

RESOLUTION NO. 21-868-16

A RESOLUTION OF CITY OF JOHN DAY APPROVING THE SALE OF CERTAIN REAL PROPERTY LOCATED IN CITY.

WHEREAS, City of John Day (“City”) has all powers that the constitutions, statutes, and common law of the United States and Oregon expressly or impliedly grant or allow City; and

WHEREAS, pursuant to ORS 221.727, City adopted Ordinance No. 21-192-03 (the “Ordinance”) establishing alternative procedures and exemptions for the sale, transfer, and conveyance of certain “classes” of City-owned real property; and

WHEREAS, City desires to sell certain real property consisting of approximately 3.01 acres commonly known as Gleason Park and Gleason Pool, 250 NW Canton Street, John Day, Oregon 97845, which real property is more particularly described and depicted on the attached Exhibit A (the “Property”); and

WHEREAS, State of Oregon (“State”), by and through the Oregon Parks and Recreation Department, desires to purchase the Property from City; and

WHEREAS, in accordance with Section 6.1 of the Ordinance, City may transfer City-owned real property to any federal, state, and/or local agency, government, and/or political subdivision if the council finds that (a) the real property is not needed for public use, and/or (b) the public interest may be furthered by disposal of the real property. A transfer of City-owned real property to another government entity is not subject to the Ordinance’s sale procedures and may be completed with or without consideration; and

WHEREAS, although not required under the Ordinance, City has received and reviewed a certain Real Estate Appraisal dated September 30, 2021 completed by Aaron D. Still, MAI, with Aaron Still Appraisal attached hereto as Exhibit B (the “Appraisal”). The Appraisal was procured by State and later reviewed by State’s consultant, William E. Adams, MAI, Real Estate Appraisal & Consultation, on or about October 1, 2021. The results of Mr. Adams’ review are contained in that certain Real Estate Appraisal Review dated October 1, 2021 also attached hereto as Exhibit B (the “Review”). The Appraisal and Review support a total Property value of \$222,000.00; and

WHEREAS, although not required under the Ordinance, in accordance with ORS 221.725, City (a) provided notice of the Property’s proposed sale in a newspaper of general circulation in accordance with ORS 221.725, and (b) held a public hearing concerning the proposed sale at the time and place stated in the notice.

WHEREAS, although not required under the Ordinance, by adoption of this Resolution No. 21-868-16 (this “Resolution”), the council desires to establish the minimum acceptable terms for the sale of the Property.

NOW, THEREFORE, the City of John Day resolves as follows:

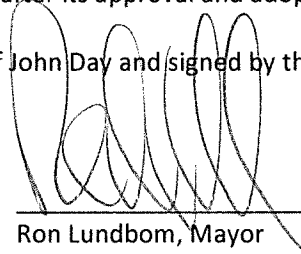
1. Findings. The above-stated findings contained in this Resolution are hereby adopted. Without otherwise limiting the immediately preceding sentence, the council finds that (a) the Property

is not needed for public use, and (b) the public interest will be furthered by disposal of the Property.

2. Sale Approved. The Council approves the sale of the Property to State. The city manager is hereby authorized to sell, transfer, and/or convey the Property for a purchase price of no less than \$220,000.00 pursuant to the terms and conditions of a purchase and sale agreement between City and State substantially in the form attached hereto as Exhibit C. Notwithstanding anything contained in this Resolution to the contrary, the purchase and sale agreement (a) will be in form and content satisfactory to City and contain such terms and conditions the city manager and/or city attorney determine necessary and/or appropriate, which may include, without limitation, that the Property will be transferred AS IS, WITH ALL FAULTS AND DEFECTS, and subject to all encumbrances of record, and (b) will be subject to the review and approval of the city manager and city attorney. Upon completion, the city manager is authorized to execute and deliver the purchase and sale agreement for and on behalf of City.

3. Miscellaneous. All pronouns contained in this Resolution and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. The provisions of this Resolution are hereby declared severable. If any section, subsection, sentence, clause, and/or portion of this Resolution is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Resolution. This Resolution may be corrected by order of the council to cure editorial and/or clerical errors. This Resolution will be in full force and effect from and after its approval and adoption.

APPROVED AND ADOPTED by the City Council of City of John Day and signed by the mayor this 9th day of November, 2021.



Ron Lundbom, Mayor

ATTEST:



Nick Green, City Manager

Exhibit A
Property Description and Depiction

[attached]

Exhibit A

Description of Gleason Pool and City Park

A tract of land situated in the SW1/4SW1/4 Section 23, T.13S., R.31E., W.M., City of John Day, Grant County, Oregon, more particularly described as follows:

Beginning at a point on the west right of way line of NW Canton Street, said point being the southeast corner of Lot 71 of Geisler Addition to the City of John Day, the plat of which is on file and of record in the office of the Grant County Clerk;

thence along the south line of Lots 71, 70, 69, 68, 67, 66, 65, 64 and 63 of said Geisler Addition West, 450.0 feet to the southwest corner of Lot 63 of said addition;

thence, continuing West, 25.0 feet;

thence North, 100.0 feet, on a line parallel to and 25 feet distant from, when measured at right angles to, the west line of said Lot 63, to the south right of way line of NW Third Avenue;

thence along said south right of way line as follows:

S.89°48'12"W., 6.81 feet;

55.00 feet, more or less, along the arc of a 220.00 foot radius curve left (the long chord of which bears S.81°42'W., 55 feet more or less) to the centerline of Canyon Creek;

thence Southerly, 590 feet, more or less, along the centerline of Canyon Creek, to the south line of that certain tract of land described in Deed Book 79, Page 257, deed records of Grant County;

thence along the south and east lines of said tract as follows:

S.88°44'E., 108.30 feet;

N.16°00'W., 50.0 feet;

thence East, 112 feet, more or less, to the west right of way line of NW Ing Hay Way;

thence along said west right of way line as follows:

N.34°26'28"W., 84.95 feet;

N.00°17'07"W., 5.0 feet, more or less, to the southeast corner of that certain tract of land described in Deed Book 113, Page 532, deed records of Grant County;

thence along the south, west and north lines of said tract as follows:

West, 112.33 feet;

N.15°00'W., 145.56 feet;

East, 150.0 feet;

thence North, 85 feet, more or less, to a point on the south line of that certain tract of land described in Deed Book 97, Page 673, deed records of Grant County, Oregon;

thence N.89°10'E., 136 feet, more or less, to a point on the west right of way line of NW Canton Street;

thence along said west right of way line N.00°11'15"W., 87 feet, more or less, to a point that is N.89°48'45"E., 5.00 feet from the point of beginning;
thence S.89°48'45"W., 5.00 feet to the point of beginning.

This description is for informational purposes only and is not intended to be used in conjunction with a conveyance. No formal Survey was conducted prior to the creation of this description; therefore the actual area, bearings and distances may change upon the execution of a proper survey.

Prepared by:
Benchmark Land Surveying, Inc.
217 N. Canyon Blvd.
John Day, Oregon 97845
(541) 575-1251

October 26, 2021

Exhibit B
Appraisal and Review

[attached]

Real Estate Appraisal



**250 NW Canton Street, John Day
Grant County, Oregon 97845**

As of:
July 22, 2021

Prepared For:
Oregon Parks and Recreation Department
Attn: Tabitha Henricksen, Real Property Specialist
725 Summer Street NE, Suite C, Salem, OR 97301

Prepared by:
Aaron Still Appraisal
Aaron D. Still, MAI - OR-C000990
File Name: AS2021-2492

September 30, 2021

FILE: AS2021-2492

Oregon Parks and Recreation Department
Attn: Tabitha Henricksen, Real Property Specialist
725 Summer Street NE, Suite C
Salem, OR 97301
PH: 503-339-6806
Tabitha.Henricksen@oregon.gov

RE: For an appraisal report employing all applicable valuation approaches for the property described as tax lot 3000 of Township 13S Range 31, and Section 23CC. The property can also be identified as Assessors Reference number 8784, or the street address of 250 NW Canton Street, John Day OR, County of Grant, State of Oregon. The purpose of the appraisal report is to estimate the fee simple market value of the subject property in "as is" condition as of a current effective date. The intended use of this appraisal report is to aid the client in establishing the most reasonable purchase price of the subject property given the estimate of market value. The client and intended user of the appraisal report is identified as the Oregon Parks and Recreation Department. The City of John Day is included as an assignee at the discretion of the client. Any use of the appraisal by an unidentified third party is an unauthorized and unintended use.

Dear Ms. Henricksen,

Per your request and authorization, Aaron D. Still, MAI has inspected the above referenced property as of July 22, 2021 (the effective date of this report), to prepare an appraisal report utilizing all applicable approaches to value with the conclusions and supporting data reported in herein.

Please reference the scope of work section of this report for information regarding the scope of research and analysis employed for this appraisal, including property identification, inspection, highest and best use analysis, and valuation methodology. I certify that I have no present or contemplated future interest in the property beyond this estimate of value. Given the condition of the property, several assumptions have been made about the zoning of the subject property as well as the approval of a conditional use permit and or rezone. Your attention is directed to the scope of work and limiting conditions and general assumptions section of this report regarding assumptions employed in this analysis. The acceptance of this report constitutes an agreement with these conditions and assumptions.

To report the assignment results, I use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal. This Appraisal Report summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analysis, opinions, and conclusions.

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

The client has determined this scope of work is sufficient to meet their needs. The report will conform to USPAP 2020-2021 standards as well as 2 CFR part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards). No other supplemental standards have been identified.

The purpose of the appraisal is to provide a supported opinion for the “as is” market value of the subject property in its “as is” condition. The intended use of the appraisal report is to aid the client in the acquisition of the property based on the estimate of market value. The client and intended user of the appraisal report is identified as the Oregon Parks and Recreation Department. The City of John Day is included as an assignee at the discretion of the client.

I have not been provided with an environmental assessment or study pertaining to the appraised subject parcel. I have not found any evidence that environmental contaminants exist, therefore, the subject has been appraised as though none exist. I have not been advised of any adverse environmental soil, mineral, or any other conditions.

I have been provided with a condition assessment for the improvements on the property which are discussed in detail within the body of this report.

For the purposes of this report, I have employed several assumptions including the presumption that environmental and/or any other unknown conditions do not exist or adversely affect the subject property other than those stated in building inspection provided to the appraiser by the client. It is noted that there are brownfields in proximity to the subject, however I have not been provided with an environmental assessment nor is there evidence to suggest the subject has been impacted by any plumes from nearby properties. Given the lack of evidence of soil contamination, the subject has been appraised as though no environmental issues exist. I have not been advised of any adverse environmental soil, mineral, or any other conditions. Please refer to the Limiting Conditions and General Assumptions sections for more details.

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

VALUE CONCLUSION

Based on the data and analyses developed in this appraisal, I have reconciled to the following fee simple value conclusion for the “as is” condition of the subject property, as of July 22, 2021, subject to the Limiting Conditions and Assumptions of this appraisal, as follows:

NINETY-SEVEN THOUSAND DOLLARS
(\$97,000)

**Rounded to the Nearest \$1,000*

**See scope of work for extraordinary assumptions employed in this analysis.*

The above referenced value conclusion is for a fee simple ownership interest in the subject property. The market value assumes a typical exposure period. The support for my estimate of exposure period is discussed in the executive summary of facts. In this instance, I have estimated an exposure period of 12 to 18 months for the subject property in its “as is” condition.

Thank you for giving me the opportunity of appraising this property for you. If there are any questions concerning this appraisal report, please do not hesitate to contact me.

Respectfully submitted,



Aaron D. Still, MAI
Aaron Still Appraisal
President
Oregon General Certification #C000990
Expires 05/31/2023

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

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Summary of Important Facts and Conclusions

GENERAL

Subject:	250 NW Canton Street, John Day, OR 97845 Grant County
Owner of Record:	CITY OF JOHN DAY
Tax Identification:	8784 (Grant County)
Date of Report:	September 30, 2021
Intended Use:	The intended use of this appraisal report is to aid the client in establishing the most reasonable purchase price of the subject property given the estimate of market value.
Intended User(s):	The client and intended user of the appraisal report is identified as the Oregon Parks and Recreation Department. The City of John Day is included as an assignee at the discretion of the client. Any use of the appraisal by an unidentified third party is an unauthorized and unintended use.
Taxes:	Publicly owned and tax-exempt property.

Sale & Listing History:

The City of John Day has owned the subject property over 10 years. Gleason Pool opened on June 7, 1958. It was funded by a capital improvement bond and paid for by John Day residents, who maintained the pool using the City's general fund and local option levies until 1990, when the John Day/Canyon City Parks and Recreation (JDCCPR) District took over operations.

The JDCCPR District was formed in 1989 to reopen the pool and help manage it after it closed due to insufficient funding. The City of John Day signed a management agreement with the new JDCCPR District in June 1990, which was amended and extended in August 2000 for an additional 20 years. The agreement ended in 2020 and the pool has not been in use since the COVID-19 health restrictions were put in place preventing any social gatherings and or the operation of public pools.

There is no record of the subject property ever having been publicly marketed for sale or listed on the local MLS (RMLS). The contemplated transaction is between government entities and the subject has not been offered for sale to private entities.

Given that the subject property surrounds the Kam Wah Chung State Heritage Site, the client has expressed interest in acquiring the site for the expansion of the heritage site.

The intended use of this appraisal report is to aid the client in establishing the most reasonable purchase price of the subject property given the estimate of market value.

Exposure Time:

I have estimated an exposure period of 12 to 18 months. This estimate is based on my interviews of market participants and general sales and listing data from the local market as well as the listing history of the subject. Given the very limited amount of data, the reliability of the estimate has been diminished slightly. The property would likely sell quicker if vacant and ready for development, and an estimated exposure period of 12 months is made for the site if vacant.

PROPERTY	
Land Area:	Total: 131,116 square feet or 3.01 acres. Usable: 131,116 square feet or 3.01 acres.
	The subject is a primarily level site with a small area of sloped topography along the subject's western property line and the eastern bank of Canyon Creek. This sloped area is within the building setback and does not create additional unusable areas. The irregular shape of the property appears to be the result of selling off parcels and retaining three separate points of access as well as retaining as much creek frontage as possible.
Improvements:	The subject improvements consist of a community pool with locker room and administration building, equipment building, cyclone fencing, landscaping, pool, pool decking, slide, and other associated equipment. I have been provided an assessment of the condition of these improvements stating that the improvements have exceeded their economic life.
Zoning:	Recently Changed to Park Reserve (PR) from Residential. See extraordinary assumptions in Scope of Work section of this report.
Highest and Best Use of the Site:	Partition into three separate residential sites.
Highest and Best Use as Improved:	Demolish existing improvements and partition into three separate residential sites.

VALUE INDICATIONS

Value Conclusion As If Vacant and Ready for Development

Based on the data and analyses developed in this appraisal, I have reconciled to the following fee simple value conclusion for the “as if vacant” condition of the subject property, as of July 22, 2021, subject to the Limiting Conditions and Assumptions of this appraisal, as follows:

**TWO HUNDRED AND TWENTY-TWO THOUSAND DOLLARS
((\$222,000))**

**Rounded to the Nearest \$1,000*

**See scope of work for extraordinary assumptions employed in this analysis.*

The above referenced value conclusion is for a fee simple ownership interest in the subject property. The market value assumes a typical exposure period. In this instance, I have estimated an exposure period of 12 months for the subject property “As if vacant and ready for development”.

Value Conclusion for the As Is Condition of the Subject Property

Based on the data and analyses developed in this appraisal, I have reconciled to the following fee simple value conclusion for the “as is” condition of the subject property, as of July 22, 2021, subject to the Limiting Conditions and Assumptions of this appraisal, as follows:

**NINETY-SEVEN THOUSAND DOLLARS
((\$97,000))**

**Rounded to the Nearest \$1,000*

**See scope of work for extraordinary assumptions employed in this analysis.*

The above referenced value conclusion is for a fee simple ownership interest in the subject property. The market value assumes a typical exposure period. The support for my estimate of exposure period is discussed in the executive summary of facts. In this instance, I have estimated an exposure and marketing period of 12 to 18 months for the subject property in its “as is” condition.

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for the Oregon Parks and Recreation Department. The City of John Day is included as an assignee at the discretion of the client. Any use of the appraisal by a third party, or for a use other than the use stated above, is an unintended and unauthorized use. The problem to be solved is to estimate the 'as is' market value of the subject property. The intended use of this appraisal report is to aid the client in establishing the most reasonable purchase price of the subject property given the estimate of market value.

SCOPE OF WORK

Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a).
Property Identification:	The subject property has been identified by the physical address, map and tax lot, and Assessor's reference number.
Inspection:	A complete interior and exterior inspection of the subject property and photographs taken by Aaron D. Still, MAI on July 22, 2021. The appraiser was accompanied by a representative of the City of John Day who is very knowledgeable on the property as well as the condition and maintenance needs of the property.
Market Area and Analysis of Market Conditions:	A brief analysis of market conditions has been made. The appraiser has reviewed the market for sales and listings relevant to this analysis. Several market participants have been interviewed in regard to current market conditions, the available supply of properties and overall demand for residential properties.

Highest and Best Use Analysis:

A complete "as vacant" and "as improved" highest and best use analysis for the subject has been made. Physically possible, legally permissible, and financially feasible uses were considered, and the maximally productive uses were concluded.

Valuation Analyses**Cost Approach:**

A cost approach is considered but not applied inasmuch as land cannot be created and the improvements on the site are for a non-economic use. The cost approach has been considered in my highest and best use conclusions.

Sales Comparison Approach:

A sales approach is applied, as it is representative of the actions of buyers and sellers in the local market. The sales comparison approach best represents the actions of buyers and sellers in the marketplace in this instance.

Income Approach:

An income approach has not been considered as it has been found to not be a reliable indication of value for the subject property and it does not accurately represent the actions of buyers and sellers in the local market area in this instance.

Hypothetical Conditions:

None, the subject property has been appraised in "as is" condition.

Extraordinary Assumptions:

The appraisal has been made based on the following extraordinary assumptions:

- The appraisal is based on the extraordinary assumption that the property if offered for sale on the open market would be rezoned to residential. This assumption has been made based on my interview of John Day City Manager, Nicholas Green. The current zoning of Park Reserve creates a non-economic use for the subject property. The subject property along with several adjacent properties have recently (November 2018) been rezoned from Residential Limited to Park Reserve but remain designated for residential or park use in the comprehensive plan. My interview of Mr. Green revealed that the property would revert back to the residential zoning if privately marketed. This assumption has been employed for the purpose of reasonable analysis as the current zoning creates a non-economic use unless a condition use permit is granted. Residential is a sited an allowable conditional use within the Park Reserve zone.
- The appraiser has been provided with a condition assessment for the improvements on the subject property. The assessment concludes that the pool related improvements have reached the end of their economic life as extensive

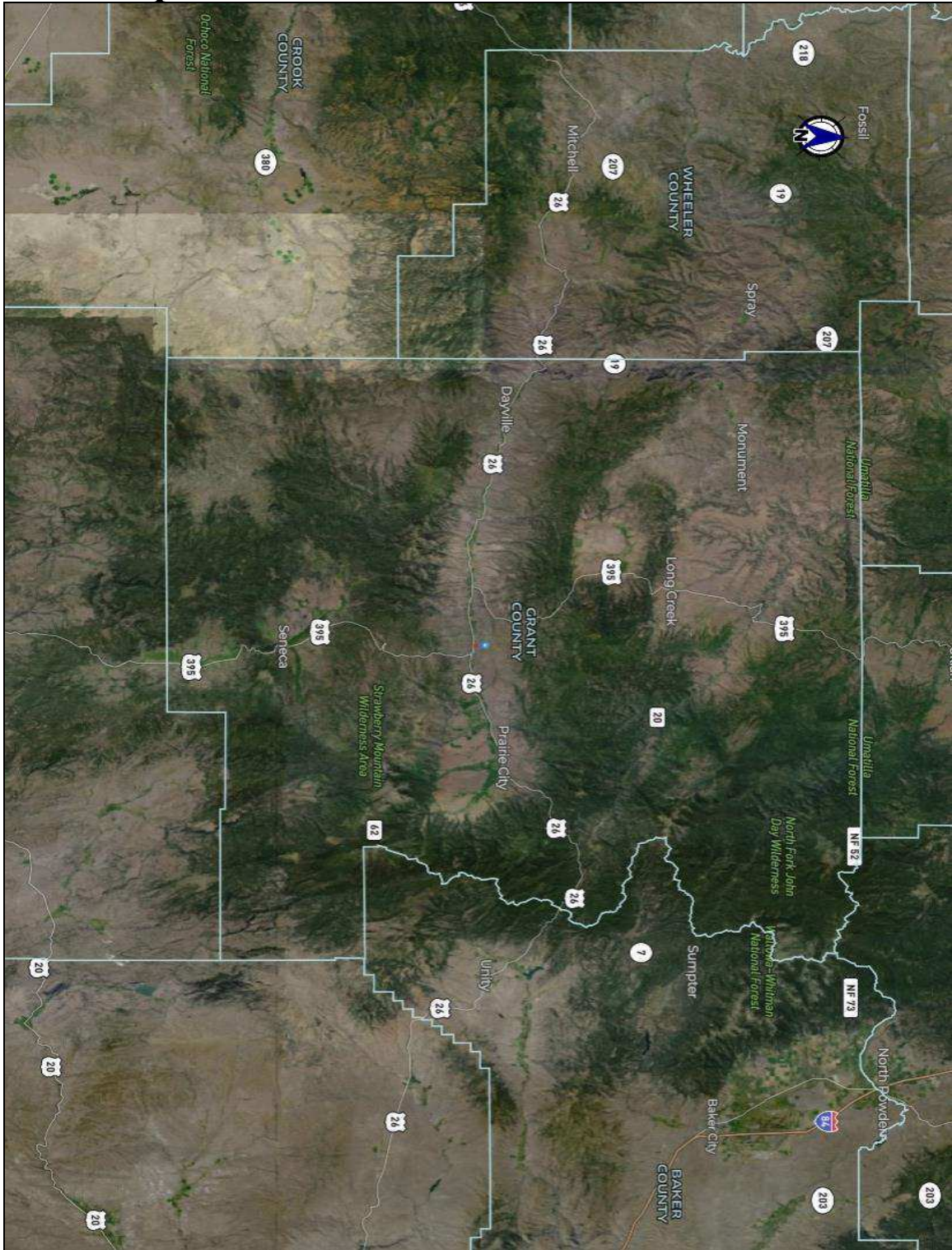
capital expenditures will be necessary to extend the useful life of the improvements and some of these improvements including pool resurfacing may not be effective. A copy of the condition assessment provided to the appraiser is attached as an addendum item to this report.

- Portions of the subject property appear to be located within the 100-year floodplain. These areas are generally on the western and eastern portions of the property. Based on my interview of local contractors, the site can be elevated in these areas to be outside of the floodplain. The appraisal has been completed under the extraordinary assumption that the subject is not adversely impacted by development restrictions due to proximity to the 100-year floodplain. This is the most reasonable assumption given surrounding land uses as well as my interviews of local contractors. See attached flood map.
- I have interviewed contractors with regards to the cost to demolish the existing improvements and make the site ready for development. Given the season, I am unable to find a reputable contractor to provide a formalized quote, and I am forced to rely upon quick estimates. Of the two contractors interviewed, one of which visited the property, relatively similar cost estimates were received. Each of the cost estimates was made under the assumption that no hazardous material abatement would be required. I have made the extraordinary assumption that the cost estimates provided are near the estimates that would be considered by the typical buyer interested in purchasing the subject property for redevelopment.

