

Alaska State Legislature

Legislative Affairs Agency

Administrative Services, Procurement & Supply Section
120 4th Street, State Capitol Room 3, Juneau, AK 99801-1182
Phone (907) 465-6705 ~ Fax (907) 465-2918



MEMORANDUM

TO: Representative Sara Hannan, Chair
Legislative Council

FROM: JC Kestel, Procurement Officer

DATE: February 13, 2026

SUBJ: Lease Extension Request for Fairbanks Office Space

The current lease agreement between Global Federal Credit Union and the Legislative Affairs Agency for office space currently occupied by interior delegation legislators, legislative staff, and the Legislative Information Office in Fairbanks, Alaska, is due to expire July 31, 2026, with no renewal options available.

AS 36.30.083 provides that a real property lease may be extended up to 10 years if the extension is executed with a minimum cost savings of 10 percent below the current market rental value. The market rental value must be established by a real estate broker's opinion of the rental value or by an appraisal of the rental value.

The Agency contracted with Black-Smith, Bethard, & Carlson LLC, to determine the market rental value of the property that is located at 1292 Sadler Way, Ste. 308, Fairbanks, Alaska. They determined the market rental value of the property with a full-service lease to be \$2.55 per square foot as of January 14, 2026 (report attached).

The Agency offered Global Federal Credit Union a rate of \$2.23 per square foot (12.5% below market value) for a five (5) year lease extension with five (5) one-year renewal options, to include annual CPI-U adjustments, and Global Credit Union accepted the offer.

Therefore, the Agency requests Legislative Council approval of the lease extension for the Fairbanks office space leased from Global Federal Credit Union for a price of \$2.23 per square foot beginning August 1, 2026.

This lease extension exceeds \$50,000 in one fiscal year; therefore, Legislative Council's approval is required.

Fairbanks Office Space

Global Federal Credit Union

Lease Extension

August 1, 2026, through July 31, 2031

\$242,151.24 per year (excluding CPI-U adjustments each July 1)

Attachments: Additional Lease Information

MOTION: I move that Legislative Council approve the lease extension with Global Federal Credit Union for Fairbanks office space in the amount of \$242,151.24.

LEASE AGREEMENT INFORMATION

LESSOR: Global Federal Credit Union

OCCUPANTS: Senators Kawasaki, Myers, and Cronk; Representatives Carrick, Dibert, Prax, Stapp, and Tomaszewski; staff of Senator Stevens, Senator Wielechowski, and Representative Ruffridge; Senate Majority Counsel staff, House Majority Press staff; and LIO staff

LOCATION: 1292 Sadler Way, 3rd Floor, Fairbanks, Alaska

TOTAL SQ. FOOTAGE: 9,049

CURRENT LEASE TERM INFORMATION

MONTHLY RENT: \$18,287.54

PRICE PER SQ. FOOT: \$2.02

LEASE TYPE: 1-Year Renewal

LEASE TERM: August 1, 2025 – July 31, 2026

TOTAL LEASE AMT. FOR ONE YEAR: \$219,450.48

NEW LEASE TERM INFORMATION

MONTHLY RENT: \$20,179.27

PRICE PER SQ. FOOT: \$2.23

LEASE TYPE: Five (5) Year Lease Extension with Five (5) One-Year Renewal Options

LEASE TERM: August 1, 2026 – July 31, 2031

TOTAL LEASE AMT. FOR ONE YEAR: \$242,151.24
(excluding CPI-U adjustment July 1, 2027)

COMMENTS: The increase in the monthly rental amount for the renewal period reflects a rate that is 12.5% below the fair market rental value rate established by the fair market rental value report.

MARKET RENT APPRAISAL

**1292 Sadler Way, Ste. 308
Fairbanks, Alaska 99701**



FOR
Legislative Affairs Agency
State Capital 120 4th St. Room #3
Juneau, AK 99801

Attention: Mr. JC Kestel
Procurement Officer

Date of Appraisal
January 21, 2026

Date of Valuation
January 14, 2026

B-SBC FILE No.
26-001

BY
Steve Carlson, MAI
General Real Estate Appraiser (Cert. #231)

BLACK-SMITH, BETHARD & CARLSON, LLC
1199 E. Dimond Blvd., Ste. 200
Anchorage, Alaska 99515

Appraisers
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Anchorage, Alaska 99515
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E-mail: bsr@ak.net

BLACK-SMITH, BETHARD & CARLSON, LLC

January 21, 2026

Client: Alaska State Legislature, Legislative Affairs Agency
State Capitol 120 4th St. Room #3
Juneau, AK 99801

Attn: Mr. JC Kestel

Re: Opinion of Market Rental Value
1292 Sadler Way, Ste. 308
Fairbanks, AK 99701

Dear Mr. Kestel:

The attached appraisal report summarizes the development of my opinion of market rent (market rental value) for the property (space) identified above as of January 14, 2026, the date of inspection.

Our opinion of the current full-service market rent is \$2.55/USF/MO.

The value opinion reported is qualified by the certain definitions, limiting conditions, and certifications of this report.

The report is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice (2024) for an Appraisal Report. It presents a summary discussion of the data, reasoning, and analyses that were used to develop the appraiser's opinion of value. The depth of discussion contained in this report is specific to the client's intended use.

Sincerely,

BLACK-SMITH, BETHARD & CARLSON, LLC



Steve Carlson, MAI
General Real Estate Appraiser (Cert #231)

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ADDENDA

Engagement Letter
Comparable Leases
Qualifications of Appraisers
Underlying Assumptions and Limiting Conditions

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

2024 USPAP Standard Rule 2-3, Page 23

- 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 analysis, 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 performed no services as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- Tyler Victors inspected and photographed the property on January 14, 2026. Steve Carlson did not personally inspect the subject of this assignment but is familiar with the subject neighborhood.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Tyler Victors provided assistance limited to general research and photography.

Appraisal Institute (July 21, 2015), Certification Standard Rules 1.1, 1.2, & 1.3

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Steve E. Carlson (#231) is a licensed General Real Estate Appraiser. As of the date of this report, he has completed the continuing education requirements for the State of Alaska, as well as the continuing education program for Designated Members of the Appraisal Institute.

Dated January 21, 2024



Steve Carlson, MAI
General Real Estate Appraiser (Cert #231)

EXECUTIVE SUMMARY

The subject is a third-floor office suite (Suite 308) within a four-story, Class A multi-tenant office building – at 1292 Sadler Way, Fairbanks, AK within the Fairbanks North Star Borough (FNSB).



