

KENNETH JAY GAIN, MAI, SRS, CCIM, CRE, AI-GRS

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Mr. Gain has been continuously active as a real estate professional in Alaska since 1962. Although primarily known as a real estate appraiser (*he has been an MAI since 1974*) and a real estate counselor (*he is Alaska's only CRE*) he has had professional training and experience in organization, operation and valuation of real estate investment companies, urban renewal, public housing, real estate brokerage and management, dispute resolution and teaching real estate related subjects. He has been a Senior Instructor on the organization and operation of real estate investment companies for the Real Estate Securities & Syndication Institute, holds their profession designation (SRS) and served as National President of the organization.

While much of his career has involved providing advice to others as a real estate appraiser and counselor, he has also had extensive "*hands on*" experience as a real estate developer and as principal in the formation and operation of 29 real estate investment companies. He has also worked in an executive capacity for government real estate organizations as Deputy Executive Director of both the Alaska State Housing Authority and the Alaska Housing Finance Corporation.

In addition to his experience in organizing and operating real estate companies, he has had professional training in the valuation of businesses, but limits his activity in this area to the appraisal of real estate related businesses and the appraisal of private mortgages.

He has acted as the third appraiser on over 20 occasions in resolving the valuation of real property or estimating market rent. His major assignment in this capacity was as the neutral appraiser for the valuation of 1100 parcels of land involved in Alaska's Mental Health Land Litigation.

He currently spends much of his time as an investment manager for several investment companies and various individual investors in loans secured by Alaska commercial properties and land developments in addition to reviewing commercial appraisals for several of Alaska's financial institutions, attorneys and government agencies.

Professional Licenses and Registrations

Certified General Real Estate Appraiser, State of Alaska and State of Hawaii.

Licensed Real Estate Broker, State of Alaska (*10/63 through 1/09*)

Formerly registered Direct Participation Securities Principal with the U.S. Securities and Exchange Commission, National Association of Securities Dealers and State of Alaska.

Professional Designations

Member of Appraisers Institute (*MAI*) of Appraisal Institute.

Specialist Real Estate Securities (*SRS*) of the Real Estate Securities and Syndication Institute.

Certified Commercial Investment Member (*CCIM*) of the Commercial Investment Real Estate Institute.

Counselor, Real Estate (*CRE*) of The Counselors of Real Estate.

Appraisal Institute--General Review Specialist (*AI-GRS*) awarded by the Appraisal Institute to appraisers with specialized training and experience in review of appraisal reports prepared by other appraisers.

Other Memberships

In addition to the above, I am also a member of the following professional organizations:

Anchorage Board of Realtors

Alaska Association of Realtors

National Association of Realtors

Business and Employment Experience

1968 to Present - President of Equivest Realty Advisors, Inc. (*prior to 1-1-88 this firm was named Gain, Inc. and was a family investment company*) a firm engaged in real estate counseling, real estate litigation analysis and evaluations, appraisal reviews, expert witness, and appraisals of real estate related businesses and private mortgages..

6/94 to Present - President of Cash Now Financial Corporation (*formerly Nationwide Financial Corp.*) and Equivest Mortgage Income Trust, Inc. These related firms are engaged in brokerage of and investment in privately held real estate mortgages and deeds of trust and asset based mortgage lending.

1/74 to Present - Managing General Partner or controlling person of 27 partnerships and joint ventures which acquired or developed over \$65 million worth of real estate.

8/83 to 12/92 - President of Equivest Investment Management Corporation, a firm engaged in real estate asset management and real estate syndication.

1/82 to 9/89 - President and Registered Principal for Equivest Securities Corporation, which was a Registered Securities Broker Dealer from 1/82 to 9/89.

6/81 to 6/87 - Vice President and Director of Northernmost Property Management, Inc.

1/73 to 6/86 - President of Real Estate Services Corporation and Professional Realty Incorporated until their merger into Equivest Corporation in 1978, after which time I served as Chairman of the Board and Secretary/Treasurer of Equivest Corporation.

6/71 to 1/73 - Deputy Executive Director of the Alaska State Housing Authority and the Alaska Housing Finance Corporation.

1/71 to 6/71 - Special Assistant to Governor William Egan in charge of the Fairbanks office.

5/68 to 1/71 - President of Ken Gain and Associates and its successor in business, Gain and King Appraisers, Inc., Fairbanks, Alaska.

2/67 to 5/68 - Area Representative for the Federal Housing Administration in Fairbanks, Alaska.

12/64 to 2/67 - Urban Renewal Project Manager for projects R-7 and R-15 for the Alaska State Housing Authority in Fairbanks, Alaska.

