



SUPPLEMENTAL INFORMATION SUBMITTED

Submitted on: 4-2-07 Taken By: JSC

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

BP# _____

hearing
on May 22

PA# 06-7140

SP# _____

copy and scan

SI# _____

OTHER: SCHULTZ - APPRAISER - REPORT

Donald J. Schult

Craig E. McKern, Appraiser, P.C.
State Certified Residential Real Estate Appraiser
Mailing: 1574 Coburg Road, PMB 397, Eugene, Oregon 97401-4802
Telephone 541-345-0744 Facsimile 541-345-0577
email: cem9th@msn.com

April 2, 2007

Donald Schiltz
82800 River Drive
Creswell, Oregon 97426

4-22-07 10:55 AM

RE: Lane Code 2.740 (6)

Don,

For your files, here is the Ballot Measure 37 summary for Tax Lot 19-03-13-00-02300 located at Number Not Assigned River Drive, Creswell, Oregon 97426.

This letter summarizes valuation reports 030307A and 030307B.

Summary:

The two different reports are noted and summarized on the cover letter for the entire file 030307 presented as one attached report for ease of reading and understanding by the reader.

For purposes of this letter and summary required by the county, it is postulated :
The value difference using "as is before" appraised value and "hypothetical after" is arrived at arithmetically:

In report 030307A, the appraised value for Tax Lot 2300 was estimated to be \$100,000 "as is" subject to certain conditions and assumptions found in that report . In report 030307B, Tax Lot 2300 was assigned a value of \$230,000. The value in the "after" instance assumed a driveway assumed septic installation, assumed potable well installation and with utilities available at the lot line. The placement of the eventual dwelling is likely to be along the west lot line and pose the least interference possible with the continued orchard use on nine of the ten acres more or less.

Net calculated difference is: \$130,000. The difference is attributed to: creating a buildable ten acre site for one single family residence from a non-buildable 10 acre site.

Please call if there are any questions.

Cordially,

Craig E. McKern



File No. 030307B

A Restricted Appraisal Report of:

an existing parcel known as
Number Not Assigned River Drive
Creswell, Oregon 97426

The 10 acre more or less present parcel, the "before" instance, file 030307A
Tax Lot 19-03-13-00-02300
(surveyed, a legal lot, which is unimproved and not buildable at this time under present zoning regulations)

AND

A Summary Appraisal Report of :

an existing parcel known as
Number Not Assigned River Drive
Creswell, Oregon 97426

The 10 acre more or less present site, the "after" instance, file 030307B
Tax Lot 19-03-13-00-02300
(surveyed, a legal lot which is unimproved and is hypothetically assumed
buildable at this time for Measure 37 claim purposes)

Client:

Donald J. Schiltz et al
82800 River Drive
Creswell, Oregon 97426

Purpose of the Appraisal:

To estimate market value of present use and projected use of the subject parcel
subject to certain conditions outlined in the text and exhibits of the reports 030307A and B

Use of the Appraisal:

For use in a State Ballot Measure 37 proceeding brought by the owner in Lane County, Oregon

Date of Most Recent Inspection
and Effective Date of Report:
March 17, 2007

Report Completion Date:
April 2, 2007

Prepared by:

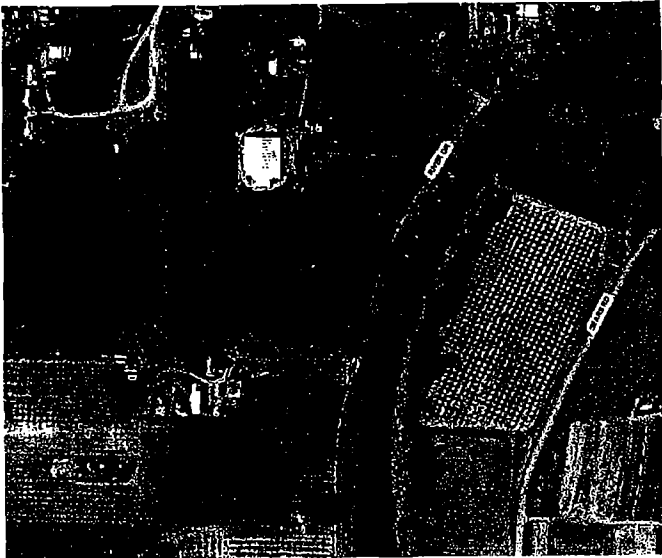
Craig E. McKern, Appraiser, P.C.
Certified Residential Real Estate Appraiser
1574 Coburg Road, PMB 397
Eugene, Oregon 97401-4802
files 030307A and B

