

Appraisal Summaries

Alaska Mental Health Trust Land Exchange, Phase 2B

non-Federal Land Parcels, Southeast Alaska

On May 5, 2017, Federal legislation was passed (The Consolidated Appropriations Act, 2017, P.L. 115-31, Div. G, Section 431(a)(2) the “Alaska Mental Health Trust Land Exchange Act of 2017”) directing the USDA Forest Service to exchange certain lands with the State of Alaska’s Mental Health Trust Authority. The lands proposed for exchange include a total of 20,580 acres of Federal lands, and a total of 18,259 acres of non-Federal lands. The legislation is called the Alaska Mental Health Trust Land Exchange Act of 2017, (“the Act”). The acreage were surveyed over time and the actual areas to be exchanged include 20,151.33 acres of Federal lands and 17,908.19 acres of non-Federal lands. The actual acreage in the exchange parcels will be referred to henceforth.

The exchange was to be conducted in 2 phases. Phase 1 includes of 2,422.64 acres of Federal land and 2,517.95 acres of non-Federal land. The date of value for this portion of the exchange was February 8, 2018 and the appraisals were completed in June and November 2018.

Phase 2 was made up by the remainder of the lands; however, the process was amended to occur in subphases identified as Phase 2A and Phase 2B. Phase 2A includes 1,513.63 acres of Federal land and 3,200.04 acres of Non-Federal land that was appraised as of February 7, 2020 by appraisal reports in March 2020.

Phase 2B Federal land includes 16,215.06 acres of Federal land and 12,190.20 acres of non-Federal land. **The Phase 2B non-Federal land is the subject the summaries headed by this introductory page.**

The appraisals were developed and reported by Charles Horan, MAI, of Horan & Company, LLC, Sitka, Alaska. Mr. Horan utilized the services of Clare Doig, CF, ACF, of Forest & Land Management, Inc., Anchorage, Alaska, to evaluate the potential timber resources. The appraiser, and the appraiser’s forester, considered the timber resources based upon a timber cruise performed by Peak Engineering, LLC.

The appraisals are summarized individually in the following documents. For the readers convenience, I include here a table of contents with page reference for each appraisal summary and with the market value opinions as reported in the appraisals.



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W-3, Wrangell	\$130,000	45
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Subject: Appraisal Summary
Ketchikan K-3 Phase 2B non-Federal Lands
As reported in the “AMHT Land Exchange Appraisal, Non-Federal Land Phase 2B” Appraisal Report

Following is the summary of the Ketchikan K-3 property appraisal as included in the “AMHT Land Exchange Appraisal, non-Federal Land Phase 2B” report that was prepared by Charles Horan, MAI. The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The property is owned by the Alaska Mental Health Land Trust Authority. A hypothetical condition is included that the property is in private ownership and zoned consistent with similar privately owned property in the area. The last property inspection occurred on September 21, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value.

The date of value for the appraisal is February 7, 2020 and the opinion of Market Value concluded in the report is \$933,000.



Ketchikan K-3



Appraisal Report Summary

- a. Owner of Record:** Alaska Mental Health Land Trust Authority
- b. Estate Appraised:** The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The appraisal includes a “Significant Title Encumbrances” section that recognizes the following items.

Exception 10: The Deer Mountain Trail easement shown on Plat No. 96-49 and Plat No. 2018-45 transverse portions of the K-3 parcel and is administered by the United States. It represents the only legal pedestrian access to property and is not inconsistent with the highest and best use.

Easement: The subject property includes easement rights on 12.79 acres adjacent to the northwest property line that restricts development thereon. The value impact of this easement is implicit in the value of the subject property, Tract B as appraised herein. It is not construed



to create an operating liability or obligation to the owner of the subject property. The main economic impact it has on the subject property is that prior to it the grantor, Alaska Mental Health Land Trust, had access to its land Tract B which by operation of the easement is precluded as appraised. The acreage involved in the conservation easement, Tract A will not be subject to transfer in the proposed exchange as it will be retained by the non-Federal owner, the AMHLT. The conservation easement is an encumbrance on Tract A. These conservation easement lands cannot be developed as indicated in the Act. This easement area effectively cuts off access to the site through adjacent City of Ketchikan lands.

c. Legal Description:

Tract B of Trust land Survey No. 2018-06 K-3 Subdivision.

Containing 887.09 acres as shown on Trust Land Survey 2018-06 K-3 Subdivision in Plat No. 2018-45, Ketchikan Recording District, First Judicial District State of Alaska.

d. Property Overview: The below includes excerpts from the appraisal report descriptions to provide an overview of the subject property appraised.

Size: 887.09 acres in fee and an easement encumbrance on 12.79 acres adjacent to the west restricting development.

Shape: A highly irregular parcel containing 887.09 acres extending nearly 3.25 miles from northeast and southwest and varies in width from $\frac{3}{4}$ mile to less than $\frac{1}{4}$ mile forming its highly irregular southwest boundary.

Access/Frontage: The only access to the parcel is by foot trail or helicopter. Nordstrom Drive, east of downtown Ketchikan goes into the Ketchikan solid waste facility which borders on the western edge of the K-3 Conservation Easement strip (Tract A). Even if access were obtained to this area, the conservation easement would not allow development to the main parcel, adjacent to Tract B.

The Deer Mountain Trail is accessed near the northwest corner of the subject property. It meanders through Bureau of Land Management property and then onto the subject property. It winds through the forest displaying the different types of vegetation that present themselves at different elevations, as it meanders towards the peak of Deer Mountain. On the peak, in the northeast corner of the subject property, the trail continues to a forest service cabin and then continues on to Silvis Lake. The trail also appears to go towards Doe and Buck Mountains as well. However, this is not believed to be a maintained section of trail.

Topography: Topographically, the parcel extends from the high point of Deer Mountain, approximately 3,001' elevation, and undulates along its eastern boundary to Buck Mountain (2,016') and on to Fawn Mountain (1,853'). It slopes in varied steepness from these mountains to its lower elevation range around 500'. The lower elevations along the west and southern section of the property range from 350 feet to 750 feet. The bulk of the northern portion of the property along Deer Mountain is very steep as are the southwesterly slopes of the other mountains. The terrain rises rapidly in these areas. There are a few levels spots in the alpine meadows above and some more gently rising terrain just above Saxman for about a $\frac{1}{4}$ -mile by 1-mile strip. Overall, the property is rated very steep terrain.



Soils: The large diverse site has varied soil characteristics. Above tree line the soil is thin with weathered bedrock outcroppings. The predominant mid to lower elevation portions of the site are typical of the region with organic peat like material. The Forest Service provided a wetland and floodplain summary report for the subject exchange lands that identified the property acreage to be approximately 100% in uplands with minimal acreage in wetlands and no areas in a floodplain.

Vegetation: The vegetation varies with elevation. The lower slopes are predominately timbered mostly with spruce and lesser amount of Western Hemlock and an even lesser volume of red and yellow cedar mixed. The forest exhibits a typical understory of brush where light penetrates. The steep slopes break into occasional muskeg and subalpine areas at the higher elevations.

Anadromous Streams: None identified per United States Geological Survey map.

Utilities: The subject lands are currently undeveloped and have no utilities to the site. City electricity has been extended to the industrial property at the end of Nordstrom Drive to the west of K-3, however, no utilities are extended to it. Utilities are extended to other points along the municipal road system ranging between ½ mile above Saxman to ¼ mile above Fawn Mountain Middle School. There is no practical way to provide municipal utilities in the near future.

Zoning: The K-3 Parcel is zoned “PLI” (Public Lands and Institutions Zone). Under the hypothetical condition that the land is appraised as though privately owned the land would likely take on the character of the next most restrictive private zone which would be FD Zone – Future Development Zone. The FD zone is established to apply to areas which should be preserved in a natural state to be used primarily as recreation areas and as watersheds and wildlife reserves. This zone also applies to areas of natural resources which, where possible, should be conserved and extracted on a sustained yield basis and should be developed in a manner which is not harmful to nearby recreational and residential uses. [Ord. No. 1726, §1, 8-4-14.]

e. Improvements: The property is not improved with structures.

f. Timber: The timber resource has been evaluated by Clare Doig, Forest & Land Management, Inc, (F&LMI) who completed a timber appraisal. The species, quality, and quantity of timber throughout the tract is based on a cruise from 2006. The data was considered to be information the market would believe relevant today for purposes of evaluation. Given the constraints on harvesting the timber in this area a selective helicopter logging method would be used taking only the best timber in small areas so as not to leave holes in the canopy to alter the visual effect of the property. This would reduce the recovery volume. Extrapolated over the species mix and considering the current scaling standards for high value logs, the total volume expected for recovery is 4,090 MBF down from 17,431 MBF indicated in the inventory.



Deer Mountain - Estimated selective harvest recovery					Adjusted Acres	
Species	%	Volume MBF	Acres	Vol/Acre	Parcel Acreage	Volume MBF
Hemlock	16.1%	659	900	0.7	887	649
Spruce	78.2%	3,199	900	3.6	887	3,153
Red Cedar	3.3%	133	900	0.1	887	131
AY Cedar	2.4%	99	900	0.1	887	98
	100.0%	4,090	900	4.5	887	4,031

The potential net income from logging is as follows:

Area Acreage	Appraisal Acres	Timber Volume MBF	Gross Log Sales Value	Net Revenue	Timber Value	\$/MBF Stumpage	\$/Appraised Acres
887.09	887.09	4,031	\$5,347,425	\$1,687,821	\$843,910	\$209	\$951

The area identified as timbered acres is 100% of the fee acreage. The income analysis reflects an overall log sales income of \$5,347,425 that is reduced by logging expenses to \$1,687,821. After consideration of profit and risk to the owner/operator, the timber contribution to the property value is \$843,910. The estimated cut over land value is \$100 per acre, or \$88,700, in addition to the timber value. The timber valuation analysis results in an estimated value of \$933,000

- g. Minerals:** The appraisal references the provided USFS 2020 mineral potential report that identifies a lack of expectations for valuable mineral deposits. The appraisal considers that there would be no significant value placed on the minerals as the valuable minerals, or common materials, potential to have any economic value are so low that it would have negligible impact on the highest and best use and the motivations of the likely buyers and sellers for these parcels as of the effective date of appraisal.
- h. Water Rights:** Water rights are part of the subject ownership. No water rights encumbering the property held by others were identified.
- i. Larger Parcel:** The highest and best use is for timber production. The appraisal notes the subject has contiguity of ownership and use and the whole is representative of the larger parcel.
- j. Assumptions:**
- Extraordinary Assumption: The last property inspection occurred on September 21, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value. The appraisal identifies that their general awareness of the market and activities in the region indicate there was no change in the condition of the property and that they confirmed with the property owner's representative that they had no knowledge of changes.
- Hypothetical Condition: A hypothetical condition is made that the property is in private ownership and zoned consistent with similar privately owned property in the area. The hypothetical condition is consistent with his specific appraisal instructions and appraisal standards for exchange purposes to reflect market value.
- k. Highest & Best Use:** The highest and best use analysis compares recreation and speculative use conclusion to the value supported by timber production land with a contribution of cut



over land value. The value based on recreation and speculative uses was estimated at \$620,900. The return for timber production and land is greater and representative of the highest and best use of the property.

l. Valuation: The property value is based on the timber return analysis.

m. Date of Value: February 7, 2020

n. Date of Appraisal: March 24, 2021

o. Appraiser: Charles Horan, MAI

p. Value: \$933,000

q. Appraisal Client: The appraiser's client is the USDA Forest Service.

r. Intended Users: Intended users of the appraisal include the USDA Forest Service, the Alaska Mental Health Trust, and their authorized representatives.

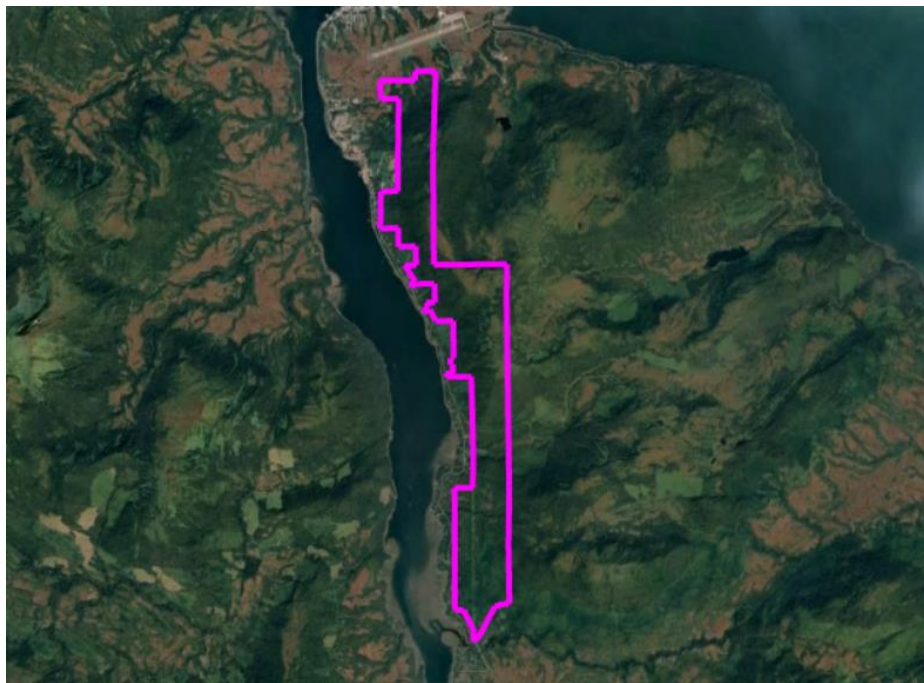
s. Purpose / Use: The intended use of the appraisal is to provide a credible, reliable, accurate and properly supported opinion of the market value of the subject property, as a basis for conducting the land exchange.



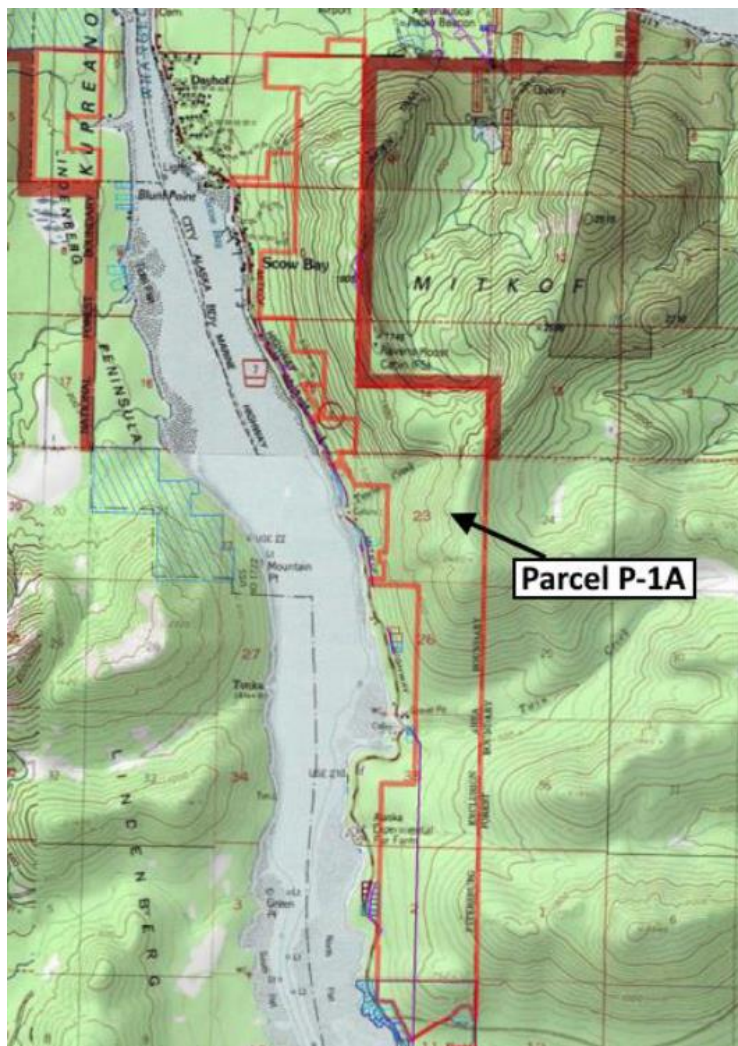
Subject: Appraisal Summary
Petersburg P-1A Phase 2B non-Federal Lands
As reported in the “AMHT Land Exchange Appraisal, Non-Federal Land Phase 2B” Appraisal Report

Following is a summary of the Petersburg P-1A property appraisal as included in the “AMHT Land Exchange Appraisal, non-Federal Land Phase 2B” report that was prepared by Charles Horan, MAI. The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The property is owned by the Alaska Mental Health Land Trust Authority. A hypothetical condition is included that the property is in private ownership and zoned consistent with similar privately owned property in the area. The last property inspection occurred on July 10, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value.

The date of value for the appraisal is February 7, 2020 and the opinion of Market Value concluded in the report is \$2,875,000.



Petersburg P-1A



Appraisal Report Summary

- a. Owner of Record:** Alaska Mental Health Land Trust Authority
- b. Estate Appraised:** The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The appraisal includes a “Significant Title Encumbrances” section that recognizes the following items.

Title Report Item 13: Recreational trail easement granted to the United States of America dated August 13, 2013, document 2013-000729-0 affects E½, E½ Section 10 T59 S, R79 E. This is a 5,455-foot lineal easement, 25 feet wide containing about 3.13 acres that weaves in and out of the central eastern portion of the more mountainous remote part of this parcel, known as the Raven Trail. It is a perpetual nonexclusive easement. It provides recreational access to some of the more remote parts of the subject property and in the appraiser’s opinion does not diminish the utility of the property and augments the recreational aspect of its highest and best use.



Title Report Item 14: Concerns section line easements which were also noted on some of the plats affecting the subject property. These are either not developed or could be developed concurrently with power line easement corridors established. The extent of these easements observed on maps and on the property do not preclude the highest and best use development but are acknowledged as a reservation in the property as appraised.

Title Report Items 15, 28, 29, 30, and 31: Relate to reservations, permits or agreements for highway purposes, recreational uses, utilities, road rights of ways, etc. As noted in plats and on the ground, these include Forest Service roads, Mitkof Highway right-of-way, and rights-of-ways by the State of Alaska Departments of Transportation and Natural Resources for roads and trails and other access and utilities permit it. These are not always quantified. They appear to enhance the utility of the subject property and do not diminish the highest and best use.

Title Report Items 17, 21, and 22: Refer to transmission lines and hydroelectric facilities. These are generally grants to the Four Dam Pool Power Agency or Alaska Power authority for construction and maintenance of high-power transmission lines and other power distribution facilities. There no location maps or quantifiable descriptions that show the exact location of grants. Based on property inspection, we observed power lines running along the edges of the roadways and there was a broad brushed power line corridor bisecting the southern part of the property. The presence of power on and to the site is a positive attribute. The encumbrance on the land by high power transmission lines is considered an attribute of the property considered as valued.

Title Report Items 18 and 19: Appear to be lease agreements between interstate agencies which apparently expired in 1985. They refer to improvements not found by the appraiser on the subject property.