1/64 to 12/64 - Real Estate Appraiser for Alaska Department of Highways in Fairbanks, Alaska.

2/63 to 1/64 - Real Estate Appraiser for Fairbanks School District Assessors Office, Fairbanks, Alaska.

4/62 to 2/63 - Real Estate Salesman for Glenn Willacy Realty in Fairbanks, Alaska.

5/61 to 4/62 - Insurance Underwriter for Northern Insurance Agency in Fairbanks, Alaska.

Prior to 5/61 - I was enrolled as a full-time student at the University of Alaska.

Brokerage, Syndication and Development Experience

Have sponsored 29 partnerships and joint ventures that acquired or developed over \$65 million worth of real estate. In addition to experience with A.S.H.A. involving supervision of public housing and urban renewal development, I have been a principal in the development of 4 subdivisions and 258 apartment units. I have been involved as a principal in the brokerage, syndication or development of over \$100 million worth of real estate.

Asset and Property Management Experience

In addition to experience with A.S.H.A. involving supervision of management of all public housing in Alaska, I have acted as property manager or asset manager for over 2,000 apartment units and 20 other commercial properties. The maximum units under management at one time was 1,200.

Appearance as an Expert Witness

Have been qualified as an expert witness in Alaska Superior Court in all four judicial districts, in Federal Court for the District of Alaska and Federal Bankruptcy Court, through testimony in approximately seventy cases. Testimony has included valuation of property subject to condemnation, investment valuation, and obligations of a sponsor of real estate syndications under securities laws, value of a property management business and fiduciary obligations of property managers, real estate counselors and real estate brokers to their clients.

Dispute Resolution Experience

Have served as a Court appointed Master on over twenty occasions to determine the value of property acquired through condemnation proceedings.

Past Member of the Arbitration and Mediation Panels of the American Arbitration Association.

Past Member of Professional Standards Committee of the Anchorage Board of Realtors, which hears complaints against members and arbitrates disputes between members.

Appraisal Review Experience and Training

Professionally designated as, Appraisal Institute--General Review Specialist (*AI-GRS*) awarded by the Appraisal Institute to appraisers with specialized training and experience in review of appraisal reports prepared by other appraisers.

Have been a contract review appraiser for Bank of America, Home Savings & Loan Association, Northrim Bank, First National Bank, Alaska USA Federal Credit Union and Alaska Growth Capital, Inc. In addition I have performed numerous individual reviews for attorneys and government agencies.

I have completed this seminar on "*Appraisal Review*" sponsored by the Appraisal Institute, the 45 hour course "*Advanced Appraisal Review*", the 20 hour course "*Appraisal Review Under Uniform Appraisal Standards for Federal Land Acquisition*", the 20 hour course "*Advanced Appraisal Review Case Studies*", sponsored by the American Society of Farm Managers and Rural Appraisers and the 30 hour course "*Review Theory-General*" sponsored by the Appraisal Institute.

Teaching and Lecturing Experience

University of Alaska, Anchorage - Adjunct-professor for course entitled *Introduction to Real Estate Appraising*, course entitled “*Advanced Real Estate Appraising*” and course entitled “*Real Estate Finance and Investment*”.

Alaska Association of Realtors - Instructor for the Graduate Realtor Institute program on “*Real Estate Appraising*”, “*Syndication of Real Estate*,” “*Exchanging Real Estate*” “*Investment Analysis*”, “*Real Estate Financing*” and “*Taxation of Real Estate.*” (Since 1971)

Society of Real Estate Appraisers - Instructor for “*Introduction to Real Estate Appraising*” and “*Appraising Income Properties.*”

Real Estate Securities and Syndication Institute - Senior national Instructor for “*Introduction to Real Estate Syndication*” and “*Advanced Syndication Workshop.*”

American Institute of Real Estate Appraisers - Speaker at regional conventions (*Northwest and Mid-Atlantic*) on “*Investment Valuation of Real Estate Syndication*” and “*Appraiser's Liability Under Securities Law.*”

American Society of Real Estate Counselors - Speaker at national programs on topics of *Evaluation of Investments in Real Estate Syndicates* and *Structuring of Real Estate Syndication Investments.*

Cash Now Financial Corporation - Course author and instructor of Alaska Real Estate Commission approved continuing education courses for real estate agents entitled “*More Sales Through Private Financing--Without Getting Sued*”, “*Financing The Sale When The Bank Says No*”, “*Financing For Every Sale*”, and “*Financing Outside the Box*”.

