

APPRAISAL OF REAL PROPERTY - VACANT LAND

5.74 Acre Assembled Vacant Site



LOCATED AT

2405 & 2413 Seward Highway
Seward, AK 99664
Long Legals - See Addendum

FOR

City of Seward - Jodi Kurtz
410 Adams St.
Seward, AK 99664

OPINION OF VALUE

\$625,000

AS OF

2/25/2022

BY

Clint Lentfer, MBA, SRA
Alaska Appraisal & Consulting Group
4305 Old International Airport Rd Suite 206
Anchorage, AK 99502
907-677-7701
clint@akacg.com

LAND APPRAISAL REPORT

File No.:

Property Address: 2405 & 2413 Seward Highway		City: Seward		State: AK		Zip Code: 99664							
County: Valdez		Legal Description: Long Legals - See Addendum											
SUBJECT	Assessor's Parcel #: 145-021-33 & 145-021-40		Tax Year: 2021		R.E. Taxes: \$ 4,123		Special Assessments: \$ unknown						
	Market Area Name: Seward, Alaska		Map Reference:			Census Tract: 0013.00							
	Current Owner of Record: Thomas Gillespie		Borrower (if applicable):		City of Seward								
	Project Type (if applicable): <input type="checkbox"/> PUD <input type="checkbox"/> De Minimis PUD <input checked="" type="checkbox"/> Other (describe) Vacant Land		HOA: \$		<input type="checkbox"/> per year <input type="checkbox"/> per month								
Are there any existing improvements to the property? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If Yes, indicate current occupancy: <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant <input type="checkbox"/> Not habitable													
If Yes, give a brief description: Both sites are vacant and unimproved - large open cleared areas near the center, some trees around the periphery of the sites. The site was fully snow covered during my inspection, but I have reviewed historical photos and it appears the site was mostly gravel soils and generally level. No improvements noted.													
ASSIGNMENT	The purpose of this appraisal is to develop an opinion of: <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe)												
	This report reflects the following value (if not Current, see comments): <input checked="" type="checkbox"/> Current (the Inspection Date is the Effective Date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective												
	Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)												
	Intended Use: Intended use of the appraisal is for internal analysis / potential sale / marketing purposes only. Intended users are City of Seward and owner - Thomas Gillespie, n other users or uses allowed to use any information in this appraisal report. Appraised "As Is" as if vacant and unimproved.												
Intended User(s) (by name or type): City of Valdez, Thomas Gillespie and their assigns only - no other intended users or uses.													
Client: City of Seward - Jodi Kurtz Address: 410 Adams St., Seward, AK 99664													
Appraiser: Clint Lentfer, MBA, SRA Address: 4305 Old International Airport Rd Suite 206, Anchorage, AK 99502													
MARKET AREA DESCRIPTION	Characteristics		Predominant Occupancy		One-Unit Housing		Present Land Use		Change in Land Use				
	Location: <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural				PRICE AGE		One-Unit 60 %		<input checked="" type="checkbox"/> Not Likely				
	Built up: <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		<input checked="" type="checkbox"/> Owner 60		\$(000) (yrs)		2-4 Unit 5 %		<input type="checkbox"/> Likely * <input type="checkbox"/> In Process *				
	Growth rate: <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow		<input checked="" type="checkbox"/> Tenant 10		125 Low 1		Multi-Unit 5 %		* To: _____				
	Property values: <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		<input type="checkbox"/> Vacant (0-5%)		600 High 50		Comm'l 15 %						
	Demand/supply: <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply		<input checked="" type="checkbox"/> Vacant (>5%)		275 Pred 30		Vacant 15 %						
	Marketing time: <input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 3-6 Mos. <input type="checkbox"/> Over 6 Mos.												
	Factors Affecting Marketability												
	Item		Good	Average	Fair	Poor	N/A	Item	Good	Average	Fair	Poor	N/A
	Employment Stability		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequacy of Utilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Employment		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Property Compatibility	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Convenience to Shopping		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Protection from Detrimental Conditions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Convenience to Schools		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Police and Fire Protection	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Adequacy of Public Transportation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	General Appearance of Properties	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Recreational Facilities		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appeal to Market	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Market Area Comments: The subject is located along the western side of the Seward Highway north of the Seward town center, with good frontage, visibility and access along the main thoroughfare / access to downtown Seward, approximately 120 miles