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|  | | |  | Appraisal Report | | |
|  | | |  | ${propname} | | |
|  | | |  | ${address} | | |
|  | | |  | ${citystatezip} | | |
|  | | |  |  | | |
|  | | |  | Report Date: ${DueDate} | | |
| L3 Valuation | | |  | L3 File No.: ${reportname} | | |
| 16850 SW Upper Boones Ferry Road, Suite A | | |  |  | | |
| Durham, OR 97224 | | |  |  | | |
|  | | |  |  | | |
| 503.620.0881 phone | | |  | For: | | |
|  | | |  | ${cliname}${clides}  ${ctitle}  ${ccomp}  ${caddress}  ${ccsz} | | |
|  | | |  |  | | |
| *L3Valuation.com* | | |  | Client ID: ${clientref} | | |
|  | | |  | Borrower: ${borrower} | | |
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**USPAP Report Option: Appraisal Report**

*This Appraisal Report presents an abbreviated summary of significant data and analysis in support of the assignment results.*

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| **Assignment Information** | | |
| **Property Identification:**  ${address}  ${county}  ${citystatezip} | **Report Prepared By:**  ${apponename} L3 Valuation  16850 SW Upper Boones Ferry Road  Suite A Durham, OR 97224 503.620.0881  ${apponeemail} | **Report Prepared For (Client):**  ${cliname}${clides}  ${ctitle}  ${ccomp}  ${caddress}  ${ccsz} |
| **Tax Parcel ID(s):**  Map ${legal\_desc} |
| **Tax Assessment:**  ${markettot} RMV |
| **Owner:** ${owner} |
| **Client File No.:** ${clientref} |
| **Date of the Report:** ${DueDate} |

| **Scope of Work** |
| --- |
| The **scope** of this Appraisal Report has been limited per the instructions of the client to an analysis of the market rent and market lease terms for the subject property.  The subject market rent is estimated by use of a limited number of applicable steps of the appraisal process. These steps include the following: definition of the pertinent issues related to the appraisal assignment; inspection of the subject property, site and improvement analyses; highest and best use analysis (as vacant and as improved); market rental data selection, verification and analysis; and the sole use of the Direct Market Comparison Analysis in determining the market rent for the subject space.  Our market rent analysis is supported by a collection, verification and analysis of comparable lease transactions; further supported by interviews with knowledgeable market participants (leasing agents, investors, etc.). The initial sources of the comparable data were derived from either the Costar, RMLS, public records, other appraiser / broker leads, or in-house data files, and unless otherwise stated in the analysis of the comparables, were confirmed by a party to the transaction or an agent or representative of a party to the transaction. Data transpiring within typically 1 to 2 years of the date of this report was given the most consideration for rent determination.  The neighborhood was observed and the contents of this report express the appraiser’s opinion of what was found. A search for data in the subject’s market area was performed. The appraiser made an interior and exterior inspection of the subject property on ${insDate}. |

