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FACSIMILE TRANSMISSION

NUMBER OF PAGES _____

TO: Ken Howe, Planning Director (541) 682-3947

FROM: Frank Walker

DATE: May 25, 2007

TIME: 4:55 p.m.

17 PAGES

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COMMENTS:

FRANK WALKER & ASSOCIATES

P.O. Box 7170

Salem, Oregon 97301

(503) 588-8001

Cell: (503) 949-5545

Fax: (503) 588-8007

E-mail: frankwalker@comcast.net

May 25, 2007

Kent Howe, Planning Director
Lane County Land Management Division
125 East 8th Avenue
Eugene, OR 97401

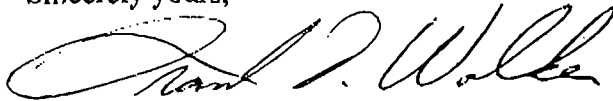
Re: Ballot Measure 37 Claim PA 06-7245
for Maurice Brooks

Dear Mr. Howe:

I have enclosed for your review the materials requested at the Board of Commissioners Public Meeting concerning this claim. The loss of fair market value has resulted from the placement of a 50' riparian setback on the subject property that was not in existence when the property was purchased. The setback removes valuable land from development of structures. I have a letter from a certified appraiser stating that our comparables are representational of values in the area. We have set the loss of value at \$664,000.00 rather than the two million dollars stated previously since there is only a partial loss of land. If I understood the Board correctly, our only burden of proof is to show that some loss of value has occurred, and the establishment of the riparian zone clearly shows that a portion of the property cannot be developed as it could have been when the owner acquired the property in 1978 and it was zoned GR-10.

With submission of this fax, the requested material has been forwarded to your office pursuant to the deadline of May 25, 2007, established by the Lane County Board of Commissioners.

Sincerely yours,



Frank D. Walker
Land Planning and Project Management Consultant

FDW/jw

Enc.

RLID Tax Statement

SUBJECT PROPERTY INFORMATION

Lane County Property Tax Report



Account Information

Account: 0881035
 Alternate Property Number: 20-03-03-00-00600
 Tax Code Area (TCA): 04801
 Legal Description: Legal On File
 Location: 81044 HWY 99
 BROOKS MAURICE E
 88261 FRANKLIN BLVD
 EUGENE, Oregon 97405
 United States

Bill to Party:

Property Value and Taxes

	Land Value	Improvement Value	Total Value	
	Real Market	Real Market	Real Market	Assessed
2006	173,061	48,240	221,301	107,835
2005	138,666	44,670	184,236	104,694
2004	111,853	40,240	151,893	101,845
2003	103,383	31,840	135,223	98,684
2002	95,726	28,040	124,766	95,810
2001	83,970	35,410	119,380	93,019
2000	82,320	40,700	123,020	90,310
1999	60,880	48,030	110,010	87,680
1998	60,820	48,030	99,850	85,126
1997	60,820	48,030	86,850	82,647
1996	47,940	48,030	86,970	86,870
1995	42,800	48,030	91,830	91,830

107,836 Taxable Value 0 Exemption Amount Regular (EAR) 0 Frozen Assessed Value (FZNPU)

Tax Year	Tax (See Explanation of Tax)
2006	1,071.51
2005	1,048.45
2004	1,026.32
2003	1,007.49
2002	1,001.22
2001	957.69
2000	945.16
1999	730.82
1998	711.89
1997	710.19
1996	747.35
1995	706.20

