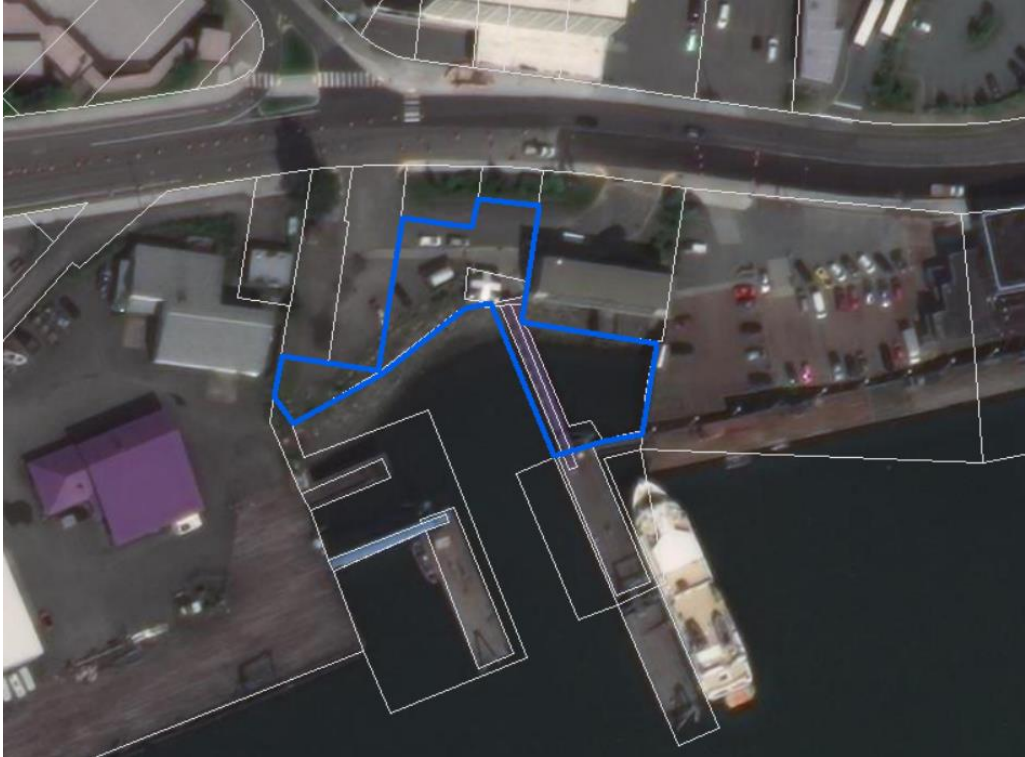


**APPRAISAL REPORT
REAL ESTATE APPRAISAL**

Of
Sea Drome Marina



76 Egan Drive,
Juneau, Alaska
99801

As of
April 30, 2025

Prepared For
Mr. Elias Hastings
Goldbelt Incorporated
3025 Clinton Drive
Juneau, AK, 99801

Prepared by
RAMSEY APPRAISAL RESOURCE
Roger Ramsey, AK-APRG570

File Name:
25-016

RAMSEY APPRAISAL RESOURCE

(907) 723-2936

10615 Horizon Drive
Juneau,
AK, 99801

rogerramsey@mac.com

May 12, 2025

Mr. Elias Hastings
Goldbelt Incorporated
3025 Clinton Drive
Juneau, AK 99801

Re: Appraisal Report, Real Estate Appraisal
Sea Drome Marina
76 Egan Drive, Juneau,
Alaska, 99801

File Name: 25-016

Dear Mr. Hastings:

At your request, I have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject property is 14,955 SF of property that includes uplands, tidelands, and submerged lands. Some of the subject area is leased by Goldbelt Inc. Through the years Goldbelt has built and maintained marine and upland improvements on the subject property. These improvements are not included in this valuation and the subject property will be appraised with the hypothetical condition that it is vacant. While the subject is currently encumbered by a lease, this appraisal assumes that the current lease in place has no effect on the value of the subject property.

Please reference page 10 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis, and valuation methodology.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any services regarding the subject within the three-year period immediately preceding acceptance of this assignment.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 7). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Hypothetical Conditions:

- It is a hypothetical condition that the land is vacant and available for development to its highest and best use.
- it is a hypothetical condition that the land is not encumbered by any leases.

Extraordinary Assumptions:

- It is an extraordinary assumption that the land areas are as estimated and described in this appraisal

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), I have made the following value conclusion(s):

Current As Is Market Value:

The “As Is” market value of the Fee Simple estate of the property, as of April 30, 2025, is

Five Hundred Ninety Thousand Dollars (\$590,000)

The market exposure time preceding April 30, 2025 would have been 6 months and the estimated marketing period as of April 30, 2025 is 6 months.

Respectfully submitted,
Ramsey Appraisal Resource



Roger Ramsey
AK-APRG570

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Summary of Important Facts and Conclusions

GENERAL

Subject: Sea Drome Marina
76 Egan Drive, Juneau,
Alaska 99801

The subject property is 14,955 SF of property that includes uplands, tidelands, and submerged lands. Some of the subject area is leased by Goldbelt Inc. Through the years Goldbelt has built and maintained marine and upland improvements on the subject property. These improvements are not included in this valuation and the subject property will be appraised with the hypothetical condition that it is vacant. While the subject is currently encumbered by a lease, this appraisal assumes that the current lease in place has no effect on the value of the subject property.

Owner: City and Borough of Juneau

Legal Description: 14,944 SF Portion of ATS 3

Date of Report: May 12, 2025

Intended Use: The intended use is for the client's company to negotiate a potential purchase of the subject property.

Intended User(s): The property owner, CBJ and Goldbelt Incorporated.

Assessment:

Real Estate Assessment and Taxes					
Tax ID	Land	Improvements	Total Assessment	Tax Rate	Taxes
1C070K7600	\$480,954	425,373	\$480,954	\$10.04	\$4,829
Totals	\$480,954	\$0	\$480,954		\$4,829

Notes:

Sale History: The subject has not sold in the last three years, according to public records.

**Current
Listing/Contract(s):**

The subject is not currently listed for sale, or under contract.

Portions of the subject property are encumbered by lease, with the areas encumbered leased at a rate of 9% of the fee simple value. For this leased area the agreed upon fee simple value as of 2023 is \$65 per SF for the uplands and \$26 per SF for the tidelands. The leased tide and submerged lands are a mix of good utility submerged lands and tidelands that are used to support a gangway for access to the submerged lands.

Land:

Land Summary						
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
Sea Drome M:	0.34	14,944				

Notes:

Zoning:

Waterfront Commercial

**Highest and Best Use
of the Site:**

Marina for mid-sized tour vessels and upland interfacing

Type of Value:

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

- (1) Buyer and seller are typically motivated.
- (2) Both parties are well informed or well advised and acting in what they consider their own best interests.
- (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.

[1] Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42

VALUE INDICATIONS	
Sales Comparison	\$590,000
Approach:	
Reconciled Value(s):	As Is
Value Conclusion(s)	\$590,000
Effective Date(s)	April 30, 2025
Property Rights	Fee Simple

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Ramsey Appraisal Resource . Information, estimates, and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state, or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements, or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Ramsey Appraisal Resource 's regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Ramsey Appraisal Resource has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value; however this has not been considered or analyzed in this appraisal.**

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users.
- the intended use of the report.
- the type and definition of value.
- the effective date of value.
- assignment conditions.
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for Mr. Elias Hastings, Goldbelt Incorporated. The problem to be solved is to estimate the current 'As Is' market value for asset management purposes. The intended use is for the client's company to negotiate a potential purchase of the subject property. This appraisal is intended for the use of property owner, CBJ and Goldbelt Incorporated.

SCOPE OF WORK	
Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number and maps depicting the area of the assessor parcel to be valued.
Inspection:	On April 30th the appraiser visited the subject property and took pictures from the different sides and corners.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant highest and best use analysis for the subject has been made. Physically possible, legally permissible, and financially feasible uses were considered, and the maximally productive use was concluded.

Type of Value:

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

- (1) Buyer and seller are typically motivated.
- (2) Both parties are well informed or well advised and acting in what they consider their own best interests.
- (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.

[1] Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42

Valuation Analyses

Cost Approach:

A cost approach was not applied as The subject is to be valued as vacant land, therefore this approach does not apply

Sales Comparison Approach:

A sales approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

Income Approach:

An income approach was not applied as while the subject could generate an income stream, the most probable buyer is an owner-occupant.

Hypothetical Conditions:

- It is a hypothetical condition that the land is vacant and available for development to its highest and best use.
- it is a hypothetical condition that the land is not encumbered by any leases.

