

APPRAISAL REPORT

**10,000 SQ.FT. COMMERCIAL SITE
543 LANEDA AVENUE
TAX LOT 14700, MAP 03N10W29AC
MANZANITA, OREGON 97130**

CLIENT

**CITY OF MANZANITA
C/O LEILA AMAN
543 LANEDA AVENUE
MANZANITA, OREGON 97130**

PREPARED BY

**MOSCATO, OKONESKI & ASSOCIATES, INC.
13765 N.W. CORNELL ROAD, SUITE 200
PORTLAND, OREGON 97229**

OUR FILE NO:

2021-215

July 27, 2021

City of Manzanita
c/o Leila Aman
543 Laneda Avenue
Manzanita, Oregon 97130

Moscato
Okoneski &
Associates, Inc.

Real Estate Appraisers and Consultants

Dear Ms. Aman:

Pursuant to your request, we have performed this appraisal in a narrative report format of the 10,000 sq.ft. site located at 543 Laneda Avenue, Manzanita, Oregon 97130. The property can also be identified as Account No. 318150 and Tax Lot 14700, Map 03N10W29AC, Tillamook County. Although the site is currently improved with two buildings, we have been instructed only to appraise the subject's underlying land. Thus, no consideration will be given to the existing improvements on the subject site.

In accomplishing this assignment, we have completed an inspection of the subject property, together with observing both economic and land use trends in the subject's general area. In addition, comparable market data was investigated, analyzed and applied as appropriate.

In this appraisal, the property has been valued as though it would be sold on an all cash or equivalent new mortgage financing basis and has been prepared to comply with the Uniform Standards of Professional Appraisal Practice (USPAP).

Based upon our investigation and analysis of the available information, the market value of the subject property (underlying land only) in fee simple, as described herein and as of July 9, 2021, is considered to be:

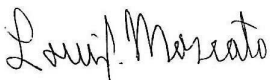
EIGHT HUNDRED FIFTY THOUSAND DOLLARS

\$850,000

Ordinary assumptions and limiting conditions that are in effect for this appraisal are outlined in the Addenda of this report.

Respectfully submitted,

MOSCATO, OKONESKI & ASSOCIATES, INC.



Louis J. Moscato, MAI
Principal
Oregon State Certification #C000018
Washington State Certification #1102042

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ADDENDA

Certificate of Appraisal
Assumptions and Limiting Conditions
Selected Pages from Zoning Ordinance
Qualifications of Appraiser

SUMMARY OF PERTINENT DATA

Effective Date:	July 9, 2021
Date of Inspection:	July 9, 2021
Date of Report:	July 27, 2021
Property Rights Appraised:	Fee simple
Location:	543 Laneda Avenue, Manzanita, Oregon 97130
Improvements:	Although the subject site is improved with a one-story, 2,256 sq.ft. former City Hall building and an 864 sq.ft. storage building (which, according to county records, were constructed in 1970), we have been instructed to appraise only the subject's underlying land and, thus, no consideration will be given to the existing improvements on the subject site.
Site Size:	10,000 sq.ft.
Zoning:	C-1 (Commercial)
Assessor's Real Market Value:	\$307,180 (land only)
Parcel No.:	318150
Owner of Record:	City of Manzanita
Highest & Best Use:	Development of a future commercial property
Flood Hazard Area:	No portion of the subject site appears to be located within a 100-year flood hazard area.
Marketing/Exposure Time:	6-9 months (assuming competent and aggressive marketing)
Indicated Value:	\$850,000

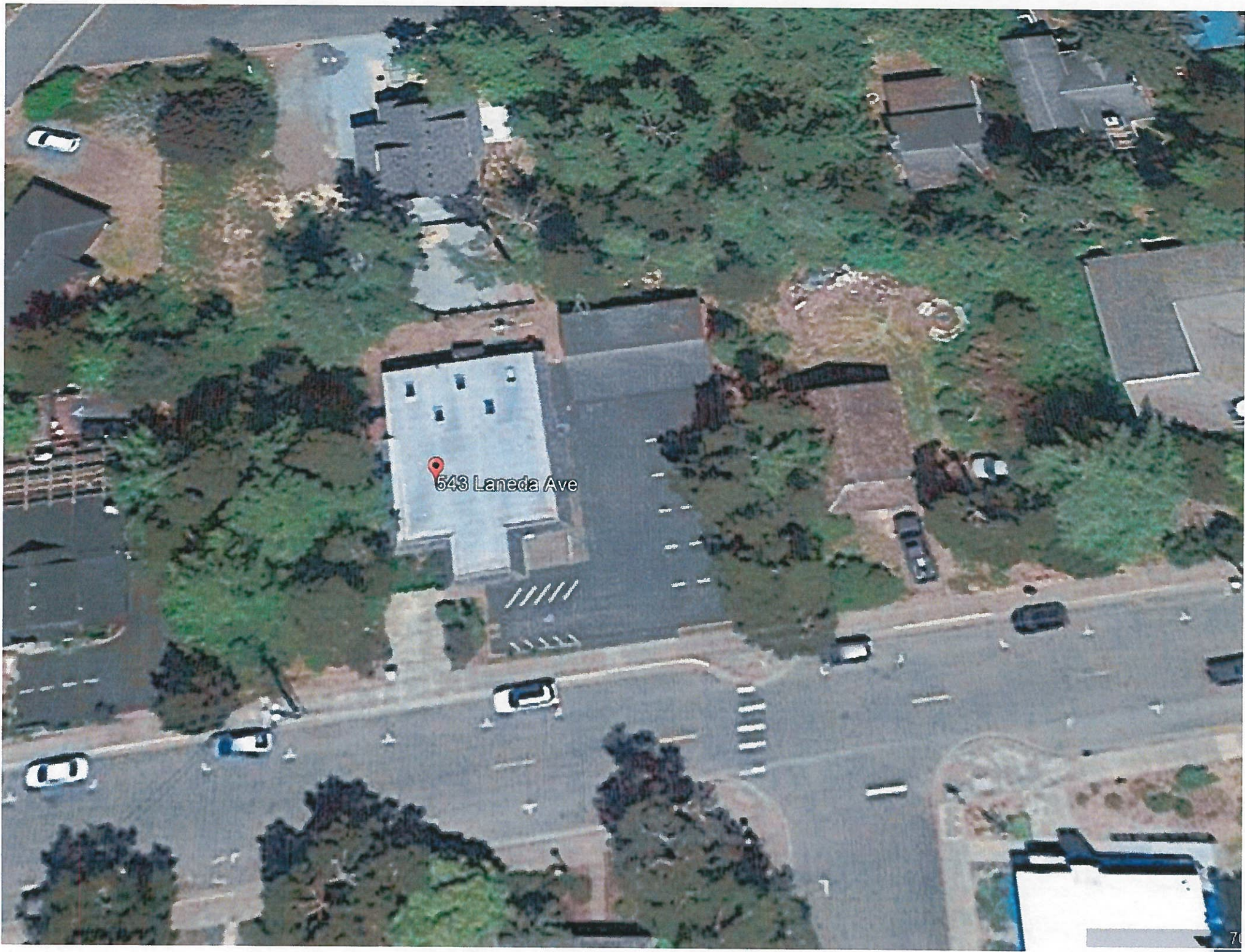
AERIAL INDEX

- 1) Pacific Ocean
- 2) U.S. Highway 101
- 3) Manzanita Fresh Foods Market
- 4) Laneda Avenue (Main Commercial Arterial)

Facing Page: Aerial Photograph of Subject Area, taken June 22, 2017

Second Aerial: Close-Up View of Subject Property and Immediate Surrounding Area







View of subject property facing north from south side of Laneda Avenue



View of subject property facing northwest from south side of Laneda Avenue



View of subject property facing northeast from south side of Laneda Avenue



Close-up view of subject property (with two existing buildings) facing northwest



Street scene facing east along Laneda Avenue (subject at left)



Street scene facing west along Laneda Avenue (subject at right)

General Information

Identification of the Property

The subject property consists of a 10,000 sq.ft. site located at 543 Laneda Avenue in Manzanita, Oregon. Although the subject site is currently improved with two buildings that reportedly were constructed in 1970, we have been instructed to value only the subject's underlying land. The property can also be identified as Tax Lot 14700, Map 03N10W29AC, Tillamook County, Oregon. A legal description of the subject property was not available for our review.

Purpose, Intended Use & Intended Users

The purpose of this appraisal is to estimate the market value of the subject's underlying land with no consideration given to the existing improvements currently on the site. In this case, the subject's fee simple interest is being appraised.

The intended use of this appraisal is for internal purposes by the client. The intended user of this report is the client, City of Manzanita, c/o Leila Aman. Without prior written approval from the author, the use of this report is limited solely to the client and for the intended use specified above. All other uses are expressly prohibited. Reliance on this report by anyone other than the client for a purpose not set forth above is prohibited. The author's responsibility is limited solely to the client and not to anyone else.

Scope of Assignment

The scope of this assignment involves an appraisal transmitted in a narrative appraisal report similar to what was formerly referred to under USPAP as a summary report format. This process involved the extent of research and analysis typical for an assignment of this type, including the following:

- a review of materials provided by the client; and information obtained from the City of Manzanita and Tillamook County;
- the appraiser was accompanied by Leila Aman during the inspection of the subject site;
- size of the subject site was based upon information obtained from the Tillamook County Assessor's office and a plat map of the subject property;
- review of County records for property tax information;
- research of market data including the following sources: Assessor's records, CoStar, Loop Net, RMLS, listing data provided by brokers, comparable market data confirmed by brokers, and information obtained within the appraiser's files;
- a physical viewing of the exterior of all properties utilized as comparables (unless noted otherwise in the appraisal certification);
- the subject neighborhood was inspected in order to gather information on neighborhood trends and development in the area;

- during our research of the subject property, market/neighborhood area, and comparable market data, a number of sources were utilized including interviews with brokers, and others knowledgeable in this market.

Since the purpose of the appraisal is to value the subject's underlying land only, the most applicable approach is considered to be the Sales Comparison Approach, which will be utilized in this appraisal.

It is important to note that this appraisal report is in a standard format that has a moderate level of detail. It summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions and conclusions. This format meets or exceeds the reporting requirements of the Uniform Standards of Professional Appraisal Practice. As such, it presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The depth of the discussion contained in this report is specific to the needs of the client and for the intended uses as stated in this report. The appraiser is not responsible for unauthorized use of this report.

Our valuation and analysis included research, independent confirmation and analysis of appropriate comparable data which was either personally verified by the appraiser, by another member of the staff at Moscato, Okoneski & Associates, or by a source considered reliable. Adequate information was made available for our appraisal of the subject property except that a preliminary title report, an environmental report, a soils report and a site survey were not provided for our review. If comparable details were not included in this report, they have been retained in the appraiser's work file.

If any significant real property appraisal assistance was provided to the appraiser, it will be described in the Certification at the end of this report.

Extraordinary Assumptions & Hypothetical Conditions

Extraordinary assumptions and hypothetical conditions are defined in USPAP as:

Extraordinary Assumption: *an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property, or about conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis.*

Hypothetical Condition: *a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property, or about conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis.*

This appraisal is not subject to any extraordinary assumptions or hypothetical conditions. Ordinary assumptions and limiting conditions that are in effect for this appraisal are outlined in the Addenda of this report.

Marketing & Exposure Time

Marketing time is an estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of an appraisal. Exposure time is 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; in other words a retrospective estimate based upon an analysis of past market conditions.

The appraiser has interpreted marketing and exposure time to represent the time needed to aggressively market a property and would include the time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by current market conditions. Marketing time differs from exposure time, which is presumed to precede the effective date of the appraisal. However, it is the appraiser's opinion that unless market conditions are in a period of significant transition, marketing time and exposure time for a property would be equal.

Considering the area's commercial real estate market during the past year and recent trends, it is our opinion that market conditions will not change substantially and therefore, for purposes of this analysis, marketing time and exposure time will be approximately the same.

Based upon the subject's overall location, size, zoning, overall market conditions, and the exposure period of the comparable sales researched for this appraisal, it is our opinion that a reasonable marketing time for the subject is approximately a 6-9 month period, if it were to be listed at a reasonable price with a knowledgeable and competent broker.

Definition of Market Value

For purposes of this report, 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 buyer under conditions whereby:

- 1) buyer and seller are typically motivated;*
- 2) both parties are well informed or well advised, and each acting in what they consider their best interests;*
- 3) a reasonable time is allowed for exposure in the open market;*
- 4) payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto;*

- 5) *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: The Dictionary of Real Estate Appraisal, Sixth Edition

Definition of Fee Simple Estate

As defined in The Dictionary of Real Estate Appraisal, Sixth Edition sponsored by the Appraisal Institute, Fee Simple Estate is:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat".

Ownership & Sales History

According to the records checked, fee title of the subject property appears to be vested in the City of Manzanita. No sale of the subject is known to have occurred during the last three years and the subject is not currently listed for sale and there are currently no known offers or options to purchase the subject. However, the purpose of the appraisal is to establish the current market value of the subject's underlying land value to help the City of Manzanita determine an appropriate asking price for the subject's underlying land.

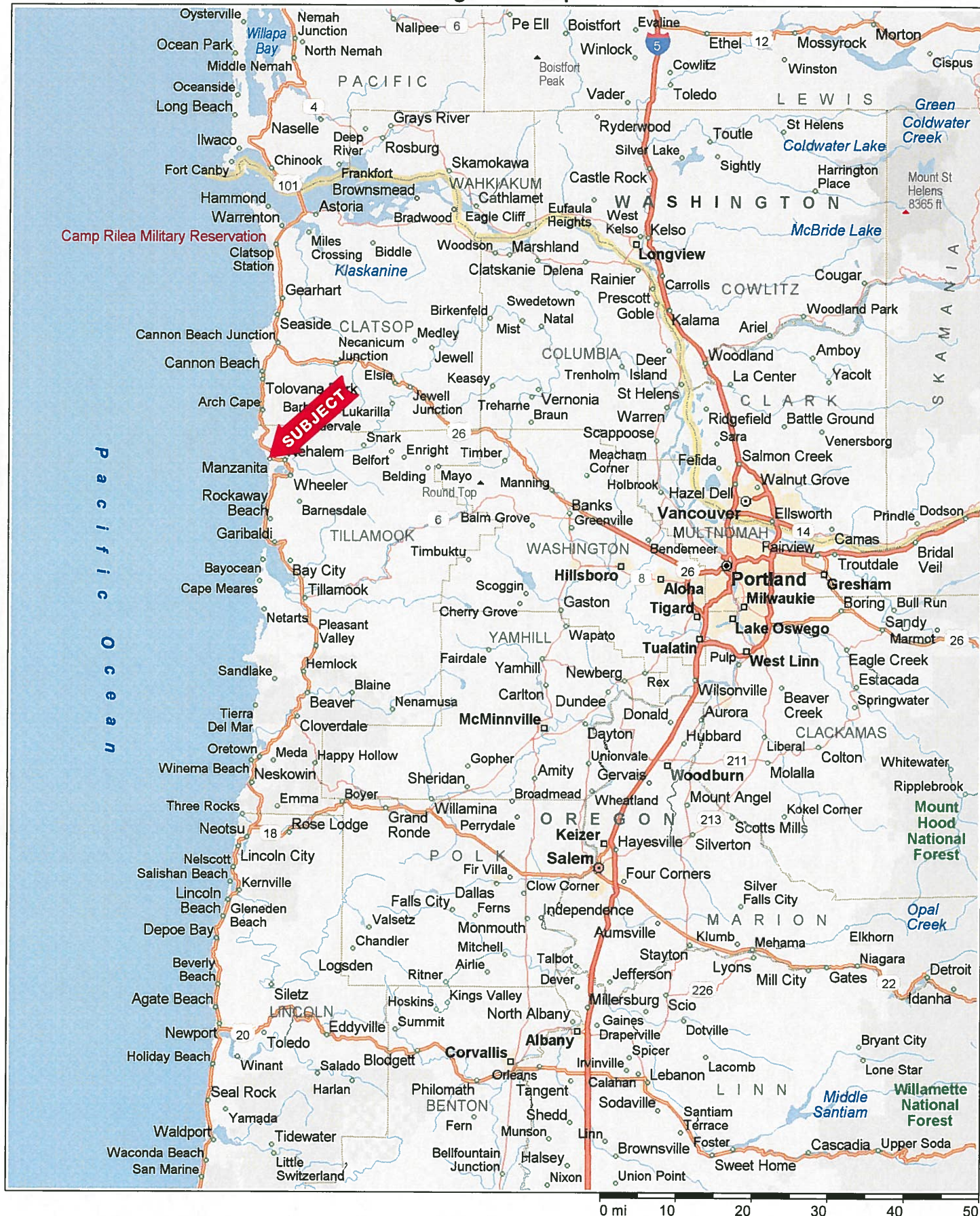
Competency

The appraiser is experienced and qualified in the valuation of this type of property.

