

W. B.A.



AGENDA COVER MEMO

DATE: June 7, 2006

TO: BOARD OF COUNTY COMMISSIONERS

FROM: BILL VANVACTOR, COUNTY ADMINISTRATOR
KENT HOWE, PLANNING DIRECTOR

RE: In the Matter of Considering a Ballot Measure 37 Claim and Deciding Whether to Modify, Remove or Not Apply Restrictive Land Use Regulations in Lieu of Providing Just Compensation (PA 05-6802, Tetzler)

I. MOTION

Move to approve the Measure 37 Claim and adopt the order attached as Exhibit "A".

II. ISSUE OR PROBLEM

Shall the Board of County Commissioners compensate an applicant under Ballot Measure 37 and LC 2.700 through 2.770 for the reduction in fair market value of the affected property interest resulting from enactment or enforcement of restrictive land use regulations or modify, remove, or discontinue application of those land use regulations to the subject property to allow Nina & Joseph Tetzler to use the property as allowed at the time they acquired the property?

III. DISCUSSION

A. Background

Applicant: Nina and Joseph Tetzler

Current Owner: Joseph and Nina Tetzler Joint Trust

Agent: Harry Taylor, PO Box 1420, Veneta OR 97487

Map: 18-04-23; **Tax lots:** #700, 600 and 602.

Acreage: approximately 80 acres

Current Zoning: F2 (Impacted Forest))

Date Property Acquired: Parcels 600 & 602 on May 25, 1961 (Warranty Deed 33274). Parcel 700 on May 8, 1958 (Warranty Deed #3975).

Date claim submitted: December 21, 2005. The 180-day deadline is June 19, 2006.

Land Use Regulations in Effect at Date of Acquisition: Unzoned

County land use regulation which restricts the use and reduces the fair market value of claimant's property: LC 16.211. Minimum parcel size and restrictions on new dwellings.

B. Specific Relief Sought:

On December 21, 2005, Ron Funke submitted a Measure 37 Claim on behalf of Joseph and Nina Tetzler. The applicants have requested compensation of \$2,000,000 or a waiver of the F2 (Impacted Forest) zone regulations that require 80 acres for new lots and special use permits for new dwellings.

C. Lane Code Submittal Requirements

The applicants have paid the processing fee and submitted evidence in support of this claim. The applicants have submitted information addressing all of the Lane Code submittal requirements including a title report and deeds. An appraisal was submitted as evidence of a reduction in value.

D. Analysis

The property is zoned F2 (Impacted Forest) and contains approximately 80 acres. The applicants want to divide the property into lots as small as four acres and place a dwelling on each lot. It appears this is a valid claim if the Board accepts the evidence of value reduction.

Joseph and Nina Tetzler acquired an interest in parcels 600 and 602 on May 25, 1961 (Warranty Deed 33274). They acquired an interest in parcel 700 on May 8, 1958 (Warranty Deed #3975). The property was unzoned on these dates. The property was conveyed to the Joseph and Nina Tetzler Joint Trust on June 25, 1997 (Warranty Deeds 9743397 and 9743398). Because the Trust is revocable and Joseph and Nina Tetzler are trustees, they continue to have an ownership interest, and the current owner is allowed to demonstrate a reduction in value from the date Joseph and Nina acquired an interest in the property. In addition, this allows a waiver of the restrictive regulations to the dates Joseph and Nina acquired the property, if the Board determines this is a valid claim. For these reasons, Joseph and Nina Tetzler are considered the applicants for this claim. If a waiver is granted, it will be granted to them and not to the Trust.

To have a valid claim against Lane County under Measure 37 and LC 2.700 through 2.770, the applicant must prove:

1. Lane County has enacted or enforced a restrictive land use regulation since the owner acquired the property, and
2. The restrictive land use regulation has the effect of reducing the fair market value of the property, and
3. The restrictive land use regulation is not an exempt regulation as defined in LC 2.710.

Restrictive Regulations

Joseph and Nina Tetzler acquired an interest in parcels 600 and 602 on May 25, 1961 (Warranty Deed 33274). They acquired an interest in parcel 700 on May 8, 1958 (Warranty Deed #3975). The property was conveyed to the Joseph and Nina Tetzler Joint Trust on June 25, 1997 (Warranty Deeds 9743397 and 9743398). Because the Trust is revocable and Joseph and Nina Tetzler are the trustees, they continue to have an ownership interest in the property, and are allowed to demonstrate a reduction in value from the date they acquired an interest in the property.

WHEREAS, Joseph and Nina Tetzler request either \$2,000,000 as compensation for the reduction in value of their property, or waiver of all land use regulations that would restrict the division of land into lots as small as four acres and placement of a dwelling on each lot, uses that could have otherwise been allowed at the time they acquired an interest in the property; and

WHEREAS, the Board finds that under LC 2.760(3) the public interest would be better served by modifying, removing or not applying the challenged land use regulations of the F2 zone to the subject property in the manner and for the reasons stated in the report and recommendation of the County Administrator incorporated here by this reference except as explicitly revised here to reflect Board deliberation and action to allow Joseph and Nina Tetzler to make application for development of the subject property in a manner similar to what they could have been able to do under the regulations in effect when they acquired an interest in the property; and

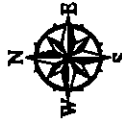
WHEREAS, this matter having been fully considered by the Lane County Board of Commissioners.

NOW, THEREFORE IT IS HEREBY ORDERED that the applicant Joseph and Nina Tetzler made a valid claim under Ballot Measure 37 by describing the use being sought, identifying the county land use regulations prohibiting that use, submitting evidence that those land use regulations have the effect of reducing the value of the property, showing evidence that they acquired an interest in the property before the restrictive county land use regulations were enacted or enforced and the Board hereby elects not to pay just compensation but in lieu of payment, the request of Joseph and Nina Tetzler shall be granted and the restrictive provisions of LC 16.211 that limit the development of dwellings and the division of land in the F2 (Impacted Forest) Zone shall not apply to Joseph and Nina Tetzler, so they can make application for approval to develop the property described in the records of the Lane County Assessor as map 18-04-23, tax lots 600, 602 and 700, in a manner consistent with the land use regulations in effect when they acquired an interest in the property on May 8, 1958 (parcel 700) and May 25, 1961 (parcels 600 and 602).

IT IS HEREBY FURTHER ORDERED that Joseph and Nina Tetzler still need to make application and receive approval of any division of the property or placement of a dwelling under the other land use regulations applicable to dividing the property or placing a dwelling that were not specifically identified or established by Joseph and Nina Tetzler as restricting the division of the property or placement of a dwelling, and it would be premature to not apply those regulations given the available evidence. To the extent necessary to effectuate the Board action to not apply the dwelling or division restrictions of the applicable zone described above, the claimant shall submit appropriate applications for review and approval of land divisions and any new dwellings to show the specific development proposals and in the event additional county land use regulations result in a restriction of those uses that have the effect of reducing the fair market value of the property, the County Administrator shall have the authority to determine those restrictive county land use regulations that will not apply to that development proposal to preclude entitlement to just compensation under Measure 37. All other Lane Code land use and development regulations shall remain applicable to the subject property until such time as they are shown to be restrictive and that those restrictions reduce the fair market value of the subject property.

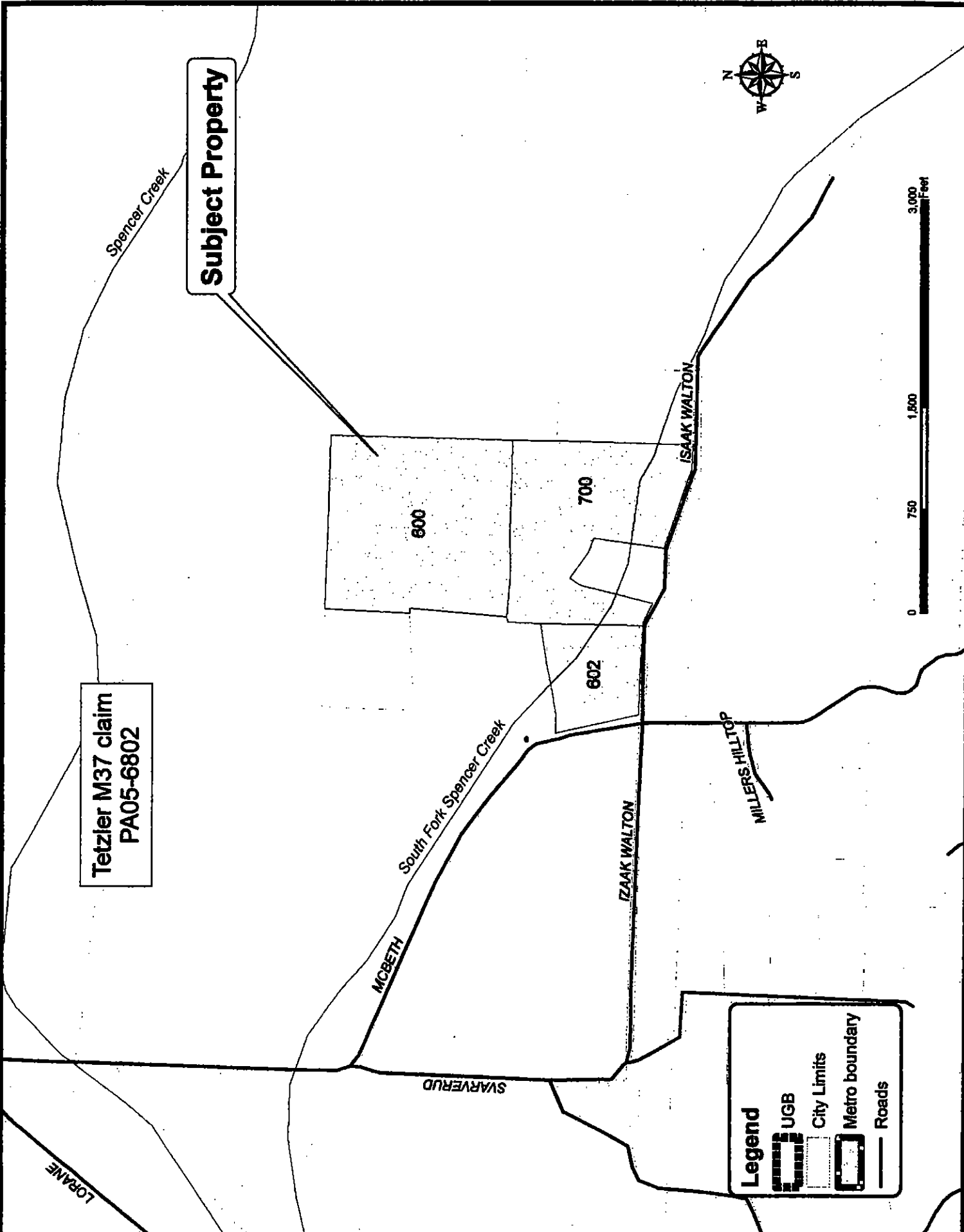
Subject Property

**Tetzler M37 claim
PA05-6802**



Legend

- UGB
- City Limits
- Metro boundary
- Roads



Application for Claims Under LC 2.700 through 2.770

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

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

1. Applicant/ Agent

NINA & JOSEPH TETZLER 30549 IZZAK WALTON Rd 343-4379
Applicant Name (Please Print) Mailing Address Phone

RON FUNKE, AICP 2595 CHARNBALTON St 302-4993
Agent Name (Please Print) Mailing Address Phone

2. Property Owner

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

NINA & JOSEPH TETZLER 30549 IZZAK WALTON Rd 343-4379
Property Owner Name (Please Print) Mailing Address Phone

Property Owner Name (Please Print) Mailing Address Phone

3. Legal Description

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

Assessor Map & Tax Lot 18-04-23-00, LOTS 600, 602 & 700

Street Address 30549 IZZAK WALTON Rd Legal Description Attached X

4. Identification of Imposed Land Use Regulation

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

PLEASE REFER TO ATTACHED NARRATIVE # 4

5. Title Report

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

600 - 39 @ FZ
602 - 10 FZ
700 - 3A FZ

6. Appraisal/Regulatory Effect

Please provide one original, signed appraisal prepared by an appraiser licensed by the Appraiser Certification and Licensure Board of the State of Oregon addressing the requirements of provisions added to ORS Chapter 197 by Ballot Measure 37 (November 2, 2004) and indicating the amount of the alleged reduction in fair market value by showing the difference in the fair market value of the property before and after the application of the challenged regulations as of the date the owner makes written demand for compensation. Include all of the supporting methodology, assumptions and calculations affecting the appraisal.

PLEASE REFER TO ATTACHED NARRATIVE # 6

7. Leases, Covenants, Conditions and Restrictions

Please provide copies of any leases or covenants, conditions and restrictions applicable to the subject property.

PLEASE REFER TO ATTACHED NARRATIVE # 7

8. Identification of Relief Sought

Please specifically indicate what relief is being sought, either a monetary value of the claim describing the reduction in fair market value of the property or the specific use authorization sought in any waiver of the land use regulation.

PLEASE REFER TO ATTACHED NARRATIVE # 8

I (we) have completed all of the attached application requirements and certify that all statements are true and accurate to the best of my (our) knowledge and belief. I am (We are) authorized to submit this application on behalf of all those with an interest in the property and all the owner(s) agree to this claim as evidenced by the signature of those owner(s) below. Include additional signatures, as necessary.

Entry by County or its designee upon the subject property is authorized by the owner(s) and the owner(s) consent to the application for claims under provisions added to ORS Chapter 197 by Ballot Measure 37 (November 2, 2004).

NINA TETZLER
Nina Tetzler
Owner(s) Signature

12/20/05
Date

Ron R. Funke, AICP
RON R. FUNKE, AICP
Applicant/Agent Signature

12/20/05
Date

The following contacts are provided to assist you in finding the necessary information for this application.
For zoning and land use information, please contact the Land Management Division at 682-3577.
This phone contact is a message line. Please leave a message and a Planner will return your call.
For deeds and records information, please contact Lane County Deeds and Records at 682-3654.

MEASURE 37 PROPERTY USE CLAIM

1. APPLICANT INFORMATION:

Joseph and Nina Tetzler Joint Trust
30549 Izzak Walton Rd.
Eugene, Oregon 97405

Agent:

Ron R. Funke, AICP
Custom Planning Services
2595 Charnelton St.
Eugene, Oregon 97405

2. Property Owner

Joseph and Nina Tetzler
30549 Izzak Walton Rd.
Eugene, Oregon 97405

3. Legal Descriptions

See attached Legal Descriptions provided by Cascade Title Company
Map 18-04-23-00 Lot 600 & 602, from title report- parcel 1 (Attachment A)
Map 18-04-23-00 Lot 700, from title report- parcel 2 (Attachment B)

4. Identification of Imposed Land Use Regulation

There were no zoning regulations in effect when these three properties were purchased.

Map 18-04-23-00 Lot 700 was purchased on May 8, 1958, by a Warranty Deed recorded in Lane County, reference # 115/39757. (Attachment C)

Map 18-04-23-00 Lots 600 & 602 were purchased on May 25, 1961, by a Warranty Deed recorded in Lane County, reference # 173/33274. (Attachment D)

All three parcels were unzoned until the application of the Agriculture, Grazing and Timber Raising District, by Ordinance 225, effective on August 27, 1966.

