

AGENDA BOOK
OREGON FACILITIES AUTHORITY
Business Meeting

July 10, 2023

Tonkon Torp LLP

888 SW Fifth Ave., Suite 1600, Portland, OR 97204

**WORKING AGENDA
OREGON FACILITIES AUTHORITY
July 10, 2023**

**By Zoom conference and telephone (see below)
1:00 PM – 3:00 PM – OFA Business and Bond Applications**

<u>Tab</u>	<u>Discussion and Action</u>	<u>Time</u>
	Call to Order and Present Notice of Meeting	1:05
1.	Consideration of Conditional Final Approval for the application by Clackamas Charter Alliance, dba Clackamas Middle College for an OFA Traditional Bond in an amount not to exceed \$3,000,000	1:05 – 1:45
<i>We will hear from:</i>		
Applicant:		Mr. Brian Sien, Principal
Underwriter:		Mr. Nick Hagen, Piper Sandler & Co.
OFA Financial Advisor:		Mr. Duncan Brown and Ms. Maggie Marshall, PFM Financial Advisors LLC
Bond Counsel:		Mr. Michael Schrader, Orrick, Herrington & Sutcliffe LLP
OFA Executive Director:		Ms. Gwendolyn Griffith
Possible action: <i>Approval of Resolution 2023-10, granting conditional final approval to Clackamas Charter Alliance, dba Clackamas Middle College for its application for an OFA Traditional Bond in an amount not to exceed \$3,000,000, and recommending that the State Treasurer consider issuing the Bond when the conditions have been met.</i>		
2.	Approval of Minutes of Meeting of May 8, 2023	1:45 – 1:50
3.	Oregon Bond Calendar and Other Items – Informational Only	1:50 – 1:55
Public Comment: <u>No Action Required</u>		
Other Matters for the Authority: <u>No Action Required</u>		

To attend by video conference:
<https://tonkon.zoom.us/j/92910796828?pwd=c2IxQVdJT0k0UTNHUjFaVTFObU43QT09>

**To attend by teleconference, dial by your closest location
then enter meeting ID and passcode:**
(Tacoma) 253-215-8782 (Chicago) 312-626-6799, or (New York) 646-558-8656
Meeting ID: 929 1079 6828; Passcode: 281 854

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OFA Executive Director:	Ms. Gwendolyn Griffith

Possible action: *Approval of Resolution 2023-10, granting Conditional Final Approval to Clackamas Charter Alliance, dba Clackamas Middle College for an OFA Traditional Bond in an amount not to exceed \$3,000,000, conditioned upon receipt of an appraisal acceptable to Banner Bank in an amount that would generate at least \$2,550,000 of bond proceeds, and recommending that the State Treasurer consider issuing the Bond when the conditions have been satisfied.*

- | | | |
|-----------|--|--------------------|
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Public Comment: No Action Required

Other Matters for the Authority: No Action Required

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Meeting ID: 929 1079 6828; Passcode: 281 854

TAB 1

GWENDOLYN GRIFFITH
EXECUTIVE DIRECTOR

MICK HARRIS
ASSOCIATE EXECUTIVE DIRECTOR

NICK PHAM
EXECUTIVE ASSISTANT



OREGON FACILITIES AUTHORITY
1600 PIONEER TOWER
888 SW FIFTH AVENUE
PORTLAND, OREGON 97204
PHONE: (503) 802-5710
EMAIL: OFA@TONKON.COM

MEMORANDUM

To: Roy Kim, Chair
Andrea Zamora, Vice-Chair
:
Sean Hubert, Authority Member
Eric Johansen, Authority Member
Erika Patton, Authority Member
Kathleen Cornett, Authority Member
Erik Petersen, Authority Member

From: Gwendolyn Griffith

Date: July 5, 2023

Subject: Application by the Clackamas Charter Alliance, dba Clackamas Middle College

The Clackamas Charter Alliance, dba Clackamas Middle College (the “Applicant” or the “School”) timely submitted an application for an OFA Traditional Bond in the approximate amount of \$4,000,000. At its meeting on March 14, 2022, the Authority granted preliminary approval to the Applicant. On March 13, 2023, the Authority approved Supplemental Resolution 2023-3, which authorized the Applicant’s financing team to circulate a Preliminary Offering Memorandum to potential investors.

This is the first application to OFA by the School, which is a charter school located in Happy Valley, Oregon. It was established in 2003. It enrolls 300 students in grades 9 through 12. Its sponsoring school district is the North Clackamas School District 12. The Applicant intends to use the bond proceeds to acquire its current facility and finance capital improvements for the property. The property is subject to a ground lease.

The financing team has been working on this transaction for more than a year. The transaction was originally conceived as a limited offering to qualified institutional investors, with Piper Sandler as the underwriter. For reasons outlined in Mr. Brown’s report (Financial Advisor to OFA/OST) and that the Applicant and its financing team will explain at the meeting, the transaction has evolved into a bank placement with Banner Bank, with Piper Sandler as the placement agent. The maximum dollar amount of the bond is now \$3,000,000.

Banner Bank has closed several OFA loans in the SNAP Loan Program and is familiar with the OFA policies and procedures.

This change in direction significantly simplifies the transaction. The Bank Term Sheet is attached to this report. As with most banks, the amount Banner Bank can lend to the Applicant is 70% of the appraised value of the property. The Bank has ordered the appraisal, which should be available sometime in July or early August. The Applicant has been able to lock the interest rate at 5.709% for the tax-exempt portion of the bond, and 7.558% for the taxable portion, if the transaction closes by July 15, 2023.

In this transaction, the minimum amount needed by the Applicant to purchase the property and complete required improvements is \$2,550,000. This would require an appraised value of approximately \$3,650,000. If the appraised value is greater than that amount, the bond size may be increased, up to \$3,000,000. If the appraised value is less than \$3,650,000, the necessary improvements cannot be undertaken, and there will be no transaction. The Applicant obtained its own appraisal of the property in September, 2022, a copy of which is attached to this Report. In that appraisal, the market value of the property was \$4,010,000.

In summary, the dollar amount of the bond is not known at this time, and depends upon receipt of the Bank's appraisal. What is known, however, is the purchaser of the bond, the interest rate (if closed within the lock period) and the other covenants and conditions of the bond. Yet the important unknown means that I am recommending a conditional final approval. The sole condition is receipt of an appraisal acceptable to the Bank showing that the property has a market value in excess of the amount needed to generate \$2,550,000 in bond funds.

As with all conditional final approvals, if a material adverse change occurs in this transaction or the transaction triggers a new a policy or statutory issue arises, I will return the transaction to the OFA Board for reconsideration.

The Bond Counsel and Financial Advisor's reports are included in the materials. Both recommend the transaction for conditional final approval.

Recommendation:

I recommend that the Authority approve Resolution 2023-10, granting Conditional Final Approval to Clackamas Charter Alliance, dba Clackamas Middle College, for an OFA Traditional Bond in an amount

Memorandum
July 5, 2023
Page 3

not to exceed \$3,000,000, conditioned upon receipt of an appraisal acceptable to Banner Bank in an amount that would generate at least \$2,550,000 of bond proceeds, and recommending that the State Treasurer consider issuing the bonds when the conditions have been satisfied.

If you have any questions, please let me know.

GG/np

Attachments: Bank Term Sheet
Appraisal Report, September 21, 2022

034439\00267\16368886v2



Clackamas Middle College, Oregon
Attention: Matt Morrell, Placement Agent Piper Sandler
Via E-mail: <matt.morrell@psc.com>

June 21, 2023

RE: Response to Request for Proposal for Charter School Revenue Bonds, Series 2023 - Update

Dear Mr. Morrell:

We are pleased to offer this financing proposal from Banner Bank (the “Bank”) to purchase Charter School Revenue Bonds (Clackamas Middle College), Series 2023A (Tax-exempt) and Series 2023B (Federally Taxable) (collectively the “Bonds”). Under this financing proposal, the Oregon Facilities Authority (the “OFA”) issues/sells the Bonds on behalf of the Clackamas Charter Alliance, an Oregon nonprofit corporation and 501(c)(3) organization doing business as Clackamas Middle College (the “Borrower”), to the Bank through a private sale for direct placement into the Bank’s portfolio where it will remain for the life of the Bonds. Alternatively, the Borrower issues/sells Federally Taxable Bonds in the form of a bank loan according to standard and customary financing agreement without OFA acting on behalf of the Borrower.

This proposal letter does not constitute a commitment by the Bank to purchase the Bonds but is for the purpose of substantially representing the terms and conditions, based upon information described in the Preliminary Limited Offering Memorandum, dated March 2023 (the “PLOM”) and Investor Presentation, dated March 28, 2023. Upon the acceptance of the requirements described herein, the Bank will seek formal approval within the Bank to purchase the Bond under the conditions, situation, and form documents outlined in the PLOM and herein. The Bank’s terms are set forth below.

Amount: The final not to exceed Bond amount is based on the lower of (i) Loan-to-value ratio of 70 percent on the subject property, including leased fee (land), based on the appraised value, or (ii) Debt service coverage ratio of 1.40x based on expected fiscal year 2024 ordinary revenues and expenditures.

Purpose: To fund equipment acquisition costs and fund capital project costs as described in the PLOM, fund a debt service reserve fund, and pay for cost of issuance.

Interest Rate: The indicative fixed interest rates for the anticipated term and amortization are set forth below.

Tax Status	Option 1 (OFA issuer):	Option 2 (Borrower issuer):
Tax-exempt portion of Bond	5.709%	n/a
Taxable portion of Bond	7.558%	7.260%

Accrued interest is calculated from the dated date of the Bond based on a 360-day year (assuming that each month has 30 days). The interest rates are based on current market interest rates and are subject to change, at the sole discretion of the Bank, if the closing of the Bond issue does not occur by July 31, 2023.

Banking

Relationship: Borrower maintains accounts with the Bank with average annual deposits of 10% of the total Bond amount, measured annually.

Tax Status: Interest on portions of the bond proceeds shall be excludable from gross income for federal income tax purposes, as evidenced by a customary opinion of the Borrower's bond counsel. The Borrower shall covenant to perform all actions, functions or requirements in order to maintain the tax-exempt status on the Bond.

Term and

Amortization: Anticipated 10-year term with 20-year amortization.

Security for

Repayment: Leasehold Mortgage and Revenue Pledge as described in the PLOM, subject to review and acceptance by the Bank and the Bank's legal counsel.

Debt Service

Reserve Fund

Requirement: 50% of maximum annual debt service.

Optional

Prepayment: The Bond is subject to prepayment in whole or in part prior to Maturity at any interest payment date at a prepayment price equal to the principal amount prepaid, together with accrued interest thereon to the date of prepayment, without premium. Notice of prepayment, shall be given by the Borrower not less than 30 days prior to the prepayment date.

Payment

Structure: Level debt service structure designed to create equal annual debt service payments over the life of the Bond. Interest is payable semi-annually on June 15 and December 15, commencing December 15, 2023. Principal is payable annually on June 15, commencing June 15, 2024. All payments (including but not limited to debt service payments, prepayments, etc.) shall be first applied to interest and then to principal as of the date actually received.

Bank Fees: The Bank shall charge a one-time fee of 0.25% of the Bond amount. On this Bond issue, the Bank is represented by attorney Chris R. Graving with the law firm of Stokes Lawrence, P.S. in Seattle, WA. The Borrower is responsible for the Bank's attorney fees estimated at \$3,500. The Borrower is responsible for its Bond counsel fees, municipal advisor fees, and other costs of issuance.

Covenants: The Bank requires no other covenants as described in the PLOM beyond the standard and customary covenants for this type of Bond and financing transactions of this nature. The Bank does not require provisions that may increase the amount the Borrower is required to pay above and beyond the agreed upon amortization schedule, other than in the event of a payment default, or that would otherwise adversely affect the Borrower. In the event of default, the Bank shall be entitled to all remedies under the financing documents. Upon the occurrence of an event of default under this Bond, the financing documents will provide remedies to the Bank customary for transactions of this nature, exercise rights and remedies under law, equity or under the terms of the financing agreement and other legal documents associated with this Bond.

Legal

Documents: Final form Bond documentation to be prepared by Borrower's Bond Counsel and subject to review and acceptance by the Bank and the Bank's legal counsel. Bank shall receive a legal opinion from the Borrower's Bond Counsel, satisfactory to the Bank,

- 1) stating that the Borrower's Bond indebtedness and all the terms and conditions of applicable Issue documents and transactions described therein are in full compliance with Oregon State and Federal Law, are binding upon and enforceable against the Borrower and do not violate the Borrower's formation or constituent documents, or any applicable law;
- 2) stating that the indebtedness being incurred is a legal and valid obligation of the Borrower;
- 3) stating the interest income to the Bank is excluded from federal income tax pursuant Section 103 of the Internal Revenue Code, if applicable;
- 4) confirming the authority of the Borrower to incur the indebtedness and issue the Bond; and
- 5) confirming that the Borrower's Bond resolution authorizing this indebtedness and irrevocably pledging the security for repayment of this indebtedness is valid and authorized.

On behalf of Banner Bank, we sincerely thank you for the opportunity to partner with the Borrower on financing this project of important impact on the community we serve together. Should you wish to proceed based on the general terms and conditions outlined herein, please acknowledge the Borrower's acceptance by signing on the following page and returning one signed document.

Very truly yours,



Brad Buchholz
Vice President & Relationship Manager
Commercial Banking
E-mail: bbuchholz@bannerbank.com
Direct Line: (503) 684-2339
Cell: (971) 205-8071

The contents of this document are confidential and are not to be shared with outside third parties with the exception of the Borrower's accountants and attorneys unless required to do so by a public record request pursuant to the Oregon Public Records Act.

ORS 41.580 (3) (a) NOTICE UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY THE BANK CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY THE BANK TO BE ENFORCEABLE.

ACCEPTED BY:

Clackamas Middle College

By: Brian Sien-Principal

As:



CLACKAMAS MIDDLE COLLEGE

12021 SE 82nd Ave
Happy Valley, Oregon 97086

APPRAISAL REPORT

Date of Report: September 21, 2022
Colliers File #: PDX220751



PREPARED FOR
Clackamas Middle College
c/o Snell & Wilmer L.L.P.
1455 SW Broadway, Suite 1750
Portland, OR 97201
Attn: Victor Roehm

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES



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FAX +1 503 273 4273
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September 21, 2022

Clackamas Middle College
c/o Snell & Wilmer L.L.P.
1455 SW Broadway, Suite 1750
Portland, OR 97201
Attn: Victor Roehm

RE: Clackamas Middle College
12021 SE 82nd Ave
Happy Valley, Oregon 97086

Colliers File #: PDX220751

Mr. Roehm:

This appraisal report satisfies the scope of work and requirements agreed upon by Clackamas Middle College and Colliers International Valuation & Advisory Services. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). My appraisal format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's leased fee and leasehold interest. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report. Please note, the subject includes two land parcels that are currently on a ground lease. In addition, the building located on the property is leased to a separate entity (Clackamas Middle College). Per a scope of work agreement with the client, the leased fee interest of the land and the leasehold interest of the building have been valued separately ahead.

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Leased Fee (Land)	September 13, 2022	\$1,770,000
As-Is Market Value	Leasehold (Bldg)	September 13, 2022	\$2,240,000

The subject is a Special Purpose (School/University) property totaling 12,616 SF of NRA located on a 0.76-acre site at 12021 SE 82nd Ave in Happy Valley, Oregon. It is noted that while the subject has a Happy Valley address, it is located within unincorporated Clackamas County. The improvements were built in 1998, are in average condition and have a remaining economic life of 30 years based on my estimate. The subject property has a

single-tenant design that is currently occupied by a third-party tenant, and has a current occupancy level of 100.0%, which is above the stabilized occupancy level estimate of 95.0% that was developed in this appraisal.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

The COVID-19 virus is a serious illness that had affected the world and more specifically the United States. Impact was the greatest at the start of the pandemic due to local and regional business closures. Recent impact has been more subdued as the United States has seen economic conditions improve. The CIVAS Portland office has interviewed multiple building owners and brokers within the Portland MSA regarding effects on value from the COVID-19 situation. Interviewees indicate the current commercial real estate market has improved in comparison to the beginning of the pandemic. Consensus includes anticipated flat market conditions for both retail and office development in the near term, with industrial development performing at or above pre-pandemic conditions. This will be discussed further ahead within the Market Analysis Section.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, “an assignment specific-assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions”. *USPAP* defines a Hypothetical Condition as, “that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis”.

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at my opinion of value are fully discussed below. I advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

EXTRAORDINARY ASSUMPTIONS

No Extraordinary Assumptions were made for this assignment.

HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

RELIANCE LANGUAGE

My opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The signature below indicates my assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

**COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES**

A handwritten signature in blue ink that reads "J Buono". The signature is written in a cursive, flowing style.

Jeff Buono, MAI
Senior Valuation Services Director
Certified General Real Estate Appraiser
State of Oregon License #C001055
+1 503 542 5414
jeff.buono@colliers.com

REPORT ORGANIZATION**PROPERTY AND ASSIGNMENT OVERVIEW**

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CERTIFICATION**ASSUMPTIONS & LIMITING CONDITIONS****ADDENDA**

Engagement Letter	
Valuation Glossary	
Qualifications of Appraiser	
Qualifications of Colliers International Valuation & Advisory Services	

GENERAL INFORMATION

Property Name	Clackamas Middle College
Property Type	Special Purpose - School/University
Address	12021 SE 82nd Ave
City	Happy Valley
State	Oregon
Zip Code	97086
County	Clackamas
Core Based Statistical Area (CBSA)	Portland-Vancouver-Hillsboro, OR-WA
Market	Portland MSA
Submarket	Clackamas/Milwaukie
Latitude	45.436129
Longitude	-122.579477
Number Of Parcels	2
Assessor Parcels	00111328 and 00111337
Census Tract Number	222.01

SITE INFORMATION

Land Area	Acres	Square Feet
Usable	0.76	33,240
Unusable	0.00	0
Excess	0.00	0
Surplus	0.00	0
Total	0.76	33,240
Topography	Level at street grade	
Shape	Rectangular	
Current Zoning	Regional Center Commercial (RCC)	
Flood Zone	Zone X (Unshaded)	

IMPROVEMENT INFORMATION

Net Rentable Area (NRA)	12,616 SF
Gross Building Area SF (GBA)	14,976 SF
Total Number Of Buildings	1
Total Number Of Stories	1
Year Built	1998
Building Class	C
Type Of Construction	Concrete masonry unit
Land To Building Ratio	2.2 : 1
Site Coverage Ratio	38.0%
Parking Type	Surface
Number of Parking Spaces	30
Parking Ratio (Spaces/1,000SF NRA)	2.4/1,000 SF NRA

HIGHEST & BEST USE

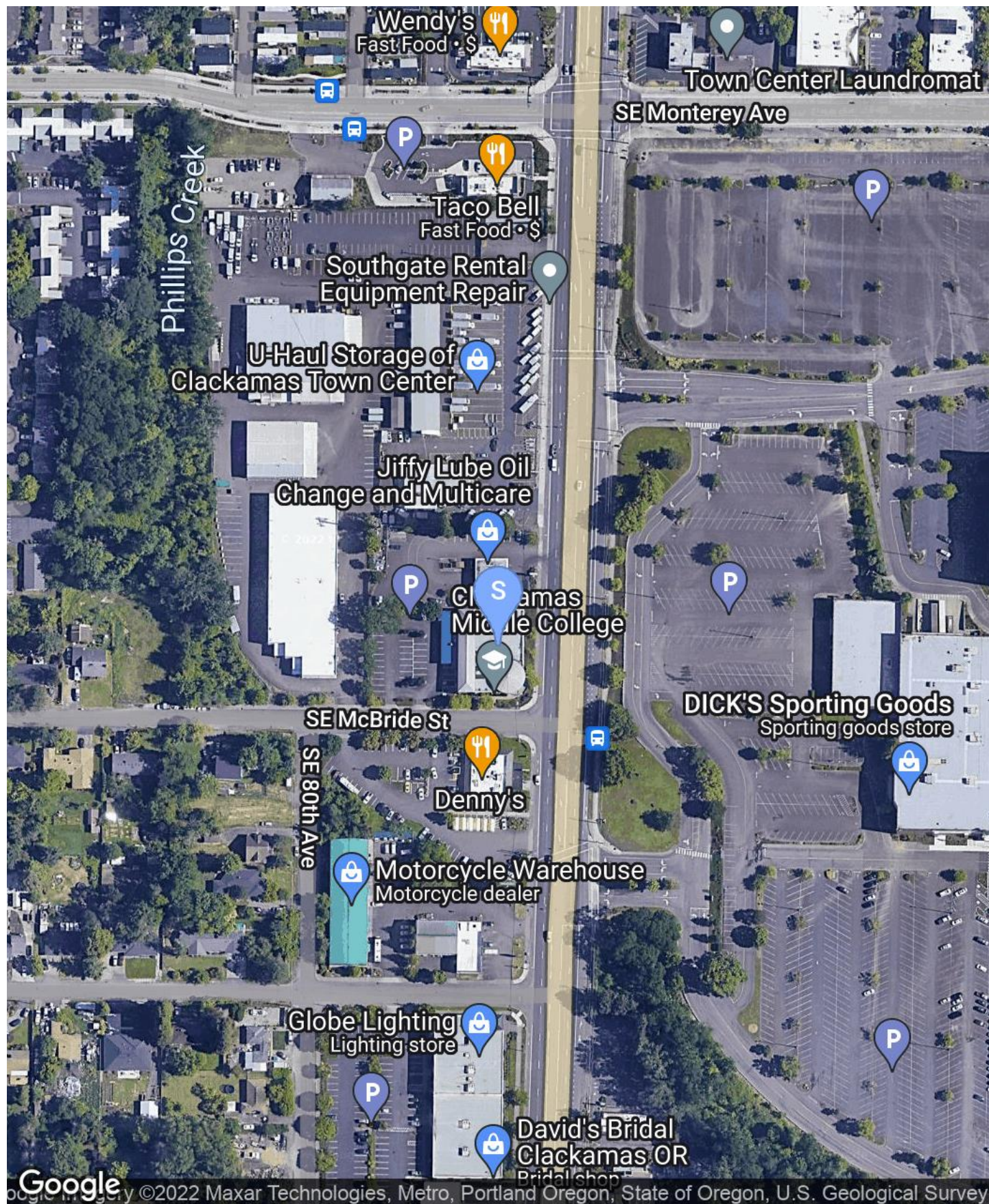
As Vacant	Commercial Development
As Improved	Continued Use Improved As A Special Purpose Property

EXPOSURE TIME & MARKETING PERIOD

Exposure Time	Six Months or Less
Marketing Period	Six Months or Less

VALUATION SUMMARY		
VALUATION INDICES	AS-IS MARKET VALUE	AS-IS MARKET VALUE
INTEREST APPRAISED	LEASED FEE (LAND)	LEASEHOLD (BLDG)
DATE OF VALUE	SEPTEMBER 13, 2022	SEPTEMBER 13, 2022
NET PRESENT VALUE		
NET PRESENT VALUE CONCLUSION	\$1,770,000	\$2,240,000
Income Conclusion \$/SF	\$140/SF	\$178/SF
FINAL VALUE CONCLUSION		
FINAL VALUE	\$1,770,000	\$2,240,000
\$/SF	\$140/SF	\$178/SF

AERIAL PHOTOGRAPH



SUBJECT PHOTOGRAPHS



FACING NORTHWEST



FACING NORTHEAST



FACING NORTHEAST



FACING SOUTHWEST



SE 82ND FACING SOUTH



SE MCBRIDE ST FACING WEST



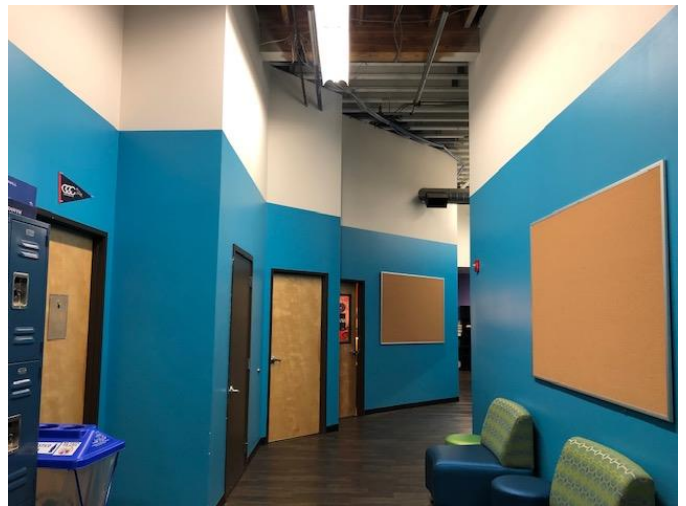
ENTRANCE LOBBY



CLASSROOM



SUPPLY ROOM



HALLWAY



HALLWAY



STORAGE



STORAGE

PROPERTY IDENTIFICATION

The subject is a Special Purpose (School/University) property totaling 12,616 SF NRA located on a 0.76-acre site at 12021 SE 82nd Ave in Happy Valley, Clackamas County, Oregon. The assessor's parcel numbers are: 00111328 and 00111337.

