716 WEST FOURTH AVENUE LLC
425 G Street Suite 210
ANCHORAGE, ALASKA, 99501

January 29, 2016

Senator Gary Stevens, Chairman
Representative Bob Herron, Vice Chair
Alaska Legislative Council
State Capital Building
Juneau, Alaska

Dear Senator Stevens and Representative Herron,

We appreciate you and your colleagues working with us to consider an approach to meet the requirements of the motion made by Legislative Council on December 19, 2015. As we have consistently said, we are committed to assisting the Legislature in finding a pathway to savings.

A quick overview; an Alaska Department of Revenue (DOR) Analysis shows that if the State of Alaska purchases the LIO Property it will save the State millions of dollars. While the purchase transaction will take time to accomplish we have also proposed a short term reduction in rent to affect immediate savings. Lastly we have negotiated and executed an agreement which will result in the dismissal of the pending litigation.

Motion Requirements & Cost-Competitiveness

The motion advised the legislature not to appropriate for the lease unless negotiations between the legislature and a state entity result in a competitive cost on a "per square foot of useable space" basis.

At the hearing, three state entities testified with separate perspectives on savings and costs: AIDEA, the Department of Revenue, and the Legislature itself (through its members and the Legislative Council). For reasons not specified, AIDEA has chosen not to engage further on the topic. But DOR requested additional information to update the analysis it presented at the Legislative Council hearing (see attached TEST FITS 1-4).

Based on that analysis, we have two suggestions to meet the cost competitive measure to facilitate savings.

We note that extensive preparation went into the original analysis of the lease and that the LAA certified that the lease, as proposed, achieved savings for the State (see attached). We believe the lease is already cost-competitive for the scope requested. However, we have determined that *additional* savings can be achieved as outlined herein. By using any one (or a combination) of the options presented here, the savings achieved will meet the requirements of the December 19 motion. There are clearly cost-competitive opportunities on a usable square foot basis within these options.

Option to Purchase

The DOR analysis clearly confirms that the Option to Purchase will provide the Legislature with more significant savings than any other scenario, including a move to the Atwood Building. Under tax-exempt financing, payments made would be considerably less than the current lease payments; payments would also build equity, effectively serving as an accrued savings account; and, because the building would be under State ownership, the private sector tax and insurance obligations would be reduced by $231,335.

Even under a scenario where another public entity purchases the property and principal payments do not accrue directly to the Legislature's benefit, the analysis shows a potential savings of *more than 55%* over the existing lease.

In accordance with the Legislative Council's motion of April 8, 2015, a written Option to Purchase was negotiated by you and the LAA and entered into on October 22, 2015. That agreement (attached) required that it be presented to the Legislative Council in the form of a motion prior to January 31, 2016. Unfortunately, that step was not taken at either the December 4, 2015 or December 19, 2015 meeting; however, our current proposal includes both an extension and a change of terms that will facilitate more flexibility to achieve this cost-competitive solution.

Specifically, the proposed amendment to the Option to Purchase (which is also attached) is to:

- Waive the January 31, 2016 deadline for presentation to the Legislative Council.
- Waive the requirement for an earnest money deposit.
- Waive the requirement for the Legislature to appropriate funds for the purchase in its 2017 budget.
- Allow for assignment of the option to *any* governmental entity.
- For the Amendment to be effective, we request that the Legislative Council recommend approval of Amendment No. 4 to the lease (attached) reducing the lease rate, and that the reduced lease amount be approved in the 2017 budget.

These amendments provide the Legislature an indefinite period of time to effect the option to purchase. There are potential buyers within government, including the Legislature itself if it so chooses, and our proposal provides time for such buyers to take the necessary steps.

In addition, we believe we can secure from the lender a waiver of all or a portion of the loan payoff fee. We will keep you informed on this point.

If implemented, under the proposed Option to Purchase, all of the resulting savings would flow to the buyer and/or tenant.

Lease Rate Reduction

In order to reduce the lease rate, we need the written consent of the lender to change the loan terms that were agreed to by both ourselves and the Legislature (see attached SNDA). Subject to that approval, we propose a reduction of the lease rate by 5% until such time as the Option to Purchase can be implemented. We have a verbal agreement from our lender for the reduction of this amount, and we believe it may be possible to get an additional reduction. We continue to work toward this end.

This reduction in rate would reduce rent as of July 1, 2016 by $168,983 annually. In addition we have secured approval to waive the requirement for earthquake insurance, a savings of $59,664 for a combined total of $228,647.

Lawsuit Dismissal

We have secured an agreement to dismiss the lawsuit pending against the LAA and 716 and members of the project delivery team as part of a global settlement of the building damage case. One requirement of the agreement is that LAA waive any claim to recoup partial costs and attorney's fees as a result of the settlement. Under the applicable court rules, a party must ultimately prevail in order to request an award of costs and fees; and then, even if successful, the party would only be entitled to *partial* costs and fees. We have provided a copy of the fully executed agreement to your counsel. To finalize the agreement, we need a commitment before February 5, 2016 that LAA will waive any right to seek costs and fees against the plaintiff. We would be surprised if the LAA resolved to continue litigating the case, as it would recover only 20% to 30% of the actual fees expended. Dismissal of the suit will relieve all parties of the time-intensive and expensive effort required to continue defending the case.

In addition, before expending the funds necessary to make the agreement effective, we need to know that the lease with amendments as proposed or as may otherwise be agreed to will be in place.

Conclusion

We would appreciate the opportunity to have our offer heard by the Legislative Council prior to the self-imposed February 5, 2016 deadline. As noted in Ms. Carlsen's letter of January 27, 2016, we are ready to meet in Juneau to review the DOR report and our proposal. We look forward to your response.

Sincerely

Mark Pfeffer,
Managing Member
716 WEST FOURTH AVENUE, LLC

Attachments

EXHIBIT D

Alaska State Legislature

Legislative Affairs Agency

Office of the Executive Director

Terry Miller Legislative Office Building, Room 217

Mailing Address: State Capitol, Rm. 3 Juneau, Alaska 99801-1182 Phone (907) 465-3800 Fax (907) 465-3234

September 19, 2013

Senator Anna Fairclough, Chair
Representative Mike Hawker, Vice-Chair
Legislative Budget & Audit Committee
State Capitol
Juneau, AK 99801-1182

RE: AS 36.30.083(b) Lease Reporting Requirement

Dear Senator Fairclough and Representative Hawker:

In accordance with the requirements of AS 36.30.083(b), the Legislative Affairs Agency would like to report to the Legislative Budget and Audit Committee that the Agency will be entering into a 10-year real property lease extension of the Anchorage Legislative Offices and Anchorage Legislative Information Office at 716 West 4th Avenue effective June 1, 2014, during the end of fiscal year 2014.

The lease will also be amended to accommodate an expansion and renovation of the premises. As required by AS 36.30.083(a), the market rental value of the renovated premises, including the parking garage, was appraised by real estate appraiser Tim Lowe, MAI, CRE, FRICS, of Waronzof and Associates, Inc. on September 18, 2013, and reviewed by the Alaska Housing Finance Corporation, to establish that the rent due under the lease is 10 percent below the market rental value of the real property. Mr. Lowe has assessed the rental value of the property, as of the effective date of the lease extension on June 1, 2014, at $325,667 a month or $3,908,000 annually. The annual rental payment will be $281,638 a month or $3,379,658 annually, exceeding the 10 percent reduction in market rental value required by AS 36.30.083(a). Our annual savings will be $528,342.

Sincerely,

Pamela A. Varni
Executive Director

cc: Tina Strong, Contracting Officer, LAA

716 WEST FOURTH AVENUE, LLC
425 G Street, Suite 210
Anchorage, Alaska 99501

October 9, 2015

Doug Gardner
Alaska Legislative Affairs Agency
State Capital, Rm. 3
Juneau, AK 99801
LAA.Legal@akleg.gov

Re: Sale of Lot 3A-1, Block 40 Anchorage Original Townsite, Plat Number 2014-21, Anchorage Recording District, Third Judicial District, state of Alaska; Located at 716 West Fourth Avenue

Dear Doug:

This follows your request that 716 WEST FOURTH AVENUE, LLC, the landlord under that certain Extension of Lease and Lease Amendment No.3 dated September 19, 2013, set forth the terms under which it would be willing to sell the above described property to the state of Alaska. This letter sets the terms by which we will voluntarily abide so long as the Legislative Affairs Agency and the State of Alaska meet the following terms and conditions. This letter sets forth those terms.

Property: The property described as Lot 3A-1, Block 40 Anchorage Original Townsite, Plat Number 2014-21, Anchorage Recording District, Third Judicial District, State of Alaska, and all real and personal property and improvements thereon and appurtenant rights of record thereto, and subject to all exceptions of record, except for monetary liens. This would also contemplate the assignment or termination of the above referenced Lease at the election of buyer. The other lease on the property, a rooftop antenna lease with Verizon, would also be assigned which currently generates rent in the amount of $16,800 annually.

Price: We are willing to set the purchase price at the cost to complete the work required by the LAA under the Lease. It is important to note that the total cost to complete the work was carefully reviewed by LAA and their independent consultants, as well as AHFC and their third party consultants, prior our agreement to incur this liability to meet the requested scope of work. We believe a sale AT COST versus value (which is

considerably higher) to be a fair resolution to the State's desire to improve its economic position.

The Buyer will assume the transaction costs associated with a sale, including any costs associated with changes in the project's financing, including costs associated with pay-off of the loan. We can provide you with a summary of those costs which will vary depending on timing of the sale. It is a formula driven amount and will change monthly with sensitivity to interest rates. We can update this amount for you from time to time.

Alternatively, we can make provisions for assumption of the existing debt, as provided for in the existing deed of trust, for the nominal fee of $2,000 payable to the bank. The current interest rate is 4.02%.

With the above as the guide, we have set the purchase price at our cost of THIRTY-SEVEN MILLION DOLLARS ($37,000,000), plus the other closing costs outlined above. We have discounted the price to reflect tenant improvements that were pre-paid by the LAA, even though the tenant improvements are now part of the real estate. The seller will bear the cost of a standard owner's policy of title insurance and buyer will bear all other closing costs of recording and escrow and financing cost, including pro rata taxes due and owing for the year in which closing occurs. Rents will also be pro-rated.

Terms. If any repair issues arise prior to closing, which are required to be repaired under the Lease terms, seller will do so prior to closing. At closing, the sale will be "AS-IS WHERE-IS" with all faults and defects.

Earnest Money and Seller's Agreement not to market the Property. Upon the cross signature of the Legislative Affairs Agency, we will commit to sell on the aforementioned terms to the dates set forth below provided the following terms and conditions are met. This will allow the buyer to seek the appropriate authorizations it needs to proceed.

a. December 1, 2015. Provided we have received your acceptance of this letter no later than ten days from the date of this letter.

b. June 1, 2016. Upon approval of these terms by the Legislative Council and the payment of $50,000 non-refundable escrow money into an escrow account on or before December 1, 2015.

