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LAND MANAGEMENT DIVISION 125 EAST 8TH AVENUE EUGENE, OREGON 97401

PHONE: 541-682-3823 FAX: 541-682-3947

AGENDA COVER MEMO

MEMO DATE:

April 6, 2006

AGENDA DATE:

April 26, 2006

TO:

BOARD OF COUNTY COMMISSIONERS

FROM: BILL VANVACTOR, COUNTY ADMINISTRATOR

KENT HOWE, PLANNING DIRECTOR

RE: In the Matter of Considering a Ballot Measure 37 Claim and Deciding Whether to Modify, Remove or Not Apply Restrictive Land Use Regulations in Lieu of Providing Just Compensation (PA 05-6181, Weber)

I. MOTION

Move to adopt the order for approval attached to this report.

II. ISSUE OR PROBLEM

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

III. DISCUSSION

A. Background

Applicant: Michelle Weber

Current Owner: Eduard Weber Revocable Trust and Marie A. Weber Revocable Trust

Agent: Michelle Weber

Legal Description of Property: 20-03-21-3 #920 and #921

Acreage: 52 acres

Current Zoning: F2 (Impacted Forest)

Date Property Acquired: September 5, 1975

Date claim submitted: August 17, 2005. On January 6, 2006, the applicant placed the

claim on hold. The new 180 day deadline is April 15, 2006.

Land Use Regulations in Effect at Date of Acquisition: AGT-5 zone

County land use regulation which restricts the use and reduces the fair market value

of claimant's property: LC 16.211 F2 (Impacted Forest)

B. Specific Relief Sought:

On August 17, 2005, Michelle Weber submitted a Measure 37 Claim on behalf of Eduard and Marie Ann Weber. The applicant has requested compensation or a waiver of the F2 (Impacted Forest) zone regulations that prohibit the division of the property into 5 acre lots and development of a single family dwelling on each lot.

C. Lane Code Submittal Requirements

The applicant has paid the processing fee and submitted evidence in support of the claim. That evidence includes an opinion of value from a real estate broker and an appraisal.

D. Analysis

Summary

The applicant has submitted an appraisal, but it does not show a reduction in value from a land use regulation. However, there is some evidence of a reduction in value based on the increased minimum parcel size. The property is owned by Eduard Weber, Marie Weber, the Eduard Weber Revocable Trust and the Marie A. Weber Revocable Trust. Because the Trusts are revocable and Eduard and Marie are the trustees, the current owners can be considered the same as the original owners who acquired the property. The applicant wishes to divide the property into 5 acre lots and place a dwelling on each lot.

Restrictive Regulations

The Weber family acquired the property on September 5, 1975. At that time, the property was zoned AGT, the minimum lot size was 5 acres, and one dwelling was allowed per lot. Currently, the F2 zone requires 80 acres for new lots and a special use permit for a dwelling.

Reduction in Fair Market Value

On March 20, 2006, the applicant submitted two appraisals. The current value of the 52 acre property is \$220,000. If divided into 5 acre lots, each lot would be worth \$200,000. By adding the value of 10 lots, the prospective value of the 52 acre parcel would be \$2 million. It does not appear that this evidence demonstrates a reduction in fair market value from the enactment of a land use regulation. However, it appears there could have been a reduction in value when the minimum parcel size was increased. The Weber family acquired the property on September 5, 1975 (Warranty Deed 7619398). On that date, the property was zoned AGT-5 and the minimum parcel size was 5 acres. The property was zoned F2 (Impacted Forest) on September 29, 1984. Currently, the F2 zone requires 80 acres for new parcels and new dwellings require a special use permit.

Exempt Regulations

The F2 (Impacted Forest) minimum parcel size and the requirement for a special use permit for a dwelling do not appear to be exempt regulations described in Measure 37 or LC 2.710.

E. Conclusion/County Administrator Recommendation

It appears there is some evidence of a reduction in value from the date the Weber family acquired an interest in the property due to the increased minimum parcel size. Because of this, the County Administrator recommends the Board waive the restrictive land use regulations that prevent Eduard and Marie Weber from developing the property as could have been allowed on September 5, 1975.

IV. ALTERNATIVES/OPTIONS

The Board has three options:

- 1. Determine the application appears valid and adopt the order attached to this report.
- 2. Require more information regarding a reduction in fair market value.
- 3. Conclude the application is not a valid claim and direct the issuance of a final written decision by the County Administrator denying the Claim.

V. RECOMMENDATION

The County Administrator recommends alternative #1.

VI. ATTACHMENTS

Order to approve the Measure 37 claim of Eduard and Marie Weber.

The entire submittal is not attached to this cover memo. The entire submittal in the County Commissioners' office in a binder labeled "Weber PA 05-6181". The portions attached to this report are identified below:

- Application form dated August 17, 2005.
- Warranty deed 7619398 dated September 5, 1975.
- Letter from Michelle Weber dated March 20, 2006.
- Two appraisals received on March 20, 2006.
- Certification of Trust received on March 20, 2006.

BEFORE THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER No.

) IN THE MATTER OF CONSIDERING A
) BALLOT MEASURE 37 CLAIM AND
) DECIDING WHETHER TO MODIFY, REMOVE
) OR NOT APPLY RESTRICTIVE LAND USE
) REGULATIONS IN LIEU OF PROVIDING JUST
) COMPENSATION (Weber/ PA05-6181)

WHEREAS, the voters of the State of Oregon passed Ballot Measure 37 on November 2, 2004, which added provisions to Oregon Revised Statutes (ORS) Chapter 197 to require, under certain circumstances, payment to landowners if a government land use regulation restricts the use of private real property and has the effect of reducing the property value; and

WHEREAS, the Board of County Commissioners of Lane County enacted Ordinance No. 18-04 on December 1, 2004, to establish a real property compensation claim application process in LC 2.700 through 2.770 for Ballot Measure 37 claims; and

WHEREAS, the County Administrator has reviewed an application for a Measure 37 claim submitted by Michelle Weber on behalf of Eduard and Marie Weber (PA05-6181), the owner of real property described in the records of the Lane County Assessor as map 20-03-20-30, tax lots 920 and 921, consisting of approximately 52 acres in Lane County, Oregon; and

WHEREAS, the County Administrator has determined that the application appears to meet all of the criteria of LC 2.740(1)(a)-(d), appears to be eligible for just compensation and appears to require modification, removal or not applying the restrictive land use regulations in lieu of payment of just compensation and has referred the application to the Board for public hearing and confirmation that the application qualifies for further action under Measure 37 and LC 2.700 through 2.770; and

WHEREAS, the County Administrator has determined under LC 2.740(4) that modification, removal or not applying the restrictive land use regulation is necessary to avoid owner entitlement to just compensation under Ballot Measure 37 and made that recommendation to the Board; and

WHEREAS, the Board has reviewed the evidence and confirmed the application appears to qualify for compensation under Measure 37 but Lane County has not appropriated funds for compensation for Measure 37 claims and has no funds available for this purpose; and

WHEREAS, on April 26, 2006, the Board conducted a public hearing on the Measure 37 claim (PA05-6181) of Eduard and Marie Weber and has now determined that the restrictive F2 (Impacted Forest) zone dwelling and land division requirements of LC 16.211 were enforced and made applicable to prevent Eduard and Marie Weber from developing the property as might have been allowed at the time it was acquired on September 5, 1975, and that the public benefit from application of the current F2 dwelling and division land use regulations to the applicants' property is outweighed by the public burden of paying just compensation; and

