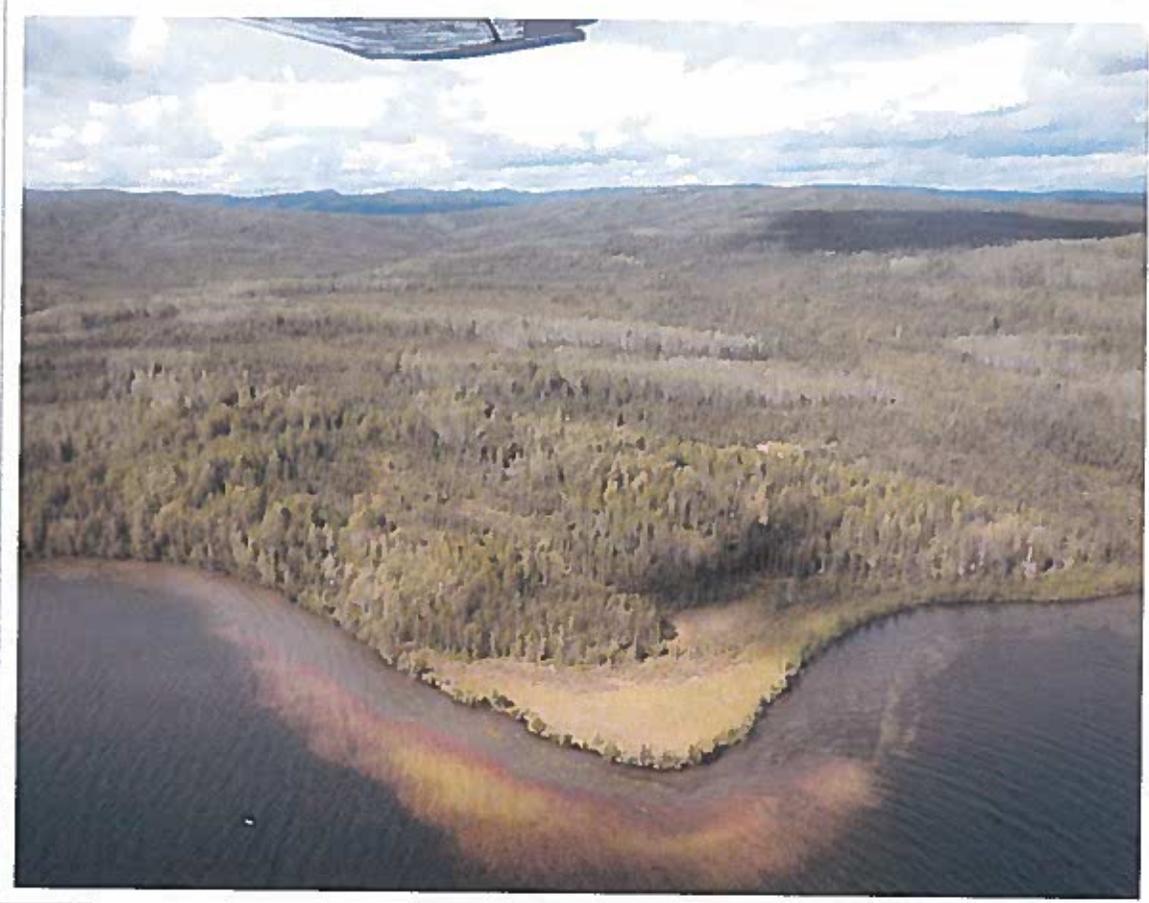


MARKET VALUE APPRAISAL
of

**Thirty-Five (35) Parcels within
Cosna RRCS ASLS 2006-20
Dugan Hills ASLS 2005-26
Iksgiza Lake ASLS 81-54
Teklanika II RRCS ASLS 2005-28
Wien Lake West ASLS 2013-30**



Wien Lake, Lot 18, Block 2 looking west

APPRAISAL REPORT No. 4287-0

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

MEMORANDUM

State of Alaska

Department of Natural Resources
Tel (907) 269-8539
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Division of Mining, Land & Water
550 West 7th Avenue, Suite 650
Anchorage AK 99501-3576

DATE: January 14, 2016

TO: Kevin Hindmarch
Review Appraiser

FROM Johnthomas Williamson
Appraiser

SUBJECT: Appraisal of Thirty-Five (35) parcels west of Fairbanks in the southern Tanana Drainage within the following subdivisions: Cosna RRCS, Dugan Hills RRCS, Iksgiza Lake, Teklanika II RRCS and Wien Lake West.

As requested, I have completed an appraisal of the above referenced parcels, and understand that this appraisal will be used to determine a minimum purchase price for a sealed bid auction. I am submitting this report for your review and approval.

The appraisal was completed in accordance with the "Uniform Standards of Professional Appraisal Practice" of the Appraisal Foundation and in accordance with the Special Appraisal Instructions, DNR. This appraisal report is based on the General Assumptions and Limiting Conditions stated in the report, as well as the facts, analyses, and reasoning leading to the opinions of value.

I have inspected all of the subject parcels and all of the comparable sales used in this report. Physical descriptions of the subject parcels were based on inspections, aerial photography, topographic maps, peer appraisal reports, interviews with realtors and various individuals familiar with the area. Based on these observations and analyses of all available data, I have formed an opinion of the market values as of the effective date of value.

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APPRAISAL SUMMARY

Legal Description and Location

Cosna RRCS is located approximately 110 miles west of Fairbanks, 25 miles southwest of Manley Hot Springs, south of the Tanana River, on the Cosna River. Subjects are within Sections 19 of Township 1 South, Range 19 West, and Section 25 of Township 1 South, Range 20 West, Fairbanks Meridian.