Time is of the essence and this offer will lapse and be void if any of the deadlines are not met unless extended or modified in writing by seller.

I note that acquiring the property will, apart from the savings associated with ownership versus leasing, also save the state the payment of Municipality of Anchorage Real Property taxes, which in 2015 was in the annual amount of $262,335.93 and insurance costs, which in 2015 are a pass through cost in the amount of $59,664.15. We finally note that there are various methods in which to effectuate the sale of the property in a manner cost effective to the state and we remain willing to discuss those further.

We look forward to continuing to work with you and the Legislature to a mutually agreeable goal.

Sincerely,

716 WEST FOURTH AVENUE, LLC
By: Pfeffer Development, LLC
Its manager

Mark Pfeffer
Its: Manager

We are agreeable to proceeding under the above terms and conditions, subject and conditioned upon approval by the Legislature, by the Legislative Council, and any required appropriate enactment by the Legislature and the State of Alaska.

Legislative Affairs Agency

By:
Its:

STOEL RIVES LLP
ATTORNEYS AT LAW

600 University Street, Suite 3600
Seattle, Washington 98101
main 206.624.0900
fax 206.386.7500
www.stoel.com

SERENA S. CARLSEN
Direct (206) 386-7515
serena.carlsen@stoel.com

October 22, 2015

VIA EMAIL

Mr. Don McClintock
Ashburn & Mason, PC
1227 W. 9th Ave., Suite 200
Anchorage, AK 99501

Re: Letter of October 9, 2015

Dear Don:

I have been asked by the Alaska Legislative Affairs Agency (LAA) to respond to Mark Pfeffer's letter dated October 9, 2015, which outlines the terms by which 716 West Fourth Avenue LLC would be willing to sell its interest in the Property known as the Anchorage LIO Building (LIO), located in downtown Anchorage, to the LAA. We understand that you are willing to withdraw the ten (10) day acceptance requirement contained in Mark's letter. LAA suggests the following schedule:

> The LAA will have submitted the outlined purchase terms to the Legislative Council in the form of a motion to purchase the LIO Building, and Legislative Council will have passed the motion at a Legislative Council meeting prior to January 31, 2016.
>
> If Legislative Council passes a motion to purchase the LIO, within 30 days thereafter the parties will enter into a purchase and sale agreement containing the terms outlined in Mark's letter, as well as other customary, commercial terms, and deposited in escrow the sum of $50,000 as a non-refundable deposit, applicable to the purchase price paid by the LAA for the LIO Building at closing.
>
> The Legislature shall have appropriated the purchase price of the LIO Building in its 2017 Budget. Closing will occur within sixty (60) days after an appropriation bill containing an appropriation for the full purchase price of the LIO in the purchase and sale agreement is enacted into law and the appropriation is effective.

The LAA acknowledges that the failure to meet any of these dates, without an extension mutually agreed to by the parties, shall result in your offer being withdrawn.

Please call if you have any questions or comments regarding this counterproposal.

Very truly yours,

Serena S. Carlsen

cc: Pam Varni
Doug Gardner

ASHBURN & MASON P.C.

LAWYERS

MATTHEW T. FINDLEY • EVA R. GARDNER • REBECCA E. LIPSON • DONALD W. MCCLINTOCK III
JEFFREY W. ROBINSON • JACOB A. SONNEBORN • THOMAS V. WANG
OF COUNSEL JULIAN L. MASON III • A. WILLIAM SAUPE

October 22, 2015

Via Electronic Mail and US Mail:

Serena Carlsen
Stoel Rives LLP
600 University Street, Suite 3600
Seattle, Washington 98104
serena.carlsen@stoel.com

Re: 716 West Fourth Avenue, LLC/Alaska Legislative Affairs Agency
Our File No.: 10708.050

Dear Serena:

Thank you for your letter of October 22, 2016. The schedule and terms as outlined in your letter are acceptable to 716 West Fourth Avenue, LLC. Please keep us informed as the deliberations progress.

Sincerely,

ASHBURN & MASON, P.C.

Donald W. McClintock

DWM:haw
cc: 716 West Fourth Avenue, LLC

1227 WEST 9TH AVENUE, SUITE 200, ANCHORAGE, AK 99501 • TEL 907.276.4331 • FAX 907.277.8235

ASHBURN & MASON P.C.

LAWYERS

MATTHEW T. FINDLEY • EVA R. GARDNER • REBECCA E. LIPSON • DONALD W. MCCLINTOCK III
JEFFREY W. ROBINSON • JACOB A. SONNEBORN • THOMAS V. WANG
OF COUNSEL JULIAN L. MASON III • A. WILLIAM SAUPE

January 29, 2016

Via Electronic Mail and US Mail:

Serena Carlsen
Stoel Rives LLP
600 University Street, Suite 3600
Seattle, Washington 98104
serena.carlsen@stoel.com

Re: 716 West Fourth Avenue, LLC/Alaska Legislative Affairs Agency
Amendment No. 1 to Option Agreement
Our File No.: 10708.050

Dear Serena:

Please consider this as Amendment Number 1 to the option terms as set forth in the letters dated October 9, 2015 (Pfeffer to Gardner); October 22, 2015 (Carlsen to McClintock), and October 22,2015 (McClintock to Carlsen). These are attached for reference. This Amendment may be accepted by your clients on the conditions as set forth below. If acceptable, we are also amenable to drafting and executing a Restated Option to set forth the terms in one instrument and to facilitate recording.

The Option Terms are amended as follows:

1. The Earnest Money requirement is waived.

2. The deadlines for acceptance of the Option to make it effective and binding are waived and the conditions for acceptance are restated to require only the following two actions:

a. A vote of the Legislative Council on or before February 5, 2016 to recommend adoption of Lease Amendment #4, presented concurrently with this Option Amendment No. 1; and

b. Appropriation of funds to pay the rent for fiscal year 2017 by the Legislature in the final 2017 budget.

3. The term of the Option shall be effective for the term of the Lease.

4. The Option may be assigned by Lessee to any governmental entity with notice to Lessor, but without any requirement of consent.

We offer this amendment to facilitate what is the most cost effective solution for the Legislature, which is government ownership of the LIO Building; an alternative that promises significant savings over all other alternatives available to it, including the move to the Atwood Building. I look forward to your consideration of these terms.

Sincerely,

ASHBURN & MASON, P.C.

Donald W. McClintock

DWM:haw
cc: 716 West Fourth Avenue, LLC

LEASE AMENDMENT NO. 4

Amendment of Lease; Option To Purchase

THIS LEASE AMENDMENT NO. 4 is made and entered into on the date the Legislative Affairs Executive Director or her designee signs the Amendment, and is by and between 716 WEST FOURTH AVENUE, LLC, an Alaska limited liability company, whose address is P.O. Box 241826, Anchorage, Alaska 99524, hereinafter referred to as "Lessor" and the LEGISLATIVE AFFAIRS AGENCY, whose address is State Capitol, Room 3, Juneau, Alaska 99801-1182, hereinafter referred to as "Lessee," and hereby amends the Lease dated April 6, 2004, recorded in Reception Number 2004-024411-0, as previously amended, and renewed through May 31, 2014 by Renewal of Lease No. 5, recorded May 23, 2013 in Book 2013-028824-0, and as extended and amended by Extension of Lease and Lease Amendment No. 3 dated September 19, 2013 and memorialized by a Memorandum of Lease recorded on October 21,2013 at Reception Number 2013-058911-0, all recorded in the Anchorage Recording District, Third Judicial District, State of Alaska and hereinafter referred to as the "Lease".

W I T N E S S E T H:

WHEREAS, the Lessor is currently leasing to the Lessee the following described Premises, hereinafter "Existing Premises," described as follows:

> All space within the office building, all space within the parking garage, and all real property located at 716 West 4th Avenue in Anchorage, Alaska further described as Lot 3A, Block 40, of the Original Townsite of Anchorage, according to the official plat thereof, Third Judicial District, State of Alaska; and all space located within the building and all real property located at 712 West 4th Avenue in Anchorage, Alaska further described as Lot 2 W 39.5' Block 40 Original Townsite of Anchorage.
>
> The Premises include approximately 64,048 gross square feet of building space and approximately 86 off-street parking spaces with the spaces striped as directed by Lessee.

WHEREAS, Lessor and Lessee wish to modify the rents, and to provide Lessee with an option to purchase the Premises;

NOW THEREFORE LESSOR, LESSEE and ASSIGNEE AGREE to the following amended terms and conditions.

1. a. The "Effective Date". The covenants and requirements set forth in this Lease Amendment are effective the date it is signed by Lessor and Lessee and when funds are appropriated to pay the rents set forth in the Lease for the fiscal year beginning July 1, 2016. If funds are not appropriated in an amount to pay the

rents for the fiscal year beginning July 1, 2016, then this Amendment shall be null and void.

b. Base Monthly Rental. Effective July 1, 2016, the Base Monthly Rental shall be _____per month.

2. **AUTHORIZATION; CERTIFICATION:** Authority for the Chairman of Legislative Council to execute this Lease Amendment was authorized by a majority of the members of the Alaska Legislative Council at a meeting on February _____, 2016.

3. **PROCUREMENT OFFICER'S FINDINGS**. The findings of the Procurement Officer in support of this Amendment are attached hereto as Exhibit "B" and are approved by the Legislative Council.

4. The Lease as amended represents the entire understanding between the parties. No prior oral or written understandings shall have any force or effect with respect to any matter covered in the Lease or in interpreting the Lease. The Lease shall only be modified or amended in writing.

IN WITNESS WHEREOF, the Lessor and Lessee have executed this Lease on the day, month, and year indicated below.

