

Appraisal Assignment
Format: Appraisal Report

Reliant



Vintage II Subdivision

Vintage Blvd
Juneau, Alaska 99801

Latitude: 58.37209, Longitude: -134.5966

Reliant Reference Number: 19-0420



as of April 18, 2019

9330 Vanguard Drive, Suite 201
Anchorage, Alaska 99507
Phone: (907) 929-2226
Fax: (907) 929-2260
Email: admin@reliantadvisory.com
www.reliantadvisory.com

Prepared For:
City/Borough of Juneau



9330 Vanguard Drive, Suite 201
Anchorage, Alaska 99507
Phone: (907) 929-2226
Fax: (907) 929-2260
Email: admin@reliantadvisory.com
www.reliantadvisory.com

Letter of Transmittal

May 17, 2019

Mr. Scott Ciambor
Chief Housing Officer
City/Borough of Juneau
155 S. Seward St.
Juneau, AK 99801

RE: **Vintage II Subdivision**
Vintage Blvd
Juneau, Alaska 99801

Dear Mr. Ciambor:

At your request, an appraisal of the above referenced property has been prepared. The results of the assignment are presented in *Appraisal Report* format. The purpose of the assignment is to estimate the market value of the real estate in its current As Is condition. The *Fee Simple* interest in the subject has been analyzed.

The report will be used by City/Borough of Juneau (the Client) for potential purchase. Although other parties may in some cases obtain a copy of this report, it should not be relied upon by anyone other than the intended user(s), or for anything other than the intended use.

This assignment has been prepared and presented in conformance with the client's instructions, the current Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation, as well as the bylaws of the Appraisal Institute. --

The subject is a parcel of vacant land containing an area of 2.35 Acres or 102,309 gross square feet. The usable site area is 2.31 Acres or 100,619 square feet. The property is zoned MU, Mixed Use. A site and neighborhood observation has been made, and photographs taken. Market information and data regarding other similar real estate has been obtained. This data has been analyzed using appropriate techniques and methodologies necessary to develop a credible and reliable estimate of market value.



RE: **Vintage II Subdivision**

As a result of research and analysis, the value estimate(s) for the subject is/are as follows:

FINAL MARKET VALUE ESTIMATE	
Vintage II Subdivision	
Property Rights	Fee Simple
Condition	As Is
Effective Date of Appraisal	April 18, 2019
Final Market Value Estimate	\$1,860,000

The value estimates are based on a marketing period of approximately 12 months and an exposure period of approximately 6 months. The value opinion reported above is qualified by certain assumptions, limiting conditions, certifications and definitions, which are set forth in the body of the report. This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits and Addendum. Thank you for the opportunity to be of service. If you have any questions, please feel free to call.

Respectfully submitted,

A handwritten signature in black ink that reads 'Kim M. Wold'.


Kim M. Wold

Alaska Certified General - No. 52

Certification

The undersigned certify that, to the best of their knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are their personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. They have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. They have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. They have provided a previous service, as an appraiser or in any other capacity, regarding the subject within the three years prior to accepting this assignment. This came in the form of an appraisal in December 2016.
6. Engagement in this assignment was not contingent upon their developing or reporting predetermined results.
7. Compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value/assignment result or direction in value/assignment result that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal/review.
8. Analysis, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. No one provided significant real property appraisal assistance to the persons signing this certification and they are competent and qualified to perform the appraisal assignment.
10. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Kim has completed the requirements of the continuing education program for Candidates/Practicing Affiliates of the Appraisal Institute, and for certified appraisers in the State of Alaska.



Kim M. Wold
Alaska Certified General No. 52

Table of Contents

LETTER OF TRANSMITTAL..... I

CERTIFICATION..... III

TABLE OF CONTENTS V

ASSIGNMENT-SPECIFIC PREMISES - 1 -

 OVERVIEW - 1 -

 ASSIGNMENT-SPECIFIC EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS - 1 -

 ASSIGNMENT-SPECIFIC HYPOTHETICAL CONDITIONS..... - 1 -

ASSIGNMENT OVERVIEW..... - 3 -

 IDENTITY OF PROPERTY - 3 -

 Name - 3 -

 Brief Description..... - 3 -

 Address..... - 3 -

 Geo Coordinates - 3 -

 Physical Location..... - 3 -

 Assessor’s Tax Parcel Number(s)..... - 3 -

 Abbreviated Legal Description - 3 -

 Current Use..... - 3 -

 Appraised Use..... - 3 -

 Highest and Best Use - 3 -

 SCOPE OF ASSIGNMENT - 4 -

 Value Definition(s)..... - 4 -

 Other Definitions..... - 4 -

 Purpose - 4 -

 Intended Use - 4 -

 Intended User(s)..... - 4 -

 Property Interest Appraised..... - 4 -

 Property Rights Appraised..... - 4 -

 Report Presentation - 4 -

 Inspection Date - 5 -

 Effective Date..... - 5 -

 Report Date - 5 -

 SCOPE OF WORK..... - 5 -

 Overview - 5 -

 Limitations to Scope of Work - 5 -

 Compliance - 5 -

 Assignment Presentation..... - 6 -

 Special Client Instructions - 6 -

 Subject Walk Through..... - 6 -

 Division of Appraisal Responsibilities - 6 -

 Information Provided to Appraiser for Consideration..... - 6 -

 Market Analysis..... - 6 -

 Approaches to Value - 6 -

 Valuation Process - 6 -

 OWNERSHIP AND SALES INFORMATION - 7 -

 Current Owner of Record..... - 7 -

 Three Year Transaction History..... - 7 -

 COMPETENCY OF APPRAISER..... - 8 -

AREA DATA - 9 -

 REGIONAL AREA DATA - 9 -

LOCAL AREA DATA - 13 -

 LOCAL AREA DATA - 13 -

Juneau - 13 -

 DEMOGRAPHIC DATA EXHIBIT - 17 -

NEIGHBORHOOD AREA DATA..... - 19 -

 NEIGHBORHOOD DATA - 19 -

Name - 19 -

Location & Access - 19 -

Character & Land Uses - 19 -

Surrounding Businesses - 19 -

Typical Age of Improvements..... - 19 -

Land Developed - 19 -

Life Cycle - 19 -

Trends - 19 -

 CONCLUSION - 19 -

Conclusion - 19 -

 IMMEDIATE NEIGHBORHOOD AERIAL PHOTOGRAPH - 20 -

MARKET ANALYSIS - 21 -

 MIXED USE - 21 -

Classification - 21 -

Overview of Market Survey - 21 -

Market Supply - 21 -

Market Demand..... - 21 -

Equilibrium Status (Current Conditions)..... - 21 -

Near Term Market Outlook (Forecast Conditions)..... - 21 -

IMPACT OF LOW OIL PRICES - 21 -

Current Conditions..... - 21 -

 SUBJECT’S COMPETITIVE POSITION - 22 -

Competitive Strengths / Downward Risk Influences - 22 -

Competitive Weaknesses / Upward Risk Influences - 22 -

Application to Subject..... - 22 -

DESCRIPTION OF SITE..... - 23 -

Name - 23 -

Address..... - 23 -

Geo Coordinates - 23 -

Physical Location..... - 23 -

Assessor’s Tax Parcel Number(s) - 23 -

Legal Description..... - 23 -

Gross Site Area - 23 -

Gross Site Area - 23 -

Usable Site Area..... - 24 -

Shape..... - 24 -

Street Frontage - 24 -

Access..... - 24 -

Exposure - 24 -

Adjacent Land Uses / Businesses - 24 -

Topography..... - 24 -

<i>Soil Conditions</i>	- 24 -
<i>Wetlands</i>	- 24 -
<i>Hazardous Conditions</i>	- 24 -
<i>Flood Zone</i>	- 25 -
<i>Utilities</i>	- 25 -
PLAT MAP EXHIBIT	- 26 -
<i>Zoning</i>	- 28 -
<i>Easements, Covenants, Encroachments & Restrictions</i>	- 28 -
<i>Functional Utility</i>	- 28 -
PROPERTY ASSESSMENT & TAXES	- 29 -
SUMMARY OF PROPERTY ASSESSMENT & TAXES	- 29 -
<i>Real Property</i>	- 29 -
PROPERTY ASSESSMENT & TAX SUMMARY EXHIBIT.....	- 29 -
SUBJECT PHOTOGRAPHS	- 31 -
HIGHEST & BEST USE	- 39 -
DEFINITION & METHODOLOGY.....	- 39 -
<i>Scope of Highest & Best Use</i>	- 39 -
AS VACANT.....	- 39 -
<i>Legally Permissible</i>	- 39 -
<i>Physically Possible</i>	- 39 -
<i>Financially Feasible</i>	- 39 -
<i>Maximally Productive</i>	- 39 -
PROBABLE BUYER.....	- 40 -
LAND VALUATION	- 41 -
INTRODUCTION	- 41 -
<i>Methodology</i>	- 41 -
<i>Units of Comparison</i>	- 41 -
COMPARABLE DATA.....	- 41 -
<i>Sources of Data</i>	- 41 -
<i>Availability of Data</i>	- 41 -
<i>Presentation of Data</i>	- 41 -
SUMMARY OF COMPARABLE LAND SALES EXHIBIT	- 42 -
MAP OF COMPARABLE LAND SALES EXHIBIT.....	- 43 -
DESCRIPTION OF DATA	- 44 -
<i>Sale No. L-1</i>	- 44 -
<i>Sale No. L-2</i>	- 44 -
<i>Sale No. L-3</i>	- 45 -
<i>Sale No. L-4</i>	- 45 -
<i>Sale No. L-5</i>	- 46 -
OVERVIEW OF ADJUSTMENTS.....	- 46 -
<i>Nature of Adjustments</i>	- 46 -
<i>Usable Land Area</i>	- 46 -
<i>Property Rights Conveyed</i>	- 47 -
<i>Financing Terms</i>	- 47 -
<i>Conditions of Sale</i>	- 47 -
<i>Market Conditions</i>	- 47 -
<i>Location</i>	- 47 -
<i>Access</i>	- 47 -
<i>Exposure</i>	- 47 -
<i>Size</i>	- 48 -

Use / Zoning	- 48 -
Topography	- 48 -
Other	- 48 -
ADJUSTMENT GRID EXHIBIT	- 49 -
DISCUSSION & ANALYSIS AFTER ADJUSTMENT	- 50 -
TESTS OF REASONABLENESS	- 50 -
<i>Other Noteworthy Transactions</i>	- 50 -
<i>Interviews with Market Participants</i>	- 50 -
LAND VALUE CALCULATION	- 51 -
EXPOSURE PERIOD	- 51 -
MARKETING TIME	- 51 -
RECONCILIATION & FINAL VALUE ESTIMATE.....	- 53 -
SUMMARY OF VALUE ESTIMATES	- 53 -
RECONCILIATION	- 53 -
<i>Overview</i>	- 53 -
<i>Cost Approach</i>	- 53 -
<i>Sales Comparison Approach</i>	- 54 -
<i>Income Capitalization Approach</i>	- 54 -
FINAL VALUE ESTIMATE	- 54 -
EXPOSURE PERIOD	- 54 -
MARKETING TIME	- 54 -
GENERAL ASSUMPTIONS & LIMITING CONDITIONS	- 57 -
TERMS & DEFINITIONS	- 65 -
ADDENDUM: LETTER OF ENGAGEMENT	- 71 -
ADDENDUM: LAND SALE COMPARABLES.....	- 75 -
ADDENDUM: EXPERIENCE DATA	- 83 -

Assignment-Specific Premises

Overview

General assumptions and limiting conditions which apply to all assignments are presented in the Addenda. In addition, the following assumptions and conditions are presented separately in this chapter because they are specific to the current assignment. Assumptions and conditions, regardless of whether they are presented here, in the Addenda or throughout the body of the report, should not be viewed as more or less relevant, or carrying more or less weight, based on their location within the report.

Assignment-Specific Extraordinary Assumptions & Limiting Conditions

Extraordinary assumptions and extraordinary limiting conditions specific to this assignment follow. The value estimate(s) presented in this report may be amended in the event that the extraordinary assumptions or limiting conditions are found to be false. The reader is advised that the use of these assumptions might have affected the assignment results.

This appraisal is not predicated on any extraordinary assumptions or limiting conditions, and no special risk factors are present.

Assignment-Specific Hypothetical Conditions

Hypothetical conditions specific to this assignment are as follows. The reader is advised that the use of these hypothetical conditions (if any) might have affected the assignment results.

This appraisal is not predicated on any hypothetical conditions.

Assignment Overview

Identity of Property

Name	Vintage II Subdivision
Brief Description	The subject is a parcel of vacant land containing an area of 2.35 Acres or 102,309 gross square feet. The usable site area is 2.31 Acres or 100,619 square feet. The property is zoned MU, Mixed Use.
Address	Vintage Blvd Juneau, Alaska 99801
Geo Coordinates	Latitude: 58.37209, Longitude: -134.5966
Physical Location	The subject is located along the northeasterly curve of Clinton Drive.
Assessor's Tax Parcel Number(s)¹	5B1601440311, 5B1601440320, 5B1601440340, 5B1601440350, 5B1601440360, 5B1601440370, 5B1601440380
Abbreviated Legal Description	<i>Lot 31A, Block C, a resubdivision of Lots 26 through 31, Block C, Vintage II Subdivision, according to Plat No. 2016-19, Juneau Recording District, First Judicial District, State of Alaska; SUBJECT TO the terms and provisions of the Access Easement and Option Agreement between Seller and Juneau Senior Housing Partners Limited Partnership recorded April 20, 2018 at Serial No. 2018-001676-0, Juneau Recording District, First Judicial District, State of Alaska, and TOGETHER WITH the easement for ingress and egress in favor of said Lot 31A, Block C, across a portion of Lot 26A, Block C, Vintage II Subdivision, according to Plat No. 2016-19; AND Lots 32, 33, 34, 35, 36, 37, and 38, Block C, Vintage II Subdivision, according to Plat No. 85-58, Juneau Recording District, First Judicial District, State of Alaska; AND Lots 32, 33, 34, 35, 36, 37, and 38, Block C, Vintage II Subdivision, according to Plat No. 85-58, Juneau Recording District, First Judicial District, State of Alaska. (Per Department of Natural Resources Records)</i>
Current Use	Vacant Land
Appraised Use	Vacant Land
Highest and Best Use	<p>AS VACANT May include development as multifamily or commercial development or other unidentified use once feasibility has been ascertained.</p> <p>AS IMPROVED N/A</p>

¹ Per Tax Assessor Records.

Scope of Assignment

Value Definition(s)	The following definition(s) of value is/are utilized in this report:
MARKET VALUE (OCC)²	<p><i>The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date, and the passing of title from seller to the buyer under conditions whereby:</i></p> <ol style="list-style-type: none"> <i>a. the buyer and seller are typically motivated;</i> <i>b. both parties are well informed or well advised, and acting in what they consider their own best interests;</i> <i>c. a reasonable time is allowed for exposure in the open market;</i> <i>d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto;</i> <i>e. and the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.</i>
Other Definitions	Please refer to the Terms & Definitions section presented in the Addenda for additional definitions of significant terminology used in this report.
Purpose	To estimate the market value of the real estate in its current As Is condition.
Intended Use	The intended use of the assignment is for potential purchase. It should not be relied upon for any other uses.
Intended User(s)	City/Borough of Juneau (the Client)
Property Interest Appraised	This is an appraisal of the real property. Any intangible and personal property is specifically excluded from this valuation.
Property Rights Appraised	Fee Simple
Report Presentation	Appraisal Report
APPRAISAL REPORT / SUMMARY REPORT	Prior to the 2014-2015 edition of the Uniform Standards of Professional Appraisal Practice (USPAP), USPAP specified two primary narrative reporting formats: Summary or Self-Contained. Subsequent editions of USPAP replaced these with the Appraisal Report, a narrative format that is intended to provide minimum reporting standards. Standard 2-2(a) of current USPAP states the following: "The content of an Appraisal Report must be consistent with the intended use of the appraisal and at a minimum..."

² Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.43 Definitions [g].

(iii) summarize information sufficient to identify the real estate involved in the appraisal, including the physical, legal, and economic property characteristics relevant to the assignment...

(vii) summarize the scope of work used to develop the appraisal...

(viii) summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained;

Comment: An Appraisal Report must include sufficient information to indicate that the appraiser complied with the requirements of Standard I. The amount of detail required will vary with the significance of the information to the appraisal. The appraiser must provide sufficient information to enable the client and intended users to understand the rationale for the opinions and conclusions, including reconciliation of the data and approaches, in accordance with Standards Rule 1-6."

In essence, the Appraisal Report format is consistent with the Summary appraisal format described in the 2012-2013 and prior editions of USPAP under Standards Rule 2-2(b).

