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INTRODUCTION

CLIENT: Wildish Land Company

INTENDED USER: Wildish Land Company and its agents and assigns

APPRAISER: Charles P. Thompson, MAI, SRA
Charles P. Thompson & Assoc., Inc.
P.O. Box 10233
Eugene, OR 97440-2233

SUBJECT PROPERTY: A parcel of unimproved land containing a total of approximately 1,400 acres situated on the south and east sides of the Middle Fork of the Willamette River, north side of the Coast Fork of the Willamette River, east of Interstate-5, and north of Seavey Loop Road, Lane County, Oregon.

DATE OF VALUE: June 17, 2006

DATE OF APPRAISAL: June 26, 2006

PURPOSE OF THE APPRAISAL:

1. The purpose of this appraisal is to provide the appraiser's best estimate of the market value of the subject property as of the effective valuation date.
2. Scenarios.

The subject property was valued on an "as is" basis under the existing zoning, effective June 17, 2006. In addition the property was valued under the *hypothetical condition* and *extraordinary assumption* that it had the same potential for development on June 17, 2006, that it had when it was zoned AGT. More specifically, that the subject property was zoned AGT on June 17, 2006, (*hypothetical condition*) and that it could be subdivided into 300 or more residential home sites (*extraordinary assumption*). The *hypothetical condition and extraordinary assumption* were necessary in this case to arrive at the difference between the two value estimates to form the basis for a Measure 37 Claim.

MARKET VALUE DEFINITION: "Market Value" is defined in the Uniform Standards of Professional Appraisal Practice publication as follows:

A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.

Comment: Forming an opinion of market value is the purpose of many real property appraisal assignments, particularly when the client's intended use includes more than one intended user. The conditions included in market value definitions establish market perspectives for development of the opinion. These conditions may vary from definition to definition, but generally fall into three categories:

1. The relationship, knowledge, and motivation of the parties (i.e. seller and buyer);
2. The terms of sale (e.g. cash, cash equivalent, or other terms); and
3. The conditions of sale (e.g. exposure in a competitive market for a reasonable time prior to sale).

The specific market value definition utilized in this appraisal is that defined by the federal financial institutions' regulatory agencies as follows:

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

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

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].)

INTENDED USE OF REPORT: This appraisal is intended to assist in the filing of a Measure 37 Claim for damages or waiver of zoning.

INTERESTS VALUED: Fee simple.

SCOPE OF THE APPRAISAL: In preparing this appraisal the appraiser;

1. Inspected the subject property on June 17, 2006, at which time the subject photographs were taken.
2. Gathered information on comparable sales with which to value the subject property on a direct sales comparison basis under the current zoning and under the zoning which existed prior to the acquisition dates of the property.
3. In developing the opinions of value, the appraiser performed a complete appraisal process as defined by the Uniform Standards of Professional Appraisal Practice, including applications of a *hypothetical condition* and *extraordinary assumption*.
4. Reviewed historical information regarding the subject property which was provided by the owner. The acreages set forth in this report were taken from the Lane County Assessor's records. The zoning and planning data were obtained from James A. Mann and David Peterson, Professional Planners.

Carol Eggleston is an Appraiser Assistant in the State of Oregon, Registration No. AA02002. Carol Eggleston assisted in this appraisal report under the supervision of Charles P. Thompson, MAI, in the following described categories as set out in OAR 161-025-0030(9)(a): (A) define the appraisal problem; (B) Conduct preliminary analysis, select and collect applicable data.

This summary appraisal report is a brief recapitulation of the appraiser's data, analyses, and conclusions. Other supporting documentation is retained in the appraiser's file.

AREA/NEIGHBORHOOD DATA:

Area Data - The Cities of Eugene and Springfield are located in the center of Western Oregon, at the southern edge of the Willamette Valley. The Willamette River flows northwest by Springfield and through the heart of Eugene. The McKenzie River joins the Willamette River to the north of Eugene. The communities are divided by the Interstate-5 Freeway and are located approximately 110 miles south of Portland, and 216 miles north of the California border. It is 60 miles west of the Cascade Mountains, and 60 miles east of the Pacific Ocean.

Elevation: The elevation is approximately 426 feet above sea level. Eugene's topography features include Skinner Butte to the north of downtown, and Spencer Butte to the south which has a 310-acre city park.

Population: Lane County's population is 336,085 according to certified estimates from Portland State University, effective July 1, 2005. Eugene is the third largest city in Oregon with a current population estimated at 146,160. Springfield's population count was estimated at 55,860. Statewide, Oregon's population recently reached 3,631,440.

Airport: The Eugene Airport, Mahlon Sweet Field, is the fifth largest airport in the Pacific Northwest. It provides commercial air service to a six-county region in mid-Oregon. It is served by four air carriers: America West Express, Horizon Air, SkyWest (the Delta Connection), and United Express. Daily flights servicing Western cities include Los Angeles, San Francisco, and Salt Lake City. The four car rental companies located in the airport terminal are AVIS, Budget, Hertz & Enterprise.

Employment: Lane County's ten top employers are ranked as follows: PeaceHealth Medical Group, University of Oregon, U.S. Government, Lane Community College, Lane County, Eugene School District, Springfield School District, City of Eugene, State of Oregon, and McKenzie-Willamette Medical Center. Lane County's ten top manufacturers are listed as follows: Monaco Coach Corporation, Country Coach, Hynix Semiconductor Manufacturing America, Symantec Corporation, PSC Scanning, Weyerhaeuser Company, Rosboro Lumber Company, Whittier Wood Products, McKenzie Forest Products, and Marathon Coach. (Source: Eugene Area Chamber of Commerce and Lane Metro Partnership)

According to the Oregon Employment Department, the fastest growing occupations in Oregon were administrative and support services with an increase of 13.1% from 2001 to 2003. Areas showing decline during this same period were wood product manufacturing, down 9.6%; transportation/warehousing/utilities, down 6.9%; also durable goods and state education, both down 6.5%. The Department's employment projections by industry anticipated to increase are health services, by 28.3% from 2002 by the year 2012. Also expected to increase by 20.5% are business and professional services. The industry projected to decrease the most include the wood products "other" category, anticipated to take a 20% decline. The top five growing occupations projected by the year 2012 include: Registered nurses, retail salespersons, office clerks, general, cashiers, and nurses aides/orderlies/attendants.

Unemployment: The current unemployment rate for Lane County (as of April, 2006) was 5.7%; 0.9 of a percentage point lower than the 6.6% rate recorded one year prior (April, 2005). The current unemployment rate for the State of Oregon is 5.6%, lower than it was one year prior when it was at 6.7%. (Source: Oregon Employment Department, Eugene/Springfield Metro Labor Trends Newsletter, June, 2006.)

The high unemployment rate in 2003 was due to a recession which started in 2000 and continued into 2003. In Eugene, a well-known department store chain went into bankruptcy and closed in February, 2003. Sony, a 50-million dollar CD-ROM manufacturing plant in Springfield, closed in April 2003. In mid-2004, the Sony plant was purchased PeaceHealth for additional office space in conjunction with the newly planned hospital to be located a short distance to the southeast. Also contributing to unemployment in the area were large layoffs experienced at Seneca Sawmills and Monaco Coach.

Labor Trends: Recent indicators reflect that the economy is taking a turn for recovery. The local major RV manufacturers are hiring again; Monaco recently announced that in closing their Bend factory they will relocate 400 jobs to their Coburg campus location.

Brian Rooney, a regional labor economist with the state Employment Department was recently quoted by The Register-Guard, a local news publication, as saying, "The overall picture in Lane County is still one of a strengthening economy, however, with continued job growth, albeit somewhat slower than in recent months. Last year was basically a rebound from the recession, and we got rapid (job) growth from the rebound. It seems to be slowing a bit, but its still really good ... we've gone from 2-2.5 percent (annual job) growth to 1.5 percent this past month. Last year manufacturing and, in particular RV manufacturing really took off."

New developments in the Springfield area include:

- Walgreens has recently completed a new 14,400 square foot store located on the northwest corner of Centennial Blvd. and Mohawk.
- Pacific Cascade Federal Credit Union has a new 4,200 square foot building currently under construction located on the southwest corners of Centennial Blvd. and Mohawk.
- McKay Investment Inc. is planning an office development along the banks of the Willamette River.
- A new 45,000 square foot building was recently built for Best Buy to lease on Gateway Blvd. in Springfield.
- A new 165,000 square foot building for Royal Caribbean Call Center in Springfield employs 240. It is anticipated that they may employ as many as 1,100 within five years.
- PeaceHealth purchased the former Sony Disc Manufacturing plant at 123 International Way in Springfield, renaming it "RiverBend Annex." The building is approximately 375,000 square feet. Oregon Medical Labs will occupy about 80,000 square feet with 380 employees. The remainder of the building will be occupied by several PeaceHealth departments.
- PeaceHealth has begun construction of a second medical campus on 174 acres at RiverBend, in Springfield, Oregon, east of I-5 and Belt Line Road, on the McKenzie River. Construction is expected to be complete in spring or summer 2008. Sacred Heart Medical Center at RiverBend will initially employ about 2,200 people.
- Northwest Specialty Clinics, a network of nine medical practices with 50 employees, will build a medical office next to PeaceHealth's RiverBend Hospital in Springfield. Construction is expected to begin in October, 2006.
- Symantec is planning a two-story, 200,000 square foot office building for its research and development facility, doubling the current size of its Springfield campus. They broke ground in August and hope to complete it by July, 2006.

- St. Vincent de Paul Society plans to build a five-story apartment building at the site of its thrift store in Springfield. St. Vincent de Paul also plans to build a new 20,000-square foot store a few blocks to the east.
- Hotel expansions are being planned by the Resident's Inn by Marriott in Eugene and the Holiday Inn Express in Springfield. By adding 27 rooms to each, the Resident's Inn will increase to 112 rooms and the Holiday Inn Express will contain 85 rooms.

Other area businesses that will be expanding and new building construction include:

- Ecklund Industries, Inc. is planning to break ground for the construction of an additional 14,000 square foot manufacturing building directly east of its current location in northwest Eugene. Their production has doubled in the past year.
- BowTech, a Eugene-based archery company, is planning a \$2.5-million expansion, adding 15,000 square feet of manufacturing space and a 9,500-square foot extension and remodeling of its retail space. They will add 35 to 40 new jobs.
- The Eugene based Willow Creek Tennis and Sports Center's expansion project includes a 4,300 square foot building.
- McKay Investment Inc. plans to develop a four-acre site for Orthopedic Healthcare Northwest on Coburg Road in Eugene. Demolition of the building currently occupied by Goodwill Thrift Store will begin at the end of 2005. The \$14 million, four-story, 80,000 square foot medical office building is scheduled to be completed for the opening in fall 2007.
- H D Fowler Co. plans to build a 9,600-square foot warehouse and office building in the Murry Industrial Park in west Eugene. Modern Machinery bought a 2.1-acre lot in the park.
- A 15-screen, 3,182-seat movie theater will be built at Valley River Center's former Montgomery Ward site. Construction for the 74,000-square foot theater will begin in 2006.

Market trends: Current market conditions involve a strong real estate market in Eugene/Springfield and Lane County as a whole. In fact, Springfield marked a record year for building permits in 2005. The construction of the RiverBend Medical Center accounted for nearly half of the \$407.7 million in permit value. Also a 230-acre parcel was recently purchased by SunTrust Land Company for the creation of 500 lots in the MountainGate housing development. Upon completion, the 700-lot MountainGate development will be Lane County's single largest development. All sectors of the market are strong, particularly the residential sector where values have increased significantly over the last several years and are continuing this trend, modified by a slight softening evidenced primarily by a significant increase in "time on the market" and higher interest rates.

Neighborhood Data - The subject neighborhood is defined, for purposes of this appraisal, as that area east of Eugene and south of Springfield, bordered on the north and east by the Middle Fork of the Willamette River, on the south by the Coast Fork of the Willamette River, on the east by the Middle Fork of the Willamette River as it traverses south, and on the west by the Interstate-5 Freeway. The subject property is situated approximately two miles southeast of the Eugene city limits and three miles south of the Springfield city limits. It is outside the Urban Growth Boundary of both cities; however, the Urban Growth Boundary of Eugene is a short distance north.