The legal description of the subject property is as follows:

A parcel of land lying in Lot 1, Block 4, SOUTHGATE VILLAGE, Clackamas County, Oregon and being a portion of that property described in that Warranty Deed-Statutory Form-Grantee's, Tenants By Entirety to George E. Fuson and Connie K. Fuson, recorded June 12, 1978 as Recorder's Fee No. 78-24960, Film Records of Clackamas County; the said parcel being that portion of said property lying Southeasterly of the following described line:

Beginning at a point opposite and 30.00 feet Westerly of Engineer's Station "L" 424+81.00 on the center line of the relocated Cascade Highway North; thence Southwesterly in a straight line to a point opposite and 72.00 feet Westerly of Engineer's Station "L" 425+24.00 on said center line, which center line is described as follows:

Beginning at Engineer's center line station "L" 386+00.00, said station being 164.34 feet South and 0.09 feet East of a 3-1/4 inch Brass Disk marking the Northwest corner of Section 33, Township 1 South, Range 2 East, W.M.; thence South 0°01'52" East 2309.66 feet; thence on a 11459.16 foot radius curve right (the long chord of which bears South 0°53'43" West 370.61 feet) 370.62 feet; thence South 1°49'19" West 2274.35 feet to Engineer's center line station "L" 435+54.64 Back equals "L" 435+53.90 Ahead; thence on a spiral curve left (the long chord of which bears South 1°09'19" West 399.98 feet) 400.00 feet; thence on a 5729.58 foot radius curve left (the long chord of which bears South 6°08'12" East 1189.54 feet) 1191.69 feet; thence on a spiral curve left (the long chord of which bears South 13°25'42" East 399.98 feet) 400.00 feet to Engineer's center line station "L" 455+45.59, said station being 1,783.42 feet south and 217.97 feet East of a 3-1/4 inch Brass Disk marking the Southwest corner of Section 33, Township 1 South, Range 2 East, W.M.

A parcel of land lying in Lot 1, Block 4, SOUTHGATE VILLAGE, Clackamas County, Oregon and being a portion of that property described in that Warranty Deed-Statutory Form-Grantee's, Tenants By Entirety to George E. Fuson and Connie K. Fuson, recorded June 12, 1978 as Recorder's Fee No. 78-24960, Film Records of Clackamas County; the said parcel being that portion of said property lying Southeasterly of the following described line:

Beginning at a point opposite and 30.00 feet Westerly of Engineer's Station "L" 424+72.00 on the center line of the relocated Cascade Highway North; thence Southwesterly in a straight line to a point opposite and 89.00 feet Westerly of Engineer's Station "L" 425+24.00 on said center line, which center line is described in Parcel 1.

SCOPE OF WORK

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

- The appraiser analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends.
- The appraiser confirmed and analyzed legal and physical features of the subject, and how they impact the functionality and overall competitive position of the property.
- The appraiser completed a retail supply/demand market analysis of the Portland MSA market and Clackamas/Milwaukie sub-market. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.

- The appraiser conducted Highest and Best Use analysis and conclusions were drawn for the highest and best use of the subject property As-Vacant and As-Improved.
- The appraiser confirmed and analyzed financial features of the subject property. This information, as well as trends established by confirmed market indicators, was used to forecast performance of the subject property.
- Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. This appraisal developed the Income (Direct Capitalization). approach to value, which was adjusted and reconciled as appropriate.
- Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are summarized within this document.
- I understand the Competency Rule of USPAP and the author of this report meets the standards.
- Forrest Davidson provided significant real property appraisal assistance to the appraisers signing the certification.
 - (A) Define the appraisal problem;
 - (B) Conduct preliminary analysis, select and collect applicable data;
 - (C) Conduct an analysis of the subject property;
 - (D) Conduct highest and best use analysis;
 - (E) Estimate land value, including on-site improvements
 - (F) Estimate value of the property using the income and sales comparison approaches;
 - (G) Reconcile the value indication and reconcile the final value estimate; and
 - (H) Report estimate(s) of value(s) as defined.

This assistance falls under categories A-E; G-H as defined by OAR 161-025-0025(2)(a)(A-H).

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

SOURCES OF INFORMATION	
ITEM	SOURCE
Tax Information	Clackamas County Tax Assessor
Zoning Information	City of Happy Valley Zoning Code
Site Size Information	Clackamas County Tax Assessor
Building Size Information	Clackamas County Tax Assessor
New Construction	City of Happy Valley / Clackamas County
Flood Map	InterFlood
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Comparable Information	See Comparable Datasheets for details
Legal Description	Grant Deed from RealQuest
Other Property Data	Clackamas County Property Records
Building Lease	Owner via Client
Ground Lease	Owner via Client

SUBJECT PROPERTY INSPECTION

The following table illustrates the Colliers International professionals involved with this appraisal report and their status related to the property inspection.

SUBJECT PROPERTY INSPECTION

APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Jeff Buono, MAI	Yes	Interior/Exterior	September 13, 2022

CLIENT IDENTIFICATION

The client of this specific assignment is Clackamas Middle College.

PURPOSE

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's leased fee and leasehold interest.

INTENDED USE

The intended use of this appraisal is to assist the client with acquisition, financing, loan classification and/or asset disposition. No other use is intended.

INTENDED USERS

The only intended users of this report are Clackamas Middle College and its affiliates or subsidiaries, other participating financial institutions, governmental/non-governmental agencies, legal counsel or other transaction participants. No other users are intended. Use of this report by third parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

ASSIGNMENT DATES

Date of Report	September 21, 2022
Date of Inspection	September 13, 2022
Valuation Date - As-Is	September 13, 2022

PERSONAL AND INTANGIBLE PROPERTY

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

PROPERTY AND SALES HISTORY**Current Owner**

The subject title is currently recorded in the name of George and Connie Fuson.

Three-Year Sales History

The subject has not sold in the last three years.

Subject Sale Status

The subject is not currently offered for sale.

DEFINITIONS OF VALUE

Given the scope and intended use of this assignment, the definition of Market Value is applicable.

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, knowledgeably, and assuming that the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the leased fee and leasehold interest.

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.²

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.³

VALUE SCENARIOS

The valuation scenarios developed in this appraisal report include the As-Is Market Value of the subject property's leased fee and leasehold interest.

As-Is Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.⁴

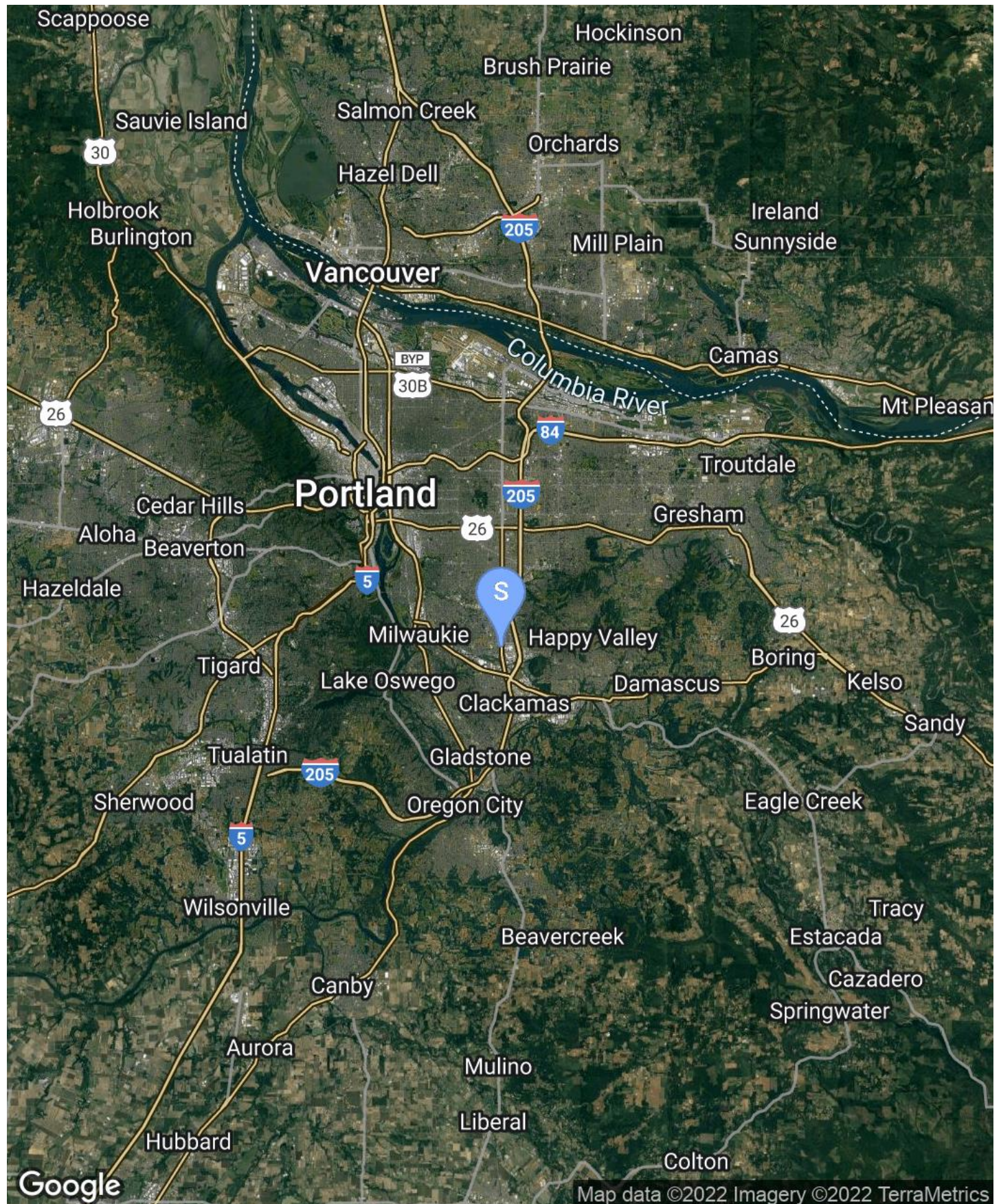
¹ Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C - Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the FDIC, FRS and NCUA definitions of market value.

² The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

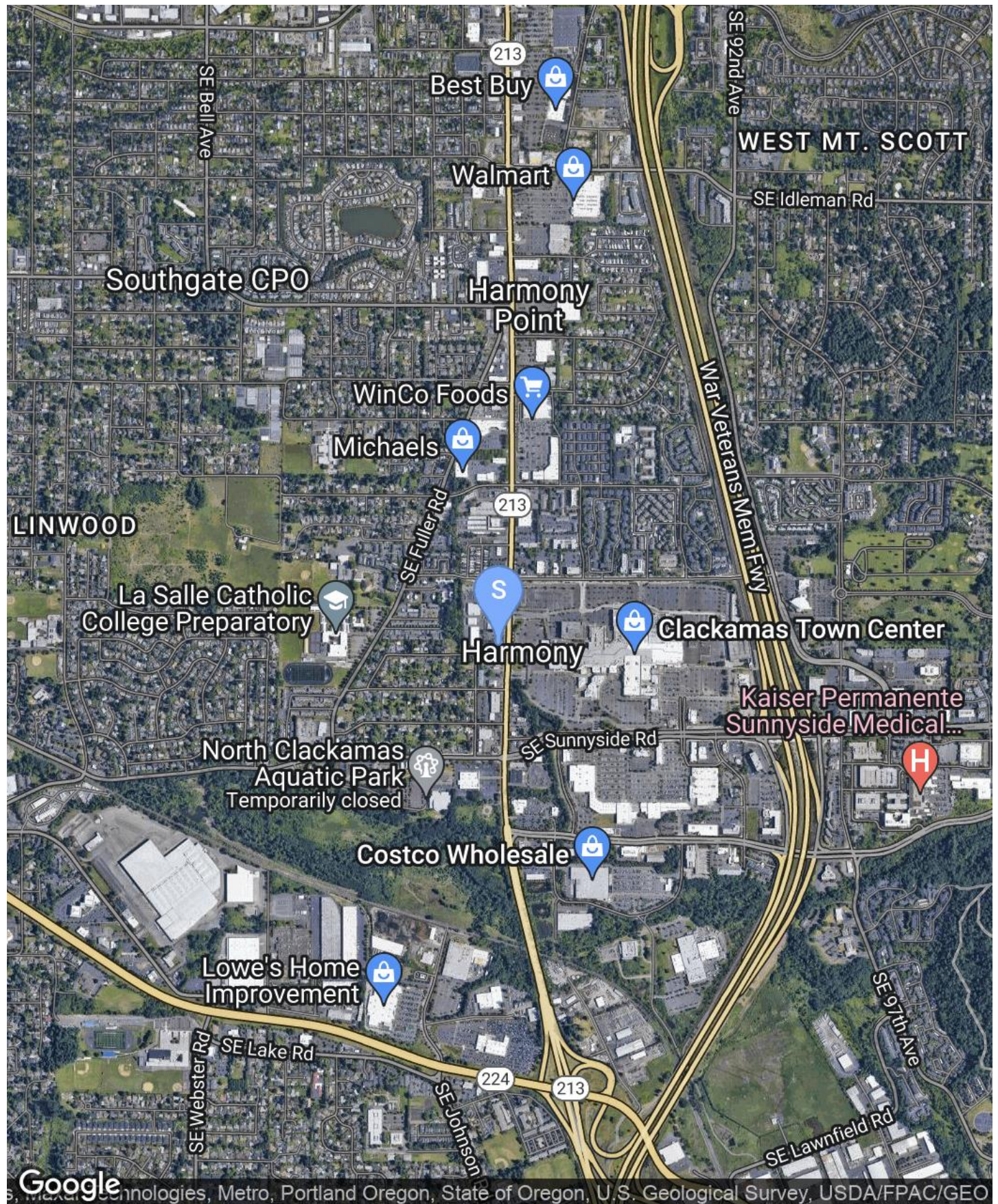
³ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

⁴ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

REGIONAL MAP



LOCAL AREA MAP



INTRODUCTION

The Portland – Vancouver - Hillsboro Metropolitan Statistical Area (MSA) is located in the northwestern section of Oregon along the banks of the Willamette River and its confluence with the Columbia River. Numerous Freeway systems intersect near Portland including Interstates 5, 84, and 205. The Portland MSA consists of Clackamas, Columbia, Multnomah, Washington, and Yamhill Counties in Oregon; as well as Clark and Skamania Counties in Washington. Portland is the state's largest city and its two main counties (Multnomah & Washington) account for one-third of the state's population.



DEMOGRAPHIC ANALYSIS

Based on regional data provided by Pitney Bowes/Gadberry Group – Groundview ®,¹ the Portland MSA comprises over half of the total population and households for the state and is projected to continue grow at a faster rate than the rest of Oregon. Supported by a growing younger population, the Portland MSA is the most densely populated region in the state with a large proportion of renter-occupied units. The larger renter population is also a product of comparatively high home values in the region; however, the median household income is much higher in the Portland region in comparison to the rest of the state and is slightly higher than the national average. Overall, the area has a growing population achieving higher than average wages.

LOCAL AREA DEMOGRAPHICS							
DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				AVERAGE HOUSEHOLD INCOME			
2000 Population	24,949	133,829	359,007	2020	\$82,117	\$108,839	\$110,573
2010 Population	33,516	150,912	384,940	2025	\$99,765	\$129,467	\$130,721
2020 Population	40,801	186,433	444,441	Change 2020-2025	21.49%	18.95%	18.22%
2025 Population	44,608	205,012	474,017	MEDIAN HOUSEHOLD INCOME			
Change 2000-2010	34.34%	12.76%	7.22%	2020	\$48,312	\$72,526	\$77,223
Change 2010-2020	21.74%	23.54%	15.46%	2025	\$61,296	\$90,020	\$93,591
Change 2020-2025	9.33%	9.97%	6.65%	Change 2020-2025	26.88%	24.12%	21.20%
POPULATION 65+				PER CAPITA INCOME			
2010 Population	3,195	14,883	39,901	2020	\$53,044	\$55,191	\$49,869
2020 Population	5,922	25,145	59,109	2025	\$61,953	\$64,006	\$57,678
2025 Population	7,308	31,070	71,198	Change 2020-2025	16.79%	15.97%	15.66%
Change 2010-2020	85.35%	68.95%	48.14%	2020 HOUSEHOLDS BY INCOME			
Change 2020-2025	23.40%	23.56%	20.45%	<\$15,000	23.2%	12.9%	10.0%
NUMBER OF HOUSEHOLDS				\$15,000-\$24,999	8.9%	6.9%	6.4%
2000 Households	15,971	67,945	161,570	\$25,000-\$34,999	9.7%	7.8%	7.1%
2010 Households	20,617	77,546	177,050	\$35,000-\$49,999	9.1%	9.6%	9.9%
2020 Households	23,686	91,288	194,854	\$50,000-\$74,999	12.2%	14.1%	15.4%
2025 Households	25,256	98,249	203,777	\$75,000-\$99,999	10.1%	11.8%	12.9%
Change 2000-2010	29.09%	14.13%	9.58%	\$100,000-\$149,999	13.6%	15.3%	16.7%
Change 2010-2020	14.89%	17.72%	10.06%	\$150,000-\$199,999	4.3%	7.7%	8.4%
Change 2020-2025	6.63%	7.63%	4.58%	\$200,000 or greater	8.9%	13.9%	13.1%
HOUSING UNITS (2020)				MEDIAN HOME VALUE			
Owner Occupied	4,518	34,475	99,616	AVERAGE HOME VALUE	\$471,967	\$562,132	\$466,545
Renter Occupied	19,151	56,768	95,306		\$616,930	\$630,814	\$534,341

Source: Pitney Bowes/Gadberry Group - GroundView®

Our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

ECONOMY

The Portland region benefits from a diversified economy that historically has been less dependent upon the lumber and wood products industry and more so reflects national business trends. Numerous large corporations, universities, hospitals, and public sector (government) employers are located in Portland and are an integral part of the state and regional economies. Strategically in its favor are the Ports of Portland and Vancouver serving as a West Coast hub for trade, commerce, and travel. Also, under the authority of the Port of Portland is the Portland International Airport (PDX), which accounts for most of the passenger travel and air cargo in the state.

The Portland region serves as headquarters for two Fortune 500 companies including Nike (sportswear and equipment supplier) and Precision Castparts (manufacturer of cast metal parts) not shown on the chart below. The chart below shows the top ten employers by size. The Manufacturing and Healthcare sectors are all integral parts of the regional economy.

