



Appraisal Report

Circle 6 Holdings | Albany, OR 97321

as of April 2, 2023



Prepared for
Willamette Valley Bank
Mr. Kaster
Loan Operations Specialist

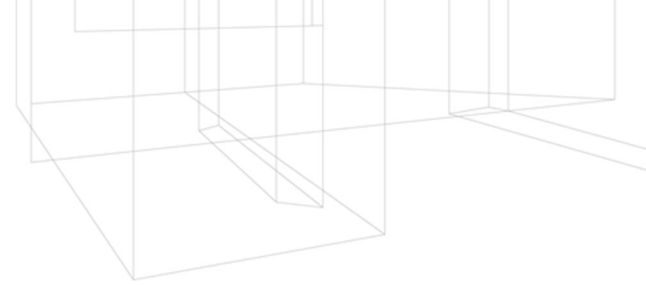
Prepared by
Aaron Taylor, MAI, ASA

KM Job A23-0360

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April 14, 2023

Rob Kaster
Loan Operations Specialist
Willamette Valley Bank
101 High St NE
PO Box 2747
Salem, OR 97301

RE: Circle 6 Holdings
1127-1195 6th Ave SE
Albany, OR 97321

An appraisal of the above-referenced property has been prepared, which is described in the attached report. This report has been prepared in conformance with the current Uniform Standards of Professional Appraisal Practice (USPAP) and meets the appraisal standards for Federally Related Transactions adopted by the Office of the Comptroller of Currency (OCC), and FIRREA. These services comply with and are subject to the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute. The intended users of this report are Willamette Valley Bank, Affiliates or Assigns. Willamette Valley Bank reserves the right to use the report for the purpose of syndication with other financial institutions or securitization.

As a result of the investigation and analyses, the concluded Prospective Value Upon Stabilization, Prospective Value Upon Completion and As-Is Market Value of the leased fee interest and the Insurable Replacement Cost, subject to the limiting conditions contained herein, is:

VALUATION PREMISE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Prospective Value Upon Stabilization	Leased Fee	March 2, 2024	\$3,070,000
Prospective Value Upon Completion	Leased Fee	December 2, 2023	\$3,050,000
As-Is Market Value	Leased Fee	April 2, 2023	\$2,775,000
Insurable Replacement Cost		March 2, 2024	\$1,785,000

Respectfully submitted,



Aaron Taylor, MAI, ASA
Certified General Real Estate Appraiser
Oregon No. C000585
Expires January 31, 2025



Certification

I certify that, to the best of my knowledge and belief:

- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- 3) I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- 4) I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. This is a revised report from an original dated April 14, 2023.
- 5) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 6) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 7) My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 8) My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- 9) Aaron Taylor, MAI, ASA, inspected the subject, as well as physically inspected the exterior of the comparables used in this report.
- 10) Jared Taylor provided significant real property appraisal assistance to the person signing this certification. As of the date of this report, Jared Taylor has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.
- 11) The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- 12) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 13) As of the date of this report, Aaron Taylor, MAI, ASA, has completed the continuing education program for Designated Members of the Appraisal Institute.

Aaron Taylor, MAI, ASA
Certified General Real Estate Appraiser
Oregon No. C000585
Expires January 31, 2025



Limiting Conditions

Limiting conditions specific to this appraisal are:

- 1) The appraiser has made no survey of the property and assumes no responsibility in connection with such matters. Any sketch or identified survey of the property included in this report is only for the purpose of assisting the reader to visualize the property.
- 2) It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures (including asbestos, soil contamination, or unknown environmental factors) that render it more or less valuable. No responsibility is assumed for such conditions or for arranging the studies that may be required to discover them.
- 3) No responsibility is assumed for the legal description or for matters including legal or title considerations.
- 4) The information identified in this report as being furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 5) The appraiser is not required to give testimony or attendance in court by reason of this appraisal unless arrangements have previously been made.
- 6) The allocation of total value to land, buildings, or any fractional part or interest as shown in this report, is invalidated if used separately in conjunction with any other appraisal.
- 7) Valuation Advisory Services is a subsidiary of Kidder Mathews, a full service commercial real estate brokerage firm. On occasion, employees or agents of the firm have interests in the property being appraised. When present, interests have been disclosed, and the report has been made absent of any influence from these parties.

RESTRICTION UPON DISCLOSURE & USE:

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of appraisers or the firm with which they are connected, or any reference to the Appraisal Institute or to the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the appraisers. No part of this report or any of the conclusions may be included in any offering statement, memorandum, prospectus, or registration without the prior written consent of the appraisers.



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ADDENDUM

- Engagement Contract
- Appraisers' Experience Data



Summary of Appraisal

PROPERTY IDENTIFICATION	
Name	Circle 6 Holdings
Property Type	mixed-use
Address	1127-1195 6th Ave SE
City State Zip	Albany, OR, 97321
County	Linn
Market / Submarket	Albany-Corvallis-Lebanon MSA
Geocode	44.635037, -123.090268

SITE DESCRIPTION		
Number of Parcels	1	
Assessor Parcel Number(s)	776425	
Land Area (measurement)	<u>Square Feet</u>	<u>Acres</u>
Economic Site	60,984	1.40
Surplus Land	0	0.00
Excess Land	0	0.00
Total Site Area	60,984	1.40
Zoning	Main Street (MS)	
Shape	Trapezoidal	
Topography	Generally Level	
Flood Zone	Zone X	

IMPROVEMENT DESCRIPTION (Prospective)		
Total Number of Buildings	1	
Tenancy	Multi-Tenant	
Occupancy (Prospective)	occupied by third-party tenants	
Occupancy % (Prospective)	95%	
Stories	Two-Story	
Net Rentable Area (NRA)	10,389	
Gross Building Area (GBA)	10,789	
Footprint (Ground Floor SF)	8,213	
Year Built (SF Weighted Average)	1992	Renovated 2023
Actual Age	32	
Effective Age	15	
Economic Life	55	
Remaining Economic Life	40	

BUILDING RELATIONSHIP TO THE SITE AREA	
Site Coverage Ratio (overall site)	13%
FAR (overall site)	0.17
Parking	20
Parking (per 1,000 SF)	1.93



QUALITATIVE ANALYSIS (Prospective)	
Site Utility	Good
Site Access	Average
Site Exposure	Fair/Average
Building Utility	Good
Building Quality	Average/Good
Building Condition	Good
Site Improvement Quality	Ave/Good
Site Improvement Condition	Ave/Good
Property Location	Average
Property Marketability	Average
HIGHEST AND BEST USE	
Proposed Construction	Yes
As Vacant	commercial development
As Improved (Prospective)	the current use as a mixed-use property
As-Is Condition	completion of the renovation for continued use as a mixed-use property
EXPOSURE AND MARKETING TIME	
Exposure Time	Six to Twelve Months
Marketing Time	Six to Twelve Months
REAL ESTATE MARKET	
Rent Growth	Moderately increasing
Vacancy	Stable
Capitalization Rates	Stable
Prices	Moderately increasing
General Market Conditions	Somewhat positive

Summary Property Description

The subject is a 2-story, 13-unit apartment complex. The subject's NRA totals 10,389 SF of which 9,039 SF are dwelling units and 1,300 SF or about 13% is office area. The building's foot print is approximately 8,213 SF and as improved the property has a 0.17 FAR. In the As-Is condition, the two office spaces are vacant with one being unfinished, the three unfinished dwelling units are unoccupied and three finished studios are vacant. Please be aware that this is a brief description and not intended to provide specific guidance or details as to valuation related considerations or act as a substitute for detailed analysis of specific characteristics of the subject. Users are asked to look at the above charts which provides specific quantitative and qualitative details about the subject as well as the site, improvement and other specific sections for further details related to these characteristics.



**Premise
Presentation**

Within this report the primary focus is the Prospective Value Upon Stabilization of the leased fee interest. Following the reconciliation is an analysis, discussion and estimate of the other scenarios found within this report.

**Approaches to Value
& Final Value
Conclusions**

Approaches to Value & Final Value Conclusion				
Effective Date of Value	March 2, 2024	December 2, 2023	April 2, 2023	March 2, 2024
Property Rights	Leased Fee	Leased Fee	Leased Fee	
Valuation Premise	Prospective Value Upon Stabilization	Prospective Value Upon Completion	As-Is Market Value	Insurable Replacement Cost
Cost Approach	Not Used	Not Used	Not Used	Not Used
Sales Comparison Approach	\$2,860,000	Not Used	Not Used	Not Used
Income Capitalization Approach	\$3,280,000	Not Used	Not Used	Not Used
Value Conclusion	\$3,070,000	\$3,050,000	\$2,775,000	\$1,785,000

**Extraordinary
Assumptions**

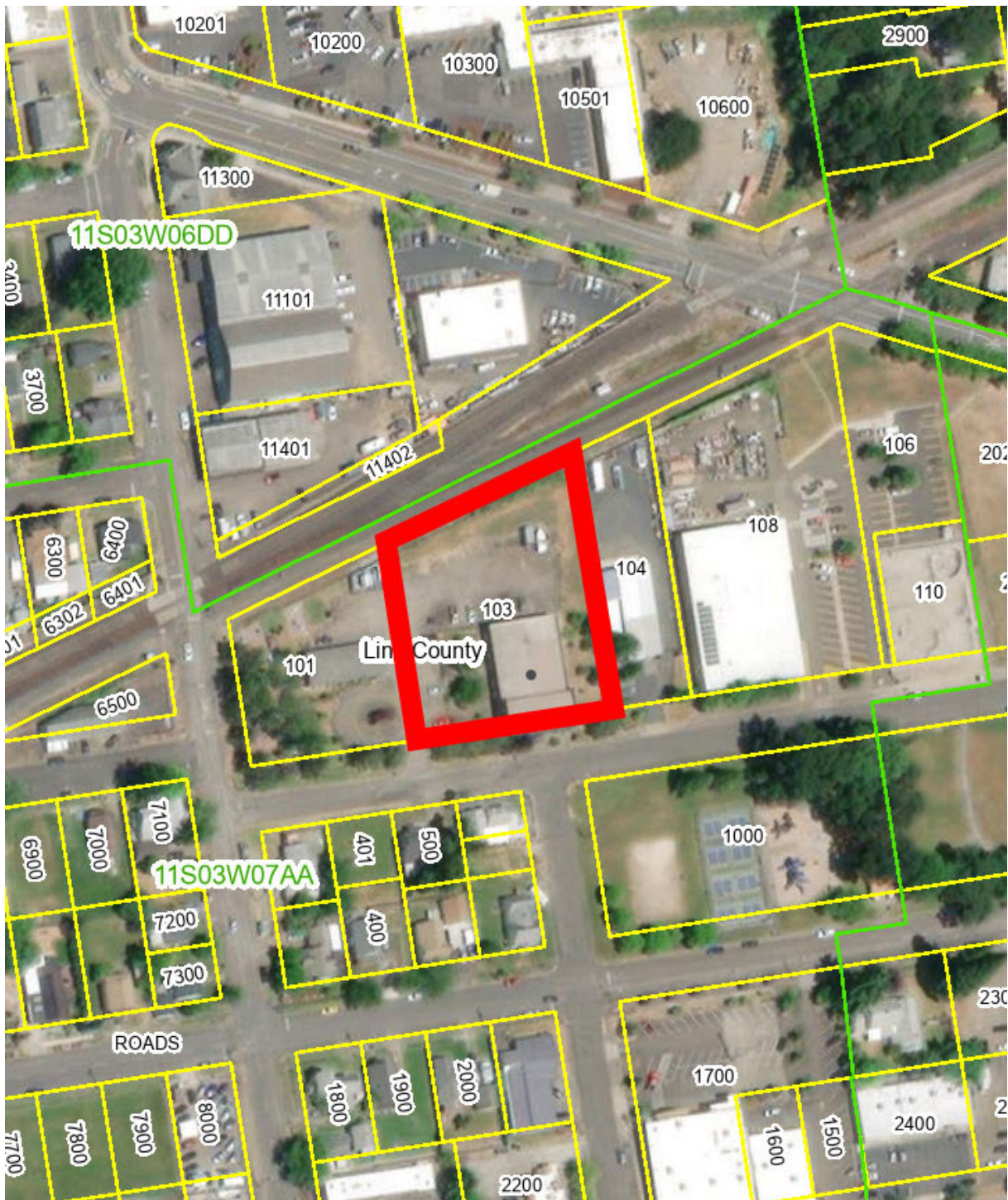
USPAP defines an Extraordinary Assumption as, “an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions.” We assume that the improvements will be completed in a manner substantially similar to any plans, documents and other information provided to us by the property contact or other property representatives as depicted within this report. It is assumed that the construction of the improvements will be completed in a professional manner and will meet or exceed applicable building codes as well as conform to all applicable zoning codes and any other relevant regulations. Finally, it is assumed that the work will be completed within the time frame noted within the report. No further extraordinary assumptions have been made.


**Hypothetical
Conditions**

USPAP defines a Hypothetical Condition as, “that which is contrary to what exists but is supposed for the purpose of analysis.” None

Date of Report

April 14, 2023



Aerial Map (Subject Outline )



Subject Photographs

SE 6th Ave – Viewing east



SE 6th Ave – Viewing west



West exterior and building front





Subject Photographs

South exterior – fronts along
SE 6th Ave



East exterior



North exterior





Subject Photographs

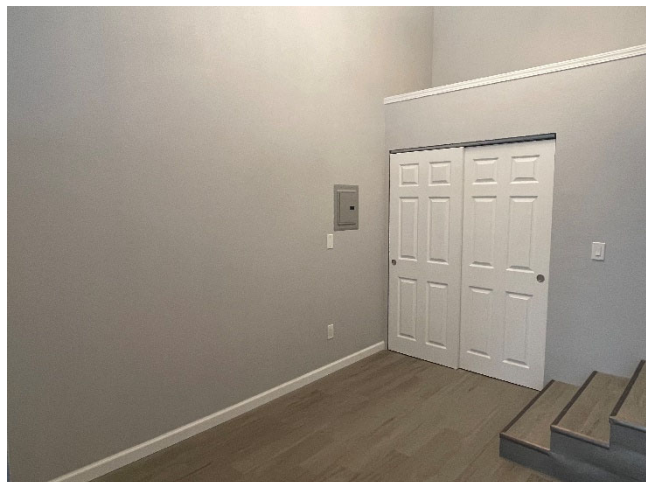
Unit 1157 – Living area



Unit 1157 – Kitchen



Unit 1157 – Living area





Subject Photographs

Unit 1157 – Bathroom



Unit 1153 – Living area



Unit 1153 – Kitchen



Subject Photographs

Unit 1153 – Bathroom



Garage space – will be converted to office

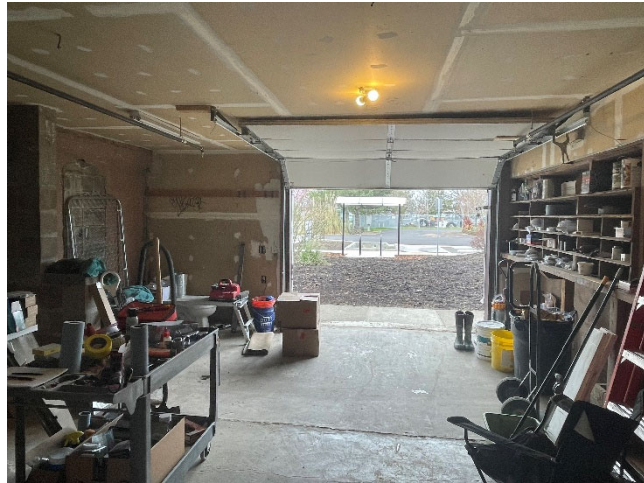


Garage space – will be converted to office



Subject Photographs

Garage space – will be converted to office



Unit 1127 – Office space



Unit 1127 – Bathroom



Subject Photographs

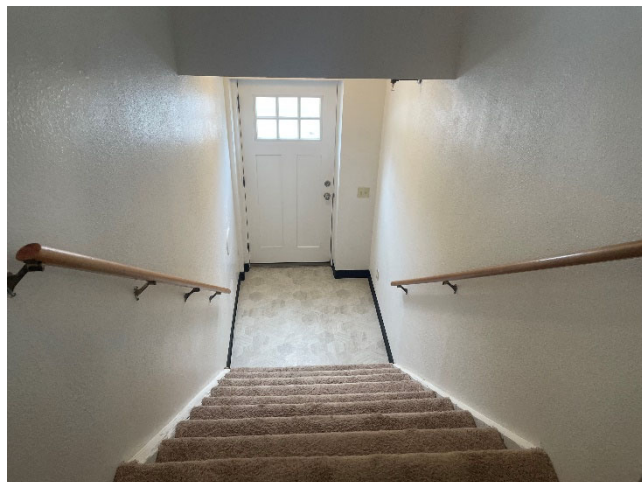
Unit 1127 – Office space



Unit 1127 – Storage



Unit 1185 - Stairway





Subject Photographs

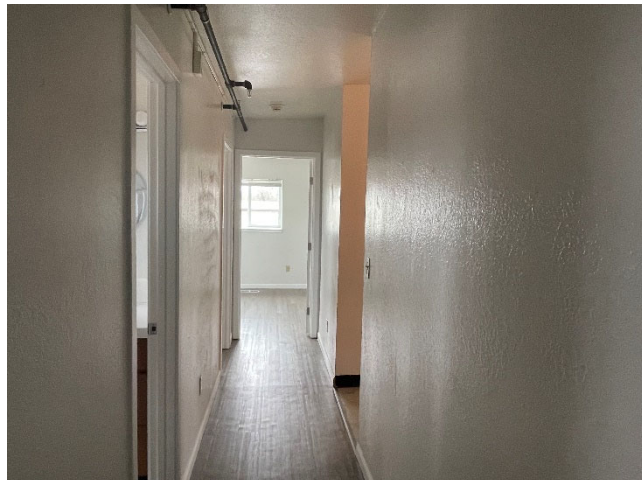
Unit 1185 – Living area



Unit 1185 - Kitchen



Unit 1185 - Hallway





Subject Photographs

Unit 1185 - Bathroom



Unit 1185 - Bedroom



Unfinished unit



Subject Photographs

Unfinished unit



Unfinished unit



Unfinished unit



Subject Photographs

Laundry area



Improvements – Paved area



Improvements – Gravel area



Subject Photographs

Improvements – Dumpster and Comcast station



Improvements – Paved area





Identification of Assignment

Client Identification	Willamette Valley Bank is the Client of this report.
Intended Users	<p>The intended users of this report are Willamette Valley Bank, Affiliates or Assigns.</p> <p>Willamette Valley Bank reserves the right to use the report for purposes of syndication with other financial institutions or securitization.</p>
Intended Use	The intended use of this appraisal is for loan underwriting and-or credit decisions by Willamette Valley Bank and-or participants.
Address	1127-1195 6th Ave SE Albany, OR 97321 Linn County
Legal Description	A title report with legal description was not provided.
Ownership and Property History	<p>The current owner of record is Circle 6 Holdings LLC, which purchased the subject property on July 26, 2021 for \$1,050,000 or \$101/SF. The property has been in the process of renovation since the acquisition. There will be a total of 13 units with 11 of them being on the first floor. All but three of the units have been renovated. The building also includes a laundry area and storage units as well. The owner intends on getting a permit for MEP for the other three. Stabilization of the property is anticipated to be near the end of 2023. Aside from the purchase in 2021, we are not aware of any further sales or listings of the subject within the past three years from the effective date of this appraisal.</p>
Property Rights Appraised	<p><i>This is an appraisal of the leased fee estate. The definition of "leased fee estate" is as follows:</i></p> <p><i>A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).</i></p> <p>Source: The Dictionary of Real Estate Appraisal, Sixth Edition. Chicago: Appraisal Institute, 2015.</p>
Purpose of Appraisal	The purpose of this appraisal is to estimate the Prospective Value Upon Stabilization, Prospective Value Upon Completion and As-Is Market



Value of the leased fee interest and the Insurable Replacement Cost. With respect to this report the term “Market Value” is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date, and the passing of title from seller to the buyer under conditions whereby:

- a. the buyer and seller are typically motivated;*
- b. both parties are well informed or well advised, and acting in what they consider their own best interests;*
- c. a reasonable time is allowed for exposure in the open market;*
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [g].