Account Status

(C) Active for the 2006 tax year
 New Account scheduled to be

Owner		Site		Mail		Land Use		MarketLnd		MarketImpr		Bedroom		Bath		YB		BldgSF		Western Pioneer / Lane		Account		Parcel		Xfered		Price		Owner Ph		05-06 Taxes		LotDim		Ac	
South County Investments Llc		*no Site Address*		N/Avail		300 Ind, Vacant Industrial Land		\$66,804												Western Pioneer / Lane		:0030252		:16 01 18 33 02400 000		:08/14/2006		:\$600,000				:05-06 Taxes		:Ac:3.80			
Gateway Hospitality Llc		*no Site Address*		PO Box 2678 Albany Or 97321		200 Com, Vacant Commercial Land		\$1,256,548												Western Pioneer / Lane		:0188092		:17 03 15 33 01500 000		:09/28/2005		:\$2,755,000				:05-06 Taxes		:Ac:2.11			
Mcdougal Norman N Et Al		25417 Highway 126 Veneta 97487		PO Box 518 Creswell Or 97426		200 Com, Vacant Commercial Land		\$86,029												Western Pioneer / Lane		:0501476		:17 05 31 10 01400 000		:10/24/2005		:\$424,710				:05-06 Taxes		:Ac:2.50			
Springfield City		*no Site Address*		225 5th St Springfield Or 97477		300 Ind, Vacant Industrial Land		\$73,464												Western Pioneer / Lane		:0578011		:18 03 01 00 00400 000		:08/31/2005		:\$1,277,000				:05-06 Taxes		:Ac:2.18			
Ward Northwest Inc		*no Site Address*		PO Box 105 Florence Or 97439		200 Com, Vacant Commercial Land		\$387,354												Western Pioneer / Lane		:10782480		:18 12 14 33 00500 000		:03/03/2005		:\$275,000				:05-06 Taxes		:Ac:3.19			
Guerrero Bernabe S		*no Site Address*		310 NE D St Grants Pass Or 97526		200 Com, Vacant Commercial Land		\$65,952												Western Pioneer / Lane		:0889228		:20 03 27 40 00701 000		:01/18/2005		:\$295,000		:541-474-7530		:05-06 Taxes		:Ac:2.35			
Arachna Llc		365 E Oregon Ave Creswell 97426		193 S Front St Creswell Or 97426		200 Com, Vacant Commercial Land		\$707,565												Western Pioneer / Lane		:1045101		:19 03 14 40 02100 000		:11/30/2005		:\$715,000				:05-06 Taxes		:Ac:3.98			
Macerich Valley River Center Llc		*no Site Address*		401 Wilshire Blvd #700 Santa Monica Ca 90401		200 Com, Vacant Commercial Land		\$1,231,080												Western Pioneer / Lane		:1098415		:17 03 30 20 01005 000		:02/01/2006		:\$177,852,485				:05-06 Taxes		:Ac:2.27			

OMIT

(7)

6341916

The Information Provided Is Deemed Reliable, But Is Not Guaranteed.

