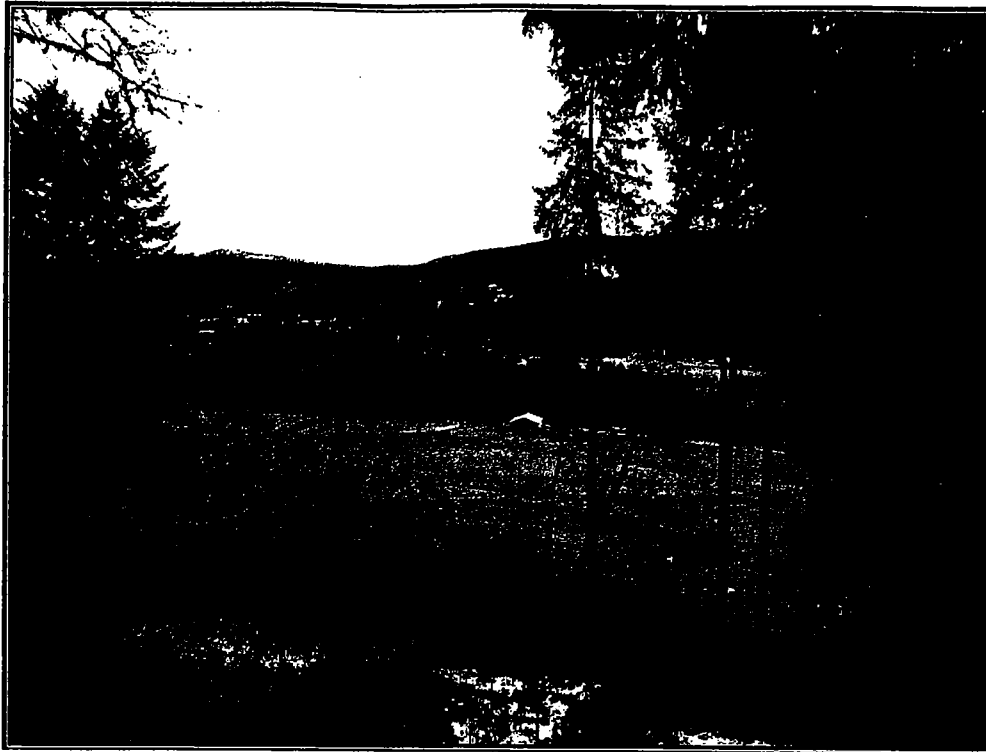


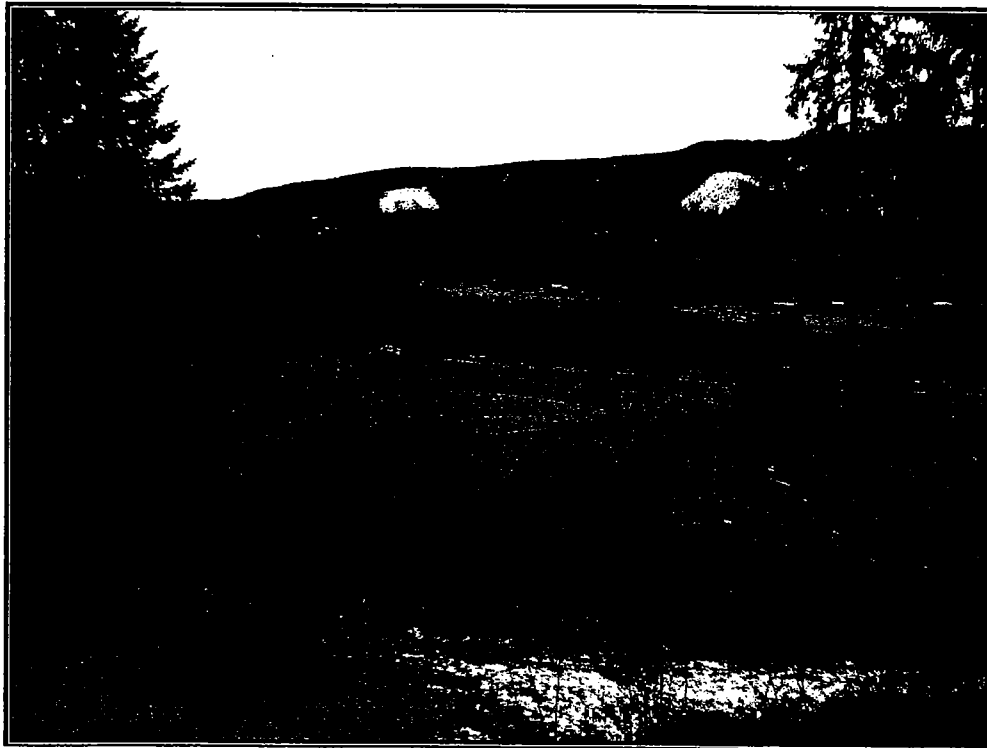
View of Side Yard – Looking NW



View of Timber Behind (West) of Improvements



View of Property – Looking SE from the House



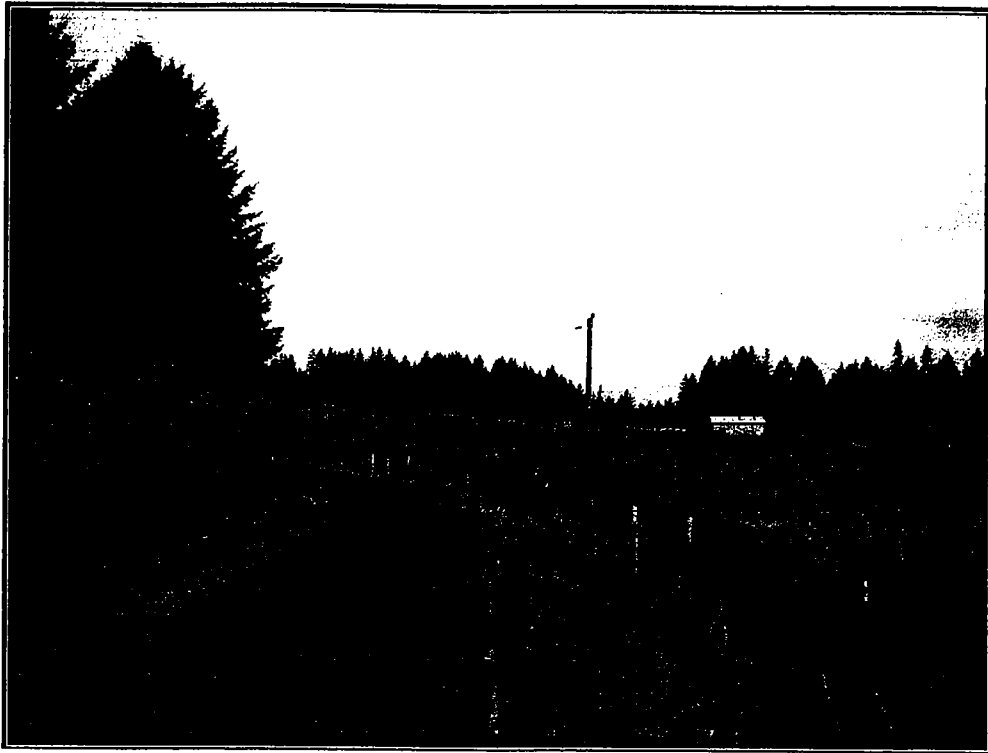
View of Property – Looking East from the House



Looking West at Property from Hill Road



Looking West Along Property Line from Hill Road



View to North along Joint Use Access Road

ANALYSES AND CONCLUSIONS

HIGHEST AND BEST USE:

The term "highest and best use" is defined as "that reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value."

The definition immediately above applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value, in its highest and best use, exceeds the total value of the property in its existing use.

Implied within these definitions is recognition of the contribution of that specific use to community environment or to community development goals in addition to wealth maximization of individual property owners. Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skill; i.e., that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

The subject land parcel is located outside any city limits and outside any Urban Growth Boundary. It is approximately 4.5 miles from the City of Springfield. The total land area is approximately 14.98 acres. As described previously, the topography ranges from relatively level pasture land to mild and moderate slopes. The soils are shallow and wet, and less than ideal for any agriculture crop other than pasture. The soils are suitable for timber, but the property has not historically been utilized for timber production.

The highest and best use of the subject property is examined in terms of the following:

Physically Possible Uses - With regard to physically possible uses, the size, location, and topography are favorable for residential development into rural, single-family residential lots.

Legally Permissible Uses - As indicated earlier in this report, the subject property is currently zoned F-2 or Impacted Forest Lands. Also explained earlier in this report, this is a restrictive zone intended primarily to encourage agriculture and timber production. With regard to residential use, a maximum of one home site for non-agricultural use would be permitted.

The property was acquired in 1972, at which time there was no zoning, which meant that the development of the subject property was subject to the Lane County subdivision regulations, which allowed for the development of rural residential home sites with a minimum division size of one acre.