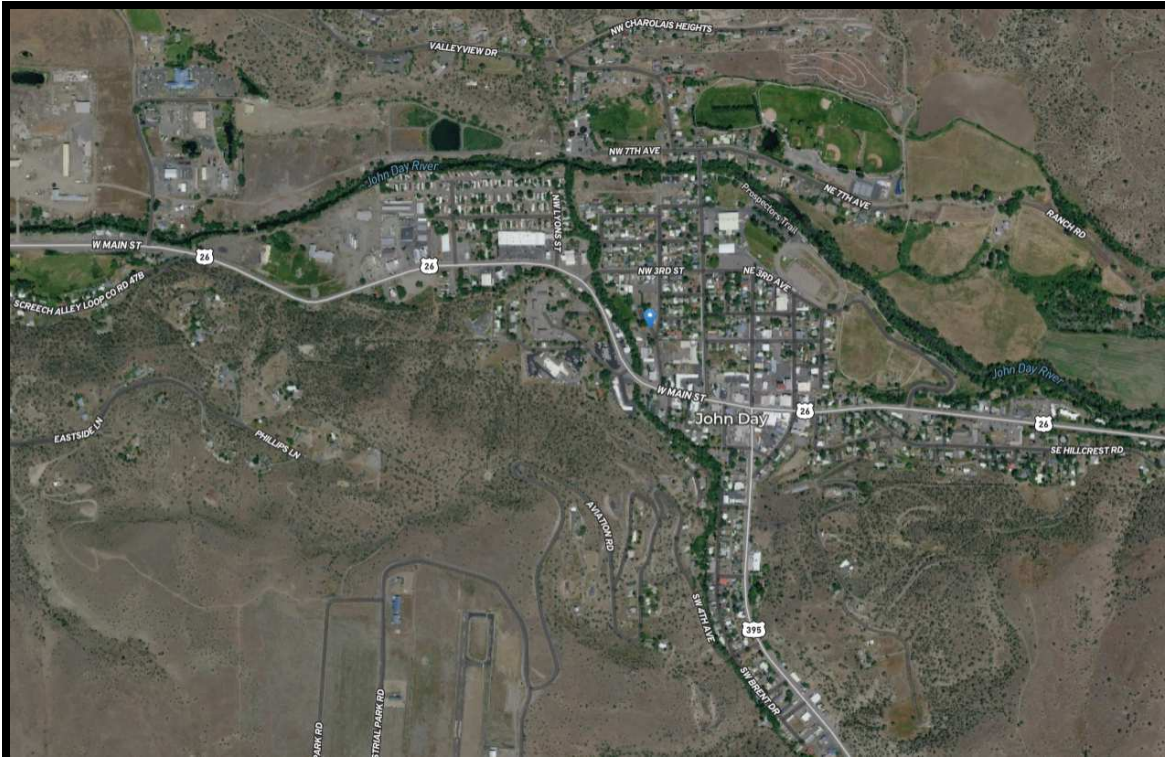
If the extraordinary assumption is found to be incorrect, the value estimate in this report is subject to change.

Area and Neighborhood Analysis

Area Map



Location Map



Area Analysis

Grant County consists of 4,528 square miles and is drained primarily by the four forks of the John Day River which eventually flow into the Columbia River. The County is characterized by sparse population, abundant public lands that include a mix of mountains, hilly areas, prairies, canyons, and fertile bottom lands. Due to relative isolation, limited transportation corridors, the decline of the timber industry and few other resources, the economic and population growth of the area is limited to a wallowing wood products industry, ranching, recreation, and local residence services.

The population of Grant County has been characterized by decline and flat numbers for many years. The population in 1985 was 8,230 people, decreasing to 7,950 as of 2000, 7,445 in 2010, 7,415 in 2017, and 7,400 in 2018. According to the Portland State University's Population Research Center, the population of Grant County in 2019 was 7,360 which fell to 7,315 in 2020 for a loss of 45 individuals or -.6%. Grant County has fewer than two persons per square mile.

The prominent towns in Grant County include John Day (1,735), Prairie City (915), Canyon City (705), Mt. Vernon (525), Long Creek (195), and Dayville (155).

Grant County is an arid to temperate region, with average annual precipitation ranging from 9 inches near Picture Gorge, to over 40 inches in the Strawberry Mountains. Annual precipitation in the valley averages between 12 and 14 inches, while the uplands or highlands of the county average between 16 and 24 inches. Grant County averages between 40 and 60 days each year that see more than 0.10 inches of precipitation. A great deal of the county's precipitation comes in the form of winter snow in the mountains. This snowpack is vital to recharge aquifers, resulting in spring run-off, and in-stream flows of water throughout the year.

Average temperatures in the county range from the warmest community, Monument, with average daily highs/lows of 90°/50 F in July and 42°/22 °F in January; to the coolest community, Seneca, with average daily highs/lows of 80°/38 °F in July and 33°/8 °F in January. Extreme temperatures in the county show 30-year highs/lows of: 103°/-37 °F at Austin; 112°/-23 °F at John Day; 108°/-25 °F at Long Creek; 112°/-26 °F at Monument; and 100°/-48 °F at Seneca.

Grant County has an estimated 200 days of clear sunny or mostly sunny days, or an estimated 300 days of clear sunny, mostly sunny, or partly sunny days each year. The county experiences an estimated 65 days of overcast skies, with about 165 days of partly to mostly cloudy days annually.

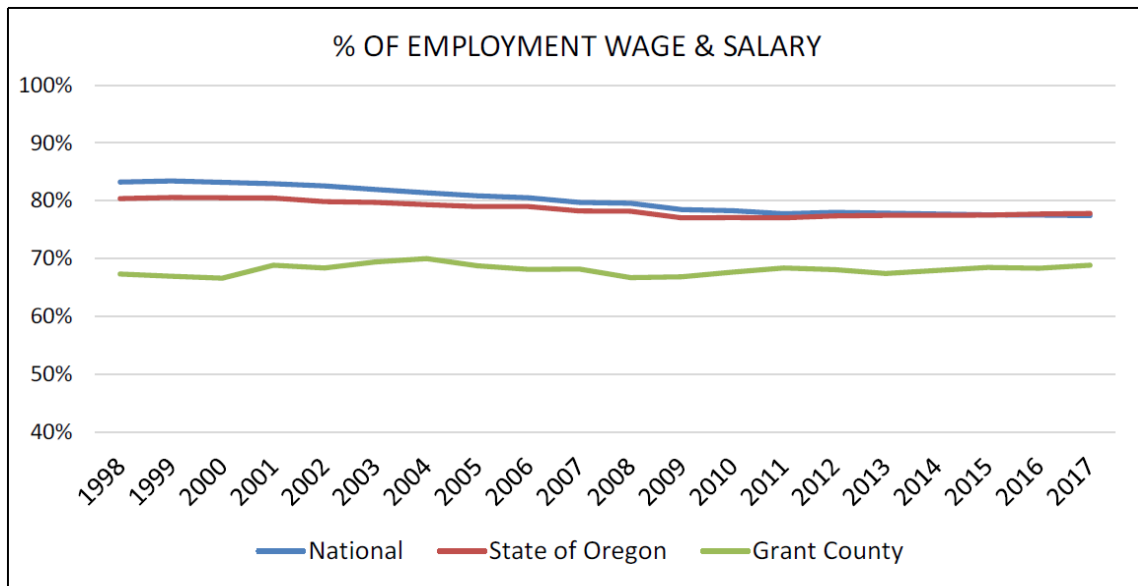
Approximately 63% of the land area of the county is controlled by the Federal Government, most of which is controlled by the U.S. Forest Service, and the Bureau of Land Management. Grant County contains most of the Malheur National Forest and sections of the Wallowa–Whitman, Umatilla and Ochoco National Forests, and has more than 150,000 acres of federally designated Wilderness Areas.

Economy

Due mainly to federal land management policies and global market pressures affecting timber and agricultural production and extraction, Grant County has experienced the second highest unemployment rate in Oregon for more than 30 years. The county has experienced some growth in recreational activities including hunting and tourism, as well as cottage industry, but residents have struggled to develop new productive industries and to diversify their economy. Slightly more than a quarter of the county's workforce is employed by some level of government or public services.

Grant County has unfortunately been losing employment in recent decades, while the US and Oregon have generally experienced positive job growth outside of recessionary periods. Grant County saw additional job loss after the most recent recession, but levels have stabilized since roughly 2011. Annual growth rates have typically lagged behind the state and have often been negative during this period.

The employment base in Grant County has a higher share of self-employment, including farms and other self-proprietorships. "Wage and salary" employment (i.e., non-self-employment) accounts for less than 70% of overall estimated employment in the county. This compares to rates approaching 80% statewide as well as nationally.



SOURCE: U.S. Bureau of Economic Analysis, JOHNSON ECONOMICS

Grant County’s employment peaked in the mid-1990’s at over 4,550 jobs, or an estimated 1.35 jobs per household. Since that time, employment fell consistently, until stabilizing after the most recent recession. As of 2017, there are an estimated 3,780 jobs in the County, or 1.2 jobs per household.

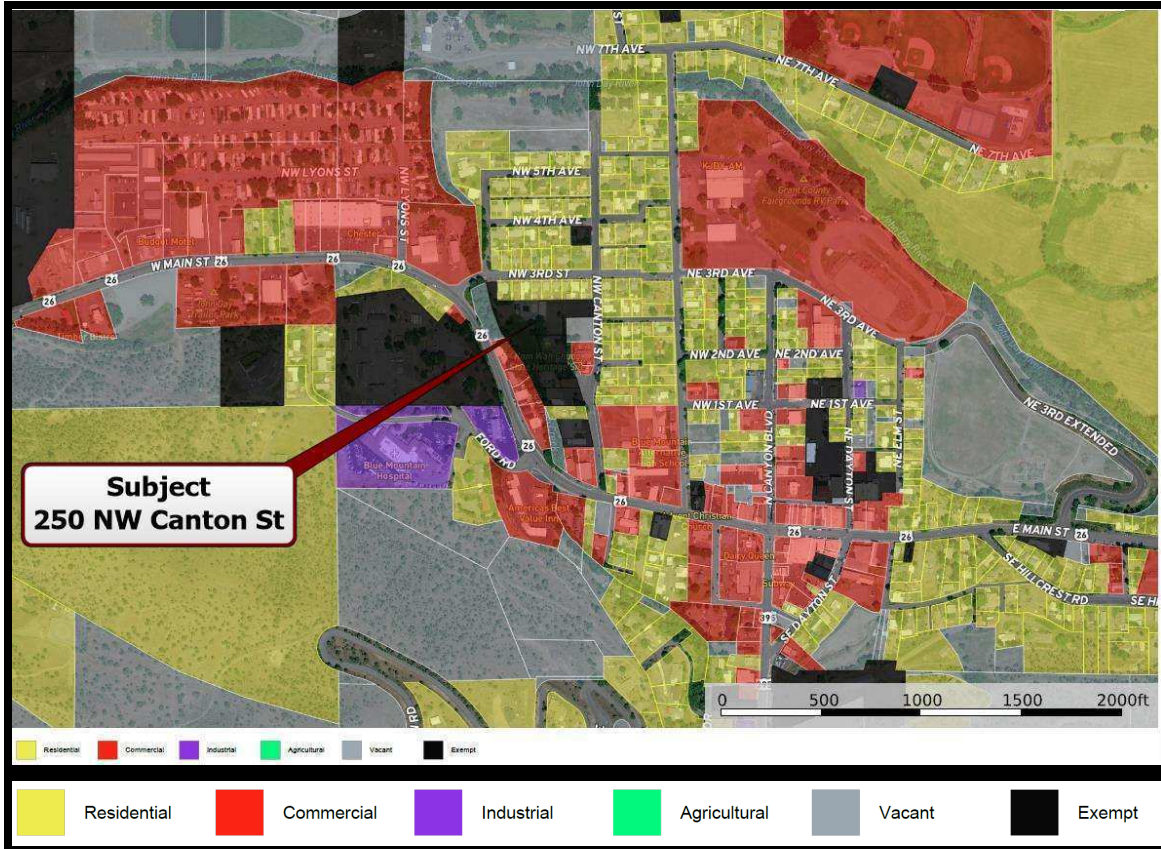
Local employment profile is highly seasonal however, reflecting the area’s relatively high proportion of agricultural employment. Employment tends to peak in August and September during peak harvest periods and falling to lowest levels by mid-winter.

Surrounding Land Uses

Land uses immediately surrounding the subject property include:

- Residential to the north.
- Public use (heritage center) and commercial uses to the east followed by residential uses to the east.
- Public use (parking lot), followed by residential and commercial to the south.
- Commercial uses across Canyon Creek fronting Highway 26 to the west.

Land Use Map



Market Conditions

Grant County has remained relatively stable over the past 10 years. While having undergone a significant decrease in property values during the great recession, recovery has been much slower and characterized by relatively flat, low values relative to other areas of the state of Oregon. I have interviewed and received building permit data from Shana Joslin of the Grant County Planning Department. There has been limited new construction activity within John Day / Canyon City over the past two years with eight new home permits (4 stick built and 4 manufactured homes) in 2020 and three new home permits in 2021 to date (1 stick built and 2 manufactured homes. a new commercial permit for an office building for a local non-profit organization, and a new Dollar General retail store.

Many of the market participants I have interviewed site antidotal narratives regarding the “Great Reshuffle” caused by the global pandemic in which individuals are fleeing the cities for rural areas. The only transactional data to support outside interest in the area is an increase price points. This increase appears to be caused primarily by historically low interest rates and a lack of supply of available properties. Statistical data provided by RMLS is summarized in the table below regarding sales per month per year followed by new listings per month per year.

RMLS Sales Per Month Per Year January Through July

	Jan	Feb	March	April	May	June	July	Total
2018	6	8	8	5	10	11	3	51
2019	3	3	10	9	5	11	10	51
2020	8	3	5	3	4	9	9	41
2021	6	9	8	10	6	17	13	69

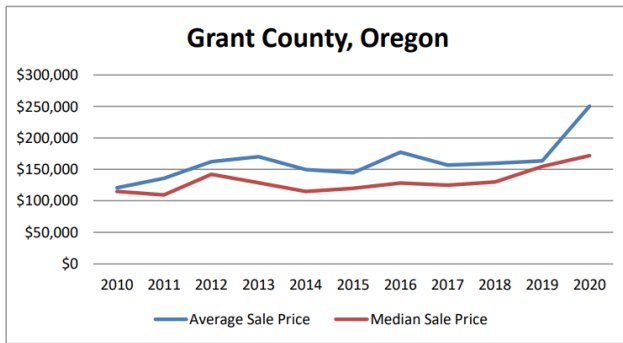
New Listings By Month Throguh July

	Jan	Feb	March	April	May	June	July	Total
2018	10	9	11	10	15	13	5	73
2019	10	6	7	12	12	10	19	76
2020	3	10	13	6	12	10	8	62
2021	4	2	17	17	12	15	16	83

As shown, there were 10 fewer sales in 2020 than there were in 2018 and 2019, but there was a 68% increase from 2020 to 2021 and 35% increase from 2019 to 2021. My interviews of market participants indicate that sales volume declined in 2020 due to the pandemic. Listing activity also declined in 2020 but then increased in 2021 at a lower rate of 34% from 2020 and 9% from 2019. The increase in demand has slightly outpaced listings creating an undersupply of residential properties and increasing price points.

My interviews of market participants indicate a surge in activity with increasing price points over the past six months as the lockdown response to the global pandemic subsides and the state of Oregon begins to open. To date properties affected are primarily residential with a significant increase in optimism towards future price increases. Statistical data provided by RMLS indicates a significant in the Median sales price in Grant County from 2020 to 2021 as illustrated in the graph and table below.

Grant County, Oregon: Residential Listings



Grant County, Oregon				
	Average Sale Price	Change from Previous Year	Median Sale Price	Change from Previous Year
2010	\$120,800		\$114,900	
2011	\$135,900	12.5%	\$109,500	-4.7%
2012	\$162,000	19.2%	\$141,900	29.6%
2013	\$169,900	4.9%	\$128,500	-9.4%
2014	\$149,400	-12.1%	\$115,000	-10.5%
2015	\$144,400	-3.3%	\$120,000	4.3%
2016	\$177,400	20.8%	\$128,300	6.9%
2017	\$156,700	-11.8%	\$125,000	-2.6%
2018	\$159,800	0.8%	\$130,000	4.0%
2019	\$163,300	2.2%	\$154,700	19.0%
2020	\$250,400	53.3%	\$172,000	11.2%

While improved residential home prices are increasing, there is not sufficient data to complete a meaningful trend analysis for vacant residential land. It is noted that there is a significant supply of sites available for purchase and no shortage is noted in terms of vacant residential building sites. Interviews of local brokers indicate that improved properties remain affordably priced in contrast to new construction. Recent increases in construction prices have reduced interest in vacant building sites in the area and increasing price points remain at an inflationary rate only for vacant residential land.

Property Description

The following descriptions are based on my property inspection, information provided by the City of John Day, Grant County Assessor records, and my interview of the representatives of the City of John Day.

SITE	
Location:	The subject property is located in Central John Day.
Current Use of the Property:	The subject property has historically been used as a community pool and park. This use has recently been discontinued.
Site Size:	Total: 131,116 square feet or 3.01 acres. Usable: 131,116 square feet or 3.01 acres. Excess: The subject can legally be partitioned into multiple sites. See highest and best use for further discussion on the subject's excess land potential.
Shape:	The site is of an irregular shape that does diminish the overall use potential of the property due to limited frontage and narrow width in some areas.
Access / Visibility:	There are three points of vehicular access to the property. There are two points of access on NW Canton Street at the north and south of the eastern property line and one point of access at the northwest corner from NW 3 rd Street.
Topography:	The subject is a primarily level site with a small area of sloped topography along the subject's western property line and the eastern bank of Canyon Creek. This sloped area is within the building setback and does not create additional unusable areas.
Soil Conditions:	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.
Utilities:	Electricity: Oregon Trail Electric Cooperative Sewer: City of John Day Water: City of John Day Natural Gas: Propane Onsite Underground Utilities: Water and Sewer.
Flood Zone:	The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone C, which is not classified as a flood hazard area. It is of note that portions of the property doe

appear to be located within the 100-year floodplain, but the plat map is not definitive. The subject has frontage on Canyon Creek on the western property line and there appears to be low areas on the eastern property line that may also be within the floodplain. See attached flood map and extraordinary assumption in scope of work section.

FEMA Map Number: 4100770001C

FEMA Map Date: February 23, 1982

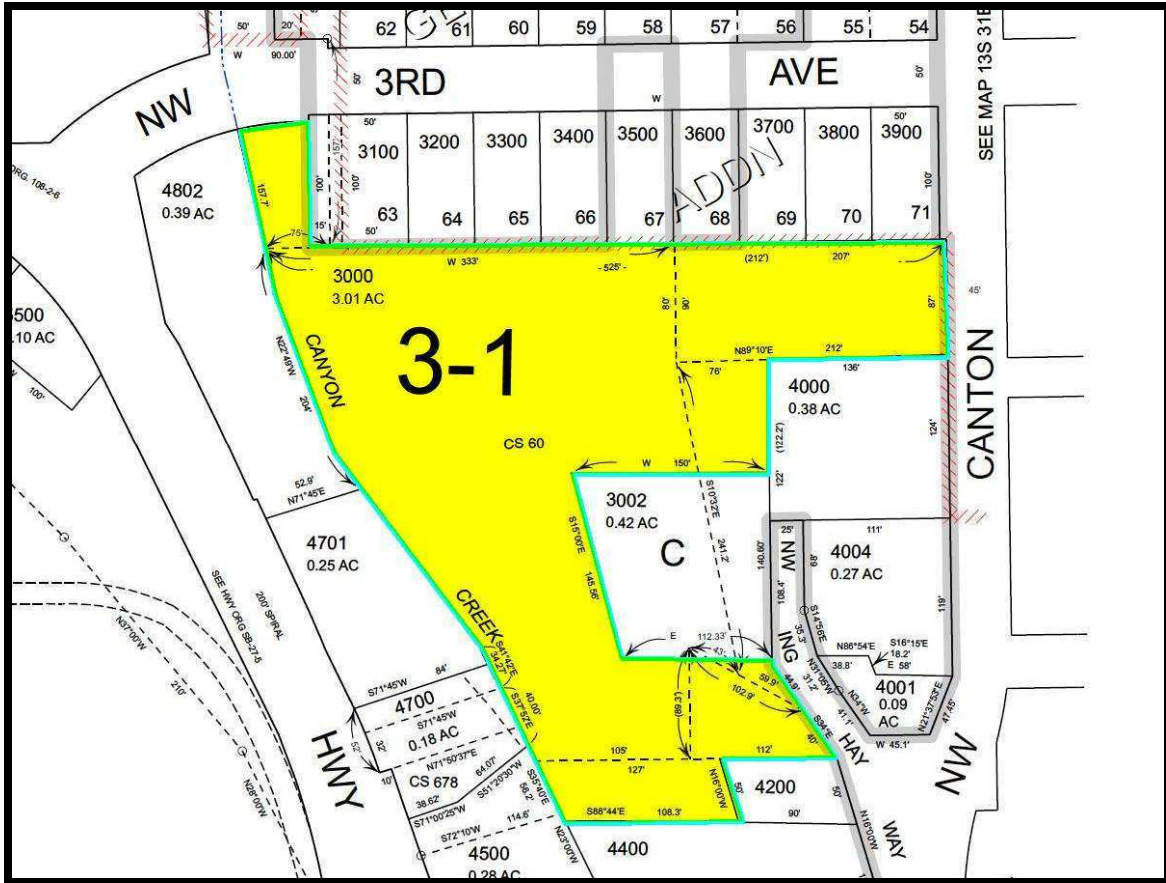
Environmental Issues: I have not been provided with an environmental assessment or study pertaining to the appraised subject parcel. I have not found any evidence that environmental contaminants exist, therefore, the subject has been appraised as though none exist. I have not been advised of any adverse environmental soil, mineral, or any other conditions.

Encumbrance /
Easements: No adverse easements or encumbrances were noted during my review of the subject plat map, viewing of the subject site, and interview of the current owner and current tenants.

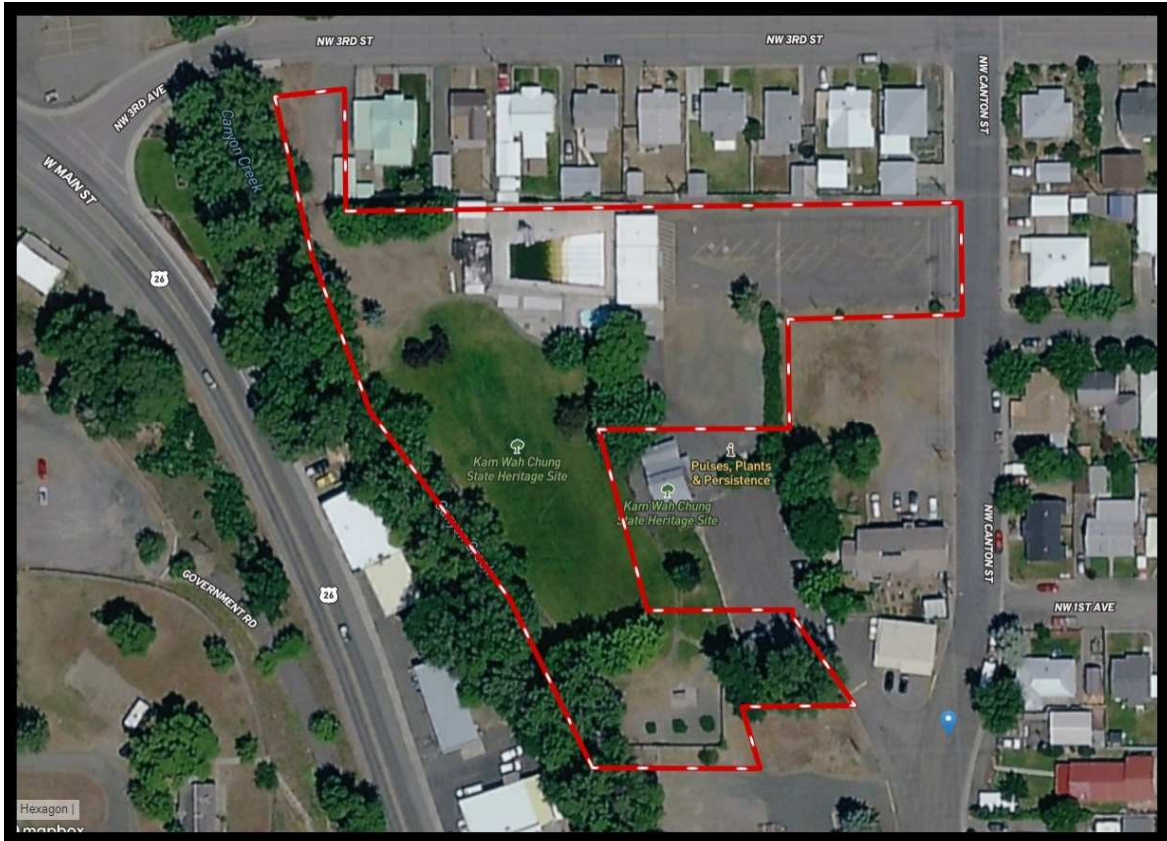
Plat Map



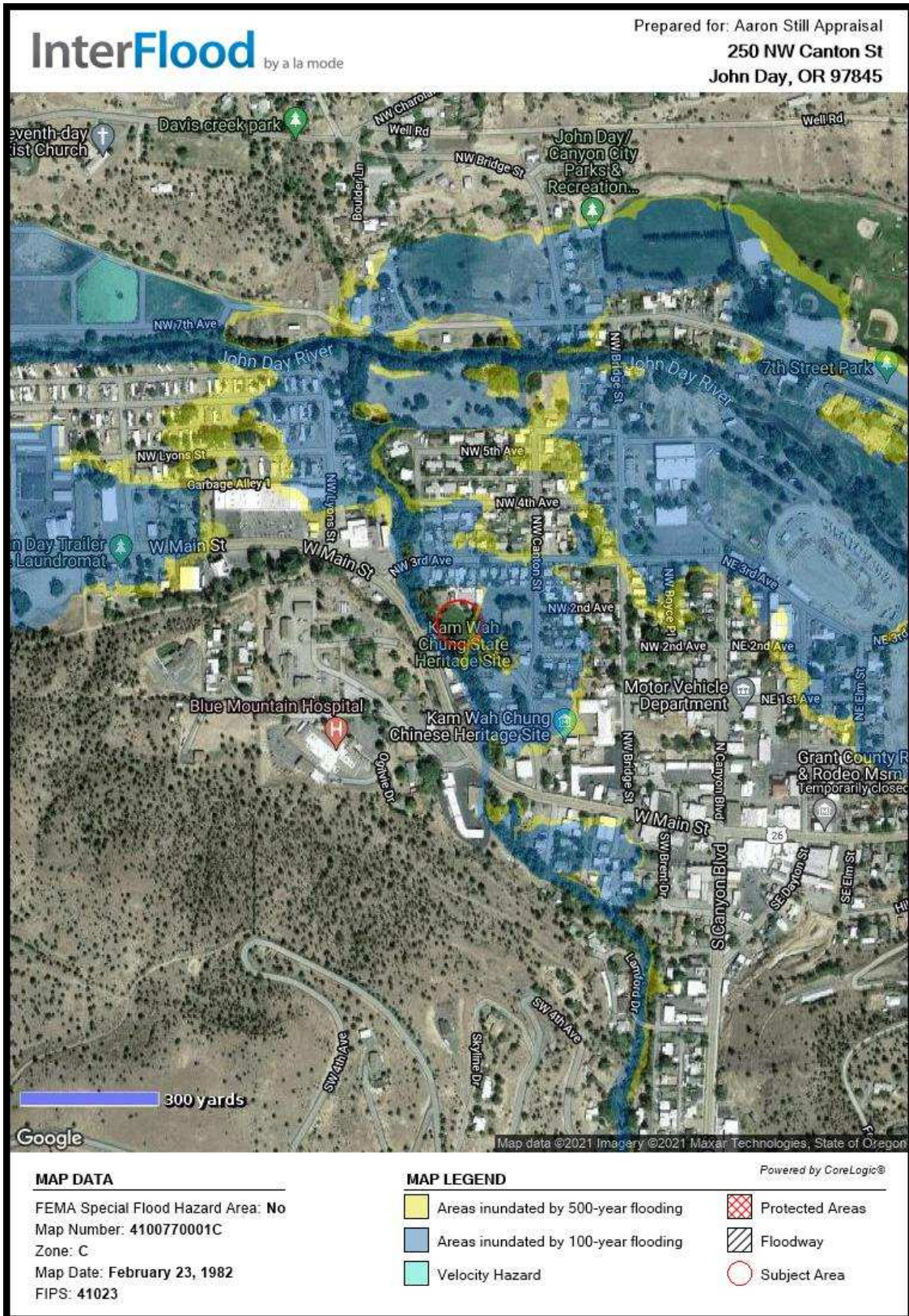
Plat Map (zoomed)



Aerial Photo



Flood Map



Improvement Description

The current improvements have been designed and built for public use and is considered a non-economic use. The appraiser has been provided with a condition assessment completed by the City of John Day. A copy of the condition assessment is attached as an addendum item to this report. Information in the assessment has been relied upon in this analysis with regards to the determination that the subject improvements have reached the end of their economic life and are also near the end of their useful life. I have included a brief description of the subject improvements below, although the improvements are only relevant inasmuch as it will require a capital expenditure to remove them from the property in order to develop the property to its highest and best use.