WHEREAS, Eduard and Marie Weber request either \$1,130,000 as compensation for the reduction in value of its property, or waiver of all land use regulations that would prohibit the development of uses that could have otherwise been allowed at the time it acquired the property; and

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

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

NOW, THEREFORE IT IS HEREBY ORDERED that the applicants Eduard and Marie Weber made a valid claim under Ballot Measure 37 by describing the use being sought, identifying the county land use regulations prohibiting that use, submitting evidence that those land use regulations have the effect of reducing the value of the property, showing evidence that they acquired the property before the restrictive county land use regulations were enacted or enforced and the Board hereby elects not to pay just compensation but in lieu of payment, the request of Eduard and Marie Weber shall be granted and the restrictive provisions of LC 16.211 that limit the development of dwellings and the division of land in the F2 (Impacted Forest) Zone shall not apply to Eduard and Marie Weber, so they can make application for approval to develop the property described in the records of the Lane County Assessor as map 20-03-21-30, tax lots 920 and 921, in a manner consistent with the land use regulations in effect when they acquired the property on September 5, 1975.

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

IT IS HEREBY FURTHER ORDERED that this action making certain Lane Code provisions inapplicable to use of the property by Eduard and Marie Weber does not constitute a waiver or

IT IS HEREBY FURTHER ORDERED that this action making certain Lane Code provisions inapplicable to use of the property by Eduard and Marie Weber does not constitute a waiver or modification of state land use regulations and does not authorize immediate division of the subject property or immediate construction of a dwelling. The requirements of state law may contain specific standards regulating development of the subject property and the applicants should contact the Department of Administrative Services (DAS - State Services Division, Risk Management - Measure 37 Unit, 1225 Ferry Street SE, U160, Salem, OR 97301-4292; Telephone: (503) 373-7475; website address: http://www.oregon.gov/DAS/Risk/M37.shtml) and have the State of Oregon evaluate a Measure 37 claim and provide evidence of final state action before seeking county land use approval.

that still apply to the property require that land use, sanitation and building permits be approved by Lane County before any development can proceed. Notice of this decision shall be recorded in the county deed records. This order shall be effective and in effect as described in LC 2.770 and Ballot Measure 37 to the extent permitted by law. This order does not resolve several questions about the effect and application of Measure 37, including the question of whether the right of applicants to divide or build dwellings can be transferred to another owner. If the ruling of the Marion County Circuit Court in *MacPherson v. Dept. of Administrative Services*, (Marion County Circ. Ct. Case No. 00C15769, October 14, 2005) or any other court decision involving Ballot Measure 37 becomes final and that decision or any subsequent court decision has application to Lane County in a manner that affects the authority of this Board to grant relief under Ballot Measure 37 and LC 2.700 through 2.770 then the validity and effectiveness of this Order shall be governed by LC 2.770 and the ruling of the court.

DATED thisday of	, 2006.
	Bill Dwyer, Chair Lane County Board of County Commissioners

APPROVED AS TO FORM

Date 4-19-2006 Lane Count

Measure 37 Claim Number: M37-056/8/

Application for Claims Under LC 2.700 through 2.770

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

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

1. Applicant/ Agent
Eduard Weber Revocable Trust and
Marie A. Weber Revocable Trust PO Box 23408, Eugene, OR 97402 /541-687-
Applicant Name (Please Print) Mailing Address Phone 8443
DO DOW 22409 FURANCE OR 97402 / 541-687-
Michelle R. Weber, Atty at Law PO Box 23408, Eugene, OR 97402 / 541-687-
Agent Name (Please Print) Mailing Address Phone 8445X12
2. Property Owner
Places reguide the Name, Mailing Address and telephone number of all property owners of record holding interest in the
property that is the subject of this application. Include a complete listing of all lien holders, trustees, renters, lessees or
anyone with an interest in the property and describe the ownership interest.
·
Eduard Weber and Marie A. Weber, Trustees of applicant trusts at same
Property Owner Name (Please Print) Mailing Address Phone address and phone
Property Owner Name (Please Print) Mailing Address Phone
Property Owner Maine (Ficase Finity Final
3. Legal Description Please provide an accurate legal description, tax account number(s), map, street address and location of all private real properties that are the subject of this application.
Assessor Map & Tax Lot 20-03-21-3 TLs 920 and 921
Street Address <u>not applicable</u> <u>Legal Description Attached yes</u>
4. Identification of Imposed Land Use Regulation Please identify the Lane Code section or other land use regulation imposed on the private real property that is alleged to restrict the use of the subject property in a manner that reduces the fair market value. Include the date the regulation was first adopted, enforced or applied to the subject property and a written statement addressing all the criteria in LC 2.740(1).
LC 16.211 - Ordinance PA 884 rezoned subject property from AGT to
impacted forestland in 1984. (see Attachments B and C).

5. Title Report

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

Licensure Board of the State of Oregon addressing the requirements of provisions added to ORS Chapter 197 by Ballot Measure 37 (November 2, 2004) and indicating the amount of the alleged reduction in fair market value by showing the difference in the fair market value of the property before and after the application of the challenged regulations as of the date the owner makes written demand for compensation. Include all of the supporting methodology, assumptions and calculations affecting the appraisal.				
See Attachment C.				
7. Leases, Covenants, Conditions and Restrictions Please provide copies of any leases or covenants, conditions and restrictions applicable to the subject property. None on record or known by property owner				
None on record or known by property owner				
8. Identification of Relief Sought Please specifically indicate what relief is being sought, either a monetary value of the claim describing the reduction in fair market value of the property or the specific use authorization sought in any waiver of the land use regulation. Impacted Forestland restrictions under LC16.211 be waived and 5 acre				
developable parcels be permitted. Alternatively, compensation of				
\$1,151,000.00 is requested.				
I (we) have completed all of the attached application requirements and certify that all statements are true and accurate to the best of my (our) knowledge and belief. I am (We are) authorized to submit this application on behalf of all those with an interest in the property and all the owner(s) agree to this claim as evidenced by the signature of those owner(s) below. Include additional signatures, as necessary.				
Entry by County or its designee upon the subject property is authorized by the owner(s) and the owner(s) consent to the application for claims under provisions added to ORS Chapter 197 by Ballot Measure 37 (November 2, 2004).				
Edward Weber, tristee Marie 9. Weber brustee 8-16-05				
Marie 9. Weber Justee 8-16-05 Owner(s) Signature Date				
Michelle Rulber, Attorney at Law August 17, 2005 Applicant/Agent Signature Date				
The following contacts are provided to assist you in finding the necessary information for this application. For zoning and land use information, please contact the Land Management Division at 682-3577.				

Please provide one original, signed appraisal prepared by an appraiser licensed by the Appraiser Certification and

6. Appraisal/Regulatory Effect

This phone contact is a message line. Please leave a message and a Planner will return your call. For deeds and records information, please contact Lane County Deeds and Records at 682-3654.

WARRANTY DEED

Husel

NE VALUE RECEIVED

MARION MOONEY and NANCY MOONEY, Husband and Wife

herein referred to as grantors, hereby grant, burgain, sell, and convey unto

ELLIARD FREER and MARIE ANN WEBER, Husband and Wife

herein referred to us grantees, the following described rest property, with renements, hereditaments, and appartenances, to we

See Exhibit "A" attached hereto.

