

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 35160

**OREGON INTERNATIONAL PORT OF COOS BAY
—FEEDER LINE APPLICATION—
COOS BAY LINE
OF THE CENTRAL OREGON & PACIFIC RAILROAD, INC.**

FEEDER LINE APPLICATION

VOLUME II OF III



222587

**ENTERED
Office of Proceedings**

JUL 11 2008

**Part of
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JUL 11 2008

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TRANSPORTATION BOARD**

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**SURFACE
TRANSPORTATION BOARD**

July 11, 2008

**STB Finance Docket No. 35160,
Oregon International Port of Coos Bay -- Feeder Line Application
Coos Bay Line of Central Oregon & Pacific Railroad
Between Danebo and Cordes, Oregon**

**Land Appraisal Verified Statement
of
Jay DeVoe, MAI, SR/WA**

PRIVILEGED AND CONFIDENTIAL
PREPARED AT THE REQUEST OF COUNSEL

PREMISES OF THE APPRAISAL

QUALIFICATIONS OF APPRAISERS

The appraisal has been chiefly prepared by Jay J DeVoe, MAI, SR/WA. I am President of and Appraiser at J J DeVoe & Associates, Inc., located at 4535 SW 96th Avenue, Beaverton, Oregon 97005. I am a state-licensed appraiser with nearly twenty years of experience and the highest professional designations by the Appraisal Institute and the International Right-of-Way Association. The subject represents a property type that I have experience appraising and I have taken the necessary steps to ensure that I am competent in regard to the geographic areas.

My appraisal investigation and analysis has been aided by Steven M. Beaman, CCIM, who is a state-licensed appraiser, operating as an independent contractor. His significant contributions to the appraisal are abutting property data compilation and analysis, community data compilation and analysis, market data compilation and analysis, and various aspects of report writing.

Our respective qualification summaries, detailing the appraisers' education and professional experience and qualifications, are provided in the separately bound report Addenda (see Section A).

VERIFIED STATEMENT (REPORT) FORMAT OVERVIEW

This appraisal has been segregated into various sections provided in two separately bound portions, as deemed most appropriate given the magnitude of the subject.

The first bound portion of the Verified Statement (report) includes the main body of data and valuation analysis, being divided into three sections. The Introduction section contains key information regarding the premises of the appraisal. The following Description of the Subject Property and Abutting Areas section provides discussion of important aspects of the subject property, as well as highest and best use analysis. The analysis provided in this section is often general in nature; more specific details are addressed in the next section where the subject is segmented for valuation analysis. The Valuation section starts with an explanation of the valuation methodology utilized. The section then reflects segmentation according to the various highest and best use portions of the subject, with each of the Valuation Units providing an overview of pertinent property characteristics, comparable market data and valuation.

The Addenda portion of the report is separately bound due to the voluminous amount of data contained therein. It includes copies of data most pertinent in aiding the report reader, data such as title vesting documents, assessor parcel maps, topographic maps, and photographs.

PREMISES OF THE APPRAISAL

PURPOSE AND INTENDED USE OF APPRAISAL

The purpose of this appraisal is to provide the Oregon International Port of Coos Bay (OIPCB) with an estimated market value of the encumbered, assumed fee-title interest of the subject property. The subject can be summarized as the 111 016 mile portion of the Coos Bay railroad line extending between the Danebo area (west side of Eugene, Lane County, Oregon) and Cordes (north of Coos Bay, Coos County, Oregon). Furthermore, the subject is assumed to be no longer useful as a railroad corridor and therefore its highest and best use is liquidation in an orderly manner designed to maximize the net cash it can realize.

The intended use of this appraisal is to provide OIPCB a supportable basis of value to facilitate OIPCB's Feeder Line Application to the Surface Transportation Board (STB) with respect to the Coos Bay line of railroad owned by CORP, Inc. between Mile Post 652 114 (near Danebo) and Mile Post 763 130 (at Cordes).

IMPORTANT DATES OF THE APPRAISAL

Dates of Property Inspection

March 29, 2008	Steven Beaman cursory inspection of the subject line where it is visible from asphalt-paved, public roads
April 16, 2008	Jay DeVoe viewed the entire subject line by helicopter
April 16, 2008	Jay DeVoe and Steven Beaman viewed the subject line from public roadways

Date of Value (Effective Date) April 18, 2008

Date of Report June 6, 2008

DESCRIPTION OF VALUE APPRAISED

"All appraisals must be made on the basis of fair market value. For the purpose of real property acquisition(s) by public agencies in the State of Oregon, fair market value is defined as 'the amount of money, in cash, that land would bring if offered for sale by one who desired but was not obligated to sell, and was bought by one willing but not obliged to buy. It is the actual value of the land on the date of the taking, with all its adaptations to general and special uses, that is to be considered.

'However, nothing shall be allowed for prospective value, speculative value or possible value based upon future expenditures and improvements.'"

(Right-of-way Manual, Oregon Department of Transportation, Section 4 315)

MARKET EXPOSURE TIME

When developing an opinion of market value, an appraiser must also develop an opinion of reasonable exposure time that is linked to the value opinion [USPAP Standards

PREMISES OF THE APPRAISAL

Rule 1-2(C)] Reasonable exposure time is an estimate of time presumed to precede the effective date of the appraisal that the property interest would likely have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. An estimate of a reasonable market exposure period is a function of interrelated factors such as price, time, and use

Typically the estimate of market exposure time is based on recent data relative to sales and listings. However, this simply is not possible in this instance due to the extremely unique nature of the subject property, there just are not enough relevant former railroad lines selling as a unit for piecemeal disposition to reliably support an estimate of market exposure time

In this appraisal, the estimated market value of the real property appraised is based on an estimated market exposure time of one to one and one-half years. This estimate considers that there are few prospective buyers knowledgeable of the property type and that it will take a considerable amount of time for due diligence to be conducted (due to the large and diverse nature of the property). It is noted that estimated market exposure time is not related to the disposition (sell-off) periods estimated for the subject in the valuation section, the former pertains to the subject property both in its entirety and before the valuation date while the latter are estimates pertaining to the individual valuation units after the date of value

PROPERTY RIGHTS APPRAISED

The fee-simple interest in the subject property has been addressed by the appraisal to the extent possible, as detailed in the following analysis. The rights for timber, water, oil, gas, rock and minerals have been reserved by the Southern Pacific Transportation Co (SPTC) and its successors. Also reserved by SPTC and successors is an exclusive and perpetual easement for "Communications and Pipeline Easement" over the 100 feet centered on the existing mainline track

This and other known encumbrances of pertinence are addressed later in the report under the heading "Encumbrances "

SCOPE OF ASSIGNMENT

This appraisal assignment is being conducted to provide OIPCB with an estimated market value of the subject property to facilitate OIPCB's Feeder Line Application to the Surface Transportation Board (STB). The subject property is the Coos Bay line of railroad owned by CORP, Inc. between Mile Post 652 114 (near Danebo) and Mile Post 763 130 (at Cordes)

The reporting scope is that of a "Verified Statement" format, as instructed by OIPCB through its agents, in terms of USPAP this is consistent with a "Self-Contained Appraisal Report," which is intended to provide a detailed description of the subject property, substantive value issues and data relied upon to form the opinions of value expressed herein

PREMISES OF THE APPRAISAL

The client/intended beneficiary of this report is the Oregon International Port of Coos Bay (OIPCB) and its agents. It is understood that OIPCB may share a copy of the appraisal report with the Surface Transportation Board (STB) and/or their representatives. Otherwise, the report may not be used or relied upon by anyone other than OIPCB, for any purpose whatsoever, without the express written consent of the appraiser.

The relevant physical scope of this assignment is the encumbered land-element of the subject property. It is noted that the improvements on the subject, consisting of railroad line, are being addressed and appraised separately by Mr. Gene A. Davis, P.E. (with R.L. Banks and Associates, Inc.).

The scope of inspection was limited to viewing the Subject Property from the air (via helicopter), from public rights of way (i.e. public roads), or from accessible abutting sites. Throughout my analysis, care was taken to avoid trespassing on the subject property. The comparable sales directly relied on in this appraisal were viewed from adjoining public right-of-way(s), aerial photographs and/or various maps. In general, the rurally located comparable sales were not viewed in person due to the lack of accessibility and this is considered appropriate considering that often little meaningful information can be gleaned from roadside inspection due to tree cover and topographic constraints.

The scope of analysis for the valuation of the subject property is detailed at the beginning of the valuation section. The market data research scope of this assignment consisted of the identification and consideration of numerous market sale transactions occurring over roughly the past three years and involving similar properties located in the various markets relevant to subject. Information sources utilized to develop market data supporting the value opinions expressed herein include Realtors Multiple Listing Service (RMLS), county assessor's records, local real estate appraisers and brokers, as well as buyers and sellers of similar properties.

The scope of information supplied to the appraiser by OIPCB consisted of appraisal specifications, examples of report format and "Track Chart & Alignment Book" pages relevant to the subject. This represents the full extent of information made available other than that obtained in the public domain through the appraiser's individual efforts.

ASSIGNMENT CONDITIONS AND EXTRAORDINARY ASSUMPTIONS

The general assumptions and limiting conditions upon which the valuation is predicated are provided at the end of the report, after the appraiser's certification and prior to the Addenda.

Also, the market value estimates are additionally and specifically conditioned upon the following special assignment conditions and/or extraordinary assumptions:

Pertaining to Entire Subject Property

1. The appraisal is predicated on the assumption that the subject property no longer constitutes a viable railroad line. I was instructed to make that assumption by my client due to the intended purpose of the report. Furthermore, this is deemed to be a reasonable assumption based on the recent closure of most of the line.

PREMISES OF THE APPRAISAL

- 2 I have not been provided with a title report to aid in my analysis. Therefore, I have assumed that Central Oregon & Pacific Railroad, Inc. owns the encumbered fee-simple title of the subject. Additionally, the only encumbrances considered in my appraisal are those uncovered during my analysis. These consist of (a) the reserved easements established by Southern Pacific Transportation Company (SPTC) when it sold off the subject property and (b) the high-voltage electrical lines noted on various maps.
- 3 My appraisal differentiates between public and private road crossings of the subject property. Subject areas with public road crossing have been segregated (separately accounted for) in my line assessment because they do not contribute any likely or meaningful value in regard to the subject's highest and best use (segregation and disposition of land to realize maximum value). Private road crossing areas, that presumably cross the subject via easement, have not been segregated out in the analysis because of the limited title information available; additionally, the lack of segregation of these areas can be viewed as appropriate because in many instances it is likely that the private crossing areas contribute value to the abutting ownership(s) at a rate similar to the other portions of abutting subject area.
- 4 Prospective buyers of the encumbered fee will be exempt from liability in connection with any actions related to the easement(s) currently owned by UPRR.
- 5 The reader is advised that many portions of the appraisal analysis rely on Excel spreadsheets for data organization, presentation and calculations. In certain instances there may be calculations presented that appear to be erroneous due to the rounding of numbers but actually the calculations are correct. For example, an area of 4.3526 acres may be presented as 4.35 acres and when applied to a value estimate of \$10,000 per acre the result would appear as \$43,526 (versus \$43,500 which is the face value calculation). Such inconsistencies from rounding are judged to be insignificant in the grand scheme of the appraisal.
- 6 The appraisal analysis was limited by the assignment condition that inspection of the property could only occur from publicly accessible areas.
- 7 It is assumed that CORP does not have sufficient ownership interest to dispose of lands within the subject property that were granted under an Act of Congress, dated March 3, 1875. The basis for this assumption is addressed by the client's counsel in the Feeder Line Application.

Lane County Portion

- 8 In Appraisal Sections 9 and 10, I found it necessary to assume the subject has average widths of 150 feet and then 100 feet; this was necessary due to unclear and conflicting data between railroad right-of-way and county assessor maps.
- 9 In Appraisal Section 45, I assumed 50-foot right-of-way exists between Sailor and Vaughn Roads (Milepost 665.25±). The assessor map shows that

PREMISES OF THE APPRAISAL

Swanson Lumber Company owns all of area and therefore the subject may cross via an easement but this is uncertain so not assumed

- 10 I have assumed the right-of-way width of Penn Road is twenty feet (this is not clearly indicated on any of the right-of-way or assessor maps uncovered in my analysis)
- 11 Right-of-way section No 12 on SPTC Right-of-way map sheet 8 (Milepost 676 25±) appears to be an unused spur containing 3 164 acres at 100 feet wide This has not been included as part of the subject line, as it is not shown as existing on the Lane Co assessor map (Map No 18 07 06 00)
- 12 Between Milepost 665 and 696, there are many areas where the subject abuts portions of various county roads and portions of the line have been deeded to Lane County for roadway purposes A clear delineation of the amount of area transferred to the county was rarely apparent and therefore I found it necessary to make area estimates Details can be found in the valuation section where title exceptions are addressed with respect to each Valuation Unit
- 13 In Appraisal Section 78a, the denoted subject right-of-way appears to include portions of the river My analysis has not deducted any areas related to the river because of the many pitfalls of estimating such area, plus the ramifications of this assumption are not significant due to the low value of the underlying land type and other factors
- 14 In Appraisal Section 80 (Milepost 694 83±, Right-of-way sheet 13), the river crossing is inconsistent between the assessor's maps and the railroad right-of-way map I have relied on the right-of-way map in preference of the assessor map in this instance
- 15 In the abutting portions of Highways 36 and 126, between Milepost 696 and 716 41, portions of the line have been deeded to the State of Oregon for highway purposes A clear delineation of the amount of area transferred to ODOT is not given, thus, I have found it necessary to make estimates
- 16 On right-of-way sheet 18 (Milepost 714 5±), there is a 15-foot-wide easement for water supply of Milepost 715 I have assumed that this would either be relinquished (void upon cessation of the railroad use) or is not part of the CORP holdings due to the SPTC easement reservation
- 17 In Appraisal Sections 143-145, I have assumed that the subject property does not extend west of the Siuslaw River Bridge crossing, which is consistent with the data shown on the county assessor's map (that shows only highway right-of-way extending west of the bridge) This is noted because the railroad right-of-way map (Sheet 19) shows the area identified as No 17 (with 8 574 acres) as extending west of the Siuslaw Bridge

Douglas County Portions

- 18 In Appraisal Sections 195 to 198, (between Milepost 737 44 and 738 67, there are areas where the subject abuts Smith River Road (a county road) It is apparent that portions of the subject line have been deeded to Douglas County for roadway purposes A clear delineation of the amount of area transferred to

PREMISES OF THE APPRAISAL

the county was not apparent and therefore I found it necessary to make area estimates. Details can be found in the valuation section where title exceptions are addressed with respect to each Valuation Unit.

Coos County Portions

- 19 The lakes shown on SPTC right-of-way Sheet 29 are incorrectly delineated, based on my review of other maps and aerial photographs. In my analysis, I have done my best to reconcile the current location of these lakes, based primarily on analysis of aerial photographs and county assessor maps.

HYPOTHETICAL CONDITIONS

A hypothetical condition is an assumed condition that is contrary to known facts about existing property characteristics, market conditions or trends, etc. but is supposed for the purpose of analysis. In this instance no hypothetical conditions were necessary for use as a basis of the appraisal.

SUBJECT PROPERTY LOCATION AND OVERVIEW

The subject property is the 111.016 mile portion of Coos Bay railroad line extending between the Danebo area (Mile Post 652.114, on the west side of Eugene, Lane County, Oregon) and Cordes (Mile Post 763.130, north of Coos Bay, Coos County, Oregon).

The following portion of the analysis provides a general description of the subject property. Some more detailed information (i.e. zoning) is provided later in the report as specific to the individual Valuation Units utilized in the analysis.

The following pages include tables entitled "Subject Line Assessment" which provide a multitude of data, including cross-reference points. The tables follow the subject line from its easterly point at Mile Post 652.114 to its southwest end at Mile Post 763.130. The table also lists the County Assessor maps pertaining to the subject line, which were used as an aid in cataloging the nature of the abutting properties.

LEGAL DESCRIPTION

The best available data providing a legal description of the property under appraisal are the three quit claim deeds that transferred ownership from SPTC to Central Oregon & Pacific Railroad, Inc. in 1995. Copies of these deeds are provided in the separately bound Addenda.

These provide numerous metes and bounds descriptions as well as deed references describing the subject property as it existed over thirteen years ago. Subsequently, portions have been sub-divided and sold off and in such instances I have relied on county assessor data to determine which portions no longer constitute the subject property.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

OWNERSHIP, CURRENT AND HISTORICAL

The subject property is understood to be currently owned by Central Oregon & Pacific Railroad, Inc (abbreviated as CORP in most instances in this report) CORP purchased its encumbered title to the operating rail line in 1995, for a stated consideration of \$17,975,000

OWNERSHIP CONTACT SUMMARY

I did not contact the subject owner as part of my appraisal investigation, as I was told that the owners were being non-responsive to OIPCB

LARGER PARCEL DELINEATION

"Legal Larger Parcel" is a term or criteria pertinent to the appraisal of property for eminent-domain-related purposes. It establishes the relevant property to be considered in the appraisal analysis as the portion that has unity of ownership, contiguity, and unity of use. This may not be applicable to this assignment but has been addressed to be thorough.

The subject property as identified in this appraisal report (see following Subject Line Assessment charts) constitutes the legal larger parcel. The subject property does not share unity of ownership and use with contiguous or neighboring properties.

COUNTY ASSESSOR'S DATA

Though the subject line extends through three counties, none of those have real estate tax accounts regarding the subject property due to its recent use as a railroad line. Therefore, the extent of county assessor's data available with respect to the subject was tax maps.

HISTORICAL AND CURRENT USES

The subject property has been used as a rail line since the early 1900's and for much of its history its use has been predominantly oriented to the transport of timber and lumber. Service on the line has been suspended since being abruptly stopped by the owner in September 2007.

SIZE, SHAPE AND DIMENSIONS

The subject property has been estimated to contain approximately 1,854 gross acres, as listed on the chart to the right, this gross area includes overlaying public roadways, public water crossings, etc.

The estimated gross area includes many areas that were once part of the subject but have been sold for public

Estimated Gross Area Totals		
	Acres	% of Total
Lane County	1,183.01	64%
Douglas County	412.98	22%
Coos County	257.53	14%
Total Est. Gross Area	1,853.52	

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

road or highway purposes, in many cases the exact amount of remaining subject area is unclear from the data I found to be readily available. In such cases my analysis has relied on estimates derived from County Assessor Maps, Right-of-way and Track Maps prepared by SPTC (last updated in 1994) and the Florence - Rainrock highway Right-of-way map prepared by the Oregon Dept. of Transportation (ODOT) in 1937, this was determined to be the best available data after repeated inquiries to ODOT.

Where the subject has contributory market value my analysis estimates the amounts of original Coos Bay line right-of-way that are no longer part of the CORP ownership because the areas have been transferred for public road or highway use, these areas are addressed later in the valuation as title defects. Also areas of the subject line that were originally granted as an Act of Congress have been considered a title defect (refer to assumption explanation number 7 found on page 5). Ultimately, I estimate that the subject consists of approximately 1,680 acres of potentially salable area (1,854 gross acres less 62 acres in Valuation Unit 1 and less 112 acres of title defects).

Regarding the subject's shape and dimensions, it is a 111.016 mile long, serpentine strip. Width generally ranges from 100 to 200 feet but in some places are as narrow as 40 feet and as wide as 300 feet.

FIXTURES AND EQUIPMENT

There are no items known to be on the subject that would constitute a fixture or equipment. A fixture is generally defined as an item of personal property that has been affixed in a permanent manner. Equipment is an unattached item of personal property (i.e. automobile repair equipment, office furniture, etc.).

IMPROVEMENTS

The subject has no structural improvements, based on my inspection and review of aerial photographs.

It does have railroad line improvements such as steel rails, joint bars, tie plates, anchors, turnouts, ballast and ties that are remnants from its former usage as a railroad line. The net liquidated value of these improvements has been estimated by Mr. Gene A. Davis, P.E. (with R.L. Banks and Associates, Inc.), whose findings are being provided in a separate Verified Statement.

TIMBER

It is likely that many portions of the subject have valuable merchantable timber present. A determination of the extent of timber present is beyond the necessary scope of the appraisal due to the fact that CORP does not own the rights to any timber. (Refer to the following discussion of encumbrances.)

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

ENCUMBRANCES

In 1995, the title of the subject property was transferred to the current owner subject to several significant reservations in favor of the seller SPTC reserved unto itself, successors, and its assigns the following property rights

- 1) **Water Rights** - All water rights pertaining to or used in conjunction with the property,
- 2) **Timber Rights** - All timber growing, grown or to be grown on the property,
- 3) **Mineral Reservation** - All oil, gas, sulfur, iron ore, coal, lignite, uranium, limestone, building stone, caliche, rock, shale, gravel, sand and other minerals in and under the property and
- 4) **Communications and Pipeline Easement** - A perpetual exclusive easement over, under, across and through that portion of the property which is located fifty feet on either side of the centerline of the existing mainline track of SPTC's right-of-way

With the exception of mineral reservation rights, SPTC also retained a perpetual right-of-way and right of vehicular and pedestrian access over, under, across and through the property for purposes of the use, enjoyment, maintenance, operation and access to the rights, reservation or easement so long as it does not interfere with rail operations

In addition, SPTC, its successors and assigns enjoys the exclusive right to grant to third parties, at its sole discretion, sub-easements, licenses and any other interest in the communications and pipeline easement

Further, no permanent building, structure or fence shall be erected or maintained by Grantee on or over the communications and pipeline easement which would obstruct or interfere with any existing or planned microwave facilities or other communications facilities or pipelines of SPTC located on or planned to be located on the communications and pipeline easement

Finally, the grantee is prohibited from using the communications and pipeline easement for any of the purposes for which SPTC has reserved the easement

Due to the lack of a title report, the only other encumbrances I am aware of and have reflected in this analysis are the high-powered and overhead electric transmission lines, these have been reflected where they were noted to cross the subject line

HIGHEST AND BEST USE OF SUBJECT

Highest and Best Use is defined as a reasonable and probable use that will result in the greatest present value of the real estate asset as of the date of appraisal. It is a use from among legally permitted alternative uses that are physically possible, financially feasible, complement community development goals, and which yield the greatest residual income to the underlying site. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. However, it must be recognized that a determination of highest and best use results from the appraiser's judgment and analytical skill and is not necessarily a fact to be found. Rather, it is the appraiser's task to estimate the most probable use of an unimproved parcel within the range of legally permissible uses.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

This appraisal is predicated on the assumption that the subject property no longer constitutes a viable railroad line, per OIPCB's instructions and therefore an analysis of the property's value as an operating railroad line has not been considered. This is considered to be a reasonable assumption underlying the appraisal because the former railroad use has been stopped by the owner, and also considering the intended use of the appraisal.

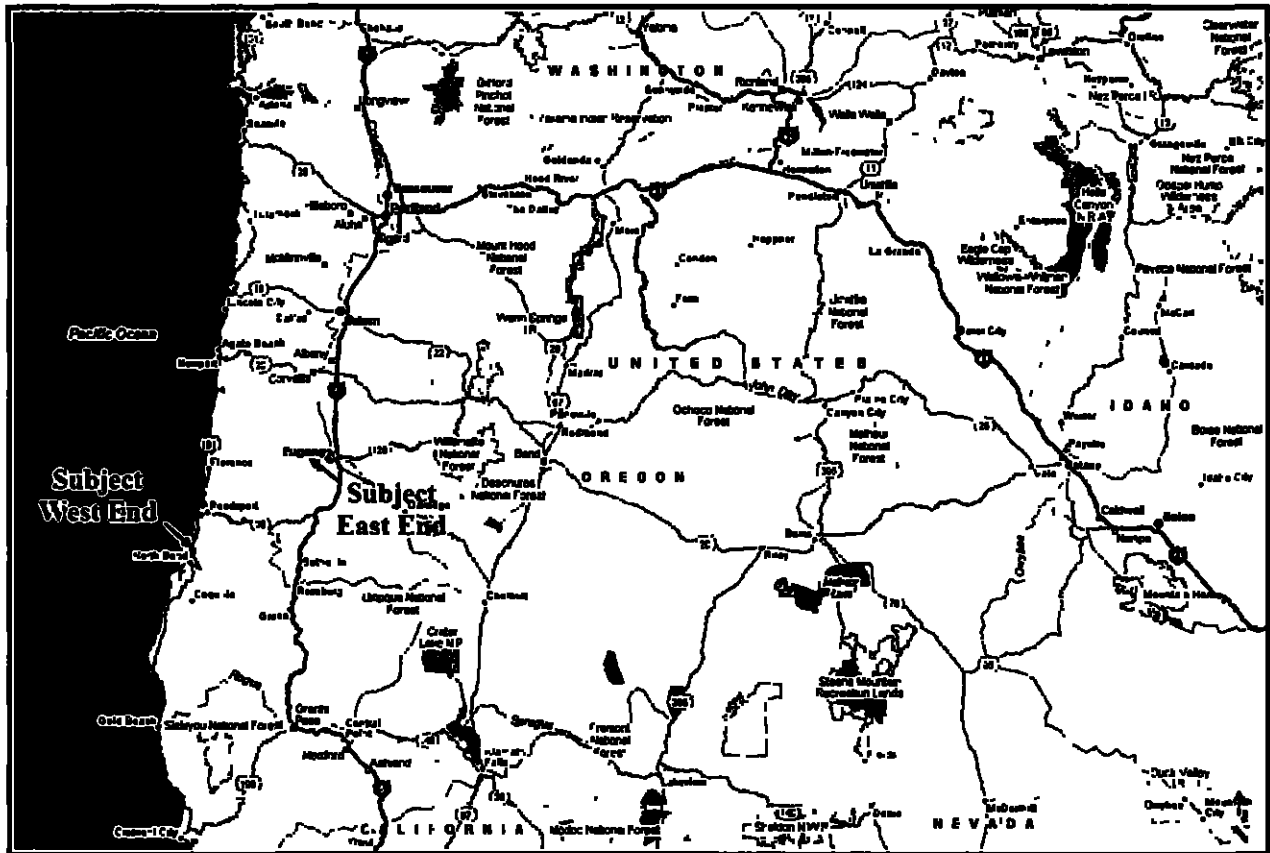
The subject property as encumbered does not have reasonable potential for pipeline or communication line uses and therefore it is judged to have no viable or feasible use as an assembled corridor.

As a result of these factors, the subject's highest and best use is for segregation and disposition/sale to facilitate assemblage with abutting property where feasible. The most likely buyer is a railroad abandonment specialty company because few if any others have the experience and resources to acquire the unique subject property and then efficiently sell it off through piecemeal disposition. It is stressed that the subject's ultimate highest and best use is for sale to abutting property owners, to the extent possible, and this analysis mirrors the market in recognizing that the subject is not immediately ready for direct sale to abutting property owners; items still required before the subject can be sold to abutters include marketing, survey, lot partitions/adjustments, negotiations, etc.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

Location/Area Analysis

The subject property is a 111-mile portion of a railroad right-of-way known as the Coos Bay line. The relevant portion of the line is located in the central-west part of Oregon between the City of Eugene (Terry Street) and the Coos County area of Cordes.



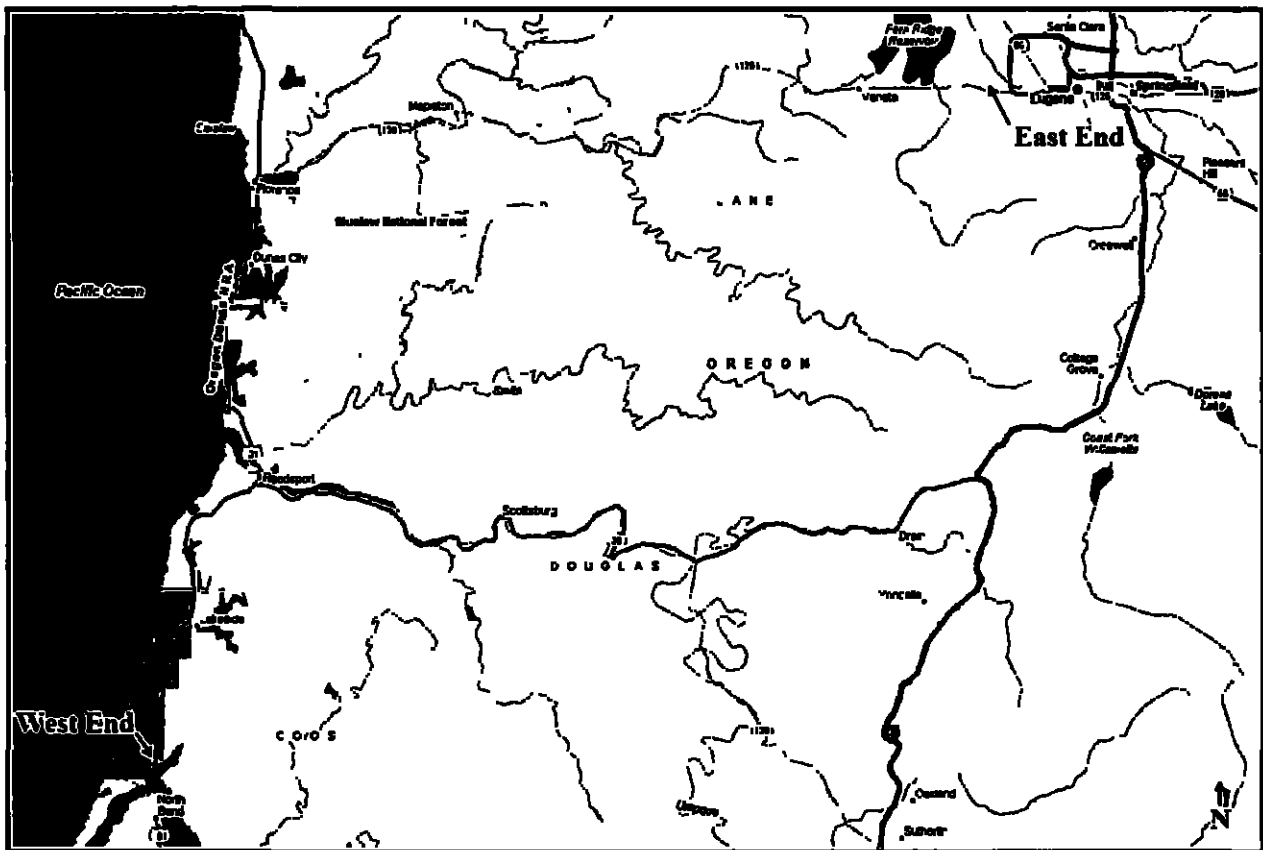
Oregon Map

One end of the subject line is in western Eugene (Lane County) at its crossing of an unimproved public road right-of-way that is an extension of Terry Street (improved approximately one-half mile north of the subject). From that point, the right-of-way generally parallels Highway 126 in a westerly direction through the City of Veneta and community of Noti before heading south towards the community of Vaughn. After Vaughn, it continues west to the community of Walton where it again parallels Highway 126 until the rural community of Richardson. In Richardson it follows Upper Richardson Road and Stagecoach Road north to the community of Swisshome. At this point the line follows Highway 38 west through the community of Mapleton where it meets up with and again parallels Highway 126 in a westerly direction. The line extends through portions of the Siuslaw National Forest area when west of Richardson and in the vicinity of Mapleton. At the community of Cushman, roughly three miles east of Florence, the line abruptly heads south across the Siuslaw River and through the Siuslaw National Forest to Siltcoos Lake, where it enters Douglas County.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

At the Fiddle Creek Arm of Siltcoos Lake, the line leaves Lane County and begins traveling south through Douglas County. Along the way, the line bisects Tehkenitch Lake before crossing the Smith River and Umpqua River (near confluence) and entering the City of Reedsport. As the line passes through the eastern extreme of Reedsport, it continues south to North Tenmile Lake at the Coos County border.

Upon entering Coos County, the line follows along the west shores of Tenmile Lake, in a southwesterly direction, to the City of Lakeside. Upon entering Lakeside, the line travels west through residential areas of the City and under Highway 101, where it veers south and parallels the west side of State Highway 101. Along the way, the line traverses forest/dune lands, including the Oregon Dunes National Recreation Area, Saunders Lake, tidal sloughs on the north side of Coos Bay before terminating at Cordes.



Regional Location Map

In terms of population, the State of Oregon had 3,752,734 residents as of 2007. Over the past seven years the population has increased by 331,335 residents (1.3% annually) and is expected to grow at a similar rate over the next five years to 4,004,796 residents. However, Lane, Douglas and Coos Counties all grew significantly slower than the State average and, similarly, are also forecasted to grow at a much lesser rate than the State average. While natural increase (i.e. births) has reportedly been remarkably stable over the

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

past two decades, positive net migration, primarily from California and Washington, continues to make up the bulk of Oregon's population growth

Population Matrix					
Area	Population			Annual Increase	
	2000	2007	2012	'00-'07	'07-'12
Oregon	3,421,399	3,752,734	4,004,796	1 3%	1 3%
Lane County	322,959	342,781	357,477	0 9%	0 8%
Eugene City	137,893	145,394	151,161	0 8%	0 8%
Florence City	7,263	8,479	9,197	2 2%	1 6%
Veneta City	2,755	3,385	3,738	3 0%	2 0%
Douglas County	100,399	105,822	109,884	0 8%	0 8%
Reedsport City	4,378	4,310	4,326	-0 2%	0 1%
Coos County	62,779	64,076	66,023	0 3%	0 6%
Coos Bay City	15,274	15,759	16,239	0 4%	0 6%
Lakeside City	1,371	1,464	1,544	0 9%	1 1%
Source US Bureau of the Census 2000 Census of Population and Housing ESRI Forecasts for 2007 & 2012					

Many of the jobs in Oregon are information- and technology-driven, resulting in an economy with a fairly stable base of employment. Nevertheless, a significant portion of the State is rural in nature and relies on the agricultural, fishing, construction, leisure and hospitality industries, which are more cyclical.

The most recent Oregon Employment Department statistics report that the State has a civilian labor force of 1,944,966. Further, total employment is reported at 1,821,835 resulting in an unemployment rate of 6.3% in March 2008. The unemployment rate was unchanged from February 2008 and 0.7% above March 2007. While farm payroll increased dramatically over the preceding month, it was the result of seasonable employment. The government employment sector added 8,100 jobs over the previous year and represents a significant job sector. The most significant private sector industries include Trade, Transportation and Utilities, Educational and Health Services, Professional and Business Activities and Manufacturing. With the exception of Manufacturing, which lost 6,800 jobs, all of the other significant sectors showed improvement adding 2,100 to 8,400 jobs. The construction industry represents the largest decline from March 2007, losing 6,800 jobs.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

STATE OF OREGON LABOR FORCE SUMMARY					
	Mar. '08	Feb. '08	Mar. '07	Change From	
				Feb. '08	Mar. '07
Civilian Labor Force	1,944,966	1,927,331	1,914,002	17,635	30,964
Unemployment	123,131	121,867	106,497	1,264	16,634
Unemployment Rate	6.3%	6.3%	5.6%	0.0%	0.7%
Total Employment	1,821,835	1,805,464	1,807,505	16,371	14,330
Total Farm Payroll	93,735	84,064	89,805	9,671	3,930
Total Nonfarm Payroll	1,728,100	1,721,400	1,717,700	6,700	10,400
				0	0
Total Private Payroll	1,425,800	1,421,500	1,423,500	4,300	2,300
Natural Resource and Mining	7,700	8,200	8,900	(500)	(1,200)
Construction	93,700	93,700	100,500	0	(6,800)
Manufacturing	197,900	198,900	203,500	(1,000)	(5,600)
Trade Transportation & Utilities	336,800	336,300	333,800	500	3,000
Information	38,000	38,100	35,800	(100)	200
Financial Activities	104,400	104,300	107,100	100	(2,700)
Professional and Bus. Activities	197,400	195,700	195,300	1,700	2,100
Educational & Health Services	220,800	219,100	212,400	1,700	8,400
Leisure & Hospitality	171,400	169,900	166,200	1,500	5,200
Other Services	59,700	59,300	60,000	400	(300)
Government	302,300	299,900	294,200	2,400	8,100
Oregon Employment Department - Workforce Analysis - Oregon Labor Trends - May, 2008					

Relevant Market Conditions - The primary influence on land value in much of the subject areas is the timber industry, which, in turn, is highly dependent on the housing market

The following forest industry information was gleaned from the November 2007 Council of Forest Trust Land Counties, State Forester's Annual Report for the Association of Oregon Counties, this is considered to provide a good summary of timber industry conditions. The Board of Forestry reports that it has 657,651 acres throughout the State of Oregon. Lane, Douglas and Coos Counties represent 3.8%, 1.3% and 1.1% percent of the total, respectively. Tillamook County, which borders Lane County to the north, represents the largest county with 47.2 percent of the State's total acres.

The timber harvest on Board of Forestry Lands was reported at 244,399 thousand board feet (MBF) in 2007 and 276,909 MBF in 2006. As reflected in the chart below, the timber harvest in Lane, Douglas and Coos Counties in 2007 was reported at 4,554, 2,465 and 1,668 MBF, respectively. Compared to 2006, the Douglas County harvest, while small, increased significantly (98.3%) whereas Lane County

Board of Forestry Acres Summary		
County	Acres	Share
Benton	8,194	1.2%
Clackamas	7,265	1.1%
Clatsop	146,963	22.3%
Columbia	6,458	1.0%
Coos	7,219	1.1%
Douglas	8,625	1.3%
Josephine	2,482	0.4%
Klamath	26,912	4.1%
Lane	24,734	3.8%
Lincoln	15,487	2.4%
Linn	21,352	3.2%
Marion	18,329	2.8%
Polk	6,122	0.9%
Tillamook	310,624	47.2%
Washington	46,885	7.1%
Total	657,651	100.0%

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

dropped (-38.6%) and Coos County fell slightly (-2.3%)

TIMBER HARVEST					
County	2007 Total Volume		2006 Total Volume		Change
	MBF	Share	MBF	Share	
Benton	6,777	2.77%	3,236	1.17%	109.4%
Clackamas	1,151	0.47%	2,048	0.74%	-43.8%
Clatsop	77,347	31.65%	91,366	32.99%	-15.3%
Columbia	3,346	1.37%	3,415	1.23%	-2.0%
Coos	1,668	0.68%	1,708	0.62%	-2.3%
Douglas	2,465	1.01%	1,243	0.45%	98.3%
Josephine	106	0.04%	0	0.00%	0.0%
Klamath	8,725	3.57%	4,509	1.63%	93.5%
Lane	4,554	1.86%	7,416	2.68%	-38.6%
Lincoln	1,654	0.68%	6,725	2.43%	-75.4%
Linn	9,114	3.73%	8,103	2.93%	12.5%
Marion	13,078	5.35%	15,682	5.66%	-16.6%
Polk	2,059	0.84%	2,076	0.75%	-0.8%
Tillamook	81,990	33.55%	104,769	37.84%	-21.7%
Washington	30,365	12.42%	24,613	8.89%	23.4%
	244,399	100.00%	276,909	100.00%	-11.7%

*Total Volume of harvest from Board of Forestry Lands
Source: 2007 State Forester's Annual CFTLC Report

In terms of Timber Sales revenue, total revenue of all counties increased from \$42,690,822 to \$57,997,327 between 2002 and 2006. Relevant to the subject areas, Coos County increased from \$91,680 to \$460,526 and averaged \$221,975. Lane County increased from \$1,311,575 to \$1,938,839 and averaged \$1,785,661 whereas Douglas County decreased from \$571,521 to \$334,652 and averaged \$237,794.

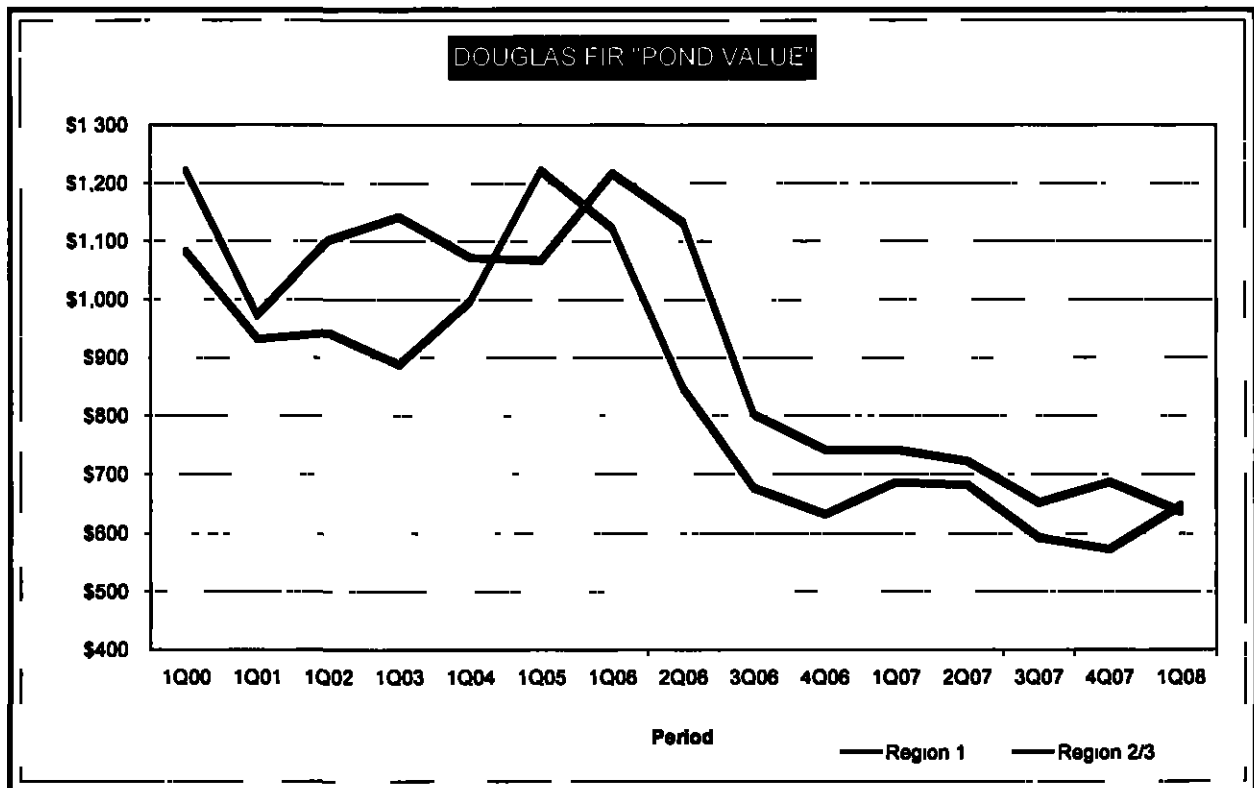
REVENUES FY2002-2006*						
County	2002	2003	2004	2005	2006	Avg 2002-2006
Benton	\$605,756	\$1,009,413	\$2,596,528	\$792,073	\$1,473,011	\$1,295,356
Clackamas	\$998,337	\$336,256	\$850,961	\$294,440	\$504,622	\$596,923
Clatsop	\$12,124,086	\$26,399,160	\$19,312,820	\$14,979,101	\$18,966,770	\$18,356,387
Columbia	\$1,443,747	\$1,026,224	\$741,227	\$963,567	\$680,851	\$971,123
Coos	\$91,680	\$184,951	\$262,816	\$109,904	\$460,526	\$221,975
Douglas	\$571,521	\$252,451	\$0	\$30,348	\$334,652	\$237,794
Josephine	\$104,676	\$76	\$0	\$0	\$0	\$20,950
Klamath	\$1,832,427	\$511,363	\$392,276	\$1,806,073	\$758,077	\$1,060,043
Lane	\$1,311,575	\$1,957,402	\$979,385	\$2,741,105	\$1,938,839	\$1,785,661
Lincoln	\$1,452,752	\$1,220,373	\$738,319	\$1,400,617	\$1,439,611	\$1,250,334
Linn	\$4,283,070	\$3,459,852	\$4,051,916	\$5,342,905	\$3,234,956	\$4,074,540
Marion	\$156,344	\$674,845	\$1,059,923	\$3,057,678	\$3,497,389	\$1,689,236
Polk	\$268,255	\$663,546	\$134,808	\$207,030	\$189,675	\$292,663
Tillamook	\$10,055,579	\$9,408,191	\$10,140,265	\$13,083,756	\$18,190,282	\$12,175,615
Washington	\$7,391,017	\$2,696,736	\$6,656,840	\$3,781,002	\$6,328,066	\$5,370,732
	\$42,690,822	\$49,800,839	\$47,918,084	\$48,589,599	\$57,997,327	\$49,399,334

*County Revenues from BOF Timber Sales
Source: 2007 State Forester's Annual CFTLC Report

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

Over the next several years, the Department of Forestry's log and saw timber stumpage price trends are projected to remain relatively stable. The primary product marketed by the Department of Forestry is sawmill logs, which are processed into predominately dimension lumber and plywood for the housing market. Downward pressure on lumber prices is expected over the next 18 months as a result of declining housing starts from the current ten year low. Recovery is expected to start in mid-2008 assuming the sub-prime mortgage problem doesn't spill over to other segments of the industry. The Oregon Department of Forestry's current log and stumpage prices has declined fifteen percent since 2006. However, plywood prices have increased fourteen percent in the last year and as a result of mill closures, reduced production and decreased supplies of mill residuals, chip and small log prices were at their highest levels in ten years.

Finally, the Oregon Department of Forestry keeps statistics with regard to log prices. As reflected in the following chart, which illustrates the "Pond Value" of timber in the regions, after a volatile period between 1Q-2000 and 1Q-2005, log prices have dropped significantly. Region 1 includes Lane County, which peaked in the first quarter of 2005 at \$1,225 and has fallen to \$650. Similarly, Region 2, which includes Douglas and Coos County, peaked at \$1,220 in 1Q-2000 and has fallen to \$640.



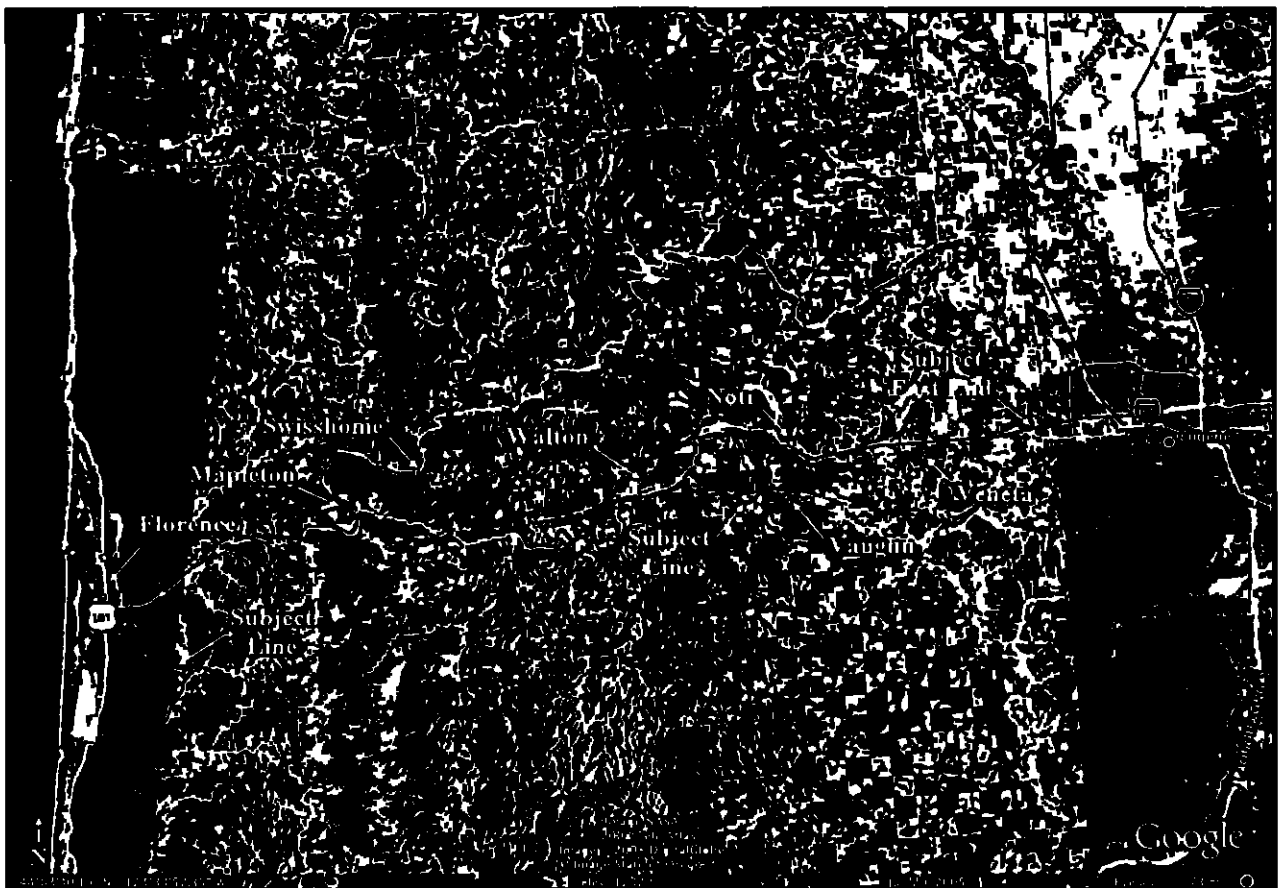
In general, rural parts of Oregon have long been tied to and dependent on the forest industry. However, the economy is turning to more stable industries such as information and technology. Within rural areas, the trend is towards service and recreational activities. As a result, there were 212 mill closures in Oregon between 1989 and 2003 which, in turn,

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

resulted in more than 16,996 job losses based upon information prepared by the Pulp and Papermakers Resources Council

Oregon has been the nation's leader in lumber production over much of the past 100 years and the timber industry has fueled the economic growth of the State for more than 150 years. However, like the rest of the economy the timber industry has evolved, adapted, downsized and consolidated as markets, technologies and raw material has changed. As a result, the once low-tech and labor-intensive operations of sawmills are now state-of-the-art, large scale, automated operations. While employment has declined in one sector of the industry (primarily lumber and plywood manufacturing), employment continues to increase in value-added manufacturing (millwork, cabinets and furniture). After all the change in the industry, Oregon still produces more lumber and panel products than any other state.

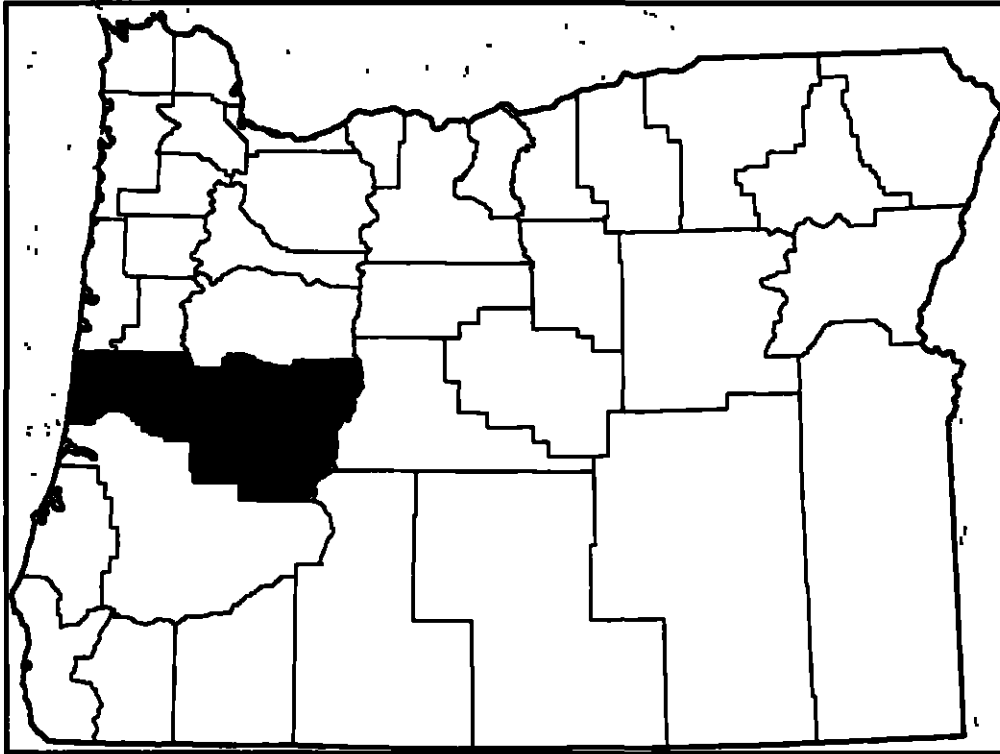
Lane County - Within Lane County, the east end of the subject line is in the City of Eugene and it travels westward through the incorporated City of Veneta as well as the unincorporated communities of Noti, Walton, Swisshome and Mapleton before veering south to Douglas County roughly three miles east of the City of Florence. Much of the route traverses forest land, including the Siuslaw National Forest.



Lane County Aerial Photograph

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

Lane County is located in Central Oregon and stretches from the Cascade Mountains to the Pacific Ocean. While 90 percent of the county is forestland, the county ranks 4th in Oregon in terms of population with 343,140 and boasts the 2nd largest urban area (Eugene/Springfield, with a population of 153,690). Historically, the economy has been based on timber and agriculture as a result of the Willamette Valley's fertile soil and vast forest areas, however, the economy has become more diverse in recent years. Principal industries include agriculture, higher education (University of Oregon), high technology, forest products, recreation, recreational vehicle manufacturing and tourism.



Lane County Location Map

Population within the County has increased at a slower rate than that of the State over the past seven years. Lane County's 2007 population is estimated at 342,781 up 0.9% from 2000 when the population was 322,959. Not surprisingly, the County's largest city, Eugene, representing more than 42% of the County, is similar in terms of growth; the cities of Florence and Veneta experienced higher growth rates, most likely the result of retirement immigration and the relatively high housing costs of Eugene, respectively. Relevant to the subject, the cities of Eugene, Florence and Veneta have populations of 145,394, 8,479 and 3,385, respectively.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

Lane County Population Matrix					
Area	Population			Annual Increase	
	2000	2007	2012	2000 - 2007	2007 - 2012
Oregon	3,421,399	3,752,734	4,004,796	1 3%	1 3%
Lane County	322,959	342,781	357,477	0.9%	0.8%
Eugene (City)	137,893	145,394	151,161	0 8%	0 8%
Florence (City)	7,263	8,479	9,197	2 2%	1 6%
Veneta (City)	2,755	3,385	3,738	3 0%	2 0%
Source US Bureau of the Census 2000 Census of Population and Housing ESRI Forecasts for 2007 and 2012					

In terms of employment, Lane County reports a civilian labor force of 182,761 and an unemployment rate of 6.2% in March 2008. The labor force has remained relatively stable over the past year gaining 1,402 jobs. However, the unemployment rate has increased 0.6% over the same period. As reflected on the chart on the below, Government represents the largest employer with Educational and Health Services, Trade, Transportation and Utilities, health and educational and manufacturing representing significant employment industries. With the exception of Manufacturing, all of the significant employment sectors reported increases. Manufacturing reports a decrease of 500 jobs, 300 of which are represented by losses in wood product manufacturing, which now employs 4,200. The nonfarm sector reflecting the most significant increase was the Educational and Health Services industry which added 400 jobs overall. Interestingly, Farm Payroll has increased by 371 over the same period.

EUGENE MSA (LANE COUNTY) LABOR FORCE SUMMARY					
	Mar. '08	Feb. '08	Mar. '07	Change From	
				Feb. '08	Mar. '07
Civilian Labor Force	182,761	181,031	181,359	1,730	1,402
Unemployment	11,261	10,900	10,230	361	1,031
Unemployment Rate	6.2%	6.0%	5.6%	0.2%	0.6%
Total Employment	171,500	170,131	171,129	1,369	371
Total Farm Payroll	15,600	14,731	15,229	869	371
Total Nonfarm Payroll	155,900	155,400	155,900	500	0
				0	0
Total Private Payroll	125,300	124,900	125,400	400	(100)
Natural Resource and Mining	900	900	1,000	0	(100)
Construction	7,600	7,500	7,700	100	(100)
Manufacturing	19,200	19,400	19,700	(200)	(500)
Trade Transportation & Utilities	28,900	28,800	28,800	100	100
Information	4,000	4,000	4,000	0	0
Financial Activities	8,400	8,400	8,400	0	0
Professional and Bus. Activities	15,800	15,600	15,600	200	200
Educational & Health Services	20,800	20,800	20,400	0	400
Leisure & Hospitality	14,500	14,300	14,600	200	(100)
Other Services	5,200	5,200	5,200	0	0
Government	30,600	30,500	30,500	100	100
Oregon Employment Department - Workforce Analysis - Lane County Trends - May 2008					

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

As mentioned previously, nearly 90 percent of Lane County is forestland. The largest landowner is the Forest Service, which owns 48% of all Lane County lands. In addition, the Board of Forestry owns an additional 24,734 acres. In 2007, the Board of Forestry harvested 4,554 thousand-board feet (MBF) of timber within Lane County, which reflects a decrease of 38.6% from 2006. Revenues from sales amounted to \$1,938,838 in 2006 (7,416 MBF). As discussed previously, stumpage prices over the next several years are projected to remain relatively stable, however, prices have fallen significantly over the last three years. As an example, the pond value of Douglas Fir in Region 1 has fallen from \$1,225 in the first quarter of 2005 to \$650 in the same quarter of 2008. Over the next eighteen months, additional downward pressure on prices is expected as a result of the decline in housing starts, which is at a ten year low.

Within any community, the housing market is a significant component. However, as a result of the area's reliance on housing starts and the housing market in general, movements are amplified. The following discussion was gleaned from a report titled 2007 Greater Lane County Residential Market Overview prepared by Tawfik Ahdab of the Pacific Valuation Group. In general, the market was relatively flat in the few years preceding 2000. Beginning in 2000, the market began to steadily improve through the high in 2005 before weakening in 2006 and falling in 2007. In terms of volume, there were 3,676 housing sales in 2000 in Lane County, 5,305 sales in 2005 and 4,150 in 2007, the most recent figure 1Q-2008 indicated 646 sales down from 943 in the same quarter of 2007. Sales price follows a similar pattern with an average sale price of \$132 per square foot in 2000 increasing steadily through 2007 to \$235 per square foot, 1Q-2008 reflects an average sales price of \$229 per square foot compared to \$230 per square foot in 1Q-2007. Additional interesting statistics involve marketing time and expired listings. The average days on market in 2000 was reported at 79 days which increased to a high in 2001 of 81 days before falling to a low of 45 days in 2005, the 2007 average was reported at 72 days. At the same time, expired listings were reported at 87.5% of sales in 2000, a low of 11% in 2005 and 35% in 2007.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

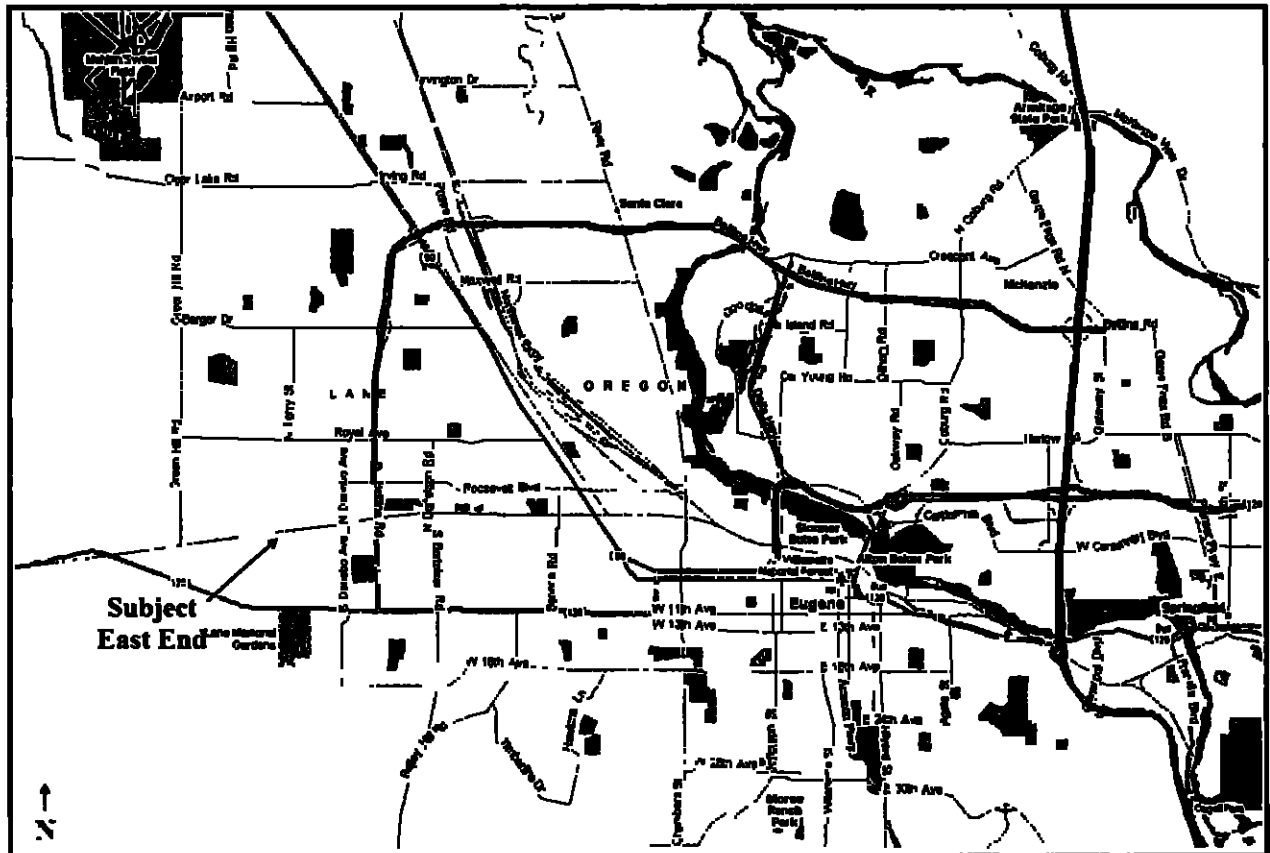
Eugene - The City of Eugene is located in Central Oregon near the confluence of the Willamette and McKenzie Rivers. The City of Eugene is the Lane County seat and ranks 2nd in Oregon in terms of population at 145,394, recently surpassing the City of Salem for that honor. The City's largest industries are wood products and recreation vehicle manufacturing. The largest employers in the City are University of Oregon, local government and the Sacred Heart Medical Center.

Area	Population			Annual Increase	
	2000	2007	2012	2000-2007	2007-2012
Oregon	3,421,399	3,752,734	4,004,796	1.3%	1.3%
Lane County	322,959	342,781	357,477	0.9%	0.8%
Eugene (City)	137,893	145,394	151,161	0.8%	0.8%
Florence (City)	7,263	8,479	9,197	2.2%	1.6%
Veneta (City)	2,755	3,385	3,738	3.0%	2.0%

Source: US Bureau of the Census, 2000 Census of Population and Housing

Area	Population			Annual Increase	
	2000	2007	2012	2000 = 2007	2007 = 2012
Oregon	3,421,399	3,752,734	4,004,796	1.3%	1.3%
Lane County	322,959	342,781	357,477	0.9%	0.8%
Eugene (City)	137,893	145,394	151,161	0.8%	0.8%
Florence (City)	7,263	8,479	9,197	2.2%	1.6%
Veneta (City)	2,755	3,385	3,738	3.0%	2.0%

Source US Bureau of the Census, 2000 Census of Population and Housing
ESRI Forecasts for 2007 and 2012



Eugene City Map

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS



Eugene Aerial Regarding East-End of Subject

The east end of the subject line is in Eugene where it crosses the unimproved Terry Street public right-of-way, which is near the City's western extreme. As the line travels briefly through the City's west extreme of incorporated area, it bisects raw industrial land in a predominantly rural-oriented setting.

Significant amounts of raw industrial land in transitioning rural areas, on the fringes of the City, are available for purchase with asking prices from \$2.15 to \$2.45 per square foot. However, recent sales indicate a significantly lower price per square foot of \$0.53 to \$1.58 with site size being a significant determining factor (as larger tracts sell at a lower unit price).

Veneta - After leaving the city limits of Eugene the subject travels through an area of unincorporated Lane County before entering the City of Veneta. As the subject line travels through Veneta, it bisects residential and commercial areas of the City.

The City of Veneta is a small bedroom community located roughly fourteen miles west of Eugene, along Highway 126. The City, along with the communities of Alvadore, Crow, Elmira, Lorane, Noti, Triangle Lake and Walton, make up the Fern Ridge area. The area is named after the Fern Ridge Lake/Reservoir located immediately north and east of Veneta. The reservoir is a popular site for boating, fishing and bird watching. The City's primary draw is its close proximity to Eugene, the reservoir and immediate access to Highway 126. More

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

than 80 percent of the City's 3,385 inhabitants work in nearby Eugene and Springfield. Veneta's employment is government and service oriented, with significant employers including the Fern-Ridge School District, Bi-Mart, Ray's and Swanson Lumber. In addition, the annual Oregon Country Fair provides additional local stimulus. The fair is a three-day event in July that attracts nearly 50,000 people annually.



Veneta Area Aerial

VENETA & ENVIRONS POPULATION CHART					
Area	Population			Annual Increase	
	2000	2007	2012	2000-2007	2007-2012
Oregon	3,421,399	3,752,734	4,004,796	1.3%	1.3%
Lane County	322,959	342,781	357,477	0.9%	0.8%
Eugene (City)	137,893	145,394	151,161	0.8%	0.8%
Veneta (City)	2,755	3,385	3,738	3.0%	2.0%
Source: US Bureau of the Census, 2000 Census of Population and Housing ESRI Forecasts for 2007 and 2012					

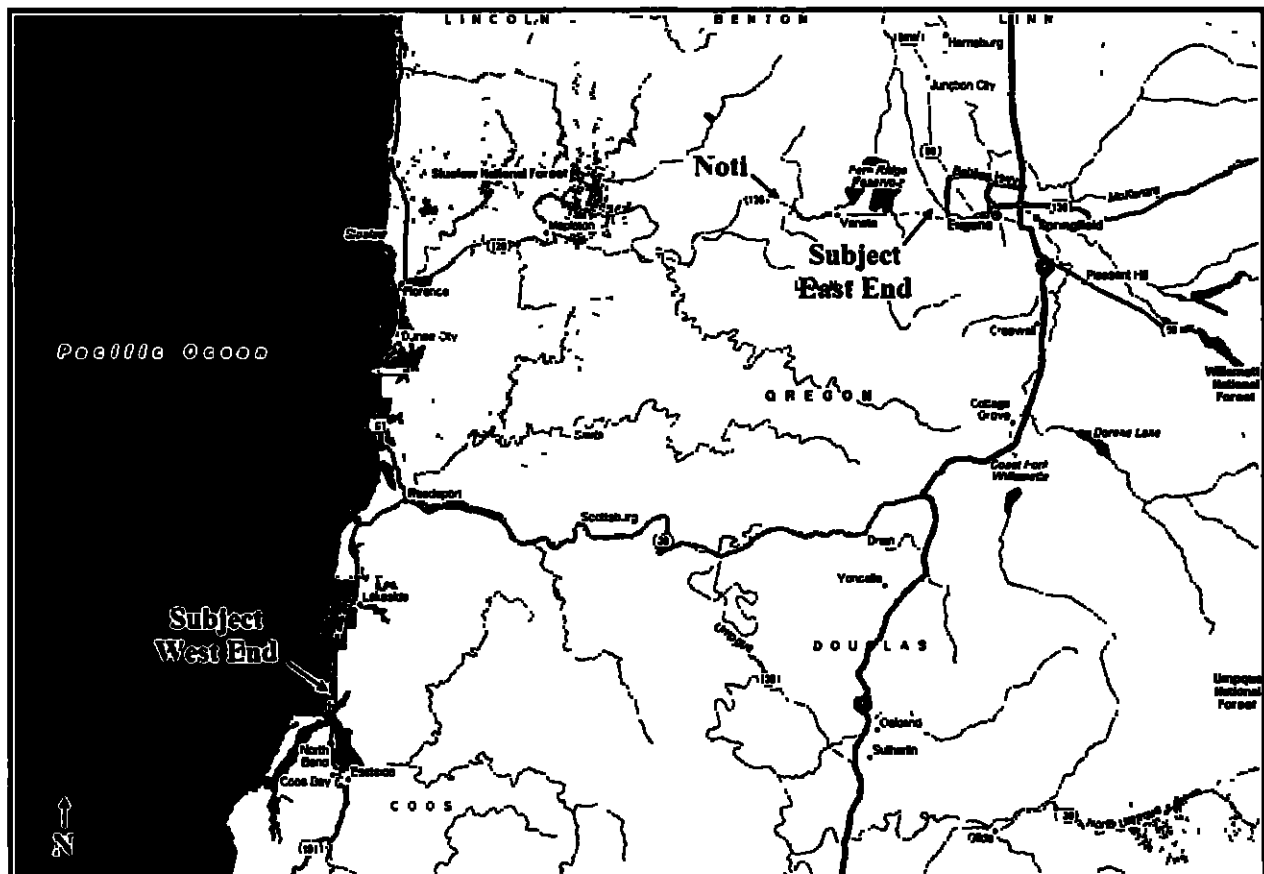
The subject line bisects commercial and residential areas while paralleling Highway 126 as it travels through the City. We interviewed several local brokers who indicated that

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

the market is relatively flat to declining as supply of all types of land far outweighs demand. For example, commercial lots are generally available throughout the City in the \$7 00 to \$12 00 range. However, there have been relatively few sales and the sales that have occurred have been in the \$3 00 to \$6 00 per square foot range, several of the available properties have required extensive marketing time. Reportedly this is at least partly the result of development difficulties caused by the City planning department. As an example, much of the subject line is encumbered by a Greenway zone overlay. The overlay is highly restrictive and effectively prohibits any development, including parking. As a result, potentially prime land is rendered essentially useless.

Similarly, supply of residential properties is also well above demand. As an example, the most recent subdivision is the Lawler Subdivision on 7th Avenue. This is a nine lot development that offered six lots for sale at \$80,000 in January, 2007. Since that time, two sales have occurred at \$75,000 and \$80,000 in December 2006 and June, 2007, respectively. The asking prices for the lots have recently been reduced to \$69,900 and no sales have yet to occur.

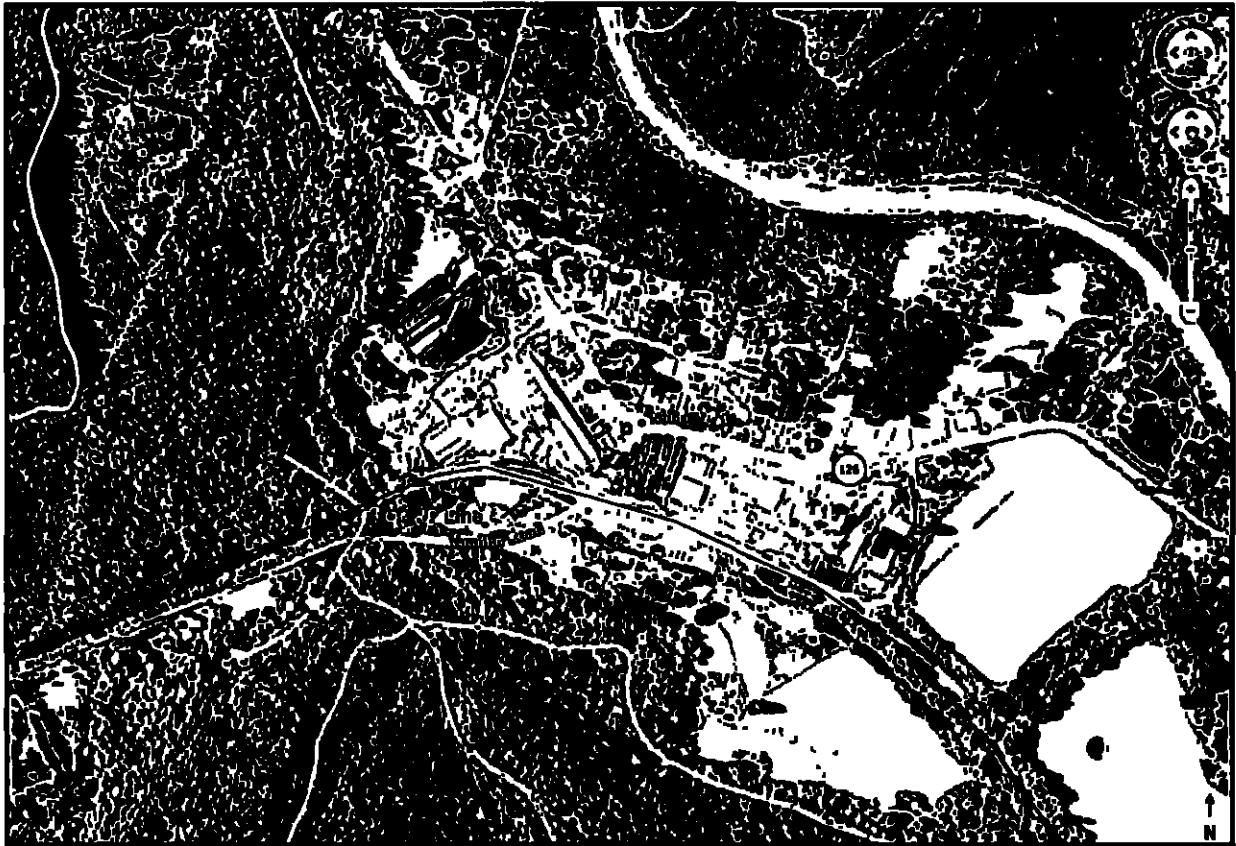
Noti - Located in the eastern foothills of the Central Oregon Coast Range is the community of Noti. A small mill town, it was previously located on Highway 126, but after realignment in 1996, the highway now passes just north of the community.



