec. 19

Sec. 30 and 31

T. 21 S., R. 17 W.

Sec. 6, 7 and 8

Sec. 13

Sec. 17 to 20

Sec. 23 to 26

Sec. 30 and 31

Sec. 33

108  
B00. 108 PAGE 390

Sec. 35 and 36

T. 21 S., R. 18 W.

Sec. 1

Sec. 11 to 16

Sec. 17 S 1/2; NE 1/4; NW 1/4, E 1/2

Sec. 20 to 29

Sec. 31 to 36

T. 21 S., R. 19 W.

Sec. 35 and 36

T. 22 S., R. 16 W.

Sec. 6 and 7

Sec. 18 and 19

Sec. 31

T. 22 S., R. 17 W.

Sec. 1 to 5

Sec. 8 and 9

Sec. 11 to 14

Sec. 17

Sec. 19 and 20

Sec. 23 to 29

Sec. 32 to 35

Sec. 36

T. 23 S., R. 17 W.

Sec. 1

Sec. 2 to 5

Sec. 6, SE 1/4

Sec. 7, E 1/2

Sec. 8 to 10

Sec. 15 to 17

Sec. 18, E 1/2

Sec. 19, NE 1/4

BOOK 28 PAGE 391

Sec. 20, E1/2; NW1/4

Sec. 21 to 22

Sec. 28

Sec. 20, E1/2

Containing approximately 41,946 acres, more or less.

Together with any and all of the easements and appurtenances thereto, and improvements located thereon ("Property"); and

Subject to any and all easements, restrictions, covenants and encumbrances of record or imposed by law, including but not limited to those contained in Patent No. 50-90-0647 dated September 26, 1990, from the United States of America to Grantor.

Grantor warrants that the Property is free and clear of any encumbrances created since the conveyance of the Property to Grantor, except for those encumbrances created by the exercise of federal, state, and local police powers, including building and zoning regulations, and to forever defend the Property as to Grantee, its successors and assigns, against every person claiming by, through, or under Grantor, but not as to Grantor's predecessors in title.

Dated this 15<sup>th</sup> day of August, 1991, at Anchorage, Alaska.

GRANTOR:

AFOGNAK JOINT VENTURE

By:

Harold Valley  
Its: Chairman

MAY 18 '93 14:49 ATTY GEN ENVIROMENT

P.6/14

BOOK 28 PAGE 392

GRANTEE:

AKHIOK-KAGUYAK, INC.

By:

Ralph E. Euseka  
Its: President

OLD HARBOR NATIVE CORPORATION

By:

Emil Christensen  
Its: Pres

STATE OF ALASKA )

) ss.

THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 1<sup>st</sup> day of August, 1991, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared HOWARD W. VALLEY of AFOGNAK JOINT VENTURE, a joint venture organized and existing under the laws of the State of Alaska, to me known and known to me to be the CHAIRMAN of said joint venture and acknowledged to me that he signed the foregoing Limited Warranty Deed freely and voluntarily for and on behalf of said joint venture by authority of its Board of Directors for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written.

[Signature]  
Notary Public in and for Alaska

My Commission Expires: 12-12-93

STATE OF ALASKA )

) ss.

THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 2<sup>nd</sup> day of August, 1991, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Ralph E. Euseka of AKHIOK-KAGUYAK, INC., a corporation organized and existing under the laws

PARTITION PARCEL LIMITED

BOOK 108 PAGE 393

of the State of Alaska, to me known and known to me to be the President  
of said Corporation and acknowledged to me that he signed the foregoing Limited  
Warranty Deed freely and voluntarily for and on behalf of said corporation by  
authority of its Board of Directors for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last  
above written.

C. Walter Ethell  
Notary Public in and for Alaska  
My Commission Expires: 11-30-97

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 2<sup>nd</sup> day of August, 1991,  
before me, the undersigned, a Notary Public in and for the State of Alaska, duly  
commissioned and sworn, personally appeared Emil Christensen of  
OLD HARBOR NATIVE CORPORATION, a corporation organized and existing  
under the laws of the State of Alaska, to me known and known to me to be the  
President of said Corporation and acknowledged to me that he  
signed the foregoing Limited Warranty Deed freely and voluntarily for and on  
behalf of said corporation by authority of its Board of Directors for the uses and  
purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last  
above written.

C. Walter Ethell  
Notary Public in and for Alaska  
My Commission Expires: 11-30-97

91-1755

27-CC

RECORDED-FILED  
KODIAK RECORDING  
DISTRICT

AUG 6 2 49 PM '91

REQUESTED: WALCO

ADDRESS \_\_\_\_\_

PARTITION PARCEL LIMITED  
WARRANTY DEED



MAY 18 '93 14:50 ATTY GEN ENVIROMENT

P.8/14

~~CONFIRMED~~ COX 0114 637SORTYARD LIMITED WARRANTY DEED

The Afognak Joint Venture, a joint venture comprised of Alaska corporations, whose address is 214 West Rezanof, Kodiak, Alaska 99615 ("Grantor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid, grants, conveys and sells to Akhiok-Kaguyak, Inc., an Alaska corporation whose address is 5028 Mills Drive, Anchorage, Alaska 99508, an undivided 32.6075% interest, and Old Harbor Native Corporation, an Alaska corporation whose address is P. O. Box 71, Old Harbor, Alaska 99643, an undivided 67.3925% interest, as tenants in common, ("Akhiok-Kaguyak, Inc. and Old Harbor Native Corporation are jointly referred to as "Grantee") the following described property situated in Sections 26, 27 and 34, Township 21 South, Range 19 West, Seward Meridian, situated Southwest of Mallard Creek on Afognak Island, in the Kodiak Recording District, Third Judicial District, State of Alaska, more fully described as follows:

Commencing at the intersection of the easterly boundary of the Ouzinkie log storage site and the southerly edge of the 1100 Road, this point being the true point of beginning and being Cor. No. 1 for this description, bears S. 36°00' E. a dist. of 219.36 ft. from the mean high water line of Discoverer Bay. (This distance is a portion of the easterly boundary of the Ouzinkie log storage site.)

THENCE along the southerly edge of the 1100 Road on the following courses:

- N. 63°00' E. a dist. of 127.38 ft.
- N. 53°00' E. a dist. of 173.00 ft.
- N. 46°30' E. a dist. of 404.00 ft.
- N. 29°00' E. a dist. of 117.00 ft.
- N. 07°45' E. a dist. of 83.00 ft.
- N. 01°15' E. a dist. of 263.00 ft. to Cor. No. 2,

THENCE S. 28°45' E. a dist. of 2892.99 ft. to Cor. No. 3, this line traversing westerly near Mallard Creek,

THENCE West along the section line between Secs. 26 and 35, a dist. of 374.00 ft. to Cor. No. 4, which is the section corner common to Secs. 26, 27, 34, and 35 of said township and range,

THENCE S. 00°02'48" E. along the section line between Secs. 34 and 35, a dist. of 1316.70 ft. to Cor. No. 5,

THENCE N. 28°45' W. a dist. of 2204.16 ft. to Cor. No. 6, marking a point on the southerly boundary of Ouzinkie log storage yard,

0114 638

THENCE N. 54°00' E. along the southerly boundary of the  
Ouzinkie log storage yard, a dist. of 157.41 ft. to Cor. No. 7,

THENCE N. 36°00' W. along the easterly boundary of the  
Ouzinkie log storage yard, an approx. dist. of 1179.25 ft. to Cor.  
No. 1, the true point of beginning.

This parcel contains approximately 58.96 acres.

Together with any and all of the easements and appurtenances thereto ("Property");  
and

Subject to any and all easements, restrictions, covenants and encumbrances of record  
or imposed by law, including but not limited to those contained in Patent No. 50-90 0647  
dated September 26, 1990, from the United States of America to Grantor.

Grantor warrants that the Property is free and clear of any encumbrances created  
since the conveyance of the Property to Grantor, except for those encumbrances created by  
the exercise of federal, state, and local police powers, including building and zoning  
regulations, and to forever defend the Property as to Grantee, its successors and assigns,  
against every person claiming by, through, or under Grantor, but not as to Grantor's  
predecessors in title.

DATED this 23rd day of July, 1992, at Kodiak, Alaska.

GRANTOR:

AFOGNAK JOINT VENTURE

By:

Howard J. Kelley  
Is: CHAIRMAN

GRANTEE:

AKHIOK-KAGUYAK, INC.

By:

Ralph J. Elushe  
Is: President

0114 639

OLD HARBOR NATIVE CORPORATION

By: Ermil Christensen  
Its: PRESIDENT

ACKNOWLEDGEMENTS

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 23rd day of July, 1992, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Howard W. Unillea, of AFOGNAK JOINT VENTURE, a joint venture organized and existing under the laws of the State of Alaska, to me known and known to me to be the Chairman of said joint venture and acknowledged to me that he signed the foregoing Limited Warranty Deed freely and voluntarily for and on behalf of said joint venture by authority of its Board of Directors for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Linda Moore  
Notary Public for ALASKA  
My commission expires: 11-30-92

0114 640

STATE OF ALASKA )

ss.

THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 31 day of JULY, 1992, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared RALPH L. ELUSKA, of AKHIOK-KAGUYAK, INC., a corporation organized and existing under the laws of the State of Alaska, to me known and known to me to be the PRESIDENT of said corporation and acknowledged to me that he signed the foregoing Limited Warranty Deed freely and voluntarily for and on behalf of said corporation by authority of its Board of Directors for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written.



Ralph L. Eluska  
Notary Public for ALASKA

My commission expires: JUNE 30, 1993

STATE OF ALASKA )

ss.

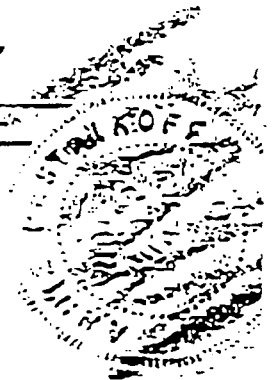
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 31 day of JULY, 1992, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Emil Thorsrud of OLD HARBOR NATIVE CORPORATION, INC., a corporation organized and existing under the laws of the State of Alaska, to me known and known to me to be the PRESIDENT of said company and acknowledged to me that he signed the foregoing Limited Warranty Deed freely and voluntarily for and on behalf of said corporation by authority of its Board of Directors for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Emil Thorsrud  
Notary Public for ALASKA

My commission expires: 4-15-93



376303D.003

SORTSFORD LIMITED  
WARRANTY DEED - Page 4

06/01/93 14:23 9077622529  
MAY 18 '93 14:52 ATTY GEN ENVIROMENT

ANCH DLWM

EV Restoration

P.12/14

0114 641

9 2 - 1 9 1 8

27-  
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KODAK-RECORDING  
DISTRICT.

Return.

AUG 6 9:25 AM '92

REQUESTED BY TAMM Ebell

ADDRESS 323 Carolyn ST.

MAY 18 '93 14:53 ATTY GEN ENVIROMENT

P.14/14

Sort Yard Area  
to be Conveyed

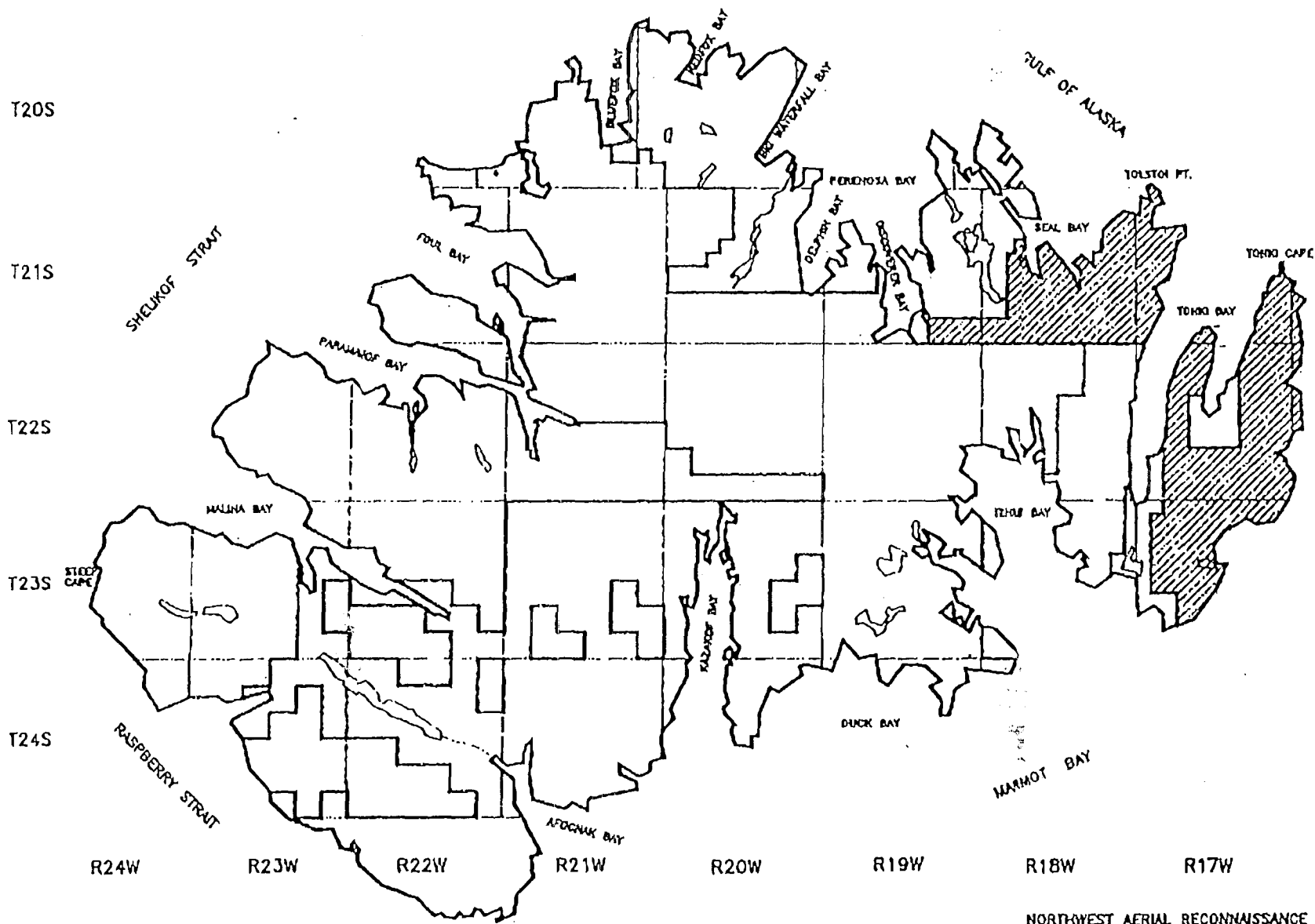
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26

35



AFOGNAK JOINT VENTURE PROPERTY &  
 AKHIOK-KAGUYAK, INC. AND OLD HARBOR NATIVE CORPORATION PARTITION PROPERTY  
 AFOGNAK ISLAND



NORTHWEST AERIAL RECONNAISSANCE

ATTACHMENT B  
 Wesley Rickard

06/01/93

14:24

09077622529

ANCH DLWM

EV Restoration

023

PROPOSAL

ASPS #93-0181  
Appraisal Services  
Seal Bay, Afognak Island, Alaska

To: State of Alaska  
Department of Natural Resources  
Division of Land  
3601 C Street  
Anchorage, Alaska 99510-7005

From: International Forestry Consultants, Inc.  
101 Eastwood Building  
1020 108th Avenue, N. E.  
Bellevue, Washington 98004

1. Product

International Forestry Consultants, Inc., hereafter referred to as INFO, will deliver 6 original copies of narrative reports containing opinions of current Market Value of each of two blocks of land on Afognak Island, Alaska. The blocks are known as Seal Bay block and Tonki block. The report will be self-contained and will include descriptions, listings of data, analyses and reconciliation necessary to support the opinions of value. The appraisal work and report product will meet standards of USPAP, Uniform Appraisal Standards For Federal Land Acquisitions and Attachment A of the Request for Proposal. The opinion of value will be as of May 14, 1993.

2. Capabilities

INFO is a Washington corporation with extensive experience in the inventory and appraisal of timber and timberland. Personnel include two full-time and one part-time appraisers, plus clerical and technician staff. Resumes are attached for these people:

Kenneth E. Beil, ACF, RPF, President;  
William B. Wallace, ACF, RPF, Certified Appraiser - General;  
Thomas M. Hanson, ACF, Secretary-Treasurer.

INFO has appraised a number of timberland properties of a size comparable to the properties which are the subjects of this proposal. Mr. Beil and Mr. Hanson inventoried and appraised properties for Pack River Company in Washington and Montana; appraised properties in Washington for Plum Creek Timber Company; and appraised properties of 10,000 acres or more for Resource Investments, Inc. and The Travelers Realty Investment Trust. They also appraised properties of several thousand acres for the Agnew estate, the Cugini estate, Boise Cascade Corporation and an exchange between Washington DNR and City of Everett, Washington.



INTERNATIONAL FORESTRY CONSULTANTS, INC.