This report has been prepared in conformance with the 2020-2021 Uniform Standards of Professional Appraisal Practice (USPAP). The format is presented as an Appraisal Report, per Standards Rule 2-2. This report also meets the appraisal standards for Federally Related Transactions adopted by the Office of the Comptroller of Currency (OCC), Title XI of FIRREA (Financial Institutions Reform, Recovery, and Enforcement Act of 1989).

Scope of Work

The scope of work for this appraisal assignment is outlined below:

1. Estimate the Prospective Value Upon Stabilization, Prospective Value Upon Completion and As-Is Market Value of the leased fee interest and the Insurable Replacement Cost of the subject.
2. The appraisal analyzes the regional and local area profiles including employment, population, household income and real estate trends. The local area was inspected to consider external influences on the subject.



3. The appraisal analyzes legal and physical features of the subject including site size, improvement size, flood zone, seismic zone, site zoning, easements, encumbrances, site access and site exposure.
4. The appraisal includes a market analysis for the area using vacancy, absorption, supply and demand data. Conclusions were drawn for the subject's competitive position given its physical and locational features, current market conditions and external influences.
5. The appraisal includes a Highest and Best Use analysis and conclusions have been completed for the highest and best use of the subject property As Vacant and As Improved. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject site and existing improvements.
6. In selecting applicable approaches to value, the appraisers considered the agreed upon appraisal scope and assessed the applicability of each traditional approach given the subject's characteristics and the intended use of the appraisal. This appraisal developed the Income and Sales Comparison Approaches to value, which were adjusted and reconciled as appropriate.
7. Specific data concerning the subject was obtained from various sources including the Client, property owner, and Linn County (assessed values and real estate taxes).
8. Data compiled in the analysis of the sales was obtained from CoStar Comps, Inc., Loopnet, and Kidder Mathews' own in-house data files. Rental data was obtained from leasing agents on competing properties.
9. All of the sales and rental data was confirmed with a party involved in the transaction and/or through public records and each was inspected.
10. The reconciliation and final value opinion is based on an overview of which approach or approaches are the best indicators of value.
11. The property was inspected by Aaron Taylor, MAI, ASA, and Jared Taylor, on April 02, 2023.
12. This report has been prepared in conformance with the 2020-2021 Uniform Standards of Professional Appraisal Practice (USPAP). The format is presented as an Appraisal Report, per Standards Rule 2-2. This report also meets the appraisal standards for Federally Related Transactions adopted by the Office of the Comptroller of Currency (OCC), Title XI of FIRREA (Financial Institutions Reform, Recovery, and Enforcement Act of 1989).



13. No personal property or intangible items are included in this valuation.

14. The authors of this report are aware of the Competency Rule of USPAP and meet the standards.

Jared Taylor, Registered Appraiser Assistant with the State of Oregon provided significant real property appraisal assistance in the preparation of this report, including:

Researched subject’s physical characteristics, researched regional, neighborhood and industry specific markets.

Researched local market conditions and performed feasibility analysis. Performed a highest and best use analysis.

Researched, inspected and analyzed improved sale comparables and performed sales comparison approach based on market supported valuation assumptions.

Researched, inspected and analyzed rent comparables and performed income capitalization valuation based on market supported valuation assumptions.

Reconciled the approaches to value as appropriate.

Inspection Information

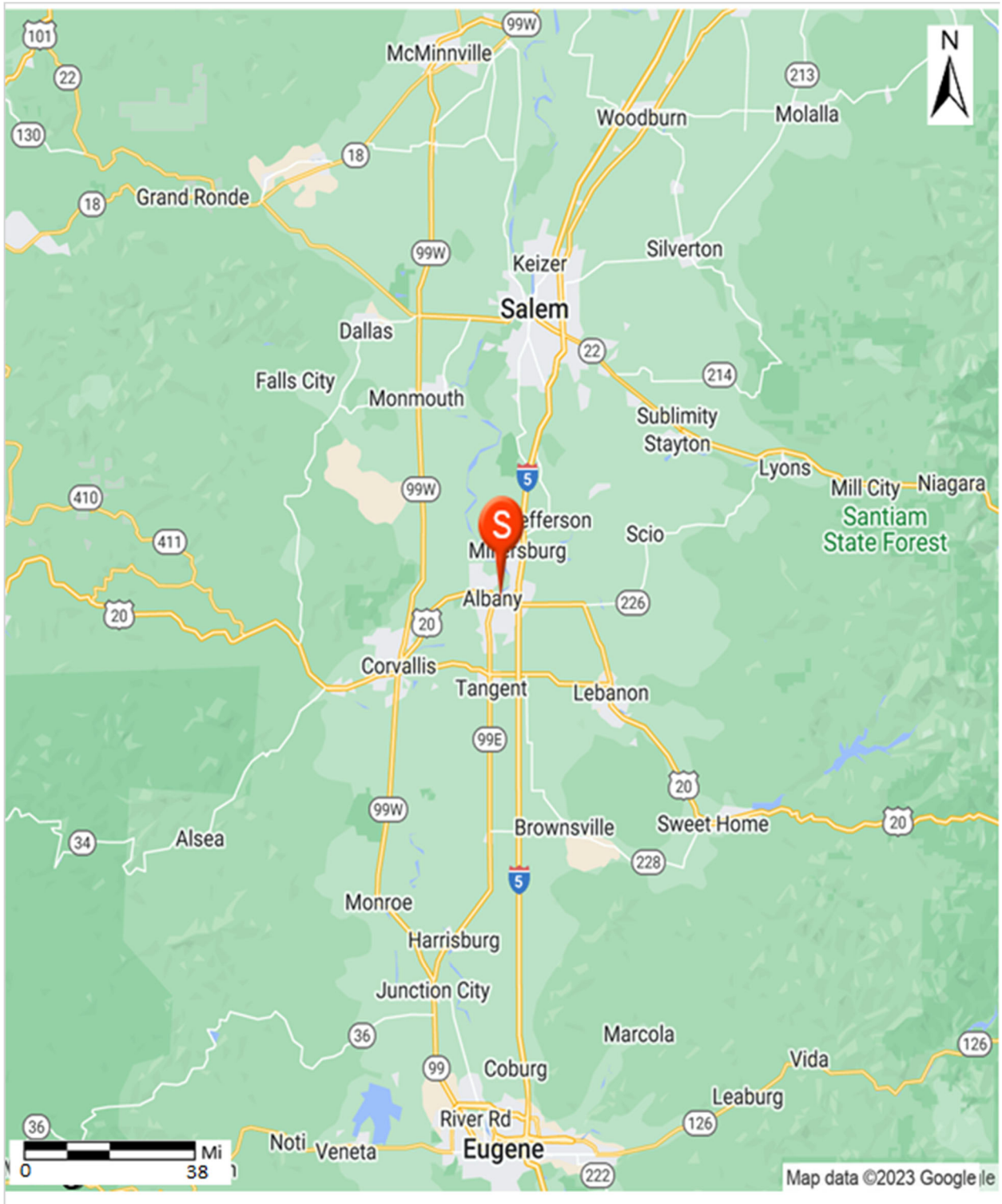
Appraiser	Inspection Type	Inspection Date
Aaron Taylor, MAI, ASA	Interior/Exterior	April 2, 2023
Jared Taylor	Interior/Exterior	April 2, 2023

Date of Report

April 14, 2023

Date of Last Inspection

April 2, 2023



Regional Map



Regional Area Analysis (Albany-Corvallis-Lebanon MSA)

Introduction

The predominant concentration of jobs and population in Oregon generally reside within the greater Portland-Vancouver MSA in the northwest corner of the state. Secondary regional markets include the Salem, Eugene-Springfield, and Bend MSAs. The Albany-Corvallis-Lebanon, CSA is a tertiary market within the State of Oregon which is comprised of Linn and Benton counties that are situated in the mid-Willamette Valley. The Willamette Valley (which includes the Portland MSA) is home to 70% of the state's population. The valley is bounded on the west by the Oregon Coast Range and on the east by the Cascade Range. It is bounded on the south by the Calapooya Mountains. I-5 runs the length of the valley, linking the area's major communities.

Linn and Benton County Histories

In 1847 the Provisional Legislature created Linn County from the southern portion of Champoeg (later Marion) County. The boundaries were altered in 1851 and 1854 with the creation of Lane and Wasco Counties. The county seat was originally located in Calapooia (later known as Brownsville), but in 1851 the Territorial Legislature passed an act establishing Albany as the county seat. A special election in 1856 reaffirmed Albany as the county seat.

Benton County was established by the Provisional Legislature in 1847. It was named in honor of Senator Thomas Hart Benton of Missouri, who was instrumental in promoting the development of the Oregon Country. Carved from Polk County, Benton County stretched from the Polk County boundary south to the California border and from the Pacific Ocean east to the Willamette River. Umpqua, Lane, Douglas, Jackson, Lincoln, Josephine, Curry, and Coos Counties were created from portions of the original Benton County. Corvallis became the county seat in 1851. At the time of its creation, Benton County government consisted of two or more justices of the peace acting as county commissioners; a judicial system including circuit, probate, and justice courts; law enforcement offices; and the tax and finance offices of the assessor, tax collector, and treasurer. In 1972 a home rule charter was passed in Benton County and the governing body of the county became a three-member board of commissioners.



**Area and General
Location**

The Albany-Corvallis-Lebanon CSA is situated in the mid-Willamette Valley. According to the U.S. Census Bureau, Linn County has a total area of 2,309 square miles. While Benton County has a total area of 679 square miles. Benton county is the third-smallest county by total area.

**Geographical
Features/
Topography**

The Albany-Corvallis-Lebanon CSA is predominately noted as being part of the mid-Willamette Valley with relatively level to moderately sloped land features. In general the Willamette River forms the boundary between Linn and Benton County. Albany straddles the banks of the Willamette River and is located in both Linn and Benton counties. Throughout the city limits and urban growth area, there are limited hills; the City of Albany is one of the lowest points along the Willamette Valley, with elevations ranging 180 to 430 feet above sea level. The City of Corvallis has an elevation of approximately 235 feet and as suggested above is within Benton County. While much of these two counties are identified with agricultural use and farm type lands. The Albany-Corvallis-Lebanon, CSA includes portions of the Oregon Coast Range (west side of the CSA) and the Cascade Range (east side of the CSA). Therefore the CSA has a wide variety of geographical and natural resource features.

The most notable nationally protected area in Linn county is part of the Willamette National Forest which is large portion of the county and is located in the eastern portion of the county. National Protected Areas within Benton County consists of part of the Siuslaw National Forest. The William L. Finley National Wildlife Refuge is also located in Benton County.



The below chart presents population and household information related to the US, Oregon and Washington as well as the Portland MSA and the Salem MSA for comparative purposes with respect to the area immediately surrounding the subject property as described later in the report.

Source: Esri					
DESCRIPTION	US	Oregon	Washington	Portland MSA	Albany - Corvallis CSA
POPULATION					
2010 Population	308,745,538	3,831,074	6,724,540	2,226,009	202,251
2020 Population	331,449,281	4,237,256	7,705,281	2,512,859	223,794
2022 Population	335,707,897	4,313,194	7,895,191	2,572,359	227,658
2027 Population	339,902,796	4,380,784	8,102,871	2,623,410	232,760
Annual Change 2010-2020	0.71%	1.01%	1.37%	1.22%	1.02%
Annual Change 2020-2027	0.36%	0.48%	0.72%	0.62%	0.56%
POPULATION %					
0 to 14 Years	18.1%	16.8%	17.9%	17.9%	15.7%
15 to 24	12.8%	12.4%	12.3%	12.0%	16.6%
25 to 34	14.0%	13.8%	14.3%	14.7%	13.4%
35 to 44	12.8%	12.8%	13.2%	14.1%	11.3%
45 to 54	12.0%	11.8%	12.1%	12.5%	10.8%
55 to 64	12.8%	13.3%	13.1%	12.6%	13.0%
65 and Over	17.5%	19.1%	17.2%	16.3%	19.3%
Median Age	38.9	40.4	39.0	38.8	38.7
POPULATION 65+					
2010 Population	40,267,984	533,533	827,677	252,218	28,271
2022 Population	58,569,382	823,777	1,359,652	419,576	43,873
2027 Population	66,046,169	927,266	1,565,104	479,015	49,780
Annual Change 2010-2022	3.17%	3.69%	4.22%	4.33%	3.73%
Annual Change 2022-2027	2.43%	2.40%	2.85%	2.69%	2.56%
HOUSEHOLDS					
2010 Households	116,716,292	1,518,938	2,620,076	867,794	79,521
2020 Households	126,817,580	1,671,983	2,974,692	979,213	86,791
2022 Households	128,657,669	1,701,354	3,046,982	1,002,208	88,231
2027 Households	130,651,872	1,726,129	3,123,688	1,020,870	90,107
Annual Change 2010-2020	0.83%	0.96%	1.28%	1.22%	0.88%
Annual Change 2020-2027	0.43%	0.46%	0.70%	0.60%	0.54%
HOUSEHOLD SIZE					
2010 Households	2.58	2.47	2.51	2.52	2.46
2020 Households	2.55	2.48	2.54	2.52	2.49
2022 Households	2.55	2.48	2.54	2.52	2.49
2027 Households	2.54	2.48	2.54	2.53	2.50

Both Oregon and Washington represents a relatively small portion of the entire US with populations. The population within these states skew slightly above the median in age, with smaller than average household size and with a population that is above the US average in 65 and above.



The below chart presents household income and per capita income information related to the US, Oregon and Washington as well as the Portland MSA and the Albany-Corvallis CSA for comparative purposes with respect to the area immediately surrounding the subject property as described within in the report.

Source: Esri

DESCRIPTION	US	Oregon	Washington	Portland MSA	Albany – Corvallis CSA
AVERAGE HOUSEHOLD INCOME					
2022	\$105,029	\$103,182	\$124,357	\$119,209	\$87,683
2027	\$122,155	\$122,354	\$146,791	\$140,782	\$106,673
Annual Change 2022-2027	3.07%	3.47%	3.37%	3.38%	4.00%
MEDIAN HOUSEHOLD INCOME					
2022	\$72,414	\$75,390	\$88,312	\$87,587	\$62,870
2027	\$84,445	\$90,647	\$106,259	\$105,425	\$79,703
Annual Change 2022-2027	3.12%	3.75%	3.77%	3.78%	4.86%
PER CAPITA INCOME					
2022	\$40,363	\$40,767	\$48,083	\$46,490	\$36,026
2027	\$47,064	\$48,275	\$56,675	\$54,827	\$43,734
Annual Change 2022-2027	3.12%	3.44%	3.34%	3.35%	3.95%
2022 HOUSEHOLDS BY INCOME					
Household Income Base	128,657,669	1,701,354	3,046,982	1,002,208	158,233
<\$15,000	8.5%	7.6%	6.2%	6.2%	9.8%
\$15,000-\$24,999	7.2%	6.4%	5.5%	4.8%	8.7%
\$25,000-\$34,999	7.5%	7.2%	5.6%	5.5%	8.8%
\$35,000-\$49,999	11.1%	11.1%	9.2%	9.3%	12.5%
\$50,000-\$74,999	16.9%	17.4%	15.6%	16.3%	17.1%
\$75,000-\$99,999	13.2%	13.9%	13.2%	13.8%	14.0%
\$100,000-\$149,999	17.2%	18.7%	19.8%	20.9%	17.2%
\$150,000-\$199,999	8.4%	9.3%	11.0%	11.4%	6.5%
\$200,000 or greater	9.9%	8.4%	14.0%	11.8%	5.6%

Oregon's population in general has an income level similar to the US average while Washington's income is well above the US average. The income within the Albany-Corvallis CSA is well below the Oregon average.



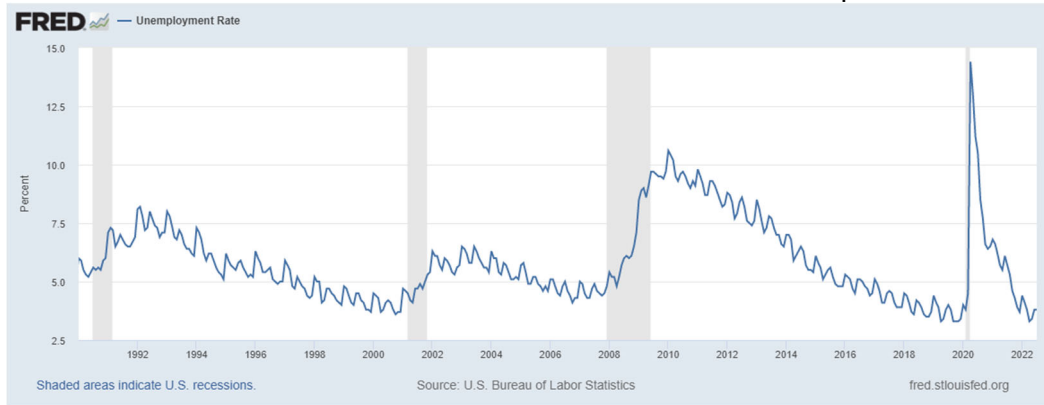
The below chart presents home value, rental and ownership profiles and housing characteristics related to the US, Oregon and Washington as well as the Portland MSA and the Albany-Corvallis CSA for comparative purposes with respect to the area immediately surrounding the subject property as described later in the report.