The neighborhood is rural in character but close to both Eugene and Springfield. Typical land uses in the area include rural residential, small farms consisting of mostly pasture land, timber covered slopes, and sand and gravel operations. Typical vegetation includes various native grasses, Oak trees, and other deciduous trees ranging from small to large and sparse stands of Douglas Fir. The east portion is prime farm land and there is a field of maturing wheat.

The major transportation route which accesses the neighborhood is Seavey Loop Road, which connects to Franklin Boulevard and the Interstate-5 Freeway on the west and the Howard Buford Recreation Area to the east. Also, Seavey Loop Road traverses to the south and connects to State Highway 58.

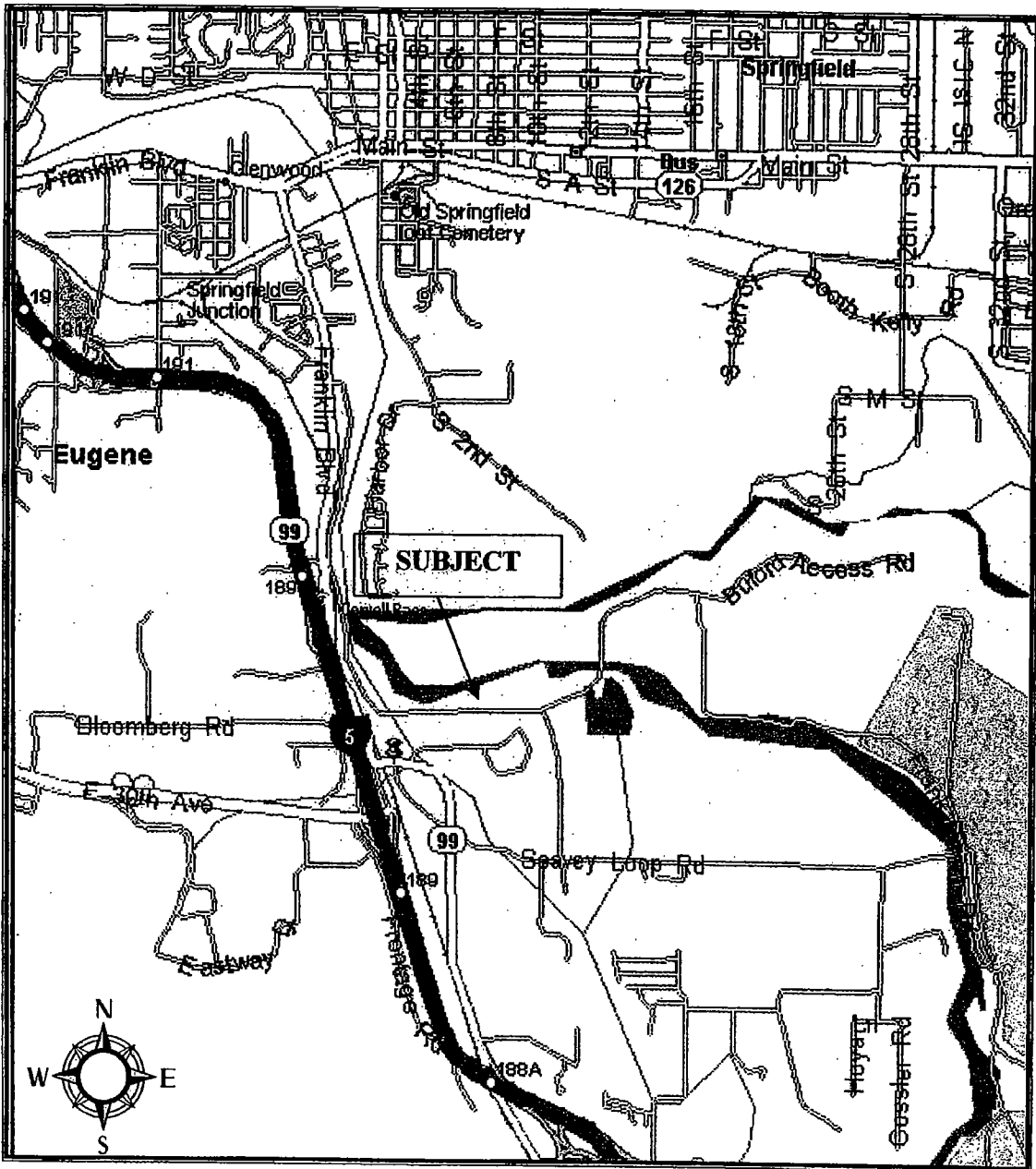
Noteworthy features of the neighborhood include the Middle Fork of the Willamette River, the Coast Fork of the Middle Fork of the Willamette River, and the Howard Buford Recreation Area, which includes Mount Pisgah. The area is unique in that it is very close to both Eugene and Springfield and yet rural in character.

Available utilities in the area include only electricity and telephone. Sewage disposal is accomplished via private septic systems and water by private wells. The Willamette Water Company services portions of the neighborhood and could potentially serve the subject property.

In summary, the subject neighborhood is a rural area located a short distance southeast of Eugene and south of Springfield bordered by both the Middle Fork of the Willamette River and the Coast Fork of the Middle Fork of the Willamette River. The area is characterized by rural residential land uses, small farms, timber covered slopes, and sand & gravel operations along the river terraces. Also, it is in close proximity to the well known Howard Buford Recreation Area. The neighborhood is conveniently accessed via Seavey Loop Road, a paved two-lane county road connecting to Franklin Boulevard, the Interstate-5 Freeway, and Highway 58. The area is served with electrical power, telephone, and police and fire protection. It is outside the Urban Growth Boundary of any municipality and is, therefore, not served by public sewers or water with the possible exception of the aforementioned Willamette Water Company. Property values in the neighborhood are currently stable to slightly increasing, which trend is expected to continue in the foreseeable future.

Please refer to the following page for a vicinity map illustrating the location of the subject property and neighborhood.

VICINITY MAP



PROPERTY DATA

LOCATION

Geographic Location: Southeast of Eugene, south of Springfield, and east of the confluence of the Coast Fork and Middle Fork of the Willamette River.

TAX AND ASSESSMENT DATA (2005/2006 Values):

<i>Map #</i>	<i>Tax Lot #</i>	<i>Account #</i>	<i>Tax Levy Code</i>	<i>No. of Acres</i>	<i>RMV Land</i>	<i>RMV Imprv.</i>	<i>RMV Total</i>	<i>Assessed Value</i>	<i>Taxes</i>
18-03-01	3500	578326	19-01	3.76	\$5,245	0	\$5,245	\$4,917	\$38.65
18-03-11	500	663490	19-01	80.75	\$181,997	0	\$181,997	\$133,947	\$1,072.84
18-03-11	500	663508	19-14	5.12	\$25,611	0	\$25,611	\$25,611	\$236.79
18-03-12	300	664316	19-15	165.72	\$453,934	0	\$453,934	\$103,874	\$826.47
18-03-12	400	664324	19-15	56.24	\$127,826	0	\$127,826	\$56,483	\$452.39
18-03-12	900	664357	19-15	84.31	\$189,623	0	\$189,623	\$107,046	\$815.62
18-03-12	1000	664365	19-15	16.00	\$36,057	0	\$36,057	\$26,542	\$212.59
18-02-07	100	566875	19-15	133.28	\$56,049	0	\$56,049	\$6,169	\$49.41
18-02-07	200	566883	19-15	14.00	\$38,395	0	\$38,395	\$34,045	\$272.68
18-02-07	1000	1026622	19-15	9.95	\$27,280	0	\$27,280	\$10,558	\$84.56
18-02-08	201	1315983	19-15	2.71	\$6,544	0	\$6,544	\$4,904	\$39.28
18-02-08	601	1316023	19-15	61.42	\$71,160	0	\$71,160	\$3,458	\$27.70
18-02-08	700	567048	01-03	295.17	\$293,581	0	\$293,581	\$41,487	\$413.51
18-02-08	801	567063	01-03	228.38	\$225,198	0	\$225,198	\$13,075	\$130.32
18-02-08	900	567071	01-03	8.39	\$8,988	0	\$8,988	\$6,921	\$68.98
18-02-08	900	567089	19-15	16.35	\$17,491	0	\$17,491	15,076	\$120.75
18-02-09	400	978302	01-03	43.64	\$85,993	0	\$85,993	\$59,957	\$597.61
18-02-09	1401	567337	01-03	25.60	\$40,429	0	\$40,429	\$7,560	\$75.35
18-02-09	1404	1534757	01-03	111.62	\$287,877	0	\$287,877	\$92,191	\$918.90
18-02-10	502	567410	01-03	1.65	\$3,911	0	\$3,911	\$2,268	\$22.61
18-02-10	502	1342136	01-13	11.97	\$34,332	0	\$34,332	\$19,859	\$219.85
18-02-10	503	567428	01-13	.62	\$1,778	0	\$1,778	\$1,026	\$11.36
18-02-16	101	568970	01-03	23.34	\$36,845	0	\$36,845	\$1,080	\$10.76
Totals:				1,399.99	\$2,256,144	0	\$2,256,144	\$778,054	\$6,718.98

OWNERSHIP AND RECENT SALES HISTORY:

The property is currently owned by the Wildish Land Company. The overall property was acquired over a time period ranging from the earliest acquisition, which took place in 1952 to the most recent acquisition, which took place in 1971. Other acquisition dates includes 1966, 1967, & 1979.

ZONING: The current zoning is:

ZONING	ACRES
F-1	141.67
F-2	295.17
S&G	899.63
EFU-25/30	51.55
FF-20	11.97

A number of tax lots, making up the overall subject property were unzoned at the time of acquisition. The others were zoned AGT.

DESCRIPTION OF THE SUBJECT PROPERTY:

Land – The subject property of this appraisal consists of a large irregular-shaped parcel of land containing a total of approximately 1,399.99 acres, which for purposes of this appraisal is rounded to 1,400 acres. There are no structural improvements on the property except for a small wood-frame barn, which is not included in this appraisal. The property is unique in that it has long frontage on two rivers, is approximately 4.77 miles in length east and west, and varies in width north and south from approximately 800 feet to approximately 4,400 feet (refer to maps and aerial photograph on pages 17 to 19).

The property was acquired in a number of parcels over time from late 1952 to late 1971. Most of the properties were acquired in the mid-1960s. Wildish Land Co. utilized the westerly portion of the property for their sand and gravel operation for a number of years. This resource in that portion of the property has essentially been exhausted from a financially feasible aspect and it is of limited economic benefit to continue mining the remaining material at this point in time. So long as the use of this westerly property is limited to mining, mining a portion of this property will continue to be the highest and best use of certain small parts of the property. In the easterly portion of the property, however, there are still sand and gravel deposits remaining to be mined 15 to 20 feet thick.

The property borders the south bank of the Middle Fork of the Willamette River for a total distance of approximately 5.75 miles interrupted in only two places. The easternmost portion of the subject property borders the river on both sides, which puts the total river frontage at well over six miles.

The topography varies from level to steep. The west portion is essentially flat while the mid to east portion has slopes ranging from mild to steep and the most easterly portion is, again, flat. The level portion consists of ponds, which have resulted from rock removal, natural grass portions, and old orchard land. Also, a portion of the east section is prime farm land with an existing wheat crop. The sloping portion is covered in various trees and smaller growth. The trees are primarily Oak, Cotton Wood, and Douglas Fir. The Douglas Fir has been logged leaving only scattered larger trees standing. A single lane gravel road leads from the main haul road to a former microwave site near the top of the ridge. There is a significant amount of merchantable timber.

