

***** INVOICE *****

File Number: WL14515

September 11, 2014

Laura Robertson
City of Valdez
P.O. Box 307
Valdez, AK 99688

Borrower : N/A

Invoice # : WL-14-515
Order Date :
Reference/Case # :
PO Number :

Lot 1, Valdez Center Addition

137 West Egan Drive
Valdez, AK 99686

Appraisal Fee	\$	950.00
	\$	-----
Invoice Total	\$	950.00
State Sales Tax @	\$	0.00
Deposit	(\$)
Deposit	(\$)

Amount Due	\$	950.00

Terms: DUE UPON RECEIPT

Please Make Check Payable To:

APPRAISAL ASSOCIATES OF ALASKA
750 East Fireweed Lane, Suite 101
Anchorage, AK 99503

Fed. I.D. #: 92-0074332

William Larick, SRA

APPRAISAL OF



LOCATED AT:

137 West Egan Drive
Valdez, AK 99686

FOR:

City of Valdez
P.O. Box 307
Valdez, AK 99686

BORROWER:

N/A

AS OF:

August 26, 2014

BY:

William Larick, SRA

LAND APPRAISAL REPORT

File No. WL14515

Borrower N/A Census Tract 0003.00 Map Reference VLDZ. #1
 Property Address 137 West Egan Drive
 City Valdez County None State AK Zip Code 99686
 Legal Description Lot 1, Valdez Center Addition
 Sale Price N/A Date of Sale N/A Loan Term N/A yrs. Property Rights Appraised Fee Leasehold De Minimus PUD
 Actual Real Estate Taxes \$2960 (14) (yr.) Loan charges to be paid by seller N/A Other sale concessions N/A
 Lender/Client City of Valdez Address P.O. Box 307, Valdez, AK 99686
 Occupant Janice Reynolds Appraiser William Larick, SRA Instructions to Appraiser _____

NEIGHBORHOOD

Location Urban Suburban Rural
 Built Up Over 75% 25% to 75% Under 25%
 Growth Rate Fully Dev. Rapid Steady Slow
 Property Values Increasing Stable Declining
 Demand/Supply Shortage In Balance Over Supply
 Marketing Time Under 3 Mos. 4-6 Mos. Over 6 Mos.
 Present 70 % One-Unit 1 % 2-4 Units 1 % Apts 1 % Condo 10 % Commercial
 Land Use 4 % Industrial 13 % Vacant _____ %
 Change in Present Land Use Not Likely Likely Taking Place(*)
 (*) From _____ To _____
 Predominant Occupancy Owner Tenant 2 % Vacant
 One-Unit Price Range \$ 115 to \$ 650 Predominant Value \$ 225
 One-Unit Age 0 yrs. to 45 yrs. Predominant Age 35 yrs.
 Employment Stability Good Avg Fair Poor
 Convenience to Employment
 Convenience to Shopping
 Convenience to Schools
 Adequacy of Public Transportation
 Recreational Facilities
 Adequacy of Utilities
 Property Compatibility
 Protection from Detrimental Conditions
 Police and Fire Protection
 General Appearance of Properties
 Appeal to Market
 Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) See Attached Addendum

SITE

Dimensions See attached plat map = 37,150 sf Corner Lot
 Zoning Classification C (Commercial) Present Improvements Do Do Not Conform to Zoning Regulations
 Highest and Best Use Present Use Other (specify) Develop with a retail/commercial building
 Elec. Public Other (Describe) _____
 Gas Oil/Propane
 Water _____
 San. Sewer _____
 _____ Underground Elec & Tel
 OFF-SITE IMPROVEMENTS
 Street Access Public Private
 Surface Asphalt
 Maintenance Public Private
 Storm Sewer Curb/Gutter
 Sidewalk Street Lights
 Topo Level
 Size Typical for the area
 Shape Rectangular
 View Average
 Drainage Average
 Property located in a HUD identified Special Flood Hazard Area? Yes No
 Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions) The subject site is level at street grade. No adverse easements or encroachments were noted at the time of inspection. However, no survey or title report was provided for review.