The appraiser recognizes there are various water rights as cited above that are either on or near the subject property. Considering the steep and semi remote character of the land and its nominal utility these water rights should not impact the highest and best use or value of the subject property as appraised.

c. Legal Description:

Copper River Meridian, Alaska

Township 58 South, Range 79 East,

Section 34: S $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$;

Containing 20.0 acres, more or less, according to the survey plat accepted by the United States Department of the Interior, General Land Office in Washington, D.C. on October 28, 1929; and

Township 59 South, Range 79 East,

Section 3: Lot 5, E $\frac{1}{2}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$;

Section 10: E $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$;

Section 14: S $\frac{1}{2}$;

Section 15: N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$;

Section 23: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$;

Section 26: E $\frac{1}{2}$;



Section 35: E $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$;

Containing 2,524.71 acres, more or less, according to the survey plat accepted by the United States Department of the Interior, General Land Office in Washington, D.C. on October 28, 1929; and

Township 59 South, Range 79 East,

Section 15: Lot 10;

Containing 15.48 acres, more or less, according to the supplemental survey plat accepted by the United States Department of the Interior, Bureau of Land Management in Washington, D.C. on December 13, 1960; and

Township 59 South, Range 79 East,

Section 22: Lot 4;

Section 23: Lot 7;

Containing 20.12 acres, more or less, according to the supplemental survey plat accepted by the United States Department of Interior, Bureau of Land Management in Washington, D.C. on February 23, 1961; and

Township 60 South, Range 79 East,

Section 2: Lot 1, Lot 2, Lot 3, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;

Containing 440.38 acres, more or less, according to the survey plat accepted by the Department of Interior, General Land Office in Washington, D.C. on January 25, 1928; and

Township 60 South, Range 79 East,

Section 2: Lot 12;

Containing 40.54 acres, more or less, according to the supplemental survey plat accepted by the United States Department of Interior, Bureau of Land Management in Washington, D.C. on February 14, 1961; and

Township 60 South, Range 79 East,

Section 11: Lot 1 of Trust Land Survey 2018-12 P-1A and P-1B Subdivision;

Containing 132.94 acres, more or less, according to the survey plat filed in the Petersburg Recording District on January 17, 2019 as Plat 2019-1.

Aggregating 3,194.17 acres

d. Property Overview: The below includes excerpts from the appraisal report descriptions to provide an overview of the subject property appraised.

Size: 3,194.17 acres

Shape: The shape of Parcel P-1A is very irregular. It is roughly rectangular, approximately 7.6 miles long north to south, and the width east to west varies from one-half mile to one and one-quarter miles. The parcel's eastern border is straight along survey section lines, bordering National Forest System lands. The western border is irregular, as it follows aliquot part lines and property lines of subdivided privately owned parcels lying between P-1A and the Mitkof Highway.

Access/Frontage: The subject parcel is long and narrow, running along the upland side of the Mitkof Highway. Access is obtained via frontage on the Mitkof Highway at 6 locations, as well as a 7th over a gravel road connecting to the Three Lakes Loop Road (Forest Service Road 6235), and an 8th access via the Twin Creek Road (Forest Service Road 6209). This large parcel is predominately an upland remnant of privately owned, developed lands along



the Mitkof Highway. The Mitkof Highway is a paved, two-lane highway maintained by the State of Alaska and serves as the arterial north/south connection in Petersburg.

Topography: Parcel P-1A runs along the upland area on the east side of the Mitkof Highway, beginning near sea level (as low as 15 feet) and extending up the sides of the nearby mountains to the 1,800-foot elevation. 2,154 acres, or sixty-nine percent of the parcel is above 500 feet in elevation. Conversely, 31% of the parcel is below 500-feet in elevation. Twin Creek flows east to west across a section of this parcel.

Soils: Steep topography and well drained soils with typical organic soils material over bedrock. In locations off the slopes there are some muskeg wetland areas. The Forest Service provided a wetland and floodplain summary report for the subject exchange lands that identified the property acreage to be approximately 77% in uplands and 23% in wetlands. No floodplain acreage is identified for the property.

Vegetation: Western hemlock, Sitka spruce, Alaska yellow cedar, and western red cedar with the typical understory of brush species such as devils club, huckleberry and salal.

Anadromous Streams: Twin Creek is listed in the Anadromous Waters Catalogue as 106-44-10040. It extends approximately 2,400 feet across the parcel, flowing from east to west, and provides habitat for various stages in the development of Coho, Chum, and Pink Salmon.

Utilities: The property is remote and public water and sewer utilities are not available. Water and sewer currently extend only to 455 Mitkof Highway, located to the northwest of the P-1A parcel. Electrical power is extended through the area along Mitkof Highway.

Zoning: The majority of the P-1A parcel has no zoning, with small portions zoned as “Industrial” by the Petersburg Borough. At the time of this appraisal, Petersburg is in the process of conducting major revisions to the Borough Subdivision and Zoning Codes, which were due for completion in 2019, but are not yet completed as of the 2020 date of this appraisal.

e. Improvements: The property is not improved with structures.

f. Timber: The timber resource has been evaluated by Clare Doig, Forest & Land Management, Inc, (F&LMI) who completed a timber appraisal. The species, quality, and quantity of timber throughout the tract is based on a cruise from 2006. The data was considered to be information the market would believe relevant today for purposes of evaluation. The timber appraisal considers 1,600 acres of merchantable timber in the north. There is also second growth timber on 315 harvested in 1967 is located at the south end of the property, but in the commodity environment at the date of value it was not considered merchantable. Opposition to harvesting in vicinity of the urban area is noted and given the constraints on harvesting the timber in this area a selective helicopter logging method would be used taking only the best timber in small areas so as not to leave holes in the canopy to alter the visual effect of the property. This would reduce the recovery volume. Extrapolated over the species mix and considering the current scaling standards for high value logs, the total volume expected for recovery is 6,518 MBF down from 47,419 MBF indicated in the inventory.



Petersburg P1-A				
Species	%	Volume MBF	Acres	Vol/Acre
Hemlock	65.9%	31,256	1,600	19.5
Spruce	30.8%	14,590	1,600	9.1
AY Cedar	3.3%	1,573	1,600	1.0
	100.0%	47,419	1,600	29.6
Petersburg P1-A - Estimated selective harvest recovery				
Species	%	Volume MBF	Acres	Vol/Acre
Hemlock	33.2%	2,166	1,600	1.4
Spruce	64.0%	4,169	1,600	2.6
AY Cedar	2.8%	183	1,600	0.1
	100.0%	6,518	1,600	4.1

The potential net income was estimated as follows:

Area Acreage	Appraisal Acres	Timber Volume MBF	Gross Log Sales Value	Net Revenue	Timber Value	\$/MBF Stumpage	\$/Appraised Acres
3,194	1,600	6,518	\$11,378,133	\$4,942,698	\$2,471,349	\$379	\$774

The area identified as timbered acres is 50%. The income analysis reflects an overall log sales income of \$11,378,133 that is reduced by logging expenses to \$4,942,698. After consideration of profit and risk to the owner/operator, the timber contribution to the property value is \$2,471,349.

- g. Minerals:** The appraisal references the provided USFS 2020 mineral potential report that identifies a lack of expectations for valuable mineral deposits. The appraisal considers that there would be no significant value placed on the minerals as the valuable minerals, or common materials, potential to have any economic value are so low that it would have negligible impact on the highest and best use and the motivations of the likely buyers and sellers for these parcels as of the effective date of appraisal.
- h. Water Rights:** Water rights are part of the subject ownership and 10 water rights held by others on the property were identified. They are reported to consist of minimal water uses captured on the hill side by adjacent owners that do not inhibit the highest and best use of the property.
- i. Larger Parcel:** The larger parcel analysis discusses the historic use as timberlands, but there was opposition to harvest encountered in 2005 from the local community to protect the viewshed. The appraisal does not consider a full harvest is feasible, but that smaller timber extractions would be feasible over time as well as selling off smaller tracts and perhaps harvest of second growth in the south if the market improves. The southern part of the site may also be suitable for large residential tract development in the long term. However, there is no immediate demand for these uses that would encompass the scale of the subject 3,194 acres. The control of the overall parcel is advantageous for this integrated speculative use given the need to control the larger area so as to preclude any more conflicts with neighboring



properties than are already likely. Therefore, the appraisal concludes the subject parcel is the larger parcel.

j. Assumptions:

Extraordinary Assumption: The last property inspection occurred on July 10, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value. The appraisal identifies that their general awareness of the market and activities in the region indicate there was no change in the condition of the property and that they confirmed with the property owner's representative that they had no knowledge of changes.

Hypothetical Condition: A hypothetical condition is made that the property is in private ownership and zoned consistent with similar privately owned property in the area. The hypothetical condition is consistent with his specific appraisal instructions and appraisal standards for exchange purposes to reflect market value.

k. Highest & Best Use: The highest and best use analysis recognizes the use for timber harvesting would face opposition and limit the timeliness or restrict harvest altogether. The appraisal does not feel that the timber analysis adequately recognizes the additional risks at the subject location and the timber return figures are considered the very best case potential, but that it would be unlikely to occur in an efficient time manner.

The conclusion of highest and best use is for recreation and speculative use which resulted in a higher value overall.

l. Valuation: The property value was estimated based on the sales comparison approach. Suitable comparable sales were researched and those considered useful selected for use in the analysis. The appraisal applied qualitative adjustments for factors considered to influence value and establish a unit price range to work within. The sales prices and their weight in the reasoning were discussed concluding at the estimated unit value of \$900 per acre.

m. Date of Value: February 7, 2020

n. Date of Appraisal: March 24, 2021

o. Appraiser: Charles Horan, MAI

p. Value: \$2,875,000

q. Appraisal Client: The appraiser's client is the USDA Forest Service.

r. Intended Users: Intended users of the appraisal include the USDA Forest Service, the Alaska Mental Health Trust, and their authorized representatives.

s. Purpose / Use: The intended use of the appraisal is to provide a credible, reliable, accurate and properly supported opinion of the market value of the subject property, as a basis for conducting the land exchange.



Subject: Appraisal Summary
Petersburg P-1B Phase 2B non-Federal Lands
As reported in the “AMHT Land Exchange Appraisal, Non-Federal Land Phase 2B” Appraisal Report

Following is the summary of the Petersburg P-1B property appraisal as included in the “AMHT Land Exchange Appraisal, non-Federal Land Phase 2B” report that was prepared by Charles Horan, MAI. The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The property is owned by the Alaska Mental Health Land Trust Authority. A hypothetical condition is included that the property is in private ownership and zoned consistent with similar privately owned property in the area. The last property inspection occurred on July 10, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value.

The date of value for the appraisal is February 7, 2020 and the opinion of Market Value concluded in the report is \$400,000.



Petersburg P-1B



Appraisal Report Summary

a. Owner of Record: Alaska Mental Health Land Trust Authority

b. Estate Appraised: The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The appraisal includes a “Significant Title Encumbrances” section that recognizes the following items.

Parcels P-1B, P-2B, and P-3B have been variously platted as indicated in the legal descriptions. They all have section line easements and highway right-of-way lines reestablished. The parcel areas are net of these highway right-of-way areas.

We reviewed the Certificate to Plat, dated August 13, 2018 issued by Alaska Escrow and Title Insurance Agency Inc. (File 55370) which covers P-1A and P-1B. These exceptions are mostly relating to utility easements and rights-of-way which benefit the subject properties and are not considered detrimental to the subjects highest and best use.

These properties are subject to regulatory issues with regard to wetlands and fish streams. These exceptions are noted but are not considered significant in terms of having an unusual impact on the utility of the properties or their Highest and Best Use as related to what is typically found in the market.

c. Legal Description:

Lots 3 and 4 of Trust Land Survey No. 2018-12 (Petersburg 2019-1), P-1A and 1B Subdivision.



Aggregating 133.10 acres of Trust Land Survey No. 2018-12, P-1A and 1B Subdivision dated October 28, 2018 under Plat No. 2019-1 in the Petersburg Recording District, First Judicial District, State of Alaska.

d. Property Overview: The below includes excerpts from the appraisal report descriptions to provide an overview of the subject property appraised.

Size: 133.1 acres

Shape: The subject parcel is triangular shaped, with a straight border along the section line to the east, a straight border along the Mitkof Highway to the west, and an uneven border to the north, part of which parallels the Three Lakes Loop Road.

Access/Frontage: This parcel is directly accessible via frontage along the Mitkof Highway, which borders approximately 3,875' of the west side of the parcel. Access also exists via Three Lakes Loop Road, which has approximately 1,493' of frontage along the northern border of the parcel.

Topography: The subject parcel sits approximately 30' above sea level and is relatively flat. The elevation of the property descends from 30' to about sea level along Fall Creek in the north, with the northeastern corner of the property sitting around zero elevation. Fall Creek crosses the northern edge of the parcel, running east to west into Wrangell Narrows.

Soils: The soils are predominantly wet. The Forest Service provided a wetland and floodplain summary report for the subject exchange lands that identified the property acreage to be approximately 36% in uplands and 64% in wetlands. 15% of the property is in a floodplain.

Vegetation: Significant areas of muskeg with small to medium size older growth trees in the better drained areas. The trees in these wooded areas are slower growing because of unfavorable, wet soils. There is a typical understory of brush species such as devil's club, skunk cabbage, huckleberry, brush, and mosses. The trees are too small and lack the other quality attributes of merchantable timber.

Anadromous Streams: Fall Creek is listed in the Anadromous Waters Catalogue as 106-44-10060. It meanders approximately 3,400 feet across the northern end of Parcel P1-B, flowing from east to west, and provides habitat for various stages in the development of Coho, Chum, and Pink Salmon, Cutthroat Trout, Dolly Varden Trout, and Steelhead Trout.

Utilities: Parcels P-2B is not serviced by water and sewer utilities, which only extend a few miles past the town core 8 to 12 miles away. There are power lines along the highway adjacent.

Zoning: The property is not zoned and does not appear on the Petersburg zoning maps. At the time of this report, Petersburg is in the process of conducting major revisions to the Borough Subdivision and Zoning Codes, due for completion in 2019, but not completed at the time of this appraisal. Per the new draft zoning map, these parcels will be assigned a "Development Reserve".

The property is essentially unrestricted since there is no zoning map showing any official zoning for the subject. There is a recently published comprehensive plan that suggests the property would be Development Reserve, which is primarily for public lands with limited



access and limited near term development pressure. The sites would be subject to wetlands regulations and onsite utility development regulations. Site development would be constrained by creek and stream setback requirements as well. As long as these regulations are complied with, large site residential lots, recreation, personal and commercial retreats, as well as speculative investments would be optional uses.

e. Improvements: The property is not improved with structures.

f. Timber: The trees are too small and lack the other quality attributes of merchantable timber.

g. Minerals: The appraisal references the provided USFS 2020 mineral potential report that identifies a lack of expectations for valuable mineral deposits. The appraisal considers that there would be no significant value placed on the minerals as the valuable minerals, or common materials, potential to have any economic value are so low that it would have negligible impact on the highest and best use and the motivations of the likely buyers and sellers for these parcels as of the effective date of appraisal.

h. Water Rights: Water rights are part of the subject ownership. No water rights encumbering the property held by others were identified.

i. Larger Parcel: The property is contiguous land with an independent highest and best use. It represents an individual larger parcel.

j. Assumptions:

Extraordinary Assumption: The last property inspection occurred on July 10, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value. The appraisal identifies that their general awareness of the market and activities in the region indicate there was no change in the condition of the property and that they confirmed with the property owner's representative that they had no knowledge of changes.

Hypothetical Condition: A hypothetical condition is made that the property is in private ownership and zoned consistent with similar privately owned property in the area. The hypothetical condition is consistent with his specific appraisal instructions and appraisal standards for exchange purposes to reflect market value.

k. Highest & Best Use: The most immediate use for this type of land would be for larger site residential development. This would appeal to purchasers seeking low density rural lifestyle with privacy that a large parcel would provide. These purchasers often re-subdivide these lots as development expands along the highway. This redevelopment on the horizon in Petersburg may be 10 to 30 years away. The Highest and Best Use is for large, rural, residential site use.

l. Valuation: The property value was estimated based on the sales comparison approach. Suitable comparable sales were researched and those considered useful selected for use in the analysis. The appraisal applied qualitative adjustments for factors considered to influence value and establish a unit price range to work within. The sales prices and their weight in the reasoning were used to conclude at the estimated unit value of \$3,000 per acre.

m. Date of Value: February 7, 2020

n. Date of Appraisal: March 24, 2021

o. Appraiser: Charles Horan, MAI



p. Value: \$400,000

q. Appraisal Client: The appraiser's client is the USDA Forest Service.

r. Intended Users: Intended users of the appraisal include the USDA Forest Service, the Alaska Mental Health Trust, and their authorized representatives.

s. Purpose / Use: The intended use of the appraisal is to provide a credible, reliable, accurate and properly supported opinion of the market value of the subject property, as a basis for conducting the land exchange.



Subject: Appraisal Summary
Petersburg P-2B Phase 2B non-Federal Lands
As reported in the “AMHT Land Exchange Appraisal, Non-Federal Land Phase 2B” Appraisal Report

Following is the summary of the Petersburg P-2B property appraisal as included in the “AMHT Land Exchange Appraisal, non-Federal Land Phase 2B” report that was prepared by Charles Horan, MAI. The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The property is owned by the Alaska Mental Health Land Trust Authority. A hypothetical condition is included that the property is in private ownership and zoned consistent with similar privately owned property in the area. The last property inspection occurred on July 10, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value.

The date of value for the appraisal is February 7, 2020 and the opinion of Market Value concluded in the report is \$504,000.



Petersburg P-2B



Appraisal Report Summary

a. Owner of Record: Alaska Mental Health Land Trust Authority

b. Estate Appraised: The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The appraisal includes a “Significant Title Encumbrances” section that recognizes the following items.

Parcels P-1B, P-2B, and P-3B have been variously platted as indicated in the legal descriptions. They all have section line easements and highway right-of-way lines reestablished. The parcel areas are net of these highway right-of-way areas.

We reviewed the Certificate to Plat, dated August 13, 2018 issued by Alaska Escrow and Title Insurance Agency Inc. (File 55388) which covers P-2B. We found exceptions to be similarly generalized or specifying utility and right-of-way easements which have a beneficial to neutral impact on the subjects highest and best use.

These properties are subject to regulatory issues with regard to wetlands and fish streams. These exceptions are noted but are not considered significant in terms of having an unusual impact on the utility of the properties or their Highest and Best Use as related to what is typically found in the market.



c. Legal Description:

Lots 1 and 2 of Trust Land Survey 2018-13, P-2B Subdivision.

Aggregating 168.03 acres according to Trust Land Survey 2018-13, P-2B Subdivision under Plat No. 2018-18 in the Petersburg Recording District, First Judicial District, State of Alaska.

d. Property Overview: The below includes excerpts from the appraisal report descriptions to provide an overview of the subject property appraised.

Size: Lot 1 contains 101.09 acres and Lot 2 contains 66.94 acres, aggregating 168.03 acres according to the plat.

Shape: Parcel P-2B is nearly a right triangle, with the legs of the triangle bordering Forest Service land, and the hypotenuse running along the Mitkof Highway. The northern and eastern borders of the triangle are straight and form a 90-degree angle.

Access/Frontage: Parcel P-2B is triangular, and borders Forest Service land on two sides. The longest side of the triangle runs along the Mitkof Highway for approximately 7,000 feet, which constitutes access to this site. The Mitkof Highway, a paved, two-lane highway, is maintained by the State of Alaska, and serves as the main north/south connection in Petersburg.

Topography: The subject parcel is located on the eastern, upland side of the Mitkof Highway. The elevation near the highway ranges from as low as 10 feet in the northwestern corner, to as high as 140 feet at the southern tip of the triangular parcel. Elevation on this parcel increases from west to east, as well as north to south, with the lowest elevations found closest to the highway and along the northern boundary, and the highest elevations found in the south and east sections.

Soils: The soils are predominantly wet. The Forest Service provided a wetland and floodplain summary report for the subject exchange lands that identified the property acreage to be approximately 18% in uplands and 82% in wetlands. None of the property is in a floodplain.