Noti Location Map

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

The population of 699 (Census 2000) is highly dependant on the two mills operating in the community. The Swanson Brothers is the older of the two mills and has operated a mill specializing in the milling of Douglas Fir since 1937. Swanson-Superior operates a small diameter mill that was established in 1973.

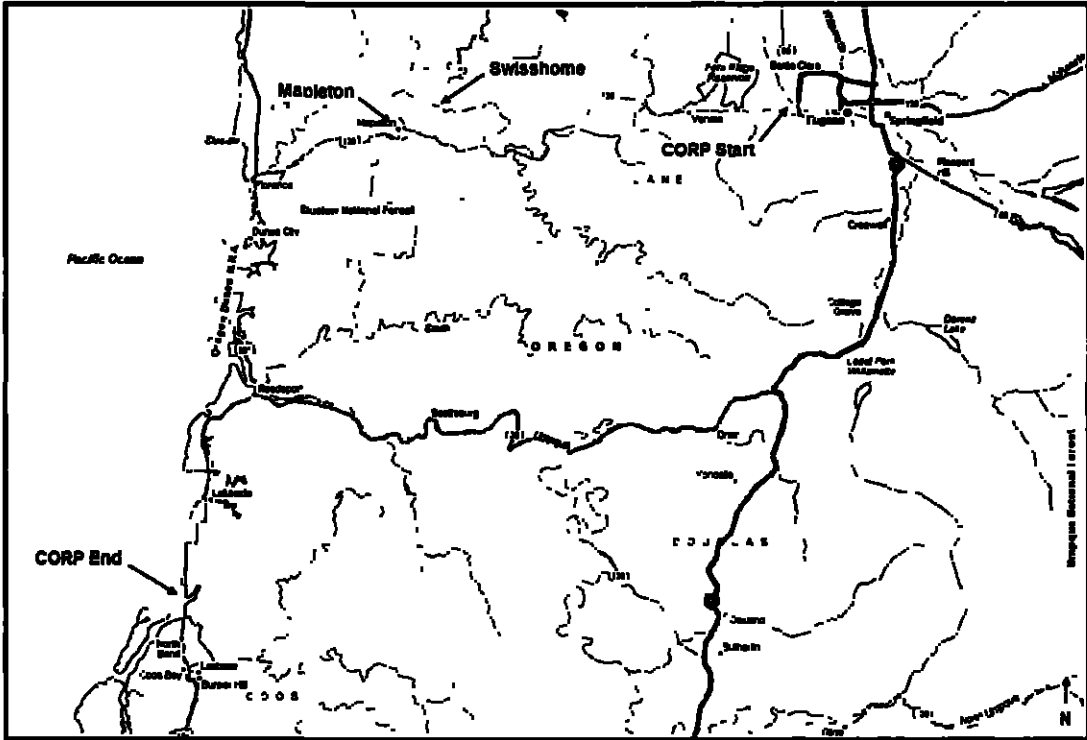


Noti Aerial

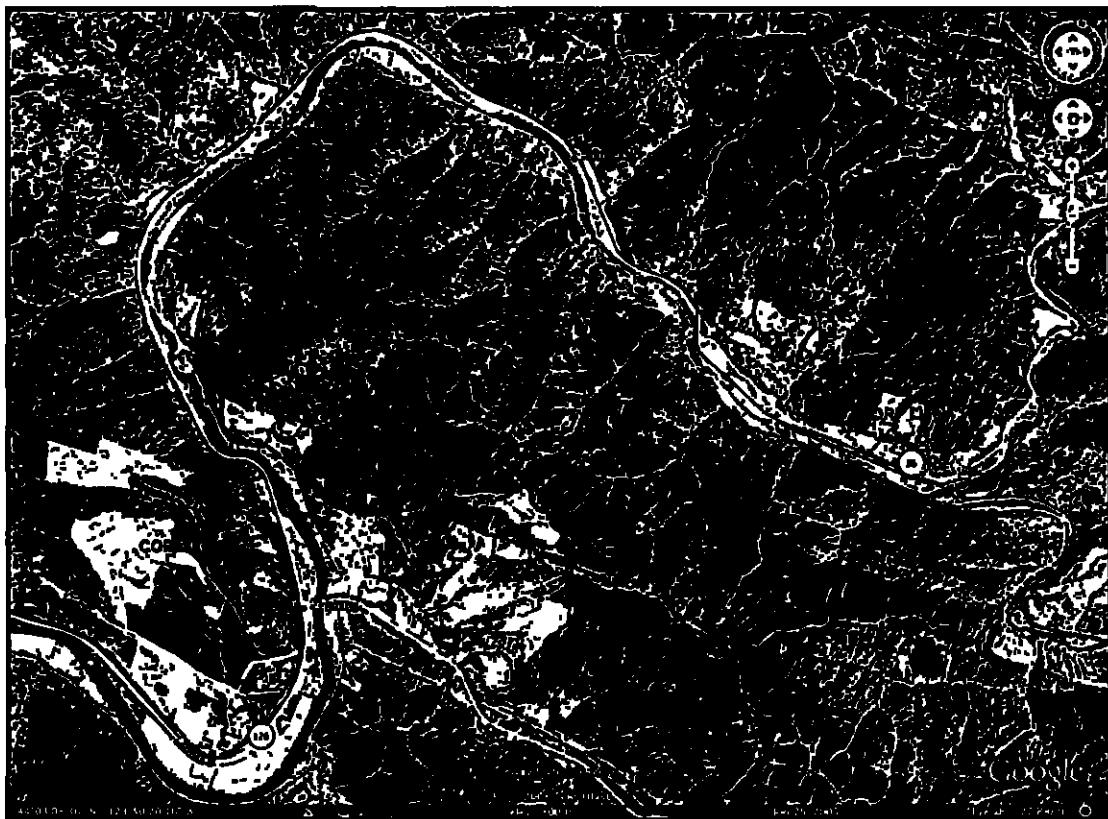
The subject line travels at the southern extreme of the community and immediately south of the Swanson-Superior mill along a rural industrial corridor. The rural industrial zoning is generally located near mill properties and tied to that use. As such, demand is limited and buyers often purchase the properties for residential development after a mill closing.

Swisshome and Mapleton - Traveling through the Siuslaw National Forest, the line follows the Siuslaw River through the communities of Swisshome and Mapleton. Both communities are relatively small and, along with the nearby area of Deadwood, are generally considered a single economic unit. The community of Swisshome is located along Highway 36 at its junction with Stagecoach Road roughly 22 miles east of Florence and eight miles northeast of Mapleton. The community of Mapleton is located along the banks of the Siuslaw River at the intersection of Highways 126 and 36, roughly fourteen miles east of the Pacific Ocean and 45 miles west of Eugene.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS



Swisshome and Mapleton Location Map



Swisshome/Mapleton Aerial

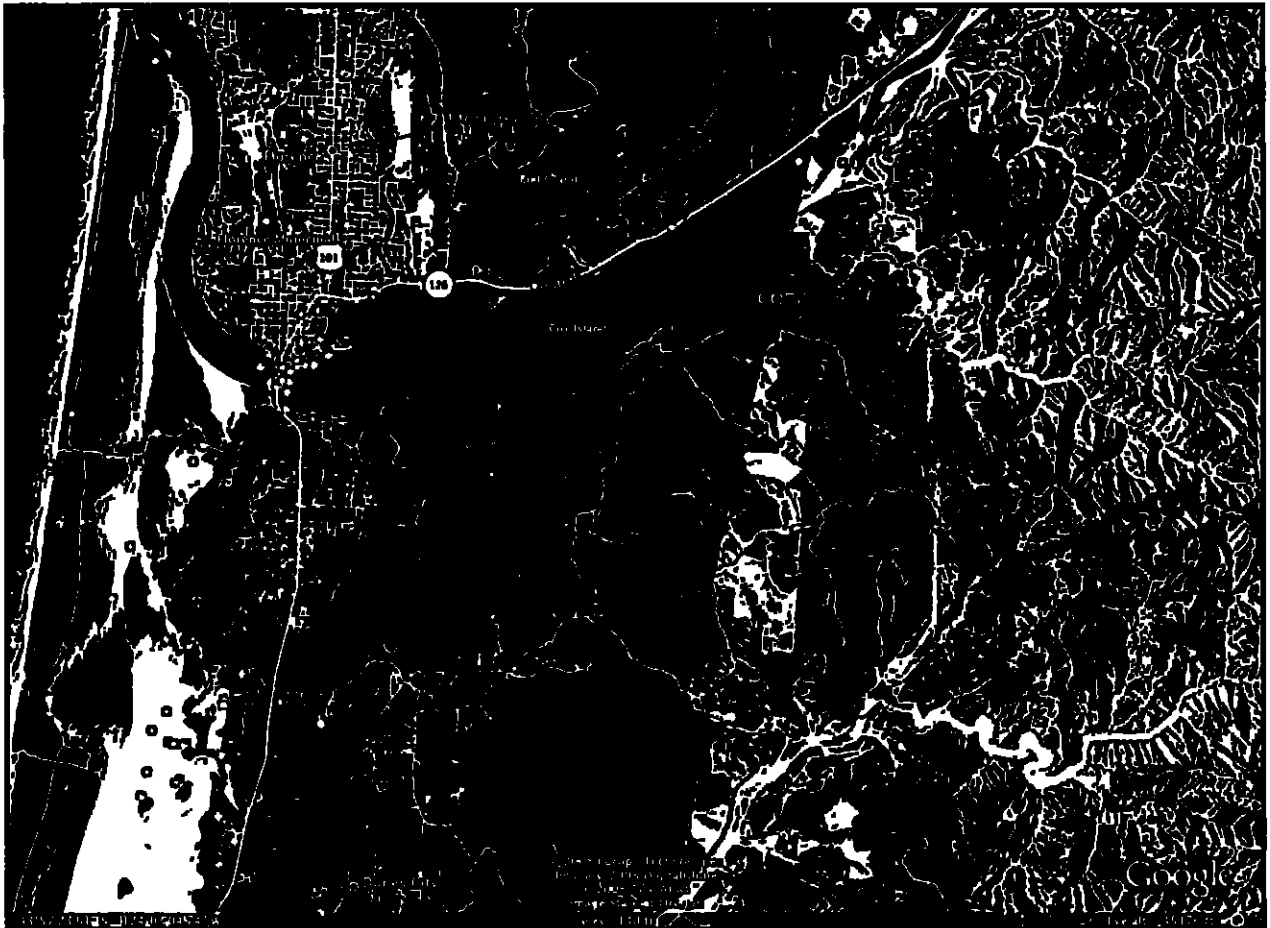
DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

The most recent population estimate (2000) reports the populations of Swisshome at 399 and Mapleton at 1,104. Historically, both have been timber communities that once employed 300 to 500 people and boasted two large and several, small mills along the Siuslaw River. Swisshome now features a single operating mill which is owned and operated by American Laminators which produces a variety of glue-lam beams. The three closed Davidson Industry mills located outside of Mapleton have no plans to reopen and no redevelopment plans exist. The areas are now predominately bedroom communities with local recreational activities including fishing and hunting.

As the line travels through Swisshome and Mapleton, it goes through rural residential areas of the community. A review of information gleaned from the regional multiple listing service (RMLS) indicates that there have been 22 residential sites offered for sale since the beginning of 2006. Of the total, four properties have sold, one is pending, seven have expired and ten are currently available. The properties that sold ranged from \$65,000 to \$150,000 for 0.23 to 4.29 acres and averaged \$117,750. On a price per acre basis, the sales indicate a range of \$34,033 to \$282,609 with a clear inverse relationship between price per acre and site size as the additional value of the surplus land dilutes the per acre value of the overall homesite. In terms of marketing time, the sales indicate days on market of 0 to 148 days and averaged 52 days. The one pending transaction is a two-acre site that was available for only 44 days at \$169,900 or \$484,950 per acre. It should be noted that the last sale occurred in September, 2007 which is also the time the pending property was reported. The properties with expired listing status ranged in size from 0.32 to 36.44-acres in size and were listed for \$65,000 to \$369,900 or \$10,151 to \$203,125 per acre. Finally, in addition to the 66.27 acres that expired, there are an additional 44.85 acres currently available. The ten properties have had an average market exposure of 472 days, range in size from 0.3 to 20.54 acres and are available from \$25,000 to \$300,000, or \$14,606 to \$500,000 per acre. Clearly the residential market conditions have been weak and it appears likely to remain so for a considerable period.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

Florence - The subject line does not extend through the limits of the City of Florence, but it is of regional significance and therefore addressed in this analysis. The community is located along the Oregon Coast at a point roughly 45 miles between Newport to the north and Coos Bay to the south, respectively and roughly 60 miles west of Eugene. The area is known for some of the world's largest dunes, fifteen freshwater lakes, the Siuslaw River and a significant coastline.



Florence Aerial

While the subject line veers south roughly three miles east of the City, it nevertheless represents the most influential force on the communities located towards the eastern extreme of the county. As of 2007, the City of Florence had 8,479 residents. This represents an annual increase of 2.2 percent from 2000, which is above the 0.9 and 1.3 percent figures reported for Lane County and the State of Oregon, respectively. The rate is expected to moderate over the next five years, yet stay well above the rate forecasted for the County.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

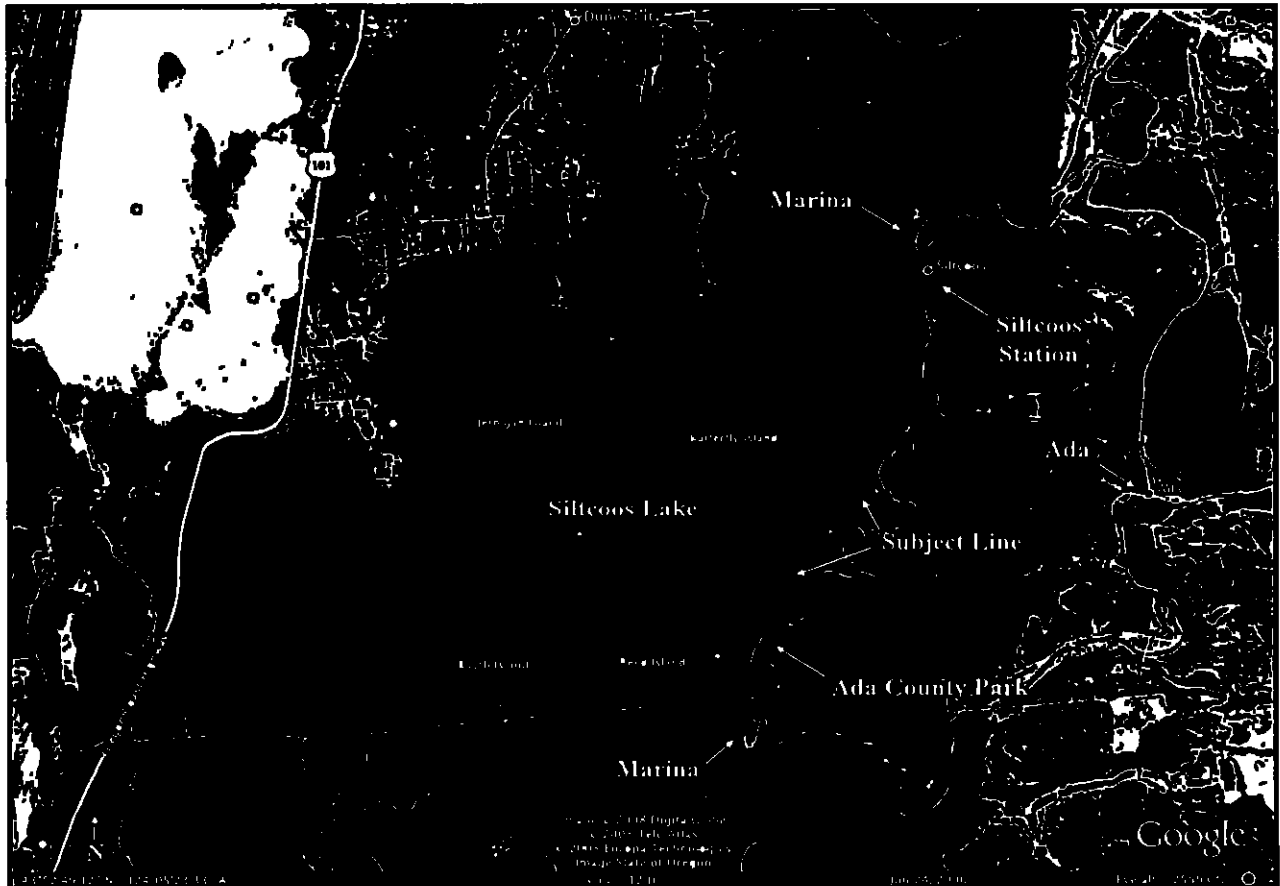
FLORENCE - POPULATION CHART					
Area	Population			Annual Increase %	
	2000	2007	2012	2000 - 2007	2007 - 2012
Oregon	3,421,399	3,752,734	4,004,796	1 3%	1 3%
Lane County	322,959	342,781	357,477	0 9%	0 8%
Eugene City	137,893	145,394	151,161	0 8%	0 8%
Florence City	7,263	8,479	9,197	2 2%	1 6%
Veneta City	2,755	3,385	3,738	3 0%	2 0%
Source US Bureau of the Census 2000 Census of Population and Housing ESRI Forecasts for 2007 & 2012					

Historically, the economy of Florence centered on the fishing and timber industries. Now arts, entertainment, recreation, accommodation and food services are the main source of industry with educational, health and social services coming in second. General market conditions have been steadily improving in recent years. In 2004, the City of Florence was rated by Business Wire as America's top place to retire due to affordability, recreational opportunity and quality of health services. Because of this, Florence has experienced a high growth of retirees who are relocating from other Oregon and California cities.

Within any community, the housing market is a significant component. However, as a result of the area's reliance on housing starts and the housing market in general, movements are amplified. The following discussion was gleaned from a report titled 2007 Greater Florence Residential Market Overview prepared by Tawfik Ahdab of the Pacific Valuation Group. Beginning in 2000, the market began to steadily improve through the high in 2005 before weakening in 2006 and continuing to fall in 2007. In terms of volume, there were 324 sales in 2000, 561 sales in 2005 and 306 in 2007, the most recent figure, 1Q-2008, indicated 44 sales, down from 70 in the same quarter of 2007. Sales price follows a similar pattern with an average sale price of \$111 per square foot in 2000 increasing steadily through 2006 to \$243 per square foot before falling in 2007 to \$238 per square foot, 1Q-2008 reflects an average sales price of \$225 per square foot. Additional interesting statistics involve marketing time and expired listings. The average days on market in 2000 was reported at 211 days, which is well above the 2007 figure of 148 days yet below the 1Q-2008 figure of 230 days. At the same time, expired listings were reported at 52% of sales in 2000, 88% in 2007 and 120% in 1Q-2008.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

Siltcoos Station and Ada Areas – As the subject line travels south through Lane County it follows the eastern bank of Siltcoos Lake before entering Douglas County



Siltcoos Lake Aerial

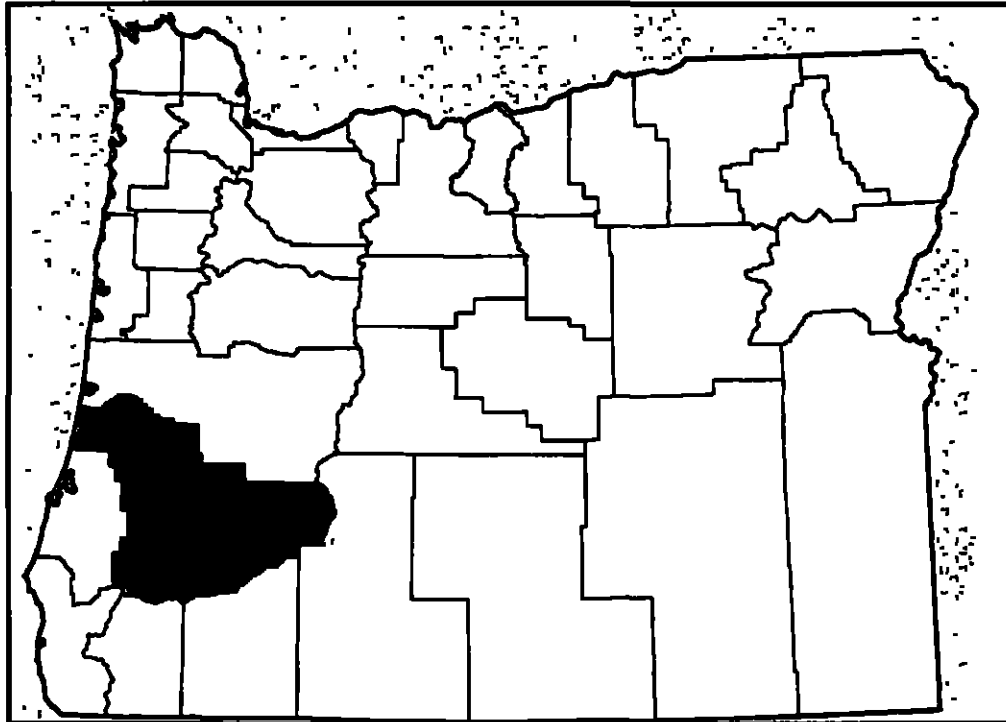
Siltcoos Lake is the Oregon Coast's largest lake and is located at the border between Lane and Douglas Counties. Relative to the subject line, the area's primary attractions are Siltcoos Station, Ada County Park, two marinas and the Lake. Residential uses in the area are rural and primarily consist of retirement and vacation homes. Siltcoos Station is located roughly 20 minutes from Florence. A once thriving community in the early 1900's as a result of the rail line, the completion of Highway 101 left the area a backwater of little or no economic viability. Siltcoos Station was later named a historic site and donated to Lane Community College of Florence in 1972, the college rehabilitated the property and now rents out the conference room and four cabins.

The two marinas and park in the area provide additional recreational opportunities. In late 2007, toxic algae was discovered in the Lake. The algae are most likely the result of a combination of water conditions and temperature, old septic systems and urban development. As a result, there was to be no consumption of the water by drinking or bathing and no pets or children were to have contact with the water. The advisory was lifted.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

roughly two months later It is unclear what the long-term effect of the situation on the area and local economy will be

Douglas County - At Siltcoos Lake the line travels south through Douglas County Along the way, the line bisects Tehkenitch Lake before crossing the Umpqua River and entering the City of Reedsport The line passes through the eastern extreme of Reedsport and continues south to the Coos County border at the north end of North Tenmile Lake



Douglas County Location Map

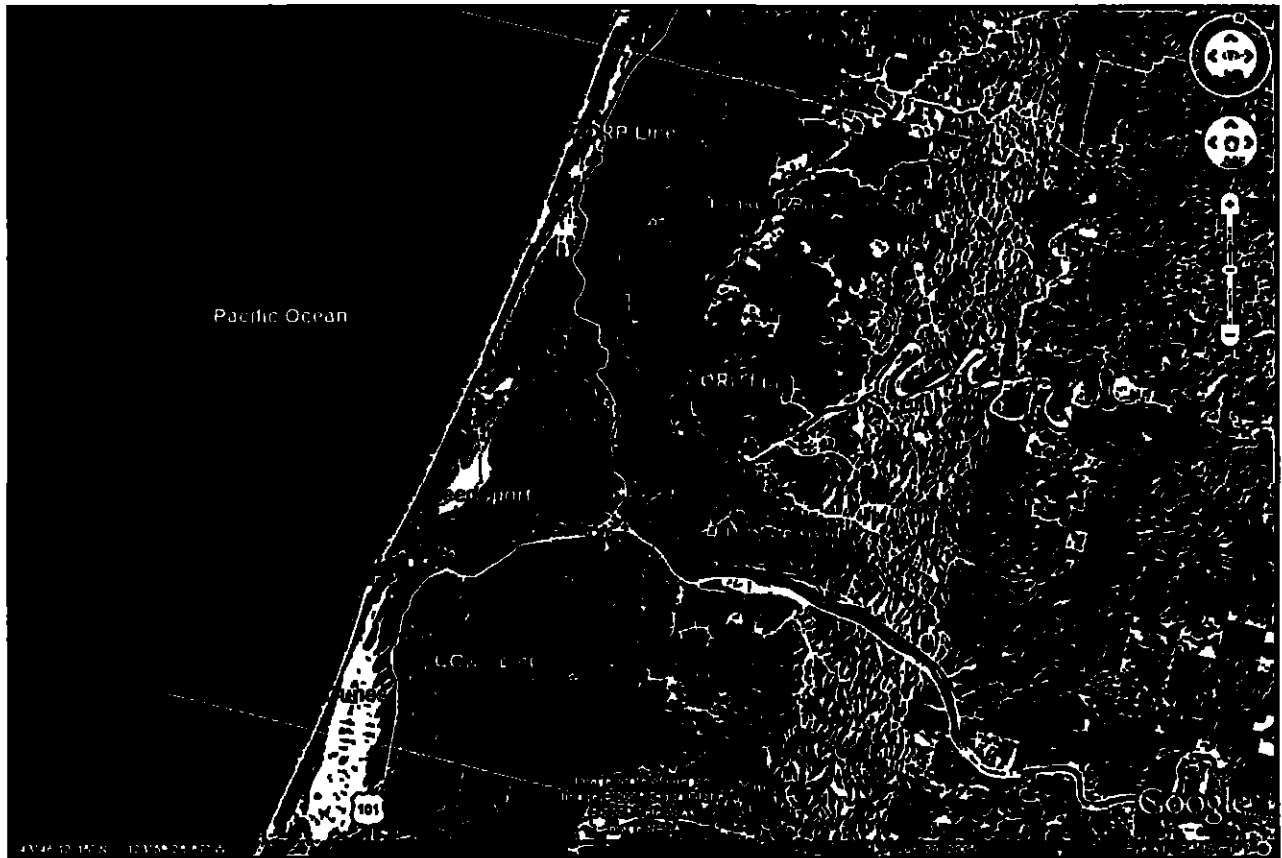
Douglas County is located in Southwest Oregon Similar to Lane County to the north, it stretches from the Cascade Mountains to the Pacific Ocean The entire Umpqua River lies within the County borders and it contains nearly 2.8 million acres of commercial forestland

In terms of population, as of 2007, Douglas County ranks 9th in Oregon with 105,822 residents The population has risen over the past seven years at an annual rate of 0.8 percent which is below the 1.3 percent exhibited by the State over the same time period

Population Matrix						
Area	Population			Annual Increase		
	2000	2007	2012	2000-2007	2007-2012	
Oregon	3,421,399	3,752,734	4,004,796	1.3%	1.3%	
Douglas County	100,399	105,822	109,884	0.8%	0.8%	
Reedsport City	4,378	4,310	4,326	-0.2%	0.1%	
Source: US Bureau of the Census 2000 Census of Population and Housing ESRI Forecasts for 2007 and 2012						

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

Over 50 percent of the land area in Douglas County is owned by the Federal Government and approximately 25 percent of the County's labor force is employed in the forest products industry. In addition, agriculture is an important factor in the economy with field crops, orchards and livestock the major industries.



Douglas County Aerial Map

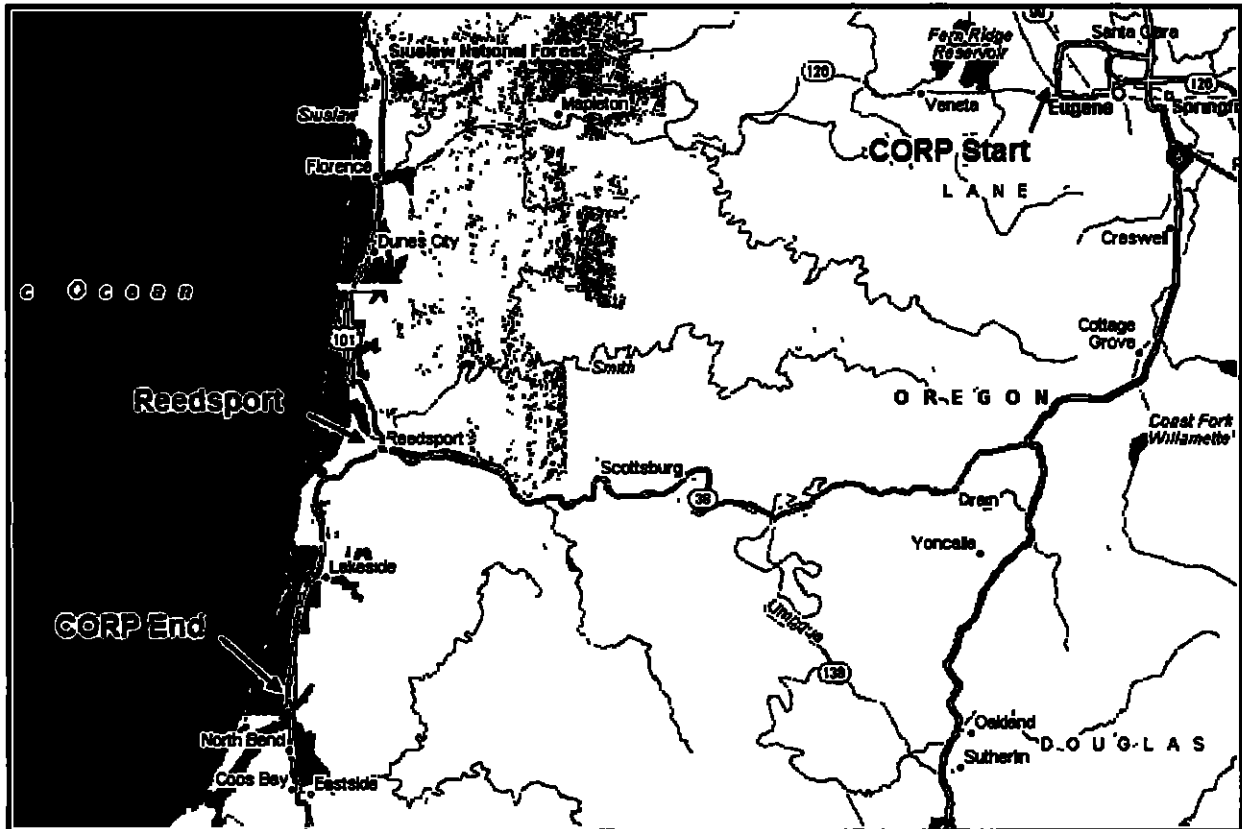
As of March 2008, Douglas County reported a civilian labor force of 48,558 of which 5,084, or 10.5 percent were unemployed. The unemployment rate represents a 0.8 percent increase over the previous month and 2.1 percent increase over the same period of 2007. Government represents the largest employer with Trade, Transportation and Utilities representing the most significant non-government employment industry. The broadening of the economy is noted in the significance of the Manufacturing, Education and Health, Leisure and Hospitality, and Professional and Business Activities sectors. Manufacturing lost the most jobs in the past year (240), which included a loss of 260 jobs in the wood products industry. Financial Activities and Professional and Business Activities represented the highest gains in employment at 40 jobs each.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

DOUGLAS COUNTY LABOR FORCE SUMMARY					
	Mar. '08	Feb. '08	Mar. '07	Change From	
				Feb. '08	Mar. '07
Civilian Labor Force	48,558	48,222	47,494	336	1,064
Unemployment	5,084	4,656	3,970	428	1,114
Unemployment Rate	10.5%	9.7%	8.4%	0.8%	2.1%
Total Employment	43,474	43,566	43,524	(92)	(50)
Total Farm Payroll	4,294	4,236	4,144	58	150
Total Nonfarm Payroll	39,180	39,330	39,380	(150)	(200)
				0	0
Total Private Payroll	30,270	30,400	30,420	(130)	(150)
Natural Resource and Mining	930	920	920	10	10
Construction	1,870	1,890	1,870	(20)	0
Manufacturing	5,750	5,980	5,990	(230)	(240)
Trade Transportation & Utilities	7,180	7,200	7,220	(20)	(40)
Information	390	390	390	0	0
Financial Activities	1,730	1,720	1,690	10	40
Professional and Bus. Activities	3,040	3,020	3,000	20	40
Educational & Health Services	4,640	4,640	4,610	0	30
Leisure & Hospitality	3,530	3,440	3,540	90	(10)
Other Services	1,210	1,200	1,190	10	20
Government	8,910	8,930	8,960	(20)	(50)
Oregon Employment Department - Workforce Analysis - Douglas County Trends - May, 2008					

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

Reedsport - The subject line crosses the Smith and Umpqua Rivers (near confluence) and enters the City of Reedsport at its easterly extreme. In Reedsport, the line travels through the eastern portion of the City bisecting commercial and industrial land.

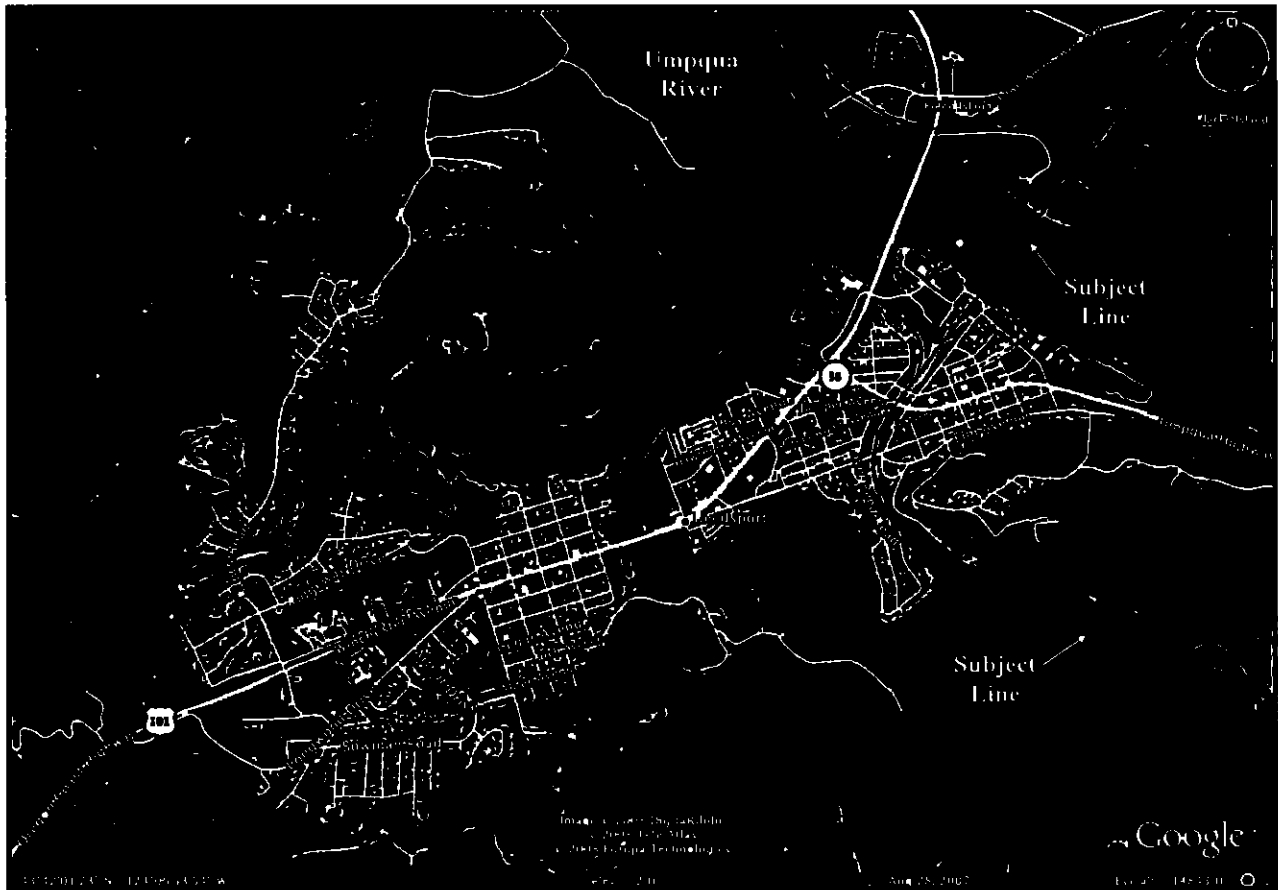


Reedsport Regional Map

The City of Reedsport is located near the western extreme of Douglas County, immediately south of the Umpqua River and at the intersection of Highways 38 and 101. In terms of population, the City has 4,310 residents as of 2007. This represents a decrease of 68 people from 2000; population is expected to be relatively flat over the next five years. It is primarily service oriented as a result of being located along Highway 126; tourism represents the major industry with smaller service businesses, the City of Reedsport and American Bridge representing the major employers.

Population Matrix						
Area	Population			Annual Increase		
	2000	2007	2012	2000 - 2007	2007 - 2012	
Oregon	3,421,399	3,752,734	4,004,796	1.3%	1.3%	
Douglas County	100,399	105,822	109,884	0.8%	0.8%	
Reedsport City	4,378	4,310	4,326	-0.2%	0.1%	
Source: US Bureau of the Census, 2000 Census of Population and Housing ESRI Forecasts for 2007 and 2012						

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS



Reedsport Aerial

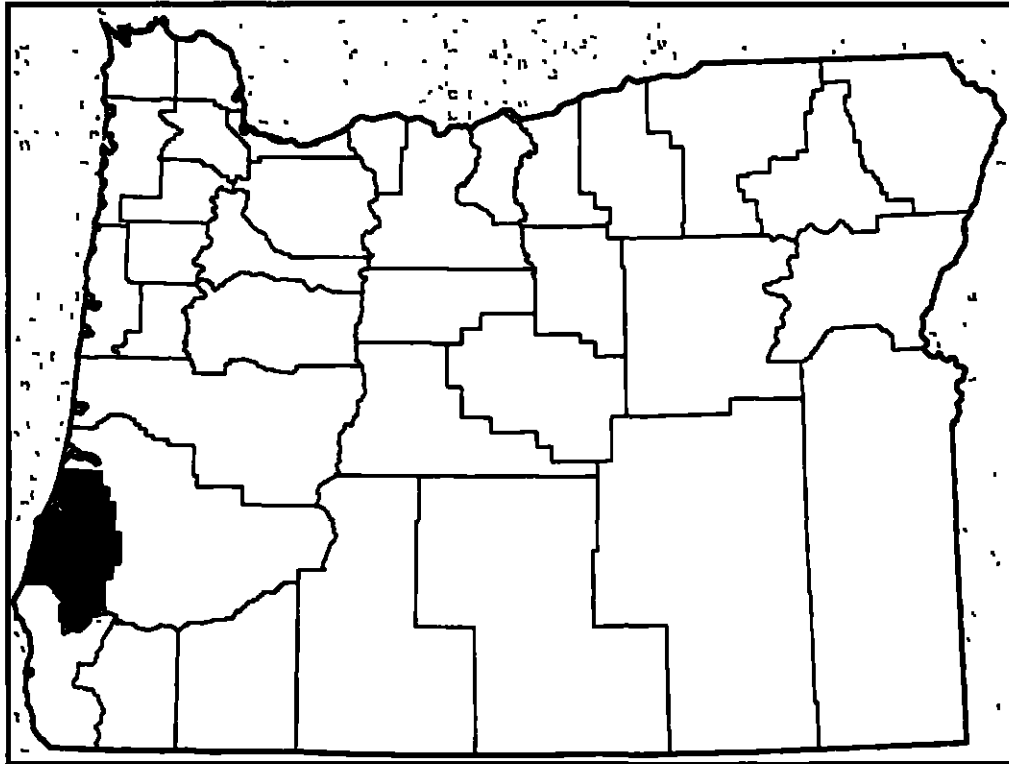
Relative to the City of Reedsport, the subject line primarily bisects industrial areas at the eastern extreme of the City before traveling next to a small congregation of service commercial uses near the southeast end of the City. Recent industrial sales indicate a range of \$1.41 to \$2.56 per square foot in the immediate area. We were unable to uncover any currently marketed industrial properties; however, it should be noted that much of the industrial area is undeveloped or underdeveloped, and much came from CORP selling off excess areas.

With regard to commercial land in the City, we were only able to uncover one listing and no relevant sales. However, based upon field inspection, it is obvious that there is significant undeveloped commercial land. The one listing developed represents a 9,000 square foot site along Fir Avenue for \$95,000, or \$10.56 per square foot. The asking rate is in line with regional commercial sales, which ranged from \$9.93 to \$10.85 per square foot. In the final analysis, it is clear that there is significant undeveloped industrial and commercial land in the City's old town area and little if any demand.

It is also noted that the line traverses multi-family and single-family residential zones, but these markets did not warrant investigation because the subject is essentially unusable by abutting lands due to wetlands, steep slopes, and access limitations.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

Coos County - Within Coos County the subject line travels through forestland from Douglas County south to the City of Lakeside then parallels Highway 101 to the end of the subject line at Cordes, which is roughly four miles north of the City of Coos Bay

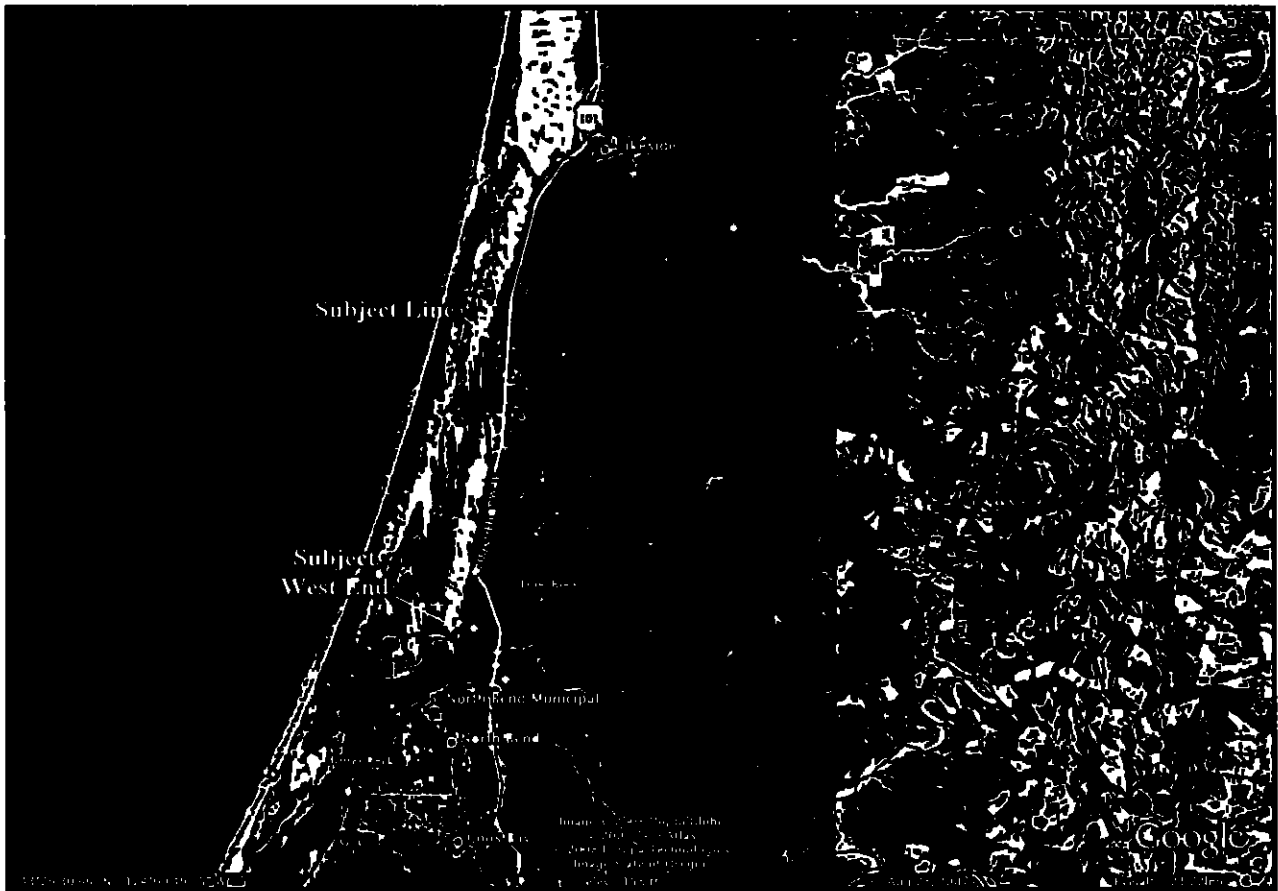


Coos County Location Map

Coos County is located in southwest Oregon. The county is bound by Douglas County to the north and east, Curry County to the south and the Pacific Ocean to the west. While the eastern portion of the county is heavily forested, the western portion features significant dunes within the Oregon Dune National Recreation Area and water features such as Coos Bay and Tenmile Lake. Coos County accommodates several port districts including the Oregon International Port of Coos Bay, Port of Coquille River and the Port of Bandon. Coos Bay is considered by many to be the best natural harbor between the San Francisco Bay and the Puget Sound.

Traditionally, the County's economy was driven by the lumber industry. While forest products still provide a significant source of employment, tourism, fishing and agriculture have increased in importance as the service industry replaces the former lumber-driven economy. Bandon Dunes Golf Resort, north of Bandon and south of Coos Bay attracts tourists and golfers from around the world. Boating, dairy, farming, myrtle wood processing, ship building and repairing and agricultural specialty products, including cranberries, also play a role. There are also rich untapped deposits of iron ore and lead awaiting development.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS



Coos County Aerial Location Map

In terms of population, Coos County ranks 16th in the state with 64,076 residents. The population has been relatively stable since 2000, increasing at a significantly slower pace than the state. The annual population growth rate is expected to double over the next five years, yet remain below that of the State.

Population Matrix					
Area	Population			Annual Increase	
	2000	2007	2012	2000 - 2007	2007 - 2012
Oregon	3,421,399	3,752,734	4,004,796	1.3%	1.3%
Coos County	62,779	64,076	66,023	0.3%	0.6%
Coos Bay City	15,274	15,759	16,239	0.4%	0.6%
Lakeside City	1,371	1,464	1,544	0.9%	1.1%
Source: US Bureau of the Census, 2000 Census of Population and Housing					
ESRI Forecasts for 2007 and 2012					

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

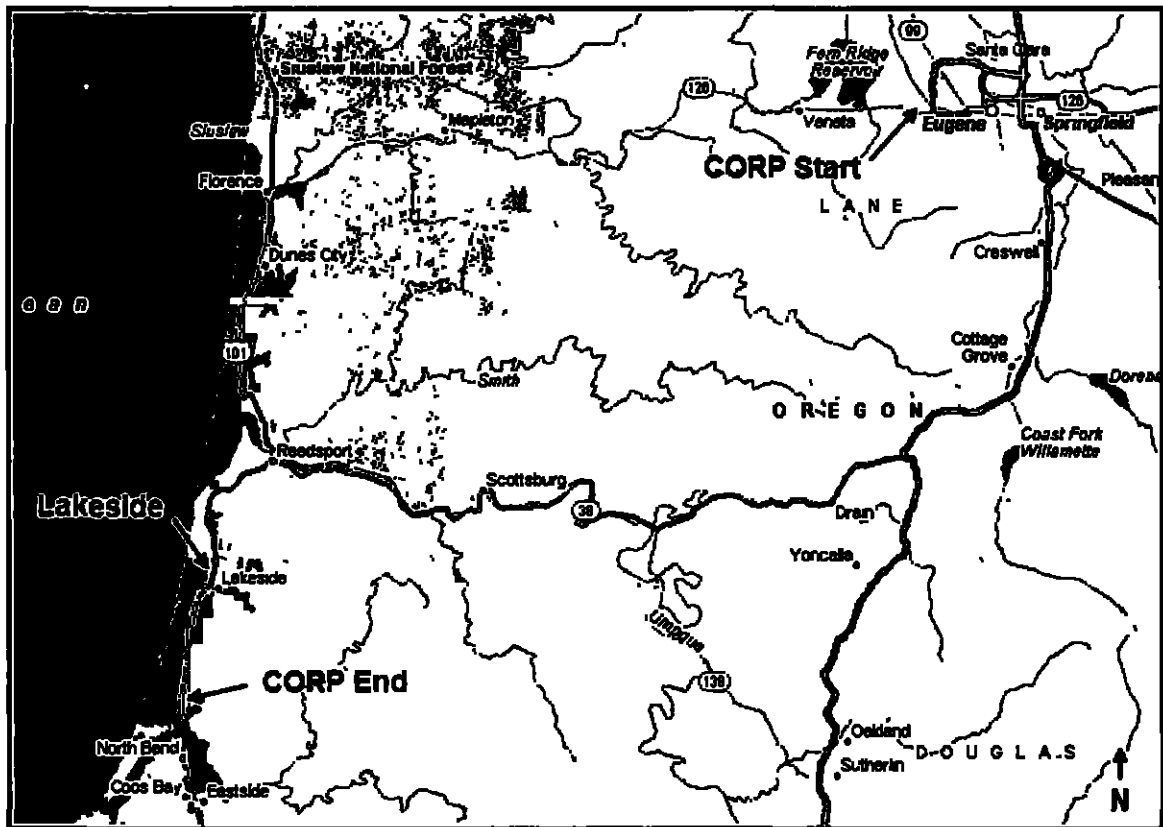
In terms of employment, Coos County reports a civilian labor force of 28,959 and an unemployment rate of 8.2 percent in March 2008. The labor force has remained relatively stable over the past year gaining 154 jobs. However, the unemployment rate has increased 0.9 percent over the same period. As reflected on the table below, Government represents the largest employer with Trade, Transportation and Utilities representing the most significant non-government employment industry. As the economy becomes more service orientated it is not surprising that Leisure and Hospitality, Educational and Health Services and Professional and Business Activities all represent significant industries. In fact, Leisure and Hospitality demonstrated the largest gains over the previous month and year.

SOUTH COAST (COOS COUNTY) LABOR FORCE SUMMARY					
	Change From				
	Mar. '08	Feb. '08	Mar. '07	Feb. '08	Mar. '07
Civilian Labor Force	28,959	28,725	28,566	234	393
Unemployment	2,381	2,301	2,040	80	341
Unemployment Rate	8.2%	8.0%	7.1%	0.2%	0.9%
Total Employment	26,578	26,424	26,526	154	52
Total Farm Payroll	3,358	3,264	3,286	94	72
Total Nonfarm Payroll	23,220	23,160	23,240	60	(20)
				0	0
Total Private Payroll	16,690	16,600	16,790	90	(100)
Natural Resource and Mining	580	580	600	0	(20)
Construction	970	940	1,040	30	(70)
Manufacturing	1,570	1,590	1,580	(20)	(10)
Trade Transportation & Utilities	4,440	4,450	4,410	(10)	30
Information	290	300	280	(10)	10
Financial Activities	940	930	950	10	(10)
Professional and Bus. Activities	2,190	2,180	2,490	10	(300)
Educational & Health Services	2,400	2,400	2,280	0	120
Leisure & Hospitality	2,690	2,610	2,530	80	160
Other Services	620	620	630	0	(10)
Government	6,530	6,560	6,450	(30)	80
Oregon Employment Department - Workforce Analysis - South Coast (Coos County) Trends - May, 2008					

Lakeside - Traveling south from unincorporated Coos County, the subject line bisects residential land and some commercial land as it travels west through the center of the City of Lakeside.

The City of Lakeside is located in northwest Coos County, roughly thirteen miles north of Coos Bay and ten miles south of Reedsport. The city is located along Tenmile Lake, one of Oregon's largest and most popular recreation lakes. In addition, the City is located only minutes from sand dune access as well as clamming, crabbing and ocean fishing. In terms of the local economy, the City is a bedroom community. Many of the residents commute to nearby Coos Bay. Being located along Highway 101, the remaining residents are highly dependent upon the service, recreational and tourist industry.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS



Lakeside Location Map

In terms of population, the City of Lakeside reports a 2007 total of 1,464, up 93 residents or 0.4 percent annually from 2000. The City is expected to grow at a rate of 1.1 percent annually over the next five years which is near the rate expected for the State and nearly twice that of the County.

Population Matrix					
Area	Population			Annual Increase	
	2000	2007	2012	2000 - 2007	2007 - 2012
Oregon	3,421,399	3,752,734	4,004,796	1.3%	1.3%
Coos County	62,779	64,076	66,023	0.3%	0.6%
Coos Bay City	15,274	15,759	16,239	0.4%	0.6%
Lakeside City	1,371	1,464	1,544	0.9%	1.1%
Source: US Bureau of the Census, 2000 Census of Population and Housing ESRI Forecasts for 2007 and 2012					

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS



Lakeside Aerial Photo

As the line passes through Lakeside, it cuts through residential areas of town. We interviewed several local brokers who indicated that currently the supply of residential lots far exceeds demand. While there have been several sales over the past few years in the \$55,000 to \$110,000 per lot range, there remains significant inventory. As an example, the Raechel Estates, a 35-lot subdivision that was developed in October 2005, has sold only nine lots between \$65,000 and \$103,000 per lot. The remaining lots are available from \$79,500 to \$94,900 and the listing broker indicated that she might have to give a couple away. As a result, land with residential sub-division potential is relatively inexpensive. The most recent sale involved 20.0 acres for \$529,000 which equates to \$26,450 per acre \$0.61 per square foot.

The subject line also bisects four General Commercial zoned areas fronting on North 8th Street and these are offered no substantial benefit or synergy by the subject. All of these are vacant, at least one appears to have wetland issues and the abutting portion of subject is only 40 feet wide (with the SPTC pipeline easement).

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

Saunders Lake Area – As the subject line passes through Coos County in a southerly direction it follows and bisects Saunders Lake



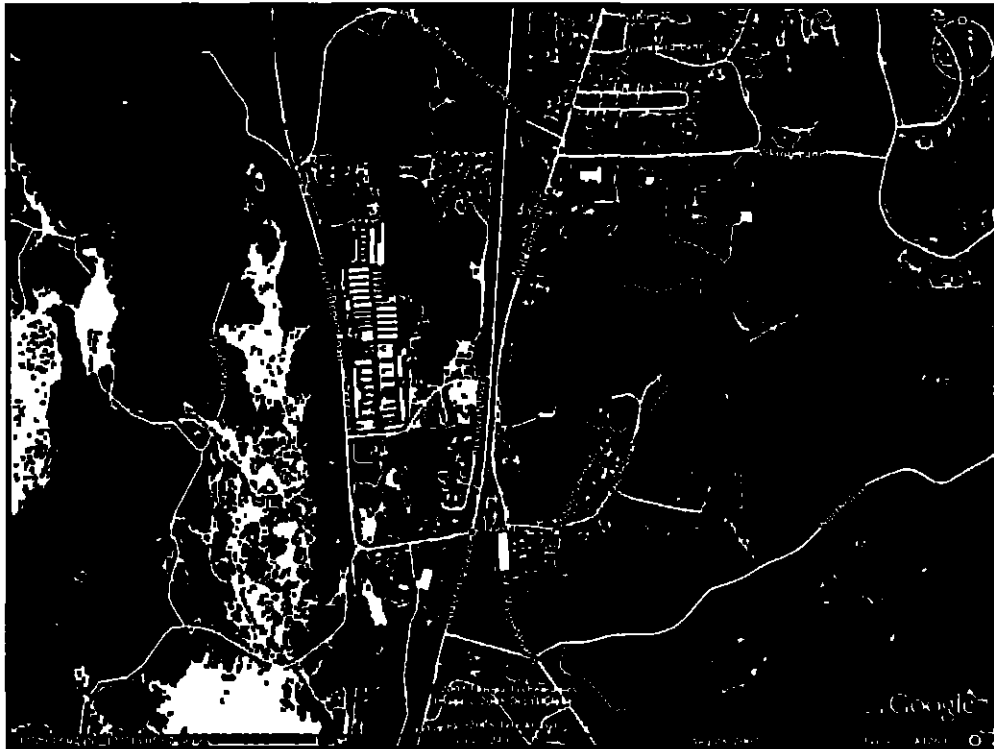
Saunders Lake Aerial Photo

Saunders Lake is located roughly five miles south of Lakeside and eight miles north of Coos Bay. Access is available from Highway 101 which parallels the lake to the east. It is 55 acres in size and located near and provides access to the Oregon Dunes National Recreational Area. The lake features primarily residential shoreline yet is a popular fishing and camping site.

Relative to the subject, the area is comprised of a heterogeneous mix of homes in terms of age and quality. It is common to see a newer, high-end property next to an older manufactured home. Since the beginning of 2006, there have been eight properties listed in the Saunders Lake neighborhood. Of those listed, two have sold at \$225,000 and \$389,900 and averaged 89 days on the market. The one pending transaction was listed at \$549,900 and was marketed for nineteen days. Three properties listed between \$390,000 and \$599,000 expired after being market for an average of 257 days and two listings at \$350,000 and \$375,000 have been on the market for 220 and 351 days, respectively.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

Hauser Area – Between Saunders Lake and Cordes, the subject line travels through the primarily industrial-oriented area of Hauser



Hauser Area Aerial Photo

The Hauser area is located roughly two miles south of Saunders Lake and four miles north of the end of subject line in Cordes. Highway 101 bisects the community and the subject line demarcates the western boundary. Along the Highway there are several small service commercial enterprises including one providing ATV rentals and a KOA campground. Relative to the subject, the line passes a small mill in an industrial park setting, which is located off a private road (shown on above aerial as Hauser Depot Road).

Coos Bay - While the portion of the Coos Bay line that is the subject of this real estate appraisal does not reach Coos Bay, the City represents the most significant population, employment and housing market relative to the southern portion of the subject line.

The community is located on the southern coast of Oregon between the Pacific Ocean and Coos Bay. It is the largest city on the Oregon coast and has been the commercial center of Oregon's Southern Coast since its earliest days.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS



Coos Bay Aerial

Historically, agriculture, logging and shipping dominated the area's economy. Like many areas throughout southwest Oregon, the economy is becoming more diversified as wood product manufacturing, small entrepreneurial ventures have become increasingly important to the local economy.

In 1999, voters approved a local bond measure to raise \$27 million, which along with \$27 Million from the State of Oregon, paved the way for a 60-mile natural gas pipeline between Roseburg and Coos Bay. The project began in June 2003 and was completed in 2004.

As a sign of growth, at the Southwest Oregon Regional Airport a new 30,000 square foot terminal will be added just west of the existing 1950's era terminal. The upgrade was reportedly necessary to meet the demands of air travelers.

DESCRIPTION OF THE SUBJECT PROPERTY AND ABUTTING AREAS

As of 2007, the City of Coos Bay had 15,759 residents up from 15,274 residents in 2000. The relatively modest increase, 0.4 percent annually, is above that of the County (0.3 percent) yet well below that of the State (1.3 percent). Over the next five years the area's population is expected to increase to 16,239 residents, which represents an annual increase of 0.6 percent.

Population Matrix					
Area	Population			Annual Increase	
	2000	2007	2012	2000 - 2007	2007 - 2012
Oregon	3,421,399	3,752,734	4,004,796	1.3%	1.3%
Coos County	62,779	64,076	66,023	0.3%	0.6%
Coos Bay City	15,274	15,759	16,239	0.4%	0.6%
Lakeside City	1,371	1,464	1,544	0.9%	1.1%
Source: US Bureau of the Census, 2000 Census of Population and Housing					

In terms of the residential market, the 229 detached residences that were listed in 2006 sold between the range of \$45,000 and \$1,250,000 (\$225,735 average) with an average marketing time of 102 days. At the same time, there were 200 expired listings that ranged from \$85,000 to \$1,750,000 (\$316,452 average). In 2007, there were 159 similar properties sold within a range of \$19,500 to \$545,000 (\$202,355 average) with an average marketing time of 71 days. Expired listings numbered 167 and ranged from \$60,000 to \$1,150,000 (\$292,747 average) with an average marketing time of 192 days. From the beginning of 2008 to May 20, 2008, nineteen of the listings sold between \$59,900 and \$450,000 (\$192,579 average) with an average marketing time of 25 days. There was only one expired listing, at \$169,900, which expired after 88 days. In the final analysis, the market appears to be weakening as reflected in the year-over-year decrease in transactions, average selling price and increase in percentage of expired listings.

SUBJECT LINE ASSESSMENT

The following pages consist of tables summarizing the subject property while segregating it into like sections (Appraisal Sections). These tables are followed by the valuation sections of the report.

Assessment of Subject Line - Lane County (East to South)												
Appraisal Section	Aerial Map Rail/Road Map	Mile Post Landmark	Zoning Topography	Ownership Access	Right-of-Way Easement	ROW Width Length Ex. (Feet)	Approach Area (Acres)	Right-of-Way Zoning Topography	Ownership Access	Right-of-Way Zoning Topography	Right-of-Way Zoning Topography	Right-of-Way Zoning Topography
1	17 04 28 Sheet 2	652 11 - 12 Terry St R/W Eugene	N/A	N/A	N/A	100 x 480	0.41	N/A	N/A	N/A	N/A	N/A
2	17 04 28 Sheet 2	652 12 - 20	NR/CAS (Eugene), Level	ODOT (Excess Hwy r/w), then BLM 5.68 Ac	Very Low	100 x 412	0.99	planned Res. Level w/ drg Swale	BLM 52+ Acres	Very Low	N/A	
3	17 04 28 Sheet 2	652 20 - 22 Amazon Creek Xing	N/A	N/A	N/A	100 x 120	0.28	N/A	N/A	N/A	N/A	
4	17 04 28 Sheet 2	652 22 - 72	NR/CAS, Level	ODOT (Excess Hwy r/w), then BLM 44.5+ Ac	Very Low	100 x 2,827	6.12	1-2/CAS Level about over 125 Ac. from Grub Rd.)	BLM from 14-31 Acres	Very Low	N/A	
5	17 04 28 Sheet 2	652 72-653 11	NR/CAS, Level	Davidson Lumber & SPRR 8-9+/- Ac.	Low - Medium	100 x 788 & 130 x 1,239	5.81	1-2/CAS, Level	BLM 14-31 Ac., Half Moon 12 Ac	Low - Medium	N/A	
6	17 04 28 Sheet 2	653 11- 15 Greenhill Rd	N/A	N/A	N/A	130 x 100 & 150 x 100	0.65	N/A	N/A	N/A	N/A	
7	17 04 30 Sheet 2	653 15- 57	E-40 (Lane County), Level	Unimproved	Low - Medium	150 x 2,180 + 2.87 Ac excess on so side	10.52	E-40 (Lane County), Level	ODOT 25+- Acres excess hwy r/w	Low	N/A	
8	17 04 30 Sheet 2	653 57- 58 Goble Rd Xing	N/A	N/A	N/A	150 x 50	0.17	N/A	N/A	N/A	N/A	
9	17 04 30 Sheets 2 & 3	653 58- 79 (Approximate)	E-40, Level	ODOT 1 Ac excess hwy r/w & PVA 3+- Ac (Subjected & abutting areas are wooded)	Low - Medium	150 Assumed (variable & unclear) x 1,000	3.44	E-40, Level	UPRR 4.5+- Acre portion of 14 Ac Parcel em sidon	Low - Medium	N/A	
10	17 04 30 Sheets 2 & 3	653 79- 83 Hwy 28 Overpass	N/A	N/A	N/A	100 Assumed x 230	0.53	N/A	N/A	N/A	N/A	
11	17 04 30 Sheets 2 & 3	653 83-654 12	N/A	K R Nielson Rd (public r/w)	Very Low	100 x 1,545	3.55	E-40, Level	9.5+- Acre of 14 Ac owned by UPRR	Very Low	N/A	
12	17 04 31 & 17 05 36 Sheet 3	654 12- 86	E-40, Level	2 pvt 6.7 828+- Ac	Very Low	100 x 2,870	8.59	N/A	Hwy 128 r/w	Very Low	N/A	
13	17 05 36 Sheet 3	654 86- 98	E-40, Level	K R Nielson Rd fmg Low - Medium	Low - Medium	100 x 1,675 + 5.08 Ac excess on left side	8.93	N/A	Hwy 128 r/w	Very Low	N/A	
14	17 05 36 Sheet 3	654 98- 99 Farmer Fisher Rd Xing	N/A	N/A	N/A	100x50	0.12	N/A	N/A	N/A	N/A	
15	17 05 36 Sheet 3	654 99-655 24	PR (E-40), Level	K R Nielson Rd (public r/w)	Low	Misc (max 150± ft x 1,315)	4.43	N/A	Hwy 128 r/w	Very Low	N/A	

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Lane County (East to South)										
Appraised Section	Air Map Rail/Map	Mile Post Landmark	Zoning Topography	Ownership (Acres)	Approx. Length Ea. (Feet)	Approx. Area (Acres)	Zoning Topography	Ownership (Acres)	Approx. Length Ea. (Feet)	Approx. Area (Acres)
16	17 05 35, 34 & 33 Sheet 3	655 24-857 20	NR & PR	U S Army - 17 Ac Fem Ridge Reserv (wild life area)	100-200 x 10,897	34.78	N/A	Hwy 128 r/w	Very Low	Very Low
17	17 05 33 Sheet 3	657 28-30 Central Rd Xng	N/A	N/A	100 x 50	0.12	N/A	N/A	N/A	N/A
18	17 05 33 Sheet 3	657 30-61 Maywood	NR & E-40, Level	Co Rd r/w	100 x 1,825	3.73	N/A	Hwy 28 r/w	Very Low	Very Low
19	17 05 33 Sheet 3	657 61-62 County Rd Xng No 28	N/A	N/A	100 x 50	0.12	N/A	N/A	N/A	N/A
20	17 05 33 Sheet 3	657 62-78	E-40, Level	1 prv 282 Ac w/ timber near subject	100x845	1.04	N/A	Hwy 28 r/w	Very Low	Very Low
21	17 05 33 & 32 10 Sheets 3 & 4	657 78-858 34	N/A	Fem Ridge Reservoir	100 x 1,820 & 125 x 1,340	7.50	N/A	Hwy 28 r/w	Very Low	Very Low
22	17 05 32 10 & 20 Sheet 4	658 34-659 08	RR5 (Lane Co.), Level	9 prv 1 2-10 Ac	125 x 3,907	11.21	N/A	Hwy 28 r/w	Very Low	Very Low
23	17 05 32 10 & 20 Sheet 4	659 08-20 Vanalia Lmnda	RR/GW (Vendia), Level	1 prv 4.9 Ac	125 x 620	1.78	N/A	Hwy 28 r/w	Very Low	Very Low
24	17 05 32 10 & 20 Sheet 4	659 20-21 Huston Rd Xng	N/A	N/A	125 x 25 & 100 x 25	0.13	N/A	N/A	N/A	N/A
25	17 05 31 14 Sheet 4	659 21-45	RR/GW, Level	3 prv 2, 4, & 10 Ac	100 x 1,279	2.94	N/A	Hwy 128 r/w	Very Low	Very Low
26	17 05 31 13 Sheet 4	659 45-58	RR/GW, Level	6 prv 14,500 SF Avg	100 x 689	1.54	N/A	Hwy 128 r/w	Very Low	Very Low
27	17 05 31 13 Sheet 4	659 58-70	RR/GW, Level	1 prv 19.5 Ac	100 x 610	1.4	N/A	Hwy 128 r/w	Very Low	Very Low
28	17 05 31 24 Sheet 4	659 70-75	GR/GW, Level	0.52 Ac Greenway	100 x 250	0.50	N/A	Hwy 128 r/w	Very Low	Very Low
29	17 05 31 20 & 23, Sheet 4	659 75-880 25	GR/GW, Level	10 from 1-2 Ac 4-5 Ac, & 14.5 Ac	100 x 2,840	8.08	N/A	Hwy 128 r/w & Luther Rd r/w	Very Low	Very Low
30	17 05 30 14 Sheet 4	660 25-28 1st St (Hwy 1) Xng	N/A	N/A	300 x 60	0.41	N/A	N/A	N/A	N/A
31	17 05 30 14 Sheet 4	660 26-67 Vendia	CC/GW, Upslope to Level	Waddo Ave & 7th St Fmly, Also abuts 1 & 2 prv w/ 0.3 Ac	300 x 2,160	15.08	HC/GW, Level	2 prv 3.7 & 15 Ac	Very Low	Very Low
32	17 05 30 14 Sheet 4	660 67-68 8th St Overpass	N/A	N/A	300 x 50	0.34	N/A	N/A	N/A	N/A

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Lane County (East to South)										
Parcel	Assessment	City	County	City	County	City	County	City	County	City
17 08 30 00 & 13 & 11	Sheet 4	660 68-73	Assumed CC if private), Level	City offices	Very Low	300 x 243	1 67	HC/GW, Level	Par of 12 Ac	Site
17 08 30 00 & 24, Sheet 4	Sheet 4	660 73-661 0 (adjusted)	GR/GW, Level	4 prv 1-10 Ac	Very Low	300 x 80 & 200 x 1,220	6 15	HC/GW, Level	1 prv 12 Ac	Very Low
17 08 36 Sheet 4	Sheet 4	661 0-29 End of Vanita	Assumed GR if private), Upslope to Level	City Sewer 28 Ac	Very Low	175 x 1 545	6 21	PF/GW, Level	City & Hwy r/w	Very Low
17 08 35 Sheet 4	Sheet 4	661 29-71	F2 (Lane Co), Level	Timbered portions of 2 prv 9 & 16 Ac abbs separated from hma. by creek	Very Low	175 x 2,200	6 84	N/A	Hwy 126 r/w	Very Low
17 08 34 & 5 Sheet 5	Sheet 5	661 71-663 20	E-40 (Lane Co), Level	2 prv 62 & 82 Ac Vac Cropland	Low	175 x 5,280 & 100 x 2 614	27 21	N/A	Hwy 126 r/w	Very Low
17 08 34 & 33 Sheet 5	Sheet 5	663 20-33	E-40, Level	2 prv 33-41 Ac	Medium	100 x 870	1 54	RR5 (Lane Co), Level	4 prv 1 3-3 7 Ac	Medium
17 08 33 Sheet 5	Sheet 5	663 33-664 02	E-40, Level	2 prv 43 & 48 Ac	Medium	100 & 150 x 3,825	9 65	E-40, Level	3 prv 8-10 Ac	Medium
17 08 33 Sheet 5	Sheet 5	664 02-38	F2 Level	1 prv 20 of 50 Ac	Very Low	100 x 250 & 200 x 1,820	8 1	E-40, Level	2 prv 2 ±15-30 Ac	Very Low
17 08 3 Sheet 5	Sheet 5	664 38-66	F1, Level	1 prv 30 of 50 Ac	Very Low	200 x 1,150 & Misc	6 79	F2, Level	1 prv ±80 Ac	Very Low
17 08 32 & 40 & 29 30 Sheet 5	Sheet 5	664 60-665 01 Entering Not	E-40, Level	2 prv 1 Farm & Timber w/ ±25 Ac & par of Swanson Bros Lumber	Med-High	Inreg width x 985 & 50x700	7 1	F2, Level	Several prv, farm props. w/ some timber & 12+ Ac & par of Swanson Bros Lumber (timber on subject)	Low
17 08 32 00 & 29 30 Sheet 5	Sheet 5	665 01-24	RI (Lane Co) Level	Portion of 4 28 Ac Swanson Bros Lumber Parcel	Low-Med	50 x 1 285	1 48	RI (Lane Co), Level	Portion of 3 2 Ac Swanson Bros Lumber Parcel	Low-Med
17 08 29 30 Sheet 5	Sheet 5	665 24-25 Sator Rd Xng	N/A	N/A	N/A	0 x 60	0	N/A	N/A	N/A
17 08 29 30 Sheet 6	Sheet 6	665 25-32	RI, Level	Swanson Bros Lumber ±20 Ac	Low - Medium	50 assumed x 395	0 42	RI, Level	Swanson Bros Lumber ±20 Ac	Low - Medium
17 08 29 30 Sheet 7	Sheet 7	665 32-33 Vaughn Rd Xng	N/A	N/A	N/A	300± x 60	0 41	N/A	N/A	N/A
17 08 29 30 Sheet 8	Sheet 8	665 33-54	RI, Level	Swanson Bros Lumber 3 2 Ac site vac & unused	Low - Medium	Misc x 1,050	3 69	RI, Level	Key Corp ±13 Ac (Par of Swanson Mill)	Low - Medium
17 08 31 Sheet 5 & 6	Sheet 5 & 6	665 54-88	F2, level	Vaughn Rd	Very Low	200 & 100 x 1,765	4 52	F2, Upslope	Swanson ±20 Ac & BLM 169 Ac	Very Low

