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**From:** Doc Crouse  
**Sent:** Tuesday, July 23, 2013 3:28 PM  
**To:** Mike Buller; Stacy Schubert  
**Subject:** Ravenwood Real Estate | Commercial Real Estate | Anchorage, Eagle River, Mat-Su |  
Leasing & Acquisition Experts

Link to broker that Pfeffer Development contacted regarding their BOV.

<http://ravenwoodrealestate.com/>

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**From:** Juli Lucky <Juli.Lucky@akleg.gov>  
**Sent:** Monday, August 05, 2013 1:32 PM  
**To:** Pamela Varni; Mike Buller; Doc Crouse; Stacy Schubert  
**Cc:** Rep. Mike Hawker; Mark Pfeffer (MPfeffer@PfefferDevelopment.com)  
**Subject:** Lease draft 2013.08.05  
**Attachments:** ANC LIO Extension DRAFT 2013.08.15 MP.docx

Attached is the lease extension and amendment draft we discussed today – based on LAA Legal’s draft #2 with markup by Rep. Hawker and Mr. Pfeffer.

In order to keep version control, I have named the document with the current date and initials of the person who last edited the document – in this case, it would be Mr. Pfeffer. If you edit this version, please ensure the track changes function is turned on. While the date stamp should automatically change when you save, it would be helpful for version control if you would change the initials at the top of the document and also rename the document to reflect the current version before distributing. Thank you.

~

Juli Lucky  
Office of Rep. Mike Hawker  
716 W. 4th Ave., Ste. 610  
Anchorage, Alaska 99501  
(907) 269-0244; fax: 269-0248

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**From:** Doc Crouse  
**Sent:** Tuesday, August 06, 2013 8:45 AM  
**To:** Mike Buller; Stacy Schubert  
**Subject:** ANC LIO Extension DRAFT 2013 08 15 MP (2)  
**Attachments:** ANC LIO Extension DRAFT 2013 08 15 MP (2).docx

First blush review. See comments in “salmon” color and some yellow high-lights.

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**From:** Juli Lucky <jlucky22@gmail.com>  
**Sent:** Wednesday, August 07, 2013 12:04 PM  
**To:** Stacy Schubert  
**Subject:** AHFC MOU Draft mchv1.docx  
**Attachments:** AHFC MOU Draft mchv1.docx; ATT00001.txt

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**From:** Doc Crouse  
**Sent:** Thursday, August 08, 2013 7:57 AM  
**To:** Stacy Schubert  
**Subject:** FW: LIO Draft MOU  
**Attachments:** AHFC MOU Draft NC Comments 08072013.docx

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**From:** Nola Cedergreen  
**Sent:** Wednesday, August 07, 2013 5:27 PM  
**To:** Mike Buller; Doc Crouse  
**Subject:** LIO Draft MOU

My comments ... AHFC is not able to act as the legislature's representative or agent in a real property transaction ... that requires a real estate license. We do not have an ownership interest in the lease, but can assist them with the review of renovation plans, renovation contract documents, renovation progress, etc. ... we cannot enforce the agreement or act as an agent.

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**From:** Doc Crouse  
**Sent:** Thursday, August 08, 2013 7:57 AM  
**To:** Stacy Schubert  
**Subject:** FW: LIO Lease

FYI

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**From:** Nola Cedergreen  
**Sent:** Wednesday, August 07, 2013 6:30 PM  
**To:** Mike Buller; Doc Crouse  
**Subject:** LIO Lease

***FYI ... I sent the following information to the Assistant AG representing the LIO about a year ago when there were some other issues with the sale of the former Union Oil building.***

## **AS 08.88.161. License Required.**

Unless licensed as a real estate broker, associate real estate broker, or real estate salesperson in this state, a person may not, except as otherwise provided in this chapter,

- (1) sell, exchange, rent, lease, auction, or purchase real estate;
- (2) list real estate for sale, exchange, rent, lease, auction, or purchase;
- (3) collect rent for the use of real estate or collect fees for property management;
- (4) practice, or negotiate for a contract to practice, property management;
- (5) collect fees for community association management;
- (6) practice, or negotiate for a contract to practice, community association management;
- (7) as a business, buy, sell, or deal in
  - (A) options in real estate; or
  - (B) options in improvements to real estate;
- (8) assist in or direct the procuring of prospective buyers and sellers of real estate, communicate with prospective buyers and sellers of real estate, or assist in the negotiation of a transaction that results or is calculated to result in the sale, exchange, rent, lease, auction, or purchase of real estate;
- (9) accept or pay a fee for the performance of any of the activities listed in this section except as otherwise specifically provided in this chapter;
- (10) hold out to the public as being engaged in the business of doing any of the things listed in this section; or
- (11) attempt or offer to do any of the things listed in this section.

