

APPRAISAL REPORT
MARKET VALUE AND ANNUAL MARKET RENT APPRAISAL
Lot C1 of Lot C, Juneau Subport Subdivision Plat 2009-37 JRD
CITY & BOROUGH OF JUNEAU, ALASKA



PHOTO TAKEN BY CHARLES HORAN JANUARY 30, 2019

Prepared For: Aaron O'Quinn, Atty.
Alaska Mental Health Land Trust, Trust Land Office
2600 Cordova Street,
Anchorage, Alaska 99503

Prepared By: Charles Horan, MAI
Horan & Company, LLC
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Effective Date: January 28, 2019

Report Date: January 31, 2019

Our File: 19-002 Lot C1
TLO No. ASP 10-19-916

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January 31, 2019

Aaron O'Quinn, Atty.

<aaron.oquinn@alaska.gov>

2600 Cordova Street, Anchorage, AK 99503

Alaska Mental Health Land Trust, Trust Land Office

TLO No. ASP 10-19-916

Re: Appraisal Report: Market Value and Annual Market Rent Appraisal Lot B.
Juneau Subport plat 2007-29 J.R. D, City and Borough of Juneau, Alaska; our file
number 19 -002 lot C1

Dear Mr. O'Quinn,

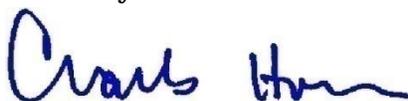
At your request I made a market value and market rental value estimates for the subject property as though hypothetically unimproved and valued for its fee simple interest at its highest and best use as if vacant. I inspected the site January 28, 2019 which is the effective date of appraisal. Based on our research of the relevant market indicators I estimate the values as follows.

Market value	\$3,634,000
Annual market rent	\$290,720/ Year

Your attention is invited to the attached report which includes the assumptions and limiting conditions, definitions, scope of appraisal and the most pertinent information and analysis considered in arriving at the opinions of value.

Thank you for this opportunity to be of service. If you have any questions or comments, please do not hesitate to call.

Sincerely,



Charles Horan, MAI

Horan and company LLC

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ADDENDA

Subject Photos

Comparable Sales

Tideland Lease Rents – Ratios and Percentages

Letter of Engagement

Existing Easement Agreement TLO/DOT

Appraiser Qualifications

CERTIFICATE OF APPRAISER

I certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value 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.
- 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- I completed an easement valuation on a portion this property, effective November 14, 2016 for the State of Alaska, Dept. of Transportation. I have not performed any other services regarding the subject property, as an appraiser or in any other capacity, within the three year period immediately preceding acceptance of this assignment.
- As of the date of this report, Charles Horan has completed the continuing education program for Designated Members of the Appraisal Institute.



Charles Horan, MAI

APRG 41

January 28, 2019

Effective Date of Appraisal

January 31, 2019

Date of Report

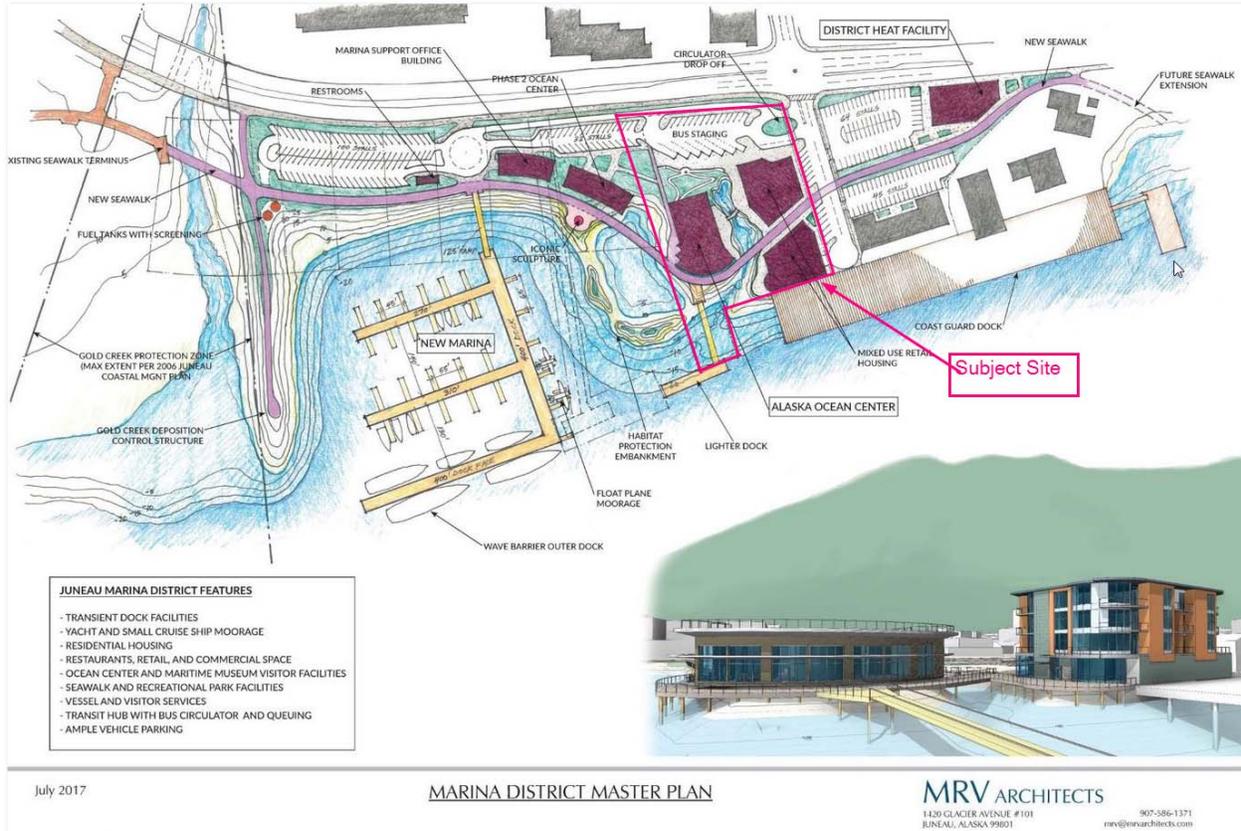


Figure 1.1- subject highlighted in a Marina District Master Plan concept developed by MRV Architects, July 2017, showing the connectivity of the sea walk through the site, and access to possible future marina to the west.

1 INTRODUCTION

1.1 PURPOSE AND INTENDED USE AND INTENDED USERS OF APPRAISAL

The purpose of the appraisal is to estimate the market value and market rental value of the property, for its fee simple interest, without regard to the existing lease, or other legal encumbrances under the hypothetical condition that there are no improvements to the land. The intended user is the State of Alaska, Alaska Mental Health Land Trust, Trust Land Office (TLO). The intended use is to inform the TLO's negotiations for possible near-term lease or sale of the property. This appraisal is not intended for any other users for any other use.

By explicit appraisal instructions, the improvements on the site are not considered. The property is valued for its fee simple interest.

1.2 APPRAISAL PROBLEM AND SCOPE OF WORK

The appraisal problem is to estimate the market value and market rental value of the property, without consideration to its improvements. The sites have been inspected and described. The highest and best use is estimated based on the most feasible likely use to be developed in this neighborhood. This use disregards the current legal encumbrances and improvements on the site. Sales prices or annual rents per SF have been analyzed as the primary indicators of value in the subject's competitive market.

The identification of the property is based on recorded plats and other accessible records, such as the CBJ assessor's files. The appraiser has made a rough approximation of filled lands at grade, and sloping and tidelands below grade; 75% and 25% respectively. It's an extraordinary assumption of this appraisal that these ratios are correct. It is assumed the property is owned in fee, with no significant title or other encumbrances that would affect its highest and best use other than as described in this appraisal. The appraiser was not furnished a title report.

The condition of the property is assumed to be competent and available for highest and best use development, without extraordinary site development considerations. No soils report or site assessment has been made available to the appraiser. The appraiser made a walkthrough inspection of the site only.

The market value is estimated based on the sales comparison approach. In some instances, leases were capitalized to indicate the fee value. Conversely, the estimated annual market rent was estimated based on annual market rental percentage rate found

for similarly situated properties. The income approach and depreciated cost approach were considered, but not applicable in the subject instance.

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP).

A thorough search of the market has been made for comparable transactions including interviews with realtors, consultations with the southeast and statewide Multiple Listing Services, a review of the assessor's files on sales transactions, lenders, government agencies and others who regularly participate in the real estate market. To the extent possible, we have interviewed buyers, sellers or other knowledgeable parties to the transactions as more fully described in our market data sheets contained in the addenda.

1.3 INSPECTION AND EFFECTIVE DATE

The property was inspected and photographed by Charles Horan on January 28, 2019, the effective date of appraisal.

1.4 RECENT OWNERSHIP AND PROPERTY HISTORY

The property was acquired over 10 years ago for the reconstitution of the Alaska Mental Health Land Trust. There've been no sales or transfers since then.

The property is currently vacant, with minimal site improvements by way of concrete slabs, fencing, a small pier, and floating dock with driven piling in the tidelands. These marine and incidental site improvements are ignored for the purpose of the appraisal as instructed, and do not significantly contribute to the highest and best use.

An offer to purchase the property was made on December 21, 2016, by Doug Tucano for a price of \$3,240,000. The idea at that time was to create a mixed use commercial and residential development, along with the possibility of housing the Alaska Ocean Center in conjunction with a lightering facility. The area and marine master plan also envision a dredged marina to the west with access to the subject. See Figure 1.1.

In September of 2018, the landowner (TLO) cosponsored a study with the Urban Land Institute (ULI) Northwest to determine the best development, management and investment strategy to maximize the return to the owner consistent with its mission and community development plans. It concluded that the highest and best use was some type of mixed commercial use, taking advantage of possible development of tidelands to the west. It considered a number of disposal options, including subdivision, commercial land lease or selling the property as a whole. It compared the economic return to the

land owner for these various options. Its final recommendation was to sell the property as a whole.

In August of 2018 easements were granted to DOT along the northern property line for realignment and sidewalk widening along Eden Drive, as well as utility installations. These were Exclusively Perpetual Easements for the construction, installation, and maintenance and repair of sidewalks, and for all other highway and utility purposes. Parcel E-11 was a strip of land along the northern boundary, 6.68 feet wide to 19.7 feet wide, and approximately 227 feet in length, totaling 2,991 SF. It sold for \$73,300 or \$24.50/SF. The smaller Parcel E-11A, is an Exclusive Perpetually Easement for construction, installation, maintenance, and replacement of a utility box, and for all other highway and utility purposes, measuring about 8 feet by 28.5 feet, or 266 SF, sold for \$9350 or \$35.15/SF. Although there are some nominal rights left to the grantor of these easements effectively reduce the size of the parcel available for highest and best use development by 3257 SF.

1.5 ASSUMPTIONS AND LIMITING CONDITIONS

Hypothetical Condition (HC)

HC-1 the improvements on the site are not appraised. The site is therefore appraised as unimproved. In fact, there is a two story broadcasting building, parking lot and other related site improvements.

HC-2 the site is appraised in fee simple interest. In fact, the property is encumbered by a lease due to expire in the year 2021, and there may be other encumbrances known or not known to the appraiser, which are not considered.

Extraordinary Assumptions (EA)

EA-1 . The appraiser has made a rough approximation of filled lands at grade, and sloping and tidelands below grade at 75% and 25% respectively. It is assumed this ratio is approximately correct.

This appraisal report and valuation contained herein are also expressly subject to the following assumptions and/or conditions:

1. It is assumed the data, maps and descriptive data furnished by the client or its representative are accurate and correct. Photos, sketches, maps, and drawings in this appraisal report are for visualizing the property only and are not to be relied upon for any other use. They may not be to scale.

2. The valuations are based on information and data from sources believed reliable, correct and accurately reported. No responsibility is assumed for false data provided by others.
3. No responsibility is assumed for building permits, zone changes, engineering or any other services or duty connected with legally utilizing the subject property. No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management. It is assumed that the title to the property is marketable. No investigation to this fact has been made by the appraiser.
4. The property described herein has been examined exclusively for the purpose of identification and description of the real property. The objective of our data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject land or improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
5. This appraisal report may note any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, I have no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. I will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct. It is assumed that no conditions existed that were undiscoverable through normal diligent investigation which

would affect the use and value of the property. No engineering report was made by or provided to the appraiser.

6. The Client is the party or parties who engage an appraiser in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, and other media.
7. The appraisal report may not be properly understood without access to the entire report. The appraisal is to be considered in its entirety, the use of only a portion thereof will render the appraisal invalid.
8. Any distribution of the valuation in the report between land, improvements, and personal property applies only under the existing program of utilization. The separate valuations for land, building, and chattel must not be used in conjunction with any other appraisal and is invalid if so used.
9. One (or more) of the signatories of this appraisal report is a member or associate member of the Appraisal Institute. The bylaws and regulations of the Institute require each member and candidate to control the use and distribution of each appraisal report signed by such member or candidate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report in its entirety to such third parties as selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of signatories of this appraisal report.
10. The appraiser shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described herein unless prior arrangements have been made.

1.6 DEFINITIONS

Market Value

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; 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.

The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, Page 123

The estimated market exposure time is 18 to 24 months.

Market Rent

Market Rent is defined as the most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restriction, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of the specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

- the lessee and lessor are typically motivated;
- both parties are well informed or well advised and acting in what they consider are their best interests;
- a reasonable time is allowed for exposure in the open market;
- the rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract; and
- the rental amount represents the normal consideration for the property lease unaffected by special fees or concession granted by any person associated with the transaction.

Appraisal Instructions issued by client

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value.

The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, Page 93

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute

The use of a hypothetical impacts the value of the property as appraised.

2 MARKET AND AREA ANALYSIS

2.1 JUNEAU AREA ANALYSIS

Overall Market

The demand for real property is driven by population, which is in large part driven by employment. The Juneau economy is primarily driven by the government. 38% of all jobs and 46% of all wages in Juneau are Federal, State or Tribal Government, based on the Juneau Economic Development Council (JEDC) 2017 report on the 2016 numbers.

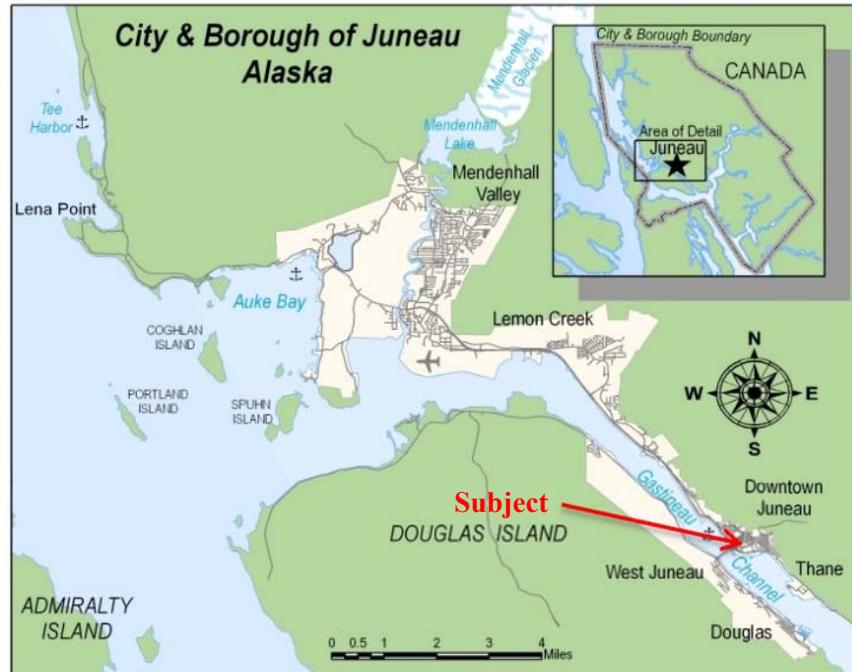
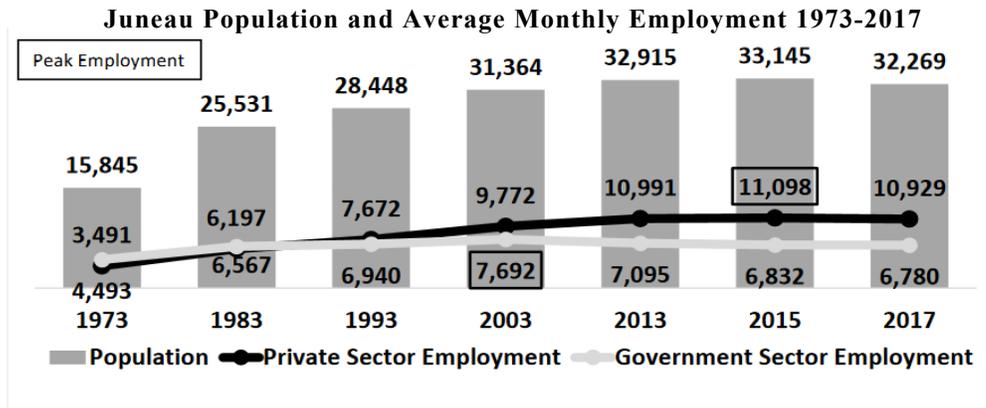


FIGURE 2.1 – JUNEAU LOCATION MAP

This shows a decline from prior years, when 40% of all jobs and 50% of wages were in the combined government sector. The private sector has been growing, but remained flat from 2015 to 2017. Despite continued cuts in state employment, Juneau’s economy shows resilience, due to diversifying elements such as tourism, mining (Greens Creek and Kensington), and regional and local health care. The seafood industry had an off year, but this is relatively cyclical.

The Juneau and Southeast Alaska Economic Indicators August 2018, released by the Juneau Economic Development Council (JEDC-2018), indicates that from 2016 “Juneau’s average monthly employment declined by 221, from 17,930 in 2015 to 17,709 in 2017.” This was mostly due to 52 government job losses. Despite these losses, earnings in Juneau went up slightly over the same time as a result of increased annual government wages. Between 2013 and 2016 there was a rise in self employment by sole proprietors (2,572 to 2,894). The unemployment rate in Juneau has fallen from about 5% to 4.5% from 2013 to 2017. Juneau’s per capita income grew about 5% between 2013 and 2015, but appears to be leveling. Juneau is still on average about 12% higher than the state average. These indicators seem to suggest a leveling of the economy.