Financially Feasible Uses - Financially feasible uses are those uses which are expected to produce a positive return on investment. Due to the poor quality of the soils and the steeper slopes, the property is not suited for agriculture beyond that of pasture use. However, the slopes are ideal for the growing of timber. The only financially feasible use of the property, other than as a large home site, is for the growing and harvesting of timber, with secondary use as pasture and hay production. As mentioned earlier, the property was previously unzoned. The number and sizes of potential home sites would have been limited by septic approvals, road capacity, and the availability of potable water for domestic use.

Maximally Productive Use - The maximally productive use is that use among the financially feasible uses that produces, or would produce, the highest price or value consistent with the rate of return warranted by the market for that particular use.

Zoned F-2 (the current zoning), the only financially feasible use, which is also considered to be the maximally productive use in this case, is for the growing and harvesting of timber, and a secondary use as pasture and hay production. Adding to these uses, a single residential home site would likely be permitted in conjunction with the timber and farm uses.

Under no zoning, the highest and best use of the subject property would be for division into rural home sites. As explained previously, the value of the property under this use is based on the "*hypothetical condition*" that the property is currently unzoned and on the "*extraordinary assumption*" that eight or more one to two acre lots could be obtained on the useable land.

Reasonable Exposure Time - This is the time envisioned in this appraisal that the property would have to be exposed to the market prior to sale. A reasonable exposure time is estimated at three to six months. This is commensurate with the time on the market for similar properties.

APPRAISAL PROCESS:

The subject property consists of a 14.98 acre land parcel improved with a single family residence. The "as is" value of the subject property, assuming a single rural home site on 14.98 acres, was appraised via the Direct Sales Comparison Approach. The value of the subject property under the *hypothetical condition* that it is unzoned and the *extraordinary assumption* that it can be divided into eight or more one to two- acre home sites was estimated via the Subdivision Development Approach. The value of the existing residence, assuming a two-acre home site, was valued via the Direct Sales Comparison Approach.

VALUATION PROCESS:

The subject property is improved with a two-story, wood frame house containing approximately 3,050 square feet of living space with an additional 528 square feet of attached garage area. The residence was built in approximately 1972 and has had above average maintenance and updating through the years. A search for sales of comparable properties in the Springfield market area revealed three sales in the general vicinity of the subject property. The three sales are judged to be good and sufficient market data with which to value the subject property. The three sales researched and analyzed are summarized in the following chart:

	Subject 90440 Hill Rd.	Sale 1 90702 Hill Rd.	Sale 2 89660 Hill Rd.	Sale 3 87750 Hill Rd.
Sale Date	n/a	11/05	4/05	11/05
Price	n/a	\$484,000	\$484,000	\$484,000
Acres	14.98	6.74	6.74	6.74
Age	34/Updated	34/Updated	37/Updated	37/Updated
Living Area	2-story 3,050	2-story 3,050	1-story 3,741	1-story 3,741
Bathrooms	4/3	4/3	4/3	4/3
Garage	2 Garage	2 Garage	1 Garage	1 Garage
Heat Source/Type	FA/No	Heat Pump/Yes	Heat Pump/Yes	Heat Pump/Yes
Porch/Patio/Deck	Porch Decks	Porch, Deck, Shed	Porch, Patio, Barn	Porch, Deck, Shed
Fireplaces	2 Fireplaces	2 Fireplaces	3 Fireplaces	3 Fireplaces

The foregoing sales are considered to be representative of the market for older, but well maintained homes on rural average home sites. The comparables vary with regard to age, parcel size, amenities, and construction quality and condition. The sales data are not sufficient to extract quantitative adjustments for differences, therefore, the sales are compared to the subject property on a qualitative basis.

The following chart summarizes the comparison analysis of the sales:

	Sale 1 90708 Hill Rd.	Sale 2 89660 Hill Rd.	Sale 3 36326 Sherra Lane
Location	Similar	Similar	Similar
View	Inferior	Similar	Inferior
Improvements	Inferior	Similar	Superior
Condition	Inferior	Similar	Superior
Age	Inferior	Similar	Similar
Quality of Construction	Similar	Similar	Similar
Lot Size	Similar	Similar	Similar
Overall Quality	Superior	Similar	Superior
Overall Value	Slightly Inferior	Similar	Superior

The sales range in time frame from April of 2005 to November of 2005. It is believed that property values have increased during this period. In this case, a conservative time adjustment of 6% per annum is applied to the sales to account for inflation and market appreciation. Adjusted for time, the foregoing sales indicate the following:

Sale No.	Time Adj. Sale Price
	\$464,873
	\$511,528
	\$502,103

The foregoing sales, adjusted for time, tend to bracket a value for the subject between \$464,873 and \$502,103. The sales are all similarly located to that of the subject, with similar views. The improvements are all considered to be similar in construction quality and condition, as well as age. The sales all have significantly smaller lot sizes. However, with rural acreage, the per unit contributory value of additional land beyond a five acre home-site is well below that of unit value of the first five acres. The sales are briefly described as follows:

Sale 1 involved the most recent sale of a property located a short distance north of the subject, also on Hill Road. The residence is similar with regard to construction type, condition, age, and number of fireplaces. It is inferior with regard to overall finished

space and number of baths, but superior with regard to heat source and cooling, as well as porch, deck, and shop improvements. The overall site is smaller, thus considered slightly inferior. Overall this sale is concluded to be a good indicator of value for the subject property.

Sale 2 involved the oldest sale of a property located approximately 2 miles south of the subject, also on Hill Road. The residence is similar with regard to construction type, condition, age, and number of bedrooms and baths. It is inferior with regard to only a single story and a single garage, but superior with regard to overall finished space, number of fireplaces, heat source and cooling, as well as porch, deck and barn improvements. The overall site is smaller, thus considered inferior. This sale is concluded to be a high indicator of value for the subject property.

Sale 3 involved an October of 2005 transaction of a property located approximately 1.25 miles north of the subject property, on Sherra Lane, off Hill Road. The residence is similar with regard to construction type, condition, number of bedrooms and baths, and number of fireplaces. It is superior with regard to overall finished space, heat source and cooling, as well as porch, deck and barn improvements. The site is significantly smaller, thus inferior. Overall, this sale is considered to be superior to the subject, indicating a value higher than appropriate for use in the subject case.

Based upon the foregoing, taking into consideration the factor of time, the "as is" fee simple market value of the subject property, effective March 13, 2006, is concluded to be **\$470,000.**

VALUATION OF SUBJECT PROPERTY ASSUMING NO ZONING

The subject property was reportedly acquired in 1972, at which time, it was not zoned. Prior to about 1970, subdividing rural acreage was relatively easy. In 1971 and 1972, such divisions became more difficult, but still relatively easy. At the time of purchase, the division of the subject property was governed by Lane County's Subdivision Ordinance. The property was subsequently zoned F-2, which precluded any major subdivision development.

Prior to any zoning, major subdividing could have been done. The number and sizes of the resulting lots would have been dependent on septic approvals, water availability, and supply/demand factors. Currently, these same factors would determine the number and sizes of lots if a major subdivision were permitted. The current market for rural lots is favoring one to five acres in size. Current market conditions for rural acreage home sites, is strong. Given the proximity of the subject property to Springfield and its view amenity, the demand is even stronger.

Therefore, the highest and best use (most profitable use) in the current market is division into rural acreage home sites, the specific number and size of which would be determined by the potential for septic approvals and by the availability of potable water. Given the soil types on the subject property, and the availability of water on similar lots, it is reasonable to assume that lots ranging in size from one to two-acres could be developed.

Under Measure 37, qualified property owners are entitled to develop their land under the zoning which prevailed prior to any zone change. In other words, under Measure 37, property owners would have the right to develop their land based on its current highest and best use, but under the prior zoning. In this particular case, that would be developing under no zoning, limited only by septic approvals, water availability, and supply and demand factors.

The subject property contains a total of approximately 14.98 acres, which is improved with a single family residence on the upper (northwest) portion of the site. Given the location, access, soils, topography, and current supply/demand factors, it is considered reasonable to assume that the subject property, if un-zoned, could be developed into approximately eight, one to two-acre home sites.

This is an "***extraordinary assumption***", which is defined in the 2006 Addition of USPAP published by the Appraisal Standards Board of the Appraisal Foundation as "*An assumption, correctly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions.*"

In valuing the subject property based on no zoning, it was necessary to do so based on the "***hypothetical condition***" that the subject property is currently unzoned. The term "***hypothetical condition***" is defined in the 2006 Addition of USPAP published by the

Appraisal Standards Board of the Appraisal Foundation as *“that which is contrary to what exists but is supposed for the purposes of analysis.”*

The *extraordinary assumption* and *hypothetical condition* were necessary in this case for purposes of analysis in valuing the subject property as if unzoned.