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Manager:

_____
Mark E. Pfeffer Date
Manager

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Member:

_____
Robert B. Acree Date
Member

Tax Identification No.: 46-3682212
Business License No.: 423463

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Member:
Mark E. Pfeffer Alaska Trust UTAD 12/28/07

_____
Alana Williams Date
Its: Trustee

LESSEE:
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY

_____

Senator Gary Stevens Date
Chair; Alaska Legislative Council
Procurement Officer

CERTIFYING AUTHORITY

_____

Pamela A. Varni Date
Executive Director
Legislative Affairs Agency

APPROVED AS TO FORM:

_____

Legal Counsel Date

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 2016, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared, MARK E. PFEFFER, known to me and to me known to be the individual named in and who executed the above and foregoing Lease on behalf of 716 WEST FOURTH AVENUE, LLC, and who acknowledged to me that they had full power and authority to, and did execute the above and foregoing Lease on behalf of and as the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

_____
Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 2016, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared, ROBERT B. ACREE, known to me and to me known to be the individual named in and who executed the above and foregoing Lease on behalf of 716 WEST FOURTH AVENUE, LLC, and who acknowledged to me that he had full power and authority to, and did execute the above and foregoing Lease on behalf of and as the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

_____
Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 2016, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared, ALANA WILLIAMS, known to me and to me known to be the individual named in and who executed the above and foregoing Lease on behalf of MARK E. PFEFFER ALASKA TRUST UTAD 12/28/07, and who acknowledged to me that she had full power and authority to, and did execute the above and foregoing Lease on behalf of and as the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

_____
Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 2016, before me, the undersigned Notary Public in and for Alaska, duly commissioned and sworn as such, personally appeared SENATOR GARY STEVENS, known to me and to me known to be the individual named in and who executed the above and foregoing Lease as the CHAIR OF THE ALASKA LEGISLATIVE COUNCIL, and he acknowledged to me that he executed the foregoing Lease as the free and voluntary act and deed of his principal for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

_____
Notary Public in and for Alaska
My commission expires:_____

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 2016, before me, the undersigned Notary Public in and for Alaska, duly commissioned and sworn as such, personally appeared PAMELA A. VARNI, known to me and to me known to be the individual named in and who executed the above and foregoing Lease as the EXECUTIVE DIRECTOR of the STATE OF ALASKA LEGISLATIVE AFFAIRS AGENCY, and she acknowledged to me that she executed the foregoing instrument as the free and voluntary act and deed of her principal for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

_____
Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 2016, before me, the undersigned Notary Public in and for Alaska, duly commissioned and sworn as such, personally appeared Douglas Gardner, known to me and to me known to be the individual named in and who executed the above and foregoing Lease as the GENERAL COUNSEL of the STATE OF ALASKA LEGISLATIVE AFFAIRS AGENCY, and he acknowledged to me that he executed the foregoing instrument as the free and voluntary act and deed of his principal for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

_____
Notary Public in and for Alaska
My commission expires: _____

Recording Requested By,
And After Recording, Return To:

EVERBANK
Attn: Risk Department
6464 185th Avenue NE, Suite 200
Redmond, Washington 98052
F-509804j

I hereby verify this is a true and correct copy of the original.
Fidelity Title Agency of Alaska

SUBORDINATION NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "***Agreement***") is made and entered into as of December 22, 2014, by and between **STATE OF ALASKA LEGISLATIVE AFFAIRS AGENCY** ("***Tenant***"), **EVERBANK** ("***Lender***"), and **716 WEST FOURTH AVENUE, LLC** ("***Landlord***").

RECITALS:

WHEREAS, Landlord and Tenant executed a Lease dated April 6, 2004, covering a certain demised premises therein described located on a parcel of real estate, a legal description of which is attached hereto and incorporated herein by this reference as Exhibit "A" (said parcel of real estate and the demised premises being sometimes collectively referred to herein as the "***Property***"), which lease was recorded in Book 2004-024411-0, Anchorage Recording District, Third Judicial District, State of Alaska, and has been amended by, among other documents, most recently, an Extension of Lease and Lease Amendment No. 3 ("***Lease Amendment No. 3***"), dated September 19, 2013 (as amended, the "***Lease***"); and

WHEREAS, Lender has extended credit or may hereafter extend credit to Landlord secured, in whole or in part, by a deed of trust (the "***Deed of Trust***") encumbering the Property, to be recorded concurrently herewith; and

WHEREAS, it is a condition to Lender's agreement to extend credit to Landlord that said Deed of Trust shall unconditionally be and remain at all times a lien or charge upon the Property, prior and superior to the Lease and to the leasehold estate created thereby; and

WHEREAS, the parties hereto desire to assure Tenant's possession and control of the Property under the Lease upon the terms and conditions therein contained.

NOW, THEREFORE, for and in consideration of the mutual covenants and premises herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed by the parties hereto, the parties hereto do hereby agree as follows:

AGREEMENT:

1. The Lease is and shall be subject and subordinate to the Deed of Trust and any and all extensions, renewals, modifications or replacements thereof. Tenant intentionally and unconditionally waives, relinquishes and subordinates the priority and superiority of the Lease and Tenant's right and interest to the Property thereunder to the lien or charge of the Deed of Trust, and any and all extensions, renewals, modifications or replacements thereof.

2. Should Lender become the owner of the Property, or should the Property be sold by reason of foreclosure, or other proceedings brought to enforce the Deed of Trust which encumbers the Property, or should the Property be transferred by deed in lieu of foreclosure, or should any portion of the Property be sold under a trustee's sale, the Lease shall continue in full force and effect as a direct lease between the then owner of the Property covered by the Deed of Trust and Tenant, upon, and subject to, all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining, including any extensions therein provided. Tenant does hereby agree to attorn to Lender or to any such owner as its landlord, and Lender hereby agrees that it will accept such attornment. Lender understands that Tenant must adhere to Legislative Procurement Policy and Procedures, including section 160 related to novation or change of name regarding a legislative lease. If, under this paragraph the Lease continues in full force and effect as a direct lease between the Tenant and an owner other than the Landlord of the Property, then Landlord remains liable to Tenant for any default by Landlord under the Lease that occurred before the new owner became the new landlord.

3. Notwithstanding any other provision of this Agreement, Lender shall not be: (a) liable for any default of any prior landlord under the Lease (including Landlord), except any default of Landlord that Lender specifically undertakes to cure (it being understood and agreed that absent such undertaking, Lender shall have no obligation to do so) and for which Tenant has delivered written notice to Lender of such default, and unless such default is of such a nature to reasonably require more than thirty (30) days to cure, then Lender shall be permitted such additional time as is reasonably necessary to effect such cure, provided Lender diligently and continuously proceeds to cure such default; or (b) subject to any offsets or defenses which have accrued prior to the date of foreclosure. Unless specifically provided for in this Agreement, Tenant does not waive any of its rights, benefits or interest under the Lease, nor does this Agreement affect or limit in any way the Tenant's rights, benefits or interests under the Lease.

4. If Lender sends written notice to Tenant to direct its rent payments under the Lease to Lender instead of Landlord, then Tenant agrees to follow the instructions set forth in such written instructions and deliver rent payments to Lender; however, Landlord and Lender agree that Tenant shall be credited under the Lease for any rent payments sent to Lender pursuant to such written notice.

5. Tenant hereby covenants and agrees that, so long as the Deed of Trust remains in full force and effect: (a) Tenant shall not consent to any termination or cancellation of the Lease without Lender's prior written consent, which shall not be unreasonably withheld; (b) Tenant shall not consent to any modification to the Lease which reduces the Base Monthly Rent or the term of the Lease, or which increases the obligations of Landlord under the Lease, without in each case Lender's prior written consent, which shall not be unreasonably withheld, (c) Tenant

shall notify Lender in writing concurrently with any notice given to Landlord of any breach of or default by Landlord under the Lease; and (d) Tenant shall not make any payments or prepayments of rent more than one (1) month in advance of the time when the same become due under the Lease. In this Paragraph (5), "modification," "termination," or "cancellation" do not mean a Lease renewal or extension as provided under Alaska law, a termination under the Lease (subject to Paragraph 5(c) above), or a termination or amendment as provided in Section 43 of the Lease for failure of the Alaska Legislature to appropriate sufficient funding.

6. Tenant acknowledges and represents that: (a) The Lease has been duly executed and delivered by Tenant and, subject to the terms and conditions thereof, the Lease is in full force and effect, the obligations of Tenant thereunder are valid and binding, and there have been no amendments, modifications or additions to the Lease (written or oral), other than those included in the Lease definition set forth above; (b) the Lease constitutes the entire agreement between Landlord and Tenant with respect to the Property, and Tenant claims no rights to the Property other than as set forth in the Lease; (c) as of the date hereof and to the best of Tenant's knowledge, (i) there exists no breach of or default under the Lease, nor any condition, act or event which with the giving of notice or the passage of time, or both, would constitute such a breach or default, and (ii) there are no existing claims, defenses or offsets against rental due or to become due under the terms of the Lease; (d) no deposits or prepayments of rent have been made in connection with the Lease, except as disclosed to Lender; (e) Tenant does not have any option or preferential right under the Lease to purchase all or any part of the Property; (f) Landlord is providing all of the parking required by the terms of the Lease; and (g) all of the renovations described in Lease Amendment No. 3 have been completed in accordance with the terms of Lease Amendment No. 3, except for $220,000 in renovations described in Exhibit B to the Restricted Accounts Agreement and the Base Monthly Rent being paid by Tenant under the Lease is $281,638.00.

7. All notices which may or are required to be sent under this Agreement shall be in writing and shall be sent to the party at the address appearing below or such other address as any party shall hereafter inform the other party by written notice:

Tenant: State of Alaska
Legislative Affairs Agency
State Capitol Room 3
Juneau, Alaska 99801-1182

Landlord: 716 West Fourth Avenue, LLC
P.O. Box 241286
Anchorage, Alaska 99524

Lender: EverBank
6464 185th Avenue NE, Suite 200
Redmond, Washington 98052
Attention: Risk Department

All notices delivered as set forth above shall be deemed effective as follows: (i) if sent by hand delivery, upon delivery; (ii) if sent by mail, upon the earlier of the date of receipt or three (3)

days after deposit in the U.S. mail, first class and postage prepaid; and (iii) if sent by telecopy, upon receipt.

8. The Deed of Trust shall not cover or encumber and shall not be construed as subjecting in any manner to the lien thereof any trade fixtures, furniture, equipment or other personal property at any time placed or installed in the demised premises by Tenant. In the event the Property or any part thereof shall be taken for public purposes by condemnation or transfer in lieu thereof or the same are damaged or destroyed, the rights of the parties to any condemnation award or insurance proceeds shall be determined and controlled by the applicable provisions of the Lease, if any such provisions are now in the Lease; provided, however, that in any and all events, as between Lender and Landlord, the rights of the parties to such proceeds and the disbursement thereof shall be governed by the loan documents between such parties.

9. All remedies provided herein are cumulative, not exclusive, and shall be in addition to any and all other rights and remedies provided by law and by other agreements between Lender and Landlord or any other person or entity. If any party hereto institutes any judicial or administrative action or proceeding to enforce any rights or obligations under this Agreement, or seeking damages or any other judicial or administrative remedy, the prevailing party shall be entitled to recover from the other party all costs and expenses, including reasonable attorneys' fees (to include outside counsel fees and all allocated costs of the prevailing party's in-house counsel), whether incurred at the trial or appellate level, in an arbitration proceeding or otherwise, and including any of the foregoing incurred in connection with any bankruptcy proceeding (including without limitation, any adversary proceeding, contested matter or motion brought by Lender or any other person) relating to Landlord, Tenant or any other person or entity. Any recovery of attorney fees against Tenant under this Agreement is subject to a specific appropriation for the purpose. The Lender recognizes that the Tenant does not have an appropriation currently available to it to cover attorney's fees under the previous paragraph and that enactment of an appropriation in the future to fund a payment under the previous paragraph remains in the sole discretion of the legislature. The Lender agrees that the legislature's failure to make that appropriation creates no further liability or obligation of the Tenant.

10. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their successors in interest, heirs and assigns and any subsequent owner of the Property secured by the Deed of Trust; and shall be construed in accordance with the laws of the State of Alaska. In the event of any inconsistency between the terms of this Agreement and the Lease, the terms of this Agreement shall control. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute and be construed as one and the same instrument.