-----		Western Pioneer / Lane		-----	
Owner	:Melli Properties Llc	Account	:1252525		
Site	:3770 W 1st Ave Eugene 97402	Parcel	:17 04 27 30 02313 000		✓
Mail	:10 Van Buren St Eugene Or 97402	Xfered	:05/15/2006		
Land Use	:300 Ind,Vacant Industrial Land	Price	:\$410,000		
MarketLnd	:\$305,260	Owner Ph	:		
MarketTot	:\$305,260	05-06 Taxes	:\$3,635.07		
Bedroom	: Bath: YB:	BldgSF:	LotDim:	Ac:	2.63
-----		Western Pioneer / Lane		-----	
Owner	:Mcdougal Norman	Account	:1372877		
Site	:*no Site Address*	Parcel	:17 05 30 00 00910 000		
Mail	:PO Box 518 Creswell Or 97426	Xfered	:05/02/2005		
Land Use	:300 Ind,Vacant Industrial Land	Price	:\$2,400,000		
MarketLnd	:\$141,096	Owner Ph	:541-895-4522		
MarketTot	:\$141,096	05-06 Taxes	:\$765.81		
Bedroom	: Bath: YB:	BldgSF:	LotDim:	Ac:	2.02
-----		Western Pioneer / Lane		-----	
Owner	:Mcdougal Norman	Account	:1372885		
Site	:*no Site Address*	Parcel	:17 05 30 00 00911 000		✓
Mail	:PO Box 518 Creswell Or 97426	Xfered	:05/02/2005		
Land Use	:300 Ind,Vacant Industrial Land	Price	:\$2,400,000		
MarketLnd	:\$139,965	Owner Ph	:541-895-4522		
MarketTot	:\$139,965	05-06 Taxes	:\$758.22		
Bedroom	: Bath: YB:	BldgSF:	LotDim:	Ac:	2.00
-----		Western Pioneer / Lane		-----	
Owner	:Mcdougal Norman	Account	:1372893		
Site	:*no Site Address*	Parcel	:17 05 30 00 00912 000		
Mail	:PO Box 518 Creswell Or 97426	Xfered	:05/02/2005		
Land Use	:300 Ind,Vacant Industrial Land	Price	:\$2,400,000		
MarketLnd	:\$139,965	Owner Ph	:541-895-4522		
MarketTot	:\$139,965	05-06 Taxes	:\$758.22		
Bedroom	: Bath: YB:	BldgSF:	LotDim:	Ac:	2.00
-----		Western Pioneer / Lane		-----	
Owner	:Macerich Valley River Center Llc	Account	:1449089		
Site	:*no Site Address*	Parcel	:17 04 24 40 01701 000		
Mail	:401 Wilshire Blvd #700 Santa Monica Ca 90401	Xfered	:02/01/2006		
Land Use	:200 Com,Vacant Commercial Land	Price	:\$177,852,485		
MarketLnd	:\$1,719,810	Owner Ph	:		
MarketTot	:\$1,719,810	05-06 Taxes	:\$22,646.07		
Bedroom	: Bath: YB:	BldgSF:	LotDim:	Ac:	3.17
-----		Western Pioneer / Lane		-----	
Owner	:Anderson Michelle M	Account	:1476918		
Site	:*no Site Address*	Parcel	:17 05 31 20 00105 000		✓
Mail	:89036 Blue View Dr Veneta Or 97487	Xfered	:08/09/2005		
Land Use	:300 Ind,Vacant Industrial Land	Price	:\$249,000		
MarketLnd	:\$170,097	Owner Ph	:		
MarketTot	:\$170,097	05-06 Taxes	:\$554.38		
Bedroom	: Bath: YB:	BldgSF:	LotDim:	Ac:	2.57
-----		Western Pioneer / Lane		-----	
Owner	:Schuck Edward B Sr/Gladys A	Account	:1572518		
Site	:*no Site Address*	Parcel	:17 02 28 00 00901 000		✓
Mail	:33451 Van Duyn Rd Eugene Or 97408	Xfered	:03/23/2006		
Land Use	:300 Ind,Vacant Industrial Land	Price	:\$480,000		
MarketLnd	:\$142,089	Owner Ph	:		
MarketTot	:\$142,089	05-06 Taxes	:\$510.74		
Bedroom	: Bath: YB:	BldgSF:	LotDim:	Ac:	3.41
-----		Western Pioneer / Lane		-----	
Owner	:Musgrove Fam Land Holdings Inc	Account	:1582954		
Site	:*no Site Address*	Parcel	:17 04 33 33 00800 000		✓
Mail	:PO Box 22210 Eugene Or 97402	Xfered	:08/30/2006		
Land Use	:200 Com,Vacant Commercial Land	Price	:\$414,407		
MarketLnd	:\$205,775	Owner Ph	:		
MarketTot	:\$205,775	05-06 Taxes	:\$2,349.26		
Bedroom	: Bath: YB:	BldgSF:	LotDim:	Ac:	2.39

The Information Provided Is Deemed Reliable, But Is Not Guaranteed.

(5)
3953467

Owner :Castle Storage Llc
 Site :4731 Pacific Ave Eugene 97402
 Mail :225 Exmoor Pl Eugene Or 97401
 Land Use :300 Ind,Vacant Industrial Land
 MarketLnd:\$201,552 MarketImpr:
 MarketTot:\$201,552
 Bedroom : Bath: YB: BldgSF: 05-06 Taxes LotDim: Ac:2.05
 Western Pioneer / Lane
 Account :1588449
 Parcel :17 04 28 34 00105 000 ✓
 Xfered :09/26/2005
 Price :\$161,100
 Owner Ph :541-607-3800
 :\$2,366.16

Owner :Lumber Products
 Site :*no Site Address*
 Mail :19835 SW 124th Ave Tualatin Or 97062
 Land Use :300 Ind,Vacant Industrial Land
 MarketLnd:\$255,849 MarketImpr:
 MarketTot:\$255,849
 Bedroom : Bath: YB: BldgSF: 05-06 Taxes LotDim: Ac:2.09
 Western Pioneer / Lane
 Account :1619657
 Parcel :17 04 27 33 00900 000 ✓
 Xfered :05/02/2006
 Price :\$1,923,608
 Owner Ph :503-692-5801
 :\$4,088.55