Map 18-04-23 Lot 700 was subsequently rezoned to Forest Lands (F-2) by Ordinance 880 on August 29, 1980. Impacted Forest Lands (F-2), the current zoning, was enacted on February 29, 1984 by Ordinance 884.

Map 18-04-23 Lot 600 was also rezoned by Ordinance 840, but to General Rural I (GR-I) on August 29, 1980. Impacted Forest Lands (F-2), the current zoning, was enacted on February 29, 1984 by Ordinance 884.

Map 18-04-23 Lot 602 was rezoned again on August 29, 1980 by Ordinance 840 to Agricultural Land District (A-2). The current zoning, Impacted Forest Lands Zone (F-2), has been in effect since February 29, 1984, by Ordinance 884.

5. Title Reports

A Title Report by Cascade Title, September 20, 2005 (Attachment E)

and a Supplemental Report, November 21, 2005, (Attachment F)

lists easements and restrictions that currently apply to Map 18-04-23-00 Lots 600 and 602, identified as Parcel 1, and to lot 700, identified as Parcel 2 in the Title Reports.

6. Appraisal

Craig McKern, a state certified Residential Real Estate Appraiser, conducted an "as is" appraisal and a hypothetical "after" appraisal of these parcels. Mr. McKern used a "hypothetical" hillside parcel size of 5 acres and extrapolated ten (10) such parcels on the marginal lands above the pasture. Mr. McKern also postulated an additional 5-acre parcel immediately east of the existing house. The remaining 25 acres has been calculated as "non-buildable" resource land, valued at \$2,400 per acre.

The "after," "before" and "Difference" are as follows:

Total postulated "after" value equals	\$2,535,00
Total estimated "before" value equals	\$ 540,00
Difference	\$1,995,00 say \$2,000,000

Note: The Tetzler's have used this basic approach in planning how to appropriately develop this property, but have refined their plans somewhat – to better reflect the natural opportunities and constraints inherent in these parcels - as will be seen in "Identification of Relief Sought Statement." Within their new plans approximately 20 acres* will be dedicated as a "Natural Resource Restoration Area." The value of land so qualified is approximately \$25,000 per acre. ¹ * PART OF 20 ACRES includes DAN TETZLER Property

7. Leases, Covenants, Conditions and Restrictions

A "reservation" to the State of Oregon, recorded on January 6, 1944 for mineral rights, Lane County Recorder Reception No. 129850.

A roadway reserved of the Northwest quarter of the Southeast quarter of Section 23, in a deed from D. J. Gover and wife, Eva L. Gover, top Laban Lockard, recorded March 18, 1893 at Page 117 of Box 34, Lane County Oregon Deeds Records.

A joint easement for ingress and egress set forth in Deed to Daniel E. Tetzler, et ux, recorded December 31, 1985, Reception No. 8546771.

¹ Current Resource Mitigation land approximate average price in central Lane County

8. Identification of Relief Sought Statement

The Tetzler's have taken a careful and analytical approach to determining the "highest and best use" of the various components of their land. While Mrs. Tetzler is seeking to develop her land within the framework of the land use regulations in effect at the time she and her husband, Joseph, purchased their properties in 1958 and 1961, she also wishes to do so in a manner consistent with good land management and conservation practices.

See enclosed ArcView map for general plan (Attachment H)

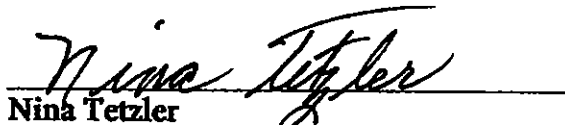
The Tetzler's have raised cattle on their property since 1958, but do not wish continue the physical demands required to ranch such a large area. Mr. Tetzler is in failing health and unable to assist with tasks. With assistance from their son, Daniel, Mrs. Tetzler wishes to retain a small portion on the land in grazing for cattle or other livestock (approximately 15 acres).

The southern most portion of the property, approximately 20 acres along the south fork of Spencer Creek, is riparian habitat, wetlands and wet prairie. This area will be delineated, evaluated and offered as a source of Natural Resource Restoration Area mitigation bank credits. It will be restored to 'native' conditions over time and remain that way in perpetuity.

* PART OF THE PROPOSED RESTORATION AREA INCLUDES DAN TETZLER PROPERTY. RF
The remaining 50 acres (+/-), on the hill above the house, will be carefully developed into four (4) to five (5) parcels that blend with natural features of the site. Between 10 and 14 parcels will be developed by Mrs. Tetzler over a period of 5 to 15 years. Important natural features such as a pond, a natural spring, a seasonal stream and certain forest glades will be protected by conservation easements to help ensure the long term natural viability of the site.

See enclosed Lane Map for hypothetical hillside parcel divisions (Attachment I)

The intent of this development will be to protect and enhance the natural environment while providing the Tetzler's with the opportunity to develop their land within the scope of what would have been allow at the time they purchased their property.


Nina Tetzler

30549 Izzak Walton Rd.
Eugene, Oregon 97405


Ron R. Funke, AICP, Agent

Custom Planning Services
2595 Charnelton St.
Eugene, Oregon 97405

ATTACHMENT A

PROPERTY DESCRIPTION

MAP 18-04-23

PARCEL 1: LOTS 600 & 602

600

The Northeast quarter of the Southwest quarter, and the West half of the Northwest quarter of the Southeast quarter, and the North three-fourths of the West half of the Southeast quarter of the Southwest quarter of Section 23, Township 18 South, Range 4 West of the Willamette Meridian, in Lane County, Oregon.

ALSO beginning at the Northeast corner of the Southwest quarter of the Southwest one-quarter of Section 23, in Township 18 South, Range 4 West of the Willamette Meridian, and running thence South on the subdivisional line 931 feet to the Easterly line of the County Road, thence North $15^{\circ} 34'$ West along the Easterly line of the County Road 625 feet to the beginning of a curve to the left having a radius of 240.9 feet, through a central angle of $37^{\circ} 13'$ a distance of 151.5 feet to the end of the curve; thence North $52^{\circ} 47'$ West 24 feet, thence North $55^{\circ} 25'$ East 331 feet to the place of beginning, in Lane County, Oregon.

EXCEPT THEREFROM: Beginning at a point being North $89^{\circ} 38' 55''$ West 610.02 feet from a $5/8$ inch iron rod marking the center of Section 23, Township 18 South, Range 4 West of the Willamette Meridian, said point being on the East-West centerline of Section 23; thence leaving said East-West centerline South $1^{\circ} 31' 50''$ West 617.89 feet to a found $1/4$ inch iron pipe marking the Northeast corner of that certain tract of land conveyed to Donald Lee Peterson by deed recorded November 21, 1979, Reel No. 1038, Reception No. 79-69742; thence along the North line of said Peterson Tract, South $86^{\circ} 22' 50''$ West (by record, South $84^{\circ} 54' 10''$ West) 700.24 feet to a point on the West line of the Northeast quarter of the Southwest quarter of Section 23; thence along said West line North $0^{\circ} 06' 43''$ East 666.25 feet to a point on the East-West centerline of Section 23; thence along said East-West centerline South $89^{\circ} 38' 55''$ East 714.07 feet to the point of beginning, in Lane County, Oregon.

EXCEPT: Beginning at a point on the Easterly margin of County Road No. 147 said point being West 1503.27 feet and North 920.62 feet from the South quarter corner of Section 23, Township 18 South, Range 4 West of the Willamette Meridian, run thence Northwesterly along the margin of said road to a point that is North $36^{\circ} 00'$ West 298.20 feet, thence North $62^{\circ} 56' 30''$ East 352.44 feet and North $2^{\circ} 11' 30''$ West 646.88 feet along an accepted line fence, thence North $84^{\circ} 54' 10''$ East 713.34 feet, thence South $0^{\circ} 03' 10''$ West 709.57 feet, thence South $7^{\circ} 05' 10''$ West 248.63 feet, thence North $81^{\circ} 33' 30''$ West 659.63 feet, thence South $0^{\circ} 49' 40''$ East 250.04 feet, thence South $89^{\circ} 14' 50''$ West 144.18 feet to the place of beginning in Lane County, Oregon.

ALSO EXCEPT: Beginning at a point North 922.51 feet and West 1359.10 feet from the South quarter corner of Section 23, Township 18 South, Range 4 West of the Willamette Meridian, run thence North $0^{\circ} 49' 40''$ West 250.04 feet, thence South $81^{\circ} 33' 30''$ East 659.63 feet, thence South $76^{\circ} 43' 02''$ West 666.71 feet to the point of beginning, all in Lane County, Oregon.

continued-

ATTACHMENT B

Property Description continued-

Map 18-04.23

PARCEL 2: Lot 700

The East half of the Southeast one-quarter of the Southwest one-quarter and the West half of the Southwest one-quarter of the Southeast one-quarter of Section 23, Township 18 South, Range 4 West of the Willamette Meridian in Lane County, Oregon.

EXCEPT: Beginning at the one-quarter section corner on the South line of Section 23 in Township 18 South, Range 4 West, Willamette Meridian; thence East 426.1 feet along the South line of said section to the Southerly line of County Road No. 664, thence along the Southerly line of said road the following four courses: North 72° 00' West 552.2 feet; North 88° 50' West 284.2 feet, North 63° 03' West 287.2 feet, North 89° 33' West 24.8 feet, thence leaving the road South 0° 45' East 303.0 feet to the South line of Section 23 said Township and Range, thence along the section line South 89° 40' East 660.10 feet to the point of beginning, all in Lane County, Oregon. Subject to easement or reservations of record in Lane County, Oregon.

EXCEPT THEREFROM: Beginning at a 5/8 inch iron rod on the Northerly right-of-way of Issac Walton Road (County Road No. 664), said point being North 211.73 feet, and West 94.05 feet from the Brass Cap monument marking the South one-quarter corner of Section 23, Township 18 South, Range 4 West, Willamette Meridian; thence along said right-of-way North 88° 42' 14" West, 278.78 feet to a 5/8 inch iron rod; thence North 62° 55' 14" West, 141.10 feet to a 5/8 inch iron rod; thence leaving said right of way North 13° 52' 24" East, 544.33 feet to a 5/8 inch iron rod; thence North 29° 20' 00" East 83.50 feet to a 5/8 inch iron rod; thence South 55° 20' 00" East, 240.78 feet to a 5/8 inch iron rod; thence South 72° 50' 00" East, 99.94 feet to a 5/8 inch iron rod; thence South 6° 50' 20" West, 508.95 feet to the point of beginning, in Lane County, Oregon.

KNOW ALL MEN BY THESE PRESENTS, That LEWIS E. BACKETT and ORA MAE BACKETT, husband and wife

in consideration of Ten and other (\$10.00) Dollars, grantor s

to them paid by JOSEPH R. TETLER and NINA L. TETLER, husband and wife

do hereby grant, bargain, sell and convey unto the said grantees, their heirs and assigns, all the following real property, with the tenements, hereditaments and appurtenances, situated in the County of Lane and State of Oregon, bounded and described as follows, to-wit:

The East half of the Southeast 1/4 of the Southwest 1/4, and the West half of the Southwest 1/4 of the Southeast 1/4 of Section 23, Township 18 South, Range 4 West of the Willamette Meridian in Lane County, Oregon, EXCEPT: Beginning at the one-quarter section corner on the South line of Section 23 in Township 18 South, Range 4 West Willamette Meridian, thence East 426.1 feet along the South line of said section to the southerly line of County Road No. 664, thence along the southerly line of said road the following four courses: North 72° 00' West 552.2 feet; North 68° 50' West 284.2 feet, North 69° 03' West 287.2 feet, North 89° 33' West 24.8 feet, thence leaving the road South 0° 45' East 303.0 feet to the South line of Section 23 said Township and range, thence along the section line South 89° 40' East 660.10 feet to the point of beginning all in Lane County, Oregon. Subject to easements or reservations of record in Lane County, Oregon.

To Have and to Hold the above described and granted premises unto the said grantees s, their heirs and assigns forever.

And they the grantors do covenant that they are lawfully seized in fee simple of the above granted premises free from all encumbrances, except a Mortgage, including the terms and conditions thereof, executed by Lewis E. Backett and Ora Mae Backett, husband and wife, to First Federal Savings and Loan Assn in the amount of \$2,300.00, the balance of which \$1720.87 which the grantees agree to assume and to pay and that they will and their heirs, executors and administrators, shall warrant and forever defend the above granted premises, and every part and parcel thereof, against the lawful claims and demands of all persons whomsoever.

Witness their hands and seals this 8th day of MAY, 1958.

Lewis E. Backett (SEAL) Ora Mae Backett (SEAL)

STATE OF OREGON,

County of Lane

On this 8th day of MAY, 1958,

known to me to be the identical individuals, described in and who executed the within instrument, and acknowledged to me that they executed the same freely and voluntarily. IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

[Signature] Notary Public for Oregon. My commission expires Dec 1 - 1961



WARRANTY DEED

Lewis E. Backett and Ora Mae Backett TO Joseph R. Tetler and Nina L. Tetler

3975741-2158

WHEN RECORDED RETURN TO D. P. Tetler 337 S. B. St. Eugene, Oregon

RECORDED MAY 27 1958

MAY 27 1958

REEL 115-58

112613

CHARLES MCNEAL, husband and wife,
and ZENIA T. MCNEAL, husband and wife,
do hereby grant, bargain, sell and convey unto
NINA E. TEZLER, husband and wife,
the following described real property, with tenements, hereditaments and
appurtenances to wit:

the Northwest quarter of the Southwest quarter, and the West half of
the Southeast quarter, and the North three-
fourth of the Southeast quarter of the Southwest
quarter of Section 23, Township 18 South Range 4 West of the Willamette
Meridian, Lane County, Oregon. Also beginning at the Northeast
corner of the Southwest quarter of the Southwest quarter of Section 23,
Township 18 South Range 4 West of the Willamette Meridian, and running
thence South 89° 50' 00" West along the easterly line of
the subdivisional line 931 feet to the Easterly line of
the subdivisional line 250 feet to the beginning of a curve to the left having
a radius of 100 feet, through a central angle of 37° 13' a distance of
130 feet, thence North 52° 47' West 24 feet,
thence East 301 feet to the place of beginning, in Lane
County, Oregon.

Green

13.20

TO HAVE AND TO HOLD the said premises unto said Grantees, their heirs and assigns forever.
And the said Grantors hereby covenant that they are lawfully seized in fee simple of said premises;
that they are free from all incumbrances.

and that they will warrant and defend the above granted premises against all lawful claims what-
soever except as above stated.



