April 14, 2006

David Proctor
Barclays Capital
US Real Estate Capital Markets
200 Park Avenue, 4th Floor
New York, NY 10166

Jay DeWaltoff
Citigroup Global Markets, Inc.
388 Greenwich Street – 19th Floor
New York, NY 10013

Spirit Finance Corporation
14631 No. Scottsdale Road, Suite 200
Scottsdale, AZ 85254-2711

RE: Pamida Building
Store No. 3158
2015 South Defiance Street
Archbold, OH 43502

To Whom It May Concern:

In accordance with your request, we have conducted an appraisal to determine the as-is fee simple market value of the above referenced property. The property is valued using generally accepted appraisal principles and theory and is intended to conform to the Uniform Standards of Professional Appraisal Practice (USPAP), the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA), the Appraisal Institute and Bank of America's appraisal requirements.

This appraisal report is a Complete Self-Contained Appraisal Report under Standards Rule 1 and 2-2, as defined in the Uniform Standards of Professional Appraisal Practice (USPAP). The appraisal service was performed in such a manner that the results of the analysis, opinion, or conclusion, be that of a disinterest to a third party. The property that is the subject of this appraisal has been appraised previously for an alternative financial institution.

This report is addressed to Barclays Capital Real Estate Inc. ("BCRE"), Citigroup Global Markets Realty Corp ("Citi"), Spirit Finance Corporation ("Spirit") and its affiliates. BCRE, Citi, Spirit and its affiliates, their respective successors and assigns (including, without limitation, investors who purchase the mortgage loan or a participation interest in the mortgage loan and the trustee in a securitization that includes the mortgage loan), each servicer of the mortgage loan, and all rating agencies involved in any sale, securitization or syndication involving the mortgage loan may use and rely upon this Report, including, without limitation, utilizing selected information from the Report in the offering materials (either in electronic or hard copy format) relating to any sale, securitization or syndication involving the mortgage loan. The Appraiser agrees to cooperate in answering questions by any of the above parties in connection with the sale, securitization or syndication, as communicated by BCRE, Citi and Spirit personnel.

In addition, this Report or a reference to this Report may be included or quoted in any offering circular, registration statement, prospectus or sales brochure (either in electronic or hard copy format) in connection with a sale, securitization or syndication, or transaction involving such debt and or debt securities.

The subject consists of a single-tenant retail building that is 100% owner-occupied by Pamida, Inc., a subsidiary of ShopKo Stores, Inc. The improvements measure 36,047 gross square feet and are situated on one 3.91-acre tax lot. The improvements were constructed in 2000 and are in good condition. The site and improvements are further described in the attached report.

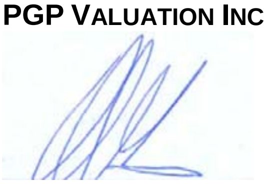
Based upon our investigation and analysis of available information, the concluded value opinion under the request scenario is:

MARKET VALUE SCENARIO	DATE	VALUE
As-Is Fee Simple	May 4, 2005	$1,940,000

If questions arise concerning this report, please do not hesitate to contact the undersigned.

Sincerely,

PGP VALUATION INC



David W. Groth, MAI
Certified General Real Estate Appraiser
State of Ohio Temporary License # 2005008108

Doc. ID#: V050192

Table Of Contents

Letter of Transmittal — **PAGE**

INTRODUCTION
- Appraisal Summary 1
- Preliminary Appraisal Information 3
- Assumptions And Limiting Conditions 4

PHOTOGRAPHS & DESCRIPTIONS
- Regional Map and Description 7
- Neighborhood Map and Description 12
- Site Description 14
  - Flood Map 16
  - Seismic Zone Map 17
- Subject Property Photographs 18
- Improvement Description 21

MARKET ANALYSIS & HIGHEST AND BEST USE
- Market Analysis 23
- Highest And Best Use Analysis 29
- Valuation Methods 31

INCOME APPROACH
- Income Capitalization Approach 32
  - Rent Comparable Tabulation Chart 33
  - Rent Comparable Location Map 34
  - Rent Comparable Photographs 35
  - Income Capitalization Approach Summation Table 45

SALES COMPARISON APPROACH
- Sales Comparison Approach 46
  - Improved Sales Tabulation Chart 47
  - Improved Sales Location Map 48
  - Improved Sales Photographs 49

VALUE CONCLUSIONS
- Analysis of Value Conclusions 55

CERTIFICATION OF APPRAISAL
- Certification of Appraisal 56

ADDENDA
- Insurable Value Estimate
- Qualifications

APPRAISAL SUMMARY

Property Type:	Single-tenant retail building
Location:	2015 South Defiance Street, Archbold, OH 43502
Store No.:	3158
Assessor's Parcel No(s).:	1703351803.000, and 1703351803.099
Market Area:	Toledo MSA
Neighborhood Description:	The subject is located in Archbold, Ohio, within Fulton County. Fulton County is located in the northwest corner of Ohio and is bordered to the north by the State of Michigan, to the south by Henry County, to the east by Lucas County, and to the west by Williams County. According to the 2003 US Census, Archbold had a population of approximately 4,443. Growth has been minimal.
Site Description:	The site is one 3.91-acre tax lot that is irregular in shape, mostly level and at street grade. The additional tax lot does not indicate any additional acreage. However, the assessed value of the subject improvements is allocated to the additional tax lot. It is zoned for a wide variety of commercial uses, has good access and average exposure. The site is not in a flood zone and has no known obvious adverse easements, encroachments or environmental hazards. However, the client is advised to seek professional surveys/studies if further assurance is required regarding easements, encroachments and environmental conditions of the site. All utilities are available at the site.
Improvement Description	The improvements comprise a single-tenant retail building totaling 36,047 gross square feet which is 100% occupied by Pamida, Inc., a subsidiary of the owner (ShopKo Stores, Inc.) According to information provided by the client, improvements on the subject property were completed in 2000. Construction is block frame with a flat composition roof and painted block exterior. The interior is consistent with anchor/big box retail finish; asphalt tile & carpet floors, dropped ceilings, fluorescent lighting fixtures, etc. Other improvements to the site consist of asphalt-paved surface parking and minimal landscaping. Overall, the improvements represent average quality retail construction that is in average to good condition. The building has a remaining economic life of approximately 35 years.
Hazardous Substances:	No - Discussed in Site Description section.
Flood Zone:	No - Discussed in Site Description section.

APPRAISAL SUMMARY (CONTINUED)

Value Indications

Cost Approach: .... Not applicable
Income Capitalization Approach: $1,890,000
Sales Comparison Approach: $1,995,000
Final Value Opinion: $1,940,000

Appraisal Premises:	As-Is
Property Rights Appraised:	Fee simple
Insurable Value Estimate:	See insurable value table in Addenda
Date of Value:	May 4, 2005
Scope of Appraisal & Report Format:	Complete self-contained
Value of Personal Property, Fixtures, Intangibles Included in Market Value Estimate:	$0

PGP VALUATION INC File No.: **V050192**

Report Organization

This report is designed to inform the reader of all factors influencing the property's value in a clear and concise manner. The Appraisal Summary and Preliminary Appraisal Information sections provide an overview of the property and general information. The Description section starts with general regional issues and proceeds to more specific issues directly related to the property. The Market Analysis and Highest and Best Use sections establish the marketability of the subject and premise upon which the property is valued.

The Valuation section focuses on the as is market value of the property. This section describes the Income and Sales Comparison Approaches to value, and includes comparable information, application of market information to the subject and valuation analysis.

Intended Use & User of Appraisal

The purpose of this appraisal is to estimate the as-is market value of the fee simple interest in the property.

This report is addressed to Barclays Capital Real Estate Inc. ("BCRE"), Citigroup Global Markets Realty Corp ("Citi"), Spirit Finance Corporation ("Spirit") and its affiliates. BCRE, Citi, Spirit and its affiliates, their respective successors and assigns (including, without limitation, investors who purchase the mortgage loan or a participation interest in the mortgage loan and the trustee in a securitization that includes the mortgage loan), each servicer of the mortgage loan, and all rating agencies involved in any sale, securitization or syndication involving the mortgage loan may use and rely upon this Report, including, without limitation, utilizing selected information from the Report in the offering materials (either in electronic or hard copy format) relating to any sale, securitization or syndication involving the mortgage loan. The Appraiser agrees to cooperate in answering questions by any of the above parties in connection with the sale, securitization or syndication, as communicated by BCRE, Citi and Spirit personnel.

In addition, this Report or a reference to this Report may be included or quoted in any offering circular, registration statement, prospectus or sales brochure (either in electronic or hard copy format) in connection with a sale, securitization or syndication, or transaction involving such debt and or debt securities.

Definition of Market Value

This definition is in compliance with the OCC (Office of the Comptroller of the Currency), FDIC (Federal Deposit Insurance Corporation), *FIRREA* (*Federal Institutions Reforms, Recovery and Enforcement Act),* and *USPAP (Uniforms Standards of Professional Appraisal Practice)* as adopted by the Appraisal Foundation and the appraisal Institute.

Market Value, as defined by the Uniform Standards of Professional Appraisal Practice, is:

> "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 knowledgeable, 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 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

Fee Simple Estate is defined in The Dictionary of Real Estate Appraisal, Fourth Edition (2003), as:

> "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat."2

Legal Description

We were not provided with a title report or legal description. We have relied upon information provided by the client and Fulton County, Ohio regarding the location of the subject property. We have assumed this information to be correct.

The subject in located within Archbold, Fulton County, Ohio.

Ownership & Sales History

Fulton County records show ownership of the subject is vested to Pamida Inc. Pamida Inc is a subsidiary of ShopKo Stores, Inc. We are aware of no sales of the subject within the past three years or any pending sale of listing. It is noted, however, that the subject's owner was recently acquired by another company. ShopKo Stores, Inc. owns many of its stores; therefore, the sale of the company did include real estate holdings. However, we are aware of no allocation between real estate and going concern.

Exposure Time

Exposure time is defined within the USPAP, Statement 6, as:

> "The estimated length of 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; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."[3]

Exposure time is best established upon the experience of recent comparable sales. If the property is an occupied/leased property that is purchased for investment purposes and is appropriately priced, an exposure period of one year or less is supported. There is currently demand for the subject product type in the market, with limited properties available for sale.

Marketing periods reported in the 1st *Quarter 2005 Korpacz* survey range from 4.0 to 12.0 months with an average of 7.28 months in the National Strip Center market. We conclude an

[1] *Uniform Standards of Professional Appraisal Practice*, 2003 Edition, Appraisal Standards Board of the Appraisal Foundation, page 224.
2 *The Dictionary of Real Estate Appraisal, Appraisal Institute, 4th Edition, 2003, page 113.*
[3] *Uniform Standards of Professional Appraisal Practice*, 2003 Edition, Appraisal Standards Board of The Appraisal Foundation, page 224.

exposure period of 12 months or less for the subject. A marketing period of 12 months or less is also reasonable.

Assessment & Tax Information

The subject's current assessed values and property tax liability are summarized on the following table:

2004 PROPERTY TAX AND ASSESSMENTS					
	ASSESSED VALUES				
APN	Land	Improvements	Total	Taxable Value	Total Taxes
1703351803099	-0-	$1,444,200	$1,444,200	-0-	-0-
1703351803000	$211,300	-0-	$211,300	$211,300	$3,226.88
Total	$211,300	$1,444,200	$1,655,500	$211,300	$3,226.88

Source: Fulton County

The above values are 2004 values assessed for 2005 taxes. Property taxes in Fulton County, Ohio are typically assessed at 35% of market value. However, in the case of the subject property, taxes are not levied on the assessed value of the improvements. This is known as "abatement," where a company such as Pamida Inc. is given a tax exemption in exchange for their operation in the community. The current abatement period lasts through 2011, meaning that in 2012 Pamida Inc. will be responsible for paying property taxes on the assessed value of the subject's improvements.

Inspection

Matthew W. Dodd inspected the subject property on May 4, 2005.

Appraisal Development & Reporting Process

Preparation of this appraisal included:

- An interior and exterior inspection of the subject property.
- Reviewing assessor's maps.
- Reviewing income and expense information.
- Reviewing county records for information on taxes and assessments.
- Inspecting the subject property neighborhood.
- Gathering and confirming rent comparables and improved sales from immediate and competing neighborhoods.
- Inspecting the exterior of all comparables utilized.
- Analyzing supply and demand conditions in the area.
- Applying traditional approaches to value (Income and Sales Comparison Approaches) to arrive at an indication of value for the subject property.

Sources of Information

The following sources were contacted to obtain relevant information:

Source	Information
Fulton County Assessor's Office	Subject Property Information
Area Appraisers/Brokers	Comparable Data & Market Information
Comparable Properties/Area Brokers	Rent and Expense Information
M&S Connect	Demographic Information
Loopnet	Comparable Data & Demographics
Korpacz Investor Survey	Investment Information
CRG	Investment Information

Compliance & Competency Provision

We are aware of the compliance and competency provisions of the USPAP, and within our understanding of those provisions the author of this report complies with all mandatory requirements. David W. Groth, MAI, a Certified General Appraiser with the State of Ohio, wrote the report. Matthew W. Dodd provided significant professional assistance to the person signing this report.

Unavailability of Information

We were not provided with a title report, A.L.T.A. survey or environmental reports. Otherwise, all information necessary to develop a reliable estimate of value of the subject property was available.

Personal Property, Fixtures & Intangible Items

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

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following limiting conditions:

Extraordinary Assumptions

None

Hypothetical Conditions

None

General Assumptions

For proposed properties, the analysis assumes the improvements will be constructed in a professional and workmanlike manner according to the plans included in this report.

In evaluating the value contribution of the physical improvements, reliance has been placed upon information provided by the owner, client, or other sources. It is assumed that there are or will be no hidden defects and that all structural components are or will be functional and operational. If questions arise regarding the integrity of the structure or its operational components, it may be necessary to consult additional professional resources.

The analysis assumes that the legal description accurately represents the subject property. If further verification is required, further research is advised.

Without prior written approval from the authors, the use of this report is limited to decision-making concerning the existing and potential financing of the property. All other uses are expressly prohibited. Reliance on this report by anyone other than the client for a purpose not set forth above is prohibited. The authors' responsibility is limited to the client.

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 appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless noted.

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 parties to whom it is addressed. Possession of the report does not include the right of publication.

The appraisers 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.

ASSUMPTIONS AND LIMITING CONDITIONS (CONTINUED)

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

The appraisers have no present or contemplated future interest in the property that is not specifically disclosed in this report.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent or approval of the authors. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which the appraisers are 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. No portion of the report stands alone without approval from the authors.

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

The valuation stated herein assumes professional management and operation of the property throughout the lifetime of the improvements, with an adequate maintenance and repair program.

The liability of PGP VALUATION INC and its employees is limited to the client only and only up to the amount of the fee actually received for the assignment. 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 assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures that would render it more or less valuable. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in case of lawsuit (brought by lender, partner, or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements, or cost, regardless of outcome, the client will hold PGP VALUATION INC completely harmless.