According to the Alaska Department of Labor estimates included in JEDC’s report, Juneau’s **population** declined for the first time in 10 years, dropping almost 900 from 2015 to 2017, which indicated 32,269. Juneau’s annual growth rate over the past 10 years has been 0.1% compared to southeast regional growth of 0.3% and the overall state growth of 0.8% annually compounded.

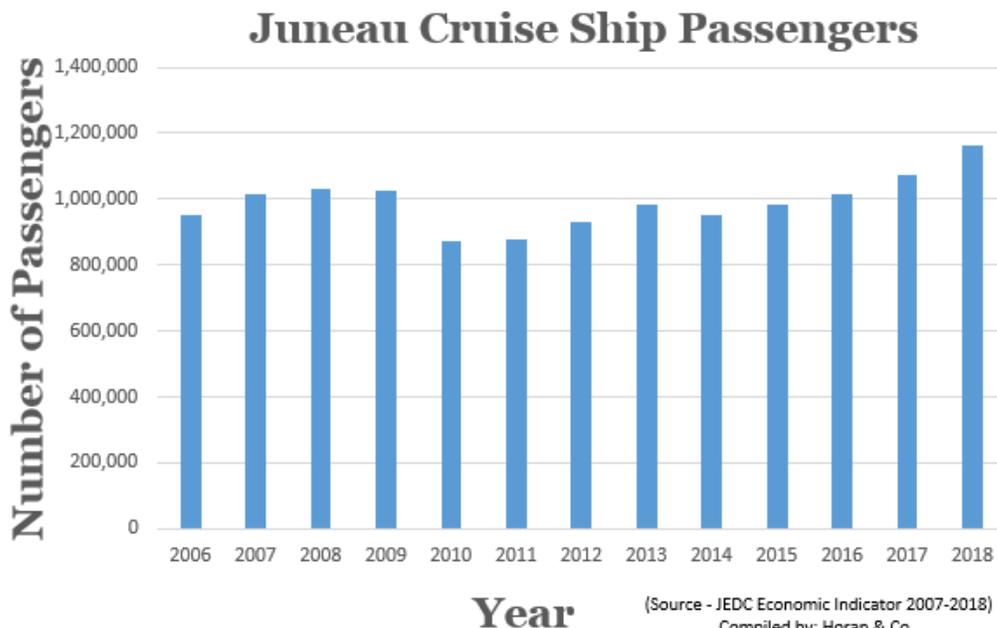


Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages

FIGURE 2.2 - Population and average monthly employment for Juneau, published by the Juneau Economic Development Council, August 2018

2.2 JUNEAU CRUISE SHIP PASSENGER TRENDS

Juneau’s downtown waterfront has developed over the past several decades in response to the increasing cruise ship tourism to the area. The volume has increased over time from a low in 2010 of 871,000 passengers, topping 1,072,000 for the 2017 season as indicated by Figure 2.4, Cruise Ship Passenger Visitation Numbers.



(Source - JEDC Economic Indicator 2007-2018)
Compiled by: Horan & Co.

FIGURE 2.3 – Juneau Cruise Ship Passenger Visitation 2006 through 2018.

This growth has been accommodated by the expansion of cruise ship berths along Juneau Harbor to accommodate larger Panamax class vessels. The south berth opened for the 2016 season and the north berth opened for the 2017 season.

2.3 NEIGHBORHOOD ANALYSIS



Figure 2.4 CBJ GIS overview map of downtown commercial area. Note the Gold Creek area is approximately left half the photo. The central business district core is photo center right with cruise ship docks and passenger activity photo lower right. Subject: and Support approximately photo center.

The subject lot is in what has commonly been referred to as the Juneau Support area, a remnant large tract of land from a World War II military installation along Juneau's waterfront, which has since been subdivided into several commercial tracts. This land is at the intersection of Egan Drive and Whittier Street, adjacent to the old town commercial business district (CBD) and concentrated tourism activity immediately to the east.

This land is near the heart of Juneau's downtown CBD. The state capitol is about five blocks directly north in the old town area with narrow one way streets. The cruise ship berthing and retail core along South Franklin Street is just to the east. The subject overlooks the waterfront commercial district, which is a secondary neighborhood as far as cruise ship tourism goes. The subject's immediate area is the broad level Gold Creek basin, which has historically been filled in with the AJ Mine rock tailings, west of the steep topography of Telephone Hill to the north. This broad mixed use zoned area supports a wide variety of commercial uses including hotels, office buildings,

restaurants and secondary retail. There are some residential uses, which are being encouraged due to a significant shortage of housing. Parking is in high demand in downtown Juneau. Many vacant sites are leased, or otherwise dedicated to parking.

The rents achieved in this area are less than the retail rents achieved along South Franklin. The office rents generally compete with state office demand, which has been consolidating over the last several years. The lower end retail rents are generally from \$1.00/SF to \$1.50/SF. Full service office space rents range from \$1.45/SF to nearly \$2.10/SF depending on the quality, size of the space, and amenities provided.

Interviews with local hotel owners indicate the occupancy rates have been strong for good quality space. Accompanying charts (Figure 2.3) confirm the resurgence of cruise ship passengers and Juneau tourism spending in the subject neighborhood which is generally reflective of the market demand. After a market slowdown in 2008/2009 it has slowly been recovering since 2012.

Lot C1 is on the water side of Egan Drive. To its west is a long strip of undeveloped tidelands between the Subport property and the 8th Street office complex to the west. These tidal flats abut the road for a quarter mile, and extend about 500 feet or more to deep-water. The adjacent land is owned by the City and Borough of Juneau. Waterfront development plans over the last 10 years or so have envisioned this area to contain the next cruise ship dock, if and when it becomes feasible. Future plans also call for the seawalk to pass through these parcels connecting the broader neighborhood by elevated walkway from the cruise ship docks on South Franklin Street to the 8th Street office complex. This project has steadily progressed in phases. The most recent seawalk phase was completed from the 8th Street office complex to Gold Creek, just west of the subject.

The most competitive property for this type of undeveloped land is used for harbor and marina development in the downtown area. These developed marinas and harbors support oceangoing vessels, yachts, fishing boats and sea planes. Many of these facilities cater to tour operators to take advantage of the relatively short haul distance from concentrated tour customers offloaded along South Franklin Street and the other cruise ship docks in the area.

The subject site represents one of the few remaining large tracts of undeveloped land in the Juneau downtown waterfront area.

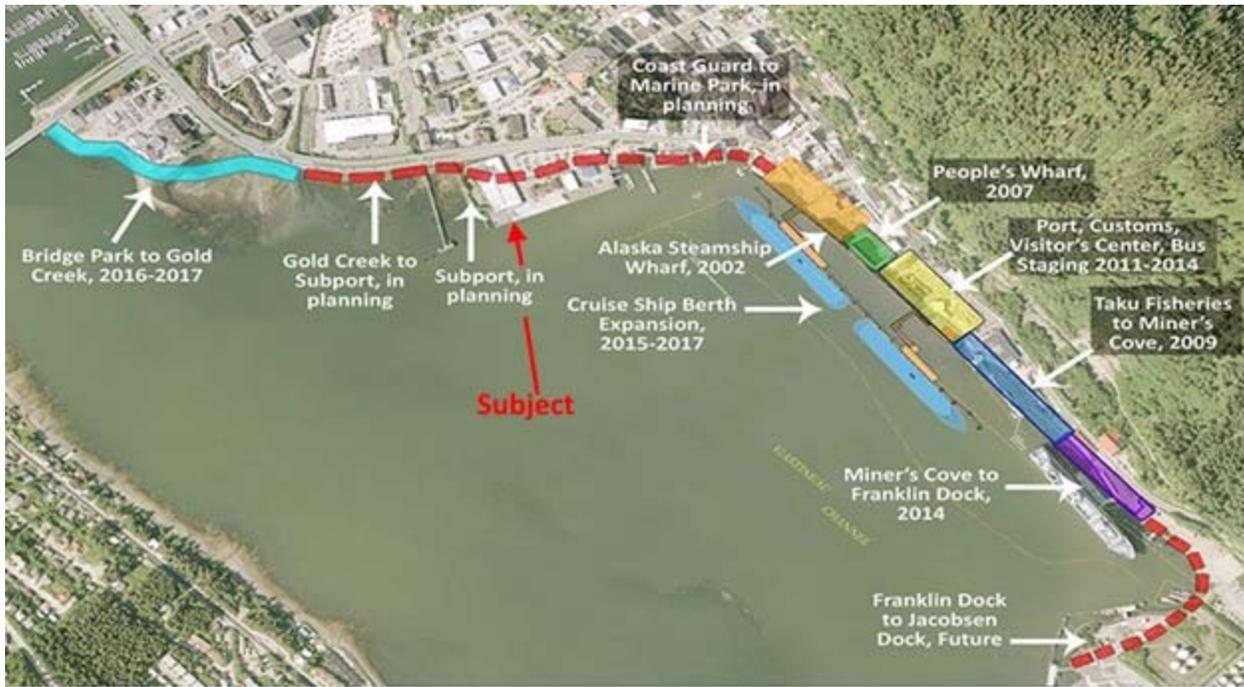


Figure 2.5 - Seawalk timeline concept from CBJ website.

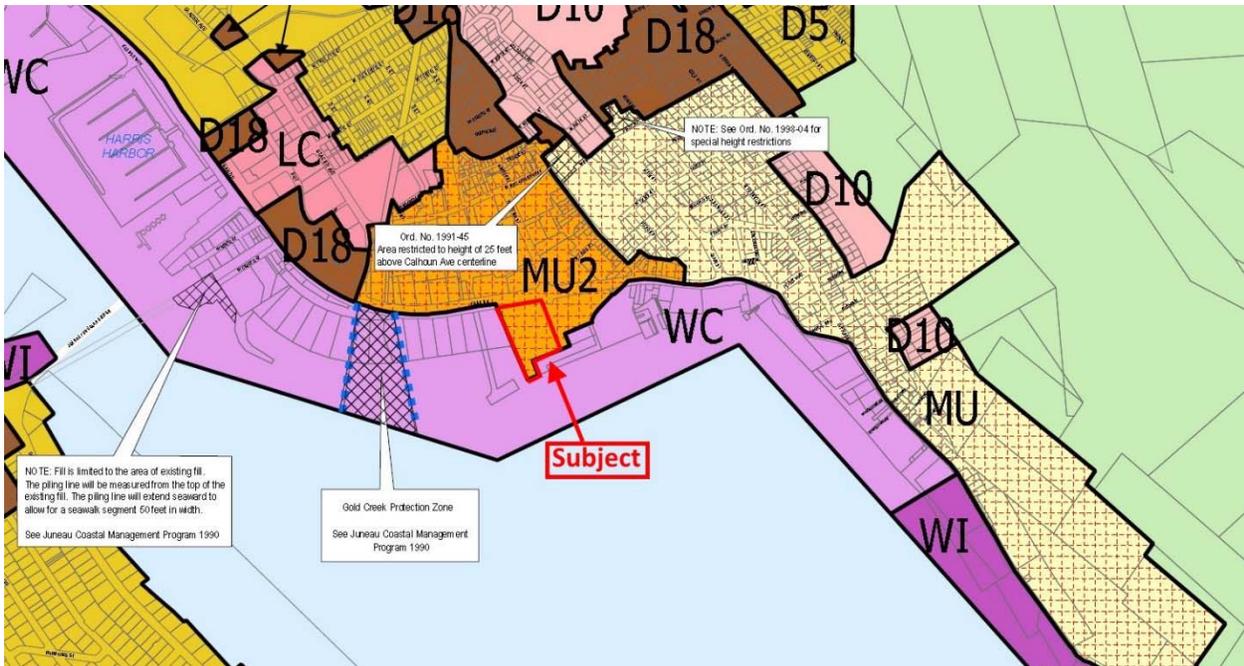


FIGURE 2.6 - ZONING MAP WITH SUBJECT LOCATION

3 PROPERTY DESCRIPTION

3.1 SUBJECT SITE

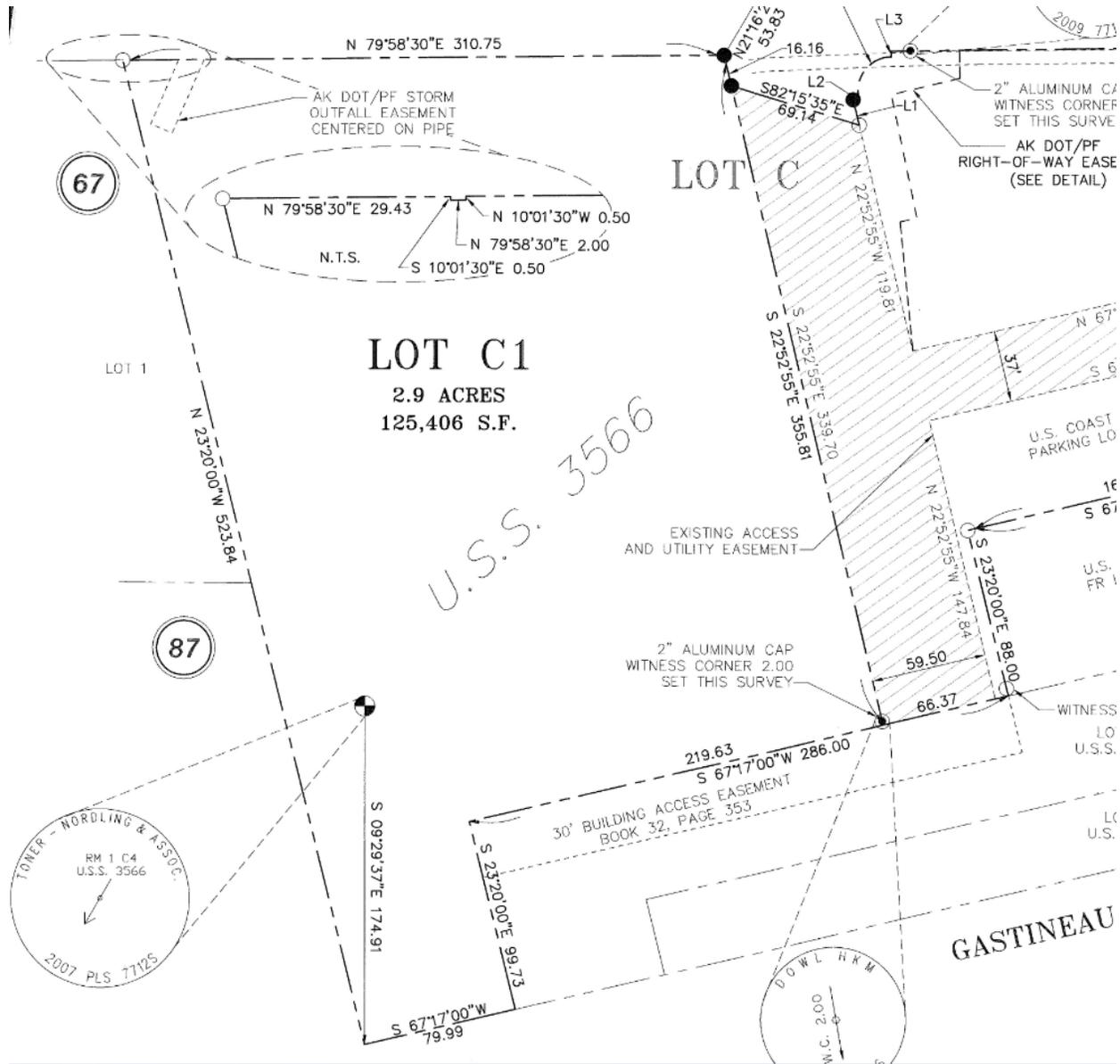


FIGURE 3.1 - EXCERPT OF JUNEAU SUBPORT SUBDIVISION PLAT 2009-37 SHOWING LOT C1

The subject, Lot C1 of Plat 2009-37 as depicted in Figure 3.1, an excerpt from the subdivision showing the size and dimensions of Lot C1. It has about 310 feet of frontage along Egan Drive on its northern boundary and over 355 feet of frontage along the access and utility easement extension of Whittier Street along its eastern border. The south portion the site abuts the U.S. Coast guard dock for nearly 220 feet. As can be

seen on the adjacent drawing, it protrudes southward giving nearly 80 feet of frontage along Gastineau channel. The total site area is 125,406 SF (2.9 acres).

Easements and Restrictions

There is storm outfall easement in favor of DOT/PF in the northwest corner of the site which would be within the sloping tidal area of the property. This easement and northwest corner of the site does not appear to adversely affect the highest and best use of the site beyond the character of this part of land as unfilled lands.