Owner :Lawrence B Stone Properties #12 Llc
 Site :*no Site Address*
 Mail :6200 E Main Ave Spokane Valley Wa 99212
 Land Use :300 Ind,Vacant Industrial Land
 MarketLnd:\$239,904 MarketImpr:
 MarketTot:\$239,904
 Bedroom : Bath: YB: BldgSF: 05-06 Taxes LotDim: Ac:3.48
 Western Pioneer / Lane
 Account :1619707
 Parcel :17 04 28 41 00100 000 ✓
 Xfered :02/18/2005
 Price :\$20,000
 Owner Ph :
 :\$3,314.02

Owner :Larson Charles F & Deborah L
 Site :*no Site Address*
 Mail :PO Box 10667 Eugene Or 97440
 Land Use :300 Ind,Vacant Industrial Land
 MarketLnd:\$178,727 MarketImpr:
 MarketTot:\$178,727
 Bedroom : Bath: YB: BldgSF: 05-06 Taxes LotDim: Ac:2.29
 Western Pioneer / Lane
 Account :1619814
 Parcel :17 04 28 44 00900 000 ✓
 Xfered :12/27/2005
 Price :\$212,000
 Owner Ph :
 :\$2,239.92

Owner :City Of Cottage Grove
 Site :*no Site Address*
 Mail :400 E Main St Cottage Grove Or 97424
 Land Use :200 Com,Vacant Commercial Land
 MarketLnd:\$268,258 MarketImpr:
 MarketTot:\$268,258
 Bedroom : Bath: YB: BldgSF: 05-06 Taxes LotDim: Ac:2.11
 Western Pioneer / Lane
 Account :1651023
 Parcel :20 03 28 42 06301 000 ✓
 Xfered :08/22/2005
 Price :\$346,945
 Owner Ph :
 :\$2,883.70

Owner :Philip Leasing Llc
 Site :*no Site Address*
 Mail :PO Box 21443 Eugene Or 97402
 Land Use :300 Ind,Vacant Industrial Land
 MarketLnd:\$464,660 MarketImpr:
 MarketTot:\$464,660
 Bedroom : Bath: YB: BldgSF: 05-06 Taxes LotDim: Ac:2.76
 Western Pioneer / Lane
 Account :1724531
 Parcel :17 04 28 42 01100 000 ✓
 Xfered :01/20/2006
 Price :\$470,000
 Owner Ph :
 :\$8,400.02

Owner :Giffin Jon
 Site :*no Site Address*
 Mail :4240 Berrywood Dr Eugene Or 97404
 Land Use :300 Ind,Vacant Industrial Land
 MarketLnd:\$383,029 MarketImpr:
 MarketTot:\$383,029
 Bedroom : Bath: YB: BldgSF: 05-06 Taxes LotDim: Ac:2.18
 Western Pioneer / Lane
 Account :1724556
 Parcel :17 04 28 42 01300 000 ✓
 Xfered :06/14/2006
 Price :\$379,092
 Owner Ph :
 :\$6,924.33

Owner :H D Legacy Llc
 Site :*no Site Address*
 Mail :4949 Meadows Rd #260 Lake Oswego Or 97035
 Land Use :300 Ind,Vacant Industrial Land
 MarketLnd:\$363,340 MarketImpr:
 MarketTot:\$363,340
 Bedroom : Bath: YB: BldgSF: 05-06 Taxes LotDim: Ac:2.04
 Western Pioneer / Lane
 Account :1724564
 Parcel :17 04 28 42 01400 000 ✓
 Xfered :06/23/2005
 Price :\$590,000
 Owner Ph :
 :\$6,568.40