TO HAVE AND TO HOLD the said premises unto said Grantees, their beirs and essigns foreser. And the said Granters hereby coverant that they are lawfully seized in fee simple of said premises; that they are free from all incumbrances,

except easements, conditions and restrictions of record.

i that they will warrant and defend the above granted premises against all lawful claims whatsoever, except as above stated.
e true and actual consideration for this transfer is \$.47,000.00
ned September 5 19 75 19 75
(Seal) (Seal) (Seal) (Seal) (Seal)
(Seal) (Seal)
Personally appeared the above named FATE OF OREGON, County of Lane, 25.
MARION MOONEY and NANCY MOONEY, Husband and Wife
nd acknowledged the foregoing instrument to be their voluntary act and deed. Before me:
ated Notary Public for Oregon 15 17
W. W

7619398

Beginning at a point on the East line of the James H. McFarland Domation Land Claim No. 58, Township 20 South, Range 3 West of the Willamette Meridian, in Lane County, Oregon; said point being 554.0 feet South of the Northeast corner of said Donation Land Claim No. 58; thence North 23.54 feet; thence West 1070.32 feet; thence North 50.15 feet; thence East 565.81 feet; thence North 207.81 feet; thence West 207.81 feet; thence North 272.04 feet; thence East 174. feet; thence North 250.0 feet; thence West 800 feet to the Northwest corner of property described in instrument recorded Jume 8, 1960, Clerk's File No. 1460; thence South 6.48 feet to the Northeast corner of property described in instrument recorded December 9, 1963, Clerk's File No. 37437; thence West 272.84 feet; thence South 15.06 feet to the Northeast corner of property described in instrument recorded August 22, 1961, Clerk's File No. 41697; thence West 503.25 feet; thence North 1442.08 feet to the North line of Government Lot 2, in Section 21, Township 20 South, Range 3 West of the Willamette Meridian; thence East 849.62 feet to the Northeast corner of said Government Lot 2; thence South 420.42 feet to the Southeast corner of Government Lot 2; thence South 67° 01' East 1748_8 feet; thence South 17° 20' East 607.91 feet; thence South 85° 44' East 217.7 feet; thence South 0° 40' East 454.06 feet to the center line of public road; thence South 09° 01' East 103.89 feet; thence South 24° 03' West 332.4 feet; thence South 37° 30' East 133.8 feet to the North line of County Road; thence South 67° 50' West 20 feet; thence North 57° 03' West 927.98 feet to the point of beginning, in Lane County, Oregon.

EXCEPT: Beginning at the Northeast corner of the James H.
McFarland Donation Land Claim No. 58, in Section 21, Township
20 South Range 3 West of the Willamette Meridian, in Lane
County, Oregon, run thence North (being the prolongation of
a line between the said Northeast corner of Donation Land
Claim No. 58, and the Southeast corner of said Donation Land
Claim No. 58, being the basis of bearing for this description)
249.54 feet, thence West 1121.22 feet; thence North 50.0 feet
to the true point of beginning and being the Southeast corner
of the herein described tract, run thence West 220.93 feet thence
North 197.17 feet, thence East 220.93 feet, thence South 197.17.
feet to the true point of beginning, in Lane County, Oregon.

State of Oregon. County of Line -- ss.

(i, D. M. Penint, Director of the Department of Records and Elections, in and for the said County, in hereby rectily that the within instrument was received for terord at

175 ELK 25 FIR 37

262 Reri

Late Luanty OFFICIAL Revocas

D. M. PEVICUID Director of the Department of Records & Electrosia

J. J.

Michelle R. Weber

Attorney At Law PO Box 23408 / 840 Conger Street Eugene, OR 97402 541-687-8445x12 Fax: 541-344-3742

March 20, 2006

Mr. Steve Hopkins Lane County Land Mgmt Division 125 East 8th Avenue Eugene, OR 97401 **Hand Delivered**

03-20-05P03:10 RCVD

RE: Ballot Measure 37 Claim (PA05 – 6181, Weber).

Dear Mr. Hopkins:

Enclosed please find the supplemental items requested in letter from Lane County dated December 29, 2005.

There are two appraisals which have been conducted and provided by Norm Pohl which are included. One is for \$220,000.00 under the current zoning and one is for \$2,000,000.00 under the Ballot Measure 37 claim. Due to the appraisal, please modify the amount of the claim to \$1,130,000.00.

Also enclosed, please find the Certificates of Trust for the Property.

I look forward to notice of a re-scheduled hearing on the claim. Please contact me if you have any questions or are in need of additional information.

Sincerely,

Michelle R. Weber

Attorney at Law

Cc: Eduard Weber

CERTIFICATION OF TRUST



The undersigned Trustees of the Marie A. Weber Revocable Trust dated February 26, 2001 ("Trust Agreement"), make this Certification of Trust in accordance with ORS 128.232 to 128.246.

- 1. Trustor: Marie A. Weber
- 2. Name of the trust: Marie A. Weber Revocable Trust
- 3. Date of execution of the trust: February 26, 2001
- 4. Trustor's Social Security Number: 543-70-7326
- 5. Currently acting Trustees: Marie A. Weber and Eduard Weber
- 6. Mailing address of acting Trustees: P.O. Box 23408
 Eugene, OR 97402
- 7. The manner in which title to trust assets should be vested: Marie A. Weber and Eduard Weber, Trustees, or successor Trustee, of the Marie A. Weber Revocable Trust dated February 26, 2001.
- 8. Successor Trustee: Edward J. Weber
- 9. If more than one Trustee, only one signature is required to sign in order to exercise trust powers. Specifically, the Trust Agreement states that:

"While the Trustor is living and there are Co-Trustees, this trust is effective and established upon the execution of this Agreement by any one Trustee, including the Trustor, and continues to be effective even though only one Trustee or successor Trustee named herein is then serving. The sole signature of any Trustee shall be sufficient to bind the trust as to any transfers, sales, or dispositions of assets, or bind the trust in any transaction before or after the Trustor's death. Any Trustee may accept payment of income and principal due to and payable to the trust, may endorse checks therefor, make disbursements of funds payable from the trust without the necessity of any other Trustee signing or countersigning checks and vouchers therefor. Any Trustee may execute any transfers from a trust brokerage account."

10. The circumstances under which the successor Trustee shall assume trust powers shall be the death, resignation, or inability to act of the prior Trustees.

- 11. A Trustee or successor Trustee may deliver a Certification of Trust to show who is the then acting Trustee or successor Trustee of the trust. Specifically, the Trust Agreement states that:
 - "Any Trustee of this trust may file with any person, financial institution, agency, taxing authority, or transfer agent, a written Certification of Trust ("Certification") signed by the Trustee, acknowledged in the form required for deeds for recording in Oregon, stating that such Trustee is the duly appointed, acting and qualified Trustee hereunder. Anyone dealing with such Trustee may rely solely upon the Certification as establishing conclusively that the Trustee delivering it is a duly appointed, acting, and qualified Trustee. Anyone relying on such Certification and dealing with the Trustee, shall be fully protected as if the Trustee possessed and properly exercised the powers the Trustee purports to exercise."
- 12. Trust powers include at least all of those trust powers contained in the Uniform Trustees Powers Act set forth in ORS 128.003 to 128.051.
- 13. The trust is revocable and amendable by the Trustor.
- 14. The trust has not been revoked, modified, or amended in any manner that would cause the representations contained in this Certification to be incorrect.