As indicated previously, the subject property has not been divided and, therefore, the precise number, sizes, configurations, and views of the future lots are not known. However, based on market factors and typical surrounding lot sizes, it is believed reasonable to assume that approximately eight one to two-acre lots could be developed, all of which would benefit from a view amenity. The lot for the existing residence and those just below it would have the best view advantage. A preliminary development plan provided by JRH land use planning division, supports this assumption.

The assumption that eight one to two-acre lots could be obtained is the “*Extraordinary Assumption.*” The condition that the subject is unzoned is the “*Hypothetical Condition.*”

It is not possible to value the subject property based on no zoning via the Direct Sales Comparison Approach, due to the fact that there are no recent sales of property with similar subdivision potential. This is due to the fact that outlying properties, such as the subject, are zoned Exclusive Farm Use or Forestry Use and as such cannot be divided into major subdivisions.

The Appraisal of Real Estate 12th Edition, published by the Appraisal Institute, Page 346, under the heading “Subdivision Development Analysis” states:

“The use of subdivision development analysis to value vacant land is most applicable if sales data on vacant tracts of land is inadequate, but market data is available on the probable sale prices of developed lots and the demand for such lots ...”

Therefore, the subject property is valued via the *subdivision development analysis*. This is a method of estimating land value when subdivision and development costs are the highest and best use of the subject property being appraised. Direct and indirect costs and entrepreneurial profit are deducted from an estimate of the anticipated gross sales revenue from the sale of the finished lots, and, the resultant net sales proceeds are then discounted to present value at a market derived rate over the development and absorption period to indicate the value of the raw land.

The first step in this process is to estimate the value of the lots which could likely be obtained in the current market if the property were unzoned.

The market data utilized in valuing the future subject lots is set forth in chart form as follows:

CHART OF SALES

Date of Sale	Sale Price	View
05/05	\$124,900	Average
07/05	\$114,900	Average
09/05	\$114,900	Average
07/05	\$119,900	Average
11/05	\$124,900	Average
11/05	\$122,900	Average
08/05	\$104,900	Average
04/05	\$178,500	Good
05/05	\$78,000	Average
10/05	\$102,900	Average

The sales vary widely in unit price, size, and location. The primary factors that result in unit price differences in this case are: size, view, topography, and location.

The sales took place in mid to late 2005 and, therefore, need no time adjustment. The factor of size is the major determinate of unit prices per acre, although other factors also come into play. The units in this case are: Price per acre and price per square foot.

As size increases, unit prices decrease, all other factors being equal. In this case, all of the other factors are sufficiently equal such that the size is the major determinant.

The sales are arrayed below in chart form from small to large:

Size/ S.F./Acres	Price
34,848 0.80	\$39,500
43,750 1.00	\$43,000
45,738 1.05	\$45,000
87,120 2.00	\$87,000
87,120 2.00	\$87,000
87,120 2.00	\$87,000
87,120 2.00	\$87,000
87,120 2.00	\$87,000
195,149 4.48	\$195,000

The sales show a definite pattern of decreasing unit prices as the sizes increase, modified by the factors of location, topography, and view. The sales are all roughly equal with regard to location and view and, therefore, show relatively uniform decreases in unit prices with size increases. Sales 1 thru 7 involved sales of lots in a rural subdivision that was completed in early 2005. The primary difference in the lot prices for these sales was the location and configuration within the subdivision.

The subject property is proposed to have both one-acre lots and two-acre lots, which puts the subject into the array in two places. By size alone, the subject one-acre lots fit between Sales 9 and 10, which reflect prices per square foot of \$2.24 and \$2.25 and prices per acre of \$97,500 and \$98,000. The subject property is considered to have a superior view potential, thus warranting a premium above these sale comparables.

The subject two-acre lots fit into the array between Sales 7 and 8, which reflect prices per square foot of \$1.20 and \$0.915 and prices per acre of \$52,450 and \$39,844. Again, by size alone, the subject two-acre lots are more similar to Sale 7, but have a significantly superior view potential, thus warranting a premium above the sale comparables. Moreover, Sale 7 involved the lowest price per unit for the lots within the Whitewater Estates subdivision, which is a reflection of the lots inferior desirability. Overall, the lots

within this subdivision sold between \$104,900 and \$124,900 with an average for the seven lots sold of \$118,186. The subject two-acre lots are similar in size and rural setting, but are considered to be superior with regard to view potential, therefore indicating a value at or above the high end of the range for the sales in the Whitewater Estates subdivision.

Based upon the foregoing, it is concluded that the subject one-acre lots are valued at \$2.50 per square foot, say \$109,000 each. The subject two-acre lots are valued at \$1.75 per square foot, say \$150,000 each.

Note: The development plan includes eight lots, however, one of the two-acre lots is the location of the existing residence and it is valued separately.

GROSS SALES REVENUE:

Based upon the foregoing, the gross sales revenue is calculated as follows:

2, two-acre lots at \$150,000 each.....	\$300,000
5, one-acre lots at \$109,000 each.....	<u>\$545,000</u>
TOTAL ESTIMATED GROSS SALES REVENUE.....	\$845,000

ESTIMATED COSTS OF DEVELOPMENT:

Total development costs are divided into hard costs and soft costs. Hard costs are also referred to as infrastructure costs or direct costs, while soft costs are referred to as indirect costs.

Based upon known and estimated costs of development in outlying subdivisions, the development costs are estimated as follows:

Estimated Hard Costs/Infrastructure/Direct Costs:

Surveying, engineering, and platting	\$ 40,000
Road Construction (grading & ditches, crushed stone base (12"), asphalt, & misc. structures	\$ 80,000
Water system (private wells)	\$0
Community Sewage disposal system	\$140,000
Permits	\$ 20,000
Electrical distribution system.....	\$ 15,000
Miscellaneous clean-up and site work	<u>\$ 10,000</u>
Subtotal:	\$305,000

Estimated Soft Costs/Indirect Costs:

Title insurance.....	\$ 4,500
Escrow fees	\$ 3,000

Marketing costs, including real estate commission on ½ the lots.....	\$ 25,000
Insurance	\$ 2,000
County fees (Land Planning & Survey Check).....	\$ 5,000
Real estate taxes	\$ 3,300
Legal fees	\$ 1,500
Miscellaneous (5% of above hard/soft costs)	<u>\$ 15,250</u>
Total Soft Costs:	\$59,550
Grand Total Hard and Soft Costs:	\$364,550
	or \$52,079 per lot
Developer's profit - 5% of \$845,000 (Gross Sales Revenue).....	\$42,250

ASSUMPTIONS AND TIMING OF CASH FLOWS:

A project the size and scope of the hypothetical subject project described herein would take an estimated one year to complete, which at completion, would involve all necessary approvals, platting and engineering, road construction, water system construction, septic systems, and other infrastructure. Advertising would be done during this first year to assist in the marketing program. Due to the size of the project and the strong demand for rural home sites, it is concluded that the lots would be pre-sold during the construction phase between months 7-12.

Based upon this scenario, the hard costs, plus insurance, totaling \$307,000 would be expended in the first six months. It is concluded that the seven vacant lots would be sold within the first year along with the construction phase, in the second six months. The soft costs of \$59,550 are assumed to be spent in equal portions over months 7-12, with the Developer's profit coming at the end of the year.

Based upon the foregoing assumptions, a cash flow chart is constructed as follows:

	1	3	5	7	9	11
Sales Revenue	0	0	0	\$140,833	\$140,833	\$14,833
Costs (including Insurance)	(\$51,167)	(\$51,167)	(\$51,167)	0	0	0
Sell Costs	0	0	0	(\$9,925)	(\$9,925)	(\$9,925)
Net Cash Flow	(\$51,167)	(\$51,167)	(\$51,167)	\$130,908	\$130,908	\$130,908

The project expenses and the sales revenue are all anticipated to be received during a one year period. The cash flows are discounted at a rate of 10% and deferred as appropriate for the timing of expenses and receipts. The developer's profit is deducted as a line item at the end of the year. Due to the short length of time for the project, combined with the fact that the lots are projected to sell in months 7-12, it is deemed not necessary to discount the developer's profit.

Based upon the foregoing, the present worth of the net cash flows for the subject project is \$427,732 - \$42,250, say \$385,000. This figure does not include the value of the existing residence and associated two-acre lot. The residence, situated on a hypothetical two-acre lot, is valued separately.