It is located within the Bentley-College Road district referenced by the intersections of College Road with the Johansen Expressway and the Steese Hwy. The neighborhood is anchored by regional and national chains.¹ It is the premier shopper destination for the city as well as the region.

Client

Alaska State Legislature, Legislative Affairs Agency.
State Capitol 120 4th St. Room #3
Juneau, AK 99801

Purpose of the Appraisal

The purpose of the appraisal is to estimate the “market rental value per usable foot per month” for the space identified.

Date of Valuation

January 14, 2026

Date of the Report

January 21, 2026

Opinion of Market Rent

Our opinion of the current full-service market rent is \$2.55/USF/MO.

¹ Big-box national retailers, convenience store chains, franchised restaurants, auto dealerships, specialty garages (mini-lubes, mufflers/brakes), and lodging facilities.

Property Identification (relevant characteristics of the property)

A ±9,049 SF (net usable space), third-floor suite within a four-story, multi-tenant office building at 1292 Sadler Way, Ste. 308, Fairbanks, Alaska 99701. The space is configured for general office use and is accessed via common elevators and stairways. Interior improvements include multiple private offices, conference rooms, and associated support spaces.



Client

Alaska State Legislature, Legislative Affairs Agency.
State Capitol 120 4th St. Room #3
Juneau, AK 99801

Intended User(s) of the Report

This appraisal is intended for use by the client.

Intended Use of the Report

The intended use of this appraisal is to assist the client in evaluating a proposed lease extension in accordance with AS 36.30.083. This report is intended for the client’s internal use.

Purpose of the Appraisal / Type and Definition of Value

The purpose of the appraisal is to estimate the “market rental value per usable foot per month” for the space identified. The client did not provide a value definition. For the purpose of the appraisal, we recognize the *Dictionary of Real Estate Appraisal* definition of *market rent*.²

² The most probable rent that a property should bring in a competitive requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

Date of Inspection

January 14, 2026

Date of Valuation

January 14, 2026

Date of the Report

January 21, 2026

Assignment Conditions (per letter of engagement)

“The written opinion needs to take into consideration, but is not limited to the following factors:

- (1) The building Type (Class A/B/C office)
- (2) The location
- (3) The square footage of the lease
- (4) The length of the proposed lease extension term and options
- (5) The type of occupying agency and clientele
- (6) The specific terms and conditions of the current lease agreement and renewals, as applicable”

-
1. Lessee and lessor are typically motivated;
 2. Both parties are well informed or well advised, and acting in what they consider their best interests;
 3. Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
 4. The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs). *The Dictionary of Real Estate Appraisal, 7th Edition*

Property Data

Steve Carlson did not personally inspect the property for this assignment but is familiar with the market area and neighborhood. Tyler Victors inspected and photographed the property on January 14, 2026.

I was previously provided with a copy of a 2016 lease and five subsequent renewal agreements (2021-2025), along with a floor plan and appraisal requirements, by procurement officer, JC Kestel of the Legislative Affairs Agency.

Area Data

Sources include the State of Alaska Department of Economic Development (*Alaska Economic Trends*) and the Fairbanks North Star Borough.

Market Data

The primary data sources are the FLEX Multiple Listing Services (MLS) and the Fairbanks Board of Realtors Paragon MLS. Secondary sources include the Fairbanks North Star Borough assessor, real estate brokers/agents and other appraisers. This is summary format report; details are retained in our work file.

Appraisal Development

I developed my opinion of value by direct comparison of recent leased properties/spaces.

Appraisal Reporting

The report is intended to comply with the reporting requirements for an *appraisal report* as set forth under Standards Rule 2 of the *Uniform Standards of Professional Practice* (USPAP). It presents discussions of the data, reasoning, and analyses that were used to develop the appraiser's opinion of value. The depth of discussion contained in this report is specific to the client's intended use.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

General assumptions and limiting conditions are presented in the addenda of the report. *Extraordinary assumption(s)*³ and *hypothetical condition(s)*⁴ and limiting conditions are summarized as follows:

None

3 "An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions." *Uniform Standards of Professional Practice*.

4 "A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis." *Uniform Standards of Professional Practice*.

SUBJECT PHOTOGRAPHS : TAKEN BY TYLER VICTORS ON 1-14-26



Subject building



Subject building



Ground floor elevators/common area



3rd floor elevators



Large Conference room



Mail Room



Kitchen/Break



East-wing end office



East-wing end office



East-wing office



East-wing office



Copy Room



Library/Office



West-wing office



West-wing office



West-wing end office



West-wing end office



Storage room



Data room



West-wing office



West-wing office



West-wing office



West-wing office



West-wing conference room



West-wing storage room



West-wing data room



East-wing hallway



East-wing hallway

ALASKA

Population⁵

A new state population estimate shows Alaska has 741,147 residents, an increase of more than 4,300 people from a figure published last year. While more people moved out of the state than moved into it for the 12th consecutive year, those losses were outweighed by new births within the state. Officials at the Alaska Department of Labor and Workforce Development, which publishes the annual estimate, also revised the state’s 2023 population upward. That revision, plus a year-over-year gain between 2023 and 2024, gives the state its highest estimated population since 2017.

At the regional and borough level, the Matanuska-Susitna Borough continues to be the fastest-growing area of the state, gaining more than 2,000 residents between 2023 and 2024. Southeast Alaska continues to lose population and now has fewer than 71,000 residents. In the Interior, the population of the Fairbanks North Star Borough grew by 0.65% between 2023 and 2024.

Economic Outlook – January 2026⁶

Alaska’s economic drivers are mostly strong going into 2026. We forecast the state will add 3,000 jobs this year — just under 1 percent growth — with oil and gas, health care, construction, and transportation contributing to that increase.

Fairbanks Job Forecast for 2026⁷

Job growth of about 1 percent is in the forecast for the Fairbanks area this year, with gains or stability in all sectors except federal and local government. Fairbanks’ major economic drivers remain stable, although some face headwinds.

NEIGHBORHOOD

The subject is located approximately 1.5 miles northeasterly of Fairbank’s central business district (CBD) on the periphery of the Bentley-College Road commercial district. Access is good via a network of paved multi-lane arterials and secondary connectors. Available public utilities include electricity, natural gas, and public sewer and water. Road maintenance and police and fire protection are provided by the city.