[Signatures begin on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

LANDLORD:

716 WEST FOURTH AVENUE, LLC,
an Alaska limited liability company

By: _____
Mark E. Pfeffer, Manager

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 22 day of December, 2014, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and worn as such, personally appeared MARK E. PFEFFER, known to me and to me known to be the individual named in and who executed the above and foregoing SNDA on behalf of **716 WEST FOURTH AVENUE, LLC**, in his authorized capacity as Manager and he acknowledged to me that he executed the foregoing SNDA as the free and voluntary act and deed of his principal for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

_____
NOTARY PUBLIC in and for Alaska

My Commission expires:

12/17/2017

ALANA WILLIAMS
My Commission Expires
NOTARY PUBLIC
Dec. 17, 2017
STATE OF ALASKA

TENANT:

STATE OF ALASKA
Legislative Affairs Agency

By: _____
Representative Mike Hawker, Chairman

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 22nd day of December, 2014, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and worn as such, personally appeared REPRESENTATIVE MIKE HAWKER, known to me and to me known to be the individual named in and who executed the above and foregoing SNDA as the CHAIR OF THE ALASKA LEGISLATIVE COUNCIL, and he acknowledged to me that he executed the foregoing SNDA as the free and voluntary act and deed of his principal for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

_____
NOTARY PUBLIC in and for Alaska

My Commission expires:
12/17/2017

ALANA WILLIAMS
My Commission Expires
NOTARY PUBLIC
Dec. 17, 2017
STATE OF ALASKA

Approved as to form:

_____ 12-22-14
Legislative Legal Services

LENDER:

EVERBANK

By: Susie E. Stevens
Print: Susie E. Stevens
Its: Vice President

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 22nd day of December, 2014, before me, a Notary Public in and for the State of Washington, personally appeared Susie E Stevens, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument, on oath stated that she was authorized to execute the instrument, and acknowledged it as the Vice President of EVERBANK, to be the free and voluntary act and deed of said corporation for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Lisa Wagner
LISA WAGNER
(Print Name)

NOTARY PUBLIC in and for the
State of Washington, residing
at: Algona

My appointment expires: 9/22/17

Escrow No.: **F-50986**
Loan Number 6326840-001

Title No.: **F-50986**

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 1:

Lot 3A-1, Block 40, ANCHORAGE ORIGINAL TOWNSITE, according to the official plat thereof, filed under Plat Number 2014-21, in the records of the Anchorage Recording District, Third Judicial District, State of Alaska.

PARCEL 2:

Easement for joint use of a common wall as set forth and described in instruments recorded January 22, 1917 in Book 3 at Page 293, August 21, 1918 in Book 5 at Page 300 and July 13, 1923 in Book 10 at Page 83, in the Anchorage Recording District, Third Judicial District, State of Alaska.

PARCEL 3:

Easement for a perpetual underground power and lighting plant and for a four foot stairway as set forth and described in instrument recorded July 13, 1923 in Book 10 at Page 83, in the Anchorage Recording District, Third Judicial District, State of Alaska.

PARCEL 4:

Easement for sewer and water pipes and wires, telephone and power wires as set forth and described in instrument recorded July 13, 1923 in Book 10 at Page 83, in the Anchorage Recording District, Third Judicial District, State of Alaska.

TEST FIT 1

Analysis of Anchorage LIO Options
Cells in Orange cascade through spreadsheets
Capital costs for Atwood are based on original cost amortized for relevant analysis term
Lease Cost is based on a flat-line extension assumption for both existing LIO and Atwood Building
Present value rate of 5% was used as it is combination of short term and long term funds that would be used over the four options
Assumption that Building is worth the purchase price at decision point.

Anchorage LIO Usable Square Feet	45,371
Atwood Total Usable Square Footage	259,972
Atwood LIO Square Footage	80,000

PV Rate to Employ:	5.00%
Anchorage LIO Ownership Annual Operating Cost	$269,500
Annual Operating Costs of Atwood Building	$664,776
Anchorage LIO Lease Annual Operating Cost	$550,000
Anchorage LIO Purchase Price	$37,950,000
Required Tenant Improvements to Atwood	3,500,000
Annual Lease Cost For Anchorage LIO	3,379,656
Proposed Lease Reduction Percentage	0%

REDUCED BY AMOUNT OF EARTHQUAKE INSURANCE
**this won't cascade through the three COP Sheets

	10-Year Appropriate	20-Year Appropriate	30-Year Appropriate	10-Year COP	20-Year COP	30-Year COP	10-Year Lease	20-Year Lease	30-Year Lease	10-Year Atwood	20-Year Atwood	30-Year Atwood
	Buy Anchorage LIO	Buy Anchorage LIO	Buy Anchorage LIO	Buy Anchorage LIO	Buy Anchorage LIO	Buy Anchorage LIO	Lease Anchorage LIO	Lease Anchorage LIO	Lease Anchorage LIO	Move to Atwood	Move to Atwood	Move to Atwood
	General Funds	General Funds	General Funds	Fixed Rate Bonds Scenario	Fixed Rate Bonds Scenario	Fixed Rate Bonds Scenario	existing 10-Year lease	One 10 year extension on Existing Lease	Two 10 year extensions on Existing Lease	Building & Parking Operating & Capital	Building & Parking Operating & Capital	Building & Parking Operating & Capital
				Proceeds Gen: 38,265,836	Proceeds Gen: 38,266,301	Proceeds Gen: 38,264,734						
	PV rate: 5.00%	PV rate: 5.00%	PV rate: 5.00%	PV rate: 5.00%	PV rate: 5.00%	PV rate: 5.00%	PV rate: 5.00%	PV rate: 5.00%	PV rate: 5.00%	PV rate: 5.00%	PV rate: 5.00%	PV rate: 5.00%
	Cashflow PV 40,279,917	Cashflow PV 42,100,044	Cashflow PV 43,645,744	Cashflow PV 34,725,640	Cashflow PV 35,732,599	Cashflow PV 37,069,941	PV Lease 30,630,023	PV Lease 49,322,635	PV Lease 60,730,194	PV Lease 16,976,500	PV Lease 21,881,885	PV Lease 22,171,038
	Ownership Value 37,950,000	Ownership Value 37,950,000	Ownership Value 37,950,000	Ownership Value 37,950,000	Ownership Value 37,950,000	Ownership Value 37,950,000	Ownership Value -	Ownership Value -	Ownership Value	Ownership Value -	Ownership Value -	Ownership Value -
	Real Cost 2,329,916.8	Real Cost 4,150,044.1	Real Cost 5,695,744.5	Real Cost (3,224,360)	Real Cost (2,217,401)	Real Cost (880,059)	Real Cost 30,630,023	Real Cost 49,322,635	Real Cost 60,730,194	Real Cost 16,976,500	Real Cost 21,881,885	Real Cost 22,171,038
	Annual Operating Cost 269,500	Annual Operating Cost 269,500	Annual Operating Cost 269,500	Annual Operating Cost 269,500	Annual Operating Cost 269,500	Annual Operating Cost 269,500	Annual Operating Cost 550,000	Annual Operating Cost 550,000	Annual Operating Cost 550,000	Annual Operating Cost 664,776	Annual Operating Cost 664,776	Annual Operating Cost 664,776
	Square Footage 45,371	Square Footage 45,371	Square Footage 45,371	Square Footage 45,371	Square Footage 45,371	Square Footage 45,371	Square Footage 45,371	Square Footage 45,371	Square Footage 45,371	Square Footage 30,000	Square Footage 30,000	Square Footage 30,000