VALUATION OF RESIDENCE AND HYPOTHETICAL TWO-ACRE LOT:

The subject property is improved with a two-story, wood frame house containing approximately 3,050 square feet of living space with an additional 528 square feet of attached garage area. The residence was built in approximately 1972 and has had above average maintenance and updating through the years. A search for sales of comparable properties in the Springfield market place revealed three sales in the general vicinity of the subject property. The sales are judged to be good and sufficient market data with which to compare to the subject property. The three sales researched and analyzed are summarized in the following chart:

	Subject 90440 Hill Rd.	Sale 1 9159 Hill Rd.	Sale 2 91096 Hill Rd.	Sale 3 9099 Green Hill Rd.
Sale Date	n/a	11/18/00	4/05	11/05
Sale Price	n/a	\$275,000	\$339,900	\$275,000
Lot Size (Acres)	2.00	1.80	1.80	2.00
Age/Update	34/Updated	34/Updated	41/updated	34/Updated
Improvements Size/Sq. Ft.	2-story 3,050	2-story 2,280	2-story 2,280	2-story 2,280
Bdrm/Baths	4/3	3/2	3/2	3/2
Garage	Double/attached	Single/detached	4/detached	Double/attached
Heat Source/Cool	FA/No	Oil/Wall/No	FA/Heat Pump	Oil/Wall/Heat Pump
Porch/Ratio/Deck	Porch Decks	Deck, Shop R/V Port	Porch, Deck, Barn Green hse, Shop	Deck, Porch, R/V Port
Fireplace	2	1	2	1

The foregoing sales are considered to be representative of the market for older, but well maintained homes on small acreage, rural home sites. The comparables vary with regard to age, parcel size, amenities, and construction quality and condition. The sales data are not sufficient to extract quantitative adjustments for differences; therefore, the sales are compared to the subject property on a qualitative basis.

The following chart summarizes the comparison analysis of the sales:

	Sale 1 91119 Hill Rd.	Sale 2 91197 Hill Rd.	Sale 3 93991 Marcola Rd.
Location	Similar	Similar	Similar
Lot Size	Superior	Similar	Superior
Buildings	Similar	Similar	Superior
Interior Finishes	Inferior	Similar	Inferior
Exterior Finishes	Inferior	Similar	Inferior
Condition	Inferior	Similar	Similar
Market Conditions	Similar	Similar	Superior
Age	Similar	Similar	Superior
Quality of Work	Similar	Similar	Similar
Condition	Similar	Similar	Superior
Parcel Description	Superior	Similar	Superior
Overall Rating	Inferior	Similar	Superior

The sales range in time frame from April of 2005 to March of 2006, the latter of which is a pending sale. It is believed that property values have increased modestly. In this case, a conservative time adjustment of 6% per annum is applied to Sales 2 and 3 to account for inflation and market appreciation. Adjusted for time, the foregoing sales indicate the following:

Sale No.	Time Adj. Sale Price
	\$275,000
	\$358,450
	\$443,438

The foregoing four sales, adjusted for time, tend to bracket a value for the subject of more than \$358,450 but less than \$443,438. Sale 1 is a pending sale of a property in the immediate vicinity of the subject property, but has been priced for a quick sale, which is not believed to be representative of the real market. Therefore, Sale 1 is given little weight. The sales are all similarly located to that of the subject, with similar and superior views. The improvements of Sales 1 and 2 are considered to be similar in construction quality and condition, as well as age, with Sale 3 being superior. The sales have lot sizes both smaller and larger than the subject, but not to any significant degree. The sales are briefly described as follows:

Sale 1 involved the most recent transaction of a property located a short distance north of the subject, also along Hill Road. The residence is similar with regard to construction type, condition, age, heat source and view. It is inferior with regard to overall finished space and number of bedrooms, and only having a single car garage. It is superior with regard to lot size, as well as deck, RV parking, and shop improvements. As previously mentioned, this property was put back on the market due to a failed sale and was priced for a quick sale. As such, this pending sale is not considered to be representative of the market for this type of property. Overall this sale is concluded to indicate a value lower than appropriate for use in the subject case.

Sale 2 involved the oldest transaction of a property located a short distance north of the subject, also along Hill Road. The residence is similar with regard to construction type, condition, and view. It is inferior with regard to lot size, age, improvement size, and number of bedrooms, but superior with regard to oversized garage, heat and cool system, and porch, deck, barn, and shop improvements. Overall, this sale is concluded to indicate a value lower than appropriate for use in the subject case.

Sale 3 involved a November of 2005 transaction of a property located north of the subject property near Marcola. The sale is similar with regard to location, garage, and quality of construction, but inferior with regard to overall finished space and number of bedrooms and baths. It is superior with regard to lot size, age, condition, heat and cool system, and deck, RV parking and shop improvements. The sale property is also considered superior by virtue of having both valley views and river frontage. Overall, this sale is considered to be superior to the subject, indicating a value higher than appropriate for use in the subject case.

Based upon all of the foregoing, the sales bracket a time adjusted value for the subject of more than \$358,450 and less than \$443,458. Taking into consideration the factor of time, the "as is" fee simple market value of the subject property, effective March 13, 2006, is concluded to be \$400,000.

The foregoing value is based on the "*hypothetical condition*" that the property is unzoned and the "*extraordinary assumption*" that the property could be divided into one to two-acre lots, thus resulting in the existing residence having a two-acre lot.

RECAPITULATION:

Net Present Value of cash flows from the sale of 7 lots, rounded	\$385,000
Plus value of residence and two-acre lot	\$400,000
Net Present Value or Indicated Value of Subject Property on an "As Is" basis under the aforementioned <u>HYPOTHETICAL CONDITION</u> and the <u>EXTRAORDINARY ASSUMPTION</u>	<u>\$785,000</u>

SUMMARY AND FINAL CONCLUSIONS:

Indicated value of subject property under " <i>hypothetical condition</i> " of No Zoning and " <i>extraordinary assumption</i> " of eight lots	(rounded) \$785,000
Total indicated value of the subject property under present zoning	<u>\$470,000</u>
Difference or Potential Measure 37 Claim	<u>\$315,000</u>

Special Note:

The gross sales revenue was estimated on the basis of one and two-acre lots under the assumption that the necessary approvals for such a subdivision would be obtained. Hard and soft costs were based on estimates provided by JRH Land Planning and from other sources, including data from numerous local subdivision projects. The developer's profit of 10% was based on information from developers. The timing of the cash flows is very approximate and is set forth as shown in the foregoing for purposes of this discounted cash flow analysis.

ASSUMPTIONS AND LIMITING CONDITIONS

1. This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of USPAP for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for the unauthorized use of this report.
2. No survey of the property has been made and no responsibility is assumed in connection with such matters. Sketches in this report, if any are included, are only to assist the reader in visualizing the property.
3. No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.
4. Information furnished by others is assumed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless otherwise specified within the report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering or other expertise which may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non conformity has been stated, defined and considered in the appraisal report.
9. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within the report.

11. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde-foam insulation or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there are no such materials on or in the property that would cause a loss in value, unless otherwise stated in the report. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event only with proper written qualification and only in its entirety.
13. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
14. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraiser. Nor shall the appraiser's firm or professional organization of which the appraiser is a member be identified without written consent of the appraiser.
15. This appraisal was done under market conditions prevailing on the effective date of this appraisal. Because real estate values are very dependent on market conditions and markets tend to change over time, no responsibility is assumed for market conditions affecting the value of the property beyond the date of this appraisal.
16. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and general limiting conditions.
17. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property.

CERTIFICATION


The undersigned does (do) hereby 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, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the case of the client, the amount of 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 inspection of the property that is the subject of this report.
- No one provided professional assistance to the person signing this report.
- The Appraisal Institute conducts a program of continuing education for its designated members. As of the date of this report, I, Charles P. Thompson, MAI, have completed the requirements under the continuing education program of the Appraisal Institute.

- in my opinion, the market value of the subject property on an "as-is" basis, effective March 13, 2006, was \$470,000. The market value of the subject property based on the *hypothetical condition* and *extraordinary assumption* that it was unzoned on March 13, 2006, and that eight one to two-acre lots could be obtained, was estimated to be \$785,000.

CHARLES P. THOMPSON & ASSOCIATES, INC.

Charles P. Thompson, MAI
State Certified General Appraiser No. C000007



Rebecca S. Nelson
State Certified General Appraiser No. C000736

ADDENDA

Addendum "I"JRH

February 10, 2006

Paul Schaffner, MAI
1234 High Street
Eugene, OR 97402

RE: 90440 Hill Road – Springfield, Oregon

Dear Paul:

I represent Connie Merrell, owner of the land addressed as 90440 Hill Road, Springfield, Oregon. This property is more specifically described as tax lot 710 of Assessor's map 17-02-04, containing approximately 15.98 acres. Mrs. Merrell and her daughter, Robin Merrell Sanders, have directed me to pursue a Lane County Measure 37 claim. This claim is based upon the Merrell's purchase of the property in 1972 and which has stayed in the Merrell family since that date. Connie Merrell is the surviving spouse (wife). Merrell property was not zoned at the time of purchase, subject only to Lane County subdivision regulations. This property remained unzoned until September 28, 1980, at which time it was zoned Limited Forest Land (F-2) district. On February 29, 1984, the County changed the zoning designation to Impacted Forest (F-2) lands.