Source: Esri					
DESCRIPTION	US	Oregon	Washington	Portland MSA	Albany – Corvallis CSA
MEDIAN HOME VALUE					
2022	\$283,272	\$402,129	\$450,471	\$455,951	\$364,340
Annual Change 2022-2027	3.38%	3.22%	5.66%	3.13%	4.81%
AVERAGE HOME VALUE					
2022	\$374,078	\$451,407	\$550,561	\$511,662	\$409,695
Annual Change 2022-2027	2.69%	3.29%	4.81%	3.11%	5.06%
HOUSING UNITS (2022)					
Total Housing Units	128,657,669	1,701,354	3,046,982	1,002,208	158,233
Owner Occupied	58.2%	57.7%	59.4%	58.7%	55.3%
Renter Occupied	31.8%	34.4%	33.5%	35.9%	38.8%
Vacant Housing Units	10.00%	7.9%	7.1%	5.4%	5.9%
HOUSING UNITS (2027)					
Total Housing Units	130,651,872	1,726,129	3,123,688	1,020,870	159,589
Owner Occupied	58.5%	57.8%	59.7%	58.3%	56.0%
Renter Occupied	31.0%	33.7%	32.6%	34.9%	38.2%
Vacant Housing Units	10.5%	8.5%	7.7%	6.8%	5.8%
HOUSING UNITS BY YEAR BUILT					
2010 or Later	8,598,574	111,792	265,105	79,347	9,148
2000 to 2009	18,872,283	248,862	473,670	141,290	18,213
1990-1999	19,229,676	302,717	527,311	182,597	25,236
1980-1989	18,484,475	196,488	407,091	115,265	15,114
1970-1979	20,811,073	332,774	489,695	169,837	36,147
1960-1969	14,506,264	162,492	294,099	83,403	22,331
1950 or Earlier	37,930,406	433,730	693,223	236,035	37,428
Median Year Structure Built	1978	1979	1982	1981	1976
HOUSING UNITS BY UNITS IN STRUCTURE					
1 - Detached	85,438,643	1,132,699	1,987,145	622,778	101,558
1 - Attached	8,222,495	84,492	126,672	55,825	8,691
2	4,868,926	47,278	73,091	25,065	5,060
3 or 4	5,989,331	77,360	112,394	43,771	7,003
5 to 9	6,398,241	78,010	138,515	51,240	8,015
10 to 19	5,988,959	66,775	154,121	48,520	6,307
20 to 49	5,035,145	59,146	144,597	41,734	4,859
50 or greater	7,983,445	98,811	217,861	81,391	7,937
Mobile Home	8,374,539	138,033	188,792	35,523	13,371

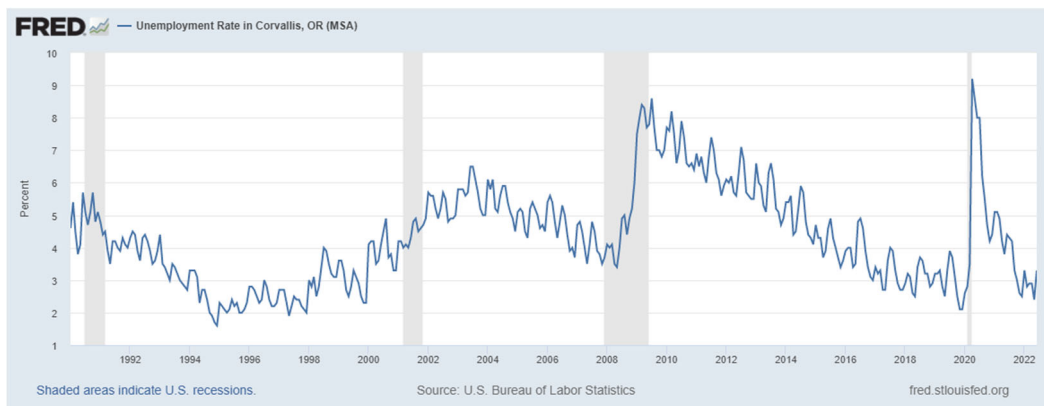
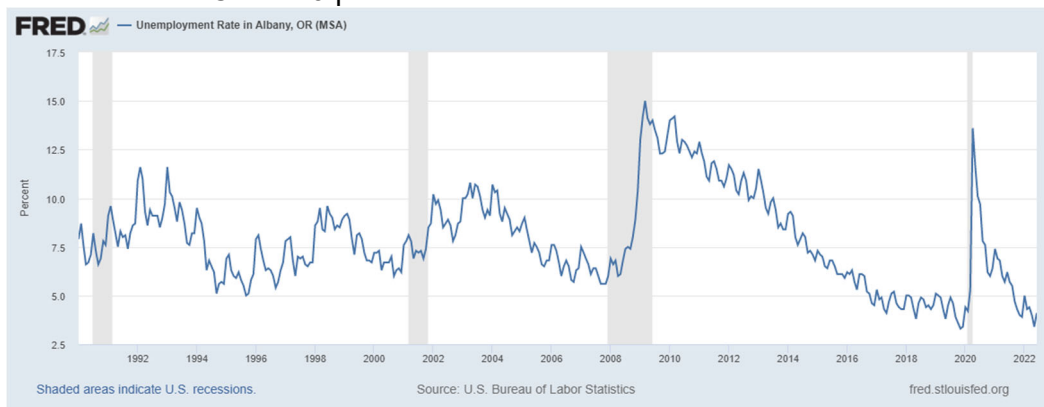
Oregon's median home values are well above the US average however, Washington's median home values are higher than Oregon's. The Albany-Corvallis CSA's median home values are well below Oregon State's median.

Employment Statistics

The US unemployment rate was 3.8% in June 2022 down from a peak of 14.4% in April 2020. In general, the current unemployment rates for the US is similar to rates found before the Covid pandemic.



Similar to the US, Albany’s unemployment rate was 4.1% in June 2022 down from a peak of 13.6% in April 2020. While the unemployment rate in Corvallis was 3.3% in June 2022 down from a peak of 9.2% in April 2020. In general, the current unemployment rates for the US and Albany-Corvallis-Lebanon CSA are similar to those found prior to the Covid-19 pandemic.





Employment Trend

The following chart summarizes nonfarm employment trends in Oregon and the Albany-Corvallis-Lebanon MSA area. Employment has grown approximately 8% over the last ten years within the State of Oregon while the Albany-Corvallis-Lebanon CSA grew 1% during this same time period. Sectors with the highest growth rate in the Albany-Corvallis-Lebanon CSA include construction/agriculture/mining and education and health services. The growth of these sectors is linked to improvement in the real estate markets over the last eight years, improvements in the economy allowing greater disposable income and macro changes in the population.

Employment by Industry										
	2010				2020				% Growth 2010 through 2020	
	Albany-Corvallis-Lebanon CSA		State of Oregon		Albany-Corvallis-Lebanon CSA		State of Oregon		Albany-Corvallis-Lebanon CSA	State of Oregon
	Employment	%	Employment	%	Employment	%	Employment	%	% Growth	% Growth
Total	76,600	100%	1,607,910	100%	77,426	100%	1,736,020	100%	1%	8%
Construction/agriculture/mining	3,340	4%	109,723	7%	7,545	10%	155,883	9%	126%	42%
Manufacturing	9,910	13%	161,964	10%	10,446	13%	179,823	10%	5%	11%
Trade, transportation, and utilities	12,830	17%	301,678	19%	13,738	18%	325,843	19%	7%	8%
Information	1,250	2%	32,270	2%	909	1%	31,523	2%	-27%	-2%
Financial activities	2,670	3%	79,373	5%	2,136	3%	81,928	5%	-20%	3%
Professional, business and other services	9,350	12%	180,292	11%	6,738	9%	231,807	13%	-28%	29%
Education and health services	10,340	13%	221,832	14%	12,436	16%	277,217	16%	20%	25%
Leisure and hospitality	6,490	8%	163,253	10%	5,143	7%	124,888	7%	-21%	-24%
Public Administration	20,420	27%	295,255	18%	15,899	21%	270,729	16%	-22%	-8%

Economic Data

Along with Oregon State University, agriculture, lumber, wood products, manufacturing and research and development form the economic base of the Albany-Corvallis-Lebanon CSA. A substantial portion of the nation's research in forestry, agriculture, engineering, education and the sciences takes place at OSU. Over the last eight years employment growth in the Albany-Corvallis-Lebanon CSA has exceeded the State of Oregon.

TOP EMPLOYERS

The following are the largest private employers in the Albany-Corvallis-Lebanon CSA:



Ten Principal Employers
City of Corvallis, Oregon
Current year and nine years ago - unaudited

Employer	2014			2005		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Oregon State University	10,022	1	25.08%	7,393	1	18.96%
Samaritan Health Services	2,697	2	6.75%	1,300	3	3.33%
Hewlett Packard	1,525	3	3.82%	4,200	2	10.77%
Corvallis Clinic	591	4	1.48%	580	5	1.49%
Corvallis School District	552	5	1.38%	759	4	1.95%
City of Corvallis	390	6	0.98%	406	6	1.04%
CH2M Hill	400	7	1.00%	385	7	0.99%
Benton County	395	8	0.99%	365	8	0.94%
Fiserv	232	9	0.58%	310	9	0.80%
ATS Systems Oregon	190	10	0.48%	300	10	0.77%
Total	16,994		42.54%	15,998		41.04%

Transportation

PUBLIC

The area benefits from a public transportation network described as follows: The Albany Transit System provides bus service throughout Albany. The Linn-Benton Loop bus operates Monday through Saturday and has connecting points with Albany Transit System and Corvallis Transit System. The Corvallis Transit System (CTS) is the fareless public transit service for the City of Corvallis. The City of Philomath has contracted with Corvallis Transit System to operate the Philomath Connection (PC). The PC provides weekday service in and between the Cities of Philomath and Corvallis, with stops at OSU.

AIR & FREIGHT

The Albany Municipal Airport was dedicated in 1931. In 1998, the Oregon State Historic Preservation Office (SHPO) certified a 58.77-acre parcel of Albany Municipal Airport for placement on the National Register of Historic Places. In so doing, the airport became the first airport in Oregon to be named to the National Register of Historic Places. The runway is lighted and equipped to support day and night operations in both visual and instrument weather conditions. The runway is 3,004 x 75 feet. The runway is served by a taxiway system that provides access to all developed areas of the airfield. All airfield pavements are asphalt. The airport is categorized as a general aviation airport.

Corvallis Municipal Airport is a city owned, public use airport located five miles southwest of the central business district of Corvallis. The site was built during World War II by the United States Army Air Forces for bomber training as Corvallis Army Airfield. The original hangar is still



being used today. The Corvallis Municipal Airport covers an area of 1,490 acres at an elevation of 250 feet above mean sea level. It has two asphalt paved runways one is 5,900 by 150 feet and the other is 3,545 by 75 feet. The airport has one fixed-base operator which provides fueling and aircraft maintenance services in addition to aircraft rental, charter services and pilot training classes. The Corvallis Municipal Airport is classified by the FAA as a general aviation airport and it is included in the National Plan of Integrated Airport Systems (NPIAS).

FREEWAY

The Albany-Corvallis-Lebanon CSA is serviced by a network of freeways and state highways including Interstate 5, Oregon Route 99E, Oregon Route 22, Oregon Rout 221, Oregon Route 51 and Oregon Route 213.

NETWORK

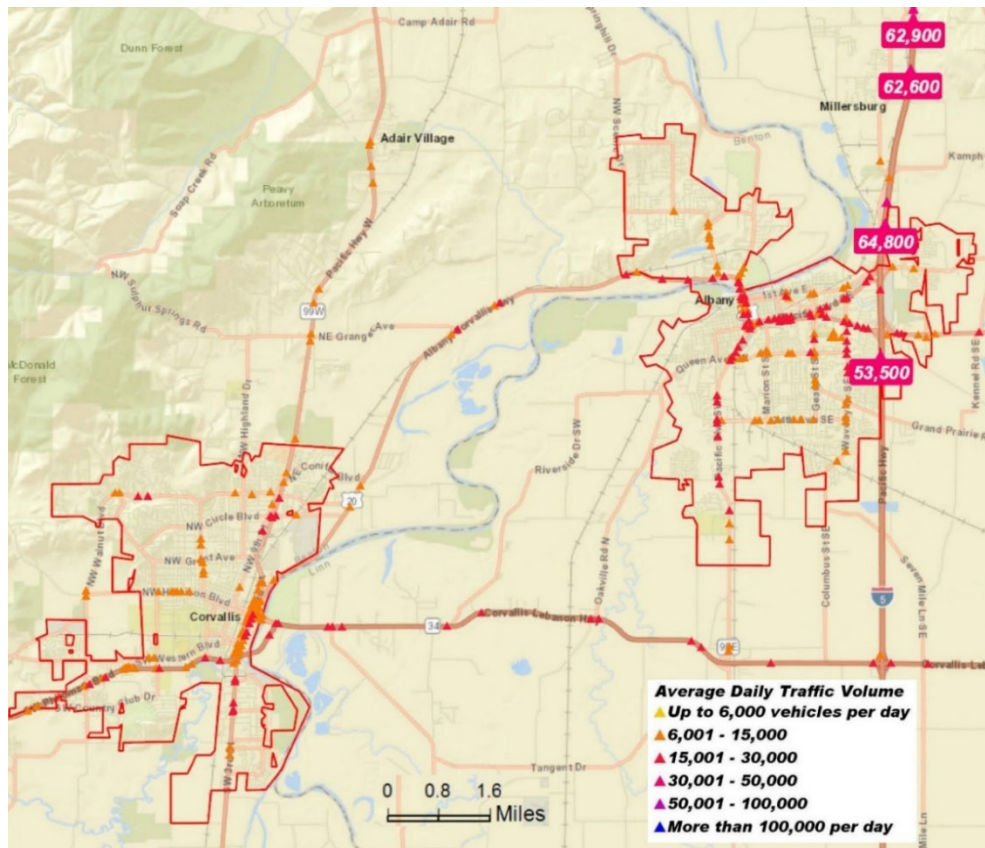
Interstate 5 extends from California to Canada and is the area's largest freeway connecting the Albany-Corvallis-Lebanon CSA to Salem and Portland to the north as well as Eugene-Springfield and Medford to the south.

Oregon Route 99E is also a north-south highway. OR 99E runs between Junction City, Oregon and an interchange with I-5 just south of the Oregon/Washington border. It is the older highway connecting many small communities in the area. Within Linn County it runs along Halsey, Tangent, and Albany.

Oregon Route 34 is a state highway in the State of Oregon that runs between the city of Waldport beginning at its western terminus at its junction with U.S. Route 101 on the Oregon Coast and the city of Lebanon in the western part of the state. OR 34 and US 20 share the same roadway between Philomath and City of Corvallis. U.S. Route 20 (US 20) is a major west-east cross-state highway in the State of Oregon, especially east of the Cascade Mountains. It connects U.S. Route 101 in Newport on the central Oregon Coast to the Idaho state line east of Nyssa. Oregon Route 226 is an Oregon state highway that runs between a point east of Albany in the Willamette Valley, and the town of Mehama along the Santiam River. The highway is also known as the Albany-Lyons Highway No. 211 and is 26 miles. It lies entirely within Linn County, except for the very northernmost segment in Mehama, which is in Marion County.

**GENERAL TRAFFIC
VOLUME MAP**

The below illustrates general traffic volumes for major arterials in the Albany-Corvallis-Lebanon area.

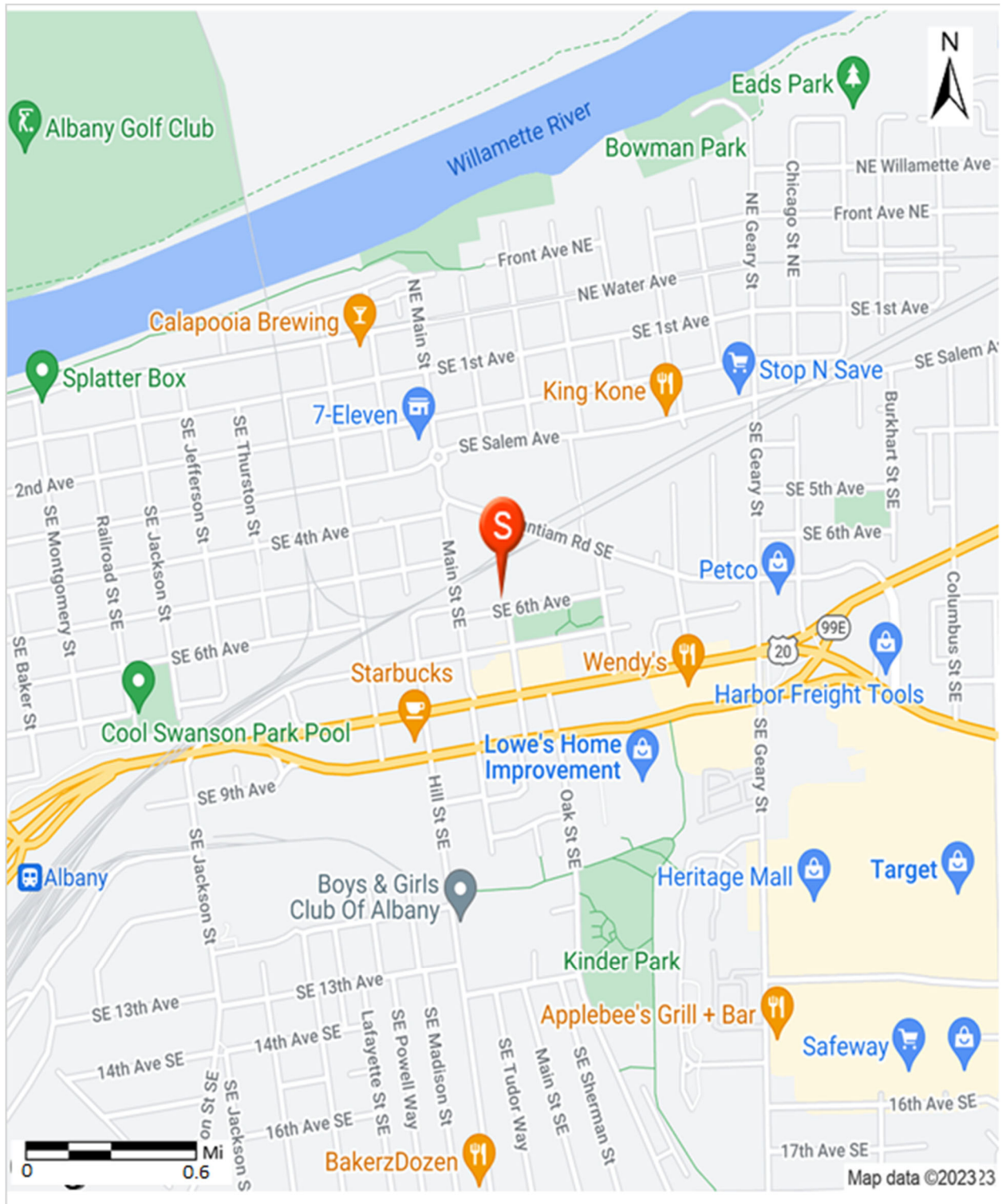


Summary

Oregon and the Albany-Corvallis-Lebanon CSA are desirable living environments due to easy access to recreation, generally good transportation infrastructure, the availability of a skilled workforce, and a reasonable cost of living.

In Oregon, the economic growth the state began to experience in 2013 has continued through 2019 but was interrupted by the Covid-19 pandemic.. While the rate of growth for some counties remains low most regions of the state are experiencing gains today.

The Albany-Corvallis-Lebanon CSA has experienced positive trends similar to Oregon State as a whole however at a more moderate pace. In general, the market is expected to continue improving with the greater Oregon and US economy as positive trends in employment and population growth spur economic expansion.



Local Area Map



Local Area Analysis

Introduction

The subject is located in Albany on SE 6th Ave a minor arterial through the area. The property is located 1.4 miles east of I-5. The immediate area is developed with a mix of small scale and older secondary commercial, office, retail, and mixed-use properties together with residential development removed from major arterials. The subject conforms well to surrounding properties.

Commercial and Industrial Development Summary

Commercial and Industrial Development

The property is located 0.1 miles north of Pacific Blvd SE and about 0.1 miles east of Main St SE. Most retail is located along Pacific Blvd SE and SE 9th Ave including the Heritage Mall. Nearby industrial uses are located SE along Pacific Highway.

Transportation Routes and Community Services

Community services and facilities are readily available in the surrounding area. These include public services such as fire stations, hospitals, police stations, and schools (all ages). Public transportation is available throughout the area. There are a number of parks and other recreational facilities in the area. Access to the market area is convenient via I-5, Santiam Hwy SE, and Hwy 99E.

Surrounding Properties

- NORTH Rail line followed by industrial property
- SOUTH 6th Ave SE followed by single-family residential property
- EAST Industrial property followed by Habitat for Humanity property
- WEST Commercial property followed by Main St SE



Demographics

The following chart summarizes demographic data within a one-, three- and five-mile radius of the subject.