	Aerage Monthly Square Foot Cost 7.47	Average Monthly Square Foot Cost 3.98	Average Monthly Square Foot Cost 2.82	Average Monthly Square Foot Cost 8.26	Average Monthly Square Foot Cost 5.26	Average Monthly Square Foot Cost 4.43	Average Monthly Square Foot Cost 7.22	Average Monthly Square Foot Cost 7.22	Average Monthly Square Foot Cost 7.22	Average Monthly Square Foot Cost 5.89	Average Monthly Square Foot Cost 4.55	Average Monthly Square Foot Cost 3.68
	Monthly Square Foot PV Cost 0.43	Monthly Square Foot PV Cost 0.38	Monthly Square Foot PV Cost 0.35	Monthly Square Foot PV Cost (0.59)	Monthly Square Foot PV Cost (0.20)	Monthly Square Foot PV Cost (0.05)	Monthly Square Foot PV Cost 5.63	Monthly Square Foot PV Cost 4.53	Monthly Square Foot PV Cost 3.72	Monthly Square Foot PV Cost 4.72	Monthly Square Foot PV Cost 3.04	Monthly Square Foot PV Cost 2.05
Year	Payment / PV of Capital and Operating	Payment / PV of Capital and Operating	Payment / PV of Capital and Operating	Annual Debt & Operating / PV of Debt and Operating	Annual Debt & Operating / PV of Debt and Operating	Annual Debt & Operating / PV of Debt and Operating	Annual Lease and Operating / PV of Payments	Annual Payment / PV of Payments	Annual Payment / PV of Payments	Annual Payment / PV of Payments	Annual Payment / PV of Payments	Annual Payment / PV of Payments
2016	37,950,000 / 37,950,000	37,950,000 / 37,950,000	37,950,000 / 37,950,000							3,500,000 / 3,500,000	3,500,000 / 3,500,000	3,500,000 / 3,500,000
2017	269,500 / 259,720	269,500 / 259,720	269,500 / 259,720	4,495,750 / 4,301,734	2,867,000 / 2,751,303	2,409,750 / 2,316,418	3,929,656 / 3,787,057	3,929,656 / 3,787,057	3,929,656 / 3,787,057	1,772,182 / 1,666,217	1,464,530 / 1,411,385	1,208,143 / 1,164,302
2018	269,500 / 253,388	269,500 / 253,386	269,500 / 253,386	4,496,000 / 4,093,210	2,863,000 / 2,614,551	2,410,000 / 2,204,744	3,929,656 / 3,604,575	3,929,656 / 3,604,575	3,929,656 / 3,604,575	1,772,182 / 1,585,930	1,464,530 / 1,343,377	1,208,143 / 1,108,199
2019	269,500 / 247,206	269,500 / 247,206	269,500 / 247,206	4,494,750 / 3,893,429	2,866,750 / 2,491,248	2,409,000 / 2,087,965	3,929,656 / 3,430,887	3,929,656 / 3,430,887	3,929,656 / 3,430,887	1,772,182 / 1,509,511	1,464,530 / 1,278,645	1,208,143 / 1,054,800
2020	269,500 / 241,176	269,500 / 241,176	269,500 / 241,176	4,491,750 / 3,701,893	2,867,750 / 2,371,473	2,411,750 / 1,998,279	3,929,656 / 3,265,567	3,929,656 / 3,265,567	3,929,656 / 3,265,567	1,772,182 / 1,436,774	1,464,530 / 1,217,033	1,208,143 / 1,003,974
2021	269,500 / 235,294	269,500 / 235,294	269,500 / 235,294	4,496,750 / 3,525,956	2,866,000 / 2,255,281	2,413,000 / 1,902,687	3,929,656 / 3,108,214	3,929,656 / 3,108,214	3,929,656 / 3,108,214	1,772,182 / 1,367,542	1,464,530 / 1,158,390	1,208,143 / 955,597
2022	269,500 / 229,555	269,500 / 229,555	269,500 / 229,555	4,494,000 / 3,352,545	2,866,500 / 2,146,427	2,412,750 / 1,810,538	3,929,656 / 2,958,443	3,929,656 / 2,958,443	3,929,656 / 2,958,443	1,772,182 / 1,301,646	1,464,530 / 1,102,572	1,208,143 / 909,551
2023	269,500 / 223,956	269,500 / 223,956	269,500 / 223,956	4,493,500 / 3,189,182	2,864,000 / 2,040,678	2,411,000 / 1,721,776	3,929,656 / 2,815,888	3,929,656 / 2,815,888	3,929,656 / 2,815,888	1,772,182 / 1,238,926	1,464,530 / 1,049,444	1,208,143 / 865,724
2024	269,500 / 218,494	269,500 / 218,494	269,500 / 218,494	4,494,750 / 3,034,889	2,863,500 / 1,941,459	2,407,750 / 1,636,942	3,929,656 / 2,680,203	3,929,656 / 2,680,203	3,929,656 / 2,680,203	1,772,182 / 1,179,227	1,464,530 / 998,876	1,208,143 / 824,008
2025	269,500 / 213,165	269,500 / 213,165	269,500 / 213,165	4,492,250 / 2,885,585	2,864,750 / 1,846,159	2,408,000 / 1,557,876	3,929,656 / 2,551,056	3,929,656 / 2,551,056	3,929,656 / 2,551,056	1,772,182 / 1,122,406	1,464,530 / 950,744	1,208,143 / 784,303
2026	269,500 / 207,965	269,500 / 207,965	269,500 / 207,965	4,495,750 / 2,747,217	2,867,500 / 1,760,231	2,411,500 / 1,484,190	3,929,656 / 2,428,132	3,929,656 / 2,428,132	3,929,656 / 2,428,132	1,772,182 / 1,068,322	1,464,530 / 904,932	1,208,143 / 746,511
2027		269,500 / 202,893	269,500 / 202,893		2,866,500 / 1,674,281	2,408,000 / 1,410,361		3,929,656 / 2,311,131	3,929,656 / 2,311,131		1,464,530 / 861,327	1,208,143 / 710,540
2028		269,500 / 197,945	269,500 / 197,945		2,866,750 / 1,593,192	2,407,750 / 1,341,986		3,929,656 / 2,199,768	3,929,656 / 2,199,768		1,464,530 / 819,824	1,208,143 / 676,302
2029		269,500 / 193,117	269,500 / 193,117		2,863,000 / 1,513,898	2,410,500 / 1,278,491		3,929,656 / 2,093,770	3,929,656 / 2,093,770		1,464,530 / 780,320	1,208,143 / 643,714
2030		269,500 / 188,406	269,500 / 188,406		2,865,250 / 1,441,528	2,411,000 / 1,216,858		3,929,656 / 1,992,881	3,929,656 / 1,992,881		1,464,530 / 742,720	1,208,143 / 612,696
2031		269,500 / 183,811	269,500 / 183,811		2,863,000 / 1,370,445	2,409,250 / 1,187,110		3,929,656 / 1,896,853	3,929,656 / 1,896,853		1,464,530 / 706,932	1,208,143 / 583,173
2032		269,500 / 179,328	269,500 / 179,328		2,866,250 / 1,305,395	2,410,250 / 1,101,529		3,929,656 / 1,805,452	3,929,656 / 1,805,452		1,464,530 / 672,868	1,208,143 / 555,072
2033		269,500 / 174,954	269,500 / 174,954		2,864,500 / 1,241,131	2,408,750 / 1,047,928		3,929,656 / 1,718,459	3,929,656 / 1,718,459		1,464,530 / 640,445	1,208,143 / 528,326
2034		269,500 / 170,687	269,500 / 170,687		2,862,750 / 1,180,059	2,409,750 / 997,184		3,929,656 / 1,635,650	3,929,656 / 1,635,650		1,464,530 / 609,585	1,208,143 / 502,868
2035		269,500 / 166,524	269,500 / 166,524		2,865,750 / 1,123,823	2,408,000 / 948,171		3,929,656 / 1,556,835	3,929,656 / 1,556,835		1,464,530 / 580,212	1,208,143 / 478,637
2036		269,500 / 162,462	269,500 / 162,462		2,863,000 / 1,068,098	2,408,500 / 902,892		3,929,656 / 1,481,818	3,929,656 / 1,481,818		1,464,530 / 552,254	1,208,143 / 455,574
2037			269,500 / 158,500			2,411,000 / 859,519			3,929,656 / 1,410,418		- / -	1,208,143 / 433,622
2038			269,500 / 154,634			2,410,250 / 817,573			3,929,656 / 1,342,494		- / -	1,208,143 / 412,727
2039			269,500 / 150,862			2,411,250 / 778,221			3,929,656 / 1,277,547		- / -	1,208,143 / 392,840
2040			269,500 / 147,183			2,408,750 / 739,681			3,929,656 / 1,216,197		- / -	1,208,143 / 373,911
2041			269,500 / 143,593			2,412,750 / 704,927			3,929,656 / 1,157,514		- / -	1,208,143 / 355,894
2042			269,500 / 140,091			2,407,750 / 669,298			3,929,656 / 1,101,815		- / -	1,208,143 / 338,745
2043			269,500 / 136,674			2,409,000 / 637,101			3,929,656 / 1,048,722		- / -	1,208,143 / 322,422
2044			269,500 / 133,340			2,411,000 / 606,627			3,929,656 / 998,190		- / -	1,208,143 / 306,886
2045			269,500 / 130,088			2,408,500 / 576,524			3,929,656 / 950,091		- / -	1,208,143 / 292,098
2046			269,500 / 126,915			2,411,500 / 549,150			3,929,656 / 904,118		- / -	1,208,143 / 278,023
	40,645,000 / 40,279,917	49,340,000 / 42,100,044	46,035,000 / 43,645,744	44,945,250 / 34,725,640	57,303,500 / 35,732,599	72,298,000 / 37,069,941	39,296,560 / 30,630,023	78,593,120 / 49,322,635	117,588,840 / 60,730,194	21,221,815 / 16,976,500	32,790,602 / 21,881,885	39,744,290 / 22,171,038

