



18 March 2016

Ms. Tina Presley, Manager  
Alaska Medical Specialties, LLC  
188 W. Northern Lights Blvd., Suite 800  
Anchorage, Alaska 99503

Re: Broker Opinion Of Value (BOV)  
Tenant Improvement Lease  
188 W. Northern Lights Blvd., Suite 100  
Anchorage, Alaska

Dear Ms. Presley,

It is our understanding that Alaska Medical Specialties LLC (AMS) would like a third party opinion on the tenant improvement lease rate being assigned to their ambulatory surgery center area. This Broker Opinion Of Value (BOV) will assist in those efforts.

188 W. Northern Lights Boulevard is a relatively new Class A, multi-tenanted office building. The building is serviced with a parking structure and is constructed of steel and concrete. AMS wishes to lease both the space and tenant improvements in the space designated for the ambulatory surgery center. Previously, we have provided our opinion that the space lease rate is at market.

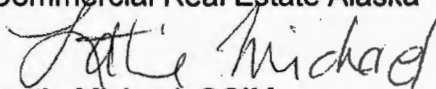
The rental cost being charged to Alaska Medical Center, LLC's (tenant) for the use of existing tenant improvements, as originally installed by Alaska Urological Institute, P.C., as part of it's in-office procedure suites, has been estimated to be \$380,666.40. This amount was determined by taking the entire original total tenant improvement cost times a 65% factor, representing the approximate percentage of square feet to be subleased, amortized over a fifteen (15) year life at a 5.5% rate. A fifteen (15) year amortization period is applied because it relates to the weighted average of the tax life of the various tenant improvements for tax purposes. This produces a monthly sublease amount of \$15,861.10 for tenant improvements.

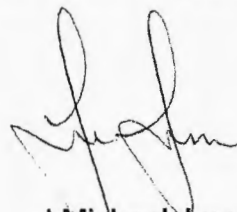
Based on comparable Anchorage properties, the derived monthly tenant improvement lease rate of \$15,861.10 is a fair and reasonable estimate of the monthly rental cost for the surgery center tenant improvements.

We can be reached at the contact numbers below, should you have any question.

Sincerely,

Commercial Real Estate Alaska

  
Lottie Michael, CCIM  
Associate Broker



J Michael James  
Commercial Agent

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