LOCAL AREA SUMMARY PROFILE - 1195 6th Ave SE, Albany, OR				Source: Esri			
DESCRIPTION	1 Mile	3 miles	5 Mile	DESCRIPTION	1 Mile	3 miles	5 Mile
POPULATION				MEDIAN HOUSEHOLD INCOME			
2020 Population	13,102	53,926	64,743	2022	\$50,444	\$75,713	\$78,184
2022 Population	13,115	55,028	66,303	2027	\$58,924	\$85,579	\$89,637
2027 Population	13,341	56,395	68,474	Annual Δ 2022-2027	3.16%	2.48%	2.77%
Annual Δ 2020-2022	0.05%	1.02%	1.20%	PER CAPITA INCOME			
Annual Δ 2020-2027	0.26%	0.64%	0.80%	2022	\$27,563	\$35,727	\$36,479
HOUSEHOLDS				2027	\$32,238	\$41,563	\$42,465
2020 Households	5,257	21,171	25,175	Annual Δ 2022-2027	3.18%	3.07%	3.09%
2022 Households	5,331	21,622	25,779	2022 HOUSEHOLDS BY INCOME			
2027 Households	5,425	22,126	26,547	Income Base	5,425	22,126	26,547
Annual Δ 2020-2022	0.70%	1.06%	1.19%	Up to \$34,999	27.5%	14.6%	12.9%
Annual Δ 2022-2027	0.45%	0.63%	0.76%	\$35,000-\$49,999	14.8%	10.2%	9.1%
HOUSING UNITS (2022)				\$50,000-\$99,999	31.5%	34.9%	34.5%
Total Housing Units	5,631	22,623	26,924	\$100,000-\$149,999	19.2%	25.3%	27.2%
Owner Occupied	35.7%	59.3%	62.5%	\$150,000-\$199,999	4.6%	9.9%	10.9%
Renter Occupied	59.0%	36.3%	33.2%	\$200,000 or greater	2.5%	5.2%	5.3%
Vacant Housing Units	5.3%	4.4%	4.3%	MEDIAN HOME VALUE			
HOUSING UNITS (2027)				2022	\$241,189	\$298,315	\$316,521
Total Housing Units	5,714	23,210	27,764	2027	\$343,533	\$386,946	\$404,240
Owner Occupied	36.7%	60.1%	63.4%	Annual Δ 2022-2027	7.33%	5.34%	5.01%
Renter Occupied	58.2%	35.3%	32.3%	AVERAGE HOME VALUE			
Vacant Housing Units	5.1%	4.6%	4.3%	2022	\$269,516	\$338,100	\$361,175
Annual Δ 2022-2027	0.3%	0.5%	0.6%	2027	\$417,378	\$500,368	\$523,589
				Annual Δ 2022-2027	9.14%	8.16%	7.71%

Summary

There are 55,028 people living within a 3-mile radius of the subject property equating to 1,946 people per square mile which is a moderate population density. Median home prices in this area are approximately \$298,315 and are expected to rise 5.34% annually over the next five years. Furthermore, median household income is \$75,713 is also expected to rise annually at approximately 2.48%. As shown, population growth in the next five years within the 3-mile radius is projected to increase at a somewhat higher rate than the State of Oregon but about the same rate as the Portland MSA. Household growth in the next five years within the 3-mile radius is anticipated to increase at a somewhat higher rate than the State of Oregon but about the same rate as the Portland MSA. In general the demographic changes in the area are positive for the subject.



Site Description

Address 1127-1195 6th Ave SE
Albany, OR 97321
Linn County

Geocode 44.635037°, -123.090268°

Parcel Number 776425

Map & Tax Lot Number 11S03W07AA00103

Site Shape & Land Area The subject's site consists of one parcel forming a trapezoidal shaped area. The site area totals 1.40 acres. The subject property has no surplus or excess land. The entire site is usable.

Utilities Public utilities are available to the site including electricity, sewer, water, natural gas, telecommunications and stormwater drainage.

Abutting Roads and Street Improvements										
Street Name	Subject Boundary	Direction	No. Lanes	Street Type	Vehicle Access	Streetlights	Curbs	Gutters	Sidewalks	Landscaping
6th Ave SE	S	one-way	1	minor arterial	1	X	X	X	X	X

Access Average

Walkability Please note this is also a somewhat pedestrian friendly area and some errands can be accomplished on foot.

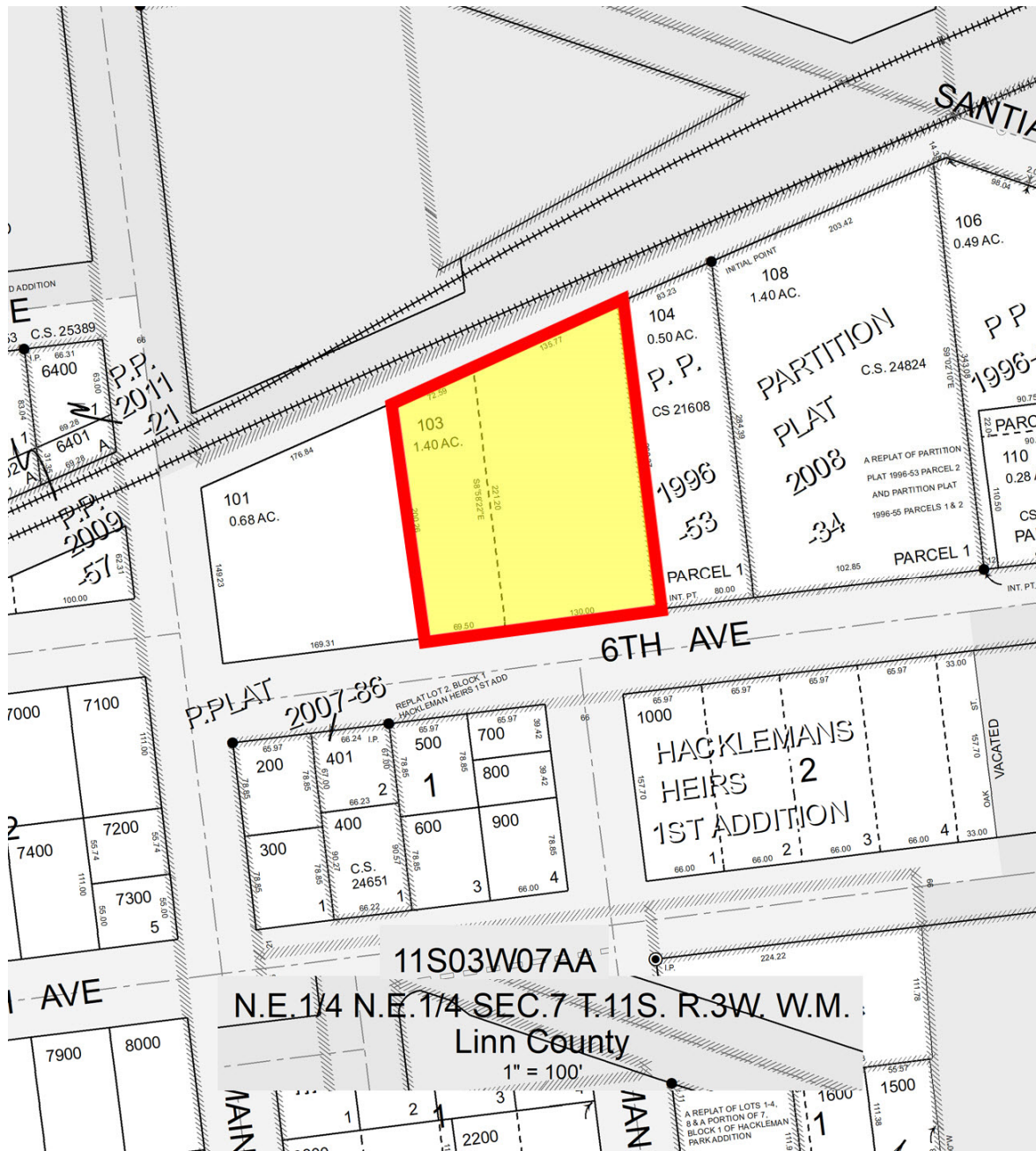
Exposure Fair/Average

Topography The site is generally level and at street grade with respect to 6th Ave SE.

Soil Conditions A detailed soils analysis was not available for review. Soil conditions are unknown but assumed adequate to support the existing improvements.



Flood Zone	Zone X - Zone X is a Special Flood Hazard Area determined to be outside the 500-year floodplain. No Base Flood Elevations (BFEs) or depths are shown in this zone, and insurance purchase is not required.
Easements, Encroachments, Covenants & Restrictions	Neither a title report nor legal description were provided. There appears to be a shared access easement with the property located to the west of the subject. Additionally, a Comcast utility station is located at or near the northwest corner of the property. Based on the physical inspection of the property, there do not appear to be any further unusual easements, restrictions, covenants, or encroachments that have a negative impact on the value or marketability of the subject site. This report assumes that there are no unusual easements, restrictions, covenants, or encroachments that have a negative impact on the value or marketability of the subject site.
Earthquake Zone	The area has moderate seismic risk. The information was obtained from a general USGS which only approximates seismic activity on a large scale. The appraiser is not professionally licensed or certified in seismic risk determination. As the appraiser does not possess the expertise in seismic, structural & geotechnical engineering, further analysis is required to determine the subject's degree of risk. The Client should seek a professional certified in seismic risk analysis to get further data pertaining to the subject property.
Recognized Environmental Conditions	We are unaware of any toxic or contaminating materials either in the subject soils or within the subject premises. For the purpose of this report, it is assumed that the subject property is free of contamination of any kind. This assumption should not be construed as a guarantee that such conditions do not exist. The reader is referred to Item 2 of the Limiting Conditions document, which immediately follows the certification and letter of transmittal at the beginning of this report.
Summary	The site characteristics are similar to other properties in the immediate vicinity. There are no known site conditions that have a negative impact on the value or marketability of the subject site and overall the site will have good utility.



Parcel Map (Subject Outline )



RiskMeter

The closest match to 1127-1195 6th Ave SE Albany 97321 is 1195 6TH AVE SE # 1127 ALBANY, OR 97321-3171

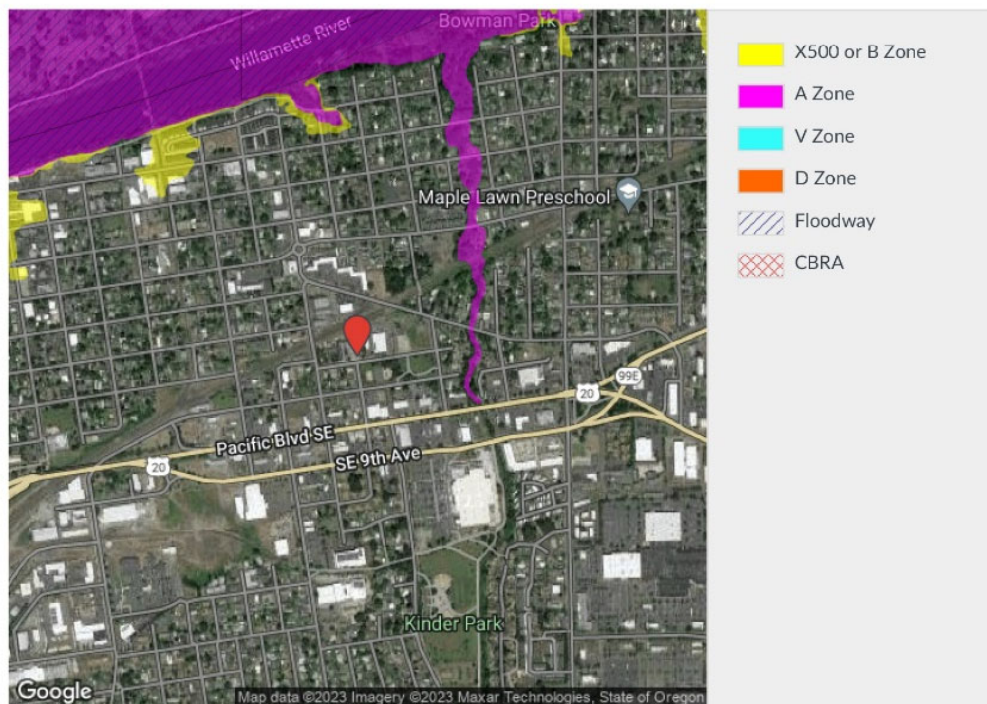
1195 6TH AVE SE # 1127 ALBANY, OR 97321-3171

LOCATION ACCURACY: Excellent

Flood Zone Determination Report

Flood Zone Determination: **OUT**

COMMUNITY	410137	PANEL	0214H
PANEL DATE	December 08, 2016	MAP NUMBER	41043C0214H



Flood Map



Improvement Description (Upon Stabilization)

Introduction

The subject is a 2-story, 13-unit apartment complex. The subject's NRA totals 10,389 SF of which 9,039 SF are dwelling units and 1,300 SF or about 13% is office area. The building's foot print is approximately 8,213 SF and as improved the property has a 0.17 FAR. In the As-Is condition, the two office spaces are vacant with one being unfinished, the three unfinished dwelling units are unoccupied and three finished studios are vacant. Further details about the improvement(s) appear below.

Building Area

The following building area was obtained from information provided by the owner, seller's broker as well as county records.

Overall Building Area		
NRA	GBA	Footprint
10,389	10,789	8,213

BUILDING CONFIGURATION AND CURRENT RENTAL INFORMATION

Unit Type	Unit Count	Avg. SF	Total SF	# Occupied Units	Total Occupied SF	Avg. \$/Month	Avg. \$/SF/Mo	Total Monthly Contract Rent at Full Occupancy	Total Annual Contract Rent at Full Occupancy
Studio	10	549	5,490	5	6,360	\$1,384	\$2.52	\$13,835	\$166,020
2BR/1.5BA	1	1,370	1,370	1	1,370	\$1,895	\$1.38	\$1,895	\$22,740
2BR/1BA	1	973	973	0	0	\$1,895	\$1.95	\$1,895	\$22,740
3BR/2BA	1	1,206	1,206	1	1,206	\$1,995	\$1.65	\$1,995	\$23,940
AVERAGES		695					\$2.20		
SUBTOTAL	13		9,039	7	8,936			19,620	\$235,440

OTHER NET RENTABLE AREAS

Unit Type	Unit Count	SF	Total SF	# Occupied Units	Total Occupied SF	Avg. \$/Month	Avg. \$/SF/Mo	Total Monthly Rent	Total Annual Rent
Office	2	675	1,350	0	0	\$1,080	0.80	\$1,080	\$12,960
SUBTOTAL			1,350					\$1,080	
TOTAL NRA			10,389					20,700	

OTHER AREAS

Unit Type	Unit Count	SF	Total SF	Avg. \$/Month	Avg. \$/SF/Mo	Total Monthly Rent	Total Annual Rent
Storage Unit	5	40	200	50	1.25	\$250	\$250
Laundry	1	200	200				
SUBTOTAL			400				
TOTAL GBA			400				



Occupancy The property is occupied by third-party tenants.

Year Built The property was built in 1992 and renovated in 2023.

Overall Year Built and Building Age			
Actual Age	Effective Age	Economic Life	Remaining Ec Life
32	15	55	40

Stories Two-Story

Foundation and Floor Structure Concrete foundation with a concrete first floor and wood floor structure on the others

Exterior Wall and Wall Cover Concrete

Roof Structure and Cover Flat built-up composition

Interior Finish

Flooring LVP and vinyl tile in the apartments and laundry area and sealed concrete in the office area

Interior Walls Taped and painted sheetrock

Ceiling Taped and painted sheetrock

Windows and Pedestrian Doors Double paned windows with standard pedestrian doors.

Lighting A mixture of incandescent and LED throughout the building

Electrical Assumed adequate

Plumbing There is a washing machine in the laundry area, a full bathroom in the studio apartments, 1.5 or 1 bathroom in the 2 bedroom apartments, and 2 bathrooms in the 3 bedroom apartments. All of them units have a kitchen. The finished office space has a half bathroom and the current garage will use the bathroom in the laundry area. The plumbing is assumed to be standard and to code for the building.

Heating and Cooling HVAC. (6 -9 months out before completely hooked up) – gas wall heaters are currently in place. Also brining in an additional 400 amp distribution panel.



The electrical is assumed to be standard and to code for the building.

Elevator No Sprinkler Yes

Condition	Overall, the subject's improvement are in good condition.
Quality	The subject's improvement are of average/good quality.
Site Coverage Ratio	All of the property is usable, the site coverage ratio is 13%, (8,213 SF building footprint / 60,984 SF site area). The FAR is 0.17. This is relatively low for an apartment property however the property has a large amount of landscaping on the west side of the building and there is a graveled area that serves as auxiliary parking along the rail line. The site coverage ratio is at the low end of typical range for this property type, which is from of 15% to 40%. There is no surplus or excess land.
Site Improvements & Parking	The property is improved with paved parking, sidewalks and landscaping. The parking area contains 20 parking spaces indicating a parking ratio of 1.93 spaces per 1,000 SF, which is average for this property type. Overall, the site improvements are typical for this property type.
Deferred Maintenance	Based on our interview with the property contact and the onsite inspection by the field appraiser, no observable deferred maintenance exists.
Functional Utility and Design	The subject's proposed improvement and land improvements offer good utility to an investor or partial owner-user of mixed-use property. The site coverage and parking ratios are within market standards. Overall, the subject has a functional design considering the site and building configurations.



Taxes & Assessment

Assessor's Information

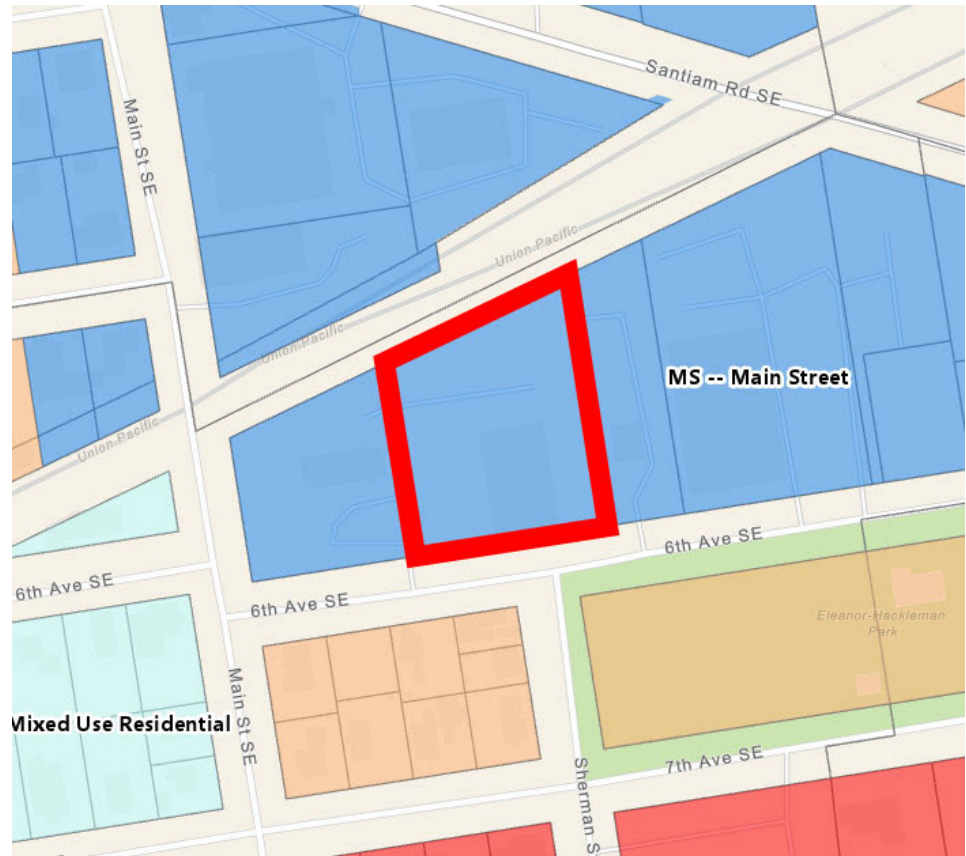
Property taxes are assessed on real estate and commercial personal property according to the provisions of Measure 50. Adopted in 1997, this measure limits assessments to 90% of the 1996 base, adjusted forward at a maximum annual rate of 3%. In the case of substantial renovation or new construction, a new base value is established upon completion. According to the Linn County Tax Collector's Office The most recent property tax information for the subject is as follows.

Linn County values are based on trended figures, and no reliance is placed on the Linn County real market value.

The taxes reported below are for the existing property in its as-is condition however, the primary value premise within this report is a prospective value and therefore the below taxes are not applicable. Please note that the property taxes for the prospective value is estimated using sales comparables.

ASSESSMENT & TAXES					
APN	RMV Land	RMV Improvements	RMV Total	Millage Rate	Total Taxes
776425	\$313,690	\$738,580	\$1,052,270	20.1908	\$8,634
Total	\$313,690	\$738,580	\$1,052,270		\$8,634

Zoning



Subject outline

According to the City of Albany's Main Street (MS) zoning is, "intended primarily as an employment center with supporting commercial and retail services for residents and employees in the area. Infill and redevelopment are encouraged provided there is no adverse impact to surrounding residences."