TEST FIT 2

Analysis of Anchorage LIO Options
Cells in Oranga cascade through spreadsheets
Capital costs for Atwood are based on original cost amortized for relevant analysis term
Lease Cost is based on a flat-line extension assumption for both existing LIO and Atwood Building
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Annual Operating Costs of Atwood Building	$664,776
Anchorage LIO Lease Annual Operating Cost	$550,000
Anchorage LIO Purchase Price	$0
Required Tenant Improvements to Atwood	3,500,000
Annual Lease Cost For Anchorage LIO	3,379,656
Proposed Lease Reduction Percentage	0%

REDUCED BY AMOUNT OF EARTHQUAKE INSURANCE
Changed call to $0 in order to reflect ownership to a gov entity
without principal accruing to legislature see results in COP comlumns
30 YR solution results at $2.27 vs. 10 YR lease @$5.63

	10-Year Appropriate		20-Year Appropriate		30-Year Appropriate		10-Year COP		20-Year COP		30-Year COP		10-Year Lease		20-Year Lease		30-Year Lease		10-Year Atwood		20-Year Atwood		30-Year Atwood	
	Buy Anchorage LIO		Buy Anchorage LIO		Buy Anchorage LIO		Buy Anchorage LIO		Buy Anchorage LIO		Buy Anchorage LIO		Lease Anchorage LIO		Lease Anchorage LIO		Lease Anchorage LIO		Move to Atwood		Move to Atwood		Move to Atwood	
	General Funds		General Funds		General Funds		Fixed Rate Bonds Scenario		Fixed Rate Bonds Scenario		Fixed Rate Bonds Scenario		existing 10-Year lease		One 10 year extension on Existing Lease		Two 10 year extensions on Existing Lease		Building & Parking Operating & Capital		Building & Parking Operating & Capital		Building & Parking Operating & Capital	
							Proceeds Gen:	38,265,836	Proceeds Gen:	38,266,301	Proceeds Gen:	38,264,734												
	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%
	Cashflow PV	2,329,917	Cashflow PV	42,100,044	Cashflow PV	43,645,744	Cashflow PV	34,725,640	Cashflow PV	35,732,599	Cashflow PV	37,069,941	PV Lease	30,630,023	PV Lease	49,322,635	PV Lease	60,730,194	PV Lease	16,976,500	PV Lease	21,881,885	PV Lease	22,171,038
	Ownership Value	-	Ownership Value	-	Ownership Value	-	Ownership Value	-	Ownership Value	-	Ownership Value	-	Ownership Value		Ownership Value	-	Ownership Value		Ownership Value	-	Ownership Value	-	Ownership Value	-
	Real Cost	2,329,916.8	Real Cost	42,100,044.1	Real Cost	43,645,744.5	Real Cost	34,725,640	Real Cost	35,732,599	Real Cost	37,069,941	Real Cost	30,630,023	Real Cost	49,322,635	Real Cost	60,730,194	Real Cost	16,976,500	Real Cost	21,881,885	Real Cost	22,171,038
	Annual Operating Cost	269,500	Annual Operating Cost	269,500	Annual Operating Cost	269,500	Annual Operating Cost	269,500	Annual Operating Cost	269,500	Annual Operating Cost	269,500	Annual Operating Cost	550,000	Annual Operating Cost	550,000	Annual Operating Cost	550,000	Annual Operating Cost	664,776	Annual Operating Cost	664,776	Annual Operating Cost	664,776
	Square Footage	45,371	Square Footage	45,371	Square Footage	45,371	Square Footage	45,371	Square Footage	45,371	Square Footage	45,371	Square Footage	45,371	Square Footage	45,371	Square Footage	45,371	Square Footage	30,000	Square Footage	30,000	Square Footage	30,000
	Average Monthly Square Foot Cost	0.49	Average Monthly Square Foot Cost	3.98	Average Monthly Square Foot Cost	2.82	Average Monthly Square Foot Cost	8.26	Average Monthly Square Foot Cost	5.26	Average Monthly Square Foot Cost	4.43	Average Monthly Square Foot Cost	7.22	Average Monthly Square Foot Cost	7.22	Average Monthly Square Foot Cost	7.22	Average Monthly Square Foot Cost	5.89	Average Monthly Square Foot Cost	4.55	Average Monthly Square Foot Cost	3.68
	Monthly Square Foot PV Cost	0.43	Monthly Square Foot PV Cost	3.87	Monthly Square Foot PV Cost	2.67	Monthly Square Foot PV Cost	6.38	Monthly Square Foot PV Cost	3.28	Monthly Square Foot PV Cost	2.27	Monthly Square Foot PV Cost	5.63	Monthly Square Foot PV Cost	4.53	Monthly Square Foot PV Cost	3.72	Monthly Square Foot PV Cost	4.72	Monthly Square Foot PV Cost	3.04	Monthly Square Foot PV Cost	2.05
Year	Payment	PV of Capital and Operating	Payment	PV of Capital and Operating	Payment	PV of Capital and Operating	Annual Debt & Operating	PV of Debt and Operating	Annual Debt & Operating	PV of Debt and Operating	Annual Debt & Operating	PV of Debt and Operating	Annual Lease and Operating	PV of Payments	Annual Payment	PV of Payments	Annual Payment	PV of Payments	Annual Payment	PV of Payments	Annual Payment	PV of Payments	Annual Payment	PV of Payments
2016	0	0	37,950,000	37,950,000	37,950,000	37,950,000													3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
2017	269,500	259,720	269,500	259,720	269,500	259,720	4,495,750	4,301,734	2,867,000	2,751,303	2,409,750	2,316,416	3,929,656	3,787,057	3,829,656	3,787,057	3,916,656	3,787,057	1,772,182	1,666,217	1,464,530	1,411,385	1,208,143	1,164,302
2018	269,500	253,386	269,500	253,386	269,500	253,386	4,496,000	4,093,210	2,863,000	2,614,551	2,410,000	2,204,744	3,929,656	3,604,575	3,829,656	3,604,575	3,822,656	3,501,575	1,772,182	1,585,930	1,464,530	1,343,377	1,208,143	1,108,199
2019	269,500	247,206	269,500	247,206	269,500	247,206	4,494,750	3,893,429	2,866,750	2,491,248	2,409,000	2,097,365	3,929,656	3,430,887	3,829,656	3,430,887	3,728,656	3,339,057	1,772,182	1,509,511	1,464,530	1,278,645	1,208,143	1,054,800
2020	269,500	241,176	269,500	241,176	269,500	241,176	4,491,750	3,701,893	2,867,750	2,371,473	2,411,750	1,998,279	3,929,656	3,265,567	3,829,656	3,265,567	3,632,656	3,019,557	1,772,182	1,436,774	1,464,530	1,217,033	1,208,143	1,003,974
2021	269,500	235,294	269,500	235,294	269,500	235,294	4,496,750	3,525,956	2,866,000	2,255,281	2,413,000	1,902,687	3,929,656	3,108,214	3,829,656	3,108,214	3,829,656	3,108,214	1,772,182	1,367,542	1,464,530	1,158,390	1,208,143	955,597
2022	269,500	229,555	269,500	229,555	269,500	229,555	4,494,000	3,352,545	2,866,500	2,146,427	2,412,750	1,810,598	3,929,656	2,958,443	3,829,656	2,958,443	3,829,656	2,958,443	1,772,182	1,301,646	1,464,530	1,102,572	1,208,143	909,551
2023	269,500	223,956	269,500	223,956	269,500	223,956	4,493,500	3,189,182	2,864,000	2,040,678	2,411,000	1,721,776	3,929,656	2,815,888	3,829,656	2,815,888	3,829,656	2,815,888	1,772,182	1,238,926	1,464,530	1,049,444	1,208,143	865,724
2024	269,500	218,494	269,500	218,494	269,500	218,494	4,494,750	3,034,889	2,863,500	1,941,459	2,407,750	1,635,342	3,929,656	2,680,203	3,829,656	2,680,203	3,829,656	2,680,203	1,772,182	1,179,227	1,464,530	998,876	1,208,143	824,008
2025	269,500	213,165	269,500	213,165	269,500	213,165	4,492,250	2,885,585	2,864,750	1,848,159	2,408,000	1,557,376	3,929,656	2,551,056	3,829,656	2,551,056	3,829,656	2,551,056	1,772,182	1,122,406	1,464,530	950,744	1,208,143	784,303
2026	269,500	207,965	269,500	207,965	269,500	207,965	4,495,750	2,747,217	2,867,500	1,760,231	2,411,500	1,484,180	3,929,656	2,428,132	3,829,656	2,428,132	3,829,656	2,428,132	1,772,182	1,068,322	1,464,530	904,932	1,208,143	746,511
2027			269,500	202,893	269,500	202,893			2,866,500	1,674,281	2,408,000	1,410,361			3,929,656	2,311,131	3,829,656	2,311,131			1,464,530	861,327	1,208,143	710,540
2028			269,500	197,945	269,500	197,945			2,866,750	1,593,192	2,407,750	1,341,986			3,929,656	2,199,768	3,829,656	2,199,768			1,464,530	819,824	1,208,143	676,302
2029			269,500	193,117	269,500	193,117			2,863,000	1,513,898	2,410,500	1,278,491			3,929,656	2,093,770	3,829,656	2,093,770			1,464,530	780,320	1,208,143	643,714
2030			269,500	188,406	269,500	188,406			2,865,250	1,441,528	2,411,000	1,216,858			3,929,656	1,992,881	3,829,656	1,992,881			1,464,530	742,720	1,208,143	612,696
2031			269,500	183,811	269,500	183,811			2,863,000	1,370,445	2,409,250	1,157,110			3,929,656	1,896,853	3,829,656	1,896,853			1,464,530	706,932	1,208,143	583,173
2032			269,500	179,328	269,500	179,328			2,866,250	1,305,335	2,410,250	1,101,529			3,929,656	1,809,452	3,829,656	1,809,452			1,464,530	672,868	1,208,143	555,072
2033			269,500	174,954	269,500	174,954			2,864,500	1,241,131	2,408,750	1,047,526			3,829,656	1,718,455	3,829,656	1,718,455			1,464,530	640,445	1,208,143	528,326
2034			269,500	170,687	269,500	170,687			2,862,750	1,180,059	2,409,750	997,184			3,929,656	1,635,650	3,829,656	1,635,650			1,464,530	609,585	1,208,143	502,868
2035			269,500	166,524	269,500	166,524			2,865,750	1,123,823	2,408,000	948,171			3,929,656	1,556,835	3,829,656	1,556,835			1,464,530	580,212	1,208,143	478,637
2036			269,500	162,462	269,500	162,462			2,863,000	1,068,098	2,408,500	902,392			3,929,656	1,481,818	3,829,656	1,481,818			1,464,530	552,254	1,208,143	455,574
2037					269,500	158,500					2,411,000	859,519					3,829,656	1,410,418			-	-	1,208,143	433,622
2038					269,500	154,634					2,410,250	817,573					3,829,656	1,342,434			-	-	1,208,143	412,727
2039					269,500	150,862					2,411,250	778,221					3,829,656	1,277,727			-	-	1,208,143	392,840
2040					269,500	147,183					2,408,750	739,681					3,829,656	1,216,137			-	-	1,208,143	373,911
2041					269,500	143,593					2,412,750	704,927					3,829,656	1,157,631			-	-	1,208,143	355,894
2042					269,500	140,091					2,407,750	669,298					3,829,656	1,101,815			-	-	1,208,143	338,745
2043					269,500	136,674					2,409,000	637,101					3,829,656	1,048,723			-	-	1,208,143	322,422
2044					269,500	133,340					2,411,000	606,627					3,829,656	998,190			-	-	1,208,143	306,886
2045					269,500	130,088					2,408,500	576,524					3,829,656	949,941			-	-	1,208,143	292,098
2046					269,500	126,915					2,411,500	549,150					3,829,656	903,911			-	-	1,208,143	278,023
	2,695,000	2,329,917	43,340,000	42,100,044	46,035,000	43,645,744	44,945,250	34,725,640	57,303,500	35,732,599	72,298,000	37,069,941	39,296,560	30,630,023	78,599,120	49,322,635	117,881,750	60,730,194	21,221,815	16,976,500	32,790,602	21,881,885	39,744,290	22,171,038

TEST FIT 3

Analysis of Anchorage LIO Options
Cells in Orange cascade through spreadsheets.
Capital costs for Atwood are based on original cost amortized for relevant analysis term
Lease Cost is based on a flat-line extension assumption for both existing LIO and Atwood Building
Present value rate of 5% was used as it is combination of short term and long term funds that would be used over the four options
Assumption that Building is worth the purchase price at decision point.

Anchorage LIO Usable Square Feet	45,371
Atwood Total Usable Square Footage	253,972
Atwood LIO Square Footage	30,000

PV Rate to Employ:	5.00%
Anchorage LIO Ownership Annual Operating Cost	$269,500
Annual Operating Costs of Atwood Building	$664,776
Anchorage LIO Lease Annual Operating Cost	$550,000
Anchorage LIO Purchase Price	$37,950,000
Required Tenant Improvements to Atwood	5,500,000
Annual Lease Cost For Anchorage LIO	3,210,673
Proposed Lease Reduction Percentage	5%

REDUCED BY AMOUNT OF EARTHQUAKE INSURANCE
****this won't cascade through the three COP Sheets**
Increased cost to relocate to reflect indirect costs to terminate lease
reduced rent by 5%