Aerial Photographs

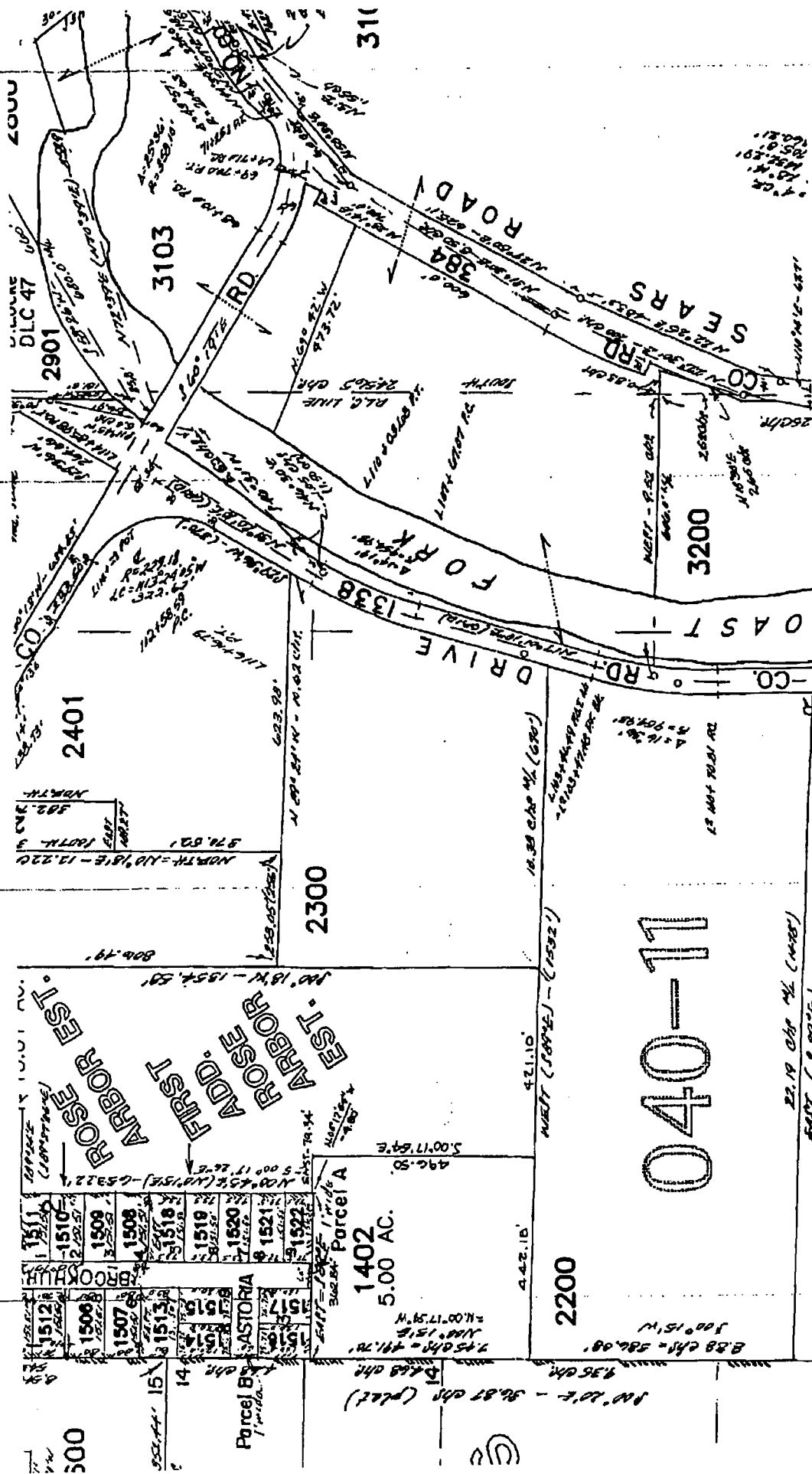
Borrower/Client	No borrower				
Property Address	Number Not Assigned River Drive -- Tax Lot 18-02-13-00-02300				
City	Creswell	County	Lane	State	Oregon
Zip Code	97426				
Lender	Donald J. Schlitz et al				



General aerial photo from 2004 from county source showing subject site in center just south of white roof barn, Coast Fork of Willamette River to right of center, subdivisions in Creswell city limits and commercial zone property in upper left



Detail of subject site in center, property known as 82800 River Drive includes the manufactured home and outbuildings in lower left center, Sears Road at lower right



PORT ST.

1253.05 (256.1)

2300

111.