(Seal) *Chas McNeal* (Seal)
(Seal) *Zenia T. McNeal* (Seal)



County of Lane, ss.
Personally appeared the above named
CHARLES MCNEAL and ZENIA T. MCNEAL, husband and wife,

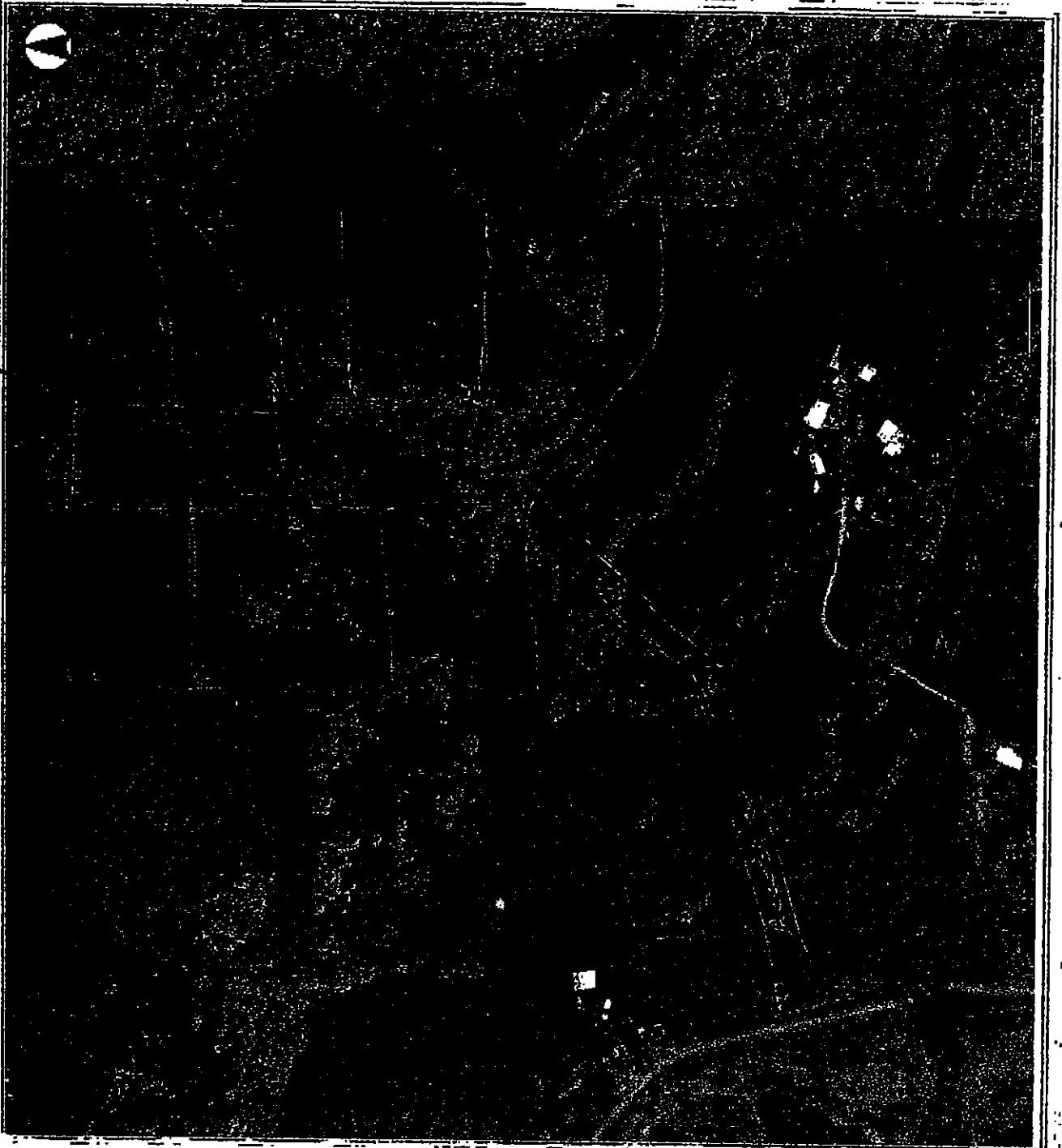
and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:

A.D. 19 61 *Davis C. Tezler*
Notary Public for Oregon



Table with columns for recording information, including 'RECORDED', 'INDEXED', 'FILED', and 'DATE'. Includes handwritten entries like 'APR 17 1961' and '354B'.

Home Sites



Nina Teltzer 80 Acres
30549 Isaac Walton Rd.

Approximately 50 acres
residential development
at 4 - 5 acres per parcel.

Significant natural features
will be placed in a
Conversation Easement

Seasonal Stream

Spring

Pond

Approximately
20 acres
Natural Resource
Restoration Area

Approximately
15 acres
Grazing &
Pasture

Isaac Walton Rd.

McBeth Rd.

S. Spicer Creek (seasonal)

Dan & Virginia Teltzer property



Ron R. Funke, AICP
Custom Planning Services
2595 Channelton St.
Eugene, OR 97405
12/20/2005

November 8, 2005

Ron Funke, AICP
 Custom Planning Services
 2595 Charnelton St.
 Eugene, OR 97405



LAND MANAGEMENT DIVISION
http://www.LaneCounty.org/PW_LM

Re: Research Request PA 05-6480
 Map 18-04-23 #600, 602, 700

On October 7, 2005 you submitted a "Request for Research of Public Records" to the Land Management Division. The information requested was stated as: "What the land use regulations were in effect for these properties and the time(s) of purchase" and "Which new regulations altered the purchase date regulations of these two properties and when did they become effective." I have researched the available records with the following results:

- There were no zoning restrictions in place at the time of purchase of the three subject taxlots. Land divisions in excess of 3 parcels per calendar year were regulated by the Lane County Subdivision Ordinance No. 3.
- The subject property, Map 18-04-23 #700, was unzoned until the Agriculture, Grazing, Timber-Raising District (AGT) was applied by Ordinance 225 effective on August 27, 1966. Ordinance 840 rezoned the property to Forest Lands (F-2) Zone on August 29, 1980. The property was rezoned to its' current zoning, Impacted Forest Lands (F-2), by Ordinance 884 on February 29, 1984.
- The subject property, Map 18-04-23 #600, was unzoned until the Agriculture, Grazing, Timber-Raising District (AGT) was applied by Ordinance 225 effective on August 27, 1966. Ordinance 840 rezoned the property to General Rural I District (GR-I) on August 29, 1980. The property was rezoned to its' current zoning, Impacted Forest Lands (F-2), by Ordinance 884 on February 29, 1984.
- The subject property, Map 18-04-23 #602, was unzoned until the Agriculture, Grazing, Timber-Raising District (AGT) was applied by Ordinance 225 effective on August 27, 1966. Ordinance 840 rezoned the property to Agricultural Land District (A-2) on August 29, 1980. The property was rezoned to its' current zoning, Impacted Forest Lands Zone (F-2), by Ordinance 884 on February 29, 1984.
- The AGT District restrictions in effect from 1949 to July 21, 1972 were contained with Ordinance 4. Amendments to Ordinance 4 after May 8, 1958 occurred under the following Ordinances: 111, 119, 120, and 125. 170, 217, 251, 276, 293, 304, 325, 326, 343, 344, 14-68, 378, 382, 416, and 426.

- The AGT District restrictions in effect from July 21, 1972 to August 29, 1980 were contained with Lane Code Chapter 10.110. Amendments to Lane Code Chapter 10.110 during that time period occurred under the following Ordinances: 15-72, 17-73, 13-74, 4-75, 6-75, 8-75, 9-75, 3-76, and 11-78.
- The F-2 District restrictions in effect from August 29, 1980 to February 29, 1984 were contained with Lane Code Chapter 10.104. Amendments to Lane Code Chapter 10.104 during that time period occurred under the following Ordinances: 16-80, 1-82, 9-83, and 16-83.
- The GR-I District restrictions in effect from August 29, 1980 to February 29, 1984 were contained with Lane Code Chapter 10.112. Amendments to Lane Code Chapter 10.112 during that time period occurred under the following Ordinances: 16-80, 10-82, and 16-83.
- The A-2 District restrictions in effect from August 29, 1980 to February 29, 1984 were contained with Lane Code Chapter 10.107. Amendments to Lane Code Chapter 10.107 during that time period occurred under the following Ordinances: 16-80, 1-82 and 16-83.
- The F-2 Zone restrictions in effect from February 29, 1984 to present are contained with Lane Code Chapter 16.211. Amendments to Lane Code Chapter 16.211 during that time period occurred under the following Ordinances: 7-87, 18-87, 12-90, 11A-91, 17-91, 10-92, 4-02, 5-02, 10-04, and 5-04.

Please call if I can be of further assistance.



Thom Lanfear
Associate Planner
Land Management Division
(541) 682-4054

JAN 27 REC'D



STATUS OF RECORD TITLE REPORT

DAN AND NINA TETZLER
30549 ISAAK WALTON ROAD
EUGENE, OR 97405

Our No: CT-0247419
Date: SEPTEMBER 21, 2005
Charge: \$200.00
Government Service Fee: \$25.00

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

(A T T A C H E D)

and as of: SEPTEMBER 15, 2005, at 8:00 A.M. we find the following:

Vestee:

JOSEPH R. TETZLER AND NINA L. TETZLER,
Co-Trustees of the JOSEPH R. AND NINA L. TETZLER JOINT TRUST

Said property is subject to the following on record matters:

1. Taxes for the fiscal year 2005-2006, a lien not yet payable.
2. As disclosed by the tax rolls, the premises herein described have been zoned or classified for farm use. At any time that said land is disqualified for such use, the property will be subject to additional taxes or penalties and interest.
3. Any improvement located upon the insured property which is described or defined as a mobile home under the provisions of Chapters 803 and 820, Oregon Revised Statutes and is subject to registration as provided therein.
4. Reservations in the deed from the State of Oregon to Earl M. Browne and Linnea M. Browne, husband and wife, recorded January 06, 1944 in Lane County Oregon Deed Records, under Recorder's Reception No. 129850, as follows:
"Reserving, however, to the State of Oregon, all the coal and other minerals in said above described premises, together with the right to prospect for, mine and remove the same, and also subject to the rights of way for ditches, canals, and reservoir sites for irrigation purposes, constructed or which may be constructed by authority of the United States or otherwise, which right of way is hereby expressly reserved."

continued-

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

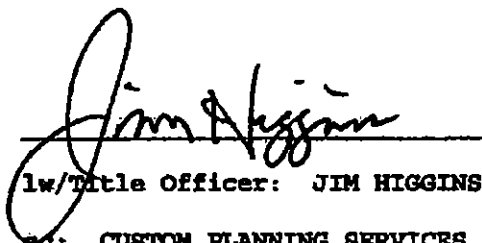
5. Roadway reserved of the Northwest quarter of the Southeast quarter of Section 23, in the deed from D. J. Gover and wife, Eva L. Gover, to Laban Lockard, recorded March 18, 1893 at Page 117 of Book 34, Lane County Oregon Deed Records.

NOTE: Taxes, Account No. 0736650, Assessor's Map No. 18 04 23 0 0, #600, Code 4-01, 2004-2005, in the amount of \$39.70, PAID IN FULL.
Taxes, Account No. 0736668, Assessor's Map No. 18 04 23 0 0, #600, Code 4-42, 2004-2005, in the amount of \$6.18, PAID IN FULL.
Taxes, Account No. 0736684, Assessor's Map No. 18 04 23 0 0, #602, Code 4-01, 2004-2005, in the amount of \$19.40, PAID IN FULL.
Taxes, Account No. 1343324, Assessor's Map No. 18 04 23 0 0, #602, Code 4-42, 2004-2005, in the amount of \$21.05, PAID IN FULL.
Taxes, Account No. 0736692, Assessor's Map No. 18 04 23 0 0, #700, Code 4-01, 2004-2005, in the amount of \$62.52, PAID IN FULL.
Taxes, Account No. 0736700, Assessor's Map No. 18 04 23 0 0, #700, Code 4-42, 2004-2005, in the amount of \$1,708.96, PAID IN FULL.
Mobile Home Taxes, Account No. 4050934, Assessor's Map No. 18 04 23 0 0, #700, Code 4-42, 2004-2005, in the amount of \$41.20, PAID IN FULL.

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

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

CASCADE TITLE CO., by:



lw/Title Officer: JIM HIGGINS

cc: CUSTOM PLANNING SERVICES
ATTN: RON FUNKE
FAX NO.: 302-3330

PROPERTY DESCRIPTION

PARCEL 1:

The Northeast quarter of the Southwest quarter, and the West half of the Northwest quarter of the Southeast quarter, and the North three-fourths of the West half of the Southeast quarter of the Southwest quarter of Section 23, Township 18 South, Range 4 West of the Willamette Meridian, in Lane County, Oregon.

ALSO beginning at the Northeast corner of the Southwest quarter of the Southwest one-quarter of Section 23, in Township 18 South, Range 4 West of the Willamette Meridian, and running thence South on the subdivisional line 931 feet to the Easterly line of the County Road, thence North 15° 34' West along the Easterly line of the County Road 625 feet to the beginning of a curve to the left having a radius of 240.9 feet, through a central angle of 37° 13' a distance of 151.5 feet to the end of the curve; thence North 52° 47' West 24 feet, thence North 55° 25' East 331 feet to the place of beginning, in Lane County, Oregon.

EXCEPT THEREFROM: Beginning at a point being North 89° 38' 55" West 610.02 feet from a 5/8 inch iron rod marking the center of Section 23, Township 18 South, Range 4 West of the Willamette Meridian, said point being on the East-West centerline of Section 23; thence leaving said East-West centerline South 1° 31' 50" West 617.89 feet to a found 1/2 inch iron pipe marking the Northeast corner of that certain tract of land conveyed to Donald Lea Peterson by deed recorded November 21, 1979, Reel No. 1038, Reception No. 79-69742; thence along the North line of said Peterson Tract, South 86° 22' 50" West (by record, South 84° 54' 10" West) 700.24 feet to a point on the West line of the Northeast quarter of the Southwest quarter of Section 23; thence along said West line North 0° 06' 43" East 666.25 feet to a point on the East-West centerline of Section 23; thence along said East-West centerline South 89° 38' 55" East 714.07 feet to the point of beginning, in Lane County, Oregon.

EXCEPT: Beginning at a point on the Easterly margin of County Road No. 147 said point being West 1503.27 feet and North 920.62 feet from the South quarter corner of Section 23, Township 18 South, Range 4 West of the Willamette Meridian, run thence Northwesterly along the margin of said road to a point that is North 36° 00' West 298.20 feet, thence North 62° 56' 30" East 352.44 feet and North 2° 11' 30" West 646.88 feet along an accepted line fence, thence North 84° 54' 10" East 713.34 feet, thence South 0° 03' 10" West 709.57 feet, thence South 7° 05' 10" West 248.63 feet, thence North 81° 33' 30" West 659.63 feet, thence South 0° 49' 40" East 250.04 feet, thence South 89° 14' 50" West 144.18 feet to the place of beginning in Lane County, Oregon.

ALSO EXCEPT: Beginning at a point North 922.51 feet and West 1359.10 feet from the South quarter corner of Section 23, Township 18 South, Range 4 West of the Willamette Meridian, run thence North 0° 49' 40" West 250.04 feet, thence South 81° 33' 30" East 659.63 feet, thence South 76° 43' 02" West 666.71 feet to the point of beginning, all in Lane County, Oregon.

continued-

Property Description continued-

PARCEL 2:

The East half of the Southeast one-quarter of the Southwest one-quarter and the West half of the Southwest one-quarter of the Southeast one-quarter of Section 23, Township 18 South, Range 4 West of the Willamette Meridian in Lane County, Oregon.

