

Reconciliation and Final Value Estimate

The Value Indications by the two approaches to value are as follows:

| | |
|--------------------------------|------------|
| Sales Comparison Approach | \$ 950,000 |
| Income Capitalization Approach | \$ 960,000 |

The subject is an above average quality building with a favorable condition, good site attributes and a good location in downtown Homer. The tenant is long-term, strong, and secure with a low level of risk and high level of reliability that the tenants will remain in the building for a long period of time, factors that put downward pressure on the capitalization rate. The Sales Comparison Approach is given weight in my analysis; however, there was a lack of good market data in the local market as there is not a dearth of data for good buildings that sell with good quality tenants, although the analysis does provide good overall support. Similarly, no historical income and expense data was provided; therefore, certain assumptions were necessary, slightly weakening the income approach. In the final analysis, generally equal weight in forming an estimate of value for the subject property was given to both approaches – both overall very supportive, as the buildings quality, condition, favorable site attributes and layout, with longer term stable tenants all put upward pressure on the concluded value indicators.

Based on my investigation and analysis, I have formed the opinion that, subject to the limiting conditions and assumptions contained herein, the “**As Is**” market value of the subject in the fee simple interest as of April 18, 2021, is:

NINE HUNDRED FIFTY – FIVE THOUSAND DOLLARS
(\$955,000)

No pertinent information is knowingly or willfully withheld. The certification and limiting conditions and assumptions contained herein are an integral part of this report. The retention or use of this appraisal signifies acceptance of all limiting conditions and assumptions as specified herein. The report is intended to meet the current Uniform Standards of Professional Appraisal Practice as formulated by the Appraisal Foundation.

The depth of discussion contained in this report is brief and specific to your needs and for your intended use. The appraiser is not responsible for unauthorized use of this report. Please let me know if you have additional questions or need additional clarification. Thank you for the opportunity to work on this project with you. I hope this appraisal proves relevant to your decisions regarding the property. If you have any questions, please contact me at this office.

Respectfully Submitted,
Alaska Appraisal & Consulting Group, LLC

Clint H. A. Lentfer, MBA, SRA