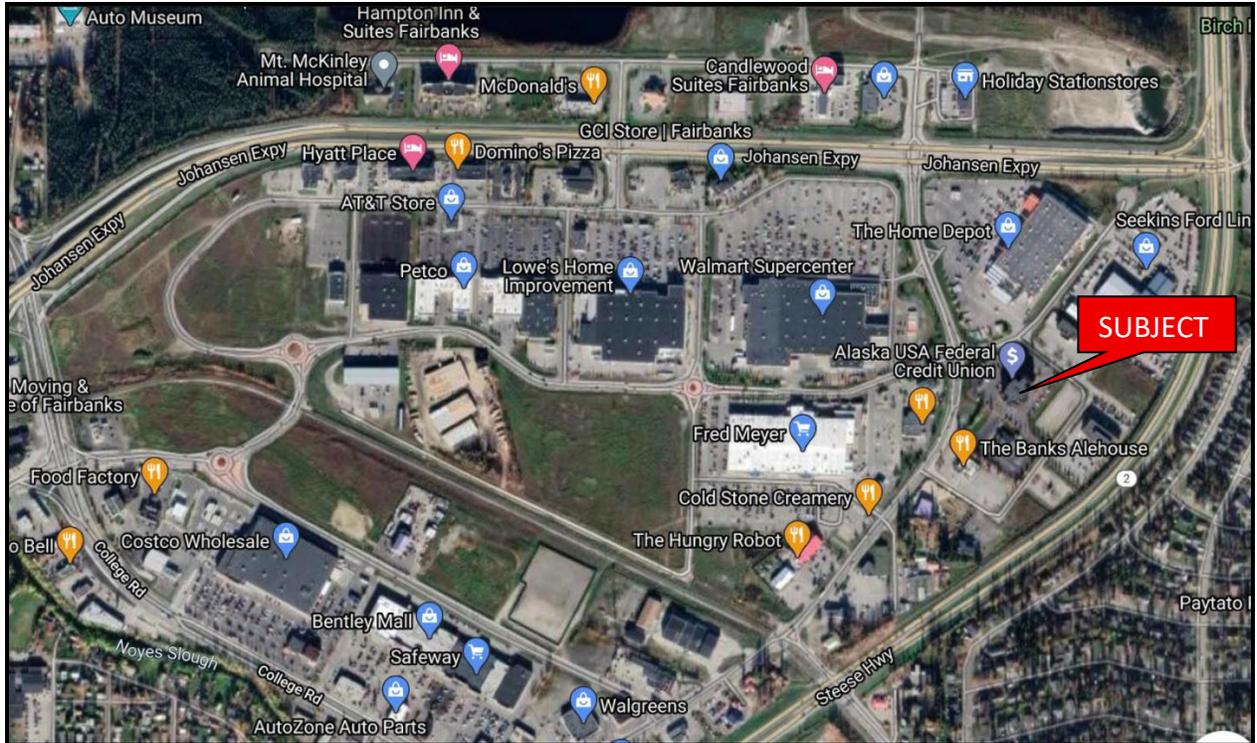


⁵ Updated estimate shows Alaska has more people than previously thought, Anchorage Daily News, January 8, 2025, by James Brooks.

⁶ Karinne Weibold, *Alaska Economic Trends*, January 2026

⁷ Karinne Weibold, *Alaska Economic Trends*, January 2026

The *general neighborhood* is referenced by the intersections of College Road with the Johansen Expressway and the Steese Hwy. The Bentley-College Road district is anchored by regional and national chains.⁸ It is the premier shopper destination for the city as well as the region. The neighborhood is suitable for users, developers and investors.



Despite the synergy generated, vacant lots and acreage remain. Infill characterizes the development pattern.

⁸ Big-box national retailers, convenience store chains, franchised restaurants, auto dealerships, specialty garages (mini-lubes, mufflers/brakes), and lodging facilities.

BUILDING

The subject is a third-floor office suite (Suite 308) within a four-story, Class A⁹ multi-tenant office building – at 1292 Sadler Way, Fairbanks, AK. It was reportedly built in 2005. It is in good condition as of the date inspection/value.



Exhibit B of Lease

1292 Sadler Way is the Alaska USA¹⁰ Fairbanks Financial Center; built in 2005, it has modern heating, cooling, fire detection and suppression, data infrastructure, and full building back up power systems. Along with modern decor that is well maintained, the building meets current building and ADA codes. The building has a security access control system and numerous cameras which are monitored by our in-house security. The building has a freight elevator out of the way of the general public which can be used for shipments and other items. There are over 152 parking spaces on site, with the farthest being less than 200' from the entrance; therefore no on-street parking is needed for the building occupants or visitors. The requested 35 parking spaces, all with head bolt heaters, are reserved for both state employees and visitors. There is a lighted monument sign on Old Steese Hwy that notes the LIO is located in the building.

One great benefit with the building is constituents know where you are. They relate the building to the Fairbanks LIO.

⁹ Fireproof structural steel, equipped with elevators, HVAC and sprinkler system.

“Most prestigious buildings competing for premier office users with rents above average for the area. Buildings have high quality standard finishes, state of the art systems, exceptional accessibility and a definite market presence.” BOMA International

¹⁰ Now referred to as the Global Federal Credit Union office building per FNSB.

SPACE

The subject (Suite 308) occupies the majority of the 3rd floor. It is accessed via the building's common elevators and stairways. Interior finishes include drop acoustic tile ceilings with ceiling-mounted troffer lighting, painted sheetrock walls and panel-wall partitions, and solid core wood doors set in metal frames. Flooring is generally carpeted with rubber baseboard trim.

The quality of the interior build-out is average for Class A property and the condition is above average given the age of the configuration and tenant improvements (TIs). No significant deferred maintenance was observed.