TRUSTEES:

Date: February 26, 2001		Mariesa Waker	/
•		MARIE A. WEBER	
Date: February 26, 2001		Sduard Weber	
		EDUARD WEBER	
STATE OF OREGON	1		
STATE OF ORLOOM) ss.	•	•
County of Lane)		

Subscribed and sworn to before me on February 26, 2001, by Marie A. Weber and Eduard Weber, Trustees.



Ume p. Sheldon Notary Public for Oregon Webers Revocable Trusts 840 Conger Street Eugene, Oregon 97402

Re: 51.85 acres in Cottage Grove, Oregon

In accordance with your request I have personally inspected the above mentioned property in Cottage Grove, Oregon aka 20-03-21-03-TLs 920 & 921. I appraised the total property and did a a HYPOTHETICAL appraisal on the property as if it could be broken into 5 acre +/- tracts and sold separately, each tract would included a septic systems, well, and asphalt roads. My appraisals are attached hereto.

A summation of my appraisals is outlined below:

Total 51.85 acres.....\$220,000

HYPOTHETICAL if 51.85 acres could be broken into 5 acre +/- tracts:

ten tracts of land @ \$200,000 each =

\$2,000,000

Less estimated improvement costs.....\$650,000

Total loss of value if property could not be divided into 10 - 5 acre tracts of land (with improvements).

\$1,130,000

ONE MILLION ONE HUNDRED THIRTY THOUSAND DOLLARS

Sincerely:

Krman D. Pohli

Licensed Appraiser State of Oregon

Lic. # L000211



COMPLETE SUMMARY APPRAISAL OF THE PROPERTY LOCATED AT

20-03-21-03-TL# 920 & 921

Cottgae Grove, Oregon 97424

as of

3-15-, 2006

for

Webers Revocable Trusts 840 Conger Street Eugene, OR 97402

by

Pohll & Associates, Inc.

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

March 2, 2006

Webers Revocable Trusts 840 Conger Street Eugene, OR 97402

Property -

20-03-21-03-TL# 920 & 921

Cottgae Grove, Oregon 97424

Borrower -

Eduard Weber Revocable Trust & Marie A. Weber Revocable Trust

File No. - A6030004

Case No. -

Dear Ms. Weber:

In accordance with your request, I have made a Complete Appraisal and prepared a Summary Appraisal Report of the real property located at 20-03-21-03-TL# 920 & 921, Cottgae Grove, Oregon.

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

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

An inspection of the property and a study of pertinent factors, including valuation trends and an analysis of neighborhood data, led the appraiser to the conclusion that the market value, as of 3-15-, 2006 is:

\$220,000

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

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

Respectfully submitted,

Pohll & Associates, Inc.

Noman D. Pohll OR License #L000211

File No. A6030005 LAND APPRAISAL REPORT Map Reference 20032103 Borrower Eduard Weber Revocable Trust & Marie A. Weber Revocable Trust Property Address Vacant Land Zip Code 97424 State Oregon County Lane City Cottage Grove Legal Description (20-03-21-03-TLs 920 & 921) Property Rights Appraised N Fee / Leasehold A De Minimis PUD Loan Term N/A VTS. Sale Price \$N/A Date of Sale N/A Other sales concessions UNK (yr.) Loan charges to be paid by seller \$UNK Actual Real Estate Taxes \$121.06 Address 840 Conger Street, Eugene, Oregon, 97402 Lenden Client Webers Revocable Trusts Instructions to Appraiser Appraise Market Value Appraiser N.D. Pohli Occupant N/A-Vacant Land Rural Iluhan X Suburben Location Employment Stability Under 25% 25% to 75% Over 75% Suit Lie Convenience to Employn Slow Steady Growth Rate Fully Dev. Ranid X Stable
X In Balanc
X 4-6 Mos. volence to Shopping Declining Property Values X Over Sundy Demand/Supply Shortage secv of Public Transi Over 6 Mos Under 3 Mos. Marketing Time Nonal Facilities % Condo % Com % 2-4 Fam % 1 Family Adequacy of Utilities % industrial 100 % Vacant Taking Place (*) Property Competibility X Likely (*) Not Likely Change in Present Land Use Protection from Detrimental Co To 5 acre tracts +/-(") From Vacant % Vacant Police and Fire Protection Tenent Owner 100 Predominant Occupancy General Appearance of Prope ms 495k Predominant Value \$ 175k Single Family Price Range s <u>120k</u> Appeal to Market Predominant Age 36 New __yrs. to 120 yns. Single Family Age Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, noise) Employment in the local area is stable at the present time. There is easy access to the subject property and it is located in a area of similar land uses. The marketability of the subject property is deemed average for the area and the subject property appears to conform to local zoning Corner Lot 51,85 +-/-Map attached do do not co Zoning Classification F-2 X Other (specify) Divided into 10-5 acre +/- tracts Highest and best use Present use To∞ Rolling hill side OFF SITE IMPROVEMENTS Other (Describe) ert Access: X Public Privat sze 51.85 acres +/-X Shape <u>Irregular</u> Surface Asphalt Gas Public Privat view Hills and Valley Maintenance: Well/Typical Drainage Appears adequate Curb/Gutter Septic/Typical Is the property located in a HUD Identified Special Flood Hazard Area? X No Yes Street Lights Sidewalk Underground Elect. & Tel. Comments (favorable or unfavorable including any apparent adverse easements, encroechments or other adverse conditions) FEMA Flood Map Number 41039C2091 F - dated 6/2/1999 - Zone "X". According to the FEMA Flood Map (attached in addendum), the subject property is not located in a special flood hazard zone The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject. COMPARABLE NO. 3 COMPARABLE NO. 2 COMPARABLE NO. 1 Subject Property ITEM 18-15-26-00-00300 19-02-28-00-00806 & 805 Wallace Creek Road Vacant Land Address Springfield, Oregon Fall Creek, Oregon Creswell, Oregon Cottage Grove 28 miles 24 miles 13 miles Proximity to Subj. 135 000 239,000 s 175,000 N/A Sales Price 5,571 acre \$ 1,675 acre s 5,469 acre Not sold Price RMLS/Broker RMLS/Broker RMLS/Broker + (-) \$ Adiustma Data Source Inspection DESCRIPTION DESCRIPTION DESCRIPTION DESCRIPTION Date of Sale and 9/15/2005 4/4/2005 Time Adjustment 1/21/2005 N/A Suburban Suburban Suburban Location Suburban Hills/Valley Hills/Valley Hills/Valley Hills/Valley Sita/View 80.58 acres +/-42.9 acres +/-32 acres +/-Site Area 51.85 +-/-Plus Minus \$ Plus Minus \$ Plus Minus \$ Net Adj. (Total) Gross 0.0% Gross 0.0% Gross 0.0% 239,000 Net 0.0% Net 0.0% 175,000 Net 0.0% The three sales displayed were taken into consideration in arriving a finial estimate of value for the subject property. The above grid was used to arrive at a per acre sales price for each of the comparables, please note no adjustments were made as is was assumed each of the comparable and the subject could be built on. Sales of this type property are few in the local area and the three comparables were deemed to be the best located Final Reconciliation: Market data derived from the sales of similar properties is the most reliable indicator of value since it closely reflects the actions of buyers and sellers in the market place to be \$220,000 2006 ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF 3-16-Did Did Not Physically Inspect Property Raview Appraiser (if applicable) them I del Signatu Signature Date 03/17/2006 Norman D. Pohll License Certification #

Complete Appraisal Analysis - Summary Appraisal Report

L000211

Certification #

X License

ADDITIONAL COMMENTS

Borrower or Owner	Eduard Weber Revcable	Trust & Marie A. Weber Revocable Trust
Property Address	20-03-21-03-TL #s 920	& 921
Cay Cottag		StateOregon Zp Code 87424

SCOPE OF APPRAISAL

To estimate the Market Value of the subject proeprty effective the dated so stated in this report.