Extraordinary Assumptions:

- It is an extraordinary assumption that the land areas are as estimated and described in this appraisal

Comments

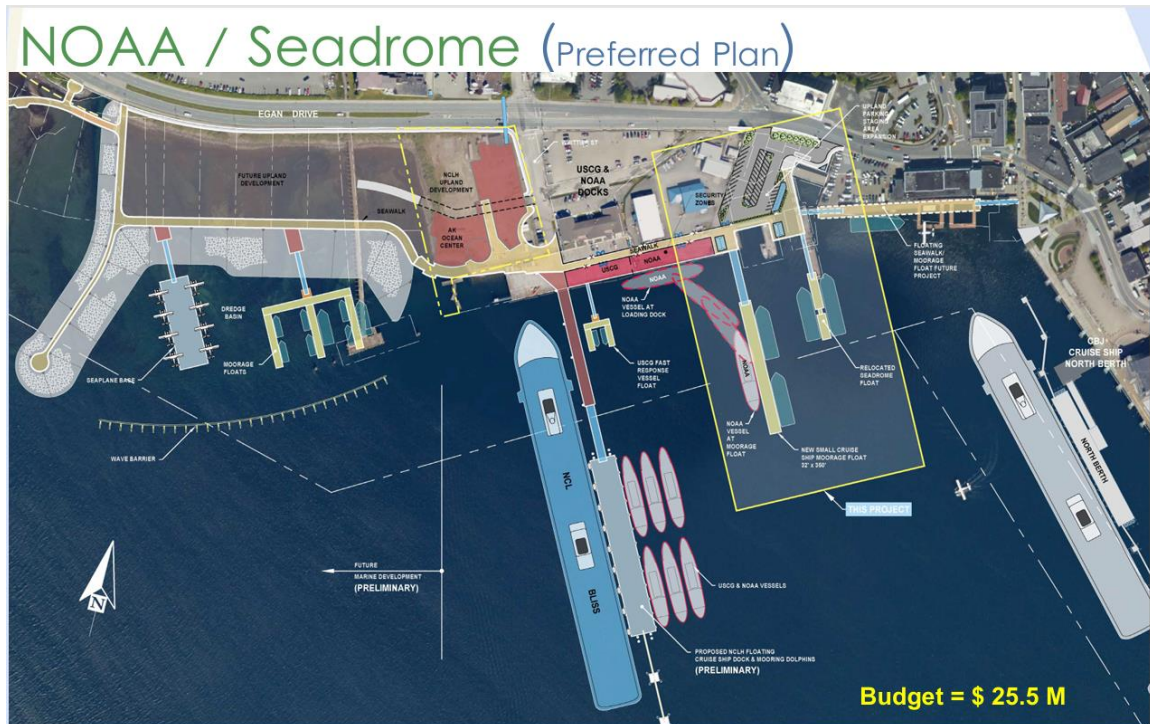
In the process of performing this appraisal the appraiser looked for the best, most recent market data available by requesting an extract from the assessors data base that shows current owners and identifies the dates of property transfers. This was delivered to the appraiser in an excel document. The appraiser then changes it into a DBF file so that it can be loaded into my GIS map, which I can then use to highlight the recent sales for identification.

I called local marine construction contractors to try and get costs for building over the unused portion of the subject tidelands. As of the date of this report I received no response, so I used information I was given in 2024, by Kris Hart of Western Marine.

I was given the Horan and Company appraisal report of the subject by the client, for understanding of the area to be acquired.

I was given leases encumbering the subject property and the lease they have with Merchants wharf. These were reviewed and used for their terms and their indications of value.

I read reports from the CBJ Harbor department on the locations and viability of small cruise ship marinas in Juneau. These reports showed continued growing demand in this sector. Following is what is depicted as the preferred plan for the subject and the area surrounding it.



Above is the preferred plan that was identified in the March 2021 Juneau Small Cruise ship master plan, identifying the subject as a preferred location for further development.

Market Area Analysis

Juneau has been enjoying post covid tourism come back. Cruise ships are here in full force. Independent traveler visitation is strong. According to Steve Kikendal at Tyler Rentals, the local mines are re-permitted and have a positive outlook though many of their employees are out of state residents and cost to mine are going up with fuel. Fishing and fish processing is currently slumped and poised to swing up. This is not as big of a driver in Juneau as in other SE communities. While tourism is on a rise, government jobs are decreasing. DOGE has had significant impact on the number of Federal employees in Juneau. The rate of tourism increases, and jobs associated appear to have outpaced the decrease in lost government jobs, giving Juneau a slightly upward trending economy.

On April 7th the Juneau assembly okayed the Aak'w Landing tideland lease. This is a big news for the contractors in town and will reshape the waterfront and uplands associated. The project according to deputy mayor Greg Smith will cost around \$200 million. As government funding is currently waning, a project like this helps to keep money flowing.

Additionally the Coast Guard is planning on home porting USCGC Storis, in Juneau. It is expected to enter service in Juneau in 2026. According to Juneau Empire article living arrangements for 600 new people will be required. This is also a big boost for the Juneau economy and its future.

The following is excerpted from juneau.org

S&P Global Ratings Rates CBJ Bonds 'AA+' in Vote of Confidence for Juneau's Economic Future

S&P Global Ratings has assigned an 'AA+' rating to the City & Borough of Juneau's series 2023 general obligation (GO) bonds and affirmed the AA+ rating on CBJ's existing GO debt. The AA+ rating indicates a "very strong capacity to meet financial commitments" and is the highest rating usually awarded to communities Juneau's size.

S&P's analysis cited Juneau's strong local economy and good financial-management policies as key factors in the rating. The analysis noted that "long-term economic trajectory will likely remain stable because Juneau has shown resilience to navigate uncertainty."

"This is real evidence of the positive outlook for Juneau's economy," said CBJ Finance Director Jeff Rogers. "The AA+ rating reflects not only CBJ's ongoing commitment to fiscal responsibility but shared efforts throughout the community to restart the local economy and rebound from COVID-19. It's rewarding to see a third party recognize what we're doing right."

The following are excerpts from JDEC latest economic indicator report, which was published in the fall of 2024.

Juneau by the Numbers

	2022	2023	% Change 2022 - 2023
Employment & Wages			
Total Payroll (Millions)	\$1,082.86	\$1,170.51	8.1%
<i>Government (Millions)</i>	\$458.84	\$491.54	7.1%
<i>Service Sector (Millions)</i>	\$434.80	\$475.05	9.3%
<i>Goods-Producing (Millions)</i>	\$189.21	\$203.92	7.8%
Average Wage	\$62,412	\$66,000	5.8%
Average Monthly Employment	17,349	17,722	2.1%
<i>Service Sector</i>	8,646	8,982	3.9%
<i>Goods-Producing</i>	2,119	2,144	1.2%
<i>State of Alaska</i>	3,339	3,270	-2.1%
<i>Local and Tribal</i>	2,542	2,637	3.7%
<i>Federal Civilian</i>	703	688	-2.1%
Commercial Fishing Permits Issued	568	552	-2.8%
Unemployment Rate	2.9%	3.0%	0.1%
Demographics			
Population	31,834	31,549	-0.9%
<i>0 - 19 Years</i>	7,355	7,203	-2.1%
<i>20 - 39 Years</i>	8,703	8,606	-1.1%
<i>40 - 59 Years</i>	8,312	8,136	-2.1%
<i>60 and Over</i>	7,464	7,604	1.9%
Median Age	39.7	39.9	0.5%
Construction & Housing			
New Housing Permits Issued	74	176	137.8%
New Housing Units Built	64	121	89.1%
Median Price of Single-Family Home	\$529,500	\$522,500	-1.3%
Transportation			
Cruise Passenger Arrivals*			2.2%
		*1,677,935 (2024)	
Air Passenger Enplanements	359,312	354,709	-1.3%
Ferry Passenger Arrivals	35,683	41,469	16.2%
Business Sales			
Gross Business Sales (Thousands)	\$3,051,736	\$3,319,161	8.8%