There are four accesses to the property. The primary access is via a narrow panhandle which runs north off Seavey Loop Road. This is the main haul road used by Wildish Land Co. in their sand and gravel operation. This road surface is heavily graveled with a good rock base designed for heavy trucks. The road width is approximately 36 feet. Other roads branch off the main road and are typically narrow, but still usable. The east one-third of the haul road is narrow and in need of additional gravel surfacing. The second access is situated north off Seavey Loop Road just after it crosses the Coast Fork of the Willamette River. This access runs north along the river and has two branches both of which connect to the subject property. The third access exists across the railroad tracks just across the west boundary of the property, which crosses adjoining land also owned by Wildish Land Co. This access is restricted to gravel operations. The fourth access is direct to Jasper Lowell Road, which serves the east portion of the property on the east side of the Willamette River from the main body of the property.

The soils range from almost 100% rock mixed with coarse sandy loam where the overburden is several feet in depth. Soil types include Numerg Sandy Loam, Malibon Silty Loam, Cloquato Silty Loam, Newbury Loam, Fluvents, nearly level river wash (sand and gravel bars), pits (open excavations), Ritner Cobbler Silty Clay Loam, 30% to 60% slopes, and 12% to 30% slopes.

The property is divided into two categories: Buildable land and non-buildable land. The buildable land is categorized as follows:

Category	Acres
Flat - Outside 100-year Floodplain	283.07
Flat - Within 100-year Floodplain	110.11
Reclaimable Ponds	63.46
10% - 20% Slopes with Good View	67.9
10% - 20% Slopes Limited View	38.8
20% - 40% Slopes Good View	97.7
20% - 40% Slopes Limited View	80.4
Total	741.44
Rounded to	740

Of the total acreage there are portions which are isolated by surrounding floodway land, which would make it difficult to develop and would require bridges. For the purpose of this appraisal this land consisting of approximately 49.04 acres is not included as buildable land which leaves 692.40 acres of buildable land, rounded to 690 acres. The non-buildable land consists of land in the floodway and wetlands and land with slopes 40% or more. This non-buildable land totals 658.56 acres, but was increased by the 49.04 acres of pocket land (referred to above) which totals 707.60 acres of non-buildable land, rounded to 710 acres.

The land zoned for sand and gravel borders the two rivers and is divided east and west by the other zones mainly the F-1 and F-2, EFU-25/30 and PR zoned lands. F-1 and F-2 zoned lands are the hilly portions of the property, the EFU-25 zoned land is near the mid portion and is a level sparsely wooded land parcel bordering the haul road. The PR zoned land borders the land along the north and is along the south river bank.

Much of the property is in the floodway and floodplain, particularly those areas bordering the two rivers. However, there are many islands of land in Zone B of the floodplain which is defined as areas between the limits of the 100-year floodplain and the 500-year floodplain. Also, there are several land areas in Zone C, which is the area of minimal flooding. The primary land parcel in Zone C is the hill portion zoned for timber, growing, and harvesting. Development is significantly restricted in the floodway, and any land situated in Zone A, the 100-year floodplain, requires building foundations to be constructed such that the first floor level of buildings is at least one foot above the 100-year floodplain level.

Wildish Land Co. has created a number of development plans for the property dating back to before 1985. In 1994, land planning consultant David J. Pederson designed a conceptual plan with residential building sites in the higher areas in Zones B and C, and open space and water amenities in the lower areas. This plan included a golf course, water sports, RV Park, low density housing, an equestrian center, a day-use area, a conference center, camp sites and hiking and riding trails. In 1995 this idea was modified by landscape architect Brian McCarthy to replace the golf course with clustered housing surrounded by open space. Both of these proposals would have required rezoning of some of the property, which would have been problematic.

The area bordering the two rivers is in the Willamette greenway, which places certain restrictions on development such as required setbacks, typically 150 feet from the ordinary low water mark of the river. Also, conditions could be imposed in connection with a greenway development permit as necessary to meet the purposes of the code.

A title report, issued by Cascade Title Company, dated May 4, 1995, lists a number of exceptions, easements, reservations, and rights of way. With the exception of the large powerline easements in favor of the USA, it is believed that the exceptions are typical of large tracks of land bordering rivers and do not seriously impact on the value of the subject property. The list of exceptions having to do with the movements of the river or rivers, which may have significantly altered property lines and, therefore, the number of acres, could impact the value. It is therefore assumed that the acreage figures set forth by

the Lane County Assessor are correct. If a valid survey is done, which alters the number of acres, per acre values in this appraisal should be applied with the correct number of acres to arrive at a revised value estimate. It is assumed that a current title report would be the same or similar to the 1995 report.

In summary, the subject property is a large, irregularly-shaped land parcel, which is unique in several aspects. It is approximately 4.7 miles in length and has long frontage on two rivers. It has been utilized in the past for sand and gravel operations and timber harvesting. Many large and small ponds have been created in the process of removing sand and gravel, which could be utilized as water amenities in future development. The banks of these pond areas would have to be reclaimed, which means that the banks would have to be sloped from nearly vertical to a more modest slope. Much of the sand and gravel that is financially feasible to mining has been mined. However, much can still be mined and the permit for such operations is currently valid and there is a serviceable haul road already constructed. The property is subject to several restrictions which include the floodplain, the Willamette Greenway, wetlands, and major powerline easements which encumber approximately 22 acres. In addition, there are four accesses, three of which access the portion of the property on the west of the Willamette River, and one of which accesses the land on the east side of the Willamette River.

The land zoned S&G (sand and gravel operations) consists largely of pond area, floodway, and floodplain land. In general, land in Lane County zoned S&G, has a relatively high value, however, as mentioned earlier in this report, the subject S&G zoned land has been mined to the point where it is of limited value. Therefore, the majority of the S&G zoned land of the subject property has low utility and in this way is similar to the F-1, F-2 and EFU-25/30 zoned land.

The land zoned F-1, F-2, and EFU-25/30, is quite restrictive as to permitted and even conditional uses. These zones, particularly the F-1 zone, which is very restrictive, are intended for timber, farm, and grazing uses, which are all low utility uses.

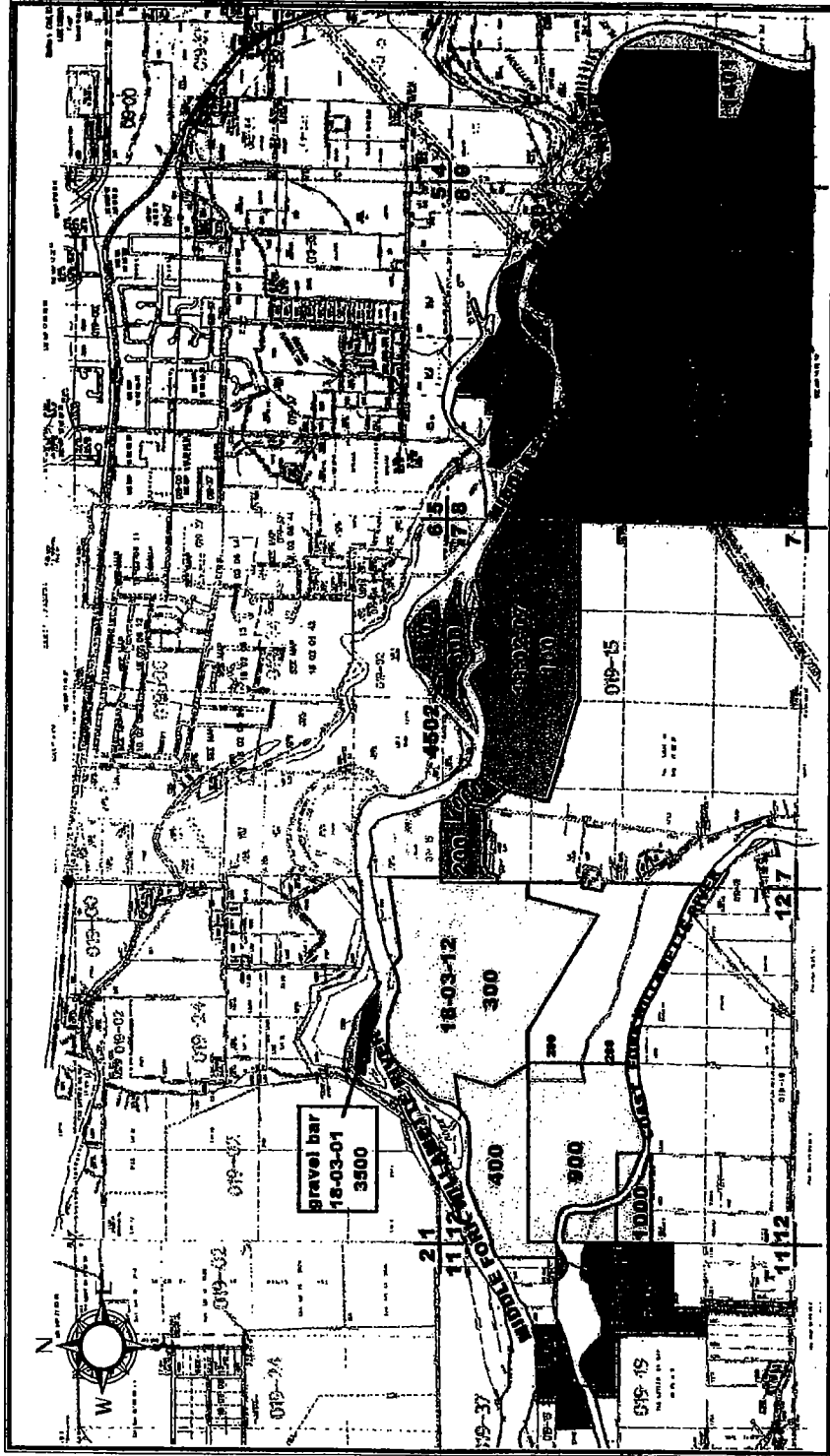
Given the restrictive zoning, the amount of land in the floodway and floodplain, wetlands, powerline easements, and the lack of an urban level of utilities and services, the overall subject land parcel has limited utility. The limitations result from a combination of these negative factors which exist on the date of this appraisal, June 17, 2006. As previously explained, approximately 710 acres, or about 51% of the overall 1,400 acre subject land parcel is non-buildable due to this land being in the floodway, floodplain, powerline easements, land with slopes exceeding 40%, and land designated as jurisdictional wetlands. Therefore, regardless of the zoning, these 710 acres are non-buildable and could only be used as open space amenities. (This total includes the 49.04 acres of potentially buildable pocket land, which could be used for meeting halls, etc.)

The remaining 690 acres is buildable from the standpoint of physically possible factors. However, the current restrictive zoning places developmental limitations on this land such that only a very low density cluster-type housing development would be feasible; or other marginally productive uses permitted in the current zones such as campgrounds, parks, etc. Cluster houses would require re-zoning, which is problematic.