EXCEPT: Beginning at the one-quarter section corner on the South line of Section 23 in Township 18 South, Range 4 West, Willamette Meridian; thence East 426.1 feet along the South line of said section to the Southerly line of County Road No. 664, thence along the Southerly line of said road the following four courses: North 72° 00' West 552.2 feet; North 88° 50' West 284.2 feet, North 63° 03' West 287.2 feet, North 89° 33' West 24.8 feet, thence leaving the road South 0° 45' East 303.0 feet to the South line of Section 23 said Township and Range, thence along the section line South 89° 40' East 660.10 feet to the point of beginning, all in Lane County, Oregon. Subject to easement or reservations of record in Lane County, Oregon.

EXCEPT THEREFROM: Beginning at a 5/8 inch iron rod on the Northerly right-of-way of Issac Walton Road (County Road No. 664), said point being North 211.73 feet, and West 94.05 feet from the Brass Cap monument marking the South one-quarter corner of Section 23, Township 18 South, Range 4 West, Willamette Meridian; thence along said right-of-way North 88° 42' 14" West, 278.78 feet to a 5/8 inch iron rod; thence North 62° 55' 14" West, 141.10 feet to a 5/8 inch iron rod; thence leaving said right of way North 13° 52' 24" East, 544.33 feet to a 5/8 inch iron rod; thence North 29° 20' 00" East 83.50 feet to a 5/8 inch iron rod; thence South 55° 20' 00" East, 240.78 feet to a 5/8 inch iron rod; thence South 72° 50' 00" East, 99.94 feet to a 5/8 inch iron rod; thence South 6° 50' 20" West, 508.95 feet to the point of beginning, in Lane County, Oregon.

8743398

WARRANTY DEED

JOSEPH R. TETZLER and MINA L. TETZLER, husband and wife, Grantors, convey and warrant to JOSEPH R. TETZLER and MINA L. TETZLER, Co-Trustees of the JOSEPH R. AND MINA L. TETZLER JOINT TRUST, Grantees, the real property more particularly described on the attached Exhibit A situated in Lane County, Oregon:

Grantors covenant that Grantors are seized of an indefeasible estate in the real property described above in fee simple, that Grantors have good right to convey the property, that the property is free from encumbrances except as specifically set forth herein, and that Grantors warrant and will defend the title to the property against all persons who may lawfully claim the same by, through, or under Grantors, provided that the foregoing covenants are limited to the extent of coverage available to Grantors under any applicable standard or extended policies of title insurance, it being the intention of the Grantors to preserve any existing title insurance coverage.

The true and exact consideration for this conveyance is other value given or promised.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE RECORDING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWFUL USES AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.030.

Until a change is requested, all tax statements are to be sent to the following address: to remain the same

After recording, send to Victor Jay Johns III, Larson, Cobb, Richards & Pomeroy, P.C., 777 High Street, Suite 300, Eugene, Oregon 97401.

DATED this 25 day of June, 1997.

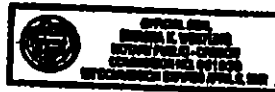
Joseph R. Tetzler
JOSEPH R. TETZLER

Mina L. Tetzler
MINA L. TETZLER

STATE OF OREGON)
County of Lane) ss.

SEARCH 2/77/046EC 10.00
SEARCH 2/77/046FFND 10.00
SEARCH 2/77/046GT FLD 21.00

This instrument was acknowledged before me on the 25 day of June, 1997, by JOSEPH R. TETZLER and MINA L. TETZLER, Grantors.



Margaret Whittington
County Public for Oregon
My Commission Expires _____

This document is being rerecorded to correct the legal description by deleting Exhibit A in its entirety and adding Exhibit A1.

Warranty Deed

10-10-98

Division of Chief Deputy Clerk
Lane County Deeds and Records

2001-004621



\$46.00

00145886200100046210050052

01/26/2001 04:31:52 PM

RPR-DEED Cntw1 Strw5 CRSHIER 01
\$25.00 \$11.00 \$10.00

16
24
70

9743397

WARRANTY DEED

JOSEPH R. TETZLER and NINA L. TETZLER, husband and wife, Grantees, convey and warrant, to JOSEPH R. TETZLER and NINA L. TETZLER, Co-Trustees of the JOSEPH R. AND NINA L. TETZLER JOINT TRUST, Grantees, the real property more particularly described on the attached Exhibit A situated in Lane County, Oregon:

Grantees covenant that Grantees are seized of an indefeasible estate in the real property described above in fee simple, that Grantees have good right to convey the property, that the property is free from encumbrances except as specifically set forth herein, and that Grantees warrant and will defend the title to the property against all persons who may lawfully claim the same by, through, or under Grantees, provided that the foregoing covenants are limited to the extent of coverage available to Grantees under any applicable standard or extended policies of title insurance, it being the intention of the Grantees to preserve any existing title insurance coverage.

The true and actual consideration for this conveyance is other value given or provided.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS PROVIDED IN ORS 26.930.

Until a change is requested, all tax statements are to be sent to the following address: to remain the same

After recording, return to Varner Jay Johns III, Levan, Cobb, Richards & Fraser, P.C., 777 High Street, Suite 300, Eugene, Oregon 97401.

DATED this 25th day of June, 1997.

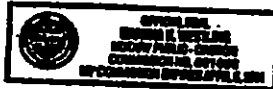
Joseph R. Tetzler
JOSEPH R. TETZLER

Nina L. Tetzler
NINA L. TETZLER

STATE OF OREGON)
County of Lane)

SEARCHED 27 77804REC 10.00
SERIALIZED 27 77804FFIND 10.00
SERIALIZED 27 77804MAT FUND 20.00

This instrument was acknowledged before me on the 25th day of June, 1997, by JOSEPH R. TETZLER and NINA L. TETZLER, Grantees.



Marsha K. Udell
Marsha K. Udell
Notary Public for Oregon
My Commission Expires _____

This document is being rerecorded to correct the legal description by deleting Exhibit A in its entirety and adding Exhibit A1.

Warranty Deed

16-1770

Division of Chief Deputy Clerk
Lane County Deeds and Records

2001-004620



\$45.00

00145577260166646200050055

01/26/2001 04:30:52 PM

RPR-DEED Cnt=1 Str=5 CRSHIER 01

\$25.00 \$11.00 \$10.00

10-1-1915

Warning Book

State of Oregon
 County of Lane
 I, the County Clerk, do hereby certify that the within
 instrument was recorded by record as
 97 JUN 27 11:15
 2310R
 Lane County Official Record
 Lane County Clerk
 M. J. Kelly

STATE OF OREGON
COUNTY OF LANE

This is to certify that I have examined the original and correct copy of the within instrument and find the same to be correct in form and content and that the same has been duly recorded in the public records of the County of Lane, Oregon, as shown by the within certificate. Witness my hand and the seal of the County of Lane, Oregon, at Medford, Oregon, this 27th day of June, 1915.

M. J. Kelly
 County Clerk



RECORDING at a point on the Eastern margin of County Road No. 147, said point being West 1503.27 feet and North 923.63 feet from the back quarter corner of Section 23, Township 18 South, Range 4 West of the Willamette Meridian in Lane County, Oregon, the corner Northwestly along the margin of said road to the true point of bearing, Oregon the true point of bearing, thence North 65° 05' 30" East along an accepted pipe line 232.44 feet to the true pipe in the corner of the backswamp corner of said Section 23, Range South 25° 25' West 231.00 feet more or less to the Eastern margin of said County Road No. 147, thence Northwestly along said road to the true point of bearing, containing 0.18 acres, more or less in Lane County, Oregon.

EXHIBIT A
9743397

JOSEPH R. TETZLER
NINA L. TETZLER
30549 Izaak Walton Road
Eugene, OR 97405

JAN 30 REC'D

Key Bank of Oregon

Re: Account Nos. _____ and _____

We have established a Revocable Trust dated June 25, 1997, with ourselves as Grantors and TRUSTEES. At this time we wish to change the ownership of the above-referenced accounts to our revocable trust.

Please change the name of the accounts as follows:

Name of New Owner: Joseph R. Tetzler and Nina L. Tetzler,
Trustees of the Joseph R. and Nina L. Tetzler Joint Trust

Date of Trust: June 25, 1997

Trustees: Joseph R. Tetzler and Nina L. Tetzler

Address of Trust: 30549 Izaak Walton Road
Eugene, OR 97405

Social Security No.: The personal social security
numbers of Joseph R. and Nina L. Tetzler

Enclosed are the first page, signature page and page 2 noting the names of the successor trustees of our trust. If you require additional documentation, please advise.

Yours truly,

Joseph R. Tetzler

Nina L. Tetzler

JOSEPH R. AND NINA L. TETZLER JOINT TRUST AGREEMENT

JOINT TRUST AGREEMENT between JOSEPH R. TETZLER and NINA L. TETZLER, sometimes referred to by use of a personal pronoun, as Trustors, and JOSEPH R. TETZLER and NINA L. TETZLER as co-Trustees, sometimes referred to collectively as the Trustee.

RECITALS:

A. **INTENT**. It is our intent in creating the Joseph R. and Nina L. Tetzler Joint Trust to create two separate equal shares of the Joint Trust, one for each of us, each of which will own an undivided one-half of each asset of the trust estate, with the separate shares to be administered together as one fund while we are both living.

B. **GOALS**. Our goals are to provide first for our own welfare and comfort and the welfare and comfort of the survivor of us and second to provide for our children and their issue. We hope they will recognize that while our estate plan and this agreement involve complex concepts, legal language, and arrangements, it is because of the complexities of tax and trust laws and our desire to accomplish our goals.

The Trustors and the Trustee agree as follows:

1. **IDENTIFICATION OF IMMEDIATE FAMILY**

We, the Trustors, are husband and wife. The names of our children are CHARLENE LOUISE ENSIGN, JEANNYNE LEE WILLIAMS and DANIEL EUGENE TETZLER.

2. **TRUST ESTATE**

The Trustee shall administer the trust estate as stated in this agreement. The trust estate shall consist of all the property described in Schedule A that we convey to the Trustee by the execution of this agreement. The trust estate also shall include any other property transferred to the trust estate by any person by any means and accepted by the Trustee.

3. **OWNERSHIP AND NAME OF TRUST ESTATE**

As long as we are both living:

A. **OWNERSHIP**. Regardless of the form of the prior tenancy of the assets contributed to the trust estate and which one of us contributed the assets, now each of our

Copy 1-5-06

JAN 27 RECD

AMENDMENT TO DECLARATION OF TRUST

On June 25, 1997, Joseph R. Tetzler and Nina L. Tetzler, Trustors, executed a Declaration of Trust which, by its terms, was a revocable trust. The Trustors hereby wish to amend the Declaration of Trust as follows:

1. By deleting Paragraph 4 in its entirety and replacing it with the following.

"4. SUCCESSOR TRUSTEE

If any of the currently acting Co-Trustees, NINA L. TETZLER, CHARLENE LOUISE TETZLER or DANIEL EUGENE TETZLER, dies, resigns, becomes incapacitated, or fails to act as a Trustee, the other Co-Trustees shall serve as Trustees or sole Trustee of the trust created by this agreement. If all of us die, resign, become incapacitated, or fail to act as the Trustee, we appoint JEANNYNE LEE WILLIAMS as successor Trustee of the Trust."

2. Paragraph 11.R(1) shall be deleted in its entirety and replaced with the following language:

"(1) Decisions in the administration and management of the trust estates shall be upon the agreement of the Co-Trustees. Whenever the Trustees are unable to agree, the decision of Nina L. Tetzler shall be determinative. In that case, the other Co-Trustees shall have no liability for the resulting action taken."

Except as amended hereby, the Declaration of Trust dated June 25, 1997, shall remain in full force and effect.

DATED: May 17, 2001.

TRUSTORS/TRUSTEE

Joseph R. Tetzler, Trustor
Nina L. Tetzler, Trustor and Trustee

TRUSTEES

Charlene Louise Tetzler, Trustee
Daniel Eugene Tetzler, Trustee

**CUSTOM
PLANNING
SERVICES
Ron Funke, AICP**

Land Use Applications & Permits
Land Use Research, Analysis & Spatial (GIS) Mapping
Project Development & Management

Craig McKern Appraisal, PC
PMB 397, 1574 Coburg Rd.
Eugene, OR 97401
345-0744 (voice)
345-0577 (fax)

✓ SAKED 1:50 PM
092305

September 26, 2005

Craig,

Nina Tetzler, the owner of the following properties, and her son Daniel Tetzler have authorized you to conduct a formal real estate appraisal for these map and tax lot numbers:

Map 18-04-23 Lot 600
Map 18-04-23 Lot 602
Map 18-04-23 Lot 700

3:30
@Charnelton

Mrs. Tetzler is preparing to file a Measure 37 claim regarding these parcels and would like an appraisal for the current, as is value, of the property.

In addition, she would like an appraisal of the hypothetical value of these parcels if she were able to develop the parcels in accordance with the zoning criteria in existence at the time of their purchase in the early sixties, presumably ATG - 5.

I am acting as Mrs. Tetzler's authorized agent. As such, I will be your primary contact person regarding this project. However, billing should be addressed to:

Mrs. Nina Tetzler
30549 Isaac Walton Rd.
Eugene, OR 97405

Billings can flow through my office. Please let me know when you are able to meet with Mrs. Tetzler and her son, Daniel and myself on site for a preliminary meeting and a discussion of how best to provide them with useful appraisals. Dan works for Willamalane and I will check when he will be available.

Sincerely,

Ron Funke
Ron Funke, AICP

Member: American Institute of Certified Planners ☆ American Planning Association
2595 Charnelton St., Eugene, OR 97405 ☆ 541.302.4993(p/f) ☆ 541.521.3065(c)
ronfunke@customplanningservices.com

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

October 26, 2005

Nina and Joseph Tetzler
Dan Tetzler
c/o Ron Funke
Custom Planning Services
2565 Charnelton Street
Eugene, Oregon 97405

RE: Lane Code 2.740 (6)

Nina, Dan and Ron,

For your files, here is the Ballot Measure 37 summary for the Tetzler property at 30549 Izaak Walton Road, Eugene, Oregon 97405.

This includes Restricted Appraisal Reports of Complete Appraisals of:

The entire property involved in this Measure 37 claim shown as Tax Lot 18-04-23-00-00700, including all improvements, of about 30 acres more or less; plus Tax Lots 600, unimproved, of about 39 acres more or less plus Tax Lot 602, unimproved, of about 11 acres more or less; total, about 80 acres more or less shown as file 092305A

AND

A hypothetical five acre parcel in the portion of Tax Lot 700 where all present improvements are located, from north of present dwelling south to Izaak Walton Road, as drawn on the attached hypothetical plat map for illustration (not a survey) shown as file 092305B

AND

A hypothetical five acre parcel postulated to be created out of Tax Lot 600 in a Measure 37 claim action as one of 10 such parcels (including the north 15 more or less acres of Tax Lots 700 and 602, including roads and including a postulated replacement homesite for the existing second home placed adjacent to 30549 Izaak Walton Road and known as 30541 Izaak Walton Road) which are created to be "after" instances shown as file 091405C

The different reports are noted and summarized on the cover letter for the entire file 092305 which is presented as one report for ease of reading and understanding by the reader.