Dugan Hills RRCS is located approximately 70 miles west of Fairbanks, 20 miles southeast of Manley Hot Springs, on Tanana River. Subjects are within Sections 15 and 22 of Township 1 South, Range 13 West, Fairbanks Meridian.

Ikgiza Lake Subdivision is located approximately 70 miles west of Fairbanks, 22 miles southeast of Manley Hot Springs, south of the Tanana River. Subjects are within Sections 7 and 8 of Township 2 South, Range 13 West, Fairbanks Meridian.

Teklanika II RRCS is located approximately 16 miles southwest of Nenana along the Teklanika River. The subject is within Section 2 of Township 6 South, Range 10 West, Fairbanks Meridian.

Wien Lake West is located approximately 110 miles southwest of Fairbanks, 50 miles southwest of Manley Hot Springs, 90 miles north of Denali, south of the Tanana River. Subjects are within Sections 27, 28, 33 and 34 of Township 6 South, Range 19 West, Fairbanks Meridian

SUMMARY OF VALUES

ADL	Subdivision	Lot / Tr.	Block	ASLS	Acres	Value (Rnd)	Date of Value
417567	Cosna RRCS	A	-	2006-20	14.41	\$12,700	7/15/2015
418248	Cosna RRCS	E	-	2006-20	9.02	\$9,700	7/15/2015
417385	Dugan Hills RRCS	C	-	2005-26	5.00	\$16,900	7/15/2015
417620	Dugan Hills RRCS	H	-	2005-26	15.31	\$33,700	7/15/2015
407402	Iksgiza Lake	6	2	81-54	4.900	\$3,400	7/15/2015
407412	Iksgiza Lake	16	3	81-54	4.693	\$3,300	7/15/2015
407432	Iksgiza Lake	4	5	81-54	4.804	\$3,400	7/15/2015
407433	Iksgiza Lake	5	5	81-54	4.793	\$3,400	7/15/2015
407439	Iksgiza Lake	11	5	81-54	4.723	\$3,300	7/15/2015
407441	Iksgiza Lake	13	5	81-54	4.744	\$3,300	7/15/2015
407442	Iksgiza Lake	14	5	81-54	4.730	\$3,300	7/15/2015
407447	Iksgiza Lake	14	3	81-54	4.700	\$3,300	7/15/2015
417254	Teklanika II RRCS	A	-	2005-28	5.00	\$18,500	7/15/2015
420510	Wien Lake West	16	2	2013-30	3.66	\$14,400	7/15/2015
420511	Wien Lake West	17	2	2013-30	4.58	\$16,000	7/15/2015
420512	Wien Lake West	18	2	2013-30	4.81	\$16,000	7/15/2015
420513	Wien Lake West	19	2	2013-30	3.23	\$14,400	7/15/2015
420524	Wien Lake West	1	5	2013-30	3.65	\$2,900	7/15/2015
420525	Wien Lake West	2	5	2013-30	4.64	\$3,200	7/15/2015
420526	Wien Lake West	3	5	2013-30	4.72	\$3,300	7/15/2015
420527	Wien Lake West	4	5	2013-30	4.70	\$3,300	7/15/2015
420528	Wien Lake West	5	5	2013-30	5.07	\$3,500	7/15/2015
420529	Wien Lake West	6	5	2013-30	5.36	\$3,800	7/15/2015
420530	Wien Lake West	7	5	2013-30	4.85	\$3,400	7/15/2015
420531	Wien Lake West	8	5	2013-30	4.52	\$3,200	7/15/2015
420532	Wien Lake West	9	5	2013-30	4.94	\$3,500	7/15/2015
420535	Wien Lake West	1	7	2013-30	5.36	\$3,800	7/15/2015
420536	Wien Lake West	2	7	2013-30	9.25	\$5,100	7/15/2015
420540	Wien Lake West	1	8	2013-30	9.66	\$5,200	7/15/2015
420542	Wien Lake West	3	8	2013-30	12.34	\$6,100	7/15/2015
420543	Wien Lake West	4	8	2013-30	14.45	\$6,700	7/15/2015
420544	Wien Lake West	5	8	2013-30	13.36	\$6,500	7/15/2015
420545	Wien Lake West	6	8	2013-30	11.90	\$5,900	7/15/2015
420547	Wien Lake West	2	9	2013-30	16.44	\$27,100	7/15/2015
420549	Wien Lake West	1	10	2013-30	26.44	\$36,200	7/15/2015

PREMISES OF THE APPRAISAL

Type of Appraisal

This appraisal is prepared in accordance with Standards Rule 1 and 2 of the current edition of Uniform Standards of Professional Appraisal Practice (USPAP) and DNR's Special Appraisal Instructions.

Purpose of Appraisal

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

Intended Use of Appraisal

The appraisal will be used by DNR to determine the minimum bid for parcels to be acquired through the auction sale program under **AS 38.05.055**.

User and Client Identity

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

Property Rights Appraised

Rights appraised are fee simple estate less mineral rights reserved to the State of Alaska under **AS 38.05.125(a)**.

Fee simple estate is defined as:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."¹

AS 38.05.125(a) states:

Reservation. (a) Each contract for the sale, lease or grant of state land...is subject to the following reservations: "[sic] the party of the first part, Alaska, hereby expressly saves, excepts and reserves... unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every name, kind or description, and with may be in or upon said land...[and the right] to occupy as much of said land as may be necessary or convenient... to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved."²

Definition of Market Value

"The most probable price, as of a specified date, in cash, or terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."³

Effective Date of Value Estimate

July 15, 2015.

Date of Report

January 14, 2016.