TOP EMPLOYERS		
EMPLOYER NAME	EMPLOYEES	INDUSTRY
Intel	21,000	Manufacturing
Providence Health & Services	21,000	Healthcare
Oregon Health & Sciences University	18,048	Healthcare
Nike Inc	13,964	Retail
Legacy Health	13,120	Healthcare
Kaiser Permanente	11,163	Healthcare
Fred Meyer Stores	9,525	Retail
Portland Public Schools	6,847	Education
City of Portland	6,635	Government
Multnomah County	5,096	Government
U.S. Department of Veterans Affairs	4,783	Government
Beaverton School District	4,606	Education
Walmart	4,500	Retail
PeaceHealth	4,482	Healthcare
Vancouver Public Schools	4,347	Education
U.S. Postal Service	3,717	Government
Portland State University	3,568	Education
Wells Fargo	3,500	Retail
Portland Community College	3,397	Education
TriMet	3,117	Transportation

Source: Portland Business Journal 2022

Government and education-related industries comprise a large proportion of the regional employment base. Oregon State University (OSU) is the largest school in Oregon with a total enrollment of over 30,000 students. Portland State University (PSU) is listed as the second largest school in the Oregon University System boasting an enrollment just over 23,000 students. Another of the largest post-secondary institutions in Oregon, is Portland Community College with just under 23,000 student head-count as of (2021).

EMPLOYMENT

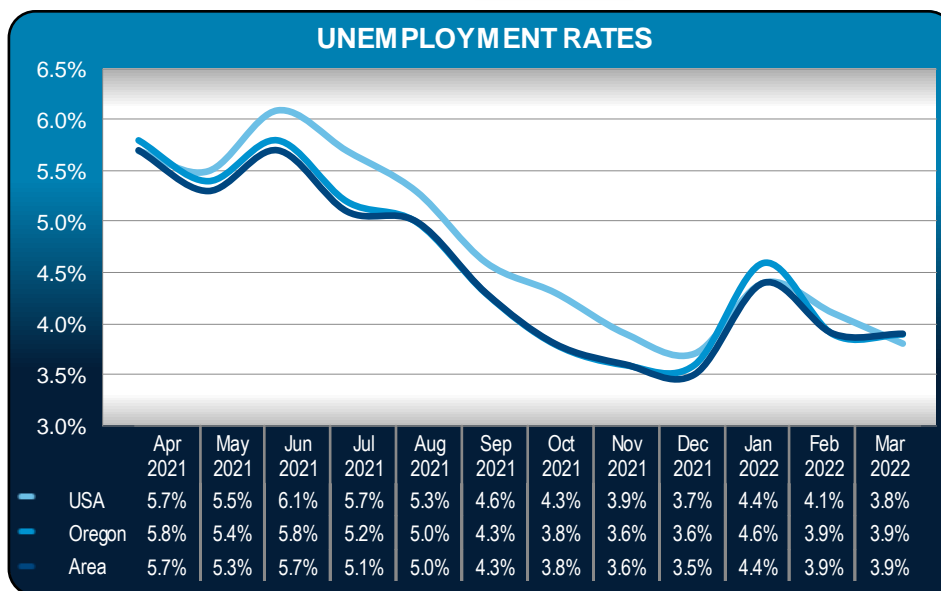
Until spring 2020, the unemployment rate was at the lowest it has been in 10 years. The decreasing unemployment rate coupled with a relatively high total number of employed, demonstrated stable to improving employment conditions through early 2020; however, the COVID-19 pandemic had significant negative impact on employment in 2020 with 7.8% in the local MSA.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2012 - 2021

TOTAL EMPLOYMENT					UNEMPLOYMENT RATE		
Year	Oregon		Portland-Vancouver-Hillsboro, OR-WA Metropolitan Statistical Area		United States*	Oregon	Portland-Vancouver-Hillsboro, OR-WA Metropolitan Statistical Area
	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2012	1,791,248	(0.7%)	1,109,299	0.3%	8.1%	8.8%	7.8%
2013	1,775,139	(0.9%)	1,104,507	(0.4%)	7.4%	7.8%	7.0%
2014	1,820,202	2.5%	1,133,532	2.6%	6.2%	6.7%	6.0%
2015	1,871,286	2.8%	1,167,534	3.0%	5.3%	5.5%	5.1%
2016	1,946,233	4.0%	1,212,930	3.9%	4.9%	4.7%	4.5%
2017	1,991,503	2.3%	1,247,155	2.8%	4.4%	4.1%	3.9%
2018	1,996,790	0.3%	1,254,132	0.6%	3.9%	4.0%	3.8%
2019	2,017,379	1.0%	1,278,260	1.9%	3.7%	3.7%	3.5%
2020	1,944,845	(3.6%)	1,219,877	(4.6%)	8.1%	7.6%	7.8%
2021	2,036,138	4.7%	1,275,122	4.5%	5.3%	5.2%	5.1%
CAGR	1.4%	-	1.6%	-	-	-	-

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate

Since the peak unemployment in 2020, The COVID-19 pandemic has subsided, and steady improvement in unemployment has occurred. As noted below, the unemployment rate is the lowest level seen in years (below 4.0% both nationally and locally).



SUMMARY

As with the entire nation, Oregon had experienced higher than usual unemployment due to COVID-19. However, notable employment gains have occurred across a broad sector of employment categories and unemployment has been falling month-to-month. While uncertainties remain, economic conditions have improved since the COVID-19 recession of 2020.

LOCAL AREA ANALYSIS

In this section of the report, I provide details about the local area and describe the influences that bear on the real estate market as well as the subject property. Below are insights into the local area based on fieldwork, interviews, demographic data and experience working in this market.

LOCAL AREA PROFILE

The subject property is located in Unincorporated Clackamas County south of the City of Portland, west of Happy Valley and Clackamas, and north of Milwaukie. The market area is approximately six miles east of downtown Portland and is defined as the 82nd Avenue commercial corridor. The general north market boundary is I-84, while the general south boundary is SE Harmony/Sunnyside Road. Access to the market area is via I-205, which flanks the east end of the market with SE 60th Ave providing a western boundary.

DEMOGRAPHIC PROFILE

Below is a demographic study of the area, sourced by *Pitney Bowes/Gadberry Group- Groundview*, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas.

LOCAL AREA DEMOGRAPHICS							
DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				AVERAGE HOUSEHOLD INCOME			
2000 Population	10,210	102,358	247,627	2021	\$72,622	\$96,166	\$102,316
2010 Population	10,801	112,414	278,459	2026	\$85,752	\$114,060	\$123,406
2021 Population	11,688	120,763	310,772	Change 2021-2026	18.08%	18.61%	20.61%
2026 Population	12,430	125,313	326,298	MEDIAN HOUSEHOLD INCOME			
Change 2000-2010	5.79%	9.82%	12.45%	2021	\$58,647	\$72,593	\$74,720
Change 2010-2021	8.21%	7.43%	11.60%	2026	\$69,548	\$86,476	\$91,236
Change 2021-2026	6.35%	3.77%	5.00%	Change 2021-2026	18.59%	19.12%	22.10%
POPULATION 65+				PER CAPITA INCOME			
2010 Population	1,417	13,660	33,989	2021	\$30,170	\$36,473	\$38,952
2021 Population	2,370	21,167	51,125	2026	\$35,097	\$42,487	\$46,075
2026 Population	2,679	24,479	59,859	Change 2021-2026	16.33%	16.49%	18.29%
Change 2010-2021	67.25%	54.96%	50.42%	2021 HOUSEHOLDS BY INCOME			
Change 2021-2026	13.04%	15.65%	17.08%	<\$15,000	10.4%	6.5%	7.5%
NUMBER OF HOUSEHOLDS				\$15,000-\$24,999	7.3%	6.2%	6.2%
2000 Households	4,343	39,687	97,694	\$25,000-\$34,999	9.7%	7.6%	7.6%
2010 Households	4,606	43,857	109,429	\$35,000-\$49,999	16.1%	12.4%	11.2%
2021 Households	4,891	45,309	116,592	\$50,000-\$74,999	20.1%	19.1%	17.8%
2026 Households	5,125	46,178	120,154	\$75,000-\$99,999	14.9%	15.1%	14.0%
Change 2000-2010	6.06%	10.51%	12.01%	\$100,000-\$149,999	11.9%	17.8%	17.7%
Change 2010-2021	6.19%	3.31%	6.55%	\$150,000-\$199,999	7.3%	8.0%	8.6%
Change 2021-2026	4.78%	1.92%	3.06%	\$200,000 or greater	2.3%	7.3%	9.5%
HOUSING UNITS (2021)				MEDIAN HOME VALUE	\$318,069	\$343,842	\$369,715
Owner Occupied	1,818	28,191	72,647	AVERAGE HOME VALUE	\$343,130	\$367,446	\$427,140
Renter Occupied	3,097	17,131	43,947	HOUSING UNITS BY UNITS IN STRUCTURE			
HOUSING UNITS BY YEAR BUILT				1, detached	1,819	29,966	77,182
Built 2010 or later	379	1,406	4,978	1, attached	175	1,611	5,221
Built 2000 to 2009	497	5,027	13,438	2	87	755	3,081
Built 1990 to 1999	940	8,603	16,853	3 or 4	143	1,416	4,352
Built 1980 to 1989	1,201	5,617	11,688	5 to 9	524	2,304	5,438
Built 1970 to 1979	972	8,705	19,843	10 to 19	370	2,055	5,264
Built 1960 to 1969	485	5,546	13,341	20 to 49	521	1,665	4,652
Built 1950 to 1959	312	4,418	12,959	50 or more	1,101	3,681	7,466
Built 1940 to 1949	78	2,504	6,713	Mobile home	164	1,749	3,788
Built 1939 or earlier	28	3,484	16,777	Boat, RV, van, etc.	12	119	148

Source: Pitney Bowes/Gadberry Group - GroundView®

As shown above moderate population growth is anticipated within the subject's 3 miles radius considering the

generally built up nature of the surrounding area.

Residential Development

Residential development consists of both single-family dwellings and apartment complexes. The predominant single-family housing type is bungalow style built in the 1930s to 1950s. The second major housing type is ranch-style, which was developed in 1960s to 1970s. The single-family housing stock is of average quality/condition and exhibits an average level of repair and maintenance. The median home price for single-family residences in the subject's market area (three-mile radius) is \$343,842.

Multi-family housing is primarily along arterial and major thoroughfares. The majority of the apartment developments are in the 20 to 40 year age range, consisting primarily of two story garden court complexes. The condition of the apartments in this market ranges from fair to average.

Commercial Development

The 82nd Ave commercial corridor is approximately eight miles long, and is developed with auto-dealers, RV dealers, fast serve restaurants, dine-in restaurants, lounges, gas stations, small strip centers, anchored shopping centers and large destination retailers such as Costco, Home Depot and Wal-Mart. The most intensive retail uses are concentrated at the south end of the market area in the vicinity of the SE 82nd Avenue and SE Sunnyside Road including Clackamas Town Center Regional Mall (1.2 Million SF) and Clackamas Promenade community center (418,748 SF). Additionally, located north of the subject is Johnson Creek Crossing Shopping Center anchored by Home Depot, Best Buy and Sports Authority, and an additional center which is anchored by Walmart and comprised of several free standing, inline, large/medium box and specialty users. New construction has occurred most recently in the vicinity of SE 82nd Avenue and SE Johnson Creek Boulevard. Industrial uses in the market are limited, and typically consist of older/smaller single-tenant facilities. More intensive industrial development is to the north in the Airport Way area, to the east in the Central Eastside Industrial District, and to the south in the Clackamas area.

Community Services

Community services and facilities are readily available in the surrounding area. These include public services such as fire stations, hospitals, police stations, and schools (all ages). Public transportation is available throughout the area. There are a number of parks and other recreational facilities in the area.

SUBJECT PROPERTY ANALYSIS

The uses adjacent to the property are noted below:

- › **North** – Commercial development
- › **South** – SE McBride St with commercial development across
- › **East** – SE 82nd Ave with commercial development across
- › **West** – Industrial development

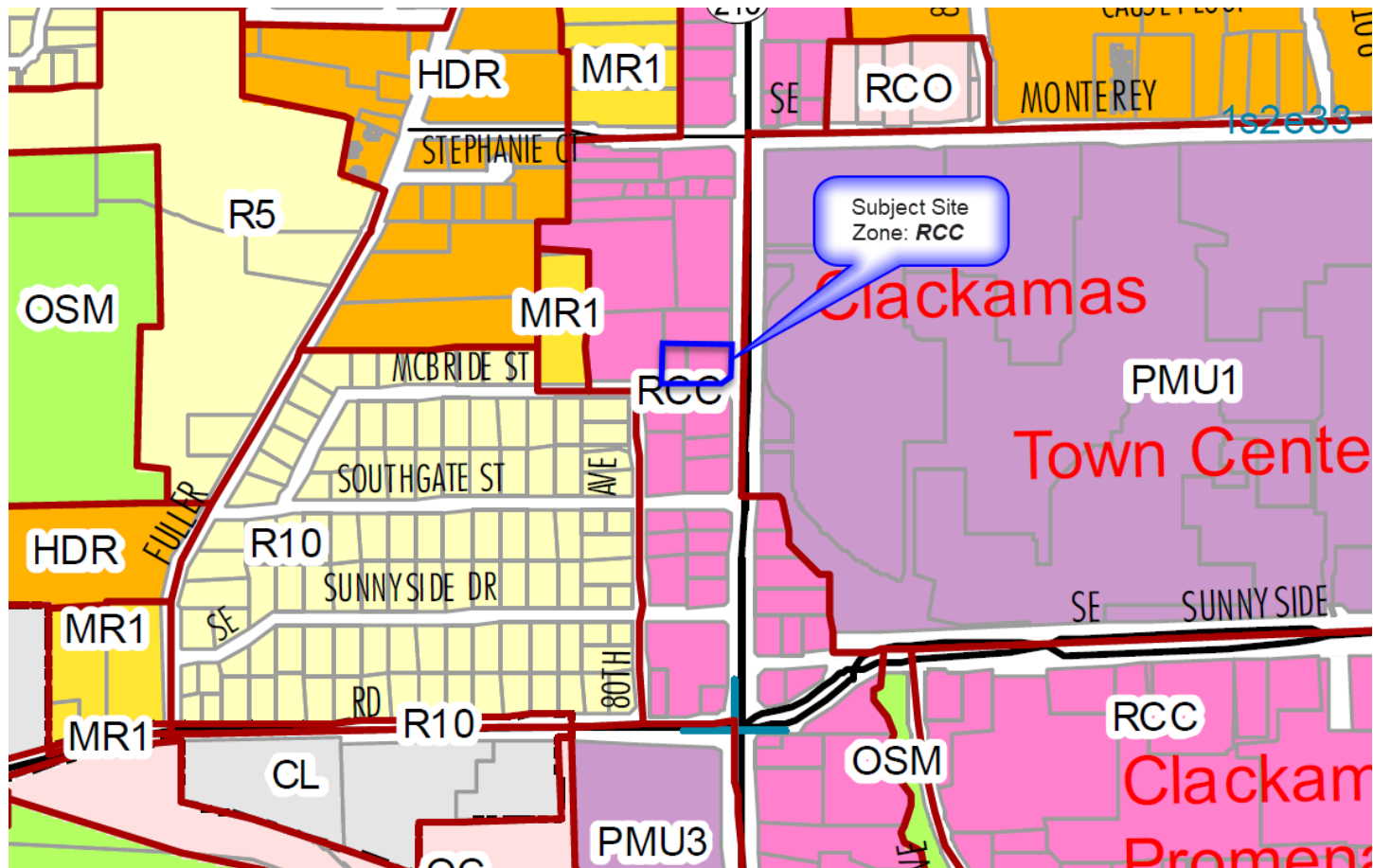
SUMMARY

The immediate market is along SE 82nd Avenue, a retail node approximately one half mile west from Interstate 205. This area is retail in character with a relatively wide range of alternative uses. Most of the construction in the immediate market area is older and is of fair to average condition excluding newer fast serve and retail center development.

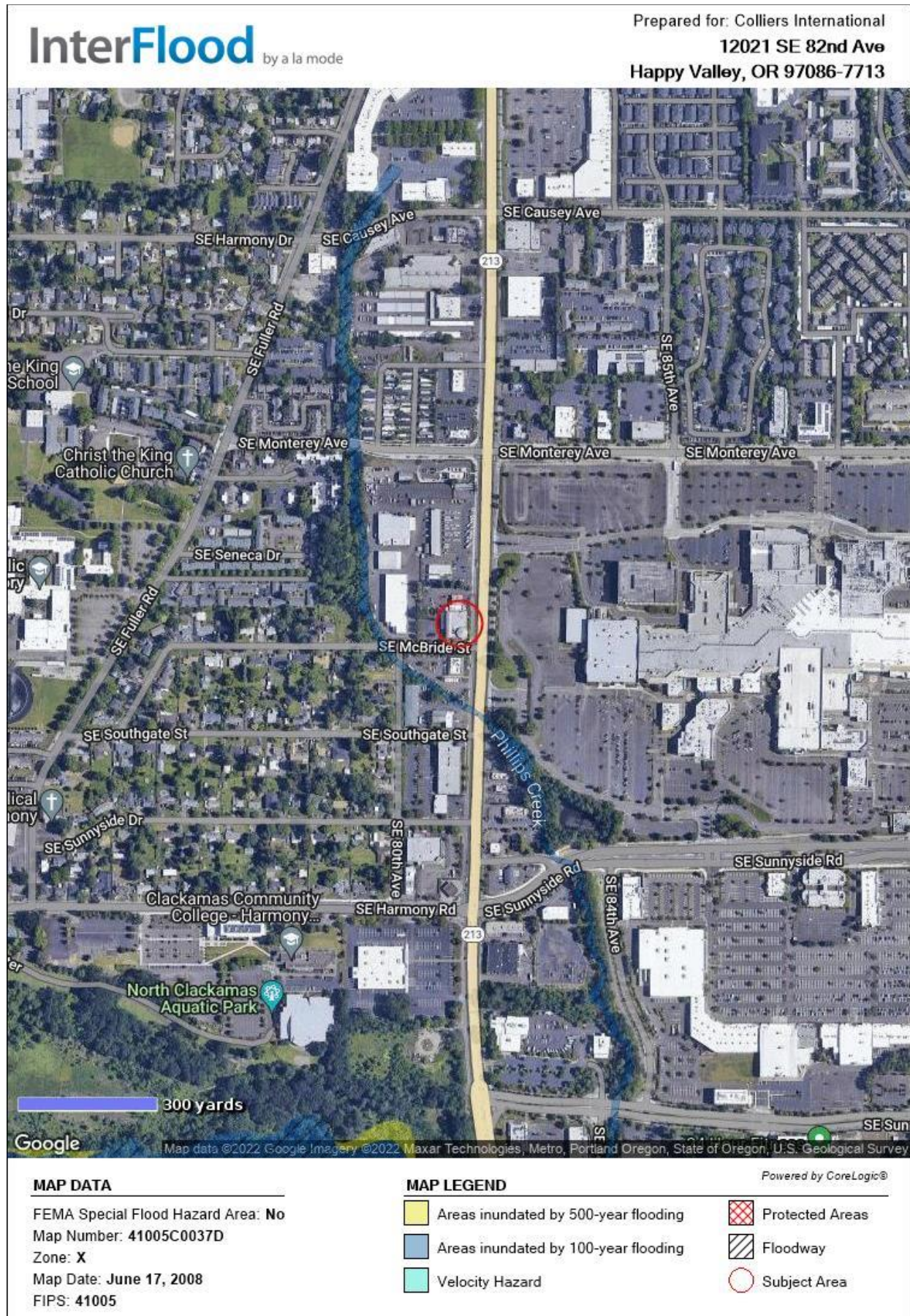
PLAT MAP



ZONING MAP



FLOOD MAP



SITE DESCRIPTION

General Description

The subject site consists of 2 parcels. As noted below, the subject site has 33,240 SF (0.76 AC) of land area. The area is estimated based on the assessor's parcel map, and may change if a professional survey determines more precise measurements. Going forward, our valuation analyses will utilize the usable site area. The following discussion summarizes the subject site size and characteristics.

MULTIPLE PARCEL SITE DESCRIPTION GRID

PARCEL	USABLE		UNUSABLE		EXCESS		SURPLUS		TOTAL	
	SF	AC	SF	AC	SF	AC	SF	AC	SF	AC
00111328	20,998	0.48	0	0.00	0	0.00	0	0.00	20,998	0.48
00111337	12,242	0.28	0	0.00	0	0.00	0	0.00	12,242	0.28
TOTAL	33,240	0.76	0	0.00	0	0.00	0	0.00	33,240	0.76

Assessor Parcels

See Multiple Parcel Chart For Breakdown

Number Of Parcels

2

Land Area

Acres

Square Feet

Primary Parcel	0.76	33,240
Unusable Land	0.00	0
Excess Land	0.00	0
Surplus Land	0.00	0

Total Land Area

0.76

33,240

Shape

See Multiple Parcel Chart For Breakdown

Topography

Level at street grade

Drainage

Assumed Adequate

Utilities

All available to the site

Street Improvements

Street	Direction	No. Lanes	Street Type	Curbs	Sidewalks	Streetslights	Center Lane	Gutters
SE 82nd Ave	two-way	two-lane	major arterial	✓	✓	✓	✓	✓
ME McBride St	two-way	two-lane	connector street	✓	✓	✓	✓	✓

Frontage

The subject has approximately 135 feet of frontage on SE 82nd Ave, 150 feet on ME McBride St

Traffic Counts

LOCATION	DATE	SOURCE	COUNT
SE Southgate	2022	MPSI	30,510
TOTAL			30,510

Accessibility

Average - The subject is located along Highway 213 (SE 82nd Ave) and within 1 mile of Interstate 205 and Highway 224. Access to the subject is offered through two full-access curb cuts on SE McBride St.

Exposure

Good - The subject is at a corner location at the intersection of a connector street and a well-traveled arterial.

Flood Zone	<p>Zone X (Unshaded). This is referenced by Community Number 415588, Panel Number 41005C0037D, dated June 17, 2008. Zone X (unshaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local stormwater drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25-percent of all flood claims filed are for structures located within these zones. Minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.)</p>
Site Rating	<p>Overall, the subject site is considered an average commercial site in terms of its location, exposure, and access to employment, education, and commercial services, recognizing its location within Clackamas County.</p>
Easements	<p>A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.</p>
Soils	<p>A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.</p>
Hazardous Waste	<p>We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.</p>

IMPROVEMENT DESCRIPTION

The information presented below is a basic description of the existing improvements using sources deemed dependable for this analysis. It is assumed that there are no hidden defects, and that all structural components are functional and operational, unless otherwise noted.