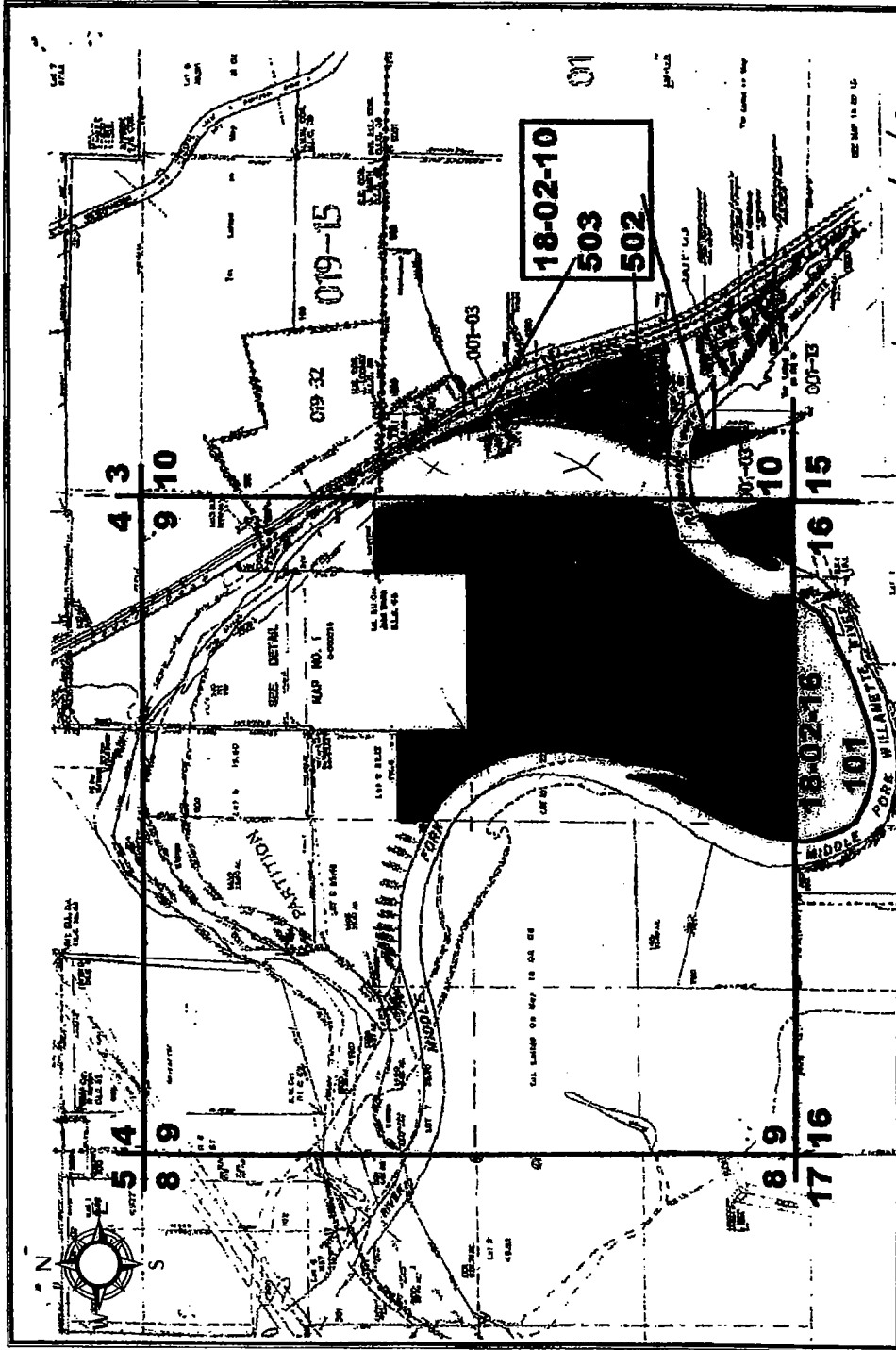
Under the zoning that existed at the time of acquisition, which was AGT, or Agricultural Grazing and Timber Raising District and some un-zoned land, many other uses were permitted including an urban level of residential development that would not be permitted now in the F-1, F-2 and EFU zones. Such a development would of course be subject to septic approvals, safety concerns, roadway regulations, etc. At this point in time it appears conservatively that 300 homesites could be approved in a cluster-type development that range in size from one to four acres. These homesites would be highly desirable due to the location close to Eugene/Springfield and the 710 acres of common area amenities consisting of the two bordering rivers, ponds with reclaimed banks, natural vegetation, and the topography, which ranges from flat to tree covered slopes. Such a development would be possible under the AGT zoning, or no zoning designation applicable to a portion of the property in 1966, but not with the current zoning.

Please refer to the following plat maps, aerial photograph, and ground level photographs of the subject property taken on the date of inspection.