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Lane County (East to South)									
Appraisal Section	Assn Map Ref (R/W Map)	Mid Point Landmark	Zone Topography	Ownership (Acres)	Approx. Area (Acres)	ROW Width	Approx. Length Est. (Feet)	Assessment Probability	Remarks
48	17 06 31 Sheets 5 & 6	685 88-686 63	RR5, Level	Pvt 0.9-8.8 Ac	Low - Medium	100 x 200 x 3,860	13 31	F1 & F2, Level	4 pvt 8-10 Ac, 28 Ac, Low - Medium & Roseberg Res.
50	17 06 31 Sheets 6 & 6	AI 685 72 Glaze Rd Xng	N/A	N/A	N/A	100 x 60	0 14	N/A	N/A
51	18 06 05 & 06 Sheet 6	688 63-687 40	F2 & RR5 Gentle downslope to creek	5 pvt 1-5 Ac & Roseberg Resources tree farm	Low - Medium	200, 855, & 100 x 3 252	10 47	F1 mostly steep upslope	Roseberg Res & Penn Rd
52	18 06 06 Sheet 6	687 40-48 Vaughn Rd & Nodi Crk Xng	N/A	N/A	N/A	100 x 300	0 09	N/A	N/A
53	18 06 06 Sheet 6	687 48-688 35	N/A - Vaughn Rd r/w	N/A	N/A	100 x 200 x 4 485	17 6	F1 & F2, steep upslope	Roseberg Res & 1 @ 40 Ac
54	18 06 06 Sheet 6	688 35-38 Vaughn Rd Xng	N/A	N/A	N/A	Misc	0 24	N/A	N/A
55	18 06 06 & 07 Sheet 6	688 36-689 21	F1 & F2, Steep upslope	±8 pvt 10-32 Ac w/ many bleached by subject	Very Low	100, 200 & 350 over ± 0 85 Mile	20 5	F2, Level to gentle slopes	±8 pvt 10-32 Ac w/ many bleached by subject
56	18 06 06 & 07 Sheet 6	689 21-47	F1, Steep upslope	BLM 500+ Ac. & bleached Roseberg Res tree farm	Very Low	200 & 300 x 1,379	8 42	F1, Gentle slope to creek	Bleached by Roseberg Res tree farm
57	18 06 06 & 07 Sheets 6 & 7	689 47-94, Tunnel No 13	F1, Steep hill land	Bleached by Roseberg Res tree farm	Very Low	100 & 200 x 2,289	7 32	F1, Steep hill land	Bleached by Roseberg Res tree farm
58	18 06 06 & 07, 18 07 01, 12, 11 & 02 Sheets 6 & 7	689 94-671 90, South of Penn Rd	F1 & F2, Gentle slopes near creeks & moderate to steep hillside	Bleached Roseberg Res & BLM lands 1,000+ Ac. Bleached Warden holding 225+ Ac	Very Low	Misc x 1 08 Mi	39 7	F1 & F2, Gentle slopes near creeks & moderate to steep slopes	Bleached Roseberg Res & BLM lands 1,000+ Ac. Bleached Warden holding 225+ Ac
59	18 07 02 Sheet 5	671 90+ Penn Rd Xng	N/A	N/A	N/A	Misc	0 11	N/A	N/A
60	18 07 03 Sheet 7	671 91-672 34	F1 & F2, Level to gentle slopes	Warden (225+ Ac.) bleached by subject, Joasart 16 Ac	Very Low	100 & 200 x 2,110	7 37	F1 & F2, level to gentle slopes	Swanson Group ±21 Ac
61	18 07 03 Sheet 7	672 28-41, Penn Rd & Xng	N/A	N/A	N/A	Misc	0 41	N/A	N/A
62	18 07 00 Sheet 7	672 41-672 85	F1, Level to gentle	Roseboro LLC tree farm bleached by subject	Very Low	100 x ±2,850	6 54	F1, Mod to steep upslope	Roseboro LLC tree farm bleached by subject
63	18 07 03 & 04 & 05 & 11 Sheets 7 & 8	672 85-674 67, Penn, Cram & Wallon	F1 & F2, Level to gentle slopes	Many from 0.5-250+ Ac & several bleached by subject	Low - Medium	100' x 1 72 Mi	29 81	F1 & F2, Gentle to steep slopes	Many from 0.5-250+ Ac & several bleached by subject
64	18 07 05 Sheet 8	674 67-675 10 Wallon	F2 Level	3 pvt 7-80 Ac & 2 are bleached by subject	Low - Medium	100 x ±2,220	4 99	RR5, Level	7 pvt with 5-9 2 Ac. Low - Medium

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Lane County (East to South)											
Parcel Details of Subject Rail Line - Approximate ROW (Mile Post) - Approximate Right of Way (Mile Post) - Approximate Right											

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Lane County (East to South)									
Assessed Acre Map (Section, Range, Township)	Mid-Point (Elevation)	Zone (Topography)	Ownership (State)	Assessment (Value)	Area (Acres)	Zone (Topography)	Ownership (State)	Assessment (Value)	Area (Acres)
70a	18 08 00 Sheet 12	F1, Steep slopes down to Stuslaw River	Roseberg Res & Or Bnd of For	Very Low	23.47	F1, Steep upslope	Roseberg Res & Or Bnd of For	Very Low	23.47
70b	17 08 00 & 31 Sheet 12	N/A	N/A	N/A	1.42	N/A	N/A	N/A	1.42
70c	17 08 31, 17 09 30 & 35 & 34 Sheets 12 & 13	F1, Level & gentle slope to river	3 prvt tree farms 71 Ac +, U S Forest, 2 bisected tree farms, Co Rd	Very Low	58.24	F1, Steep upslope	3 prvt tree farms 71 Ac +, U S Forest, 2 bisected tree farms, Co Rd	Very Low	58.24
70d	17 09 34 Sheet 13	N/A	N/A	N/A	0.38	N/A	N/A	N/A	0.38
80	17 09 34 Sheet 13	N/A	N/A	N/A	0.21	N/A	N/A	N/A	0.21
81	17 09 33 Sheet 13	F1 Level	1 prvt 5.73 Ac.	Low-Med	2.55	F2, Level & gentle slopes	Co Rd & silvers of prvt 0.2, 0.3 & 18.8 Ac.	Low	2.55
82	17 09 33 Sheet 13	F1 Level	River, 13 of 6 Ac Prvt	Low-Med	5.34	RR-2, level to gentle upslope	Co Rd & silvers of 1-3 Ac sites	Low-Med	5.34
83	17 09 33 & 28 & 00 Sheets 13 & 14	N/A	Silvers of Prvt ownerships mainly on other side of river	Very Low	18.23	F1, Level	Stagacouch (county) Road	Very Low	18.23
84	17 09 00 & 29 43 Sheet 14	N/A	N/A	N/A	0.71	N/A	N/A	N/A	0.71
85	17 09 29 43 Sheet 14	RR-2, Level	Por of prvt prop w/ 6.11 Ac	Medium	1.61	RR-2, Level	2 prvt 0.5 & 1 Ac	Medium	1.61
86	17 09 29 43 & 34 & 33 Sheet 14	RR-2, Level	Por of 6 Ac, 4.8 & 6.1 Ac	Med (poss addit unit)	9.50	RR-2, Level	8 prvt sites from 0.34 to 1 Ac (8 from 5 - 65 Ac) Ends of silty and 1st thru 4th streets also abut	Low - Medium	9.50
87	17 09 29 33 & 30 00 Sheet 14	RR-2, Level	River & 2 prvt @ 13.5 Ac Ea bisected by subject	Medium - High	8.08	RR-2, Level	2 bisected & 3 Ac Prvt	Medium - High	8.08
88	17 09 30 Sheet 14	RI, Level	Portion of 19 Ac Amencien Laminator mill site (bisected by subject)	Low - Medium	1.51	RR-2, Level	2.83 Ac Lane Co & 1.75 Ac Prvt	Low-Med	1.51

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Lane County (East to South)										
Appraisal Section	Ass. Map Ref./RW Map	Mile Post Landmark	Left Side of Subject Rail Line Zoning Topography	Ownership A/Size	Approx. Area (Acres)	Right Side of Subject Rail Line Zoning Topography	Ownership A/Size	Assessment Probability	Assessment Probability	
89	17 09 30 Sheet 14	697 80-698 00 Swiss home	RI, Level	Portion of 19 Ac mill site (directed by subject)	100 x 775	RI, Level	Por of 19 Ac mill site (directed by subject)	Low - Medium	Low - Medium	
90a	17 09 30 & 30 31 Sheet 14	698 00- 38 Swiss home	RR-2, Level	5 prv 1 @ 0.2-0.1 Ac. & por of closed 10.6 Ac Murphy Mill directed by subject	100 x 1,980 (4.55 Ac - 0.12 Ac for rd xing)	RI, Level	Por of 2 wd mills bleached by subject & 3.2 Ac Site	Low-Med	Low-Med	
90b	17 09 30 31 Sheet 14	698 11z Sutherland Rd Xing	N/A	N/A	100 x 50	N/A	N/A	N/A	N/A	
91	17 09 30 & 17 10 25 Sheet 14	698.35- 85 Swiss home	F1, Gentle	Suslaw River & Hwy 36	Misc. x 2,482	F1, Level	Hwy 36 & U S Natl Forest	Very Low	Very Low	
92	17 10 25 & 17 10 25 21 Sheet 14	698 85-699 75 Tide	RI & RR2, Level	Hwy 36, Bleached former mill site w/ shop & stor bldgs (see right), 11 prv 1 w/ RR2 zone (09-63 Ac)	Misc x 4,750	RI, Level	Portion of U S Natl Forest, inactive ±30 Ac Davidson Lumber mill is bleached by subject	Low	Low	
93a	17 10 24 & 22 & 27 Sheets 14&15	699 75-701 62 Rainrock & Brickerville	F1, N/A	Hwy 36 & Suslaw River	Misc. x 9,874 (34.64 Ac - 0.14 Ac for sec 83b)	F1 & F2, Steep upslope	U S Natl For & 3 prv 1 @ 17-38 Ac	Very Low	Very Low	
93b	17 10 23 Sheet 15	700 4 Thompson Crt. Rd Under Xing	N/A	N/A	Assume 100 x 80	N/A	N/A	N/A	N/A	
94	17 10 27 Sheet 15	701 62- 82 Brickerville	RR5 N/A	Hwy 36 & Suslaw River	100 x 1,042	RR5 Upslope	1 prv 14.1 Ac	Low	Low - Medium	
95	17 10 27 Sheet 15	701 80z No Fort Suslaw Rd Xing	N/A	N/A	Assume 100 x 80	N/A	N/A	N/A	N/A	
96	17 10 27 Sheet 15	701 82-702.14 Brickerville	RR5 N/A	Hwy 36 & Suslaw River	100 x 1,866	F2 & RR5, N/A	No Fort Suslaw Rd	Very Low	Very Low	
97	17 10 27 Sheet 15	702 14- 25 Brickerville	RR5 N/A	Hwy 36 & Suslaw River	100 x 600	RR5 Upslope	1 prv 14.1 Ac	Very Low	Low-Med	
98	17 10 28 & 34 Sheet 15	702 25- 80	F1 & F2, N/A	Hwy 36 r/w	100 x 2,904	F1 & F2, Upslope & side slopes along creek	1 prv 14.1 Ac	Very Low	Very Low	

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Lane County (East to South)											
99	17 10 34 Sheet 15	702 80-86	F2, N/A	Hwy 36 r/w	Very Low	100 x 300	0 89	RR5, Upslope	1 pvt 1.4 Ac	Low-Med	
100	17 10 34 Sheet 15	702 86-703 80 Mapleton	F2, N/A	Hwy 36 r/w	Very Low	100 x 3,907	8 97	F1, F2 & RPF (assume PRF=F2 if pvt), Upslope	2 pvt (1 @ 8 Ac & 1 is por of ±100 Ac), Water Diet, U.S. Natl For	Low-Med	
101	17 10 34 Sheet 15	703 80-72 Mapleton	F2, N/A	Hwy 36 r/w	Very Low	100 x 634	1 45	RR1, Upslope	1 pvt @ 2.5 Ac	Medium	
102	17 10 34 Sheet 15	703 72-77 Mapleton	RR1, N/A	Hwy 36 r/w	Very Low	100 x 280	0 84	F1, Upslope	Por of U.S. Natl Forest	Very Low	
103	17 10 34 Sheet 15	703 77-80 Mapleton	RR1, N/A	Hwy 36 r/w	Very Low	100 x 710	1 83	RR1, Upslope	3 pvt 0.6, 1.25 & 1.88 Ac	Low-Med	
104	18 10 03 Sheet 15	703 80-704 20 Mapleton	F1, N/A	Hwy 36 r/w & over	Very Low	Misc x 1,584	4 40	F1, Steep upslope	Por of Pac West Timber tree farm	Very Low	
105	18 10 02 22 Sheet 15	704 20-36 Mapleton	RR2, N/A	Hwy 36 r/w	Very Low	100 x 865	1 99	RR2 Steep upslope	1 pvt 3 parcels 3.6, 4.8 & 10.6 Ac	Low-Med	
106	18 10 02 00 Sheets 15&16	704 36-74 Mapleton	F2, N/A	Hwy 36 r/w	Very Low	Misc x 1,955	5 44	F2, Upslope	1 pvt @ 18.7 Ac & U.S. Dept of Ag 19 Ac	Very Low	
107	18 10 02 24 & 31 Sheet 16	704 74-705 04 Mapleton	RR1, N/A	Hwy 36 r/w	Very Low	Misc x 1,890	8 59	RR2, Level	6 pvt 1-10 Ac	Low-Med	
108	18 10 02 31 & 18 10 11 Sheet 16	705 04-44 Mapleton	F1, N/A	Hwy 36 & 128 r/w	Very Low	Misc x 2,085	1 27	F1, Level	Por of U.S. Natl Forest (Crossed by BPA entmt)	Very Low	
109	18 10 11 Sheet 16	705 44-55	RC, N/A	Hwy 128 r/w	Very Low	200 x 585	2 689	RR1, Upslope	Pvt 3 Ac Res & 3 Ac Cemetery	Low-Med	
110	18 10 11 Sheet 16	705 55-55 Rice Rd Xing	N/A	N/A	N/A	Assume 50 x 200	0 23	N/A	N/A	N/A	
111	18 10 11 Sheet 16	705 55-91	F2, Level	Hwy 128 r/w	Very low - narrow between roads	150 (assumed) x ±1,910	6 58	F2, Level	Rice Rd (public r/w)	Very low - narrow between roads	
112	18 10 11 31 Sheet 16	705 91-706 08	RR1, Level	Hwy 128 r/w	Very Low	150 (assumed) x ±925	3 19	RR1, Upslope	Res Subdiv ± 0.2 - 5 Ac Lots	Med - High	

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Lane County (East to South)									
Appraisal Section	Acre Map (Rail/W Map)	Mill Post Landmark	Left Side of Subject Line Zoning Topography	Ownership (Acres)	Right Side of Subject Line Zoning Topography	Area (Acres)	Approx. Length (Feet)	Approx. Width (Feet)	Assessment Probability
113	18 10 11 31 Sheet 16	708 08-08 Rice Ave Xng	N/A	N/A	N/A	0 17	Assume 150 x 50	N/A	N/A
114	18 10 11 31 & 18 10 11 Sheet 16	708 08-21	RR2, Level	Hwy 128 r/w		2 35	165 (assumed) x 4820	RR2, Upslope	Low-Med
115	18 10 11, 10 & 10 13 Sheet 16	708 08-707 07	F2 & F1, Level	Hwy 128 r/w		16 78	165 (assumed) x 4,425	F2 & F1, Upslope	Very Low
116	18 10 10 Sheet 16	707 07-55	F1	Hwy 128 r/w		19 91	Misc x 2 521	F1, Upslope	Very Low
117	18 10 09 Sheet 16	707 55-708 40	F2, Level	Pvt 20 Ac Residence x 0.5 Ac Por of banded tree farm, 0.6 Ac Strip		10 89	100 & 150 x 4,476	F2, Steep upslope	Very Low
118	18 10 08 Sheet 17	708 40-98	F1, Level	Hwy 128 r/w		7 58	Avg 105 X 3,134	F1, Upslope	Very Low
119	18 10 08 Sheet 17	708 98-709 02	F1, Level	Hwy 128 r/w		0 48	100 X 210	RI, Upslope	Very Low
120	18 10 08 Sheet 17	709 02-17	F1, Level	Hwy 128 r/w		2 32	Assume 100 x 550 & 165 x 280	F1, Upslope	Very Low
121	18 10 08 Sheet 17	709 17-71	F1, Level	Hwy 128 r/w		10 95	165 (assumed) x 2,890	RI, Upslope	Very Low
122	18 10 08 Sheet 17	709 71-710 28	F1, Level	Hwy 128 r/w		9 88	Misc X 3,010	F1 & F2	Very Low
123	18 10 07 39 Sheet 17	710 28-29 Tiernan Rd / Hazel St Xng	N/A	N/A		0 14	Assume 100 x 80	N/A	N/A
124	18 10 07 & 0 734 Sheet 17	710 28-30 Roadport	RR5, Level	Hwy 128 r/w		1 37	100 x ±595	RR5, Upslope	Very Low
125	10 10 07 Sheet 17	710 38-54	RR5 Level	Hwy 128 r/w		1 85	100 x ±850	RR5, Upslope	Low-Med
126	18 10 07 & 11 12 Sheet 17	710 54-88	F2, Level	Hwy 128 r/w		4 10	100 x ±1,785	F2 Upslope	Very Low
127	18 11 12 Sheet 17	710 88-98	RR5, Level	Hwy 128 r/w		1 28	100 X 557	RR5, Upslope	Low

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Lane County (East to South)									
128	18 11 12, 11, 11 30, 11 10, & 11 15 Sheets 17 & 18	710 98-713 90	F1, Level	Hwy 128 r/w	Very Low	Misc. x 2 92 Miles	21 69	F1 & F2 Upslope	Davidson Indus tree farm, 32.5 Ac. PM, 1 Ac Lane Co., 7 PM & 140 Ac
129	18 11 12 Sheet 17	711 16 N F 719 Rd Xng	N/A	N/A	N/A	Assume 100 x 30	0 07	N/A	N/A
130	18 11 15 & 16 Sheet 18	713 90-714 26	F1 & F2, Level	Hwy 128 r/w	Very Low	150 (assumed) x ±1,880	6 51	F1 & F2, Level	Lane Co Rd (to power station)
131	18 11 16 Sheet 18	714 26-28 Bernhardt Heights Rd Xng	N/A	N/A	N/A	Assume 100 x 40	0 09	N/A	N/A
132	18 11 16 Sheet 18	714 26-44	RR5, Level	Hwy 128 r/w	Very Low	150 x ±985	3 32	RR5 & F2; Level & Upslope	One PM 11.3 Ac Site, bisected by road and Elec Line emt., w/ifs
133	18 11 16 Sheet 18	714 44-59	RR5, Level	Hwy 128 r/w	Very Low	150 x 786±	2 7	RR5, Level & Upslope	2 PM vacant sites w/ 3 Ac each (1 of these is bisected by Bernhardt Hts Rd)
134	18 11 16 Sheet 18	714 59-94	RR5 Level	Hwy 128 r/w	Very Low	100 x 1,315±	3 02	F2 & F1, Upslope	22.7 Ac PM & Davidson Indus tree farm
135	18 11 16 & 20 Sheet 18	714 94-715 31	R1, Level & Drainage swale	Portion of bisected tree farms	Low	100 x ±2 500	5 74	F1 & F2 Upslope	Portion of bisected tree farms
136	18 11 20 Sheet 18	715 31-77	F1, Level	Hwy 128 r/w	Very Low	100 x 2,420	5 59	F1 Upslope	Davidson Indus tree farm
137	18 11 20 Sheet 18	715 77-95	F2 & E25, Level	Hwy 128; Silver w/ stream of slough of 217 Ac farm (mostly so of Hwy)	Very Low	150 x 916	3 15	F2, Level & Upslope	3 PM 2-3 Ac
138	18 11 20 Sheet 18	715 95-716 02	F2 & E25 Level	Silver w/ stream of slough of 217 Ac farm (mostly so of Hwy)	Low	100 x 365	0 84	F1 Level & Upslope	Davidson Indus tree farm w/ homes
139	18 11 20 Sheet 18	716 02-03 Hill Rd Xng	N/A	N/A	N/A	100 assumed x 40 assumed	0 09	N/A	N/A
140	18 11 20 Sheet 18	716 03-22	E25, Level w/ slough	Hill Rd r/w slivers of bisected 28.6 Ac mainly zoned F2	Very Low	80 assumed x ±985	1 81	F2 & F1, Upslope	PM 28.6 Ac site bisected by road & subject, PM 10 Ac

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Lane County (East to South)										
141	18 11 20 Sheet 19	716 22-37	E25, Level with slough	Sliver of bisected 28.6 Ac Prr 1 Ac marshy zoned F2	Very Low	100 assumed x ±800	1 83	E25, Upslope	Prr 3.2 Ac vacant	Very Low
142	18 11 20 Sheet 19	716 37-41 Hwy 126 Xng	N/A	N/A	N/A	100 assumed x ±80	1 52	N/A	N/A	N/A
143	18 11 20 & 19 Sheet 19	716 41-43 Cushman	R1 Level to river bank	UPRR 1 Ac	Med-High	100 assumed x ±80	0 21	RC Level to river bank	Prr ±1 Ac w/ Marina, Store & Trailer Park	Med-High
144	18 11 20 & 19 Sheet 19	716 43-56 Saulsaw RW Xng	N/A	N/A	N/A	680 x 0	0	N/A	N/A	N/A
145	18 11 29 & 30 Sheet 19	716 56-62	E25, Marsh/tidelands	Prr ±200 Ac timber prop bisected by subject	Very Low	100 x 1,880±	4 34	NE Marsh/ tidelands	Prr ±200 Ac prop bisected by subject	Very Low
146	18 11 29 & 30 Sheet 19	716 62-717 03 South slough Xng	N/A	N/A	N/A	100 x 385 & 200 x 185	1 76	N/A	N/A	N/A
147	18 11 29 & 30 Sheet 19	717 03-80	F1 & F2, Small por of marsh then treed upslope	Davidson Indus tree farm	Very Low	200 x 1,700± 100 x 2,100± 175 x 210± 225 x 45±	13 7	NE Wetlands	South slough (Gent / public)	Very Low
148	18 11 30 & 31 Sheet 19	717 80-718 10	F1, Slough upslope + tidelands/ wetlands	Lane Co 47.5 Ac bisected	Very Low	225 x 155± 150 x 1 30± 100 x 1,195±	3 89	N/A - Water slough/ tidelands	South slough & bisected Lane Co prop	Very Low
149	18 11 31 Sheet 19	718 10-76	F2, Wetlands, tidelands, & some upslopes	Prr tree farm (Rankin Woodlands) bisected by subject & prr Por of So Slough Rd	Very Low	100 x 3,514	8 07	NE, slough & tidelands	Bisected Rankin Woodlands	Very Low
150	19 11 08 Sheet 19	718 76-82	F1, Level	Public por of So Slough Rd abuts	Very Low	100 x 340±	0 76	NE, slough & tidelands	Prr 8.6 Ac prop imprvd @ so end	Very Low
151	19 11 08 Sheet 19	718 82-719 03	NE, Level	Sliver of prr 88 Ac prop bisected by subject & Co Rd	Very Low	100 x 1 110±	2 55	NE, slough & tidelands	Prr 8.6 Ac prop imprvd @ so end	Very Low
152	19 11 08 Sheet 19	719 03-04 So Slough Rd Xng	N/A	N/A	N/A	100 x 80	0 4	N/A	N/A	N/A
153	19 11 06 & 07 Sheets 19 & 20	719 04-720 20	F1, Level valley bottoms & upslope	Prr 88 Ac bisected by subject, Rosenberg Res, & U S Natl Forest	Very Low	100-200 x 6,107	17 78	F2 Marsh along stream	Prr 88 Ac bisected by subject & 37 Ac farm w/ lumber abutting	Very Low

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Lane County (East to South)										
Approved Section	Assess Map Ref (RM Map)	Mile Post Landmark	Left Side of Subject Rail Line			Right Side of Subject Rail Line				
			Zone Topography	Ownership (Acreage)	Assessing Probability	Zone Topography	Ownership (Acreage)	Assessing Probability		
154	19 11 07 Sheet 20	720 20-31	F2, Gentle upslope	8.2 Ac Pvt Residence	Low	±125-155 x 557	1.8	F2, Level	Silver of 103 Ac bisected by Rd. & Co Rd	Very Low
155	19 11 07 Sheet 20	720 31-32	N/A	N/A	N/A	±125 x 60	0.17	N/A	N/A	N/A
156	19 11 07 Sheet 20	720 32-75	F2, Gentle slope	Pvt 18 Ac forested parcel w/ home	Very Low	100-±125 x 2,275	5.42	F2, Upslope	Pvt 103 Ac forested parcel w/ home	Very Low
157	19 11 09 & 17 Sheet 20	720 75-721 15 Tunnel No 15	F1, Steep hill land	Pvt 13 Ac w/ hill, large tree farm bisected by subject, Canary Rd r/w	Very Low	Variable x 2,133	7.9	F1, Steep hill land	Pvt large tree farm (Grant Schrum) bisected by subject	Very Low
158	19 11 17 Sheet 20	721 15-53	R1 & F2, Gentle	Canary Rd r/w; Davidson Indus tree farm	Very Low	100 x 2,028	4.65	F1, Steep hill land	Grant Schrum tree farm bisected by subject	Very Low
159	19 11 17 Sheet 20	721 53-64 Tunnel No 4	F1 Steep hill land	Grant Schrum tree farm bisected by subject	Very Low	100 x 624	1.43	F1, Steep hill land	Grant Schrum tree farm bisected by subject	Very Low
160	19 11 17, 20, & 19 Sheet 20	721 64-723 02	F1 & F2, Gentle to level	Small por of Davidson Indus (trees & pasture), Pvt 69 Ac Pasture, 0.3 Ac UPRR	Very Low	Misc x 1.39 Mi	18.57	F1, Forested Upslope	Grant Schrum tree farm, & small por of 600+ Ac A Ford prop w/ forest, pasture & marsh	Very Low
161	19 11 20, 19, 20 & 30 Sheets 20 & 21	723 02-724 33	NR, Level w/ stream & marsh	±10 Ac Davidson Indus (pasture), por of A Ford prop bisected by subject	Very Low	Misc x 1.31 Mi	16.8	F1, Some marsh, mainly forested hillside	A Ford prop bisected by subject	Very Low
162	19 11 30 Sheet 21	724 33-53 Lake Silboos	RR5, Steep upslope	Pvt 5 Ac w/ home	Low - Medium	100 x 1,128	2.59	RR5, shore & lake	Silver of A Ford prop	Low
163	19 11 30, & 30 30 Sheet 21	724 53-67	RR5, Level to gentle	Pvt 1.85 Ac marina bisected by subject & Co Rd	Med - High	100 x ±755	1.73	RC, Level	Pvt 1.85 Ac bisected by subject (used as marina)	Med - High
164	19 11 30 30 & 19 12 25 Sheet 21	724 67-76	RR5, Level to gentle	Pvt 8.8 Ac w/ home (bisected) 0.8 & 2.5 Ac vacant	Med - High	100 x 479	1.1	RR5, shore & lake	Pvt 8.8 Ac w/ home bisected by subject, Por of narrow 2.4 Ac vacant site	Med - High
165	19 11 30 30 & 19 12 25 Sheet 21	724 76-80	RC, Level to gentle	0.43 Ac Lane Co associated with Silboos Sta preserve/recreat	Low	100 x 210	0.48	F2, Shore	Narrow Pvt 2.4 Ac vacant	Low-Med
166	19 12 25 & 19 11 30 33 Sheet 20	724 80-725 18	RR5, Upslope	7 Pvt 0.2-1.6 Ac Many w/ homes	Low - Medium	100 x ±1,005 & 40 x 350	4.9	F2 (8 small RC for public lake access)	5 Pvt Vac. 0.2-2.4 Ac, State & Lane Comm Coll ±0.1 Ac	Low - Medium

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Lane County (East to South)										
Appraised Section	Assess Map Ref/R/W Map	Millage Point Landmark	Left Side of Subject Rail/Line	Right Side of Subject Rail/Line	Approx. ROW Width	Approx. Area (Acres)	Zone/Topography	Ownership & Size	Assessing Probability	Assessing Probability
167	19 11 31 & 19 12 36 Sheet 21	725 18-43	F2, Gentle upslope	PRV 78 Ac bisected by subject & rd (which about for portion)	125 x 1,340	3.85	F2, Level, shore & lake	PRV 78 Ac bisected by subject & rd (home & water side)	Low-Med	Low
168	19 11 31 & 19 12 36 Sheet 21	725 43-91	F2, Gentle upslope	3 PRV bisected by subject & rd (13 Ac. Davidson Indus tree farm, & 21 Ac)	125 x 2,515±	7.42	F2, Level, shore & lake	3 PRV bisected by subject & rd (13 Ac. Davidson Indus tree farm, & 21 Ac)	Very Low	Very Low
169	19 12 36 Sheet 21	725 91-728 12 Lake Siltcoos Xing	N/A	N/A	0 x 1,110	0	N/A	N/A	N/A	N/A
170	19 12 36 Sheet 21	728 12-30	F2, Gentle upslope	2 PRV 13 Ac w/ hms (one site bisected by subject)	125 x 728 & 100 x 235	2.84	F2, Level, shore & lake	2 PRV 13 Ac w/ hms (one site bisected by subject)	Med-High	Med-High
171	19 12 36 & 20 12 01 Sheet 21	728 30-47 Lake Siltcoos Xing	N/A	N/A	0 x 800	0	N/A	N/A	N/A	N/A
172	20 12 01 Sheet 21	728 47-90 Ada Co Park	PR, Level along lake, then gentle to steep upslope	97± Ac Lane Co	100 x 2,185±	5.02	PR, Level along lake, then gentle to steep upslope	97± Ac Lane Co	Very Low	Very Low
173	20 12 01 Sheet 21	728 80-727 04	F2 Upslope	PRV 4.4 Ac w/ hms bisected by subject	100 x 680±	1.56	PR, Level along lake, then gentle to steep upslope	97± Ac Lane Co	Med-High	Very Low
END of LANE COUNTY						Total Estimated Area	1,183.01			

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Douglas County (Norinto South)									
Appraisal Section	Asst Map Rail/Map	Mile Post Landmark	Zoning Topography	Ownership & Size	Assessing Probity	ROW Width	Approx. Area (Acres)	Zoning Topography	Assessing Probity
174	20 12 16 Sheet 21	727 04-18 Ada	PR Steep upslope	Courty 50+ Ac	Very Low	100 x 725	1.66	Sitcoos Lake	Very Low
175	20 12 16 Sheet 21	727 18-22 Ada	PR Steep upslope	Courty 50+ Ac	Very Low	100 x ±215	0.49	FG Level	Med-High
176	20 12 16 Sheet 21	727 22-33 Ada	5R Upslope	2 prv 0.2 & 4 Ac & Ada Rd	Med-High	100 x ±610	1.4	CRE Level	Med-High
177	20 12 16 Sheet 21	727 33-58 Sitcoos Lake (Fiddle Crk arm)	N/A	N/A	N/A	100 x 1 270	2.92	N/A	N/A
178	20 12 12 Sheet 21 & 22	727 58-72	TR Steep hill land	1 prv (Lancaster) 71 Ac	Very Low	100 x 735	1.69	TR Steep hill land	Very Low
179	20 12 12 Sheet 22	727 72-95 Tunnel No. 5	TR Steep hill land	1 prv (Lancaster) 71 Ac	Very Low	100 x 1 200	2.75	TR Steep hill land	Very Low
180	20 12 12 Sheet 22	727 95-97	TR Steep hill land	1 prv (Lancaster) 71 Ac	Very Low	100 x 130	0.3	TR Steep hill land	Very Low
181	20 12 11 14 & 22	727 97-730 56 Sitcoos & Tankenitch Lakes	TR Moderate to steep hill land	Rosboro tree farm (Large)	Low (includes 4 trestles)	100 x ±105 & 150 x ±13 570	46.97	TR Moderate to steep hill land	Low (includes 4 trestles)
182	20 12 22 Sheet 22	730 56-80 Tankenitch Lake Xng	N/A	N/A	N/A	150 x 1 400	4.82	N/A	N/A
183	20 12 22 & 27 Sheet 22 & 23	730 82-731 63 east bank to 5 mile arm	TR Steep upslope	USR Co tree farm (Large)	Very Low	150 x 4 370	15.05	Lake Tankenitch	Very Low
184	20 12 27 & 28 Sheet 23	731 63-732 12 5 mile arm Xng	N/A	N/A	N/A	150 x 2 291	7.89	N/A	N/A
185	20 12 28 33 & 21 12 4 Sheet 23	732 12-733 68	TR Steep upslope	USR Co tree farm (Large)	Very Low (includes 1 trestle)	150 x 8 247	28.4	Lake Tankenitch	Very Low
186	21 12 4 Sheet 23	733 68-86 Lk Tankenitch Xng	N/A	N/A	N/A	150 x 961	3.31	N/A	N/A
187	21 12 4 Sheet 23	733 86-99	TR Moderate Upslope	D R Johnson Lumber (Large)	Very Low	150 x 681	2.35	Lake Tankenitch	Very Low
188	21 12 4 & 3 Sheet 23	733 99-734 22 Lk Tankenitch Xng	N/A	N/A	N/A	150 x 1 183	4.11	N/A	N/A

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Douglas County (North to South)										
Appraisal Section	Aer Map Rail/ROW Map	Map/Post Landmark	Left side of Subject Rail Line	Right side of Subject Rail Line	ROW Width Approx.	Length Est. (Feet)	Area (Acres)	Zoning Topography	Ownership & Size	Assembly Probability
189	21 12 3 & 10 Sheet 23	734 22- 49	TR Steep hill land	TR Steep hill land	150 x 850 & 250 x 600	6 37		TR Steep hill land	D R Johnson Lumber Co (Large)	Very Low
190	21 12 10 Sheet 23	734 49- 78 Tunnel No 6 with 5 mile Rd Xng	TR Steep hill land	TR Steep hill land	100 x 1 556	3 57		TR Steep hill land	D R Johnson Lumber Co (Large)	Very Low
191	21 12 10 Sheets 23&24	734 78-735 71 Shared with Jack Franz Creek	TR Creek bottom in steep hills	TR Creek bottom in steep hills	150 x 4 642 & 200 x 300	17 36		TR Steep hill land	D R Johnson Lumber Co (Large)	Very Low
192	21 12 3 & 14 Sheet 24	735 71- 737 04	TR Creek bottom in steep hills	Roseberg Res. tree farm (Large)	150 x 7 702 & + 2 Small 25 & 50 acres	24 57		TR Creek bottom in steep hills	Roseberg Res tree farm (Large)	Very Low
193	21 12 13 Sheet 24	737 04- 16 Tahleratch Substation	FF Mostly level	15 Ac. USA Pwr substa & prv 18 Ac bisected	150 x 635	2 19		TR & bisected FF mostly level	Roseberg Res . prv 18 Ac bisected	Very Low
194	21 12 24 Sheet 24	737 16- 44 Westwood Lumber Mill	FF & ME Level	±32 Ac Westwood Lumber Mill	150 x 1 479	5 09		TR	Silver parcel owned by USA, Roseberg Res.	Low
195	21 12 24 & 23 Sheet 24	737 44- 73 Franz	TR Co Rd & Smith Rvr Rd & Smith River	Smith Rvr Rd & Smith River	Variable (predom 150) x 1 550	5 8		TR Steep upslope	Roseberg Resources	Very Low
196	21 12 23 Sheet 24	737 73-738 41	FF Co Rd & Smith Rvr Rd & Smith River	Smith Rvr Rd & Smith River	Variable (predom 150) x 3,585	13		FF Steep upslopes & level	2 prv 37 & 43 Ac	Very Low
197	21 12 25 Sheet 24	738 41- 66	5R Co Rd & Smith Rvr Rd & Smith River	Smith Rvr Rd & Smith River	150 x 1 310	4 51		5R Steep upslope	1 prv 9 5 Ac	Low - Medium
198	21 12 25 Sheet 24	738 66- 67 Smith River Rd Xng (Overpass)	N/A	N/A	150 x est 50 width	0 17		N/A	N/A	N/A
199	21 12 25 Sheet 24	738 67- 77	5R Level	1 prv 0 37 Ac	150 x 530	1 83		5R Level	1 prv 0 58 Ac	Med - High
200	21 12 25 Sheet 24	738 77-738 99	FG Level	1 prv 10 5 Ac	150 x 1 160	3 99		5R Level	2 prv 0 4 & 6 Ac	Med - High

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Douglas County (North to South)										
Appraisal Section	Aerial Map	Map Post Landmark	Left side of Subject Rail Line	Ownership & Size	Zoning Topography	Assessing Probability	Row With Approx. & Length Est. (Feet)	Area (Acres)	Right side of Subject Rail Line	Assessing Probability
201	21 12 28 & 35 Sheets 24 & 25	Smith Rvr Xng (Ind 3 Islands) & Unpqua Rvr Xng	738 93-739 91	County & state-owned islands, Rivers	EN EC & ED Wetlands	Very Low	150 x 4 858 (less 2 bridges)	11 67	County & state-owned islands Rivers	Very Low
202	21 12 35BD Sheet 25	739 91- 93 Reedsport shoreline & Port Dock Rd Xng		1 prv 13 Ac Bisected by subject	Industrial Shoreline Level w/ retaining wall	Low- Medium	±145 x ±105	0 35	Industrial Shoreline Level w/ retaining wall	Low- Medium (provides river frtg but rd esmt)
203	21 12 35BD BC & CA Sheet 25	739 93-740 06 Reedsport industrial area		3 prv 13 Ac Bisected 0 9 & 5 Ac	Industrial Level	Low- Medium	±145 x 75, 110 x 165 5 100 x 58 90 x 250 95 x 185	1 72	Industrial level	Low -Med
204	21 12 35CA & CB Sheet 25	740 06- 14		E Railroad Ave R/W & por of vacant 1 67 site	Industrial Level	Low- Medium	Misc (100- 220) x 400 plus toe of spur	1 71	Industrial. Level	Low -Med
205	21 12 35CB Sheet 25	740 14- 28		2 prv 3 6 Ac Bisected by subject & 0 6 Ac	Industrial Level	Low -Med	±55 to ±140 ±725	1 25	Industrial Level	Low -Med
206	21 12 35CB Sheet 25	740 28- 30 Hwy 38 Xng		N/A	N/A	N/A	Unknown width x 80	0	N/A	N/A
207	21 12 35CB & CC Sheet 25	740 30- 44		Apparently ±2 Ac Pvt w/ Warehouse & store bldgs (sufficient prior appears to exist)	Industrial Level	Low -Med	Assume 40 (like to south) x ±745	0 68	Industrial Level	Low
208	21 12 35CC Sheet 25	740 44- 47 Winchester Ave Xng		N/A	N/A	N/A	Unknown width x 150	0	N/A	N/A
209	21 12 35CC Sheet 25	740 47- 55		Pvt 1 28 Ac vacant	Industrial Level	Low	40 x 435	0 4	Commercial Level	Low
									4 prv Sites from 0 25- 5 Ac All have service oriented bldgs Against or near subject (oriented to rd - lining potential use of subject)	

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Douglas County (North to South)										
Appraisal Section	Assr Map Rail/RW/Map	Mile Post Landmark	Zoning Topography	Ownership & Size	Assessing Probability	ROW Width Approx. & Length	Area (Acres)	Zoning Topography	Ownership & Size	Assessing Probability
210	21 12 350C & 2 Sheet 25	740 55-85 So End of Reedport limits	S F Res Steep upslope	3 prv 1-4 Ac Residences	Very Low	115 x ±315 & 150 x ±1 270	5.2	Multi-fam Res Level with stream	1 prv 0.4 Ac vacant & 1 prv Manuf Hm & RV park 21 Ac bisected by subject	Very Low
211	22 12 2 1 & 12B Sheet 25	740 85-742 55 Scholfield Ck	EN & TR River Banks & Wetlands	State Roseberg Res D R Johnson Lumber Co & Douglas Co	Very Low	150 to 225 x 8,971	36.3	EN & TR River & Banks & Wetlands	State Roseberg Res D R Johnson Lumber Co & Douglas Co	Very Low
212	22 12 12B Sheet 25	742 55-76	EN & FF Wetlands	1 prv 61 ± Ac bisected by subject	Low -Med	150 x 1 100	3.79	EN & F Level & mod Slope	1 prv 61 ± Ac bisected by subject	Low -Med
213	22 12 12B & 11A Sheet 25	742 76-99	5R & FG	2 prv w/ 0.4 & 5.4 Ac 1 prv 318 + Ac bisected (by subject)	Low -Med	150 x 1 311	4.51	EN & FF Wetlands	1 prv >318 Ac bisected by subject	Low-Med
214	22 12 11A Sheet 25	742 89-743 00 Thornton Oak Ln Xing	N/A	N/A	N/A	150 x 60	0.21	N/A	N/A	N/A
215	22 12 11A & 11 Sheet 25	743 00-25	EN Wetlands	Por 1 prv 14 + Ac Prop	Very Low	150 x 1 353	4.66	EN Wetlands	2 prv 14 & 42 Ac	Very Low
216	22 12 11 & 11D Sheet 25	743 25-51	RR & 5R Level	4 prv 2-4 Ac 0.08 Ac, & 9.25	Low -Med	150 & 190 x 1 360	5.02	FG Level	1 prv 318+ Ac	Low
217	22 12 11D & 14A Sheet 26	743 51-89	FF Level w/ Ck Xing	1 prv (131 Ac Bisected by subject)	Very Low	150 x 2 000	2.3	FF Level w/ Ck Xing	2 prv large tree farm & 131 Ac bisected by subject	Very Low
218a	22 12 14A & 14D Sheet 26	743 89-744 55	N/A	Scholfield Ck Rd	Very Low	150+ x 3 510 (12 25 Ac - 0.89 Ac For rd xing)	11.36	FG & FF Level w/ Ck Xings	3 prv 131 Ac, 5.6 Ac & 7 Ac	Very Low
218b	22 12 14A Sheet 26	743 89-744 55 Scholfield Ck Rd deduction	N/A	2 sections of Co Rd cross subject	N/A	Misc	0.89	N/A	N/A	N/A
219	22 12 14 Sheet 26	744 55-80	TR & FF Level	1 prv 35 Ac bisected by subject	Low	150 to 225 x 1 840	7.71	FF Level	2 prv .4 Ac & 35 Ac bisected	Low
220	22 12 14 & 23 Sheet 26	744 90-745 46	N/A	Scholfield Ck Rd	Very Low	Avg 210 west of co r/w x 2 958	14.26	FF & TR Steep hill land	2 large prv holdings bisected	Very Low

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Douglas County (North to South)										
Appraisal Section	Assn Map Rail/RW/Map	Mile Post Landmark	Zoning Topography	Ownership & Size	Assembly Probability	ROW Width Approx	Area (Acres)	Zoning Topography	Ownership & Size	Assembly Probability
221	22 12 23 Sheet 26	745 46- 67	TR Steep hill land	2 prv't bisected by subject 30 Ac & med tree farm	Very Low	Misc ±1 110	11 56	TR Steep hill land	2 prv't bisected by subject 30 Ac & med tree farm	Very Low
222	22 12 23 & 27 Sheet 26	745 67-746 43 Tunnel No 7	TR Steep hill land	Prvt tree farm (med) bisected by subject	Very Low	100x4 183	9 6	TR Steep hill land	Prvt tree farm (med) bisected by subject	Very Low
223	22 12 27 & 28 Sheet 26	746 43-747 96	TR Steep hill land	250 Ac Co owned bisected, prv't large tree farm	Very Low	300 x 5 448 150 x 2 873 & 75 x 450	48 19	TR & FF Steep hill land	250 Ac bisected co unusual 32 5 Ac parcel along Co Rd	Very Low
224	22 12 28 & 33 Sheet 27	747 96- 97 Schofield Rd Xng	N/A	N/A	N/A	150 x 50	0 17	N/A	N/A	N/A
225	22 12 33 Sheet 27	747 97-748 64	FF Steep hill land	1 prv't 55 Ac farm bisected	Very Low	100 to 175 x 3,538	9 49	FF & TR Steep hill land	Bisected farm (see left) & por of large tree farm	Very Low
226	22 12 33 & 32 Sheet 27	748 64-749 08		N/A - Blacks Arm of North Tenmile Lake	Very Low	Variable 2 334	7 42	TR Steep hill land	2 prv't 1 @ 100 Ac & large tree farm	Low
END of DOUGLAS COUNTY							Total Estimated Area	412 98		

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Coos County (North to South)										
Appraisal Section	Aer. Map Rail/R/W Map	Mile Post Landmark	Left Side of Subject Line			Right Side of Subject Line			Assembly Probability	
			Zoning Topography	Ownership & Size	Assembly Probability	ROW Width & Length Est. (Feet)	Approx. Area (Acres)	Zoning Topography		Ownership & Size
227	23 12 5 Sheet 27	749 08- 34	F Lake & shore	Blacks Arm of North Ternille Lake (public)	Very Low	Avg ±120 w/o lake x 1 375	3 79	F, Steep hill land	Portion of large tree farm	Very Low
228	23 12 5 Sheet 27	749 34- 46	F Lake & shore	N/A - Blacks Arm of North Ternille Lake	Very Low	Avg ±150 w/o lake x 628	2 18	F Steep hill land	3 privt. campsites w/o rd excess 0 15 7 & 8 Ac	Medium-High
229	23 12 5 Sheet 27	749 46- 87	F Lake & shore	N/A - Blacks Arm of North Ternille Lake	Very Low	Avg ±125 w/o lake x 2 785	7 99	F, Steep hill land	160+ Ac Lone Rock Timber Co	Very Low
230	23 12 5 Sheet 27	749 87-750 06 No Ternille Lk Xing	F Lake & shore	N/A - Blacks Arm of North Ternille Lake	Very Low	200 x 927	4 28	F, Lake & shore	Blacks Arm of North Ternille Lake (public)	Very Low
231	23 12 8 Sheet 27	750 08- 38 Includes 870 Tunnel No 8	F Steep hill land w/ some level	Blue Heron Land Co 23 4 Ac	Very Low	±200 x 1 671	7 67	F, Steep hill land w/ some level	Blue Heron Land Co 23 4 Ac	Very Low
232	23 12 8 Sheet 27	750 38- 46	F Lake & shore	N/A - Blacks Arm of North Ternille Lake	Very Low	Avg ±105 w/o lake x 421	1 01	F Steep hill land	4 Ac Rec Hm Prop & por of large tree farm	Low-Medium
233	23 12 8 Sheet 27	750 46- 79 No Ternille Lk Xing	F, Lake & shore	N/A - Blacks Arm of North Ternille Lake	Very Low	150 x 1 472 & 200 x 3 15	6 52	F, Lake & shore	N/A - Blacks Arm of North Ternille Lake	Very Low
234	23 12 8 Sheet 27	750 79-751 17	F Lake & shore	N/A - Blacks Arm of North Ternille Lake	Very Low	Avg ±125 w/o lake x 1 995	5 72	F Steep hill land	God's Valley Timber Co 129 Ac	Very Low
235	23 12 8 Sheet 27	751 17- 28 Incl por 475 Tunnel No 9	F Steep hill land	God's Valley Timber Co 129 Ac	Very Low	200 x 601	2 76	F Steep hill land	God's Valley Timber Co 129 Ac	Very Low
236	23 12 17B & 18A Sheets 27&28	751 28- 59 No end of Lakeside limits	MC & RR Level	41 Ac Willow Crk Mobile Hm Park w/ signif vacant land	Very Low	200 x 1 616	7 42	GR Level	Portion of privt 9+ Ac vacant	Very Low
237	23 12 18A Sheet 28	751 59- 69	GR Level	2 privt 3 7 Ac Maruf Hm Park & ±5 Ac vacant	Very Low	200 x 485	2 23	GR, Level	Portion of privt 9+ Ac vacant	Very Low
238	23 12 18AB & AC Sheet 28	751 69- 96	GR Level	25 & 30 wide unimproved public right of ways abut	Very Low	150 x 1 408	4 84	GR Level	Bowron Rd r/w (public 25' wide)	Very Low
239	23 12 18BD Sheet 28	751 96-752 09	GR Level	6 privt 0 2-6 Ac & 2-3 dev w/ residences	Very Low	40 (per co asst map) x 670	0 62	GR Level	3 privt 2 w/ 3 Ac & 1 is por of 1 3 Ac (2 homes dev)	Very Low

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Coos County (North to South)									
Appraisal Section	Aerial Map	Mile Post	Left Side of Subject Line	Right Side of Subject Line	ROW Width	Approx	Assembly	Ownership	Assembly
	Rail/Map	Landmark	Zoning	Topography	Area	Length	Prob	Size	Prob
					(Acres)	(Feet)			
240	23 12 188D Sheet 28	752.09-13	GC Level	1 prv 0.6 Ac vacant	Very Low	40 x 220	0.2	GC, Level w/ wetlands likely	Very Low
241	23 12 188D Sheet 28	752.13-14 So 8th St Xng	N/A	N/A	N/A	40 x 80	0.07	N/A	N/A
242	23 12 188D Sheet 28	752.14-19	GC Level	Portion of 1 prv vacant site w/ 1.6 Ac	Very Low	40 x ±275	0.25	GC Level	Very Low
243	23 12 188C Sheet 28	752.19-37	GR w/ portion of airport runway zone Level	Portion of 2 prv vacant sites w/ 1.6 & 4.3 Ac	Very Low	40 x ±925	0.85	GR w/ portion of airport runway zone, Level	Very Low
244	23 12 188C Sheet 28	752.37-42	RR Level	Vacant portion of prv 4.3 Ac	Very Low	40 x ±210	0.19	GR Level	Very Low
245	23 12 188C Sheet 28	752.42-54	RR Level	Por of 4.3 Ac. Prvt w/ hm. At west end (owner also has prop on other side of subject)	Very Low	40 x ±600	0.55	GC Level	Very Low
246	23 13 13A Sheet 28	752.54-78	Open Space Level	USA (Siuslaw Natl Forest)	Very Low	200 x 1 278	5.86	Open Space Level	Very Low
247	23 13 13A & 13D Sheet 28	752.78-97 Southwest limit of Lakeaside	EFU (County) Level	Prvt 89 Ac. w/ h/s on other side of creek	Low	150 x ±880	3.37	RR Level	Low-Med
248	23 13 13A & 13B Sheet 28	752.97-753.01 Hwy 101 Xng (overpass)	N/A	N/A	N/A	150 x ±210	0.72	N/A	N/A
249	23 13 13A & 13B Sheet 28	753.01-11 Tennille Ck Xng & rd Xng	N/A	N/A	N/A	150 x ±140 & 125 x ±410	1.68	N/A	N/A
250	23 13 13B & 13C Sheet 28	753.11-73	RR-2 (Coos Co.) Level	ODOT (Hwy 101)	Very Low	125 x 889 & 100 x 1 925 & 200 x 485	9.2	RR-2 (Coos Co.) Level	Very Low
251	23 13 13C & 23 Sheet 28	753.75-96	F, Level	ODOT Hwy 101 Por of 7.58 Ac USA strip	Very Low	200 x 300 & 150 x 920	4.68	F Level	Low-Med
252	23 13 23 Sheet 28	753.96-97 Spartan Rd Underpass	N/A	N/A	N/A	150 x 60 Avg	0.21	N/A	N/A
253	23 13 23 Sheet 28	753.97-754.65	Rac & F Dune land	Por of 7.58 Ac USA strip ODOT Hwy 101	Very Low	150 x 3 500	12.38	Rec Dune land	Very Low

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Coos County (North to South)									
Appraisal Section	Aer Map (Rail/ROW/Map)	W/Ls Post Landmark	Left Side of Subject (Rail/Line)	Right Side of Subject (Rail/Line)	ROW Width Approx	Area (Acres)	Zoning Topography	Ownership & Size	Assembly Probability
254	23 13 23 & 26 Sheet 28	764 65-765 17	F Level	Hwy 101 r/w	Very Low	150 x 1 380 & 125 x 1 365	F Level	60 wide ODOT strip 4 pvt - 23 Ac Vac 8.9 Ac Mob Hm Park, 2 & 3.5 Ac whomes	Very Low
255	23 13 26 Sheets 28 & 29	755 17- 78 Clear Lake	F Level	Hwy 101 r/w	Very Low	125+ x 1 373 & 150 x 1 836	Rec & F Level	Clear Lake USA (ODARA) Land or St Land & small por of pvt 14 Ac Res	Very Low
256	23 13 35 Sheet 29	755 78-756 08	F Level	Hwy 101 r/w	Very Low	150 x 1 580	F & RR-2 Level	1 Pvt 35± Ac. parcel that is Saunders Lake	Very Low
257	23 13 35 & 35BC Sheet 29	756 08- 21 Saunders Lake	RR-2 Level and lake	ODOT Hwy r/w & Saunders Lake	Very Low	150 x 713	RR-2 Saunders Lake	1 Pvt 35± Ac. parcel that is Saunders Lake	Very Low
258	23 13 35 & 35BC Sheet 29	736 21- 31 Lakewood Park Subdiv	RR-2 Level and lake	ODOT Hwy r/w & Saunders Lake	Very Low	150 x 520	RR-2 Level	2 pvt Res w/ ±0.5 Ac (acq of subject could help lake access)	Med -High
259	23 13 35 & 35BC Sheet 29	756 31- 40 Lakewood Park Subdiv	RR-2 Level	2 pvt 0.5 Ac vacant & 2 Ac w/ house far from subject	Low - Medium	±200 x 465	RR-2 Level	Lakewood Drive (public r/w)	Low-Medium
260	23 13 35 & 35BC Sheet 29	756 40- 41 Lakewood Dr Xng	N/A	N/A	N/A	Est. 50 x 200	N/A	N/A	N/A
261	23 13 35 & 35BC Sheet 29	756 41- 43 Lakewood Park Subdiv	RR-2 Level	1 pvt 0.8 Ac w/ residence (acq of subject could help control lk access)	Med -High	200 x ±150	RR-2 Level	1 pvt ± 25 Ac w/ residence (acq of subject could help control lk access)	Med -High
262	23 13 35 BC & CB Sheet 29	756 43- 65 Saunders Lake Xng	N/A	N/A	N/A	200 x 1,180	N/A	N/A	N/A
263a	23 13 35 CB & OC Sheet 29	756 65- 78	RR-2 Level	±0.5 Ac Pvt w/ lakefront home narrow public rd r/w por of 2 Ac Pvt w/res	Med -High (poss Hmst)	200 x 500 & 195 x 225- 275 (3.41 Ac - 0.29 Ac far rd xng)	RR-2 Level	±0.5 Ac Pvt w/ lakefront home public rd r/w (Dunes Rd) & 0.09 Ac vacant site	Low-Medium
263b	23 13 35CB Sheet 29	756 75± Cranmog Rd / Island Dr Xng	N/A	N/A	N/A	Est 50 x ±250	N/A	N/A	N/A
264	23 13 35OC Sheet 29	756 78- 89 Ruth Lake Xng	N/A	N/A	N/A	±170-225 x 600	N/A	N/A	N/A

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Coos County (North to South)									
Appraisal Section	Assess Map (Rail/ROW) Map	Mid-Point Landmark	Zoning Topography	Ownership (A-Size)	Assembly Probability	Area (Acres)	Length (Feet)	Area (Acres)	Right of Subject (Rail/Line)
265	23 13 35OC & 24 13 28B Sheet 29	756.89-757 05	RR-2 Level	3 priv Res on 1 6-2 Ac Lots	Low -Med	2.94	150 Avg x 787	2.94	RR-2 Level
266	24 13 3 Sheet 29	757 05 - 33	Industrial Level forest	Subject bisects 228 Ac parcel (including Butterfield Lk.) owned by U S Forest	Low (no direct access gravel & lake setback)	5.04	150 x 1465	5.04	F. Level forest
267	24 13 3 Sheet 29	757 33- 38 Butterfield Lk Xing	N/A	N/A	N/A	0.9	150 x 262	0.9	N/A
268	24 13 3 Sheet 29	757 38-758 10	Industrial Steep upslope to level forest	Subject bisects 228 Ac parcel (including Butterfield Lk.) owned by U S Forest	Very Low	11.56	130 to 150 x ±3 800	11.56	F & Rec Level forest & dunes
269	24 13 10 Sheet 29	758 10- 57 Beal Lake	Industrial Steep upslope	52 Ac USA & 9 Ac Privt w/ custom home	Very Low	12.47	±150-250 x ±2 468	12.47	Rec Level with lake
270	24 13 10 & 15A Sheets 29&30	758 57-759 14 Hauser	Industrial Level	20' wide privt Rd esmt. (Hauser Depot Rd)	Very Low (wetlands)	5.91	100 to ±185 (less 20' rd esmt) x ±2 985	5.91	F & EFU Level w/ August Lk. then dunes
271	24 13 15A Sheet 30	759 14- 30	Industrial Level	20' wide privt Rd esmt. (Hauser Depot Rd)	Very Low	3.39	Avg ±180 x 820	3.39	Industrial Level & Dunes
272	24 13 15A Sheet 30	759 30- 31 Hauser Depot Rd Xing	N/A	N/A	N/A	0.17	150 assumed x 50 angled	0.17	N/A
273	24 13 15A & 15 Sheet 30	759 31- 44	Industrial Level	Private Rd r/w serving limited use properties	Very Low	2.41	150 x ±700	2.41	Industrial Gentle upslope
274	24 13 15A & 15 Sheet 30	759 44- 53	Industrial Level	Private Rd r/w serving limited use properties	Very Low	1.72	150 x ±500	1.72	RR-2 Gentle upslope
275	24 13 15A & 15D Sheet 30	759 53- 96	Ind & CBEMP Level	Private road r/w & privt 9.2 Ac w/ only envr enhancement allowed	Very Low	10.82	150 & 225 x ±2 425	10.82	Industrial Dunes largely forested

Description of the Subject Property and Abutting Areas

Assessment of Subject Line - Coos County (North to South)										
Appraised Section	Assr Map Rail/RW Map	Mile Post Landmark	Left Side of Subject Line			ROW Width			Right Side of Subject Line	
			Zoning	Topography	Ownership & Size	Assemblg Probability	& Length Est. (Feet)	Area (Acres)	Zoning	Topography
276	24 13 15, 15D, 22 & 27 Sheet 30	759 86-762 15	CBEMP Level (ind No slough floodlands)	Coos Co (6 Ac.), 2 prv @ 3+ Ac USA (ODNRA) & St of Or Bisected	Very Low	100-430 x ±2 19 Mi	37 94	Rec F & some CBEMP Dunes	USA (ODNRA) St of Oregon (portions of both bisected by subject)	Very Low
277	24 13 34B & 34C Sheets 30&31	762 15-763 13	CBEMP Level (ind No slough floodlands)	Several prv (some bisected) & slough 3 2 Ac parcel at end of subject will not have dune access significantly improved by acquits of subject	Very Low	150 to 425 x ±5 175	21 62	Industrial Dunes	Several large prv. (some bisected by subject)	Very Low (Dunes & wind strds)
	END of COOS COUNTY									Total Estimated Area

VALUATION INTRODUCTION

VALUATION METHODOLOGY OVERVIEW

It has been determined that the highest and best use of the subject property is piecemeal disposition of the underlying land (after salvage of the improvements, which is not addressed by this appraisal). Ideally, the subject market value could be estimated by comparison with purchases of similar rights-of-way that had been acquired for disassembly and resale. However, such line transactions are rare and the subject make-up is unique regarding encumbrances, market characteristics, etc. Therefore the appraiser's market investigation did not uncover any relevant comparable sales of abandoned right-of-way lines. Therefore, the best alternative for estimating market value is a net liquidation value analysis, which is sometimes referred to as fair market value in piecemeal disposition. The process estimates market value by simulating the likely piecemeal disposition of the subject and then calculating the present worth of expected future net profits.

Estimating net liquidated value typically involves the following three steps, which are discussed in more detail as appropriate later in the analysis:

- 1) Development of "Base Values," which are estimates of fair market value of the subject right-of-way's likely disposition parcels. Often this is considered in regard to the unencumbered fee simple interest. However, the base values considered in the analysis of the subject property consist of the fee interest encumbered by SPTC's blanket easement (timber rights, pipeline and communication lines, etc.). This minor deviation from standard methodology is justified as it simplifies the process and leads to a more accurate conclusion,
- 2) Base value adjustment (remaining) title defects, resulting in "Adjusted Base Value", and
- 3) Net present value analysis, estimating what a seller could reasonably realize through piecemeal disposition of the right-of-way

LAND VALUATION ANALYSIS FORMAT

The land valuation analysis has been organized to simplify application of the methodology, as well as promoting understanding by the reader. The above valuation methodology overview is first enhanced by more detailed discussions of the Base Value analysis, the Adjusted Base Value analysis and the Net Present Value analysis and application process. These discussions are followed by breakdown of the subject into seventeen (17) Valuation Units, which are groupings of the Appraisal Sections identified on the line assessment chart, according to similar characteristics relevant to the Subject disposition. It is noted that my segregation of the subject into the Valuation Units resulted from consideration of 65 classifications of abutting lands recognized along the subject property.

The process of estimating net liquidation value of a right-of-way with a magnitude of the subject is simplified by estimating the unit price of a typical disposition parcel within a Valuation Unit, applied across the board to the entire Valuation Unit as appropriate. The analysis presented for each Valuation Unit summarizes the abutting property characteristics to the extent required to support a reliable value opinion. After base values are calculated for each Valuation Unit, the title defects existing for that Valuation Unit are

VALUATION INTRODUCTION

deducted, where appropriate. Finally, when the Valuation Unit is estimated to contribute market value, the analysis discussing and applying net present value considerations conclude the valuation analysis.

BASE VALUE ANALYSIS OVERVIEW

The base value of the subject property is the fair market value of the fee simple interest in its individual disposition parcels, as limited by the known encumbrances (SPTC blanket easement and several obvious electrical transmission lines).

Market value estimates are achieved by dividing the subject line into Valuation Units comprised of similar land use potential, market class and unit price. The process of estimating base value of a right-of-way begins with segregating the right-of-way into its various disposition categories, which is initially based on the two general market classes - Developable Property and Abutter Property. Developable property is that with physical characteristics allowing it to be individually developed or subdivided into a conventional use in the marketplace. Very little of the subject right-of-way meets the definition of developable property because of its encumbrances that significantly limit independent land use; industrial land in Reedsport is the only relevant occurrence. Nearly the entire subject property constitutes Abutter Property, which is a segment of property that has no significant use to anyone other than the abutting property owner by reason of shape, size, topography, encumbrances, access or other physical characteristics.

Base value estimates of Abutter Property consider the price at which the individual parcels would likely sell within a typical marketing period if somebody were to buy them. This does not inherently assume that the buyer wants the right-of-way or is financially able to purchase it. Contributory use and utility of abutting land to a specific buyer (the abutter) is a critical factor in the estimate of the right-of-way's basic value.

In the case at hand, the best starting point for estimating the subject's base value is the across-the-fence (ATF) value, because of the lack of relevant comparable sales involving former railroad right-of-way. ATF value is the market value of typical property abutting or in the general vicinity of the subject property for a designated highest and best use. The Sales Comparison Approach is the only one of the three traditional valuation approaches appropriate for use in estimating ATF and base values for the subject, due to the land-oriented nature of the subject and type of market data available. In the application of the Sales Comparison Approach, the bracketing technique has been employed wherein the market prices of superior and inferior properties are compared to the subject to establish a supportive market value estimate.

In estimating the subject's base value it is important to remember that strict application of ATF methodology is most appropriate to calculate the reconstruction or replacement cost of a desirable corridor but not for a right-of-way best dismantled and heavily encumbered in terms of use potential (such as the subject). However, ATF values are typically the best place to start analysis of the subject value in terms of disposition because the encumbered subject can generally be considered to contribute potential value at a lesser rate than ATF values.

In areas where virtually no potential benefits arise to the abutting property from assemblage of the adjoining right-of-way, due to factors such as topography, access and/or land use restrictions, then it may be reasonable to conclude that the right-of-way has no

VALUATION INTRODUCTION

value in piecemeal disposition. At the other end of the spectrum, if a property can extraordinarily benefit from acquisition of right-of-way, perhaps due to growth constraints or density requirements, then a premium above ATF may be appropriate.

The concept and appropriateness of contributory value over ATF value is most clearly exemplified by single family residential properties. The land element typically sells on a price per lot basis, with the overwhelming majority of value being associated with the base homesite component. If zoning and market norms dictate a base homesite area is typically in the vicinity of 10,000 SF, then any additional area usually contributes use/value more oriented towards agricultural and/or open space (all other things being equal). For example, if the value of a 10,000 SF lot is \$50,000 (\$5.00/SF) then the adjoining lot with 11,000 SF similar in all other ways would typically sell at or very near \$50,000 (as opposed to \$5.00/SF or \$55,000) because of the similar overall utility and the relatively limited utility associated with the additional 1,000 SF of lot area. Applied to the subject valuation, in many cases the subject represents only agricultural and/or open space utility to the abutters and therefore direct application of ATF values are not always appropriate, especially considering the blanket easement encumbrance.

ADJUSTED BASE VALUE OVERVIEW

The goal of this portion of the analysis is to adjust the base value estimates so that the amounts of subject area are correctly considered to the extent possible. Typically, this step adjusts for all encumbrances or other less than fee simple ownership issues (i.e. bridges and missing title).

The SPTC blanket easement has already been reflected in the previous Base Value Analysis and the public areas (i.e. roads and waterways) have been segregated to be reflected as a Valuation Unit. Therefore only the remaining title defects are addressed in this portion of the analysis.

As mentioned earlier in the analysis, no value adjustment has been made for private road crossings (presumably by easements) as these are small, sparse and serve the abutting property upon which the Base Value estimate are predicated. (Refer to Item No. 3 of Special Assumptions and Limiting Conditions.)

For each Valuation Unit, the adjusted base value analysis consists of cataloging the special value situations, discussing their implications on the Base Value estimates and then adjustments are made accordingly.

NET PRESENT VALUE - LAND COMPONENT

After estimating the "Adjusted Base Value" of the subject line there are many factors yet to be considered to accurately reflect the subject's market value - these include:

- 1) Pace of disposition/sales,
- 2) Cost a typical buyer would incur in disposing of the individual portions of the subject,
- 3) Interim income during disposition,
- 4) Administrative delay and
- 5) Time/market factors

VALUATION INTRODUCTION

The standard approach to reflect these factors is a cash flow model used to estimate the present value of net proceeds that an owner can expect to receive from fractional disposition of the subject line

Pace of Disposition/Sales - In the process of appraising a former railroad line the steps of estimating Base Values and pace of sales are inextricably linked. The process of estimating Base Values does not simply consist of utilizing ATF values but considers the subject's utility to abutting properties when estimating the price at which the individual parcels would sell within a reasonable length of time. Towards this end, the appraiser interviewed railroad right-of-way disposition specialists to help estimate the likely reasonable time required to dispose of the subject property.

In a past assignment, I interviewed two men that had been involved in selling off former railroad right-of-way in eastern Oregon. Around year 2000, both felt that it would take from six months to one year to sell off a line of 60.5 miles that predominantly extended through large holdings (ownerships) of forest and/or range properties. They supported the time estimates by citing the predominant psyche of rural property owners which is extremely protective of property rights and access, thereby causing a high demand for the subject property. However, it is noted that the eastern Oregon line they were commenting on was not as heavily encumbered as the subject, it had many fewer water crossings and there were far fewer abutting ownerships. It is also noted that neither Bob Fowler, previously of Rail Property Management, nor Shawn Canavan, previously with Railroad Realty Services, could be reached to comment on this analysis. (The businesses seemed to have ceased.)

George Ross, Vice-President with A&K Railroad Materials, was interviewed in regard to this assignment. He heads their real estate division and is in charge of land disposition for abandoned railroad lines purchased for salvage purposes. Their policy is to accept no less than ATF values for unencumbered areas and as a result they usually experience a sell off period around three years, at which point they typically have a remainder of undesirable land they expect is very unlikely to sell at any price. However, as an example of past experience he cited a line in Pennsylvania that they purchased in the mid-1980's and it took six years to sell off the portions in the towns and they still own areas in the mountains. Also, in 1991 they purchased a 142 mile line between Fresno and Bakersfield, California (predominantly farm land) and they still own significant portions of areas that were unable to be sold.

There is always the potential that some portions of the subject will not sell in a reasonable time period, particularly the isolated areas with limited utility. This analysis has initially attempted to address and minimize this consideration by estimating Base Values that would result in near total disposition of the line within the time periods discussed above. The unavoidable risks associated with making the inherently ambiguous estimates are also reflected later in the analysis by entrepreneurial profit and with the discount rate utilized for capitalizing the cash flow projections to a Net Present Value (NPV).

In conclusion, it is apparent that different disposition periods will be experienced by the subject Valuation Units, depending of types of abutting areas relative to the use potential offered by the encumbered subject. Specific estimates of disposition period will be made later in the analysis relative to the subject Valuation Units, based on the above discussion.

VALUATION INTRODUCTION

Costs of Land Disposition - A knowledgeable buyer of the subject land, in estimating its fair market value, would consider and deduct all the likely costs to be incurred in its disposition. These are costs that the current owner would also have to absorb in order for the subject property to realize its highest and best use. The costs typically vary from buyer to buyer depending upon the extent to which the buyer can benefit from the efficiencies of performing necessary disposition/sale steps in-house. The goal of this analysis is to estimate the costs most likely to be incurred by an owner of the subject with a focus on railroad abandonment specialty companies that represent the most likely purchaser of the property. The following is a breakdown and analysis of the costs typically considered in this sort of analysis.

Selling Costs - The selling fees in the industry tend to range from ten percent to twenty percent based on a survey of market participants. In year 2000, Shawn Canavan of Railroad Realty Services stated his firm uses a sliding fee schedule from ten percent to twenty percent depending on line size and nature. Bob Fowler with Rail Property Management indicated they use an hourly sales fee because of the many imponderables and variables from line to line. Also a percentage fee basis is often insufficient for inexpensive rural properties. George Ross of A&K Railroad Materials uses ten percent to fifteen percent for sales costs in his pro-forma expense analysis of abandoned rail properties. He indicated that the percentage utilized depends upon the property type with ten percent common for urban areas and fifteen percent for rural.

Based on these factors, sales cost estimates of ten percent of Adjusted Base Value estimates has been applied to urban areas and fifteen percent for rural areas.

Title Insurance - None, buyer will presumably acquire title by Quit Claim Deed, as is customary, and it would most likely use Quit Claim Deeds in the ensuing piecemeal disposition.

Escrow Fees - Escrow fees are generally \$3 per \$1,000 of sale price plus \$100 per transaction, which is generally split between the buyer and seller. The number of subject disposition parcels (transactions) therefore plays a role in determining this fee. All things considered, an expense estimate of 0.16 percent of Adjusted Base Value is appropriate and has been applied to the Valuation Units.

Lot Line Adjustment - Lot line adjustment fees are typically low and are considered to be included within other estimates.

Recording Fees - This expense is assumed to be borne by the buyer of the property in disposition, as is standard. Therefore, no recording costs are included in the cash flow projections.

Legal Fees - This is a very real cost likely to be incurred by a prudent buyer of the subject line to insure liability is minimized. An estimate of Adjusted Base Value of each Valuation Unit is judged to be most suitable in the analysis, however, it is recognized that this is an inherent variable cost and it is essentially impossible to accurately project.

Administrative and Overhead Costs - In this analysis, these cost items are primarily reflected in the selling cost estimate. As the most labor intensive function of the disposition process, the seller would shoulder the bulk of the administrative and overhead costs. The remaining administrative and overhead costs would be minimal and are therefore considered to be reflected as part of entrepreneurial profit/risk.

VALUATION INTRODUCTION

Insurance - A prudent buyer would require protection from the built-in liability stemming from 111 miles of unsupervised and unenclosed right-of-way. A general liability policy would most likely be sufficient. I have estimated the cost based on a percentage of Adjusted Base Value and in doing so have attempted to reflect the fact that much of the subject is essentially worthless but still presents a liability concern. Fee quotes were not forthcoming from insurance agents due to the large and unique nature of the property and due to the nature of my inquiry.

Property Taxes - The assessors of the three counties containing the subject have essentially categorized the subject right-of-way line as omitted property (due to its recent railroad use). Though they are not actively assessing taxes on the line, taxes will be due at a later time when the Assessors believe it is appropriate. This analysis assumes that a buyer of the property would not be responsible for any back tax liability and that taxes would be assessed from the date of valuation.

The tax rate most likely to be experienced is estimated for each Valuation Unit (analysis forthcoming). The tax rates used are estimates of taxes relative to market value, which have been based on a sampling of properties similar to those abutting the subject line; this is most appropriate due to nuances of the Oregon property tax system. Furthermore, the tax rate is applied to the remaining Adjusted Base value of the Valuation Unit in recognition of the fact that as property is sold off the property taxes are reduced.

Property Maintenance - With dismantling of the railroad improvements, typically the only property maintenance expected over the sell out period is weed abatement. Noxious plants are not known to be a significant problem in the vicinity of the subject and therefore no property maintenance expense has been reflected in this analysis.

Interim Income - Interim income is revenue expected during the disposition period from sources other than real property sales. Typically interim income sources are land leases, wire and pipeline agreements and concessions. No such income sources are known to be currently in place on the subject line (at least for the subject ownership) and none are likely to feasibly occur. Therefore, no interim income is included in the cash flow projection.

Administrative Delay - Administrative delay is the time line between the buyer's date of acquiring the entire subject line and the time that the buyer begins the orderly piecemeal disposition of the line. This factor has already been considered in the sale/disposition time period estimate. It is not anticipated to be significant on the subject because the line is already closed (no wind-down period required).

Time/Market Factors - This market consideration includes appreciation, inflation, profit, risk and the time value of money. Market conditions and values have been and are anticipated to remain generally stable, by all accounts encountered during the appraiser's market investigation. Therefore, no adjustment for value appreciation or depreciation is judged suitable for incorporation into the relatively short projection period of the analysis. The same is the case for inflation, while this affects the area it is anticipated to be reflected in land values.