	10-Year Appropriate		20-Year Appropriate		30-Year Appropriate		10-Year COP		20-Year COP		30-Year COP		10-Year Lease		20-Year Lease		30-Year Lease		10-Year Atwood		20-Year Atwood		30-Year Atwood	
	Buy Anchorage LIO		Buy Anchorage LIO		Buy Anchorage LIO		Buy Anchorage LIO		Buy Anchorage LIO		Buy Anchorage LIO		Lease Anchorage LIO		Lease Anchorage LIO		Lease Anchorage LIO		Move to Atwood		Move to Atwood		Move to Atwood	
	General Funds		General Funds		General Funds		Fixed Rate Bonds Scenario		Fixed Rate Bonds Scenario		Fixed Rate Bonds Scenario		existing 10-Year lease		One 10 year extenstion on Existing Lease		Two 10 year extensions on Existing Lease		Building & Parking Operating & Capital		Building & Parking Operating & Capital		Building & Parking Operating & Capital	
							Proceeds Gen:	38,265,836	Proceeds Gen:	38,266,301	Proceeds Gen:	38,264,734												
	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%
	Cashflow PV	40,279,917	Cashflow PV	42,100,044	Cashflow PV	43,645,744	Cashflow PV	34,725,640	Cashflow PV	35,732,599	Cashflow PV	37,069,941	PV Lease	29,312,872	PV Lease	47,201,667	PV Lease	58,118,678	PV Lease	18,976,500	PV Lease	23,881,885	PV Lease	24,171,038
	Ownership Value	37,950,000	Ownership Value	37,950,000	Ownership Value	37,950,000	Ownership Value	37,950,000	Ownership Value	37,950,000	Ownership Value	37,950,000	Ownership Value	-	Ownership Value	-	Ownership Value		Ownership Value	-	Ownership Value	-	Ownership Value	-
	Real Cost	2,329,916.8	Real Cost	4,150,044.1	Real Cost	5,695,744.5	Real Cost	(3,224,360)	Real Cost	(2,217,401)	Real Cost	(880,059)	Real Cost	29,312,872	Real Cost	47,201,667	Real Cost	58,118,678	Real Cost	18,976,500	Real Cost	23,881,885	Real Cost	24,171,038
	Annual Operating Cost	269,500	Annual Operating Cost	269,500	Annual Operating Cost	269,500	Annual Operating Cost	269,500	Annual Operating Cost	269,500	Annual Operating Cost	269,500	Annual Operating Cost	550,000	Annual Operating Cost	550,000	Annual Operating Cost	550,000	Annual Operating Cost	664,776	Annual Operating Cost	664,776	Annual Operating Cost	664,776
	Square Footage	45,371	Square Footage	45,371	Square Footage	45,371	Square Footage	45,371	Square Footage	45,371		45,371	Square Footage	45,371	Square Footage	45,371	Square footage	45,371	Square Footage	30,000	Square Footage	30,000	Square Footage	30,000
	Aerage Monthly Square Foot Cost	7.47	Average Monthly Square Foot Cost	3.98	Average Monthly Square Foot Cost	2.82	Average Monthly Square Foot Cost	8.26	Average Monthly Square Foot Cost	5.26	Average Monthly Square Foot Cost	4.43	Average Monthly Square Foot Cost	6.91	Average Monthly Square Foot Cost	6.91	Average Monthly Square Foot Cost	6.91	Average Monthly Square Foot Cost	6.45	Average Monthly Square Foot Cost	4.83	Average Monthly Square Foot Cost	3.87
	Monthly Square Foot PV Cost	0.43	Monthly Square Foot PV Cost	0.38	Monthly Square Foot PV Cost	0.35	Monthly Square Foot PV Cost	(0.59)	Monthly Square Foot PV Cost	(0.20)	Monthly Square Foot PV Cost	(0.05)	Monthly Square Foot PV Cost	5.38	Monthly Square Foot PV Cost	4.33	Monthly Square Foot PV Cost	3.56	Monthly Square Foot PV Cost	5.27	Monthly Square Foot PV Cost	3.32	Monthly Square Foot PV Cost	2.24
Year	Payment	PV of Captial and Operating	Payment	PV of Captial and Operating	Payment	PV of Captial and Operating	Annual Debt & Operating	PV of Debt and Operating	Annual Debt & Operating	PV of Debt and Operating	Annual Debt & Operating	PV of Debt and Operating	Annual Lease and Operating	PV of Payments	Annual Payment	PV of Payments	Annual Payment	PV of Payments	Annual Payment	PV of Payments	Annual Payment	PV of Payments	Annual Payment	PV of Payments
2016	37,950,000	37,950,000	37,950,000	37,950,000	37,950,000	37,950,000													5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
2017	269,500	259,720	269,500	259,720	269,500	259,720	4,495,750	4,301,734	2,867,000	2,751,303	2,409,750	2,316,416	3,760,673	3,624,206	3,760,673	3,624,206	3,760,673	3,624,206	1,772,182	1,666,217	1,464,530	1,411,385	1,208,143	1,164,302
2018	269,500	253,386	269,500	253,386	269,500	253,386	4,496,000	4,093,210	2,863,000	2,614,551	2,410,000	2,204,744	3,760,673	3,449,572	3,760,673	3,449,572	3,760,673	3,449,572	1,772,182	1,585,930	1,464,530	1,343,377	1,208,143	1,108,199
2019	269,500	247,206	269,500	247,206	269,500	247,206	4,494,750	3,893,429	2,866,750	2,491,248	2,409,000	2,097,365	3,760,673	3,283,352	3,760,673	3,283,352	3,760,673	3,283,352	1,772,182	1,509,511	1,464,530	1,278,645	1,208,143	1,054,800
2020	269,500	241,176	269,500	241,176	269,500	241,176	4,491,750	3,701,893	2,867,750	2,371,473	2,411,750	1,998,279	3,760,673	3,125,142	3,760,673	3,125,142	3,760,673	3,125,142	1,772,182	1,436,774	1,464,530	1,217,033	1,208,143	1,003,974
2021	269,500	235,294	269,500	235,294	269,500	235,294	4,496,750	3,525,956	2,866,000	2,255,281	2,413,000	1,902,687	3,760,673	2,974,555	3,760,673	2,974,555	3,760,673	2,974,555	1,772,182	1,367,542	1,464,530	1,158,390	1,208,143	955,597
2022	269,500	229,555	269,500	229,555	269,500	229,555	4,494,000	3,352,545	2,866,500	2,146,427	2,412,750	1,810,538	3,760,673	2,831,224	3,760,673	2,831,224	3,760,673	2,831,224	1,772,182	1,301,646	1,464,530	1,102,572	1,208,143	909,551
2023	269,500	223,956	269,500	223,956	269,500	223,956	4,493,500	3,189,182	2,864,000	2,040,678	2,411,000	1,721,776	3,760,673	2,694,800	3,760,673	2,694,800	3,760,673	2,694,800	1,772,182	1,238,926	1,464,530	1,049,444	1,208,143	865,724
2024	269,500	218,494	269,500	218,494	269,500	218,494	4,494,750	3,034,889	2,863,500	1,941,459	2,407,750	1,636,342	3,760,673	2,564,949	3,760,673	2,564,949	3,760,673	2,564,949	1,772,182	1,179,227	1,464,530	998,876	1,208,143	824,008
2025	269,500	213,165	269,500	213,165	269,500	213,165	4,492,250	2,885,585	2,864,750	1,848,159	2,408,000	1,557,376	3,760,673	2,441,356	3,760,673	2,441,356	3,760,673	2,441,356	1,772,182	1,122,406	1,464,530	950,744	1,208,143	784,303
2026	269,500	207,965	269,500	207,965	269,500	207,965	4,495,750	2,747,217	2,867,500	1,760,231	2,411,500	1,484,190	3,760,673	2,323,717	3,760,673	2,323,717	3,760,673	2,323,717	1,772,182	1,068,322	1,464,530	904,932	1,208,143	746,511
2027			269,500	202,893	269,500	202,893			2,866,500	1,674,281	2,408,000	1,410,361			3,760,673	2,211,748	3,760,673	2,211,748			1,464,530	861,327	1,208,143	710,540
2028			269,500	197,945	269,500	197,945			2,866,750	1,593,192	2,407,750	1,341,986			3,760,673	2,105,173	3,760,673	2,105,173			1,464,530	819,824	1,208,143	676,302
2029			269,500	193,117	269,500	193,117			2,863,000	1,513,898	2,410,500	1,278,491			3,760,673	2,003,734	3,760,673	2,003,734			1,464,530	780,320	1,208,143	643,714
2030			269,500	188,406	269,500	188,406			2,865,250	1,441,528	2,411,000	1,216,858			3,760,673	1,907,183	3,760,673	1,907,183			1,464,530	742,720	1,208,143	612,696
2031			269,500	183,811	269,500	183,811			2,863,000	1,370,445	2,409,250	1,157,110			3,760,673	1,815,284	3,760,673	1,815,284			1,464,530	706,932	1,208,143	583,173
2032			269,500	179,328	269,500	179,328			2,866,250	1,305,335	2,410,250	1,101,529			3,760,673	1,727,814	3,760,673	1,727,814			1,464,530	672,868	1,208,143	555,072
2033			269,500	174,954	269,500	174,954			2,864,500	1,241,131	2,408,750	1,047,526			3,760,673	1,644,558	3,760,673	1,644,558			1,464,530	640,445	1,208,143	528,326
2034			269,500	170,687	269,500	170,687			2,862,750	1,180,059	2,409,750	997,184			3,760,673	1,565,314	3,760,673	1,565,314			1,464,530	609,585	1,208,143	502,868
2035			269,500	166,524	269,500	166,524			2,865,750	1,123,823	2,408,000	948,171			3,760,673	1,489,888	3,760,673	1,489,888			1,464,530	580,212	1,208,143	478,637
2036			269,500	162,462	269,500	162,462			2,863,000	1,068,098	2,408,500	902,392			3,760,673	1,418,097	3,760,673	1,418,097			1,464,530	552,254	1,208,143	455,574
2037					269,500	158,500					2,411,000	859,519					3,760,673	1,339,765			-	-	1,208,143	433,622
2038					269,500	154,634					2,410,250	817,573					3,760,673	1,264,726			-	-	1,208,143	412,727
2039					269,500	150,862					2,411,250	778,221					3,760,673	1,192,921			-	-	1,208,143	392,840
2040					269,500	147,183					2,408,750	739,681					3,760,673	1,124,258			-	-	1,208,143	373,911
2041					269,500	143,593					2,412,750	704,927					3,760,673	1,059,615			-	-	1,208,143	355,894
2042					269,500	140,091					2,407,750	669,298					3,760,673	998,405			-	-	1,208,143	338,745
2043					269,500	136,674					2,409,000	637,101					3,760,673	940,626			-	-	1,208,143	322,422
2044					269,500	133,340					2,411,000	606,627					3,760,673	885,765			-	-	1,208,143	306,886
2045					269,500	130,088					2,408,500	576,524					3,760,673	833,824			-	-	1,208,143	292,098
2046					269,500	126,915					2,411,500	549,150					3,760,673	784,424			-	-	1,208,143	278,023
	40,645,000	40,279,917	43,340,000	42,100,044	46,035,000	43,645,744	44,945,250	34,725,640	57,303,500	35,732,599	72,298,000	37,069,941	37,606,732	29,312,872	75,213,464	47,201,667	112,820,105	58,118,678	23,221,815	18,976,500	34,790,602	23,881,885	41,744,290	24,171,038

TEST FIT 4

Analysis of Anchorage LIO Options
Cells in Orange cascade through spreadsheets
Capital costs for Atwood are based on original cost amortized for relevant analysis term
Lease Cost is based on a flat-line extension assumption for both existing LIO and Atwood Building
Present value rate of 5% was used as it is combination of short term and long term funds that would be used over the four options
Assumption that Building is worth the purchase price at decision point.