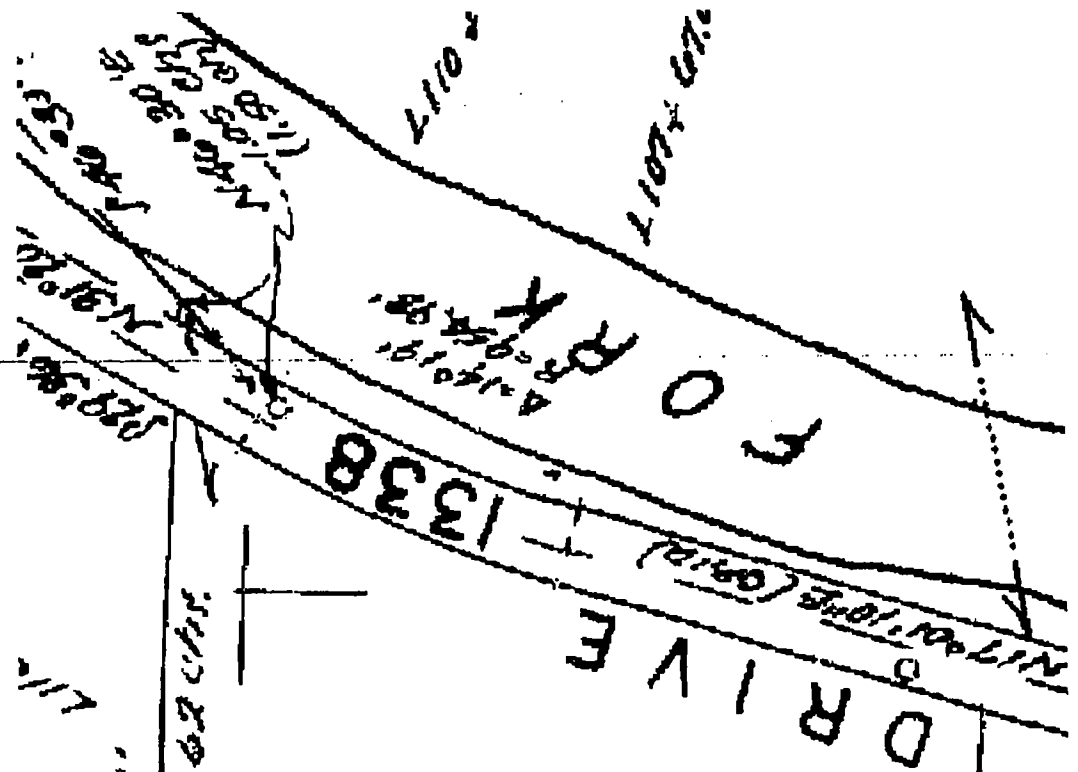
623.98'

N 89° 24' W - 10.62 CHS

1212.1 - (1532')

10.38 CHS 1 1/2" (670')

2109 + 44 x 49
= 1212.1



LANE COUNTY REGIONAL LAND INFORMATION DATABASE

Site Address:

Map & Tax Lot #: 19-03-13-00-02300

A & T Account #: 0831766

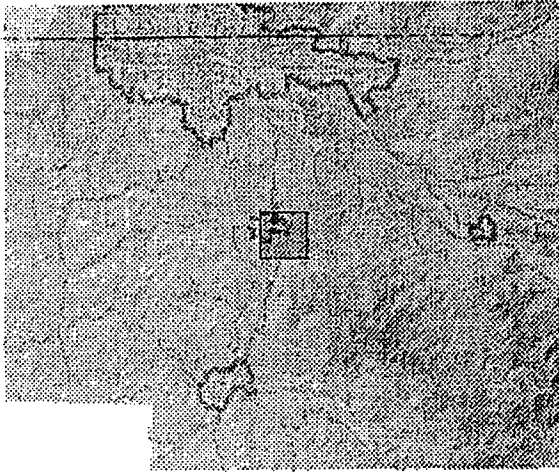
Special Interest Code:

[Convert to PDF Document](#)

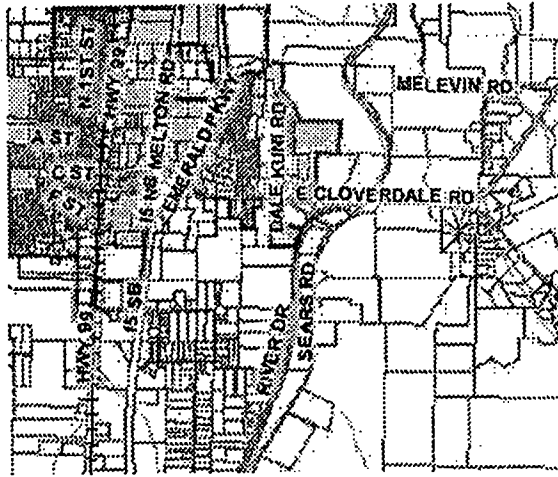
[Tax Map](#)

[View Tax Map](#)

Vicinity Map



Detail Map



Site Address State Plane Coordinates

X-Coord: 4262972

Y-Coord: 828406

Land Use

Land use information has not been field verified.

Land Use Code and Description:

Code:
8010

Description:
ORCHARDS, TREE FRUIT OR NUT

Use Code and Description:

A

AGRICULTURE

Zoning

Please verify zoning information with local jurisdiction. Lane County overlay zones are not currently shown in RLID.

Zoning Jurisdiction:

Code:
LC

Description:
LANE COUNTY

Parent Zone 1:

E30

EXCLUSIVE FARM USE (30 ACRE MINIMUM)

Boundary Information

Please verify boundary information with local jurisdiction.

General

Incorporated City Limits:

Urban Growth Boundary:

Fire Protection Providers:

SOL

SOUTH LANE CNTY FIRE & RESCUE

Node:

N

Plan Designation:

[Display Current Metro Plan Map](#)

2000 Census Tract:

1102

2000 Block Group:

2

Year Annexed:

Annexation #:

Approximate Acreage:

10.23

Approximate Square Footage:

445,619

Environmental Findings

Please verify environmental information with local jurisdiction.

Metro Flood Hazards:

A6

Areas of 100-year flood; base flood elevations and flood hazard factors determined.

Metro Wetlands:

FEMA Flood Hazard Zones

Note: Some parcels may extend onto adjacent FIRM maps. Registration between parcel boundaries and flood hazard zones is approximate. Community numbers are based on the current city limits and may not reflect boundaries at the date of map publication. Consult FIRM maps or appropriate authority.