south of Anchorage, with primary access from the Seward Highway or the Alaska Marine Ferry System. The site is considered to have a good location, with publicly maintained streets year round, with electricity assumed along the eastern edge of the sites - typical utilities for this type of site. Recent sales data is available in the area; however somewhat limited, due to the relatively small market and lack of available commercial vacant land inventory. The majority of lots in the area are fully improved, with state and city maintained roads providing access and good visibility to the surrounding areas. The immediate neighborhood is a mixed-use residential / commercial area north of downtown Seward, considered an above average location for commercial uses, close enough to enjoy all the amenities of the City of Seward, with good year round access to the site. Appraised as if vacant and unimproved "As Is". See COVID-19 discussion in addenda. The Seward market is generally stable, with slightly increasing values, however there is a lack of larger, commercially zoned lots in close proximity to the downtown area, putting slight upward pressure on those type of parcels, offset by the larger size and location north of downtown. The site was fully snow covered during my inspection; however, historical photos indicate the site is mostly good gravel soils and ready for development.													
Dimensions: Two separate lots - both Irregular shaped - see maps Site Area: 5.74 Acres													
Zoning Classification: Auto Commercial District Description: This zoning allows for many types of commercial uses. See City of Seward - Planning and Zoning for all allowable uses.													
Do present improvements comply with existing zoning requirements? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> No Improvements													
Uses allowed under current zoning: Multiple commercial uses allowed - defined under zoning - See City of Seward for full description of zoning and allowable uses. Appraised as if vacant and unimproved. Appraised "As Is".													
Are CC&Rs applicable? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Unknown Have the documents been reviewed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Ground Rent (if applicable) \$ _____ / _____													
Comments:													
Highest & Best Use as improved: <input type="checkbox"/> Present use, or <input checked="" type="checkbox"/> Other use (explain) Commercial Vacant Lot - **ASSUMED on-site water and sewer systems are possible** 2405 Seward Hwy=4.6 Acres / 2405 Seward Hwy=1.14 Acres -- Assembled site is 5.74 acres													
Actual Use as of Effective Date: Vacant Land Use as appraised in this report: Vacant Land													
Summary of Highest & Best Use: Subject consists of two adjoining commercially zoned vacant lots with good frontage, access, and visibility along the Seward Highway, north of downtown Valdez, on the main thoroughfare through town. It is assumed electricity is available to the sites, and that the site is generally level as site was fully snow covered during my inspection on 2/25/22022. Historical photos show lot has mostly cleared gravel areas near the center of the site and trees around the periphery. The commercial zoning allows for multiple commercial uses, with good frontage, access and visibility along the Seward Hwy, with the site appearing to be mostly useable. The 5.74 acre assembled site has positive physical attributes & zoning are all favorable attributes for the market. Assumed on-site well & septic are possible.													
SITE DESCRIPTION	Utilities		Public	Other	Provider/Description		Off-site Improvements		Type	Public	Private	Frontage	Seward Highway - Good
	Electricity		<input checked="" type="checkbox"/>	<input type="checkbox"/>	Chugach Elec		Street		Paved - visibility & access	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Topography	
	Gas		<input type="checkbox"/>	<input type="checkbox"/>	None		Width		Typical / good			Size	
	Water		<input type="checkbox"/>	<input type="checkbox"/>	None		Surface		Paved			Shape	
	Sanitary Sewer		<input type="checkbox"/>	<input type="checkbox"/>	None		Curb/Gutter		None	<input type="checkbox"/>	<input type="checkbox"/>	Drainage	
	Storm Sewer		<input type="checkbox"/>	<input type="checkbox"/>	None		Sidewalk		None	<input type="checkbox"/>	<input type="checkbox"/>	View	
	Telephone		<input type="checkbox"/>	<input type="checkbox"/>	Local		Street Lights		None	<input type="checkbox"/>	<input type="checkbox"/>	subject site	
	Multimedia												

LAND APPRAISAL REPORT

File No.:

TRANSFER HISTORY

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): MLS, State of Alaska Recorders Office, Owner

1st Prior Subject Sale/Transfer

Analysis of sale/transfer history and/or any current agreement of sale/listing: No 36 month prior sale for subject. No sales of comps within the past 12 months discovered. Larger adjustments and the use of older sales in the analysis was unavoidable, and are typical in this sector of the Seward vacant land market due to lack of market activity, unique property characteristics, access, visibility, size, view, soils, etc., with general and specific locations and overall attributes of sites also playing a role in the value.