LEGAL DESCRIPTION

See Deed Attached Addendum

DATA ON SUBJECT SALE OFFERINGS

The subject peroperty has not been for sale since purchased by the "Webers".

ANALYSIS OF SALE CONTRACT

Lender or Client Wehers Revocable Trusts

N/A

NEIGHBORHOOD BOUNDARIES

All suburban properties located in Lane County, Oregon within a fifteen mile radius from towns and cities.

NEIGHBORHOOD DESCRIPTION

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

MARKET CONDITIONS

The market at the present time is active. No special financing, loan discounts, interest buydowns or concessions were found for the subject or the comparables used in this report. Average marketing time for sales in this neighborhood is 0-4 months.

ZONING COMPLIANCE

The property is Zoned F-2

HIGHEST AND BEST USE

The highest and best used for the property under it's present zoning is to obtain one building permit.

ARE UTILITES / OFF-SITE IMPROVEMENTS TYPICAL

All utilities are close to the subject property.

ADVERSE SITE CONDITIONS AND/OR EXTERNAL FACTORS

There are no apparent encroachments or adverse easements. Normal public utilities easements are assumed.

SALES COMPARISON APPROACH

The three values indicated by the comparable sales displayed were reconciled into a single value by arriving at a slaes price per acre of each comparable.

Comparable #1, RMLS # 3039926

Comparable #2, RMLS # 4033018

Comparable #3, RMLS # 5036798

RECONCILIATION

Market data derived from sales of similar properties the most reliable indicator of value.

SUPPORT OF OPINION OF SITE VALUE

Land sales from suburban and rural areas have been used in estimating the site value for the subject.

Zip Code 97424

PHOTOGRAPH ADDENDUM

State Oregon

Borrower or Owner Eduard Weber Revocable Trust & Marie A. Weber Revocable Trust

Property Address 20-03-21-03-TL# 920 & 921

County Lane

City Cottgae Grove County
Lender or Client Webers Revocable Trusts



FRONT VIEW OF SUBJECT PROPERTY

REAR VIEW OF SUBJECT PROPERTY



STREET SCENE OF SUBJECT PROPERTY DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

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

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

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

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

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

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

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

ADDRESS OF PROPERTY APPRAISED: 20-03-21-03-TL# 920 & 921, Cottgae Grove, Oregon 97424

APPRAISER:	SUPERVISORY APPRAISER (only if required):
Signature: January 1	Signature: Name:
Name: Norman Pohll Date Signed: March 2, 2006	Date Signed:
State Certification #: or State License #: L000211	State Certification #: or State License #:
State: OR	State:
Expiration Date of Certification or License: 11/30/2007	Expiration Date of Certification or License: Did Did Not Inspect Property

Freddie Mac Form 439 6-93

Page 2 of 2

Fannie Mae Form 1004B 6-93

AFTER RECORDING RETURN TO:

UNTIL A CHANGE IS REQUESTED, MAIL ALL TAX STATEMENTS TO:

Douglas A. Nelson Doyle, Gartland, Nelson, McCleery & Wade, P.C. 44 Club Road, Suite 200 Eugene OR 97401

Eduard Weber and Marie A. Weber, Trustees P.O. Box 23408 Eugene, OR 97402

WARRANTY DEED - STATUTORY FORM

Eduard Weber and Merie A. Weber, husband and wife, Grantor, conveys and warrants to Eduard Weber and Marie A. Weber, Trustees, or successor Trustee, of the Eduard Weber Revocable Trust dated February 26, 2001, Grantee, an undivided one-half interest, and to Marie A. Weber and Eduard Weber, Trustees, or successor Trustes, of the Marie A. Weber Revocable Trust dated February 26, 2001, Grantee, an undivided one-half interest, as tenants in common, in real property in Lanc County, Oregon, described on the attached Exhibit A.

This deed is made for no consideration to change vesting only to the Trusteen, and the Trustees' successors and assigns forever. The liability and obligations of Grantor and Grantee and Grantee's heirs and assigns under the warranties and covenants contained herein or provided by law shall be limited to the amount, nature and terms of any right or indemnification available to Grantor under any title insurance policy, and Grantor shall have no liability or obligation except to the extent that reimbursement for such liability or obligation is available to Grantor under any such title insurance policy.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT BY VIOLATION OF APPLICABLE LAND USE LAND AND REGULATIONS. BEPORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING HER TITLE TO THE PROPERTY SHOULD CHICK WITH THE APPROPERATE CITY OR COUNTY PLANTING HYPARTHEINT TO YEARLY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWFULTS AGAINST FARMING OR KUREST PRACTICES AS DEFINED IN ORS 30.930.

DATE: March 13, 2001.

GRANTOR:

Marie A. Weber

STATE OF OREGON) ss.

County of Lane

The foregoing instrument was acknowledged before me on March 13, 2001, by Eduard Weber and Marie A. Weber.

Unnem. Sheldon Notary Public for Oregon

2681-624484

84/27/2001 18:52:51 AN CRESHIER 04 RPR-DEED Cote1 Sto=6

WARRANTY DEED - STATUTORY FORM

EXHIBIT A

90841 Poodle Creek Road, Noti, Oregon, Tax Acri, Nos. 506277, 506384 and 1559036:

The North 1/2 of the Southeast 1/4 of Section 6, Township 17 South, Range 6 West of the Willamotte Meridian, in Lane County, Oregon.

ALSO: The North one chain lying East of County Road known as the North Cut-off Road, of the Northeast quarter of the Southwest quarter of Section 6, Township 17 South, Range 6 West of the Willamotte Meridian, in Lane County, Oregon.

Creswell Buena Vista 40.28 Acres, Tax Acct. No. 1480456:

Parcel 2, Lane Partition Plat No. 93-P0413, Lane County Official Records, in Lane County, Oregon.

Walton Timber 23 Acres, Tax Acct. No. 757763:

That portion of the Northwest quarter of the Southeast quarter lying South of the Southerly right of way line of the Southern Pacific Company, in Lane County, Oregon;

ALSO: A right of way for road and travel purposes extending from the Northeast corner of the property hereinabove described in a general Northeasterly direction across the Northeast quarter of the Southeast quarter and the Southeast quarter of the Northeast quarter of said Section 5, and terminating at the South line of the County Road near the Northeast corner of the contectry; said right of way shall follow and be confined in the roadway which now exists and is being used on said property.

EXCEPT THEREFROM any portion lying within the bounds of that tract conveyed to Carl G. Young and Sare L. Young, husband and wife, by instrument recorded January 19, 1966, Reception No. 33695, Lane County Oregon Deed Records, in Lane County, Oregon.