The undersigned has recited three recent sales of properties most similar and proximate to the subject and has to be considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than subject property, a minus (-) adjustment is made, thus reducing the indicated value of the subject, if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	137 West Egan Drive Valdez	118 South Meals Avenue Valdez	NHN Meals Avenue 5A&5B Sleepy Hollow #3	118 South Meals Avenue Valdez
Proximity to subject		0.07 miles SE	0.29 miles NE	0.06 miles SE
Sales Price	\$ N/A	\$ 170,000	\$ 95,000	\$ 160,000
Price \$/Sq. Ft.	N/A	\$4.50	\$3.88	\$4.24
Data Source	Inspection/Tax Rec.	Files/Owner	Files/Owner	RE Broker
Date of Sale and Time Adjustment	DESCRIPTION 08/2014	DESCRIPTION 09/18/2007	DESCRIPTION 11/01/2007	DESCRIPTION Active Listing
Location	Suburban	Suburban	Inferior	Suburban
Site/View	37,150 SF/Avg.	37,736 SF/Avg.	24,494 SF/Avg.	37,736 SF/Avg.
Topography	Level	Similar	Level	Similar
Utilities	All Available	All Available	All Available	All Available
Zoning	Commercial	Commercial	Commercial	Commercial
Site Improvements	Gravel Filled	None	None	None
Sales or Financing Concessions		None Reported	None Reported	None Reported
Net Adj. (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 2.00	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 3.00	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 2.00
Indicated Value of Subject		Gross Adj: 44.4 % Net Adj: 44.4 % \$ 6.50	Gross Adj: 77.3 % Net Adj: 77.3 % \$ 6.88	Gross Adj: 47.2 % Net Adj: 47.2 % \$ 6.24

Comments on Market Data See Attached Addendum

Comments and Conditions of Appraisal None.

Final Reconciliation The Market Data Approach was deemed to most reliable method to value the subject property.

RECONCILIATION

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF August 26, 2014 TO BE \$ \$241,000

APPRaiser

Signature  SUPERVISORY APPRAISER (if applicable)
 Name William Larick, SRA
 Title _____
 Date Report Signed 09/11/2014
 State Certification # 9 State AK
 State License # _____ State _____
 Expiration Date of Certification or License June 30, 2015
 Date of Inspection August 26, 2014 Did Did Not Inspect Property Date of Inspection _____

ADDENDUM

Borrower: N/A		File No.: WL14515
Property Address: 137 West Egan Drive		Case No.:
City: Valdez	State: AK	Zip: 99686
Lender: City of Valdez		

Neighborhood Comments

The subject property is located eight blocks west of the central business district of Valdez. Immediate area is developed with attached and detached single family dwellings and commercial uses to the east. Schools, shopping and employment centers are all located within a reasonable drive. All things considered this area is stable, desirable and improving. No adverse trends were noted.

Comments on Sales Comparison

Currently there is a dearth of large commercial vacant lot sales. Also the last known commercial building that was built in the downtown core area was over 20 years ago (Sugar & Spice). The foundation of the land valuation is the principle of substitution. The principle substitution states that "when several similar or commensurate commodities, goods or services are available, the one with the lowest price will attract the greatest demand and widest distribution".

Further explanation of this principle as it applies to the land valuation is that a prudent buyer would pay more for a property than the cost to acquire a similar site and construct improvements of equal desirability and utility without delay.

The value of the subject parcel is appraised as if the site were vacant and available for development to its highest and best use. The sales comparison method is the most reliable analysis when there are adequate recent sales and an active market. In this case, there are in fact adequate available land sales and active listings similar to the subject property to apply this approach.

The most common unit of comparison used for commercial properties in this market is sales price per square foot. We have utilized two land sales and two active listings as noted on the market grid section. The subject property is located in the downtown core area on the north side of Egan Avenue.

In the following text, I will analyze the comparisons in relation to the subject and conclude the value for the site.

DISCUSSION OF LAND SALES

Comparable No. 1 is a September 2007 sale of a vacant parcel located on the southeast corner of Egan Avenue and Meals Street. This site contains 37,736 sf. The soils were reported good and all utilities are nearby. However, the site would require some site work and gravel fill due to its topography. This parcel was listed at \$200,000 for an undisclosed time before selling at \$170,000 or \$4.50/sf.

Comparable No. 2 is a November 2007 of a vacant parcel located on Meals Avenue. This site contains 24,494 sf or 0.56 of an acre. Soil were report to be good and all utilities were nearby. The site has since been converted into a RV park. However, this site was deemed to be inferior in exposure due to its location off Egan Avenue. The lot was purchased for \$95,000 or \$3.88 sf.