Three Restricted Appraisal Reports of Complete Appraisals of:

Tax Lots 18-04-23-00-600, 602 and 700 including improvements
file 092305A, a "before" scenario of the entire subject property

A hypothetical portion of Tax Lot 18-04-23-00-700
file 092305B, the improvements on a five acre hypothetical site,
an "after" scenario of hypothetical acreage area with improvements

A hypothetical portion of Tax Lot 18-04-23-00-600
file 092305C, an "after" scenario of a hypothetical five acre site,
including no improvements

commonly known street address:
30549 Izaak Walton Road
Eugene, Oregon 97405

Client:

Joseph and Nina Tetzler
Dan Tetzler

c/o Ron Funke, agent
Custom Planning Services
2595 Charneton Street
Eugene, Oregon 97405

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 092305A, 092305B and 092305C

Use of the Appraisal:

For use in a State Measure 37 proceeding brought by the owner and agent in Lane County, Oregon

Date of Most Recent Inspection
and Effective Date of Report:
October 7, 2005

Report Completion Date:
October 28, 2005

Prepared by:

Craig E. McKern, Appraiser, P.C.
Certified Residential Real Estate Appraiser
1574 Coburg Road, PMB 397
Eugene, Oregon 97401-4802
files 092305A through 092305C

Borrower: No borrower		File No. 092305A	
Property Address: 30549 Izak Walton Road			
City: Eugene	County: Lane *** fire patrol fee	State: OR	Zip Code: 97405
Lender: Nina Tetzler c/o Ron Funke, agent			

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 court in Marion County held that Measure 37 as written was unconstitutional for various judicial reasons. This ruling is expected to be appealed to 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 no directly observed toxic materials or hazardous substances in the immediate area of the subject. If any do exist, 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. This report has been prepared for use in a State Measure 37 proceeding and is restricted to that use only. See the cover letter page for brief explanations of the use and purpose of this report 092305A in conjunction with report 092305B and 092305C which are for smaller hypothetical parcel out of the 80+/- acres more or less of the report in hand in order to provide "before and after" scenarios. The actual legality, validity and application of State Ballot Measure 37 is still in question with present and future court and Legislature involvements a certainty.

APPRAISER:
 Signature: Craig E. McKern
 Name: Craig E. McKern, Appraiser, P.C.
 Date Signed: October 28, 2005
 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: cem9th@man.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. 092305A

FORM NO. WZ385A1

Borrower/Client No borrower			
Property Address 30549 Izaak Walton Road			
City Eugene	County Lane *** fire patrol fee	State OR	Zip Code 97405
Lender Nina Tetzler c/o Ron Funke, agent			

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 7, 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 and cost approach were developed for the 092305A and 092305B reports only. The cost approach does not apply to unimproved land in the case of 092305C hypothetical site value report. The present older improvements are given a depreciated contributory value. A land value range was determined by appraisal of the subject site and improvements "as is" with present F-2 zoning and for comparison purposes of the total subject site in report 092305A and in hypothetical reports 092305B and 092305C.

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 dwelling 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, Joseph and Nina Tetzler, their son Dan Tetzler as advisor and Ron Funke as advisor 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 third party.

Supplemental Certifications:

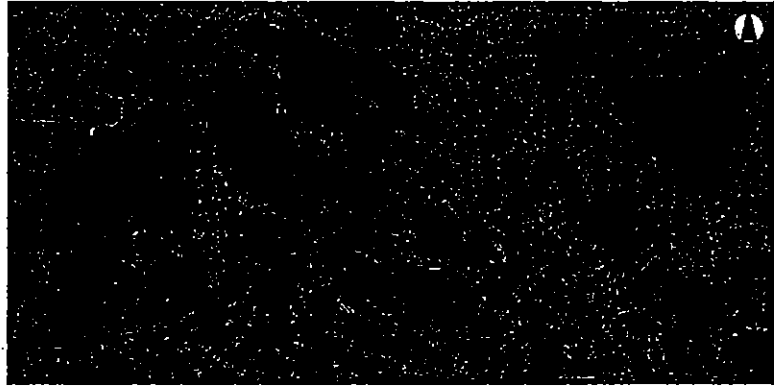
I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

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 October 28, 2005

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



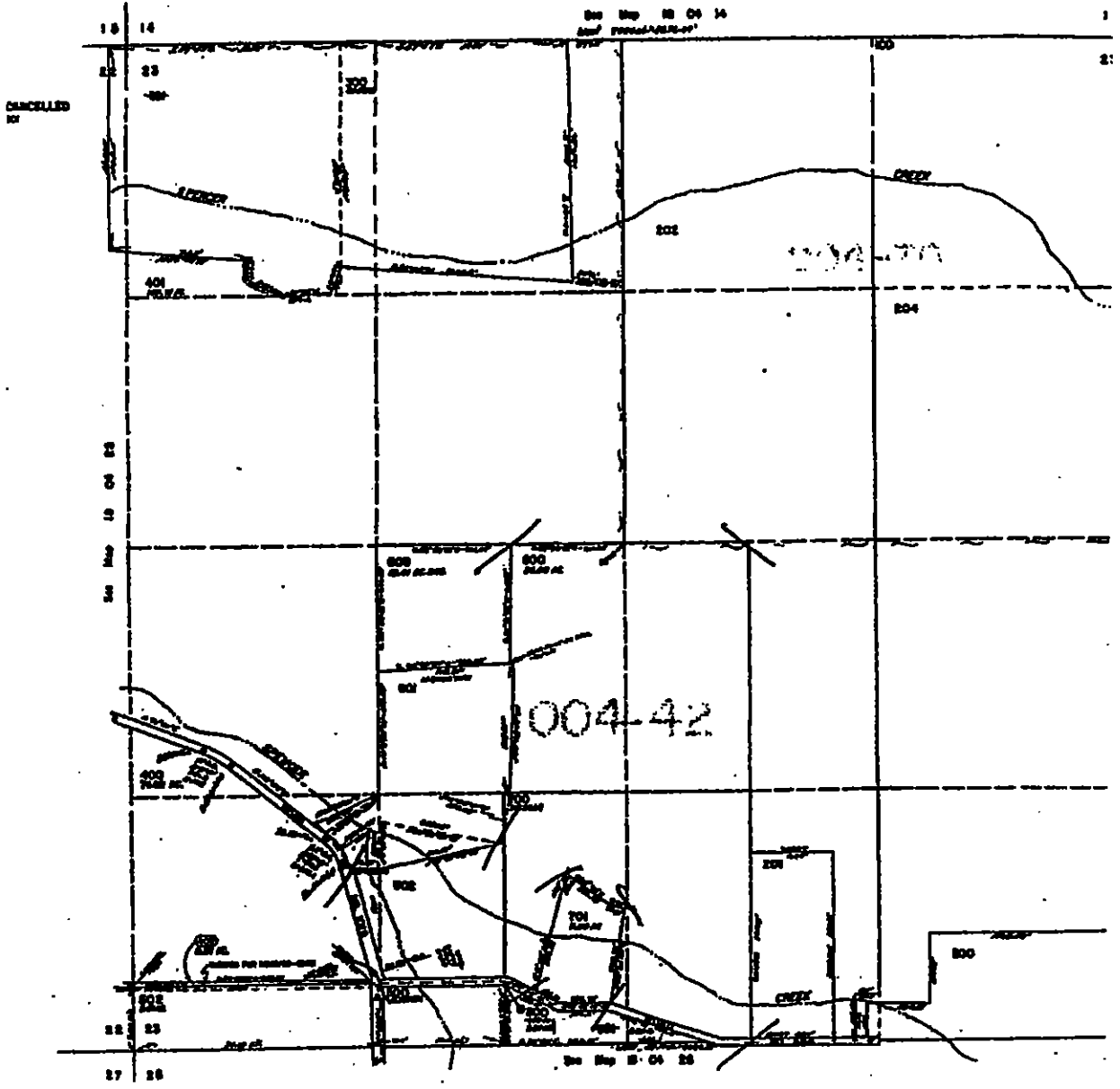


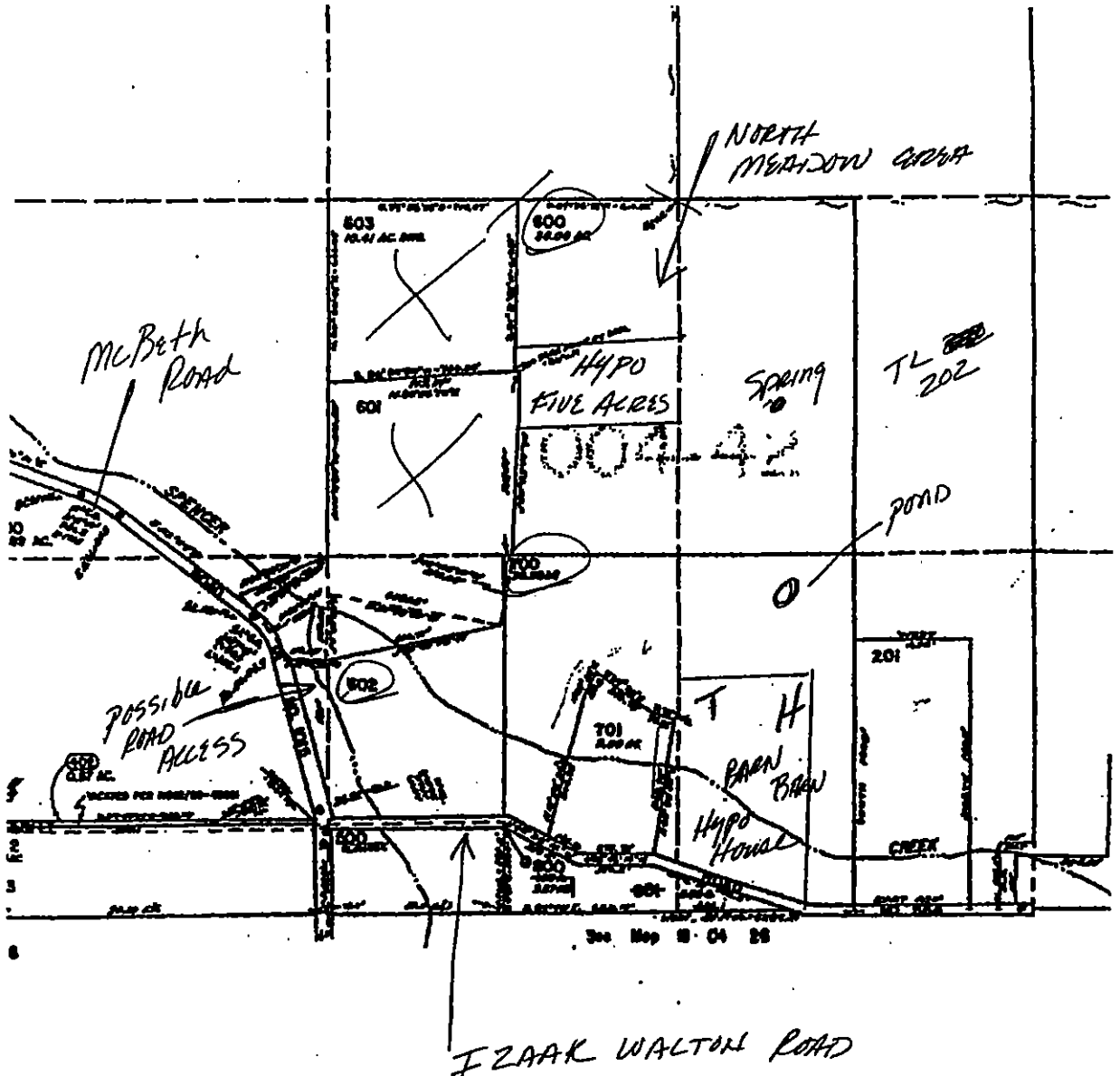
General aerial photo with subject in approximate center of photo, South Fork Spencer Creek from upper left to lower right, McBeth Road from upper left curving south and out of photo on south; Eugene is to northeast



Subject property aerial photo with creek bottom along Izaak Walton Road in lower photo, large irregular meadow at top center is north end of larger parcel site (including all acreage), improvements clustered in lower center

Section 23 T18S. R4W.WM.
LANE COUNTY
1"=400'





Hypothetical Scenario
PLAT MAP

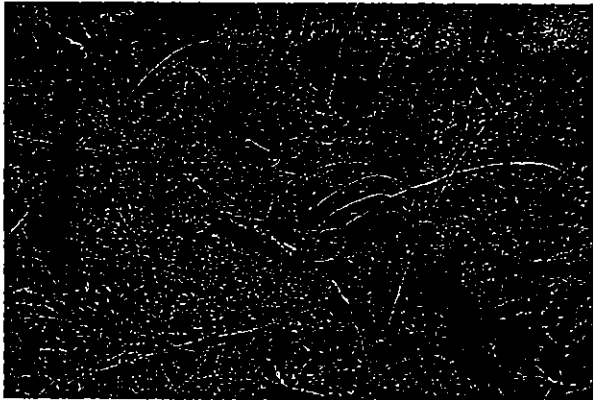
Site access PHOTOGRAPH ADDENDUM

Borrower/Client	No borrower				
Property Address	30549 Izaak Walton Road				
City	Eugene	County	Lane *** fire patrol fee	State	OR Zip Code 97405
Lender	Nina Tetzler c/o Ron Funke, agent				



Driveway to subject dwelling on tax lot 700 at Izaak Walton Road

Tax Lot 701 on right



South Fork Spencer Creek at bridge to tax lot 700 – same drive also accesses tax lot 701



Drive from 30749 Izaak Walton Road toward creek, dwelling on tax lot 701 on left, excluded from this report

Driveway passes through tax lot 701 as an easement

Dwelling and placeholder mobile home photos

Borrower/Client	No borrower						
Property Address	30549 Isaac Walton Road						
City	Eugene	County	Lane *** fire patrol fee	State	OR	Zip Code	97405
Lender	Nina Tetzler c/o Ron Funka, agent						



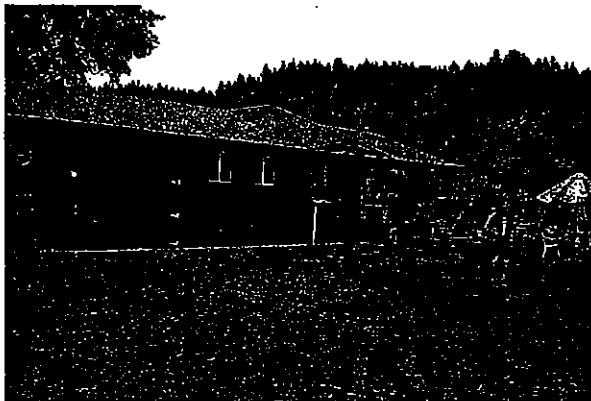
Older mobile home on left was placed as replacement for the original home which burned circa 1978. A second home site with permits (per owner) circa 1985 was allowed under then in effect zoning ordinances

Both main dwelling and mobile home are on Tax Lot 700



Placeholder mobile home is a 1972 or 1973 Lampighter single wide with a rain cover and added storage room, covered deck

Well is shared with main dwelling; septic system is separate (one for each dwelling)



Southwest elevation of placeholder mobile home

Dwelling photos

Borrower/Client	No borrower						
Property Address	30549 Izaak Walton Road						
City	Eugene	County	Lane *** fire patrol fee	State	OR	Zip Code	97405
Lender	Nina Tetzier c/o Ron Funke, agent						



30549 Izaak Walton Road, south elevation



North elevation looking west



North elevation looking east

View and larger site PHOTOGRAPH ADDENDUM

Borrower/Client	No borrower				
Property Address	30549 Izaak Walton Road				
City	Eugene	County	Lane *** fire patrol fee	State	OR Zip Code 97405
Lender	Nina Tetzler c/o Ron Furke, agent				



Looking northwest from rear of 30549 Izaak Walton Road toward Tax Lot 600 including wooded area and hills to right

Flatlands have hydric soils and clay soils with scrub oak and slow drainage typical; the better homesites are located above the creek bottom in the appraiser's opinion



Looking north from 30549 Izaak Walton Road dwelling toward Tax Lot 600

see aerial photos and topo map



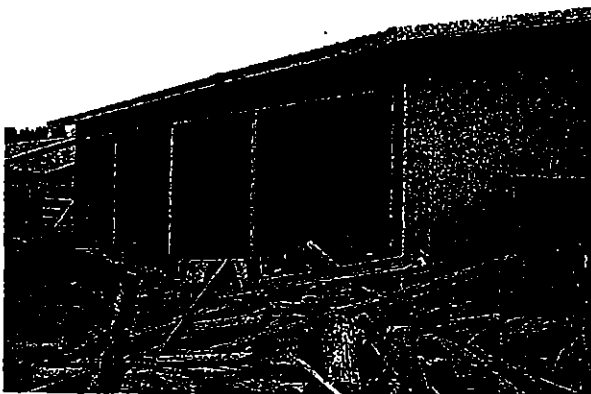
Looking northeast from rear of 30549 Izaak Walton Road to Tax Lot 202 owned by others which starts at barely visible fence line.