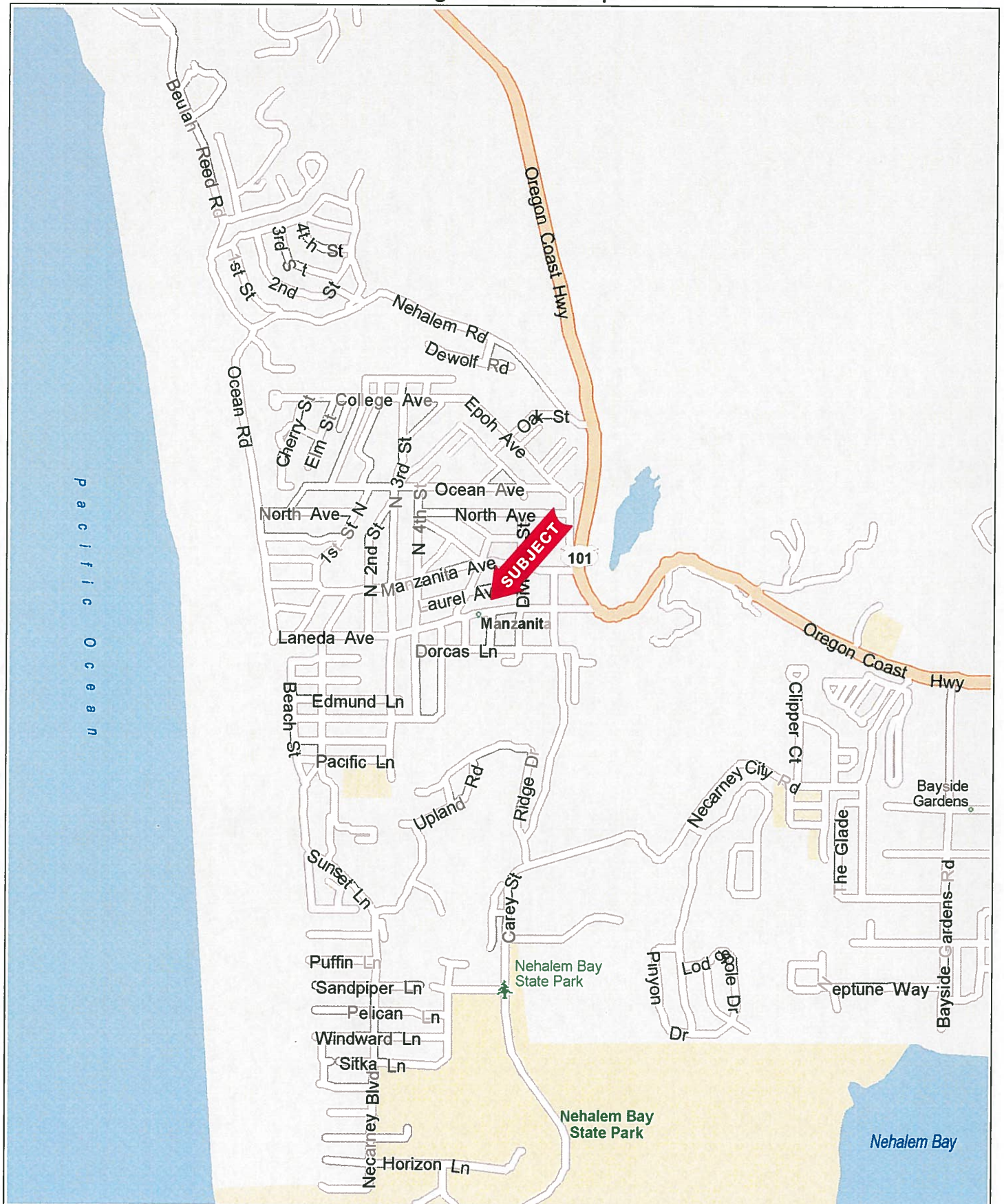
Transferability

As mentioned previously, this appraisal has been prepared solely to comply with our best interpretation of the current Uniform Standards of Professional Appraisal Practice (USPAP) as formulated by The Appraisal Foundation and to any specific client guidelines. As such, the client is cautioned that if this report is transferred to another party, and/or is reviewed and there are questions or additional work necessary to meet their subsequent guidelines, the appraiser reserves the right to charge appropriate fees for any additional work expended.

Regional Map



Neighborhood Map



Regional/Neighborhood Description

The subject property is located in Tillamook County, which is situated in the northwest portion of the State of Oregon. Tillamook County covers approximately 1,133 sq.ft. miles and is bounded by the Pacific Ocean to the west, Clatsop County to the north, Washington and Yamhill Counties to the east, and Polk and Lincoln Counties to the south. The city of Tillamook, the county seat and by far the largest city in Tillamook County, is approximately 65 miles west of the city of Portland. Tillamook County is home to approximately 26,530 permanent residents and is visited by several million vacationers each year who are attracted by the county's scenery, mild climate and many recreational opportunities afforded by the ocean beaches, dense forest, mountains, and rivers & streams.

The population of Tillamook County has grown moderately since 1990 when it had a population of 21,570. According to the 2000 Census, Tillamook County had an April 1, 2000 population of 24,262. This reflected a population increase of 12.48% between 1990 and 2000. The 2010 Census reported that Tillamook County had a population of 25,250. This reflects a population increase of 4.1% between 2000 and 2010. The July 1, 2020 population estimate of 26,530 reflects an increase of 1,280 people, or 5.07%, since the 2010 Census. The July 1, 2020 population estimate for the city of Tillamook, the largest city in Tillamook County, was 4,930, which is a 13.07% increase over the 2000 Census which indicated a population of 4,360. However, the 2010 Census reflected a population of 4,920, only 10 less than the July 1, 2020 estimate. The July 1, 2020 population estimate for the city of Manzanita was 645, the same as the previous year.

The following table summarizes the demographics for the subject neighborhood, utilizing the subject as a central point for the radius figures.

LOCAL AREA DEMOGRAPHICS							
DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
Population	1,365	2,560	3,611	Households By Income			
Households	688	1,255	1,720	< \$15,000	5.2%	5.7%	6.7%
Total Housing Units	2,208	3,087	3,964	\$15,000 - \$24,999	9.3%	9.0%	8.3%
Owner Occupied	23.9%	31.2%	33.0%	\$25,000 - \$34,999	7.0%	7.6%	8.0%
Renter Occupied	7.3%	9.5%	10.4%	\$35,000 - \$49,999	16.4%	17.3%	17.8%
Median Home Value	\$387,248	\$369,231	\$358,974	\$50,000 - \$74,999	27.9%	26.5%	25.8%
Average Home Value	\$438,542	\$420,130	\$416,183	\$75,000 - \$99,999	14.7%	13.5%	13.3%
Avg. Household Income	\$73,436	\$73,409	\$73,270	\$100,000 - \$149,999	9.6%	9.9%	10.5%
Med. Household Income	\$57,965	\$56,978	\$56,291	\$150,000 - \$199,999	8.1%	8.1%	6.8%
Per Capita Income	\$36,770	\$35,625	\$34,907	\$200,000+	1.9%	2.2%	2.7%

Source: Sites To Do Business Online

Tillamook County's principal industries are agriculture, lumber, recreation and tourism, and food processing. Agricultural uses consist primarily of dairy products and cattle. Since 2000 and prior to COVID-19, Tillamook County's seasonally adjusted unemployment rate ranged from a low of 3.3% in December, 2019 to a peak of 12.2% during the Great Recession. However, due to COVID-19, unemployment increased substantially. For example, the June, 2020 seasonally adjusted unemployment rate was 12.8%, down from 14.1% the previous month but up substantially from 4.0% in June, 2019. The recently released June, 2021 seasonally adjusted unemployment rate was 6.2%, down slightly from 6.4% the previous month. Seasonally adjusted figures compare expected changes with actual changes. Employment was expected to grow by 180 jobs but the county added

350 jobs. The private sector added 200 jobs and government employment was up by 150. Leisure and hospitality increased by 110 jobs. Food manufacturing added 40 jobs. Local government education recovered 120 jobs. Other industries had smaller changes.

June's total nonfarm employment numbers show a gain of 810 jobs compared with one year before, an increase of 9.4%. The county lost 1,370 jobs in April, 2020 as the pandemic hit, and it remains 410 jobs below its pre-pandemic employment of June, 2019. Nearly every major industry gained jobs over the past year. Leisure and hospitality regained 240 jobs. Retail trade recovered 70 jobs. Manufacturing added back 120 jobs. The statewide unemployment rate was 5.6% in June, 2021 and the national rate was 5.9%.

According to a recent publication from the Oregon Employment Department's Workforce and Economic Research Division, Northwest Oregon's Recovery from the previous Great Recession was uneven. Employment grew faster in Benton and Clatsop Counties and lagged in Columbia and Lincoln Counties. Tillamook County's employment growth was in between these two groups. The change in Gross Domestic Product of the counties seems to have followed roughly the same general pattern for four of the counties, but GDP for Tillamook County is estimated to have grown much faster than any of the other counties.

The Bureau of Economic Analysis (BEA) makes estimates of county-level Gross Domestic Product. Gross Domestic Product (GDP) is the value of goods and services produced in an area. Tillamook County has the smallest GDP in the region, but it has led the pack for GDP growth (33.6%) since 2009. Its GDP grew by 6.4% in 2019. Most of Tillamook County's GDP growth in 2019 came from real estate, with additional growth from natural resources. Health care and government also contributed a share to GDP growth. Manufacturing was nearly unchanged over the year. Although the county has the smallest GDP in the Northwest region, its growth led to it producing the second-largest absolute gain (+\$69.4 million) in GDP among the five counties.

More specifically, the subject property is located along the north side of Laneda Avenue, about 210' east of 5th Street and approximately seven blocks east of Ocean Road, which parallels the beach and the Pacific Ocean. Manzanita is a coastal community in the northwest portion of the county, along the west side of U.S. Highway 101. Manzanita is located 13 miles south of the city of Cannon Beach, 16 miles south of the junction of U.S. Highway 101 and U.S. Highway 26, and 25 miles north of the city of Tillamook. The elevation of Manzanita ranges from sea level to approximately 150' and its climate is typical of the Northern Oregon Coast, generally mild with annual precipitation of approximately 90 inches.

Being located along U.S. Highway 101 on the Oregon Coast, the community has been heavily dependent upon tourism, as well as some continued dependence upon the historic economic base of farming, dairy farming, timber and fishing. Nearby amenities appreciated by both visitors and full-time residents include its seven miles of sandy beaches on the city's west side, Neahkahnie Mountain which flanks the city to the north, together with Nehalem Bay and Nehalem Bay State Park, which abuts the city limits to the south. Manzanita is home to approximately 645 permanent residents, which comprise only a portion of the number of persons living in the city at a given point in time. Many residences are second homes or are rented to vacationers so that the existing population within Manzanita at any given point in time is generally higher.

Commercial development in Manzanita is concentrated primarily along Laneda Avenue (the subject's frontage), beginning west of U.S. Highway 101 to its termination at Ocean Road along the coast. Secondary commercial uses are found along U.S. Highway 101. Commercial development along Laneda consists primarily of smaller single and multi-tenant buildings, many of which are converted from older single-family residences, with ground floor commercial spaces. There are several larger multi-tenant commercial buildings, with one located along the south side of Laneda Avenue, a short distance east of Camel Avenue. Use types include those typical of tourist-oriented commercial areas, including small retail shops, small and medium-sized eateries and restaurants, as well as several lodging facilities promoted for their good accessibility to the beach. Mixed-use developments include both residential and retail components designed to capitalize on tourism. Uses notably absent from Laneda Avenue include fast-food restaurants which are not favored by the community, and large-scale retail developments, as no suitably large parcels of land exist which might be assembled. Some of the newest commercial developments within Manzanita include two new, two-story mixed-use buildings with ground floor retail space located at 503 and 507 Laneda Avenue and a building located at 253 Laneda Avenue that is known as the Winery at Manzanita.

Lodging facilities in Manzanita include the San Dune Inn Motel, the Inn at Manzanita, Sunset Surf Motel, Ocean Inn, Coast Cabins, and the Spindrift Inn.

Manzanita is served by public safety/emergency services including both paid and volunteer fire fighters and a full-time police department. Manzanita is served by a single general medical clinic, with full medical care provided by Tillamook County General Hospital, a 49-bed medical facility with ambulatory service available located in the city of Tillamook, an approximate 30-minute drive south of Manzanita. A single public-school district serves the city's educational needs.

There is little or no industrial development in Manzanita, and the City does not have a zoning designation which would allow for industrial uses. The major employers within the county are found in and around the city of Tillamook and include Tillamook County Creamery Association, Fred Meyer, Tillamook County Hospital, Tillamook County Smoker, and Tillamook Lumber Company.

Residential development near the Manzanita commercial district along Laneda Avenue includes a mix of older single-family residences with varying degrees of maintenance and upkeep, together with newer in-fill development. Single-family residential development further from the city center area, as well as outside Manzanita city limits, includes some older residences as well as newer subdivision development. The new subdivision development is primarily located south of the city center.

Transportation within Manzanita is provided by a network of two-lane neighborhood arterials, most notably Laneda Avenue, which bisects the city and serves as its primary commercial services sector. Generally, these are simple, two-lane arterials but sidewalks, curbs and streetlights are rare except along Laneda Avenue. Laneda Avenue runs for approximately 0.5 mile and connects with U.S. Highway 101 approximately 2½ blocks east of the subject. U.S. Highway 101 provides the city of Manzanita with its primary access to other communities and employment centers.

U.S. Highway 101 (Pacific Coast Highway) is the major north/south highway along the Oregon Coast. It provides the subject area with access to the cities of Cannon Beach, Seaside, Gearhart, Warrenton and Astoria to the north. To the south are the cities of Nehalem, Wheeler, Rockaway Beach, Garibaldi, Lincoln City, Newport and Florence.