101 Eastwood Building 1020 108th Avenue N.E. Bellevue, WA 98004 U.S.A. (206) 455 8353

May 22, 1993

Mr. Dennis Lattery  
Department of Natural Resources  
Division of Land  
P. O. Box 107005  
Anchorage, AK 99510-7005

Re: Request for Proposals - ASPS # 93-0181

Dear Mr. Lattery:

We are submitting the enclosed proposal in response to your Request of May 21, 1993. The INFO contact person for the proposal is William B. Wallace or Thomas M. Hanson at the address and telephone number in the letterhead above. The proposal remains valid for a period of 30 days from the closing date for receipt of proposals.

We are prepared to commit all resources necessary to complete the appraisal(s) to USPAP standards or better within the time constraints contained in the Request for Proposal. We acknowledge that the proposal considers an August 6, 1993 date of completion. The necessity for completion on schedule is recognized. We fully expect to perform within this time frame as described in our proposal.

An application for Alaska Business License has been made to the Department of Commerce and Economic Development. A copy of the application is included with the proposal.

We know of no existing, perceived or potential conflicts of interest with respect to the subject property, the State of Alaska or the owners of the subject property. INFO is involved in a difference of opinion with one of the potential respondents to this Request for Proposal with respect to Standard 1 and Standards Rule 1-1 of USPAP concerning an appraisal of timberland in Washington State. We prefer not to identify the other firm or discuss details of the case if ours is the winning proposal or more than one other proposal is superior to ours. If, however, in your evaluations ours is judged second-best, we request an opportunity to discuss the facts of our disagreement with you in case they might have bearing on your ultimate evaluations.

Sincerely,  
INTERNATIONAL FORESTRY CONSULTANTS, INC.

William B. Wallace  
Vice President

WRW/mv  
enclosure: Proposal

Between 1989 and 1991 Mr. Wallace was principal appraiser of two Alaska Native corporation properties in Prince William Sound, of 20,000 and 65,000 acres, with assistance from Mr. Hanson. In the same period of time, Mr. Hanson was principal appraiser of three Alaska native corporation properties in South Central Alaska, of 10,000 to 35,000 acres, with assistance from Mr. Wallace. Mr. Wallace and Mr. Hanson were co-authors of an appraisal of 20,000 acres on Prince of Wales Island, Alaska. Mr. Hanson Appraised two properties in Southeast Alaska of 24,000 acres and 22,000 acres, with assistance from Mr. Beil.

From 1989 to the present INFO has appraised timber on two properties of 7,000 acres and 11,000 acres for the Washington DNR. In the same period of time the company has appraised 15 to 20 timberland properties of 25 acres to 1,000 acres for DNR. The Nature Conservancy, financial firms and legal firms. Some were appraisals of timber only and some were appraisals of land and timber. Four were undertaken completely by INFO and the rest were done in collaboration with MAI designated appraisers.

In employment prior to joining INFO, Mr. Wallace was the principal appraiser and Manager of an appraisal of 1,900,000 acres of industrial forest in the Pacific Northwest and the Gulf South states. He was also responsible for annual appraisals of timber cut from that forest and valuation of the land for ad valorem tax purposes. He took part in the prepurchase evaluations of acquisitions involving 25,000 acres to 300,000 acres. As an independent fee appraiser in 1986 to 1988, Mr. Wallace appraised six timberland properties of 40 acres to 2,000 acres in Oregon and Washington.

The lead appraiser for this proposal will be Mr. Wallace, who is certified as a Real Estate Appraiser - General by the State of Washington. He is also a candidate for designation MAI by the Appraisal Institute. A photocopy of the certification and his resume are enclosed. Mr. Wallace will be actively involved with all aspects of the appraisal, sharing the data collection and analysis with Mr. Hanson. The appraisal report will be written by Mr. Wallace. Mr. Beil will assist in preparation of the report and will provide review of the draft report. He may participate in review discussions with review appraisers acting for the State of Alaska.

Analysis, word processing and preparation of tables and charts will be done on a 386-based computer system with graphics and letter-quality printing capabilities. Clerical and technician support will be brought in from other projects from time-to-time as required.

Timber inventory is accomplished by INFO with a network of personal service contractors under the direction of Mr. Hanson. Richard Sanders from the Anchorage area would be used for this

project, if necessary. The field work to confirm an existing inventory will probably be done by Mr. Hanson and Mr. Wallace

### 3. The Appraisal Process

An orderly process will be applied to the appraisal assignment to provide a logical method for considering all the factors that influence property value. The problem will be defined. The pertinent data will be gathered and analyzed. The overall environment surrounding the subject property will be studied to understand the specific factors that influence its value.

Appraisal methodology employs three approaches for determining value: the Cost Approach; the Income Capitalization Approach; and the Sales Comparison Approach. The applicability of each approach varies depending on the nature of the particular appraisal problem. Only the Income Capitalization Approach and the Sales Comparison Approach will be considered in forming an opinion of value of the subject properties. The Cost Approach is not appropriate for estimating the value of land or timber.

The value indications from these approaches will then be reconciled into a single estimate of Market Value. Appraisal theory has now evolved to the point where these approaches are no longer really considered to be independent determinants of value. The older terminology that referred to a Market Data Approach has been discarded in favor of an increasing recognition that all information for an appraisal comes from activity in the market. The three approaches to estimation simply reflect that indications of value may be made manifest from different perspectives. Thus the conclusion of value may be based on bits of evidence, some of which can be related directly to the subject properties while others are best related through estimates of income or cost as units of comparison.

Highest-and-best use is normally one of the most important considerations of an appraisal. Whatever analysis follows is unlikely to be correct if the highest-and-best use is not properly identified. Although use of the subject properties appears to be fairly evident, a good bit of effort will still be put into this analysis. An important consideration will be limitations imposed by environmental concerns and requirements for wildlife protection.

The subject properties will be inspected and timber inventory evaluated, by Mr. Hanson and Mr. Wallace, soon after award of the contract. If gross errors are found in the inventory a separate proposal for a new timber inventory will be made. A preliminary study of the existing inventory, however, suggests that it is likely to be more than adequate for the appraisal. It is a common practice in the timber industry for parcels of this size to be offered for sale with a timber

inventory based on only extensive sampling methods. Potential buyers routinely make an independent examination of the timber and adjust the inventory for whatever differences they perceive. Sales of timberland of this size are rarely made with inventory information as reliable as the current inventory appears to be. Thus, use of the existing inventory is entirely consistent with practices in the market.

Extensive use will be made of financial data and timber operating experience from the current owners of the properties. A concerted effort will be made to secure similar information from other owners and operators in South Central and Southeast Alaska. Information will be drawn from the appraisal systems of the U. S. Forest Service and Alaska DNR. Public records will be searched for transaction data relating to sales of logs, sales of timber as stumpage and sales of timberland, with and without standing timber. INFO is aware of several unrecorded transactions that would provide valuable data in solving the appraisal problem. Up to now this information has not been available for use in an appraisal. Consultation services of an MAI appraiser in Alaska will be utilized to identify sources of data and research methods. Local contacts and local expertise will be used to the extent possible to break the silence regarding many transactions.

There is a great deal of information relevant to Alaska timber and timberland values that should be in the records of recent Alaska court cases. A thorough search of court records will be made to uncover that data. A consultation with an attorney in Alaska will be used to help find the records.

Data collection and analysis should be equally applicable to both properties. The appraisals will require only variations in tables and descriptions to show adjustment to two different sets of specific conditions. There will be some additional work compared to appraising only Seal Bay block for site inspection, collection of Tonki financial records and operating data, and preparation of a separate report.

The final product of the appraisals, reported in the narrative reports, will be estimates of the prices for which the properties would sell under current conditions of supply and demand in the market. The Request for Proposal specified no restrictive, theoretical or hypothetical conditions under which the appraisal was to be made so the definitions of value in USPAP and published by the Appraisal Institute will control.

#### 4. Work Schedule (Appraisal of both blocks)

Work on the project will begin as soon as possible after award and proceed expeditiously toward the due date of August 6, 1993. The following general schedule will be set.

June - Inspection of subjects, evaluation of timber inventory, environmental and wildlife investigations, and collection of data from current owners; Consultations. - both Wallace and Hanson.

Approximately 15 person-days.

July - Additional data collection, and data analysis; Draft appraisal ready for review by July 15. - Wallace or Hanson, and Beil.

Review and final analysis; Final report writing; Final reports completed by July 30. - Wallace, Hanson and Beil.

Approximately 20 person-days.

August - Fine tuning and final preparation of reports. - Wallace and Beil.

Approximately 5 person-days.

#### 5. Cost Proposal

INFO proposes to charge at standard hourly rates for time actually expended on the project plus other costs incurred at actual out-of-pocket expense. Hourly labor rates are calculated to include direct expense of labor and benefits plus a proration of all administrative and overhead costs of doing business plus a margin for profit. The calculated rate may be modified by competitive conditions. We are unable to provide an accurate breakdown of our proposed charge rates. A rate analysis indicates an overall distribution as follows:

Direct Labor - 50%  
Payroll taxes and benefits - 20%  
Administration and overhead - 15%  
Profit - 15%

Hourly rates apply only to time on the project. Other time is charged to INFO (administration and overhead).

#### We propose to charge the following costs:

- Field labor - Wallace and Hanson - \$50 per hour.
- Analysis and appraisal labor - Wallace, Hanson & Beil - \$70 per hour.
- Clerical labor - \$25 per hour.
- Technician labor \$30 per hour.
- Computer - \$10 per hour (CPU clock).



- Consultation fees - other professionals - Actual cost.
- Travel, per diem, equipment rental, photography, mapping, copying and printing, telephone, FAX, etc. - actual cost.

We do not propose a special rate for unproductive time as the result of unforeseen events, such as bad weather. If such an event were to occur on Afognak Island during a planned visit there we would simply work through it. If the event prolonged the visit or prevented us from leaving, we would charge for all out-of-pocket expenses incurred during our stay. If a prolonged visit were combined with inefficiency in the work, we would charge for the actual hours expended to complete the scheduled work. If an unforeseen event delayed us at any point to the extent that prepaid airline tickets and other expenses were forfeited we would charge for the additional costs to replace them and proceed with the project. Should an unforeseen event cause delay that made rescheduling of appointments necessary and required additional time to complete a task we would charge for the actual time required. The amount by which our guaranteed maximum charge exceeds what we expect the charges to be includes an allowance for such contingencies. We bear the risk that unforeseen difficulties will add expenses and time charges in excess of that differential.

No cost for timber inventory is anticipated in this proposal. A separate proposal for timber inventory, if necessary, could run as high as \$25,000 for both properties. We consider the need to be unlikely.

For the appraisal of only the Seal Bay block:

We expect the cost billed to the State of Alaska will be between \$20,000 and \$24,000. This would include approximately \$2,000 for a very limited check of the current inventory sample. Our guarantee of maximum fee must be somewhat higher to allow for unforeseen contingencies.

The guaranteed maximum payment proposed is

\$26,000.

For appraisal of both properties:

We expect the cost billed to the State of Alaska will be between \$25,000 and \$30,000. Verification of the existing timber inventory for Tonki block would be included in the work for Seal Bay only.

The guaranteed maximum payment proposed is

\$32,000.

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

### DIVISION OF LAND

WALTER J. HICKEL, GOVERNOR

LAND & RESOURCES SECTION  
3601 C STREET  
P.O. BOX 107005  
ANCHORAGE, ALASKA 99510-7005  
PHONE: (907) 762-2680

May 21, 1993

Re: Request For Proposals - ASPS # 93-0181  
Appraisal Services  
At Seal Bay, Afognak Island, Alaska

The State of Alaska, Department of Natural Resources (DNR), invites your firm to submit a proposal to provide real estate appraisal services to determine the current market value of approximately 17,400 acres of land at Seal Bay, on Afognak Island, in southcentral Alaska.

#### Introduction and Instructions:

##### Questions About the RFP

Any technical or procedural questions arising out of your examination of this Request For Proposals (RFP) should immediately be directed to the Project Manager, Dennis Lattery, at the telephone number/address indicated below.

##### Location of Work

The subject property is located at Seal Bay, on the northeast shore of Afognak Island, approximately forty air miles north of the City of Kodiak, Alaska. The general subject vicinity is accessed through the City of Kodiak by commercial airline from Anchorage, Alaska. Access from Kodiak is by float aircraft or boat.

##### Issuing Office/Project Manager

###### Mailing Address:

Department of Natural Resources  
Division of Land  
P.O. Box 107005  
Anchorage, Alaska 99510-7005

###### Physical Address:

Frontier Building  
3601 C Street  
8th Floor, Suite 800  
Anchorage, Alaska

Telephone: (907) 762-2680

Project Manager/Contact Person: Dennis Lattery

##### Deadline For Receipt of Proposals

**4:30 P.M. (Alaska Daylight Time) May 26, 1993** (See "Proposal Content And Format") It is recommended that proposals be faxed or sent by overnight courier to the project managers office location. Proposals received after this deadline will be dismissed without review.

### Period of Performance

A period of sixty-one days, measured from the June 7, 1993 date of Notice To Proceed, will be allowed to complete this project. Fully completed appraisal reports must be delivered to the Project Manager no later than close of business (4:30 P.M. local time) August 6, 1993. **IT IS ESSENTIAL THAT PROSPECTIVE CONTRACTORS RECOGNIZE THAT THE PROJECT MUST BE COMPLETED BY THIS AUGUST DEADLINE.**

### Evaluation of Proposals/Negotiations

Proposals will be evaluated by a DNR evaluation committee on, or about, May 28, 1993. The apparent most qualified contractor will be selected for negotiations and will need to be available in person or by teleconference to complete final contract negotiations the week of June 1st.

### Failure to Negotiate

If the selected contractor fails to complete negotiations in a timely manner, negotiate in good faith or cannot perform the contract within the time frame or the amount of budgeted funds for the project, the State may terminate negotiations and negotiate with the next most qualified firm, or terminate award of the contract.

### Contract Award/Notice To Proceed

At the present time it is estimated that a contract will be awarded on June 4, 1993 and Notice To Proceed will be issued by June 7, 1993.

### Incurred Costs

No costs incurred by offers in preparation of a proposal for this project, including travel and expenses, may be charged as an expense of performing the contract.

### Right of Rejection

The issuing office reserves the right to reject any proposal that does not address all requirements of this request or any, or all, proposals when in the best interest of the State.

### Insurance & Contract Requirements

Attachments B and C included with this document are standard insurance and contract terms and conditions. Please indicate in your proposal any problems you may have with any of these requirements.

### Procedural Questions

Any procedural questions regarding this request can be addressed to:

Christopher Rutz, Procurement Officer  
Department of Natural Resources  
Administrative Support  
3601 C. Street, Suite 1134  
Anchorage, Alaska 99503

Telephone: (907) 762-2534  
Fax: (907) 762-2484

## Statement of the Appraisal Problem

As part of the Exxon Valdez Oil Spill restoration plan the Exxon Valdez Oil Spill Trustee Council is charged with developing a program providing for the "injury assessment, restoration, replacement and enhancement of natural resources, and acquisition of equivalent resources and services" resulting from the 1989 Alaska Oil Spill.

The Council is composed of representatives from the State Departments of Law, Environmental Conservation and Fish and Game and from the Federal Departments of Agriculture and Interior and the National Oceanic and Atmospheric Administration.

An offer was recently made to the Council by Akhiok-Kaguyak, Inc. and Old Harbor Native Corporation, two Native Corporations created under the Alaska Native Claims Settlement Act, to sell approximately 17,400 acres of land located on Afognak Island. Afognak Island is one of the northerly islands of the Kodiak Island Archipelago. The subject parcel possesses fifteen to twenty miles of ocean front on Seal Bay and Tonki Bay along the northeast shore of the island. (See the attached map showing the general location and delineating the boundaries of this tract.)

There are identified stands of commercial timber located on this property. Portions of the parcel have been logged or are in the process of being logged at this time.

The appraisal problem will be to determine the current market value of this parcel to aid in negotiations to purchase. Your firm is invited to submit a proposal to provide these independent valuation services.

## Project Requirements

Qualifications of Appraiser: The lead appraiser(s) for this project must possess, at a minimum, a General state appraiser certification as a professional real estate appraiser. Other qualifications (e.g. professional designations) will be considered by the Proposal Evaluation Committee.

Completion Dates: Deadline for completion of the required appraisal report(s) is August 6, 1993. **It is essential that the selected contractor complete the report by this deadline. Failure to complete by this deadline could be constituted as a failure to perform and result in cancellation of the contract with no payment for work completed.**

Appraisal Report Standards - Land Appraisals: The contractor awarded this appraisal project will consider that ethics and reporting standards currently applying under the Uniform Standards of Professional Appraisal Practice (USPAP) apply to this project. General Factual Data and Analysis to be included within the body of a land appraisal report, as a minimum, will be as outlined in "Part II -Individual Parcel Reports" within the Uniform Appraisal Standards For Federal Land Acquisitions - circa 1992 (Copy attached).

Appraisal Report Standards - Timber Appraisals: The contractor awarded this appraisal contract will provide a professional timber valuation report following

standards and guidelines attached to this RFP as Attachment A.

Number of Appraisal Reports Required: Six copies of appraisal reports will be required.

Available information: A preliminary title report related to the subject property is being prepared and will be provided to the contractor awarded the contract.

Date of Valuation: The date of valuation will be fixed at May 14, 1993.