Development Standards

Zoning Overview	
Municipality Governing Zoning	City of Albany
Current Zoning	Main Street (MS)
Permitted Uses (list)	Units above or attached to a business, office, restaurants (no drive-thru), retail sales and service (limited), daycare facility, community services, residential care or treatment facility etc.
Conditional Use	Multifamily
Current Use (as proposed)	Mixed-Use
Minimum Site Area (SF)	6,000
Minimum Yard Setbacks	
Front (Feet)	5
Rear (Feet)	0
Side (Feet)	0
Maximum Site Coverage %	90%
Minimum Site Coverage %	None
Minimum Landscaped Area %	None
Maximum Footprint (non-grocery)	10,000
Maximum Building Height (FT)	50
	The maximum building size and business footprint size may be exceeded for non-commercial and non-office uses when the building is multi-story.
Parking Requirement	
<u>Varies by Use:</u>	<u>Spaces Per 1,000 SF</u>
Office	2.5
Multi-Dwelling Unit: Studio and 1-bedroom units	1 space per unit, plus 1 visitor space every 4 units
Multi-Dwelling Unit: 2-bedroom units	1.5 spaces per unit, plus 1 visitor space every 4 units
Multi-Dwelling Unit: 3 or more bedroom units	2 spaces per unit, plus 1 visitor space every 4 units

Zoning Conclusion

The subject's proposed improvements represent a conditional use within the Main Street (MS) zone.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our analysis correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. We note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.



Real Estate Market Analysis

Comparative Multifamily Trends

The below charts depicts historical multifamily trends for the Albany area.

ALBANY - OR - MULTIFAMILY MARKET STATISTICS								
PERIOD	SUPPLY	% CHANGE IN SUPPLY FROM PRIOR YEAR	NET ABSORPTION (12 MONTHS)	VACANCY	AVERAGE UNIT SIZE	EFFECTIVE RENT PER UNIT/Mo	Market Rent/SF	YEARLY % CHANGE IN RENT
2022 Q4	5,948 Units	8.3%	369 Units	4.5%	872 SF	\$1,255	\$1.44/SF	3.6%
2021 Q4	5,494 Units	1.9%	119 Units	5.2%	1096 SF	\$1,523	\$1.39/SF	7.8%
2020 Q4	5,389 Units	1.7%	194 Units	6.8%	1075 SF	\$1,387	\$1.29/SF	4.0%
2019 Q4	5,297 Units	5.7%	158 Units	6.5%	1110 SF	\$1,376	\$1.24/SF	3.3%
2018 Q4	5,013 Units	0.0%	17 Units	6.0%	1112 SF	\$1,334	\$1.20/SF	4.3%
AVERAGE	5,428 Units	3.5%	171 Units				\$1.31/SF	4.6%
CAGR	4.37%						4.7%	

ALBANY - OR - MULTIFAMILY MARKET FOUR QUARTER								
PERIOD	SUPPLY	% CHANGE IN SUPPLY FROM PRIOR QUARTER	NET ABSORPTION (QUARTERLY)	VACANCY	AVERAGE UNIT SIZE	EFFECTIVE RENT PER UNIT/Mo	Market Rent/SF	QUARTERLY % CHANGE IN RENT
2022 Q4	5,948 Units	2.4%	247 Units	4.5%	872 SF	\$1,255	\$1.44/SF	2.1%
2022 Q3	5,810 Units	4.8%	40 Units	6.5%	876 SF	\$1,236	\$1.41/SF	-0.7%
2022 Q2	5,546 Units	0.2%	46 Units	2.8%	871 SF	\$1,238	\$1.42/SF	1.4%
2022 Q1	5,534 Units	0.7%	36 Units	3.4%	875 SF	\$1,225	\$1.40/SF	0.7%
AVERAGE	5,710 Units	2.0%	92 Units				\$1.42/SF	0.9%
Quarterly % Change	3.67%						1.4%	

Source: Costar®

Historical Market Trends

Lease rates over the last four years have been rising with average annual increases of approximately 4.7%. It is also noted that the vacancy rate at 4.5% is relatively low. According to CoStar rents are expected to modestly rise in the near term and vacancy is expected to remain stable and below 5%. Overall, market conditions for the subject are moderately positive.



Comparative Office Trends The below charts depicts historical office trends for the Albany area.

ALBANY - OR - OFFICE MARKET STATISTICS							
PERIOD	SUPPLY		% CHANGE IN SUPPLY FROM PRIOR YEAR	NET ABSORPTION (12 MONTHS)	VACANCY	Market Rent	YEARLY % CHANGE IN RENT
2022 Q3	1,976,210 SF		0.0%	(3,640) SF	0.8%	\$20.17/SF	3.4%
2021 Q3	1,976,210 SF		0.0%	12,394 SF	0.6%	\$19.51/SF	4.8%
2020 Q3	1,976,210 SF		0.0%	2,862 SF	1.2%	\$18.62/SF	1.0%
2019 Q3	1,976,210 SF		0.0%	23,984 SF	1.4%	\$18.43/SF	4.6%
2018 Q3	1,976,210 SF		0.0%	11,372 SF	2.6%	\$17.62/SF	2.4%
AVERAGE	1,976,210 SF		0.0%	9,394 SF	1.3%	\$18.87/SF	3.2%
CAGR	0.00%					3.44%	

ALBANY - OR - OFFICE MARKET FOUR QUARTER							
PERIOD	SUPPLY		% CHANGE IN SUPPLY FROM PRIOR QUARTER	NET ABSORPTION (QUARTERLY)	VACANCY	Market Rent	QUARTERLY % CHANGE IN RENT
2022 Q3	1,976,210 SF		0.0%	(1,642) SF	0.8%	\$20.17/SF	0.3%
2022 Q2	1,976,210 SF		0.0%	(7,192) SF	0.7%	\$20.10/SF	0.5%
2022 Q1	1,976,210 SF		0.0%	(246) SF	0.3%	\$20.00/SF	1.0%
2021 Q4	1,976,210 SF		0.0%	5,440 SF	0.3%	\$19.81/SF	1.5%
AVERAGE	1,976,210 SF		0.0%	(910) SF	0.5%	\$20.02/SF	0.8%

Source: Costar®

Historical Market Trends

Lease rates over the last four years have been rising with average annual increases of approximately 3.2% which is near the typical lease rates terms that have annual escalations of about 3%. It is also noted that the vacancy rate at 0.8% is relatively low. According to CoStar rents are expected to stabilized and vacancy in the near term is expected to remain stable as well despite recent increases in interest rates. Overall, market conditions for the subject are somewhat positive.



Highest & Best Use

“Highest & Best Use” is defined by the Appraisal Institute as:

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value.

Source: *The Dictionary of Real Estate Appraisal*, Sixth Edition. Chicago: Appraisal Institute, 2015.

The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

As If Vacant

Permitted uses of the subject’s Main Street (MS) zoning include units above or attached to a business, office, restaurants (no drive-thru), retail sales and service (limited), daycare facility, community services, residential care or treatment facility etc. In summary, a wide range of mixed use uses are allowed. Regarding physical characteristics, the subject site is trapezoidal in shape and has a generally level topography with average access and fair/average exposure and overall the site will have good utility. The land is approximately 1.40 acres. The subject is in the City of Albany and has frontage on 6th Ave SE. The site is considered to have an average location. The subject conforms well to surrounding properties. Based on our observations of land development trends for sites with similar mixed use zoning and physical characteristics as the subject as well as our analysis of current supply/demand trends in the City of Albany, the highest and best use of the subject site as-vacant is for commercial development.

As Improved (Upon Stabilization)

The Highest and Best Use of a property as improved identifies the use of the property that can be expected to produce the highest overall return to the land. Uses of a property as improved include: “as-is”, demolition, renovation, addition and conversion.

Legal Permissibility

The subject’s mixed-use use (Upon Stabilization) is permitted outright by the Main Street (MS). The legal factors influencing the highest and best use of the subject property support the existing use.

Physical Possibility

The property is located in the City of Albany within an area developed with similar properties. The property was built in 1992 and renovated in 2023. Based on our estimate the improvement has a remaining economic life of 40 years. The subject is of average/good quality construction and is in



good condition, with adequate service amenities. All of the property is usable, the site coverage ratio is 13%, (8,213 SF building footprint / 60,984 SF site area). The FAR is 0.17. This is relatively low for an apartment property however the property has a large amount of landscaping on the west side of the building and there is a graveled area that serves as auxiliary parking along the rail line. The site coverage ratio is at the low end of typical range for this property type, which is from of 15% to 40%. There is no surplus or excess land. The property is located in the City of Albany, is generally typical of the properties in the area and has average marketability. Overall, the building has good utility for mixed-use uses. The physical and locational characteristics support the existing use as the highest and best use of the subject property.

Alternative Uses & Feasibility Factors

Demolition – The existing improvements provide substantial contributory value to the land as though vacant and the existing use conforms to the highest and best use of the land as though vacant. Demolition is not the highest and best use as improved.

Renovation – The property was built in 1992 and renovated in 2023. Based on our estimate the improvements has a remaining economic life of 40 years. The subject is of average/good quality construction and is in good condition with adequate service amenities. The existing improvements provide good utility to the occupant. Although some forms of depreciation are apparent at the subject property, renovation is not a current highest and best use as similar forms of depreciation are found in competitive properties and additional expenditures are not likely to provide an adequate return on a renovation. Renovation is not the highest and best use as improved.

Conversion - As the highest and best use as vacant was concluded to be for development of the property with an mixed-use use and the property is currently used as an mixed-use property with good utility for the occupant and with features that are typical of the market, conversion is not a highest and best use as improved.

Continued Use “As-Is” - As previously noted, the subject is located in the City of Albany, is typical of the properties in the area and is considered to have a average location for its current use. The subject is of average/good quality construction and is in good condition, with adequate service amenities. Overall, the building has good utility for mixed-use uses. In general, current supply/demand conditions and the immediate market area trends support for viable short and long-term operations of the subject’s use as-improved. Based on the characteristics of the subject,



it has average marketability. The marketability factors and financial feasibility of alternative uses for the subject support the existing use as the highest and best use of the subject site. Legal, physical, locational and marketability factors support the existing use as the highest and best use of the subject site.

Among the five alternative uses, the current use as a mixed-use property is the Highest and Best Use of the subject property Upon Stabilization.

**As Improved
(As-Is)**

The Highest and Best Use of the subject (As-Is) is completion of the renovation for continued use as a mixed-use property.

Most Likely Buyer

The subject (Upon Stabilization) is a mixed-use property located in an area which is typically occupied by owner-users or third-party tenants. The most likely buyer of the subject property will be an investor or partial owner-user.



Valuation Methods

In traditional valuation theory, the three approaches to estimating the value of an asset are the Cost Approach, Sales Comparison Approach, and Income Capitalization Approach. Each approach assumes valuation of the property at the property's highest and best use. From the indications of these analyses, an opinion of value is reached based upon expert judgment within the outline of the appraisal process. Selection of valuation methods considered scope requirements and the intended use of the appraisal.

COST APPROACH

The Cost Approach considers the cost to replace the proposed improvements, less accrued depreciation, plus the market value of the land. The Cost Approach is based on the understanding that market participants relate value to cost. The value of the property is derived by adding the estimated value of the land to the current cost of constructing a reproduction or replacement for the improvements and then subtracting the amount of depreciation in the structure from all causes. Profit for coordination by the entrepreneur is included in the value indication. Development of the Cost Approach is not a specific scope requirement of this assignment. Characteristics specific to the subject do not warrant that this valuation technique is developed. Based on the preceding information, the Cost Approach will not be presented. Development of the subject's site value is not a specific scope requirement of this assignment. Characteristics specific to the subject property do not warrant that the land is valued. Based on the preceding information, the land valuation will not be presented.

SALES COMPARISON APPROACH

The Sales Comparison Approach estimates value based on what other purchasers and sellers in the market have agreed to as price for comparable properties. This approach is based upon the principle of substitution, which states that the limits of prices, rents, and rates tend to be set by the prevailing prices, rents, and rates of equally desirable substitutes. In conducting the Sales Comparison Approach, we gather data on reasonably substitutable properties and make adjustments for transactional and property characteristics. The resulting adjusted prices lead to an estimate of the price one might expect to realize upon sale of the property. Development of the Sales Comparison Approach is a specific scope requirement of this assignment. Characteristics specific to the subject warrant that this valuation technique is developed. Sufficient mixed-use sales are available to provide a credible value estimate by the Sales Comparison Approach and with respect to mixed-use properties, the market places reliance on this methodology. Based on the preceding information, the Sales Comparison Approach will be presented.



INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach (“Income Approach”) simulates the reasoning of an investor who views the cash flows that would result from the anticipated revenue and expense on a property throughout its lifetime. The net income developed in our analysis is the balance of potential income remaining after vacancy and collection loss, and operating expenses. This net income is then capitalized at an appropriate rate to derive an estimate of value or discounted by an appropriate yield rate over a typical projection period in a discounted cash flow analysis. Thus, two key steps are involved: (1) estimating the net income applicable to the subject and (2) choosing appropriate capitalization rates and discount rates. The appropriate rates are ones that will provide both a return on the investment and a return of the investment over the life of the particular property. Development of the Income Approach is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that this valuation technique is developed. The subject is an investment property; therefore, the Income Approach represents the decision-making process of knowledgeable buyers and sellers of this property type. Sufficient mixed-use leases, expense information and capitalization and/or yield rates are available to provide a credible value estimate by the Income Approach and with respect to mixed-use properties, the market places reliance on this methodology. Based on the preceding information, the Income Approach will be presented. The Direct Capitalization method is used in this analysis. Discounted Cash Flow analysis does not contribute substantially in estimating the value beyond the direct capitalization method and is not used in this analysis. Based on the preceding information, the Income Approach will be presented.



Sales Comparison Approach

Introduction

The sales comparison approach is based on the premise that the market value of the property is directly related to recent sale prices of competitive properties and the availability of substitute properties with similar utility and desirability.

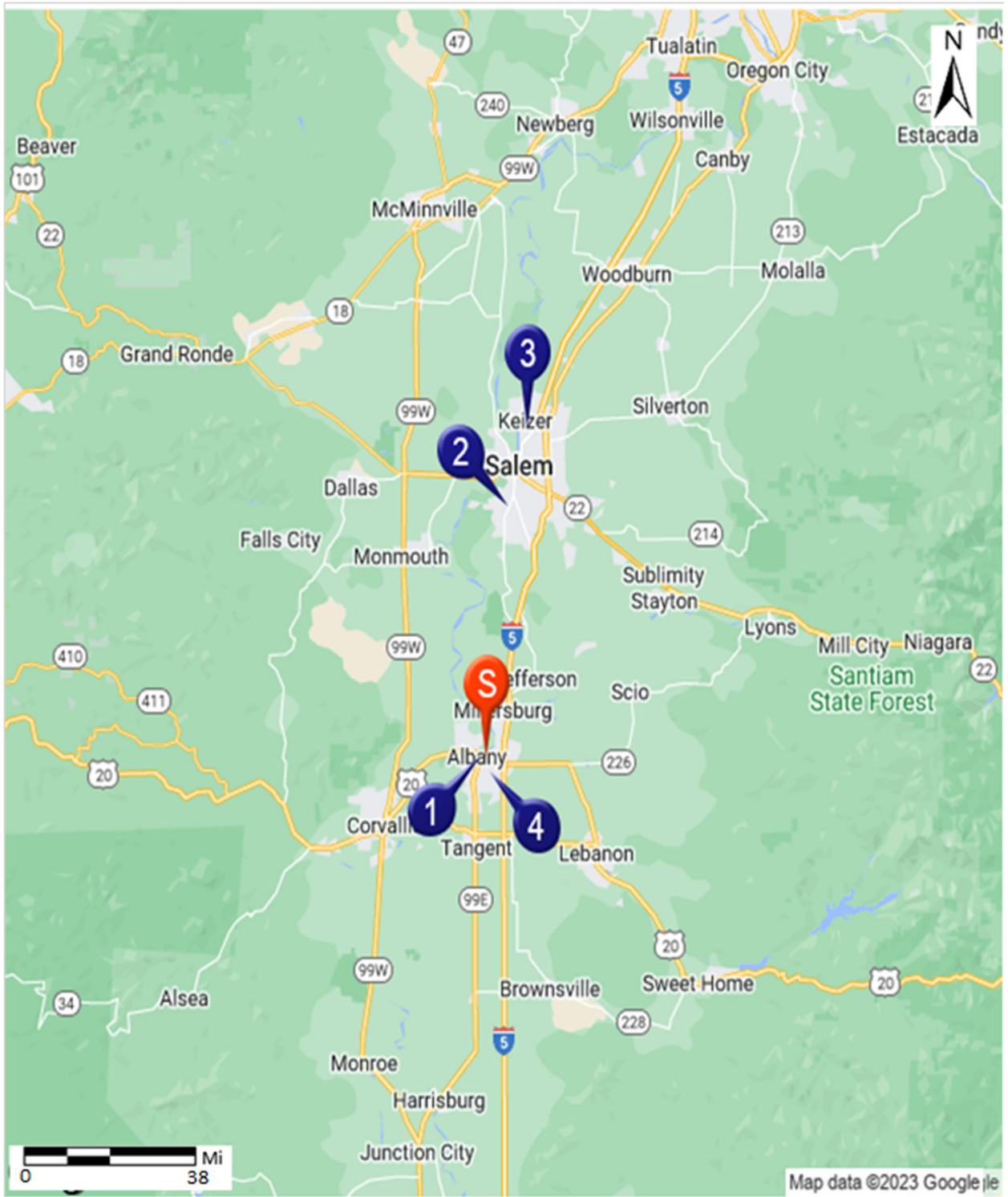
Sales of the most similar properties are investigated and compared to the subject in this analysis. Emphasis was placed on locating recent sales and listings of similar size, quality and condition properties.

Within the Albany-Corvallis-Lebanon MSA it is typical to analyze and utilize sales in submarkets considered to be similar to the subject property as opposed to strictly staying within the subject's immediate submarket. This method of sales comparable selection is typically utilized to improve the similarity of the comparables to the subject property and recognizes the relatively low quantity of closed sales transactions within a reasonable timeframe from each submarket that has size, quality, condition, specific locational attributes and other characteristics similar to the subject property. This method of comparison and analysis is also widely used by market participants such as brokers, buyers and sellers of properties similar to the subject. In general, this method of comparable selection reduces the size and number of adjustments and improves the reliability of the estimated market value of the subject property. The comparables in this analysis are the most reliable indicators of market value for the subject available at the time of this appraisal.

A location map, comparable photographs, and summary of pertinent details of the comparable sales are presented following.

Presentation Order

Presented on the following pages are a location map of the comparables, a sales comparison table showing the adjustments applied to the comparable sales, comparable images, and a discussion of each adjustment with a conclusion of market value for the subject.





