



November 29, 2013

716 West Fourth Avenue, LLC
Attn: Mark E. Pfeffer
425 G Street, Suite 210
Anchorage, AK 99501

RE: Construction Loan with Mini-Perm Real Estate Financing

Dear Mr. Pfeffer:

Wells Fargo Bank, National Association ("Lender" or "Bank"), is pleased to provide 716 West Fourth Avenue, LLC ("Borrower"), a proposal to extend the real estate secured loan accommodation described below in the maximum principal amount of \$28,222,653, on the following terms and conditions, so long as there has been no material adverse change in Borrower's financial condition as determined by Lender.

Type of Credit:	\$28,222,653.00 construction loan converting to a mini-perm real estate loan (the "Loan")
Purpose:	To assist with construction of a new (approximately) 64,000 square foot Class A, LEED Silver rated, 6-story office building, including parking garage (the "Project"), located at 712 & 716 W 4 th Avenue, Anchorage, AK 99501 (the "Property"), and to provide mini-perm financing for the Project and Property. The Project and Property are hereinafter collectively referred to as the "Real Property".
Repayment:	Monthly interest payments shall be required during the first eighteen (18) months of the Loan. Thereafter, at "Conversion", principal and interest shall be amortized over two hundred forty (240) months and shall be payable monthly. All unpaid principal and other amounts due under the Loan shall be payable at maturity of the Loan.
Maturity Date:	60 months
Interest Rate:	Floating, based on Wells Fargo Bank, N.A., Prime Rate, plus an interest rate spread of 1.75%. Based on this index, the current interest rate is 5.0%.
Prepayment Fee:	None
Loan Fees:	Origination fee equal to 1% of the Loan amount due at closing. Conversion fee equal to 0.5% of the Loan amount due at Conversion.
Appraisal:	The Loan is subject to an "as is" and "as proposed" value of the Real Property. The "as is" value will represent the value of the Property in its present condition. The "as proposed" value will represent the value of the Real Property after the proposed Project is completed.

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Appraisal Fee: You have paid a non-refundable appraisal fee, in the amount of \$ N/A. The appraisal fee includes the appraisal fee and the cost of an appraisal review.

Cost Analysis Fee: Estimated at \$6,000.00

Inspection Fees: Estimated at \$25,000.00 based on an anticipated total of twelve (12) monthly site inspection visits being required. Additional inspections may be required by Lender and will be subject to payment of additional fees as determined by Lender.

Other Fees: Borrower to pay all Lender's out of pocket expenses and costs associated with the Loan, as determined by Lender, including, but not limited, to appraisal, environmental, title insurance, escrow charges, attorney's fees, recording fees, inspection and monitoring fees, etc.

Collateral: First priority deed of trust on the Real Property, subject only to exceptions specifically approved by Lender. All subordinate matters must also be specifically approved by Lender.

Loan to Value: Final Loan amount not to exceed 64.1% of Lender's reviewed "as proposed" appraisal value of the Real Property.

Loan to Cost: Final Loan amount not to exceed 75% of Lender approved Real Property costs.

Borrower's Equity: Based on the project/loan budget, Borrower's equity is estimated to be \$9,000,000.00, including estimated Loan closing fees and expenses.

Borrower's equity will either be (i) cash, deposited with and pledged to Lender, to be disbursed by Lender prior to disbursements of the Loan in the same manner as the Loan proceeds, or (ii) substantiated by delivery to Lender of paid invoices, canceled checks and such other documentation acceptable to Lender to confirm payment by Borrower of Borrower's equity.

Occupancy: The Real Property must be fully occupied by the State of Alaska's Legislative Affairs Agency pursuant to an executed 10-year lease with a 10-year renewal option and tenant requirement to fund not less than \$7,500,000.00 in tenant improvements, and otherwise on terms and conditions approved by Lender; and subject to a Subordination, Non-Disturbance and Attornment Agreement as required by Lender on Lender's form.

Guarantees: Robert B. Acree, Mark E. Pfeffer, Mount Trident, LLC, Mark E. Pfeffer Alaska Trust, Mark E. Pfeffer Revocable Trust, Pfeffer Augustine Grantor Retained Annuity Trust, Pfeffer Okmok Grantor Retained Annuity Trust, and Pfeffer S/HN Grantor Annuity Trust (individually and collectively "Guarantor") shall provide joint and several, continuing and unlimited guarantees for repayment of the Loan and completion of the Project.

After Conversion and stabilization of the Project (as determined by Lender) and provided no event of default has occurred under the Loan, Lender agrees to modify each Guarantor's continuing and unlimited guarantee to reflect the following limited amounts (as determined by Lender):

Robert B. Acree: A guarantee of the Borrower's indebtedness equal to 110% of the ownership interest of said Guarantor in the Borrower

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Each of Mark E. Pfeffer, Mount Trident, LLC, Mark E. Pfeffer Alaska Trust, Mark E. Pfeffer Revocable Trust, Pfeffer Augustine Grantor Retained Annuity Trust, Pfeffer Okmok Grantor Retained Annuity Trust, and Pfeffer S/HN Grantor Annuity Trust: A guarantee of the Borrower's indebtedness equal to 110% of the ownership interest of Mount Trident, LLC, in the Borrower.

Loan Covenants: A minimum 1.25x real estate debt coverage ratio as required by Lender.

**Borrower's Submission
Of Financial Information:**

Borrower is required to provide the following financial information (note that additional information may be required):

- Annual Federal Tax Returns for Borrower and Guarantor
- Annual Personal Financial Statement for Guarantor
- Annual Financial Statement for Borrower

**Insurance During
Construction:**

Prior to closing of the Loan:

- (i) Borrower and Borrower's contractor ("Contractor") to provide general liability insurance policies each in a minimum amount as required by Lender
- (ii) Borrower to provide builder's risk coverage for the replacement cost of the Real Property, completed as proposed
- (iii) Contractor to provide evidence of worker's compensation insurance.