| **Location and Market Analysis** |
| --- |
| The subject property is located in the Swan Island Industrial area of North Portland, Oregon. The immediate neighborhood is commonly known as the Swan Island Industrial District. This 650-acre area, located approximately 2.5 miles north of downtown Portland, is noted as a waterfront industrial area predominated by light and heavy industrial uses, including manufacturing, distribution, processing and warehousing uses. The subject area is desirable for industrial uses due to the area's convenient access to waterfront shipping facilities, freeways, and airport transportation systems.  The subject is located on the actual “island” on the lagoon across from the mainland with the more water oriented industrial terminals and docks located on N. Lagoon Avenue and N. Channel Avenue just north of the subject. Both these streets extend to the terminus of the island on the north end. The entire Swan Island Industrial District is at river level with a high bluff overlooking the basin and river on the east end.  Important social factors to consider are the city population trends and area development characteristics of the neighborhood.    Population growth has continued through 2019, though at significantly decreased levels, and it is expected that Lake Oswego will continue to grow at a rate less than the rest of the state due to its close proximity to the Portland metro area as well as its lack of available land.  Demographic information from the most recent Census for the Portland market indicates decreasing home ownership as home prices have increased significantly. Conversely, household and per capita incomes are expected to increase only modestly.  Immediate Neighborhood  The subject's immediate Swan Island area is primarily developed with industrial improvements along with very limited supporting commercial development consisting primarily of convenience markets and restaurants. Commercial development in the expanded subject neighborhood is east and north of the subject primarily on the major thoroughfares, especially N. Interstate Avenue and N. Lombard Street. Properties along these streets are generally retail with the majority oriented towards servicing the immediate population. A number of automobile repair/service operations and low intensity industrial uses are included along these arterials. This older established area represents one of the original centers of commerce for the Portland area. Commercial development ranges from storefront commercial buildings built in the 1930s to the 1950s, intermixed with older free-standing office and commercial buildings from the 1950s to 1970s. Over the last 15 years, there has continued to be a gradual redevelopment of the area with the predominant new retail use consisting of a Walgreen’s Drug Store developed in the late 1990s at the northeast corner of N. Lombard and N. Peninsula Avenue. In addition, a Rite Aid Drugstore was completed in 1999 on the southwest corner of N. Lombard Street and N. Campbell Avenue. The Fred Meyer store at the intersection of N. Lombard Street and Interstate Avenue was recently remodeled with an expansion to 152,000 SF. A New Seasons grocery store was also recently constructed at the southeast corner of Portland Boulevard and Interstate Avenue.  The housing stock consists of primarily older single-family homes (built from the 1900s to the 1950s), with several smaller multi-family properties. Future development will require the replacement of older homes, as there is little undeveloped land. Condition varies from street to street, with some pockets of houses showing disrepair. The housing and commercial support uses are mature with diminishing signs of neglect due to on-going gentrification.  The subject's immediate Swan Island area is fully developed with very little vacant land available for new development. The majority of development occurred from the 1940s through the 1990s. The majority of buildings are concrete tilt-up structures with flat roofs. Developments include both single and multiple tenant facilities. In relation to the subject's expanded North / Northeast Portland market, a variety of industrial uses, including heavy and light manufacturing, warehousing, and distribution facilities represent a major land use. Along the major thoroughfares of both N/NE Columbia Boulevard and N/NE Lombard Street are industrial uses requiring exposure such as truck, machinery, and equipment sale dealerships. It is also recognized that this area is well located in relationship to Interstate 5 (1.25 miles east), and Interstate 84 (2.75 miles southeast), and the Portland International Airport (about 5 miles northeast of the subject).  In terms of expansion, Daimler Trucks North America has built a $150 million massive waterfront headquarters building on the island that has presented 400 new high-wage, white collar jobs. Daimler previously already employed 1,200 at Swan Island as part of the former Freightliner Company building. This expansion was a complete reversal in the plans in 2009 to shut its factory. The new facility was completed in 2016 an contains 265,000 SF. This basically represents a 25-year commitment to Portland.  FedEx also constructed a 211,000 SF facility on their former FedEx Ground Site. The $30,000,000-dollar project was completed in 2015. Premier Press renovated 130,000 SF of its 347,000 SF building in 2015 with $5,500,000 estimated in upgrades. Lastly, Vigor put in a new 960-foot-long dry-dock at an estimated cost of $50,000,000 in 2014. The dry-dock allows Vigor to service large vessels such as cruise ships, tankers and cargo ships that were previously unable to be serviced in Portland.  Swan Island is also adjacent to the Portland Harbor Superfund Site. The site generally extends along the Willamette River approximately 11 miles from Sauvie Island on the north to downtown Portland (Steel Bridge) on the south. The site was added to the National Priorities List by the US Environmental Protection Agency (EPA) in 2000. EPA's policy is to have the responsible parties pay for pollution clean-up and responsible parties can be past or present company owners, or landowners that EPA determines played a role in the contamination of the Portland Harbor. Only a handful of projects in the most contaminated areas have taken place in the past 14 years. The EPA is planning to finalize a clean-up by late 2014 and negotiations over who should pay for how much of the clean-up will begin after that with the list mentioning more than 150 participants.  Portland International Airport is located within the North / Northeast Portland area. Freeway access within the area was greatly improved with the opening of the Glen Jackson Bridge over the Columbia River, and completion of the Interstate 205 Freeway in the mid-1980s. Interstate 5 is the primary north/south freeway linking the West Coasts of California, Oregon and Washington, and is located along the east boundary of the neighborhood. In addition, to the north/south freeways, the Banfield (Interstate 84) Freeway is provides access to downtown Portland, as well as to the eastern Portland metropolitan area, Columbia Gorge communities, eastern Oregon, Idaho, and points east.  Conclusion  The subject is located in an established Swan Island industrial area in North Portland. The subject's neighborhood is desirable for industrial / commercial uses given the large residential base but is lacking any large retail of office centers in the immediate area. The area benefits from good access to major transportation routes and employment centers. No adverse environmental influences currently exist which would negatively influence the subject neighborhood or the subject’s value and marketability. The outlook for the subject property within this neighborhood is good with increasing property values and continued revitalization.  In spite of the current COVID-19 pandemic and its potential negative impact on market activity, the long-term outlook for this neighborhood still continues to be favorable, with real estate values expected to remain stable or appreciate in accordance with the general trends of competing neighborhoods within the greater metropolitan area and coinciding with the economic growth of the neighborhood and region. Please refer the Market Analysis section for additional discussion regarding the ongoing COVID-19 pandemic and its impact the subject’s general and immediate market.  Industrial Market Overview  The appraiser used **CoStar** to produce a market research report of the **industrial sector** within the Hayden Island/Swan Island and Rivergate submarkets, as of March 2021. This search shows a current overall vacancy of 5.4% (1,944,269 SF out of 26,120,856 SF; 389 properties), with negative net absorption of ‑517,564 SF over the trailing 12-month period, though leasing was still very strong at 1,474,349 SF of the past year. Note that vacancies bottomed out at just below 2.0% in late 2018 with a steady rise to the current level over the past +2 years. Much of the increase in vacancy is related to the steady increase in supply in the nearby directly competing Airport Way / East Columbia Corridor submarkets. In tandem with the increase in vacancies, there has been a steady increase in average asking rents. The current average asking rate is estimated at $6.43 per SF per year ($0.536 per SF; blended primarily on a NNN basis), which is well above the 5-year average at $5.32 per SF ($0.443 per SF, blended). Currently, there is 40,890 SF of new construction although there was no new space delivered this past year, according to the CoStar research. Therefore, there should remain stable demand over the long-term, though a short-term spike in vacancy or credit loss due to lack of rent payment (possibly mitigated by waivers and CARES Act / PPP & EIDL loans) could occur in the near future as a result of the economic contraction relating to the COVID-19 pandemic.  **SUBJECT**  Hayden Island/Swan Island and Rivergate Submarkets      Conclusion  Our survey currently indicates very few vacancies of single-tenant light industrial properties in the immediate sub-market. Existing single-tenant and multi-tenant projects with similar locations and convenient access are experiencing increased tenant demand in tandem with the strong recovery in the local and national economies. In addition, the market for properties with owner-user appeal is stronger due to continued low mortgage rates. As our survey would suggest, there is considered to be a sufficient level of demand to support existing and new industrial projects as well as primary build-to-suit and speculative construction projects.  The decreasing supply of available industrial warehouse and flex space is expected to continue in the future. Demand is anticipated to remain stable in this established market with high occupancy for well located, functional properties in spite of the significant supply forecast. Hence, industrial rents should continue to remain strong, although flattening from recent strong increases. |

| **Analysis of Sale, Option, Listing and Offer History** |
| --- |
| Title is currently vested in the name of ${owner} (contact: Melanie Lane, property manager, 503.223.1466) which purchased the property in January 1995 for indicated consideration of $1,277,500.  A search of public records indicates, other than the preceding, no arm’s length transaction(s) involving the subject having occurred during the last three years. |