The Merrells had purchased the property in anticipation of developing a subdivision and selling the lots for homesites. The Merrells began pursuing this development in 1978/ 1979, running into some financial and technical problems. When they got back to the task of pursuing the subdivision, the Merrells found the County had placed F-2 zoning on the land, preventing the Merrells from pursuing their vision and investment. Mr. Merrell is now deceased. As part of the Merrells' Measure 37 claim application, the Merrells need a signed appraisal, prepared by an appraiser licensed by the Appraisers' Certification and Licensure Board of Oregon, addressing the requirements added to Oregon Revised Statutes Chapter 197 by adoption of Ballot Measure 37.

The appraisal must indicate the amount of reduction in Fair Market Value by showing the difference in Fair Market Value of the property as unzoned 1972 property subject only to County subdivision regulations (platting) compared to the current value of the land with a single house on 15.98 acres.

Letter from Larry E. Reed
RE: 90440 Hill Road – Springfield, Oregon
February 10, 2006
Page 2

This appraisal is to include supporting methodology, assumptions, and calculations used in the appraisal. The following sets forth the facts of this claim as I understand them:

- Fact 1:** The Merrells have owned the property since 1972. See Attachment A, Lane County's property description card and deeds.
- Fact 2:** Property was not zoned in 1972 on the date of purchase by the Merrells.
- Fact 3:** The property was first zoned in 1980 (see Attachment B, Lane County Zoning and Land Use Ordinance #841).
- Fact 4:** In 1972 the property was subject only to Lane County subdivision regulations.

Please note, the above facts 2, 3, and 4 were verified by Lane County in a letter dated October 27, 2005, including attachments. This letter was in response to a Research Request #PA 05-6436 (see Attachment C).

- Fact 5:** In 1972 the Lane County subdivision regulations specifically required a minimum of one-acre lots where the site/ lots were served by neither public sewer nor public water supply (see Section V, Platting Standards D (lots) 1 (size and frontage) c (see Attachment D, especially page 24).
- Fact 6:** Based upon JRH's preliminary analysis of the site, it appears thirteen lots with a community water supply, plus a lot for the existing Merrell home, is feasible.
- Fact 7:** The property, to the best of the Merrells' knowledge has never grown merchantable timber (Douglas fir). The property is sloped between 6 and 10 percent (average 8 percent slope). The soils are dupree silt loam and ritner cobbly silty clay loam. According to the soil survey of Lane County, this soil complex on the lower east facing slope of the Coburg Hills is used mainly for pasture, berries, orchards, and homesites. The native vegetation of this soil complex is mainly Oregon white oak and some incense cedar, with poison oak, hazelnut, and western brackenfern as the main understory plant species.

Letter from Larry E. Reed
RE: 90440 Hill Road – Springfield, Oregon
February 10, 2006
Page 3

Based upon my opinion as a land planner, the site can be valued at:

Current Regulations:

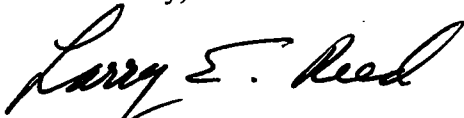
As F-2 land with a house, having no timber value, it is worth \$460,000 (see Attachment E). If there were adjoining property owners wanting to purchase the F-2 land, the land value (no opportunity for additional houses) is between \$2,000 and \$3,000 per acre. Selling off 13 acres and keeping the house would yield between \$26,000 and \$39,000.

Under 1972 Regulations – one-acre lots:

Today's value for a rural home sites range from \$100,000 to \$200,000 and up, depending on size, view, ease of access, quality of water supply, etc. Creating 12 one-acre lots with a community water supply should be valued at approximately \$110,000. \$110,000 multiplied by 12 lots equals \$1,320,000 gross. With development and construction costs, the property should yield between \$750,000 and \$850,000 net. Based upon the County's adoption of the F-2 land use limitation has reduced the value of the Merrell land by \$711,000 to \$811,000.

I hope the foregoing provides you with enough information to create the required appraisal. Please let me know if you require additional information. Please send me your contract and I will obtain Mrs. Merrell's signature and return it to you.

Yours truly,



Larry E. Reed
Principal, Land Use Planner

Attachments

Addendum "II"

Warranty Deed

7001. TA 56-2921

KNOW ALL MEN BY THESE PRESENTS, That Dale I. Gramley and Mary Curtis Gramley

the Grantors, in consideration of EIGHTEEN THOUSAND SEVEN HUNDRED AND 00/100-- Dollars,

to paid do hereby grant, bargain, sell and convey unto

Stanley T. Merrell and Connie J. Merrell, Husband and Wife

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:

Beginning at the stone marking the northwest corner of the A.D.E. Washburn Donation Land Claim No. 63, Township 17 South, Range 2 West of the Willamette Meridian; thence,

S0°12'40"W 1073.28 feet to an iron pin set on the northwesterly right of way line of County Road No. 1327 (Hill Road) thence,

along said right of way line and along the arc of a curve to the left having a radius of 602.96 feet to an iron pin marking the TRUE POINT OF BEGINNING, whc which bears

S40°52'37"W 302.90 feet from the last described point; thence,

S26°19'47W 311.58 feet continuing along said right of way line to a point marked by an iron pin; thence,

N47° 12' 36"W . 1387.17 feet to a point marked by an iron pin; thence,

N75° 36' 31"W 435.13 feet to a point marked by an iron pin ; thence,

North 521.23 feet to an iron pin set on the north line of Section 4, said Township and Range, as located in County Survey No. 12416, May, 1962 ; thence,

N88° 28' 40"E 62.09 feet along said Section line to a point marked by an iron pin; thence,

South 83.83 feet to a point marked by an iron pin , thence,

S62° 43' 20"E 700.25 feet to a point marked by an iron pin; thence,

S45° 07' 25"E 1260.44 feet to the true point of beginning in Lane County, Oregon.

7001

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

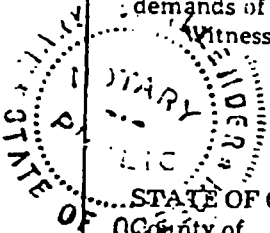
And the grantors do covenant that they lawfully seized in fee simple of the above granted premises free from all incumbrances,

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 my hand and seal this 5th day of July, 1972.

Dale I. Gramley (Seal)

Mary Curtis Gramley (Seal)



STATE OF OREGON,
County of Lane } ss.

On this 5th day of July, 1972, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named

Dale I. Gramley and Mary Curtis Gramley

who are known to me to be the identical individual^s 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

Mary E. Allen
Notary Public for Oregon

My Commission Expires May 19, 1976

7001
Compliments of

CASCADE TITLE CO.
936 Oak Street Eugene, Oregon

WARRANTY DEED

TO

State of Oregon,
County of Lane—ss.

I, D. M. Penfold, Director of the Department of Records and Elections, in and for the said County, do hereby certify that the within instrument was received for record at

1972 JUL 5 PM 4 48 .0

Reel 593 R

Lane County OFFICIAL Records.

D. M. PENFOLD, Director of the Department of Records & Elections.

By *D. M. Penfold* Deputy

C29-083-05

Return To:

Updated 6/8/04

Lane Code
CHAPTER 10 CONTENTS

FOREST LAND DISTRICT (F-2)

- 10.104-05 Purpose.
- 10.104-10 Permitted Buildings and Uses.
- 10.104-15 Special Uses - Director Approval.
- 10.104-20 Special Uses - Hearings Official Approval.
- 10.104-25 Special Use Criteria.
- 10.104-30 Setback Requirements.
- 10.104-35 Vision Clearance.
- 10.104-40 Area.
- 10.104-50 Wildfire Hazard Severity Rates System.
- 10.104-95 Telecommunication Towers.

FARM-FORESTRY 20 DISTRICT (F-F 20)

- 10.105-05. Purpose.
- 10.105-10 Permitted Buildings and Uses.
- 10.105-15 Conditional Uses.
- 10.105-20 Accessory Dwellings.
- 10.105-23 Setback Requirements.
- 10.105-28 Vision Clearance.
- 10.105-42 Area.
- 10.105-95 Telecommunication Towers.

FOREST LAND DISTRICT (F-2)

10.104-05 Purpose.

The Forest Land District (F-2) is intended to carry out the following purposes:

- (1) To encourage forestry and agriculture as the dominant uses of such lands;
- (2) To allow non-forest and non-farm uses only upon a finding that such uses will assure the retention of forest lands for forest uses and are consistent with those uses permitted in LC 10.106 and 10.107;
- (3) To preserve such lands for the production of forest and agricultural products and ensuring that conversion of such lands to non-forest and non-farm uses, when necessary and appropriate, occurs in an orderly and compatible manner;
- (4) To be used in remote areas of the County not appropriate for more intensive development than permitted by the regulation of this District.