Date:

Price:

Source(s):

2nd Prior Subject Sale/Transfer

Date:

Price:

Source(s):

SALES COMPARISON APPROACH

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	<u>2405 & 2413 Seward Highway</u> <u>Seward, AK 99664</u>	<u>31620 Herman Lierer Rd</u> <u>Seward, AK 99664</u>		<u>11796 Hummingbird Ln</u> <u>Seward, AK 99664</u>		<u>12520 Seward Hwy</u> <u>Seward, AK 99664</u>	
Proximity to Subject		<u>1.17 miles NW</u>		<u>0.81 miles N</u>		<u>1.76 miles NE</u>	
Sale Price	\$		\$ <u>150,000</u>		\$ <u>165,000</u>		\$ <u>195,000</u>
Price/ Acre	\$	\$ <u>161,290.32</u>		\$ <u>33,950.62</u>		\$ <u>114,035.09</u>	
Data Source(s)	<u>State of AK</u>	<u>Seller, Realtor/MLS#21-11938</u>		<u>Seller, Realtor/MLS#20-5825</u>		<u>Seller, Realtor/MLS#21-10853</u>	
Verification Source(s)	<u>Rec. Office</u>	<u>Ak Rec. Office</u>		<u>Ak Rec. Office</u>		<u>Ak Rec. Office</u>	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+ (-) % Adjust	DESCRIPTION	+ (-) % Adjust	DESCRIPTION	+ (-) % Adjust
Sales or Financing Concessions	<u>N/A</u>	<u>Cash</u>		<u>Cash</u>		<u>Conventional</u>	
		<u>None Noted</u>		<u>None Noted</u>		<u>None Noted</u>	
Date of Sale/Time	<u>N/A</u>	<u>August 2021</u>		<u>August 2021</u>		<u>October 2021</u>	
Rights Appraised	<u>Fee Simple</u>	<u>Fee Simple</u>		<u>Fee Simple</u>		<u>Fee Simple</u>	
Location	<u>Good-Seward Hwy</u>	<u>Avg+/Herman Lierer Rd</u>		<u>Avg/Herman Lierer area</u>		<u>Avg+Seward Hwy</u>	
Site Area (in Acres)	<u>5.74</u>	<u>0.93</u>		<u>4.86</u>		<u>1.71</u>	
Zoning	<u>Commercial</u>	<u>Unzoned</u>		<u>Unzoned</u>		<u>Unzoned</u>	
Site attributes:	<u>Good vis & access</u>	<u>Avg vis & access</u>		<u>No vis&avg access</u>		<u>Good vis & access</u>	
Utilities	<u>Elec. to edge</u>	<u>Elec. to edge</u>		<u>Elec. to edge</u>		<u>Elec. to edge</u>	
Lot Chx. / improvements	<u>level site/road access</u>	<u>Sim site chx</u>		<u>Sim site chx</u>		<u>Cabin+connex(adj.)</u>	
Overall Adjusted \$/SF	<u>Adj. are in % of SP</u>	<u>\$4.81/SF</u>		<u>\$1.17/SF</u>		<u>\$2.88/SF</u>	
Net Adjustment (Total, in \$)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>45,000</u>		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>82,500</u>		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>19,500</u>	
Net Adjustment (Total, in % of S.P.)			<u>(30 % of S.P.)</u>		<u>(50 % of S.P.)</u>		<u>(10 % of S.P.)</u>
Adjusted Sale Price (in \$)		\$ <u>195,000</u>		\$ <u>247,500</u>		\$ <u>214,500</u>	
Summary of Sales Comparison Approach <u>See attached addenda.</u>							

PUD

PROJECT INFORMATION FOR PUDs (if applicable) ☐ The Subject is part of a Planned Unit Development.