Business Valuation Experience

Have participated in organization or purchase of over 40 businesses (*including 27 real estate companies*) and have completed valuations of the following types of business:

- Car Rental Co.
- Appraisal Firm
- Real Estate Brokerage Company
- Hotels and Motels
- Service Stations
- Franchised Fast Food Restaurant
- Car Wash
- Water Utility
- Property Management Company
- Liquor and Convenience Store

Real Estate Investment Companies

Education and Professional Training

University of Alaska - Two years majoring in Civil Engineering and Political Science.

American Institute of Real Estate Appraisers - Seven courses, of one week duration each, in topics ranging from Introduction to Real Estate Appraising, Investment Analysis of Real Estate and Appraising Real Estate for Public Acquisition.

Real Estate Securities and Syndication Institute - Five courses required for professional designation in fields of Syndication of Real Estate, Advanced Syndication, Operations of Partnerships and Training for Securities Licenses.

Commercial Investment Real Estate Institute - Five courses required for professional designation in fields of Investment Analysis, Impact of Taxation on Real Estate Investments and Creation and Marketing of Real Estate Investments.

Alaska Association of Realtors & National Association of Realtors - Numerous one and two day seminars on real estate and investment related topics including such diverse areas as utilization of statistics and computer applications to evaluate real estate investments to professional ethics requirements under Alaska laws.

Continuing Education – As part of my continuing education, I have attended over 125 one-day and half-day seminars.

Leadership Positions in Professional Organizations

Real Estate Investment Association - Served 3 years as a member of the National Executive Committee.

Real Estate Securities and Syndication Institute - Served as National President in 1982, First Vice President in 1981, Second Vice President in 1980, Northwest Regional Vice President in 1978 and 1979, and President of the Alaska Chapter in 1976 and 1977. Served 13 years as a member of the National Executive Committee.

National Association of Realtors - Served 4 years as a member of the National Executive Committee, 6 years as a member of the National Board of Directors, and one year as a National Trustee of the Realtors Political Action Committee.

Alaska Association of Realtors - Served as State President in 1979, Vice President in 1978 and President of the Fairbanks Board of Realtors in 1971.

State of Alaska - Served as member (*one year*) and as Chairman (*two years*) of the Alaska Board of Assessment Review (*1976-1978*).

State of Alaska - Served as member of the Alaska Real Estate Commission (*1974-1979*).

Appraisal Institute - Helped organize and served as First President of the Alaska Chapter in 1975. In 1992 I again served as Chapter President.

Alaska State Housing Authority - Served four terms from 1983 through 1991 (*appointed by three governors*) as a member of the Board of Directors of this public agency which administers Alaska's low rent public housing programs and provides financing for public buildings and moderate income apartments.

Anchorage Economic Development Corporation - Served as a member of the Board of Directors (1987-1993) of this non-profit corporation supported by grants from the Municipality of Anchorage and private enterprise to spur economic growth in Anchorage, Alaska.

Municipality of Anchorage - Served as member of the Platting Board (1995-1998) which reviews and approves or disapproves of all subdivision plats within the Municipality of Anchorage.

Published Writings

“Proposed Tax Structure for Alaska During a Budget Surplus,” *Alaska's Future Frontiers*, published by Legislative Council, State of Alaska, December 1979.

“What Every Syndicator Should Know About Appraisers,” *The Real Estate Securities Journal*, Fall 1981.

“Syndication: Group Ownership of Real Estate,” *The Real Estate Professional*, November/December 1982.

“The ABC's of Structuring Real Estate Investments,” *The Real Estate Securities Journal*, Spring 1984. Reprinted in Warren, Gorham and Lamont's Real Estate Newsletter.

“Appraising by Probability Analysis,” *The Appraisal Journal*, January 1990.

“If the Investment Doesn't Fit, Don't Sell It,” *Commercial Investment Real Estate Journal*, autumn 1990.

Honors and Awards

Realtor of the Year - 1977 by Alaska Association of Realtors.

President's Award for Outstanding service - 1980 by Alaska Association of Realtors.

Subject of Cover Story Article - December 1983, Alaska Business and Industry.

Burton E. Smith Award - In recognition of outstanding service to the Real Estate Securities and Syndication Institute - 1985.