Inspection Date	April 18, 2019
Effective Date	April 18, 2019
Report Date	May 17, 2019

Scope of Work

Overview	Current USPAP requires the appraiser(s) to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem, intended user(s) and intended use.
Limitations to Scope of Work	USPAP permits limitations to the scope of work consistent with the appraisal problem, intended user and intended use. The scope of work has been limited by the General Assumptions & Limiting Conditions, Assignment-Specific Extraordinary Assumptions and Limiting Conditions, and Assignment-Specific Hypothetical Conditions discussed throughout this report and Addenda. The Scope of Work has also been limited based on the level of information / documentation available to the appraiser.
Compliance	The analysis and reporting of this assignment is compliant with the following: <ul style="list-style-type: none"> • Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. • The bylaws of the Appraisal Institute. • Client appraisal standards as set forth in the letter of engagement presented in the Addendum.

Assignment Presentation	<p>This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary of the appraisal process, subject data and valuation. The level of detail and discussion included varies with the significance of the information to the appraisal, within the context of the intended use and intended user(s).</p> <p>This is a two-sided document with new sections beginning on odd numbered pages. Note, where a section ends on an odd page Microsoft Word will automatically insert a blank, even numbered page at the end of a section.</p>
Special Client Instructions	None
Subject Walk Through	A site and neighborhood observation has been made, and photographs taken.
Division of Appraisal Responsibilities	Mr. Kim Wold inspected the subject and prepared the appraisal report, including the determination of factual information and research.
Information Provided to Appraiser for Consideration	Primary data was obtained by the appraiser during the property walk-through. Secondary sources of property data include client, owner, and public records. The scope of work is specific to the information on the subject provided to the appraiser by the client or property contact.
Market Analysis	Extensive research on macro and micro economic conditions within the subject's market has been conducted. Extensive research on current market conditions within the subject's sector of the real estate market has been conducted. The Appraisal Institute recognizes two categories of market analysis: inferred and fundamental. Inferred analyses (Level A and B) are basic methods by which future supply and demand conditions are inferred by current and general market conditions (secondary data). In fundamental analyses (Level C and D), general information is supplemented by detailed data in order to forecast supply and demand, as well as subject-specific absorption and capture (primary data). The market analysis performed in this assignment is based on inferred demand.
Approaches to Value	
LAND VALUATION	This approach was not developed because the property is improved and the approach is not needed for a credible indication of value.
COST APPROACH	This approach was not developed because it is not typically utilized by buyers and sellers in this market for this type of property.
SALES COMPARISON APPROACH	This approach was developed because it is necessary to develop a credible and reliable estimate of market value for this property type or it has been requested by the client.
INCOME CAPITALIZATION APPROACH	This approach was not developed because it is not typically utilized by buyers and sellers in the market for this type of property.
Valuation Process	The valuation process may include research and analysis performed as part of a prior assignment, as well as new research performed specifically for this

assignment, and included but was not limited to the following:

1. The problem or nature of assignment was identified.
2. A scope of work was created that lead to credible results that are appropriate for the appraisal problem, intended user and intended use.
3. Information necessary to complete the assignment was requested and obtained from the client / property contact.
4. An area, city and neighborhood analysis has been performed.
5. An analysis of the subject's physical and economic characteristics has been performed.
6. Interviews have been performed with property representatives (owners, property managers or leasing agents), tenants, planners, assessors, brokers, investors, developers and other individuals with useful knowledge and insight on the subject.
7. Knowledgeable market participants have been interviewed on the market conditions for properties similar to the subject.
8. An examination of current zoning codes affecting the property has been performed.
9. The functional utility of the site and/or improvements has been determined.
10. A detailed examination of the subject's economic characteristics has been made to determine the property's risk profile and economic potential.
11. A highest and best use analysis for the property was performed.
12. Extensive research to identify transactions involving similar properties was performed.
13. An analysis of the subject and available data was performed using commonly accepted valuation techniques and methodologies.
14. The quantity and quality of available data was considered along with the applicability of the methodology used, and a reconciliation was performed to arrive at the final value estimate(s).

Ownership and Sales Information

Current Owner of Record

According to Department of Natural Resources Records, the appraised interest in the subject is presently owned by Pacific Investment Group LLC.

Three Year Transaction History

Disclosure and analysis of the subject's transaction history (sales, agreements of sale, options, and listings) within the prior three years is required by USPAP and, if applicable, is presented below.

- NO RECENT ACTIVITY** The subject property transferred on December 20, 2018 via Quitclaim Deed recorded as Document No. 2018-005412-0. This grantor was the William Bauer Living Trust and the grantee was Pacific Investment Group, LLC. This was the transfer of the property from an estate and was a related party transaction. No monetary consideration was paid.
- RECENT LISTING** The subject has been listed since N/A for \$16/SF. Mr. Bauer indicated that he has offered the property to the City/Borough of Juneau at the list price. This is not considered indicative of market value due to atypical seller motivation.
- PENDING SALE** None
- RECENT SALE** None

Competency of Appraiser

The appraisers have previously performed similar assignments and meet the Competency Rule of USPAP. Please refer to the Experience Data presented in the Addendum for further information on the appraiser's background and experience.

Area Data

Regional Area Data

Although elements of Alaska's economy are directly affected by certain national and international factors (e.g. interest rates, the value of the U.S. Dollar, etc.), Alaska's economic cycles do not typically align with the rest of the nation for several reasons. First, Alaska's location – although central to the industrialized world by air – is remote relative to the rest of the U.S. Its extreme latitude promotes intense but short seasons of work. Its prolific natural resources are valuable, but its rugged terrain makes them difficult to extract and bring to market. Lastly, its extreme climate deters rapid population growth which prevents the local population from reaching a self-sustaining level. One dramatic instance of when Alaska's economy diverged from the Nation's was when employment in Alaska continued to increase through the Great Recession during what ended up being 21 years of job growth in the state followed by much quicker recovery than the Nation as a whole. Alaska's cycles of growth and recession have been based on the quantity and price of resources exported (precious metals, timber, seafood, coal, and - most importantly - oil) which lends to more extreme swings over longer periods of time. Today, the State's economy is more diverse than it ever has been. However, the tripod that continues to support the economy is made up of oil/gas, government spending, and other sectors (other mining/natural resources, hospitality/tourism, manufacturing/fishing, and transportation to name a few) and most of the weight is still placed on oil/gas.

Alaska is still highly dependent on the production and price of oil, and while production has steadily decreased from a high in the late 1980s, the price has been volatile. Between 2013 and early 2014, oil showed stability above \$95/barrel. Though the problem of low production remained (and remains) a longer-term concern, these oil prices provided bountiful revenue to Alaska at a time when many other states were struggling with crippling budget deficits. However, due primarily to a glut of new supply from the U.S. and some decreases in global demand, prices began to slide in mid-2014. ANS crude prices dropped from over \$100/bbl at the beginning of 2014 to \$55/bbl by the end of that year, and they fell even further to around \$30/bbl by the beginning of 2016. As prices remained low, the state government faced revenue shortfalls of roughly \$3 billion and substantial budget-tightening (or additional revenue sources) were expected to follow. Ultimately, the State used up substantial portions of its budget reserves but finally managed to cut spending and raise revenue by tapping the Permanent Fund earnings reserve during the 2018 legislative session. This narrowed the budget gap, and crude oil prices have at the same time recovered to stand around \$75/bbl as of summer 2018. All of this said, the State also has over \$65 billion within the Permanent Fund, according to the Alaska Permanent Fund Corporation June 2018 Financial Statements which – while not legal for lawmakers to spend without amending the State constitution (requiring a 2/3rds majority vote) – still suggests a relatively strong balance sheet. Both Moody's and Standard & Poor's recently upgraded the

outlook on the state's bonds from negative to stable.

That said, the State government had an annual average of 800 fewer full-time positions in 2017 than in 2016. This is in comparison to the average of 1,400 fewer positions in 2016 than in 2015. The pressure on the State's budget has been obvious, as reflected by the downgrading of its credit rating by Moody's (Aa3), and the other two agencies keeping their ratings (Fitch – AA+, Standard & Poor's – AA+) in the past few years. According to an article in the Anchorage Daily News, ADN, (formerly known as Alaska Dispatch News) from June 20, 2017, Standard & Poor's (S&P) firm said in a report "'(W)ithout structural fiscal reform in the 2017 legislative session, we would likely lower the state debt ratings,". The article continues on by adding that S&P expected "lawmakers to enact a budget for the 2018 fiscal year in the next 90 days. If the state adopts 'a balanced budget with fiscal reforms that does not significantly rely on reserves,' the agency said it may remove the state's ratings from the credit watch without a downgrade." Some debate remains about how best to deal with the new fiscal realities of lower oil prices and decreased production, but the discussion has quieted down substantially. It is worth noting that 2017 proved to be a year of discovery with Bill Armstrong and his partner Oil Search discovering an oil field at Pikka that could yield 500 million to as much as 3 billion barrels of oil, and Caelus reporting its Smith Bay find at 6 billion barrels or more. Another bright spot was the July 2018 announcement by ConocoPhillips that its Willow field could hold 500 million to 1.1 billion barrels. These finds could reportedly yield several hundred thousand barrels per day in the future if developed, although it would be at least several years before that could begin.

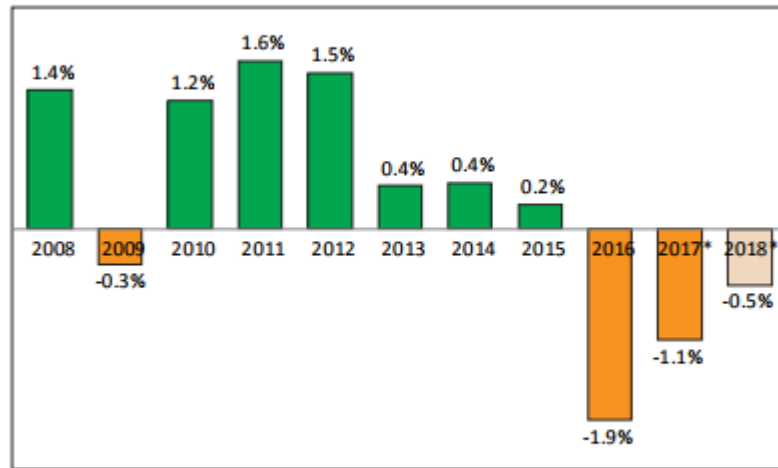
Also buttressing the Alaskan economy is the level of federal spending in the state. For example, in FY2014, the U.S. government sent a total of \$11.3 billion to Alaska and its residents³. This sum made Alaska the third highest recipient of per capita federal dollars for the year (behind Maryland and Virginia). The level of federal spending in Alaska, per capita, is approximately 50% above the national average. Meanwhile, job gains in the health care industry have been consistent and strong for most of the last decade. According to the Alaska Department of Labor, the health care industry added 1,800 jobs in 2017, and it is expected to add another 700 jobs in 2018. Lastly, after down years in 2009 and 2010, tourism leveled out and then experienced more noticeable improvement in 2012 through 2016. State economists expect that the combination of a strengthening national economy and the addition of several cruise ships to the Alaskan market will continue to provide a boost for this important industry.

Historic employment changes, as well as the forecast for 2018 are presented in the following chart:

³ http://www.pewtrusts.org/~media/assets/2016/03/federal_spending_in_the_states_20052014.pdf, accessed Jan-2017

Tapering Job Losses for Alaska

PERCENT CHANGE FROM PRIOR YEAR, 2008 TO 2018



*Preliminary **Forecast
 Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

According to state economists, Alaska significantly outperformed the Nation’s economy as a whole during the past decade. After the minor losses in 2009 ended 21 straight years of overall job growth, Alaska gained modest jobs through 2015. However, in 2017, employment decreased by 1.1%. While some gains were seen in the health care and local government sectors, they were relatively minor and more than offset by losses in sectors related to oil and gas as well as construction. According to the Institute of Social and Economic Research at the University of Alaska Anchorage the unemployment rate for Alaska was 7.2% for May 2018. Health care and local government are the only two sectors expected to gain jobs this year. In summary, the Alaskan economy is still suffering from the pressure of lower oil prices and state government budget issues to some degree, but economists generally believe the end of 2018 will represent the “bottom” – with a leveling off and very gradual recovery expected in coming years. According to the Office of Management and Budget, the FY2019 budget, along with the Governor’s Alaska Economic Recovery Act, is set to combat the recession, grow the economy and get Alaska back to work. Along with these high-priority initiatives, the budget provides Alaskans with a larger dividend that is expected to grow in the years ahead.

Local Area Data

Local Area Data

Juneau

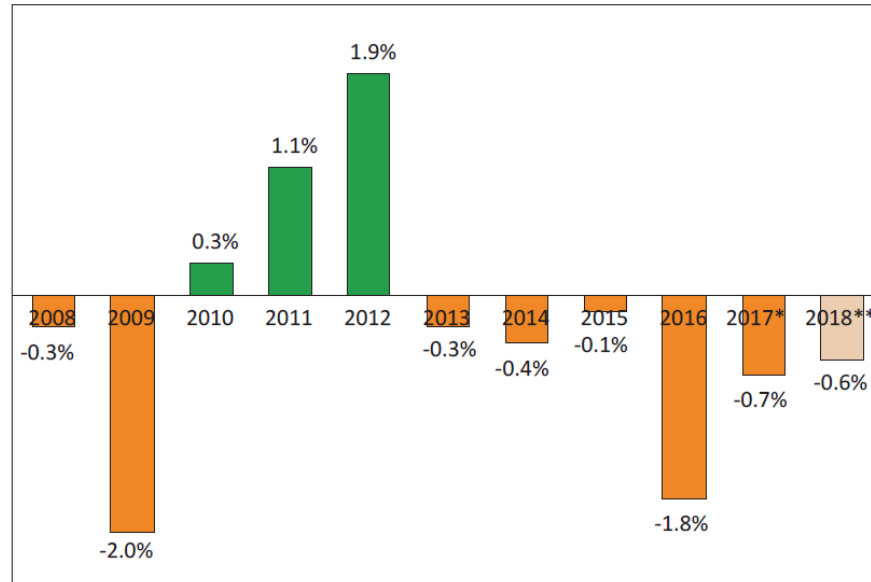
Located on the mainland of Southeast Alaska, the capital city of Juneau is built at the heart of the Inside Passage along the Gastineau Channel. It lies 900 air miles northwest of Seattle, and 600 air miles southeast of Anchorage. Juneau itself can be divided into three main districts. The first district is the Mendenhall Valley, the location of the Juneau International Airport as well as the retail center for local residents. The second district is Downtown, which is located approximately seven miles east of the Mendenhall Valley and is home to the State Capitol Building, State Courthouse, State Office Building, governor's house, and most state and federal offices. The third district is Lemon Creek, which is situated between Downtown and Mendenhall Valley. This area offers a number of retailers (i.e. Home Depot, Costco), as well as office and light industrial buildings. Further to the west is Auke Bay, offering the Alaska Marine Highway ferry terminal and the University of Alaska Southeast campus. Of final note, Douglas Island - located across Gastineau Channel to the south of Downtown - is a popular residential area developed with numerous small residential neighborhoods along its shore.

Approximately 35% of Juneau's jobs and 40% of wages are provided by federal, state and local government. Tourism is a significant contributor to the private sector economy during the summer months. Support services for logging and fish processing contribute to the Juneau economy as well, and over 300 residents hold commercial fishing permits. The Kennecott Green's Creek Mine produces gold, silver, lead and zinc, and is the largest silver mine in North America. In 2010, the Kensington gold mine came on line, adding a number of jobs to the area. Health care is yet another significant - and growing - employment source for the area. Per capita income levels in Juneau are among the highest in the state, while unemployment has historically been stable (and relatively low) overall thanks to the influence of the legislative session during the typically slower winter months.

Although Juneau in particular has been quite stable, Southeast Alaska as a region lost employment in seven of the last 10 years according to the Alaska Department of Labor (AKDOL). This is compared to the entire state, which had only three years of overall job loss of the last 10 years. Most recently, 2017 saw a nominal employment decrease of just 250 jobs net or -0.7%. The *Employment Forecast* for 2018 predicts a -0.6% job loss; slightly less than the previous year. Historic employment changes are presented in the following chart:

Slightly Smaller Loss For Southeast

PERCENT CHANGE FROM PRIOR YEAR, 2008 TO 2018



*Preliminary **Forecast

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

A few sectors are forecasted for improvement, such as manufacturing, educational and health services, and local government. The average monthly unemployment rate in Juneau during 2017 was 5.1%, which is healthy by historical standards.