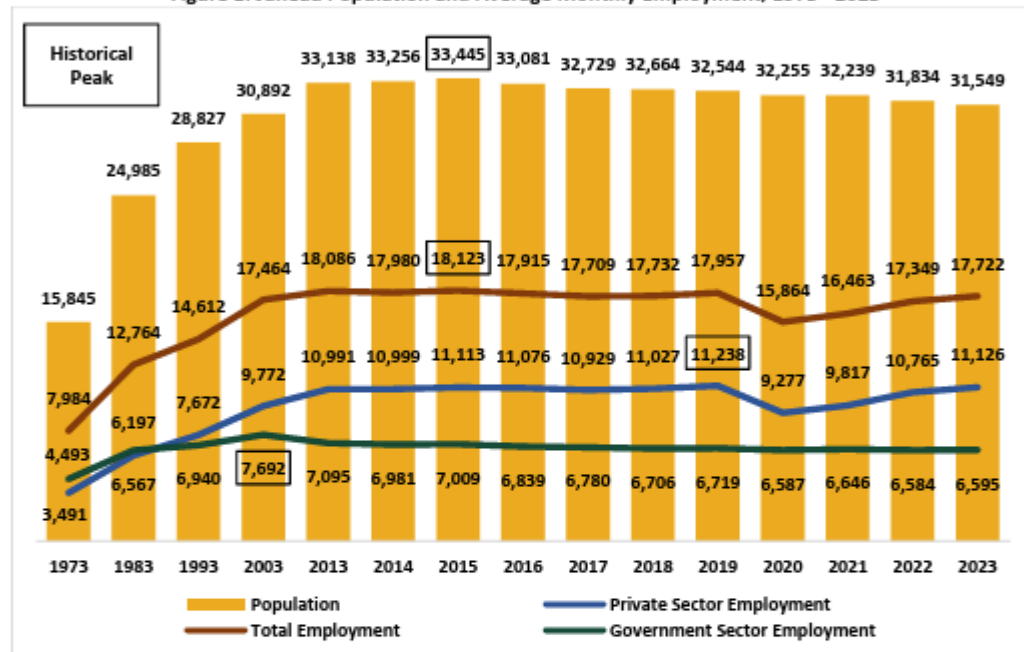
Southeast Alaska by the Numbers

	2022	2023	% Change 2022 - 2023
Employment & Earnings			
Total Payroll (Millions)	\$2,064.31	\$2,265.45	9.7%
<i>Government (Millions)</i>	\$774.04	\$832.28	7.5%
<i>Service Sector (Millions)</i>	\$940.09	\$1,044.19	11.1%
<i>Goods-Producing (Millions)</i>	\$350.17	\$388.98	11.1%
Average Wage	\$57,924	\$61,321	5.9%
Average Monthly Employment	35,638	36,944	3.7%
<i>Service Sector</i>	19,156	20,214	5.5%
<i>Goods-Producing</i>	4,492	4,620	2.9%
<i>State of Alaska</i>	4,333	4,287	-1.1%
<i>Local and Tribal</i>	6,291	6,445	2.5%
<i>Federal Civilian</i>	1,365	1,377	0.9%
Commercial Fishing Permits Issued	4,682	4,625	-1.2%
Unemployment Rate	4.3%	4.2%	-0.1%
Demographics			
Population	71,873	71,077	-1.1%
<i>0-19 Years</i>	16,707	16,334	-2.2%
<i>20-39 Years</i>	18,298	18,048	-1.4%
<i>40-59 Years</i>	18,158	17,843	-1.7%
<i>60 and Over</i>	18,710	18,852	0.8%
Population Without Juneau	40,039	39,528	-1.3%
Median Age Without Juneau	42.4	42.6	0.5%
Construction & Housing			
New Housing Units Built	157	247	57.3%
Without Juneau	93	126	35.5%
Transportation			
Ferry Passengers	118,692	137,718	16.0%
Air Passenger Enplanements	703,914	705,356	0.2%

Employment & Earnings

Juneau's average monthly employment increased by 373 jobs (+2.2%) in 2023 based on preliminary jobs numbers. This follows an increase of 886 jobs (+5.4%) between 2021 and 2022. The private sector added 361 jobs (+3.4%) in 2023, while government jobs (Federal, State, and Local) increased by 11 (+0.2%). This increase was due to growth in Local & Tribal Government employment; Federal & State Government employment both fell in 2023. Figure 1 illustrates Juneau's historical trends in population and average monthly employment.

Figure 1: Juneau Population and Average Monthly Employment, 1973 - 2023



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

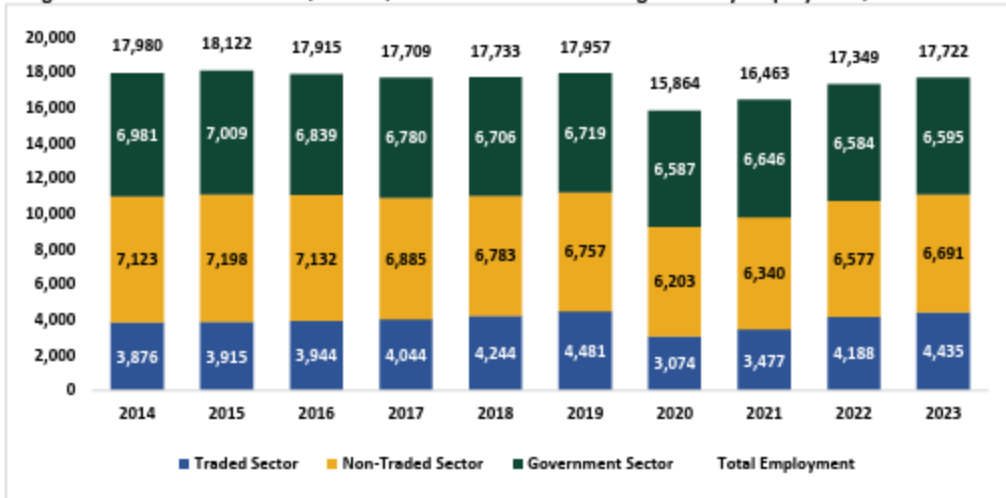
Figure 2 explores annual job counts in Juneau within the Traded, Non-Traded, and Government Sectors.

Juneau's traded industries (like mining, tourism, and manufacturing – including seafood processing) bring revenue into the community from outside. Juneau's traded industries grew by 247 jobs (+5.9%) in 2023, continuing a positive trend after the significant decline in 2020. The number of jobs in Juneau's traded industries in 2023 was 46 below the number of jobs in 2019. Mining saw an increase of 54 jobs (+5.8%) in 2023, the third consecutive year of increases. Tourism added 202 jobs (+7.3%), bringing the industry job count to 94.3% of what it was in 2019.

Juneau's non-traded industries (goods and services consumed where they are produced) saw an overall increase of 114 jobs (+1.7%) in 2023. With this increase, the number of jobs in the non-traded sector was 99.0% of what it was in 2019.



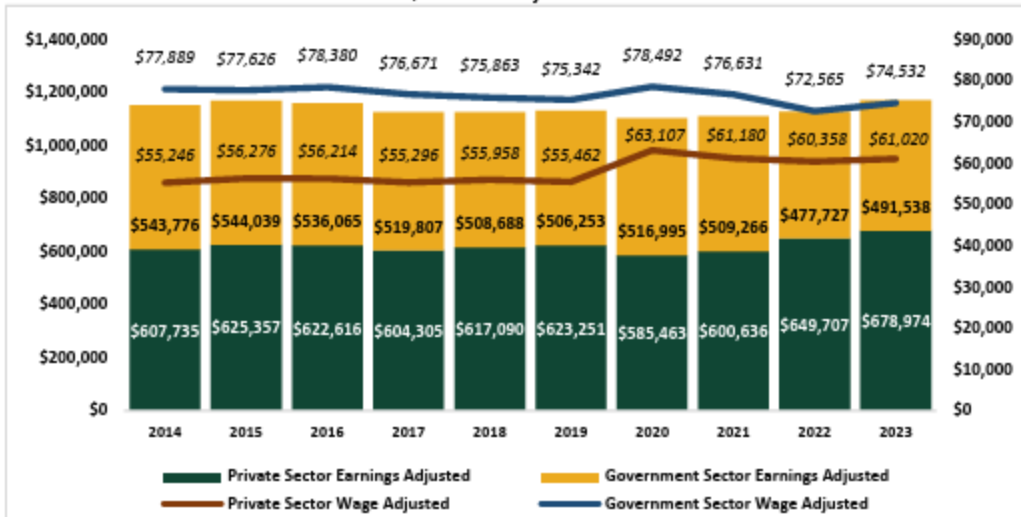
Figure 2: Juneau's Non-Traded, Traded, Government and Total Avg. Monthly Employment, 2014 - 2023



Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages. (Note: Jobs count is for wage and salary jobs, including full and part-time, temporary, or permanent, for all employers. Government sector employment excludes active-duty Coast Guard employment.)

On an inflation-adjusted basis, 2023 total earnings in Juneau increased by \$43.1 million (+3.8%) compared to the previous year, to \$1.17 billion (Figure 3). Private sector earnings increased by \$29.3 million, and government sector earnings increased by \$13.8 million from 2022 to 2023. The inflation-adjusted annual private sector average wage in 2023 was \$662 higher than 2022. The government sector inflation-adjusted average annual wage was \$1,967 higher in 2023 than in 2022. The U.S. annual inflation rate in 2023 was 4.11%, according to the Federal Reserve Bank of St. Louis. This follows an annual inflation rate of 8.00% in 2022.

Figure 3: Juneau's Total Earnings (Thousands) and Average Annual Wages for Private and Government Sectors 2014 – 2023, Inflation Adjusted to 2023 Dollars

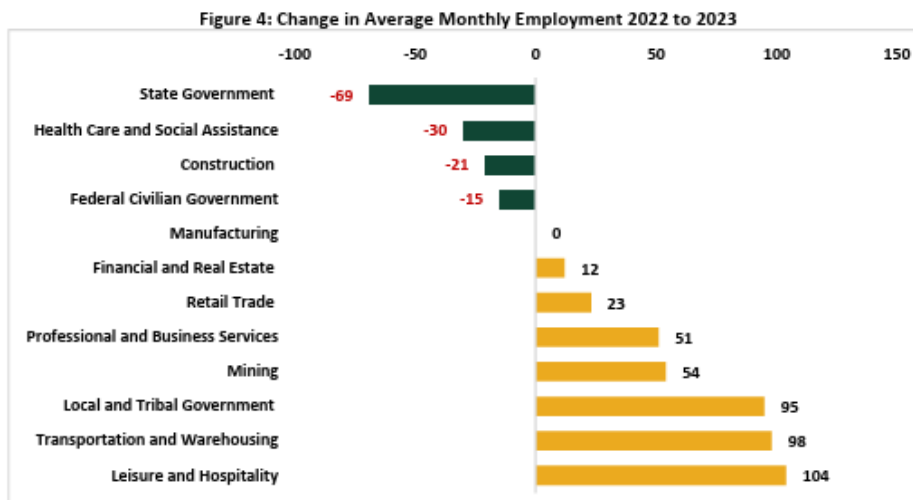


Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages. (Note: Earnings are for wage and salary jobs, including full and part-time, temporary or permanent, for all employers. Government sector earnings are exclusive of active-duty Coast Guard employment.)