(P)
 4102755

-----)		Western Pioneer / Lane		:-----*)	
Owner	: H D Legacy Llc	Account	: 1724572		
Site	: *no Site Address*	Parcel	: 17 04 28 42 01500 000		✓
Mail	: 4949 Meadows Rd #260 Lake Oswego Or 97035	Xfered	: 06/23/2005		
Land Use	: 300 Ind, Vacant, Industrial Land	Price	: \$9590,000		
MarketLnd	: \$363,027	MarketImpr			
MarketTot	: \$363,027	Owner Ph			
Bedroom	: Bath: YB:	05-06 Taxes	: \$6,562.74		
		BldgSF:	LotDim:		Ac: 2.04
-----)		Western Pioneer / Lane		:-----*)	
Owner	: Neely Vance	Account	: 1747037		
Site	: *no Site Address*	Parcel	: 16 04 20 00 03200 000		✓
Mail	: 33585 Meyer Rd Cottage Grove Or 97424	Xfered	: 08/01/2006		
Land Use	: 340 Ind, Vacant, Unzoned Farm Land	Price	: \$72,000		
MarketLnd	: \$98,748	MarketImpr			
MarketTot	: \$98,748	Owner Ph			
Bedroom	: Bath: YB:	05-06 Taxes	: \$8.94		
		BldgSF:	LotDim:		Ac: 2.02
-----)		Western Pioneer / Lane		:-----*)	
Owner	: Svingen Living Trust	Account	: 1747144		
Site	: *no Site Address*	Parcel	: 16 04 20 00 04200 000		✓
Mail	: 51 Hileman Ln Eugene Or 97404	Xfered	: 07/21/2006		
Land Use	: 340 Ind, Vacant, Unzoned Farm Land	Price	: \$231,333		
MarketLnd	: \$123,791	MarketImpr			
MarketTot	: \$123,791	Owner Ph			
Bedroom	: Bath: YB:	05-06 Taxes	: \$13.80		
		BldgSF:	LotDim:		Ac: 2.75
-----)		Western Pioneer / Lane		:-----*)	
Owner	: Svingen Living Trust	Account	: 1747169		
Site	: *no Site Address*	Parcel	: 16 04 20 00 04300 000		
Mail	: 51 Hileman Ln Eugene Or 97404	Xfered	: 07/21/2006		
Land Use	: 340 Ind, Vacant, Unzoned Farm Land	Price	: \$231,333		
MarketLnd	: \$118,354	MarketImpr			
MarketTot	: \$118,354	Owner Ph			
Bedroom	: Bath: YB:	05-06 Taxes	: \$12.49		
		BldgSF:	LotDim:		Ac: 2.55
-----)		Western Pioneer / Lane		:-----*)	
Owner	: Svingen Living Trust	Account	: 1747177		
Site	: *no Site Address*	Parcel	: 16 04 20 00 04400 000		
Mail	: 51 Hileman Ln Eugene Or 97404	Xfered	: 07/21/2006		
Land Use	: 340 Ind, Vacant, Unzoned Farm Land	Price	: \$231,333		
MarketLnd	: \$113,071	MarketImpr			
MarketTot	: \$113,071	Owner Ph			
Bedroom	: Bath: YB:	05-06 Taxes	: \$11.41		
		BldgSF:	LotDim:		Ac: 2.40

(3)

893,333

15,291,185 ÷ 23 =

\$ 664,834

RESTRICTED USE APPRAISAL REPORT

Measure 37 Application
Maurice Brooks Property
Lane County, Oregon
May 25, 2007

PREPARED FOR

Lane County
Land Management Division
125 East 8th Avenue
Eugene, OR 97401

PREPARED BY

Capital Valuation Group, Ltd.
Darr L. Goss, MAI
302 State Street, Suite 200
P.O. Box 2108
Salem, Oregon 97308-2108
(503) 375-6494
May 25, 2007

File # 2705-25.kbg

May 25, 2007

Lane County
Land Management Division
125 East 8th Avenue
Eugene, OR 97401

Dear Sir/Madam,

For use we have prepared a restricted use appraisal of the multiple EFU properties defined as follows: The subject property includes two tax lots totaling roughly 4.68 acres. The subject is identified by the Lane County Assessor's Office as summarized in the following table:

Ownership	Map	Tax Lot	Acres	Zone
Maurice E. Brooks	20S-3W-3	TL600	4.68	RR-5

This appraisal considers the possible effects of Measure 37 on the estimate of value of the subject parcel. Measure 37 amends ORS Chapter 197. The measure provides for just compensation for property value depreciation caused by land use regulation. In order to file a measure 37 claim the applicant must provide evidence for just compensation. The purpose of this appraisal is to provide said evidence. Just compensation is found by comparing the subject "as-is" to the subject "as-proposed", or with land use regulations waived. The difference between these two values will reflect a loss in value, which establishes the just compensation provided for in the measure. The subject owners have submitted a Measure 37 application. This report is provided as an additional exhibit to the Maurice Brooks Measure 37 claim. The subject's "as-is" use is hampered by riparian set backs. In this case the property owner has informed us of our "as-proposed" use which is development as a rural residential property. The subject owner wishes to obtain waivers to allow use equivalent to rural residential zoning on the subject parcels. *Therefore our "as-proposed" value makes the extraordinary assumption that County regulations denying rural residential use are waived. This assumption may have affected the assignment results.*

The intended use of this appraisal is to determine market value of the subject parcels "as-is" and "as-proposed". Our "as-proposed value will consist of a market value as if all of the subject parcels could be developed as rural residential properties. This appraisal is concerned with an estimate of value only. We have not researched any other factors which may affect the legitimacy of a Measure 37 claim.

