

AARON STILL APPRAISAL

Aaron D. Still, MAI

*Real Estate Appraisal &
Real Estate Consulting*

Including:

Financing

FHA, VA, SFR

Litigation Support

Estate

Tax Appeal

Condemnation

Lease-by-Lease

Feasibility Analysis

Market Analysis

Easements

Leasehold Interests

July 12, 2023

City of John Day
Heather Rookstool, John Day City Mayor
450 East Main Street
John Day, OR 97845
541-575-2800

hrookstool@grantcounty-or.gov

RE: *For an appraisal report using all applicable valuation approaches for the property described as parcel 3 of partition plat no. 2023-05 (.81 acres and commercial Green House), or 480 NW Johnson Drive, John Day, Grant County Oregon, 97845. The purpose of the appraisal report is to estimate the Fee Simple Market of the subject property as of a current effective date. The client is identified as the City of John Day. The intended use of the appraisal report is to aid the client in establishing the most reasonable sale price for the subject property based on the estimate of market value. Any use by an unnamed third party or for any other use is an unauthorized and unintended use.*

To: Heather Rookstool,

I am pleased to be given the opportunity to provide you with a proposal to appraise the property described above. The client has determined this scope of work is sufficient to meet their needs. The report will be written in summary format and will conform to USPAP 2021-2022 (expires 2023) standards and include all applicable approaches to value. No other supplemental standards have been identified. The appraisal will be performed based upon the General Assumptions and Limiting Conditions attached to this letter.

I will deliver an appraisal report within 4 weeks of the signed engagement letter, for a fee not to exceed \$4,000.00 with 50% of the payment due upon engagement and the balance due within 30 days of report delivery. I hope that the proposed appraisal services fit your needs and expectations. By signing the appraisal engagement letter, you are guaranteeing payment within the 30 days of delivery of the report.

Please refer to the general assumptions and limiting conditions that will be part of the report. If satisfied with the terms and conditions of this engagement letter, please sign and return it at your earliest convenience and we will begin work on the appraisal report. Respectfully submitted,



Aaron D. Still, MAI
Oregon General Certified Appraiser #C000990
Aaron Still Appraisal
1834 Main Street, Baker City, OR 97814
541-523-2940

Authorization To Proceed

Signature _____ Date: _____

Aaron Still Appraisal
1834 Main Street, Baker City, OR 97814
541-523-2940, Aaron.D.Still@Gmail.com

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GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent upon the following general assumptions and limiting conditions.

LIMITS OF LIABILITY

The liability of Aaron Still Appraisal, and its employees and/or associates is limited to the client only and to the amount of the fee actually received by the appraisal firm. There is no accountability, obligation, or liability to any third party. If the appraisal report is disseminated to anyone other than the client, the client shall make such party or parties aware of all limiting conditions and assumptions affecting the appraisal assignment. Neither the appraisers nor the appraisal firm is in any way to be responsible for any costs incurred to discover or correct any physical, financial, and/or legal deficiencies of any type, present in the subject property. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in the event of a lawsuit brought by a lender, a partner or part owner in any form of ownership, a tenant or any other party, the client will hold the appraiser(s) and the appraisal firm completely harmless in such action with respect to any and all awards or settlements of any type in such lawsuits.

COPIES, PUBLICATION, DISTRIBUTION, AND USE OF REPORT

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for any purpose or any function other than its intended use, as stated in the body of the report. The appraisal fee represents compensation only for the analytical services provided by the appraiser(s). The appraisal report remains the property of the appraisal firm, though the client in accord with these assumptions and limiting conditions may use it.

The By-Laws and Regulations of the Appraisal Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate. Except as herein after provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he may select. However, selected portions of this appraisal report shall not be given to third parties without the prior written consent of those signing the appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by use of advertising media, public relations media, news media, sales media, or other media for public communication without the prior written consent of the appraisal firm.

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the appraiser(s) whose signature(s) appears on the appraisal report. No change of any item in the report shall be made by anyone other than the appraiser(s). The appraiser(s) whose signature(s) appears on the appraisal and the appraisal firm shall bear no responsibility for any such unauthorized changes.

CONFIDENTIALITY

Except as provided for subsequently, neither the appraiser(s) nor the appraisal firm may divulge the analyses, opinions, or conclusions developed in the appraisal report, nor may they give a copy of the report to anyone other than the client or his designee as specified in writing. However, this condition does not apply to any requests made by the Appraisal Institute for purposes of confidential ethics enforcement or the state real estate division or department within the jurisdiction under which this appraisal was made. Also, this condition does not apply to any order or request issued by a court of law or any other body with the power of subpoena.