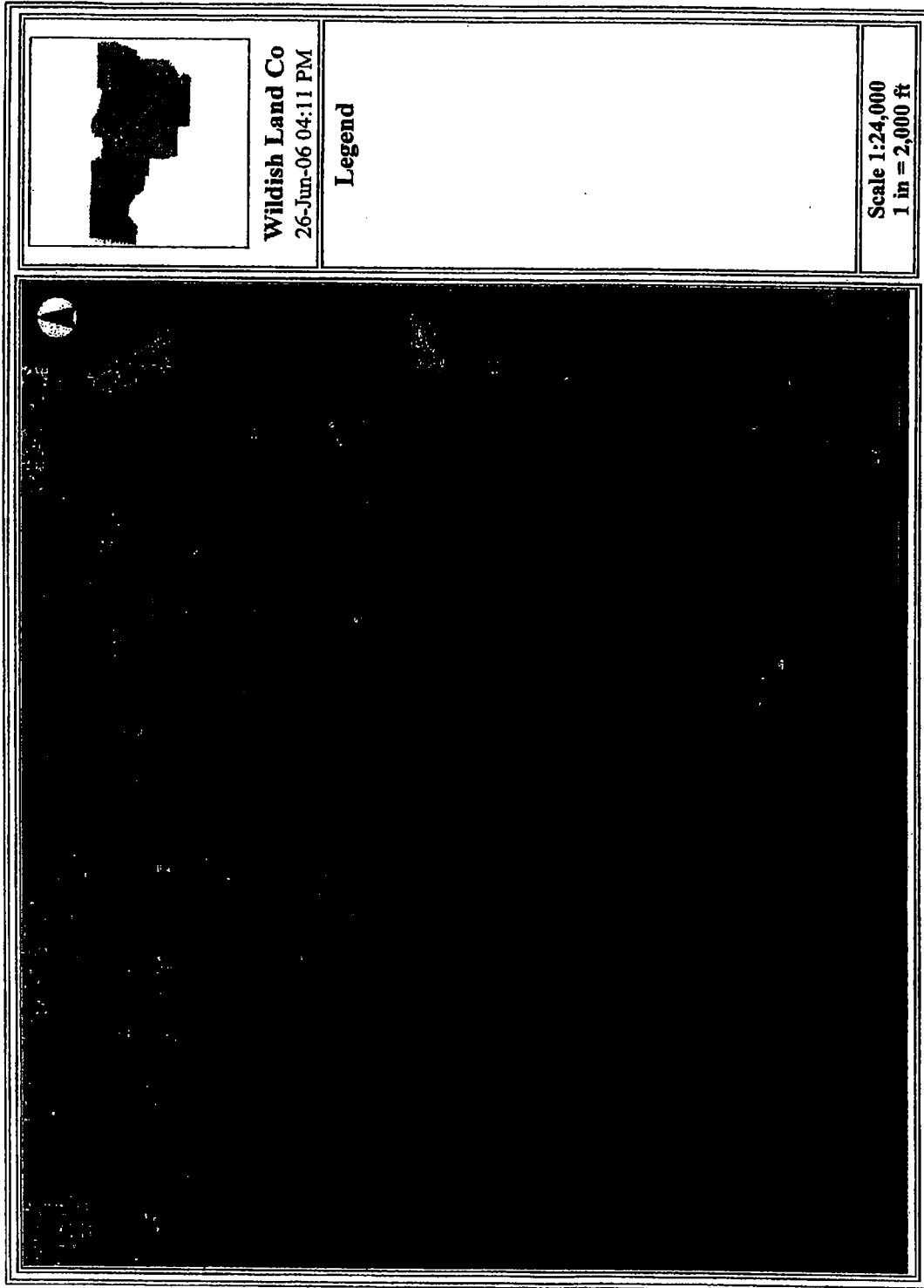
PLAT MAP



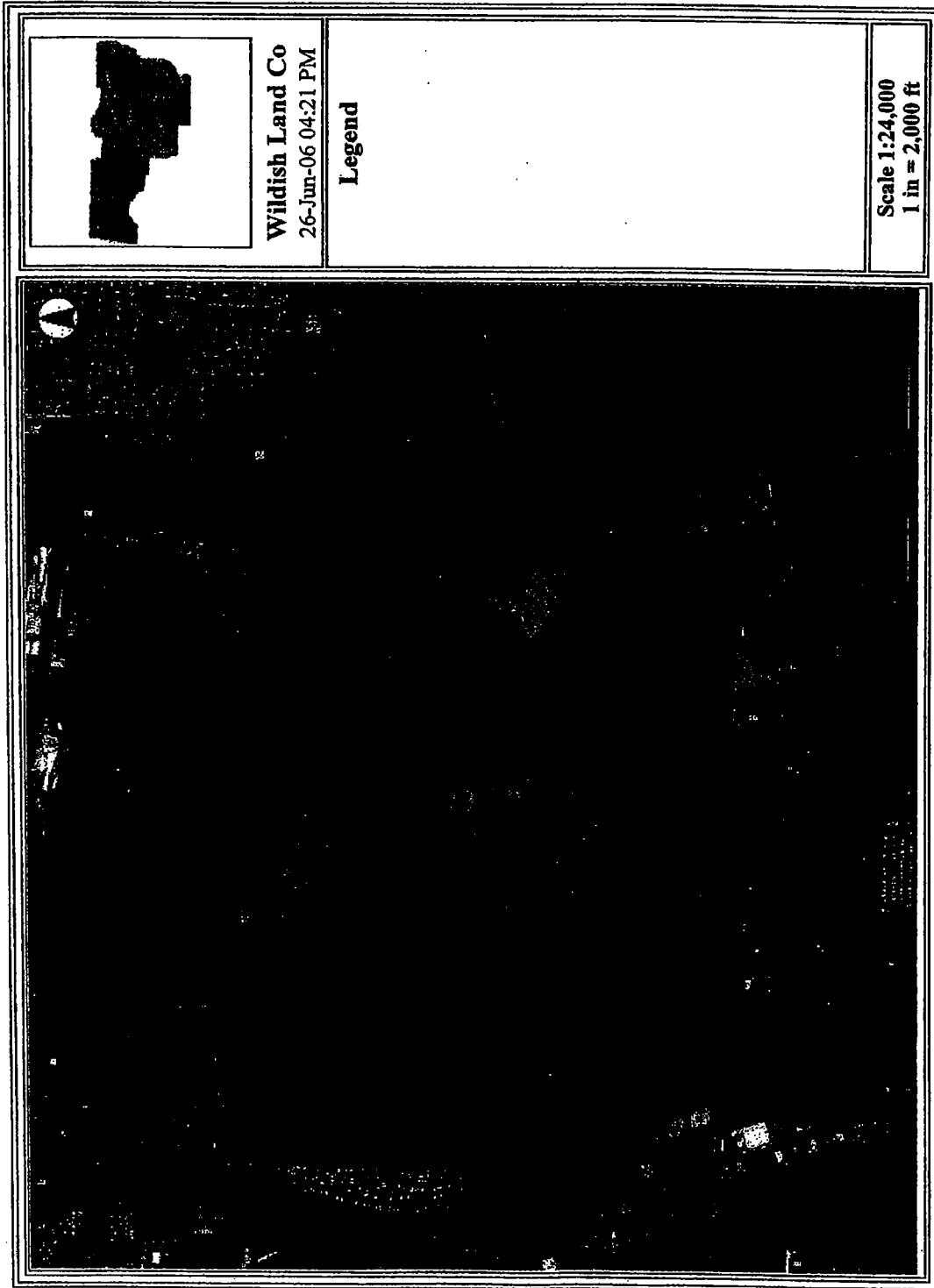
PLAT MAP



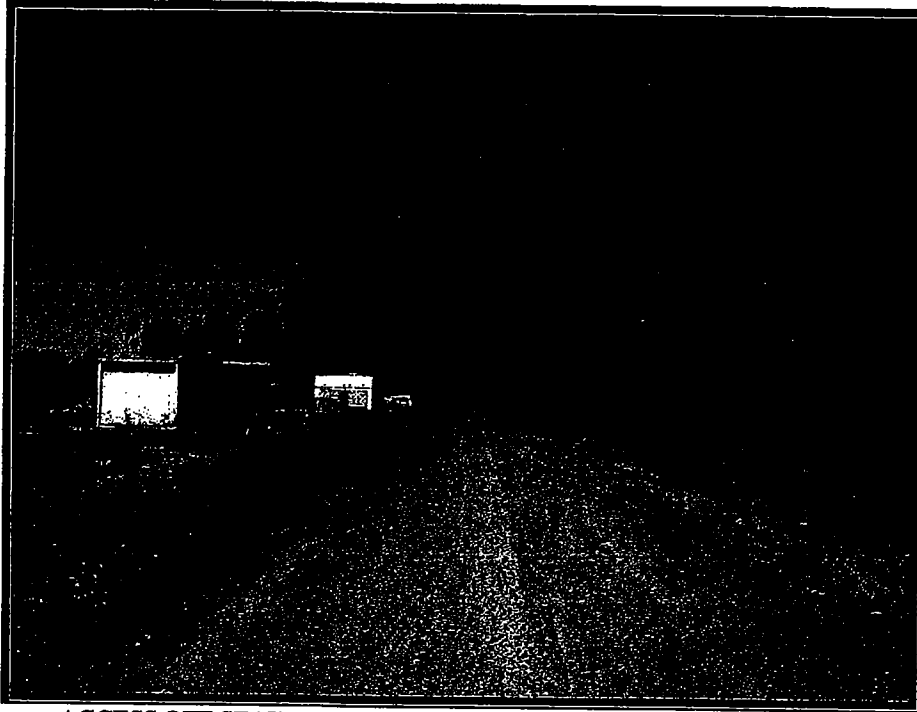
AERIAL PHOTOGRAPH



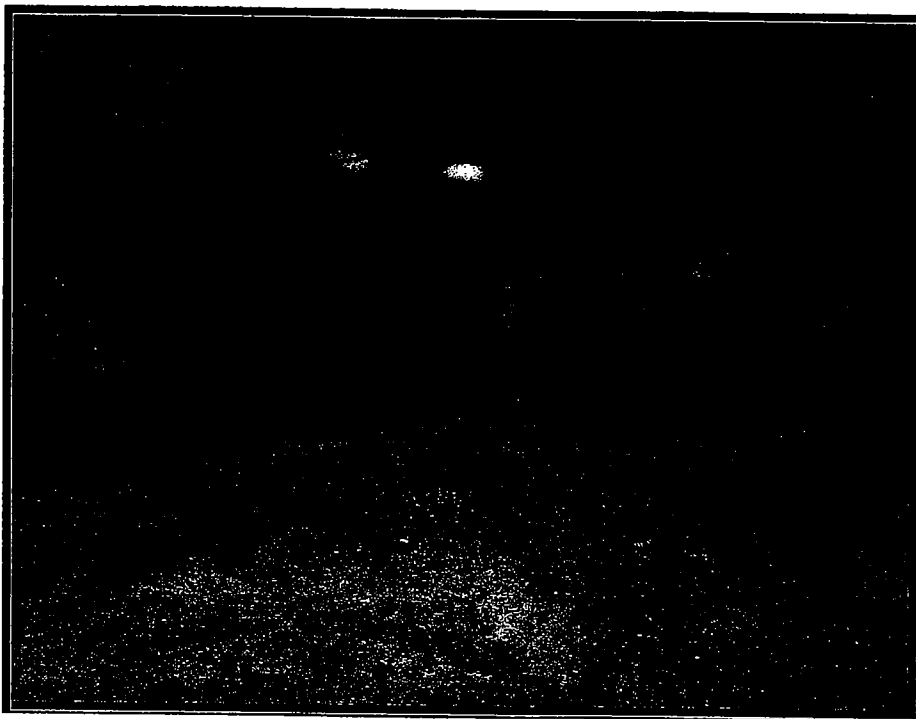
AERIAL PHOTOGRAPH



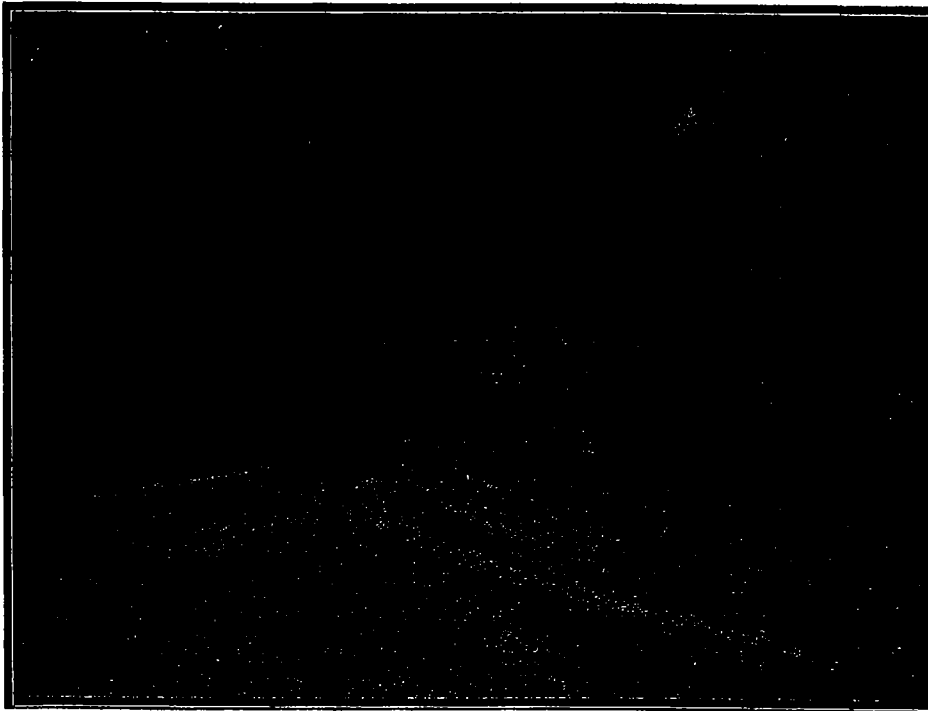
SUBJECT PHOTOGRAPHS



ACCESS OFF SEAVEY LOOP ROAD, LOOKING NORTH FROM GATE



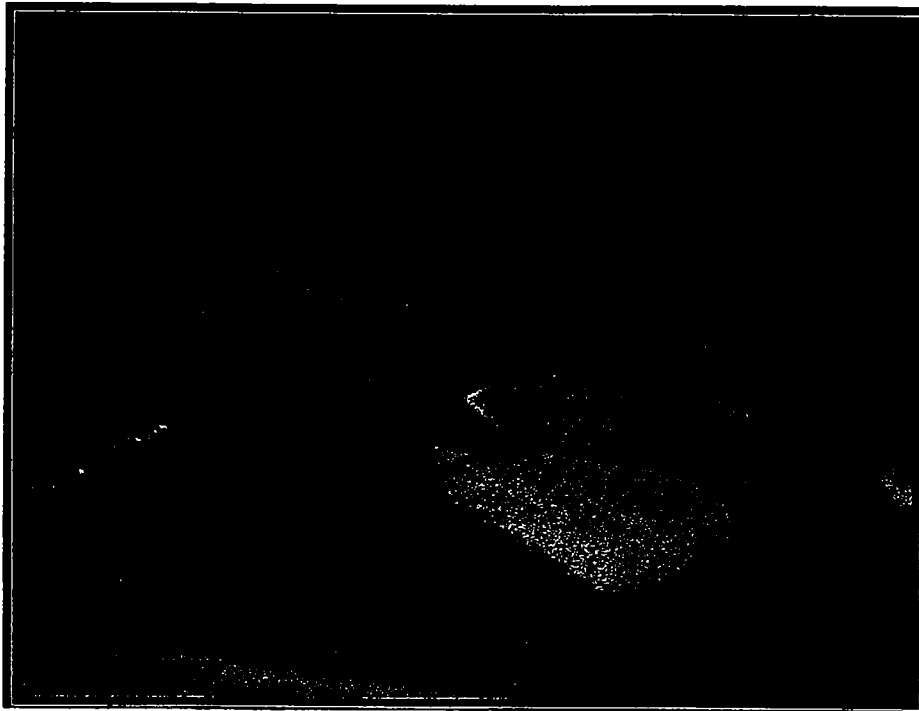
HAUL ROAD, LOOKING WEST FROM SECOND GATE



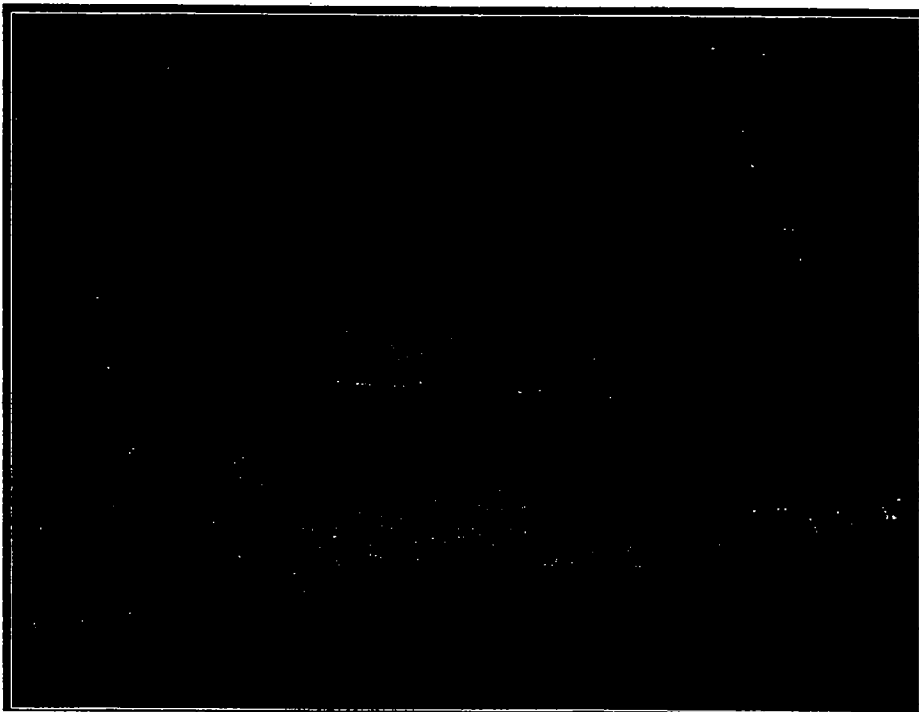
HAUL ROAD, LOOKING NORTHEAST FROM SECOND GATE