**Insurance Upon
Completion of
Construction:**

Upon completion of the Project, Borrower to provide Lender a hazard insurance policy in the amount of the replacement cost of the Real Property (as completed) with lender's loss payable endorsement 438 BFU, and as otherwise required by Lender.

**Payment and
Performance Bond:**

Lender must approve Contractor. If Contractor is not satisfactory, Borrower may choose to use another contractor or Lender may require prior to commencement of construction and Loan closing, that Borrower to furnish Lender with satisfactory evidence that Contractor has obtained a 100% payment and performance bond naming Borrower and Lender as dual obligee from a surety company licensed to operate and possessing at least a B+ rating from "Best". Bonds are to be written on Lender approved forms and are to be recorded in the County Recorder's Office.

Disbursements:

A maximum of one disbursement per month will be allowed during construction of the Project and in accordance with Lender's requirements. Instructions on how to request disbursements will be provided at the time of Loan closing. Lender may require that disbursements be made by checks payable directly to the Borrower, Contractor and Contractor's subcontractors and suppliers.

Contingency:

Lender will require that a contingency account equal to 2% of the cost of constructing the Project be provided prior to closing of the Credits.

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Change Orders: Change orders must be approved by Lender prior to commencement of their construction.

Project Completion: The Project shall be completed within eighteen (18) months of the date of the Loan documents. Completion is evidenced by the following:

- 1) A substantial completion certificate has been issued by Borrower's architect,
- 2) Final inspection has been performed by Lender or its agent reflecting Project completion of 100%,
- 3) Certificate of occupancy has been issued and a copy has been provided to Lender,
- 4) Notice of completion has been recorded within 10 days of Project completion and a copy has been provided to Lender,
- 5) A lien free title policy endorsement has been received from the title company or expiration of relevant lien periods provided no stop notices, liens, or unpaid claims are on file.

Conversion to Mini-Perm Financing: The Conversion of the Loan to mini-perm real estate financing will occur after the Project is considered complete as described above, after the occupancy requirement described above has been met and only so long as there is no event of default under the Loan. Failure to meet all requirements for the Conversion within eighteen (18) months of the date of the loan documents for the Loan shall be considered an event of default under the Loan.

Participation: Bank may, at its sole discretion, participate a portion (or portions) of the Loan to other lender(s). No consent from Borrower is required with respect thereto; and Borrower shall not be entitled to receive any information with respect to any such participation(s).

In addition to the above requirements, this commitment is subject to and contingent upon the following, all of which must be satisfactory to Lender in its sole discretion:

- 1) No material adverse change in Borrower's or Guarantor's financial condition
- 2) Completion of all credit investigations of Borrower, its principals and/or executive officers, and Guarantor
- 3) Completion of project costing and Level I inspections
- 4) Execution of loan documents
- 5) Environmental clearance by Lender
- 6) Receipt of a copy of the lease, on terms acceptable to Lender, between Borrower and the tenant
- 7) Receipt of all items required to complete an "as proposed" appraisal, cost analysis, project analysis, contractor analysis and construction loan documentation
- 8) Receipt of approved plans and specs and all applicable permits
- 9) Receipt of evidence of payment of all costs pertaining to the Real Property that exceed the amount available in the Loan
- 10) Deposit with and pledge to Lender of amounts necessary to pay remaining Real Property costs ("Pledged Funds") that exceed amounts available in the Loan and amounts previously paid by Borrower
- 11) Receipt of title insurance
- 12) All other terms and conditions as may be required by Lender

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The credit accommodation described herein is (ii) made available subject to the terms, conditions, and provisions of comprehensive loan documents to be executed by Borrower, all in form and substance satisfactory to Lender, and (ii) subject to and contingent upon closing of the credit facility to occur no later than January 25, 2014.

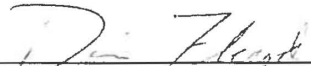
Lender hereby terminates that certain credit proposal to Borrower dated November 26, 2013; it being understood and agreed that this proposal supersedes and replaces that prior one. Lender further reserves the right to terminate this proposal at any time prior to Lender's receipt of acceptance by Borrower. This proposal is personal to the Borrower and may not be transferred or assigned without prior written consent of the Lender. Your acknowledgement of this letter shall constitute acceptance of the foregoing terms and conditions. Unless accepted, extended or terminated, this proposal will expire at 5pm local time on November 29, 2013.

An electronic transmission or facsimile of this letter or any signed document shall be deemed an original and shall be admissible as evidence of the document and the signer's execution.

This letter shall be governed by and construed in accordance with the laws of the State of Alaska. Upon the demand of any party, any action, dispute, claim or controversy of any kind, whether in contract or tort, statutory or common law, legal or equitable, arising under or in any way pertaining to this letter or any extensions of credit or other activities, transactions or obligations or any kind related hereto, shall be resolved by binding arbitration administered by the American Arbitration Association ("AAA") in accordance with the AAA Commercial Arbitration Rules and the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision herein. Lender's current standard provision governing arbitration of disputes is deemed incorporated herein as though set forth in full and shall be included in full in the note, loan agreement and/or other contracts, instruments and documents required hereby. Any party who fails or refuses to submit to arbitration following a lawful demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration.

Sincerely,

Wells Fargo Bank, National Association

By: 
Darin Floyd, Vice President

Acknowledged, accepted and agreed to on 4/29, 2013:

716 West Fourth Avenue, LLC

By: 
Name: MARK PREPPER
Title: MANAGER