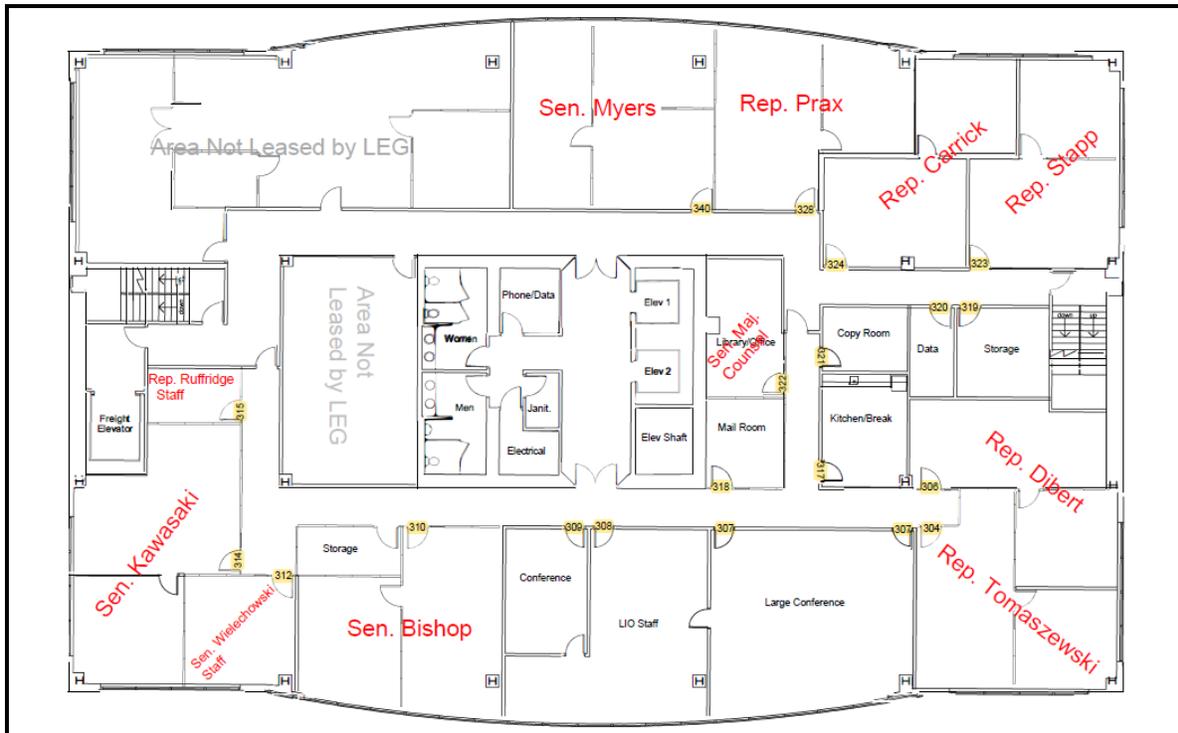


Exhibit B of Lease

Though the space is not located on the ground/street level as preferred, access to the space is convenient following the signage through the main lobby and up one of the two elevators to the 3rd floor. The 3rd floor has an interior gross area of 14,464 SF. With requested space being approximately 8,050 SF plus circulation, this provides an option to grow on this floor if ever needed.

The current space is approximately 9000 SF. The majority of the rooms are close to what is requested and are equipped with their own light switch, outlets, data/telephone ports, and most have individual temperature controls. Every office and most joint workspaces have windows with the re-lights next to each door in the rooms that do not. As is, the current space is close to meeting the requirements in the RFP.

In order to meet the requirements of the RFP, adjustments will be made to the space as depicted in the drawing labeled "Fairbanks LIO - Proposed Floor Plan" and as described in the Floor Plan Narrative. The existing space remains in great condition after nearly 10 years of occupancy.

The area, building, and space in many ways not only meets the proposed LIO needs, it exceeds them. It is a great location in Fairbanks.

LEASE

The space contains ±9,049 SF of net usable space leased by the Alaska State Legislature, Legislative Affairs Agency. A 10-year occupancy commenced in 2016 – consisting of an initial five-year term and subsequent 1-year renewals (2021-2025). The current lease term expires July 31, 2026 (Renewal No. 5 of the 2016 lease). The current contract rent is \$18,287.54 per month (\$2.02/USF/month).

	Exhibit A	Exhibit B	Fairbanks LIO Lease	Renewal	Renewal	Renewal	Renewal	Renewal
	2016	2016	2016	1	2	3	4	5
	Proposal	Building space specs	Initial Term					
Term (years)			5	1	1	1	1	1
Commenced			8/1/2016	8/1/2021	8/1/2022	8/1/2023	8/1/2024	8/1/2025
Renewal Options			Five - 1-year					
Monthly Rent			\$16,940	\$17,192.68	\$17,494.31	\$18,202.08	\$18,128.02	\$18,287.54
Overall % Δ				1.49%	1.75%	4.05%	-0.41%	0.88%
Floor			3rd					
SF			9,049	9,049	9,049	9,049	9,049	9,049
Indicated \$/SF/MO			\$1.87	\$1.90	\$1.93	\$2.01	\$2.00	\$2.02
Reserved Parking			35					
Escalations			Annual on July 1					
Basis			CPI-U					
Applied to			35% of Base Monthly Rent					
TI allowance			As-is (built-out)					
Lease Type			Gross - full service					
Lessor provided janitorial			Daily (5/wk)					

This appraisal report “will be used to establish a new (full service) rate for an extension up to 10 years with annual CDI-U (Anchorage) adjustments” applied to 35% of the base rental rate. Other terms and conditions are the same as for the initial term and subsequent renewals/extensions.

The Appraisal Institute recognizes two categories of market analysis: *inferred* and *fundamental*. Given the property type and stable market conditions, an *inferred demand* analysis is appropriate. Demand is inferred from general market conditions and the data selected for direct comparison.

We are not aware of any comprehensive survey of local office market conditions that identify norms (e.g., measurement standards), supply and demand characteristics, occupancy levels, and rental rates.

A search of multiple listing service (MLS) records shows few recent leases of Class A office space in the market area. Where closed leases are reported, details are inconsistent in terms of:

<u>Area Measures</u>	<u>Lease type</u> ¹³
<ul style="list-style-type: none"> • Gross SF • Rentable SF¹¹ • Usable SF¹² 	<ul style="list-style-type: none"> • Gross Lease • Modified Gross • Net

In summary, the limited market area data is minimally adequate.

The Anchorage market is comparatively active and sophisticated. Of 43 leases of Class A space reported in the FLEX MLS over the last three years (see Addenda), the measurement standard for 39 was reported as “rentable – BOMA.”

¹¹ BOMA (Building Owners and Managers Association) Rentable Area is the total square footage a tenant pays for, calculated as their specific usable space plus a proportionate share of shared building areas (like lobbies, hallways, restrooms) and sometimes amenity areas, using consistent measurement standards to ensure fair leasing and valuation. This combined area, often called Rentable Square Feet (RSF), includes the tenant’s private space (Usable Area) plus a load factor representing common space, forming the basis for lease payments.

¹² BOMA Usable Area (USF) is the actual, exclusive space a tenant occupies, measured from the inside surface of exterior walls, the tenant side of common corridor walls, and the centerline of interior partition walls separating tenant spaces, including structural elements like columns but excluding shared building areas like lobbies, mechanical rooms, and public restrooms. It’s the functional space for personnel, furniture, and equipment, forming the base from which Rentable Area (which adds a pro-rata share of common areas) is calculated for lease purposes.

¹³ Gross (Full-service) Lease: A lease in which the landlord receives stipulated rent and is obligated to pay all the property’s operating and fixed expenses; also called *full-service* lease.

Modified Gross Lease: A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property’s operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*.