Profit is the factor motivating a buyer to acquire the subject line and realize its highest and best use through piecemeal disposition. It represents the amount an entrepreneur expects to receive in addition to costs for the time spent and risks assumed in undertaking the project. Real estate development ventures are typically based on obtaining

VALUATION INTRODUCTION

a fifteen percent to twenty percent profit, depending upon the nature and magnitude of the project. Ideally an entrepreneurial profit estimate is market derived but this is not plausible for the subject considering the limited nature of the market and the uniqueness of the subject line.

In estimating suitable profit expectation for the subject, a knowledgeable buyer would consider alternative investment models and risk factors such as market conditions, capital outlay and surrounding cash flow projection estimates. The market conditions pertaining to the subject are not particularly good but associated risk is minimized since the Adjusted Base Value estimates utilized consider both market conditions and the desirability to abutting owners. A buyer of the subject also assumes risks associated with the improvements, rail salvage values fluctuate, the rail salvage appraisal may not be accurate, and availability of and extraction time required by a salvager may be problematic, etc. In conclusion, it is judged most appropriate for the analysis to consider entrepreneurial profit at 15% of the Adjusted Base Values of the land.

The final step in the valuation analysis is to derive a net present value by discounting the expected net proceeds. The concept of discounting considers the time value or preference of money as well as the inherent risk of the investment.

A discount (yield) range is based on attitudes and expectations of typical market participants. Historical yield rates are noteworthy as a starting point of analysis but they are not always directly applicable to the present analysis because they reflect future benefits perceived in the past, as opposed to the present. Not surprisingly, the appraiser's investigation found insufficient data for the analysis of historical yield rates experienced in the marketplace, there are a limited number of abandoned railroad line purchases, each is extremely unique (i.e. title, market type, etc.), and historical yield rates are very difficult to accurately determine.

In this instance the best support for estimating the applicable discount rate is the railroad industry's after-tax, weighted-average cost of capital. For year 2006 this rate was 9.94 percent according to the STB. In conclusion, a rounded discount rate of ten percent is justified given industry norms and the other estimates utilized in the analysis.

VALUATION INTRODUCTION

VALUATION UNITS SUMMARY

The valuation of the subject land is deemed to be best facilitated by segregation into seventeen (17) Valuation Units. The following table provides a list identifying the Valuation Unit breakdowns and summarizing their general makeup.

Summary of Valuation Units			
Valuation Unit Identification	Summary Name	General Description of Valuation Unit	Total Areas (Acres)
VU-1	No Value	Areas with no contributory value (i.e. crossings of public roads, rivers, lakes, etc.)	61.87
VU-2	Nominal Values	Subject abuts areas with very low, if any, value. Examples are wetlands, sloughs, designated open spaces, etc.	307.56
VU-3	Forest Nominal	Abutting forest zoned properties anticipated to have no interest in acquiring the abutting subject areas.	1,031.62
VU-4	Forest Desirable	Subject abuts forest zoned parcels that could benefit from assemblage (low to medium desirability).	105.48
VU-5	Unique Forest	Several small forest-zoned parcels used as private campsites and separated from lake by Subject.	2.16
VU-6	Farm Land	Subject abuts farm land that has potential benefit from subject.	64.18
VU-7	Rural Res. in Lane Co.	Rural residential properties in Lane Co. abut the subject line.	142.93
VU-8	City of Veneta	Portion of subject traversing through the City of Veneta.	42.83
VU-9	Siltcoos Sta. Residential	Rural residences in Siltcoos Station (Siltcoos Lake, Lane Co.) area abut subject.	7.97
VU-10	Reedsport Rural Res.	Subject abuts rural residential properties in Reedsport area.	19.86
VU-11	Rural Res. in Coos Co.	Rural residences in Coos Co. (Lakeside and Hauser areas) abut subject.	17.97
VU-12	Water Residential	Areas where subject offers improved waterfrontage access to residential-oriented properties.	11.63
VU-13	Eugene Industrial	Industrial land in west Eugene abuts subject line.	5.61
VU-14	Rural Indus.	Rural industrial (lumber mill-oriented) lands in Lane County.	18.40
VU-15	Reedsport Industrial	Industrial lands in Reedsport abut subject line.	6.11
VU-16	City of Lakeside	Portion of subject traversing through the City of Lakeside.	23.01
VU-17	Rural Commercial	Rural Commercial lands abut subject.	3.83
Total Areas after Adjustment for Title Defects			1,873.02

VALUATION UNIT 1
(Areas with No Contributory Value)

General Overview

This Valuation Unit is comprised of sections of the subject line that clearly contribute no value in terms of disposition potential, primarily because the public essentially owns the rights to the area. Examples are where the subject is crossed by public roads or where the line crosses water such as a lake or river.

List of Relevant Appraisal Sections

The following table lists the portions of the line, as segregated for the purposes of this appraisal, making up Valuation Unit 1.

Appraisal Sections in Valuation Unit 1			
Appraisal Section	Mile Post Landmark	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
Lane County			
1	652 11 - 12 Terry St R/W Eugene	100 x ±60	0.41
3	652 20 - 22 Amazon Creek Xng	100 x 120	0.28
6	653 11- 15 Greenhill Rd	130 x 100 & 150 x 100	0.65
8	653 57- 58 Goble Rd Xng	150 x 50	0.17
10	653 79- 83 Hwy 26 Overpass	100 Assumed x 230	0.53
14	654 98- 99 Former Fisher Rd Xng	100 x 50	0.12
17	657 29- 30 Central Rd Xng	100 x 50	0.12
19	657 61- 62 County Rd Xng No 26	100 x 50	0.12
24	659 20- 21 Huston Rd Xng	125 x 25 & 100 x 25	0.13
30	660 25- 26 1st St (Hwy) Xng	300 x 60	0.41
32	660 67- 68 8th St Overpass	300 x 50	0.34
44	665 24- 25 Sailor Rd Xng	0 x 60	0
46	665 32- 33 Vaughn Rd Xng	300± x 60	0.41
50	At 665 22 Glaze Rd Xng	100 x 60	0.14

VALUATION UNIT 1
(Areas with No Contributory Value)

Appraisal Sections in Valuation Unit 1			
Appraisal Section	Mile Post Landmark	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
52	667 40- 46 Vaughn Rd & Notl Crk Xng	100 x 300	0 69
54	668 35- 36 Vaughn Rd Xng	Misc	0 24
59	671 90+ Penn Rd Xng	Misc	0 11
61	672 26- 41, Penn Rd & Xng	Misc	0 41
72	±681 09 & 681 18 Xng of 2 sections of Richardson Upriver Rd	60 wide & 105 Avg	0 29
78b	690 88 & 691 10 Siuslaw Rvr & Co Rd Xng	100 x ±230, & 100 x 390	1 42
79b	694 35 Siuslaw Rvr Xng	100 x 155	0 36
80	694 82- 84 Siuslaw Rvr Xng	100 x 90	0 21
84	696 66-71 Lake Crk Xng	100 & 135 x 245	0 71
90b	698 11± Sutherland Rd Xng	100 x 50	0 12
93b	700 4 Thompson Crk Rd Under Xng	Assume 100 x 60	0 14
95	701 90± No Fork Siuslaw Rd Xng	Assume 100 x 60	0 14
110	705 55- 55 Rice Rd Xng	Assume 50 x 200	0 23
113	706 08- 09 Rice Ave Xng	Assume 50 x 150	0 17
123	710 28- 29 Tiernan Rd / Hazel St Xng	Assume 100 x 60	0 14
129	711 16 N F 719 Rd Xng	Assume 100 x 30	0 07
131	714 26- 26 Bernhardt Heights Rd Xng	Assume 100 x 40	0 09
139	716 02- 03 Hill Rd Xng	100 assumed x 40 assumed	0 09
142	716 37- 41 Hwy 126 Xng	100 assumed x 80 apparent	1 52
144	716 43- 56 Siuslaw RW Xng	690 x 0	0
146	716 92-717 03 South slough Xng	100 x 395 & 200 x 185	1 76
152	719 03- 04 So Slough Rd Xng	100 x 60	0 4
155	720 31- 32 Canary Rd Xng	±125 x 60	0 17

VALUATION UNIT 1
(Areas with No Contributory Value)

Appraisal Sections in Valuation Unit 1			
Appraisal Section	Mile Post Landmark	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
169	725 91-726 12 Lake Siltcoos Xng	0 x 1,110	0
171	726 30- 47 Lake Siltcoos Xng	0 x 900	0
Douglas County			
177	727 33- 58 Siltcoos Lake (Fiddle Crk arm)	100 x 1,270	2 92
182	730 56- 80 Tahkenitch Lake Xng	150 x 1,400	4 82
184	731 63-732 12 5 mile arm Xng	150 x 2,291	7 89
186	733 68- 86 Lk Tahkenitch Xng	150 x 961	3 31
188	733 99-734 22 Lk Tahkenitch Xng	150 x 1,193	4 11
198	738 66- 67 Smith River Rd Xng (Overpass)	150 x est 50 width	0 17
201	738 99-739 91 Smth Rvr Xng & Umpqua Rvr Xng	2 bridged areas were omitted from 11 67 Ac accounted for as open space area	0
206	740 28- 30 Hwy 38 Xng	Unknown width x 80'	0
208	740 44- 47 Winchester Ave Xng	Unknown width x 150	0
214	742 99-743 00 Thornton Oar Ln Xng	150 x 60	0 21
218b	743 89-744 55 Scholfield Crk Rd deduction	Misc	0 89
224	747 96- 97 Scholfield Rd Xng	150 x 50	0 17
226	748 64-749 08	Variable x 2,334	7 42
Coos County			
230	749 87-750 06 No Tenmile Lk Xng	200 x 927	4 26
241	752 13- 14 So 8th St Xng	40 x 80	0 07
248	752 97-753 01 Hwy 101 Xng (overpass)	150 x ±210	0 72

VALUATION UNIT 1
(Areas with No Contributory Value)

Appraisal Sections in Valuation Unit 1			
Appraisal Section	Mile Post Landmark	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
249	753 01- 11 Tenmile Crk Xng & rd Xng	150 x ±140 & 125 x ±410	1 66
252	753 96- 97 Spinreel Rd Underpass	150 x 60 Avg	0 21
260	756 40- 41 Lakewood Dr Xng	Est 50 x 200	0 23
262	756 43- 65 Saunders Lake Xng	200 x 1,180	5 42
263b	756 75± Crannog Rd / Island Dr Xng	Est 50 x ±250	0 29
264	756 78- 89 Ruth Lake Xng	±170-225 x 600	2 72
267	757 33- 38 Butterfield Lk Xng	150 x 262	0 9
272	759 30- 31 Hauser Depot Rd Xng	150 assumed x 50 angled	0 17
Total Area of Valuation Unit			61 87

Base Value Conclusion(s)

Valuation Unit	Total Area Before Title Defects	Estimated Value per Acre	Total Estimated Value Before Title Defects
1	61.87	\$0	\$0

Title Defects

Title defects, as used and defined for the purposes of this report, do not apply to this Valuation Unit

VALUATION UNIT 1
(Areas with No Contributory Value)

Adjusted Base Value Conclusion

Valuation Unit 1 Adjusted Base Value Conclusion	
Base Value Estimate	\$0
Less: Adjustment for Remaining Title Defects	<u>N/A</u>
Equals. Adjusted Base Value Estimate	\$0

Net Present Valuation Calculation

In this instance a net present value calculation is not warranted because there is no market value for the Valuation Unit

Final Value Conclusion for Valuation Unit - **\$0**

VALUATION UNIT 2 (Nominal Values)

General Overview

This Valuation Unit is comprised of sections of the subject that abut area with very little utility and therefore very little if any value, due to situations such as wetlands. Also included in this Valuation Unit are areas judged to have no likelihood of being acquired by abutting owners for various factors explained in the following analysis.

Desirability to Abutters Summarized

This Valuation Unit is comprised of subject sections with no likely desirability to abutters. The abutting lands generally consist of areas of no value in the context of the disposition of the subject. Prime examples of abutting areas are wetlands and/or lands owned only by governmental agencies (i.e. National Forest, Oregon State Lands, Coos County, etc.) as these are known to almost never purchase abutting areas of former railroad right-of-way.

The following table lists the portions of the line, as segregated for the purposes of this appraisal, which make up Valuation Unit 2.

Appraisal Sections in Valuation Unit 2					
Appraisal Section	Mile Post Landmark	Leftside Ownership & Sizes	Rightside Ownership & Sizes	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
Lane County					
2	652 12 - 20	ODOT (Excess Hwy r/w), then BLM 5.68 Ac	BLM 52+ Acres (level with drainage swale)	100 x 412	0.99
4	652 22 - 72 West Eugene	ODOT (Excess Hwy r/w), then BLM 44.5+ Ac	BLM from 14-31 Acres abut (over 125 Ac from Greenhill Rd.)	100 x 2,627	6.12
11	653 83-654 12	K R Nielson Rd (public r/w)	E-40 zoned land that is 9.5 Ac portion of UPRR prop (assume access rts from Co rd are not needed)	100 x 1,545	3.55
12	654 12- 66	Left side abuts rear of two E-40 zoned parcels with 6.7 & 26± Ac (subject is narrow encumbered strip offering marginal use benefit)	Hwy 126 r/w	100 x 2,870	6.59
16	655 24-657 29	U S Army - 17 Ac Fern Ridge Reservoir (wild life reserve with wetlands)	Hwy 126 r/w	100-200 x 10,897	34.78
18	657 30- 61 Maywood	County road r/w	Hwy 26 r/w	100 x 1,625	3.73
21	657 78-658 34	Fern Ridge Reservoir	Hwy 26 r/w	100 x 1,620 & 125 x 1,340	7.56

**VALUATION UNIT 2
(Nominal Values)**

Appraisal Sections in Valuation Unit 2					
Appraisal Section	Mile Post Landmark	Leftside Ownership & Sizes	Rightside Ownership & Sizes	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
28	659 70- 75	0 52 Ac Greenway	Hwy 26 r/w	100 x 259	0 59
96	701 82-702 14 Brickerville	Hwy 36 & Siuslaw River	No Fork Siuslaw Rd	100 x 1,666	3 82
124	710 29- 39 Rockport	Hwy 126 r/w	Tiernan Rd (public r/w, Front St on assr Map)	100 x ±595	1 37
130	713 90-714 26 Rockport area	Hwy 126 r/w	Lane Co Rd (to power station)	150 (assumed) x ±1,890	6 51
140	716 03- 22	Hill Rd r/w, slivers of bisected 28 6 Ac mainly zoned F2	Prvt 28 6 Ac site bisected by road & subject, prvt 10 Ac	80 assumed x ±985	1 81
141	716 22- 37	Sliver of bisected 28 6 Ac parcel & 1 Ac mainly zoned F2 Slough abuts subject	Vacant 3 2 Ac parcel slopes up from subject	100 assumed x ±800	1 83
145	716 56- 92 So of Siuslaw River	Prvt ±200 Ac timber prop bisected by subject (marsh & tidelands abut on both sides of subject)	Prvt ±200 Ac prop bisected by subject (marsh & tidelands abut on both sides of subject)	100 x 1,890±	4 34
151	718 82-719 03	Sliver of prvt 88 Ac Prop bisected by subject & Co Rd	8 6 Ac prop imprvd at so end Slough and tidelands abut subject	100 x 1,110±	2 55
Douglas County					
201	738 99-739 91 Smth Rvr Xng (incl 3 Islands) & Umpqua Rvr Xng	County and state-owned islands (wetlands), Rivers	County and state-owned islands (wetlands), Rivers	150 x 4,858 (less 2 bridges)	11 67
210	740 55- 85 So end of Reedsport limits	3 props w/ 1-4 Ac & residences, areas generally slope up steeply from subject	Vacant 0 4 Ac site & 21 ac manuf Hm & RV park bisected by subjec, abutting area has stream/slough	115 x ±315 & 150 x ±1,270	5 2
211	740 85-742 55 Schofield Crk	Both sides abut river, banks & wetlands Ownerships are State, Lumber Companies & Douglas County	Both sides abut river, banks & wetlands Ownerships are State, Lumber Companies & Douglas County	150 to 225 x 8,971	36 3
212	742 55- 76	61 Ac bisected by subject, wetlands abut subject on left	61 Ac bisected by subject	150 x 1,100	3 79
215	743 00- 25	Por of 1 prvt 14+ Ac prop , wetlands predominantly abut subject	2 prvt 1 4 & 42 Ac , wetlands predominatly abut subject	150 x 1,353	4 66

VALUATION UNIT 2
(Nominal Values)

Appraisal Sections in Valuation Unit 2					
Appraisal Section	Mile Post Landmark	Leftside Ownership & Sizes	Rightside Ownership & Sizes	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
Coos County					
250	753 11- 73	ODOT (Hwy 101)	County rd (Spinreel Rd)	125 x 889 & 100 x 1,925 & 200 x 485	9 2
253	753 97-754 65	Por Of 7 58 Ac USA strip, ODOT Hwy r/w	USA (Oregon Dunes Natl Rec Area)	150 x 3,500	12 36
254	754 65-755 17	Rt Side of subect abuts various types of properties Area is timbered and therefore is of little if any use to abutters (hwy on left)		150 x 1,380 & 125 x 1,365	8 67
255	755 17- 78 Clear Lake	Hwy 101 r/w	Clear Lake, USA (ODARA) Land, Or St Land, & small por Of prvt 14 Ac Res	125+ x 1,373 & 150 x 1,836	10 51
256	755 78-756 08	Hwy 101 r/w	Rt side abuts a 35+ Ac parcel that is Saunders Lk	150 x 1,580	5 44
257	756 08- 21 Saunders Lake	ODOT Hwy r/w & Saunders Lake	Rt side abuts a 35+ Ac parcel that is Saunders Lake	150 x 713	2 46
266	757 05 - 33	Subject bisects 228 Ac parcel (including Butterfield Lk) owned by U S Forest		150 x 1,465	5 04
268	757 38-758 10	Subject bisects 228 Ac parcel (including Butterfield Lk) owned by U S Forest, steep upslope to level forest	Butterfield Lk , US For Service (por 228 Ac), USA (ODNRA), & Beal Lk	130 to 150 x ±3,800	11 56
269	758 10- 57 Beal Lake	Majority of abutting props are on plateau well above subject	Slivers of timber, wetlands, and lake	±150-250 x ±2,466	12 47
270	758 57-759 14 Hauser	20' wide prvt Rd esmt (Hauser Depot Rd), and then wetlands	US Forest Service por Of 54+ Ac including August Lake & wetlands	100 to ±185 (less 20' rd esmt) x ±2,995	5 91
271	759 14- 30	20' wide prvt Rd esmt (Hauser Depot Rd)	US Forest Service por Of 4 20+ Ac (forested area abuts)	Avg ±180 x 820	3 39
273	759 31- 44	Private Rd r/w	Hauser Depot Rd (esmt Abuts subject line)	150 x ±700	2 41
275	759 53- 96	Prvt Rd r/w & prvt 9 2 Ac w/ only envr enhancement allowed	Prvt 28 5 Ac already with dune access, area abutting subject is largely forested	150 & 225 x ±2,425	10 82

**VALUATION UNIT 2
(Nominal Values)**

Appraisal Sections in Valuation Unit 2					
Appraisal Section	Mile Post Landmark	Leftside Ownership & Sizes	Rightside Ownership & Sizes	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
276	759 96-762 15	Coos Co (6 Ac), 2 prvt @ 3± Ac , USA (ODNRA) & State of Or Bisected (abutting areas include No Slough tidelands)	USA (ODNRA), State of Oregon (portions of both bisected by subject), some wetlands present along subject, before dunes	100 to 430 x ±2 19 Mi	37 94
277	762 15-763 13	Several prvt (some bisected by subject) & slough (The subject does not offer signif dune access benefit for 3 2 ac parcel at end south end of subject)	Several prvt (some bisected) & slough, areas of wetlands present on and/or abut subject	150 to 425 x ±5,175	21 62
Total Area of Valuation Unit					307 56

Base Value Analysis

The areas included in this Valuation Unit are not likely to be sold in a subject disposition effort due to the various factors summarized in the table. For many of these areas it is intuitive that no value should be associated because areas with no valuable utility have no market value. The analysis of this Valuation Unit was bolstered by comments made by George Ross of A&K Railroad Materials, he stated that in all of his experience disposing of former railroad right-of-way, he has never been able to sell areas to the federal government and sales to local governments are nearly as difficult. This insight is significantly relevant to the subject because it travels through many lands owned by governmental agencies, and furthermore these agencies are typically the purchasers of wetland properties.

In conclusion, it is estimated that no value will be forthcoming from the subject areas comprising this Valuation Unit.

Base Value Conclusion(s)

Valuation Unit	Total Area Before Title Defects	Estimated Value per Acre	Total Estimated Value Before Title Defects
2	307.56	\$0	\$0

VALUATION UNIT 2 (Nominal Values)

Title Defects

The following table summarizes the title defects known to exist and remaining to be reflected in the analysis

Valuation Unit 2 Title Defects (Known & Remaining to be Addressed)						
Appraisal Section	Comments	Estimated Dimensions		Est Area (Acres)	Est \$/Acre	Est. Value Adjustment
		Width	Length			
12	Subject is crossed by electrical transmission line esmt	100	Unknown	Unknown	\$0	\$0
Misc	Several sections appear to have had portions transferred for road or highway use. The amount of these areas are insignificant, and therefore have not been estimated, due to the nominal value nature of the area involved.					\$0
Total Value Adjustment for Title Defects						\$0

Adjusted Base Value Conclusion

Valuation Unit 2 Adjusted Base Value Conclusion	
Base Value Estimate	\$0
Less: Adjustment for Remaining Title Defects	<u>\$0</u>
Equals: Adjusted Base Value Estimate	\$0

Net Present Valuation Calculation

In this instance a net present value calculation is not warranted, because there is insufficient demand (and thereby value) for these portions of the subject to warrant attempts to market the areas associated with this Valuation Unit.

Final Value Conclusion of Valuation Unit - \$0

VALUATION UNIT 3 (FOREST NOMINAL)

General Overview

This Valuation Unit is comprised of sections of the subject that abut forest lands that would receive extremely little utility from assemblage with the subject and therefore essentially no value is judged to exist. The nominal nature of value for the unit is due to the fact that the abutting lands are forest-oriented properties that have no likely use for the subject due to its lack of timber rights, pipe and communication line easement and presence of ballast. Furthermore the subject property could have contamination, which adds liability issues.

Topography

The topography of areas abutting this Valuation Unit is generally mountainous and often very steep. Details are listed on the earlier Line Assessment table and the following Valuation Unit summary table. Topographic details can also be discerned by referring to the U S G S topographic maps provided in the separately bound Report Addenda.

Access

It is understood that all of the abutting lands have existing access and no likely situations were uncovered where the subject would offer a significant benefit to abutting properties in terms of accessibility.

Zoning

The properties abutting the subject are predominantly zoned as follows:

Lane County, Nonimpacted Forest Lands (F1) – This has the purpose of conserving forest lands. It allows no new dwellings. The minimum lot size of new parcels is 80 acres. Building setbacks are ten feet from property lines and, for riparian areas, 100 feet from ordinary high water. A copy of the zoning ordinance is available online at http://www.lanecounty.org/LaneCode/documents/CodeChapterx10doc3Sec101_103Jun23_04.pdf

Lane County, Impacted Forest Lands (F2) – This has the purpose of conserving forest lands. New dwellings are allowed when certain conditions are met. The minimum lot size for new parcels is 80 acres. Building setbacks are ten feet from property lines and, for riparian areas, 100 feet from ordinary high water. A copy of the zoning ordinance is available online at http://www.lanecounty.org/LaneCode/documents/CodeChapterx10doc4Sec104_105Jun23_04.pdf

Douglas County, Timber Resource (TR) – This has the purpose of conserving and protecting lands for continued timber production, harvesting and related uses, conserving and protecting watersheds, wildlife habitats and other such. The primary intent of the zone is sustained production of forest products and therefore uses of land not associated with

VALUATION UNIT 3 (FOREST NOMINAL)

the management and development of forests shall be discouraged to minimize the potential hazards of damage from fire, pollution and conflict caused by non-forest related residential, commercial and industrial activities. New dwellings are allowed only when certain conditions are met. The minimum lot size of new parcels is 80 acres. Building setbacks are 50 feet from property lines. A copy of the zoning ordinance is available online at http://www.co.douglas.or.us/planning/Plan_docs/LUDO/Ch3_2.pdf

Douglas County, Exclusive Farm Use - Grazing (FG) – The purpose and intent of the Exclusive Farm Use-Grazing zone is to provide areas for the continued practice of agriculture and permit the establishment of only those new uses which are compatible with agricultural activities. The minimum property size established by this zone, which is 80 acres, is intended to promote commercial agricultural pursuits, such as grazing, rangeland and other less intensive agricultural uses. New dwellings are allowed only when certain conditions are met. Building setbacks are 30 feet from property lines. A copy of the zoning ordinance is available online at http://www.co.douglas.or.us/planning/Plan_docs/LUDO/Ch3_3.pdf

Douglas County, Farm Forest (FF) – The intent of the Farm Forest Classification is to promote management, utilization, and conservation of forested grazing lands, lands which might not be forested but have such potential, and non-tillable grazing lands adjacent to forested lands. The purpose of this classification is to encourage sound management practices on such lands for agricultural or forest resource uses, including but not limited to watershed management, recreation, fish and wildlife management, and agricultural activities consistent with sound forest and agricultural management practices, to retain lands within this district for farm and forest use, protecting such land from nonresource use and conflicts. New dwellings are allowed only when certain conditions are met. The minimum lot size for new parcels is generally 80 acres. Building setbacks are 30 feet from property lines. A copy of the zoning ordinance is available online at http://www.co.douglas.or.us/planning/Plan_docs/LUDO/Ch3_5.pdf

Coos County, Forest (F) – This has the purpose to designate forest lands and protect them for forest uses, except where findings establish that certain limited non-forest uses may be allowed. Some of the areas covered by the "F" zone are exclusive forest lands, while other areas include a combination of mixed farm and forest uses to conserve forest lands. New dwellings are allowed when certain conditions are met. The minimum lot size of new parcels is 80 acres. Building setbacks are 35 feet from the centerline of any right-of-way, or five feet from any right-of-way line whichever is greater and 50 feet from any wetland. A copy of the zoning ordinance is available online at <http://www.co.coos.or.us/planning/art4-8.pdf>

VALUATION UNIT 3 (FOREST NOMINAL)

Abutting Property Uses

The properties abutting the subject portions allocated to this Valuation Unit are forest oriented. Generally they are over ten acres in size and often the properties are associated with large tree farms. In some instances, properties with farm-oriented zoning have been included because the nature of the abutting area is forest oriented. For details refer to the following Valuation Unit summary chart and/or the prior Line Assessment table.

Appraisal Sections in Valuation Unit 3					
Appraisal Section	Mile Post Landmark	Leftside Ownership & Sizes	Rightside Ownership & Sizes	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
Lane County					
20	657 62- 78	282 Ac farm property w/ timbered area abutting subject	Hwy 26 r/w	100 x 845	1 94
36	661 29- 71	Timbered portions of 2 prvt 9 & 16 Ac sites separated from hms by creek	Hwy 126 r/w	175 x 2,200	8 84
40	664 02- 38	1 prvt ±20 of 50 Ac	2 prvt ±15-30 Ac	100 x 290 & 200 x 1,620	8 1
41	664 38- 69	1 prvt ±30 of 50 Ac	1 prvt ±60 Ac	200 x 1,150 & Misc	8 79
42	664 60-665 01 Entering Noti	2 prvt 1 w/ ±25 Ac & por of Swanson Bros Lumber	Several prvt Props w/ 12+ Ac & por of Swanson Bros Lumber	Irreg width x 995 & 50x700	7 1
48	665 54- 88 Noti	Vaughn Rd	Swanson ±20 Ac & BLM 169 Ac	200 & 100 x 1,755	4 52
53	667 46-668 35	Vaughn Rd	Roseberg Res & 1 @ 40 Ac	100 & 200 x 4,465	17 6
55	668 36-669 21	±8 prvt @ 10-32 Ac w/ many bisected by subject	±6 prvt @ 10-32 Ac w/ many bisected by subject	100, 200 & 350 over ± 85 Mile	20 5
56	669 21- 47	BLM 500+ Ac & bisected Roseberg Res	bisected by Roseberg Resources tree farm	200 & 300 x 1,379	8 42
57	669 47- 94, Tunnel No 13	bisected by Roseberg Resources tree farm	bisected by Roseberg Resources tree farm	100 & 200 x 2,289	7 32

**VALUATION UNIT 3
(FOREST NOMINAL)**

Appraisal Sections in Valuation Unit 3					
Appraisal Section	Mile Post Landmark	Leftside Ownership & Sizes	Rightside Ownership & Sizes	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
58	669 94-671 90, South of Penn Rd	Bisects Roseberg Res & BLM lands @ 1,000+ Ac , Bisects Warden holding @ 225+ Ac	Bisects Roseberg Res & BLM lands @ 1,000+ Ac , Bisects Warden holding @ 225+ Ac	Misc x 1 96 Mi	38 7
60	671 91-672 34	Warden (225+ Ac) bisected by subject, Jossart @ 16 Ac	Swanson Group ±21 Ac	100 & 200 x 2,110	7 37
62	672 41-672 95	Rosboro LLC 675 Ac bisected by subject	Rosboro LLC 675 Ac bisected by subject	100x±2,850	6 54
67	676 16-677 72	6 prvt 12-62 Ac	Hwy 126 r/w	Misc x 8,237	23 59
68	677 72-678 35	Roseberg Res & 23 Ac bisected by subject	1 prvt 23 Ac bisected by subject	150x3,302	11 37
69	678 35-679 52 Globe	5 prvt 9-32 Ac	Hwy 126 r/w	Misc x ±6,167	17 78
71	680 64-683 55 Austa area incldng Tunnel No 2 (471 ft)	Roseberg Resources (Lrg tree farm)	Roseberg Resources (Lrg tree farm)	100 to 175 x 2 91 Miles (40 68 Ac - 0 29 Ac for rd xngs)	40 39
74	684 15- 68	Lane Co 40 Ac	Old Stagecoach Rd r/w	200 x 2,840	13 04
76	686 62-689 33	±8 prvt 49-160 Ac , slivers between rd , rld & river	±8 prvt 49-160 Ac , slivers between rd , rld & river	Misc x 3 00 Miles	63 41
78a	689 65-691 15	Road, river, & slivers of Roseberg Res & Or Brd of For	Road, river, & slivers of Roseberg Res & Or Brd of For	Misc x 7,919 (24 89 Ac - 1 42 Ac for Sec 78b)	23 47
79a	691 15-694 82 Nekoma	3 prvt @ 4 7-12 Ac , River, 2 prvt tree farms @ 230+ Ac bisected by subject	3 prvt tree farms 71 Ac +, U S Forest, 2 bisected tree farms, Co Rd	Misc x 3 67 Mi (58 6 Ac - 0 36 Ac for rvr xng)	58 24
83	695 49-696 66	Slivers of ownerships mainly on other side of river	Stagecoach (county) Road	Misc x 6,174	16 23

**VALUATION UNIT 3
(FOREST NOMINAL)**

Appraisal Sections in Valuation Unit 3					
Appraisal Section	Mile Post Landmark	Leftside Ownership & Sizes	Rightside Ownership & Sizes	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
91	698 38- 85 Swisshome	Siuslaw River & Hwy 36	Hwy 36 & U S Natl Forest	Misc x 2,482	9 82
93a	699 75-701 62 Rainrock & Brickerville	Hwy 36 & Siuslaw River	U S Natl For & 3 prvt @ 17 36 Ac	Misc x 9,874 (34 64 Ac - 0 14 Ac for Sec 93b)	34 50
98	702 25- 80	Hwy 36 r/w	1 prvt por of 100± Ac	100x2,904	6 67
102	703 72- 77 Mapleton	Hwy 36 r/w	Por of U S Natl Forest	100x280	0 64
104	703 90-704 20 Mapleton	Hwy 36 r/w & river	Por of Pac West Timber tree farm	Misc x 1,584	4 40
106	704 36- 74 Mapleton	Hwy 36 r/w	1 prvt @ 18 7 Ac & US Dept of Ag 19 Ac	Misc x 1,955	5 44
108	705 04- 44 Mapleton	Hwy 36 & 126 r/w	Por of U S Natl Forest (Crossed by BPS esmt)	Misc x 2,085	1 27
111	705 55- 91	Hwy 126 r/w	Rice Rd (public r/w)	150 (assumed) x ±1,910	6 58
115	706 09-707 07	Hwy 126 r/w	147 Ac Por of Davidson Indus tree farm	165 (assumed) x 4,425	16 78
116	707 07- 55	Hwy 126 r/w	±56 Ac Pac West Indus tree farm	Misc x 2,521	19 91
117	707 55-708 40	Prvt 20 Ac Residence, ±0 5 Ac Por of bisected tree farm, 0 8 Ac Strip	Portions of 2 large tree farms	100 & 150 x 4,476	10 69
118	708 40- 99	Hwy 126 r/w	19 5 Ac excess CORP prop , Davidson Indus tree farm	Avg 105 X 3,134	7 58
119	708 99-709 02 Tiernan area	Hwy 126 r/w	1 8 ac por of Davidson Indus tree farm (RI zone, vacant, & no direct rd access)	100 X 210	0 48
120	709 02- 17	Hwy 126 r/w	Davidson Indus tree farm	Assume 100 x 550 & 165 x 280	2 32

**VALUATION UNIT 3
(FOREST NOMINAL)**

Appraisal Sections in Valuation Unit 3					
Appraisal Section	Mile Post Landmark	Leftside Ownership & Sizes	Rightside Ownership & Sizes	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
121	709 17- 71	Hwy 126 r/w	Davidson Indus tree farm	165 (assumed) x 2,890	10 95
122	709 71-710 28	Hwy 126 r/w	Davidson Indus tree farm, Prvt 40+ Ac	Misc x 3,010	9 88
126	710 54- 88	Hwy 126 r/w	2 Prvt 10 & 15 7 Ac	100 x ±1,785	4 1
128	710 98-713 90	Hwy 126 r/w	Davidson Indus tree farm, 32 5 Ac Prvt , 1 Ac Lane Co , 7 Prvt 9-140 Ac	Misc x 2 92 Miles	21 69
134	714 59- 84	Hwy 126 r/w	22 7 Ac Prvt & Davidson Indus tree farm	100 x 1,315±	3 02
135	714 84-715 31	Portion of bisected tree farms	Portion of bisected tree farms	100 x ±2,500	5 74
136	715 31- 77	Hwy 126 r/w	Davidson Indus tree farm	100 x 2,420	5 56
137	715 77- 95	Hwy 126, Sliver w/ stream of slough of 217 Ac farm (mostly so of hwy)	3 Prvt 2-3 Ac	150 x 916	3 15
138	715 95-716 02	Sliver w/ stream of slough of 217 Ac farm (mostly so of hwy)	Davidson Indus tree farm w/ homes	100 x 365	0 84
147	717 03- 80 No of Canary	Davidson Indus tree farm	South slough (Gvmt / public)	200 x 1,700± 100 x 2,100± 175 x 210± 225 x 45±	13 7
148	717 80-718 10	Lane Co 47 5 Ac bisected	South slough & bisected Lane Co prop	225 x 155± 150 x 130± 100 x 1,195±	3 99
149	718 10- 76	Prvt tree farm (Rankin Woodlands) bisected by subject & prvt Por of So Slough Rd	bisected Rankin Woodlands	100 x 3,514	8 07
150	718 76- 82	Public por of So Slough Rd abuts	Prvt 8 6 Ac Prop Imprvd @ so End	100 x 340±	0 78

**VALUATION UNIT 3
(FOREST NOMINAL)**

Appraisal Sections in Valuation Unit 3					
Appraisal Section	Mile Post Landmark	Leftside Ownership & Sizes	Rightside Ownership & Sizes	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
153	719 04-720 20 Canary Area	Prvt 88 Ac bisected by subject, Roseberg Res , & US Natl Forest	Prvt 88 Ac bisected by subject & 37 Ac farm w/ timber abutting	100-200 x 6,107	17 78
156	720 32- 75 Canary Area	Prvt 18 Ac forested parcel w/ home	Prvt 103 Ac forested parcel w/ home	100-±125 x 2,275	5 42
157	720 75-721 15 Tunnel No 15	Prvt 13 Ac w/ hm , large tree farm bisected by subject, Canary Rd r/w	Prvt large tree farm (Grant Schrum) bisected by subject	Variable x 2,133	7 9
158	721 15- 53	Canary Rd r/w, Davidson Indus tree farm	Grant Schrum tree farm bisected by subject	100 x 2,026	4 65
159	721 53- 64 Tunnel No 4	Grant Schrum tree farm bisected by subject	Grant Schrum tree farm bisected by subject	100 x 624	1 43
160	721 64-723 02	Small por of Davidson Indus (trees & pasture), Prvt 69 Ac Pasture, 0 3 Ac UPPR	Grant Schrum tree farm, & small por of 600+ Ac A Ford prop w/ forest, pasture & marsh	Misc 1 38 Mi	18 57
161	723 02-724 33	±10 Ac Davidson Indus (pasture), por of A Ford prop bisected by subject	A Ford prop bisected by subject	Misc x 1 31 Mi	16 6
168	725 43- 91	3 Prvt bisected by subject & rd (13 Ac , Davidson Indus tree farm, & 21 Ac)	3 Prvt bisected by subject & rd (13 Ac , Davidson Indus tree farm, & 21 Ac)	125 x 2,515±	7 42
172	726 47- 90 Ada Co Park	97± Ac Lane Co	97± Ac Lane Co	100 x 2,185±	5 02
Douglas County					
174	727 04- 18 Ada	County 50+ Ac	N/A	100 x 725	1 66
178	727 58- 72	1 prvt (Lancaster) 71 Ac	1 prvt (Lancaster) 71 Ac	100 x 735	1 69
179	727 72- 95 Tunnel No 5	1 prvt (Lancaster) 71 Ac	1 prvt (Lancaster) 71 Ac	100 x 1,200	2 75
180	727 95- 97	1 prvt (Lancaster) 71 Ac	1 prvt (Lancaster) 71 Ac	100 x 130	0 3

**VALUATION UNIT 3
(FOREST NOMINAL)**

Appraisal Sections in Valuation Unit 3					
Appraisal Section	Mile Post Landmark	Leftside Ownership & Sizes	Rightside Ownership & Sizes	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
181	727 97-730 56 Siltcoos & Tankenitch Lakes	Rosoboro tree farm (Large)	Rosoboro tree farm (Large)	100 x ±105 & 150 x ±13,570	46 97
183	730 82-731 63 East bank to 5 mile arm	USR Co tree farm (Large)	Lake Tahkenitch	150 x 4,370	15 05
185	732 12-733 68	USR Co tree farm (Large)	Lake Tahkenitch	150 x 8,247	28 4
187	733 86- 99	D R Johnson Lumber (Large)	Lake Tahkenitch	150 x 681	2 35
189	734 22- 49	D R Johnson Lumber Co (Large)	D R Johnson Lumber Co (Large)	150 x 850 & 250 x 600	6 37
190	734 49- 78 Tunnel No 6 with 5 mile Rd Xng	D R Johnson Lumber Co (Large)	D R Johnson Lumber Co (Large)	100 x 1,556	3 57
191	734 78-735 71 Shared with Jack Franz Creek	D R Johnson Lumber Co (Large)	D R Johnson Lumber Co (Large)	150 x 4,642 & 200 x 300	17 36
192	735 71- 737 04	Roseberg Res tree farm (Large)	Roseberg Res tree farm (Large)	150 x 7,702 & + 2 Small 25 & 50 areas	24 57
193	737 04- 16 Tahkenitch Substation	15 Ac USA Pwr substa & prvt 18 Ac bisected	Roseberg Res , prvt 18 Ac bisected	150 x 635	2 19
195	737 44- 73 Franz	Smith Rvr Rd & Smith River	Roseberg Resources	Variable (predom 150) x 1,550	5 8
196	737 73-738 41	Smith Rvr Rd & Smith River	2 prvt 37 & 43 Ac	Variable (predom 150) x 3,595	13
217	743 51- 89 Scholfield area	1 prvt (131 Ac bisected by subject)	2 prvt , Large tree farm & 131 Ac bisected by subject	150 x 2,000	2 3
218a	743 89-744 55	Scholfield Crk Rd	3 prvt , 131 Ac , 5 6 Ac & 7 Ac	150+ x 3,510 (12 25 Ac - 0 89 Ac for rd xng)	11 36

**VALUATION UNIT 3
(FOREST NOMINAL)**

Appraisal Sections in Valuation Unit 3					
Appraisal Section	Mile Post Landmark	Leftside Ownership & Sizes	Rightside Ownership & Sizes	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
220	744 90-745 46	Scholfield Crk Rd	2 large prvt holdings bisected	Avg 210 west of co r/w x 2,958	14 26
221	745 46- 67	2 prvt bisected by subject, 30 Ac & med tree farm	2 prvt bisected by subject, 30 Ac & med tree farm	Misc x ±1,110	11 56
222	745 67-746 43 Tunnel No 7	Prvt tree farm (medium size) bisected by subject	Prvt tree farm (Med) bisected by subject	100 x 4,183	9 6
223	746 43-747 96	250 Ac Co owned bisected, prvt Large tree farm	250 Ac bisected co , unusual 32 5 Ac Parcel along Co rd	300 x 5,448, 150 x 2,873 & 75 x 450	48 19
225	747 97-748 64	1 prvt 55 Ac farm bisected	bisected farm (see left) & por of large tree farm	100 to 175 x 3,538	9 49
Coos County					
227	749 08- 34	Blacks Arm of North Tenmile Lake (public)	Portion of large tree farm	Avg ±120 w/o lake x 1,375	3 79
229	749 46- 87	N/A - Blacks Arm of North Tenmile Lake	160+ Ac Lone Rock Timber Co	Avg ±125 w/o lake x 2,785	7 99
231	750 06- 38 Includes 870' Tunnel No 8	Blue Heron Land Co 23 4 Ac	Blue Heron Land Co 23 4 Ac	±200 x 1,671	7 67
233	750 46- 79 No Tenmile Lk Xng	N/A - Blacks Arm of North Tenmile Lake	N/A - Blacks Arm of North Tenmile Lake	150 x 1,472 & 200 x 315	6 52
234	750 79-751 17	N/A - Blacks Arm of North Tenmile Lake	God's Valley Timber Co 129 Ac	Avg ±125 w/o lake x 1,995	5 72
235	751 17- 28 Incl por 475' Tunnel No 9	God's Valley Timber Co 129 Ac	God's Valley Timber Co 129 Ac	200 x 601	2 76
Total Area of Valuation Unit					1029 84

VALUATION UNIT 3 (FOREST NOMINAL)

Desirability to Abutters Summarized

As mentioned previously, the lands abutting the portions of subject allocated to this Valuation Unit are forest oriented properties that have no likely use for the subject due to its lack of timber rights, pipe and communication line easement, presence of ballast, etc

Base Value Analysis

Demand for timber, and therefore timber properties, has fallen, while the value of underlying land (excluding marketable timber) has remained relatively stable. Participants indicate that raw or cutover timberland is valued at \$200 to \$1,000 per acre depending on production capacity and participant's sophistication and motives. This is generally reflected in our market data that ranges from \$361 to \$961 per acre with the highest indication involving a private party buyer.

The following table summarizes the comparable market data found to be most relevant to establishing values associated with this Valuation Unit.

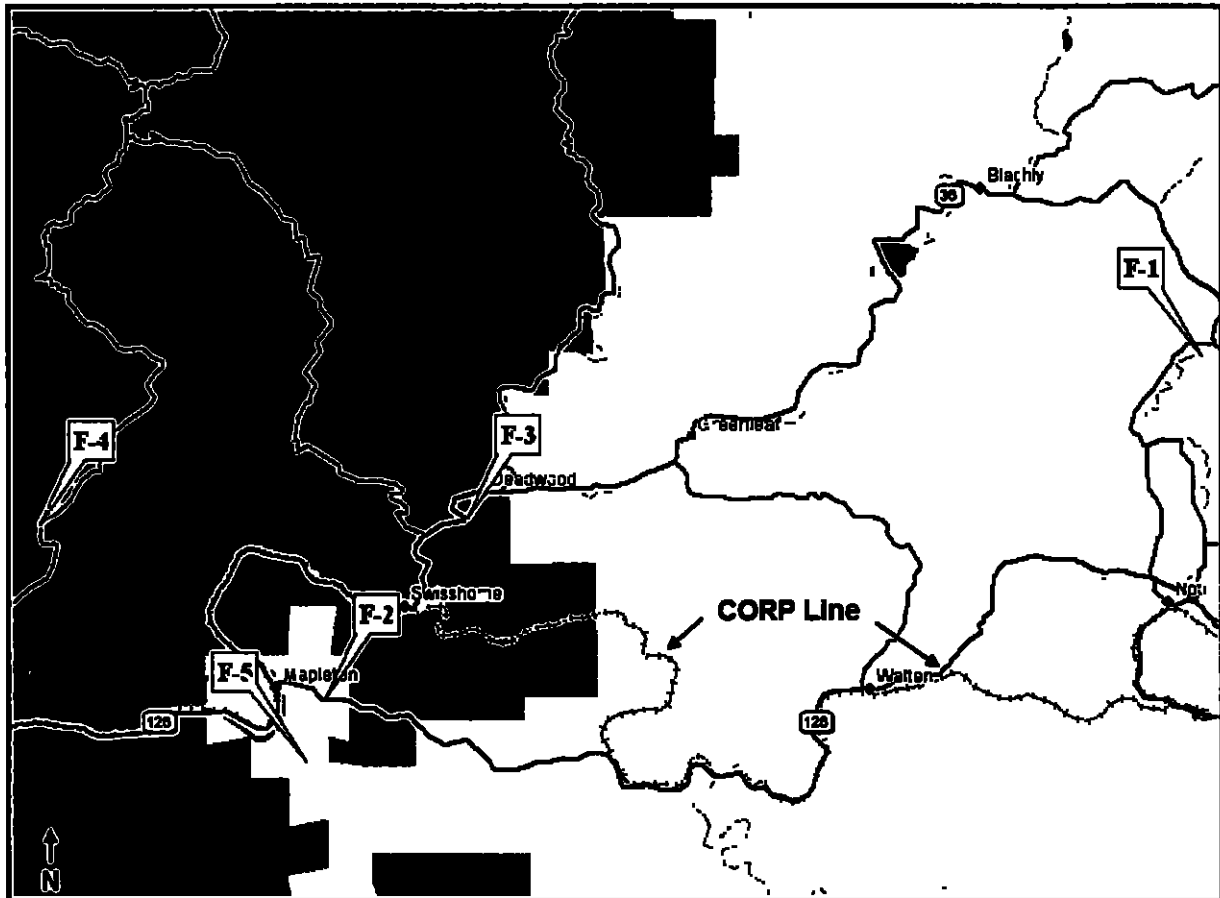
**VALUATION UNIT 3
(FOREST NOMINAL)**

**FOREST PROPERTIES
SUMMARY OF COMPARABLE MARKET DATA**

COMP. NO.	PROPERTY/LOCATION	PRICE DATE	SIZE ZONING	REMARKS
Sale F-1	Hendricks Creek Road, Lane County, Oregon 16-06-32-0-0-00500	\$390,000 12/2006	241-Ac F1	Reproduction timber property \$285,000 young timber value, \$18,000 premium as a result of exchange <u>Sale equates to \$87,000, or \$361 per acre for underlying site</u>
Sale F-2	Highway 126 Mapleton, Lane County Oregon 18-09-00-0-001301	\$22,000 7/2006	58.5-Ac F1	Cutover forest property Purchased to re-plant via short-term market contract by employee of seller <u>Sale equates to \$22,000 or \$376 per acre</u>
Sale F-3	Near Siuslaw Highway, Deadwood Lane County, Oregon 17-09-15-0-0-03301 17-09-21-0-0-00101 17-09-00-0-0-02701	\$60,000 1/2006	128.94-Ac F1	Cutover forest property Buyer bought timber first then approached seller for land <u>Sale equates to \$60,000 or \$465 per acre</u>
Sale F-4	Upper North Fork Road, Minerva Lane County Oregon 17-11-13-0-0-00403	\$10,000 8/2006	18.79-Ac F2	Cutover forest property Purchased to re-plant via short-term market contract by employee of seller <u>Sale equates to \$10,000 or \$532 per acre</u>
Sale F-5	Sweet Creek Road, Mapleton, Lane County, Oregon 18-10-16-0-0-00202	\$75,000 7/2006	36.43-Ac F2	Reproduction timber property \$40,000 timber value Not buildable at time of sale <u>Sale equates to \$35,000, or \$961 per acre</u>

VALUATION UNIT 3 (FOREST NOMINAL)

Below is a sale location map, followed by pages with data sheets detailing the pertinent property and sale data for each of the comparables. For each comparable there is also a page with parcel and topographic maps.



Sale Location Map

**VALUATION UNIT 3
(FOREST NOMINAL)**

COMPARABLE LAND DATA – SALE No. F-1

Address/Location: Hendricks Creek Road, Lane County, Oregon

Map/Parcel: 16063200 00500

Parcel No: 67130

Seller: Rosboro, LLC

Buyer: Starker Forest, Inc

Sale Date: 12/27/2006

Document: 2006-092520

Price: \$390,000

Terms: Cash to Seller

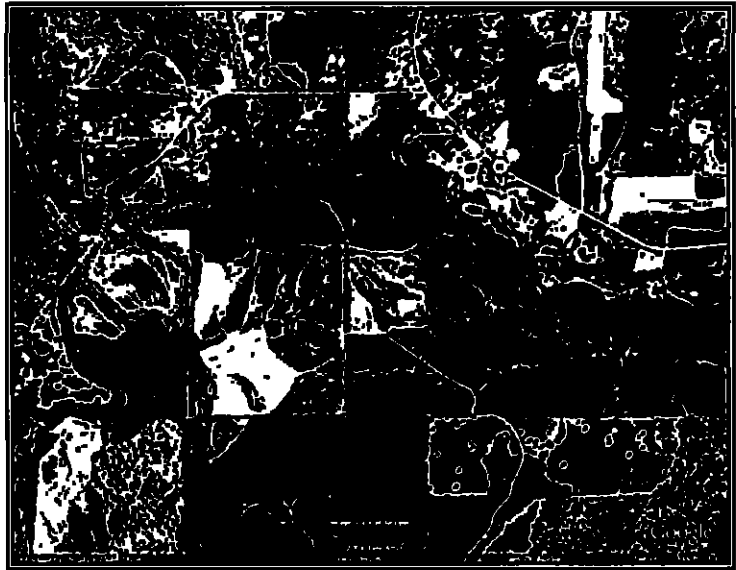
Size: 241-Ac

Unit Price: \$361/Ac

Verified: Steve Wyatt
Treasurer (Buyer)
541 929 2477

Zoning: F1, Forest Land District

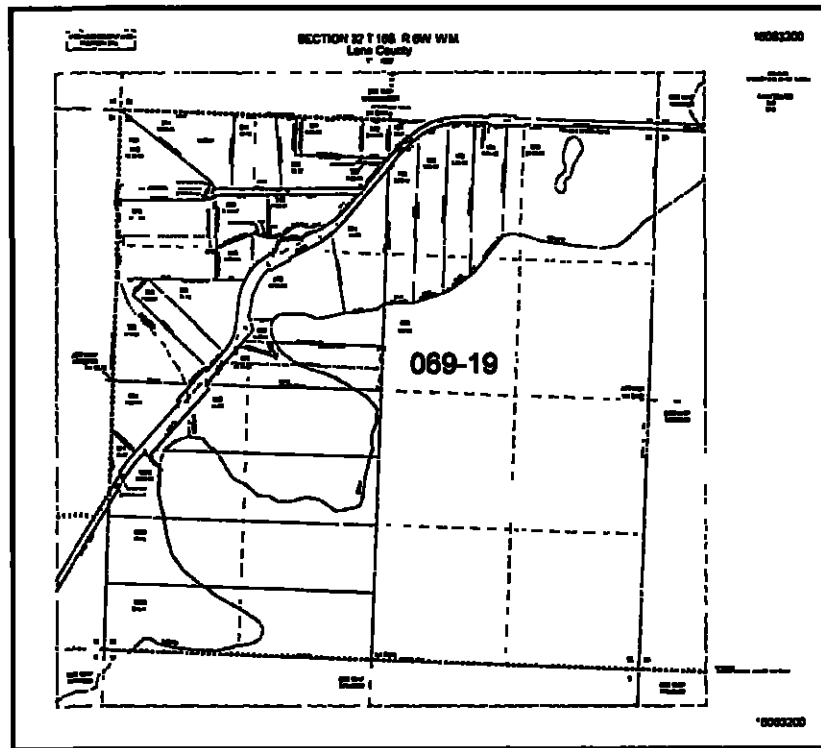
Utilities: None Available



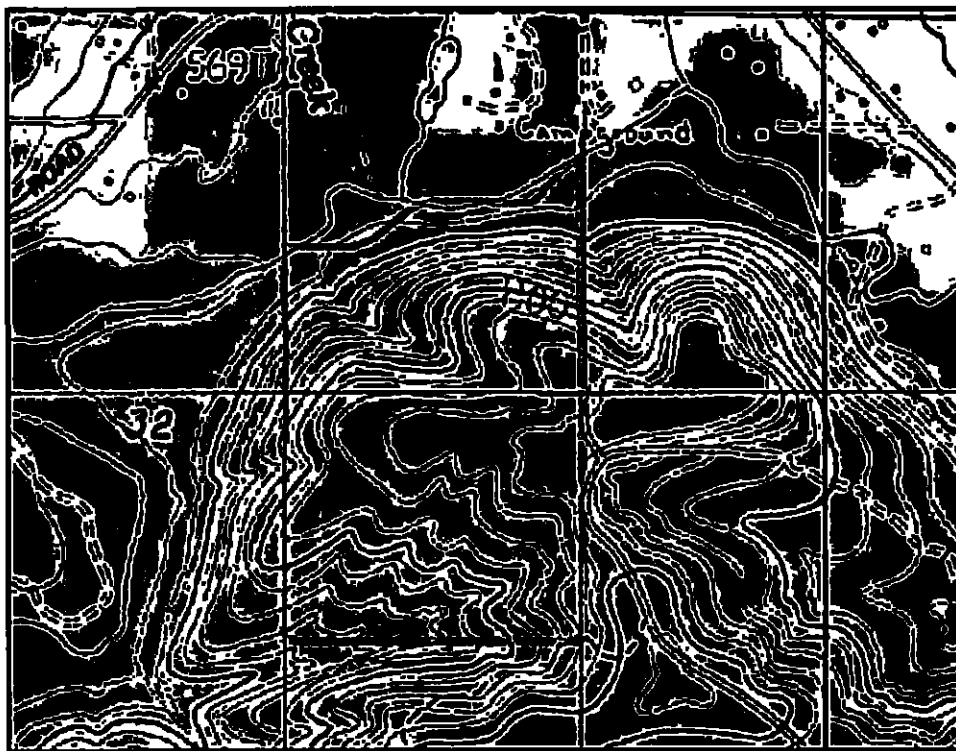
Other Site Description: This sale involved a 241-acre forest property located near the confluence of Highway 36 and Poodle Creek Road northwest of the City of Veneta, Oregon. The property is zoned F1, Forest Land District. There are no public utilities available to the site and zoning prohibits development. The buyer indicated that there were no improvements of value, however, young reproduction timber was valued at \$285,000. The buyers purchased the property for long-term timber reproduction.

Remarks and Motives: The transaction involved two timber companies and the buyers indicated that the transaction was market in all respects. However, as a result of pressure to complete an exchange a premium of \$18,000 was paid. The value of the underlying land was reported at \$87,000 or \$361 per acre.

**VALUATION UNIT 3
(FOREST NOMINAL)**



Hendricks Creek Road, Lane County, Oregon



**VALUATION UNIT 3
(FOREST NOMINAL)**

COMPARABLE LAND DATA – SALE No. F-2

Address/Location: Near Highway 126, Mapleton, Lane County, Oregon

Map/Parcel: 18090000 01301

Parcel No: 1181633

Seller: Davidson Ind.,
Inc.

Buyer: Hendrickson

Sale Date: 7/20/2006

Document:

Price: \$22,000

Terms: Short-Term Market
Contract

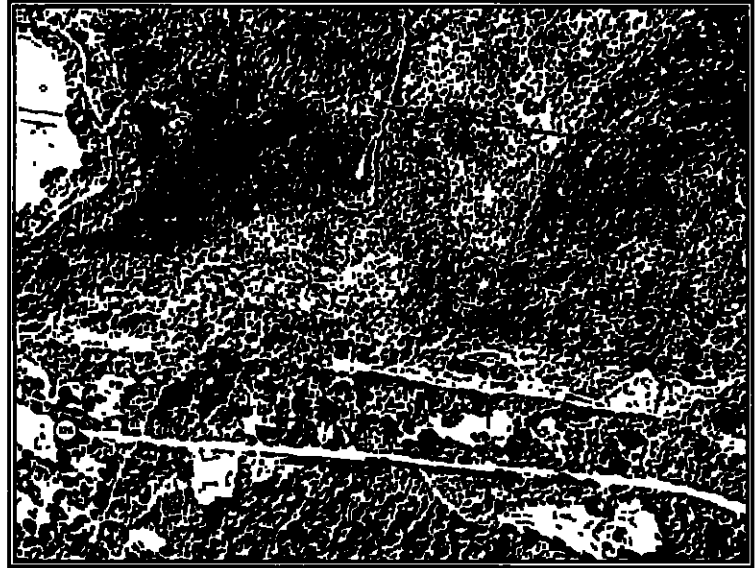
Size: 58 5-Acres

Unit Price: \$376/Ac

Verified: Jay Hendrickson
Buyer
541 268.4422

Zoning: F1, Forest Land District

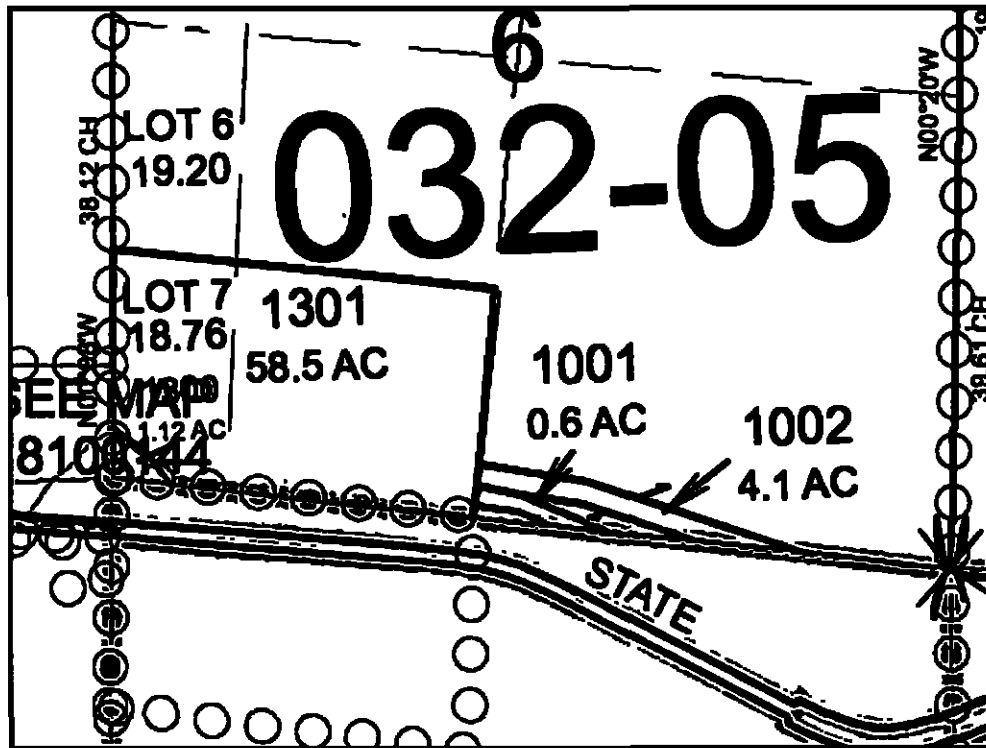
Utilities: None Available



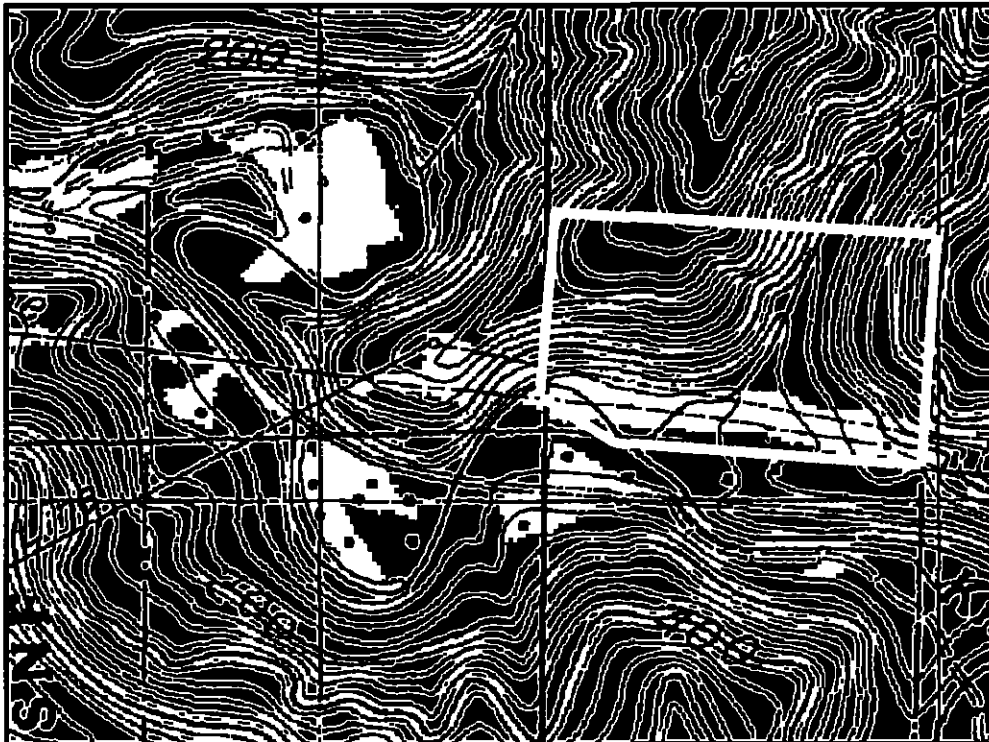
Other Site Description: This sale involved a 58 5-acre forest property located near Highway 126 east of the community of Mapleton, Oregon. The property is zoned F1, Forest Land District. There are no public utilities available to the site and zoning prohibits development. The buyer indicated that the property had been cut-over and that he intended to replant and hold as a timber property

Remarks and Motives: This property was purchased by an employee of the selling company, Davidson's Industries, via a short-term market contract. The value of the underlying land was reported at \$22,000 or \$376 per acre

VALUATION UNIT 3
(FOREST NOMINAL)



Near Highway 126, Mapleton, Lane County, Oregon



**VALUATION UNIT 3
(FOREST NOMINAL)**

COMPARABLE LAND DATA – SALE No. F-3

Address/Location: Near Deadwood, Lane County, Oregon

Map/Parcel: 17-09-15-0-0 03301, 17-09-21-0-0 00101, 17-09-00-0-0 02701

Parcel No: 1796141, 1796158, 1796166

Seller: Don Wilber, Ltd.

Buyer: Gerrold Burnett

Sale Date: 1/20/2006

Document: 2006-006730

Price: \$60,000

Terms: Cash to Seller

Size: 128.94-Acres

Unit Price: \$465/Ac.

Verified: Gerrold Burnett
Buyer
541 964.3057



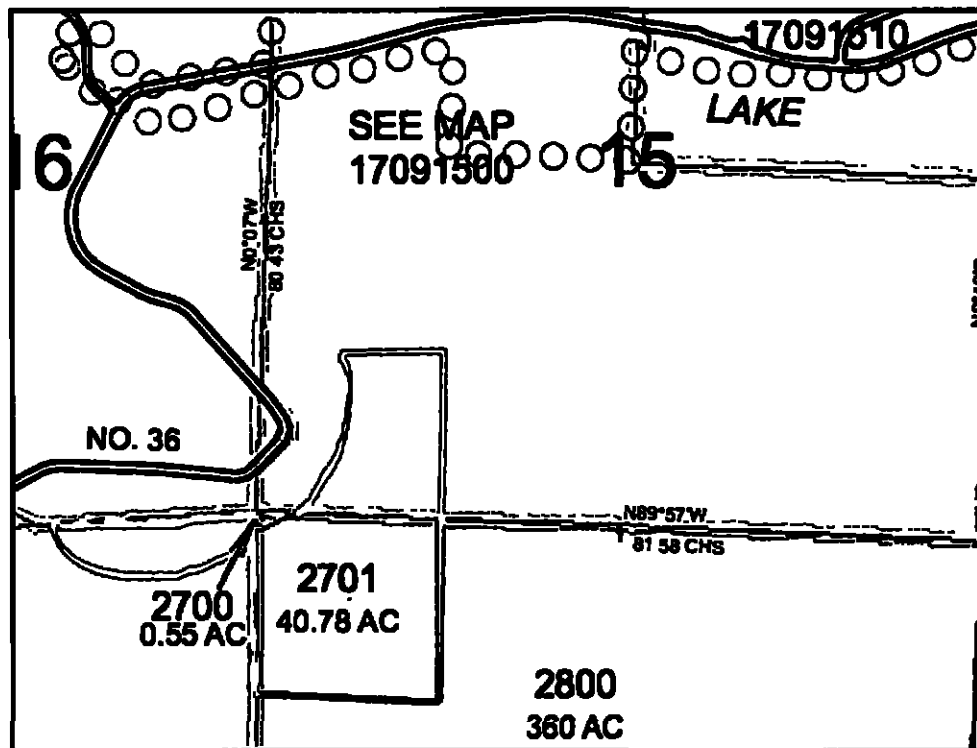
Zoning: F1, Forest Land District

Utilities: None Available

Other Site Description: This sale involved three contiguous lakefront forest parcels located near the community of Deadwood, Oregon. The parcels combine to create a 128.94-acre tract that is zoned F1, Forest Land District. There are no public utilities available to the site and zoning prohibits development. The buyer first purchased the timber and then the underlying site which he may re-sell or use as a recreation site.

Remarks and Motives: The buyer indicated that the transaction was market in all respects and that the value of the underlying land equated to \$60,000 or \$465 per acre.

**VALUATION UNIT 3
(FOREST NOMINAL)**



Near Deadwood, Lane County, Oregon



**VALUATION UNIT 3
(FOREST NOMINAL)**

COMPARABLE LAND DATA – SALE No. F-4

Address/Location: Upper North Fork Road, Lane County, Oregon

Map/Parcel: 17-11-13-0-0 00403

Parcel No: 1425139

Seller: Davidson's
Industries

Buyer: Buss

Sale Date: 8/16/06

Document: 2006-059528

Price: \$10,000

Terms: Short-Term Market
Contract

Size: 18.79-Acres

Unit Price: \$532/Ac.

Verified: Jay Hendrickson
Seller Representative
541 268.4422

Zoning: F2, Forest Land district

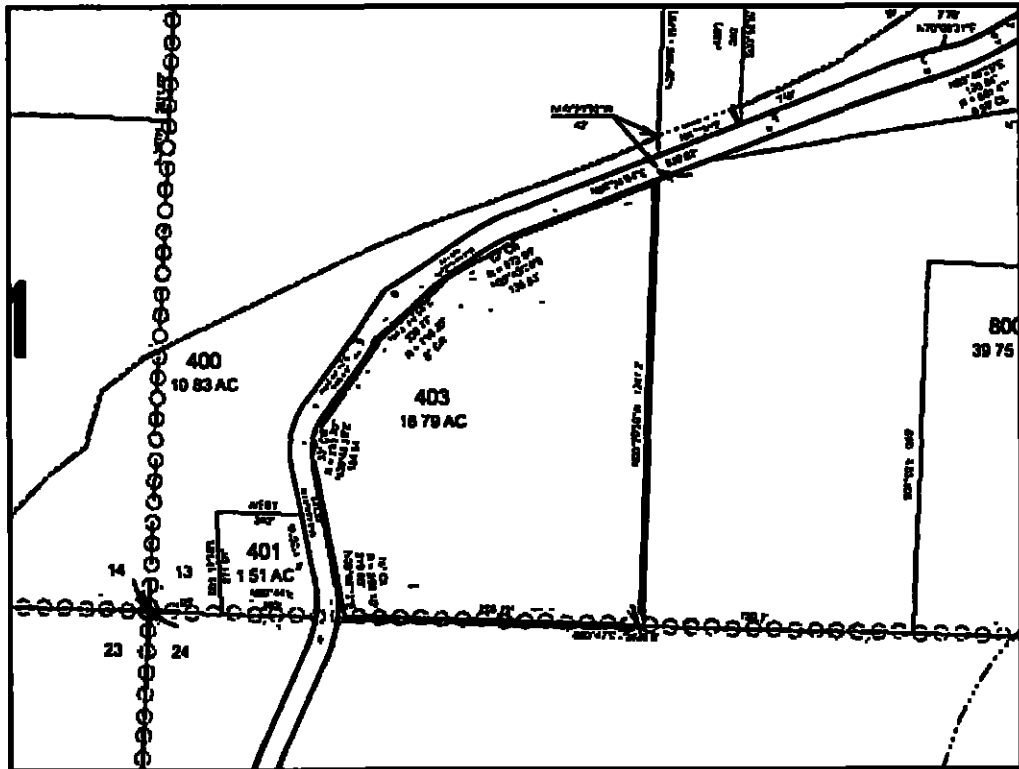
Utilities: None Available



Other Site Description: This sale involved an 18.79-acre forest property located along Upper North Fork Road in Minerva, Oregon. The property is zoned F2, Forest Land District. There are no public utilities available to the site. An agent for the seller indicated that the property had been cut-over and that the buyer intended to replant and hold as a timber property.

Remarks and Motives: This property was purchased by an employee of the selling company, Davidson's Industries, via a short-term market contract. The value of the underlying land was reported at \$10,000 or \$532 per acre.

**VALUATION UNIT 3
(FOREST NOMINAL)**



Upper North Fork Road, Lane County, Oregon



**VALUATION UNIT 3
(Forest Nominal)**

COMPARABLE LAND DATA – SALE No. F-5

Address/Location: Sweet Creek Road, Lane County, Oregon

Map/Parcel: 18-10-16-0-0 00202

Parcel No: 1085826

Seller: Allison
Buyer: Hometown,
Develop.
Group, LLC

Sale Date: 7/5/2006

Document:

Price: \$75,000

Terms: Cash to Seller

Size: 36.43 Acres

Unit Price: \$961/Ac.



Verified: Anthony Wells
Listing Broker
541 997 6000

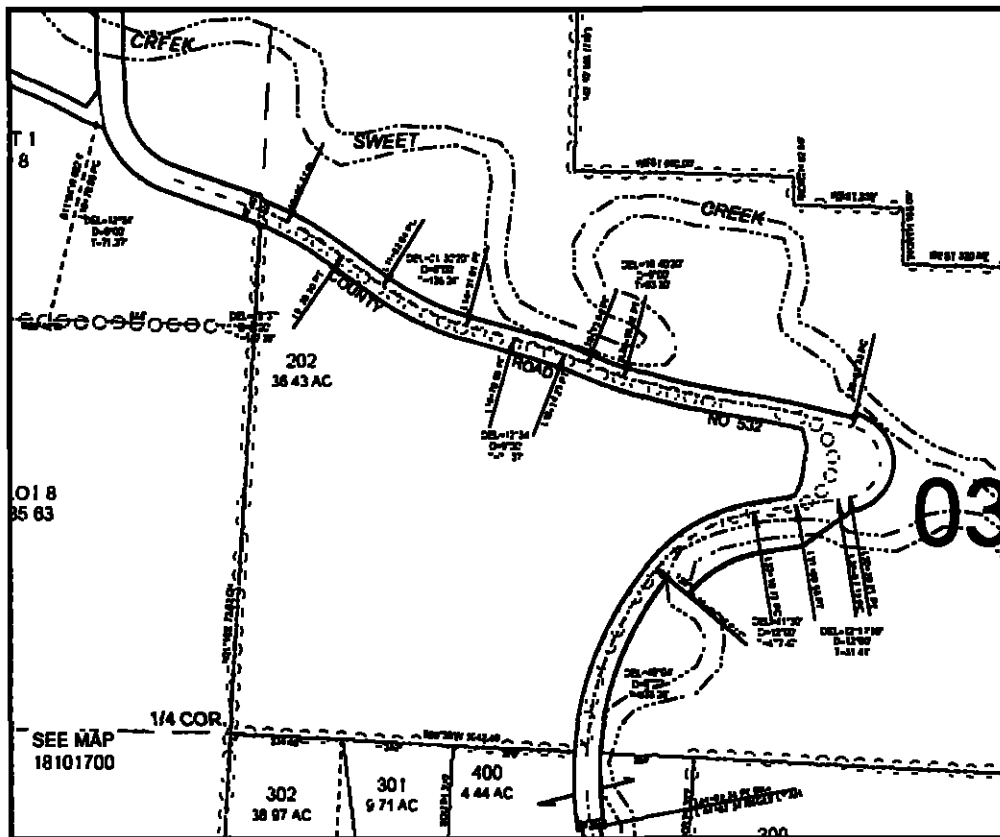
Zoning: F2, Forest Land district

Utilities: None Available

Other Site Description: This sale involved a 36.43 acre cut-over and replanted timber property located along Sweet Creek road in Mapleton, Oregon. The property is zoned F2, Forest Land District. There are no public utilities available to the site. The replanting is roughly 16 years old and reportedly represented \$40,000 in value. The property was purchased by an investor who intended to create a homesite and resell.