We have prepared our appraisal in a Restricted Summary format, which limits its use to a single client in this case the Lanc County Land Management Division for purposes of identifying a diminution in value for a Measure 37 claim. This appraisal is not to be used for any other purpose. Background information and market data are not presented in detail, but remain in our file. The market value conclusion is in fee-simple, as of May 27, 2007 and predicated on a one-year exposure period.

Methodology: The analysis uses comparable sales data provided by the property owner's representative. Our analysis relies on mass appraisal techniques. Because of time and cost restraints no attempt was made to adjust for factors such as location, soils, irrigation, access, drainage, market conditions or time of sale. However, we believe our methodology provides an adequate depth of research and analysis for the intended use of this report. That is, this report shows a significant diminution of value between the "as-is" and "as-proposed" values of the subject.

This report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice as formulated by The Appraisal Foundation. Further, this report is prepared in conformance to the Appraisal Standards for Federally Related Transactions adopted by the Office of the Comptroller.

Please refer to the Assumptions and Limiting Conditions section of the attached report for an explanation of the basis on which the value conclusion is predicated. The signatory of this report is qualified by experience and education to competently appraise the subject property. The values reported in this appraisal are not contingent on the approval of a specific loan amount.

Measure 37 Application Lane County, Oregon***Purpose, Function and Scope of Appraisal***

This is a Restricted Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it presents only summary 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 depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

The scope of this appraisal involved no inspection of the subject parcels and limited research of current comparable sales provided to us by the subject owners.

CLIENT:

Lane County
Land Management Division
Eugene, OR 97401

APPRAISER:

Darr L. Goss, MAI
Capital Valuation Group, Ltd.
P.O. Box 2108
Salcm, Oregon 97301

SUBJECT:

Measure 37 Application
Lane County, OR

Purpose of the Appraisal:

To estimate market value as defined by the Office of the Controller of the Currency under 12 CFR, Part 34, Subpart C.

Intended Use of Report:

The intended use of this report is for the sole purpose of assisting the client in roughly estimating a diminution in market value for a Measure 37 claim.

Interest Valued: Fee simple

Effective Date of Value: May 25, 2007

Date of Report: May 25, 2007

Measure 37 Application Lane County, Oregon

Appraisal Scope and Development Process:

This is a Restricted Appraisal in that and the use is to assist the client in estimating a diminution of value. We believe this is an adequate scope for use by our client, and will deliver a credible and not misleading value.

It is the appraiser's opinion that a Restricted Format appraisal provides adequate scope to meet the needs of the client and will deliver a credible and not misleading estimate of value. The Cost and the Income Approach were not used as the subject parcels are not improved and are not typically purchased for their income producing capabilities. This Restricted Appraisal Report sets forth only the appraiser's conclusions. Supporting documentation is retained in the appraiser's file.

Indicated Exposure Time: 12 Months

Estimated Marketing Time: 10 to 14 Months

Subject History:

The subject parcel has not sold in the last three years.

Sales Comparison Approach

In valuing the subject by the Sales Comparison Approach, an analysis of comparable sales provided by the subject owners was made. The Sales Comparison Approach is most reliable when units of comparison can be made that consider an overall property type. Atypical or unusual properties require many adjustments, which decreases the reliability of the approach. The comparable properties analyzed are generally under the same use with similar sizes and zoning. The comparables provided by the owners and analyzed for this appraisal are contained in our work file.

Measure 37 Application Lane County, Oregon**Real Property Value Calculation and Conclusion**

After analyzing the comparable sales provided we have concluded an average price for similar size parcels (2.0-3.9 Acre) in the subject market area of \$600,000 to \$650,000. After analyzing the comparable rural residential sales provided we have concluded a range of value between the above range of values.