As the Alaska state capital, Juneau will continue to be heavily dependent on government. That said, as a result of substantial decreases in oil prices (and state government revenue) that began in mid-2014, state government spending on both operating and capital items is expected to decrease further in 2018 – although the extent of the decrease is not yet known. This will likely have an impact on Juneau’s economy. Federal employment has been gradually declining over the last decade here as well, although it appears to have mostly leveled off. The City’s economy does continue to diversify gradually over time, and bright spots in recent years have included tourism and mining.

One of the industries in Southeast Alaska that has a significant impact on their economy is the commercial fishing. Forecasts for seafood harvesting jobs are not reported due to harvesters being considered self-employed but they do drive employment in processing plants, which falls under manufacturing. Their forecasts are more closely attached to the predictions of fish. In 2017, the *Employment Forecast* for 2018 reported that 2017’s fish run had come in lower than expected yet still had higher numbers than 2016. Alaska Department of Fish and Game has reported that even number years normally have smaller fish runs compared to odd numbered years. Three are projections for increased pink salmon harvests in 2019, but king and sockeye returns are expected to be below average..

In conclusion, Juneau is relatively stable overall, but pressure on government spending at all levels will continue to place downward pressure on the local economy to some degree. The overall forecast at this time is for reasonable stability during 2017 with a nominal net loss of jobs.

For comparison, detailed demographics for Alaska's major cities are presented on the Demographic Data Exhibit on the following page.

Demographic Data Exhibit

	Anchorage Municipality			Fairbanks North Star			Juneau			Ketchikan Gateway			Matanuska-Susitna			Alaska			United States			
	2010	2017	2022	2010	2017	2022	2010	2017	2022	2010	2017	2022	2010	2017	2022	2010	2017	2022	2010	2017	2022	
Summary																						
Population	291,826	303,152	309,488	97,581	101,502	106,577	31,275	33,384	34,494	13,477	13,808	13,868	88,995	101,160	108,877	710,231	744,733	763,713	308,745,538	327,514,334	341,323,594	
Households	107,332	110,760	112,707	36,441	37,530	39,531	12,187	12,910	13,332	5,305	5,388	5,395	31,824	35,622	38,308	258,058	268,699	274,964	116,716,292	123,158,887	128,069,416	
Families	70,544	71,647	72,375	23,726	24,042	25,265	7,742	8,063	8,262	3,369	3,363	3,342	22,579	24,934	26,647	170,750	175,184	178,117	77,538,296	81,106,685	84,036,177	
Average Household Size	2.64	2.66	2.67	2.56	2.58	2.57	2.49	2.50	2.51	2.49	2.51	2.52	2.75	2.77	2.78	2.65	2.67	2.68	2.58	2.59	2.60	
Owner Occupied HUs	64,285	64,762	65,968	21,410	21,659	22,511	7,590	7,895	8,151	3,076	3,088	3,099	24,181	26,795	28,829	162,765	166,891	171,263	75,986,074	77,207,043	80,044,642	
Renter Occupied HUs	43,047	45,998	46,739	15,031	15,871	17,020	4,597	5,015	5,181	2,229	2,300	2,296	7,643	8,827	9,479	95,293	101,808	103,701	40,730,218	45,951,844	48,024,774	
Median Age	33.0	34.1	34.9	31.2	32.7	33.5	38.0	38.7	39.0	38.3	39.3	39.8	34.8	35.9	36.5	33.9	34.9	35.8	37.1	38.2	38.9	
Trends: 2015-2020 Annual Rate																						
Population		0.41%			0.32%			0.66%			0.09%			1.48%			0.50%			0.83%		
Households		0.35%			0.27%			0.65%			0.03%			1.46%			0.46%			0.79%		
Families		0.20%			0.13%			0.49%			-0.13%			1.34%			3.30%			0.71%		
Owner HHs		0.37%			0.32%			0.64%			0.07%			1.47%			0.52%			0.72%		
Median Household Income		1.65%			1.87%			2.59%			4.43%			2.22%			1.85%			2.12%		
Households by Income																						
	2017		2017		2017		2017		2017		2017		2017		2017		2017		2017			
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent		
< \$15,000	6,267	5.7%	2,531	6.7%	704	5.3%	517	9.6%	2,350	6.6%	18,951	7.1%	14,111,230	11.5%								
\$15,000 - \$24,999	6,059	5.5%	2,103	5.6%	855	6.6%	574	10.7%	2,233	6.3%	18,219	6.8%	12,338,601	10.0%								
\$25,000 - \$34,999	7,306	6.6%	2,841	7.6%	476	3.7%	301	5.6%	2,367	6.6%	19,612	7.3%	11,900,340	9.7%								
\$35,000 - \$49,999	13,437	12.1%	4,421	11.8%	1,474	11.4%	694	12.9%	4,132	11.6%	31,360	11.7%	16,101,373	13.1%								
\$50,000 - \$74,999	18,908	17.1%	7,092	18.9%	2,221	17.2%	853	15.8%	6,368	17.9%	48,134	17.9%	21,924,374	17.8%								
\$75,000 - \$99,999	16,107	14.5%	5,936	15.8%	2,008	15.6%	683	12.7%	5,481	15.4%	40,290	15.0%	15,244,571	12.4%								
\$100,000 - \$149,999	22,564	20.4%	7,523	20.0%	2,811	21.8%	1,072	19.9%	7,477	21.0%	51,626	19.2%	17,092,812	13.9%								
\$150,000 - \$199,999	10,323	9.3%	3,138	8.4%	1,128	8.7%	366	6.8%	3,024	8.5%	22,450	8.4%	6,960,352	5.7%								
\$200,000+	9,788	8.8%	1,945	5.2%	1,233	9.6%	331	6.1%	2,190	6.1%	18,356	6.8%	7,483,548	6.1%								
Median Household Income	\$55,401	\$79,128	\$85,857	\$49,145	\$73,886	\$51,064	\$61,862	\$82,338	\$93,557	\$51,088	\$66,000	\$81,981	\$51,062	\$76,216	\$85,066	\$51,581	\$73,596	\$80,648	\$42,164	\$56,124	\$62,316	
Average Household Income	\$67,906	\$101,593	\$113,367	\$58,561	\$89,757	\$101,513	\$69,983	\$104,570	\$120,249	\$61,519	\$86,366	\$101,588	\$59,782	\$93,173	\$107,105	\$62,475	\$93,039	\$104,839	\$56,644	\$80,675	\$91,585	
Per Capita Income	\$25,287	\$37,932	\$42,083	\$21,553	\$34,536	\$38,775	\$26,719	\$40,440	\$46,478	\$23,994	\$33,702	\$39,521	\$21,105	\$33,637	\$38,454	\$22,660	\$34,879	\$39,024	\$21,587	\$30,820	\$34,828	

Source: STDB Online

Adversity Index http://www.msnbc.msn.com/id/29976394/ns/business-stocks_and_economy/

It should be noted that the table above reflects data produced by Site To Do Business Online. Estimates shown for 2017 and 2022 are primarily based on the most recent Census data and assume “normal”/historical growth trends. As such, the figures above should be viewed with caution. In light of recent changes in Alaska’s economy, other experts have performed studies using more recent data to develop many of the forecasts cited in other parts of this report. As the STDB Online information is commonly referred to by investors and other market participants, it has been presented here despite the fact that it may currently be less reliable and/or in conflict with other information sources.

Neighborhood Area Data

Neighborhood Data

Name	Mendenhall Valley
Location & Access	The subject is located in a commercial and mixed-use zoned area of the Mendenhall Valley neighborhood. Mendenhall Valley is located approximately seven miles west of downtown Juneau and due north of the Juneau International Airport. The neighborhood boundaries include the airport to the south, Mendenhall Glacier to the north, Auke Bay to the west, and Lemon Creek to the east.
Character & Land Uses	The area is suburban in character. Predominant land uses include commercial, industrial, and residential. During the last five years, development has been predominantly of commercial uses. The pace of development has generally slowed over this time.
Surrounding Businesses	Surrounding land uses include restaurants, banks, strip centers, Nugget Mall, Mendenhall Mall, Safeway grocery store, hotels, motels, and senior citizen housing.
Typical Age of Improvements	1960s through 2000 or new construction
Land Developed	Roughly 90%
Life Cycle	Mature
	MATURE This is a mature neighborhood. There has been little new development in the past several years, which is to be expected given the high percentage of land already developed.
Trends	No major shift in prevailing land uses, real estate economics, or demographics are anticipated at this time. Given the fixed supply of land, current percentage of developed land and demand trends, neighborhood trends should be towards stable land values, rents and prices over time.

Conclusion

Conclusion	The area is in the intermediate stage of its life cycle. We anticipate that property values will remain stable in the near future.
-------------------	--

Immediate Neighborhood Aerial Photograph



Market Analysis

Mixed Use

Classification	Given the subject's current use, this market analysis considers conditions within the mixed use land market.
Overview of Market Survey	The market analysis has been compiled from a variety of sources including an extensive survey of landlords, tenants, investors, users, property managers, real estate agents, appraisers, city assessor's and other market participants. Other sources of data include property tax records, newspaper articles and the Multiple Listing Service (MLS). The available data has been carefully analyzed on a qualitative and quantitative basis.
Market Supply	Existing product, recent construction and renovation, as well as proposed product does not affect the competitive balance.
Market Demand	There is market demand for vacant commercial land by owner/users. Speculative purchaser demand would be limited to feasible economic developments.
Equilibrium Status (Current Conditions)	There is a fairly limited supply of commercial oriented land available for sale
Near Term Market Outlook (Forecast Conditions)	There is demand for owner/user developments and more limited interest from developers for vacant mixed use/commercial land.

Impact of Low Oil Prices

Current Conditions	<p>As discussed in the Area Data chapter(s), the price of crude oil has dropped to roughly half of what it was just over two years ago. Although it has been holding fairly steady at \$60-\$70/bbl in early 2019, most experts do not expect a return to previous high price levels in the near to mid-term. This is obviously of concern in Alaska, as the vast majority of state government revenue stems from oil. However, available sale transactions in the local market have not yet demonstrated a change in prices or capitalization rates. There is certainly nervousness as low oil prices drag on and the State debates spending cuts (and/or revenue increases via new taxes), but the transactional data does not indicate that real estate fundamentals have been negatively impacted thus far. The number of transactions available for analysis remains low in most cases, but this is not a departure from historic patterns in this relatively small market.</p> <p>With respect to capitalization rates, it should be recognized that there has been rate compression nationally over the last few years primarily due to historically-low interest rates. Yet this has shown up in only muted fashion in Alaska, as cap rates have held mostly steady based on available sale transactions. It could well be that the downward pressure from interest rates has been responsible for counteracting some upward pressure beginning to stem from low oil prices and other state-specific realities. That said, it could also be that gradually increasing investor</p>
---------------------------	--

return requirements are not yet reflected in the historic transactional data.

Discussions with local brokers indicate that tenants have been fairly universal in raising state economic issues for leverage in their leasing negotiations. Most are requesting rental rate reductions at the time of renewal, although the consensus still seems to be that tenant footprints are remaining largely stable to date. At properties with high occupancy levels, owners have tended to “give” only a little. In some cases, they have been able to keep rates flat from the prior term, while in others they have still been willing to lower rents by roughly 10% (as the escalated contract rents have in situations outgrown the now-soft market). However, at properties with higher or longer-term vacancies, landlords have become far more motivated and are typically offering increased concessions along with lower face rates. Some particularly aggressive deals have been reportedly made by landlords competing for the few new/relocating tenants in this currently slow leasing market environment.

Generally speaking, appraisers must be careful to reflect the market based on evidence rather than dictate it based on emotion or opinion. Interviews with brokers, property managers and owners can provide meaningful insight into market expectations. While consideration is given to expected future trends, weight is necessarily (and appropriately) placed on actual, documented market activity to date. Efforts have been made to obtain and analyze the most recent sale and lease transactions available in the subject’s market segment. It is the appraiser’s opinion the available data fairly represents current market and economic conditions.

Subject’s Competitive Position

Competitive Strengths / Downward Risk Influences	<ul style="list-style-type: none"> • Location • Proximity to the Mendenhall River • Cohesive business park development • Proximity to shopping, employment, schools
Competitive Weaknesses / Upward Risk Influences	<ul style="list-style-type: none"> • Concern over the local economy
Application to Subject	The subject is highly competitive with other available land. Market conditions do not adversely affect the property’s marketability.

Description of Site

Name Vintage II Subdivision

Address Vintage Blvd
Juneau, Alaska 99801

Geo Coordinates Latitude: 58.37209, Longitude: -134.5966

Physical Location The subject is located along the northeasterly curve of Clinton Drive.

Assessor’s Tax Parcel Number(s)⁴ 5B1601440311, 5B1601440320, 5B1601440340, 5B1601440350, 5B1601440360, 5B1601440370, 5B1601440380

Legal Description *Lot 31A, Block C, a resubdivision of Lots 26 through 31, Block C, Vintage II Subdivision, according to Plat No. 2016-19, Juneau Recording District, First Judicial District, State of Alaska; SUBJECT TO the terms and provisions of the Access Easement and Option Agreement between Seller and Juneau Senior Housing Partners Limited Partnership recorded April 20, 2018 at Serial No. 2018-001676-0, Juneau Recording District, First Judicial District, State of Alaska, and TOGETHER WITH the easement for ingress and egress in favor of said Lot 31A, Block C, across a portion of Lot 26A, Block C, Vintage II Subdivision, according to Plat No. 2016-19; AND Lots 32, 33, 34, 35, 36, 37, and 38, Block C, Vintage II Subdivision, according to Plat No. 85-58, Juneau Recording District, First Judicial District, State of Alaska; AND Lots 32, 33, 34, 35, 36, 37, and 38, Block C, Vintage II Subdivision, according to Plat No. 85-58, Juneau Recording District, First Judicial District, State of Alaska. (Per Department of Natural Resources Records)*

Gross Site Area

SUMMARY OF SITE AREA

Parcel	Sq Ft	Acres
Lot 31A	8,155	0.2
Lot 32	20,430	0.5
Lot 33	13,376	0.3
Lot 34	9,293	0.2
Lot 35	12,740	0.3
Lot 36	16,184	0.4
Lot 37	9,516	0.2
Lot 38	12,615	0.3
Total Site Area	102,309	2.3

Gross Site Area Square Feet: 102,309

Acres: 2.35

⁴ Per Tax Assessor Records.

	SOURCE	Plat Map
Usable Site Area	Square Feet:	100,619
	Acres:	2.31
	SOURCE	Access Easement and Option Agreement
		Upon review of the site's physical and economic characteristics, there do not appear to be any factors that would reduce the usable area. Nonetheless, a survey of the site indicating usable area was not provided to the appraiser. The market value of this report assumes that all of the site's gross land area is usable. In the event that a portion of the site were found to be un-usable, the market value of the subject could be less than the current estimate.
Shape		The site is irregular in configuration
Street Frontage		The subject has approximately 285' of frontage on Clinton Drive and -- of frontage on --.
Access		Access to and from the subject is considered average relative to competing properties.
Exposure		Exposure of the subject is considered average relative to competing properties.
Adjacent Land Uses / Businesses		
	NORTH	Mendenhall River
	SOUTH	FAA Offices
	EAST	True North Federal Credit Union
	WEST	Senior Housing
Topography		The subject has level topography, and is at grade with surrounding properties.
Soil Conditions		It is an ordinary assumption of this report that the soil conditions are typical of the neighborhood and generally similar to those found at the land sale comparables utilized in this report.
Wetlands		No surface water was noted during the walk-through and the subject does not appear to contain any wetlands.
Hazardous Conditions		There are no known or disclosed environmental issues, or hazardous conditions, impacting the subject. The detection of hazardous materials or conditions is beyond the scope of expertise and competency of an appraiser, however, and it is recommended that any concerns relating to hazardous conditions be addressed by a qualified environmental specialist. Furthermore, it is an assumption of this report that there are no hazardous conditions present at the subject.