Hazardous Material Identification and/or Assessment: The contractor awarded this contract will be responsible for identification of any known or suspected hazardous material (i.e. compounds which pose a risk to health or the environment when discharged on land, water or air) observed during the course of this appraisal.

The contractor should note the following during any site inspections:

1. identification of any drums, containers, tanks, batteries, etc.;
2. piping, vent pipes, pumps or other items that might indicate underground tanks or pipes;
3. stains, odors or evidence that materials could have been spilled;
4. any evidence of dump sites, land fills, debris, solid waste, etc.;
5. distressed vegetation or areas devoid of vegetation;
6. if any structures are on site--is there evidence of any asbestos containing material attached.

This information, or any other situation where the contractor may suspect the presence of a hazardous substance, should be noted in the appraisal report.

#### Tasks and Deliverables

The anticipated tasks involved in completing this valuation project are:

1. Field inspection and familiarization with the subject property, obtaining representative photography of the tract for inclusion in a narrative appraisal report.
2. Analyze and determine the highest and best use of the subject property. Firms invited to submit proposals for this project have been pre-qualified as having experience and qualified personnel in the preparation of professional appraisals of both timber and real estate. It is possible that either one or both types of appraisals will be required to properly determine the "market value" of this property.
3. Conduct on-site inspections for timber valuation purposes.
4. Location, confirmation and inspection of market data for use in support of appropriate market values in the appraisal report(s).
5. Compilation of a professional appraisal report, or separate reports if timber and land valuations are required, to criteria discussed in the following "Specific Details" section.

### **Proposal Format**

We discourage unnecessarily lengthy and costly proposal preparation, yet all proposals must contain the following information in the following format. Proposals should be limited to the requested information. Failure to follow this format for a proposal or failure to include complete information as requested may result in a lower score or disqualification of the proposal depending on the severity of the discrepancy.:

1. A letter of transmittal containing the complete name and address of the firm; name, mailing address, telephone number of the contact for the proposal; **Alaska Business license number; NOTE\*\* Proof of a having an Alaskan Business License must accompany your proposal. Failure to provide this documentation could result in your proposal being rejected without review. Contact Chris Rutz if you have questions about this requirement or the Alaskan proposer preference:** a statement of commitment to the project; and a statement confirming that the proposal is valid for thirty (30) days from closing date for receipt of proposals, a certification, as appropriate, that your firm qualifies as an Alaskan vendor, a statement with regard to any perceived or potential conflicts of interest and acknowledgment that the proposal considers an August 6, 1993 date of completion, the necessity for completion of the project on schedule and your ability to perform within this time frame.
2. Provide a discussion of how you propose to accomplish the work requested. Discuss your methodology, potential problems and ways to mitigate those problems, provide a detailed work schedule, and a list of key persons, including subcontractors, and tasks they will be assigned.

It should also be noted that ADNR has not specified a particular methodology for the timber inventory or value analyses in this proposal. This is intended. Prospective contractors should clearly identify that methodology they believe most appropriate for the timber inventory and value analyses, and should attempt to establish a direct linkage between the methodology, personnel, and associated costs.

3. Indicate the name and professional qualifications of the individual to be designated as lead appraiser on the project; or names of lead appraisers, for timber vs land appraisals, if different. Provide proof of state appraiser certifications and other certifications as appropriate. Please include information regarding designations, certifications, and an accurate work history of the lead appraiser(s) and the extent you envision this person will be directly involved in fieldwork and actual preparation of the appraisal report. Include work history for this individual(s) on large acreage projects.

Include a detailed listing of the staff your firm has available to commit to this project, how much and to what extent which each staff member will be actively involved in this project.

Also include a concise work history identifying the extent your firm has been involved in past appraisals of large acreage land/timber land. With specific emphasis on projects similar to this one.

4. Provide cost information, to include all expenses and fees, to complete the project. This should include a detailed cost breakdown that itemizes proposed:

- Direct expenses; labor and benefits to include names of participants and number of hours committed to this project, proposed transportation and per diem costs, direct administrative expenses.
- Indirect expenses; administrative expenses and overhead.
- Profit or Fee.
- Include direct expenses as they would relate to unforeseen costs such as a standard rate for per diem in case of being delayed by circumstances beyond your control.

The costs of the timber inventory and the value analysis shall be individually and separately stated in the proposal. In addition, the costs of performing a limited field inspection to confirm the validity of the inventory sample shall be clearly identified.

The contractor should also propose a guaranteed final lump sum not to exceed cost for completing the work as defined by this request and their proposal.

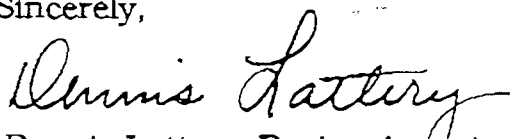
#### Evaluation Criteria

Proposals will be evaluated by an evaluation committee selected by DNR. Evaluation criteria and weights will be as follows:

- 10% Alaskan Proposal Preference
- 30% Contractors proposed approach to accomplishing the tasks
- 30% Qualifications & experience of the proposed appraisal team and history of completion of similar large tract timber land evaluations.
- 30% Cost of proposal.

Thank you in advance for taking the time to review this RFP. We hope you take advantage of opportunity to submit a proposal.

Sincerely,



Dennis Lattery, Review Appraiser

#### Enclosures:

- A Timber Appraisal Requirements
- B Standard Agreement Form for Professional Services
- C Appendix B. Hold Harmless and Insurance Requirements
- D Uniform appraisal Standards for Federal Land Acquisitions
- E Project Map
- F Timber Survey Information
- G Alaska Business License Application Forms



## Seal Bay Timber Appraisal Appraisal Requirements

## Attachment A

### 1. General Products and Services Description

The selected contractor will estimate the timber market value of the Seal Bay 17,040 acre tract on Afognak Island. To establish this value estimate, it will be necessary to inventory the types, quantities, and distribution of commercial tree species within this tract. The development of this data is to be completed by August 6, 1993.

### 2. Services to be Required.

The selected contractor will prepare an inventory of commercial tree species to establish their quantity, types, distribution, and quality; and prepare a value estimate to a May 14, 1993, base date for the Seal Bay Tract. The boundaries of this tract are depicted on Map A, attached to this request for proposals. The specific types of evaluation are indicated below:

#### a. Timber Inventory

The timber inventory is intended to establish the grades, volumes (including reductions for habitat losses under the State Forest Practices Act), and adjusted available volumes for the following grade types within species:

##### Species/Grade

Sitka Spruce

Select

Sp. Mill

#1 Saw

#2 Saw

#3 Saw

#4 Saw

Utility

In this inventory, neither a detailed cruise nor detailed field work is required. Emphasis is to be placed upon sort and grade identification for the purposes of appraisal with secondary emphasis on forest type and stand structure. The selected contractor will use existing inventory maps, aerial photography, and reports for the determination of the required information. The contractor may be required to field verify the results of the inventory analysis, sufficient to establish the probability of the accuracy of the inventory data. A 95% confidence level with a standard error of +/- 10% is considered satisfactory. The requirement for field verification of the inventory data is explained in Section 5.

#### b. Preparation of Value Estimates

The value analysis must establish the costs of logging, sortyard to dump, road construction, and other relevant costs for marketable timber as well as utility logging costs. This analysis must also establish the delivered

## **Seal Bay Timber Appraisal Appraisal Requirements**

### **Attachment A**

log value, estimated cost, and indicated fair market value by species for each grade of species. Finally, this analysis shall identify the total fair market value of timber for the entirety of the tract to a May 14, 1993 date. Proposals shall indicate the probable sources of information that will be used to establish cost and value estimates.

It is not expected that specific logging road-management plans will be developed for these analyses. The aforementioned values may be established from local or regional data adjusted to and for the particular conditions of the tract.

### **3. Required Products**

A written report shall be prepared for this Seal Bay Tract that:

- a. Clearly lists the inventory data required under paragraph a. of Section 2. This section shall also indicate the sources of information and methodology for preparing the timber inventory, and shall explain the accuracy level of the inventory. Maps and appropriate spreadsheets of timber data shall accompany the inventory section of the report.
- b. Clearly describes the value data required under paragraph b. of Section 2. This description shall also explain the methodology, assumptions, and constraints used or applied in this analysis and shall provide an indication of data reliability.

### **4. Information Currently Available**

We have included the most recent cruise information for the forest lands within the tract. Seal Bay Timber Company will have additional cut and sold information which will be available on request. Additional sources of inventory, logging costs, and markets could be furnished through Afognak Joint Venture, and Koncor Forest Products.

### **5. Special Considerations and Requirements in Proposal Preparation**

Field verification may be required to establish the accuracy of the derived volume/type information and to establish general quality (defect) and sort data. Please refer to the subsequent discussion in this attachment for more information on this requirement. We also reemphasize that the value estimates are not to be derived from detailed logging road-management plans but from relevant cost data at the regional or local data, adjusted to local tract conditions.

## STANDARD AGREEMENT FORM

1. Agency Contract Number	2. ASPS Number	3. Financial Coding	4. Agency Assigned Encumbrance Number
5. Vendor Number		6. Alaska Business License Number	
This contract is between the State of Alaska,			
7. Department of		Division	
		hereafter the State,	
8. and,			
		hereafter the Contractor	
Mailing Address	Street or P.O. Box	City	State ZIP + 4
<p>9. <b>ARTICLE 1. Appendices:</b> Appendices referred to in this contract and attached to it are considered part of it.</p> <p><b>ARTICLE 2. Performance of Service:</b></p> <p>2.1 Appendix A (General Provisions), Articles 1 through 14, governs the performance of services under this contract.</p> <p>2.2 Appendix B sets forth the liability and insurance provisions of this contract.</p> <p>2.3 Appendix C sets forth the services to be performed by the contractor.</p> <p><b>ARTICLE 3. Period of Performance:</b> The period of performance for this contract begins _____, and ends _____.</p> <p><b>ARTICLE 4. Considerations:</b></p> <p>4.1 In full consideration of the contractor's performance under this contract, the State shall pay the contractor a sum not to exceed \$_____ in accordance with the provisions of Appendix D.</p> <p>4.2 When billing the State, the contractor shall refer to the Authority Number or the Agency Contract Number and send the billing to:</p>			
10. Department of		Attention: Division of	
Mailing Address		Attention:	
<b>11. CONTRACTOR</b>		<p>13. <b>CERTIFICATION:</b> I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alterations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the variety, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815 - 820. Other disciplinary action may be taken up to and including dismissal.</p>	
Name of Firm			
Signature of Authorized Representative	Date		
Typed or Printed Name of Authorized Representative			
Title	Employer ID No. (EIN) or SSN		
<b>12. CONTRACTING AGENCY</b>		<p>Signature of Head of Contracting Agency or Procurement Officer</p> <p>Date</p>	
Department/Division			
Date			
Signature of Project Director			
Typed or Printed Name of Project Director			
Title		Typed or Printed Name of Authorizing Official	
		Title	

NOTICE: This contract has no effect until signed by the head of contracting agency or designee.

APPENDIX B<sup>2</sup>  
INDEMNITY AND INSURANCE

Article 1. Indemnification

The contractor shall indemnify, save harmless and defend the state, its officers, agents and employees from all liability, including costs and expenses, for all actions or claims resulting from injuries or damages sustained by any person or property arising directly or indirectly as a result of any error, omission or negligent act of the contractor, subcontractor or anyone directly or indirectly employed by them in the performance of this contract.

All actions or claims including costs and expenses resulting from injuries or damages sustained by any person or property arising directly or indirectly from the contractor's performance of this contract which are caused by the joint negligence of the state and the contractor shall be apportioned on a comparative fault basis. Any such joint negligence on the part of the state must be a direct result of active involvement by the state.

Article 2. Insurance

Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Contracting Officer prior to beginning work and must provide for a 30 day prior notice of cancellation, nonrenewal or material change. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach and grounds for termination of the contractor's services.

**2.1. Workers' Compensation Insurance:** The contractor shall provide and maintain, for all employees of the contractor engaged in work under this contract, Workers' Compensation Insurance as required by AS 23.30.045. The contractor shall be responsible for Workers' Compensation Insurance for any subcontractor who directly or indirectly provides services under this contract. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection not less than \$100,000 per person, \$100,000 per occurrence. Where applicable, coverage for all federal acts (i.e. U.S.L. & H. and Jones Acts) must also be included.

**2.2. Comprehensive (Commercial) General Liability Insurance:** with coverage limits not less than \$300,000 combined single limit per occurrence and annual aggregates where generally applicable and shall include premises-operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.

**2.3. Comprehensive Automobile Liability Insurance:** covering all owned, hired and non-owned vehicles with coverage limits not less than \$100,000 per person/\$300,000 per occurrence bodily injury and \$50,000 property damage.

**2.4. Professional Liability Insurance:** covering all errors, omissions or negligent acts of the contractor, subcontractor or anyone directly or indirectly employed by them, made in the performance of this contract which result in financial loss to the state. Limits required are per the following schedule:

Contract Amount	Minimum Required Limits
Under \$100,000 . . . . .	\$100,000 per Occurrence/Annual Aggregate
\$100,000-\$499,999 . . . . .	\$250,000 per Occurrence/Annual Aggregate
\$500,000-\$999,999 . . . . .	\$500,000 per Occurrence/Annual Aggregate
\$1,000,000 or over . . . . .	Negotiable—Refer to Risk Management

## STATE OF ALASKA

RPWG  
II

WALTER J. HICKEL, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

## DIVISION OF LAND

LAND & RESOURCES SECTION  
3601 C STREET  
P.O. BOX 107005  
ANCHORAGE, ALASKA 99510-7005  
PHONE: (907) 762-2680

June 2, 1993

International Forestry Consultants, Inc.  
1020 - 108th Avenue N.E., Suite 101 Eastwood Building  
Bellevue, Washington 98004  
Attn: Mr. Bill Wallace

Re: Seal Bay/Tonki Cape Appraisal Contract

Dear Mr. Wallace,

Find enclosed three sets of a personal services contract related to your providing appraisal services to value native corporation land at Seal Bay and Tonki Cape on north east Afognak Island. Please review the document carefully then sign and date any two copies in the indicated signature blocks on the cover contract (Standard Agreement Form) and return them to this office as soon as possible. You may retain the third copy for your records.

For your information the document is composed of several sections. These are as follows:

1. Standard Agreement Form.
2. Appendix B2, Insurance requirements.
3. Appendix C. Services to be performed by contractor.
4. Appendix D. Consideration.
5. Appendix E. RFP copy.
6. Appendix F. Your proposal as part of the contract.
7. Attachment A. Project legal descriptions.
8. Attachment B. Project map.

To expedite approval of the contract I ask that before you mail the contracts back to this office please xerox the signed front contract page and fax it to my office at (907) 762-2529.

If you should have any questions concerning the contract feel free to call me at (907) 762-2680.

I look forward to working with you on this project.

Sincerely



Dennis L. Lattery  
Review Appraiser

Attachment: Three Contract Sets

## STANDARD AGREEMENT FORM

1. Agency Contract Number L & WM 93-1	2. ASPS Number 93-0181	3. Financial Coding 10-00-56-90	4. Agency Assigned Encumbrance Number
5. Vendor Number N/A		6. Alaska Business License Number Pending Application	
This contract is between the State of Alaska.			
7. Department of Natural Resources	Division Land	hereafter the State.	
8. and, International Forestry Consultants, Inc. hereafter the Contractor			
Mailing Address 101 Eastwood Bldg., 1020-108th Ave. N.E.	Street or P.O. Box	City Bellevue	State WA ZIP + 4 98004
<p>9. <b>ARTICLE 1. Appendices:</b> Appendices referred to in this contract and attached to it are considered part of it.</p> <p><b>ARTICLE 2. Performance of Service:</b></p> <p>2.1 Appendix A (General Provisions), Articles 1 through 14, governs the performance of services under this contract.</p> <p>2.2 Appendix B sets forth the liability and insurance provisions of this contract.</p> <p>2.3 Appendix C sets forth the services to be performed by the contractor.</p> <p><b>ARTICLE 3. Period of Performance:</b> The period of performance for this contract begins <u>June 6, 1993</u> and ends <u>August 6, 1993</u>.</p> <p><b>ARTICLE 4. Considerations:</b></p> <p>4.1 In full consideration of the contractor's performance under this contract, the State shall pay the contractor a sum not to exceed \$ <u>32,000.00</u> in accordance with the provisions of Appendix D.</p> <p>4.2 When billing the State, the contractor shall refer to the Authority Number or the Agency Contract Number and send the billing to:</p>			
10. Department of Natural Resources		Attention: Division of Land	
Mailing Address P.O. Box 107005, Anchorage, AK 99510		Attention: Dennis L. Lattery	
<p>11. <b>CONTRACTOR</b></p> <p>Name of Firm International Forestry Consultants, Inc.</p> <p>Signature of Authorized Representative</p> <p>Date</p> <p>Typed or Printed Name of Authorized Representative</p> <p>Title</p> <p>Employer ID No. (EIN) or SSN</p>		<p>13. <b>CERTIFICATION:</b> I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alterations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the variety, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815 - 820. Other disciplinary action may be taken up to and including dismissal.</p>	
<p>12. <b>CONTRACTING AGENCY</b></p> <p>Department/Division Natural Resources/Div. of Land</p> <p>Signature of Project Director</p> <p>Typed or Printed Name of Project Director Dennis L. Lattery</p> <p>Title Review Appraiser</p>		<p>Signature of Head of Contracting Agency or Procurement Officer</p> <p>Typed or Printed Name of Authorizing Official Chris Rutz</p> <p>Title Procurement Officer</p>	

NOTICE: This contract has no effect until signed by the head of contracting agency or designee.