¹ The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, p.78

² Alaska Statutes Title 38, Public Land Article 5, State of Alaska, 2014, pp. 653

³ The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, p.122

Exposure Time

Exposure time is defined as the "...estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal."⁴

Exposure time can vary depending on the type of property being appraised and constantly changing market conditions. Supply and demand of similar properties to the subject is an important factor for determining exposure time. The parcels included in this report are within a remote area accessible only by boat, plane, or snowmachine. The difficult access limits potential market participants, increasing exposure time. Currently, there are parcels available throughout the area offered through various government and private programs. Considering the availability of parcels on the market, and the remote nature of the parcels, an exposure time of six months to a year is reasonable.

Property History

Parcels within Cosna RRCS, Dugan Hills RRCS, Iksgiza Lake, and Teklanika II RRCS have been offered in the past and returned to State ownership. Parcels within Wien Lake West Subdivision have not been previously offered; see the section on Property Descriptions for more detail. The Department of Natural Resources is the current owner of record for all subjects.

Scope of the Appraisal**Property and Comparable Sales Inspection**

I inspected the subject properties and all of the comparable sales on July 15th, 2015. Physical features and access were identified by use of site inspections, topographic maps, status plats, aerial photographs, DNR appraisal records, and interviews with people who are familiar with the area.

Research and Analysis conducted

Interviews were conducted with real estate agents, appraisers, local residents, and other individuals familiar with the area who provided information about trends in value, supply, demand, access, and physical characteristics of the subject properties. DNR records and the Recorders Office databases were searched for recent comparable sales. Private real estate agent websites were searched for recent listings. Sellers, buyers, and agents were contacted to verify recent sale prices and other transaction details.

After analysis of all available data, appropriate comparable sales were selected. The market value estimate was derived from this process and is based on the following assumptions and limiting conditions.

⁴ Uniform Standards of Professional Appraisal Practice 2014-2015, Appraisal Foundation, p.U-2 www.uspap.org/#/19/

Assumptions and Limiting Conditions

1. The property is appraised as vacant land without structural or site improvements.
2. All engineering studies are assumed to be accurate. Plats and illustrative material included in the report are intended to help the reader visualize the properties.
3. Information furnished by others and included in the report is believed to be reliable but the appraiser does not warrant the accuracy of such information.
4. Unless otherwise noted in the report, the appraiser did not find any evidence that hazardous materials exist on these properties. The estimate of value is based on the assumption that there are no such materials on the property. The appraiser is not qualified to detect these substances. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge that is required to discover these substances.
5. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony, or be in attendance in court with reference to the property in question unless arrangements have been made in advance.
6. The data and conclusions in this report are a part of the whole valuation. Each part of this report is only part of the evidence upon which the final judgment is based. Therefore, no part should be used out of context and by itself alone.
7. It is assumed that there are no hidden or apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for any such conditions, or for arranging engineering studies to discover them.
8. The estimate of value in this report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
9. Some parcels may contain saw timber, but not necessarily in commercial quantities. The estimated market value does not include the value of commercial timber, if any.
10. Unless noted, the existence of personal property or improvements, if any, could not be confirmed. The properties are appraised "as vacant".
11. In this valuation, various mathematical calculations were used to formulate the opinion of value. These calculations are only aids for the formulation of the opinion of value by the appraiser. Therefore, in the application of these calculations, certain arithmetical figures are rounded to the nearest significant amount.
12. The appraiser assumes no responsibility for legal matters. The subject lots are assumed to be free and clear of encumbrances, except as otherwise noted, and title is assumed to be marketable.

PRESENTATION OF DATA

Market Area⁵

The market area lies within a remote region west and south of the Fairbanks North Star Borough. The closest, largest population center is Fairbanks. It is the second-largest population center in the state with a population of approximately 98,000 as of 2014. Of which, about half live in and around the city. The area encompasses 7,361.0 sq. miles of land and 77.8 sq. miles of water. Interior Alaska experiences seasonal temperature extremes. January temperatures range from -66 to 50 degrees Fahrenheit. July temperatures range from 30 to 99 degrees Fahrenheit. Fairbanks is known for its lingering summer days. When the solstice arrives, there is more than 22 hours of daylight. Major communities include: College, Eielson Air Force Base, Ester, Fairbanks, Fox, Harding Lake, Moose Creek, North Pole, Pleasant Valley, Salcha, and Two Rivers. There are 35 schools located in the borough.

City, borough, state, and federal government agencies, including the military, provide over one-third of the employment in the borough. The borough school district and the University of Alaska Fairbanks are the primary public employers. In 2014, nearly 8,400 soldiers were stationed in the borough on Fort Wainwright or the Eielson Air Force Base. Retail services, gold mining, tourism, transportation, medical, and other services are the primary private sector activities. The Fort Knox hard rock gold mine is located in the borough.

The Richardson Highway, the Parks Highway, the Steese Highway and the Elliott Highway connect the Interior to Anchorage, Canada and the lower 48. Truck, rail and air services provide transportation of cargo. Scheduled jet services are available at Fairbanks International airport. An 11,800' asphalt runway, heliport and seaplane landing strip are available. A public seaplane base is located on the Chena River. Eielson Air Force Base and Fort Wainwright also conduct flight operations in the area.

Fairbanks is a Home Rule city and the second largest population center in the state. Currently, its estimated population is 31,720, comprised of 11,500 households. The average household size is 2.52. Power is supplied by Golden Valley Electric Association Inc. through diesel generators. Supplemental power is supplied by Aurora Energy LLC. The area is serviced by local schools, hospitals, libraries, refuse systems, and other urban facilities.