Outbuildings (Tax Lot 700)

Borrower/Client	No borrower						
Property Address	30549 Izaak Walton Road						
City	Eugene	County	Lane *** fire patrol fee	State	OR	Zip Code	97405
Lender	Nina Tetzler o/o Ron Funke, agent						



Older stock barn and sheds on southeast portion of Tax Lot 700



Newer equipment shed and woodshed located east of main dwelling



Newer equipment shed on right, various older sheds to left, stock barn at rear of photo.

Cleared area in foreground is from a mobile home which was not attached to the site and was not occupied but was recently demolished and removed

UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. 092305A

Property Description
 Property Address: 30549 Izaak Walton Road, City: Eugene, State: OR, Zip Code: 97405
 Legal Description: Lengthy Metes and Bounds Legal Description (Use description cards or deeds), County: Lane, *** fire patrol fee
 Assessor's Parcel No.: Tax Lots 18-04-23-00-00600, 00602 and 00700, Tax Year: 05-06, R.E. Times: \$, Special Assessments: \$ 56.00 ***
 Borrower: No borrower, Current Owner: Tetzler, Joseph and Nina, Occupant: Owner, Tenant, Vacant
 Property rights appraised: Fee Simple, Leasehold, Project Type: PUD, Condominium (HUD/NA only), HOA \$: N/A, /Mo.
 Neighborhood or Project Name: Southwest Eugene unincorporated environs, Map Reference: Pittman metro page 48, Census Tract: 41-039 - 10.02
 Sale Price: \$ Not Sold, Date of Sale: N/A, Description and amount of loan charges/concessions to be paid by seller: Not Applicable
 Lender/Client: Nina Tetzler c/o Ron Funke, agent, Address: 2595 Charmelton Street, Eugene, Oregon 97405
 Appraiser: Craig E. McKern, Appraiser, P.C., Address: 1574 Coburg Road, PMB 397, Eugene, Oregon 97401-4802

Location
 Urban Suburban Rural
 Built up: Over 75% 25-75% Under 25%
 Growth rate: Rapid Stable Slow
 Property values: Increasing Stable Declining
 Demand/supply: Shortage In balance Over supply
 Marketing time: Under 3 mos. 3-6 mos. Over 6 mos.
 Predominant occupancy: Owner 95, Tenant 5, Vacant (0-5%), Vac. (over 5%)
 Single family housing price \$(000): 150 Low New, 1,500+ High 80+
 Present land use %: One family 90, 2-4 family, Multi-family, Commercial, other 10
 Land use change: Not likely, In process, Likely
 To: Residential from vacant on available sites and by partitioning

Note: Race and the racial composition of the neighborhood are not appraisal factors.
 Neighborhood boundaries and characteristics: The subject area is located south of and outside the Eugene city limits/Urban Growth Boundary within the Spencer Creek watershed, Carnas Swale Creek watershed to the south and east, Amazon Creek watershed to the north and east.
 Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.):
 The subject is located about 3 air miles south of the Eugene city limits in the west Spencer Butte area in unincorporated Lane County. This location has good proximity to Eugene employment centers, schools, shopping and services via major rural/urban connector streets; see maps. The area continues to develop with 5 to 10 acre parcel subdivisions as restrictive zoning allows; newer modulars, site-built homes present. The area has developed over several decades with a wide variety of home sizes, qualities, site sizes, values, styles present.
 Restrictive zoning controls new partitions and subdivisions by requiring viable domestic water sources for each new parcel created.
 Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time -- such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.):
 Rising to stable prices under present 6.25+/- fluctuating interest rates; presently, interest rates among the lowest in the past 45+ years due to strong government anti-recession stimulus. An active early Fall market, showing no past, present effect from current Iraq War in Realtor-noted buyer reluctance at this time, is in progress with limited selection of existing homes offered. Supply, demand appear to trend to a shortage at this time. Sellers in lower price ranges may pay up to \$5,000 of buyer loan, closing costs. Marketing time under 60 days for well-priced homes. The mix of homes and sites as noted above does not adversely affect marketability in this mid-price range of subject area generally.

Project information for PUDs (if applicable) -- Is the developer/builder in control of the Home Owners' Association (HOA)? Yes No
 Approximate total number of units in the subject project: _____ Approximate total number of units for sale in the subject project: _____
 Describe common elements and recreational facilities: The subject site is not in a Planned Unit Development.

Dimensions Irregular, see plat map attached
 Site area: 90.15 acres more or less, Corner Lot: Yes No
 Specific zoning classification and description: F-2 Impacted Forest Land
 Zoning compliance: Legal, Legal nonconforming (Grandfathered use), Illegal, No zoning
 Highest & best use as improved: Present use, Other use (explain)
 Utilities: Public Other
 Electricity: Street, Asphalt, Public, Private
 Gas: Curb/gutter, None, None, None
 Water: Private Well, None, None, None
 Sanitary sewer: Private Septic(s), Street lights, None, None
 Storm sewer: Natural Slope, Alley, None, None
 Topography: Level to moderate south slope
 Size: Larger than typical for area
 Shape: Irregular
 Drainage: Normally Adequate
 View: See photographs
 Landscaping: Mature, Maintained
 Driveway Surface: All Weather Gravel/Concrete
 Apparent easements: No Apparent Adverse
 FEMA Special Flood Hazard Area: Yes No
 FEMA Zone: Zone X, Map Date: 08-02-1999
 FEMA Map No.: FEMA 41039C-1625F

Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.): Site as appraised for Measure 37 purposes includes all three tax lots noted above with irregular dimensions, various slope aspects, road and creek frontages, soils and productivity classes in a "before" scenario. See photos, maps, property descriptions attached plus other reports 092305B, C and D.

GENERAL DESCRIPTION	EXTERIOR DESCRIPTION	FOUNDATION	BASEMENT	INSULATION
No. of Units: One	Foundation: Concrete	Slab: No	Area Sq. Ft.: None	Roof: R-19+
No. of Stories: One	Exterior Walls: Plywood/Battlen	Crawl Space: Yes	% Finished: _____	Ceiling: R-11
Type (Det./ADL): Detached	Roof Surface: Comp. Shingles	Basement: None	Walls: _____	Walls: R-11
Design (Style): Rambler	Gutters & Dwnspnts: Galv. Metal	Sump Pump: None	Walls: _____	Floor: unk
Existing/Proposed: Existing	Window Type: Alum SP Slider	Dampness: None Apparent	Floor: _____	Floor: None
Age (Yrs.): 38 m/f	Storm/Screen: Yes/Yes	Settlement: None Apparent	Outside Entry: _____	Unknown: _____
Effective Age (Yrs.): 25 (est)	Manufactured House: No	Infestation: None Apparent	Std. Insul. Package: _____	Std. Insul. Package: _____

ROOMS	Foyer	Living	Dining	Kitchen	Den	Family Rm.	Rec. Rm.	Bedrooms	# Baths	Laundry	Other	Area Sq. Ft.
Basement												None
Level 1		1	area	1		1		3	1.5	w/family	mech	1,788
Level 2												

Finished area above grade contains: 8 Rooms; 3 Bedroom(s); 1.5 Bath(s); 1,788 Square Feet of Gross Living Area

INTERIOR	HEATING	KITCHEN EQUIP.	ATTIC	AMENITIES	CAR STORAGE
Floors: Carpet, Vinyl, Tile	Type: FA	Refrigerator: <input type="checkbox"/> None	None: <input type="checkbox"/>	Fireplace(s) # W.S.: <input checked="" type="checkbox"/>	None: <input type="checkbox"/>
Walls: Textured Drywall	Fuel: Electric	Range/Oven: <input checked="" type="checkbox"/>	Stairs: <input type="checkbox"/>	Patio: None	Garage: <input type="checkbox"/>
Trim/Finish: Clear Fir, Painted Wd	Condition: Average	Disposal: <input type="checkbox"/>	Drop Stair: <input type="checkbox"/>	Deck: Open	Attached: <input checked="" type="checkbox"/>
Bath Floor: Vinyl	COOLING: _____	Dishwasher: <input checked="" type="checkbox"/>	Scuttle: <input checked="" type="checkbox"/>	Porch: Covered	Detached: <input type="checkbox"/>
Bath Wainscot: Ceramic	Central: None	Fan/Hood: <input checked="" type="checkbox"/>	Floor: <input type="checkbox"/>	Fence: Field gate	Built-in: _____
Doors: Solid Fir Panel	Other: Filter	Microwave: <input type="checkbox"/>	Heated: <input type="checkbox"/>	Pool landscape: <input checked="" type="checkbox"/>	Carport: _____
See comments below	Condition: Average	Washer/Dryer: <input type="checkbox"/>	Finished: <input type="checkbox"/>	Outbuildings: <input checked="" type="checkbox"/>	Driveway: <input checked="" type="checkbox"/>

Additional features (special energy efficient items, etc.): Standard insulation package for 1965 with possible added insulation over flat ceiling areas; single pane aluminum slider windows. Wood stove on tile hearth in living room. Second home site (30541) mobile home has placeholder value.
 Condition of the improvements, depreciation (physical, functional, and external), repairs needed, quality of construction, remodeling/additions, etc.: Subject built by owners with permits between 1965 and 1969; construction, design and materials typical of the era. Walk-through bath with six fixtures; tile entry, dining and kitchen floors; newer living room and master bedroom carpet. Family/utility/hobby room has washer/dryer hookups, original vinyl floors. Interior surfaces show typical wear for age; exterior paint, roof appear sound. A clear structural/dry rot report is assumed.
 Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property: The site was previously built upon; no apparent "dead" soil areas or past toxic materials on or near the site other than typical household/shop chemicals found in most homes, garages. Any farm chemicals assumed applied per instructions.

UNIFORM RESIDENTIAL APPRAISAL REPORT

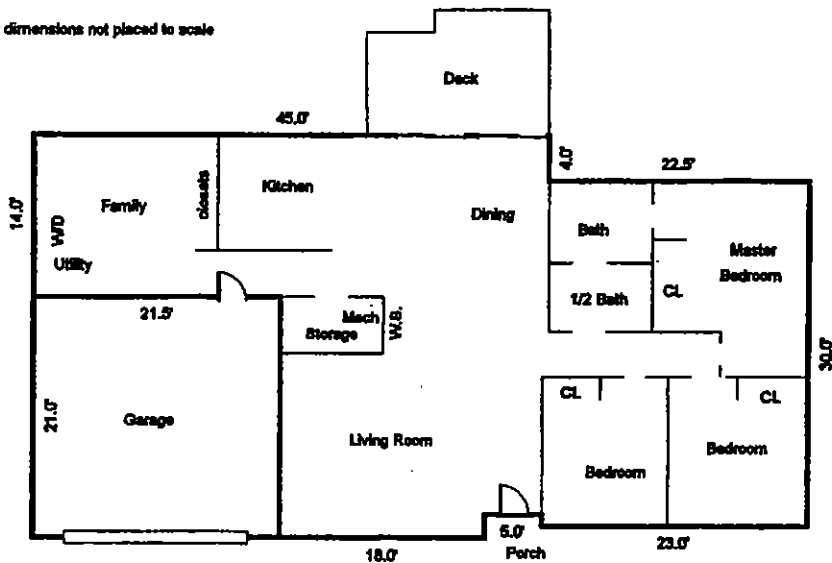
File No. 092305A

Valuation Section

ESTIMATED SITE VALUE	= \$	375,000	Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FHA, the estimated remaining economic life of the property): <u>Cost approach data from 2005 National Building Cost Manual and office files. Physical depreciation is based on the age/life method with regard to any apparent updating reducing effective age. See floor plan, dimensions. Site value includes approximately \$25,000 value of second permitted homesite adjacent to main dwelling which could likely be moved to a location on hillside further from creek bottom. \$375,000 value for site is for two permitted SFR's on entire acreage with consideration to site productivity. Well, septic systems, drives, utilities, fence in site improvements figure.</u>
ESTIMATED REPRODUCTION COST-NEW-OF IMPROVEMENTS:			
Dwelling 1,788 Sq. Ft. @\$ 90.00	= \$	160,920	
Appliances, deck, wood stove/hearth	=	7,000	
Garage/Carport 452 Sq. Ft. @\$ 25.00	=	11,300	
Total Estimated Cost New	= \$	179,220	
Less Depreciation 60,000			
Physical			
Functional			
External			
	= \$	60,000	
Depreciated Value of Improvements	= \$	119,220	
"As-is" Value of Site Improvements	= \$	40,000	
INDICATED VALUE BY COST APPROACH	= \$	534,220	

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
	30549 Izaak Walton Road	85873 Lorane Highway	83264 North Bradford Road	26865 Ferguson Road

Interior dimensions not placed to scale



ments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Total
GLA1	First Floor	1788.0	1788.0
GAR	Garage	451.5	451.5
Net LIVABLE Area		(Rounded)	1788

LIVING AREA BREAKDOWN		
Breakdown	Subtotal	
First Floor		
29.0 x 46.0	1334.0	
2.0 x 18.0	36.0	
1.0 x 23.0	23.0	
10.0 x 21.5	215.0	
4.0 x 45.0	180.0	
5 Items		(Rounded)
Net LIVABLE Area		1788