Industry Sector Employment & Earnings

In 2023, Juneau continued to experience a decline in the number of State Government jobs. Figure 4 shows that monthly state government employment decreased by 69 jobs in 2023 (compared to losses of 143, 48, and 141 in preceding years). Local and Tribal Government employment increased by 95 jobs, a third consecutive year of growth. Federal Government employment decreased by 15 jobs. Health Care & Social Assistance and Construction saw minor decreases in employment, declining by 30 and 21 respectively. Most other industries saw modest to significant increases in employment and earnings, continuing the trend of recovery post-2020 pandemic. Leisure & Hospitality and Transportation & Warehousing, two industries that are closely related to tourism, grew for a third consecutive year. In 2023, Leisure & Hospitality average monthly employment grew by 104 and Transportation employment grew by 98.



Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages (Note: Local Government includes Juneau School District employment and enterprises such as the Juneau Airport, Docks and Harbors, and Bartlett Regional Hospital. The Federal Civilian Government does not include active-duty Coast Guard personnel stationed in Juneau. Also, the Information sector technically saw the greatest decrease in average monthly employment from 2022 to 2023, but this was not included as it was a result of certain employers changing NAICS codes for their firms.)

Juneau's economy prospers when high paying jobs increase in the community. An analysis of average wages in 2023 and annual compound change in employment from 2019 to 2023 by sector is shown in Figure 5.

Appraisers thoughts and conclusions

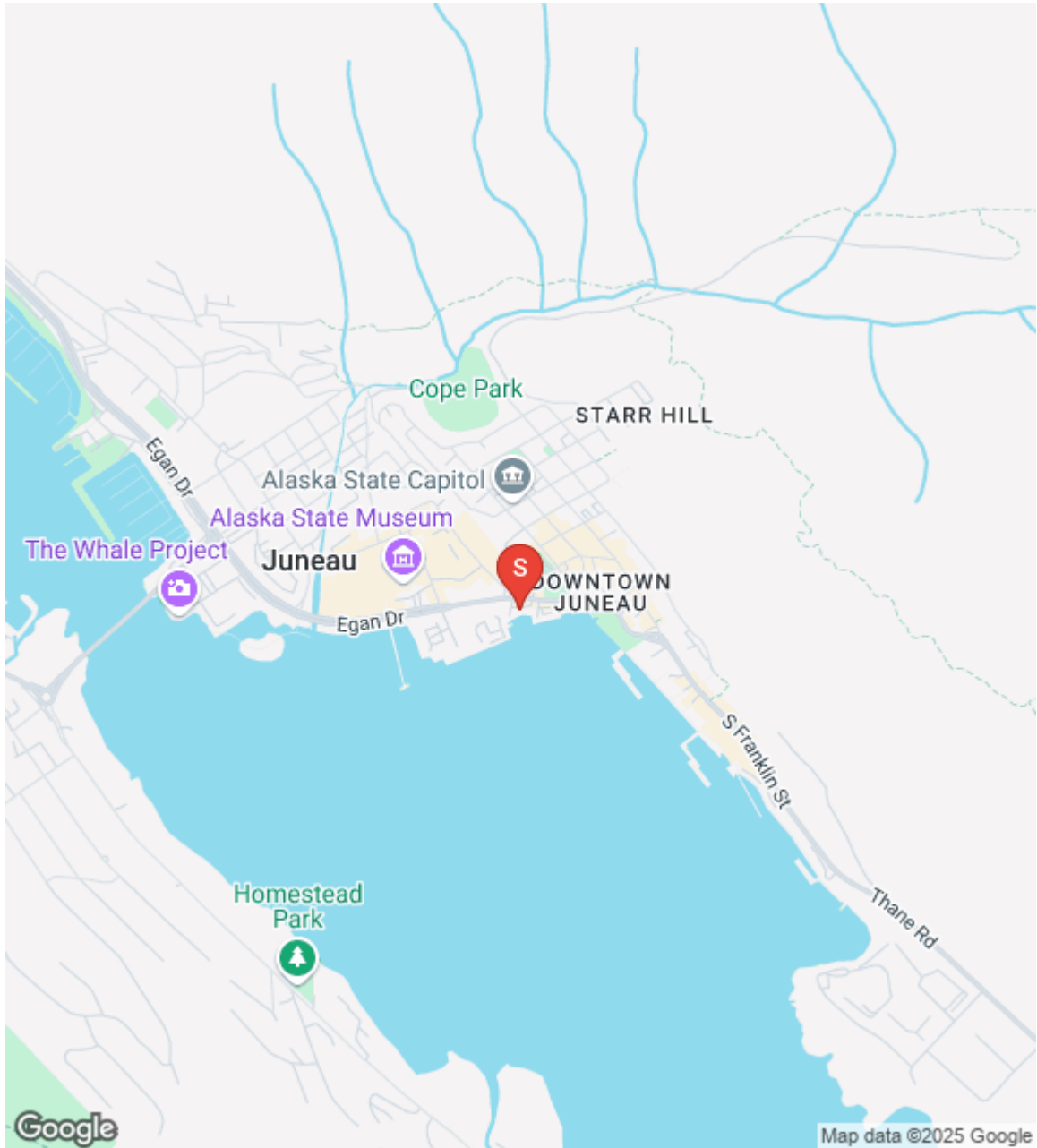
In the recent past Juneau's economy has been strong and earnings have increased, and this had been expected to continue. Currently however, the US executive administration has been making moves that have unsettled the economy. Whether or not these moves will continue to unsettle the economy or whether adjustments will be made to bring confidence back to the market is still unknown. Currently bookings for independent and cruise ship travel are still up and in general Juneau could be a fairly safe haven from much of the potential turmoil, due to the strong mining, fishing, government (USCG increases) and still growing tourism economy. It is my opinion that Juneau's economy will do well in the coming years.

Neighborhood Analysis

As can be seen in the image above the subject is central to the downtown area and in the middle of the waterfront, More development happening with the new USCG Ice Breaker tying up at or near the Coast Guard property and the new proposed Cruise ship dock will continue to make the subject location prime.

The proximity to hotels, restaurants and bars, is a key to demand for small Cruise ships similar to what tie up at the subject. Juneau is the preferred passenger turn around location, due to its airport and hotel availability. Additionally, directly across the street is the down town transit center, which provides transportation through out Juneau.

Location Map



Property Description

The subject property is 14,955 SF of property that includes uplands, tidelands, and submerged lands. Some of the subject area is leased by Goldbelt Inc. Through the years Goldbelt has built and maintained marine and upland improvements on the subject property. These improvements are not included in this valuation and the subject property will be appraised with the hypothetical condition that it is vacant. While the subject is currently encumbered by a lease, this appraisal assumes that the current lease in place has no effect on the value of the subject property.

SITE	
Location:	76 Egan Drive
Current Use of the Property:	Marina for mid-sized tour vessels
Site Size:	Total: 0.34 acres; 14,944 square feet The subject is comprised of uplands, tidelands, and submerged lands. The upland area as vacant could be put to many commercial uses which are marine related. The tidelands are an area which are covered and uncovered by water depending on the tide. These attributes make utilizing this area of the subject dependent on either ramping over it to reach the navigable submerged lands or decking over it for flat usable space as Merchants Warf has done next door. The submerged land is the area of the subject below -4 feet.
Shape:	Irregular
Frontage/Access:	The subject property currently only has access from the water. Access to Egan Drive requires crossing Cultural Preservation property which fronts Egan Drive and has approximately 253 lineal feet of frontage, based on measuring using Arcview map program.
Visibility:	Good
Topography:	filled uplands are level with the grade of Egan Drive and slope to the mean high tide on the water side edge. The tidelands and submerged lands of the subject slope from mean high tide, around 15, to around -15 feet.
Soil Conditions:	The uplands appear to have been filled with good draining fill adequate for development.
Utilities:	Electricity: Public electricity

Sewer: Public water

Water: Public sewer

Adequacy: The utilities are typical and adequate for the market

Site Improvements:

- While the subject has site improvement, which include pavement, concrete sidewalks, deck, fueling equipment and gangway, these improvements are not included in the valuation.

Flood Zone:

The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone velocity, which is classified as a flood hazard area.

FEMA Map Number: 02110C1566E

FEMA Map Date: September 18, 2020

The subject is in a velocity zone. CBJ Code currently says this about development in a velocity zone: '3. The use of fill for structural support of buildings within V Zones may be allowed only when certified by an engineer licensed to practice in the State of Alaska that the fill, foundation, and structure attached thereto is adequately anchored to resist floatation, collapse and lateral movement due to the effects of wind and water loads acting simultaneously on any and all building structural components. The use of fill for structural support shall not be permitted where soil investigations that are required in accordance with Section R401.4 indicate that soil material under the proposed fill is subject to scour or erosion from wave-velocity flow conditions. Wind and water loading values shall each have a one percent chance of being equaled or exceeded in any given year (100-year mean recurrent interval).'