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**From:** Doc Crouse  
**Sent:** Thursday, August 08, 2013 8:13 AM  
**To:** Stacy Schubert  
**Subject:** FW: LIO Lease Amendment

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**From:** Nola Cedergreen  
**Sent:** Thursday, August 08, 2013 8:12 AM  
**To:** Mike Buller; Doc Crouse  
**Subject:** LIO Lease Amendment

I've read through the original lease and the proposed amendment and will be able to provide some line item comments, but there are some significant issues with the proposed lease amendment.

First, the responsibility that has been transferred from the Lessor to Lessee is unprecedented and perhaps legally unenforceable. The Lessee cannot reasonably be responsible for the entire building and its components from the date of occupancy forward, including code compliance issues. There are many conflicting paragraphs within the lease amendment, but it appears that the only thing the Lessor is responsible for is the building shell and roof.

These are older buildings and it is only expected that there will be issues with the plumbing, HVAC, elevators, fire alarm systems, etc. Look at what AHFC is doing right now; what work is required is being accomplished to bring 4300 Boniface up to speed given the age of the building...millions of dollars in maintenance costs. Given the provisions of this lease amendment, there is absolutely no way that anyone could honestly opine that there is a 10% savings over current market rents, or any savings at all. To the contrary, if the lease amendment is agreed and executed, the lease costs and associated maintenance costs/risks will mean the actual lease costs are exponentially higher than market lease rents for the downtown area.

How can the LIO possibly budget for the potential millions of dollars that might be required to take care of extraordinary maintenance costs?

Finally, including AHFC as a named agent/representative in the lease amendment creates the legal questions I have shared with you and it may also create some liability for AHFC should there be problems, disputes, claims, etc. of any kind down the road. We don't want to be drawn into a lawsuit or to incur expenses related to any claims. Plus, AHFC doesn't want to be "blamed" at some point in the future ... to suffer any reputational damage.

I'm sure that Dan only meant to offer AHFC's assistance exactly as we helped out with the convention center, parking garage, Palmer state building, etc. And, it is likely that the person drafting the resolution, lease amendment, and MOU did not understand the law of agency and just added AHFC to those documents. Perhaps we need a teleconference with Dan and Bryan to work through the best way to handle this sensitive issue.

---

**From:** Nola Cedergreen  
**Sent:** Wednesday, August 07, 2013 6:30 PM  
**To:** Mike Buller; Doc Crouse  
**Subject:** LIO Lease

***FYI ... I sent the following information to the Assistant AG representing the LIO about a year ago when there were some other issues with the sale of the former Union Oil building.***

## AS 08.88.161. License Required.

Unless licensed as a real estate broker, associate real estate broker, or real estate salesperson in this state, a person may not, except as otherwise provided in this chapter,

- (1) sell, exchange, rent, lease, auction, or purchase real estate;
- (2) list real estate for sale, exchange, rent, lease, auction, or purchase;
- (3) collect rent for the use of real estate or collect fees for property management;
- (4) practice, or negotiate for a contract to practice, property management;
- (5) collect fees for community association management;
- (6) practice, or negotiate for a contract to practice, community association management;
- (7) as a business, buy, sell, or deal in
  - (A) options in real estate; or
  - (B) options in improvements to real estate;
- (8) assist in or direct the procuring of prospective buyers and sellers of real estate, communicate with prospective buyers and sellers of real estate, or assist in the negotiation of a transaction that results or is calculated to result in the sale, exchange, rent, lease, auction, or purchase of real estate;
- (9) accept or pay a fee for the performance of any of the activities listed in this section except as otherwise specifically provided in this chapter;
- (10) hold out to the public as being engaged in the business of doing any of the things listed in this section; or
- (11) attempt or offer to do any of the things listed in this section.



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**From:** Mike Buller  
**Sent:** Friday, August 09, 2013 11:28 AM  
**To:** Stacy Schubert  
**Subject:** FW: Tim Lowe Professional Quals  
**Attachments:** Lowe with Litigation Reference 0512.pdf; Waronzof Quals 2012.pdf

I hope this is the right one.