Comparable No. 3 is a active listing of comparable 1 noted above. Please note that the current asking price of \$160,000 is \$10,000 less than this property sold for seven years ago. Thus, this listing tends to suggest that there has been no increase in land value since 2007, or even a slight decline.

Comparable No. 4 is also of a current listings located at the corner of Hazelet Avenue and Pioneer Drive. The site contains 10,000 sf or 0.23 of an acre. Soils were reported good and all utilities are available. Access and exposure is considered to be inferior to the subject property, as it located one block north of Egan Street.

The comparable sales and active listings indicate that the fee simple market value for the subject site is generally above comparable 4 at \$5.00/sf. Several sales were uncovered off Harbor Drive in the \$10/sf to \$20/sf price range. However, these transaction are far superior to the subject and in a completely different market segment. Thus, they were not included within this analysis. All of the comparables are inferior in either location (exposure) or site improvement. Also recent land trends do not indicate an increase in value since 2007. This issue was factored into our selection of an appropriate site value.

Ultimately, I estimate the fee simple market value for the subject site at the middle of the comparisons. Market value is estimated at \$6.50/sf.

Thus,

37,150 sf X \$6.50 = \$241,475

or say \$241,000.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) 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.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the Appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser 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 the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

APPRAISERS CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and Limiting Conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 137 West Egan Drive, Valdez, AK, 99686

APPRAISER:

SUPERVISORY APPRAISER (only if required)

Signature: 
 Name: William Larick, Sr
 Date Signed: 09/11/2014
 State Certification #: 9
 or State License #: _____
 State: AK
 Expiration Date of Certification or License: June 30, 2015

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____

Did Did Not Inspect Property

USPAP ADDENDUM

File No. WL14515

Borrower: N/A
 Property Address: 137 West Egan Drive
 City: Valdez County: None State: AK Zip Code: 99686
 Lender: City of Valdez

APPRAISAL AND REPORT IDENTIFICATION

This report was prepared under the following USPAP reporting option:

- Appraisal Report** A written report prepared under Standards Rule 2-2(a).
- Restricted Appraisal Report** A written report prepared under Standards Rule 2-2(b).

Reasonable Exposure Time

My opinion of a reasonable exposure time for the subject property at the market value stated in this report is: 120 to 180 days.

Additional Certifications

- 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.
- I **HAVE** performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

Cost data for insurance report and mortgage loan appraisal.

Additional Comments

<p>APPRAISER:</p> <p>Signature:  Name: <u>William Larick, Sr.</u> Date Signed: <u>09/11/2014</u> State Certification #: <u>9</u> or State License #: _____ or Other (describe): _____ State #: _____ State: <u>AK</u> Expiration Date of Certification or License: <u>June 30, 2015</u> Effective Date of Appraisal: <u>August 26, 2014</u></p>	<p>SUPERVISORY APPRAISER (only if required):</p> <p>Signature: _____ Name: _____ Date Signed: _____ State Certification #: _____ or State License #: _____ State: _____ Expiration Date of Certification or License: _____ Supervisory Appraiser inspection of Subject Property: <input type="checkbox"/> Did Not <input type="checkbox"/> Exterior-only from street <input type="checkbox"/> Interior and Exterior</p>
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SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: N/A	File No.: WL14515	
Property Address: 137 West Egan Drive	Case No.:	
City: Valdez	State: AK	Zip: 99686
Lender: City of Valdez		