- 116'x12' men's and women's restrooms each with sink and commode. This building was constructed in 2007 and is in good shape but does not contribute to a residential use in any way. I have estimated the replacement cost less depreciation for this building as it may contributed to the intended use of the client which is a state agency with the intent of purchasing the property for public use. For details regarding my depreciated replacement cost estimate please see the final reconciliation of value section of this report.
- The pool house includes men's and women's locker rooms with showers toilets and sinks. There is a reception area as well as small office area. The exterior dimensions of this building are 60'x40'. This building has been adequately maintained but is in need of significant repair and ongoing maintenance due to the low quality of construction. The design of this building provides little opportunity for any use other than as a locker room / pool house.
- There is roughly 15,000 square feet of asphalt paving that is in overall average condition on the northeast corner of the property which serves as a parking lot.
- Swimming pool is 66 years old, and the surface is deteriorating and will no longer hold paint. In addition, the condition assessment notes that tunnels and piping under the pool have deteriorated. In addition to the pool there is a significant amount of concrete decking, and ancillary items such as a slide.
- Equipment building (Boiler Room) and pool equipment are in need of significant repair and maintenance and do not serve an economic purpose. Significant rot is noted in this building according to the condition assessment provided.
- 12'x22' Ancillary covered storage area. This structure is located near the northern property line and within the building setback and would likely have to be removed prior to any redevelopment of the property.
- There is a parking area at the south end of the property with gravel surface and wood parking barricade that does not provide a contribution to the property for the highest and best use.
- The site has good landscaping with mature trees as well as a picnic area and covered small, covered area.

None of the improvements contribute to the subject property in terms of the highest and best use. I have contacted local Contractors Iron Triangle LLC as well as Tidewater Contractors with regards to the cost to remove the current improvements to make the property ready for redevelopment including compaction.

Subject Photographs



Front View of Gleason Pool



Parking Lot & Main or Northeast Side Entrance to Gleason Pool & City Park



Alternate View of Parking Lot to Gleason Pool & City Park



Street View of NW Canton Street facing North



Southeast Entrance to Gleason Pool & City Park



Small Pool



Large Pool



Rear View of Pool & Buildings



Pool Lobby



Girls Locker Room, Showers, & Restrooms



Boys Locker Room, Showers, & Restrooms



Pool Mechanical Building



Interior of Mechanical Building



Pool Cover & Supplies Building



Public Restrooms



Restroom One



Restroom Two



City Park



Picnic Area of City Park



Canyon Creek runs the full length of the west side of the property

Assessment and Taxes

The Oregon Constitution limits the rate of growth of property value subject to taxation. The limit is based on a property's maximum assessed value (MAV). MAV can't increase by more than 3% each year, unless there are changes to the property, such as the addition of a new structure, improvement of an existing structure, or subdivision or partition of the property. In 1997, all assessed values were set to the estimated 1995 market value, less 10%. Assessed values cannot exceed market values, thus, market values are determined for the purpose of setting the maximum assessed value.

REAL ESTATE ASSESSMENT AND TAXES	
Taxing Authority	Grant County Assessor
Assessment Year	2020
ASSESSED VALUES	
Tax Identification Number	8784
Land Real Market Value	\$44,900
Building Real Market Value	\$127,750
Other Property Assessed Value	<u>None</u>
Total Real Market Value	\$172,650
Total Assessed (taxable) Value	\$0.00 (Tax Exempt Under Current Ownership)
Tax Amount	\$0.00 (Tax Exempt Under Current Ownership)

Zoning

The City of John Day had changed the zoning of the subject property from Residential Limited to Park Reserve in November of 2018 in preparation of the current project. My interview of City Manager, Nicholas Green revealed that if the property were to be offered for sale to the general public, the zoning would revert back to Residential Limited. As previously discussed, the current zoning creates a non-economic use of the property. Given that the purpose of the appraisal is to estimate the market value of the property as defined, the property has been completed for a residential use of the property as would be the intended use of the most likely buyer of the subject property. The land use controls of the Residential Limited zoning are summarized in the table below.

LAND USE CONTROLS	
Zoning Code:	RL
Zoning Description:	Residential Limited
Zoning Change Likely:	Yes. The subject is currently zoned Park Reserve, if exposed to the market the subject's zoning would revert to residential limited.

Zoning Comments:

The City of John Day zoning department has confirmed the subject's zoning. The Residential Limited (RL) district is intended to accommodate a wide variety of housing types, including attached and detached housing on small to medium size lots in the neighborhoods close to downtown. The RL district also supports parks, schools, places of worship, and other services at an appropriate neighborhood scale.

Minimum lot requirements are summarized in the table below:

Minimum Lot Area* (square feet)

Single Family, not attached	5,000
Single Family, attached	4,000
Single Family with Secondary DU	7,500
Duplex	7,500
Multiple-Family or Cottage Cluster	10,000
Non-Residential Uses	10,000

Lot Size on Slopes >20%, except as modified through a Master Planned Development

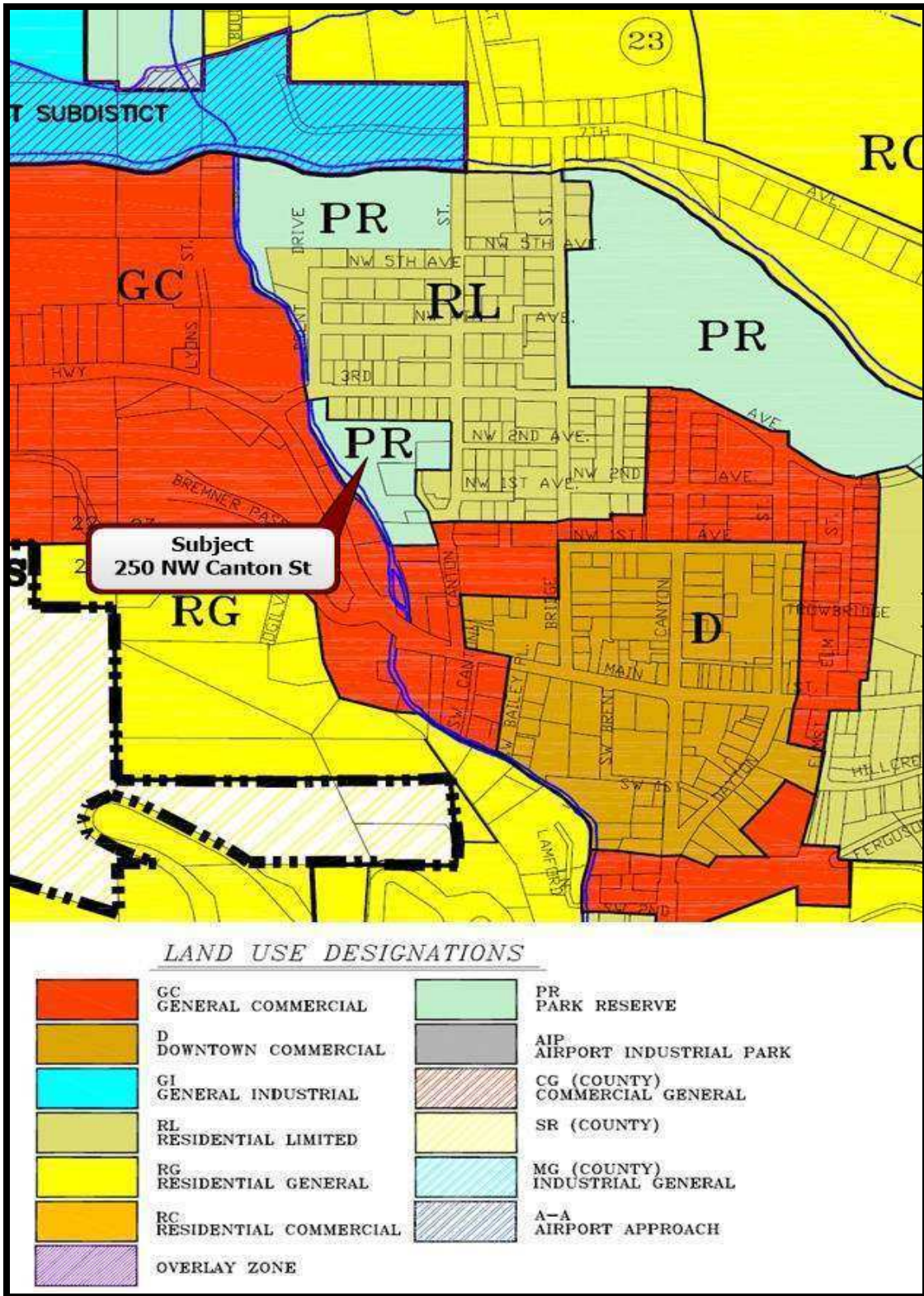
Minimum Lot Width

Single Family, not attached	40
Single Family, attached	20
Duplex	50
Multiple-Family or Cottage Cluster	50
Non-Residential Uses	20

For flag lots, width is measured at the front building line.

Minimum Lot Depth is 2 times the Min. Width

Zoning Map



Highest and Best Use

Highest and best use of a site as though vacant

The definition of Highest and Best Use of land or a site as though vacant is defined in the Dictionary of Real Estate Appraisal, Sixth Edition, 2015 as follows:

“Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.”

The following analysis presents my estimation of the legally permissible, physically possible, financially feasible, and maximally productive use of the subject site.

1. **Legally Permissible Use:** The City of John Day had changed the zoning of the subject property from Residential Limited to Park Reserve in November of 2018 in preparation of the current project. My interview of City Manager, Nicholas Green revealed that if the property were to be offered for sale to the general public, the zoning would revert back to Residential Limited. As previously discussed, the current zoning creates a non-economic use of the property. Given that the purpose of the appraisal is to estimate the market value of the property as defined, the property has been completed for a residential use of the property as would be the intended use of the most likely buyer of the subject property.

The legally permissible uses within the RL zone are residential. The test of legally permissible limits the subject property to a residential use in terms of economic uses are concerned.

2. **Possible Use.** The physical characteristics of the subject site do significantly diminish the use potential of the subject site. There are three separate points of vehicular access on the to the subject property. In addition, there are areas of the site that are too narrow to accommodate a public street and meet the 80-foot minimum lot depth. Because of the limited access and with, the subject is limited to three large residential building sites. Each of the three access points meet the minimum lot width for single family detached housing. The subject site 3.01 acres. It is noted that two of the access points are over 80 feet wide and could accommodate two frontages. A partition of three large sites is more likely as this process is considered a minor partition and does not require the applicant to go before the planning commission. In other words, a three-site partition plat is a legally permissible use outright within the zone. In addition, the three-parcel configuration provides less likelihood of any of the potential building sites being impacted by the 100-year floodplain.
3. **Feasible Use.** The cost to complete a three-parcel partition plat includes the cost of a survey (\$3,500 to \$4,000), application fees, and recording costs (\$125). Additional costs would be incurred during the selloff of the excess properties. Given price points within the area, it is not financially feasible to speculate on the construction of dwellings on the property. Homes constructed in the market area are typically built for the homeowner on

a previously purchased site. The most likely configuration of a potential residential partition of the subject property is illustrated below. Please note site sizes are approximate based on GIS mapping software and the analysis is based on the site being partitioned into three roughly equal sized 1-acre sites with the additional .01 acre being attributed to the one acre site and of no material consequence to the analysis.



4. Maximally Productive.

The maximally productive use of the subject site is to partition the property into three buildable residential sites. The maximally productive use of the subject site “as if vacant” is single family residential of each site after partition. The ideal improvement on each site is a single level single family residence with between 1,400 square feet and 2,200 square feet containing three bedrooms, two bathrooms, and an attached double car garage. Site one would likely be developed with the most modest improvements of the three sites as sites two and three have frontage on Canyon Creek.

Highest and best use "as improved"

The definition of Highest and Best Use of a property as improved (proposed) is defined in the Dictionary of Real Estate Appraisal, Sixth Edition, 2015 as follows:

“The use that should be made of a property as it exists. An existing property should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.”

It is important to recognize the possibility that the highest and best use of the land could differ from the highest and best use of the property. The "demolition rule" as stated by the Appraisal Institute in its Advanced Income Capitalization Course states:

“If the value of the property as improved is equal to or greater than the value of the land as if vacant less costs of demolition, then the current improvements should not be demolished. This does not mean that the current use is necessarily the highest and best use, because conversion or renovation must be considered.”

For there to be a change in the highest and best use from the "as if vacant" to the "as improved" condition, one of three conditions must occur: (1) the site value, less the cost of demolishing the improvements, less the cost of acquiring occupancy (leased condition) must exceed the value of the property as improved; (2) the current improvement is a higher use than is available as if vacant (legally nonconforming use); or (3) the cost to add improvements to the property is financially feasible.

The highest and best use of the subject property as improved is to demolish the existing improvements as they do not provide an economic use of the land. The most likely buyer of the subject property is an owner occupant interested in demolishing the existing improvements and completing a partition of the property into three sites in order to sell off two excess sites and pay for the demolition and site development fees of the primary creek front site which would be retained for immediate residential development and owner occupancy. The timing for demolish is immediate although the southern potential site could likely be sold off prior to demolition in order to pay for expenses incurred.

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

Cost Approach

The Cost Approach is summarized as follows:

$$\text{Cost New} - \text{Depreciation} + \text{Land Value} = \text{Value}$$

Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

A **cost analysis** is considered but not applied inasmuch as land cannot be created and the improvements on the site are for a non-economic use. The cost approach has been considered in my highest and best use conclusions.

A **sales analysis** is applied, as it is representative of the actions of buyers and sellers in the local market. The sales comparison approach best represents the actions of buyers and sellers in the marketplace in this instance.

An **income analysis** has not been considered as it has been found to not be a reliable indication of value for the subject property and it does not accurately represent the actions of buyers and sellers in the local market area in this instance.

Sales Comparison Approach – Land Valuation

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution, and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed, and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed, and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land Comparable Sales

I have completed an exhaustive search of the regional MLS and County records for Grant County in order to find the most similar and most recent comparable land sales available for this analysis; these are documented in the table below followed by an adjustment grid. In addition to the most similar land sales, I have completed a search of the MLS for residential properties available for purchase. A search for vacant residential building sites within the city limits and between 10,000 square feet and 5 acres revealed 6 active listings and one pending sale. All but one of these properties is located to the south of John Day in Canyon City. The one listing in John Day is a sloped site on the north edge of John Day but within the city limits. The listings and one pending sale found are summarized in the table below. None of the listings or the pending sale are ideal for comparison to the subject as all have sloped topography and will require significant excavation costs.

John Day and Canyon City Residential Land Listings

MLS#	Tax ID	Address	City	Size (sf)	Topo	Price	\$/SF	DOM
21666131	14S3102DA1700	01 Adams DR	Canyon City	21,344	LEVEL	\$19,500	\$0.91	175
21174691	14S3102DA1500	0 S Adams DR	Canyon City	26,572	GEN-SLP	\$32,000	\$1.20	175
21641466	14S3102DA1400	S Adams DR #1400	Canyon City	26,572	SLOPED	\$32,000	\$1.20	175
21043320	13S3122A2800	219 Valley View DR	John Day	27,007	LEVEL, STEEP	\$53,500	\$1.98	83
21665218	14S3102DA1400	01 Adams DR	Canyon City	53,143	SLOPED	\$57,000	\$1.07	160
21489864	14S3101CC100	26531 NELSON RD	Canyon City	87,120	LEVEL, SLOPED	\$87,000	\$1.00	156
20655820	14S3102636	0 West Bench RD	Canyon City	87,120	LEVEL, SLOPED	\$87,000	\$1.00	384 Pending

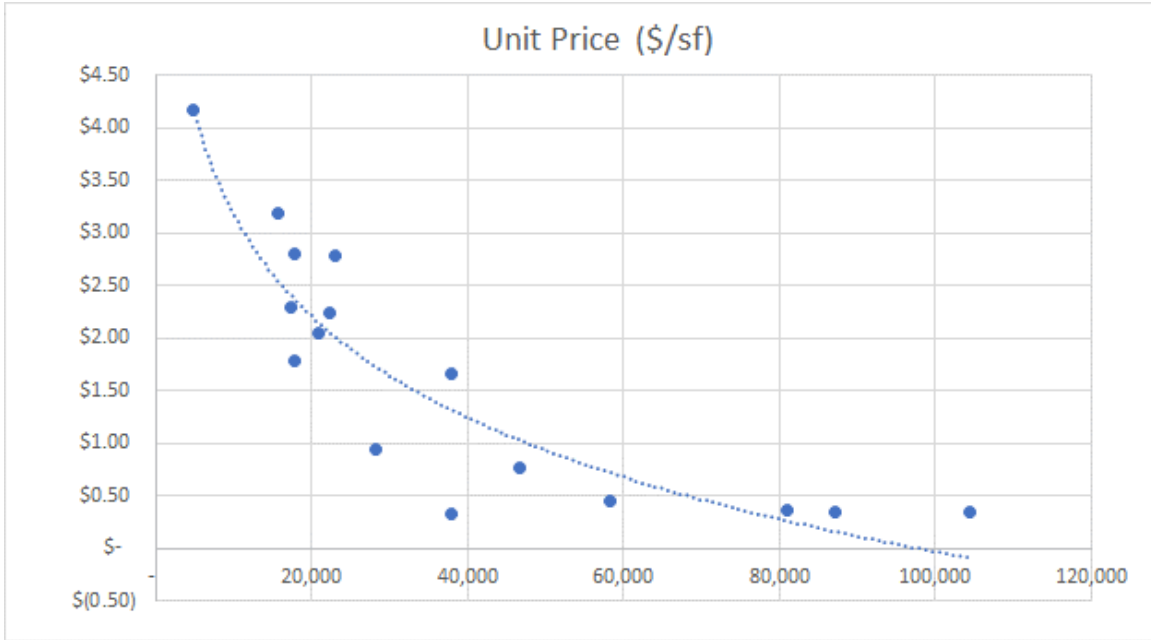
In addition to the above listings, a bulk lot land listing is noted for the sale of a finished subdivision with 48 remaining lots. All horizontal improvements are in place including paved roads and buried utilities with each site having been graded for a building pad. The property is listed with an asking price of \$675,000 or \$14,063 per site if sold in bulk.

The listing reports that over \$1,500,000 has been spent on this subdivision. The property has been listed for 114 days at this asking price. This is of little relevance to the value of the subject as all sites within the subdivision are considerably smaller than the subject sites.

Residential land sales have been few and far between in Grant County over the past three years. I am forced to consider dated land sales as well as land sales from the most similar competing market areas. Market conditions have been relatively stable in the Grant County market area for vacant land, and market condition adjustments are applied at a minimal inflationary rate. Aggregate sale data from which I have selected the most similar sales from to compare to the subject are summarized in the table below. These land sales have also been considered in my formulation of adjustments as well as market trends.

Address	City	Map & Tax Lot #	Topo, Other	Sale Date	Sales Price	Size (ac)	Size (sf)	Unit Price (\$/sf)
313 S Canyon Blvd	John Day	13S3126BD TL 900	Level, Old Shp	8/28/2020	\$20,000	0.11	4,792	\$4.17
TBD Elk View Dr.	Canyon City	13S3135CA TL 2707	Level	2/10/2021	\$50,000	0.36	15,682	\$3.19
410 Bridge ST	Prairie City	13S3311BA 2210	Level, Rvr Fr	3/12/2021	\$40,000	0.40	17,424	\$2.30
TBD Adam Dr.	Canyon City	14S3102AD TL 700	Sloped, View	6/14/2021	\$32,000	0.41	17,860	\$1.79
Elkview Drive	Canyon City	13S3135CA TL 2705 & 2706	Level, 2 Sites	3/4/2020	\$50,000	0.41	17,860	\$2.80
335 N Cozart St	Prairie City	13S3302CB TL 2800	Level, Old Stg	7/24/2020	\$43,000	0.48	20,909	\$2.06
857 NW Bridge St	John Day	13S3123CB TL 507	Sloped, View	2/19/2021	\$50,000	0.51	22,216	\$2.25
214 Valley View Dr	John Day	13S3122A TL 1700	Sloped, View	5/28/2021	\$64,500	0.53	23,087	\$2.79
TBD Valley View Dr.	John Day	13S3122A TL 4200	Sloped, View	11/23/2020	\$26,500	0.65	28,314	\$0.94
215 N JOHNSON ST	Prairie City	13S3302CC 5200	Level, Old Stg	4/12/2021	\$63,000	0.72	37,899	\$1.66
0 S Adam Drive	Canyon City	14S3102DA TL 1000, 1100	Sloped, View	5/29/2020	\$12,500	0.87	37,897	\$0.33
454 SW 4th Ave	John Day	13S3126BC TL 1200	Graded Pad, Vw	10/21/2019	\$35,900	1.07	46,609	\$0.77
TBD Patterson Dr.	John Day	13S3135 TL 1002	Sloped, View	9/24/2020	\$26,000	1.34	58,370	\$0.45
TBD Patterson Dr.	John Day	13S3135 TL 709	Sloped, View	8/20/2021	\$30,000	1.86	81,022	\$0.37
591 Industrial Park Ln	John Day	13S3127D TL 600 & 700	Sloped, View	7/28/2021	\$31,000	2.00	87,120	\$0.36
TBD Patterson Dr.	John Day	13S3135 TL 704	Sloped, View	6/1/2021	\$36,500	2.40	104,544	\$0.35

A prominent observation of the sales data above is that marginal utility or size regression is significant in the market area. In other words, as the size of a site increases, the incremental price per square foot market participants area willing to pay for surplus land area decreases. It is likely over pronounced by the above data as several of the larger sites have sloped topography. Topography also has a significant impact on the price paid for a site as sloped topography causes increased excavation and overall development costs. Size regression is further illustrated in the graph below which has been created with the above data set and logarithmic trend line.