In Tillamook County, the five largest industries by employment in June, 2021 were manufacturing; trade, transportation and utilities; education and health services; leisure and hospitality; and accommodation and food services. Federal, state and local government was the highest employer with 2,060 jobs. The chart on the following page summarizes the employment picture for Tillamook County and includes both current information and data for the prior year. This information reflects the impact of the coronavirus pandemic that has significantly impacted the employment picture, both locally and on a regional and national basis.

Tillamook County Current Labor Force and Industry Employment

	--Change From--				
	June 2021	May 2021	June 2020	May 2021	June 2020
Labor Force Status					
Civilian labor force	12,447	12,206	12,059	241	388
Unemployed	664	664	1,301	0	-637
Unemployment rate	5.3%	5.4%	10.8%	-0.1	-5.5
Unemployment rate (seasonally adjusted)	6.2%	6.4%	11.0%	-0.2	-4.8
Employed	11,783	11,542	10,758	241	1,025
Nonfarm Payroll Employment					
Total nonfarm employment	9,400	9,050	8,590	350	810
Total nonfarm employment (seasonally adjusted)	9,140	8,970	8,350	170	790
Total private	7,340	7,140	6,750	200	590
Mining, logging, and construction	580	590	600	-10	-20
Mining and logging	170	170	210	0	-40
Construction	410	420	390	-10	20
Manufacturing	1,520	1,470	1,400	50	120
Durable goods	370	370	340	0	30
Wood product manufacturing	290	300	280	-10	10
Nondurable goods	1,150	1,100	1,060	50	90
Food manufacturing	1,060	1,020	970	40	90
Trade, transportation, and utilities	1,480	1,460	1,380	20	100
Retail trade	1,130	1,110	1,060	20	70
Information	40	40	50	0	-10
Financial activities	270	270	270	0	0
Professional and business services	420	410	370	10	50
Education and health services	1,280	1,280	1,220	0	60
Leisure and hospitality	1,380	1,270	1,140	110	240
Accommodation and food services	1,340	1,230	1,100	110	240
Accommodation	560	500	450	60	110
Food services and drinking places	780	730	650	50	130
Other services	370	350	320	20	50
Government	2,060	1,910	1,840	150	220
Federal government	140	120	140	20	0
State government	360	340	320	20	40
Local government	1,560	1,450	1,380	110	180
Local education	780	660	630	120	150
Local government excluding educational services	780	790	750	-10	30

The most recent month is preliminary, the prior month is revised. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Civilian labor force includes employed and unemployed individuals 16 years and older by place of residence.

Employed includes payroll employment, self-employed, unpaid family workers, domestics, agriculture, and labor disputants.

Unemployment rate is calculated by dividing unemployed by civilian labor force.

Nonfarm Payroll Employment: Data are by place of work and cover full- and part-time employees who worked or received pay for the pay period that includes the 12th of the month. The data exclude the self-employed, volunteers, unpaid family workers, and domestics.

In summary, the subject is located along Laneda Avenue, the main commercial street in Manzanita, a small seaside residential community which includes a high number of part-time and vacationing residents. Manzanita relies on nearby communities to provide the majority of employment opportunities and commercial/industrial services to its full-time residents. Manzanita benefits from the strong and growing tourist industry for Oregon coastal communities, and its expansive beaches and adjacent park areas attract a strong tourist influx in the spring and summer months, generating a strong base of customers to serve its retail and residential accommodations.

Site Description

Location: The subject is located along the north side of Laneda Avenue, about 210' east of 5th Street. It has an address of 543 Laneda Avenue, Manzanita, Oregon 97130.

Size & Shape: Based upon the plat map we have reviewed, the subject site contains an estimated 10,000 sq.ft. and is square in shape with 100' of frontage along Laneda Avenue, and a depth of 100'. For further details of the subject site, refer to the plat map following this section.

Topography: The subject site is generally level and at street grade with Laneda Avenue. For further information, refer to the photographs of the subject property at the beginning of this report.

Accessibility: The subject is located along Laneda Avenue, the main commercial street in Manzanita and the main access from U.S. Highway 101 (Pacific Coast Highway) approximately 2½ blocks east of the subject site. Laneda Avenue provides access to a variety of Manzanita neighborhood arterials, as well as providing beach access approximately seven blocks west of the subject. U.S. Highway 101 is the main north/south highway along the Oregon Coast. Overall, the subject is considered to have a good location regarding accessibility.

Exposure: The subject, with 100' of street frontage, enjoys good exposure along Laneda Avenue, the main commercial arterial in Manzanita. The subject enjoys exposure to both automobile and pedestrian traffic.

Abutting Properties:

North:	Single-family residence and vacant land
East:	An older, single-family residence residence
South:	Laneda Avenue, beyond which is a U.S. Bank branch
West:	A vacant 5,000 sq.ft. site

Street Improvements:

Laneda Avenue:

Direction:	Two-way (east/west)
No. of Lanes:	Two (plus street parking)
Surface:	Asphalt
Street Lights:	Yes
Sidewalks:	Yes

Utilities:	All necessary public utility services including electricity, sewer, water and telephone are available to the subject property and are assumed to be adequate. Natural gas is not available as it is not a service provided in the city.
Flood Hazard Area:	According to FEMA Flood Insurance Rate Map, Panel No. 41057C0206F dated September 28, 2018, no portion of the subject site is indicated to be in a designated flood hazard area. For further information, refer to the Interflood map at the end of this section.
Environmental Issues:	A Phase I Environmental Assessment was not provided to the appraiser. The value estimate in this report is predicated on the important assumption that there are no environmental conditions adversely affecting the subject site.
Earthquake Zone:	The portion of the State lying west of the Cascade Mountains is designated a Zone "3" for risk of seismic activity (earthquake), on a scale of "1" (lowest risk) to "4" (highest risk). This represents a significant risk of seismic activity. This risk, however, applies uniformly to all properties in the area and does not appear to unduly affect the value of the subject property.
Easements:	No title report was made available to this appraiser; however, no apparent adverse easements were noted upon our physical inspection of the property. Thus, it is hereby assumed that there are none in existence that would be detrimental to the subject property's value. It is strongly recommended that a current title insurance policy be obtained to be protected against such possibility.
Zoning:	The subject site is zoned C-1 (Commercial) by the City of Manzanita. The C-1 Zone encourages the widest variety of commercial uses which can also be developed in a mixed-use environment. Permitted uses in the C-1 Zone include: a use permitted in the R-2, R-3 and R-4 Zones; retail trade establishments; repair and maintenance services; business office; restaurants and lounges; financial institutions; health facilities; motels and hotels (including eating and drinking establishments in conjunction therewith); mixed-use development; brew pub, micro-winery or micro-distillery; and personal or business service establishments. Conditional uses permitted in the C-1 Zone include cottage industries such as crafts, manufacturing and woodworking shops; wholesale trade establishments; recreational facilities; and drive-in restaurants or walk-up, fast food operations.

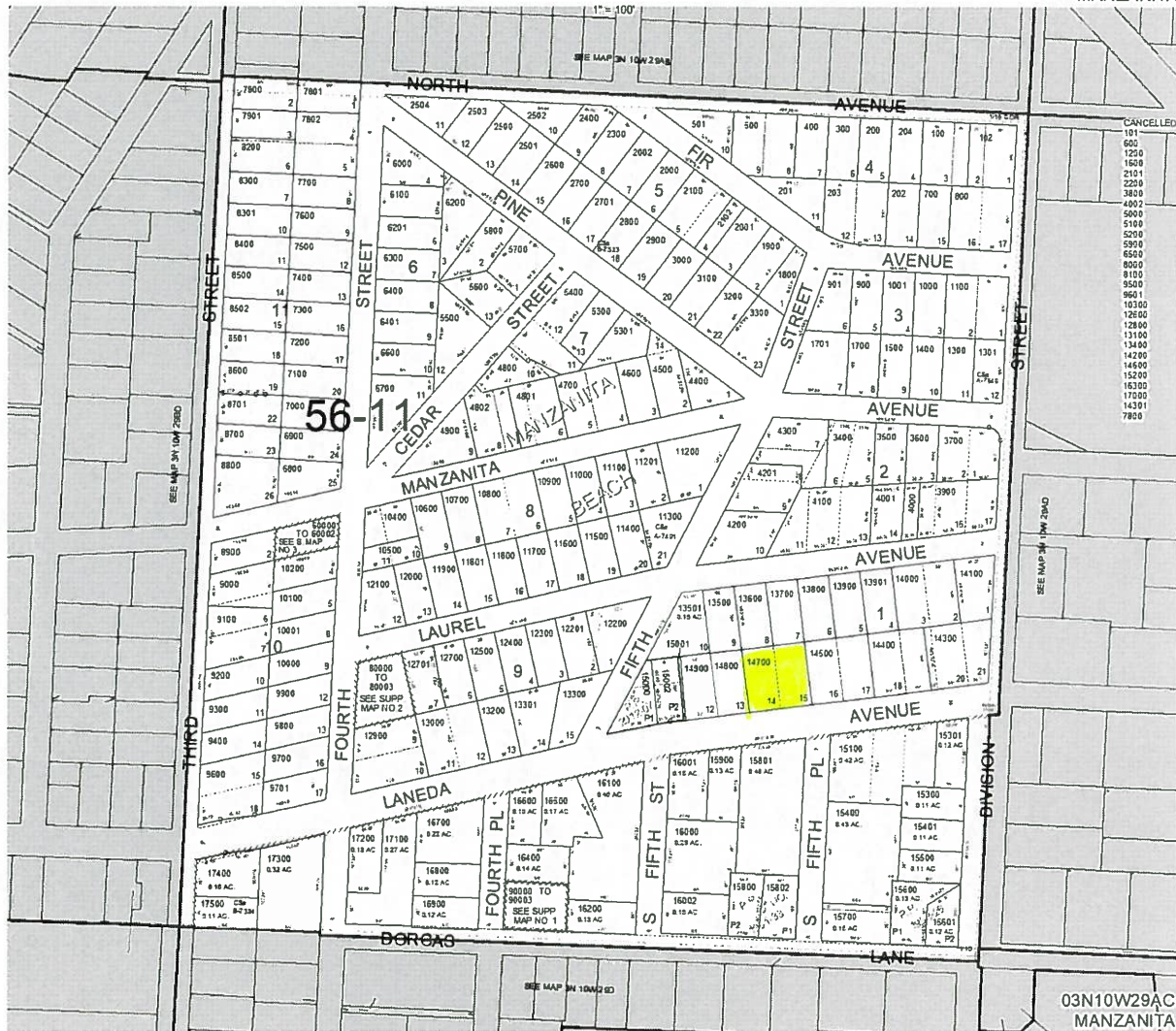
For commercial, non-residential, or mixed-use development uses, the minimum front yard shall be 10', the minimum side yard shall be 5' and the minimum rear yard shall be 5'. The maximum building or structure height shall be 28'6". Minimum landscaped area shall be at least 10% of total lot area of commercial, mixed-use, or non-residential uses. Buildings on a lot shall have a floor area ratio of no more than 0.65. Required on-site parking for office buildings is one space for each 400 sq.ft. of gross floor area. Parking for a retail store is 1 space per 400 sq.ft. of floor area, plus 1 for each 2 employees. Parking for a dwelling unit on lots 5,000 sq.ft. or smaller in the C-1 Zone is one space for the first dwelling unit.

Based upon a review of the subject's current zoning, a number of uses appear to be permitted outright under the C-1 Zone.

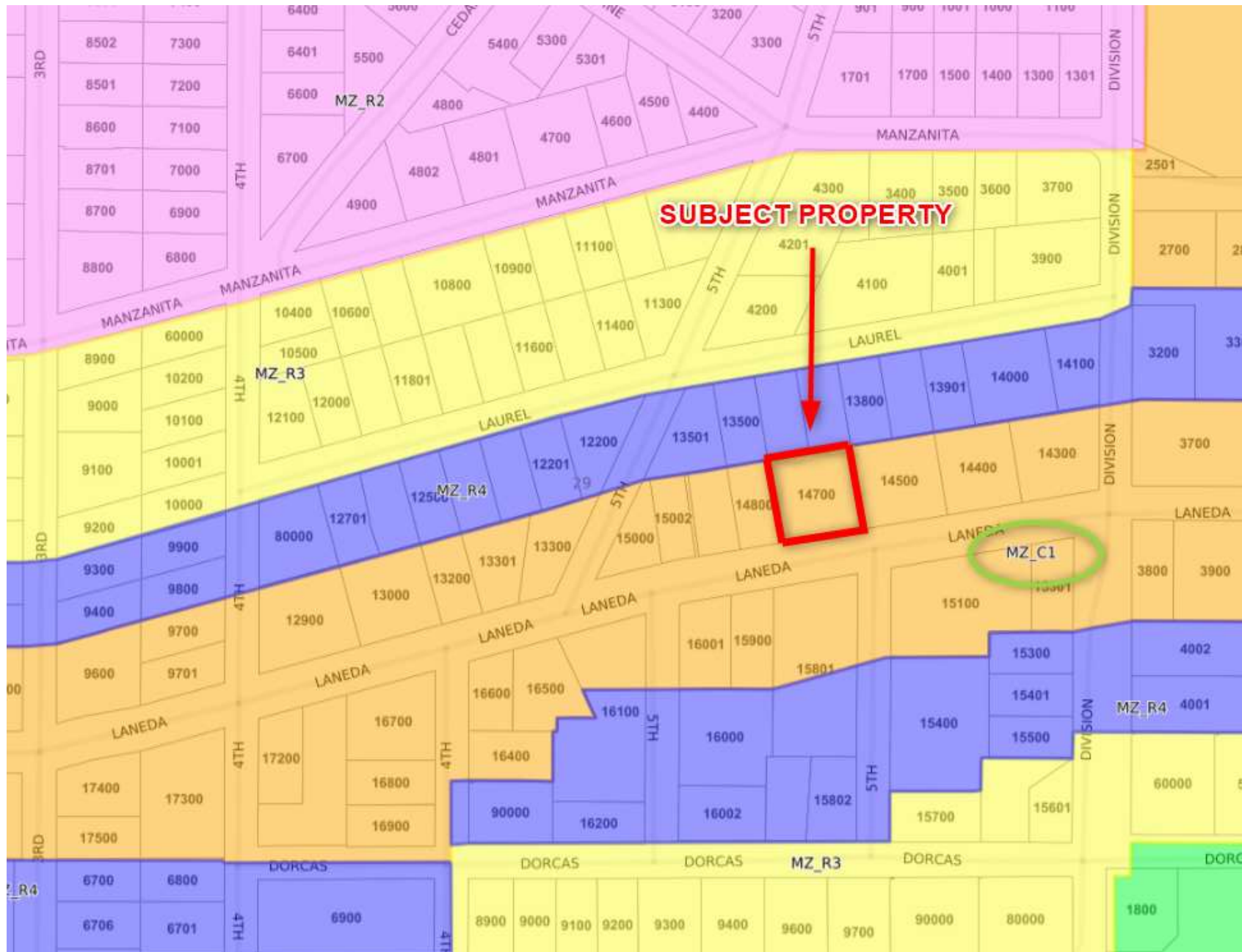
Overall Site Analysis:

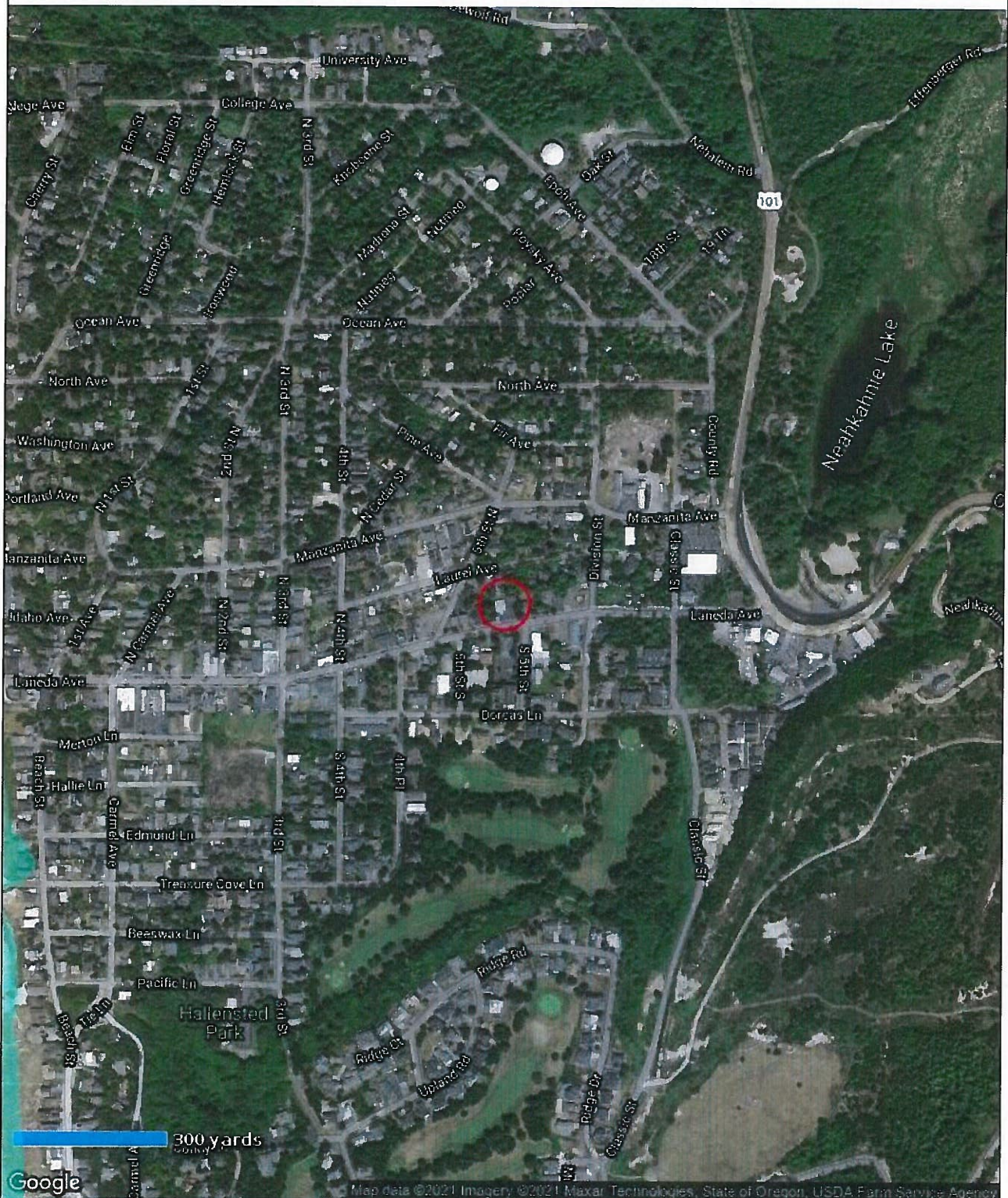
The subject site is satisfactory in terms of its size and shape and is well located with good accessibility and good exposure. It has no known unusual site development problems, has all necessary utilities available (although natural gas is not available in Manzanita) and has no apparent adverse conditions (environmental, flood or easements). Additionally, the subject site appears to be located just outside of the tsunami zone.

03N10W29AC
MANZANITA



03N10W29AC
MANZANITA





MAP DATA

FEMA Special Flood Hazard Area: No
Map Number: 41057C0206F
Zone: X
Map Date: September 28, 2018
FIPS: 41057

MAP LEGEND

- Areas inundated by 500-year flooding
- Areas inundated by 100-year flooding
- Velocity Hazard

- Protected Areas
- Floodway
- Subject Area

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Tax Assessment Data

The subject property is liable for annual real estate taxes as levied by the Tillamook County Assessor. Real property in the State of Oregon is assessed at a variable percentage of its Real Market Value (RMV). The RMV for the subject property for the 2020-21 tax year is summarized as follows:

<u>Land</u>	<u>Improvements</u>	<u>Total RMV</u>	<u>Taxes</u>
\$307,180	\$168,520	\$475,700	N/A

Since the subject property is owned by the City of Manzanita, there are no property taxes on the property.

In Oregon, all properties carry a Real Market Value (RMV), a Maximum Assessed Value (MAV), and an Assessed Value (AV). The MAV, which is statutorily determined, typically is lower than the RMV and increases by 3% annually. However, the increase may be greater if new improvements are added or any of several other “exception” events occur, or lower if the RMV drops below the MAV. AV is the lower of the RMV and MAV. Taxes on non-specially assessed properties are based on the AV multiplied by the current tax rate, subject to certain limitations and exclusions.

Description of Improvements

Although the subject site is improved with two buildings that, according to the Tillamook County Assessor's office, were constructed in 1950, since we were instructed to appraise only the subject's underlying land value, no consideration has been given to the existing improvements on the subject site.

Highest and Best Use

The highest and best use is defined as that reasonable and probable legal use that will support the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use from among reasonable, probable and legal alternative uses found to be physically possible, appropriately supported, financially feasible, and which results in highest land value.

Implied within this definition is that the determination of highest and best use results from the appraiser's judgment and analytical skills, and is not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which a value is based. In a context of most probable selling price (market value) another appropriate term to reflect highest and best use would be most probable use. In order to estimate the subject property's highest and best use, it is necessary to analyze those various potential uses for the property, and to analyze those various restraints placed upon its use, including social, economic, governmental and physical.

As Though Vacant

With respect to the subject site, the following factors have been considered in estimating an appropriate highest and best use for the subject, as though vacant.

Legal Considerations

The primary legal consideration affecting the subject property is the City of Manzanita's zoning designation. The subject is zoned C-1 (Commercial) which encourages the widest variety of commercial uses which can also be developed in a mixed-use environment. Permitted uses in this C-1 Zone include: a use permitted in the R-2, R-3 and R-4 Zones; retail trade establishments; repair and maintenance services; business office; restaurants and lounges; financial institutions; health facilities; motels and hotels (including eating and drinking establishments in conjunction therewith); mixed-use development; brew pub, micro-winery or micro-distillery; and personal or business service establishments. Conditional uses permitted in the C-1 Zone include cottage industries such as crafts, manufacturing and woodworking shops; wholesale trade establishments; recreational facilities; and drive-in restaurants or walk-up, fast food operations.

As previously mentioned, the subject is not located in a flood hazard area appears to be just outside of the tsunami zone. Additionally, no easements were noted that would adversely impact the overall development of the subject site. It has been assumed, for purposes of this appraisal, that there are no environmental issues affecting the subject site, although it has been reported that the main existing building on the subject site is contaminated with mold. However, this appraisal only addresses the subject's underlying land value with no consideration to the existing improvements. It is also assumed, for purposes of this appraisal, that the subject site has adequate soil conditions to support the various uses allowed under the current zoning.

Physical Considerations

The subject site contains an estimated 10,000 sq.ft. and is square in shape with 100' of frontage along the north side of Laneda Avenue. The site is basically level and at street grade. The subject is considered to have good exposure and good access due to its frontage on Laneda

Avenue, the main east/west commercial arterial through Manzanita. All necessary public utilities are available, except natural gas. It should be noted that natural gas is not available in the city of Manzanita. Additionally, there are no known factors that would restrict the development of the subject site as vacant.

Market Overview & Feasibility

After considering the subject site's legal and physical considerations, as well as the existing properties along Laneda Avenue, it appears that the most likely use for the subject property is for some type of commercial development, including either a single or multi-tenant retail use similar to what exists along Laneda Avenue.

Supply and demand factors have also been considered, including existing inventory of retail space in the subject's market area. There are no local real estate companies that issue reports along the North Oregon Coast which detail the overall occupancy of retail space in the area. However, the CoStar Group collects information on inventory and vacancy for retail space in Manzanita and Tillamook County that can be accessed in their analytic database.

In Manzanita, approximately 40,843 sq.ft. of retail space was reportedly surveyed during the third quarter of 2021, with no vacancy. Additionally, for the last several years, CoStar indicates that there was only vacancy during the fourth quarter of 2020 consisting of 2,986 sq.ft. In Nehalem, several miles south of Manzanita, CoStar indicated 36,970 sq.ft. of retail space with no current vacancy. Lastly, in Cannon Beach, north of Manzanita, CoStar indicated an inventory of 105,000 sq.ft. of retail space with no vacancy. In all of Tillamook County, CoStar reportedly surveyed 1,002,035 sq.ft. with a total vacancy of 7.8%. In addition to the information from CoStar, a visual observation of retail space along Laneda Avenue indicated very little vacancy at the present time.

The state of the regional and national economies are important factors that affect the real estate market in Manzanita and all of Tillamook County as well as neighboring Clatsop County, which are heavily dependent on tourism. The Portland Metropolitan Area is by far the largest metropolitan area closest to the subject and thus, the unemployment rate for Oregon, the Portland Metropolitan Area and Tillamook County are considered important, as well as the national unemployment rate.

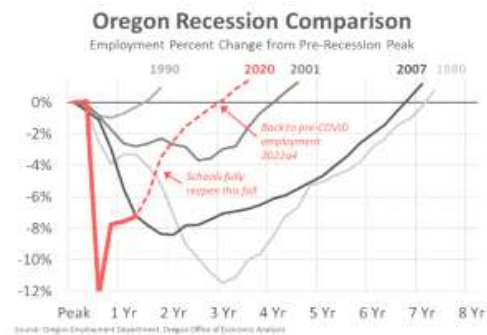
The most recent release by the State of Oregon Employment Department reported the seasonally adjusted U.S. unemployment rate for June, 2021 was 5.9%, up slightly from 5.8% the previous month but down considerably from 11.1% in June, 2020, reflecting the impact of the coronavirus pandemic. The unemployment rate for the state of Oregon was 5.6% in June, 2021, down from 5.8% the previous month and down considerably from 10.3% in June, 2020. The unemployment rate for the Portland Metropolitan Area was 5.7% in June, 2021, down from 6.0% the previous month and down considerably from 10.7% in June, 2020. Locally, Tillamook County's seasonally adjusted unemployment rate was 6.2% in June, 2021, down from 6.4% the previous month and down substantially from 11.0% in June, 2020. Additionally, the unemployment rate (not seasonally adjusted) in Tillamook County was 5.3% in June, 2021, down slightly from 5.4% the previous month and down substantially from 10.8% in June, 2020.

Because Manzanita and other cities in Tillamook County are heavily dependent upon tourism, the overall state of the economy is an important factor when considering the overall health of the commercial real estate market.

Regarding the current conditions and economic outlook, the following is taken from the State of Oregon's Office of Economic Analysis May 2021 report and reflects reaction to the COVID-19 pandemic and expected economic outcomes:

Economic Outlook

Economic growth is surging as the pandemic wanes. Thanks to federal fiscal policy, consumers have higher incomes today than before COVID-19 hit. Now they are increasingly allowed to and feel comfortable resuming pandemic restricted activities like going out to eat, on vacations, getting haircuts and the like. The outlook for near-term economic growth is the strongest in decades, if not generations. The consensus economic forecast for real GDP this year is 6-7%, which would be the largest increase since 1984's "Morning in America." Next year real GDP is forecasted to increase 4-5%. Such gains would bring the economy back to full employment much faster than in recent cycles. Growth slows thereafter as economic slack diminishes and gains are based on underlying productivity and the size of the labor force.



Oregon's labor market is expected to return to full health during the upcoming 2021-23 biennium. With the strong near-term outlook for consumer spending, job growth is front-loaded such that the largest employment gains will occur this summer and fall. Total employment in Oregon will surpass pre-pandemic levels in late 2022 with the unemployment rate returning to 4 percent in 2023.

While a jobs hole remains in the labor market, the same cannot be said for household incomes. Currently incomes in Oregon are 20 percent higher than before COVID-19 hit, thanks in larger part due to the temporary federal measures put in place. Excluding the direct federal aid, incomes are back to pre-pandemic levels and expected to grow 6- 7% this year and next. Income growth in the out years is forecasted to increase 5% per year.

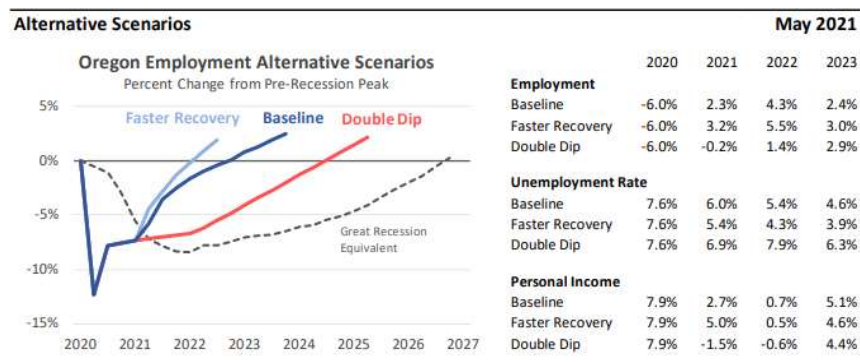
However, with such a strong consensus near-term outlook, the risks do primarily lie to the downside. The risk is that supply cannot keep pace with demand. The path forward may be bumpier than expected, even if the trajectory is up. Already supply constraints have emerged in semiconductors, lumber, and rental cars to name a few. More bottlenecks are likely on the horizon. Furthermore, running through all of these issues is labor. Attracting and retaining workers is already much more challenging than expected given the economy went through a severe recession last year. There are a variety of simultaneous factors impacting the number of available workers including strong household finances, the virus itself, and lack of childcare or in-person schooling. While the temporary pandemic-related constraints will ease in the months ahead, the labor market is expected to remain tight for the foreseeable future in large

part due to demographics and the large number of Baby Boomers retiring. Labor will remain a challenge for firms. But a tight labor market also works wonders for employees with strong wage gains and more plentiful job opportunities.

With the prospect of strong growth and near-term supply constraints, the possibility of an overheating economy has quickly replaced fears of a long-lasting, demand-driven recession like the past few cycles have been. Undoubtedly inflation will acceleration in the months ahead. Production costs are rising quickly in part due to 4 capacity constraints and bottlenecks. However these price pressures are coming off of a low base and are largely expected to be transitory. The Federal Reserve so far has indicated it will only become concerned should price pressures turn persistent. Given the overall economy is not at full employment, and generally strong wage growth is needed for persistent inflation, by definition the current bout of inflation is transitory.

Alternative Scenarios

The baseline forecast is our outlook of the most likely path for the Oregon economy. As with any forecast, however, many other scenarios are possible. While the pandemic is waning and the vaccines so far are working against the known variants, some risks do remain. The two alternative scenarios below are not the upper and lower bounds of these outcomes. These alternative scenarios are modeled on realistic assumptions that are somewhat more optimistic or pessimistic than the baseline.