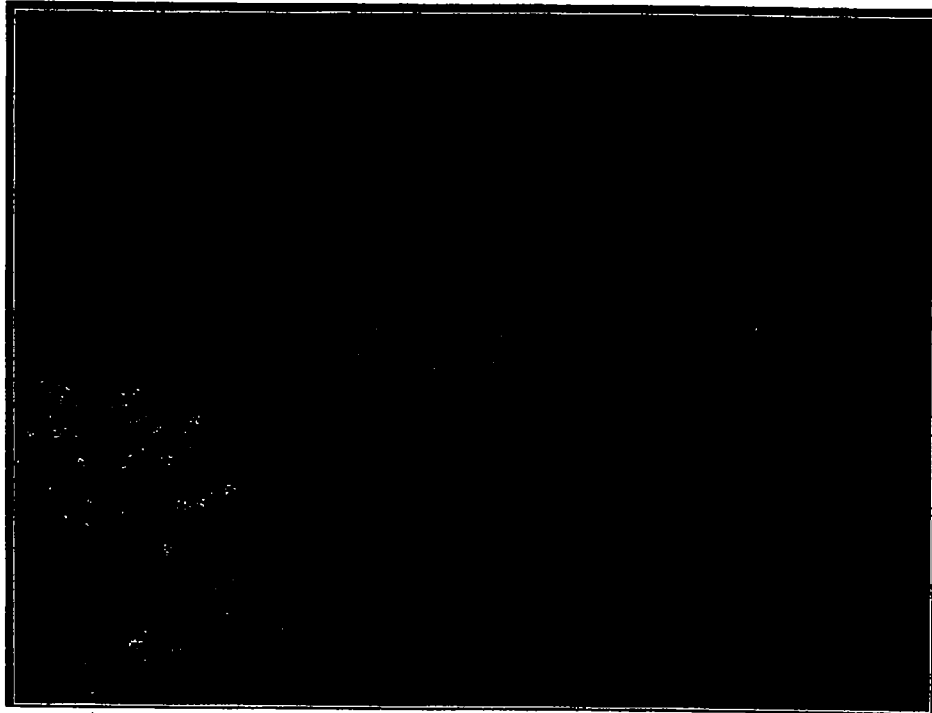
COAST FORK, LOOKING WEST FROM BRIDGE



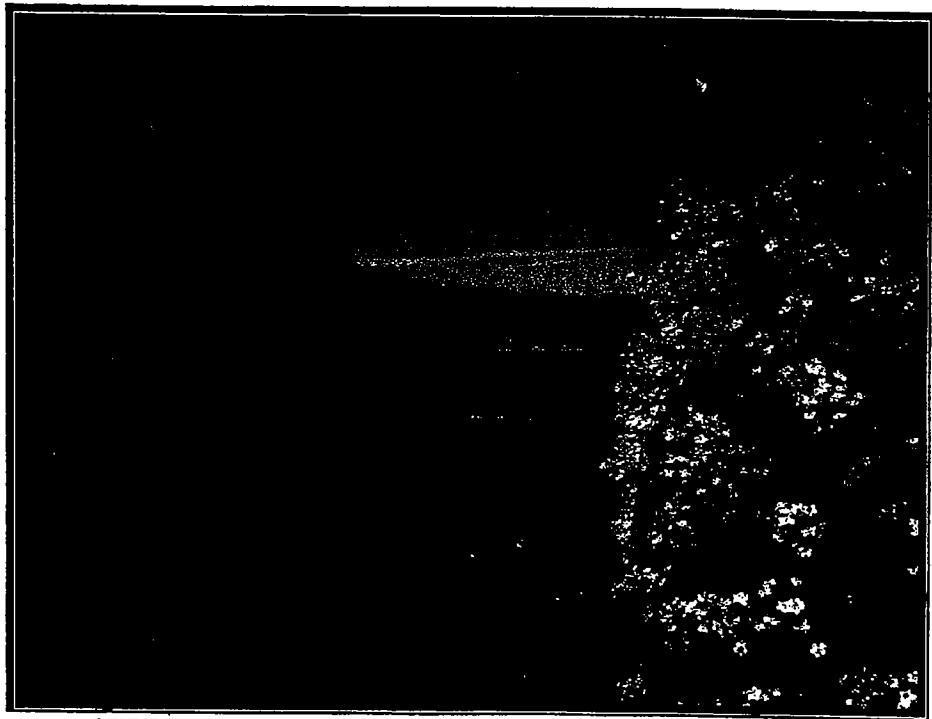
COAST FORK, LOOKING EAST FROM BRIDGE



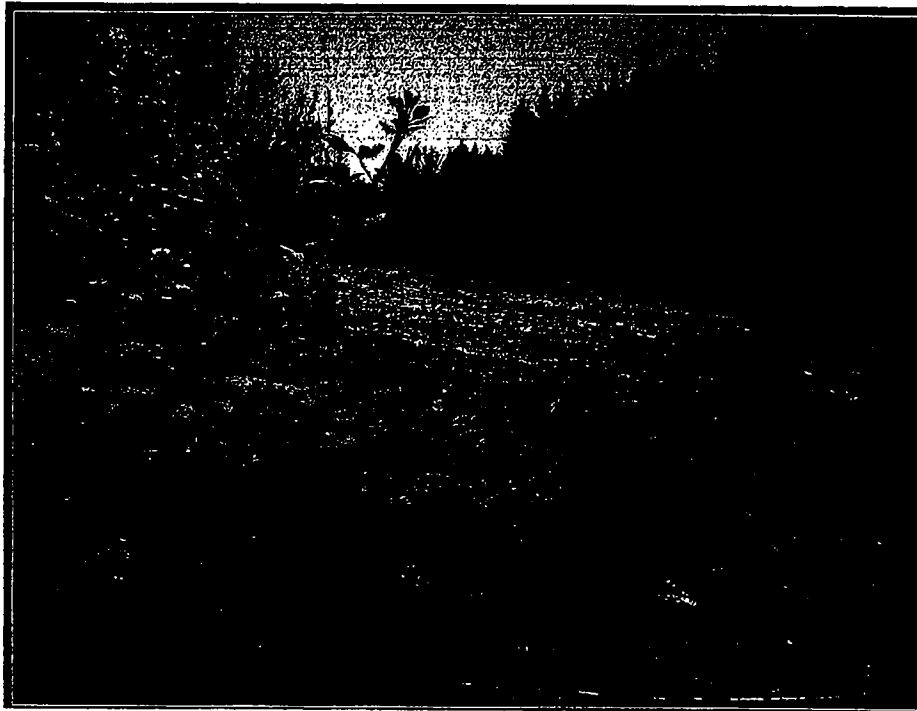
FIRST POND, LOOKING EAST



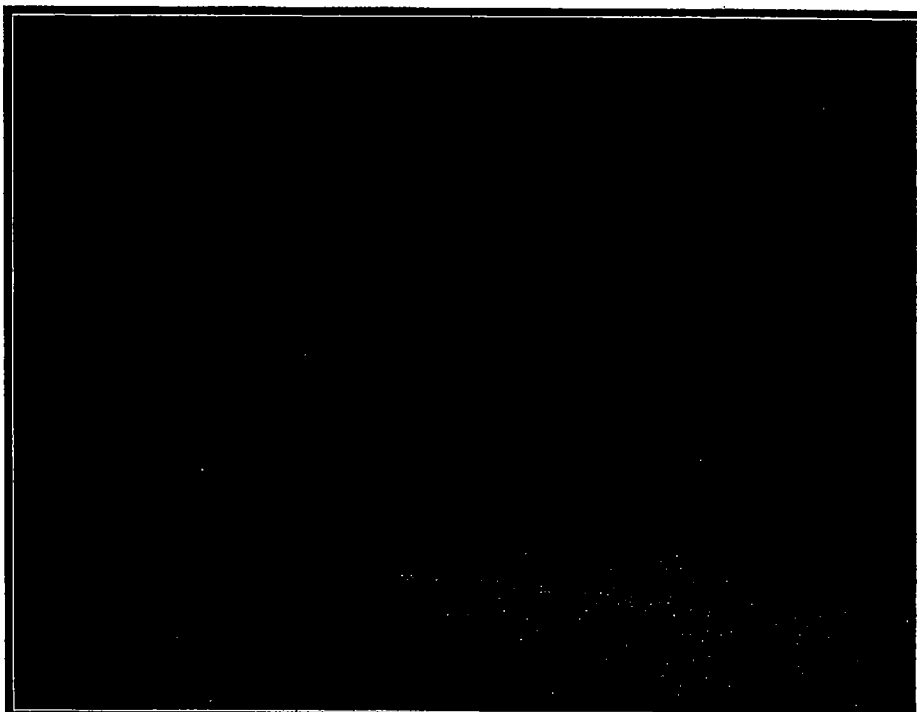
SECOND POND, LOOKING EAST



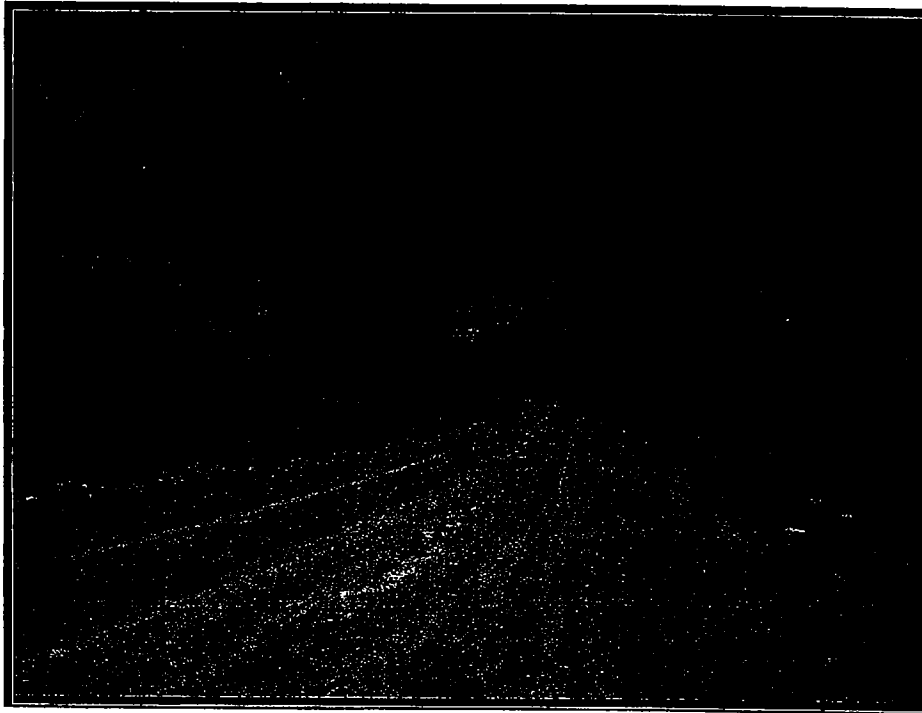
MIDDLE FORK WILLAMETTE RIVER, LOOKING NORTHEAST



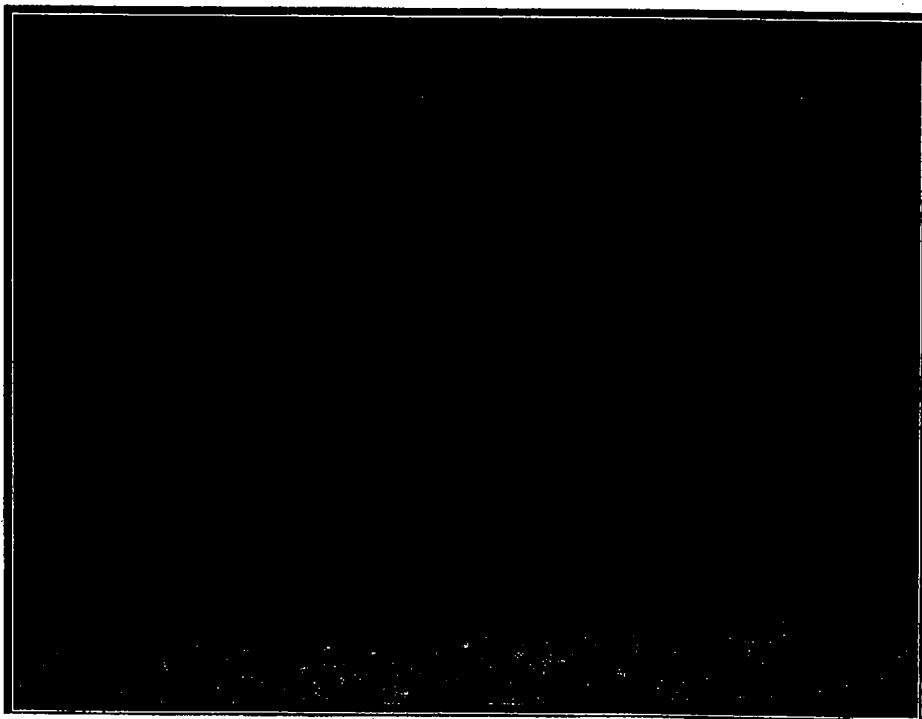
MIDDLE FORK WILLAMETTE RIVER, LOOKING SOUTHWEST



