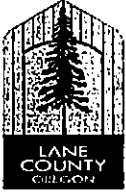


W. 17. C.



**Lane County**

LAND MANAGEMENT DIVISION  
125 EAST 8<sup>TH</sup> AVENUE  
EUGENE, OREGON 97401  
PHONE: 541-682-3823  
FAX: 541-682-3947

**AGENDA COVER MEMO**

**MEMO DATE:** March 27, 2006

**AGENDA DATE:** April 5, 2006

**TO:** BOARD OF COUNTY COMMISSIONERS

**FROM:** BILL VANVACTOR, COUNTY ADMINISTRATOR  
KENT HOWE, PLANNING DIRECTOR

**RE:** In the Matter of Considering a Ballot Measure 37 Claim and Deciding Whether to Modify, Remove or Not Apply Restrictive Land Use Regulations in Lieu of Providing Just Compensation (PA 05-6305, Nail )

**I. MOTION**

If the applicant submits evidence at the hearing that demonstrates the Maxine Nail Revocable Trust is a revocable trust and Maxine Nail is a trustee, then move to approve the Measure 37 Claim and adopt the order attached as Exhibit "A".

**II. ISSUE OR PROBLEM**

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

**III. DISCUSSION**

**A. Background**

**Applicant:** Maxine and Eugene Nail

**Current Owner:** F. Eugene Nail Revocable Trust and Maxine E. Nail Revocable Trust

**Agent:** Norm Waterbury

**Legal Description of Property:** 15-05-30 #304

**Acreage:** 18 acres

**Current Zoning:** E40 (Exclusive Farm Use)

**Date Property Acquired:** May 18, 1971.

**Date claim submitted:** September 6, 2005 (180<sup>th</sup> day is March 6, 2006)

**Land Use Regulations in Effect at Date of Acquisition:** None

**County land use regulation which restricts the use and reduces the fair market value of claimant's property: LC 16.212 E40 (Exclusive Farm Use)**

**B. Specific Relief Sought:**

On September 6, 2005, Norm Waterbury submitted a Measure 37 Claim on behalf of Maxine and Eugene Nail. The applicant has requested compensation, or a waiver of the E40 (Exclusive Farm Use) zone regulations that prohibit the division of the property into 5 lots ranging in size from two to six acres, and development of a single family dwelling on each lot.

**C. Lane Code Submittal Requirements**

The applicant has paid the processing fee and submitted evidence in support of this claim. The evidence includes an appraisal, a deed dated May 24, 1910, and two Bargain and Sale Deeds dated May 18, 1971, and May 21, 1982.

**D. Analysis**

Maxine Nail acquired an interest in the property on May 18, 1971, as evidenced by Bargain and Sale Deed #47712. Eugene Nail acquired an interest in the property on December 21, 2000, as evidenced by Warranty Deed #72068. On November 9, 2004, an undivided ½ interest was conveyed to the Maxine E Nail Revocable Trust and an undivided ½ interest was conveyed to the Francis Eugene Nail Revocable Living Trust. The applicant has not submitted any information regarding the Trusts. This information was requested as evidenced by the letter dated January 17, 2006. Based on the names of the trusts, it appears both are revocable trusts.

It appears the property is held by two separate trust ownerships. One is the Maxine trust and the other is the Eugene trust. If Maxine Nail is the trustee of both trusts, it appears her claim is valid. However, even if Eugene Nail is the trustee of the trusts, it does not appear waiver as to his claim is of any benefit because Eugene did not acquire an interest in the property until December 21, 2000. On that date, the property was zoned E40 and the property is still zoned E40. No evidence has been presented that any land use regulations have been enacted or enforced after December 21, 2000, that have reduced the fair market value. Because of this, only the waiver claim by Maxine is valid. The attached order is written to waive the restrictions of the E40 zone to allow Maxine Nail to develop the property as could have been allowed in 1971.

The applicant requested additional time to submit information regarding this claim but has not submitted a timeline waiver. Due to the lack of hearing dates in March, this claim was scheduled for April 5, which is past the 180 day deadline.

To have a valid claim against Lane County under Measure 37 and LC 2.700 through 2.770, the applicant must prove:

1. Lane County has enacted or enforced a restrictive land use regulation since the owner acquired the property, and
2. The restrictive land use regulation has the effect of reducing the fair market value of the property, and

3. The restrictive land use regulation is not an exempt regulation as defined in LC 2.710.

### **Restrictive Land Use Regulations**

Maxine Nail acquired the property on May 18, 1971. The property was transferred to the Maxine E. Nail Revocable Living Trust on November 9, 2004. If the applicant submits evidence demonstrating the trust is revocable and Maxine Nail is the trustee, she will have shown an ongoing interest in the property since 1971. At that time, the property was unzoned. Currently, the property is zoned E40 (Exclusive Farm Use), the minimum lot size is 40 acres, and a dwelling is only allowed with a special use permit.

It should be noted that the agent, Mr. Waterbury, has submitted deeds showing the same family has owned the property since 1910. This is only relevant if the Board chooses compensation, rather than a waiver of the land use regulations. Mr. Waterbury has confused the date of acquisition for the purposes of compensation, with the date of acquisition for the purposes of waiving the land use regulations. The Board has the authority to waive the land use regulations that have been enacted since the current owner acquired the property. That date is May 18, 1971. If the Board decides to compensate the family, the date of acquisition is when the family acquired the property. That date is May 24, 1910. Because no funds have been allocated for compensation of any Measure 37 claim, this report assumes the Board will waive the current land use regulations if this claim is determined to be valid.

### **Reduction in Fair Market Value**

The applicant has submitted an appraisal by a certified real estate appraiser. The applicant wishes to create five lots ranging in size from 2 to 6 acres and place a dwelling on each lot. This is not allowed by the current E40 zoning. According to the appraisal, this has caused a reduction of \$560,000 in fair market value. The appraisal does not show a specific reduction of value from a land use regulation. It simply states that if the property was divided into multiple lots, the value of all the lots would be a certain amount. The appraisal assumes the ability to divide a property will always increase the fair market value. It also assumes any restriction to that ability will reduce the fair market value. The appraisal does indicate whether development costs have been taken into account.

Despite this, Maxine Nail acquired an interest in the property when it was unzoned and the evidence shows that there is some reduction in fair market value. Additional information is only needed if the Board wishes to limit the amount of development to reflect the reduction in fair market value. As written, the order waives all land use regulations that are not exempt from Ballot Measure 37.

### **Exempt Regulations**

The E40 (Exclusive Farm Use) minimum parcel size and the requirement for a special use permit for a dwelling do not appear to be exempt regulations described in Measure 37 or LC 2.710.

### **E. Conclusion/County Administrator Recommendation**

If evidence is provided at the hearing that demonstrates the Maxine E. Nail and F. Eugene Nail Trusts are revocable and Maxine Nail is a trustee of both, the County Administrator recommends the Board waive the restrictive land use regulations of the E40 (Exclusive Farm

Use) zone that prevent Maxine Nail from developing the property as might have been allowed when she acquired the property.

#### **IV. ALTERNATIVES/OPTIONS**

The Board has three options:

1. Determine the application appears valid and direct staff to draft an order to that effect for final Board action.
2. Require more information regarding the Trust.
3. Conclude the application is not a valid claim and direct the issuance of a final written decision by the County Administrator denying the Claim.

#### **V. RECOMMENDATION**

If evidence is provided at the hearing that demonstrates the Maxine E. Nail Trust is revocable and Maxine Nail is a trustee, the County Administrator recommends the Board waive the restrictive land use regulations of the E40 (Exclusive Farm Use) zone that prevent Maxine Nail from developing the property as could have been allowed when she acquired the property in 1971.

#### **VI. ATTACHMENTS**

Order to approve the Measure 37 claim submitted by Maxine Nail.

Written claim and application dated September 6, 2005.

Letter from Jon Hartwell dated March 23, 2006.

Letter from Patricia and Donald Buechler dated March 26, 2006.

Letter from Teresa L. Maritz received March 28, 2006.

**BEFORE THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY,  
OREGON**

**ORDER No.** ) IN THE MATTER OF CONSIDERING A BALLOT  
                  ) MEASURE 37 CLAIM AND DECIDING  
                  ) WHETHER TO MODIFY, REMOVE OR NOT  
                  ) APPLY RESTRICTIVE LAND USE  
                  ) REGULATIONS IN LIEU OF PROVIDING JUST  
                  ) COMPENSATION (Maxine E. Nail PA05-6305)

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

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

**WHEREAS**, the County Administrator has reviewed an application for a Measure 37 claim submitted by Maxine E. and Eugene Nail (PA05-6305), the owners of real property located at 95183 Turnbow Lane and more specifically described in the records of the Lane County Assessor as map 15-05-30, tax lot 304, consisting of approximately 19 acres in Lane County, Oregon; and

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

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

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

**WHEREAS**, on March 29, 2006, the Board conducted a public hearing on Maxine E. and Eugene Nail's Measure 37 claim (PA05-6305) and has now determined that the restrictive E40 (Exclusive Farm Use) minimum lot and parcel size requirements of LC 16.212 were enforced and made applicable to prevent Maxine E. Nail from developing the property as could have been allowed when she acquired the property on May 18, 1971, and that the public benefit from application of the current E40 (Exclusive Farm Use) land use regulations to the her property is outweighed by the public burden of paying just compensation; and

**WHEREAS**, Maxine E. Nail requests either \$560,000 as compensation for the reduction in value of her property or waiver of all land use regulations that would restrict division of land into lots or parcels as small as two acres, which could have otherwise been allowed at the time she acquired the property; and

**WHEREAS**, the Board finds that under LC 2.760(3) the public interest would be better served by modifying, removing or not applying the challenged land use regulations of the E40 (Exclusive Farm Use) zone to the subject property in the manner and for the reasons stated in the report and recommendation of the County Administrator incorporated here by this reference except as explicitly revised here to reflect Board deliberation and action to allow Maxine E. Nail to make application for development of the subject property in a manner similar to what she could have been able to do under the regulations in effect when she acquired the property; and

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

**NOW, THEREFORE IT IS HEREBY ORDERED** that the applicant Maxine E. Nail made a valid claim under Ballot Measure 37 by describing the use being sought, identifying the county land use regulations prohibiting that use, submitting evidence that those land use regulations have the effect of reducing the value of the property, showing evidence that she acquired the property before the restrictive county land use regulations were enacted or enforced and the Board hereby elects not to pay just compensation but in lieu of payment, Maxine E. Nail's request shall be granted and the restrictive provisions of LC 16.212 that limit placement of dwellings and require a minimum size of forty acres for new lots and parcels in the E40 (Exclusive Farm Use) zone shall not apply to Maxine E. Nail, so that she can make application for approval to develop the property at 95183 Turnbow Lane, commonly known as Lane County Assessor map 15-05-30, tax lot 304, in a manner consistent with the land use regulations in effect when she acquired an interest in the property on May 18, 1971.

**IT IS HEREBY FURTHER ORDERED** that Maxine E. Nail will need to make application and receive approval for any division or dwelling placement under the other land use regulations applicable to dividing or placing dwellings on the property in the E40 (Exclusive Farm Use) zone that were not specifically identified or established by Maxine E. Nail as restricting the use of the property and it would be premature to not apply those regulations given the available evidence. To the extent necessary to effectuate the Board action to not apply the division or dwelling restrictions of the applicable zone described above, the claimant shall submit appropriate applications for review and approval of any land division or dwelling placement to show the specific development proposal and in the event additional county land use regulations result in a restriction of those uses that has the effect of reducing the fair market value of the property, the County Administrator shall have the authority to determine those restrictive county land use regulations that will not apply to that development proposal to preclude entitlement to just compensation under Measure 37. All other Lane Code land use and development regulations shall remain applicable to the subject property until such time as they are shown to be restrictive and that those restrictions reduce the fair market value of the subject property.

**IT IS HEREBY FURTHER ORDERED** that this action making certain Lane Code provisions inapplicable to Maxine E. Nail's use of the property does not constitute a waiver or modification

of state land use regulations and does not authorize immediate division of the land or immediate construction of a dwelling. The requirements of state law may contain specific standards regulating development of the subject property and the applicants should contact the Department of Administrative Services (DAS - State Services Division, Risk Management -Measure 37 Unit, 1225 Ferry Street SE, U160, Salem, OR 97301-4292; Telephone: (503) 373-7475; website address: <http://www.oregon.gov/DAS/Risk/M37.shtml> ) and have the State of Oregon evaluate a Measure 37 claim and provide evidence of final state action before seeking county land use approval.

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

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Bill Dwyer, Chair  
Lane County Board of County Commissioners

APPROVED AS TO FORM

Date 3-28-2006 Lane County

\_\_\_\_\_  
OFFICE OF LEGAL COUNSEL

### Application for Claims Under LC 2.700 through 2.770

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

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

#### 1. Applicant/ Agent

97448

Maxine & Eugene Nail      95183 Turnbow La J.C. OR      998-3693  
 Applicant Name (Please Print)      Mailing Address      Phone

Norm Waterbury      28788 Gimpl Hill Rd Eug OR 97402      510-3501  
 Agent Name (Please Print)      Mailing Address      Phone

#### 2. Property Owner

Please provide the Name, Mailing Address and telephone number of all property owners of record holding interest in the property that is the subject of this application. Include a complete listing of all lien holders, trustees, renters, lessees or anyone with an interest in the property and describe the ownership interest.

F. Eugene Nail Revocable Trust      95183 Turnbow La Junction City OR      998-3693  
 Property Owner Name (Please Print)      Mailing Address      Phone

97448

Property Owner Name (Please Print)      Mailing Address      Phone

#### 3. Legal Description

Please provide an accurate legal description, tax account number(s), map, street address and location of all private real properties that are the subject of this application.