In August of 2018, easements were granted to DOT along the northern property line for realignment and sidewalk widening along Eden Drive, as well as utility installations. These were Exclusively Perpetual Easements for the construction, installation, and maintenance and repair of sidewalks, and for all other highway and utility purposes. Parcel E-11 was a strip of land along the northern boundary totaling 2,991 SF. This land is depicted in the shady area in Figure 3.2 below:

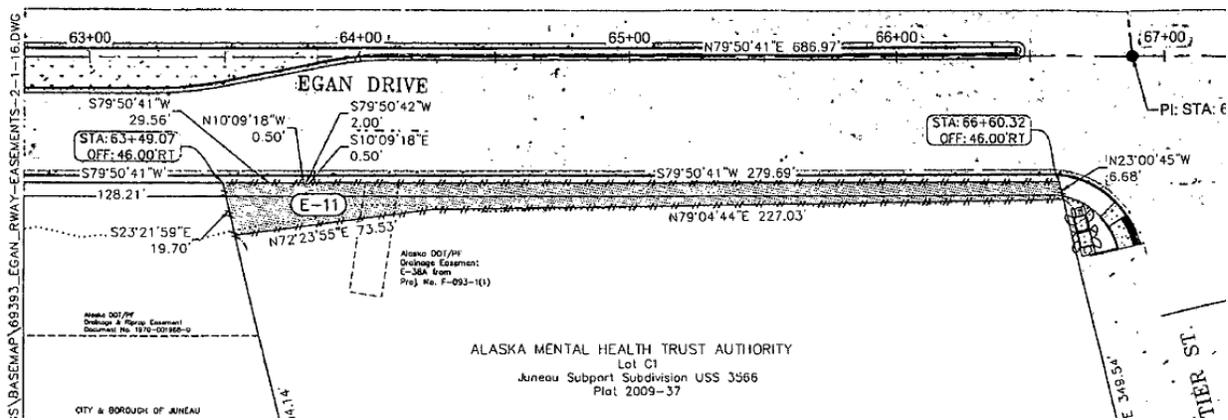


Figure 3.2 showing the location of the Exclusively Perpetual Easement, Parcel E-11, gray area. This is an excerpt from the State of Alaska Dept. of Transportation and Public Facilities Right Of Way plat page 12 of 19 of the recorded easement 2018-003784-0 JRD.

A smaller Parcel E-11A, Exclusive Perpetually Easement for construction installation maintenance and replacement of a utility box and for all other highway and utility purposes, being about 266 SF, was granted in the northeast portion of the site, as depicted in Figure 3.3 below.

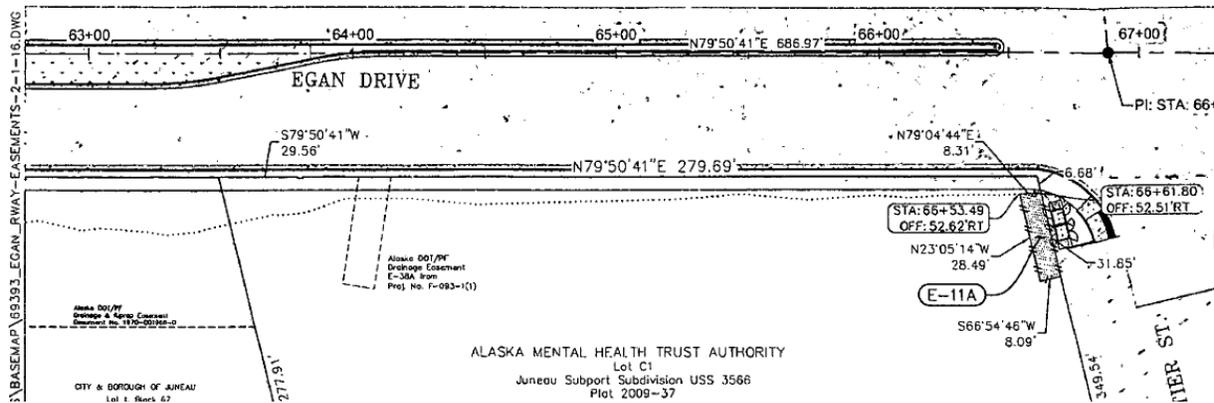


Figure 3.3 showing the location of the Exclusively Perpetual Easement, Parcel E-11A, gray area. This is an excerpt from the State of Alaska Dept. of Transportation and Public Facilities Right Of Way plat page 13 of 19 of the recorded easement 2018-003784-0 JRD.

See the addenda for a complete copy of the recorded Easement Agreement. This easement area cannot be counted toward density, landscaping, or used to calculate setback requirements for development¹. These easements effectively reduces the site area of 3,257 SF. The net site area is 122,194 SF calculated as follows

Platted Site Area	125,406 SF
Less Exclusive Perpetually Easement	<u>3,257 SF</u>
Net Site Area	122,149 SF

Soils and topography

The soils consist mostly of the compacted tailings of the A.J. Mining, as is most the level land in this area. The site has been improved with the large government warehouse building for nearly 50 years. It was removed, and the site mostly graded. As can be seen in Figure 3.4, the site has a sloping topography along its westerly edge and a small pocket of deep-water submerged lands in its southwest corner. The waterfront edge of the site is rip rap protective rock. The appraiser estimates that about 75% of the site is level and above the top of the fill, and about 25% of the site is sloping tidal or submerged land. For purposes of valuation, the site will be valued as **91,612 SF level filled upland** and the balance **30,537 SF sloping or submerged lands**.

This site has good visual prominence and access. It also has access to the water, which is an additional positive feature. It has potential for marine development to the south and west.

¹Confirmed with CBJ Planner II, Allison Eddins, 1/30/19



FIGURE 3.4 – PHOTO OVERLAY MAP SHOWING SITE FROM THE CBJ GIS OUTLINED IN BLUE. THE THIN RED LINE APPROXIMATES UPLAND PART OF SITE. THE RECENTLY ACQUIRED EXCLUSIVELY PERPETUAL EASEMENTS ARE NOT SHOWN IN THIS 2013 PHOTO OVERLAY.

Site Improvements

The site is improved with a small steel piling and steel grated pier and wood float in the submerged lands, which are not affected by the easement acquisition, and not valued herein. A major portion of the site is enclosed with a chain link fence. These improvements may have a nominal interim value but do not appear to significantly

impact the highest and best use. Further, they are excluded from the valuation by a hypothetical condition, based on the client’s instructions to the appraiser.

Utilities

All utilities available in the City and Borough of Juneau are available to the site, including water, sewer, telephone, cable television, electric power, etc.

Access and Off Site Improvements

Road access is along Egan Drive, a paved, undivided, four-lane highway with concrete curbs, gutters, and storm drainage. This is a heavily trafficked road, and access is limited. The site has good access from Whittier Street, a two-way road. The site has water access through tidelands to the deep water of Gastineau Channel to the south.

Assessed Valuation and Taxes

This parcel is owned by tax exempt subdivisions of the State of Alaska. It is exempt from taxes and not valued over the last several years. The available assessment history is listed below in Figure 3.5, and is a summary of the assessed value for the subject from the CBJ website.

Parcel #	Street Address	Legal Description 1	
1C060K010031	EGAN DR 0	JUNEAU SUBPORT LT C1	
Owner's Name and Address			
ALASKA MENTAL HEALTH TRUST AUTHORITY 2600 CORDOVA ST STE 100 ANCHORAGE AK 99503			
Previous Owner	Site Value	Building PV	Total PV
	N/A	N/A	N/A
Use Code	Exempt	Zoning	Tax Year
Commercial Misc	STAT		2018
Number of Units	Year Built	Gross Living Area	
N/A	N/A	N/A	
Garage	Garage Area	Lot Size	Last Trans
No	N/A	125406.00 sq. ft.	0000
City Water Available	City Sewer Available		
Yes	Yes		
Exempt Land	Exempt Building	Exempt Total	Road/No Road
N/A	N/A	N/A	Roaded

FIGURE 3.5 - SUMMARY OF THE ASSESSMENT INFORMATION FROM THE CBJ WEBSITE.

4 VALUATION

4.1 HIGHEST AND BEST USE

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value.

The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, page 93

The subject is well situated in the commercial center of downtown Juneau. It has good site prominence along Egan Drive and good access from Whittier Street. The level developable area would be available for wide variety of feasible uses similar to what is found in the neighborhood including hotels, offices, and retail facilities. The site has a distinctive advantage of direct water access and the flexibility of non-water or water dependent use. Some of the feasible water-dependent uses include tourism related office and retail, and marina uses for tour boats, yachts and seaplanes. Based on successful neighborhood development, these are likely feasible uses. Also, parking is a premium in the wider neighborhood. There may be opportunities to work with the city to develop the seawalk through the site, and adjacent marine facilities if developed to the west. These types of concepts are reflected in the MRV Architects Marina District Master Plan development drawing, shown as Figure 1.1 earlier in this report. This mixed use, low-rise development takes advantage of the waterfront character of the property, and is also affirmed by the collaborative study done with TLO and the Urban Land Institute Northwest.

The highest and best use is of mixed commercial residential use, taking advantage of the site's waterfront character, and dedicating some of its area of parking.

4.2 Land valuation

Commercial land sales and rents in the immediate area were considered for estimating the value of the subject. There are a limited number of actual land transactions in the Juneau Harbor waterfront area. The following transactions were found to be most helpful in our analysis. Details of these Comps are in the addenda.

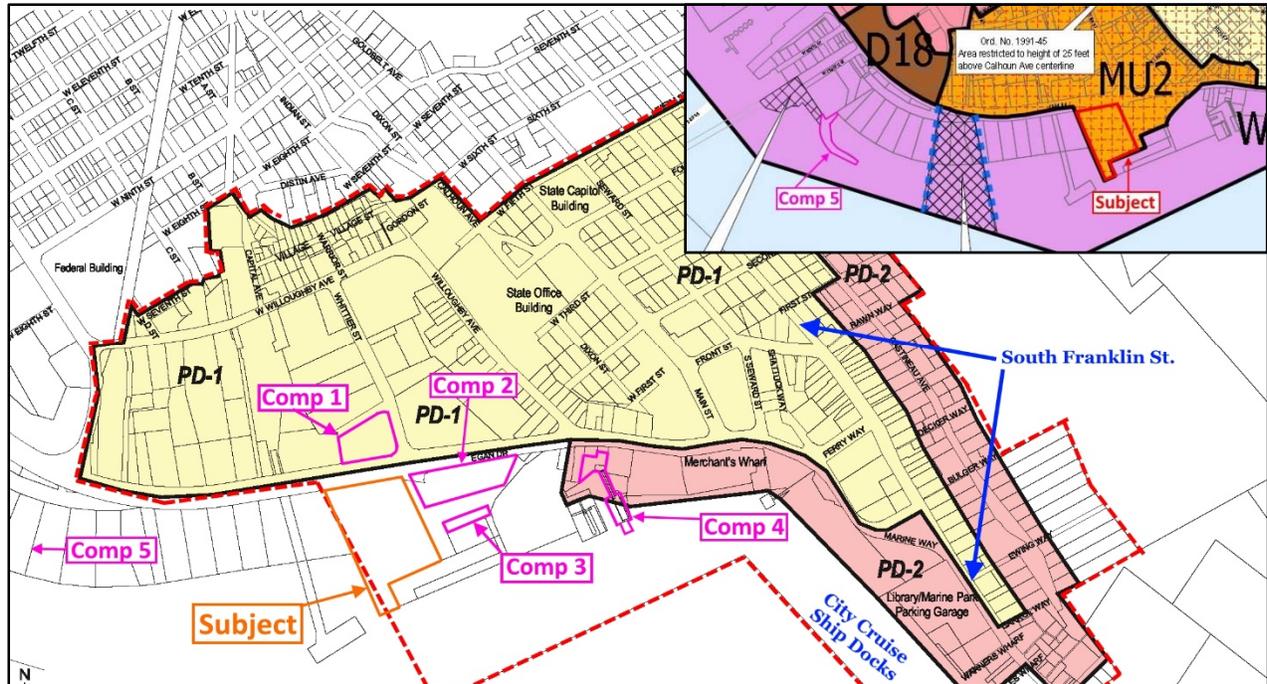


FIGURE 4.1 – COMPS 1 – 4 LOCATED ON PARKING DISTRICT MAP. COMP 5 LOCATED ON INSERT ZONING MAP.



Comp 1 is a capitalized lease adjusted in 2011 between the Alaska Mental Health Land Trust as lessor and KTOO as lessee. This site has good prominence on the north Side of Egan Drive, closer to the State Office Building and the Capital.



Comp 2 is a recent Sale on the same side of Egan Drive as the subject. The intended use is for mixed commercial development including residential commercial and a salt water heat recovery plant. Currently it is being rented short term for parking for \$60,000 a year.



Comp 3 is a CPI adjusted (2018) recently renegotiated (2015) rental between Alaska Mental Health Land Trust as lessor and the U.S. Coast Guard, of a parking lot off Egan Drive. The annual rent is capitalized to give an indicated value of the neighborhood uplands off Egan Drive.



Comp 4 is a capitalized lease of the recently renewed CBJ tidelands and uplands east of the subject property, closer to and influenced more heavily by the tourism traffic. It is part of the Seadrome Marina, which caters to small tour boats and yachts.



Comp 5 is a straight sales transaction. There are no quantitative adjustments to be made. It brackets the subject on the upper end of square foot value for sloping and tide lands. It has similar development challenges to the subject tidelands.

We made quantitative adjustments capitalizing land lease rents (comps 1, 3, & 4) and allocating tidelands and uplands (comp 4) where appropriate. Next, we ranked the indicated SF values based on a qualitative ranking to arrive at an indicated value of the subject upland/SF. We've applied a percentage value to the indicated uplands to express a value of the tidelands, based on market guidance, and conclude our final indication of overall value. This process is summarized as follows.

Quantitative adjustments

Capitalized land leases were used for developing indicated square foot values. This is the case with Comps 1, 3 and 4. The market capitalization rate of 8% is used in Comps 1 and 3, as it was not specified in the lease. Comp 4 provides that the rent be calculated at 9% of the land value. The rent is then capitalized at 9%, an indication of the current value. The values indicated by these comps are then developed in Table 4.1 below.

Table 4.1 Rent capitalization – Indicated Values of Comps 1,3, & 4					
	Annual Rent	Capitalization Rate	Indicated Value	Size (SF)	Indicated SF Value
Comp 1	\$94,000	8%	\$1,175,000	29,338	\$40.05
Comp 3	\$35,185.32	8%	\$439,817	14,070	\$31.26
Comp 4	\$56,327.84	9%	\$625,865	19,916	\$31.43

It has been observed in the market that the unit value of tidelands is a ratio of the unit value of adjacent uplands. See addenda EXHIBIT- TIDELANDS LEASE RENTS - RATIOS AND PERCENTAGES. This will be considered in the case of the subject, which has both tidelands and uplands components. Comp 4 has been allocated for its upland and tideland components, based on a ratio of tidelands being 40% of the unit value of uplands. This is an appropriate ratio, considering the utilization of the tidelands in relation to the high value intense use uplands. Comp 4 is further allocated as follows:

Allocation	Value	SF Area	SF Value
Total Site	\$625,866.67	19,916	
Upland	\$360,047.10	6998	\$51.45
Tideland	\$265,852.44	12,918	\$20.58

Based on these adjustments, the sales selected as being most helpful to develop an indicated value for the subject tidelands and uplands are summarized below. Details of the sales are contained in the addenda. The table is color coded, with comp 4 highlighted in blue, and the subject property in green.

Comp & Record No.	Address	Transaction Date	Sale Price or Cap Value	SF Size	Upland SF Value	Indicated SF value tideland	Zone & Parking district
2 -#10017	~355 Egan	8/31/2017	\$1,352,000.00	42,550	\$31.77		MU2 Fee
3 -#10025	~345 Egan	7/19/2015	\$439,817.00	14,070	\$31.26		MU2 Fee
1 -#1494	360 Egan	3/15/2011	\$1,175,000.00	29,338	\$40.05		MU2 PD1
4 -#5011	98 Egan	Jun-18	\$625,866.67	19,916			WC PD2
	Allocation	Upland	\$360,047.10	6998	\$51.45		WC PD2
	Allocation	Tideland	\$265,852.44	12,918		\$20.58	WC PD2
5 -10071	W. 8 th Street	Oct-12	\$400,000.00	27,784		\$14.40	WC
Subject		Jan-19	Total Size	122,149			WC Fee
			Upland	91,612			
			Tideland	30,537			

Qualitative Analysis

Of the comps listed above, Comps 1 -4 express a SF range of value for the uplands between \$31.00/SF and \$51.00/SF. The tidelands suggest a value of \$14.00 to \$20.00/SF for about 40% of the upland SF value.

The upland sales are considered on a qualitative bases relative to their being superior inferior to the subject due to differences in location parking requirements and other

characteristics. The indicated price per SF is qualitatively ranked in the following discussion. If a comparable attribute is superior to the subject, a minus rating of -1, -2, or -3 is made, depending on its severity. Conversely, if a comparable attribute is inferior to the subject, a plus rating is made to weigh this with other attributes towards the subject with a +1, +2, or +3, depending on the severity. The gradation of weighting 1 to 3 is used since all qualitative attributes are not, in the appraiser's opinion, equally weighted within the market.

Market Conditions have been relatively stable as indicated in previous discussions of the market area. All the Comps are rated similar for market conditions.

The Conditions of Sale for all the comps are felt to be market competitive, and represent normal market transactions as the subject is appraised.

Property Rights: Although there may be some minor easements or reserve issues among the sales, in general the property rights are all rated similar. Comps 1, 3 and 4 are lease rents, which have been capitalized and adjusted in the SF value.

Location in this instance reflects the advantage of the site prominence and the general commercial appeal for customer traffic convenient development. The subject enjoys waterfront access and deep waterfront to the south. Comp 1 is, on balance, similar to the subject. It is slightly superior as it is more convenient to other neighborhood attractions, such as the capital and the State Office Building, and a greater traffic exposure of Whittier Street, but lacks the waterfront amenity. Comps 2 and 3 are adjacent, east of the subject, but lack waterfront amenity. They are inferior by +1 each. Comp 4 is superior by -1 due to its location on a developed marina and closer to the CBD tourism influence.

Parking is a critical issue in downtown Juneau. The subject requires full parking but is in a Fee-In-Lieu of district where it has an option to buy parking. Comps 1, and 4 are located in PD-1 and PD-2 parking districts respectively, which allows reductions in parking, and are rated superior by -1. Comps 2 and 3 are not in parking districts, similar to the subject.

The **site size** differs between the comps, but generally not to an extent that would warrant an impact on the SF value. They are all rated similar. The square foot value as analyzed is similar in most other regards as being level commercial land.

Summary and Relative Ranking

The rankings discussed above relative to their SF values compared to the subject are summarized in the following Table 4.4 for the subject uplands.