## APPENDIX B<sup>2</sup> INDEMNITY AND INSURANCE

### Article 1. Indemnification

The contractor shall indemnify, save harmless and defend the state, its officers, agents and employees from all liability, including costs and expenses, for all actions or claims resulting from injuries or damages sustained by any person or property arising directly or indirectly as a result of any error, omission or negligent act of the contractor, subcontractor or anyone directly or indirectly employed by them in the performance of this contract.

All actions or claims including costs and expenses resulting from injuries or damages sustained by any person or property arising directly or indirectly from the contractor's performance of this contract which are caused by the joint negligence of the state and the contractor shall be apportioned on a comparative fault basis. Any such joint negligence on the part of the state must be a direct result of active involvement by the state.

### Article 2. Insurance

Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of insurance must be furnished to the Contracting Officer prior to beginning work and must provide for a 30 day prior notice of cancellation, nonrenewal or material change. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach and grounds for termination of the contractor's services.

**2.1. Workers' Compensation Insurance:** The contractor shall provide and maintain, for all employees of the contractor engaged in work under this contract, Workers' Compensation Insurance as required by AS 23.30.045. The contractor shall be responsible for Workers' Compensation Insurance for any subcontractor who directly or indirectly provides services under this contract. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection not less than \$100,000 per person, \$100,000 per occurrence. Where applicable, coverage for all federal acts (i.e. U.S.L. & H. and Jones Acts) must also be included.

**2.2. Comprehensive (Commercial) General Liability Insurance:** with coverage limits not less than \$300,000 combined single limit per occurrence and annual aggregates where generally applicable and shall include premises-operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.

**2.3. Comprehensive Automobile Liability Insurance:** covering all owned, hired and non-owned vehicles with coverage limits not less than \$100,000 per person/\$300,000 per occurrence bodily injury and \$50,000 property damage.

**2.4. Professional Liability Insurance:** covering all errors, omissions or negligent acts of the contractor, subcontractor or anyone directly or indirectly employed by them, made in the performance of this contract which result in financial loss to the state. Limits required are per the following schedule:

Contract Amount	Minimum Required Limits
Under \$100,000 . . . . .	\$100,000 per Occurrence/Annual Aggregate
\$100,000-\$499,999 . . . . .	\$250,000 per Occurrence/Annual Aggregate
\$500,000-\$999,999 . . . . .	\$500,000 per Occurrence/Annual Aggregate
\$1,000,000 or over . . . . .	Negotiable—Refer to Risk Management



APPENDIX CARTICLE 2.3 Services to be performed by contractor.

- A. The Department agrees to hire the Appraiser as an independent fee appraiser, and the Appraiser agrees to accept employment as an independent fee appraiser for the express purpose of appraising and thus arriving at the Fair Market Value of said property as described in the Special Instructions Section attached hereto and made a part hereof (see Section C of this APPENDIX).
- B. The Appraiser agrees to fully complete the appraisals and furnish them to the Department in duplicate, unless otherwise instructed in APPENDIX C, Special Instructions, Section C. The original shall bear a personal signature, the other signature may be a duplicate. The Appraiser shall also furnish a signed certification page with each contract.

Content of the appraisal report will follow "Part II - Individual Parcel Reports" within the "Uniform Appraisal Standards For Federal Land Acquisitions" - circa 1992.

- C. Subject to terms and conditions of this contract the Appraiser agrees to furnish six copies of completed appraisal reports determining the market values of two parcels of private land located on northeast Afognak Island, Alaska. The parcels, referred to as the Seal Bay Unit and the Tonki Cape Unit, are as described in attachment A, entitled "Partition Parcel Limited Warranty Deed" and Sortyard Limited Warranty Deed". The two parcels are situated as indicated on the attached map, Attachment B, entitled "Afognak Joint Venture Property & Akhiok-Kaguyak, Inc. and Old Harbor Native Corporation Partition Property Afognak Island".

The date of value to be determined will be as of May 14, 1993. The Appraiser will separately determine, one for each property, market value, as defined by USPAP, of the surface estate of the two properties. The subsurface estate, as defined by the Alaska Native Claims Settlement Act, is owned by the local native regional corporation, Koniag.

C. Special Instructions (continued)

The Appraiser agrees to all terms and conditions of the Request For Proposals (RFP), ASPS # 93-0181, attached to this contract as Appendix E, and to the terms of his proposal, attached to this contract as Appendix F.

D. Appraisal Instructions Pertaining to Valuation of State Lands

GENERAL APPRAISAL INSTRUCTIONS PERTAINING TO VALUATION OF STATE LANDS

The following are general criteria applicable to an acceptable appraisal report furnished to the Division of Land. Appraisal reports will be subject to review by the Division and, in this instance the U. S. Forest Service, for compliance with these criteria.

1. **Purpose of the Appraisal:** The purpose of the appraisal is to estimate market value.
2. **Definition of Market Value:** Appraisals will be based on the following definition of market value contained in the "Uniform Standards of Professional Appraisal Practice" of the Appraisal Foundation (USPAP).

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

- A. buyer and seller are typically motivated;
- B. both parties are well informed or well advised, and acting in what they consider their best interest;
- C. a reasonable time is allowed for exposure in the open market;

- D. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
  - E. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
3. **Terms of Sale:** Market value shall be estimated in terms of financial arrangements equivalent to cash and typical for the market.
4. **Property Rights Appraised:** The property rights to be appraised are fee simple less mineral rights (unless special instructions indicate otherwise).
5. **NARRATIVE APPRAISAL REPORTS REQUIRED:** The organization and content for a narrative report can be flexible and will vary with the assignment. The following outline is a suggestion for the purpose of illustrating content requirements.<sup>1</sup>
- i. Introduction
    - a. Title Page
    - b. Letter of Transmittal
    - c. Table of Contents
    - d. Certification of Value
    - e. Summary of Important Conclusions
  - ii. Premises of the Appraisal
    - a. Assumptions and Limiting Conditions
    - b. Purpose and Use of the Appraisal
    - c. Definition of Value, Date of Value Estimate, and Date of Inspection
    - d. Statement That Value is Estimated in Terms of Cash or Financial Arrangements Equivalent to Cash
    - e. Property Rights Appraised
    - f. Scope of Appraisal
  - iii. Presentation of Data (including location maps, plat or survey maps, and subject photographs)
    - a. Identification of the Property

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<sup>1</sup> The Appraisal of Real Estate 9th Edition, The American Institute of Real Estate Appraisers, 1987, page 578

- b. Identification of Personal Property or Other Items That Are Not Real Property
- c. Area, City, Neighborhood, and Location Analyses
- d. Zoning, Taxes, and Assessment Data
- e. Site Data, Including Easements and Restrictions

Discuss individual subject particulars such as size, quality of access, soils, availability of utilities, topography, water frontage, view, etc. This may be

e. (continued)  
in narrative for individual tracts or graphic form (charts) for subdivision appraisals. Regardless of what form is used or where the information is placed in the report, individual descriptions of each property must be provided.

- f. Description of Improvements
- g. History, Including Prior Sales and Current Offers or Listings

- iv. Analyses of Data and Conclusions
  - a. Highest and Best Use of Land as Though Vacant
  - b. Highest and Best Use of Property as Improved (if applicable)
  - c. Sales Comparison Approach Including Explanation of Adjustments

Include sufficient explanation and market support of value conclusion. It is essential that adjustments made in relating comparable sales to subject properties be fully discussed.

Adjustment grids indicating adjustments of comparables to subject, in either dollar amounts or expressed as percentages, are preferred. Generally, the larger the adjustment required, the more essential that the adjustment be supported by market data (i.e. paired sales or other sales data) and fully

discussed in the narrative.

- d. Cost Approach (if not applicable, explain why)
- e. Income Capitalization Approach (if not applicable, explain why)
- f. Reconciliation of the Value Indications into a Final Value Estimate.
- g. Qualifications of the Appraiser

v. Addenda

6. **Subject Photographs:** Onsite photographs are required, and must be ample to demonstrate subject quality and variation. Low altitude photographs taken from aircraft are acceptable as a minimum and only when properties in a picture can be identified (i.e. specific lots or blocks, a certain corner facing a certain direction, etc.). When low altitude photographs taken with a hand held camera are submitted without proper onsite photographs, the appraiser assumes responsibility that such photographs depict conditions as they exist on the ground. This responsibility may include reinspection of the site, at the appraiser's expense, if a valuation error is evident resulting from the appraiser's failure to conduct a proper onsite inspection. The need for ample good quality photographs representing the entire project is stressed.
7. **Plat or Survey Maps:** Legible copies are required, showing the size and dimensions of each parcel appraised.
8. **Comparable Sales and Lease Data:** Each comparable sales transaction shall be confirmed by a party or parties to the sale, field inspected. Each sale will be described on comparable sales forms in the appraisal reports. Photographs of each sale are required, unless waived by the Division of Land. Aerial photographs are acceptable, if they meet the criteria for subject photographs. The photograph should be attached to the sale form or facing page.
9. **Conditions of Sale:** The use of private market sales transactions in valuing state land is preferred. Use of Department of Natural Resources (DNR) sales transactions is discouraged. Reports where either all or a majority of sales were derived from DNR files may be returned to the appraiser as unacceptable.

10. **Fee Appraiser Qualifications:** The fee appraiser must be found acceptable to DNR in terms of education and appraisal experience prior to completing appraisal work for state business. DNR maintains a list of appraisers who are currently acceptable, and this list is available upon request. An appraiser who is not on the list must submit a resume of his or her appraisal training and experience. In the case of leases, the appraiser must be certified as a General Real Estate Appraiser by the Alaska Board of Certified Real Estate Appraisers.
11. The appraiser is referred to appropriate State statutes and regulations governing sale, disposal or purchase of the various interests in State lands, particularly regarding agricultural interest, for consideration as to possible effect on value. Appropriate regulations applying to lands under appraisal will be provided with each appraisal contract.
12. Fee appraisal of State land for general sale, lease, or exchange: The fee appraiser must be found acceptable to the Department in terms of education and appraisal experience. A designation such as MAI or certification by the Board of Certified Real Estate Appraisers is not mandatory but may be required if the Department determines the requirement is appropriate.
13. In appraising the market value of agricultural rights for sale or lease, the Appraiser is referred to appropriate regulations, "11 AAC 67.160-195, Disposal of Agricultural Interest in Land," for specifics regarding definition of agricultural rights, interest to be conveyed, and permitted uses and restrictions.

Special note is made of the requirements that each of the valuation processes applicable in valuing agricultural lands, income and the market data method in this instance, be addressed in any appraisal of such lands. Exclusion of either method from consideration must be accompanied by narrative justification for doing so.

14. The period of performance under this contract shall commence

and expire on the dates indicated under ARTICLE 3 on the front page of this contract. This performance period may be extended in the event of extenuating circumstances but such extensions of time will be at the sole discretion of the Department. Requests for extension of time must be made, in writing, in advance of the expiration date of the contract allowing sufficient time for the Department to process a contract amendment through the Department of Administration in the event that the extension, in the opinion of the contracting officer, is justified.



## Appendix D

### Article 4.1    Consideration.

A. Consideration for services rendered shall not exceed the dollar amount indicated in Article 4, Section 4.1 on the face of this contract.

B. The Certifying Officer, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the state to do so. ( See APPENDIX A, ARTICLE 5. Termination).

C. In the event this contract is terminated at the convenience of the Department or by default or failure of the contractor to perform, the contractor may be required, after notice of termination in writing, to turn over to the Department all data, maps, photographs, or other materials acquired in performing this contract, and otherwise provide proof of work completed on the contract up to the date of notice of termination. Based upon information thus furnished, the Department will determine the consideration to be paid, if any, for services rendered.

D. Payment for Services: Payment of seventy per cent (70%) of the invoiced fee will be paid to the contractor upon delivery of the completed appraisals. The remaining thirty per cent (30%) of the fee will be paid following review and acceptance of the appraisal.

BOOK 28 PAGE 389

When Recorded Return To:

James K. Wilkens  
Bradbury, Bliss & Riordan  
431 West 7th Avenue, Suite 201  
Anchorage, Alaska 99501-3583  
(907) 278-4511

PARTITION PARCEL LIMITED WARRANTY DEED

The Afognak Joint Venture, a joint venture comprised of Alaska corporations whose address is 214 W. Rezanof, Kodiak, Alaska 99615 ("Grantor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid, grants, conveys and sells an undivided 32.6075% interest to Akhiok-Kaguyak, Inc., an Alaska corporation whose address is 5028 Mills Drive, Anchorage, Alaska 99508, and an undivided 67.3925% interest to Old Harbor Native Corporation, an Alaska corporation whose address is P.O. Box 71, Old Harbor, Alaska 99643, as tenants in common, ("Akhiok-Kaguyak, Inc. and Old Harbor Native Corporation are jointly referred to as "Grantee") the following described property situated in the Kodiak Recording District, Third Judicial District, State of Alaska, more fully described as follows:

Seward Meridian

KODIAK RECORDING DISTRICT

T. 20 S., R. 17 W.

Sec. 32

T. 21 S., R. 16 W.

Sec. 19

Sec. 30 and 31

T. 21 S., R. 17 W.

Sec. 6, 7 and 8

Sec. 13

Sec. 17 to 20

Sec. 23 to 26

Sec. 30 and 31

Sec. 33

125  
B00. 108 PAGE 390

Sec. 35 and 36

T. 21 S., R. 18 W.

Sec. 1

Sec. 11 to 16

Sec. 17 S 1/2; NE 1/4; NW 1/4, E 1/2

Sec. 20 to 29

Sec. 31 to 36

T. 21 S., R. 19 W.

Sec. 35 and 36

T. 22 S., R. 16 W.

Sec. 6 and 7

Sec. 18 and 19

Sec. 31

T. 22 S., R. 17 W.

Sec. 1 to 5

Sec. 8 and 9

Sec. 11 to 14

Sec. 17

Sec. 19 and 20

Sec. 23 to 29

Sec. 32 to 35

Sec. 36

T. 23 S., R. 17 W.

Sec. 1

Sec. 2 to 5

Sec. 6, SE 1/4

Sec. 7, E 1/2

Sec. 8 to 10

Sec. 15 to 17

Sec. 18, E 1/2

Sec. 19, NE 1/4

BOOK 28 PAGE 391

Sec. 20, E1/2; NW1/4

Sec. 21 to 22

Sec. 28

Sec. 20, E1/2

Containing approximately 41,946 acres, more or less.

Together with any and all of the easements and appurtenances thereto, and improvements located thereon ("Property"); and

Subject to any and all easements, restrictions, covenants and encumbrances of record or imposed by law, including but not limited to those contained in Patent No. 50-90-0647 dated September 26, 1990, from the United States of America to Grantor.

Grantor warrants that the Property is free and clear of any encumbrances created since the conveyance of the Property to Grantor, except for those encumbrances created by the exercise of federal, state, and local police powers, including building and zoning regulations, and to forever defend the Property as to Grantee, its successors and assigns, against every person claiming by, through, or under Grantor, but not as to Grantor's predecessors in title.

Dated this 12<sup>th</sup> day of August, 1991, at Anchorage, Alaska.

GRANTOR:

AFOGNAK JOINT VENTURE

By:

Harold Valley  
Its: Chairman

MAY 18 '93 14:49 ATTY GEN ENVIROMENT

P.6/14

BOOK 28 PAGE 392

GRANTEE:

AKHIOK-KAGUYAK, INC.

By: Ralph J. Eliska  
Its: President

OLD HARBOR NATIVE CORPORATION

By: Ernest Christensen  
Its: PR & SSTATE OF ALASKA )  
) ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 1<sup>st</sup> day of August 1991, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared HOWARD W. VALLEY of AFOGNAK JOINT VENTURE, a joint venture organized and existing under the laws of the State of Alaska, to me known and known to me to be the CHAIRMAN of said joint venture and acknowledged to me that he signed the foregoing Limited Warranty Deed freely and voluntarily for and on behalf of said joint venture by authority of its Board of Directors for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written.

[Signature]  
Notary Public in and for Alaska  
My Commission Expires: 12-12-97

STATE OF ALASKA )  
) ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 2<sup>nd</sup> day of August 1991, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Ralph J. Eliska of AKHIOK-KAGUYAK, INC., a corporation organized and existing under the laws

PARTITION PARCEL LIMITED

BOOK 108 PAGE 393

of the State of Alaska, to me known and known to me to be the President  
of said Corporation and acknowledged to me that he signed the foregoing Limited  
Warranty Deed freely and voluntarily for and on behalf of said corporation by  
authority of its Board of Directors for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last  
above written.