Vegetation: Significant areas of muskeg with small to medium size older growth trees in the better drained areas. The trees in these wooded areas are slower growing because of unfavorable, wet soils. There is a typical understory of brush species such as devil's club, skunk cabbage, huckleberry, brush, and mosses. The trees are too small and lack the other quality attributes of merchantable timber.

Anadromous Streams: Letti Creek flows through the northern part of Parcel P2-B but is anadromous habitat only outside the parcel. It is listed in the Anadromous Water Catalogue as 106-44- 10070. Luna Creek extends approximately 270 feet into the central portion of Parcel P2- B and is listed in the Anadromous Waters Catalogue as 106-44-10070-2020. It flows roughly south to northwest and provides habitat for the rearing of Coho Salmon; it is a tributary to Letti Creek.

Utilities: Parcel P-2B is not serviced by water and sewer utilities, which only extend a few miles past the town core 8 to 12 miles away. There are power lines along the highway adjacent.



Zoning: The property is not zoned and does not appear on the Petersburg zoning maps. At the time of this report, Petersburg is in the process of conducting major revisions to the Borough Subdivision and Zoning Codes, due for completion in 2019, but not completed at the time of this appraisal. Per the new draft zoning map, these parcels will be assigned a “Development Reserve”.

In the highest and best use analysis it identifies the property as essentially unrestricted since there is no zoning map showing any official zoning for the subject. There is a recently published comprehensive plan that suggests the property would be Development Reserve, which is primarily for public lands with limited access and limited near term development pressure. The sites would be subject to wetlands regulations and onsite utility development regulations. Site development would be constrained by creek and stream setback requirements as well. As long as these regulations are complied with, large site residential lots, recreation, personal and commercial retreats, as well as speculative investments would be optional uses.

e. Improvements: The property is not improved with structures.

f. Timber: The trees are too small and lack the other quality attributes of merchantable timber.

g. Minerals: The appraisal references the provided USFS 2020 mineral potential report that identifies a lack of expectations for valuable mineral deposits. The appraisal considers that there would be no significant value placed on the minerals as the valuable minerals, or common materials, potential to have any economic value are so low that it would have negligible impact on the highest and best use and the motivations of the likely buyers and sellers for these parcels as of the effective date of appraisal.

h. Water Rights: Water rights are part of the subject ownership. No water rights encumbering the property held by others were identified.

i. Larger Parcel: The property is contiguous land with an independent highest and best use. It represents an individual larger parcel.

j. Assumptions:

Extraordinary Assumption: The last property inspection occurred on July 10, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value. The appraisal identifies that their general awareness of the market and activities in the region indicate there was no change in the condition of the property and that they confirmed with the property owner’s representative that they had no knowledge of changes.

Hypothetical Condition: A hypothetical condition is made that the property is in private ownership and zoned consistent with similar privately owned property in the area. The hypothetical condition is consistent with his specific appraisal instructions and appraisal standards for exchange purposes to reflect market value.

k. Highest & Best Use: The most immediate use for this type of land would be for larger site residential development. This would appeal to purchasers seeking low density rural lifestyle with privacy that a large parcel would provide. These purchasers often re-subdivide these lots as development expands along the highway. This redevelopment on the horizon in Petersburg may be 10 to 30 years away. The Highest and Best Use is for large, rural, residential site use.



- l. Valuation:** The property value was estimated based on the sales comparison approach. Suitable comparable sales were researched and those considered useful selected for use in the analysis. The appraisal applied qualitative adjustments for factors considered to influence value and establish a unit price range to work within. The sales prices and their weight in the reasoning were used to conclude at the estimated unit value of \$3,000 per acre.
- m. Date of Value:** February 7, 2020
- n. Date of Appraisal:** March 24, 2021
- o. Appraiser:** Charles Horan, MAI
- p. Value:** \$504,000
- q. Appraisal Client:** The appraiser's client is the USDA Forest Service.
- r. Intended Users:** Intended users of the appraisal include the USDA Forest Service, the Alaska Mental Health Trust, and their authorized representatives.
- s. Purpose / Use:** The intended use of the appraisal is to provide a credible, reliable, accurate and properly supported opinion of the market value of the subject property, as a basis for conducting the land exchange.



Subject: Appraisal Summary
Petersburg P-3B Phase 2B non-Federal Lands
As reported in the “AMHT Land Exchange Appraisal, Non-Federal Land Phase 2B” Appraisal Report

Following is the summary of the Petersburg P-3B property appraisal as included in the “AMHT Land Exchange Appraisal, non-Federal Land Phase 2B” report that was prepared by Charles Horan, MAI. The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The property is owned by the Alaska Mental Health Land Trust authority. A hypothetical condition is included that the property is in private ownership and zoned consistent with similar privately owned property in the area. The last property inspection occurred on July 10, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value.

The date of value for the appraisal is February 7, 2020 and the opinion of Market Value concluded in the report is \$275,000.



Petersburg P-3B



Appraisal Report Summary

a. Owner of Record: Alaska Mental Health Land Trust, Trustee

b. Estate Appraised: The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The appraisal includes a “Significant Title Encumbrances” section that recognizes the following items.

Parcels P-1B, P-2B, and P-3B have been variously platted as indicated in the legal descriptions. They all have section line easements and highway right-of-way lines reestablished. The parcel areas are net of these highway right-of-way areas. It’s noted in Parcel P-3B that there is a Forest Service road that runs a short distance through the property with no established easement. This road benefits the property with access.

We reviewed the Certificate to Plat, dated August 13, 2018 issued by Alaska Escrow and Title Insurance Agency Inc. (File 55389) which covers P-3B. We found exceptions to be generalized or specifying utility and right-of-way easements which have a beneficial to neutral impact on the subjects highest and best use.

These properties are subject to regulatory issues with regard to wetlands and fish streams. These exceptions are noted but are not considered significant in terms of having an unusual impact on the utility of the properties or their Highest and Best Use as related to what is typically found in the market.

c. Legal Description:

Lot 1 of Trust Land Survey 2018-14, P-3B Subdivision.



Containing 91.61 acres according to Trust Land Survey 2018-14, P-3B Subdivision recorded under Plat No. 2018-19 in the Petersburg Recording District, First Judicial District, State of Alaska.

d. Property Overview: The below includes excerpts from the appraisal report descriptions to provide an overview of the subject property appraised.

Size: The total land area based on the plat for the P-3B parcel is 91.61 acres.

Shape: The P-3B parcel is triangular, with the north and east legs almost forming a 90-degree angle. The hypotenuse of the triangle runs along the Mitkof Highway. The parcels borders are all straight and are surrounded by Forest Service land to the north and east.

Access/Frontage: The subject Mitkof Highway frontage is about 4,600 feet. Forest Service Road #40000 cuts across the southern tip of the property, running east from the Mitkof Highway into the mountains. This latter road is not a platted right-of-way but does give access to the southern part of the property.

Topography: The subject parcel is located on the eastern, upland side of the Mitkof Highway. The elevation of this parcel ranges from as low as 50 feet, near the highway, to as high as 150 feet in the northern section. Elevation on this parcel increases from south to north, as well as west to east. The lowest elevations are found near the highway in the south.

Soils: The soils are predominantly wet. The Forest Service provided a wetland and floodplain summary report for the subject exchange lands that identified the property acreage to be approximately 22% in uplands and 78% in wetlands. None of the property is in a floodplain.

Vegetation: Significant areas of muskeg with small to medium size older growth trees in the better drained areas. The trees in these wooded areas are slower growing because of unfavorable, wet soils. There is a typical understory of brush species such as devil's club, skunk cabbage, huckleberry, brush, and mosses. The trees are too small and lack the other quality attributes of merchantable timber.

Anadromous Streams: Big Gulch is anadromous habitat and crosses the northern portion of the parcel.

Utilities: Parcel P-3B is not serviced by water and sewer utilities, which only extend a few miles past the town core 8 to 12 miles away. There are power lines along the highway adjacent.

Zoning: The property is not zoned and does not appear on the Petersburg zoning maps. At the time of this report, Petersburg was in the process of conducting major revisions to the Borough Subdivision and Zoning Codes, due for completion in 2019, but not completed at the time of this appraisal. Per the new draft zoning map, these parcels will be assigned a "Development Reserve".

The property is essentially unrestricted since there is no zoning map showing any official zoning for the subject. There is a recently published comprehensive plan that suggests the property would be Development Reserve, which is primarily for public lands with limited access and limited near term development pressure. The sites would be subject to wetlands



regulations and onsite utility development regulations. Site development would be constrained by creek and stream setback requirements as well. As long as these regulations are complied with, large site residential lots, recreation, personal and commercial retreats, as well as speculative investments would be optional uses.

e. Improvements: The property is not improved with structures.

f. Timber: The trees are too small and lack the other quality attributes of merchantable timber.

g. Minerals: The appraisal references the provided USFS 2020 mineral potential report that identifies a lack of expectations for valuable mineral deposits. The appraisal considers that there would be no significant value placed on the minerals as the valuable minerals, or common materials, potential to have any economic value are so low that it would have negligible impact on the highest and best use and the motivations of the likely buyers and sellers for these parcels as of the effective date of appraisal.

h. Water Rights: Water rights are part of the subject ownership. No water rights encumbering the property held by others were identified.

i. Larger Parcel: The highest and best use is for large, rural residential sit use. It represents an individual larger parcel.

j. Assumptions:

Extraordinary Assumption: The last property inspection occurred on July 10, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value. The appraisal identifies that their general awareness of the market and activities in the region indicate there was no change in the condition of the preparty and that they confirmed with the property owner's representative that they had no knowledge of changes.

Hypothetical Condition: A hypothetical condition is made that the property is in private ownership and zoned consistent with similar privately owned property in the area. The hypothetical condition is consistent with his specific appraisal instructions and appraisal standards for exchange purposes to reflect market value.

k. Highest & Best Use: The most immediate use for this type of land would be for larger site residential development. This would appeal to purchasers seeking low density rural lifestyle with privacy that a large parcel would provide. These purchasers often re-subdivide these lots as development expands along the highway. This redevelopment on the horizon in Petersburg may be 10 to 30 years away. The Highest and Best Use is for large, rural, residential site use.

l. Valuation: The property value was estimated based on the sales comparison approach. Suitable comparable sales were researched and those considered useful selected for use in the analysis. The appraisal applied qualitative adjustments for factors considered to influence value and establish a unit price range to work within. The sales prices and their weight in the reasoning were used to conclude at the estimated unit value of \$3,000 per acre.

m. Date of Value: February 7, 2020

n. Date of Appraisal: March 24, 2021

o. Appraiser: Charles Horan, MAI



p. Value: \$275,000

q. Appraisal Client: The appraiser's client is the USDA Forest Service.

r. Intended Users: Intended users of the appraisal include the USDA Forest Service, the Alaska Mental Health Trust, and their authorized representatives.

s. Purpose / Use: The intended use of the appraisal is to provide a credible, reliable, accurate and properly supported opinion of the market value of the subject property, as a basis for conducting the land exchange.



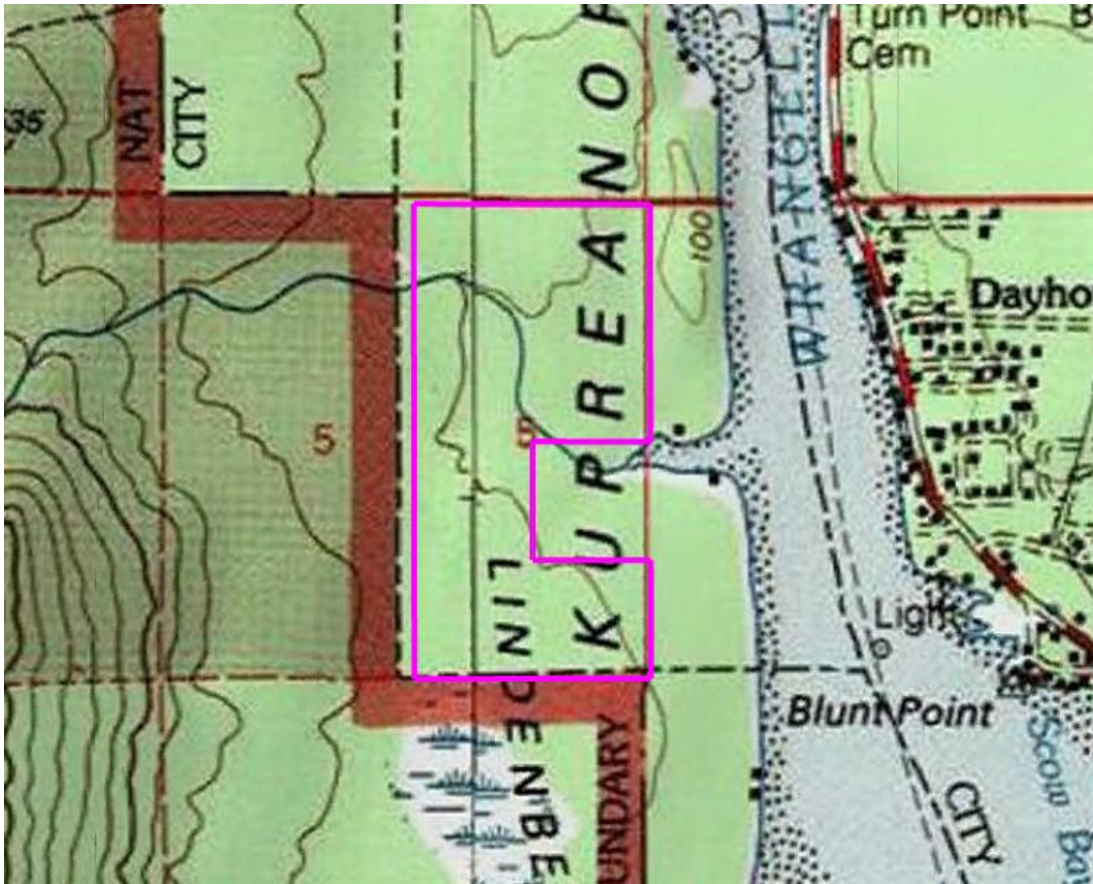
Subject: Appraisal Summary
Petersburg P-4 Phase 2B non-Federal Lands
As reported in the “AMHT Land Exchange Appraisal, Non-Federal Land Phase 2B” Appraisal Report

Following is the summary of the Petersburg P-4 property appraisal as included in the “AMHT Land Exchange Appraisal, non-Federal Land Phase 2B” report that was prepared by Charles Horan, MAI. The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The property is owned by the Alaska Mental Health Land Trust Authority. A hypothetical condition is included that the property is in private ownership and zoned consistent with similar privately owned property in the area. The last property inspection occurred on July 9, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value.

The date of value for the appraisal is February 7, 2020 and the opinion of Market Value concluded in the report is \$105,000.



Petersburg P-4



Appraisal Report Summary

- a. Owner of Record:** Alaska Mental Health Land Trust Authority
- b. Estate Appraised:** The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The appraisal includes a “Noted Title Encumbrances” section that recognizes the following items.

Section Line Easements: As indicated earlier there are section line easements affecting the north and south and eastern boundaries of the subject as it abuts the Section 5 borders. This easement is 50 feet in width within the subject property and 50 feet on the other side of the line which benefits access to the subject. There is no near term likelihood that these easements will be developed. They do give beneficial access to the property and are considered in the valuation as a property attribute.

Power Cable Encroachment: Land surveyor and George Bisset noted in an inspection July 24, 2018 evidence of a power line, consisting of a direct bury cable, and a 5 ft. wide trail on the eastern portion of P-4. The line crosses a corner on the east side of the subject north of the creek inlet. Considering the size and use of the property this is a nominal encroachment and would not have a significant impact on the properties Highest and Best Use. It may be considered a management nuisance and some property owners would want the easement formalized to assign liability and for indemnification purposes. This would be more of an



administrative issue/cost. It is a nominal valuation issue but considered in the overall value of the subject property as appraised.

c. Legal Description:

Copper River Meridian, Alaska

Township 59 South, Range 79 East,

Section 5: Lots 1 and 2, S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$.

Aggregating 280.32 acres as shown on original survey dated October 28, 1929 filed with the Department of Interior, Washington D.C.

d. Property Overview: The below includes excerpts from the appraisal report descriptions to provide an overview of the subject property appraised.

Size: Total land area of the P-4 parcel is estimated at 280.32 acres based on the survey legal description.

Shape: "C" Shaped consisting of the easterly $\frac{1}{2}$ of section 5 exception 40 acres on the east side. This site is 1 mile along its westerly border and $\frac{1}{2}$ mile wide at its north and south border. The easterly border is indented by the quarter section owned by the City of Kupreanof at the estuary of the Three Mile Creek drainage. The strip of land to the east of the parcel, between P- 4 and Wrangell Narrows, has been subdivided, and is also owned by the City of Kupreanof, with a few parcels sold to private ownership.

Access/Frontage: The property does not currently have access from developed public roads or connectivity to salt water.

Topography: The subject parcel ranges in elevation from about 30 feet in the center-east, to a high of about 130 feet on the western border. Elevation increases east to west and increases north and south from the center.

Soils: The soils are wet with all of the acreage in wetlands and no upland acreage.

Vegetation: Vegetation is mostly muskeg with scrub timber and brush along watercourses.

Anadromous Streams: There are two streams listed in the Anadromous Waters Catalogue, A-Frame Cabin Creek (shown as Three Mile Creek on the USGS map), 106- 44-10560, and an unnamed stream AWC number 106-44-10560-2003. They are Coho and pink salmon habitat.

Utilities: Public utilities are not available to the property.

Zoning: Zoned Protection District by the City of Kupreanof which allows recreation, subsistence, and related activities. It restricts permanent structures and buildings.

e. Improvements: The property is not improved with structures.

f. Timber: The trees on the property were not considered merchantable timber.

g. Minerals: The appraisal references the provided USFS 2020 mineral potential report that identifies a lack of expectations for valuable mineral deposits. The appraisal considers that there would be no significant value placed on the minerals as the valuable minerals, or common materials, potential to have any economic value are so low that it would have



negligible impact on the highest and best use and the motivations of the likely buyers and sellers for these parcels as of the effective date of appraisal.

h. Water Rights: Water rights are part of the subject ownership and 1 water right held by others on the subject or in the vicinity was identified. It is associated with a small personal hydroelectric facility on adjacent land. It does not affect the subject, but the power line, noted earlier, runs from the unit across a corner of the subject property.

i. Larger Parcel: The site has contiguity of ownership and an integrated highest and best use. It is representative of the larger parcel.

j. Assumptions:

Extraordinary Assumption: The last property inspection occurred on July 9, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value. The appraisal identifies that their general awareness of the market and activities in the region indicate there was no change in the condition of the property and that they confirmed with the property owner's representative that they had no knowledge of changes.

Hypothetical Condition: A hypothetical condition is made that the property is in private ownership and zoned consistent with similar privately owned property in the area. The hypothetical condition is consistent with his specific appraisal instructions and appraisal standards for exchange purposes to reflect market value.

k. Highest & Best Use: The highest and best use reflects the limitations of the site by zoning, wetlands, and access. Its potential is limited to passive private or commercial recreation use.

l. Valuation: The property value was estimated based on the sales comparison approach. Suitable comparable sales were researched and those considered useful selected for use in the analysis. The appraisal applied qualitative adjustments for factors considered to influence value and establish a unit price range to work within. The sales prices and their weight in the reasoning were used to conclude at the estimated unit value of \$375 per acre.

m. Date of Value: February 7, 2020

n. Date of Appraisal: March 24, 2021

o. Appraiser: Charles Horan, MAI

p. Value: \$105,000

q. Appraisal Client: The appraiser's client is the USDA Forest Service.

r. Intended Users: Intended users of the appraisal include the USDA Forest Service, the Alaska Mental Health Trust, and their authorized representatives.

s. Purpose / Use: The intended use of the appraisal is to provide a credible, reliable, accurate and properly supported opinion of the market value of the subject property, as a basis for conducting the land exchange.