This report is a restricted format, and as such, contains only our conclusions of market value both "as-is" and "as-proposed". We therefore conclude the subject property without riparian set backs has a fee-simple rounded market value "as-is" as of May 25, 2007, *of between*

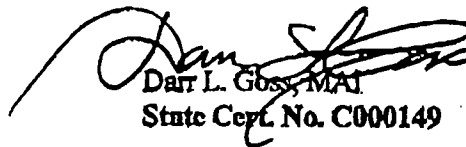
SIX AND SIX HUNDRED FIFTY THOUSAND DOLLARS. . . \$600,000 TO \$650,000

The existing restrictive riparian set-backs reduce the value of the subject roughly 33%, reflecting a value range between:

FOUR AND FOUR HUNDRED FIFTY THOUSAND DOLLARS. . . \$400,000 TO \$450,000

Sincerely,

CAPITAL VALUATION GROUP



Dan L. Goss, MAI
State Cert. No. C000149

Measure 37 Application Lane County, Oregon***Assumptions and Limiting Conditions***

1. As agreed on with the client prior to the preparation of this appraisal, this is a limited appraisal because it invokes the Departure Provision of the Uniform Standards of Professional Appraisal Practice. As such, information pertinent to the valuation has not been considered and/or the full valuation process has not been applied. Depending on the type and degree of limitations, the reliability of the value conclusion provided herein may be reduced.
2. This is a limited restricted appraisal report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice 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 analysis 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 unauthorized use of this report.
3. No responsibility is assumed for legal or title considerations. Title to the property is assumed good and marketable unless otherwise stated in this report.
4. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
5. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
6. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
7. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
8. It is assumed that there are no hidden or unknown conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
9. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in this appraisal.
11. It is assumed that all required licenses, certificates of occupancy, 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 estimates contained in this report are based.
12. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in

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- this report are provided for reader reference purposes only. No guarantees to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
13. 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 otherwise stated in this report.
 14. 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 is no such material on or in the property that would cause a loss in value unless otherwise stated in this 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.
 15. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
 16. Any proposed improvements are assumed to be completed in a good workman-like manner in accordance with the submitted plans and specifications.
 17. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
 18. 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 appraiser, and in any event, only with proper written qualification and only in its entirety.
 19. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisal.

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Capital Valuation Group, Ltd. has been serving the northwest since 1974 under various business names. The firm concentrates on complex commercial, industrial, multi-family and rural valuation assignments. A partial list of clients includes:

Governmental

Bonneville Power Administration
 City of Albany
 City of Coos Bay
 City of Corvallis
 City of Eugene
 City of Lincoln City
 City of Salem
 City of Silverton
 City of Woodburn
 Douglas County
 FDIC
 Federal Home Loan Bank - 12th Dist.
 FSLIC
 GSA - State of Oregon
 Klamath County
 Lane County
 Marion County
 Military Department - State of Oregon
 Oregon Dept. of Transportation
 Port of Portland
 Salem/Kelzer School District
 U.S. Army Corps of Engineers
 U.S. Dept. of Interior
 Woodburn School District

Financial

American Savings & Loan (FCA)
 American Federal Savings
 Bank of California
 Benj. Franklin
 Church Extension Plan
 Family Federal Savings
 First Federal, Coeur d'Alone
 First Federal, Longview
 First Federal, McMinnville
 First Interstate Bank
 Freedom Federal Savings
 Harvest Capital Company
 Key Bank of Oregon
 Old National Financial
 Pioneer Trust Bank, N.A.

Rainier Bank
 Seafirst R.E. Group
 The Oregon Bank
 U.S. National Bank of Oregon
 United Savings Bank
 Vancouver Federal
 Washington Mutual S.B.
 Western Bank
 Western Security Bank
 Willamette Savings

Insurance

Mutual of Enumelaw
 Oregon Mutual
 Pacific Mutual
 St. Paul Fire & Marine

Medical

Killen Enterprises
 Medical Properties
 Oak St. Medical Center
 Physicians Building
 Salem Hospital

General

Capital Consultants
 Capitol Auto World
 Chevron, USA
 First American Title
 Keller Enterprises
 Microlect, Inc.
 Moyer Theaters
 Nalley's of Canada
 Nippon Kokan K.K.
 Owens-Corning Fiberglass
 Pacific Petroleum
 PGE
 Schnitzer Investment
 Valley Rolling Mills
 Walter West Construction