Manley Hot Springs Neighborhood

Manley Hot Springs is a small community of 70+ residents located 5 miles north of the Tanana River, 160 road miles west of Fairbanks. The area has a cold, continental climate typical for interior Alaska with average temperatures ranging from the upper 50's in summer to -20°F in winter. Extremes have been recorded from 93°F to -70°F. Most of the residents support themselves by multiple jobs including: gold mining, tourism, government, and a semi-subsistence bartering system. Residents haul water from a community wellhouse, while public buildings have private wells. The community has a local clinic, roadhouse, landfill, and school. A federally recognized tribe (Manley Village Council) is located within the community

The most notable characteristic is the geothermal hot springs located just north of town. Naturally occurring hot springs have been an economic advantage for the community since 1902, when a mining prospector named John Karshner claimed several hot springs and started an ambitious vegetable farm. The community boomed during the gold rush era when in 1907 a hotel was built complete with 45 guest rooms, steam heat, electric lights, hot baths, a bowling alley, and an Olympic-size indoor heated swimming pool. Nowadays, tourism is still important to the local economy. One individual has developed a small-scale commercial hot springs attraction.

⁵ All information regarding Market Area information derived from <http://www.commerce.state.ak.us/dca/commdb/CIS.cfm>

Nenana Neighborhood

Nenana is a railroad-based community situated where the Parks Highway crosses the Tanana River, 55 road miles south of Fairbanks. The area has a cold, continental climate typical of interior Alaska. Most of the town has a community piped water and sewage system that is treated at a local facility. The remaining homes rely on private wells and septic systems. Nearly all of the residents have electricity. Refuse is collected and transported to the Denali Borough landfill. The community has a local health clinic and two schools. The Nenana Native Association, a federally recognized tribe, is located within the community.

Nenana is the center of rail-to-river barge transportation for the Interior. The Yutana Barge Lines is the major private employer, supplying villages along the Tanana and Yukon Rivers each summer with cargo and fuel. Over 40% of the year-round jobs are government-funded, including the city, tribe, Nenana School District, Yukon-Koyukuk School District, and DOT highway maintenance. Nenana has a strong seasonal private-sector economy. Crowley Marine is the major private employer in Nenana, providing supplies and fuel to over 40 villages along the Tanana and Yukon Rivers each summer. The city also attracts independent travelers with fuel and supplies, the Alaska Railroad Museum, the Golden Railroad Spike Historic Park and Interpretive Center, the historical St. Mark's Episcopal Church, Iditarod dog kennels, and the Alfred Starr Museum & Cultural Center. The Nenana Ice Classic, a guessing contest when the ice breaks in the Nenana River, is a statewide event. In 2011,

Nenana has air, river, road, and railroad access. It lies on the George Parks Highway, the road between Wasilla and Fairbanks. The railroad provides daily freight service. The Nenana Municipal Airport offers a 4,600' long by 100' wide lighted asphalt runway and a gravel runway that doubles as a winter ski strip and measures 2,520' long by 60' wide. There is also a float pond with parking basins. The Nenana Port Authority operates the dry cargo loading and unloading facilities, dock, bulkhead, and warehouse. The Tanana River is shallow, with a maximum draft for loaded river barges of 4.5 feet. There is a public boat launch with a recreational area to provide access to the Nenana and Tanana rivers.

Property Description - Cosna RRCS

ADL	Subdivision	Sec.	MTR	Tract	Access	ASLS	Acres	Plat	Recording District
417567	Cosna RRCS	19	T1S R19W FM.	A	River	2006-20	14.41	2008-03	Manley
418248	Cosna RRCS	25	T1S R19W FM.	E	River	2006-20	9.02	2008-03	Manley

Location

Cosna RRCS is located approximately 110 miles west of Fairbanks, 25 miles southwest of Manley Hot Springs, south of the Tanana River on the Cosna River. Subjects are within Section 19 of Township 1 South, Range 19 West, and Section 25 of Township 1 South, Range 20 West, Fairbanks Meridian.

Access

Access to the subdivision is by boat or snow machine along Tanana River, then up the Cosna River.

Topography, Soils, Size & Shape

The parcels are level, 9.02 to 14.41 acres, and irregular in shape. The parcels contain primarily mature birch and spruce mix with some poplar. Vegetation is indicative of adequate drainage.

Easements & Zoning Regulations

There are typical access easements throughout the subdivision and a 100' building set back along the Cosna River. The subjects are within the Unorganized Borough and not subject to zoning.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

ADL 417567 was staked through the DNR RRCS Staking Program in 2005. The lessee entered into a land sale contract that was later terminated in 2014. ADL 418248 was created as an administrative parcel and offered for sale through the 2010 Subdivision Auction. The parcel received a high bid. However, the application was relinquished. DNR is the current owner of record.

Tax Assessments & Personal Property

The subdivision lies within the Unorganized Borough and not subject to ad valorem assessment. There is no personal property involved with the appraisal of these parcels. Nor are there improvements on the properties.

Utilities, Water & Sewer

There are no utilities available. Water supply or sewage disposal systems must be located, constructed, and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.

Property Description – Dugan Hills RRCS

ADL	Subdivision	Sec.	MTR	Tract	Access	ASLS	Acres	Plat	Plat
417385	Dugan Hills RRCS	22	T1S R13W FM.	C	River	2005-26	5.00	2008-33 Fairbanks	2008-1 Manley
417620	Dugan Hills RRCS	15	T1S R13W FM.	H	River	2005-26	15.31	2008-33 Fairbanks	2008-1 Manley

Location

Dugan Hills RRCS is located approximately 70 miles west of Fairbanks, 20 miles southeast of Manley Hot Springs, on Tanana River. Subjects are within Sections 15 and 22 of Township 1 South, Range 13 West, Fairbanks Meridian.

Access

Access to the subdivision is by boat or snow machine via the Tanana River.