Net-Net-Net Lease: An alternative term for a type of net lease. In some markets, a net-net-net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *triple net lease*, or *fully net lease*.

The Dictionary of Real Estate Appraisal 7th addition.

MARKET RENT

The monthly market rent/SF is measured in terms of usable area and a full-service occupancy including daily janitorial.

Absent a sufficient quantity of recent local Class A leases, the data set includes leases of properties/spaces that are only generally similar.

No.	Location	Date/Term	SF	Rent/SF/Mo.*	Tenant Expenses	Exp. Adj.	Adj. \$/SF (NNN)
Subj.	1292 Sadler Way Suite 308	---	±9,049 <i>usable</i>	---	Full service	None	---
Subj.	1292 Sadler Way Suite 308	2025 / 1 yr.	±9,049 <i>usable</i>	\$2.02* <i>usable</i>	Full service	None	\$2.02
No. 1	2945 Monk Court	2025 / NA	7,200 SF **gross	\$2.20 **gross	Modified Gross	+\$0.90♦	\$3.10
No. 2	3039 Davis Road	2024 / NA	1,400 SF <i>usable</i>	\$2.29/SF <i>usable</i>	Janitorial	+\$0.15	\$2.44
No. 3	3637 Airport Way	Active	5,500 SF **leasable	\$2.50 **leasable	NNN	+\$0.75♣	\$3.25
No. 4	1405 Kellum St Unit 101	2023 / 10 yrs.	±2,154 SF <i>rentable</i>	\$3.70♠ <i>rentable</i>	Janitorial	+\$0.15	\$3.85

* Most recent renewal of a ten-year, full-service lease. The rate is a result of annual CPI-U adjustments applied to 35% of the base monthly rent.

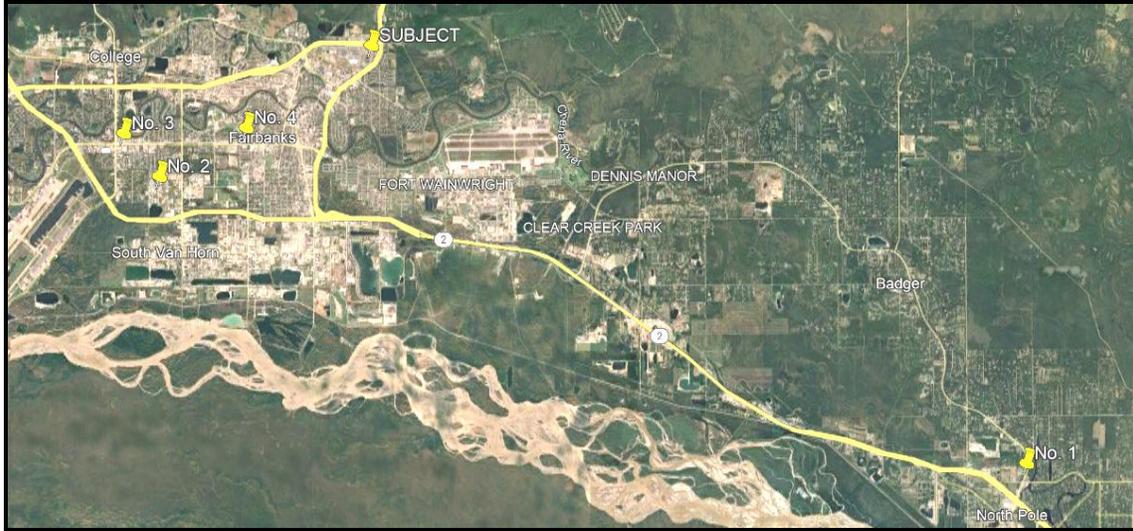
**The measurement standard was not reported but leases of free-standing single-occupant buildings typically recognize the gross building area (GBA). Leases of single-level, multi-tenant retail properties typically recognize the gross leasable area (GLA).

♦ Utility expense data for Comparable No.1 was limited as reported in the MLS listing (24-11017) and was reconstructed to derive the indicated expense adjustment (\$0.90).

♣ Operating expenses were not available. The listing agents for another single-level office/retail property (MLS #24-14283) estimated "NNN's are \$0.75/SF/month.

♠ (B-SBC #23-006) the current rate is the result of scheduled annual increases of \$0.10/SF. The initial rate was \$3.50/SF

Janitorial - \$0.10/SF/mo. (B-SBC File #14-080); \$0.21/SF/mo. (B-SBC File #21-076); \$0.13/SF/mo. (MLS #25-15031). I applied a mid-range adjustment of \$0.15/SF/mo. for janitorial



Description of the Comparables

The comparables are identified in the previous table and on the map. Details are retained in the appraiser’s files.

Correlation

Per the client’s instructions, “The written opinion needs to take into consideration, but is not limited to the following factors:”

1	Building Type	The space is in Class A building – the influence on market rent is recognized in the relative comparison analysis.
2	Location	The influence of location is accounted for in the relative comparison analysis.
3	Square footage	Size (SF) can influence rates – a consideration recognized in the relative comparison analysis. Generally, smaller previously built-out spaces have an advantage over larger spaces that are otherwise similar. Usable SF rates are generally higher than rentable SF rates. The relationship is typically recognized with property specific load factors ¹⁴ or efficiency ratios (RSF / USF).
4	Length of Term	In general, a lengthy occupancy by a reliable tenant could justify a lower rate. However, the appraiser measures <i>market rent</i> – lesser concessions attributed to specific tenant considerations are points of negotiation.
5	Type of occupying agency & clientele	
6	Specific terms and conditions	Generally, an as-is space that does not require significant lessor-provided tenant improvements (TI's) – a condition that could justify a lower Because the CPI-U adjustment applies to only to 35% of the base rent, market rent could outpace contract over the terms of the lease.

We correlated the comparables to the subject in a qualitative analysis described as a “Relative Comparison Analysis.” In this analysis, various features and characteristics are perceived as comparable/equal, superior or inferior. This technique illustrates the relative market position of the subject presented on the following page.

¹⁴ A BOMA load factor is a ratio used in commercial real estate, defined by the Building Owners and Managers Association (BOMA) standards, that adds a percentage of common area (lobbies, restrooms, hallways, amenities) to a tenant’s private usable space to calculate their total rentable square footage, ensuring landlords are compensated for shared building areas. It’s calculated by dividing a building’s total rentable area by its total usable area, typically resulting in 10-25% add-ons, with newer standards allowing landlords flexibility to cap factors for tenant attraction.