Sales considered for comparison to the subject have been researched through numerous sources, verified with public record, and confirmed by the appraiser with a party to the transaction when possible.

The sales price and price per square foot are the actual price paid prior to expenditures at time of sale, financing adjustments, and other considerations. The table below summarized the land sales considered for comparison to the subject “as if vacant”.

Address	City	Map & Tax Lot #	Topo, Other	Sale Date	Sales Price	Size (ac)	Size (sf)	Unit Price (\$/sf)
410 Bridge ST	Prairie City	13S3311BA 2210	Level, Rvr Fr	3/12/2021	\$40,000	0.40	17,424	\$2.30
335 N Cozart St	Prairie City	13S3302CB TL 2800	Level, Old Stg	7/24/2020	\$43,000	0.48	20,909	\$2.06
857 NW Bridge St	John Day	13S3123CB TL 507	Sloped, View	2/19/2021	\$50,000	0.51	22,216	\$2.25
214 Valley View Dr	John Day	13S3122A TL 1700	Pad, View	5/28/2021	\$64,500	0.53	23,087	\$2.79
215 N JOHNSON ST	Prairie City	13S3302CC 5200	Level, Old Stg	4/12/2021	\$63,000	0.72	37,899	\$1.66

The sales above indicate a relatively tight range of sale prices for a residential building site from \$40,000 up to \$64,500. The low end of the range is for a river front site located in the slightly inferior market area of Prairie City. The high end of the range represents a recent sale of a sloped view lot with a level building pad. All sites are inferior to the subject’s potential building sites in size, and only one of the sales has water frontage. I have included the sales in the below adjustment grid and have applied adjustments for the most prominent elements of comparison.

Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Expenditures at time of sale
- Market Trends
- Location
- Size
- Topography/Flood Issues
- View

The sales comparison grid displaying the comparable sales, and the adjustments applied is included below.

SALES DATA	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5
SALE PRICE	\$ 40,000	\$ 43,000	\$ 50,000	\$ 64,500	\$ 63,000
SALE DATE	3/12/2021	7/24/2020	2/19/2021	5/28/2021	4/12/2021
SIZE (SF)	17,424	20,909	22,216	23,087	37,899
PRICE/SF	\$ 2.30	\$ 2.06	\$ 2.25	\$ 2.79	\$ 1.66
PROPERTY RIGHTS	\$ -	\$ -	\$ -	\$ -	\$ -
FINANCING OR CONCESSIONS	\$ -	\$ -	\$ -	\$ -	\$ -
TERMS OF SALE	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES AT TIME OF SALE	\$ -	\$ -	\$ -	\$ -	\$ -
MARKET CONDITIONS	\$ 355	\$ 1,052	\$ 523	\$ 238	\$ 430
CASH EQUIVALENT PRICE	\$ 40,355	\$ 44,052	\$ 50,523	\$ 64,738	\$ 63,430
CE PRICE PER SF	\$ 2.32	\$ 2.11	\$ 2.27	\$ 2.80	\$ 1.67
ELEMENTS OF COMPARISON					
LOCATION	20.0%	20.0%	0.0%	0.0%	20.0%
SIZE	-38.0%	-35.0%	-33.0%	-32.0%	-5.0%
TOPOGRAPHY/FLOOD ISSUES	0.0%	0.0%	20.0%	5.0%	0.0%
VIEW	0.0%	10.0%	0.0%	0.0%	10.0%
ADJUSTED PRICE/SF	\$ 1.90	\$ 2.00	\$ 1.98	\$ 2.05	\$ 2.09

Comparable Land Sale Adjustments

All of the comparable properties sold in fee simple ownership, with cash or cash equivalent financing. None of the comparable transactions sold with atypical or adverse conditions.

Market conditions for vacant commercial land has been relatively stable with mild increases and an upward adjustment has been made at an inflationary rate 2.5% annually or 0.208% per month to each sale from the date of sale to the effective date of the appraisal.

Location adjustments have been applied to the sales located in Prairie City (sales 1, 2, & 5). The adjustment has been made based on my review of the aggregate sales data and cross referenced with my interviews of market participants during the sale confirmation process.

Size adjustments are based on my trend analysis of historical land sales from within the area as illustrated in the graph below the aggregate land sales table. As the size of a site increases, the price paid per square foot decreases, therefore a superior sized site requires a downward adjustment. All five sales require a downward site size adjustment to varying extents.

Sales three and four have topography issues and is of a shape that diminishes the utility of surplus land area. In the case of sale three, the topography will require extensive excavation and capital expenditures prior to development and a large upward adjustment is warranted. Sale four has a level building pad and a smaller adjustment has been applied to account for the diminished utility of surplus land area.

Sale one is on the John Day River and is considered similar to the subject's two creek front sites. Sales three and four have very good valley views which is considered to be equivalent to the subject's creek frontage. Sales two and five have no significant view or frontage and require an upward adjustment. The adjustment has been made based on a pairing of sale one and sale two after consideration of market conditions. Based on this pairing, the subject's two sites with creek frontage will sell for roughly 10% more than the site without creek frontage. The adjustment grid has been completed for the two sites with creek frontage.

All adjustments have been made based on my pairing of sales, trend analysis, and interviews of market participants. As a test of reasonableness each adjustment is tested using sensitivity analysis from within the dataset. Given the limited size of the subject's market area, the sample of data is not large enough to provide definitive support for adjustments and several adjustments are more subjective than I would like. This cannot be avoided due to the lack of sales data from within the subject's immediate market area.

Sales Comparison Approach Conclusion – Land Valuation

The range of unadjusted sale prices is from \$1.66 per square foot up to \$2.79 per square foot. I am unable to bracket all attributes of the subject, and all five sales are smaller than the subjects' three potential building sites which will be roughly 1 acre each. After adjustments are applied, the range sale price is narrowed to \$1.90 per square foot to \$2.09 per square foot. Market participants would likely consider the range for one acre sites as a whole from $\$1.90 \times 43,560 = \$82,764$ up to \$91,040.40.

Sale one is relatively recent, has river frontage similar to the creek frontage of two of the subject's potential sites, but is located in a competing market area and is a significantly smaller site. Sale two is also located in a competing market area, is dated (nearly one year old), is a significantly smaller site, and has no significant view. Sales three and four are from the subject immediate market area, however sale three will require extensive excavation and required a large topography adjustment. Sale four is the most recent and overall, most similar sale available as it has a level building pad but is a considerably smaller site. Sale five is level, relatively recent, but from an inferior competing market area and does not have a significant view.

I have given primary consideration (30%) to sale four in my reconciliation with secondary consideration (25%) being placed on sale five. Sales one, two, and three have been given tertiary consideration (15%). This weighting of the sales results in weighted average indication of \$2.02 per square foot. The average and mean adjusted price per square foot is \$2.00 per square foot. Given all indications, I have reconciled to the weighted indication.

As If Vacant Market Value Estimate of Potential Creek Front Site

Indicated Value per Square Foot:	\$2.02
Site Size:	43,560
Indicated Value:	\$87,991
Rounded:	\$88,000

Eighty-Eight Thousand Dollars

The potential interior site of the subject will not have a significant view and the view adjustment is therefore applied downward to sale one, three, and four. The view adjustment is removed from sales two and five. As a result of the change in view adjustments, the adjusted sale price range is \$1.67 per square foot up to \$1.92 per square foot. After applying appropriate view adjustments for the interior site, I have changed the weighting of sale five to 30% and sale four to 25% with sale one two and three remaining at 15% each. This weighting results in a weighted average of \$1.80 per square foot. The average adjusted sales price is \$1.78, and the median is \$1.77. I have reconciled to a price per square foot near the weighted indication of \$1.80 per square foot given the indication of sale five. The additional 0.01 acre of site size of the subject's total 3.01 acres is attributed to the interior site for a size of 43,996 square feet.

As If Vacant Market Value Estimate of Interior Potential Site

Indicated Value per Square Foot:	\$1.80
Site Size:	43,996 (1.10 ac)
Indicated Value:	\$79,192
Rounded:	\$79,000

Seventy-Nine Thousand Dollars

Land Value "As If Vacant and Ready for Development"

I have concluded a retail site value as if vacant and ready for development of \$88,000 for the two creek fronting sites and \$79,000 for the interior site. This equates to a total retail value of \$255,000. The most likely buyer of the subject property is an owner occupant interested in retaining one of the building sites for residential development and occupancy while selling of the two excess sites to offset demolition costs and the cost of the primary building site. Inasmuch as the intent is to retain a building site and sell-off two excess sites, the cost to complete the partition would be considered as well as the cost to sell of the excess sites. The most likely buyer would retain one of the creek front sites while selling off the southern creek front site and the interior site. Once vacant, the

typical market participant and most likely buyer would calculate an offering price estimating the cost to complete the partition including survey and recording, and the cost to market and sell off the excess sites while also retaining an allowance for contingencies and a line item for entrepreneurial incentive. Entrepreneurial incentive takes into account that a discount from the market value would be required to entice a buyer into taking on the project rather than purchasing an otherwise ready to build home site. Sales commissions have been deducted at 6% of the sales price for the two excess sites. I have confirmed survey costs based on a recent partition plat of three sites completed by Benchmark Surveying. Application fees and recording fees are based on the Grant County fee schedule which is \$250 application per new site and \$125 recording fee of the new plat map. Taxes for one excess site are estimated to be \$125 while one years weed control for the excess site is estimated to be \$1,125. Given the lack of development activity in recent years, I have estimated contingencies and entrepreneurial incentive based on interviews of market participants. The partition of the property "as if vacant" is a relatively low risk with little to no contingencies required. My interviews revealed a range of expectations of profit from 10% to 35%. In this instance, profit would be based on the gross retail values of each of the excess sites. I have applied a line item at the low end of the range of 10% for the "as if vacant" valuation scenario. The two excess sites are anticipated to sell within one year and no extended holding cost are anticipated, and no discounting is necessary. A summary of my estimate of the fee simple market value of the subject property "as if vacant" is illustrated in the table below.

Estimate of Site Value "As If Vacant"

Sale Price of Excess Creek Front Site	\$ 88,000
Sale Price of Excess Interior Site	\$ 79,000
Less Sales Commissions	\$ 10,020
Less Cost of Survey	\$ 4,000
Less Application Fee	\$ 750
Less Recording Fees	\$ 125
Less 1 Years of Holding Costs(Weed Control & taxes)	\$ 1,250
Less Entrepreneurial Incentive (10%)	\$ 16,700
Contributory Value Excess Sites	\$ 134,155.00
Estimated Value of Subject Home Site	\$ 88,000.00
Total Estimate of Subject Site (as if vacant)	\$ 222,155.00
Estimate of Site Value "As If Vacant" (Rounded to the nearest \$1,000)	\$ 222,000.00

Based on the data and analyses developed in this appraisal, I have reconciled to the following fee simple value conclusion for the "as if vacant" condition of the subject property, as of July 22, 2021, subject to the Limiting Conditions and Assumptions of this appraisal, as follows:

**TWO HUNDRED AND TWENTY-TWO THOUSAND DOLLARS
(\$222,000)**

**Rounded to the Nearest \$1,000*

**See scope of work for extraordinary assumptions employed in this analysis.*

The above referenced value conclusion is for a fee simple ownership interest in the subject property. The market value assumes a typical exposure period. In this instance, I have estimated an exposure period of 12 months for the subject property "As if vacant and ready for development".

Value Estimate for the “As Is” Condition of the Subject

The cost to make the site ready for development would be considered by the typical buyer interested in the subject property in its “as is” condition. I have interviewed three contractors familiar with the market area and two of which took the time to visit the property.

I Spoke with Doug Robbins of Tidewater Contractors regarding the cost to remove the current improvements and compact the site in preparation for development. Mr. Robbins visited the property and determined that extensive research would need to be completed prior to issuing an estimate and he is currently unable to meet the request within a reasonable time frame due to prior obligations. Mr. Robbins did state that a cost of \$75,000 would be needed and it would be higher if hazardous material abatement is needed. Mr. Robbins emphasized that this is not a formal quote, rather a quick guesstimate of the minimal costs necessary due to his lack of time available to commit to the estimate.

I have interviewed Steve Ritch of SREC in Baker City. Mr. Ritch is an experienced environmental and excavation contractor operating in Oregon, Idaho, and Washington. Mr. Ritch discussed component costs for the hypothetical project based on descriptions and sizes I provided. My interview revealed that the concrete for the pool and decking would need to be removed in order to properly compact the site. The concrete could possibly be broken down and used as fill rock, but this could cost as much as bringing in new fill rock. It would require roughly 1200 yards of rock to fill the pool at a cost of \$15 per yards is \$18,000 and an additional \$15 per yards is required to haul and compact the rock. Fill and compaction of the site is estimated to be \$36,000. Under the assumption that there are no hazardous materials present on the property, a cost of \$12/sf to \$14/sf of the subject’s 2,340 square feet of building area and miscellaneous concrete is needed to demolish and remove improvements from the site. At the high end of the range a cost \$32,760 would be incurred. The minimal cost to be incurred would then be \$68,760.

The most thorough estimate provided as it is inclusive is from Lance Woodcock of Iron Triangle LLC. Mr. Woodcock visited the property and prepared a cost estimate to make the property ready for development which is summarized below as it was provided to the appraiser.

- Removal of main building and foundation \$16,500.00
 - Removal of boiler building \$13,500.00
 - Removal of restrooms \$4,500.00
 - Removal of the two pools and aprons \$36,550.00
 - Backfill and bring to grade \$11,500.00
- Total \$82,900.00**

Mr. Woodcock emphasized that the quote does not include the abatement of any hazardous materials, and the estimate would be higher if the job is to be prevailing wage. It is also noted that the itemized costs total \$82,550 and there may be an additional \$350

not included in the summation email. I have rounded this estimate to the nearest \$1,000 or \$83,000.

Given that the first two estimates were informal in nature and made as a basis for the minimal costs to be incurred, I have relied primarily on the quote provided via email from Lance Woodcock of Iron Triangle LLC. I have attached a copy of the email quote as an addendum item to this appraisal. Demolition costs relied upon in this analysis total \$83,000.

In addition to the costs necessary to make the site ready for development, a significant increase in risk is added for the "as is" condition of the subject property. Given the nature of site development and unknown factors associated with demolition of the improvements and compaction of the site, a higher line item for contingencies and entrepreneurial incentive is warranted. My interviews revealed that entrepreneurial incentive ranges from 10% to 35% based primarily on the amount of risk involved and effort expended on a project. The demolition and compaction of the subject property is considered risky, and a line item at the high end of the range is warranted. Given the increased risk of the partition caused by construction, the line item for contingencies and entrepreneurial incentive is increased to 35% for the "as is" condition estimate. The estimate of value for the as is condition of the subject is summarized in the table below.

Sale Price of Excess Creek Front Site	\$ 88,000
Sale Price of Excess Interior Site	\$ 79,000
Less Demolition and Compaction Costs	\$ 83,000
Less Sales Commissions	\$ 10,020
Less Cost of Survey	\$ 4,000
Less Application Fee	\$ 750
Less Recording Fees	\$ 125
Less 1 Years of Holding Costs(Weed Control & taxes)	\$ 1,250
Less Entrepreneurial Incentive (35%)	\$ 58,450
Contributory Value Excess Sites	\$ 9,405.00
Estimated Value of Subject Home Site	\$ 88,000.00
"As Is" Value Estimate	\$ 97,405.00
"As Is" Value Estimate (Rounded to the nearest \$1,000)	\$ 97,000.00

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other. In this instance, only the sales comparison approach to value is applicable as properties similar to the subject are typically purchased for at least partial owner occupancy. The conclusions reached in the sales comparison approach are then applied to estimate the value of the property during in a partition scenario considering the cost to create three separate marketable sites as well as an allowance for profit (entrepreneurial incentive). The weakness in this approach is most certainly the line item for entrepreneurial incentive which is based on my interview of market participants. The lack of recent land development in the market area gives little empirical market data to test the reasonableness of the line item applied. Increasing the line item to 45% lowers the value estimate to \$81,000. Lowering the line item to 25% increases the value estimate to \$114,000. At the lower end, the property would likely be purchased and uses for single owner occupancy of the entire 3.01-acre site. Given the risk associated with the project, it is not likely that a market participant would be willing to expend the energy for a diminished profit. Given all indications available, the value conclusion is considered reliable and has been estimated in a similar manner in which would be employed by the most likely buyer of the subject property.

Value Conclusion

Based on the data and analyses developed in this appraisal, I have reconciled to the following fee simple value conclusion for the “as is” condition of the subject property, as of July 22, 2021, subject to the Limiting Conditions and Assumptions of this appraisal, as follows:

NINETY-SEVEN THOUSAND DOLLARS

(\$97,000)

**Rounded to the Nearest \$1,000*

**See scope of work for extraordinary assumptions employed in this analysis.*

Depreciated Replacement Cost of Restroom Building

The men's and women's restrooms constructed in 2007 may contribute to the clients intended use of the property but have no functionality towards an economic use of the subject property. I have estimated the replacement cost of this structure given the intended use of the client. To estimate the replacement cost less depreciation of the structure, I have relied upon Marshall & Swift Commercial Cost Estimator. The structure most closely resembles an above average quality class C Restroom Building and totals 192 square feet. Marshall & Swift recommends a total economic life of 38 years. The restrooms were built in 2007 and have an effective age equal to the actual age of 14 years. This equates to a total depreciation of 37%. The total replacement cost estimate is \$369,400 or \$70,925. After deducting physical depreciation of \$26,243, **a depreciated replacement cost of \$44,682 is indicated.** During my interview of Lance Woodcock of Iron Triangle LLC, I discovered that he was the builder of this structure. I summarized the indications from Marshall & Swift to Mr. Woodcock. He stated that given current costs the replacement cost estimate is reasonable.

This is not the contributory value of the building as there is not an economic use for the structure. The replacement cost estimate has been made given the intended use of the client. The depreciated replacement cost estimate from Marshall & Swift is included as an addendum item to this report.

Certification Statement

I hereby certify that I am a competent appraiser of real estate and am competent and qualified to appraise the subject property. My expertise and experience encompass over nineteen years in real estate consulting, appraising, and management. Consulting and appraisal assignments have included various commercial real estate projects, industrial properties, vacant commercial land, shopping centers, subdivisions, and offices. I also have experience doing feasibility studies and appraising for special-use properties. I have a broad experience conducting real estate market studies and market analyses.

The undersigned do hereby certify that, except as otherwise noted in this appraisal report, the following is true and correct to the best of my knowledge and belief.

USPAP 2020-2021 CERTIFICATION

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 is my personal, unbiased professional analyses, opinions, and conclusions. All contingent and limiting conditions and/or assumptions are contained herein.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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 or the property owner, 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.
7. I have made a personal inspection of the property that is the subject of this report.
8. No professional assistance was provided.
9. I have not been engaged to perform services regarding the subject property within the prior three years immediately preceding the effective date of appraisal, as an appraiser or in any other capacity.
10. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of *Uniform Standards of Professional Appraisal Practice (USPAP)* as well as the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice. (AI C.S.R. 1-1).
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. (AI C.S.R. 1-2).

12. The “Estimate of Market Value” in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the property appraised, or upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property being appraised.
13. To the best of the appraisers’ knowledge and belief, all statements and information in this report are true and correct, and the appraiser(s) have not knowingly withheld any significant information.
14. As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.

Value Conclusion

Based on the data and analyses developed in this appraisal, I have reconciled to the following fee simple value conclusion for the “as is” condition of the subject property, as of July 22, 2021, subject to the Limiting Conditions and Assumptions of this appraisal, as follows:

NINETY-SEVEN THOUSAND DOLLARS
(\$97,000)

**Rounded to the Nearest \$1,000*

**See scope of work for extraordinary assumptions employed in this analysis.*

The above referenced value conclusion is for a fee simple ownership interest in the subject property. The market value assumes a typical exposure period. The support for my estimate of exposure period is discussed in the executive summary of facts. In this instance, I have estimated an exposure and marketing period of 12 to 18 months for the subject property in its “as is” condition.

Thank you for giving me the opportunity of appraising this property for you. If there are any questions concerning this appraisal report, please do not hesitate to contact me.

Respectfully submitted,



Aaron D. Still, MAI
Aaron Still Appraisal
President
Oregon General Certification #C000990
Expires 05/31/2023

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates, or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Aaron Still Appraisal. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Exhibits and diagrams provided are intended to assist the client in visualizing the property; no other use of these exhibits or diagrams are intended or permitted.

I have not been provided with an environmental assessment or study pertaining to the appraised subject parcel. I have been provided with a building inspection completed specifically for the identification of hazardous materials. The building inspection states that there is asbestos (chrysotile) in some of the wall texture and popcorn ceiling of the second level of the building. In addition, insulation around the boiler contains asbestos, and the exterior of the building contains lead based paint. These materials are very common in buildings of this age. It is noted that abatement is not required for the conveyance of title, nor is abatement required for commercial use.

For the purposes of this report, I have employed several assumptions including the presumption that environmental and/or any other unknown conditions do not exist or adversely affect the subject property other than those stated in building inspection provided to the appraiser by the client. It is noted that there are brownfields in proximity to the subject, however I have not been provided with an environmental assessment nor is there evidence to suggest the subject has been impacted by any plumes from nearby properties. Given the lack of evidence of soil contamination, the subject has been appraised as though no environmental issues exist. I have not been advised of any adverse environmental soil, mineral, or any other conditions. Please refer to the Limiting Conditions and General Assumptions sections for more details.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances, and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s), Aaron Still Appraisal, the regular per-diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made as soon as reasonably possible for an additional fee.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Aaron Still Appraisal has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value; however, this has not been considered or analyzed in this appraisal.**

Definitions

Market Value: As defined by the Office of the Comptroller of Currency (OCC) under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions, the Board of Governors of the Federal Reserve System (FRS) and the Federal Deposit Insurance Corporation in compliance with Title XI of FIRREA, as well as by the Uniform Standards of Appraisal Practice as promulgated by the Appraisal Foundation, is as follows.

Market value means the most probable price which a property should bring in a competitive and open market under all condition's 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 are 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 acting in what they consider their own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in U.S. 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

A **Fee Simple** interest is defined¹ as:

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.

A **Leased Fee** interest is defined¹ as:

An ownership interest held by a landlord with the rights of use and occupancy conveyed by a lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

Marketing Time is defined¹ as:

1. The time it takes an interest in real property to sell on the market sub-sequent to the date of an appraisal.
2. Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the

¹ Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

period immediately after the effective date of the appraisal; the anticipated 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 concurrent market conditions. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.)

Exposure Time is defined¹ as:

1. The time a property remains on the market.
2. The estimated length of time the property interest is being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. (Appraisal Standards Board of The Appraisal Foundation, Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions")

Market value estimates imply that an adequate marketing effort and reasonable time for exposure occurred prior to the effective date of the appraisal. In the case of disposition value, the time frame allowed for marketing the property rights is somewhat limited, but the marketing effort is orderly and adequate. With liquidation value, the time frame for marketing the property rights is so severely limited that an adequate marketing program cannot be implemented. (The Report of the Appraisal Institute Special Task Force on Value Definitions qualifies exposure time in terms of the three above-mentioned values.) See also marketing time.

Gross Building Area (GBA) is the total floor area of a building, including below-grade space but excluding unenclosed areas, measured from the exterior of the walls. Gross building area for office buildings is computed by measuring to the outside finished surface of permanent outer building walls without any deductions. All enclosed floors of the building including basements, mechanical equipment floors, penthouses, and the like are included in the measurement. Parking spaces and parking garages are excluded.¹

Rentable Area (RA) is the amount of space on which the rent is based; calculated according to local practice.¹

Gross Leasable Area (GLA) the total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines, and measured from the center of interior partitioning to outside wall surfaces; the standard measure for determining the size of shopping centers where rent is calculated based on the GLA occupied. The area for which tenants pay rent. ¹

As Is Value

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. ¹

Stabilized Value

1. A value opinion that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods, when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale price may fall short of long-term value.
2. A value opinion that excludes from consideration any transitory condition that may cause excessive construction costs, e.g., a bonus or premium for material, the abnormal inefficiency of labor, the cost of delay or an excessive sale price, e.g., a premium paid due to a temporary shortage of supply. ¹

In layman's terms, stabilized value is the prospective value of a property after construction has been completed and market occupancy and cash flow have been achieved. ²

As Complete Value

The prospective value of a property after all construction has been completed. This value reflects all expenditures for lease-up and occupancy that may be expected to have occurred at that point in time, which may or may not put the property at stabilized value. ¹

² Narrative1.com. Thomas W. Armstrong, MAI



ADDENDUM



CONDITION ASSESSMENT

Appendix A. Condition Assessment

Gleason Pool Background

Gleason Pool opened on June 7, 1958. It was funded by a capital improvement bond and paid for by John Day residents, who maintained the pool using the City's general fund and local option levies until 1990, when the John Day/Canyon City Parks and Recreation (JDCCPR) District took over operations.