Comparable Photo Page

Borrower/Client No borrower			
Property Address 30549 Izaak Walton Road			
City Eugene	County Lane *** fire patrol fee	State OR	Zip Code 97405
Lender Nina Tetzler c/o Ron Funke, agent			



Comparable 1

85873 Lorane Highway
 Prox. to Subject 1 air mile northwest
 Sale Price 525,000
 Gross Living Area 2,566
 Total Rooms 9
 Total Bedrooms 3
 Total Bathrooms 3.5
 Location Good
 View Hills, Fields, Creek
 Site 41.66 acres m/l
 Quality Good
 Age 43act 25eff

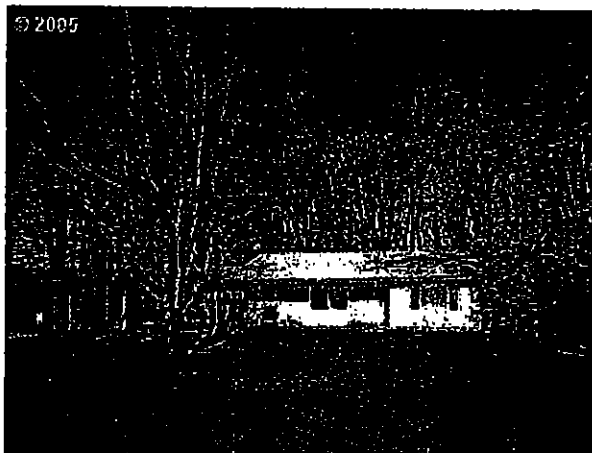
RMLS photo used due to dwelling being off the public way and posted



Comparable 2

83264 North Bradford Road
 Prox. to Subject 10 air miles southeast
 Sale Price 599,000
 Gross Living Area 2,745
 Total Rooms 10
 Total Bedrooms 3
 Total Bathrooms 3
 Location Above Average
 View Hills, Fields, River
 Site 46.28 acres m/l
 Quality Good
 Age 26act 15eff

Appraiser's file photo inspected in July 2005



Comparable 3

26685 Ferguson Road
 Prox. to Subject 20 air miles northwest
 Sale Price 435,000
 Gross Living Area 1,520
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 1
 Location Average
 View Hills, fields
 Site 41 acres m/l
 Quality Above Average
 Age 38act 25eff

RMLS file photo
 First level is a daylight basement counted separately from main level

UNIFORM RESIDENTIAL APPRAISAL REPORT

HYPOTHETICAL

Property Address		30549 Izaak Walton Road — HYPOTHETICAL		City Eugene		State OR		Zip Code 97405																																																																																	
Local Description		See legal description provided with original report; hypothetical portion of same						County Lane *** fire patrol fee																																																																																	
Assessor's Parcel No.		Portion of Tax Lot 18-04-23-00-00700				Tax Year 05-06		R.E. Taxes \$																																																																																	
Borrower		No borrower		Current Owner Tetzler, Joseph and Nina		Occupant <input checked="" type="checkbox"/> Owner		<input type="checkbox"/> Tenant <input type="checkbox"/> Vacant																																																																																	
Property rights appraised		<input checked="" type="checkbox"/> Fee Simple		<input type="checkbox"/> Leasehold		Project Type PUD		Condominium (HUD/VA only) <input type="checkbox"/> HOA \$ N/A																																																																																	
Neighborhood or Project Name		Southwest Eugene unincorporated environs						Map Reference Pitmon metro page 48																																																																																	
Sale Price \$		Not Sold		Date of Sale N/A		Description and amount of loan charges/concessions to be paid by seller		Not Applicable																																																																																	
Lender/Client		Nina Tetzler c/o Ron Funke, agent		Address 2595 Charnetton Street, Eugene, Oregon 97405		Appraiser		Craig E. McKern, Appraiser, P.C.																																																																																	
Address		30549 Izaak Walton Road		Eugene, Oregon 97405		Address 1574 Coburg Road, PMB 397, Eugene, Oregon 97401-4802																																																																																			
Location		<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural		Predominant occupancy		Single family housing		Present land use %																																																																																	
Built up		<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		<input checked="" type="checkbox"/> Owner 95		PRICE \$ (000) 150		One family 90																																																																																	
Growth rate		<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow		<input type="checkbox"/> Tenant 5		AGE (yrs) 150		2-4 family																																																																																	
Property values		<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		<input checked="" type="checkbox"/> Vacant (0-5%)		5,500+ High 80+		Multi-family																																																																																	
Demand/supply		<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In balance <input type="checkbox"/> Over supply		<input checked="" type="checkbox"/> Vac (over 5%)		Predominant		Commercial																																																																																	
Marketing time		<input checked="" type="checkbox"/> Under 3 mos. <input checked="" type="checkbox"/> 3-6 mos. <input type="checkbox"/> Over 6 mos.		<input type="checkbox"/> Vac (over 5%)		500+ 20-50		other 10																																																																																	
<p>Notes: Race and the racial composition of the neighborhood are not appraisal factors.</p> <p>Neighborhood boundaries and characteristics: The subject area is located south of and outside the Eugene city limits/Urban Growth Boundary within the Spencer Creek watershed; Camas Swale Creek watershed to the south and east, Amazon Creek watershed to the north and east.</p> <p>Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.):</p> <p>The subject is located about 3 air miles south of the Eugene city limits in the west Spencer Butte area in unincorporated Lane County. This location has good proximity to Eugene employment centers, schools, shopping and services via major rural/urban connector streets; see maps. The area continues to develop with 5 to 10 acre parcel subdivisions as restrictive zoning allows; newer modulars, site-built homes present. The area has developed over several decades with a wide variety of home sizes, qualities, site sizes, values, styles present. Restrictive zoning controls new partitions and subdivisions by requiring viable domestic water sources for each new parcel created.</p> <p>Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time — such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.):</p> <p>Rising to stable prices under present 6.25%+ fluctuating interest rates; presently, interest rates among the lowest in the past 45+ years due to strong government anti-recession stimulus. An active early Fall market, showing no past, present effect from current Iraq War in Realtor-noted buyer reluctance at this time, is in progress with limited selection of existing homes offered. Supply, demand appear to trend to a shortage at this time. Sellers in lower price ranges may pay up to \$5,000 of buyer loan, closing costs. Marketing time under 60 days for well-priced homes.</p> <p>The mix of homes and sites as noted above does not adversely affect marketability in this mid-price range of subject area generally.</p>																																																																																									
<p>Project Information for PUDs (if applicable) -- Is the developer/builder in control of the Home Owners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Approximate total number of units in the subject project _____ Approximate total number of units for sale in the subject project _____</p> <p>Describe common elements and recreational facilities: The subject site is not in a Planned Unit Development.</p>																																																																																									
<p>Dimensions See hypothetical plat map</p> <p>Site area 5 acres more or less</p> <p>Specific zoning classification and description F-2 Impacted Forest Land</p> <p>Zoning compliance <input type="checkbox"/> Legal <input checked="" type="checkbox"/> Legal nonconforming (grandfathered use) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning</p> <p>Highest & best use as improved: <input checked="" type="checkbox"/> Present use <input type="checkbox"/> Other use (explain)</p> <p>Utilities: Public <input checked="" type="checkbox"/> Other _____</p> <p>Electricity <input checked="" type="checkbox"/> Street <input type="checkbox"/> Asphalt <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private</p> <p>Gas <input type="checkbox"/> Curb/gutter <input type="checkbox"/> None <input type="checkbox"/> Sidewalk <input type="checkbox"/> None</p> <p>Water <input type="checkbox"/> Private Well <input type="checkbox"/> None</p> <p>Sanitary sewer <input type="checkbox"/> Private Septic(s) <input type="checkbox"/> None</p> <p>Storm sewer <input type="checkbox"/> Natural Slope <input type="checkbox"/> Alley <input type="checkbox"/> None</p> <p>Topography Level along creek bottom</p> <p>Size Typical small acres</p> <p>Shape Mostly Rectangular</p> <p>Drainage Normally Adequate</p> <p>View See photographs</p> <p>Landscaping Mature, Maintained</p> <p>Driveway Surface All Weather Gravel/Concrete</p> <p>Apparent easements No Apparent Adverse</p> <p>FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>FEMA Zone Zone X Map Date 06-02-1999</p> <p>FEMA Map No. FEMA 41039C-1825F</p> <p>Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.): Site as appraised for Measure 37 purposes includes only five acres of the total 60+ acre site in an "after" scenario. See photos, maps, property descriptions attached plus other reports 092305A and 092305C. This hypothetical site does not exist and is assumed for Measure 37 purposes only.</p>																																																																																									
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UNIFORM RESIDENTIAL APPRAISAL REPORT

HYPOTHETICAL
File No. 0923058

Valuation Section

ESTIMATED SITE VALUE	= \$ 175,000
ESTIMATED REPRODUCTION COST-NEW OF IMPROVEMENTS:	
Dwelling 1,788 Sq. Ft. @ \$ 90.00	= \$ 160,920
Sq. Ft. @ \$	=
Appliances, deck, wood stove/hearth	= 7,000
Garage/Carport 452 Sq. Ft. @ \$ 25.00	= 11,300
Total Estimated Cost New	= \$ 179,220
Less Physical Functional External	
Depreciation 60,000	= \$ 60,000
Depreciated Value of Improvements	= \$ 119,220
As-Is Value of Site Improvements	= \$ 40,000
INDICATED VALUE BY COST APPROACH	= \$ 334,220

Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property): Cost approach data from 2005 National Building Cost Manual and office files. Physical depreciation is based on the age/life method with regard to any apparent updating reducing effective age. See floor plan, dimensions. Site value includes approximately \$25,000 value of second permitted home site adjacent to main dwelling which could likely be moved to a location on hillside further from creek bottom. \$175,000 value for site is for one permitted SFR on hypo 5 acres; considering soils, proximity to others. Well, septic systems, drives, utilities, fence in site improvements figure.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	30549 Izaak Walton Road HYPOTHETICAL - Eugene	86211 Bailey Hill Road Eugene // \$373,000 asking price	88853 McMorott Lane Eugene // no asking price	30839 Blanton Road Eugene // \$385,000 asking price
Proximity to Subject		2 air miles northwest	3 air miles northwest	2 air miles northeast
Sales Price	\$ Not Sold	\$ 364,500	\$ 230,000	\$ 355,000
Price/Gross Living Area	\$	\$ 191.84 /sq ft	\$ 157.64 /sq ft	\$ 155.84 /sq ft
Date and/or Verification Source	Inspection/Owner County Records	RE/max Integrity/ Seller County Records / RMLS	Past Inspection/ Purchaser County Records	Asst/2-Sell-Buyers Realty County Records / RMLS
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION +/- Adjust	DESCRIPTION +/- Adjust	DESCRIPTION +/- Adjust
Sales or Financing Concessions		New Conv. Loan No Points, Costs	Cash No Realty Fee	New Conv. Loan Seller paid costs
Date of Sale/Time		06-2005 (COE)	10-2005 (COE)	04-2005 (COE)
Location	Good	Good	Good	Good
Leasehold/Fee Simple	Fee	Fee	Fee	Fee
Site	6 acres m/l	7.14 ac m/l	6.74 ac m/l	4.02 acres m/l
View	Wide, hills, creek	Wooded, Hills	Wooded, Hills	Hills, valley
Design and Appeal	Rambler	Rambler	Rambler	Contemporary
Quality of Construction	Average plus	Good minus	Fair	Above Average
Age	35 m/l 25eff	40act 20eff	56act 40eff	55act 25eff
Condition	Average	Good minus	Below Average	Good minus
Above Grade Room Count	Total : Bdrms : Baths 6 : 3 : 1.5	Total : Bdrms : Baths 6 : 3 : 2	Total : Bdrms : Baths 6 : 2 : 1	Total : Bdrms : Baths 7 : 4 : 1.5
Gross Living Area	1,788 Sq. Ft.	1,900 Sq. Ft.	1,459 Sq. Ft.	2,278 Sq. Ft.
Basement & Finished Rooms Below Grade	No Basement Placeholder site	None	None	No Basement 1,200sf 2nd Hse.
Functional Utility	Average	Average	Average minus	Average
Heating/Cooling	FA Electric/None	HW Radiant/Bsbd	Wall/Baseboard	Wall/Baseboard
Energy Efficient Items	Std. Insul. Pkg.	Partial Wthrtized.	Partial Wthrtized.	Partial Wthrtized.
Garage/Carport	2+ Garages/PA	2+ Garages	One Old Garage	1+ Garage/Shop
Porch, Patio, Deck, Fireplace(s), etc.	Deck, Porch W.S./hearth	Patio, Porch 2 Fireplaces	Porch 1 Fireplace	Deck, Porch W.S./hearth
Fence, Pool, etc.	Landscape	Landscape, Fnce	Landscape, Fnce	Landscape
Outbuildings	Shed/Barn/Fence	604sf Shop	Storage sheds	2nd shop/sheds
Net Adj. (total)		\$ 30,800	\$ 106,000	\$ 42,787
Adjusted Sales Price of Comparable		\$ 333,700	\$ 336,000	\$ 312,213

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): The sales cited bracket indicated value using adjustments for this market segment. Footage adjustments are based on 1/3 depreciated cost to construct with consideration to reduced effective age due to updating, if any. Age and condition adjustments are made when necessary based on overall market reaction. Sale One is on a sloping wooded site and had interior updates prior to sale. Sale 2 was a private sale with sale price set by appraisal less repairs and improvements to be done by purchaser after closing and without a realty fee paid by either party. Sale 3 is on lower wooded slope with views to north across small valley valley, home has been updated plus interior updates were done to the second living unit (permitted). See attached photos.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Date, Price and Data Source, for prior sales within year of appraisal	None Noted, Known (site purchase)	None Noted, Known (3 years) County Records/RMLS Days on market = 71 + 181	None Noted, Known (3 years) County Records/RMLS Days on market = 4	None Noted, Known (3 years) County Records/RMLS Days on market = 93

Analysis of any current agreement of sale, option, or listing of subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal: No current or past listing or marketing of the subject was noted per owner, RMLS records in past three calendar years. No prior sales of the sale comparables noted in past three calendar years.

INDICATED VALUE BY SALES COMPARISON APPROACH \$ 325,000

INDICATED VALUE BY INCOME APPROACH (if Applicable) Estimated Market Rent \$ N/A /Mo. x Gross Rent Multiplier N/A = \$

This appraisal is made "as is" subject to the repairs, alterations, inspections or conditions listed below subject to completion per plans & specifications. Conditions of Appraisal: The appraisal is made to cash equivalency per USPAP/FIRREA guidelines; USPAP departure provisions do not apply. See attached assumptions, limiting conditions, comments. Appraisal assumes clear structural report, satisfactory well, septic system inspections.

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 typically wide range of adjusted values. See additional report files for further data, photos.

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/FNMA form 1004B (Revised Not Applicable).