Property Type	Special Purpose - School/University
Design	Single-Tenant
Number of Buildings	1
Number of Stories	1
Net Rentable Area (NRA)	12,616 SF
Gross Building Area (GBA)	14,976 SF: the difference between to NRA and GBA is attributable to a 2,360 SF mezzanine. This space is functional for storage use and is treated as an amenity within the analysis ahead.
Occupancy	100.0% occupied by a third-party tenant
Construction	Concrete masonry unit construction
Site Coverage	38.0% (12,616 SF building footprint / 33,240 SF site area); this is within range of similar commercial development and is supported by the sales comparables presented ahead.
Land to Building Ratio	2.2 : 1
Parking	There are approximately 30 total parking spaces, which indicates a parking ratio of 2.4 spaces per 1,000 SF of NRA. This is below standards for typical development which range from 4.0 to 6.0 spaces per 1,000 SF of NRA.
Year Built	1998
Age/Life Analysis	
Actual Age	24 Years
Effective Age	20 Years
Economic Life	50 Years
Remaining Life	30 Years
Quality & Condition	The subject improvements are in average quality and average condition
Foundation	Concrete slab on grade foundation
Exterior Walls	Concrete construction with a mix of brick and glass envelope
Roof	Flat built-up roof with composite cover and gabled roof with metal cover
Insulation	Assumed to be standard and to code for both walls and ceilings
Heating / A/C	Roof mounted HVAC units
Lighting	A combination of hanging fluorescent, attached fluorescent, recessed canned, and decorative lighting fixtures
Interior Walls	Painted and textured sheetrock interior walls

Electrical	Assumed to meet the code requirements for the retail use
Ceilings	A combination of hanging acoustical tile and painted and textured sheetrock ceilings
Windows	Double pane glass in metal frame windows
Doors	Exterior doors consist primarily of glass in metal frame and solid metal; interior doors are solid wood
Floor Covering	A combination of vinyl, tile, sealed concrete, and commercial grade carpet flooring
Build Out	The subject is currently built out and functional for its use as school facility (middle college), and generally includes a reception and lobby area, private offices, workrooms, classrooms, and break rooms. It is noted that the space could also be utilized by a professional office user.
Plumbing	Men's and women's restrooms per floor and plumbing for break room spaces.
Fire Protection	The subject does include a fire sprinkler system
Site Improvements	The site area is improved with asphalt paving, concrete sidewalks, concrete curbing, pole mounted lights, and low maintenance sprinklered landscaping
Deferred Maintenance	Based on the onsite inspection and discussions with property contacts, it appears no deferred maintenance is present.
Functional Design	The improvements have a functional design for their use recognizing the build out and delineation for school use, and access and location characteristics within Clackamas County. As previously noted, the space could also be utilized by a professional office user or a retail user.
Hazardous Materials	This appraisal assumes that the improvements have been constructed free of all hazardous waste and toxic materials, including (but not limited to) asbestos.
ADA Compliance	This analysis assumes that the subject complies with all <i>ADA</i> requirements. Please refer to the Assumptions and Limiting Conditions section regarding this issue.

ASSESSMENT & TAXATION

The subject property is located within Clackamas County. The assessed value and property tax for the current year are summarized in the following table. It is noted that the subject currently receives a full tax exemption for its non-profit status.

ASSESSMENT & TAXES						
Tax Year	2021/2022			Tax Rate	-	
Tax Rate Area	012-051			Taxes Current	Yes	
Taxes SF Basis	Net Rentable Area					
APN	LAND	IMPV	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
00111328	\$927,964	\$3,697,850	\$4,625,814	\$2,835,624	\$0	\$0
00111337	\$440,535	\$19,700	\$460,235	\$282,124	\$0	\$0
Totals	\$1,368,499	\$3,717,550	\$5,086,049	\$3,117,748	\$0	\$0
Total/SF	\$108.47	\$294.67	\$403.14	\$247.13	\$0.00	\$0.00

Source: Clackamas County Assessment & Taxation

Subject Property Analysis

In Oregon, Measure 50 was passed in the May 20, 1997 special election. This measure establishes the maximum assessed value of property in Oregon for the 1997/1998 tax year as 90 percent of the property's real market value in the 1995/96 tax year. Any increases in assessed value for tax years following 1997/1998 are limited to 3 percent per year. Assessed value will be adjusted for new property or property improvements and certain other events. Certain local option taxes are permitted, if approved by voters. Measure 50 retains the existing total property tax rate for all property taxes, including local option taxes but excluding taxes for bonds at \$5 per \$1,000 of value for schools and \$10 per \$1,000 of value for non-school government.

Tax Comparables

Tax comparables are not applicable to the subject recognizing that the Clackamas County Assessor does not utilize "tax comps"; commercial properties are assessed utilizing a valuation model.

ZONING ANALYSIS

The zoning characteristics for the subject property are summarized below:

ZONING SUMMARY	
Municipality Governing Zoning	Clackamas County Planning & Zoning Department
Current Zoning	Regional Center Commercial (RCC)
Permitted Uses	Office, retail, and multi-family residential development
Current Use	School building
Is Current Use Legally Permitted?	Yes
Zoning Change	No

ZONING REQUIREMENTS

Conforming Use	The existing improvements represent a conforming use within this zone
Minimum Site Area (SF)	None to 43,560
Minimum Yard Setbacks	
Front (Feet)	5
Rear (Feet)	None
Side (Feet)	None
Maximum Site Coverage	90%
Maximum Building Height	None
Maximum Floor Area Ratio (FAR)	None
Parking Requirement	
Spaces Required	0.2 Spaces per Student or Staff Member
Spaces Provided	30

Source: Clackamas County Planning & Zoning Department

Zoning Conclusions

Based on the interpretation of the zoning ordinance, the subject property is an outright permitted use that could be rebuilt if unintentionally destroyed.

MARKET ANALYSIS

This section provides a study of retail supply/demand conditions for the Portland MSA Market and Clackamas/Milwaukie Submarket. These findings are used to support my conclusions for the competitive position, general vacancy and exposure period for the subject property.

PORTLAND MSA RETAIL MARKET

The following is an analysis of supply/demand trends in the Portland MSA Retail Market using information provided by CoStar. The table below presents historical data for key market indicators.

PORTLAND MSA HISTORICAL STATISTICS (LAST TEN YEARS)					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2012	121,130,811 SF	557,885 SF	418,267 SF	5.4%	\$15.37/SF
2013	121,455,949 SF	460,951 SF	775,901 SF	5.1%	\$15.65/SF
2014	122,386,173 SF	1,321,525 SF	1,460,425 SF	4.8%	\$16.20/SF
2015	122,554,011 SF	1,052,992 SF	582,943 SF	4.5%	\$16.73/SF
2016	123,104,754 SF	719,602 SF	1,091,096 SF	4.0%	\$17.22/SF
2017	123,345,474 SF	471,548 SF	685,299 SF	3.7%	\$18.11/SF
2018	123,778,311 SF	575,571 SF	833,662 SF	3.1%	\$18.40/SF
2019	123,943,303 SF	395,551 SF	(75,886) SF	3.1%	\$19.23/SF
2020	124,085,837 SF	190,231 SF	(966,755) SF	3.7%	\$19.48/SF
2021	124,246,537 SF	356,066 SF	191,880 SF	4.1%	\$19.82/SF
CAGR	0.3%	-	-	-	2.6%

*Supply numbers based on information which is amended/updated on an on-going basis by Costar.

Source: Costar®

The following table summarizes the trailing four quarter performance of the Portland MSA market.

PORTLAND MSA TRAILING FOUR QUARTER PERFORMANCE					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2021 Q3	124,188,012 SF	79,821 SF	342,263 SF	4.0%	\$19.82/SF
2021 Q4	124,246,537 SF	65,620 SF	50,896 SF	4.0%	\$19.96/SF
2022 Q1	124,288,352 SF	45,609 SF	496,137 SF	3.7%	\$20.61/SF
2022 Q2	124,357,746 SF	105,922 SF	87,521 SF	3.6%	\$20.71/SF

Source: Costar®

Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

PORTLAND MSA MARKET TREND ANALYSIS			
	Q2 2022	2021	Last 10
Total SF	124,357,746	124,246,537	123,003,116
Vacant SF	4,527,632	5,131,382	5,078,799
Market Vacancy	3.6%	4.1%	4.1%
Construction Growth Rate	0.1%	0.3%	0.3%
Absorption Rate	0.1%	0.2%	0.4%
Average Asking Rent/SF	\$20.71	\$19.82	\$17.62

Source: Costar®

Supply

The chart below summarizes current construction trends in the market area.

PORTLAND MSA RETAIL CONSTRUCTION ACTIVITY SUMMARY			
STATUS	NO. OF PROJECTS	SIZE (SF)	% OF SUPPLY
Under Construction	21	437,178	0.4%

Source: Costar®

Portland MSA Retail Market Conclusion

The Portland MSA retail market has demonstrated generally stable fundamentals over the past ten years. Positive market indicators included overall increasing asking rents and decreasing vacancy rates. However, the market experienced negative net absorption in 2019 and 2020 which led to vacancy increases. The slightly increasing vacancy rates over the past two years indicated a softening market trend. However, the past two quarters show slight vacancy decrease. Overall, it is anticipated that vacancy will continue to be flat or slightly increase in the near term throughout the Portland MSA due to the impact from the COVID-19 pandemic.

CLACKAMAS/MILWAUKIE SUBMARKET OVERVIEW

The following is an analysis of supply/demand trends in the CBD submarket using information provided by CoStar. The table below presents historical data for key market indicators.

CLACKAMAS/MILWAUKIE HISTORICAL STATISTICS (LAST TEN YEARS)					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2012	12,117,869 SF	11,234 SF	138,021 SF	4.8%	\$13.74/SF
2013	12,159,765 SF	43,736 SF	(15,115) SF	4.6%	\$13.85/SF
2014	12,211,552 SF	93,497 SF	197,586 SF	4.1%	\$15.48/SF
2015	12,120,731 SF	55,642 SF	(13,129) SF	3.5%	\$16.39/SF
2016	12,305,868 SF	211,443 SF	216,839 SF	3.0%	\$17.27/SF
2017	12,423,006 SF	127,086 SF	86,943 SF	2.8%	\$18.35/SF
2018	12,432,915 SF	15,213 SF	33,803 SF	3.0%	\$16.96/SF
2019	12,451,952 SF	21,287 SF	(40,759) SF	3.1%	\$18.53/SF
2020	12,481,937 SF	32,804 SF	(22,980) SF	3.1%	\$19.65/SF
2021	12,510,761 SF	33,148 SF	(96,802) SF	4.0%	\$20.20/SF
CAGR	0.3%	-	-	-	3.9%

*Supply numbers based on information which is amended/updated on an on-going basis by Costar.

Source: Costar®

The following table summarizes the trailing four quarter performance of the CBD submarket.

CLACKAMAS/MILWAUKIE TRAILING FOUR QUARTER PERFORMANCE					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2021 Q3	12,485,813 SF	0 SF	38,727 SF	4.0%	\$20.07/SF
2021 Q4	12,510,761 SF	24,948 SF	(41,789) SF	4.5%	\$19.69/SF
2022 Q1	12,513,122 SF	2,361 SF	61,126 SF	4.1%	\$20.13/SF
2022 Q2	12,522,224 SF	9,102 SF	(44,847) SF	4.5%	\$20.78/SF

Source: Costar®

Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

CLACKAMAS/MILWAUKIE MARKET TREND ANALYSIS			
	Q2 2022	2021	Last 10
Total SF	12,522,224	12,510,761	12,321,636
Vacant SF	561,081	504,184	443,702
Market Vacancy	4.5%	4.0%	3.6%
Construction Growth Rate	0.1%	0.3%	0.3%
Absorption Rate	(0.4%)	(0.8%)	0.4%
Average Asking Rent/SF	\$20.78	\$20.20	\$17.04

Source: Costar®

Clackamas/Milwaukie Submarket Conclusion

The submarket has generally included low vacancy rates over the last 10 years, with vacancy rates hitting a low of 2.8% in 2017 and a high of 4.8% in 2012. It is noted that vacancy has increased year over year since 2017

with negative net absorption in each of the previous three years. Vacancy has ranged from 4.0% to 4.5% over the previous year, with negative net absorption in two of the previous four quarters. Asking rents have generally increased over the last 10 years.

Similar to the overall office market, it is projected vacancy will be flat or continue to increase in the Portland market moving forward in the next 12 months due to the residual effects of the COVID-19 pandemic.

COVID-19 IMPACT / CURRENT ECONOMIC CONDITIONS

Impact to demand and values for real estate from the COVID-19 pandemic is necessary to understand the current real estate market. Colliers Valuation professionals have consulted with market participants and referenced many commercial real estate market research and forecast documents in preparation of this assignment to understand and monitor how the subject property may be impacted.

Jobless Claims and Unemployment Rate

An extremely large initial employment loss was experienced at the onset of the pandemic as restrictions were mandated and businesses temporarily shuttered to prevent further spreading of COVID-19, with the nation experiencing a jump in unemployment benefit claims by 6.6M on April 2nd, 2020 as employees were furloughed or laid off. However, claims are now back to and/or below normal averages since the April 2020 surge.

The initial claims resulted in a total US unemployment peak at 14.7% in April 2020. Since this time, shutdowns have been removed and vaccines became available. As the nation returned to a more normal environment and the economy began to expand/return to normal, the unemployment rate has returned to a natural level and stands at 3.6% as of May 2022.

Unemployment rate, 1948–2022

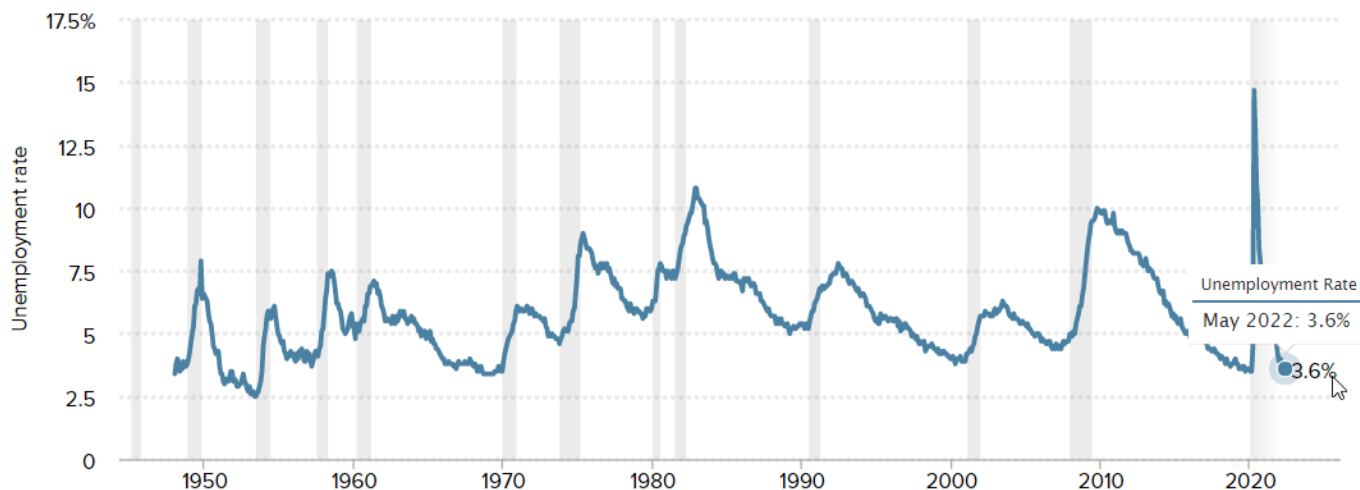


Chart Data

Note: Shaded areas denote recessions.

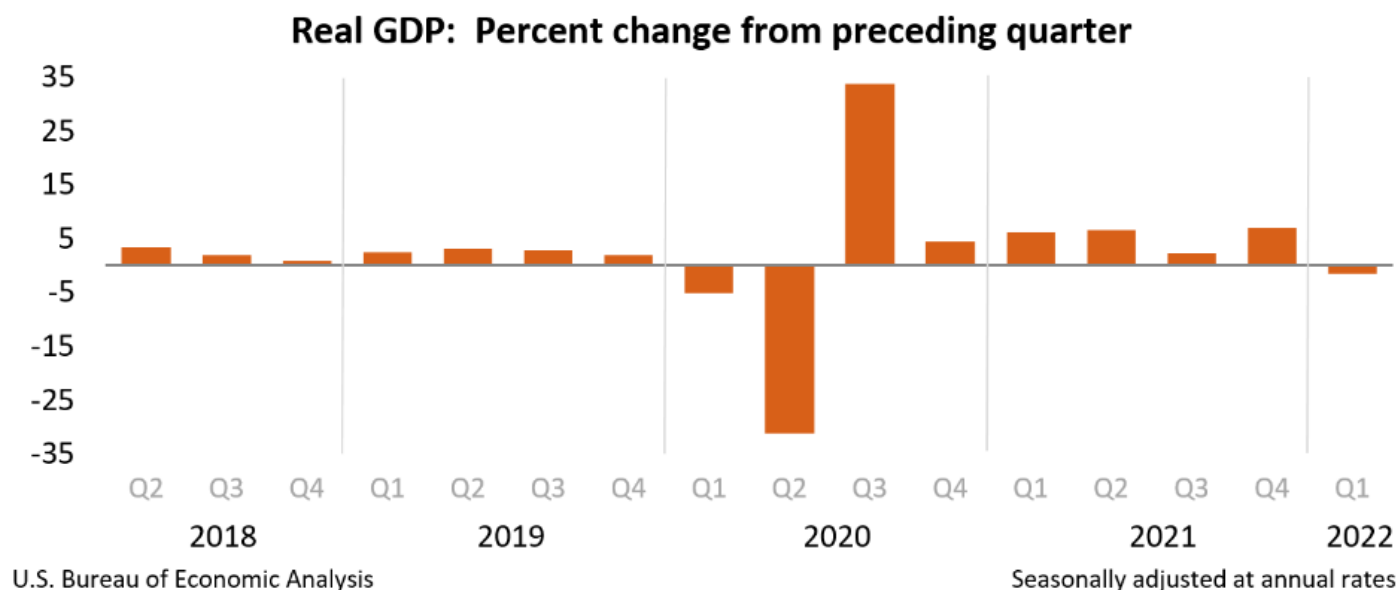
Source: EPI analysis of Bureau of Labor Statistics' Current Population Survey.

Economic Policy Institute

Economic Impact

In regard to U.S. economic impact, the following chart illustrates the current situation. Per the U.S. Bureau of Statistics, the real gross domestic product **decreased** in the 2020 second quarter at an annual rate of 32.9% at the onset of the pandemic. However, GDP increased 33.1% in Q3 of 2020, 4.1% in Q4 2020, 6.4% in Q1 of

2021, 6.6% in Q2, 2021, 2.1% in Q3, 2021, and 6.9% in Q4, 2021 upon reopening of the economy. However, a slight contraction of 1.5% occurred in Q1 2022.



Impact on the Local Market

How does this translate to commercial real estate and the local market? Although the commercial real estate market was impacted at the onset of the pandemic, all restrictions and mask mandates are currently lifted within Oregon, and similar to the national market and economy, Oregon has seen a return to normal.

Regarding current and future impact on commercial real estate, the below outlines understanding of each main product type based on research and market interviews.

Below is a summary of our interviews with local market participants:

Retail – most market participants and forecast believe the retail market is near a return to normal with increased leasing and sales velocity in the past two quarters. However, caution is still advised as some areas and sectors are still impacted or include soft conditions.

Office – broker interviews and current market forecasts include lower than typical market conditions for office over the next 12 months including slow market rent and per square foot value increases. Office demand has been/is still being impacted by a lack of employees returning to the office and/or new office standards with more allowance for work from home or flex options. This now has less to do with pandemic restrictions and / or fears, and more with more employees wanting to work from home or have flexible schedules. These changing characteristics have slowed absorption of office space in the current market.

Industrial – the industrial market was the least impacted of commercial real estate, and in fact, benefited from the pandemic due to changing buyer patterns to online retailing and grocery shopping. Based on market interviews, forecasts, and Colliers direct knowledge of local industrial properties, limited impact had been seen, and any impact has been primarily within retail industrial type properties including gyms and industrial showrooms, etc. Most of any impact within this sector has now passed.

CONCLUSION

Currently all COVID-19 related restrictions have been lifted within Oregon, including mask mandates (except certain locations such as hospitals, government buildings (if required by that governing body) nursing homes, airports, and public transportation). Overall, considering the recent unemployment rate lowering and gross

domestic product increasing, we had been experiencing economic expansion coming out of the pandemic recession.

However, it should be noted the most recent small contraction within the GDP and other economic indicators show a possible softening for the overall economy; however, this softening is not related to the COVID-19 pandemic.

SUBJECT IMPACT

Considering the property and tenancy type as a retail building, flat market conditions from March 2020 through the current date are modeled ahead.

GENERAL VACANCY CONCLUSION

Both the market and submarket have included vacancy increases in the past year. However, this is anticipated to be a short term increase due to the recession from the COVID-19 pandemic. Overall, a vacancy conclusion of 5% is applied considering the overall quality and condition, and life of the property outside of the anticipated vacancy increases in the near term.

MOST LIKELY BUYER

The subject is 100.0% occupied by a third-party tenant. The most likely buyer is an investor who would purchase the subject for the income producing ability.