INFORMATION SUPPLIED BY OTHERS

Information (including projections of income and expenses) provided by informed local sources, such as government agencies, financial institutions, Realtors, buyers, sellers, property owners,

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bookkeepers, accountants, attorneys, and others are assumed to be true, correct, and reliable. The appraiser assumes no responsibility for the accuracy of such information. Neither the appraiser(s) nor the appraisal firm is liable for any information, or the work product provided by subcontractors. The client and others utilizing the appraisal report are advised that some of the individuals associated with Aaron Still Appraisal are independent contractors and may sign the appraisal report in that capacity. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other sources thought reasonable. To the best of my judgment and knowledge, all such information is considered appropriate for inclusion. In some instances, an impractical and uneconomic expenditure of time would be required in attempting to furnish absolutely unimpeachable verification. The value conclusions set forth in the appraisal report are subject to the accuracy of said data. It is suggested that the client consider independent verification as a prerequisite to any transaction involving a sale, a lease, or any other commitment of funds with respect to the subject property.

TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE

The contract for each appraisal, consultation, or analytical service is fulfilled, and the total fee is payable upon completion of the report. The appraiser(s) or those assisting in the preparation of the report will not be asked or required to give testimony in court or in any other hearing as a result of having prepared the appraisal, either in full or in part, except under separate and special arrangements at an additional fee. If testimony or a deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of the issuing party. Neither the appraiser(s) nor those assisting in the preparation of the report is required to engage in post appraisal consultation with the client or other third parties, except under a separate and special arrangement and at an additional fee.

EXHIBITS AND PHYSICAL DESCRIPTIONS

It is assumed that the improvements and the utilization of the land are within the boundaries of the property lines of the property (or properties as the case may be) as described in the report and that there are no encroachment or trespass unless noted otherwise within the report. No survey of the property or properties has been made by the appraiser(s), and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in the report are there to assist the reader in visualizing the property and are not necessarily drawn to scale. The reliability of the information contained on any such map or drawing is assumed accurate by the appraiser but is not guaranteed to be correct.

TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS

The appraiser(s) or the appraisal firm assumes no responsibility for matters legal in character or nature. No opinion is rendered as to the status of title to any property. The title is presumed to be good and merchantable unless otherwise stated. The property is appraised as if free and clear, unless otherwise stated in the appraisal report. The legal description, as furnished by the client, his designee or as derived by the appraiser(s), is assumed to be correct as reported. The appraisal is not to be construed as giving advice concerning liens, title status, or legal marketability of the subject property.

ENGINEERING, STRUCTURAL, MECHANICAL, ARCHITECTURAL CONDITIONS

This appraisal should not be construed as a report on the physical items that are a part of any property described in the appraisal report. Although the appraisal may contain information about these physical items (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed report on these physical items. The appraiser(s) is not a construction, engineering, or architectural expert, and any opinion given on these matters in this report should be considered

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tentative in nature and is subject to modification upon receipt of additional information from appropriate experts. The client is advised to seek appropriate expert opinion before committing any funds to the property described in the appraisal report.

Any statement in the appraisal regarding the observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service, all mechanical, and all matters relating to construction are based on a casual inspection only. Unless otherwise noted in the appraisal report, no detailed inspection was made. For instance, the appraiser is not an expert on heating systems, and no attempt was made to inspect the interior of the furnace. The structures were not investigated for building code violations, and it is assumed that all buildings meet the applicable building code requirements unless stated otherwise in the report.

Such items as conditions behind walls, above ceilings, behind locked doors, under the floor, or under the ground are not exposed to casual view and, therefore, were not inspected, unless specifically so stated in the appraisal. The existence of insulation, if any is mentioned, was discovered through conversations with others and/or circumstantial evidence. Since it is not exposed to view, the accuracy of any statements regarding insulation cannot be guaranteed.

Because no detailed inspection was made, and because such knowledge goes beyond the scope of this appraisal, any comments on observed conditions given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is given as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating systems, air conditioning systems, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, I would strongly suggest that a mechanical and/or structural inspection be made by a qualified and licensed contractor, a civil or structural engineer, an architect or other experts.

This appraisal report is based on the assumption that there are no hidden, unapparent or apparent conditions on the property site or improvements that would materially alter the value as reported. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and standard for the properties of the subject type. Conditions of heating, cooling, ventilating, electrical, and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made in the appraisal as to the adequacy of insulation, the type of insulation, or the energy efficiency of the improvements or equipment, which is assumed to be standard for the subject's age, type, and condition.

TOXIC MATERIALS AND HAZARDS

Unless otherwise stated in the appraisal report, no attempt has been made to identify or report any toxic materials and/or conditions such as asbestos, urea formaldehyde foam insulation, or soils or ground water contamination on any land or improvements described in the appraisal report. Before committing funds to any property, it is strongly advised that appropriate experts be employed to inspect both land and improvements for the existence of such toxic materials and/or conditions. If any toxic materials and/or conditions are present on the property, the value of the property may be adversely affected, and a reappraisal at an additional cost may be necessary to estimate the effects of such circumstances.

SOILS, SUBSOILS, AND POTENTIAL HAZARDS

It is assumed that there are no hidden or unapparent conditions of the soils or subsoil that would render the subject property more or less valuable than reported in the appraisal. No engineering or percolation tests were made, and no liability is assumed for soil conditions. Unless otherwise noted, subsurface rights (mineral and oil) were not considered in making this appraisal. Unless otherwise noted, the land and the soil in the area being appraised appeared to be firm, but no investigation has been made to determine whether or not any detrimental subsoil conditions exist. Neither the appraiser(s) nor the appraisal firm is liable for any problems arising from soil conditions. These

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appraisers strongly advise that before any funds are committed to a property, the advice of appropriate experts be sought.