Representative Clientele

Alaska Airlines
Alaska Electric Light and Power Company - Juneau
Alaska Federal Savings and Loan Association
Alaska Housing Initiatives, Inc.
Alaska Mutual Savings Bank
Alaska National Bank of the North
Alaska Pacific Bank
Alaska State Bank
Alaska State Housing Authority
Alaska USA Federal Credit Union
Aleutian Housing Authority
American National Life Insurance Company
Anchorage Neighborhood Housing, Inc.
Ashborn & Mason
Bank of America
Bankston & McCollum
B.M. Behrends Bank - Juneau
Bledsoe & Knutson
Blomfield Company
Burr, Pease & Kurtz
Cape Fox Corporation
Capital Companies-Les Pace
City of Dillingham
City of Fairbanks
Coast Mortgage Company
Davis, Wright, & Tremaine
Delaney, Wiles, Hayes, Gerety, Ellis & Young
Eklutna, Inc.
Fairbanks North Star Borough
Federal Veterans Administration
Federal National Mortgage Association
First Federal Savings & Loan Association - Fairbanks & Anchorage
First National Bank of Anchorage
First National Bank of Fairbanks
Golden Valley Electric Association
Greater Anchorage Area Borough
Groh, Eggers & Price
Guess & Rudd
Hagans, Brown, Gibbs & Moran
Haines Borough - Haines, Alaska
Hartig, Rhodes, Norman, Mahoney & Edwards

Representative Clientele (continued)

Heritage Land Bank of Anchorage
Home Savings and Loan Association
Homequity, Inc.
Hughes, Thorsness, Gantz, Powell & Brundin
Kempel, Huffman & Ginder
KIJIK Corporation
Koval & Featherly
Krumm, Victor
Lane, Powell, Spears & Lubersky
Marston, Brooke
Meyers Real Estate, Inc. - Fairbanks
Mortgage Guaranty Insurance Corporation
Mt. McKinley Mutual Savings Bank - Fairbanks
National Bank of Alaska
National Life Insurance Company
Northern Alaska Development Company
Northrim Bank
Platt, Janet
Pt. Possession Inc.
R & M Engineering and Geological Consultants
Sandberg, Smith, Wuestenfeld & Corey
Standard Oil Company of California
State of Alaska
 Department of Commerce & Economic Development
 Department of Highways
 Department of Law
 Department of Natural Resources
 Department of Transportation and Public Facilities
 Division of Aviation
 Division of Buildings
Strong Enterprises, Inc.
Tyonek Native Corporation
Tycor Relocation Corporation
United States Park Service
United States Smelting, Refining & Mining Company - Fairbanks
Wadsworth & Associates

Major or Unique Counseling and Valuation Assignments

<u>Client</u>	<u>Type of Assignment</u>
Alaska State Housing Authority	Study of Impact of rezoning of land in Nunaka Valley Subdivision, Anchorage, Alaska.
Alaska Federal Savings and Loans	Highest and best use study and feasibility analysis for alternate uses of 22-unit housing project in Juneau, Alaska.
Real Estate Services Corporation	Annual survey of the Anchorage real estate market (done annually 1973 through 1995).
City of Dillingham	City wide assessment of all real property.
Alaska State Housing Authority	Feasibility analysis of development of a 42-unit elderly housing project and commercial facilities project in Harborview, urban renewal project in Juneau, Alaska.
Port of Anchorage	Recommended land lease procedures and analyses of leasing procedures in seven comparative West Coast ports.
Alaska State Housing Authority	Feasibility analysis and financing plan for development of 98 units of mixed income housing in Juneau, Alaska.
Alaska Association of Realtors	A proposal for meeting Alaska's housing needs.
Alaska Pacific University	Recommendations for development of a portion of Alaska Pacific University Campus.
State of Alaska Division of Lands	Statewide assessment of market demand for public lands.
Home Savings & Loan Association	Preparation of Policy and Procedures Manual and due diligence investigation of appraisers for compliance with Rule 41C of the Federal Home Loan Bank Board which governs administration of appraisals for regulated lending institutions.