EXPOSURE TIME & MARKETING PERIOD

Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys. The following table summarizes the information that was taken into consideration to develop an estimate of exposure time and marketing period for the subject property:

EXPOSURE TIME & MARKETING PERIOD						
SOURCE	QUARTER	RANGE		AVG	LAST Q	LAST YR
PriceWaterhouse Coopers						
National Strip Shopping Center	2Q 22	1.0	to 18.0	6.4	6.8	7.9
AVERAGE		1.0	to 18.0	6.4	6.8	7.9

The preceding information generally supports an exposure time range from 1 to 12 months for similar properties. The availability of acquisition financing also factors into exposure time and marketing period. My review of the local capital market indicate that adequate financing options would have been available to consummate a sale of the subject on the date of value. Based on our analysis of the subject property's location, size, quality/condition and owner-user tenancy the subject is considered to have average overall buyer appeal with an average competitive position if the asset was exposed to the open market indicating a conclusion toward the middle to lower end of the range for both the exposure time and marketing period. A conclusion of 6 Months or Less is well supported for the subject property pre-COVID-19. The COVID-19 pandemic initially resulted in longer exposure/marketing periods; however, this has transitioned to more typical exposure and marketing periods recently. Therefore, a conclusion at 6 Months or Less is applied.

Exposure Time Conclusion

Six Months Or Less

Marketing Period Conclusion

Six Months Or Less

HIGHEST AND BEST USE ANALYSIS

This section develops the highest and best use of the subject property as-vacant and as-improved. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive.

As-Vacant Analysis

Permitted uses of the subject's Regional Center Commercial (RCC) zoning were listed in the Zoning Analysis section and include office, retail, and multi-family residential development. Regarding physical characteristics, the subject site is rectangular in shape and has level topography with average access and good exposure. The subject site has frontage on an arterial and a connector street. The immediate area is developed with office, retail, and mixed-use development along major arterials that is interspersed with multi-family complexes and single-family residential development removed from arterials. Based on my observations of land development trends for sites with similar zoning and physical characteristics as the subject and analysis of current supply/demand trends, the highest and best use of the subject site as-vacant is commercial development.

As-Improved Analysis

The subject's Special Purpose (School/University) use (as-improved) is permitted outright by the RCC zoning. The legal factors influencing the highest and best use of the subject property support the existing use. The subject's improvements were constructed in 1998 and have a remaining economic life of 30 years based on my estimate. The project is of average quality construction and in average condition, with adequate service amenities. Legal, physical, locational and marketability factors support the existing use as the highest and best use of the subject site.

In addition to legal, physical and locational considerations, analysis of the subject property as-improved requires the treatment of alternative uses for the property. The five possible alternative treatments of the property are demolition, expansion, renovation, conversion, and the subject's use "as-improved". Among the five alternative uses, continued use improved as a special purpose property is the Highest and Best Use of the subject property as-improved. As previously noted, the space could also be utilized by a professional office user.

VALUATION METHODS

The following presentation of the appraisal process deals directly with the valuation of the subject property. The paragraphs below describe the standard approaches to value that were considered for this analysis.

Income Approach

The two fundamental methods of this valuation technique include Discounted Cash Flow and Direct Capitalization.

Characteristics specific to the subject property warrant that this valuation technique is developed. Development of the Income Approach is a specific scope requirement of this assignment. The subject is an investment property; therefore, the Income Approach represents the decision making process of knowledgeable buyers and sellers of this property type. The Direct Capitalization and Discounted Cash Flow analysis do not contribute substantially to estimating value and are not used in this analysis.

Sales Comparison Approach

Characteristics specific to the subject property do not warrant that this valuation technique to be developed. Development of the Sales Comparison Approach is not a specific scope requirement of this assignment. Due to unique characteristics of the interest being appraised or lack of market transactions of like substitute comparable properties, insufficient sales data is available to provide a credible value opinion by the Sales Comparison Approach. Based on this reasoning, the Sales Comparison Approach is not presented within this appraisal.

Land Valuation

Characteristics specific to the subject property warrant that a site value is developed. Development of the subject site value is a specific scope requirement of this assignment. Within the Site Valuation section, the subject is valued as one marketable economic site.

Cost Approach

Characteristics specific to the subject property do not warrant that this valuation technique is developed. Development of the Cost Approach is not a specific scope requirement of this assignment. The Cost Approach has limited applicability due to the age of the improvements and lack of market based data to support an estimate of accrued depreciation. Based on the preceding information, the Cost Approach will not be presented.

Reconciliation of Value Conclusions

The values presented within this analysis include the lease fee value of the subject site and leasehold value of the subject improvements. Due to both subject components being separately leased and owned, the net present value of the income streams to each component are analyzed ahead.

INCOME APPROACH

As previously discussed within the Valuation Methods section, the Direct Capitalization and Discounted Cash Flow analysis methods are not developed within this analysis.

DIRECT CAPITALIZATION

The first step in the direct capitalization method is to estimate the subject's durable rental income through reconciliation of the subject's in-place lease terms and market rent analysis. Next, I analyze other income items including reimbursements and miscellaneous revenue. Then, vacancy allowance and operating expenses are estimated based on analysis of the subject and market indicators. Finally, the resulting net operating income is capitalized at an appropriate supported rate. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

RENTAL INCOME ANALYSIS

In this section, I developed an opinion of the subject's rental income through examination of subject lease terms and market rent analysis. The rental income conclusion was reconciled taking into account such items as durability of in-place contract rents, lease escalations and market terms as measured by rent comparables.

Rent Roll

The following Rent Roll Summary reflects a breakdown of the individual tenant spaces and a snapshot of in-place contract rents including lease term, expense structure and base rent. It is noted that the lease includes flat rent with no annual escalations.

RENT ROLL SUMMARY										AS OF SEPTEMBER 2022		
SUITE	TENANT NAME	TOTAL NRA (SF)	% OF NRA	TENANT GROUP	LEASE TERMS			EXPENSE STRUCTURE	CURRENT BASE RENT			YEARLY ESC.
					START	END	YEARS		\$/SF(MO.)	\$/SF(YR.)	ANNUAL	
12021	Clackamas Middle College	12,616	100.0%	Retail	11/19	6/25	5.7	Triple Net	\$1.55	\$18.55	\$234,000	-
OCCUPIED SUBTOTALS		12,616	100.0%						\$1.55	\$18.55	\$234,000	
VACANT SUBTOTALS		0	0.0%									
TOTAL NRA		12,616	100.0%						\$1.55	\$18.55	\$234,000	

Asking Rent

As of the effective valuation date, the subject property is fully occupied; therefore, there were no asking rents to report.

Pending Leasing Activity

There are currently no pending leases within the subject property.

MARKET RENT ANALYSIS

This section examines competitive comparable properties within the marketplace to establish our opinion of market rent for the subject property. This allows for a comparison of the subject property's contract to what is attainable in the current market.

Adjustment Process

Quantitative adjustments are made to the comparable leases. The following adjustments or general market trends were considered for the basis of market rent analysis.

Transactional Adjustments If warranted, the comparable leases were adjusted for varying lease structures, atypical concessions and market conditions.

Property Adjustments Quantitative percentage adjustments were made for location and physical characteristics such as size, age, condition, exposure and parking ratio. It should

be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject.

The following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT

Per Year As Of March 2020 (PRE COVID-19) 3%

COVID-19 Impact Adjustment

The analysis applies an upward market conditions adjustment of 3% annually reflecting the conditions between the oldest comparable lease date up through March 15, 2020. Due to the slow economic conditions since, market conditions have been modeled as flat since that date.

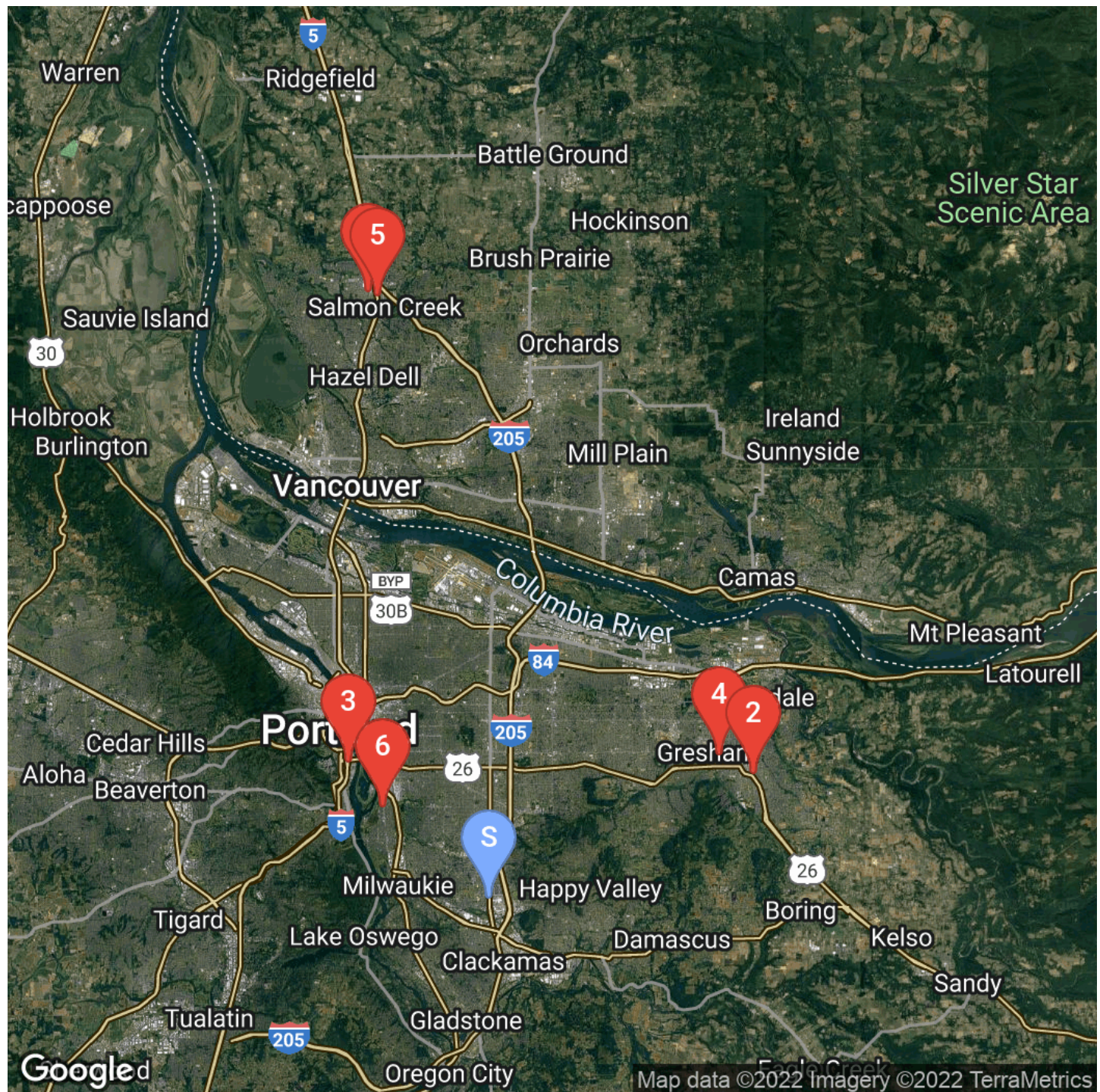
ANALYSIS OF COMPARABLE RETAIL LEASES

The Retail lease analysis is used to derive an opinion of market rent. The following pages present a summation table of the comparables selected for this analysis, a location map and comparable photographs, the lease comparable adjustment process and my market rent conclusion.

RETAIL LEASE SUMMATION TABLE

COMPARABLE	SUBJECT	LEASE 1	LEASE 2	LEASE 3	LEASE 4	LEASE 5	LEASE 6
Name	Clackamas Middle College	KinderCare	Children's Learning Center	Creative Starts Day Care	Gresham Daycare	Children's Village Daycare	Cadence Academy Condo
Address	12021 SE 82nd Ave	13315 NE 12th Ave	2793 SE Powell Valley Rd	3325 SW Moody Ave	135 NW Miller Ave	1900 NE 129th St	1540 SE Martins Ave
City	Happy Valley	Vancouver	Gresham	Portland	Gresham	Vancouver	Portland
State	OR	WA	OR	OR	OR	WA	OR
Zip	97086	98685	97080	97239	97030	98686	97202
PHYSICAL INFORMATION							
Property Type	Retail	Retail	Retail	Retail	Retail	Retail	Retail
NRA	12,616	10,193	6,300	19,200	2,259	6,455	4,239
Parking Ratio	2.4	3.0	3.3	0.0	2.2	2.9	0.0
Year Built	1998	2006	2000	1951	1950	2002	2009
LEASE INFORMATION							
Tenant Name		KinderCare	Children's Learning Center	Children's Creative Learning Center	Daycare Facility	Children's Village Daycare	Cadence Academy
Commencement Date		6/1/2019	1/1/2021	11/1/2020	7/25/2018	1/1/2018	4/1/2020
Lease Status		Signed	Signed	Signed	Signed	Signed	Signed
Rate Type		Absolute Net	NNN	NNN	NNN	NNN	NNN
Size (SF)		10,143	6,300	19,200	2,259	6,455	4,239
Term (Yrs)		15	10	5	5	10	11
Rent (\$/SF/Yr.)		\$24.00	\$17.82	\$21.74	\$18.60	\$20.61	\$19.00
Avg. Escalation/Yr		3.0%	0.2%	2.5%	3.0%	2.0%	3.0%
Concessions		-	-	-	-	-	-
TI's (\$/SF)		-	-	-	-	-	-
Confirmation Source		Leasing Broker	Internal Records	Internal Records	Leasing Broker	Property Owner	Leasing Broker

COMPARABLE RETAIL LEASE MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	TENANT	LEASE DATE	SF	\$/SF
SUBJECT	-	Clackamas Middle College	12021 SE 82nd Ave, Happy Valley, OR	-	-	-	\$18.50
No. 1	19.8 Miles	KinderCare	13315 NE 12th Ave, Vancouver, WA	KinderCare	6/1/2019	10,143	\$24.00
No. 2	9.4 Miles	Children's Learning Center	2793 SE Powell Valley Rd, Gresham, OR	Children's Learning Center	1/1/2021	6,300	\$17.82
No. 3	6.2 Miles	Creative Starts Day Care	3325 SW Moody Ave, Portland, OR	Children's Creative Learning	11/1/2020	19,200	\$21.74
No. 4	8.7 Miles	Gresham Daycare	135 NW Miller Ave, Gresham, OR	Daycare Facility	7/25/2018	2,259	\$18.60
No. 5	19.6 Miles	Children's Village Daycare	1900 NE 129th St, Vancouver, WA	Children's Village Daycare	1/1/2018	6,455	\$20.61
No. 6	4.5 Miles	Cadence Academy	1540 SE Martins Ave, Portland, OR	Cadence Academy	4/1/2020	4,239	\$19.00

COMPARABLE RETAIL RENT PHOTOGRAPHS

**COMPARABLE 1****COMPARABLE 2****COMPARABLE 3****COMPARABLE 4****COMPARABLE 5****COMPARABLE 6**

RETAIL LEASE ADJUSTMENT TABLE

COMPARABLE	SUBJECT	LEASE 1	LEASE 2	LEASE 3	LEASE 4	LEASE 5	LEASE 6
Name	Clackamas Middle College	KinderCare	Children's Learning Center	Creative Starts Day Care	Gresham Daycare	Children's Village Daycare	Cadence Academy Condo
Address	12021 SE 82nd Ave	13315 NE 12th Ave	2793 SE Powell Valley Rd	3325 SW Moody Ave	135 NW Miller Ave	1900 NE 129th St	1540 SE Martins Ave
City	Happy Valley	Vancouver	Gresham	Portland	Gresham	Vancouver	Portland
NRA	12,616	10,193	6,300	19,200	2,259	6,455	4,239
Parking Ratio	2.4	3.0	3.3	0.0	2.2	2.9	0.0
Year Built	1998	2006	2000	1951	1950	2002	2009
LEASE INFORMATION							
Tenant Name		KinderCare	Children's Learning Center	Children's Creative Learning Center	Daycare Facility	Children's Village Daycare	Cadence Academy
Commencement Date		6/1/2019	1/1/2021	11/1/2020	7/25/2018	1/1/2018	4/1/2020
Lease Status		Signed	Signed	Signed	Signed	Signed	Signed
Rate Type		Absolute Net	NNN	NNN	NNN	NNN	NNN
Size (SF)		10,143	6,300	19,200	2,259	6,455	4,239
Term (Yrs)		15.0	10.0	5.0	5.0	10.0	10.8
Rent (\$/SF/Yr.)		\$24.00	\$17.82	\$21.74	\$18.60	\$20.61	\$19.00
Avg. Escalation/Yr		3.0%	0.2%	2.5%	3.0%	2.0%	3.0%
Concessions		-	-	-	-	-	-
TI's (\$/SF)		-	-	-	-	-	-
TRANSACTIONAL ADJUSTMENTS							
Lease Type		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Market Conditions¹		2%	0%	0%	5%	7%	0%
Subtotal Eff Rent		\$24.48	\$17.82	\$21.74	\$19.53	\$22.05	\$19.00
PROPERTY ADJUSTMENTS							
Location		-10%	0%	-10%	0%	-5%	0%
Size		0%	0%	0%	0%	0%	0%
Quality		-5%	10%	5%	-10%	0%	-10%
Condition		0%	0%	0%	0%	0%	-5%
Exposure		0%	-5%	-5%	5%	-5%	5%
Access		-10%	-5%	-5%	0%	-5%	5%
Parking Ratio		0%	-5%	5%	0%	0%	5%
Subtotal Property Adj		-25%	-5%	-10%	-5%	-15%	0%
TOTAL ADJUSTED RENT		\$18.36	\$16.93	\$19.57	\$18.55	\$18.74	\$19.00
STATISTICS	UNADJUSTED	ADJUSTED					
LOW	\$17.82	\$16.93					
HIGH	\$24.00	\$19.57					
MEDIAN	\$19.81	\$18.65					
AVERAGE	\$20.30	\$18.53					

¹ Market Conditions Adjustment - Compound annual change in market conditions: 3%

Date of Value (for adjustment calculations): 3/1/20

RETAIL LEASE ANALYSIS

The comparable leases indicate an adjusted rental rate range from \$16.93/SF to \$19.57/SF, and average \$18.53/SF. Comparable 1 has been adjusted downward for its superior location, quality, and access. Comparable 2 has been adjusted upward for its inferior quality, and downward for its superior exposure, access, and parking ratio. Comparable 3 has been adjusted upward for its inferior quality and parking ratio, and downward for its superior location, exposure, and access. Comparable 4 has been adjusted upward for its inferior exposure, and downward for its superior quality. Comparable 5 has been adjusted downward for its superior location, exposure, and access. Comparable 6 has been adjusted upward for its inferior exposure, access, and parking ratio, and downward for its superior quality and condition.

RETAIL SPACE MARKET RENT CONCLUSION

Based on the preceding analysis, and with emphasis placed on all six Comparables due to their similar lower overall gross adjustments, market rent at \$18.50/SF has been estimated. The average contract rent at \$18.55 appears to be within reasonable tolerances of market and will be applied. The following table summarizes the analysis of the comparables leases and the Retail market rent conclusion.

RETAIL LEASE CONCLUSION TABLE								
LEASE	LEASE RATE	ADJUSTMENT				NET ADJ %	GROSS ADJ %	OVERALL COMPARISON
		TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL			
1	\$24.00	\$0.48	\$24.48	-25%	\$18.36	-24%	27%	PRIMARY
2	\$17.82	\$0.00	\$17.82	-5%	\$16.93	-5%	25%	PRIMARY
3	\$21.74	\$0.00	\$21.74	-10%	\$19.57	-10%	30%	PRIMARY
4	\$18.60	\$0.93	\$19.53	-5%	\$18.55	-0%	20%	PRIMARY
5	\$20.61	\$1.44	\$22.05	-15%	\$18.74	-9%	22%	PRIMARY
6	\$19.00	\$0.00	\$19.00	0%	\$19.00	0%	30%	PRIMARY
LOW	\$16.93					AVERAGE		\$18.53
HIGH	\$19.57					MEDIAN		\$18.65
		AVERAGE CONTRACT	ASKING	ACHIEVABLE MRKT RANGE			CONCLUSION	
Retail		\$18.55	N/A	\$17.00 - \$20.00			\$18.50	

¹Cumulative ²Additive (Includes Tenant Adjustments)

POTENTIAL GROSS RENT

My analysis and conclusions of the subject's potential gross rent are detailed as follows:

POTENTIAL GROSS RENT SUMMARY								AS OF SEPTEMBER 2022		
OCCUPIED SPACE										
TENANT	TOTAL NRA (SF)	% OF NRA	TENANT CATEGORY	CONTRACT RENT	MARKET RENT	CONTRACT V MARKET	BASIS FOR PROFORMA	RENT FORECAST		
								\$/SF(MO.)	\$/SF(YR.)	ANNUAL
Clackamas Middle College	12,616	100.0%	Retail	\$18.55	\$18.50	100%	Contract	\$1.55	\$18.55	\$234,000
OCCUPIED SUBTOTALS	12,616	100.0%	-			-	-	\$1.55	\$18.55	\$234,000
VACANT SPACE								MARKET POTENTIAL RENT (1)		
VACANT SUBTOTALS	0	0.0%						-	-	\$0
TOTAL	12,616	100.0%						\$1.55	\$18.55	\$234,000

(1) Potential rent at current market levels, reflected on an annual basis.

INCOME & EXPENSE ANALYSIS

In this section, I estimate additional revenue sources, vacancy and credit loss, and applicable operating expenses.

Additional Revenue

Based on my analysis of the subject's historical operations, there are no additional revenue generators present.

Expense Reimbursements

The subject is leased on a triple net lease structure in which the tenant is separately metered for utilities and directly responsible for property taxes, building insurance, and repairs and maintenance, and reimburse management fees and reserves. These reimbursements were based on the operating expenses that are concluded later in the Income Approach. A market 5% slippage has been applied. It is noted that the ground lease expense is not reimbursable.

VACANCY AND CREDIT LOSS

General vacancy was discussed in depth in the market analysis section of this report. My general vacancy and credit loss conclusions are summarized in the following table and are intended to mirror behavior of typical purchasers of the subject.

VACANCY & CREDIT LOSS	
General Vacancy Rate	5.0%
Credit Loss Conclusion	0.0%
Total	5.0%

CONCLUSION OF OPERATING EXPENSES

In the following section I discuss the individual expense conclusions for the subject property.

Please note, the ground lease terms are outlined ahead.