TABLE 4.4 QUALITATIVE ADJUSTMENT GRID – LOT C1									
Characteristic	Subject	Comp 1 - #1494 360 Egan Dr		Comp 2 - #10017 ~355 Egan Dr		Comp 3 - 10025 345 Egan Dr		Comp 4 #5011 98 Egan Dr	
Indicated square foot value of upland		\$40.05/SF		\$31.77/SF		\$31.25/SF		\$51.45/SF	
Market Condition (Time)	11/2016	3/2011	0	8/2017	0	7/2018	0	6/2018	0
Condition of Sale	Normal cash	Similar	0	Similar	0	Similar	0	Similar	0
Property Rights	Similar to Fee	Lease adjusted in SF price	0	Similar	0	Lease adjusted in SF price	0	Lease adjusted in SF price	0
Location	Good Prominence	Similar	0	Inferior	+1	Inferior	+1	Superior	-1
Parking district	Fee in lieu	Superior	-1	Similar	0	Similar	0	Superior	-1
Size (SF)	122,149 SF	29,338 SF	0	42550 SF	0	14,070 SF	0	19916 SF	0
Net rating		Superior	-2	Inferior	+1	Inferior	+1	Superior	-2

If a comparison is **Superior**, a Minus rating of -1, -2, or -3 is given depending on severity.
 If a comparison is **Inferior**, a Plus rating of +1, +2, or +3 is given depending on severity.

The net ratings are further summarized and bracket the subject on a price per foot in the following Table 4.5.

TABLE 6.5 - SUMMARY COMPARABLE SF PRICE RANKING GRID		
Comp 2 - (#10017) ~355 Egan Dr	Inferior +1	\$31.77/SF
Comp 3 – (#10025) 345 Egan Dr	Inferior +1	\$31.25/SF
Subject	Similar	Solve
Comp 1 (#1494) – 360 Egan Dr	Superior -1	\$40.05/SF
Comp 4 (#5011) – 89 Egan Dr	Superior -2	\$51.45/SF

The data brackets the subject fairly well between \$30/SF and nearly \$40/SF; the midpoint of this range is \$35.00/SF. The highest indicator at over \$50.00/SF is most superior to the subject. The indicated contributory value of the subject **uplands is \$35.00/SF.**

About 25% of the site is estimated as sloping or tidal lands. These lands would cost more to develop and fill, but also include some submerged lands that could be used for

dock/marina development. The sloping lands to the west could be developed in conjunction with City and Borough of Juneau tidelands. The contributory SF value of tidelands generally ranges from 10% to 50%¹ of the upland value. In this case it is felt 40% of the upland unit value would be reasonable for these sloping and tidal lands. This indicated \$14/SF for the tidelands (\$35/SF times 40%). Previously cited Comp 4 suggests about \$20.00/SF for the tidelands associated with the Seadrome Marina at 98 Egan Drive. These are superior to what the subject would warrant due to their location. Comp 5 indicated just over \$14/SF for tidelands further to the west, which would similarly require development, as would the subject. These indicators confirm the contributory value of the **tidelands are \$14/SF.**

Fee Simple Market Value of Land

The estimated value of the land, without consideration of improvements, has been developed above. The subject site is estimated to be 25% tidelands, with a contributory value of \$14/SF, and 75% uplands at \$35/SF. The blended SF value of the site is then \$29.75/SF². The value of the subject land is summarized as follows.

$$122,149 \text{ SF at } \$29.75/\text{SF} = \$3,633,933$$

Rounded \$3,634,000

Commercial property generally rents as a percentage of the market value. Although there is a resistance to renting and developing property in the subject market, when governmental agencies, or other institutions which do not have the flexibility of sale, do rent properties they typically rent at a percentage of the estimated market value. These percentage rents have ranged from 6% to 12% over the last 20 years. In the last 10 years or so these rates have narrowed to a range of 7% to 10% and are predominately around 8%. Based on nominal percentage lease rate at 8% the indicated annual rent is calculated as follows.

$$\$3,634,000 \text{ at } 8\% = \$290,720/\text{Year}$$

The lease terms for the rent assumes a full net lease, where the lessee pays tax, insurance, and all expenses related to the use of the land, for a minimum 20 year term, with 3 to 5 year rental adjustment clause, lessee fully indemnifies the lessor, and other conditions typical of market land lease rents in the region.

¹ See addenda EXHIBIT- TIDELANDS LEASE RENTS - RATIOS AND PERCENTAGES

² 25% of \$14.00/SF plus 75% of \$35.00/SF.

ADDENDA

1. SUBJECT PHOTOGRAPHS



PHOTO 1 - EGAN DRIVE AND WHITTIER STREET INTERSECTION LOOKING SOUTH DOWN WHITTIER STREET, SUBJECT PHOTO RIGHT (012819_0172)



PHOTO 2 - INSIDE VIEW OF SUBJECT LOOKING SOUTH FROM NORTHERLY PROPERTY LINE (012819_0161)



PHOTO 3 - INSIDE VIEW LOOKING NORTH FROM JUST NORTH OF TRACY'S CRAB SHACK ALONG WATER'S EDGE, BEHIND PHOTOGRAPHER (012819_0137)



PHOTO 4 - LOOKING NORTH OF WHITTIER STREET FROM SOUTHEAST CORNER. SUBJECT PHOTO LEFT OF PARKED CARS (012819_0125)



PHOTO 5 - LOOKING WEST ALONG SOUTHERLY BOUNDARY TOWARD SUBMERGED LANDS WHICH PROTRUDE BEYOND COAST GUARD PROPERTY PHOTO DISTANT CENTER. NOTE THE PILING AND FLOATING DOCK ON THESE SUBMERGED LANDS (012819_0127)



PHOTO 6 - CLOSE-UP OF SLOPING AND SUBMERGED LANDS AND SOUTHWEST CORNER LOOKING SOUTH-SOUTHWEST (012819_139)



PHOTO 7 - LOOKING EAST-SOUTHEAST FROM WESTERLY PROPERTY LINE ACROSS RIP RAP SLOPE OF SUBMERGED LANDS (012819_0140)



PHOTO 8 - WESTERLY BOUNDARY SLOPING LANDS LOOKING NORTH (012819_0143)



PHOTO 9 - WESTERLY BOUNDARY SLOPING LANDS LOOKING SOUTH (012819_145)



PHOTO 10 - EGAN DRIVE STREET SCENE LOOKING IN AN EASTERLY DIRECTION SUBJECT WESTERLY BOUNDARY SLOPING TIDELANDS PHOTO CENTER RIGHT (012819_0157)

HORAN & COMPANY, LLC

LAND COMPARABLE NUMBER 1

Community: 15 CBJ - Town - Gold Creek
Address: 360 Egan DR
Location: 360 Egan Drive, KTOO Building Site, SW corner of Whittier Street and Egan Drive known as City Parking Lot
Legal: Tract A & P subport, 74 Semaphore, Alaska Subdivision Plat 532, and Tract C, Subdivision of Lot 1, USS 3566, Plat 631, Juneau Recording District, 1st Judicial District, State of Alaska; Parcel Number: 1C060K010020

Recording District: Juneau
City: Juneau
State: AK
Zip: 99801

Instrument: Land
Serial: 2011-002528-0
Trans.Type: Land Rent
Rights: See Comments
Terms: 10 year lease to 2021 Rent Adj every 5 years - 2016. Per Brian Yackel 907-269-7927

TranTypeBlank: \$94,000
Trans. Date: March 15, 2011
Grantor: Mental Health Land Trust
Grantee: Capital Community Broadcasting, Inc.

Size (SF): 29,338
Frontage: 501 Egan Drive and Whittier Street
Zone: MU2

Utilities: Water, Telephone, Sewer, Electric
Access: Road, paved
Improvements: See Comments
Land Class: Non-WTFT, Commercial

Topography: Level
Vegetation: Cleared
Soil: Buildable

Present Use: Broadcasting studio
Intended Use: Continued use
Highest and Best Use: commercial, mixed use & parking

Comments

Improvements ostensibly owned by lessee not included in the land lease, include 15,153 SF concrete building constructed in 1959 with an addition in 1972 and mostly paved and landscaped parking lot.

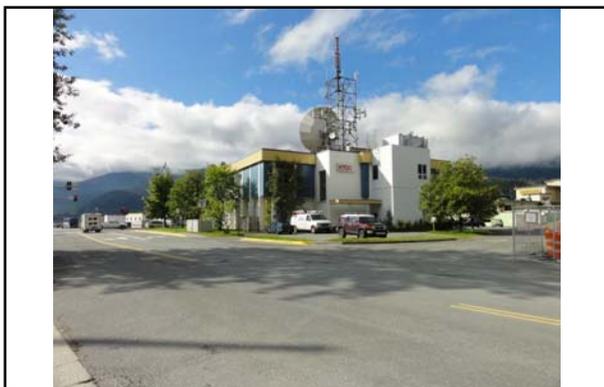
Analysis:

\$94,000 capitalized at 8% = \$1,175,000 / 29,338 SF = \$40.05/SF

Marketing Info: Lease expires 12/30/2021. 2011 rent negotiated lease based on 8% of appraised value at that time. This 2011 lease apparently replaces prior long-term lease where rent was \$57,850 set in November 1994 appraisal or 1999 update-not certain.

Confirmed with: Roger Ramsey Appraisal Brian Yackel, Mental
 Confirmed date: 08/27/2014 8/12/2015
 Confirmed by: J.Horan K. Goeden

Revision Date: 1/30/2019
 Record Number: 1494



081315_12284.jpg

081315_12284

Taken by C. Horan 8/13/15



Untitled.wmf

HORAN & COMPANY, LLC

LAND COMPARABLE NUMBER 2

Community: 15 CBJ - Town - Gold Creek
Address: 355~ Egan DR
Location: Egan Drive, Acrodss from Whittier Street known as Subport Parking Lot
Legal: A portion of Tract C2 Plat 2009-37, Juneau Recording District, 1st Judicial District, State of Alaska;

Recording District: Juneau
City: Juneau
State: AK
Zip: 99801

Instrument: Land
Serial: 2017-003695-0
Trans.Type: Sale
Rights: Fee Simple less Minerals
Terms: Cash to seller plus buyer pays 4% commission, \$52,000

Sale Price: \$1,352,000
Trans. Date: August 31, 2017
Grantor: Mental Health Land Trust
Grantee: Develop Juneau Now, LLC

Size (SF): 42,550
Frontage: Egan Drive and Whittier Street
Zone: MU2

Utilities: Water, Telephone, Sewer, Electric
Access: Road, paved
Improvements: Fence & paving
Land Class: Non-WTFT, Commercial

Topography: Level
Vegetation: Cleared
Soil: Buildable

Present Use: Vacant

Intended Use: Dev idea at time of purchase: build 30,000 SF three story multi use building. First floor ~ 5000+ SF retail oriented towards seawalk, 3200 SF Juneau District heating plant and 9 high quality apartments on top two levels. This would be North America's first sea water heat pump district facility. Costs estimated \$12 to \$15 million not including heatcomp facility.

Highest and Best Use:

Analysis:

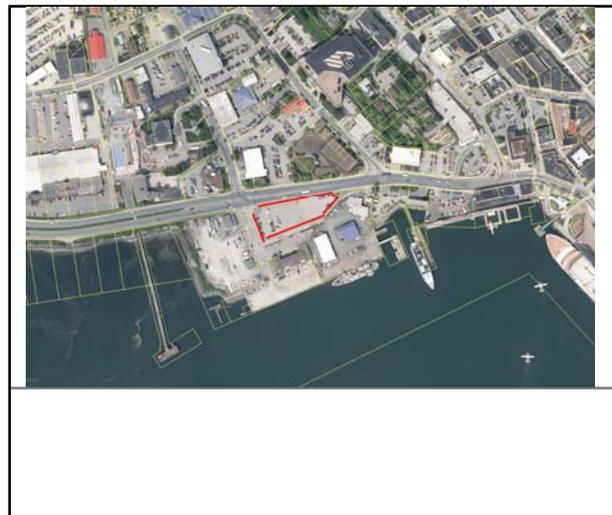
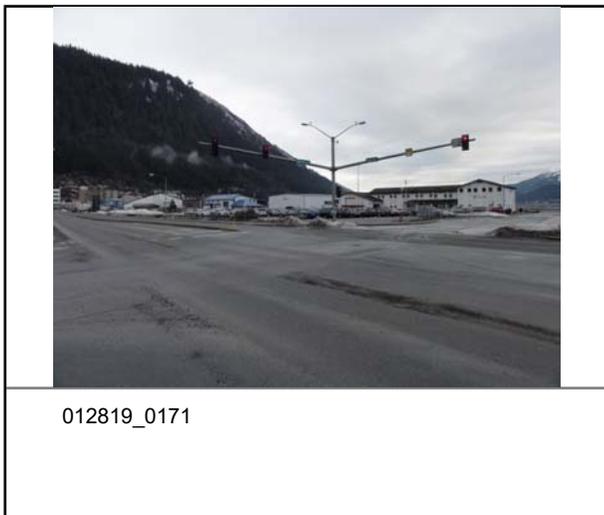
Original offer at \$1,300,000, \$30.45/SF. To close with realtor fee price, \$1,352,000/42,550 SF= \$31.77/SF. This includes paved parking and fence. It's noted the state of Alaska Dept administration reached out to purchaser for possible lease of site suggesting a \$100,000 per year or 8% of value according to realtor. Actual calculated percentage based on sale price and realtor fee is 7.4%.

Marketing Info: Negotiated non advertised sale. Buyer worked through realtor Prudential Southeast, Debbie white, approached TLO and made an offer October 3, 2016 for \$1,300,000 for an estimated 40,2689 SF indicating about \$30.45/SF. Final deal due to close end of August 2017 at \$1,300,000 net to seller plus realtor's fee paid by seller 4% indicating gross price

Confirmed with: Bryan Yackel
 Confirmed date: 11/4/16
 Confirmed by: C.Horan

Debbie White
 8/2/2017
 C.Horan

Revision Date: 1/30/2019
 Record Number: 10017



HORAN & COMPANY, LLC**LAND COMPARABLE NUMBER 3**

Community: 15 CBJ - Town - Gold Creek
Address: 345 Egan Drive
Location: Egan Drive, Acrodss from Whittier Street known as Subport Parking Lot
Legal: A portion of Tract C2 Plat 2009-37, Juneau Recording District, 1st Judicial District, State of Alaska;

Recording District: Juneau**City:** Juneau**State:** AK**Zip:** 99801**Instrument:** Land **Serial:****Trans.Type:** Land Rent**Rights:** Fee Simple less Minerals**Terms:** Term from Oct 1, 2016 to 4/30/2036,
with 2.7% annual adjustment.**TranTypeBlank:** \$35,185.32**Trans. Date:** July 19, 2018**Grantor:** Mental Health Land Trust**Grantee:** US Coast Guard**Size (SF):** 14,069.88**Frontage:** Egan Drive and Whittier Street**Zone:** MU2**Utilities:** Water, Telephone, Sewer, Electric**Access:** Road, paved**Improvements:** Fence**Land Class:** Non-WTFT, Commercial**Topography:** Level**Vegetation:** Cleared**Soil:** Buildable**Present Use:** Vacant**Intended Use:** Commercial Development and Parking**Highest and Best Use:****Comments**

The site appears to provide about 35 parking spaces.
 Assume to be a total net lease. Improvements owned by lessor maintained by lessee.

Analysis:

2018 adjustment \$35,185.32

2015- \$32,482.44 /8% = Land Value \$406,030.50/ 14069.88 SF = \$28.86/SF

If 35 parking spaces = \$ 928.07/yr or \$77.34/mo. \$11,600.87/space

Marketing Info: 2018 adjustment \$35,185.32

This was a supplemental lease agreement for a longstanding lease that had a lapsed rental adjustment clause. The parties renegotiated an rent agreement in July 19th 2015 that the effective rent July 1, 2015 would be \$2,635.71 through September 2015. The rental would then increase to \$32,482.44 per year paid

Confirmed with: Bryan Yackel, TLO

Confirmed date: 11-14-16

Confirmed by: C.Horan

Revision Date: 1/30/2019

Record Number: 10025



111416_161575



HORAN & COMPANY, LLC

LAND COMPARABLE NUMBER 4

Community: 16 CBJ - Town - CBD - Commercial
Address: 98 98 Egan Drive
City: Juneau
State: **Zip:**
Location: 98 Egan Drive, Seadrome Marina - Goldbelt Float
Legal: Parcel B, C, E, F, and F Exhibit C, Block 76 (see 12-053 & 15-127 & 18-054); Parcel Number: 1C070K760021

Instrument: Lease **Serial:**
Trans.Type: Land Rent
Rights: Lease **TranTypeBlank:** \$56,327.58
Terms: Began in May of 1998 for 35 years **Trans. Date:** June 1, 2018
Grantor: City and Borough of Juneau
Grantee: Goldbelt (or Cultural Preservation, Inc.)

Size (SF): 19,916
Frontage: Water Front
Zone: WC
Utilities: All
Access: Road, paved, Boat
Improvements: None as leased
Land Class: Tidelands, Commercial
Topography: Submerged, Level
Vegetation: None
Soil: Tidelands

Present Use: Vacant
Intended Use: Dock for vessels and other marine and tourist-related activities
Highest and Best Use: Marina

Comments

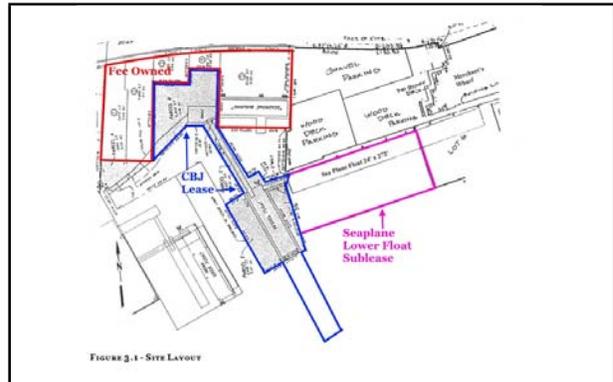
2015 Amendment- . Effective day of amendment June 1, 2013. The rented area was reduced to 19,916 (dropped Parcel A 694 SF from original lease) and dropped lease percentage rate from 10% to 9%.