FIRM Map Number:

Community Number:

Post - FIRM Date:

Panel Printed? (Y/N):

41039C1661F

415591

1985-12-18

Y

Code:

Description:

FW

Floodway areas inside the 100-year flood, base flood elevations determined.

Soils

Soil Map Unit Number:	Soil Type Description:	Percentage of Tax Lot:
29	CLOQUATO SILT LOAM	77
96	NEWBERG LOAM	23
22	CAMAS GRAVELLY SANDY LOAM, OCCASIONALLY FLOODED	0

Schools

	Code:	Name:
District:	40	CRESWELL

Elementary School:

Middle School:

High School:

Service Districts

LTD Service Area:

LTD Ride Source:

Ambulance District:	SO	Area: SOUTHERN	Provider: COTTAGE GROVE FIRE & AMBULANCE DEPT
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Emerald People's Utility District:

Soil Water Conservation District:	EAST LANE
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Soil Water Conservation District Zone:	0
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Political Districts

Election Precinct:	100008
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County Commissioner District:	5	EAST
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County Commissioner:	FAYE STEWART
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State Representative District:	11
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State Representative Name:	PHIL BARNHART
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City Council Ward:

City Councilor Name:

State Senate District:	6
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State Senator:	WILLIAM MORRISETTE
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LCC Board Zones:	4
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EWEB Commissioner District:

Lane County Assessor's Office | Account Number: 0831766 | Map & Tax Lot: 19-03-13-00-02300

Property Owner

Owner1 Name: SCHILTZ FAMILY TRUST

Owner Address: 82800 RIVER DR

City	State	Country	Zip Code
CRESWELL	OREGON	UNITED STATES	97426

Taxpayer

Taxpayer Name: SCHILTZ DONALD J

Taxpayer Address: 82800 RIVER DR

City	State	Country	Zip Code
CRESWELL	OREGON	UNITED STATES	97426

Property Legal Description

Township: 19	Range: 03	Section: 13	Quarter: 00
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Subdivision Type:	Subdivision Name:	Division/Phase:
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Lot/Tract/Unit Number: TL 02300

Subdivision Number:

Recording Number:

Property Value and Taxes

	Land Value	Improvement Value	Total Value	
	<u>Real Market</u>	<u>Real Market</u>	<u>Real Market</u>	<u>Assessed</u>
2006	93,418	0	93,418	7,577
2005	77,546	0	77,546	7,356

2004	65,756	0	65,756	7,142
2003	63,035	0	63,035	6,934
2002	68,930	0	68,930	6,732
2001	52,151	0	52,151	6,536
2000	51,697	0	51,697	6,345
1999	54,420	0	54,420	6,160
1998	45,350	0	45,350	6,105
1997	45,350	0	45,350	5,927
1996	42,780	0	42,780	7,060
1995	38,200	0	38,200	6,590

7,577	0	0
Taxable Value	Exemption Amount Regular (EAR)	Frozen Assessed Value (FZNPU)

Tax Year	Tax (See Explanation of Tax)
2006	83.95
2005	81.27
2004	82.21
2003	84.40
2002	79.20
2001	77.63
2000	77.67
1999	55.44
1998	55.14
1997	53.41
1996	54.98
1995	51.28

Explanation of Tax

The tax shown is the amount certified in October, unless a value change has been processed on the property. Value changes typically occur as a result of appeals, clerical errors and omitted property. The owner either initiates the change, as in the case of appeals, or is notified by the department, in the case of clerical errors and omitted property. The amount shown is the full amount of tax for the year indicated and does not include any discounts offered, payments made, interest owing, or previous years owing.

Account Status

- ☒ Active for the 2006 Tax Year
- ☐ New Account Scheduled to be Active for the 2007 Tax Year
- ☒ Locally Assessed
- ☐ Pending Seg/Merge
- ☐ Pending Value Change
- ☐ Delinquency
- ☐ Delayed Foreclosure
- ☐ Bankruptcy
- ☐ Code Split Indicator

Remarks:

Potential Additional Tax

Special Assessment Program (if applicable)

Code:
ZFARM

Description:
ZONED FARM

General Information

Property Class: 550 FARM, EFU, VACANT
Statistical Class:
Neighborhood Code: 50362
Property Use Type: 502
Account Type: RP
Category: LAND AND IMPROVEMENTS

Mortgage Company Name:

Total Acreage for this Account: 10.23

Fire Acres:

Tax Code Area (Levy Code): 04011 Lane County Assessment and Taxation 2006-2007 Billing Rates

CRESWELL SCHOOL DISTRICT 40

EMERALD PEOPLES UTILITY DISTRICT

LANE COMMUNITY COLLEGE

LANE COUNTY

LANE EDUCATION SERVICE DISTRICT

LANE LIBRARY DISTRICT

SOUTH LANE COUNTY FIRE & RESCUE

Sales Information

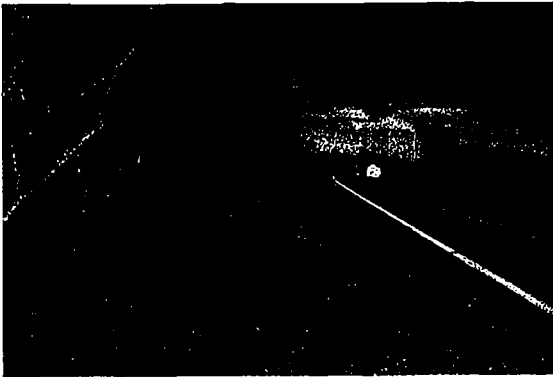
Sales Date:	Sales Price:	Grantor:	Grantee:	Instrument #:	<u>Analysis Code:</u>	Mult Acct?:
02-10- 2004		SCHILTZ DONALD JOSEPH & MICHELE L	SCHILTZ FAMILY TRUST	2004- <u>15082</u>	<u>8</u>	N