At a dedication ceremony held July 11, 1958 the pool was named in honor of Dan Gleason (mayor of John Day in mid-1920s). The first year operating cost was \$3,000 (equivalent to \$27,145 in 2020 dollars). The JDCCPR District was formed in 1989 to reopen the pool and help manage it after it closed due to insufficient funding. The City of John Day signed a management agreement with the new JDCCPR District in June 1990, which was amended and extended in August 2000 for an additional 20 years. The agreement is scheduled to end on August 8, 2020.

Both the JDCCPR District and the John Day City Council agreed to extend the agreement through the end of the 2020 season. However, due to COVID-19 health restrictions currently in place under Governor Brown's Executive Order 20-12, the pool is unable to open as planned for the 2020 season. Social gatherings (parties, celebrations) with people from outside of one's immediate household and pools are currently not allowed to operate. It is possible the pool could open later in the summer, however, because of limited lifeguard staffing and the lack of available lifeguards – the pool will likely remain closed through 2020.

Past Improvements

Significant updates or renovations have taken place since 1990. The JDCCPR District:

- Replaced the roof on both the boiler room and the office locker rooms due to significant dry rot left in both areas.
- The pool deck was refurbished, along with the security fencing.
- In 2015, Iron Triangle worked on the galvanized pipe that feeds the office shower area and goes directly under the office area, bypassing the old piping in this area.
- The back windows in the office were replaced a few years ago, dry rot was observed on all of the surfaces exposed within the pool house as part of this project.
- The chlorinator was replaced a couple of years ago and is currently not working, again.

Current Conditions

The mechanical, heating, and plumbing systems at Gleason Pool are unreliable and require a significant investment in staff time to be maintained and remain functional each year. The primary concerns are the electrical components, boiler and underground piping. Electrical and piping are original equipment that was installed when the pool was first constructed and is now 62 years old. The boiler was replaced in the early 1990s and needs to be replaced again. In addition, the presence of dry rot throughout the office building would require extensive repairs and replacement to address.

Consistent issues with facility noted by JDCCPR District include:

- Pool tunnels under constant repair.
- Pool surface deteriorating - wastes money to continue to paint because the paint will not adhere to the concrete. The concrete pool surface is eroded; the District works on it every year but the last two years has been a complete waste of time and money. The new paint has not lasted more than a couple weeks.
- Pool is not suited for seniors or handicapped individuals.
- Parking lot is inadequate in size, with only 16 spaces and 2 ADA-parking spots, parking areas are deteriorating to gravel and need to be replaced.
- Locker rooms are undersized and restrooms are inadequate for swim meets and large group events.
- Gleason is a five-lane trapezoidal pool, which is non-standard for competition events that are typically held in six-lane rectangular pools.
- No zero-entry ramp for ADA accessibility.
- Bee infestations through penetrations in support building and significant corrosion occurs due to improper insulation and cladding.

Refurbishment vs. Replacement

To preserve Gleason Pool for an additional 10-15 years, the electrical components would need to be completely overhauled in both the pool house and pump house. It is uncertain how long the boilers could be maintained – one is currently inoperable. Both would need to be replaced. Galvanized piping servicing the pool may need to be replaced to extend its life, which would require removing significant portions of the deck area and replacing that portion of the pool at a minimum. Neither the pool nor the building and parking areas/entrances meet current ADA-accessibility standards.

The pool and park, which occupy one 3-acre parcel (Map No. 13S31E23CC, Tax Lot 3000) were appraised at a fair market value of \$85,000 by the Oregon State Parks & Recreation Department in 2019. Given its current condition and the extent of the improvements needed, refurbishing Gleason Pool would likely exceed 50% of its value. As a result, under the City of John Day Development Code (Section 5-5.2.030 Non-Conforming Development), any alterations or reconstruction must be in conformity with the Code requirements, which include ADA-accessibility.

The City's consulting team estimated the cost for repairs could be between \$540,000 and \$810,000 or more, though it is difficult to accurately assess the cost without a complete on-site inspection, which was not funded as part of OPRD's Large Government Grant for the new aquatic center feasibility study. Neither the City of John Day nor the JDCCPR District have sufficient funding in their budgets to hire a firm to conduct an inspection of Gleason Pool. As a result, funds would need to be raised through non-profits or local option tax levies to perform the assessment and make any needed repairs. These funds would be in addition to funding needed to from John Day taxpayers to continue operating the pool after the 2020 season, since it will no longer be funded through the JDCCPR tax base.

In addition, repairs to the facility would likely extend the life of the pool another 10–15 years at most. At that point, the entire structure would need to be replaced. While repairs to Gleason pool would potentially extend the lifespan, it would not add any additional recreational value to the pool or to the bathhouse structure and would not expand seating or parking for events.

Opportunity Cost of Continuing Gleason Pool at its Current Location

There is a significant opportunity cost for retaining Gleason Pool at its current location that extends beyond the cost of repairs and ongoing maintenance because the current site impedes OPRD's plans to construct a new Kam Wah Chung Interpretive Center, as outlined in their 2009 Master Plan.

The federal National Historic Landmarks (NHL) program recognizes nationally-significant places for their exceptional ability to illustrate or interpret the history of the United States. There are just over 2,500 NHLs in the nation. The Kam Wah Chung Company Building in John Day is a culturally significant site and was listed in 1973 as one of Oregon's 17 NHLs in the state, which make up less than one percent of the over 2,000 properties listed in the National Register of Historic Places.

The Kam Wah Chung Interpretive Center was first opened in 2004. New displays and exhibits of artifacts were installed in 2012. The visitor center features several 8-foot-high educational panels lining the walls. These illustrate historical accounts that explain what prompted large numbers of Chinese to immigrate to the United States in the 19th century.

Many displays and exhibits recounting the immigrants' experiences and the role of Kam Wah Chung and Co. are not able to be displayed simultaneously due to size and space constraints at the current Interpretive Center, which is located on the opposite side of Canton Street about ¼ mile from the Kam Wah Chung and Co. historic building. Much of the 50,000+ artifact collection will require environmentally controlled areas for proper display and storage that are not available at the current location. Capacity for a tour is also currently limited to 10 people and tours take an hour and the Visitor's Center is housed in a leased building.

The key interpretive feature is Kam Wah Chung and the artifacts it contains. The current facility draws nearly 10,000 visitors a year. In 2019, visitors came from 48 states. A survey conducted by Oregon State University Extension Office determined that 85% of visitors to the site are first time visitors, 63% of which are aged 56 or older. Sixty percent of visitors came from Oregon, 35 percent were from the United States and 5 percent were international. Nearly three out of every four visitors stayed at least one night in Grant County and over half stayed two or more nights. The same number ate in local restaurants and two-thirds refueled their vehicles in John Day. Only 60% of visitors knew about the Kam Wah Chung site before coming to John Day (*survey data provided by Didgette McCracken, OSU Extension & Outreach Coordinator, November 2019*).

OSU Extension estimated the net economic value of cultural tourism at the current Kam Wah Chung Interpretive Center to be \$604,000 in 2019. This value would likely increase with increased visitor capacity and improved branding and marketing at the new Interpretive Center. OPRD has begun their design planning for the new facility and expect to have renderings completed in late 2020 for the proposed site. They are also willing to create a local visitor's center at this location to showcase activities and events beyond the Kam Wah Chung site.

Summary

By selling Gleason Pool and Park and creating a new county aquatic center, Grant County residents will benefit from the increase in cultural tourism spending and from the construction activity associated with the new state-owned interpretive center at no cost to county residents, while foregoing the uncertainty and risk associated with capital expenditures to extend Gleason Pool for an additional 10-15 years.

DEMOLITION AND COMPACTION COST ESTIMATE

aaron.d.still@gmail.com

From: Lance Woodcock <irontrianglelance@gmail.com>
Sent: Friday, September 10, 2021 6:42 AM
To: aaron.d.still@gmail.com
Subject: RE: Demolition Cost Estimates.

Flag Status: Flagged

Hi Aaron,

This is a quote for the removal of the pool and out buildings at Gleason property

Removal of main building and foundation \$16,500.00

Removal of boiler building \$13,500.00

Removal of restrooms \$4,500.00

Removal of the two pools and aprons \$36,550.00

Backfill and bring to grade \$11,500.00

Total \$82,900.00

This quote does not include price for lead base paint removal or Asbestos removal. If this is a prevailing wage job the price will be higher.

Thanks,

Lance

From: aaron.d.still@gmail.com <aaron.d.still@gmail.com>
Sent: Thursday, September 09, 2021 8:54 AM
To: Irontrianglelance@gmail.com
Subject: Demolition Cost Estimates.

Hi Lance,

Thank you for the call today. Can you please provide me with a quote for the demolition of the improvements on the Gleason Pool property in order to make the site ready for residential development.

Thank you, your time is greatly appreciated.



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

MARSHALL & SWIFT COST DATA FOR RESTROOM BUILDING

CoreLogic - SwiftEstimator Commercial Estimator - Summary Report

General Information

Estimate ID:	Gleason Pool	Date Created:	09-08-2021
Property Owner:	City of John Day	Date Updated:	09-08-2021
Property Address:	250 NW Canton St John Day, OR 97845	Date Calculated:	09-08-2021
Local Multiplier:	1.08	Cost Data As Of:	using report date
Architects Fee:		Report Date:	07-2021

Section 1

Area	192	Overall Depreciation %
Stories in Section	1	Physical Depreciation %
Stories in Building	1	Functional Depreciation %
Shape	rectangular	External Depreciation %
Perimeter	(auto-calc)	
Effective Age	14	

Occupancy Details

Occupancy	%	Class	Height	Quality
432 Restroom Building	100	C	10	2.5
Occupancy Total Percentage	100			

Calculation Information (All Sections)

	Units	Unit Cost	Total Cost New	Less Depreciation	Total Cost Depreciated
Basic Structure					
Base Cost	192	\$323.51	\$62,114	\$22,982	\$39,132
Exterior Walls	192	\$38.38	\$7,369	\$2,727	\$4,642
Heating & Cooling	192	\$7.51	\$1,442	\$534	\$908
Basic Structure Cost	192	\$369.40	\$70,925	\$26,243	\$44,682
Less Depreciation					
Physical & Functional	37.0%			\$26,243	\$44,682
Depreciated Cost	192	\$232.72		\$26,243	\$44,682

Cost data by CoreLogic, Inc.

Except for items and costs listed under ♦ Addition Details, ♦ this SwiftEstimator report has been produced utilizing current cost data and is in compliance with the Marshall & Swift Licensed User Certificate. This report authenticates the user as a current Marshall & Swift user.



NOTICE OF ZONING DECISION



Phone (541) 575-0028

Fax (541) 575-3668

450 East Main Street
John Day, Oregon 97845

JOHN DAY CITY PLANNING OFFICIAL NOTICE OF DECISION

DATE OF NOTICE: November 2, 2018 **APPLICATION NO. AMD-18-01**
DATE OF DECISION: October 23, 2018
APPLICANT: City of John Day / Oregon State Parks & Recreation
PROPERTY OWNER(S): City of John Day / Oregon State Parks & Recreation
DECISION ON ACTION AMD-18-01: Approved without modifications

Dear Participant:

The City of John Day and Oregon State Parks and Recreation (OPRD) (the "Applicants") own properties located in John Day commonly referred to as Gleason Park & Pool and the Kam Wah Chung State Heritage Site. Applicants requested an amendment to the land use district map to change the land use designations for these properties from General Commercial (GC) and Residential Limited (RL) to Park Reserve (PR). The proposed changes are shown in the table, below.

Map 13S-31E-23CC Tax Lot	Owner	Current Zoning	Proposed Zoning
3000	City of John Day	RL	PR
3002	OPRD	RL	PR
4000	OPRD	RL	PR
4200	OPRD	RL	PR
4400	OPRD	GC	PR

Planning Staff reviewed the above referenced request pursuant to the City of John Day Development Code (the Code) and the requirements for land use district changes. The City Planning Official prepared a Type III written decision addressing all relevant approval criteria and standards, based upon the criteria and standards, and the facts contained within the record, following a public hearing held by the John Day Planning Commission on October 23, 2018. The Planning Commission **APPROVED** the request for the land use district map amendments, as proposed and without modifications.

Affected parties with legal standing may appeal this decision to the John Day City Council pursuant to Code Section 5-4.1.030.G.1. Appeals must be filed in writing with the City Planning Official within fourteen (14) days of the date this decision is mailed. **The appeal deadline is 4:00 p.m. Friday, November 16, 2018.**

If you have any questions regarding this Notice of Decision or wish to request a copy of the John Day Planning Official decision, or any other documents related to this matter, please contact the City of John Day, 450 East Main Street, John Day, OR 97845; Telephone (541) 575-0028; Email cityofjohnday@grantcounty-or.gov.

Sincerely,



Nicholas Green
City Manager/Planning Official

cc: applicant
property owner(s)
participants of record

PR ZONING DESCRIPTION

5-2.7 Park Reserve (PR) Zone

[5-2.7.010 Scope And Purpose Of Regulations](#)

[5-2.7.020 Uses Permitted Outright](#)

[5-2.7.030 Conditional Uses Permitted](#)

[5-2.7.040 Dimensional Standards](#)

[5-2.7.050 Setbacks](#)

[5-2.7.060 Limitations On Conditional Uses](#)

5-2.7.010 Scope And Purpose Of Regulations

The Park Reserve (PR) Zone applies to park lands, existing and/or proposed, consistent with the John Day Comprehensive Plan and as designated on the Zoning Map. The purpose of the PR zone is to promote the public safety and welfare by preventing certain types of development in those areas which are best suited or deemed necessary for public protection against development for parks, open space or other natural resource qualities not protected by other zone designations.

5-2.7.020 Uses Permitted Outright

In a PR zone, the following uses and their accessory facilities are permitted outright. New development or modification of existing development may be subject to Land Use Review or Site design Review procedures as described in [Chapter 5-4.2](#) of this title.

- A. Public reserve areas of natural, historical or geological significance.
- B. Public wildlife reserve or management area.
- C. Public or commercial recreation use, including marina, recreation camp, or resort.
- D. Utility facilities that directly support or enhance recreation use/visitor health and safety.
- E. Public picnic grounds, parks, playgrounds, campgrounds or nature trails.
- F. Fairgrounds, accessory structures for fairgrounds use, and accessory parking for fairgrounds.

5-2.7.030 Conditional Uses Permitted

In a PR zone, the following uses and their accessory uses are permitted when authorized in accordance with [Chapter 5-4.4](#) of this Title:

- A. Public or private golf courses.
- B. Farm uses, structures and permanent facilities.
- C. Single-family dwelling, including a mobile home.
- D. Commercial uses not related to recreation.

5-2.7.040 Dimensional Standards

In a PR zone, the following dimensional standards shall apply:

- A. The minimum lot size shall be as determined by the City to be necessary for the protection of

public health and natural resource.

- B. Changes to lot dimensions within the PR zone are subject to the Preliminary Plat Approval Process for land divisions and property line adjustments as described in [Chapter 5-4.2](#) of this title and shall be processed as a type III procedure.

5-2.7.050 Setbacks

In a PR ozone, the following setback requirements shall apply:

- A. There shall be a setback of a minimum of 60 feet from an arterial or collector street or road right of way, and a 20-foot setback from a street within a duly platted and recorded subdivision.
- B. The setback from a stream high-water mark shall be a minimum of 100 feet, except as approved by the City.
- C. Each side setback shall be a minimum of five (5) feet, except on a corner lot, it shall be 10 feet on the street side.
- D. The rear setback shall be 10 feet.

5-2.7.060 Limitations On Conditional Uses

In addition to the standards and conditions that may be attached to the approval of a conditional use as provided by [Chapter 5-4.4](#) of this Title, the following limitations shall apply to a conditional use in a PR zone:

- A. The City may require establishment and maintenance of fire breaks, the use of fire resistant materials in construction and landscaping, or may attach other similar conditions or limitations that will serve to reduce fire hazards or prevent the spread of fire to surrounding areas.
- B. The City may limit changes in the natural grade of land, or the alteration, removal or destruction of natural vegetation in order to prevent or minimize erosion, pollution or degradation of the natural attractiveness of the area.
- C. An application for a conditional use in a PR overlay zone shall be denied if, in the opinion of the City, the proposed use would exceed the carrying capacity of the area or would be detrimental to the natural features or resources of the area.

STANDARD SERVICES CONTRACT

STATE OF OREGON STANDARD PROFESSIONAL SERVICES CONTRACT (for Architectural, Engineering, Land Surveying and Related Services)

THIS PROFESSIONAL SERVICES CONTRACT (the "Contract") is between the State of Oregon, by and through its Parks and Recreation Department ("OPRD"), and:

Company Aaron D. Still, MAI
Aaron's Appraisals LLC
DBA Aaron Still Appraisal
1834 Main Street
Baker City, OR 97814
(541) 523-2940

Contract Reference: Gleason Park & Pool Property
John Day, Oregon

(The "Consultant") (Collectively the OPRD and the Consultant are referred to as the "Parties"). This Contract is for all Services related to completion of the "Project" more particularly described as follows (the "Project"):

1. Project Name: Gleason Park & Pool Appraisal, John Day, Oregon

This Contract shall become effective on the date that the Contract is fully executed by the Parties. This date is known as the Contract "Effective Date." No Services shall be performed prior to the Contract Effective Date. The Contract shall expire, unless otherwise terminated or extended, on December 31, 2021. Generally, the services to be performed by the Consultant on the "Project" consist of the following (the "Services"):

2. Brief Project Description:

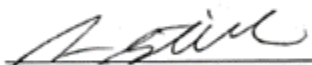
USPAP compliant appraisal of a 3 +/--acre (more or less) property located in John Day, Oregon commonly known as Gleason Park & Pool. The property is owned by the City of John Day.

The Services are more specifically described in EXHIBIT A, Statement of Work.

3. Compensation

The OPRD agrees to pay Consultant a sum Not to Exceed \$6,500 for performance of the Services, which shall include all expenses. OPRD agrees to pay Consultant within 20 days of receipt of completed report (include invoice please).

Aaron D. Still, MAI (Consultant)

 7/18/2021
Signature Date

Owner / Appraiser
Title

PARKS AND RECREATION DEPARTMENT

Signature Date

Title

1. RELATIONSHIP OF THE PARTIES

1.1. Consultant shall provide the Services for the Project in accordance with the terms and conditions of this Contract. Consultant's performance of Services shall be as a professional consultant to OPRD to carry out the Project and to provide the technical documents and supervision to achieve OPRD's Project objectives.

1.2. In administering this Contract, OPRD may retain the services of an independent project manager and other consultants as needed to fulfill OPRD's objectives.

1.3. Consultant shall provide a list of all sub-consultants which Consultant intends to utilize on the Project (the "Sub-consultants"). This list shall include such information on the qualifications of the Sub-consultants as may be requested by OPRD. OPRD reserves the right to review the Sub-consultants proposed. Consultant shall not retain a Sub-consultant to which OPRD has a reasonable objection.

1.4. Consultant acknowledges that this Contract was awarded on the basis of the unique background and abilities of the key personnel of Consultant and Sub-consultants identified by Consultant (collectively, the "Key Personnel" and individually, the "Key Person"). Therefore, Consultant shall make available Key Personnel as identified in its proposal. Consultant shall provide to OPRD a list of the proposed Key Personnel to be assigned to the Project. This list shall include such information on the professional background of each Key Person as may be requested by OPRD. If any Key Person becomes unavailable to Consultant, the Parties shall mutually agree upon an appropriate replacement. Without prior notice to, and the written consent of, OPRD, Consultant shall not: (i) re-assign or transfer any Key Person to other duties or positions so that the Key Person is unable to fully perform his or her responsibilities under the Contract; (ii) allow any Key Person to delegate to anyone his or her performance of any management authority or other responsibility required under the Contract; or (iii) substitute any Key Person. Any of these actions shall constitute a material breach of the Contract. Consultant shall remove any individual or Sub-consultant from the Project if so directed by OPRD in writing following discussion with Consultant, provided that Consultant shall have a reasonable time period within which to find a suitable replacement.

2. CONSULTANT'S RESPONSIBILITIES; REPRESENTATIONS AND WARRANTIES

2.1. Consultant agrees that:

2.1.1. The phrase "Standard of Care" that is used in this Contract is defined as follows: the same professional skill, care, diligence and standards as other professionals performing similar services under similar conditions (the "Standard of Care");

2.1.2. Consultant shall perform all Services in accordance with the Standard of Care;

2.1.3. Consultant shall prepare, in accordance with the Standard of Care, all drawings, specifications, deliverables and other documents so that they accurately reflect, fully comply with and incorporate all applicable laws, rules, and regulations, and so that they are complete and functional for the purposes intended, except as to any deficiencies which are due to causes beyond the control of Consultant;

2.1.4. Consultant shall be responsible for correcting any inconsistencies, errors or omissions in the drawings, specifications, deliverables and other documents prepared by Consultant at no additional cost to OPRD;

2.1.5. OPRD's review or acceptance of documents shall not be deemed as approval of the adequacy of the drawings, specifications, deliverables and other documents. Any review or acceptance by OPRD will not relieve Consultant of any responsibility for complying with the Standard of Care;

2.1.6. Consultant shall, at no additional cost to OPRD, render assistance to OPRD in resolving problems or other issues relating to the Project design or to specified materials;

2.1.7. During the term of the Contract, Consultant shall obtain, hold, maintain and fully pay for all licenses and permits required by law for Consultant to conduct its business and perform the Services; and

2.1.8. Consultant shall pay all Sub-consultants and other subcontractors as required by Consultant's contracts with those Sub-consultants and subcontractors. Consultant agrees that OPRD has no direct or indirect contractual obligation or other legal duty whatsoever to pay the Sub-consultants and other subcontractors of Consultant or otherwise ensure that Consultant makes full and timely payment to those Sub-consultants and subcontractors for services performed on the Project.

2.2. Consultant represents and warrants to OPRD that:

2.2.1. Consultant has the power and authority to enter into and perform this Contract, the persons executing this Contract on behalf of Consultant have the actual authority to bind Consultant to the terms of this Contract;

2.2.2. When executed and delivered, this Contract shall be a valid and binding obligation of Consultant enforceable in accordance with its terms, the provisions of this Contract do not conflict with or result in a default under any agreement or other instrument binding upon Consultant and do not result in a violation of any law, regulation, court decree or court order or other legal process applicable to Consultant;

2.2.3. Consultant shall, at all times during the term of this Contract, be duly licensed to perform the Services, and if there is no licensing requirement for the profession or Services, be duly qualified and competent;

2.2.4. Consultant is an experienced firm having the skill, legal capacity, and professional ability necessary to perform all the Services required under this Contract and to design and administer a project having the scope and complexity of the Project;

2.2.5. Consultant has the capabilities and resources necessary to perform Consultant's obligations under this Contract;

2.2.6. Consultant is, or shall become, in a manner consistent with the Standard of Care, familiar with all current laws, rules, and regulations which are applicable to the design and construction of the Project;

2.2.7. All Services shall be performed in accordance with the Standard of Care;

2.2.8. The Project, when completed and if constructed in accordance with the intent established by the drawings, specifications, deliverables and other documents prepared by Consultant pursuant to this Contract, shall be structurally sound and a complete and properly functioning facility suitable for the purposes for which it is intended, and

2.2.9. The published specifications of the "Automated Systems" that Consultant has specified, designated and planned pursuant to this Contract conform to the Contract requirements. For the purposes of this subsection, "Automated Systems" shall mean any computers, software, firmware, HVAC systems, elevators, electrical systems, fire or life safety systems, security systems and any other electrical, mechanized or computerized devices serving the Project.

2.3. The warranties set forth in this section are in addition to, and not in lieu of, any other warranties provided in this Contract or at law.

3. RESPONSIBILITIES OF OPRD; SPECIAL CONTRACT PROVISIONS

RESERVED

4. GENERAL CONTRACT PROVISIONS

4.1. **Contract Performance.** Consultant shall at all times perform the Services diligently and without delay and shall punctually fulfill all Contract requirements consistent with the schedule for the performance of Services set forth in **Exhibit A**. Expiration or termination of the Contract shall not extinguish, prejudice, or limit either party's right to enforce this Contract with respect to any default or defect in performance.

4.2. **Access to Records.** For not less than three (3) years after the Contract's expiration or termination, OPRD, the Secretary of State's Office of the State of Oregon, the federal government, and their duly authorized representatives shall have access to the books, documents, papers, and records of Consultant and the Sub-consultants which pertain to the Contract for the purpose of making audits, examination, excerpts, and transcripts. If, for any reason, any part of this Contract, any Project-related consultant contract or any Project-related construction contract(s) is involved in litigation, Consultant shall retain all pertinent records for not less than three years or until all litigation is resolved, whichever is longer. Consultant shall provide OPRD and the other entities referenced above with full access to these records in preparation for and during litigation.