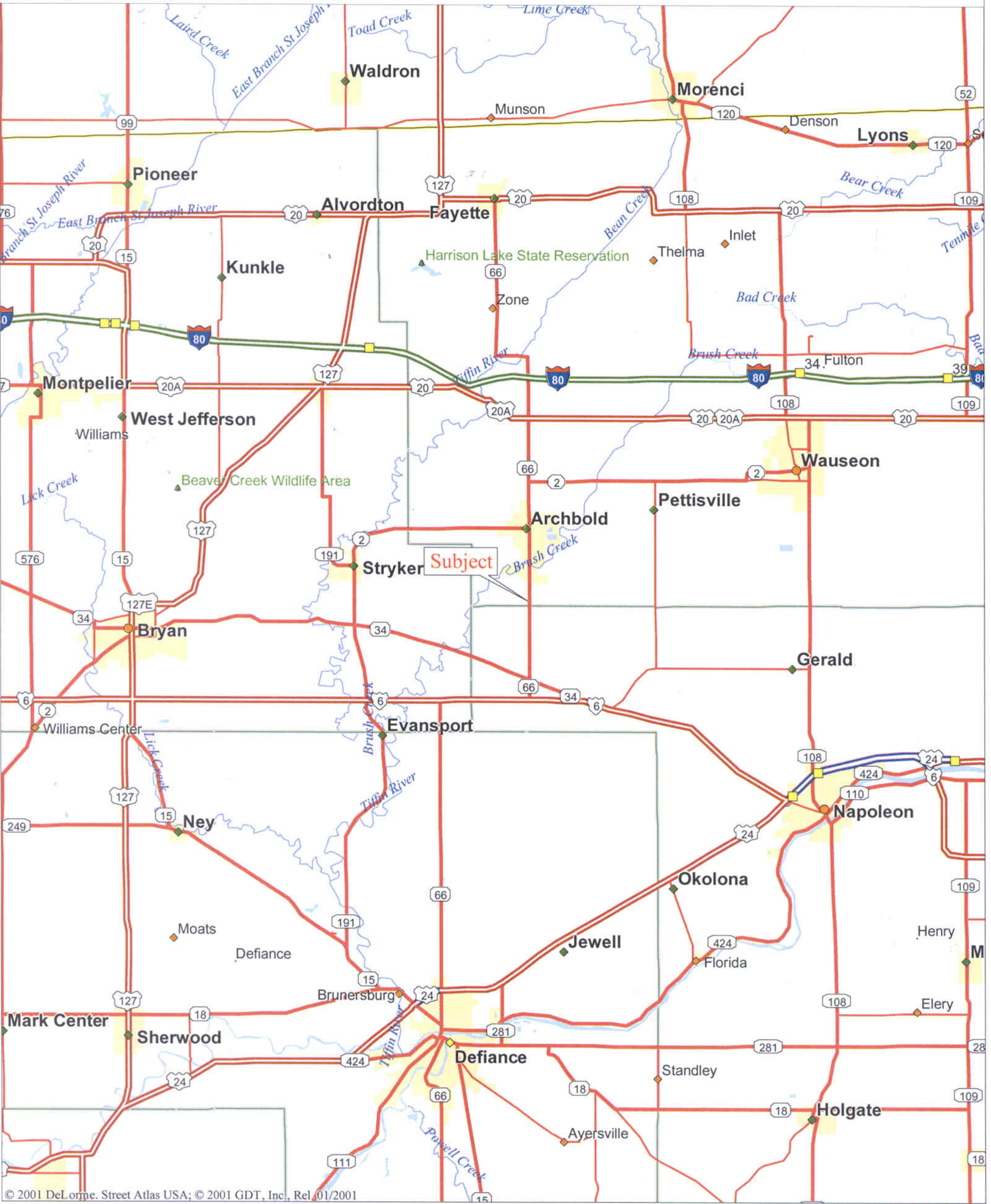
The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials that may influence or be associated with the property or any adjacent properties, have made no investigation or analysis as to the presence of such materials, and expressly disclaim any duty to note the presence of such materials. Therefore, irrespective of any degree of fault, PGP VALUATION INC and its principals, agents, and employees shall not be liable for costs, expenses, damages, 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.

It is assumed the subject is not affected by mold to the extent the value is impacted. The appraisers are not experts with regard to detecting the presence of mold. We make no claims as to whether the subject is or is not free of the presence of mold. Mold commonly exists in a variety of circumstances. In some instances, mold may be present and not apparent or detectable without specialized training or might occur in locations not visible from a routine inspection for valuation purposes. If questions arise regarding this issue, it is recommended that assistance from an expert in this area be obtained.

ASSUMPTIONS AND LIMITING CONDITIONS (CONTINUED)

The appraisers assume no responsibility for determining if the subject property complies with the Americans with Disabilities Act (ADA), which prescribes specific building standards that may be applied differently to different buildings, depending on such factors as building age, historical significance, amenability to improvement, and costs of renovation. PGP Valuation Inc, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties, or diminution in value resulting from non-compliance. Except as otherwise noted herein, this appraisal assumes that the subject complies with all ADA standards appropriate to the subject improvements; 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 necessary renovation costs, time period needed for renovation, and penalties for non-compliance (if any) were known today, appropriate deductions would be made to the value conclusion(s) reported herein.

Regional Map - Archbold



REGIONAL DESCRIPTION

Brief History

Ohio has the seventh largest economy in the nation. Compared to national averages, growth in Ohio has been slower and unemployment has been higher in recent times. The challenge for Ohio is to transition into the "new economy," or one that no longer has an industrial focus. Ohio's economy still relies heavily on manufacturing jobs. The "new economy" would limit out-migration in Ohio, keeping educated, accomplished, and skilled individuals in the state. Such an economy would also help to increase growth.

Population

Ohio has experienced population growth much slower than that of the rest of the United States. From 1990 to 2000, the U.S. population grew 13.2%, while the population in Ohio grew only 4.7%. Further, Ohio's population growth was less than that of most other Midwestern States, including Kentucky, Indiana, Illinois, Michigan, and Wisconsin. Ohio had a population of 11,353,140 in 2000, according to the U.S. Census. Estimates for 2004 indicate a population of 11,459,011. This reflects a change of .93%, or .23% per year.

With respect to education, only 45.9% of Ohio residents pursue education beyond the high school level, compared to a national average of 52.1%. This lack of education is cause for a higher percentage of Ohio's workforce to be classified as "Industrial," and a lower percentage (30.2% for Ohio compared to 33.3% nationally) to be classified as "Managerial/Professional." While Ohio's University's are well-respected, those who graduate from Ohio's Universities have a difficult time finding work for their chosen fields of study within the state. They often leave the state, relocating to work elsewhere.

In the future, efforts to boost Ohio's economy must be based on attracting new residents to the state.

The Labor Force

As previously discussed, the labor force in Ohio is less skilled than that of the national labor force. A higher percentage of workers are classified as Industrial, and a lower percentage is classified as Managerial and/or Professional. This is due in large part to a smaller percentage of Ohioans pursuing education past the high school level. This lack of education places the Ohio labor force in an unfavorable position due to the declining demand for Industrial skilled workers and the increasing demand for Managerial and Professional skilled workers on a national level.

In the most recent survey conducted by the Manhattan Institute (2002), 76% of high school students in Ohio graduate. The national average is 70%. Overall, Ohio is ranked 14th. According to the U.S. Census Bureau, only 21.1% of Ohioans over the age of 25 have a bachelor's degree. The national average is 24.4%. The labor force in Ohio has also suffered from significant out-migration, with many qualified workers, specifically those with college degrees, leaving the state because of a lack of work.

Ohio's unemployment rate was most recently estimated at 6.3% (March 2005). This is higher than the national unemployment rate of 5.2%. Given the past and current economic conditions in Ohio, it is likely that the unemployment rate will remain higher than that of the U.S. national average.

The following table compares Ohio unemployment rates to those of the U.S.:

Unemployment Rates		
Year	Ohio	United States
2005-March	6.3%	5.2%
2004	6.1%	5.5%
2003	6.2%	6.0%
2002	5.7%	5.8%
2001	4.2%	4.7%
2000	4.0%	4.0%

Source: Bureau of Labor Statistics

Wages and Income

According to the U.S. Bureau of Commerce, per capita personal income in Ohio averaged $29,944 in 2003. This is slightly less than the national average of $31,632. On the positive side, Ohio's average per capita income increased 1.83% from 2002 to 2003, and 2.46% from 2001 to 2002.

According to the John Glenn Institute at Ohio State University, it is more likely that the lower level of educational attainment, rather than the manufacturing focus of Ohio's economy, is responsible for Ohio's median income being lower than the U.S. average and that of neighboring states. While manufacturing incomes are typically higher than those in retail trade and personal services, they are typically lower than those in professional services.

The Economy

According to the Ohio Department of Development, Ohio's gross state product was $407 billion in 2004, making it the seventh largest state economy. Ohio ranks third among the 50 states in manufacturing gross state product.

Ohio Gross State Product (by Sector)	
Sector	Share (%)
Government	11.2%
Leisure and Hospitality	2.9%
Health and Education	8.3%
Management and Admin.	5.2%
Professional and Technical Services:	5.3%
F.I.R.E.	18.0%
Information	2.9%
Trade	13.8%
Manufacturing	20.2%
Construction	4.0%
Agriculture	0.4%
Other	7.8%
Source: Ohio Bureau of Labor Market Information	

The following table breaks down the Ohio economy by non-agricultural jobs.

Ohio Nonagricultural Jobs (March 2005)		
Category	**Employment**	**Percentage**
Total nonagricultural Jobs	5,411	100.0%
Mining	12	0.2%
Construction	236	4.4%
Manufacturing	823	15.2%
Trade/Trans/Utilities	1,033	19.1%
Information	92	1.7%
Financial Activities	313	5.8%
Prof/Bus Services	638	11.8%
Education/Health	751	13.9%
Leisure/Hospitality	489	9.0%
Other Services	227	4.2%
Government	797	14.7%
Source: Ohio Bureau of Labor Market Information (in thousands)		

Total employment in Ohio is expected to increase 9.7% from 2002 to 2012, equating to 562,000 new jobs. The service-producing sectors comprise 75 percent of the state GSP and are anticipated to account for virtually all job growth over the ten-year period between 2002 and 2012.

Ohio's leading industry is its manufacturing sector, which employs 823,000 persons. The state's factories lead the nation in the production of plastics, rubber, electrical equipment, and appliances. Ohio is also a leading producer of steel, autos, and trucks. About 68 percent of the state's manufacturing output consists of durable goods, which is higher than the national average of 58 percent.

The importance of durable goods to Ohio's economy is indicated by the state's two largest manufacturing industries: transportation equipment and fabricated metals. Major employers in these industries include General Motors, DaimlerChrysler, Ford, Honda, and General Electric. Proctor & Gamble, Sherwin Williams, J.P. Morgan Chase, and KeyCorp are also leading firms in the state.

Real Estate and Construction

Although interest rates have been at record low levels, residential construction in Ohio has not prospered as in many other areas of the United States. While the demand for residential real estate has been high in recent years, specifically during the last year, this demand has not carried into Ohio in the same manner. This is due to significant out-migration and a somewhat stagnant economy.

REGIONAL DESCRIPTION (CONTINUED)

The following chart illustrates the new housing market in Ohio over the past several years:

Building Permit Activity in Ohio (1998-2004)			
Year	Single-Family Units	Multi-Family Units	Total
2004	40,790	8,840	49,630
2003	42,700	10,340	53,040
2002	39,790	11,460	51,250
2001	38,770	11,170	49,940
2000	38,010	11,730	49,740
1999	40,030	15,850	55,880
1998	36,560	11,470	48,030
Source: National Association of Home Builders			

The number of single-family building permits in Ohio rose only 11.57 percent between 1998 and 2004. Nationwide, the increase was 32.41 percent. The number of multi-family building permits has declined 22.82 percent in Ohio. Nationwide, the number has increased by 6.35 percent.

According to the National Association of Home Builders, three of the top 50 housing markets in the U.S. (based on single-family building permits issued) are located in Ohio. Columbus is ranked 32nd, Cincinnati is 40th, and Cleveland is 49th. However, the state has not experienced the rapid residential growth that has been common in other areas of the country.

Commercial Development

Office Development – Office development in the immediate area has been extremely limited. Two of the largest markets in Ohio are Cincinnati and Columbus. Together they represent over 90 million square feet of office space. They combine for an average vacancy rate of 17.73% (Cincinnati 16.31%, Columbus 19.15%), and an average rent rate of $16.64 per square foot per year (Cincinnati $16.98, Columbus $16.30).

Industrial/Flex – Industrial space in Ohio rents from approximately $3.47 (Columbus) and $3.61 (Cincinnati) per square foot. There is currently an average vacancy of 13.36%, with more than 8 million square feet available.

Multi-Family – As previously discussed, multi-family housing permits decreased by 22 percent from 1998 to 2004. Multi-family permits have increased by 6 percent over the same period of time nationwide.

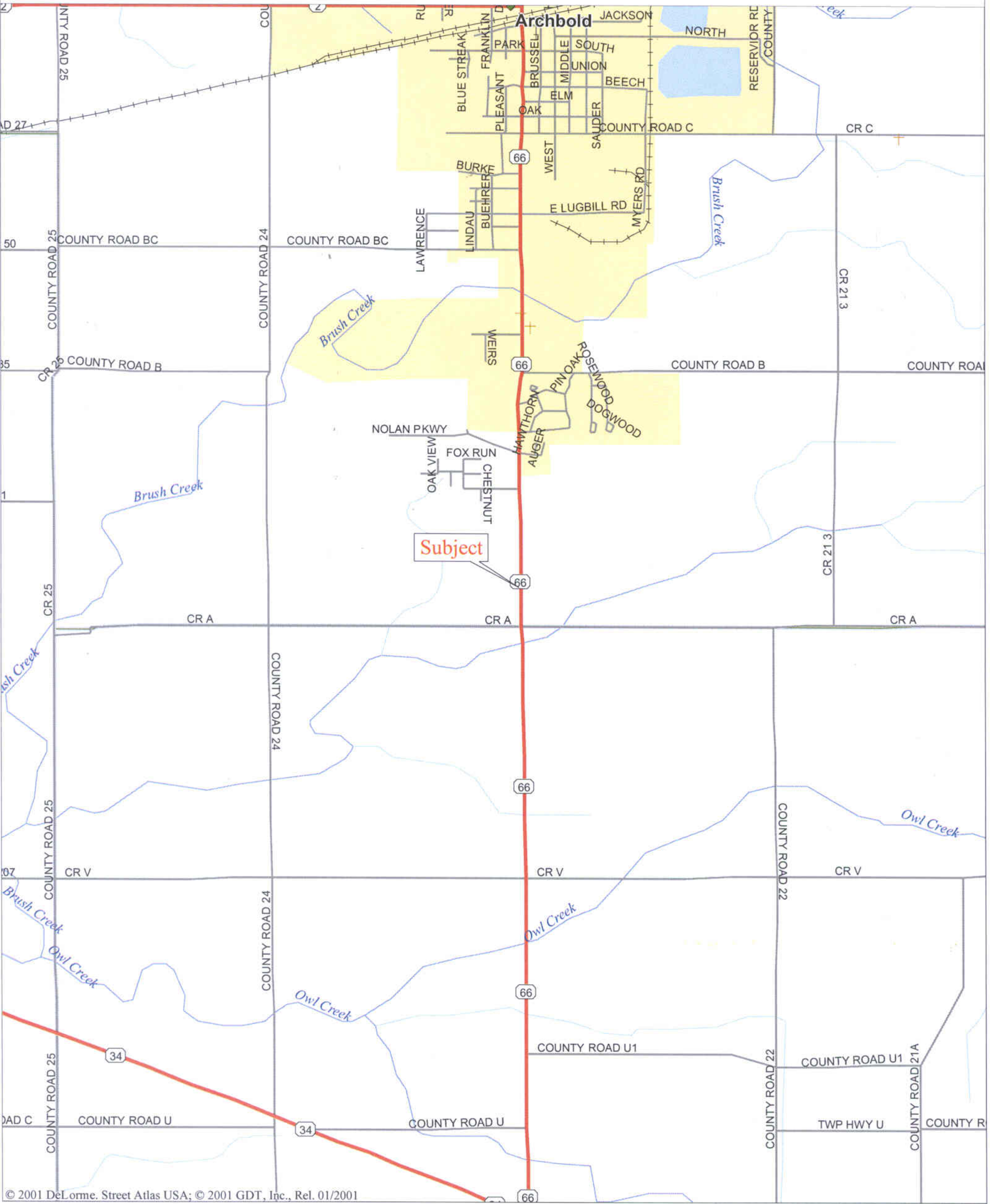
Retail – A more detailed analysis of retail development for the region/market is provided in the Market Analysis section of this report.

*Office, Industrial/Flex, and Retail statistics have been referenced from officespace.com.

Summary

The state of Ohio includes three major metropolitan areas: Cleveland, Columbus, and Cincinnati. The majority of the state's population resides in these markets. Ohio has experienced higher unemployment and slower growth than the U.S. as a whole. Ohio has been slow to move into the new, post-industrial economy that has been adapted by many other U.S. states/markets. Ohio ranks only 27th in "Knowledge" jobs, 25th in "Innovation Capacity," 30th in "Economic Dynamism," and 35th in "Digital Economy" indicators. States that have adapted into the new economy generally rank higher with regard to these indicators. In addition, Ohio's economy still relies heavily on manufacturing jobs. Based on these indicators, a stabilize economy with continued slow growth is anticipated.