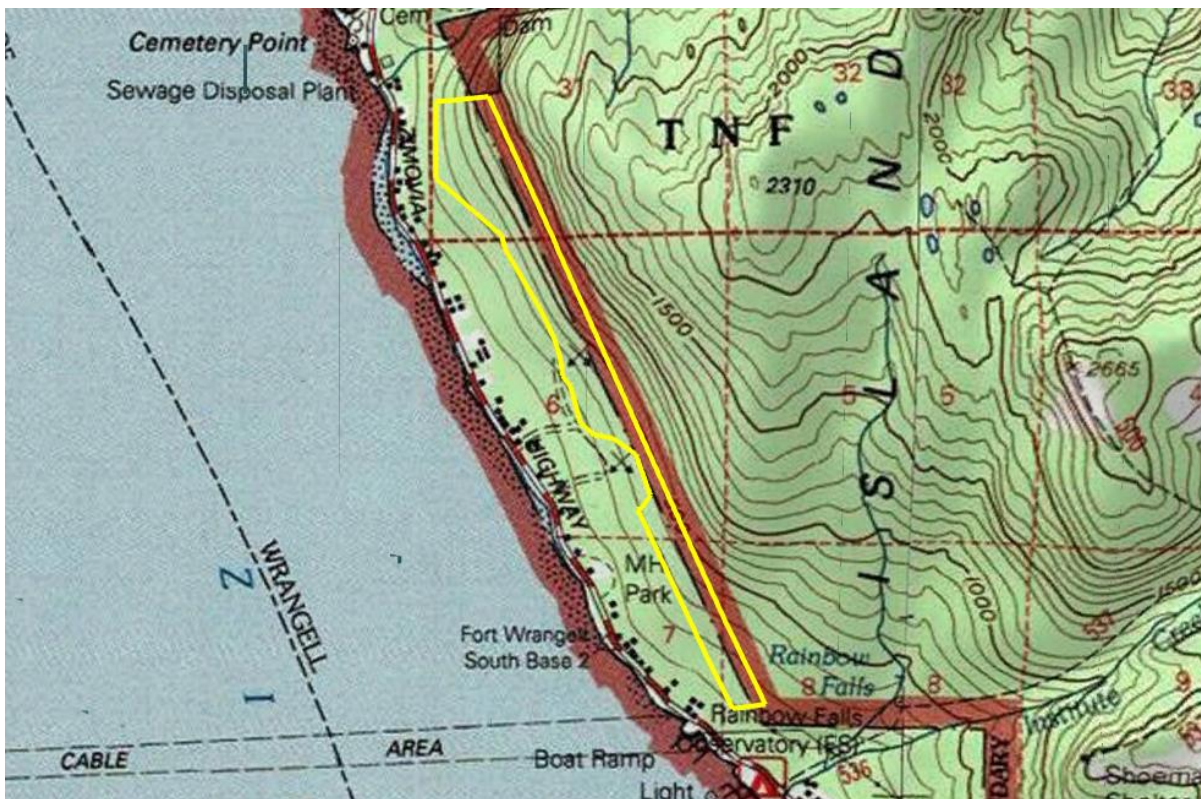
Subject: Appraisal Summary
Wrangell W-1 Phase 2B non-Federal Lands
As reported in the “AMHT Land Exchange Appraisal, Non-Federal Land Phase 2B” Appraisal Report

Following is the summary of the Wrangell W-1 property appraisal as included in the “AMHT Land Exchange Appraisal, non-Federal Land Phase 2B” report that was prepared by Charles Horan, MAI. The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The property is owned by the Alaska Mental Health Land Trust Authority. A hypothetical condition is included that the property is in private ownership and zoned consistent with similar privately owned property in the area. The last property inspection occurred on July 11, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value.

The date of value for the appraisal is February 7, 2020 and the opinion of Market Value concluded in the report is \$435,000.



Wrangell W-1



Appraisal Report Summary

- a. Owner of Record:** Alaska Mental Health Land Trust Authority, Trustee
- b. Estate Appraised:** The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The appraisal includes a “Significant Title Encumbrances” section that recognizes the following items.

Parcel W-1 has been platted as indicated in the legal description. The plat notes show an overhead electrical transmission line which appears to be just off the eastern edge of the parcel. There is a platted 66-foot-wide Rainbow Falls Road that runs through the property that apparently is not constructed. While this encumbrance is acknowledged, it is the extension of that road that gives access to this subject through adjacent land and is not considered a significant encumbrance to the site's Highest and Best Use.

These properties are subject to regulatory issues with regard to wetlands and fish streams. These exceptions are noted but are not considered significant in terms of having an unusual impact on the utility of the properties or their Highest and Best Use as related to what is typically found in the market.

- ### c. Legal Description:

Lot 1 of Trust Land Survey No. 2018-09, W-1 subdivision.



Containing 198.16 acres, according to Trust Land Survey 2018-09, W-1 subdivision, recorded under Plat No. 2020-3 in the Wrangell Recording District, First Judicial District, State of Alaska.

- d. Property Overview:** The below includes excerpts from the appraisal report descriptions to provide an overview of the subject property appraised.

Size: 198.16 acres

Shape: The subject is a highly irregular site containing 198.16 acres. It is 2.24 miles along the back or northeast boundary. The southwestern boundary is irregular as it follows along the uphill side of an existing road and utility easement, with two rectangular rock quarry areas excluded. The parcel width ranges from approximately 100 feet to approximately 1,200 feet. The shape of this remnant parcel makes it difficult to develop a large percentage of the site.

Access/Frontage: Access to the site from the Zimovia Highway is along the Rainbow Falls Road, on a dedicated easement to the road which forms a portion of the western boundary. The portion of the Rainbow Falls Road easement that accesses and is within this parcel has not been constructed.

Topography: Topography rises steeply from about 250 feet to 720 feet within the narrow band of its width. The higher elevations and steeper slopes are in the middle and north end of the parcel. The south end is characterized by lower elevations and gentler slopes. The appraisal references a study reflecting nearly all the property is uplands and no acreage in floodplains.

Soils: The soils are typical of southeast Alaska, with an organic duff layer and shallow well-drained mineral soil over rock on the hillside. Relatively flat areas and slight slopes typically have deep organic peat-based soils (muskeg) and the vegetation is generally brush and stunted trees. The Forest Service provided a wetland and floodplain summary report for the subject exchange lands that identified the property acreage to be approximately 97% in uplands and 15% in wetlands. None of the property is in a floodplain.

Vegetation: The parcel is totally covered with trees. The northern 165 acres of the parcel is 55-year-old second growth western hemlock, Sitka spruce, and red alder. The southern 33 acres (17%) of the parcel is old growth western hemlock, Sitka spruce, western red cedar, and Alaska yellow cedar.

Anadromous Streams: There are no anadromous streams within this parcel.

Utilities: There are no utilities, although the parcel boundary is alongside an electric powerline easement. City water and sewer are in along Zimovia Highway below the subject.

Zoning: Zoned Open Space/Public; however, under the hypothetical ownership as private lands, the adjacent zoning Rural Residential would be applicable

- e. Improvements:** The property is not improved with structures.

- f. Timber:** The timber is predominantly merchantable size, and volume; however, current market conditions make it economically unfeasible for harvest.



Area	Appraisal	Timber Volume	Gross Log	Net	Timber	\$/MBF	\$/Appraised
Acreage	Acres	MBF	Sales Value	Revenue	Value	Stumpage	Acres
198	199	4,495	\$1,839,898	-\$44,166	\$0	\$0	\$0

- g. Minerals:** The appraisal references the provided USFS 2020 mineral potential report that identifies a lack of expectations for valuable mineral deposits. The appraisal considers that there would be no significant value placed on the minerals as the valuable minerals, or common materials, potential to have any economic value are so low that it would have negligible impact on the highest and best use and the motivations of the likely buyers and sellers for these parcels as of the effective date of appraisal.
- h. Water Rights:** Water rights are part of the subject ownership and 9 water rights held by others on or very near the property were identified. They are reported as minimal water uses captured on the hill side by adjacent owners that do not inhibit the highest and best use of the property.
- i. Larger Parcel:** Parcel W-1 and W-2 are contiguous having a common narrow lot line adjacent to a State of Alaska property that is used for a power transformer facility. There may be some advantage of acquiring an easement to the highway through this that would benefit both the sites making them more marketable together. Parcels W-1 and W-2 could be considered a larger parcel due to this slight advantage. However, they could be sold separately, immediately and independently, and better access is somewhat speculative and could be developed in other areas of either of the sites. They are considered separate larger parcels.
- j. Assumptions:**
- Extraordinary Assumption: The last property inspection occurred on July 11, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value. The appraisal identifies that their general awareness of the market and activities in the region indicate there was no change in the condition of the property and that they confirmed with the property owner's representative that they had no knowledge of changes.
- Hypothetical Condition: A hypothetical condition is made that the property is in private ownership and zoned consistent with similar privately owned property in the area. The hypothetical condition is consistent with his specific appraisal instructions and appraisal standards for exchange purposes to reflect market value.
- k. Highest & Best Use:** The highest and best use reflects the limitations of the site by topography and easement access. It has potential use for recreation or limited, large tract, future remote residential with the most immediate use is for large rural residential site that includes speculative potential for future development.
- l. Valuation:** The property value was estimated based on the sales comparison approach. Suitable comparable sales were researched and those considered useful selected for use in the analysis. The appraisal applied qualitative adjustments for factors considered to influence value and establish a unit price range to work within. The sales prices and their weight in the reasoning were used to conclude at the estimated unit value of \$2,200 per acre.



m. Date of Value: February 7, 2020

n. Date of Appraisal: March 24, 2021

o. Appraiser: Charles Horan, MAI

p. Value: \$435,000

q. Appraisal Client: The appraiser's client is the USDA Forest Service.

r. Intended Users: Intended users of the appraisal include the USDA Forest Service, the Alaska Mental Health Trust, and their authorized representatives.

s. Purpose / Use: The intended use of the appraisal is to provide a credible, reliable, accurate and properly supported opinion of the market value of the subject property, as a basis for conducting the land exchange.



Subject: Appraisal Summary
Wrangell W-2 Phase 2B non-Federal Lands
As reported in the “AMHT Land Exchange Appraisal, Non-Federal Land Phase 2B” Appraisal Report

Following is the summary of the Wrangell W-2 property appraisal as included in the “AMHT Land Exchange Appraisal, non-Federal Land Phase 2B” report that was prepared by Charles Horan, MAI. The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The property is owned by the Alaska Mental Health Land Trust Authority. A hypothetical condition is included that the property is in private ownership and zoned consistent with similar privately owned property in the area. The last property inspection occurred on July 11, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value.

The date of value for the appraisal is February 7, 2020 and the opinion of Market Value concluded in the report is \$229,000.



Wrangell W-2



Appraisal Report Summary

- a. Owner of Record:** Alaska Mental Health Land Trust Authority, Trustee
- b. Estate Appraised:** The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The appraisal includes a “Significant Title Encumbrances” section that recognizes the following items.

Parcel W-2 is Lot 1 and W-3 is Lot 3 of Plat 2020-5 WRD which includes various notes, easements, and reservations. Most of them relate to the survey or general patent reservations not significantly affecting the properties use (see plat notes Plat 2020-5 WRD). Significant encumbrances include the overhead electrical transmission line (Note 4) which appears to be just off the eastern edge of Parcel W-2 except for its western portion which cuts through the subject property for about 1,400 feet. There is a right-of-way on W-2 that exists for the Rainbow Fall Trails (Note 8) granted by BLM noted on the plat, but not dedicated by it. There is a 60-foot-wide floating road easement (Note 9) that goes to the corner 11 of Lot 1 (W-2) which may benefit that Lot. Lot 3, W-3 is accessed by a 60-foot floating easement agreement (Note 11) crossing Lot 14 to the south (Plat 65-215, WRD). There is a trail through this site running from this easement area continuing east. The trail is not dedicated by this plat.

These noted easements are recognized to encumber the subject lots and would guide their future development, but do not significantly alter these sites Highest and Best Use.



c. Legal Description:

Lot 1 of Trust Land Survey No. 2018-10, W-2 and W-3 subdivision.

Containing 103.88 acres, according to Trust Land Survey 2018-10, W-2 and W-3 subdivision, recorded under Plat No. 2020-5 in the Wrangell Recording District, First Judicial District, State of Alaska.

d. Property Overview: The below includes excerpts from the appraisal report descriptions to provide an overview of the subject property appraised.

Size: 103.88 acres

Shape: The parcel is an inverted “L” shape, with the longest side approximately 4500’ long and 685 feet wide, running east to west, and the shorter side which forms the eastern leg of the parcel is approximately 1,000 feet wide and around 1,500 feet long side, with the southern property line at an angle running southeast to northwest.

Access/Frontage: The property does not have frontage on a public road and access is by easement from the south across Alaska Mental Health Trust retained land and Subject Parcel Wrangell W-3 over a dedicated floating 60’ wide public access and utility easement that runs from the Zimovia Highway.

Topography: The parcel rises steeply west to east from 50 feet elevation to approximately 500 feet in elevation; south to north it rises from 250 feet to 500 feet in elevation. Two water courses transect the property, Institute Creek and an unnamed tributary that has Rainbow Falls.

Soils: The soils are typical of southeast Alaska, with an organic duff layer and shallow well-drained mineral soil over rock on the hillside. One small area of muskeg with wet peat soils is located in the northeast corner of the parcel. The Forest Service provided a wetland and floodplain summary report for the subject exchange lands that identified the property acreage to be approximately 59% in uplands and 41% in wetlands. None of the property is in a floodplain.

Vegetation: Western hemlock, Sitka spruce, Alaska yellow cedar and western red cedar old growth timber, with the associated brush, devils club and other understory vegetation covers 87% of the parcel.

Anadromous Streams: Two water courses transect the property, Institute Creek and an unnamed tributary that has Rainbow Falls, but neither stream is listed as anadromous in the State of Alaska Anadromous Waters Catalogue.

Utilities: There are no utilities, although the parcel boundary is alongside an electric powerline easement.

Zoning: Parcel W-2 is currently zoned “Open Space/Public” and is recommended for “Resource Development with Scenic Protection” in the City and Borough of Wrangell Comprehensive Plan. The public use of the Rainbow Falls trail and visibility of this parcel from residential areas along Zimovia Highway make this area sensitive to any activity that would distract from the natural characteristics of the on-the-ground experience of



recreational users, and natural views. Under the hypothetical ownership as private lands, the adjacent zoning Rural Residential would be applicable.

e. Improvements: The property is not improved with structures.

f. Timber: The timber product on the property was analyzed in the timber valuation that is part of the real estate appraisal. It reflects a potential harvest of 90.7 acres of old growth timber. It was analyzed as a helicopter selective harvest; however, the low volume per acre (13.4 MBF) and relatively low component of high-quality and value timber limit its potential net income.

Timber Acres	Timber Volume MBF	Gross Log Sales Value	Net Revenue	Timber Value	\$/MBF Stumpage	\$/Appraised Acres
91	1,216	\$349,514	\$100,348	\$50,000	\$41	\$551

The income analysis reflects an overall log sales income of \$349,514 that is reduced by logging expenses to \$100,348. After consideration of profit and risk to the owner/operator, the timber contribution to the property value is \$50,000.

g. Minerals: The appraisal references the provided USFS 2020 mineral potential report that identifies a lack of expectations for valuable mineral deposits. The appraisal considers that there would be no significant value placed on the minerals as the valuable minerals, or common materials, potential to have any economic value are so low that it would have negligible impact on the highest and best use and the motivations of the likely buyers and sellers for these parcels as of the effective date of appraisal.

h. Water Rights: Water rights are part of the subject ownership. No water rights held by others on or near property were identified.

i. Larger Parcel: Parcel W-1 and W-2 are contiguous having a common narrow lot line adjacent to a State of Alaska property that is used for a power transformer facility. There may be some advantage of acquiring an easement to the highway through this that would benefit both the sites making them more marketable together. Parcels W-1 and W-2 could be considered a larger parcel due to this slight advantage. However, they could be sold separately, immediately and independently, and better access is somewhat speculative and could be developed in other areas of either of the sites. They are considered separate larger parcels.

j. Assumptions:

Extraordinary Assumption: The last property inspection occurred on July 11, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value. The appraisal identifies that their general awareness of the market and activities in the region indicate there was no change in the condition of the property and that they confirmed with the property owner's representative that they had no knowledge of changes.

Hypothetical Condition: A hypothetical condition is made that the property is in private ownership and zoned consistent with similar privately owned property in the area. The hypothetical condition is consistent with his specific appraisal instructions and appraisal standards for exchange purposes to reflect market value.



- k. Highest & Best Use:** The highest and best use reflects the limitations of the site by topography and easement access. It has potential use for recreation or limited, large tract, future remote residential with the most immediate use is for large rural residential site that includes speculative potential for future development.
- l. Valuation:** The property value was estimated based on the sales comparison approach. Suitable comparable sales were researched and those considered useful selected for use in the analysis. The appraisal applied qualitative adjustments for factors considered to influence value and establish a unit price range to work within. The sales prices and their weight in the reasoning were used to conclude at the estimated unit value of \$2,200 per acre.
- m. Date of Value:** February 7, 2020
- n. Date of Appraisal:** March 24, 2021
- o. Appraiser:** Charles Horan, MAI
- p. Value:** \$229,000
- q. Appraisal Client:** The appraiser's client is the USDA Forest Service.
- r. Intended Users:** Intended users of the appraisal include the USDA Forest Service, the Alaska Mental Health Trust, and their authorized representatives.
- s. Purpose / Use:** The intended use of the appraisal is to provide a credible, reliable, accurate and properly supported opinion of the market value of the subject property, as a basis for conducting the land exchange.



Subject: Appraisal Summary
Wrangell W-3 Phase 2B non-Federal Lands
As reported in the “AMHT Land Exchange Appraisal, Non-Federal Land Phase 2B” Appraisal Report

Following is the summary of the Wrangell W-3 property appraisal as included in the “AMHT Land Exchange Appraisal, non-Federal Land Phase 2B” report that was prepared by Charles Horan, MAI. The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The property is owned by the Alaska Mental Health Land Trust Authority. A hypothetical condition is included that the property is in private ownership and zoned consistent with similar privately owned property in the area. The last property inspection occurred on July 11, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value.

The date of value for the appraisal is February 7, 2020 and the opinion of Market Value concluded in the report is \$130,000.



Wrangell W-3



Appraisal Report Summary

- a. Owner of Record:** Alaska Mental Health Land Trust Authority
- b. Estate Appraised:** The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The appraisal includes a “Significant Title Encumbrances” section that recognizes the following items.

Parcel W-2 is Lot 1 and W-3 is Lot 3 of Plat 2020-5 WRD which includes various notes, easements, and reservations. Most of them relate to the survey or general patent reservations not significantly affecting the properties use (see plat notes Plat 2020-5 WRD). Significant encumbrances include the overhead electrical transmission line (Note 4) which appears to be just off the eastern edge of Parcel W-2 except for its western portion which cuts through the subject property for about 1,400 feet. There is a right-of-way on W-2 that exists for the Rainbow Fall Trails (Note 8) granted by BLM noted on the plat, but not dedicated by it. There is a 60-foot-wide floating road easement (Note 9) that goes to the corner 11 of Lot 1 (W-2) which may benefit that Lot. Lot 3, W-3 is accessed by a 60-foot floating easement agreement (Note 11) crossing Lot 14 to the south (Plat 65-215, WRD). There is a trail through this site running from this easement area continuing east. The trail is not dedicated by this plat.

