



FREEDOM REALTY

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6/24/13

Mr. Harold Gear
CE Medical Group

Re: Décor Building
110 Trading Bay St.
Kenai, AK 99611

Mr. Gear,

The Kenai and Soldotna commercial real estate properties that are currently available for lease are a combination of class "A", "B" and "C" spaces or units. Many of the properties were built in the 1960's and 70's including the old Kenai Mall, commonly referred to as the Carr's Mall. Many of the newer constructed buildings are partially or fully owner occupied.

I have attached a partial list of several that are currently listed on MLS. Many properties are managed by their owners and do not appear on MLS and are not addressed in this analysis.

It is a common occurrence that I bring Tenants to these owner's and am successful in drafting leases that are acceptable to both parties. Many of the older class "B" and Class "C" properties have been remodeled. It is very common that most of the lease rates for these buildings include utilities as they are not



individually metered. Typically leasehold improvements are added into the Sq. Ft. cost and are spread over the term of the lease, or free rent may be given for a period of time and the tenant agrees to pay for all or part of their own improvements.

In my opinion the lease rate of \$1.10 for the approximate 4,000 Sq. Ft. in the Décor Building, (Class "C") is well in line with other lease properties in the area. This is considering the fact that the Tenant will be doing their own improvements and will be paying their own utilities.

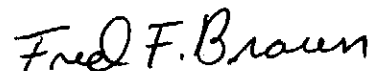
The different lease rates for our area are;

Class "A" - \$2.25 to \$1.75 Per Sq. Ft.

Class "B" - \$1.65 to \$1.45 Per Sq. Ft.

Class "C: - \$1.35 to \$.75 Per Sq. Ft.

Regards,



Fred F. Braun

Associate Broker in Charge

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