Legal Name of Project: N/A

Describe common elements and recreational facilities: None - Vacant Lot

RECONCILIATION

Indicated Value by: Sales Comparison Approach \$ 625,000

Final Reconciliation The comparables reflect the most applicable vacant site sales in the Seward market that provide good overall support for the subjects concluded value - comparables bracket the final value conclusion of \$625,000 is well supported.

This appraisal is made ☒ "as is", or ☐ subject to the following conditions: Appraised "As Is".

☐ This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based upon an inspection of the subject property, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 625,000, as of: 2/25/2022, which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

ATTACH.


A true and complete copy of this report contains 17 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report, which contains the following attached exhibits: ☐ Scope of Work ☐ Limiting cond./Certifications ☐ Narrative Addendum ☒ Location Map(s) ☐ Flood Addendum ☒ Additional Sales ☒ Photo Addenda ☒ Parcel Map ☐ Hypothetical Conditions ☐ Extraordinary Assumptions ☐

SIGNATURES

Client Contact: Jodi Kurtz Client Name: City of Seward - Jodi Kurtz

E-Mail: jkurtz@cityofseward.net Address: 410 Adams St., Seward, AK 99664

APPRAISER



Appraiser Name: Clint Lentfer, MBA, SRA

Company: Alaska Appraisal & Consulting Group

Phone: 907-677-7701 Fax: _____

E-Mail: clint@akacg.com

Date of Report (Signature): 03/03/2022

License or Certification #: 506 State: AK

Designation: SRA

Expiration Date of License or Certification: 06/30/2023

Inspection of Subject: ☒ Did Inspect ☐ Did Not Inspect (Desktop)

Date of Inspection: 2/25/2022

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name: _____

Company: _____

Phone: _____ Fax: _____

E-Mail: _____

Date of Report (Signature): _____

License or Certification #: _____ State: _____

Designation: _____

Expiration Date of License or Certification: _____

Inspection of Subject: ☐ Did Inspect ☐ Did Not Inspect

Date of Inspection: _____

ADDITIONAL COMPARABLE SALES

File No.:

[illegible]

Supplemental Addendum					File No.	
Borrower	City of Seward					
Property Address	2405 & 2413 Seward Highway					
City	Seward	County	Valdez	State	AK	Zip Code 99664
Lender/Client	City of Seward - Jodi Kurtz					

Summary and Discussion of Sales Comparison Approach

I have reviewed the most recent, most applicable vacant land transactions in the Seward market for sales that could compete with the subject in some fashion, with a total of five comparables analyzed (more reviewed - but not included due to various differences). There is not significant market activity for commercially zoned vacant land in the local Seward market; therefore, I had to expand my search area and criteria - making respective adjustments for various attributes, with the comps analyzed providing overall good per unit indicators after adjustments. The two subject parcels are adjacent to one another and under common ownership, and it was concluded the highest and best use would be to develop the two lots as a larger 5.74 acre assembled site. Sales 1, 2, & 3 are most locationally similar, with S3 located about 1.75 miles north of the subject with similar Seward Highway frontage, but considered to have overall inferior location north of town and outside of the zoning area. Respective adjustments were necessary to these three comps to reflect various attributes including inferior locations with inferior visibility and access, adjustments made to reflect lack of zoning, and respective adjustments to reflect inferior frontage / access and visibility. I have expanded my search parameters (date of sale, site size, zoning, location) to reflect the most recent sales of similar commercially viable properties, and after adjustments, the data provide good data for analysis. Numerous percentage adjustments were necessary to reflect the differing attributes, and after adjustments the price per SF indicators are considered overall supportive. The overall adjusted SP of the comparables provides an additional indicator, however due to the varying sizes of the comparables, the overall adjusted \$/SF is considered a better indicator, providing an overall supportive range for the subject site. Comps S-1, S-2, S-3 & S-4 provide the best \$/SF indicators for analysis. The concluded adjusted \$/SF range is about \$1.17/SF to \$4.81/SF (excluding extreme outlier - smaller site S-5), overall average of about \$3.35/SF -considered a high per unit indicator as all comps are smaller than the subject. S-3 is considered a good overall indicator, as it is a similarly located parcel with frontage / access / visibility on the Seward Highway just north of the subject, but considered an inferior location.