Neighborhood Map - Archbold



■ NEIGHBORHOOD DESCRIPTION ■

Overview

The subject is located in The Village of Archbold, Ohio, which is located in Fulton County. Archbold is located in the northwest portion of Ohio, within 15 miles of the Michigan border and 25 miles of the Indiana border. It is also located 45 miles west of Toledo. The northwest region of Ohio offers affordability, convenience, and small town living.

Population

According to the 2003 U.S. Census, The Village of Archbold had 4,443 residents. This represents growth of 3.57 percent from 2000 to 2003. The nearest metropolitan area is Toledo, which had a 2003 population of 308,973. Toledo's population decreased by 1.48 percent from 2000 to 2003. Fulton County has a population of 41,500, which represents approximately .37 percent of Ohio's population. The state of Ohio grew by only .93 percent during the same time period. Reasons for slower growth have been discussed in the Regional Description section of this report.

The Economy

Fulton County has a slightly higher unemployment rate than the state (7.6 percent compared to 6.3 percent). The current unemployment is up from the 2004 average of 6.3 percent. Fulton County has a median wage of $43,155. According to the Archbold Chamber of Commerce, there is business expansion and new housing planned for 2005. Overall, the economic situation in the subject's immediate area appears stable; however, there is some concern with the rising unemployment rate.

The Labor Market

As previously stated, the unemployment rate in Fulton County is currently at 7.6 percent, higher than the 2004 average. Major employers in Fulton County include ConAgra Inc, Dana Corporation, Fulton County Health Center, Lear Corporation, Sauder Woodworking Company, North Star BHP Steel Ltd., Bil-Jax Inc., ITT Industries, and Worthington Industries. Specifically, a local real estate broker indicated Sauder Woodworking Company employs over 5,000 people and is a staple to the Archbold economy. The Village of Archbold actually has a higher daytime population than at night, due to the large employment base provided by Sauder.

Construction

New construction in Fulton County has been limited, as unemployment and growth rates have not performed at nationwide averages. However, according to the Chamber of Commerce, there is business expansion and new residential construction planned for 2005.

Summary

In conclusion, the outlook for the Village of Archbold and Fulton County is for stable economic conditions. While fast-paced growth is not anticipated, a steady economy is likely. This is due in large part to the significant employment base created by Sauder Woodworking Company. In addition, planned new construction and business expansion is a good sign for the local economy.

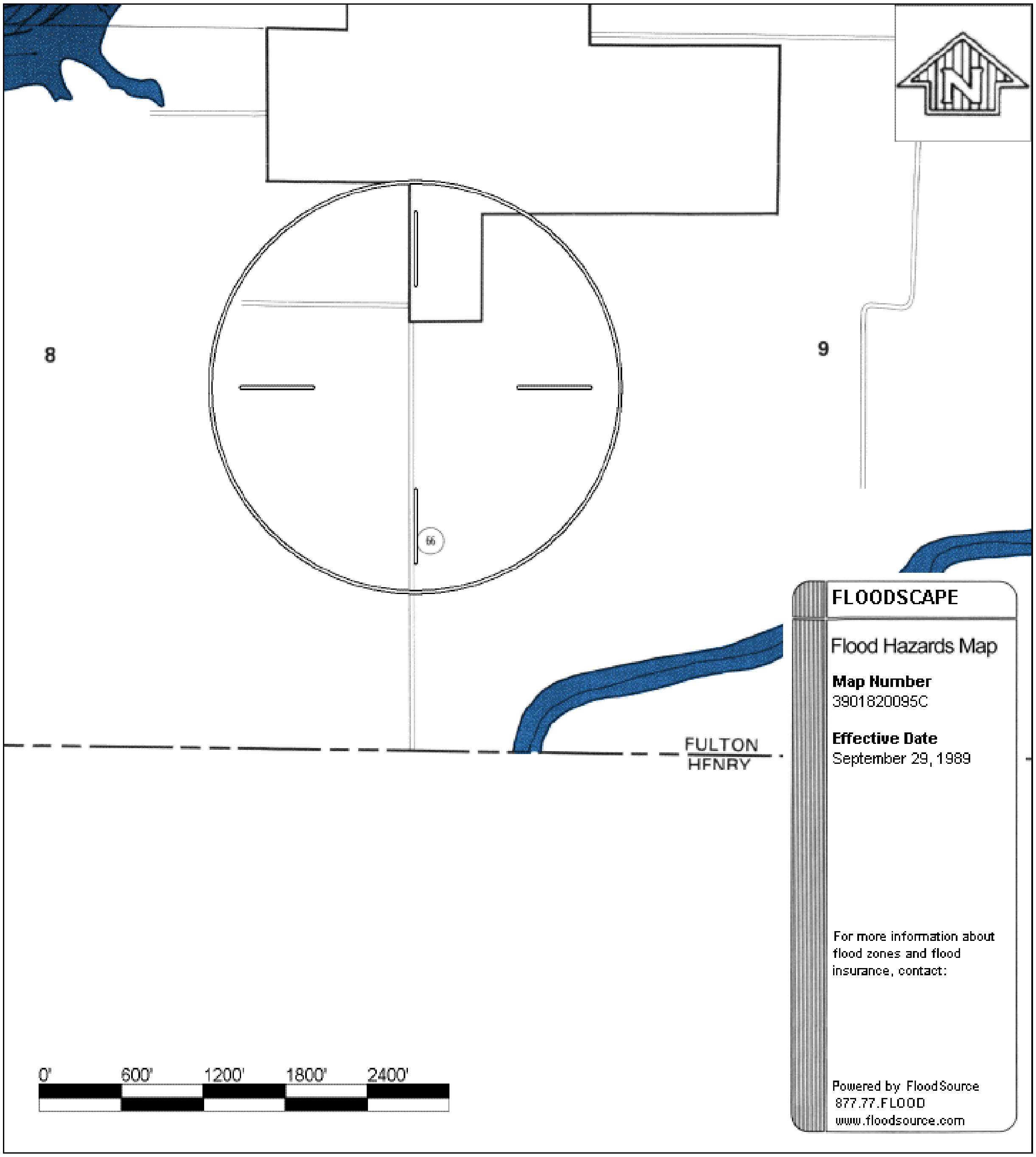
Hazardous Waste/ Asbestos:	An environmental Phase I report was not provided for review. We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. However, the subject site is not a known hazardous waste site and there was no evidence of hazardous materials visible on or adjacent to 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.
Location:	2015 South Defiance Street (Route 66), Archbold, Ohio 43502
Store Number:	3158
Assessor's Parcel #:	1703351803.000, and 1703351803.099
Site Size:	3.91 acres (170,320 SF), per Fulton County records
Shape:	The subject property is generally rectangular. However, there is a strip connecting the rectangular portion of the subject to South Defiance Street. This strip is used for access.
Topography:	Mostly level and at street grade
Abutting Properties	
North:	Vacant land followed by a car dealership and strip retail mall
South:	Vacant land followed by what appear to be storage buildings
East:	South Defiance Street followed by warehouse buildings
West:	Vacant land
Utilities:	All utilities are available to the site.
Street Improvements:	The site has frontage along South Defiance Street which is a two-way, two-lane street with a center turn lane. South Defiance Street is asphalt paved, has curbs and gutters, and is without sidewalks. South Defiance Street also has a center turn lane.
Traffic Volume:	Traffic count information from the Ohio Department of Transportation was not available for the subject's location.
Accessibility/Exposure:	The site has average exposure from South Defiance Street. There is one paved driveway, running west into the subject property from South Defiance Street.
Easements:	We were not provided with a title report. No obviously unfavorable easements or encroachments were observed during our inspection of the property. It is assumed that only typical utility easements,

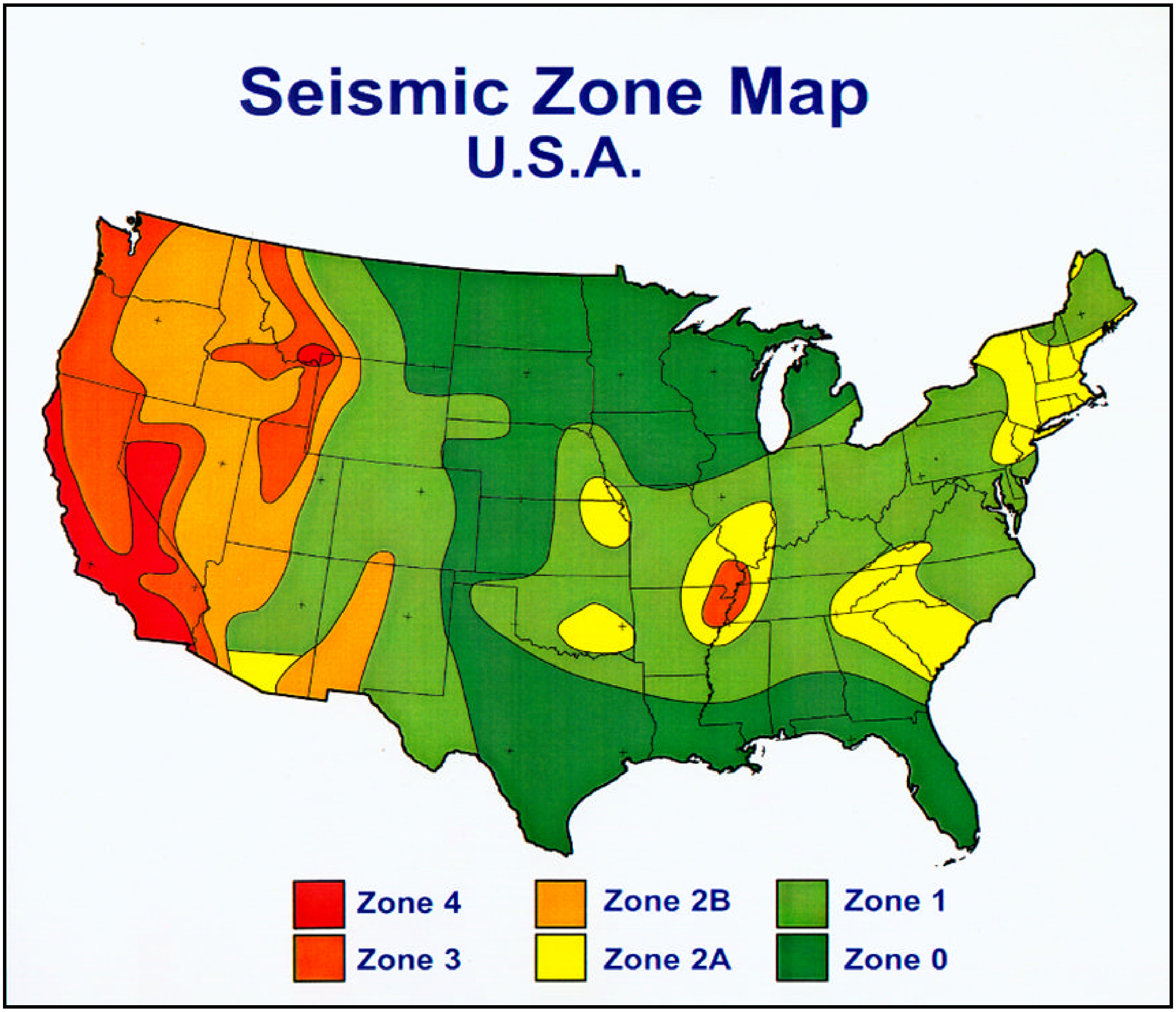
	governmental restrictions, and easements for ingress and egress exist, none of which are assumed to impact value. A title policy or A.L.T.A. survey is recommended if further assurance is needed.
Zoning:	The subject is zoned B2 (Highway and General Business District) under the jurisdiction of Fulton County, Ohio. A wide range of retail and commercial uses are permitted under this designation. It is assumed that the existing improvements are legal and conforming.
Soils:	No soil study was provided; however, the on-site inspection revealed no visual evidence of excessive settling or unstable soils. The soils appear to have adequate bearing capacity for low-rise structures based on neighboring developments; however, no certification is made regarding the stability of the soil or subsoil conditions.
Flood Plain:	Zone X, which is outside the 100-year floodplain; insurance is not required. Flood Map #3901820095C, dated September 29, 1989, is shown at the end of this section.
Earthquake Zone:	As shown on the Seismic Zone Map at the end of this section, the area is within Zone 1, which is the second lowest seismic zone.
Functional Utility:	The subject site is well suited for retail development based on its zoning, access and exposure, and surrounding development.

InterFlood
by a la mode
www.interflood.com • 1-800-252-6633

Prepared for:
Palmer, Groth, Pietka, Inc Vancouver Office

2015 S Defiance St
Archbold, OH 43502-9111




Seismic Zone Map
U.S.A.
Zone 4
Zone 3
Zone 2B
Zone 2A
Zone 1
Zone 0

Street Scene: Facing north along South Defiance Street (Route 66), subject at left.

Street Scene: Facing south along South Defiance Street (Route 66), subject at right.

Facing west across South Defiance Street with an overview of the subject.

<u>Subject Property Photographs</u> (continued)

General exterior view

View of the entrance area

View of the shipping/receiving area

<u>SUBJECT PROPERTY PHOTOGRAPHS</u> (CONTINUED)

Rear view

Facing east along the subject's northern boundary

Typical interior view

■ IMPROVEMENT DESCRIPTION ■

General Description:	The improvements comprise a single-tenant retail building totaling 36,047 gross square feet which is 100% occupied by Pamida, Inc., a subsidiary of the owner (ShopKo Stores, Inc.). Per information provided by the client, the improvements were completed in 2000. Construction is block frame with a flat composition roof and painted block exterior. The interior is consistent with anchor/big box retail finish; asphalt tile & carpet floors, dropped ceilings, fluorescent lighting fixtures, etc. Other improvements to the site consist of paved surface parking and minimal landscaping. Overall, the improvements represent average quality retail construction that is in average to good condition. The following is a summary of the subject's basic construction components:
Year Built:	2000, according to information provided by the client
Building Class:	Class C – block frame
Size:	36,047 gross square feet per measurements provided by the owner. Note that the appraisal of the subject is being performed in conjunction with several other ShopKo Stores in the country. We have personally measured several of the stores included in the portfolio and found our measurements to be consistent with the owner's measurements and County records. Therefore, it is assumed that the owner's measurements are accurate.
Exterior Walls:	Painted cinder block and painted split-face concrete block
Roof Structure:	Flat composition
Windows:	Other than the windows in the entrance area, there is only one window on the exterior of the building. It is located on the northern side of the building and used for the drive-up pharmacy.
Exterior Doors:	The store entrance has automated glass doors in aluminum frames. The subject also has dock-high, metal roll-up doors and standard 7' metal entry doors towards the rear of the building.
Interior Finish:	Average quality retail finish
Walls:	Painted gypsum wallboard
Ceilings:	Suspended acoustical tile
Floor Coverings:	Primarily asphalt tile and carpet
Lighting and Electrical:	Fluorescent lighting
Heating & Air Conditioning:	Roof-mounted H.V.A.C.

IMPROVEMENTS DESCRIPTION (CONTINUED)

Fire Protection:	Fire sprinklers
Site Coverage:	21%. Note, the site may be larger than the current tenant's need and there may be potential value in creating pad lots. We have not estimated the potential additional value of possible pad sites as it is outside the scope of the appraisal and the subject's site coverage is within market parameters.
Parking & Site Improvements:	A majority of the site improvements consist of asphalt-paved parking. We were not provided with a site plan; however, there is adequate parking on the site, at an estimated ratio of 4.0 to 5.0 spaces per 1,000 rentable SF of building area.
Quality & Condition:	The building is average construction quality and in good condition. The parking areas are in average condition.
Appeal:	Overall appeal is average considering the design and surrounding development.
ADA Compliance:	It is unknown if the subject is in complete or nearly complete compliance with the Americans with Disabilities Act (ADA) due to the many requirements and vagueness of the law. Please refer to the Assumptions and Limiting Conditions for the full disclaimer.
Design and Functional Utility:	The subject is designed for single-tenant occupancy. The functional utility of the buildings is good, with no signs of functional obsolescence.
Remaining Economic Life:	The subject is average quality and in average to good condition. The remaining economic life is estimated to be 35 years.

Summary

The information presented above is a basic description of the subject property improvements. This information is utilized in the valuation of the property. Reliance has been placed upon information provided by owner, an inspection of the property interior and exterior, and other sources deemed reliable. It is assumed that there are no hidden defects, and that all structural components are functional and operational. If questions arise regarding the integrity of the structure or its operational components, it may be necessary to consult additional professional resources.

In this section, market conditions that influence the subject property will be considered. The major factors requiring consideration are the supply and demand conditions, which affect the competitive position of the subject property. This analysis will first analyze the retail market for the State of Ohio. Comments regarding the subject's immediate market area will also be included.

Information obtained from Global Real Analytics (GRA), officespace.com, and local brokers regarding retail market information in Ohio has been relied upon and utilized for the purposes of this analysis.

Supply

Supply of retail buildings similar to the subject in the immediate market area is limited. Upon inspection, it did not appear that there was any similar retail space available in the subject's immediate market area (three-mile radius). Available retail space in the subject's immediate market area consisted primarily of smaller pad spaces. However, according to the client there are five larger retail stores within a twenty-mile radius of the subject. These stores include: Big K Mart, two WalMart Stores, and one WalMart SuperCenter. These stores are considered secondary competition as they are generally located in areas with higher populations and are generally significantly larger stores.

The larger Ohio markets include: Cleveland, Columbus, and Cincinnati. These markets are larger and more densely populated, more heavily trafficked, and attract a wider variety of retail uses. Specifically, "big-box" retailers such as WalMart, Kroger, Lowes, and Target are common in these markets. The subject's smaller market typically does not attract these larger retailers. This is the likely cause of a lack of supply of similar properties. Local brokers and real estate professionals also indicated a lack of supply.

Demand

Demand for retail development is best indicated by trends in vacancy, absorption and asking rents. An analysis of each item is provided below, followed by an analysis of the subject's trade area, single-tenant properties and the subject's tenant:

Asking Rent – According to the most recent market study conducted for the three major metropolitan areas in Ohio, market rents in all three markets have increased steadily over the past year. Cincinnati and Cleveland are both larger than Columbus and have higher asking rents. Columbus is located towards the middle of the state, further away from interstate retail traffic. On a state wide basis, the average rental rate for Class A Retail properties is $14.17/SF per year. This represents a 2.53% increase from one year earlier. However, the subject is located in a much smaller retail market, with only 8,500 people within a five-mile radius. According to local brokers, real estate professionals, and current listings, current asking rents for comparable properties in similar markets throughout Ohio range between $4.00/SF and $6.00/SF per year on a triple-net (NNN) basis. The chart on the following page represents asking and effective retail rents for the three largest metropolitan areas in the state of Ohio, along with state averages:

Ohio Retail Rents – Asking and Effective				
	Columbus	Cincinnati	Cleveland	Average
Asking Rent:				
4 Q. '04	$13.06	$14.15	$15.31	$14.17
3 Q. '04	$13.03	$14.11	$15.29	$14.14
3 Q. '03	$12.91	$13.94	$14.61	$13.82
Effective Rent:				
4 Q. '04	$12.81	$13.90	$15.00	$13.90
3 Q. '04	$12.76	$13.83	$15.01	$13.87
3 Q. '03	$12.56	$13.59	$14.29	$13.48
Source: Global Real Analytics (GRA)				

Net Absorption – Global Real Analytics (GRA), a leading retail market research company, indicated they did not have absorption statistics for the Ohio retail market.

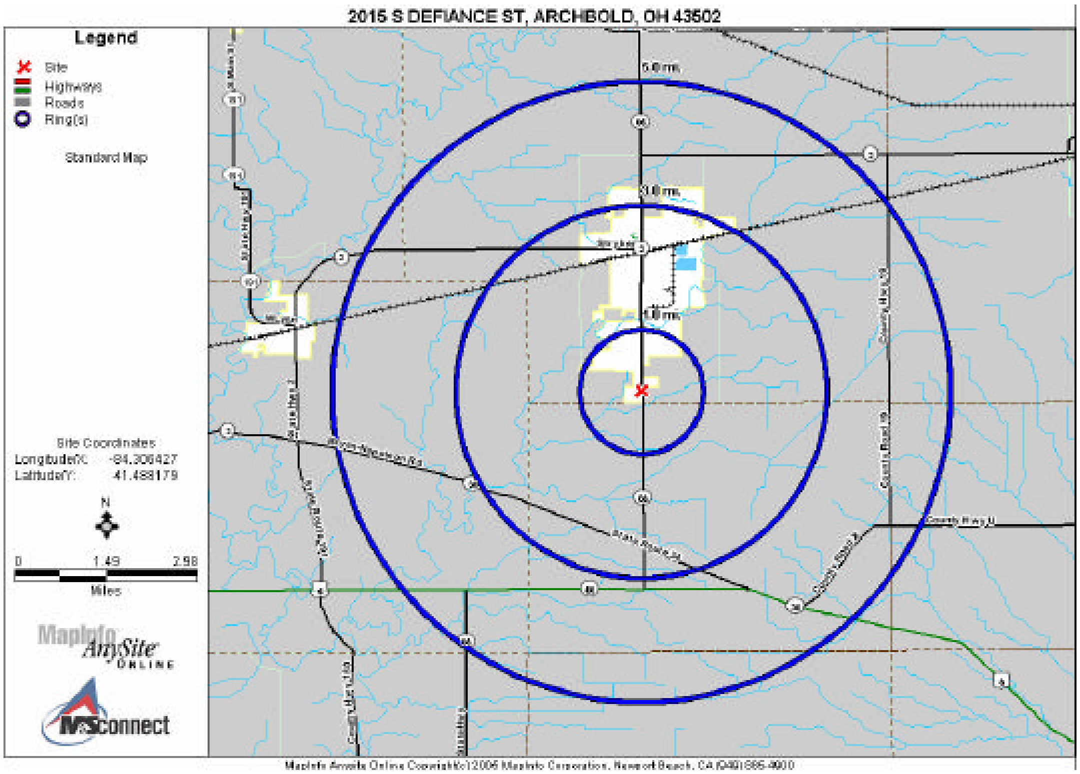
Vacancy – According to officespace.com, vacancy rates for retail properties in Columbus and Cincinnati are currently 13.78% and 12.94%, respectively. Vacancy information for the Cleveland market, as well as smaller rural markets throughout Ohio was not available. There did not appear to be a significant amount of vacant retail space similar to the subject in or around the subject's market area.

Trade Area

The subject trade area consists primarily of low density residential neighborhoods. While there appeared to be some new residential development, it was minimal. To analyze the subject's competitive position more directly, we will narrow the discussion to the immediate target market area. The trade area is the geographical area surrounding the subject that will provide a substantial portion of the customer base. The market opportunities for a commercial property depend on the demographic characteristics of residents within the market area.

The trade area of a retail development is determined by many factors, including geographic area, access to transportation routes, population mobility, average household, income, age, rent levels, etc. The importance of any one or more of these factors can vary greatly from market to market. Nevertheless, certain general trends can be ascertained. Ideally, the trade area will be circular, with the subject property in the middle. The more dense the population, the smaller the trade area radius required to sustain an acceptable consumer base.

The population surrounding the subject is extremely limited, with approximately 8,500 people within a five-mile radius. However, the subject is the only known retailer of its size in the vicinity. Therefore, the subject is considered well-positioned as a retail center. A map showing the area included in the ring-analysis followed by a table showing demographic information within a one, three, and five-mile radius of the subject is shown on the following page. The notable components considered in this analysis are the trade area population levels for 2000, 2004, and 2009 (projected), and household incomes for 2004:



	1-Mile Ring 3.14 sq/mi	3-Mile Ring 28.27 sq/mi	5-Mile Ring 78.54 sq/mi
POPULATION			
2009 Total Population	685	5,105	8,427
2004 Total Population	654	4,944	8,185
2000 Total Population	645	4,889	8,101
% Population Change 2000-2004	1.4%	1.12%	1.04%
HOUSEHOLDS			
2009 Total Households	241	2,005	2,937
2004 Total Households	232	1,959	2,875
2000 Total Households	226	1,917	2,814
% Households Change 2000-2004	2.65%	2.19%	2.17%
INCOME			
2004 Median Household Income	$54,820	$44,727	$47,014
2004 Average Household Income	$60,028	$62,372	$62,228

Source: M and S Connect

Population – The 2004 population ranges between 654 and 4,944 within a one to three-mile radius of the subject, indicating a 1.39% to 1.12% increase from the 2000 figures. While these increases are relatively nominal, they are consistent with other smaller markets throughout Ohio. The population is projected to increase between 4.74% and 3.26% within these two rings by 2009.

Income – There are 232 to 1,959 households within the one to three-mile radius with median incomes of $54,820 to $44,727. Average household incomes are higher, ranging between $60,028 and $62,372. The demographics and trade area for the subject suggest positive conditions with the average household incomes remaining relatively stable within a one to five-mile radius of the subject.

MARKET ANALYSIS (CONTINUED)

Single-Tenant Triple Net Properties

The subject is occupied by Pamida Inc., a subsidiary of the owner, Shopko. The most likely scenario of an exchange in ownership is a sale-leaseback situation, which have been occurring significantly over the past few years as companies have looked for a cash infusion in order to fund expansion without adding debt. Nevertheless, as a single-tenant box retail building, the single-tenant NNN market is applicable and is examined in the following paragraphs:

The weakness of the stock market over the past two years, coupled with significantly declining interest rates has made single-tenant triple net properties come into increasing demand. This is because investors are able to get a 7% to 10% return on their equity on a very safe investment. Cash-on-cash, or equity yields, have exceeded most other investments but have the added benefit of being secured by real estate.

Single tenant triple net properties are especially attractive because they require little to no management or real estate knowledge. Because many of the investors lack real property savvy, longer-term leases to high credit tenants are the most desirable. Another driving force behind the desirability of these properties in recent years has been the flurry of 1031 exchange activity in California. As rates-of-return in California have been driven down, those investors have sought betters yields on a national level and have significantly affected demand nationwide. With Shopko's credit and national recognition, they would attract significant demand in a sale situation.

Because demand has outpaced supply and interest rates have fallen, capitalization rates have decreased significantly over the past year. Investors can achieve the same equity yield while paying higher prices, which has decreased overall rates. Average rates for high credit tenants with long-term leases have gone from 8% to 8.5% to around 6% +/- depending on location, remaining lease term, etc. Medium-credit and flat-lease tenants (long-term leases with no increases) are now selling at rates around 7% +/-. Though the current rates are reflective of the market and there is more than sufficient demand, a spike in interest rates and return of confidence in other forms of investment, primarily the stock market, may cause overall rates to return to previous levels.

Tenant Analysis

ShopKo was incorporated in 1961 and acquired by SUPERVALU in 1971. In 1984, with a total of 39 stores, ShopKo began an aggressive expansion. Today, ShopKo operates 363 specialty discount retail stores under the names ShopKo (143) and Pamida (220). The stores are located in the Upper Midwest, Mountain, and Pacific NW states. ShopKo stores are primarily in mid-sized markets, carrying branded and private label merchandise. The ShopKo retail store division accounted for 75% of fiscal 2003 sales; Pamida, which are generally located in small markets, accounted for 25% of sales. Shopko (both brands) employs 25,500 people. The graphic below summarizes their market position as provided by Standard and Poor's.

Of their 363 stores, ShopKo owns 185, or 53%. This has translated to significant financial stability which has been noted by Wall Street. Standard & Poor's raised ShopKo's Financial Strength rating to B in early 2005. The one notch upgrade from C++ reflects, "The recent year's improvement in the company's debt/equity structure. We also believe ShopKo's significant ownership of its locations is likely worth more than their balance sheet valuation, suggesting the company's book value is understated."

ShopKo competes head-to-head with Kmart, Target and/or Wal-Mart in nearly every market. At a B rating, they are just below investment-grade from an investor standpoint. Properties leased to B-rated tenants throughout most of the united States are generally selling at capitalization rates between 7% to 8%, depending on location, tenant recognition, quality/condition, access/exposure and the lease structure (primarily term, rate increases, and overall price). B-rated properties in high-growth areas of the Southwest such as Southern California, Southern Nevada, Greater Phoenix sometimes sell at rates below 7%. In the case of the subject property, a capitalization rate slightly higher than normal, between 8% and 9% may be considered reasonable, due to slower growth in the state of Ohio.

Although the smaller Pamida stores are generally located in very small, rural markets, they do compete on some level with larger retailers including: WalMart, Kroger, Big K Mart, and Target. However, these stores offer only secondary competition as they are rarely located in the same town(s) as the Pamida stores are located.

Due to lower debt (they paid off a $55 million, 9% note last September) ShopKo is well positioned to maintain or slightly grow their market share against their main competitors. Last year, several stores were remodeled, a few new ShopKo Express Rx locations were opened and pharmacies were added to several locations.

Their smaller, Pamida stores, are expected to grow however. Located in rural areas, and often with little to no competition, Pamida's strategy is to continue to focus its expansion program in communities with less likelihood of the larger competitors (Target, Kmart, Wal-Mart) locating nearby. According to a February 11, 2005, release by Standard & Poor's, "Substantial success in expanding Pamida and in merchandising both groups are needed for these shares to become a winner in the next 3 to 5 years." As such, ShopKo will likely expand their Pamida store concept in the near future. It is important to note that these are general comments regarding the Pamida brand. For further discussion of the subject property, please see the Income Capitalization Approach.

ShopKo is rated as better than average from an investor standpoint as a tenant. They remain in a good cash position to keep their stores in a competitive position compared to their competition in order to respond to changing consumer demands.

Summary of the Market Study

Overall, the subject is concluded to be marketable as a retail development. The subject's current income is further discussed in the Income Capitalization Approach section later in this report.

■ HIGHEST AND BEST USE ANALYSIS ■

The highest and best use of a property is defined as that reasonable and most probable use that will support its highest present value. The highest and best use, or most probable use, must be legal, physically possible, financially feasible and marketable.

The Highest and Best Use concept is based upon traditional appraisal theory and reflects the attitudes of typical buyers and sellers who recognize that value is predicated on future benefits. This theory is based upon wealth maximization of the owner, with consideration given to community goals. A use that does not meet the needs of the public will not meet the above highest and best use criteria.

In this section, the highest and best use of the subject site “as vacant” is first determined utilizing analysis of legal, locational, physical, financial, and market factors. A similar analysis is then conducted for the highest and best use “as improved.”

“AS VACANT”

The legal factors influencing the highest and best use of the subject property are primarily government regulations such as zoning ordinances and comprehensive plans. The subject property is currently zoned B2 (Highway and General Business District) in Fulton County, Ohio. This designation allows for a wide range of commercial and retail uses serving the community and neighborhood area. It is assumed that the subject’s improvements are an allowed outright use in this zone. Thus, legal factors support a commercial highest and best use.

With respect to physical characteristics, the site has a generally rectangular shape with the exception of an access strip protruding east from the rectangular portion, providing access into the subject property from South Defiance Street (Route 66). Exposure and access characteristics are considered to be good. The site is 3.91 acres, mostly level, at street grade and has all utilities available. Overall, physical characteristics support retail development as the highest and best use.

Locational factors including limited commercial and retail development in the immediate area also support a commercial highest and best use. Specifically, there is a 40,000 SF retail strip center located within one block of the subject, also along South Defiance Street. However, this appeared to be the only other retail property of the subject’s size in the immediate area. Although residential development surrounding the subject is limited, it is considered sufficient to support a retail use. Traffic volume and overall access/exposure in the immediate neighborhood implies that commercial/retail development in the subject market is financially feasible and marketable.

Thus, physical, locational, financial and marketability factors support a commercial/retail use as the subject’s highest and best use “as vacant.”

“AS IMPROVED”

Legal, Physical and Location Considerations

As indicated above, legal (zoning and building codes) issues allow a wide variety of commercial uses on a citywide and regional basis. The existing improvements are assumed to be an allowed use under the appropriate ordinances. Additionally, it is assumed the subject complies with all applicable building codes. Overall, legal considerations support the existing use as the subject’s highest and best use “as improved.”

As mentioned previously, locational features including access, exposure, and surrounding commercial and residential development all support the existing use as the highest and best use "as improved." Regarding physical considerations, the existing use is viable and suffers from no functional obsolescence.

Based on the preceding analysis, legal, locational, and physical considerations all support the existing retail use as the subject's highest and best use "as improved."

Financial Feasibility/Alternative Uses

The financial feasibility of the subject will be discussed in terms of alternative highest and best uses of the property. The five possible alternative uses of the property are demolition, renovation, expansion, conversion, and use "as-is," each of which is discussed below.

Demolition: The subject property "as improved" is worth substantially more than the site "as vacant." Therefore, demolition is not appropriate.

Renovation: The subject property is in average and it has an efficient, appealing design. Therefore, renovation is not reasonable.

Expansion: The subject has adequate parking and a competitive site coverage ratio. The existing improvements fully utilize the site and expansion is not warranted. Further analysis beyond the scope of this report may identify the potential of one or two pad sites on the site frontage. In this instance, our value conclusion would likely not change if the primary site retains its current utility; rather, the creation of pad sites may create additional value.

Conversion: The subject is specifically designed for use as retail; the design would not lend itself well to alternative uses. Therefore, conversion is not appropriate.

Use "As-Is:" The subject improvements are designed for retail use. This use meets the legal, physical and locational considerations. Further, it is consistent with the surrounding development and is concluded to be financially feasible based on supply and demand conditions. Thus, continued use "as-is" creates the maximum value of the subject property.

In summary, the above analysis indicates that continued "as is" use is the highest and best use of the subject property.

Conclusion - Highest and Best Use "As Improved"

Legal, physical, locational, financial feasibility, alternative uses, and market considerations have been analyzed to evaluate the highest and best use of the subject property. The above analysis indicates the highest and best use "as improved" is the continued use as retail.

■ VALUATION METHODS ■

The next part of the appraisal process deals directly with the valuation of the subject property by utilizing the Income and Sales Comparison Approaches to value.

The **Cost Approach** is based upon the principle that the value of property is significantly related to its physical characteristics and that no one would pay more than the cost to build a like facility in today's market on a comparable site. For new or proposed improvements, this approach is meaningful. For older properties or those with substantial depreciation, this approach has limited application. For the purposes of this appraisal, the Cost Approach will not be utilized. However, an insurable value estimate is shown in the Addenda.

The **Income Approach** is predicated on the assumption that there is a definite relationship between the income a property will earn and its value. Net income is the income generated before payment of any debt service. The process of converting it into value is called capitalization. Net income is divided by a capitalization rate. Factors such as risk, time, interest on the capital investment, and recapture of the depreciating asset are considered in the rate. Applying a capitalization rate based on indications from comparable sales reflects expectations of buyers and sellers in the market.

The **Sales Comparison Approach** is based on the principle of substitution, which states no one would pay more for the subject property than the value of similar properties in the market. This approach analyzes sales of comparable properties with regard to the nature and condition of each sale. Logical comparisons are made for varying physical characteristics.

The approaches used to value the subject property will be correlated and a final value opinion will be presented in the Analysis of Value Conclusions section.

The first step in the Income Capitalization Approach is to estimate the subject's potential gross income, (PGI) which is derived by comparing the subject property with leased properties having similar utility in similar locations.

Potential Gross Rental Income

The subject is owner-occupied retail building. As such, potential gross income is projected based on an analysis of similar buildings in the market. The following market rent analysis is conducted on a dollar per square foot per month basis, reflecting market behavior

Selection of Comparables

A search of smaller and moderately sized retail markets in Ohio and surrounding states was conducted in order to find the most comparable leased facilities in terms of location (market area), tenancy, age, appeal, exposure and quality/condition. For the purposes of this appraisal, nine rent comparables will be utilized to estimate the market rent for the subject property. Together these comparables bracket the subject's location, quality and condition.

Adjustments

The subject's units are leased on triple net with the tenants responsible for all operating expenses associated with the property. All of the lease comparables are triple net and require no adjustment for lease terms. Adjustments for quality, design, location and appeal are generally subjective in nature. A general discussion of condition and other factors will be discussed in the following pages. No specific dollar adjustments are made due to the subjective nature of these adjustments and the lack of direct market evidence.

Presentation

The Rent Comparable Summation Table, location map and photographs of each comparable is provided on the following pages. Following the photographs is an analysis of the rent comparables and subject contract rents, and our market rent conclusions for the subject. A bracketing process is used to estimate the appropriate market rents.

RENT COMPARABLE SUMMATION TABLE

No.	Identification/Location	Year Built	Tenant/Space Type	Lease Date	Rent PSF Per Year	Escalations	Size (SF)	Term	Structure	T.I.'s/SF	Comments
1	**Ace Hardware** 1495 N Shoop Avenue Wauseon, OH IS# 422	1980s	Ace Hardware	Dec-05	$2.25 $4.00 Adj.	N/Av; CPI Assumed	32,688	10 yrs.	NNN	NA	Space leased "as-is." Had significant deferred maintenance. Broker indicated market rent for the space in its current condition was $4.00/SF.
2	**Big Lots** 825 Main Street Milford, OH IS# 423	1980s	Big Lots	Jun-05	$3.10	20% at renewal	35,400	20	NNN	NA	Broker indicated the lease was below market. Expires in 2006, at which time the tenant can renew for $3.72/SF, a 20% increase.
3	**Pharm Retail** 1848 E Harbor Road Port Clinton, OH IS# 424	1978	Pharm Drugstore	Aug-78	$3.41	None	25,665	20	NNN	NA	The tenant has occupied the building since 1978. The leasing broker indicated she was unaware as to any escalations in the lease rate. Four five-year options to renew. Lease rate is constant at $3.41/SF for each of the extensions.
4	**Pamida** 4113 Route 224 West Willard, OH	1992	Pamida	Current	$4.04	N/Av; CPI Assumed	43,200	Expires 1/08	NNN	NA	Information provided by the client. Lease term and dates unknown.
5	**Pamida** 100 Cross Country Plaza Batesville, IN	1992	Pamida	Current	$4.25	N/Av; CPI Assumed	43,200	Expires 5/07	NNN	NA	Information provided by the client. Lease term and dates unknown.
6	**Hobby Lobby Building** 5329 Monroe Street Toledo, OH IS# 425	1980s	Hobby Lobby	Aug-04	$5.25	N/Av; CPI Assumed	55,000	10 years	NNN	NA	The building was formerly a grocery store. Now leased to an Arts & Crafts store. Monroe Street provides good retail traffic.
7	**Archbold Retail Center** South Defiance Street Archbold, OH IS# 426	1980s	RiteAid, Vet Clinic, Dollar General, Curves, Marco Pizza, and Super Value	Varies	$5.67	N/Av; CPI Assumed	40,000	Varies	Varies	NA	Strip retail building located within one block of a Pamida store. All leases are not NNN. Broker indicated the owner did not disclose lease terms and structures.
8	**Super Food Services** 275 Water Street Oak Harbor, OH IS# 427	1964	Super Food Services	Jul-96	$6.00	14.28% Increase	32,772	20 years	NNN	NA	Building is currently listed for sale. Been on market for 6 months. Advertised as only supermarket in Oak Harbor. Good frontage along Water Street.
9	**Chief Supermarket** North Scott Street Napoleon, OH IS# 428	1980s	Chief Supermarket	1989	$7.00-$7.50	N/Av; CPI Assumed	40,000	20 years	NNN	NA	Broker indicated the lease was between $7.00 and $7.50/SF. Located in close proximity to other retail uses.
10	**Tractor Supply** 1372 Main Street Hamilton, OH IS# 429	1980s	Tractor Supply	1996	$8.60	N/Av; CPI Assumed	19,066	15 years	NNN	NA	Located in an area of heavy retail traffic. HH Gregg, Lowes, WalMart, and Kroger located nearby.

Rent Comparable Location Map - Archbold

Comparable No. 1 – Ace Hardware building, Wauseon, OH

Comparable No. 2 – Big Lots, Milford, OH

Comparable No. 3 – Pharm Retail Building, Port Clinton, OH

RENT COMPARABLE PHOTOGRAPHS (CONTINUED)

Comparable No. 5 – Pamida, Batesville, IN

Comparable No. 6 – Hobby Lobby, Toledo, OH

Comparable No. 7 – Retail Center, Archbold, OH

RENT COMPARABLE PHOTOGRAPHS (CONTINUED)

Comparable No. 8 – Super Food, Oak Harbor, OH

Comparable No. 9 – Chief Supermarket, Napoleon, OH

Comparable No. 10 – Tractor Supply, Hamilton, OH

Discussion of Rent Comparables

Rent Comparable No. 1 ($4.00/SF) – This comparable is located in Wauseon, OH. Wauseon is located within 15 miles of the northern border of Ohio, in the northwest portion of the state. The retail market in Wauseon is slightly larger than that of the subject. This is evidenced by a WalMart Supercenter and Chief Supermarket being located in Wauseon, among other retail stores. WalMart is located across the street from this comparable. This comparable is the largest tenant in a retail center. Other tenants include Citi Financial, H&R Block, and a Chiropractor. There is also a Pizza Hut, Taco Bell, and DM Dairy within one block of the building. The current lease at $2.25/SF was negotiated for the building in its "as-is" condition, meaning the building had significant deferred maintenance. The leasing broker indicated the market rate for the building would be approximately $4.00/SF for a standard lease, based on its current condition. This comparable, at 32,688 square feet, has a similar size as the subject property. However, it is considered inferior with respect to quality. It should also be noted that there is a WalMart Supercenter located within one block of this comparable.

Rent Comparable No. 2 ($3.10/SF) – This comparable is located in Milford, OH. Milford is located in the southwest corner of the state, approximately five miles east of Cincinnati. The building is located across from a retail center that includes Kroger, Dollar Tree, Aarrons, and Goodyear. The building is well-located in a supported retail area. The broker indicated this lease is below market. With regard to location, this comparable is considered similar to the subject property. However, it does compete with Kroger. With regard to quality, it is considered slightly inferior.

Rent Comparable No. 3 ($3.41/SF) – This comparable is located in Port Clinton, OH. Port Clinton is located along the northern border of Ohio, generally situated between Toledo and Cleveland. Lake Erie serves as Port Clinton's northern border. This comparable is a 25,665 square foot PHARM Drugstore building which is part of a retail complex that includes the Ottawa County Government Complex and the Port Clinton City Hall. Surrounding uses include automotive supply and service buildings, a ReMax retail office, and apartment buildings. There is also a Kroger located in Port Clinton. This is a 30-year lease, originally negotiated in 1978. The leasing agent indicated she did not know if the current lease rate has been trended upwards to account for appreciation in market over the course of the lease. However, based on the current rate it is reasonable to assume that it has been trended in relation to a base rate which began in 1978. The building is currently listed for sale for $900,000, or $26.48/SF. This comparable is smaller than the subject and is in inferior condition. With regard to location and exposure it is considered similar. However, it does compete with Kroger.

Rent Comparable No. 4 ($4.04/SF) – This comparable is a Pamida store located in Willard, Ohio. Willard is located approximately 30 miles south of Sandusky, or 30 miles south of Ohio's northern border. Surrounding uses include mostly farmland, including government established farm fields. Pepperidge Farms is a major employer in Willard. The store manager indicated there is a WalMart located 25 miles away in Tiffon. WalMart is considered the closest retail competition, with regard to location. Pamida has operated in the building for 13 years. The building was previously occupied by Ames. Pamida now operates in the building and has experienced decreasing sales. The store manager indicated a 8% decrease between May 2005 and May 2004. Per the client, sales in this store have declined by 15% over the last four years. This comparable is considered similar with regard to location and inferior with regard to construction. *We did not inspect or photograph this comparable. Lease and size information were provided by the client. Surrounding uses and market information was provided by the store manager.*

Rent Comparable No. 5 ($4.25/SF) – This comparable is located in Batesville, Indiana, along Highway 33. Batesville is located in the northeast portion of the state, just southwest of Goshen.

It benefits from its slightly larger retail market, as it is closer in to Lake Michigan. Although we were not able to confirm the construction year, it appeared as though the building was built in the late 1970s or early 1980s. It has brick construction and adequate parking. It is an older building and is therefore consider inferior with regard to construction. With regard to location it is considered superior.

Rent Comparable No. 6 ($5.25/SF) – This comparable is located in Toledo, OH. Toledo is located in the northwest portion of Ohio, along its northern boundary. Interstate-75, a major roadway through both Michigan and Ohio, runs through Toledo. At one time this comparable was a grocery store. It has since been remodeled and is currently occupied by Hobby Lobby, an arts and crafts retailer. It is part of a larger retail center in a well-trafficked area of Toledo. Other stores in the immediate vicinity include Play-It-Again Sports, Sprint, a mortgage company, fast-food vendors, and an automotive dealership.

Comparable No. 7 ($5.67/SF) – This comparable is located in Archbold, OH. Archbold is located in the northwest portion of the state, approximately 25 miles east of the Indiana border and 15 miles south of the Michigan border. It represents six leases from a retail strip center located just north of the Pamida store in Archbold. Tenants in the center include Dollar General, Curves, Marco Pizza, and Super Value. The broker indicated the leases range from Gross to Triple Net (NNN). However, he was uncertain as to the nature of the individual leases, with the exception of Dollar General, which currently leases their space for $5.00/SF on a NNN basis. All of the leases were not NNN. It is possible the indicated lease rate does not reflect a NNN expense structure. As such, less weight is placed on this comparable. These individual retail spaces are significantly smaller than the subject property. In general, leased retail space becomes less expensive per square foot as the space becomes larger, indicating a discount for larger spaces.

Comparable No. 8 ($6.00/SF) – This comparable is located in Oak Harbor, OH. Oak Harbor is located in the northern portion of the state, approximately 25 miles southeast of Toledo. This comparable is the only “supermarket” type retail space in the area. It has good access and exposure from Water Street, which is the most heavily trafficked road in Oak Harbor. The building has similar construction to that of the subject, with concrete block exterior and tile floors. However, the building has a lower clear height than the subject. Parking is also inferior to the subject. This comparables location in a more upscale market may be attributable to its higher rent. This property has been listed for sale for six months at $74.00/SF.

Comparable No. 9 ($7.00-$7.50/SF) – This comparable is located in Napoleon, OH. Napoleon is located in the northwest portion of the state, approximately 30 miles east of the Indiana border and 25 miles south of the Michigan border. It is surrounded by primarily retail uses including a PHARM Drugstore, Dollar, financial services, and a computer networking provider. It has similar construction to the subject. Its interior is also of similar quality. However, it is older than the subject. With regard to location, it is considered superior to the subject as it is located in a more densely populated area with a heavier traffic flow and more retail uses.

Comparable No. 10 ($8.60) – This comparable is located in Hamilton, OH. Hamilton is located in the southwest corner of the state, approximately 10 miles north of Cincinnati. The lease was originally signed in 1996 for a term of 15 years, with three five-year options to renew. Surrounding stores include Kroger, WalMart, HH Gregg, and Lowes. There was vacant retail space available within two blocks of the property. It is located along Main Street, which provides a heavier flow of retail traffic compared to the subject. With regard to location it is considered superior. It also has superior construction and parking.

Market Rent Conclusions

In final analysis, market rent for the subject is concluded to be above Comparables No. 1, 2, and 3 and below Comparables No. 6, 7, 8, 9, and 10. Placing the most weight on Comparables No. 4, 5, and 6, while taking into account Comparable No. 5's superior location, a market rent between $4.00 and $5.00/SF is considered reasonable for the subject, with the middle of the range, or $4.50 per square foot per year, concluded for the subject.

Gross Sales/Market Rent Comparison

Total rent paid by retail is typically related to the amount of gross sales. In the case of the subject, total rent between 4.0% and 6.0% of total sales would be considered reasonable. The subject has experienced gross sales of $92.02 to $94.29 per square foot over the last four years. This infers an average rent of $3.73 to $5.60/SF between 2001 and 2004, as shown below:

SUBJECT SALES COMPARISON			
Year	Sales/SF	4.0% of Sales	6.0% of Sales
2001	$94.29	$3.77	$5.66
2002	$94.18	$3.77	$5.65
2003	$92.74	$3.71	$5.56
2004	$92.02	$3.68	$5.52
Average	**$93.31**	**$3.73**	**$5.60**

Our rent conclusion of $4.50/SF is within the range. However, it is noted that the subject's sales have shown a declining trend over the past four years.

Reimbursable Expense Income

Triple net (NNN) lease terms are assumed. This is the most common lease structure for retail space in the market and the lease structure of all the rent comparables. Under a NNN structure, the tenant is responsible for all operating expenses (property taxes, insurance, repairs & maintenance). As the subject is a single-tenant building, it is assumed all these expenses will be paid directly by the tenant and not passed through by the landlord; therefore, no reimbursable expense income is projected.

Vacancy & Collection Loss

This category accounts for the period between tenants, when the units are vacant. This assignment reflects the probable vacancy during the economic life of the property and not necessarily the current or short-term vacancy.

As discussed in the Market Analysis section, retail vacancy statistics for the Ohio market were not readily available. However, according to officespace.com, vacancy rates for Columbus and Cincinnati are currently 13.78% and 12.94%, respectively. Together, these markets average 13.36%. Overall, this is considered a reasonable indicator of vacancy rates for the Ohio market.

The above vacancy statistics are reasonable indicators of overall retail demand in the market and submarket; however, the percentages include non-anchored space. Anchor/big box retail buildings like the subject typically experience lower vacancy over an investor holding period because these buildings are either owner-occupied like the subject or are leased on a long-term basis (10+ years).

If the subject were leased, a 10-year (120-month) term would be reasonable, and there would likely be a 12 month vacancy period between tenants if a lease were not renewed. This would assume a six-month vacancy period every 120 months and a 50% renewal probability, or [(50% x 12 months vacant) ÷ 120-month lease term)] 5.0%.

Non-Reimbursable Operating Expenses

Non-reimbursable expenses include management, structural repairs (reserves for replacement) and re-tenanting expenses, which include leasing commissions and tenant improvement costs.

Management – Management fees are typically incurred to provide for periodic contact with the tenants, collection of rents, supervision of required maintenance and replacement items, and accounting. Professional management fees are typically 3% to 5% of collected revenues (effective gross income) depending upon the size of the facility, number of tenants and lease structure. As the subject is a single-tenant building and management duties are minimal. Therefore, a management expense at the low end of the range is suggested and 1.0% is concluded.

Reserves for Replacement – Reserves for replacement are typically assigned by buyers and sellers in the market for this character of property at either a percentage of effective gross income or as an amount per square foot. The *Korpacz Survey* reports reserves for replacement ranging between $0.10 and $0.50/SF for shopping center properties. However, a large majority of respondents reported reserves ranging from $0.10 to $0.30/SF. Considering the subject's quality and condition, a reserve of $0.15/SF is used for the analysis.

Re-tenanting Expense – Leasing commissions would be 5% for new leases and 0% for renewals. Tenant improvement (TI) allowances are typically not granted on large retail spaces like the subject. In cases where TIs are given, a higher rent is charged to reflect the amortization of these improvements over the lease term. This trend is reflected by the rent comparables. Therefore, no TI allowance is concluded based on the market rent conclusion.

While re-tenanting expenses are real property expenses experienced by property owners over the life of the improvements, commissions and TIs are not recognized as a stabilized operating expense by typical buyers and sellers in the marketplace, and therefore, are not treated in the direct capitalization approach.

Expense/NOI Conclusion

The total operating expenses are estimated at $6,948. Deducting total operating expenses from the effective gross income of $154,101 indicates a net operating income (NOI) of $147,153.

Direct Capitalization

The next step in the Income Capitalization Approach is capitalization of net income into an indication of value. Direct capitalization is a method used to convert a single year's income estimate into a value indication. This conversion is accomplished in one step, by dividing the income estimate by an appropriate income rate.

In direct capitalization no precise allocation is made between the return on and the return of capital because the method does not simulate investor assumptions or forecasts concerning the holding period, the pattern of income, or changes in the value of the original investment. However, a satisfactory rate of return for the investor and recapture of the capital invested are implicit in the rates applied in direct capitalization because they are derived from similar investment properties.

The income rates reflect the relationship between income and value and are derived from market data. It is essential that the properties used as comparables reflect risk, income, expense, and physical and locational characteristics that are similar to the property being appraised. Consequently, income multipliers and rates must be extracted from properties that reflect similar income-expense ratios, risk characteristics, and expectations as to change in income and value over a typical investment-holding period.

Local Comparable Sales – Presented in the following table below are the capitalization rates derived from sales and listings of retail properties in the midwest.

OAR COMPARABLES - MIDWEST RETAIL CENTERS					
Identification/Location	**Sale Date**	**Size (SF)**	**Year Built**	**Sale Price**	**OAR**
Sears Hardware Portage, IN	July-02	42,918	Unknown	$2,750,000	7.70%
Staples Middletown, OH	Nov-04	20,160	2003	$2,707,666	8.33%
Barnes & Noble Mentor, OH	July-03	23,300	Unknown	$4,100,000	7.50%
Berry's Barbell Columbus, OH	July-04	17,300	1967	$830,000	9.19%
Pamida Syracuse, IN	June-04	46,127	Unknown	$1,150,000	8.10%
Farmer Jack Toledo, OH	May-04	54,660	Unknown	$7,000,000	10.30%
Average					**8.52%**

The capitalization rates from the six sales presented in the above table indicate a range of 7.70% to 10.30% with an average of 8.52%. The comparables reflect single tenant retail centers in Ohio and surrounding states.

The primary factors influencing the overall capitalization rates are location (including identity/exposure), age, quality, condition, appeal, occupancy rates, rental rates (with respect to market levels), upside potential, and the perceived risk in the property.

The subject is an average quality retail development property that is in average to good condition. The subject benefits from good appeal and location due to a lack of competing similar retail properties in the immediate area. However, the subject is also dependent on the immediate market area which has a limited population. There are smaller retail properties in the area, including one strip mall just north of the subject, but none with a similar size and quality of construction as the subject. Perceived risk is average. Our income conclusion assumes market rent, so there will be average upside potential. The subject also has adequate parking.

Considering all relevant factors, a rate slightly lower than the average formed by the comparables, or 8.25%, is considered reasonable for the subject.

National Comparable Sales – The table below includes several sales of leased retail properties that bracket the subject's current tenancy.

NATIONAL OAR COMPARABLES						
Identification/Location	S & P Rating	Setting	Sale Date	Size (RSF)	Sale Price	OAR
Pamida* Syracuse, NY	B	Suburban	Jun-04	46,127	$1,150,000	8.10%
Big Lots * Vista, CA	B-	Suburban	Oct-03	52,000	$4,512,500	6.90%
Big Lots North Hollywood, CA	B-	Suburban	Sep-04	16,257	$1,650,000	6.41%
Dollar General Mauston, WI	A+	Rural	Dec-04	9,014	$765,000	8.00%
Dollar General Manor, TX	A+	Suburban	Feb-05	9,014	$904,000	7.20%
Dollar General Coolidge, AZ	A+	Rural	Dec-04	9,014	$787,355	7.75%
Family Dollar Las Vegas, NV	A+	Suburban	Jan-05	10,000	$1,800,000	4.70%
Family Dollar Las Cruces, NM	A+	Suburban	Feb-05	8,000	$914,000	7.00%
Family Dollar Safford, AZ	A+	Rural	Jan-05	9,180	$777,000	7.60%
Dollar General Cottonwood, AL	A+	Rural	Jan-05	8,000	$360,000	8.00%
Dollar General Albion, IN	A+	Rural	Jan-05	9,100	$510,000	7.60%
Dollar General Boscobel, WI	A+	Rural	Jan-05	9,014	$648,000	8.10%
Dollar General Columbus Junction, IA	A+	Rural	Jan-05	8,125	$579,000	8.00%
Dollar General Cleveland, TN	A+	Rural	Oct-04	9,014	$630,000	8.40%
Family Dollar Commerce City, CO	A+	Suburban	Sep-04	7,864	$1,000,000	8.00%
Subject - ShopKo/Pamida Various	B		--		--	--
Average Suburban						**6.76%**
Median Suburban						**7.00%**
Average Rural						**7.93%**
Median Rural						**8.00%**
Average Overall						**7.40%**
Median Overall						**7.68%**

*Includes in-line space

The subject is occupied by Pamida, a subsidiary of ShopKo Stores, Inc.. ShopKo has a current credit rating of B by Standard & Poor's (S&P). The above comparables bracket the subject's credit rating with ratings of B- to A+, and have average and median OARs of 7.40% and 7.68%, respectively. The median for properties located in suburban areas is 7.00%; the rural median is 8.00%. The concluded OAR of 8.25% is slightly higher than the above comparables, however, it is supported due to the small market and subject's declining sales. A lower OAR may be applicable if the subject were actually leased by ShopKo Stores, Inc.

INCOME CAPITALIZATION APPROACH (CONTINUED)

Band of Investment - To analyze the capitalization rate from a financial position, the Mortgage Equity Analysis is utilized. This is the analysis that most buyers of leased commercial properties analyze and essentially mirrors the cash-on-cash perspective.

The loan terms for a typical Pamida store are summarized in the table below:

MORTGAGE EQUITY ANALYSIS	
Loan Amortization Period (years)	30
Interest Rate	6.00%
Loan to Value Ratio	75%
Mortgage Constant	**0.07195**

Equity dividend rates for investment properties vary depending upon the motivations of buyers and financing terms. Facilities similar to the subject generally range from 8.00% to 12.00%, depending on tenancy and loan terms. Our OAR conclusion of 8.25% infers an equity dividend of (0.11416) 11.4%, which is within the range.

Therefore, the above terms are utilized in the following Band of Investment calculation:

BAND OF INVESTMENT					
Component	**%**	**x**	**Rate**	**=**	**Weighted Average**
Mortgage Component	75%	x	0.07195	=	0.05396
Equity Component	25%	x	0.11416	=	0.02854
Indicated Capitalization Rate					0.08250
Capitalization Rate (R/O)					**8.25%**

OAR Conclusion – With the above conclusions, an OAR of 8.25% is used for the direct capitalization method. Further support for our OAR conclusion is found in the Sales Comparison Approach.

Conclusion - Direct Capitalization

An Income Capitalization Approach Summation Table is shown on the following page and summarizes the information discussed in this section of the report. In summary, the as-is fee simple value indication by this approach is ($4.50/SF/YR/NNN): $1,785,000 (R/O).

Net Present Value of Tax Savings

Because the subject is currently under “Abatement,” meaning Pamida is not paying taxes on the value of the subject’s improvements, the Net Present Value of the Tax Savings must be added to the indicated value. The Net Present Value of the Tax Savings is approximately $105,000, and was calculated based on the following: six and one-half years remaining in abatement, 8% discount rate, $20,970 tax savings per year per Gwen Murray of the Fulton County Assessor's Office. Therefore, the market value as indicated by this approach is:

$1,890,000

INCOME CAPITALIZATION APPROACH SUMMATION TABLE

POTENTIAL GROSS INCOME

RSF	Rent/SF Per Month	Potential Gross Rent	Potential Reimb. Exp. Income	Total PGI
36,047	$4.50	$162,212	$0	$162,212
36,047	**$4.50**	**$162,212**	**$0**	**$162,212**

POTENTIAL RENT INCOME:		=	$162,212
REIMBURSABLE EXPENSE INCOME:		=	$0
TOTAL POTENTIAL GROSS INCOME (PGI):			$162,212
LESS: VACANCY AND CREDIT LOSS	5.0% of PGI	=	($8,111)
TOTAL EFFECTIVE GROSS INCOME (EGI):		=	$154,101

LESS OPERATING EXPENSES:	Total	Per SF	% of EGI	
Management	$1,541	$0.04	1.0%	
Reserves	$5,407	$0.15	3.5%	
TOTAL OPERATING EXPENSES:	$6,948	$0.19	4.5%	($6,948)

NET OPERATING INCOME (NOI):	=	$147,153
NOI/SF Building Area:	=	$4.08

INCOME CAPITALIZATION

NOI	Divided By	OAR	Value
$147,153	Divided By	8.25%	$1,783,671

NET PRESENT VALUE OF TAX SAVINGS (ROUNDED):	**$105,000**
AS-IS FEE SIMPLE VALUE INDICATION (ROUNDED):	**$1,890,000**

Methodology

In this section, the market value of the subject property will be estimated by direct comparison analysis. Direct comparison analysis compares improved sales to the subject property on a price per square foot basis. The price per square foot is based upon the physical characteristics of the property, and care must be taken in the comparable selection process.

Comparable Selection

The subject is an average to good condition retail building that is 100% occupied by Pamida, Inc., a subsidiary of the owner. We have utilized eight comparables of similar retail buildings throughout the region. The comparables generally bracket the subject in location and other physical characteristics.

Adjustments

Adjustments for property rights conveyed, financing and conditions of sale are made on the Improved Sales Summation Table (if applicable). Adjustments for market conditions, quality, condition, location, site coverage are made following a discussion of the comparables on the following pages. When analyzing the comparables, primary consideration was given to: (1) physical characteristics such as age and condition; (2) location; (3) construction quality; and (4) utility.

Presentation

On the following page, an Improved Sales Summation Table is presented, which shows all pertinent information regarding the improved sale comparables. A location map is also provided showing their distance from the subject. Following the location map are photographs of each comparable, our analysis of the comparables and conclusion for the subject.

IMPROVED SALES TABULATION CHART

No.	Name/Location	Sale Date	Sale Price	Building Size	Price/SF Building	NOI/SF	Comments
1.	Lafayette Plaza South 2820-2850 US Highway 231 South Lafayette, IN	7/03	$2,500,000	66,629	$37.52	$4.88	This comparable was sold in conjunction with Elmwood Plaza to a national client. This is a local shipping center built in the late 1960s to early 1970s. It is located along a major street, giving it good exposure. However, primary access is only right in right out. Buildings have 12-14 foot clear heights. The center has seen declining interest due to newer developments closer to the Purdue campus and in West Lafayette.
2.	Elmwood Plaza 1904-1998 Elmwood Avenue Lafayette, IN	7/03	$3,050,000	64,371	$47.38	$5.16	This is a neighborhood retail center with leases to Payless Supermarket, CVS, Papa John's Pizza, and China Moon Restaurant. The sale was negotiated one year prior to closing. The buildings are older than the subject and have lower clear heights. Similar to Lafayette Plaza South.
3.	Retail Building 2165 Morse Road Columbus, OH 43229	11/04	$2,500,000	52,040	$49.60	None	This is a free standing retail building located in a retail area of Columbus, OH. Surrounding uses include Dollar Tree, KFC, and Jiffy Lube. The building was constructed in 1970. Parking appeared to be limited. Has frontage along Morse Road and Walford Street.
4.	Sears Hardware 6169 US Route 6 Portage, IN	7/02	$2,750,000	42,918	$63.08	$4.89	This comparable is a Sears Hardware Store located on a 5.15 acre site. The property is located at the intersection of Augusta Boulevard and Veterans Avenue. The intersection has approximately 17,420 trips daily. The store is located is close proximity to a large number of big-box retail stores. In addition, Portage is located at the intersection of two major interstate freeways (I-90 & I-80/94). The building is set back from the street behind a McDonald's. However, it still has adequate visibility. The immediate area has more of a regional presence than the Pamida locations.
5.	Super Food Services Building 275 Water Street Oak Harbor, OH 43449	Listing	$2,425,000	32,772	$74.00	$6.00	This comparable is located in Oak Harbor along Water Street, which is the most heavily trafficked road in the town. Abutting uses include a Dollar General store and US Bank. There is also a Rite Aid store approximately three blocks east. It has good access and exposure from Water Street. Parking is considered adequate as additional parking spaces are leased from the US Bank.
6.	Retail Building 22801 Harper Avenue Saint Clair Stores, MI	6/04	$10,000,000	127,371	$78.51	None	This is a free standing retail building that is fully occupied by Kmart. The property has 636 feet of frontage along Harper Avenue. Saint Clair Shores has a population of over 60,000 people.
7.	HH Gregg Retail Building 4468 Eastgate Boulevard Cincinnati, OH 45245	9/04	$4,356,000	48,820	$89.23	None	Free standing retail building located in Columbus, OH. Built in or around 1995. Located in a high traffic retail area. Superior to the subject with respect to location and quality of construction.

Improved Sales Location Map - Archbold

■ SALES COMPARABLE PHOTOGRAPHS ■

Comparable 1 – Lafayette Plaza South, Lafayette, IN

Comparable 2 – Elmwood Plaza, Lafayette, IN

Comparable 3 – Retail Building, Columbus, OH

SALES COMPARABLE PHOTOGRAPHS (CONTINUED)

Comparable 4 – Sears Hardware, Portage, IN

Comparable 5 – Super Food Services Building, Oak Harbor, OH

Comparable 6 – Retail Building, Saint Clair Shores, MI

SALES COMPARABLE PHOTOGRAPHS (CONTINUED)

Comparable 7 – HH Gregg Retail Building, Cincinnati, OH

Price per Square Foot Analysis

The comparables used in this analysis indicate a range between $37.52 and $89.23 per square foot. The comparables are comprised of six sales and one listing. While an effort was made to find the most recent sales of similar retail spaces in rural markets in Ohio and surrounding states, brokers and real estate professionals indicated that directly comparable sales were limited. The subject property is unique with regard to location, size, market characteristics, and construction. The comparable sales presented are considered an adequate representation of the market for similar properties. Overall, the comparables bracket the subject with regard to quality, condition, and location. Below is a discussion and analysis of each comparable followed by an adjustment grid and our conclusion for the subject:

Comparable No. 1 ($37.52/SF) is the July 2003 sale of a 66,629 square foot retail shopping center located in Lafayette, IN. This property was sold in conjunction with Comparable No. 3 to a national client. Lafayette is a larger market, with a population of almost 60,000. The building was constructed in the late sixties or early seventies. Primary access is only right in right out. The clear heights are lower than the subject at 12-14 feet. This shopping center has seen declining interest due to newer developments closer to the Purdue campus and in West Lafayette. Overall, due to its older age, size, construction, and location in an area of declining retail interest, it is considered a low indicator. It should be noted that while Comparable No. 2 and No. 3 are located in the same city/town, the quality of their individual locations varies.

Comparable No. 2 ($47.38/SF) is the July 2003 sale of a 64,371 foot neighborhood retail center in Lafayette, IN. This property was sold in conjunction with Comparable No. 2 to a national client. The center currently has leases to Payless Supermarket, CVS, Papa John's Pizza, and China Moon Restaurant. The sale was negotiated one year prior to closing, and is somewhat dated. The building is also older than the subject and has lower clear heights. The building is located in a larger market; Lafayette, IN has a population of almost 60,000. Inferior construction and sale characteristics are somewhat offset by superior locational characteristics. Overall, this comparable is considered a reasonable indicator.

Comparable No. 3 ($49.60/SF) is the November 2004 sale of a freestanding retail building in Columbus, OH. The building is located in an area of heavier retail traffic than that of the subject. Surrounding stores include Dollar Tree, KFC, Jiffy Lube, and various car dealerships. The building has similar access and superior exposure. The building is older than the subject, built in 1970. It also has lower clear heights and appeared to have inferior parking. The building's superior locational characteristics are somewhat offset by inferior construction and stronger competition. Overall, this comparable is considered a reasonable indicator.

Comparable No. 4 ($64.08/SF) is the July 2002 sale of a 42,918 square foot retail building located in Portage, IN. Portage has a population of almost 34,000, and is located at the intersection of two major interstate freeways (I-90 & I-80/94). The intersection where this property is located has approximately 17,420 trips daily. The building is located near a number of big box retail stores and has good exposure and good access. The building is slightly larger than the subject. With regard to construction, it is considered similar. Overall, this comparable is considered a high indicator due to its superior location.

Comparable No. 5 ($74.00/SF) is the current listing of a retail building located in Oak Harbor, Ohio. Oak Harbor is a rural town located in the northwest portion of the state, approximately 20 miles southeast of Toledo. Surrounding uses include a US Bank and Dollar General store. There is also a newer Rite Aid located approximately three blocks west. This comparable is located along Water Street (Route 163), the most heavily trafficked road in Oak Harbor. The property is currently under lease for $6.00/SF per year (NNN). It is considered superior to the subject with regard to its location. It is also smaller than the subject. In addition, this comparable is a listing, which could indicate a price at least slightly above market. Overall, it is considered a high indicator.

Comparable No. 6 ($78.51) is the June 2004 sale of a 127,371 SF freestanding retail building that is fully occupied by Kmart. This development is situated on an 11.70-acre site with frontage along three streets. It has superior access and exposure in Saint Clair Shores, Michigan, located north of the subject. Saint Clair Shores has a population of more than 60,000. Accordingly, it operates in a much larger market. Overall, due to its location and exposure in a much larger market, it is considered a high indicator.

Comparable No. 7 ($89.23/SF) is the September 2004 sale of a 48,820 SF freestanding retail building in Cincinnati, OH. The building is located in an area of heavier retail traffic. Surrounding uses include Lowe's, Michael's, Best Buy, Bigg's, Gold's Gym, and a number of food stores including White Castle. The building also has superior parking and superior construction. It is also considered superior with respect to exposure, and similar with respect to access. Overall, this comparable is considered a high indicator.

Adjustment Grid

In order to analyze the comparable sales, we have adjusted them for major differences from the subject. The adjustments are not intended to be exact measurements of the differences but an attempt to bracket the reasonable range of conclusions. A grid outlining the adjustments applied to the comparables is provided on the following page, followed by an explanation of each adjustment considered and a summary of our conclusions:

ADJUSTMENT GRID							
Comp#	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Unadjusted $/SF	**$37.52**	**$47.38**	**$49.60**	**$63.08**	**$74.00**	**$78.51**	**$89.23**
Market Conditions	10%	10%	0%	10%	0%	5%	0%
Location/Exposure	-15%	-15%	-30%	-20%	-10%	-25%	-35%
Age/Quality & Condition	10%	10%	10%	5%	0%	-15%	-15%
Size	10%	10%	10%	0%	0%	15%	5%
Other	0%	0%	0%	0%	-10%	0%	0%
Total Adjustment	**15%**	**15%**	**-10%**	**-5%**	**-20%**	**-20%**	**-45%**
Adjusted $/SF	**$43.15**	**$54.49**	**$44.64**	**$59.93**	**$59.20**	**$62.81**	**$49.08**
Average	**$53.33**						

Property Rights Conveyed, Financing Terms & Conditions of Sale – All of the comparables represent fee simple property rights. All of the sale transactions were cash to seller, with no favorable financing. None of the above sales were foreclosed properties, and all transactions were considered to be arms-length. There were no special conditions. Therefore, no adjustments are necessary.

Market Conditions – This adjustment is made to account for changes in the market over time. As mentioned earlier in the Market Analysis section, asking rents in the Ohio retail market have grown at a rate of 2.53% over the past year. Capitalization rates have decreased from 8.8% to 8.4% over the same period of time. The Capitalization rates indicated for Ohio add support to our OAR conclusion. The following table represents the declining capitalization rates on retail properties in Ohio over the past year:

Ohio Capitalization Rates - Retail				
Period	Cleveland	Columbus	Cincinnati	Average
4 Q. '04	8.3%	8.5%	8.5%	8.4%
3 Q. '04	8.3%	8.6%	8.6%	8.5%
4 Q. '03	8.5%	8.9%	8.9%	8.8%
Source: Global Real Analytics (GRA)				

The *Metro Market Outlook* published by *National Real Estate Index* for 4th Quarter 2004 reports appreciation rates between 3.4% and 6.5% for the Ohio market over the last year. Therefore, an adjustment of 5.0% per year is considered reasonable. Adjustments for market conditions have also been made to account for other changes in the market; i.e. new retail competition/development, and interest in the indicated location/market area.

Location – This adjustment is made for differences in neighborhood demographics and exposure. Comparables No. 1 through 7 all have superior locations. They have been adjusted downward to account for locational characteristics.

Age, Quality/Condition – This adjustment is made to account for differences in effective age, quality, condition and appeal. Comparables No. 6 and 7 have been adjusted downward to account for their superior quality/condition. Comparables No. 1-4 have been adjusted upward to account for their inferior quality/condition. Comparable No. 5 is similar with regard to quality/condition and was not adjusted.

Size – This adjustment is made to account for significant differences in size. All else being equal, smaller buildings tend to sell at higher prices per square foot than larger buildings. The subject is 36,047 square feet. Comparables No. 1, 2, 3, 6, and 7 are larger and have been adjusted upward to account for their larger size. Comparables No. 4 and 5 are also larger/smaller, but have not been adjusted due to their more comparable size.

Other – The subject and the comparables all have adequate parking/site coverage. Therefore, no adjustments for parking have been made. Comparable No. 5 has been adjusted downward because it is listed for sale, which may indicate an above market price.

Conclusion

After adjustment, the comparable sales indicate a narrower range of values of $43.15 to $62.81 per square foot and an average of $53.33. For the purposes of this analysis, less weight is placed on Comparables No. 6 and 7 due to the number of adjustments needed for each. Overall, a range between $50/SF and $55/SF is considered reasonable for the subject, with the middle of the range, or $52.50/SF concluded for the subject. The total as-is fee simple value indication by this approach is therefore (36,047 SF x $52.50) $1,892,468, rounded to: $1,890,000

Net Present Value of Tax Savings

Because the subject is currently under "Abatement," meaning Pamida is not paying taxes on the value of the subject's improvements, the Net Present Value of the tax savings must be added to the indicated value. The Net Present Value of the tax savings is approximately $105,000. Therefore, the market value as indicated by this approach is:

$1,995,000

■ ANALYSIS 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 of each valuation technique to the subject property.

As-Is Value Indications

Cost Approach: .... Not applicable
Income Capitalization Approach:..$1,890,000
Sales Comparison Approach:..$1,995,000

The Cost Approach provides a good indication of value for properties that are new or that have experienced no significant amount of depreciation. It also helps to determine the feasibility of a new development. For properties that are older or that have suffered substantial amounts of depreciation or obsolescence, the Cost Approach becomes a less reliable indicator of value. Due to the age of the subject improvements, this approach is not applicable and was not formulated.

The Income Capitalization Approach most closely resembles the type of analysis utilized by investors in income producing properties. Most participants involved in buying and selling multi-tenant commercial properties are mainly concerned with the income producing capability of the property. This is less true of owner-occupied properties like the subject; however, potential owner-users do view leasing as an option to buying and this approach contains good samples of rents and capitalization rate data. Therefore, this approach is given significant weight.

A comparative analysis of the sale price per square foot was used in the Sales Comparison Approach. A number of relevant (fee simple) sales were available to support the value estimate by this approach. The comparables were then adjusted for significant differences from the subject. The approach is given less weight.

After considering all factors relevant to the valuation of the subject property, the final as-is fee simple value opinion, as of May 4, 2005, is:

$1,940,000

CERTIFICATION OF APPRAISAL

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 are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Appraisal Institute's *Code of Professional Ethics* and *Standards of Professional Appraisal Practice*, which include the *Uniform Standards of Professional Appraisal Practice*.
- I, David W. Groth, MAI have not a personal inspection of the subject.
- Matthew W. Dodd made a personal inspection of the subject property and provided significant real property appraisal assistance to the person signing this certification.
- 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 I, David W. Groth, MAI, have completed the continuing education program of the Appraisal Institute.

David W. Groth, MAI
Certified General Real Estate Appraiser
State of Ohio Temporary License # 2005008108

INSURABLE VALUE ESTIMATE
Pamida Store #3158
2015 S Defiance Street
Archbold, Ohio

Marshall & Swift Calculations

-

MVS Definition	Discount Stores (319)
Size (SF)	36,047
Class	C - Average
Marshall Valuation Service Reference:	Section 13; Page 28 (May 2004)
Base Cost PSF:	$44.53
Sprinklers	$2.15
Subtotal:	$46.68
Number of Stories:	1.000
Height Per Story:	1.000
Perimeter:	1.000
Current Cost:	1.070
Local:	0.950
Non-Perishable Items:	0.900
Adjusted Cost PSF:	$42.71
Building Replacement Cost:	$1,539,394
Perishable Site:	
FF&E:	
Total Insurable Estimate:	$1,539,394
Total (Rounded):	$1,540,000

<u>Insurable Value Disclaimer</u>
Insurance coverage is usually specific to a given project. We have not been provided with the specific policy requirements, which limit the reliability of the conclusion. Insurable Value is a matter of underwriting as opposed to valuation. Users of this report should not construe the conclusion of insurable value to be an indication of market value.

It is also noted that the insurable estimate is made using base costs and multiplier adjustments for market conditions and location from *Marshall Valuation Service,* which is assumed to accurately reflect replacement cost of the subject. We assume no liability as to the subject's insurable replacement cost and recommend that an estimate from a reputable insurance company be obtained if further assurance is required.

QUALIFICATIONS

PGP VALUATION INC

The firm of Palmer, Groth & Pietka, Inc. was established in 1978 as a Partnership, and Incorporated in 1993. The firm's name was changed to PGP VALUATION INC in 2001. Our primary goal is to serve our clients in an effective and timely manner by preparing appraisal and feasibility reports which can be relied upon for decision-making purposes by our clients. Our reports utilize current analytical tools and recognized appraisal methods. The members of our firm adhere to the Code of Ethics established by the Appraisal Institute, and strive to maintain a high level of professional integrity.

PROFESSIONAL SERVICES

Our firm offers a wide range of services in the evaluation of real estate:

APPRAISALS:	Valuation estimates on all types of properties including residential, commercial and industrial.
HIGHEST & BEST USE AND MARKET STUDIES:	Consultation regarding the most profitable utilization of real property assets. Feasibility and absorption studies of housing and commercial developments. Preparation of FNMA condominium market studies and valuation.
CONSULTATION:	Analysis of real estate regarding values, site development potential, market standard versus competitive edge amenities, market conditions, etc.
COURT TESTIMONY:	Professional opinions as expert witnesses regarding the valuation of real estate.
PROPERTY TAX ANALYSIS:	Representation before government agencies regarding ad valorem taxes including preliminary value consultation, appraisals and Board of Equalization presentations.

CLIENTS

VANCOUVER

LENDERS

1st Independent Bank
Action Mortgage
A.E.A. Bank
Bank of America
Bank of Astoria
Bank of Clark County
Bank of Newport
Bank One
Cascade Bank
Cascade Mortgage
Centennial Bank
Centennial Mortgage
Clark County Community Credit Union
Columbia Bank
Columbia Private Banking
Community First National Bank
Community Financial
Continental Wingate
Cowlitz Bank
Farmers & Merchants Bank
Heritage Bank
HomeStreet Bank
Intervest Mortgage
InterWest Savings Bank
Key Bank of Oregon
National Mortgage Company
Nations Bank
North Coast Mortgage
Pacific One Bank
Power Tech Federal Credit Union
Riverview Mortgage
Riverview Community Bank
School Employees Credit Union
Seattle Mortgage
Standard Mortgage Investors
Sterling Savings
Today's Bank
Twin City Bank
US Bank Trust
US Bancorp
Washington Federal Savings
Washington Mutual
Wells Fargo Bank
West Cost Bank
Western Bank

CORPORATIONS & COMPANIES

Bemis Co. Inc.
Brudi, Inc.
Burlington Northern Railroad
Chevron USA
C.E. John Co., Inc.
Century West Engineering
Chicago Title
FAO Corporation
Hannah Auto
Hillman
International Paper Company
James River Corporation
Kaiser Permanente
Les Schwab Profit Sharing Retirement Trust
Longview Fibre Company
McDonald's Corporation
PacifiCorp Property Management
Pacific Power & Light
PacPaper, Inc.
PeaceHealth
Pendleton Woolen Mills
PGE
Plum Creek Timber Company
Prudential Northwest Properties
Schnitzer Investment Corporation
Shurgard
Texaco Refining & Marketing
Tidewater
Tideland
Weyerhaeuser Real Estate
Weyerhaeuser Realty Investors

OTHERS

ASB Capital Management
Birtcher Commercial Development Group
Byers Naumayer & Bradford
CenterMark Properties
Christensen Group
Clarke Consulting Group
General American Life Insurance
Great Western Malting Company
Haglund & Kirtley
J & R Paving
John Hendrickson
Heroux Clingen Callow Wolfe & McLean
Richard Howsley, Attorney
Ron Keil
Landerholm Memovich Lansverk & Whitesides
Miller Nash

GOVERNMENT/NON-PROFIT

Battle Ground School District
C-Tran
City of Bingen
City of Camas
City of Longview
City of Vancouver
City of Washougal
City of Woodland
Clark College
Clark County Government Services
Clark County Public Services
Clark Public Utilities
Evergreen School District
FDIC
Hazel Dell Sewer District
Kelso Housing Authority
Kelso Public Schools
Longview Housing Authority
Metro Regional Services
Oregon Parks & Recreation
Port of Camas/Washougal
The Nature Conservancy
Trust for Public Land
US Forest Service
US Fish & Wildlife
Vancouver-Clark Community Parks
Vancouver Housing Authority
Vancouver School District
Washington State Fish & Wildlife
Washington State Parks & Recreation
Washington State Dept. of Transportation

OTHERS

Mission Ridge Ski Resort
Morgan, Cox & Slater
Morse & Bratt
Newland Northwest
Nutrilite
Pond Roesch Rahn Nelson
Quest Investment
River Network
Scherzer Real Estate Group
St. Johns Medical Center
Southwest Washington Medical Center
Stoel Rives Boley
The J.D. White Co., Inc.
Weber & Gunn
Wesco Properties, Inc.

PROJECTS

Vancouver

SELF STORAGE

162nd Avenue Mini Storage
503 Mini Storage
A-1 U-Store-It
Additional Self Storage
Battle Ground Mini Storage
Burton Road Mini Storage
Camas Mini Storage
Cascade Park Self Storage
Columbian Self Storage
Fairway Village Self Storage
Gilland Mini Storage
Greenway Terrace Mobile Home Estates
Iron Gate Mega Storage
Lewisville Meadows
Lockaway Storage
Maitland Mini Storage
Mill Plain Mini Storage
Minnehaha Additional Self Storage
Safegard Storage
Smitty's Mini Storage
Storage Depot
Talbitzer Mini Storage
U-Lock-It Self Storage
Van Mall Storage

COMMERCIAL

Art Morse Auto Repair
Bob Kendall Chevrolet
Chevron
Children's Village Day Care
Coast to Coast Hardware
Columbia Square IV Shopping Center
Columbia Tech Center
Country Village Retail Center
Danielson Thriftway
Express Car Care Center
Exterior Wood
Fisher's Mercantile
Food Express
Gaynor's Automotive
Goodyear Store
Guesthouse Inns & Suites
Gunderson Tire Center
Hannah Lincoln Mercury/Jeep
Hannah Honda/Volkswagen
Heights Shopping Center
High Point Chemical
J & R Paving
J-M Plaza
Les Schwab Tires
Mill Plain Center
Northwest Auto Body

COMMERCIAL

Pacific Trading Post
Papa Murphy's
Parker Paint
Rick's Custom Fencing & Decking
Rodda Paint
Salmon Creek Plaza
Sifton Stop & Shop
Silver Star Retail Center
Stoller Building
Stonemill Retail Center
The Store & Deli
Trans Nursery & Landscaping
Vancouver Furniture
Vancouver Village
Vancouver Mall Cinemas
Vancouver Marketplace
Y Plaza
Ziegler Retail Center
Zupan's Market

OFFICE

American Legion
Andresen Corporate Center
Angelo Building
Biggs Insurance Company Building
Bratrud • Middleton Insurance
Caley/Stikes
Charter Title Company
City University
Clark Center
Collins Dental
Columbia River Mental Health
Columbia Shores
Elk's Lodge
Esther Street Office Building
Ferenco
FHL Office
First Interstate Building
Fir Street Medical Complex
Fisher Building
Fort Vancouver Dental Center
Garden Park
Hazel Dell Animal Hospital
Hollar Dental
JH Kelly
Keystone Building
Krenzler Building
Lubisich Dental
McGillivray Place
Metroplex Communications
MJ Murdock Executive Plaza
Morgan Building
North Fisher Office Building
One Park Place

OFFICE

Parkway Plaza III
Power Tech Federal Credit Union
Radamacher Office Building
RS Medical
Southwest Washingotn Health District
Stichman Office Building
St. Joseph's Medical Building
Summit Veterinary Clinic
Team Construction
Teuscher Dental
The Health Care Building
Trend College
Trinka Building
Vancouver Commerce Centre
Weber & Gunn Law Offices
Wendel Family Dental
YWCA

INDUSTRIAL

Admiral Distributing
Almega
American Cabinets
Ariel Truss
Attbar
Boise Cascade
Boomsnub Niblett
Brudi Manufacturing Facility
Cadet Manufacturing
Calvert Co. Manufacturing
Cascade Container
Central Industrial Park
Christensen Shipyards
Columbia analytical Services Laboratory
Conwood
County Stihl
Crestwood Business Center
Davis Industrial Park
Denny's Machine
Duo-Fast Corporation
East First Street Distribution Center
East Ridge Business Park
Equipment Round-Up
Evergreen Forest Products
Familian Northwest
Fletcher Building
Gaither proposed Industrial Building
Girard Wood Products, Inc.
G. Loomis
Healthtek
Legendary Yachts
Lile Business Center

PROJECTS

Vancouver

INDUSTRIAL

Luokkala Industrial Park
Mountain View Business Park
Northgate Industrial Park
Ogden Business Park
PacPaper
Pedigo
Pillar Plastic
Portco Manufacturing
Portland Tractor
Prairie Electric
Pro-Tech Industries
Pro-Truck
Quad Investment
Quad 205 Distribution Center
Rex Plastics
Rexroth Building
Robinson Cold Storage
Seattle Box
Seifert Distribution Warehouse
Select Business Park
Sering Sawmill
Spencer Construction
Studers
Tole Americana, Inc.
Tollycraft
Trus Way
Valley Workshop
Vancouver Commerce Park
Vancouver Furniture Warehouse
Vancouver Oil Headquarters
Vancouver Granite Works
Vantech Enterprises
Webber Machine
Westwood Manufacturing
Wood Waste
Wubben Industrial Park
Zilke Industrial Park

MOBILE HOME PARKS

Cascade Park Estates
Columbia Terrace Estates
Covington Estates
East Park Meadows
Golden West Mobile Manor
Hidden Village
Horseshoe Lake
Idylwood
Knoll
Lakeside
North Shore
Skyridge Estates
Van Ridge
Woodland East

RESTAURANTS

Beaches
Brewpub Restaurant
Burger King
Burgerville
Cascade View Brew Pub
Damon's
Elmer's
JB's Roadhouse
Juliano's Pizzeria
McMenamin's
Moyer Theaters
Oak Tree
Papa Murphy's
Rusty Duck
Stagecoach Inn
Stuart Anderson's Cattle Company
The Logs
The Spurs Night Club
Totem Pole

SPECIAL USE

Beacon Rock State Park
Big Fir Campground
Bingo Parlor
Blackjack Fireworks
Blue Bird Transfer
Camp Curry LaCamas Lake
Chautauqua Lodge
Chenowith Bench
Chief Joseph Ranch
Clark County Aerodome
Columbia Colstor
Columbia River Gorge Interpretive Center
Columbia River Mental Health
Columbia Rock & Aggregate Gravel Pit
Comfort Inn
Comfort Suites
Communication Towers, Kalama
Cooney Point Yale Reservoir
Crims Island
Dahl-McVicker Funeral Home
Deer Island Ranch
Econo Lodge
Evergreen Airfield
Fisher Island
Forgey Chiropractic Clinic
Franz Lake
Friberg Gravel Pit
Gardner School
Goat Island, Silver Lake

SPECIAL USE

Green Meadows
Gresham Sand & Gravel
Hampton Alzheimer Special Care Center
Hans Magden Ranch
Hardrock Mine Property
Health Experience Athletic Club
Holiday Inn Express
Homewood Suites Hotel
Hood River Sand & Gravel
Hostess House
Irwin Marine
Julia Butler Hansen Wildlife Refuge
KB Pipeline
Kelso Elks
King's Landing, Lake Merwin
LaCamas Swim and Fitness
LaCenter Bridge
LaCenter Cardrooms
Lewis River Gravel Quarry
Lewis River Greenway
Mission Ridge Ski Resort
Monterey Hotel
Mountain View Ice Arena
Mount St. Helens National Volcanic Monument
Naydenov Gymnastics
Northwestern Lake Cabin Sites
Padden Park Place RV Park
Padden Parkway
Pan Terra School
Paradise Point
Park Lido Assisted Living
Quality Inn Motel
Rashford Tree Farm
Riverside Bowl
Riverview Motor Inn
Shoot Suit
Skinner Montessori School
Smith Rock, Columbia River
Steigerwald Lake
Straub Funeral Home
Timber Lanes
Trans Nursery & Landscaping
Troxel/Groth Ownership
University Inn
Van Tim Bowling Center
Wallace Island
Washington State Patrol
Woodland Post Office
Woodland Shores RV Park
Yale Lake

PROJECTS

Vancouver

CHURCHES

First Church of God
Central Church of the Nazarene
Crossroads Community Church
Glad Tidings Church
Hillcrest Church of the Nazarene
New Heights Baptist Church
New Life Fellowship Church of God
Prairie Community Church
St. Andrew Lutheran Church
Walnut Grove Church

APARTMENTS

Alderwood
Allen Street
Anderson Villa Senior Estates
Applewood
Ashley Terrace
Autumn Chase
Autumn Park
Bagley Downs
Baltimore
Belmont Place
Bethea Park
Burton Road
Cambridge Townhomes
Carriage House
Cascade Apartments
Cedar Lane
Cedarbrook Townhomes
Cottages @ Fisher's Landing
Country Run
Covington Estates
Creekside Townhomes
Crestwood Terrace
Crown Plaza
Devonwood
Ellsworth Place
Englund Manor
Evergreen Village
First Place
Fisher's Mill
Garden View
Golfside
Greentree
Greenwood Terrace
Handley Court
Highland Hills
Homestead Alternative
Ironwood
Lewisville Meadows
Lexington Park
Liberty Court
Lone Fir

APARTMENTS

Maple Court
Maplegate
Maple Ridge
Maples Avenue
Mariners Village Bridgeport
Meadow Wood
Meriwether Condominiums
Nicholson
Nobl Park
Northfield Condominiums
Northridge Condominiums
Oak Tree
One Lake Place Condominiums
Orchard Point
Park (The) at Mill Plain One
Parkland
Parkway West
Pointe
Polo Club
Plaza Place
Qual Glen
Red Haven
Rhubob
Rivercrest North
Riverview
Ryerson Square Condominiums
San Juan
Senior Estates III
Skyview Condominiums
Sports Estates Court
Springbrook
Springs
Stutz Avenue
SunPointe
Sunset Garden
The Legacy
The Maples
The Villas @ Hiddenbrook Terrace
Village 57
Whipple Creek
White Peaks
Willow Creek
Willows Edge
Windsor Estates
Woodside West

SUBDIVISIONS

Abbey Lane
Andrew's Court
Ashley Heights
Autumn Slope
Autumn Trace
Avalon II

SUBDIVISIONS

Barrington Heights
Bold Estates
Bristol Manor
Brookfield
Brown's Manor
Carlson Estates
Cascade Terrace
Cedar Brook Estates
Cedar Creek
Cedar Ridge
Celia's Meadows
Channing Park
Cherry Lane
Chinook Springs
Clearmeadows
Clomont Estates
Cody's Court
Cold Creek Heights
Collins Estates
Columbia Heights
Columbia Summit Estates
Country Lane, Phase II
Cougar Creek West
Deercreek 4
Devin Wood
DLS Estates
East County
East Sherwood Meadows
Edmund Woods
Embassy Park II
Fiala Fields
Fir Park
Firs at Towncenter
Fisher's Grove North
Fisher's Grove South
Fox Run
Golden Hills Estates
Grecian Estates
Greenland Estates
Gregory Place
Hampton Court
Harmony Firs
Hawk Estates
Heartwood Estates
Heritage Reserve @Fisher's Landing
Hermitage Springs
Hidden Creek
Hiddenbrook @Fisher's Landing
Hidden Valley View
High Creek Estates
High Twin Firs
Highland Park
Highland Village
Hoffman Heights
Holly Hills

PROJECTS

Vancouver

SUBDIVISIONS

Horse Thief Canyon
Jenkins Estates
Jenna's Place
Kendall's Court
Kensington
Kristine Pointe
LaCamas View
Lookout Ridge
Lyle Point
Michelle's Meadow
Mill Creek Meadows
Laurelwood
Minnehaha Heights
Miramar Estates
Morgan Prairie
Makayla Court
Meadow Heights – Phase I
Meadowland Estates
Meadows @ Oak Creek
Meadows @ Salmon Creek
Melrose Park
Morrison Ridge
Mount Vista
Mountain View Estates
Mt. View Terrace
Mynatt West Pointe
Northfield @ Fisher's Landing
Oak Tree Estates
Park Crest Place
Park Terrace
Pebble Creek Farms
Pheasant Glen
Pheasant Run

SUBDIVISIONS

Pinecrest Meadows
Pioneer Meadows II
Pleasant Valley
Prune Hill Park
Rosemere Commons
Rosewood Gardens
Quail Park
Regency Place
Richland Estates
Rivermist
Riverplace
Rivers Edge Estates
Road's End Farm Estates
Robin's Glenn
Rolling Meadows
Rosewood Gardens
Ryerson Square
Sara Ridge
Shalako East
Shelborn
Sherwood North
Shilo Heights
Shore Crest Estates
Shore Crest Terrace
Si Ellen Estates
Silver Oaks
Skyview
Solo View Estates
South View Heights
Stone Meadows
Summerfield
Summer Hills
Summer's Crossing @ Fisher's Landing

SUBDIVISIONS

Summer's Walk @ Fisher's Landing
Summerslope
Summit Oaks
Sunningdale
Sunny Meadows
Sunset Summit
Talgo Park
Tenny Park II The Firs
The Homeplace
The Meadows North
The Meadows III
The Orchards
Tibbetts Meadows
Timber Trails
Twin Firs
University Park
University Place
Vista Creek
Vista Manor
Wakefield
Wallingford Park
Wanke Meadows
Westridge Place II & III
Whipple Creek
Wildwood Estates
Wilmington Meadows
Winchester Ranch
Windfield Meadows
Windwood Terrace
Winfield Woods
Winslow
Wolf Creek

DAVID W. GROTH, MAI

PRINCIPAL
Real Estate Analyst & Consultant

PRESENT EMPLOYER

PGP VALUATION INC
112 West Eleventh Street, Suite 250
Vancouver, Washington 98660
Telephone: (360) 699-4844

PRESENT POSITION

Principal in the regional appraisal firm of PGP VALUATION INC with offices in Vancouver and Seattle, Washington; Portland, Oregon; Sacramento and San Diego, California

PROFESSIONAL LICENSES

MAI (Member Appraisal Institute) Certificate No. 6270
Washington Certified Real Estate Appraiser (General) No. 27011-1100719
Oregon Certified Real Estate Appraiser No. C000293

PROFESSIONAL AFFILIATIONS

Member of the Appraisal Institute
Member – International Associate Member–Oregon Society of Farm Mgrs. & Rural Appraisers
Former Member – Board of Directors – Columbia River Economic Development Council
President - Clark County Housing Resource Center
Former Member – Board of Directors – SWIFT
Member – Identity Clark County
Member – Board of Directors – Responsible Growth Forum

APPRAISAL EXPERIENCE

1978 to Present: Principal at *PGP VALUATION INC,* Vancouver, Washington
Real Estate Appraiser/Analyst - Charles D. Bailey & Associates
H.R. Wacker & Associates
Appraiser – Clark County Assessor's Office

GEOGRAPHIC AREA SERVED

State of Washington; State of Oregon

APPRAISAL AND RELATED EDUCATION

B.A., Economics – 1971 - University of California at Los Angeles
M.S., Real Estate and Urban Land Economics – 1973 - University of Wisconsin

Appraisal Institute Courses (formerly AIREA)

- Real Estate Appraisal Principals
- Capitalization Theory and Techniques, Parts A & B
- Case Studies in Real Estate Valuation
- Standards of Professional Practice, Parts A & B
- Rural Valuation
- Public Interest vs. Market Value
- Valuation 2000
- Appraisal Standards Board and USPAP: What's New and What's Proposed
- Real Estate Fraud – Appraisers' Responsibilities and Liabilities
- Low-Income Housing Tax Credit Workshop

MATTHEW W. DODD

Real Estate Appraiser/Analyst

PRESENT EMPLOYER

PGP VALUATION INC
112 West Eleventh Street, Suite 250
Vancouver, Washington 98660
Telephone: (360) 699-4844

PRESENT POSITION

Appraiser in the regional appraisal firm of PGP VALUATION INC. with offices in Vancouver and Seattle, Washington; Portland, Oregon; Sacramento and San Diego, California

PROFESSIONAL LICENSES

None

REAL ESTATE EMPLOYMENT

Real Estate Analyst
PGP VALUATION INC
November 2004 to present

EDUCATION

B.S, Accounting – University of Oregon, 2004
Minor, Economics – University of Oregon, 2004

Related Courses

Management/Marketing/Finance/Accounting/Business Law
Statistics/Business Calculus
Computer Science
Business Communication

Appraisal Courses

Income Capitalization, Course 310