These noted easements are recognized to encumber the subject lots and would guide their future development, but do not significantly alter these sites Highest and Best Use.



c. Legal Description:

Lot 3 of Trust Land Survey No. 2018-10, W-2 and W-3 subdivision.

Aggregating 59.19 acres, according to Trust Land Survey 2018-10, W-2 and W-3 subdivision, recorded under Plat No. 2020-5 in the Wrangell Recording District, First Judicial District, State of Alaska.

d. Property Overview: The below includes excerpts from the appraisal report descriptions to provide an overview of the subject property appraised.

Size: 59.19 acres

Shape: Parcel W-3 is roughly a trapezoid oriented north to south. The north end is 1,308.58 feet wide; the length is approximately 2,462.52 feet along the eastern property line, and the south end is 553.94 feet wide.

Access/Frontage: Parcel W-3 can be accessed along a 60-foot-wide floating easement which connects to the Zimovia Highway across subdivided lots on the west side of the parcel.

Topography: Parcel W-3 is gently sloping rising from the 80-foot elevation on the west to 240-foot elevation in the east.

Soils: The soils are typical high moisture, high organic peat soils associated with muskeg and poorly drained forested areas. The Forest Service provided a wetland and floodplain summary report for the subject exchange lands that identified the property acreage to be approximately 33% in uplands and 67% in wetlands. None of the property is in a floodplain.

Vegetation: 59% of Parcel W-3 is covered by Western hemlock, Sitka spruce and cedar trees, which are predominantly low quality, low volume muskeg fringe type vegetation. 25% of the parcel is muskeg with areas of low peat associated vegetation, and scrub conifer trees. The remaining 16% of the parcel has been harvested or has areas of windthrown trees; this part has hemlock and spruce reproduction and associated brush.

Anadromous Streams: None. The watercourses that run from east to west in both the extreme north end and extreme south end of the parcel are not categorized as anadromous.

Utilities: Power lines run along Zimovia Highway just west of the subject. There are no noticeable water or sewer utilities within the reach of the subject as they end about two-miles to the north.

Zoning: Parcel W-3 is Zoned Timber Management. This would allow timber harvest, lodges, cabins, and other uses, but not residential per se. The merchantable timber was harvested on the lot to the north in 2015 by the same owner, and merchantable timber on the subject parcel would have been taken at that time. There is a riparian buffer along an unnamed stream on the subject. The balance of the site has no merchantable timber. It would be reasonable to assume that the site could appropriate the Rural Residential zone similar to the adjacent properties along the highway.

e. Improvements: The property is not improved with structures.



f. Timber: The trees on this parcel are not commercially viable, both because of low volume per acre and predominantly low-quality trees.

g. Minerals: The appraisal references the provided USFS 2020 mineral potential report that identifies a lack of expectations for valuable mineral deposits. The appraisal considers that there would be no significant value placed on the minerals as the valuable minerals, or common materials, potential to have any economic value are so low that it would have negligible impact on the highest and best use and the motivations of the likely buyers and sellers for these parcels as of the effective date of appraisal.

h. Water Rights: Water rights are part of the subject ownership and 1 water right held by others on or very near the property were identified. They are reported as minimal water uses captured on the property by adjacent owners that do not inhibit the highest and best use of the property.

i. Larger Parcel: Parcel W-3 is a detached independent site with its own highest and best use and is also considered a larger parcel.

j. Assumptions:

Extraordinary Assumption: The last property inspection occurred on July 11, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value. The appraisal identifies that their general awareness of the market and activities in the region indicate there was no change in the condition of the property and that they confirmed with the property owner's representative that they had no knowledge of changes.

Hypothetical Condition: A hypothetical condition is made that the property is in private ownership and zoned consistent with similar privately owned property in the area. The hypothetical condition is consistent with his specific appraisal instructions and appraisal standards for exchange purposes to reflect market value.

k. Highest & Best Use: The highest and best use reflects the limitations of the site topography and easement access. It has potential use for recreation or limited, large tract, future remote residential with the most immediate use is for large rural residential site that includes speculative potential for future development.

l. Valuation: The property value was estimated based on the sales comparison approach. Suitable comparable sales were researched and those considered useful selected for use in the analysis. The appraisal applied qualitative adjustments for factors considered to influence value and establish a unit price range to work within. The sales prices and their weight in the reasoning were used to conclude at the estimated unit value of \$2,200 per acre.

m. Date of Value: February 7, 2020

n. Date of Appraisal: March 24, 2021

o. Appraiser: Charles Horan, MAI

p. Value: \$130,000

q. Appraisal Client: The appraiser's client is the USDA Forest Service.



- r. Intended Users:** Intended users of the appraisal include the USDA Forest Service, the Alaska Mental Health Trust, and their authorized representatives.
- s. Purpose / Use:** The intended use of the appraisal is to provide a credible, reliable, accurate and properly supported opinion of the market value of the subject property, as a basis for conducting the land exchange.



Subject: Appraisal Summary
Wrangell W-4 Phase 2B non-Federal Lands
As reported in the “AMHT Land Exchange Appraisal, Non-Federal Land Phase 2B” Appraisal Report

Following is the summary of the Wrangell W-4 property appraisal as included in the “AMHT Land Exchange Appraisal, non-Federal Land Phase 2B” report that was prepared by Charles Horan, MAI. The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The property is owned by the Alaska Mental Health Land Trust Authority. A hypothetical condition is included that the property is in private ownership and zoned consistent with similar privately owned property in the area. The last property inspection occurred on July 11, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value.

The date of value for the appraisal is February 7, 2020 and the opinion of Market Value concluded in the report is \$2,038,000.



Wrangell W-4



Appraisal Report Summary

- a. Owner of Record:** Alaska Mental Health Land Trust Authority
- b. Estate Appraised:** The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The appraisal includes a “Significant Title Encumbrances” section that recognizes the following items.

Exception 25 indicates an interest of Churchill, et al., in Book 17 Page 460, WRD of which we assume does not impact the title of interest as appraised. This appears to be a BIA trust allotment Probate that would affect the central lower portion of Section 5, T64S, R8 but4E, CRM, around Pats Lake, Plat 2020-4 Survey Lot 7.



The appraisal assumes it does not impact the title of interest as appraised. *

**- This item refers to a Native Allotment application that was rejected and the case closed. However, the 1991 decision to close the case was never recorded and the item was not removed from the title report.*

Other significant exceptions included easements noted on the plat for Parcels in W-4, Lots 1, 4, 6, and 7 of Plat 2020-4 WRD. These included various notes, easements, and reservations. Most of them relate to the survey or general patent reservations not significantly affecting the properties use (see plat notes Plat 2020-4 WRD).

Plat Note 6 indicates a 100-foot-wide easement for Zimovia Highway, 50 feet each side of the center line. It is unlikely this easement area would be available to other uses. Most right of way areas are not included in the net areas of comparables in the market place. Although the fee owner may retain some use rights, they would not have significant utility in the market place, especially for these large lots. For the purposes of the appraisal, the easement areas will be deducted from the gross lot areas to reflect the impact on the subject values if expressed by the acre values.

The U.S. Forest Service ADL 32844 Right-Of-Way Permit is noted, but it is not dedicated by Plat 2020-4. It gives access to Pats Lake and other Forest Service lands to the east. The easement Legal Description is T.64S., R.84E., C.R.M., Section 5: Within Lot 5, U.S. Survey 3709, a Right-Of-Way 132' in width and 3965' in length containing 12 acres for a Forest Development Road for Public Use. This easement appears to be wholly within subject Lot 7 of Plat 2020-4. It is developed with a two-way gravel road and benefits the site with access. After the transfer it is assumed this easement will endure since the USFS has management of land beyond Lot 7 which needs to maintain connectivity to Zimovia Highway. The area of this easement will be deducted from the gross area of Lot 7 to conform with the comparables found in the market which are net of access roads and right of ways.

The Zimovia Highway and Pats Lake Forest Service road easements are recognized to encumber the subject lots. The access they provide is a significant positive feature to the land appraised. However, in a competitive market the benefited land as valued would be net of the easement areas. Therefore, for the purpose of valuing the subject lands, we will reduce the gross acreage by the area of these easements. This reduction is summarized in the following table.

TABLE 5.5.3 – W-4 Summary Areas for Value Calculations				
Plat 2020-4	Gross Acres	Zimovia Hwy ROW	Pats Lake ROW	Net Acres
Lot 1	341.48	5.72	0	335.76
Lot 4	106.79	3.60	0	103.19
Lot 6	16.11	1.58	0	14.53
Lot 7	<u>161.19</u>	<u>3.37</u>	<u>12</u>	<u>145.82</u>
Totals	625.57	14.27	12	599.3



c. Legal Description:

Lots 1, 4, 6 and 7 of Trust Land Survey No. 2018-11, W-4 Subdivision.

Aggregating 625.57 acres, according to Trust Land Survey 2018-11, W-4 Subdivision, recorded under Plat No. 2020-4 in the Wrangell Recording District, First Judicial District, State of Alaska.

d. Property Overview: The below includes excerpts from the appraisal report descriptions to provide an overview of the subject property appraised.

Size: 625.57 acres. The property is described in 4 lot areas generally in four quadrants NW/Lot 4, NE/Lot 1, SE/Lot 7, and SW/Lot 6.

	Acres
Lot 1 NE	341.48
Lot 4 NW	106.79
Lot 6 SW	16.11
Lot 7 SE	161.19
Total	625.57

Shape: The 4 lots are irregularly shaped with Lots 1 and 7 being inland and on the easterly side of Zimovia Highway. They extend from the Pats Lake vicinity northerly to the mountainous slopes on the west side of Chichagof Peak. Lots 4 and 6 are waterfront and on the west side of Zimovia Highway. The lots are separated by a 20 acre lot along a road to a coastal boat moorage.

Access/Frontage: Access is from frontage on Zimovia Highway which crosses the property and a USFS Right of Way to the east along the north side of Pats Lake. The west side of the property has over 5,000 feet of ocean frontage and the property encircles Pats Lake for an additional 6,100 feet of water frontage.

Topography: Parcel W-4 rises from sea-level at the southern end and western side to 1,500 feet at the extreme north end. The southerly lands are is undulating to hilly transitioning to mountainous in the north.

Soils: The soils are typical of southeast Alaska forests, with an organic duff layer and shallow, well-drained, mineral soil over rock on the hillside. Areas of scrub timber and muskeg around Pats Lake are poorly drained, organic peat soils. The Forest Service provided a wetland and floodplain summary report for the subject exchange lands that identified the property acreage to be approximately 49% in uplands and 51% in wetlands. None of the property is in a floodplain.

Vegetation: Parcel W-4 has a variety of vegetative cover, including old growth and second growth western hemlock, Sitka spruce, western red cedar, Alaska yellow cedar, very young (15-year-old) hemlock and spruce regeneration, the typical huckleberry, devils club, and salal ground cover, and muskeg peat, mosses, and forbs.

Anadromous Streams: Pats Creek is anadromous for its full length in Lot 7, and to its mouth at saltwater in Lot 6.



Utilities: There are no utilities on the parcel; however, an electrical powerline runs along the Zimovia Highway, so electricity is available for development.

Zoning: The property has multiple zones as follows:

Lot 1 NE	Timber Management
Lot 4 NW	Rural Residential and Open Space/Public
Lot 6 SW	Open Space/Public
Lot 7 SE	Open Space/Public

Lot 1 Timber Management: This lot has mostly been harvested of its timber with two large clear cuts in the southern part of the site completed in 2004 and 2005. Logging roads are in portions of this lower contiguous part of the site and would be available for speculative future use, including some type of rural residential development. The northern saw tooth portion of the site still has old growth timber on it.

Lot 4 Rural Residential and Open Space/Public: This wooded waterfront lot is 107 acres lying between Zimovia Straight and the Zimovia Highway. The southern area, perhaps 10% to 20%, of the site is zoned Open Space/Public in an area that extends most distant from the highway and is more influenced by the waterfront. Presuming private ownership, it is likely the Open Space/Public area could be developed as well. There is not an immediate demand for near-term development of this property, and a prospective buyer would understand comprehensive development would likely be residential in nature.

Lot 6 Open Space/Public: This is a waterfront lot at the south end of Parcel W-4. It would be suitable for residential waterfront development. The Open Space zoning is generally meant for publicly owned real estate. As hypothetically appraised in private ownership, it would likely be residential. The site could possibly be developed into residential lots.

Lot 7 Open Space/Public: Assumed this public zoning could be changed to Rural Residential. This has the amenity of extensive frontage on Pats Lake and a Forest Service road providing additional access through the site in addition to the highway frontage. There is an infrequently used 10 site campgrounds on the south part of the site. It has no services, only a drive-in pad, picnic table and fire pit. It was ostensibly managed by a local nonprofit (Lions Club and/or Chamber of Commerce, uncertain) according to the local planner. There is no permit in effect at this time, and any use of it would be viewed as a trespass. The site was unoccupied at the time of inspection. Most of Lot 7 is valued by the local community for its recreational use with trails, fishing, kayaking, winter ice skating, and other activities for kids and families. Development even under Rural Residential zone would likely be scrutinized by the community in an effort to preserve some of its recreational uses.

e. Improvements: A 10 site campground is located on the east side of Zimovia Highway in the south area of the property, on Lot 7. The sites include a drive-in pad, picnic table, and fire pit. It was historically managed by a local nonprofit group, but here is no permit in effect.

f. Timber: The timber product on the property was analyzed in the timber valuation that is part of the real estate appraisal. It reflects a potential harvest of 324.7 acres; however, the area is



reduced as conventional harvesting of the old growth acreage is not cost effective and the areas on Lot 7 and Lot 4 are adjusted downward for economic harvest areas.

Appraisal Acres	Timber Volume MBF	Gross Log Sales Value	Net Revenue	Timber Value	\$/MBF Stumpage	\$/Appraised Acres
89.6	2,390	\$1,239,161	\$665,894	\$333,000	\$139	\$3,717
59.0	321	\$194,017	-\$59,478	\$0	\$0	\$0
32.2	514	\$0	\$0	\$0	\$0	\$0
74.3	680	\$582,677	\$253,798	\$126,900	\$187	\$1,708
101.8	860	\$796,324	\$175,936	\$88,000	\$102	\$864

\$547,900

The income analysis reflects an overall log sales income from these areas of \$2,618,162 that is reduced by logging expenses to \$1,095,628. After consideration of profit and risk to the owner/operator, the timber contribution to the property value is \$547,900.

- g. Minerals:** The appraisal references the provided USFS 2020 mineral potential report that identifies a lack of expectations for valuable mineral deposits. The appraisal considers that there would be no significant value placed on the minerals as the valuable minerals, or common materials, potential to have any economic value are so low that it would have negligible impact on the highest and best use and the motivations of the likely buyers and sellers for these parcels as of the effective date of appraisal.
- h. Water Rights:** Water rights are part of the subject ownership and no water rights held by others on the property were identified.
- i. Larger Parcel:** The parcels have common ownership but are separated by roads and have legally subdivided lots which could be marketed independently. These lands however comprise their own neighborhood, influenced by their adjacency and have inferred possible future speculative uses ranging widely from logging, high end residential along the water, moderate residential large lots in the clear-cut, recreation lots around Pat's Lake and a perceived claim by community stakeholders that the recreational resources be preserved. There is very little near term demand for these individual development uses given the history of slow absorption in this market and static economic growth. If small parts of the subject were sold before a comprehensive development plan was laid out the new owners may become averse to future development. The subject has an integrated speculative highest and best use. The four lots together are the larger parcel.

j. Assumptions:

Extraordinary Assumption: The last property inspection occurred on July 11, 2019 and an extraordinary assumption is made that the property was in similar condition at the date of value. The appraisal identifies that their general awareness of the market and activities in the region indicate there was no change in the condition of the property and that they confirmed with the property owner's representative that they had no knowledge of changes.

Hypothetical Condition: A hypothetical condition is made that the property is in private ownership and zoned consistent with similar privately owned property in the area. The



hypothetical condition is consistent with his specific appraisal instructions and appraisal standards for exchange purposes to reflect market value.

- k. Highest & Best Use:** Although selective timber harvesting on a portion of Lot 1 Parcel W-4 may be feasible it only yields about \$333,000 or less than \$1,700 per acre for that Lot (198 acres). The extensive highway frontage and other aspects to the property make it more appealing for superlative residential uses which would pay a higher price. Considering the risks involved in timber extraction, especially this close to a developed residential area, the market would not pay an added value for the timber component in a fee simple sale. Of the feasible uses expressed in price the most profitable near-term use would be for large residential sites to be held until such time as the demand and utility development to the area made it feasible to do smaller lot subdivisions. A few lots a year may be demanded, but it is beyond the typical investment horizon to speculate when a subdivision of these lands would be absorbed in the Wrangell market. This relatively small market has low demand, but also is constricted in terms of the opportunities to buy larger sites. As we have observed in other southeast communities where large sites became available, they are oftentimes purchased for an interim use such as a single-family residence with the idea that over time the lot could further be subdivided as the demand increased. The subject lands would be suited for this type of near-term use. The maximally productive use would be for rural, residential, large lot development based on a future comprehensive development plan. The Highest and Best Use is for large future speculative development including, rural, residential site use.
- l. Valuation:** The property value was estimated based on the sales comparison approach. Suitable comparable sales were researched and those considered useful selected for use in the analysis. The appraisal applied qualitative adjustments for factors considered to influence value and establish a unit price range to work within. The sales prices and their weight in the reasoning were used to conclude at the estimated unit value of \$3,400 per acre.
- m. Date of Value:** February 7, 2020
- n. Date of Appraisal:** March 24, 2021
- o. Appraiser:** Charles Horan, MAI
- p. Value:** \$2,038,000
- q. Appraisal Client:** The appraiser's client is the USDA Forest Service.
- r. Intended Users:** Intended users of the appraisal include the USDA Forest Service, the Alaska Mental Health Trust, and their authorized representatives.
- s. Purpose / Use:** The intended use of the appraisal is to provide a credible, reliable, accurate and properly supported opinion of the market value of the subject property, as a basis for conducting the land exchange.