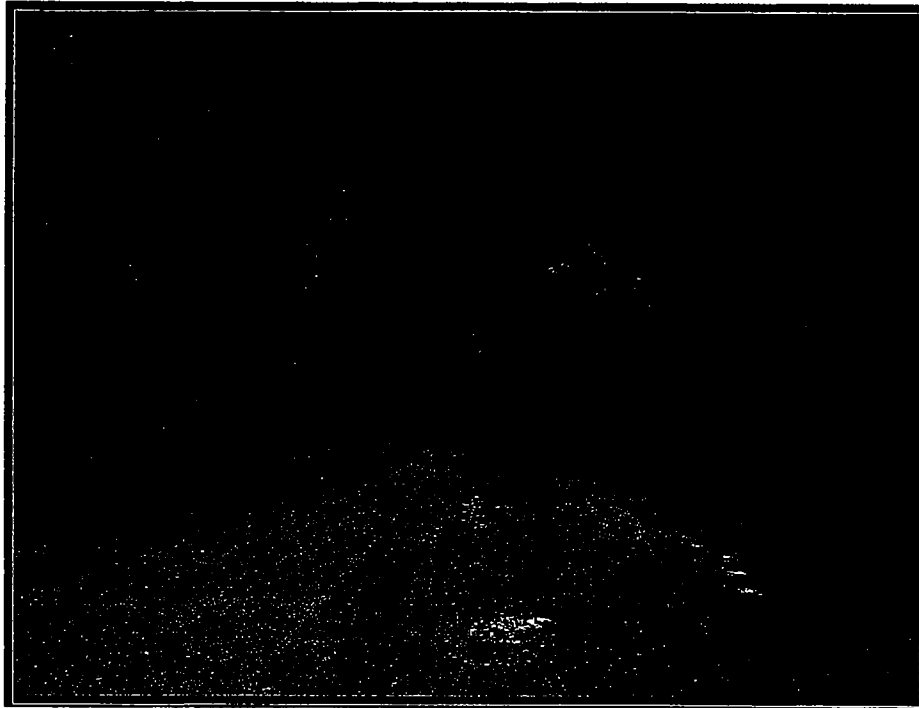
THIRD POND- SKI POND, LOOKING EASTERLY



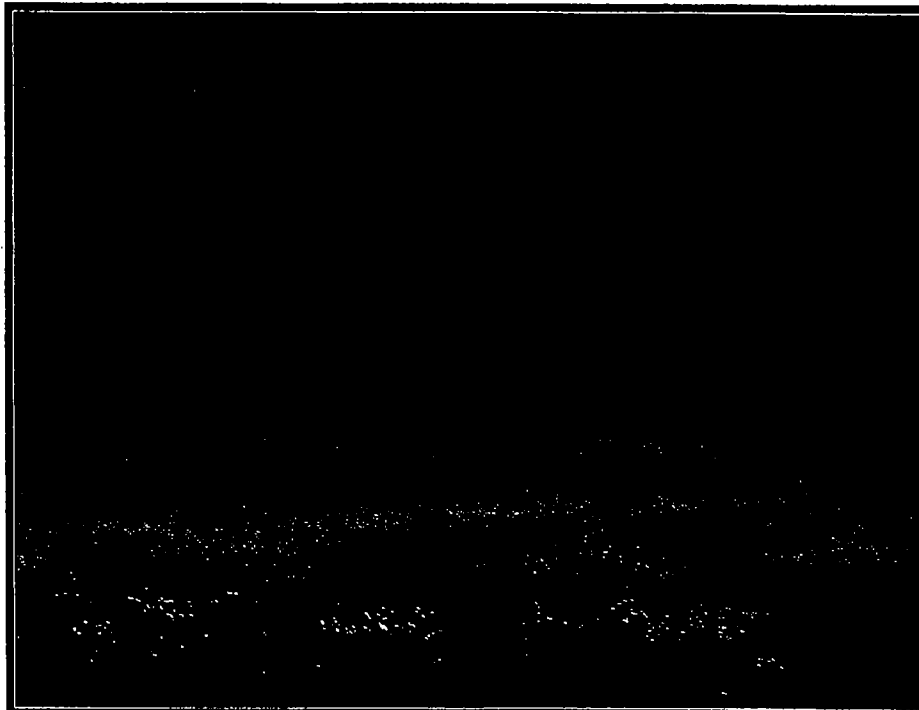
HAUL ROAD, NEAR MID PORTION, LOOKING EASTERLY



FOURTH POND, LOOKING NORTHEAST- HILL PORTION IN BACKGROUND



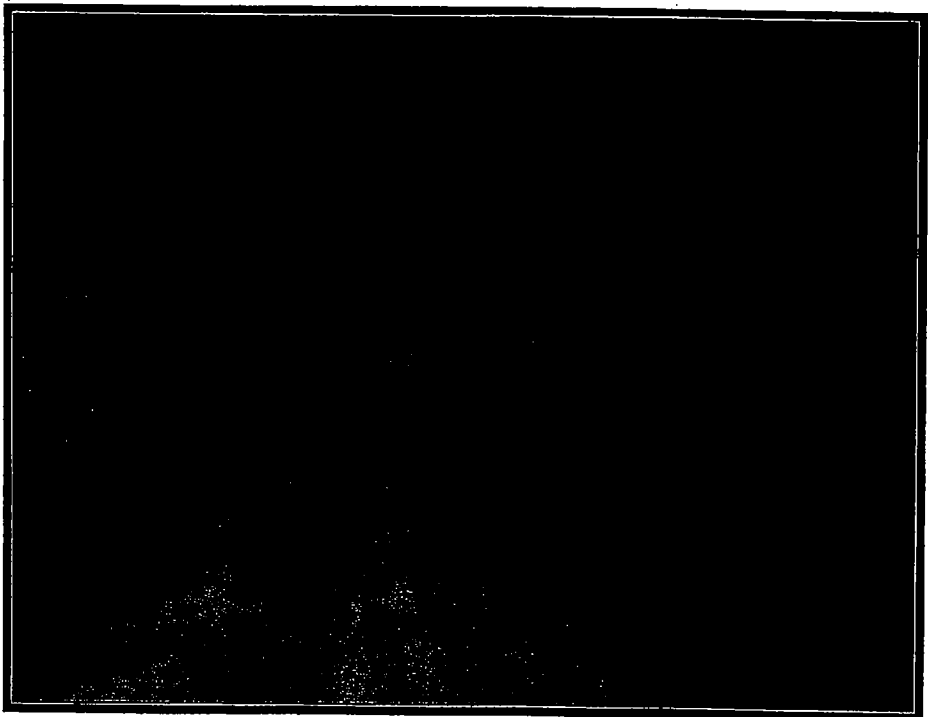
HAUL ROAD, LOOKING EAST AT MID PORTION



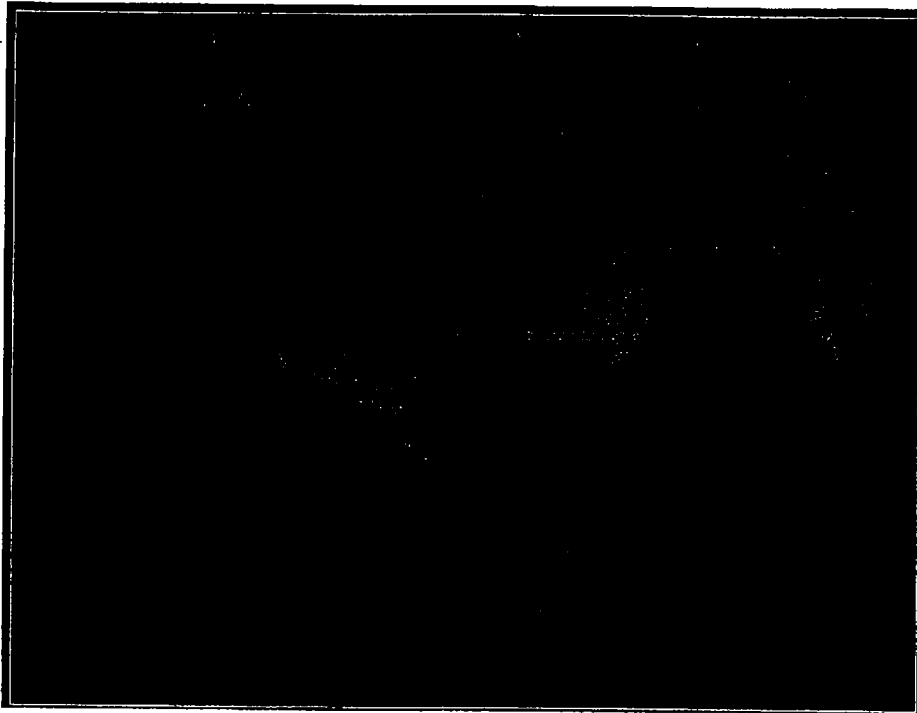
HILL PORTION, LOOKING SOUTHEAST



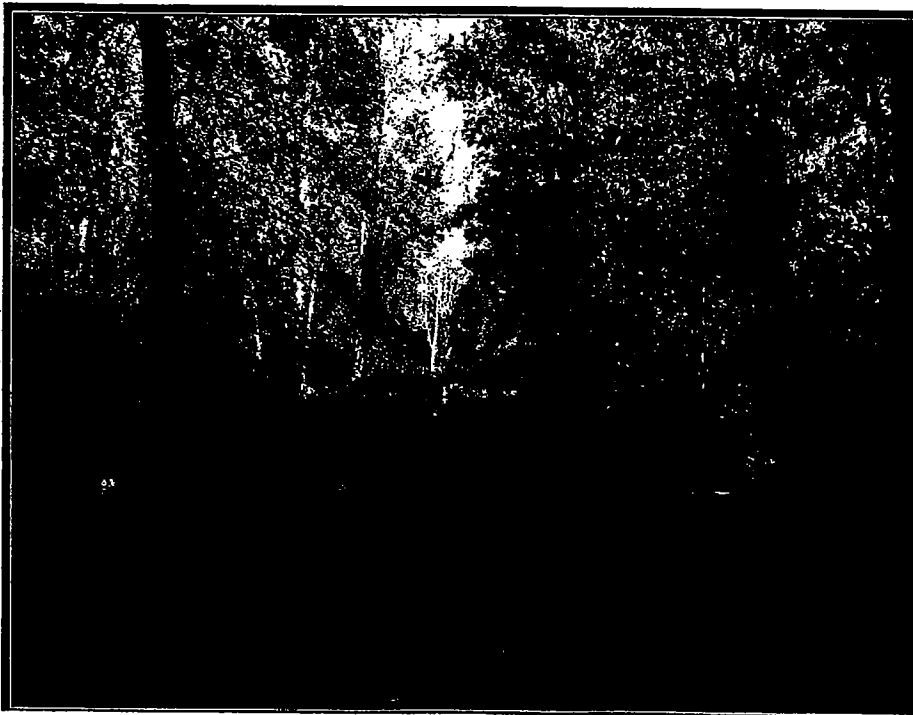
MIDDLE FORK WILLAMETTE RIVER, LOOKING EAST