Anchorage LIO Usable Square Feet	45,371
Atwood Total Usable Square Footage	253,971
Atwood LIO Square Footage	80,000

PV Rate to Employ:	5.00%
Anchorage LIO Ownership Annual Operating Cost	$269,500
Annual Operating Costs of Atwood Building	$664,776
Anchorage LIO Lease Annual Operating Cost	$550,000
Anchorage LIO Purchase Price	$37,950,000
Required Tenant Improvements to Atwood	5,500,000
Annual Lease Cost For Anchorage LIO	3,126,182
Proposed Lease Reduction Percentage	8%

REDUCED BY AMOUNT OF EARTHQUAKE INSURANCE
****this won't cascade through the three COP Sheets**
Increased cost to relocate to reflect indirect costs to terminate lease
reduced rent by 8%

	10-Year Appropriate Buy Anchorage LIO General Funds		20-Year Appropriate Buy Anchorage LIO General Funds		30-Year Appropriate Buy Anchorage LIO General Funds		10-Year COP Buy Anchorage LIO Fixed Rate Bonds Scenario		20-Year COP Buy Anchorage LIO Fixed Rate Bonds Scenario		30-Year COP Buy Anchorage LIO Fixed Rate Bonds Scenario		10-Year Lease Lease Anchorage LIO existing 10-Year lease		20-Year Lease Lease Anchorage LIO One 10 year extention on Existing Lease		30-Year Lease Lease Anchorage LIO Two 10 year extensions on Existing Lease		10-Year Atwood Move to Atwood Building & Parking Operating & Capital		20-Year Atwood Move to Atwood Building & Parking Operating & Capital		30-Year Atwood Move to Atwood Building & Parking Operating & Capital	
							Proceeds Gen:	38,265,836	Proceeds Gen:	38,266,301	Proceeds Gen:	38,264,734												
	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%	PV rate:	5.00%
	Cashflow PV	40,279,917	Cashflow PV	42,100,044	Cashflow PV	43,645,744	Cashflow PV	34,725,640	Cashflow PV	35,732,599	Cashflow PV	37,069,941	PV Lease	28,654,297	PV Lease	46,141,182	PV Lease	56,812,920	PV Lease	18,976,500	PV Lease	23,881,885	PV Lease	24,171,038
	Ownership Value	37,950,000	Ownership Value	37,950,000	Ownership Value	37,950,000	Ownership Value	37,950,000	Ownership Value	37,950,000	Ownership Value	37,950,000	Ownership Value	-	Ownership Value	-	Ownership Value		Ownership Value	-	Ownership Value	-	Ownership Value	-
	Real Cost	2,329,916.8	Real Cost	4,150,044.1	Real Cost	5,695,744.5	Real Cost	(3,224,360)	Real Cost	(2,217,401)	Real Cost	(880,059)	Real Cost	28,654,297	Real Cost	46,141,182	Real Cost	56,812,920	Real Cost	18,976,500	Real Cost	23,881,885	Real Cost	24,171,038
	Annual Operating Cost	269,500	Annual Operating Cost	269,500	Annual Operating Cost	269,500	Annual Operating Cost	269,500	Annual Operating Cost	269,500	Annual Operating Cost	269,500	Annual Operating Cost	550,000	Annual Operating Cost	550,000	Annual Operating Cost	550,000	Annual Operating Cost	664,776	Annual Operating Cost	664,776	Annual Operating Cost	664,776
	Square Footage	45,371	Square Footage	45,371	Square Footage	45,371	Square Footage	45,371	Square Footage	45,371	Square Footage	45,371	Square Footage	45,371	Square Footage	45,371	Square Footage	45,371	Square Footage	30,000	Square Footage	30,000	Square Footage	30,000
	Average Monthly Square Foot Cost	7.47	Average Monthly Square Foot Cost	3.98	Average Monthly Square Foot Cost	2.82	Average Monthly Square Foot Cost	8.26	Average Monthly Square Foot Cost	5.26	Average Monthly Square Foot Cost	4.43	Average Monthly Square Foot Cost	6.75	Average Monthly Square Foot Cost	6.75	Average Monthly Square Foot Cost	6.75	Average Monthly Square Foot Cost	6.45	Average Monthly Square Foot Cost	4.83	Average Monthly Square Foot Cost	3.87
	Monthly Square Foot PV Cost	0.43	Monthly Square Foot PV Cost	0.38	Monthly Square Foot PV Cost	0.35	Monthly Square Foot PV Cost	(0.59)	Monthly Square Foot PV Cost	(0.20)	Monthly Square Foot PV Cost	(0.05)	Monthly Square Foot PV Cost	5.26	Monthly Square Foot PV Cost	4.24	Monthly Square Foot PV Cost	3.48	Monthly Square Foot PV Cost	5.27	Monthly Square Foot PV Cost	3.32	Monthly Square Foot PV Cost	2.24
Year	Payment	PV of Capital and Operating	Payment	PV of Capital and Operating	Payment	PV of Capital and Operating	Annual Debt & Operating	PV of Debt and Operating	Annual Debt & Operating	PV of Debt and Operating	Annual Debt & Operating	PV of Debt and Operating	Annual Lease and Operating	PV of Payments	Annual Payment	PV of Payments	Annual Payment	PV of Payments	Annual Payment	PV of Payments	Annual Payment	PV of Payments	Annual Payment	PV of Payments
2016	37,950,000	37,950,000	37,950,000	37,950,000	37,950,000	37,950,000													5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
2017	269,500	259,720	269,500	259,720	269,500	259,720	4,495,750	4,301,734	2,867,000	2,751,303	2,409,750	2,316,416	3,676,182	3,542,781	3,676,182	3,542,781	3,676,182	3,542,781	1,772,182	1,666,217	1,464,530	1,411,385	1,208,143	1,164,302
2018	269,500	253,386	269,500	253,386	269,500	253,386	4,496,000	4,093,210	2,863,000	2,614,551	2,410,000	2,204,744	3,676,182	3,372,070	3,676,182	3,372,070	3,676,182	3,372,070	1,772,182	1,585,930	1,464,530	1,343,377	1,208,143	1,108,199
2019	269,500	247,206	269,500	247,206	269,500	247,206	4,494,750	3,893,429	2,866,750	2,491,248	2,409,000	2,097,365	3,676,182	3,209,585	3,676,182	3,209,585	3,676,182	3,209,585	1,772,182	1,509,511	1,464,530	1,278,645	1,208,143	1,054,800
2020	269,500	241,176	269,500	241,176	269,500	241,176	4,491,750	3,701,893	2,867,750	2,371,473	2,411,750	1,998,279	3,676,182	3,054,929	3,676,182	3,054,929	3,676,182	3,054,929	1,772,182	1,436,774	1,464,530	1,217,033	1,208,143	1,003,974
2021	269,500	235,294	269,500	235,294	269,500	235,294	4,496,750	3,525,555	2,866,000	2,255,281	2,413,000	1,902,687	3,676,182	2,907,725	3,676,182	2,907,725	3,676,182	2,907,725	1,772,182	1,367,542	1,464,530	1,158,390	1,208,143	955,597
2022	269,500	229,555	269,500	229,555	269,500	229,555	4,494,000	3,352,545	2,866,500	2,146,427	2,412,750	1,810,538	3,676,182	2,767,615	3,676,182	2,767,615	3,676,182	2,767,615	1,772,182	1,301,646	1,464,530	1,102,572	1,208,143	909,551
2023	269,500	223,956	269,500	223,956	269,500	223,956	4,493,500	3,189,182	2,864,000	2,040,678	2,411,000	1,721,776	3,676,182	2,634,256	3,676,182	2,634,256	3,676,182	2,634,256	1,772,182	1,238,926	1,464,530	1,049,444	1,208,143	865,724
2024	269,500	218,494	269,500	218,494	269,500	218,494	4,494,750	3,034,889	2,863,500	1,941,459	2,407,750	1,636,342	3,676,182	2,507,322	3,676,182	2,507,322	3,676,182	2,507,322	1,772,182	1,179,227	1,464,530	998,876	1,208,143	824,008
2025	269,500	213,165	269,500	213,165	269,500	213,165	4,492,250	2,885,585	2,864,750	1,848,159	2,408,000	1,557,376	3,676,182	2,386,505	3,676,182	2,386,505	3,676,182	2,386,505	1,772,182	1,122,406	1,464,530	950,744	1,208,143	784,303
2026	269,500	207,965	269,500	207,965	269,500	207,965	4,495,750	2,747,217	2,867,500	1,760,231	2,411,500	1,484,190	3,676,182	2,271,510	3,676,182	2,271,510	3,676,182	2,271,510	1,772,182	1,068,322	1,464,530	904,932	1,208,143	746,511
2027			269,500	202,893	269,500	202,893			2,866,500	1,674,281	2,408,000	1,410,361			3,676,182	2,162,056	3,676,182	2,162,056			1,464,530	861,327	1,208,143	710,540
2028			269,500	197,945	269,500	197,945			2,866,750	1,593,192	2,407,750	1,341,986			3,676,182	2,057,876	3,676,182	2,057,876			1,464,530	819,824	1,208,143	676,302
2029			269,500	193,117	269,500	193,117			2,863,000	1,513,898	2,410,500	1,278,491			3,676,182	1,958,716	3,676,182	1,958,716			1,464,530	780,320	1,208,143	643,714
2030			269,500	188,406	269,500	188,406			2,865,250	1,441,528	2,411,000	1,216,858			3,676,182	1,864,334	3,676,182	1,864,334			1,464,530	742,720	1,208,143	612,696
2031			269,500	183,811	269,500	183,811			2,863,000	1,370,445	2,409,250	1,157,110			3,676,182	1,774,500	3,676,182	1,774,500			1,464,530	706,932	1,208,143	583,173
2032			269,500	179,328	269,500	179,328			2,866,250	1,305,335	2,410,250	1,101,529			3,676,182	1,688,995	3,676,182	1,688,995			1,464,530	672,868	1,208,143	555,072
2033			269,500	174,954	269,500	174,954			2,864,500	1,241,131	2,408,750	1,047,526			3,676,182	1,607,610	3,676,182	1,607,610			1,464,530	640,445	1,208,143	528,326
2034			269,500	170,687	269,500	170,687			2,862,750	1,180,059	2,409,750	997,184			3,676,182	1,530,146	3,676,182	1,530,146			1,464,530	609,585	1,208,143	502,868
2035			269,500	166,524	269,500	166,524			2,865,750	1,123,823	2,408,000	948,171			3,676,182	1,456,415	3,676,182	1,456,415			1,464,530	580,212	1,208,143	478,637
2036			269,500	162,462	269,500	162,462			2,863,000	1,068,098	2,408,500	902,392			3,676,182	1,386,237	3,676,182	1,386,237			1,464,530	552,254	1,208,143	455,574
2037					269,500	158,500					2,411,000	859,519					3,676,182	1,319,440			-	-	1,208,143	433,622
2038					269,500	154,634					2,410,250	817,573					3,676,182	1,255,862			-	-	1,208,143	412,727
2039					269,500	150,852					2,411,250	778,221					3,676,182	1,195,348			-	-	1,208,143	392,840
2040					269,500	147,183					2,408,750	739,681					3,676,182	1,137,749			-	-	1,208,143	373,911
2041					269,500	143,593					2,412,750	704,927					3,676,182	1,082,926			-	-	1,208,143	355,894
2042					269,500	140,091					2,407,750	669,298					3,676,182	1,030,744			-	-	1,208,143	338,745
2043					269,500	136,674					2,409,000	637,101					3,676,182	981,077			-	-	1,208,143	322,422
2044					269,500	133,340					2,411,000	606,627					3,676,182	933,804			-	-	1,208,143	306,886
2045					269,500	130,088					2,408,500	576,524					3,676,182	888,808			-	-	1,208,143	292,098
2046					269,500	126,915					2,411,500	549,150					3,676,182	845,980			-	-	1,208,143	278,023
	40,645,000	40,279,917	43,340,000	42,100,044	46,035,000	43,645,744	44,945,250	34,725,640	57,303,500	35,732,599	72,298,000	37,069,941	36,761,818	28,654,297	73,523,636	46,141,182	110,285,454	56,812,920	23,221,815	18,976,500	34,790,602	23,881,885	41,744,290	24,171,038