| **Property Description** | | | |
| --- | --- | --- | --- |
| **Bldg. Area:** | GBA/GLA: ${gba} SF  Office Space: ${offbo} SF  Office Build-out: ${offpct} | **Source of Bldg. Area:** | County / Appraiser Measurement |
| **Site Size (Net):** | ${netacre} Acres / ${netsf} SF | **Property Type:** | Single-tenant, light industrial building. |
| **Construction Type:** | ${const\_descr} | **Current Use:** | Warehouse / office / production printing |
| **Yr. Built (Remodel):** | ${yearbt} | **Occupancy:** | 60.0% Owner-Occupied / 40.0% Leased to \_\_ Tenants |
| **Actual / Effect. Age:** | 51 Years / 15 Years | **Zoning:** | ${zcode}, ${zdesc} |
| **Remaining Econ. Life:** | 35 Years | **Conformance to Zoning:** | Yes / Legal conforming use |
| **Quality / Condition:** | ${quality} / ${bcond} | **Functional Utility:** | Average |
| **Land to Bldg. Ratio:**  **Site Coverage Ratio:** | ${ltbrp} to 1  ${scrprim} | **Property Inspected By:** | ${apponename} |
| **Parking:** | ${pspaces} Spaces  ${pratio} per 1,000 SF GLA | **Date of Inspection:** | ${insDate} |
| **FEMA Flood Zone:** | | FEMA Map # 410183- 4101830087E, October 19, 2004 – Zone X – or outside the 100 and 500-year flood plains. | |
| **Seismic Hazards (Earthquake):** | | None | |
| **Comments / Special Features:** | | None | |
| The rectangular site is located on the SEC of N. Channel Avenue and N. Dolphin Street, with two curb cuts along N. Channel. The north curb cut provides access to a small truck loading yard, while the south curb cut provides access to the office parking area, plus limited dock high/ramped loading. Both yards are asphalt paved and fenced with security gates. The south parking lot includes 22 delineated parking stalls, though there are another 14 stalls that are stripped, but located in front of the covered dock area. The base parking (excluding the stalls in the loading area) equates to 0.4 spaces per 1,000 SF, but increase to 0.7 spaces per 1,000 SF if the additional spaces are included. Overall parking is considered adequate, though generally tight. Note that additional unmarked stalls in a gravel strip along N. Channel Avenue are also available and used by the facility.  The subject is improved with a CTU industrial building with interior and attached office (GBA / GLA = 48,952 SF; office build-out 29.5%). The south bay with attached office were constructed in 1965, with the north bay added in 1970. The current tenant took occupancy of the property in 2006 with a substantial remodel / upgrading of the property occurring at this time. The building has a raised concrete pad foundation, a flat roof system supported by glu-lam beams with insulation. Clear heights range from 17 feet (south bay) to 18 feet (north bay). There are (3) dock high doors providing loading access to the north bay, while the south bay has (2) roll-up doors which access a 10’ deep covered loading dock, with one of the doors having ramped access to the south yard / parking area. The building has T-5 lights with full fire sprinkler protection. The south warehouse bay has full HVAC (6 roof-top units) with upgraded electrical for the printing operation, while the north bay has (3) suspended gas pack heaters.  The finished office features 9-foot ceiling height with acoustic drop tiles and flush mount fluorescent lights. Floor covers are commercial carpeting with vinyl baseboard trim. The walls are a good mixture of gypsum board and wood paneling throughout, and doors are wood frame hollow core units were having wood surround trim. The two multi-user restrooms feature a vinyl floor, toilets, sinks and vanity. The offices have full HVAC service with multiple roof top units (owner representative indicates there are a total 17 roof-top HVAC units serving the building).  The above average quality property has been well maintained over the years and is in above average condition. The office has updated décor which is competitive with other newer projects in the area. While the site coverage is tight for the high amount of parking required for the high office build-out ratio, the building has a generally functional design with a concluded effective age of 15 years, and a remaining economic life of 30 years. | | | |

| **Highest and Best Use** |
| --- |
| H&B Use – As Vacant: The subject is a ${grossacre} gross acre site (${grosssf} SF) which is zoned ${zcode}, ${zdesc} by the ${zjuris}. The zoning primarily allows light industrial development, and the subject is surrounded by such improvements. Based on the location, zoning, surrounding development, and market research, a light industrial development is considered the highest and best use of the subject property, as if currently vacant.  H&B Use – As Improved: In determining the highest and best use of the property as improved, the focus is on three possibilities for the property: 1) continuation of the existing use, 2) modification of the existing use, or 3) demolition and redevelopment of the land. Retaining the improvements as they exist meets the tests for physical possibility, legal permissibility and financial feasibility. The improvements are in ${bcond} condition and any alternative use of the existing improvements is unlikely to be economically feasible. The current use as a single-tenant light industrial facility is a legal conforming use. The improvements are physically possible, financially feasible, and maximally productive. Overall, the market value of the property as improved exceeds the combination of vacant site value plus cost of demolition of the improvements. Therefore, demolition and redevelopment of the site is not maximally productive. The highest and best use of the subject property, as improved, is the current single-tenant light industrial use. |

| **Valuation Analysis** |
| --- |
| Valuation Summary  **Appraisal Type:** Summary – Direct Market Rent Comparison Only  **Interest Appraised:** Market Rent – Fee Simple  **Date of Market Rent:** ${effdov}  **Date of Inspection:** ${insDate} (interior / exterior)  **Date of Report:** ${DueDate}  Methodology  The following market rent analysis for the subject free-standing, single-tenant industrial property will begin with a survey of reasonably recent leases involving comparable quality, light industrial properties in the immediate submarket, as well as competing nearby submarkets. Based on this comparative analysis, we will arrive at a reconciled opinion as to the subject’s market rent, as of the date of inspection – ${insDate}.  Comparable Rent Analysis  A review of current market trends indicates that typical leases for light industrial properties in the subject market area are written on a **triple net** rental basis. Triple net rents include only the net base rent, with the tenant typically responsible for all building operating expenses. Generally excluded are allocations for management fees and reserves for the replacement of capital items. Based on the market norm, we have analyzed the subject market rent on a triple net basis.  From our rental survey we selected several light industrial from the immediate to expanded market area. The selected comparables are presented in the following chart, along with an adjustment grid, photos of each comparable, and a location map.  Rental Adjustments  Depending on market conditions, free rent, above market tenant improvement allowance, or other incentives are used to attract tenants. When applicable, the comparable rents are adjusted to reflect current market terms with an effective rent to the property owner.  Industrial lease rates in the area are typically segmented between rents for the building shell and a surcharge for the interior office build-out, which together, form a blended or effective rental rate. For ease of comparison, our analysis of the subject will be segmented between analyses of the shell and office surcharge rent for each area. An analysis of the office build-out surcharge rent will follow the shell rent analysis.  Merge & Insert Rent Comp Data Analysis Output  Additional Quantitative Analysis  As supplemental analysis, an adjustment grid for the comparable leases is provided as additional analysis following the summary chart. The adjusted comparables indicate an adjusted rent per square foot between $0.536 and $0.565 per SF GLA with an average shell rental rate of $0.551 per SF and median shell rental rate of $0.550 per SF. Note that a market conditions adjustment of 3.0% per year was applied in this analysis (through the effective date of this report – ${effdov}). The adjusted comparable rental rate range provides additional support for the following final shell rental rate conclusion.  Final Concluded Market Rental Rate  The rent comparables provide a range of adjusted shell rate indicators from $0.536 and $0.565 per SF per month NNN. Due to their close-in industrial submarket locations, primary emphasis is placed on Rent Comps 1, 2, 3, and 4 ($0.559, $0.580, $0.492 and $0.550 / SF; adjusted to $0.541, $0.565, $0.536 and $0.544 per SF). Secondary emphasis is placed on the average and median adjusted lease rate indicated in the adjustment grid ($0.551 / SF and $0.550 / SF, respectively). Based on the preceding, it is the appraiser’s opinion that the comparables provide support for a **market shell rate** for the subject of **$0.550 per SF**.  Regarding the office build-out premium, the comparables indicate a range of office surcharges from $0.791 to $0.921 per SF (average = $0.857 per SF). Primary emphasis is placed on Rent Comps 1, 2, 3 and 4 ($0.791, $0.850, $0.836 and $0.850 per SF; 10.1%, 6.9%, 11.9% and 5.5% build-out ratios) due to their generally similar quality / nearby locations. Note that the subject office build-out is generally considered superior in quality to these comparables, but due to the subject’s high build-out ratio (29.5%), this placed steep downward pressure on the surcharge due to the superadequate amount of office for must light industrial users (especially relative to the lower availability of parking needed to serve this amount of office). Our interviews with industrial leasing agents active in the local market suggest that only the initial 10% to 15% of the office build-out would attain full market surcharge, with the remainder heavily discounted due to superadequacy and parking shortage. In this analysis, we have applied an initial market office surcharge of $0.850 per SF for the first 15.0% build-out (7,344 SF), with the remaining 14.5% (7,094 SF) discounted 50% for superadequacy for a surcharge of $0.425 per SF. The preceding would equate an overall **average market office surcharge** of **$0.641 per SF** for the subject office build-out.  Combined, the shell and office rental rates result in a **blended monthly market rent** of **$0.739 per SF GLA** which falls above the range provided by the rent comparables, though is supported on a bracketed basis by the surveyed shell rents and office surcharges.  Subject Leasing Activity  The subject property is currently 100% leased to one tenant / Lessee – Bridgetown Printing Company (a subsidiary of Fortune 500 firm – R.R. Donnelly which originally leased the subject for a 10-year term which began February 1, 2007. Currently, the tenant is on a 5-year renewal term which began February 1, 2017 and ends January 21, 2022. The lease terms appear to be fairly close to triple net that is common for older industrial properties, with the Lessee responsible for property taxes, insurance, utilities, interior maintenance and repair, etc. The landlord is responsible for repairs & maintenance to the foundation, roof, and exterior walls, plus management fees and reserves for the replacement of capital items. Not considered standard triple net terms in the lease are the exclusions in the lease which make the landlord responsible for the repair & maintenance of interior walls and landscaping. A copy of the original tenant lease, plus addendum and lease summary is provided in the Addenda of this report.  Note that the lease itself does not state of the GLA for the property, though the lease summary in the Addenda of this report states the GLA at 50,000 SF versus the appraiser’s measured, slightly smaller GLA of 48,962 SF. Note that the original marketing flyer from 2006 by John Bowman indicated a slightly different GLA of 49,526 SF. For purposes of this analysis, we will defer to our measured GLA of 48,962 SF, though it is recommended that the landlord obtain an architectural measurement of the actual leased spaces for greater certainty.  The current contract rent for the final term of the lease is $21,991.00 per month ($0.449 per SF, blended) which is fixed for the next 10 months through January 31, 2022. Overall, this contract rent is well below our market rent conclusion of $0.739 per SF ($36,186.58 per month). The current lease rate is the result of the negotiated lease rate of the 2007 lease agreement at $16,000.00 per month with fixed strong step-ups over the first 10-year term. The current 5-year renewal term has more standard 2.36% to 2.50% annual escalations. Overall, the current contract lease rate at the commencement of this latest lease renewal in 2017 is not reflective of current leasing activity within the Portland industrial sector. Therefore, the current subject lease rate provides no reliable indication in estimating a market rent for the property.  A summary of the current tenant lease terms is provided in the chart below.    Commentary on the Pending Subject Lease Renewal  Note that the lease summary provided in the Addenda indicates the tenant has (1) 5-year option to renew remaining on its lease to begin February 1, 2022. The terms of this renewal were to be based on the original lease, with the rent to be set at Fair Market Base Rent. However, the Lessee was required to give the Lessor notice to renew 440 days prior to the lease expiration, or by October 1, 2020. It is the appraiser’s understanding that such notice was not provided to the Landlord before this deadline, and as such the Lessee’s right to renew its leases for another 5-year term under the current expense terms is in doubt. This being the case, it would appear the Lessor would have the right to a proposed new, more standard triple net lease to the Lessee to conform better to market standards. Such a lease would make the Lessee responsible for the repair & maintenance of interior walls and landscaping. This market rent analysis is based on such a standard triple net lease, with the landlord only responsible for management fees and reserves for capital replacement. |