4.3. **Funds Available and Authorized.** OPRD reasonably believes as of the Effective Date that sufficient funds are available and authorized for expenditure to finance the cost of this Contract within OPRD's appropriation or limitation. Consultant understands and agrees that, to the extent that sufficient funds are not available and authorized for expenditure to finance the cost of this Contract, OPRD's payment of amounts under this Contract attributable to Services performed after the last day of the current biennium is contingent on OPRD receiving from the Oregon Legislative Assembly appropriations, limitations or other expenditure authority sufficient to allow OPRD, in the exercise of its reasonable administrative discretion, to continue to make payments under this Contract.

Gleason Park Appraisal

4.4. **Insurance.** Consultant shall maintain in effect for the duration of this Contract, or any other time periods required herein, the insurance set forth in **Exhibit B-Insurance Provisions**.

4.5 Indemnity.

4.5.1. **CLAIMS FOR OTHER THAN PROFESSIONAL LIABILITY.** CONSULTANT SHALL INDEMNIFY, DEFEND, SAVE, AND HOLD HARMLESS THE STATE OF OREGON AND OPRD, AND THEIR OFFICERS, AGENTS, AND EMPLOYEES, FROM AND AGAINST ALL CLAIMS, SUITS, ACTIONS, LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES OF WHATSOEVER NATURE RESULTING FROM OR ARISING OUT OF THE ACTS OR OMISSIONS OF CONSULTANT OR ITS SUB-CONSULTANTS, SUBCONTRACTORS, AGENTS, OR EMPLOYEES UNDER THIS CONTRACT.

4.5.2. **CLAIMS FOR PROFESSIONAL LIABILITY.** CONSULTANT SHALL INDEMNIFY, DEFEND, SAVE, AND HOLD HARMLESS THE STATE OF OREGON AND OPRD, AND THEIR OFFICERS, AGENTS, AND EMPLOYEES, FROM AND AGAINST ALL CLAIMS, SUITS, ACTIONS, LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES OF WHATSOEVER NATURE ARISING OUT OF THE PROFESSIONALLY NEGLIGENT ACTS, ERRORS OR OMISSIONS OF CONSULTANT OR ITS SUB-CONSULTANTS, SUBCONTRACTORS, AGENTS, OR EMPLOYEES IN THE PERFORMANCE OF PROFESSIONAL SERVICES UNDER THIS CONTRACT.

4.5.3. **OPRD Defense Requirements.** Notwithstanding the obligations under Sections 4.5.1 and 4.5.2, neither Consultant nor any attorney engaged by Consultant shall defend any claim in the name of the State of Oregon or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. OPRD may, at any time and at its election, assume its own defense and settlement of any claims in the event that it determines that Consultant is prohibited from defending the State of Oregon; Consultant is not adequately defending the State of Oregon's interests; an important governmental principle is at issue; or it is in the best interests of the State of Oregon to do so. The State of Oregon reserves all rights to pursue any claims it may have against Consultant if the State of Oregon elects to assume its own defense.

4.5.4. **OPRD's Actions.** This Section 4.5 does not include indemnification by Consultant of the State of Oregon or OPRD or their officers, agents, and employees, for the acts or omissions of the State of Oregon, OPRD or their officers, agents, and employees, whether within the scope of the Contract or otherwise.

4.5.5. **Indemnification Provision.** Contractor hereby waives any requirement imposed by State or Federal law requiring that an indemnification provision be obvious or conspicuous.

4.6. Consultant's Status.

4.6.1. Consultant shall perform all Services as an independent contractor. Although OPRD reserves the right to set the delivery schedule for the Services to be performed and to evaluate the quality of the completed

Contract. Work Product includes every invention, discovery, work of authorship, trade secret or other tangible or intangible item and all intellectual property rights therein, and all copies of plans, specifications, reports and other materials, whether completed, partially completed or in draft form.

4.15.2. Work Product. Except as provided in Sections 4.15.3 and 4.15.4, all Work Product created by Consultant pursuant to this Contract, including derivative works and compilations, and whether or not such Work Product is considered a "work made for hire" or an employment to invent, shall be the exclusive property of OPRD. OPRD and Consultant agree that such original works of authorship are "work made for hire" of which OPRD is the author within the meaning of the United States Copyright Act. To the extent that OPRD is not the owner of the intellectual property rights in such Work Product, Consultant hereby irrevocably assigns to OPRD any and all of its rights, title, and interest in all original Work Product created pursuant to this Contract, whether arising from copyright, patent, trademark, trade secret, or any other state or federal intellectual property law or doctrine. Upon OPRD's reasonable request, Consultant shall execute such further documents and instruments necessary to fully vest such rights in OPRD. Consultant forever waives any and all rights relating to original Work Product created pursuant to this Contract, including without limitation, any and all rights arising under 17 USC §106A or any other rights of identification of authorship or rights of approval, restriction or limitation on use or subsequent modifications.

4.15.3. Consultant Intellectual Property. In the event that Consultant Intellectual Property is necessary for the use of any Work Product, Consultant hereby grants to OPRD an irrevocable, non-exclusive, non-transferable, perpetual, royalty-free license to use Consultant Intellectual Property, including the right of OPRD to authorize contractors, consultants and others to use Consultant Intellectual Property, for the purposes described in this Contract.

4.15.4. Third Party Intellectual Property. In the event that Third Party Intellectual Property is necessary for the use of any Work Product, Consultant shall secure on OPRD's behalf and in the name of OPRD, an irrevocable, non-exclusive, non-transferable, perpetual, royalty-free license to use the Third Party Intellectual Property, including the right of OPRD to authorize contractors, consultants and others to use the Third Party Intellectual Property, for the purposes described in this Contract.

4.15.5. Consultant Intellectual Property-Derivative Work. In the event that Work Product created by Consultant under this Contract is a derivative work based on Consultant Intellectual Property or is a compilation that includes Consultant Intellectual Property, Consultant hereby grants to OPRD an irrevocable, non-exclusive, non-transferable, perpetual, royalty-free license to use the pre-existing elements of Consultant Intellectual Property employed in the Work Product, including the right of OPRD to authorize contractors, consultants and others to use the pre-existing elements of Consultant Intellectual Property employed in a Work Product, for the purposes described in this Contract.

4.15.6. Third Party Intellectual Property-Derivative Work. In the event that Work Product created by Consultant under this Contract is a derivative work based on Third Party Intellectual Property, or is a compilation that includes Third Party Intellectual Property, Consultant shall secure on OPRD's behalf and in the name of OPRD an irrevocable, non-exclusive, non-transferable, perpetual, royalty-free
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license to use the pre-existing elements of the Third Party Intellectual Property employed in a Contract Work Product, including the right to authorize contractors, consultants and others to use the pre-existing elements of the Third Party Intellectual Property employed in a Contract Work Product, for the purposes described in this Contract.

4.15.7. Limited OPRD Indemnity. To the extent permitted by the Oregon Constitution, Article XI, Section 7, and by the Oregon Tort Claims Act, ORS 30.260 through 30.397, Consultant shall be indemnified and held harmless by OPRD from liability arising out of re-use or alteration of the Work Product by OPRD which was not specifically contemplated and agreed to by the Parties in this Contract or under separate contract.

4.15.8. Consultant Use of Work Product. Consultant may refer to the Work Product in its brochures or other literature that Consultant utilizes for advertising purposes and, unless otherwise specified, Consultant may use standard line drawings, specifications and calculations on other, unrelated projects.

4.15.9. Confidential Information. Consultant acknowledges that it or its employees, Sub-consultants, subcontractors or agents may, in the course of performing their responsibilities under this Contract, be exposed to or acquire information that is the confidential information of OPRD or OPRD's clients. Any and all information provided by OPRD and marked confidential, or identified as confidential in a separate writing, that becomes available to Consultant or its employees, Sub-consultants, subcontractors or agents in the performance of this Contract shall be deemed to be confidential information of OPRD ("Confidential Information"). Any reports or other documents or items, including software, that result from Consultant's use of the Confidential Information and any Work Product that OPRD designates as confidential are deemed Confidential Information. Confidential Information shall be deemed not to include information that: (a) is or becomes (other than by disclosure by Consultant) publicly known; (b) is furnished by OPRD to others without restrictions similar to those imposed by this Contract; (c) is rightfully in Consultant's possession without the obligation of nondisclosure prior to the time of its disclosure under this Contract; (d) is obtained from a source other than OPRD without the obligation of confidentiality; (e) is disclosed with the written consent of OPRD; or (f) is independently developed by employees or agents of Consultant who can be shown to have had no access to the Confidential Information.

4.15.10. Non-Disclosure. Consultant agrees to hold Confidential Information in strict confidence, using at least the same degree of care that Consultant uses in maintaining the confidentiality of its own confidential information, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than the provision of Services to OPRD under this Contract, and to advise each of its employees, Sub-consultants, subcontractors and agents of their obligations to keep Confidential Information confidential. Consultant shall use its best efforts to assist OPRD in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the generality of the foregoing, Consultant shall advise OPRD immediately in the event Consultant learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract

performance. OPRD cannot and will not control the means and manner of Consultant's performance. Consultant is responsible for determining the appropriate means and manner of performing the Services. Consultant, Consultant's employees and the Sub-consultants are not "officers, employees, or agents" of the State of Oregon or OPRD, as those terms are used in ORS 30.265.

4.6.2. Consultant shall not have control or charge of, and shall not be responsible for, the acts or omissions of other consultants or contractors under contract with OPRD who are performing services or construction work on the Project. However, this provision does not in any way change Consultant's professional responsibility to report to OPRD any information, including information on the performance of consultants or contractors outside the control or charge of Consultant, concerning activities or conditions that have or could have an adverse effect on OPRD or the Project.

4.6.3. Consultant is not a contributing member of the Public Employee's Retirement System and will be responsible for any federal, state or other taxes applicable to any compensation or payments paid to Consultant under this Contract. Consultant will not be eligible for any benefits from any payments made under this Contract for federal Social Security, unemployment insurance, or worker's compensation, except as a self-employed individual. If any payment under this Contract is to be charged against federal funds, Consultant certifies that it is not currently employed by the federal government.

4.7. **Successors & Assignments.** The provisions of this Contract shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns. After the original Contract is executed, Consultant shall not enter into any Sub-consultant agreements for any of the Services or assign or transfer any of its interest in this Contract, without the prior written consent of OPRD.

4.8. **Compliance with Applicable Law.** Consultant shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to the Services. OPRD's performance under this Contract is conditioned upon Consultant's compliance with the provisions of ORS 279C.505, 279C.515, 279C.520, and 279C.530, which are hereby incorporated by reference. Consultant, the Sub-consultants, if any, and all employers providing Services, labor or materials under this Contract are subject employers under the Oregon workers' compensation law and shall comply with ORS 656.017.

4.9. **Governing Law; Jurisdiction; Venue.** This Contract shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively "Claim") between OPRD and Consultant that arises from or relates to this Contract shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event shall this "Governing Law, Jurisdiction, Venue" section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether based on sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the United States Constitution or otherwise. **CONSULTANT, BY EXECUTION OF THIS CONTRACT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.**

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4.10. Tax Compliance Certification.

4.10.1. By signature on this Contract, the undersigned certifies under penalty of perjury that the undersigned is authorized to act on behalf of Consultant and that Consultant is, to the best of the undersigned's knowledge, not in violation of any Oregon Tax Laws.

4.10.2. For purposes of this certification, "Oregon Tax Laws" means a state tax imposed by ORS 401.792 to 401.816 (Tax For Emergency Communications), 118 (Inheritance Tax), 314 (Income Tax), 316 (Personal Income Tax), 317 (Corporation Excise Tax), 318 (Corporation Income Tax), 320 (Amusement Device and Transient Lodging Taxes), 321 (Timber and Forestland Tax), 323 (Cigarettes and Tobacco Products Tax), the elderly rental assistance program under ORS 310.630 to 310.706, and any local taxes administered by the Department of Revenue under ORS 305.620.

4.11. **Severability.** The Parties agree that if any term or provision of this Contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected and the rights and obligations of the Parties shall be construed and enforced as if the Contract did not contain the particular term or provision held to be invalid.

4.12. **Force Majeure.** Neither party shall be held responsible for delay or default in the performance of its obligations due to a cause beyond its reasonable control, including, but not limited to fire, not, acts of God, terrorist acts or war where such cause was beyond such party's reasonable control. Each party shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon the cessation of the cause, diligently pursue performance of its obligations under the Contract.

4.13. **Waiver.** The failure of OPRD to enforce any provision of this Contract shall not constitute a waiver by OPRD of that or any other provision.

4.14. **Third Party Beneficiaries.** Nothing contained in this Contract shall create a contractual relationship with or a cause of action in favor of a third party against OPRD or Consultant. Consultant's Services under this Contract shall be performed solely for OPRD's benefit and no other entity or person shall have any claim against Consultant because of this Contract for the performance or nonperformance of Services hereunder.

4.15. Ownership of Work Product, Confidentiality.

4.15.1. **Definitions.** As used in this Contract, the following terms have the meanings set forth below:

a. "Consultant Intellectual Property" means any intellectual property that is owned by Consultant and developed independently from this Contract and that is applicable to the Services or included in the Work Product.

b. "Third Party Intellectual Property" means any intellectual property that is owned by parties other than OPRD or Consultant and that is applicable to the Services or included in the Work Product.

c. "Work Product" means the Services Consultant delivers or is required to deliver to OPRD under this

Contract. Work Product includes every invention, discovery, work of authorship, trade secret or other tangible or intangible item and all intellectual property rights therein, and all copies of plans, specifications, reports and other materials, whether completed, partially completed or in draft form.

4.15.2. Work Product. Except as provided in Sections 4.15.3 and 4.15.4, all Work Product created by Consultant pursuant to this Contract, including derivative works and compilations, and whether or not such Work Product is considered a "work made for hire" or an employment to invent, shall be the exclusive property of OPRD. OPRD and Consultant agree that such original works of authorship are "work made for hire" of which OPRD is the author within the meaning of the United States Copyright Act. To the extent that OPRD is not the owner of the intellectual property rights in such Work Product, Consultant hereby irrevocably assigns to OPRD any and all of its rights, title, and interest in all original Work Product created pursuant to this Contract, whether arising from copyright, patent, trademark, trade secret, or any other state or federal intellectual property law or doctrine. Upon OPRD's reasonable request, Consultant shall execute such further documents and instruments necessary to fully vest such rights in OPRD. Consultant forever waives any and all rights relating to original Work Product created pursuant to this Contract, including without limitation, any and all rights arising under 17 USC §106A or any other rights of identification of authorship or rights of approval, restriction or limitation on use or subsequent modifications.

4.15.3. Consultant Intellectual Property. In the event that Consultant Intellectual Property is necessary for the use of any Work Product, Consultant hereby grants to OPRD an irrevocable, non-exclusive, non-transferable, perpetual, royalty-free license to use Consultant Intellectual Property, including the right of OPRD to authorize contractors, consultants and others to use Consultant Intellectual Property, for the purposes described in this Contract.

4.15.4. Third Party Intellectual Property. In the event that Third Party Intellectual Property is necessary for the use of any Work Product, Consultant shall secure on OPRD's behalf and in the name of OPRD, an irrevocable, non-exclusive, non-transferable, perpetual, royalty-free license to use the Third Party Intellectual Property, including the right of OPRD to authorize contractors, consultants and others to use the Third Party Intellectual Property, for the purposes described in this Contract.

4.15.5. Consultant Intellectual Property-Derivative Work. In the event that Work Product created by Consultant under this Contract is a derivative work based on Consultant Intellectual Property or is a compilation that includes Consultant Intellectual Property, Consultant hereby grants to OPRD an irrevocable, non-exclusive, non-transferable, perpetual, royalty-free license to use the pre-existing elements of Consultant Intellectual Property employed in the Work Product, including the right of OPRD to authorize contractors, consultants and others to use the pre-existing elements of Consultant Intellectual Property employed in a Work Product, for the purposes described in this Contract.

4.15.6. Third Party Intellectual Property-Derivative Work. In the event that Work Product created by Consultant under this Contract is a derivative work based on Third Party Intellectual Property, or is a compilation that includes Third Party Intellectual Property, Consultant shall secure on OPRD's behalf and in the name of OPRD an irrevocable, non-exclusive, non-transferable, perpetual, royalty-free
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license to use the pre-existing elements of the Third Party Intellectual Property employed in a Contract Work Product, including the right to authorize contractors, consultants and others to use the pre-existing elements of the Third Party Intellectual Property employed in a Contract Work Product, for the purposes described in this Contract.

4.15.7. Limited OPRD Indemnity. To the extent permitted by the Oregon Constitution, Article XI, Section 7, and by the Oregon Tort Claims Act, ORS 30.260 through 30.397, Consultant shall be indemnified and held harmless by OPRD from liability arising out of re-use or alteration of the Work Product by OPRD which was not specifically contemplated and agreed to by the Parties in this Contract or under separate contract.

4.15.8. Consultant Use of Work Product. Consultant may refer to the Work Product in its brochures or other literature that Consultant utilizes for advertising purposes and, unless otherwise specified, Consultant may use standard line drawings, specifications and calculations on other, unrelated projects.

4.15.9. Confidential Information. Consultant acknowledges that it or its employees, Sub-consultants, subcontractors or agents may, in the course of performing their responsibilities under this Contract, be exposed to or acquire information that is the confidential information of OPRD or OPRD's clients. Any and all information provided by OPRD and marked confidential, or identified as confidential in a separate writing, that becomes available to Consultant or its employees, Sub-consultants, subcontractors or agents in the performance of this Contract shall be deemed to be confidential information of OPRD ("Confidential Information"). Any reports or other documents or items, including software, that result from Consultant's use of the Confidential Information and any Work Product that OPRD designates as confidential are deemed Confidential Information. Confidential Information shall be deemed not to include information that: (a) is or becomes (other than by disclosure by Consultant) publicly known; (b) is furnished by OPRD to others without restrictions similar to those imposed by this Contract; (c) is rightfully in Consultant's possession without the obligation of nondisclosure prior to the time of its disclosure under this Contract; (d) is obtained from a source other than OPRD without the obligation of confidentiality; (e) is disclosed with the written consent of OPRD; or (f) is independently developed by employees or agents of Consultant who can be shown to have had no access to the Confidential Information.

4.15.10. Non-Disclosure. Consultant agrees to hold Confidential Information in strict confidence, using at least the same degree of care that Consultant uses in maintaining the confidentiality of its own confidential information, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than the provision of Services to OPRD under this Contract, and to advise each of its employees, Sub-consultants, subcontractors and agents of their obligations to keep Confidential Information confidential. Consultant shall use its best efforts to assist OPRD in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the generality of the foregoing, Consultant shall advise OPRD immediately in the event Consultant learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract

and Consultant will at its expense cooperate with OPRD in seeking injunctive or other equitable relief in the name of OPRD or Consultant against any such person. Consultant agrees that, except as directed by OPRD, Consultant will not at any time during or after the term of this Contract disclose, directly or indirectly, any Confidential Information to any person, except in accordance with this Contract, and that upon termination of this Contract or at OPRD's request, Consultant will turn over to OPRD all documents, papers, and other matter in Consultant's possession that embody Confidential Information.

4.15.11. Injunctive Relief. Consultant acknowledges that breach of this **Section 4.15**, including disclosure of any Confidential Information, will give rise to irreparable injury to OPRD that is inadequately compensable in damages. Accordingly, OPRD may seek and obtain injunctive relief against the breach or threatened breach of this **Section 4.15**, in addition to any other legal remedies that may be available. Consultant acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interests of OPRD and are reasonable in scope and content.

4.15.12. Publicity. Consultant agrees that news releases and other publicity relating to the subject of this Contract will be made only with the prior written consent of OPRD.

4.15.13. Security. Consultant shall comply with all virus-protection, access control, back-up, password, and other security and other information technology policies of OPRD when using, having access to, or creating systems for any of OPRD's computers, data, systems, personnel, or other information resources.

4.16. Termination.

4.16.1. Parties Right to Terminate by Agreement. This Contract may be terminated at any time, in whole or in part, by written mutual consent of the Parties.

4.16.2. OPRD's Right to Terminate for Convenience. OPRD may, at its sole discretion, terminate this Contract, in whole or in part, by written notice to Consultant specifying the termination date of the Contract.

4.16.3. OPRD's Right to Terminate for Cause. OPRD may terminate this Contract immediately, in whole or in part, upon written notice to Consultant, or such later date as OPRD may establish in such notice, upon the occurrence of any of the following events:

4.16.3.1. OPRD lacks lawful funding, appropriations, limitations or other expenditure authority at levels sufficient to allow OPRD, in the exercise of its reasonable discretion, to pay for Consultant's Services;

4.16.3.2. Federal, state or local laws, regulations or guidelines are modified or interpreted in such a way that either the Services under this Contract are prohibited or OPRD is prohibited from paying for such Services from the planned funding source;

4.16.3.3. Consultant no longer holds all licenses or certificates that are required to perform the Services; or

4.16.3.4. Consultant fails to provide Services within the times specified or allowed under this Contract, fails to perform any of the provisions of this Contract, or so fails to

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perform the Services as to endanger performance of this Contract in accordance with its terms, and after receipt of written notice from OPRD, does not correct such failures within the time that OPRD specifies (which shall not be less than 10 calendar days, except in the case of emergency).

4.16.4. Cessation of Services. Upon receiving a notice of termination, and except as otherwise directed in writing by OPRD, Consultant shall immediately cease all activities related to the Services or the Project.

4.16.5. Consultant's Right to Terminate for Cause.

4.16.5.1. Consultant may terminate this Contract if OPRD fails to pay Consultant pursuant to this Contract, provided that OPRD has failed to make such payment to Consultant within forty-five (45) calendar days after receiving written notice from Consultant of such failure.

4.16.5.2. Consultant may terminate this Contract, for reasons other than non-payment, if OPRD commits any material breach or default of any covenant, warranty, obligation or agreement under this Contract, fails to perform under the Contract within the time specified, or so fails to perform as to endanger Consultant's performance under this Contract, and such breach, default or failure is not cured within thirty (30) calendar days after delivery of Consultant's notice, or such longer period as Consultant may specify in such notice.

4.16.6. Delivery of Work Product/Retained Remedies of OPRD. As directed by OPRD, Consultant shall, upon termination, promptly deliver to OPRD all documents, information, works in progress and other property that are deliverables or would be deliverables if the Contract had been completed. By Consultant's signature on this Contract, Consultant allows OPRD to use Work Product and other property for OPRD's intended use. The rights and remedies of OPRD provided in this **Section 4.16** are not exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

4.16.7. Payment upon Termination.

4.16.7.1. In the event of termination pursuant to **Sections 4.16.1, 4.16.2, 4.16.3.1, 4.16.3.2** or **4.16.5**, Consultant's sole remedy shall be a claim for the sum designated for accomplishing the Services multiplied by the percentage of Services completed and accepted by OPRD plus Consultant's reasonable Contract close-out costs, less previous amounts paid and any claim(s) which OPRD has against Consultant, except in the event of a termination under **Section 4.16.3.1**, where no payment will be due and payable for Services performed or costs incurred after the last day of the current biennium, consistent with **Section 4.3**. Within thirty (30) days after termination, Consultant shall submit an itemized invoice for all un-reimbursed Services completed before termination and all Contract close-out costs actually incurred by Consultant. OPRD shall not be obligated to pay for any such costs invoiced to and received by OPRD later than thirty (30) days after termination. If previous amounts paid to Consultant exceed the amount due to Consultant under this subsection, Consultant shall promptly refund any excess amount upon demand.

4.16.7.2. In the event of termination pursuant to **Sections 4.16.3.3** or **4.16.3.4**, OPRD shall have any remedy available to it in law or equity. Such remedies may be pursued separately, collectively or in any order whatsoever.

If it is determined for any reason that Consultant was not in default under **Sections 4.16.3.3** or **4.16.3.4**, the rights and obligations of the Parties shall be the same as if the Contract was terminated pursuant to **Section 4.16.2**.

4.17. Foreign Contractor. If Consultant is not domiciled in or registered to do business in the State of Oregon as of the Effective Date, Consultant shall promptly provide to the Oregon Department of Revenue and the Secretary of State's Corporation Division all information required by those agencies relative to this Contract. Consultant shall demonstrate its legal capacity to perform the Services under this Contract in the State of Oregon prior to executing this Contract.

4.18. Notice. Except as otherwise expressly provided in this Contract, any notices to be given hereunder shall be given in writing by personal delivery, facsimile, or mail, postage prepaid, to Consultant or OPRD at the address or number set forth on **Exhibit A**, or to such other address or number as either party may provide pursuant to this "Notice" section. Any notice delivered by mail shall be deemed to be given five (5) calendar days after the date of mailing. Any notice delivered by facsimile shall be deemed to be given when the transmitting machine generates a receipt of the transmission. To be effective against OPRD, any facsimile communication or notice must be confirmed by telephone notice to OPRD's Representative for the Project as indicated in **Exhibit A** and shall not be deemed to be given until such confirmation is completed. Any notice by personal delivery shall be deemed to be given when actually delivered. Regular, day-to-day communications between the Parties may be transmitted through one of the methods set forth above, in person, by telephone, by e-mail, or by other similar electronic transmission.