Walton Timber 50 Acres, Tax Acet, No. 757797:

All that portion of the Southeast 1/4 of the Northeast 1/4, the Northeast 1/4 of the Southeast 1/4 of Section 5, Township 18 South, Range 7 West of the Willamette Meridian, lying Southerly of the South line of the relocated Richardson-Eugene Highway, all in Lane County, Oregon.

EXCEPT: Any part within the Railroad right-of-way.

ALSO EXCEPT: A tract conveyed for cornetery recorded in Book 53, Page 253, described as follows:

Commencing at a point in the South edge of County Road No. 109 known as the Sutherland Road, 80 rods West of East line of Section 5, Township 16 South, Range 7 West, of Willamette Meridian, thence South 3.16 chains, North to said South edge of county road, thence Westerly along said South edge of county road, thence County, Oregon.

EXHIBIT A - Page 1

ALSO FXCERT: That parcel conveyed by Melissa Smith, a single person, to Edward Clinefelter and Minta Ethel Clinefelter, husband and wife, by deed dated April 1, 1957, recorded April 1, 1957, as Recorder's Reception No. 9566, Lane County Oregon Deed Records.

NULION

Cottage Grove Tax Acct. Nos. 1508090 and 1508108:

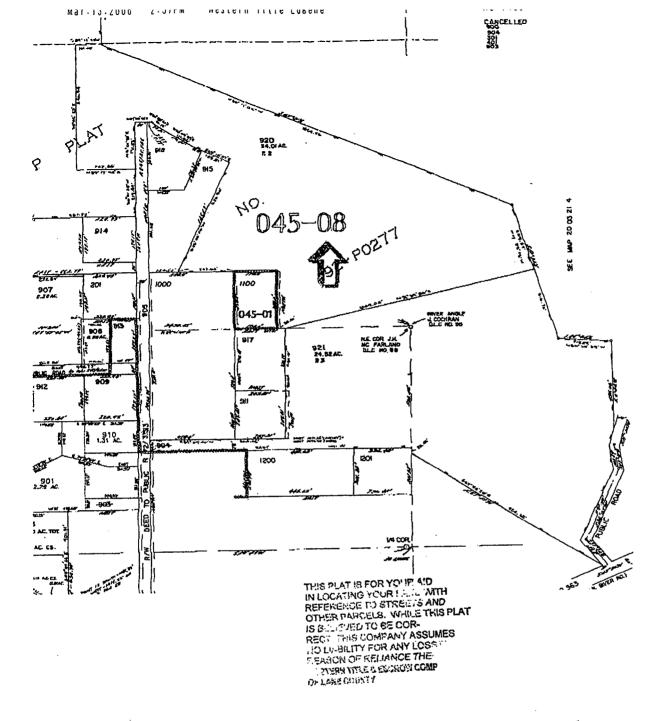
Parcels 2 and 3 as platted and recorded in Lanc County Oregon Partition Plat No. 92-P0277.

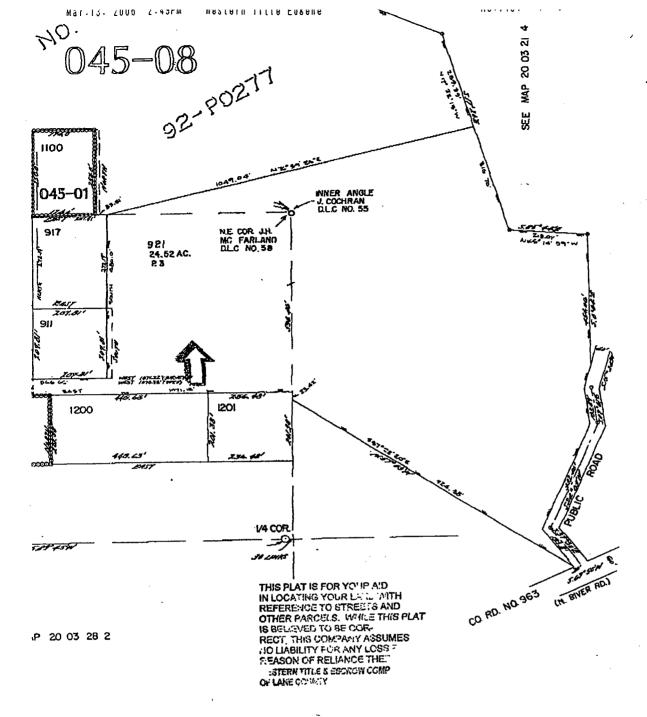
Creswell Holbrook, Tax Acct. No. 1407533:

The East one-half of the Northeast one-quarter of Section 30, the West one-half of the Northwest one-quarter of Northwest one-quarter of Section 29, all in Township 19, Range 3 West of the Willemette Meridian, in Lane County, Oregon.

Except any portion that lies within County Road No. 535 (DeBerry Road).

EXHIBIT A - Page 2

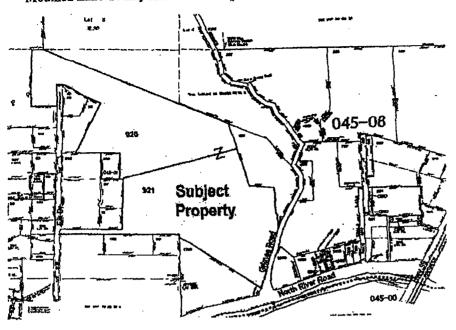




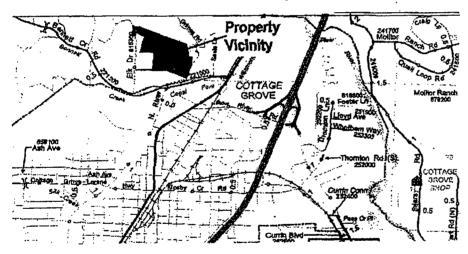
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Modified Lane County Assessment Map Illustration of the Subject Property

÷ 1



Location Illustration of the Subject Property



Prepared by James A. Mann LLC

Map 20-03-21-3 Tax Lot 920 & 921

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Appraiser Certification and Licensure Board

State Licensed Appraiser
28 hours of continuing education required for renewal

License No:

L000211

Issue Date:

12/1/2005 11/30/2007

Expiration Date

Norman D Pohll Norman D. Pohll & Associates, Inc.

1293 Lincoln ST Eugene

OR 97401

R. A. (Bob) Keith, Administrator



COMPLETE SUMMARY APPRAISAL OF THE PROPERTY LOCATED AT

Vacant Land

Cottage Grove, Oregon 97424

as of

3-15, 2006

for

Webers Revocable Trust s 840 Conger Street Eugene, Oregon 97402

by

Pohll & Associates, Inc.

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

March 14, 2006

Webers Revocable Trust s 840 Conger Street Eugene, Oregon 97402

Property -

Vacant Land

Cottage Grove, Oregon 97424

Borrower -

Webers Revocable Trusts

File No. -

A6030004

Case No. -

Dear Ms. Weber:

In accordance with your request, I have made a Complete Appraisal and prepared a Summary Appraisal Report of the real property located at Vacant Land, Cottage Grove, Oregon.

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

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

An inspection of the property and a study of pertinent factors, including valuation trends and an analysis of neighborhood data, led the appraiser to the conclusion that the market value, as of 3-15, 2006 is:

\$2,000,000

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

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

Respectfully submitted,

Pohll & Associates, Inc.