C. Walter Ehl  
Notary Public in and for Alaska  
My Commission Expires: 11-30-91

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 2<sup>nd</sup> day of August, 1991,  
before me, the undersigned, a Notary Public in and for the State of Alaska, duly  
commissioned and sworn, personally appeared Emil Christensen of  
OLD HARBOR NATIVE CORPORATION, a corporation organized and existing  
under the laws of the State of Alaska, to me known and known to me to be the  
Pres: Ehl of said Corporation and acknowledged to me that he  
signed the foregoing Limited Warranty Deed freely and voluntarily for and on  
behalf of said corporation by authority of its Board of Directors for the uses and  
purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last  
above written.

C. Walter Ehl  
Notary Public in and for Alaska  
My Commission Expires: 11-30-91

91-1755

27-00

RECORDED-FILED  
KODIAK RECORDING  
DISTRICT

AUG 6 2 49 PM '91

REQUESTED: WALCO

ADDRESS \_\_\_\_\_

PARTITION PARCEL LIMITED  
WARRANTY DEED

CONFIRMED COPY

0114 637

SORTYARD LIMITED WARRANTY DEED

The Afognak Joint Venture, a joint venture comprised of Alaska corporations, whose address is 214 West Rezanof, Kodiak, Alaska 99615 ("Grantor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid, grants, conveys and sells to Akhiok-Kaguyak, Inc., an Alaska corporation whose address is 5028 Mills Drive, Anchorage, Alaska 99503, an undivided 32.6075% interest, and Old Harbor Native Corporation, an Alaska corporation whose address is P. O. Box 71, Old Harbor, Alaska 99643, an undivided 67.3925% interest, as tenants in common, ("Akhiok-Kaguyak, Inc. and Old Harbor Native Corporation are jointly referred to as "Grantee") the following described property situated in Sections 26, 27 and 34, Township 21 South, Range 19 West, Seward Meridian, situated Southwest of Mallard Creek on Afognak Island, in the Kodiak Recording District, Third Judicial District, State of Alaska, more fully described as follows:

Commencing at the intersection of the easterly boundary of the Ouzinkie log storage site and the southerly edge of the 1100 Road, this point being the true point of beginning and being Cor. No. 1 for this description, bears S. 36°00' E. a dist. of 219.36 ft. from the mean high water line of Discoverer Bay. (This distance is a portion of the easterly boundary of the Ouzinkie log storage site.)

THENCE along the southerly edge of the 1100 Road on the following courses:

- N. 63°00' E. a dist. of 127.38 ft.
- N. 55°00' E. a dist. of 173.00 ft.
- N. 46°30' E. a dist. of 404.00 ft.
- N. 29°00' E. a dist. of 117.00 ft.
- N. 07°45' E. a dist. of 83.00 ft.
- N. 01°15' E. a dist. of 263.00 ft. to Cor. No. 2,

THENCE S. 28°45' E. a dist. of 2892.99 ft. to Cor. No. 3, this line traversing westerly near Mallard Creek,

THENCE West along the section line between Secs. 26 and 35, a dist. of 374.00 ft. to Cor. No. 4, which is the section corner common to Secs. 26, 27, 34, and 35 of said township and range,

THENCE S. 00°02'48" E. along the section line between Secs. 34 and 35, a dist. of 1316.70 ft. to Cor. No. 5,

THENCE N. 28°45' W. a dist. of 2204.16 ft. to Cor. No. 6, marking a point on the southerly boundary of Ouzinkie log storage yard,



0114 638

THENCE N. 54°00' E. along the southerly boundary of the  
Ouzinkie log storage yard, a dist. of 157.41 ft. to Cor. No. 7,

THENCE N. 36°00' W. along the easterly boundary of the  
Ouzinkie log storage yard, an approx. dist. of 1179.25 ft. to Cor.  
No. 1, the true point of beginning.

This parcel contains approximately 58.96 acres.

Together with any and all of the easements and appurtenances thereto ("Property");  
and

Subject to any and all easements, restrictions, covenants and encumbrances of record  
or imposed by law, including but not limited to those contained in Patent No. 50-90 0647  
dated September 26, 1990, from the United States of America to Grantor.

Grantor warrants that the Property is free and clear of any encumbrances created  
since the conveyance of the Property to Grantor, except for those encumbrances created by  
the exercise of federal, state, and local police powers, including building and zoning  
regulations, and to forever defend the Property as to Grantee, its successors and assigns,  
against every person claiming by, through, or under Grantor, but not as to Grantor's  
predecessors in title.

DATED this 23 day of July, 1992, at Kodiak, Alaska.

GRANTOR:

AFOGNAK JOINT VENTURE

By:

*Robert J. Kelley*  
Is: CHAIRMAN

GRANTEE:

AKHIOK-KAGUYAK, INC.

By:

*Ralph J. Leucke*  
Is: President

0114 639

OLD HARBOR NATIVE CORPORATION

By: Ermil Christensen  
Its: PRESIDENT

ACKNOWLEDGEMENTS

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 23rd day of July, 1992, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Howard W. Uller, of AFOGNAK JOINT VENTURE, a joint venture organized and existing under the laws of the State of Alaska, to me known and known to me to be the Chairman of said joint venture and acknowledged to me that he signed the foregoing Limited Warranty Deed freely and voluntarily for and on behalf of said joint venture by authority of its Board of Directors for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Linda Mager  
Notary Public for ALASKA  
My commission expires: 11-30-92

0114 640

STATE OF ALASKA )

THIRD JUDICIAL DISTRICT )

ss.

THIS IS TO CERTIFY that on this 31 day of July, 1992, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared RALPH L. ELUSIKA, of AKHIOK-KAGUYAK, INC., a corporation organized and existing under the laws of the State of Alaska, to me known and known to me to be the PRESIDENT of said corporation and acknowledged to me that he signed the foregoing Limited Warranty Deed freely and voluntarily for and on behalf of said corporation by authority of its Board of Directors for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written.



Ralph L. Elusika  
Notary Public for ALASKA  
My commission expires: JUNE 30, 1993

STATE OF ALASKA )

THIRD JUDICIAL DISTRICT )

ss.

THIS IS TO CERTIFY that on this 31 day of July, 1992, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Emil Christensen of OLD HARBOR NATIVE CORPORATION, INC., a corporation organized and existing under the laws of the State of Alaska, to me known and known to me to be the PRESIDENT of said company and acknowledged to me that he signed the foregoing Limited Warranty Deed freely and voluntarily for and on behalf of said corporation by authority of its Board of Directors for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Emil Christensen  
Notary Public for ALASKA  
My commission expires: 4-15-93

3765\03D.003

SORTYARD LIMITED  
WARRANTY DEED - Page 4



06/01/93

14:52

00011022020

MAY 18 '93 14:52 ATTY GEN ENVIROMENT

P.12/14

0114 641

9 2 - 1 9 1 8

27-  
RECORDED-FILES  
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DISTRICT.

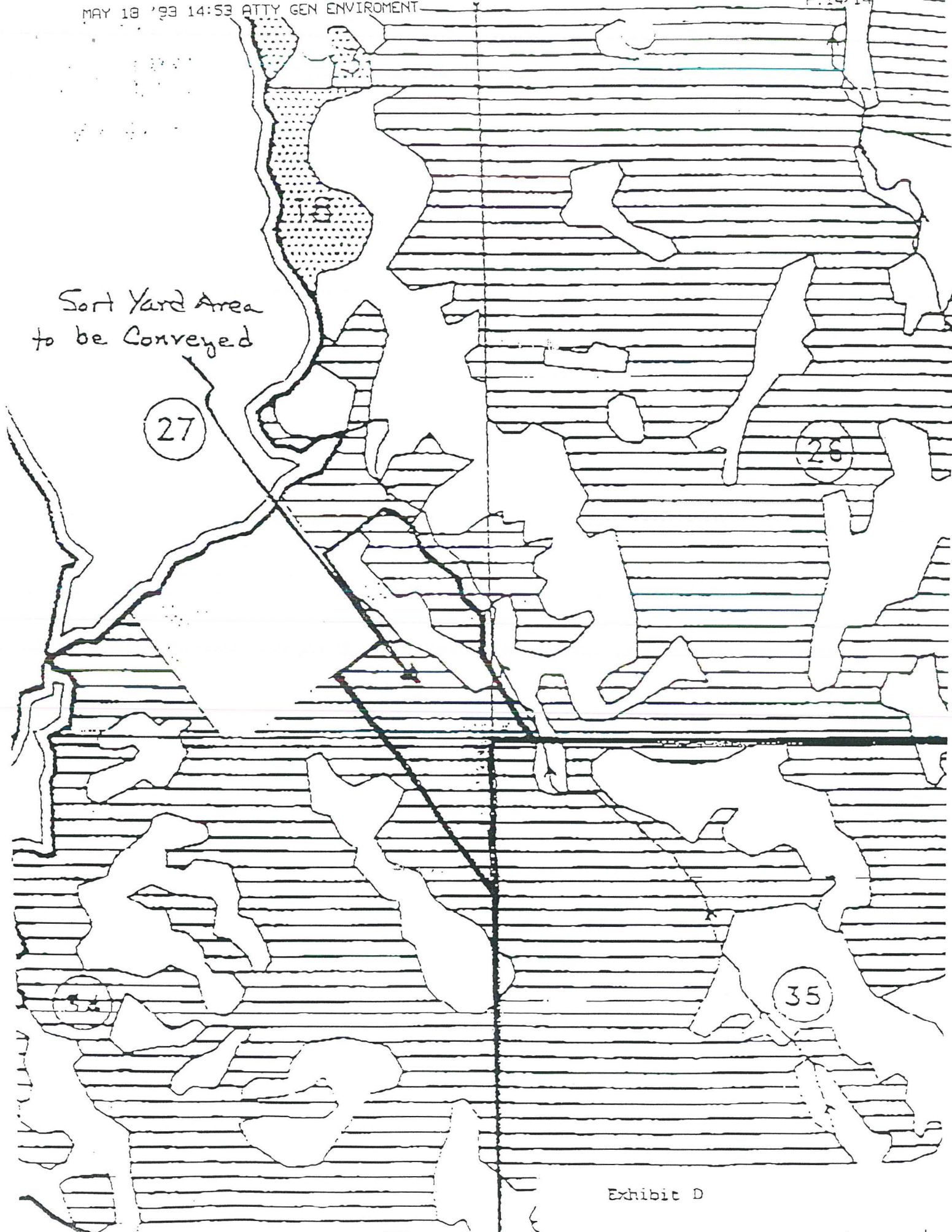
*Return.*

AUG 6 9:25 AM '92

REQUESTED BY Tamir Ebell

ADDRESS 323 Carolyn St.

MAY 18 '93 14:53 ATTY GEN ENVIROMENT



Sort Yard Area  
to be Conveyed

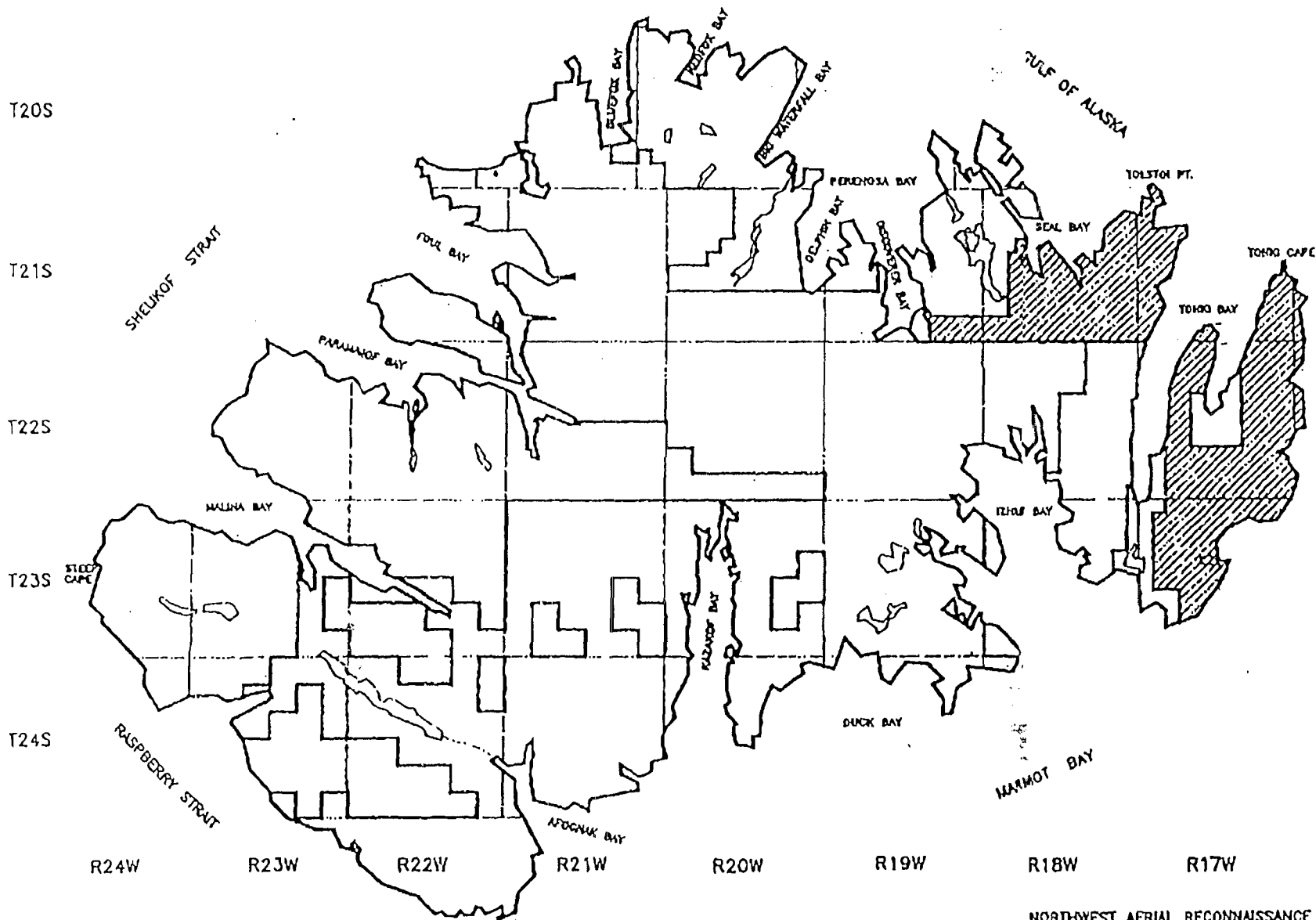
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AFOGNAK JOINT VENTURE PROPERTY &  
 AKHIOK-KAGUYAK, INC. AND OLD HARBOR NATIVE CORPORATION PARTITION PROPERTY  
 AFOGNAK ISLAND



NORTHWEST AERIAL RECONNAISSANCE

ATTACHMENT B  
 Wesley Rickard

## PROPOSAL

ASPS #93-0181  
Appraisal Services  
Seal Bay, Afognak Island, Alaska

To: State of Alaska  
Department of Natural Resources  
Division of Land  
3601 C Street  
Anchorage, Alaska 99510-7005

From: International Forestry Consultants, Inc.  
101 Eastwood Building  
1020 108th Avenue, N. E.  
Bellevue, Washington 98004

### 1. Product

International Forestry Consultants, Inc., hereafter referred to as INFO, will deliver 6 original copies of narrative reports containing opinions of current Market Value of each of two blocks of land on Afognak Island, Alaska. The blocks are known as Seal Bay block and Tonki block. The report will be self-contained and will include descriptions, listings of data, analyses and reconciliation necessary to support the opinions of value. The appraisal work and report product will meet standards of USPAP, Uniform Appraisal Standards For Federal Land Acquisitions and Attachment A of the Request for Proposal. The opinion of value will be as of May 14, 1993.

### 2. Capabilities

INFO is a Washington corporation with extensive experience in the inventory and appraisal of timber and timberland. Personnel include two full-time and one part-time appraisers, plus clerical and technician staff. Resumes are attached for these people:

Kenneth E. Beil, ACF, RPF, President;  
William B. Wallace, ACF, RPF, Certified Appraiser - General;  
Thomas M. Hanson, ACF, Secretary-Treasurer.

INFO has appraised a number of timberland properties of a size comparable to the properties which are the subjects of this proposal. Mr. Beil and Mr. Hanson inventoried and appraised properties for Pack River Company in Washington and Montana; appraised properties in Washington for Plum Creek Timber Company; and appraised properties of 10,000 acres or more for Resource Investments, Inc. and The Travelers Realty Investment Trust. They also appraised properties of several thousand acres for the Agnew estate, the Cugini estate, Boise Cascade Corporation and an exchange between Washington DNR and City of Everett, Washington.





INTERNATIONAL FORESTRY CONSULTANTS, INC.

101 Eastwood Building 1020 108th Avenue N.E. Bellevue, WA 98004 U.S.A. (206) 455 8333

May 22, 1993

Mr. Dennis Lattery  
Department of Natural Resources  
Division of Land  
P. O. Box 107005  
Anchorage, AK 99510-7005

Re: Request for Proposals - ASPS # 93-0181

Dear Mr. Lattery:

We are submitting the enclosed proposal in response to your Request of May 21, 1993. The INFO contact person for the proposal is William B. Wallace or Thomas M. Hanson at the address and telephone number in the letterhead above. The proposal remains valid for a period of 30 days from the closing date for receipt of proposals.