Assessor Map & Tax Lot 15-05-30-0000-304

Street Address 95183 Turnbow La. Junction City OR      Legal Description Attached  A

97448

#### 4. Identification of Imposed Land Use Regulation

Please identify the Lane Code section or other land use regulation imposed on the private real property that is alleged to restrict the use of the subject property in a manner that reduces the fair market value. Include the date the regulation was first adopted, enforced or applied to the subject property and a written statement addressing all the criteria in LC 2.740(1).

See Exhibits B

#### 5. Title Report

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

See ownership history Exhibits C



**6. Appraisal/Regulatory Effect**

Please provide one original, signed appraisal prepared by an appraiser licensed by the Appraiser Certification and Licensure Board of the State of Oregon addressing the requirements of provisions added to ORS Chapter 197 by Ballot Measure 37 (November 2, 2004) and indicating the amount of the alleged reduction in fair market value by showing the difference in the fair market value of the property before and after the application of the challenged regulations as of the date the owner makes written demand for compensation. Include all of the supporting methodology, assumptions and calculations affecting the appraisal.

Appraisal Exhibit D

Regulatory Effect Exhibit E

**7. Leases, Covenants, Conditions and Restrictions**

Please provide copies of any leases or covenants, conditions and restrictions applicable to the subject property.

None other than required under specific restrictions regarding porno/lewd dancing in the text of M-37

**8. Identification of Relief Sought**

Please specifically indicate what relief is being sought, either a monetary value of the claim describing the reduction in fair market value of the property or the specific use authorization sought in any waiver of the land use regulation.

Exhibit F

I (we) have completed all of the attached application requirements and certify that all statements are true and accurate to the best of my (our) knowledge and belief. I am (We are) authorized to submit this application on behalf of all those with an interest in the property and all the owner(s) agree to this claim as evidenced by the signature of those owner(s) below. Include additional signatures, as necessary.

Entry by County or its designee upon the subject property is authorized by the owner(s) and the owner(s) consent to the application for claims under provisions added to ORS Chapter 197 by Ballot Measure 37 (November 2, 2004).

F. Eugene Nail

Margie E. Nail  
Owner(s) Signature

7-15-05  
Date

\_\_\_\_\_  
Applicant/Agent Signature

\_\_\_\_\_  
Date

The following contacts are provided to assist you in finding the necessary information for this application.

For zoning and land use information, please contact the Land Management Division at 682-3577.

*This phone contact is a message line. Please leave a message and a Planner will return your call.*

For deeds and records information, please contact Lane County Deeds and Records at 682-3654.

## **Application**

**Applicant:** Maxine & Eugene Nail

**Property Owner:** Maxine and Eugene Nail

**Property Location:** 95183 Turnbow Lane  
Junction City, OR 97448

**Assessors Map:** Map 15-05-30-0000-Tax lot 304

**Current zoning:** EFU 40

**Agent:** Norman Waterbury  
28788 Gimpl Hill Rd.  
Eugene, OR 97402  
Phone 485-8081 Cell 510-3501

Norman Waterbury  
28788 Gimpl Hill Rd.  
Eugene, OR 97402

8/18/05

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

Please review the enclosed application for a claim under LC 2.7 to 2.77, (measure 37).

Materials provided are as follows with the exhibit numbers matching the measure 37 claim form format:

1. Application form.
2. Property owner
3. Legal Description
4. Land use regulations as per LC2.740(1)
5. Deed to subject property
6. Appraisal of subject property
7. Leases Covenants, Conditions and Restrictions
8. Relief Sought

Norman Waterbury

Phone Cell 541-510-3501 or office 485-8081

## Exhibit B

### Identification of imposed Regulation

Beginning with Statewide Planning Goals and guidelines, specifically Goal (3), Agricultural Land which restricts uses and parcel sizes on agricultural land.

ORS statutes 215.203, 215.243, 197.175 through 175.250 and 215.243 through 215.700

Lane Codes including LC 16.212 (2) – (7) which restrict residential uses of the property and requires minimum lot sizes on EFU Lands. Lane Code 16.212 (9 and (10) also restricts lot sizes for EFU lands.

Further restrictions in Lane Code that have a bearing on the value of the subject property are LC 10.100-10, 30 and 40, LC 13.050 (1), (2), (5) and 12. LC 15.137.045 (1), 15.070, 15.080, 15.137 and 15.138

The original purchase date of the subject property (1910) was earlier than the date of implementation of any of the above regulations.

## Exhibit C

### Chronology of ownership:

The subject property as shown in a deed Vol. 80, page 270 Lane County Deeds and Records, was originally purchased by E.G. Buchanan in 1910, Maxine Nail's grandfather. The property was latter transferred to Thomas C. Buchanan in 1939, Maxine's parents, also evidenced by a deed.

Maxine married and became Maxine Lee.

On May 18, 1971 Maxine Ellen Lee obtained the subject property from her parents as documented in file 47712 Lane County Deeds and Records.

On May 21 1982 the property was split in a divorce settlement and the western half of the property was conveyed to Maxine Lee as documented in file 8218120, 8218121 and 8218122 Lane County Deeds and records.

Maxine Lee latter remarried and became Maxine E. Nail.

On December 21, 2000 The subject property was transferred to joint ownership with Eugene Nail, her husband as exhibited.

Exhibits C

OFFICIAL RECORD OF DESCRIPTIONS OF REAL PROPERTIES

OFFICE OF COUNTY ASSESSOR LANE COUNTY, OREGON

201 390 424

201 390 432

ACCOUNT NUMBER

TAX LOT		SECTION	TOWNSHIP	RANGE	ACRES REMAINING
MAP NO.	PARCEL NO.				
15-05-30	304		9		
INDENT EACH NEW COURSE TO THIS POINT	LEGAL DESCRIPTION	DEED RECORD		ACRES REMAINING	
		DATE OF ENTRY	DEED NUMBER		
	The West half of the North half of the following described parcel of land; Beginning at the Northwest corner of the East half of the Northwest 1/4 of Sec. 30 in Twp. 15 S., R. 5 W., of the W.M.; run thence S. 0° 14' E. parallel with the West line of said Sec. 30 a distance of 39.53 chains to the South line of the North half of said Sec.; thence on said line S. 89° 13' E. 20.03 chains more or less to the center of sec. 30; thence 0° 14' W. 39.53 chains more or less to the 1/4 Sec. corner on the line between Sec. 19 and 30; thence N. 89° 50' W. 20.03 chains to the point of beginning, in Lane County, Oregon.	1983 <i>2000 wd</i> <i>2004 wd</i>	R1198/8218 <i>72068</i> <i>2004-087798</i>	20	
	Containing more or less			18.93	

FOR ASSESSMENT AND TAXATION PURPOSES ONLY

After recording return to:  
Lee D. Kersten  
260 Country Club Road, Suite 210  
Eugene, OR 97401

Send Tax Statements to:  
F. Eugene & Maxine E. Nail, Trustees  
95183 Turnbow Lane  
Junction City, OR 97448

Division of Chief Deputy Clerk  
Lane County Deeds and Records

2004-087798

\$31.00



11/16/2004 11:11:21 AM

RPR-DEED Cntsl Sines CASHIER 07  
\$10.00 \$11.00 \$10.00

WARRANTY DEED

F. Eugene Nail and Maxine E. Nail, Grantors, convey and warrant an undivided one-half interest as tenant in common to Francis Eugene Nail and Maxine Ellen Nail, or their successor(s) in interest, as Trustees of the F. Eugene Nail Revocable Living Trust, (a revocable grantor-type trust without set expiration date) dated November 9, 2004, and an undivided one-half interest as tenant in common to Maxine Ellen Nail and Francis Eugene Nail, or their successor(s) in interest, as Trustees of the Maxine E. Nail Revocable Living Trust, (a revocable grantor-type trust without set expiration date) dated November 9, 2004, Grantee, the following-described real property:

See Exhibit "A" attached hereto and by this reference incorporated herein as if set out in full.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$0.00. However, the actual consideration consists of or includes other property or value given or promised which is the whole consideration.

The property is free from all encumbrances except (a) Zoning ordinances, building and use restrictions, easements, covenants, conditions, and restrictions of record; (b) Conditions and restrictions apparent from a visual inspection of the Property and restrictions and regulations discoverable in the public records of any governmental agency; (c) All liens and encumbrances of which Buyer has actual notice prior to receiving title; and (d) Liens and encumbrances of record.

In construing this deed and where the context so requires, the singular includes the plural.

Grantor/Grantee certifies that said Trust is a revocable grantor-type trust under the terms of which the Grantor/Grantee continues to have authority to use, possess, and dispose of the subject property to the same degree as was had prior to this conveyance during the entirety of the life of Grantor/Grantee.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

Dated: 11-9, 2004.

Grantor:

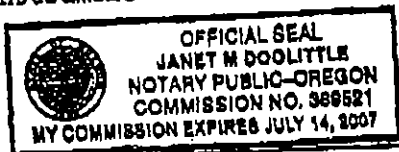
F Eugene Nail  
F. Eugene Nail

Maxine E. Nail  
Maxine E. Nail

STATE OF OREGON, County of Lane )ss.

Personally appeared before me on November 9, 2004, the above-named F. Eugene Nail and Maxine E. Nail and acknowledged the foregoing instrument to be their voluntary act and deed.

Janet M. Doolittle  
Notary Public for Oregon



From DEED recorded

EXHIBIT "A" November 9, 2004

The West half of the North half of the following described parcel of land:

Beginning at the Northwest corner of the East half of the Northwest quarter of Section 30 in Township 15 South, Range 5 West of the Willamette Meridian; run thence South  $0^{\circ} 14'$  East parallel with the West line of said Section 30, a distance of 39.53 chains to the South line of the North half of said Section; thence on said line South  $89^{\circ} 13'$  East 20.03 chains more or less to the Center of Section 30; thence  $0^{\circ} 14'$  West 39.53 chains more or less to the quarter Section corner on the line between Sections 19 and 30; thence North  $89^{\circ} 50'$  West 20.03 chains to the point of beginning, in Lane County, Oregon.

Description of 80 ACRES

WEST HALF OF North half  
Equals 20 ACRES m/l



8218120

BARGAIN & SALE DEED

FOR VALUE RECEIVED

RONALD TED LEE

herein referred to as Grantors, hereby grant, bargain, sell and convey unto

MAXINE E. LEE

herein referred to as Grantees, the following real property situated in Lane County, Oregon, to-wit:

The West half of the North half of the following described parcel of land:

Beginning at the Northwest corner of the East half of the Northwest quarter of Section 30 in Township 15 South, Range 5 West of the Willamette Meridian; run thence South 0° 14' East parallel with the West line of said Section 30, a distance of 39.53 chains to the South line of the North half of said Section; thence on said line South 89° 13' East 20.03 chains more or less to the Center of Section 30; thence 0° 14' West 39.53 chains more or less to the quarter Section corner on the line between Sections 19 and 30; thence North 89° 50' West 20.03 chains to the point of beginning, in Lane County, Oregon.

Subject to a life estate for the benefit of each of the following persons, Thomas C. Buchanan and Eleanor V. Buchanan, Serres P. Lee and Jane M. Lee.

2799A001 06/22/82 REC

(If space insufficient, continue description on reverse side)

True consideration for this conveyance is other than money

DATED May 21 19 82

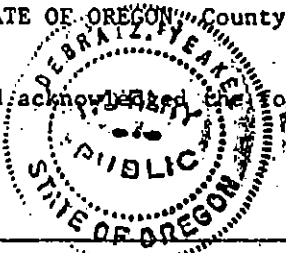
Ronald Ted Lee

STATE OF OREGON, County of Lane, ss.

Personally appeared the above named

Ronald Ted Lee

and acknowledged the foregoing instrument to be his voluntary act and deed.



Before me: Debra Z. Yaker, Notary Public for Oregon, My Commission Expires: 2/22/84

After recording return to:

Maxine E. Lee, 25474 Ferguson Rd., Junction City, OR 97448

Until a change is requested, mail all tax statements to:

Maxine E. Lee, 25474 Ferguson Rd., Junction City, OR 97448

8218120

State of Oregon, County of Lane—ss. I, D.M. Penfold, Director of Records and Elections Division, in and for the said County, do hereby certify that the within instrument was received for record at

22 JUN 82 15: 35

Reel 1198R

Lane County OFFICIAL Records.

D.M. Penfold, Director of Records and Elections Division.

By [Signature] Deputy

4.00

8218121  
BARGAIN & SALE DEED

FOR VALUE RECEIVED MAXINE E. LEE

herein referred to as Grantors, hereby grant, bargain, sell and convey unto

RONALD TED LEE

herein referred to as Grantees, the following real property situated in Lane County, Oregon, to-wit:

The East half of the North half of the following described parcel of land:

Beginning at the Northwest corner of the East half of the Northwest quarter of Section 30 in Township 15 South, Range 5 West of the Willamette Meridian; run thence South 0° 14' East parallel with the West line of said Section 30, a distance of 39.53 chains to the South line of the North half of said Section; thence on said line South 89° 13' East 20.03 chains more or less to the Center of Section 30; thence 0° 14' West 39.53 chains more or less to the quarter Section corner on the line between Sections 19 and 30; thence North 89° 50' West 20.03 chains to the point of beginning, in Lane County, Oregon.

Subject to water rights belonging to the land described hereinabove as Wife's portion of the real property.

2799A001 06/22/82 REC

4.00

And further subject to Wife's use of the irrigation system for necessary watering of Wife's real property hereinabove described.