Final value considers the larger size of the assembled site (larger sites typically have lower per unit indicators), somewhat offset by the overall site attributes and cleared nature of the site with good gravel soils assumed. The subject was reportedly listed for sale at \$590,000 a few years ago prior to COVID-19, which stagnated development in many sectors of the market. The concluded \$/SF range of \$2.40/SF to \$2.60/SF is concluded, with an ensuing value range for the assembled site as follows:
5.74 Acres (250,034 SF) x \$2.40 = \$600,000 to 5.74 Acres (250,034 SF) x \$2.60 = \$650,000.

Final Value Range of \$600,000 to \$650,000 well supported, with a **concluded value of \$625,000** for the **5.74 acre** assembled site, well supported by the comps analyzed and historical sales of vacant, commercially zoned lots in the Seward market.

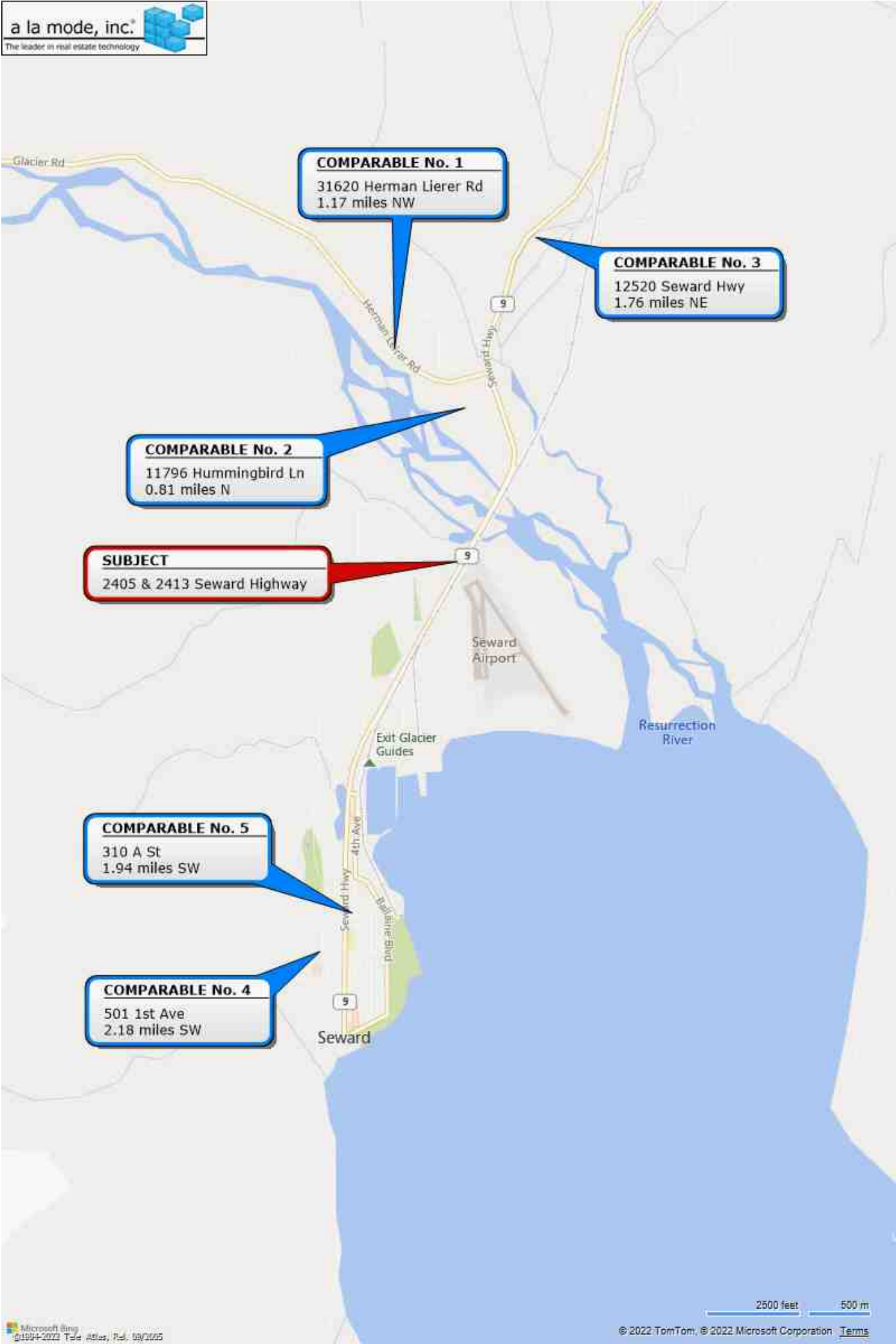
LEGAL DESCRIPTIONS

2405 Seward Highway - T 1N R 1W SEC 34 Seward Meridian SW THAT PORTION OF THE NE1/4 NE1/4 BOUNDED ON THE EAST BY THE ALASKA RAILROAD ROW & SEWARD HWY & ON THE SOUTH BY LOT 13 FORT R AYMOND SUB & ON THE NORTHEAST BY TRACT B OF DIECKGRAEFF-GILLESPIE REPLAT

2413 Seward Highway - T 1N R 1W SEC 34 Seward Meridian SW 2012017 FOREST ACRES SUB LEVEE REPLAT LOT B1

Location Map

Borrower	City of Seward				