Manufactured Structures

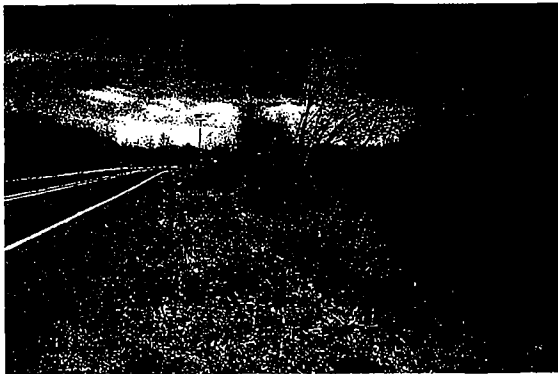
[Search Results](#) | [New Property Search](#) | [Applications Menu](#)

PHOTOGRAPH ADDENDUM One

Borrower/Client	No borrower				
Property Address	Number Not Assigned River Drive -- Tax Lot 19-02-13-00-02300				
City	Creswell	County	Lane	State	Oregon
				Zip Code	97426
Lender	Donald J. Schiltz et al				



River Drive looking north from drive entry to
82800 River Drive, subject on left



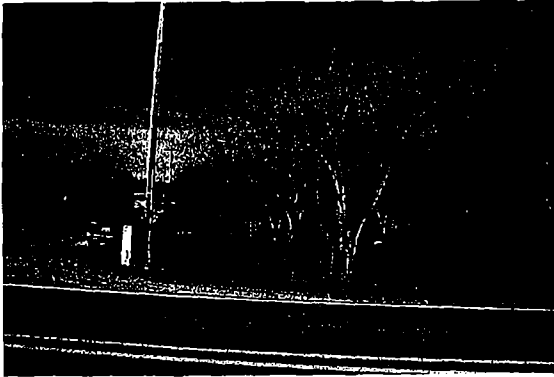
River Drive on left and Coast Fork of Willamette
River on right, bank is about 10 to 15 vertical
feet



River Drive looking south from access drive
to 82800 River Drive, young hazelnut orchard on
right is off subject site

PHOTOGRAPH ADDENDUM Two

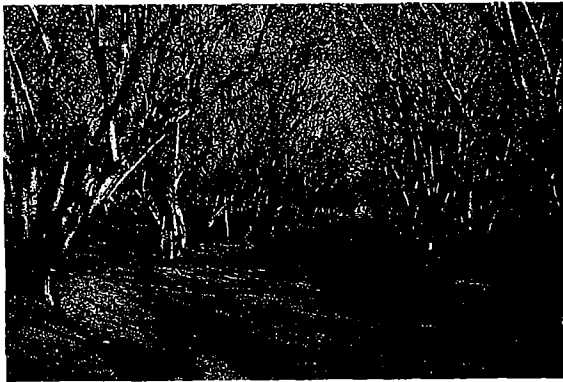
Borrower/Client	No borrower				
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City	Creswell	County	Lane	State	Oregon
				Zip Code	97426
Lender	Donald J. Schiltz et al				



Driveway entrance to 82800 River Drive on left, subject site on right, assumed sharing of access drive



Same driveway as above looking west



Typical view of older filbert orchard looking north

Per owner, these trees have rootstocks first planted in the early 1940's and have been well-maintained. The variety is Barcelona, a now outmoded variety superseded by varieties with superior disease resistance.

Craig E. McKern, Appraiser, P.C.
State Certified Residential Real Estate Appraiser
Mailing: 1574 Coburg Road, PMB 397, Eugene, Oregon 97401-4802
Telephone 541-345-0744 Facsimile 541-345-0577
email: cem9th@msn.com

April 2, 2007
Donald Schiltz
82800 River Drive
Creswell, Oregon 97426

re: Tax Lot 19-03-13-00-02300

RESTRICTED APPRAISAL REPORT

This appraisal report 030307A explains the appraiser's basis for determining an "as is" value for the subject property for purposes of a Measure 37 claim by the owner in Lane County, Oregon. The following states a "before" instance value.

The subject site consists of about 10 acres of mature hazelnut orchard and the trees are Barcelona variety and about 67 years old. The orchard has been well-maintained and is productive within the usual cycles of nut production and fallow years in Western Oregon.

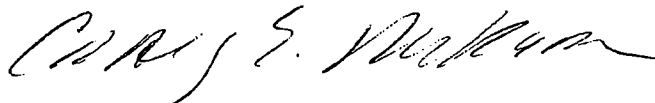
The soil types on the subject acreage are Newberg loam and Cloquato silt loam, both given Class IIw productivity status by the former Soil Conservation Service of the U.S.D.A.