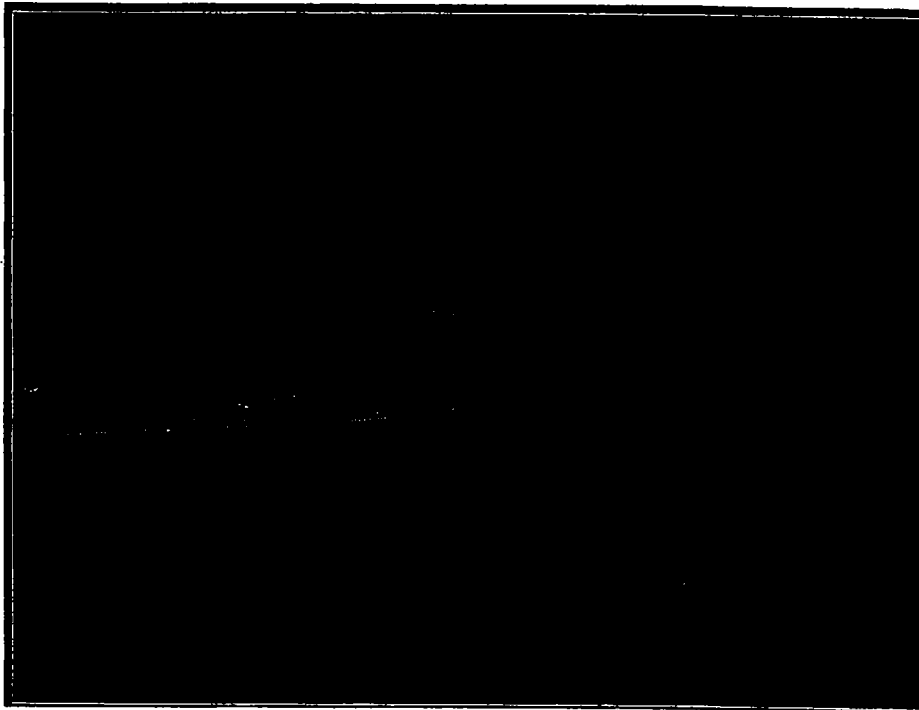
FIFTH POND, LOOKING NORTHEAST



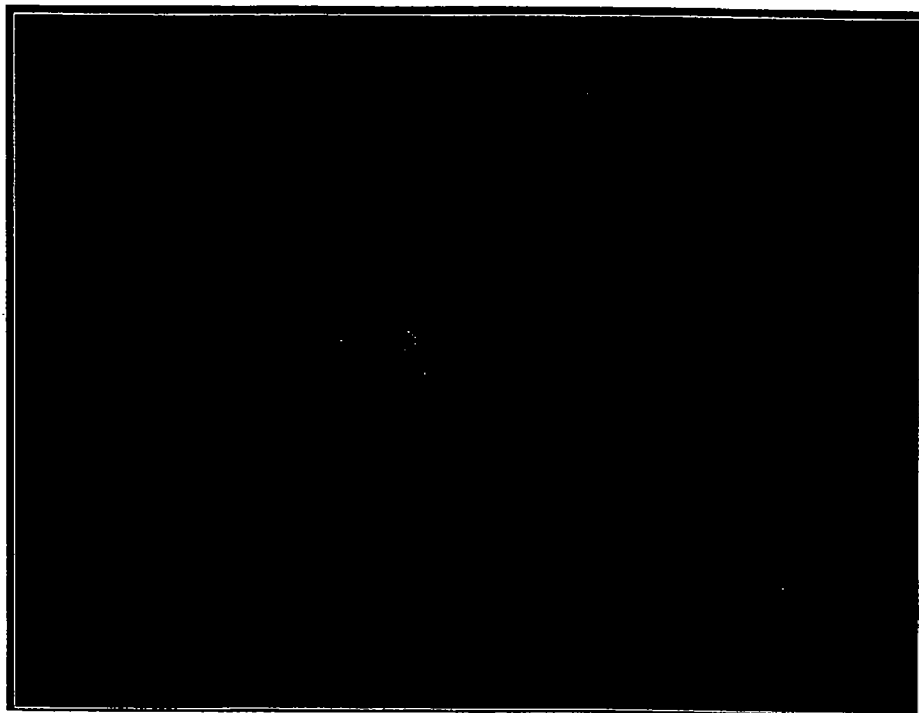
HILL LAND, LOOKING SOUTHEAST



CREEK, LOOKING EASTERLY



MIDDLE FORK WILLAMETTE RIVER LOOKING NORTHEAST FROM GRAVEL BAR



HILL LAND, LOOKING EAST



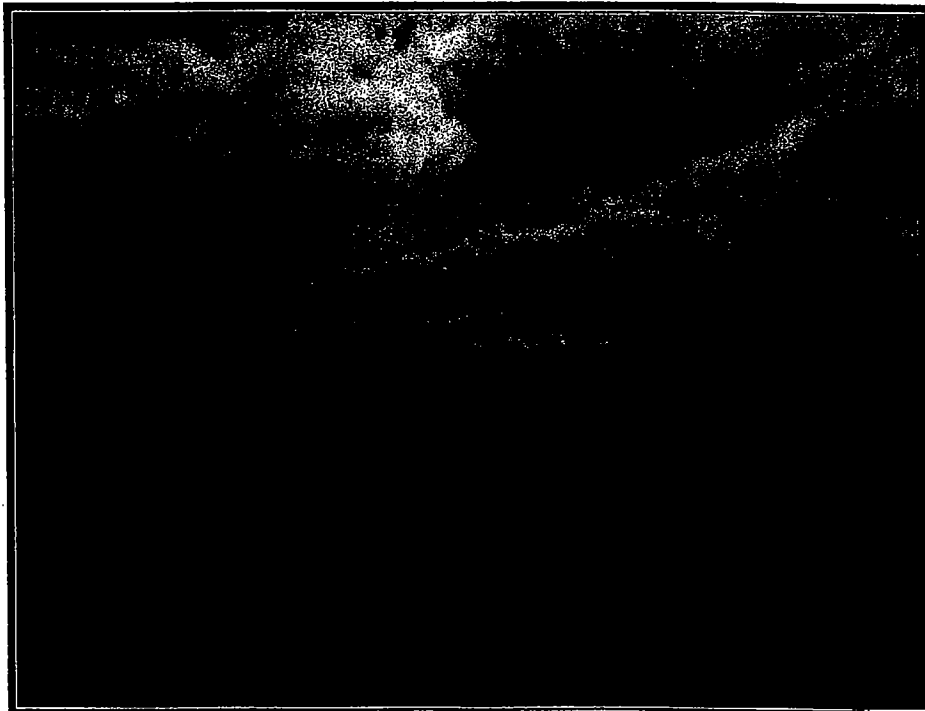
COAST FORK BRIDGE, LOOKING NORTH



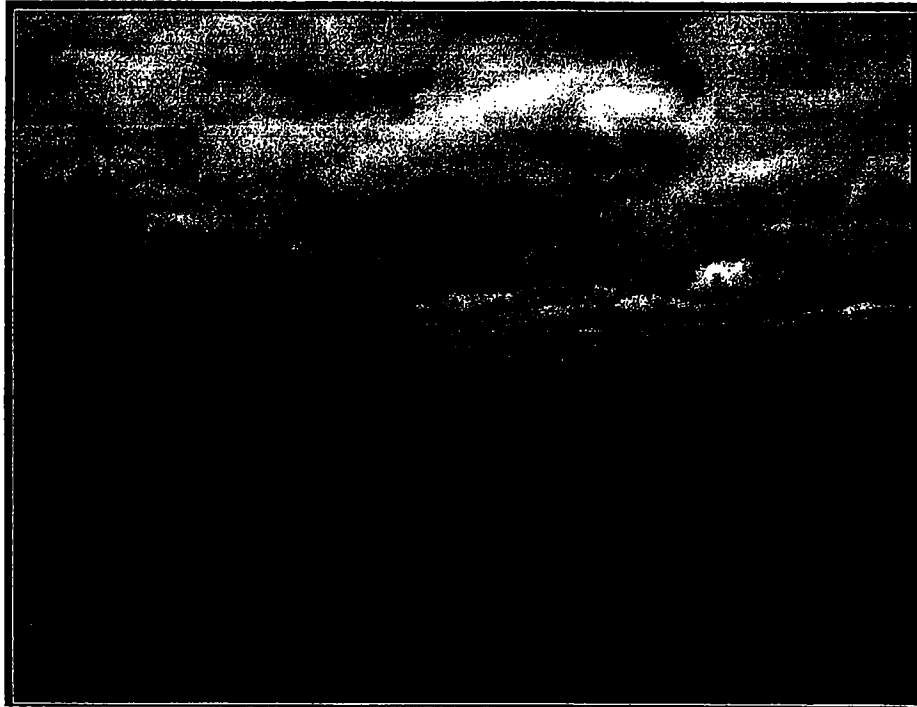
MAHOGANY ROAD, LOOKING AT SOUTHEAST PORTION



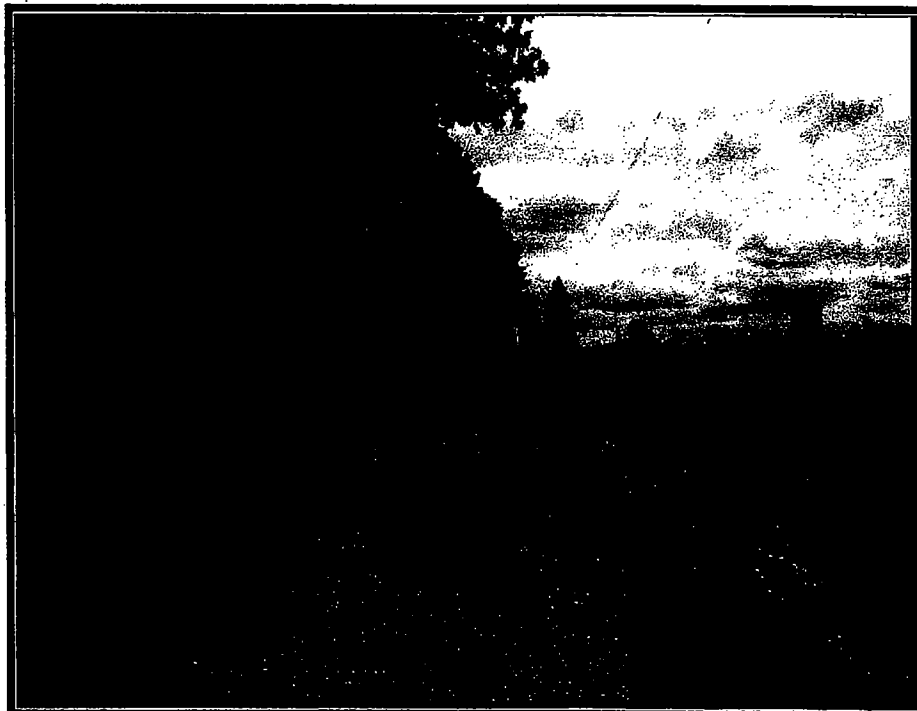
MIDDLE FORK WILLAMETTE RIVER, LOOKING AT SOUTHEAST PORTION



WHEAT FIELD- EAST PORTION, LOOKING SOUTH



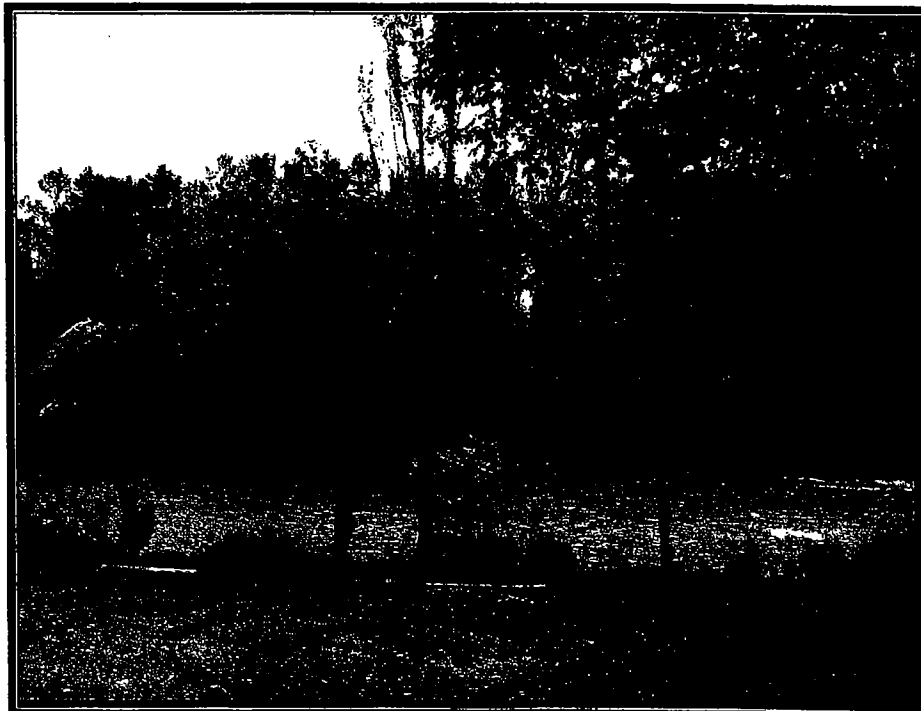
MIDDLE FORK WILLAMETTE RIVER, LOOKING NORTHWEST



MAHOGANY ROAD, LOOKING SOUTH



JASPER/LOWELL ROAD, LOOKING SOUTHEAST FROM BRAND "S" ROAD



ISLAND, LOOKING WEST FROM JASPER/LOWELL ROAD