**FRONT VIEW OF
SUBJECT PROPERTY**

Appraised Date: August 26, 2014
Appraised Value: \$ 241,000



**REAR VIEW OF
SUBJECT PROPERTY**



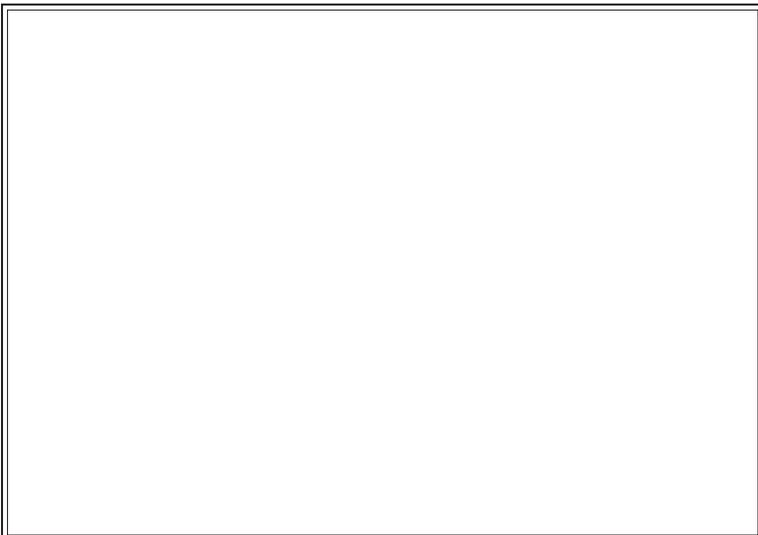
STREET SCENE

SUBJECT PHOTOS

Borrower: N/A	File No.: WL14515	
Property Address: 137 West Egan Drive	Case No.:	
City: Valdez	State: AK	Zip: 99686
Lender: City of Valdez		