If the appraiser(s) has not been supplied with a termite inspection report, survey, or occupancy permit, no responsibility is assumed, and no representation is made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained.

Neither the appraiser(s) nor the appraisal firm assumes responsibility for any costs or for any consequences arising from the need or lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for flood hazard insurance.

LEGALITY OF USE

This appraisal report assumes that there is full compliance with all applicable federal, state, and local environmental regulations and laws, unless noncompliance is stated, defined, and considered in the appraisal report. It is assumed that all applicable zoning and use regulations and restrictions have been complied with or otherwise permitted at the subject property unless a nonconformity has been stated, defined, and considered in the appraisal report.

Given the changes in zoning laws over time, many uses that were once legal under zoning code have become legally non-conforming uses. Unless otherwise stated or discovered in my analysis of the subject property, if the property has a legally non-conforming component, the legal non-conformity is assumed to continue in place until the end of the economic life of the subject. The value benefit or detriment of any legal non-conformity will be considered within the report.

It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state or national government, or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

COMPONENT VALUES

If the total property value set forth in this report is distributed between land and improvements, this distribution applied only under the existing program of utilization as set forth in the appraisal. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

AUXILIARY AND RELATED STUDIES

No environmental or impact studies, special market studies or analyses, special highest and best use studies, or feasibility studies have been requested or made by the appraiser(s) unless otherwise specified in an agreement for services and so stated in the appraisal report.

DOLLAR VALUES AND PURCHASING POWER

The estimated market value set forth in the appraisal report and any cost figures utilized are applicable only as of the date of valuation of the appraisal report. All dollar amounts are based on the purchasing power and price of the dollar as of the date of value estimates.

VALUE CHANGE, DYNAMIC MARKET, ALTERATION OF ESTIMATE BY APPRAISER

All values shown in the appraisal report are projections based on my analysis as of the date of valuation of the appraisal. These values may not be valid in other time periods or as conditions change. Projected mathematical models set forth in the appraisal are based on estimates and assumptions, which are inherently subject to uncertainty and variations related to exposure, time, promotional effort, terms, motivation, and other conditions. The appraiser(s) does not represent these models as indicative of results that will actually be achieved. Rather, the appraiser's estimates are those that are typical of the market and formulate the most probable buyer's pricing framework for

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the subject property. The value estimate considers the productivity and relative attractiveness of a property only as of the date of valuation set forth in the report.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value, investment value, or value in use is a reflection of such benefits and of the appraiser's interpretation of income, yields, and other factors derived from general and specific client and market information. Such estimates are as of the date of valuation of the report. They are subject to change as market conditions change.

This appraisal is an estimate of value based on analysis of information known to me at the time the appraisal was made. The appraiser(s) does not assume any responsibility for incorrect analysis because of incorrect or incomplete information. If new information of significance comes to light, the value given in this report is subject to change without notice. The appraisal report itself and the value estimates set forth therein are subject to change if the physical nature of the subject changes. The value is also subject to change if the definition of market value or the property interest appraised is different from what is set forth in this report.

The effects of non-cash equivalent financing terms on the value of the subject have not been made. The estimation of the impact of non-cash financing terms or other atypical financing terms would require additional appraisal analysis at an additional cost to the client.

EXCLUSIONS

Furnishings, equipment, and other personal property and value associated with a specific business operation are excluded from the value estimate set forth in the report unless otherwise indicated. Only the real estate is included in the value estimates set forth in the report unless otherwise stated.

MANAGEMENT OF PROPERTY

It is assumed that the property that is the subject of the appraisal report will be under typically prudent and competent management that is neither inefficient nor super-efficient.

FEE

The fee for any appraisal report, consultation, feasibility, or other study is for services rendered, and unless otherwise stated in the service agreement, is not solely based upon the time spent on any assignment.

CHANGES AND MODIFICATIONS

The appraiser(s) reserves the right to alter statements, analyses, conclusions, or any value estimates in the appraisal if any new facts pertinent to the appraisal process are discovered which were unknown when the appraisal report was prepared.

AMERICANS WITH DISABILITIES ACT

The American with Disabilities Act ("ADA") became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of these properties to determine whether or not they are in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the properties, 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 the appraiser has no direct evidence or knowledge relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered. If the client or any other interested party in the property has a concern regarding ADA compliance, I recommend that appropriate professional expertise be sought to examine the subject property and make ADA compliance recommendations.

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THE ACCEPTANCE AND/OR USE OF THE APPRAISAL REPORT BY THE CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ASSUMPTIONS AND LIMITING CONDITIONS SET FORTH IN THE PRECEDING PARAGRAPHS. THE APPRAISER'S LIABILITY EXTENDS ONLY TO THE SPECIFIED CLIENT, NOT TO SUBSEQUENT PARTIES OR USERS. THE APPRAISER'S LIABILITY IS LIMITED TO THE AMOUNT OF THE FEE RECEIVED FOR THE SERVICES RENDERED.