Optimistic Scenario - The underlying strength in income and consumer spending propel the economy to full health by early 2022, leading the overall cycle to more closely resemble the traditional recovery from a natural disaster. Inoculations continue to increase rapidly with the population reaching herd immunity this summer. Additional federal investments are made in public health, keeping another potential wave of cases this fall and winter at bay. The current supply constraints on the economy prove temporary with no large price pressures emerging. As the pandemic fades, labor supply accelerates allowing firms to hire and expand in an improving economy.

Pessimistic Scenario - Vaccinations crawl to a stop with the population not quite reaching herd immunity. Concerns over the virus remain, with a potential new wave of cases, hospitalizations, and deaths this fall and winter. The end result is consumers stay home to a greater degree and job gains are meager until next spring when cases decline. Complicating matters is a lackluster

federal policy response in order to support laid off workers and struggling households and firms this fall. More permanent damage accumulates in the form of business closures, slowing the pace of recovery. Oregon's economy does not fully return to health until early 2025.

In summary, the COVID-19 pandemic and associated public health response has plunged the U.S. and Oregon economies into a severe recession, with unemployment rates initially spiking above 14%. Government-mandated business restrictions were partially lifted, and higher levels of economic activity have followed as a result of pent-up demand. The sustained decline in the national and local unemployment rates over the past six months indicates that the worst of the economic slowdown is over. Different sectors of the real estate market have been impacted differently. The lodging industry and the restaurant industry, as well as the entertainment industry, were greatly impacted by the pandemic, while the retail, office and multi-family markets were impacted, but to a lesser degree. On Friday, June 25, 2021, Governor Kate Brown stated that she would be lifting Oregon's mask mandate, capacity limits on business and social distancing requirements since almost 70% of the population is vaccinated against the coronavirus.

A recent talk by Spencer Levey, chairman of America's Research and Senior Economic Advisor for CBRE, the largest commercial real estate firm in the world, indicated that, in his opinion, there is tremendous pent-up demand for people to start traveling and spending money that they have saved during the pandemic. In our opinion, this pent-up demand should be beneficial to tourist-oriented properties located along the North Oregon Coast.

As Vacant

Based upon the overall development patterns in the immediate subject neighborhood, and especially along Laneda Avenue, the overall local economy, and after considering the physical, legal and market aspects of the subject property, it is our opinion, as vacant, the highest and best use of the subject site would be for an owner-occupied or a single or multi-tenant commercial development to take advantage of its frontage along Laneda Avenue and the development in the immediate subject area.

The Appraisal Process

In appraisal of real property, there are three basic approaches that are generally utilized by appraisers in the estimation of market value. These three approaches provide data from the market from different sources when all are available, or appropriate. The three approaches are the Cost, Sales Comparison and Income Approaches.

The Cost Approach to value is the method in which the value of the property is derived by estimating the replacement or reproduction cost new of the improvements, deducting therefrom the estimated depreciation and adding the market value of the land.

The Sales Comparison Approach has as its premise the direct comparison of recent sales of properties which are of similar design and utility to the subject property. This approach can be utilized whenever there are sufficient market sales of comparable properties with which to compare to the subject property.

The Income Approach has as its premise the estimation of net income which is then capitalized in a manner commensurate with the risk and life expectancy of the improvements in order to indicate the present value of the income stream. This is referred to as the Direct Capitalization Method. In addition, a second method, the Discounted Cash Flow analysis (DCF), may also be utilized depending on the property being appraised. In the case of income-producing properties, it is typical of most investors to approach the question of value from a detailed analysis of the potential income stream available to the property.

As discussed within the Scope of Assignment section, since the purpose of the appraisal is to value the subject's underlying land only with no consideration given to the existing improvements, the most applicable approach is considered to be the Sales Comparison Approach, which will be utilized in this appraisal.

Site Valuation

In this section, the current market value of the subject site, as though vacant as of the date of appraisal, will be estimated by the Direct Sales Comparison method. This method is based upon the principle that a prudent investor would pay no more for a property than the cost of acquiring a satisfactory substitute and is considered to be the most appropriate method for valuation of the subject property. In this case, the Price Per Square Foot method is considered to be the most applicable and will be utilized in this analysis.

Our initial research was conducted in Manzanita, primarily along Laneda Avenue, the main commercial arterial in the small city of Manzanita. One recent land sale was found along Laneda Avenue; however, there are two other sites listed for sale with one of the properties reportedly under contract. There have also been several other sales located in close proximity to Laneda Avenue, which will be presented in the appraisal but which, in our opinion, will bracket the lower range of value for the subject. Lastly, due to the relatively few sales in the small community of Manzanita, we have also included a sale of a commercial site located along N. Hemlock Street in the downtown area of Cannon Beach. Thus, the following sales are considered to be meaningful to this analysis and will be followed by a photograph and plat map of each sale, a location map of the sales located in Manzanita, and an analysis and conclusion of value for the subject property.

The subject property is being appraised assuming an all-cash or equivalent new financing basis. Therefore, a concerted effort was made to locate sales of similar sites that were purchased under all-cash or equivalent terms. Where necessary, sales have been adjusted to reflect a cash or equivalent price by comparing sale terms with market rates at the time of sale and discounting the difference in monthly payments to a present value over the balloon or a typical 8-year holding period utilizing the market rate.

Land Sale No. 1

Code: OCLS-2261 (LM)

Location: North side of Laneda Avenue, approximately 160' east of Fifth Street

City: Manzanita **County:** Tillamook

Legal Description: Tax Lot 14800, Map 3N1029AC (Account No. 99333)

Grantor: Sampson, John M. Trustee and Sampson, Kathleen Ann Trustee, et. al.

Grantee: Sean R. & Melissa G. Pierce

Date of Sale: February, 2021 **Recording:** 2021-1812

Sale Price: \$199,000

Terms: Cash to seller

Cash Equiv. Price: \$199,000

Site Size: 5,000 sq.ft.
Sale Price/Sq.Ft.: \$39.80
Zoning: C-1 (Commercial)
Access: Good
Shape: Rectangular
Topography: Level to sloping
Utilities: All available (except natural gas)
Confirmed By: Dellanne McGregor, listing agent (503-739-0964) and Hans Tonjes at Living Room Realty, buyer's agent (503-936-4244)

Exposure Time: 2.5 years

Comments: This site is located along the north side of Laneda Avenue, just west of Manzanita City Hall and approximately 160' east of Fifth Street. The property was initially listed at \$292,000, or \$58.40 per sq.ft. and had subsequent price reductions. A negative feature of the site is the fact that there is a telephone pole located adjacent to the street, directly in front of the site. Reportedly, the buyer of the property was informed that it would cost approximately \$50,000 to remove the telephone pole and put the utilities under ground. This would increase the overall cost of the site to approximately \$49.80 per sq.ft.

Land Sale No. 2

Code: OCLS-2263 (LM)

Location: 132 S. Third Street (east side of Third Street, approximately 75' south of Laneda Avenue)

City: Manzanita **County:** Tillamook

Legal Description: Tax Lot 17500, Map 3N1029AC (Account No. 99583)

Grantor: James Hughes

Grantee: Jakas Industries, LLC

Date of Sale: November, 2020 **Recording:** 2020-8311

Sale Price: \$232,000

Terms: Cash to seller

Cash Equiv. Price: \$244,000 (includes \$12,000 demolition cost, per broker)

Site Size: 5,000 sq.ft.
Price/Sq.Ft.: \$48.80
Zoning: C-1 (Commercial)
Access: Good
Shape: Rectangular
Topography: Sloping
Utilities: All available (except natural gas)
Confirmed By: Hans Tonjes, Living Room Realty (503-936-4244)

Exposure Time: N/A

Comments: This site was improved with a 600 sq.ft. single-family residence constructed in 1935 which was in poor condition. The property was marketed as ready for redevelopment as commercial, residential or a mixed-use due to its C-1 zoning. It is located one lot south of Laneda Avenue and reportedly the buyer considered constructing a small boutique motel, but most likely will construct a single-family residence.

Land Sale No. 3

Code: OCLS-2264 (LM)

Location: 124 Merton Lane (one block south of Laneda Avenue and approximately 40' east of Carmel Avenue)

City: Manzanita **County:** Tillamook

Legal Description: Tax Lot 2600, Map 3N1029CA (Account No. 98352)

Grantor: Elk Butte Properties LLC

Grantee: Janet and Fel Pajimula

Date of Sale: January, 2021 **Recording:** 2021-849

Sale Price: \$217,500

Terms: Cash to seller

Cash Equiv. Price: \$217,500

Site Size: 4,000 sq.ft.
Price/Sq.Ft.: \$54.38
Zoning: R-3 (High Density Residential)
Access: Good
Shape: Rectangular
Topography: Level
Utilities: All available (except natural gas)
Confirmed By: County records and Multiple Listing Service

Exposure Time: Approximately five months

Comments: This site is located one block south of Laneda Avenue along the south side of Merton Lane, approximately 50' east of Carmel Avenue. It has 50' of frontage along Merton Lane and a depth of 80'. It was purchased for, and is subsequently being improved with a single-family residence. It was listed for sale in August, 2019 at \$225,000. East and west of the site are single-family residences. Just north of the property is the Spindrift Inn and a two-story, multi-tenant retail property, both of which front on Laneda Avenue.

Land Sale No. 4

Code: OCLS-2260 (LM)

Location: 220 Laneda Avenue (south side of Laneda Avenue, just east of Second Street)

City: Manzanita **County:** Tillamook

Legal Description: Tax Lot 17100, Map 03N10W29BD (Account No. 101623)

Grantor: James V. Frank, et. al.

Grantee: N/A

Date of Sale: Pending (July, 2021) **Recording:** N/A

Pending Sale Price: ±\$960,000

Terms: Cash to seller

Cash Equiv. Price: ±\$960,000

Site Size: 10,019 sq.ft.
Pending Price/Sq.Ft.: \$95.82
Zoning: C-1 (Commercial)
Access: Good
Shape: Square
Topography: Level and sloping
Utilities: All available (except natural gas)
Confirmed By: Evan Zener, Strong Edge Realty (971-285-0847) and Hans Tonjes, Living Room Realty (503-936-4244)

Exposure Time: Approximately nine months (see comments)

Comments: This 10,019 sq.ft. site is located along the south side of Laneda Avenue, just east of Second Street. The west half of the lot is generally level and at street grade, while the east half of the site is improved with two homes, each containing approximately 1,600 sq.ft. and has a downward slope from east to west. According to the listing agent and the agent representing the buyer, little to no value is attributable to the building improvements. This site was originally listed for sale with a larger site zoned Residential that is located directly to the south. According to Evan Zener, this latter property sold and the commercial site has been listed separately for approximately nine months.

Land Sale No. 4, cont.

Both the seller and buyer agents indicated that the property is under contract at around \$960,000 (exact sale price was not divulged). The cost of demolition might be offset by the interim rental income from the residences.

Land Sale No. 5

Code: OCLS-2259 (LM)

Location: Northwest corner of Laneda Avenue and Third Street

City: Manzanita **County:** Tillamook

Legal Description: Tax Lot 16900, Map 3N1029BD (Account No. 101561)

Grantor: By the Sea Investments V

Grantee: N/A

Date of Sale: Listing (July, 2021) **Recording:** N/A

Asking Price: \$499,000

Terms: Negotiable

Cash Equiv. Price: N/A

Site Size: 5,000 sq.ft.
Asking Price/Sq.Ft.: \$99.80
Zoning: C-1 (Commercial)
Access: Good
Shape: Rectangular
Topography: Generally level/slightly sloping
Utilities: All available (except natural gas)
Confirmed By: Jeff Etchison, Duane Johnson Real Estate (503-440-2540) and
Brett Bayne, Macadam Forbes (503-972-7280)

Exposure Time: Approximately two years

Comments: This site is located at the northwest corner of Laneda Avenue and Third Street. This site and the adjacent 5,000 sq.ft. site to the west were purchased in 2007 for \$1,100,000, or \$110.00 per sq.ft. The tax lot to the west of the listed site (Tax Lot 16901) was subsequently developed with The Winery at Manzanita building, a good quality, two-story structure. According to the listing agents, there was an offer in early 2021 for \$390,000, or \$78.00 per sq.ft., with the seller countering at \$475,000, or \$95.00 per sq.ft. Reportedly during the last month, two parties have expressed interest in the property but no offers were made.

Land Sale No. 6

Code: OCLS-2262 (LM)

Location: 279 N. Hemlock Street

City: Cannon Beach **County:** Clatsop

Legal Description: Tax Lot 1300, Map 51019DD

Grantor: Sue Gwynedd Griffith, Trustee of the Griffith Living Trust

Grantee: Jeffrey Nicholson

Date of Sale: May, 2018 **Recording:** 201803568

Sale Price: \$549,000

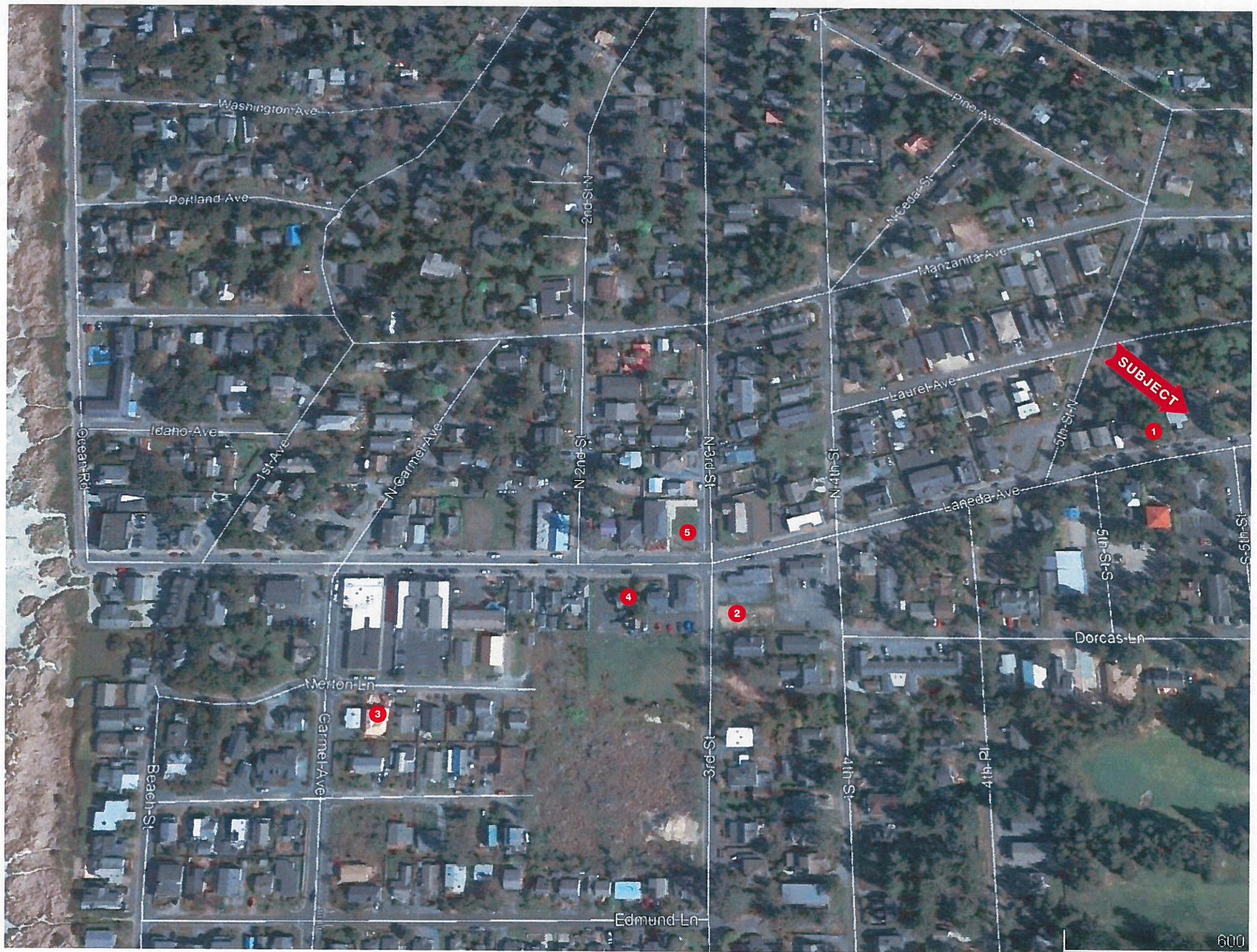
Terms: Short-term contract (amount unknown)

Cash Equiv. Price: \$549,000

Site Size: 5,000 sq.ft.
Price/Sq.Ft.: \$109.80
Zoning: C-1 (Limited Commercial)
Access: Good
Shape: Rectangular
Topography: Level
Utilities: All available
Confirmed By: Ted Wood, Hansson Company (206-818-0378)

Exposure Time: N/A

Comments: This site is located along the east side of N. Hemlock Street, 100' south of Third Street in downtown Cannon Beach. At the time of sale, the site was improved with a 720 sq.ft. house constructed in 1918 that was located at the rear of the lot. According to Ted Wood, the buyer purchased the property with the intent of possibly renovating the house into a retail building. However, subsequent to purchasing the property, the house was removed and, in September, 2020, the property was involved in a sale leaseback with the seller planning to construct a 1,200 sq.ft. retail building and leasing it back for \$60,000 per year on a triple-net basis.