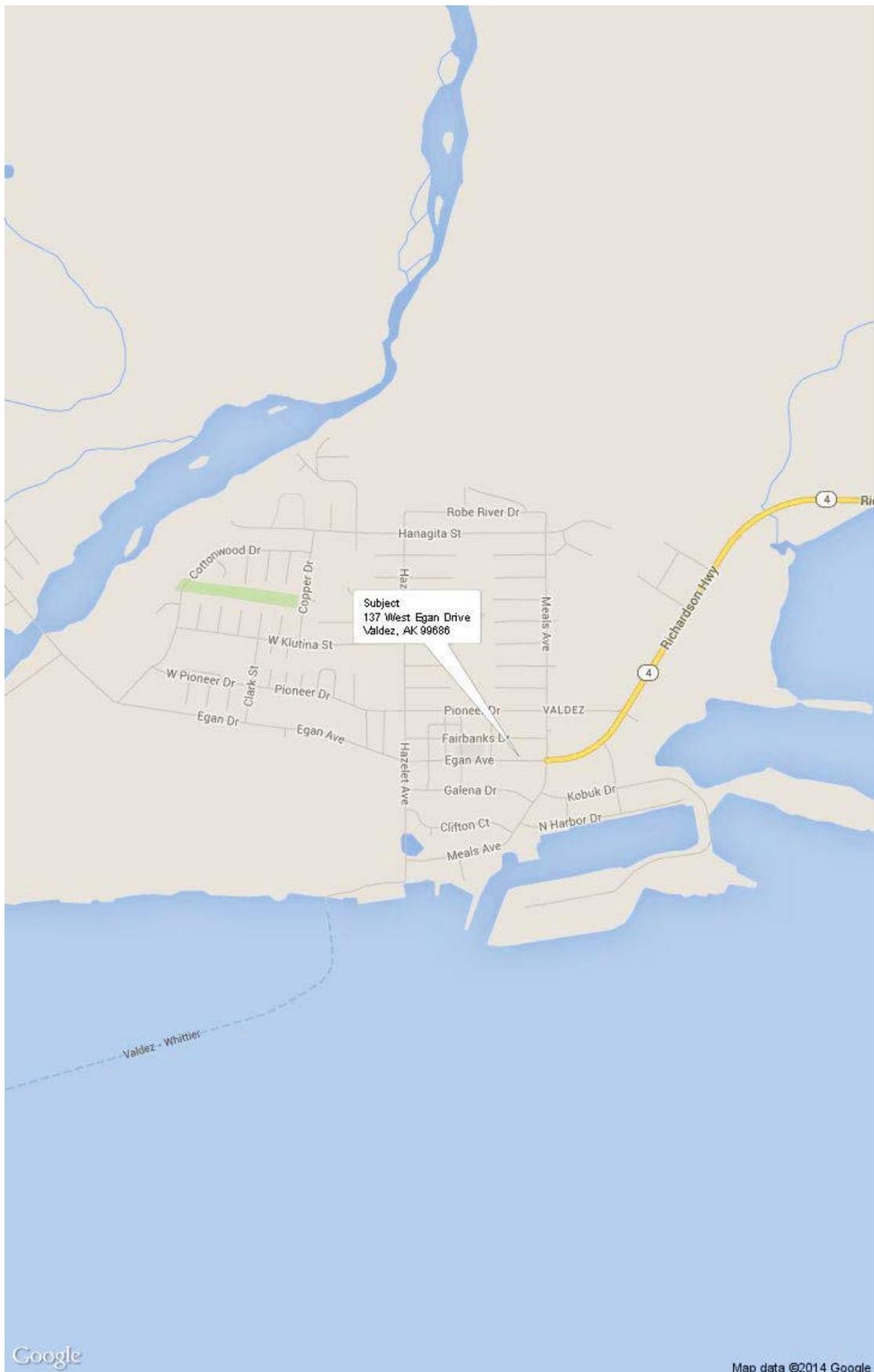


VIEW OF THE SUBJECT SITE



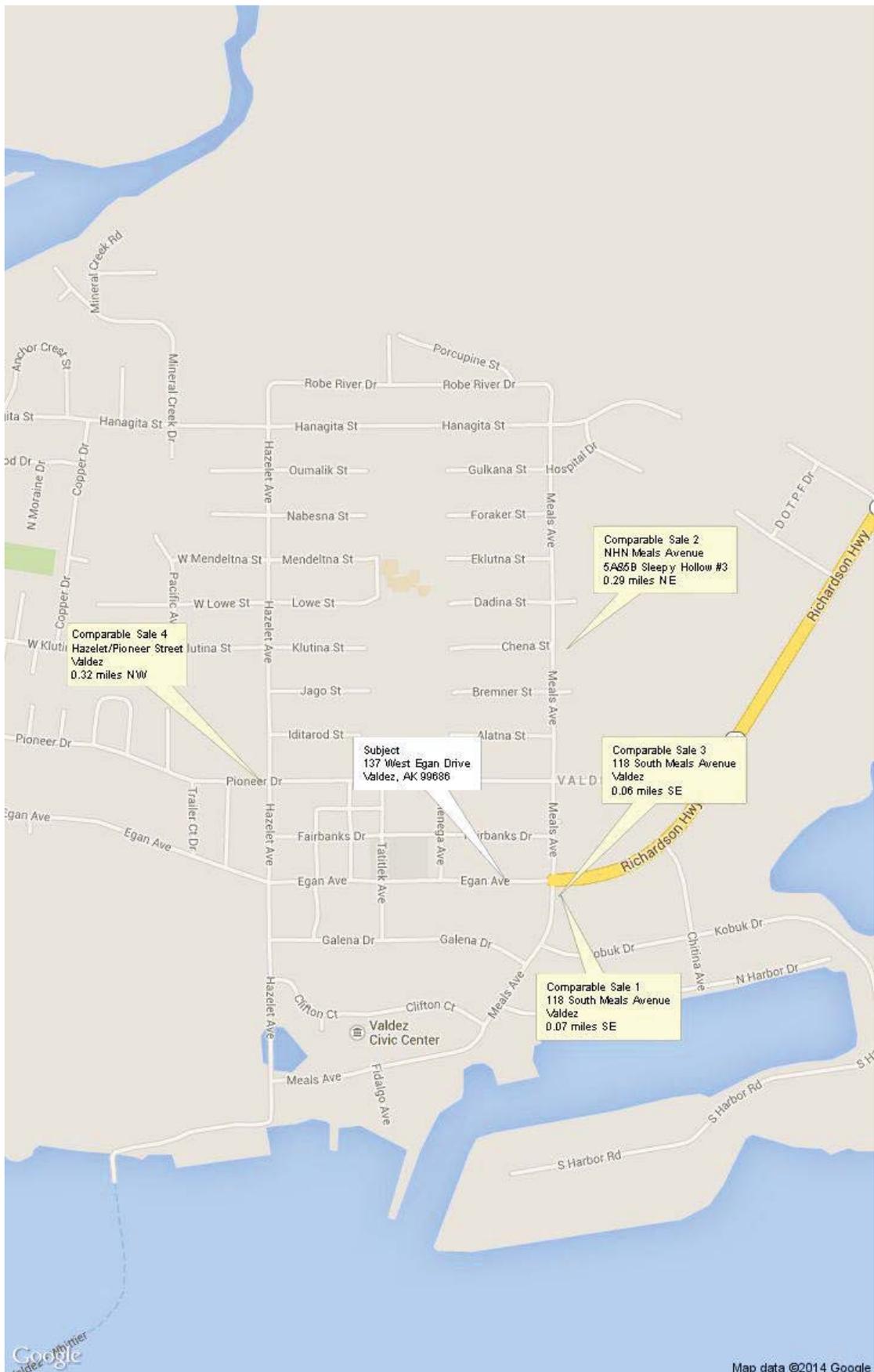
LOCATION MAP

Borrower: N/A	File No.: WL14515	
Property Address: 137 West Egan Drive	Case No.:	
City: Valdez	State: AK	Zip: 99686
Lender: City of Valdez		