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| **Rent Comparable Location Map** |
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Merge & Insert Rent Comp Photos

| **Reconciliation** | |
| --- | --- |
| Concluded Market Rental Rate  The calculations for the blended market rent for the subject property are provided as follows:    Based on the research, analyses and conclusions contained within this Appraisal Report, it is the appraiser’s opinion that the **concluded as is market rent** for the **subject property**, as of ${effdov}, would be as follows:   |  |  |  | | --- | --- | --- | |  | **Monthly**  **NNN Rent** | **Rent / SF / Month** | | **Concluded Market Rent:** | **$\_\_\_\_\_\_.\_\_\_** | **$\_\_\_\_.\_\_\_** |   Additional Counseling – Market Lease Terms  Note that 9 of the 10 rent comparables allowed for annual fixed rent escalations of 3.0% per year, and as such, this would be considered reasonable to include a **3.0% per year rent escalation** factor with any subject lease extension(5 years or less).  As far as concessions, 4 of the 10 rent comparables were signed on an “as is” basis with no tenant improvement allowance due to their already good condition / quality of their build-out. Alternatively, free rent was more prevalently noted with most of the rent comparables, though these were already adjusted for in our analysis with none recommended in this renewal, unless a commensurately higher shell / office rates were applied. In any event – the rental data suggests no more than 0.5 month free rent each year of a 3 to 5-year renewal (say 2 to 3 months of free rent) as applied against a commensurately higher shell rate. A summary of concluded market lease terms for the subject is provided in the following chart.   |  |  |  | | --- | --- | --- | | **Market Rent Term Category** |  | **Conclusion** | | **Lessee Term:** |  | **3 to 5 Years** | | **Market Rent Escalations:** |  | **3.0% per Year** | | **Lease Concessions:** | **(Free Rent)** | **2 to 3 Months** | | **Tenant Improvements:** |  | **As Is** | |

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| --- | --- | --- |
| **Final Value Estimate** | | |
| **Effective Date of Value** | **Interest Appraised** | **Concluded Market Rent** |
| ${effdov} | Market Rent | **$\_\_\_.\_\_ per SF  $\_\_\_\_\_\_\_.\_\_\_\_ per month** |

|  |  |
| --- | --- |
| **Exposure Time / Marketing Time** | |
| **Reasonable Exposure Time:** +6 Months | **Marketing Time Opinion:** +6 Months |

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| **Identification and support for most probable buyer / Most probable user** |
| Based on our market survey and the subject’s leased status, the most probable buyer would be either a local or regional investor. The most probable user would be a local or regional light industrial tenant with a need for flex / office and HVAC service production area. |

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| **Extraordinary Assumptions** |
| None. |

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| **Definition of Market Rent** |
| The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement including permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs).  Source: Dictionary of Real Estate Appraisal, 6th Edition |