Remarks and Motives: The transaction was reported market in all respects. The value of the underlying land was reported at \$35,000 or \$961 per acre.

**VALUATION UNIT 3
(Forest Nominal)**



Sweet Creek Road, Lane County, Oregon



**VALUATION UNIT 3
(Forest Nominal)**

It is apparent from the market data that land underlying timber properties in this market generally ranges from \$361 to \$961 per acre. Relative to this Valuation Unit, the data provides a backdrop of what can be expected for properties abutting the subject line, but as set-forth throughout this Valuation Unit there is no likelihood that abutters would have any interest in the subject due to its encumbrances.

Although the market data presented here has little direct relevance to this Valuation Unit, it was judged worthwhile to include here to exemplify the range of ATF values to help put the nominal value conclusion in perspective. Furthermore, the forest-oriented market data presented here will be used for following Valuation Units.

Base Value Conclusion(s)

Valuation Unit	Total Area Before Title Defects	Estimated Value per Acre	Total Estimated Value Before Title Defects
3	1031.62	\$0	\$0

Title Defects

The following table summarizes the title defects known to exist and remaining to be reflected in the analysis:

Valuation Unit 3 Title Defects (Known & Remaining to be Addressed)						
Appraisal Section	Comments	Estimated Width	Dimensions Length	Est-Area (Acres)	Est. \$/Acre	Est. Value Adjustment
76	Subject is crossed by electrical transmission line esmt	200	163	0.75	\$0	\$0
108	Subject is crossed by "Coos Bay" electrical transmission line esmt	40	100	0.09	\$0	\$0
Misc	Several sections appear to have had portions transferred for road or highway use. The amount of these areas are insignificant, and therefore have not been estimated, due to the nominal value nature of the area involved.					\$0
Total Value Adjustment for Title Defects						\$0

**VALUATION UNIT 3
(Forest Nominal)**

Adjusted Base Value Conclusion

Valuation Unit 3 Adjusted Base Value Conclusion	
Base Value Estimate	\$0
Less: Adjustment for Remaining Title Defects	<u>\$0</u>
Equals: Adjusted Base Value Estimate	\$0

Net Present Valuation Calculation

In this instance a net present value calculation is not warranted, because there is insufficient demand and related value to warrant attempts to market the areas associated with this Valuation Unit

Final Value Conclusion of Valuation Unit - **\$0**

VALUATION UNIT 4 (Forest Desirable)

General Overview

This Valuation Unit is comprised of forest zoned lands judged to be marketable to abutters, even considering the encumbered nature of the subject, due to being residentially oriented, small in size and/or being bisected by the subject property.

Topography

The topography of areas abutting this Valuation Unit is generally mountainous. Details are listed on the earlier Line Assessment table and the following Valuation Unit summary table. Topographic details can also be discerned by referring to the U.S.G S topographic maps provided in the separately bound Report Addenda.

Access

It is understood that all of the abutting lands have existing access and no likely situations were uncovered where the subject would offer a significant benefit to abutting properties in terms of accessibility.

Zoning

Refer to the zoning analysis provided previously in connection with Valuation Unit 3.

Abutting Property Uses

The properties abutting the subject portions allocated to this Valuation Unit are forest oriented. Generally speaking, the abutting areas are small, residentially oriented and/or bisected by the subject property. For details, refer to the following Valuation Unit summary chart and/or the prior Line Assessment table

**VALUATION UNIT 4
(Forest Desirable)**

Appraisal Sections in Valuation Unit 4					
Appraisal Section	Mile Post Landmark	Leftside Ownership & Sizes	Rightside Ownership & Sizes	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
Lane County					
63	672 95-674 67, Penn, Cram & Walton	Many from 0 5-250+ Ac & several bisected by subject	Many from 0 5-250+ Ac & several bisected by subject	100' x 1 72 Mi	29 81
65	675 10- 55; Walton	2 from 38-48 Ac. bisected by subject	2 from 38-48 Ac. bisected by subject; 1 & 2 Ac. sites	100 x ±2,390	5.49
70	679.52-680.64	7 prvt , 1 @ 0.1 Ac, 1 @ 3 Ac., others @ 19 52 Ac. & 4 bisected by subject	7 prvt ; 1 @ 0 1 Ac, 1 @ 3 Ac ; others @ 19-52 Ac & 4 bisected by subject	100 x ±5,900	13.51
73	683 55-684.15 Linslaw	2 prvt. 1 @ 6 Ac.; 29 Ac. Site bisected by subject	2 prvt. 1 @ 100 Ac.; 29 Ac Site bisected by subject	Misc x ±3,170	6.97
75	685 28-686 62 Richardson	4 prvt 7-47 Ac many bisected by subject	4 bisected by subject & 1 @ 1 5 Ac	Misc. x 5,760	21.91
77	689 33- 65	2 prvt bisected by subject, 3 & 25 Ac.	2 bisected by subject & 44 Ac Site	150 x 1,669	5.75
81	694 84-695 05	1 prvt 5 73 Ac	Co. Rd. & slivers of 3 prvt 0.2, 0.3, & 19.8 Ac.	100 x 1,108	2.55
100	702 86-703 60 Mapleton	Hwy 36 r/w	2 prvt. (1 @ 6 Ac. & 1 is por of ±100 Ac.); Water Dist ; U. S. Natl. For.	100 x 3,907	8 97
154	720 20- 31	8.2 Ac. Prvt. Residence	Sliver of 103 Ac bisected by Rd., & Co. Rd.	±125 to 155 x 557	1 8
Douglas County					
219	744 55- 90	1 prvt. 35 Ac. bisected by subject	2 prvt ; 4 Ac & 35 Ac bisected	150 to 225 x 1,940	7 71
Coos County					
232	750.38-.46	N/A - Blacks Arm of North Tenmile Lake	4 Ac Rec. Hm. Prop. & por. of large tree farm	Avg. ±105 w/o lake x 421	1 01
Total Area of Valuation Unit					105 48

Desirability to Abutters Summarized

As mentioned previously, the lands abutting the portions of subject in this Valuation Unit are forest-oriented properties judged likely to be viewed as desirable for assemblage by abutters. However, there are no indications that ATF values can be obtained for the subject due to its encumbrances that limit the use potential

VALUATION UNIT 4 (Forest Desirable)

Base Value Analysis

Reference is made to the previous Valuation Unit 3, where forest-oriented market data was presented.

The subject represents significantly encumbered land with limited utility to the abutting ownerships. On average, ATF values can be anticipated to be in the range of \$400 to \$750 per acre. However, a significantly lower value rate of \$250 per acre, being discounted to reflect the limited utility, is judged to be the most likely price obtainable upon piecemeal disposition of the subject. This discount relative to the ATF value reflects the SPTC easements encumbering the area.

Base Value Conclusion(s)

Valuation Unit	Total Area Before Title Defects	Estimated Value per Acre	Total Estimated Value Before Title Defects
4	105.48	\$250	\$26,370

Title Defects

The following table summarizes the title defects known to exist and remaining to be reflected in the analysis:

Valuation Unit 4 Title Defects (Known & Remaining to be Addressed)						
Appraisal Section	Comments	Estimated Width	Estimated Length	Est Area (Acres)	Est \$/Acre	Est Value Adjustment
77	Portion sold to county for Richardson Upnver/Stagecoach Rd , dimensions estimated and assumed	35	205	0 16	\$250	\$41
100	Hwy 36 r/w sold to ODOT, dimensions estimated and assumed	40	2,500	2 30	\$250	\$574
232	Apparent lake area in subject r/w was already accounted for earlier in the analysis	N/A	N/A	N/A	N/A	\$0
Total Value Adjustment for Title Defects						\$615

**VALUATION UNIT 4
(Forest Desirable)**

Adjusted Base Value Conclusion

Valuation Unit 4 Adjusted Base Value Conclusion	
Base Value Estimate	\$26,370
Less: Adjustment for Remaining Title Defects	(\$615)
Equals: Adjusted Base Value Estimate	\$25,755

Net Present Valuation Calculation

The following table summarizes the net present value analysis of the Valuation Unit. Reference is made to the previous analysis discussions that established the basis of the reflected estimates.

PRESENT VALUE CALCULATION VU 4 (FOREST PARCELS - LOW/MED DESIRABILITY)					
INPUTS/ASSUMPTIONS					
Estimated Adjusted Base Value (ABV)	\$25,755				
Taxes	0.8% of Value				
Insurance (Pro-Rata Allocation)	0.4% of Value				
Selling Costs	15.0% of Sales				
Entrepreneurial	15.0% of Sales				
Disposition (Sell-Off) Period	5 Years				
Discount Rate	10.0%				
Period (Year)	1	2	3	4	5
Starting ABV for Projected Period Disp	\$25,755	\$20,604	\$15,453	\$10,302	\$5,151
Gross Period Disposition (Sales)	\$5,151	\$5,151	\$5,151	\$5,151	\$5,151
Ending ABV for Projected Period Disp	\$20,604	\$15,453	\$10,302	\$5,151	\$0
Disposition & Holding Costs					
Selling Costs	-\$773	-\$773	-\$773	-\$773	-\$773
Escrow Fees	-\$82	-\$82	-\$82	-\$82	-\$82
Legal Fees	-\$515	\$0	\$0	\$0	\$0
Profit	-\$773	-\$773	-\$773	-\$773	-\$773
Taxes	-\$206	-\$165	-\$124	-\$82	-\$41
Insurance	-\$49	-\$82	-\$62	-\$41	-\$21
Total Disposition & Holding Costs	-\$2,398	-\$1,875	-\$1,813	-\$1,751	-\$1,690
Net Disposition (Sale) Proceeds	\$2,753	\$3,276	\$3,338	\$3,400	\$3,461
PV of Projected Net Sale Proceeds	\$2,503	\$2,707	\$2,508	\$2,322	\$2,149

Estimated Net Present Value \$12,190

Final Value Conclusion of Valuation Unit - **\$12,190**

VALUATION UNIT 5 (Unique Forest)

General Overview

This Valuation Unit applies to just one ±626 foot-long section of forest land that is unique because it abuts three private campsite parcels ranging from 0.15 to 0.8 acres in size.

Topography

The topography of areas abutting this Valuation Unit consists of North Tenmile Lake on the east and gentle to moderately steep up-sloping areas generally on the west side. Topographic details can also be discerned by referring to the U.S.G.S topographic maps provided in the separately bound Report Addenda.

Access

The abutting campsite parcels are accessible by boat only and therefore it is apparent that trespass across the subject line is required. The subject line does not appear to provide a feasible access alternative to the abutting lands but it can offer a clear access situation to and from the lake.

Abutting Property Uses

The properties abutting the subject portions in this Valuation Unit are forest-zoned parcels apparently used as private campsites. Details are provided in the following Valuation Unit summary chart and/or the prior Line Assessment table.

Appraisal Sections in Valuation Unit 5					
Appraisal Section	Mile Post Landmark	Leftside Ownership & Sizes	Rightside Ownership & Sizes	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
228	749.34-.46	N/A - Blacks Arm of North Tenmile Lake	3 private campsites without road access. 0.15, 0.7 & 0.8 Acres in size	Avg ±150 w/o lake x 626	2.16
Total Area of Valuation Unit					2.16

Desirability to Abutters Summarized

The lands abutting this Valuation Unit are considered to find the subject desirable for assemblage because they have small limited areas that can be improved by the abutting portion of subject line. With the subject, the abutting properties can gain some level area, access rights from the lake can be perfected and there is potential to improve the lake.

VALUATION UNIT 5 (Unique Forest)

frontage. The easements on the subject are not considered to be significant in relation to the limited nature of the abutting properties, timber, minerals, etc. will not be harvested due to lake proximity and the abutters are not buildable with or without the subject.

Zoning

The properties abutting the subject are zoned Forest (F) by Coos County. For related details the reader may refer to the summary provided previously.

Base Value Analysis

It is noted that one of the abutting properties sold in 2005 for \$20,000 or \$28,571 per acre (Tax Parcel 23-12-5 500; 0.70 Acre). However, this is not considered to be a reliable or appropriate basis of value for several reasons. Chiefly, it was not an arms-length transaction since the same person was one of the two sellers and one of the two buyers. Also, even if this were reflective of ATF value then it would not be directly applicable to the subject due to factors analogous to the base homesite theory.

Earlier during the "Base Value Analysis Overview" discussion it was explained how excess area for residential properties generally contributes at a low rate relative to the overall homesite value because the home site element represents the bulk of value while the remainder is more analogous to agricultural or open space values. This is sometimes referred to as the base homesite theory and it is important to the analysis because helps recognize or illustrate that the contributory market value of the subject is not always directly on par with abutting properties.

The three comparable sales uncovered and felt to be the best support of estimating value in this Valuation Unit are summarized on the following table.

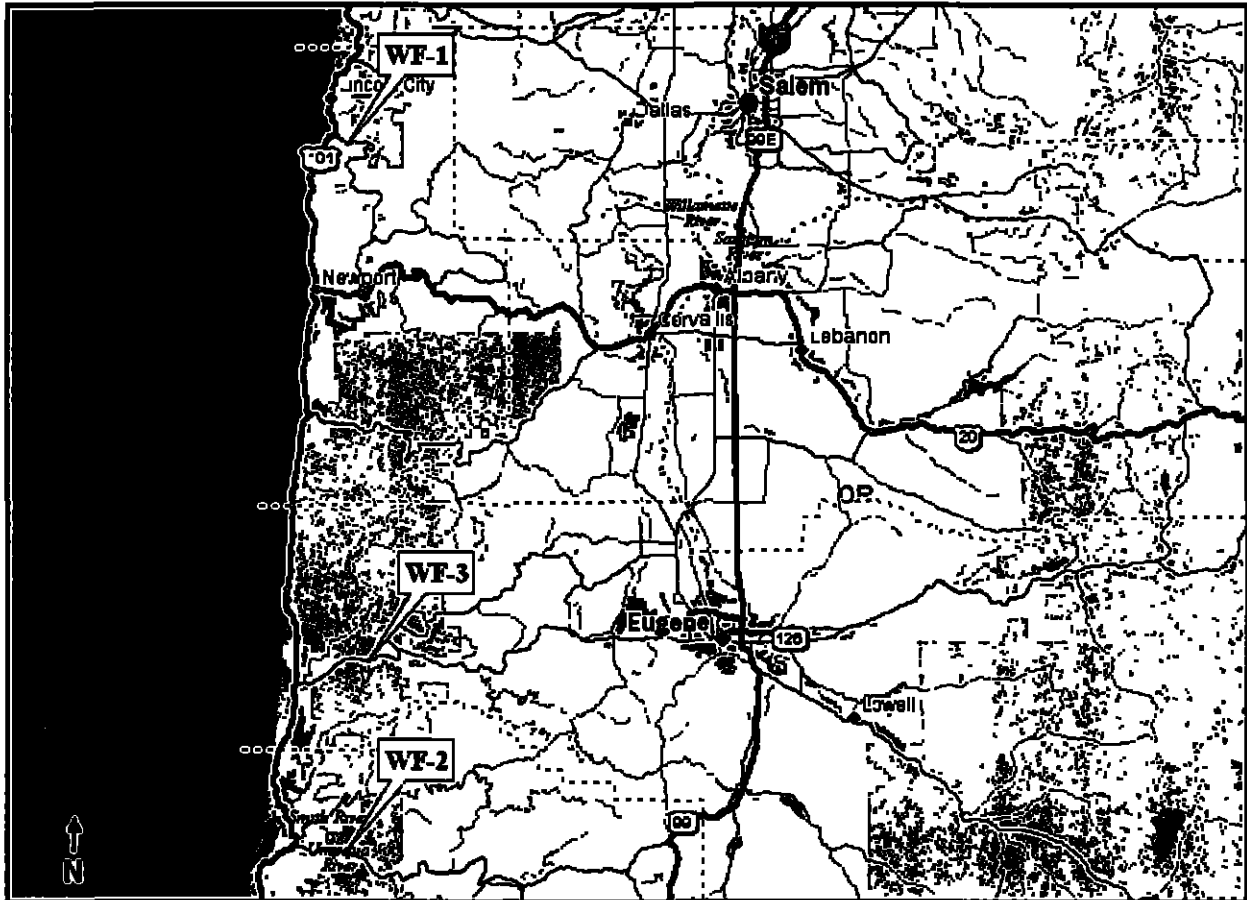
**VALUATION UNIT 5
(Unique Forest)**

**IMPROVED WATER ACCESS SITUATIONS
SUMMARY OF COMPARABLE MARKET DATA**

COMP NO	PROPERTY LOCATION	PRICE DATE	SIZE ZONING	REMARKS
Sale W1 1	400 S Millport Slough Road Lincoln City, Lincoln County, Oregon 8-11-13 1101	\$60,000 11/2007	15.33-Ac 1C	Significant slough frontage purchased for camping and recreation. Not buildable, but reasonably accessible. <u>Sale equates to \$60,000 or \$3,914/Ac</u>
Sale WF 2	Highway 38, Reedsport, Lane County Oregon 21-11-00 3100	\$130,000 5/2006	19.00-Ac	Umpqua River frontage property purchased for cabin, but ultimately not allowed. No utilities. Accessible. <u>Sale equates to \$130,000 or \$6,842/Ac</u>
Sale WF 3	10145 Sweet Creek Road, Mapleton, Lane County, Oregon 10-10-10-0-0 01012	\$100,000 7/2007	18.67-Ac E-25	Lakefront recreational site with permission and permit for dock. Purchased on market contract. <u>Sale equates to \$100,000 or \$5,356/Ac</u>

Below is a sale location map, followed by pages with data sheets detailing the pertinent property and sale data for each of the comparables. For each comparable there is also a page with parcel map and aerial photograph.

**VALUATION UNIT 5
(Unique Forest)**



Sale Location Map

**VALUATION UNIT 5
(Unique Forest)**

**IMPROVED WATER FRONT SALE
PROPERTY DATA - SALE No. WF-1**

Address/Location: 400 S Millport Slough Road, Lincoln City, Lincoln County, Oregon

Map/Parcel: 8-11-13 1101

Parcel No: Unknown

Seller: Welter

Buyer: K Seida etal.

Sale Date: 11/14/2007

Document: 2007-13478

Price: \$60,000

Terms: Cash to Seller

Size: 15 33-Ac

Unit Price: \$3,914/Ac

Verified: Debbie Jorden
Listing Broker
541 265 3031

Zoning: TC; Timber Conservation

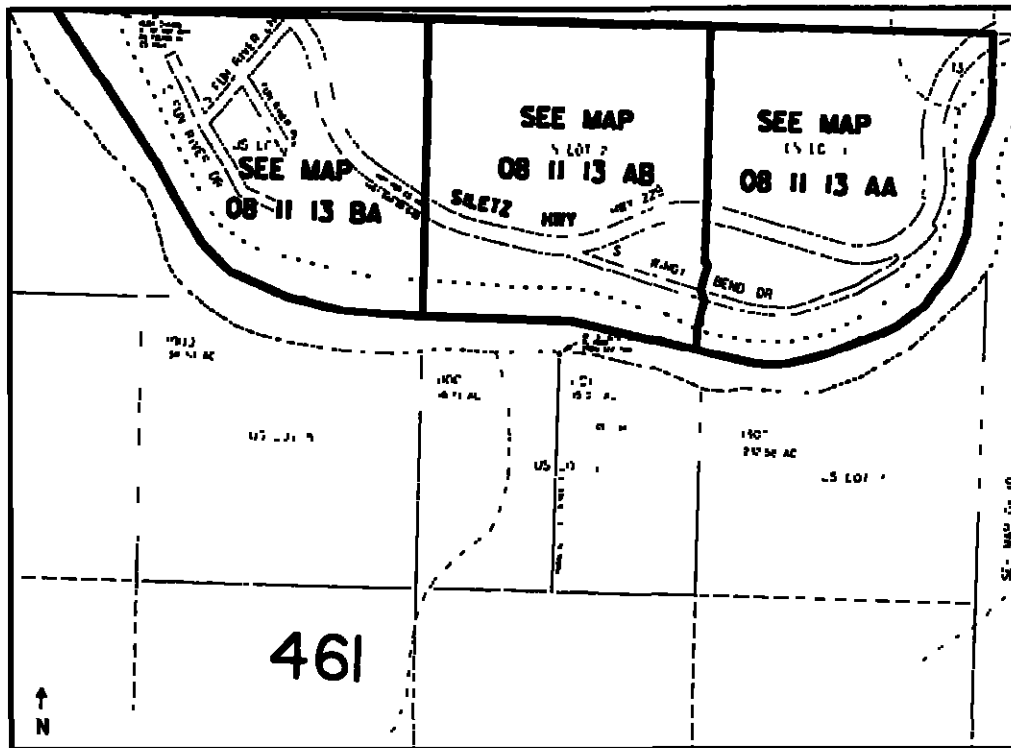
Utilities: Power



Other Site Description: This transaction represents the sale of a 15 33-acre recreation property. The irregular shaped raw site is located along and has significant frontage on the Millport Slough. The rear portion of the site was reported as very steep and the only available utility is power. The buyer purchased the property for fishing and camping. It is unlikely that a homesite is feasible noting that 2-3 miles of road would have to be brought up to County standards

Remarks and Motives: The property was purchased in November 2007 for \$60,000 after being on the market for 307 days. The transaction was reported as cash to the seller and market in all respects. The purchase price equates to a unit value of \$3,914 per acre

**VALUATION UNIT 5
(Unique Forest)**



400 S Millport Slough Road, Lincoln City, Lincoln County, Oregon



**VALUATION UNIT 5
(Unique Forest)**

**IMPROVED WATER FRONT SALE
PROPERTY DATA - SALE No. WF-2**

Address/Location: Highway 38, Reedsport, Lane County, Oregon

Map/Parcel: 21-11-00 3100

Parcel No: R25615

Seller: Nirmaier

Buyer: McKeel

Sale Date: 5/31/2006

Document: 2006-13801

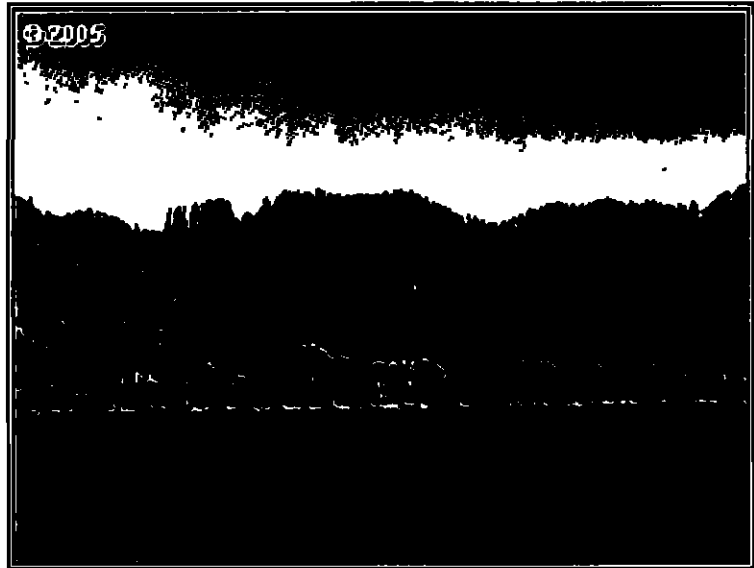
Price: \$130,000

Terms: Cash to Seller

Size: 19-Ac

Unit Price: \$6,842/Ac.

Verified: Wendy Wicks
Listing Broker
541 271.4779



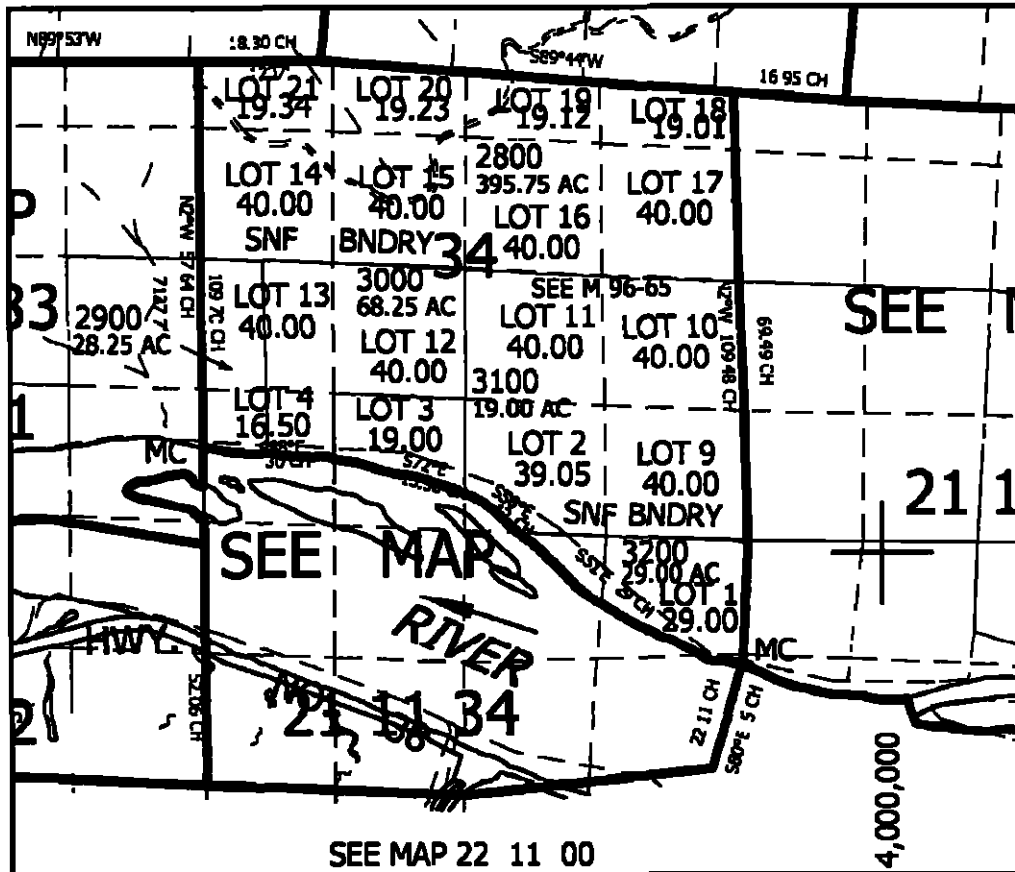
Zoning: TR-EC; Timber – Estuarine Conservation

Utilities: None

Other Site Description: This transaction represents the sale of a 19-acre recreation property located along the Umpqua River near Reedsport. The irregular shaped property was reported as raw and timber covered; there are no utilities to the site. Access is available by boat only. Timber value was estimated by the listing agent to be from \$30,000 to \$40,000, but the extraction of the timber would significantly hamper its recreational use potential and desirability.

Remarks and Motives: The property was purchased for development of a cabin; there were no approvals at the time of sale. However, the plans didn't work and the property has been re-listed at \$176,000 (\$9,263/Ac.). The transaction was reported market in all respects.

**VALUATION UNIT 5
(Unique Forest)**



Umpqua River, Reedsport, Lane County, Oregon



**VALUATION UNIT 5
(Unique Forest)**

**IMPROVED WATER FRONT SALE
PROPERTY DATA - SALE No. WF-3**

Address/Location: 10145 Sweet Creek Road, Mapleton, Lane County, Oregon

Map/Parcel: 18-10-10 01012

Parcel No: 1055522

Seller: Key Comm.

Buyer: Foster

Sale Date: 7/31/2007

Document: Not Available

Price: \$100,000

Terms: Owner Contract

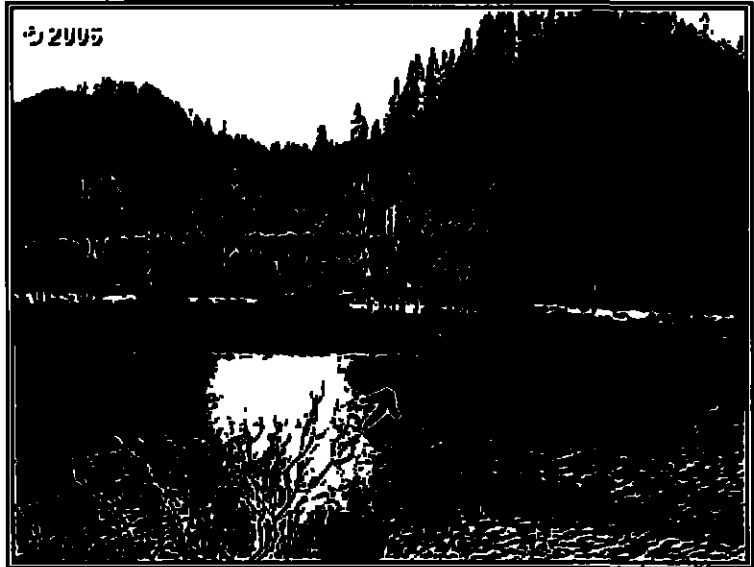
Size: 18.67-Ac.

Unit Price: \$5,356/Ac.

Verified: Alta Taylor
Listing Broker
541 997.4842

Zoning: E-25

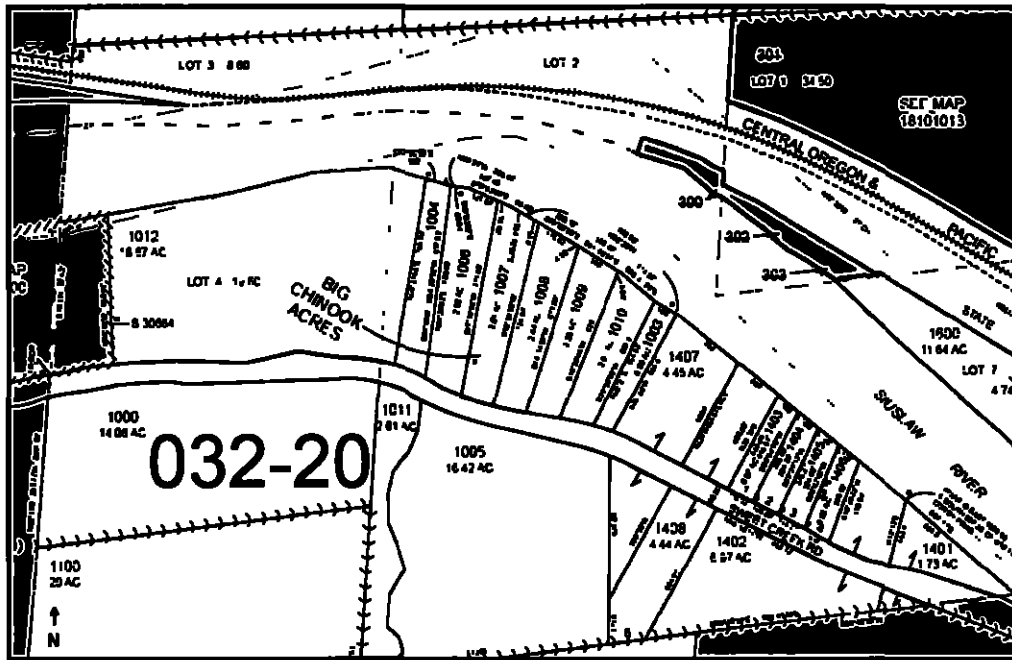
Utilities: None



Other Site Description: This transaction represents the sale of an 18.67-acre recreational site located along the Siuslaw River in Mapleton. The irregular shaped site is level and has permission and permit for dock yet requires all utilities. The property was purchased after being on the market for 508 days by a user who intends to utilize the site for fishing and recreation

Remarks and Motives: The property was purchased via market contract in July, 2007 for \$100,000 after being listed for \$249,500. Terms of the contract include zero down with the seller paying all closing costs at 8 percent for 20 years. The actual payment structure was \$250 per month for the first year increasing \$100 per month every year until paid. The transaction was reported market in all respects. The purchase price equates to a unit value of \$5,356 per acre.

**VALUATION UNIT 5
(Unique Forest)**



10145 Sweet Creek Road, Mapleton, Lane County, Oregon



VALUATION UNIT 5 (Unique Forest)

The three sales are recent, occurring within the past two years, and reflect a fairly narrow range of sale price per acre (\$3,914 - \$6,842). Sale 2 was purchased with the belief that a cabin could be developed and therefore its price reflects more utility than the other sales, this is least applicable to Valuation Unit 5 because of the anticipated development. Recall that the subject will not add any home development potential to the abutting properties.

Likewise, Sale 3 with permit for a dock has more property rights than is the focus of this analysis. However, Sale 1 is very steep and furthest removed from the subject area. All things considered a conclusion of \$5,000 per acre is judged to be the best estimate of relevant ATF market value.

A discount of ATF value is not appropriate in this instance to reflect the subject encumbrances. This is because the encumbrances will not significantly impact the use potential of the area relative to the abutting lands. Furthermore, the assemblage of fronting portions of the subject offers improved access factors.

Base Value Conclusion(s)

Valuation Unit	Total Area Before Title Defects	Estimated Value per Acre	Total Estimated Value Before Title Defects
5	2.16	\$5,000	\$10,800

Title Defects

The following table summarizes the title defects known to exist and remaining to be reflected in the analysis.

Valuation Unit 5 Title Defects (Known & Remaining to be Addressed)						
Appraisal Section	Comments	Estimated Width	Estimated Length	Est Area (Acres)	Est \$/Acre	Est Value Adjustment
232	Apparent lake area in subject r/w was already accounted for earlier in the analysis	N/A	N/A	N/A	N/A	\$0
Total Value Adjustment for Title Defects						\$0

**VALUATION UNIT 5
(Unique Forest)**

Adjusted Base Value Conclusion

Valuation Unit 5 Adjusted Base Value Conclusion	
Base Value Estimate	\$10,800
Less: Adjustment for Remaining Title Defects	\$0
Equals: Adjusted Base Value Estimate	\$10,800

Net Present Valuation Calculation

The following table summarizes the net present value analysis of the Valuation Unit. Reference is made to the previous analysis discussions that established the basis of the reflected estimates

PRESENT VALUE CALCULATION VU 5 (UNIQUE FOREST)	
INPUTS/ASSUMPTIONS	
Estimated Adjusted Base Value (ABV)	\$10,800
Taxes	0.8% of Value
Insurance (Pro-Rata Allocation)	0.4% of Value
Selling Costs	10.0% of Sales
Entrepreneurial Profit	15.0% of Sales
Disposition (Sell-Off) Period	1 Year
Discount Rate	10.0%
Period (Year)	1
Starting ABV for Projected Period Disp	\$10,800
Gross Period Disposition (Sales)	\$10,800
Ending ABV for Projected Period Disp	\$0
Disposition & Holding Costs	
Selling Costs	-\$1,080
Escrow Fees	-\$173
Legal Fees	-\$216
Entrepreneurial Profit	-\$1,620
Taxes	-\$86
Insurance	-\$43
Total Disposition & Holding Costs	-\$3,218
Net Disposition (Sales) Proceeds	\$7,582
PV of Net Disposition (Sales) Proceeds	\$6,892

Estimated Present Value \$6,892

Final Value Conclusion of Valuation Unit - **\$6,892**

VALUATION UNIT 6 (Farm Land)

General Overview

This Valuation Unit applies to several sections of the line that abut farm properties that have a reasonable likelihood of interest in acquiring abutting portions of the subject. It is noted that in several places along the line there is land zoned for agriculture but not included here due to the nature of the abutting area; for example, where forested area abuts the subject, the values associated with the subject can be expected to be forest oriented and therefore such areas are not included in this Valuation Unit. All of the appraisal sections comprising this Valuation Unit are located in Lane County.

Topography

The topography of areas abutting this Valuation Unit is generally level. Topographic details can also be discerned by referring to the U.S.G.S topographic maps provided in the separately bound Report Addenda.

Access

It is understood that all of the abutting lands have existing access and no likely situations were uncovered where the subject would offer a significant benefit to abutting properties in terms of accessibility.

Zoning

The properties abutting the subject are zoned as follows:

Lane County, Exclusive Farm Use (E-40) – Generally this has the purpose of preserving open land for agricultural uses. The minimum lot size of new parcels is 40 acres. New dwellings are allowed only when certain conditions are met. A copy of the zoning ordinance is available online at:

http://www.lanecounty.org/LaneCode/documents/CodeChapter16_Sec212_June_04.pdf

Abutting Property Uses

The properties abutting the subject portions allocated to this Valuation Unit are farm-oriented parcels. Details are provided in the following Valuation Unit summary chart and/or the prior Line Assessment table.

**VALUATION UNIT 6
(Farm Land)**

Appraisal Sections in Valuation Unit 6					
Appraisal Section	Mile Post Landmark	Most Likely Disposition Candidates & Associated Remarks	Assmblg. Probility.	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
7	653 15-.57	Has potential for independent use, subject to encumbrances Left side abuts unimproved Goble Rd. (public r/w) Right side abuts 25 Ac. parcel of excess ODOT hwy. r/w	Low - Medium	150 x 2,180 +2 67 Ac. excess on south side	10 52
9	653 58-.79 (Approximate)	Both sides of subject are abut E-40 zoned land, largely unused and wooded (excess ODOT hwy r/w & 3 Ac prop on left, and 4.5 Ac. owned by UPRR on right)	Low - Medium	150 Assumed (variable & unclear) x 1,000	3 44
13	654 66- 98	Has potential for independent use, subject to encumbrances Left side abuts imprvd K.R. Nielson Rd (public r/w) Right side abuts Hwy 26 r/w (no access likely from hwy)	Low-Med.	100 x 1,675 + 5 09 Ac excess on left side	8 93
15	654 99-655.24	4.43 ac E-40 area between road and hwy. could be used for pasture and/or storage (Hwy r/w on right)	Low	Misc. (max 150± ft) x 1,315	4.43
37	661 71-663.20	Left abuts cropland on 62 & 82 Ac properties (Hwy r/w on right)	Low	175 x 5,280 & 100 x 2,614	27 21
39	663 33-664 02	Both sides of subject primarily abut cropland portions of 8-48 Ac props	Medium	100 & 150 x 3,625	9 65
Total Area of Valuation Unit					64 18

Desirability to Abutters Summarized

The lands abutting this Valuation Unit are considered likely to have some limited desirable for assemblage of the abutting subject areas They can benefit from the subject by gaining some control of the abutting area, which can be used for equipment turn-around and storage. Use of the area will be limited by the remaining track ballast and the SPTC easements

As reflected in the chart blow, relative to the subject line, the soil quality of the abutting lands improves as the line moves west.

**VALUATION UNIT 6
(Farm Land)**

Line Soil Types - Agricultural Land			
Appraisal Section	Mile Post Landmark	Approx. Area (Acres)	Soil Type
7	653.15-.57	10.52	IVw
9	653.58-.79 (Approx.)	3.44	IVw
13	654.66- 98	8 93	IIIe / IIlw / IVw
15	654.99- 655.24	4.43	IIlw / IVw
37	661.71- 663 20	27 21	IIe / IIw / IIIw
39	663.33- 664.02	9 65	IIe / IIw / IIIe / IIIw
Total Area of Valuation		64 18	

The soil type reported reflects the land capability classification reported by the United States Department of Agriculture. The land capability classification shows, in a general way, the suitability of soils for most kinds of field crops. There are seven capability classes (I – VII). Class I soils are the highest value soils and have few limitations that restrict their use. Relative to the subject, Class II soils have moderate limitations that reduce the choice of plants or that require moderate conservation practices. Class III soils have severe limitations that reduce the choice of plants or that require special conservation practices, or both. Class IV soils have severe limitations that reduce the choice of plants or that require very careful management, or both. The production capacity of Class V through Class VII soils continues to decrease. In addition, there are capability subclasses that further define the capability of the soil. Relative to the subject, subclass “e” shows that the main limitation is risk of erosion unless close-growing plant cover is maintained. Subclass “w” shows that water in or on the soil interfere with plant growth or cultivation.

In summary, the line travels through Class IV soils and gradually increases in quality before ending in Class II/III soils. In general, the abutting soil types are not prime (Class I) soils.

**VALUATION UNIT 6
(Farm Land)**

Base Value Analysis

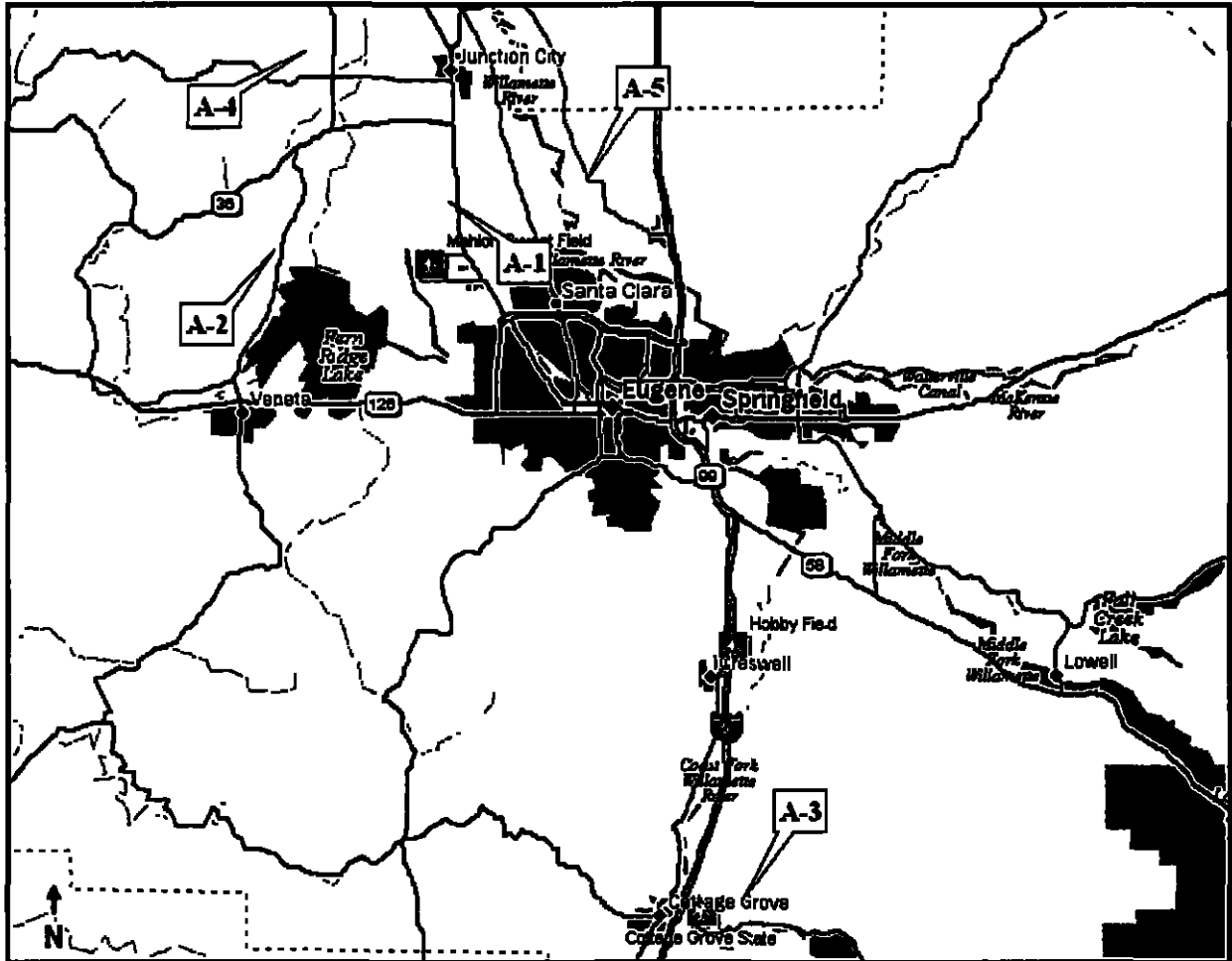
The following table summarizes the comparable market data found to be most relevant to establishing values associated with this Valuation Unit:

**FARM/AGRICULTURAL PROPERTIES
SUMMARY OF COMPARABLE MARKET DATA**

COMP. NO.	PROPERTY LOCATION	PRICE DATE	SIZE ZONING	REMARKS
Sale A-1	91875 Green Hill Road, Junction City, Lane County, Oregon 16-04-29-0-0-01100	\$60,000 3/2008	40 06-Ac F-40	Vacant farmland Flat site with direct access to Green Hill Road, class 2W/3W soils Transferred via assignment of contract <u>Sale equates to \$60,000 or \$1,498 per acre</u>
Sale A-2	Territorial Highway, Junction City, Lane County, Oregon 16-05-32-00-01100	\$65,000 12/2007	40 57-Ac F-40	Vacant farmland Flat site with direct access to Territorial Highway, class 3W/3E soils Property was overrun with black barriers and now leased out for grass <u>Sale equates to \$65,000 or \$1,602 per acre</u>
Sale A-3	Bryson-Sears Road, Cottage Grove, Lane County, Oregon 20-03-25-00-00103	\$90,000 12/2007	40 85-Ac F-40	Vacant pasture with direct access to Bryson-Sears Road Tract is irregular shaped with rolling to sloped topography, class 4E/6W/7S soils Property sold on contract for \$250,000 on market contract 9/2006 Buyer defaulted when he realized property was not developable Purchased 12/2007 on market contract for \$90,000, as-is <u>Sale equates to \$90,000 or \$2,203 per acre</u>
Sale A-4	Cory Road, Junction City, Lane County Oregon 15-05-28-00-00701	\$310,000 7/2006	103 42-Ac F-40	Vacant farmland The tract is irregular shaped, level and comprised primarily of class 3W soils with some 2E and 4W soils <u>Sale equates to \$310,000, or \$2,997 per acre</u>
Sale A-5	Coburg Road, Eugene, Lane County, Oregon 16-04-24-00-00401	\$230,000 7/2006	62 28-Ac FPU-30	Vacant agricultural land Property is rectangular in shape, level and has two irrigation wells Primarily class 2W soils with some class 4W and 7W soils Access to Coburg Road is via easement An investor purchased property, value of irrigation wells was reported as "not significant" <u>Sale equates to \$230,000 or \$3,693 per acre</u>

VALUATION UNIT 6 (Farm Land)

Below is a sale location map, followed by pages with data sheets detailing the pertinent property and sale data for each of the comparables. For each comparable there is also a page with parcel and topographic maps.



Sale Location Map

**VALUATION UNIT 6
(Farm Land)**

COMPARABLE LAND DATA – SALE No. A-1

Address/Location: 91875 Green Hill Road, Junction City, Lane County, Oregon

Map/Parcel: 16-04-29-0-0 01100

Parcel No: 53809

Seller: Harris

Buyer: Haag

Sale Date: 3/25/2008

Document: 2008-016814

Price: \$60,000

Terms: Cash to Seller

Size: 40.06-Ac

Unit Price: \$1,498/Ac

Verified: County Assessor
Warranty Deed

Zoning: E40, Exclusive Farm Use

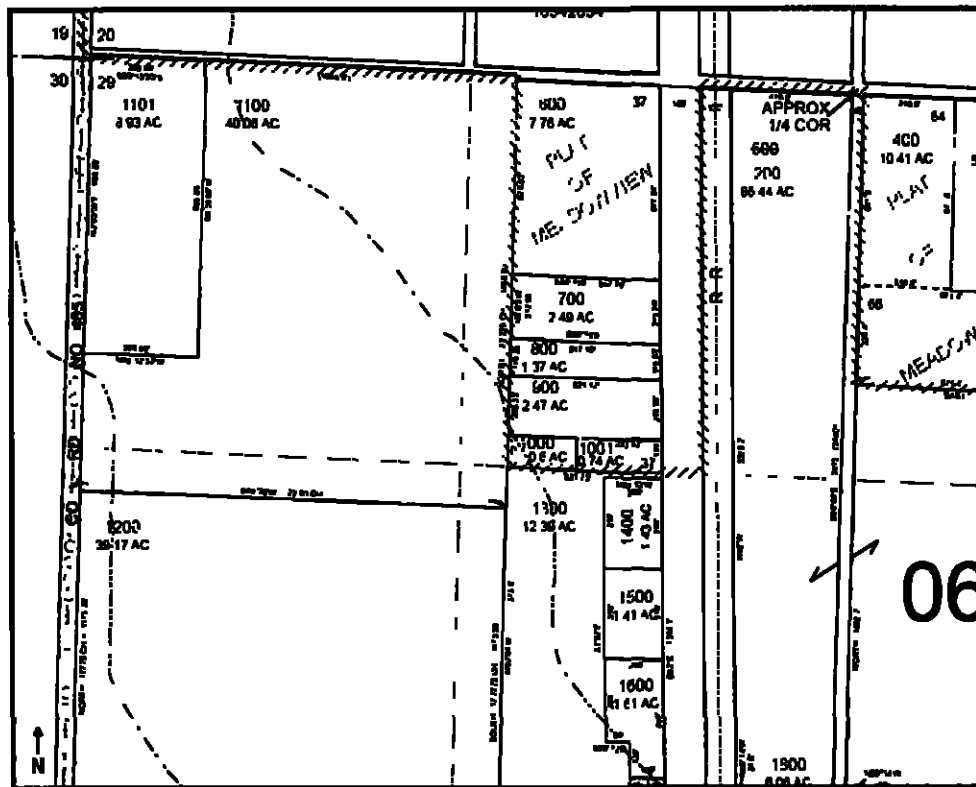
Utilities: None Available



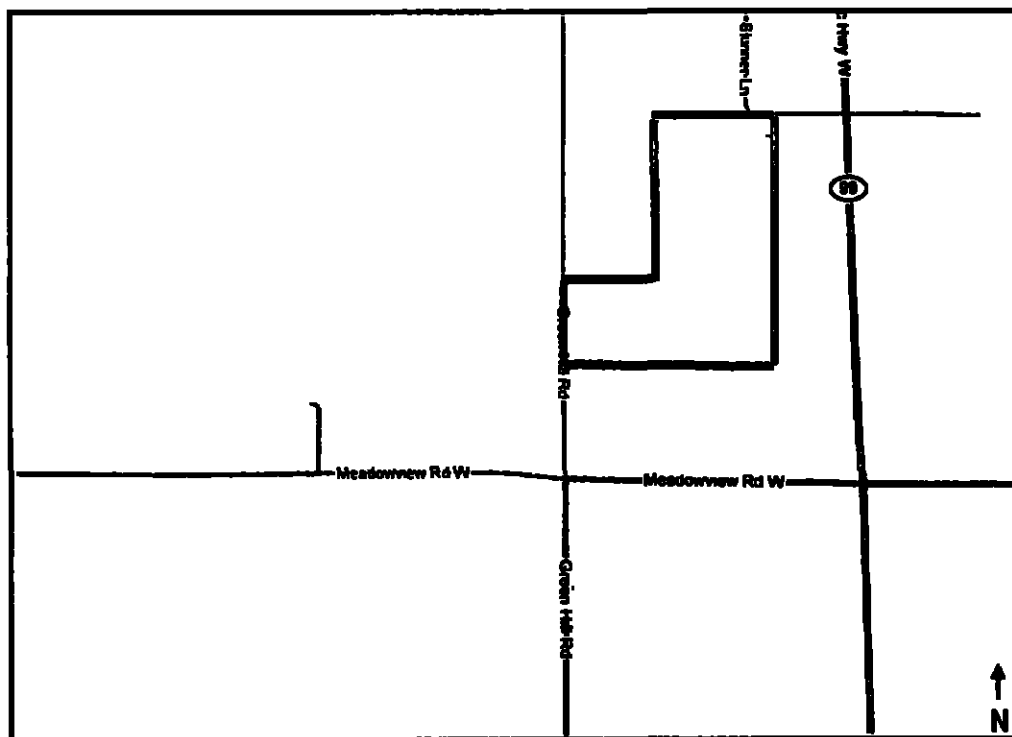
Other Site Description: This transaction involved the sale of 40.06-acres of farmland along Green Hill Road in Junction City. The parcel is irregular, yet competitive, in shape, level and features Class 2W and 3W soils. Power is available to the site, however, there is no well or septic. A small portion of the site is encumbered with a water control easement.

Remarks and Motives: The property was purchased via assignment of contract in March 2008 for \$60,000. Transaction details were not disclosed. The sale price equates to \$1,498 per acre.

**VALUATION UNIT 6
(Farm Land)**



91875 Green Hill Road, Junction City, Lane County, Oregon



**VALUATION UNIT 6
(Farm Land)**

COMPARABLE LAND DATA – SALE No. A-2

Address/Location: Territorial Highway, Junction City, Lane County, Oregon

Map/Parcel: 16-05-32-00 01100

Parcel No: 1295722

Seller: Rutherford

Buyer: Thielman

Sale Date: 12/26/2007

Document: 2007-084257

Price: \$65,000

Terms: Cash to Seller

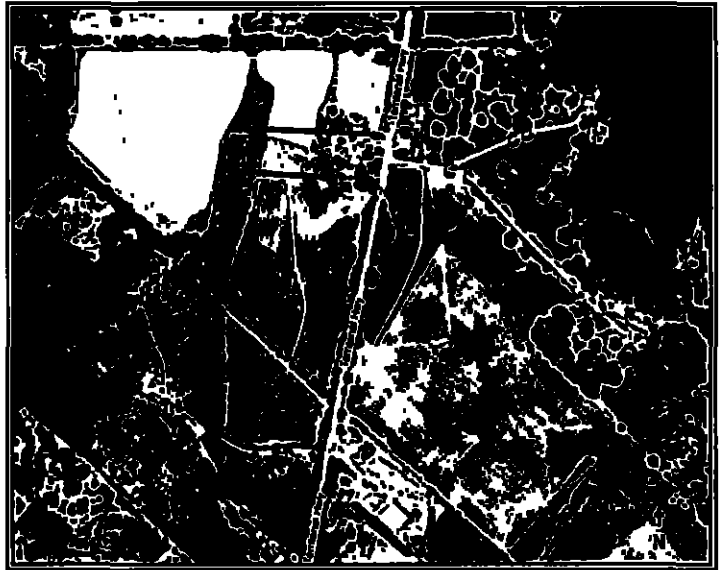
Size: 40.57-Acres

Unit Price: \$1,602/Ac.

Verified: Jared Thielman
Buyer
541 998.2655

Zoning: E40; Exclusive Farm Use

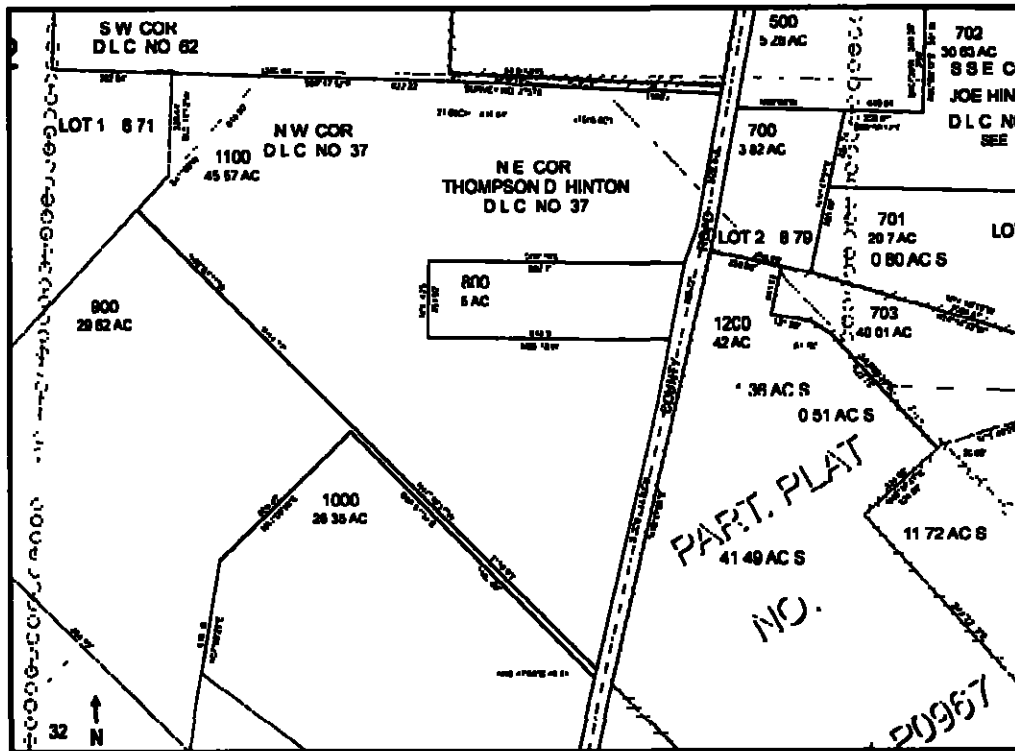
Utilities: Co-Op Well Rights



Other Site Description: This transaction involved the sale of 40 57 acres of farmland along the Territorial Highway in Junction City. The parcel is irregular, in shape, level and features Class 3W and 3E soils. Power is available to the site and water is available via a co-op well with the adjoining residence, however, there is no on-site well or septic. The buyer indicated that the field was overrun with black barriers and that it was "not much of a field" and has leased it out for grass.

Remarks and Motives: The property was purchased in December 2007 for \$65,000. The buyer purchased the property from a relative, however reports that the price was based upon fair market value. The sale price equates to \$1,602 per acre.

**VALUATION UNIT 6
(Farm Land)**



Territorial Highway, Junction City, Lane County, Oregon



**VALUATION UNIT 6
(Farm Land)**

COMPARABLE LAND DATA – SALE No. A-3

Address/Location: Bryson-Sears Road, Cottage Grove, Lane County, Oregon

Map/Parcel: 20-03-25-00 00103

Parcel No: 1735404

Seller: First Amer.
Exchange

Buyer: DND

Sale Date: 12/2007

Document: N/Ap

Price: \$90,000

Terms: Owner-Contract

Size: 40 85-Acres

Unit Price: \$2,203/Ac.

Verified: Shirley Sparks
Listing Broker
541 968 2805

Zoning: E40, Exclusive Farm Use

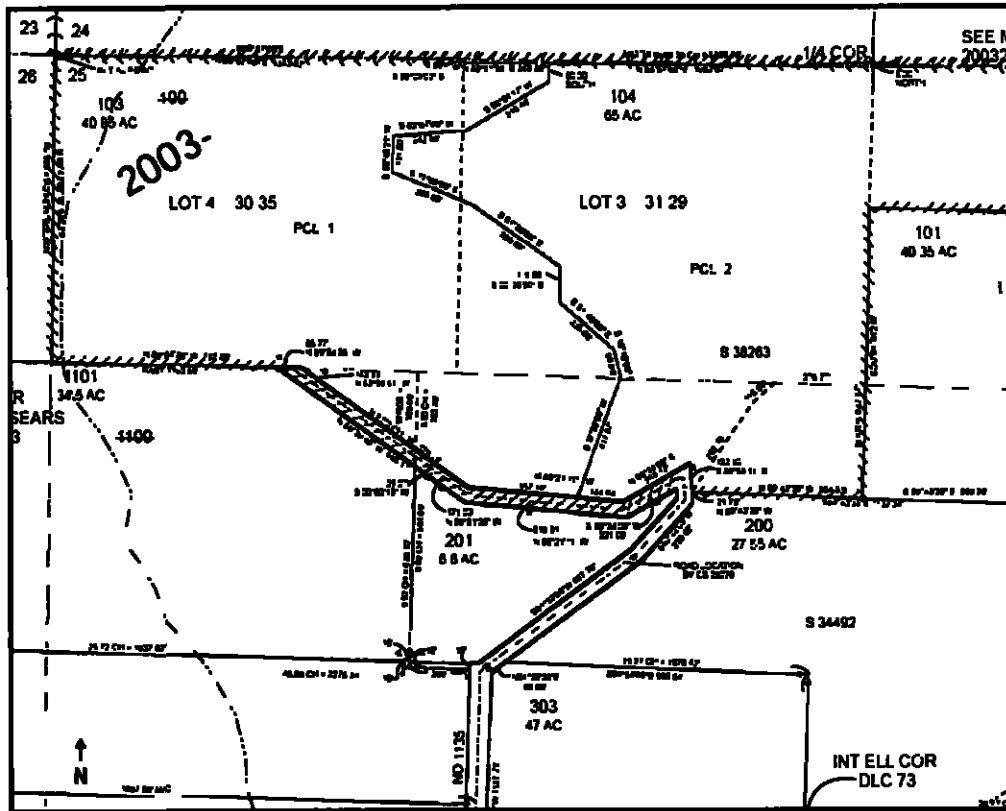
Utilities: None Available



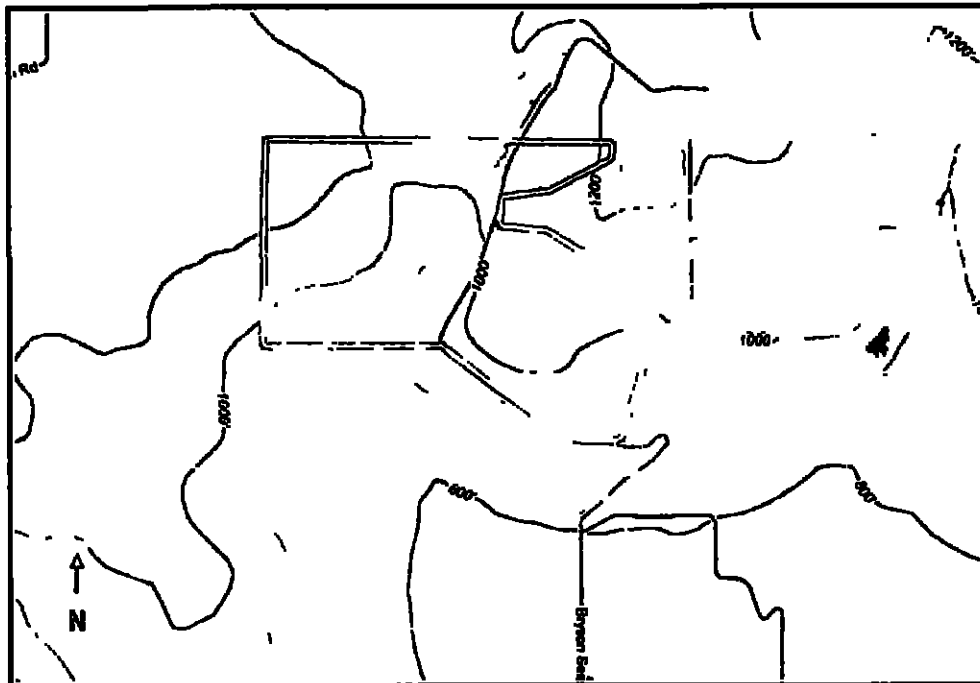
Other Site Description: This transaction involved the sale of 40.85-acres of pasture land along Bryson-Sears Road in Cottage Grove. The parcel is irregular, in shape, level and features Class 4E, 6W and 7S soils. Power is available to the site, however, there is no on-site well or septic. The small amount of timber on the property was not marketable and ascribed no value.

Remarks and Motives: The property was initially purchased via a market contract in September 2007 for \$250,000. The buyer intended to build a residence but defaulted after a couple of payments when he realized the lot was not buildable. The property was again sold on market contract in December 2007. This transaction was "as-is" with the knowledge that the property was not buildable. The sale price equates to \$2,203 per acre.

**VALUATION UNIT 6
(Farm Land)**



Bryson-Sears Road, Cottage Grove, Lane County, Oregon



**VALUATION UNIT 6
(Farm Land)**

COMPARABLE LAND DATA – SALE No. A-4

Address/Location: Cory Road, Junction City, Lane County, Oregon

Map/Parcel: 15-056-28-00 00701

Parcel No: 20444

Seller: Moffett

Buyer: Hayworth Family LLC

Sale Date: 7/10/2006

Document: 2006-047879

Price: \$310,000

Terms: Cash to Seller

Size: 103.425-Acres

Unit Price: \$2,997/Ac.

Verified: County Assessor
Warranty Deed

Zoning: E40; Exclusive Farm Use

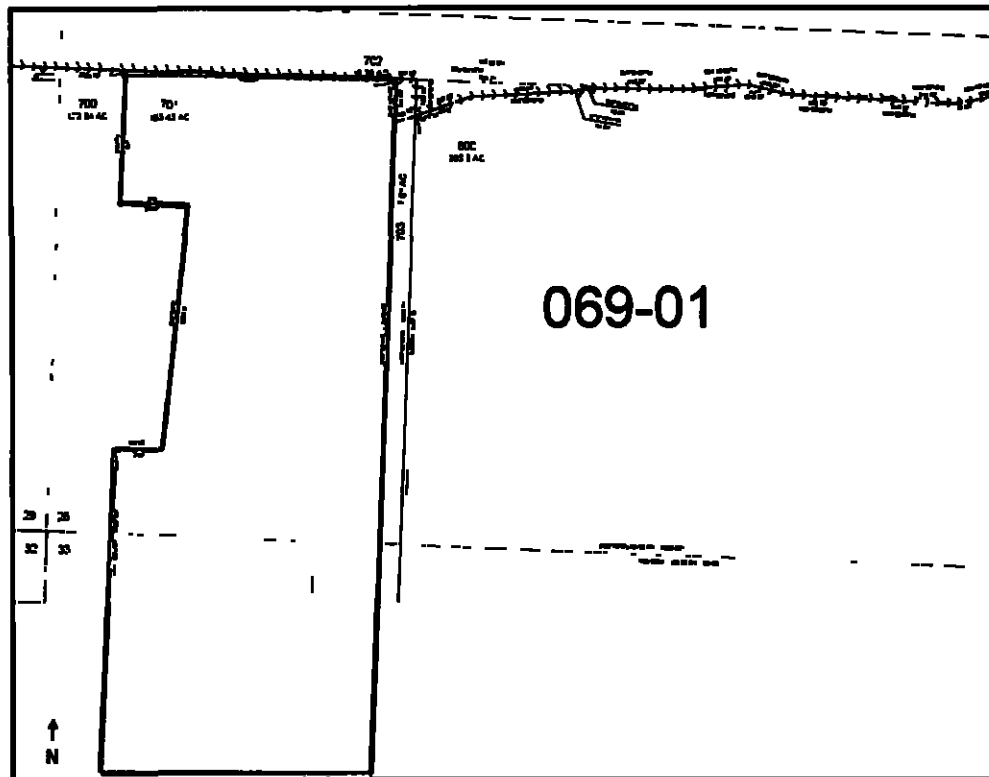
Utilities: None



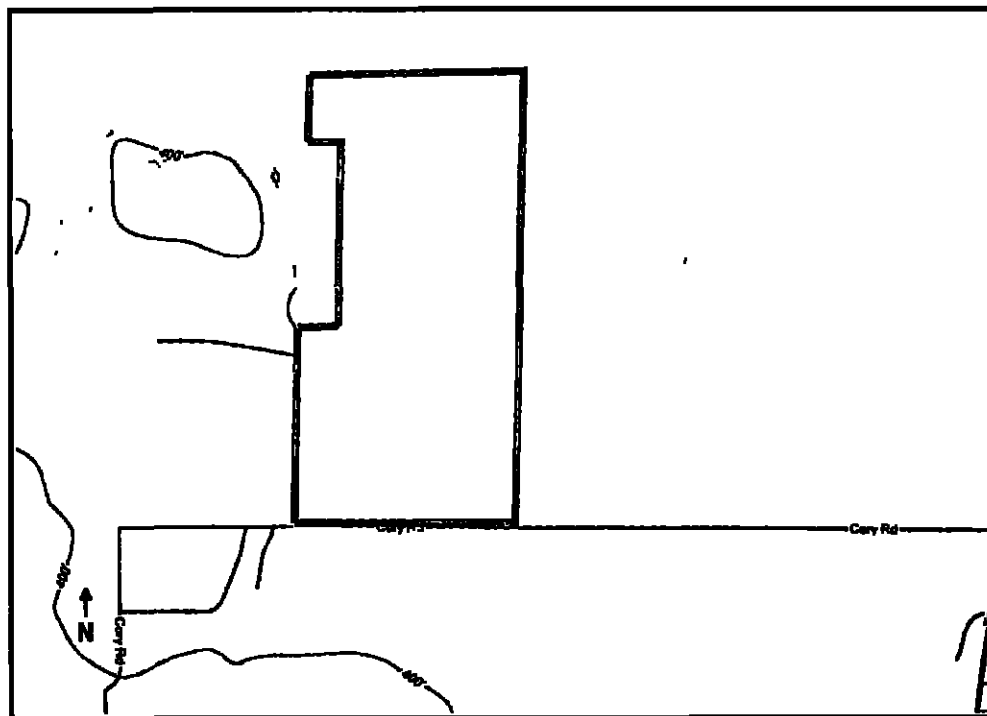
Other Site Description: This transaction involved the sale of 103.42 acres of farmland along Cory Road in Junction City. The parcel is irregular, yet competitive, in shape, level and features primarily Class 3W soils. Power is available to the site however there is no on-site well or septic.

Remarks and Motives: The property was purchased in July 2006 for \$310,000. Terms of the transaction were not disclosed. The sale price equates to \$2,997 per acre

**VALUATION UNIT 6
(Farm Land)**



Cory Road, Junction City, Lane County, Oregon



**VALUATION UNIT 6
(Farm Land)**

COMPARABLE LAND DATA – SALE No. A-5

Address/Location: Coburg Road, Eugene, Lane County, Oregon

Map/Parcel: 16-04-24-00 00401

Parcel No: 1366473

Seller: Siefert

Buyer: Knudsen

Sale Date: 7/3/2006

Document: Unknown

Price: \$230,000

Terms: Cash to Seller

Size: 62.28-Acres

Unit Price: \$3,693/Ac.

Verified: Kimberly Kellison
Listing Broker
541 302.4836



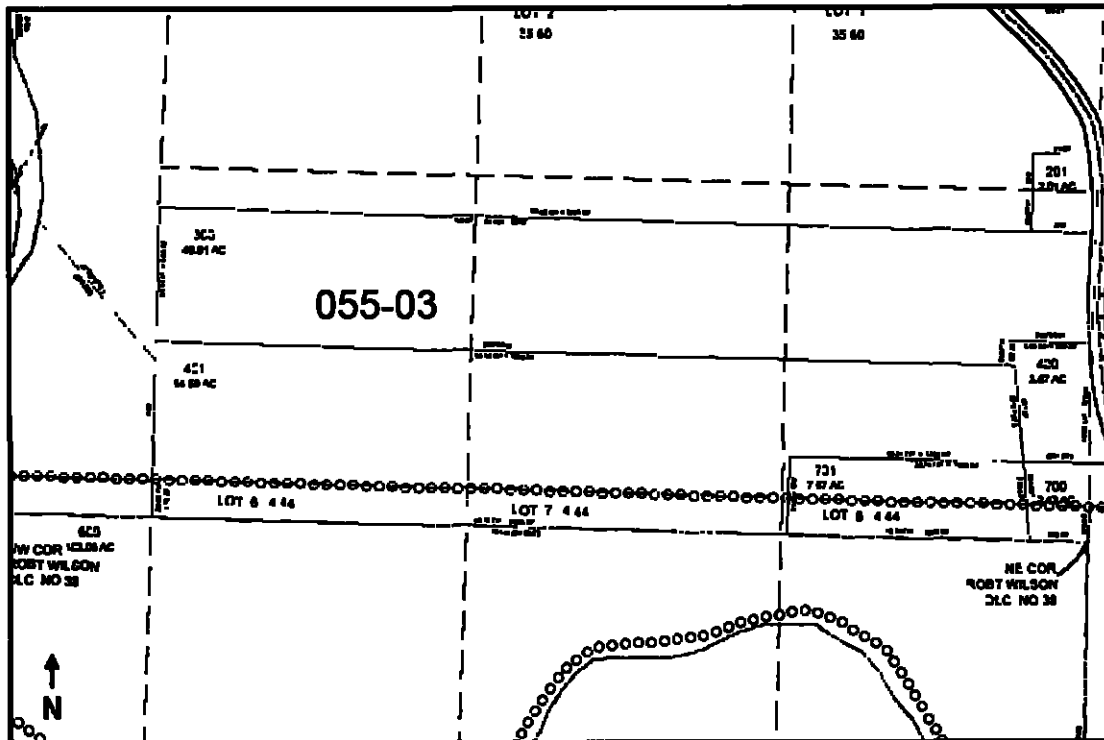
Zoning: EFU-30, Exclusive farm Use

Utilities: (2) Irrigation Wells

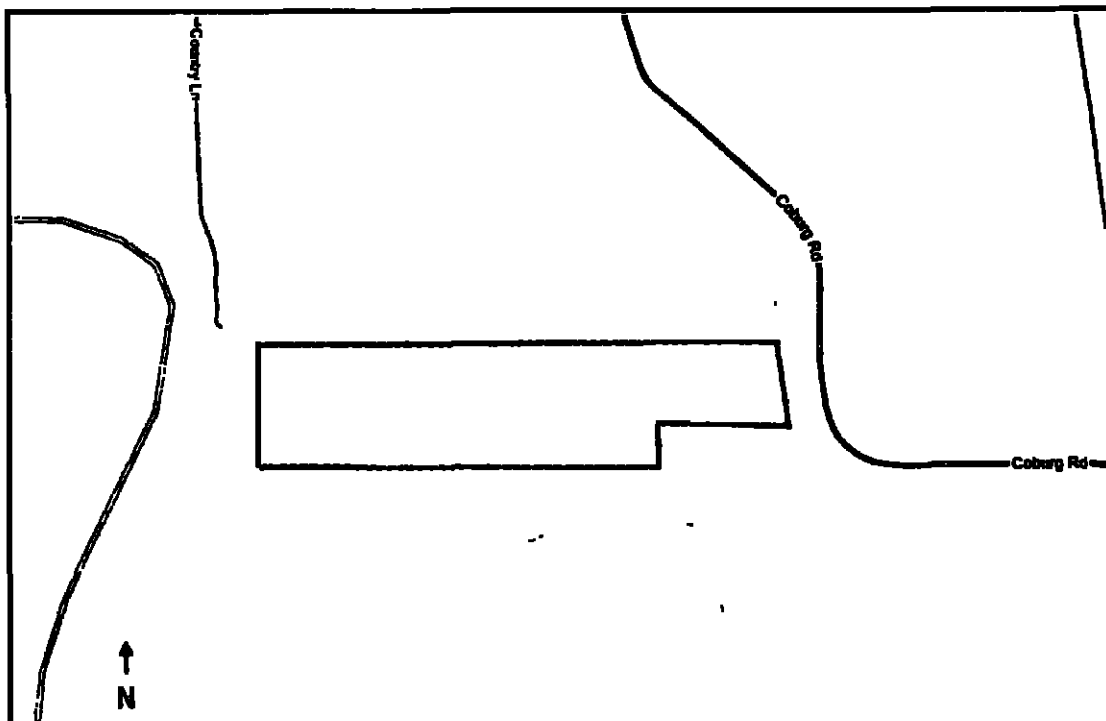
Other Site Description: This transaction involved the sale of 62.28 acres of riverfront agricultural land along Coburg Road in Eugene. The parcel is irregular, yet competitive, in shape, level and features primarily Class 2W soils. Power is available to the site and water is available via two irrigation wells, however, there is no on-site septic.