\*\*0005\*\*

(If space insufficient, continue description on reverse side)

True consideration for this conveyance is \$ other than money

DATED March 29 19 82

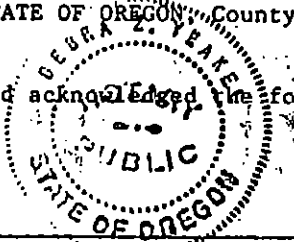
Maxine E. Lee

STATE OF OREGON, County of Lane, ss.

Personally appeared the above named

MAXINE E. LEE

and acknowledged the foregoing instrument to be her voluntary act and deed.



Before me: Debra Z. Blake  
Notary Public for Oregon  
My Commission Expires: 2/2/84

After recording return to:

Ronald Ted Lee  
25474 Ferguson Rd.  
Junction City, OR 97448

Until a change is requested, mail all tax statements to:

Ronald Ted Lee  
25474 Ferguson Rd.  
Junction City, OR 97448

8218121

State of Oregon,  
County of Lane--ss.

I, D.M. Penfold, Director of Records and Elections Division, in and for the said County, do hereby certify that the within instrument was received for record at

22 JUN 82 15: 36

1198R

Recd  
Lane County OFFICIAL Records.

D.M. Penfold, Director of Records and Elections Division.

By [Signature]  
Deputy

CS-93

8218122

BARGAIN & SALE DEED

*Law*

FOR VALUE RECEIVED

RONALD TED LEE

herein referred to as Grantee, hereby grant, bargain, sell and convey unto

MAXINE E. LEE

herein referred to as Grantees, the following real property situated in Lane County, Oregon, to-wit:

Beginning at a point marked by an iron pin, said point being 940.50 feet East and 1255.42 feet South of the Northwest corner of Lot 7, in the William Kelsey Donation Land Claim, Section 24, Township 19 South, Range 3 West of the Willamette Meridian, run thence on a line parallel with the West line of said Lot 7, South 582.68 feet to an iron pin, thence West 611.50 feet to an iron pin, thence North 356.17 feet to an iron pin, thence East 551.50 feet to an iron pin, thence North 286.51 feet to an iron, thence East 738.50 feet, thence South 20° 57' 40" West to a point 60 feet South of the North line of said parcel; thence West 660 feet more or less to the Point of Beginning in Lane County, Oregon, said tract being subject to an easement across the North 60 feet.

2799A001 06/22/82 REC

\*\*0005\*\* (side)

(If space insufficient, continue description on reverse side)

True consideration for this conveyance is \$ other than money

DATED May 21 19 82

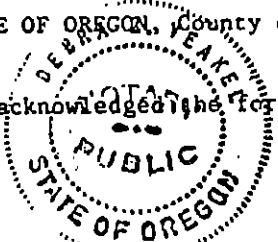
*Ronald Ted Lee*

STATE OF OREGON, County of Lane, ss.

Personally appeared the above named

RONALD TED LEE

and acknowledged the foregoing instrument to be his voluntary act and deed.



Before me: Debra Z. Yeaker

Notary Public for Oregon

My Commission Expires: 4/2/87

After recording return to:

Maxine E. Lee  
25474 Ferguson Rd.  
Junction City, OR 97448

Until a change is requested, mail all tax statements to:

Richard O. & Margaret L. Johnson

8218122

State of Oregon,  
County of Lane—ss.

I, D.M. Penfold, Director of Records and Elections Division, in and for the said County, do hereby certify that the within instrument was received for record at

22 JUN 82 15: 36

1198R

Recd  
Lane County OFFICIAL Records.

D.M. Penfold, Director of Records and Elections Division.

*A. Zelinski*  
Deputy

CR-53

KNOW ALL MEN BY THESE PRESENTS, That BUCHANAN, husband and wife THOMAS C. BUCHANAN and ELEANOR V.

for the consideration hereinafter stated, does hereby grant, bargain, sell and convey unto RONALD TED LEE and MAXINE ELLEN LEE, husband and wife, as tenants by the entirety...

hereinafter called grantee, and unto grantee's heirs, successors and assigns all of that certain real property with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, situated in the County of LANE, State of Oregon, described as follows, to-wit:

The North one-half only of the following described parcel of land: Beginning at the Northwest corner of the East half of the Northwest quarter of Section 30 in Township 15 South, Range 5 West of the Willamette Meridian; run thence South 0°14' East parallel with the West line of said Section 30, a distance of 39.53 chains to the South line of the North half of said Section; thence on said line South 89°13' East 20.03 chains more or less to the center of Section 30; thence 0°14' West 39.53 chains more less to the quarter section corner on the line between Sections 19 and 30; thence North 89°50' West 20.03 chains to the point of beginning, in Lane County, Oregon.

To Have and to Hold the same unto the said grantee and grantee's heirs, successors and assigns forever. ~~The true and actual consideration paid for this transfer, stated in terms of dollars, is \$~~

~~However, the actual consideration consists of or includes other property or value given or promised which is the whole consideration (indicate which) @~~ love and affection.

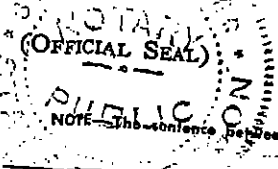
In construing this deed the singular includes the plural as the circumstances may require. Witness grantor's hand this 18th day of May, 19 71.

Thomas C. Buchanan  
Eleanor V. Buchanan

STATE OF OREGON, County of LANE ) ss. May 18, 19 71  
Personally appeared the above named Thomas C. Buchanan and Eleanor V. Buchanan

and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me: Stew A. Lybe  
Notary Public for Oregon  
My commision expires Oct 4, 1974



NOTE - The sentence between the symbols @, if not applicable, should be deleted. See Chapter 462, Oregon Laws 1967, as amended by the 1967 Special Session.

No. 10

# ABSTRACT OF TITLE

10

Beginning at the quarter section corner on the south line of Section 19 in Township 15 South of Range 5 West of the Willamette Meridian and run thence South  $89^{\circ} 28'$  East along the south line of said section 19.52 chains; thence North  $0^{\circ} 0.06'$  West parallel with the east line of said section 19.52 chains; thence North  $89^{\circ} 28'$  West 19.52 chains, and thence South  $0^{\circ} 0.06'$  East 19.52 chains to said quarter section corner and the place of beginning, in Lane County, Oregon.

TITLE ABSTRACT COMPANY  
EUGENE, OREGON

D E E D

Mathias Wilhelm and Mary  
G. Wilhelm, his wife

to

E.G. Buchanan

Dated May 24, 1910  
Filed May 28, 1910  
Vol. 80, page 270  
Deed Records  
Lane County, Oregon

Consideration: \$9,000.00

Grant, bargain, sell and convey all the following bounded and described real property, situated in the County of Lane and State of Oregon, towit:

Beginning at the Northwest corner of the East Half of the Northwest quarter of Section 30 in Township 15 South, Range 5 West, thence South 0° 14' East parallel with the West line of said Section 30, 39.53 chains to the South line of the North half of said section, thence on said line South 89° 13' East 30.92 chains; thence North 0° 06' West parallel with the East line of said North half of Section 30, 39.80 chains to the North line of Section 30; thence along said line South 89° 28' East 8.54 chains; thence North no degrees 0.06' West parallel with east line of section 19, 19.52 chains; thence North 89° 28' West 19.52 chains; thence South 0° 0.06' East 19.52 chains to the quarter section corner on the line between sections 19 and 30; thence North 89° 50' West 20.03 chains to the place of beginning, containing 161 acres of land in Lane County, State of Oregon.

TO HAVE AND TO HOLD the above described and granted premises unto the said E.G. Buchanan, his heirs and assigns forever.

Covenants: Lawfully seized in fee; free from all incumbrances; will warrant and defend the above granted premises, and every part and parcel thereof against the lawful claims and demands of all persons whomsoever.

Witnesses:

A. Wilhelm, Jr.  
John J. Richard

Mathias Wilhelm  
Mary G. Wilhelm (Seals)

Acknowledged in Benton County, Oregon on May 24, 1910 by Mathias Wilhelm and Mary G. Wilhelm, his wife, before Adam M. Wilhelm, Jr., Notary Public for Oregon. Notarial Seal.

MORTGAGE

E. G. Buchanan and Ruby H. Buchanan, his wife

to

First National Bank Junction City, Oregon

Dated Nov. 5, 1929  
Filed Nov. 8, 1929  
Vol. 78, page 290  
Mortgage Records  
Lane County, Oregon

Consideration: \$1100.00

This conveyance is intended as a mortgage to secure the payment of the sum of \$1100.00 bearing date November 5th, 1929 with interest at the rate of 8% per annum and due on demand and covering the following described premises, towit:

Beginning at the Northwest corner of the East Half of the Northwest quarter of Section 30 in Township 15 South, Range 5 West; thence South 0° 14' East parallel with the West line of said Section 30, 39.53 chains to the South line of the North half of said Section; thence on said line South 89° 13' East 30.92 chains; thence North 0° 06' East parallel with the East line of said North half of Section 30, 30.60 chains to the North line of Section 30; thence along said line South 89° 28' East 8.54 chains; thence North 0° 06' West parallel with the East line of Section 19, 19.52 chains; thence North 89° 28' West 19.52 chains; thence South 0° 06' East 19.52 chains to the quarter section corner on the line between sections 19 and 30; thence North 89° 50' East 20.03 chains to the place of beginning, containing 161 acres of land in Lane County, Oregon.

This mortgage shall remain and be a continuing security for the payment of any extensions or renewal notes given in place of said original note, for the amount of said debt then unpaid, until the whole amount thereof shall have been fully paid.

Witness:  
W.C. Washburne  
Notary Public

E.G. Buchanan  
Ruby H. Buchanan  
Seals-scrolled

Acknowledged in Lane County, Oregon on November 5, 1929 by E.G. Buchanan and Ruby H. Buchanan, his wife, before W.C. Washburne, Notary Public for Oregon whose commission expires Oct. 22, 1932.  
Notarial Seal.

D E E D

E.G. Buchanan and Ruby  
Buchanan, husband and wife

to

Thomas C. Buchanan and Eleanor  
V. Buchanan, husband and wife

Dated January 25th, 1939  
Filed January 26th, 1939  
Vol.           page  
Deed Records  
Lane County, Oregon

Bargain, Sell and Convey all the following bounded and described real property, situated in the County of Lane and State of Oregon:

Beginning at a point in the center of the county road, which point is South 89° 28' East 607.3 feet from the quarter section corner between sections 19 and 30 of Township 15 South, Range 5 West of the Willamette Meridan; and running thence North 00° 06' West 208.7 feet; thence South 89° 28' East 208.7 feet; thence South 00° 06' East 208.7 feet to a point in the center of the county road; thence North 89° 28' West along the center of the county road 208.7 feet to the place of beginning, containing 1.00 acre, more or less, in Lane County, Oregon.

Covenants: Lawfully seized in fee simple; free from all incumbrances; that they will and their heirs, executors and administrators shall warrant and forever defend the above granted premises and every part and parcel thereof against the lawful claims and demands of all persons whomsoever.

Value less than \$100.00

E.G. Buchanan  
Ruby Buchanan

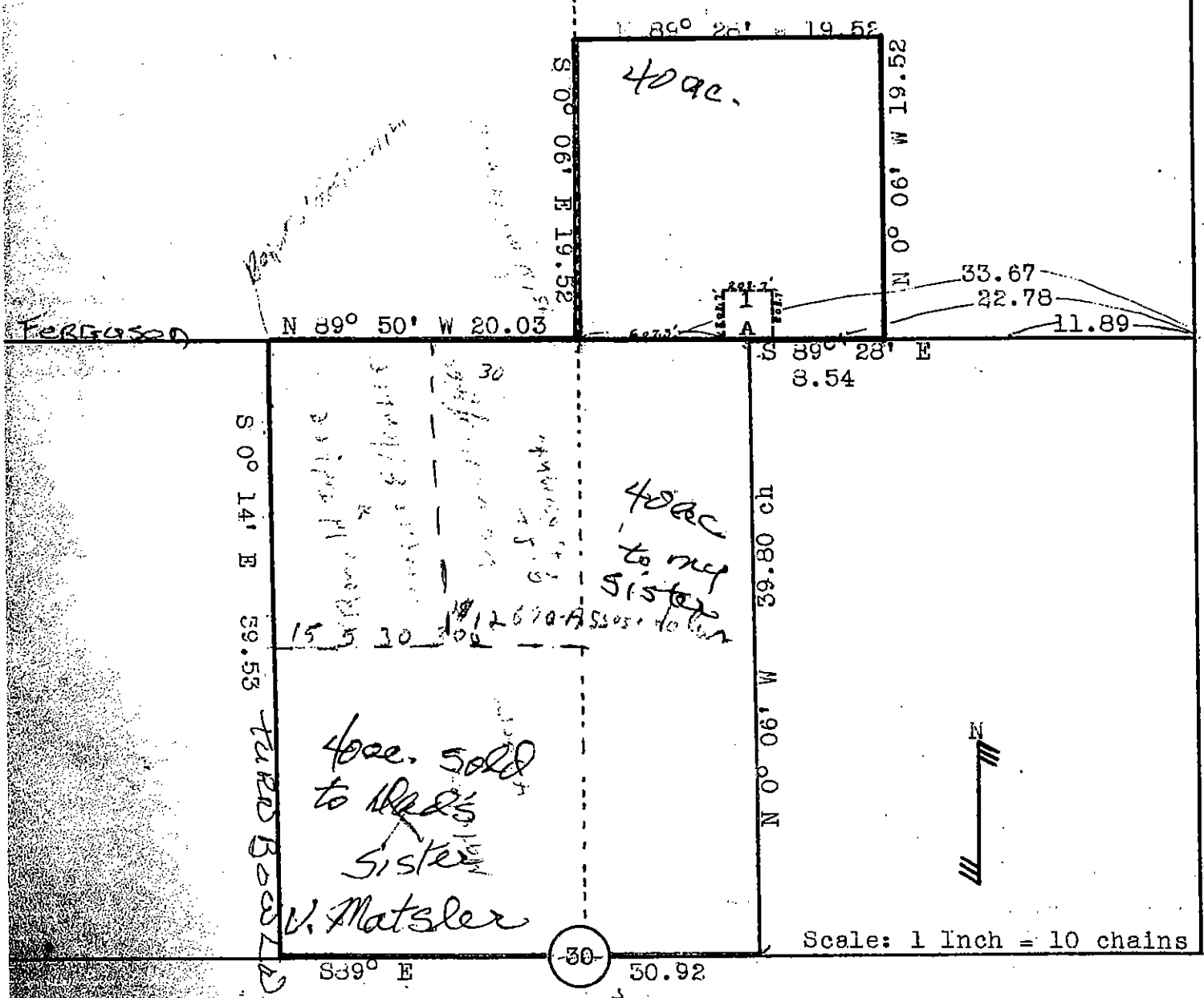
Acknowledged in Benton County, Oregon on January 25th, 1939 by E.G. Buchanan and Ruby Buchanan, husband and wife, before C. M. Huddleston, Notary Public for Oregon, whose commission expires November 26, 1941. Notarial Seal.