Analysis:

\$56,328 Rent/ 9%= \$625,866.67/ 19,916 SF = \$31.43 /SF overall
 Allocation- Upland \$ 360,047.10/ 6,998 SF= \$51.45/SF 100%
 Allocation-Tideland \$265,852.44/ 12,918 SF=\$20.58/SF 40%

Marketing Info: Rent adjustment effective **June 1, 2018**, based on area change but no change in value since June 1, 2013. (18-054).
 2015 adjustment based on 2012 appraised values for the effective least adjustment date June 1, 2013 amendment which also included a reduction in the percentage rate from 10% to 9% of the estimated market value. The lessee and CBJ Docks and Harbor

Confirmed with: File Notes/Jim Canary Port Director Docs
 Confirmed date: 11/14/2006 8/1/16
 Confirmed by: K.Williams C.Horan
 Revision Date: 1/29/2019
 Record Number: 5011



HORAN & COMPANY, LLC

LAND COMPARABLE NUMBER 5

Community: 15 CBJ - Town - Gold Creek
Address: NHN West Eighth St
Location: Spit seaward of AKDFG building, Gastineau Channel
Legal: Portion of Block 87, Tidelands Addition, Alaska Tidelands Survey 3; Parcel Number: 1C060K630050

Recording District: Juneau
City: Juneau
State: AK
Zip: 99801

Sale Price: \$400,000
Trans. Date: October 8, 2012
Grantor: Barramundi, LLC, Jan Van Dort, William Heumann
Grantee: City and Borough of Juneau

Instrument: SWD -
Serial: 2012-006664-0
Trans.Type: Sale
Rights: Assumed Fee Simple, Easement
Terms: Cash

Size (SF): 27,784
Frontage: see comment
Zone: WC

Utilities: See Comments
Access: See Comments
Improvements: None
Land Class: Tidelands, Waterfront, Vacant, Residential, Commercial

Topography: Gradual sloping/beach, Submerged, Level
Vegetation: None
Soil: Alluvial, Buildable

Present Use: Vacant
Intended Use: Sea walk development

Highest and Best Use: ~~High Density Residential~~
Comments

Sale includes access easement across adjacent Lot 9B Block 63. The site is in a high velocity flood area and is apparently limited by code in its development. The site is a toehold sandy spit that extends southeast into the Gold Creek Flats from a developed office park near downtown. The sellers envisioned a condo development taking advantage of the good views and good location. Zoning would allow 11 units with P&Z approval.

Analysis:

Marketing Info: The sales negotiated based on initial offer from CBJ at \$110,000 based on appraisal. The Sellers development plan showed more value potential with residential condominium units and offered an alternate analysis between \$400,000 and \$600,000. In the end the purchaser settled on \$400,000 motivated in part by the need to acquire it for its sea walk expansion which allowed the avoidance of extra

Confirmed with: Jan Van Dort
 Confirmed date: 01/06/17
 Confirmed by: C.Horan
 Revision Date: 1/29/2019
 Record Number: 10071



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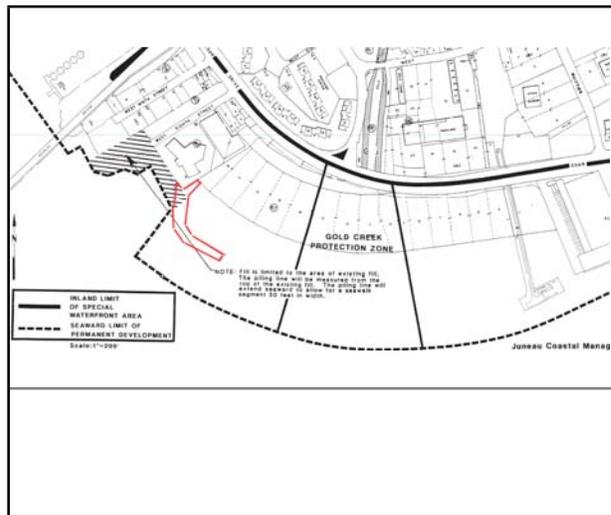


EXHIBIT- TIDELANDS LEASE RENTS - RATIOS AND PERCENTAGES

Estimating market value or market rents for tidelands has always been a challenge in the State of Alaska. In terms of the overall real estate market, transactions for tidelands alone are very infrequent. Once Alaska became a state in 1959 they acquired ownership of most navigable water-tidelands. There are a few patented tidelands sites and municipalities had some patented tidelands which could be leased or sold. The Constitution of the State of Alaska prohibits the sale of its tidelands parcels. The state and most municipal governments view tidelands as a critical component for public access to the waterways and economic development. As a result, they are generally leased to ensure continual productive use and public access.

When tidelands do sell, they are usually associated with waterfront uplands forming a functional property unit between the water and public roadways. This would be the case; for instance, where there is a dock or barge landing facility requiring tidelands for marine improvements and an uplands staging area. Sometimes these facilities sell where the uplands are owned in fee simple interest and the tidelands are leased. In these instances, the contributory value of the tidelands can be estimated as the residual of the allocated value of the uplands portion of the sales price. There are frequently more market transactions to indicate the value of the uplands than tidelands. It has then become a common practice to value tidelands as a percentage of the unit value of their adjoining uplands.

Uplands to Tidelands Unit to Value Ratio

Over time we have isolated the value of tidelands which have sold, leased or otherwise been valued based on transactions whereby an allocation is made between uplands and tidelands components. The following Table 1.1 summarizes 11 observations of the ratio (%) of tidelands square foot values to the square foot value of the uplands. This allocation is based on the sales of similar uplands, allocations by the buyers, sellers or appraisal analysis. In some instances, such as observations 9 and 11, there is a range of value based on differing views by the participating parties or a range of comparable sales in that area compared to the value of the known component.

The tidelands to uplands unit value ratios range from 12% to 40% in these observations. In other instances the range can even be wider from 5% to more than 50%. The driving factors in this ratio are how effectively the tidelands are used as compared to the uplands value. For instance, if the tidelands serve as a good, compact dock site and the adjacent uplands are filled, have a contained shore line and efficiently complement the use of the tidelands, the ratio would be lower than if the uplands were unfilled, low value raw land needing to be developed. This latter situation would impact the ratio due to the relatively lower value of the uplands as compared to the utility of the tidelands. Conversely, if the tidelands are oversized and extend an excessive distance from the

shore, diminishing their utility due to shallow run out or other site limitations, may mean a lower unit value and subsequently a lower tidelands to uplands ratio. This is due to the parcel being larger than would otherwise be necessary as compared to a more efficient, smaller site which would have a higher ratio of unit value.

TABLE 1.1 - RANGE OF TIDELAND UNIT VALUE RATIO (%) OF UPLAND UNIT VALUE					
No.	Location	Date	Size in SF	SF Value	Ratio
			Upland	Upland	Tideland as
			Tideland	Tideland	% of Upland
1	4100 Tongass Ave., Ketchikan	2003	26,915	\$16.03	
			14,275	\$1.94	12%
2	1000/1010 Stedman, Ketchikan	2005	76,597	\$16.00	
			102,133	\$4.99	31%
3	1007 Water St., Ketchikan	2001	61,000	\$17.25	
			40,594	\$4.19	24%
4	Mile 4 Mitkof Hwy, Petersburg	2010	170,772	\$2.50	
			346,720	\$0.57	23%
5	4513 HPR, Sitka	2005	179,507	\$10.72	
			42,035	\$2.74	26%
6	111 JT Brown St., Craig	2009	62,340	\$8.00	
			50,890	\$2.00	25%
7	76 Egan Drive, Juneau	2013	8,692	\$51.50	
			12,918	\$20.55	40%
8	108 Egan Drive, Juneau	1995	NA	\$55.00	
			NA	\$16.00	29%
9A	Alaska Glacier Seafood's, Juneau	2000	NA	\$22.00	
	Range of Comp Unit Values		NA	\$3.04	14%
9B	Alaska Glacier Seafood's, Juneau	2000	NA	\$8.00	
	Range of Comp Unit Values		NA	\$3.04	38%
10	Jacobson Dock, Juneau	2013	100,000	\$20.05	
			379,694	\$5.00	25%
11A	2691 Channel Dr., Juneau	2003	51,231	\$9.00	
	Range of Comp Unit Values		51,401	\$1.08	12%
11B	2691 Channel Dr., Juneau	2003	51,231	\$5.31	
	Range of Comp Unit Values		51,401	\$1.58	30%

If no comparable tidelands sales are available, it makes sense to estimate the value of suitably complementary uplands and apply a ratio to the unit value of these uplands from 10% to 40% to indicate the value of the tidelands under appraisal.

Land Lease Percentage Rates

If the purpose of the appraisal is to estimate annual market rent, the best method is to use directly comparable annual rents on a price per square foot or price per acre basis.

Sometimes there are no directly comparable rents available or it is desirable to check against the limited rent data that may be available for estimating rents. The commercial land rent market oftentimes sets rents by calculating a percentage of the estimated market value of the land being rented.

Land leases are most often granted by public or private institutions. Sometimes leases state the rates, other times the rents are informally calculated based on a rate. Land lease rates range from about 4% to 12% of the market value of the land on an annual basis. Over a long period of time these rates may fluctuate with the institutional land owners' anticipation of return on investment; however, they are more stable than short term changes in interest or bond rates. We have kept track of these land lease percentage rates over a long period of time. The following summarizes our most recent discussions with various institutions who lease land.

The Alaska Railroad, the University of Alaska and the Alaska Mental Health Trust all lease land at various rates depending on location. Urban lands have targeted rates of 10-12% per year, but are leasing at lower rates of 7-8% depending on negotiations. The Alaska Railroad leases urban, commercial, and industrial waterfront land from 7% to 10% with the higher rates in Seward and Anchorage's Ship Creek areas. Their leases are typically 35 years in length and are adjusted every five years based on appraisals. The rents are capped at a 35% increase and a floor of minus 35%. Short term year to year rates are higher. Long term leases over five years have lower rates. Generally these types of leases are adjusted every three to five years based on reappraisal or the Consumer Price Index.

Municipalities throughout the state lease tidelands based on a lease percentage rate. Over the last 20 years we have seen these lease rates range from as low as 4% to as high as 12%. In the last 10 years or so these rates have settled between the 7% to 9% range. Several municipalities, such as Craig and Skagway, have a legislated 8% per year rate. The City and Borough of Sitka has been leasing land at the Gary Paxton Industrial Park for 9%. Several municipalities, such as Ketchikan and Petersburg, have adopted lower rates for certain lands as an economic incentive for business development. In 2014 Ketchikan dropped its rate to 4% and Petersburg's' rates are as low as 6%.

For most private commercial leases these rates have not changed in the past several years and are best described as stable. A market rate of 8% is well supported.



Trust
Land Office

2600 Cordova Street, Suite 100
Anchorage, AK 99503
Tel 907.269.8658
www.trustlandoffice.com

1/10/2019

Charles Horan
907-747-6666
charles@horanappraisals.com

RE: ASP 10-19-916

Dear Mr. Horan,

This letter serves as an agreement for the Trust Land Office (TLO) to obtain your services in providing appraisals for Lot B of the Juneau Subport Subdivision, Plat 2007-29 and Lot C1 of Lot C, Juneau Subport Subdivision Plat 2009-37 J.R. D.

By signing this agreement, you agree to provide the following scope of services and deliverables.

Scope of Work

The Certified General Appraiser will prepare two (2) summary appraisal reports (appraisals) that determine the market value of each property. The land is located in Juneau, Alaska, at the following legal description(s):

- Lot B of Juneau Subport Subdivision, Plat Number 2007-29, Juneau Recording District, containing 29,338 square feet, more or less;
- Lot C1 of subdivision of Lot C, Juneau Subport Subdivision, Plat Number 2009-37, Juneau Recording District, containing 125,406 square feet, more or less.

Deliverables

- 1) Each appraisal will meet the most current Uniform Standards of Professional Appraisal Practice (USPAP) standards as published by the Appraisal Foundation.
- 2) Each appraisal will make two value determinations: market value and market rent.

Market Value is defined as the most probably price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buy 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 sales as of a specified date and the passing of fee simple title (less subsurface rights) from seller to buyer under conditions whereby:

ASP 10-19-916

- The buyer and seller are typically motivated;
- Both parties are well-informed or well advised and acting in what they consider are their own best interests;
- A reasonable time is allowed for exposure to the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangement comparable thereto; and
- the sale represents the normal consideration for the property sold unaffected by special or creative financing or sale concession granted by any person associated with the sale.

Market Rent is defined as the most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restriction, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of the specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

- the lessee and lessor are typically motivated;
- both parties are well informed or well advised and acting in what they consider are their best interests;
- a reasonable time is allowed for exposure in the open market;
- the rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract; and
- the rental amount represents the normal consideration for the property lease unaffected by special fees or concession granted by any person associated with the transaction.

Improvements – improvements are not to be appraised.

- 3) Each appraisal must include identification of the appraisal problem and scope of work (part of USPAP standards).
- 4) The Contractor (appraiser) must make an onsite inspection of each property.
- 5) Each appraisal must contain onsite photographs that clearly illustrate the character and quality of the property. Photographs may be used by the TLO for any other purpose without additional compensation to the Contractor.
- 6) Each appraisal must contain comparable sale/lease data with comparable sale/lease locations mapped in relation to the appraised property; and include reports of the comparables.

7) Data Analysis and Conclusions: Data will include market analysis, highest and best use, and land valuation. Adjustments made in relating comparable transactions to the subject property must be discussed and presented in an adjustment table.

8) The appraisal reports may become public documents that may be made available to the public upon request. Until such time as appraisal reports become public they shall be treated by the appraiser as confidential information belonging to the Trust Land Office and shall not be disclosed or discussed in whole or in part or revealed in whole or in part to any person whatsoever other than the Trust Land Office.

Prerequisites

- 1) The TLO will not supply office space or tools/equipment for this contract.
- 2) Documents created will be transmitted to the TLO in electronic fashion in native format and in PDF when possible. Final Appraisal report must be in hard copy.
- 3) Contractor must be licensed in the State of Alaska.

Completion Date

The project will be completed and reports made available by **February 5, 2019**.

Costs

In full consideration of the Contractor's performance under this letter agreement, the TLO shall pay the Contractor a sum not to exceed \$7,500.00. Contractor is to bill the TLO a lump sum cost once all services are completed and all deliverables are provided to the TLO.

Payment will be due within thirty days of billing and invoices should be sent to the attention of Katie Vachris, Business Analyst at the Trust Land Office, 2600 Cordova Street, Suite 100, Anchorage, AK 99503. Contractor shall reference ASP 10-19-916 on all invoices submitted to the TLO.

By signing below Contractor agrees with the terms and conditions of this letter agreement. Please return this signed document along with a copy of your State of Alaska Business License to Katie Vachris. A faxed or emailed copy will suffice. FAX: 907-269-8905 or email: katie.vachris@alaska.gov

A fully executed copy of this agreement will be returned to you as soon as possible, and will serve as your Notice to Proceed.

Sincerely,



Katie Vachris
Business Analyst


1/10/19

Charles Horan - Date


1/10/19

Katie Vachris - Date



The Alaska Mental Health Trust Authority
Trust Land Office
EASEMENT AGREEMENT

Record this document in the
Juneau Recording District

MHT 9100958

THIS EASEMENT AGREEMENT (Easement) is made effective as of August 15TH, 2018 and granted by THE ALASKA MENTAL HEALTH TRUST AUTHORITY (Trust), a public corporation within the State of Alaska, Department of Revenue (AS 47.30.011 et seq.), acting through the State of Alaska, Department of Natural Resources, Trust Land Office (TLO), pursuant to AS 37.14.009, AS 38.05.801 and 11 AAC 99, (collectively referred to as Grantor), whose address is 2600 Cordova Street, Suite 100, Anchorage, AK 99503, and THE STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES (Grantee) whose address is PO Box 112506, Juneau, Alaska 99811-2506. The Grantor and the Grantee are collectively referred to as the Parties.

** Return to*

In consideration of the initial fee and upon the satisfactory performance of all terms and conditions contained in this Easement, the Grantor and the Grantee agree as follows:

1. GRANT. The Grantor hereby grants Grantee an Exclusive Perpetual Easement for the construction, installation, maintenance, and repair of a sidewalk and for all other highway and utility purposes (the "Project" or "Project Area for the purposed described and over the premises described on Schedule 1.
2. RESERVED RIGHTS. The Grantor reserves all rights not expressly granted to the Grantee by this Easement.
 - a. These reserved rights include:
 - i. the right to explore for, remove, and dispose of all subsurface resources from the Parcel;
 - ii. the right to manage, convey, or dispose to third Parties by grant, lease, permit, or otherwise, any and all interests in the Parcel other than those granted by this Easement, provided that any such conveyance to a third Party shall be made subject to the Grantee's rights under this Easement.
 - b. The rights reserved may be exercised by the Grantor in any manner that does not unreasonably interfere with or endanger the Grantee's rights or operations under this Easement.
 - i. The Grantor shall provide the Grantee with prior written notice of the Grantor's intent to exercise any such reserved rights with the exception of the right of

management, conveyance or disposal to third parties, which shall not require written notice.

- ii. The Grantor and the Grantee shall work cooperatively to identify potential conflicts and the Grantor shall require such terms as necessary to avoid unreasonable interference with the Grantee's enjoyment of this Easement or endangerment of the Grantee's operations.
- iii. If at any time, the exercise of the Grantor's reserved rights must change or cease to avoid unreasonable interference with the Grantee's enjoyment of this Easement or endangerment of the Grantee's operations, such change or cessation shall occur at no cost to the Grantee.

3. TERM.

- a. This Easement is perpetual; unless surrendered or until the right-of-way of which this Easement is a part, is no longer a public way.