We are prepared to commit all resources necessary to complete the appraisal(s) to USPAP standards or better within the time constraints contained in the Request for Proposal. We acknowledge that the proposal considers an August 6, 1993 date of completion. The necessity for completion on schedule is recognized. We fully expect to perform within this time frame as described in our proposal.

An application for Alaska Business License has been made to the Department of Commerce and Economic Development. A copy of the application is included with the proposal.

We know of no existing, perceived or potential conflicts of interest with respect to the subject property, the State of Alaska or the owners of the subject property. INFO is involved in a difference of opinion with one of the potential respondents to this Request for Proposal with respect to Standard 1 and Standards Rule 1-1 of USPAP concerning an appraisal of timberland in Washington State. We prefer not to identify the other firm or discuss details of the case if ours is the winning proposal or more than one other proposal is superior to ours. If, however, in your evaluations ours is judged second-best, we request an opportunity to discuss the facts of our disagreement with you in case they might have bearing on your ultimate evaluations.

Sincerely,  
INTERNATIONAL FORESTRY CONSULTANTS, INC.

William B. Wallace  
Vice President

WRW/mu

enclosure: Proposal

05/26/1993 09:43 2064547988

Between 1989 and 1991 Mr. Wallace was principal appraiser of two Alaska Native corporation properties in Prince William Sound, of 20,000 and 65,000 acres, with assistance from Mr. Hanson. In the same period of time, Mr. Hanson was principal appraiser of three Alaska native corporation properties in South Central Alaska, of 10,000 to 35,000 acres, with assistance from Mr. Wallace. Mr. Wallace and Mr. Hanson were co-authors of an appraisal of 20,000 acres on Prince of Wales Island, Alaska. Mr. Hanson Appraised two properties in Southeast Alaska of 24,000 acres and 22,000 acres, with assistance from Mr. Beil.

From 1989 to the present INFO has appraised timber on two properties of 7,000 acres and 11,000 acres for the Washington DNR. In the same period of time the company has appraised 15 to 20 timberland properties of 25 acres to 1,000 acres for DNR, The Nature Conservancy, financial firms and legal firms. Some were appraisals of timber only and some were appraisals of land and timber. Four were undertaken completely by INFO and the rest were done in collaboration with MAI designated appraisers.

In employment prior to joining INFO, Mr. Wallace was the principal appraiser and Manager of an appraisal of 1,900,000 acres of industrial forest in the Pacific Northwest and the Gulf South states. He was also responsible for annual appraisals of timber cut from that forest and valuation of the land for ad valorem tax purposes. He took part in the prepurchase evaluations of acquisitions involving 25,000 acres to 300,000 acres. As an independent fee appraiser in 1986 to 1988, Mr. Wallace appraised six timberland properties of 40 acres to 2,000 acres in Oregon and Washington.

The lead appraiser for this proposal will be Mr. Wallace, who is certified as a Real Estate Appraiser - General by the State of Washington. He is also a candidate for designation MAI by the Appraisal Institute. A photocopy of the certification and his resume are enclosed. Mr. Wallace will be actively involved with all aspects of the appraisal, sharing the data collection and analysis with Mr. Hanson. The appraisal report will be written by Mr. Wallace. Mr. Beil will assist in preparation of the report and will provide review of the draft report. He may participate in review discussions with review appraisers acting for the State of Alaska.

Analysis, word processing and preparation of tables and charts will be done on a 386-based computer system with graphics and letter-quality printing capabilities. Clerical and technician support will be brought in from other projects from time-to-time as required.

Timber inventory is accomplished by INFO with a network of personal service contractors under the direction of Mr. Hanson. Richard Sanders from the Anchorage area would be used for this

project, if necessary. The field work to confirm an existing inventory will probably be done by Mr. Hanson and Mr. Wallace.

### 3. The Appraisal Process

An orderly process will be applied to the appraisal assignment to provide a logical method for considering all the factors that influence property value. The problem will be defined. The pertinent data will be gathered and analyzed. The overall environment surrounding the subject property will be studied to understand the specific factors that influence its value.

Appraisal methodology employs three approaches for determining value: the Cost Approach; the Income Capitalization Approach; and the Sales Comparison Approach. The applicability of each approach varies depending on the nature of the particular appraisal problem. Only the Income Capitalization Approach and the Sales Comparison Approach will be considered in forming an opinion of value of the subject properties. The Cost Approach is not appropriate for estimating the value of land or timber.

The value indications from these approaches will then be reconciled into a single estimate of Market Value. Appraisal theory has now evolved to the point where these approaches are no longer really considered to be independent determinants of value. The older terminology that referred to a Market Data Approach has been discarded in favor of an increasing recognition that all information for an appraisal comes from activity in the market. The three approaches to estimation simply reflect that indications of value may be made manifest from different perspectives. Thus the conclusion of value may be based on bits of evidence, some of which can be related directly to the subject properties while others are best related through estimates of income or cost as units of comparison.

Highest-and-best use is normally one of the most important considerations of an appraisal. Whatever analysis follows is unlikely to be correct if the highest-and-best use is not properly identified. Although use of the subject properties appears to be fairly evident, a good bit of effort will still be put into this analysis. An important consideration will be limitations imposed by environmental concerns and requirements for wildlife protection.

The subject properties will be inspected and timber inventory evaluated, by Mr. Hanson and Mr. Wallace, soon after award of the contract. If gross errors are found in the inventory a separate proposal for a new timber inventory will be made. A preliminary study of the existing inventory, however, suggests that it is likely to be more than adequate for the appraisal. It is a common practice in the timber industry for parcels of this size to be offered for sale with a timber

inventory based on only extensive sampling methods. Potential buyers routinely make an independent examination of the timber and adjust the inventory for whatever differences they perceive. Sales of timberland of this size are rarely made with inventory information as reliable as the current inventory appears to be. Thus, use of the existing inventory is entirely consistent with practices in the market.

Extensive use will be made of financial data and timber operating experience from the current owners of the properties. A concerted effort will be made to secure similar information from other owners and operators in South Central and Southeast Alaska. Information will be drawn from the appraisal systems of the U. S. Forest Service and Alaska DNR. Public records will be searched for transaction data relating to sales of logs, sales of timber as stumpage and sales of timberland, with and without standing timber. INFO is aware of several unrecorded transactions that would provide valuable data in solving the appraisal problem. Up to now this information has not been available for use in an appraisal. Consultation services of an MAI appraiser in Alaska will be utilized to identify sources of data and research methods. Local contacts and local expertise will be used to the extent possible to break the silence regarding many transactions.

There is a great deal of information relevant to Alaska timber and timberland values that should be in the records of recent Alaska court cases. A thorough search of court records will be made to uncover that data. A consultation with an attorney in Alaska will be used to help find the records.

Data collection and analysis should be equally applicable to both properties. The appraisals will require only variations in tables and descriptions to show adjustment to two different sets of specific conditions. There will be some additional work compared to appraising only Seal Bay block for site inspection, collection of Tonki financial records and operating data, and preparation of a separate report.

The final product of the appraisals, reported in the narrative reports, will be estimates of the prices for which the properties would sell under current conditions of supply and demand in the market. The Request for Proposal specified no restrictive, theoretical or hypothetical conditions under which the appraisal was to be made so the definitions of value in USPAP and published by the Appraisal Institute will control.

#### 4. Work Schedule (Appraisal of both blocks)

Work on the project will begin as soon as possible after award and proceed expeditiously toward the due date of August 6, 1993. The following general schedule will be set.

June - Inspection of subjects, evaluation of timber inventory, environmental and wildlife investigations, and collection of data from current owners; Consultations. - both Wallace and Hanson.

Approximately 15 person-days.

July - Additional data collection, and data analysis; Draft appraisal ready for review by July 15. - Wallace or Hanson, and Beil.

Review and final analysis; Final report writing; Final reports completed by July 30. - Wallace, Hanson and Beil.

Approximately 20 person-days.

August - Fine tuning and final preparation of reports. - Wallace and Beil.

Approximately 5 person-days.

#### 5. Cost Proposal

INFO proposes to charge at standard hourly rates for time actually expended on the project plus other costs incurred at actual out-of-pocket expense. Hourly labor rates are calculated to include direct expense of labor and benefits plus a proration of all administrative and overhead costs of doing business plus a margin for profit. The calculated rate may be modified by competitive conditions. We are unable to provide an accurate breakdown of our proposed charge rates. A rate analysis indicates an overall distribution as follows:

Direct Labor - 50%  
Payroll taxes and benefits - 20%  
Administration and overhead - 15%  
Profit - 15%

Hourly rates apply only to time on the project. Other time is charged to INFO (administration and overhead).

#### We propose to charge the following costs:

- Field labor - Wallace and Hanson - \$50 per hour.
- Analysis and appraisal labor - Wallace, Hanson & Beil - \$70 per hour.
- Clerical labor - \$25 per hour.
- Technician labor \$30 per hour.
- Computer - \$10 per hour (CPU clock).

- Consultation fees - other professionals - Actual cost.
- Travel, per diem, equipment rental, photography, mapping, copying and printing, telephone, FAX, etc. - actual cost.

We do not propose a special rate for unproductive time as the result of unforeseen events, such as bad weather. If such an event were to occur on Afognak Island during a planned visit there we would simply work through it. If the event prolonged the visit or prevented us from leaving, we would charge for all out-of-pocket expenses incurred during our stay. If a prolonged visit were combined with inefficiency in the work, we would charge for the actual hours expended to complete the scheduled work. If an unforeseen event delayed us at any point to the extent that prepaid airline tickets and other expenses were forfeited we would charge for the additional costs to replace them and proceed with the project. Should an unforeseen event cause delay that made rescheduling of appointments necessary and required additional time to complete a task we would charge for the actual time required. The amount by which our guaranteed maximum charge exceeds what we expect the charges to be includes an allowance for such contingencies. We bear the risk that unforeseen difficulties will add expenses and time charges in excess of that differential.

No cost for timber inventory is anticipated in this proposal. A separate proposal for timber inventory, if necessary, could run as high as \$25,000 for both properties. We consider the need to be unlikely.

For the appraisal of only the Seal Bay block:

We expect the cost billed to the State of Alaska will be between \$20,000 and \$24,000. This would include approximately \$2,000 for a very limited check of the current inventory sample. Our guarantee of maximum fee must be somewhat higher to allow for unforeseen contingencies.

The guaranteed maximum payment proposed is

\$26,000.

For appraisal of both properties:

We expect the cost billed to the State of Alaska will be between \$25,000 and \$30,000. Verification of the existing timber inventory for Tonki block would be included in the work for Seal Bay only.

The guaranteed maximum payment proposed is

\$32,000.

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

### DIVISION OF LAND

WALTER J. HICKEL, GOVERNOR

LAND & RESOURCES SECTION  
3601 C STREET  
P.O. BOX 107005  
ANCHORAGE, ALASKA 99510-7005  
PHONE: (907) 762-2680

May 21, 1993

Re: Request For Proposals - ASPS # 93-0181  
Appraisal Services  
At Seal Bay, Afognak Island, Alaska

The State of Alaska, Department of Natural Resources (DNR), invites your firm to submit a proposal to provide real estate appraisal services to determine the current market value of approximately 17,400 acres of land at Seal Bay, on Afognak Island, in southcentral Alaska.

### Introduction and Instructions:

#### Questions About the RFP

Any technical or procedural questions arising out of your examination of this Request For Proposals (RFP) should immediately be directed to the Project Manager, Dennis Lattery, at the telephone number/address indicated below.

#### Location of Work

The subject property is located at Seal Bay, on the northeast shore of Afognak Island, approximately forty air miles north of the City of Kodiak, Alaska. The general subject vicinity is accessed through the City of Kodiak by commercial airline from Anchorage, Alaska. Access from Kodiak is by float aircraft or boat.

#### Issuing Office/Project Manager

##### Mailing Address:

Department of Natural Resources  
Division of Land  
P.O. Box 107005  
Anchorage, Alaska 99510-7005

##### Physical Address:

Frontier Building  
3601 C Street  
8th Floor, Suite 800  
Anchorage, Alaska

Telephone: (907) 762-2680

Project Manager/Contact Person: Dennis Lattery

#### Deadline For Receipt of Proposals

**4:30 P.M. (Alaska Daylight Time) May 26, 1993** (See "Proposal Content And Format") It is recommended that proposals be faxed or sent by overnight courier to the project managers office location. Proposals received after this deadline will be dismissed without review.

Period of Performance

A period of sixty-one days, measured from the June 7, 1993 date of Notice To Proceed, will be allowed to complete this project. Fully completed appraisal reports must be delivered to the Project Manager no later than close of business (4:30 P.M. local time) August 6, 1993. **IT IS ESSENTIAL THAT PROSPECTIVE CONTRACTORS RECOGNIZE THAT THE PROJECT MUST BE COMPLETED BY THIS AUGUST DEADLINE.**

Evaluation of Proposals/Negotiations

Proposals will be evaluated by a DNR evaluation committee on, or about, May 28, 1993. The apparent most qualified contractor will be selected for negotiations and will need to be available in person or by teleconference to complete final contract negotiations the week of June 1st.

Failure to Negotiate

If the selected contractor fails to complete negotiations in a timely manner, negotiate in good faith or cannot perform the contract within the time frame or the amount of budgeted funds for the project, the State may terminate negotiations and negotiate with the next most qualified firm, or terminate award of the contract.

Contract Award/Notice To Proceed

At the present time it is estimated that a contract will be awarded on June 4, 1993 and Notice To Proceed will be issued by June 7, 1993.

Incurred Costs

No costs incurred by offers in preparation of a proposal for this project, including travel and expenses, may be charged as an expense of performing the contract.

Right of Rejection

The issuing office reserves the right to reject any proposal that does not address all requirements of this request or any, or all, proposals when in the best interest of the State.

Insurance & Contract Requirements

Attachments B and C included with this document are standard insurance and contract terms and conditions. Please indicate in your proposal any problems you may have with any of these requirements.

Procedural Questions

Any procedural questions regarding this request can be addressed to:

Christopher Rutz, Procurement Officer  
Department of Natural Resources  
Administrative Support  
3601 C. Street, Suite 1134  
Anchorage, Alaska 99503

Telephone: (907) 762-2534  
Fax: (907) 762-2484



## Statement of the Appraisal Problem

As part of the Exxon Valdez Oil Spill restoration plan the Exxon Valdez Oil Spill Trustee Council is charged with developing a program providing for the .."injury assessment, restoration, replacement and enhancement of natural resources, and acquisition of equivalent resources and services" resulting from the 1989 Alaska Oil Spill.

The Council is composed of representatives from the State Departments of Law, Environmental Conservation and Fish and Game and from the Federal Departments of Agriculture and Interior and the National Oceanic and Atmospheric Administration.

An offer was recently made to the Council by Akhiok-Kaguyak, Inc. and Old Harbor Native Corporation, two Native Corporations created under the Alaska Native Claims Settlement Act, to sell approximately 17,400 acres of land located on Afognak Island. Afognak Island is one of the northerly islands of the Kodiak Island Archipelago. The subject parcel possesses fifteen to twenty miles of ocean front on Seal Bay and Tonki Bay along the northeast shore of the island. (See the attached map showing the general location and delineating the boundaries of this tract.)

There are identified stands of commercial timber located on this property. Portions of the parcel have been logged or are in the process of being logged at this time.

The appraisal problem will be to determine the current market value of this parcel to aid in negotiations to purchase. Your firm is invited to submit a proposal to provide these independent valuation services.

## Project Requirements

Qualifications of Appraiser: The lead appraiser(s) for this project must possess, at a minimum, a General state appraiser certification as a professional real estate appraiser. Other qualifications (e.g. professional designations) will be considered by the Proposal Evaluation Committee.

Completion Dates: Deadline for completion of the required appraisal report(s) is August 6, 1993. **It is essential that the selected contractor complete the report by this deadline. Failure to complete by this deadline could be constituted as a failure to perform and result in cancellation of the contract with no payment for work completed.**

Appraisal Report Standards - Land Appraisals: The contractor awarded this appraisal project will consider that ethics and reporting standards currently applying under the Uniform Standards of Professional Appraisal Practice (USPAP) apply to this project. General Factual Data and Analysis to be included within the body of a land appraisal report, as a minimum, will be as outlined in "Part II -Individual Parcel Reports" within the Uniform Appraisal Standards For Federal Land Acquisitions - circa 1992 (Copy attached).

Appraisal Report Standards - Timber Appraisals: The contractor awarded this appraisal contract will provide a professional timber valuation report following

standards and guidelines attached to this RFP as Attachment A.

Number of Appraisal Reports Required: Six copies of appraisal reports will be required.

Available information: A preliminary title report related to the subject property is being prepared and will be provided to the contractor awarded the contract.

Date of Valuation: The date of valuation will be fixed at May 14, 1993.

Hazardous Material Identification and/or Assessment: The contractor awarded this contract will be responsible for identification of any known or suspected hazardous material (i.e. compounds which pose a risk to health or the environment when discharged on land, water or air) observed during the course of this appraisal.

The contractor should note the following during any site inspections:

1. identification of any drums, containers, tanks, batteries, etc.;
2. piping, vent pipes, pumps or other items that might indicate underground tanks or pipes;
3. stains, odors or evidence that materials could have been spilled;
4. any evidence of dump sites, land fills, debris, solid waste, etc.;
5. distressed vegetation or areas devoid of vegetation;
6. if any structures are on site--is there evidence of any asbestos containing material attached.