Wetlands/Watershed:

Portions of the subject are tidally affected and submerged. The uplands have no wetlands

Environmental Issues:

There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.

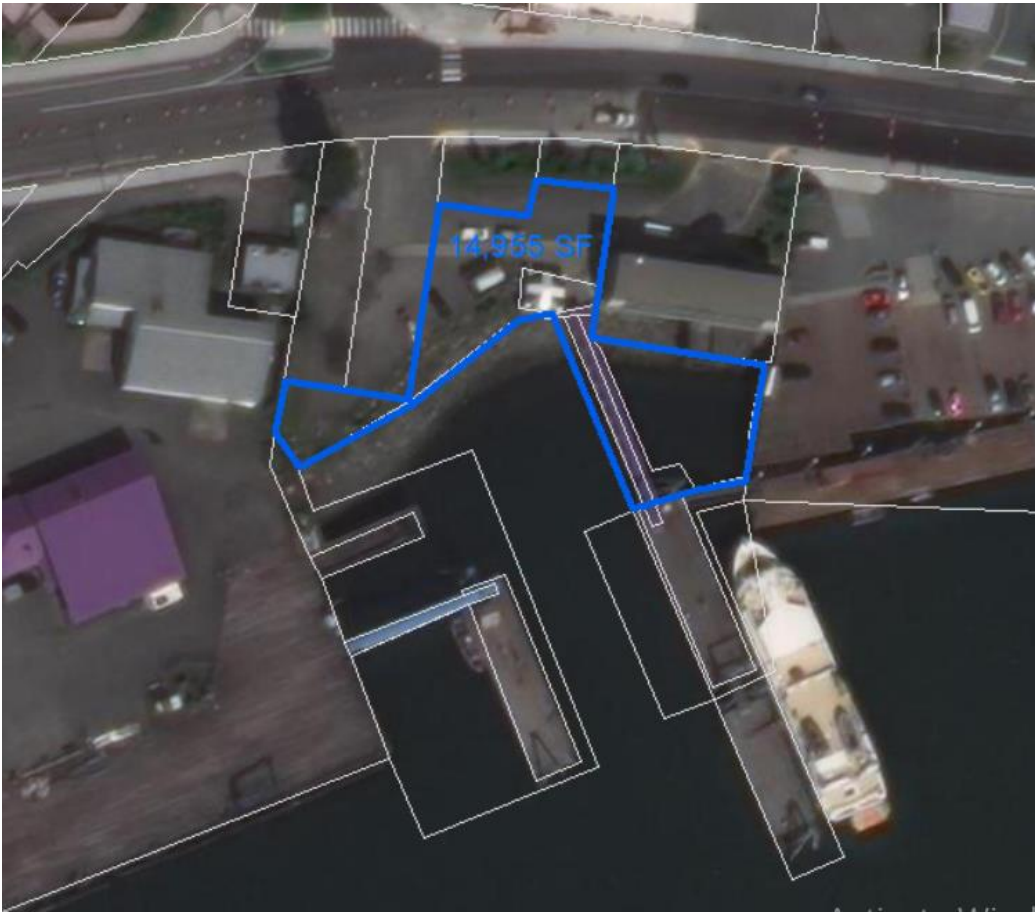
Encumbrance /
Easements:

There are no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.

Site Comments:

The subject site has good utility for its current use, when used in conjunction with the adjoining property owned by Cultural Preservation Inc, which provide upland access. The uplands

are an unusual shape but when combined with the adjoining property they form a typically shaped lot.

Site Plan/Tax Map/Survey

The above shows the subject property outlined in blue, as requested by the client. The base map is from Arcmap with parcel shapes provided to the appraiser by CBJ.



Above is the subject property with the uplands surrounded in blue and labeled at U1 and U2. The tidelands and submerged lands are outlined in red and magenta and are labeled at T1 and T2. The area break down was given to the appraiser by the client and taken from a Horan and company appraisal report. The accuracy of the size of these parcel areas is assumed for this valuation.

Subject Photographs

Above is a panoramic view of the subject and the Cultural Preservation property, as viewed from the western entrance of the property from Egan Drive.



Pictured above left is the NE corner of U1. The tented structure is over a deck that has its seaward side over T1 tidelands. Pictured right above is a view of U1 from the NW corner. In view are the Sea Drome building, which is on the adjoining property and the fuel tanks located behind the green fence which is a sublease of the subject by Petro marine, located on U1.



Above left is a view of U1 from its NW corner looking seaward. The green line on the ground appears to be the approximate property line between U1 and the Cultural Preservation property to the west.



Pictured above left is the seaward edge of the subject looking towards U2. Pictured above right is the waterfront looking east along the shore of U1 and over to T1 and T2. The tide when these pictures were taken are very close to the predicted mean high tide.



Above is a view of the ramp over T1, which ends approximately where the piles support the gangway.



Above are pictures of T2 taken at 4:41 pm on April 30th. High tide was predicted to be at 5pm and was predicted to be 14.84 feet which is very near the mean high tide.

Assessment and Taxes

Taxing Authority City and Borough of Juneau

Assessment Year 2025

Real Estate Assessment and Taxes					
Tax ID	Land	Improvements	Total Assessment	Tax Rate	Taxes
1C070K7600	\$480,954	425,373	\$480,954	\$10.04	\$4,829
Totals	\$480,954	\$0	\$480,954		\$4,829

Notes:

Comments

The above assessment includes the subject and all areas that the lease from CBJ to Goldbelt encumbers. The assessment is a possessory interest. The area we are calling T2 is not part of the lease from CBJ to Cultural Preservation, but it is included in the parcel for assessment purposes.

The following map shows the area that is identified with tax ID # 1C070K76002. All of this area on the assessor map is indicated to have Cultural Preservation Inc as the lessee, even though the lease exhibit shows a different area. Please see following maps:

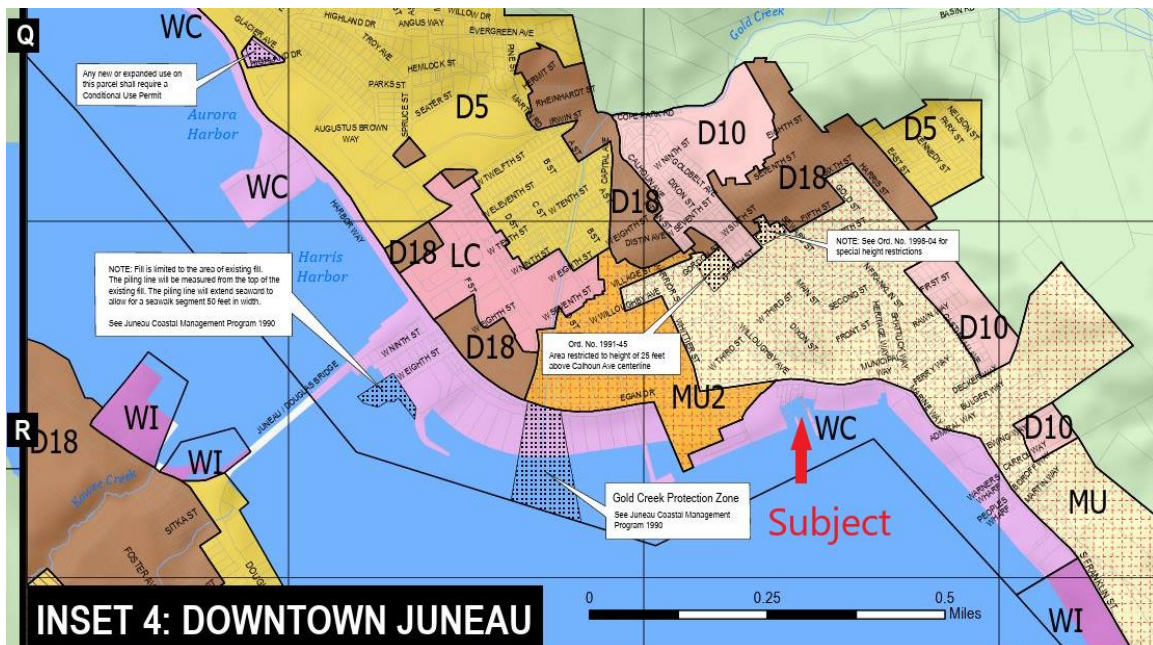


Above is all the area indicated by the assessor to be leased by Cultural Preservation. However, the portions which I identify in this report known as U2 and T2 are not part of the lease area as indicted above.

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2015-006184-0

Zoning

LAND USE CONTROLS	
Zoning Code	Waterfront Commercial
Zoning Description	The WC, waterfront commercial district, is intended to provide both land and water space for uses which are directly related to or dependent upon a marine environment. Such activities include private boating, commercial freight and passenger traffic, commercial fishing, floatplane operations, and retail services directly linked to a maritime clientele. Other uses may be permitted if water-dependent or water-oriented. Residential development is allowed in mixed- and single-use developments in the waterfront commercial district.
Set Back Distance	10
Side Yard Distance	10
Zoning Comments	The subject current improvements conform with the subject zoning, with its commercial use dependent on a marine environment.