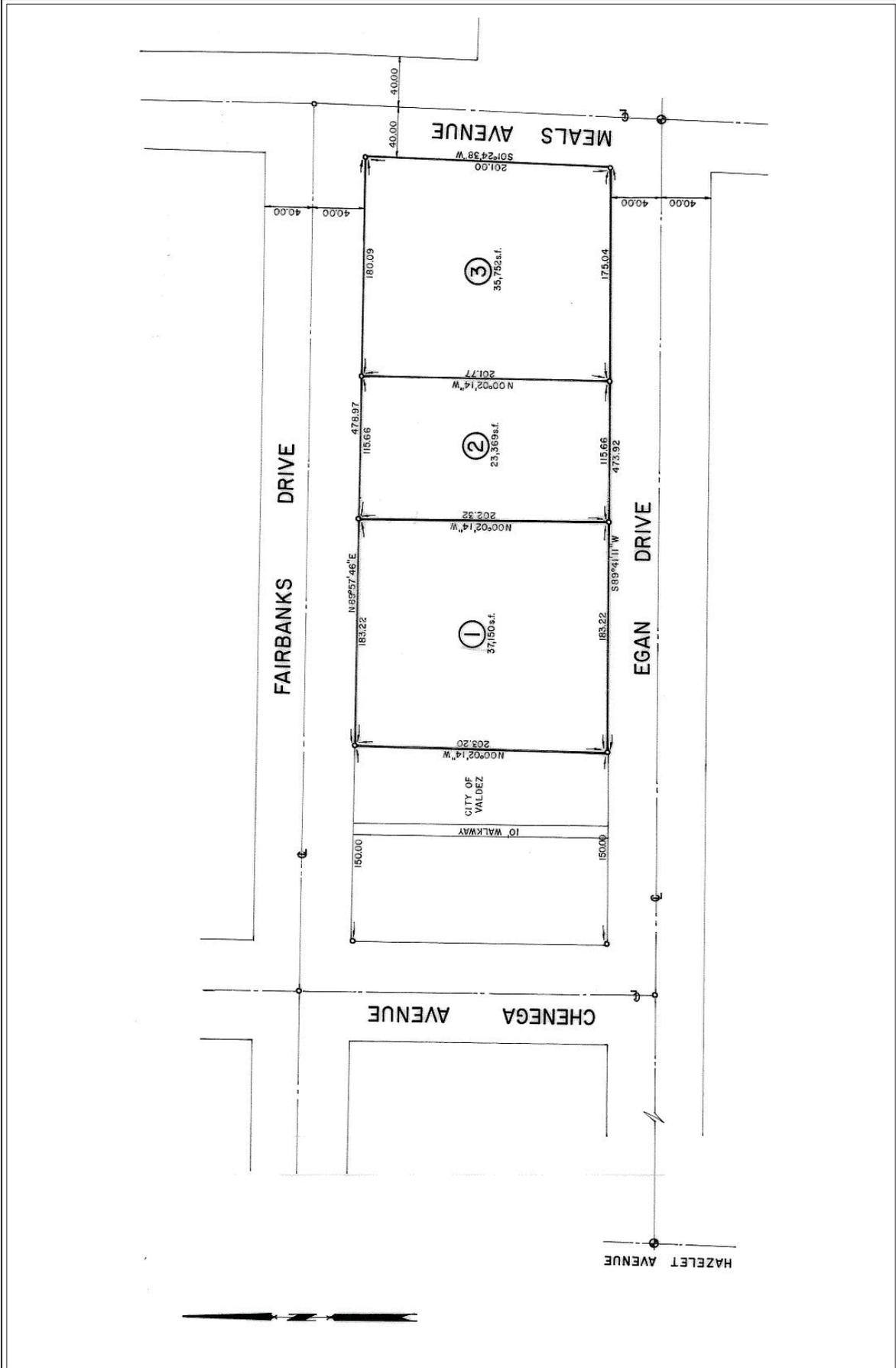
COMPARABLES SALES AND LISTING MAP

Borrower: N/A	File No.: WL14515	
Property Address: 137 West Egan Drive	Case No.:	
City: Valdez	State: AK	Zip: 99686
Lender: City of Valdez		