Flood Zone

The Flood Emergency Management Agency or FEMA has prepared flood insurance rate maps for various communities in the State. According to the flood insurance map, community panel number 020005-0243C, issued by the Federal Emergency Management Agency and last updated September 25, 2009, the subject is located within the following zone:

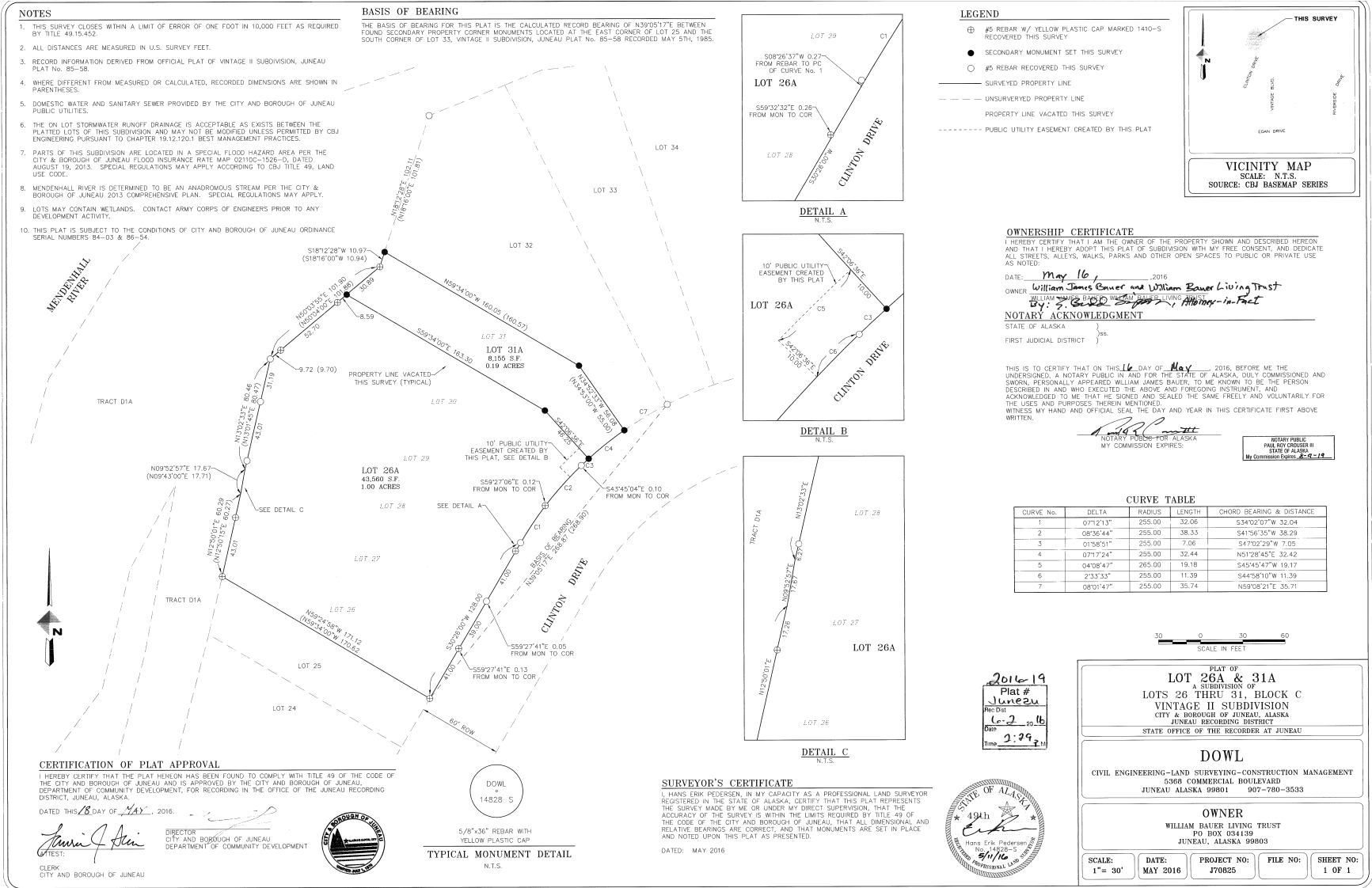
**ZONE B / X
(SHADED)**

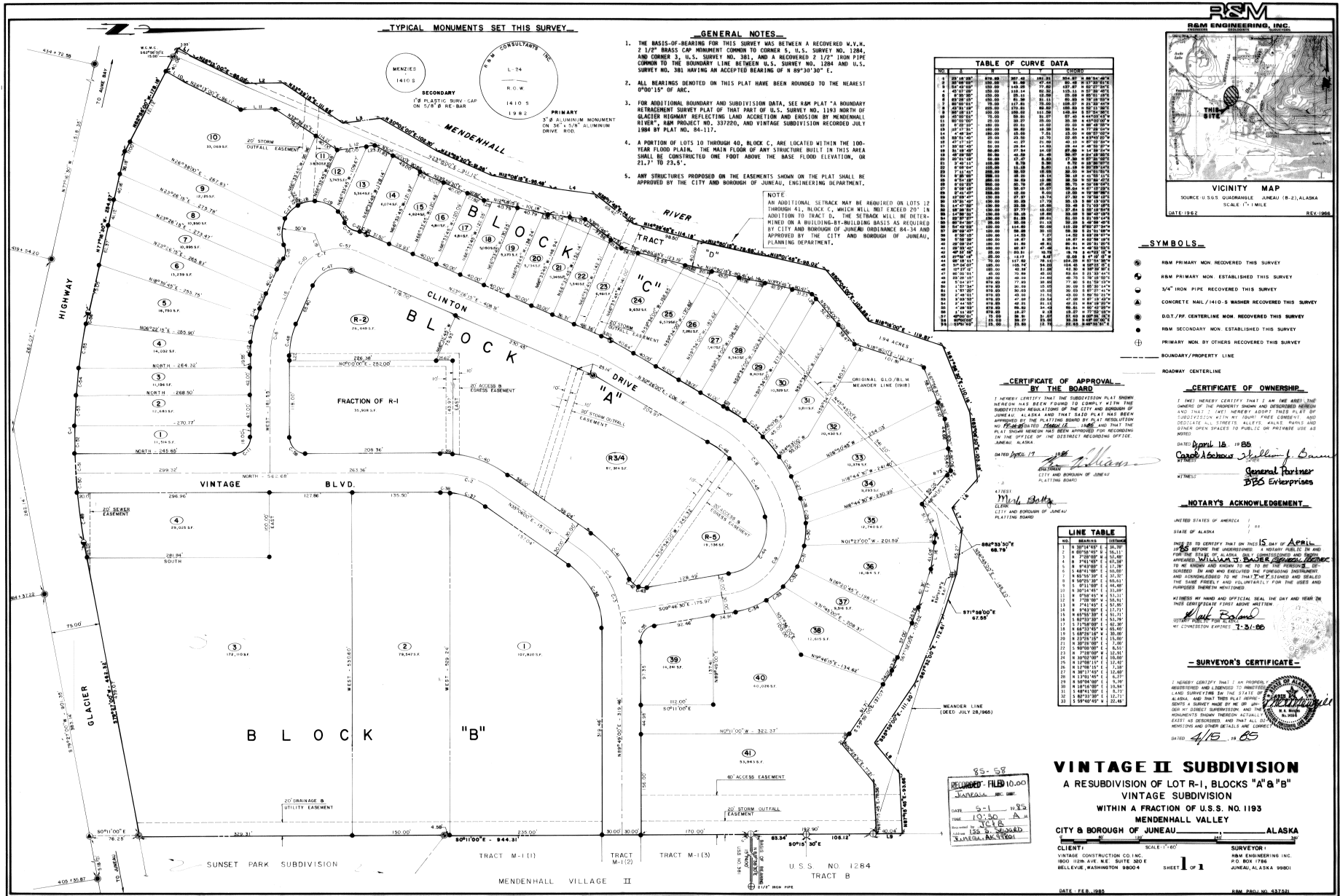
Moderate risk areas within the 0.2-percent-annual-chance floodplain, areas of 1-percent-annual-chance flooding where average depths are less than 1 foot, areas of 1-percent-annual-chance flooding where the contributing drainage area is less than 1 square mile, and areas protected from the 1-percent-annual-chance flood by a levee. No BFEs or base flood depths are shown within these zones. (Zone X (shaded) is used on new and revised maps in place of Zone B.)

Utilities

All utilities are available to the site, including water, sewer, telephone, and electrical services.

Plat Map Exhibit





Zoning**MIXED USE, MU,
JUNEAU**

The MU, mixed use district, reflects the existing downtown development pattern and is intended to maintain the stability of the downtown area. Multifamily residential uses are allowed and encouraged. In addition to residential uses, other allowed uses include office uses, food service, retail, and minor utility facilities. Minimum lot size is 4,000 SF with a minimum lot width of 50' and a minimum depth of 80'. There are no limits on structure height or maximum lot coverage. All setbacks are 0'.

The subject's zoning is not unduly restrictive, permits a wide variety of uses that are consistent with its highest and best use as vacant, and does not appear to materially limit the economic potential or functional utility of the property.

**Easements, Covenants,
Encroachments &
Restrictions**

The property is subject to an Access Easement and Option Agreement dated April 19, 2018 and recorded April 20, 2018 as Document No. 2018-001676-0. This Agreement provides an easement located on Lot 31A which benefits Lot 26A (Juneau Senior Housing Property). The easement runs along the southerly property line of Lot 31A and encompasses an area of 1,690 SF, more or less.

Normal easements along property boundaries for streets or utilities are assumed. It is understood that there are no legal restrictions that would adversely affect use or marketability of the property. Title and land use, however are legal issues and an attorney should be consulted relating to questions on these matters. It is an assumption of this report that there are no restrictions that would adversely affect use or marketability of the property.

Functional Utility

There are no known physical or economic characteristics that limit the site's development potential and level of functional utility. The subject is generally physically and economically similar to other sites within the market segment that it competes. Overall, the site is concluded to provide good functional utility.

Property Assessment & Taxes

Summary of Property Assessment & Taxes

Real Property

Properties located within the subject's market are assessed by the assessor every year. By statute, each property must be assessed at 100% of market value. The millage rate (on which property taxes are based) is determined annually based on spending and assessment levels. Millage rates vary constantly and are influenced by state law and services provided in each individual district. The assessed value of all properties located within a district is divided by a particular year's budget requirements to arrive at a millage rate. Thus, actual spending determines the amount of tax, and assessment allocates the tax among property owners. Therefore, an increase or decrease in total assessment will not, by itself, result in a change in the total property tax collected.

While mass appraisal is useful for the allocation of the total tax liability among property owners, it is not always a reliable indicator of the market value of a specific property. As such, market participants do not generally use assessed value to determine market value. Market participants do carefully analyze the impact of current and projected real estate taxes on cash flow and market value. While Alaska is a non-disclosure state and the assessor does not have access to sale information, they do have confirmation from the recorder's office of a sale occurring. Often times the assessment the year following a sale increases dramatically with the burden of disproving the assessment falling on the property owner. This in turn often requires disclosure of any subject sale. Because of these factors, irrespective of actual historic assessment, most market participants input real estate taxes on a stabilized basis, where projected assessment correlates with the estimated market value and is reflective of assessment in a post-sale environment.

Property Assessment & Tax Summary Exhibit

MOST RECENT PROPERTY ASSESSMENT & TAXES

Tax Parcel Number	Assessment			Mill Rate	Taxes
	Land	Improvements	Total		
Year					2019
5B1601440311	\$13,500	\$0	\$13,500	\$0.01	\$144
5B1601440320	\$245,100	\$0	\$245,100	\$0.01	\$2,613
5B1601440330	\$181,900	\$0	\$181,900	\$0.01	\$1,939
5B1601440340	\$126,400	\$0	\$126,400	\$0.01	\$1,347
5B1601440350	\$203,800	\$0	\$203,800	\$0.01	\$2,173
5B1601440360	\$259,000	\$0	\$259,000	\$0.01	\$2,761
5B1601440370	\$156,800	\$0	\$156,800	\$0.01	\$1,671
5B1601440380	\$207,900	\$0	\$207,900	\$0.01	\$2,216
Total	\$1,394,400	\$0	\$1,394,400	\$10.66	\$14,864

Subject Photographs

Facing the subject from Clinton Drive viewing northeast



Subject property viewing north from Clinton Drive



Easterly portion of the subject viewing from Clinton Drive



Westerly portion of the subject viewing northwest from Clinton Drive



Easterly portion of the subject viewing from Clinton Drive



Subject property viewing north from Clinton Drive



Easterly portion of the subject viewing southeast



Subject property viewing south



Subject property viewing southwest



Walking path along the Mendenhall River



Walking path along the
Mendenhall River



Walking path along the
Mendenhall River



Walking path along the Mendenhall River



Clinton Drive viewing west



Highest & Best Use

Definition & Methodology

“Highest & Best Use” is defined as:

“The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”⁵

Scope of Highest & Best Use

A specific determination of highest and best use would require specific cost estimates, which were not available to the appraiser, and is beyond the scope of this assignment. Unless otherwise indicated, the highest and best use as vacant analysis should not be construed as a feasibility study, which is beyond the scope of the current assignment. Rather, the analysis is meant to provide a general indication of highest and best use based on a qualitative review of the available evidence. Furthermore, unless otherwise indicated, the assignment is not a feasibility study of potential conversion or renovation of the property and continued use “as is” or “as proposed” is implicit in the current value estimate.

As Vacant

Legally Permissible

Private restrictions, zoning, building codes, historic district controls and environmental regulations determine those uses legally permissible on a site. No private restrictions or historical district controls encumber the subject site. In addition, there are no known environmental regulations that inhibit development of the site.

Physically Possible

Size, shape, area, terrain, accessibility and availability of utilities affect the uses under which a property can be developed.

Financially Feasible

Feasibility is indicated by construction trends in the vicinity and current market conditions. All uses that are expected to produce a positive return are regarded as financially feasible.

Maximally Productive

When development options are available, a determination must be made as to which feasible use is the maximally profitable use.

Within this market, the presence of developer’s margin is highly specific to the individual project. Nonetheless, it is noted that developers’ margins have been attained within the subject’s geographic area for a wide variety of property types. The majority of new construction, however, has been by owner-users whose needs were not met by the existing inventory and there has been less speculative development. Based on a review of the subject’s zoning, land use trends, neighborhood characteristics and trends, shape, size, functional utility as well as market vacancy rates, rental rates and other factors, the subject’s highest and best use as vacant may include multifamily or commercial development, or other unidentified use that provides the highest return to the underlying land once

⁵ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

feasibility has been ascertained.

Probable Buyer

The most probable purchaser is an owner/user or local developer.

Land Valuation

Introduction

Methodology Land is customarily valued as though unimproved and available for development to the use, which would justify the highest price and the greatest net return. Sales of unimproved land most similar to the subject are investigated and the most appropriate transactions are analyzed. The land value estimate traditionally reflects the fee simple value of raw land with good soils, available access, available utilities, minimal site work completed, generally level and at grade, with no site improvements (paving, landscaping, lighting, fencing, etc.).

Units of Comparison Units of comparison, components into which properties may be divided for purposes of comparison, are derived from comparable sales data. Brokers, developers and other market participants indicated a common unit of comparison for properties in this market is the price per sq ft of usable land area.

Comparable Data

Sources of Data The following transactions were obtained from various sources including web sites (Alaska Multiple Listing Service, Loopnet and Craigslist), brokers, assessors, appraisers, other individuals and most notably the Reliant, LLC internal database.

Availability of Data The availability of comparable data is a function of the subject's location, property type, property size, market size and market activity. There are a limited number of properties with similar physical and economic characteristics to the subject, and these are traded infrequently. Therefore, market research identified limited transactions involving properties that bracket the subject and provide a good basis for comparison.