Township 15 South, Range 5 West W. M.

N.  
19

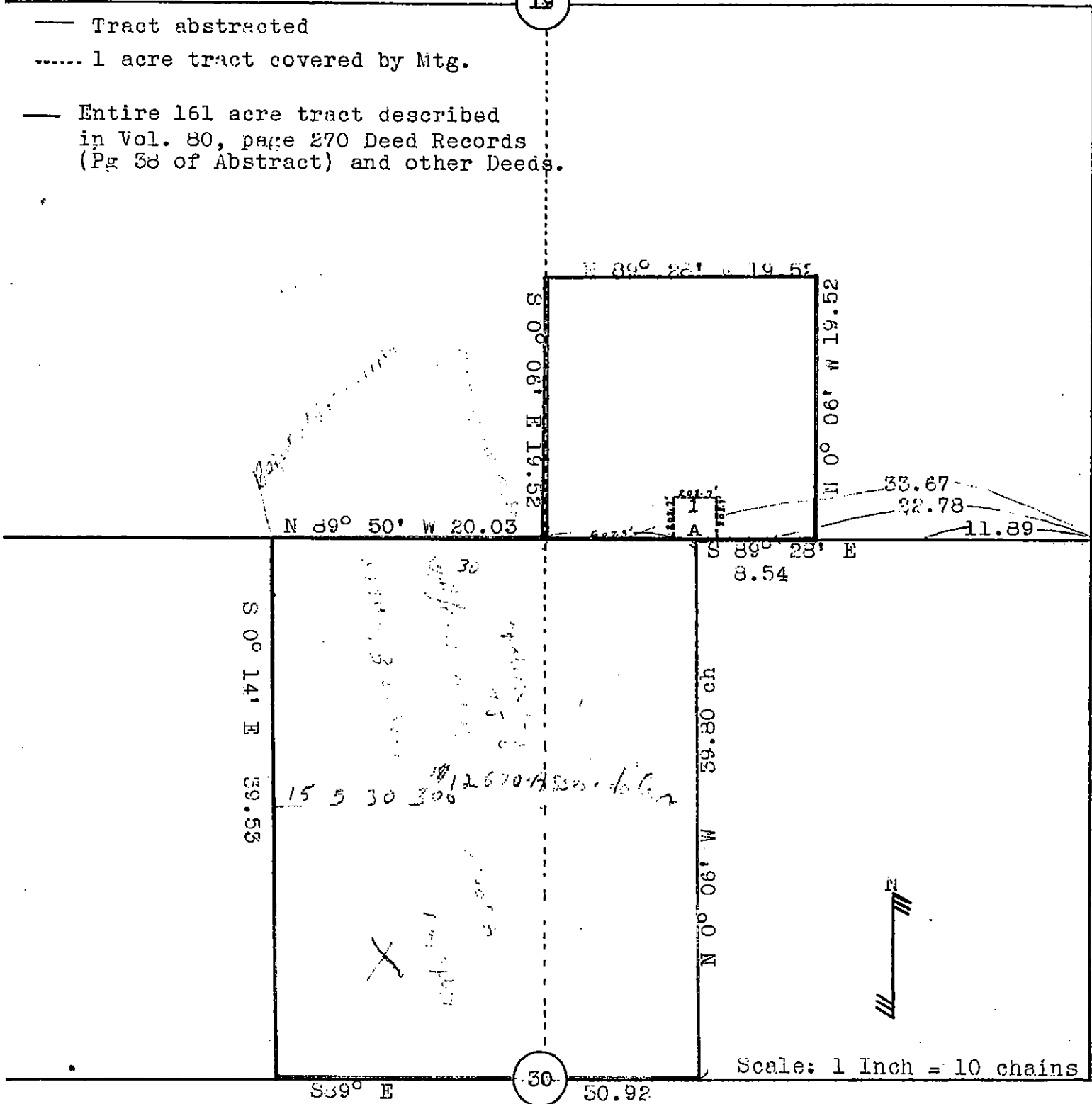
- Tract abstracted
- 1 acre tract covered by Mtg.
- Entire 161 acre tract described in Vol. 80, page 270 Deed Records (Pg 38 of Abstract) and other Deeds.



Township 15 South, Range 5 West W. M.

19

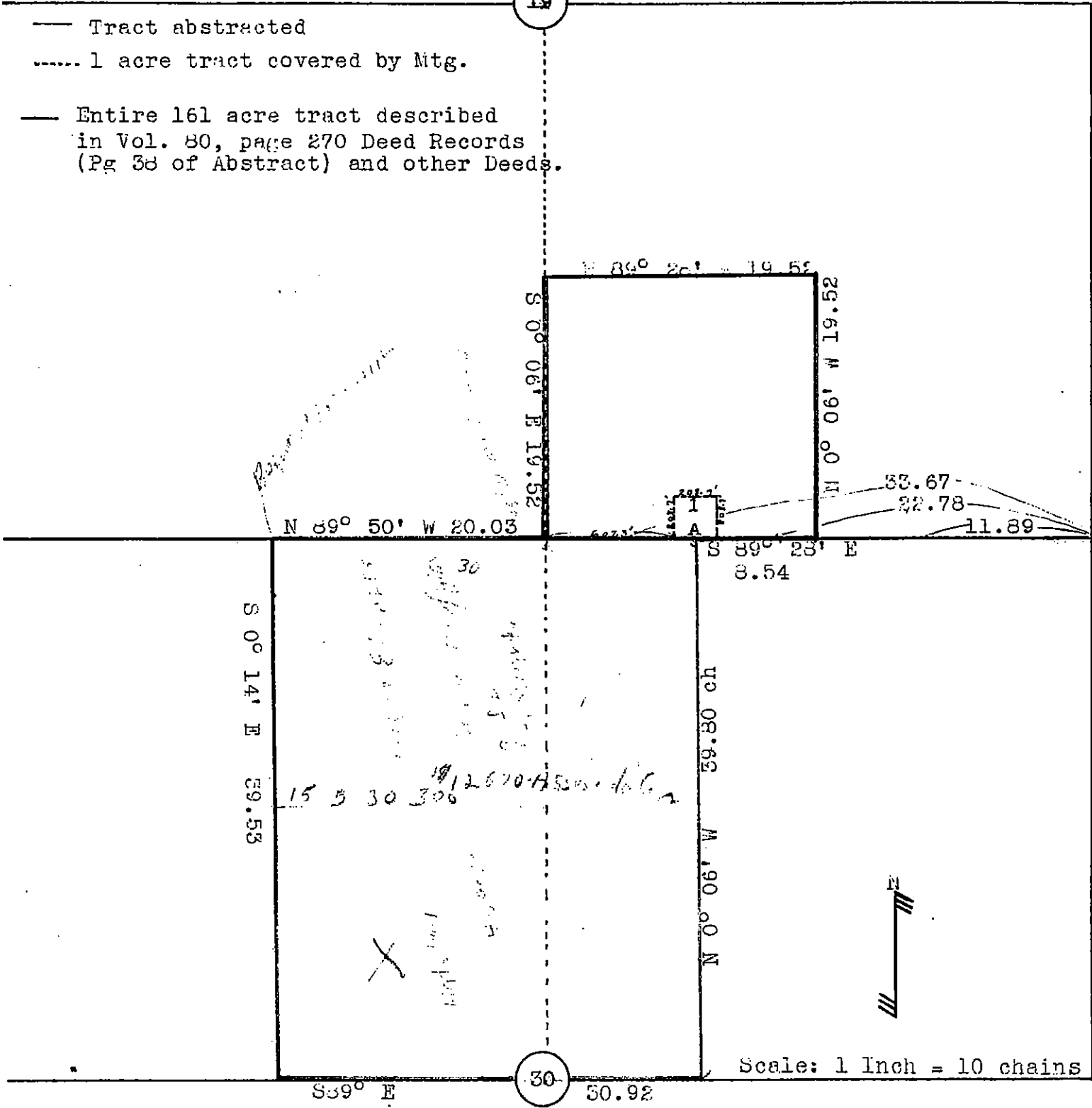
- Tract abstracted
- ..... 1 acre tract covered by Mtg.
- Entire 161 acre tract described in Vol. 80, page 270 Deed Records (Pg 38 of Abstract) and other Deeds.



Township 15 South, Range 5 West W. M.

19

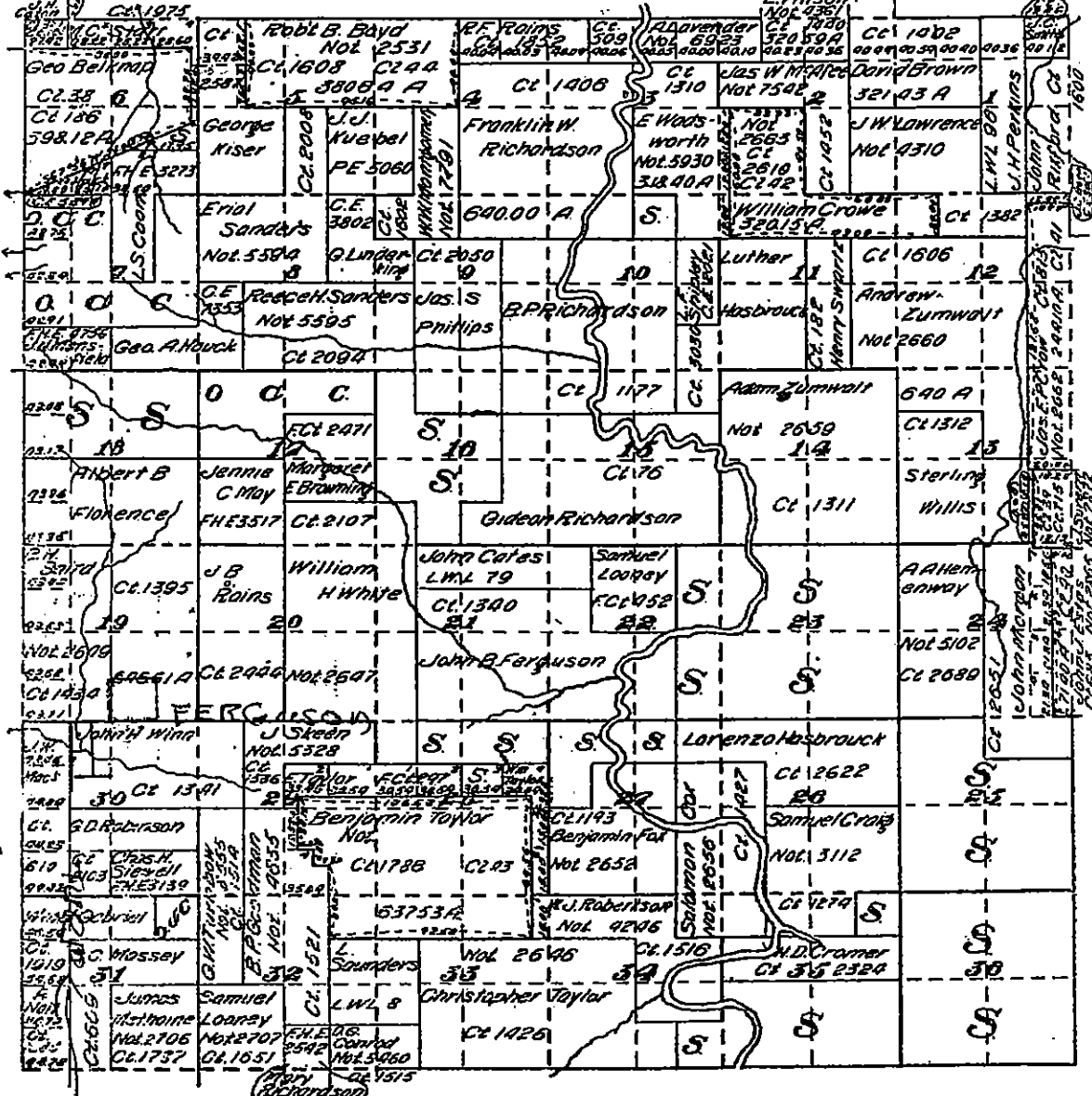
- Tract abstracted
- ..... 1 acre tract covered by Mtg.
- Entire 161 acre tract described in Vol. 80, page 270 Deed Records (Pg 38 of Abstract) and other Deeds.