Topography, Soils, Size & Shape

The parcels are level, 5.00 to 15.31 acres, and irregular in shape. The parcels contain primarily mature birch and spruce mix with some poplar. Vegetation is indicative of adequate drainage.

Easements & Zoning Regulations

There are typical access easements throughout the subdivision and a 100' building set back along the Tanana River. There is an overlying 100' Scenic Easement meandering the shoreline. The subjects are within the Unorganized Borough and not subject to zoning.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

The parcels were offered through the 2010 and 2011 Subdivision Auctions. Both parcels received bids and the purchasers entered into land sale contracts. Both contracts were terminated in 2014. DNR is the current owner of record.

Tax Assessments & Personal Property

The subdivision lies within the Unorganized Borough and not subject to ad valorem assessment. There is no personal property involved with the appraisal of these parcels. Nor are there improvements on the properties.

Utilities, Water & Sewer

There are no utilities available. Water supply or sewage disposal systems must be located, constructed, and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.

Property Description - Iksgiza Lake

ADL	Subdivision	Sec.	MTRS	Lot	Block	ASLS	Acres	Access	Plat	Recording District
407402	Iksgiza Lake	7	T2S R13W FM.	6	2	81-54	4.900	Walk-In	81-6	Manley
407412	Iksgiza Lake	8	T2S R13W FM.	16	3	81-54	4.693	Walk-In	81-6	Manley
407432	Iksgiza Lake	8	T2S R13W FM.	4	5	81-54	4.804	Walk-In	81-6	Manley
407433	Iksgiza Lake	8	T2S R13W FM.	5	5	81-54	4.793	Walk-In	81-6	Manley
407439	Iksgiza Lake	8	T2S R13W FM.	11	5	81-54	4.723	Walk-In	81-6	Manley
407441	Iksgiza Lake	8	T2S R13W FM.	13	5	81-54	4.744	Walk-In	81-6	Manley
407442	Iksgiza Lake	8	T2S R13W FM.	14	5	81-54	4.730	Walk-In	81-6	Manley
407447	Iksgiza Lake	8	T2S R13W FM.	14	3	81-54	4.700	Walk-In	81-6	Manley

Location

Iksgiza Lake Subdivision is located approximately 70 miles west of Fairbanks, 22 miles southeast of Manley Hot Springs, south of the Tanana River, north and east of the lake. Subjects are within Sections 7 and 8 of Township 2 South, Range 13 West, Fairbanks Meridian.

Access

Access to the subdivision is via float plane to the lake, then overland. The feasibility of snowmachine access from the Tanana River to the subdivision is unknown. None of the parcels are waterfront.

Topography, Soils, Size & Shape

The parcels are level to moderately sloping, 4.693 to 4.9 acres, and irregular in shape. The parcels contain primarily mature spruce and birch mix with some poplar. Vegetation is indicative of adequate drainage.

Easements & Zoning Regulations

There are typical access and utility easements throughout the subdivision. The subjects are within the Unorganized Borough and not subject to zoning.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

All of the parcels have been offered in past DNR subdivision auctions. Several have been sold through land sale contracts, then subsequently the contract has been terminated due to non-payment. DNR is the current owner of record. See chart below:

ADL	Subdivision	Lot	Block	ASLS	Status
407412	Iksgiza Lake	16	3	81-54	Sold in 2008, contract terminated in 2012
407432	Iksgiza Lake	4	5	81-54	Sold in 2012, contract terminated in 2013
407433	Iksgiza Lake	5	5	81-54	Sold in 2012, contract terminated in 2013
407441	Iksgiza Lake	13	5	81-54	Sold in 2008, contract terminated in 2012
407442	Iksgiza Lake	14	5	81-54	Sold in 2008, contract terminated in 2012

Tax Assessments & Personal Property

The subdivision lies within the Unorganized Borough and not subject to ad valorem assessment. There is no personal property involved with the appraisal of these parcels. Nor are there improvements on the properties.

Utilities, Water & Sewer

There are no utilities available. Water supply or sewage disposal systems must be located, constructed, and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.

Property Description Teklanika II RRCS

ADL	Subdivision	MTRS	Tract	ASLS	Acres	Access	Plat	Recording District
417254	Teklanika II RRCS	Sec 2, T6S R10W FM.	A	2005-28	5.00	River	2007-10	Nenana

Location

Teklanika II RRCS is located approximately 16 miles southwest of Nenana along the Teklanika River. The subject is within Section 2 of Township 6 South, Range 10 West, Fairbanks Meridian.

Access

Access to the subdivision is by snow machine or boat along Nenana River, then upstream along the Teklanika River.

Topography, Soils, Size & Shape

The parcel is level, 5-acres, and irregular in shape. The parcels contain primarily mature spruce and birch mix with some poplar. Vegetation is indicative of adequate drainage.

Easements & Zoning Regulations

There are typical access and utility easements throughout the subdivision including a 100' building set back along the Teklanika River. The subject is within the Unorganized Borough and not subject to zoning.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

The parcel was staked through the 2004 DNR RRCS Staking Program. The lessee extended her lease but failed to enter into a land sale contract. The lease was terminated. DNR is the current owner of record.

Tax Assessments & Personal Property

The parcel lies within the Unorganized Borough and not subject to ad valorem assessment. There is no personal property involved with the appraisal of this parcel. Nor are there improvements on the property.

Utilities, Water & Sewer

There are no utilities available. Water supply or sewage disposal systems must be located, constructed, and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.