4. CONSIDERATION.

- a. Grantee shall pay a one-time payment to the Grantor in the amount of \$73,300 as to Parcel E-11; \$9,350 as to Parcel E-11A on or before 30 days from signing this document.
- b. An as-built survey of the Easement will be submitted no later than 120 days following completion of construction.
- c. The Grantee agrees that any changes in the terms of this Easement may require a reconsideration of fees and the Grantee agrees to pay such consideration as mutually agreed upon.
- d. **Payments are due without notification from the Grantor**, however, it is understood that providing invoices for payments due is a courtesy service to the Grantee and does not relieve the Grantee from making timely payments.

5. PAYMENTS METHOD.

- a. All payments to the Trust Land Office, shall reference this Easement with **MHT 9100958** and must be tendered to the Grantor at:
Alaska Mental Health Trust Land Office
2600 Cordova Street, Suite 100
Anchorage, Alaska 99503
- b. or to any depository designated by the Grantor with at least 60-day notice to the Grantee.
- c. If the Grantor's (or depository's) office is not open for business, the time for payment is extended to include the next day on which that office is open for business.
- d. Credit card payments may be submitted by calling Financial Services, Department of Natural Resources at (907) 269-8684.

6. PENALTY FEE.

- a. A late payment penalty fee of 10.5% or \$50, whichever is greater, will be assessed on the unpaid balance until the Grantor receives payment in full.
- b. A returned check fee as provided in 11 AAC 05.010 will be assessed for any check on which the bank refuses payment. If the bank refuses payment, the grantee will be notified and the Grantee may be in default until payment is satisfied.



- c. Unless otherwise agreed or required by applicable law, payments will be applied first to any unpaid collection costs, late charges, and any remaining amount to the annual land use fee.
7. **FAILURE OF TITLE.** The Grantor makes no representations or warranties, express or implied, as to title to, access to, or quiet enjoyment of, the Parcel. The Grantor is not liable for any deficiency in title, or difficulty in securing access to the Parcel.
8. **VALID EXISTING RIGHTS.** The Grantee's use of the Parcel shall not interfere with valid existing rights, if any, that exist upon the Effective Date of this Easement, without the prior written approval from the Person holding those rights.
9. **LAND ALTERATIONS.** The Grantee will not be responsible for damage to the Parcel caused by a natural disaster or from an Act of God. In the event of a natural disaster or Act of God, which renders all, or a portion of the Parcel unusable, the Grantor will not be obligated to take any actions to provide for continued occupancy by the Grantee as to the affected portion of the Parcel. In such event, the Grantee may choose to vacate or the Parties may mutually agree to terminate this Easement, and under either option the Grantee will remain responsible for compliance with this Easement, subject to reasonable consideration of the consequences of a natural disaster or Act of God to the Parcel.
10. **INDEMNIFICATION.** The Grantee's contractors shall defend, indemnify, and hold harmless the Grantor, and their respective officers, directors, employees, agents, successors, and assigns from any claim, including claims for loss or damage to Parcel or injury to any person or release or discharge of any hazardous substance arising from or in connection with any act or omission committed under this Easement by or on behalf of the Grantee, except for damage or injury caused by the sole gross negligence or willful misconduct of the Grantor.
11. **SELF-INSURANCE.** The Grantee is self-insured. The Grantee's contractors will be required to provide proof of insurance as specified in Schedule 2, and maintain in force at all times during the construction term of this Easement. Failure to furnish satisfactory evidence of insurance or the lapse of a policy is a material breach and grounds for termination of this Easement.
12. **STATUTES AND REGULATIONS.** This Easement is subject to all applicable local, state, and federal statutes and regulations in effect on the Effective Date of this Easement and to all such statutes and regulations that may become effective on or after the Effective Date, except those inconsistent with the trust principals imposed on the state by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709. See AS 38.05.801. A reference to a statute or regulation in this Easement includes any subsequent change in that statute or regulation whether by amendment, repeal or replacement and any successor statute or regulation. All references to specific governmental agencies include any successor agency or different agency that may assume the duties or jurisdiction of the referenced agency. In case of



conflicting provisions, the applicable statutes, regulations, and ordinances take precedence over this Easement. This Easement shall not be construed as a grant or recognition of authority for promulgation or adoption of municipal ordinances that are not otherwise authorized. The Grantor takes no responsibility to act as a regulatory agency as to this Easement, or as to any operations of the Grantee.

13. **DEVELOPMENT PLAN.** Before commencing development activities, excluding routine maintenance and emergency repair, the Grantee shall submit to the Grantor, for approval, a proposed Development Plan that describes operations to be conducted on the Parcel. The Grantee is responsible for obtaining, all necessary authorizations, permits and/or permission required to conduct its activity. No access and development of the Parcel may occur until the Development Plan has been approved in writing by the Grantor, and in compliance with the stipulations contained in Schedule 3 of this Easement. The Development Plan shall include:
- a. the scope of work for the proposed activity including project timelines and estimated completion date for activity and associated structures;
 - b. a map at a sufficient scale showing the general location of all activities and routes of travel of all equipment;
 - c. a general description of the land to be affected by the application;
 - d. nature of any improvements; and
 - e. removal of any improvements and restoration plans.

14. **DILIGENT AND SAFE DEVELOPMENT.**

- a. The Grantee shall conduct all operations on the Parcel in a safe and workmanlike manner:
 - i. in compliance with all applicable laws, rules, regulations, and ordinances;
 - ii. in accordance with generally accepted engineering practice; and
 - iii. with due regard for the protection of life and Property, preservation of the environment, and conservation of Trust resources.
- b. The Grantee shall carry out, at the Grantee's expense, all orders and requirements of the applicable regulatory agencies with jurisdiction over Grantee's operations taking place on the Parcel.
- c. The Grantee shall immediately cease and/or eliminate any condition existing or occurring as a result of granted activities, which may cause harm or damage to any person, structure, property, land, stream or wildlife and notify the Grantor to the steps necessary to remedy the condition.

15. **RECORDS & REPORTING.** Throughout the term of this Easement and for at least three years following termination, the Grantee shall keep and retain in its possession books, reports, and records (collectively referred to as Records) concerning the operations and activity conducted under this Easement. The Grantee shall permit the Grantor or its agent to examine these Records at all reasonable times. The Grantee shall use consistently applied generally accepted accounting procedures for state government (GAAP) for its financial accounting records. Financial information and trade secrets shall be kept confidential upon written request of the Grantee under AS 38.05.035(a)(8).



16. **INSPECTION.** The Parcel shall be open to inspection by the Grantor at all reasonable times, in order to examine, show, and inspect..
17. **INFORMATION ACQUIRED FROM OPERATIONS.** Grantee shall comply with Schedule 5 attached to this Easement. The Grantee shall furnish the Grantor paper and digital copies in a format reasonably required by Grantor, of all physical and factual results, logs, surveys, or any other derivative data available to Grantee resulting from operations on the Parcel, including by any person or entity acting on behalf of the Grantee. Any information filed by the Grantee with the Grantor in connection with this Easement will be available at all times for the use of the Grantor, its agents, and contracting personnel. All geological, geophysical, and engineering data supplied shall be kept confidential upon written request of the Grantee under AS 38.05.035(a)(8). Proprietary information need only be furnished insofar as it pertains to the Grantor's Parcel.
18. **ASSIGNMENT.** This Easement or an interest in the Easement may not be assigned or otherwise transferred to any person(s) except upon the prior written authorization of the Grantor. The Grantor, reserves the right to reject any proposed assignment to any unaffiliated entity. A transfer of this agreement as it pertains to the affected Parcel will not be unreasonably denied. Any transfer of interest is not effective unless approved in writing by the Grantor or designee, on a form designated by the Grantor. Any unauthorized attempt to assign or otherwise transfer any of the Grantee's interest under this Easement is void. Unless expressly provided by the Grantor, the assignment or transfer of an interest does not relieve the Grantee of any obligations or liability under this Easement.
19. **CO-LOCATION.** The Grantee may not co-locate other equipment owned or operated by a third party utility on the Parcel, unless the Grantor approves a separate easement agreement with the third party.
20. **CONDEMNATION.** If all or a portion of the Parcel as may be required for the reasonable use of the Grantee, are taken by eminent domain, this Easement, or portion of the Easement, as it pertains to the affected Parcel shall automatically terminate as of the date Grantee is required to vacate the Parcel and all rent shall be paid to that date. In case of the taking of a part of the a portion Parcel not required for the reasonable use of the Grantee, this Easement shall continue in full force and effect and the rent may be modified as mutually agreed to by the Parties, such rent reduction to be effective as of the date possession of such portion is delivered to the condemning authority. The Grantor reserves all rights to damages to the Parcel for any taking of eminent domain, and the Grantee assigns to Grantor any right Grantee may have to such damages or award, and the Grantee shall make no claim against Grantor for damages for termination of the Parcel interest or interference with Grantee's business. The Grantee shall have the right, to claim and recover from the condemning authority compensation for any loss to which Grantee may be put for the Grantee's expenses and for the interruption of or damage to Grantee's business, provided that such damage may be claimed only if they are awarded separately in the eminent domain proceeding and not as part of the damages recoverable by Grantor.



21. **DISPOSAL.** If the Grantor sells all, or a portion of a Parcel affected, by this Easement the affected Parcel shall be subject to a perpetual easement written into the deed upon issuance of the title to the purchaser.
22. **SURRENDER.** The Grantee may upon sixty (60) days written notice to the Grantor surrender the Parcel, or portion of the Parcel, with the understanding that such surrender is subject to a site inspection of the Parcel and written acceptance by the Grantor to ensure the Parcel is left in the condition set forth in Paragraph 24 (c) below. Upon Grantor's written acceptance of surrender, this Agreement, as it pertains to the affected Parcel from Schedule I, shall be of no further force or effect except to the extent of the representations, warranties, and indemnities made by each Party to the other.
23. **DEFAULT, TERMINATION AND REMEDIES.**
- a. Failure of the Grantee to abide by all express or implied terms of this Easement shall constitute a default in the Grantee's obligations. The Grantee shall have 30 days after written notice of non-monetary default or 10 days after a monetary default to cure the default. The cure period for non-monetary defaults shall be extended for a reasonable period of time if such non-monetary default cannot be cured within the 30 day cure period, provided that Grantee takes appropriate action to cure said default within the 30 day cure period and continues to take such action as may be necessary to complete the cure within a reasonable time.
 - b. The Grantor is not liable for any expenditure made or undertaken by the Grantee under this Easement.
 - c. In addition to the above, if a Default by Grantee occurs under this Easement, the Grantor, shall be entitled, after the cure periods set forth above have expired:
 - i. to recover any and all damages including incidental and consequential damages and the full actual amount of all costs and/or fees, including attorneys' fees, reasonably incurred;
 - ii. to terminate this Easement; and
 - iii. to pursue any and all remedies in addition to, or by way of, alternatives to the foregoing available at law or in equity.
 - d. No improvements may be removed from the Parcel while the Easement is in default except with the Grantor's prior written approval.
 - e. If this Easement is terminated, the Grantor may immediately enter or reenter, and take possession of the Parcel. Any entry, reentry, possession, repossession, or dispossession by the Grantor, whether taken with or without judicial action, does not absolve, relieve, release, or discharge the Grantee, either in whole or in part, of any liability under the Easement. The Grantee shall be liable for any deficiency, and for all reasonable and justifiable costs, expenses, and fees incurred by the Grantor arising out of the default, including the Grantor's efforts to re-let the Parcel.
 - f. No right or remedy conferred upon either Party shall be exclusive of any other right or remedy contained in any instrument or document delivered in connection with this Easement. Every right and remedy shall be cumulative under the applicable laws.

24. RIGHTS UPON TERMINATION OR SURRENDER.



- a. Upon termination, surrender, or expiration of this Easement, the Grantee shall, within 60 days, remove from the Parcel all improvements or Grantee's personal property placed in, on or under the Parcel. Upon the expiration of such period and at the option of the Grantor, any of Grantee's machinery, equipment, tools, or materials that Grantee has not removed from the Parcel may be removed or sold by the Grantor at the Grantee's expense. The actual expenses of such removal, including compensation for the Grantor's time involved relating to the removal, may be recovered at the Grantor's discretion from the performance deposit (if any), the proceeds of any sale of such equipment, and/or any other sources available to the Grantor at law or in equity. Any funds remaining after payment of those expenses shall be returned to Grantee within a reasonable time following the sale.
- b. Upon the termination, surrender, or expiration of this Easement, the Grantee shall peacefully quit the Parcel, leave and deliver up Parcel in as good a condition as was in effect at the commencement of this Easement, excepting reasonable wear and tear associated with use for intended and approved purposes. The Grantee shall return the Parcel to the Grantor free and clear of all liens and encumbrances arising by, through or under Grantee, its agents or subcontractors.
- c. Upon any partial or full surrender of this Easement, the Grantee shall return the Parcel to the Grantor in a condition as described in the approved Development Plan under paragraph 13 above, free and clear of all liens and encumbrances by the Grantee, its agents, or subcontractors. Termination, surrender, or expiration shall not reduce Grantee's obligation to reclaim or otherwise comply with other obligations that may have accrued as a result of Grantee's activities under this Easement.
- d. A total surrender of the Parcel by the Grantee shall result in termination of this Easement.
- e. The Grantee shall continue to make rental payments in effect after the time of the termination, surrender, or expiration or earlier removal period set forth in Paragraph 3 equal to the rent, including annual adjustments, applicable during the month immediately preceding such termination, surrender, or expiration until all improvements have been removed.

25. AUTHORIZED REPRESENTATIVES.

- a. The Executive Director of the Alaska Mental Health Trust Land Office, or designee, shall be the authorized representatives of signing this Easement.
- b. The Grantor or the Grantee may change the authorized representative or the address to which notices to that representative are to be sent by a written notice given in accordance with the notice provision of this Easement. The Grantee shall also designate by name, job title, and address, an agent who will be present in the State during the term of this Easement.

26. NOTICES. Any notices required under this Easement shall be deemed delivered upon receipt if personally delivered in writing, upon confirmation of successful transmission if sent via facsimile, or Certified Mail return receipt requested, and addressed as set forth in this Easement if mailed. Either Party may change its notice address by effective written notice given to the other Party.



The following addresses shall be used for notices required under this Easement.

To Grantor:

Trust Land Office
2600 Cordova Street, Suite 100
Anchorage, Alaska 99503
Phone No.: (907) 269-8658
Fax No.: (907) 269-8905
Attention: Executive Director

To Grantee:

State of Alaska Department of Transportation and Public Facilities
PO Box 112506
Juneau, Alaska 99811
Phone No.: (907) 465-4541
Attention: Southcoast Region Right of Way Chief

27. **COUNTERPARTS.** This Easement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Easement, notwithstanding the fact that the Grantor and the Grantee are not signatories to the original or the same counterpart.
28. **JURISDICTION.** This Easement and the respective rights and obligations shall be construed and interpreted as a contract under the laws of the State of Alaska. This Easement shall be interpreted so as to carry forward the intent of the Alaska Mental Health Act of 1956, P.L. 84-830 70 Stat. 709 and AS 38.05.801 et seq. and promulgated regulations. The laws of the State of Alaska shall apply in any legal action arising out of or related to this Easement. The jurisdiction and venue of such legal action shall lie exclusively with the courts for the Third Judicial District for the State of Alaska, at Juneau, Alaska.
29. **SEVERABILITY.** If any clause or provision of this Easement is determined illegal, invalid, or unenforceable, in a final judicial proceeding by a court of competent jurisdiction, then the remainder of this Easement will not be affected, and the Easement shall be automatically reformed to carry out the intent of the Parties without regard for such clause or provision.
30. **BINDING EFFECT.** The Grantor and the Grantee agree that this Easement, including all attachments and documents that are incorporated in this Easement by reference, contains the entire Easement between the parties, and each of the covenants and conditions in this Easement including any attachments will be binding upon the parties and upon their respective heirs, administrators, successors and assigns. Any amendment to this Easement must be executed in writing by both Parties. This Easement shall not be construed more strongly against one Party than the other.
31. **TRUST LAND OFFICE AUTHORITY.** The TLO is executing this Easement as agent for the Trust, a public corporation within the Alaska Department of Revenue under



AS 47.30.011 et seq. Neither the TLO, nor the Trust, undertake any responsibility to act as a regulator as to this Easement, or as to any operations of the Grantee. The regulations of the state and federal regulatory authorities having jurisdiction over the Grantee and its activities under this Easement.

IN WITNESS, the Parties have executed this Easement and agree to be bound by its provisions.

GRANTOR:

The ALASKA MENTAL HEALTH TRUST AUTHORITY

By its agent: Trust Land Office

By: Wyn Menefee
Its: Executive Director

8/15/18
Date

GRANTEE:

ALASKA DEPARTMENT OF TRANSPORTATION
& PUBLIC FACILITIES

By: Greg Weinst
Title: Right of Way Chief
Southcoast Region

8/23/18
Date

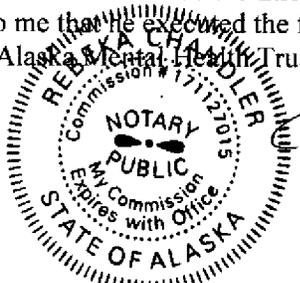
Alaska Mental Health Trust Authority, Grantor

STATE OF ALASKA

)
) ss.

THIRD JUDICIAL DISTRICT

This is to certify that on this 15TH day of AUGUST, 2018, personally appeared Wyn Menefee, known to me to be the Executive Director of the Trust Land Office, and who acknowledged to me that he executed the foregoing instrument, on behalf of the Trust Land Office, as agent for the Alaska Mental Health Trust Authority, freely and voluntarily and for the purposes therein stated.



Rebecca Chudler
Notary Public in and for Alaska
My Commission expires: With Office



Alaska Department of Transportation
& Public Facilities, Grantee

STATE OF ALASKA

)
) ss.

FIRST JUDICIAL DISTRICT

This is to certify that on this 23rd day of August, 2018, before me personally appeared GREG WEINERT, the Right of Way Chief of Alaska Department of Transportation & Public Facilities, known to me to be the person named and who acknowledged to me that she executed the foregoing instrument in the above stated capacity on behalf of the said Association, freely and voluntarily and for the purposes therein stated.