Relative Comparison Analysis

Comp MLS / GFBR #	Subject ---	Subject Renewal #5 of Lease	No. 1 MLS #24-11017	No. 2 MLS #23-13417	No. 3 MLS #23-6300	No. 4 B-SBC #23-006
						
Address	1292 Sadler Way	1292 Sadler Way	2945 Monk Court	3039 Davis Road	3637 Airport Way	1405 Kellum Street, Ste. 101
Lease Date	---	---	2025	2024	Active	2023
SF Area	9,049 SF usable	9,049 SF usable	7,200 SF *gross	1,400 USF usable	5,500 SF *leasable	±2,150 SF rentable
Current \$/SF	---	\$2.02/SF usable	\$2.20/SF *gross	\$2.29/SF usable	\$2.50/SF *leasable	\$3.70/SF rentable
Tenant Exp. Adjustments	Full Service	Full Service	Modified gross	Janitorial	NNN	Janitorial
Adj. \$/SF	---	\$2.02/SF usable	\$3.10/SF *gross	\$2.44/SF usable	\$3.25/SF *leasable	\$3.85/SF rentable
Location	NE FBX; Steese Hwy.	NE FBX; Steese Hwy. = (subject)	SE FBX; Richardson Hwy. <i>Inferior</i>	Central FBX; Near Airport <i>Slightly inferior</i>	Central FBX; Near Airport <i>Slightly inferior</i>	FBX CBD <i>Slightly inferior</i>
Year Built	2005	2005 = (subject)	2004 Approx. =	1983 <i>Inferior</i>	2007 Approx. =	2009 Approx. =
Type	Structural Steel Frame Class A; 3-story (w/ elevator)	Structural Steel Frame Class A; 3-story (w/ elevator) = (subject)	Wood frame Class C+/B-; Single-level Dissimilar – no adjustment	Steel frame Class B <i>Inferior</i>	Wood frame 1-level multi-tenant retail Dissimilar – no adjustment	Wood/steel frame Class A w/medical build-out Superior
Condition	Average-plus	Average-plus = (subject)	Avg.+ (based on MLS photos) Approx. =	Avg.- (based on MLS photos) <i>Slightly inferior</i>	Avg.+ (based on MLS photos) Approx. =	Avg.+ (based on MLS photos) Approx. =
SF Area	9,049 SF usable	9,049 SF usable = (subject)	7,200 SF *gross Approx. =	1,400 USF usable Superior	5,500 SF *leasable Slightly superior	2,154 SF rentable Superior
Sprinklers	Yes	Yes = (subject)	Yes Approx. =	Not reported	Yes Approx. =	Yes Approx. =
AC	Yes	Yes = (subject)	Yes Approx. =	Not reported No adjustment	Yes Approx. =	Not reported No adjustment
On-site parking	Adequate	Adequate = (subject)	Adequate but free-standing single-occupant property with surplus yard Superior	Adequate No adjustment	Adequate No adjustment	Adequate No adjustment
Adj. /SF	---	±\$2.02/SF	±\$3.10/SF	>\$2.44/SF	<\$3.25/SF Active listing	<\$3.85/SF

*The measurement standard was not reported but leases of free-standing single-occupant buildings typically recognize the gross building area (GBA). Leases of single-level, multi-tenant retail properties typically recognize the gross leasable area (GLA).

RECONCILIATION

The data set – including the most recent rate for the subject – generates a wide range of rates from \$2.02 to \$3.85/SF. The relative market position is isolated in the following table.

Comp #	Indicate \$/SF	
4	▼\$3.85/SF <i>rentable</i>	Generally superior – most weight given to medical space build-out.
3	▼\$3.25/SF <i>*Leasable</i>	Offsetting inequalities but dissimilar property type and active listing
1	▶◀\$3.10/SF <i>*Gross</i>	Inequalities tend to be offsetting but dissimilar property type
Subject		Current market rent
2	▲\$2.44/SF <i>usable</i>	Most similar in terms of general office use(s) and usable SF measure but influence of size is more than offset generally inferior characteristics.
Subject	▶◀\$2.02/SF	Most recent rate – influenced by CPI-U adjustment applied to only 35% of the base rent.

*The measurement standard was not reported but leases of free-standing single-occupant buildings typically recognize the gross building area (GBA). Leases of single-level, multi-tenant retail properties typically recognize the gross leasable area (GLA).

Again, leases of truly similar properties in the market are limited. And, absent a sufficient quantity of recent local Class A leases, the data set includes leases of properties/spaces that are only generally similar. The limitations are compounded by inconsistent reporting in terms of lease type and measurement standard.

Nevertheless, the analysis develops a bracketing range from \$2.02 to \$3.10SF.

The reasonableness of a mid-range indicator (\pm \$2.55/SF, rounded) is suggested by a November 2021 full-service lease of “2,300 SF of Class A office space on the 2nd floor” of the same building at \$2.25/SF (FLEX MLS #21-473). It is a dated lease, and the details are not available but the listing agent¹⁵ believes that the space was rentable SF and that lessor-provided TI’s were not significant. A load factor of 15%¹⁶ generates a usable area equivalent of \$2.59/SF.

The mid-range rate is further supported by data from Anchorage – a comparatively sophisticated market area in terms of activity, measurements standards, and reporting.

Of the 34 *rentable area* leases of Class A space reported in the FLEX MLS over the last three years (see Addenda), the average (mean) is \$2.65; the median is \$2.70. Applying 15% load factor generates useable area equivalents of \$3.05 to \$3.11/SF – near the top of the bracketing developed from local data.

In summary, our opinion of the current full-service market rent is \$2.55/USF/MO.

¹⁵ Andrew Ingram (907-830-7319) Jack White Commercial RE, January 21, 2026

¹⁶ The applicable load factor for this building and floor was not available. Factors from 10% to 25% are typical.