**Michael Buller**  
Deputy Executive Director

PO Box 101020 | Anchorage, Alaska 99510-1020  
Direct: 907-330-8453 | Fax: 907-338-9218 | [www.ahfc.us](http://www.ahfc.us)

---

**From:** Timothy Lowe [<mailto:tlowe@waronzof.com>]  
**Sent:** Wednesday, August 07, 2013 1:43 PM  
**To:** Mike Buller  
**Subject:** Tim Lowe Professional Quals

Mike:

Per our conversation of today, personal and firm quals.

Thank you,

Tim Lowe

**Timothy Lowe**, MAI, CRE, FRICS

**Waronzof Associates, Inc.**

999 North Sepulveda Boulevard  
Suite 440

El Segundo, CA 90245

310.322.7744 T

310.322.7755 F

310.600.2933 M

[tlowe@waronzof.com](mailto:tlowe@waronzof.com)

[www.waronzof.com](http://www.waronzof.com)

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**From:** Doc Crouse  
**Sent:** Friday, August 16, 2013 2:40 PM  
**To:** Mike Buller  
**Cc:** Nola Cedergreen; Stacy Schubert  
**Subject:** LIO  
**Attachments:** Public Inquiry Property Detail.htm

Copy of Assessor record for this property. Maps show Lot 3A Block 40 include the current parking area corner of 4<sup>th</sup> & H Street.



DeWayne "Doc" Crouse  
Director, Construction Department

Public Housing Division  
P.O. Box 101020 | Anchorage, Alaska 99510  
Direct: 907-330-8136 | Fax: 907-338-1679 | [www.ahfc.us](http://www.ahfc.us)

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**From:** Doc Crouse  
**Sent:** Friday, August 16, 2013 2:50 PM  
**To:** Mike Buller  
**Cc:** Nola Cedergreen; Stacy Schubert  
**Subject:** LIO Map  
**Attachments:** Map.pdf

See subject in yellow highlight

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**From:** Doc Crouse  
**Sent:** Friday, August 16, 2013 3:03 PM  
**To:** Stacy Schubert  
**Subject:** FW: 712 W. 4th Tax detail  
**Attachments:** Public Inquiry Property Detail.htm; Tax page.htm

FYI

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**From:** Doc Crouse  
**Sent:** Friday, August 16, 2013 3:03 PM  
**To:** Nola Cedergreen  
**Subject:** 712 W. 4th Tax detail

Shows legal description for the Anchor Pub Lot.



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DeWayne "Doc" Crouse  
Director, Construction Department

Public Housing Division  
P.O. Box 101020 | Anchorage, Alaska 99510  
Direct: 907-330-8136 | Fax: 907-338-1679 | [www.ahfc.us](http://www.ahfc.us)

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**From:** Doc Crouse  
**Sent:** Tuesday, August 20, 2013 4:11 PM  
**To:** Mike Buller  
**Cc:** Stacy Schubert  
**Subject:** FW: Anchorage LIO  
**Attachments:** 64048 SF 072613.docx; Construction Cost Estimate1.pdf

FYI

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**From:** Doc Crouse  
**Sent:** Tuesday, August 20, 2013 4:10 PM  
**To:** 'LAA.legal@akleg.gov'  
**Subject:** Anchorage LIO

Mr. Doug Gardner,

I have attached the latest proposed cost information AHFC has available for the Anchorage LIO. Page 2 of the Construction Cost Estimate is a summary of preliminary hard construction costs. Please call if you have any questions or require additional information.



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DeWayne "Doc" Crouse  
Director, Construction Department

Public Housing Division  
P.O. Box 101020 | Anchorage, Alaska 99510  
Direct: 907-330-8136 | Fax: 907-338-1679 | [www.ahfc.us](http://www.ahfc.us)

---

**From:** Doc Crouse  
**Sent:** Monday, August 26, 2013 3:18 PM  
**To:** Stacy Schubert  
**Subject:** Fwd: Waronzof Rental Value Appraisal - Legislative Council Office Building

Sent from my iPhone

Begin forwarded message:

**From:** Juli Lucky <[Juli.Lucky@akleg.gov](mailto:Juli.Lucky@akleg.gov)>  
**Date:** August 26, 2013, 2:13:15 PM AKDT  
**To:** Mike Buller <[mbuller@ahfc.us](mailto:mbuller@ahfc.us)>  
**Cc:** Doc Crouse <[dcrouse@ahfc.us](mailto:dcrouse@ahfc.us)>  
**Subject:** RE: Waronzof Rental Value Appraisal - Legislative Council Office Building

Rep. Hawker is clear all morning – should I schedule through you guys or call Mr. Lowe directly?