This information, or any other situation where the contractor may suspect the presence of a hazardous substance, should be noted in the appraisal report.

#### Tasks and Deliverables

The anticipated tasks involved in completing this valuation project are:

1. Field inspection and familiarization with the subject property, obtaining representative photography of the tract for inclusion in a narrative appraisal report.
2. Analyze and determine the highest and best use of the subject property. Firms invited to submit proposals for this project have been pre-qualified as having experience and qualified personnel in the preparation of professional appraisals of both timber and real estate. It is possible that either one or both types of appraisals will be required to properly determine the "market value" of this property.
3. Conduct on-site inspections for timber valuation purposes.
4. Location, confirmation and inspection of market data for use in support of appropriate market values in the appraisal report(s).
5. Compilation of a professional appraisal report, or separate reports if timber and land valuations are required, to criteria discussed in the following "Specific Details" section.

### Proposal Format

We discourage unnecessarily lengthy and costly proposal preparation, yet all proposals must contain the following information in the following format. Proposals should be limited to the requested information. Failure to follow this format for a proposal or failure to include complete information as requested may result in a lower score or disqualification of the proposal depending on the severity of the discrepancy.:

1. A letter of transmittal containing the complete name and address of the firm; name, mailing address, telephone number of the contact for the proposal; **Alaska Business license number; NOTE\*\* Proof of a having an Alaskan Business License must accompany your proposal. Failure to provide this documentation could result in your proposal being rejected without review. Contact Chris Rutz if you have questions about this requirement or the Alaskan proposer preference:** a statement of commitment to the project; and a statement confirming that the proposal is valid for thirty (30) days from closing date for receipt of proposals, a certification, as appropriate, that your firm qualifies as an Alaskan vendor, a statement with regard to any perceived or potential conflicts of interest and acknowledgment that the proposal considers an August 6, 1993 date of completion, the necessity for completion of the project on schedule and your ability to perform within this time frame.
2. Provide a discussion of how you propose to accomplish the work requested. Discuss your methodology, potential problems and ways to mitigate those problems, provide a detailed work schedule, and a list of key persons, including subcontractors, and tasks they will be assigned.

It should also be noted that ADNR has not specified a particular methodology for the timber inventory or value analyses in this proposal. This is intended. Prospective contractors should clearly identify that methodology they believe most appropriate for the timber inventory and value analyses, and should attempt to establish a direct linkage between the methodology, personnel, and associated costs.

3. Indicate the name and professional qualifications of the individual to be designated as lead appraiser on the project; or names of lead appraisers, for timber vs land appraisals, if different. Provide proof of state appraiser certifications and other certifications as appropriate. Please include information regarding designations, certifications, and an accurate work history of the lead appraiser(s) and the extent you envision this person will be directly involved in fieldwork and actual preparation of the appraisal report. Include work history for this individual(s) on large acreage projects.

Include a detailed listing of the staff your firm has available to commit to this project, how much and to what extent which each staff member will be actively involved in this project.

Also include a concise work history identifying the extent your firm has been involved in past appraisals of large acreage land/timber land. With specific emphasis on projects similar to this one.

4. Provide cost information, to include all expenses and fees, to complete the project. This should include a detailed cost breakdown that itemizes proposed:

- Direct expenses; labor and benefits to include names of participants and number of hours committed to this project, proposed transportation and per diem costs, direct administrative expenses.
- Indirect expenses; administrative expenses and overhead.
- Profit or Fee.
- Include direct expenses as they would relate to unforeseen costs such as a standard rate for per diem in case of being delayed by circumstances beyond your control.

The costs of the timber inventory and the value analysis shall be individually and separately stated in the proposal. In addition, the costs of performing a limited field inspection to confirm the validity of the inventory sample shall be clearly identified.

The contractor should also propose a guaranteed final lump sum not to exceed cost for completing the work as defined by this request and their proposal.

#### **Evaluation Criteria**

Proposals will be evaluated by an evaluation committee selected by DNR. Evaluation criteria and weights will be as follows:

- 10% Alaskan Proposal Preference
- 30% Contractors proposed approach to accomplishing the tasks
- 30% Qualifications & experience of the proposed appraisal team and history of completion of similar large tract timber land evaluations.
- 30% Cost of proposal.

Thank you in advance for taking the time to review this RFP. We hope you take advantage of opportunity to submit a proposal.

Sincerely,



Dennis Lattery, Review Appraiser

#### **Enclosures:**

- A. Timber Appraisal Requirements
- B. Standard Agreement Form for Professional Services
- C. Appendix B. Hold Harmless and Insurance Requirements
- D. Uniform appraisal Standards for Federal Land Acquisitions
- E. Project Map
- F. Timber Survey Information
- G. Alaska Business License Application Forms

**Seal Bay Timber Appraisal  
Appraisal Requirements****Attachment A****1. General Products and Services Description**

The selected contractor will estimate the timber market value of the Seal Bay 17,040 acre tract on Afognak Island. To establish this value estimate, it will be necessary to inventory the types, quantities, and distribution of commercial tree species within this tract. The development of this data is to be completed by August 6, 1993.

**2. Services to be Required.**

The selected contractor will prepare an inventory of commercial tree species to establish their quantity, types, distribution, and quality; and prepare a value estimate to a May 14, 1993, base date for the Seal Bay Tract. The boundaries of this tract are depicted on Map A, attached to this request for proposals. The specific types of evaluation are indicated below:

**a. Timber Inventory**

The timber inventory is intended to establish the grades, volumes (including reductions for habitat losses under the State Forest Practices Act), and adjusted available volumes for the following grade types within species:

Species/Grade  
Sitka Spruce  
Select  
Sp. Mill  
#1 Saw  
#2 Saw  
#3 Saw  
#4 Saw  
Utility

In this inventory, neither a detailed cruise nor detailed field work is required. Emphasis is to be placed upon sort and grade identification for the purposes of appraisal with secondary emphasis on forest type and stand structure. The selected contractor will use existing inventory maps, aerial photography, and reports for the determination of the required information. The contractor may be required to field verify the results of the inventory analysis, sufficient to establish the probability of the accuracy of the inventory data. A 95% confidence level with a standard error of +/- 10% is considered satisfactory. The requirement for field verification of the inventory data is explained in Section 5.

**b. Preparation of Value Estimates**

The value analysis must establish the costs of logging, sortyard to dump, road construction, and other relevant costs for marketable timber as well as utility logging costs. This analysis must also establish the delivered

**Seal Bay Timber Appraisal  
Appraisal Requirements****Attachment A**

log value, estimated cost, and indicated fair market value by species for each grade of species. Finally, this analysis shall identify the total fair market value of timber for the entirety of the tract to a May 14, 1993 date. Proposals shall indicate the probable sources of information that will be used to establish cost and value estimates.

It is not expected that specific logging road-management plans will be developed for these analyses. The aforementioned values may be established from local or regional data adjusted to and for the particular conditions of the tract.

**3. Required Products**

A written report shall be prepared for this Seal Bay Tract that:

- a. Clearly lists the inventory data required under paragraph a. of Section 2. This section shall also indicate the sources of information and methodology for preparing the timber inventory, and shall explain the accuracy level of the inventory. Maps and appropriate spreadsheets of timber data shall accompany the inventory section of the report.
- b. Clearly describes the value data required under paragraph b. of Section 2. This description shall also explain the methodology, assumptions, and constraints used or applied in this analysis and shall provide an indication of data reliability.

**4. Information Currently Available**

We have included the most recent cruise information for the forest lands within the tract. Seal Bay Timber Company will have additional cut and sold information which will be available on request. Additional sources of inventory, logging costs, and markets could be furnished through Afognak Joint Venture, and Koncor Forest Products.

**5. Special Considerations and Requirements in Proposal Preparation**

Field verification may be required to establish the accuracy of the derived volume/type information and to establish general quality (defect) and sort data. Please refer to the subsequent discussion in this attachment for more information on this requirement. We also reemphasize that the value estimates are not to be derived from detailed logging road-management plans but from relevant cost data at the regional or local data, adjusted to local tract conditions.

## STANDARD AGREEMENT FORM

1. Agency Contract Number	2. ASPS Number	3. Financial Coding	4. Agency Assigned Encumbrance Number
5. Vendor Number		6. Alaska Business License Number	
This contract is between the State of Alaska,			
7. Department of		Division	
		hereafter the State,	
8. and,			
		hereafter the Contractor	
Mailing Address	Street or P.O. Box	City	State ZIP + 4
<p>9. <b>ARTICLE 1. Appendices:</b> Appendices referred to in this contract and attached to it are considered part of it.</p> <p><b>ARTICLE 2. Performance of Service:</b></p> <p>2.1 Appendix A (General Provisions), Articles 1 through 14, governs the performance of services under this contract.</p> <p>2.2 Appendix B sets forth the liability and insurance provisions of this contract.</p> <p>2.3 Appendix C sets forth the services to be performed by the contractor.</p> <p><b>ARTICLE 3. Period of Performance:</b> The period of performance for this contract begins _____, and ends _____.</p> <p><b>ARTICLE 4. Considerations:</b></p> <p>4.1 In full consideration of the contractor's performance under this contract, the State shall pay the contractor a sum not to exceed \$_____ in accordance with the provisions of Appendix D.</p> <p>4.2 When billing the State, the contractor shall refer to the Authority Number or the Agency Contract Number and send the billing to:</p>			
10. Department of		Attention: Division of	
Mailing Address		Attention:	
<b>11. CONTRACTOR</b>		<b>13. CERTIFICATION:</b> I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alterations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the variety, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815 - 820. Other disciplinary action may be taken up to and including dismissal.	
Name of Firm			
Signature of Authorized Representative	Date		
Typed or Printed Name of Authorized Representative			
Title	Employer ID No. (EIN) or SSN		
<b>12. CONTRACTING AGENCY</b>		Signature of Head of Contracting Agency or Procurement Officer  Date  Typed or Printed Name of Authorizing Official  Title  Title	
Department/Division			
Date			
Signature of Project Director			
Typed or Printed Name of Project Director			
Title			

NOTICE: This contract has no effect until signed by the head of contracting agency or designee.

APPENDIX B  
INDEMNITY AND INSURANCE

Article 1. Indemnification

The contractor shall indemnify, save harmless and defend the state, its officers, agents and employees from all liability, including costs and expenses, for all actions or claims resulting from injuries or damages sustained by any person or property arising directly or indirectly as a result of any error, omission or negligent act of the contractor, subcontractor or anyone directly or indirectly employed by them in the performance of this contract.

All actions or claims including costs and expenses resulting from injuries or damages sustained by any person or property arising directly or indirectly from the contractor's performance of this contract which are caused by the joint negligence of the state and the contractor shall be apportioned on a comparative fault basis. Any such joint negligence on the part of the state must be a direct result of active involvement by the state.

Article 2. Insurance

Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Contracting Officer prior to beginning work and must provide for a 30 day prior notice of cancellation, nonrenewal or material change. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach and grounds for termination of the contractor's services.

**2.1. Workers' Compensation Insurance:** The contractor shall provide and maintain, for all employees of the contractor engaged in work under this contract, Workers' Compensation Insurance as required by AS 23.30.045. The contractor shall be responsible for Workers' Compensation Insurance for any subcontractor who directly or indirectly provides services under this contract. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection not less than \$100,000 per person, \$100,000 per occurrence. Where applicable, coverage for all federal acts (i.e. U.S.L. & H. and Jones Acts) must also be included.

**2.2. Comprehensive (Commercial) General Liability Insurance:** with coverage limits not less than \$300,000 combined single limit per occurrence and annual aggregates where generally applicable and shall include premises-operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.

**2.3. Comprehensive Automobile Liability Insurance:** covering all owned, hired and non-owned vehicles with coverage limits not less than \$100,000 per person/\$300,000 per occurrence bodily injury and \$50,000 property damage.

**2.4. Professional Liability Insurance:** covering all errors, omissions or negligent acts of the contractor, subcontractor or anyone directly or indirectly employed by them, made in the performance of this contract which result in financial loss to the state. Limits required are per the following schedule:

Contract Amount	Minimum Required Limits
Under \$100,000 . . . . .	\$100,000 per Occurrence/Annual Aggregate
\$100,000-\$499,999 . . . . .	\$250,000 per Occurrence/Annual Aggregate
\$500,000-\$999,999 . . . . .	\$500,000 per Occurrence/Annual Aggregate
\$1,000,000 or over . . . . .	Negotiable—Refer to Risk Management

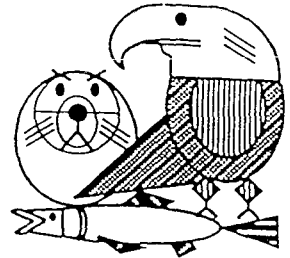


# Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 "G" Street, Anchorage, AK 99501

Phone: (907) 278-8012 Fax: (907) 276-7178



TO: Trustee Council

DATE: May 19, 1993

FROM: Dave Gibbons *[Signature]*  
Interim Administrative  
Director

SUBJECT: Seal Bay Timeline

At your May 12th meeting you passed a resolution indicating your willingness to purchase land in the Seal Bay area. The motion included a sixty day timeline for completion of the negotiations, appraisal, title search and hazardous materials survey. The motion also indicated a willingness to extend this timeline if both parties agreed.

The Departments of Natural Resources and Law have since determined that in order to acquire an appraisal that is both high quality and reasonably priced, it was necessary to request from Seal Bay Corp. a thirty day extension. Seal Bay Corp. has just agreed to this extension, with the option of an additional thirty days should it prove necessary. We also request Trustee Council approval of this extension. The initial thirty day extension brings the completion date to August 12th versus the previously approved July 12th.

The Department of Natural Resources needs to execute the Request For Proposal for an appraisal early on Friday, May 21st in order to complete the process by August 12th. Should any of the Trustee Council disagree with this extension, please advise no later than 5:00 PM Thursday, May 20th. If you have any questions or comment, please contact me at #278-8012.

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Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation  
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture, and Interior

05/14/93

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BY RESTORATION

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Rpwg  
IT

## KONIAG, INC.

• 4300 B Street, Suite 407, Anchorage, AK 99503

(907) 561-2658 • FAX (907) 562-5258 •

RECEIVED  
MAY 13 1993

May 13, 1993

EXXON VALDEZ OIL SPILL  
TRUSTEE COUNCIL

Exxon Valdez Oil Spill Trustee Council  
645 "G" Street  
Anchorage, AK 99501

Dear Trustee Council Members:

It is Koniag's understanding that the trustees are considering the purchase of certain lands in the area of Seal Bay on Afognak Island.

Koniag Inc. wishes to point out the fact that it is the owner of all subsurface estate underlying the proposed sale lands and as such, reserves the right to develop this subsurface estate for the purpose of mineral, sand, gravel and rock extraction.

It would appear to us that if an acquisition is contemplated, it should be in "fee simple".

In that regard, Koniag would rely on the Kachemak purchase precedent i.e. 2 million dollars for the subsurface underlying approximately 23,000 acres. Using this precedent generates an approximate value/price for Koniag's subsurface underlying the three Seal Bay options as follows:

Option #1 - \$ 348,188  
Option #2 - \$ 996,904  
Option #3 - \$ 1,512,321

Please consider the above a formal offer from which to negotiate.

Sincerely,

KONIAG, INC.

Uwe L. Gross  
Chief Executive Officer

## **KONIAG, INC.**

• 4300 B Street, Suite 407, Anchorage, AK 99503

(907) 561-2668 • FAX (907) 562-5258

May 13, 1993

Exxon Valdez Oil Spill Trustee Council  
645 "G" Street  
Anchorage, AK 99501

Dear Trustee Council Members:

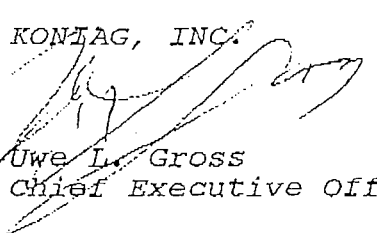
Subsequent to my letter to you of May 13, 1993, I have learned that the Council has tentatively agreed to purchase from Seal Bay Timber Co. a parcel of land totalling approximately 42,391 acres.

As indicated in my prior correspondence, Koniag, Inc. is willing to sell its' subsurface estate underlying all the Seal Bay Timber sale lands at a price per acre comparable to that paid for the subsurface estate in the acquisition of the Kachemak Bay parcel.

I and/or Mr. John Merrick, Manager Lands & Resources for Koniag, Inc., would be happy to meet with your staff to discuss this matter further.

Sincerely,

KONIAG, INC.