Remarks and Motives: The property was purchased in July 2006 for \$230,000. The buyer was reported to be an out of town farmer who purchased the property for investment. The sale price equates to \$3,693 per acre.

**VALUATION UNIT 6
(Farm Land)**



Coburg Road, Eugene, Lane County, Oregon



VALUATION UNIT 6 (Farm Land)

The comparables are similar to the subject in terms of soil classes, which in general are predominantly a mixture of Class II and III soils; neither the subject nor the comparables are comprised of prime (Class I) soils. As such, the sales compare reasonably to the subject in terms of capability and use.

The subject represents significantly encumbered land with limited utility to the abutting ownerships. On average, ATF values can be anticipated to be considered in the range of \$1,500 to \$3,000 per acre. The range can be narrowed to \$1,500 to \$2,200 per acre when size and market conditions are considered, noting the recent downward trend in values and the apparent preference for large tracts. In the final analysis, an average value of \$1,800 per acre is deemed reasonable given the aforementioned market trends and the apparent size of the relevant abutting tracts. However, a significantly lower value rate of \$450 per acre, being discounted for the limited utility, is judged to be the most likely price obtainable upon the project piecemeal disposition of the subject. The discount relative to the ATF value reflects the SPTC easements encumbering the area and the fact that the remaining area usable for farm use would be essentially noncontiguous since the subject is bisecting track ballast (with possible contamination); said another way, the likely purchasers of the subject are on one side of the subject and therefore the track ballast area and the far side are likely to have very little utility for farm use (absent significant cost and effort).

Base Value Conclusion(s)

Valuation Unit	Total Area Before Title Defects	Estimated Value per Acre	Total Estimated Value Before Title Defects
6	64.18	\$450	\$28,881

Title Defects

The following table summarizes the title defects known to exist and remaining to be reflected in the analysis:

Valuation Unit 6 Title Defects (Known & Remaining to be Addressed)						
Appraisal Section	Comments	Estimated Dimensions		Est. Area (Acres)	Est. \$/Acre	Est. Value Adjustment
		Width	Length			
N/A	No Relevant Title Defects Known					\$0
Total Value Adjustment for Title Defects						\$0

**VALUATION UNIT 6
(Farm Land)**

Adjusted Base Value Conclusion

Valuation Unit 6 Adjusted Base Value Conclusion	
Base Value Estimate	\$28,881
Less: Adjustment for Remaining Title Defects	\$0
Equals: Adjusted Base Value Estimate	\$28,881

Net Present Valuation Calculation

The following table summarizes the net present value analysis of the Valuation Unit. Reference is made to the previous analysis discussions that established the basis of the reflected estimates.

PRESENT VALUE CALCULATION VU 6 (AGRICULTURAL LANDS)			
INPUTS/ASSUMPTIONS			
Estimated Adjusted Base Value (ABV)	\$28,881		
Taxes	0 1% of Value		
Insurance (Pro-Rata Allocation)	0 4% of Value		
Selling Costs	15 0% of Sales		
Entrepreneurial Profit	15 0% of Sales		
Disposition (Sell-Off) Period	3 Years		
Discount Rate	10 0%		
Period (Year)	1	2	3
Starting ABV for Projected Period Disp	\$28,881	\$19,254	\$9,627
Gross Period Disposition (Sales)	\$9,627	\$9,627	\$9,627
Ending ABV for Projected Period Disp	\$19,254	\$9,627	\$0
Disposition & Holding Costs			
Selling Costs	-\$1,444	-\$1,444	-\$1,444
Escrow Fees	-\$154	-\$154	-\$154
Legal Fees	-\$578	\$0	\$0
Entrepreneurial Profit	-\$1,444	-\$1,444	-\$1,444
Taxes	-\$29	-\$19	-\$10
Insurance	-\$116	-\$77	-\$39
Total Disposition & Holding Costs	-\$3,764	-\$3,138	-\$3,090
Net Disposition (Sale) Proceeds	\$5,863	\$6,489	\$6,537
PV of Projected Net Sale Proceeds	\$5,330	\$5,362	\$4,911

Estimated Net Present Value \$15,603

Final Value Conclusion of Valuation Unit - **\$15,603**

VALUATION UNIT 7 (Rural Residential in Lane County)

General Overview

This Valuation Unit is comprised of sections of the subject that abut rural residential-oriented properties in Lane County.

Topography

The topography of areas abutting this Valuation Unit vary, details are listed on the earlier Line Assessment table and the following Valuation Unit summary table. Topographic details can also be discerned by referring to the U.S.G.S topographic maps provided in the separately bound Report Addenda

Access

The abutting lands have existing access and no likely situations were uncovered where the subject would offer a significant benefit to abutting properties in terms of accessibility.

Zoning

The properties abutting the subject are predominantly zoned by Lane County as Rural Residential 2 & 5 (RR-2, RR-5). The Rural Residential District is intended to provide opportunities for persons who desire to live in a rural neighborhood setting. This district may be applied to rural communities, rural service centers, minor or major development centers and other rural neighborhoods in the more isolated portions of Lane County. Permitted uses include single-family residences, duplexes, guesthouses and general farm uses. Development standards include minimum lot sizes of two and five acres for RR2 and RR5, respectively, setbacks of twenty feet, fifteen feet and twenty feet for front, side and rear setbacks, respectively, 35-foot height limit and one parking space. A copy of the zoning ordinance is available online at:
http://www.lanecounty.org/LaneCode/documents/CodeChapterx10doc9Sec115_130Jun23_04.pdf.

Abutting Property Uses

The properties abutting the subject portions in this Valuation Unit are summarized on the following table; for additional details refer to the prior Line Assessment table.

VALUATION UNIT 7
(Rural Residential in Lane County)

Appraisal Sections in Valuation Unit 7					
Appraisal Section	Mile Post Landmark	Most Likely Disposition Candidates & Associated Remarks	Assmblg. Probability	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
22	658 34-659 08	Left side with RR-5 zoned props (Hwy r/w on rt side)	Low-Med	125x3,907	11 21
38	663 20- 33	Rt Side has 4 smallish rural res. sites vs E-40 on left	Medium - High	100x670	1 54
49	665 88-666 63	Left side with RR-5 zoned props Right side with 6 to 10 acres xoned F1 & F2 (29 Ac & Roseberg Res tree farm also on right)	Low-Med	100 & 200 x 3,960	13 31
51	666 63-667 40	Left side has 5 smallish rural res sites (Penn Rd & large tree farm on rt)	Low-Med	200, 655, & 100 x 3,252	10 47
64	674 67-675 10 Walton	Left side F2 zone w/ 2 bisected & Rt side w/ rural res props	Low-Med	100 x ±2,220	4 99
66	675 55-676 16 Walton	Rt Side w/ 8 rural res sites (1 with lmted potential to support 2 home sites), F1 & F2 on left	Low-Med	Misc x 4,495	14 26
82	695 05- 49	Multiple rural residences on both sides, limited direct river frontage opportunity for some is marginalized by topography and road	Low-Med	100 x 2,325	5 34
85	696 71-84 Swisshome	RR-2 sites on both sides, one could benefit by gaining potential for split into two homesites, but the feasibility is limited and questionable	Low-Med	100 x 701	1 61
86	696 84-697 23 Swisshome	RR-2 sites on both sides, some could benefit by being gaining potential for an additional homesite, but the feasibility is limited and questionable	Low-Med	200 x 2,070	9 50
87	697 23- 78 Swisshome	RR-2 sites bisected by the subject	Medium-High	Misc x 2,929	8 06
92	698 85-699 75 Tide	Abutting residences & church would gain little needed yard area from subject Former mill is largely vacant and unused (Shop bldg leased for equip repair, owner uses open storage bldg)	Low	Misc x 4,750	11 32
94	701 62- 82 Brickerville	14 1 ac rural res prop on rt (hwy on left)	Low-Med	100 x 1,042	2 39
97	702 14- 25 Brickerville	Portion of 3 3 ac. rural res prop on rt (hwy on left)	Low-Med	100 x 600	1 38
99	702 80- 86	1 4 ac rural res prop on rt (hwy on left)	Low-Med	100 x 300	0 69
101	703 60- 72 Mapleton	RR-1 site that might gain benefit by being able to split into two homesites, feasibility for additional homesite is limited and questionable (hwy on left)	Low-Med	100 x 634	1 45
103	703 77- 90 Mapleton	Rt Side has 3 smallish rural res Sites (Hwy on left)	Low-Med	100 x 710	1 63
105	704 20- 36 Mapleton	3 rural res sites on rt (Hwy on left)	Low-Med	100 x 865	1 99

VALUATION UNIT 7
(Rural Residential in Lane County)

Appraisal Sections in Valuation Unit 7					
Appraisal Section	Mile Post Landmark	Most Likely Disposition Candidates & Associated Remarks	Assemblg. Probability	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
107	704 74-705 04 Mapleton	6 rural res sites on rt (Hwy on left)	Low-Med	Misc x 1,690	6 59
109	705 44- 55	3 Ac Residence & 3 Ac cemetery on rt (hwy on left)	Low-Med	200 x 585	2 69
112	705 91-706 08	Rt side with small imprvd homesites (Hwy r/w on left)	Medium - High	150 (assumed) x ±925	3 19
114	706 09- 21	3 rural res. sites on rt (Hwy. on left)	Low-Med	165 (assumed) x ±620	2 35
125	710 39- 54	4 rural res sites (some small) on rt (Hwy on left)	Low-Med	100 x ±850	1 95
127	710 88- 98	2 3± Ac rural residential sites (hwy on left)	Low	100 x 557	1 28
132	714 26- 44	Right side abuts 11 3 Ac site that is bisected by road and elec line esmt, home is situated north of road (Hwy 126 r/w on left side)	Low	150 x ±965	3 32
133	714 44- 59	2 vacant 3 Ac sites, one of which is bisected by Bernhardt Hts Rd (Hwy 126 r/w on left side)	Low-Med	150 x 785±	2 70
Total Area of Valuation Unit					125 21

Desirability to Abutters Summarized

The lands abutting the portions of subject allocated to this Valuation Unit are rural residential sites that predominantly have desirability categorized as low or low to medium. There are a few instances where medium to high desirability is judged to exist, where the subject bisects sites or abuts small sites. My analysis has considered the potential for assemblage of the subject to increase an abutter's development potential in terms of an additional homesite, there were a few places where technically the rights for an additional homesite might be obtained but such is deemed to be too remote and speculative to warrant a value premium (due to the subject encumbrances, weak market conditions, etc.).

Base Value Analysis

Earlier during the "Base Value Analysis Overview" discussion it was explained how excess area of residential properties generally contribute at a low rate relative to an overall homesite value, because the home site element represents the bulk of value while the remainder is more analogous to agricultural or open space values. This is sometimes referred to as the base homesite theory and it is important to the analysis because it helps recognize or illustrate that the contributory market value of the subject to the abutting

**VALUATION UNIT 7
(Rural Residential in Lane County)**

properties is not directly analogous to rural residential sites. Said another way, ATF values associated with rural residential sites are not reflective of the subject value. Instead, lesser rates, reflective of the contributory utility offered by the subject, are appropriate.

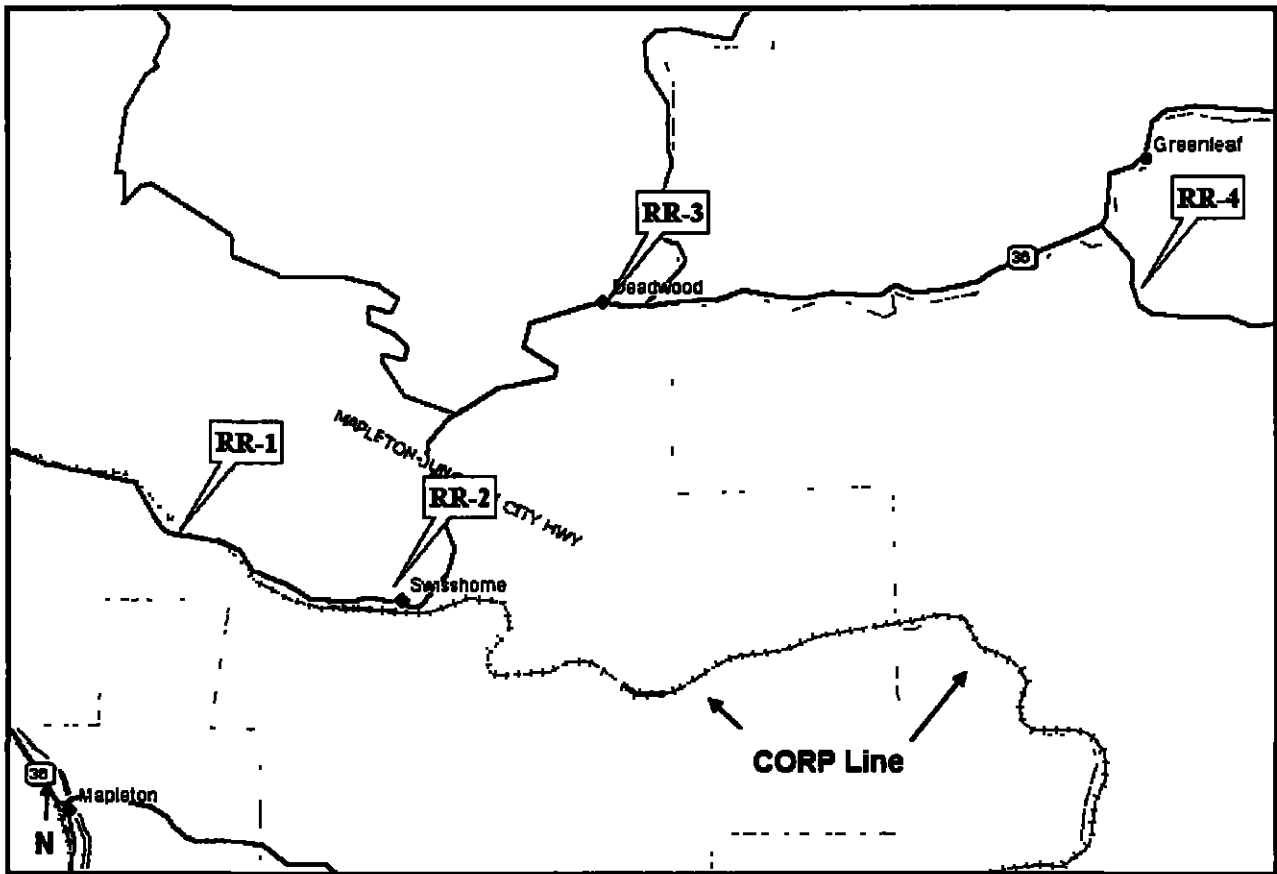
The following table summarizes the comparable market data found to be most relevant to establishing values associated with this Valuation Unit:

**LANE COUNTY RURAL RESIDENTIAL LOTS
SUMMARY OF COMPARABLE MARKET DATA**

COMP. NO.	PROPERTY LOCATION	PRICE DATE	SIZE ZONING	REMARKS
Sale RR1	89299 Highway 36, Swisshome, Lane County, Oregon 17-10-25-21 01300	\$85,000 6/2007	0 23-Ac RR2	Previously developed residential lot Well and septic in poor condition No improvements of value <u>Sale equates to \$85,000 per lot or \$282.609/Ac</u>
Sale RR2	88905 Alder Street, Swisshome, Lane County, Oregon 17-09-29-00 00600	\$100,000 9/2007	7 05-Ac RR2	Previously developed residential lot Well and septic in poor condition No improvements of value <u>Sale equates to \$100,000 per lot or \$14,184/Ac</u>
Sale RR3	14625 Highway 36, Deadwood, Lane County, Oregon 17-09-15-00 01803	\$62,500 6/2006	0 75-Ac RR2	Previously developed residential lot Old septic and well No improvements of value <u>Sale equates to \$62,500 per lot or \$83.333/Ac</u>
Sale RR4	92106 Nelson Mountain Road, Deadwood Lane County, Oregon 17-08-16-00 00300	\$135,000 9/2006	8 11-Ac RR5	Previously developed residential lot Old septic and well No improvements of value <u>Sale equates to \$135,000 per lot or \$16,646/Ac</u>

VALUATION UNIT 7
(Rural Residential in Lane County)

Below is a sale location map, and this is followed by pages with data sheets detailing the pertinent property and sale data for each of the comparables. For each comparable there is also a page with a parcel map and an aerial photo.



Sale Location Map

**VALUATION UNIT 7
(Rural Residential in Lane County)**

COMPARABLE RURAL RESIDENTIAL LAND DATA
SALE No. RR1

Address/Location: 89299 Highway 36, Swisshome, Lane County, Oregon

Map/Parcel: 17-10-25-21 01300

Parcel No: 533024

Seller: Daily

Buyer: Reeder

Sale Date: 6/27/2007

Document: 2007-043363

Price: \$65,000

Terms: Owner Contract

Size: 0.23-Ac.

Unit Price: \$282,609/Ac

Verified: Bill Hinman/RMLS

Listing Office

541 997.1200



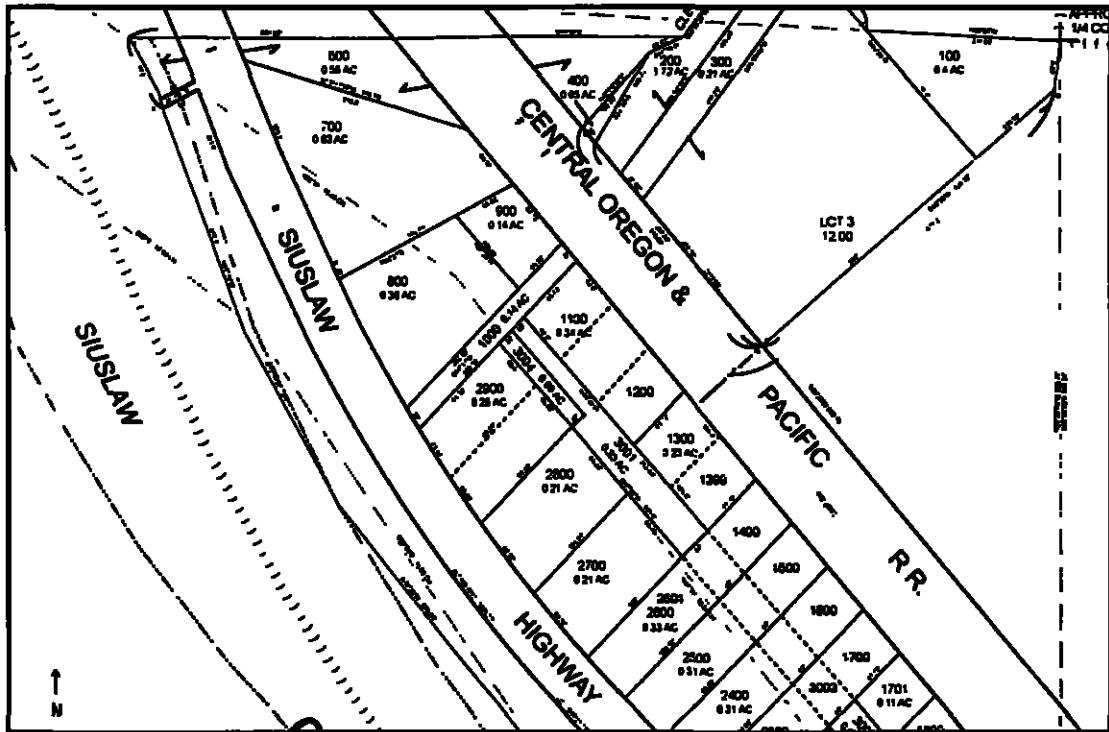
Zoning: RR2, Rural Residential

Utilities: Power, water & septic from previous improvements

Other Site Description: This transaction represents the sale of a 0.23-acre rural residential property in Swisshome. The previously developed property is located along Highway 38 and is improved with an old well and septic system. The existing structural improvements were of no value.

Remarks and Motives: The transaction reportedly involved an owner contract; terms were not disclosed. The property sold immediately upon listing and the sales price was reported as fair. The purchase price of \$100,000 equates to \$282,609/Ac.

**VALUATION UNIT 7
(Rural Residential in Lane County)**



89299 Highway 36, Swisshome, Lane County, Oregon



**VALUATION UNIT 7
(Rural Residential in Lane County)**

**COMPARABLE RURAL RESIDENTIAL LAND DATA
SALE No. RR2**

Address/Location: 88905 Alder Street, Swisshome, Lane County, Oregon

Map/Parcel: 17-09-29-00

00600

Parcel No: 529634

Seller: Kaus

Buyer: Washburn

Sale Date: 9/24/2007

Document: 2007-066252

Price: \$100,000

Terms: Market Contract

Size: 7.05-Acres

Unit Price: \$14,184/Ac

Verified: Dennis Green
Listing Broker
541 485 1400

Zoning: RR2, Rural Residential

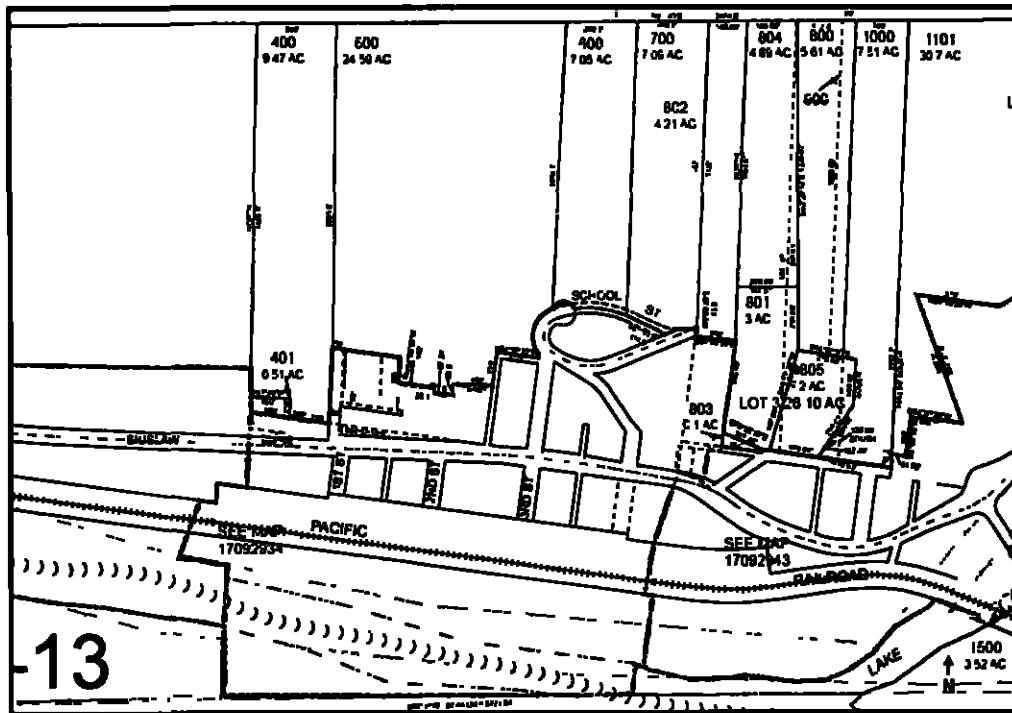
Utilities: Power, water & septic from previous improvements



Other Site Description: This transaction represents the sale of a 7.05-acre rural residential property in Swisshome. The previously developed property is located near Highway 38 and is improved with an old well and septic system that need to be replaced. The existing structural improvements were of no value.

Remarks and Motives: This transaction was reported market in all respects and sold after being on the market for 668 days. The property was purchased for \$100,000, or \$14,184/Ac. on market contract.

**VALUATION UNIT 7
(Rural Residential in Lane County)**



88905 Alder Street, Swisshome, Lane County, Oregon



**VALUATION UNIT 7
(Rural Residential in Lane County)**

**COMPARABLE RURAL RESIDENTIAL LAND DATA
SALE No. RR3**

Address/Location: 14625 Highway 36, Deadwood, Lane County, Oregon

Map/Parcel: 17-09-15-00
01803

Parcel No: 528933

Seller: Olson

Buyer: Winslow

Sale Date: 6/23/2006

Document: 2006-043968

Price: \$62,500

Terms: Cash to Seller

Size: 0.75-Acres



Unit Price: \$83,333/Ac.

Verified: Patricia Adams
Listing Broker
541 687.1415

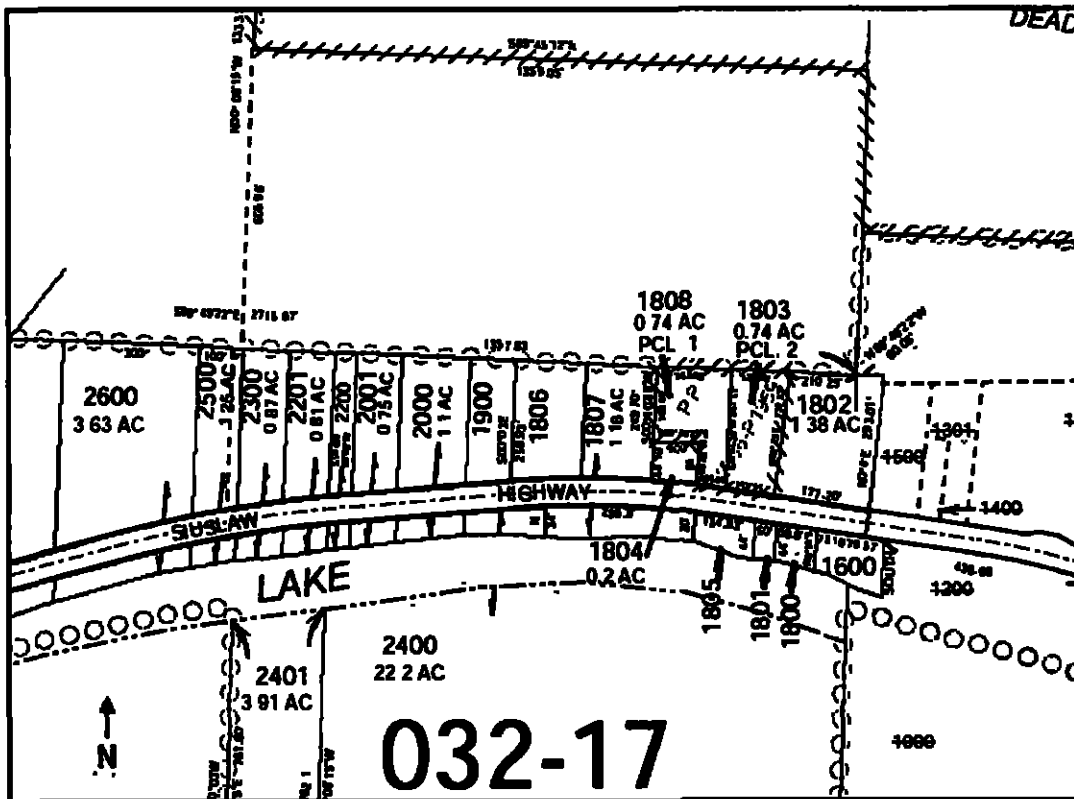
Zoning: RR2; Rural Residential

Utilities: Power, water & septic from previous improvements

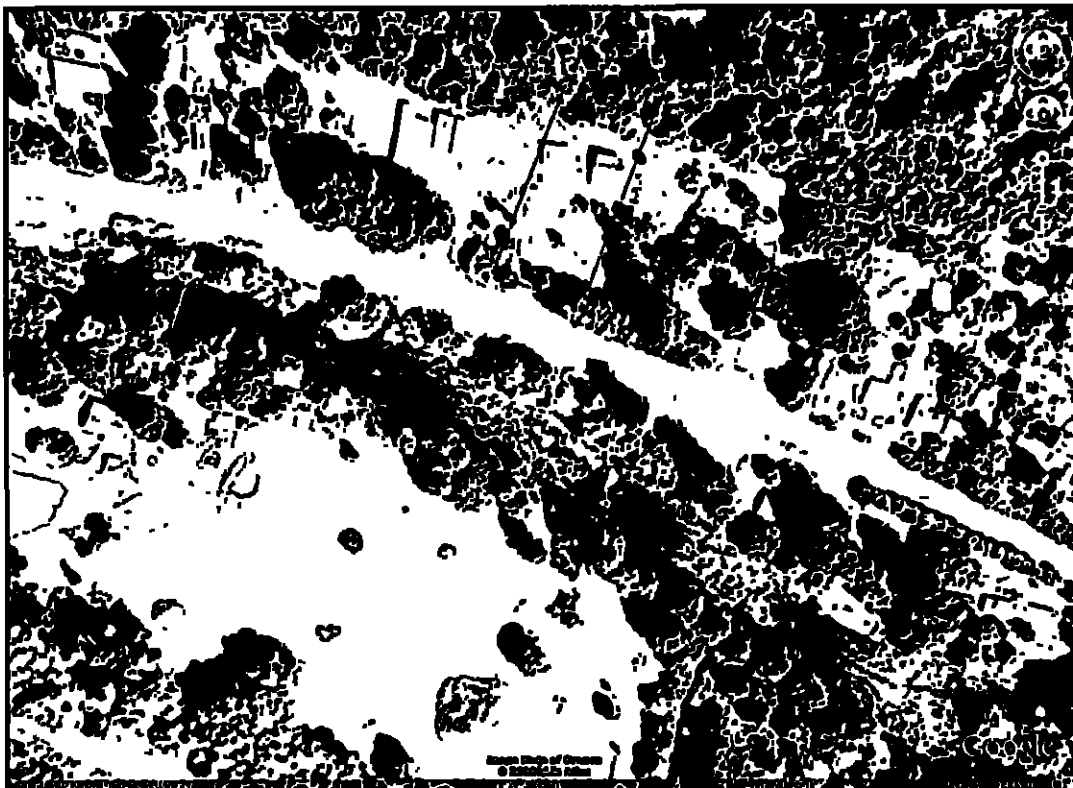
Other Site Description: This transaction represents the sale of a 0.75-acre rural lakefront residential property in Deadwood. The previously developed property is located along Highway 36 and is improved with an old well and septic system that need to be replaced. The previous improvements were removed prior to sale.

Remarks and Motives: This transaction was reported market in all respects and sold after being on the market for 668 days. The purchase price of \$62,500 equates to \$83,333/Ac.

**VALUATION UNIT 7
(Rural Residential in Lane County)**



14625 Highway 36, Deadwood, Lane County, Oregon



**VALUATION UNIT 7
(Rural Residential in Lane County)**

COMPARABLE RURAL RESIDENTIAL LAND DATA
SALE No. RR4

Address/Location: 92106 Nelson Mountain Road, Deadwood, Lane County, Oregon

Map/Parcel: 17-08-16-00 00300

Parcel No: 526846

Seller: Lesan

Buyer: Warner

Sale Date: 9/25/2006

Document: 2006-069621

Price: \$135,000

Terms: Cash to Seller

Size: 8.11-Acres

Unit Price: \$16,646/Ac

Verified: Dennis Johnson
Listing Broker
541 997.1200

Zoning: RR2; Rural Residential

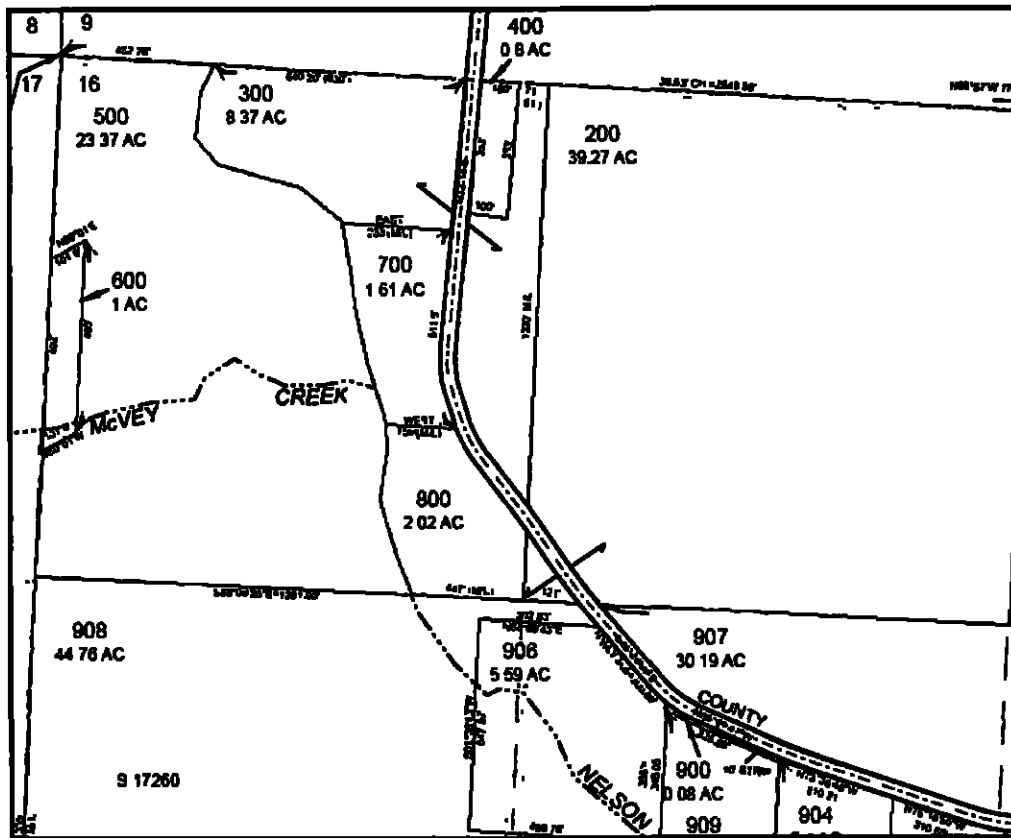
Utilities: Power, water & septic from previous improvements



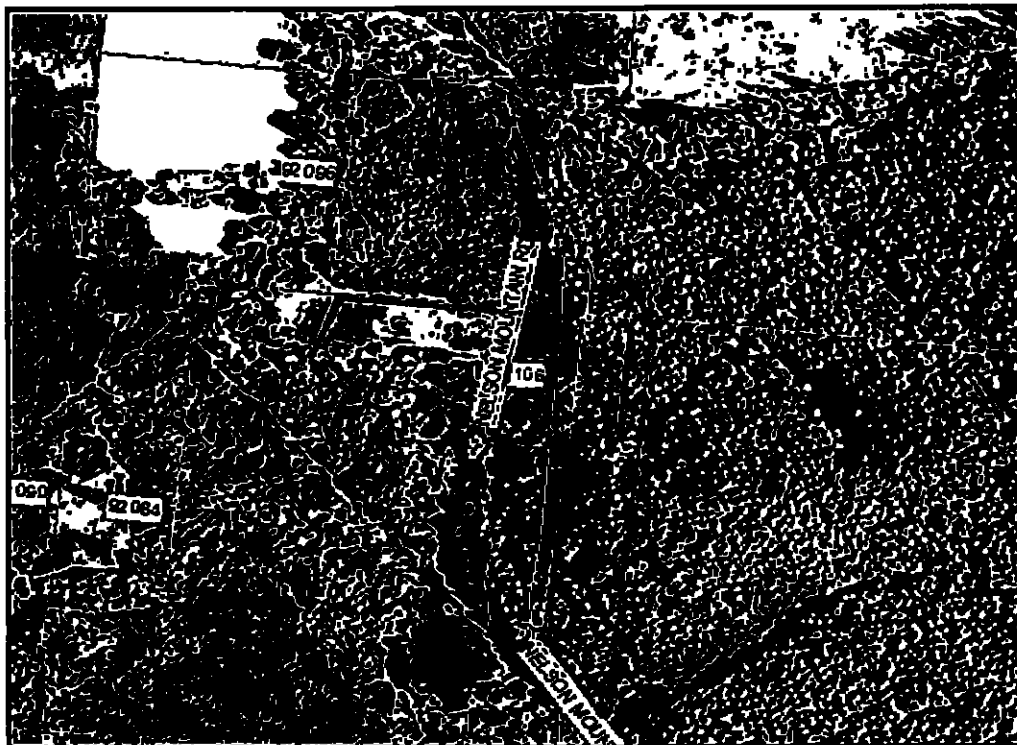
Other Site Description: This transaction represents the sale of an 8.11-acre rural lakefront residential property in Deadwood. The previously developed property is located along Nelson Mountain Road and is improved with an old well and septic system that need to be replaced. The previous improvements were removed prior to sale.

Remarks and Motives: This transaction was reported market in all respects and sold after being on the market for 32 days. The purchase price of \$135,000 equates to \$16,646/Ac.

**VALUATION UNIT 7
(Rural Residential in Lane County)**



92106 Nelson Mountain Road, Deadwood, Lane County, Oregon



VALUATION UNIT 7
(Rural Residential in Lane County)

The market data provides good support for the values that the rural residential market places on area in excess of the base homesite area. In comparison of Sales RR-1 and RR-2, there is a \$35,000 price difference associated with 6.82 acres and this reflects a value of \$5,132 per acre. Sales RR-3 and RR-4 likewise provide a good matched-pair comparison and they reflect a \$72,500 price difference associated with 7.36 acres, which indicates a value of \$9,851 per acre of excess area. The first matched pair probably would reflect a higher indicated price per acre if the RR-2 had better access and topography relative to RR-1.

In summary, the market data supports a general conclusion of \$7,500 per acre of rural residential property, excess area, when unencumbered. A rate of one-half of this is judged to be most appropriate to the analysis considering that the subject is so heavily encumbered by the SPTC easements/reservations.

Base Value Conclusion(s)

Valuation Unit	Total Area Before Title Defects	Estimated Value per Acre	Total Estimated Value Before Title Defects
7	125.21	\$3,750	\$469,534

VALUATION UNIT 7
(Rural Residential in Lane County)

Title Defects

The following table summarizes the title defects known to exist and remaining to be reflected in the analysis:

Valuation Unit 7 Title Defects (Known & Remaining to be Addressed)						
Appraisal Section	Comments	Estimated Width	Dimensions Length	Est. Area (Acres)	Est. \$/Acre	Est. Value Adjustment
49 (Portion)	Area created as an Act of Congress, refer to "Assignment Conditions and Extraordinary Assumptions" discussion	200	2 734	12 55	\$3,750	\$47,070
82	A portion of the subject may have been sold to county for Stagecoach Rd r/w, this is uncertain and apparently minimal, and therefore I have assumed no adjustment necessary					\$0
85	A portion of the subject may be crossed by a public road r/w, this is uncertain and apparently minimal, and therefore I have assumed no adjustment necessary					\$0
92	Portion of subject sold to ODOT for Hwy 36 r/w, dimensions estimated and assumed	40	600	0 55	\$3,750	\$2,066
Total Value Adjustment for Title Defects						\$49,136

Adjusted Base Value Conclusion

Valuation Unit 7 Adjusted Base Value Conclusion	
Base Value Estimate	\$469,534
Less: Adjustment for Remaining Title Defects	<u>(\$49,136)</u>
Equals: Adjusted Base Value Estimate	\$420,398

VALUATION UNIT 7
(Rural Residential in Lane County)

Net Present Valuation Calculation

The following table summarizes the net present value analysis of the Valuation Unit. Reference is made to the previous analysis discussions that established the basis of the reflected estimates.

PRESENT VALUE CALCULATION					
VU 7 (LANE CO. RURAL RESIDENTIAL)					
INPUTS/ASSUMPTIONS					
Estimated Adjusted Base Value (ABV)	\$420,398				
Taxes	0.4% of Value				
Insurance (Pro-Rata Allocation)	0.4% of Value				
Selling Costs	15.0% of Sales				
Entrepreneurial	15.0% of Sales				
Disposition (Sell-Off) Period	5 Years				
Discount Rate	10.0%				
Period (Year)	1	2	3	4	5
Starting ABV for Projected Period Disp.	\$420,398	\$336,318	\$252,239	\$168,159	\$84,080
Gross Period Disposition (Sales)	\$84,080	\$84,080	\$84,080	\$84,080	\$84,080
Ending ABV for Projected Period Disp.	\$336,318	\$252,239	\$168,159	\$84,080	\$0
Disposition & Holding Costs					
Selling Costs	-\$12,612	-\$12,612	-\$12,612	-\$12,612	-\$12,612
Escrow Fees	-\$1,345	-\$1,345	-\$1,345	-\$1,345	-\$1,345
Legal Fees	-\$8,408	\$0	\$0	\$0	\$0
Profit	-\$12,612	-\$12,612	-\$12,612	-\$12,612	-\$12,612
Taxes	-\$1,682	-\$1,345	-\$1,009	-\$673	-\$336
Insurance	-\$1,682	-\$1,345	-\$1,009	-\$673	-\$336
Total Disposition & Holding Costs	-\$38,340	-\$29,260	-\$28,587	-\$27,914	-\$27,242
Net Disposition (Sale) Proceeds	\$45,739	\$54,820	\$55,492	\$56,165	\$56,838
PV of Projected Net Sale Proceeds	\$41,581	\$45,306	\$41,692	\$38,362	\$35,292

Estimated Net Present Value \$202,232

Final Value Conclusion of Valuation Unit - \$202,232

VALUATION UNIT 8 (City of Veneta)

General Overview

This Valuation Unit applies to the entire length of the subject extending through the incorporated area of Veneta. This is appropriate due to the unusual and onerous Greenway zoning overlay that applies to the subject and the fronting portions of abutting property

Topography

The topography of areas abutting this Valuation Unit are generally level with the exception of between Territorial Highway (1st St.) and 8th Street, which has a significant grade difference on the south side of the rail line. For more details refer to the following table regarding abutting property uses. Topographic details can also be discerned by referring to the U S G.S topographic maps provided in the separately bound Report Addenda.

Access

The abutting campsite parcels are accessible by boat only and therefore it is apparent that trespass across the subject line is required. The subject line does not appear to provide a feasible access alternative to the abutting lands but it can offer a clear access situation

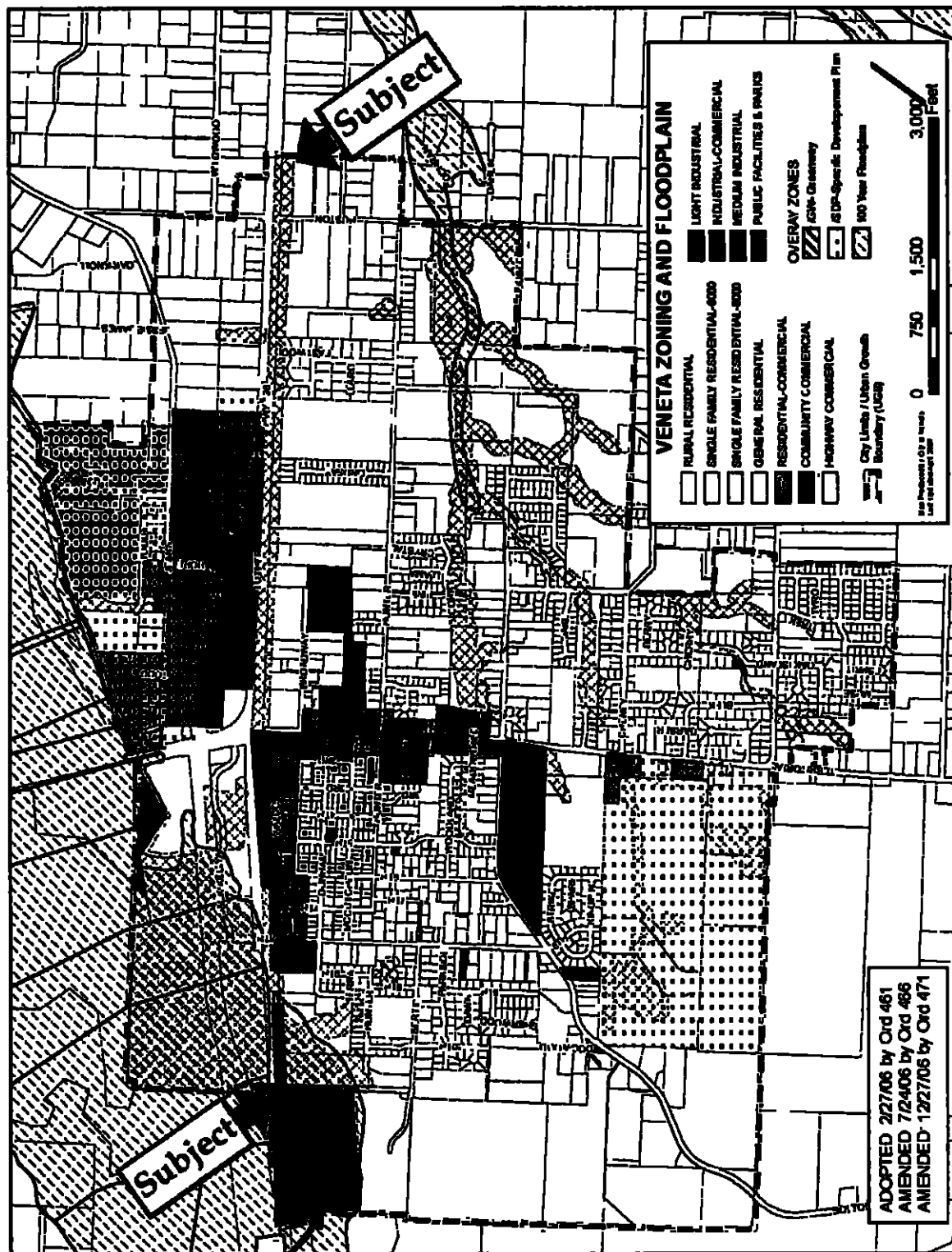
Zoning

The properties abutting the subject are zoned by the City of Veneta as Rural Residential (RR), General Residential (GR), Community Commercial (CC), Highway Commercial (HC), and Public Facility (PF) However, the details of these zones are really insignificant due to the Greenway – Open Space Sub-zone (/GW) that applies to the entire subject and the fronting portions of abutting properties

To best understand the ramifications of this zoning, multiple inquiries were made to Brian Issa, Community Services Director at the City of Veneta (541-935-2191). From the ordinance, one can glean that the purpose and application is intended to provide open space with more intense uses prohibited. He stated that in the case of the rail line, the greenway is intended to provide an open space corridor that can be used for bike/pedestrian paths. As for parking, development of the greenway is generally not allowed as defined in the ordinance. In some instances, development may be allowed through a conditional use permit (CUP) as detailed in section 8 20(19) However, CUPs are quite difficult to obtain and have a high likelihood to be appealed in most cases.

A copy of the City zoning map has been provided on the following page. The GW development ordinance can be viewed online at:
http://www.ci.veneta.or.us/pdf/LandDevelopmentOrd461_2-12-2007.pdf.

**VALUATION UNIT 8
(City of Veneta)**



City of Veneta Zoning Map

VALUATION UNIT 8 (City of Veneta)

Abutting Property Uses

The properties abutting the subject portions allocated to this Valuation Unit are summarized below. Additional details are available on the prior Line Assessment table.

Appraisal Sections in Valuation Unit 8					
Appraisal Section	Mile Post Landmark	Most Likely Disposition Candidates & Associated Remarks	Assemblg. Probability	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
23	659 08- 20 Veneta Limits	No likely assemblage interest in subject due to GW overlay zone. Hwy abuts on right. A 4.9 Ac site with limited sub-division potential abuts on left side (no significant benefit offered by subject).	Very Low	125 x 620	1.78
25	659 21- 45	No likely assemblage interest in subject due to GW overlay zone. Hwy abuts on right. Each of 3 sites abutting on left have limited sub-division potential that is not improved by subject.	Very Low	100 x 1,279	2.94
26	659 45- 58	No likely assemblage interest in subject due to GW overlay zone. Hwy abuts on right. Left side with small imprvd homesites.	Very Low	100 x 669	1.54
27	659 58- 70	No likely assemblage interest in subject due to GW overlay zone. Hwy abuts on right. The 19.5 Ac site abutting on left side has limited sub-division potential that is not improved by subject.	Very Low	100 x 610	1.40
29	659 75-660 25	No likely assemblage interest in subject due to GW overlay zone. Hwy and road abut on right. Left side abuts Gen. Res. zoned props with no significant gain offered by subject.	Very Low	100 x 2,640	6.06
31	660 26- 67 Veneta	Niether side is very likely candidate, as nearly all of area has Greenway zoning overlay. Left has steep slope up to unimproved Waldo Ave. r/w and low demand for new development. Rt side abuts newer cmmrc'l subdiv. w/ virtually no demand.	Very Low	300 x 2,190	15.08
33	660 68- 73 Veneta	Niether side is very likely candidate. Left has steep slope up to city office property. Rt side abuts unimprvd cmmrc'l Land w/ GW overlay. Very low demand & high supply of comm. dev. land in area.	Very Low	300 x 243	1.67
34	660 73-661 0 (adjusted)	No likely assemblage interest in subject due to GW overlay zone. Left abuts 4 Gen. Res. props, the west 2 have +/-1-2 Ac w/ homes & 6-10 Ac. are vacant w/ some crk. along/near subject. Rt side abuts unimprvd cmmrc'l Land w/ GW overlay (very low demand & high supply of comm. dev. land in area).	Very Low	300 x 80 & 200 x 1,220	6.15
35	661 0- 29 End of Veneta	No likely assemblage interest in subject due to GW overlay zone. Hwy & city r/w abut on right. Left side has Veneta sewer plant (w/ no apparent need to expand).	Very Low	175 x 1,545	6.21
Total Area of Valuation Unit					42.83

**VALUATION UNIT 8
(City of Veneta)**

Desirability to Abutters Summarized

The lands abutting this Valuation Unit are considered extremely unlikely to find the subject desirable for assemblage because the subject offers virtually no economic utility, between its zoning and encumbrance limitations. My analysis has considered the potential benefit to abutters for density transfer, which would only apply to residential areas but such would not be of value to abutters because of lot size requirements and market norms of subdivisions.

Base Value Analysis

Similar to Valuation Unit 3, there is no likelihood that the abutters in the City of Veneta would have any interest in the subject due to its encumbrances and onerous zoning restrictions. Therefore I have concluded the portion of subject extending through Veneta has no contributory market value relative to the piecemeal disposition of the subject.

Base Value Conclusion(s)

Valuation Unit	Total Area Before Title Defects	Estimated Value per Acre	Total Estimated Value Before Title Defects
8	42.83	\$0	\$0

Title Defects

The following table summarizes the title defects known to exist and remaining to be reflected in the analysis:

Valuation Unit 8 Title Defects (Known & Remaining to be Addressed)						
Appraisal Section	Comments	Estimated Dimensions		Est. Area (Acres)	Est. \$/Acre	Est. Value Adjustment
		Width	Length			
34	Subject is crossed by electrical transmission line esmt	200	Unknown	Unknown	\$0	\$0
Total Value Adjustment for Title Defects						\$0

**VALUATION UNIT 8
(City of Veneta)**

Adjusted Base Value Conclusion

Valuation Unit 8 Adjusted Base Value Conclusion	
Base Value Estimate	\$0
Less: Adjustment for Remaining Title Defects	<u>\$0</u>
Equals: Adjusted Base Value Estimate	\$0

Net Present Valuation Calculation

In this instance, a net present value calculation is not warranted because there is insufficient demand and related value to warrant attempts to market the areas associated with this Valuation Unit.

Final Value Conclusion of Valuation Unit - **\$0**

VALUATION UNIT 9 (Siltcoos Station Residential)

General Overview

This Valuation Unit applies to rural residential properties in the Siltcoos Station/Ada area. They have been separated from the other rural residential Valuation Units in case special conditions were found to apply. Ultimately the methodology and conclusions reached with respect to Valuation Unit 7 were found to be applicable here as well. It is noted that Valuation Unit 12 addresses properties in this area that could benefit from the subject by improved water access.

Topography

The areas abutting this Valuation Unit slope up from the lake, generally with gentle to moderate steepness in the vicinity of the lake and then steeply. Topographic details can also be discerned by referring to the U.S.G.S topographic maps provided in the separately bound Report Addenda.

Access

The abutting parcels are all accessible by public roads and the subject does not offer any significant access improvement opportunities.

Abutting Property Uses

The properties abutting the subject portions allocated to this Valuation Unit are summarized in the following table. Additional details were provided previously in the Line Assessment table.

Appraisal Sections in Valuation Unit 9					
Appraisal Section	Mile Post Landmark	Most Likely Disposition Candidates & Associated Remarks	Assemblg. Probability	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
162	724 33- 53	5 Ac. with home (still won't gain direct lake frontage with subject), sliver of A Ford property on right	Low-Medium	100 x 1,128	2.59
165	724 76- 80	Continuation of 2.4 ac. site addressed above (RC on left is unique dock access assoc. with Lane Co. Community College retreat)	Low-Med	100 x 210	0.48
166	724 80-725 18	Smallish rural res. sites on both sides could benefit from additional level area	Low- Medium	100 x ±1,995 & 40 x 350	4.90
Total Area of Valuation Unit					7.97

**VALUATION UNIT 9
(Siltcoos Station Residential)**

Zoning

The properties abutting the subject are zoned RR5 and F2 by Lane County. Reference is made to the analysis of previous Valuation Units that contain summaries of the regulations pertaining to these land use districts.

Desirability to Abutters Summarized

The lands abutting the portions of subject allocated to this Valuation Unit are rural residential sites that have desirability categorized as low to medium. There are no instances where the subject offers potential for an additional homesite upon assemblage.

Base Value Analysis

The valuation theory and methodology applied to Valuation Unit 7 also applies to this Valuation Unit. No sales in the area were found to provide a basis for matched-pair analysis and this is judged to be of little consequence because although the location is different the market characteristics are essentially the same.

In summary, the market data supports a general conclusion of \$7,500 per acre for the excess area of rural residential properties, when unencumbered. A rate of one-half of this is judged to be most appropriate to the analysis considering that the subject is so heavily encumbered by the SPTC easements/reservations.

Base Value Conclusion(s)

Valuation Unit	Total Area Before Title Defects	Estimated Value per Acre	Total Estimated Value Before Title Defects
9	7.97	\$3,750	\$29,888

Title Defects

The following table summarizes the title defects known to exist and remaining to be reflected in the analysis:

Valuation Unit 9 Title Defects (Known & Remaining to be Addressed)						
Appraisal Section	Comments	Estimated Dimensions		Est. Area (Acres)	Est. \$/Acre	Est. Value Adjustment
		Width	Length			
N/A	No Relevant Title Defects Known					\$0
Total Value Adjustment for Title Defects						\$0

**VALUATION UNIT 9
(Siltcoos Station Residential)**

Adjusted Base Value Conclusion

Valuation Unit 9 Adjusted Base Value Conclusion	
Base Value Estimate	\$29,888
Less: Adjustment for Remaining Title Defects	\$0
Equals: Adjusted Base Value Estimate	\$29,888

Net Present Valuation Calculation

The following table summarizes the net present value analysis of the Valuation Unit. Reference is made to the previous analysis discussions that established the basis of the reflected estimates.

PRESENT VALUE CALCULATION VU 9 (RESIDENTIAL - SILTCOOS AREA)			
INPUTS/ASSUMPTIONS			
Estimated Adjusted Base Value (ABV)	\$29,888		
Taxes	0.4% of Value		
Insurance (Pro-Rata Allocation)	0.4% of Value		
Selling Costs	10.0% of Sales		
Entrepreneurial	15.0% of Sales		
Disposition (Sell-Off) Period	3 Years		
Discount Rate	10.0%		
Period (Year)	1	2	3
Starting ABV for Projected Period Disp	\$29,888	\$19,925	\$9,963
Gross Period Disposition (Sales)	\$9,963	\$9,963	\$9,963
Ending ABV for Projected Period Disp.	\$19,925	\$9,963	\$0
Disposition & Holding Costs			
Selling Costs	-\$996	-\$996	-\$996
Escrow Fees	-\$159	-\$159	-\$159
Legal Fees	-\$598	\$0	\$0
Profit	-\$1,494	-\$1,494	-\$1,494
Taxes	-\$120	-\$80	-\$40
Insurance	-\$120	-\$80	-\$40
Total Disposition & Holding Costs	-\$3,487	-\$2,809	-\$2,730
Net Disposition (Sale) Proceeds	\$6,476	\$7,153	\$7,233
PV of Projected Net Sale Proceeds	\$5,887	\$5,912	\$5,434
Estimated Net Present Value	\$17,233		

Final Value Conclusion of Valuation Unit - **\$17,233**

VALUATION UNIT 10 (Reedsport Rural Residential)

General Overview

This Valuation Unit applies to rural residential properties in the Reedsport area. They have been separated from the other rural residential Valuation Units in case special conditions were found to apply. Ultimately, the methodology and conclusions reached with respect to Valuation Unit 7 were found to be applicable here as well.

Topography

There are miscellaneous types of topography abutting this Valuation Unit. Please refer to the prior Line Assessment tables and the U.S.G.S topographic maps provided in the separately bound Report Addenda.

Access

The abutting parcels are all accessible by public roads and the subject does not offer any significant access improvement opportunities.

Abutting Property Uses

The properties abutting the subject portions in this Valuation Unit are summarized in the following table. Additional details were provided previously in the Line Assessment tables.

Appraisal Sections in Valuation Unit 10					
Appraisal Section	Mile Post Landmark	Most Likely Disposition Candidates & Associated Remarks	Assmbly Probability	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
197	738 41- 66	9.5 acre rural res. on right (Smith Rd. on left)	Low - Med	150 x 1,310	4.51
199	738 67- 77	Small rural residences on both sides of subject	Med - High	150 x 530	1.83
200	738 77-738 99	Small rural residences on right (10.5 ac. site on left)	Med - High	150 x 1,160	3.99
213	742 76- 99	Left has 2 rural residences plus both sides abut a >318 ac. property zoned EN & FF	Low - Med	150 x 1,311	4.51
216	743 25-.51	4 rural res. props (2-4 Ac., 0.08 Ac., & 9.25 Ac.); Rt. abuts over 318 ac. property addressed above	Low - Med	150 & 190 x 1,390	5.02
Total Area of Valuation Unit					19.86

VALUATION UNIT 10 (Reedsport Rural Residential)

Zoning

The properties abutting the subject are zoned 5R, FF and FG by Douglas County. With respect to the latter two, reference is made to the analysis of previous Valuation Units that contain summaries of regulations pertaining to these land use districts.

The Rural Residential-5 (5R) classification is intended to provide low density rural home sites in an open space environment in order to encourage the continued existence of rural family life. The 5R zone is also intended to provide a transition from more intense residential development to the agriculture, timber and open space areas of the County. The zone may be applied to areas committed to non-resource use or reserved for rural residential expansion at this density, as specifically provided in the Douglas County Comprehensive Plan. Permitted uses include single-family residences, accessory dwellings, farm uses, forest uses and limited home occupation uses. Development standards include five-acre minimum lot size, 40 percent coverage, 45 foot height restriction; setbacks include 30 foot from public right-of-way and ten foot from private right-of-ways and property lines; off-street parking is also required. A copy of the zoning ordinance is available online at.

http://www.co.douglas.or.us/planning/Plan_docs/LUDO/Ch3_8.pdf

Desirability to Abutters Summarized

The lands abutting the portions of subject in this Valuation Unit are rural residential sites that have desirability categorized as low to medium or medium to high. The medium to high category has been applied to smaller properties that can be expected to benefit most from the assemblage opportunity offered by the subject; this does not directly translate into more value for the subject but means it has a greater likelihood of being more easily sold. There are no known or apparent instances where the subject offers potential for an additional homesite upon assemblage of the subject.

Base Value Analysis

The valuation theory and methodology applied to Valuation Unit 7 applies also to this Valuation Unit. No sales in the area were found to provide a basis for matched-pair analysis and this is judged to be of little consequence because although the location is different the market characteristics are essentially the same.

In summary, the market data supports a general conclusion of \$7,500 per acre for the excess area of rural residential properties, when unencumbered. A rate of one-half of this is judged to be most appropriate to the analysis considering that the subject is so heavily encumbered by the SPTC easements/reservations.

**VALUATION UNIT 10
(Reedsport Rural Residential)**

Base Value Conclusion(s)

Valuation Unit	Total Area Before Title Defects	Estimated Value per Acre	Total Estimated Value Before Title Defects
10	19.86	\$3,750	\$74,475

Title Defects

The following table summarizes the title defects known to exist and remaining to be reflected in the analysis:

Valuation Unit 10 Title Defects (Known & Remaining to be Addressed)						
Appraisal Section	Comments	Estimated Dimensions		Est. Area (Acres)	Est. \$/Acre	Est. Value Adjustment
		Width	Length			
197	Portion sold to county for Smith River Rd , dimensions estimated and assumed	50	1,310	1.50	\$3,750	\$5,639
Total Value Adjustment for Title Defects						\$5,639

Adjusted Base Value Conclusion

Valuation Unit 10 Adjusted Base Value Conclusion	
Base Value Estimate	\$74,475
Less: Adjustment for Remaining Title Defects	<u>(\$5,639)</u>
Equals: Adjusted Base Value Estimate	\$68,836

VALUATION UNIT 10
(Reedsport Rural Residential)

Net Present Valuation Calculation

The following table summarizes the net present value analysis of the Valuation Unit. Reference is made to the previous analysis discussions that established the basis of the reflected estimates

PRESENT VALUE CALCULATION					
VU 10 (REEDSPORT AREA RURAL RESIDENTIAL)					
INPUTS/ASSUMPTIONS					
Estimated Adjusted Base Value (ABV)	\$68,836				
Taxes	0 5% of Value				
Insurance (Pro-Rata Allocation)	0 4% of Value				
Selling Costs	15.0% of Sales				
Entrepreneurial	15.0% of Sales				
Disposition (Sell-Off) Period	5 Years				
Discount Rate	10.0%				
Period (Year)	1	2	3	4	5
Starting ABV for Projected Period Disp.	\$68,836	\$55,069	\$41,302	\$27,534	\$13,767
Gross Period Disposition (Sales)	\$13,767	\$13,767	\$13,767	\$13,767	\$13,767
Ending ABV for Projected Period Disp	\$55,069	\$41,302	\$27,534	\$13,767	\$0
Disposition & Holding Costs					
Selling Costs	-\$2,065	-\$2,065	-\$2,065	-\$2,065	-\$2,065
Escrow Fees	-\$220	-\$220	-\$220	-\$220	-\$220
Legal Fees	-\$1,377	\$0	\$0	\$0	\$0
Profit	-\$2,065	-\$2,065	-\$2,065	-\$2,065	-\$2,065
Taxes	-\$344	-\$275	-\$207	-\$138	-\$69
Insurance	-\$275	-\$220	-\$165	-\$110	-\$55
Total Disposition & Holding Costs	-\$6,347	-\$4,846	-\$4,722	-\$4,598	-\$4,474
Net Disposition (Sale) Proceeds	\$7,421	\$8,921	\$9,045	\$9,169	\$9,293
PV of Projected Net Sale Proceeds	\$6,746	\$7,373	\$6,796	\$6,263	\$5,770
Estimated Net Present Value	\$32,947				

Final Value Conclusion of Valuation Unit - **\$32,947**

VALUATION UNIT 11 (Rural Residential in Coos County)

General Overview

This Valuation Unit applies to rural residential properties abutting the subject line in Coos County. They have been separated from the other rural residential Valuation Units in case special conditions were found to apply. Ultimately, the methodology and conclusions reached with respect to Valuation Units 7 and 10 were found to be applicable here as well.

Topography

There are miscellaneous types of topography abutting this Valuation Unit. Please refer to the prior Line Assessment tables and the U.S.G.S topographic maps provided in the separately bound Report Addenda.

Access

The abutting parcels are all accessible by public roads and the subject does not offer any significant access improvement opportunities.

Zoning

The relevant properties abutting the subject are zoned by Coos County as RR-2 and F. With respect to the latter, reference is made to the analysis of previous Valuation Units that contain summaries of regulations pertaining to this land use district.

The purpose of the "RR-2" (Rural Residential) district is to provide small acreage home sites outside of Urban Growth Boundaries, where a moderate intensity of land development is appropriate but where urban services and facilities may not be available or necessary. The "RR2" district provides continued existence of rural family life and transition of densities between urban development and exclusive agricultural and forestry uses. Development standards include two-acre minimum lot size, setbacks of 35 feet from right-of-way centerline or five feet from right-of-way, there is no lot coverage or height restrictions. A copy of the zoning ordinance is available online at: <http://www.co.coos.or.us/planning/art4-1.pdf>.

Abutting Property Uses

The properties abutting the subject portions allocated to this Valuation Unit are summarized in the following table (see next page). Additional details were provided previously in the Line Assessment tables.

VALUATION UNIT 11
(Rural Residential in Coos County)

Appraisal Sections in Valuation Unit 11					
Appraisal Section	Mile Post Landmark	Most Likely Disposition Candidates & Associated Remarks	Assemblg. Probability	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
247	752 78- 97 Southwest limit of Lakeside	Rt Side has 3 smallish rural residential sites (Left side has 89 ac with hs on other side of creek)	Low-Med	150 x ±980	3 37
251	753 75- 96	Rt side w/ 0 58 Ac vacant & 2.55 Ac. w/ house (hwy. & USA strip on left)	Low-Med	200 x 300 & 150 x 920	4 68
259	756 31- 40 Lkwd Park	Left side abuts vacant 0 5 Ac RR-2 site (best candidate) 2 ac with home located far from subject would gain little The potenial for this section to be used as a new homesite has been considered & is judeged remote & speculative due to bldg setbacks, timber, & other easements	Low-Med	±200 x 465	2 14
263a	756 65- 78	Assemblage with props abutting on both sides is most likely The potenial for this section to be used as a new homesite has been considered & is judeged remote & speculative due to bldg setbacks, timber, & other easements	Low-Med	200 x 500 & 195 x 225-275 (3 41 Ac -0 29 Ac for Rd. Xng)	3 12
265	756 89-757 05	±2 ac homesites on both sides of subject (5) and small portion of bisected homesite	Low -Med	150 Average x 787	2 94
274	759 44- 53 Hauser	USA rural res prop. (vacant and treed) on rt (acquisition by another does not provide dune access) Prvt road on rt	Low	150 x ±500	1 72
Total Area of Valuation Unit					17 97

Desirability to Abutters Summarized

The lands abutting the portions of subject in this Valuation Unit are rural residential sites that have desirability categorized as low to medium or medium to high. The medium to high category has been applied to smaller properties that can be expected to benefit most from the assemblage opportunity offered by the subject; this does not directly translate into more value for the subject but means it has a greater likelihood of being more easily sold There are no known or apparent instances where the subject offers potential for an additional homesite upon assemblage of the subject

Base Value Analysis

The valuation theory and methodology applied to Valuation Units 7 and 10 apply also to this Valuation Unit No sales in the area were found to provide a basis for matched-

VALUATION UNIT 11
(Rural Residential in Coos County)

pair analysis and this is judged to be of little consequence because although the location is different the market characteristics are essentially the same.

In summary, the market data supports a general conclusion of \$7,500 per acre relative to unencumbered excess area of rural residential properties. A rate of one-half of this is judged to be most appropriate to the analysis considering that the subject is so heavily encumbered by the SPTC easements/reservations.

Base Value Conclusion(s)

Valuation Unit	Total Area Before Title Defects	Estimated Value per Acre	Total Estimated Value Before Title Defects
11	17.97	\$3,750	\$67,388

Title Defects

The following table summarizes the title defects known to exist and remaining to be reflected in the analysis:

Valuation Unit 11 Title Defects (Known & Remaining to be Addressed)						
Appraisal Section	Comments	Estimated Width	Dimensions Length	Est. Area (Acres)	Est. \$/Acre	Est. Value Adjustment
259 (All)	Area created as an Act of Congress refer to "Assignment Conditions and Extraordinary Assumptions" discussion	200	466	2 14	\$3,750	\$8,025
263a (All)	Area created as an Act of Congress	200	680	3 12	\$3,750	\$11,700
Total Value Adjustment for Title Defects						\$19,725

Adjusted Base Value Conclusion

Valuation Unit 11 Adjusted Base Value Conclusion	
Base Value Estimate	\$67,388
Less: Adjustment for Remaining Title Defects	<u>(\$19,725)</u>
Equals: Adjusted Base Value Estimate	\$47,663

VALUATION UNIT 11
(Rural Residential in Coos County)

Net Present Valuation Calculation

The following table summarizes the net present value analysis of the Valuation Unit. Reference is made to the previous analysis discussions that established the basis of the reflected estimates.

PRESENT VALUE CALCULATION			
VU 11 (RURAL RESIDENTIAL, COOS COUNTY)			
INPUTS/ASSUMPTIONS			
Estimated Adjusted Base Value (ABV)	\$47,663		
Taxes	0.7% of Value		
Insurance (Pro-Rata Allocation)	0.4% of Value		
Selling Costs	10.0% of Sales		
Entrepreneurial	15.0% of Sales		
Disposition (Sell-Off) Period	3 Years		
Discount Rate	10.0%		
Period (Year)	1	2	3
Starting ABV for Projected Period Disp	\$47,663	\$31,775	\$15,888
Gross Period Disposition (Sales)	\$15,888	\$15,888	\$15,888
Ending ABV for Projected Period Disp.	\$31,775	\$15,888	\$0
Disposition & Holding Costs			
Selling Costs	-\$1,589	-\$1,589	-\$1,589
Escrow Fees	-\$254	-\$254	-\$254
Legal Fees	-\$953	\$0	\$0
Profit	-\$2,383	-\$2,383	-\$2,383
Taxes	-\$334	-\$222	-\$111
Insurance	-\$191	-\$127	-\$64
Total Disposition & Holding Costs	-\$5,704	-\$4,576	-\$4,401
Net Disposition (Sale) Proceeds	\$10,184	\$11,312	\$11,487
PV of Projected Net Sale Proceeds	\$9,258	\$9,349	\$8,630
Estimated Net Present Value	\$27,237		

Final Value Conclusion of Valuation Unit - **\$27,237**

VALUATION UNIT 12 (Water Residential)

General Overview

This Valuation Unit applies to areas along the subject line that have water frontage that stands to be improved by acquisition of the abutting subject portions. The appraisal sections comprising this Valuation Unit are located in the Siltcoos Station/Ada area and the Saunders Lake area

Topography

With respect to the Siltcoos Station/Ada area, the areas abutting this Valuation Unit slope up from the lake, generally with gentle to moderate steepness in the vicinity of the lake and then steeply. With respect to the Saunders Lake property, the abutting areas are mostly level with some gentle to moderate slopes away from the lake. Topographic details can also be discerned by referring to the U.S.G.S topographic maps provided in the separately bound Report Addenda.

Access

The abutting parcels are all accessible by public roads and the subject does not offer any significant access improvement opportunities.

Zoning

The relevant properties abutting the subject are zoned by Lane County as RR5 and F2, and by Coos County as RR-2. For details, reference is made to the analysis of previous Valuation Units that contain summaries of regulations pertaining to those land use districts.

VALUATION UNIT 12 (Water Residential)

Abutting Property Uses

The properties abutting the subject portions allocated to this Valuation Unit are summarized in the following table. Additional details were provided previously in the Line Assessment tables.

