

W. 15 b.

AGENDA COVER MEMO

DATE: October 19, 2005
TO: BOARD OF COUNTY COMMISSIONERS
FROM: BILL VANVACTOR, COUNTY ADMINISTRATOR
KENT HOWE, PLANNING DIRECTOR
RE: In the Matter of Considering a Ballot Measure 37 Claim and Deciding Whether to Modify, Remove or Not Apply Restrictive Land Use Regulations in Lieu of Providing Just Compensation (PA 05-5579, Bruce Family Trust)

I. MOTION: Move to direct staff to prepare Order for Board adoption.

II. ISSUE OR PROBLEM

Shall the Board of County Commissioners compensate an applicant under Ballot Measure 37 and LC 2.700 through 2.770 for the reduction in fair market value of the affected property interest resulting from enactment or enforcement of restrictive land use regulations or modify, remove, or discontinue application of those land use regulations to the subject property to allow Bruce Family Trust to use the property for a use permitted at the time the grantors to the trust acquired the property?

III. DISCUSSION

A. Background

Applicant: Ray C. & Katherine J. Bruce
Trustees of the Bruce Family Trust
91655 Marcola Road
Springfield, OR 97478

Owner: Bruce Family Trust
91655 Marcola Road
Springfield, OR 97478

Subject Property: Map 16-02-26 #1100

Acreage: 38.16 acres

Current Zoning: Exclusive Farm Use Zone (E40/RCP)

Date Property Acquired:
Ray C. & Katherine J. Bruce: December 12, 1953
Bruce Family Trust: March 7, 1994

Land Use Regulations in Effect at Date of Acquisition:
Ray C. & Katherine J. Bruce: Subdivision Ordinance #3
adopted March 8, 1949
Bruce Family Trust: Exclusive Farm Use Zone (E40)
adopted February 29, 1984

County land use regulation which restricts the use and reduces the fair market value of claimant's property: LC 16.212 Exclusive Farm Use Zone minimum parcel size and dwelling requirements.

Specific Relief Sought: Ray & Katherine Bruce request a waiver of the current land use restrictions to allow division of their 38.18 acre property into 9 parcels under the regulations in effect at the time they acquired an interest in the property (1953). Although not specifically stated in the application, the appraisal evidence is based upon the development of a residence on each parcel.

B. Lane Code Submittal Requirements

All of the Lane Code submittal requirements have been met.

C. Analysis

Application Review and Referral Determination

An application qualifies for compensation consideration if the applicant has shown that all of the following LC 2.740(1) criteria are met:

The County has either adopted, enforced or applied a land use regulation that restricts the use of private real property after the current owner of the property (the applicant) became the owner (LC 2.740(1)(a) and (c));

The current owner of record is the Bruce Family Trust with Ray and Katherine Bruce identified as the trustees. This Trust acquired the property through a warranty deed dated March 7, 1994. The Grantors to the revocable Trust were Ray & Katherine Bruce who had acquired the property through a warranty deed on December 12, 1953. They desire to subdivide the 38.16 acre property into 8 lots of 3.75 acres each and 1 lot of 8.18 acres in size. Currently, the E40 zone division requirements [LC 16.212(9)] restrict the minimum area for the creation of lots or parcels to 40 acres, or under limited circumstances, 20 acres.

The issue for the Board to decide is how the placement of land into a revocable trust affects the ability of the Board to grant a "waiver" of existing land use regulations under Ballot Measure 37. Although the applicants have demonstrated that the current EFU regulations were adopted after they obtained an interest in the property (1953), the "waiver" of land use regulations under Ballot Measure 37 may be limited to the date that the current owner acquired the property (1994). The trustees are requesting a waiver of the current zoning restrictions to allow development that could have occurred when they acquired an interest in the property on December 12, 1953. The warranty deed signed on March 7, 1994 transferred ownership to the Trust, thereby creating a new "owner" for purposes of determining which land use regulations can be waived under Ballot Measure 37. A copy of the trust documents or certification of trust as described by ORS 128.232 to 128.246 has not been provided. Supplemental information provided some evidence the trust is revocable. To the extent the original owners retain an interest in the property and the trust could be revoked leaving them in possession, waiver might be possible to allow a use that could have occurred in

1953. If not, the waiver of current regulations by the Board appears to be limited to allowing development possible under the 1994 EFU provisions of Lane Code 16.212. The 1994 regulations did not allow the development proposed by the applicants.

In either case, the Board will need to conclude the restrictive EFU provisions in LC 16.212 have been enforced against the applicant/owner in order to give rise to a claim under Measure 37 against Lane County.

The restriction on use has the effect of reducing the fair market value of the property or any interest therein, upon which the restriction is imposed (LC 2.740(1)(b)); and

In order to conclude that there has been a reduction in fair market value of this property, the Board will need to determine that the market value of eight 3.75 acre buildable lots and one developed 8.18 acre lot is greater than one developed 38.18 acre parcel. The submitted appraisals assume the current owner could do what might have been possible in 1953 and present credible evidence of value reduction if those assumptions are accurate. No independent review of the appraisals has been conducted. The applicant has provided 3 appraisals from a State licensed Appraiser, Norman Pohl which state:

The value of the existing 38.18 acre property and residence is \$575,000;

The value of the existing dwelling, shop and 8.18 acres is \$500,000; and

The value of 8 potential 3.75 acre buildable lots is \$825,200 (8 x \$103,150).

No additional buildable lots are possible under the current E40 provisions. The alleged reduction in value from this analysis of property value as a result of the land use restriction is \$750,200 ($825,000 + 500,000 - 575,000 = \$725,000$).

Ultimately, the Board will need to conclude the E40 regulations have the effect of reducing the fair market value of the applicants' property to conclude that Ray & Katherine Bruce comply with these criteria and may be considered for compensation under Ballot Measure 37.

The challenged regulation is not an exempt regulation as defined in LC 2.710 (LC 2.740(1)(d)).

The land division regulations of LC 16.212(9) establish the minimum land division lot sizes in the E40 Zone. Those land division minimum lot size requirements are not part of the exempt regulations addressing public nuisances, public health and safety, federal law, or restrictions to prohibit use of the property for pornography or nude dancing. The parts of the E40 zone and other sections of Lane Code that do not restrict the use of the property for home sites and reduce the value of the property should remain applicable until shown otherwise. Therefore, this criterion appears to be met because the challenged minimum lot size and building regulations are not part of the exempt regulations defined in LC 2.710.

Final Conclusion: The application appears to meet the criteria in LC 2.740(1)(a) through (d). The applicants Ray & Katherine Bruce, qualify for compensation consideration for the reduction in fair market value of the property since the time that they acquired an interest in the property in 1953. The County Administrator recommends Board review to determine whether to provide compensation or “waive” the land use regulations. The ability to waive land use restrictions under Ballot Measure 37, however, may be limited to allowing development to occur in conformance with the regulations in effect at the time that the current owner, the Bruce Family Trust, acquired the property (1994). The waiver of current land use restrictions to allow development in accordance with the 1994 EFU provisions would not allow the development proposed by the applicant.

D. Conclusion/County Administrator Recommendation

The amount of just compensation alleged to result from the restrictive land use regulations applied to the subject property has been determined by a professional appraiser to be \$750,200. Lane County has not appropriated funds for compensation for Ballot Measure 37 claims and has no funds available for this purpose. The public benefit from application of the land use regulation to the applicant’s property seems to be outweighed by the public burden of paying the claimed compensation.

As an alternative to the payment of compensation, the County Administrator recommends the Board “waive” the current EFU provisions to allow land divisions and development in a manner consistent with regulations in effect when the owners acquired the property. Dependent upon Board determination of the effect of the creation of the revocable trust on the “owner” status, granting the waiver would allow development of the property in a manner consistent with the EFU Zone provisions in effect on March 7, 1994, or the Ordinance #3 Subdivision regulations in effect on December 12, 1953. In several cases, DLCDC and other counties have not treated revocable trusts as a change in ownership where the grantor and the trustee remain the same. All other sections of Lane Code should remain applicable unless it can be shown they restrict the use and have the effect of reducing the fair market value of the Bruce Family Trust property.

IV. ALTERNATIVE/OPTIONS

1. The County Administrator concludes the application is not a valid claim and the Board should direct issuance of a final written decision denying the Claim.
2. Recommend the application appears valid and direct preparation of an order reflecting the Board of County Commissioners determination for final disposition of the Bruce Measure 37 claim.

V. RECOMMENDATION

Alternative 2.

VI. IMPLEMENTATION / FOLLOW-UP

Upon adoption of the final determination that either the claim should be denied or a “waiver” of restrictive land use regulations is necessary to avoid owner entitlement to compensation, the County Administrator will provide notice of the final decision pursuant to LC 2.760.

VII. ATTACHMENTS:

1. August 4, 2005 letter,
2. Bruce Ballot Measure 37 Application
3. Warranty Deed Instrument #9416565 dated March 7, 1994



WILLIAM VAN VACTOR

Lane County Administrator

August 4, 2005

Ray Bruce
91655 Marcola Road
Springfield, OR 97478

Re: Ballot Measure 37 Claim (PA05-5579)

Dear Mr. Bruce:

This letter will acknowledge receipt of your demand filed May 5, 2005, with the Lane County Land Management Division. At this time, however, we are unable to process your claim as it does not meet the following requirements of Lane Code 2.700-2.770. That procedure went into effect on December 1, 2004, and we think it fairly expresses the basic information required to evaluate a compensation demand made under Ballot Measure 37 (November 2004).

A Title Report showing title history and continuous ownership information traced to the earliest date of family member ownership along with the current ownership acquisition date and all current interests of record in the property is needed. The Status of Record Title Report does not provide information on continuous ownership since 1993. You have provided copies of some deed information, however, consistent with the text of Ballot Measure 37, a title report is essential to verify that your ownership history is consistent with the requirements of the measure and that Lane County considers all the property owner interests fairly.

We also request you submit copies of any leases or covenants, conditions, or restrictions that may otherwise apply to your property and which could affect its development or value. This again relates to the appraisal and any value differential occurring as a result of land use regulation(s) allegedly restricting the use of your property.

We recognize that the above-referenced information does require a certain level of preparation so that Lane County can properly evaluate this claim. We believe it is the same information that a circuit court would need to evaluate any claim made under Ballot Measure 37 if a land use regulation remains applicable more than 180 days after a valid written demand for compensation. In that sense we do not believe it is burdensome but in fact appropriate and consistent with what a circuit court would similarly require.

To the extent land use regulations that allegedly reduce your property value are state enacted, you will need to make a claim with the State of Oregon by filing with Department of Administrative Services, Risk Management-State Services Division, 1225 Ferry Street SE, U150, Salem OR 97301-4287.

Lane County stands ready to review and determine the validity of your claim when we have the necessary information to do that evaluation. If you have any questions with regard to the specifics of the information requested, please do not hesitate to call Kent Howe, Planning Director, at 682-3734.

Sincerely yours,

A handwritten signature in black ink, appearing to read "William VanVactor", written in a cursive style.

William VanVactor
County Administrator

cc: Kent Howe, Planning Director
Stephen Vorhes, Assistant County Counsel



Land Use Application



REQUEST / PROPOSAL FOR:

M37

FILE NO.	PA055579
ACTION	FEE \$850

LOCATION (PLEASE PRINT)

16S	2W	26	NW $\frac{1}{4}$	1100		
TOWNSHIP	RANGE	SECTION	1/4 SECTION	TAX LOT	SUBDIVISION / PARTITION	LOT / PARCEL
EFU					38.16	
ZONED		TAX CODE		PLOT #		ACREAGE

91655 Marcola Rd., Springfield, OR 97478

LOCATION ADDRESS

House, shop, 3 pump houses & 1 storage bldg.

STRUCTURES NOW ON PROPERTY

APPLICANT / AGENT

Ray C. Bruce	April 25, 2005
NAME (PLEASE PRINT)	DATE

91655 Marcola Rd., Springfield, OR 97478	541-746-1197
ADDRESS	PHONE

Springfield	97478
CITY	ZIP

OWNER

Ray C. & Katherine J. Bruce	April 25, 2005
NAME (PLEASE PRINT)	DATE

91655 Marcola Rd.	541-746-1197
ADDRESS	PHONE

Springfield	97478
CITY	ZIP

DO YOU OWN ADJACENT PROPERTY? Yes No

MAP, PARCEL NUMBER

WATER PUBLIC ON-SITE WELL COMMUNITY SYSTEM _____

SEWAGE PUBLIC ON-SITE SEPTIC COMMUNITY SYSTEM _____

ROAD STATE COUNTY PUBLIC EASEMENT

FIRE DISTRICT Marcola SCHOOL DISTRICT Springfield

POWER COMPANY EPUD PHONE COMPANY Qwest

Township	Range	Section	1/4 Section	Tax Lot

I (We) have completed all the attached application requirements and certify that all statements are true and accurate to the best of my (our) knowledge and belief. I am (We are) so authorized to submit this application as evidenced by the signature of the owner below.

<i>Ray C. Bruce Katherine J. Bruce</i>	5-25-05	<i>Ray C. Bruce</i>	4-25-05
OWNER Signature	Date	APPLICANT Signature	Date

An accurate Plot Plan must be attached. Ask for a sample Plot Plan

SPECIFIC SECTION OF LANE CODE REQUIRING THIS APPLICATION

RELATED PERMIT #

STAFF COMMENTS:

Application for Claims Under LC 2.700 through 2.770

Due to Regulatory Reduction of Property Value Under Provisions Added to ORS Chapter 197 by BM37

Note: This completed form together with the referenced supporting documentation and application fee must be submitted to the Lane County Land Management Division, 125 East 8th Avenue, Eugene, Or., 97401 for all claims subject to the provisions added to ORS Chapter 197 by Ballot Measure 37 (November 2, 2004), to be considered for compensation under LC 2.700 through 2.770. In all cases, the applicant has the burden of demonstrating, with competent evidence, that all applicable criteria are met and the applicant would be entitled to compensation if the land use regulation continues to apply. Use additional paper, if necessary.

1. Applicant/ Agent

<u>Ray C. Bruce</u>	<u>91655 Marcola Rd. Spfd. 97478</u>	<u>541-746-1197</u>
Applicant Name (Please Print)	Mailing Address	Phone
<u>Same</u>	<u></u>	<u></u>
Agent Name (Please Print)	Mailing Address	Phone

2. Property Owner

Please provide the Name, Mailing Address and telephone number of all property owners of record holding interest in the property that is the subject of this application. Include a complete listing of all lien holders, trustees, renters, lessees or anyone with an interest in the property and describe the ownership interest.

<u>Ray C. Bruce</u>	<u>91655 Marcola Rd. Spfd. 97478</u>	<u>541-746-1197</u>
Property Owner Name (Please Print)	Mailing Address	Phone
<u>Katherine J. Bruce</u>	<u>91655 Marcola Rd. Spfd. 97478</u>	<u>541-746-1197</u>
Property Owner Name (Please Print)	Mailing Address	Phone

3. Legal Description

Please provide an accurate legal description, tax account number(s), map, street address and location of all private real properties that are the subject of this application.

Assessor Map & Tax Lot T16S R2W ¼Sec NW Tax Lot 1100

Street Address 91655 Marcola Rd. Spfd. OR 97478 Legal Description Attached X

4. Identification of Imposed Land Use Regulation

Please identify the Lane Code section or other land use regulation imposed on the private real property that is alleged to restrict the use of the subject property in a manner that reduces the fair market value. Include the date the regulation was first adopted, enforced or applied to the subject property and a written statement addressing all the criteria in LC 2.740(1).

All county regulations, rules and ordinances requiring approval for

partitioning and all state laws & rules as a result of Senate Bill 100

enacted in 1973.

5. Title Report

Please attach a Preliminary Title Report showing title history and continuous ownership traced to the earliest family member ownership, the date of current owner(s) acquisition and all current interests of record for the subject property, issued within 30 days of the application submittal. Provide copies of relevant deeds.



STATUS OF RECORD TITLE REPORT

RAY BRUCE
91655 MARCOLA ROAD
SPRINGFIELD, OR 97478

Our No: CT-0245149
Date: MAY 2, 2005
Charge: \$200.00
Government Service Fee: \$25.00

As requested, Cascade Title Co. has searched our tract indices as to the following described real property:

(A T T A C H E D)

and as of: APRIL 20, 2005, at 8:00 A.M. we find the following:

Vestee:

RAY C. BRUCE AND KATHERINE J. BRUCE,
Trustees of the BRUCE FAMILY TRUST,
u.a.d. June 14, 1993

Said property is subject to the following on record matters:

1. As disclosed by the tax rolls, the premises herein described have been zoned or classified for farm use. At any time that said land is disqualified for such use, the property will be subject to additional taxes or penalties and interest.
2. Power line easement granted to Mountain States Power Co., by instrument recorded March 08, 1929, in Book 162, Page 214, Lane County Oregon Deed Records, and on March 20, 1946, in Book 314, Page 464, Lane County Oregon Deed Records. (No location given)
3. Reservation of $\frac{1}{4}$ of oil, coal, gas and mineral rights and mining rights and right to access for mining purposes reserved by the United States of American by instrument recorded July 28, 1943, in Book 251, Page 36, Lane County Oregon Deed Records.
4. Rights of the public in and to that portion on the Southeast lying within the bounds of that roadway dedicated by instrument recorded August 05, 1970, Reception No. 14897, Lane County Oregon Records.
5. Easement, including the terms and provisions thereof, granted Ray C. Bruce, by instrument recorded December 08, 1978, Reel No. 958, Reception No. 7880866, and rerecorded November 07, 1990, Reception No. 9053731, Lane County Official Records.

continued-

MAIN OFFICE * 811 WILLAMETTE ST. * EUGENE, OREGON 97401 * PH: (541) 687-2233
FLORENCE * 1234 RHODODENDRON DR. * FLORENCE, OREGON 97439 * PH: (541) 997-8417
EUGENE FAX: 485-0307 * E-MAIL: info@cascadetitle.com * FLORENCE FAX: 997-8246


6. Easement as disclosed in Warranty Deed, including the terms and provisions thereof, from Ray C. Bruce, to Walter R. Hansen, Jr. and Janet A. Hansen, husband and wife, recorded December 14, 1979, Reel No. 1043, Reception No. 7974007, Lane County Official Records.
7. Easement, including the terms and provisions thereof, granted Ray C. and Katherine J. Bruce, by instrument recorded February 04, 1992, Reel No. 1742, Reception No. 9206598, Lane County Official Records.
8. The terms, provisions, rights of the beneficiaries, and powers of the Trustee under the Bruce Family Trust, u.a.d. June 14, 1993, and any amendments thereto, under which the vestee herein holds title. A copy of the trust agreement or an adequate Certification of Trust must be furnished for our examination.

NOTE: Taxes, Account No. 0035517, Assessor's Map No. 16 02 26, #1100, Code 19-05, 2004-2005, in the amount of \$2,247.32, PAID IN FULL. (Potential Tax Liability)

This report is to be utilized for information only. Any use of this report as a basis for transferring, encumbering or foreclosing the real property described will require prior notification to the undersigned and payment in an amount equivalent to applicable title insurance premiums as required by the rating schedule on file with the Oregon Insurance Division.

The liability of Cascade Title Co. is limited to the addressee and shall not exceed the premium paid hereunder.

CASCADE TITLE CO., by:



ar/Title Officer: KURT BEATY

PROPERTY DESCRIPTION

Beginning at a point 4856.2 feet North and 3578.0 feet East of the Southwest corner of the Robert McGowan Donation Land Claim No. 43, Township 16 South; Range 2 West of the Willamette Meridian, said point being on the Easterly right of way of the County Highway and running thence South 51° 40' East 1242.9 feet; thence North 39° 11' East 1446.0 feet; thence North 51° 40' West 1291.0 feet to a point on the Southeasterly right of way of the Southern Pacific Company Railroad; thence along said right of way two courses as follows: South 47° 59' West 100.0 feet, South 45° 57' West 100.0 feet to a point on the Easterly right of way of the County Highway; thence along said right of way 6 courses as follows: South 30° 13' West 50.0 feet, South 34° 35' West 100.0 feet, South 37° 30' West 495.3 feet, South 37° 00' West 99.6 feet, South 36° 00' West 99.5 feet, South 35° 30' West 412.4 feet to the point of beginning, in Lane County, Oregon.

EXCEPT that certain tract of land in the deed from Ray C. Bruce, a single man, to Lane County, a political subdivision of the State of Oregon, dated August 04, 1956, recorded October 19, 1956, under Recorder's Reception No. 97252, Lane County Oregon Deed Records, in Lane County, Oregon (relocated Mohawk Road).

ALSO EXCEPT THEREFROM: Beginning at a 3/4 inch iron pipe that is East 3585.87 feet and North 4849.97 feet from the Southwest corner of the Robert McGowan Donation Land Claim No. 43, Township 16 South, Range 2 West, Willamette Meridian; run thence North 35° 30' East 200.00 feet to a 5/8 inch iron rod; thence South 51° 40' East 499.48 feet to a 5/8 inch iron rod; thence South 68° 26' 08" West 230.90 feet to a 5/8 inch iron rod; thence North 51° 40' West 373.79 feet to the place of beginning, in Lane County, Oregon.

ALSO EXCEPT THEREFROM: Beginning at a 5/8 inch iron rod that is North 35° 30' East 200.00 feet from a 3/4 inch iron pipe that is East 3585.87 feet and North 4849.97 feet from the Southwest corner of the Robert McGowan Donation Land Claim No. 43, Township 16 South, Range 2 West, Willamette Meridian; run thence North 35° 30" East 175.00 feet to a 5/8 inch iron rod; run thence South 51° 40' East 498.54 feet to a 5/8 inch iron rod; run thence South 35° 11' 45" West 175.05 feet to a 5/8 inch iron rod; thence North 51° 40' West 499.48 feet to the place of beginning, in Lane County, Oregon.

ALSO EXCEPT THEREFROM: That portion described in Warranty Deed to Lane County, recorded January 07, 2000, Reception No. 2000-000893, Lane County Deeds and Records, in Lane County, Oregon.

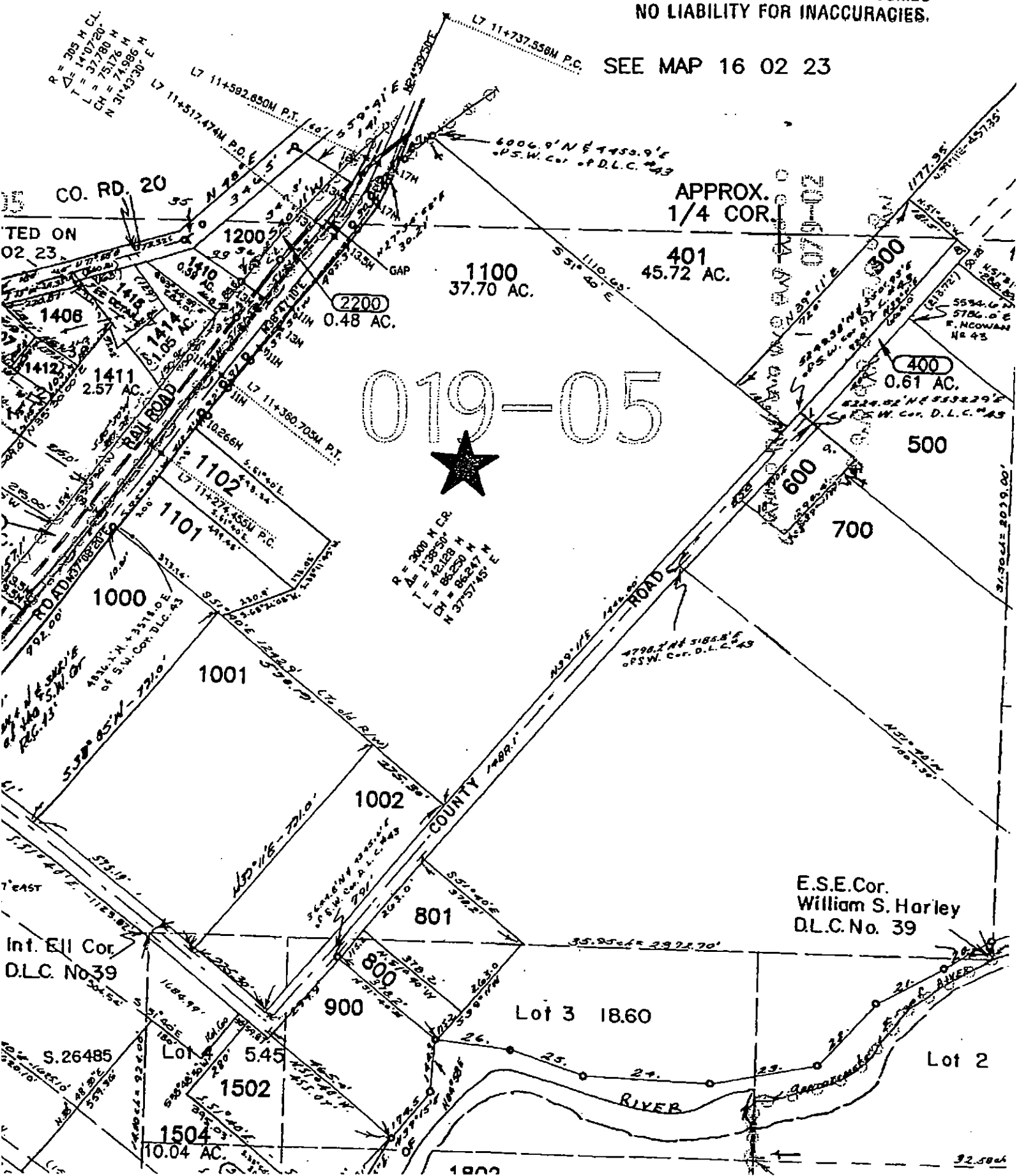
SECTION 20 T.10S. R.2W. W.M.

LANE COUNTY 1602-26

SCALE 1" = 400'

THIS MAP IS TO ASSIST LOCATING PROPERTY. THE COMPANY ASSUMES NO LIABILITY FOR INACCURACIES.

SEE MAP 16 02 23



019-05



$R = 3000$ M CR
 $\Delta = 1380$ M
 $L = 42123$ M
 $CH = 86229$ M
 $L = 3757145$ E

E.S.E. Cor.
 William S. Harley
 D.L.C. No. 39

Int. Ell Cor.
 D.L.C. No 39

S. 26485
 Lot 5.45
 1502

1504
 10.04 AC.

Lot 3 18.60

Lot 2

RIVER

1800

32.584

18964

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, That LAWRENCE W. ERICKSON and ANNE G. ERICKSON, husband and wife, and JOHN S. AUMAN, a single man, the Grantors, for consideration of TEN and Other DOLLARS to them paid, do hereby grant, bargain, sell and convey unto RAY C. BRUCE, the Grantee, his heirs and assigns, all the following real property, with the tenements, hereditaments and appurtenances, situated in the County of Lane and State of Oregon, bounded and described as follows, to-wit:



Beginning at a point 4856.2 feet north and 3578.0 feet east of the southwest corner of the Robert McGowan Donation Land Claim No. 43, Township 16 South, Range 2 West of the Willamette Meridian, said point being on the easterly right-of-way of the County Highway and running thence south 51° 40' east 1242.9 feet, thence north 39° 11' east 1446.0 feet, thence north 51° 40' west 1291.0 feet to a point on the south-easterly right-of-way of the Southern Pacific Company railroad; thence along said right of way two courses as follows: South 47° 59' west 100.0 feet, south 45° 57' west 100.0 feet to a point on the easterly right of way of the County Highway; thence along said right of way 6 courses as follows: south 30° 13' west 50.0 feet, south 34° 35' west 100.0 feet, south 37° 30' west 495.3 feet, south 37° 00' west 99.6 feet, south 36° 00' west 99.5 feet, south 35° 30' west 412.4 feet to the point of beginning, in Lane County, Oregon.

SUBJECT to the following reservations and easements:

Reservation of water and mineral rights in the patent from the United States to William Dodson, recorded June 21, 1892 at page 92 of volume 28, Lane County Oregon Deed Records.

Right of way for an electrical transmission line granted Mountain States Power Company by George Denker and May Denker recorded March 20, 1946 in volume 314 page 464, clerk's filing No. 7047, Lane County Oregon Deed Records.

Easement for an electrical power line as granted by Alexander Lewis and Maynie E. Lewis, husband and wife, to the Mountain States Power Company, a corporation, by instrument recorded March 8, 1929 at page 214 of volume 162, Lane County Oregon Deed Records.

Easement for power line granted by J. H. Kennedy and Ella Kennedy and James H. Kennedy to the Mountain States Power Company by instrument recorded March 8, 1929 at page 14 of volume 165, Lane County Oregon Deed Records.

Any part lying within deed to Lane County Oregon of 40 foot roadway as evidenced by instrument recorded March 6, 1947 at page 695 of volume 342, clerk's filing No. 34569, Lane County Oregon Deed Records.

Reservation of 3/4 oil, gas, coal and mineral rights and mining rights and right of access for mining purposes reserved in the deed from the United States of America to George F. Denker and May Denker, his wife, recorded July 28, 1943 in volume 251 page 36, Lane County Oregon Deed Records.

TO HAVE AND TO HOLD the above described and granted premises unto the said grantee, his heirs and assigns forever.

And the grantors do covenant that they are lawfully seized in fee simple.

18964

of the above granted premises free from all incumbrances, except as above set forth, and that they will and their heirs, executors and administrators shall warrant and forever defend the above granted premises, and every part and parcel thereof, against the lawful claims and demands of all persons who may hereafter

WITNESS our hands and seals this 12th day of December, 1953.

[Signature] (Seal)

[Signature] (Seal)

[Signature] (Seal)

STATE OF OREGON)
County of Lane) ss.

On this 12th day of December, 1953 before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named LAWRENCE W. ERICKSON and ANNE C. ERICKSON, husband and wife, and JOHN S. AUBAN, a single man, who are known to me to be the identical individuals described in and who executed the within instrument, and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



[Signature]
Notary Public for Oregon

My commission expires October 10, 1954.

State of Oregon,
County of Lane.
I, Harry L. Chase, County Clerk and
ex-officio Recorder of Conveyances, in
and for said County, do hereby certify
that the within instrument was received
for record as

1953 DEC 14 PM 3 54

REF 2953 D

and
Recorded

on Page

in Book

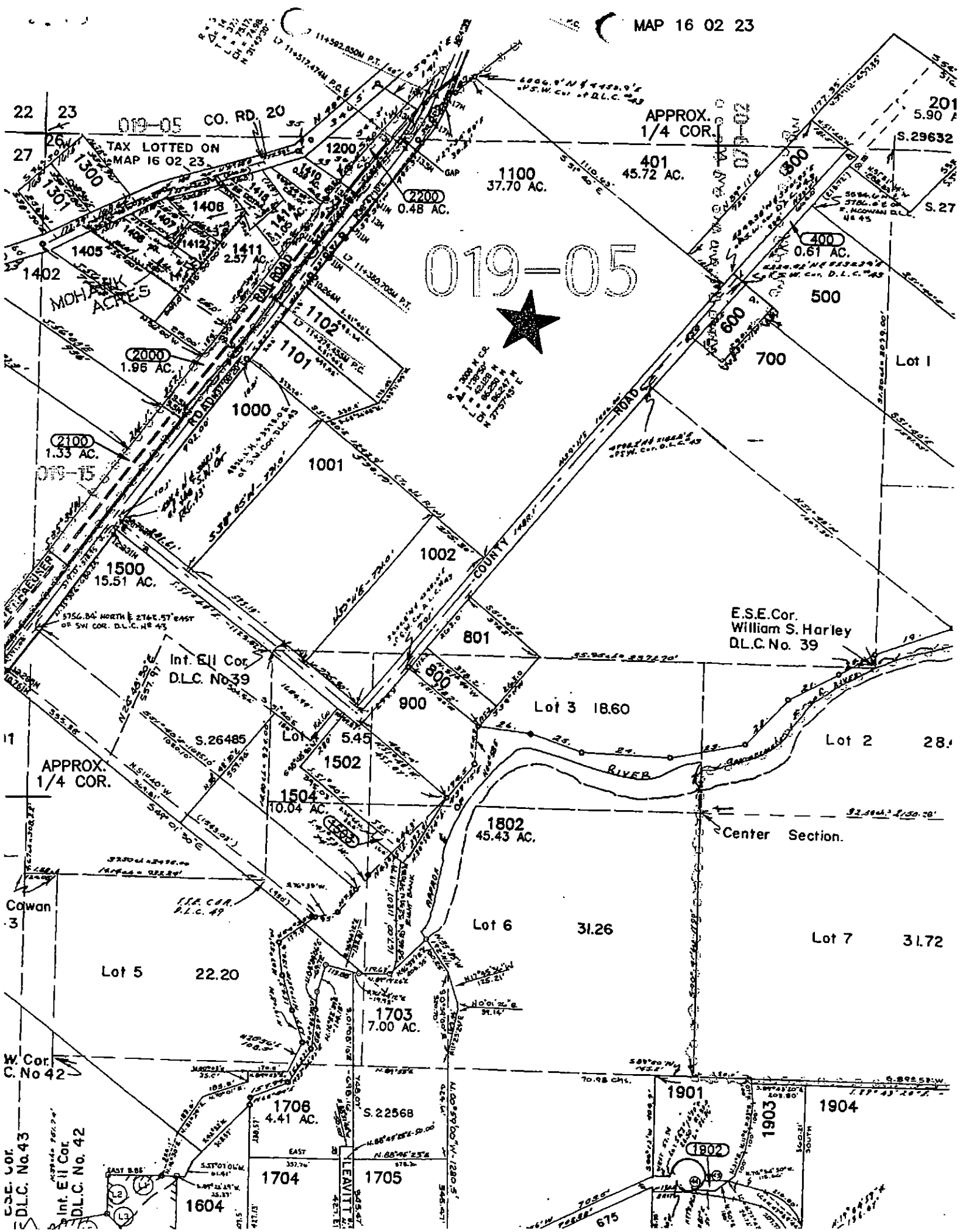
Jane County Records,
HARVEY L. CHASE, County Clerk.

John F. ...

To HUSBAND, FORT B. JOHNSON

ATTORNEYS AT LAW
22 N. BROADWAY
EUGENE, OREGON

4
30
4
5



019-05



019-05 CO. RD. 20

APPROX. 1/4 COR.

TAX LOTTED ON MAP 16 02 23

1100 37.70 AC.

401 45.72 AC.

1408

2200 0.48 AC.

400 0.61 AC.

2000 1.95 AC.

500

2100 1.33 AC.

700

1500 15.51 AC.

1001

1002

E.S.E. Cor. William S. Harley D.L.C. No. 39

Int. E.II Cor. D.L.C. No. 39

801

Lot 3 18.60

Lot 2 28.4

APPROX. 1/4 COR.

800

1802 45.43 AC.

Center Section.

Cowan 3

Lot 5 22.20

Lot 6 31.26

Lot 7 31.72

1706 4.41 AC.

1703 7.00 AC.

W. Cor. C. No. 42

E. E. Cor. D.L.C. No. 42

1604

1704

1705

1901

1903

1904

675

PROPERTY REPORT - LANE COUNTY

Account # 0035517

Map, Tax Lot, & SIC # 16-02-26-00-01100

Site Address: 91655 MARCOLA RD SPRINGFIELD OR 97478	
Owner Name & Address: Bruce Family Trust 91655 Marcola Rd Springfield , OR 97478	Taxpayer Name & Address: Bruce Ray C Te 91655 Marcola Rd Springfield , OR 97478
Multiple Owners? Yes.*	
Additional Account Numbers for this Tax Lot & SIC:	

Approximate Tax	38.18	Subdivision Name:		School District:	Springfield
Lot Acres	1,663,121'	Phase:		Elem	Mohawk
Inc City:		Lot #	TL 01100	Middle	Briggs
UGB:		Recording #		High	Thurston
Census Tr/BlkGrp:	0200/4				

Zoning: Parent/Overlay	E40
Statistical Class:	140 Class 4 Single Family Home
Land Use:	1111 Single Family Housing
Property Class:	551 Farm, Efu, Improved

Property Value and Taxes

	Land Value <u>Real Market</u>	Improvement Value <u>Real Market</u>	Total Value	
			<u>Real Market</u>	<u>Assessed</u>
2004	\$244,500	\$252,110	\$496,610	\$211,173
2003	\$218,920	\$247,170	\$466,090	\$205,116
	2004 Taxable Value \$ 211,173	2004 Taxes \$2,247.32	Tax Code Area 01905	

Two Most Recent Sales

Date	Price	Grantor	Grantee	Instrument #
03-07-1994	\$0	Bruce, Ray C & Katherine J H&w		94-01656500
06-27-1993	\$0	Bruce, Ray C		93-04397800

Residential Building # 1 (of 1) Characteristics 41 stat 140

		Square feet				
		Base	Finished			
Year Built:	1979	Basement		Bsmt Garage Sqft		
Bedrooms	4	First	2609	2609	Att Garage Sqft	516
Full Baths	2	Second			Det Garage Sqft	
Half Baths	1	Attic			Att Carport Sqft	
% Improvmt Complete	100	Total	2609	2609		

Comments:

*This report extracts commonly used information from the Detailed Property Report. [Click here for the full Detailed Property Report.](#)

PLOT PLAN SUBMITTAL FORM

Use this sheet for your drawings

OWNER NAME: RAY C. BRUCE	OWNER ADDRESS: 91655 MARCOLA RD. 5 SPRINGFIELD, OR. 97478
OWNER PHONE #: 541-746-1197	

OWNER NAME: RAY C. BRUCE	OWNER ADDRESS: 91655 MARCOLA RD. 5 SPRINGFIELD, OR. 97478
OWNER PHONE #: 541-746-1197	

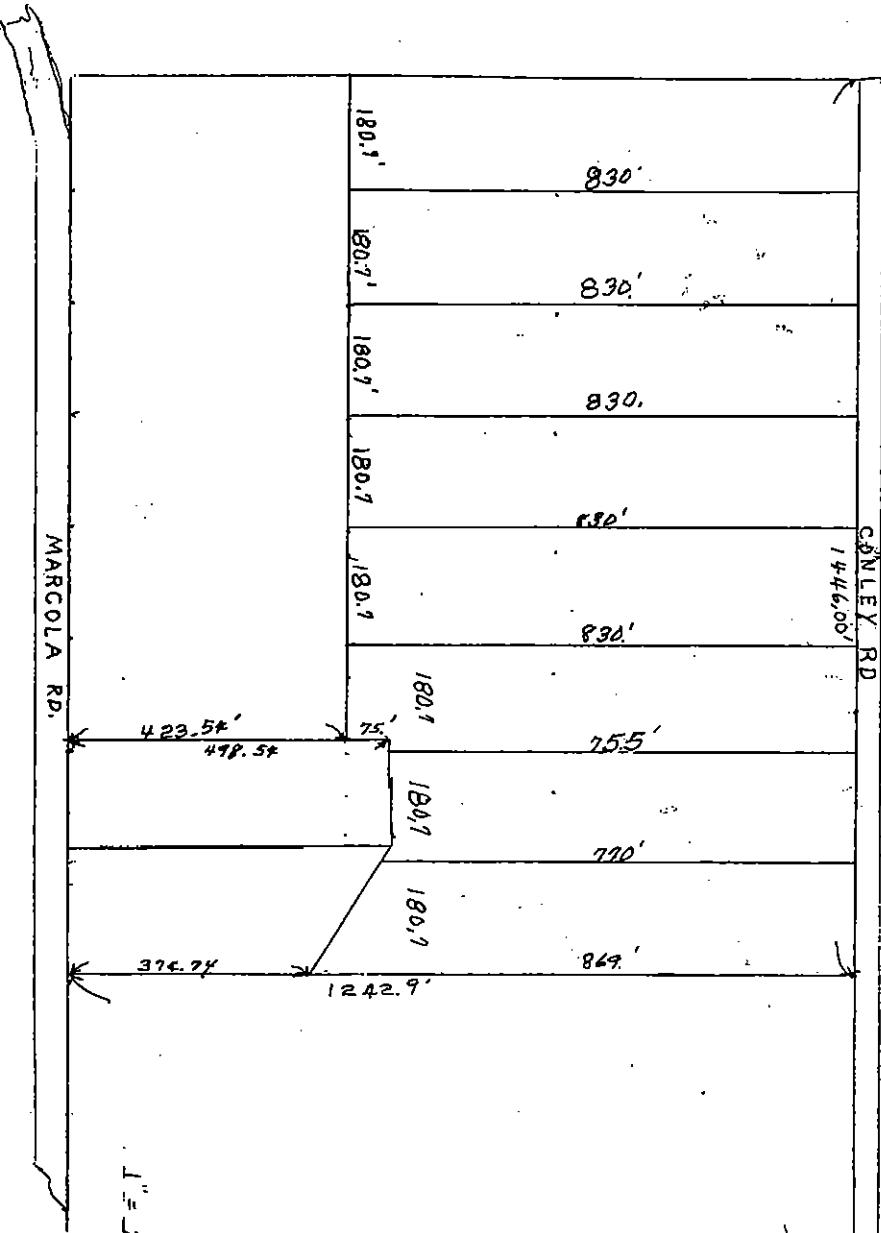
APPLICANT NAME: RAY C. BRUCE	APPLICANT ADDRESS: 91655 MARCOLA RD. 5 SPRINGFIELD, OR. 97478
APPLICANT PHONE #: 541-746-1197	

APPLICANT NAME: RAY C. BRUCE	APPLICANT ADDRESS: 91655 MARCOLA RD. 5 SPRINGFIELD, OR. 97478
APPLICANT PHONE #: 541-746-1197	

Map and Taxlot #: 16-02-26 TLOT 1100

Scale: 1" = 200'

EXP. RD.



Indicate which direction is north with an arrow

1" = 200'

**SUMMARY APPRAISAL OF
THE PROPERTY LOCATED AT**

91655 Marcola Road
Springfield, OR 97478

as of
4-5-2005

for
Ray C. Bruce
91655 Marcola Road
Springfield, Oregon 97478

by
Pohl & Associates, Inc.
P.O. Box 2636
Eugene, OR 97402

2005 USPAP COMPLIANCE ADDENDUM

Borrower or Owner	Ray C. Bruce Te		
Property Address	91655 Marcola Road		
City	Springfield	County	Lane
		State	OR
		Zip Code	97478
Lender or Client	Ray C. Bruce		

APPRAISER'S CERTIFICATION:

The following Certification statements are in addition to and may supercede the signed Appraiser's Certification attached to this appraisal report. The signature on the attached Certification is also applicable to the updated Certification included below. This Appraiser's Certification is compliant with the current edition of the Uniform Standards of Professional Appraisal Practice.

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.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with Uniform Standards of Professional Appraisal Practice.

I (We) have made a personal inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the person(s) signing this report.

PURPOSE, INTENDED USE, AND INTENDED USER OF THE APPRAISAL:

The purpose of the appraisal is to estimate the market value of the subject property, as defined in this report, as of the effective date of this report. The intended use of the appraisal is to assist the client and any other intended users in the underwriting, approval, and funding of the mortgage loan. The intended users of this report are the stated client and any other institutions involved in the underwriting, approval, and funding of the mortgage loan. No one else, including the purchaser and seller, should rely on the estimate of value or any other conclusions contained in this appraisal report.

ANALYSIS AND REPORT FORM:

The appraisal is based on the information gathered by the appraiser from public records, other identified sources, inspection of the subject property and neighborhood, and selection of comparable sales, listings, and/or rentals within the subject market area.

The original source of the comparables described in the Data Source section of the market grid along with the source of confirmation, if available. The original source is presented first. The sources and data are considered reliable. When conflicting information was provided, the source deemed most reliable has been used. Data believed to be unreliable was not included in the report or used as a basis for the value conclusion. The extent of the analysis applied to this assignment is stated in the Appraiser's Certification included above and attached to this report.

DEFINITION OF INSPECTION

The term "Inspection", as used in this report, is not the same level of inspection that is required for a "Professional Home Inspection". The appraiser does not fully inspect the electrical system, plumbing system, mechanical systems, foundation system, floor structure, or subfloor. The appraiser is not an expert in construction materials and the purpose of the appraisal is to make an economic evaluation of the subject property. If the client needs a more detailed inspection of the property, a home inspection, by a Professional Home Inspector, is suggested.

DIGITAL SIGNATURES

The signature(s) affixed to this report, and certification, were applied by the original appraiser(s) or supervisory appraiser and represent their acknowledgements of the facts, opinions and conclusions found in the report. Each appraiser(s) applied his or her signature electronically using a password encrypted method. Hence these signatures have more safeguards and carry the same validity as the individual's hand applied signature. If the report has a hand-applied signature, this comment does not apply.

OPINION OF MARKET VALUE VS ESTIMATE OF MARKET VALUE

The current Uniform Standards of Professional Practice defines the market value conclusion as an opinion of market value and not an estimate of market value.

2005 USPAP COMPLIANCE ADDENDUM


Borrower or Owner	Ray C. Bruce Te		
Property Address	91655 Marcola Road		
City	Springfield	County	Lane
		State	OR
		Zip Code	97478
Lender or Client	Ray C. Bruce		

STATEMENT OF THE SUBJECT PROPERTY'S MARKETING PERIOD AND EXPOSURE PERIOD

Based on data analyzed in this report, a reasonable marketing period for the subject property is 0-6 months given the current market conditions.

Based on data analyzed in this report, a reasonable exposure period for the subject property is 0-6 months given the current market conditions.

APPRAISER:

Signature: 

Name: Norman D. Pohl

Date Signed: April 4, 2005

State Certification #: _____

or State License #: L000211

State: OR

Expiration Date of Certification or License: 11/30/2005

SUPERVISORY APPRAISER (ONLY IF REQUIRED):

Signature: _____

Name: _____

Date Signed: _____

State Certification #: _____

or State License #: _____

State: _____

Expiration Date of Certification or License: _____

Did Did Not Inspect Property

Pohl & Associates, Inc.
P.O. Box 2636
Eugene, OR 97402
541-342-7752

April 4, 2005

Ray C. Bruce
91655 Marcola Road
Springfield, Oregon 97478

Property - 91655 Marcola Road
Springfield, OR 97478
Borrower - Ray C. Bruce Te
File No. - A5040001
Case No. -

Dear Mr. Bruce:

In accordance with your request, I have made a Complete Appraisal Analysis and prepared a Summary Appraisal of the real property located at 91655 Marcola Road, Springfield, OR.

The purpose of the Summary Appraisal is to estimate the market value of the property described in the body of this report.

Enclosed, please find the Summary Appraisal which describes certain data gathered during our investigation of the property. The methods of approach and reasoning in the valuation of the various physical and economic factors of the subject property are contained in this report.

An inspection of the property and a study of pertinent factors, including valuation trends and an analysis of neighborhood data, led the appraiser to the conclusion that the market value, as of 4-5-2005 is :


\$575,000

The opinion of value expressed in this report is contingent upon the Limiting Conditions attached to this report.

It has been a pleasure to assist you. If I may be of further service to you in the future, please let me know.

Respectfully submitted,

Pohl & Associates, Inc.


Norman D. Pohl
OR License #L000211

Complete Appraisal Analysis - Summary Appraisal Report

UI ARM RESIDENTIAL APPRAISAL REPORT File No. **A5040001**

Property Description: **91655 Marcola Road** City **Springfield** State **OR** Zip Code **97478**

Legal Description: **See Deed Attached Addendum** County **Lane**

Assessor's Parcel No. **Account Number 0035517** Tax Year **04-05** R.E. Taxes \$ **2,248** Special Assessments \$ **N/A**

Borrower **Ray C. Bruce Te** Current Owner **Ray C. Bruce Te** Occupant Owner Tenant Vacant

Property rights appraised Fee Simple Leasehold Project Type PLUD Condominium (HUDVA only) HOAS **N/A** R/Mo

Neighborhood or Project Name **N/A** Map Reference **1602252600-01100** Census Tract **0200**

Sale Price \$ **Not sold** Date of Sale **N/A** Description and \$ amount of loan charges/concessions to be paid by seller **N/A**

Lender/Client **Ray C. Bruce** Address **91655 Marcola Road, Springfield, Oregon, 97478**

Appraiser **Norman D. Pohl** Address **P.O. Box 2636 Eugene OR 97402**

Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Predominant occupancy	Single family housing PRICE \$ (000)	AGE (yrs)	Present land use %	Land use change
Built up	<input type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	<input checked="" type="checkbox"/> Owner	195	Low	55	<input type="checkbox"/> Not Likely <input type="checkbox"/> Likely
Growth rate	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	<input type="checkbox"/> Tenant	975k	High	100	<input checked="" type="checkbox"/> In process
Property values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Vacant (0-6%)	Predominant			To: Some single family residential
Demand/supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In balance	<input type="checkbox"/> Over supply	<input type="checkbox"/> Vacant (over 6%)	325k	36	Vacant	44
Marketing time	<input type="checkbox"/> Under 3 mos.	<input checked="" type="checkbox"/> 3-4 mos.	<input type="checkbox"/> Over 6 mos.					

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood boundaries and characteristics: **Neighborhood boundaries for suburban properties is a 0-15 mile radius from the Eugene/Springfield area (see location map in addendum). *** See Additional Comments *****

Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.) **Employment in the local area is stable at the present time. There is easy access to employment, public transportation, schools and shopping from the subjects neighborhood. I have considered relevant competitive listings and/or contract offerings in the performance of this appraisal report and in the trending information reported in this section. If a trend is indicated, I have attached addendum providing relevant data.**

Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time - such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.): **The market at the present time is active. No special financing, loan discounts, interest buydowns or concessions were found for the subject or the comparables used in this report. Average marketing time for sales in this neighborhood is 0-3 months.**

Project Information for PUDs (if applicable) - Is the developer/builder in control of the Home Owners' Association (HOA)? Yes No

Approximate total number of units in the subject project **N/A** Approximate total number of units for sale in the subject project **N/A**

Describe common elements and recreational facilities: **N/A**

Dimensions **See Plat Map** Corner Lot Yes No

Site area **38.18 acres +/-**

Specific zoning classification and description **E-40**

Zoning compliance Legal Legal nonconforming (Grandfathered use) Illegal No zoning

Highest & best use as improved: Present use Other use (explain)

Utilities: Public Over Off-site improvements

Electricity Gas Water Well/Typical Septic/Typical

Street **Asphalt** Curbs/gutter **None** Sidewalk **None** Street lights **None** Alley **None**

Public Private

Topography **Basically Level** Size **38.18 acres +/-** Shape **Irregular/See Plat Map** Drainage **Appears Adequate** View **Hills and Valley**

Landscaping **Good** Driveway Surface **Gravel** Apparent easements **Normal Utility** FEMA Special Flood Hazard Area Yes No FEMA Zone **"X"** Map Date **6/2/99** FEMA Map No. **41039C0670 F**

Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.): **A typical site for the area. There are no apparent encroachments or adverse easements. Normal public utilities easements are assumed.**

GENERAL DESCRIPTION		EXTERIOR DESCRIPTION				FOUNDATION			BASEMENT			INSULATION	
No. of Units	One	Foundation	Concrete	Slab	No	Area Sq. Ft.		Roof					
No. of Stories	One	Exterior Walls	Wooden	Crawl Space	Yes	% Finished	N/A	Ceiling					
Type (Det/Att)	Detached	Roof Surface	Comp.	Basement	None	Ceiling	N/A	Walls					
Design (Style)	1 Story	Gutters & Downsp.	Metal	Sump Pump	None	Walls	N/A	Floor					
Existing/Proposed	Existing	Window Type	Metal Case	Dampness	None Apparent	Floor	N/A	None					
Age (Yrs.)	26	Storm/Screen	Dbt-P/Yes	Settlement	None Apparent	Outside Entry	N/A	Unknown					
Effective Age (YrL)	20	Manufactured House	N/A	Infiltration	None Apparent								

ROOMS	Foyer	Living	Dining	Kitchen	Den	Family Rm.	Rac. Rm.	Bedrooms	# Baths	Laundry	Other	Area Sq. Ft.
Basement											Office	
Level 1	N	I	I	I				4	2.2	x	I	2609
Level 2												

Finished area above grade contains: **9 Rooms; 4 Bedroom(s); 2.20 Bath(s); 2,609 Square Feet of Gross Living Area**

INTERIOR	HEATING	KITCHEN EQUIP.	AMENITIES	CAR STORAGE:
Materials/Condition	Type F/A	Refrigerator <input checked="" type="checkbox"/>	Fireplace(s) # Fm R <input checked="" type="checkbox"/>	None <input type="checkbox"/>
Floors Cpt/Vin/Ave. +	Fuel Electric	Rangloven <input checked="" type="checkbox"/>	Patio Concrete <input checked="" type="checkbox"/>	Garage <input type="checkbox"/>
Walls Drywall/Ave. +	Condition Good	Disposal <input checked="" type="checkbox"/>	Deck <input type="checkbox"/>	Attached 2 Car
Trim/Finish Wooden/Ave. +	COOLING	Dishwasher <input checked="" type="checkbox"/>	Scuttle <input checked="" type="checkbox"/>	Detached <input type="checkbox"/>
Bath Floor Vinyl/Ave. +	Central HP	Fanhood <input checked="" type="checkbox"/>	Floor <input type="checkbox"/>	Built-in <input type="checkbox"/>
Bath Wall/ceiling Tile/Ave. +	Other N/A	Microwave <input type="checkbox"/>	Heated <input type="checkbox"/>	Carport <input type="checkbox"/>
Doors Wooden/Ave. +	Condition Good	Washer/Dryer <input type="checkbox"/>	Finished <input type="checkbox"/>	Driveway Gravel

Additional features (special energy efficient items, etc.): **Underground sprinklers, 40' x 80' shop (power, 14' doors, water, concrete floored).**

Dwelling sits on a park like setting.

Condition of the improvements, depreciation (physical, functional, and external), repairs needed, quality of construction, remodeling/additions, etc.: **The house is in average + condition for the area and no significant items were observed that would require immediate repair. No unusual functional obsolescence or external inadequacies were observed. The appraiser observed nothing in the neighborhood that might reduce property values.**

Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property: **None apparent.**

Complete Appraisal Analysis - Summary Appraisal Report
UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. A5040001

Valuation Section

ESTIMATED SITE VALUE	\$ 285,000	Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property):
ESTIMATED REPRODUCTION COST-NEW-OF IMPROVEMENTS:		
Dwelling 2,609 Sq. Ft. @ \$ 80.00	\$ 208,720	
Shop	\$ 64,000	
Garage/Carport 576 Sq. Ft. @ \$ 22.50	\$ 12,960	
Total Estimated Cost New	\$ 285,680	
Less 20.0 Physical Functional External		
Depreciation 57,136	\$ 57,136	
Depreciated Value of Improvements	\$ 228,544	
As-is Value of Site Improvements	\$ 25,000	
INDICATED VALUE BY COST APPROACH	\$ 538,544	Remaining Economic Life: 80 Remaining Physical Life: 80

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	91655 Marcola Road Springfield, Oregon	89626 Territorial Road Veneta, Oregon	25721 Pickets Road Veneta, Oregon	23882 Hall Road Junction City, Oregon
Proximity to Subject		21 miles	19 miles	24 miles
Sales Price	\$ Not sold	\$ 445,000	\$ 670,000	\$ 380,000
Price/Gross Liv. Area	\$	\$ 208.72	\$ 216.27	\$ 217.02
Date and/or Verification Source	Inspection Inspection	Multiple Listing County Records	Multiple Listing County Records	Multiple Listing County Records
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION + (-) \$ Adjustment	DESCRIPTION + (-) \$ Adjustment	DESCRIPTION + (-) \$ Adjustment
Sales or Financing Concessions		Conventional DOM 173	Cash DOM 100	Conventional DOM 237
Date of Sale/Time		10/1/2004	12/15/2004	12/15/2004
Location	Suburban	Suburban	Suburban	Suburban
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site	38.18 acres +/-	33.53 acres +/- +11,625	20 acres +/- +45,450	34.8 acres +/- +7,450
View	Hills and Valley	Hills and Valley	Hills and Valley	Hills and Valley
Design and Appeal	1 Story	1 Story	1 Story	1 Story/
Quality of Construction	Average	Average	Average	Average
Age	A26/E20	A33/E20	A31/E20	A19/E19
Condition	Average +	Average +12,500	Average +	Average +
Above Grade Room Count	Total Bdrms Baths 9 4 2.20	Total Bdrms Baths 7 3 2	Total Bdrms Baths 10 5 2.2	Total Bdrms Baths 7 3 3
Gross Living Area	2,609 Sq. Ft.	2,132 Sq. Ft. +14,310	3,098 Sq. Ft. -14,670	1,751 Sq. Ft. +25,740
Basement & Finished Rooms Below Grade	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Functional Utility	Average	Average	Average	Average
Heating/Cooling	FA/HP	Forced Air/Elect. +3,000	FA/HP	FA/HP
Energy Efficient Items	Weatherized	Weatherized	Weatherized	Weatherized
Garage/Carport	Garage 2	None +12,000	2 Car Garage	1 Car Garage +6,000
Porch, Patio, Deck, Fireplace(s), etc.	Patio 1 Fireplace	Patio 1 Fireplace	Patio 1 Fireplace	Patio 1 Fireplace
Fence, Pool, etc.	Fenced	Fenced	Fenced	Fenced
Shop	40 x 80	3 out buildings	3 out buildings	3 out buildings
Net Adj. (total)		\$ 55,435	\$ 30,780	\$ 38,190
Adjusted Sales Price of Comparable		Gross 12.5% Net 12.5% \$ 500,435	Gross 9.0% Net 4.6% \$ 700,780	Gross 10.6% Net 10.1% \$ 418,190

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): **The three values indicated by the comparable sales displayed were reconciled into a single value by giving the most weight to the comparable sales most similar to the subject, based on their gross adjustments, and accordingly, the least weight to the comparable sales that are least similar to the subject.**
 *** See Additional Comments ***

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Date, Price and Data Source, for prior sales within year of appraisal	NO PRIOR SALES IN PAST 36 MO.	NO PRIOR SALES IN PAST 12 MONTHS PER RMLS Per County Records	NO PRIOR SALES IN PAST 12 MONTHS PER RMLS Per County Records	NO PRIOR SALES IN PAST 12 MONTHS PER RMLS Per County Records
Analysis of any current agreement of sale, option, or listing of the subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal:	The property being appraised is not sold or for sale.			

INDICATED VALUE BY SALES COMPARISON APPROACH	\$ 575,000
INDICATED VALUE BY INCOME APPROACH (If Applicable) Estimated Market Rent \$	N/A / Mo. x Gross Rent Multiplier N/A = \$ N/A
This appraisal is made <input checked="" type="checkbox"/> "as is" subject to the repairs, alterations, inspections or conditions listed below <input type="checkbox"/> subject to completion per plans and specifications.	
Conditions of Appraisal:	None Noted

Final Reconciliation: **Market data derived from sales of similar properties (with adjustments) is the most reliable indicator of value.**
 This estimate is further supported by the cost approach. *** See Additional Comments ***

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 438/Fannie Mae Form 1004B (Revised 6/93).

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF 4-5-2005 (WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ 575,000

APPRaiser: Signature [Signature] Name Norman D. Pohl Date Report Signed April 4, 2005 State Certification # _____ State _____ Or State License # L000211

SUPERVISORY APPRAISER (ONLY IF REQUIRED): Signature _____ Name _____ Date Report Signed _____ State Certification # _____ State _____ Or State License # _____

Did Did Not Inspect Property

ADDITIONAL COMMENTS

Borrower or Owner	Ray C. Bruce Te		
Property Address	91655 Marcola Road		
City	Springfield	County	Lane
		State	OR
		Zip Code	97478
Lender or Client	Ray C. Bruce		

SCOPE OF THE APPRAISAL

That data contained in the attached appraisal report has been compiled by the appraiser from the following sources: Inspection and research of the subject property to identify dimensions, nature of construction, physical condition, and any other physical, functional or external factors. Research of municipal offices and registry of deeds to identify assessments, transfer activity, site parameters, and other pertinent factors. Contact with appropriate real estate brokers, developers, managers, appraisers and other knowledgeable sources to identify relevant market data such as comparables sales, comparable rents, vacancy rents, depreciation rates, operating costs, development costs, and any trends that may influence such as economic or demographic trends.

LEGAL DESCRIPTION

See Deed Attached Addendum

NEIGHBORHOOD BOUNDARIES

Neighborhood boundaries for suburban properties is a 0-15 mile radius from the Eugene/Springfield area (see location map in addendum). *** See Additional Comments ***

NEIGHBORHOOD MARKETABILITY

Employment in the local area is stable at the present time. There is easy access to employment, public transportation, schools and shopping from the subjects neighborhood. I have considered relevant competitive listings and/or contract offerings in the performance of this appraisal report and in the trending information reported in this section. If a trend is indicated, I have attached addendum providing relevant data.

MARKET CONDITIONS IN NEIGHBORHOOD

The market at the present time is active. No special financing, loan discounts, interest buydowns or concessions were found for the subject or the comparables used in this report. Average marketing time for sales in this neighborhood is 0-6 months.

COMMON ELEMENTS AND RECREATION FACILITIES

N/A

ADDITIONAL FEATURES

Well maintained dwelling with 4 bedrooms and 2.2 baths containing 2609 square feet of living area, fireplace, and wood stove in family room forced air electric heat with HP, two car garage with electric openers. 40' x 80' shop which has concrete floors, water and power with 14' doors and over head crane. The 38.18 acres is fenced and is fairly level. The dwelling is served by it's own well and septic system.

CONDITION OF IMPROVEMENTS

The house is in average +condition for the area and no significant items were observed that would require immediate repair. No unusual functional obsolescence or external inadequacies were observed. The appraiser observed nothing in the neighborhood that might reduce property values.

ADVERSE ENVIRONMENTAL CONDITIONS

None apparent.

COST APPROACH

The replacement cost of the home is based on the Marshall Swift publication of construction prices. The subject is judged to be a average to above quality construction. The land value is based on land sales in the subjects neighborhood and the appraisers knowledge of land prices in the local area.

COMMENTS ON SALES COMPARISON

This is not merely a mechanical process, but instead incorporates all the judgement and consideration given during the adjustment phase of the appraisal.

Adjustments for size difference (gross living area) is based on roughly 25% of the typical sales price per square foot difference of the subject and comparables.

Adjustments for baths is based on the number of fixtures. Number of bedrooms is considered in the overall size adjustments, unless the difference exceeds two.

Condition adjustments are based on maintenance, updating and overall condition of the comparables and the subject property.

Comparable #1, RMLS # 4011777

Comparable #2, RMLS # 4051279

Comparable #3, RMLS # 4018473

ADDITIONAL COMMENTS
Page 2

Borrower or Owner	Ray C. Bruce Te						
Property Address	91655 Marcola Road						
City	Springfield	County	Lane	State	OR	Zip Code	97478
Lender or Client	Ray C. Bruce						

CURRENT AGREEMENT OF SALE, OPTION, OR LISTING OF SUBJECT
N/A**COMMENTS ON INCOME APPROACH**
N/A**CONDITIONS OF APPRAISAL**
HIGHEST AND BEST USE

The subject satisfies the four tests considered in testing a properties highest and best use. (1) The site the utilities, features and characteristics necessary to make the improvements physically possible. (2) The subject site is reported by the County to be zoned as to be legally permissible for a single family dwelling. (3) The subject property is believed to be financially feasible based on market appeal and sales data for the market area. (4) The property is felt to be maximally productive as the highest and best use is not seen as changing in the near future.

FINAL RECONCILIATION

The income approach is not applicable in this type of property.

This appraisal report has been prepared within FNMA and FHLMC guidelines, which do not require an estimate of remaining physical life. Physical life is the time period during which the house may be expected to remain physically in existence if it receives normal maintenance. Since over 90 % of the houses ever built in the United States are still in existence and houses in Europe have lasted hundreds of years, it is almost impossible to forecast the Estimated Physical Life of a house.

PHOTOGRAPH ADDENDUM

Borrower or Owner **Ray C. Bruce Te**

Property Address **91655 Marcola Road**

City **Springfield**

County **Lane**

State **OR**

Zip Code **97478**

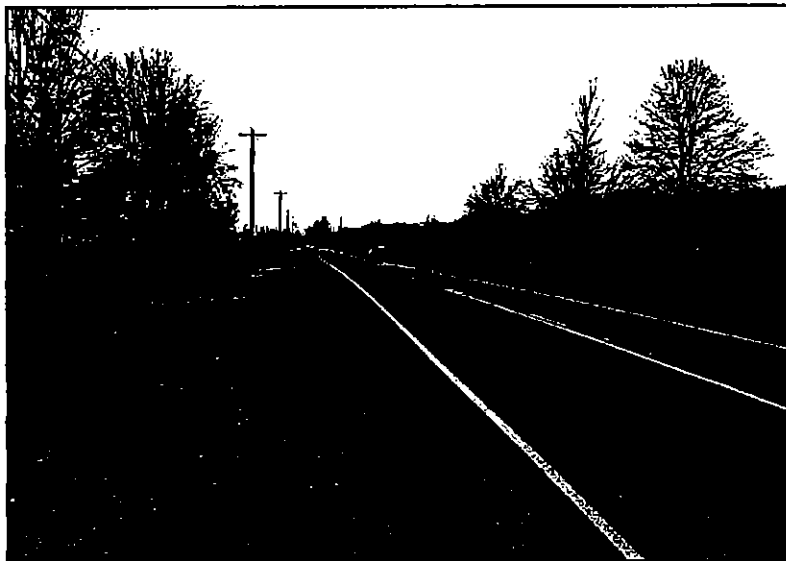
Lender or Client **Ray C. Bruce**



FRONT VIEW OF
SUBJECT PROPERTY



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE OF
SUBJECT PROPERTY

PHOTOGRAPH ADDENDUM

Borrower or Owner **Ray C. Bruce Te**
 Property Address **91655 Marcola Road**
 City **Springfield** County **Lane** State **OR** Zip Code **97478**
 Lender or Client **Ray C. Bruce**

**COMPARABLE #1**

89626 Territorial Road
 Veneta, Oregon

Price	\$445,000
Price/SF	208.72
Date	10/1/2004
Age	A33/E20
Room Count	7-3-2
Living Area	2,132

Value Indication \$500,435

**COMPARABLE #2**

25721 Pickens Road
 Veneta, Oregon

Price	\$670,000
Price/SF	216.27
Date	12/15/2004
Age	A31/E20
Room Count	10-5-2.2
Living Area	3,098

Value Indication \$700,780

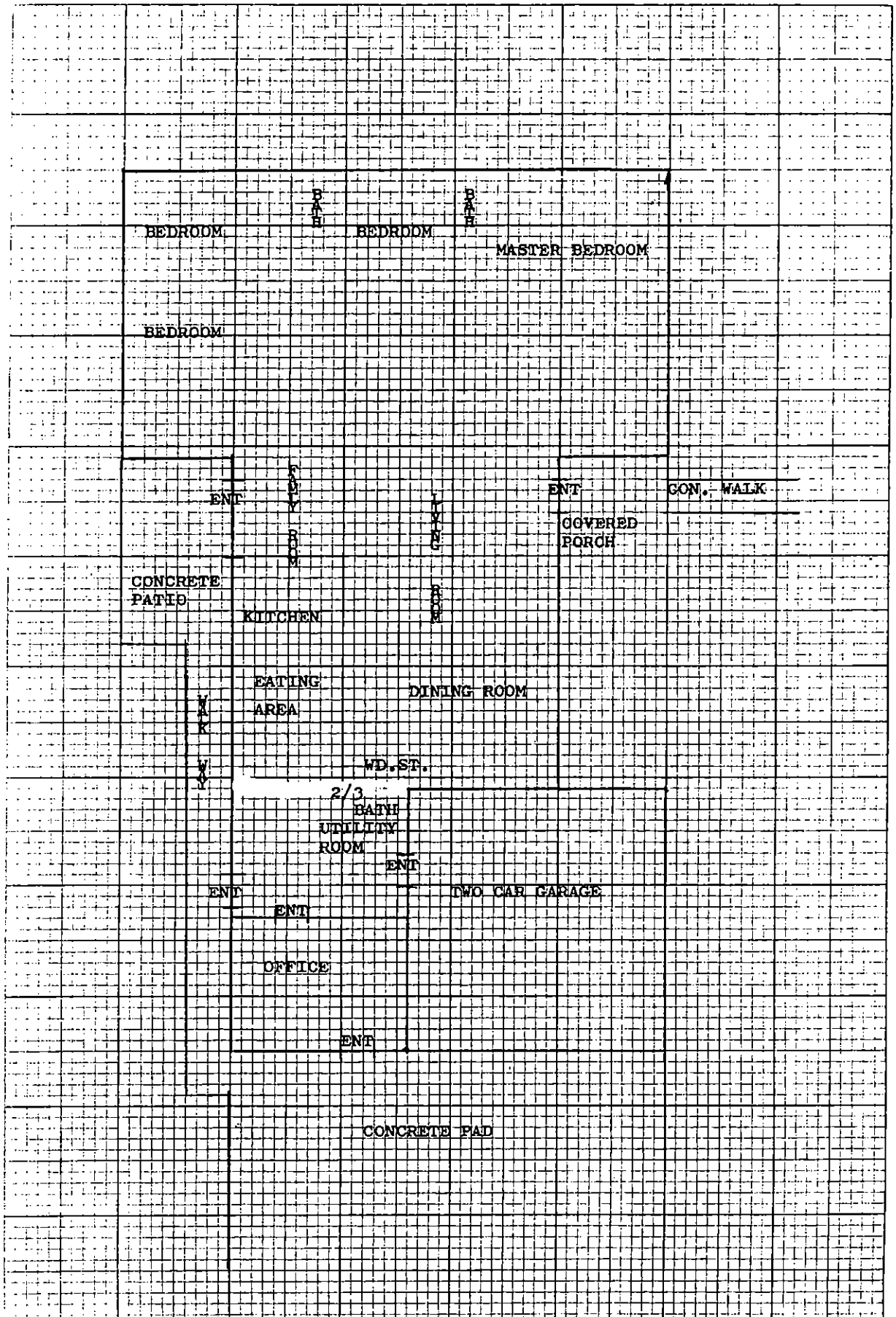
**COMPARABLE #3**

23882 Hall Road
 Junction City, Oregon

Price	\$380,000
Price/SF	217.02
Date	12/15/2004
Age	A19/E19
Room Count	7-3-3
Living Area	1,751

Value Indication \$418,190

SKETCH ADDENDUM
SCALE ONE SQUARE - ONE FOOT



**MULTI-PURPOSE APPRAISAL ADDENDUM
FOR FEDERALLY REGULATED TRANSACTIONS**

Borrower or Owner Ray C. Bruce Te
 Property Address 91655 Marcola Road
 City Springfield County Lane State OR Zip Code 97478
 Lender or Client Ray C. Bruce

This addendum is for use with all appraisal reports to comply with current appraisal standards and requirements of the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), the Resolution Trust Corporation (RTC), the Office of Thrift Supervision (OTS), the National Credit Union Administration (NCUA), and the Federal Reserve.

Instructions: Check only those sections which apply to the subject property being appraised.

APPRAISAL PURPOSE AND FUNCTION

The purpose of this appraisal is to estimate the market value of the subject property as defined within this report. The function of this appraisal is to assist the lender in collateral valuation and/or portfolio management.

EXTENT OF APPRAISAL PROCEDURE

The data contained in the attached appraisal report has been compiled by the appraiser from the following sources:

Inspection and research of the subject property to identify dimensions, nature of construction, physical condition, and any other physical, functional or external factors;

Research of municipal offices and registry of deeds to identify assessments, transfer activity, site parameters, and other pertinent factors;

Contact with appropriate real estate brokers, developers, managers, appraisers, and other knowledgeable sources to identify relevant market data such as comparable sales, comparable rents, vacancy rents, depreciation rates, operating costs, development costs, and any trends that may influence such as economic or demographic trends.

The estimated reproduction cost is based upon the appraiser's knowledge of the local market, surveys of local developers and contractors, and Marshall Swift "COST HANDBOOK"

All forms of depreciation (physical, functional, and external) are specifically addressed in the attached report or other addenda. Physical depreciation is based on the estimated effective age of the subject property.

The site value estimate is based on analysis of site sales, and abstraction of site values from sales of improved properties.

For income producing properties, actual rents, expenses and vacancies have been reported and analyzed for subject and comparable income producing properties. Potential rents, expenses, and vacancies have been projected based on market data derived from prior and current market surveys.

The subject is a single family residence located in predominantly owner-occupied area. The lack of rental data and the lack of sales of rented dwellings make meaningful rental and gross rent multiplier conclusions impossible, therefore the income approach was not applied.

All sources and data utilized are considered accurate and reliable. Unreliable data has been disregarded. All sources have been noted where appropriate, and all data has been confirmed whenever possible.

SUBJECT PROPERTY SALES HISTORY

The subject property has not transferred during the last twelve months.

The subject property has transferred during the last twelve months.

Any transfer activity which has occurred during the past twelve months is listed below and is addressed in the attached appraisal report:

Date	Sales Price	Document # / Book and Page	Seller	Buyer
				Ray C. Bruce Te

Source: The property has not transferred in the past 36 months

FEMA FLOOD HAZARD DATA

Zone	Map/Parcel	Date	Name of Community
"X"	41039C0670 F	6/2/99	Springfield

The subject property is located in a FEMA Special Flood Hazard Area.

The subject property is not located in a FEMA Special Flood Hazard Area.

The subject property's community does participate in the National Flood Insurance Program.

The subject property's community does not participate in the National Flood Insurance Program.

The subject property's community is covered by a Regular Program.

The subject property's community is covered by an Emergency Program.

SUBJECT PROPERTY OFFERING AND CONTRACT INFORMATION

- The subject property has not been offered for sale during the past 30 days
- The subject property has been offered for sale during the past 30 days for \$ _____
- The subject property is currently for sale for \$ _____
- The subject property is not currently under contract for sale.
- The subject property is currently under contract for sale as described:

Contract Date	Offer Date	Contract Price	Seller	Buyer
			Ray C. Bruce Te	Ray C. Bruce Te

- The sales contract and/or escrow instructions were reviewed.
- The contract indicated that personal property was not included in the sale
- The contract indicated that the following personal property was included in the sale:

- The personal property estimated contributory value is \$ _____
- Personal property was considered in the final estimate of market value and has been addressed in the attached report.
- Financing concessions were not indicated in the contract.
- The following financing concessions were indicated in the contract: _____
- Source: _____
- Offering and/or contract information was considered in the final estimate of market value.
- Offering and/or contract information was not considered in the final estimate of market value.
- Offering and/or contract information was not available to the appraiser. (For additional information, see attached narrative addenda)

MARKET OVERVIEW

A reasonable marketing period of 0-6 months has been projected based on RMLS

ADDITIONAL CERTIFICATION

This appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation, except that the Departure Provision does not apply.

Their compensation is not contingent upon the reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of subsequent event.

This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

ENVIRONMENTAL DISCLAIMER

The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively unless otherwise stated in this report. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.

ADDITIONAL COMMENTS

APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION

Appraiser's Signature *Norman D. Pohl* Effective Date 4-5-2005 Date Prepared April 4, 2005
 Appraiser's Name (print) Norman D. Pohl Phone # 541-342-7752
 State OR License Certification # L000211 Tax ID # 93-1100189

CO-SIGNING APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION

- The co-signing appraiser has inspected the property, both inside and out, and has made an exterior inspection of all comparable sales listed in the report. The report was completed by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility for the report including the value conclusions and the limiting conditions, and conforms that the certifications apply fully to the co-signing appraiser.
 - The co-signing appraiser has not inspected the interior of the subject property.
 - The co-signing appraiser has not inspected the exterior of the subject property and all comparable sales listed in this report.
 - The report was completed by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility this report including the value conclusions and the limiting conditions, and conforms that the certifications, with the exception of physical inspection apply fully to the co-signing appraiser.
 - The co-signing appraiser's level of inspection, improvement in the appraisal process, and certification are covered elsewhere in the addenda section of this appraisal.
- Co-Signing Appraiser's Signature _____ Effective Date 4-5-2005 Date Prepared _____
 Co-Signing Appraiser's Name (print) _____ Phone # _____
 State _____ License Certification # _____ Tax ID # _____

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming 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 each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; 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.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concessions but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. The separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower, the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.


APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 91655 Marcola Road, Springfield, OR 97478

APPRAISER:

Signature: 
 Name: Norman W. Pohl
 Date Signed: April 4, 2005
 State Certification #: _____
 or State License #: L000211
 State: OR
 Expiration Date of Certification or License: 11/30/2005

SUPERVISORY APPRAISER (only if required):

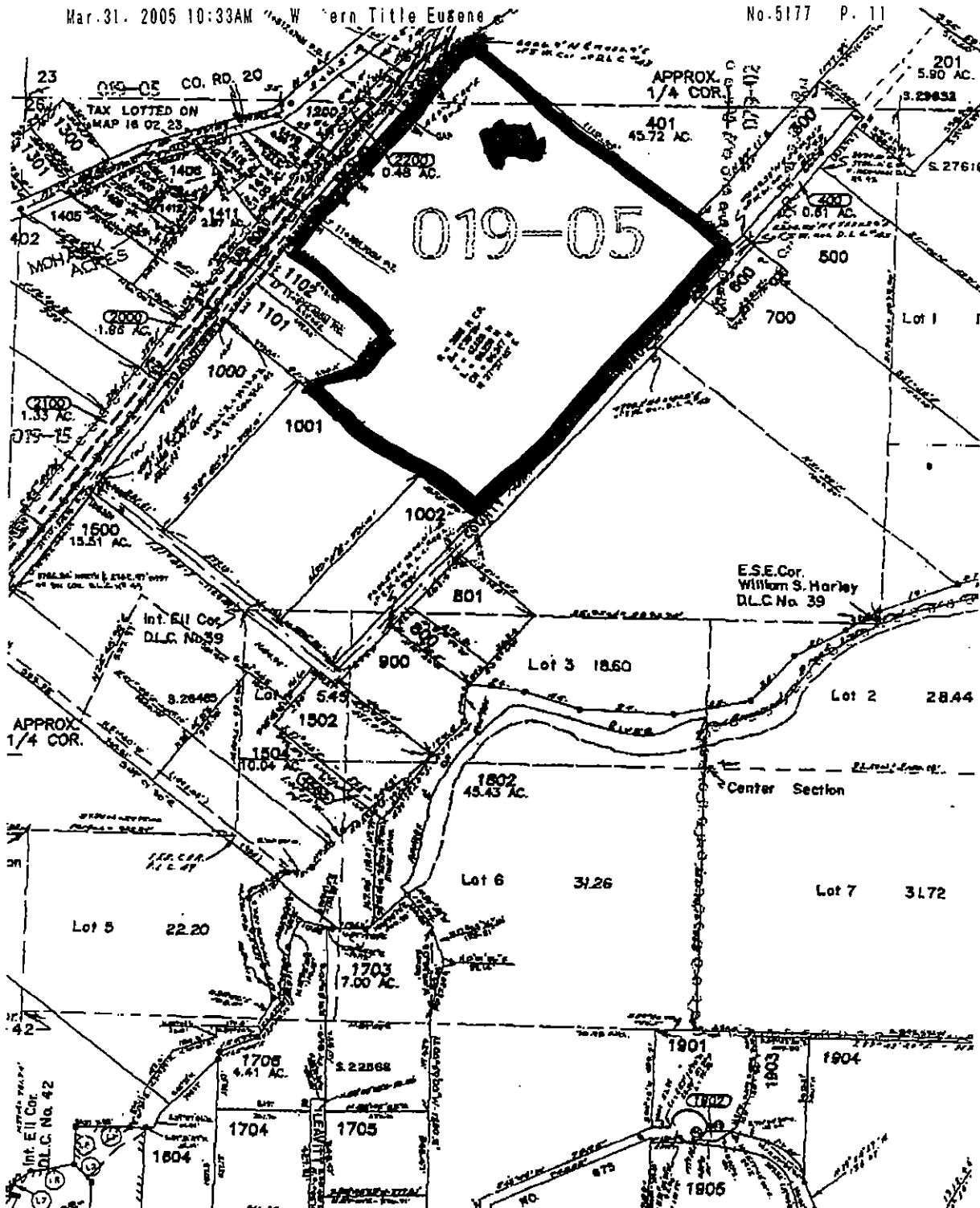
Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____
 Did Did Not Inspect Property

PARCEL 9: 91655 Marcola Rd., Springfield, Oregon (42.53 Ac)

Beginning at a point 4856.2 feet North and 3576.0 feet East of the Southwest corner of the Robert McGowan Donation Land Claim No. 43, Township 15 South, Range 2 West of the Willamette Meridian, said point being on the Easterly right-of-way of the County Highway, and running thence South 51° 40' East 1242.9 feet, thence North 39° 11' East 1446.0 feet, thence North 51° 40' West 1291.0 feet to a point on the Southeasterly right of way of the Southern Pacific Company railroad; thence along said right of way two courses as follows; South 47° 59' West 100.0 feet, South 45° 57' West 100.0 feet to a point on the Easterly right of way of the County Highway, thence along said right of way 6 courses as follows: South 30° 13' West 50.0 feet, South 34° 35' West 100.0 feet, South 37° 30' West 495.3 feet, South 37° 00' West 59.6 feet, South 26° 00' West 99.5 feet, South 35° 30' West 412.4 feet to the point of beginning, in Lane County, Oregon.

EXCEPTING THEREFROM: PARCEL 1 Beginning at a 3/4" iron pipe that is East 3585.87 feet and North 4849.97 feet from the Southwest corner of the Robert McGowan Donation Land Claim No. 43, Township 16 South, Range 2 West, Willamette Meridian, run thence North 35° 30' East 200.00 feet to a 5/8 inch iron rod, thence South 51° 40' East 499.48 feet to a 5/8 inch iron rod, thence South 68° 26' 08" West 230.90 feet to a 5/8 inch iron rod, thence South 51° 40' West 373.79 feet to the place of Beginning in Lane County, Oregon, said parcel contains 2.0 acres, more or less.

EXCEPTING THEREFROM: PARCEL 2 Beginning at a 5/8 inch iron rod that is North 35° 30' East 200.00 feet from a 3/4 inch pipe that is East 3585.87 feet and North 4849.97 feet from the Southwest corner of the Robert McGowan Donation Land Claim No. 43, Township 16 South, Range 2 West, Willamette Meridian, run thence North 35° 30' East 175.00 feet to a 5/8 inch iron rod, run thence South 51° 40' East 498.54 feet to a 5/8 inch iron rod, run thence South 35° 11' 45" West 175.05 feet to a 5/8 inch iron rod, thence North 51° 40' West 499.48 feet to the place of beginning in Lane County, Oregon, said parcel contains 2.0 acres, more or less.



019-05

23

019-05 CO. RD. 20

TAX LOTTED ON MAP 18 02 23

APPROX. 1/4 COR.

401 45.72 AC.

201 5.90 AC.

S. 29832

S. 27616

MOH. ACRES

019-15

APPROX. 1/4 COR.

Int. Eil Cor. D.L.C. No. 39

E.S.E. Cor. William S. Harley D.L.C. No. 39

Lot 3 18.60

Lot 2 28.44

Center Section

Lot 6 31.26

Lot 7 31.72

Lot 5 22.20

Int. Eil Cor. D.L.C. No. 42

1708 4.41 AC.

1704

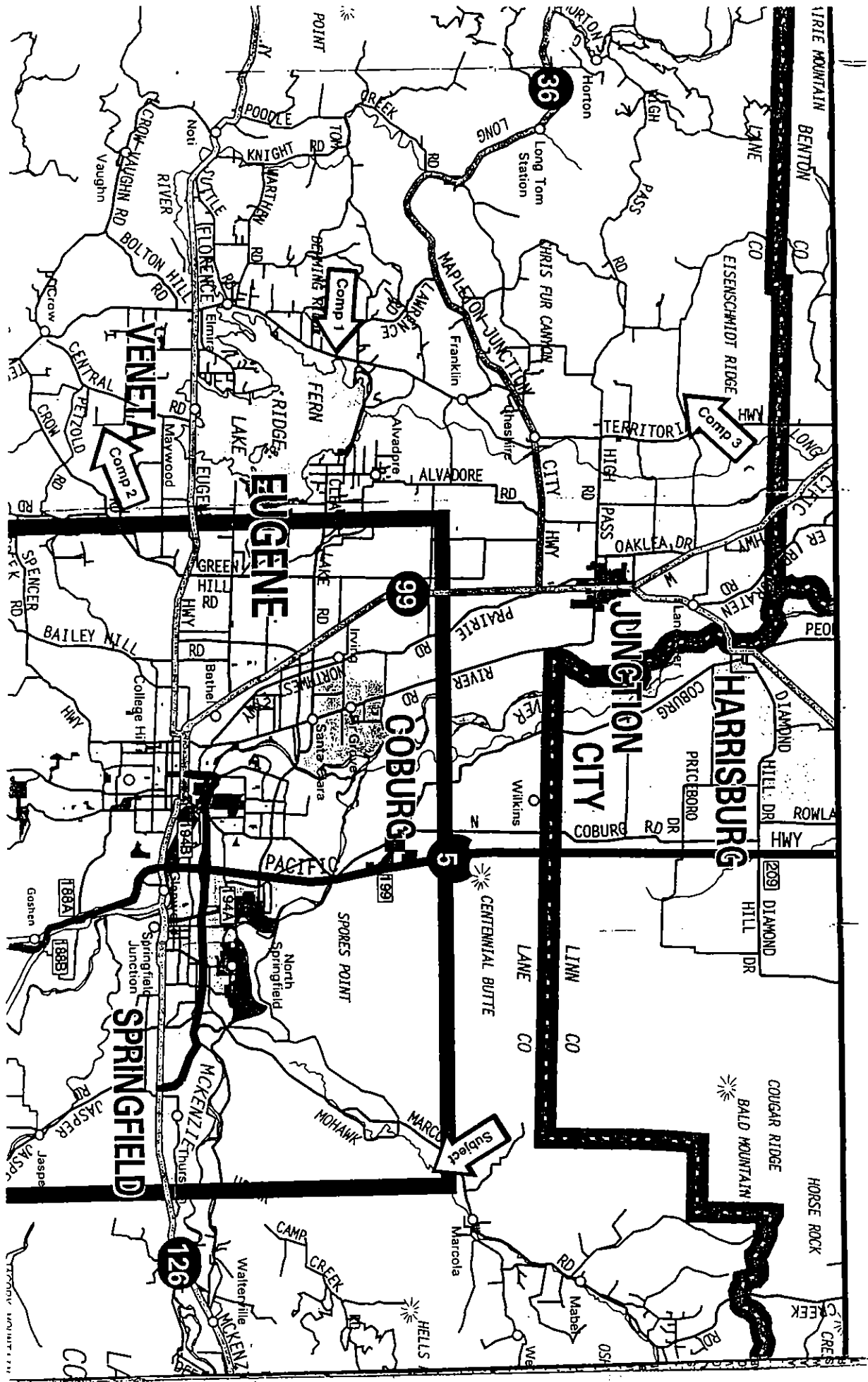
1705

1901

1903

1904

1805



EUGENE

COBURG

JUNCTION CITY

HARRISBURG

SPRINGFIELD

LANE CO

LANE CO

CENTENNIAL BUTTE

BALD MOUNTAIN

HORSE ROCK

HELLS

126

99

36

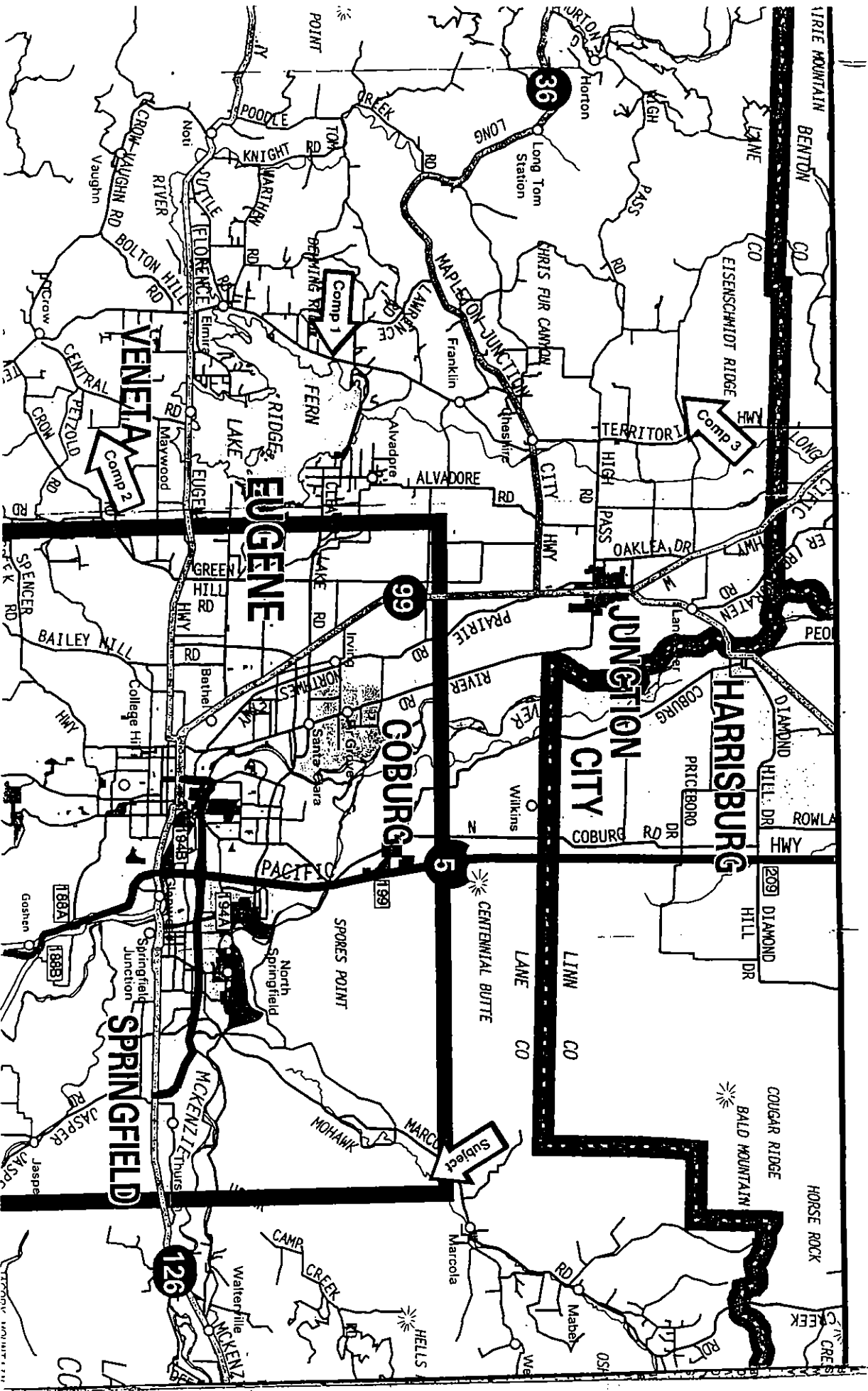
36

Comp 2

Comp 1

Comp 3

Subject





Appraiser Certification and Licensure Board

State Licensed Appraiser

28 hours of continuing education required for renewal

License No: L000211

Issue Date: 12/1/2003

Expiration Date: 11/30/2005

R. A. (Bob) Keith, Administrator

Norman D Pohill
Norman D. Pohill & Associates, Inc.
1293 Lincoln Street
Eugene OR 97401



**SUMMARY APPRAISAL OF
THE PROPERTY LOCATED AT**

91655 Marcola Road
Springfield, OR 97478

as of
4-7-2005

for
Ray C. Bruce Te.
91655 Marcola Road
Springfield, Oregon
97478

by
Pohl & Associates, Inc.
P.O. Box 2636
Eugene, OR 97402

Pohll & Associates, Inc.
P.O. Box 2636
Eugene, OR 97402
541-342-7752

April 7, 2005

Ray C. Bruce Te.
91655 Marcola Road
Springfield, Oregon
97478

Property - 91655 Marcola Road
Springfield, OR 97478
Borrower - Ray C. Bruce Te
File No. - A5040003
Case No. -

Dear Mr. Bruce:

In accordance with your request, I have made a Complete Appraisal Analysis and prepared a Summary Appraisal of the real property located at 91655 Marcola Road, Springfield, OR.

The purpose of the Summary Appraisal is to estimate the market value of the property described in the body of this report.

Enclosed, please find the Summary Appraisal which describes certain data gathered during our investigation of the property. The methods of approach and reasoning in the valuation of the various physical and economic factors of the subject property are contained in this report.

An inspection of the property and a study of pertinent factors, including valuation trends and an analysis of neighborhood data, led the appraiser to the conclusion that the market value, as of 4-7-2005 is :

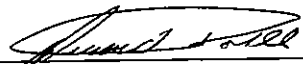
\$500,000

The opinion of value expressed in this report is contingent upon the Limiting Conditions attached to this report.

It has been a pleasure to assist you. If I may be of further service to you in the future, please let me know.

Respectfully submitted,

Pohll & Associates, Inc.



Norman D. Pohll
OR License #L000211

2005 USPAP COMPLIANCE ADDENDUM

Borrower or Owner	Ray C. Bruce Te		
Property Address	91655 Marcola Road		
City	Springfield	County	Lane
		State	OR
		Zip Code	97478
Lender or Client	Ray C. Bruce Te.		

APPRAISER'S CERTIFICATION:

The following Certification statements are in addition to and may supercede the signed Appraiser's Certification attached to this appraisal report. The signature on the attached Certification is also applicable to the updated Certification included below. This Appraiser's Certification is compliant with the current edition of the Uniform Standards of Professional Appraisal Practice.

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.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with Uniform Standards of Professional Appraisal Practice.

I (We) have made a personal inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the person(s) signing this report.

PURPOSE, INTENDED USE, AND INTENDED USER OF THE APPRAISAL:

The purpose of the appraisal is to estimate the market value of the subject property, as defined in this report, as of the effective date of this report. The intended use of the appraisal is to assist the client and any other intended users in the underwriting, approval, and funding of the mortgage loan. The intended users of this report are the stated client and any other institutions involved in the underwriting, approval, and funding of the mortgage loan. No one else, including the purchaser and seller, should rely on the estimate of value or any other conclusions contained in this appraisal report.

ANALYSIS AND REPORT FORM:

The appraisal is based on the information gathered by the appraiser from public records, other identified sources, inspection of the subject property and neighborhood, and selection of comparable sales, listings, and/or rentals within the subject market area.

The original source of the comparables described in the Data Source section of the market grid along with the source of confirmation, if available. The original source is presented first. The sources and data are considered reliable. When conflicting information was provided, the source deemed most reliable has been used. Data believed to be unreliable was not included in the report or used as a basis for the value conclusion. The extent of the analysis applied to this assignment is stated in the Appraiser's Certification included above and attached to this report.

DEFINITION OF INSPECTION

The term "Inspection", as used in this report, is not the same level of inspection that is required for a "Professional Home Inspection". The appraiser does not fully inspect the electrical system, plumbing system, mechanical systems, foundation system, floor structure, or subfloor. The appraiser is not an expert in construction materials and the purpose of the appraisal is to make an economic evaluation of the subject property. If the client needs a more detailed inspection of the property, a home inspection, by a Professional Home Inspector, is suggested.

DIGITAL SIGNATURES

The signature(s) affixed to this report, and certification, were applied by the original appraiser(s) or supervisory appraiser and represent their acknowledgements of the facts, opinions and conclusions found in the report. Each appraiser(s) applied his or her signature electronically using a password encrypted method. Hence these signatures have more safeguards and carry the same validity as the individual's hand applied signature. If the report has a hand-applied signature, this comment does not apply.

OPINION OF MARKET VALUE VS ESTIMATE OF MARKET VALUE

The current Uniform Standards of Professional Practice defines the market value conclusion as an opinion of market value and not an estimate of market value.

2005 USPAP COMPLIANCE ADDENDUM

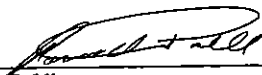
Borrower or Owner Ray C. Bruce Te
 Property Address 91655 Marcola Road
 City Springfield County Lane State OR Zip Code 97478
 Lender or Client Ray C. Bruce Te.

STATEMENT OF THE SUBJECT PROPERTY'S MARKETING PERIOD AND EXPOSURE PERIOD

Based on data analyzed in this report, a reasonable marketing period for the subject property is 0-6 months given the current market conditions.

Based on data analyzed in this report, a reasonable exposure period for the subject property is 0-6 months given the current market conditions.

APPRAISER:

Signature: 
 Name: Norman D. Pohll
 Date Signed: April 5, 2005
 State Certification #: _____
 or State License #: L000211
 State: OR
 Expiration Date of Certification or License: 11/30/2005

SUPERVISORY APPRAISER (ONLY IF REQUIRED):

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____
 Did Did Not Inspect Property

Complete Appraisal Analysis - Summary Appraisal Report
UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. **A5040003**

Property Description		Property Address 91655 Marcola Road City Springfield State OR Zip Code 97478	
Legal Description See Deed Attached Addendum		County Lane	
Assessor's Parcel No. Part of Account Number 0035517		Tax Year N/A RE Taxes \$ N/A Special Assessments \$ N/A	
Borrower Ray C. Bruce Te Current Owner Ray C. Bruce Te		Occupant <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant <input type="checkbox"/>	
Property rights appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/>		Project Type <input type="checkbox"/> PUD <input type="checkbox"/> Condominium (H/UDVA only) <input type="checkbox"/> HOAS N/A /Mo. N/A	
Neighborhood of Project Name N/A		Map Reference 160225600 Census Tract 0200	
Sale Price \$ Not sold Date of Sale N/A		Description and \$ amount of loan charges/concessions to be paid by seller N/A	
Lender/Client Ray C. Bruce Te		Address 91655 Marcola Road, Springfield, Oregon, 97478	
Appraiser Norman D. Pohl		Address P.O. Box 2636 Eugene, OR 97402	
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural <input type="checkbox"/> Built up <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25% <input type="checkbox"/> Growth rate <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow <input type="checkbox"/> Property values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining <input type="checkbox"/> Demand/supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In balance <input type="checkbox"/> Over supply <input type="checkbox"/> Marketing time <input type="checkbox"/> Under 3 mos. <input checked="" type="checkbox"/> 3-6 mos. <input type="checkbox"/> Over 6 mos. <input type="checkbox"/>		Predominant occupancy <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant (0-5%) <input checked="" type="checkbox"/> Vacant (over 5%) <input type="checkbox"/> Single family housing PRICE \$ (000) 195k AGE (yrs) New 975k High 100 Predominant Present land use % One Family 55 2-4 fam <input type="checkbox"/> Commercial <input type="checkbox"/> Vacant 44 Land use change <input type="checkbox"/> Not Likely <input type="checkbox"/> Likely <input checked="" type="checkbox"/> In process To: Some single family residential	
Note: Race and the racial composition of the neighborhood are not appraisal factors. Neighborhood boundaries and characteristics: Neighborhood boundaries for suburban properties is a 0-15 mile radius from the Eugene/Springfield area (see location map in addendum). *** See Additional Comments *** Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.) Employment in the local area is stable at the present time. There is easy access to employment, public transportation, schools and shopping from the subjects neighborhood. I have considered relevant competitive listings and/or contract offerings in the performance of this appraisal report and in the trending information reported in this section. If a trend is indicated, I have attached addendum providing relevant data. Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time - such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.) The market at the present time is active. No special financing, loan discounts, interest buydowns or concessions were found for the subject or the comparables used in this report. Average marketing time for sales in this neighborhood is 0-3 months.			
Project Information for PUDs (if applicable) - Is the developer/builder in control of the Home Owners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No Approximate total number of units in the subject project N/A Approximate total number of units for sale in the subject project _____ Describe common elements and recreational facilities: N/A			
Dimensions Not available Site area Estimated at 8.18 acres +/- Corner Lot <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Specific zoning classification and description E-40 Zoning compliance <input type="checkbox"/> Legal <input checked="" type="checkbox"/> Legal nonconforming (Grandfathered use) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning Highest & best use as improved: <input checked="" type="checkbox"/> Present use <input type="checkbox"/> Other use (explain) _____		Topography Basically Level Size Estimated to be 8.18 acres +/- Shape N/A Drainage Appears Adequate View Hills and Valley Landscaping Good Driveway Surface Gravel Apparent easements Normal Utility FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No FEMA Zone "X" Map Date 6/2/99 FEMA Map No. 41039C0670 F	
Utilities Public Other Off-site improvements Type Public Private Electricity <input checked="" type="checkbox"/> Street Asphalt <input checked="" type="checkbox"/> <input type="checkbox"/> Gas <input type="checkbox"/> Curb/gutter None <input type="checkbox"/> <input type="checkbox"/> Water <input type="checkbox"/> Well/Typical Well/Typical <input type="checkbox"/> <input type="checkbox"/> Sanitary sewer <input type="checkbox"/> Septic/Typical Septic/Typical <input type="checkbox"/> <input type="checkbox"/> Storm sewer <input type="checkbox"/> Alley None <input type="checkbox"/> <input type="checkbox"/>			
Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.): A typical site for the area. There are no apparent encroachments or adverse easements. Normal public utilities easements are assumed.			
GENERAL DESCRIPTION No. of Units One No. of Stories One Type (Det./Att.) Detached Design (Style) 1 Story Existing/Proposed Existing Age (Yrs.) 26 Effective Age (Yrs.) 20		EXTERIOR DESCRIPTION Foundation Concrete Exterior Walls Wooden Roof Surface Comp. Gutters & Downsp. Metal Window Type Metal Case Storm/Screens Dbl-P/Yes Manufactured House N/A	
FOUNDATION Slab No Crawl Space Yes Basement None Sump Pump None Dampness None Apparent Settlement None Apparent Infestation None Apparent		BASEMENT Area Sq. Ft. _____ % Finished N/A Ceiling N/A Walls N/A Floor N/A Outside Entry N/A	
INSULATION Roof <input type="checkbox"/> Ceiling <input checked="" type="checkbox"/> Walls <input checked="" type="checkbox"/> Floor <input checked="" type="checkbox"/> None <input type="checkbox"/> Unknown <input type="checkbox"/>		# Baths 2.20 Laundry <input type="checkbox"/> Other Office Area Sq. Ft. 2609	
ROOMS Foyer Living Dining Kitchen Den Family Rm. Rec. Rm. Bedrooms # Baths Laundry Other Area Sq. Ft. Basement _____ Level 1 X 1 1 1 1 1 4 2.2 X 1 2609 Level 2 _____			
Finished area above grade contains: 9 Rooms, 4 Bedroom(s), 2.20 Bath(s), 2,609 Square Feet of Gross Living Area			
INTERIOR Materials/Condition Floors Cpl/Vin/Ave. + Walls Dr/wall/Ave. + Trim/Finish Wooden/Ave. + Bath Floor Vinyl/Ave. + Bath Wainscot Tile/Ave. + Doors Wooden/Ave. +		HEATING Type F/A Fuel Electric Condition Good COOLING Central HP Other N/A Condition Good	
KITCHEN EQUIP. Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Fan/Hood <input checked="" type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/>		ATTIC None <input type="checkbox"/> Stairs <input type="checkbox"/> Drop Stair <input type="checkbox"/> Scuttle <input checked="" type="checkbox"/> Floor <input type="checkbox"/> Hatched <input type="checkbox"/> Finished <input type="checkbox"/>	
AMENITIES Fireplace(s) # Fm R <input checked="" type="checkbox"/> Patio Concrete <input checked="" type="checkbox"/> Deck <input type="checkbox"/> Porch Cov Con <input checked="" type="checkbox"/> Fence Wire <input checked="" type="checkbox"/> Pool <input type="checkbox"/>		CAR STORAGE: None <input type="checkbox"/> Garage # of cars _____ Attached 2 Car Detached _____ Built-In _____ Carport _____ Driveway Gravel	
Additional features (special energy efficient items, etc.): Underground sprinklers, 40' x 80' shop (power, 14' doors, water, concrete floored).			
Dwelling sits on a park-like setting (physical, functional and external), repairs needed, quality of construction, remodeling/additions, etc.: The house is in average + condition for the area and no significant items were observed that would require immediate repair. No unusual functional obsolescence or external inadequacies were observed. The appraiser observed nothing in the neighborhood that might reduce property values.			
Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property: None apparent.			

Complete Appraisal Analysis - Summary Appraisal Report
UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. **A5040003**

Valuation Section

ESTIMATED SITE VALUE	\$ 235,000
ESTIMATED REPRODUCTION COST-NEW-OF IMPROVEMENTS:	
Dwelling 2,609 Sq Ft @ \$ 80.00 = \$	208,720
Shop	64,000
Garage/Carport 576 Sq Ft @ \$ 22.50 =	12,960
Total Estimated Cost New	\$ 285,680
Less 20.0 Physical Functional External	
Depreciation 57,136	\$ 57,136
Depreciated Value of Improvements	\$ 228,544
"As-is" Value of Site Improvements	\$ 37,500
INDICATED VALUE BY COST APPROACH	\$ 501,044

Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA the estimated remaining economic life of the property): ***** See Addit**

Remaining Economic Life: 80 Remaining Physical Life: 81

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	91655 Marcola Road Springfield, Oregon	94580 Dream Hill Road Marcola, Oregon	37294 Camp Creek Road Springfield, Oregon	90438 Hill Road Springfield, Oregon
Proximity to Subject		12 miles	5 miles	4 miles
Sales Price	\$ Not sold	\$ 430,000	\$ 430,000	\$ 485,000
Price/Gross Liv. Area		\$ 158.20	\$ 174.09	\$ 236.59
Date and/or Verification Source	Inspection	Multiple Listing County Records	Multiple Listing County Records	Multiple Listing County Records
VALUE ADJUSTMENTS	DESCRIPTION	* (+) \$ Adjustment	DESCRIPTION	* (+) \$ Adjustment
Sales or Financing Concessions		Note & TD DOM 99	Note & TD DOM 29	Note & TD DOM 10
Date of Sale/Time		6-2-2004	9-2-2004	7-20-2004
Location	Suburban	Suburban	Suburban	Suburban
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site	Est. 8.18 acres	16.14 acres +/-	4.85 acres +/-	11.34 acres +/-
View	Hills and Valley	Hills and Valley	Hills and Valley	Hills and Valley
Design and Appeal	1 Story	1 Story	1 Story	2 Story
Quality of Construction	Average	Average	Average	Average
Age	A26/E20	A26/E20	A36/E25	A28/E20
Condition	Average +	Average +	Average	Average +
Above Grade Room Count	Total Bdrms Baths 9 4 2.20	Total Bdrms Baths 7 3 3	Total Bdrms Baths 8 4 2	Total Bdrms Baths 7 3 2.1
Gross Living Area	2,609 Sq. Ft.	2,718 Sq. Ft.	2,470 Sq. Ft.	2,050 Sq. Ft.
Basement & Finished Rooms Below Grade	N/A	N/A	N/A	N/A
Functional Utility	Average	Average	Average	Average
Heating/Cooling	F/A / HP	FA/HP	Electric	FA/HP
Energy Efficient Items	Weatherized	Weatherized	Weatherized	Weatherized
Garage/Carport	Garage 2	2 Car Garage	2 Car Garage	2 Car Garage
Porch, Patio, Deck, Fireplace(s), etc.	Patio 1 Fireplace	Patio 1 Fireplace	Patio 1 Fireplace	Patio 1 Fireplace
Fence, Pool, etc.	Fenced	Fenced	Fenced	Fenced
Shop	40 x 80	700 guest house	Indoor pool	Gust House
Net Adj. (total)		+30,000	+30,000	+30,000
Adjusted Sales Price of Comparable		\$ 5,830	\$ 59,995	\$ 39,870
		Gross 12.6% Net 1.4% \$ 435,830	Gross 14.0% Net 14.0% \$ 489,995	Gross 11.5% Net 8.2% \$ 524,870

Comments on Sales Comparison (including the subject property's comparability to the neighborhood, etc.): **The three values indicated by the comparable sales displayed were reconciled into a single value by giving the most weight to the comparable sales most similar to the subject, based on their gross adjustments, and accordingly, the least weight to the comparable sales that are least similar to the subject.**

*** See Additional Comments ***

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Date, Price and Data Source, for prior sales within year of appraisal	NO PRIOR SALES IN PAST 36 MO.	NO PRIOR SALES IN PAST 12 MONTHS PER RMLS Per County Records	NO PRIOR SALES IN PAST 12 MONTHS PER RMLS Per County Records	NO PRIOR SALES IN PAST 12 MONTHS PER RMLS Per County Records
Analysis of any current agreement of sale, option, or listing of the subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal	The property being appraised is not sold or for sale.			

INDICATED VALUE BY SALES COMPARISON APPROACH \$ 500,000

INDICATED VALUE BY INCOME APPROACH (if Applicable) Estimated Market Rent \$ N/A / No. x Gross Rent Multiplier N/A = \$ N/A

This appraisal is made "as is" subject to the repairs, alterations, inspections or conditions listed below subject to completion per plans and specifications.

Conditions of Appraisal: **A HYPOTHETICAL CONDITION EXISTS: the total land area for this property is 38.18 acres +/- . the request was to estimate the Market value if 30 acres could be sold separately. Leaving 8.18 acres, shop and dwelling.**

Final Reconciliation: **Market data derived from sales of similar properties (with adjustments) is the most reliable indicator of value.**

This estimate is further supported by the cost approach. ***** See Additional Comments *****

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/Fannie Mae Form 1004B (Revised 6/93).

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF **4-7-2005** (WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ **500,000**

APPRaiser: **Norman D. Pohl** Signature: *[Signature]* SUPERVISORY APPRAISER (ONLY IF REQUIRED): Did Did Not Inspect Property

Date Report Signed: **April 5, 2005** State: **OR** State Certification #: **L000211**

ADDITIONAL COMMENTS

Borrower or Owner	Ray C. Bruce Te		
Property Address	91655 Marcola Road		
City	Springfield	County	Lane
		State	OR
		Zip Code	97478
Lender or Client	Ray C. Bruce Te.		

SCOPE OF THE APPRAISAL

That data contained in the attached appraisal report has been compiled by the appraiser from the following sources: Inspection and research of the subject property to identify dimensions, nature of construction, physical condition, and any other physical, functional or external factors. Research of municipal offices and registry of deeds to identify assessments, transfer activity, site parameters, and other pertinent factors. Contact with appropriate real estate brokers, developers, managers, appraisers and other knowledgeable sources to identify relevant market data such as comparables sales, comparable rents, vacancy rents, depreciation rates, operating costs, development costs, and any trends that may influence such as economic or demographic trends.

LEGAL DESCRIPTION

See Deed Attached Addendum

NEIGHBORHOOD BOUNDARIES

Neighborhood boundaries for suburban properties is a 0-15 mile radius from the Eugene/Springfield area (see location map in addendum). *** See Additional Comments ***

NEIGHBORHOOD MARKETABILITY

Employment in the local area is stable at the present time. There is easy access to employment, public transportation, schools and shopping from the subjects neighborhood. I have considered relevant competitive listings and/or contract offerings in the performance of this appraisal report and in the trending information reported in this section. If a trend is indicated, I have attached addendum providing relevant data.

MARKET CONDITIONS IN NEIGHBORHOOD

The market at the present time is active. No special financing, loan discounts, interest buydowns or concessions were found for the subject or the comparables used in this report. Average marketing time for sales in this neighborhood is 0-6 months.

ADDITIONAL FEATURE

Well maintained dwelling with 4 bedrooms and 2.2 baths containing 2609 square feet of living area, fireplace and wood stove in family broom, forced air electric heat with HP, two car garage with electric opens. 40' x 80' shop which has concrete floors, water and power with 14' doors and over head crane. The dwelling is served by it's own well and septic system.

CONDITION OF IMPROVEMENTS

The house is in average + condition for the area and no significant items were observed that would require immediate repair. No unusual functional obsolescence or external inadequacies were observed. The appraiser observed nothing in the neighborhood that might reduce property values.

ADVERSE ENVIRONMENTAL CONDITIONS

None apparent.

COST APPROACH

The replacement cost of the home is based on the Marshall Swift publication of construction prices. The subject is judged to be a average to above quality construction. The land value is based on land sales in the subjects neighborhood and the appraisers knowledge of land prices in the local area.

COMMENTS ON SALES COMPARISON

This is not merely a mechanical process, but instead incorporates all the judgement and consideration given during the adjustment phase of the appraisal.

Adjustments for size difference (gross living area) is based on roughly 25% of the typical sales price per square foot difference of the subject and comparables.

Adjustments for baths is based on the number of fixtures. Number of bedrooms is considered in the overall size adjustments, unless the difference exceeds two.

Condition adjustments are based on maintenance, updating and overall condition of the comparables and the subject property.

Comparable #1, RMLS # 4005738

Comparable #2, RMLS # 4041860

Comparable #3, RMLS # 4031145

ADDITIONAL COMMENTS
Page 2

Borrower or Owner	Ray C. Bruce Te						
Property Address	91655 Marcola Road						
City	Springfield	County	Lane	State	OR	Zip Code	97478
Lender or Client	Ray C. Bruce Te						

CURRENT AGREEMENT OF SALE, OPTION, OR LISTING OF SUBJECT

N/A

COMMENTS ON INCOME APPROACH

N/A

CONDITIONS OF APPRAISAL

A HYPOTHETICAL CONDITION EXISTS: the total land area for this property is 38.18 acres +/-, the request was to estimate the Market Value if 30 acres could be sold separately, leaving 8.18 acres +/-, shop and dwelling.

FINAL RECONCILIATION

The income approach is not applicable in this type of property.

This appraisal report has been prepared within FNMA and FHLMC guidelines, which do not require an estimate of remaining physical life. Physical life is the time period during which the house may be expected to remain physically in existence if it receives normal maintenance. Since over 90 % of the houses ever built in the United States are still in existence and houses in Europe have lasted hundreds of years, it is almost impossible to forecast the Estimated Physical Life of a house.

PHOTOGRAPH ADDENDUM

Borrower or Owner	Ray C. Bruce Te		
Property Address	91655 Marcola Road		
City	Springfield	County	Lane
		State	OR
		Zip Code	97478
Lender or Client	Ray C. Bruce		



FRONT VIEW OF
SUBJECT PROPERTY



REAR VIEW OF
SUBJECT PROPERTY



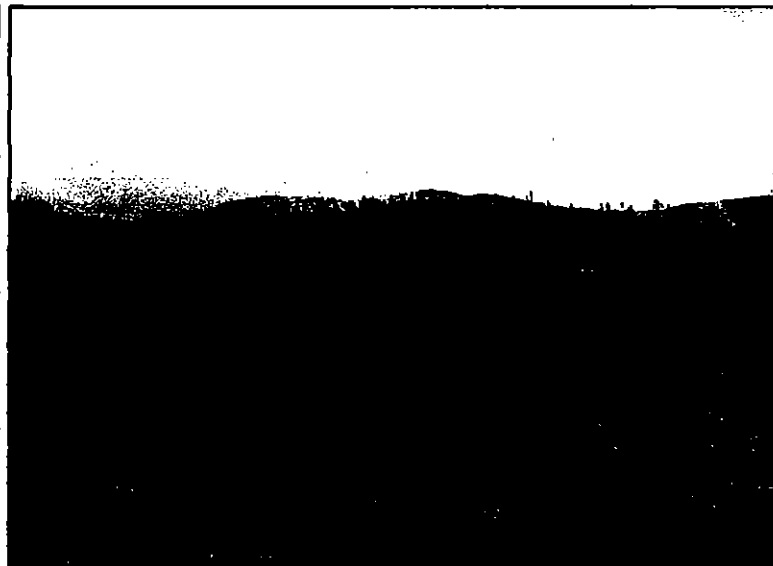
STREET SCENE OF
SUBJECT PROPERTY

PHOTOGRAPH ADDENDUM

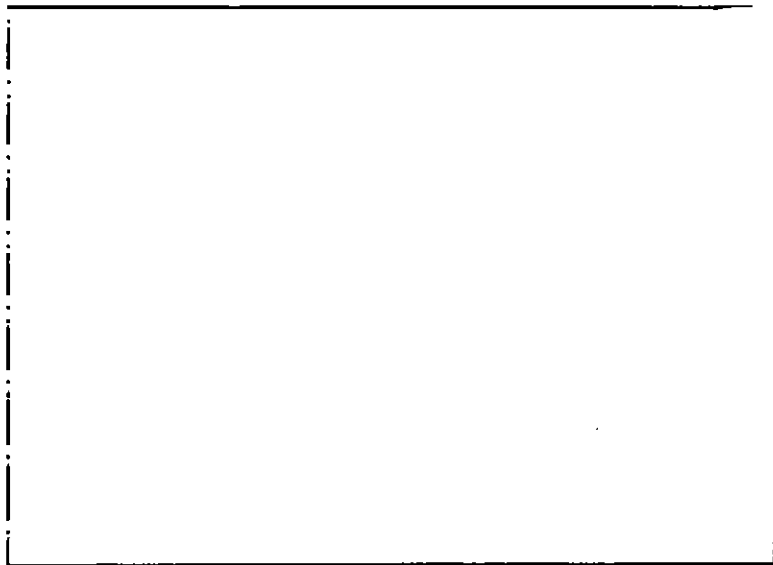
Borrower or Owner Ray C. Bruce Te			
Property Address 91655 Marcola Road			
City Springfield	County Lane	State OR	Zip Code 97478
Lender or Client Ray C. Bruce			



SHOP

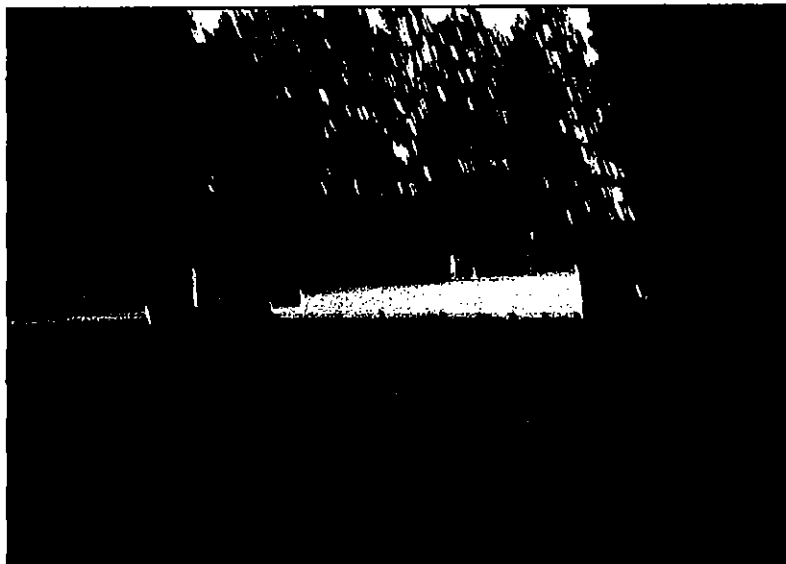


ACREAGE



PHOTOGRAPH ADDENDUM

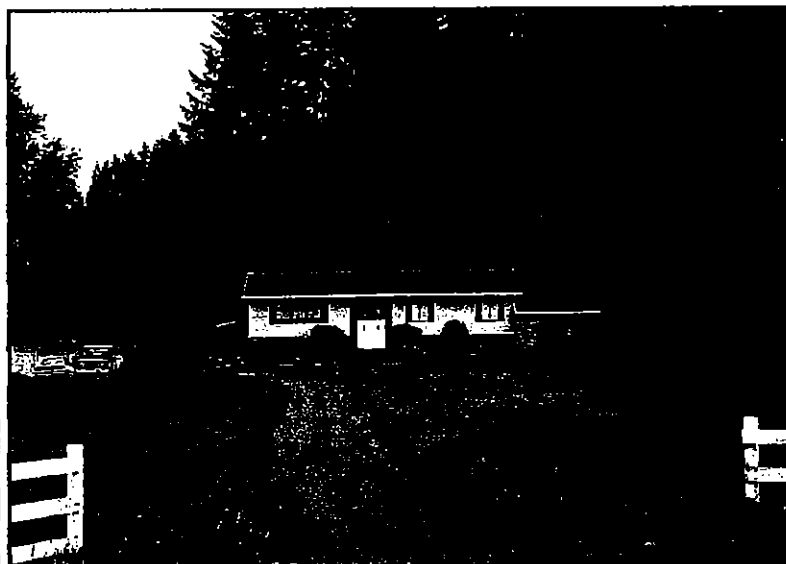
Borrower or Owner Ray C. Bruce Te
 Property Address 91655 Marcola Road
 City Springfield County Lane State OR Zip Code 97478
 Lender or Client Ray C. Bruce Te

**COMPARABLE #1**

94580 Dream Hill Road
 Marcola, Oregon

Price	\$430,000
Price/SF	158.20
Date	6-2-2004
Age	A26/E20
Room Count	7-3-3
Living Area	2,718

Value Indication \$435,830

**COMPARABLE #2**

37294 Camp Creek Road
 Springfield, Oregon

Price	\$430,000
Price/SF	174.09
Date	9-20-2004
Age	A36/E25
Room Count	8-4-2
Living Area	2,470

Value Indication \$489,995

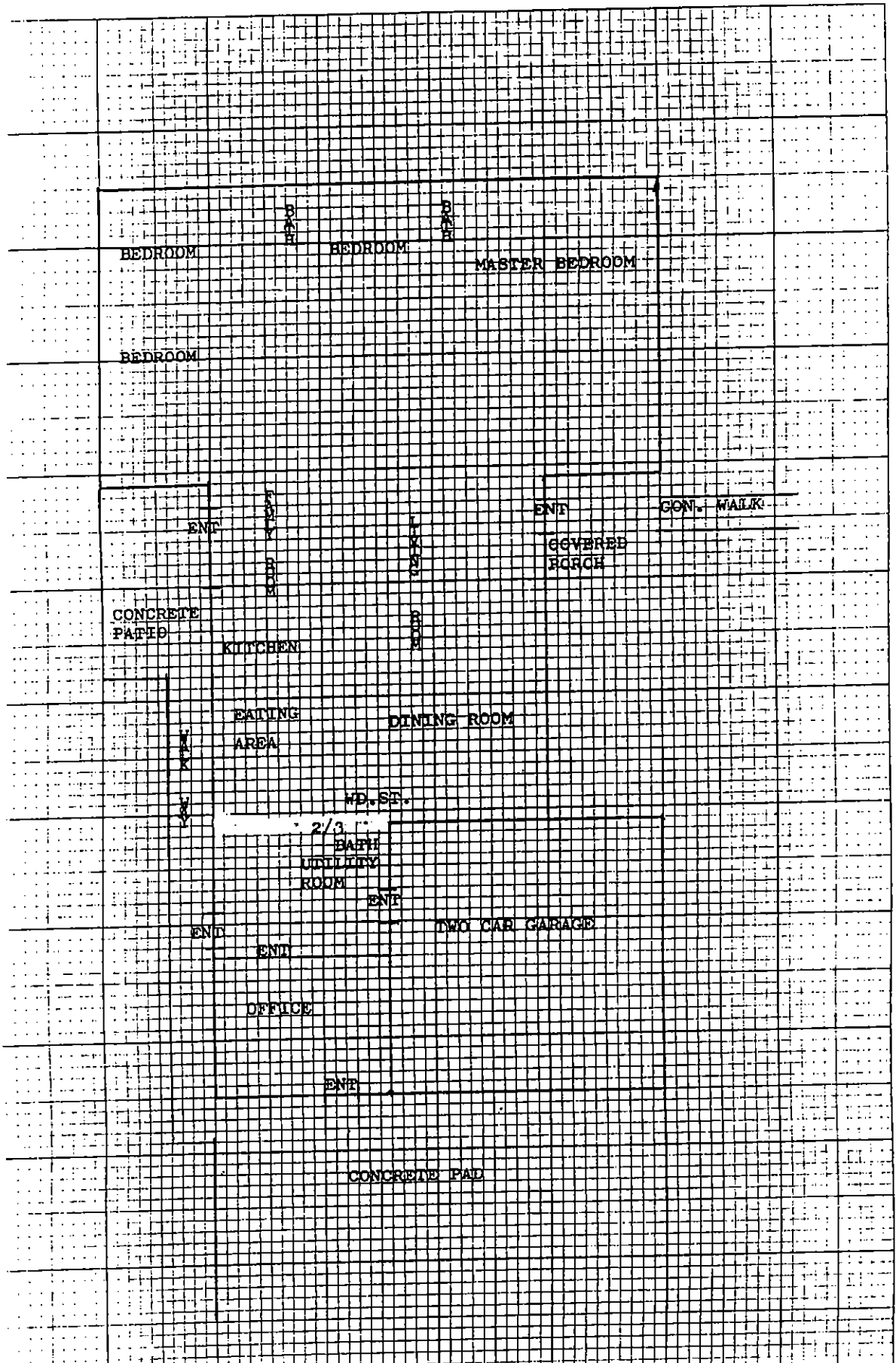
**COMPARABLE #3**

90438 Hill Road
 Springfield, Oregon

Price	\$485,000
Price/SF	236.59
Date	7-20-2004
Age	A28/E20
Room Count	7-3-2.1
Living Area	2,050

Value Indication \$524,870

SKETCH ADDENDUM
SCALE ONE SQUARE - ONE FOOT



DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming 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 each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; 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.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concessions but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. The separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower, the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

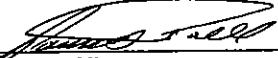
APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 91655 Marcola Road, Springfield, OR 97478

APPRAISER:

Signature: 
 Name: Norman D. Pohll
 Date Signed: April 5, 2005
 State Certification #: _____
 or State License #: L000211
 State: OR
 Expiration Date of Certification or License: 11/30/2005

SUPERVISORY APPRAISER (only if required):

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____
 Did Did Not Inspect Property

MULTI-PURPOSE APPRAISAL ADDENDUM FOR FEDERALLY REGULATED TRANSACTIONS

Borrower or Owner <u>Ray C. Bruce Te</u>				
Property Address <u>91655 Marcola Road</u>				
City <u>Springfield</u>	County <u>Lane</u>	State <u>OR</u>	Zip Code <u>97478</u>	
Lender or Client <u>Ray C. Bruce Te.</u>				

This addendum is for use with all appraisal reports to comply with current appraisal standards and requirements of the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), the Resolution Trust Corporation (RTC), the Office of Thrift Supervision (OTS), the National Credit Union Administration (NCUA), and the Federal Reserve.

Instructions: Check only those sections which apply to the subject property being appraised.

APPRAISAL PURPOSE AND FUNCTION

The purpose of this appraisal is to estimate the market value of the subject property as defined within this report. The function of this appraisal is to assist the lender in collateral valuation and/or portfolio management.

EXTENT OF APPRAISAL PROCEDURE

The data contained in the attached appraisal report has been compiled by the appraiser from the following sources:

Inspection and research of the subject property to identify dimensions, nature of construction, physical condition, and any other physical, functional or external factors;

Research of municipal offices and registry of deeds to identify assessments, transfer activity, site parameters, and other pertinent factors;

Contact with appropriate real estate brokers, developers, managers, appraisers, and other knowledgeable sources to identify relevant market data such as comparable sales, comparable rents, vacancy rents, depreciation rates, operating costs, development costs, and any trends that may influence such as economic or demographic trends.

- The estimated reproduction cost is based upon the appraiser's knowledge of the local market, surveys of local developers and contractors, and Marshall Swift "COST HANDBOOK"
- All forms of depreciation (physical, functional, and external) are specifically addressed in the attached report or other addenda. Physical depreciation is based on the estimated effective age of the subject property.
- The site value estimate is based on analysis of site sales, and abstraction of site values from sales of improved properties.
- For income producing properties, actual rents, expenses and vacancies have been reported and analyzed for subject and comparable income producing properties. Potential rents, expenses, and vacancies have been projected based on market data derived from prior and current market surveys.
- The subject is a single family residence located in predominantly owner-occupied area. The lack of rental data and the lack of sales of rented dwellings make meaningful rental and gross rent multiplier conclusions impossible, therefore the income approach was not applied.
- All sources and data utilized are considered accurate and reliable. Unreliable data has been disregarded. All sources have been noted where appropriate, and all data has been confirmed whenever possible.

SUBJECT PROPERTY SALES HISTORY

- The subject property has not transferred during the last twelve months.
- The subject property has transferred during the last twelve months.
- Any transfer activity which has occurred during the past twelve months is listed below and is addressed in the attached appraisal report:

Date	Sales Price	Document # / Book and Page	Seller	Buyer
				Ray C. Bruce Te

Source : _____

FEMA FLOOD HAZARD DATA

Zone	Map/Parcel	Date	Name of Community
"X"	41039C0670 F	6/2/99	Springfield

- The subject property is located in a FEMA Special Flood Hazard Area.
- The subject property is not located in a FEMA Special Flood Hazard Area.
- The subject property's community does participate in the National Flood Insurance Program.
- The subject property's community does not participate in the National Flood Insurance Program.
- The subject property's community is covered by a Regular Program.
- The subject property's community is covered by an Emergency Program.

<input checked="" type="checkbox"/> SUBJECT PROPERTY OFFERING AND CONTRACT INFORMATION											
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	The subject property has not been offered for sale during the past 30 days The subject property has been offered for sale during the past 30 days for \$ _____ The subject property is currently for sale for \$ _____ The subject property is not currently under contract for sale. The subject property is currently under contract for sale as described:										
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:15%;">Contract Date</th> <th style="width:15%;">Offer Date</th> <th style="width:15%;">Contract Price</th> <th style="width:15%;">Seller</th> <th style="width:15%;">Buyer</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td style="text-align: center;">Ray C. Bruce Te</td> <td style="text-align: center;">Ray C. Bruce Te</td> </tr> </tbody> </table>		Contract Date	Offer Date	Contract Price	Seller	Buyer				Ray C. Bruce Te	Ray C. Bruce Te
Contract Date	Offer Date	Contract Price	Seller	Buyer							
			Ray C. Bruce Te	Ray C. Bruce Te							
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	The sales contract and/or escrow instructions were reviewed. The contract indicated that personal property was not included in the sale The contract indicated that the following personal property was included in the sale:										
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	The personal property estimated contributory value is \$ _____ Personal property was considered in the final estimate of market value and has been addressed in the attached report. Financing concessions were not indicated in the contract. The following financing concessions were indicated in the contract: _____ Source: _____ Offering and/or contract information was considered in the final estimate of market value. Offering and/or contract information was not considered in the final estimate of market value. Offering and/or contract information was not available to the appraiser. (For additional information, see attached narrative addenda)										
<input checked="" type="checkbox"/> MARKET OVERVIEW											
A reasonable marketing period of <u>0-6</u> months has been projected based on <u>RMLS</u>											
<input checked="" type="checkbox"/> ADDITIONAL CERTIFICATION											
This appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation, except that the Departure Provision does not apply. Their compensation is not contingent upon the reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of subsequent event. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.											
<input checked="" type="checkbox"/> ENVIRONMENTAL DISCLAIMER											
The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively unless otherwise stated in this report. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.											
<input type="checkbox"/> ADDITIONAL COMMENTS											
<input checked="" type="checkbox"/> APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION											
Appraiser's Signature <u><i>Norman D. Pohl</i></u> Effective Date <u>4-7-2005</u> Date Prepared <u>April 5, 2005</u> Appraiser's Name (print) <u>Norman D. Pohl</u> Phone # <u>541-342-7752</u> State <u>OR</u> <input checked="" type="checkbox"/> License <input type="checkbox"/> Certification # <u>L000211</u> Tax ID # <u>93-1100189</u>											
<input type="checkbox"/> CO-SIGNING APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION											
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	The co-signing appraiser has inspected the property, both inside and out, and has made an exterior inspection of all comparable sales listed in the report. The report was completed by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility for the report including the value conclusions and the limiting conditions, and conforms that the certifications apply fully to the co-signing appraiser. The co-signing appraiser has not inspected the interior of the subject property. The co-signing appraiser has not inspected the exterior of the subject property and all comparable sales listed in this report. The report was completed by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility this report including the value conclusions and the limiting conditions, and conforms that the certifications, with the exception of physical inspection apply fully to the co-signing appraiser. The co-signing appraiser's level of inspection, improvement in the appraisal process, and certification are covered elsewhere in the addenda section of this appraisal.										
Co-Signing Appraiser's Signature _____ Effective Date <u>4-7-2005</u> Date Prepared _____ Co-Signing Appraiser's Name (print) _____ Phone # _____ State _____ <input type="checkbox"/> License <input type="checkbox"/> Certification # _____ Tax ID # _____											



Appraiser Certification and Licensure Board

State Licensed Appraiser

28 hours of continuing education required for renewal

License No: L000211

Issue Date: 12/1/2003

Expiration Date: 11/30/2005

Norman D. Pohl
Norman D. Pohl & Associates, Inc.
1293 Lincoln Street
Eugene OR 97401


R. A. (Bob) Keith, Administrator



**SUMMARY APPRAISAL OF
THE PROPERTY LOCATED AT**

91655 Marcola Road

Springfield, Oregon 97478

as of

April 9, 2005

for

Ray C. Bruce
91655 Marcola Road
Springfield, Oregon
97478

by

Pohll & Associates, Inc.

P.O. Box 2636
Eugene, OR 97402

Pohll & Associates, Inc.
P.O. Box 2636
Eugene, OR 97402
541-342-7752

April 9, 2005

Ray C. Bruce
91655 Marcoal Road
Springfield, Oregon
97478

Property - part of 91655 Marcola Road
Springfield, Oregon 97478
Borrower - Ray C Bruce Te.
File No. - A5040005
Case No. -

Dear Mr. Bruce:

In accordance with your request, I have made a Complete Appraisal Analysis and prepared a Summary Appraisal of the real property located at part of 91655 Marcola Road, Springfield, Oregon.

The purpose of the Summary Appraisal is to estimate the market value of the property described in the body of this report.

Enclosed, please find the Summary Appraisal which describes certain data gathered during our investigation of the property. The methods of approach and reasoning in the valuation of the various physical and economic factors of the subject property are contained in this report.

An inspection of the property and a study of pertinent factors, including valuation trends and an analysis of neighborhood data, led the appraiser to the conclusion that the market value, as of April 9, 2005 is :

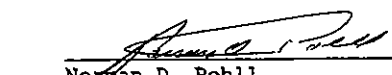
\$103,150 each tract

The opinion of value expressed in this report is contingent upon the Limiting Conditions attached to this report.

It has been a pleasure to assist you. If I may be of further service to you in the future, please let me know.

Respectfully submitted,

Pohll & Associates, Inc.



Norman D. Pohll
OR License #L000211

Complete Appraisal Analysis - Summary Appraisal Report
LAND APPRAISAL REPORT

File No. **A5040005**

IDENTIFICATION

Borrower Ray C Bruce Te. Census Tract 0200 Map Reference 160225600
 Property Address 91655 Marcola Road
 City Springfield County Lane State Oregon Zip Code 97478
 Legal Description None available
 Sale Price \$N/A Date of Sale N/A Loan Term N/A yrs. Property Rights Appraised Fee Leasehold Do Minors PUD
 Actual Real Estate Taxes \$N/A (yr) Loan charges to be paid by seller \$N/A Other sales concessions None
 Lender/Client Ray C. Bruce Address 91655 Marcola Road, Springfield, Oregon, 97478
 Occupant N/A Appraiser Norman D. Pohl Instructions to Appraiser A HYPOTHETICAL CONDITION EXISTS:
(the request was to estimate 30 acres on the total land size of 38.18 acres +/- (see attached addendum) = 8-3.75 acre tracts

NEIGHBORHOOD

Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Employment Stability	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Avg	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor
Built Up	<input type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	Convenience to Employment	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Avg	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor
Growth Rate	<input type="checkbox"/> Fully Dev	<input checked="" type="checkbox"/> Rapid	<input type="checkbox"/> Steady	Convenience to Shopping	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Avg	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Convenience to Schools	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Avg	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	Adequacy of Public Transportation	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Avg	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor
Marketing Time	<input type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.	Recreational Facilities	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Avg	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor
Present Land Use	<u>55</u> % 1 Family	<u>44</u> % 2-4 Fam	<u>1</u> % Commercial	Adequacy of Utilities	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Avg	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor
Change in Present Land Use	<input type="checkbox"/> Not Likely	<input type="checkbox"/> Likely (*)	<input checked="" type="checkbox"/> Taking Place (*)	Property Compatibility	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Avg	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor
Predominant Occupancy	<input type="checkbox"/> From Vacant	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	Protection from Detrimental Conditions	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Avg	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor
Single Family Price Range	<u>\$ 195k</u> to <u>\$ 975k</u>	Predominant Value <u>\$ 325k</u>		Police and Fire Protection	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Avg	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor
Single Family Age	<u>New</u> yrs. to <u>100</u> yrs	Predominant Age <u>36</u> yrs.		General Appearance of Properties	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Avg	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor
				Appeal to Market	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Avg	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, noise) Employment in the local area is stable at the present time. There is easy access to the subject property and it is located in a area of similar land uses. The marketability of the subject property is deemed average for the area and the subject property appears to conform to local zoning.

SITE

Dimensions N/A = 30 acres +/- Corner Lot
 Zoning Classification E-40 Present Improvements do do not conform to zoning regulations
 Highest and best use: Present use Other (specify) _____
 Elec. Public Other (Describe) _____
 Gas _____
 Water Well/Typical Septic/Typical Underground Elect. & Tel.
 San. Sewer _____
 OFF SITE IMPROVEMENTS
 Street Access: Public Private
 Surface Asphalt
 Maintenance: Public Private
 Storm Sewer Curb/Gutter Sidewalk Street Lights
 Topo: Basically Level
 Size: 30 acres +/-
 Shape: N/A
 View: Hills and Valley
 Drainage: Appears adequate
 Is the property located in a HUD identified Special Flood Hazard Area? No Yes
 Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions) FEMA Flood Map Number 41039C0670 dated 6/2/1999, zone "X". According to the FEMA Flood Map (attached in addendum), the subject property is not located in a special flood hazard zone.

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

MARKET DATA ANALYSIS

ITEM	Subject Property	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	91655 Marcola Road Springfield, Oregon	Account # 1647469 Springfield, Oregon	Account # 1047206 Pleasant Hill, Oregon	Account # 1047776 Springfield, Oregon
Proximity to Subj.		7 miles	19 miles	12 miles
Sales Price	\$ N/A	\$ 100,000	\$ 87,000	\$ 95,000
Price	\$ N/A	\$ 48,309.18	\$ 39,545.45	\$ 47,500.00
Data Source	Inspection	GLMLS/County	GLMLS/County	GLMLS/County
Date of Sale and Time Adjustment	N/A	8/7/2003	3/9/2004	6/4/2004
Location	Suburban	Suburban	Suburban	Suburban
Site/View	Hills/Valley	Hills/Valley	Hills/Valley	Hills/Valley
Site Area	3.75 acres +/-	2.07 acres +/-	2.2 acres +/-	2 acres +/-
Improvements	No improvements	Well in -7,500	No improvements	No improvements
Sales or Financing Concessions		Ave. \$44,685 acre	Ave. \$39,545 acre	Ave. \$47,500 acre
Net Adj. (Total)		Plus <input type="checkbox"/> Minus <input checked="" type="checkbox"/> -7,500	Plus <input type="checkbox"/> Minus <input type="checkbox"/>	Plus <input type="checkbox"/> Minus <input type="checkbox"/>
Indicated Value of Subject		Gross 7.5% Net -7.5% \$ 92,500	Gross 0.0% Net 0.0% \$ 87,000	Gross 0.0% Net 0.0% \$ 95,000

Comments on Market Data: The four sales displayed were taken into consideration in arriving a final estimate of value for the subject property (see extended comments).

Comments and Conditions of Appraisal: Note: This appraisal was based upon a HYPOTHETICAL CONDITION EXISTING: assuming 30 acres can be divided from the total acreage of 38.18 acres located at 91655 Marcola Road, Springfield, Lane County, Oregon 97478, and then divided into 3.75 acre tracts which equal 8-3.75 acre tracts.

Final Reconciliation: Market data derived from the sales of similar properties is the most reliable indicator of value since it closely reflects the actions of buyers and sellers in the market place (see extended comments).

RECONCILIATION

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF April 9, 2005 to be \$103,150 each tract

Appraiser(s) Signature: Norman D. Pohl Date: April 9, 2005
 Review Appraiser (if applicable) Did Did Not Physically Inspect Property
 Signature: _____ Date: _____
 Name: Norman D. Pohl State: OR License Certification # L000211

ADDITIONAL COMMENTS

Borrower or Owner Rav C. Bruce Te
 Property Address 91655 Marcoln Road
 City Springfield County Lane State OR Zip Code 97478
 Lender or Client Rav C. Bruce Te.

SCOPE OF THE APPRAISAL

That data contained in the attached appraisal report has been compiled by the appraiser from the following sources: Inspection and research of the subject property to identify dimensions, nature of construction, physical condition, and any other physical, functional or external factors. Research of municipal offices and registry of deeds to identify assessments, transfer activity, site parameters, and other pertinent factors. Contact with appropriate real estate brokers, developers, managers, appraisers and other knowledgeable sources to identify relevant market data such as comparables sales, comparable rents, vacancy rents, depreciation rates, operating costs, development costs, and any trends that may influence such as economic or demographic trends.

LEGAL DESCRIPTION

N/A

NEIGHBORHOOD BOUNDARIES

Neighborhood boundaries for suburban properties is a 0-15 mile radius from the Eugene/Springfield area (see location map in addendum). *** See Additional Comments ***

NEIGHBORHOOD MARKETABILITY

Employment in the local area is stable at the present time. There is easy access to employment, public transportation, schools and shopping from the subjects neighborhood. I have considered relevant competitive listings and/or contract offerings in the performance of this appraisal report and in the trending information reported in this section. If a trend is indicated, I have attached addendum providing relevant data.

MARKET CONDITIONS IN NEIGHBORHOOD

The market at the present time is active. No special financing, loan discounts, interest buydowns or concessions were found for the subject or the comparables used in this report. Average marketing time for sales in this neighborhood is 0-6 months.

ADVERSE ENVIRONMENTAL CONDITIONS

None apparent.

COMMENTS ON SALES COMPARISON

This is not merely a mechanical process, but instead incorporates all the judgement and consideration given during the adjustment phase of the appraisal.

Adjustments for size difference (gross living area) is based on roughly 25% of the typical sales price per square foot difference of the subject and comparables.

Adjustments for baths is based on the number of fixtures. Number of bedrooms is considered in the overall size adjustments, unless the difference exceeds two.

Condition adjustments are based on maintenance, updating and overall condition of the comparables and the subject property.

Comparable #1, RMLS # 3006823

Comparable #2, RMLS # 4000887

Comparable #3, RMLS # 4022819

Comparable #4, RMLS # 3043165

CONDITIONS OF APPRAISAL

A HYPOTHETICAL CODITION EXIST: the property at 91655 Marcola Road, Springfield, Lane County, Oregon 97478 consists of 38.18 acres +/-, this appraisal is based upon the assumption that 30 acres can be divided from the total acreage, and then be divided into 8=3.75 acre tracts.

FINAL RECONCILIATION

The income approach is not applicable in this type of property.

This appraisal report has been prepared within FNMA and FHLMC guidelines, which do not require an estimate of remaining physical life. Physical life is the time period during which the house may be expected to remain physically in existence if it receives normal maintenance. Since over 90 % of the houses ever built in the United States are still in existence and houses in Europe have lasted hundreds of years, it is almost impossible to forecast the Estimated Physical Life of a house.

**MULTI-PURPOSE APPRAISAL ADDENDUM
FOR FEDERALLY REGULATED TRANSACTIONS**

Borrower or Owner	Ray C Bruce Te.			
Property Address	91655 Marcola Road			
City	Springfield	County	Lane	State Oregon Zip Code 97478
Lender or Client	Ray C. Bruce			

This addendum is for use with all appraisal reports to comply with current appraisal standards and requirements of the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), the Resolution Trust Corporation (RTC), the Office of Thrift Supervision (OTS), the National Credit Union Administration (NCUA), and the Federal Reserve.

Instructions: Check only those sections which apply to the subject property being appraised.

APPRAISAL PURPOSE AND FUNCTION

The purpose of this appraisal is to estimate the market value of the subject property as defined within this report. The function of this appraisal is to assist the lender in collateral valuation and/or portfolio management.

EXTENT OF APPRAISAL PROCEDURE

- The data contained in the attached appraisal report has been compiled by the appraiser from the following sources:
 Inspection and research of the subject property to identify dimensions, nature of construction, physical condition, and any other physical, functional or external factors;
 Research of municipal offices and registry of deeds to identify assessments, transfer activity, site parameters, and other pertinent factors;
 Contact with appropriate real estate brokers, developers, managers, appraisers, and other knowledgeable sources to identify relevant market data such as comparable sales, comparable rents, vacancy rents, depreciation rates, operating costs, development costs, and any trends that may influence such as economic or demographic trends.
- The estimated reproduction cost is based upon the appraiser's knowledge of the local market, surveys of local developers and contractors, and
- All forms of depreciation (physical, functional, and external) are specifically addressed in the attached report or other addenda. Physical depreciation is based on the estimated effective age of the subject property.
- The site value estimate is based on analysis of site sales, and abstraction of site values from sales of improved properties.
- For income producing properties, actual rents, expenses and vacancies have been reported and analyzed for subject and comparable income producing properties. Potential rents, expenses, and vacancies have been projected based on market data derived from prior and current market surveys.
- The subject is a single family residence located in predominantly owner-occupied area. The lack of rental data and the lack of sales of rented dwellings make meaningful rental and gross rent multiplier conclusions impossible, therefore the income approach was not applied.
- All sources and data utilized are considered accurate and reliable. Unreliable data has been disregarded. All sources have been noted where appropriate, and all data has been confirmed whenever possible.

SUBJECT PROPERTY SALES HISTORY

- The subject property has not transferred during the last twelve months.
- The subject property has transferred during the last twelve months.
- Any transfer activity which has occurred during the past twelve months is listed below and is addressed in the attached appraisal report:

Date	Sales Price	Document # / Book and Page	Seller	Buyer

Source: This property was purchased by Ray C. VBruce in 1953 and has not sold since his purchase.

FEMA FLOOD HAZARD DATA

Zone	Map/Parcel	Date	Name of Community
"X"	41039C 0670 F	6/2/1999	Springfield

- The subject property is located in a FEMA Special Flood Hazard Area.
- The subject property is not located in a FEMA Special Flood Hazard Area.
- The subject property's community does participate in the National Flood Insurance Program.
- The subject property's community does not participate in the National Flood Insurance Program.
- The subject property's community is covered by a Regular Program.
- The subject property's community is covered by an Emergency Program.

SUBJECT PROPERTY OFFERING AND CONTRACT INFORMATION

- The subject property has not been offered for sale during the past 30 days
- The subject property has been offered for sale during the past 30 days for \$ _____
- The subject property is currently for sale for \$ _____
- The subject property is not currently under contract for sale.
- The subject property is currently under contract for sale as described:

Contract Date	Offer Date	Contract Price	Seller	Buyer
				Ray C Bruce Te.

- The sales contract and/or escrow instructions were reviewed.
- The contract indicated that personal property was not included in the sale
- The contract indicated that the following personal property was included in the sale:
- The personal property estimated contributory value is \$ _____
- Personal property was considered in the final estimate of market value and has been addressed in the attached report.
- Financing concessions were not indicated in the contract.
- The following financing concessions were indicated in the contract: _____
- Source: _____
- Offering and/or contract information was considered in the final estimate of market value.
- Offering and/or contract information was not considered in the final estimate of market value.
- Offering and/or contract information was not available to the appraiser. (For additional information, see attached narrative addenda)

 MARKET OVERVIEW

A reasonable marketing period of 0-6 months has been projected based on RMLS

 ADDITIONAL CERTIFICATION

This appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation, except that the Departure Provision does not apply.

Their compensation is not contingent upon the reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of subsequent event.

This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

 ENVIRONMENTAL DISCLAIMER

The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively unless otherwise stated in this report. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.

 ADDITIONAL COMMENTS **APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION**

Appraiser's Signature *Norman D. Pohl* Effective Date April 9, 2005 Date Prepared April 9, 05

Appraiser's Name (print) Norman D. Pohl Phone # 541-342-7752

State OR License Certification # L000211 Tax ID # 93-1100189

 CO-SIGNING APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION

- The co-signing appraiser has inspected the property, both inside and out, and has made an exterior inspection of all comparable sales listed in the report. The report was completed by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility for the report including the value conclusions and the limiting conditions, and conforms that the certifications apply fully to the co-signing appraiser.
- The co-signing appraiser has not inspected the interior of the subject property.
- The co-signing appraiser has not inspected the exterior of the subject property and all comparable sales listed in this report.
- The report was completed by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility this report including the value conclusions and the limiting conditions, and conforms that the certifications, with the exception of physical inspection apply fully to the co-signing appraiser.
- The co-signing appraiser's level of inspection, improvement in the appraisal process, and certification are covered elsewhere in the addenda section of this appraisal.

Co-Signing Appraiser's Signature _____ Effective Date April 9, 2005 Date Prepared _____

Co-Signing Appraiser's Name (print) _____ Phone # _____

State _____ License Certification # _____ Tax ID # _____

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming 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 each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; 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.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concessions but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

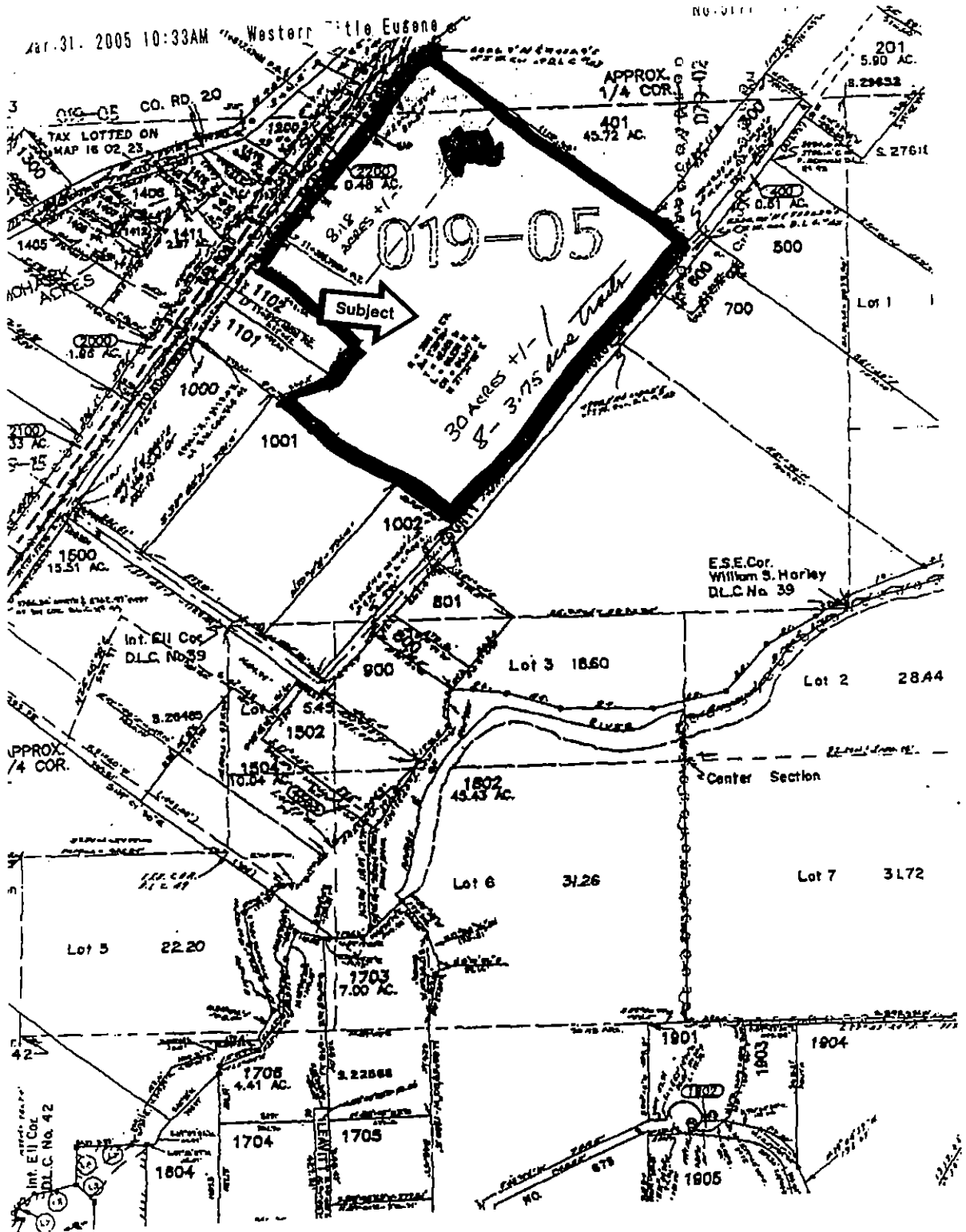
CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. The separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower, the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

Mar. 31. 2005 10:33AM

Western Title Eugene

NO. 0111





Appraiser Certification and Licensure Board

State Licensed Appraiser

28 hours of continuing education required for renewal.

License No: LA000211

Issue Date: 12/17/2003

Expiration Date: 11/30/2005

Norman D. Pohl
Norman D. Pohl & Associates, Inc.
1233 Lincoln Street
Eugene OR 97401

R. A. (Bob) Keith, Administrator

ATTORNEY'S CERTIFICATION
AND
MEMORANDUM OF TRUST

RE: BRUCE FAMILY TRUST

I certify that I am an attorney at law and I am fully familiar with the above-named Trust instrument. I further certify the following:

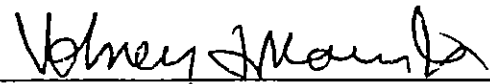
1. The Trust instrument was executed on the 14th day of June, 1993 by RAY C. BRUCE and KATHERINE J. BRUCE, as Grantors;

2. The Trust instrument has the following named as Trustees and Successor Trustees: RAY C. BRUCE and KATHERINE J. BRUCE as Trustees; KIMBERLY TALBOT and DOUGLAS BRUCE as First Successor Co-Trustees; JONATHAN JONES as alternate Successor Co-Trustee for KIMBERLY TALBOT; and BRIAN BRUCE as alternate Successor Co-Trustee for DOUGLAS BRUCE;

3. The Trust instrument grants the Trustee full power and authority to organize Trust financial affairs to "accomplish the proper management, investment and distribution of the Trust estate"; and, "to buy, sell and trade in securities of any nature, including short sales on margin, and for such purposes maintain and operate margin accounts with brokers and may pledge any securities held or purchased by him with such brokers as security for loans and advances made to the Trustee";

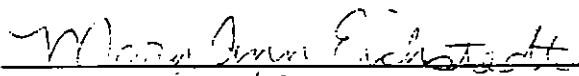
4. The Trust instrument provides that "any person dealing in good faith with the Trustee may rely without inquiry upon the certification of the Co-Trustee" as to the authority of one Co-Trustee to act in behalf of the other Co-Trustee; and,

5. The Trust is revocable by the Grantor and is subject to the laws of the State of Oregon.


VOLNEY F. MORIN, JR.
ATTORNEY AT-LAW

SUBSCRIBED AND SWORN to before me this 14th day of June, 1993.




Notary Public for Oregon
My Commission Expires: 8/21/93

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Fax: (503) 772-2569

Medford, OR 97501
(503) 773-2000

CSB #62187
Member Oregon & California Bar Associations

F. MORIN, JR.
ney At Law

9410565 * * WARRANTY DEED * *
(OREGON STATUTORY FORM)

12-15-1

WE, RAY C. BRUCE and KATHERINE J. BRUCE, husband and wife (Grantors), do grant, release, convey and warrant to RAY C. BRUCE and KATHERINE J. BRUCE, TRUSTEES of the BRUCE FAMILY TRUST, u.a.d. JUNE 14, 1993 (Grantees), the following described real property situated in LANE COUNTY in the State of OREGON, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

The said property is free from encumbrances except: Covenants, conditions, restrictions, liens and easements of record.

The true CONSIDERATION for this conveyance is NONE. The Transfer is to Inter Vivos Trust of RAY C. BRUCE and KATHERINE J. BRUCE.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY USES.

Dated this 7th day of MARCH, 1994.

Ray C Bruce
RAY C. BRUCE

Katherine J. Bruce
KATHERINE J. BRUCE

STATE OF OREGON)
County of LANE) ss.

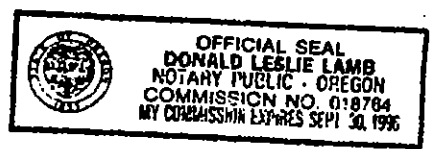
5831MAR.07'94H05REC 15.00
5831MAR.07'94H05PFLND 10.00
5831MAR.07'94H05A&T FJND 20.00

On this 7th day of MARCH, 1994, personally appeared the above named RAY C. BRUCE and KATHERINE J. BRUCE, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me: Donald Leslie Lamb
Notary Public for OREGON
My Commission Expires: 9/30/96

MAIL RECORDED DEED and, until a change is requested, all TAX STATEMENTS to:

MR. & MRS. RAY C. BRUCE
91655 MARCOLA ROAD
SPRINGFIELD, OR 97478



E X H I B I T "A"

9416565

PARCEL 1: 360 Waite St., Eugene, Oregon

Beginning at a point North 89°16' West 30 feet from the centerline of Waite Street which point is also 138.18 feet South 0°19' West from a point in the center of the Old Elmira County Road and 1156.0 feet North 89°16' West from the Northeast corner of the Southwest 1/4 of the Northeast 1/4 of Section 27, Township 17 South, Range 4 West of the Willamette Meridian; from said beginning point run thence South 0°19' West parallel to the centerline of Waite Street 85.0 feet; thence North 89°16' West 107.0 feet; thence North 0°19' East 85.0 feet; thence South 89°16' East 107.0 feet to the Point of Beginning, all in Lane County, Oregon.

THIS INSTRUMENT DOES NOT GUARANTEE THAT ANY PARTICULAR USE MAY BE MADE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT. A BUYER SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

PARCEL 2: 102 Holeman, Eugene, Oregon

The West 60 feet of Lot 1, Block 2, HOLEMAN'S ADDITION to Eugene, as platted and recorded in Book 6, Page 14, Lane County Oregon Plat Records, in Lane County, Oregon.

PARCEL 3: 1081 Deal St., Junction City, Oregon

Lot 2, Block 68, JUNCTION CITY, as platted and recorded in Book H, Page 749, Lane County Oregon Deed records, in Lane County, Oregon.

PARCEL 4: 4266 Daisy St., Springfield, Oregon

Beginning at the Northwest quarter of the D. Arthur Donation Land Claim No. 47, Township 17 South, Range 2 West, of the Willamette Meridian, running thence North 8.5 feet to the center of a 22 foot lane, thence North 89°24' East along the center line of said lane 225.0 feet to the True Point of Beginning of the following described tract, thence North 89°24' East 55.0 feet, thence South 89°24' West 55.0 feet, thence North 0°04' East 121 feet, thence South 89°24' West 55.0 feet, thence South 0°04' West 121 feet to the point of beginning, in Lane County, Oregon. EXCEPT the South 20 feet conveyed to the City of Springfield by Deed recorded May 11, 1981, Reel 1135, Reception No. 8120192, Official Recorder of Lane County, Oregon.

SUBJECT TO: Easements, conditions and restrictions of record, liens, unpaid taxes and encumbrances.

PARCEL 5: 4268 Daisy St., Springfield, Oregon

Beginning at the Northwest corner of D. Arthur Donation Land Claim No. 47, in Township 17 South, Range 2 West of the Willamette Meridian; run thence North 8.5 feet to the center line of a 22.0 foot lane; run thence North 89°24' East along said line 225.0 feet to the true point of beginning of the following described tract of land; run thence North 0°04' East 121.0 feet; thence South 89°24' West 65.0 feet to the center line of a 30.0 foot road; thence along said center line South 0°04' West 121.0 feet; thence North 89°24' East 65.0 feet to the point of beginning, all in Lane County, Oregon. EXCEPT THEREFROM: That portion deeded to the City of Springfield by instrument recorded February 10, 1981, Reception No. 81-6073, Official Records of Lane County, Oregon.

PARCEL 6: 265-285 East 11th St., Junction City, Oregon

(Former address: 1091-1097 Deal, Junction City, Oregon)
Lot 1, Block 68, PLAT OF JUNCTION CITY, as platted and recorded in Book "H", Page 749, Lane County Oregon Deed Records, in Lane County, Oregon.

9416565

E X H I B I T "A" (Continued...)

PARCEL 7: 6025 Thurston Road & 885 North 60th, Springfield, Oregon

Beginning at the Northwest corner of Section 34, Township 17 South, Range 2 West, Willamette Meridian; thence West 42.2 feet along the Section line between Sections 28 and 33 of said Township and Range to the West line of the John McNutt Donation Land Claim; thence South 890.3 feet along the West line of the John McNutt Donation Land Claim to the centerline of County Road No. 474; thence South 89° 42' East 1219.5 feet along the centerline of said County road; to the true place of beginning; thence South 89° 42' East 80 feet; thence South 187.5 feet; thence North 89° 42' West 80 feet; thence North 187.5 feet to said true place of beginning, in Lane County, Oregon.

PARCEL 8: 1090-1096 Elm St., Junction City, Oregon

Lot Ten (10), Block Sixty Eight (68), JUNCTION CITY, as platted and recorded in Book H, Page 749, Lane County Oregon Plat Records, on Lane County, Oregon.

PARCEL 9: 91655 Marcola Rd., Springfield, Oregon (42.53 Ac)

Beginning at a point 4856.2 feet North and 3578.0 feet East of the Southwest corner of the Robert McGowan Donation Land Claim No. 43, Township 16 South, Range 2 West of the Willamette Meridian, said point being on the Easterly right-of-way of the County Highway, and running thence South 51° 40' East 1242.9 feet, thence North 39° 11' East 1446.0 feet, thence North 51° 40' West 1291.0 feet to a point on the Southeasterly right of way of the Southern Pacific Company railroad; thence along said right of way two courses as follows; South 47° 59' West 100.0 feet, South 45° 57' West 100.0 feet to a point on the Easterly right of way of the County Highway, thence along said right of way 6 courses as follows: South 30° 13' West 50.0 feet, South 34° 35' West 100.0 feet, South 37° 30' West 495.3 feet, South 37° 00' West 99.6 feet, South 36° 00' West 99.5 feet, South 35° 30' West 412.4 feet to the point of beginning, in Lane County, Oregon.

EXCEPTING THEREFROM: **PARCEL 1** Beginning at a 3/4" iron pipe that is East 3585.87 feet and North 4849.97 feet from the Southwest corner of the Robert McGowan Donation Land Claim No. 43, Township 16 South, Range 2 West, Willamette Meridian, run thence North 35° 30' East 200.00 feet to a 5/8 inch iron rod, thence South 51° 40' East 499.48 feet to a 5/8 inch iron rod, thence South 66° 26' 08" West 230.90 feet to a 5/8 inch iron rod, thence North 51° 40' West 373.79 feet to the place of Beginning in Lane County, Oregon, said parcel contains 2.0 acres, more or less.

EXCEPTING THEREFROM: **PARCEL 2** Beginning at a 5/8 inch iron rod that is North 35° 30' East 200.00 feet from a 3/4 inch pipe that is East 3585.87 feet and North 4849.97 feet from the Southwest corner of the Robert McGowan Donation Land Claim No. 43, Township 16 South, Range 2 West, Willamette Meridian, run thence North 35° 30' East 175.00 feet to a 5/8 inch iron rod, run thence South 51° 40' East 498.54 feet to a 5/8 inch iron rod, run thence South 35° 11' 45" West 175.05 feet to a 5/8 inch iron rod, thence North 51° 40' West 499.48 feet to the place of beginning in Lane County, Oregon, said parcel contains 2.0 acres, more or less.

9416565

State of Oregon,
County of Lane--ss.
I, the County Clerk, in and for the said County, do hereby certify that the within instrument was received for record at

7 MAR 24 AM 11:17
1928R

Lane County OFFICIAL Records,
Lane County Clerk

By: 