Property Address	2405 & 2413 Seward Highway				
City	Seward	County	Valdez	State	AK
Lender/Client	City of Seward - Jodi Kurtz				
				Zip Code	99664



Subject Photo Page

Borrower	City of Seward				
Property Address	2405 & 2413 Seward Highway				
City	Seward	County	Valdez	State	AK Zip Code 99664
Lender/Client	City of Seward - Jodi Kurtz				



Subject site

2405 & 2413 Seward Highway
Sales Price
G.L.A.
Tot. Rooms
Tot. Bedrms.
Tot. Bathrms.
Location Good-Seward Hwy
View
Site 5.74
Quality
Age



Subject site



Subject site

Subject Photo Page

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Subject Site



Subject site

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Subject site

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Subject site



Subject site

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Form MAP.LOC - "TOTAL" appraisal software by a la mode, inc. - 1-800-ALAMODE

Plat Map - Close up - 2413 Seward Highway

Borrower	City of Seward				
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Lender/Client	City of Seward - Jodi Kurtz				
				Zip Code	99664



City of Seward Zoning Map

Borrower	City of Seward				
Property Address	2405 & 2413 Seward Highway				
City	Seward	County	Valdez	State	AK Zip Code 99664
Lender/Client	City of Seward - Jodi Kurtz				