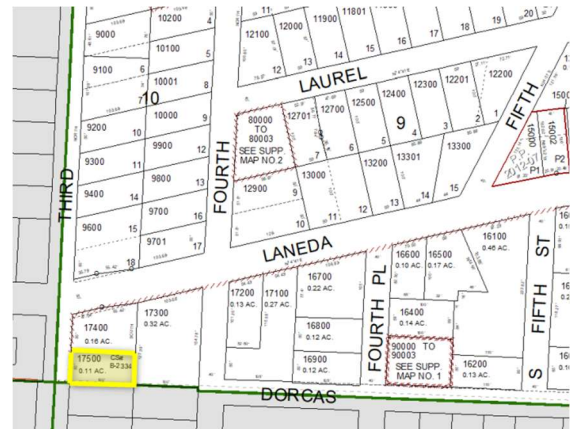
Comparable No. 1 (OCLS-2261)



Comparable No. 1 Plat Map



Comparable No. 2 (OCLS-2263)



Comparable No. 2 Plat Map



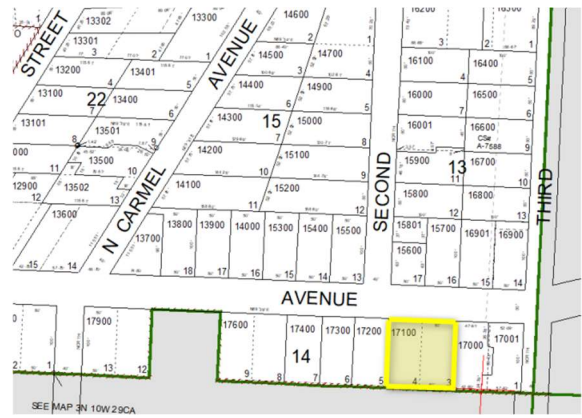
Comparable No. 3 (OCLS-2264)



Comparable No. 3 Plat Map



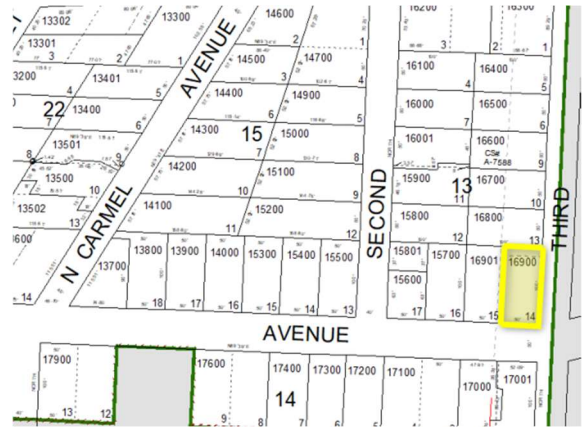
Comparable No. 4 (OCLS-2260)



Comparable No. 4 Plat Map



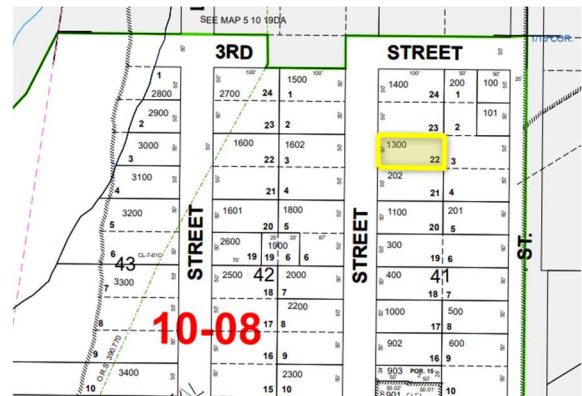
Comparable No. 5 (OCLS-2259)



Comparable No. 5 Plat Map



Comparable No. 6 (OCLS-2262)



Comparable No. 6 Plat Map

Summary of Land Sales

No.	Date	Cash Equiv. Sales Price	Sq.Ft. Site Size	Cash Equiv. Price/Sq.Ft.	Zoning
1	2/21	\$199,000	5,000	\$39.80	C-1
		\$249,000 ^A	5,000	\$49.80	
2	11/20	\$244,000 ^B	5,000	\$48.80	C-1
3	1/21	\$217,500	4,000	\$54.38	R-3
4	Pending (7/21)	±\$960,000	10,019	\$95.82	C-1
5	Listing	\$499,000	5,000	\$99.80	C-1
6	5/18	\$549,000	5,000	\$109.80	C-1
Subj.	N/A	N/A	10,000	N/A	C-1

^A Estimated cost to remove telephone pole in front of property and put utilities underground

^B Includes estimated demolition cost of \$12,000 to remove structure

Analysis and Conclusion

The comparables summarized on the above chart reflect a total price range of \$39.80 to \$109.80 per sq.ft. before adjustments and \$48.80 to \$109.80 per sq.ft. after adjustments. Consideration was then given to each sale for any substantial differences noted in comparison with the subject in the categories of location, size, topography, street frontage and other characteristics. These considerations were based upon the best available information including sales comparisons, discussions with knowledgeable area brokers, as well as the appraiser's own experience and judgement. In addition, market condition adjustments (time adjustments), especially in times of appreciation and depreciation, are always a critical factor in appraising real estate. The most appropriate way to estimate a time adjustment is through a sale/resale of the same property. This, however, is especially difficult with land in small communities where there have been a limited number of sales. Comparable No. 5, which is a current listing at \$499,000, or \$99.80 per sq.ft., previously sold in 2007 with the adjacent site for \$110.00 per sq.ft. The westerly half of this property was subsequently developed with a good quality two-story commercial building. Thus, this land sale that occurred in 2007 is considered to be too dated to estimate a time adjustment in valuing the subject.

Comparable Nos. 1-3 occurred between November, 2020 and February, 2021. Thus, in our opinion, no market condition adjustment is considered necessary. Comparable No. 4 is a pending sale and, thus, no market condition adjustment is considered necessary. Comparable No. 5 is a listing at \$99.80 per sq.ft. According to one of the listing brokers, an offer was received in early 2021 at \$78.00 per sq.ft. with the seller countering at \$95.00 per sq.ft. Since listings generally sell for less than their asking price, a downward adjustment to this comparable is considered necessary. Lastly, Comparable No. 6 located in Cannon Beach sold in May, 2018. It is difficult to determine if a market condition adjustment is appropriate for this comparable due to the impact that the coronavirus pandemic initially had on certain segments of the real estate market. Thus, in this analysis, no market condition adjustment will be made.

In addition to a market condition adjustment, adjustments to the comparable sales were considered for property rights transferred, financing terms, conditions of sale and physical/location characteristics. The fee simple rights for each of the comparable sales were transferred and, therefore, none of the comparables require an adjustment for financing. Of the four closed sales, only Comparable No. 6 sold on a short term contract. The other three sales were cash sales. Due to the short term nature of the contract, no adjustment to Comparable No. 6 is considered necessary. All of the comparable sales were reportedly sold at arms-length or were market transactions without any undo duress and, therefore, no adjustment for conditions of sale are required.

Adjustments for physical and locational characteristics are generally subjective in nature. The primary differences between the comparables and the subject are considered to include such items as location, size, topography and access/exposure. Since it is extremely difficult to isolate specific adjustments for differences in sales and since there was insufficient sales information due to the relatively small Manzanita and immediate surrounding market area to perform paired sales analysis for various adjustments, no quantitative adjustments were made. Thus, in the following analysis, each comparable will be analyzed on a qualitative basis in terms of its characteristics and utility in comparing the comparables to the subject.

In the following analysis, a bracketing technique is considered most appropriate and will be utilized, whereby each comparable will be analyzed in terms of its overall comparability and whether it is generally equal or whether it brackets the lower or upper end of the range of value for the subject.

Comparable No. 1 is the February, 2021 sale of a 5,000 sq.ft. rectangular-shaped parcel located along the north side of Laneda Avenue, approximately 160' east of Fifth Street and directly west of the subject property. It sold for \$199,000, or \$39.80 per sq.ft. It has 50' of frontage along Laneda Avenue and a depth of 100'. It was initially listed at \$292,000, or \$58.40 per sq.ft. It had several price reductions, with the latest asking price being \$199,000. The site is covered with vegetation and is level to somewhat sloping. It will likely require some type of retaining wall at the north end of the site. A negative feature of the site is the fact that there is a telephone pole located adjacent to the street directly in front of the site. The buyer of the property was reportedly informed that it would cost approximately \$50,000 to move the telephone pole and put the utilities underground. In comparing this comparable with the subject, upward adjustments are considered necessary for the subject's superior square shape and 100' of frontage along Laneda Avenue, for the fact that the subject is level and does not have a telephone pole directly in front of the site. After considering these factors, this sale at \$39.80 per sq.ft. is considered to bracket the extreme lower range of value for the subject.

Comparable No. 2 is the November, 2020 sale of a 5,000 sq.ft., rectangular-shaped parcel located along the east side of Third Street, one property south of Laneda Avenue. This property sold for \$232,000. After adjusting for a demolition cost of approximately \$12,000, it has an adjusted price of \$244,000, or \$48.80 per sq.ft. The site has 50' of frontage along Third Street with a depth of 100'. At the time of sale, it was improved with a 600 sq.ft. cabin/residence, which reportedly was moved atop a cinder block foundation a number of years ago to create the Manzanita Bus Stop, used overnight by the driver. A benefit of the existing building was that it grandfathered the initial water and sewer SDCs. The site has a sloping topography and although it is not located along Laneda Avenue, it is zoned C-1. In comparing this comparable with the subject, upward adjustments are considered necessary for its inferior location since it does not have Laneda Avenue frontage, the

subject's superior square shape with 100' of street frontage, and the subject's level topography. After considering these factors, this sale at \$48.80 per sq.ft. (adjusted) is considered to bracket the lower range of value for the subject.

Comparable No. 3 is the January, 2021 sale of a 4,000 sq.ft. site located along the south side of Merton Lane, one block south of Laneda Avenue and 40' east of Carmel Avenue. The site is rectangular in shape with 40' of street frontage and a depth of 80'. Unlike the balance of the comparables, this site is zoned R-3, High Density Residential. The property sold for \$217,500, or \$54.38 per sq.ft. It was purchased for and is currently being improved with a single-family residence. In comparing this comparable with the subject, upward adjustments are considered necessary for the subject's superior location along Laneda Avenue, its superior C-1 zoning, and its superior square shape with 100' of street frontage. After considering these factors, this sale at \$54.38 per sq.ft. is considered to bracket the lower range of value for the subject.

Comparable No. 4 is a pending sale of a 10,019 sq.ft. site located along the south side of Laneda Avenue, just east of Second Street. The property, by itself, has reportedly been listed for approximately 8-9 months at an asking price of \$975,000, or \$97.32 per sq.ft. The west half of the lot is generally level and at street grade, while the east half of the site is improved with two homes that are situated on a sloping site. According to the listing agent and the agent representing the buyer, little to no value is attributable to the building improvements. This site was originally listed for sale with a larger site zoned residential that is located directly to the south. According to Evan Zener, this latter property sold and the commercial site has been listed separately for approximately nine months. Both the seller and buyer's agents indicated that the property is under contract at around \$960,000 (exact sale price not divulged), or \$95.82 per sq.ft. In comparing this comparable with the subject, a downward adjustment is considered necessary for this site's somewhat superior location, with an upward adjustment necessary for the subject's level topography. Although the demolition cost for the two buildings is unknown, it is possible that the interim rental value of the improvements would help offset any demolition costs. After considering these factors, this pending sale at approximately \$95.82 per sq.ft. is considered to bracket the more immediate upper range of value for the subject.

Comparable No. 5 is the current listing of a 5,000 sq.ft., rectangular-shaped parcel located at the northwest corner of Laneda Avenue and Third Street, approximately 3.5 blocks west of the subject. It is currently listed for sale at \$499,000, or \$99.80 per sq.ft. The site has 50' of frontage along Laneda Avenue and 100' of frontage along Third Street. Along with the adjacent site to the west, the property was purchased in 2007 for \$1,100,000, or \$110.00 per sq.ft., which is not considered to be relevant in today's market. The property has been listed for sale for approximately two years. According to the two listing agents, there was an offer in early 2021 for \$390,000, or \$78.00 per sq.ft. with the seller countering at \$475,000, or \$95.00 per sq.ft. Additionally, it was reported that during the last two months, two parties have expressed interest in the property, but no offers have been made. In comparing this comparable with the subject, downward adjustments are considered necessary for this site's corner location which provides superior exposure compared to the subject's non-corner location, it's slightly superior location and the fact that this is a listing and most likely, if sold, will be at a price less than the current asking price. An upward adjustment is considered necessary for the subject's square shape and 100' of frontage along Laneda Avenue. After considering these factors, this listing at \$99.80 per sq.ft. is considered to bracket the upper range of value for the subject.

Comparable No. 6 is the May, 2018 sale of a 5,000 sq.ft., rectangular-shaped parcel located along the east side of N. Hemlock Street, 100' south of Third Street in downtown Cannon Beach. At the time of sale, the site was improved with a 720 sq.ft. house constructed in 1918 that was located at the rear of the lot and in generally poor condition. The property sold for \$549,000, or \$109.80 per sq.ft. Although the buyer considered renovating the house into a retail building, very little value would have been attributable to the improvements. Subsequently, the house was torn down and in September, 2020, the property was involved in a sale/leaseback with the owner planning to construct a 1,200 sq.ft. retail building, which is currently under construction. Downtown Cannon Beach between First and Third Streets is generally considered to be the prime retail area along the Oregon Coast. Thus, land values are also considered to be most likely the highest along the Oregon Coast for commercial sites. Therefore, in comparing this comparable with the subject, a downward adjustment is considered necessary for its Cannon Beach location along N. Hemlock Street, with a partial offsetting upward adjustment for the subject's square shape and 100' of street frontage. After considering these factors this comparable at \$109.80 per sq.ft. is considered to bracket the upper range of value for the subject.