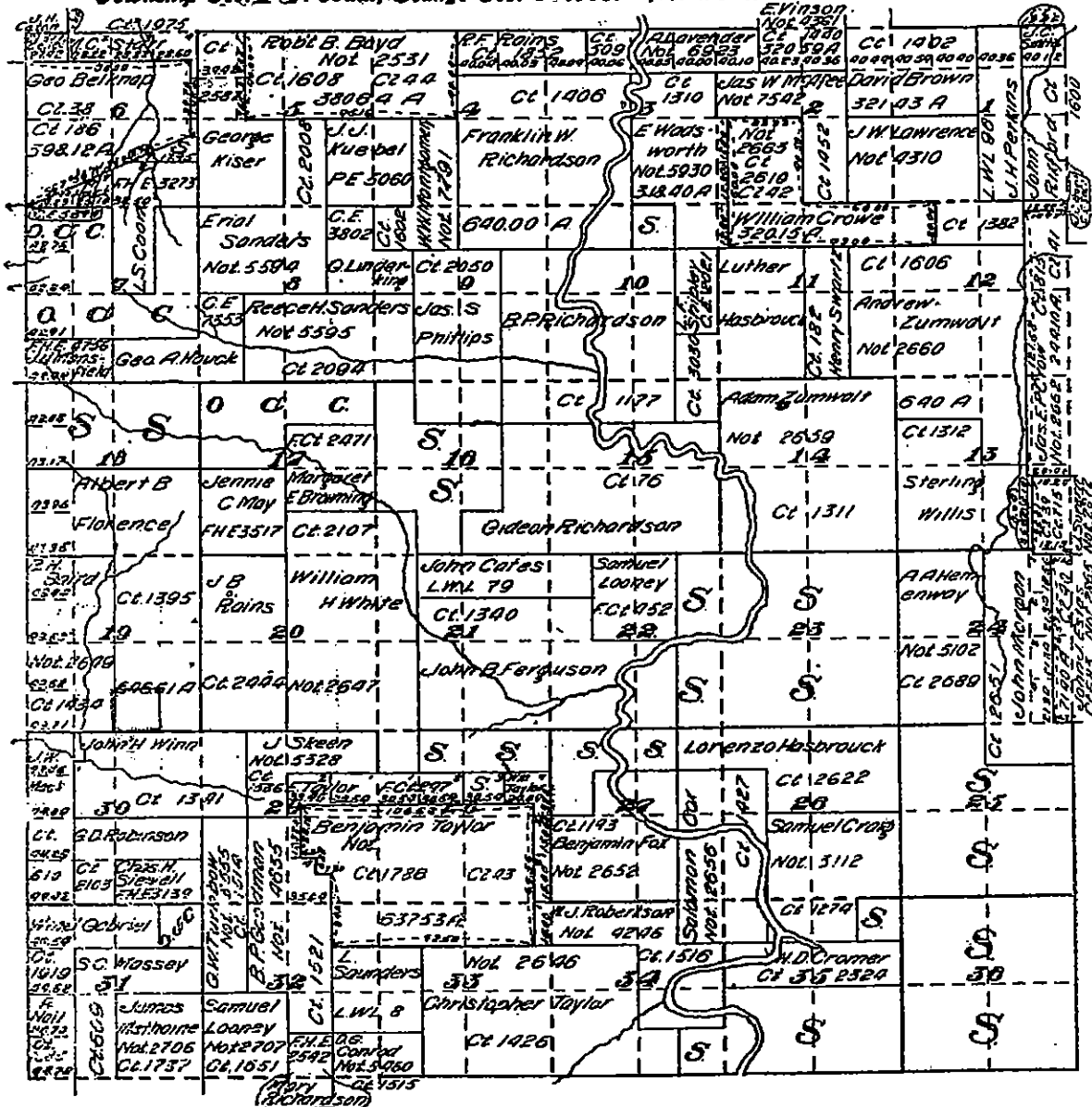
30

Scale: 1 Inch = 10 chains

Township No. 15 South, Range No. 5 West, of the Willamette Meridian.



Township No. 15 South, Range No. 5 West .. of the Willamette Meridian.

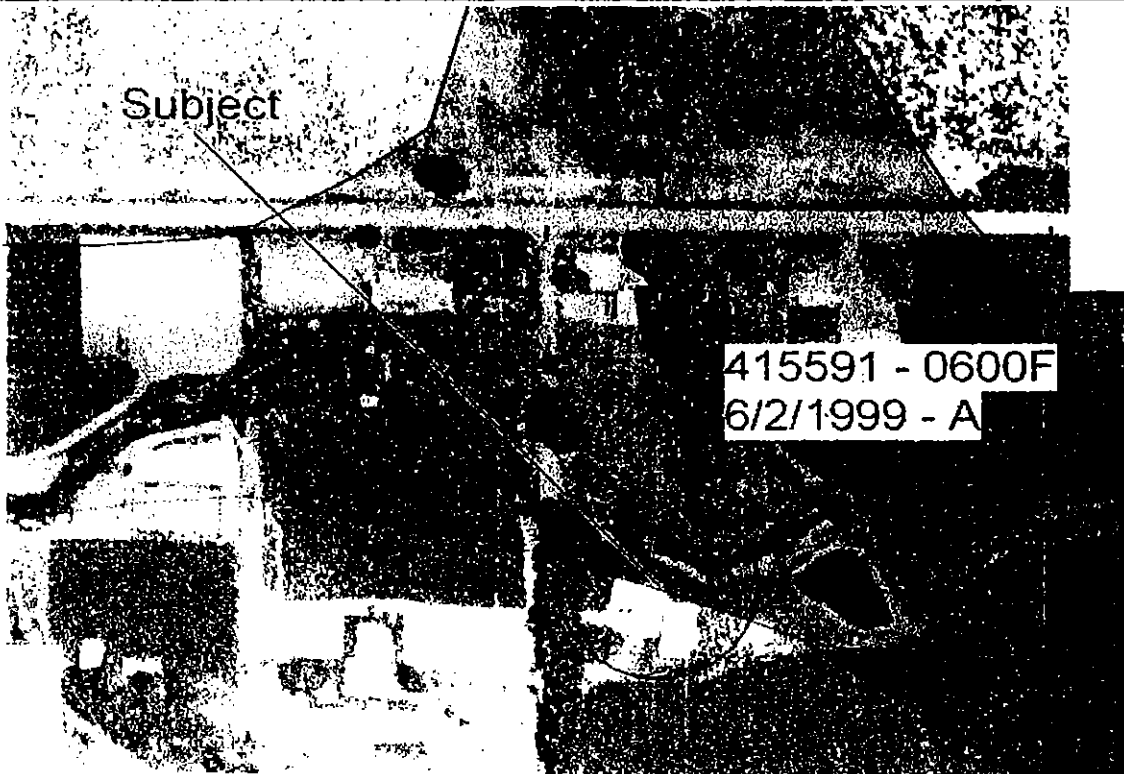


# FloodWise Mapping Exhibit



**FloodWise<sub>(SM)</sub>**  
Electronic Mapping

Certification: 0407325431	Loan #:	County: Lane	
Address: 95183 TURNBOW LN		City State, Zip: JUNCTION CITY OR, 97448	
Community: 415591	Panel: 0600 F	Date: 6/2/1999	Zone: A
Determination: In a SFHA			



B-C X500	A'	V'
CBFA	Floodway	

Current Map Scale: 1 Inches = 121.38 ft.  
Map Scale accuracy +/-10% on printable exhibits

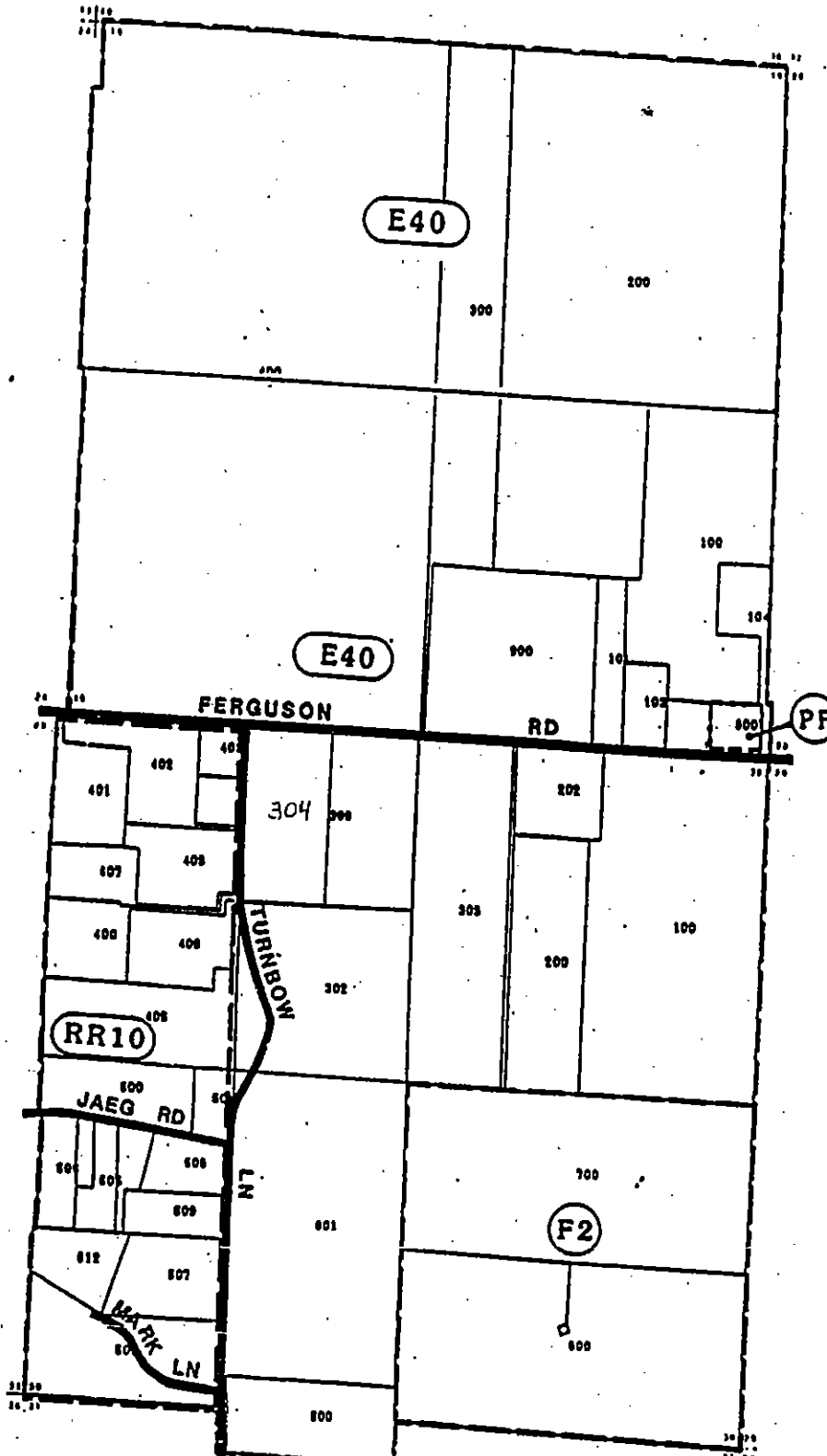
Map Zoom Level: 0.2 Mile(s)

This flood map exhibit was produced using multiple public and proprietary sources. It is provided to our client for the sole purpose of illustrating the referenced flood certification by showing the Special Flood Hazard Area relative to the subject property. This flood map exhibit should not be relied upon by any third parties. It is not intended to satisfy any regulatory guidelines and should not be used for this or any other purpose.

170A

171

The RR zones on this map are changed as follows:  
FROM: RR LC 16.231 TO: RR LC 16.290  
The RR zone parcel size remains the same.



193

183

FLOODPLAIN

The zones on this map are changed as follows:  
From: RG, RA To: RR?