Qualifications

Measure 37 Application Lane County, Oregon

Darr L. Goss is President of the commercial real estate firm, Capital Valuation Group, Ltd. Following graduation from the University of Oregon he served with the U.S. Air Force retiring as a Colonel in 1979. Mr. Goss is a FAA certified Airline Transport Pilot and Instrument Flight Instructor. He worked for the Coldwell Banker organization as a sales consultant licensed in Virginia and Washington, DC. He then returned to Oregon as the real estate manager for Beri, Inc. of Salem managing a portfolio of shopping centers and office buildings in Oregon and Washington. Next he became a broker for the Commercial Division of Grabenhorst Bros. Realtors of Salem handling tracts of urban, farm and timber lands. He currently appraises for government agencies, lending institutions and private individuals specializing in complex valuation analysis.

PROFESSIONAL AFFILIATIONS

American Institute of Real Estate Appraisers - Designated MAI (No. 8355), 1989
 State of Oregon, Certified Appraiser #C000149
 State of Nevada, Certified Appraiser #03187
 State of Washington, Certified Appraiser #1100327
 State of California, Certified Appraiser #AG028546
 Oregon Chapter, American Planning Association
 Oregon Society of Farm Managers and Rural Appraisers
 Licensed Oregon Real Estate Broker
 Salem Economic Development Corporation
 Agri-Business Council
 Salem Area Chamber of Commerce
 Oregon Better Business Bureau

COMMUNITY

Commissioner - Salem Planning Commission, 1986-1995;
 Commissioner - Capitol Planning Commission, 1990 - 1995;
 Board Member - American Pacific Bank, 1981-1987.

EDUCATION

University of Oregon: Baccalaureate in Philosophy, Liberal Arts; Bureau of Governmental Research and Service, Planning Commissioner Training Program; George Washington University, Master of Science, Public Administration; Duke University, School of Forestry: Forest Appraisal; American Institute of Real Estate Appraisers: Appraisal of Income Property; Rural Valuation; Industrial Valuation; University of Virginia: Construction Cost Estimating; Arlington (Virginia) Distributive Education: Real Estate Counseling; Architecture and Construction; Land Usage and Development; Chatham Educational Corporation: The Art of Real Estate Counseling Society of Industrial Realtors: Industrial Real Estate; Industrial Valuation; American Business Consultants, Inc.: Business Opportunity Appraising; Coldwell Banker Corporation, Washington, DC: Sales Development Course; Chemeketa Community College: Zoning, Subdivision, and Community Planning; Agriculture Economics; Silviculture; Forest Mensuration; Oregon Soils; Soil Mechanics; Irrigation and Drainage.

EXPERIENCE

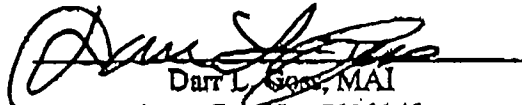
Oregon State licensed real property Broker/Appraiser since 1980 specializing in commercial/industrial and rural properties. Currently serving clients as President of Capital Valuation Group, Ltd.

Qualifications

Measure 37 Application Lane County, Oregon**Certification**

The undersigned does hereby certify that, except as otherwise noted in this appraisal report:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this appraisal, and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of this report.
5. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
6. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
7. As of the date of this report, I, Darr L. Goss, have completed the requirements under the continuing education program of the Appraisal Institute.
8. I have not made a personal inspection of the property that is the subject of this report. I have not inspected the exterior of all comparables used in this report.
9. Randy Heater (AA01477) provided significant professional assistance to the person signing the report.
10. I do not authorize the out-of-context quoting from or partial reprinting of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of media for public communication without my prior written consent.
11. This appraisal is prepared in conformance with the Uniform Standards of Professional Appraisal Practice ("USPAP") as promulgated by the Appraisal Standards Board of the Appraisal Foundation.
12. My engagement was not conditioned upon the appraisal producing a specific value or a value within a given range. Future employment is not dependent upon reporting a specified value. Neither employment nor compensation is dependent upon the approval of a loan application.
13. I have acquired through study and practice the necessary knowledge and experience to complete this assignment competently.


Darr L. Goss, MAI
State Cert No. C000149