Comparable Sales Photographs

Comparable 1
Sheridan Plaza
208 5th Ave SE
Albany, OR



Comparable 2
The Arboretum
3865 Liberty Rd S
Salem, OR



Comparable 3
Clearview Apartments
1095 Clearview Ave NE
Keizer, OR





Comparable Sales Photographs

Comparable 4
Sherman Oaks
2424 Oak St SE
Albany, OR





IMPROVED SALES COMPARISON TABLE					
Comparable	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Circle 6 Holdings	Sheridan Plaza	The Arboretum	Clearview Apartments	Sherman Oaks
Address	1127-1195 6th Ave SE	208 5th Ave SE	3865 Liberty Rd S	1095 Clearview Ave NE	2424 Oak St SE
City	Albany	Albany	Salem	Keizer	Albany
State	OR	OR	OR	OR	OR
PHYSICAL INFORMATION					
Residential Units	13	31	23	8	49
Residential NRA	9,039	24,707	18,101	6,176	32,389
Commercial NRA	1,350	0	0	0	0
Overall NRA	10,389	24,707	18,101	6,176	32,389
Footprint	8,213	12,354		3,088	16,195
Year Built	1992	1963	2009	2021	1992
Year Renovated	2023				
# of Stories	2	2		2	2
Ave. Unit Size (Residential)	695	797	787	772	661
Land Area (SF)	60,984	35,908	41,382	13,068	59,242
Site Coverage Ratio	13%	34%	0%	24%	27%
FAR	17%	68.81%	43.74%	47%	54.67%
SALES INFORMATION					
Date	3/2/24	3/10/23	2/10/22	8/31/22	3/31/22
Sales Status		Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Occupancy		100%	100%	100%	100%
Transaction Price		\$4,250,000	\$4,225,000	\$2,160,000	\$6,500,000
PRIMARY PHYSICAL MEASUREMENT AND ANALYSIS INFORMATION					
Units	13	31	23	8	49
\$/SF		172.02	233.41	349.74	200.69
\$/Unit		\$137,097	\$183,696	\$270,000	\$132,653
TRANSACTIONAL ADJUSTMENTS					
Property Rights		0%	0%	0%	0%
Financing		0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%
Market Conditions		3%	6%	5%	6%
Listing Status		0%	0%	0%	0%
Current Indicator (Adj % Additive)		\$141,210	\$194,718	\$283,500	\$140,612
PROPERTY ADJUSTMENTS					
Location	Average	0%	-5%	-5%	0%
Quality	Average/Good	5%	5%	-10%	5%
Condition	Good	10%	5%	-10%	10%
Ave Unit Size	695	-5%	-5%	-5%	0%
Unit Count	13	5%	5%	0%	5%
Community Amenities		0%	0%	0%	0%
FAR	17%	5%	5%	5%	5%
Commercial %		10%	10%	10%	10%
Final Indicator (Adj % Additive)		\$183,573	\$233,661	\$240,975	\$189,826
Property Adjustment (Net)		30%	20%	-15%	35%
Property Adjustment (Gross)		40%	40%	45%	35%



Comparative Analysis The information pertaining to the sales comparables are from market activity within the last 3 years from the date of valuation. The mixed-use sales comparables are generally smaller than the subject in size but are similar in overall characteristics. The four sales comparables range in size from 8 Units to 49 Units. The unadjusted prices from the four sales comparables range from \$2,160,000 to \$6,500,000 and averages \$4,283,750 which equates to an unadjusted sales price range of \$132,653/Unit to \$270,000/Unit. The mixed-use sales comparables are presented below.

Analysis Techniques Analysis and or adjustments for differences between the subject property and the comparables can be made quantitatively or qualitatively. The comparables have been evaluated for transactional as well as property and tenant space characteristics.

In this approach we have used quantitative analysis for characteristics that most greatly impacted value differences between the comparables and the subject property.

Adjustments to Comparable Data & Sales Analysis Chart When analyzing the comparables, adjustments are appropriate to properly account for differences of property rights, financing, conditions of sale, market conditions and physical and functional characteristics. The prior Sales Analysis chart showed the adjustments applied to the comparable properties. The following is a further discussion of each adjustment and a conclusion of value for the subject.

Transactional Characteristics **Property Rights Conveyed:** Property rights adjustments account for differences in real property rights conveyed in a transaction; for example, the interest conveyed or zoning regulations. No adjustments are warranted.

Financing Terms: Seller-provided financing can play an important role in the sale of a project. Low down payments and terms that are significantly less stringent than those available in the market at the time of sale contribute to sale prices in excess of that obtainable by an all-cash or typically financed (by a disinterested third party) buyer. In order to analyze all properties on a comparable basis, those sales with financing not typically available for the property at the time of sale must be converted to typical terms and cash equivalency. No adjustments are warranted.

Conditions of Sale: Adjustments are made to conditions of sale when there are differences in the motivations of buyers and sellers, or if a



comparable sale is not an arm's-length transaction. No adjustments are made in this category.

Market Conditions: As noted in the Market Overview section of this report, overall market conditions are improving. Therefore, market conditions adjustments are applied at a rate of 3% per year rounded to the nearest full percent.

Pending / Listing Status: No adjustments were made for this characteristic.

Physical & Functional Characteristics

Comparing the sales to the subject reveals differences in functional attributes primarily relating to size, location and other characteristics. These differences impact the sales price of the comparables as it relates to an indicator of value for the subject property. Quantitative adjustments made for these characteristics are described below.

Location: As the location of the property improves, the market participants recognize that prices per unit increase. The opposite is true as the location of a property diminishes the price per unit decreases. Therefore we adjusted the comparables for location as follows:

Comparables 2 and 3 were adjusted downward 5%. No further location adjustments were warranted.

Quality: Generally, property values rise with higher levels of quality and conversely drop in value as quality levels decrease. As a result in differences between the comparables and the subject property we adjusted the comparables in the following manner for quality:

Comparable 3 was adjusted downward 10% and Comparables 1, 2 and 4 were adjusted upward 5%. No further quality adjustments were warranted.

Condition: Buyers and sellers recognize that in general, property values rise as the condition of the property moves towards a new physical condition and decreases as the property physically deteriorates. Therefore we adjusted the comparables for condition as follows:

Comparable 3 was adjusted downward 10%, Comparable 2 was adjusted upward 5% and Comparables 1 and 4 were adjusted upward 10%. No further condition adjustments were warranted.



Ave Unit Size: The market recognizes that the value of property per unit generally drops as the average unit size of the building decreases on the other hand the value of the property per unit generally increases as the average unit size decreases. Therefore we adjusted the comparables for average unit size as indicated below:

Comparables 1, 2 and 3 were adjusted downward 5%. No further average unit size adjustments were warranted.

Unit Count: The market recognizes that the value of property per unit generally drops as the number of units increases on the contrary the value of the property per unit generally increases as the number of units decreases. We applied an adjustment to the comparables for unit count as shown below:

Comparables 1, 2 and 4 were adjusted upward 5%. No further unit count adjustments were warranted.

Community Amenities: No adjustments were made for this characteristic.

FAR: The FAR for a property is measured as the total building area divided by the site area and consequently measures the ratio of the unit of building per unit of land for a property. As a point of reference, the reciprocal of this measurement indicates the unit of land associated with each unit of building improvement both of which are indicators of the intensity of building development for a property. Properties with lower FAR's (floor area ratios) generally have higher values per unit and alternatively properties with higher FAR's have lower prices per unit. As a result of the above we made the following adjustments to the comparable sales for FAR:

Comparables 1, 2, 3 and 4 were adjusted upward 5%. No further far adjustments were warranted.

Commercial %: None of the sales comparables had a commercial component therefore we've adjusted them upward as approximately 13% of the subject's area is an office area.

Comparables 1, 2, 3 and 4 were adjusted upward 10%. No further commercial % adjustments were warranted.



Conclusion

Due to a lack of statistically significant data or paired sales analysis, no further quantitative adjustments were made.

In light of the available market data, there were adequate mixed-use sales comparables to arrive at a conclusion of market value for the subject property. Taking into account the features of the mixed-use sales comparables in relation to the subject property, the sales comparables were adjusted for location, quality, condition, average unit size, unit count, FAR and commercial %. The adjusted range was relatively narrow with an overall range from \$183,573/Unit to \$240,975/Unit and an average of \$212,009/Unit. Reflecting upon the above analysis suggests that the market value of the subject property should be somewhere near the middle of the range.

The value of the subject property is concluded to be \$220,000/Unit.

The following table summarizes the analysis of the comparables, reports the reconciled price per square foot value conclusion, and presents the concluded value of the subject property by the Sales Comparison Approach.

SALES COMPARISON APPROACH CONCLUSION					
Comp #	Comparable	ANALYSIS PRICE	NET PROPERTY ADJUSTMENT	GROSS PROPERTY ADJUSTMENT	FINAL
3	Clearview Apartments	\$283,500	-15%	45%	\$240,975
2	The Arboretum	\$194,718	20%	40%	\$233,661
	Subject				\$220,000
4	Sherman Oaks	\$140,612	35%	35%	\$189,826
1	Sheridan Plaza	\$141,210	30%	40%	\$183,573
STATISTICS ON FINAL MIXED-USE COMPARABLE RANGE					
	LOW	\$183,573		AVERAGE	\$212,009
	HIGH	\$240,975		MEDIAN	\$211,744
		SUBJECT UNITS		CONCLUSION	VALUE
	PROSPECTIVE VALUE UPON STABILIZATION	13	x	\$220,000	= \$2,860,000
	PROSPECTIVE VALUE UPON STABILIZATION (Rounded)				\$2,860,000
				<i>Round to Nearest</i>	<i>\$5,000</i>



Income Approach

Introduction

Income-producing real estate is typically purchased as an investment, and from the investor's point of view, earning power is the critical element affecting property value. The income capitalization approach consists of methods and techniques used to analyze a property's capacity to generate income and convert this income into value. This approach provides a value indication for the property by estimating a net income stream through an analysis of the marketplace including past performance levels as well as projections for the future.

Direct Capitalization

Considering the characteristics of the subject property the direct capitalization approach is used. Discounted Cash Flow analysis does not contribute substantially to estimating value beyond the direct capitalization method and is not used in this analysis. The first step in the direct capitalization method is to estimate the subject's durable rental income through reconciliation of the subject's in-place lease terms and market rent analysis. Next, we analyze other income items including reimbursements and miscellaneous revenue. Then, vacancy allowance and operating expenses are estimated based on analysis of the subject and market indicators. Finally, the resulting net operating income is capitalized at an appropriate supported rate. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

Market Rent Estimating Procedure

The subject includes apartment units as well as two commercial spaces.

The residential comparables are presented and analyzed first, followed by a market rent conclusion for the subject's residential component. Next, the commercial comparables are discussed, and rent for the subject's commercial component is estimated.



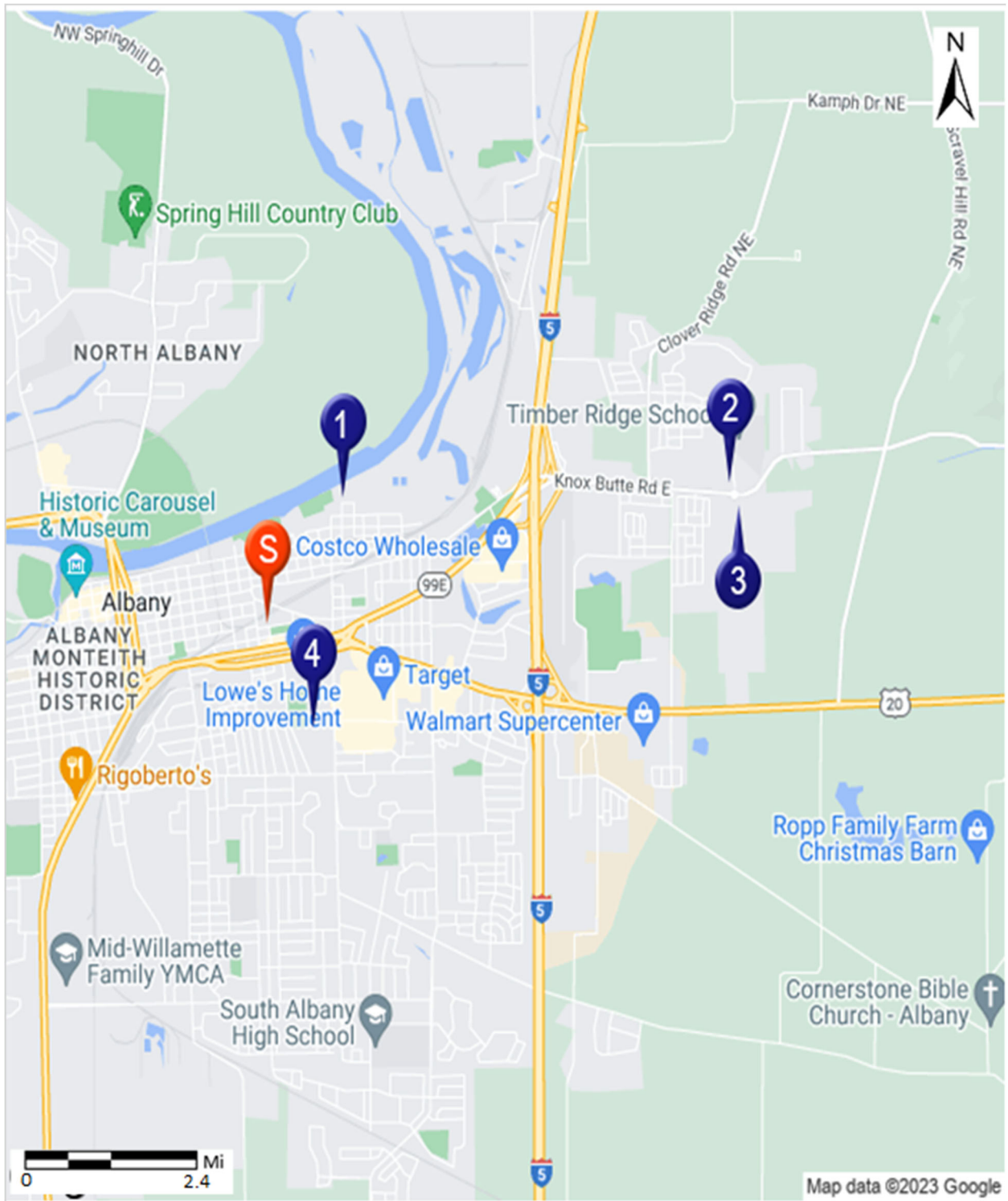
**Comparable Rental
Data**

The comparable leases are presented in the Lease Comparable Summation Table that follows. A complete search of the area was conducted in order to find the most comparable properties in terms of location, access, exposure, quality, and condition.

Within the Albany-Corvallis-Lebanon MSA it is typical to utilize lease comparables in submarkets considered to be similar to the subject property as opposed to strictly staying within the subject's specific submarket. This method of lease comparable selection is typically utilized to improve the similarity of the lease comparables to the subject property and recognizes the relatively low quantity of closed lease transactions within a reasonable timeframe from each submarket that has size, quality, condition, specific locational attributes and other characteristics similar to the subject property. This method of comparison and analysis is also widely used by market participants such as brokers, buyers and sellers of properties similar to the subject. In general, this method of comparable selection reduces the size and number of adjustments and improves the reliability of the estimated market value of the subject property.

Please note that there are a lot of older multifamily properties in Albany, the units are inferior to the subject in quality and condition, as well as being significantly larger in size and the units in these older complexes are not studios which make up the preponderance of the units for the subject. Rather than adjust for these parameters we selected rent comparables from newer apartments and while in larger complexes, they are more similar to the subject in the other characteristics, such as being studio apartments with similar physical characteristics. The comparables in this analysis are the most reliable indicators of market rent for the subject available at the time of this appraisal.

A location map of the comparables, comparable photographs, and a lease comparable summation table, are presented following.





Rent Comparable Photographs

Comparable 1
The Banks Apartments
595 NE Geary St
Albany, OR



Comparable 2
Timber Ridge Place Apartment
Homes
150 Timber Ridge St NE
Albany, OR



Comparable 3
Eagle Pointe Apartments
225 Timber Ridge St
Albany, OR





Rent Comparable Photographs

Comparable 4
Brookshore Apartments
1539 15th Ave SE
Albany, OR





Rent Summary

LEASE COMPARISON TABLE					
Comparable	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Circle 6 Holdings	The Banks Apartments	Timber Ridge Place Apartment Homes	Eagle Pointe Apartments	Brookshore Apartments
Address	1127-1195 6th Ave SE	595 NE Geary St	150 Timber Ridge St NE	225 Timber Ridge St	1539 15th Ave SE
City	Albany	Albany	Albany	Albany	Albany
State	OR	OR	OR	OR	OR
OVERALL BUILDING PHYSICAL INFORMATION					
Residential Units	13	120	284	264	123
Ave. Unit Size (Residential)	695	1,022	910	1,005	815
Residential NRA	9,039	122,640	258,440	265,320	100,245
Commercial NRA	1,350	0	0	0	0
Overall NRA	10,389	122,640	258,440	265,320	100,245
Overall GBA	10,789	130,000	261,940	265,320	156,204
Footprint	8,213	39,333	86,147	88,440	78,102
Year Built	1992	2022	2019	2022	1978
Year Renovated	2023				
# of Stories	2	3	3	3	2
Land Area SF	60,984	280,411	692,168	604,000	455,668
FAR	17%	44%	37%	44%	22%



Comparative Analysis

The information pertaining to the rent comparables are from recent market activity.

Analysis Techniques & Adjustments to Rent Comparable Data

Analysis and or adjustments for differences between the subject property and the comparables can be made quantitatively or qualitatively. The comparables have been evaluated for transactional as well as property and tenant space characteristics.

In this approach we have used quantitative analysis for characteristics that most greatly impacted lease rate differences between the lease comparables and the subject property.

The following rent analysis chart shows the adjustments applied to the rent comparables, followed by a discussion of each adjustment and a conclusion of market rent for the subject.

RENT INFORMATION (UNADJUSTED)						
Comparable		Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Unit Type		Circle 6 Holdings	The Banks Apartments	Timber Ridge Place	Eagle Pointe Apartments	Brookshore Apartments
Studio	SF	549	551	549		580
	\$/Mo		\$1,495	\$1,350		\$1,150
	\$/SF/Mo		\$2.71	\$2.46	NA	\$1.98
2BR/2BA	SF		1,099	952	1,162	800
	\$/Mo		\$1,000	\$1,720	\$1,829	\$1,350
	\$/SF/Mo		\$0.91	\$1.81	\$1.57	\$1.69
3BR/2BA	SF	1,206	1,343	1,204	1,190	1,200
	\$/Mo		2,067	\$2,210	\$2,059	\$1,495
	\$/SF/Mo		\$1.54	\$1.84	\$1.73	\$1.25



**Comparable
Unadjusted Rent
Summary**

The following chart summarizes the rent comparables rent range in terms of size, rent per month and \$ per SF.

Unit Type	Size (SF)		Rent/Mo		\$/SF	
	Low	High	Low	High	Low	High
Studio	549	580	\$1,150	\$1,495	\$1.98	\$2.71
2BR/2BA	800	1,162	\$1,000	\$1,829	\$0.91	\$1.81
3BR/2BA	1,190	1,343	\$1,495	\$2,210	\$1.25	\$1.84

**Unadjusted Rent
Comparison**

The following chart depicts the comparable unadjusted rent information.

Unit Type	Average of Comparables		
	Unit Size	\$/Mo	\$/SF
Studio	560	\$1,332	\$2.39
2BR/2BA	1,003	\$1,475	\$1.49
3BR/2BA	1,234	\$1,958	\$1.59

The comparable Studio units range in size from 549 SF to 580 SF. The unadjusted lease rates for the Studio units range from \$1,150/Mo to \$1,495/Mo and ranges from \$1.98/SF/Mo to \$2.71/SF/Mo.

The comparable 2BR/2BA units range in size from 800 SF to 1,162 SF. The unadjusted lease rates for the 2BR/2BA units range from \$1,000/Mo to \$1,829/Mo and ranges from \$0.91/SF/Mo to \$1.81/SF/Mo.

The comparable 3BR/2BA units range in size from 1,190 SF to 1,343 SF. The unadjusted lease rates for the 3BR/2BA units range from \$1,495/Mo to \$2,210/Mo and ranges from \$1.25/SF/Mo to \$1.84/SF/Mo.