Appraisal Sections in Valuation Unit 12					
Appraisal Section	Mile Post Landmark	Most Likely Disposition Candidates & Associated Remarks	Assemblg. Probability	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
164	724 67- 76	8 8 Ac homesite gains better lake front and 2 4 acre site on rt gains better depth	Med -High	100 x 479	1 10
167	725 18- 43 Siltcoos Sta & Ada area	Prvt 76 Ac bisected by subject & rd (home is separated from water by road and subject)	Low-Med	125 x 1,340	3 85
170	726 12- 30	2 Prvt. 13 Ac w/ hms separated from water by subject (one site bisected by subject)	Med -High	125 x 728 & 100 x 235	2 64
173	726 90-727 04	Prvt 4 4 Ac w/ hm. bisected by subject, access to lake improved with acquis of subject	Med -High	100 x 680±	1 56
258	736 21- 31 Lakewood Park Subdiv	On right are two residences that can gain lake access by acquisition of abutting subject (Hwy and Saunders Lk. on left)	Med -High	150 x 520	1 79
261	756 41- 43 Lakewood Park Subdiv	Residences on both sides (0 8 Ac on left and 0 25 on rt) could improve lake access with abutting por of subject	Med -High	200 x ±150	0 69
Total Area of Valuation Unit					11 63

Desirability to Abutters Summarized

The lands abutting this Valuation Unit are considered to find the subject desirable for assemblage because their limited waterfront amenity can be improved by the abutting portion of subject line. With the subject, the abutting properties can gain some level area, access rights from the lake can be perfected and there is greater potential to improve the lake frontage. The easements on the subject are not considered to be significant in relation to the limited nature of the abutting properties; timber, minerals, etc will not be harvested due to lake proximity

Base Value Analysis

The base homesite theory introduced previously in connection Valuation Units 5 and 7 is also applicable to this Valuation Unit. Furthermore, the market data and conclusion with respect to Valuation Unit 5 are also applicable here.

**VALUATION UNIT 12
(Water Residential)**

Base Value Conclusion(s)

Valuation Unit	Total Area Before Title Defects	Estimated Value per Acre	Total Estimated Value Before Title Defects
12	11.63	\$5,000	\$58,150

Title Defects

The following table summarizes the title defects known to exist and remaining to be reflected in the analysis:

Valuation Unit 12 Title Defects (Known & Remaining to be Addressed)						
Appraisal Section	Comments	Estimated Dimensions		Est. Area (Acres)	Est. \$/Acre	Est. Value Adjustment
		Width	Length			
261 (All)	Area created as an Act of Congress, refer to "Assignment Conditions and Extraordinary Assumptions" discussion	200	150	0.69	\$5,000	\$3,450
Total Value Adjustment for Title Defects						\$3,450

Adjusted Base Value Conclusion

Valuation Unit 12 Adjusted Base Value Conclusion	
Base Value Estimate	\$58,150
Less: Adjustment for Remaining Title Defects	<u>(\$3,450)</u>
Equals: Adjusted Base Value Estimate	\$54,700

**VALUATION UNIT 12
(Water Residential)**

Net Present Valuation Calculation

The following table summarizes the net present value analysis of the Valuation Unit. Reference is made to the previous analysis discussions that established the basis of the reflected estimates.

PRESENT VALUE CALCULATION - VU 12 (RESIDENTIAL WITH IMPROVED LAKE ACCESS)	
INPUTS/ASSUMPTIONS	
Estimated Adjusted Base Value (ABV)	\$54,700
Taxes	0.4% of Value
Insurance (Pro-Rata Allocation)	0.4% of Value
Selling Costs	10.0% of Sales
Entrepreneurial	15.0% of Sales
Disposition (Sell-Off) Period	1 Years
Discount Rate	10.0%
Period (Year)	1
Starting ABV for Projected Period Disp.	\$54,700
Gross Period Disposition (Sales)	\$54,700
Ending ABV for Projected Period Disp	\$0
Disposition & Holding Costs	
Selling Costs	-\$5,470
Escrow Fees	-\$875
Legal Fees	-\$1,094
Profit	-\$8,205
Taxes	-\$219
Insurance	-\$219
Total Disposition & Holding Costs	-\$16,082
Net Disposition (Sale) Proceeds	\$38,618
PV of Projected Net Sale Proceeds	\$35,107
Estimated Net Present Value	\$35,107

Final Value Conclusion of Valuation Unit - **\$35,107**

VALUATION UNIT 13 (Eugene Industrial)

General Overview

This Valuation Unit is comprised of one appraisal section regarding industrial properties situated east of Greenhill Road, at the west extreme of the Eugene city limits. The abutting properties are either vacant, raw sites or used with very low intensity in reflection of the lack of utilities, relatively remote location, etc.

Topography

The topography of areas abutting this Valuation Unit is level

Access

It is understood that all of the abutting lands have existing access and no likely situations were uncovered where the subject would offer a significant benefit to abutting properties in terms of accessibility

Utilities

The utilities immediately available to the abutting properties are electricity and phone. Public sewer and water services are understood to be located a considerable distance away and therefore well and septic sewer systems would be required for development; this factor often limits the type of uses allowed and limits the amount of usable area (because a portion of the site must be set aside for a septic system).

Zoning

The properties abutting the subject are zoned by the City of Eugene as Heavy Industrial (I-3). The purpose of the I-3 Heavy Industrial zone is to serve a range of manufacturing uses including those involved in the processing of large volumes of raw materials into refined products and/or industrial uses that have significant external impacts. In general, these areas are designated for heavy industry. Heavy industrial uses often have transportation needs that include both rail and truck. Less intensive industrial uses that are permitted in the Light-Medium Industrial zone are also permitted. Development standards include 6,000 square foot minimum lot size, 50 foot minimum frontage on interior and corner lots and 50 foot minimum frontage and lot width. A copy of the zoning ordinance is available online at: http://www.eugene-or.gov/portal/server.pt?open=18&objID=222266&parentname=CommunityPage&parentid=11&mode=2&in_hi_userid=2&cached=true.

**VALUATION UNIT 13
(Eugene Industrial)**

Abutting Property Uses

The properties abutting the subject portions allocated to this Valuation Unit are eight to 31 acre parcels, of which some front directly on Greenhill Road. Davidson Lumber and Southern Pacific Railroad own eight to nine acre sites on the left/south side of the subject; the only use of these areas appears to be on the Davidson Lumber property and apparently consists of low-intensity storage of materials and/or debris. On the right/north side of the line is a vacant twelve acre site owned by Half Moon and there are vacant 14-31 acre parcels owned by the Bureau of Land Management (BLM).

Appraisal Sections in Valuation Unit 13					
Appraisal Section	Mile Post Landmark	Most Likely Disposition Candidates & Associated Remarks	Assmblg. Probability	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
5	652 72-653.11	Both sides about 8-12 acre sites, some with Greenhill Road frontage	Low-Med	100 x 798 & 130 x 1,239	5.61
Total Area of Valuation Unit					5.61

Desirability to Abutters Summarized

The lands abutting the portions of subject in this Valuation Unit are industrial zoned properties anticipated to have low demand for the abutting portions of subject. This is because there is not a high demand for land in the area, plus there is a large supply of land in the immediate area and the more general market area. Nonetheless, the assemblage probability of this Valuation Unit is characterized as low to medium because the area is in an obvious path of long-term growth.

Base Value Analysis

The following table summarizes the comparable market data found to be most relevant to establishing values associated with this Valuation Unit. This consists of four sales predominantly involve second-tier industrial properties located on the outskirts of Eugene.

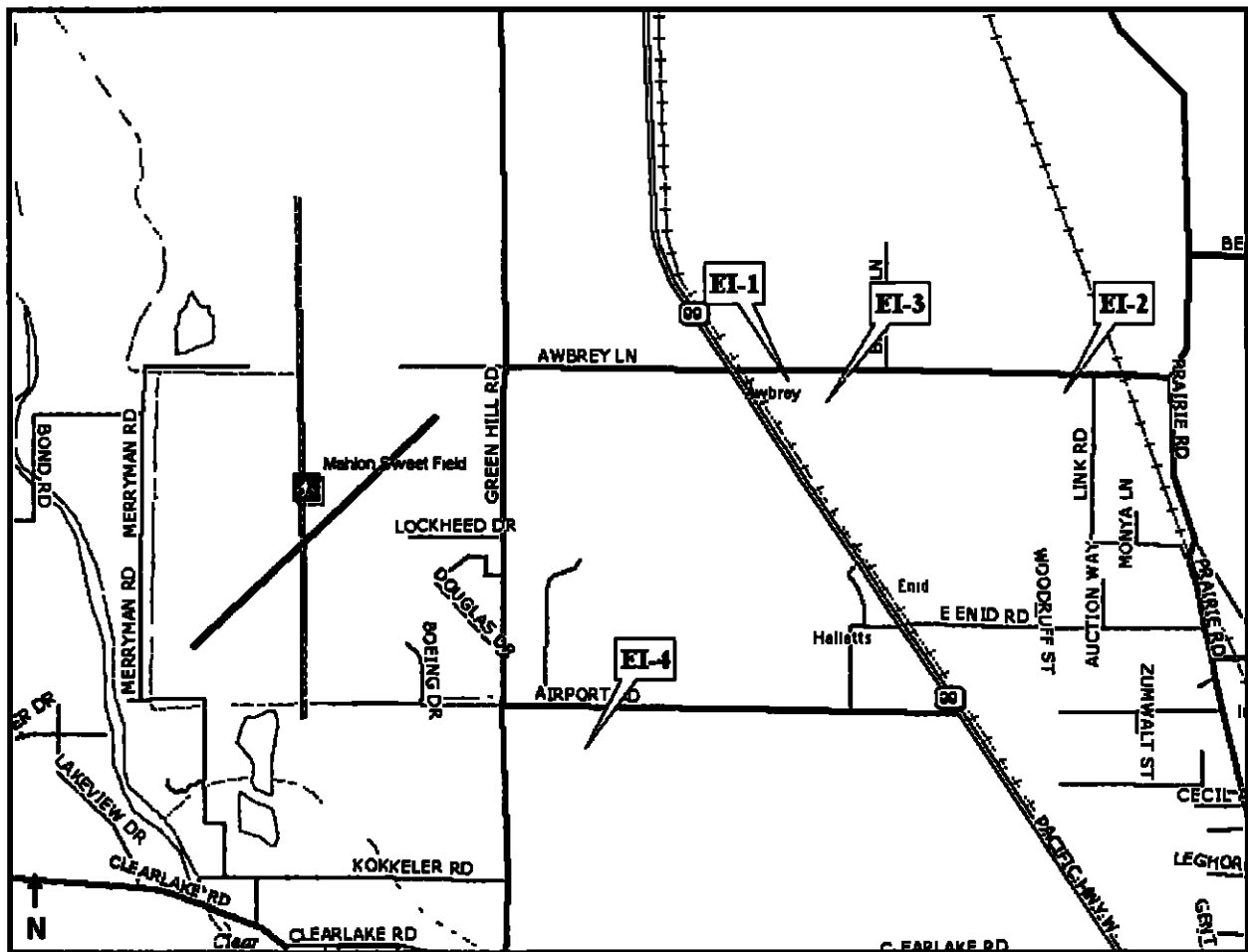
**VALUATION UNIT 13
(Eugene Industrial)**

**EUGENE INDUSTRIAL LOTS
SUMMARY OF COMPARABLE MARKET DATA**

COMP. NO.	PROPERTY/LOCATION	PRICE DATE	SIZE ZONING	REMARKS
Sale EI-1	Awbrey Lane near Hwy 99N, Eugene, Lane County, Oregon 17-04-04-0-0 00801	\$1,400,000 10/2005	60 65-Ac I2	Irregular shaped rural industrial property Power available, water and septic required Price reflects credit for water extension <u>Sale equates to \$1,400,000 or \$0 53/SF (\$23,076/Ac) for the underlying site</u>
Sale EI-2	Awbrey Lane, Eugene, Lane County, Oregon 17-04-04-0-0 00100, 101	\$650,000 7/2006	25 11-Ac I2	Two contiguous rural industrial lots Power and water to site, septic required Property purchased for subdivision by an investor <u>Sale equates to \$650,000 or \$0 59/SF (\$25,886/Ac)</u>
Sale EI-3	29630 Awbrey Lane, Eugene, Lane County, Oregon 17-04-04-0-0 00500	\$285,000 6/2006	4 15-Ac I2	Rural industrial "flag lot" with power and well, septic approved <u>Sale equates to \$285,000 or \$1 58/SF (\$68,675/Ac)</u>
Sale EI-4	29334 Airport Road, Eugene, Lane County, Oregon 17-04-08-0-0 00500 00600, 00700	\$850,000 2/2007	9 33-Ac I2	Three contiguous parcels creating a 9 33-acre development site near the airport Purchased by a user for development All utilities, including sewer to site <u>Sale equates to \$850,000 or \$2 09/SF (\$91 104/Ac)</u>

VALUATION UNIT 13 (Eugene Industrial)

Below is a sale location map, and this is followed by pages with data sheets detailing the pertinent property and sale data for each of the comparables. For each comparable there is also a page with a parcel map and an aerial photo.



Sale Location Map

**VALUATION UNIT 13
(Eugene Industrial)**

COMPARABLE INDUSTRIAL LAND DATA
SALE No. EI-1

Address/Location: Awbrey Lane near Hwy. 99N, Eugene, Lane County, Oregon

Map/Parcel: 17-04-04-0-0 00801

Parcel No: 348613

Seller: MJII, LLC

Buyer: Holte

Sale Date: 10/11/2005

Document: 2007-055335

Price: \$1,400,000

Terms: Cash to Seller

Size: 60.65-Ac.

Unit Price: \$0.53/SF
(\$23,076/Ac)



Verified: Clayton Walker
Listing Broker
541 484.4422

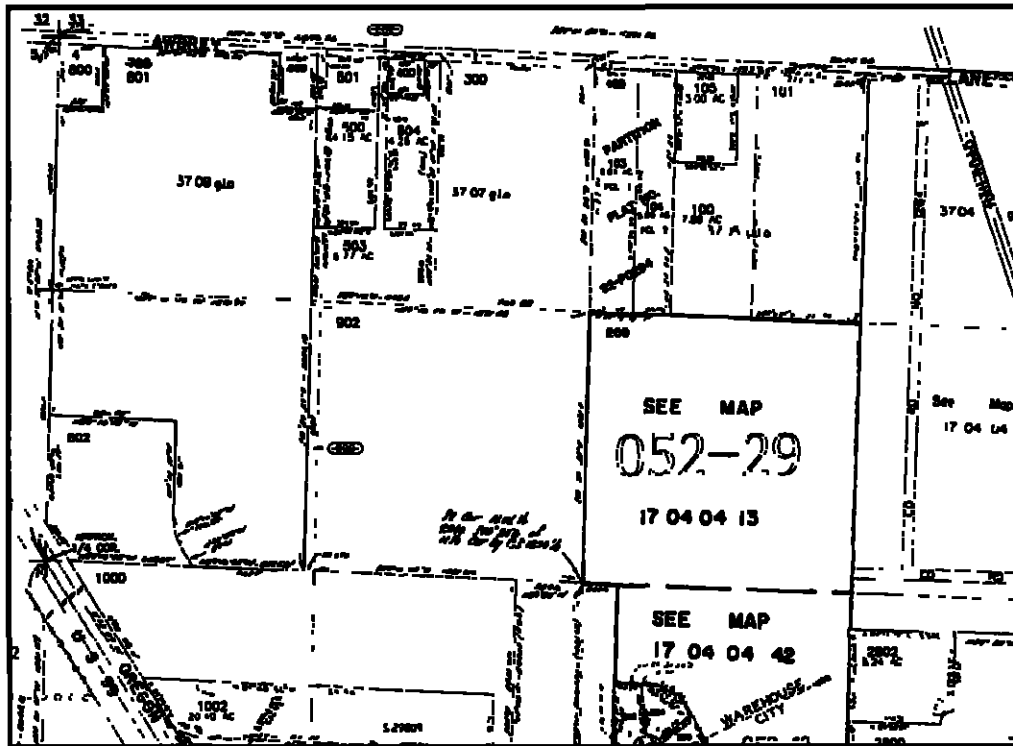
Zoning: I2, Industrial

Utilities: Power available, water and septic required

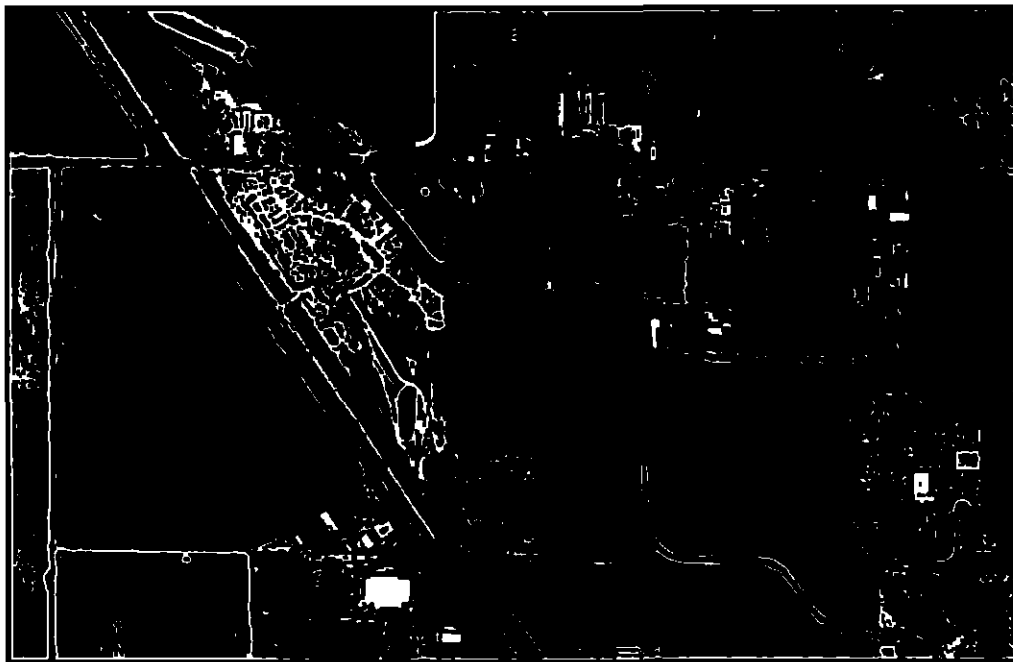
Other Site Description: This transaction represents the sale of a 60 65-acre rural industrial site located in western Eugene. The site is irregular in shape, level and has power available; well and septic are required for development. The site is encumbered by a drainage channel and small power line easement; neither of which was reported to reduce the useable area.

Remarks and Motives: The property sold for \$1,400,000 after being on the market for 18 months at \$1,900,000. The sale price reflects a price reduction and credit for septic and water extension. The transaction was reported market in all respects. The sales price equates to a unit value of \$0.53/SF (\$23,076/Ac.)

**VALUATION UNIT 13
(Eugene Industrial)**



Awbrey Lane near Hwy 99N, Eugene, Lane County, Oregon



**VALUATION UNIT 13
(Eugene Industrial)**

COMPARABLE INDUSTRIAL LAND DATA
SALE No. EI-2

Address/Location: Awbrey Lane, Eugene, Lane County, Oregon

Map/Parcel: 17-04-04-0-0 00100, 101

Parcel No: 348522

Seller: Nelson properties
LLC

Buyer: Gang of Fools, LLC

Sale Date: 7/31/2006

Document: 2006-055473

Price: \$650,000

Terms: Cash to Seller

Size: 25.11-Acres

Unit Price: \$0.59/SF
(\$25,886/Ac.)



Verified: John Pennington, Listing Broker, 541 344.5959

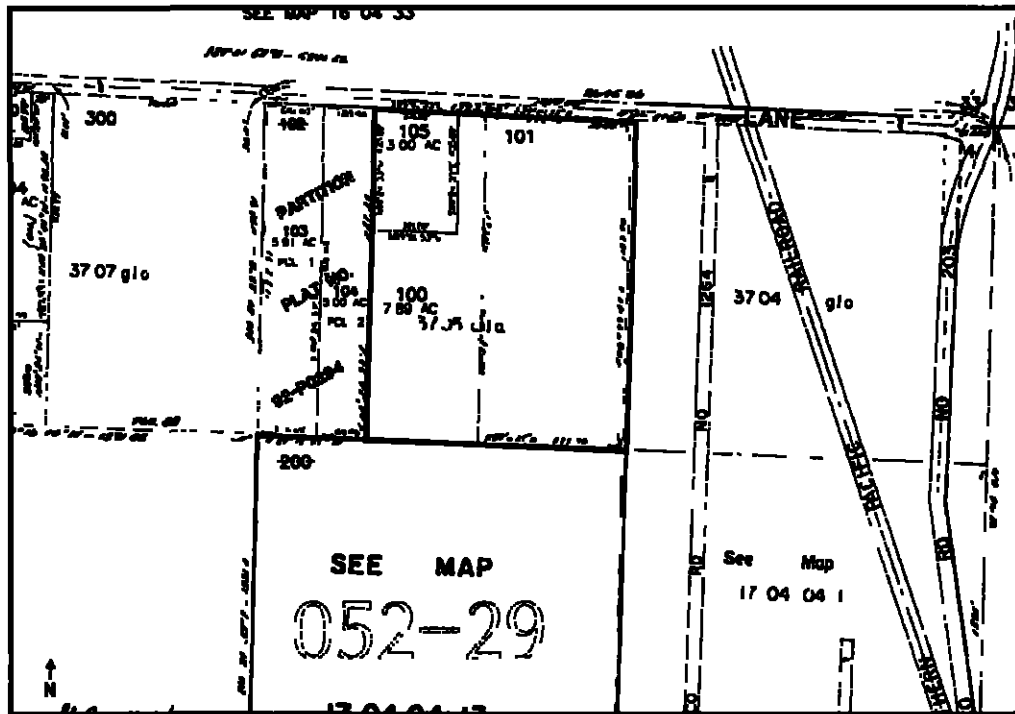
Zoning: I2, Industrial

Utilities: Power, water to site, septic approval

Other Site Description: This transaction represents the sale of a 25.11-acre rural industrial site located in western Eugene. The site is irregular in shape, level and has power and water to the site; septic is required for development.

Remarks and Motives: The property sold for \$650,000 after being on the market for three to four years; this long marketing time was extended by a failed pending sale and then by a one-year escrow period. The buyer is an investor who purchased the property for subdivision. As of our interview, the property was being subdivided and offered at \$2.45/SF for 2.4- to 4.6 acre parcels or \$2.15 for the entire site. The transaction was reported market in all respects. The sales price equates to a unit value of \$0.59/SF (\$25,886/Ac.)

**VALUATION UNIT 13
(Eugene Industrial)**



Awbrey Lane, Eugene, Lane County, Oregon



**VALUATION UNIT 13
(Eugene Industrial)**

COMPARABLE INDUSTRIAL LAND DATA
SALE No. EI-3

Address/Location: 29630 Awbrey Lane, Eugene, Lane County, Oregon

Map/Parcel: 17-04-04-0-0 00500

Parcel No: 348563

Seller: DND

Buyer: Banks

Sale Date: 6/21/2006

Document: Unknown

Price: \$285,000

Terms: Cash to Seller

Size: 4.15-Acres

Unit Price: \$1 58/SF
(\$68,675/Ac.)

Verified: Jerry Schwecke
Listing Broker
541 484.2022

Zoning: I-2; Industrial

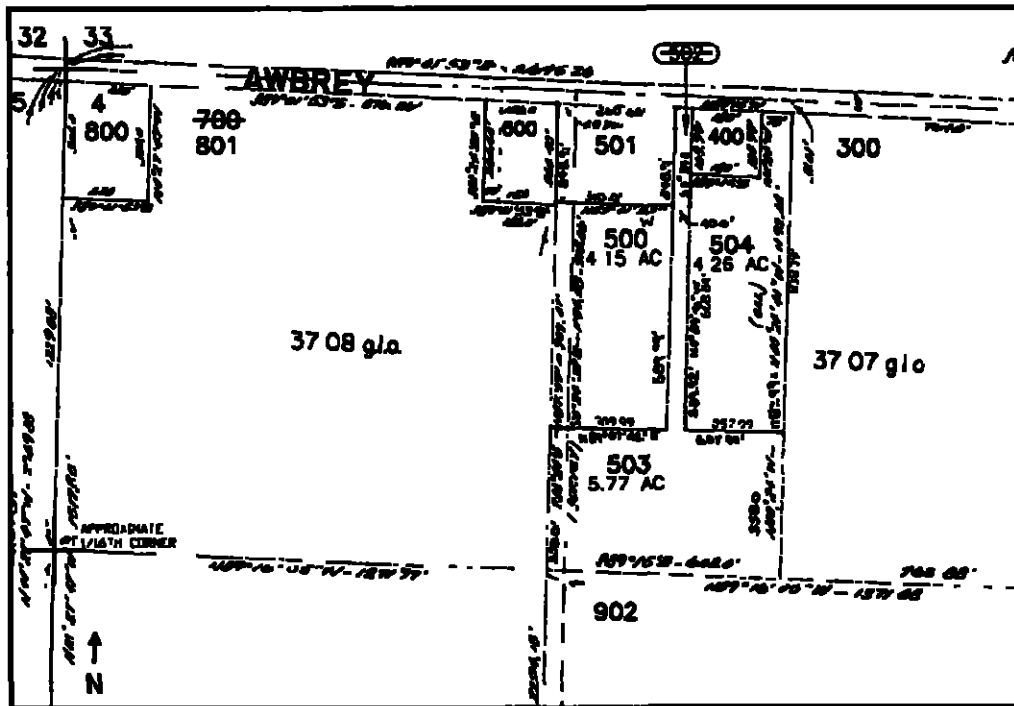
Utilities: Power and well with septic needed



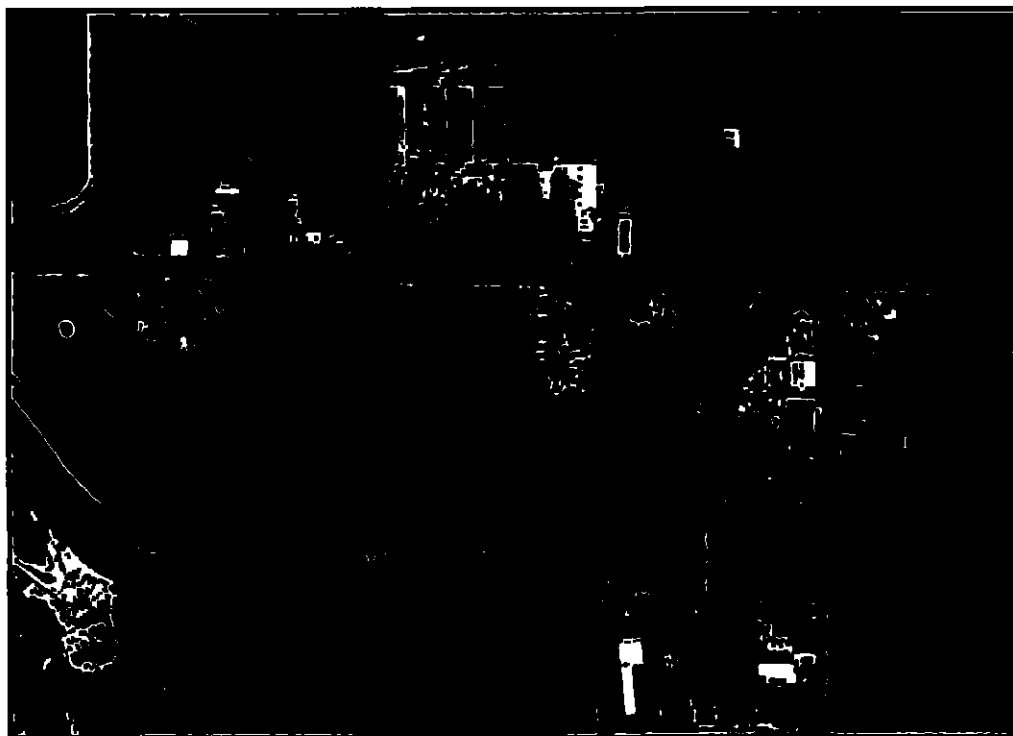
Other Site Description: This transaction represents the sale of a 4 15-acre rural industrial site located in western Eugene. The site is irregular in shape, level and has power and well; septic is required for development While undeveloped, the site was improved with a perimeter fence.

Remarks and Motives: The property sold for \$285,000 after being on the market for 54 days The buyer is a user who intends to use the site for parking. The transaction was reported market in all respects. The sales price equates to a unit value of \$1.58/SF (\$68,675/Ac)

**VALUATION UNIT 13
(Eugene Industrial)**



29630 Awbrey Lane, Eugene, Lane County, Oregon



**VALUATION UNIT 13
(Eugene Industrial)**

COMPARABLE INDUSTRIAL LAND DATA
SALE No. EI-4

Address/Location: 29334 Airport Road, Eugene, Lane County, Oregon

Map/Parcel: 17-04-08-0-0 00500, 600, 700

Parcel No: 0350197

Seller: DTE Invest. Group,
LLC

Buyer: Elkey Invest. LLC

Sale Date: 2/27/2007

Document: 2007-014003

Price: \$850,000

Terms: Cash to Seller

Size: 9.33-Acres



Unit Price: \$2.09/SF (\$91,104/Ac.)

Verified: John Pennington
Listing Broker
541 344.5959

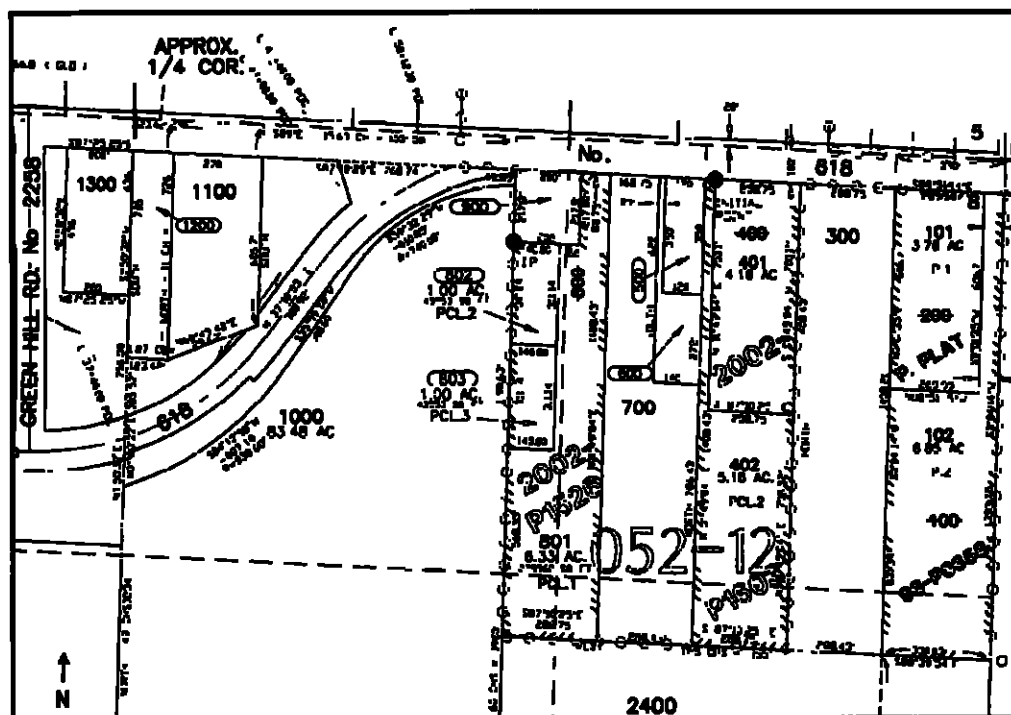
Zoning: I-2, Industrial

Utilities: Subject was improved with utilities necessary for development.

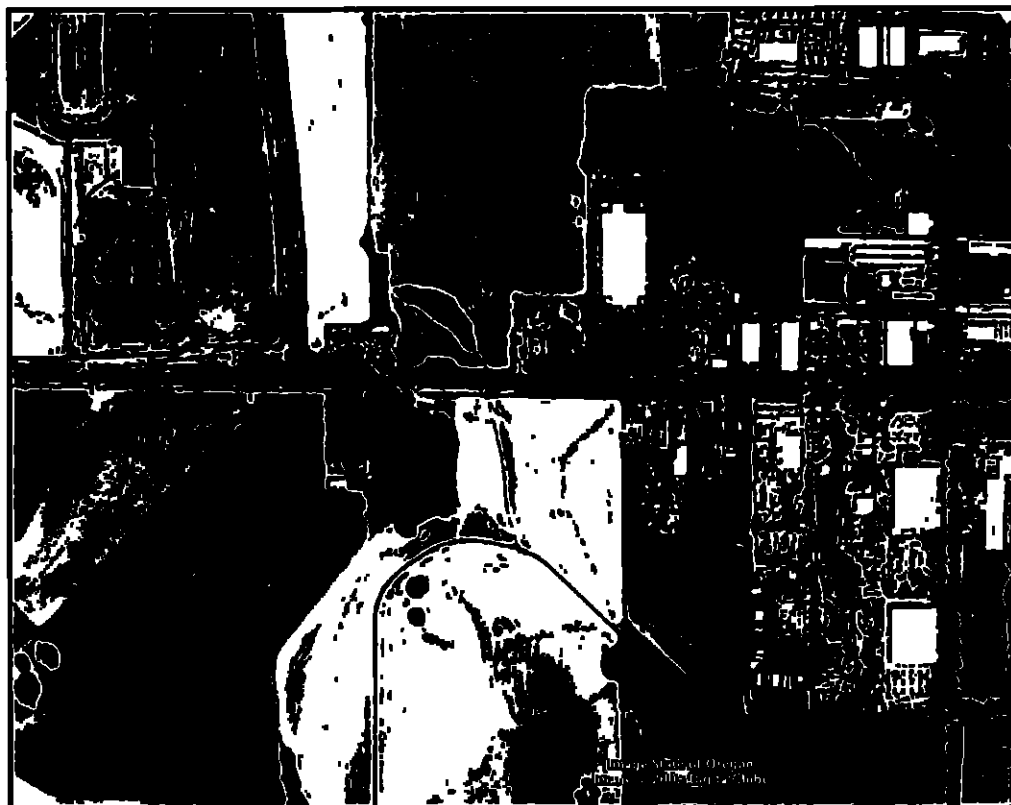
Other Site Description: This transaction represents the sale of a 9.33-acre industrial site located in western Eugene near the airport. The site is rectangular in shape, level and has all utilities required for development in-place. The site had been previously developed and was improved with an old building that was ascribed no value and the cost to remove was minimal.

Remarks and Motives: The property was purchased by a user for \$850,000 after being on the market for 35 days at \$899,000. The transaction was reported market in all respects. The sales price equates to a unit value of \$2.09/SF (\$91,104/Ac.)

**VALUATION UNIT 13
(Eugene Industrial)**



29334 Airport Road, Eugene, Lane County, Oregon



**VALUATION UNIT 13
(Eugene Industrial)**

The sales establish a price range from \$23,076 to \$91,104 per acre and it is clear that the lower end of the range is applicable to the subject. That is because the low end of the range, from \$23,076 to \$25,886 per acre reflected in Sales 1 and 2, is set by the sale of properties with similar utilities situation and location (in transitioning rural settings). Sale 3 is in the same area as Sales 1 and 2 but reflects a higher price due to its smaller size and better utilities situation (well and approved septic). The applicability of Sale 4 is limited to establishing the subject ATF value ceiling, whereas the 9.33 acre property near the airport has all city utilities immediately available from the fronting, fully developed public street.

ATF values relative to this Valuation Unit are estimated to be in the \$48,000 to \$52,000 per acre range, which considers the situation of utilities and sizes of abutting properties. One-half of this can be reasonably expected for the subject's contributing utility, the limiting SPTC easement is significant but not overly burdensome for this property type, which typically does not develop close to site boundaries and requires significant site area for storage, parking and vehicle circulation. In the final conclusion an average value of \$26,000 per acre is best to allocate to this Valuation Unit.

Base Value Conclusion(s)

Valuation Unit	Total Area Before Title Defects	Estimated Value per Acre	Total Estimated Value Before Title Defects
13	5.61	\$26,000	\$145,860

Title Defects

The following table summarizes the title defects known to exist and remaining to be reflected in the analysis:

Valuation Unit 13 Title Defects (Known & Remaining to be Addressed)						
Appraisal Section	Comments	Estimated Dimensions		Est Area (Acres)	Est. \$/Acre	Est. Value Adjustment
		Width	Length			
N/A	No Relevant Title Defects Known					\$0
Total Value Adjustment for Title Defects						\$0

**VALUATION UNIT 13
(Eugene Industrial)**

Adjusted Base Value Conclusion

Valuation Unit 13 Adjusted Base Value Conclusion	
Base Value Estimate	\$145,860
Less: Adjustment for Remaining Title Defects	<u>\$0</u>
Equals: Adjusted Base Value Estimate	\$145,860

Net Present Valuation Calculation

The following table summarizes the net present value analysis of the Valuation Unit. Reference is made to the previous analysis discussions that established the basis of the reflected estimates.

PRESENT VALUE CALCULATION VU 13 (WEST EUGENE INDUSTRIAL)		
INPUTS/ASSUMPTIONS		
Estimated Adjusted Base Value (ABV)	\$145,860	
Taxes	1 0% of Value	
Insurance (Pro-Rata Allocation)	0 4% of Value	
Selling Costs	10 0% of Sales	
Entrepreneurial	15 0% of Sales	
Disposition (Sell-Off) Period	2 Years	
Discount Rate	10 0%	
Period (Year)	1	2
Starting ABV for Projected Period Disp	\$145,860	\$72,930
Gross Period Disposition (Sales)	\$72,930	\$72,930
Ending ABV for Projected Period Disp	\$72,930	\$0
Disposition & Holding Costs		
Selling Costs	-\$7,293	-\$7,293
Escrow Fees	-\$1,167	-\$1,167
Legal Fees	-\$2,917	\$0
Profit	-\$10,940	-\$10,940
Taxes	-\$1,459	-\$729
Insurance	-\$583	-\$292
Total Disposition & Holding Costs	-\$24,359	-\$20,420
Net Disposition (Sale) Proceeds	\$48,571	\$52,510
PV of Projected Net Sale Proceeds	\$44,156	\$43,396

Estimated Net Present Value \$87,552

Final Value Conclusion of Valuation Unit - **\$87,552**

VALUATION UNIT 14 (Rural Industrial)

General Overview

This Valuation Unit applies to the subject portions that abut Rural Industrial-zoned lands located in the Lane County communities of Noti and Swisshome and the Douglas County area of Franz (Westwood Lumber Mill). It is noted that this Valuation Unit consists of areas that abut active mills; the subject abuts several closed mills with rural industrial zoning and these have not been included in this Valuation Unit because of the extremely limited likelihood of industrial uses being reestablished on the sites.

Topography

The topography of areas abutting this Valuation Unit is generally level. Topographic details can also be discerned by referring to the U.S.G.S topographic maps provided in the separately bound Report Addenda

Access

All of the abutting lands have existing access and no likely situations were uncovered where the subject would offer a significant benefit to abutting properties in terms of accessibility.

Utilities

The utilities immediately available to the abutting properties are electricity and phone. Public sewer and water services are understood to be located a considerable distance away and therefore well and septic sewer systems would be required for development; this factor often limits the type of uses allowed and limits the amount of usable area (because portion of the site must be set aside for septic system).

Zoning

The majority of properties making up this Valuation Unit have land planning designated by Lane County as Rural Industrial (RI). The purposes of the Rural Industrial Zone (RI, RCP) are: to implement the policies of the Lane County Rural Comprehensive Plan (RCP); to allow industrial uses and development consistent with Goal 14 that include areas for small scale industrial uses and industries that rely on a rural location in order to process rural resources, to allow for the continued operation of existing industries; and to provide protective measures for riparian vegetation along Class I streams designated as significant in the RCP. Development standards include ten foot setbacks from property lines, twenty foot setbacks from right-of-ways and 50 foot riparian setback; there is no minimum lot size standard. A copy of the zoning ordinance is available online at http://www.lanecounty.org/LaneCode/documents/CodeChapter16_Sec292_400_2008_0111.pdf

The last appraisal section of this Valuation Unit is zoned Rural Industrial (ME) by Douglas County. This land use classification is intended to maintain pre-existing rural area industrial uses and to create and enhance opportunities for small scale low impact and

VALUATION UNIT 14 (Rural Industrial)

resource-related industrial uses. It is also intended to provide new uses that will not exceed the capacity of the area to provide water and absorb sewage. Development standards include fifteen foot front yard setbacks, five foot side and rear yard setbacks and 25 feet from any designated Goal 3 or 4 resource lands. There is no minimum lot size requirement. A copy of the zoning ordinance is available online at: http://www.co.douglas.or.us/planning/Plan_docs/LUDO/Ch3_23b.pdf

Abutting Property Uses

The properties abutting the subject portions in this Valuation Unit are summarized below. Additional details are provided in the prior Line Assessment table

Appraisal Sections in Valuation Unit 14					
Appraisal Section	Mile Post Landmark	Most Likely Disposition Candidates & Associated Remarks	Assemblg. Probability	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
43	665 01-.24 Noti	Swanson Bros. mill on both sides (left used for log & lumber storage, right used as mill and log storage)	Low-Med	50 x 1,285	1 48
45	665 25- 32 Noti	Swanson Bros. mill on both sides (left used for log & lumber storage, right used as mill and log storage)	Low-Med	50 Assumed x 365	0 42
47	665 33- 54 Noti	Swanson Bros mill on both sides (vacant land on left, improved mill on right)	Low-Med.	Misc x 1,050	3 69
88	697 78- 89 Swiss Home	American Laminators mill is bisected by subject (mill has used rail twice in past 8 yrs) Adjacent closed mill means supply of available land is high	Low - Medium	100 x 656	1 51
89	697 89-698 00 Swiss home	American Laminators mill is bisected by subject (mill has used rail twice in past 8 yrs.). Adjacent closed mill means supply of available land is high	Low - Medium	100 x 775	1.78
90a	698 00- 38 Swiss home	American Laminators mill is bisected by subject (mill has used rail twice in past 8 yrs) Abutting Murphy Mill has been closed over 20 yrs (high supply of available land)	Low-Med	100 x 1,980 (4 55 Ac - 0 12 Ac for rd. xng)	4 43
194	737 16- 44 Westwood Mill (North of Reedsport)	Left abuts active lumber mill that has relied on subject & might benefit from acquiring subject for storage use (rt.side abuts federal lands and tree farm)	Medium	150 x 1,479	5 09
Total Area of Valuation Unit					18 40

VALUATION UNIT 14 (Rural Industrial)

Desirability to Abutters Summarized

The Lane County lands abutting this Valuation Unit are considered to find the subject desirable for assemblage because they are bisected by the subject line and therefore acquisition of the subject, even with its encumbrances, provides an opportunity to improve operations.

The Douglas County portion of the Valuation Unit is not bisected by the subject but during the course of my analysis I spoke with the manager of the abutting Westwood Lumber mill and he stated that they could benefit from the site storage area offered by the abutting subject area.

Base Value Analysis

The following table summarizes the comparable market data found to be most relevant to establishing values associated with this Valuation Unit.

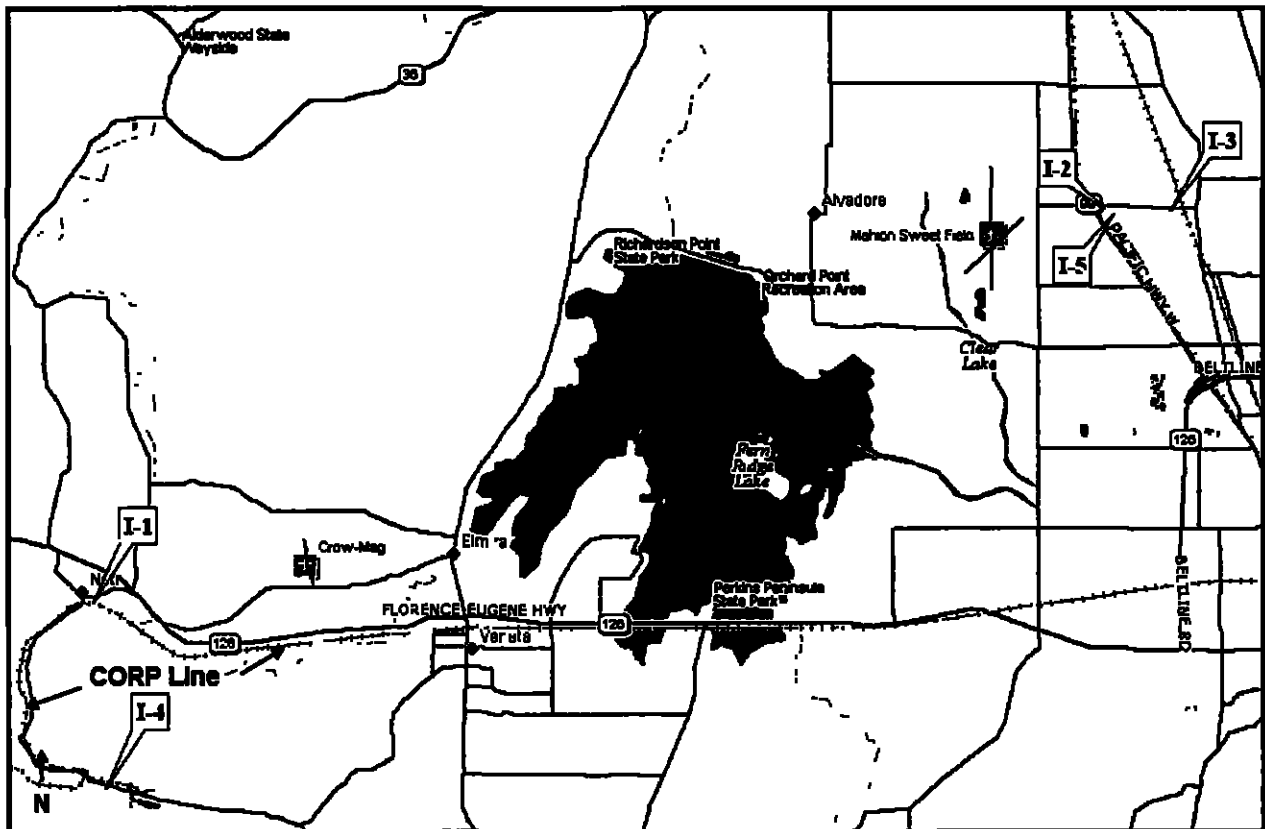
**VALUATION UNIT 14
(Rural Industrial)**

**RURAL INDUSTRIAL LOTS
SUMMARY OF COMPARABLE MARKET DATA**

COMP. NO.	PROPERTY LOCATION	PRICE DATE	SIZE ZONING	REMARKS
Sale I-1	Highway 126 & Sailor Road, Noti Lane County, Oregon 17-06-29-3-0 10300, 10400, 10500	\$120,000 5/2002	9 48-Ac RI	Three non-contiguous parcels creating an irregular shaped rural industrial property located along CORP rail line <u>Sale equates to \$120,000 or \$0 29/SF (\$12,658/Ac)</u>
Sale I-2	Awbrey Lane near Hwy 99N, Eugene, Lane County, Oregon 17-04-04-0-0 00801	\$1,400,000 10/2005	60 65-Ac I2	Irregular shaped rural industrial property Power available, water and septic required Price reflects credit for water extension <u>Sale equates to \$1,400,000 or \$0 53/SF (\$23,076/Ac) for the underlying site</u>
Sale I-3	Awbrey Lane, Eugene, Lane County, Oregon 17-04-04-0-0 00100, 101	\$650,000 7/2006	25 11-Ac I2	Two contiguous rural industrial lots Power and water to site, septic required Property purchased for subdivision by an investor <u>Sale equates to \$650,000 or \$0 59/SF (\$25,886/Ac)</u>
Listing I-4	Vaughn Road, Veneta, Lane County, Oregon 18-06-08-00 00400	Listing \$298,500 Listed 9/2007	4 56-Ac RI	Irregular shaped rural industrial property Power available, water and septic required <u>Listing equates to \$298,500 or \$1 50/SF (\$65,461/Ac)</u>
Sale I-5	29630 Awbrey Lane, Eugene, Lane County, Oregon 17-04-04-0-0 00500	\$285,000 6/2006	4 15-Ac I2	Rural industrial "flag lot" with power and well, septic approved <u>Sale equates to \$285,000 or \$1 58/SF (\$68,675/Ac)</u>

**VALUATION UNIT 14
(Rural Industrial)**

Below is a sale location map, followed by pages with data sheets detailing the pertinent property and sale data for each of the comparables. For each comparable there is also a page with a parcel map and an aerial photo.



Sale Location Map

**VALUATION UNIT 14
(Rural Industrial)**

COMPARABLE RURAL INDUSTRIAL LAND DATA
SALE No. I-1

Address/Location: Highway 126 & Sailor Road, Noti, Lane County, Oregon

Map/Parcel: 17-06-29-3-0 10300, 10400, 10500

Parcel No: 1701984, 1701992, 1702008

Seller: CORP, Inc.

Buyer: Swanson Bros.
Lumber Co

Sale Date: 5/6/2002

Document: 2002-035324

Price: \$120,000

Terms: Cash to Seller

Size: 9 48-Ac.

Unit Price: \$0.29/SF
(\$12,658/Ac)



Verified: County Assessor
Quit Claim Deed

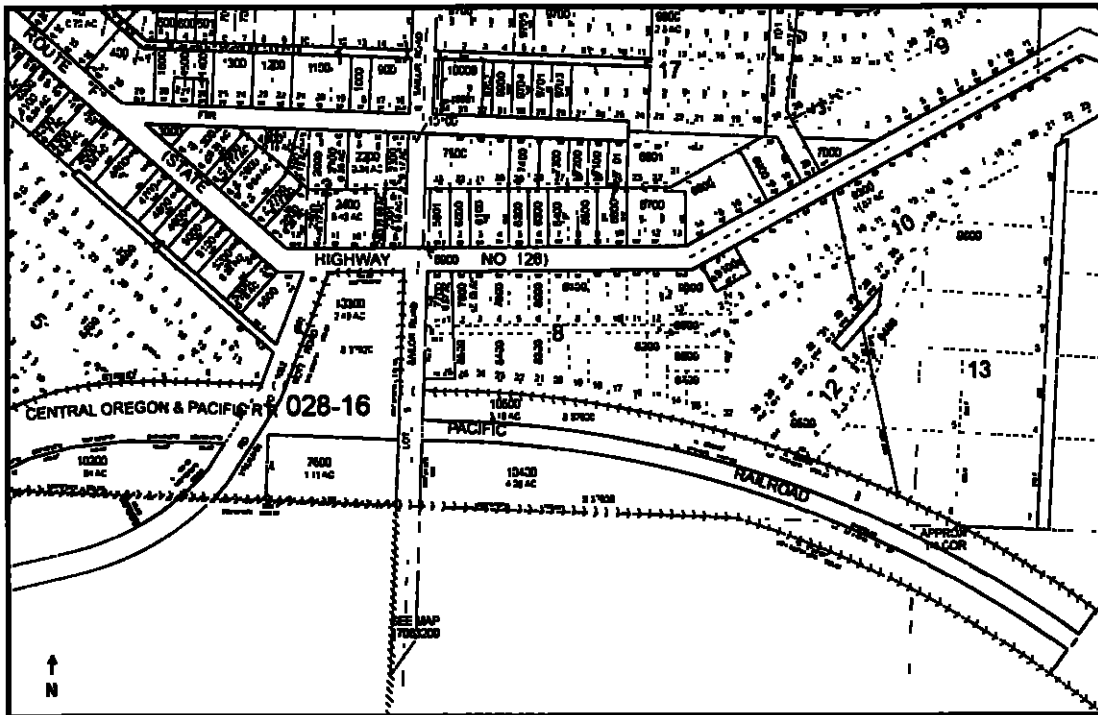
Zoning: RI, Rural Industrial

Utilities: Power available, water and septic required

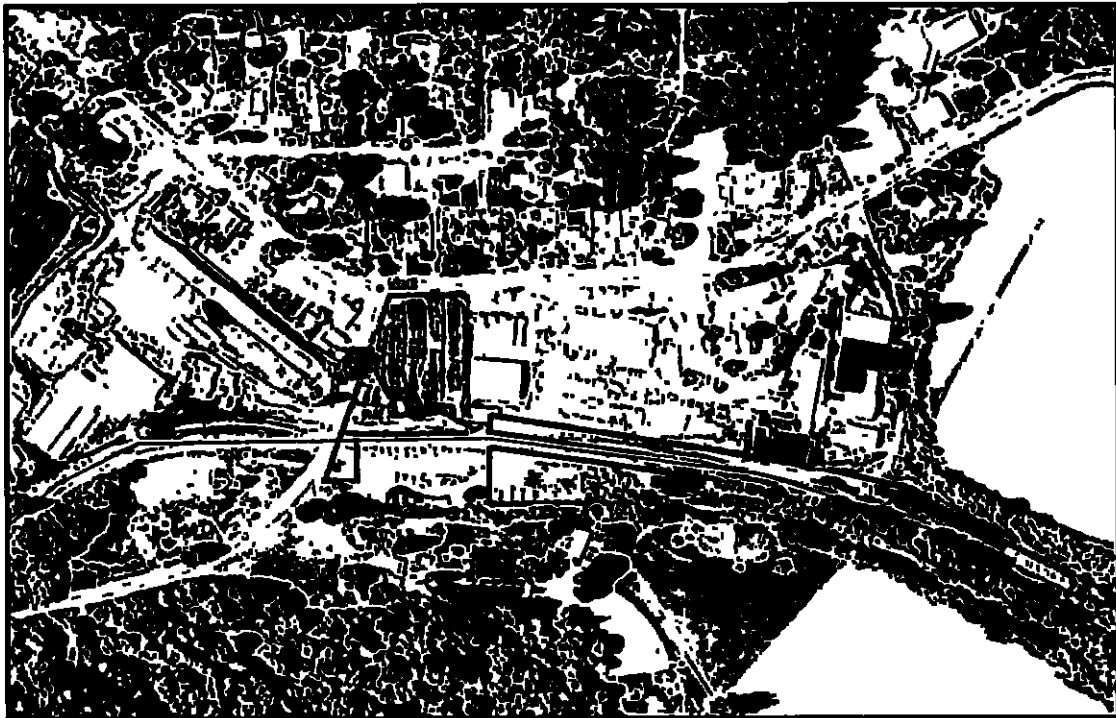
Other Site Description: This transaction represents the sale of a 9 48-acre rural industrial site in Noti. The site is irregular in shape, level and appears to be excess CORP right-of-way.

Remarks and Motives: The property was purchased by an adjacent property owner for \$120,000. Details of the transaction were not provided. The sales price equates to a unit value of \$0.29/SF (\$12,658/Ac.)

**VALUATION UNIT 14
(Rural Industrial)**



Highway 126 & Sailor Road, Noti, Lane County, Oregon



**VALUATION UNIT 14
(Rural Industrial)**

COMPARABLE RURAL INDUSTRIAL LAND DATA
SALE No. I-2

Address/Location: Awbrey Lane near Hwy 99N, Eugene, Lane County, Oregon

Map/Parcel: 17-04-04-0-0 00801

Parcel No: 348613

Seller: MJII, LLC

Buyer: Holte

Sale Date: 10/11/2005

Document: 2007-055335

Price: \$1,400,000

Terms: Cash to Seller

Size: 60 65-Ac.

Unit Price: \$0 53/SF
(\$23,076/Ac.)

Verified: Clayton Walker
Listing Broker
541 484.4422

Zoning: I2, Industrial

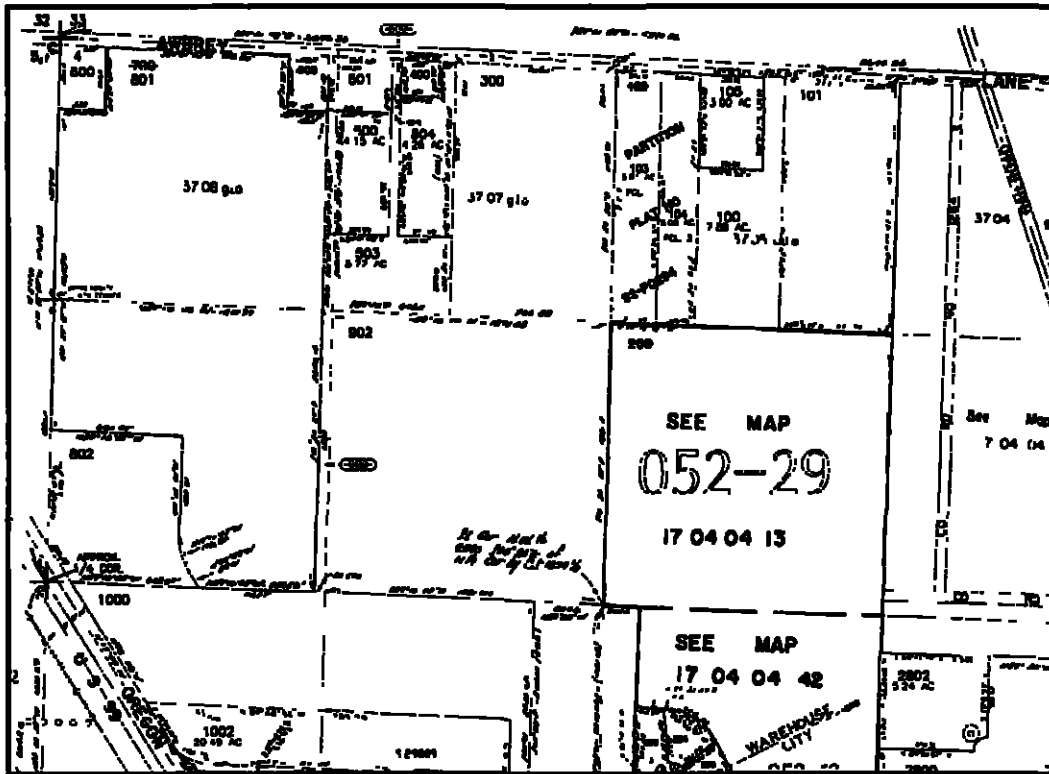
Utilities: Power available, water and septic required



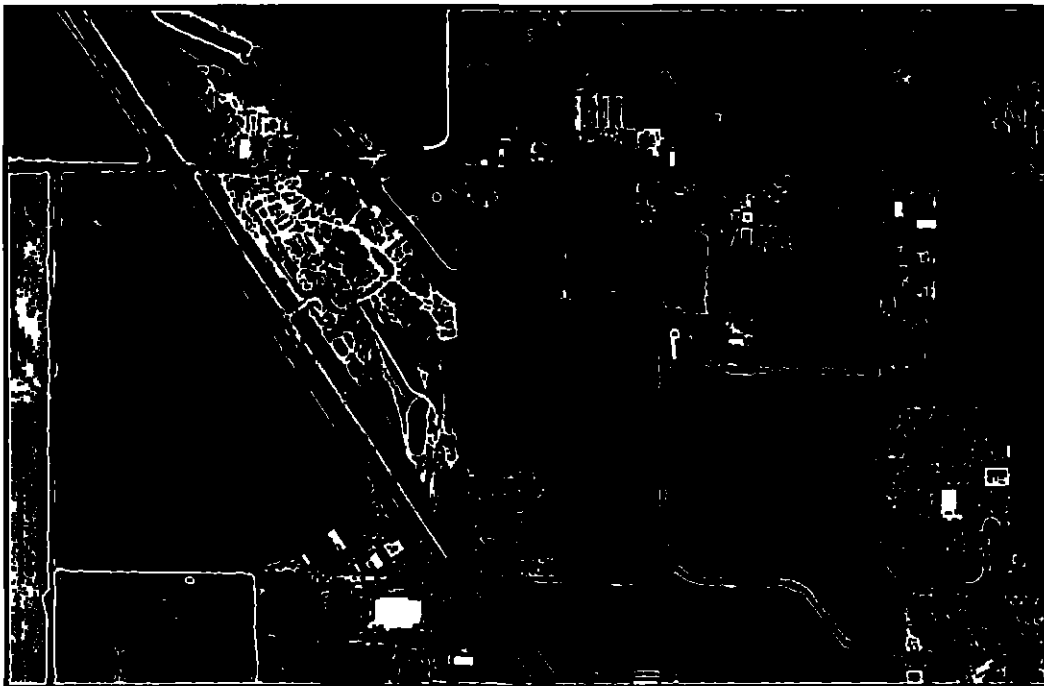
Other Site Description: This transaction represents the sale of a 60.65-acre rural industrial site located in western Eugene. The site is irregular in shape, level and has power available; well and septic are required for development. The site is encumbered by a drainage channel and small power line easement; neither of which was reported to reduce the useable area

Remarks and Motives: The property sold for \$1,400,000 after being on the market for 18 months at \$1,900,000. The sale price reflects a price reduction and credit for septic and water extension. The transaction was reported market in all respects. The sales price equates to a unit value of \$0 53/SF (\$23,076/Ac.)

**VALUATION UNIT 14
(Rural Industrial)**



Awbrey Lane near Hwy 99N, Eugene, Lane County, Oregon



**VALUATION UNIT 14
(Rural Industrial)**

COMPARABLE RURAL INDUSTRIAL LAND DATA
SALE No. I-3

Address/Location: Awbrey Lane, Eugene, Lane County, Oregon

Map/Parcel: 17-04-04-0-0 00100, 101

Parcel No: 348522

Seller: Nelson properties
LLC

Buyer: Gang of Fools, LLC

Sale Date: 7/31/2006

Document: 2006-055473

Price: \$650,000

Terms: Cash to Seller

Size: 25.11-Acres

Unit Price: \$0.59/SF
(\$25,886/Ac)



Verified: John Pennington, Listing Broker (541) 344 5959

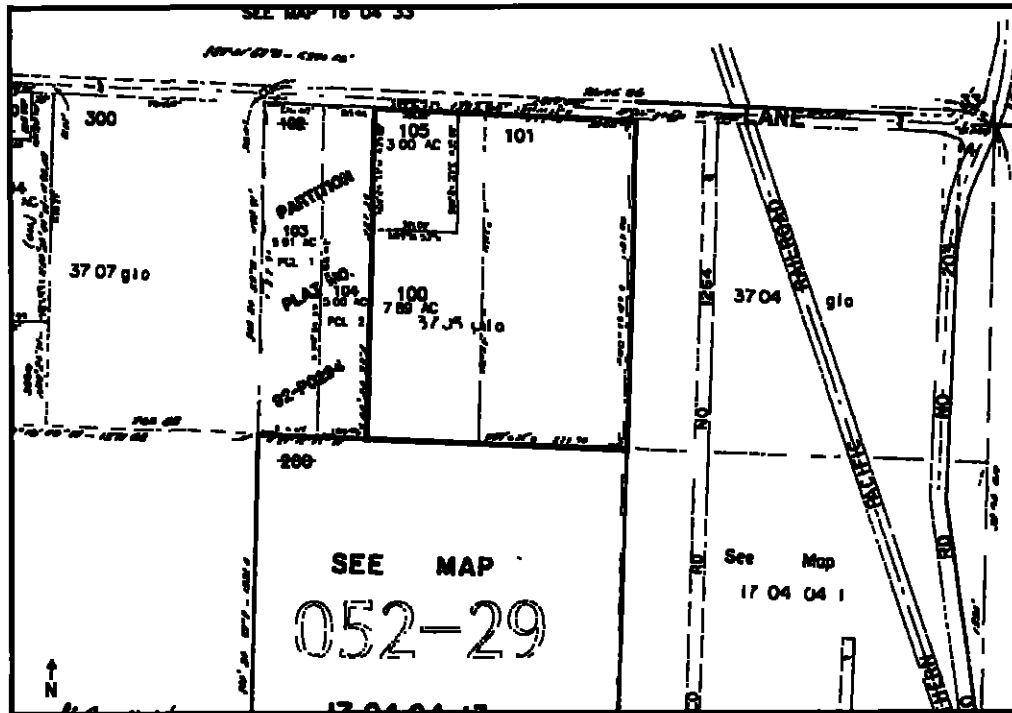
Zoning: I2, Industrial

Utilities: Power, water to site, septic approval

Other Site Description: This transaction represents the sale of a 25.11-acre rural industrial site located in western Eugene. The site is irregular in shape, level and has power and water to the site, septic is required for development.

Remarks and Motives: The property sold for \$650,000 after being on the market for three to four years, the long marketing time was in part due to an unsuccessful purchase agreement (failed sale) and then a one-year escrow closing period. The buyer is an investor who purchased the property for subdivision. As of our interview the property was being subdivided and offered for \$2.45/SF for 2.4- to 4.6 acre parcels or \$2 15 for the entire site. The transaction was reported market in all respects. The sales price equates to a unit value of \$0.59/SF (\$25,886/Ac)

**VALUATION UNIT 14
(Rural Industrial)**



Awbrey Lane, Eugene, Lane County, Oregon



VALUATION UNIT 14
(Rural Industrial)

COMPARABLE RURAL INDUSTRIAL LAND DATA
LISTING No. I-4

Address/Location: Vaughn Road, Veneta, Lane County, Oregon

Map/Parcel: 18-06-08-00 00400

Parcel No: 0755239

Seller: D'Arrigo

Buyer: Listing

Sale Date: Listed 9/2007

Document: Listing

Price: \$298,500

Terms: Cash to Seller

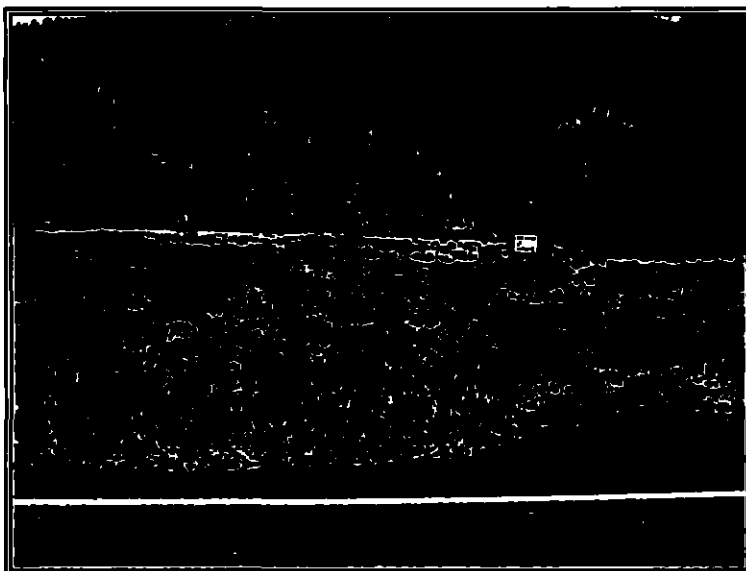
Size: 4.56-Acres

Unit Price: \$01.50/SF
(\$65,461/Ac)

Verified: James D'Arrigo
Seller
541 461.6100

Zoning: RI, Rural Industrial

Utilities: Power available, well and septic required for development



Other Site Description: This transaction represents the availability of a 4.56-acre rural industrial site located in Veneta near the community of Vaughn. The creek front site is irregular in shape, level and would require a well and septic for development. The seller reports that the site allows for construction of up to 35,000 square feet of industrial improvements or a single residence.

Remarks and Motives: The property was listed in September, 2007 and remains on the market for \$298,000. The sales price equates to a unit value of \$1.50/SF (\$65,461/Ac.)

**VALUATION UNIT 14
(Rural Industrial)**

COMPARABLE RURAL INDUSTRIAL LAND DATA
SALE No. I-5

Address/Location: 29630 Awbrey Lane, Eugene, Lane County, Oregon

Map/Parcel: 17-04-04-0-0 00500

Parcel No: 348563

Seller: DND

Buyer: Banks

Sale Date: 6/21/2006

Document: Unknown

Price: \$285,000

Terms: Cash to Seller

Size: 4 15-Acres

Unit Price: \$1 58/SF (\$68,675/Ac.)

Verified: Jerry Schwecke
Listing Broker
541 484.2022



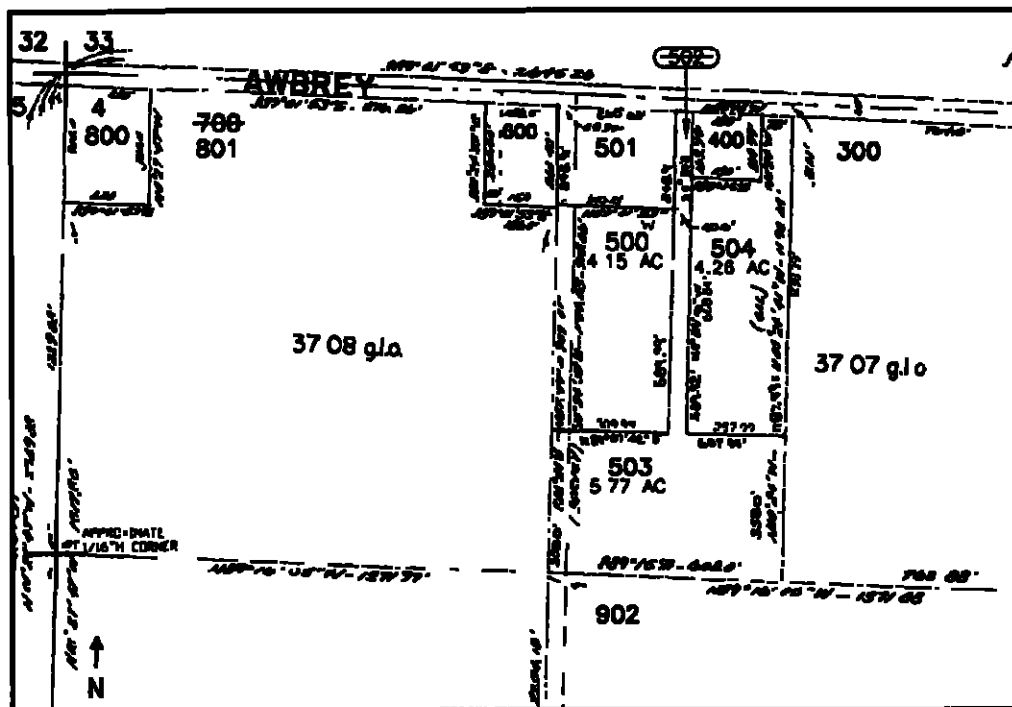
Zoning: I-2; Industrial

Utilities: Power and well with septic needed

Other Site Description: This transaction represents the sale of a 4 15-acre rural industrial site located in western Eugene. The site is irregular in shape, level and has power and well; septic is required for development. While undeveloped, the site was improved with a perimeter fence.

Remarks and Motives: The property sold for \$285,000 after being on the market for 54 days. The buyer is a user who intends to use the site for parking. The transaction was reported market in all respects. The sales price equates to a unit value of \$1.58/SF (\$68,675/Ac.)

**VALUATION UNIT 14
(Rural Industrial)**



29630 Awbrey Lane, Eugene, Lane County, Oregon



**VALUATION UNIT 14
(Rural Industrial)**

Sale 5, which is at \$68,675 per acre establishes the top of the indicated price range, was introduced in the prior Valuation Unit. It is located on the outskirts of Eugene and, with a well established and septic approved, its value is clearly much greater than applicable to ATF value of this unit.

Listing 4 is a very insightful piece of market data because it involves a 4.56 acre RI property in Vaughn, which is close to and similar to Noti; it is also reasonably similar to the other Valuation Unit locations. The owner seems to recognize that there is a limited market for rural industrial properties, as he is concurrently marketing its ability to be used as a single-family home site. As a listing with considerable market exposure, this market data provides strong support that market values of rural industrials relevant to the subject are worth less than \$65,461/Ac. The relevant ATF value is also supported to be far less than \$65,461/Ac. when considering that the abutting mill properties are much larger than the listing property (economies of scale principle).

Sales 2 and 3 were also introduced in the prior Valuation Unit. They involve large areas fairly similar in size to the abutting mills that are relevant to this Valuation Unit. The comparables are judged to support ATF values slightly less than \$23,000 because their location to Eugene and Highway I-5 are superior to the Valuation Unit areas.

Finally, Sale 1 represents the 2002 sale of portions of the Coos Bay line to the Swanson Brothers Lumber Co. in Noti. This is a sale by CORP of 9.48 acres encumbered by the SPTC easements. The \$120,000 price paid results in an indication of \$12,658 per acre. Overall, market conditions for industrial land since 2002 have been essentially flat. Therefore relative to Sales 2 and 3 it reflects a discount of roughly 50%, which is consistent with the SPTC easement discount I have applied in most cases throughout this appraisal.

All things considered the best estimate of market value associated with the lands of this Valuation Unit is \$13,000 per acre.

Base Value Conclusion(s)

Valuation Unit	Total Area Before Title Defects	Estimated Value per Acre	Total Estimated Value Before Title Defects
14	18.4	\$13,000	\$239,200

VALUATION UNIT 14
(Rural Industrial)

Title Defects

The following table summarizes the title defects known to exist and remaining to be reflected in the analysis:

Valuation Unit 14 Title Defects (Known & Remaining to be Addressed)						
Appraisal Section	Comments	Estimated Dimensions		Est. Area (Acres)	Est. \$/Acre	Est. Value Adjustment
		Width	Length			
N/A	No Relevant Title Defects Known					\$0
Total Value Adjustment for Title Defects						\$0

Adjusted Base Value Conclusion

Valuation Unit 14 Adjusted Base Value Conclusion	
Base Value Estimate	\$239,200
Less: Adjustment for Remaining Title Defects	<u>\$0</u>
Equals: Adjusted Base Value Estimate	\$239,200

**VALUATION UNIT 14
(Rural Industrial)**

Net Present Valuation Calculation

The following table summarizes the net present value analysis of the Valuation Unit. Reference is made to the previous analysis discussions that established the basis of the reflected estimates.