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| **Client / Intended Use / Intended User / Report Type** |
| ${cliname}, ${ctitle} on behalf of ${ccomp} is the **client** in this assignment.  The **intended users** of the report will include the client as the legal representative of owner / landlord – Channel Investors, LLC, as well as the noted tenant – Bridgetown Printing Co. Please note that the documents are not intended for use in relation to a Federally insured loan transaction or government taxation purposes.  The **intended use** of the appraisal will be to estimate the market rent and terms pertaining to the subject real property to assist the client / Lessor in decisions regarding the lease renewal with the existing tenant, as of ${effdov} (the effective date of value). |
| This **Appraisal Report** conforms to USPAP requirements and is intended to meet the requirements for an Appraisal Report as specified in the engagement contract. |

| **Certification** |
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| I certify that, to the best of my knowledge and belief:   1. The statements of fact contained in this report are true and correct. 2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions. 3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved. 4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment. 5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. 6. My engagement in this assignment was not contingent upon developing or reporting predetermined results. 7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. 8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice. 9. I have made a personal interior and exterior inspection of the subject property. In addition, I made exterior inspections of the comparables used in this report. 10. No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted. 11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. 12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. 13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.  |  | | --- | | ${apponedigsig} | | ${apponename}  ${apponetitle}  ${apponelicst} Certified General  Appraiser License #${apponelicno} | |

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| **General Assumptions and Limiting Conditions** |
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| This appraisal is subject to the following limiting conditions:   1. The legal description – if furnished to us – is assumed to be correct. 2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted. 3. Unless otherwise noted, the appraisal will value the property as though free of contamination. L3 Valuation will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern. 4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction. 5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property. 6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made. 7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of L3 Valuation is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser’s then current hourly rate plus reimbursement of expenses. 8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used. 9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions. 10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters. 11. The information, estimates and opinions in this report, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser. Data obtained from the internet or other data sources is used and referenced throughout the report. The overall body of the data or documentation is stored at the source’s website and/or place of business and not in the appraiser’s work file. Information includes population and demographic data, zoning, current and historical references, future planning goals, quotes and various statistical numbers (mortgage rates, inflation rates, population projections, market overview data, etc.). 12. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser. 13. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval. 14. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc. 15. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of L3 Valuation and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party. 16. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client. 17. This appraisal shall be used only for the function outlined herein, unless expressly authorized by L3 Valuation. 18. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context. 19. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination. 20. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject’s flood zone classification from a licensed surveyor. 21. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our “Income and Expense Projection” are anticipated. 22. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them. 23. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client’s responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items. 24. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary. 25. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or “as-built” plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment. 26. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire a greater level of measuring detail, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer). We reserve the right to use an alternative source of building size and amend the analysis, narrative and concluded values (at additional cost) should this alternative measurement source reflect or reveal substantial differences with the measurements used within the report. 27. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, we reserve the right to amend this appraisal (at additional cost) if substantial differences are discovered. 28. If only preliminary plans and specifications were available for use in the preparation of this appraisal, then this appraisal is subject to a review of the final plans and specifications when available (at additional cost) and we reserve the right to amend this appraisal if substantial differences are discovered. 29. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired. 30. The Americans with Disabilities Act (“ADA”) became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value. 31. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary. 32. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary. 33. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. 34. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate. 35. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect. 36. You and L3 Valuation both agree that any dispute over matters in excess of $5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If L3 Valuation and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against L3 Valuation or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by L3 Valuation for this assignment, and under no circumstances shall any claim for consequential damages be made. 37. L3 Valuation shall have no obligation, liability, or accountability to any third party. Any party who is not the “client” or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of L3 Valuation “Client” shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold L3 Valuation and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold L3 Valuation harmless from and against any liability, loss, cost, or expense incurred or suffered by L3 Valuation in such action, regardless of its outcome. 38. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions. |

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| **Addenda** |
| 1. Subject Photos 2. Location / Plat / Zoning / Flood Maps 3. Glossary 4. Engagement Letter 5. Trio / Legal Description 6. Tenant Lease 7. Qualifications / State Certification / License 8. Company Profile |

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| Subject Photos |

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| **Regional Map** |
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| **Neighborhood Map** |
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| **Location Map** |
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| **Aerial Photo** |
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| **County Plat Map** |
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| **Zoning Map** |
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| **Flood Map - FEMA** |
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| **Current Floor Plan** |
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| **Floor Plan Sketch** |
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| Engagement Contract |

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| Legal Description / Trio |

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| Tenant Lease |

Definitions are taken from the Dictionary of Real Estate Appraisal, 6th Edition (Dictionary), The Appraisal of Real Estate (15th Edition), the Uniform Standards of Professional Appraisal Practice (USPAP, 2020-2021 Edition), The Standards of Valuation Practice (SVP) of the Appraisal Institute, and Building Owners and Managers Association International (BOMA).

**Absolute Net Lease**

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

**Amortization**

The process of retiring a debt or recovering a capital investment, typically though scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

**Arm’s-Length Transaction**

A transaction between two parties who are each acting in his or her own best interest. (Dictionary)

**As Is Market Value**

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

(Dictionary; Interagency Appraisal and Evaluation Guidelines)

**(Building) Shell**

The structural portion, common areas, common systems, demising walls, and other elements of a building. For occupancy by a tenant, a shell building requires tenant improvements.

(Dictionary)

**Band of Investment**

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted average rate attributable to the total investment (i.e., debt and equity, land and improvements). (Dictionary)

**Base Rent**

The minimum rent stipulated in a lease. (Dictionary)

**Base Year**

The year on which escalation clauses in a lease are based. (Dictionary)

**Building Common Area**

The areas of the building that provide services to building tenants but which are not included in the rentable area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common areas are; floor common areas, parking spaces, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. In essence, floor common areas represent all of the area on the floor that is common to that respective floor with the exception of those areas that penetrate through the floor, such as the elevator shaft and stairwell. The significant point to be made is that floor common area is not part of the tenant’s usable area. (BOMA)

**Build-Out**

Interior construction that converts raw space into finished space ready for occupancy; includes various levels of installation of equipment, finish carpentry, construction of amenities, and initial tenant improvements.

(Dictionary)

**Capitalization Rate (R)**

A ratio of one years’ net operating income provided by an asset to the value of the asset; used to convert income into value in the application of the income capitalization approach. (Dictionary)

**Client**

1) The individual, group or entity who engages a valuer to perform a service.

2) The party or parties (i.e., individual, group or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.

3) Generally the party or parties ordering the appraisal report. It does not matter who pays for the work. (USPAP / Dictionary)

**Common Area Maintenance (CAM)**

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

**Condominium / Condominium Unit**

A condominium is a form of ownership of separate units or portions of multi-unit buildings with undivided ownership of common elements.

(15th Edition)

A condominium unit is a separate ownership interest, and title is held by an individual owner. The unit may be separately leased, sold, or mortgaged. (15th Edition)

**Conservation Easement**

An interest in real property restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature to continue, subject to the easement.

(Dictionary)

**Debt Coverage Ratio (DCR)**

The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability to a property to meet its debt service out of net operating income. Also called Debt Service Coverage Ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary)

**Deed Restriction**

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners.

(Dictionary)

**Depreciation**

1) In appraising, the loss in a property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

2) In accounting, an allocation of the original cost of the asset, amortizing the cost of the asset’s life; calculated using a variety of standard techniques. (Dictionary)

**Discount Rate (Y)**

A rate of return on capital used to convert for payments or receipts into present value; usually considered to be a synonym for yield rate (Y).