It is County's policy to protect forestry and agricultural operations from conflicting land uses. Nothing in this chapter is intended to interfere with normal forestry or agricultural management or practices that might result in conditions such as noise, dust or smoke, visual impacts or odors for temporary periods of time. Existing or proposed non-forest or non-farm uses (i.e., dwellings) within the Forest Land District (F-2) must recognize that the intent of the District is to protect resource management activities and that in the event of conflict between residential uses and normal forestry or agricultural practices, this chapter will be interpreted in favor of resource management practices. *(Revised by Ordinance No. 16-80, Effective 9.27.80)*

10.104-10 Permitted Buildings and Uses.

The following types of nonresidential buildings and uses are permitted as hereinafter specifically provided for by this section, subject to the general provisions and exceptions set forth in this chapter:

- (1) The management, growing and harvesting of forest products, including Christmas tree raising;
- (2) Farm uses (see farm use definition, LC 10.020);
- (3) Sale of agricultural products and livestock grown or raised on the premises;
- (4) Accessory buildings and uses customarily provided in conjunction with a farm or forest use;
- (5) Facilities for fixed or rotary-winged and lighter-than-air aircraft, provided such facilities are accessory to the management, growing or harvesting of forest crops;
- (6) Commercial activities in conjunction with a farm use, provided such activities are conducted by the owner or operator of the farm use and do not constitute a separate business or enterprise;
- (7) Minor Rural Home Occupations (see LC 10.342 for Rural Home Occupation provisions);
- (8) Rock sand, gravel or loam excavation and extraction, provided:
 - (a) Materials produced are for the sole use of the owner or operator and are not offered for sale or remuneration;
 - (b) Total excavation and extraction does not exceed 5,000 cubic yards annually;
 - (c) Materials produced are used solely in conjunction with forest or farm use activities.
- (9) Transportation facilities and uses as specified in LC 10.500-15(1) through (13). *(Revised by Ordinance No. 16-80, Effective 9.27.80; 10-04, 6.4.04)*

10.104-15 Special Uses - Director Approval.

The following uses subject to approval by the Director pursuant to LC 14.100:

(1) One single-family dwelling or one mobile home per lot in conjunction with uses permitted under LC 10.104-10(1) and (2) above. Such use of the property shall be documented by:

(a) Designation of the property by the County Assessor as receiving either forest or farm tax deferral; or

(b) A satisfactory or farm management plan that, if implemented, would qualify the property for forest or farm tax deferral; or

(c) A cooperative or lease agreement with another owner of forest or farmland for management of the subject property.

(2) One single-family dwelling or one mobile home per lot not in conjunction with uses permitted under LC 10.104-10(1) and (2) above or a lot or parcel created for such purpose, provided that:

(a) The addition and location of new structures and improvements, including dwellings, roads, utilities, fences, wells, etc., will not impose limitations upon existing farm or forestry practices in the area;

(b) The use will not detrimentally affect the farm or forestry operations of the area through increased use of roads, interference with farm or forestry uses or practices or demand for public facilities;

(3) Public and semipublic buildings and structures rendering a direct service to the public in local areas such as fire stations or utility substations.

(4) Transportation facilities and uses as specified in LC 10.500-15(14) through (17). *(Revised by Ordinance No. 16-80, Effective 9.27.80; 1-82, As Amended, 4.16.82; 9-83, 4.29.83; 16-83, 9.14.83; 10-04, 6.4.04)*

10.104-20 Special Uses - Hearings Official Approval.

The following uses, and no others, subject to approval by the Hearings Official pursuant to LC 14.300.

(1) The following uses, when such uses are operated as a separate business or enterprise not in conjunction with a farm use in certain locations determined not to be detrimental to the forest or agricultural character of the area and to be of benefit to the community at large, for example, along railroads, major highways or in small population centers:

(a) Hop, nut and fruit dryers.

(b) Feed mixing and storage facilities.

(c) Hullers.

(d) Mint distilleries.

(e) Seed processing, packing, shipping and storage.

(f) Plants for the storage, packing or wholesaling of agricultural products produced on the premises.

(g) Feed lots.

(h) Temporary and portable sawmills, barkers and chippers.

(i) Wine processing.

(j) Any other similar activities or other allied farm commercial activities.

(2) Animal hospitals; kennels.

(3) Churches.

(4) Public and private schools.

(5) Parks, playgrounds and community centers owned and operated by a governmental agency or a nonprofit community organization.

- (6) Lodges and grange halls.
- (7) Electric transmission facilities transmitting electric current in excess of 150,000 volts in any single cable or line or group of cables or lines.
- (8) Flood control facilities and irrigation projects.
- (9) Radio and television transmission towers; broadcast studios or stations.
- (10) Accessory dwellings for persons employed on the premises.
- (11) Stables, riding academies and commercial riding.
- (12) Airports, heliports or aircraft landing fields.
- (13) Cemeteries.
- (14) Golf courses.
- (15) Rock, sand, gravel and loam excavations, extraction of general resources, with incidental processing which exceed the requirements for an allowable permitted use as provided in LC 10.104-10(9) above.
- (16) Solid waste disposal facilities.
- (17) Sewage treatment facilities.
- (18) Major Rural Home Occupations (see LC 10.342 for Rural Home Occupation provisions).
- (19) Communication facilities not accessory to a permitted use.
- (20) Dams, water storage areas, electrical generation facilities, canals, flumes, pipelines and other similar facilities.
- (21) Cluster developments may be permitted as a special use as follows:
 - (a) The developer is in accord with all applicable portions of the Lane County Coals and Policies, functional plans and subarea plans.
 - (b) The development is in accord with the criteria of ORS 215.213(3) for each home site or assures the retention of forest lands for forest uses.
 - (c) The development is justified by an exception to the applicable natural resource goal, LCDC Goal 3 or 4, or both such goals, as applicable. *(Revised by Ordinance No. 16-80, Effective 9.27.80; 1-82, As Amended, 4.16.82; 9-83, 4.29.83; 16-83, 9.14.83)*

10.104-25 Special Use Criteria.

Special uses authorized under LC 10.104-15 or 10.104-20 above shall be approved only upon submission of evidence the following criteria are met.

- (1) Any building, mobile home or structure used for residential purposes:
 - (a) Shall be sited close to existing access roads or other dwellings, or shall be naturally buffered from adjacent properties where farm and forest uses are practiced, or a natural buffer shall be established and utilized between adjacent forest lands and the proposed dwellings;
 - (b) Shall be located on the least productive portions of the parcel considering soil types, soil constraints such as erosion, drainage, slides, flooding, soil productivity, existing dwellings, structures, access, surrounding land use and existing rural services and facilities;
 - (c) Shall maintain a minimum fuelbreak of 100 feet cleared of flammable material between the dwelling and forest land. Such fuel break shall be continually maintained and may contain ornamental shrubbery, single specimen trees or similar plants used as ground cover; however, the plants should not be a means of rapidly spreading fire;
 - (d) Shall provide a fire suppression system that includes the following:
 - (i) A pond, stream, tank or sump, with storage of not less than 1,000 gallons or well capable of delivering 20 gallons per minute, provided such well is on an independent power system;

(ii) A water pump capable of pumping not less than 20 gallons per minute;

(iii) Sufficient water outlets, together with serviceable hose not less than three-quarters inch inside diameter and a nozzle to reach the dwelling and nearby improvements;

(iv) The water supply, pump, hose and nozzle shall be maintained as a connected, operating unit ready for immediate use during periods of fire danger.;

(e) Shall clearly demonstrate the necessity for siting the residential structure on the property as opposed to other areas not zoned for resource purposes.

(2) In addition to other applicable requirements set forth in LC Chapter 15 and LM Chapter 15, the following requirements for appropriate access and egress of emergency firefighting equipment shall be observed:

(a) Maintenance of a shaded fuel break within dedicated road rights-of-way;

(b) Grades and turning radii are within the capabilities of emergency equipment serving that locale;

(c) Bridge construction must be adequate to support the gross vehicle weight of emergency equipment serving that locale;

(d) Dead-end roads and streets must provide adequate turnarounds.

(3) When a use is proposed in an area designated as an important or sensitive site or winter range on the Lane County Wildlife Inventory, the Oregon Department of Fish and Wildlife shall be notified and allowed opportunity to comment.

(4) The proposed use will not alter the stability of the overall land use pattern in the area nor interfere with farm and forest practices and will be compatible with the retention of existing and potential forest uses on the surrounding forest lands considering, among other things, the rating of wildfire potential as set forth in LC 10.104-50 below. *(Revised by Ordinance No. 16-80, Effective 9.27.80; 1-82, As Amended, 4.16.82; 9-83, 4.29.83)*

10.104-30 Setback Requirements.

(1) Building setbacks from all property lines and public or private rights-of-way shall be as provided for in LC 15.065 through 15.095.

(2) All buildings shall be setback 100 feet from ordinary high water of any Class I stream, provided, however, a lesser setback may be authorized in conjunction with a special use after evaluation of impact on riparian vegetation. *(Revised by Ordinance No. 16-80, Effective 9.27.80; 10-04, 6.4.04)*

10.104-35 Vision Clearance.