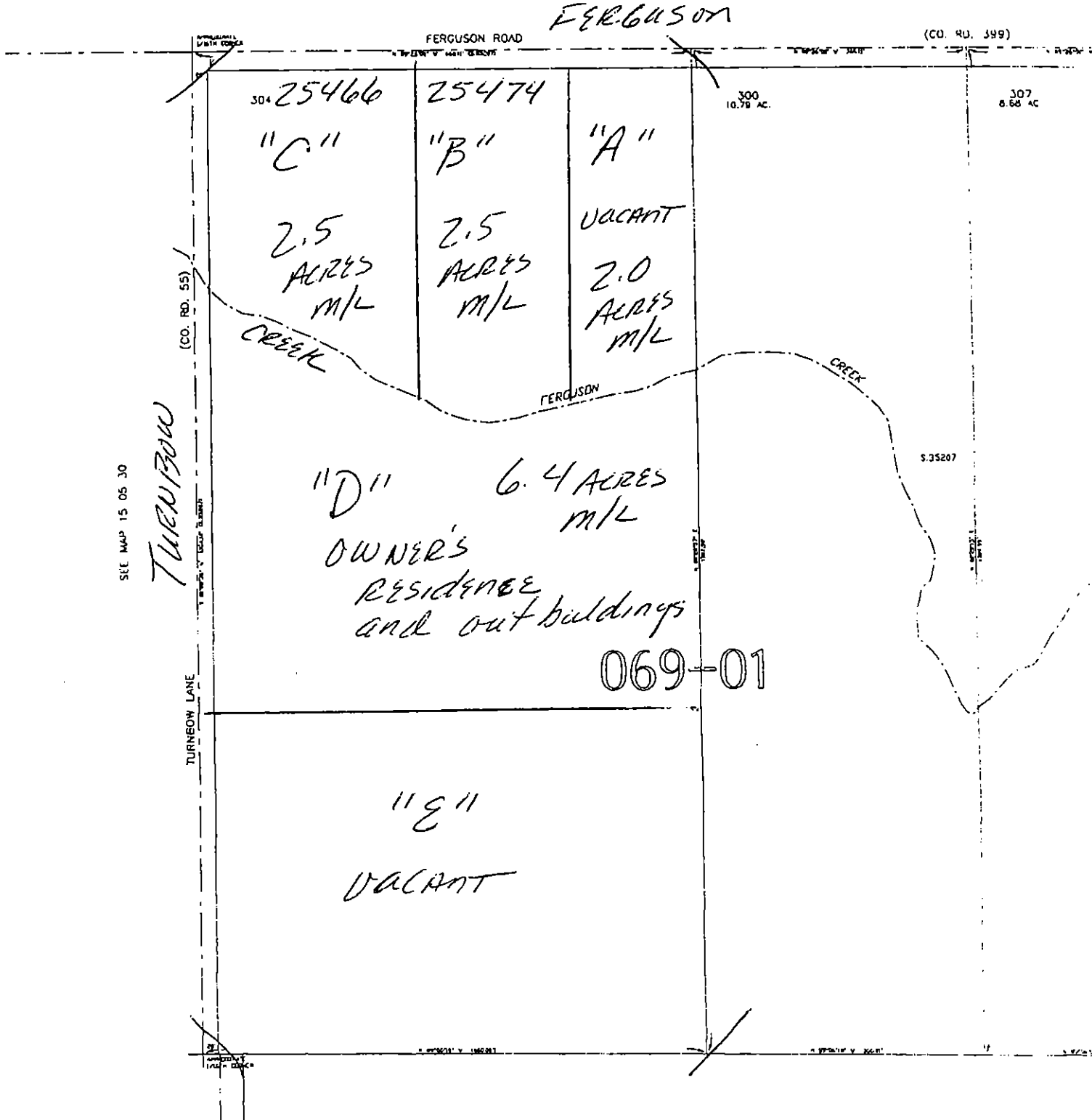
# OWNER-PROPOSED PARTITION SKETCH - NO SCALE -

FOR ASSESSMENT  
AND TAXATION  
ONLY

SEC. 30 T. 15S. R. 5W. W.M.  
DETAIL MAP NO. 1  
LANE COUNTY  
SCALE 1" = 100'

SEE MAP 15 05 19

DATE	BY	REVISION





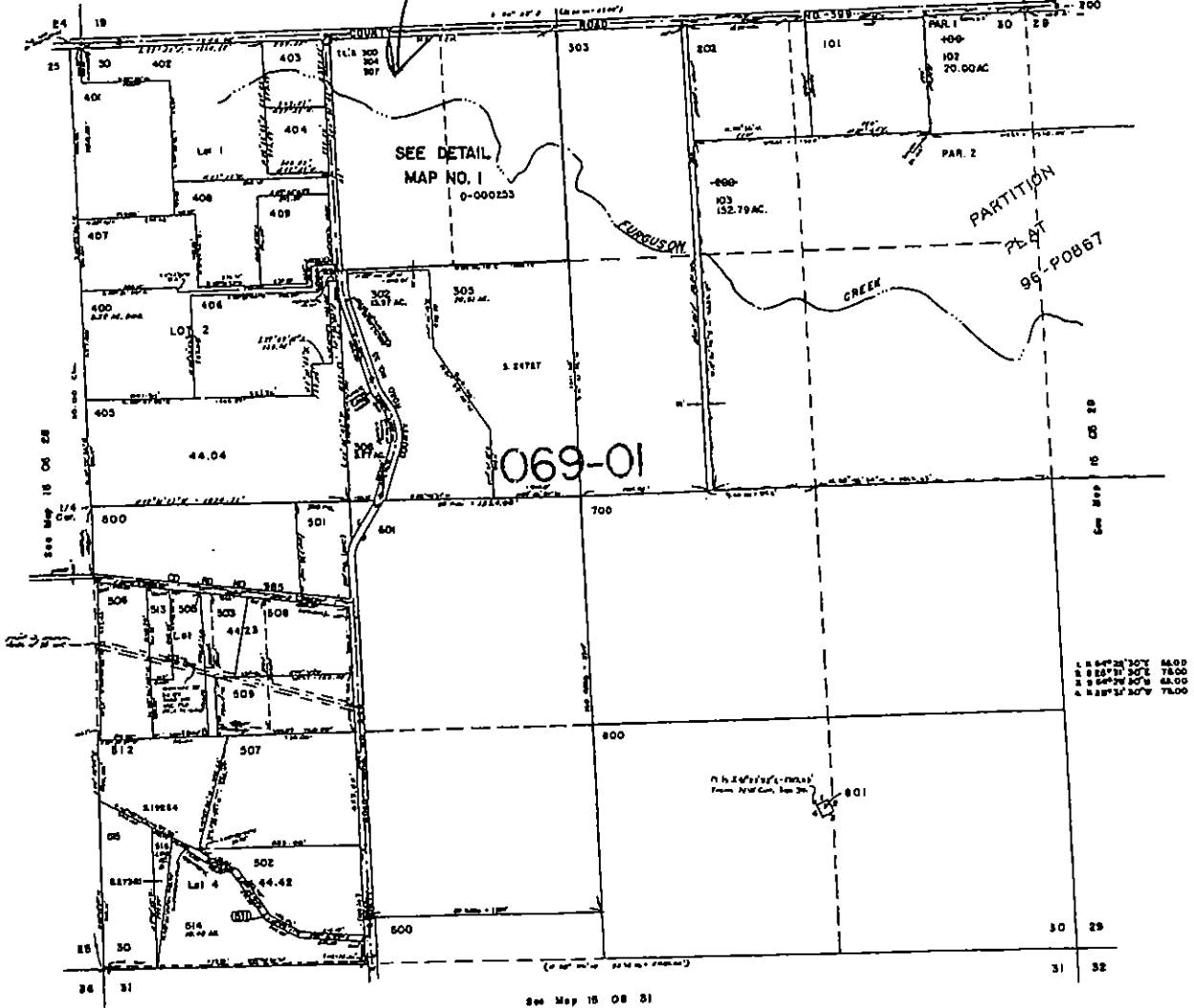
LANE COUNTY

1"=400'

SUBJECT

See Map B 08 19

19 20 CANCELLED  
100  
200



069-01

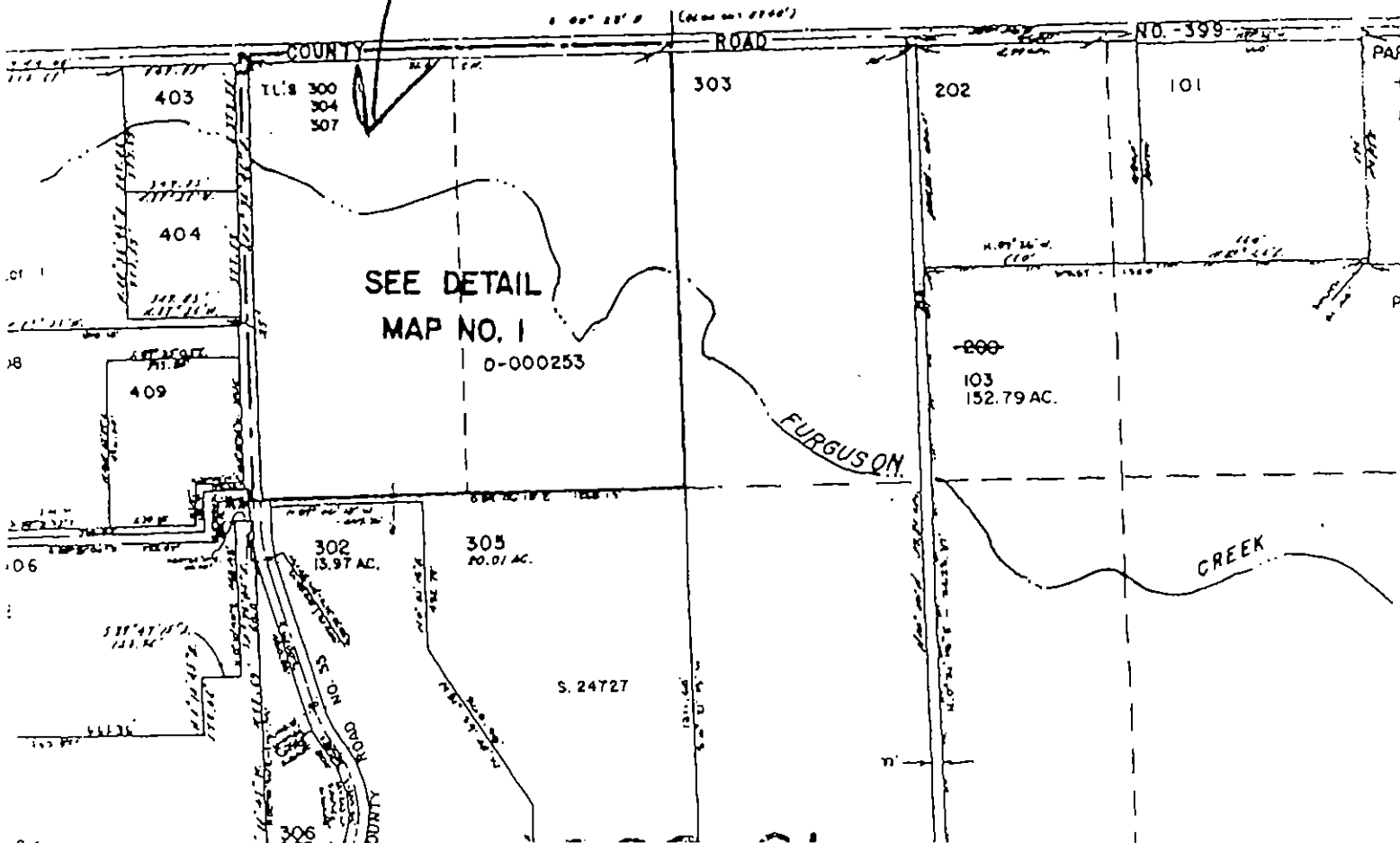
SECTION MAP

"THE WEST HALF  
OF THE NORTH HALF"

Section 30 T15 S. R5 W.W.M.  
LANE COUNTY  
1"=400'

SUBJECT

See Map 15 05 19



## Exhibit 8

### Relief Sought Through Measure 37

As noted in the enclosed appraisal there is a significant difference between the current appraised value and the value of the property if it were to be divided. At this time we are requesting That Lane County waive the restrictions on dividing this property and allow for the creation of 5 separate build able lots.

The subject property already has 3 separate homes which were placed prior to the implementation of the current land use laws. As shown on the zoning map, the neighborhood exist of numerous parcels that are under 5 acres in size. There are over 20 small parcels in the immediate area of the subject property and the proposed land division would not be out of character with the existing pattern of development.

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

August 26, 2005

Eugene and Maxine Nail  
95183 Turnbow Lane  
Junction City, Oregon 97448  
c/o Norm Waterbury, agent  
28788 Gimpl Hill Road  
Eugene, Oregon 97402

RE: Lane Code 2.740 (6)

Norm,

For your files, here is the Ballot Measure 37 summary for the Nail property at 95183 Turnbow Lane, Junction City, Oregon 97448. This includes four appraisal reports:

- 1) the subject site in its entirety (Tax Lot 15-05-30-00-00304 as report 062005;
- 2) a hypothetical 6.4 acre parcel shown on the proposed partition sketch as parcel "E";
- 3) a hypothetical 2 acre parcel shown on the proposed partition sketch as parcel "A";
- 4) a hypothetical 6.4 acre parcel shown on the proposed partition sketch as parcel "D", which includes the residence and outbuildings presently at 95183 Turnbow Lane.

The individual file numbers for these reports, which are integrated into one appraisal report for convenience of the reader's understanding, are captioned on the cover page.

In addition, the dwellings located at 25466 and 25474 Ferguson Road, and their associated outbuildings, have been assigned depreciated contributory values (for purposes of this appraisal service) by using the cost approach and adding estimated site values to the depreciated costs of the dwellings and site improvements. These brief summaries are also integrated into the overall report 062005..

Estimated value of subject in total "as is" on current 20 acre m/l site –	\$ 520,000
Estimated value of one hypothetical 2 acre site out of Tax Lot 304 –	\$140,000
Estimated value of one hypothetical 6.4 acre site out of Tax Lot 304 –	\$160,000
Estimated value of 25466 Ferguson Road on a 2.5 acre hypothetical site –	\$165,000
Estimated value of 25474 Ferguson Road on a 2.5 acre hypothetical site –	\$190,000
Estimated value of 95183 Turnbow Lane on a 6.4 acre hypothetical site –	\$430,000

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

Nail, Eugene and Maxine  
95183 Turnbow Lane  
Junction City, Oregon 97448  
Measure 37 proceeding

page 2 of 2

The total of the five postulated, hypothetically partitioned parcels is \$1,085,000; say \$1,080,000 for sake of rounding. Therefore it is postulated: \$1,080,000 hypothetical hypothecated "after" value less \$520,000 present inclusive "before" value is \$560,000.

The reader should be aware that the subject "as is" in the "before" instance is a quite complex appraisal assignment in itself. The appraiser was unable to find any reasonably similar comparable sales in a recent time frame in the subject's general west Junction City area and therefore was forced to use dissimilar properties as indicators. The obvious differences are the two additional dwellings on Tax Lot 304 beside the main residence; plus the guest quarters plus the pond and creek feature. Taken together, these improvements and the appeal of the site appear to be undervalued compared to the collective values of the components.