PRESENT VALUE CALCULATION VU 14 (RURAL INDUSTRIAL)	
INPUTS/ASSUMPTIONS	
Estimated Adjusted Base Value (ABV)	\$239,200
Taxes	0.6% of Value
Insurance (Pro-Rata Allocation)	0.4% of Value
Selling Costs	10.0% of Sales
Entrepreneurial	15.0% of Sales
Disposition (Sell-Off) Period	1 Years
Discount Rate	10.0%
Period (Year)	1
Starting ABV for Projected Period Disp	\$239,200
Gross Period Disposition (Sales)	\$239,200
Ending ABV for Projected Period Disp.	\$0
Disposition & Holding Costs	
Selling Costs	-\$23,920
Escrow Fees	-\$3,827
Legal Fees	-\$4,784
Profit	-\$35,880
Taxes	-\$1,435
Insurance	-\$957
Total Disposition & Holding Costs	-\$70,803
Net Disposition (Sale) Proceeds	\$168,397
PV of Projected Net Sale Proceeds	\$153,088
Estimated Net Present Value \$153,088	

Final Value Conclusion of Valuation Unit - **\$153,088**

VALUATION UNIT 15 (Reedsport Industrial)

General Overview

This Valuation Unit applies to the portions of the subject line that are industrially zoned and/or abut industrial properties in the City of Reedsport.

Topography

The topography of areas abutting this Valuation Unit is level.

Access

The areas abutting this Valuation Unit are generally served by paved public roads. The subject line does not appear likely to provide any meaningful potential for improved access.

Utilities

The subject area is understood to be served with electricity, water, sewer, gas and phone.

Zoning

The properties abutting this subject Valuation Unit are zoned M1, M2 and M3 by the City of Reedsport. A copy of the zoning ordinance is available online at: <http://www.reedsport.or.us/vertical/Sites/%7B6971DF3C-6EDF-4E48-B355-C823C5A2E331%7D/uploads/%7BDA5E59E7-3A70-4669-8225-5A66B177998D%7D DOC>.

The purpose of the Light Industrial (M1) zone is to provide areas suitable and desirable for secondary manufacturing and related establishments and more intense commercial use with limited external impact. Development standards include 100 percent coverage, providing minimum parking space, servicing space and setbacks have been provided, no front yard setbacks except where specified setbacks are established for road widening purposes, no side yard setbacks are required but if the side or rear yards are created, they shall be a minimum of five (5) feet. No minimum lot size is specified.

The purpose Reedsport's Industrial Zone (M2) is to provide areas suitable and desirable for medium and heavy industrial development and uses free from conflict with commercial, residential and other non-compatible land uses. The list of permitted uses is extensive and includes all permitted uses within the M1 zone. In terms of development standards, 100 percent coverage is allowable and there are no front, side or rear yard setbacks. No minimum lot size is specified.

The M-3 is entitled Marine Industrial Zone (water-dependent industrial shorelands). It has the stated purpose of providing shoreland areas suitable for water-dependent manufacturing, industrial and other compatible land uses. In terms of development standards, there is a 50 foot building height restriction, however, 100 percent coverage is

**VALUATION UNIT 15
(Reedsport Industrial)**

allowable and there is no front, side or rear yard setbacks. No minimum lot size is specified.

Abutting Property Uses

The following table summarizes the properties abutting the subject portions allocated to this Valuation Unit. More details are available from the previously provided Line Assessment table.

Appraisal Sections in Valuation Unit 15					
Appraisal Section	Mile Post Landmark	Most Likely Disposition Candidates & Associated Remarks	Assmblg. Probilty.	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
202	739 91-.93 Reedsport shoreline & Port Dock Rd Xng	Subject bisects 1.3 ac property that already has river frontage on both sides. Subject area also appears to have a road easement across it.	Low - Med (provides river access, but rd. esmt.)	±145 x ±105	0.35
203	739.93-740.06 Reedsport industrial area	Both sides of subject abut vacant and modestly improved industrial sites	Low - Med	±145 x 75, 110 x 165.5; 100 x 58; 90 x 250, & 95 x 185	1.72
204	740.06-.14	Left side where subject abuts improved E. Railroad Ave (on right is 0.54 ac parcel owned by CORP and approx 60 feet of frontage on W Rld. Ave)	Low - Med	Misc. (100-220') x 400, plus toe of rail spur	1.71
205	740.14-.28	Subject bisects a vacant 3.6 Ac. site with frontages on hwy & W & E Rld Ave	Low - Med.	±55 to ±140 x ±725	1.25
207	740.30-.44	Subject is skirted by large sites (2+/- Ac. - lmted. demand for additional area).	Low	Assume 40 (like to south) x ±745	0.68
209	740.47-.55	Subject could be used by either side for limited parking or site storage (industrial oriented)	Low	40 x 435	0.40
Total Area of Valuation Unit					6.11

**VALUATION UNIT 15
(Reedsport Industrial)**

Desirability to Abutters Summarized

There is judged to be limited demand for the subject areas associated with this Valuation Unit. This is due to the substantial supply of available vacant industrial lands abutting the subject, which is largely related to the fact that in year 2006 CORP sold off excess lands in this area (see following Sales I-3 & I-4).

Base Value Analysis

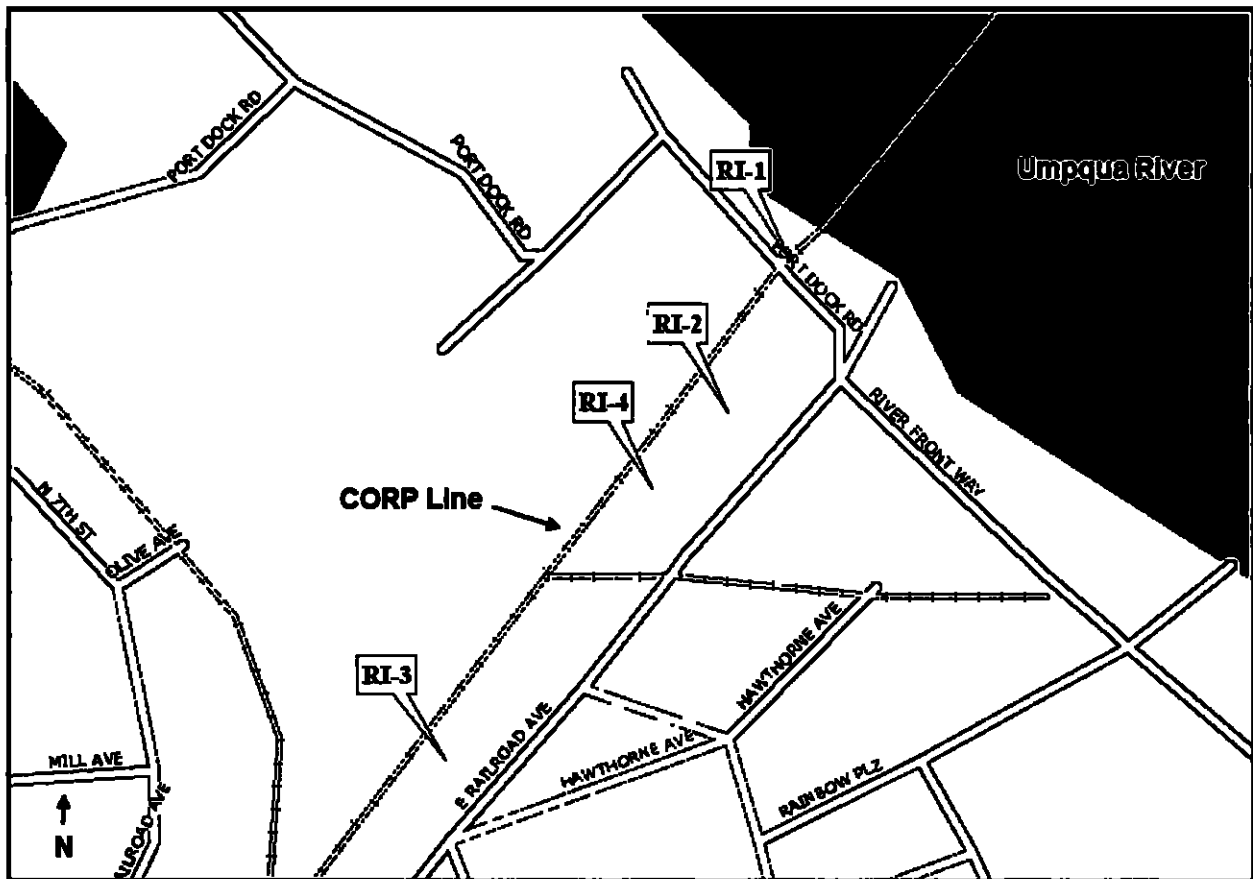
The following table summarizes the comparable market data found to be most relevant to establishing values associated with this Valuation Unit:

**REEDSPORT INDUSTRIAL LOTS
SUMMARY OF COMPARABLE MARKET DATA**

COMP. NO.	PROPERTY LOCATION	PRICE DATE	SIZE ZONING	REMARKS
Sale RI-1	E Railroad Avenue, Reedsport, Douglas County Oregon 21-12-35BD-D 1500, 1600	\$30 000 1/2000	0 72-Ac Industrial	Two, non-contiguous industrial lots separated by the CORP rail line with Umpqua River frontage <u>Sale equates to \$30,000 or \$0 96/SF (\$41,667/Ac)</u>
Sale RI-2	E Railroad Avenue, Reedsport, Douglas County, Oregon 21-12-35BD-D 1700	\$80,000 5/2005	0 56-Ac Industrial	Irregular shaped industrial property fronting the CORP rail line Improvements valued at \$45,600 per assessor <u>Sale equates to \$49,280 or \$2 02/SF (\$88,000/Ac) for the underlying site</u>
Sale RI-3	235 E Railroad Avenue, Reedsport, Douglas County, Oregon 21-12-35CA-A 15600	\$55,000 3/2006	0 53-Ac Industrial	Rectangular shaped industrial lot fronting the CORP rail line <u>Sale equates to \$55 000 or \$2 38/SF (\$103,774/Ac)</u>
Sale RI-4	255 E Railroad Avenue Reedsport, Douglas County, Oregon 21-12-35BD-D 1800	\$17,871 4/2006	0 16-Ac Industrial	Rectangular shaped industrial lot fronting the CORP rail line <u>Sale equates to \$17,871 or \$2 56/SF (\$111,694/Ac)</u>

**VALUATION UNIT 15
(Reedsport Industrial)**

Below is a sale location map, followed by pages with data sheets detailing the pertinent property and sale data for each of the comparables. For each comparable there is also a page with a parcel map and an aerial photo.



Sale Location Map

**VALUATION UNIT 15
(Reedsport Industrial)**

COMPARABLE REEDSPORT INDUSTRIAL LAND DATA SALE
No. RI-1

Address/Location: E Railroad Avenue, Reedsport, Douglas County, Oregon

Map/Parcel: 21-12-35BD-D 1500, 1600

Parcel No: R72038, R71975

Seller: Onger

Buyer: Wahl

Sale Date: 1/25/2000

Document: 2000-01435

Price: \$30,000

Terms: Cash to Seller

Size: 0.72-Ac.

Unit Price: \$0.96/SF
(\$41,667/Ac)



Verified: County Assessor
Quit Claim Deed

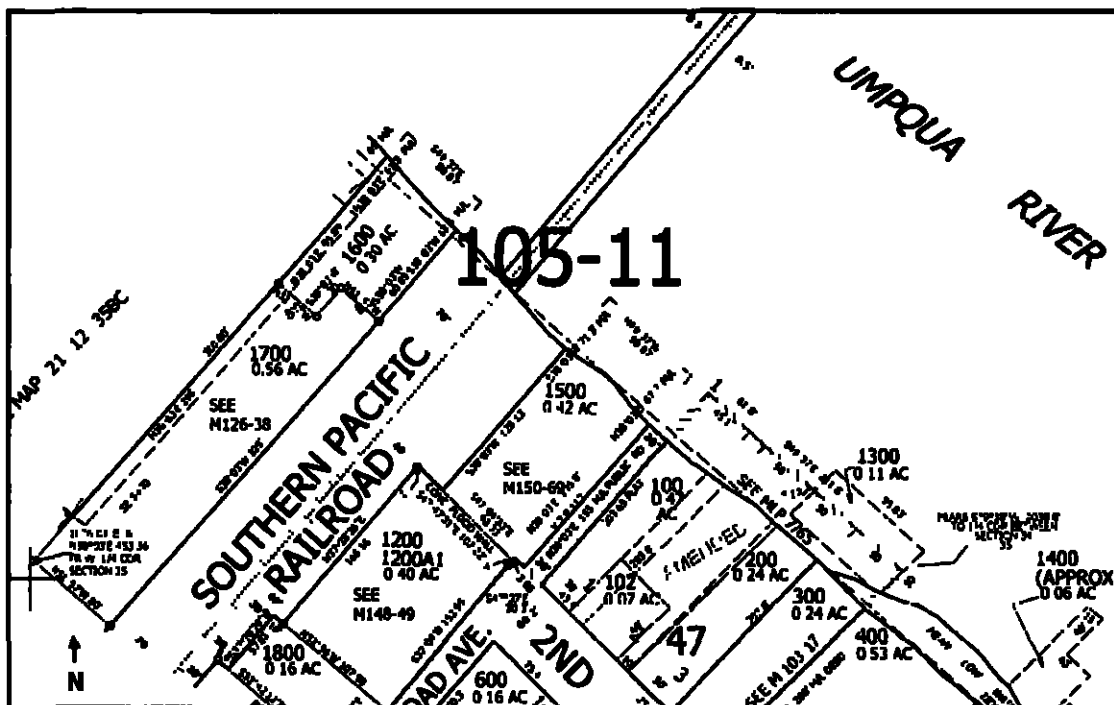
Zoning: Industrial

Utilities: All utilities appear to be available at or near the site.

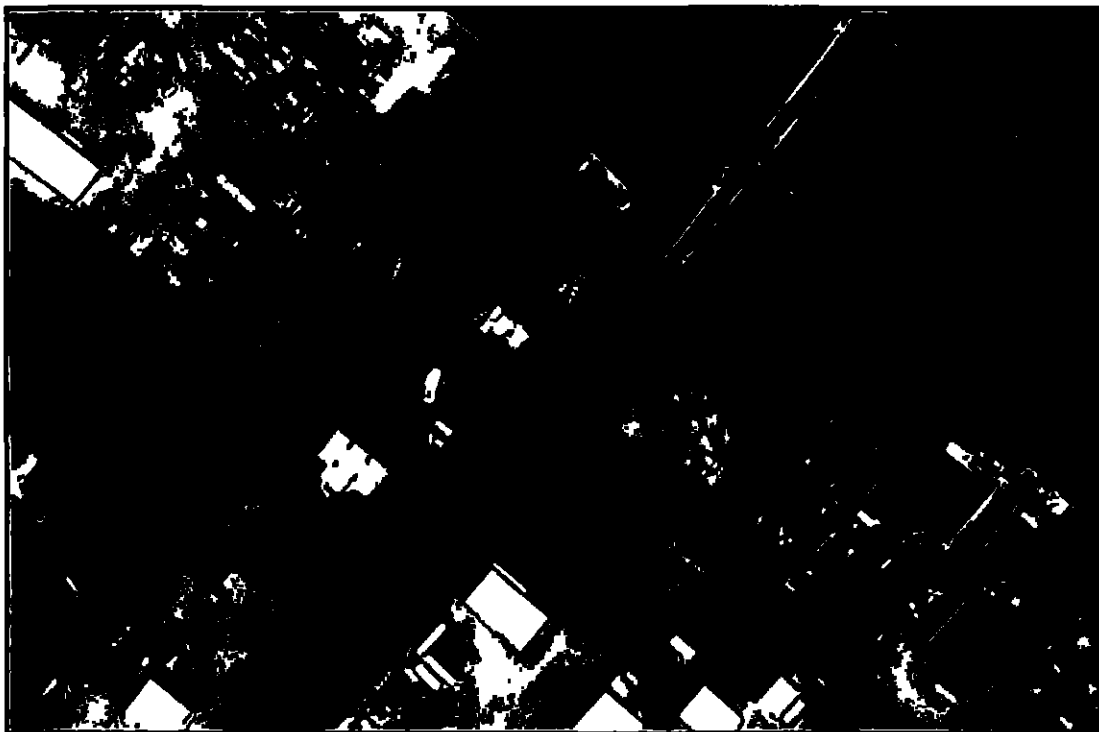
Other Site Description: This transaction represents the sale of two, non-contiguous parcels on Industrial land along Railroad Avenue in Reedsport. The parcels feature Umpqua River frontage bisected by the subject line. All utilities required for development appear to be available at or near the site

Remarks and Motives: The property was purchased in January 2000 for \$30,000. Details of the transaction were not provided. The sales price equates to a unit value of \$0.96/SF (\$41,667/Ac.)

**VALUATION UNIT 15
(Reedsport Industrial)**



E Railroad Avenue, Reedsport, Douglas County, Oregon



VALUATION UNIT 15
(Reedsport Industrial)

COMPARABLE REEDSPORT INDUSTRIAL LAND DATA SALE
No. RI-2

Address/Location: E Railroad Avenue, Reedsport, Douglas County, Oregon

Map/Parcel: 21-12-35BD-D 1700

Parcel No: R71982

Seller: Sharp logging Co.

Buyer: Wahl

Sale Date: 5/17/2005

Document: 2005-012240

Price: See remarks below)

Terms: Cash to Seller

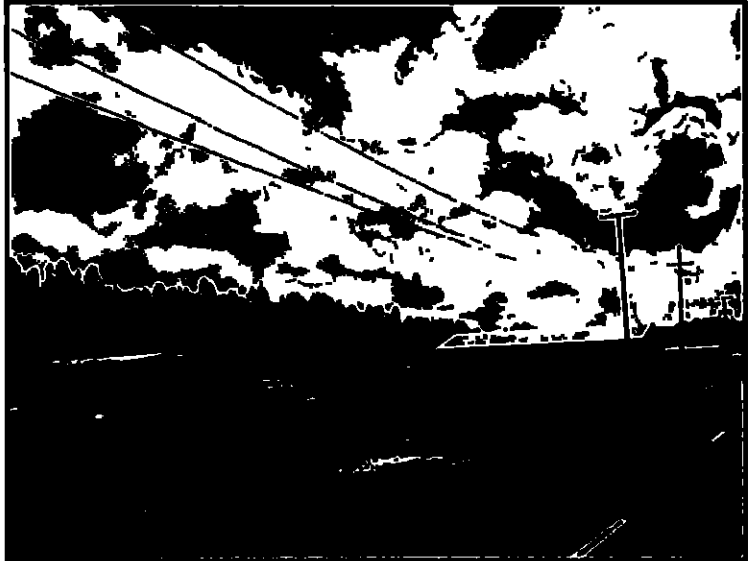
Size: 0.56-Ac.

Unit Price: See remarks below

Verified: County Assessor Data, Warranty Deed

Zoning: Industrial

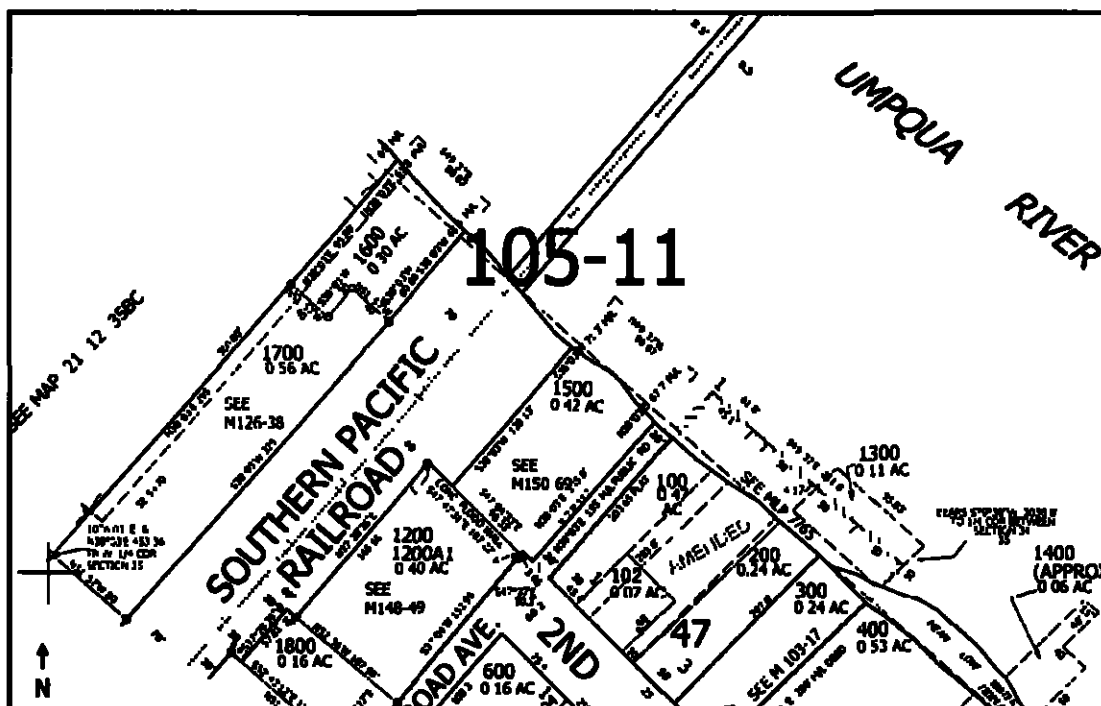
Utilities: All utilities appear to be available at or near the site



Other Site Description: This transaction represents the sale of an industrial property located along Railroad Avenue in Reedsport. The site fronts the subject line. All utilities required for development appear to be in place as the site is improved with a building. The County Assessor has valued the building at \$45,600, which is 38.4% of its estimate of the total real market value.

Remarks and Motives: The improved property was purchased in May 2005 for \$80,000 (\$3.28/SF). The best use of this comparable is to extract a land value indication by deducting improvement value based on the County Assessor data, since details of the transaction were not available from the parties involved. I have estimated the improvement value to be \$30,270 by applying the assessor's improvement to total value ratio (38.4%) to the sale price, which is most appropriate in consideration of the tax system; deducting this from the sales price results in an indicated land value of \$49,280, or \$2.02/SF (\$88,000/Ac.)

**VALUATION UNIT 15
(Reedsport Industrial)**



E Railroad Avenue, Reedsport, Douglas County, Oregon



VALUATION UNIT 15
(Reedsport Industrial)

COMPARABLE REEDSPORT INDUSTRIAL LAND DATA SALE
No. RI-3

Address/Location: 235 E Railroad Avenue, Reedsport, Douglas County, Oregon

Map/Parcel: 21-12-35CA-A 15600

Parcel No: R129148

Seller: CORP

Buyer: Sharp Logging Co.

Sale Date: 3/16/2006

Document: 2006-006982

Price: \$55,000

Terms: Cash to Seller

Size: 0.53-Acres

Unit Price: \$2.38/SF
(\$103,774/Ac.)



Verified: County Assessor
Quit Claim Deed

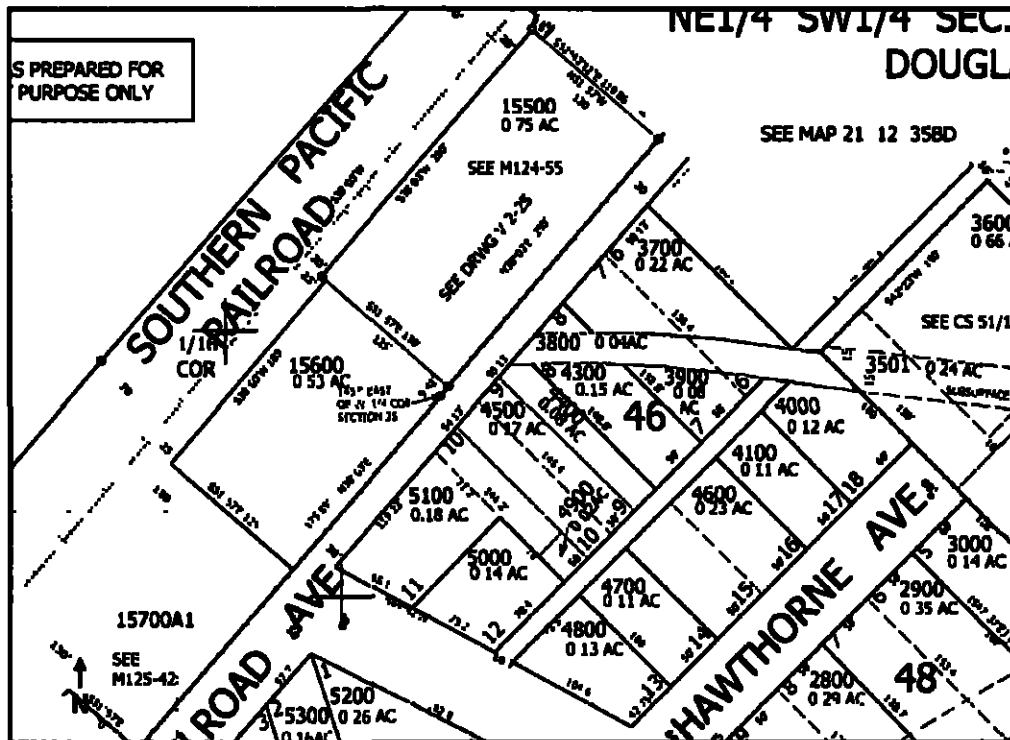
Zoning: Industrial

Utilities: All utilities appear to be available at or near the site

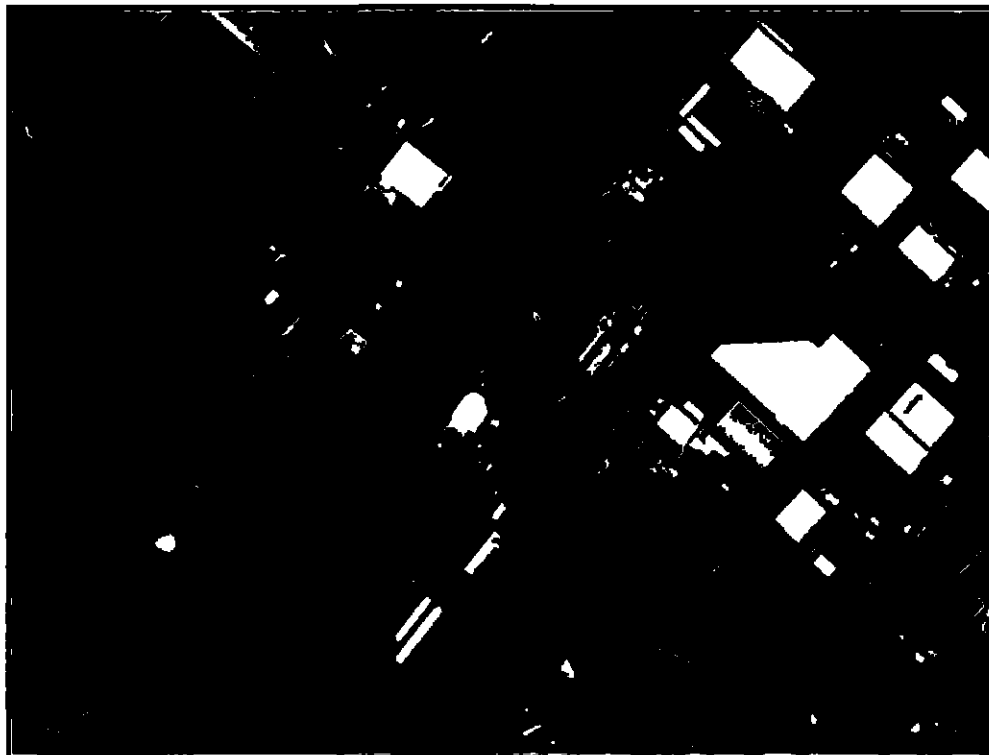
Other Site Description: This transaction represents the sale of an industrial site along Railroad Avenue in Reedsport. The subject site adjoins the site to the west. The site is rectangular in shape, level and features all utilities required for development at or near the site.

Remarks and Motives: The property was purchased in March 2006 for \$55,000. Details of the transaction were not provided. The sales price equates to a unit value of \$2.38 /SF (\$103,774/Ac.).

**VALUATION UNIT 15
(Reedsport Industrial)**



235 E Railroad Avenue, Reedsport, Douglas County, Oregon



**VALUATION UNIT 15
(Reedsport Industrial)**

**COMPARABLE REEDSPORT INDUSTRIAL LAND DATA SALE
No. RI-4**

Address/Location: 255 E Railroad Avenue, Reedsport, Douglas County, Oregon

Map/Parcel: 21-12-35-BD-D 1800

Parcel No: R129219

Seller: CORP

Buyer: Bunch

Sale Date: 4/18/2006

Document: 2006-009676

Price: \$17,871

Terms: Cash to Seller

Size: 0 16-Acres

Unit Price: \$2.56/SF
(\$111,694/Ac.)



Verified: County Assessor
Quit Claim Deed

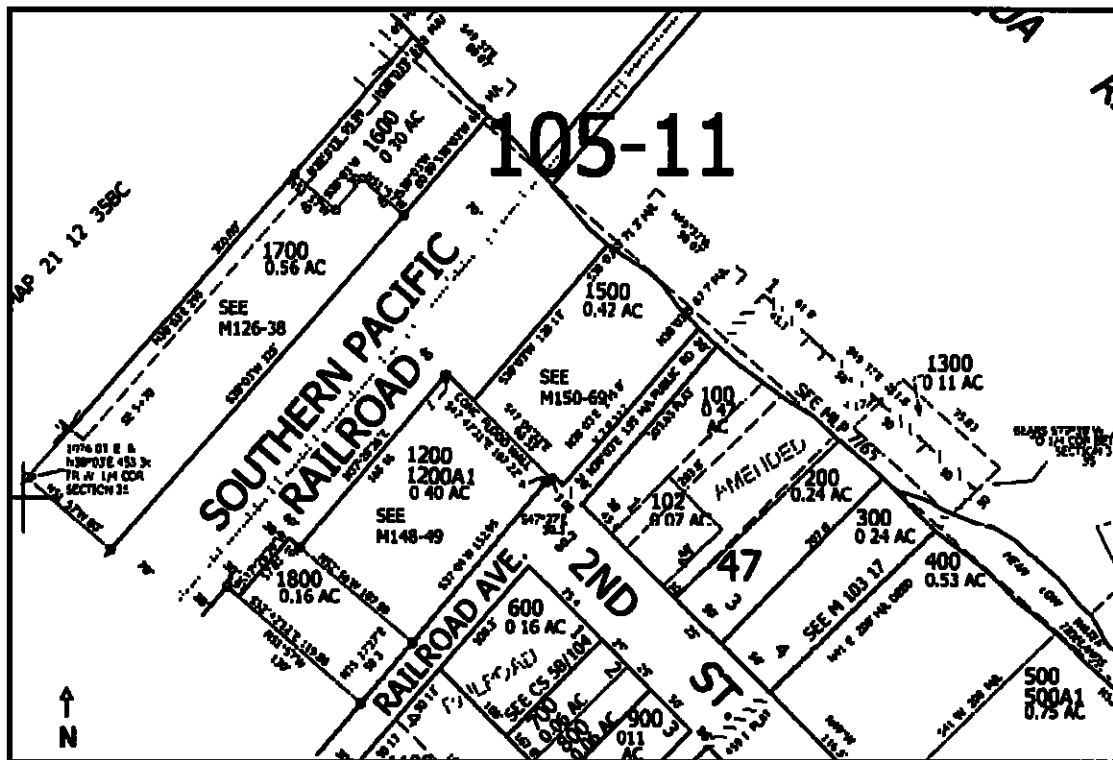
Zoning: Industrial

Utilities: All utilities appear to be available at or near the site

Other Site Description: This transaction represents the sale of an industrial site along Railroad Avenue in Reedsport. The subject site adjoins the site to the west. The site is rectangular in shape, level and features all utilities required for development at or near the site.

Remarks and Motives: The property was purchased in April 2006 for \$17,871. Details of the transaction were not provided. The sales price equates to a unit value of \$2.56 /SF (\$111,694/Ac.).

**VALUATION UNIT 15
(Reedsport Industrial)**



255 E Railroad Avenue, Reedsport, Douglas County, Oregon



VALUATION UNIT 15
(Reedsport Industrial)

The market data supports no premium for M3-zoned land relative to M1 and M2 land. Sale 2 does not provide an ideally solid ATF land value indication because of the shop building improvements present and the limited data confirmation. The recent sales by CORP of SPTC-encumbered area (Sales 3 and 4) provide the best support for estimating the subject value relative to this Valuation Unit

A half acre parcel can be carved out between Sale 3 (Tax Lot 21.12 35CA-15600) and Tax Lot 21.12.35CB-9700), similar to Sales 3 and 4. The ATF values reflected by Sales 3 and 4 range from \$2.38 to \$2.56 per square foot; based on these sales a rounded estimate of \$2 50 per SF (\$108,900 per acre) is judged to be directly applicable to this portion of the Valuation Unit, which is referred to as Valuation Unit 15a in the following Base Value Conclusions table.

For the remainder of the Valuation Unit (15b), the ATF values applicable to section 15a are not directly applicable due to the more onerous presence of the SPTC easement. In this instance, a value discount of 50 percent of ATF is appropriate to reflect the SPTC encumbrances, similar to many other of the Valuation Units

Base Value Conclusions

Valuation Unit	Total Area Before Title Defects	Average Estimated Value per Acre	Total Estimated Value Before Title Defects
15a	0.50	\$108,900	\$54,450
15b	<u>5.61</u>	<u>\$54,450</u>	<u>\$305,465</u>
Total	6.11	\$58,906	\$359,915

Title Defects

The following table summarizes the title defects known to exist and remaining to be reflected in the analysis:

Valuation Unit 15 Title Defects (Known & Remaining to be Addressed)						
Appraisal Section	Comments	Estimated Dimensions		Est Area (Acres)	Est \$/Acre	Est. Value Adjustment
		Width	Length			
N/A	No Relevant Title Defects Known					\$0
Total Value Adjustment for Title Defects						\$0

**VALUATION UNIT 15
(Reedsport Industrial)**

Adjusted Base Value Conclusion

Valuation Unit 15 Adjusted Base Value Conclusion	
Base Value Estimate	\$359,915
Less: Adjustment for Remaining Title Defects	\$0
Equals: Adjusted Base Value Estimate	\$359,915

Net Present Valuation Calculation

The following table summarizes the net present value analysis of the Valuation Unit. Reference is made to the previous analysis discussions that established the basis of the reflected estimates.

PRESENT VALUE CALCULATION VU 15 (REEDSPORT INDUSTRIAL)			
INPUTS/ASSUMPTIONS			
Estimated Adjusted Base Value (ABV)	\$359,915		
Taxes	1 6% of Value		
Insurance (Pro-Rata Allocation)	0 4% of Value		
Selling Costs	10 0% of Sales		
Entrepreneurial	15 0% of Sales		
Disposition (Sell-Off) Period	3 Years		
Discount Rate	10 0%		
Period (Year)	1	2	3
Starting ABV for Projected Period Disp	\$359,915	\$239,943	\$119,972
Gross Period Disposition (Sales)	\$119,972	\$119,972	\$119,972
Ending ABV for Projected Period Disp	\$239,943	\$119,972	\$0
Disposition & Holding Costs			
Selling Costs	-\$11,997	-\$11,997	-\$11,997
Escrow Fees	-\$1,920	-\$1,920	-\$1,920
Legal Fees	-\$7,198	\$0	\$0
Profit	-\$17,996	-\$17,996	-\$17,996
Taxes	-\$5,759	-\$3,839	-\$1,920
Insurance	-\$1,440	-\$960	-\$480
Total Disposition & Holding Costs	-\$46,309	-\$36,711	-\$34,312
Net Disposition (Sale) Proceeds	\$73,663	\$83,260	\$85,660
PV of Projected Net Sale Proceeds	\$66,966	\$68,810	\$64,357

Estimated Net Present Value \$200,133

Final Value Conclusion of Valuation Unit - \$200,133

VALUATION UNIT 16 (City of Lakeside)

General Overview

This Valuation Unit is comprised of all the areas within the City of Lakeside. These have been grouped together, regardless of zoning differences, because for the entire area there is no reasonable likelihood of feasibly selling off the subject due to factors such as narrow line width, STPC encumbrances, the low-quality make-up of abutting areas, and/or poor market conditions. Reference is made to the portion of earlier "Location/Area Analysis" that pertains to Lakeside.

Topography

The topography of areas abutting this Valuation Unit is level.

Access

The areas abutting this Valuation Unit generally abut public rights-of-way. Some portions are paved with asphalt, some with gravel, and in some instances the abutting road right-of-way is being used by an abutter. The subject line does not appear likely to provide any potential to improve access for abutters.

Utilities

The subject area is understood to be served with electricity, water, sewer, gas and phone.

Zoning

There are several land use zones designated by the City of Lakeside for the areas abutting the subject. At the north end is a Marine Commercial (MC) area that is a vacant portion of a large R.V. park with lots of undeveloped area. The majority of abutting areas are zoned Rural Residential (RR) and General Residential (GR). There is also a General Commercial (GC) zone where 8th Street abuts the subject.

Abutting Property Uses

The properties abutting the subject portions allocated to this Valuation Unit are summarized in the following table. Additional details can be found on the prior Line Assessment table.

**VALUATION UNIT 16
(City of Lakeside)**

Appraisal Sections in Valuation Unit 16					
Appraisal Section	Mile Post Landmark	Most Likely Disposition Candidates & Associated Remarks	Assmblg. Probility.	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
236	751 28- 59	On left subject abuts 41 Ac Willow Crk Mobile Hm Park that has signif amt of extra area On right it abuts vacant 9+ ac site Also, subject & abutting areas are forested	Very Low	200 x 1,615	7.42
237	751 59- 69	Subject is forested against 3 7 Ac Manuf Hm Park & ±5 Ac vacant on left and portion of vacant 9+ ac site on right	Very Low	200 x 485	2 23
238	751 69- 96	25' & 30' wide unimproved public right-of-ways abut No demand for encumbered subject with residential zoning	Very Low	150 x 1,406	4 84
239	751 96-752 09	No demand for narrow encumbered subject by abutting residential properties	Very Low	40 (per co assr map) x 670	0 62
240	752 09- 13 Lakeside	Vacant GC sites (0.6 & 1 5 Ac.) abut on both sides of subject Low desirability to abutters due to narrow width, esmt , & supply and demand for land Also, wetlands likely on rt /west side	Very Low	40 x 220	0 20
242	752 14- 19 Lakeside	Vacant GC sites (0 7 & 1 6 Ac) abut on both sides of subject Low desirability to abutters due to narrow width, esmt , & supply and demand for land	Very Low	40 x ±275	0 25
243	752 19- 37	No demand for narrow encumbered subject by abutting residential props Portion also has Airport Runway zone overlay	Very Low	40 x ±925	0 85
244	752 37- 42	No demand for narrow encumbered subject by abutting vacant prop with residential zoning	Very Low	40 x ±210	0 19
245	752 42- 54	No demand for narrow encumbered subject by abutting residential props.	Very Low	40 x ±600	0 55
246	752 54- 78	Subject bisects 32 Ac parcel owned by USA (Siuslaw Natl Forest)	Very Low	200 x 1,278	5 86
Total Area of Valuation Unit					23.01

Desirability to Abutters Summarized

The lands abutting this Valuation Unit are considered extremely unlikely to find the subject desirable for assemblage because the subject offers virtually no economic utility, mainly due to encumbrance limitations and market conditions Significant portions of the subject line are only 40 feet wide through the city and therefore entirely covered by the pipeline easement aspect of the SPTC encumbrance. The abutting ownerships with considerable size have an excess of area relative to market demand. The small residential properties that abut reflect poor to fair quality and therefore it is deemed unlikely that many of the abutters will have the economic means to afford purchasing portions of the subject, even if they did offer significant utility Finally, the market conditions in Lakeside are poor, as illustrated previously in regard to residential lots.

**VALUATION UNIT 16
(City of Lakeside)**

Base Value Analysis

Similar to Valuation Units 3 and 8, there is little likelihood that the abutters in the City of Lakeside would have any interest in the subject for the reasons cited above. Therefore I have concluded the portion of subject extending through Veneta has no contributory market value relative to the piecemeal disposition of the subject.

Base Value Conclusion(s)

Valuation Unit	Total Area Before Title Defects	Estimated Value per Acre	Total Estimated Value Before Title Defects
16	23.01	\$0	\$0

Title Defects

The following table summarizes the title defects known to exist and remaining to be reflected in the analysis:

Valuation Unit 16 Title Defects (Known & Remaining to be Addressed)						
Appraisal Section	Comments	<u>Estimated Dimensions</u>		Est Area (Acres)	Est. \$/Acre	Est. Value Adjustment
		Width (Ft)	Length (Ft)			
244-245	Subject is crossed by "Coos Bay" electrical transmission line esmt	40	100	0.09	\$0	\$0
246 (All)	Area created as an Act of Congress, refer to "Assignment Conditions and Extraordinary Assumptions" discussion	200	1,277	5.86	\$0	\$0
Total Value Adjustment for Title Defects						\$0

**VALUATION UNIT 16
(City of Lakeside)**

Adjusted Base Value Conclusion

Valuation Unit 16 Adjusted Base Value Conclusion	
Base Value Estimate	\$0
Less: Adjustment for Remaining Title Defects	<u>\$0</u>
Equals: Adjusted Base Value Estimate	\$0

Net Present Valuation Calculation

In this instance a net present value calculation is not warranted because there is insufficient demand and related value to warrant attempts to market the areas in this Valuation Unit.

Final Value Conclusion of Valuation Unit - **\$0**

VALUATION UNIT 17 (Rural Commercial)

General Overview

This Valuation Unit applies to four designated appraisal sections where areas with Rural Commercial zoning abut the subject. The first of these is along Highway 126, where the subject intersects with the north side of the Siuslaw River. The other three are associated with private marinas along Siltcoos Lake, in the Siltcoos Station/Ada area.

Topography

The topography of areas abutting this Valuation Unit is generally level. The exception is Appraisal Section 163; this is level in the vicinity of the subject and towards the lake but slopes up steeply on the east side of the subject. Topographic details can also be discerned by referring to the U.S.G.S topographic maps provided in the separately bound Report Addenda.

Access

The abutting campsite parcels are accessible by boat only and therefore it is apparent that trespass across the subject line is required. The subject line does not appear to provide a feasible access alternative for the abutting lands but it can offer clear access.

Utilities

The lands abutting this Valuation Unit are served by only electricity and phone.

Zoning

The two Lane County sections in this Valuation Unit are zoned Rural Commercial Zone (RC). This has the stated purposes to allow commercial uses and development for the retail trade of products or services needed by rural residents or by persons traveling through the rural area and to provide protective measures for riparian vegetation along Class I streams designated as significant in the Rural Comprehensive Plan. Development standards include twenty foot setback from right-of-way, 50 foot riparian setback and building size limit depending on location, there is no minimum lot size or maximum building height noted. A copy of the zoning ordinance is available online at: http://www.lanecounty.org/LaneCode/documents/CodeChapter16_Sec290_291_June_04.pdf.

The two Douglas County sections are zoned Rural Commercial Zone (CRE). This is intended to maintain pre-existing rural area commercial uses and to create and enhance opportunities for small scale-low impact and rural resource-related commercial uses. Uses serving the traveling public are also consistent with this classification. It is intended that new uses will not exceed the capacity of the area to provide water and absorb sewage. While uses located within this zone may provide employment opportunities, it is the intent of this zoning to support rural levels of commercial development which have a limited impact on surrounding uses and communities or cities and which do not use a public sewage disposal system. Development standards include fifteen foot front yard setbacks.

VALUATION UNIT 17 (Rural Commercial)

and five foot side yard setbacks There is no minimum lot size, except that sites must be large enough to accommodate septic systems A copy of the zoning ordinance is available online at. http://www.co.douglas.or.us/planning/Plan_docs/LUDO/Ch3_19c.pdf

Abutting Property Uses

The properties abutting the subject portions in this Valuation Unit are forest zoned parcels apparently used as private campsites. Details are provided in the following Valuation Unit summary chart and/or the prior Line Assessment table.

Appraisal Sections in Valuation Unit 17					
Appraisal Section	Mile Post Landmark	Most Likely Disposition Candidates & Associated Remarks	Assemblg. Probability	ROW Width & Length Est. (Feet)	Approx. Area (Acres)
143	716 41- 43 Cushman - No side of Siuslaw Rvr @ bridge Xng	Right side for expansion use by R.V living portion of marina Low demand for indus on left (owned by UPRR)	Med -High (Limtd River access)	100 Assumed x ±90	0.21
163	724 53- 67 Siltcoos Station Area	Subject bisects 1 85 Acre marina	Med -High	100 x ±755	1 73
175	727 18- 22 Ada	Subject bisects 1 56 Acre marina w/ campground	Med -High	100 x ±215	0 49
176	727 22- 33 Ada	Subject bisects 1 56 Acre marina w/ campground.	Med -High	100 x ±610	1 40
Total Area of Valuation Unit					3 83

Desirability to Abutters Summarized

The lands abutting this Valuation Unit are considered to have a strong desire for acquisition of the abutting subject areas. This is because they are somewhat small properties at or near maximum use capacity. In each case, the level areas of the subject are judged to be beneficial to the abutters, even with the SPTC encumbrances.

**VALUATION UNIT 17
(Rural Commercial)**

Base Value Analysis

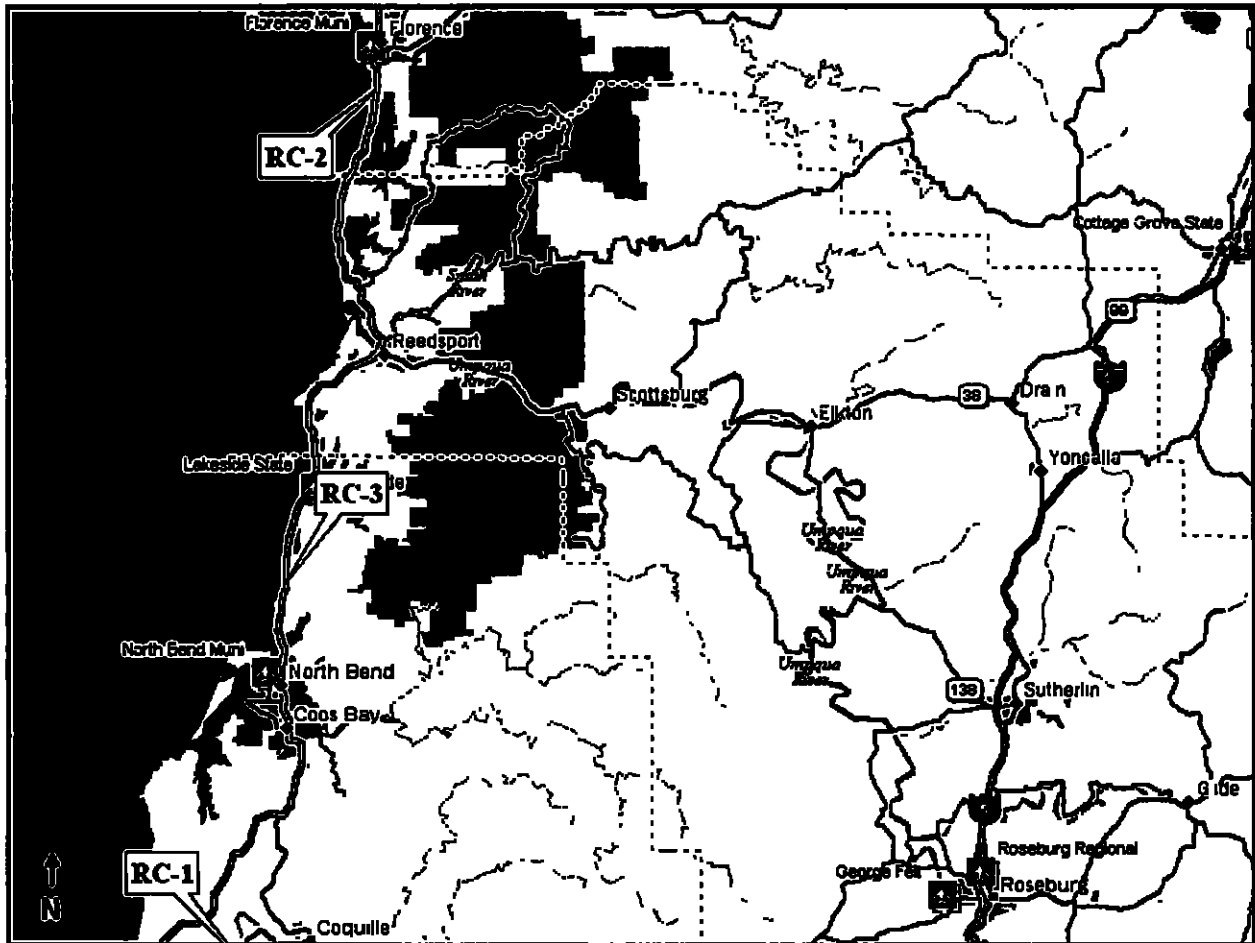
The following table summarizes the comparable market data found to be most relevant to establishing values associated with this Valuation Unit:

**RURAL COMMERCIAL ORIENTED PROPERTIES
SUMMARY OF COMPARABLE MARKET DATA**

COMP. NO.	PROPERTY LOCATION	PRICE DATE	SIZE ZONING	REMARKS
Sale RC-1	93981 Highway 42S, Coquille, Coos County, Oregon 28-13-8CA-1100 & 1200	\$75,000 12/2006	53,143 SF 1 22-Ac CREMP	Raw commercial site with river and highway frontage Elec available water and septic needed <u>Sale equates to \$75,000 or \$1 41/SF (\$61,475/Ac)</u>
Sale RC-2	85276 Highway 101, Florence, Lane County, Oregon 19-12-03-40-00100	\$66,000 5/2007	30,000 SF 0 69-Ac RC	Raw recreational commercial site Purchased by a user for development, there were no approvals at the time of sale Elec available, water and septic needed <u>Sale equates to \$66,000 or \$2 20/SF (\$95,652/Ac)</u>
Sale RC-3	68512 Highway 101, North Bend, Coos County, Oregon 24-13-11C-600	\$280,000 5/2006	106,286 SF 2 44-Ac C1	Commercial lot improved with a dry cabin of no more than \$1,000 value Elec and city water available, septic needed <u>Sale equates to \$279 000 or \$2 63/SF (\$114,344) after deducting improvement value</u>

**VALUATION UNIT 17
(Rural Commercial)**

Below is a sale location map, followed by pages with data sheets detailing the pertinent property and sale data for each of the comparables. For each comparable there is also a page with a parcel map and an aerial photo.



Sale Location Map

**VALUATION UNIT 17
(Rural Commercial)**

COMPARABLE RURAL COMMERCIAL ORIENTED PROPERTIES
SALE No. RC-1

Address/Location: 93981 Highway 42S, Coquille, Coos County, Oregon

Map/Parcel: 28-13-8CA 1100
&1200

Parcel No: 9079.00, 32339.00

Seller: Young

Buyer: Wright

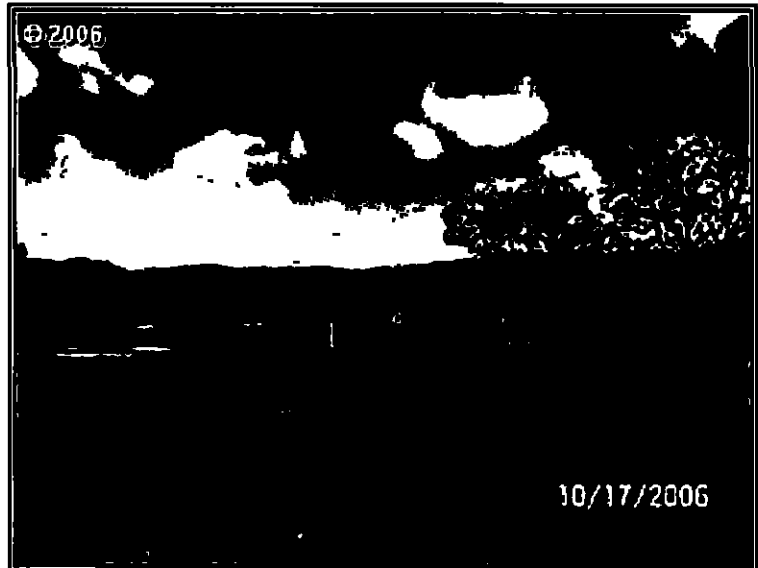
Sale Date: 12/6/2006

Document: 2006-16462

Price: \$75,000

Terms: Cash to Seller

Size: 1.22-Ac



Unit Price: \$1.41/SF (\$61,475/Ac.)

Verified: Teresa Hancock
Listing Broker/RMLS
Warranty Deed

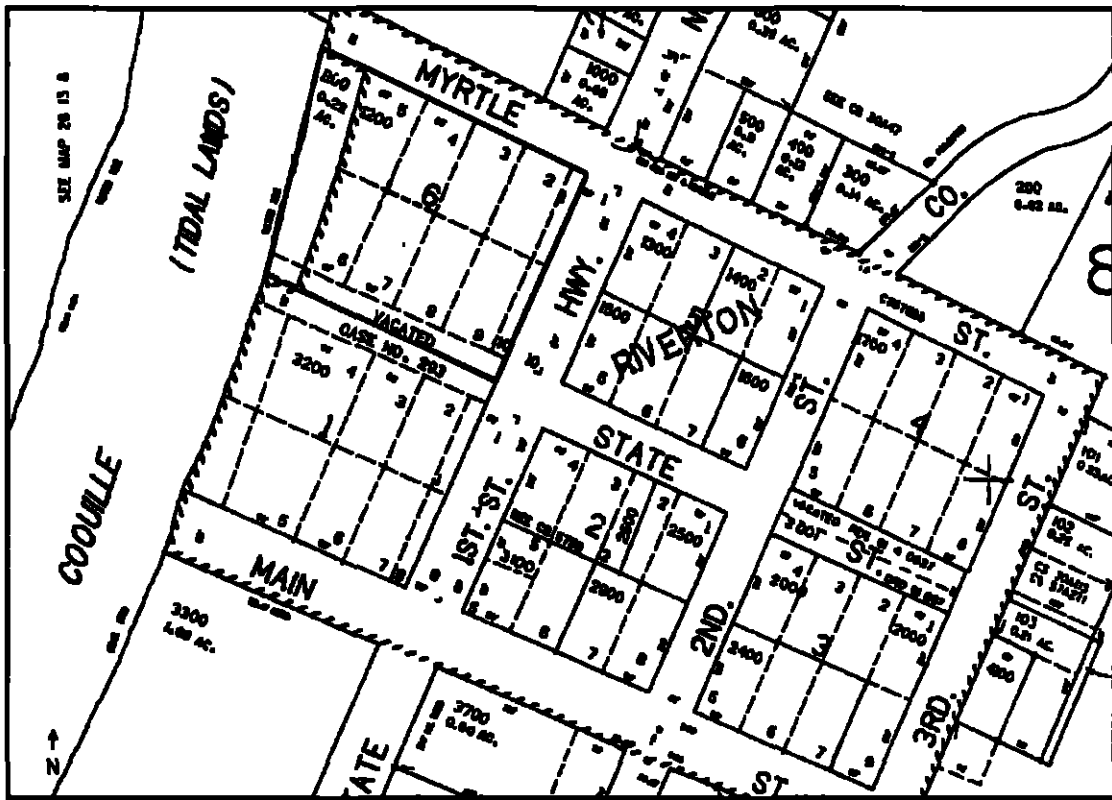
Zoning: CREMP, Commercial

Utilities: Power available, water and septic required

Other Site Description: This transaction represents the sale of a 1.22-acre rural commercial site comprised of two contiguous parcels. The site is located between Highway 42S and the Coquille River. The resulting site is rectangular in shape, level and has power available. The site was improved with a small shop of no value.

Remarks and Motives: The property was purchased for \$75,000 after being on the market for 45 days at \$269,000. Details of the transaction were not provided. The sales price equates to a unit value of \$1.41/SF (\$61,475/Ac.)

**VALUATION UNIT 17
(Rural Commercial)**



93981 Highway 42S, Coquille, Coos County, Oregon



**VALUATION UNIT 17
(Rural Commercial)**

COMPARABLE RURAL COMMERCIAL ORIENTED PROPERTIES
SALE No. RC-2

Address/Location: 85276 Highway 101, Florence, Lane County, Oregon

Map/Parcel: 19-12-03-40 00100

Parcel No: 0859858

Seller: Barmore/Salas

Buyer: Myrick

Sale Date: 5/21/2007

Document: Not Available

Price: \$66,000

Terms: Cash to Seller

Size: 0.69-Ac.

Unit Price: \$2 20/SF
(\$95,652/Ac.)



Verified: Chris Dregney
Listing Broker
541 997 8877

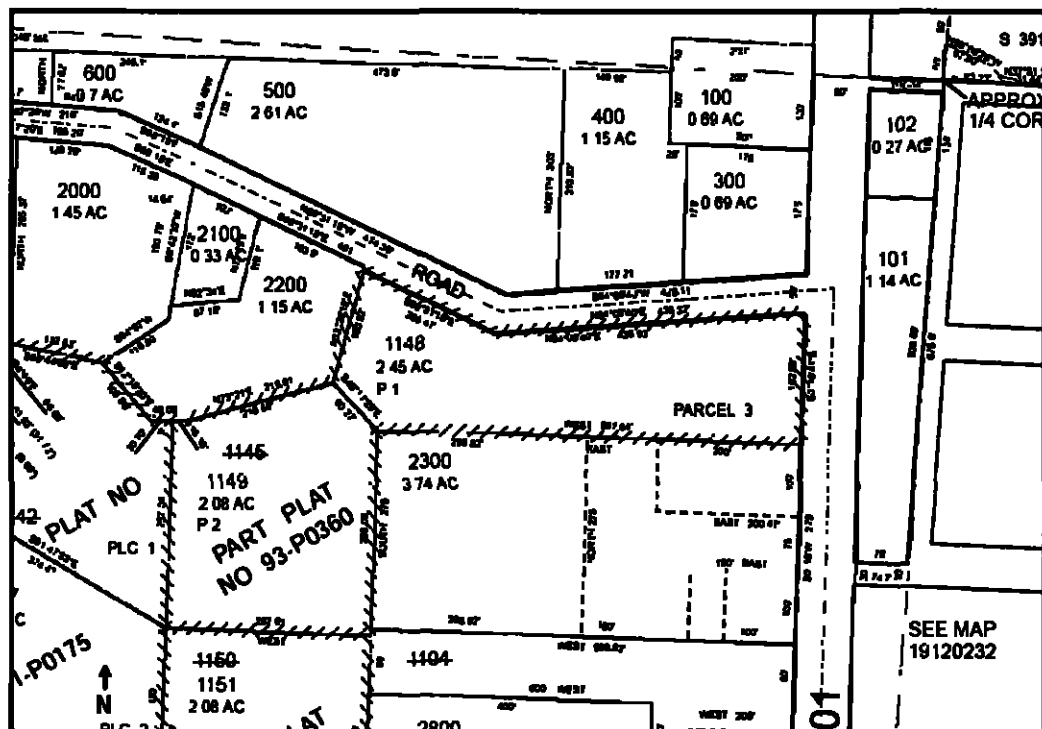
Zoning: RC, Rural Commercial

Utilities: Power available, well water and septic required

Other Site Description: This transaction represents the sale of a 0.69-acre rural commercial site located along Highway 101. The site is rectangular in shape, level and has power available; well and septic are required for development.

Remarks and Motives: This transaction represents a user purchase for \$66,000 after being on the market for 424 days at \$80,000. The transaction was reported market in all respects. The sales price equates to a unit value of \$2 20/SF (\$95,652/Ac).

**VALUATION UNIT 17
(Rural Commercial)**



85276 Highway 101, Florence, Lane County, Oregon



**VALUATION UNIT 17
(Rural Commercial)**

COMPARABLE RURAL COMMERCIAL ORIENTED PROPERTIES
SALE No. RC-3

Address/Location: 68512 Highway 101, North Bend, Coos County, Oregon

Map/Parcel: 24-13-11C 600

Parcel No: 1652 00

Seller: Pacific Coast Rec., Inc.

Buyer: Not Disclosed (Contract)

Sale Date: 5/4/2006

Document: N/Ap

Price: \$280,000

Terms: Owner Contract

Size: 2.44-Acres

Unit Price: \$2.63/SF (\$114,344/Ac.)



Verified: Stephen Garret, Listing Broker, (541) 396.6654

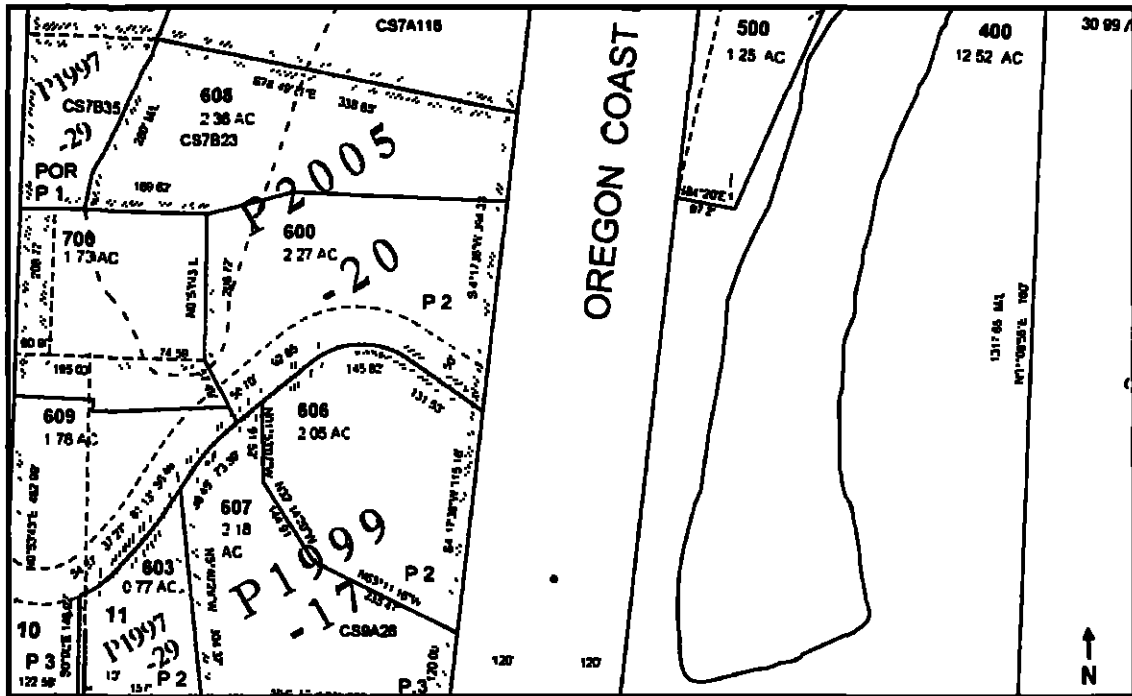
Zoning: C1; Commercial

Utilities: Power and city water available to the site, septic required

Other Site Description: This transaction involved a commercially zoned property that was improved with a dry cabin (simple structure without plumbing) and had good dune access. The site consisted of level sand and was irregular in shape. The north end of the site fronts on a small lake with very limited recreation opportunities. Along the south boundary is a 50-foot-wide road easement called Hauser Drive. The 2.44 acre size reported by the listing agent has been relied over the County Assessor map (2.27 ac.) because it is reportedly based on a recent survey.

Remarks and Motives: The property sold for \$280,000 after being available on the market for 263 days at \$305,000. The property was purchased for recreation use and via a sale contract; the contract terms were not disclosed but were not significant relative to sale price. The listing agent also stated that the dry cabin contributed value from approximately \$500 to \$1,000. After deducting the value of the dry cabin (\$1,000), the sales price equates to \$279,000 and a unit value of \$2 63/SF (\$114,344/Ac)

**VALUATION UNIT 17
(Rural Commercial)**



68512 Highway 101, North Bend, Coos County, Oregon



VALUATION UNIT 17 (Rural Commercial)

The three comparables occurred within the past two years and establish a price range from \$1.41 to 2.62 per square foot (SF). As expected, the low end of the range is set by the first sale with its location on the least traveled highway. Its location is most similar to the Siltcoos Lake sections and its larger size supports a higher value conclusion relative to the subject.

The high end is set by the property with simple cabin shelter and city water available. Its large size and different zoning designation also warrant its least reliance upon in the analysis. Sale 2 has size and location most comparable to the properties abutting this Valuation Unit.

An ATF value of \$2.25 per square foot (\$98,000 per acre, rounded) is best for association with this unit. Again a 50% discount is deemed reasonable to reflect the SPTC encumbrances and therefore a value of \$49,000 per acre is used going forth in the valuation analysis of this unit.

Base Value Conclusion(s)

Valuation Unit	Total Area Before Title Defects	Estimated Value per Acre	Total Estimated Value Before Title Defects
17	3.83	\$49,000	\$187,670

Title Defects

The following table summarizes the title defects known to exist and remaining to be reflected in the analysis:

Valuation Unit 17 Title Defects (Known & Remaining to be Addressed)						
Appraisal Section	Comments	Estimated Width	Dimensions Length	Est. Area (Acres)	Est. \$/Acre	Est. Value Adjustment
N/A	No Relevant Title Defects Known					\$0
Total Value Adjustment for Title Defects						\$0

**VALUATION UNIT 17
(Rural Commercial)**

Adjusted Base Value Conclusion

Valuation Unit 17 Adjusted Base Value Conclusion	
Base Value Estimate	\$187,670
Less: Adjustment for Remaining Title Defects	<u>\$0</u>
Equals: Adjusted Base Value Estimate	\$187,670

Net Present Valuation Calculation

The following table summarizes the net present value analysis of the Valuation Unit. Reference is made to the previous analysis discussions that established the basis of the reflected estimates.

PRESENT VALUE CALCULATION VU 17 (RURAL COMMERCIAL)	
INPUTS/ASSUMPTIONS	
Estimated Adjusted Base Value (ABV)	\$187,670
Taxes	0.6% of Value
Insurance (Pro-Rata Allocation)	0.4% of Value
Selling Costs	10.0% of Sales
Entrepreneurial	15.0% of Sales
Disposition (Sell-Off) Period	1 Years
Discount Rate	10.0%
Period (Year)	1
Starting ABV for Projected Period Disp	\$187,670
Gross Period Disposition (Sales)	<u>\$187,670</u>
Ending ABV for Projected Period Disp	\$0
Disposition & Holding Costs	
Selling Costs	-\$18,767
Escrow Fees	-\$3,003
Legal Fees	-\$3,753
Profit	-\$28,151
Taxes	-\$1,126
Insurance	<u>-\$751</u>
Total Disposition & Holding Costs	<u>-\$55,550</u>
Net Disposition (Sale) Proceeds	<u>\$132,120</u>
PV of Projected Net Sale Proceeds	<u>\$120,109</u>

Estimated Net Present Value \$120,109

Final Value Conclusion of Valuation Unit - \$120,109

VALUATION CONCLUSION

FINAL VALUE CONCLUSION SUMMARY

The following table lists the market value conclusions reached for the individual Valuation Units comprising the subject property:

Summary of Value Conclusions		
Valuation Unit Identification	General Description of Valuation Unit	Value Conclusions
1	No Value	\$0
2	Nominal Values	\$0
3	Forest Nominal	\$0
4	Forest Desirable	\$11,599
5	Unique Forest	\$6,892
6	Farm Land	\$15,603
7	Rural Res. In Lane Co.	\$202,232
8	City of Veneta	\$0
9	Siltcoos Sta. Residential	\$17,233
10	Reedsport Rural Res.	\$32,947
11	Rural Res. In Coos Co.	\$27,237
12	Water Residential	\$35,107
13	Eugene Industrial	\$87,552
14	Rural Indus.	\$153,088
15	Reedsport Industrial	\$200,133
16	City of Lakeside	\$0
17	Rural Commercial	<u>\$120,109</u>
Total		\$909,734
	Rounded to	\$910,000

VALUATION CONCLUSION

Certification of Appraisal

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

- The statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limited conditions and are my personal, impartial and unbiased professional analysis, opinions, and conclusions (unless stated otherwise).
- I have no present or prospective interest in the real estate that is the subject of this appraisal report and I have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this appraisal 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 intended use of this appraisal.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, which include the Uniform Standards of Professional Appraisal Practice.
- I have conducted an onsite inspection of the subject property (to the extent possible – see limiting conditions).
- Steven M. Beaman, CCIM is a licensed appraiser that provided significant assistance to the undersigned including analysis of the subject property, comparable analysis and value opinion conclusions. Otherwise, no one but the undersigned prepared the analysis, conclusions, and opinions set forth in this appraisal report.
- As a result of my investigation and appraisal, it is my opinion that as of April 18, 2008, the Subject Property, as qualified throughout the appraisal report, has a market value of \$910,000.



Jay J. DeVoe, MAI, SRWA

June 30, 2008
Date

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

The legal description furnished me, if any, is assumed to be correct. I assume no responsibility for matters legal in character, nor do I render any opinion as to title, which is assumed to be marketable. Unless stated otherwise, all existing liens, encumbrances, and assessments have been disregarded, and the property is appraised as though free and clear, under responsible ownership and competent management. Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing on the subject property.

The exhibits in this report are included to assist the reader in visualizing the property. I have made no survey of the property and assume no responsibility in connection with such matters

The appraiser assumes no responsibility for determining if the property requires environmental approval by the appropriate governing agencies or if it is in violation thereof, unless otherwise noted herein.

Information, estimates, and opinions contained in this report are obtained from sources considered reliable; however, no liability for them can be assumed by the appraiser.

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of the appraiser for the use of the client, the fee being for the analytical services only. This appraisal report has been prepared exclusively for the client identified in the appraisal report, pursuant to their authority, and it may not be used or relied upon by anyone other than the client, for any purpose whatsoever, without the express written consent of the appraiser

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent or approval of the author. This applies particularly to value conclusions, to the identity of the appraiser or firm with which he is connected, and to any reference of affiliated organizations.

The appraiser may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore

The statements of value and all conclusions shall apply as of the dates shown herein. The description of the total valuation in this report, and any allocation between land and improvement values applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used

The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures that would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering that might be required to discover such factors.

The appraiser has no present or contemplated future interest in the property that is not specifically disclosed in this report.

All major improvements on the land under appraisal appear to be structurally sound, unless otherwise noted within the body of the appraisal. However, your appraiser is

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

not an engineer and has not been instructed to secure a qualified engineer's certification of the structural soundness of the said improvements or functional utility of major appliances or mechanical units. I, therefore, accept no legal responsibility for structural or mechanical failures that would not be reasonably obvious in the scope of an appraiser's normal inspection of the specified improvements, or to a prudent purchaser.

The liability of J J. DeVoe & Associates (and employees) is limited to the client only and to the fee actually received by the appraiser. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships, syndication offerings or stock offerings in real estate, the client agrees that, in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements or any type in such suit, regardless of outcome, client will hold appraiser completely harmless in any such action.

In this appraisal assignment the appraiser did not observe and has no knowledge as to the existence of potentially hazardous material used in the construction or maintenance of the buildings, unless otherwise noted in the appraisal. Examples include the presence of UREA/formaldehyde foam insulation, and/or the existence of toxic waste, which may or may not be present on the property. The appraiser, however, is not qualified to detect such substances. The existence of UREA/formaldehyde insulation or other potentially hazardous waste material may have an effect on the value of the property. The client is urged to retain an expert in this field if desired.

If an existing property, the observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service, appliances and all mechanical and construction is based upon a casual inspection only, no detailed inspection was made. Conditions behind walls, above ceilings, behind locked doors, or under the ground are not exposed to casual view and, therefore, were not inspected. Any reference to insulation was based upon conversations with others and/or circumstantial evidence. The appraiser does not have the expertise necessary to determine adverse conditions relative to exterior walls, floors, heating or air-conditioning systems, plumbing, electrical service, insulation, appliances, or any other construction/systemic matters.

All persons reviewing, utilizing, or relying on this report in any manner bind themselves to accept these and all attached restrictions, certifications, assumptions and limiting conditions. Do not use this report if you do not so accept. These conditions are a part of the appraisal report, they are a preface to any certification, definition, fact or analysis, and are intended to establish as a matter of record that the appraiser's function is to provide a present market value indication for the subject property based on the appraiser's observations. This appraisal report is an economic study to estimate market value as defined. An appraisal is not an engineering report, survey, or legal opinion, and expertise in these areas, among others, is not implied.

Notarized Verified Statement

Verification upon Oath

I, Jay DeVoe, verify under penalty of perjury that I am the same Jay DeVoe whose statement of qualifications appears in the Appendix of Oregon International Port of Coos Bay (OIPCB) Verified Statement in this proceeding; that I am responsible for the portion of OIPCB's Evidence in this proceeding related to the real estate land appraisal of the Central Oregon & Pacific Railroad; that I know the contents thereof; and that the same are true and correct. Further, I certify that I am qualified and authorized to file this statement.



Jay DeVoe, MAI, SR/WA

State of Oregon

County of Washington

Signed and sworn to before me on this 30th day of June, 2008.



Notary Public – State of Oregon