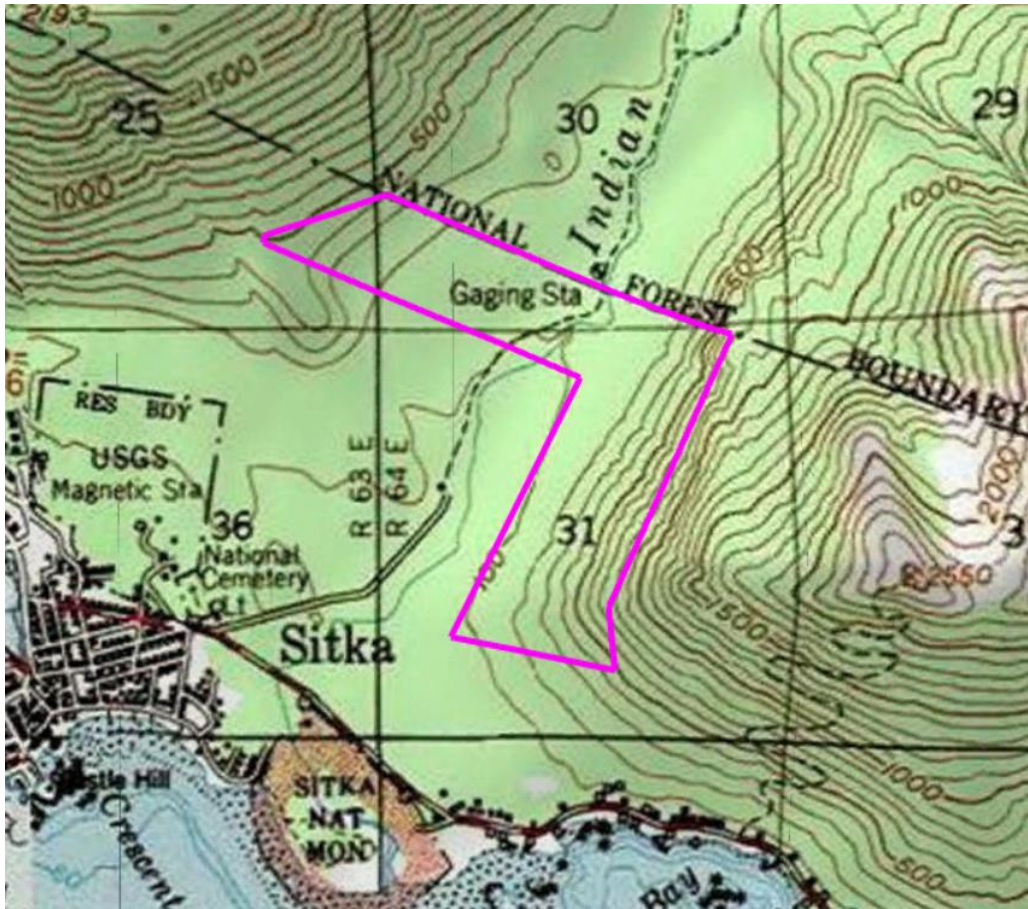
Subject: Appraisal Summary
Sitka S-2 Phase 2B non-Federal Lands
As reported in the “AMHT Land Exchange Appraisal, Non-Federal Land Phase 2B” Appraisal Report

Following is the summary of the Sitka S-2 property appraisal as included in the “AMHT Land Exchange Appraisal, non-Federal Land Phase 2B” report that was prepared by Charles Horan, MAI. The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The property is owned by the Alaska Mental Health Land Trust Authority. A hypothetical condition is included that the property is in private ownership and zoned consistent with similar privately owned property in the area. The last property inspection occurred on April 22, 2019 and an extraordinary assumption is made that the property was in similar condition at the date of value.

The date of value for the appraisal is February 7, 2020 and the opinion of Market Value concluded in the report is \$1,323,000.



Sitka S-2



Appraisal Report Summary

- a. Owner of Record:** Alaska Mental Health Land Trust Authority
- b. Estate Appraised:** The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The appraisal includes a “Significant Title Encumbrances” section that recognizes the following items.

Most the title exceptions are typical reservations and do not inhibit the highest and best use of the property. Plat 2002-17 SRD, notes a 60-foot-wide Haley Avenue Right-Of-Way (plat note 6) which is undeveloped. This easement lies along the 1,900-foot distance of the southerly boundary of subject Lot 1-A a distance of 1,900 feet. The 60-foot-wide easement would indicate about 2.6 acres or just about 1% of the sites overall area of 264.51 acres. This easement, though not significant in terms of the subjects current highest and best use, is noted in the valuation analysis.

This property is subject to regulatory issues with regard to wetlands and fish streams. These exceptions are noted but are not considered significant in terms of having an unusual impact on the utility of the properties or their Highest and Best Use as related to what is typically found in the market.

This property is subject to a right-of-way for Forest Trail #500, AA-53921, also known as the



Indian River Trail, thirty feet in width, appropriated by the United States, over or upon the lands under the Alaska National Lands Conservation Act of December 2, 1980. The trail easement is not identified to limit the highest and best use of the parcel.

c. Legal Description:

Lot 1-A of Mt. Verstovia-Gavan Hill Subdivision.

Containing 264.51 acres according the Mt. Verstovia-Gavan Hill Subdivision of U.S. Survey No. 3858, dated August 27, 2002 as recorded under Plat No. 2002-17 in the Sitka Recording District, State of Alaska.

d. Property Overview: The below includes excerpts from the appraisal report descriptions to provide an overview of the subject property appraised.

Size: Parcel S-2 is 264.51 acres.

Shape: The property shape is an inverted “L” shape with a north-south leg approximately 9/10ths of a mile long and an east-west leg approximately 1.01-mile-long. The east-west leg crosses Indian River. The southern side of the lower leg edges along Haley Avenue and ends in a line with Jarvis Street. The southern side of the upper leg has the gravel pit off Yaw Drive abutting the parcel.

Access/Frontage: The subject parcel has access along Haley Avenue (undeveloped roadway) on the southern end of the lower, south side. Haley Avenue is accessed via Jarvis Street, Price Street, Lance Drive, and Versa Place. There is a Forest Service trail along Indian River giving pedestrian access to the central portion of the property. Yaw Drive (via a gravel pit area) on the southern end of the upper side provides private road access to the quarry adjacent to the northwest portion of the site.

Topography: The lower area, starts at about 100 feet in the saddle in the middle where Indian River crosses, forms a broad 1,600 foot wide low lying wet lands. From the Indian River low lands it then slopes to the east climbing the western flanks of Mt Verstovia to an elevation of about 800 feet. The western leg extends from the 100-foot elevation to the 500-foot elevation.

Soils: The soils are typical of southeast Alaska, with well drained alluvial soils along the hillsides, and high moisture content, highly organic soils characterized as muskeg at lower elevations. The Forest Service provided a wetland and floodplain summary report for the subject exchange lands that identified the property acreage to be approximately 61% in uplands and 39% in wetlands. 5% of the property is in a floodplain.

Vegetation: Sitka spruce and western hemlock are the predominant trees, with typical understory brush and ground cover. Muskeg areas support stunted spruce, hemlock, Alaska yellow cedar, and lodgepole pine (bull pine).

Anadromous Streams: Approximately 1,830 feet of Indian River, which is an anadromous stream, flows roughly north to south through the east-west leg of the parcel and is habitat for Coho for present and rearing stages in development.

Utilities: City utilities are extended to Haley Avenue at several intersections where city streets approach it. This includes Jarvis Street, Price Street, Lance Drive and Versa Place.



Some utilities are part of the way up Yaw Drive, they could be extended a couple 1,000 feet along this private drive to the western portions of the subject if arrangements are made.

Zoning: The property is predominantly zoned R-2, multifamily residential district except the southerly are north of Haley Avenue is split zoned C-1, general commercial, and R-1, single-family and duplex residential district.

e. Improvements: The property is not improved with structures.

f. Timber: Sitka spruce and western hemlock are the commercial size timber that are in about 90 acres of the western leg of the parcel. The most economical timber harvest method would be selective helicopter logging which yields an estimated value of \$119,800 based on the conversion return income approach. This equates to just over \$450 per acre.

Appraisal Acres	Timber Volume MBF	Gross Log Sales Value	Net Revenue	Timber Value	\$/MBF Stumpage	\$/Appraised Acres
265	3,119	\$824,251	\$239,505	\$119,800	\$38	\$452

The income analysis reflects an overall log sales income of \$824,251 that is reduced by logging expenses to \$239,505. After consideration of profit and risk to the owner/operator, the timber contribution to the property value is \$119,800.

g. Minerals: The appraisal references the provided USFS 2020 mineral potential report that identifies a lack of expectations for valuable mineral deposits. The appraisal considers that there would be no significant value placed on the minerals as the valuable minerals, or common materials, potential to have any economic value are so low that it would have negligible impact on the highest and best use and the motivations of the likely buyers and sellers for these parcels as of the effective date of appraisal.

h. Water Rights: Water rights are part of the subject ownership and no water rights held by others on the property were identified.

i. Larger Parcel: The subject property is an independent marketable tract having an integrated speculative highest and best use and is the larger parcel.

j. Assumptions:

Extraordinary Assumption: The last property inspection occurred on April 22, 2019 and an extraordinary assumption is made that the property was in similar condition at the date of value. The appraisal identifies that their general awareness of the market and activities in the region indicate there was no change in the condition of the property and that they confirmed with the property owner's representative that they had no knowledge of changes.

Hypothetical Condition: A hypothetical condition is made that the property is in private ownership and zoned consistent with similar privately owned property in the area. The hypothetical condition is consistent with his specific appraisal instructions and appraisal standards for exchange purposes to reflect market value.

k. Highest & Best Use: The highest and best use is for a large site speculative commercial or residential use.

l. Valuation: The property value was estimated based on the sales comparison approach. Suitable comparable sales were researched and those considered useful selected for use in the



analysis. The appraisal applied qualitative adjustments for factors considered to influence value and establish a unit price range to work within. The sales prices and their weight in the reasoning were used to conclude at the estimated unit value of \$5,000 per acre.

m. Date of Value: February 7, 2020

n. Date of Appraisal: March 24, 2021

o. Appraiser: Charles Horan, MAI

p. Value: \$1,323,000

q. Appraisal Client: The appraiser's client is the USDA Forest Service.

r. Intended Users: Intended users of the appraisal include the USDA Forest Service, the Alaska Mental Health Trust, and their authorized representatives.

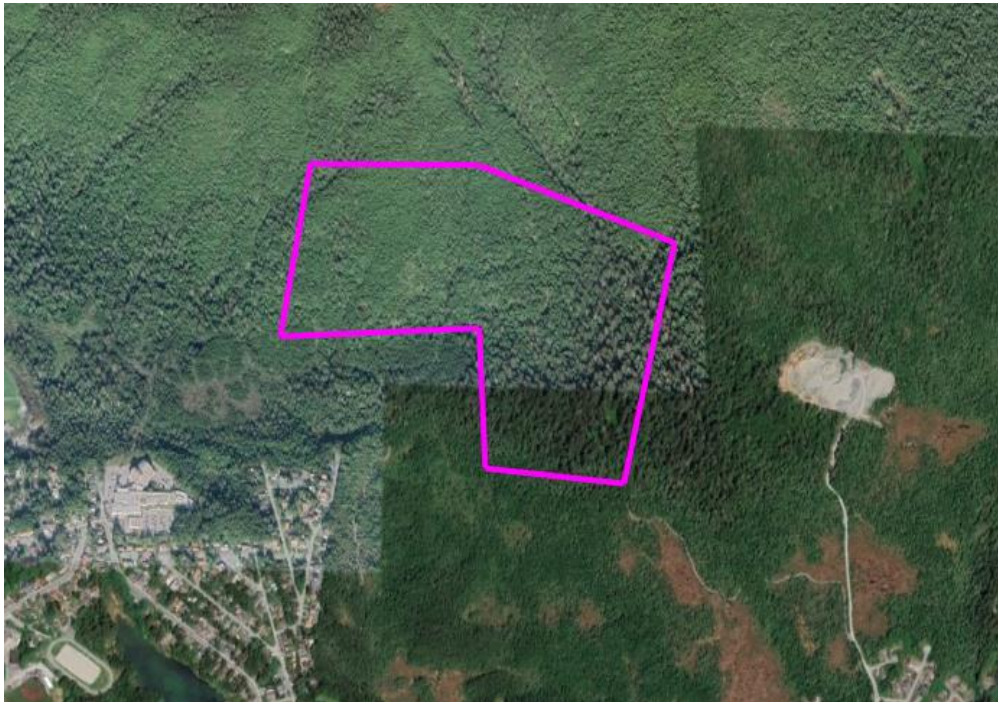
s. Purpose / Use: The intended use of the appraisal is to provide a credible, reliable, accurate and properly supported opinion of the market value of the subject property, as a basis for conducting the land exchange.



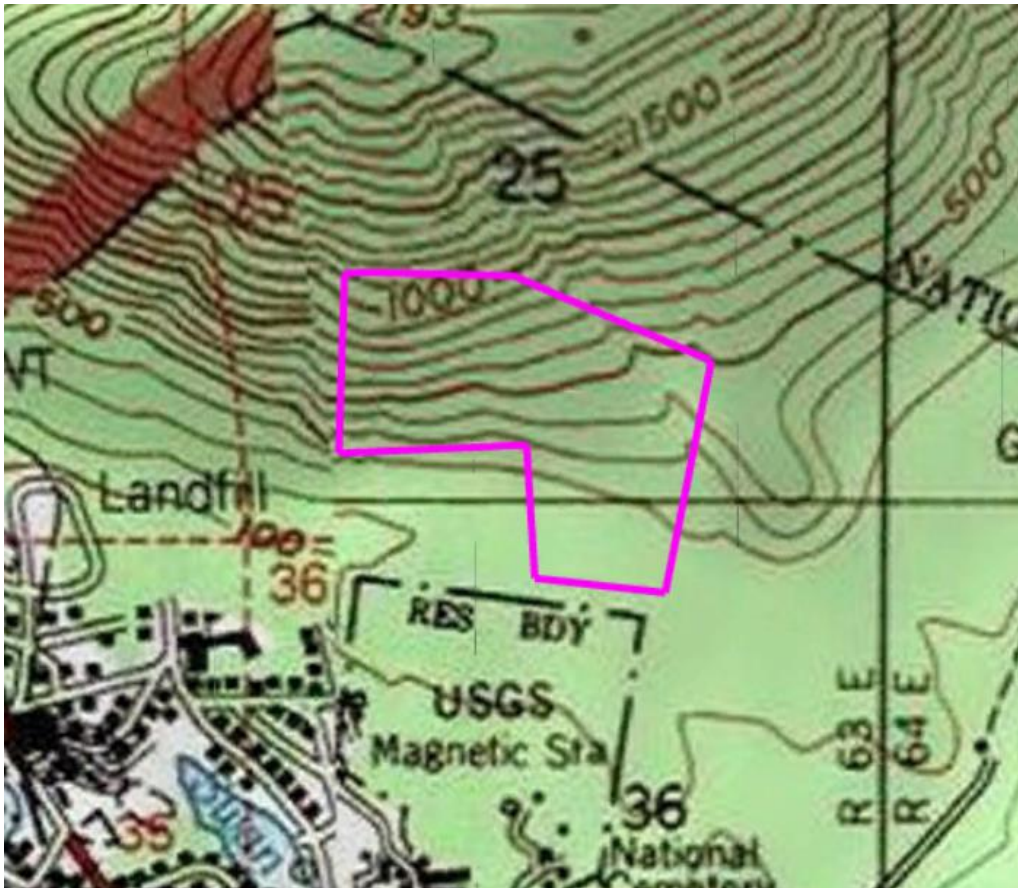
Subject: Appraisal Summary
Sitka S-3 Phase 2B non-Federal Lands
As reported in the “AMHT Land Exchange Appraisal, Non-Federal Land Phase 2B” Appraisal Report

Following is the summary of the Sitka S-3 property appraisal as included in the “AMHT Land Exchange Appraisal, non-Federal Land Phase 2B” report that was prepared by Charles Horan, MAI. The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The property is owned by the Alaska Mental Health Land Trust Authority. A hypothetical condition is included that the property is in private ownership and zoned consistent with similar privately owned property in the area. The last property inspection occurred on April 22, 2019 and an extraordinary assumption is made that the property was in similar condition at the date of value.

The date of value for the appraisal is February 7, 2020 and the opinion of Market Value concluded in the report is \$292,000.



Sitka S-3



Appraisal Report Summary

a. Owner of Record: Alaska Mental Health Land Trust Authority, Trustee

b. Estate Appraised: The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The appraisal includes a “Significant Title Encumbrances” section that recognizes the following items.

Exception number 11 discloses the exception for the Gavin hill trail right of way 50 feet wide to construct and maintain the trail as long as it is needed: document 2008-000059-0.

Exception number 14 is an easement agreement between the Alaska Mental Health Trust as grantor and the City and Borough of Sitka as grantee for the Sitka Cross Trail which traverses the property east to west. The easement is 18 feet wide and contains 27,869 SF according to the as built survey. The agreement is expressed in document 2016-001238-0.

It appears the Upper Cross Trail may traverse the north part of this parcel. This is not mentioned in the title report. Local reports suggest this was built by the city over 40 years ago with state funding. It is no longer maintained. its easement status is unknown. Given the remote and recreational nature that relatives not appeared impact the highest and best use significantly.

These easements give pedestrian and maintenance access to and through the subject property.



They are not significant in terms of the subjects current highest and best use, as noted in the valuation analysis.

This property is subject to regulatory issues with regard to wetlands and fish streams. These exceptions are noted but are not considered significant in terms of having an unusual impact on the utility of the properties or their Highest and Best Use as related to what is typically found in the market.

c. Legal Description:

U.S. Survey No. 3850.

Containing 108.28 acres as shown on U.S. Survey No. 3850, dated May 1, 1962, with the U.S. Department of Interior, Washington D.C.

d. Property Overview: The below includes excerpts from the appraisal report descriptions to provide an overview of the subject property appraised.

Size: 108.28 acres.

Shape: This parcel is an inverted “L” shape (almost rectangular with lower left $\frac{1}{4}$ removed). It has a north-south leg that is approximately 2,365 feet long and an east-west leg that is approximately 2,900 feet long.

Access/Frontage: This parcel has two maintained trails and one unmaintained trail crossing through. The Sitka Cross Trail crosses east/west over lower portion of parcel, and the Harbor Mountain/Gavan Hill Trail connects to the Sitka Cross Trail and crosses north/south through upper half of parcel. The Upper Cross Trail (not maintained) connects to the Harbor Mountain/Gavan Hill Trail and crosses the upper portion of the parcel moving east/west. There are no roadways connecting to this parcel.

Topography: The lower portion of Parcel S-3 sits at about 150’ elevation and the upper part rises steeply from east to west to about 1,000’ elevation. The steepest section being the upper north west corner of the parcel. Approximately half of the parcel is below the 500-foot elevation level.

Soils: The soils are typical of southeast Alaska, with well drained alluvial soils on the lower hillside, and shallower soils at elevations above 500 feet. The Forest Service provided a wetland and floodplain summary report for the subject exchange lands that identified the property acreage to be approximately 98% in uplands and 2% in wetlands. None of the property is in a floodplain.

Vegetation: Sitka spruce, western hemlock, and Alaska yellow cedar are the predominant trees, with typical understory brush and ground cover.

Anadromous Streams: There are no anadromous streams on the parcel.

Utilities: City utilities are not available on this parcel. The nearest utilities would be Pherson Street, approximately 1,000 feet away from any edge of the parcel.

Zoning: The property is zoned P, Public Lands District which is intended to contain government owned land. If the property is returned to the public domain it will take the zoning of the adjacent property. The property is surrounded north, west and south by P



Public Zone properties in governmental ownership. The eastern border property is owned by Baronof Island Housing Authority zoned R2 MH. The city classifies its use as commercial. The R2 zone is intended for urban development with connection to utilities primarily for single family homes and multi family residence is at a moderately high population density. The R2 MH zoning would also allow mobile home in a mobile home Parks.

e. Improvements: The property is not improved with structures.

f. Timber: Approximately 48 acres at the eastern side of the parcel supports commercial size Sitka spruce, western hemlock, and Alaska yellow cedar. The most economical timber harvest method would be selective helicopter logging which would yield an estimated value of \$82,000 based on the conversion return income approach. This equates to just over \$750 per acre.