~

Juli Lucky  
Office of Rep. Mike Hawker  
716 W. 4th Ave., Ste. 610  
Anchorage, Alaska 99501  
(907) 269-0244; fax: 269-0248

---

**From:** Rep. Mike Hawker  
**Sent:** Monday, August 26, 2013 2:11 PM  
**To:** Mike Buller  
**Cc:** Juli Lucky; LAA Legal; Doc Crouse  
**Subject:** Re: Waronzof Rental Value Appraisal - Legislative Council Office Building

Juli. Please schedule. Thx. M

On Aug 26, 2013, at 2:09 PM, "Mike Buller" <[mbuller@ahfc.us](mailto:mbuller@ahfc.us)> wrote:

Below is a request for information from Mr. Lowe. He needs this information to complete the appraisal on the LIO. If you have any of the following items, please email them to me as soon as possible. We are working on a very tight time schedule.

Mr. Lowe will be in Anchorage on September 3<sup>rd</sup> and 4<sup>th</sup>. He has requested a meeting with Rep. Hawker on Wednesday morning, September 4<sup>th</sup>. He will also make himself available to meet with any other member of our team.

Please call me if you have any questions.

<image002.jpg>

**From:** Timothy Lowe [<mailto:tlowe@waronzof.com>]  
**Sent:** Tuesday, August 20, 2013 4:32 PM  
**To:** Mike Buller  
**Cc:** Steven Kantor; Brian Gross ([bgross@waronzof.com](mailto:bgross@waronzof.com))  
**Subject:** Waronzof Rental Value Appraisal - Legislative Council Office Building

Mike:

Below is a list of items/documents/etc. I'd like to receive or see in conjunction with my analysis. Long list, but all relevant based on what I know now about your requirements, this deal and this assignment.

I'd like to speak to you by phone tomorrow, to give you a bit of an update on my thinking, based on information that the developer has provided me. Please suggest time(s) that are convenient for you. I believe you have a status meeting later this week, and some of my thoughts may influence your presentations and/or remarks. I am available after 10 am tomorrow morning PDT.

You indicated that you'd like to have a meeting to involve Steve Kantor, Pfeffer and Rep. Hawker next week. My schedule next week is complicated, and I wonder if that meeting could be held on Tuesday Sept 3 or Wed Sept 4. If possible, I'd like to travel to Anchorage on Monday eve (Labor day) and be available in Anchorage Tue and Wed. I understand that Steve Kantor cannot be in Anchorage that week, but perhaps he can participate by phone. If Steve's participation (live) is critical, then I'll be available in Anchorage as you need. Please let me know.

Thanks very much,

1. Applicable Statutes
2. Applicable Regulations to the Lease Procurement
3. Legislative Council actions related to this procurement
4. Draft Lease Agreement and/or Letter of Intent; related correspondence
5. Draft Lease Construction Workletter/Specification
6. AHFC Cost Estimates for Subject or Alternative Building for Legislative Council; related third party consultant reports (i.e. cost estimator; architect, etc.)
7. Copies of RFP/RFI (and responses) related to Legislative Council efforts to locate alternative space.
8. Copies of correspondence between landlord and Legislative Council related to lease amendment, extension, etc.
9. Existing lease agreement between landlord and Legislative Council, including amendments; office building and parking structure
10. Information, if any, related to planned direct cost reimbursement of Tenant Improvements by Legislative Council
11. Building plans, for proposed building
12. Building plans for existing parking structure to be incorporated into new procurement.
13. Contact for access to existing Legislative Council building.
14. AHFC documents/information related to similar state government procurements for office space (large transactions, Anchorage/Fbks/Juneau)
15. Third party studies/analyses related to long-term leasing for state and municipal facilities such as the subject property (i.e. costs of capital, procurement recommendations, developer fees and returns, length of tenure, methods of analysis)
16. Reference/referral to any state life cycle cost standards, similar to OMB Circular A-94
17. Any available articles, papers or studies on Anchorage office market leasing conditions, including rent surveys, surveys of typical occupancy costs, lease terms and conditions, etc.
18. Any facility or condition surveys completed by the Legislative Council or any state agency related to the existing building and occupancy
19. Any space planning/space needs assessment completed by any party for the Anchorage Legislative Council office(s)
20. Relevant correspondence between AHFC as owner's representative and the Legislative Council regarding this procurement and this and other negotiations