Vision clearance for corner lots shall be a minimum of 15 feet. *(Revised by Ordinance No. 16-80, Effective 9.27.80; 9-83, 4.29.83)*

10.104-40 Area.

(Also see LC 10.300-20)

(1) Divisions of land shall be approved upon a finding that the division:

(a) Is compatible with forest and farm uses in the area and does not interfere with forest practices as defined and regulated under the Oregon Forest Practices Act or farm use as defined in ORS 215.203.

(b) Does not alter the stability of the overall land use pattern in the area.

(c) Results in parcels of sufficient size to carry out the intent and purpose of the F-2 District taking into consideration permitted uses, physical characteristics and productive capacity of the land. Is consistent with the forest lands and agricultural lands Goals and Policies of the Lane County Comprehensive Plan.

(2) Where deemed necessary to comply with the requirements of this subsection, evidence similar to that described in LC 10.104-15(1) above may be required. *(Revised by Ordinance No. 16-80, Effective 9.27.80; 1-82, As Amended, 4.16.82; 9-83, 4.29.83)*

10.104-50 Wildfire Hazard Severity Rates System.

The physical characteristics of a proposed development which have the most impact on fire severity have been identified along the top of the chart. Four dangers of fire hazards are shown below each criterion. The left column provides a numerical rating for each fire hazard. Place the appropriate rating number in the blank at the bottom of each column. Add these five ratings together to determine the point total. The impact level determined by the point total can then be read from the box below the chart.

Rating	Slope	Aspect	Response Time from Forestry Dept.	Vegetation	Response Time from Rural Fire Dept.
1	Flat 0-5%	North	15 min.	Old Growth Timber	5 min.
2	Gentle 5-20%	East	30 min.	2 nd Growth Timber	10 min.
3	Moderate 20-40%	West	45 min.	Brush and/or Reproduction	15 min.
4	Steep 40%	South	60 min.	Slash/Grass	20 min.
Subtotal					
Total of points assigned to all columns					

IF THE POINT TOTAL IS:	THE IMPACT LEVEL IS:
5-6	No Impact
7-11	Minor Impact
12-20	Severe Adverse impact

(Revised by Ordinance No. 16-80, Effective 9.27.80)

10.104-95 Telecommunication Towers.

Notwithstanding the requirements in LC 10.104-05 through -50 above, telecommunication facilities are allowed subject to compliance with the requirements of LC 10.400 and with applicable requirements elsewhere in LC Chapter 10 including but not necessarily limited to: the Floodplain Combining Zone (LC 10.271); Greenway Development Permit (LC 10.322); the Coastal Resource Management Combining Zones (LC 10.240, 10.245, 10.250, 10.255, 10.260, 10.265, and 10.270); and Federal or State of Oregon inventories and regulations applicable to delineated wetlands and waters of the nation or state. *(Revised by Ordinance No. 4-02, Effective 4.10.02)*

FARM-FORESTRY 20 DISTRICT (F-F 20)

10.105-05. Purpose.

The Farm-Forestry 20 District (F-F 20) is intended to provide farming, grazing or timber production areas as free as practicable from conflicts with urban and other uses incompatible with farming, grazing or timber production uses, as well as being intended to be used in otherwise remote areas of the County not appropriate for more intensive

development than permitted by the regulations of this District. *(Revised by Ordinance No. 1-82, As Amended, Effective 4.16.82; 9-83, 4.29.83)*

10.105-10 Permitted Buildings and Uses.

In the F-F 20 District, the following types of buildings and uses are permitted as hereinafter specifically provided for by this section, subject to the general provisions and exceptions set forth in this chapter:

- (1) The following farm uses:
 - (a) General farming, including, but not limited to, the growing and raising of trees, vines, shrubs, berries, vegetables, nursery stock, hay grains, seed and similar food and fibre products.
 - (b) Pastures and grazing.
 - (c) The raising, tending or breeding of cattle, horses, sheep, goats, bees, swine, fowl or furbearing animals; such animal husbandry shall not be a part of, nor be conducted in conjunction with, any livestock yard, slaughter house or animal by-product business.
 - (d) Dairying.
- (2) The management, growing and harvesting of forest products, including Christmas tree raising.
- (3) The following uses, when such uses are operated on the same property as, by the owner or operator of, and customarily provided in conjunction with a use permitted in LC 10.105-10(1) and (2) above, and are not a separate business or enterprise.
 - (a) Hop, nut and fruit driers.
 - (b) Feed mixing and storage facilities.
 - (c) Hullers.
 - (d) Mint distilleries.
 - (e) Seed processing, packing, shipping and storage.
 - (f) Plants for the storage or packing of agricultural products produced on the premises.
 - (g) Wine processing.
 - (h) Temporary and portable sawmills, barkers and chippers.
 - (i) Any other similar processing and allied farm commercial activities approved by the Planning Commission.
- (4) Sale of agricultural products and livestock grown or raised on the premises.
- (5) One single-family dwelling per lot or one mobile home per lot.
- (6) Guest house.
- (7) Accessory buildings and uses customarily provided in conjunction with a use permitted in this District.
- (8) Airplane strips and helipads for the private use of owner or operator of the property and private hunting and fishing preserves.
- (9) Minor Rural Home Occupations (see LC 10.342 for Rural Home Occupation provisions).
- (10) Public and semipublic buildings and structures rendering direct service to the public in local areas, such as fire stations, utility substations, pump stations and wells.
- (11) Kennel, provided the following conditions are satisfied:
 - (a) For more than three dogs over four months of age, there shall be at least 5,000 square feet of lot area for each dog on the lot.
 - (b) Where the lot area is less than 20 acres, the maximum number of dogs over four months of age shall be eight.
 - (c) Where lot area is a minimum of 20 acres and when more than eight dogs over four months of age are accommodated, kennel structures and fenced runs shall

be required for all such dogs in excess of eight and shall be located at least 100 feet from an adjoining property.

(d) All dogs shall be owned by the kennel owner, except those temporarily kept for the purposes of breeding.

(12) Family day care facility in a permitted residence.

(13) A replacement dwelling to be used in conjunction with farm use if the existing dwelling has been inventoried and designated in the applicable Comprehensive Plan as a historic structure meeting the standards of ORS 358.480.

(14) Residential Home.

(15) Winery, developed only as specifically defined in LC 10.020, provided that the vineyards described in the definition of winery are planted or that the long-term contract for vineyard produce is executed, and further provided that the following conditions are shown at the time of application to be satisfied in a manner that demonstrated conflicts with accepted farming or forest practices on adjacent lands are limited:

(a) A 100-foot setback is maintained from all property lines to the outside perimeter of the winery and all associated public gathering places;

(b) There is provision of direct road access to the site, including adequate internal circulation, and parking as defined in LC 10.300-05(2)(a)(vii).

(16) Operations for the exploration for and production of geothermal resources as defined by ORS 522.005 and oil and gas as defined by ORS 520.005, including the placement and operation of compressors, separators and other customary production equipment for an individual well adjacent to the wellhead; and operations for the exploration for minerals as defined by ORS 517.750.

(17) Creation of restoration of, or enhancement of wetlands.

(18) Transportation facilities and uses as specified in LC 10.500-15(1) through (13). *(Revised by Ordinance No. 13-72, Effective 7.21.72; 17-73, 1.16.74; 9-75, 7.2.75; 3-76, 4.7.76; 1-82, As Amended, 4.16.82; 9-83, 4.29.83; 3-91, 5.17.91; 10-04, 6.4.04)*

10.105-15 Conditional Uses.

The following conditional uses, subject to a Conditional Use Permit granted pursuant to the general provisions of this chapter providing for the granting of Conditional Use Permits (LC 10.320).

(1) The following uses, when such uses are operated as a separate business or enterprise not in conjunction with a farm use in certain locations determined not to be detrimental to the agricultural character of the area and to be of benefit to the community at large; for example, along railroads, major highways or in small population centers.

(a) Hop, nut and fruit dryers.

(b) Feed mixing and storage facilities.

(c) Hullers.

(d) Mint distilleries.

(e) Seed processing, packing, shipping and storage.

(f) Plants for the storage, packing or wholesaling of agricultural products produced on the premises.

(g) Feed lots.

(h) Temporary and portable sawmills, barkers and chippers.

(i) Wine processing.

(j) Any other similar activities or other allied farm commercial activities.

(2) Animal hospitals; kennels which do not satisfy the requirements for kennels allowed as a permitted use in LC 10.105-10(11) above.