(Dictionary)

**Disposition Value**

The most probable price that a specified interest in real property is likely to bring under the following conditions:

* Consummation of a sale within a specific time, which is much shorter than the typical exposure time for such a property in that market;
* The property is subjected to market conditions prevailing as of the date of valuation;
* Both the buyer and seller are acting prudently and knowledgeably;
* The seller is under compulsion to sell;
* The buyer is typically motivated;
* Both parties are acting in what they consider to be their best interests;
* An adequate marketing effort will be made during the exposure time;
* Payment will be made in cash in U.S. dollars (or local currency) or in terms of financial arrangements comparable thereto; and
* 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. (Dictionary)

**Easement**

The right to use another’s land for a stated purpose. (Dictionary)

**Economic Life**

The period over which improvements to real property contribute to property value. (Dictionary)

**Effective Age**

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (Dictionary)

**Effective Date**

The date at which the analyses, opinions, and advice in an appraisal, review, or consulting service applies. In a lease document, the date upon which the lease goes into effect.

(Dictionary)

Glossary

**Effective Gross Income (EGI)**

The anticipated income from all operations of the real property after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

**Effective Gross Income Multiplier (EGIM)**

The ratio between the sales price (or value) of property and its effective gross income.

(Dictionary)

**Effective Rent**

Total base rent, or minimum rent stipulated in a lease, over the specified lease term, minus rent concessions; the rent that is effectively paid by the tenant net of financial concessions provided by a landlord. (Dictionary)

**Escalation Clause**

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index, e.g., a provision to increase rent if operating expenses increase; also called escalator clause, expense recovery clause or stop clause. (Dictionary)

**Estoppel Certificate**

A signed statement by a party (such as a tenant or mortgagee), certifying, for another’s benefit, that certain facts are correct, such that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black’s) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an estoppel letter.

(Dictionary)

**Excess Land**

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately. (Dictionary)

**Expense Stop**

A clause in a lease that limits the landlord’s expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. (Dictionary)

**Exposure Time**

1) The time a property remains on the market. 2)

An opinion, based on supporting market data, of the length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Comment: A retrospective estimate based on an analysis of past events assuming a competitive and open market. (USPAP / Dictionary)

**Extraordinary Assumption**

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

**Feasibility Analysis**

A study of the cost-benefit relationship of an economic endeavor. (Dictionary)

**Fee Simple Estate**

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. (Dictionary)

**Floor Area Ratio (FAR)**

The relationship between the above-grade floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g. a ratio of 2.0 indicates that the permissible floor area of the building is twice the total land area. (Dictionary)

**Furniture, Fixtures and Equipment (FF&E)**

Business trade fixtures and personal property exclusive of inventory. (Dictionary)

**Functional Utility**

The ability of a property or building to be useful and to perform the function for which it was intended according to current market tastes and standards; the efficiency of a building’s use in terms of architectural style, design and layout, traffic patterns, and the size and type of the rooms. (Dictionary)

**Going Concern Value**

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business. (Dictionary)

**Gross Building Area (GBA)**

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the property type involved. (Dictionary)

**Gross (Full Service) Lease**

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property’s operating and fixed expenses; also called a full-service lease. (Dictionary)

**Gross Leasable Area (GLA)**

Total floor area designed for the occupancy and exclusive use for the tenants, including basements and mezzanines; measured from the center joint partitioning to the outside wall surfaces. (Dictionary)

Comment: In the Pacific Northwest, GLA applies to both commercial and industrial properties. Typically, mezzanines and basements areas are excluded from GLA.

**Gross Living Area (GLA)**

Total area of the finished, above-grade residential space; calculated by measuring the outside perimeter of the structure and includes only finished, habitable above-grade living space. (Finished basements and attic areas are not general included in gross living area. Local practices, however, may differ). (Dictionary)

**Hypothetical Condition**

1) A condition which is presumed to be true, but is known to be false. (SVP / Dictionary)

2) A condition directly, related to a specific assignment, which is contrary to what is known by the appraiser to exist as of the effective date of the assignment results, but is used for purposes of the analysis. Comment: Hypothetical conditions are contrary to known facts about legal, or economical characteristics of the subject property; or about conditions of the external property, such as market conditions or trends; or about the integrity of the data used in the analysis (USPAP / Dictionary)

**Insurable Replacement Cost**

Also referred to as Replacement Cost for Insurance Purposes. The estimated cost, at current market prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted). (Dictionary)

**Insurable Value**

A type of value for insurance purposes. (Dictionary)

May be based on the replacement or reproduction cost of physical items that are subject to loss from hazards. Land value is not included and items such as underground piping and below-grade foundations are typically excluded as well. (15th Edition)

**Intended Use**

1) The valuer’s intent as to how the report bill be used. (SVP / Dictionary)

2) The use(s) of an appraiser’s reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment. (USPAP)

**Intended User**

1) The valuer’s intent as to how the report bill be used. (SVP / Dictionary)

2) The client and any other party as identified by name or type, as users of the appraisal or appraisal review report by the appraiser on the basis of communication with the client at the time of the assignment. (USPAP)

**Investment Value**

1) The value of a property interest to a particular investor or class of investors based on the investor’s specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.

2) The value of an asset to an owner or a prospective owner for individual investment or operational objectives. (Dictionary)

**Just Compensation**

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position as he or she would be if the property had not been taken. (Dictionary)

**Lease**

A contract in which the right to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent. (Dictionary)

**Leased Fee Interest**

The ownership interest held by the lessor, which includes the rights to receive the contract rent, specified in the lease plus the reversionary right when the lease expires.

(Dictionary)

**Leasehold Interest**

The right held by the lessee to use and occupy the real estate for a stated term and under the specified terms of the lease. (Dictionary)

**Lessee (Tenant)**

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

**Lessor (Landlord)**

One who conveys the rights of occupancy and use to others under a lease agreement.

(Dictionary)

**Liquidation Value**

The most probable price that a specified interest in real property should bring under the following conditions:

* Consummation of a sale within a short period.
* The property is subjected to market conditions prevailing as of the date of valuation.
* Both the buyer and seller are acting prudently and knowledgeably.
* The seller is under extreme compulsion to sell.
* The buyer is typically motivated.
* Both parties are acting in what they consider to be their best interests.
* A normal marketing effort is not possible due to the brief exposure time.
* Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
* 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.

This definition can also be modified to provide for valuation with specified financing terms. (Dictionary)

**Load Factor**

A measure of the relationship of common area to usable area and therefore the quality and efficiency of building area layout, with higher load factors indicating a higher percentage of common area to overall rentable space thane lower load factors; calculated by subtracting the amount of usable area from the rentable area and then dividing the difference by the usable area: (Dictionary)



**Loan to Value Ratio (LTV)**

The ratio between the mortgage load and the value of the property pledged as security, usually expressed as a percentage; also called loan ratio or LTV. (Dictionary)

**Major Vertical Penetrations**

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

**Market Rent**

The rental income a property would have commanded had it been exposed to the market prior to the date of appraisal. It is indicated by the current rents that are either paid or asked for comparable space with the same treatment of expenses as of the date of value. (15th Edition)

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

a. Lessee and lessor are typically motivated;

b. Both parties are well informed or well advised, and acting in what they consider their best interests;

c. Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and

d. The rent reflects specified terms and conditions, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, and tenant improvements (TIs).