Property Description Wien Lake West

ADL	Sub.	Sec.	MTRS	Lot	Blk.	ASLS	Acres	Access	Plat	Recording District
420510	Wien Lake	27	T6S R19W	16	2	2013-30	3.66	Lakefront	2015-2	Manley
420511	Wien Lake	27	T6S R19W	17	2	2013-30	4.58	Lakefront	2015-2	Manley
420512	Wien Lake	27	T6S R19W	18	2	2013-30	4.81	Lakefront	2015-2	Manley
420513	Wien Lake	27	T6S R19W	19	2	2013-30	3.23	Lakefront	2015-2	Manley
420524	Wien Lake	27	T6S R19W	1	5	2013-30	3.65	Overland	2015-2	Manley
420525	Wien Lake	27	T6S R19W	2	5	2013-30	4.64	Overland	2015-2	Manley
420526	Wien Lake	27	T6S R19W	3	5	2013-30	4.72	Overland	2015-2	Manley
420527	Wien Lake	27	T6S R19W	4	5	2013-30	4.70	Overland	2015-2	Manley
420528	Wien Lake	27, 28	T6S R19W	5	5	2013-30	5.07	Overland	2015-2	Manley
420529	Wien Lake	27, 28	T6S R19W	6	5	2013-30	5.36	Overland	2015-2	Manley
420530	Wien Lake	28	T6S R19W	7	5	2013-30	4.85	Overland	2015-2	Manley
420531	Wien Lake	28	T6S R19W	8	5	2013-30	4.52	Overland	2015-2	Manley
420532	Wien Lake	28	T6S R19W	9	5	2013-30	4.94	Overland	2015-2	Manley
420535	Wien Lake	28	T6S R19W	1	7	2013-30	5.36	Overland	2015-2	Manley
420536	Wien Lake	28	T6S R19W	2	7	2013-30	9.25	Overland	2015-2	Manley
420540	Wien Lake	28	T6S R19W	1	8	2013-30	9.66	Overland	2015-2	Manley
420542	Wien Lake	28	T6S R19W	3	8	2013-30	12.34	Overland	2015-2	Manley
420543	Wien Lake	28, 33	T6S R19W	4	8	2013-30	14.45	Overland	2015-2	Manley
420544	Wien Lake	28, 33	T6S R19W	5	8	2013-30	13.36	Overland	2015-2	Manley
420545	Wien Lake	28, 33	T6S R19W	6	8	2013-30	11.90	Overland	2015-2	Manley
420547	Wien Lake	33, 34	T6S R19W	2	9	2013-30	16.44	Lakefront	2015-2	Manley
420549	Wien Lake	33	T6S R19W	1	10	2013-30	26.44	Lakefront	2015-2	Manley

Location

Wien Lake is located approximately 110 miles southwest of Fairbanks, 50 miles southwest of Manley Hot Springs, 90 miles north of Denali, south of the Tanana River. Subjects are within Sections 27, 28, 33 and 34 of Township 6 South, Range 19 West, Fairbanks Meridian

Access

Access to the subdivision is via float plane or wheeled plane. There is a grass airstrip on the northern side of the lake connected to area trails. There are several ATV trails along the western portion of the lake within the subdivision.

Topography, Soils, Size & Shape

Parcels are level to rolling, 3.23 to 26.44-acres, and irregular in shape. The parcels contain primarily mature spruce and birch mix. Vegetation is indicative of adequate drainage.

Easements & Zoning Regulations

There are typical access and utility easements throughout the subdivision including a 100' building set back along Wien Lake. The subject is within the Unorganized Borough and not subject to zoning.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

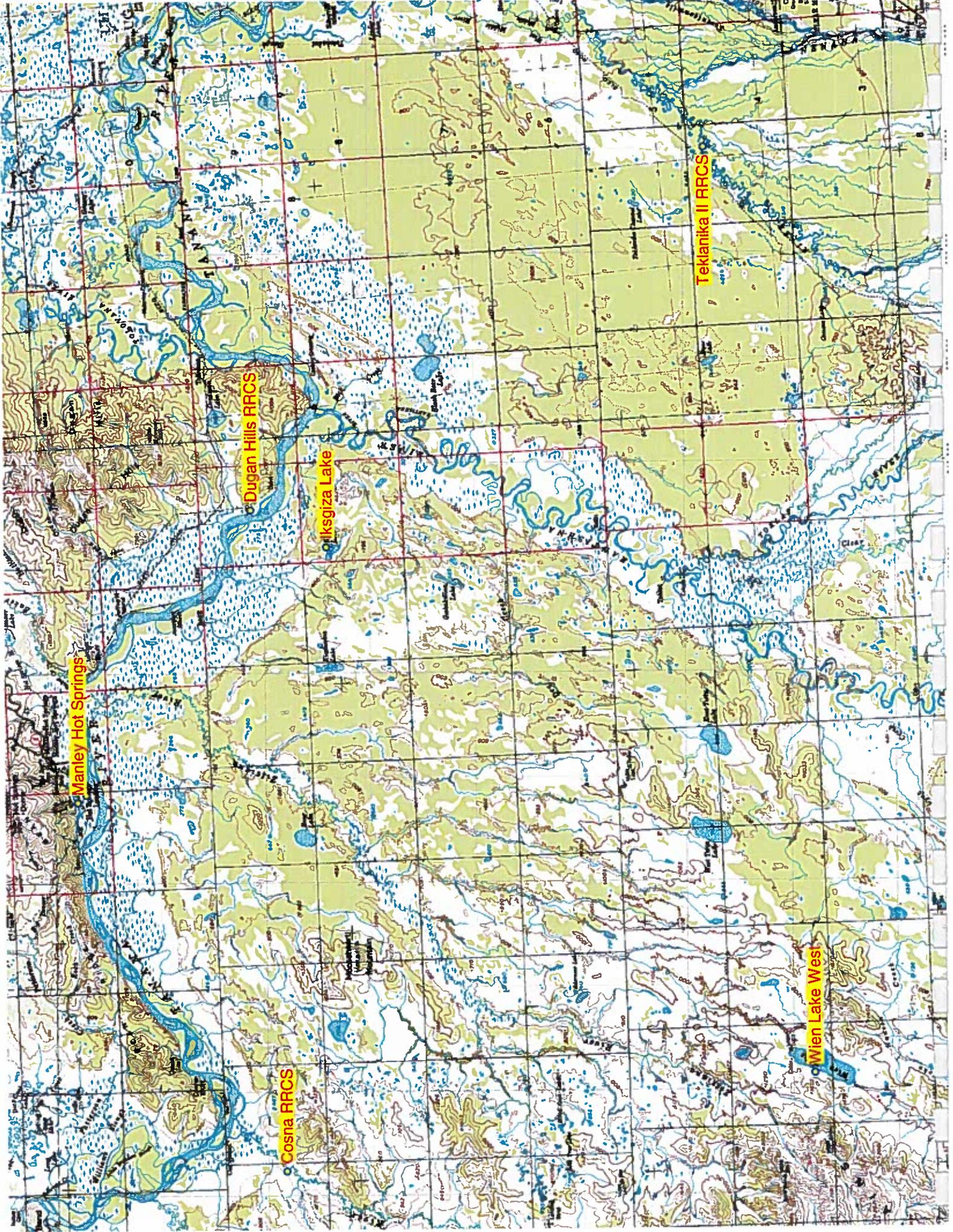
Parcels were surveyed in 2013 and recorded in 2015. None of the parcels have been offered for sale. DNR is the current owner of record.