Based upon the comparables researched, it is our opinion that Comparable Nos. 1, 2 and 3 ranging from \$39.80 per sq.ft. to \$54.38 per sq.ft. bracket the lower to extreme lower range of value for the subject. Comparable No. 4, which is a pending sale at approximately \$95.82 per sq.ft. is considered to bracket the more immediate upper range of value for the subject. Comparable No. 5, which is a listing at \$99.80 per sq.ft., is considered to bracket the upper range of value for the subject and Comparable No. 6 at \$109.80 per sq.ft. is also considered to bracket the upper range of value for the subject. Thus, based upon the somewhat limited market data in Manzanita, it is our opinion that, after considering the subject's locational and physical characteristics, its current underlying land value is estimated at approximately \$85.00 per sq.ft., or:

$$10,000 \text{ sq.ft.} \times \$85.00 \text{ per sq.ft.} = \underline{\underline{\$850,000*}}$$

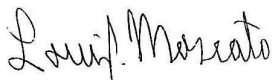
* This is an estimate of the subject's underlying land value, with no consideration given to the existing improvements on the subject site or the cost of demolishing the existing improvements.

ADDENDA

CERTIFICATE OF APPRAISAL

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 I have no personal interest with respect to the parties involved. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
4. My engagement in this assignment was not contingent upon developing or reporting predetermined results. Additionally, my engagement was not based on a requested minimum valuation, specific valuation or the approval of a loan.
5. 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.
6. My reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice (USPAP)*.
7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
8. No one provided significant real property appraisal assistance to the person signing this report.
9. I, Louis J. Moscato, have made a personal inspection of the property (land only) that is the subject of this report and I have inspected the comparables utilized in this report.
10. I, Louis J. Moscato, 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.
11. The Appraisal Institute conducts a program of continuing education for its designated members. As of the date of this report, I, Louis J. Moscato, MAI, have completed the continuing education program for designated members of the Appraisal Institute.



Louis J. Moscato, MAI
Principal
Oregon State Certification #C000018
Washington State Certification #1102042

ORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

The legal description furnished me is assumed to be correct. I assume no responsibility for matters legal in character, nor do I render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, and the property is appraised as though free and clear, under responsible ownership and competent management.

The exhibits in this report are included to assist the reader in visualizing the property. I have made no survey of the property and assume no responsibility in connection with such matters.

Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.

The appraiser assumes no responsibility for determining if the property requires environmental approval by the appropriate governing agencies nor if it is in violation thereof, unless otherwise noted herein.

Information, estimates, and opinions contained in this report are obtained from sources considered reliable; however, no liability for them can be assumed by the appraiser.

This report shall be used for its intended purpose only and by the parties to whom it is addressed. Possession of this report does not include the right of publication.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent or approval of the author. This applies particularly to value conclusions or to the identity of the appraiser or firm with which he is connected.

The appraiser may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.

Any description of the total valuation of this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

ORDINARY ASSUMPTIONS AND LIMITING CONDITIONS, Continued

The statements of value and all conclusions shall apply as of the dates shown herein.

All opinions of market value are presented as Moscato, Okoneski & Associates, Incorporated's considered opinion based on the facts and data appearing in the report. We assume no responsibility for changes in market conditions or for the inability of the owner to locate a purchaser at the appraised value.

The appraiser has no present or contemplated future interest in the property which is not specifically disclosed in this report.

The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering that might be required to discover such factors.

On all appraisals subject to satisfactory completion, repair, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner as described herein.

All major improvements on the land under appraisal appear to be structurally sound, unless otherwise noted within the body of the appraisal. However, your appraiser is not an engineer and has not been instructed to secure a qualified engineer's certification of the structural soundness of the said improvements or functional utility of major appliances or mechanical units. I, therefore, accept no legal responsibility for structural or mechanical failures that would not be reasonably obvious in the scope of an appraiser's normal inspection of the specified improvements, or to a prudent purchaser.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

All other assumptions or conditions stated elsewhere in the body of the report are also made a part of these Assumptions and Limiting Conditions stated herein.

Section 3.040 Commercial Zone, C-1.

(1) Uses Permitted Outright. In the C-1 zone the following uses and their accessory uses are permitted outright:

- (a) A use permitted in the R-2, R-3 and R-4 zones.
- (b) Retail trade establishment (other than an auto wrecking yard or outdoor storage of scrap material).
- (c) Repair and maintenance service excluding gasoline stations, garages or other such large facilities.
- (d) Business office.
- (e) Restaurants or lounges.
- (f) Financial institutions.
- (g) Health facilities.
- (h) Government structure or facility such as a fire station.
- (i) Motels, hotels including eating and drinking establishments in conjunction therewith.
- (j) Airport and accessory uses.
- (k) Signs in accordance with Article 4, Section 4.070.
- (l) Parking lot.
- (m) Mixed use development [Added by Ord.03-06 passed July 9, 2003].
- (n) Personal or business service establishments. [Amended by Ord. 06-03, passed 9/18/06.]
- (o) Brewpub, Micro-Winery or Micro-Distillery [Added by Ord. 16-04, passed November 9, 2016]

(2) Conditional Uses Permitted. In the C-1 zone, the following conditional uses are permitted subject to the provisions of Article 5:

- (a) Cottage industries such as crafts manufacturing, woodworking shops, and similar activities which are small scale and low impact in terms of vehicle traffic generation, noise and pollutants.
- (b) Wholesale trade establishments.

- (c) Garages, mini-storage and gasoline stations located adjacent to U.S. Highway 101 and south of Laneda. [Amended by Ord. 95-4, passed March 6, 1996].
 - (d) Recreation facilities.
 - (e) Drive-in restaurants or walkup, fast food operations.
- (3) Standards. In the C-1 zone the following standards shall apply:
- (a) The minimum lot size, setbacks and height for residential uses, except in mixed use development, shall be the same as in the R-2 zone. [Amended by Ord.03-06, passed July 9, 2003].
 - (b) For commercial, nonresidential, or mixed use development uses, the minimum front yard shall be 10 feet, the minimum side yard shall be 5 feet, and the minimum rear yard shall be 5 feet. For corner lots adjacent to Laneda Avenue, the yard facing Laneda Avenue shall be considered the front yard. [Amended by Ord. 11-04, passed November 9, 2011].
 - (c) The maximum building or structure height shall be 28 feet, 6 inches. However, if more than one-half of the roof area has a roof pitch of less than 3 in 12, the building or structure height shall not exceed 24 feet. The height of a stepped or terraced building shall be the maximum height of any segment of the building or structure. [Amended by Ord. 95-4, passed March 6, 1996; Amended by Ord. 01-03, passed 8/27/01]
 - (d) Minimum landscaped area: At least 10% of the total lot area of commercial, mixed use, or non-residential uses shall be devoted to landscaping or usable open space such as playgrounds, sitting areas or picnic areas. For developments exempt from on-site parking requirements under Section 4.090(2) and for commercial and mixed use developments providing less than the required number of parking spaces on-site, an additional 10% of the total lot area shall be devoted to landscaping. The minimum lot area required for landscaping in residential and other uses shall be 20%. Placement of landscaping is subject to standards specified in Section 4.156. [Amended by Ord. 11-04, passed November 9, 2011]
 - (e) Parking shall be in accordance with Article 4, Section 4.080.
 - (f) Signs shall be in accordance with Article 4, 4.070.
 - (g) In the C-1 zone, signs, awnings, marquees and sidewalk coverings shall extend not more than 10 feet from a building or more than 5 feet over a sidewalk, whichever is less. [Amended by Ord. 14-02, passed April 9, 2014].
 - (h) Adequate storm drainage shall be provided as specified by the City.

- (i) Design review subject to Section 4.152. [Amended by Ord. 95-4, passed March 6, 1996].
- (j) Building(s) on a lot shall have a floor area ratio of no more than 0.65. The combined floor area of all buildings on a lot shall be used in calculating the floor area ratio. If a development is proposed on a lot divided between the R-4 and C-1 zones, the area in the R-4 zone shall be assumed to be no greater than the area in the C-1 zone for purposes of calculating the floor area ratio. [Added by Ord. 11-04, passed November 9, 2011]
- (k) If a development is proposed on a parcel consisting of two or more contiguous lots, the lots must be legally combined into one lot. [Added by Ord. 11-04, passed November 9, 2011]

SUMMARY OF FIRM QUALIFICATIONS

MOSCATO, OKONESKI & ASSOCIATES, INC.

13765 N.W. Cornell Road, Suite 200

Portland, Oregon 97229

503-646-8111

Principals

Louis J. Moscato, MAI, Founder	Brett J. Okoneski, MAI
T. Chad Plaster, JD, MAI	Paul J. Moscato, MAI

Associates

James Robinson	Kurt Meredith	
Stan Bowers	Jennifer Matthews	Henry Lilly

Professional Services

Appraisals	Site Selection
Consultation	Feasibility

Types of Assignments

Loan Origination	Arbitration
Foreclosed Properties	Rent Studies
Division of Interest	Public Condemnation
Real Estate Investment Analysis	Property Tax Appeals
Court Testimony/Expert Witness	Land Acquisitions

MOSCATO, OKONESKI & ASSOCIATES, INC. is a real estate firm founded in 1979 by Louis J. Moscato, MAI and Lawrence E. Ofner, MAI; Brett J. Okoneski, MAI became a principal in 2007; T. Chad Plaster, JD, MAI became a principal in 2014; and Paul J. Moscato, MAI became principal in 2018. The firm was founded with the purpose of providing a wide range of real estate appraisal and associated services of the highest quality and professional standards based on a team concept.

In the field of real estate appraisal, our reports include a detailed study of the economic conditions affecting the marketplace, as well as an in-depth analysis of the subject property and the appropriate market data. The members of this firm adhere to the code of ethics of the Appraisal Institute and possess a wide range of experience and educational backgrounds, which can be found individually on the following pages. Most assignments have been performed in Oregon and Washington, although there are not necessarily any geographical boundaries for the firm.

The firm has served a wide variety of clients, including individual banks and savings and loans, FDIC, RTC, mortgage companies, corporations, public utilities, developers, public agencies, condemnees, private individuals and others. The charts on the following pages present a representative listing of our clientele.

PARTIAL LISTING OF ASSIGNMENTS

The members of Moscato, Okoneski & Associates, Inc. have completed a wide variety of appraisal assignments and studies involving virtually all types and categories of properties. A partial list of some of the more important assignments is presented below:

OFFICE BUILDINGS

27 story Fox Tower-downtown Portland, OR	5 story United Carriage Building-downtown Portland, OR
20 story Lloyd Tower-Portland, OR	4 story Kruse Woods IV-Lake Oswego, OR
17 story Liberty Centre Tower-Portland, OR	1020 Salmon Building-downtown Portland, OR
16 story Lloyd 500 Building-Portland, OR	3 story office and city parking garage-Vancouver, WA
16 story Lloyd 700 Building-Portland, OR	Parkway Plaza Office Building-Vancouver, WA
9 story Electric Building-downtown Portland, OR	45 W. Broadway Building-downtown Eugene, OR
6 story Two Lincoln Building-Portland, OR	Will Vinton Studio Offices-Portland, OR
6 story Three Lincoln Building-Portland, OR	Cornell Oaks, Parkside Office-Portland, OR
Wellspring Medical-Woodburn, OR	Mountainview Professional Plaza-Gresham, OR
Tuality 7 th Avenue Medical Plaza-Hillsboro, OR	U.S. Forest Service offices-Grants Pass, Corvallis & Bend
The Portland Clinic-Portland, OR	Farmers Insurance Regional Hdqrs-Vancouver, WA
Sunset Center Building One-Hillsboro, OR	Various bank branch offices, Oregon & Washington

MEDICAL OFFICE BUILDINGS

10 story Portland Medical Center-downtown Port.	Bend Memorial Clinic-Bend, OR
5 medical clinics-Corvallis and Albany, OR	St. Joseph's Medical Building-Vancouver, WA
Tuality Hospital/office expansion-Hillsboro, OR	Pettygrove Medical Center-Portland, OR
4 story Providence Medical Center-Portland, OR	Touggourt Medical Center-Tualatin, OR
Wellspring Medical Facility-Woodburn, OR	Plaza 102 Medical Complex-Portland, OR
3 proposed OHS clinics-Portland, OR	Glisan Street Clinic-Portland, OR
Medical Condominiums-Newberg, OR	MK Dental Cinque Condo-Portland, OR
Oswego Chiropractic Clinic-Lake Oswego, OR	Eastend Women's and Children's Clinic-Bend, OR
Hillsboro Eye Clinic-Hillsboro, OR	Medco Lake Oswego Medical Center-Lake Oswego, OR
Proposed 3 story Peterkort Medical Bldg-Port.	Medical Offices-Vancouver, WA
Professional Arts Medical Building-Vancouver, WA	Medical Condominiums-Hillsboro, OR
Sunset Medical Clinic-Beaverton, OR	The Thoracic Clinic-Portland, OR
Bend Orthopedic & Fracture Clinic-Bend, OR	

INDUSTRIAL PROPERTIES

1.7-million SF Fred Meyer Warehouse-Clackamas	518 unit Koll Mini-Storage facility-Beaverton, OR
1-million SF United Grocers Warehouse-Milwaukie	7 Mini-Storage Facilities-Eugene, Albany & Bend, OR
500,000 SF Taco Toys Distribution Facility-Port.	Westside Business Center-Vancouver, WA
400,000 SF Castle & Cooke Foods Facility-Salem	Lake Oswego Industrial Park-Lake Oswego, OR
390,000 SF Birchen Center-Fairview, OR	DEQ Clean Air Station-Portland, OR
295,000 SF Boyd Coffee property-Gresham, OR	Large cross-dock facility-Portland, OR
260,000 SF Proposed warehouse-Portland, OR	Sivers AP Industrial Park-Portland, OR
200,000 SF Tektronix Complex-Wilsonville, OR	Transition Metals plant-Albany, OR
107,000 SF Wilhelm Center I-Milwaukie, OR	Key Knife Facility-Tualatin, OR
100,000 SF G.I. Joe's Distr. Facility-Wilsonville	McCracken Truck Terminal-Portland, OR
Imperial Plaza incubator warehouse-Clackamas	Whipple Creek Industrial-Vancouver, WA
Nimbus Oaks Technology Center-Beaverton, OR	Two Reser's Food processing plants-Beaverton, OR
Meierhoff manufacturing facility-Ashland, OR	Davcor Business Park building-Salem, OR
400 unit Columbia Mini-Storage facility-Portland	American Steel Building-Portland, OR

APARTMENTS & CONDOMINIUMS

422 unit Nexus Apartments-Hillsboro, OR
506 unit Deveraux Glen Apartments-Portland, OR
208 unit Bethany Meadows Apartments-Portland
132 unit Bethany Meadows II Apartments-Portland
Eliot Tower Condo Project-downtown Portland, OR
The Vaux Condo Project-Portland, OR
Park Place Condo Project-Portland, OR
Pinnacle Condo Project-Portland, OR
14 story Essex House-downtown Portland, OR
490 unit Wimbledon Apartments-Portland, OR
Riverside Pointe Condominium Project-Vancouver
309 unit Frank Estate Apartments-Portland, OR
300 unit Pioneer Ridge Apartments-Oregon City
240 unit Hogan Road Apartments-Gresham, OR
247 unit Pacific Village Apartments-Eugene, OR
140 unit Casa Villa Apartments-Albany, OR