Norman D. Pohli

OR License #L000211

File No. A6030004 LAND APPRAISAL REPORT Map Reference 20032103 Borrower Webers Revocable Trusts Property Address Vacant Land Zip Code 97424 State Oregon City Cottage Grove County Lane Legal Description (20-03-21-03-TLS # 920 & 921) Property Rights Appraised X Fee Leasehold De Minimis PUD Loan Term N/A Sale Price SNot sold Date of Sale N/A Other sales concessions UNK (yr.) Loan charges to be paid by seller SUNK Actual Real Estate Taxes \$Unknown Address 840 Conger Street, Eugene, Oregon, 97402 Lendon/Client Webers Revocable Trust s A HYPOTHETICAL CONDITION EXISTS Instructions to Appraiser Occupant N/A Vacant land Appraiser N.D. Polill appraising land if it could be broken into 5 acre +/- tracts, which is not allowed under F-2 zoning X Suburban
X 25% to 75%
X Stoady
X Stable
X In Balance
X 4-6 Mos. Rural Lithan Employment Stability Built Up Over 75% 25% to 75% Under 25% Fully Dev. Slow Commissiones to Employment Growth Rate Rapid Convenience to Shopping Declining Property Values Shortage Over Supply Convenience to Schools Demand/Supply Adequacy of Public Transporta Over 6 Mos. Under 3 Mos Marketing Time Recreational Facilities % Commercial % 1 Family Present Land Use Adequacy of Utilities % Industrial % Vacant Property Compatibility Taking Place (*) X Likely (*) Change in Present Land Use Not Likely Protection from Detrimental Conditions To 5 acre +/- tracts (*) From Vacant % Vacant Predominant Occupancy Owner Tenant 100 Predominant Value \$ 175k General Appearance of Properties \$ 120k to\$ 495k Single Family Price Range yrs. to <u>120</u> Predominant Age 36 Appeal to Market Single Family Age New yrs. nents including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, noise) Employment in the local area is stable at the present time. There is easy access to the subject property and it is located in a area of similar land uses. The machinability of the subject property is deemed average + for the area N/A Map attached X do onot conform to zoning regulations Zoning Classification F-Present improvements X Other (specify) Divided into 5 acres +/- (10 such tracts from the 51 +/- present acres). Highest and best use: Present use OFF SITE IMPROVEMENTS Topo Rolling hillside Other (Describe) Street Access: X Public size 5 acres +/- acres purposed [X]Shape Map attached Surface Asphalt Gas Public Private View Hills and Valley Well/Typical Maintenance: Water Curb/Gutter Septic/Typical Drainage Appears adequate X No Yes is the property located in a HUD Identified Special Flood Hazard Area? Street Lights Sidewalk Underground Elect. & Tel. (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions) FEMA Flood Map Number 41039C2091 F- Dated 6/2/1999 Zone "X". According to the FEMA Flood Map the subject property is not located in a special flood hazard zone The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject, if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject. COMPARABLE NO. 3 COMPARABLE NO. 2 COMPARABLE NO. 1 ITEM Subject Property 190202-1109 Parcel 1 Lot 18 Hanshew Orchards 17020800-00517 Vacant Land Address Monroe, Oregon Pleasant Hill, Oregon Springfield, Oregon Cottage Grove 13 miles Proximity to Subj 26 miles 44 miles 230,000 200,000 170,000 Not sold Sales Price \$ 27,869acre 40,000 acre 30,105acre N/A Price RMLS **RMLS** RMLS Data Source Inspection DESCRIPTION DESCRIPTION DESCRIPTION DESCRIPTION Date of Sale and 10/28/2005 1/12/2006 Time Adjustment N/A 4/26/2005 Suburban Suburban Suburban Location Suburban Hills/Valley Hills/Valley Site/View Hills/Valley Hills/Valley 7.64 acres +/-Purposed 5 acres +/-6.1 acres +/-5 acres +/-Site Area +13,500 Well/ Septic Well/septic/power Septic approved wells/septic/power asphalt roads asphalt roads: power/ Sales or Financino X Plus Minus \$ 13,500 Plus Minus \$ Plus Minus \$ Net Adj. (Total) Gross 0.0% Gross 7.9% Gross 0.0% 230,000 Net 7.9% 183,500 Net 0.0% Net 0.0% The four comparables used were deemed to be the best found for small acreage sales in the local area. Note: This appraisal is done under HYPOTHETICAL CONDITIONS at the present zoning F-2 Comments and Conditions of Appraisal: the 51 acre +/- tract of land cannot be divided into 5 acre +/- tracts, the value report is based upon the assumtion the land could be brokern into 10-5 acre tracts +/-Final Reconciliation: Each tract after broken into 5 acres +/- as per attached purposed map (done by Scott Goble) would have a market value of \$200,000 each, the cost of all imporovements is estimated to be at \$650,000 (this estimate was provided by John Reaksecker). to be \$2,000,000 2006 ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF 3-15 Did Appraiser(s) Review Appraiser (if applicable) Did Not Physically Inspect Property Signature former 1 Signature Oate 03/14/2006 Norman D. Pohll

Complete Appraisal Analysis - Summary Appraisal Report

License Certification #

L000211

X License Certification #

				OTTIONAL CO	OMPARABLES	FIR	No. <u>Д6030004</u>	
	Property Address	Vebers Revocable Trust Vacant Land		State	Oregon	Zip Cod	97424	
	City Cottage Gr	ove Coun Revocable Trust s					COMPARABLE	NO 6
_	ITEM	Subject Property	COMPARABLE NO.		COMPARABI	LE NO. 3	OMPAGE	100.0
	Address	Vacant Land Cottage Grove	1902021109 Parcel 3 Pleasant Hill, Oregon					
	Proximity to Subj. Sales Price	s Not sold	13 miles	175,000		\$	9	
SIS	Price	\$ N/A	\$ 3	35,000acre		<u>s</u>		
1 T X8	Data Source	Inspection	RMLS	+ (-) \$	DESCRIPTION	+ (-) \$ Artius ment	DESCRIPTION	+ (-) \$ Adjustment
ANA	Date of Sale and	DESCRIPTION	3/21/2005	Adjustment	DESCRIPTION	Antennem		
4	Time Adjustment Location	N/A Suburban	Suburban					
DAI	Site/View	Hills/Valley	Hills/Valley			_		 -
ŒΤ	Site Area	Purposed 5 acres +/-	5 acres +/-					
MARKET DATA ANALYSIS		wells/septic/power	well/septic/power	 				
S		asphalt roads:	asphalt roads+					
	Sales or Financing Concessions		·					
	Net Adj. (Total)	-	Plus Minus S		Plus Minus	s	Plus Minus	.
	Indicated Value		Gross 0.0%					
	of Subject		Net 0.0% \$	175,000		s		·
(Comments on Market D	eta Analysis		-				 -
								
								
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DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimultus. Implicit in this definition is the consummation of a sale are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