EXPENSE CONCLUSIONS				
EXPENSE	%EGI	\$/SF	TOTAL	COMMENT
Management Fees	3.0%	\$0.55	\$6,907	Management companies typically charge from 3.0% to 5.0% to manage properties similar to the subject and 3.0% has been concluded given the lower overall management burden of the single-tenant design. It is noted that the property is owner-managed and there is currently no management expense. However, a management fee would be typical for this property type, and it has been included.
Ground Rent	44.2%	\$8.06	\$101,736	The subject is located on leased land for a 20 year period with six options to renew for 5 years each. The actual current yearly amount is applied here.
Reserves	0.8%	\$0.15	\$1,892	Reserves for replacement are not typical yearly expenditures, rather the annualized costs of major future items such as roof replacement, HVAC replacement, or parking lot resurfacing.
TOTAL EXPENSES	48.0%	\$8.76	\$110,536	

NET OPERATING INCOME CONCLUSION

The table below summarizes the Net Operating Income conclusion.

NET OPERATING INCOME SUMMATION TABLE					
INCOME ITEMS	%PGI	%EGI	\$/SF(MO.)	\$/SF(YR.)	TOTAL
Base Contract Income			\$1.55	\$18.55	\$234,000
TOTAL RENTAL INCOME			\$1.55	\$18.55	\$234,000
REIMBURSEMENTS					
Expense Reimbursements			\$0.06	\$0.66	\$8,360
TOTAL REIMBURSEMENTS			\$0.06	\$0.66	\$8,360
POTENTIAL GROSS INCOME (PGI)	100.0%	105.3%	\$1.60	\$19.21	\$242,360
VACANCY & CREDIT LOSS					
General Vacancy		(5.0%)	(\$0.08)	(\$0.96)	(\$12,118)
TOTAL VACANCY & CREDIT LOSS		(5.0%)	(\$0.08)	(\$0.96)	(\$12,118)
EFFECTIVE GROSS INCOME (EGI)	95.0%	100.0%	\$1.52	\$18.25	\$230,242
EXPENSE ITEMS					
Management Fees	(2.9%)	(3.0%)	(\$0.05)	(\$0.55)	(\$6,907)
Ground Rent	(42.0%)	(44.2%)	(\$0.67)	(\$8.06)	(\$101,736)
Reserves	(0.8%)	(0.8%)	(\$0.01)	(\$0.15)	(\$1,892)
TOTAL EXPENSES	(45.6%)	(48.0%)	(\$0.73)	(\$8.76)	(\$110,536)
NET OPERATING INCOME (NOI)	49.4%	52.0%	\$0.79	\$9.49	\$119,706

NET PRESENT VALUE OF CONTRACT RENT

The previously concluded NOI has been escalated at 3% per year to adjust for market conditions; however, it is noted that the subject lease includes flat rent for the remainder of the term, and no escalations have therefore been applied for the first three years below. A 5% discount rate has been applied based on known market averages and overall risk characteristics. The duration of the lease has been extended to match the duration of the ground lease, which expires December 1, 2048. Therefore, only 2 months are modeled in the final year. The Net Present Value has been presented in the table below.

NPV OF CONTRACT RENT			
YEAR	RENTAL INCOME	PV FACTOR	PRESENT
	CONTRACT	x @ 5.00%	= VALUE
1	\$119,706	0.9524	\$114,006
2	\$119,706	0.9070	\$108,577
3	\$119,706	0.8638	\$103,407
4	\$123,297	0.8227	\$101,437
5	\$126,996	0.7835	\$99,505
6	\$130,806	0.7462	\$97,609
7	\$134,730	0.7107	\$95,750
8	\$138,772	0.6768	\$93,926
9	\$142,935	0.6446	\$92,137
10	\$147,223	0.6139	\$90,382
11	\$151,640	0.5847	\$88,661
12	\$156,189	0.5568	\$86,972
13	\$160,875	0.5303	\$85,315
14	\$165,701	0.5051	\$83,690
15	\$170,672	0.4810	\$82,096
16	\$175,792	0.4581	\$80,532
17	\$181,066	0.4363	\$78,999
18	\$186,498	0.4155	\$77,494
19	\$192,093	0.3957	\$76,018
20	\$197,856	0.3769	\$74,570
21	\$203,792	0.3589	\$73,149
22	\$209,905	0.3418	\$71,756
23	\$216,202	0.3256	\$70,389
24	\$222,688	0.3101	\$69,049
25	\$229,369	0.2953	\$67,733
26	\$236,250	0.2812	\$66,443
27	\$40,556	0.2678	\$10,863
NET PRESENT VALUE			\$2,240,467
NET PRESENT VALUE OF CONTRACT RENT			\$2,240,000

Rounded to nearest \$10,000

LAND VALUATION

As previously discussed within the Valuation Methods section, the subject is valued as one marketable economic site in this appraisal. The most relevant unit of comparison is the price per square foot, as it best reflects the analysis used by buyers and sellers in this market for land with similar utility and zoning. A thorough search was made for similar land sales in terms of proximity to the subject, size, location, development potential, and date of sale. Overall, the sales selected represent the best comparables available for this analysis.

Adjustment Process

The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments including property rights transferred, financing terms, conditions of sale, expenditures after purchase such as demolition costs and market conditions. The following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT		
Per Year As Of	March 2020 (PRE COVID-19)	3%

COVID-19 Impact Adjustment

The analysis applies an upward market conditions adjustment of 3% annually reflecting the conditions between the oldest comparable lease date up through March 15, 2020. Due to the slow economic conditions since, market conditions have been modeled as flat since that date.

Property Adjustments

Quantitative percentage adjustments are also made for location and physical characteristics such as size, shape, access, exposure, topography, zoning and overall utility. Where possible the adjustments applied are based on paired data or other statistical analysis. It should be stressed that the adjustments are subjective in nature and are meant to illustrate my logic in deriving a value opinion for the subject site.

Presentation

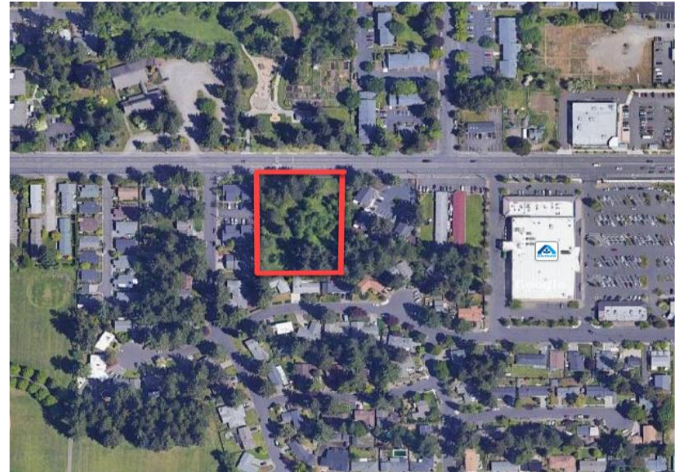
The following Land Sales Summation Table, Location Map and plat maps summarize the sales data used in this analysis. Following these items, the comparable land sales are adjusted for applicable elements of comparison and the opinion of site value is concluded.

LAND SALES SUMMATION TABLE							
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	Clackamas Middle College	Hall Blvd Site	Glisan Land	Berry Ranch Land	Redevelopment Land	TV Highway Commercial Land	Heartland Dental Pad Site
Address	12021 SE 82nd Ave	8900 SW Hall Blvd	17616 NE Glisan St	11108 SE Powell Blvd	14110 SE McLoughlin Blvd	SE TV Highway and 70th Ave	11610 NE 119th St
City	Happy Valley	Portland	Gresham	Portland	Milwaukie	Hillsboro	Vancouver
State	OR	OR	OR	OR	OR	OR	WA
Zip	97086	97223	97030	97266	97267	97123	98662
PHYSICAL INFORMATION							
Acres	0.76	0.56	0.68	0.68	0.87	2.08	0.44
SF	33,240	24,394	29,621	29,677	37,897	90,605	19,166
Shape	Rectangular	Irregular	Rectangular	Rectangular	Rectangular	Irregular	Rectangular
Zoning	RCC	CS	CMF	CM1	C-3	C-G	CC
Corner	Yes	No	No	No	No	No	No
Topography	Level	Level	Level	Level	Level	Level	Level
Utilities	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Easements	Standard	Standard	Standard	Standard	Standard	Standard	Standard
Envrmtl Issues	None Noted	None Noted	None Noted	None Noted	None Noted	None Noted	None Noted
SALE INFORMATION							
Date		3/3/2021	2/2/2022	2/26/2020	11/17/2021	4/29/2021	5/10/2021
Status		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Price		\$925,000	\$800,000	\$585,000	\$1,042,000	\$2,550,000	\$650,000
Analysis Price		\$975,000	\$800,000	\$635,000	\$1,042,000	\$2,550,000	\$650,000
\$/SF Land		\$39.97	\$27.01	\$21.40	\$27.50	\$28.14	\$33.91
Confirmation Source		Seller's Broker	Seller's Broker	Buyer's Rep.	Seller's Broker	Seller's Broker	Seller's Broker

LAND SALES EXHIBITS



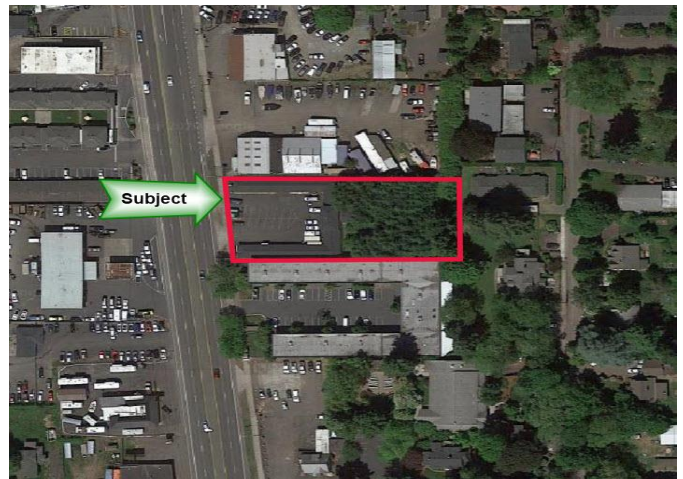
COMPARABLE 1



COMPARABLE 2



COMPARABLE 3



COMPARABLE 4



COMPARABLE 5



COMPARABLE 6

LAND SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	Clackamas Middle College	Hall Blvd Site	Glisan Land	Berry Ranch Land	Redevelopment Land	TV Highway Commercial Land	Heartland Dental Pad Site
Address	12021 SE 82nd Ave	8900 SW Hall Blvd	17616 NE Glisan St	11108 SE Powell Blvd	14110 SE McLoughlin Blvd	SE TV Highway and 70th Ave	11610 NE 119th St
City	Happy Valley	Portland	Gresham	Portland	Milwaukie	Hillsboro	Vancouver
Acres	0.76	0.56	0.68	0.68	0.87	2.08	0.44
SF	33,240	24,394	29,621	29,677	37,897	90,605	19,166
Shape	Rectangular	Irregular	Rectangular	Rectangular	Rectangular	Irregular	Rectangular
Zoning	RCC	CS	CMF	CM1	C-3	C-G	CC
Corner	Yes	No	No	No	No	No	No
Topography	Level	Level	Level	Level	Level	Level	Level
Utilities	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Easements	Standard	Standard	Standard	Standard	Standard	Standard	Standard
Envmtl Issues	None Noted	None Noted	None Noted	None Noted	None Noted	None Noted	None Noted
SALE INFORMATION							
Date		3/3/2021	2/2/2022	2/26/2020	11/17/2021	4/29/2021	5/10/2021
Status		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Analysis Price		\$975,000	\$800,000	\$635,000	\$1,042,000	\$2,550,000	\$650,000
Price/SF		\$39.97	\$27.01	\$21.40	\$27.50	\$28.14	\$33.91
TRANSACTIONAL ADJUSTMENTS							
Property Rights		0%	0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%	0%
Expenditures After the Sale		0%	0%	0%	0%	0%	0%
Market Conditions¹		0%	0%	0%	0%	0%	0%
Subtotal Transactional Adj Price		\$39.97	\$27.01	\$21.40	\$27.50	\$28.14	\$33.91
PROPERTY ADJUSTMENTS							
Location		-10%	10%	10%	0%	0%	-5%
Size		0%	0%	0%	0%	5%	-5%
Exposure		-5%	0%	10%	0%	0%	0%
Access		-5%	0%	0%	0%	0%	0%
Shape		0%	0%	0%	0%	0%	0%
Site Utility Rating		0%	0%	0%	0%	0%	0%
Zoning		0%	0%	0%	0%	0%	0%
Subtotal Property Adjustment		-20%	10%	20%	0%	5%	-10%
TOTAL ADJUSTED PRICE		\$31.98	\$29.71	\$25.68	\$27.50	\$29.55	\$30.52
STATISTICS	UNADJUSTED	ADJUSTED					
LOW	\$21.40	\$25.68					
HIGH	\$39.97	\$31.98					
MEDIAN	\$27.82	\$29.63					
AVERAGE	\$29.66	\$29.16					

¹ Market Conditions Adjustment: 3%

Date of Value (for adjustment calculations): 3/1/20

LAND SALES ANALYSIS

The comparable sales indicate an adjusted value range from \$25.68/SF to \$31.98/SF, and average \$29.16/SF. Comparable 1 has been adjusted downward for its superior location, exposure, and access. Comparable 2 has been adjusted upward for its inferior location. Comparable 3 has been adjusted upward for its inferior location and exposure. Comparable 4 is overall generally similar to the subject, and no further adjustments have been made. Comparable 5 has been adjusted upward for its larger size placing downward pressure on price per square foot. Comparable 6 has been adjusted downward for its superior location, as well as for its smaller size placing upward pressure on price per square foot.

CALCULATION OF LAND VALUE

Based on the preceding analysis, and with emphasis placed on Comparables 1 through 5 due to their similar

lower overall gross adjustments, a value at \$29.00/SF has been estimated and applied. The following table summarizes the analysis of the comparables, reports the reconciled price per square foot value conclusion, and presents the concluded value of the subject site.

CALCULATION OF LAND VALUE								
COMP	ANALYSIS PRICE	ADJUSTMENT				NET ADJ %	GROSS ADJ %	OVERALL COMPARISON
		TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL			
1	\$39.97	0%	\$39.97	-20%	\$31.98	-20%	20%	PRIMARY
2	\$27.01	0%	\$27.01	10%	\$29.71	10%	10%	PRIMARY
3	\$21.40	0%	\$21.40	20%	\$25.68	20%	20%	PRIMARY
4	\$27.50	0%	\$27.50	0%	\$27.50	0%	0%	PRIMARY
5	\$28.14	0%	\$28.14	5%	\$29.55	5%	5%	PRIMARY
6	\$33.91	0%	\$33.91	-10%	\$30.52	-10%	10%	SECONDARY
LOW	\$25.68					AVERAGE		\$29.16
HIGH	\$31.98					MEDIAN		\$29.63
COMPONENT		SUBJECT SF		\$/SF CONCLUSION			VALUE	
TOTAL PROPERTY		33,240	x	\$29.00	=		\$960,000	

¹Cumulative ²Additive

Rounded to nearest \$10,000

NET PRESENT VALUE OF GROUND LEASE

The subject is currently on a ground lease that includes 12.5% escalations every 5 years. The base lease term was from December 1, 1998 for 20 years, and the lease is currently in its first extension term. The lease includes six 5-year lease extensions with the previously mentioned escalations, and expires November 31, 2048. Therefore, it is noted that 2 months of ground rent are modeled in the final year. The current ground lease rent at \$101,736 has been applied with 12.5% escalations every 5 years, and a discount rate of 7.5% has been applied based on known market averages, known ground lease sales, and risk characteristics to a land ground lease. In addition, the reversion of the land value has been applied in the final year with a 3% per year escalation to account for market conditions. The Net Present Value has been presented below.

NPV OF GROUND LEASE

YEAR	RENTAL INCOME	x	PV FACTOR	=	PRESENT VALUE
	CONTRACT		@ 7.50%		
1	\$101,736		0.9302		\$94,638
2	\$112,334		0.8653		\$97,206
3	\$114,453		0.8050		\$92,130
4	\$114,453		0.7488		\$85,702
5	\$114,453		0.6966		\$79,723
6	\$114,453		0.6480		\$74,161
7	\$126,375		0.6028		\$76,173
8	\$128,760		0.5607		\$72,196
9	\$128,760		0.5216		\$67,159
10	\$128,760		0.4852		\$62,473
11	\$128,760		0.4513		\$58,115
12	\$142,172		0.4199		\$59,692
13	\$144,855		0.3906		\$56,575
14	\$144,855		0.3633		\$52,628
15	\$144,855		0.3380		\$48,956
16	\$144,855		0.3144		\$45,540
17	\$159,944		0.2925		\$46,776
18	\$162,961		0.2720		\$44,334
19	\$162,961		0.2531		\$41,241
20	\$162,961		0.2354		\$38,363
21	\$162,961		0.2190		\$35,687
22	\$159,944		0.2037		\$32,582
23	\$162,961		0.1895		\$30,881
24	\$162,961		0.1763		\$28,726
25	\$162,961		0.1640		\$26,722
26	\$162,961		0.1525		\$24,858
27	\$2,097,488		0.1419		\$297,626
NET PRESENT VALUE					\$1,770,863
NET PRESENT VALUE OF CONTRACT RENT					\$1,770,000

Rounded to nearest \$10,000

RECONCILIATION OF VALUE CONCLUSIONS

The Analysis of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property.

After considering all factors relevant to the valuation of the subject property, the concluded values are:

ANALYSIS OF VALUE CONCLUSIONS		
VALUATION INDICES	RETROSPECTIVE VALUE AS-IS	AS-IS MARKET VALUE
INTEREST APPRAISED	LEASED FEE (LAND)	LEASEHOLD (BLDG)
DATE OF VALUE	SEPTEMBER 13, 2022	SEPTEMBER 13, 2022
Net Present Value	\$1,770,000	\$2,240,000
FINAL VALUE CONCLUSION	\$1,770,000	\$2,240,000
\$/SF	\$140/SF	\$178/SF
Exposure Time		Six Months or Less
Marketing Period		Six Months or Less

My opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions of the signer are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The signer of this report has 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.
- Jeff Buono, MAI has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- The signer is not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
- Jeff Buono, MAI inspected the property that is the subject of this report (interior/exterior) and the comparables (exterior).
- Forrest Davidson provided significant real property appraisal assistance to the appraisers signing the certification.
 - (A) Define the appraisal problem;
 - (B) Conduct preliminary analysis, select and collect applicable data;
 - (C) Conduct an analysis of the subject property;
 - (D) Conduct highest and best use analysis;
 - (E) Estimate land value, including on-site improvements
 - (F) Estimate value of the property using the income and sales comparison approaches;
 - (G) Reconcile the value indication and reconcile the final value estimate; and
 - (H) Report estimate(s) of value(s) as defined.

This assistance falls under categories A-E; G-H as defined by OAR 161-025-0025(2)(a)(A-H).

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report Jeff Buono, MAI completed the continuing education program for Designated Members of the Appraisal Institute.



Jeff Buono, MAI
 Senior Valuation Services Director
 Certified General Real Estate Appraiser
 State of Oregon License #C001055
 +1 503 542 5414
 jeff.buono@colliers.com

September 21, 2022

Date

This appraisal is subject to the following assumptions and limiting conditions:

- The appraiser may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- The appraiser assumes no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- The appraiser may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- The statements of value and all conclusions shall apply as of the dates shown herein.
- There is no present or contemplated future interest in the property by the appraiser which is not specifically disclosed in this report.
- Without the written consent or approval of the author neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraiser and the firm with which the appraiser is connected.
- This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the author no portion of the report stands alone.
- The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- The appraiser is not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal

injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- The appraiser assumes no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

Engagement Letter

Valuation Glossary

Qualifications of Appraiser

Qualifications of Colliers International Valuation & Advisory Services

Snell & Wilmer

1455 SW BROADWAY, SUITE 1750
PORTLAND, OR 97201
503.624.6800 P
503.624.6888 F

Victor J Roehm
(714) 427-7462
vroehm@swlaw.com

August 19, 2022

VIA E-MAIL

Jeff Bueno, MAI
Senior Valuation Services Director
Colliers
851 SW 6th Avenue, Suite 200
Portland, OR 97204
jeff.bueno@colliers.com

*RE: Client-Attorney Privileged Appraisal Engagement;
Property Located at 120221 SE 82nd Avenue, Happy Valley, OR*

Dear Jeff:

We represent Clackamas Middle College ("Client") in connection with certain transactions involving the above-referenced property and, in our capacity as attorneys for the Client, we request that you complete an appraisal of the above-referenced property. Upon formal acceptance of the referenced assignment and the terms and conditions, schedules, and all other documents attached hereto, which are incorporated in full by this reference, you are hereby authorized to perform the requested professional appraisal services. General conditions of the assignment are as follows:

Appraisal Standards: Unless otherwise stipulated in this agreement, the assignment must be completed in accordance with all applicable real estate appraisal standards including the Uniform Standards of Professional Appraisal Practice (USPAP) and applicable Federal and State regulations.

Report Ownership: Your acceptance of this assignment will confirm that Snell & Wilmer L.L.P. owns the appraisal reports that you provide, and that Snell & Wilmer L.L.P. will be under no restrictions regarding redistribution to other interested parties of its choice.

Modification: Should you determine that the scope of work requested is different than required or otherwise inappropriate, please contact the undersigned for instructions on how to proceed. Any changes by you to this agreement must be authorized in writing.

Confidentiality: Please allow the undersigned to serve as your sole contact regarding this assignment. If you need further information regarding the assignment, please let us know. Unless specifically stated otherwise, information provided by this firm, the Client or the owner of the property in conjunction with this assignment shall be considered confidential and may not be used or shared except as necessary for the completion of this assignment or as required by law or appropriate professional standards or organizations.