Excerpt from CBJ zoning map dated February 2025, with subject location noted by appraiser

Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
2. **Physically Possible:** To what use is the site physically adaptable?
3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

The highest and best use of the site, as vacant, is for Marina for mid-sized tour vessels and upland interfacing.

The subject is a fairly narrow piece of waterfront, which allows for perpendicular vessel moorage. Because of the location, surrounded by other developed moorage facilities, the length that vessels could extend out into the water is limited. The subject uplands are adjoining and blocked from upland access by Goldbelt Inc owned fee simple land. This adjoining land is developed with a small footprint three story office building. And the subject uplands have a fueling system and amenities that allow and support the marine/upland interface. This area gets great exposure to the market and is central to CBJ's downtown area and the waterfront. The subject's uplands have a highest and best use to be used commercially in conjunction with the adjoining Goldbelt uplands. Parcel T1 has the highest and best use of developing a gangway to the deeper submerged land, for accessing docks and such. Parcel T2 would have the highest and best use of future development with a pile supported dock which could be used for parking or potential structure development. It is in a velocity zone and must be engineered accordingly. Alternatively, due to the high cost of developing T2, it might make the most sense to hold as is and wait for future development.

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

Cost Approach

The Cost Approach is summarized as follows:

$$\begin{array}{l} \text{Cost New} \\ - \text{Depreciation} \\ + \text{Land Value} \\ = \text{Value} \end{array}$$

Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

A **cost analysis** was considered and was not developed because The subject is to be valued as vacant land, therefore this approach does not apply

A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

An **income analysis** was considered and was not developed because while the subject could generate an income stream, the most probable buyer is an owner-occupant.

Sales Comparison Approach – Land Valuation

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution, and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed, and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed, and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land Comparables

I have researched five comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected, and verified by a party to the transaction.

Land Comparable 1



Transaction			
ID	3800	Date	10/27/2023
Address	1000 Harbor way	Price	\$118,510
City	Juneau	Price per Acre	\$1,072,391.64
State	AK	Financing	cash
Tax ID	1C060K510040	Property Rights	Fee Simple
Grantor	CBJ Docks and Harbors	Days on Market	--
Grantee	1000 Harbor Way LLC	Verification	Horan comp sheet
Legal Description	ATS 3, Part of lot 3,		
Site			
Acres	0.11	Topography	Sloping
Land SF	4,814	Zoning	WC
Road Frontage	--	Flood Zone	tidal
Shape	Roughly rectangular	Encumbrance or	None
Utilities	All Utilities Available	Environmental Issues	none known
Comments			

This is the purchase of uplands and associated tidelands to extinguish an encroachment. The total area is 4,814 SF, at the sales price the overall value is \$24.62 per SF. The filled upland area is 741 SF and the tidelands are 4073 SF. The tideland value was estimated at 40% of the uplands for indicated value of the uplands at \$50 per SF and the tidelands at \$20 per SF.

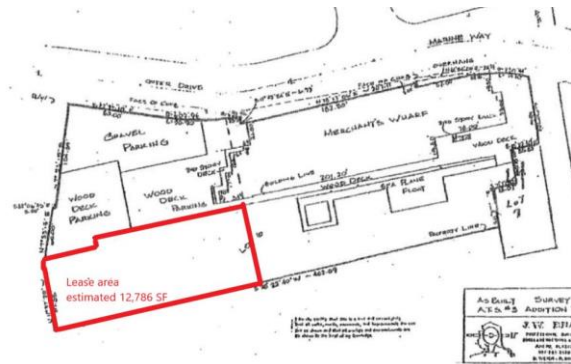
Land Comparable 2



Transaction			
ID	3778	Date	7/18/2024
Address	1105 W. 9th Street	Price	\$220,000
City	Juneau	Price per Acre	\$2,311,409.96
State	AK	Financing	Cash
Tax ID	1C060K580010	Property Rights	Fee Simple
Grantor	TESSIE BALLE	Days on Market	--
Grantee	NINTH STREET LLC	Verification	Buyer, By R. Ramsey
Legal Description	Lot 1, Block 58, Plat 347		
Site			
Acres	0.10	Topography	Level
Land SF	4,146	Zoning	WC
Road Frontage	148	Flood Zone	no
Shape	Roughly rectangular	Encumbrance or	none known
Utilities	All Utilities Available	Environmental Issues	none known
Comments			

This was the purchase of a commercial lot that had a small very old house on it. The property was purchased with the idea of tearing the house down and making the lot vacant. The buyers plan on doing a food court with containers and food trucks. The cost of the property was \$220,000 and he figures the cost to tear the building down is \$50K for a total of \$270,000 for the lot as vacant. The lot size is 4146 SF indicating a SF value of \$53.06 before consideration of the cost to remove the old house. With the house removal cost considered the indicated value is \$65.12.

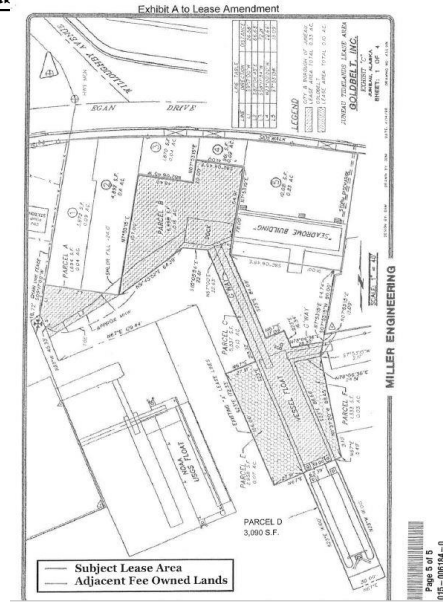
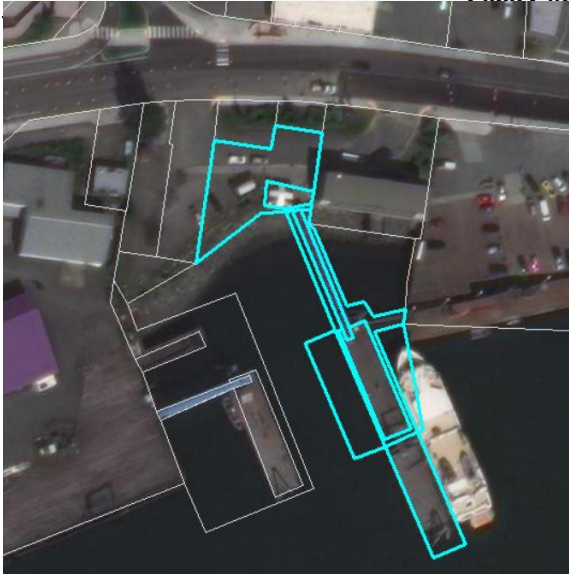
Land Comparable 3



Transaction			
ID	3798	Date	3/16/2016
Address	2 marine Way	Price	\$507,458
City	Juneau	Price per Acre	\$1,728,811.37
State	AK	Financing	cash
Tax ID	--	Property Rights	Leasehold
Grantor	Merchants Wharf	Days on Market	--
Grantee	Goldbelt Inc	Verification	Lease document, Lessee
Legal Description	--		
Site			
Acres	0.29	Topography	Submerged
Land SF	12,786	Zoning	WC
Road Frontage	--	Flood Zone	Submerged
Shape	Roughly rectangular	Encumbrance or	none
Utilities	--	Environmental Issues	none
Comments			

This is a tideland lease of approximately 12,786 SF of submerged tidelands. The initial rate going in was \$57,996 per year. Currently the rate is \$60,895 per year, per the Lessee, when asked in May of 2025. This indicates a lease rate of \$4.76 per SF. This is an annual lease that initially allowed for three 1-year extensions. That said the lease has continued on annually. property will typically lease for between 6% and 12% of the fee simple value depending on the length of the lease. an annual lease would be at the higher end and 12% is reasonable for the subject's annual lease. This then would indicate a fee simple value to these tidelands at \$507,458 or \$39.69 per SF. This then would indicate the adjoining uplands have a value of \$79.38 per SF.

Land Comparable 4



Transaction			
ID	3796	Date	6/1/2023
Address	76 Egan Drive	Price	\$710,000
City	Juneau	Price per Acre	\$1,552,896.92
State	--	Financing	cash
Tax ID	1C070K760021	Property Rights	leasehold
Grantor	CBJ	Days on Market	--
Grantee	Cultural Preservation	Verification	Horan Appraisal
Legal Description	Port ATS 3		
Site			
Acres	0.46	Topography	--
Land SF	19,916	Zoning	--
Road Frontage	--	Flood Zone	--
Shape	Highly Irregular	Encumbrance or	--
Utilities	--	Environmental Issues	--
Comments			

The lease began in 1998 with a 35-year term with 1 option for a 35-year extension. The lease rate was based on 10% of fee simple value, which makes sense as the lessee could end the lease but the lessor cannot, which would be an advantage to the lessee. In 2015 it was reduced to 9% of fee simple value, which continues today. The 2023 fee simple value of the lease area was estimated at \$710,000 per appraisal by Horan and Co. The tidelands were estimated at 40% of the uplands. The uplands were valued at \$65 per SF and the tidelands at \$26 per SF.