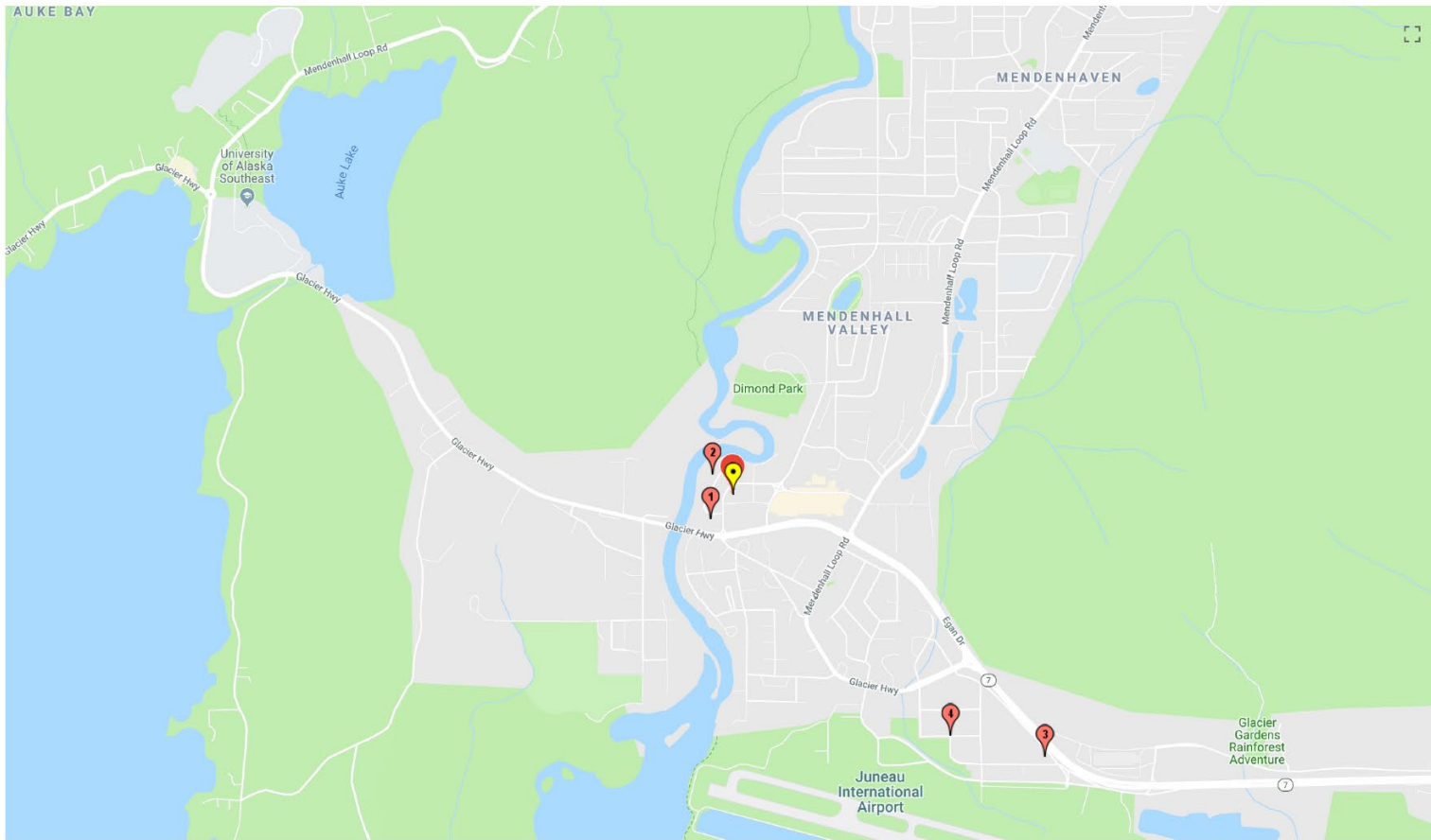
Presentation of Data The most relevant data for these transactions is presented on the following summary table. The following map highlights the location of the comparables relative to the subject. Photographs and relevant discussion on each comparable are also presented. Detailed sheets containing additional documentation on the physical and economic characteristics of the transactions are presented in the Addenda.

Summary of Comparable Land Sales Exhibit

No.	Name	Usable Land Sq Ft	Utilities	Soil Conditions	Current Use	Access / Exposure	Shape	Date	Marketing Time	Nominal Price	Analysis Price (1)
	Legal Description	Acres		Zoning	Intended Use	Road Frontage	Topography	Transaction Type			\$/Sq Ft
L-1	R&S Construction Land Lots 1A, 2A, 3A, 4A, 5A, 6A, and 7A, Block C, Juneau	70,591 1.62	All Available	Average LC	Vacant Land 0	Average / Good 0	Irregular Generally Level	Apr-18 Closed	0-6 Months	\$1,023,613	\$1,023,613 \$14.50
L-2	Juneau Senior Housing Land Trillium Landing Condo Land Juneau	43,560 0.00	All Available	Average LC	Vacant Land Multifamily	Average / Average 0	Irregular Generally Level	Aug-16 Closed	0-6 Months	\$698,267	\$698,267 \$16.03
L-3	JMA Building Land Lots 6A, 7A, and 8A1, Valley Centre Greenbelt, Plats 96-6 and 2014-48, Juneau Recording District Juneau	10,504 0.24	All Available	Average GC	Vacant Land 0	Below Average / Below Average Airport Blvd	Irregular Generally Level	Jun-18 Closed	0-6 Months	\$180,000	\$180,000 \$17.14
L-4	St. Vincent de Paul Lot 6A1, Block H, Valley Centre Greenbelt Juneau	52,246 1.20	All Available	Average GC	Vacant Land 0	Average / Below Average Teal Street	Irregular Generally Level	May-19 Listing	0-6 Months	\$1,100,000	\$1,300,000 \$24.88
L-5	M&M Tours Land Lot 15, Block B, Alaska Juneau Subdivision V, Plat 99-46, Juneau Recording District Juneau	27,179 0.62	All Available	Average I	Vacant Land 0	Average / Average Mill St.	Irregular Generally Level	Apr-19 Closed	0-6 Months	\$597,938	\$597,938 \$22.00
Subj	Vintage II Subdivision	100,619	All available	Good	Vacant Land	Average / Average	Irregular	Appraisal	---	---	\$1,860,000
Subj	Lots 31A to 38 Block C, Vintage II Subdivision Juneau	2.35		MU - Mixed Use	Unknown	285'	Level				\$18.50

(1) "Analysis Price" may reflect adjustments for conditions of sale, soil conditions, utility extensions or other items. Please refer to the individual comparable's comments.
 (2) Insert any additional needed footnotes here.

Map of Comparable Land Sales Exhibit



Description of Data**Sale No. L-1**

This site was purchased by a developer who intends to construct boat condos with apartments. This is a cash sale with a contingency of confirming compliance with Vintage Park protective covenants and obtaining CBJ zoning permission for the proposed construction. The site has frontage on Egan Expressway; however, there is no access permitted. The site lies below grade of Egan Expressway. The only access available to the site is via Clinton Drive.

Sale No. L-2

This is an assemblage of lots situated between Clinton Drive and Mendenhall River. The site is located within the Vintage Park development, which consists primarily of one and two story office structures. The site affords a view of the Mendenhall Glacier and Mendenhall River. The contract purchase price was set at \$24/SF; however, the seller intended to make an offsetting charitable contribution of \$7.97/SF, leaving an effective purchase price of \$16.03/SF. The seller was not able to receive any monetary benefit for the charitable contribution. The developer plans to build senior housing partially paid with tax credits.

Sale No. L-3



This is an assemblage of three small parcels that were purchased for the development of four boat condo/apartment units. The site was below grade and required \$3.00 to \$4.00 per SF in site development costs.

Sale No. L-4



Within three days of the listing, an offer was made at \$1,077,228, or \$18/SF. Reportedly there were no contingencies. This offer was rejected by the seller. This site requires fill and reportedly has no wetlands. The broker estimated the cost to fill at \$200,000. The broker has requested that the asking price be reduced.

Sale No. L-5



This is a site located in an industrial developed neighborhood. The property was purchased for development of a bus storage and repair facility. The buyer paid the seller's asking price. There was a competing offer at the same price.

Overview of Adjustments

Nature of Adjustments Adjustments to the comparables are necessary to reflect advantages and disadvantages relative to the subject. Ideally, quantitative adjustments are determined through paired sale analysis or other definitive data. However, when quantitative adjustments cannot be reliably ascertained - as is typically the case in Alaskan markets due to data limitations - qualitative adjustments may be applied through a weighted analysis of each comparable based on its relative merits. These adjustments may be supported by available market data, discussions with local market participants, and/or supplementary information contained within the appraiser's files.

Note that qualitative adjustments - based on the above as well as on appraiser judgment - are applied on a percentage or dollar basis in this appraisal. Ultimately, the adjustment grid presented further in this chapter is not intended to imply that all of the adjustments were performed on a strictly quantitative basis. Rather, the adjustment grid is presented to more precisely communicate the appraiser's opinion on the direction and degree of adjustment required to a given comparable. Moreover, it should be recognized that the elements of comparison shown in the adjustment grid are those considered most significant and relevant. While they help explain the appraiser's reasoning and support for the reconciled value estimate, they are not the only elements of comparison considered. Other differences where adjustments have not been made explicitly are not deemed material and are therefore implicitly considered in the appraiser's analysis of the comparables and the reconciled value estimate. Finally, certain adjustments to the transaction prices may have already been made and reflected in the initial "Analysis Prices" shown in the table, as described in the preceding comments for the individual comparables.

Usable Land Area Non-usable areas due to topography, wetlands, overhead utilities or other issues

are subtracted from gross site area.

Property Rights Conveyed

When real property rights are sold, the contract may include rights that are less than or more than all the real property rights. Examples include the inclusion of another property, personal property, or the sale of a property subject to a below market or above market lease. Therefore, the sale price of the comparable property must be adjusted to reflect the property rights that are similar to those being appraised. In this analysis, the comparables are adjusted to reflect the fee simple sale price. Adjustments to the comparables are required in cases where the property interest sold was less than or greater than the fee simple value.

Financing Terms

Seller-provided financing can play an important role in the sale of a project. Low down payments and terms that are significantly less stringent than those available in the market at the time of sale contribute to sale prices in excess of that obtainable by an all-cash or typically financed (by a disinterested third party) buyer. In order to analyze all properties on a comparable basis, those sales with financing not typically available for the property at the time of sale must be converted to typical terms and cash equivalency.

Conditions of Sale

Adjustments for conditions of sale are intended to reflect the motivations of the buyer and the seller. Conditions of sale that are outside the definition of market value must be adjusted to reflect a fully marketed property with adequate exposure and an arms-length transaction where neither the buyer nor the seller is unduly motivated. Adjustments may be required to properties where one party was unusually motivated, foreclosure sales, properties that were not fully exposed to the market, and active listings that have not closed.

Market Conditions

Market values have generally increased in recent years as the available supply of substitute properties has decreased and the number of investors and users actively seeking properties has increased. In the process of completing this assignment, or as part of previously completed assignments for similar properties in this segment, consideration was given to the limited available paired sales and discussions with market participants. Based on the available information, demand in this segment remained strong over the past several years and prices continued to escalate gradually. A 0.0% annual adjustment is made through January 1, 2017; then a subsequent 5.0% adjustment is made through April 1, 2019.

Location

Location is a broad term that includes non-property specific factors such as neighborhood and surrounding demographics and property specific factors such as surrounding streets, street frontage, access, exposure, number of corners, traffic counts, adjacent properties and other factors. Where appropriate adjustments for certain components of location may be performed individually.

Access

The access adjustment is an aspect of location that is performed as a separate element of adjustment. Access is the convenience of vehicle ingress and egress. Surrounding streets, traffic patterns and available curb cuts are important elements. Exposure is the visibility of a site to surrounding traffic. Streets, traffic patterns, surrounding properties and presence of obstructions are important elements.

Exposure

The exposure adjustment is an aspect of location that is performed as a separate element of adjustment. Exposure is the visibility of a site to surrounding traffic. Streets, traffic patterns, surrounding properties and presence of obstructions are

important elements.

Size

If an adequate supply of larger sites exists then generally smaller parcels tend to sell for higher prices per sq ft. If supply of larger parcels is limited then they occasionally sell for a premium.

A review of data indicates that within the subject's market smaller parcels tend to sell for higher prices per sq ft than larger parcels. Larger parcels than the subject are adjusted upward while smaller parcels are adjusted downward.

Use / Zoning

Differences in the current use or the highest and best use of a potential comparable and the subject must be analyzed. Site development potential depends heavily on zoning requirements. Zoning determines how large a structure and for what type of use a site can be developed. Adjustments are required to comparables with zoning designations that provide a lower or higher level of overall functional utility relative to the subject's zoning. Due to a shortage of industrial land, a downward adjustment was necessary relative to mixed use land.

Topography

Topography refers to whether a site is level or sloping and at, above, or below the grade of surrounding streets. Adjustment is required to those comparables that have dissimilar topography relative to the subject. In certain cases, the slope of the topography is so severe that the impacted area is not usable and is therefore excluded from usable site area. In other cases, the sloping area is still usable but is not desirable because it increases development costs and requires mitigation prior to development.

Other

The adjustments listed above are not inclusive of all the adjustments considered by the appraiser. Physical and economic differences where adjustments have not been explicitly made are implicitly considered in the appraiser's analysis of the comparable and value estimate.

Adjustment Grid Exhibit

Land Analysis Grid			L-1		L-2		L-3		L-4		L-5	
Name	Vintage II Subdivision		R&S Construction Land		Juneau Senior Housing Land		JMA Building Land		St. Vincent de Paul		M&M Tours Land	
City	Juneau		Juneau		Juneau		Juneau		Juneau		Juneau	
Date	4/18/2019		4/2/2018		8/10/2016		6/4/2018		5/13/2019		4/1/2019	
Analysis Price	Appraisal		\$1,023,613		\$698,267		\$180,000		\$1,300,000		\$597,938	
Land SF	100,619		70,591		43,560		10,504		52,246		27,179	
\$/Sq Ft	---		\$14.50		\$16.03		\$17.14		\$24.88		\$22.00	
Transaction Adjustments												
Property Rights	Fee Simple		Fee Simple 0.0%		Fee Simple 0.0%		Fee Simple 0.0%		Fee Simple 0.0%		Fee Simple 0.0%	
Financing	Conventional		Conventional 0.0%		Conventional 0.0%		Conventional 0.0%		Conventional 0.0%		Conventional 0.0%	
Conditions of Sale	Arms Length		Motivated Se 20.0%		Arms Length 0.0%		Arms Length 0.0%		Asking -17.0%		Arms Length 0.0%	
Adjusted Land SF Unit Price			\$17.40		\$16.03		\$17.14		\$20.65		\$22.00	
Market Cond. Thru	1/17 0.0%		0.0%		0.0%		0.0%		0.0%		0.0%	
Adjusted Land SF Unit Price			\$17.40		\$16.03		\$17.14		\$20.65		\$22.00	
Market Cond. Thru	4/19 5.0%		5.0%		11.6%		4.1%		0.0%		0.0%	
Adjusted Land SF Unit Price			\$18.27		\$17.89		\$17.84		\$20.65		\$22.00	
Location	Good		Good		Good		Good		Good		Good	
% Adjustment			0%		0%		0%		0%		0%	
\$ Adjustment			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	
Access / Exposure	Average / Average		Average / Good		Average / Average		Below Average /		Average / Below		Average / Average	
% Adjustment			-5%		0%		5%		5%		0%	
\$ Adjustment			-\$0.91		\$0.00		\$0.89		\$1.03		\$0.00	
Land SF (Size)	100,619		70,591		43,560		10,504		52,246		27,179	
% Adjustment			0%		0%		-10%		0%		0%	
\$ Adjustment			\$0.00		\$0.00		-\$1.78		\$0.00		\$0.00	
Topography	Level		Generally Level		Generally Level		Generally Level		Generally Level		Generally Level	
% Adjustment			0%		0%		0%		0%		0%	
\$ Adjustment			\$0.00		\$0.00		\$4.00		\$0.00		\$0.00	
Utilities	All available		All Available		All Available		All Available		All Available		All Available	
% Adjustment			0%		0%		0%		0%		0%	
\$ Adjustment			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	
Zoning	MU - Mixed Use		LC		LC		GC		GC		I	
% Adjustment			0%		0%		0%		0%		0%	
\$ Adjustment			\$0.00		\$0.00		\$0.00		\$0.00		-\$2.00	
% Adjustment			0%		0%		0%		0%		0%	
\$ Adjustment			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	
Adjusted Land SF Unit Price			\$17.35		\$17.89		\$20.95		\$21.68		\$20.00	
Net Adjustments			19.7%		11.6%		22.2%		-12.9%		-9.1%	
Gross Adjustments			32.3%		11.6%		43.1%		21.2%		9.1%	

Discussion & Analysis After Adjustment

The comparables bracket the physical and economic characteristics of the subject. They bracket the market value of the subject on an unadjusted basis, and inferior comparables were adjusted upward while superior comparables were adjusted downward. Prior to adjustments, the sale prices fall within a wide range. After adjustments this range is narrowed substantially, supporting the overall reasonableness of the adjustments made. A review of the gross adjustments made to the comparables indicates large physical differences between many of the comparables and the subject. Comparables requiring a lower degree of gross adjustment are generally the most reliable indicators of value. Comparables requiring higher degrees of gross adjustment are generally less reliable indicators of value, but may still be meaningful and given weight if the adjustments made were strongly supported.

Prior to adjustment, the comparables range from \$14.50 to \$24.88/sq ft, with an average of \$18.91/sq ft. After adjustment, they range from \$17.35 to \$21.68/sq ft, with an average of \$19.57/sq ft. Thus, the range before adjustment is \$10.38/sq ft, and this decreases to \$4.33/sq ft after adjustment.

Considering the degree of gross adjustments, the most meaningful data overall (L-1, L-2, L-3) range from \$17.35 to \$20.95/sq ft with an average of \$18.73/sq ft.

After careful consideration, based on analysis of the data presented previously as well as data contained within the appraiser's work file the market value of the subject is estimated at \$18.50/sq ft.

Tests of Reasonableness

Other Noteworthy Transactions

There are a number of noteworthy transactions that are not included as comparable transactions but are worth discussion. The first is the current listing of 5 acres of land two blocks west of the subject at 1150 Old Seward Highway. This transaction is currently listed at \$11/sq ft. The second is the 2003 sale of the parcel directly west of the subject at \$6/sq ft. While an older transaction, after adjustment for market conditions the sale price was between \$8/sq ft and \$10/sq ft. Overall, the current value estimate is reasonable and further supported by this additional information.