4.19. Media Contacts; Confidentiality. Consultant shall provide no news release, press release, or any other statement to a member of the news media regarding this Project, without OPRD's prior written authorization.

4.20. Conflict of Interest. Except with OPRD's prior written consent, Consultant shall not engage in any activity, or accept any employment, interest or contribution that would, or would reasonably appear to, compromise Consultant's professional judgment with respect to this Project, including, without limitation, concurrent employment on any project in direct competition with the Project.

Exhibits A through B are attached.

STANDARD PROFESSIONAL SERVICES CONTRACT

EXHIBIT A - STATEMENT OF WORK

The OPRD and the Consultant agree that the following Services shall be provided by the Consultant for the appraisal services described in this Contract. For purposes of this Contract, "Basic Services" are those Services described below in **Exhibit A** and compensation will be provided with a Not-To-Exceed limit as specified on page one of the Contract.

Representatives of the Parties for this Contract and the "Project" shall be:

Consultant Aaron D. Still, Aaron's Appraisals LLC **Telephone:** (541) 523-2940

OPRD: Tabitha Henriksen, Real Property Specialist **Telephone:** (503) 339-6806

PROJECT DESCRIPTION: USPAP Compliant Appraisal of a 3 +/- acre property located in John Day, Oregon commonly known as Gleason Park & Pool.

The appraisal needs to include an estimate of fair market value of the property. The estimate should be based on Highest and Best use of the property as determined by the appraiser.

PROJECT SCOPE OF WORK & DELIVERABLES:

The Consultant shall provide the following:

A narrative appraisal report, consistent with current USPAP standards. One hard copy and one electronic copy of the report is due in the offices of OPRD, Salem on or before **Sept 15, 2021**.

In addition, Consultant agrees to work cooperatively with an independent review appraiser following delivery of the appraisal report to facilitate a timely review. "Work cooperatively" means to share identification of comparable sales and discuss methodology, especially regarding unanticipated discoveries or circumstances that require an uncommon level of analysis.

Review appraiser for this project is:

William E. Adams, MAI
1809 Sunburst Terrace NW
Salem OR 97304
Phone 503-585-6656
1billadams@comcast.com

EXHIBIT B
INSURANCE PROVISIONS

A. REQUIRED INSURANCE

Contractor shall obtain at Contractor's expense the insurance specified in this section prior to performing under this Contract and shall maintain it in full force and at its own expense throughout the duration of this Contract, as required by any extended reporting period, and all warranty periods that apply. Contractor shall obtain the following insurance from insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to Agency. Coverage shall be primary and non-contributory with any other insurance and self-insurance with the exception of Professional Liability and Workers' Compensation. Contractor shall pay for all deductibles, self-insured retention and self-insurance, if any.

i. WORKERS COMPENSATION & EMPLOYERS LIABILITY

All employers, including Contractor, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and provide workers' compensation insurance coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). If Contractor is a subject employer, as defined in ORS 656.023, Contractor shall also obtain employers' liability insurance coverage with limits not less than \$1,000,000 each accident.

If Contractor is an employer subject to any other state's workers' compensation law, Contractor shall provide workers' compensation insurance coverage for its employees as required by applicable workers' compensation laws including employers' liability insurance coverage with limits not less than \$1,000,000.

As applicable, Contractor shall obtain coverage to discharge all responsibilities and liabilities that arise out of or relate to the Jones Act with limits of no less than \$5,000,000 and/or the Longshoremen's and Harbor Workers' Compensation Act.

Contractor shall require and ensure that each of its subcontractors complies with these requirements.

ii. COMMERCIAL GENERAL LIABILITY

Contractor shall obtain, at contractor's expense, and keep in effect during the term of this contract, commercial general liability insurance covering bodily injury and property damage in a form and with coverages that are satisfactory to the state. This insurance shall include personal and advertising injury liability, products and completed operations and contractual liability coverage for the indemnity provided under this contract. Coverage shall be written on an occurrence basis in an amount not be less than \$1,000,000 per occurrence. Annual aggregate limit shall not be less than \$2,000,000.

iv. AUTOMOBILE LIABILITY INSURANCE

Automobile Liability Insurance covering Contractor's business use including coverage for all owned, non-owned, or hired vehicles with a combined single limit of not less than \$1,000,000 for bodily injury and property damage. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for Commercial General Liability and Automobile Liability).

iv. PROFESSIONAL LIABILITY

Professional Liability insurance covering any damages caused by an error, omission or any negligent acts related to the work, including design services, to be provided under this Contract by the Contractor and Contractor's subcontractors, agents, officers or employees in an amount not less than \$1,000,000 per claim. Annual aggregate limit shall not be less than \$1,000,000. If coverage is on a claims made basis, the retroactive date of the policy must be prior to the inception of the work and an extended reporting period equal to the statute of ultimate repose shall be included in the Professional Liability insurance coverage.

B. ADDITIONAL INSURED The Commercial General Liability insurance and Automobile Liability insurance required under this Contract shall include the State of Oregon, its officers, employees and agents as Additional Insureds but only with respect to Consultant's activities to be performed under this Contract. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

C. NOTICE OF CANCELLATION OR CHANGE There shall be no cancellation, material change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without sixty (60) days' written notice

from this Consultant or its insurer(s) to Agency. Any failure to comply with the reporting provisions of this clause shall constitute a material breach of Contract and shall be grounds for immediate termination of this Contract by Agency.

- D. **CERTIFICATE(S) OF INSURANCE** Consultant shall provide to Agency Certificate(s) of Insurance for all required insurance before delivering any Goods and performing any Services required under this Contract. The Certificate(s) must specify all entities and individuals who are endorsed on the policy as Additional Insured (or Loss Payees). Consultant shall pay for all deductibles, self-insured retention and self-insurance, if any.

APPRAISER'S QUALIFICATIONS

Aaron D. Still, MAI

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

QUALIFICATIONS PROFILE

Performance-driven, insightful commercial real estate appraiser with excellent research, analysis, and communication skills.

- Skilled at consulting with clients to delineate and analyze their income, expense, and value scenarios regarding multiple property types, including retail, industrial, office, agricultural, timber/grazing, rangeland, and vacant development sites.
- Comprehensive knowledge of and experience in direct income capitalization, band of investment, yield capitalization, land residual analysis, cost approach, and sales comparison approach to value.
- Proven leadership coupled with the ability to manage client relationships.

PROFESSIONAL EXPERIENCE

AARON STILL APPRAISAL, BAKER CITY, OREGON 2010
to Present
Owner / Operator

Real estate valuation and consulting including high quality and in-depth appraisal analysis in rural areas of Eastern Oregon. Complex assignments have included special purpose properties, mixed use properties, multi-family developments, condemnation, retrospective values, and general consulting.

LS APPRAISAL SERVICES – Lake Havasu City, Arizona -
2002 to 2009
Staff Appraiser

Complete high quality and in-depth appraisal analysis for a multitude of property types, for a multitude of intended uses and intended users. Complex assignments have included lease hold interest, subdivision analysis, retrospective values, feasibility analysis, partial interest, condemnation, and general consulting.

RELATED EXPERIENCE

- BAKER CITY PLANNING COMMISSION, BAKER CITY, OREGON
November 2015 to Present
- REAL ESTATE DEVELOPER AND INVESTOR
2002 to Present

EDUCATION AND CREDENTIALS

Oregon State University – Corvallis, Oregon

Bachelor of Science in Business Administration, Management of Information Systems (2002)

Professional Licenses: OREGON GENERAL CERTIFIED APPRAISER # C000990

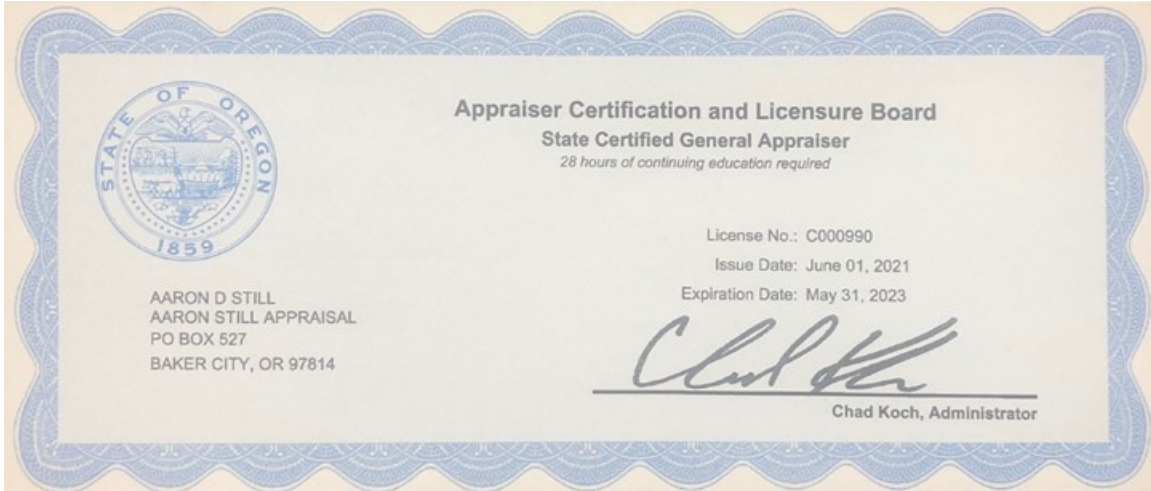
Professional designations: DESIGNATED MEMBER OF THE APPRAISAL INSTITUTE
JANUARY 2019

Professional Training:

Course / Seminar Name	Provider	Hours	Completion Date
Principles of Real Estate Appraisal	Lincoln Graduate Center	15	8/15/2000
USPAP 15 hour Course	Lincoln Graduate Center	15	8/17/2000
Practice of Real Estate Appraisal	Lincoln Graduate Center	15	8/19/2000
Residential Case Studies 1	American College of Appraisal	15	6/7/2003
Residential Case Studies 2	American College of Appraisal	15	6/21/2003
USPAP 15 hour Course	AZ School of Real Estate and Business	15	1/22/2005
FHA, and The New Residential Appraisal Forms	Appraisal Institute	7	2/6/2006
Basic Income Capitalization	Appraisal Institute	39	1/27/2007
USPAP Update	Appraisal Institute	7	3/8/2007
Condominiums, Co-ops, and PUDs'	Appraisal Institute	7	3/9/2007
General Applications	Appraisal Institute	40	5/9/2007
Report Writing and Valuation Analysis	Appraisal Institute	40	7/28/2007
USPAP 15 hour Course	AZ School of Real Estate and Business	15	8/18/2007
Advanced Applications	Appraisal Institute	40	9/19/2007
General Appraiser Market Analysis and Highest and Best Use	Appraisal Institute	30	9/10/2008
Basic Appraisal Principles	Appraisal Institute	30	2/20/2009
Online Real Estate Finance Statistics and Valuation Modeling	Appraisal Institute	15	3/17/2009
General Appraiser Site Valuation and Cost Approach	Appraisal Institute	30	4/11/2009
General Appraiser Income Capitalization 2	Appraisal Institute	30	4/21/2009
General Appraiser Sales Comparison Approach	Appraisal Institute	30	4/30/2009
Arizona Appraisers Conference	AZ Appraiser Coalition	14	10/10/2009
Business Practices and Ethics	Appraisal Institute	7	12/14/2011
USPAP Update	Appraisal Institute	7	1/28/2011
Appraising Manufactured Homes	McKissock	7	5/1/2011
Appraising FHA Today	McKissock	7	5/1/2011
Ad Valorem Tax Consultation	McKissock	3	5/1/2011
Advanced Income Capitalization	Appraisal Institute	33	3/15/2013
Uniform Appraisal Standards for Federal Land Acquisitions	Appraisal Institute	14	5/12/2015
Advanced Concepts and Case Studies	Appraisal Institute	38	4/23/2016
Uniform Appraisal Standards for Federal Land Acquisitions	Appraisal Institute	15	8/15/2017
Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets	Appraisal Institute	15	2/15/2019
Rural Appraisal Basics	Appraisal Institute	7	4/19/2019
Eminent Domain	American Society of Farm Managers & Rural Appraisers	14	3/9/2021

* USPAP &-Hr Update taken every other year.

COPY OF OREGON REAL ESTATE APPRAISER CERTIFICATE



REAL ESTATE APPRAISAL REVIEW

Gleason Pool & Park Property
Owned by the City of John Day
250 NW Canton Street
John Day, Oregon

APPRAISAL REPORT AUTHOR

Aaron Still, MAI
Aaron Still Appraisal

REVIEW PREPARED FOR

Tabitha Henricksen
Property Unit
Oregon Parks and Recreation Department

REVIEW APPRAISER

William E. Adams, MAI
Salem, Oregon

◆ **William E. Adams, MAI** ◆
Real Estate Appraisal & Consultation
1809 Sunburst Terrace NW
Salem, OR 97304
Office: (503) 585-6656
Mobile: (503) 510-1104
Email: 1billadams@comcast.net

October 1, 2021

Tabitha Henricksen
Property Unit
Oregon Parks and Recreation Dept.
725 Summer Street NE, Suite C
Salem, OR 97301

RE: Real Estate Appraisal Review -- Gleason Pool & Park Property
250 NW Canton Street in John Day, Oregon

Dear Tabitha:

At your request, I have conducted a real estate appraisal review regarding the real estate appraisal prepared for the above-referenced property located along Canton Street in John Day, Oregon.

Please note that this appraisal review pertains to a revised appraisal report submitted by Aaron Still, MAI. The original report submitted by Mr. Still (dated September 11, 2021) contained some inconsistencies and errors that required correction as well as some items requiring additional clarification. The reviewer discussed these issues via a phone conversation with Mr. Still on September 30, 2021. Mr. Still submitted a revised appraisal report dated September 30, 2021 and this revised report conforms to the reviewed standards. **As there are two versions of this appraisal report (each with a different report date), please ensure that the appraisal report presented to the property owner and used for the report's intended use is the revised report dated September 30, 2021 as this is the report that is the subject of this appraisal review.**

The appraisal report under review was prepared by Aaron Still MAI for the Oregon Parks and Recreation Department (OPRD). The purpose of the appraisal assignment is to estimate the market value of the 3.01-acre property owned by the city of John Day and developed with the Gleason Pool & Park. The pool facility has not recently been in operation and discussions have occurred between OPRD and the City for the potential acquisition by OPRD in order to integrate the property with the State's adjacent Kam Wah Chung State Heritage Site. This appraisal under review estimates the as-is market value of the subject's fee simple estate as of the July 22, 2021 appraisal inspection date. The appraisal is cited as being prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). The intended use of this report is to assist the client with the potential acquisition of the property. The report cites the intended users to be the client (Oregon Parks and Recreation Department) and/or its assigns, which includes the city of John Day.

For this appraisal review assignment, the client is identified as the Oregon Parks and Recreation Department. The purpose of this review assignment is to perform a desk review of the appraisal report. The intended use of this review assignment is to provide the client with an independent assessment of the appraisal report under review. The intended user of this review assignment is solely the client (OPRD).

The scope of this review assignment involves reviewing the appraisal report to ascertain if it conforms to the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP - 2020 edition); a review of the market data to ascertain their relevance and applicability to the valuation; and the development of an opinion as to whether or not the analysis and market value estimate(s) cited in the appraisal report are reasonable and supportable. Also, the appraisal was carefully reviewed for consistency and mathematical correctness.

Please note that this review assignment does not involve field inspections of the subject property or the market data, an independent market data search, verification of the comparables cited in the appraisal report, or interviews with property owners, real estate professionals, or representatives of municipal jurisdictions having authority over the subject property.

This review is intended to comply with USPAP Standard 3 in developing an appraisal review and Standard 4 in reporting an appraisal review.

APPRAISAL REPORT SUMMARY

Appraiser:	Aaron Still, MAI
Appraisal Report Date:	September 30, 2021
Valuation Date:	July 22, 2021
Report Format:	Conforms to Appraisal Report format under USPAP (2020 edition).
Interest Appraised:	Fee Simple Estate
Limitations:	Reasonable extraordinary assumptions are used with regard to the rezoning of the property if the property were marketed for sale by the City, and the lack of impact for development potential due to the property's partial presence within the 100-year flood plain. No hypothetical conditions are used for this assignment.
Parcel Size:	3.01 Acres (131,116 SF)
Zoning:	Currently PR (Public Reserve) but assumed RL (Residential Limited).
Improvements:	Community pool facility including pool, administrative building, lockers, equipment building, and supporting site improvements. Condition assessment prepared by the city of John Day recognizes that these building & site improvements have no remaining economic life if marketed for private use. There is significant deferred maintenance present.

Highest and Best Use:
As If Vacant: Under assumption of RL zoning, for partitioning parcel into three 1± acre parcels for single-family residential development.
As Improved: To demolish existing improvements in order to utilize underlying land to its highest and best use.

Valuation Method(s): Sales Comparison Approach (land only)

Value Estimate: \$97,000 (“As Is” Market Value)

APPRAISAL REVIEW FINDINGS

The appraisal report under review was prepared by Aaron Still, MAI utilizing appropriate appraisal methodology. The subject property is currently developed as a community pool facility & adjacent park with parking and supporting site improvements. Based on a condition assessment provided for the appraisal, the existing improvements have no remaining economic life. The subject’s land is valued using the Sales Comparison Approach recognizing its potential to be partitioned and recognizing the costs to obtain partition and remove the existing improvements. The Cost and Income Approaches are deemed inappropriate for the appraisal assignment.

The report’s content is prepared consistent with USPAP (2020 edition). The report includes various exhibits depicting the characteristics of the subject property, photographs of the property, a current zoning description, various cost estimates, the condition assessment, and the appraiser’s professional qualifications.

The property is situated within the rural Central Oregon community of John Day within Grant County. The property abuts a creek and is in proximity to residential and commercial uses. The report’s area and neighborhood descriptions present a good discussion of the subject’s market area and neighborhood. A discussion of market conditions affecting the local and regional residential market was also presented. The detail of discussion for the aforementioned area, neighborhood, and market is sufficient for the requested report format.

The subject property consists of one tax lot totaling 3.01 acres. The City and OPRD have been in talks for multiple years regarding OPRD’s wish to acquire this property in order to expand the adjacent Kam Wah Chung State Heritage Site. Given this intention, the City rezoned the property from its former RL (Residential Limited) zone to PR (Park Reserve). The PR zone does not provide an economic use of the property in the private market. For the purpose of estimating the property’s market value, the appraiser utilizes the appropriate extraordinary assumption that the property is zoned RL. As previously stated, a condition assessment prepared by the City and provided for this appraisal assignment indicates that the existing improvements suffer from significant deferred maintenance and have reached the end of their economic life. As such, a buyer of the property would need to demolish the existing improvements in order to utilize the underlying land. It is recognized however, the restroom structure (built in 2007) would be useful for OPRD’s intended use for expanding the adjacent State Heritage Site. As such, the appraiser estimated the depreciated replacement cost of the restroom structure for the client; however, this estimate is NOT representative of the restroom building’s contributory value for the private development of the subject property.

The property contains three access points along two roadways. Also, portions of the property in proximity to the creek are within the 100-year flood plain; however, the elevation is such that the majority of the impacted land could be built-up to be outside the flood plain. The majority of the subject property already lies outside the flood plain. After reviewing the subject's attributes, the appraiser concludes that the subject site could support being partitioned into three separate homesites measuring approximately one acre each, with two of the sites having a creek-frontage amenity.

Overall, the appraisal report provides a sufficient discussion of the subject's land and building attributes.

The highest and best use analysis presents a good discussion of the four highest and best use components and their applicability to the subject property. The subject's current use is not an economic use and the improvements have no contributory value for utilization by a non-government buyer or user. The current PR zoning is predicated on the existing municipal use of the property, but City officials indicate that if placed in private ownership, the RL (Residential Limited) zoning designation would be reinstated. The analysis concludes that the subject's highest and best use as if vacant is for partitioning the 3.01-acre parcel into three parcels of approximately 1-acre each for individual development of single-family dwellings (one per parcel). As improved, the highest and best use of the property is to demolish the existing municipal improvements and develop the underlying land to its highest and best use (3-lot partition). Overall, the highest & best use conclusions are reasonable based on the presented analysis.

The Sales Comparison Approach is used to estimate the subject's land value. As there are no improvements contributing value on the property, nor is low-density land typically rented in this market, the Cost and Income Approaches are not employed.

The appraiser searched for residential market data exceeding one acre that could be useful in the valuation of the entire 3.01-acre property. Such data could be used to value the entire property recognizing its potential for partitioning into multiple parcels suitable for residential development. However, even after expanding the data search, no suitable market data was uncovered.

An alternative valuation method (used by the appraiser) is to estimate the retail value of each of the three partitioned lots (assuming partitioning), then consider the time frame to market the lots and the anticipated costs to actually create the finished lots. Deductions are necessary for holding costs, demolition costs, city fees associated with partitioning, and recognizing that a buyer pursuing the resale of these parcels is entitled to entrepreneurial profit. After reviewing the market, the appraiser indicates that the most-likely buyer of the property is an individual wishing to develop one of the creek-frontage lots with a single-family dwelling and sell the other two lots to offset the costs to create the lots and the incurred holding costs.

The appraiser evaluated 16 sales of residential parcels located in John Day, Prairie City, and Canyon City that sold between October 2019 and August 2021. A regression analysis was performed of these sales analyzing the relationship of unit price (\$/SF) and parcel size. Of the 16 sales, five were given further consideration in order to estimate the retail value of each of the three partitioned parcels within the subject. This data-set specifically involved sales in John Day and Prairie City that sold between July 2020 and May 2021, ranged in parcel size from 17,424 to 37,899 SF, and generated unit prices between \$1.66 and

\$2.79/SF. Total purchase prices range from \$40,000 to \$63,000. The appraiser recognizes that these five sales are smaller than the subject, but size adjustments are made utilizing the regression analysis that provided a size adjustment appropriate for this data-set. After adjustment for multiple factors (including size), the adjusted price range is \$1.90 to \$2.09/SF. After final analysis, the retail value of the two lots with creek frontage is estimate to be \$88,000 each while the interior lot has an estimated retail value of \$79,000. The sum of these retail values is \$255,000.

The appraiser presents two analyses in order to estimate the subject's Market Value "as if vacant" and the Market Value "As Is". Each analysis calculates the appropriate deductions to be applied to the \$255,000 aggregate retail value of the 3 lots; however the demolition cost is applied to only the "As Is" valuation scenario. A review of the deductions reveals that they are reasonable. The demolition cost is based on costs obtained from local contractors. The entrepreneurial profit rate is higher for the "As Is" valuation given additional risks. Utilizing this method, the "As Is" Market Value of the subject property is estimated to be \$97,000. This analysis was performed properly and is reasonable & supportable.

The appraiser also estimated the depreciated replacement cost of the restroom building that was constructed in 2007. While this building does not contribute value to the property's highest and best use, it may be useful for OPRD's intended use of the property. As such, the appraiser prepared the depreciated replacement cost for information purposes only. The depreciated replacement cost estimate is \$44,682.

APPRAISAL REVIEW CONCLUSIONS

It is the reviewer's opinion that the methodology and analysis used to estimate the market value of the subject property are appropriate and reasonable. The appraiser properly utilized the available data set in order to reliably estimate the subject's value using the applicable method(s). The concluded value estimate is considered to be both reasonable and supportable. The report provides sufficient reasoning to exclude approaches not relevant to the subject's valuation. The appraisal report has been reviewed for compliance with Standards 1 and 2 of the 2020 edition of the Uniform Standards of Professional Appraisal Practice (USPAP).

Based upon a review of the appraisal report and the methodology used to estimate the subject's value, the appraisal report significantly conforms to the standards requirements of USPAP. Furthermore, there are no mathematical errors or inconsistencies found within the report. The reviewer notes an isolated error on Page 42 where one of the subject's partitioned parcel sizes is stated as 43,996 SF or 1.10 acres. The correct size is 1.01 acres. This is an isolated occurrence that is minor-in-nature, not misleading, not value-influencing, and does not precipitate another report revision.

It is reiterated that this review pertains to a revised appraisal report prepared by the appraiser and dated September 30, 2021. The reviewer's viewing of the prior appraisal report uncovered inconsistencies, errors, and items requiring clarification that were discussed with the appraiser (Aaron Still, MAI). The revised report corrected these issues. **Please ensure that the appraisal report presented to the property owner and used for the report's intended use is the revised report dated September 30, 2021 as this is the report that is the subject of this appraisal review.**

The reviewer recommends this appraisal report for the client's intended use.

The effective date of the review assignment is October 1, 2021. The reviewer's appraisal certification is attached to this review report. The appraisal review does not utilize any hypothetical conditions or extraordinary assumptions.