ADDENDA

QUALIFICATIONS OF STEVE CARLSON, MAI

Steven E. Carlson, MAI
Alaska State Certification #231

General Education: University of Alaska, Anchorage - BBA in Real Estate

- Real Estate Investment Analysis
- Real Estate Appraising
- Real Estate Fundamentals
- Real Estate Management
- Real Estate Law

Appraisal Courses Taken

19685	USPAP 7 Hour Update 2024-2025, Online	Appraisal Inst.	Jun-25
20310	Expand Your Practice: Arbitration Do's and Don'ts, Online	Appraisal Inst.	Jun-25
19753	Appraiser's Guide to Expert Witnessing, Online	Appraisal Inst.	Jun-25
19418	Subdivision Valuation, Online	Appraisal Inst.	Jun-25
19242	Business Practices and Ethics	Appraisal Inst.	Jun-23
18263	Excel Applications for Valuation	Appraisal Inst.	Jun-23
45126	Appraising Automobile Dealerships	Appraisal Inst.	Jun-23
19123	National USPAP 7 Hour Update	Appraisal Inst.	Jun-23
19123	National USPAP 7 Hour Update 2020-2021	Appraisal Inst.	Jun-23
N/A	How Tenants Create or Destroy Value: Leasehold Valuation	Appraisal Inst.	Jun-21
400	National USPAP 7 Hour Update	Appraisal Inst.	May-19
N/A	UASFLA (Yellow Book): Practical Application	Appraisal Inst.	Apr-18
N/A	Eminent Domain and Condemnation	Appraisal Inst.	Jun-17
N/A	Residential and Commercial Valuation of Solar	Appraisal Inst.	May-17
400	National USPAP 7 Hour Update	Appraisal Inst.	Apr-17
N/A	Supervisory Appraiser/Trainee Appraiser Course	Appraisal Inst.	Apr-15
400	National USPAP 7 Hour Update	Appraisal Inst.	Apr-15
400	National USPAP 7 Hour Update	Appraisal Inst.	Feb-13
400	National USPAP 7 Hour Update	Appraisal Inst.	Feb-11
700GRE	Appraiser as an Expert Witness: Preparation & Testimony	Appraisal Inst.	Jun-09
400	National USPAP 7 Hour Update	Appraisal Inst.	Jun-09
400	National USPAP 7 Hour Update	Appraisal Inst.	Jun-07
SE 710	Condemnation Appraising: Basic Principles & Applications	Appraisal Inst.	Apr-07
SE 710	Condemnation Appraising: Advanced Topics & Applications	Appraisal Inst.	Apr-07
400	National USPAP 7 Hour Update	Appraisal Inst.	Jun-05
410	National USPAP 15 Hour	Appraisal Inst.	Jun-05
550	Advanced Applications	Appraisal Inst.	Oct-00
540	Report Writing and Valuation Analysis	Appraisal Inst.	May-00
430	Standards of Professional Practice, Part C	Appraisal Inst.	Jan-00
530	Advanced Sales Comparison and Cost Approaches	Appraisal Inst.	Aug-99
520	Highest and Best Use and Market Analysis	Appraisal Inst.	Aug-99
510	Advanced Income Capitalization	Appraisal Inst.	May-99
A15	Report Writing School, Am	ASFMRA	Jul-95
A18	Income Capitalization (Part I) Unleveraged,	ASFMRA	May-95
214	Skills of Expert Testimony	Int. RoW Assoc.	Apr-94
600	Environmental Awareness	Int. RoW Assoc.	Apr-94
401	The Appraisal of Partial Acquisitions	Int. RoW Assoc.	Apr-94
410	Standards of Professional Practice, Part A (USPAP)	Appraisal Inst.	Jan-93
420	Standards of Professional Practice, Part B	Appraisal Inst.	Jan-93

Seminars

Cool Tools: New Technology for Real Estate Appraisers	Appraisal Inst.	Jun-21
Small Hotel/Motel Valuation	Appraisal Inst.	Jun-21
Fundamentals of UASFLA	Appraisal Inst.	Jun-21
Online Comparative Analysis	Appraisal Inst.	Jun-15
Cool Tools: New Technology for Real Estate Appraisers	Appraisal Inst.	Jun-15
Business Practices and Ethics	Appraisal Inst.	Apr-15
Separating Real Property, Personal Property & Intangible Bus., Assets	Appraisal Inst.	Mar-13
Online Advanced Internet Strategies	Appraisal Inst.	Jun-13
Business Practices and Ethics	Appraisal Inst.	Dec-10
Yellow Book Seminar	Appraisal Inst.	Sep-10
Subdivision Valuation	Appraisal Inst.	Feb-08
Small Hotel/Motel Valuation	Appraisal Inst.	Jul-03
Yellow Book Seminar	Appraisal Inst.	Jun-03
Scope of Work	Appraisal Inst.	Apr-03
Intro to Statistics & Supporting Adjustments	Appraisal Inst.	2002
Comprehensive Appraisal Workshop	Appraisal Inst.	Feb-01
Understanding and Using DCF Software	Appraisal Inst.	Nov-97
Alaska Native Land Issues	Int. RoW Assoc.	Oct-96
"The High-Tech Appraisal Office"	Appraisal Inst.	Jun-96
"The Internet and Appraising"	Appraisal Inst.	Jun-96
Access Law and Issues Affecting Public and Private Lands in Alaska	Int. RoW Assoc.	Oct-96
Debate and Open Forum on "Public Interest Value"	ASFMRA	Nov-94
Understanding Limited Appraisals & Appraisal Reporting Options	Appraisal Inst.	Jul-94
Navigable Waters and Wetlands	Int. RoW Assoc.	Apr-94

Other related courses and seminars

National Association of Realtor's Courses	Real Estate Seminars
Fundamentals of Real Estate, Investment & Taxation	Exchanging A to Z
Fundamentals of Location & Market Analysis	Taxation and Estate Planning
Advanced Real Estate Taxation & Marketing Tools for Real Estate	Creative Real Estate Paper
Impact of Human Behavior on Commercial Investment Decisions	

Business Experience

Black-Smith, Bethard and Carlson, LLC, Partner/Appraiser: 2005 - present
 Black-Smith and Richards, Inc., Appraiser: 1990-2004
 Erickson and Associates, Appraiser: 1990
 Licensed as Associate Broker in 1978
 Licensed Real Estate Sales Associate in 1976
 Development of residential lots and housing

Appraisal Experience

Steven E. Carlson is a life-long Alaskan. He has a BBA degree in Real Estate from the University of Alaska, Anchorage, plus more than 45 years of real estate experience as a broker and appraiser. Typical appraisal assignments include the appraisals of commercial retail and office properties, industrial properties, medical and professional buildings, lodging facilities, right-of-way acquisitions and easement valuation. In addition, he has completed numerous appraisals of remote properties. Clients include First National Bank Alaska, Northrim Bank, Key Bank, Wells Fargo, the Bureau of Indian Affairs, Bureau of Land Management, U.S. Fish and Wildlife Service, National Park Service, and the U.S. Department of Agriculture - Forest Service, Internal Revenue Service, the State of Alaska Department of Natural Resources, and the State of Alaska Department of Transportation.

License - General Real Estate Appraiser

License #: APRG231
Effective: 6/25/2025
Expires: 06/30/2027

State of Alaska

Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing

Board of Certified Real Estate Appraisers

Licensee: **STEVEN E. CARLSON**

License Type: **Certified General Real Estate Appraiser**

Status: **Active**



Commissioner: Julie Sande

Relationships

No relationships found.