- (3) Churches.
- (4) Public and private schools.
- (5) Parks, playgrounds and community centers.
- (6) Lodges and grange halls.
- (7) Electric transmission facilities transmitting electric current in excess of 75,000 volts in any single cable or line or group of cables or lines.
- (8) Flood control facilities and irrigation projects.
- (9) Radio and TV transmission towers.
- (10) Stables, riding academies and commercial riding; provided such activities are contained on the property authorized for Conditional Use Permits approval.
- (11) Airports, heliports or aircraft landing fields.
- (12) Cemeteries.
- (13) Golf courses.
- (14) Penal farms.
- (15) Radio and TV stations.
- (16) Rock, sand, gravel and loam excavations, extraction of mineral resources; with incidental processing.
- (17) Sanitary landfills.
- (18) Tourist parks.
- (19) Camping vehicle parks.
- (20) Campgrounds.
- (21) Rental facilities for storing boats and recreational vehicles.
- (22) Sewage treatment facilities.
- (23) Other uses not specifically authorized any place in this chapter.
- (24) Major Rural Home Occupations (see LC 10.342 for Rural Home Occupation provisions).
- (25) Seasonal farm worker housing.
- (26) Room and board arrangements for a maximum of five unrelated persons in an existing dwelling otherwise permitted by this district, and also provided that such a facility will not force a significant change in accepted farm or forest practices on surrounding lands devoted to forest use, or significantly increase the cost of accepted farm or forest practices on surrounding lands devoted to farm and forest use.
- (27) Subsurface resource recovery operations as follows:
 - (a) Operations conducted for the mining and processing of geothermal resources as defined by ORS 522.005 and oil and gas as defined by ORS 520.005 not otherwise permitted by LC 10.105-10(16) above.
 - (b) Mining of aggregate and other mineral and other subsurface resources to an amount exceeding 1,000 total cubic yards of material or excavation preparatory to mining a surface area of more than one acre.
 - (c) Processing, as defined in ORS 517.750, of aggregate into asphalt or portland cement; provided such processing does not take place within two air miles of a vineyard planted at the time the initial processing application is made.
 - (d) Processing of other mineral resource and other subsurface resources.
- (28) Transportation facilities and uses as specified in LC 10.500-15(14) through (17). *(Revised by Ordinance No. 13-72, Effective 7.21.72; 17-73, 1.16.74; 6-75, 3.26.75; 9-75, 7.2.75; 3-76, 4.7.76; 11-78, 8.11.78; 5-81, 4.8.81; 3-91, 5.17.91; 10-04, 6.4.04)*

10.105-20 Accessory Dwellings.

Accessory dwellings are allowed as specified in LC 10.370. *(Revised by Ordinance No. 5-81, Effective 4.8.81)*

10.105-23 Setback Requirements.

(Also see LC 10.300-15 and LC 15.065-.095.)

- (1) Front yard setback shall be 20 feet.
- (2) Side yard setback shall be as follows:
 - (a) Interior yard -- 15 feet for a main building; five feet for an accessory building or structure.
 - (b) Street side yard -- 20 feet.
- (3) Rear yard setback shall be 20 feet for a main building; five feet for an accessory building or structure. *(Revised by Ordinance No. 13-72, Effective 7.21.72; 6-75, 3.26.75; 3-76, 4.7.76)*

10.105-28 Vision Clearance.

Vision clearance for corner lots shall be a minimum of 15 feet. *(Revised by Ordinance No. 13-72, Effective 7.21.72)*

10.105-42 Area.

(Also see LC 10.300-20.)

- (1) The minimum area for the division of land shall be 20 acres, except that the division of agricultural land by lease or rental for any farm use purpose is permitted, provided however, that no structure or building may be erected appurtenant to such division of land except those permitted under LC 10.105-10(7) above, and except further, division of land for less than 20 acres is permissible for uses permitted under LC 10.105-10(10) above and permitted conditionally in the F-F 20 District.
- (2) For each accessory dwelling or mobile home unit approved under LC 10.105-10 above, except farm labor camps, the lot shall contain a minimum average of five acres per such accessory unit.
- (3) A special exception to the minimum area requirements of this section may be approved in accordance with LC 10.350, "Special Exceptions to Minimum Area Requirements."
- (4) A division of land may be allowed to create a parcel with an existing historic property inventoried and designated within the applicable Comprehensive Plan and meeting the standards of ORS 358.480, provided the parcel is not larger than the minimum size necessary for the use and if the division would not conflict with the purpose of this zone.
- (5) A division of land may be allowed to create a parcel with an existing Residential Home, provided the parcel is not larger than the minimum size necessary for the use and if the division would not conflict with the purpose of this zone. *(Revised by Ordinance No. 13-72, Effective 7.21.72; 9-75, 7.2.75; 3-76, 4.7.76; 5-81, 4.8.81; 3-91, 5.17.91)*

10.105-95 Telecommunication Towers.

Notwithstanding the requirements in LC 10.105-05 through -42 above, telecommunication facilities are allowed subject to compliance with the requirements of LC 10.400 and with applicable requirements elsewhere in LC Chapter 10 including but not necessarily limited to: the Floodplain Combining Zone (LC 10.271); Greenway Development Permit (LC 10.322); the Coastal Resource Management Combining Zones (LC 10.240, 10.245, 10.250, 10.255, 10.260, 10.265, and 10.270); and Federal or State of Oregon inventories and regulations applicable to delineated wetlands and waters of the nation or state. *(Revised by Ordinance No. 4-02, Effective 4.10.02)*

10.105-95

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10.105-95

**PAGES 10-160 THROUGH 10-200
ARE RESERVED FOR FUTURE EXPANSION**

**QUALIFICATIONS OF
CHARLES P. THOMPSON, MAI**

EMPLOYMENT BACKGROUND

Charles P. Thompson has been engaged in the practice of real estate appraising under the name of CHARLES P. THOMPSON AND ASSOCIATES, INC. since April of 1965. Mr. Thompson is experienced in real estate financing and brokerage, as well as appraising. He is presently located at 1234 High Street, Suite A, in Eugene, Oregon, where he is specializing in Real Estate Appraising and Consulting. He is a State Certified General Appraiser in Oregon, License No. C000007.

EDUCATIONAL ATTAINMENTS

B. S. Degree: University of Oregon, 1960

Various Courses of Study: Appraisal Institute

Courses I and II: School of Mortgage Banking, Stanford University

Principles and Techniques of Residential Appraising: Society of Real Estate Appraisers

Numerous clinics, short courses, and seminars on real estate appraisal subjects on a continuing basis. Recently Mr. Thompson attended the "Standards of Professional Practice," "Discounted Cash Flow Analysis," and the "Appraiser's Complete Review" seminars, all sponsored by the Appraisal Institute. Also, Mr. Thompson successfully completed the Appraisal Institute's courses 310 and 510 (Income Capitalization) in preparation for teaching these courses.

PROFESSIONAL DESIGNATIONS

MAI - Member Appraisal Institute

SCOPE OF APPRAISAL ASSIGNMENTS

Commercial, industrial, residential, special use, recreational, resort, and farm. Also experienced in condemnation appraising and court testimony. Present practice does not include single-family residential appraisals.

PROFESSIONAL AFFILIATIONS, PAST AND PRESENT

Eugene Board of Realtors
National Association of Real Estate Brokers
International Traders Club
Home Builder's Association
Mortgage Banker's Association of America
Society of Real Estate Appraisers
Appraisal Institute

REPRESENTATIVE APPRAISAL CLIENTS

Market and Feasibility Studies for the Eugene Urban Renewal Agency
Acquisition Appraisals for the Salem Urban Renewal Agency
Appraisals for Turn-Key Project, Salem Urban Renewal Agency
Various Urban Renewal Appraisals in Alaska for Alaska Housing Authority

Alaska Airlines	Bird Trust
Umpqua Bank	Church of Jesus Christ of Latter Day Saints
Chase Manhattan Bank	Davidson Industries
City of Eugene	Evergreen Federal Savings
Department of Veterans' Affairs	Federal Housing Administration
Eugene Water and Electric Board	First Security Bank of Oregon
First Interstate Bank	Good Neighbor Care Centers
Georgia-Pacific Company	IBM Corporation
Hiawatha Federal Savings Assoc.	Lane Transit District
Lane County	Mid-Kansas Federal Savings and Loan Association
Merrill Lynch, Pierce, Fenner and Smith, Inc.	Pacific Northwest Bell
Pacific Continental Bank	Reedsport Urban Renewal
Pankow Development Company	Spectra-Physics
Rosboro Lumber Company	State Accident Insurance Fund
Springfield Forest Products	U.S. Coast Guard
Troutman's Emporium	U.S. National Bank of Oregon
U-Lane-O Credit Union	Weyerhaeuser Timber Company
Valley River Shopping Center	
Wildish Construction Company	

COURT TESTIMONY

Mr. Thompson has testified as an expert witness in various courts in the State of Oregon. In addition, he has testified in Federal Court proceedings in the State of New Jersey and before the Civil Aeronautics Board in Washington, D.C.

TEACHING QUALIFICATIONS

Mr. Thompson is an approved instructor with the Appraisal Institute and is currently teaching Basic and Advanced Capitalization courses. He has lectured at the University of Oregon and has taught several real estate courses there as an adjunct instructor.