**Timothy Lowe, MAI, CRE, FRICS**

**Waronzof Associates, Inc.**

**999 North Sepulveda Boulevard**

**Suite 440**

**El Segundo, CA 90245**

**310.322.7744 T**

**310.322.7755 F**

**310.600.2933 M**

**[tlowe@waronzof.com](mailto:tlowe@waronzof.com)**

**[www.waronzof.com](http://www.waronzof.com)**

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**From:** Juli Lucky <Juli.Lucky@akleg.gov>  
**Sent:** Thursday, August 29, 2013 2:02 PM  
**To:** Rep. Mike Hawker; Pamela Varni; LAA Legal; Mark Pfeffer (MPfeffer@PfefferDevelopment.com); Donald McClintock III (DWM@Anchorlaw.com); Doc Crouse; Mike Buller; Stacy Schubert; Nola Cedergreen; Greg Rochon  
**Subject:** Meeting Recap

Thanks for your time today. Just to ensure we are all on the same page, this is the action item list I compiled. I did my best – please feel free to correct if I got it wrong. Our proposed execution date is Friday, 9/20.

MP to formalize LLC relationship as soon as possible (target date: 9/12?).

Exhibits:

MP will refine Exhibit A to incorporate the “revamped” architect plan with appropriate finishes.

MP will ensure that specific “Delays in performance” language is added to Exhibit B (see notes on Lease Section 36, below).

Mr. McClintock will take the next stab at incorporating changes into the lease document and send a revised document to Nola Cedergreen (ncedergr@ahfc.us) and Doug Gardner (LAA\_Legal@akleg.gov). Following is my inventory of discussion items – the initial of the person who brought up the concern, if applicable, is noted for reference (MP/Mark Pfeffer; DG/Doug Gardner; MH/Mike Hawker; DM/Don McClintock; NC: Nola Cedergreen).

All parties agree that the 10 year lease period will be June 1, 2014 - May 31, 2024.

Sec. 1.1 c (MP) – should be rewritten to define clearly four distinct periods of rent: Date from signed lease to when Legislature moves to relocation site(s); Renovation period under current lease; Renovation period under new lease; Resumed occupancy. MP will calculate amount of base rent, but the figure will not be finalized until appraisal is complete.

Sec. 1.1d – 3% inflator – it was determined that this would remain in the lease as is – T. Lowe will be providing feedback on this issue.

Sec. 1.2 (MP) – Effective Date should be cleaned up to confirm to 1.1c

Sec. 1.2 (DG) – replace “Date has been determined to be at least ten (10) percent less than the market value for similar space in downtown Anchorage, Alaska” with text from statute – pasted below for reference. Also – I think that the title should be 1.2. **AS 36.30.083(a) COST SAVINGS.** – not **AS 36.30.083().**

(a) Notwithstanding any other provision of this chapter, the department, the Board of Regents of the University of Alaska, the legislative council, or the court system may extend a real property lease that is entered into under this chapter for up to 10 years if a minimum cost savings of at least 10 percent below the market rental value of the real property at the time of the extension would be achieved on the rent due under the lease. The market rental value must be established by a real estate broker's opinion of the rental value or by an appraisal of the rental value.

Sec. 3 – Tenant Improvements – – it was determined that this would remain in the lease as is for now – T. Lowe will be providing feedback on this issue and AHFC may come up with a new figure.

Sec. 4 (MP) – the section should be reorganized to add in other level of outlining so that “Lessor’s Responsibility and Costs” becomes “a.” and the actual items are numbered; “Lessee’s Responsibility and Costs” becomes “b.” and the actual items are numbered. There was discussion about items I&J on the Lessor’s list (MP) and items I&J on the Lessee’s list (MH), but it was determined that the breakout of responsibilities/costs would not be changed.

Sec. 4 [Lessor] e. - Carpet (DG) – ensure that this section is consistent with section 9 of the lease. Sec. 4 (Lessor) e. states “replacing worn carpet every 10 years; sec. 9 states “at least once every ten (10) years or sooner if needed...” While this wasn’t discussed, this may also need to be done with sec. 12 regarding painting.