There is installed irrigation line to the site southeast corner and a water right to the Coast Fork from a river bank point about 100 yards southeast of the southeast corner of the subject site. The site is suitable for continued hazelnut production or any climate suitable crop.

In a phone interview of April 2, 2007, Ross Penhallegon of the OSU Extension Service, who has viewed the subject site in the past as a consultant to the owner, stated that sales of hazelnut orchards with full productivity in the Willamette Valley and on similar Class I or Class II soils have been in the \$15,000 per acre range. Given the usual productive life of a hazelnut tree is in the mid-20 years of its mature life (from ages 10 to 30+ years, the subject orchard is now in the declining years. In addition, other hazelnut varieties have been developed which are less susceptible to blight and other diseases. Hazelnut orchards are relatively high maintenance as compared to annual row crops and other types of orchards such as cherries. This is due to need for several spray rotations, pruning, fallen limb removal, clearing of the fall harvest sweeping areas beneath the trees and other factors. Depreciation of the orchard leads the appraiser to conclude an actual "as is" value for the subject site at this time of in the \$100,000 range. The most likely purchaser "as is" will be another hazelnut farmer in the Creswell area.

The base value of the irrigated 10 more or less acres is in the range of \$4,000 to \$5,000 per acre with \$5,000 per acre for the subject site being about \$50,000 plus depreciated orchard trees.

Cordially,
Craig E. McKern



LAND APPRAISAL REPORT

File No. 030307B

HYPOTHETICAL

File No. 030307B

Summary Appraisal Report

Borrower No borrower Census Tract 11.02 Map Reference Pittman County 17
 Property Address Number Not Assigned River Drive - Tax Lot 19-02-13-00-02300
 City Creswell County Lane State Oregon Zip Code 97426
 Legal Description Lengthy Metes and Bounds Legal Description see preliminary title report
 Sale Price \$ Not Sold Date of Sale N/A Loan Term N/A yrs. Property Rights Appraised ☒ Fee ☐ Leasehold ☐ De Minimis PUD
 Actual Real Estate Taxes \$ N/A (yr) Loan charges to be paid by seller \$ N/A Other sales concessions Not Applicable
 Lender/Client Donald J. Schiltz et al Address 82800 River Drive, Creswell, Oregon 97426
 Occupant vacant land Appraiser Craig E. McKern Instructions to Appraiser appraise to market value per USPAP standards
 Craig E. McKern, Appraiser, P.C. 1574 Coburg Road, PMB 397, Eugene, Oregon 97401 telephone 541-345-0744 facsimile 541-345-0577

Location ☐ Urban ☒ Suburban ☐ Rural Good Avg. Fair Poor
 Built Up ☐ Over 75% ☐ 25% to 75% ☐ Under 25%
 Growth Rate ☐ Fully Dev. ☐ Rapid ☐ Steady ☒ Slow
 Property Values ☐ Increasing ☒ Stable ☐ Declining
 Demand/Supply ☐ Shortage ☒ In Balance ☐ Oversupply
 Marketing Time ☒ Under 3 Mos. ☒ 4-6 Mos. ☐ Over 6 Mos.
 Present Land Use ☒ 80% 1 Family ☐ 5% 2-4 Family ☐ 0% Apts. ☐ 0% Condo ☐ 0% Commercial
☐ 0% Industrial ☐ 5% Vacant ☐ 10% public uses, other
 Change in Present Land Use ☐ Not Likely ☐ Likely (*) ☒ Taking Place (*)
 (*) From vacant/re-developed To residential
 Predominant Occupancy ☒ Owner ☐ Tenant ☐ % Vacant
 Single Family Price Range \$ 150,000 to \$ 900,000+ Predominant Value \$ none
 Single Family Age <5 yrs. to 80+ yrs. Predominant Age none yrs.

Employment Stability ☐ ☐ ☐ ☐
 Convenience to Employment ☐ ☐ ☐ ☐
 Convenience to Shopping ☐ ☐ ☐ ☐
 Convenience to Schools ☐ ☐ ☐ ☐
 Adequacy of Public Transportation ☐ ☐ ☐ ☐
 Recreational Facilities ☐ ☐ ☐ ☐
 Adequacy of Utilities ☐ ☐ ☐ ☐
 Property Compatibility ☐ ☐ ☐ ☐
 Protection from Detrimental Conditions ☐ ☐ ☐ ☐
 Police and Fire Protection ☐ ☐ ☐ ☐
 General Appearance of Properties ☐ ☐ ☐ ☐
 Appeal to Market ☐ ☐ ☐ ☐

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): Subject is located about one mile east of Creswell and west of the west bank of the Coast Fork of the Willamette River with River Drive between the river and the subject. The area continues to develop mainly in the expanding city limits of Creswell. The immediate surrounding area consists of small improved acreages, a few vacant acreages, public uses such as greenway parks and a refuse transfer station, a small residential subdivision, farm and timberlands.