TRANSACTIONAL ADJUSTMENTS					
Lease Type	Modified Gross	0%	0%	0%	0%
Listing Status		0%	0%	0%	0%
Concessions		0%	0%	0%	0%
Market Conditions	3/2/24	20%	20%	20%	20%
Net Transactional % Adjustments		20%	20%	20%	20%
PROPERTY ADJUSTMENTS					
Location	Average	-5%	-5%	-5%	0%
Quality	Average/Good	-5%	-5%	-5%	5%
Condition	Good	-5%	-5%	-5%	10%
Community Amenities		-5%	-5%	-5%	-5%
FAR	17%	0%	0%	0%	0%
Subtotal Net % Adjustments		-20%	-20%	-20%	10%
Unit Size Adjustments (Adjusting \$ per SF)					
Unit Size (Studio)		0%	0%	0%	0%
Unit Size (2BR/2BA)		0%	0%	0%	0%
Unit Size (3BR/2BA)		0%	0%	0%	0%

Adjusted Rent Comparison

RENT INFORMATION PER SF (ADJUSTED)						
Comparable	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	
Name	Circle 6 Holdings	The Banks Apartments	Timber Ridge Place	Eagle Pointe Apartments	Brookshore Apartments	
Studio \$/SF/Mo	\$2.52	\$2.60	\$2.36		\$2.62	
2BR/2BA \$/SF/Mo	\$1.95	\$0.87	\$1.73	\$1.51	\$2.23	
3BR/2BA \$/SF/Mo	\$1.65	\$1.48	\$1.76	\$1.66	\$1.64	



Transactional Characteristics

Lease Type / Structure: For the analysis of the subject lease(s) we utilized a modified gross lease structure. A modified gross lease structure is most common for apartment properties. In this lease structure, the tenant is responsible for their own utilities including sewer, water, electric and telecommunication.

EXPENSE STRUCTURE	MOD GROSS	
	Lessor (owner)	Lessee (tenant)
EXPENSE ITEMS		
Real Estate Taxes	X	
Property Insurance	X	
Common Area Maintenance inc. Landscaping	X	
Repairs and Maintenance	X	
Turnover	X	
Heating/HVAC		X
Electricity		X
Gas		X
Water		X
Sewer		X
Telecommunications		X
Property Management	X	
Reserves for Replacement	X	

Lease Listing Status: No adjustments were made for this characteristic.

Concessions & Terms: Typical lease terms for this property type in the subject’s market area include a term length that is from month to month to one year (relatively short). In depressed markets tenants may receive a free month’s rent, an initial discount on a portion of their monthly rent or other move-in or retention discounts. Considering the current market conditions however there is no to minimal concessions and none are forecast in the direct capitalization process.

Market Conditions: As applicable, we adjusted the comparables for market conditions at approximately 5% per year rounded to the nearest full percent.

Physical & Functional Characteristics

Comparing the lease comparables to the subject reveals differences in functional attributes primarily relating to size, quality, condition, location and other characteristics. These differences impact the lease rates of the comparables as it relates to an indicator of market rent for the subject property. Quantitative adjustments made for these characteristics are described below.



Location: As the location of the property improves, the market recognizes that rent per SF increases. The opposite is true as the location of a property diminishes the rent per SF decreases. Therefore we adjusted the comparables for location as follows:

Comparables 1, 2 and 3 were adjusted downward 5%. No further location adjustments were warranted.

Quality: The market recognizes that in general, rental rates rise with higher levels of quality and conversely drop as quality levels decrease. Therefore we adjusted the comparables for quality in the following manner:

Comparables 1, 2 and 3 were adjusted downward 5% and Comparable 4 was adjusted upward 5%. No further quality adjustments were warranted.

Condition: In general, rents rise as the condition of the property moves towards a new physical condition and decrease as the property physically deteriorates. Therefore we adjusted the comparables for condition as follows:

Comparables 1, 2 and 3 were adjusted downward 5% and Comparable 4 was adjusted upward 10%. No further condition adjustments were warranted.

Community Amenities: Properties with superior community amenities typically have higher rents per unit and alternatively properties with inferior community amenities have lower rents per unit. We adjusted the comparables for community amenities as shown below:

Comparables 1, 2, 3 and 4 were adjusted downward 5%. No further community amenities adjustments were warranted.

FAR: No adjustments were made for this characteristic.

Unit Size - The market recognizes that the rent per SF generally drops as the size of the unit increases, on the other hand, the rent per SF generally decreases as the unit size increases. No adjustments for unit size were made.

Market Rent Conclusion

Due to a lack of statistically significant data or paired sales analysis, no further quantitative adjustments were made.

Overall, considering the recent market data, there were adequate rent comparables to arrive at a conclusion of market rent for the subject property. The fact that portions of the subject are being leased and there are pending



leases at the newest asking rents also supports the owner provided rental rates. In general, the subject's rents and owner's forecast asking rents are considered to be at market and will be used in the direct capitalization process.

Deductions

No deductions are necessary for employee discounts. For a property such as the subject, it is not necessary to hold a unit vacant as a model.

**Additional
Income**

**RUBS
(Ratio Utility
Billing System)**

RUBS is a method of calculating a resident's utility bill based on occupancy, apartment square footage, number of beds, or some combination of factors. Many existing apartments have a utility configuration that does not support the installation of submetering equipment and often these costs are divided between tenants in an appropriate manner and tenants pay these allocated utility costs providing additional revenue to the property.

Unit utilities at the subject will include electricity, water and sewer service, and trash removal. Electrical service will be individually metered and billed directly to tenants. Water and sewer will be billed to the property and charged back to the tenants in the form of RUBS. Tenants will not be responsible for refuse services, which the landlord will pay directly. Based on discussions with the owner, tenants are paying between \$50 and \$80/Month in rubs. RUBS of \$77/unit/month are forecast.

Other Income

The owner has 5 storage units which they anticipate to rent for \$50. The owner has forecast \$200/month for their common laundry facility. According to the developer, the property will charge an additional monthly fee for pets. Pet rent is estimated at \$50/month, and it is assumed that 6 of the units will have a pet.

**Vacancy &
Collection Loss**

Vacancy and credit loss is generally a function of a property's past operating history, current market conditions, and future projections of supply and demand. With consideration given to the market and submarket history, and subject quality, condition, and overall appeal, a 5% vacancy and collection loss factor is concluded.

**Analysis &
Conclusion of
Operating
Expenses**

The following chart shows average operating expenses for apartment developments in the Portland Metro area, as reported by Costar's, most recent data. This has been placed in here for reference as similar publicized data does not exist in the subject's market area.



COSTAR PORTLAND MSA - 3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Total
Portland	\$0.50	\$0.57	\$0.68	\$0.62	\$0.78	\$0.98	\$0.20	\$1.27	\$5.60
Aloha	\$0.36	\$0.54	\$0.51	\$0.61	\$0.78	\$0.49	\$0.20	\$1.23	\$4.72
Beaverton	\$0.49	\$0.54	\$0.52	\$0.67	\$0.78	\$1.01	\$0.20	\$1.37	\$5.58
Central Northeast	\$0.51	\$0.55	\$1.08	\$0.68	\$0.79	\$1.10	\$0.20	\$1.41	\$6.32
Clackamas County	\$0.49	\$0.63	\$1.07	\$1.09	\$1.11	\$2.61	\$0.19	\$1.66	\$8.85
Clark County	\$0.51	\$0.54	\$0.35	\$0.42	\$0.65	\$0.55	\$0.20	\$1.04	\$4.26
Columbia County	\$0.49	\$0.63	\$1.07	\$1.09	\$1.11	\$2.61	\$0.19	\$1.66	\$8.85
Damascus	\$0.50	\$0.63	\$0.36	\$0.54	\$0.65	\$0.88	\$0.20	\$0.97	\$4.73
Downtown Portland	\$0.56	\$0.60	\$0.67	\$0.53	\$0.92	\$0.59	\$0.21	\$1.44	\$5.52
East Portland	\$0.49	\$0.63	\$1.07	\$1.08	\$1.11	\$2.59	\$0.20	\$1.65	\$8.82
Hillsboro	\$0.36	\$0.55	\$0.51	\$0.61	\$0.78	\$0.51	\$0.20	\$1.24	\$4.76
Lake Oswego	\$0.50	\$0.61	\$0.38	\$0.53	\$0.67	\$0.83	\$0.19	\$0.99	\$4.70
North Portland	\$0.50	\$0.57	\$1.07	\$0.88	\$0.94	\$1.84	\$0.20	\$1.51	\$7.51
Northeast Portland	\$0.52	\$0.56	\$1.11	\$0.69	\$0.80	\$1.10	\$0.21	\$1.42	\$6.41
Northwest Portland	\$0.52	\$0.56	\$0.51	\$0.50	\$0.91	\$0.35	\$0.20	\$1.36	\$4.91
Oregon City	\$0.50	\$0.63	\$0.36	\$0.54	\$0.65	\$0.88	\$0.20	\$0.97	\$4.73
Outlying	\$0.50	\$0.65	\$1.08	\$1.10	\$1.12	\$2.63	\$0.20	\$1.67	\$8.95
Sherwood/Tualatin	\$0.51	\$0.54	\$1.02	\$0.67	\$0.77	\$1.08	\$0.20	\$1.38	\$6.17
Southeast Portland	\$0.51	\$0.54	\$1.08	\$0.71	\$0.80	\$1.18	\$0.20	\$1.42	\$6.44
Southwest Portland	\$0.57	\$0.55	\$0.50	\$0.46	\$0.95	\$0.30	\$0.20	\$1.39	\$4.92
Tigard	\$0.50	\$0.54	\$1.04	\$0.68	\$0.78	\$1.09	\$0.20	\$1.40	\$6.23
Troutdale/Gresham	\$0.51	\$0.55	\$1.08	\$0.71	\$0.81	\$1.22	\$0.20	\$1.43	\$6.51
Vancouver	\$0.50	\$0.53	\$0.34	\$0.42	\$0.65	\$0.55	\$0.19	\$1.04	\$4.22
Wilsonville	\$0.50	\$0.62	\$0.51	\$0.57	\$0.68	\$0.93	\$0.20	\$1.07	\$5.08
Yamhill County	\$0.49	\$0.62	\$1.07	\$1.08	\$1.09	\$2.53	\$0.20	\$1.63	\$8.71
Low	\$0.36	\$0.53	\$0.34	\$0.42	\$0.65	\$0.30	\$0.19	\$0.97	\$3.76
High	\$0.57	\$0.65	\$1.11	\$1.10	\$1.12	\$2.63	\$0.21	\$1.67	\$9.06
Median	\$0.50	\$0.56	\$0.85	\$0.67	\$0.80	\$1.05	\$0.20	\$1.40	\$6.01



COSTAR PORTLAND MSA - 1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Total
Portland	\$0.43	\$0.39	\$0.60	\$0.54	\$0.68	\$0.71	\$0.18	\$1.04	\$4.57
Aloha	\$0.34	\$0.47	\$0.48	\$0.58	\$0.74	\$0.46	\$0.19	\$1.06	\$4.32
Beaverton	\$0.47	\$0.47	\$0.47	\$0.64	\$0.74	\$1	\$0.19	\$1.08	\$5.06
Central Northeast	\$0.46	\$0.31	\$1.02	\$0.61	\$0.71	\$0.87	\$0.19	\$1.10	\$5.27
Clackamas County	\$0.38	\$0.23	\$1.01	\$0.78	\$0.58	\$0.61	\$0.19	\$1.05	\$4.83
Clark County	\$0.45	\$0.41	\$0.21	\$0.40	\$0.63	\$0.52	\$0.14	\$0.99	\$3.75
Columbia County	\$0.42	\$0.34	\$1.03	\$0.87	\$0.73	\$1.18	\$0.19	\$1.22	\$5.98
Damascus	\$0.44	\$0.43	\$0.35	\$0.52	\$0.62	\$0.84	\$0.19	\$0.92	\$4.31
Downtown Portland	\$0.47	\$0.42	\$0.70	\$0.52	\$0.78	\$0.54	\$0.19	\$1.13	\$4.75
East Portland	\$0.37	\$0.28	\$0.94	\$0.66	\$0.66	\$0.76	\$0.18	\$1.06	\$4.91
Hillsboro	\$0.34	\$0.47	\$0.48	\$0.58	\$0.74	\$0.48	\$0.19	\$1.06	\$4.34
Lake Oswego	\$0.44	\$0.44	\$0.39	\$0.49	\$0.67	\$0.66	\$0.19	\$0.96	\$4.24
North Portland	\$0.43	\$0.27	\$1.01	\$0.71	\$0.66	\$0.73	\$0.19	\$1.08	\$5.08
Northeast Portland	\$0.48	\$0.31	\$1.02	\$0.64	\$0.74	\$0.86	\$0.19	\$1.10	\$5.34
Northwest Portland	\$0.46	\$0.45	\$0.48	\$0.44	\$0.81	\$0.29	\$0.19	\$1.11	\$4.23
Oregon City	\$0.44	\$0.43	\$0.35	\$0.52	\$0.62	\$0.84	\$0.19	\$0.92	\$4.31
Outlying	\$0.39	\$0.24	\$1	\$0.78	\$0.59	\$0.64	\$0.19	\$1.06	\$4.89
Sherwood/Tualatin	\$0.38	\$0.50	\$0.20	\$0.61	\$0.73	\$0.98	\$0.17	\$1.19	\$4.76
Southeast Portland	\$0.48	\$0.34	\$1.02	\$0.64	\$0.74	\$0.95	\$0.19	\$1.10	\$5.46
Southwest Portland	\$0.44	\$0.43	\$0.48	\$0.44	\$0.77	\$0.29	\$0.19	\$1.05	\$4.09
Tigard	\$0.35	\$0.51	\$0.16	\$0.64	\$0.74	\$0.99	\$0.19	\$1.11	\$4.69
Troutdale/Gresham	\$0.31	\$0.37	\$1	\$0.51	\$0.64	\$0.81	\$0.17	\$1.06	\$4.87
Vancouver	\$0.45	\$0.41	\$0.21	\$0.40	\$0.63	\$0.52	\$0.14	\$0.99	\$3.75
Wilsonville	\$0.44	\$0.43	\$0.35	\$0.52	\$0.62	\$0.84	\$0.19	\$0.92	\$4.31
Yamhill County	\$0.39	\$0.24	\$1.01	\$0.79	\$0.59	\$0.66	\$0.19	\$1.06	\$4.93
Low	\$0.31	\$0.23	\$0.16	\$0.40	\$0.58	\$0.29	\$0.14	\$0.92	\$3.03
High	\$0.48	\$0.51	\$1.03	\$0.87	\$0.81	\$1.18	\$0.19	\$1.22	\$6.29
Median	\$0.44	\$0.42	\$0.48	\$0.60	\$0.69	\$0.75	\$0.19	\$1.06	\$4.62

Analysis and Conclusion of Operating Expenses

The following provides a brief summary analysis of each expense category and a conclusion for each expense for the subject property.

REAL ESTATE TAXES

As discussed within the Assessment and Taxation section of this report, the subject's actual tax expense is \$8,634/YR however this assessment is for the subject prior to the renovation. The sales comparables, have property taxes from \$660/unit to \$1,610/unit. Considering the characteristics of the subject we've estimated the property tax expense for the subject as \$1,100/unit. It is noted that none of the comparable have an office component. As result we've estimated property taxes for this component at \$1.50/SF/YR. (this portion is reimbursed).



REAL PROPERTY INSURANCE	Property insurance for this property type typically ranges from \$175/SF to \$300/SF. An insurance expense of \$250/unit is forecast for the subject based on the average unit size. The above equates to \$0.36/SF/YR based on the NRA of the dwelling units and \$0.31/SF/YR on the overall NRA (shown in the direct capitalization table). The office property insurance is estimated at \$0.30/SF/YR for the office SF or as shown in the direct capitalization table when divided by the overall NRA \$0.04/SF/YR.
REPAIRS AND MAINTENANCE	This expense includes the cost of routine maintenance and repairs including repairs to the roof, pest control, and other miscellaneous items, as well as landscaping. This expense is forecast at \$300/unit.
COMMON AREA MAINTENANCE AND LANDSCAPING	Based on discussion with the owner pertaining to their historical costs we've estimated \$200/unit.
TURNOVER	Turnover expenses are estimated at \$175/unit based on the average unit size and condition of the property.
UTILITIES	Utility are forecast at \$1,080/unit. The largest portion of this expense is reimbursed through rubs.
PROFESSIONAL MANAGEMENT	A professional management fee is typically incurred to provide for periodic contact with the tenants, collection of rents, and supervision of required maintenance and replacement items as well as various administrative fees. An estimate of 6% of effective gross income is used in this analysis. This is within the typical management expense level range for similar facilities of 5% to 8% of effective gross income and appropriate considering the subject's size, occupancy.
RESERVES FOR REPLACEMENT	Reserves for replacement are not the typical annual cash expenditures, but rather the annualized cost of major capital items in the future, such as repair of the roof systems, replacement of pavement, and replacement of the heating and air conditioning systems. A reserve allowance must be established for the replacement of these components, which the owner may be responsible for replacing during the economic life of the building. The probable future cost of replacing and repairing these items is converted into an annual figure. The analysis estimates the amount of money which must be set aside on an annual basis in an interest-bearing account to have adequate funds to repair or replace the item at the end of its economic life. This reflects



typical investor behavior as it accounts for the cost which owners incur or the discount from the market's perspective for the deficiency.

Reserves for replacement are typically assigned by buyers and sellers in the market for this character of property at approximately 1% to 3% of effective gross income. Given the age of the construction, condition, and quality of the subject, a reserve for replacement expense of \$308/unit or 1.5% of EGI will be utilized in this analysis.

Development of Capitalization Rate In developing our opinion of the capitalization rate, also known as overall rate (OAR), the following techniques were used:

- Investor Survey
- Comparable Sales (Market Extraction)
- Broker Opinion

Investor Survey: The following capitalization rate information pertains to two time periods. The first time period is information from the first quarter of 2006 through the fourth quarter of 2011. This time period corresponds from before the peak of the last market cycle (and associated lowest capitalization rates) and extends through when capitalization rates begin to decline once the highest capitalization rate was reached. Hence both highs and lows for capitalization rates during the prior market cycle.

The second time period is from the first quarter of 2018 through the last quarterly measurement (fourth quarter 2022). This second time period allows the comparison of the point where cap rates were at their lowest during the current economic cycle to the current measure rate as they begin to rise as well as other time period related information.

	National Multi-Fam Cap Rates 2006 through 2011			National Multi-Fam Cap Rates 2018 through 2022			
	CoStar	PWC	RCA	CoStar	PWC	RCA	
Median	7.4%	6.0%	6.5%	6.5%	5.1%	5.0%	
Average	7.5%	6.4%	6.5%	6.5%	5.0%	5.1%	
High	8.5%	8.0%	7.1%	7.0%	5.3%	5.6%	
Low	6.8%	5.8%	6.2%	6.1%	4.4%	4.7%	
Current				6.1%	4.9%	4.9%	
% High Cap Rate is above Low	24.2%	39.7%	13.8%	% Current Cap Rate is above Low	0.0%	11.1%	5.7%

The above information suggests that the current capitalization rates as measured by the above three survey firms indicate little upward movement in



capitalization rates despite sizeable increases in interest rates. Some of this appears due to changes in debt vs equity amounts (LTV), buyers that are purchasing the properties (high vs lower credit buyers), the lag in reported information as well as potential bias of those reporting capitalization rates. In general, the reported changes in capitalization rates are in contrast to anecdotal information we have received from brokers about rising capitalization rates (as noted with the real estate sector portion of the report).

Comparable Sales (Market Extraction): Capitalization rates were not available from the Sales Comparables. We have included supplemental sales to further support capitalization rate trends for the subject property as shown in the table below.

CAPITALIZATION RATE COMPARABLES (OAR)						
Name	City, State	Sale Date	SF	Year Built	Sale Price	Cap Rate
River Rd. N	Salem, OR	Mar-21	58,752	2004	\$8,915,000	4.76%
Capitol Court Apartments	Salem, OR	Jan-22	7,794	1930	\$2,400,000	5.59%
Hazel Hollow	Jefferson, OR	Dec-20	28,560	2020	\$5,765,000	5.44%
Howard St Apartments	Salem, OR	Nov-22	10,774	1962	\$1,500,000	5.25%
Hawthorne Ave Apartments	Salem, OR	May-22	10,800	2007	\$2,675,000	5.49%
Plymouth Dr Apartments	Keizer, OR	Jul-21	13,740	2021	\$3,050,000	5.30%
LOW						4.76%
HIGH						5.59%
AVERAGE						5.31%
MEDIAN						5.37%
Capitalization Rate Conclusion						6.25%

In general we have seen sales of newer properties in high demand areas sell with corresponding lower capitalization rates while older property in more peripheral locations have been selling with higher capitalization rates. The above is a small subset of the capitalization rates we have measured and analyzed over the last two years. Overall, the sales comparables fit the general market trends. The subject is in an average location within the City of Albany. The property is in good condition, and is of average/good quality with fair/average exposure. Additionally given the marketability rating of average, the recent increase in interest rates as well as the various components comprising the income for the subject, we have concluded a capitalization rate of 6.25% which is slightly above the upper end of the range.