Sec. 19 (DG) – clarify what are subsequent renovations – suggested language “beyond the scope of what is contacted in exhibits A and B.” We may need to look at this in context of current section 19 of the lease to ensure consistency.

Sec. 21 (DG) – “The placement of signs at or upon the Premises requires the advance approval of the Lessor.” should be replaced with “The placement of signs at or upon the Premises shall be coordinated with the Lessor.

Sec. 33 (DG) – Remedies on default (DG) was concerned that these were watered down from original language suggested by LAA and thinks “but not limited to” should be left in. DG and DM to work on compromise language.

Sec. 33 (NC) – “reasonable time” should be more defined. DM and NC to work on appropriate language.

Sec. 35 (MP) – Should be clarified that property casualty insurance will be reimbursed by lessee, consistent with section 4 [Lessee] n.

Sec. 36 (DG) – What specifically constitutes delays, duties and remedies should be spelled out - as was provided in LAA’s draft. There was discussion that this language was more appropriate for inclusion in an exhibit as this was not really applicable to the entire lease – it was applicable to the proposed renovation. Subsequent exhibits could then be crafted to fit any subsequent renovation(s). This section will stay as is for now, until Exhibit B is produced.

Sec. 37 (MP) – Holdover language will be changed to specify a particular timeframe with a specific, adequate notice requirement. DM and DG to work on acceptable language.

Sec. 43 (DG) – remove the word “covenant” and clarify that the ED’s duty is to include the amount in the agency’s request as the ED will not have control over the budget process. DM and DG to work on acceptable language.

Sec. 47 – delete in entirety.

~

Juli Lucky  
Office of Rep. Mike Hawker  
716 W. 4th Ave., Ste. 610  
Anchorage, Alaska 99501  
(907) 269-0244; fax: 269-0248

---

**From:** Doc Crouse  
**Sent:** Wednesday, September 04, 2013 2:50 PM  
**To:** Mike Buller  
**Cc:** Juli Lucky; Pamela Varni; mpfeffer@pfefferdevelopment.com; Stacy Schubert; Nola Cedergreen; LAA.legal@akleg.gov  
**Subject:** Proposed LIO Redevelopment Exhibit A & B review  
**Attachments:** RecommendationsMemo1.pdf

Attached are AHFC recommendations for Exhibits A & B to the lease extension.



DeWayne "Doc" Crouse  
Director, Construction Department

Public Housing Division  
P.O. Box 101020 | Anchorage, Alaska 99510  
Direct: 907-330-8136 | Fax: 907-338-1679 | [www.ahfc.us](http://www.ahfc.us)

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**From:** Nola Cedergreen  
**Sent:** Tuesday, September 10, 2013 12:33 PM  
**To:** Stacy Schubert  
**Subject:** Latest Drafts LIO  
**Attachments:** LIO Exhibit B Schedule 09092013.pdf; Exhibit B LIO Schedule 8\_27\_13 (1).pdf; ANC LIO Extension Version 09062013 AM NC and PV edits.docx; EXHIBIT A LIO Approval plans 09062013.pdf; Compare LIO Extension 0904 to 0906.docx; LIO Lease 09062013 Attach to Exh B.docx

This is a set of the most recent info ... what we will work from during the teleconference today. Exhibit B 0909 is the correct reference: a copy of Exhibit B 8/27 (which for some reason I cannot delete from this e-mail).

---

**From:** Doc Crouse  
**Sent:** Friday, September 13, 2013 2:44 PM  
**To:** Rep. Mike Hawker  
**Cc:** Stacy Schubert; Juli Lucky  
**Subject:** FW: corrected - Latest Assumptions Page  
**Attachments:** 7 Pass 091313 Assumptions Only.xlsx

Latest corrected version from Tim Lowe as of 9/13/13 at 2:45 pm.

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**From:** Nola Cedergreen  
**Sent:** Wednesday, September 18, 2013 3:58 PM  
**To:** Rep.Mike.Hawker@akleg.gov; laa.legal@akleg.gov; Pamela.Varni@akleg.gov  
**Cc:** mpfeffer@pfefferdevelopment.com; dwm@anchorlaw.com; Mike Buller; Doc Crouse; Greg Rochon; Stacy Schubert  
**Subject:** Final Lease - Ready for Signatures  
**Attachments:** FINAL LIO LEASEpdf.pdf

Thank-you everyone ...