Dimensions Irregular, see plat map attached = 10.0 Sq. Ft. or Acres ☐ Corner Lot
 Zoning classification E25-Exclusive Farm Use 30 acre minimum new site Present Improvements ☐ do ☐ do not conform to zoning regulations
 Highest and best use ☐ Present use ☒ Other (specify) future single family residence homesite under Measure 37 waiver process
 Public ☒ Other (Describe) OFF SITE IMPROVEMENTS
 Elec. ☒ Street Access ☒ Public ☒ Private
 Gas ☐ Surface Asphalt/A.W. Gravel
 Water ☐ assumed well Maintenance ☒ Public ☒ Private
 San. Sewer ☐ assem septic ☐ Storm Sewer ☐ Curb/Gutter
☐ Underground Elect. & Tel. ☐ Sidewalk ☐ Street Lights
 Topo Level Typical small acres
 Size Typical small acres
 Shape Mostly Trapezoidal
 View Hazelnut orchard, hills, fields
 Drainage FEMA map 41039C-1661F 06-02-1999; Zone FW, comments
 Is the property located in a HUD Identified Special Flood Hazard Area? ☐ No ☒ Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): Hypothetical Postulated Lot "B" as appraised is the entire site of Tax Lot 2300 and includes shared drive access, utilities installed to the lot line, assumes a viable well and approved septic system already installed and one single family approved homesite for comparison purposes. The site as appraised is in the floodway of the Coast Fork per FEMA data and a SFR would require an elevation survey and an elevated, engineered foundation for the first level.

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.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	NNA River Drive - T.L. 2300 Creswell - hypothetical	85416 Dille Lane Pleasant Hill/ asking \$224,500	Tax Lot 19-03-17-00-01600 Creswell // asking \$255,000	Tax Lot 19-03-21-00-00400 Creswell // asking \$190,000
Proximity to Subject	<u>5 air miles north</u>	<u>5 air miles north</u>	<u>3 air miles west</u>	<u>3.5 air miles southwest</u>
Sales Price	\$ <u>Not Sold</u>	\$ <u>218,000</u>	\$ <u>255,000</u>	\$ <u>190,000</u>
Price / acre	\$ <u>43,600</u>	\$ <u>43,600</u>	\$ <u>25,500</u>	\$ <u>19,000</u>
Data Source	Observation/Cnty	Drive-by/Aerial/RMLS/County	Drive-by/Aerial/RMLS/County	Drive-by/Aerial/RMLS/County
Date of Sale and Time Adjustment	DESCRIPTION March 17, 2007	DESCRIPTION Pending Sale	DESCRIPTION Active Listing	DESCRIPTION Active Listing
Location	Above Average	Above Average	Average plus	Average plus
Site/View	10 acres/orchard	5.0ac/fields, hills	10 ac/mtns, woods	10 ac/mtns, woods
Utilities / Drive	Assumed / gravel	Installed / gravel	Available / gravel	Available / dirt
Slope/buildability	Level / assem 1 SFR	Level / assem 1 SFR	Rolling / buildable	Rolling / buildable
Well & Septic Sys.	Assumed / Assumed	Installed/ Approved	None/assem'd permit	Installed/ Approved
Structures, other	No improvements	No improvements	No improvements	Old shop structure
Sales or Financing Concessions	Cash to Seller assumed	Cash to Seller assumed	Cash to Seller assumed	New Conv. Ln. No Points, Costs
Net Adj. (Total)	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>30,000</u>	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>35,000</u>	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>25,000</u>	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>25,000</u>
Indicated Value of Subject	\$ <u>248,000</u>	\$ <u>290,000</u>	\$ <u>215,000</u>	\$ <u>215,000</u>

Comments on Market Data: Very limited market data at any given time for smaller, buildable acreages in subject area due to past decades of homesite development and restrictive zoning applied circa 1984. Indicator 2 was previously sold in July 2006 at \$229,000, re-listed 10-26-2006 at \$255,000, appears a high indicator at this price. Indicator 3 sold immediately at full asking price, appears a low indicator.

Comments and Conditions of Appraisal: The appraisal is made to cash equivalency per USPAP guidelines. See attached assumptions, limiting conditions and comments. Appraised value is for subject hypothetical buildable site with road access to lot line, well and septic hypothetically assumed installed, adequate and approved, utilities to the lot line and otherwise vacant and ready to build. Buildable site as appraised does not exist at this time and this report is useful only for hypothecating values for Ballot Measure 37 claim purposes.

Final Reconciliation: The market data (sale comparison) approach is the only reliable method of estimating vacant or non-improved site value. The cost approach is omitted as there are no improvements on this hypothetical site. The income approach does not normally apply to vacant land. However the estimated value of the hazelnut orchard on a pro rata annual basis is discussed in the attached letter.

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF March 17, 2007 to be \$ 230,000

The opinion of value stated is within a range of indicated values. Value opinion is provided for comparison purposes in a Measure 37 proceeding only and only an actual open market exposure test can be considered to prove a true market value.

Craig E. McKern, Appraiser, P.C. signed April 2, 2007 ☐ Did ☐ Did Not Physically Inspect Property
 Appraiser(s) Craig E. McKern Review Appraiser (if applicable)

(N2K)

Craig E. McKern, Appraiser, P.C.