Direct Capitalization Direct capitalization is the process of converting the estimated stabilized net operating income into market value using a market derived capitalization rate. The direct capitalization procedure is presented in the following chart.



Direct Capitalization Summation Chart						
# of Units / SF						
Overall Number of Units	13					
Other Net Rentable Area	1,350					
Overall Net Rentable Area	10,389					
Unit Type	Unit Count	Unit Size	Contract / our Estimate			
			\$/SF/Mo	\$/Unit/Mo	Total/Mo	\$/Year
Studio	10	549	\$2.52	\$1,384	\$13,835	\$166,020
2BR/1.5BA (Flr 2)	1	1,370	1.38	\$1,895	\$1,895	22,740
2BR/1BA	1	973	1.95	\$1,895	\$1,895	22,740
3BR/2BA (Flr 2)	1	1,206	1.65	\$1,995	\$1,995	23,940
	13			\$1,509	\$19,620	\$235,440
Other Net Rentable Area					\$/Mo	\$/Year
Office	2	675			\$1,080	\$12,960
					\$1,080	\$12,960
Other Income			Units		\$/Mo	\$/Year
RUBS			13	\$77	\$1,005	12,060
Storage Units			5	\$50	\$250	3,000
Pet Rent			6	\$50	\$300	3,600
Laundry			NA		\$200	2,400
Additional Parking			NA		\$960	11,520
Reimbursed Property Taxes (Office)						1,950
Reimbursed Property Insurance (Office)			NA			390
					\$2,910	\$34,920
						Total Annual PGI
Potential Gross Income						\$283,320
Less: Vacancy and Credit Loss			5%			(\$14,166)
Effective Gross Income						\$269,154
OPERATING EXPENSES	Units \$ is Applied	% EGI	\$/SF/Year (Overall SF)	\$/Unit/Year	Total	
Real Estate Taxes (Non-Reimbursed)	13	5.31%	\$1.38	\$1,100	\$14,300	
Real Estate Taxes (Reimbursed - Office 1,300 SF)	13	0.72%	\$0.19	\$150	\$1,950	
Property Insurance	13	1.21%	\$0.31	\$250	3,250	
Property Insurance (Reimbursed - Office 1, 300 SF)	13	0.14%	\$0.04	\$30	390	
Repairs & Maintenance	13	1.93%	\$1.25	\$400	5,200	
Common Area Maintenance (inc. landscaping)	13	0.97%	\$0.25	\$200	2,600	
Turnover	13	0.85%	\$0.22	\$175	2,275	
Utilities	13	5.22%	\$1.35	\$1,080	14,040	
Professional Management	13	6.00%	\$1.55	\$1,242	16,149	
Reserves for Replacement	13	1.50%	\$0.39	\$311	4,037	
Total Operating Expenses		23.85%		\$4,938	\$64,192	
Net Operating Income						\$204,962
Capitalized @				6.25%		\$3,279,399
Prospective Value Upon Stabilization (Rounded)						\$3,280,000
\$/Unit:						\$252,308

Round to Nearest

\$5,000



Reconciliation of Value Conclusions

Based on the agreed upon scope with the client, the subject’s specific characteristics and the interest appraised, this appraisal developed the Sales Comparison and Income Approaches to value. The Reconciliation of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property. Below, the individual strengths and weaknesses of each approach are analyzed.

Value Indications

The approaches to value utilized in this report have resulted in the following leased fee value indications for the property.

Approaches to Value & Final Value Conclusion				
Effective Date of Value	March 2, 2024	December 2, 2023	April 2, 2023	March 2, 2024
Property Rights	Leased Fee	Leased Fee	Leased Fee	Insurable
Valuation Premise	Prospective Value Upon Stabilization	Prospective Value Upon Completion	As-Is Market Value	Replacement Cost
Cost Approach	Not Used	Not Used	Not Used	Not Used
Sales Comparison Approach	\$2,860,000	Not Used	Not Used	Not Used
Income Capitalization Approach	\$3,280,000	Not Used	Not Used	Not Used
Value Conclusion	\$3,070,000	\$3,050,000	\$2,775,000	\$1,785,000

SALES COMPARISON APPROACH

The sales comparison approach is based upon comparable transactions. This approach is normally a strong indicator of value when adequate sales data are available. The comparable sales provide a range of value for the subject, which is narrowed through adjustments for physical and functional differences. All the comparables were similar properties. The most likely buyer of the subject is an investor or partial owner-user, which typically place moderate emphasis on this approach. Therefore, the sales comparison approach is given secondary weight in reconciling to a value for the subject.

INCOME CAPITALIZATION APPROACH

The income capitalization approach is generally considered a strong indicator of value for income-producing properties. Income is based on market projections from comparable leases within the immediate area, while expenses were estimated using various comparables and subject history, along with investment parameters based on sales within the larger market. The most likely buyer of the subject is an investor or partial owner-user, which place strong emphasis on this approach. Therefore, primary reliance is placed on the income capitalization approach.



Value Conclusion

With primary emphasis placed on the sales comparison approach, the Prospective Value Upon Stabilization of the subject's leased fee interest, as of March 2, 2024, is:

\$3,070,000

Exposure Time

The definition of "exposure time" is as follows:

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

Source: *The Dictionary of Real Estate Appraisal*, Sixth Edition. Chicago: Appraisal Institute, 2015.

CoStar data regarding confirmed exposure times of 22 multifamily property transactions since October 22, 2020 in the Albany-Corvallis-Lebanon MSA indicates an average exposure time of 5 months with a median exposure of 3 months. Additionally, exposure times of 9 tracked industrial property listings in the Portland PMSA indicates an average exposure time of 19 months with a median exposure of 5 months. We have utilized the available CoStar information as noted above; the comparables within this report; inference deemed important from similar markets in the surrounding areas, as well as utilized anecdotal information as provided by market participants in the local area to better inform our exposure time estimate. Based upon the above information and considering the physical characteristics and location of the subject property, a reasonable estimate of exposure time for the subject property is six to twelve months.

Marketing Time

The definition of "marketing time" is as follows:

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Source: *The Dictionary of Real Estate Appraisal*, Sixth Edition. Chicago: Appraisal Institute, 2015.

Given that the market is in a period of stabilization, a marketing time of six to twelve months is also concluded.



**Prospective Value
Upon Completion**

Considering the input from the owners and the current characteristics of the subject we assume that the office areas (one of which may become owner-occupied) as well as the existing finished studio units will be leased as of the completion of construction. As a result the difference between the Prospective Value Upon Stabilization and Prospective Value Upon Completion is the rent loss of the unfinished units at the northeast of the subject. We assume that the office (former garage) is leased upon completion and that on average the outdoor storage will take 9 months to lease the spaces. Please note that considering the short timeframe, no market condition adjustments were made. The estimate for this is shown below:

RENT LOSS ADJUSTMENT (COMPLETION TO STABILIZATION)					
ASSUMPTIONS					
Space Name/Identifier	Studio	Studio	2BR/1BA	Office (former garage)	Outdoor Storage
Lease-Up Period Months	1	2	3	0	9
Vacant Space SF	600 SF	600 SF	973 SF	675 SF	NA
Market Rent \$/Mo	\$1,495	\$1,495	\$1,895	\$540	\$960
Total Rent Loss	\$1,495	\$2,990	\$5,685	\$0	\$8,640
OVERALL Rent Loss	\$20,000				
Rounded to nearest	\$5,000				

Based on the above rent loss the Prospective Value Upon Completion is estimated as follows:

$$\mathbf{\$3,070,000 \text{ less } \$20,000 = \$3,050,000}$$



As-Is Market Value

In the As-Is condition one office and three dwelling units (2 studio and a 2 bedroom 1 bath unit) are unfinished. The spaces are in a shell condition with some interior partitioning being framed out in the dwelling units.

The owner’s representative indicated the following:

The office space will take about \$30/SF in direct costs to complete. As previously noted the space will utilize the bathroom in the laundry room therefore minimal plumbing will be required. This indicates a total direct cost of \$20,250.

The dwelling units will take about \$40/SF in direct costs for the entire 2,173 SF area. This equates to a total direct cost of \$86,920.

In addition the building will have its roof replaced at an estimated cost of \$75,000.

Finally we’ve added \$30,000 for landscaping and fencing related to the proposed outdoor parking.

The combined direct costs of the above together with 10% indirect costs and 25% of entrepreneurial profit is \$250,000 (rounded).

$\$20,250 + \$56,800 + \$75,000 + \$30,000 = \$182,050$ plus 10% indirect costs and then 25% entrepreneurial profit = \$250,000 (Rounded)

In addition to the above there is the following rent loss over the period of time from As-Is to Completion.

RENT LOSS ADJUSTMENT (AS-IS TO COMPLETION)					
ASSUMPTIONS					
Space Name/Identifier	Studio	Studio	2bd/1bath	Office	Storage Units
Lease-Up Period Months	3	4	5	6	6
Vacant Space SF	527 SF	425 SF	468 SF	675 SF	200 SF
Market Rent \$/Mo	\$1,495	\$1,495	\$1,495	\$540	\$250
Rent Loss	\$4,485	\$5,980	\$7,475	\$3,240	\$1,500
Expense Carry				\$488	
Total Lease-Up Costs	\$4,485	\$5,980	\$7,475	\$3,728	\$1,500
TOTAL LEASE-UP COSTS (BY PERIOD)	\$4,485	\$5,980	\$7,475	\$3,728	\$1,500
OVERALL LEASE-UP COSTS	\$25,000				
Rounded to nearest	\$5,000				



Considering the short timeframe, no market condition adjustments were made. As a result the As-Is Market Value is calculated as follows:

\$3,050,000 less \$250,000 less \$25,000 = \$2,775,000 (Rounded)

**Insurable
Replacement Cost**

At the client's request, we have included an estimate of the insurable replacement cost estimate of the subject improvements, which represents the replacement cost new of the subject improvements, exclusive of land value and profit, and the costs associated with excavation, site work, foundations and architect's fees. Insurance coverage is usually specific to a given project. We have not been provided with the specific policy requirements, which limit the reliability of the conclusion. Insurable replacement cost is a matter of underwriting as opposed to valuation. Users of this report should not construe the conclusion of insurable value to be an indication of market value. The insurable estimate is made using base costs and multiplier adjustments for market conditions and location from Marshall Valuation Service, which is assumed to accurately reflect replacement cost of the subject. We assume no liability as to the subject's insurable replacement cost and recommend that an estimate from a reputable insurance company be obtained if further assurance is required.

The following chart summarized the insurable replacement cost estimate:



INSURABLE REPLACEMENT COST		
MARSHALL VALUATION SERVICE DIRECT COST		
MVS Building Type	Mixed (MF and Office)	
Number of Stories	2	
MVS Section/Page/Class	12/16/C and 15/17/C	
MVS Publication Date	Feb-23	
Quality Rating	Ave/Good	
Component SF (Gross)	10,789	
Base Cost (Per SF)	\$142.30	
HEIGHT & SIZE REFINEMENTS		
Number of Stories Multiplier	1.00	
Height Per Story Multiplier	1.00	
Area/Perimeter Multiplier	1.00	
Subtotal	\$142.30	
COST MULTIPLIERS		
Current Cost Multiplier	1.02	
Local Multiplier	1.09	
DIRECT COSTS PER SF	\$158.21	
Indirect Cost (% of Direct) ¹	10%	10%
INDIRECT COST PER SF	\$15.82	
DIRECT & INDIRECT TOTAL PER SF	\$174.03	
CALCULATION OF REPLACEMENT COST NEW WITH PROFIT		
Component SF (Gross)	10,789	
BASE IMPROVEMENT COST	\$1,877,603	
Demolition	0%	\$0
Insurable Value Exclusions	5%	(\$93,880)
INSURABLE REPLACEMENT COST	\$1,785,000	
Rounded to nearest	\$5,000	
¹ Kidder Mathews Estimate		

ADDENDUM

Engagement Contract



Willamette Valley Bank

101 High St NE, Salem, OR 97301
PO Box 2747, Salem, OR 97308-2747

3/20/23

Aaron Taylor, MAI, ASA
One SW Columbia St, Suite 950
Portland, OR 97258
(503) 721-2707

RE: Appraisal Engagement: Borrower: *Circle 6 Holdings LLC*
Location: 1127-1195 6th Ave SE, Albany OR 97321

Dear Mr. Taylor:


Please accept this letter of engagement as authorization to perform an appraisal made in conformity with, and subject to, the requirements of the regulated institutions under FIRREA and the uniform Standards of Professional Appraisal Practice (USPAP) as provided by the Appraisal Foundation. The Agencies' minimum appraisal standards must be followed. The function of this appraisal is to assist Willamette Valley Bank (Bank) in establishing the market value of collateral pledged as support for a contemplated loan transaction involving security interest in the subject real property.

The fee for this assignment shall be \$. If we cancel this assignment prior to completion, we will pay you for work performed to date of cancellation. You agreed to put forth your best effort to deliver the reports to the Bank by April 7th, 2023 or sooner if possible. At the Bank's sole discretion, a penalty may be assessed for late delivery at the rate of \$100 per day. Please deliver assignment via email to: CommercialAppraisals@wvbk.com

The loan applicant, property owner, or borrower is not entitled to a draft copy, finished product, or distribution/disclosure of the concluded appraised value(s) of the property without a written release by the Bank. The undersigned acknowledges that a copy of the final Appraisal Report may be released to the Borrower by the Bank, should the Borrower so request in writing. Release of said Appraisal shall be at the sole discretion and control of Willamette Valley Bank and the undersigned hereby gives its consent to this action.

If you have any questions, you can reach me at 503-587-3434. Please contact Hollie Jansen at 916-205-3580 for information to complete this assignment.

Sincerely,
Rob Kaster
Rob Kaster
Loan Operations

Accepted By: 
Authorized Signer

3/23/2023
Date

Appraisers' Experience Data



AARON TAYLOR, MAI, ASA

Senior Vice President,
Manager Valuation
Advisory Services

CAREER SUMMARY

Aaron began working as an appraiser in 1993 with a private company in Vancouver, Washington. In 1999, he moved on to Deloitte's Financial Advisory Services Group, part of one of the largest professional services firms in the world. At Deloitte, he managed groups that delivered financial advisory and valuation services encompassing both real and personal property components primarily for mid to large public and private companies including many Fortune 500 Companies for reporting to the SEC and IRS. Additionally, he had significant responsibilities and input into key innovation and technology initiatives responsible for generating, developing and implementing innovative and strategic changes in the US Advisory Services Group as it relates to client service workflow processes and products. At Deloitte, he worked on projects throughout the U.S. and numerous foreign countries (Europe, Asia, South America, and Central and North America). Later Aaron moved on to a more locally focused company and then began working with Colliers International in 2011 as a senior valuation professional overseeing complex valuation projects. Aaron joined Kidder Mathews in January 2016. During his valuation career, he was awarded the MAI designation from the Appraisal Institute he is also an Accredited Senior Appraiser (ASA) as certified by the American Society of Appraisers in Machinery and Technical Specialties.

Aaron has broad valuation experience encompassing the industrial, hospitality, senior living, multifamily housing, REIT, high tech, biotechnology, agricultural, paper and forest products, electronic, aerospace and defense, consumer products, petroleum, telecommunications, utility, food service, mining, and food processing industries. He has managed and performed this work for litigation, lending, buy/ sell decision making, purchase negotiations, financial reporting, purchase price allocations, tax planning, cost segregation, public acquisition, eminent domain proceedings, gifting and other purposes.

Industrial property valuation experience has consisted of light, medium, and heavy industrial types, including storage and warehouse distribution facilities, manufacturing facilities, mining, and business parks in urban and rural settings.

Commercial property valuation experience has consisted of small-scale neighborhood to large multi-tenant retail properties as well as single and multi-story office buildings, hospitals, medical buildings, restaurants, hotels, churches, strip malls, banks, golf courses, marinas, gas stations, multifamily residences and others.

He has also performed valuation work on a wide variety of land including industrial, commercial, multifamily, mixed-use, subdivision, agricultural, and timberland.

**Kidder
Mathews**



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COURT EXPERIENCE

Washington State Board of Tax Appeal (Olympia, Washington)

Humboldt County Board of Tax Appeal (Eureka, California) Columbia

County (Scappoose, Oregon)

MEMBERSHIP AND PROFESSIONAL AFFILIATIONS

Member of the Appraisal Institute (MAI)

Senior Accredited Member (ASA), American Society of Appraisers - Machinery & Technical Specialties

EDUCATION

UNIVERSITY OF OREGON, COLLEGE OF BUSINESS ADMINISTRATION

Bachelor of Science, Management Bachelor

of Science, Marketing

REPRESENTATIVE CLIENTS AND PROJECTS

AMGEN INC.	Purchase price allocation of Immunex acquisition
AVANEX CORPORATION	Purchase price allocation of Oplink Communications
BOISE CASCADE	Performed various valuation services including OfficeMax acquisition
CALIFORNIA STATE UNIVERSITY	Valuation of 23 university campuses
COCOS RESTAURANTS	Audit review of a PPA 245 Coco Restaurants
CNL HOSPITALITY CORP.	Valuation of KSL Recreation Corp. resort hotels
DISCOUNT TIRE COMPANY	Valuation of 50 tire store locations
DIVERSA CORPORATION	PPA Syngenta acquisition
EVERETT-RADIA, LLC	Valuation medical equipment (CT, MRIs, ultrasound)
FOSTER FARMS COMPANY	Valuation of 44 chicken farms
GOOD SAMARITAN HOSPITAL	Valuation of hospital medical campus
HUNTSMAN CHEMICAL CORPORATION	Valuation of petrochemical process operation

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REPRESENTATIVE CLIENTS AND PROJECTS (CONTINUED)

JDS UNIPHASE CORPORATION business	PPA of TriQuint Semiconductor's laser pump
KOHLBERG KRAVIS ROBERTS & COMPANY	Various consulting and valuation
KOMATSU SILICON OF AMERICA, INC.	Valuation of a silicon wafer manufacturing plant
GENERATIONS LLC Village facility	Cost segregation of their newly built Paradise
LONGVIEW FIBRE COMPANY	Property tax related valuation work
LOUISIANA-PACIFIC CORPORATION	Valuation of facilities - OSB, pulp plants etc
MICROCHIP TECHNOLOGY, INC.	PPA of a microelectronics fab facility
MATSUSHITA ELECTRONIC MATERIALS, INC.	Valuation of a prepreg manufacturing plant
NORTHROP GRUMMAN CORPORATION	Audit/review of Litton and TRW. PPA of Aerojet
OLD SPAGHETTI FACTORY	Cost segregations and PPA (10+ locations)
OSI PHARMACEUTICALS, INC.	PPA of Gilead Sciences
RELIANCE STEEL & ALUMINUM COMPANY	PPA of Precision Strip
PHILIPS ELECTRONICS	PPA of the Agilent Healthcare Services acquisition
AFEWAY, INC. safeway store properties	Cost segregation and valuation of various
VERIFONE, INCORPORATED	PPA of Verifone acquisition
VIRGINIA MASON	Valued medical facilities
WEYERHAEUSER COMPANY	Valued sawmill
WHEREHOUSE ENTERTAINMENT, INC.	PPA of 378 Blockbuster Music stores

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Appraiser Certification and Licensure Board

State Certified General Appraiser

28 hours of continuing education required

License No.: C000585

Issue Date: February 01, 2023

Expiration Date: January 31, 2025

Chad Koch, Administrator