Appraisal Acres	Timber Volume MBF	Gross Log Sales Value	Net Revenue	Timber Value	\$/MBF Stumpage	\$/Appraised Acres
108	1,391	\$405,340	\$164,017	\$82,000	\$59	\$757

The income analysis reflects an overall log sales income of \$405,340 that is reduced by logging expenses to \$164,017. After consideration of profit and risk to the owner/operator, the timber contribution to the property value is \$82,000.

g. Minerals: The appraisal references the provided USFS 2020 mineral potential report that identifies a lack of expectations for valuable mineral deposits. The appraisal considers that there would be no significant value placed on the minerals as the valuable minerals, or common materials, potential to have any economic value are so low that it would have negligible impact on the highest and best use and the motivations of the likely buyers and sellers for these parcels as of the effective date of appraisal.

h. Water Rights: Water rights are part of the subject ownership and no water rights held by others on the property were identified.

i. Larger Parcel: The subject property is an independent marketable tract and is the larger parcel.

j. Assumptions:

Extraordinary Assumption: The last property inspection occurred on April 22, 2019 and an extraordinary assumption is made that the property was in similar condition at the date of value. The appraisal identifies that their general awareness of the market and activities in the region indicate there was no change in the condition of the property and that they confirmed with the property owner's representative that they had no knowledge of changes.

Hypothetical Condition: A hypothetical condition is made that the property is in private ownership and zoned consistent with similar privately owned property in the area. The hypothetical condition is consistent with his specific appraisal instructions and appraisal standards for exchange purposes to reflect market value.

k. Highest & Best Use: The highest and best use reflects the limitations of the site from the lack of vehicular access. Its zoning is for residential use and some utility as a private retreat or recreation cabin site remains. The highest and best use is as a recreation retreat site.



- l. Valuation:** The property value was estimated based on the sales comparison approach. Suitable comparable sales were researched and those considered useful selected for use in the analysis. The appraisal applied qualitative adjustments for factors considered to influence value and establish a unit price range to work within. The sales prices and their weight in the reasoning were used to conclude at the estimated unit value of \$2,700 per acre.
- m. Date of Value:** February 7, 2020
- n. Date of Appraisal:** March 24, 2021
- o. Appraiser:** Charles Horan, MAI
- p. Value:** \$292,000
- q. Appraisal Client:** The appraiser's client is the USDA Forest Service.
- r. Intended Users:** Intended users of the appraisal include the USDA Forest Service, the Alaska Mental Health Trust, and their authorized representatives.
- s. Purpose / Use:** The intended use of the appraisal is to provide a credible, reliable, accurate and properly supported opinion of the market value of the subject property, as a basis for conducting the land exchange.



Subject: Appraisal Summary
Sitka S-4 Phase 2B non-Federal Lands
As reported in the “AMHT Land Exchange Appraisal, Non-Federal Land Phase 2B” Appraisal Report

Following is the summary of the Sitka S-4 property appraisal as included in the “AMHT Land Exchange Appraisal, non-Federal Land Phase 2B” report that was prepared by Charles Horan, MAI. The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The property is owned by the Alaska Mental Health Land Trust Authority. A hypothetical condition is included that the property is in private ownership and zoned consistent with similar privately owned property in the area. The last property inspection occurred on April 22, 2019 and an extraordinary assumption is made that the property was in similar condition at the date of value.

The date of value for the appraisal is February 7, 2020 and the opinion of Market Value concluded in the report is \$286,000.



Sitka S-4



Appraisal Report Summary

a. Owner of Record: Alaska Mental Health Land Trust Authority

b. Estate Appraised: The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The appraisal includes a “Significant Title Encumbrances” section that recognizes the title report items.

Exception number 15 discloses the exception for an easement agreement for the Sitka Cross Trail along the north tip of this parcel. It is a 25-foot-wide perpetual public easement for a pedestrian trail; document 2015-000649-0.

Plat 2003-17 in notes a 15-foot-wide utility easement along the eastern edge of the property south of Cascade Creek Road.

These easements give pedestrian and utility access to and through the subject property. They are not significant in terms of the subjects current highest and best use, as noted in the valuation analysis.

This property is subject to regulatory issues with regard to wetlands and fish streams. These exceptions are noted but are not considered significant in terms of having an unusual impact on the utility of the properties or their Highest and Best Use as related to what is

typically found in the market.

c. Legal Description:

Tract D-1 of Trust Land Survey 2003-07, Cascade Creek Subdivision – Phase 1.

Containing 25.97 acres, according Cascade Creek Subdivision - Phase 1, dated June 4, 2003, recorded under Plat No. 2004-13 in the Sitka Recording District, First Judicial District, State of Alaska.

d. Property Overview: The below includes excerpts from the appraisal report descriptions to provide an overview of the subject property appraised.

Size: 25.97 acres.

Shape: Parcel S-4 contains 25.97 acres. It is generally a rectangle, with a sawtooth edge on the southeast border. It is oriented north-west to south-east, with the southeastern corner an irregular property line around the adjacent subdivision. Cascade Creek bisects the parcel running north to south.

Access/Frontage: Parcel S-4 has two limited access points on Cascade Creek Road. It may be possible to negotiate access from Dodge Circle on the southeast side, and more likely from Kramer Avenue and Jacobs Circle to the west. The Sitka Cross Trail crosses the northern corner of the parcel and can be accessed from the upper end

Topography: Parcel S-4 slopes from about 50' in elevation to over 300' over the course of the entire parcel length, with the highest elevations being where the Cross Trail crosses in the northern corner of the parcel.

Soils: The soils are typical of southeast Alaska, with well drained alluvial soils on the lower hillside, and shallower soils at higher elevations. The Forest Service provided a wetland and floodplain summary report for the subject exchange lands that identified the property acreage to be approximately 35% in uplands and 65% in wetlands. None of the property is in a floodplain.

Vegetation: Western hemlock, Sitka spruce, and Alaska yellow cedar trees with associated understory brush and ground cover.

Anadromous Streams: Cascade Creek flows through the center of the parcel and is an anadromous stream for approximately six hundred feet and is habitat for chum, Coho, and pink salmon.

Utilities: There are no known utilities in this parcel, but they are extended to the nearby subdivisions.

Zoning: The property is zoned R-1, single family and duplex residential district.

e. Improvements: The property is not improved with structures.

f. Timber: The trees on this parcel are not of the size, quality or quantity to be considered commercially viable as concluded in the timber evaluation report.

g. Minerals: The appraisal references the provided USFS 2020 mineral potential report that identifies a lack of expectations for valuable mineral deposits. The appraisal considers that there would be no significant value placed on the minerals as the valuable minerals, or



common materials, potential to have any economic value are so low that it would have negligible impact on the highest and best use and the motivations of the likely buyers and sellers for these parcels as of the effective date of appraisal.

h. Water Rights: Water rights are part of the subject ownership and 1 right held by others within or near the property was identified. These types of water rights are reported to consist of minimal water uses captured on the hill side by adjacent owners that do not inhibit the highest and best use of the property.

i. Larger Parcel: The subject property is an independent marketable tract and is the larger parcel.

j. Assumptions:

Extraordinary Assumption: The last property inspection occurred on April 22, 2019 and an extraordinary assumption is made that the property was in similar condition at the date of value. The appraisal identifies that their general awareness of the market and activities in the region indicate there was no change in the condition of the property and that they confirmed with the property owner's representative that they had no knowledge of changes.

Hypothetical Condition: A hypothetical condition is made that the property is in private ownership and zoned consistent with similar privately owned property in the area. The hypothetical condition is consistent with his specific appraisal instructions and appraisal standards for exchange purposes to reflect market value.

k. Highest & Best Use: The highest and best use is for a large lot residential development.

l. Valuation: The property value was estimated based on the sales comparison approach. Suitable comparable sales were researched and those considered useful selected for use in the analysis. The appraisal applied qualitative adjustments for factors considered to influence value and establish a unit price range to work within. The sales prices and their weight in the reasoning were used to conclude at the estimated unit value of \$11,000 per acre.

m. Date of Value: February 7, 2020

n. Date of Appraisal: March 24, 2021

o. Appraiser: Charles Horan, MAI

p. Value: \$285,000

q. Appraisal Client: The appraiser's client is the USDA Forest Service.

r. Intended Users: Intended users of the appraisal include the USDA Forest Service, the Alaska Mental Health Trust, and their authorized representatives.

s. Purpose / Use: The intended use of the appraisal is to provide a credible, reliable, accurate and properly supported opinion of the market value of the subject property, as a basis for conducting the land exchange.



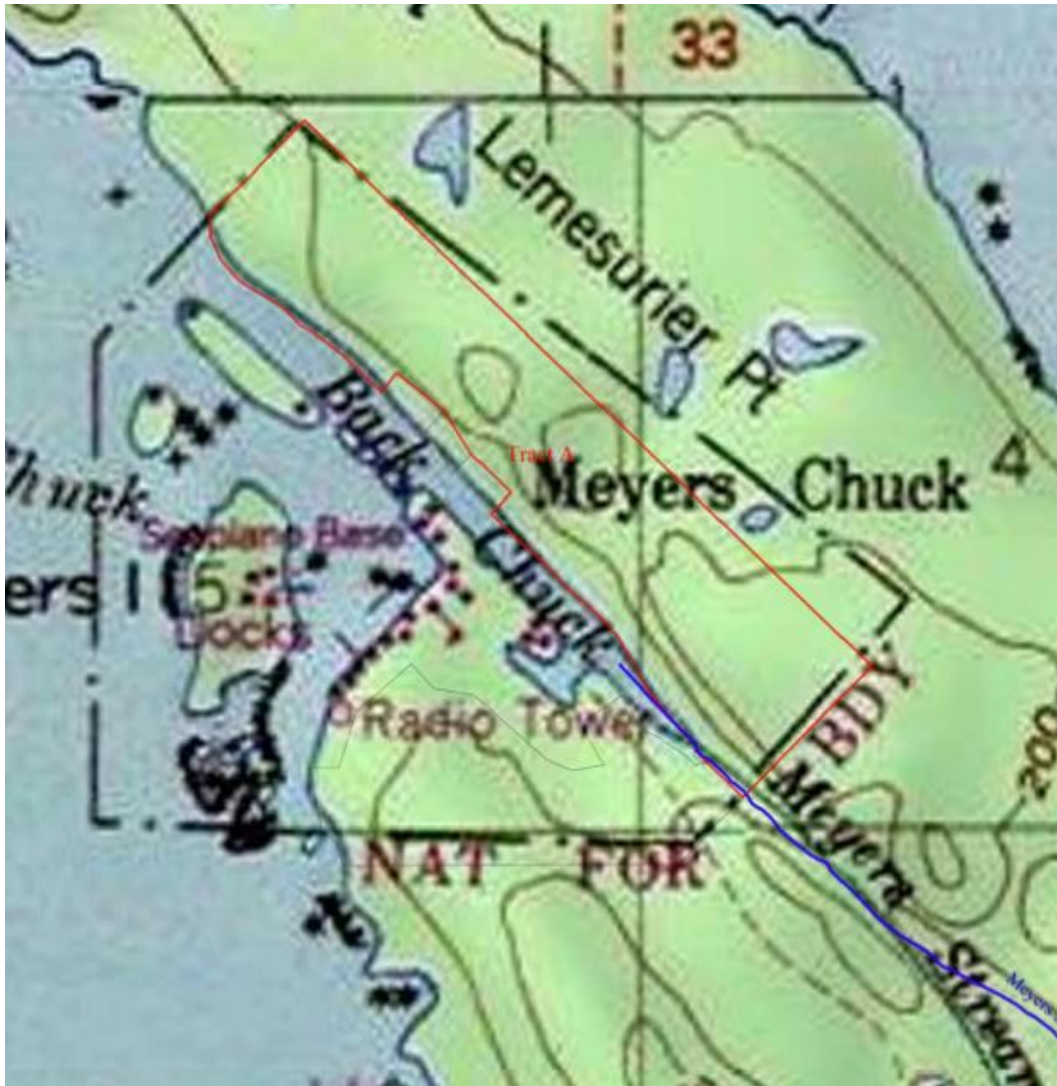
Subject: Appraisal Summary
Meyers Chuck MC-1 Phase 2B non-Federal Lands
As reported in the “AMHT Land Exchange Appraisal, Non-Federal Land Phase 2B” Appraisal Report

Following is the summary of the Meyers Chuck MC-1 property appraisal as reported in the “AMHT Land Exchange Appraisal, non-Federal Land Phase 2B” report that was prepared by Charles Horan, MAI. The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The property is owned by the Alaska Mental Health Land Trust. A hypothetical condition is included that the property is in private ownership and zoned consistent with similar privately owned property in the area.

The date of value for the appraisal is February 7, 2020 and the opinion of Market Value concluded in the report is \$320,000.



Meyers Chuck MC-1



Appraisal Report Summary

- a. Owner of Record:** Alaska Mental Health Land Trust Authority
- b. Estate Appraised:** The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The appraisal includes a “Significant Title Encumbrances” section that recognizes the following items.

Significant encumbrances were noted on subject Plat 2019-3 Wrangell Recording district (WRD), including note 7 has indicated upon the Plat a 50-foot access easement along the shoreline. This plat is typical of state conveyed lands and does not appear to significantly inhibit the subject highest and best use. Plat note 8 also refers to a trail easement that does not appear to be on the subject parcel.

This property is subject to regulatory issues with regard to wetlands and fish streams. These exceptions are noted but are not considered significant in terms of having an unusual impact



on the utility of the properties or their Highest and Best Use as related to what is typically found in the market.

c. Legal Description:

Tract A of Trust Land Survey 2018-08, MC-1 Subdivision.

Containing 139.27 acres according to Trust Land Survey No. 2018-08, dated November 21, 2018, and recorded under Plat No. 2019-3 in the Wrangell Recording District, First Judicial District, State of Alaska.

d. Property Overview: The below includes excerpts from the appraisal report descriptions to provide an overview of the subject property appraised.

Size: 139.27 acres

Shape: The property is roughly rectangular in shape, extending from the southeast to northwest along the east shore of the of Lemesurier Point on the North end of the Cleveland Peninsula. It is 5,635.04 feet long with the widest dimension 1,314.18 feet on the southeast end, and the narrowest dimension 995.79 feet on the northwest end. The western boundary of the parcel is the meander of a saltwater channel, Back Chuck, which separates it from the main community of Meyers Chuck, to the west.

Access/Frontage: The saltwater shoreline is approximately 3,056 feet of frontage, with another 485 feet fronting on Meyers Stream. A 50-foot-wide access easement for public access from State tidelands to uplands exists along the saltwater shoreline. Access to the parcel is limited to boat or floatplane access to the shoreline – there are no roads on or near this property.

Topography: The uplands rise steeply from the saltwater frontage, with occasional narrow, moderately sloping areas along the shoreline, rising to the 80-foot elevation in an average of 150 feet from the shoreline (an approximate 53% slope). Approximately 126 acres, or 90% of Tract A is above the 80-foot elevation. The highest point is approximately 230 feet elevation, and the majority of the interior is above 120 feet elevation.

Soils: The soils are typical of southeast Alaska, with relatively well drained soils on the slopes below the 120-foot elevation, and wetter soils and muskeg areas predominating the higher elevations of the property. The Forest Service provided a wetland and floodplain summary report for the subject exchange lands that identified the property acreage to be approximately 27% in uplands and 73% in wetlands. Less than 1% of the property is in a floodplain.

Vegetation: The entire property is a medium to low volume per acre western hemlock, Sitka spruce, western red cedar and Alaska yellow cedar forest with the typical understory of lodgepole pine and brush species, such as huckleberry and salal. Hemlock is the dominant species; however, it is generally of low quality. Sitka spruce and western red cedar trees are scattered throughout. The spruce and cedar are generally medium quality, however any good quality trees within reach of saltwater have been harvested. Areas of windthrow or other disturbance to the timber stand are evident along the lower elevations of the west side.



Anadromous Streams: Meyers Stream, adjacent to the property boundary on the southwest corner, is listed in the State of Alaska Department of Fish & Game Anadromous Water catalogue as anadromous stream 102-80-10050, with Chum, Coho, and Pink salmon.

Utilities: There are no utilities extended into this parcel.

Zoning: Meyers Chuck, and the surrounding area including this property are located within the City and Borough of Wrangell. Meyers Chuck is not incorporated, but local decisions are made by a Community Council. According to the City and Borough of Wrangell Comprehensive plan, Meyers Chuck and the lower elevation portion of the subject are zoned “Remote Residential Mixed-Use Zoning”, the surrounding areas are zoned “Open Space/Public”. Under the hypothetical condition that the land is privately owned, we will assume that uses allowed under “Remote Residential” would be allowed on the subject.

e. Improvements: The property is not improved with structures.

f. Timber: The trees on this property could not be economically harvested as of the date of this appraisal. The lack of reasonable access to the property and the estimated low volume of acceptable quality spruce and cedar trees, would not support a commercially viable harvest operation.

g. Minerals: The appraisal references the provided USFS 2020 mineral potential report that identifies a lack of expectations for valuable mineral deposits. The appraisal considers that there would be no significant value placed on the minerals as the valuable minerals, or common materials, potential to have any economic value are so low that it would have negligible impact on the highest and best use and the motivations of the likely buyers and sellers for these parcels as of the effective date of appraisal.

h. Water Rights: Water rights are part of the subject ownership and 1 water right held by others on or in the vicinity of property is identified. These types of rights are reported as minimal water uses captured on the property by adjacent owners that do not inhibit the highest and best use of the property.

i. Larger Parcel: The subject property is an independent marketable tract and is the larger parcel.

j. Assumptions:

Hypothetical Condition: A hypothetical condition is made that the property is in private ownership and zoned consistent with similar privately owned property in the area. The hypothetical condition is consistent with his specific appraisal instructions and appraisal standards for exchange purposes to reflect market value.

k. Highest & Best Use: The highest and best use is for a larger lot remote recreational retreat.

l. Valuation: The property value was estimated based on the sales comparison approach. Suitable comparable sales were researched and those considered useful selected for use in the analysis. The appraisal applied qualitative adjustments for factors considered to influence value and establish a unit price range to work within. The sales prices and their weight in the reasoning were used to conclude at the estimated unit value of \$2,300 per acre.

m. Date of Value: February 7, 2020



n. Date of Appraisal: March 24, 2021

o. Appraiser: Charles Horan, MAI

p. Value: \$320,000

q. Appraisal Client: The appraiser's client is the USDA Forest Service.

r. Intended Users: Intended users of the appraisal include the USDA Forest Service, the Alaska Mental Health Trust, and their authorized representatives.

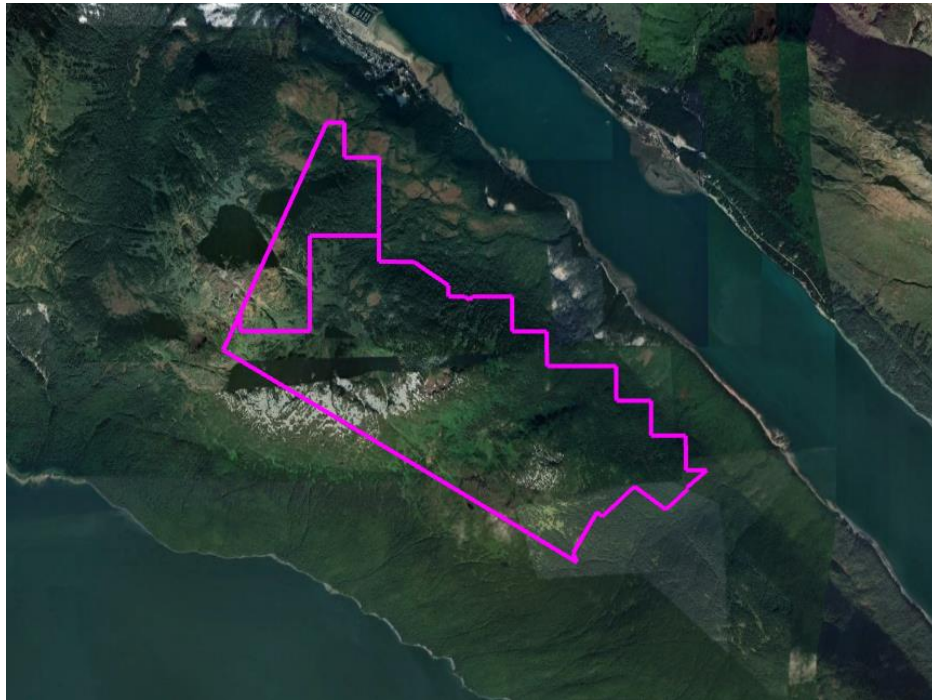
s. Purpose / Use: The intended use of the appraisal is to provide a credible, reliable, accurate and properly supported opinion of the market value of the subject property, as a basis for conducting the land exchange.



Subject: Appraisal Summary
Juneau J-1A, J-1B Phase 2B non-Federal Lands
As reported in the “AMHT Land Exchange Appraisal, Non-Federal Land Phase 2B” Appraisal Report

Following is the summary of the Juneau J-1A, J-1B property appraisal as included in the “AMHT Land Exchange Appraisal, non-Federal Land Phase 2B” report that was prepared by Charles Horan, MAI. The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The property is owned by the Alaska Mental Health Land Trust Authority. A hypothetical condition is included that the property is in private ownership and zoned consistent with similar privately owned property in the area. The last property inspection occurred on July 23, 2019 and an extraordinary assumption is made that the property was in similar condition at the date of value.

The date of value for the appraisal is February 7, 2020 and the opinion of Market Value concluded in the report is \$1,586,000.



Juneau J-1A, J-1B



Appraisal Report Summary

- a. Owner of Record:** Alaska Mental Health Land Trust Authority
- b. Estate Appraised:** The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions.

No significant encumbrances were noted on subject. The title report did note that there was no recorded means of ingress and egress to a public road in which the appraiser has noted in its valuation analysis and conclusion.

This property is subject to regulatory issues with regard to wetlands and fish streams. These exceptions are noted but are not considered significant in terms of having an unusual impact



on the utility of the properties or their Highest and Best Use as related to what is typically found in the market.

c. Legal Description:

Lot 1 of Trust Land Survey 2018-15, a subdivision within Lot 2 of U.S. Survey No. 3853. Containing 2,644.06 acres according to Trust Land Survey No. 2018-15, a subdivision within Lot 2 of U.S. Survey No. 3853, dated December 29, 2018 and recorded under Plat 2019-11, in the Juneau Recording District, First Judicial District, State of Alaska.

d. Property Overview: The below includes excerpts from the appraisal report descriptions to provide an overview of the subject property appraised.

Size: 2,644.06 acres.

Shape: The parcel is irregularly shaped and somewhat compact. It has a highly irregular sawtooth-shaped northeast boundary extending nearly 4 miles facing Gastineau Channel just above municipal and private lands along the waterfront. The parcel extends inland rising steeply along its north-northwest boundary, passing the peak of Mt Bradley (Mt Jumbo) and extending about 1.8 miles (9,389.5 feet). Its straight south-southwesterly boundary extends approximately 3 miles (15,868.99 feet) nearly bisecting south Douglas Island. It has an irregular southeast boundary extending along the westerly slopes above Nevada Creek about 1.25 miles. All in all, the parcel lies about 1/3-mile to just over a mile inland from the shores of Gastineau Channel.

Access: The J-1A and J-1B parcels are located on Douglas Island. J-1A is situated on the slope and peak of Mt Bradley (Mt Jumbo). J-1B encompasses the northern slopes and top of McDonough Peak, and the eastern slopes of Mt Bradley (Mt. Jumbo). Access to both parcels is by helicopter and foot trail.

Topography: The north portion of the parcel's elevation begins at around 600 feet at the northern tip, located just south of Douglas. Elevation increases north to south as the parcel continues up the side of Mt. Bradley, also called Mt. Jumbo. Elevation reaches around 2,000 feet in the midsection of the parcel and rises to over 3,000 feet at the peak of the mountain at the southern end of the parcel.

The central and southern portion of the parcel's lowest elevations are found along the northern boundary, near the base of the parcel's mountains, and with elevations between 500 and 800 feet. Proceeding north to south along the parcel, the elevations increase, to heights of over 3,200 feet at McDonough Peak, and along the mountain ridges located at the southern property boundary.

Soils: The large and diverse site has varied soil characteristics. Above the tree line the soil is thin with weathered bedrock outcroppings. The predominant mid to lower elevation portions of the site are typical of the region with organic peat-like vegetation-muskeg. Typical of the area there is the silty-loam and gravelly silt subsoil. It becomes gravelly in places with mud and stratified with fine sand and loam. The deep soils are un-weathered bedrock.



The Forest Service provided a wetland and floodplain summary report for the subject exchange lands that identified the property acreage to be approximately 97% in uplands and 3% in wetlands. None of the property is in a floodplain.

Vegetation: The vegetation varies with elevation. The vegetation at the highest elevation is lichen and moss with sparse low shrubs on exposed rock terrain, transitioning into muskeg and scrub hemlock and spruce at about the 1,500-foot elevation. The timber size and quality improve as the elevation decreases, to the extent that below the approximately 800-foot elevation, hemlock and spruce trees appear of merchantable condition; however due to the lack of road access, the timber is not commercially feasible for harvest.

Anadromous Streams: None identified per USGS map. The significant streams that flow through this site fall off a bench offsite close to the shoreline which preclude upstream migration.

Utilities: The property is undeveloped and have no utilities on site. Utilities are extended to the community of Douglas, located around half a mile to the north.

Zoning: RR Zoned (Rural Reserve) – Per the Juneau City Code Chapter 49.25.200, the RR zoning district is intended for lands primarily in public ownership managed for the conservation and development of natural resources and for future community growth. In addition, recreation cabins, lodges, and small seasonal recreational facilities may be allowed.

e. Improvements: The property is not improved with structures.

f. Timber: The preliminary analysis by Clare Doig, Forest & Land Management, Inc. completed an estimate of potential timber return for the property. It concluded that that though there could possibly be a positive return from selectively helicopter logging the highest value logs, the relatively low total volume that could be recovered and the high cost of helicopter logging would result in an operation with much higher risk than would be acceptable to a timber purchaser. This analysis indicates the described timber would not have the highest and best use as harvestable merchantable timber land.

g. Minerals: The appraisal references the provided USFS 2020 mineral potential report that identifies a lack of expectations for valuable mineral deposits. The appraisal considers that there would be no significant value placed on the minerals as the valuable minerals, or common materials, potential to have any economic value are so low that it would have negligible impact on the highest and best use and the motivations of the likely buyers and sellers for these parcels as of the effective date of appraisal.

h. Water Rights: Water rights are part of the subject ownership, but no rights held by others within or near the property were identified.

i. Larger Parcel: Juneau J-1A and J-1B are identified as separate parcels in the exchange. They are contiguous and the appraisal identifies them as an independent marketable tract consider with the legal description and represent one larger parcel.

j. Assumptions:

Extraordinary Assumption: The last property inspection occurred on July 23, 2019 and an extraordinary assumption is made that the property was in similar condition at the date of



value. The appraisal identifies that their general awareness of the market and activities in the region indicate there was no change in the condition of the property and that they confirmed with the property owner's representative that they had no knowledge of changes.

Hypothetical Condition: A hypothetical condition is made that the property is in private ownership and zoned consistent with similar privately owned property in the area. The hypothetical condition is consistent with his specific appraisal instructions and appraisal standards for exchange purposes to reflect market value.

k. Highest & Best Use: The highest and best use is for recreation use.

l. Valuation: The property value was estimated based on the sales comparison approach. Suitable comparable sales were researched and those considered useful selected for use in the analysis. The appraisal applied qualitative adjustments for factors considered to influence value and establish a unit price range to work within. The sales prices and their weight in the reasoning were used to conclude at the estimated unit value of \$600 per acre.

m. Date of Value: February 7, 2020

n. Date of Appraisal: March 24, 2021

o. Appraiser: Charles Horan, MAI

p. Value: \$1,586,000

q. Appraisal Client: The appraiser's client is the USDA Forest Service.

r. Intended Users: Intended users of the appraisal include the USDA Forest Service, the Alaska Mental Health Trust, and their authorized representatives.

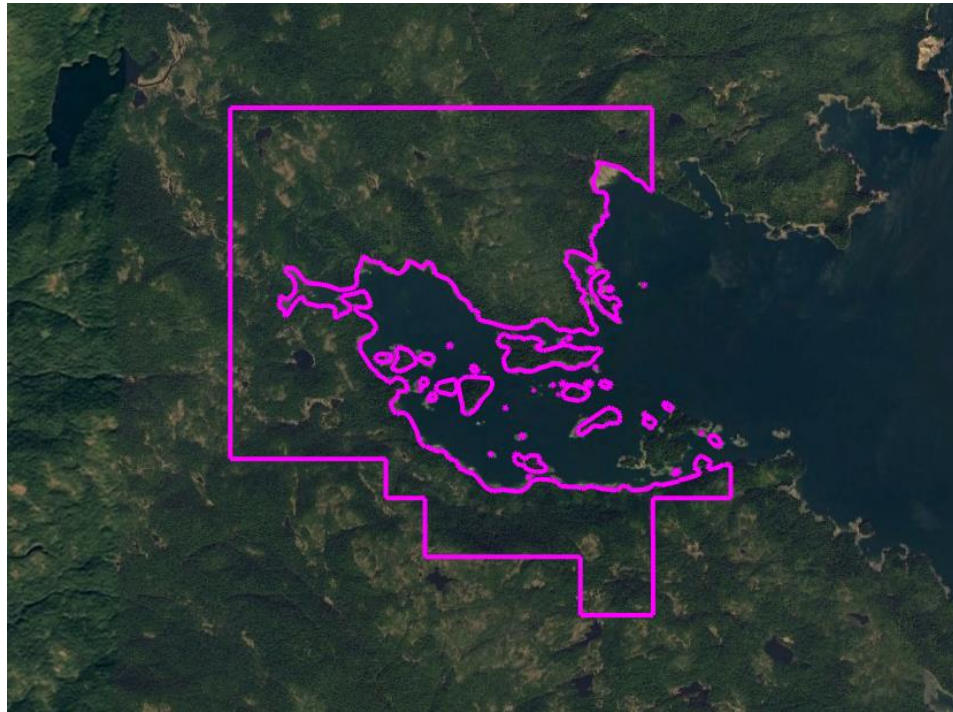
s. Purpose / Use: The intended use of the appraisal is to provide a credible, reliable, accurate and properly supported opinion of the market value of the subject property, as a basis for conducting the land exchange.



Subject: Appraisal Summary
No Name Bay NB-1 Phase 2B non-Federal Lands
As reported in the “AMHT Land Exchange Appraisal, Non-Federal Land Phase 2B” Appraisal Report

Following is the summary of the No Name Bay NB-1 property appraisal as included in the “AMHT Land Exchange Appraisal, non-Federal Land Phase 2B” report that was prepared by Charles Horan, MAI. The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The property is owned by the Alaska Mental Health Land Trust Authority. A hypothetical condition is included that the property is in private ownership and zoned consistent with similar privately owned property in the area. The last property inspection occurred on July 9, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value.

The date of value for the appraisal is February 7, 2020 and the opinion of Market Value concluded in the report is \$3,172,000.



No Name Bay NB-1

NB-1 No Name Bay



Appraisal Report Summary

a. Owner of Record: Alaska Mental Health Land Trust Authority

b. Estate Appraised: The estate appraised is the “as-is” fee interest, as encumbered by existing easements, encroachments and restrictions. The appraisal includes a “Significant Title Encumbrances” section that recognizes the title report items.

The ALTA Commitment for Title Insurance by Stewart Title Guaranty Company dated December 1, 2020, commitment number 44724 B was considered. Notable encumbrances include an Exception 12 which points out section line easements and Exceptions 18 through 23 which are Federal Agency rights-of-way, essentially Forest Service easements, which are also noted on the BLM survey maps and the Patent.

These reservations for roads are acknowledged. These roads are not constructed. The nearest terminus is 10 miles away. It is highly unlikely that there would be forestry development in the area that would motivate the Forest Service to actually construct these roads. Also, there is



a five-year expiration on these rights-of-way, which further limits their likelihood of development.

The other title encumbrance is pending litigation. September 2013 the Southeast Alaska Conservation Council (SEACC) filed a complaint in state Superior Court against the State of Alaska, Department of Natural Resources (DNR), and the Alaska Mental Health Trust Authority. The claim is that the State is not managing the 3,400 acres selected by the State at No Name Bay for wildlife habitat protection as agreed. There was a Request for Decision by Date Certain filed in the Supreme Court of the State of Alaska on July 7, 2020 asking for a decision in this case as to who controls the land on or before August 21, 2020. As of date of writing this report, the appraiser has not been informed of a ruling in this case. The ownership of the parcel is inconsequential to the appraisal since it is a hypothetical.

**-Note, the litigation item by the conservation group was withdrawn and is not a necessary exclusion item. However, the title report did not reflect this fact in the most recent document. For appraisal purposes, market value is estimated specifically considering the property as if in private ownership and available for its highest and best use. The appraisal does not consider any impact from the title item.*

c. Legal Description:

Copper River Meridian

Township 62 South, Range 73 East,

Section 1: S $\frac{1}{2}$;

Section 2: S $\frac{1}{2}$;

Section 3: E $\frac{1}{2}$ SE $\frac{1}{4}$;

Section 10: E $\frac{1}{2}$ E $\frac{1}{2}$;

Section 11: Lots 1 thru 7, N $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$;

Section 12: Lots 1 thru 11, N $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$;

Section 13: Lots 1 thru 25;

Section 14: Lots 1 thru 8, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$;

Section 15: E $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 24: N $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ N $\frac{1}{2}$.

Aggregating 2,826.11 acres as shown on the original survey officially filed July 11, 1995.

Township 62 South, Range 74 East,

Section 6: Lots 1, 2 and 3, NE $\frac{1}{4}$ SW $\frac{1}{4}$,

Section 7: Lots 1 thru 7;

Section 18: Lots 1 thru 9, and Lots 11 thru 16;

Section 19: Lots 1, 2, and 3, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$.

Aggregating 512.88 acres as shown on the original survey officially filed July 11, 1995.

Aggregating 3,338.99 acres.

d. Property Overview: The below includes excerpts from the appraisal report descriptions to provide an overview of the subject property appraised.

Size: 3,338.99 acres.



Shape: The parcel is approximately 4 ¼ miles wide east and west and 3 ¼ miles deep north and south. It covers about 80% of the frontage of No Name Bay along over 9 miles of coastline on Kuiu Island. There are 3,175.64 acres of the site on Kuiu Island. This unique coastal parcel contains 38 islands totaling 163.35 acres within No Name Bay. There are 21 islands less than 1 acre, 9 islands between 1 and 5 acres, 4 islands between 5 and 10 acres and 4 islands over 10 acres.

Access/Frontage: No Name Bay is located on the East side of Kuiu Island, approximately 33.5 miles south of Kake and approximately 15 miles northwest of Point Baker. This is a remote location with no road connection; the only modes of access are either by boat or by charter aircraft from Petersburg (45 miles) or Klawock (70 miles). The Forest Service developed a road system on the north end of the island; however, its nearest extension south is to Port Camden, 10 miles away.

Topography: The uplands are relatively low elevation, below 600 feet, with flat to gentle slopes. The timber that is potentially commercially operable is western hemlock, Sitka spruce, and Alaska yellow cedar. Interspersed with the commercially operable timber types are areas of muskeg, areas of low volume, low quality timber, and areas of young growth timber resulting from harvest in the 1960's during U.S. Forest Service management of the area.

Soils: The soils are bedrock overlain with organic soils that have very little water retention. In basins they are wet and tend to be muskeg areas with limited vegetation and on slopes they support the typical vegetation of hemlock, cedar, and spruce with an understory of brush. The Forest Service provided a wetland and floodplain summary report for the subject exchange lands that identified the property acreage to be approximately 46% in uplands and 54% in wetlands. Less than 1% of the property is in a floodplain.

Vegetation: The site is wooded with medium second growth of spruce, hemlock, and some yellow cedar. Much of the yellow cedar is dying off. The second growth has regeneration from harvesting in the 1960s. There's a typical understory of low-lying brushy vegetation.

Anadromous Streams: Surface water bodies within the parcel are five anadromous fish streams and seven ponds ranging in size from .4 acres to 7 acres.

Utilities: The property is remote, and public utilities are not available. There is no power, communications, or water utility systems available.

Zoning: The subject property is not located within a municipality that designates zoning. Development of the timber resource would be subject to state forestry requirements. This area is governed by the State of Alaska Forest Resources Practices Act and Regulations. Wastewater disposal would be subject to the requirements of the Alaska State Department of Environmental Conservation. Development of wetlands would be subject to laws and regulations administered by the U.S. Army Corps of Engineers. According to the Alaska Department of Natural Resources Central/Southern Southeast Area Plan adopted November 2000, Unit 64, No Name Bay has managed resources for protecting Pacific herring spawning habitat, as well as commercial fishing and Dungeness crab harvest values. The adjacent uplands are designated as "Semi-Remote Recreation areas in the Tongass Land and Resource Management Plan.



- e. Improvements:** The property is not improved with structures.
- f. Timber:** The appraisal reports that specialist Clare Doig of Forest & Land Management, Inc. estimates about 1,306 acres (39%) of the site has timber with the total volume of about 30,000,000 board feet. The estimated operating costs are relatively high due to the location constraints. Mr. Doig concludes that there is no positive timber resource. If timber were to be extracted from the subject it would be most effective to clear-cut the land. This would preclude the recreational highest and best use which would have a higher feasible value.
- g. Minerals:** The appraisal references the provided USFS 2020 mineral potential report that identifies a lack of expectations for valuable mineral deposits. The appraisal considers that there would be no significant value placed on the minerals as the valuable minerals, or common materials, potential to have any economic value are so low that it would have negligible impact on the highest and best use and the motivations of the likely buyers and sellers for these parcels as of the effective date of appraisal.
- h. Water Rights:** Water rights are part of the subject ownership, but no rights held by others within or near the property were identified.
- i. Larger Parcel:** The subject has integrity of use as one larger parcel ready for some type of speculative private or commercial recreation development plan. It is the larger parcel.
- j. Assumptions:**
- Extraordinary Assumption: The last property inspection occurred on July 9, 2018 and an extraordinary assumption is made that the property was in similar condition at the date of value. The appraisal identifies that their general awareness of the market and activities in the region indicate there was no change in the condition of the property and that they confirmed with the property owner's representative that they had no knowledge of changes.
- Hypothetical Condition: A hypothetical condition is made that the property is in private ownership and zoned consistent with similar privately owned property in the area. The hypothetical condition is consistent with his specific appraisal instructions and appraisal standards for exchange purposes to reflect market value.
- k. Highest & Best Use:** The highest and best use is for private or commercial recreation.
- l. Valuation:** The property value was estimated based on the sales comparison approach. Suitable comparable sales were researched and those considered useful selected for use in the analysis. The appraisal applied qualitative adjustments for factors considered to influence value and establish a unit price range to work within. The sales prices and their weight in the reasoning were used to conclude at the estimated unit value of \$950 per acre.
- m. Date of Value:** February 7, 2020
- n. Date of Appraisal:** March 24, 2021
- o. Appraiser:** Charles Horan, MAI
- p. Value:** \$3,172,000
- q. Appraisal Client:** The appraiser's client is the USDA Forest Service.



- r. Intended Users:** Intended users of the appraisal include the USDA Forest Service, the Alaska Mental Health Trust, and their authorized representatives.
- s. Purpose / Use:** The intended use of the appraisal is to provide a credible, reliable, accurate and properly supported opinion of the market value of the subject property, as a basis for conducting the land exchange.