(15th Edition)

**Market Value**

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

a. Buyer and seller are typically motivated;

b. Both parties are well informed or well advised, and acting in what they consider their own best interests;

c. A reasonable time is allowed for exposure in the open market;

d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(OCC, 12 CFR, Part 34, Subpart C-Appraisals 34.42 Definitions (g) )

**Marketing Time**

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the 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). (Dictionary)

**Master Lease**

1) A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants.

2) The first lease in a sandwich lease. (Dictionary)

**Modified Gross Lease**

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property’s operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease. (Dictionary)

**Operating Expense Ratio**

The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., OER = 1 – NIR. (Dictionary)

**Net Operating Income (NOI)**

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business for EBITDA (earnings before interest, taxes, depreciation and amortization). (Dictionary)

**Net Rentable Area (NRA)**

For office and retail buildings, the tenant’s pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice. (Dictionary)

Comment: In the Pacific Northwest, NRA applies to primarily office properties, though may also sometimes be referred to as rentable area for retail properties.

**Obsolescence**

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (Dictionary)

**Option**

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the optionee) to buy, sell, or lease real property for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

**Partial Interest**

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest in a tenant in common, easement or life interest. (Dictionary)

**Pass Through**

A tenant’s portion of operating expenses that may be composed of common area maintenance (CAM), real estate taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

**Potential Gross Income (PGI)**

The total income attributable to real property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

**Prospective Market Value “As Completed”**

**and “As Stabilized”**

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the report. Prospective value opinions are intended to reflect the current expectations and perceptions of market participants, based on available data. Two prospective value opinions may be required to reflect the time frame during which development, construction and occupancy will occur. The prospective market value – as completed – reflects the property’s market value at the time that development is expected to be completed. The prospective market value – as stabilized – reflects the property’s market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (USPAP - Advisory Opinion 17 / Interagency Appraisal and Evaluation Guidelines / Dictionary)

**Qualitative Analysis**

The process of accounting for differences (such as between comparable properties and the subject property) that are not quantified; may be combined with quantitative analysis.

(Dictionary)

**Quantitative Analysis**

In the sales comparison approach, the process of making numerical adjustments to the sale prices of comparable properties, including data analysis techniques (paired data analysis, grouped data analysis, and secondary data analysis), statistical analysis, graphic analysis, trend analysis, cost analysis (cost-to-cure, depreciation cost), and capitalization of rent difference; usually precedes qualitative analysis. (Dictionary)

**Replacement Cost**

The estimated cost to construct, at current prices as of a specified date, a substitute for the building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

**Reproduction Cost**

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, super-adequacies, and obsolescence of the subject building. (Dictionary)

**Retrospective Value Opinion**

A value opinion effective as of a specified historical date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.” (Dictionary)

**Sandwich Leasehold Estate**

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

**Scope of Work**

1) The type of data and the extent of research and analyses. (SVP)

2) The type and extent of research and analyses in an appraisal or an appraisal review assignment. (USPAP)

**Sublease**

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be conterminous with the underlying lease term. (Dictionary)

**Subordination**

A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior, or subordinate, to the claims of another party. (Dictionary)

**Superadequacy**

An excess in the capacity or quality of a structure or structural component; determined by market standards. (Dictionary)

**Surplus Land**

Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

**Tenant Improvements (TI)**

1) Fixed improvements to the land or structures installed for use by a lessee.

2) The original installation of finished tenant space in a construction project; subject to period change for succeeding tenants. (Dictionary)

**Triple Net (Net Net Net) Lease**

A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called NNN, triple net lease, or fully net lease. (Dictionary)

(The market definition of a triple net lease varies; in some cases, tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

**Usable Area**

The measured area of an office area, store area or building common area on a floor. The total of all the usable areas or a floor shall equal floor usable area of that same floor. The amount of floor usable area can vary over the life of a building as corridors expand and contract and as floors are remodeled. (BOMA)

**Vacancy and Collection Loss**

A deduction from potential gross income (PGI) made to reflect income reductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss and vacancy and contingency loss. (Dictionary)

**Value In Use**

The value of a property assuming a specific use, which may or may not be the property’s highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)

**Yield Capitalization**

A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate (Y), or 2) developing an overall rate that explicitly reflects the investment’s income pattern, holding period, value change and yield rate. (Dictionary)









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| **Company Profile** |

L3 Valuation is a commercial real estate appraisal and consulting firm located in Durham, Oregon. The goal of the company is to offer appraisal, review, and consulting services to clients in a professional and timely manner in covering all types of real estate. Though the firm's primary focus is the State of Oregon, we also provide appraisal services for properties located in the southwestern portion of the State of Washington.

To better serve our clients, L3 Valuation created and implemented a proprietary analytical mobile app capable of real-time access to confirmed data via cloud-based technology. Confirmed data includes local, regional and national sales, leases and resource data. L3 Valuation makes certain that our team members have access the necessary tools and information relevant to solving the client’s issues and assuring their needs are satisfied. As a top regional boutique firm, L3 Valuation maintains deep connections within the local brokerage, investment and development communities allowing it access to information unavailable to firms more national in focus.

L3 Valuation considers its clients to be its most valuable assets. We are privileged to serve various small and large financial institutions, pension funds, insurance companies, corporations, developers, private individuals, attorneys, accountants and government agencies. Past assignments have been conducted to serve various functions, including mortgage financing, property purchase & disposition, lease rent arbitration & negotiation, charitable donation & gifting, partnership & divorce settlement, litigation support & expert witness services, condemnation, property tax analysis, appeal services and corporate planning purposes.

The partners and team members are dedicated to the company's goal, to providing a fresh new approach to any real estate problem, and to working with each client on a personal basis. The firm was founded by managing partners - Kurt M. Mueller, MAI and James F. Kurasz, MAI, AI-GRS; each with +25 to 30 years of experience in commercial real estate. Being members of the Appraisal Institute (AI), Mr. Mueller and Mr. Kurasz, as well as our AI designated staff associates, must adhere to strict codes of professional practice and ethics in serving the public.

The firm also includes a team of very seasoned associates, including professionals with over 25 years of experience. All are either designated members of the Appraisal Institute, including the prestigious MAI and SRA designations, or candidates for one of these professional designations. All have extensive experience in providing appraisal and consultation services for a wide array of types of real property and real property interests throughout the Pacific Northwest.