Exhibit C is final and signed off.  
Exhibit D is in the process of being finalized.

Are Exhibits A & B final?

---

**From:** Mike Buller  
**Sent:** Wednesday, October 16, 2013 9:59 AM  
**To:** Stacy Schubert; Soren Johansson  
**Subject:** FW: Waronzof LIO Report  
**Attachments:** Anchorage LIO Rental Value Appraisal Report 101513.pdf



**Michael Buller**  
Deputy Executive Director

PO Box 101020 | Anchorage, Alaska 99510-1020  
Direct: 907-330-8453 | Fax: 907-338-9218 | [www.ahfc.us](http://www.ahfc.us)

---

**From:** Timothy Lowe [mailto:tlowe@waronzof.com]  
**Sent:** Tuesday, October 15, 2013 4:10 PM  
**To:** Mike Buller  
**Cc:** Doc Crouse  
**Subject:** Re: Waronzof LIO Report

Corrected page 1 inserted in PDF; should be 11,549.

Tim Lowe

On Oct 15, 2013, at 4:45 PM, Mike Buller wrote:

> Rep. Hawker found a typo. Please check it out.  
>  
> Sent from my iPad  
>  
> Begin forwarded message:  
>  
> From: "Rep. Mike Hawker" <[Rep.Mike.Hawker@akleg.gov](mailto:Rep.Mike.Hawker@akleg.gov)<mailto:Rep.Mike.Hawker@akleg.gov>>  
> Date: October 15, 2013 at 3:38:11 PM AKDT  
> To: Mike Buller <[mbuller@ahfc.us](mailto:mbuller@ahfc.us)<mailto:mbuller@ahfc.us>>  
> Subject: Re: Waronzof LIO Report  
>  
> Question.  
>  
> Page 1 paragraph 2 last sentence.  
>  
> "111,549 sf" ??????  
>  
> Thanks,  
>  
> Mike



>  
>  
>  
>  
>  
>  
> On Oct 15, 2013, at 2:42 PM, "Mike Buller" <[mbuller@ahfc.us](mailto:mbuller@ahfc.us)<<mailto:mbuller@ahfc.us>>> wrote:  
>  
> I just sent it to your personal email. If this doesn't work let me know. I can run a hard copy and have it delivered to you or we can put it on a zip drive.  
>  
> <image002.jpg>  
>  
> From: Rep. Mike Hawker [<mailto:Rep.Mike.Hawker@akleg.gov>]  
> Sent: Tuesday, October 15, 2013 2:06 PM  
> To: Mike Buller  
> Subject: RE: Waronzof LIO Report  
>  
>  
> YYou might try a second send to my personal email, I think I can read it there, but it will take a while to download.  
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>  
> [mhawker@gci.net](mailto:mhawker@gci.net)<<mailto:mhawker@gci.net>>  
>  
>  
>  
> Thanks  
>  
>  
> \_\_\_\_\_  
> From: Mike Buller [[mbuller@ahfc.us](mailto:mbuller@ahfc.us)<<mailto:mbuller@ahfc.us>>]  
> Sent: Tuesday, October 15, 2013 1:29 PM  
> To: Rep. Mike Hawker  
> Subject: FW: Waronzof LIO Report  
> Here it is. Have a good read.  
>  
> <image003.jpg>  
>  
> From: Timothy Lowe [<mailto:tlowe@waronzof.com>]  
> Sent: Tuesday, October 15, 2013 11:23 AM  
> To: Mike Buller  
> Cc: Doc Crouse  
> Subject: Waronzof LIO Report  
>  
> In final; finally. Sorry that it has taken as long as it has! Please confirm receipt due to file size.  
>  
>  
> Tim  
>  
>  
> Timothy Lowe  
> Waronzof Associates, Inc.  
> 999 North Sepulveda Boulevard  
> Suite 440  
> El Segundo, CA 90245  
> V 310-322-7744  
> F 310-322-7755  
> C 310-600-2933  
> [tlowe@waronzof.com](mailto:tlowe@waronzof.com)<<mailto:tlowe@waronzof.com>>  
> [www.waronzof.com](http://www.waronzof.com)<<http://www.waronzof.com>>  
>  
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Timothy Lowe  
Waronzof Associates, Inc.  
999 North Sepulveda Boulevard  
Suite 440  
El Segundo, CA 90245  
V 310-322-7744  
F 310-322-7755  
C 310-600-2933  
[tlowe@waronzof.com](mailto:tlowe@waronzof.com)  
[www.waronzof.com](http://www.waronzof.com)

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**From:** Doc Crouse  
**Sent:** Monday, November 25, 2013 12:01 PM  
**To:** Stacy Schubert  
**Subject:** FW: Anchorage LIO - PDF of Appraisal Report  
**Attachments:** LIO Report REDLINE Pages Only.pdf

FYI – I forwarded a copy to Juli Lucky for Re. Hawker.