Land Comparable 5



Transaction

ID	3797	Date	10/9/2020
Address	Egan Dtive	Price	\$20,000,000
City	Juneau	Price per Acre	\$6,947,025.46
State	AK	Financing	Cash
Tax ID	1C060K010031	Property Rights	Fee Simple
Grantor	ALASKA MENTAL	Days on Market	--
Grantee	NCL BAHAMAS LTD	Verification	AKMHT, Seller
Legal Description	Plat 2009-37, Lot C1		

Site

Acres	2.88	Topography	Level
Land SF	125,406	Zoning	Mixed Use
Road Frontage	665	Flood Zone	tidal areas
Shape	Roughly rectangular	Encumbrance or	Per Plat 2009-37 JRD,
Utilities	All Utilities Available	Environmental Issues	None

Comments

The Alaska Mental Health Trust Authority's sold this property on a sealed bid auction. The parcel had a minimum bid of \$3,634,000, which is the recently appraised value. The apparent high bid, from NCL (Bahamas) Ltd. is for \$20,000,000. Other bidders included: Royal Caribbean Cruises, Ltd. – \$13,000,000, Godspeed, Inc. – \$12,800,000 Survey Point Holdings, Inc. – \$5,265,000 The City and Borough of Juneau – \$4,250,049.

The purchaser planned on a cruise ship dock and upland building. It was purchased through auction. Other legitimate cruise ship companies and investors bid \$13,000,000 (Royal Caribbean) and \$12,800,000 (Godspeed Inc.). As of 2025 NCL Bahamas passed the property on to Huna Totem, due to unexpected inability to develop, and maintaining some rights through a lease agreement. Huna Totem, finally got approval for the lease submerged land needed to build the dock from CBJ in 2025. To me it appears that NCL Bahamas over bid in the auction. It is clear that they and Royal Caribbean and Godspeed all thought a cruise ship dock could be built here and that significantly increased the value of both the tidelands and the uplands, but auction mania seems to have affected winning bidder. It would appear a more reasonable value would be where Godspeed and Royal Caribbean landed. at \$13,000,000. This then would indicate a value on a total SF basis as follows: \$13,000,000/125406=\$103.66 per SF. The one local private non cruise ship company that bid on it, Survey Point Holdings bid \$5,265,000/125406=41.99. If we estimate the value 16,045 Sf of tidelands @ 25% of the uplands and the 12,090 SF of Submerged lands at 50% of the uplands, at \$13,000,000 we get a value indication for the uplands of \$121.13. At \$5,265,000 we get a value per SF of the uplands at \$49.06 per SF. In speaking with Ethan Berto, he indicated he felt their bid was realistic, given the risks of development involved, and that the cruise line bids included their desire for more control in the market, which is a value consideration above typical market value.

Comparables Map



Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Address	76 Egan Drive	1000 Harbor way	1105 W. 9th Street	2 marine Way	76 Egan Drive	Egan Drive
City	Juneau	Juneau	Juneau	Juneau	Juneau	Juneau
State	0	AK	AK	AK	0	AK
Date		10/27/2023	7/18/2024	3/16/2016	6/1/2023	10/9/2020
Price	--	\$118,510	\$220,000	\$507,458	\$710,000	\$20,000,000
Price Adjustment	\$0	\$0	\$50,000	\$0	\$0	\$0
Adjusted Price	\$0	\$118,510	\$270,000	\$507,458	\$710,000	\$20,000,000
		0.0%	22.7%	0.0%	0.0%	0.0%
Land SF	14,944	4,814	4,146	12,786	19,916	125,406
Land SF Unit Price	\$0.00	\$24.62	\$65.12	\$39.69	\$35.65	\$159.48
Transaction Adjustments						
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	0 0.0%
Financing	Conventional	cash	0.0%	Cash	0.0%	0 0.0%
Conditions of Sale	Cash	See Comments	0.0%	Normal/see comments	0.0%	0 0.0%
Adjusted Land SF Unit Price		\$24.62	\$65.12	\$39.69	\$35.65	\$159.48
Market Trends Through	1/0/1900	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Land SF Unit Price		\$24.62	\$65.12	\$39.69	\$35.65	\$159.48

Appraisers thoughts on the indications the above comparables, which is the very best market date to use in valuation of the subject, have for indicating value to the subject property.

Comparable 1-is a sale of a mix of waterfront uplands and tidelands. Combined the uplands and tidelands have a SF value of \$24.62 per SF. Allocations performed by the appraiser and accepted by both parties to this transaction, indicate a value to the uplands at \$50 per SF and \$20 per SF for the tidelands, which is 40% of the uplands. With a tideland lease this property could work as a interface between the uplands and submerged lands. It is the appraisers opinion that this location is much less desirable for this attribute and significantly less desirable for potential commercial uses, as the walkability and centrality is much inferior to the subject. The subject uplands are significantly superior to these uplands.

Comparable 2 is the recent sale of uplands purchased for a potential food court site, with containerized kitchens. The existing improvements are to be removed and container kitchens brought in. This site gets good exposure to the market and has easy access from vehicles traveling SE and more circuitous but decent access from vehicles traveling the other direction. It is inferior in walkability from the down town area of Juneau, and would not draw much from summer time cruise ship tourism. Additionally it does not have the attribute of interfacing with the water. These upland therefore are thought to have a value below that of the subject.

Comparable 3 are submerged tidelands adjoining a dock. These are high valued submerged lands as they can easily be accessed from the dock parking area with a gangway. Approximate 186 of water frontage means a wide range of boats can be accommodated. These tidelands would be on the top for value as a percent of the uplands, and it is my opinion that these submerged lands should be worth 50% of the adjoining uplands. The lease on these submerged lands was year to year to get started. Shorter term leases typically have a higher lease rate as they require more effort and present more risk to the lessor, for continued use. While this lease rate does not base the rent on a percentage of fee simple value, according to the lease document, I would put it at the very

top of the range. While the adjoining property was a 35 year lease, and initiated at 10% of fee simple value. It is reasonable that this one could be at 12% of fee simple value with a 1 year lease. With that thought in mind we can surmise as follows: The current lease rate indicates a rate of \$4.76 per SF annually. If this is 12% of the fee simple value, then the indicated fee simple value is \$39.69 per SF and it is my opinion that these tidelands should be at the top of the range at 50% of adjoining uplands the indicated value for associated upland would be \$79.38. These uplands are right next door to the subject, so this is a strong indicator of value for the subject uplands.

Comparable 4 is an agreed upon lease of the subject property. This lease is based on an appraisal from 2023 and is thought to generally reflect the subject value, as both participants agreed to the values. The uplands in this case were valued at \$65 per SF.

Comparable 5 is not a comparable that I would normally use, but I feel that the information it presents is informative and needs to be discussed. The purchase price was \$20,000,000. This was a price that was bid by a cruise ship company that had way more in mind than just the acquisition of a potential cruise dock location. According to Ethan Berto, who is very familiar with Cruise lines and their way, thought they were looking for positioning and leverage in a very important SE AK cruise destination. The other two higher bidders @ \$13,000,000 and \$12,800,00 were also cruise line related, also looking for the positioning this acquisition would allow. All these bids reflect desires, of large cruise lines that the subject property cannot supply. The bid by Survey Point Holdings reflects a more conservative bid by a SE AK based company that knew the challenges presented, and risks involved with this properties development. I believe this bid by Survey Point Holdings, reflects a market value to the real estate, without the intended power and positioning gains the cruise companies were looking for. It reflected a value of approximately \$49 per SF for the uplands. From my perspective this would be low, in comparison to the subject, as the risk involved with this properties development are significantly more pronounced compared to the subject which is much smaller, closer to town and has an established use. The subject upland market value would be higher than what was bid by Survey Point Holdings, based on these attributes. Comparable 5 was not included in the following qualitative grid, but it is included here for the readers further understanding.

Valuation Analysis

In my opinion there are three areas of the subject property which have different highest and best uses and therefore the determination of these three areas should be discussed separately. They are the subject uplands (U1 and U2), the tides lands in which the gangway currently encumbers (T1), and the tidelands that require decking over to utilize (T2).

The subject upland valuation

The subject uplands could not be marketed to the general market as is, as they have no upland access provided. The only market for these uplands would be from the adjacent property owner, as the adjacent property has the upland access to public right of ways, which the subject needs to be viable. So in this case we must consider the contributory value to the larger parcel. The larger parcel will be the subject uplands and the adjoining uplands which will have a cohesive highest and best use when combined. Neither the subject uplands or the adjacent fee simple uplands are as functional as compared to when they are combined. As combined the uplands are approximately 29,350 SF, per my Arcmap calculations. And combined they look as presented following.



This is a functional shape for uplands, much better than the two upland shapes presented under separate ownership. Therefore the value of the uplands as outlined above, with both the subject and the adjacent uplands combined, is the value which we are seeking and from this we can consider the subjects contributory value.

What we have determine from the foregoing comparable sales and market lease analysis is as follows and presented in a qualitative grid:

Qualitative grid for valuing subject uplands								
Characteristic	Subject	Comp 1		Comp 2		Comp 3		Comp 4
SF	Solve	\$50		\$65.12		\$79.38		\$65
Size in	29,350	6657	-1	4146	-1	24916	Same	
Location	Excellent	Good	+ 2	Very good	+ 1	Similar	same	
Access	Good	Inferior	+ 1	Similar		Similar	Same	
water access	Good	Inferior	+ 1	none	+ 2	Similar	same	
Net rating		Inferior	+ 3	Inferior	+ 2	Similar	Same	
The subject upland value is:		More than \$50 per SF		More than \$65 per SF		Similar to \$79.38 per SF		Same

If a comparison is superior a minus rating is given of - 1, - 2 or minus 3 is given depending on the appraisers opinion of difference.