Interviews with Market Participants

In the course of performing an assignment, numerous market participants have been interviewed regarding market conditions and the subject. These participants often prefer to remain off the record, in which case their comments are retained in the appraiser's work file. A knowledgeable broker that does a great deal of work on land transactions indicated that the market value of the subject was between \$8/sq ft and \$10/sq ft. A listing agent of a similar property suggested a slightly higher market value at \$11/sq ft. Overall, the input provided by market participants suggests that the current value estimate is reasonable.

Land Value Calculation

LAND VALUE CALCULATION

Usable Land Area	100,619
Land Value / Sq Ft	\$18.50
Estimated Land Value	\$1,861,452
Rounded	\$1,860,000

Exposure Period

As reflected by sales found among the Sale Comparison Approach, the most recent transactions were typically marketed for 6 months or less before offers were obtained. At the concluded market value, an exposure period of 6 months is anticipated.

Marketing Time

Based on current market trends the marketing time should be similar to the exposure period. The estimated marketing time for the subject is 12 months.

Reconciliation & Final Value Estimate

Summary of Value Estimates

The approaches to value utilized in this report have indicated the following values for the subject:

VALUATION SUMMARY	
Vintage II Subdivision	
Property Rights	Fee Simple
Condition	As Is
Effective Date of Appraisal	April 18, 2019
Land Valuation	\$1,860,000
Final Market Value Estimate	\$1,860,000

Reconciliation

Overview

Reconciliation is the final phase in the assignment and is where two or more value indications derived from market data are resolved into a final value estimate. USPAP requires that the appraiser reconcile the quality and quantity of data available and analyzed within the approaches used. Furthermore, the applicability and relevance of the approaches, methods and techniques must also be reconciled. A discussion of the applicability of the various approaches is presented below. Property specific influences on the reconciliation and the appraiser's analysis and conclusions are presented on an exhibit that follows.

Cost Approach

This approach is normally a strong indicator of value when there is reliable data from which to estimate replacement cost and accrued depreciation. This approach is highly applicable for special purpose properties, new construction and when there are limited sales or rental activity (resulting in less reliable value indications by sales comparison and income capitalization). It is less applicable for older properties that exhibit significant amounts of depreciation. For non-special purpose properties, this approach is often considered by market participants but not given primary weight. Investors primarily use this approach to determine the feasibility of a proposed development. Owner-users often consider this approach when making decisions on whether to buy an existing building or pursue new construction.

EXCLUSION The Cost Approach was not performed for the following reasons.

- It does not fully take into consideration current supply and demand conditions.
- There has been limited new construction in the subject's market making it difficult to reliably estimate replacement cost.
- The subject is older construction making it difficult to reliably estimate accrued depreciation.
- While buyers may consider the cost approach in certain cases, it is not generally given significant weight for an income producing property.
- The other approach(es) resulted in a reliable value estimate for the subject.

Sales Comparison Approach

This approach is normally a strong indicator of value when adequate current sales data are available. Like the Income Capitalization Approach, this approach responds quickly to changes in the marketplace. In user markets, the Sales Comparison Approach is given primary weight. Investors use this approach primarily as an indicator of current rates of return and subsequently give this approach secondary weight.

Income Capitalization Approach

The Income Capitalization Approach is generally considered a strong indicator of value for income-producing properties. The primary strength of the Income Capitalization Approach is income and operating levels respond quickly, if not immediately, to conditions in the market and changes in the property. This approach is given primary weight by investors and secondary weight by owner-users. Direct capitalization is the most common method of income capitalization used within the market and is highly applicable when a property is physically or economically stabilized. Discounted cash flow analysis is used by market participants for investment grade properties and is highly applicable when there are changing market conditions, a property is not physically or economically stabilized, the timing of cash flows is irregular, or the income pattern is different than what is typical of the market.

EXCLUSION The Income Capitalization Approach was not performed for the following reasons.

- The subject is vacant land.

Final Value Estimate**FINAL MARKET VALUE ESTIMATE**

Vintage II Subdivision

Property Rights

Fee Simple

Condition

As Is

Effective Date of Appraisal

April 18, 2019

Final Market Value Estimate

\$1,860,000

Exposure Period

DEFINITION⁶ *The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.*

Marketing Time

DEFINITION⁷ *An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is*

⁶ Source: The Dictionary of Real Estate Appraisal, Sixth Edition, Chicago: Appraisal Institute, 2015.

⁷ Source: The Dictionary of Real Estate Appraisal, Sixth Edition, Chicago: Appraisal Institute, 2015.

always presumed to precede the effective date of an appraisal.

Based on current market trends, a reasonable marketing time should be similar to the exposure period. For a property of this type and size, in this neighborhood, and given expected market conditions, a reasonable marketing time would be up to 12 months. Note that it may be inappropriate for the Client to assume value remains stable during the estimated marketing period.

General Assumptions & Limiting Conditions

1. **Applicable to All Assignments:** Unless explicitly stated to the contrary, the following General Assumptions & Limiting Conditions apply to all assignments:
2. **Acceptance of Report/Limit of Liability:** Any use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by Appraiser, constitutes acceptance of, and is subject to, all appraisal statements, limiting conditions and assumptions stated in the appraisal report. The client is responsible to become familiar with these statements, assumptions and limiting conditions.
3. **Responsibility of Client/Intended User to Accurately Communicate Appraisal Results:** If placed in the possession of anyone other than the client or intended user, they shall make such party aware of these assumptions and limiting conditions. The appraiser(s) assume no liability for the client or third party's lack of familiarization and comprehension of the same. The appraiser(s) has no responsibility or liability to correct any deficiencies of any type in the property, or any costs incurred to correct such deficiencies whether legal, physical, or financial.
4. **Post Appraisal Services:** The contract for appraisal, consultation, or other service is fulfilled upon completion of the assignment. The appraiser(s) or others assisting in this report will not be required to provide testimony in court or other hearing, and will not participate in post appraisal services other than routine questions with the client or third parties so designated by the client without a separate engagement and for an additional fee. If testimony or deposition is required due to subpoena, the client shall become responsible for the incursion of fees and charges for any additional time, regardless of the party.
5. **Duplication and Dissemination of Report or Report Contents:** This appraisal has been completed for the client's specific use as well as any other intended user(s) specifically identified in the report. The appraiser(s) has no liability, accountability, or obligation to any other third party. The appraiser(s) retain copyright of the data, discussions, and conclusions contained herein. Possession of this report does not constitute the right of publication either in whole or in part. The client may only disseminate complete final copies to third parties engaged in the course of underwriting and loan securitization, as well as to any other intended user(s) identified in the report. Duplication and dissemination of selected sections of this report to third parties without express written consent of the signatories of the report are prohibited and may be misleading. This report in whole or in part may not be distributed to the general public by use of advertising media, public relations, new outlets, etc. without the written consent of the signatories. Exemptions from this restriction include duplication for the client's internal use, dissemination to accountants, attorneys, or advisors of the client. The exemption also extends to any court, governmental authority, or regulatory agency that has jurisdiction or subpoena power over the individuals or parties for whom the appraisal has been prepared or for ethics enforcement, provided that the report will not be published in whole or in part in any public document or medium. This report shall not be advertised to the public to make a "sale" or any "security" as defined by the Securities Act of 1933.
6. **Appraisal Institute Use Restrictions:** Disclosure of the contents of this appraisal report is governed by the By-Laws & Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers or the firm with which they are connected, or any reference to the Appraisal Institute or to the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned. No part of this report or any of the conclusions may be included in any offering statement, memorandum, prospectus or registration without the prior written consent of the appraisers.

7. **Unauthorized User:** The report has been prepared for the client and any other intended user(s) specifically identified in the report, within the context of the intended use only. The appraiser(s) has no liability to any other third party. Any authorized user of this document who provides a copy of this document to, or permits reliance thereon by, any person or entity not authorized by Reliant, LLC in writing to use or rely thereon, hereby agrees to indemnify and hold Reliant, LLC, its affiliates and their respective shareholders, directors, officers, and employee's harmless from and against all damages, expenses, claims and costs, including attorney's fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the document by any such unauthorized person or entity. Such unauthorized distributor accepts all liability to the unauthorized user whom they distribute a copy of the report to. Any unauthorized distributor of this report is cautioned that they may incur liabilities to the unauthorized user that they are providing a copy of the report to as well as to Reliant LLC.
8. **Reliability of Information Used:** Through the course of this assignment the appraiser(s) collected data from numerous sources deemed reliable, but not guaranteed. No liability is assumed for the inaccuracies of data supplied by the various sources either public or private. Data relied upon in this report has been confirmed with primary or secondary sources considered reliable and/or reasonable, and appropriate for inclusion in the analysis. Although there were no reasons to doubt the general accuracy of such data, unimpeachable verification or affidavits of all data is an impractical and an uneconomic expenditure of time and resources and/or may involve legal or confidentiality issues.
9. **Right to Amend Report:** The appraiser(s) reserves the right to amend, modify, alter, or correct any and all statements, analyses, and conclusions of the value indications in the event that incorrect data was supplied, withheld, altered, or that any other pertinent data unknown, not disclosed, or revealed to the appraiser(s), whether intentionally or unintentionally, during the course of this assignment subsequently becomes available. Examples of such data that could impact the opinions of market value include but are not limited to: street addresses, Assessor's Parcel Numbers, site area, site dimensions, gross building area, net rentable area, usable area, common area, number of units, number of room, rent rolls, historical operating statements and budgets, sales data, etc.
10. **Purchase and Sale Agreement:** In the event of a pending sale, as of the report date, any purchase and sale agreement (PSA, EMA, etc.) provided has been represented as being the final agreed upon document reflecting the final price and terms negotiated between the parties. This information reflects the perspective of a buyer and seller, and so may have been given significant weight in the final conclusion of market value. In the event that the sale information provided subsequently turns out not to represent the final agreed upon price and/or terms, or in the event that the price and/or terms are amended post-delivery of this report, the market value estimate contained herein may be invalidated. The intended user(s) of this report is advised not to rely upon it in this situation until the appraiser is provided the final/amended sale information for their full consideration and possible amendment to the opinions and conclusions originally stated in this report.
11. **Obligation of User to Report Errors:** Any authorized user is required immediately contact the appraiser(s) and report errors, discrepancies, or alterations to the proposed properties or land parcels to determine the impact on the opinion(s) of market value.
12. **Integrated Analysis.** The individual components of the analysis contained herein are highly interrelated and subject-specific. As such, individual items such as rent, vacancy allowance, expenses, and rate of return cannot be viewed individually without the context of the whole analysis. Moreover, conclusions or individual components from this specific analysis cannot and should not be extracted for application to other properties and/or situations.
13. **Market Dynamic and Valuation Fluctuations:** The opinions of market value expressed within the

report are subject to change over time as a result of market dynamics. Market values are highly susceptible to both macro and micro economic forces that influence the property. Such forces include but are not limited to: exposure on the market, length of time, marketing efforts, motivations and preferences of market participants, productivity of the property, the property's market appeal, changes in investor requirements regarding income and yields, etc. The opinions of market value are made as of the report date and subject to fluctuations over time as a result of natural market forces.

14. **Date of Value, Dollar Values, and Purchasing Power:** The date of the report and the effective date of the market value opinions are stated in the letter of transmittal or with the appropriate sections of the report. All dollar amounts are based on the purchasing power of the United States Dollar (USD). The analyses and conclusions of the appraisal are based upon the known market conditions as of the date of report. Changes in market conditions or purchasing power may warrant a new appraisal assignment. The appraiser(s) is available for consultations regarding changes in the economic conditions.
15. **Fixtures, Furniture, and Equipment (FF&E) and Business Concerns:** Personal property, FF&E, intangibles, going concerns, etc., unless specifically stated as a component of the real estate, are excluded from the market value estimates.
16. **Non-Viewed Units/Spaces:** In certain instances, due to current occupancy or lack of access, portions of the subject's units/spaces are not available to be viewed during the walk through. Unless otherwise stated in the report, in these cases the person accompanying the appraiser on the walk through has represented that the condition and quality of these units/spaces are similar to that of the property (viewed areas) as a whole. It is a general assumption of this assignment that the units/spaces that were not viewed are commensurate condition and quality with those viewed by the appraiser during the walk through.
17. **Proposed Improvements, Renovations, and Repairs:** For the purposes of this analysis, the proposed improvements, renovations, and/or repairs are assumed to be completed in a workman-like manner, and according to the detail, plans, and specifications supplied to the appraiser(s). The market value opinions for such construction, renovations, and repairs are subject to an inspection of the improvements to determine completion as per plans and specifications.
18. **Date of Completion Value:** The actual delivery date of proposed product may vary widely from the anticipated date of delivery due to weather and other variables. If proposed or under construction, it is an ordinary assumption of this assignment that the subject is completed as of the at completion date, which has been developed based on discussions with ownership, contractors, architects and typical market derived construction deliveries.
19. **Limitations of Competency:** The appraiser is competent in the valuation of real estate, which is a subset of the field of economics. The appraiser is not competent in the fields of law, engineering, construction, architecture, surveying or other areas of expertise. Clients bear the responsibility of consulting and retaining experts outside the appraisal profession as required by the situation.
20. **Lease Verification / Validation:** Where applicable, the scope of lease verification was generally limited to their economic characteristics and legal aspects of the leases were not reviewed or analyzed. It is assumed that all of the leases are valid, legally binding documents.
21. **Divisions or Fractional Interests:** The opinions of market value apply to the entire property unless specifically identified and established within the conclusions and analyses of the report. Division of fractional interests by the client or third party will render this report invalid.
22. **Component Values:** The distribution of total valuation between the land and the building improvements in this report are applicable only under the existing program or utilization of the property. The component values between land and building are not intended, nor are they to be used in conjunction with

- any other appraisal assignment, and are rendered invalid if used.
23. **Survey:** Site plans, sketches, or other illustrations are not surveys unless specifically identified as an exhibit from a licensed survey. Surveys of the site boundaries were not completed, nor does the appraiser(s) imply such expertise. Dimensions and areas of the site were obtained from sources deemed reliable but not guaranteed. Additionally, it is further assumed that no encroachments exist.
 24. **Exhibits:** Maps, plats, sketches, photographs, and other exhibits are intended for illustration, visualization, and assistance in describing and analyzing the property in full context. Such exhibits may not be removed, reproduced, or separately used beyond this report.
 25. **Building Area:** Reliant, LLC makes no warranty or certification relating to building area. In instances when building area is not provided and is either partially or entirely unknown the appraiser may be required to measure the property to provide an indication of building area. Measurements by the appraiser may be made onsite or be made from property drawings, sketches, or actual architectural plans. The user(s) of this assignment are cautioned not to view the appraisers building area estimate as having the same degree of accuracy as a building area study performed by an appropriately qualified/certified individual such as an architect or engineer and are recommended to engage such individuals for this type of information.
 26. **Clear Title:** It is specifically assumed, unless otherwise indicated, that the title to the property is clear and marketable, that there are no recorded, unrecorded, or potential liens, defaults, encumbrances, etc. that would adversely affect the marketability and transfer of ownership. Unless otherwise stated, all applicable property taxes are assumed to be paid current. The appraiser(s) does not imply expertise in determining defects in the title, nor has the appraiser(s) been informed of such adversities. Specific questions regarding the title, including title insurance should be directed to a well qualified real estate title company. The legal description provided by title report, surveyor, government records, etc. is assumed to be correct.
 27. **Subsurface Rights, Avigation Easements, and Transferable Development Rights (TDR's):** The market value opinion(s) specifically assume that there are no mineral deposit rights or other subsurface rights, avigation easements, or transferable development rights associated with the property unless explicitly stated within the report.
 28. **Private Deed Restrictions:** The appraiser(s) makes the explicit assumption that there are no private deed restrictions that in any way limit the use of the subject property.
 29. **Americans with Disabilities Act (ADA):** The ADA became effective on January 26, 1992. The appraiser(s) does not imply expertise in the interpretation of the ADA, nor has a compliance survey been completed. The potential exists that if a compliance survey is completed combined with a detailed analysis of the ADA requirements, deficiencies may be revealed that could adversely impact the market value conclusion(s). No specific information regarding any non-compliance issues have been provided to the appraiser(s) and the possibility of non-compliance was not considered in the developing the opinions of value contained herein. Specific compliance questions should be directed to the appropriate governing jurisdictional agency.
 30. **Zoning Ordinances:** It is assumed that no changes to the current zoning code/ordinances or other regulations regarding the use of the property, density of development, construction components and/or quality of components, etc. are imminent or under consideration by the jurisdictional governing body, unless otherwise noted in the report. The property is appraised under the assumption that the improvements are approved, that certificates of occupancy or permits have been or will be issued, and that all other applicable national, state, local, or other administrative requirements have successfully been, or will be obtained or renewed for any use considered in the opinion(s) of market value.