Tax Assessments & Personal Property

The parcel lies within the Unorganized Borough and not subject to ad valorem assessment. There is no personal property involved with the appraisal of this parcel. Nor are there improvements on the property.

Utilities, Water & Sewer

There are no utilities available. Water supply or sewage disposal systems must be located, constructed, and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.



Manley Hot Springs

Dugan Hills RRCS

Piksgiza Lake

Teklanika II RRCS

Cosna RRCS

Wien Lake West



Cosna Tract E



Cosna Tract E



Cosna Tract A



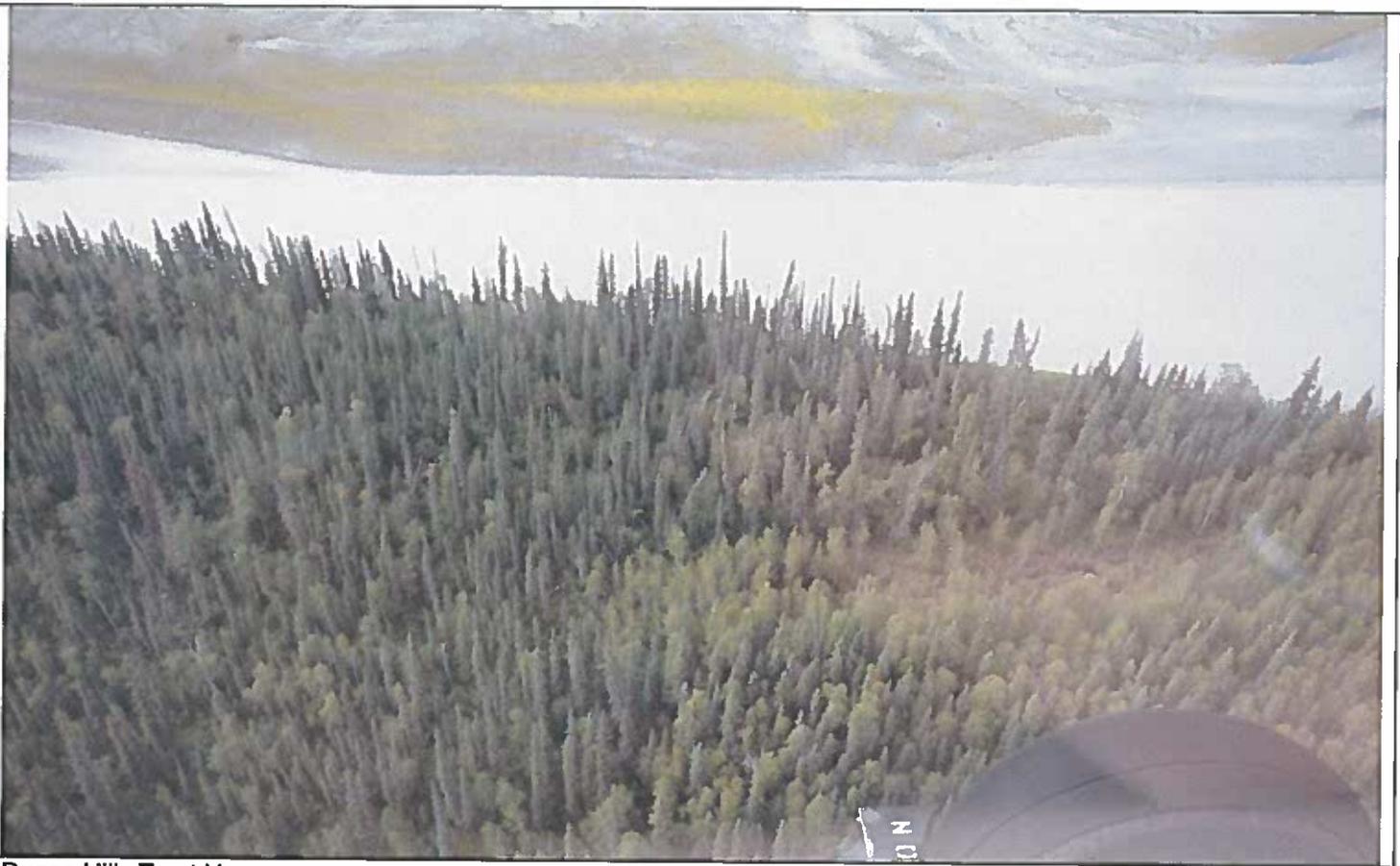
Cosna Tract A



Dugan Hills Tract C



Dugan Hills Tract C



Dugan Hills Tract H



Dugan Hills Tract H



Iksgiza Lake



Iksgiza Lot 6 Block 3



Iksgiza Lake Lot 16 Block 3 and Lots 4 & 5 of Block 5



Iksgiza Lake Block 5



Iksgiza Lot 14 Block 3



Over Block 5 of Iksgiza Lake looking north



Airstrip on north end of Wien Lake



Wien Lake looking southwest



Northern portion of Wien Lake looking southwest



Lots 18 & 19, Block 2 Wien Lake



Lots 17 & 18, Block 2 looking west



Lot 2 Block 9



Blocks 6, & and 8, Wien Lake



Block 5 Wien Lake



Teklanika II RRCS Tract A



Teklanika II RRCS Tract A

DATA ANALYSIS AND CONCLUSION

Valuation Analysis

Three approaches to value are considered to determine the market value estimate.

Income Approach

The income approach for valuation is used primarily for income producing properties. It utilizes the capitalization process to discount future anticipated net income to a present value. It is not common to lease vacant land for a residential use; therefore, data that supports this approach is not available.

Cost Approach

The cost approach is based on the assumption that an informed buyer would pay no more than the cost of producing a substitute property with the same utility as the subject property. This approach will separate the value of the land from the value of the improvements to determine the cost of reproducing the improvements. The cost approach is most effective for appraising properties that have newer improvements. Since all the parcels are vacant, the cost approach will not be used.

Sales Comparison Approach

The sales comparison approach considers actual sales or prices asked for properties that have similar characteristics of the subject properties. Adjustments are made to the comparison properties so as to determine a price at which they would have sold if they had identical characteristics as the subject properties. This derived price then indicates a value for the subject properties. Some of the characteristics considered include general market conditions, sales terms, location, highest and best use and physical features. Of the three approaches to value, only the sales comparison approach is applicable.

Key Parcel Method

In appraising more than one similar parcel, it is an accepted practice to appraise a key parcel that is most representative of the other parcels being appraised. The key parcel may be a hypothetical parcel or an actual parcel. The value of the remaining parcels is then based on a comparison to the key parcel. This methodology replicates typical developer thinking, and will be utilized. The same adjustments and procedures are applied to the key parcel value to indicate the market value of a parcel being appraised, except the direction of adjustment is reversed when comparing appraised parcels to the key parcel. Superior features require a positive adjustment compared with the appraised parcel; inferior features require a negative adjustment.

Explanation of Adjustments