If a comparison is inferior a plus rating of + 1, +3, or +3 is given depending on the appraisers opinion of difference.

The best market data for valuing the subject is presented in the comparables above. Comparables 1-3 are market transactions that did not involve the subject. Comparables 1 and 2 are market transactions which are the most recent as comparable 2 is a fairly recent sale and Comparable 3 is an annually adjusted lease. These two comparables are given the most weight in my conclusion. As can be seen above, the subject value should be more than Comparable 2 and similar to Comparable 3. For this reason I am concluding the subject upland value at \$80 Per SF.

The subject tideland valuation

The subject tidelands have two different highest and best uses. Parcel T1 tidelands have a highest and best use of supporting a Gangway, to access deeper submerged lands. Parcel T2 tidelands have the highest and best use of covering with a deck to be used for parking or building on. Or it is reasonable that the highest and best use could be for holding for future development.

T1 Discussion and value conclusion: These tidelands are critical for developing access to the submerged lands. Based on this the appraiser has valued these tidelands near the top of the range at 40%. The subject uplands are valued at \$80 per SF. This then would indicate these tidelands could reasonably be value at \$32 per SF, which is 40% of \$80.

T2 Discussion and conclusion: These tidelands cannot be used without decking them over. This is very costly to accomplish. I spoke with Kris Hart of western marine last year about decking over tidelands on a project in Petersburg and he gave me a rough cost of around \$200 per SF. So since that is what really must happen to utilize the area of T2, it is reasonable that the area of T2 should be at the very bottom of the range for tideland values in comparison to upland values. The appraiser has concluded a value at 5% of the upland values indicating a value of \$4 per SF.

Subject Market Value Conclusion

Subject parcel	Area	Market Value per SF	Market Vale
U1 & U2	6207	\$80	\$496,560
P1	2098	\$32	\$67,136
P2	6550	\$4	\$26,200
Total			\$589,896

The indicated value for the land proposed for acquisition is \$589,896. This value can reasonably be rounded to \$590,000.

Certification Statement

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.
- I have no present or prospective future interest in the property that is the subject of this report and have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, 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 (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.

- The appraiser has not performed any services regarding the subject within the three-year period immediately preceding acceptance of this assignment.
- Roger Ramsey made an inspection of the subject property.

A handwritten signature in cursive script, appearing to read "Roger Ramsey".

Roger Ramsey
AK-APRG570

Addenda

Qualifications of Roger Ramsey

Since starting Ramsey Appraisal Resource in 2006, I have had the pleasure of providing high quality appraisal services to a diverse client base, on many complex appraisal assignments throughout S.E. Alaska.

A partial client list includes; AKDOT&PF, for which I have performed numerous valuations of partial and whole acquisitions, for eminent domain actions. Other State agencies which have used my services are AKDNR and Alaska Mental Health Trust Land Office. I have performed appraisals for the Cities and or Boroughs of Haines, Juneau, Petersburg, Ketchikan and Klawock. I am on the approved appraiser list of numerous lenders operating in SE Alaska and enjoy good working relationships with their review appraisers. I have been hired by attorneys and private parties for estate valuations and divorce proceedings. I have valued properties for conservation groups who are negotiating with property owners.

I am proud of my appraisal accomplishments and credit my success to good education, good mentors, helpful reviewers, persistence and hard work.

Professional Experience	Dates	Contact
Ramsey Appraisal Resource	2006-Present	Roger Ramsey
Horan and Company	4 months 2006	Charles Horan, 907-747-6666
AKDOT&PF	24 months 2004-2005	Ray Preston, 907-465-4519
Henricksen Appraisal	24 months 2002-2003	Bob Henricksen 907-723-3590
AKDOT&PF	8 months 2000-2001	Rob Murphy 907-465-4541

Education University of Alaska, BBA, 2001

Appraisal Education - Associate member of the Appraisal Institute # 401410

2023	USPAP Update, Practical Application of Fundamental Analysis, Appraisal of Industrial and Flex Buildings, The Cost Approach
2021	USPAP Update, Eminent Domain and condemnation appraising, Commercial Leases: The Tenant and Terms matter, Analyzing Operating Expenses, Cool Tools: New tech for appraisers.
2019	USPAP update, HP-12C, Appraisal Statistics and financing Appraisal Institute, Seattle
2017	Income Capitalization, Appraisal Institute – San Diego and USPAP update online
2015	Appraisal of Conservation Easements and other Partial interest – Sacramento CA
2013	USPAP update, -/- Uniform Appraisal Standards for Federal Land Acquisitions, -/- Business Practices and Ethics, Anchorage, AK
2011	USPAP update, Tigard OR, -/- Real Estate Industry Perspectives on Lease Accounting, online, -/- Basic building science, Air Sealing, ventilation & Ice Dam, Juneau, AK
2010	Advance Sales Comparison and Cost Approach, Seattle WA
2009	Advanced income Approach, Tigard OR, -/- Commercial Appraisal Engagement and Review, Tigard OR, -/-15-Hour USPAP, Tigard OR
2008	Sustainable Mixed use, Seattle, WA
2007	General Demonstration Appraisal Report Writing, Tigard, OR, -/- USPAP update Tualatin, -/- Appraisal & Appraisal Review for Federal-Aid Highway Programs, Anchorage, AK --
2006	General Applications, Online, -/- Apartment Appraisal, Concepts and Applications, Long Beach, CA
2005	Basic Income Capitalization, Tualatin, OR, -/- USPAP update Juneau, AK, -/- Best practices for Residential Report Writing, Juneau, AK
2004	Appraising Special Purpose properties, -/- Appraisal of Nonconforming Uses, -/- Partial Interest Valuation/Divided, -/- Subdivision Analysis, Anchorage, AK
2003	(USPAP) Standards of Professional Practice, Lake Oswego, OR, -/- Residential Case Study, Dublin, CA,
2002	Appraisal Procedures, Appraisal Institute, Diamond Bar, CA
1998	Appraisal Principles, Appraisal Institute, Chicago, IL

Types of Property Appraised

Commercial– I have appraised office buildings, apartments, marine facilities, restaurants, mixed use, convenience stores with gas, industrial and commercial shops. I have valued partial interest of remote recreational, industrial, commercial and residential properties for eminent domain. I have valued industrial, commercial, and residential tidelands. I have appraised large tracts of land with timber value, “special use properties (churches, armory, and funeral homes)”, and remote commercial properties (lodges).

Residential – I have appraised single family residences, duplexes, triplexes, four-plex's, remote improved and vacant residential properties throughout SE AK.

Markets Appraised:

I have appraised both town and remote locations in all of the following areas: Haines, Skagway, Gustavus, Hoonah, Tenakee springs, Juneau, Sitka, Petersburg, Wrangell, Ketchikan, Prince of Whales and Hyder

Glossary

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document. Please refer to the publications listed in the **Works Cited** section below for more information.

Works Cited:

- Appraisal Institute. *The Appraisal of Real Estate*. 13th ed. Chicago: Appraisal Institute, 2008. Print.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 5th ed. 2010. Print.

Effective Date

1. The date on which the analyses, opinion, and advice in an appraisal, review, or consulting service apply.
2. In a lease document, the date upon which the lease goes into effect. (Dictionary, 5th Edition)

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time 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; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary, 5th Edition)

Extraordinary Assumption

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions

external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary, 5th Edition)

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinion or conclusions. (USPAP, 2020-2021 ed.)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary, 5th Edition)

Highest & Best Use

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

property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value. (Dictionary, 5th Edition)

Highest and Best Use of Land or a Site as Though Vacant

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (Dictionary, 5th Edition)

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. (Dictionary, 5th Edition)

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary, 5th Edition)

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a

contractual landlord-tenant relationship (i.e., a lease). (Dictionary, 5th Edition)

Market Area

The area associated with a subject property that contains its direct competition. (Dictionary, 5th Edition)

Market Value

The major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.

2. Market value is described in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal. (USPAP, 2020-2021 ed.) USPAP also requires that certain items be included in every appraisal report. Among these items, the

following are directly related to the definition of market value:

- Identification of the specific property rights to be appraised.
- Statement of the effective date of the value opinion.
- Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
- If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above—or below—market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.

3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market

under all condition's requisite to a fair sale, the buyer and the seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated.
- Both parties are well informed or well advised and acting in what they consider their best interests.
- A reasonable time is allowed for exposure in the open market.
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

4. The International Valuation Standards Council defines market value for the purpose of international standards as follows: The estimated amount for which a property should

exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. (International Valuation Standards, 8th ed., 2007)

5. Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure of time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Standards for Federal Land Acquisitions) (Dictionary, 5th Edition)

exposure and marketing time). (Dictionary, 5th Edition)

Scope of Work

The type and extent of research and analyses in an assignment. (Dictionary, 5th Edition)

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable