

BARGAIN AND SALE DEED

KEARNEY SIMPSON and PATRICIA J. SIMPSON, husband and wife,
and GARY L. MARLOW and MAXINE H. MARLOW, husband and wife, convey
to JERRY DILLEY all that real property situated in Lane County,

13068

State of Oregon described as:

Beginning at a Brass Monument marking the West 1/4
corner of Section 32, Township 18 South, Range 1
West of the Willamette Meridian in Lane County,
Oregon; run thence North 89°49'08" East 2650.32 feet
to a 1 1/2" Iron pipe set as center of said Section 32
in Survey No. 13068 Lane County Oregon Survey Records;
thence North 0°05'15" East 420.00 feet; thence South
84°49'08" West 2469.83 feet to a point on the West line
of said Section 32, from which point a 1/2" Iron rod
bears North 89°49'08" East 34.15 feet; thence South
0°09'17" West 420.00 feet to the point of beginning.

The true and actual consideration for this transfer
is none.

The foregoing recital of consideration is true as I
verily believe.

DATED this 27 day of March, 1973.

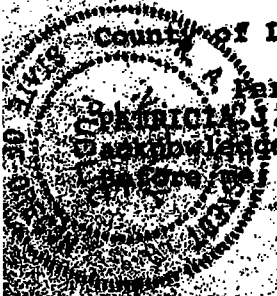
Kearney Simpson
Kearney Simpson

Patricia J. Simpson
Patricia J. Simpson

Gary L. Marlow
Gary L. Marlow

Maxine H. Marlow
Maxine H. Marlow

STATE OF OREGON)
)
County of Lane)



Personally appeared the above-named KEARNEY SIMPSON and
PATRICIA J. SIMPSON and GARY L. MARLOW and MAXINE H. MARLOW and
acknowledged the foregoing instrument to be their voluntary act.

R. P. Loderstedt
Notary Public for Oregon
My Commission expires July 8, 1973

Exhibit I

AFFIDAVIT

STATE OF OREGON)
)
County of Lane)

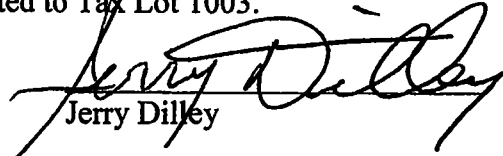
Before me this day personally appeared Jerry Dilley, who, first being duly sworn, deposes and says:

1. I am a life-long friend of Gary and Maxine Marlow and Kearney and Patricia Simpson (hereinafter referred to as "Marlow and Simpson"). I have reviewed the statements and information contained in the narrative filed by Marlow and Simpson in support of their Ballot Measure 37 claim regarding Tax Lots 1000, 1001, 1003 and 1005 of Lane County Assessor's Map 18-01-32-00 (hereinafter referred to as "the subject property") and I agree with all of the statements and information contained therein.
2. I know that on March 25, 1963, Marlow and Simpson purchased the subject property from Jennie Kann. I was not a party to that transaction and I did not provide any consideration for the Marlow and Simpson purchase of the subject property.
3. Following their purchase of the subject property, Marlow and Simpson requested that I hold an interest in Tax Lot 1003 of the subject property for their benefit. They had received advice to place two of the four parcels that constituted the subject property in the names of trusted individuals to prevent a merger of the four parcels into one parcel by subsequent government action or operation of law. I agreed to assist them and, on March 27, 1973, received a Bargain and Sale Deed from them for that purpose. At that time I executed a Bargain and Sale Deed and delivered it to Marlow and Simpson for immediate filing in the event of an emergency involving me. A copy of that deed is attached to the Marlow and Simpson narrative in support of their claim. It is the intent of the parties that I will convey the legal interest in Tax Lot 1003 to Marlow and Simpson immediately upon their request.
4. I have paid no consideration to Marlow and Simpson for the receipt of my interest in Tax Lot 1003 of the subject property. I did not receive the beneficial interest in the property under the Bargain and Sale Deed; the beneficial interest in Tax Lot 1003 has remained with Marlow and Simpson since the date they purchased the subject property from Jennie Kann.
5. At no time have I considered my ownership of Tax Lot 1003 as anything more than merely holding an ownership interest in it for the benefit of Marlow and

AFFIDAVIT

Simpson. At no time have I considered the Marlow and Simpson transfer of interest in Tax Lot 1003 to me as a gratuitous transfer by Marlow and Simpson that included the beneficial interest in that property.

6. During the period of my legal ownership of Tax Lot 1003 I have paid no expenses, including property taxes, related to Tax Lot 1003.


Jerry Dilley

Personally appeared the above-named Jerry Dilley, being duly sworn, who signed this affidavit in my presence as his voluntary act and deed.

Before me this 2nd day of March, 2006.



Notary Public for Oregon
My commission expires: June 28, 2009



Exhibit J

AFFIDAVIT

STATE OF OREGON)
)
County of Lane)

Before me this day personally appeared Thomas U. Marlow, who, first being duly sworn, deposes and says:

1. I am the brother of Gary Marlow and Patricia Simpson. I have reviewed the statements and information contained in the narrative filed by Gary and Maxine Marlow and Kearney and Patricia Simpson (hereinafter referred to as "Marlow and Simpson") in support of their Ballot Measure 37 claim regarding Tax Lots 1000, 1001, 1003 and 1005 of Lane County Assessor's Map 18-01-32-00 (hereinafter referred to as "the subject property") and I agree with all of the statements and information contained therein.
2. I know that on March 25, 1963, Marlow and Simpson purchased the subject property from Jennie Kann. I was not a party to that transaction and I did not provide any consideration for the Marlow and Simpson purchase of the subject property.
3. Following their purchase of the subject property, Marlow and Simpson requested that I hold an interest in Tax Lot 1005 of the subject property for their benefit. They had received advice to place two of the four parcels that constituted the subject property in the names of trusted individuals to prevent a merger of the four parcels into one parcel by subsequent government action or operation of law. I agreed to assist them and, in April of 1964, entered into an unrecorded land sale contract with them for that purpose. My equitable interest was converted to a legal interest by Bargain and Sale Deed on March 3, 1982. At that time I executed a Bargain and Sale Deed and delivered it to Marlow and Simpson for immediate filing in the event of an emergency involving me. A copy of that deed is attached to the Marlow and Simpson narrative in support of their claim. It is the intent of the parties that I will convey the legal interest in Tax Lot 1005 to Marlow and Simpson immediately upon their request.
4. I have paid no consideration to Marlow and Simpson for the receipt of my interest in Tax Lot 1005 of the subject property. I did not receive the beneficial interest in the property under the land sale contract or the Bargain and Sale Deed; the beneficial interest in Tax Lot 1005 has remained with Marlow and Simpson since the date they purchased the subject property from Jennie Kann.

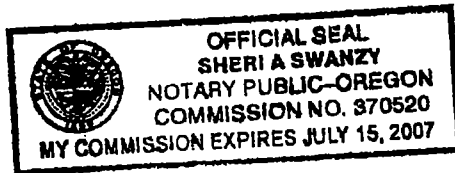
5. At no time have I considered my ownership of Tax Lot 1005 as anything more than merely holding an ownership interest in it for the benefit of Marlow and Simpson. At no time have I considered the Marlow and Simpson transfer of interest in Tax Lot 1005 as a gratuitous transfer by Marlow and Simpson that included the beneficial interest in that property.
6. During the period of my legal ownership of Tax Lot 1005 I have paid no expenses, including property taxes, related to Tax Lot 1005.

Thomas U. Marlow
Thomas U. Marlow

Personally appeared the above-named Thomas U. Marlow, being duly sworn, who signed this affidavit in my presence as his voluntary act and deed.

Before me this 28 day of February, 2006.

Sheri A. Swanzy
Notary Public for Oregon
My commission expires: July 15, 2007



GARY L. MARLOW
MAXINE H. MARLOW

24-201 32
1230
32232167

2183

10/29/01

Lane County Tax Collector
One fifty three & 42/100

BAL FOR'D

THIS PAYMENT

153 ⁴²/_{XV}

BALANCE

OTHER

BAL FOR'D



KeyBank National Association
Springfield, Oregon 97477
1-800-KEY2YOU

Kenn

⑆12300201⑆ 32 23216 7⑈ 2183

NOT NEGOTIABLE

GARY L. MARLOW
MAXINE H. MARLOW

24-201 32
1230
32232167

2184

10/30/01

Cascade Escrow
One thousand two hundred & eighty nine

BAL FOR'D

THIS PAYMENT

1289 ³³/_{XIV}

BALANCE

23/100

OTHER

BAL FOR'D



KeyBank National Association
Springfield, Oregon 97477
1-800-KEY2YOU

⑆12300201⑆ 32 23216 7⑈ 2184

NOT NEGOTIABLE

GARY L. MARLOW
MAXINE H. MARLOW

24-201 32
1230
32232167

2185

11/2/01

Bank of America
One thousand eight hundred forty two & 56/100

BAL FOR'D

THIS PAYMENT

1842 ⁵⁶/_{XXX}

BALANCE

86/100

OTHER

BAL FOR'D



KeyBank National Association
Springfield, Oregon 97477
1-800-KEY2YOU

⑆12300201⑆ 32 23216 7⑈ 2185

NOT NEGOTIABLE

GARY L. MARLOW
MAXINE H. MARLOW

24-201-60
1230
32232167

TAX DEDUCTIBLE ITEM
2227

11/12/99
Kane Co. Dept of Assessor's Office
One hundred & forty nine

KeyBank National Association
PrivateBank Eugene, Oregon 97401

BAL FOR'D	
THIS PAYMENT	149.20
BALANCE	
OTHER	
BAL FOR'D	

123002011 32 23216 7# 2227

NOT NEGOTIABLE

GARY L. MARLOW
MAXINE H. MARLOW

24-201-60
1230
32232167

TAX DEDUCTIBLE ITEM
2228

11/12/99
J.R. Calhoun Services
Twenty eight & 10/100

KeyBank National Association
PrivateBank Eugene, Oregon 97401

BAL FOR'D	
THIS PAYMENT	28.00
BALANCE	
OTHER	
BAL FOR'D	

123002011 32 23216 7# 2228

NOT NEGOTIABLE

GARY L. MARLOW
MAXINE H. MARLOW

24-201-60
1230
32232167

TAX DEDUCTIBLE ITEM
2229

11/12/99
James Martindale
Five hundred sixty two & 50/100

KeyBank National Association
PrivateBank Eugene, Oregon 97401

BAL FOR'D	
THIS PAYMENT	562.50
BALANCE	
OTHER	
BAL FOR'D	

123002011 32 23216 7# 2229

NOT NEGOTIABLE

TAX DEDUCTIBLE ITEM

24-201-60
1230
32232167

2083

GARY L. MARLOW
MAXINE H. MARLOW

FALL CREEK, OR 97430-9111

9 Nov. 12 '98

Copy of Assessor's Taxation
One Hundred thirty six and no/100

KeyBank National Association
PrivateBank Eugene, Oregon 97401

BAL FOR'D	
THIS PAYMENT	146.96
BALANCE	
OTHER	
BAL FOR'D	

Kam Place

⑆ 23002011⑆ 32 23216 7⑈ 2083

NOT NEGOTIABLE

0000-0000

TAX DEDUCTIBLE ITEM

24-201-60
1230
32232167

2084

GARY L. MARLOW
MAXINE H. MARLOW

541.937.2651
FALL CREEK, OR 97430-9111

Nov. 20, 98

Trans Gain
Eight hundred and no/100

KeyBank National Association
PrivateBank Eugene, Oregon 97401

BAL FOR'D	
THIS PAYMENT	800.00
BALANCE	
OTHER	
BAL FOR'D	

Latha

⑆ 23002011⑆ 32 23216 7⑈ 2084

NOT NEGOTIABLE

0000-0000

TAX DEDUCTIBLE ITEM

24-201-60
1230
32232167

2085

GARY L. MARLOW
MAXINE H. MARLOW

541.937.2651

DATE 11/24/98

PAY TO THE ORDER OF

Superior Hardware
Three thousand three hundred and no/100
\$3361.87

KeyBank National Association
PrivateBank Eugene, Oregon 97401

Maxine H. Marlow

MEMO

⑆ 23002011⑆ 32 23216 7⑈ 2085

SAFETY PIN

GARY L. MARLOW
MAXINE H. MARLOW

24-201/1230 1198

11-7 19 94

PAY TO THE ORDER OF Lane Co. Dept of Health & Services \$ 166 ⁴⁴/₁₀₀

One hundred sixty six ⁴⁴/₁₀₀ DOLLARS

MEMO Kane

Key Bank of Oregon
Thurston Village Office
5690 Main Street, P.O. Box N
Springfield, OR 97477
503-684-0222 1-800-685-0222

Maxine H. Marlow

⑆ 12300201⑆ 32 23216 7⑈ 1498 ⑈0000016644⑈

GARY L. MARLOW
MAXINE H. MARLOW

24-12/1230 2371

11/10 19 93

SF

Pay to the order of Lane Co Dept of Services \$ 189 ⁸⁸/₁₀₀

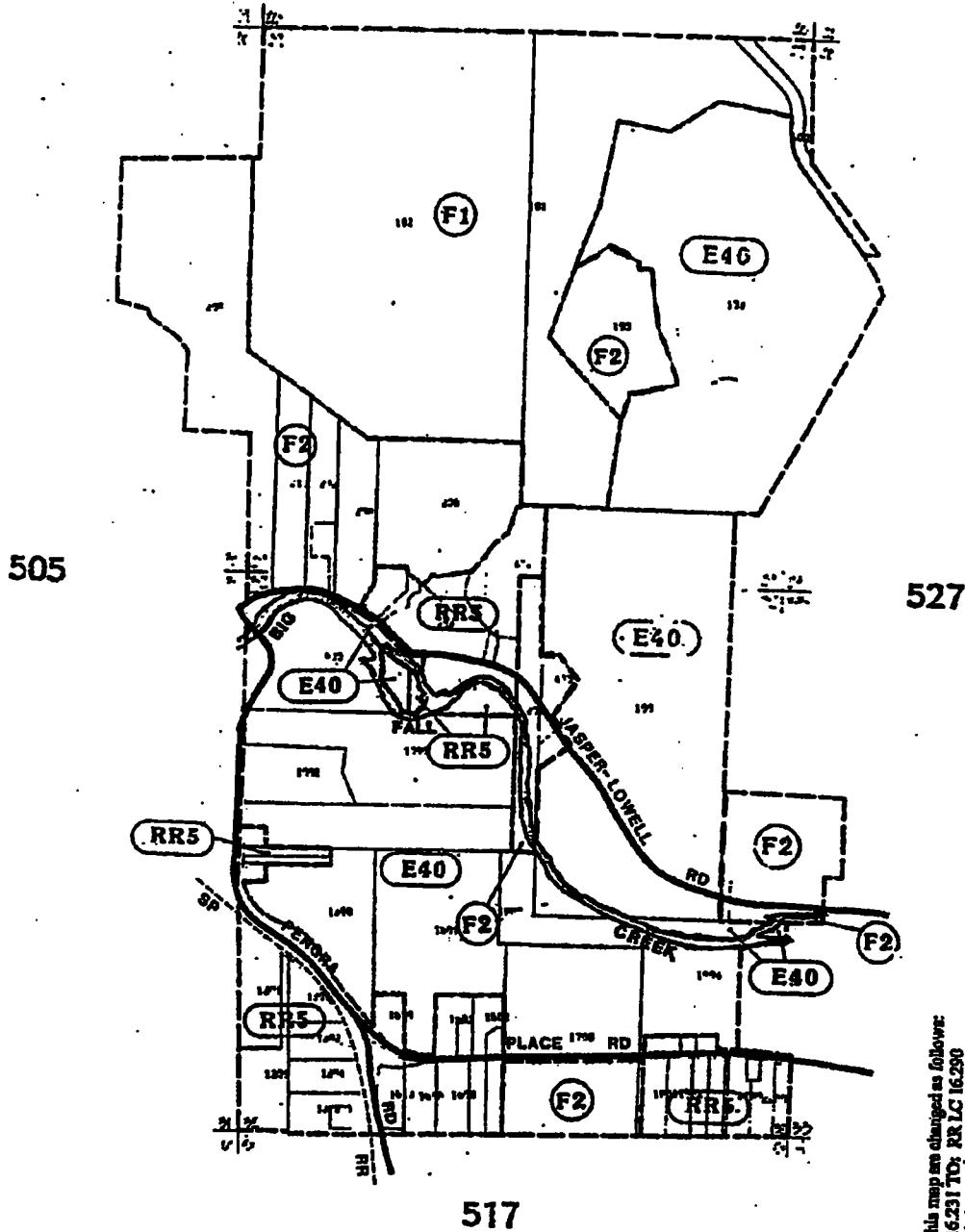
One hundred eighty nine ⁸⁸/₁₀₀ Dollars

For Kane

First Interstate Bank
of Oregon, N.A.
Mohawk-Centennial Branch
P.O. Box M
Springfield, Oregon 97477-0073

Maxine H. Marlow

⑆ 123000123⑆ 14 007146 3⑈ 371 ⑈0000018988⑈



The zones on this map are changed as follows:
 From: RG, RA To: RR2
 From: CR, C1, C2, & C3 To: RC Rural Commercial
 From: M1, M2, & M3 To: RI Rural Industrial
 From: PF To: RPF Rural Public Facility
 From: PR To: RPR Rural Park & Recreation



The RR zones on this map are changed as follows:
 FROM: RR LC 16.231 TO: RR LC 16.230
 The RR zone parcel size remains the same.

ine county



OFFICIAL ZONING MAP

PLOT# 516

Township Range Section

18 01 29

18 01 32

ORIGINAL ORD. # PA 884 DATE 2/29/1984 FILE #

REVISION # ORD. # DATE FILE #

IN THE COURT COURT OF THE STATE OF OREGON FOR LANE COUNTY
Sitting in and for the Transaction of County Business

In the Matter of an Ordinance to Establish)
Zoning and Land Use Code to be used in) ORDER
Establishing Land Use Districts)

Zoning and Land Use
Regulation Ordinance

Pursuant to the authority vested in the County Court by Chapter 537 Oregon Laws 1947 and by vote of the people on November 2, 1948 upon the question "Shall the County Court be authorized to enact zoning and land use regulations?" the following ordinance is hereby enacted:

AN ORDINANCE OF THE COUNTY OF LANE, STATE OF OREGON, ADOPTING A PRECISE LAND USE MASTER PLAN TO REGULATE AND RESTRICT THE LOCATION AND USE OF BUILDINGS, AND THE USE OF LAND IN THE UNINCORPORATED TERRITORY OF LANE COUNTY BY DIVIDING THE COUNTY INTO LAND USE DISTRICTS TO LIMIT THE HEIGHT AND BULK OF FUTURE BUILDINGS; TO PROVIDE FOR SETBACK LINES, SIZE OF YARDS, AND OTHER OPEN SPACES; TO ESTABLISH MINIMUM LOT SIZES; TO PROVIDE FOR THE PROTECTION OF FUTURE COUNTY ROADS AND THE WIDENING OF CERTAIN EXISTING ROADS; TO PROVIDE FOR AUTOMOBILE PARKING FACILITIES, TO PROVIDE FOR THE ENFORCEMENT, ADJUSTMENT, AND AMENDMENT THEREOF; AND TO PRESCRIBE PENALTIES FOR ITS VIOLATION IN THE COUNTY OF LANE, STATE OF OREGON.

THE COUNTY COURT OF THE COUNTY OF LANE, STATE OF OREGON, DOES ENACT AS FOLLOWS:

SECTION I. ADOPTION OF ZONING PLAN

There is hereby adopted a zoning plan for a portion of the County of Lane, State of Oregon.

This ordinance shall consist of the text hereof and maps entitled, "Lane County Zoning Maps," and identified by the signatures of the County Judge, the chairman of the County Planning Commission, and the County Clerk.

This ordinance is adopted under the provisions of the State Planning Act establishing County Planning and Zoning, Chapter 537 Oregon Laws, 1947, approved by the Governor of the State of Oregon April 22, 1947.

SECTION II. TITLE

This ordinance shall be known as the "Zoning Plan of the County of Lane, State of Oregon."

FILED
APR 2 1949

HARRY L. CHASE
COUNTY CLERK

SECTION XXXI. VIOLATIONS AND PENALTIES

BOOK 27 PAGE 367

A person, firm, or corporation violating any of the provisions of this Ordinance shall, upon conviction thereof, be punished by a fine of not more than one-hundred dollars (\$100.00) and in default of payment thereof, by imprisonment for one day for each two dollars (\$2.00) of such unpaid fine. Each such person, firm or corporation shall be deemed guilty of a separate offense for each and every day during any portion of which any violation of any provision of this Ordinance is committed or continued by such person, firm, or corporation, and shall be punished accordingly.

Approved by the affirmative vote of a majority of the Lane County Planning Commission after due public notices and hearings, this 27th day of May, 1949.

Ralph S. Rogers
Chairman

Howard W. English
Secretary

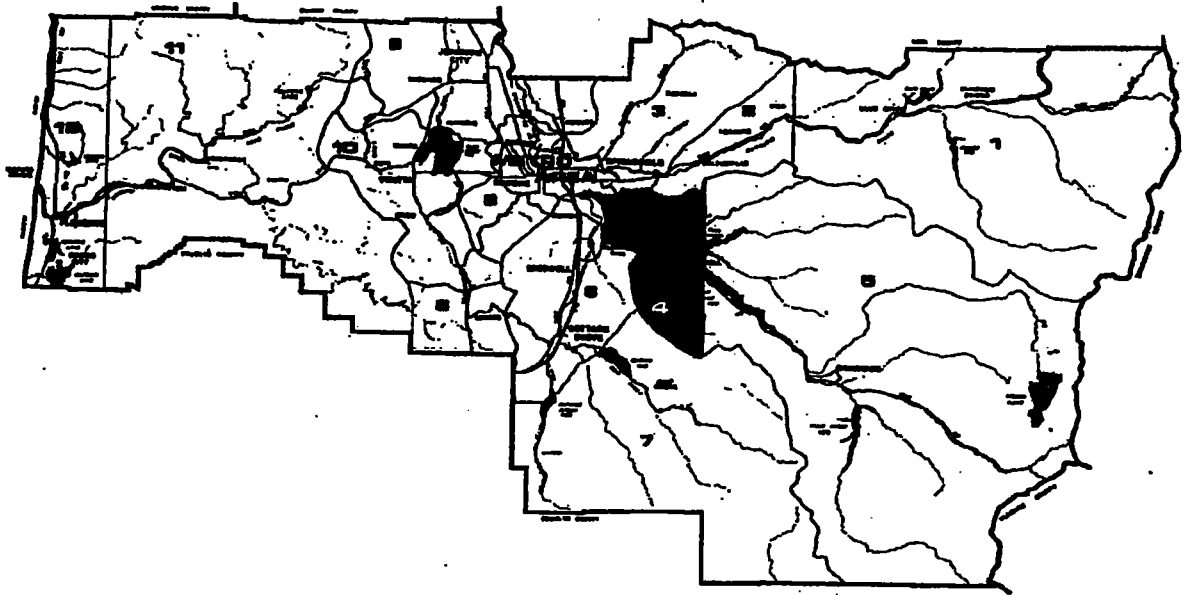
Regularly passed and adopted by the County Court of the County of Lane, State of Oregon, this 31st day of May, 1949.

Clinton Hawk
County Judge

at J. Hollander
County Commissioner

County Commissioner

Lane County Department of Environmental Management



**A COMPREHENSIVE LAND
USE PLAN for THE LOWER
MIDDLE FORK SUBAREA**

STATE OF OREGON DEPARTMENT OF LAND USE DIVISION

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LANE COUNTY BOARD OF COMMISSIONERS

Frank Elliott, Chairman
Nancy Hayward
Bob Wood

LANE COUNTY DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

George Svoboda, Director
Lee Miller, Director, Division of Planning
Michael D. Copely, Senior Planner, Regional Planning
Michael G. Yeager, Subarea Planner

Report prepared with assistance of: Lane Council of Governments

Published February, 1975, by Lane Council of Governments,
135 Sixth Avenue East, Eugene, Oregon 97401

Preparation of this plan was financially aided through federal grants from the Farmers Home Administration, Environmental Protection Agency, and Department of Housing and Urban Development. Project No. IGA-OR-10-00-0002.

A COMPREHENSIVE LAND USE PLAN
for
THE LOWER MIDDLE FORK SUBAREA

Lane County, Oregon
Adopted November, 1974

LANE COUNTY DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, DIVISION OF PLANNING

DEC 2 - 1974

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON Records and Elections of Lane County

BY D. M. Penfold
DEPUTY

✓ ORDER NO. 74-11-13-13

) IN THE MATTER OF ADOPTING THE LOWER
) MIDDLE FORK SUBAREA PLAN AS A COM-
) PONENT OF THE COUNTY GENERAL PLAN,
) AN ELEMENT OF THE COMPREHENSIVE PLAN
) FOR LANE COUNTY

WHEREAS, the Board of County Commissioners has received from the Lane County Planning Commission a resolution dated September 24, 1974, of record herein, recommending approval of the plan known as the Lower Middle Fork Subarea Plan; and

WHEREAS, the Board of County Commissioners has received public testimony on the Lower Middle Fork Subarea Plan; and

WHEREAS, the Board of County Commissioners has performed its public hearing and other duties in accordance with applicable law.

THEREFORE, IT IS HEREBY RESOLVED AND ORDERED that the "Lower Middle Fork Subarea Plan, Third Draft, dated October, 1974", (copy attached hereto and indicated as Appendix A) is adopted as supplemented by provisions attached as follows:

Appendix B: Revised Plan Diagram section except for Map 9, "Plan Diagram Map"— Chapter V, pages 87 to 92.

Appendix C: Amend Table 2 in Appendix B (Section V - The Plan Diagram) to designate the RURAL RESIDENTIAL category as having "Potential Plan Conformity: as a secondary land use in the RURAL, WOODLAND and GRAZING category.

Appendix D: Amend the "minimum parcel size" requirements of the RURAL, WOODLAND and GRAZING category in Table 1, Appendix B (Section V, The Plan Diagram) to add the following:

Minimum parcel sizes may be 10 acres in those areas where:

1. The general area consists predominantly of parcels of comparable size or smaller and the establishment of 10-acre parcels would not be incompatible with the character of the general area; and
2. Ten-acre minimum parcel sizes would not significantly deplete or otherwise prove incompatible with the protection, conservation, use and/or harvesting of important natural resources, particularly timber, sand and gravel, and important agricultural land; and
3. Ten-acre minimum parcel sizes would be commensurate with the environmental limitations of the area.

Appendix E: Amend Footnote 1 in Table 1 in Appendix B (Section V, The Plan Diagram) to substitute the following language: This Table, and Key Designation Factors, are based upon technical information contained in the Technical Report, which is separate from the Plan Report, and copies of which are on file at Planning Division offices and which are available for public reference.

BE IT FURTHER RESOLVED AND ORDERED that where a conflict exists between the Lower Middle Fork Subarea Plan and the Eugene-Springfield Metropolitan Area 1990 General Plan, the provisions of the Lower Middle Fork Subarea Plan shall prevail.

Adopted this 27th day of November, 1974.

BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

By Ken E. Oswald
Commissioner

By Frank B. Smith
Commissioner

By Nancy D. Hayward
Commissioner

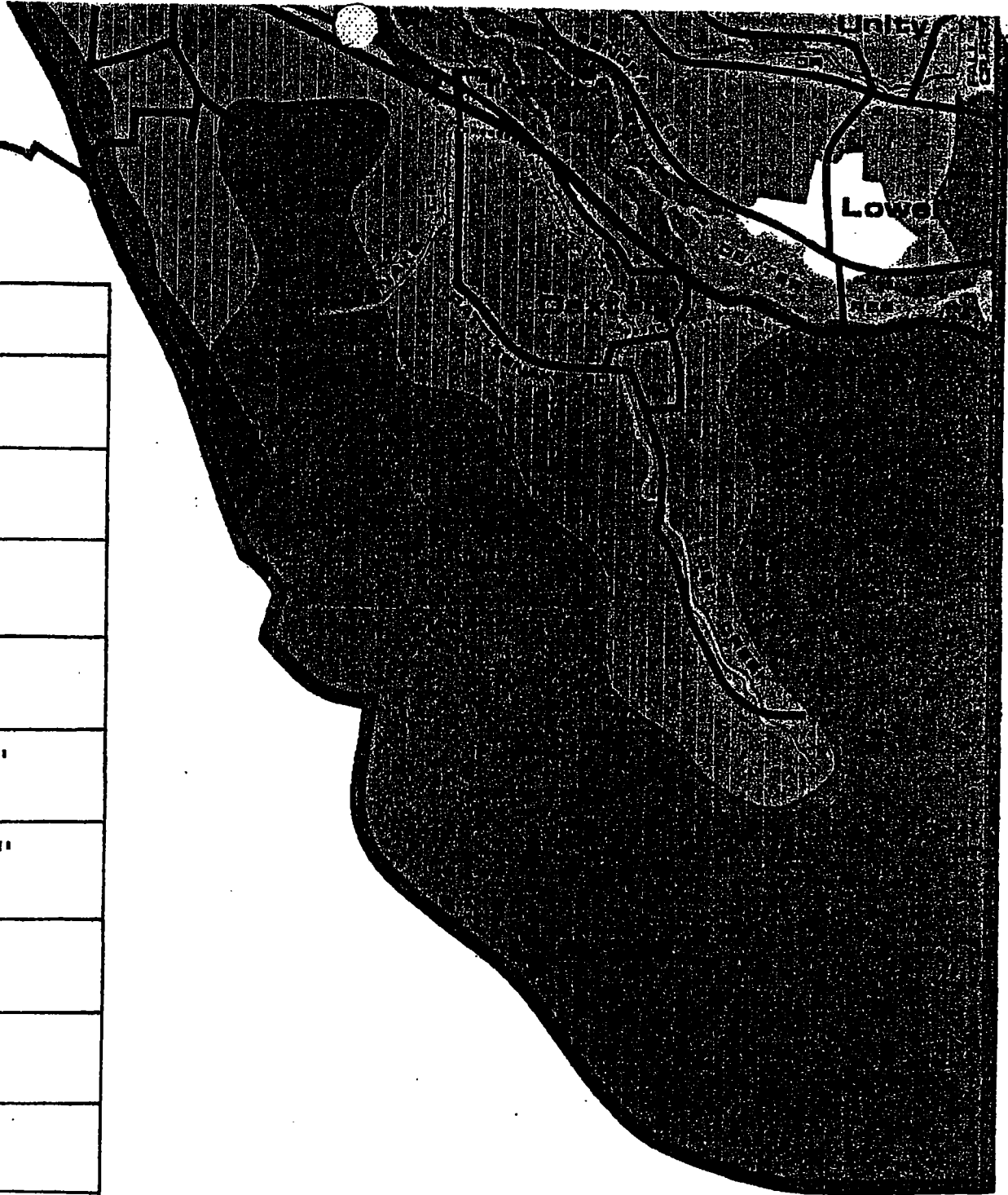
APPROVED AS TO FORM
DATE 11/26/74
John D. Shannon
OFFICE OF COUNTY COUNSEL

CLOVERDAL

Low



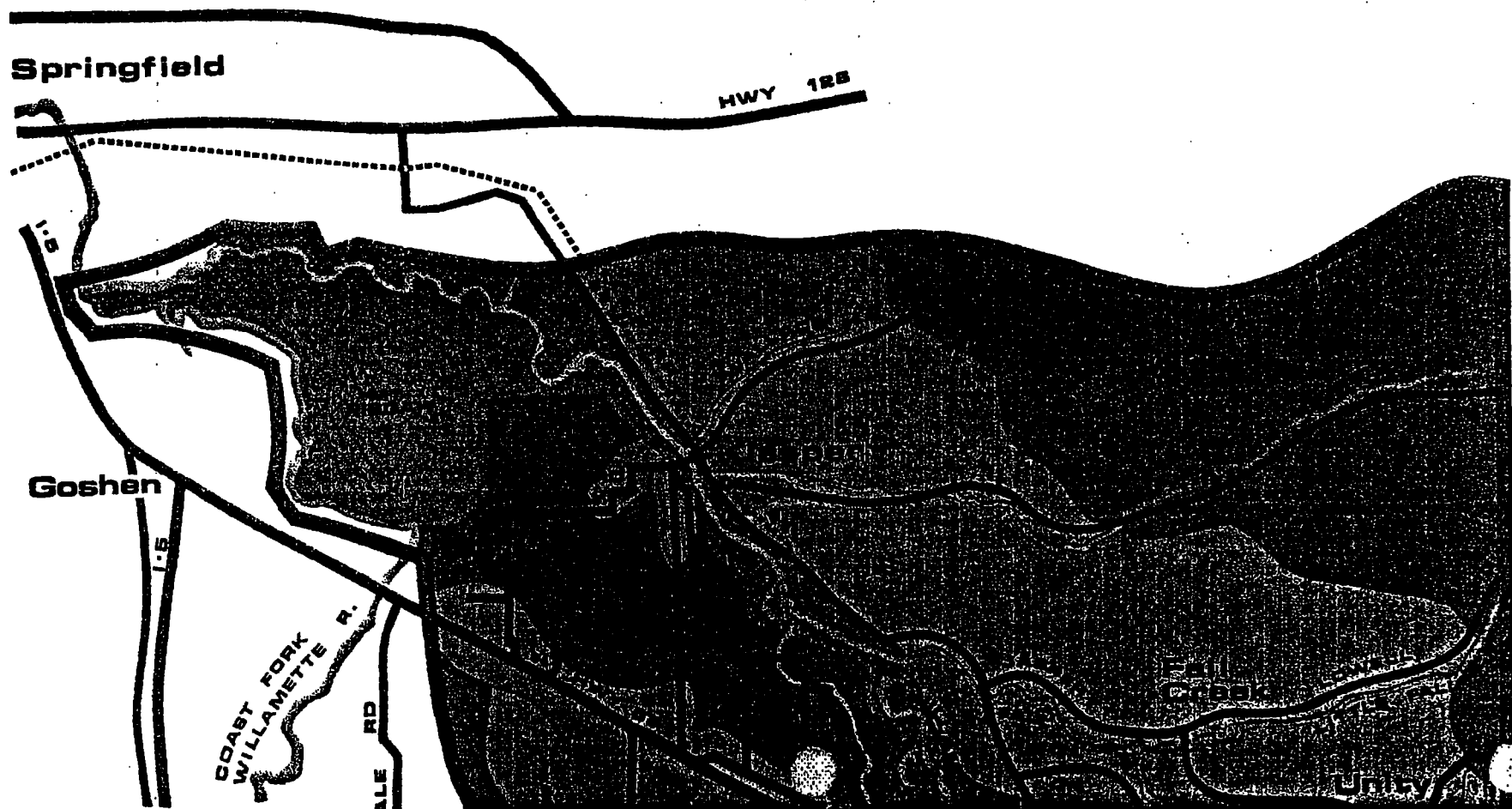
▲	PUBLIC FACILITIES
●	COMMUNITY COMMERCIAL
■	INDUSTRIAL
[Stippled pattern]	CONSERVATION RECREATION & OPEN SPACE
[Vertical line pattern]	NATURAL RESOURCE: TIMBER
[Horizontal line pattern]	NATURAL RESOURCE: SAND & GRAVEL
[Diagonal line pattern]	RURAL WOODLAND & GRAZING
[Dotted pattern]	RURAL RESIDENTIAL
[Cross-hatch pattern]	AGRICULTURE



Plan Diagram

* Plan Diagram recommendations for Dexter. Refer to the Dexter Community Plan for more detail.

** Lowell has its own city plan. Refer to the Lowell city plan for information on planning recommendations by the city.



FILED

REEL 91 PAGE 214

AT _____

NOV - 4 1977

BEFORE THE BOARD OF COUNTY COMMISSIONERS OF LAKE COUNTY, OREGON

CLERK OF
County of Lane Oregon
BY: *[Signature]*

LAKE COUNTY ZONING AND LAND USE)
ORDINANCE NO. 638)
)
)
)
)
)
)
)

IN THE MATTER OF ZONING AND REZONING
CERTAIN LANDS IN TOWNSHIP 17 SOUTH,
RANGE 1 WEST; AND TOWNSHIP 17 SOUTH,
RANGES 1 AND 2 EAST; TOWNSHIP 16
SOUTH, RANGE 2 EAST; AND PORTIONS OF
TOWNSHIPS 15 SOUTH, RANGE 2 EAST;
16 SOUTH, RANGE 1 EAST; AND 18 SOUTH,
RANGE 1 WEST, W.M.

After consideration and review of all Lane County Planning Division Staff Reports, Minutes of the Lane County Planning Commission and Board of County Commissioners, and written testimony and correspondence relating to the zoning and rezoning of the lands zoned by this Ordinance, the Board of County Commissioners of Lane County ordains as follows:

Under authority of the applicable sections of ORS Chapter 215 and Lane Code Chapter 10 and 12, the lands depicted on the Temporary Official Zoning Maps, copies of which are attached hereto as Exhibits "A", "B", "C", "D", "E", "F" and "G" made a part hereof by reference are hereby zoned as set forth on said exhibits, said zoning encompassing in whole or in part Range 1 West, Township 17 South; Ranges 15 and 25 East, Township 17 South; Range 25 East, Township 16 South; Range 25 East, Township 15 South, Range 15 East, Township 16 South and Range 1 West, Township 18 in various combinations of the following zoning categories:

Exclusive Farm Use-20 (KFU-20) District; Farm Forestry-20 (FF-20) District; Forest Management (FM) District; General Rural-10 (GR-10) District; Agriculture, Grazing and Timber Raising-5 (AGT-5) District; Rural Residential-5 (RR-5) District; Rural Residential-2 (RR-2) District; Rural Commercial (CA) District; Recreational Combining (R/R) District; Commercial (C-3) District; Tourist Commercial (CT) District; and Public Reserve (PR) District. The original Temporary Official zoning maps are on file in the Planning Division Office.

Enacted this 2nd day of November, 1977

[Signature: Archie Weinstein]
Chairman, Lane County Board of Commissioners

[Signature: Janet K. Walsh]
Recording Secretary for this Meeting of the Board

After public hearing this 19th of July, 1977, the rezoning and zoning cited in the hereinabove ordinance was approved by the Lane County Planning Commission and is recommended for enactment.

APPROVED AS TO FORM
DATE: *Nov 5 1977*
[Signature]
OFFICE OF LEGAL COUNSEL

[Signature: Lee M. ...]
Secretary, Lane County Planning Commission

Ordinance No. 638

THESE MAPS ARE NOT SIGNED BECAUSE THE LOWER MIDDLE
EAST ZONING WAS ADAPTED BY METES AND BOUNDS AND NOT
BY A TEMPORARY MAP. (SEE 75-109)

LANE COUNTY ZONING MAP

(FOR MAP STATUS SEE LANE CODE CHAPTER 10)

TOWNSHIP **18** SOUTH, RANGE **01** WEST WM

ORD #564
(11/2/75)

ORD #638
2 NOV 1977

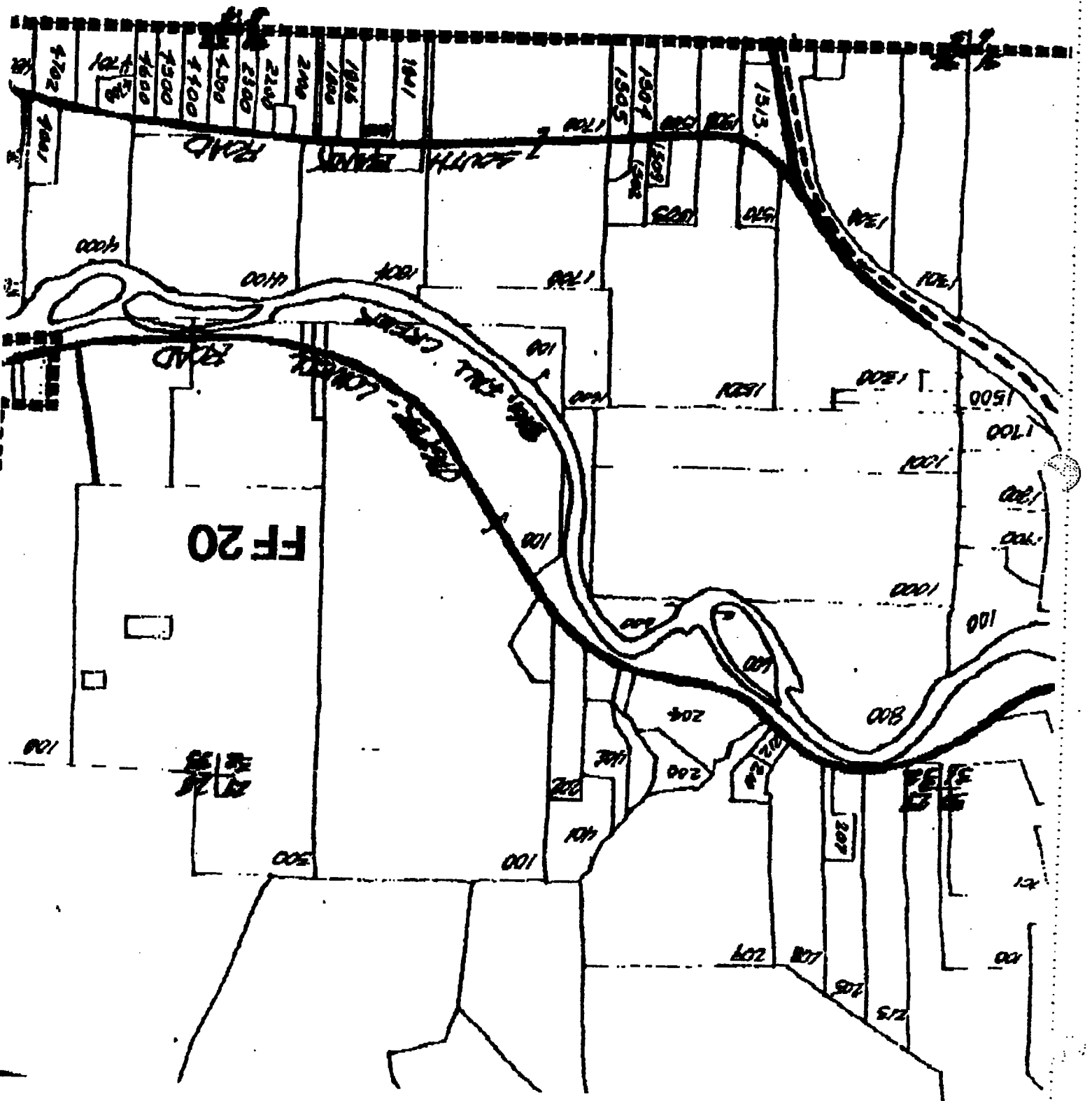
CHAIRMAN LANE COUNTY BOARD OF COMMISSIONERS

RECORDING SECRETARY

ORD #564
11/2/75

ORD #638

EXHIBIT B



Craig E. McKern, Appraiser, P.C.
State Certified Residential Real Estate Appraiser
Mailing: 1574 Coburg Road, PMB 397, Eugene, Oregon 97401-4802
Telephone 541-345-0744 Facsimile 541-345-0577
email: cem9th@msn.com

January 5, 2006
Jerry Dilley
Gary and Maxine Marlow
Thomas Marlow
Kearney and Patricia Simpson
Number Not Assigned Place Road, Fall Creek, Oregon 97438

c/o Steve Cornacchia
Hershner Hunter
180 East 11th Avenue, Eugene, Oregon 97401

RE: Lane Code 2.740 (6)

Steve,

For your files, here is the Ballot Measure 37 summary for the above owner's properties located at Number Not Assigned Place Road, Fall Creek, Oregon 97438. See the report cover page following this synopsis letter for an outline of the various tax lots and ownerships; see also the Land Use Regulation reports prepared by James Mann, LLC, for the three separate ownership parcels and his findings regarding Ballot Measure 37 as it pertains to these properties.

These six restricted appraisal reports of complete appraisals for the subject properties are restricted to knowledgeable users, namely yourself and your clients, with acknowledgment a Lane County claims decision committee will be a reader of these reports.

The reports are organized to provide opinions of value both for "before" and "after" the Ballot Measure 37 claims process. The "before" values are for the entire tax lots noted primarily "as is" however with the extraordinary assumption that a single buildable homesite can be obtained on each of the three tax lots even under current Exclusive Farm Use zoning. Obtaining such a homesite use would involve a conditional or special use permit for each parcel; this event does not appear to be unreasonable considering the James Mann findings of no or very limited restrictions on having such homesites when the properties were purchased by the various owners.

The actual buildability of each of the "as is" parcels, and of the hypothetical one acre parcels I have been asked to postulate for Ballot Measure 37 purposes, may be affected by one or more of the following physical factors: so far as the appraiser has been made aware, there is presently no well installed and no septic system approval on any of the three parcels. However, soils appear to allow good septic system possibilities with the likelihood sand filter systems will be required because of the various flood zones affecting the various parcels. There are numerous good wells in the area which is in the creek bottom of Fall Creek. However, the possibility of a community water system may need to be explored following Lane County approval of this Measure 37 claim if approval is gained for a number of one acre sites in any specific location.

Page one of two

Dilley, Marlow, Marlow and Simpson
Number Not Assigned Place Road, Fall Creek, Oregon 97438
c/o Steve Cornacchia
Page two of two

In my opinion, Tax Lot 1000 has few development restrictions for one acre parcels however the parcel appears to be mostly in a Zone AE flood plain, requiring elevated house foundations. Tax Lot 1005 is in Zone AE, Zone X (500 year) and Zone FW entirely and it is my opinion that roadways, parcel partitions and homesite placement will be substantially affected by the various flood areas. A survey or resurvey may be necessary to establish the correct east lines of Tax Lots 1005 and 1003 as this line is in dispute with a neighbor, per Mr. Simpson, and this line may affect creek access or frontage for various postulated sites. Tax Lot 1003 is divided by Tax Lot 1001, a 4.09 acre unimproved site, and both Tax Lot 1001 and 1003 appear to be under ownership of Jerry Dilley with possibly the Simpsons having a constructive interest.

Outwardly, about 65 acres appears to be partitionable under the Ballot Measure 37 scenario. In my opinion, Tax Lots 1000 and 1001 are likely mostly partitionable under this scenario while the easterly portions of Tax Lots 1005 and 1003 are likely to have floodway setback issues which may require elevation surveys and careful planning to resolve in favor of an optimum use.

Should the Ballot Measure 37 claim be fully approved by Lane County subject to physical limitations for floodways, setbacks, viable wells and septic system approvals, it is my opinion, hypothetically speaking, that Tax Lot 1000 could have 15 or more one acre sites available out of 23.37 acres total; Tax Lot 1005 could have 10 or more one acre sites available out of 17.70 acres total; and Tax Lot 1001 and 1003 could have 15 or more one acre sites available out of 24.13 acres total. The assumptions in this paragraph are affected by the appraiser's observation that the far easterly portions of Tax Lots 1005 and 1003 are likely to have considerable setback from the floodway creek margin and that perhaps the highest and best use of the creek margin setback area, however wide that may be, could well be for a common area park within a riparian conservation or preservation easement or newly created parcel of about 5 to 15 acres more or less out of those two tax lots.

Therefore it is postulated:

"Before scenario values", assuming one buildable site per present tax lot:

Tax Lots 1000 - \$160,000; Tax Lot 1005 - \$135,000; Tax Lots 101 and 1003 - \$150,000;
total \$445,000, say \$450,000 even..

"After scenario values" with assumptions outlined above and in the specific reports:

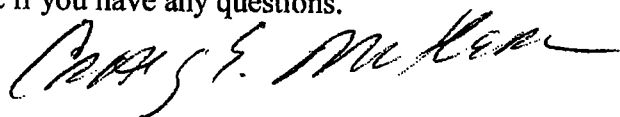
A total of 40 one acre hypothetical buildable sites at \$100,000 each - \$4,000,000; plus the residual 25 acres of unbuildable land for roadways, setbacks, buffer zones, riparian zones and possible other common area uses given a base unbuildable farmland value of \$2,000 per net acre for \$50,000; total \$4,050,000, say \$4,000,000 even.

The postulated, hypothetical dollar difference of \$3,550,000 can be attributed to the creation of 40 buildable one acre sites from previously undeveloped acreage.

Please contact me if you have any questions.

Cordially,

Craig E. McKern



Three Restricted Appraisal Reports of Complete Appraisals of

Vacant Acreages located at
Number Not Assigned Place Road
Fall Creek, Oregon 97438

Tax Lot 18-01-32-00-01000

("as is" with 23.37 acres, a "before" scenario
Owners of Record: Gary and Maxine Marlow and Kearney and Patricia Simpson
file 092105A

and

A Hypothetical one acre portion of Tax Lot 18-01-32-00-01000
with one hypothetical acre only, an "after" scenario
file 092105B

AND

Tax Lot 18-01-32-00-01005

("as is" with 17.70 acres, a "before" scenario)
Owner of Record: Thomas Marlow
file 092605C

and

A Hypothetical one acre portion of Tax Lot 18-01-32-00-01005
with one hypothetical acre only, an "after" scenario
File 092105D

AND

Tax Lots 18-01-32-00-01001 and 01003, combined

("as is" with 24.13 acres, a "before" scenario
Owner of Record: Jerry Dilley
File 092105E

and

A Hypothetical one acre portion of Tax Lots 18-01-32-00-01001 and 01003, combined
with one hypothetical acre only, an "after" scenario
File 092105F

Clients:

Dilley, Jerry; Marlow, Gary and Maxine; Marlow, Thomas; Simpson, Kearney and Patricia

c/o Steve Comacchia, attorney
Hershner Hunter
180 East 11th Avenue
Eugene, Oregon 97401

Purpose of the Appraisal:

To estimate market value of actual and hypothetical parcels subject to certain conditions
outlined in the text and exhibits of the reports 092105A through F

Use of the Appraisal:

For use in a State Measure 37 proceeding brought by the owners and their attorney in Lane County, Oregon

Date of Most Recent Inspection

and Effective Date of Reports:
October 10, 2005

Reports Completion Date:

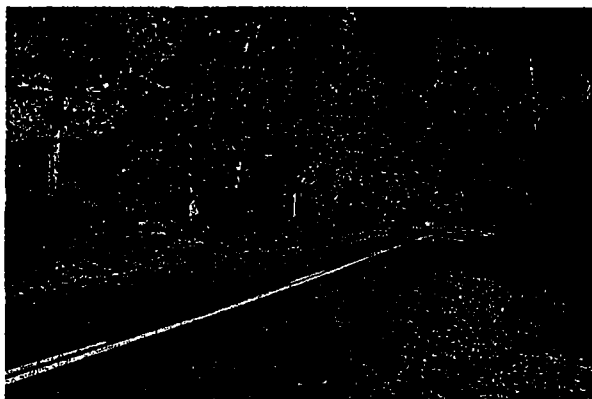
January 3, 2006

Prepared by:

Craig E. McKern, Appraiser, P.C.
Certified Residential Real Estate Appraiser
1574 Coburg Road, PMB 397
Eugene, Oregon 97401-4802
files 092105A through F

Tax Lot 1000 photos

Borrower/Client	No borrower						
Property Address	Number Not Assigned Place Road // Tax Lot 18-01-32-00-01000						
City	Fall Creek	County	Lane	State	OR	Zip Code	97438
Lender	Marlow and Simpson c/o Steve Comacchia						



Place Road looking north from north access road shown on aerial photo



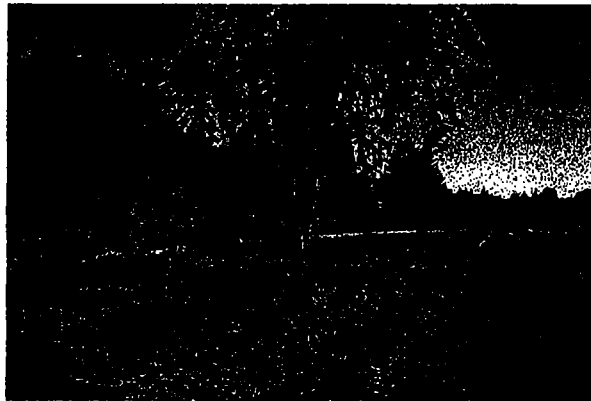
Place Road looking south from same point as photo above, Tax Lot 1002, not included in this Measure 37 claim, is center left and Tax Lot 1003, west portion, is the overgrown Christmas tree line in left distance



Main access road looking east from Place Road, Tax Lot 100 and 1002 property line is approximately at tree line in center of photo, running east and west

Tax Lot 1000 photos page two

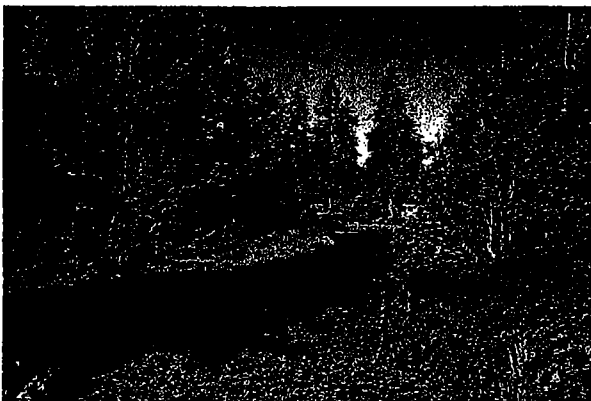
Borrower/Client	No borrower						
Property Address	Number Not Assigned Place Road // Tax Lot 18-01-32-00-01000						
City	Fall Creek	County	Lane	State	OR	Zip Code	97438
Lender	Marlow and Simpson c/o Steve Comacchia,						



Main access road looking east along north property line area; actual line is left of tree line



Far east end of Tax Lot 1000 looking west; this area has been used as a runway for light plane in the past



Fall Creek looking southwest from Jasper Lowell Road toward bend shown on plat and aerial photos; left bank is on Tax Lot 801 and not part of Tax Lot 1000

LAND APPRAISAL REPORT

File No. 092105A

Restricted Appraisal Report

Borrower No borrower Census Tract 41-39-16 Map Reference Pittmon County 55
 Property Address Number Not Assigned Place Road // Tax Lot 18-01-32-00-01000
 City Fall Creek County Lane State OR Zip Code 97438
 Legal Description Lengthy Metes and Bounds Legal Description\see preliminary title report or deed attached
 Sale Price \$ Not Sold Date of Sale N/A Loan Term N/A yrs. Property Rights Appraised Fee Leasehold De Minimis PUD
 Actual Real Estate Taxes \$ 637.25 (yr) Loan charges to be paid by seller \$ N/A Other sales concessions Not Applicable
 Lender/Client Marlow and Simpson c/o Steve Comacchia Address attorney, 180 East 11th Avenue, Eugene, Oregon 97401
 Occupant vacant land Appraiser Craig E. McKern Instructions to Appraiser appraise to market value per USPAP standards
Craig E. McKern, Appraiser, P.C. 1574 Coburg Road, PMB 397, Eugene, Oregon 97401 telephone 541-345-0744 fax 541-345-0577

<p>LOCATION</p> <p>Urban <input type="checkbox"/> Suburban <input checked="" type="checkbox"/> Rural <input type="checkbox"/> Built Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25% to 75% <input type="checkbox"/> Under 25% <input type="checkbox"/> Growth Rate <input type="checkbox"/> Fully Dev. <input type="checkbox"/> Rapid <input type="checkbox"/> Steady <input checked="" 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"/> Oversupply <input type="checkbox"/> Marketing Time <input checked="" type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 4-6 Mos. <input type="checkbox"/> Over 6 Mos. Present Land Use <u>80% 1 Family 1% 2-4 Family 1% Apts. % Condo 1% Commercial</u> <u>1% Industrial 5% Vacant 9% parks, greenway, public</u> Change in Present Land Use <input type="checkbox"/> Not Likely <input type="checkbox"/> Likely (*) <input checked="" type="checkbox"/> Taking Place (*) (*) From <u>vacant/undeveloped</u> To <u>Residential</u> Predominant Occupancy <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <u>5 % Vacant</u> Single Family Price Range <u>\$ 100 to \$ 700+</u> Predominant Value \$ <u>none</u> Single Family Age <u>New yrs. to 100+ yrs.</u> Predominant Age <u>None yrs.</u></p>	<p>NEIGHBORHOOD</p> <p>Employment Stability <input checked="" type="checkbox"/> Good Avg. Fair Poor Convenience to Employment <input checked="" type="checkbox"/> Convenience to Shopping <input checked="" type="checkbox"/> Convenience to Schools <input checked="" type="checkbox"/> Adequacy of Public Transportation <input checked="" type="checkbox"/> Recreational Facilities <input checked="" type="checkbox"/> Adequacy of Utilities <input checked="" type="checkbox"/> Property Compatibility <input checked="" type="checkbox"/> Protection from Detrimental Conditions <input checked="" type="checkbox"/> Police and Fire Protection <input checked="" type="checkbox"/> General Appearance of Properties <input checked="" type="checkbox"/> Appeal to Market <input checked="" type="checkbox"/></p>
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Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): Land use percentages approximate, to show variety of uses only. Dedicated farm/forest lands not included in vacant/developable land percentage. Subject is located in lower Fall Creek area about 8 air miles southeast of Springfield city limits, close to Jasper County Park, Willamette River, lakes. Commute time to Eugene-Springfield metro area 15 to 25 minutes; access to Highway 58 about 10 minutes. Wide variety of improvements, site sizes, view aspects, values.

Dimensions Irregular, see plat map = 23.37 Sq. Ft. or Acres Corner Lot
 Zoning classification EFU Exclusive Farm Use (40 acre min. for new sites) Present Improvements do conform to zoning regulations
 Highest and best use Present use Other (specify) Subject is a legal lot of record platted, improved prior to present EFU zoning circa 1984
 Public Other (Describe) OFF SITE IMPROVEMENTS
 Etc. Street Access Public Private Topo Level to slight
 Gas Surface Asphalt Size Larger than typical for area plat
 Water none to date Maintenance Public Private Shape Irregular
 San Sewer Assm permit Storm Sewer Curb/Gutter View Wooded, hills
 Underground Elect. & Tel. Sidewalk Street Lights Drainage Normally adequate FEMA map 41039C1680F Zones X and AE
 Is the property located in a HUD Identified Special Flood Hazard Area? Yes No

Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): Tax Lot 1000 extends from Place Road east to Tax Lot 1005 with open pasture area and overgrown Christmas trees, fringe maples, cottonwoods and underbrush along north boundary. Cleared roadway has been used for a light aircraft airstrip; older small plywood hangar is only improvement. Level, sandy loam (Newberg C1s 1lw) & mixed loam, sand & gravel (Camas C1s 1vw) soils; Tax Lot 1000 has not been flooded per owner since Fall Creek Dam was constructed.

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.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	Tax Lot 18-01-32-00-01000 Fall Creek	Tax Lot 19-01-17-00-01600 Dexter/ asking \$145,000	Tax Lot 18-02-19-00-02603 Pleasant Hill/ asking \$175,000	
Proximity to Subject		5 air miles southwest	10 air miles southwest	
Sales Price	\$ Not Sold	\$ 142,000	\$ 175,000	\$
Price	\$	\$	\$	\$
Data Source	Obs./Owner/County	Observation/ Realtor/ County	Observation/ Realtor/ County	
Date of Sale and Time Adjustment	DESCRIPTION 10-10-2005	DESCRIPTION 07-2005 (COE)	DESCRIPTION 0 Active Listing	DESCRIPTION +(-) \$ Adjust
Location	Average plus	Average plus	Above Average	-20,000
Site/View	23.37ac /Field/Woods	20ac/Creek/Woods	29.4ac/Field, Hills	-12,000
Dwelling/ permitted	None/ Assumed Prmt	None/ Assmd Prmt.	None/ Assmd Prmt.	
Access / Driveway	Good/ shared drive	Average/easement	Good/ road front	0
Well / Septic	None/Assm'd Permit	None/Aprvd Permit	None/Assm'd Permit	
Adverse factors	AE flood zone areas	Highway/railroad	AE, FW flood/ Hwy	+20,000
Sales or Financing Concessions	Cash to Seller assumed	Cash	Cash to Seller assumed	
Net Adj. (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 13,000	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 12,000	<input type="checkbox"/> + <input type="checkbox"/> - \$
Indicated Value of Subject		Net 9.2 % \$ 155,000	Net 6.9 % \$ 163,000	Net % \$

Comments on Market Data: Extremely limited recent market data available for parcels similar to subject in the Fall Creek or competitive market areas around the Eugene-Springfield market area. A number of active, pending and sold properties were reviewed and the above two indicators selected as the only two reasonable indicators useful for acreage and location comparison. A second parcel similar to and next to Sale 1 ***

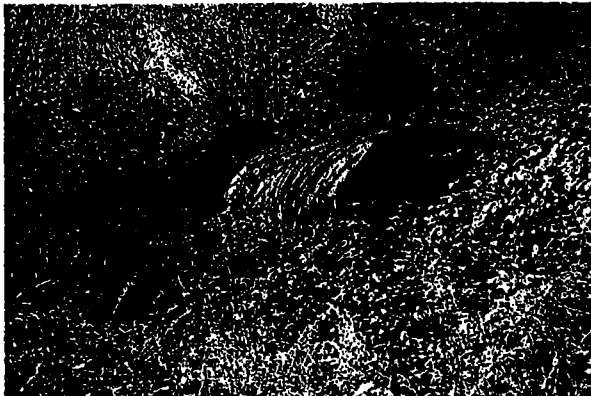
Comments and Conditions of Appraisal: *** was reported sold for \$145,000 for 26.19 acres however this site included past industrial uses and old structures. Sale 1 has limited level land with mostly rolling hillside between Union Pacific Railroad right-of-way and Lost Creek with Highway 58 about 1/4 mile north. Indicator 2 is an EFU 30 zoned site between Mathews Road and Highway 58, considerably closer in and with an asking price reflecting a possible but to date unproven right to construct a dwelling. Subject likewise "as is" has only "possible" dwelling rights.

Final Reconciliation: The market data (sale comparison) approach is the only reliable method of estimating vacant or non-residential site value. The cost approach is omitted as there are no improvements on this existing or hypothetical site. The income approach does not normally apply to vacant land.

ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF October 10, 2005 to be \$ 160,000
 The opinion of value stated is within a range of indicated values. Value opinion is provided for comparison purposes in a Measure 37 proceeding only and only an actual open market exposure test can be considered to prove a true market value.
 Appraiser(s) Craig E. McKern Review Appraiser (if applicable) [Signature] Did Did Not Physically Inspect Property

Tax Lot 1005 photos

Borrower/Client	No borrower				
Property Address	Number Not Assigned Place Road // Tax Lot 18-01-32-00-01005				
City	Fall Creek	County	Lane	State	OR
Zip Code	97438				
Lender	Marlow, Thomas c/o Steve Comacchia,				



Diesel oil tank still in active use and located on Tax Lot 1005 east of Tax Lot 1000, south portion



Low drainage and former creek side channel area in Tax Lot 1005



Typical higher ground in Tax Lot 1005 which is partially flood mapped by FEMA as Zone AE and Zone X (within 500 year flood plain and with areas within the 100 year flood plain

Actual higher ground buildable areas within Tax Lot 1005 must be determined by on site elevation surveys

Majority of Tax Lot 1005 is brush and tree covered with no recent agricultural use noted

LAND APPRAISAL REPORT

File No. 092105C

Restricted Appraisal Report

Borrower No borrower Census Tract 41-39-16 Map Reference Pittmon County 55
 Property Address Number Not Assigned Place Road // Tax Lot 18-01-32-00-01005
 City Fall Creek County Lane State OR Zip Code 97438
 Legal Description Lengthy Metes and Bounds Legal Description\see preliminary title report or deed attached
 Sale Price \$ Not Sold Date of Sale N/A Loan Term N/A yrs. Property Rights Appraised Fee Leasehold De Minimis PUD
 Actual Real Estate Taxes \$ 22.02 (yr) Loan charges to be paid by seller \$ N/A Other sales concessions Not Applicable
 Lender/Client Marlow, Thomas c/o Steve Cornacchia Address attorney, 180 East 11th Avenue, Eugene, Oregon 97401
 Occupant vacant land Appraiser Craig E. McKern Instructions to Appraiser appraise to market value per USPAP standards.
Craig E. McKern, Appraiser, P.C. 1574 Coburg Road, PMB 397, Eugene, Oregon 97401 telephone 541-345-0744 fax 541-345-0577

Location Built Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25% to 75% <input type="checkbox"/> Under 25% Growth Rate <input type="checkbox"/> Fully Dev. <input checked="" type="checkbox"/> Rapid <input type="checkbox"/> Steady <input checked="" type="checkbox"/> Slow Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Oversupply Marketing Time <input checked="" type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 4-6 Mos. <input type="checkbox"/> Over 6 Mos. 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General Appearance of Properties	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>																																																														
Appeal to Market	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>																																																														

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): Land use percentages approximate, to show variety of uses only. Dedicated farm/forest lands not included in vacant/developable land percentage. Subject is located in lower Fall Creek area about 8 air miles southeast of Springfield city limits, close to Jasper County Park, Willamette River, lakes. Commute time to Eugene-Springfield metro area 15 to 25 minutes; access to Highway 58 about 10 minutes. Wide variety of improvements, site sizes, view aspects, values.

Dimensions Irregular, see plat map = 17.70 Sq. Ft. or Acres Corner Lot
 Zoning classification EFU Exclusive Farm Use (40 acre min. for new sites) Present improvements do do not conform to zoning regulations
 Highest and best use Present use Other (specify) Subject is a legal lot of record platted, unimproved prior to present EFU zoning circa 1984
 Public Other (Describe) OFF SITE IMPROVEMENTS
 Elec. Available Street Access Public Private Topo Level to slight, drainageways and creek channels
 Gas Surface All Weather Gravel Size Larger than typical for area plat
 Water none to date Maintenance Public Private View Wooded, hills, creek access at moderate slope bank
 San. Sewer Assm permit Storm Sewer Curb/Gutter Drainage Normally adequate FEMA 41039C1680F Zones X, AE, FW, X5
Underground Elect. & Tel. Sidewalk Street Lights 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): Tax Lot 1005 borders T.L. 1000 on west, T.L. 1003 on south, T.L. 801 on north). Fringe maples, cottonwoods and underbrush with several open grassy clearings. Tax Lot 1005 is flooded mainly in periods of heavy winter rainfall in the low drainageways or creek channels. Depth from surface to winter water table may restrict septic system and homesite placement. Access presently through T.L. 1000 via private road, alternate access through T.L.s 1003, 1001. See aerial.

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.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	Tax Lot 18-01-32-00-01005 Fall Creek	Tax Lot 19-01-17-00-01600 Dexter/ asking \$145,000	Tax Lot 18-02-19-00-02603 Pleasant Hill/ asking \$175,000	
Proximity to Subject		5 air miles southwest	10 air miles southwest	
Sales Price	\$ Not Sold	\$ 142,000	\$ 175,000	\$
Price	\$	\$	\$	\$
Data Source	Obs./Owner/County	Observation/ Realtor/ County	Observation/ Realtor/ County	
Date of Sale and Time Adjustment	DESCRIPTION	DESCRIPTION +/- \$ Adjust	DESCRIPTION +/- \$ Adjust	DESCRIPTION +/- \$ Adjust
	10-10-2005	07-2005 (COE)	0 Active Listing	
Location	Average plus	Average plus	Above Average	-20,000
Site/View	17.70ac /Creek/Wds	20ac/Creek/Woods	29.4ac/Field, Hills	-20,000
Dwelling/ permitted	None/ Assumed Prmt	None/ Assmd Prmt	None/ Assmd Prmt	
Access / Driveway	Private drive easem't	Average/easement	Good/ road front	-15,000
Well / Septic	None/Assm'd Permit	None/Aprvd Permit	None/Assm'd Permit	
Adverse factors	AE, FW flood areas	Highway/railroad	AE, FW flood/ Hwy	+10,000
Sales or Financing Concessions	Cash to Seller assumed	Cash	Cash to Seller assumed	
Net Adj. (Total)		+ - \$ 7,000	+ - \$ 45,000	+ - \$
Indicated Value of Subject		Net 4.9 % \$ 135,000	Net 25.7 % \$ 130,000	Net % \$

Comments on Market Data: Extremely limited recent market data available for parcels similar to subject in the Fall Creek or competitive market areas around the Eugene-Springfield market area. A number of active, pending and sold properties were reviewed and the above two indicators selected as the only two reasonable indicators useful for acreage and location comparison. A second parcel similar to and next to Sale 1 ***

Comments and Conditions of Appraisal: *** was reported sold for \$145,000 for 26.19 acres however this site included past industrial uses and old structures. Sale 1 has limited level land with mostly rolling hillside between Union Pacific Railroad right-of-way and Lost Creek with Highway 58 about 1/4 mile north. Indicator 2 is an EFU 30 zoned site between Mathews Road and Highway 58, considerably closer in and with an asking price reflecting a possible but to date unproven right to construct a dwelling. Subject likewise "as is" has only "possible" dwelling rights.

Final Reconciliation: The market data (sale comparison) approach is the only reliable method of estimating vacant or non-residential site value. The cost approach is omitted as there are no improvements on this existing or hypothetical site. The income approach does not normally apply to vacant land. One buildable homesite is assumed in making comparison with comparable properties.

ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF October 10, 2005 to be \$ 135,000
 The opinion of value stated is within a range of indicated values. Value opinion is provided for comparison purposes in a Measure 37 proceeding only and only an actual open market exposure test can be considered to prove a true market value.
 Appraiser(s) Craig E. McKern Review Appraiser (if applicable) [Signature] Did Did Not Physically Inspect Property

LAND APPRAISAL REPORT

HYPOTHETICAL

File No. 092105D

Restricted Appraisal Report

Borrower No borrower Census Tract 41-39-16 Map Reference Pittman County 55
 Property Address Number Not Assigned Place Road // Tax Lot 18-01-32-00-01005 (HYPOTHETICAL one acre buildable site)
 City Fall Creek County Lane State OR Zip Code 97438
 Legal Description Hypothetical Meets and Bounds Description, unpartitioned portion of Tax Lot 18-01-32-00-01005
 Sale Price \$ Not Sold Date of Sale N/A Loan Term N/A yrs. Property Rights Appraised Fee Leasehold De Minimis PUD
 Actual Real Estate Taxes \$ TBA (yr) Loan charges to be paid by seller \$ N/A Other sales concessions Not Applicable
 Lender/Client Marlow, Thomas c/o Steve Cornacchia Address attorney, 180 East 11th Avenue, Eugene, Oregon 97401
 Occupant vacant land Appraiser Craig E. McKern Instructions to Appraiser appraise to market value per USPAP standards.
Craig E. McKern, Appraiser, P.C. 1574 Coburg Road, PMB 397, Eugene, Oregon 97401 telephone 541-345-0744 fax 541-345-0577

Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Good	Avg	Fair	Poor
Built Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%				
Growth Rate	<input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input type="checkbox"/> Steady	<input checked="" type="checkbox"/> Slow			
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining				
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply				
Marketing Time	<input checked="" type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.				
Present Land Use	<u>80%</u> 1 Family	<u>1%</u> 2-4 Family	<u>1%</u> Apts.	<u>1%</u> Condo	<u>1%</u> Commercial		
	<u>1%</u> Industrial	<u>5%</u> Vacant	<u>9%</u> parks, greenway, public				
Change in Present Land Use	<input type="checkbox"/> Not Likely	<input type="checkbox"/> Likely (*)	<input checked="" type="checkbox"/> Taking Place (*)				
	(*) From <u>vacant/undeveloped</u> To <u>Residential</u>						
Predominant Occupancy	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<u>5%</u> Vacant				
Single Family Price Range	\$ <u>100</u> to \$ <u>700+</u>		Predominant Value \$ <u>none</u>				
Single Family Age	<u>New</u> yrs. to <u>100+</u> yrs.		Predominant Age <u>None</u> yrs.				

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): Land use percentages approximate, to show variety of uses only. Dedicated farm/forest lands not included in vacant/developable land percentage. Subject is located in lower Fall Creek area about 8 air miles southeast of Springfield city limits, close to Jasper County Park, Willamette River, lakes. Commute time to Eugene-Springfield metro area 15 to 25 minutes; access to Highway 58 about 10 minutes. Wide variety of improvements, site sizes, view aspects, values.

Dimensions 208' x 208' more or less = 43,264 Sq. Ft. or Acres Corner Lot
 Zoning classification EFU Exclusive Farm Use (40 acre min. for new sites) Present Improvements do do not conform to zoning regulations
 Highest and best use Present use Other (specify) potential to allow one single family residence under present Measure 37 procedures
 Elec. Public Other (Describe) _____ OFF SITE IMPROVEMENTS Topo Level (assumed)
 Gas _____ Street Access Public Private Size Smaller than typical
 Water _____ Surface All Weather Gravel Shape Square
 San. Sewer _____ none to date Maintenance Public Private View Wooded, hills, creek access
 _____ Assm permit _____ Storm Sewer Curb/Gutter Drainage Normally adequate FEMA map 41039C1680F Zones X, AE, FW
 _____ Underground Elect. & Tel. _____ Sidewalk _____ Street Lights 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): Site as appraised is a hypothetical one acre parcel out of Tax Lot 1005 for Measure 37 claim purposes only and is not a legal lot of record or a buildable site at this time; permitted dwelling site assumed for purposes of Measure 37 comparison. A viable well and sand filter septic system permit are also assumed. Road access is good on existing roadway. Postulated dwelling sites are mainly on west half of Tax Lot 1005 in Zone X and AE flood plains; out of FW 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.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	Tax Lot 18-01-32-00-1005 <u>One Hypothetical Acre only</u>	Tax Lot 18-01-32-00-01800 <u>Fall Creek // asking \$175,000</u>	Tax Lot 19-01-03-00-00501 <u>Lowell// asking \$110,000</u>	Tax Lot 18-02-15-00-03304 & 06 <u>Pleasant Hill// asking \$165,000</u>
Proximity to Subject		<u>1/4 mile southeast</u>	<u>3 air miles east</u>	<u>5 air miles northwest</u>
Sales Price	\$ <u>Not Sold</u>	\$ <u>175,000</u>	\$ <u>110,000</u>	\$ <u>159,900</u>
Price	\$	\$	\$	\$
Data Source	<u>Obs./Owner/County</u>	<u>Observation/ Realtor/ County</u>	<u>Observation/ Realtor/ County</u>	<u>Obs./Owner/County</u>
Date of Sale and Time Adjustment	<u>DESCRIPTION</u>	<u>DESCRIPTION</u>	<u>DESCRIPTION</u>	<u>DESCRIPTION</u>
	<u>10-10-2005</u>	<u>Active Listing</u>	<u>Active Listing</u>	<u>05-2005 (COE)</u>
Location	<u>Average plus</u>	<u>Average plus</u>	<u>Average plus</u>	<u>Above Average</u>
Site/View	<u>One acre/Fields/Wds</u>	<u>2.86ac/Woods, Vty</u>	<u>1.01ac/Creek, Wds</u>	<u>3.15 ac/Fields, Hills</u>
Dwelling/ permitted	<u>None/ Assumed Prmt</u>	<u>None/ permitted</u>	<u>0 None/ Assmd Prmt</u>	<u>None/ permitted</u>
Access / Driveway	<u>Average/ no drive</u>	<u>Good/ private drive</u>	<u>Good/ no drive</u>	<u>Good/ private drive</u>
Well / Septic	<u>None/ Assm'd Permit</u>	<u>Installed/Installed</u>	<u>None/ Installed</u>	<u>Installed/Installed</u>
Adverse factors	<u>AE flood zone areas</u>	<u>None noted</u>	<u>FW, AE flood zone</u>	<u>X5 flood zone area</u>
Sales or Financing Concessions	<u>Cash to Seller assumed</u>	<u>Cash or Contract offered</u>	<u>Cash to Seller assumed</u>	<u>New Conv. Ln. No Points, Costs</u>
Net Adj. (Total)		<u>+ - \$ 55,000</u>	<u>+ - \$ 15,000</u>	<u>+ - \$ 73,000</u>
Indicated Value of Subject		<u>Net 31.4 % \$ 120,000</u>	<u>Net 13.6 % \$ 95,000</u>	<u>Net 45.7 % \$ 86,900</u>

Comments on Market Data: Extremely limited recent market data available for parcels similar to subject in the Fall Creek or competitive market areas around the Eugene-Springfield market area. A number of active, pending and sold properties were reviewed prior to selection of these three indicators; Indicators 1 and 2 are active listings; Indicator 1 on market since 11-09-2005, previous old home removed, site logged and appears to be a high indicator at the asking price. Indicator 2 is a narrow strip between Jasper-Lowell Road and Fall Creek with very limited building site area, listing Realtor notes 400' of creek and road frontage; on market since 08-15-2005. Both Indicators 1 and 2 are in Lowell School District, like subject. Sale 3 is closer to metro area, in Pleasant Hill School District, is in X5 flood plain, was on market 53 days, sold as "ready to build".

Final Reconciliation: The market data (sale comparison) approach is the only reliable method of estimating vacant or non-residential site value. The cost approach is omitted as there are no improvements on this hypothetical site. The income approach does not normally apply to vacant land. Note: adjustment for well/septic is made at \$5,000 for well, \$10,000 for sand filter septic system; land adjustment at \$15,000 per net acre.

ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF October 10, 2005 to be \$ 100,000
 The opinion of value stated is within a range of indicated values. Value opinion is provided for comparison purposes in a Measure 37 proceeding only and only an actual open market exposure test can be considered to prove a true market value.
 Appraiser(s) Craig E. McKern [] Did [] Did Not Physically Inspect Property
 Review Appraiser (if applicable) _____

Tax Lots 1001 and 1003 photos

Borrower/Client	No borrower				
Property Address	Number Not Assigned Place Road // Tax Lots 18-01-32-00-01001 and 1003				
City	Fall Creek	County	Lane	State	OR
Lender	Dilley and Simpson c/o Steve Cornochia,				
				Zip Code	97438



General view of brushy area in east portion of Tax Lot 1003 near Fall Creek channel



Looking south from near center of west portion of Tax Lot 1003, field beyond brush line is in Tax Lot 1501



General view of east portion of Tax Lot 1003 looking east toward Fall Creek channel, about where fir tree on horizon is and north of property line with Tax Lot 1501

LAND APPRAISAL REPORT

File No. 092105E

Restricted Appraisal Report

Borrower No borrower Census Tract 41-39-16 Map Reference Pittmon County 55
 Property Address Number Not Assigned Place Road // Tax Lots 18-01-32-00-1001 and 1003
 City Fall Creek County Lane State OR Zip Code 97438
 Legal Description Lengthy Metes and Bounds Legal Description\use preliminary title report or deed attached
 Sale Price \$ Not Sold Date of Sale N/A Loan Term N/A yrs. Property Rights Appraised Fee Leasehold De Minimis PUD
 Actual Real Estate Taxes \$ 637.25 (yr) Loan charges to be paid by seller \$ N/A Other sales concessions Not Applicable
 Lender/Client Dilley and Simpson c/o Steve Comacchia Address attorney, 180 East 11th Avenue, Eugene, Oregon 97401
 Occupant vacant land Appraiser Craig E. McKern Instructions to Appraiser appraise to market value per USPAP standards.
Craig E. McKern, Appraiser, P.C. 1574 Coburg Road, PMB 397, Eugene, Oregon 97401 telephone 541-345-0744 fax 541-345-0577

Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Good	Avg.	Fair	Poor
Built Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%				
Growth Rate	<input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input type="checkbox"/> Steady	<input checked="" type="checkbox"/> Slow			
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining				
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply				
Marketing Time	<input checked="" type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.				
Present Land Use	<input checked="" type="checkbox"/> 80% 1 Family	<input type="checkbox"/> 1% 2-4 Family	<input type="checkbox"/> 1% Apts.	<input type="checkbox"/> % Condo	<input type="checkbox"/> 1% Commercial		
	<input type="checkbox"/> 1% Industrial	<input type="checkbox"/> 5% Vacant	<input type="checkbox"/> 9% parks, greenway, public				
Change in Present Land Use	<input type="checkbox"/> Not Likely	<input type="checkbox"/> Likely (*)	<input checked="" type="checkbox"/> Taking Place (**)				
	(*) From <u>vacant/undeveloped</u> To <u>Residential</u>						
Predominant Occupancy	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<input type="checkbox"/> 5 % Vacant				
Single Family Price Range	\$ <u>100</u> to \$ <u>700+</u>		Predominant Value \$ <u>none</u>				
Single Family Age	<u>New yrs. to 100+</u> yrs.		Predominant Age <u>None</u> yrs.				

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): Land use percentages approximate, to show variety of uses only. Dedicated farm/forest lands not included in vacant/developable land percentage. Subject is located in lower Fall Creek area about 8 air miles southeast of Springfield city limits, close to Jasper County Park, Willamette River, lakes. Commute time to Eugene-Springfield metro area 15 to 25 minutes; access to Highway 58 about 10 minutes. Wide variety of improvements, site sizes, view aspects, values.

Dimensions Irregular, see plat map = 24.13 Sq. Ft. or Acres Corner Lot
 Zoning classification EFU Exclusive Farm Use (40 acre min. for new sites) Present Improvements do do not conform to zoning regulations
 Highest and best use Present use Other (specify) Subject is a legal lot of record platted, unimproved prior to present EFU zoning circa 1984
 Public Other (Describe) _____
 Elec. _____
 Gas _____
 Water none to date
 San. Sewer Assm permit
 Underground Elect. & Tel. _____
 OFF SITE IMPROVEMENTS
 Street Access Public Private
 Surface Asphalt
 Maintenance Public Private
 Storm Sewer Curb/Gutter
 Sidewalk Street Lights
 Topo Mostly level to slight
 Size Larger than typical for area plat
 Shape Mostly Rectangular
 View Wooded, hills, possible creek access, frontage at east edge
 Drainage Normally adequate FEMA 41039C1680F Zones X, FW, AE
 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): Tax Lots 1001 and 1003 extend from Place Road east to possible creek frontage (subject to survey). Sandy loam (Newberg C1s Iw) & mixed loam, sand & gravel (Camas C1s Iw) soils. west end of TL 1001, 1003 has not been flooded per owner since Fall Creek Dam was constructed, per owner. Site is mostly 428' m/l wide and 2,650 feet m/l deep (less TL 1004) from Place Road to near Fall Creek margin (see aerial photos, plat map, site photos).

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.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	TLs 18-01-32-00-1001 and 1003 Fall Creek	Tax Lot 19-01-17-00-01600 Dexter asking \$145,000	Tax Lot 18-02-19-00-02603 Pleasant Hill asking \$175,000	
Proximity to Subject		5 air miles southwest	10 air miles southwest	
Sales Price	\$ Not Sold	\$ 142,000	\$ 175,000	\$
Price	\$	\$	\$	\$
Data Source	Obs./Owner/County	Observation/ Realtor/ County	Observation/ Realtor/ County	
Date of Sale and Time Adjustment	DESCRIPTION	DESCRIPTION +(-) \$ Adjust.	DESCRIPTION +(-) \$ Adjust.	DESCRIPTION +(-) \$ Adjust.
	10-10-2005	07-2005 (COE)	Active Listing	0
Location	Average plus	Average plus	Above Average	-20,000
Site/View	24.37ac /Field/Woods	20ac/Creek/Woods	29.4ac/Field, Hills	-12,000
Dwelling/ permitted	None/ Assumed Prmt	None/ Assmd Prmt.	None/ Assmd Prmt.	
Access / Driveway	Good/ no driveway	Average/easement	Good/ road front	-10,000
Well / Septic	None/Assm'd Permit	None/Aprvd Permit	None/Assm'd Permit	
Adverse factors	AE, FW flood areas	Highway/railroad	AE, FW flood/ Hwy	+20,000
Sales or Financing Concessions	Cash to Seller assumed	Cash	Cash to Seller assumed	
Net Adj. (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 8,000	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 22,000	<input type="checkbox"/> + <input type="checkbox"/> - \$
Indicated Value of Subject		Net: 6.6 % \$ 150,000	Net: 12.6 % \$ 153,000	Net % \$

Comments on Market Data: Extremely limited recent market data available for parcels similar to subject in the Fall Creek or competitive market areas around the Eugene-Springfield market area. A number of active, pending and sold properties were reviewed and the above two indicators selected as the only two reasonable indicators useful for acreage and location comparison. A second parcel similar to and next to Sale 1 ***

Comments and Conditions of Appraisal: *** was reported sold for \$145,000 for 26.19 acres however this site included past industrial uses and old structures. Sale 1 has limited level land with mostly rolling hillside between Union Pacific Railroad right-of-way and Lost Creek with Highway 58 about 1/4 mile north. Indicator 2 is an EFU 30 zoned site between Mathews Road and Highway 58, considerably closer in and with an asking price reflecting a possible but to date unproven right to construct a dwelling. Subject likewise "as is" has only "possible" dwelling rights.

Final Reconciliation: The market data approach, based on the sales of reasonably similar properties, is judged the more reliable indicator of value. Support is from the cost approach. The income approach is not considered applicable to owner-occupied single family residences. The stated opinion of value is within a narrow range of adjusted, indicated values. Appraised value assumes 1 buildable homesite for comparison purposes.

ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF October 10, 2005 to be \$ 150,000

The opinion of value stated is within a range of indicated values. Value opinion is provided for comparison purposes in a Measure 37 proceeding only and only an actual open market exposure test can be considered to prove a true market value.

Craig E. McKern Craig E. McKern Did Did Not Physically Inspect Property
 Appraiser(s) Craig E. McKern Review Appraiser (if applicable)

{Y2K}

Craig E. McKern, Appraiser, P.C.

LAND APPRAISAL REPORT

HYPOTHETICAL

Restricted Appraisal Report

File No. 092105F

Borrower No borrower Census Tract 41-39-16 Map Reference Pittman County 55
 Property Address Number Not Assigned Place Road // Tax Lots 18-01-32-00-01001 and 1003 (HYPOTHETICAL one acre buildable site)
 City Fall Creek County Lane State OR Zip Code 97438
 Legal Description Hypothetical Mates and Bounds Description; unpartitioned portion of Tax Lot 18-01-32-00-01005
 Sale Price \$ Not Sold Date of Sale N/A Loan Term N/A yrs. Property Rights Appraised Fee Leasehold De Minimis PUD
 Actual Real Estate Taxes \$ TBA (yr) Loan charges to be paid by seller \$ N/A Other sales concessions Not Applicable
 Lender/Client Dilley and Simpson c/o Steve Comacchia, Address attorney, 180 East 11th Avenue, Eugene, Oregon 97401
 Occupant vacant land Appraiser Craig E. McKern Instructions to Appraiser appraise to market value per USPAP standards.
Craig E. McKern, Appraiser, P.C. 1574 Coburg Road, PMB 397, Eugene, Oregon 97401 telephone 541-345-0744 fax 541-345-0577

IDENTIFICATIONS

Location Urban Suburban Rural
 Built Up Over 75% 25% to 75% Under 25%
 Growth Rate Fully Dev. Rapid Steady Slow
 Property Values Increasing Stable Declining
 Demand/Supply Shortage In Balance Oversupply
 Marketing Time Under 3 Mos. 4-6 Mos. Over 6 Mos.
 Present Land Use 80% 1 Family 1% 2-4 Family 1% Apts. % Condo 1% Commercial
1% Industrial 5% Vacant 9% parks, greenway, public
 Change in Present Land Use Not Likely Likely (*) Taking Place (*)
 (*) From vacant/undeveloped To Residential
 Predominant Occupancy Owner Tenant 5 % Vacant
 Single Family Price Range \$ 100 to \$ 700+ Predominant Value \$ none
 Single Family Age New yrs. to 100+ yrs. Predominant Age None yrs.

NEIGHBORHOOD

Employment Stability Good Avg. Fair Poor
 Convenience to Employment
 Convenience to Shopping
 Convenience to Schools
 Adequacy of Public Transportation
 Recreational Facilities
 Adequacy of Utilities
 Property Compatibility
 Protection from Detrimental Conditions
 Police and Fire Protection
 General Appearance of Properties
 Appeal to Market

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): Land use percentages approximate, to show variety of uses only. Dedicated farm/forest lands not included in vacant/developable land percentage. Subject is located in lower Fall Creek area about 8 air miles southeast of Springfield city limits, close to Jasper County Park, Willamette River, lakes, Commute time to Eugene-Springfield metro area 15 to 25 minutes; access to Highway 58 about 10 minutes. Wide variety of improvements, site sizes, view aspects, values.

Dimensions 208' x 208' more or less = 43,264 Sq. Ft. or Acres Corner Lot
 Zoning classification EFU Exclusive Farm Use (40 acre min. for new sites) Present Improvements do do not conform to zoning regulations
 Highest and best use Present use Other (specify) potential to allow one single family residence under present Measure 37 procedures
 Public Other (Describe) _____
SITE
 Elec. Gas Water San. Sewer
 none to date
 Assm permit
 Underground Elect. & Tel. _____
 OFF SITE IMPROVEMENTS
 Street Access Public Private
 Surface Asphalt
 Maintenance Public Private
 Storm Sewer Curb/Gutter
 Sidewalk Street Lights
 Topo Level (assumed)
 Size Smaller than typical
 Shape Square
 View Wooded, hills
 Drainage Normally adequate FEMA map 41039C1680F Zones X and AE
 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): Site as appraised is a hypothetical one acre parcel out of T.L.'s 1001 & 1003 for Measure 37 purposes only and is not a legal lot of record or a buildable site at this time; permitted dwelling site assumed for purposes of Measure 37 comparison. A viable well and sand filter septic system permit are also assumed. Road access is good. Postulated dwelling site are mainly on west two thirds of Tax Lot 1005 in Zone X and AE flood plains; out of FW zone at far east edge

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.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	T.L.'s 18-01-32-00-1001 & 1003 One Hypothetical Acre only	Tax Lot 18-01-32-00-01800 Fall Creek // asking \$175,000	Tax Lot 19-01-03-00-00501 Lowell// asking \$110,000	Tax Lot 18-02-15-00-03304 & 06 Pleasant Hill// asking \$165,000
Proximity to Subject		1/4 mile southeast	3 air miles east	5 air miles northwest
Sales Price	\$ Not Sold	\$ 175,000	\$ 110,000	\$ 159,900
Price	\$	\$	\$	\$
Data Source	Obs./Owner/County	Observation/ Realtor/ County	Observation/ Realtor/ County	Observation/ Realtor/ County
Date of Sale and Time Adjustment	DESCRIPTION	DESCRIPTION +/- \$ Adjust	DESCRIPTION +/- \$ Adjust	DESCRIPTION +/- \$ Adjust
Location	10-10-2005 Average plus	Active Listing Average plus	Active Listing Average plus	05-2005 (COE) Above Average -20,000
Site/View	One acre/Fields/Wds	2.86ac/Woods, Vly -30,000	1.01ac/Creek, Wds 0	3.15 ac/Fields, Hills -30,000
Dwelling/ permitted	None/ Assumed Prmt	None/ permitted 0	None/ Assmd Prmt	None/ permitted 0
Access / Driveway	Good/ no driveway	Good/ private drive -5,000	Good/ no drive	Good/ private drive -5,000
Well / Septic	None/Assm'd Permit	Installed/Installed -15,000	None/ Installed -10,000	Installed/Installed -15,000
Adverse factors	AE flood zone areas	None noted -5,000	FW, AE flood zone 0	X5 flood zone area 0
Sales or Financing Concessions	Cash to Seller assumed	Cash or Contract offered	Cash to Seller assumed	New Conv. Ln. No Points, Costs
Net Adj. (Total)		+ - \$ 55,000	+ - \$ 10,000	+ - \$ 70,000
Indicated Value of Subject		Net 31.4 % \$ 120,000	Net 9.1 % \$ 100,000	Net 43.8 % \$ 89,900

MARKET DATA ANALYSIS

Comments on Market Data: Extremely limited recent market data available for parcels similar to subject in the Fall Creek or competitive market areas around the Eugene-Springfield market area. A number of active, pending and sold properties were reviewed prior to selection of these three indicators; Indicators 1 and 2 are active listings; Indicator 1 on market since 11-09-2005, previous old home removed, site logged and ***
 Comments and Conditions of Appraisal: *** cleared, long narrow sloping acreage with limited view to north, older well, septic and road installed; appears to be a high indicator at the asking price. Indicator 2 is a narrow strip between Jasper-Lowell Road and Fall Creek with very limited building site area, listing Realtor notes 400' of creek and road frontage; on market since 08-15-2005. Both Indicators 1 and 2 are in Lowell School District, like subject. Sale 3 is closer to metro area, in Pleasant Hill School District, is in X5 flood plain, was on market 53 days, sold as "ready to build"
 Final Reconciliation: The market data (sale comparison) approach is the only reliable method of estimating vacant or non-residential site value. The cost approach is omitted as there are no improvements on this hypothetical site. The income approach does not normally apply to vacant land. Note: adjustment for well/septic is made at \$5,000 for well, \$10,000 for sand filter septic system; land adjustment at \$15,000 per net acre
 I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF October 10, 2005 to be \$ 100,000
 The opinion of value stated is within a range of indicated values. Value opinion is provided for comparison purposes in a Measure 37 proceeding only and only an actual open market exposure test can be considered to prove a true market value.
 Appraiser(s) Craig E. McKern Review Appraiser (if applicable) _____ | Did Did Not Physically Inspect Property

Borrower: No borrower File No. 092105A
 Property Address: Number Not Assigned Place Road // Tax Lot 18-01-32-00-01000
 City: Fall Creek County: Lane State: OR Zip Code: 97438
 Lender: Marlow and Simpson c/o Steve Cornacchia

APPRAISAL AND REPORT IDENTIFICATION

This appraisal conforms to one of the following definitions:

- Complete Appraisal (The act or process of estimating value, or an opinion of value, performed without invoking the Departure Rule.)
- Limited Appraisal (The act or process of estimating value, or an opinion of value, performed under and resulting from invoking the Departure Rule.)

This report is one of the following types:

- Self Contained (A written report prepared under Standards Rule 2-2(a) of a Complete or Limited Appraisal performed under STANDARD 1.)
- Summary (A written report prepared under Standards Rule 2-2(b) of a Complete or Limited Appraisal performed under STANDARD 1.)
- Restricted (A written report prepared under Standards Rule 2-2(c) of a Complete or Limited Appraisal performed under STANDARD 1, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

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 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 the Uniform Standards of Professional Appraisal Practice.
 I have made a personal observation of the property that is the subject of this report.
 No one provided significant real property appraisal assistance to the person signing this certification.

A lengthy period passed between the date of inspection and the date of completion as the appraiser performed a variety of investigations on Measure 37 and its ramifications for the subject property. There is no guarantee from the appraiser that the attached report(s) will be found fully satisfactory to the Lane County jurisdiction for handling Measure 37 claims, as these requirements may change due to court ordered or Legislature passed modifications. Recently, a Circuit Court court in Marion County held that Measure 37 as written was unconstitutional for various judicial reasons. This ruling is being appealed to the State Supreme Court.

Comments on Appraisal and Report Identification

Note any departures from Standards Rules 1-3 and 1-4, plus any USPAP-related issues requiring disclosure:

This appraisal report is complete on the basis of the full site inspection, not the extent of commentary attached.

The appraised value includes a realty fee as did the sale prices of the comparables, unless otherwise stated.

There were directly observed toxic materials or hazardous substances in the immediate area of the subject and these are assumed to be safely stored and used according to label directions. A specific search for and recognition of toxic waste and hazardous materials such as might be found in a farm and ranch environment (a Level I assessment) is beyond the scope of the appraiser's training and knowledge. Common household, shop and garden chemicals and substances found in most homes and garages, including those of the reader, are assumed to exist around the site. These common toxic materials and hazardous substances include chemicals such as fertilizers, weed killers, pest poisons and sprays, bleach, detergent, oils, cleansers, solvents and fuels, among other solid, liquid and paste substances, and are assumed to be used according to label directions and Federal, state and local regulations unless otherwise specifically noted in this report. It is specifically assumed there is no toxic mold or fungus manifest on the site which would affect livability or marketability.

See attached supplemental addendum.

APPRAISER:

Signature: Craig E. McKern
 Name: Craig E. McKern
 Date Signed: January 8, 2006
 State Certification #: CR00024
 or State License #:
 State: Oregon
 Expiration Date of Certification or License: 09-30-2006

SUPERVISORY APPRAISER (only if required):

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: email: cem91h@msn.com
 or State License #: phone 541-345-0744/fax 541-345-0577
 State: _____
 Expiration Date of Certification or License: _____

Did Did Not Inspect Property

SUPPLEMENTAL ADDENDUM

File No. 092105A

Borrower/Client	No borrower		
Property Address	Number Not Assigned Place Road // Tax Lot 18-01-32-00-01000		
City	Fall Creek	County	Lane
Lender	Marlow and Simpson c/o Steve Cornacchia,	State	OR
		Zip Code	97438

Appraisal Development and Reporting Process:

As per prior agreement with the client named on the cover sheet and first form page of this report, the level of appraisal service requested is a Restricted Appraisal Report of a Complete Appraisal of the subject property plus additional reports as necessary for the purpose of the report.

This level of service has, in the past, been known as a "form appraisal" using standard FNMA or FHLMC forms to convey information to the reader. This level of appraisal service is for the most part the same as past "form appraisals".

This report is a Restricted Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2c of the Uniform Standards of Professional Appraisal Practice (USPAP) for a Restricted Appraisal Report. As such, it represents only limited or summary discussions of the data, reasoning and analyses used in the appraisal process to develop the appraiser's opinion of value stated elsewhere. Supporting documentation that is not provided with this report concerning the data, reasoning and analyses has been retained in the appraiser's file copy. The depth of the discussion contained in this report is specific to the needs of the client and for the intended use of this report stated below.

Scope of Work:

In preparing this report, the appraiser observed the subject site and the improvements on October 10, 2005. Relevant information on comparable land and improved site sales, construction costs and accrued depreciation were also gathered, verified and considered.

All three approaches to value were considered; the sales comparison approach only was developed. The cost approach does not apply to unimproved land in the case of all six of the actual site and hypothetical site value reports.

A land value range was determined by appraisal of the subject site(s) and site improvements "as is" with present EFU-40 acre minimum zoning and for comparison purposes of the total subject site(s) and the hypothetical sites as discussed in the various reports.

The income approach, along with rents, comparative rental data and calculated formulas and multipliers, is used ONLY IF the subject is likely to become a rental income property in the foreseeable future, which is not the case for the subject acreages at this time.

Purpose of the Appraisal and Use of the Report:

The purpose of this appraisal report is to estimate the market value as defined on the attached certification/limiting conditions addendum included with the attached USPAP addendum.

This appraisal report is intended ONLY for the use of the client named for the purpose of establishing a fair market value by an independent third party for Measure 37 proceedings. The use of this report is restricted to the clients, Gary and Maxine Marlow, Kearney and Patricia Simpson, Thomas Marlow et al and Jerry Dilley et al as owners of the various parcels as discussed in the reports, and to Steve Cornacchia, as their attorney and agent, for this specific purpose only.

Duly constituted Lane County committees or courts for Measure 37 appeals are also expected readers of this report but Lane County is not a client of the appraiser.

This report in its present configuration is not intended for any financing purpose whatsoever. Any other authorized use of this report will be stated either below or in the letter of engagement.

The appraiser is not and will not become responsible for any unauthorized use. Errors and omissions insurance is not extended to a future third party reader and the appraiser must be notified, timely and in writing, of any future transfer/assignment of this report to any party not specifically named above as an intended user.

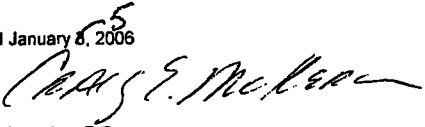
Supplemental Certifications:

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

In addition, I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report prepared, with conformity to the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

signed and dated January 8, 2006

Craig E. McKern
 president
 Craig E. McKern Appraiser P.C.



LAND APPRAISAL REPORT

HYPOTHETICAL
File No. 092105B

Restricted Appraisal Report

Borrower No borrower Census Tract 41-39-16 Map Reference Pittman County 55
 Property Address Number Not Assigned Place Road // Tax Lot 18-01-32-00-01000 (HYPOTHETICAL one acre buildable site)
 City Fall Creek County Lane State OR Zip Code 97438
 Legal Description Hypothetical Metes and Bounds Description; unpartitioned portion of Tax Lot 18-01-32-00-01000
 Sale Price \$ Not Sold Date of Sale N/A Loan Term N/A yrs. Property Rights Appraised Fee Leasehold De Minimis PUD
 Actual Real Estate Taxes \$ TBA (yr) Loan charges to be paid by seller \$ N/A Other sales concessions Not Applicable
 Lender/Client Marlow and Simpson c/o Steve Cornacchia Address attorney, 180 East 11th Avenue, Eugene, Oregon 97401
 Occupant vacant land Appraiser Craig E. McKern Instructions to Appraiser appraise to market value per USPAP standards.
Craig E. McKern, Appraiser, P.C. 1574 Coburg Road, PMB 397, Eugene, Oregon 97401 telephone 541-345-0744 fax 541-345-0577

Location Built Up <input checked="" type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural Growth Rate <input type="checkbox"/> Fully Dev. <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25% to 75% <input type="checkbox"/> Under 25% Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Oversupply Marketing Time <input checked="" type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 4-6 Mos. <input type="checkbox"/> Over 6 Mos. Present Land Use <u>80% 1 Family 1% 2-4 Family 1% Apts. % Condo 1% Commercial</u> <u>1% Industrial 5% Vacant 9% parks, greenway, public</u> Change in Present Land Use <input type="checkbox"/> Not Likely <input type="checkbox"/> Likely (*) <input checked="" type="checkbox"/> Taking Place (*) (*) From <u>vacant/undeveloped</u> To <u>Residential</u> Predominant Occupancy <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <u>5 % Vacant</u> Single Family Price Range <u>\$ 100 to \$ 700+</u> Predominant Value <u>\$ none</u> Single Family Age <u>New yrs. to 100+ yrs.</u> Predominant Age <u>None yrs.</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Employment Stability</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;">Good</td> <td style="width: 10%;">Avg.</td> <td style="width: 10%;">Fair</td> <td style="width: 10%;">Poor</td> </tr> <tr> <td>Convenience to Employment</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Convenience to Shopping</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Convenience to Schools</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Adequacy of Public Transportation</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Recreational Facilities</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Adequacy of Utilities</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Property Compatibility</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Protection from Detrimental Conditions</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Police and Fire Protection</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>General Appearance of Properties</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Appeal to Market</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>	Employment Stability				Good	Avg.	Fair	Poor	Convenience to Employment								Convenience to Shopping								Convenience to Schools								Adequacy of Public Transportation								Recreational Facilities								Adequacy of Utilities								Property Compatibility								Protection from Detrimental Conditions								Police and Fire Protection								General Appearance of Properties								Appeal to Market							
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Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): Land use percentages approximate, to show variety of uses only. Dedicated farm/forest lands not included in vacant/developable land percentage. Subject is located in lower Fall Creek area about 8 air miles southeast of Springfield city limits, close to Jasper County Park, Willamette River, lakes. Commute time to Eugene-Springfield metro area 15 to 25 minutes; access to Highway 58 about 10 minutes. Wide variety of improvements, site sizes, view aspects, values.

Dimensions 208' x 208' more or less = 43,264 Sq. Ft. or Acres Corner Lot
 Zoning classification EFU Exclusive Farm Use (40 acre min. for new sites) Present Improvements do do not conform to zoning regulations
 Highest and best use Present use Other (specify) potential to allow one single family residence under present Measure 37 procedures
 Elec. Public Other (Describe) _____
 Gas _____
 Water none to date
 San. Sewer Assm permit
 Underground Elect. & Tel. _____
 OFF SITE IMPROVEMENTS
 Street Access Public Private
 Surface Asphalt/ AW Gravel
 Maintenance Public Private
 Storm Sewer Curb/Gutter
 Sidewalk Street Lights
 Topo Level (assumed)
 Size Smaller than typical
 Shape Square
 View Wooded, hills
 Drainage Normally adequate FEMA map 41039C1660F Zones X and AE
 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): Site as appraised is a hypothetical one acre parcel out of Tax Lot 1000 for Measure 37 claim purposes only and is not a legal lot of record or a buildable site at this time; permitted dwelling site assumed for purposes of Measure 37 comparison. A viable well and sand filter septic system permit are also assumed. Road access is good on existing roadway. Postulated dwelling sites are mainly on west three quarters of Tax Lot 1000 in Zone X and AE flood plains.

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.

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Access / Driveway	Good/ shared drive	Good/ private drive 0	Good/ no drive +3,000	Good/ private drive 0
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Adverse factors	AE flood zone areas	None noted -5,000	FW, AE flood zone -5,000	X5 flood zone area 0
Sales or Financing Concessions	Cash to Seller assumed	Cash or Contract offered	Cash to Seller assumed	New Conv. Ln. No Points, Costs
Net Adj. (Total)		+ \$ 50,000	+ \$ 12,000	+ \$ 65,000
Indicated Value of Subject		Net 28.6 % \$ 125,000	Net 10.9 % \$ 98,000	Net 40.7 % \$ 94,900

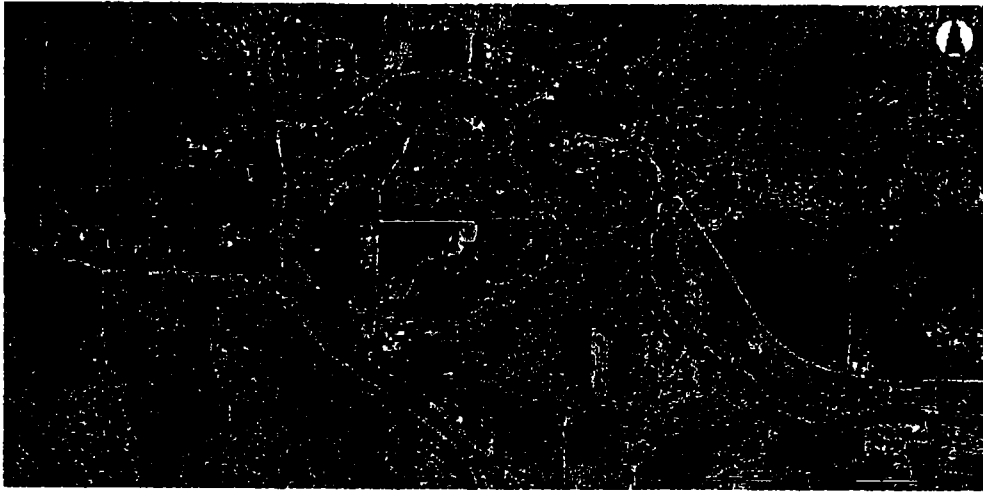
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 Appraiser(s) Craig E. McKern Review Appraiser (if applicable) [Signature] Did Did Not Physically Inspect Property



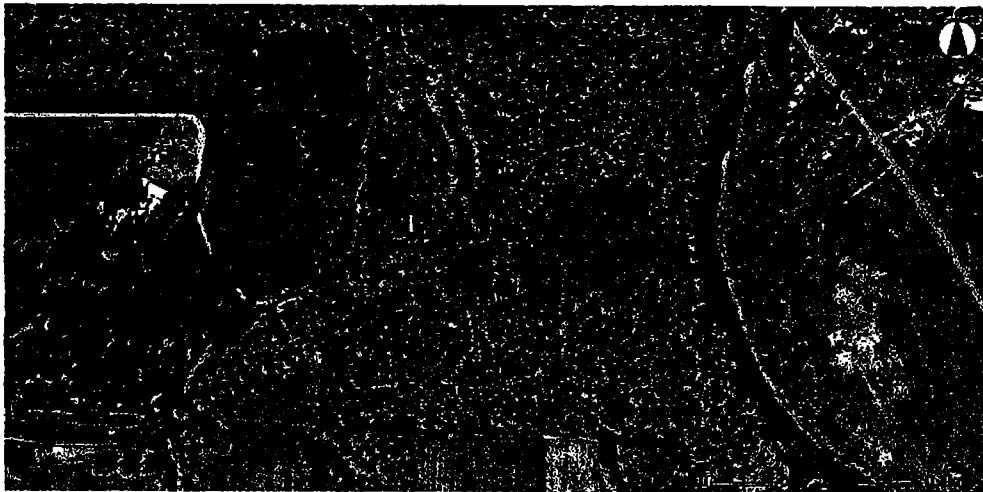
General subject area aerial view



Detail of subject aerial view; grey tax lot lines may not be correctly placed



General subject area aerial view



Detail of subject aerial view; grey tax lot lines may not be correctly placed
Subject generally between Fall Creek channel on right and east line of Tax Lot 1000

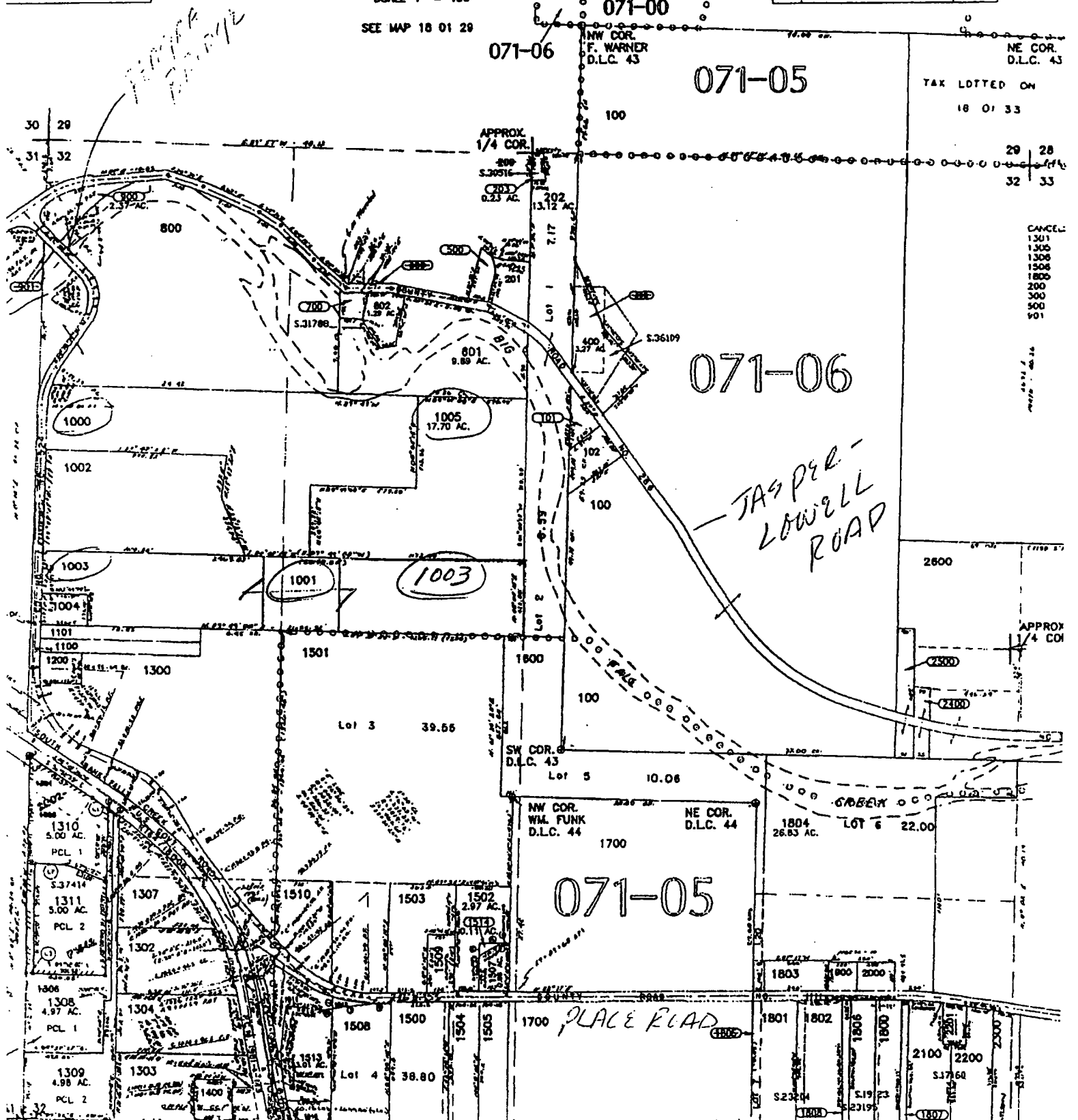
PLAT MAP

ASSESSMENT
TAXATION
ONLY

SEC. 32 T.18S. R.1W. W.M.
LANE COUNTY

SCALE 1" = 400'
SEE MAP 18 01 29

DATE	APPROVED	REMARKS
11/15/08	PLC 1801 1802	1801 1802
11/15/08	PLC 1803 1804	1803 1804
11/15/08	PLC 1805 1806	1805 1806
11/15/08	PLC 1807 1808	1807 1808
11/15/08	PLC 1809 1810	1809 1810
11/15/08	PLC 1811 1812	1811 1812
11/15/08	PLC 1813 1814	1813 1814
11/15/08	PLC 1815 1816	1815 1816
11/15/08	PLC 1817 1818	1817 1818
11/15/08	PLC 1819 1820	1819 1820



NE COR.
D.L.C. 43
TAX LOTTED ON
18 01 33
29 28
32 33
CANCEL:
1301
1305
1306
1506
1800
200
300
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901

APPROX
1/4 COR

071-05

PLACE ROAD

LANE COUNTY
UNINCORPORATED AREAS
415591

FEMA MAP
41039C 1680F

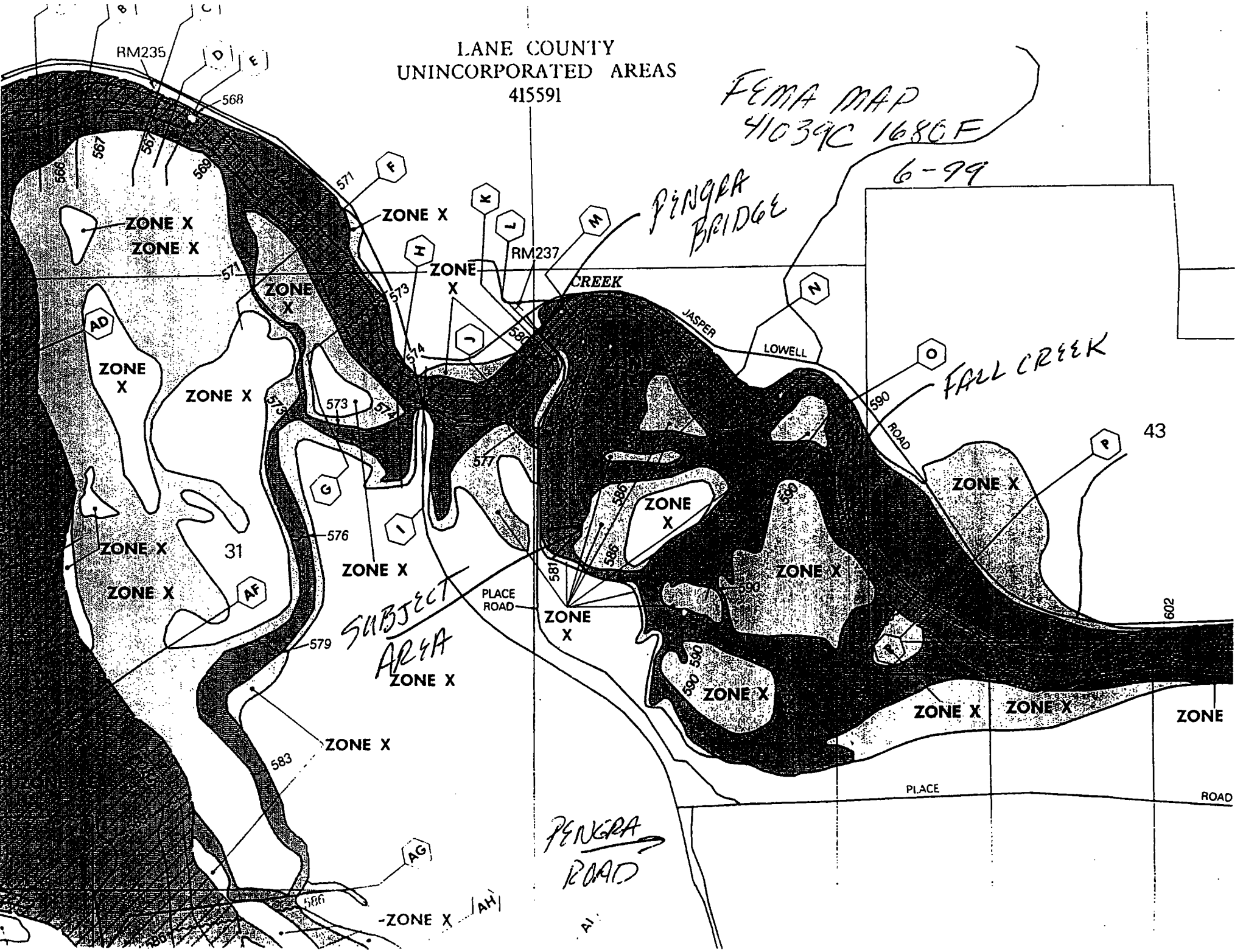
6-99

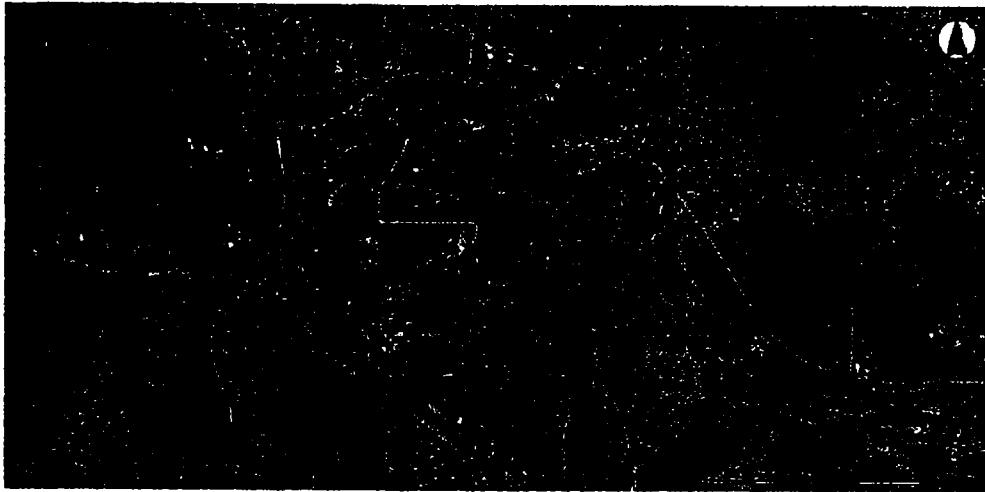
PENGER
BRIDGE

FALL CREEK

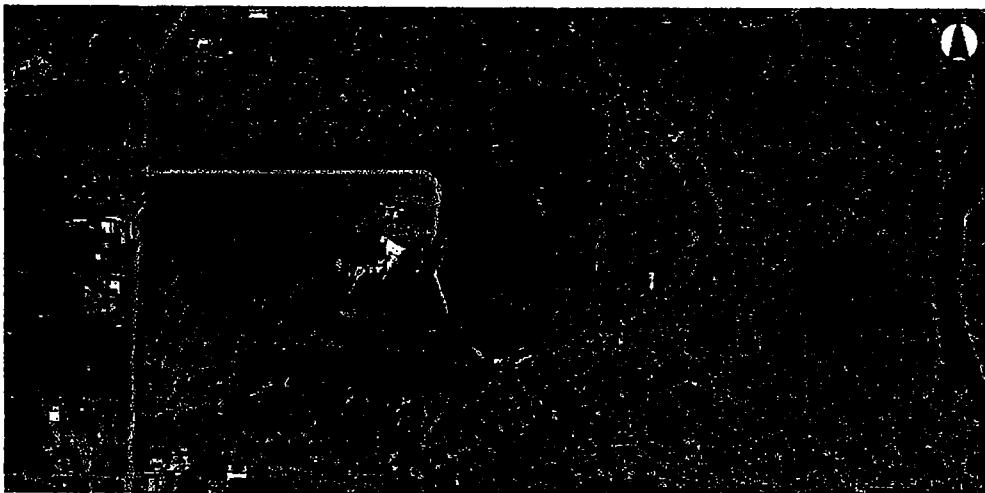
SUBJECT
AREA
ZONE X

PENGER
ROAD





General subject area aerial view



Detail of subject aerial view; grey tax lot lines may not be correctly placed