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF October 7, 2005
(WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ 325,000

APPRAISER: Craig E. McKern SUPERVISORY APPRAISER (ONLY IF REQUIRED):
Signature: [Signature] Signature: _____
Name: Craig E. McKern, Appraiser, P.C. Name: _____
Date Report Signed: October 26, 2005 Date Report Signed: _____
State Certification # CR00024 State OR email: cem9th@msn.com State _____
Or State License # _____ State Or State License # phone 541-345-0744/fax 541-345-0577 State _____

Comparable Photo Page

Borrower/Client: No borrower			
Property Address: 30549 Izak Walton Road — HYPOTHETICAL			
City: Eugene	County: Lane *** fire patrol fee	State: OR	Zip Code: 97405
Lender: Nina Tetzler c/o Ron Funke, agent			



Comparable 1

86211 Bailey Hill Road
 Prox. to Subject 2 air miles northwest
 Sale Price 384,500
 Gross Living Area 1,900
 Total Rooms 8
 Total Bedrooms 3
 Total Bathrooms 2
 Location Good
 View Wooded, Hills
 Site 7.14 ac m/l
 Quality Good minus
 Age 40act 20eff

RMLS photo used due to dwelling being off the public way and posted



Comparable 2

86853 McMorott Lane
 Prox. to Subject 3 air miles northwest
 Sale Price 230,000
 Gross Living Area 1,459
 Total Rooms 6
 Total Bedrooms 2
 Total Bathrooms 1
 Location Good
 View Wooded, Hills
 Site 6.74 ac m/l
 Quality Fair
 Age 56act 40eff

Appraiser's file photo inspected in July 2005
 Property needed considerable work to bring it to code and financeable condition



Comparable 3

30639 Blanton Road
 Prox. to Subject 2 air miles northeast
 Sale Price 355,000
 Gross Living Area 2,278
 Total Rooms 7
 Total Bedrooms 4
 Total Bathrooms 1.5
 Location Good
 View Hills, valley
 Site 4.02 acres m/l
 Quality Above Average
 Age 55act 25eff

RMLS file photo
 This dwelling is a remodeled 1950's rambler; there is also a detached second one BR one bath residence.

LAND APPRAISAL REPORT

HYPOTHETICAL

File No. 092305C

Borrower No borrower Census Tract 10.02 Map Reference Pittmon page 48
 Property Address NNA Izaak Walton Road - hypothetical portion of Tax Lot 18-04-23-00-00600
 City Eugene County Lane State Oregon Zip Code 97405
 Legal Description Hypothetical Metes and Bounds Description: unpartitioned portion of Tax Lot 18-04-23-00-00600
 Sale Price \$ Not Sold Date of Sale N/A Loan Term _____ yrs. Property Rights Appraised Fee Leasehold De Minimis PUD
 Actual Real Estate Taxes \$ _____ (yr) Loan charges to be paid by seller \$ _____ Other sales concessions _____
 Lender/Client Nina Tetzler c/o Ron Funke, agent Address 2595 Charnelton Street, Eugene, Oregon 97405
 Occupant not occupied Appraiser Craig E. McKern Instructions to Appraiser appraise to market value per USPAP standards.
 Craig E. McKern, Appraiser, P.C. 1674 Coburg Road, PMB 397, Eugene, Oregon 97401 telephone 541-348-0744 facsimile 541-345-0577

<p>Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural</p> <p>Built Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25% to 75% <input type="checkbox"/> Under 25%</p> <p>Growth Rate <input type="checkbox"/> Fully Dev. <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Steady <input type="checkbox"/> Slow</p> <p>Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining</p> <p>Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Oversupply</p> <p>Marketing Time <input checked="" type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 4-6 Mos. <input type="checkbox"/> Over 6 Mos.</p> <p>Present Land Use <u>80% 1 Family</u> _____ % 2-4 Family _____ % Apts. _____ % Condo _____ % Commercial _____ % Industrial _____ % Vacant <u>10%</u> other, public uses _____</p> <p>Change in Present Land Use <input type="checkbox"/> Not Likely <input type="checkbox"/> Likely (*) <input checked="" type="checkbox"/> Taking Place (*) (*) from vacant/re-developed To residential</p> <p>Predominant Occupancy <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant _____ % Vacant</p> <p>Single Family Price Range \$ <u>150</u> to \$ <u>1,500+</u> Predominant Value \$ <u>500+</u></p> <p>Single Family Age <u>New yrs. to 80+ yrs.</u> Predominant Age <u>20-50 yrs.</u></p>	<table border="1" style="width: 100%; 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Fair	Poor	Employment Stability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Convenience to Employment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Convenience to Shopping	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Convenience to Schools	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequacy of Public Transportation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Recreational Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequacy of Utilities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Property Compatibility	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Protection from Detrimental Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Police and Fire Protection	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	General Appearance of Properties	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appeal to Market	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): The subject is located about 3 air miles south of the Eugene city limits in the west Spencer Butte area in unincorporated Lane County. This location has good proximity to Eugene employment centers, schools, shopping and services via major rural/urban connector streets; see maps. The area continues to develop with 5 to 10 acre parcel subdivisions as restrictive zoning allows; newer modulars, site-built homes present. Overall good close-in residential appeal.

Dimensions See hypothetical plat map _____ = _____ 5.00 Sq. Ft. or Acres Corner Lot

Zoning classification F-2 Impacted Forest Land Present Improvements do do not conform to zoning regulations

Highest and best use Present use Other (specify) potential to partition to this smaller site under present Measure 37 procedures

Public Available Other (Describe) _____ OFF SITE IMPROVEMENTS _____

Topo Moderate south slope

Street Access Public Private _____ Size Typical small acres as hypothecated

Surface Asphalt/A.W.G. Shape Rectangular

Maintenance Public Private _____ View See photographs

San. Sewer assumed Sidewalk Street Lights _____ Drainage Adequate by slope, creek and ditch drainages

Is the property located in a HUD identified Special Flood Hazard Area? No Yes

Comments (favorable or unfavorable including any apparent adverse encroachments, encroachments, or other adverse conditions): See plat map for outline of HYPOTHETICAL site (one of three "after" instances) located off Izaak Walton Road at present and with proposed access from curve of McBeth Road at northwest corner of Tax Lot 602. Soil types indicate McAlpin Class Iw silty clay loams along the creek bottom and various Class IIIe to Class IVe loam to silty clay loam soils on slopes; if appeal is allowed, a specific site soil survey may be necessary to determine best road and site layout.

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	<u>HYPOTHETICAL SITE - Izaak Walton Road, Eugene</u>	<u>Adjacent to 29641 Lusk Road Eugene/ asking \$199,900</u>	<u>27985 Crow Road Eugene/ asking \$222,000</u>	<u>Tax Lot 18-04-30-00-00610 Eugene/ asking \$200,000</u>
Proximity to Subject	<u>2 air miles southwest</u>	<u>2 air miles southwest</u>	<u>8 air miles northwest</u>	<u>6 air miles west</u>
Sales Price	<u>Not Sold</u>	<u>\$ 199,900</u>	<u>\$ 251,000</u>	<u>\$ 200,000</u>
Price	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Data Source	<u>Inspection/Owner</u>	<u>Observation/ Realtor/ County</u>	<u>Observation/ Realtor/ County</u>	<u>Observation/ Realtor/ County</u>
Date of Sale and Time Adjustment	<u>DESCRIPTION 10-07-2005</u>	<u>DESCRIPTION 09-2005 (COE) +(-) Adjust. 0</u>	<u>DESCRIPTION 07-2005 (COE) +(-) Adjust. 0</u>	<u>DESCRIPTION PENDING SALE +(-) Adjust. 0</u>
Location	<u>Good</u>	<u>Good</u>	<u>Good minus +10,000</u>	<u>Good minus +10,000</u>
Site/View	<u>5.0 ac/ Wds, south</u>	<u>3.65 ac/ Wds, south +15,000</u>	<u>10.6 ac/ Wds, south -28,000</u>	<u>5.12ac/ Wds, north +5,000</u>
Dwelling/ permitted	<u>None/Assume Permit</u>	<u>None/ Permitted 0</u>	<u>Placeholder/Permit 0</u>	<u>None/AssumePerm 0</u>
Buildability/Slope	<u>Buildable/ moderate</u>	<u>Buildable/ moderate</u>	<u>Buildable/ moderate</u>	<u>Buildable/moderate</u>
Well/Septic system	<u>None/Assum'd Permit</u>	<u>None/ Permitted 0</u>	<u>Installed/installed -15,000</u>	<u>None/ Permitted 0</u>
Utilities/outbuildings	<u>Available / None</u>	<u>Available / None</u>	<u>Installed on site -5,000</u>	<u>Available / None</u>
Sales or Financing Concessions	<u>Cash to Seller assumed</u>	<u>New Conv. Loan No Points, Costs</u>	<u>Cash</u>	<u>Cash to Seller</u>
Net Adj. (Total)	<u>\$</u>	<u>\$ 15,000</u>	<u>\$ 38,000</u>	<u>\$ 15,000</u>
Indicated Value of Subject	<u>\$ 214,900</u>	<u>\$ 214,900</u>	<u>\$ 213,000</u>	<u>\$ 215,000</u>

Comments on Market Data: Limited recent sale data for smaller vacant sites in subject area as most such existing parcels have been built upon in the past and few have been created under restrictive zoning. Sale 1 is most proximate, recent and similar overall; sold in 5 calendar days. Sales 2 & 3 further from services with minor location adjustment; site size difference at \$5,000 per acre; other adjustments made at cost.

Comments and Conditions of Appraisal: The appraisal is made to cash equivalency per USPAP and FIRREA guidelines and USPAP departure provisions do not apply. See attached assumptions, limiting conditions and comments. Appraised value is for subject hypothetical site with road access to lot line, no well or septic installed but hypothetically assumed adequate and approved, utilities to the lot line and otherwise vacant and ready to build. Site as appraised does not exist and this report is useful only for hypothecating values for Ballot Measure 37 purposes.

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. See additional report files for further data, photos.

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF October 7, 2005 to be \$ 215,000

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

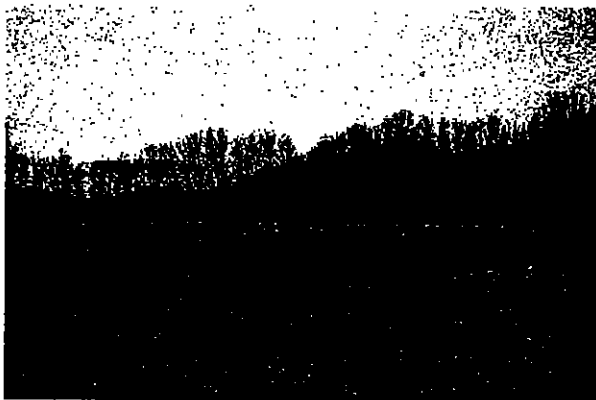
Hypothetical west five acre parcel One

Borrower/Client	No borrower				
Property Address	NNA Izaak Walton Road -- Hypothetical portion of Tax Lot 18-04-23-00-00800				
City	Eugene	County	Lane	State	Oregon
Zip Code					97405
Lender	Nina Tezler c/o Ron Funke, agent				



Northwest corner of Tax Lot 602 at McBeth Road looking northeast toward creek bottom. Fence line is approximate northwest boundary of Tax Lot 602 and Tax Lot 601, owned by others.

Possible access drive to potential upper hypothetical sites on Tax Lot 600 and north portion of Tax Lot 700



Creek bottom area of Tax Lot 602 looking west from northwest of dwellings



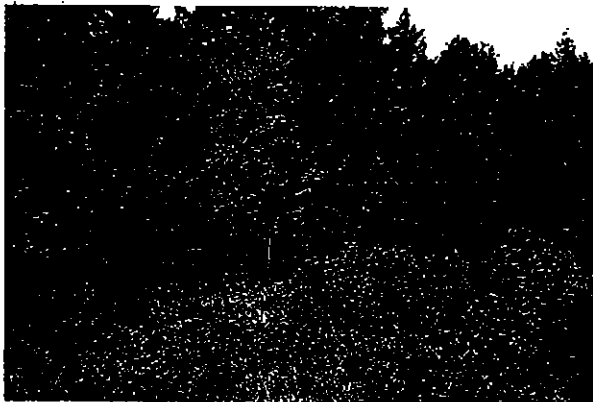
Lower portion of sloped hillside area in approximate southwest corner of Tax Lot 600, looking north

Hypothetical west five acre parcel Two

Borrower/Client	No borrower				
Property Address	NNA Izaak Walton Road -- hypothetical portion of Tax Lot 18-04-23-00-00600				
City	Eugene	County	Lane	State	Oregon
Zip Code					97405
Lender	Nina Tetzier c/o Ron Funke, agent				

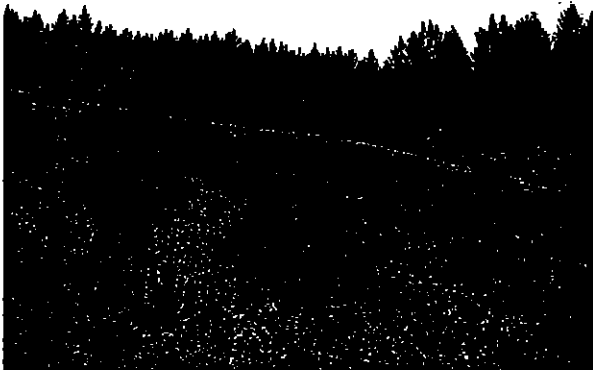


Reciprocal view from photo point above looking south toward creek bottom from hillside potential hypothetical site area



Typical mixed woods tree stand in area with oaks, Douglas fir, blackberries and shrubs.

A potential dwelling site, one of a number of new sites proposed under Measure 37 remedies, would be similar to this type of hillside site with mixed woods, open areas and views mainly to the south, allowing solar access.



Looking east across upper meadow area as shown on aerial photo at top of Tax Lot 600

Tax Lots 600, 602 and most of 700 were used for cattle grazing in the past; woodland areas supplied firewood and occasional commercial thinning timber harvests.

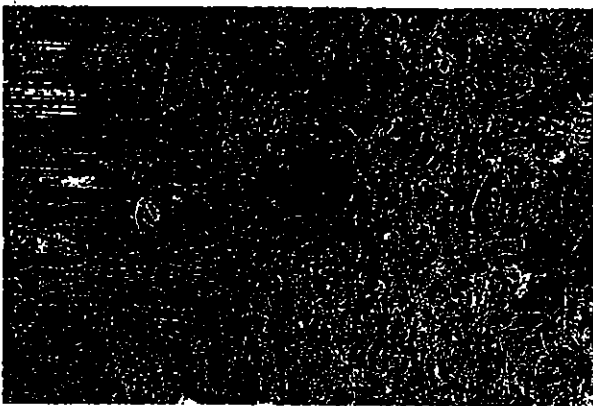
North site boundary point shown on aerial photo

Hypothetical five acre parcel Three

Borrower/Client	No borrower				
Property Address	NNA Frank Walton Road - hypothetical portion of Tax Lot 18-04-23-00-00800				
City	Eugene	County	Lane	State	Oregon
Zip Code	97405				
Lender	Nina Tetzler c/o Ron Funks, agent				



Potential homeste bench located about one third up east side of site below large north meadow shown in prior photo



Small spring at old road looking east from about 75 yards from east property line of Tax Lot 600 with Tax Lot 202



Small excavated pond in lower flat lands area near creek bottom to hillside slope transition area about 100 yards west of east property line

This point marked on aerial photo