160 unit Shadow Hills Apartments-Portland, OR
144 unit The Masters Apartments-Aloha, OR
142 unit Todd Village Apartments-Tualatin, OR
77 unit Lincoln Woods Apartments-Lincoln City, OR
Panorama Apartments-downtown Portland, OR
Morrison Park Place/Section 42 Apts-Portland, OR
Columbia House Condominium Project-Astoria, OR
Shadow Hawk Condominium Project-Welches, OR
336 unit Crown Court-Clackamas, OR
Sand Castle Condominiums-Cannon Beach, OR
Ocean Pines Condominiums-Gleneden Beach, OR
Unsold units in Florence Terrace Condos-Gresham, OR
Unsold units in Maple Tree Condos-Corvallis, OR
26 unit HUD Apartment Project-Woodburn, OR
30 unit HUD Apartment Project-Lake Oswego, OR

RESIDENTIAL SUBDIVISIONS

Quatama Park Subdivision-Hillsboro, OR
Evergreen Meadows-Hillsboro, OR
Kaiser Woods Subdivision-Portland, OR
Elk Ridge Estates-St. Helens, OR
Morey's Landing-Wilsonville, OR
Northgate Subdivision-Independence, OR
Salamo Subdivision-West Linn, OR
Aspen Lake Golf Course Lots-Sisters, OR
Southshore PUD-Newport, OR
201st Townhomes-Aloha, OR
Villebois Acreage-Wilsonville, OR

Trillium Hill Estates-Lincoln City, OR
Lincoln Shore Star Resort-Lincoln City, OR
Seven Mountain Subdivision-Bend, OR
Sterling Meadows Subdivision-Vancouver, WA
Cedar Gardens Subdivision-Portland, OR
Sunset Lakes Subdivision-Hillsboro, OR
Sterling Park Subdivision-Beaverton, OR
Alsea Highlands Subdivision-Waldport, OR
Steamboat Landing Subdivision-Vancouver, WA
Krumdieck Park Subdivision-Eugene, OR

WATER-RELATED PROPERTIES

400 acre Weyerhaeuser site-Coos Bay, OR
200 acre PGE Beaver site-Columbia River, OR
175 acre Port of Kalama coal site-Kalama, WA
Worldmark Depoe Bay site-Depoe Bay, OR
140 acre Rayonier site-Grays Harbor, WA
50 acre Riedel Willamette River site-Portland, OR
Happy Rock Moorage-Scappoose, OR
Southshore oceanfront PUD-Newport, OR
Steamboat Landing Marina-Vancouver, WA
PP&L industrial site-Vancouver, WA
Inn at Spanish Head land-Lincoln City, OR

Portland General Electric Oaks Park property-Portland, OR
Rivergate Industrial Park, Port of Portland-Portland, OR
Devil's Lake waterfront condominiums-Lincoln City, OR
Columbia House Condos on Columbia River-Astoria, OR
River Queen dock site-Portland, OR
OMSI Willamette River site-Portland, OR
Union Oil dock property-Astoria, OR
Port of Portland Terminal II-Portland, OR
Retail/office complex on Necanicum River, Seaside, OR
Reichhold Chemical Columbia River site-St. Helens, OR

VACANT LAND

600 acre Reichhold Chemical site-St. Helens, OR
600 acre Forest Park Estates subdivision land-Port.
350 acre Murrayhill PUD site-Hillsboro, OR
200 acre Fujitsu site-Hillsboro, OR
190 acre Five Oaks Industrial Park-Beaverton, OR
180 acre Fujitsu site-Gresham, OR
180 acre Goodpasture Island PUD site-Eugene, OR
175 acres of industrial land-Kalama, WA
170 acres on Clackamas River-Clackamas, OR
125 acres industrial land for PGE-St. Helens, OR
102 acre Burns Bros. industrial property-Wilsonville
89 acres agricultural land-Grants Pass, OR
80 acre Townsend Business Park-Fairview, OR

45 acre Boeckman wetlands-Wilsonville, OR
45 acre Rueffner Landfill-Vancouver, WA
42 acre Robinson leased land-Beaverton, OR
24 acre mixed density residential site-Hillsboro, OR
20 acre railroad property-Longview, WA
15 acre community shopping center site-Tualatin, OR
10 acre Durham Landfill-Tualatin, OR
Port of Portland Rivergate-Portland, OR
Full downtown block-Portland, OR
Hillsboro school site-Hillsboro, OR
St. Johns landfill site-Portland, OR
Lloyd Center full block-Portland, OR

RETAIL & RESTAURANTS

Delta Center Shopping Center-Medford, OR
Wickes Furniture Store-Beaverton, OR
Cedar Hills Crossing Shopping Center-Beaverton
The Pointe at Bridgeport Shopping Center-Tual.
Klamath Falls Town Center-Klamath Falls, OR
214,000 SF Tanasbourne Power Center-Portland
164,000 SF Fred Meyer Center-Grants Pass, OR
4 G.I. Joe's stores-Oregon and Washington
4 Factory Outlet Centers-Idaho and Oregon
J.C. Penney store (Washington Square)-Tigard
Pacific 63 Center-Vancouver, WA
Hazel Dell Shopping Center-Vancouver, WA
6 Walgreens Drugs-Portland, OR
Eastport Plaza Mall-Portland, OR
Springfield Mall-Springfield, OR

OfficeMax-Tualatin, OR
Nike Factory Outlet-Portland, OR
Bethany Village Shopping Center-Beaverton, OR
Lake Car Care Center-Beaverton, OR
Blockbuster Video Store-Lake Oswego, OR
Sears HomeLife Store-Portland, OR
Borders Books-Beaverton, OR
Petco store-Gresham, OR
Burger King restaurant-Portland, OR
Shari's Restaurant-Hood River, OR
Chalet Pie & Pancake Restaurant-Gresham, OR
Tony Roma Restaurant-Portland, OR
Avalon Restaurant-Portland, OR
Red Baron Restaurant-Redmond, OR

HOTELS & MOTELS

Heathman Hotel-downtown Portland, OR
Roseburg Quality Inn-Roseburg, OR
Best Western Grand Manor Inn-Corvallis, OR
Best Western Grand Manor Inn-Springfield, OR
Microtel Motel-Seaside, OR
Selmer Motel-Cannon Beach, OR
Blue Gull Inn-Cannon Beach, OR
Old Oregon Hotel-McMinnville, OR
Clarion Airport Inn-Portland, OR
Motel 6-Salem, OR
Sleep Inn-Gresham, OR
Ecola Creek Lodge-Cannon Beach, OR
Cozy Cove Motel-Lincoln City, OR

The Airport Inn-Portland, OR
Proposed Shilo Suites Hotel/Conf. Ctr.-Klamath Falls
Shilo Inn-Seattle, WA
Airport Silver Inn-Portland, OR
St. Bernards B&B-Arch Cape, OR
Greenwood Inn Hotel-Beaverton, OR
Hotel Newport-Newport, OR
Jade Tree Motel-Portland, OR
Stafford Inn Motel-Ashland, OR
Haystack Resort Hotel-Cannon Beach, OR
Shaniko Inn Motel-Corvallis, OR
Sierra Inn Motel-Medford, OR

GOLF & RECREATIONAL PROPERTIES

36 hole Pumpkin Ridge Golf Course-Portland, OR	9 hole Sunset Grove Golf Course-Forest Grove, OR
36 hole The Reserve Golf Club-Hillsboro, OR	9 hole St. Helens Golf Course-Warren, OR
18 hole Bend Golf & Country Club-Bend, OR	9 hole Meadowlawn Golf Club-Salem, OR
18 hole Gearhart Golf Links-Gearhart, OR	Proposed Athletic Club-Hillsboro, OR
18 hole Lost Track Golf Club-Bend, OR	Gresham Court Club-Gresham, OR
18 hole Eagle Point Golf Course-Medford, OR	Proposed racquetball club-Lake Oswego, OR
18 hole Eagle Hills Golf Course-Eagle, ID	Downtown Athletic Club-Eugene, OR
18 hole Aspen Lakes Golf Course-Sisters, OR	Bend Athletic Club-Bend, OR
18 hole proposed Salmon Run Golf Course-Brook.	Sunset Athletic Club-Portland, OR
18 hole Widgi Creek Golf Course-Bend, OR	Eagle Camping Resort-Ilwaco, WA
18 hole Broken Top Golf Club-Bend, OR	Seaside RV Park-Seaside, OR
18 hole Springfield Country Club-Springfield, OR	1000 Trails RV Park-Bend, OR
18 hole Longview Country Club-Longview, WA	Whalers Rest RV Park-Newport, OR
18 hole OGA Golf Course-Woodburn, OR	Rose City Yacht Club-Portland, OR
18 hole Willamette Valley Country Club-Canby	Eastgate Movie Theaters-Vancouver, WA
18 hole Tualatin Country Club-Tualatin, OR	18 hole The Resort at the Mountain-Wemme, OR

CONDEMNATION/PUBLIC ACQUISITION

Touggourt School Site-Tualatin, OR	Mulino Airport-Mulino, OR
Tualatin Hills Park District Land Trade-Beaverton	Airport Wetlands Study (Port of Portland)-Portland, OR
Going Street Noise Abatement Project-Portland	Railroad Center (City of Hillsboro)-Hillsboro, OR
City of Portland Housing Authority Land Trade	Sylvan Interchange Land (ODOT)-Portland, OR
Meadowlawn Golf Course (ODOT)-Salem, OR	9 acre wetlands (City of Portland)-Portland, OR
73 acre landlocked Ramsey site (Metro)-Portland	Five Oaks Apartment Land (Wash. Co.)-Hillsboro, OR
Jackson School site (Portland Schools)-Portland	Downtown full block (City of Portland)-Portland, OR
Old Trolley Building (Metro)-Portland, OR	Western Family Offices (ODOT)-Tualatin, OR
3 parking garages (City of Anchorage)-Anchorage, AK	Willamette River Land (City of Milwaukie)-Milwaukie, OR
Miller Sands Islands (GSA)-Astoria, OR	Cook Park Wetlands (City of Tigard)-Tigard, OR
Boeckman Wetlands (City of Wilsonville)-Wilsonville, OR	Portland Airport Air Cargo building-Portland, OR
Portland Airport Expansion Acquisitions-Portland	Various properties for individual condemnees

MISCELLANEOUS

Harmon U-Park Garage-Portland, OR	Nissan Auto Dealership-Eugene, OR
3 City Parking Garages-Anchorage, AK	Courtesy Ford Dealership-Portland, OR
Naturopathic Medicine College-Portland, OR	Rasmussen BMW Dealership-Portland, OR
Gresham Cemetery-Gresham, OR	Valley RV Dealership-McMinnville, OR
Sunset Presbyterian Church-Beaverton, OR	Colvin Auto Dealership-McMinnville, OR
Southwest Bible Church-Beaverton, OR	Land under Inn at Spanish Head-Lincoln City, OR
80,000 SF Salem Christian School-Salem, OR	Columbia River Islands-Astoria, OR
Durham Pit Landfill-Tualatin, OR	Various Mobile Home Parks-Oregon & Washington
Oregon Museum of Science & Industry-Portland	518 unit Koll mini-storage facility-Beaverton, OR
Deschutes Brewery-Bend, OR	6 acre Sandwich Leasehold Interest-Beaverton, OR
20 acre Rock Quarry-Seaside, OR	Numerous Arbitration Assignments-OR & WA
Eastgate Movie Theater-Vancouver, WA	Numerous Wetland Properties-Oregon & Washington

APPRAISAL REVIEWS

Over 250 appraisal reviews conducted for USPAP and/or FIRREA compliance on properties throughout Oregon and Washington for various lenders and other clients. As such, the partners are experienced and knowledgeable about reviewing appraisals for a variety of purposes.

QUALIFICATIONS of LOUIS J. MOSCATO, MAI

Professional Memberships

Awarded the MAI Designation, Member of the Appraisal Institute (No. 5895) in 1979

Education

Degree: Bachelor of Arts, 1966
Major: Business with a minor in Economics
Institution: Saint Francis College, Loretto, Pennsylvania

Partial list of seminars, courses and examinations completed:

AI Course I-A Exam-Basic Appraisal Princ.	AI-Evaluating Commercial Construction Seminar
AI Course I-B-Capitalization Theory & Techn.	AI-Self Storage Economics & Appraisal Seminar
AI Course II-Urban Properties	AI-Electronic Spreadsheet Seminar
AI-Motel/Hotel Seminar	AI-Appraisal of Retail Properties Seminar
AI-Computer Applications Seminar	AI-Litigation Skills for the Appraiser Seminar
AI-Contemporary Appraising Seminar	AI-Construction Cost Comparable Seminar
AI-Money Market Seminar	AI-Subdivision Analysis Seminar
AI-Construction Trends Seminar	SREA-Real Estate Appraising for Investment Purposes
AI-Tax Code/Property Value Seminar	SREA-Advanced Real Estate Appraisal
	SREA-Advanced Real Estate Finance

Licensing

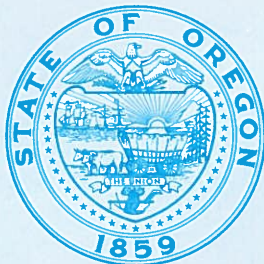
Oregon State Certified General Appraiser (No. C000018)
Washington State Certified General Appraiser (No. 1102042)

Real Estate Experience

2011 -	Principal – Moscato, Okoneski & Associates, Inc.
1979-2011	Principal – Moscato, Ofner & Henningsen, Inc.
1977-1979	Real Estate Appraiser, Income Property Division, First Nt'l Bank of Oregon
1971-1977	Sr. Real Estate Appraiser, R.E. Appraisal Dept., Union Bank, Rosemead, CA

Types of Properties

Shopping Centers & Retail Stores	Incubator Warehouse Complexes	Manufacturing Buildings
Suburban Office Buildings	Mobile Home & RV Parks	Distribution/Warehouse Bldgs
High-Rise Office Buildings	Racquet & Health Clubs	Apartments & Plexes
Factory Outlet Centers	Single-Family Subdivisions	Bank Branches
Medical & Dental Office Buildings	Water-Related Properties	Parking Garages
Single-Tenant Buildings	Condominiums	Marina Facilities
Hotels/Motels	Condominium Conversions	
Single-Family Dwellings	Tracts of Vacant Land	
Restaurants	Mini-Warehouse Facilities	



LOUIS J MOSCATO
MOSCATO OKONESKI & ASSOCIATES INC
13765 NW CORNELL RD STE 200
PORTLAND, OR 97229

Appraiser Certification and Licensure Board

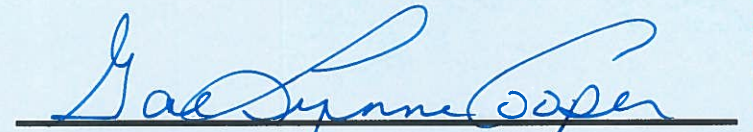
State Certified General Appraiser

28 hours of continuing education required

License No.: C000018

Issue Date: October 01, 2019

Expiration Date: September 30, 2021


Gae Lynne Cooper, Administrator