SUPPLEMENTAL ADDENDUM

File No. 030307B

File No. 030307B

Borrower/Client	No borrower		
Property Address	Number Not Assigned River Drive -- Tax Lot 19-02-13-00-02300		
City	Creswell	County	Lane State Oregon Zip Code 97426
Lender	Donald J. Schiltz et al		

Appraisal Development and Reporting Process:

As per prior agreement with the client named on the cover sheet and first form page of this report, the level of appraisal service requested is a Summary Appraisal Report of the subject property.

This level of service has, in the past, been known as a "form appraisal" using standard FNMA or FHLMC forms to convey information to the reader. This level of appraisal service is for the most part the same as past "form appraisals".

This report is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2b of the Uniform Standards of Professional Appraisal Practice (USPAP) for a Summary Appraisal Report. As such, it represents only summary discussions of the data, reasoning and analyses used in the appraisal process to develop the appraiser's opinion of value stated elsewhere. Supporting documentation that is not provided with this report concerning the data, reasoning and analyses has been retained in the appraiser's file copy. The depth of the discussion contained in this report is specific to the needs of the client and for the intended use of this report stated below.

Scope of Work:

In preparing this report, the appraiser observed the subject site on March 19, 2007. Relevant information on comparable land and improved site sales, construction costs, and accrued depreciation were also gathered, verified and considered.

All three approaches to value were considered; the sales comparison approach only was developed for this Land Valuation report.

The income approach, along with rents, comparative rental data and calculated formulas and multipliers, is used ONLY IF the subject is likely to become or remain a rental income property in the foreseeable future, which is not normally applicable to vacant land.

Purpose of the Appraisal and Use of the Report:

The purpose of this appraisal report is to estimate the market value as defined on the attached certification/limiting conditions addendum shown as the Appraisal Institute certification form and in the attached addendums.

This appraisal report is intended ONLY for the use of the client named for the purpose of establishing a fair market value by an independent third party for Measure 37 proceedings. The use of this report is restricted to the client, Donald J. Schiltz for this purpose only. Duly constituted Lane County committees or courts for Measure 37 appeals are also an expected reader of this report but Lane County is not a client of the appraiser.

This report in its present configuration is not intended for any financing purpose whatsoever. Any other authorized use of this report will be stated either below or in the letter of engagement.

The appraiser is not and will not become responsible for any unauthorized use. Errors and omissions insurance is not extended to a future third party reader and the appraiser must be notified, timely and in writing, of any future transfer/assignment of this report to any third party reader.

Supplemental Certifications:

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

In addition, I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report prepared, with conformity to the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

signed and dated April 2, 2007

Craig E. McKern
president
Craig E. McKern Appraiser P.C.

Schiltz

Tax Lot 19-02-13-00-02300, Creswell, Oregon 97426

030307B

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

- This report is prepared using forms developed and copyrighted by the Appraisal Institute. However, the content, analyses, and opinions set forth in this report are the sole product of the appraiser. The Appraisal Institute is not liable for any of the content, analyses, or opinions set forth herein.
- No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
- I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of our data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
- I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
- I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, we have no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. We 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 I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.
- I will not disclose the contents of this appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and/or applicable federal, state or local laws.
- The Client is the party or parties who engage an appraiser (by employment or contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
- A true and complete copy of this report contains _____ pages including exhibits which are considered an integral part of the report. The appraisal report may not be properly understood without access to the entire report.
- If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

VALUE DEFINITION

☒ MARKET VALUE (continued)

MARKET VALUE is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition 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 are typically motivated;
2. both parties are well informed or well advised and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: *Appraisal Institute Dictionary of Real Estate Appraisal*

* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).

Client Schultz	Address Number Not Assigned River Drive - Tax Lot 19-02-13-00-02300, Ct	030307B
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APPRAISER CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present (unless specified below) or prospective interest in the property that is the subject of this report, and I have no (unless specified below) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the use of this appraisal.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Individuals who have provided significant real property appraisal assistance are named below. The specific tasks performed by those named are outlined in the Scope of Work section of this report.

☐ None ☐ Name(s) _____

As previously identified in the scope of work section of this report, the signer(s) of this report certify to the inspection of the property that is the subject of this report as:

Appraiser ☐ None ☒ Interior ☒ Exterior

Co-Appraiser ☐ None ☐ Interior ☐ Exterior

For vacant land, "interior" and "exterior" observations do not apply.

ADDITIONAL CERTIFICATION FOR APPRAISAL INSTITUTE MEMBERS

Appraisal Institute Member Certify:

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Designated Appraisal Institute Member Certify:

- As of the date of this report, I ☐ have / ☐ have not completed the continuing education program of the Appraisal Institute.

Designated Appraisal Institute Member Certify:

- As of the date of this report, I ☐ have / ☐ have not completed the continuing education program of the Appraisal Institute.

APPRAISER:

Signature Craig E. McKern

Name Craig E. McKern Report Date Mar. 17, 2007

State Certification # CR00024 ST OR

or License # signed April 2, 2007 ST _____

Expiration Date 09-30-2008

CO-APPRAISER:

Signature _____

Name _____ Report Date _____

State Certification # email: cem9th@msn.com ST _____

or License # phone 541-345-0744/fax 541-345-0577 ST _____

Expiration Date _____

* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).

AI Reports™ Form AI-900.01 Assumptions and Limiting Conditions/Certification

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11/08/2005

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