PLAT MAP

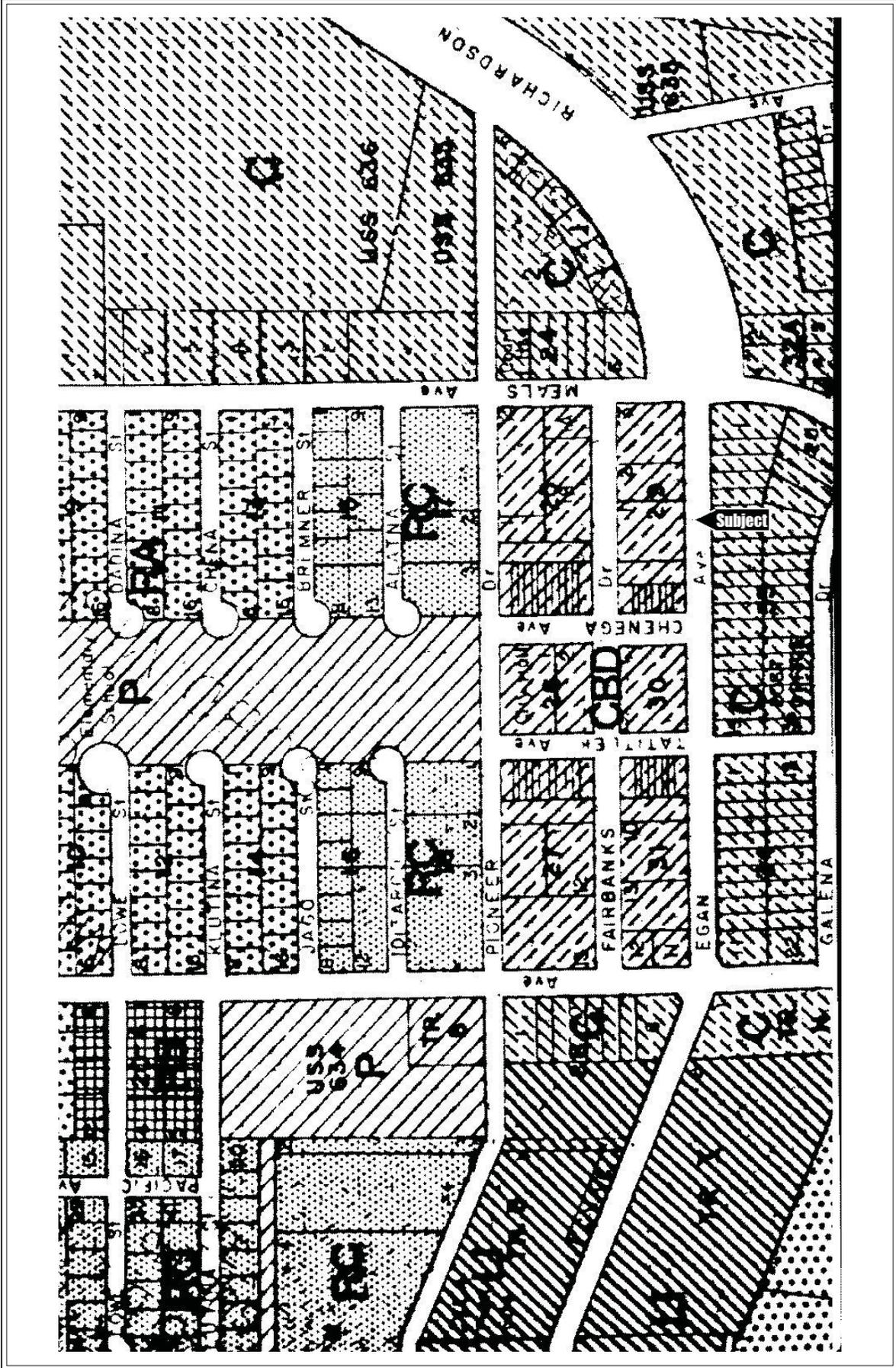
Borrower: N/A File No.: WL14515
Property Address: 137 West Egan Drive Case No.:
City: Valdez State: AK Zip: 99686
Lender: City of Valdez



ZONING MAP

Borrower: N/A
Property Address: 137 West Egan Drive
City: Valdez
Lender: City of Valdez

File No.: WL14515
Case No.:
State: AK
Zip: 99686



AERIAL MAP

Borrower: N/A
Property Address: 137 West Egan Drive
City: Valdez
Lender: City of Valdez

File No.: WL14515
Case No.:
State: AK
Zip: 99686