Professional Qualifications
Kenneth Jay Gain

KIJK Corporation	Retrospective valuation of 9,000 acres for purpose of establishing tax basis for land acquired under the Alaska Land Claims Settlement Act.
Knakanen/Eklutna, Inc.	Due diligence investigation, investment analysis and representation in negotiating acquisition of shopping center.
Alaska Federal Savings	Valuation of a public water utility subject to regulation by the Alaska Public Utilities Commission.
Cape Fox Corporation	Highest and Best Use Analysis and Valuation of a site underlying a hydroelectric project.
Hagans, Brown, Gibbs & Moran	Appraisal of aviation easement alleged to have been acquired by inverse condemnation.
Heritage Land Bank of Anchorage	Recommended Method of Marketing Lots in Zodiak Manor Subdivision.
Bank of America, Home Savings Bank and Northrim Bank	Contract reviewer of appraisals of commercial and income properties.
State of Alaska, Division of Lands	Neutral appraiser on a panel of three appraisers responsible for valuing 1100 parcels of land involved in Alaska's Mental Health Land Litigation
Tyonek Native Corporation	Estimate of Annual Rent for a natural gas pipeline utilizing alternate valuation method including the "Opportunity Cost Doctrine".
The Tudor Fund	Impact of liquidation vs. Normal Marketing of 22 Tracts in Tudor Center Subdivision and valuation of the company.
Ben Lomond Inc.	Business valuation of corporation involved in property management, construction, and ownership in four low income housing partnerships and other real estate located in Anchorage, Fairbanks and Bethel.
Abundant Living Inc.	Served as President of and developer for this non-profit corporation that developed 48 units of low income, senior housing.

Point Possession, Inc. Represented this ANCSA corporation in the sale of 4,482 acres of Point Possession, Alaska.

Aleutian Housing Authority Recommendation for Fair Community Development Rent for Adak, Alaska.

Calais Company & Deborah Ivy Neutral appraiser on a three member appraisal appraisal panel that valued 39 leased parcels in mid-town Anchorage.

Continuing Education

I have met the continuing education requirements of the Appraisal Institute for MAI members and of the States of Alaska and Hawaii for Certified General Real Estate Appraisers, and State of Alaska for Real Estate Instructors.

Personal Data

Age: Born 1941

Alaska Resident: Since 1951

Marital Status: Married since 1961

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Expert Witness Testimony and Deposition
(Since 1994)

Date	Case	Forum	Topic
5-6-94	Cool Homes Tax Appeal	Board of Equalization	Market Value Sandwich Lease
9-8-94	Pace et al vs. Peat Marwick etal	Deposition	Economic loss sustained by General Partner
3-6-95	MOA vs. Eagley	Master's Hearing	Highway Taking of Gwennie's Restaurant
11-8-95	Anchorage Neighborhood Housing & Loussac-Sogn	Board of Equalization	Value of rent restricted and historical rehab property

Professional Qualifications
Kenneth Jay Gain

6-3-96	State vs. Flyum's Barge Service, Inc.	Deposition	Estimate of weighted average cost of capital
7-3-96	Floyd etal vs. Brody etal	Deposition	Contamination damage to Thrifty Car Rental property
12-96	Anchorage Neighborhood Housing, Loussac-Sogn, & Access Alaska	Board of Equalization	Value of rent restricted and historical rehab property
1-13-97	Strong Enterprises etal vs. Thomas Seward	Superior Court	Obligations of Managing General Partner and analysis of M.G.P.'s forecasts.
3-20-97	Noey vs. ALTICO	Deposition	Damage to property due to error in reporting easement widths
4-10-97	State vs. Gielarowski	Master's Hearing	Highway taking of portion of commercial tract of land
10-8-97	Alaska Housing Initiatives	Board of Equalization	Value rent restricted property
1-9-98	Shimek vs. Shimek	Deposition	Evaluation of appraisal & consulting reports-estimate of investment value
2-3-98	Shimek vs. Shimek	Jury Trial	Evaluation of appraisal & consulting reports-estimate of investment value
7-1-99	Waddell vs. Homer Electric Assoc.	Deposition	Lost profits due to property contamination
10-27-99	Anchorage Neighborhood Housing etal	Board of Equalization	Value of rent restricted apartments
6-7-00	Diamond vs. Shin	Jury Trial	Standards for brokering private deeds of trust
12-6-01	SRK vs. TKL	Deposition	Damage to property due to title problems effecting ability to obtain market financing.
6-6-03 6-10-03	AK. Sales & Service vs. Kinn, Singletary & Valley Motors Inc.	Deposition Arbitration Hearing	Impact of environmental contamination on marketability of property
09-22-05	Faulk vs. Unigard	Arbitration Hearing	Evaluation of plaintiff's real estate income and values.
06-03-10	Bankruptcy of B&D Enterprises	Trial in Bankruptcy Court	Market interest rate on 2 nd Deed of Trust secured by trailer court
6-12-13 6-13-13	CINGSA vs. Kenai Landing, LLC	Master's Hearing	Value of subsurface Natural Gas Storage Reservoir and in-place natural gas
9-5-14	CINGSA vs. Kenai Landing, LLC	Deposition	Value of subsurface Natural Gas Storage Reservoir and in-place natural gas
11-4-14	Club Sinrock, LLC vs. David Wolff	Deposition	Comparative review of two appraisals of Club Sinrock