Snell & Wilmer

Jeff Buono, MAI
August 19, 2022
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By accepting this engagement, you will be agreeing to keep any reports provided in conjunction with this assignment, and the conclusions reached therein, confidential. You are not to deliver copies of such reports to any other person or entity without the written approval of the undersigned.

Sincerely,


Snell & Wilmer L.L.P.



Victor J. Roehm II

ACCEPTED:

COLLIERS

By: 
Name: Jeff Buono, MAI
Title: Senior Valuation Services Director | Portland
Date: August 23, 2022

Jeff Buono, MAI

August 19, 2022

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SCHEDULE A

ASSIGNMENT AND SCOPE OF WORK

Service:	Real estate appraisal
Certification:	Listed appraiser and/or designees
Report Type:	Comprehensive. Client representatives may perform an administrative or technical review of the report. Your full cooperation in the review process is deemed to be an integral part of this assignment. The assignment will not be considered complete until Snell & Wilmer L.L.P. and the Client determine that the report has been satisfactorily prepared.
Intended Use / Intended Users:	The report is intended for use as an aid in acquisition, financing, loan classification and/or asset disposition. Intended users of the report may include: the Client and its affiliates or subsidiaries, other participating financial institutions, governmental/non-governmental agencies, legal counsel or other transaction participants.
Report Addressee:	Clackamas Middle College c/o Snell & Wilmer L.L.P. 1455 SW Broadway Suite 1750 Portland, OR 97201 Attn: Victor Roehm
Report Distribution:	By email to Victor Roehm (vroehm@swlaw.com)
Report Format:	Adobe PDF; please mark the cover page of the report with: “Attorney-Client Privilege – Attorney Work Product. This appraisal is being requested in anticipation of possible litigation.”
Delivery Due Date:	September 19, 2022
Fee:	The Client will be responsible for payment of your fee. No retainer will be required from either Snell and Wilmer L.L.P. or the Client in connection with this assignment.
Invoice:	Invoices will be submitted Clackamas Middle College, c/o Snell & Wilmer L.L.P., 1455 SW Broadway, Suite 1750, Portland, OR 97201, Attn: Victor Roehm. Please reference the owner and property address to ensure proper identification of the assignment.
Owner:	L.J. Clackamas, LLC, a Washington limited liability company (please confirm current record owner of property).
Property Address:	120221 SE 82nd Avenue, Happy Valley, OR
Property Type:	Charter School (Previously Retail)
Interest Appraised:	Leasehold Improvements; Leased Fee Site
Values Requested:	Market Value As-Is Value

Jeff Buono, MAI
August 19, 2022
Page 4

Property Contact:	Brian Sien, Ed.D., Principal 503-518-5925
Other Information:	

Unless specified otherwise, these definitions were extracted from the following sources or publications:

The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022 (Dictionary).

Uniform Standards of Professional Appraisal Practice, 2020-2022 Edition (USPAP).

The Appraisal of Real Estate, Fifteenth Edition, Appraisal Institute, Chicago, Illinois, 2020 (15th Edition).

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)*

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. *(15th Edition)*

Arm's-length Transaction

A transaction between unrelated 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)*

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. *(Dictionary)*

Average Daily Room Rate (ADR)

In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. *(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. *(Dictionary)*

Cash-Equivalent Price

The sale price of a property that is equivalent to what a cash buyer would pay. *(Dictionary)*

Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. *(Dictionary)*

Contract Rent

The actual rental income specified in a lease. *(15th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple estate by estimating the cost new as of the effective date of the appraisal to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property rights being appraised. *(Dictionary)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw involving the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. *(Dictionary)*

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

Depreciation

In appraisal, a loss in the value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date. *(Dictionary)*

Direct Costs

Expenditures for the labor and materials used in the construction of improvements; also called *hard costs*. *(Dictionary)*

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value. *(Dictionary)*

Disposition Value

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

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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)*

Easement

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(15th Edition)*

Economic Life

The period over which improvements to real estate 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 on which the appraisal or review opinion applies (SVP) *(Dictionary)*

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate 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 sale price (or value) of a property and its effective gross income. *(Dictionary)*

Effective Rent

The total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions - e.g. free rent, excessive tenant improvements, moving allowances, lease buyouts, cash allowances, and other lease incentives. *(15th Edition)*

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

Entrepreneurial Incentive

The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project. *(Dictionary)*

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur received for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. *(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 has the potential to be sold separately and is valued separately. *(Dictionary)*

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the lessor and may reflect superior management, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(15th Edition)*

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

An opinion, based on supporting market data, of the length of time that 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. *(USPAP)*

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. *(USPAP)*

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent. There are two forms of external obsolescence: economic and locational. *(Dictionary)*

Fair Market Value

In nontechnical usage, a term that is equivalent to the contemporary usage of *market value*.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency or interpreted differently by court precedent. *(Dictionary)*

Feasibility Analysis

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

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-ground floor area of a building, as described by the zoning or 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 a building is twice the total land area. *(Dictionary)*

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. *(Dictionary)*

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is 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 rooms. *(Dictionary)*

Furniture, Fixtures, and Equipment (FF&E)

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

Going-concern

An established and operating business having an indefinite future life. *(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 type of property involved. *(Dictionary)*

Gross Leasable Area (GLA)

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

Gross Living Area (GLA)

Total area of finished, above-grade residential space area; 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 generally included in total gross living area. Local practices, however, may differ.) *(Dictionary)*

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid (IVS). *(Dictionary)*

Hypothetical Condition

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

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. *(15th Edition)*

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy involving the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. *(Dictionary)*

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing

costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*. *(Dictionary)*

Interim Use

The use contemplated by the market participants that the subject real estate can be put to while waiting for certain subsequent factors to occur. *(Dictionary)*

Investment Value

The value of a property 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. *(Dictionary)*

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversion right when the lease expires. *(Dictionary)*

Leasehold Estate

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

Legal Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; sometimes known as a legally nonconforming use. *(Dictionary)*

Liquidation Value

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

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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)*

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area. *(Dictionary)*

Market Rent

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. *(Dictionary)*

Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. *(Dictionary)*

Market Value (Most Common Non-FRT)

The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue distress. *(Dictionary)*

Market Value (Interagency Guidelines)

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

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)

Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property. *(Dictionary)*

Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. *(Dictionary)*

Net Net Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as 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 lease, triple net lease, or fully net lease*. *(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 valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). *(15th Edition)*

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)*

Off-site Costs

Costs incurred in the development of a project excluding on-site costs such as grading and construction of the building and other improvements; also called *common costs* or *off-site improvement costs*. *(Dictionary)*

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. *(Dictionary)*

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. *(15th Edition)*

Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. *(Dictionary)*

Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. *(Dictionary)*

Potential Gross Income (PGI)

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

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. *(Dictionary)*

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. *(Dictionary)*

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. *(Dictionary)*

Qualitative Adjustment

An indication that one property is superior, inferior, or similar to another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. *(Dictionary)*

Quantitative Adjustment

In the application of the sales comparison and income capitalization approaches, a numerical (dollar or percentage) adjustment to the sale price, rent, or expense amount of a comparable property to account for the effect on value of a difference between each comparable property and the subject property. *(Dictionary)*

Rentable Area

The amount of space on which the rent is based; calculated according to local practice. *(Dictionary)*

Replacement Cost

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

Replacement Cost for Insurance Purposes

The estimated cost, at current 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 coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). *(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 or similar materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. *(Dictionary)*

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* 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)*

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. *(Dictionary)*

Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:

The extent to which the property is identified;

The extent to which tangible property is inspected;

The type and extent of data researched; and

The type and extent of analysis applied to arrive at opinions or conclusions. *(USPAP)*

Shopping Center Types

Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. *(15th Edition)*

Sum of the Retail Values

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sales prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values* or *aggregate retail selling price*. *(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 use but cannot be separated from the property and sold off for another use. 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 (TIs)

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 periodic change for succeeding tenants. *(Dictionary)*

Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. *(Dictionary)*

Useful Life

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. *(Dictionary)*

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income deductions due to vacancies, tenant turnover, and nonpayment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*. *(Dictionary)*

Yield Capitalization

A method used to convert future benefits into present value by (1) discounting each future benefit at an appropriate yield rate, 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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Jeff currently manages the retail and office groups within the Portland Office of Colliers International Valuation and Advisory Services. His experience includes consultation services and valuation analysis on a variety of property types, including retail, office, multi-family, and industrial development, and he works on a wide range of commercial development, including medical office properties, mixed use projects, both suburban low and mid-rise, and high rise urban office properties, retail development ranging from small owner occupant properties to large scale investment properties, owner occupant industrial development, and small and large industrial parks. He is proficient in Argus discounted cash flow software, and has performed work on a wide range of investment properties region wide.

Jeff is currently licensed in both Oregon and Washington, and performs real estate appraisal and consulting services for many intended uses including lending, property tax appeal, estate planning, and litigation purposes.

Jeff received the Colliers International Valuation & Advisory Services Service Excellence Award in 2010, which is awarded nationally for outstanding quality and customer service.

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28 hours of continuing education required

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Issue Date: February 01, 2021

Expiration Date: January 31, 2023

Chad Koch, Administrator

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Real estate valuations play a pivotal role in today's business climate. An accurate and well supported opinion of property value can mean the difference between reaching a critical goal—securing a loan, closing a sale, reporting to investors, choosing the best asset—or failing to achieve it altogether.

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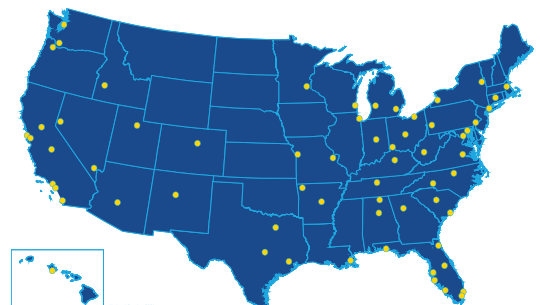
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July 5, 2023

Financial Advisor's Report - Final

Clackamas Charter Alliance d/b/a Clackamas Middle College

This report has been prepared for the Oregon Facilities Authority's consideration of the application submitted by Clackamas Middle College ("CMC" or the "School"). CMC has requested bond financing in an amount not to exceed \$3,000,000, inclusive of a small taxable portion to cover issuance costs beyond the allowable 2%. The bonds will be structured as a direct placement with Banner Bank ("Banner" or the "Bank").

The ultimate size of the transaction is dependent on the outcome of an appraisal requested by the Bank. The *minimum* size of the bonds is \$2,550,000, which is sufficient to fund the School's acquisition of the facility and necessary improvements, as discussed further below.

The Borrower

The School is a charter school located in Happy Valley, established in 2003 and serving grades 9-12. Its current charter from the North Clackamas School District (the "District") was renewed in 2020 for a five-year term (through June 30, 2025). It operates in a leased building, where it has been located since 2010, and expects to enroll approximately 300 students in school year 2023-24.

CMC is one of two charter schools operated by the Clackamas Charter Alliance ("CCA"), a 501(c)3 not-for-profit organization. The CCA also operates the Clackamas Web Academy under a separate charter from the District. We do not believe this relationship is material in terms of the plan of finance, security for the bonds, etc.

The Project

The School will use bond proceeds to finance the acquisition of its current facility and certain capital improvements. At a minimum, these improvements will include a new roof and HVAC system. The purchase price of the building is \$1.2 million. The estimated combined cost of the roof and HVAC systems is approximately \$450,000. Together with a required debt service reserve fund, issuance costs, and \$150,000 of contingency, the School and its finance team have estimated a minimum bond principal amount of \$2.55 million.

To the extent the bond issue can be increased above \$2.55 million (but not to exceed \$3 million), and/or the extent to which included contingency amount is not needed for the roof or HVAC system, the School may also use bond proceeds to fund a new elevator, improvements to the second floor of the building, new fencing, or other improvements.

Although the School will own the building, it will not own the underlying land. The School will assume a long-term ground lease from the original building tenant. The current term of the ground lease runs through November 2028; it may be extended by the School for an additional four five-year terms (total of 20 years, through November 2048) so long as the School is not in default under the lease. Security for the bonds will include both a leasehold mortgage and a pledge of School revenues.

The Financing

This financing was originally contemplated as a limited offering: non-rated bonds offered to institutional buyers only. A Preliminary Limited Offering Memorandum was finalized and posted in late March, and Piper Sandler (underwriter) began to have conversations with prospective buyers. For charter school transactions of this size, it is typical to sell the bonds to one or two investors; however, due to market conditions over the past few months – and the unique features of the financing (particularly the ground lease) – Piper was unable to secure an interested purchaser via a limited offering.

However, the School's finance team did find an interested purchaser: Banner Bank. Banner has proposed terms that are generally consistent with the plan of finance contemplated earlier in 2023, with several notable differences:

- Terms valid through 2033 (though the nominal final maturity remains 2043). On or prior to this time, the School would need to either remarket the Bonds and/or pay off the balance.
- Optional prepayment on any interest payment date (which partially mitigates the remarketing risk associated with a shorter term).
- Smaller debt service reserve fund (50% of maximum annual debt service instead of the typical 100%).
- Bond principal amount limited to the lesser of (i) 70% of the appraised value of the facility/lease; and (ii) a debt service coverage ratio of at least 1.40x based on expected fiscal year 2024 results.

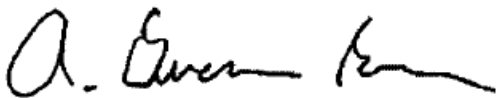
The 70% loan-to-value requirement is one more commonly found in SNAP loans (and Banner is a frequent SNAP lender). The Bank has requested an appraisal; however, it is not expected to be finalized until shortly before or shortly after the July OFA Board meeting. We understand that the Bank has received all other items necessary for final credit approval. (We also note that the School ordered its own appraisal in September 2022; if the Bank's appraisal is consistent with the School's earlier appraisal, it would be sufficient to permit a bond size of approximately \$2.8 million.)

Finally, we note that, by switching to a direct bank placement, the School was able to lock its interest rates via an executed term sheet with the Bank, mitigating further interest rate risk.

The School has requested final approval at the July OFA meeting, with bond closing anticipated later in July. Because the appraisal requested by Banner Bank is not available as of the date of this memo or other meeting materials, final approval would be conditioned upon receipt of an appraisal sufficient to allow a bond size of at least \$2.55 million (to cover the purchase price of the building and “core” improvements, i.e., new roof and HVAC). The total size of the bonds would not exceed \$3 million.

We recommend this transaction for final approval, subject to the condition noted above. If you have any questions regarding this review, I will be present at the July meeting.

For PFM Financial Advisors LLC

A handwritten signature in black ink, appearing to read "A. Duncan Brown". The signature is fluid and cursive, with a long horizontal stroke at the end.

A. Duncan Brown



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MEMORANDUM

TO: Members of the Oregon Facilities Authority
Gwendolyn Griffith, Executive Director
Mick Harris, Associate Executive Director

FROM: Michael E. Schrader, Steven G. White & Alexandra Bartos-O'Neill

DATE: July 6, 2023

RE: Conditional Final Approval of Clackamas Middle College Application for Bond Financing through the Oregon Facilities Authority

Overview of 2023 Bonds.

Clackamas Charter Alliance, an Oregon nonprofit corporation doing business as Clackamas Middle College and a charter school operating pursuant to a charter with the North Clackamas School District (the “Borrower” and the “District,” respectively), received preliminary approval from the Oregon Facilities Authority (the “Authority”) in its Resolution No. 2022-2 adopted on March 14, 2022 (the “Preliminary Resolution”) for the issuance of both tax-exempt and federally taxable revenue bonds in an aggregate principal amount not to exceed \$4,000,000 (the “Bonds”).

Bond proceeds will be used to (i) finance all or a portion of the costs of the acquisition, renovation, improvement and equipping of school facilities located at 12021 SE 82nd Avenue, Happy Valley, Oregon, (ii) fund a debt service reserve fund, if required, (iii) pay capitalized interest, if necessary, and (iv) pay costs of issuing the Bonds (collectively, the “Project”). The Bonds are expected to be issued in a series of tax-exempt bonds and a series of federally taxable bonds. The purpose of the taxable bonds is to cover costs of issuance (“COI”) in excess of the two-percent COI limit on use of the tax-exempt bond proceeds and any other costs that may not be paid with tax-exempt bond proceeds. The building and improvements being purchased by the Borrower are located on land that is subject to a ground lease, so while the Borrower will own the building and improvements, the Borrower will have only a leasehold interest in the land (pursuant to an assignment of the ground lease).

While the OFA Board previously authorized the marketing of the pursuant to a limited offering, the Bonds are now being privately placed with Banner Bank (the “Bank”) in a direct purchase transaction. As a result, there will be no Limited Offering Memo for the Bonds and Piper Sandler & Co. will serve as a placement agent for the Bonds and not as an underwriter. The Bonds will be issued at closing as certificated, fully-funded bonds with the Bank as the

registered owner. The Bonds will be secured by a security interest in the Participating Institution's personal property assets, its gross revenues and a deed of trust on certain of its real property, including the Borrower's ownership interest in the building and improvements and its leasehold interest in the land under the ground lease.

The Trust Indenture, Loan Agreement, the Bond Placement Agreement, the Deed of Trust and all other material documents and agreements related to the Bonds (the "Bond Documents") are in substantially final forms. In our role as bond counsel, we have completed our standard tax and general due diligence review and have not identified any materials issues related to either the Bonds or the proposed Project.

Discussion of Open Issues and Next Steps.

The Bank has agreed to purchase the Bonds, subject to receipt of a final appraisal reasonably acceptable to Banner Bank, with an appraised value permitting a bond principal amount of not less than \$2,550,000, an amount determined sufficient to fund all essential components of the Project. The Bank has reported that it has completed all material due diligence, including review of the ground lease and related loan and security documents, and expects to secure final credit approval following receipt of the appraisal and thereafter to proceed to closing, with only standard conditions to closing. In Bond Counsel's experience, certain open items are not uncommon and can appropriately be treated as closing or funding conditions, consistent with the scope of conditional final approval of the Authority under the Resolution.

Recommendation.

As Bond Counsel to the Authority, we recommend the Board grant conditional final approval of the Application submitted by the Borrower for the issuance of the Bonds through the Authority. The ultimate issuance of the Bonds and purchase by the Bank will remain subject to several conditions precedent, including without limitation, receipt of the final appraisal, completion of any remaining due diligence review, finalizing the Bond Documents and any other required legal documents and finding that no material issues have arisen with respect to the Bonds. We would be happy to answer any questions Members of the Authority may have with respect to the proposed financing.

STATE OF OREGON
OREGON FACILITIES AUTHORITY

RESOLUTION No. 2023-10
ADOPTED: JULY 10, 2023

A RESOLUTION OF THE OREGON FACILITIES AUTHORITY RECOMMENDING THAT THE OREGON STATE TREASURER ISSUE REVENUE BONDS TO FINANCE THE PROJECT DESCRIBED HEREIN UPON SATISFACTION OF CERTAIN CONDITIONS AS DESCRIBED HEREIN; DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR; AND AUTHORIZING AND DETERMINING OTHER MATTERS WITH RESPECT THERETO.

WHEREAS, the Oregon Facilities Authority, a body politic and corporate duly created and existing under the laws of the State of Oregon (the “Authority”), is authorized and empowered by the provisions of Oregon Revised Statutes (“ORS”) Chapters 286A and 289, as amended (the “Act”), to recommend to the Oregon State Treasurer (the “State Treasurer”) the issuance of revenue bonds for the purpose of financing or refinancing the acquisition, construction and equipping of “projects” as defined in the Act, and the loaning of the proceeds of such revenue bonds to “participating institutions” as defined in the Act in connection therewith;

WHEREAS, Clackamas Charter Alliance, an Oregon nonprofit corporation doing business as Clackamas Middle College and an organization described in Section 501(c)(3) of the Internal Revenue Code (the “Participating Institution”), has filed with the Authority an application requesting the issuance of revenue bonds for the purpose of financing all or a portion of the costs of the acquisition, renovation, improvement and equipping of school facilities (collectively, the “Project”); and such application has been reviewed by the Executive Director of the Authority, the Authority’s bond counsel and the Authority’s financial advisor;

WHEREAS, in said application, the Participating Institution has requested that the Authority consider recommending that the State Treasurer issue one or more series of tax-exempt and federally taxable revenue bonds (the “Bonds”) under the Act in an aggregate principal amount not to exceed \$3,000,000, and to loan the proceeds of such Bonds to the Participating Institution for the purposes described above and to pay the related costs associated therewith, including paying costs of issuance of the Bonds, funding a debt service reserve fund and paying capitalized interest;

WHEREAS, the Authority, in its Resolution No. 2022-2 adopted on March 14, 2022 recommended that the State Treasurer indicate his intent to issue bonds in an aggregate principal amount not to exceed \$4,000,000 as requested by the Participating Institution, and the State Treasurer has expressed his intent to issue bonds for such purpose;

WHEREAS, the Authority in its Resolution No. 2023-10 adopted on March 13, 2023 recommended that the State Treasurer authorize the release and distribution of the preliminary limited offering memorandum to permit the marketing of the Bonds to qualified institutional purchasers, with any purchase agreement and the issuance of the Bond subject to final approval by the Board and the State Treasurer;

WHEREAS, as a result of a variety of matters and conditions, the marketing of the Bonds resulted in a single offer to purchase the Bonds from Banner Bank (the “Bank”) and the sale of the Bonds now being structured as a direct purchase by the Bank rather than a limited offering of the Bonds, with Piper Sandler & Co. now acting as a placement agent for the Bonds (the “Placement Agent”) in a direct purchase transaction rather than as the initial purchaser of the Bonds as the underwriter in a limited offering as initially contemplated;

WHEREAS, the Authority, the Participating Institution, the Placement Agent and the Bank and other parties to the transactions related to the Project and the proposed issuance and sale of the Bonds, and the Authority’s bond counsel, financial advisor and the Authority have substantially completed the discussions and negotiations necessary to structure the issuance and sale of the Bonds and the loans to be made to the Participating Institution, including completion of substantially final forms of the Indenture and Loan Agreement and certain other documents relating to the Project and the financing (collectively, the “Financing Documents”); and

WHEREAS, the Participating Institution has requested that the Authority grant final approval recommending the issuance and sale of the Bonds upon satisfaction of certain conditions set forth herein, and as such, the Authority wishes to delegate authority to the State Treasurer, or his designee, to certify that such conditions have been satisfied prior to the closing of the Bonds, upon the advice of the Authority’s bond counsel and the Authority’s financial advisor.