State of Alaska
Notary Public
KELLY HARP

My Commission Expires w/office

Kelly Harp
Notary Public in and for Alaska
My Commission expires: w/office



SCHEDULE 1

PARCEL DESCRIPTION Legal Description and Purpose

Parcel E-11:

USES AND PURPOSES. The Grantee shall use the Parcel for the purpose an Exclusive Perpetual Easement for the construction, installation, maintenance, and repair of a sidewalk and for all other highway purposes

Width varies from 6.68SF to 19.70SF Wide by 227.03SF Length Total Square footage of 2,991
Location Rate: Urban

An as-built survey required:

The Easement is for a strip of land which varies from 6.68 square feet to 19.70 square feet in width and 227.03 square feet in length across a portion of the following parcels of Trust land: which are located in MH Parcel C02499 That part of Lot C1 Juneau Subport Subdivision of U.S. Survey 3566 according to Plat 2009-37, Juneau Recording District, First Judicial District, State of Alaska, containing approximately 2,991 square feet, more or less.

Parcel E-11A:

USES AND PURPOSES. The Grantee shall use the Parcel for the purpose an Exclusive Perpetual Easement for the construction, installation, maintenance, and replacement of a utility box and for all other highway and utility purposes

8.09 square feet wide; by 28.49 square feet length; Total Square footage of 266 square feet
Location Rate: Urban

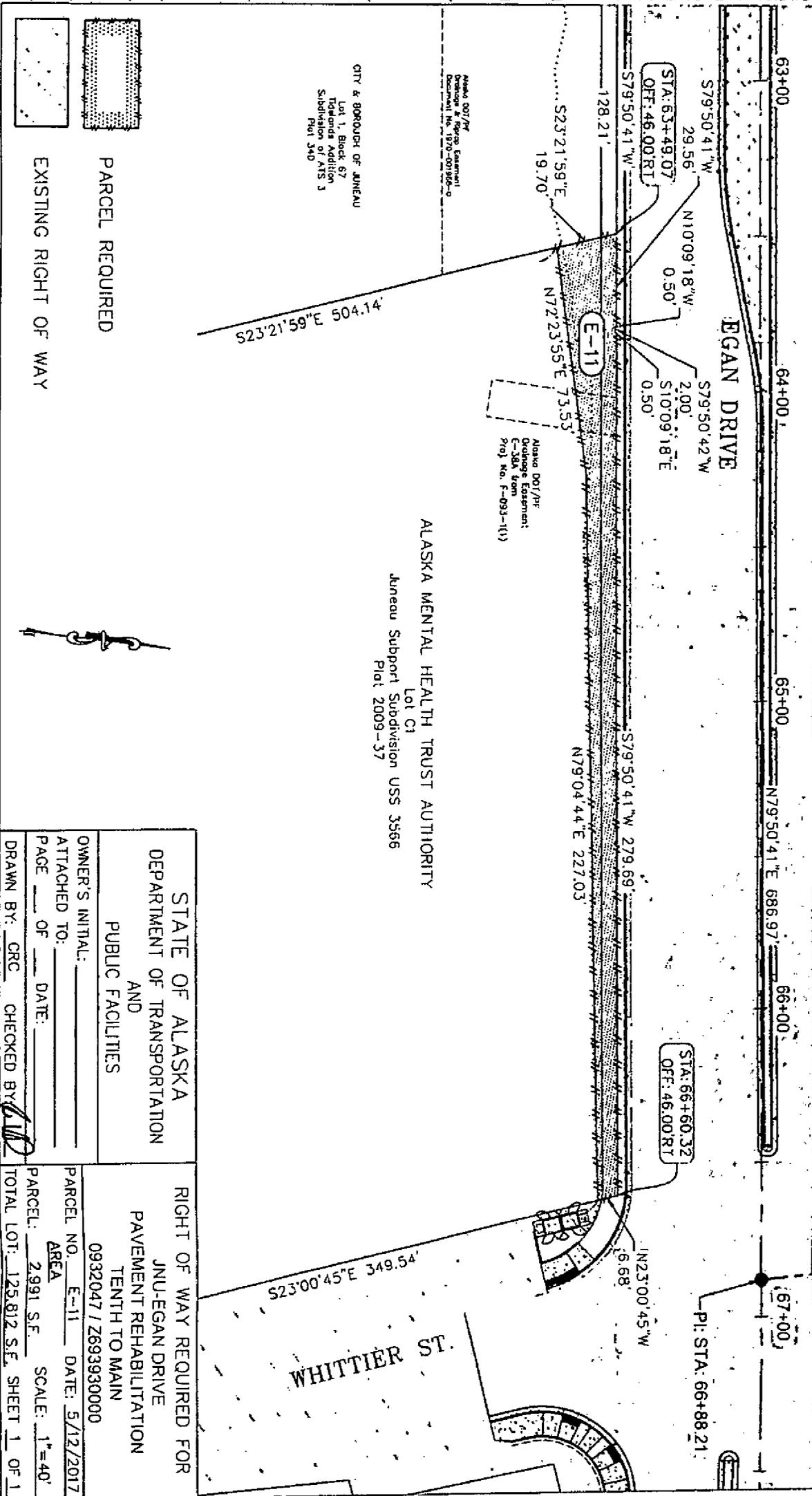
An as-built survey required:

The Easement is for a strip of land 8.09 square feet in width and 28.49 square feet in length across a portion of the following parcels of Trust land: which are located in MH Parcels MH PARCEL That part of Lot C1 Juneau Subport Subdivision of U.S. Survey 3566 according to Plat 2009-37, Juneau Recording District, First Judicial District, State of Alaska, containing approximately 2,991 square feet, more or less.

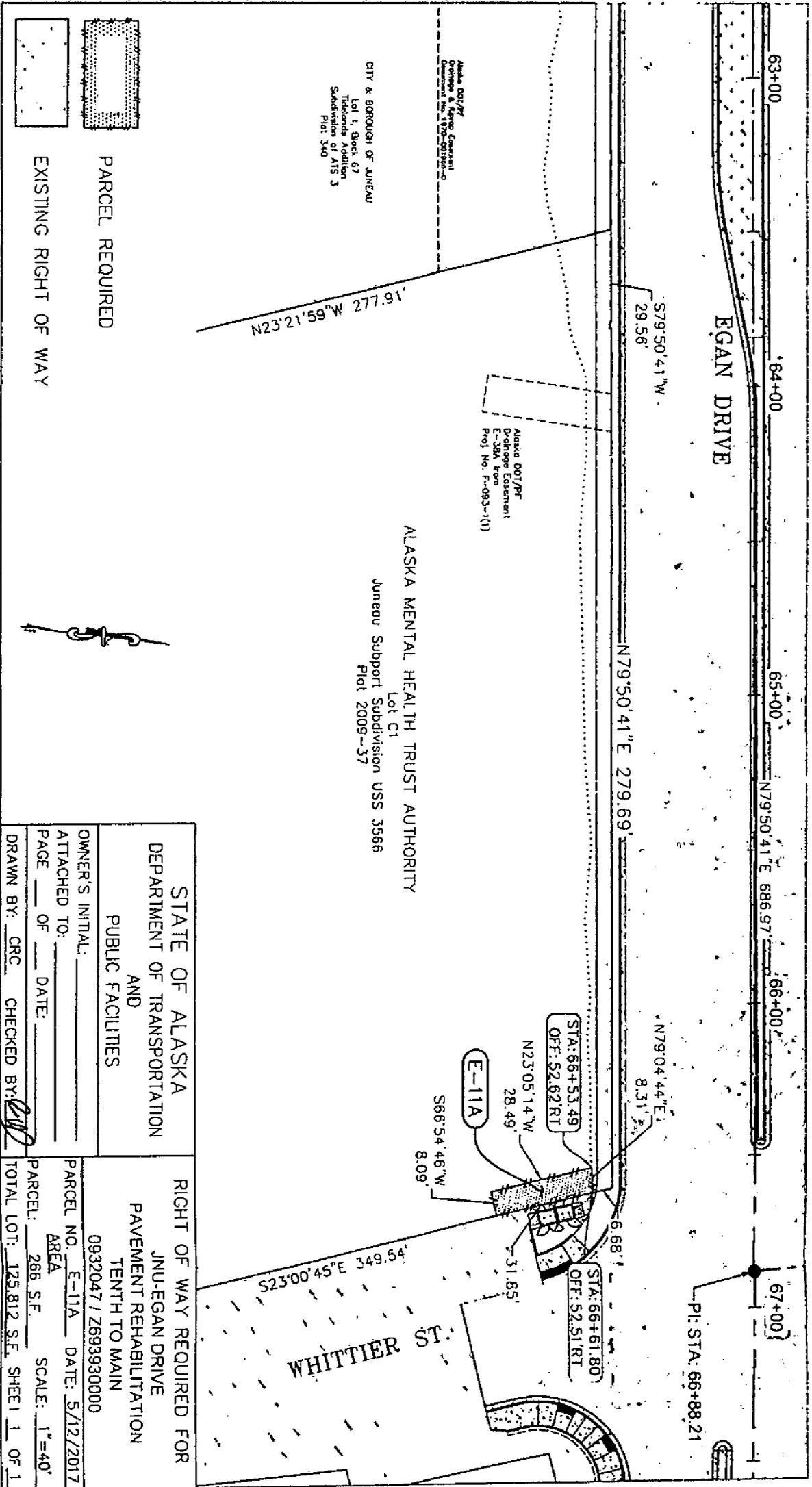
Attachment A – Parcel Drawings



Q:\JNU\69393\RW\C3D_2012\SOURCE DWGS\BASEMAP\69393_EGAN_RWAY-EASEMENTS-2-1-16.DWG



Q:\JNU\69393\RW\C3D_2012\SOURCE DWGS\BASEMAP\69393_EGAN_RWAY-EASEMENTS-2-1-16.DWG



**SCHEDULE 2
INSURANCE REQUIREMENTS**

The Grantee [Grantee's Contractor] shall have in place, at its sole expense, at all times during the term of the Easement the following policies of insurance:

1. **Workers' Compensation Insurance:** The Grantee shall provide and maintain, for all employees of the Grantee engaged in work under this Easement, Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of Alaska. The Grantee shall be responsible for Worker's Compensation Insurance for any subcontractor who directly or indirectly provides services under this Easement. This coverage shall include statutory coverage for states in which employees are engaging in work and employer's liability protection. .
2. **Comprehensive (Commercial) General Liability Insurance:** With coverage limits not less than One Million Dollars (\$1,000,000) combined single limit per occurrence and not less than Two Million Dollars (\$2,000,000) annual aggregate where generally applicable including premises-operations, independent contractors, products/completed operations, broad form property damage, blanket contractual, and personal injury endorsements.
3. **Comprehensive Automobile and Aircraft Liability Insurance:** Covering all owned, hired, and non-owned vehicles and aircraft with statutory coverage limits not less than \$300,000 combined single limit.
4. The Grantor shall have the right, at its option, to pay any delinquent premium upon on any of Grantee's insurance policies if found necessary to prevent a cancellation, non-renewal or material alteration; and the Grantee shall within five (5) days, reimburse the Grantor.
5. The Grantor reserves the right to increase the required insurance coverage limits from time to time to reflect then current industry standards or to accommodate changed conditions or perceived risks.
6. Grantee may, with notice and approval of Grantor, self-insure any of the required levels of insurance coverage as described in this Schedule which will include adding the Trust Land Office and the Alaska Mental health Trust as an additional insured.

The insurance certificate, provided to the Grantor, shall reference this Easement with **MHT 9100958**.



SCHEDULE 3

STIPULATIONS FOR DEVELOPMENT AND MANTAINANCE

1. CULTURAL AND HISTORIC ARTIFACTS

The Alaska Historic Preservation Act (AS 41.35.200) prohibits the appropriation, excavation, removal, injury, or destruction of any State-owned historic, prehistoric (paleontological) or archaeological site without a permit from the Commissioner. If cultural or paleontological resources are inadvertently discovered on the Parcel as a result of, or during, the activities authorized by this plan approval, all activities which would disturb such resources shall be stopped and measures taken to protect the site. The State Historic Preservation Officer (907-269-8722) shall be contacted immediately so that compliance with state laws may begin. If burials or human remains are found, in addition to the State Historical Preservation Officer, the State Troopers are to be notified immediately.

2. REPORTS

Upon completion of the Grantee's improvements to the Parcel approved under the Development Plan, or upon request, the Grantee shall report in writing to the Grantor on matters relevant to the character and progress of operations under this Easement. The Grantee shall provide the Trust Land Office with photos of:

- a. photos identifying the Parcel Area before the Grantee activities commence;
- b. photos identifying the Parcel during Grantee activities; or
- c. representative photos of the Parcel after construction.

3. CHANGE OF ADDRESS

The Grantee shall immediately notify the Grantor, in writing, of any change in the address of the Grantee or the representative conducting operations on site.

4. OPERATIONS

In accordance with AS 37.14, AS 38.05, and 11 AAC 99, approval of your application is granted subject to the following stipulations:

- a. This Easement authorizes operations within the Project Area as defined in the application. All operations are to be conducted as described in the application and in compliance with the conditions and stipulations of this Easement.
- b. Operations under this permit shall be conducted in conformance with applicable all federal, state, and local laws and regulations in effect during the life of the Easement.
- c. The Grantee shall conduct operations only on that land which is approved for the term of this Easement and that is subject to the performance bond, if any, or other equivalent guarantee in effect.
- d. The Grantee shall conduct all operations only as described in the approved application, except to the extent otherwise directed by regulatory agencies.



- e. Any variation from the Development Plan presented in the application must be discussed, prior to implementation, with the Grantor, and may require a revision to this Easement or a new Development Plan prior to implementation.
- f. All survey monuments, witness corners, and/or reference monuments shall be protected against damage, destruction, or obliteration. Any damaged or obliterated markers shall be reestablished at the Grantee's expense in accordance with accepted survey practices of the Division of Mining, Land and Water and the Grantor.
- g. The Grantee shall not allow any lien to be filed against the lands subject to this Easement by anyone supplying labor or materials for any improvements or by or for the benefit of Grantee.
- h. Trail widths shall be kept to the minimum necessary. Trail surface may be cleared of stumps and snags. Due care shall be used to avoid excessive scarring or removal of vegetative ground cover.
- i. The Grantee shall take reasonable precautions to prevent and suppress forest, brush and grass fires within the Parcel. Uncontrolled fires shall be immediately reported to the appropriate local authorities. The Grantor shall not be responsible for forest fire protection of the Grantee's activities.
- j. The Grantee will notify the Grantor when field operations are taking place and shall provide reasonable opportunities to inspect the field operations.
- k. The Grantor and Grantee will mutually agree on language and placement of signs located on, or directing traffic across Grantor land.

5. FAILURE TO COMPLY

The Grantee shall take all possible steps to minimize any adverse impact to Trust Resources, the environment, or public health and safety resulting from noncompliance with any condition or stipulation of the Easement or other authorizations, including:

- a. Any accelerated or additional monitoring necessary to determine the nature, extent, and results of noncompliance;
- b. Immediate implementation of measures necessary to comply;
- c. Warning, as soon as possible after learning of the noncompliance, any person whose health and safety is in imminent danger due to the noncompliance;
- d. Any structure, property, or other resource harmed or damaged by the Grantee during this Easement shall be reconstructed, repaired, rehabilitated, or restored as may be required by regulatory agencies and the Grantor, so that the condition of the Grantors resource are equal to or better than the condition immediately prior the damage or destruction; and
- e. If it is commercially impractical to replace or repair such damage or destruction, and at the Grantor's option, the Grantee may instead pay the fair market value of the destroyed property, or an amount equal to the diminution in the fair market value of any such damaged property.

6. MATERIALS

The Grantee shall not disturb, cut, remove or displace any materials on Trust lands, except the Parcel, without first obtaining prior written authorization. "Materials" includes, but is not limited to, gravel, rock, sand, peat, timber and all other vegetative materials that have a commercial value. Grantee is required to pay the TLO fair market compensation or a price



as negotiated between the TLO and Grantee within three months of issuance of this Easement for the Grantor's "materials". Timber less than six inches in diameter, brush, and slash shall be disposed of to minimize the risk of fire and disease in accordance with the laws, regulations and guidelines established by the State of Alaska, Department of Natural Resources, Division of Forestry.

7. MAINTENANCE AND SCHEDULE

The Grantee shall be responsible for all maintenance and repair, including but not limited to snow and ice removal, and reconstruction as required for access, use, and activities under this Easement. Throughout the term of this Easement, Grantee shall, maintain the Parcel and all improvements

- a. in good repair and in a safe clean and sanitary condition to the reasonable satisfaction of the Grantor without committing waste, ordinary wear and tear excepted;
- b. in accordance with all applicable laws, ordinances, orders and regulations of any governmental agency or body having or claiming jurisdiction over the Parcel; and
- c. in a manner which will not jeopardize coverage provided by any insurance company or companies insuring all or any part of the lands, rights and resources subject to this Easement or improvements.

8. NO DISCRIMINATION. The Grantee and the Grantee's subcontractors shall not discriminate against any employee or applicant because of race, religion, marital status, change in marital status, pregnancy, parenthood, physical handicap, color, sex, age, or national origin as set out in AS 18.80.220. The Grantee and its subcontractors shall, on beginning any operations under this Easement, post in a conspicuous place written notices setting out this nondiscrimination policy.

9. SPILL AND FIRE NOTIFICATION. The Grantee shall immediately notify the Alaska Department of Environmental Conservation (ADEC) Spill Response Center at 1-800-478-9300 and the Grantor at (907) 269-8658 of any unauthorized discharges by the Grantee

- a. of oil to water,
- b. any discharge of hazardous substances (other than oil), and
- c. any discharge of oil greater than 55 gallons solely to land and outside an impermeable revetment. If a discharge of oil by the Grantee is greater than 10 gallons but less than 55 gallons it must be reported within 48 hours by phone. If a discharge by the Grantee is less than 10 gallons, it may be reported in writing on a monthly basis. All fires and explosions caused by the Grantee must also be immediately reported to the Grantor and the appropriate emergency response entities in the vicinity of the authorized use area.