DNR appraisal instructions state that the appraiser may develop and use quantitative or qualitative adjustments. Ideally, the value differences for any price adjustment are measured by comparing prices of paired sales that are very similar except for the feature of comparison to be measured. When market sales do not support quantifiable adjustments for differences and the comparable sales, the appraiser must use personal knowledge of overall trends, opinion surveys, and/or judgment in making adjustments. The conventional sequence of adjustments is property rights conveyed, financing terms, conditions of sale, time, location, and physical features.

An adjustment of less than 1.00 (or $<$) means the sale feature is superior to that appraised property and requires a downward adjustment to indicate the value of the key parcel. An adjustment greater than 1.00 (or $>$) means that the sale feature is inferior to the subject's feature which requires an upward adjustment to indicate the value of the key parcel. An adjustment of 1.00 (or $=$) means the sale feature is similar to the key parcel, no adjustment is necessary. The adjustments are multiplied to obtain a total adjustment, which is then multiplied by the sale price to indicate the value of a key parcel. Qualitative adjustments are noted as superior (-), inferior (+), or equal/similar (=). The overall comparability of each sale is analyzed to bracket a probable value for the subject. In many cases, combinations of both quantitative and qualitative adjustments are used.

**Valuation of Key Parcel
Interior**

ADL 407402 – Lot 6 Block 2 of ASLS 81-54 Iksgiza Lake Subdivision

Data Analysis and Value Conclusion

Location	20 miles southeast of Manley Hot Springs and 72 miles west of Fairbanks.
Access	Fly-in to Iksgiza Lake, then overland to parcel.
Size & Shape	4.900 acres and irregularly shaped.
Topography	Rolling, approximately 400 feet above sea level.
Soils & Vegetation	Mature birch and spruce mix. Thick vegetation indicative of adequately drained soils.
Utilities	None.
Easements & Zoning	No Zoning. Typical public access easements throughout subdivision.
Environmental Hazards	None observed.
Tax Assessments	The subject is within the Unorganized Borough. No tax assessment applies at this time.
Ownership	DNR is the owner of record.
Personal Property	None.
Amenity	None.

Highest and Best Use

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

“The reasonably probable and legal use of vacant land or an improved property, that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value.”⁶

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

Legally Permissible

The parcel is not subject to any known zoning requirements that would be restrictive to potential development. Development of well and septic systems must comply with the requirements of the Department of Environmental Conservation. Almost any legal use of the site would be possible.

⁶ The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, p.93.

Due to the confidentiality of sales information in the State of Alaska, the valuation section of the report is unavailable online. The entire report can be reviewed at the DNR Public Information Center:

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550 W. 7th Ave. Suite 1200, Anchorage AK, 99501
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Fax (907) 269-8901
TDD for hearing impaired (907) 269-8411
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Business hours 10:00 am to 5:00 pm M-F.

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TDD for hearing impaired (907) 451-2770
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