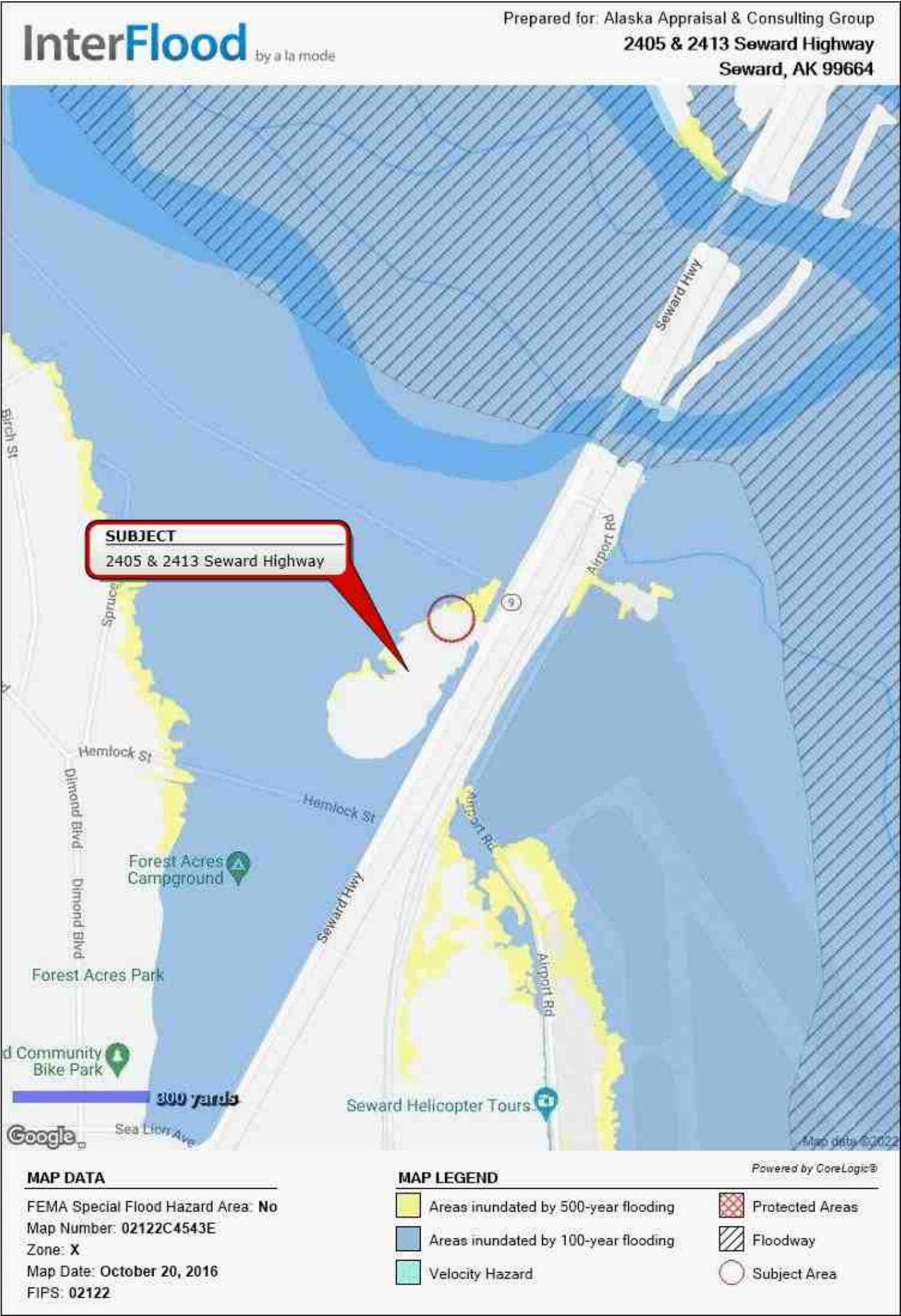
Subject zoning is Auto Commercial



Flood Map

Borrower	City of Seward				
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City	Seward	County	Valdez	State	AK
				Zip Code	99664
Lender/Client	City of Seward - Jodi Kurtz				

Portions of both sites appear to be within the 100 - 500 year floodplains - no adverse affect on value



KPB / City of Seward - Aerial Overview Tax Map

Borrower	City of Seward				
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City	Seward	County	Valdez	State	AK Zip Code 99664
Lender/Client	City of Seward - Jodi Kurtz				



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. (Source: FDIC Interagency Appraisal and Evaluation Guidelines, October 27, 1994.)

* 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 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 valued on the basis of it being under responsible ownership.
2. Any sketch provided in the appraisal report may show approximate dimensions of the improvements and is included only to assist the reader of the report in visualizing the property. The appraiser has made no survey of the property.
3. 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, or as otherwise required by law.
4. Any distribution of valuation between land and improvements in the report applies only under the existing program of utilization. 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.
5. The appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous waste, 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. This appraisal report must not be considered an environmental assessment of the subject property.
6. 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.
7. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
8. 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.
9. 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.
10. The appraiser is not an employee of the company or individual(s) ordering this report and compensation is not contingent upon the reporting of a predetermined value or direction of value or upon an action or event resulting from the analysis, opinions, conclusions, or the use of this report. This assignment is not based on a required minimum, specific valuation, or the approval of a loan.

CERTIFICATION: The appraiser certifies and agrees that:

- 1. The statements of fact contained in this report are true and correct.
- 2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- 3. Unless otherwise indicated, 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.
- 4. I have performed services as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. I appraised the subject for the owner, Larry Reynolds, on June 17, 2016.
- 5. I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- 6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 7. 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.
- 8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- 9. Unless otherwise indicated, I have made a personal inspection of the interior and exterior areas of the property that is the subject of this report, and the exteriors of all properties listed as comparables.
- 10. Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).