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

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

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

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

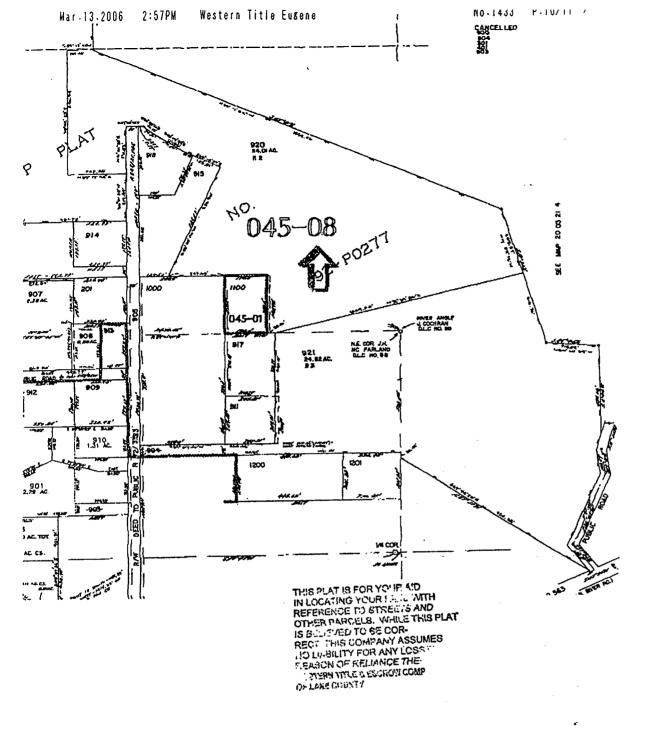
APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

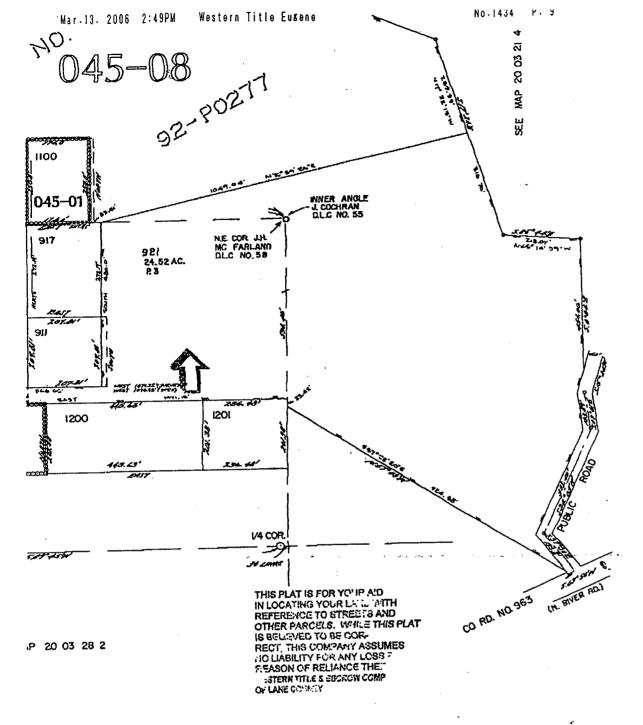
- 1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those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

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

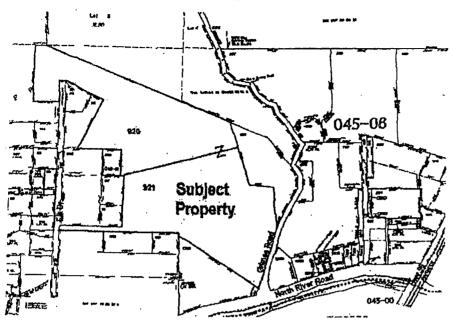
ADDRESS OF PROPERTY APPRAISED: N	None Vacant Land, Cottage Grove, Oregon 97424			
APPRAISER:	SUPERVISORY APPRAISER (only if required):			
Signature: Thursd & Lely	Signature:			
Name: Norman D. Pohll	Name:			
Date Signed: March 14, 2006	Date Signed:			
State Certification #:	State Certification #:			
or State License #: L000211	or State License #:			
State: OR	State:			
Expiration Date of Certification or License: 11/30/2007	Expiration Date of Certification or License:			
 -	Did Did Not Inspect Property			
Name: Norman D. Pohll Date Signed: March 14, 2006 State Certification #: or State License #: L000211 State: OR	Date Signed: State Certification #: or State License #: State: Expiration Date of Certification or License:			

Fannie Mae Form 1004B 6-93

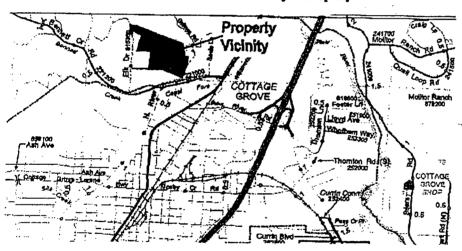




Modified Lane County Assessment Map Illustration of the Subject Property

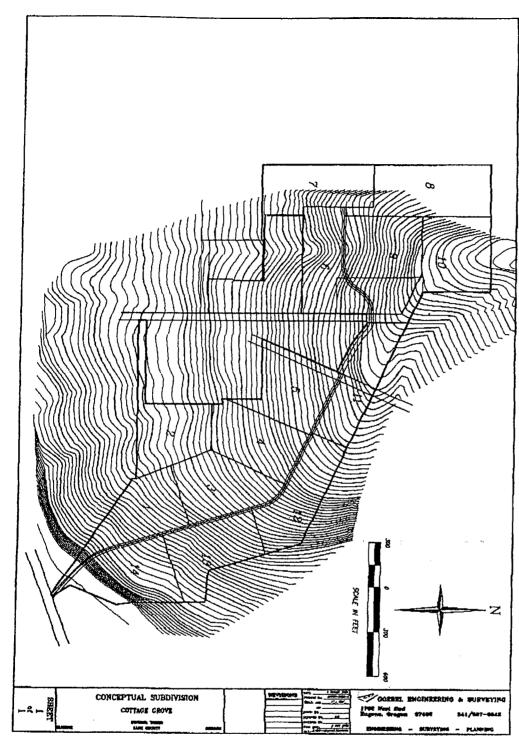


Location Illustration of the Subject Property

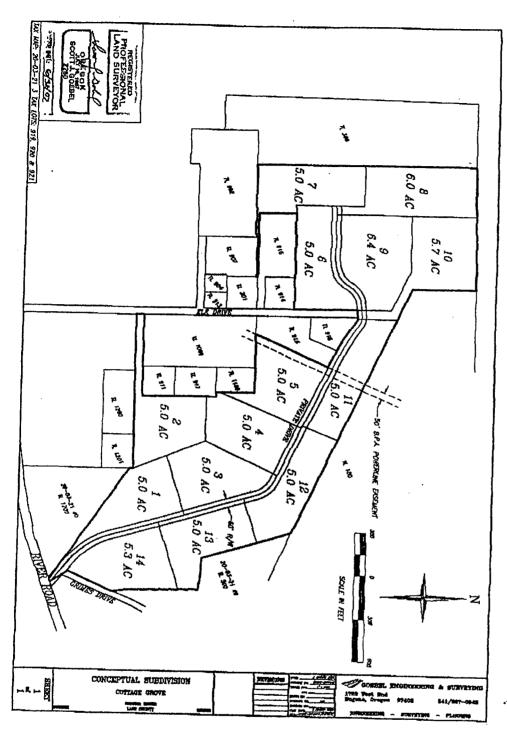


Prepared by James A. Mann LLC

Map 20-03-21-3 Tax Lot 920 & 921



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Appraiser Certification and Licensure Board

State Licensed Appraiser 28 hours of continuing education required for renewal

License No:

L000211

Issue Date:

12/1/2005

Expiration Date

11/30/2007

Norman D Pohll

Norman D. Pohll & Associates, Inc.

1293 Lincoln ST

OR 97401

R. A. (Bob) Keith, Administrator