---

**From:** Timothy Lowe [mailto:[tlowe@waronzof.com](mailto:tlowe@waronzof.com)]  
**Sent:** Friday, November 22, 2013 2:08 PM  
**To:** Doc Crouse  
**Cc:** Mike Buller  
**Subject:** Re: Anchorage LIO - PDF of Appraisal Report

Doc & Mike:

Please find attached redline pages from the report that reflect changes necessary to conform the correction to the correct 7.135% amount. There are no changes to the conclusions of the report as to rental value, the statutory test or the estimate of option price.

You'll remember that we have two approaches to rental value: 1) income approach and 2) comparison approach. There are no changes in the income approach because the error was text transposition only. In the comparison approach, however, I used the wrong number 7.315% in my comparables adjustment process. Consequently, the adjustment amounts change, which has the effect of changing the conclusion of rental value. The amount of adjustment to each comp changes, and the net indicated rental value changes from \$55.49/sf/year to \$55.03/sf/year; thus the rental value via this approach changes from \$3,554,000 to \$3,525,000, a reduction of \$29,000 per year (about 8/10ths of 1%). Because the income approach is primary, and the comparison method is so close, reliance upon the income approach remains appropriate and the rental value conclusion is unchanged.

Because the purchase option analysis is based upon contract rent (the developer's proposal) and not the market rent conclusion, the purchase option analysis is unchanged.

Sorry about my transposition error. I'm glad you caught it. Once you've reviewed the redline pages and I've answered any remaining questions, I'll send you a revised report in PDF form.

Tim Lowe

***Please note our new address effective 11-1-13!***

**Timothy Lowe**, MAI, CRE, FRICS

**Waronzof Associates, Inc.**

400 Continental Boulevard, Sixth Floor

El Segundo, CA 90245

310.322.7744 x24 T

424.285.5380 F

310.600.2933 M

[tlowe@waronzof.com](mailto:tlowe@waronzof.com)

On Nov 22, 2013, at 12:47 PM, Doc Crouse wrote:

Tim,

There was a question regarding what looked to be a transposed number in the report. On page 83, bottom of page, Rate of return uses 7.135% in the narrative, but shows 7.315% in the table below the narrative for Market rate of return. Please take a look and let us know the impact.

Thanks.

Doc

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**From:** Timothy Lowe [<mailto:tlowe@waronzof.com>]  
**Sent:** Friday, November 22, 2013 10:44 AM  
**To:** Doc Crouse  
**Cc:** Mike Buller  
**Subject:** Re: Anchorage LIO - PDF of Appraisal Report

Thanks, Doc!

Tim

***Please note our new address effective 11-1-13!***

**Timothy Lowe,** MAI, CRE, FRICS

**Waronzof Associates, Inc.**

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310.322.7744 x24 T

424.285.5380 F

310.600.2933 M

[tlowe@waronzof.com](mailto:tlowe@waronzof.com)

[www.waronzof.com](http://www.waronzof.com)

On Nov 22, 2013, at 11:40 AM, Doc Crouse wrote:

Tim,

Fine here. Public Information at this point.

Doc

---

**From:** Timothy Lowe [<mailto:tlowe@waronzof.com>]  
**Sent:** Friday, November 22, 2013 10:32 AM  
**To:** Doc Crouse  
**Cc:** Mike Buller  
**Subject:** Anchorage LIO - PDF of Appraisal Report

Doc:

Pfeffer contacted me about getting a PDF version of the appraisal report. He says he has a hard copy. It is OK with me if it is OK with AHFC.

Please advise.

Thanks,

Tim Lowe

***Please note our new address effective 11-1-13!***

**Timothy Lowe**, MAI, CRE, FRICS

**Waronzof Associates, Inc.**

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310.322.7744 x24 T

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