NOW, THEREFORE, be it resolved by the members of the Authority as follows:

SECTION 1. COMPLIANCE WITH LEGAL REQUIREMENTS AND ADMINISTRATIVE RULES. The Authority hereby finds and determines the following:

(i) In reliance upon the advice of the Authority’s bond counsel and the Authority’s financial advisor, the State Treasurer or an authorized designee has determined that all legal requirements and other requirements for the issuance of the Bonds to finance the Project have been met or will be met prior to the issuance of the Bonds; and

(ii) Substantially final forms of the Financing Documents and other documents and agreements relating to the Bonds are on file with the Executive Director of the Authority and are available for inspection by members of the public.

The requirements of the Oregon Administrative Rules adopted by the Authority pursuant to the Act have been met insofar as such requirements relate to the matters referred to in (i) and (ii) above and to the extent such requirements must be met as a condition precedent to the adoption of this Resolution by the Authority.

SECTION 2. RECOMMENDATION TO ISSUE BONDS. Contingent upon the concurrence of the Director, the Debt Management Division of the State Treasurer, the Authority

hereby recommends that the State Treasurer issue the Bonds under the Act in an aggregate principal amount not to exceed \$3,000,000, or in such lesser aggregate principal amount as may be determined to be necessary or appropriate, and to loan the proceeds of such Bonds to the Participating Institution for the purpose of financing the Project and to pay the related costs associated therewith, including the funding of a debt service reserve fund, if deemed necessary and desirable, paying capitalized interest and paying costs of issuance of the Bonds, subject to the Participating Institution's compliance with all legal and other requirements and confirmation by the State Treasurer or an authorized designee that the conditions described in Section 3 below have been satisfied. The Authority finds that no further meeting or action of the Authority is needed for the State Treasurer to proceed with the issuance of the Bonds.

SECTION 3. CONDITIONS TO ISSUANCE AND SALE OF BONDS. The State Treasurer, or an authorized designee, is hereby authorized, on behalf of the Authority, with the advice of the Authority's bond counsel and the Authority's financial advisor, to approve the issuance and sale of the Bonds to the Bank upon: (1) receipt by the Bank of an appraisal reasonably acceptable to the Bank and consistent with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), with an appraised value resulting in an aggregate principal amount of the Bonds to be purchased by the Bank of not less than \$2,550,000, and (2) confirmation that all legal and other requirements for the issuance and sale of the Bonds have been satisfied. Provided, however, that the State Treasurer, or an authorized designee, in consultation with the Authority's bond counsel and financial advisor, will return to the Authority for further meeting or action if a material adverse change has occurred with respect to the Bonds.

SECTION 4. AUTHORITY TO APPROVE FINAL FINANCING DOCUMENTS. The State Treasurer, or an authorized designee, is hereby authorized in their discretion, on behalf of the Authority, to approve the final form of the Financing Documents and other related documents, provided the Financing Documents and such related documents are in substantially similar form to the Financing Documents and other related documents herein approved by the Authority, with such changes as approved by the State Treasurer, or an authorized designee, with the advice of the Authority's bond counsel and the Authority's financial advisor.

SECTION 5. EFFECTIVENESS; CONFLICTING RESOLUTIONS. This Resolution shall be effective immediately upon its adoption. Any resolutions of the Authority and parts thereof which are in conflict with the terms of this Resolution shall be, and they hereby are, rescinded, but only to the extent of such conflict.

[Signature follows next page]

CERTIFICATION OF RESOLUTION

The undersigned does hereby certify that I am the duly appointed, qualified and acting Executive Director of the Oregon Facilities Authority; that the foregoing is a true and complete copy of Resolution No. 2023-10 as adopted by said Authority at a meeting duly called and held in accordance with law on July 10, 2023; and that the following members of the Authority voted in favor of said Resolution:

the following members of the Authority voted against said Resolution:

and the following members of the Authority abstained from voting on said Resolution:

In witness whereof, the undersigned has hereunto set her hand as of this 10th day of July 2023.

Gwendolyn Griffith, Executive Director

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TAB 2

Oregon Facilities Authority
Minutes of Meeting of
May 8, 2023

A duly called meeting of the Oregon Facilities Authority (“OFA” or the “Authority”) was held on May 8, 2023, commencing at approximately 12:00 p.m. The physical location of the meeting was 888 SW Fifth Avenue, Suite 1600, Portland, Oregon. The meeting was also held by Zoom teleconference.

Authority Members participating in the meeting (via Zoom, unless otherwise indicated) were: Chair Roy Kim, Vice Chair Andrea Zamora, Authority Members Kathleen Cornett, Eric Johansen (in person), Erika Patton, Erick Petersen, and Sean Hubert (in person).

Participating in the meeting to assist the Authority (via Zoom, unless otherwise indicated) were: Gwendolyn Griffith (in person), Executive Director, Mick Harris (in person), Associate Executive Director, and Nick Pham (in person), Executive Assistant, Oregon Facilities Authority; Carol McCoog of Hawkins Delafield & Wood LLP, SNAP Loan and Special Bond Counsel; Doug Goe, Greg Blonde, Michael Schrader (in person.), and Tommy Sandstrom of Orrick Herrington and Sutcliffe LLP, Lead Bond Counsel; Maggie Marshall of PFM Financial Advisors LLC; Financial Advisor to the Authority; Kevin Quinn and Pam Kelly of Tryon First Advisors, Financial Advisor to the Authority; Laura Worth and Jaime Alvarez of the Office of the State Treasurer; and Senior Assistant Attorney General Sam Zeigler, Oregon Department of Justice.

Chair Roy Kim called the meeting to order and presented the notice of meeting.

Approval of Minutes

The Minutes of the meeting of April 10, 2023, were unanimously approved.

Executive Director Report

Ms. Griffith directed the Board’s attention to the Bonding Report and the General Report, both of which were included in the Agenda Book. Mr. Johansen presented on his experiences at the NAHEFFA Spring Conference and meeting with staff members of Oregon’s federal delegation while in Washington D.C. Mr. Schrader and Mr. Quinn provided an update on the application from City View Charter School (the “School”) for a limited offering in the amount of \$18,750,000, and led a discussion with the Board about possible financing conditions available to support the transaction. Their presentation materials are available upon request. They outlined timing constraints related to the School’s current lease, and financial

constraints related to the cost of the selected property to be purchased and the taxable portion of the financing that will be required to accommodate the building's current tenants. They discussed potential additional obligations or conditions such as a travelling investor letter, or monthly reporting obligations, and discussed the extra costs and marketing constraints associated with such obligations. Bond Counsel and OFA's Financial Advisors will continue to meet on this topic with the School's financing team and will report back to the Board in future meetings.

The Board took a brief recess and reconvened at approximately 1:00 p.m. Mr. Kim asked if there were any conflicts of interest to declare. There were none.

Consideration of Final Approval for the application by Mirabella South Waterfront for an OFA Traditional Bond in an amount not to exceed \$85,000,000.

Ms. Mary Schoeggl, Chief Financial Officer, appeared on behalf of the Applicant. Mr. James Goldsmith of Truist Bank, the Purchasing Bank, along with Mr. Darren Bell and Adam Vanucci of Ziegler, the Applicant's Placement Agent, appeared to assist with the presentation. The Applicant's slide deck is available upon request.

Ms. Schoeggl presented on behalf of Pacific Retirement Services. She summarized the Project, which is the refunding of existing 2014 A Bonds issued through the Hospital Facilities Authority of Multnomah County, with proceeds also being used to pay cost of issuance, and to reimburse Mirabella at South Waterfront for \$3.7 million in new capital projects. The plan of finance is an eight-year commitment with Truist Bank, with a 30-year amortization, and a forward starting interest rate swap to mitigate interest rate risk during the bank commitment period. These are so-called "Cinderella Bonds." The bonds will first be issued as taxable and the funds will be held in escrow, from which the principal of the 2014 A bonds will be paid monthly until their earliest call date in October 2024. In the meantime, the escrow fund will earn interest, which will be used to help offset the cost of the taxable rate. The 2014 A bonds will then be paid in full in October 2024, at which time new tax-exempt bonds will be issued to replace the taxable bonds, which will be purchased by Truist Bank.

In response to questions, Mr. Goldsmith reported that Truist is the seventh largest bank in the United States and has a \$170 billion asset base. As a "systemically important" bank, it is subject to a heightened level of scrutiny by federal bank regulators. It maintains (as required) excess sources of liquidity and a diverse range of business. Over 55% of its deposits are FDIC insured (as compared with 5% for Silicon Valley Bank).

Bond Counsel's report is included in the materials. Mr. Blonde reported that all documents were in substantially final form, including the documents that will be signed in 2024, which have all been negotiated and will be included in the closing documents. He explained the recommendation to waive the administrative rule regarding the closing fee and use apply the closing fee as if the transaction was an OFA refunding. Mr. Blonde recommended the transaction for final approval.

The Financial Advisor's report is included in the materials. Mr. Quinn reported that the transaction is expected to produce approximately \$13.2 million in net present value savings, and also reminded the Board that OFA is not a party to the swap agreement which will synthetically fix the interest rate cost over the eight-year period. Mr. Quinn recommended the transaction for final approval.

The Executive Director's report is included in the materials. Ms. Griffith reported that the transaction was ready to close and she congratulated the Applicant on the expected net present value savings. Ms. Griffith recommended the transaction for final approval.

After discussion, Ms. Zamora moved that the Authority adopt Resolution 2023-8, (1) granting Final Approval to Mirabella South Waterfront for an OFA Traditional Bond in an amount not to exceed \$85,000,000, (2) approving the issuance of the 2024 Bonds with a closing of such bonds to occur no later than October 1, 2024, (3) waiving the administrative rule regarding the regular OFA closing fee and instead treating this issuance as an OFA refunding for closing fee purposes, and (4) recommending that the State Treasurer consider issuing the bond. Ms. Patton seconded the motion, and Resolution 2023-8 was unanimously approved.

Consideration of Final Approval for the application by St. Vincent de Paul Society of Lane County, Inc. for an OFA SNAP Loan in an amount not to exceed \$3,543,750.

Mr. Terry McDonald, Executive Director, and Ms. Kristen Karle, Director of Development appeared on behalf of the Applicant. Ms. Chloe Tirabasso, the Purchasing Bank, appeared to assist with the presentation. The Applicant's slide deck is available upon request.

Ms. Karle summarized the Project and presented on the changes to the plan of finance. The Project is the construction of a retail thrift store on undeveloped land owned by the Applicant in Cottage Grove, Oregon. Ms. Karle reported that the appraisal on the property came back stronger than expected, allowing the Applicant

to use one existing property (instead of two) as collateral, and allowing the Applicant to increase their equity contribution, lowering the par amount of the loan.

Ms. Tirabasso reported that the Applicant's interest rate of about 4.5% will be locked in pending closing. Ms. Tirabasso also reported on the security of Summit Bank, reporting that they represent many businesses and fewer individuals, and therefore have less exposure to risk factors associated with crypto currency and private equity. She also explained that the Applicant, along with all Summit Bank clients, will have access to ICS sweep accounts to maximize their FDIC insurance for deposits.

SNAP Loan Counsel's report is included in the materials. Ms. McCoog reported the transaction has been very smooth and no issues were identified in diligence. She reported she has reviewed the Borrower's opinion and that all materials are substantially final and ready for close. Ms. McCoog recommended the transaction for final approval.

The Associate Executive Director's report is included in the materials. Mr. Harris reported the transaction was smooth and that no issues were identified. He hopes the new retail store offers many benefits to the community. Mr. Harris recommended the transaction for final approval.

After discussion, Ms. Zamora moved that the Authority adopt Resolution 2023-9, granting Final Approval to St. Vincent de Paul Society of Lane County, Inc. for an OFA SNAP Loan in an amount not to exceed \$3,543,750. Mr. Hubert seconded the motion, and Resolution 2023-9 was unanimously approved.

The Chair asked for public comment. There was none.

There being no further business to come before the Authority, the meeting was adjourned at approximately 2:15 p.m.

Roy Kim, Chair

Gwendolyn Griffith, Executive Director
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TAB 3



Oregon State Treasury
Debt Management Division
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Oregon Bond Calendar

For Sale Dates from 6/1/2023 to 10/31/2023

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
June 2023									
POSTPONED									
06/27	City Of Eugene	Negotiated	Revenue Bonds	2023 \$43,000,000	Fund projects per EWEB's Water System Capital Improvement Plan	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. RBC Capital Markets 2. Foster Garvey PC 3. Piper Sandler & Co.
SOLD									
06/01	Marion Cty SD 29J (North Santiam)	Negotiated	General Obligation (N) Bonds	2023 \$14,630,000	Refunding of Series 2013 GO Bonds for Savings	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/15/2033	5.44 ATIC 3.35439%	1. Piper Sandler & Co. 2. Mersereau & Shannon LLP 3. None
06/07	Umatilla Cty Fire District #1	Negotiated	General Obligation (S) Bonds	2023 \$6,685,000	Public Safety Facilities, Equipment and Apparatus acquisition	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/15/2044	15.98 TIC 4.15%	1. Piper Sandler & Co - Seattle NW Division 2. Mersereau & Shannon LLP 3. SDAO Advisory Services LLC
06/08	Multnomah Cty RFPD 14	Negotiated	General Obligation (N) Bonds	2023 \$4,500,000	Capital construction for public facilities and acquisition of equipment and apparatus	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/15/2043	13.62 TIC 4.14%	1. D.A. Davidson & Co. 2. Mersereau & Shannon LLP 3. SDAO Advisory Services LLC
06/08	Oregon Department Of Environmental Quality	Privately Placed	General Obligation (S) Bonds	2023 \$4,595,000	Clean up of Orphan Sites	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	11/01/2037	8.08 Coupon 3.98%	1. Other 2. Hawkins, Delafield & Wood 3. Public Financial Management
06/08	Oregon Housing & Community Services Department Eagle Cap Apartments LLC	Privately Placed	Conduit Revenue Bonds	2023J \$8,550,000	Eagle Cap Apartments Projects	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	10/01/2025	0.00	1. Umpqua Bank 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.
06/13	Redmond Area Park & Recreation District	Negotiated	General Obligation (S) Bonds	2023 \$49,000,000	Capital Construction and Improvemest for a Community and Aquatic Center	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/15/2043	13.66 TIC 3.87%	1. Piper Sandler & Co - Seattle NW Division 2. Hawkins, Delafield & Wood 3. SDAO Advisory Services LLC



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Oregon Bond Calendar

For Sale Dates from 6/1/2023 to 10/31/2023

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
June 2023									
SOLD									
06/14	Tillamook Cty SD 101 (Nestucca Valley)	Privately Placed	Full Faith & Credit Obligations(N)	2023 \$2,700,000	Construct new CTE building and classrooms, purchase of CTE equipment at high school	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/01/2038	8.75 ATIC 5.10386%	1. Other 2. Mersereau & Shannon LLP 3. None
06/15	Benton County	Negotiated	Full Faith & Credit Obligations(N)	2023 \$36,000,000	Financing for construction of new County courthouse and district attorney offices	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/01/2053	18.84 ATIC 4.11961%	1. Piper Sandler & Co. 2. Hawkins, Delafield & Wood 3. D.A. Davidson & Co.
06/15	Lebanon RFPD 9	Negotiated	General Obligation (N) Bonds	2023 \$1,585,000	Capital Construction to Public Safety Facilities and aquisition of equipment and apparatus	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/15/2045	15.06 TIC 4.42%	1. Robert W. Baird 2. Mersereau & Shannon LLP 3. SDAO Advisory Services LLC
06/22	Clackamas Cty ESD	Negotiated	Full Faith & Credit Obligations(N)	2023 \$8,945,000	Acquire, construct, improve and equip District facilities	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/01/2053	19.06 ATIC 4.22171%	1. Piper Sandler & Co. 2. Mersereau & Shannon LLP 3. None
06/23	Oregon Housing & Community Services Department Albina One Limited Partnership	Privately Placed	Conduit Revenue Bonds	2023L-1 \$20,725,900	Albina One	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/01/2062	0.00	1. JP Morgan Chase Bank 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.
06/23	Oregon Housing & Community Services Department Albina One Limited Partnership	Privately Placed	Conduit Revenue Bonds	2023L-2 \$11,160,100	Albina One Apartments	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/01/2027	0.00	1. U.S. Bank National Association 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.
06/23	Oregon Housing & Community Services Department Albina One Limited Partnership	Privately Placed	Conduit Revenue Bonds	2023L-3 \$150,000	Albina One Apartments	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input checked="" type="checkbox"/> ZERO <input type="checkbox"/>	06/01/2027	0.00	1. U.S. Bank National Association 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.



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Oregon Bond Calendar

For Sale Dates from 6/1/2023 to 10/31/2023

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
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June 2023

SOLD

06/28	Josephine Cty SD (Three Rivers)	Privately Placed	Full Faith & Credit Obligations(N)	2023 \$1,056,000	Construct, improve and equip District facilities	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/01/2033	5.79 ATIC 5.2907%	1. JP Morgan Chase Bank 2. Mersereau & Shannon LLP 3. None
06/28	Oregon Housing & Community Services Department Mill City Apartments Limited Partnership	Privately Placed	Conduit Revenue Bonds	2023K \$11,700,000	Mill City Apartments	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	07/01/2042	0.00	1. Umpqua Bank 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.

July 2023

PROPOSED

07/11	Josephine Cty SD 7 (Grants Pass)	Competitive	Full Faith & Credit Obligations(N)	2023 \$15,170,000	Capitol projects and refunding	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. None 2. Mersereau & Shannon LLP 3. McLiney and Company
07/11	Umatilla Hospital District No. 1	Negotiated	Full Faith & Credit Obligations(N)	2023 \$7,860,000	Construction, improvement and equipping of a new health clinic	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. D.A. Davidson & Co. 2. Orrick, Herrington & Sutcliffe 3. None
07/12	Jackson Cty SD 35 (Rogue River)	Privately Placed	General Obligation (N) Bonds	2023 \$4,465,000	Finance of capital projects approved in the May 2023 Election	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. To Be Determined 2. Hawkins, Delafield & Wood 3. None
07/20	Columbia Cty SD 502 (St Helens)	Negotiated	General Obligation (N) Bonds	2023 \$4,000,000	Finance projects approved at May 2023 Election	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. Piper Sandler & Co. 2. Mersereau & Shannon LLP 3. None



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Oregon Bond Calendar

For Sale Dates from 6/1/2023 to 10/31/2023

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
August 2023									
PROPOSED									
08/02	Jefferson Cty SD 41 (Black Butte)	Privately Placed	General Obligation (N) Bonds	2023 \$2,000,000	Finance capital projects approved in the May 2023 election.	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. To Be Determined 2. Hawkins, Delafield & Wood 3. None
08/08	Curry Cty SD 1 (Central Curry)	Negotiated	General Obligation (N) Bonds	2023 \$15,000,000	Finance capital projects approved in the May 2023 election	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. Piper Sandler & Co. 2. Hawkins, Delafield & Wood 3. None
08/13	Oregon Business Development Department Intel	Negotiated	Conduit Revenue Bonds	2023 \$141,855,000	Intel Remarketing(Refund) of it 2010 Series 232 Bonds issued through OBDD	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. JP Morgan Securities 2. Orrick, Herrington & Sutcliffe 3. None
08/15	Marion Cty SD 91 (Mt Angel)	Negotiated	General Obligation (N) Bonds	2023 \$7,000,000	Finance projects approved at May 2023 Election	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. Piper Sandler & Co. 2. Hawkins, Delafield & Wood 3. None
08/24	Lane Cty SD 40 (Creswell)	Negotiated	General Obligation (N) Bonds	2023 \$18,210,000	Finance capital projects approved in the May 2023 Election	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input checked="" type="checkbox"/>			1. Piper Sandler & Co. 2. Mersereau & Shannon LLP 3. None

Negotiated sales may occur any day of the week when the sale date is indicated as a Monday.

Issues are Listed as 'Proposed' until sale results are reported.

AID = Any Interest Date

Neg = Negotiated Sale

Com = Competitive Sale

Pri = Private Placement Sale

AMT = Subject to Alternative Minimum Tax

BQ = Bank Qualified

TAX = Federally Taxable

ZERO = Zero Coupon or Deferred Interest Bonds

Full Faith & Credit Obligation(N) = Non Self-Supporting - bonds repaid by non-project revenues or paid by property taxes or other tax sources within the limits of the Oregon Constitution, Article XI, Section 11.



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Oregon Bond Calendar

For Sale Dates from 6/1/2023 to 10/31/2023

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
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Full Faith & Credit Obligation(S) = Self-Supporting - bonds repaid by project revenues or there is an independent source of funds for repayment.

General Obligation(N) = Non Self-Supporting - bonds repaid & secured by ad valorem property taxes levied outside the limits of Article XI 11b.

General Obligation(S) = Self-Supporting - bonds 100% repaid by project revenues, and secured by ad valorem property-taxes.

The purpose categories are defined as follows:

1. Development: industrial development, economic development, non-government office buildings, urban renewal.
2. Education: primary and secondary education, higher education, student loans.
3. Electric power: public power utilities.
4. Environmental Facilities: solid waste disposal, resource recovery, pollution control, recycling.
5. Health Care: hospitals, nursing homes, life-care communities.
6. Housing: single-family and multi-family housing.
7. Public Facilities: government buildings, fire and police stations, jails and prisons, civic and convention centers, museums, libraries, stadiums and sports complexes, theaters, parks, zoos, beaches, other recreation.
8. Transportation: airports, seaports and marine terminals, toll roads, highways and streets, bridges, tunnels, parking facilities, mass transit.
9. Utilities: water and sewer, gas, flood control, sanitation, combined utilities, miscellaneous utilities.
10. General Purpose: general purpose, veterans (other than housing), agriculture, unknown.