COVID - 19 STATEMENTS / DISCLAIMERS -- March 2022

This appraisal report was performed following public awareness that COVID-19 is affecting residents in the United States and Alaska. The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). At the time of this document, COVID-19 was beginning to have widespread health and economic impacts. The effects of COVID-19 on the real estate market in the area of the subject property were not yet measurable based on reliable data. The analyses and opinions in this report are based on the data available to the appraiser at the time of the assignment and apply only as of the effective date indicated. No analyses or opinions contained in this report should be construed as predictions of future market conditions. The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the report.

It is unclear how the COVID 19 crisis will affect the economy, especially as it relates to the Seward real estate market, with likely major economic impacts and possible long-term financial ramifications of the COVID 19 pandemic. Considering the subject is a vacant lot, the prediction is that most things will likely be back to normal within a year as far as local economies are considered, and this analysis is considered reliable. That being said it is unclear what the overall economic impact of an entire nation shutting down for one month or more will affect our local / state / national economies long term, therefore the reader is cautioned regarding any decisions made on the subject, as no-one knows how this will affect the economy and proposed business. There has been a vaccine developed and it is being administered, so hopefully this will begin our trip back to normalcy.

ADDRESS OF PROPERTY ANALYZED: 2405 & 2413 Seward Highway, Seward, AK 99664

APPRAISER:

Signature: 
Name: Clint Lentfer, MBA, SRA
Title: SRA
State Certification #: 506
or State License #:
State: AK Expiration Date of Certification or License: 06/30/2023
Date Signed: 03/03/2022

SUPERVISORY or CO-APPRAISER (if applicable):

Signature: _____
Name: _____
State Certification #: _____
or State License #: _____
State: _____ Expiration Date of Certification or License: _____
Date Signed: _____
☐ Did ☐ Did Not Inspect Property

Borrower	City of Seward	File No.	
Property Address	2405 & 2413 Seward Highway		
City	Seward	County	Valdez
		State	AK
		Zip Code	99664
Lender/Client	City of Seward - Jodi Kurtz		

APPRAISAL AND REPORT IDENTIFICATION

This Report is one of the following types:

☒ Appraisal Report (A written report prepared under Standards Rule 2-2(a) , pursuant to the Scope of Work, as disclosed elsewhere in this report.)

☐ Restricted Appraisal Report (A written report prepared under Standards Rule 2-2(b) , pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

I certify that, to the best of my 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.
- Unless otherwise indicated, 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.
- Unless otherwise indicated, 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 no bias with respect to the property that is the subject of this report or 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 that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Reasonable Exposure Time (USPAP defines Exposure Time as the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.)

My Opinion of Reasonable Exposure Time for the subject property at the market value stated in this report is: 4-8 months

Comments on Appraisal and Report Identification

Note any USPAP-related issues requiring disclosure and any state mandated requirements:


None.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with 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. As of the date of this report, I, Clint Lentfer have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members. The client identified in this report may disclose or provide this appraisal report as required by law or regulation and as necessary to complete or consider the event or transaction for which the appraisal was requested by the client. The appraisers consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media). Receipt of this appraisal report by any party not identified as the client or intended user shall not entitle that recipient to rely on the appraisal for any purpose or to use the appraisal in any manner other than for the intended use by intended users identified in this report.

I have not performed services as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

APPRAISER:



Signature: _____

Name: Clint Lentfer, MBA, SRA

State Certification #: 506

or State License #: _____

State: AK Expiration Date of Certification or License: 06/30/2023

Date of Signature and Report: 03/03/2022

Effective Date of Appraisal: 2/25/2022

Inspection of Subject: ☐ None ☒ Interior and Exterior ☐ Exterior-Only

Date of Inspection (if applicable): 2/25/2022

SUPERVISORY or CO-APPRAISER (if applicable):

Signature: _____

Name: _____

State Certification #: _____

or State License #: _____

State: _____ Expiration Date of Certification or License: _____

Date of Signature: _____

Inspection of Subject: ☐ None ☐ Interior and Exterior ☐ Exterior-Only

Date of Inspection (if applicable): _____