Designations

No designations found.

STEVEN E. CARLSON
1199 E DIMOND BLVD
SUITE 200
ANCHORAGE, AK 99515-2030

Wallet Card

State of Alaska Department of Commerce, Community, and Economic Development Division of Corporations, Business, and Professional Licensing Board of Certified Real Estate Appraisers		
STEVEN E. CARLSON As Certified General Real Estate Appraiser		
License APRG231	Effective 6/25/2025	Expires 06/30/2027

ANCHORAGE CLASS A OFFICE LEASES

FLEX MLS	Date	PS \$/SF	Max Cont	Measure	Street #	Unit #	Street	Arterial	Type	DOM
22-6040	2/10/2023	\$3.25	11,369	Not reported	3800	#601	Centerpoint	Dr.	Class A	251
23-679	5/23/2025	\$3.25	25,846	Not reported	3700	#600	Centerpoint	Dr.	Class A	832
24-14357	10/24/2025	\$3.10	25,846	Not reported	3700	#500	Centerpoint	Drive	Class A	986
25-6717	8/28/2025	\$3.10	2,880	RSF - BOMA	2550	#1620	Denali	St.	Class A	809
20-12634	4/28/2023	\$2.95	2,404	RSF - BOMA	3601	#1234	C	St.	Class A	1,181
25-6765	9/10/2025	\$2.95	4,150	RSF - BOMA	3900	#1004	C	St.	Class A	98
25-14901	1/1/2026	\$2.95	4,150	RSF - BOMA	3900	#1004	C	St.	Class A	91
21-12505	6/12/2024	\$2.90	7,177	RSF - BOMA	3601	#120	C	St.	Class A	1,599
23-13519	5/15/2025	\$2.90	2,770	RSF - BOMA	3601	#1424	C	St.	Class A	745
24-11532	8/14/2025	\$2.90	4,303	RSF - BOMA	2550	#500	Denali	St.	Class A	720
23-11847	3/6/2024	\$2.80	5,066	RSF - BOMA	2550	1605	Denali	St.	Class A	194
22-6151	9/22/2025	\$2.75	6,366	RSF - BOMA	510	#300	L	St.	Class A	1,228
23-1379	5/5/2023	\$2.75	5,185	RSF - BOMA	3900	#100	C	St.	Class A	108
23-11846	1/5/2024	\$2.75	10,523	RSF - BOMA	2550	#1200	Denali	St.	Class A	133
24-958	4/30/2024	\$2.75	3,361	RSF - BOMA	3201	#606	C	St.	Class A	412
24-13177	6/2/2025	\$2.75	10,198	RSF - BOMA	4000	#300	Old Seward	Hwy.	Class A	230
24-13755	9/23/2025	\$2.75	4,135	RSF - BOMA	701	#620	8th W	Ave.	Class A	323
25-3245	7/1/2025	\$2.75	2,409	Not reported	2121	#102	Abbott	Road	Class A	95
25-12782	12/8/2025	\$2.71	3,271	Not reported	4000	#100	Old Seward	Hwy.	Class A	63
20-5589	10/1/2023	\$2.70	4,168	RSF - BOMA	3301	#200	C	St.	Class A	1,029
20-5593	10/1/2023	\$2.70	2,895	RSF - BOMA	3301	#209	C	St.	Class A	1,127
21-10288	4/1/2024	\$2.70	3,332	RSF - BOMA	3201	#300	C	St.	Class A	933
22-15830	7/6/2023	\$2.70	3,581	RSF - BOMA	3000	#410	A	St.	Class A	733
23-2389	11/13/2023	\$2.70	3,700	RSF - BOMA	3201	#606	C	St.	Class A	243
23-2750	11/13/2023	\$2.70	2,130	RSF - BOMA	3301	#205	C	St.	Class A	243
23-7673	9/19/2025	\$2.70	2,744	Not reported	1400	#390	Benson W	Blvd.	Class A	813
23-13520	8/1/2024	\$2.70	2,786	RSF - BOMA	3201	#404	C	St.	Class A	505
24-14490	7/1/2025	\$2.70	2,061	Not reported	3201	#403	C	St.	Class A	427
25-304	9/19/2025	\$2.70	6,628	RSF - BOMA	1400	#370	Benson W	Blvd.	Class A	252
25-380	9/19/2025	\$2.70	6,628	RSF - BOMA	1400		Benson W	Blvd.	Class A	252
23-7795	10/2/2023	\$2.67	6,053	Not reported	1400	#210	Benson W	Blvd.	Class A	95
22-2870	8/14/2025	\$2.55	4,432	RSF - BOMA	420	#310	L	St.	Class A	1,246
24-1965	10/7/2024	\$2.55	10,000	RSF - BOMA	3601	#1000	C	St.	Class A	221
20-14644	11/3/2023	\$2.50	3,759	RSF - BOMA	701	#105	Tudor	Rd.	Class A	1,142
22-10860	11/30/2023	\$2.35	2,183	RSF - BOMA	101	#201	Benson W	Blvd.	Class A	680
21-2751	11/12/2024	\$2.30	2,262	RSF - BOMA	510	#200	L	St.	Class A	1,636
24-13375	5/30/2025	\$2.30	2,339	Not reported	4000	#101	Old Seward	Hwy.	Class A	227
23-3939	9/27/2024	\$2.11	11,460	RSF - BOMA	6411		A	St.	Class A	526
23-192	4/15/2024	\$2.10	2,205	RSF - BOMA	341	#209	Tudor W	Rd.	Class A	1,915
21-7399	12/26/2023	\$2.00	2,987	RSF - BOMA	310	#508	K	St.	Class A	952
21-10364	7/15/2023	\$2.00	2,436	RSF - BOMA	310	#402	K	St.	Class A	788
21-17139	3/24/2023	\$1.90	3,158	RSF - BOMA	310	#306	K	St.	Class A	471
20-12808	1/8/2025	\$1.87	8,979	RSF - BOMA	510	#315	L	St.	Class A	1,693
	Median	\$2.70								526
	Mean	\$2.65								657

LIMITING CONDITIONS AND ASSUMPTIONS

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies (if any) are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

This appraisal report has been made with the following general limiting conditions:

1. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

Additional Assumptions and Limiting Conditions:

1. Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the opinion of value, unless such proration or division of interests has been set forth in the report.
2. Only preliminary plans and specifications were available for use in the preparation of this appraisal; the analysis, therefore, is subject to a review of the final plans and specifications when available.
3. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
4. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance surveyor analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.