



SUPPLEMENTAL INFORMATION SUBMITTED

Submitted on: May 15 Taken By: at hearing

SUPPLEMENTAL INFORMATION HAS BEEN RECEIVED BY THIS OFFICE IN REGARDS TO THE FOLLOWING:

BP# _____

PA# 06 7310 Harper 2

SP# _____

SI# _____

OTHER: _____ K4

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May 14, 2007

Lane County Board of Commissioners
125 E. 8th Avenue
Eugene, OR 97401

Re: PA 067310
Harper BM 37 Claim

Dear Commissioners:

This office represents Lone Pine Farms, Ltd. ("Lone Pine"). Lone Pine opposes this application.

The real property in question was conveyed by Mr. Harper to his now ex-wife on February 23, 1978. The deed created a one-half interest in an estate by the entirety in Mr. Harper and his now ex-wife. Mr. Harper's now ex-wife reconveyed the property to him on April 25, 1981. Lone Pine believes this transfer created a break in title and that waiver, if granted, should be done effective as of April 25, 1981.

Additionally, the submitted title report does not show the chain of title for these properties. Other properties owned by the applicant were conveyed into a limited partnership in 1996. Lone Pine believes the application is incomplete without some evidence showing there was no transfer to the limited partnership.

Lone Pine also objects to the valuation material presented. The Rasmussen valuation is irrelevant to value. It presents a business operating value based on operating and marketing assumptions in the report. Business profit or loss is totally speculative and generally irrelevant to land value.

The assumptions provided to Mr. Rasmussen contain many internal inconsistencies, are inconsistent with facts existing at the property and in reality, and present a skewed result. Following are some examples.

1. "Creaming" of the upper lift material as assumed in the report essentially front loads income receipts and distorts the present value calculation. It also increases the price received for the product by selling the top quality product first. By first discounting a higher profit material and secondly by moving the extraction of this material to earlier years where the discount has less effect, the present value produced is distorted.
2. There is no evidence demand exists to absorb this extra gravel without price adjustment. Eugene Sand testified it would be put out of business if its CUP

application was denied. However, several years later it is still profitably operating by purchasing rock. If that purchased rock is removed from the market and replaced by this rock, because the purchased rock is owned by a different operator, price changes should naturally occur. Not only is the report's assumption incorrect economically, but it is internally inconsistent with the facts presented in the assumptions.

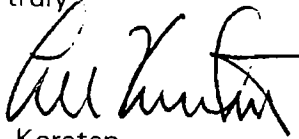
3. The "full compliance with all laws" statement sounds good but in reality the entire purpose of the Measure 37 Claim is to waive application of those laws.
4. Assumption 9 reflects an average per acre rate of material yet in their CUP application Eugene Sand gerrymandered its pit shape and showed areas where no mining would occur. Equal distribution of the material is also inconsistent with the pit drilling reports from the CUP application.
5. The reserve estimates are based on the CUP data which was highly criticized by geological experts and LUBA.

There are many other technical difficulties with the valuation.

OAR 125.145-004 (5) contains a list of other information which may be considered. Lone Pine would like to point out that these properties are in the flood plain and consist primarily of Class I and Class II Soils.

Please do not hesitate to contact me if you have any questions.

Yours truly,



Lee D. Kersten

LDK/jmd

Copy: Client