Best Regards,

A handwritten signature in green ink that reads "William E. Adams". The signature is written in a cursive style with a long, sweeping tail on the final letter.

William E. Adams, MAI

REVIEW APPRAISER'S CERTIFICATION

I do hereby certify that, except as otherwise noted in this appraisal review:

1. The statements of fact contained in this review report are true and correct.
2. The reported analyses, opinions and conclusions cited in this review report 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 with respect to the parties involved or the property that is the subject of this review assignment.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this review assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results. Future employment is not dependent upon reporting a specified value.
6. 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.
7. My analyses, opinions, and conclusions are developed, and this report is prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and the Standards of Professional Practice; and the Appraisal Foundation's Uniform Standards of Professional Appraisal Practice ("USPAP").
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.
10. As this review assignment involved a desk review, I did not conduct an inspection of the property that is the subject of this report.
11. No one other than the undersigned provided significant professional assistance in conducting this review assignment.
12. I have acquired through study and practice the necessary knowledge and experience to complete this review assignment competently.
13. I have not performed any appraisal or other service involving this property during the past three years.



William E. Adams, MAI
Review Appraiser
Oregon Certificate No. C000495
Expires 11/30/2022

Exhibit C
Purchase and Sale Agreement

[attached]

Purchase and Sale Agreement

This Purchase and Sale Agreement (this “**Agreement**”) for the Gleason Park Property is entered into effective as of _____, 2021 (the “**Effective Date**”) between CITY OF JOHN DAY, a municipal corporation (“**Seller**”) and STATE OF OREGON, by and through the Oregon Parks and Recreation Department (“**Buyer**”). Seller and Buyer are referred to together herein as the “parties.” The Effective Date of this Agreement shall be as of the date of the last signature of this Agreement.

RECITALS

A. The addresses and contact information of the parties to this Agreement are as follows:

Seller:

CITY OF JOHN DAY, a municipal corporation
450 East Main Street
John Day, OR 97845
Attn: Nick Green, City Manager
Ph: 541-575-0028
Email: GreenN@grantcounty-or.gov

Buyer:

STATE OF OREGON, by and through the Oregon Parks and Recreation Department
725 Summer Street NE, Suite C.
Salem, OR 97301-1266
Attn: Tabitha Henricksen, Property Unit
Ph: 503-339-6806
Email: Tabitha.Henricksen@oregon.gov

B. Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, certain real property with rights appurtenant thereto, commonly known as the Gleason Park Property in Grant County, Oregon, and legally described on Exhibit A. The land to be sold and purchased under this Agreement is referred to as the “**Property**.”

NOW, THEREFORE, in consideration of the mutual promises and conditions contained herein, the parties, intending to be legally bound, agree as follows:

SECTION 1 AGREEMENT OF SALE

1.1 Sale and Purchase. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Property, for the price and on the terms and conditions set forth herein, together with all of Seller’s right, title, and interest in and to any rights, licenses, privileges, reversions, and easements appurtenant to the Property.

1.2 Purchase Price. Buyer agrees to pay Seller the sum of Two Hundred Twenty-Two Thousand Dollars (\$222,000.00) for the purchase of the Property (the “**Purchase Price**”).

1.3 Payment of Purchase Price. The Purchase Price will be paid in cash at the Closing.

SECTION 2 ESCROW

2.1 Escrow. The parties will promptly upon mutual execution of this Agreement open an escrow account at Land Title Company of Grant County, Inc., located at 145 NE Dayton St, John Day, OR 97845 (the “**Escrow Agent**”), and deposit this Agreement with the Escrow Agent. The representative of the Escrow Agent for this transaction is:

Kristen Coombs
Phone: 541-575-1529
Fax: 541-628-7415
Email: Kristen@ltaofgrantcounty.com

2.2 Escrow Instructions. This Agreement constitutes joint instructions to the Escrow Agent. The parties may execute such additional instructions as reasonably requested by the Escrow Agent if such instructions are consistent with the terms hereof. If such additional or supplemental instructions conflict with the express terms of this Agreement, the terms of this Agreement control.

SECTION 3 TITLE TO PROPERTY

3.1 Conveyance. At the Closing, Seller will convey to Buyer fee simple title to the Property by statutory warranty deed, free and clear of all liens, encumbrances, easements, and restrictions - except for the Permitted Encumbrances (as defined in 4.2(b)).

3.2 Water Rights. Seller’s conveyance of the Property to Buyer includes all water rights appurtenant to the Property, if any.

3.3 Inspections. Prior to the Closing, Buyer may conduct such inspections, examinations, and investigations of the Property in Buyer’s sole discretion to ascertain the condition of the Property and its suitability for Buyer’s purposes. All such testing, examination, and investigation will be subject to the indemnification provisions of Section 3.4.

3.4 Right of Inspection; Indemnification. Buyer may inspect the Property, including making invasive inspections, with reasonable prior notice to Seller. Buyer’s inspections may include the taking of samples and other physically invasive procedures. To the extent permitted by Article XI, Section 7 of the Oregon Constitution, and subject to the limits of the Oregon Tort Claims Act, ORS 30.260 through 30.300, Buyer will indemnify, defend and hold Seller harmless from and against any and all losses, claims, damages, and liabilities arising out of or resulting from Buyer’s inspections, unless and to the extent Seller’s negligence or intentional acts contributed to the losses, claims, damages, or liabilities.

3.5 Title Insurance Policy. Buyer may, at Buyer’s expense, obtain an ALTA Owner’s Standard Coverage Title Insurance Policy on the Closing Date in an amount equal to the Purchase Price insuring fee simple title vested in Buyer subject only to the Permitted

Encumbrances.

SECTION 4 CLOSING

4.1 Closing Date. The parties intend that the Property sale provided for herein will be closed (the “**Closing**”) in escrow at the office of the Escrow Agent (or at another agreed location), on or before ninety days from Oregon Parks and Recreation Commission approval per 4.2.1(a). (the “**Closing Date.**”)

4.2 Buyer’s Conditions to Closing.

4.2.1 Buyer’s obligation to purchase the Property is expressly contingent upon, and subject to, the satisfaction or express written waiver of the following conditions not later than the Closing Date:

(a) Commission Approval. Buyer’s purchase of the Property is conditioned on receiving approval of the terms of this Agreement by the Oregon Parks and Recreation Commission.

(b) Review of Title. Escrow Agent will supply Buyer with a preliminary title report (the “Preliminary Title Report”). Buyer may review and accept or reject the condition of title to the Property upon receipt of the Preliminary Title Report. The acceptance by Buyer of Property encumbrances listed within the Preliminary Title Report (the “Permitted Encumbrances”) and acknowledgement by Seller shall be documented in writing and amend the Agreement. Escrow Agent shall provide Buyer with an updated Preliminary Title Report approximately five days prior to the Closing Date or when requested by Buyer. Based upon Buyer’s review of the updated preliminary title report, Buyer may require that any encumbrances that are not Permitted Encumbrances be removed from the title to the Property. Any such encumbrances to which Buyer does not object before the Closing Date shall be deemed to be Permitted Encumbrances.

(c) Evaluation of Property. Buyer may examine and inspect the condition of the Property as provided in Sections 3.3 and 3.4 and be satisfied with the results of such inspections.

(d) Title Insurance. The Escrow Agent must commit to issue a title insurance policy as provided in Section 3.5.

(e) Deconstruction and removal of improvements. Seller shall be responsible for site demolition and preparation within the area defined in Exhibit B (the “**Demolition Area**”). Site work will include removal of existing above ground structures and their contents, destruction of pools and aprons, backfilling and bringing of Demolition Area to grade; as well as any permitting and/or regulatory consultation necessary to perform this work. Prior to Closing all demolition work will be completed by Seller, including debris and equipment removal from Property.

Buyer may opt to provide archaeological monitoring services during all or a portion of the demolition process. If, at any stage of demolition, Buyer chooses to waive the condition of site demolition and preparation by Seller, Buyer shall notify the Seller in writing (per 8.3 and 8.5). Upon receipt of notification by Buyer, Seller will remove any unnecessary debris and equipment and secure the Demolition Area until Closing. The Seller's responsibility for further site demolition shall cease. Acceptance of the property in as-is site condition by the Buyer will not constitute a modification in purchase price. Responsibility for site safety and security measures of the Demolition Area will transfer with Property possession as of the Closing Date.

(f) Removal of 6(f) Boundary from Property. Parties acknowledge that Property is currently subject to restriction for outdoor recreation use in compliance with provisions of the Land and Water Conservation Fund (“**LWCF**”) Act which is administered by Oregon Parks and Recreation Department (“**OPRD**”) on behalf of the National Park Service (“**NPS**”). Property has been managed by Seller in accordance with Section 6(f)(3) of the LWCF Act and 36 CFR 59.3 (Grants 41-00044 and 41-00870). Seller will be responsible for a conversion of use for the Property under Section 6(f)(3) of the LWCF Act and 36 CFR 59. Seller agrees to work diligently with OPRD, NPS and Buyer to perform this conversion of use within as efficient a timeline as is possible; however, timeline for the conversion of use is anticipated to extend beyond the Closing Date. Buyer agrees to conveyance of Property with the conversion of use in-progress; Seller will remain the LWCF grant sponsor and retain all responsibilities and liabilities therein until the conversion of use is approved by NPS, completed and the encumbrance is removed from the Property. Seller is responsible for all due diligence with OPRD and NPS as needed for conversion of use, Closing and any transition agreement.

4.2.2 The conditions in Section 4.2 of this Agreement are solely for the benefit of Buyer and may be waived only by Buyer. Buyer will at all times have the right to waive any condition.

4.3 Prorates and Closing Costs. All real property taxes for the current tax year will be prorated between the parties as of the Closing Date. Buyer will be responsible for payment of the premium for any title insurance policy, the recording fees for recording the statutory warranty deed and one-half of the escrow fee. Seller will be responsible for one-half of the escrow fee.

4.4 Deliveries to Escrow Agent.

4.4.1 By Seller. On or before the Closing Date, Seller will deliver the following to the Escrow Agent:

(a) Deed. A statutory warranty deed, in substantially the form of Exhibit C (the “Deed”), duly executed and acknowledged by Seller, conveying the Property to Buyer, subject only to non-delinquent property taxes, and free and clear of all liens, encumbrances, easements, and restrictions, except for the Permitted Encumbrances.

(b) Non-foreign Certification. A certification of non-foreign status in the form required by Internal Revenue Code §1445 and related regulations.

(c) **Miscellaneous.** Any other documents, instruments, or records or agreements called for hereunder that have not previously been delivered or as may be reasonably requested by Escrow Agent in order to issue the title policy.

(d) **Pro-ration amounts.** The amount due from Seller, if any, after the prorations are computed under Section 4.3 of this Agreement. Seller may pay its proration amount from the proceeds of the Purchase Price.

4.4.2 By Buyer. On or before the Closing Date, if the conditions to the Closing have been satisfied to Buyer's satisfaction, Buyer will deliver the following in escrow to the Escrow Agent:

(a) **The Purchase Price.**

(b) **Pro-ration amounts.** The amount due from Buyer, if any, after the prorations are computed under Section 4.3 of this Agreement.

4.5 Possession. Buyer shall be entitled to possession of the Property on the Closing Date.

SECTION 5 REPRESENTATIONS AND WARRANTIES

5.1 Seller's Representations and Warranties. Seller represents and warrants to Buyer as follows:

5.1.1 Seller has all necessary power and authority, and has taken all action required, to enter into, execute, and deliver this Agreement, to fully perform its obligations hereunder, and to carry out and consummate the land sale and other obligations contemplated herein. During the period between the Effective Date and the Closing Date, Seller will not convey the Property or any portion of or rights associated with the Property to any third party, nor will Seller encumber the Property in any respect.

5.1.2 Seller is not a foreign person as defined in Section 1445 of the Internal Revenue Code.

5.1.3 Seller's conveyance of the Property to Buyer will include all water rights appurtenant to the Property which were received by Seller when they purchased or obtained title to the Property or such water rights as they later acquired. Seller has not transferred or alienated such water rights in any respect. Seller does not know of any reason such water rights could be at risk of loss due to failure to appropriate or make beneficial use of the water..

5.1.4 Buyer may obtain a Phase I Environmental Site Assessment report ("**Report**"). To the best of Seller's knowledge, after inquiry and except as disclosed in the Report, the Property is materially in compliance with applicable state and federal environmental standards

and laws affecting it and there are no Hazardous Materials or Hazardous Substances released, stored, spilled, discharged or leaking on, to or about the Property in violation of applicable law.

5.1.5 Definition. “Hazardous Materials” and “Hazardous Substances” mean (i) hazardous wastes, hazardous materials, hazardous substances, hazardous constituents, toxic substances or related materials, whether solids, liquids or gases, including, but not limited to, substances defined as “hazardous wastes,” “hazardous materials,” “hazardous substances,” “toxic substances,” “pollutants,” “contaminants,” “radioactive materials,” “toxic pollutants,” or other similar designations as defined in, or otherwise subject to regulation under, any Oregon state law or regulation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (“CERCLA”), 42 U.S.C. § 9601, *et seq.*; the Toxic Substance Control Act (“TSCA”), 15 U.S.C. § 2601, *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. § 1802; the Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. § 9601, *et seq.*; the Clean Water Act (“CWA”), 33 U.S.C. § 1251, *et seq.*; the Safe Drinking Water Act, 42 U.S.C. § 300f, *et seq.*; the Clean Air Act (“CAA”), 42 U.S.C. § 7401, *et seq.*; and in any permits, licenses, approvals, plans, rules, regulations or ordinances adopted, or other criteria and guidelines promulgated pursuant to the preceding laws or other similar federal, state or local laws, regulations, rules or ordinance now or hereafter in effect relating to environmental matters; and (ii) any other substances, constituents or wastes subject to any applicable federal, state or local law, regulation or ordinance, including any environmental law, now or hereafter in effect, including but not limited to (A) petroleum; (B) refined petroleum products; (C) waste oil; (D) waste aviation or motor vehicle fuel and their byproducts; (E) asbestos; (F) lead in water, paint or elsewhere; (G) radon; (H) polychlorinated biphenyls (PCB’s); (I) urea formaldehyde; (J) volatile organic compounds (VOC); (K) total petroleum hydrocarbons (TPH); (L) benzene derivative (BTEX); and (M) petroleum byproducts

5.2 Buyer’s Representations and Warranties. Buyer represents and warrants to Seller as follows: Buyer has all necessary power and authority, and has taken all action required, to enter into, execute, and deliver this Agreement, to fully perform its obligations hereunder, and to carry out and consummate the sale contemplated herein.

5.3 Covenant Regarding Operation of Property through Close of Escrow. Until this transaction is closed or the Agreement is terminated Seller will operate and maintain the Property in a manner consistent with Seller’s past practices and will promptly disclose to Buyer any material issues or variations from past practices which arise prior to the Closing with the exception of Property closure to the public as necessary to complete the site demolition per 4.2.1(e).

SECTION 6 DAMAGE, DESTRUCTION OR CONDEMNATION

Until the close of escrow, the risk of loss associated with the Property will be retained by Seller. If all or any material portion of the Property is damaged, destroyed, or condemned or threatened with condemnation before the Closing, Buyer may terminate this Agreement. In such event, this Agreement and the escrow will be terminated, and this Agreement shall have no

further force and effect whatsoever. Seller's responsibility for site demolition as defined in 4.2.1(e) shall not be considered damage or destruction of the Property.

SECTION 7 EVENTS OF DEFAULT

7.1 By Seller. If escrow does not close by reason of any default by Seller, Buyer will have the right to recover its costs in connection with this transaction and pursue any remedy available to it at law or equity, including the specific performance of this Agreement in which Seller may be required to sell the Property to Buyer under the terms of this Agreement.

7.2 By Buyer. If escrow does not close by reason of any default by Buyer, Seller will have the right to recover its costs in connection with this transaction and pursue any remedy available to it at law or equity, including the specific performance of this Agreement.

SECTION 8 MISCELLANEOUS

8.1 Entire Agreement. This Agreement is the entire, final, and complete agreement of the parties pertaining to the sale and purchase of the Property and supersedes and replaces all prior written and oral agreements heretofore made or existing by and between the parties or their representatives insofar as the sale and purchase of the Property is concerned. No supplement, modification, or amendment of this Agreement is binding, unless it is in writing and signed by duly authorized representatives of both parties.

8.2 Severability. In the event any provision or portion of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the remainder of this Agreement remains in full force and effect and will in no way be affected or invalidated thereby.

8.3 Notices. Any notice or other communication required or permitted under this Agreement must be in writing and must be sent to the parties at the addresses shown on the first page of this Agreement, or at such other address as either party may hereafter designate by written notice to the other. Notices will be deemed given on the date of transmission when sent by electronic mail, provided that a duplicate copy of such notice is deposited in the United States Mail the same day; or on the third business day after the date of mailing when mailed by certified mail, postage prepaid, return receipt requested, from within the United States; or on the date of actual delivery; whichever is the earliest.

8.4 Binding Effect. All rights, remedies, and liabilities herein given to or imposed upon either of the parties extend to, inure to the benefit of and bind, as the circumstances may require, the parties and their respective successors and assigns.

8.5 Waiver. No waiver of any provision of this Agreement will be deemed, or will constitute, a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver.

8.6 Governing Law. This Agreement and its formation, operation, and performance, will be governed, construed, performed, and enforced in accordance with the laws of the State of Oregon without regard to its conflict of law principles.

8.7 Dispute Resolution.

8.7.1 General. If any dispute arises between the parties concerning this Agreement that is not resolved by mutual agreement, the parties must attempt to resolve the dispute in mediation as a condition precedent to any party commencing litigation. In such an event, the parties will participate in good faith in a mediation process in which a neutral mediator assists and facilitates the parties' efforts to reach a mutually acceptable resolution of the dispute. The mediator has no authority to force a settlement on the parties. The mediator is to be selected by mutual agreement of the parties, but in the absence of agreement, each party must select an individual and those two individuals will jointly select a mediator. The parties may share equally the cost of compensating the mediator, but Buyer is not required to pay the cost of compensating the mediator unless it is able to enter a personal services contract with the mediator in a form and amount reasonably acceptable to Buyer. The schedule and time allowed for mediation must be acceptable to both parties. The parties and the mediator will comply with all applicable laws governing the confidentiality of mediation.

8.7.2 Costs. Each party will bear its own fees and expenses of any mediation.

8.7.3 Mediation Provisions. The parties will use their best efforts to complete any mediation within 60 days after one party notifies the other of a dispute requiring mediation; unless the dispute is regarding the refusal to grant a consent or approval, in which case the mediation period will be within 30 days. Each party agrees to keep all disputes and mediation proceedings strictly confidential, except for the disclosure of information required in the ordinary course of business of the parties or as required by applicable law or regulation. Any time limitation (such as the statute of limitations or laches) that would bar litigation of a claim shall also bar mediation of the claim. If any provision of this mediation program is declared invalid by any court, the remaining provisions shall not be affected thereby and shall remain fully enforceable.

8.8 Agency Disclosure; Brokers. Seller represents and warrants to Buyer, and Buyer represents and warrants to Seller, that (a) no broker or finder has been engaged by either party in connection with any of the transactions contemplated by this Agreement, or to its knowledge is in any way connected with any such transactions, and (b) no broker or finder fees will arise from the sale and purchase of the Property.

8.9 State Law Requirements/Statutory Disclaimer. Under ORS 93.040(2), the parties include following statement in this Agreement:

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY,

UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

8.10 **Exhibits.** The exhibits attached hereto and referenced in this Agreement are incorporated herein by this reference.

8.11 **Survival.** All obligations of the parties which are not performed before the Closing will survive termination or expiration of this Agreement, including without limitation the obligations in Sections 3.4, 5, and 8.7. If the Property is sold and purchased under this Agreement, the parties intend that the surviving obligations will continue in effect and will not merge in the deed under the doctrine of merger.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the Effective Date.

SELLER:

CITY OF JOHN DAY

By: _____

Print name: _____

Title: _____

Date: _____

BUYER:

STATE OF OREGON, by and through
Oregon Parks and Recreation Department

By: _____
Lisa Sumption, Director

Date: _____

Exhibit A
to
Purchase and Sale Agreement

Legal Description

A tract of land situated in the SW1/4SW1/4 Section 23, T. 13S, R.31E., W.M., City of John Day, Grant County, Oregon, more particularly described as follows:

Beginning at a point on the west right of way line of NW Canton Street, said point being the southeast corner of Lot 71 of Geisler Addition to the City of John Day, the plat of which is on file and of record in the office of the Grant County Clerk;

thence along the south line of Lots 71, 70, 69, 68, 67, 66, 65, 64 and 63 of said Geisler Addition West, 450.0 feet to the southwest corner of Lot 63 of said addition;

thence, continuing West, 25.0 feet;

thence North, 100.0 feet, on a line parallel to and 25 feet distant from, when measured at right angles to, the west line of Lot 63, to the south right of way line of NW Third Avenue;

thence along said south right of way line as follows:

S.89°48'12"W., 6.81 feet;

55.00 feet, more or less, along the arc of a 220.00 foot radius curve left (the long chord of which bears S.81°42'W., 55 feet more or less) to the centerline of Canyon Creek;

thence Southerly, 590 feet, more or less, along the centerline of Canyon Creek, the south line of that certain tract of land described in Deed Book 79, Page 257, deed records of Grant County;

thence along the south and east lines of said tract as follows:

S.88°44'E., 108.30 feet;

N.16°00'W., 50.0 feet;

thence East, 112 feet, more or less, to the west right of way line of NW Ing Hay Way;

thence along said west right of way line as follows:

N.34°26'28"W., 84.95 feet;

N.00°17'07"W., 5.0 feet, more or less, to the southeast corner of that certain tract of land described in Deed Book 113, Page 532, deed records of Grant County;

thence along the south, west and north lines of said tract as follows:

West, 112.33 feet; N.15°00'W., 145.56 feet;

East, 150.0 feet;

thence North, 85 feet, more or less, to a point on the south line of that certain tract of land described in Deed Book 97, Page 673, deed records of Grant County, Oregon;

thence N.89°10'E., 136 feet, more or less, to a point on the west right of way line of NW Canton Street;

thence along said west right of way line N.00°11'15"W., 87 feet, more or less, to a point that is N.89°48'45"E., 5.00 feet from the point of beginning;

thence S.89°48'45"W., 5.00 feet to the point of beginning.

**Exhibit B
to
Purchase and Sale Agreement**

Demolition Area

Demolition Area

Oregon Parks and Recreation Dept.
725 Summer St. NE, Suite C
Salem OR, 97301



This product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.



Exhibit C
to
Purchase and Sale Agreement

Form of Statutory Warranty Deed

After recording, return to **GRANTEE:**
Oregon Parks and Recreation Department
Attn: Property Unit
725 Summer Street NE Ste C
Salem, Oregon 97301

With a copy to GRANTOR:
City of John Day
Attn: Nick Green
450 East Main Street
John Day, OR 97845

STATUTORY WARRANTY DEED
(ORS 93.850)

City of John Day, a municipal corporation, Grantor, conveys and warrants to the **State of Oregon acting through the Oregon Parks and Recreation Commission on behalf of the Oregon Parks and Recreation Department,** Grantee, the real property in Grant County, Oregon, together with all improvements thereupon, which property is described on attached Exhibit A.

Grantor conveys and warrants the Property to Grantee free of encumbrances except as are specifically set forth in the attached Exhibit B.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

The true consideration for this conveyance is \$222,000.

Dated this ____ day of _____, 20__.

XXXXXXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXXXXXXX

STATE of OREGON)
) ss:
COUNTY OF GRANT)

This instrument was acknowledged before me on _____, 20__, by
_____.

Notary Public for Oregon
My Commission Expires: _____

(remainder of page intentionally blank)

EXHIBIT A
To Statutory Warranty Deed

Legal Description

[To be confirmed by Seller]

Exhibit B
To Statutory Warranty Deed

Permitted Encumbrances

[To be added prior to Closing]

**CERTIFICATE OF APPROVAL OF CONVEYANCE
(ORS 93.808)**

THE STATE OF OREGON, acting through the Oregon Parks and Recreation Commission on behalf of the Oregon Parks and Recreation Department, hereby approves and accepts, pursuant to ORS 93.808, the conveyance by warranty deed from **CITY of JOHN DAY, a municipal corporation**, to the State of Oregon of the real property described in the deed to which this Certificate is attached.

DATED this ____ day of _____, 20__.

State of Oregon, acting by and through the Oregon Parks and Recreation Commission on behalf of the Oregon Parks and Recreation Department

By: _____
Name: Lisa Sumption
Title: Director, Oregon Parks and Recreation Department

ACKNOWLEDGEMENT

STATE OF OREGON)
) ss.
County of Marion)

This instrument was acknowledged before me on this ____ day of _____, 20__, by Lisa Sumption as the Director of the Oregon Parks and Recreation Department and authorized representative of the Oregon Parks and Recreation Commission, acting under authority granted to her by the Commission.

Notary Public for Oregon
My Commission Expires: _____