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| **Company Profile** |

Mr. Mueller has been actively involved in commercial real estate and consulting fields since 1986. Before relocating to Portland, he was the owner of the commercial appraisal firm of Mueller and Company in Honolulu, Hawaii, and holds an expert knowledge of ground leases and the valuation of leasehold properties. His specialties include subdivisions, complex land assignments, and a wide array of special use properties such as new auto dealerships, schools / religious facilities, R&D and hi-tech facilities, aircraft hangars, etc. Mr. Mueller is licensed in Oregon and Washington and is also an active real estate developer / investor, and licensed broker in Oregon. Mr. Mueller has direct experience in arbitration, settlement services, tenant lease negotiation, marketing, site selection, and project general contracting.

Mr. Kurasz started his commercial real estate appraisal career with Mason & Mason in 1987 in Los Angeles, California. In 1992, he relocated to Portland, and originally worked with some residential firms, then committing to commercial work in 1994. After working with several commercial firms over the years, including Mueller and Company, he started his own firm, Kurasz Consulting, Inc. in 2003. Mr. Kurasz is licensed in Oregon, Washington, and Idaho. Mr. Kurasz is a generalist whose specialties include appraisal review, as well as appraising multi-family / manufactured home parks, retail, office, industrial, land and subdivisions.

In addition, the principals of the firm – Mr. Mueller and Mr. Kurasz offer expertise in eminent domain, right-of-way and condemnation assignments. Both are members of the International Right of Way Association (IRWA), and pursuing the requirements to obtain the prestigious SR/WA designation.

Senior members of our team include those holding the MAI and SRA designations from the Appraisal Institute, with a deep level of experience appraising in Oregon and Washington, as well as California, Hawaii, and Virginia. The team members at L3 Valuation are all licensed to appraise in the States of Oregon and Washington, and all have extensive commercial appraisal experience. All our team members are adept at traditional retail, office and industrial properties, while specialties provided by these team members include such specialties as urban core redevelopment / mixed-use properties, medical / dental properties, veterinary clinics & hospitals, schools / religious facilities and public facilities, investment grade properties (office, industrial and apartment), hi-tech / R&D properties, historic office, breweries and distilleries, new and used auto dealerships, self-storage facilities, bank branches, car wash, restaurant (sit-down and fastfood), auto service & repair, quick lube, manufactured home parks, subdivision and complex land assignments, high value and unique residential properties, and a variety of agricultural and ranch properties. Areas of specific geographic focus include the Oregon Coast, Columbia River Gorge, Willamette Valley &Yamhill County areas, and Central / Southern Oregon.

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| **Professional Services** |

Valuation Reports

The market valuation of real property interests (fee simple, leasehold, leased fee, etc.) in various types of properties is the primary focus of most real property appraisal assignments performed by L3 Valuation. It involves defining the real property interests to be appraised, collection and verification of market data, analysis of the highest and best use of the property, and the market valuation of the property via the most applicable appraisal methods. Other valuation studies may involve the estimation of investment value for various real property interests based on client specific data and/or criteria. Our services also include reports intended to assist in a team approach to Valuation for Financial Reporting.

Real Estate Consulting

In order to better serve our clients with unique properties and/or investment problems, L3 Valuation can also conduct consulting assignments covering all property types. Providing competent, unbiased, professional guidance on diversified problems in real estate has taken on ever increasing importance as a method of reducing the risks associated with the real estate field. The firm has undertaken such tasks as highest and best use analysis, market studies, rent renegotiation consulting, subdivision analysis, office/retail analysis, project planning studies, and market and feasibility analysis.

Estate Planning, Litigation Support, and Expert Witness Services

L3 Valuation also offers services for real estate matters involving arbitrations (ground rent renegotiations, tenant space lease renegotiations, etc.). We offer estate planning tax support for accounting firms and litigation support services to attorneys. It is our goal to provide not only offensive, but defensive strategies, in a fair and unbiased manner, in order to expose the strengths and weaknesses of a particular case. Finally, Mr. Mueller and Mr. Kurasz are experienced in working with attorneys in providing expert witness testimony.

Appraisal Review Services

An appraisal review serves the purpose of analyzing the content and conclusions of an appraisal report. It is the reviewer's responsibility to assess the relevancy, adequacy and analysis of the market data used; to form an opinion as the appropriateness and logical consistency of the appraisal methods and techniques used; to comment on the overall presentation of the report, and its general conformance with accepted appraisal practice. Clients consider an appraisal review to be a valuable tool in determining the credibility of an appraisal report, in order to reduce the risks associated with important lending, legal, and investment decisions.

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| **Partial List of Clients** |

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| AEGON USA Realty Advisors, Inc. | FDIC | Portland Development Commission |
| Albertson's Companies | First Citizens Bank | Port of Cascade Locks |
| Arbor Custom Homes | First Tech Credit Union | Rabobank, N.A. |
| Armed Forces Bank | First Community Credit Union | Roberson Auto Group |
| Ball Janik LLP | First Interstate Bank | Riverview Community Bank |
| Bank of America | Garvey Schubert Barer | Royal Moore Auto Group |
| Bank of the West | Gevurtz Menashe | SAFECO |
| Banner Bank | Goodwill Industries | Schwabe Williamson & Wyatt |
| Belmar Properties | Gramor Development | Standard Insurance Company |
| Beneficial State Bank | Heritage Bank | State Farm Bank |
| Bittner & Hahs, P.C. | Hillsboro School District | St. Helens Community Credit Union |
| Black | Helterline LLP | HomeStreet Bank | Stockman Bank of Montana |
| BOK Financial Corporation | Intervest Mortgage Company | Stoel Rives LLP |
| Buckley Law P.C. | International Paper | Summit Bank |
| California Bank and Trust | JP Morgan Chase Bank | Tigard-Tualatin School District |
| Capitol Auto Group | Kendall Motors | The CIT Group |
| City of Banks | KeyBank | Tonkin Torp. LLC |
| City of Happy Valley | Lanphere Enterprises, Inc. | Tonkin Auto Group |
| City of North Plains | Lehigh Hansen Corporation | Tri-Met |
| City of Sherwood | Lewis & Clark Bank | Twinstar Credit Union |
| Citizens Bank | Lithia Motors | Umpqua Bank |
| Clackamas County Bank | MAPS Credit Union | Union Bank |
| Coca Cola Enterprises | MBank | Unitus Community Credit Union |
| Columbia Bank | METRO | U.S. Bancorp |
| Columbia Credit Union | Mid-Columbia Medical Center | Venerable Properties |
| Columbia Distributing | M&T Bank | Washington Capital Management |
| Davis Wright Tremaine LLP | National Mortgage Company | Washington Trust Bank |
| DePaul Industries | Northwest Bank | Wauna Credit Union |
| Department of Veteran Affairs | Northwest Farm Credit Services | Wells Fargo Bank |
| Draneas & Huglin, P.C. | OnPoint Community Credit Union | Winco Foods, Inc. |
| Farleigh Wada Witt | Oregon Department of Transportation | Zions Bank |
|  | Pacific Western Bank |  |