SCHEDULE 5
SURVEYING AND PLATTING STANDARDS INSTRUCTIONS

Authority 11 AAC 53 and 11 AAC 51

These instructions define the survey and platting criteria for **projects** on Alaska Mental Health Trust Authority land (Trust) for compliance with the Easement provisions. The graphical representation of the real property affected the project must be complete enough that a particular position can be physically located or reestablished on the ground. These instructions are only applicable to projects constructed on Trust lands such as local access roads, trails, dikes, outfall lines, utilities etc. Projects crossing multiple land ownership boundaries such as collector roads or power transmission lines may require Special Survey Instructions issued by the TLO. The minimal framework for conducting surveys of Trust land is in accordance with the Alaska Society of Professional Land Surveyors (ASPLS) "Model Minimum Standards for the Practice of Land Surveying" December 1993 available at <http://www.alaskapls.org/>. Survey instructions required by another agency may be substituted provided they meet the minimum standards and paragraph 3 and 4 below.

1. **GENERAL SURVEY STANDARDS.** All land survey activities affecting the legal real property rights of the TLO, the adjoining landowner, or both, shall be made in accordance with applicable laws, regulations, rules of procedures, and acceptable professional practices, and shall be performed under the supervision of a land surveyor licensed to practice in the State of Alaska. All survey work must be accomplished with equipment and procedures sufficient to insure at least the degree of accuracy prescribed in these instructions. Entry upon public or private land for survey purposes shall be in accordance with AS 34.65.020.
 - a. The format guide for as-built surveys may be found at "http://dnr.alaska.gov/mlw/survey/state_surveys/"
 - b. Supplemental cadastral survey per 11 AAC 53.150
 - c. Metes and bounds survey per 11 AAC 53.160
 - d. Amended plat per 11 AAC 53.260
 - e. Determination of Mean High Water (MHW) per 11 AAC 53.120(1)
 - f. Determination of Ordinary High Water (OHW) per 11 AAC 53.120(2)
 - g. Monuments per 11 AAC 53.190
 - h. Monument accessories per 11 AAC 53.200
 - i. Survey and field marking of easements per 11 AAC 51.075

2. **DRAFTING STANDARDS.** All plats that are presented to the TLO, with the exception of those types of surveys requiring specific data, must conform to the basic standards under 11 AAC 51.210 unless prior approval for the change has been granted by the executive director or it is necessary to comply with the standards of the municipal platting authority.
 - a. Sample plats and legends may be found at "http://dnr.alaska.gov/mlw/survey/state_surveys/"

3. **THE TRUST LAND OFFICE SURVEY REQUIREMENTS.**
 - a. Coordinates for at least one corner in NAD 83 and NAD 27 with the source
 - b. Meridian, Township, Range and Section (MTRS) in title block



- c. Mental Health parcel number(s) and TLS No. in title block
- d. Digital data for survey:
A *.dxf (drawing exchange format) or *.dwg (AutoCAD drawing format) file in standard media electronic format (CD or DVD) shall be submitted. In lieu of a disk, the surveyor may make the drawing available through an FTP site on the internet or by e-mail attachment, if prior arrangements are made with TLO.

4. **CERTIFICATES.**

- a. Surveyor's Certificate under 11 AAC 53.210 for the Statewide Platting Supervisor will read as follows:

SURVEYOR'S CERTIFICATE

I hereby certify that I am properly registered and licensed to practice land surveying in the State of Alaska, that this plat represents a survey made by me or under my direct supervision, that the monuments shown hereon actually exist as described, and that all dimensions and other details are correct.

Date: _____ Registration Number: _____

(Surveyor's Seal) _____ (Signature in black ink) _____
Registered Land Surveyor

- b. TLO approval. The TLO approval box for the Statewide Platting Supervisor shall be on the same page as the Surveyor's Certificate and will read as follows:

CERTIFICATE OF OWNERSHIP AND DEDICATION

Wyn Menefec, the undersigned, does hereby certify that I am the Executive Director of the Alaska Mental Health Trust Land Office, and acting by and through the State of Alaska, Department of Natural Resources, Trust Land Office, pursuant to AS 37.14.009, AS 38.05.801 and 11 AAC 99, as agent to the owner, the Alaska Mental Health Trust Authority, a public corporation within the Alaska Department of Revenue (AS 47.30.011 et seq.). I hereby approve TLS _____ for the Alaska Mental Health Trust Authority, and dedicate for public or private use as noted, all easements, public utility areas, and Rights of Way as shown and described hereon.

Alaska Mental Health Trust Land Office

Wyn Menefec
Executive Director
Alaska Mental Health Trust Land Office
2600 Cordova Street, Suite 100
Anchorage, AK 99503

Date: _____



QUALIFICATIONS OF CHARLES E. HORAN, MAI

Professional Designation	MAI, Member Appraisal Institute, No. 6534
State Certification	State of Alaska General Appraiser Certification, No. APRG41
Bachelor of Science Degree	University of San Francisco, B.S., Business Administration, 1973

Employment History:

8/04 – now	Owner, HORAN & COMPANY, LLC
3/87 –7/04	Partner, HORAN, CORAK AND COMPANY
1980 –2/87	Partner, The PD Appraisal Group, managing partner since November 1984 (formerly POMTIER, DUVERNAY & HORAN)
1976 – 80	Partner/Appraiser, POMTIER, DUVERNAY & COMPANY, INC., Juneau and Sitka, Alaska
1975 – 76	Real Estate Appraiser, H. Pomtier & Associates, Ketchikan, AK
1973 – 75	Jr. Appraiser, Ketchikan Gateway Borough, Ketchikan, AK

Lectures and Educational Presentations:

2017 “Municipal Assessment Record System” MARS Presentation on automated data collection and analysis for mass appraisals. Presented to Alaska Association of Assessing Officers, Anchorage.

2017 “Keeping it Simple – Local Market Value New Modeling” Presented to AAAO, Anchorage

2011, “Real Estate Market in Southeast Alaska” Presentations to Ketchikan, Juneau and Sitka Chambers of Commerce and Municipality of Skagway

2011, “Demystifying the Appraisal Process” Presentation to USFWS Market Analysis and UASFLA, Anchorage

2007, “Conservation Easements” Presentation - Alaska Association of Assessing Officers, Fairbanks, AK

1998, “Easement Valuation Seminar,” Alaska Chapter Appraisal Institute, Anchorage, AK

1998, “Easement Valuation Seminar,” Seal Trust, Juneau, Alaska

1997, “Sitka Housing Market,” Sitka Chamber of Commerce

1997, developed and taught commercial real estate investment seminar for Shee Atika, Inc.

1994, developed and taught seminar "Introduction to Real Estate Appraising," UAS, Sitka Campus

1985, Speaker at Sitka Chamber of Commerce, "What is an Appraisal? How to Read the Appraisal"

1984, Southeast Alaska Realtor's Mini Convention, Juneau, Alaska

Day 1: Introduction of Appraising, Cost and Market Data Approaches

Day 2: Income Approach, Types of Appraisals, AIREA Accredited Course

1983, "The State of Southeast Alaska's Real Estate Market"

1982, "What is an Appraisal?"

Types of Property Appraised:

Commercial - Retail shops, enclosed mall, shopping centers, medical buildings, restaurants, service stations, office buildings, auto body shops, schools, remote retail stores, liquor stores, supermarkets, funeral home, mobile home parks, camper courts. Appraised various businesses with real estate for value as a going concern with or without fixtures such as hotels, motels, bowling alleys, marinas, restaurants, lounges.

Industrial - Warehouse, mini-warehouse, hangars, docks barge loading facilities, industrial acreage, industrial sites, bulk plant sites, and fish processing facility. Appraised tank farms, bulk terminal sites, and a variety of waterfront port sites.

Special Land - Partial Interest and Leasehold Valuation - Remote acreage, tidelands with estimates of annual market rent. Large acreage land exchanges for federal, state, municipal governments and Alaska Native Corporations; retail lot valuations and absorption studies of large subdivisions; gravel and rock royalty value estimates; easements, partial interests, conservation easements; title limitations, permit fee evaluations. Appraised various properties under lease to determine leasehold and leased fee interests. Value easements and complex partial interests.

Special Projects - Special consultation for Federal land exchanges. Developed Land Evaluation Module (LEM) to describe and evaluate 290,000 acres of remote lands. Renovation feasibilities, residential lot absorption studies,

commercial, and office building absorption studies. Contract review appraiser for private individuals, municipalities, and lenders. Restaurant feasibility studies, Housing demand studies and overall market projections. Estimated impact of nuisances on property values. Historic appreciation / market change studies. Historic barren material royalty valuations, subsurface mineral and timber valuation in conjunction with resource experts. Mass appraisal valuations for Municipality of Skagway, City of Craig, Ketchikan Gateway Borough and other Alaska communities. Developed electronic/digital assessment record system for municipalities. Developed extensive state-wide market data record system which identified sales in all geographic areas.

Expert Witness Experience and Testimony:

2016 Expert Witness – D’s Investment Group, LLC vs Erwin Enterprises, et al 1JU-15-971CI, settled
 2012 Expert Witness – Dukowitz vs Chamberlain and First American Title Insurance Co. 1JU-12-778CI, settled
 2011 Expert Witness – Wise and Wise vs City and Borough of Juneau. 1JU-10-584CI, settled
 2009 Expert at mediation - Talbot's Inc vs State of Alaska, et al. IKE-07-168CI
 2008 Albright vs Albright, IKE-07-265CI, settled
 2006 State of Alaska vs Homestead Alaska, et al, 1JU-06-572, settled
 2006 State of Alaska vs Heaton, et al, 1JU-06-570CI, settled
 2006 State of Alaska vs Jean Gain Estate, 1JU-06-571, settled
 2004 Assessment Appeal, Board of Equalization, Franklin Dock vs City and Borough of Juneau
 2000 Alaska Pulp Corporation vs National Surety - Deposition
 U.S. Senate, Natural Resources Committee
 U.S. House of Representatives, Resource Committee
 Superior Court, State of Alaska, Trial Court and Bankruptcy Courts
 Board of Equalization Hearings testified on behalf of these municipalities: Ketchikan Gateway Borough, City of Skagway, City of Pelican, City and Borough of Haines, Alaska
 Witness at binding arbitration hearings, appointed Master for property partitionment by superior state court, selected expert as final appraiser in multi parties suit with settlements of real estate land value issues

Partial List of Clients:

Federal Agencies

Bureau of Indian Affairs
 Bureau of Land Mngmnt
 Coast Guard
 Dept. Of Agriculture
 Dept. Of Interior
 Dept. Of Transportation
 Federal Deposit Ins Corp
 Federal Highway Admin.
 Fish & Wildlife Service
 Forest Service
 General Service Agency
 National Park Service
 USDA Rural Develop.
 Veterans Administration

Municipalities

City & Borough of Haines
 City & Borough of Juneau
 City & Borough of Sitka
 City of Akutan
 City of Coffman Cove
 City of Craig
 City of Hoonah
 City of Ketchikan
 City of Klawock

Lending Institutions

Alaska Growth Capital
 Alaska Pacific Bank
 Alaska Ind. Dev. Auth.
 ALPS FCU
 First Bank
 First National Bank AK
 Key Bank
 Met Life Capital Corp.
 National Bank of AK
 Rainier National Bank
 SeaFirst Bank
 True North Credit Union
 Wells Fargo
 Wells Fargo RETECHS

Other Organizations

BIHA
 Central Council for Tlingit & Haida Indian Tribes of Alaska (CCTHITA)
 Diocese of Juneau
 Elks Lodge
 Hoonah Indian Assoc.
 LDS Church
 Moose Lodge

ANCSA Corporations

Cape Fox, Inc.
 Doyon Corporation
 Eyak Corporation
 Goldbelt
 Haida Corporation
 Huna Totem
 Kake Tribal Corporation
 Klawock-Heenya Corp.
 Klukwan, Inc.
 Kootznoowoo, Inc.
 Sealaska Corporation
 Shaan Seet, Inc.
 Shee Atika Corporation
 TDX Corporation
 The Tatitlek Corporation
 Yak-Tat Kwan
State of Alaska Agencies
 Alaska State Building
 Authority (formerly ASHA)
 Attorney General
 Dept. of Fish & Game
 Dept. of Natural Service,
 Div. of Lands

Companies

AK Electric Light & Power
 AK Lumber & Pulp Co.
 AK Power & Telephone
 Allen Marine
 Arrowhead Transfer
 AT&T Alascom
 Coeur Alaska
 Delta Western
 Gulf Oil of Canada
 Hames Corporation
 HDR Alaska, Inc.
 Holland America
 Home Depot
 Kennecott Greens Creek
 Kennedy & Associates
 Madsen Construction, Inc.
 Service Transfer
 Standard Oil of CA
 The Conservation Fund
 Union Oil
 Ward Cove Packing
 White Pass & Yukon RR
 Yutana Barge Lines

City of Pelican	SE AK Land Trust (SEAL)	Dept. of Public Safety
City of Petersburg	SEARHC	DOT&PF
City of Thorne Bay	Sitka Tribe of Alaska	Mental Health Land Trust
City of Wrangell	The Nature Conservancy	Superior Court
Ketchikan Gateway Borg.		University of Alaska
Municipality of Skagway		

Education

<p>Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), Rockville, MD Sept 2017, Oct 2010, May 2002</p> <p>Valuation of Conservation Easements, Fairfield, CA, Sept 2016</p> <p>Business Practices and Ethics, Seattle, WA, Jan 2016</p> <p>7-Hour National USPAP Update Course, Jan 2016, Jan 2015, Apr 2013, May 2009, Jun 2007, Feb 2005</p> <p>Online Small Hotel/Motel Valuation, Chicago, IL June 2015</p> <p>Advanced Spreadsheet Modeling for Valuation Applications, Rockville, MD April 2015</p> <p>Fall Real Estate Conference 2012, Seattle, WA Nov, 2012</p> <p>Appraising the Appraisal: Appraisal Review-General, Rockville, MD, May 2012</p> <p>Information Security Awareness for Appraisal Professionals Webinar, December, 2012</p> <p>Fall Real Estate Conference 2011 Seattle, WA October, 2011</p> <p>Appraisal Curriculum Overview (2-day General) Milwaukee, WI, August 2011</p> <p>Business Practices and Ethics, Seattle, WA, Apr 2010</p> <p>Fall Real Estate Conference, Seattle, WA, Dec 2009</p> <p>Fall Real Estate Conference, Seattle, WA, Nov 2008</p> <p>Attacking and Defending an Appraisal in Litigation, Kent, WA, Sep 2008</p> <p>Sustainable Mixed-Use N.I.M., Seattle, WA, Feb 2008</p> <p>Appraising 2-4 Unit Properties, Bellevue, WA, Sep 2007</p> <p>Business Practices and Ethics, Seattle, WA, Jun 2007</p> <p>Residential Market Analysis and Highest and Best Use, Seattle, WA, Apr 2007</p> <p>Basic Appraisal Procedures, Seattle, WA, Feb 2007</p> <p>Rates & Ratios: Making Sense of GIMs, OARs, and DCF, Anchorage, AK, Feb 2005</p> <p>Best Practices for Residential Appraisal Report Writing, Juneau, AK, Apr 2005</p> <p>Scope of Work - Expanding Your Range of Services, Anchorage, AK May 2003</p> <p>Litigation Appraising - Specialized Topics and Applications, Dublin, CA, Oct 2002</p> <p>USPAP, Part A, Burr Ridge, IL, Jun 2001</p> <p>Partial Interest Valuation - Undivided, Anchorage, AK, May 2001</p> <p>Partial Interest Valuation - Divided, Anchorage, AK, May 2001</p>	<p>Easement Valuation, San Diego, CA, Dec 1997</p> <p>USPAP, Seattle, WA, Apr 1997</p> <p>The Appraiser as Expert Witness, Anchorage, AK, May 1995</p> <p>Appraisal Practices for Litigation, Anchorage, AK, May 1995</p> <p>Forestry Appraisal Practices, Atterbury Consultants, Beaverton, OR, Apr 1995</p> <p>Advanced Sales Comparison & Cost Approaches, Univ. of Colorado, Boulder, CO, Jun 1993</p> <p>Computer Assisted Investment Analysis, University of Maryland, MD, Jul 1991</p> <p>USPAP, Anchorage, AK, Apr 1991</p> <p>General State Certification Review Seminar, Anchorage, AK, Apr 1991</p> <p>State Certification Review Seminar, Dean Potter, Anchorage, AK, Apr 1991</p> <p>Highest and Best Use and Market Analysis, Baltimore, MA, Mar 1991</p> <p>Financial Institution Reform, Recovery & Enforcement Act of 1989, Doreen Fair Westfall, Appraisal Analyst, OTS, Juneau, AK, Jul 1990</p> <p>Real Estate Appraisal Reform, Gregory Hoefler, MAI, OTS, Juneau, AK, Jul 1990</p> <p>Standards of Professional Practice, Anchorage, AK, Oct 1987</p> <p>Federal Home Loan Bank Board Memorandum R41C Seminar, Catherine Gearhearth, MAI, FHLBB District Appraiser, Juneau, AK, Mar 1987</p> <p>Market Analysis, Boulder, CO, Jun 1986</p> <p>Federal Home Loan Bank Board Regulation 41b, Inst. Bob Foreman, MAI, Seattle, WA, Sep 1985</p> <p>Litigation Valuation, Chapel Hill, North CA, Aug 1984</p> <p>Standards of Professional Practices, Bloomington, IN, Jan 1982</p> <p>Course 2B, Valuation Analysis & Report Writing, Stanford, CA, Aug 1980</p> <p>Course 6, Introduction to Real Estate Investment Analysis, Aug 1980</p> <p>Course 1B, Capitalization Techniques, San Francisco, CA, Aug 1976</p> <p>Course 2A, Case Studies in Real Estate Valuation, Aug 1976</p> <p>Course 1A, Real Estate Principles and Valuation, San Francisco, CA, Aug 1974</p>
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