31. **Adverse Governmental Controls:** Unless otherwise stated, the appraiser(s) is unaware of any governmental controls on the property, public initiative issues, rent or price controls, or any other adverse governmental or public controls contemplated regarding the legal use of the property.
32. **Property Compliance:** The appraiser(s) expresses no opinions or warranties that may require legal expertise or specialized investigations beyond the methods and investigations typically employed by real estate appraisers. Market value opinion(s) and conclusions contained within the report assume that the property is compliant with all environmental and government regulations such as building permits, fire department approvals, occupancy permits, building codes, licenses, etc. If the appraiser(s) has not been supplied with a termite inspection, occupancy permit, etc., no responsibility or representation is assumed for correction costs associated with obtained those items or deficiencies discovered before or after they were obtained. The appraiser(s) assumes no responsibility for costs incurred to obtain flood hazard determination, flood hazard insurance, or consequences arising for failure to obtain flood hazard insurance. Although the appraiser(s) has searched publicly available FEMA maps, a flood certification should be obtained from a qualified agent for the Federal Flood Insurance Program.
33. **Structural Integrity and System Components:** No advice or warranty of any kind are expressed or implied regarding the condition or adequacy of the mechanical systems, structural integrity of the improvements, soils, settlements, drainage, or other factors regarding the integrity and adequacy of the component systems of the improvements. The appraiser(s) is not a qualified engineer, nor is expertise implied with respect to engineering matters. Client may desire to retain the services of a qualified licensed contractor, civil engineer, structural engineer, architect, or other expert in determining the quality, condition, and adequacy of the improvements prior to the disbursement of funds. It is assumed that the existing improvements are structurally sound and constructed to the applicable federal, state, and local building codes and ordinances. That assumption includes, but is not limited to: the superstructure, roofing, electrical, plumbing, mechanical, HVAC, elevator, etc. The opinion(s) of market value are based upon no hidden or unapparent adverse conditions of the improvements, the site, or the subsoil, which would cause a loss in value. No responsibility or liability is assumed for any adverse conditions or for the expertise and retention of experts in discovery, detection, and cost to cure. In the event that professional consultations or reports reveal negative factors that would create a loss in value, the appraiser(s) reserves the right to amend the opinion(s) of market value and other conclusions contained herein.
34. **Environmental Hazards:** Unless specifically stated, the appraiser(s) has no knowledge regarding the presence or absence of toxic materials including but not limited to: asbestos, urea-formaldehyde insulation, leaking underground storage tanks, contaminated groundwater, or other potentially hazardous materials and substances that would adversely affect the market value and marketability of the property. The appraiser(s) does not imply expertise and no liability is assumed for the detection or remediation of such materials or substances, whether above or below the ground surface. Although a perfunctory observation was made during the walk-through, the client is referred to an environmental expert for further details, if so desired. If environmental hazards are discovered, the market value opinion(s) may be negatively affected, requiring a re-appraisal of the property for an additional fee.
35. **Environmental Compliance:** Unless otherwise noted, the appraiser(s) makes the assumption that the property is in compliance with all applicable national, state, or local environmental regulations.
36. **Competent Property Management:** It is assumed that the subject property analyzed currently is, or will be under efficient and competent management and that said management is not, or will not be, inefficient or super-efficient.
37. **Ongoing Operations.** In the event that the subject is a special purpose property or going concern, ongoing business operations are assumed unless otherwise stated in the body of the report.
38. **Financial Documentation:** Historic income and expenses may have been provided by ownership, a

lender, property manager, real estate agent or other third party. The financial information is assumed to reflect actual income and expenses at the subject using Generally Accepted Accounting Principles (GAAP). This information is assumed to be accurate and it has not been audited in any way.

39. **Cash Flow Projections:** The cash flow projections presented in this report are forecasts of future performance characteristics based upon the macro and micro economic data detailed in the analysis. The income, vacancy, expenses, and general economic conditions presented are not to be construed as predictions of the future, but rather reasonable expectations of future performance based on market modeling practices. Unless otherwise stated, the cash flow modeling is intended to reflect the opinions and practices of market participants and is not the analyst's forecast of what will actually occur. Actual results will vary, and are affected by fluctuating economic conditions and efficiency of management. The appraiser makes no warranty, express or implied, that the forecasts will occur as outlined. Additionally, future economic projections may be adversely affected by unforeseen circumstances and economic repercussions beyond the realm of knowledge or control, such as the events of September 11, 2001.
40. **Asset Recommendations and Consultations:** Asset Recommendations and Consultations: No statements contained within the report shall constitute recommendations with regard to any decision by the client(s) or intended user(s) with respect to prospective underwriting, financing, acquisition, disposition, holding of the asset, or any other subsequent event, at the stated market value indication(s) or otherwise. If the client requests a recommendation with respect to such a decision, it should be requested in writing, be explicitly listed in the scope of work and explicitly addressed in the appraisal report. Such decisions warrant significant research and strategy, with specific investment questions requiring additional consultations and financial analysis. Any client or intended user should consider this document as only one factor together with its independent investment considerations and underwriting criteria, in its overall investment decision. The assignment is not intended to be either a positive or a negative indication, nor endorsement, of the soundness of an investment or underwriting decision.
41. **Agreement to Mediation and Binding Arbitration:** If a dispute arises out of or relates to this assignment and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable procedures. Any controversy or claim arising out of or relating to this assignment that cannot be resolved through said mediation shall be settled by binding arbitration administered by the American Arbitration Association under its applicable rules and binding judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.
42. **Property Specific Assumptions, Limiting Conditions and Hypothetical Conditions:** The user is directed to the Assignment Overview section of this report for a listing of Extraordinary Assumptions and Hypothetical Conditions specific to this assignment. The user is specifically cautioned to understand each of the items listed and their impact on the property and scope of this assignment.
43. **Dissemination to Assessor:** The user(s) of this report may not provide a copy of this appraisal to any assessment office or agency without the prior written consent of Reliant LLC, as redaction of certain market and/or property level information may be required prior to submission for confidentiality reasons.
44. **Maximum Time Frame for Legal Action:** Unless the time frame is shorter under applicable law, any legal action or claim relating to the appraisal or Appraiser's services shall be filed in court (or in the applicable arbitration tribunal, as applicable and noted above under Agreement to Mediation and Binding Arbitration) within two (2) years from the date of delivery to Client of the appraisal report to which the claims or causes of action relate or, in the case of acts or conduct after delivery of the report, two (2) years from the date of the alleged acts or conduct. The time frame stated in this section shall not be extended by any delay in the discovery or accrual of the underlying claims, causes of action or damages. The time frame stated in this section shall apply to all non-criminal claims or causes of action of any type.

45. **No Assignment of Claims:** Legal claims or causes of action relating to the appraisal are not transferable or assignable to a third party, except: (i) as the result of a merger, consolidation, sale or purchase of a legal entity, (ii) with regard to the collection of a bona fide existing debt for services but then only to the extent of the total compensation for the appraisal plus reasonable interest, or (iii) in the case of an appraisal performed in connection with the origination of a mortgage loan, as part of the transfer or sale of the mortgage before an event of default on the mortgage or note or its legal equivalent.
46. **Resolution of Violations & Deficiencies:** Any violations or deficiencies resolved under the terms of this agreement shall remain confidential between Reliant LLC and the Client, intended user(s) and reviewers. Except as provided under this agreement, the Client, Intended User(s) or reviewers agree not to submit the assignment to any applicable private or governmental body with jurisdiction over the matter. If any aspect of the assignment is determined by the Client, intended user(s) or their reviewers, to not meet the minimum standards of any applicable Local, State or Federal laws, including the Uniform Standards of Professional Appraisal Practice (USPAP) the Client or intended user(s) agree to not submit the assignment or individuals performing the assignment to any governing Local, State or Federal authorities or any private entity with jurisdiction without first 1) notifying Reliant LLC of the violations and 2) providing Reliant LLC an opportunity to correct and address any deficiencies that may exist. In the event that Reliant LLC fully addresses any deficiencies to the satisfaction of the Client, intended user(s) or their reviewers, these Parties agree that no further action shall be taken. If, however, that the Client, intended user(s) or their reviewers do not believe that the issues have been fully resolved, Reliant LLC shall engage a third party expert of their choice to perform a professional review of the assignment. If that third party reviewer determines that the alleged issues have been resolved, the Client, intended user(s) or reviewers shall be responsible for the fee to that third party reviewer. If, however, the third party reviewer determines that the alleged issues have not been resolved, Reliant LLC shall have the opportunity to correct and address any deficiencies that may exist and is responsible for the fee to the third party reviewer. If, however, such issues are not fully addressed by Reliant LLC to the satisfaction of the third party reviewer, the Client, intended user(s) or their reviewers are released from the confidentiality requirement of this agreement and may submit the assignment to any applicable private or governmental body with jurisdiction over the matter.
47. **Unauthorized Third Party Liability to Reliant LLC for False Accusation:** The assignment is a private contract between Reliant LLC and the Client and intended user(s). Subject to the terms of this agreement, only the Client or intended user are permitted to submit this document to any applicable private or governmental body with jurisdiction over the matter without incurring any liability to Reliant LLC and the signatories of the assignment for false accusation, misrepresentation, slander or libel. In the event that the signatories of this assignment are found not to be in violation of any applicable governing regulations, any unauthorized third party that makes false accusations or submits this assignment to any applicable private or governmental body with jurisdiction over the matter accepts liability to Reliant LLC for attorney's fees incurred in their defense, lost income, damages to reputation of the signatories and firm and any and all other sources of economic damage that may result directly or indirectly from their said actions.
48. **Data Utilization:** The market and comparable data developed by the appraiser and presented in this report is being provided to the Client and Intended User(s) only within the context of this specific assignment. The Client and Intended User(s) are prohibited from distributing, disseminating, selling or otherwise profiting from this data outside the context of this assignment. The Client and Intended User(s) are, however, permitted to utilize this data strictly for their own internal purposes.
49. **Government Use:** This report contains sensitive information that may potentially cause harm to Reliant LLC if disseminated beyond the client(s) and intended user(s) described in the engagement documents and report. Therefore, subject to applicable law, any client(s) or intended user(s) that are local, state or federal government entities agree to use their good faith efforts to maintain the confidentiality of the

comparable data presented within the report. Notwithstanding other provisions of the engagement documents and report to the contrary, any client(s) or intended user(s) that are local, state or federal government entities may distribute this report as required or compelled to by law, but prior to release agree to redact all text, exhibits, photographs, maps or any other reference that identifies any comparable data used in the report where a party to the transaction (grantor, grantee, lessor or lessee) is not a government entity. The client(s) or intended user(s) and their agents are authorized perform this redaction without consulting with, or obtaining any additional direction from Reliant LLC. The client(s) or intended user(s) may seek a written release from the above redaction requirement from Reliant LLC, who may provide such written release at its discretion. Furthermore, unless the client(s) or intended user(s) is expressly identified within the engagement documents and report as an assessment or taxation agency, and the intended use is to assist said agency in assessment or taxation matters, then unless otherwise required or compelled by law or court order to the contrary, any client(s) or intended user(s) that are local, state or federal government entities are not permitted to disseminate any contents of this report to any internal or affiliated assessment or taxation agency of the client(s) or intended user(s). If dissemination to such an assessment or taxation agency is required or compelled by law or court order, then the client(s) or intended user(s) agrees to perform the aforementioned redaction prior to distribution. Any internal or affiliated assessment or taxation agency that does obtain a copy of this report may not rely upon the report or disclose its contents. Release of this report to a local, state or federal government entity is not authorization to use the report or its contents for assessment or taxation purposes.

Terms & Definitions

As Is Value⁸	<i>The estimate of the market value of real property in its current physical condition, use and zoning as of the appraisal date.</i>
Prospective Value⁹	<i>A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.</i>
Retrospective Value¹⁰	<i>A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.”</i>
At Completion Value¹¹	<i>The market value at the effective date construction is completed or the certificate of occupancy is issued.</i>
At Stabilization Value¹²	<i>The concept of value at stabilization is based on stabilized occupancy. Stabilized occupancy is defined as occupancy at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist and the existing conditions are those expected to continue over the economic life of the property.</i>
Aggregate of Retail Values / Sum of Retail Values¹³	<i>The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called the aggregate of the retail values or aggregate retail selling price.</i>
Value in Use (Use Value)¹⁴	<i>The value of a specific property for a specific use.</i>
Business Value¹⁵	<i>The market value of a going concern, including real estate, personal property, and the intangible assets of the business.</i>
Going Concern Value¹⁶	<i>An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate;</i>

⁸ Source: The Dictionary of Real Estate Appraisal, Sixth Edition, Chicago: Appraisal Institute, 2015.

⁹ Source: The Dictionary of Real Estate Appraisal, Sixth Edition, Chicago: Appraisal Institute, 2015.

¹⁰ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

¹¹ Source: The Appraisal of Real Estate, Fourteenth Edition, Chicago: Appraisal Institute, 2013.

¹² Source: The Appraisal of Real Estate, Fourteenth Edition, Chicago: Appraisal Institute, 2013.

¹³ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

¹⁴ Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42

Definitions [f].

¹⁵ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

¹⁶ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

	<i>more accurately termed the market value of the going concern or market value of the total assets of the business.</i>
Client ¹⁷	<i>The party or parties who engage, by employment or contract, an appraiser in a specific assignment.</i>
Intended Use ¹⁸	<i>The use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.</i>
Intended User ¹⁹	<i>The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.</i>
Fee Simple Estate ²⁰	<i>Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.</i>
Leased Fee Interest ²¹	<i>The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.</i>
Leasehold Interest ²²	<i>The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.</i>
Real Estate ²³	<i>An identified parcel or tract of land, including improvements, if any.</i>
Real Property ²⁴	<i>An interest or interests in real estate.</i>
FF&E ²⁵	<i>Business trade fixtures and personal property, exclusive of inventory.</i>
Personal Property ²⁶	<i>1. The interests, benefits, and rights inherent in the ownership of tangible objects that are considered by the public as being personal; also called tangible personal property. 2. Identifiable tangible objects that are considered by the general public as being "personal" – for example, furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; all tangible property that is not classified as real estate.</i>
Fixture ²⁷	<i>An article that was once personal property but has since been installed or attached to the land or building in a rather permanent manner so that it is regarded in law as part of the real estate.</i>

¹⁷ Source: Uniform Standards of Professional Appraisal Practice 2018-2019 Edition, The Appraisal Foundation.

¹⁸ Source: Uniform Standards of Professional Appraisal Practice 2018-2019 Edition, The Appraisal Foundation.

¹⁹ Source: Uniform Standards of Professional Appraisal Practice 2018-2019 Edition, The Appraisal Foundation.

²⁰ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

²¹ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

²² Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

²³ Source: Uniform Standards of Professional Appraisal Practice 2018-2019 Edition, The Appraisal Foundation.

²⁴ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

²⁵ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

²⁶ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

²⁷ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

Trade Fixtures ²⁸	<i>Articles placed in or attached to rented buildings by a tenant to help carry out the trade or business of the tenant are generally regarded as trade fixtures. For example, a tenant's shelves used to display merchandise are trade fixtures and retain the character of personal property, as opposed to all other fixtures that were, but are no longer, personal property when they are attached to and become part of the real estate. Despite the consensus on the concept of trade fixtures in general, applicable law and custom govern when a specific item is a trade fixture in a particular assignment. Also called chattel fixture.</i>
Intangible Property ²⁹	<i>Nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment.</i>
Extraordinary Assumption ³⁰	<i>An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.</i>
Hypothetical Condition ³¹	<i>A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.</i>
Gross Building Area ³²	<i>Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.</i>
Rentable Area ³³	<i>For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.</i>
Usable Area ³⁴	<i>For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area.</i>
Gross Leasable Area ³⁵	<i>Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces.</i>

²⁸ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

²⁹ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

³⁰ Source: Uniform Standards of Professional Appraisal Practice 2018-2019 Edition, The Appraisal Foundation.

³¹ Source: Uniform Standards of Professional Appraisal Practice 2018-2019 Edition, The Appraisal Foundation.

³² Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

³³ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

³⁴ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

³⁵ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

Tidelands	<i>Lands that lie below the mean high watermark. These include lands that are awash by normal tidal flows and submerged lands below the mean low watermark.</i>
Upland ³⁶	<i>A piece of land that abuts a parcel with riparian rights; describes an owner once removed from a water right by a riparian owner.</i>
Special Purpose Property ³⁷	<i>A property with a unique physical design, special construction materials, or a layout that particularly adapts its utility to the use for which it was built; also called a special design property.</i>
Excess Land ³⁸	<i>Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.</i>
Surplus Land ³⁹	<i>Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.</i>
Depreciation ⁴⁰	<i>In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.</i>
Entrepreneurial Profit (Developer's Margin) ⁴¹	<i>A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.</i>
Market Rent ⁴²	<i>The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).</i>
Exposure Time ⁴³	<i>The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. <u>Comment:</u> Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and</i>

³⁶ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

³⁷ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

³⁸ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

³⁹ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

⁴⁰ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

⁴¹ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

⁴² Source: The Dictionary of Real Estate Appraisal, Sixth Edition, Chicago: Appraisal Institute, 2015.

⁴³ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

open market.

Marketing Time⁴⁴

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

⁴⁴ Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.

Addendum: Letter of Engagement

LETTER OF AGREEMENT

No.

05/07/2019

Reliant, LLC
C/o Kim Wold
9330 Vanguard Dr., Ste. 201
Anchorage, AK 99507-5393

SUBJECT: Appraisal of Real Property

Dear Kim Wold:

This letter confirms our discussion concerning the services to be provided to the City and Borough of Juneau. This is not a Notice to Proceed. A Purchase Order will be issued to your firm authorizing work described herein.

SCOPE

Your company shall provide the following services:

A fair market value appraisal of the following five individual vacant lots, located at the following legal descriptions:

- Lots 31 through 38 Vintage II Subdivision Block C according to Plan 85-58, Juneau Recording District, First Judicial district, State of Alaska.

The appraisal will be a narrative summary appraisal report, provided in an electronic PDF format.

SCHEDULE

The appraisal report for the Vintage II Subdivision Block Lots shall be completed and submitted to my attention by May 22, 2019.

COMPENSATION

Compensation shall not exceed \$5,000 paid upon satisfactory completion of all services and receipt of approved invoice. Invoice shall reference the Purchase Order number.

INSURANCE REQUIREMENTS. The Contractor's insurance shall be primary and any insurance maintained by the CBJ shall be non-contributory. If the Contractor maintains higher limits than shown below, the CBJ shall be entitled to coverage for the higher limits maintained by the Contractor. Contractor agrees to maintain insurance as follows at all times while this contract is in effect, including during any periods of renewal.

Commercial General Liability Insurance. The Contractor must maintain Commercial General Liability Insurance in an amount it deems reasonably sufficient to cover any suit

that may be brought against the Contractor. This amount must be at least one million dollars (\$1,000,000.00) per occurrence, and two million dollars (\$2,000,000.00) aggregate. **The CBJ shall be named additional insured for this policy.**

Comprehensive Automobile Liability Insurance. The coverage shall include all owned, hired, and non-owned vehicles to a one million dollar (\$1,000,000.00) combined single limit coverage.

Workers Compensation Insurance.

If required by Alaska Statute (see Alaska Statute 23.30), the Contractor must maintain Workers Compensation Insurance to protect the Contractor from any claims or damages for any bodily or personal injury or death which may arise from services performed under this contract. This requirement applies to the Contractor's firm, the Contractor's subcontractors and assignees, and anyone directly or indirectly employed to perform work under this contract. The Contractor must notify the City as well as the State Division of Workers Compensation immediately when changes in the Contractor's business operation affect the Contractor's insurance status. Statutory limits apply to Workers Compensation Insurance. The policy must include employer's liability coverage of one hundred thousand dollars (\$100,000) per injury and illness, and five hundred thousand dollars (\$500,000) aggregate. Contractor also agrees to provide evidence of Longshore and Harbor Worker's Insurance and Jones Act coverage if applicable to the work required. **If the Contractor is exempt from Alaska Statutory Requirements, the Contractor will provide written confirmation of this status in order for the CBJ to waive this requirement.**

Professional errors and omissions liability coverage appropriate to the profession. The limit shall be at least 1,000,000 per claim.

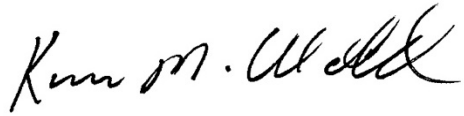
INDEMNIFICATION. The Contractor agrees to defend, indemnify, and hold harmless CBJ, its employees, volunteers, consultants, and insurers, with respect to any action, claim, or lawsuit arising out of or related to the Contractor's performance of this contract without limitation as to the amount of fees, and without limitation as to any damages, cost or expense resulting from settlement, judgment, or verdict, and includes the award of any attorney's fees even if in excess of Alaska Civil Rule 82. This indemnification agreement applies to the fullest extent permitted by law and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against CBJ relating to this contract. The obligations of Contractor arise immediately upon actual or constructive notice of any action, claim, or lawsuit. CBJ shall notify Contractor in a timely manner of the need for indemnification, but such notice is not a condition precedent to Contractor's obligations and may be waived where the Contractor has actual notice.

The City looks forward to working with you on the subject project. Please contact me at the following number if you have any questions: (907) 586-0220.

Scott Ciambor

Chief Housing Officer
Manager's Office

**Terms of the Letter of Agreement
Accepted and Acknowledged:**



May 7, 2019
Signature of Authorized Company Representative
Date

Appraiser
Title

Reliant LLC
Legal Name of Company

Addendum: Land Sale Comparables

LAND COMPARABLE L-1 **RELIANT COMP ID: 3617**

R&S Construction Land
3005 Clinton Dr
Juneau

Location Description

Tax ID
 5B1601441000

Legal Description
 Lots 1A, 2A, 3A, 4A, 5A, 6A, and 7A,
 Block C, Vintage Park IIA, Plat 2013-19,
 Juneau Recording District



Sale Information

Nominal Price	\$1,023,613	Date	4/2/18
Price	\$1,023,613	Transaction Type	Closed
\$/Sq Ft	\$14.50	Property Rights	Fee Simple
Grantor	William Bauer Living Trust	Financing	Conventional
Grantee	R&S Construction, LLC	Conditions of Sale	Motivated Seller
Document No.	2018-001399-0	Marketing Time	0-6 Months

Site Description

Land SF	70,591	Zoning	LC
Acres	1.6	Topography	Generally Level
Road Frontage		Soil Conditions	Average
Shape	Irregular	Encumbrance or Easement	Typical, perimeter
Utilities	All Available	Environmental Issues	None Noted

Remarks

This site was purchased by a developer who intends to construct boat condos with apartments. This is a cash sale with a contingency of confirming compliance with Vintage Park protective covenants and obtaining CBJ zoning permission for the proposed construction. The site has frontage on Egan Expressway; however, there is no access permitted. The site lies below grade of Egan Expressway. The only access available to the site is via Clinton Drive.

LAND COMPARABLE L-2 **RELIANT COMP ID: 3618**

**Juneau Senior Housing
Land
3039 Clinton Drive
Juneau**

Location Description

Tax ID
5B1601440000

Legal Description
Trillium Landing Condo Land



Sale Information

Nominal Price	\$698,267	Date	8/10/16
Price	\$698,267	Transaction Type	Closed
\$/Sq Ft	\$16.03	Property Rights	Fee Simple
Grantor	William Bauer Living Trust	Financing	Conventional
Grantee	Juneau Senior Housing Partners	Conditions of Sale	Arms Length
Document No.	2016-003835-0	Marketing Time	0-6 Months

Site Description

Land SF	43,560	Zoning	LC
Acres		Topography	Generally Level
Road Frontage		Soil Conditions	Average
Shape	Irregular	Encumbrance or Easement	Typical, perimeter
Utilities	All Available	Environmental Issues	None Noted

Remarks

This is an assemblage of lots situated between Clinton Drive and Mendenhall River. The site is located within the Vintage Park development, which consists primarily of one and two story office structures. The site affords a view of the Mendenhall Glacier and Mendenhall River. The contract purchase price was set at \$24/SF; however, the seller intended to make an offsetting charitable contribution of \$7.97/SF, leaving an effective purchase price of \$16.03/SF. The seller was not able to receive any monetary benefit for the charitable contribution. The developer plans to build senior housing partially paid with tax credits.

LAND COMPARABLE L-3

RELIANT COMP ID: 3619

JMA Building Land

**NHN Airport Blvd
Juneau**

Location Description

Tax ID

5B1501090020, 5B1501090030,
5B15010900

Legal Description

Lots 6A, 7A, and 8A1, Valley Centre
Greenbelt, Plats 96-6 and 2014-48,
Juneau Recording District



Sale Information

Nominal Price	\$180,000	Date	6/4/18
Price	\$180,000	Transaction Type	Closed
\$/Sq Ft	\$17.14	Property Rights	Fee Simple
Grantor	JMA Building LLC	Financing	Conventional
Grantee	Building Pros Inc.	Conditions of Sale	Arms Length
Document No.	2018-002324-0	Marketing Time	0-6 Months

Site Description

Land SF	10,504	Zoning	GC
Acres	0.2	Topography	Generally Level
Road Frontage	Airport Blvd	Soil Conditions	Average
Shape	Irregular	Encumbrance or Easement	Typical, perimeter
Utilities	All Available	Environmental Issues	None Noted

Remarks

This is an assemblage of three small parcels that were purchased for the development of four boat condo/apartment units. The site was below grade and required \$3.00 to \$4.00 per SF in site development costs.

LAND COMPARABLE L-4 **RELIANT COMP ID: 3621**

St. Vincent de Paul

**NHN Teal St
Juneau**

Location Description

Tax ID
5B1501060041

Legal Description
Lot 6A1, Block H, Valley Centre
Greenbelt



Sale Information

Nominal Price	\$1,100,000	Date	5/13/19
Price	\$1,300,000	Transaction Type	Listing
\$/Sq Ft	\$24.88	Property Rights	Fee Simple
Grantor	St. Vincent de Paul Society	Financing	Conventional
Grantee		Conditions of Sale	Asking
Document No.		Marketing Time	0-6 Months

Site Description

Land SF	52,246	Zoning	GC
Acres	1.2	Topography	Generally Level
Road Frontage	Teal Street	Soil Conditions	Average
Shape	Irregular	Encumbrance or Easement	Typical, perimeter
Utilities	All Available	Environmental Issues	None Noted

Remarks

Within three days of the listing, an offer was made at \$1,077,228, or \$18/SF. Reportedly there were no contingencies. This offer was rejected by the seller. This site requires fill and reportedly has no wetlands. The broker estimated the cost to fill at \$200,000. The broker has requested that the asking price be reduced.

LAND COMPARABLE L-5

RELIANT COMP ID: 3622

M&M Tours Land

NHN Mill St.
Juneau

Location Description

Tax ID

1C110K120150

Legal Description

Lot 15, Block B, Alaska Juneau
Subdivision V, Plat 99-46, Juneau
Recording District



Sale Information

Nominal Price	\$597,938	Date	4/1/19
Price	\$597,938	Transaction Type	Closed
\$/Sq Ft	\$22.00	Property Rights	Fee Simple
Grantor	JMIS, LLC	Financing	Conventional
Grantee	M&M Tours Limited	Conditions of Sale	Arms Length
Document No.	2019-001168-0	Marketing Time	0-6 Months

Site Description

Land SF	27,179	Zoning	I
Acres	0.6	Topography	Generally Level
Road Frontage	Mill St.	Soil Conditions	Average
Shape	Irregular	Encumbrance or Easement	Typical, perimeter
Utilities	All Available	Environmental Issues	None Noted

Remarks

This is a site located in an industrial developed neighborhood. The property was purchased for development of a bus storage and repair facility. The buyer paid the seller's asking price. There was a competing offer at the same price.

Addendum: Experience Data

Kim M. Wold

Background

Mr. Wold's background includes over 40 years in the real estate appraisal sector. Mr. Wold has extensive experience in appraising properties such as single and multi-family residential, income-producing properties, special purpose properties (sawmills, fish processing plants, etc.), tidelands, logging camps, grocery stores, shopping centers, and aviation facilities. He also has extensive experience appraising urban and remote acreage of varying highest and best uses, such as residential, commercial, industrial, agricultural, forestry, mining claims, tidelands, recreational, etc. He has performed appraisals for mortgage underwriting, eminent domain, easement valuation, lease renewals, establishing market lease rates, and estate purposes.

Mr. Wold has appraised properties throughout Alaska, including Bristol Bay, Bethel, Anchorage, Haines, Hoonah, Juneau, Yakutat, Sitka, Wrangell, Petersburg, Craig, Klawock, Hydaburg, Metlakatla, Thorne Bay, Hollis, Ketchikan, Unalaska, Chignik, St. Paul Island, Kodiak Island, and numerous remote locations throughout Southeast Alaska.

Education

Real Estate Education

Mr. Wold has attended numerous appraisal-related courses presented by the American Institute of Real Estate Appraisers, Northwest Center for Professional Education, Marshall Valuation Service, University of Alaska, and the International Right-of-Way Association. Mr. Wold has also completed courses sponsored by the American Institute of Real Estate Appraisers and the Appraisal Institute in conjunction with the University of Portland, University of Colorado, University of San Diego, and Arizona State University. Specific courses completed include:

- Law and Value; Communication Corridors, Tower Sites & Property Rights, 2001
- Attacking and Defending an Appraisal in Litigation, 2001
- Valuation of Detrimental Conditions in Real Estate, 2002
- Appraisal Litigation Practice & Courtroom Management, 2003
- The Road Less Traveled: Special Purpose Properties, 2004
- Hospitality Properties, 2004
- Condominiums, Co-Ops, and PUDs, 2006
- Current Issues and Misconceptions in the Appraisal Practice, 2007
- Business Practices and Ethics, 2009
- Highest and Best Use and Market Analysis, 2009
- Self-Storage: Emerging Core Asset, 2011

- Fundamentals of Separating Real Property, Personal Property, & Intangible Business Assets, 2012
- Litigation Appraising – Specialized Topics, 2014
- Forecasting Revenue, 2015
- Review Theory, 2015
- Uniform Standards of Professional Appraisal Practice, 2018
- The Appraiser as an Expert Witness: Preparation and Testimony, 2019

Employment History

Reliant, LLC	Appraiser, March 2019 to Present
Integra Realty Resources – Seattle	Appraiser, April 2017 to March 2019
Alaska Appraisal Associates, Inc.	President and Chief Appraiser, October 1978 to April 2017
Ketchikan Gateway Borough	Appraiser, January 1976 to October 1978

Designations, Certifications and Awards

State License's / Certifications	<ul style="list-style-type: none"> ▪ State of Alaska, Certified General Real Estate Appraiser, License No. 52 (expires June 30, 2019)..
---	--

Organization Affiliations, Offices & Memberships

Qualified Before Courts & Administrative Bodies	<ul style="list-style-type: none"> ▪ Senior Member – National Association of Review Appraisers and Mortgage Underwriters ▪ Associate Member – Appraisal Institute ▪ Fee Appraiser – Federal Housing Authority (FHA/HUD #2218) ▪ US Bankruptcy Court ▪ Superior Court of the State of Alaska ▪ Superior Court of the State of Washington ▪ Board of Equalization for Ketchikan Gateway Borough and the City of Craig ▪ Testified in Internal Revenue Service tax appeal hearings
--	---

Partial List of Clients

Clients include:

Government Agencies (FDIC, State of Alaska, Federal, and Local)
Financial Institutions
Fisheries
Forestry
Native Corporations
Tourism

A more detailed list of clients and professional references is available upon request.

A Commitment to Client Service

A Foundation to Build On:

- Vision
- Integrity
- Commitment
- Performance

A Commitment to Client Service:

- Quality Research & Analysis
- Quality Presentation
- Fast Turn Around Times
- Competitive Fees
- On Time Delivery
- Solid Confidentiality

Extensive Valuation & Consulting Services:

- Mortgage Financing
- Market & Feasibility Analysis
- Litigation & Arbitration Support
- Sale & Lease Negotiation
- Property Tax Consulting
- Estate Planning / Documentation
- Site Selection
- Due Diligence
- Investment Analysis
- Market Research
- Eminent Domain
- Partial Interest Valuations

Extensive Market Knowledge:

- Institutional
- Hotels
- Apartment & Condominiums
- Medical
- Affordable Housing
- Senior Housing
- Lumber & Sawmills
- Shipyards & Marinas
- Truck Stops & Travel Centers
- Seafood Processing Plants
- Right-of-Way / Condemnation
- Industrial
- Ground Leases
- Office
- Retail
- Athletic Clubs
- High-Tech
- Vacant Land
- Parking Garages
- Movie Theatres
- Wetland Banking/Mitigation
- Residential Litigation Support

Reliant



9330 Vanguard Drive, Suite 201

Anchorage, Alaska 99507

Phone: (907) 929-2226

Fax: (907) 929-2260

Email: admin@reliantadvisory.com

www.reliantadvisory.com