Uwe L. Gross  
Chief Executive Officer

**KONIAG, INC.**

• 4300 B Street, Suite 407, Anchorage, AK 99503

(907) 561-2668 • FAX (907) 562-5258 •

May 27, 1993

Exxon Valdez Oil Spill Trustee Council  
645 "G" Street  
Anchorage, Alaska 99501

Dear Trustee Council Members:

Koniag, Inc. was advised by Mr. Alex Swiderski of the Trustee Council staff that the Council was indeed interested in pursuing the acquisition of the sub-surface estate under all Seal Bay Timber Co. lands. As I had indicated to you in my letter of May 13, 1993, Koniag, Inc. is willing to make its sub-surface estate available for acquisition at fair market value. Thus we propose to make all 42,000 + acres of subsurface estate underlying the Seal Bay lands available at a purchase price of \$56.18 per acre subject to the following proposed conditions:

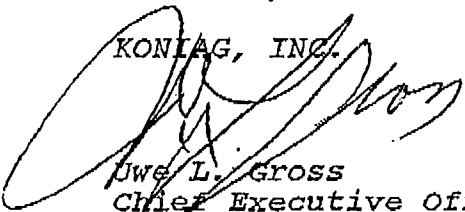
1. To the extent the Trustees commission an appraisal, Koniag, Inc. will be given the opportunity to agree to the appraiser and appraisal instructions.
2. Should the Trustee Council's appraisal come within plus or minus 15% of the quoted price then the quoted price will be paid.
3. Should the appraised value exceed the above quoted price by an amount greater than 15%, then Koniag, Inc. will agree to negotiate in good faith a final price.
4. Should the above quoted price exceed the appraised value by more than 15% than Koniag, Inc. will agree to accept the actual appraised value.

Exxon Valdez Oil Spill Trustee Council  
May 27, 1993  
Page 2

Koniag, Inc. believes that it would be in everyone's best interest that the Seal Bay acquisition be full fee estate. We intend to cooperate fully with the Trustee Council to make that a reality.

Sincerely,

KONIAG, INC.



Dwe L. Gross  
Chief Executive Officer

cc: Alex Swiderski  
Greg Tillary  
Marty Rutherford  
Bill Timme

May 28, 1993

RPWG  
II

Ms. Kathryn Anderson  
The Eyak Corporation

Dear Kathryn:

I appreciate that yourself, Lee Wyatt and I were able to meet before the Habitat Protection Subgroup on May 27.

We reviewed the preliminary information concerning ranking of habitats needing protection in the Eyak Lake/Power Creek area which was provided by the working group. It appears that we continue to be in agreement that this area should be a priority for habitat protection.

After some discussion, it became clear that we need to mutually agree on the options that would provide necessary habitat protection as soon as possible. You and Lee reiterated that the Eyak Corporation shareholders and the Board of Directors are unwilling to discuss fee title acquisition of any Eyak lands by the trustee council. But that you are willing to consider another instrument for habitat protection including: conservation easements, reserved interest deeds, or other such long-term agreements that may provide for habitat protection and restoration as sought by the Trustee Council.

Reviewing our Memorandum of Understanding, I hope that you concur with me that we have clearly attained several important objectives as agreed in the MOU:

- Habitat needs assessment has started, with the Habitat Protection Subgroup having visited the Power Creek area, which resulted in confirmation of the Habitat Protection Subgroup's high ranking in the evaluation process.

- I appreciate that you provided access to your lands for the Habitat Protection Working Group, which provided for the Power Creek assessment.

- Assessment work has started regarding identification of habitat protection strategies as discussed in our meeting with the Habitat Protection Subgroup on May 27. It is very clear that since we are discussing options other than fee title that it will take some time to evaluate options which are in the clear interest of both the Eyak Corporation and the public.

- We have discussed the valuation process and agree that the Uniform Appraisal Standards for Federal Land Acquisitions, Interagency Land Acquisition Conference 1992 provide an effective means for determining the fair market value of property rights. However, I acknowledge your concern about the appraisal instructions and choice of an appraiser and will work to mitigate your concerns.

- We have met with the Habitat Protection Working Group, as agreed.



08/28/93

17:36

FOREST SERVICE RF OFFICE  
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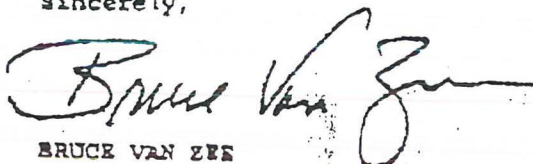
As we have discussed, the complexity of identification and protection of threatened habitats present a wide range of situations and while we are making progress, thanks to your personal dedication, we need to proceed with reason. Therefore, an extension of our Memorandum of Understanding may be appropriate. I recognize that this request may place a burden on yourself and I would ask that you convey my apologies to your Board of Directors, as your cooperation with the Forest Service in these efforts has been greatly appreciated. A concurrence line is included at the end of this memo if you are in agreement.

Clearly, acquisition of timber rights is imperative in these negotiations, but there are other values that enter the negotiation process. Some of these may include: retention of shareholder lots, subsistence values, control over commercial activities (e.g. outfitter guides), public access, protection responsibilities (e.g. law enforcement, fire protection), and rights-of-ways. If you could provide me with the thoughts of your board on these and any other values of concern it would be helpful. In our next meeting, I will attempt to provide you with a more definitive list of values of interest to the public.

You have previously mentioned that you have timber volume data available for Eyak lands. If you could provide us this information, it would enhance our evaluation process.

If you are in agreement with the proposed extension to the Memorandum of Understanding then I will request through the USDA Trustee that the Trustee Council take whatever action is necessary at its June 2 meeting to enable review of our forthcoming protection recommendations on or before June 21, 1993.

Sincerely,



BRUCE VAN ZEE  
Forest Supervisor

I concur that an extension of the MEMORANDUM OF UNDERSTANDING between The Eyak Corporation and Sherstone, Inc., and the U.S. Forest Service is in the interest of all parties to the agreement. This agreement is extended until June 21, 1993.



KATHRYN S. ANDERSON, Project Coordinator  
The Eyak Corporation

## HPWG FIELD TRIP OBJECTIVES

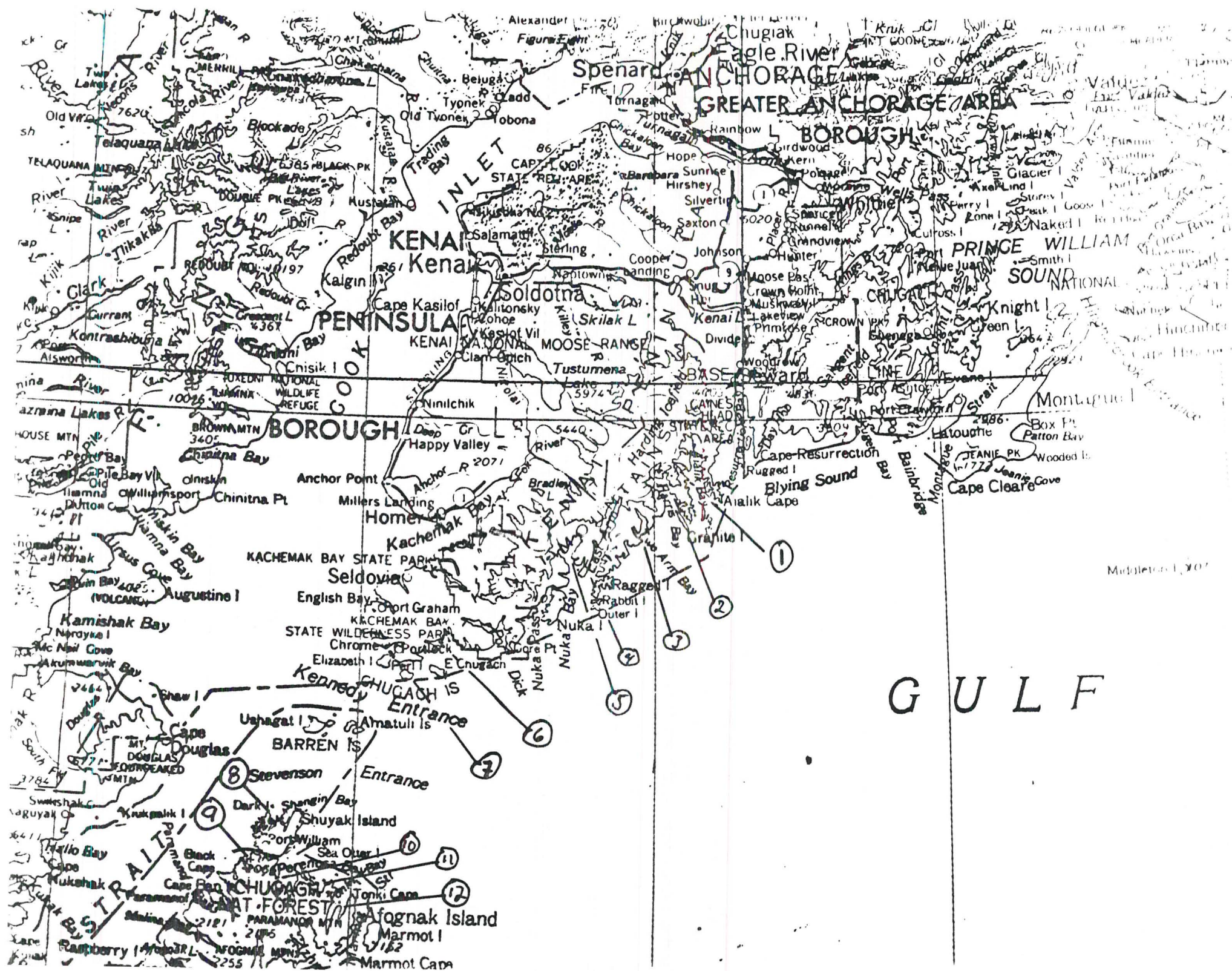
1. Define, evaluate, and rank the parcels using the procedures and criteria developed by the Habitat Protection Working Group (HPWG). Conduct on-site habitat protection parcel analysis for comprehensive process.
2. Validate existing mapped data and obtain additional information on injured resource and service use of parcels, particularly for marbled murrelet, pigeon guillemot, black oystercatcher, harlequin duck, and anadromous fish. This information will be synthesized with other existing data to rate potential habitat protection benefits.
3. Obtain photo documentation of each parcel (slides and video); ground-truth remote sensing imagery using ellipsoid analysis and field verification of raw and partially classified image data.
4. Obtain information to formulate management recommendations including road rehabilitation, reforestation, access, and habitat enhancement/restoration for the Seal Bay/Tonki Cape acquisition.

The proposed field trip is the most efficient and cost-effective way to accomplish these objectives because it will: 1) transport and house the necessary HPWG crew for the several weeks needed to evaluate all of the lands, 2) provide safe access to remote areas in the Kenai Fjords and Afognak Island which experience frequently unflyable weather; this will allow the crew to work steadily with minimum down time, 3) provide opportunities for sufficient time at each site to conduct the necessary ground and skiff surveys at various times of the day (e.g., evening and dawn surveys for murrelets), and 4) provide on-site computer capabilities for using image processing and parcel evaluation software. The HPWG was planning to evaluate these parcels during this summer using existing mapped information. However, the level of information and quality of the evaluation using this field survey will be much higher than what could be accomplished using currently available information, particularly because many of the habitats used by injured species have not been accurately identified and mapped. The use of helicopter and fix-winged aircraft to conduct the equivalent survey of these lands would require travel to Homer and Afognak (\$740) plus nine days of air charter (\$22,500). This would cost the state an estimated \$23,240 plus per diem.



## HPWG FIELD TRIP ITINERARY

June 19	Leave Seward	Bear Cove Parcel
June 20	Aialik Bay	Pederson Lagoon, Inner Aialik, McMullen Cove, Quicksand Cove, Verdant Cove Parcels
June 21	Harris Bay	Northwestern Lagoon, Harris Bay Parcels
June 22	Paguna Arm	Sandy Bay, Two Arm Bay Parcels
June 23	Nuka Bay	Black Bay, McArthur Pass, East Arm Parcels
June 24	Nuka Bay	West Arm, North Arm Parcels
June 25	Windy Bay	Windy Bay (CIK 06), Rocky Bay (CIK 07) Parcels
June 26	Port Chatham	Lower Kenai Peninsula (CIK 05) Parcel
June 27	Carry Inlet	Shuyak State Park, wildlife habitat land, Kenai Peninsula Borough lands
June 28	Blue Fox Bay	AJV Northwest (KAP 08) Parcel
June 29	Seal Bay	AJV Northeast (KAP 08), Seal Bay Parcels
July 30	Seal Bay	Seal Bay Parcel
July 1	Tonki Bay	Tonki Bay Parcel
July 2	Port Dick	
July 3	Thunder Bay	Thunder Bay Parcel
July 4	Return to Seward	







# HABITAT PROTECTION ACQUISITION PARCELS

Perenosa Bay, Alaska

Scale 1:175,000  
Albers Equal Area Projection

## LEGEND

- |  |  |                     |
|--|--|---------------------|
|  |  | Eagle Nests         |
|  |  | Seabird Colonies    |
|  |  | Parcel Boundary     |
|  |  | KAP02 Parcel Number |
|  |  |                     |
|  |  |                     |

Date printed: January 29, 1993

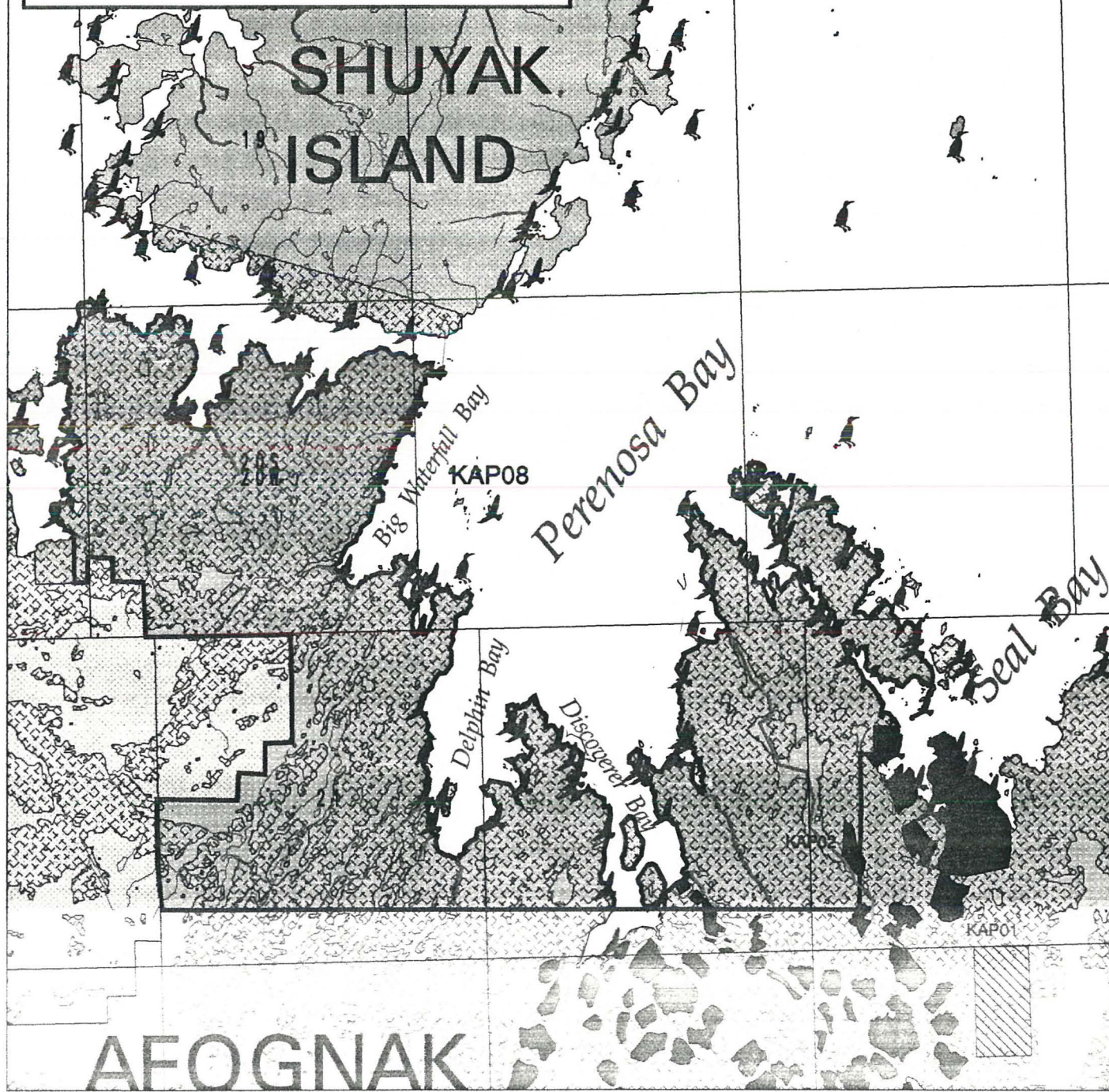
**SOURCES:**  
Current and planned timber harvest areas provided by Alaska Department of Fish and Game (ADF&G) and Alaska Department of Natural Resources (ADNR), Division of Forestry, 1992.

Land status provided by ADNR, Land Records Information Section, 1990.

Forest cover was determined from SPOT 1991 imagery by Podolsky, 1993.

Eagle and Seabird Information collected and provided by US Fish and Wildlife.

Streams were automated by ADNR-JRS from the USGS topographic maps (1:63,500). Anadromous streams classification was determined by the ADF&G, 1991.





STATE OF FLORIDA  
DEPARTMENT OF NATURAL RESOURCES

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## HABITAT PROTECTION WORKSHOP

June 7-8, 1993

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