It must be considered the subject "as is" in the "before" instance is a non-dividable site and if marketed at the present time, it would necessarily be sold on a lump sum basis. Therefore the combination of improvements, outbuildings and location conspire, in the appraiser's opinion, to hold down to estimate of value because the number of potential buyers for this combination of improvements on this site and in this area is reduced by need for financing, managing and maintaining the additional dwelling units.

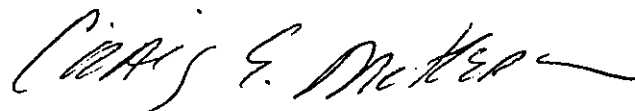
In the "after" instance, highest and best use of the 20 acres becomes maximized and the individual components could be marketed separately to as many as five different purchasers, each with a particular housing need and price range. Therefore, the difference between "before" and "after" values takes into account the greater potential return by having a larger pool of buyers for the "after" scenario versus the "before", lump sum scenario.

There is a slight discrepancy in computed acreage; the county states 18.69 acres in total; my calculations show just under 20 acres in total and I have used 20 acres as a rounded figure for convenience. A correct survey showing 20 more or less acres is assumed. Also, county records do not show the date of construction nor any other details about the main dwelling though there are records for the 25466 and 25474 Ferguson Road dwellings.

Please call if there are any questions.

Cordially,

Craig E. McKern





**Summary Appraisal Report for Real Property**

**LOCATED AT:**

95183 Tumbow Lane  
Junction City, Oregon 97448  
(all of Tax Lot 15-05-30-00-00304)

**FOR:**

Nail, Eugene and Maxine  
95183 Tumbow Lane, Junction City, Oregon 97448 (Norm Waterbury, agent)

**AS OF:**

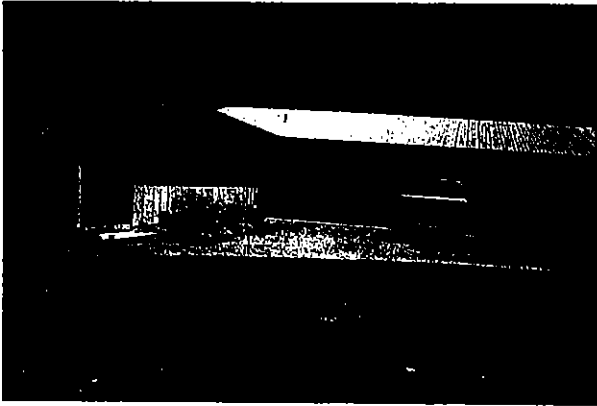
July 15, 2005

**BY:**

Craig E. McKern, Appraiser, P.C.  
Certified Residential Real Estate Appraiser  
1574 Coburg Road, PMB 397  
Eugene, Oregon 97401-4802  
file 062005

# PHOTOGRAPH ADDENDUM On

Borrower/Client	No borrower				
Property Address	95183 Tumbow Lane				
City	Junction City	County	Lane	State	OR
Lender	Nail, Eugene and Maxine				
				Zip Code	97448



Detail for front (south elevation and garages, guest quarters at left of garages)



West elevation looking toward Ferguson Creek



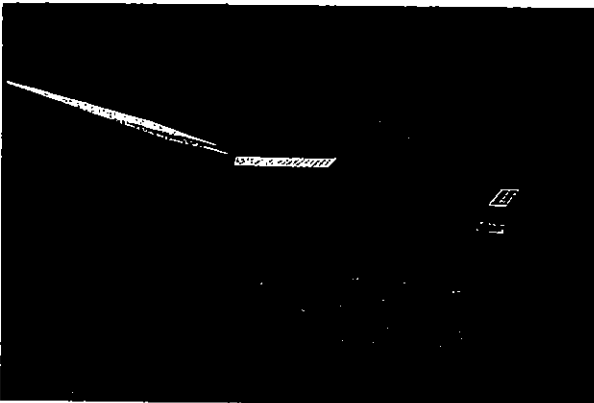
North elevation looking east along rear of 95183 Tumbow Lane

**PHOTOGRAPH ADDENDUM TW**

Borrower/Client	No borrower				
Property Address	95183 Turnbow Lane				
City	Junction City	County	Lane	State	OR
Lender	Nall, Eugene and Maxine				
				Zip Code	97448



North (rear) elevation looking west



North elevations of equipment shed and motor home garage at far left, guest quarters and garages in center, dwelling at center right, creek bottom area out of photo to right



South elevation of garages on left and equipment shed, motor home garage at right, looking east



# PHOTOGRAPH ADDENDUM Thr

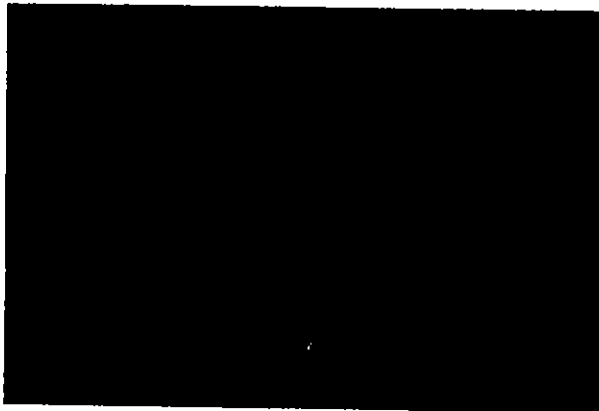
Borrower/Client	No borrower				
Property Address	95183 Turnbow Lane				
City	Junction City	County	Lane	State	OR
Lender	Nall, Eugene and Maxine		Zip Code	97448	



Pond area looking north across Ferguson creek toward north 2+/- acres proposed partition sites; 25474 Ferguson Road and older barn to center right



Pond area looking east from rear lawn of subject main dwelling, creek to left



Filed south of subject motorhome garage, Proposed 6.4 acre site "E"

Property Address 95183 Turnbow Lane

City Junction City

County Lane

State Oregon

Zip 97448

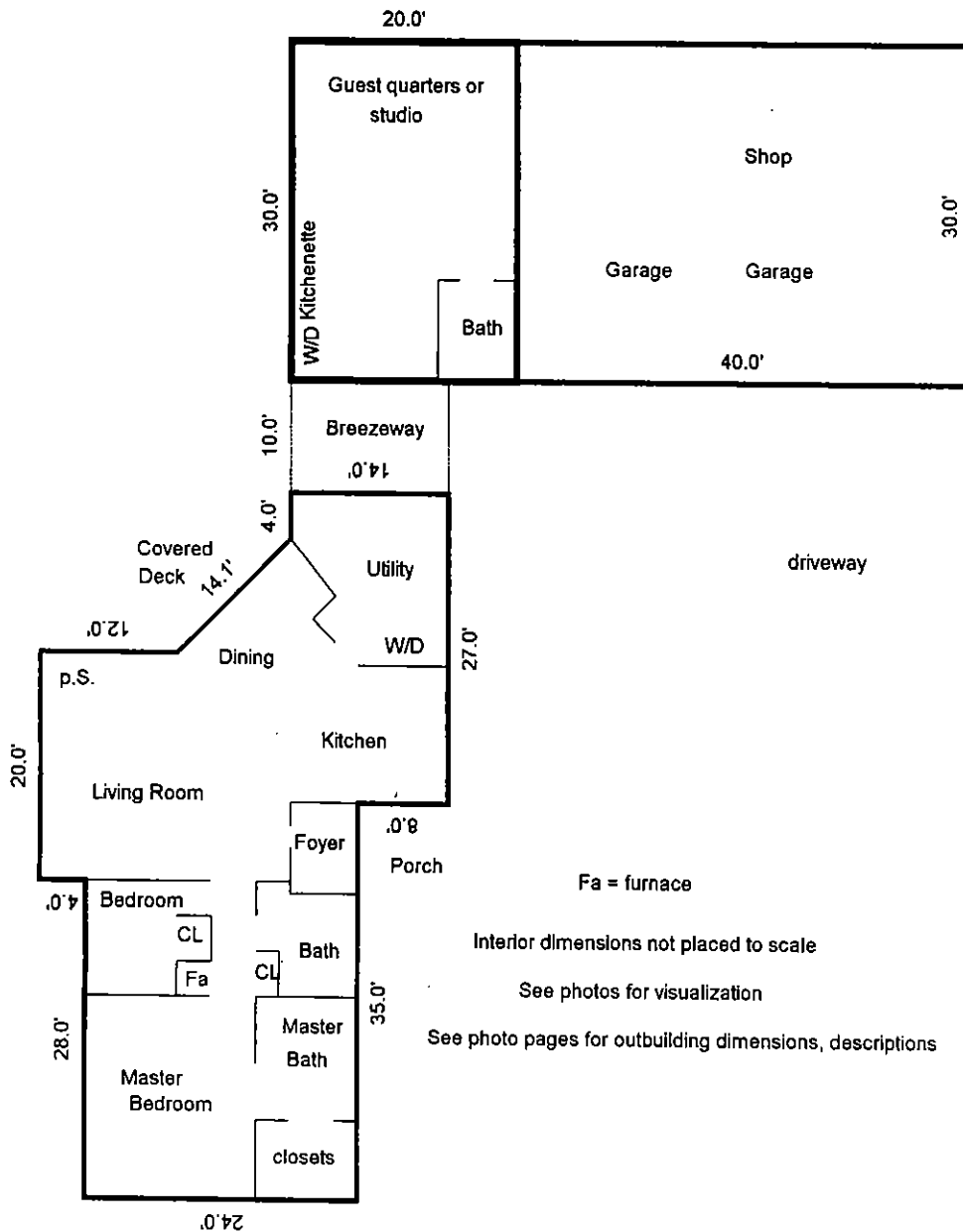
Borrower no borrower

Lender/Client Nall

Appraiser Name Craig E. McKern, Appraiser PC

SUBJECT

IMPROVEMENTS SKETCH



Scale: 1 = 13

**SUBJECT**  
 Property Address 95183 Turnbow Lane  
 City Junction City County Lane State Oregon Zip 97448  
 Borrower no borrower  
 Lender/Client Nall  
 Appraiser Name Craig E. McKern, Appraiser PC

AREA CALCULATIONS

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1582.0	1582.0
GBA1	Guest quarters	600.0	600.0
P/P	breezeway/deck	140.0	140.0
GAR	Garage	1200.0	1200.0
Net LIVABLE Area (Rounded)			1582
Net BUILDING Area (Rounded)			600

LIVING/BUILDING AREA BREAKDOWN		
Breakdown		Subtotals
First Floor		
4.0 x	14.0	56.0
14.0 x	23.0	322.0
6.0 x	35.0	210.0
0.5 x	10.0	50.0
20.0 x	22.0	440.0
18.0 x	28.0	504.0
Guest quarters		
20.0 x	30.0	600.0
7 Items (Rounded)		2182

INDIVIDUAL AREA - BREAKDOWN CALCULATIONS

First Floor		GLA1
4.0 x	14.0 =	56.0
14.0 x	23.0 =	322.0
6.0 x	35.0 =	210.0
0.5 x	10.0 =	50.0
20.0 x	22.0 =	440.0
18.0 x	28.0 =	504.0
Area total (Rounded) =		1582

breezeway/deck		P/P
10.0 x	14.0 =	140.0
Area total (Rounded) =		140

Guest quarters		GBA1
20.0 x	30.0 =	600.0

Garage		GAR
30.0 x	40.0 =	1200.0

# UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. 062005

**Property Address** 95183 Turnbow Lane **City** Junction City **State** OR **Zip Code** 97448  
**Legal Description** Metes and Bounds Description; see deed attached **County** Lane  
**Assessor's Parcel No.** Tax Lot 15-05-30-00-00304 **Tax Year** 04-05 **R.E. Taxes** \$ 2,102.93 **Special Assessments** \$ None  
**Borrower** No borrower **Current Owner** Nail **Occupant:**  Owner  Tenant  Vacant  
**Property rights appraised:**  Fee Simple  Leasehold **Project Type:**  PUD  Condominium (HUD/VA only) **HOA \$** None /Mo.  
**Neighborhood or Project Name** Junction City and Cheshire districts **Map Reference** Pittman County page 4 **Census Tract** 41-039- 4.02  
**Sale Price \$** Not Sold **Date of Sale** N/A **Description and \$ amount of loan charges/concessions to be paid by seller** Not Applicable  
**Lender/Client** Nail, Eugene and Maxine **Address** 95183 Turnbow Lane, Junction City, Oregon 97448 (Norm Waterbury, agent)  
**Appraiser** Craig E. McKern, Appraiser, P.C. **Address** 1574 Coburg Road, PMB 397, Eugene, Oregon 97401-4802

**Location:**  Urban  Suburban  Rural  
**Built up:**  Over 75%  25-75%  Under 25%  
**Growth rate:**  Rapid  Stable  Slow  
**Property values:**  Increasing  Stable  Declining  
**Demand/supply:**  Shortage  In balance  Over supply  
**Marketing time:**  Under 3 mos.  3-6 mos.  Over 6 mos.

Predominant occupancy	Single family housing PRICE \$(000)	AGE (yrs)	Present land use %	Land use change
<input checked="" type="checkbox"/> Owner 90	100	Low <5	One family 85	<input type="checkbox"/> Not likely <input type="checkbox"/> Likely
<input type="checkbox"/> Tenant 10	900+	High 80+	2-4 family 5	<input checked="" type="checkbox"/> In process
<input type="checkbox"/> Vacant (0-5%)	300+-	20-50	Multi-family	To: Residential from
<input type="checkbox"/> Vac. (over 5%)			Commercial	vacant by spot infilling
			other 10	at slow rate of change

**Notes:** Race and the racial composition of the neighborhood are not appraisal factors.

**Neighborhood boundaries and characteristics:** The subject area is generally bounded by Highway 99 West (east), Highway 36 (south), the Long Tom and Alsea Rivers divide (west) and the Lane/Benton County line (north). Rural residential and agricultural uses predominate.

**Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.):** The subject is located about 7 air miles northwest of Junction City and about 5 air miles northwest of Cheshire. The area is on the east slope of the Coast Range of mountains between the Pacific Ocean and the Willamette Valley. Access to Eugene metro area is within 30 minutes drive time. A wide variety of home values, ages, site sizes, qualities is present, typical of rural residential and natural resource locations in Lane County. Large land holdings are mainly ranches and farms, dedicated use public and private timberlands; other land uses include a grange hall, Christmas tree farms, row crop and pasture lands, vineyards, quarries, public uses. No adverse conditions; Ferguson Road is light traffic.

**Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time -- such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.):** Rising prices under present 6.00+/- fluctuating interest rates; presently, interest rates among the lowest in the past 45+ years due to strong government anti-recession stimulus. An active early Summer market, showing no past, present effect from current Iraq War in Realtor-noted buyer reluctance at this time, is in progress with limited selection of existing homes offered. Supply, demand appear to trend to a shortage at this time. Sellers in lower price ranges may pay up to \$5,000 of buyer loan, closing costs. Marketing time under 60 days for well-priced homes. The minor mix of homes and sites as noted above does not adversely affect marketability in this mid-price range of the subject area generally.

**Project Information for PUDs (if applicable) - Is the developer/building in control of the Home Owners' Association (HOA)?**  Yes  No

**Approximate total number of units in the subject project** \_\_\_\_\_ **Approximate total number of units for sale in the subject project** \_\_\_\_\_

**Describe common elements and recreational facilities:** The subject area is not a Planned Unit Development.

**Dimensions** 660' x 1,320' more or less

**Site area** 20 acres more or less **Corner Lot**  Yes  No

**Specific zoning classification and description** Exclusive Farm Use 40 acre minimum

**Zoning compliance:**  Legal  Legal nonconforming (Grandfathered use)  Illegal  No zoning

**Highest & best use as improved:**  Present use  Other use (explain)

Utilities	Public	Other	Off-site Improvements	Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Street	Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input type="checkbox"/>		Curb/gutter	None	<input type="checkbox"/>	<input type="checkbox"/>
Water	<input type="checkbox"/>	Private Well	Sidewalk	None	<input type="checkbox"/>	<input type="checkbox"/>
Sanitary sewer	<input type="checkbox"/>	Private Septic	Street lights	None	<input type="checkbox"/>	<input type="checkbox"/>
Storm sewer	<input type="checkbox"/>	Natural Slope	Alley	None	<input type="checkbox"/>	<input type="checkbox"/>

**Topography:** Level to Slight slope  
**Size:** Typical of the area  
**Shape:** Rectangular  
**Drainage:** Adequate  
**View:** Valley, Hills, Wooded  
**Landscaping:** Mature, Maintained  
**Driveway Surface:** All Weather Gravel  
**Apparent easements:** No Apparent Adverse  
**FEMA Special Flood Hazard Area:**  Yes  No  
**FEMA Zone:** Zone X **Map Date:** 06-02-1999  
**FEMA Map No.:** 41039C0600F

**Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.):** T.L. 304 in total: Subject is on a legally nonconforming site due to restrictive re-zoning applied (circa 1984) after 1982 deed partitioning and after placement of all three homes on site. Improvements can be rebuilt within one year if lost by fire or other casualty. See photo pages comments.

GENERAL DESCRIPTION		EXTERIOR DESCRIPTION		FOUNDATION		BASEMENT		INSULATION	
No. of Units	One	Foundation	Concrete	Slab	No	Area Sq. Ft.	None	Roof	
No. of Stories	One	Exterior Walls	Plywd & Batten	Crawl Space	Yes	% Finished		Ceiling	R-30+ <input checked="" type="checkbox"/>
Type (Det/Att.)	Detached	Roof Surface	Metal	Basement	None	Ceiling		Walls	R-19 <input checked="" type="checkbox"/>
Design (Style)	Rambler	Gutters & Dwnspnts.	Galv. Metal	Sump Pump	None	Walls		Floor	R-19 <input checked="" type="checkbox"/>
Existing/Proposed	Existing	Window Type	AlumThrmSlider	Dampness	None Apparent	Floor		None	
Age (Yrs.)	22 est	Storm/Screens	No/Yes	Settlement	None Apparent	Outside Entry		Unknown	
Effective Age (Yrs.)	15	Manufactured House	No	Infestation	None Apparent			1980's 2x6 Package	

ROOMS	Foyer	Living	Dining	Kitchen	Den	Family Rm.	Rec. Rm.	Bedrooms	# Baths	Laundry	Other	Area Sq. Ft.
Basement												
Level 1	1	great	room	area				2	2	1		None
Level 2												1,582

**Finished area above grade contains:** 7 Rooms; 2 Bedroom(s); 2 Bath(s); 1,582 Square Feet of Gross Living Area

INTERIOR	HEATING	KITCHEN EQUIP.	ATTIC	AMENITIES	CAR STORAGE:
Floors: Carpet, Vinyl, Hwd	Type: FA	Refrigerator: <input type="checkbox"/>	None: <input type="checkbox"/>	Fireplace(s) # Pellet: <input checked="" type="checkbox"/>	None: <input type="checkbox"/>
Walls: Textured Drywall, WP	Fuel: Electric	Range/Oven: <input checked="" type="checkbox"/>	Stairs: <input type="checkbox"/>	Patio: None: <input type="checkbox"/>	Garage: # of cars
Trim/Finish: Oak, Fir, Hemlock	Condition: Average	Disposal: <input checked="" type="checkbox"/>	Drop Stair: <input type="checkbox"/>	Deck: Open, Cov.: <input checked="" type="checkbox"/>	Attached: <input type="checkbox"/>
Bath Floor: Vinyl	COOLING	Dishwasher: <input checked="" type="checkbox"/>	Scuttle: <input checked="" type="checkbox"/>	Porch: Covered: <input checked="" type="checkbox"/>	Detached: 3+
Bath Wainscot: Fiberglass	Central: HP	Fan/Hood: <input checked="" type="checkbox"/>	Fiber: <input type="checkbox"/>	Fence: Field, yard: <input checked="" type="checkbox"/>	Built-In: <input type="checkbox"/>
Doors: Solid Wood/Bifold	Other: E.A.C.	Microwave: <input type="checkbox"/>	Heated: <input type="checkbox"/>	Pool landscape: <input type="checkbox"/>	Carport: <input type="checkbox"/>
See Comments Below	Condition: Average	Washer/Dryer: <input type="checkbox"/>	Finished: <input type="checkbox"/>	sprinklers: <input type="checkbox"/>	Driveway: 8+

**Additional features (special energy efficient items, etc.):** 2" x 6" Package efficient construction; aluminum thermal slider and casement windows; pellet stove in living room, forced air electric furnace with heat pump, filter. Vaulted great room design with beamed ceiling, clerestory windows.

**Condition of the improvements, depreciation (physical, functional, and external), repairs needed, quality of construction, remodeling/additions, etc.:** Subject was built of above average to good materials of the 1980's with oak entry floor, solid oak cabinetry, formica countertops, oak baseboard and casement trim, dining area buffet and china hutch, large master suite with walk-in closet, slider doors to hot tub deck. Covered redwood deck, breezeway to full finish guest quarters (or hobby studio, caretaker residence). Designed for retirement living for a couple plus guests.

**Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property:** The site has no apparent "dead" soil areas or past toxic waste, hazardous materials on or near the site other than typical household/shop/office chemicals found in most homes and garages, including that of the reader.

ESTIMATED SITE VALUE		= \$	250,000	Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property): Cost approach data from National Building Cost Service data and office files. Site value based on data from the subject's general or competitive areas which may be limited in any location which is mostly "built-up" at this time. Physical depreciation is based on the age/life method. Depreciated site improvements: utilities, site preparation, walks, driveways, landscape, fence, sprinklers, old MH & garage/shop, carport (\$15,000); wells/septic systems; pond (\$10,000); 1056sf house (\$40,000); older 2,560sf barn/storage; newer motor home garage/shed/storage (\$20,000);
ESTIMATED REPRODUCTION COST-NEW-OF IMPROVEMENTS:				
Dwelling	1,582 Sq. Ft. @ \$ 85.00	= \$	134,470	
	600 Sq. Ft. @ \$ 40.00	=	24,000	
Appl's, porch, decks, pellet stove, Bzway		=	20,000	
Garage/Carport	1,200 Sq. Ft. @ \$ 25.00	=	30,000	
Total Estimated Cost New		= \$	208,470	
Less	Physical	Functional	External	
Depreciation	44,675	= \$	44,675	
Depreciated Value of Improvements		= \$	163,795	
*As-is* Value of Site Improvements		= \$	120,000	
INDICATED VALUE BY COST APPROACH		= \$	533,795	

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3	
Address	95183 Turnbow Lane Junction City	92211 Purkerson Road Junction City // asking \$445,000	25563 Hall Road Junction City // asking \$325,000	29320 McMullen Lane Junction City // asking \$395,000	
Proximity to Subject		10 air miles southeast	7 air miles southwest	6 air miles southeast	
Sales Price	\$ Not Sold	\$ 422,500	\$ 325,000	\$ 395,000	
Price/Gross Living Area	\$	\$ 230.62	\$ 221.99	\$ 202.15	
Data and/or Verification Source	Inspection/ County Rcrds	Seller Choice Realty/ County Records / RMLS	Eric Sprado Realty/ County Records / RMLS	Mike frost Realty/ County Records / RMLS	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.
Sales or Financing Concessions		New Conv. Loan No Points, Costs		No Conv. Loan No Points, Costs	
Date of Sale/Time		04-2005 (COE)	0	08-2005 (COE)	0
Location	Average plus	Above Average	-10,000	Average minus	+20,000
Leasehold/Fee Simple	Fee	Fee		Fee	
Site	20 acres m/l	26.74 acres m/l	-20,000	16 acres m/l	+12,000
View	Creek, Pond	Fields, Hills	+20,000	Creek, Pond Wds	0
Design and Appeal	Rambler	Rambler		Contemporary	+10,000
Quality of Construction	Good minus	Good minus		Average plus	+10,000
Age	22 est 10eff	14act 10eff	0	33act 25eff	+15,000
Condition	Good	Good		Average plus	+5,000
Above Grade Room Count	Total : Bdrms : Baths 7 : 2 : 2	Total : Bdrms : Baths 7 : 3 : 2		Total : Bdrms : Baths 6 : 2 : 1	+6,000
Gross Living Area	1,582 Sq. Ft.	1,832 Sq. Ft.	-6,300	1,464 Sq. Ft.	+3,000
Basement & Finished Rooms Below Grade	Two dwellings+ 600sf Guest Qtrs	No other dwelling None	+50,000 +20,000	No other dwelling None	+50,000 +20,000
Functional Utility	Average	Average		Average	
Heating/Cooling	FA Electric/ HP	FA Electric/ HP		FA Electric/ No	+2,000
Energy Efficient Items	2x6 Package	2x6 Package		Partial Wthrized.	+5,000
Garage/Carport	3+Gar/Shop	2Gar/Shop/Shed	0	Shop parking	+15,000
Porch, Patio, Deck	Decks, Porches	Patios, Porches		Inferior Decks	+3,000
Fireplace(s), etc.	Pellet Stove	No Fireplace	+1,000	Pellet Stove	
Fence, Pool, etc.	Lnsnp, Sprinx, Fnc	Landscape, Fnce	+2,000	Landscape, Fnce	+2,000
Outbuildings	MH Gar/Old Barn	Newer Lrg. Barn	0	Older Barn/Sheds	+20,000
Net Adj. (total)		☑ + ☐ - \$	56,700	☑ + ☐ - \$	196,000
Adjusted Sales Price of Comparable			479,200		521,000

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): Subject presents a difficult appraisal problem due to having three dwellings of widely various styles, ages, qualities, values on one tax lot plus site amenities such as pasture ground, creek and improved pond. The sale indicators cited bracket a range of values with a single figure value selected from within the range, with emphasis on Sales 1 and 2, both fairly recently closed. Sale 1 considerably closer to the metro area but impacted by sporadic aircraft sound from Eugene Airport about 3 miles south. Sale 2 located considerably further from metro area, Junction City schools in the Low Pass area. Indicator 3 is a very recently pending sale which is a high indicator at the adjusted asking price after extended marketing time; it was remodeled in 2000.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Date, Price and Data Source, for prior sales within year of appraisal	None Noted, Known	None Noted, Known (3 years) County Records/RMLS Days on market = 20	None Noted, Known (3 years) County Records/RMLS Days on market = 8	None Noted, Known (3 years) County Records/RMLS Days on market = 177

Analysis of any current agreement of sale, option, or listing of subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal: No current or past listing or marketing of the subject was noted per owner, RMLS records in past three calendar years. No prior sales of the sale comparables noted in past three calendar years.

INDICATED VALUE BY SALES COMPARISON APPROACH \$ 520,000

INDICATED VALUE BY INCOME APPROACH (if Applicable) Estimated Market Rent \$ N/A /Mo. x Gross Rent Multiplier N/A = \$

This appraisal is made  "as is"  subject to the repairs, alterations, inspections or conditions listed below  subject to completion per plans & specifications. Conditions of Appraisal: The appraisal is made to cash equivalency per USPAP and FIRREA guidelines and USPAP departure provisions do not apply. See attached assumptions, limiting conditions and comments. The appraised value assumes a clear termite and dry rot report. Final Reconciliation: The market data approach, based on the sales of reasonably similar properties, is judged the more reliable indicator of value. Support is from the cost approach. The income approach is not considered applicable to owner-occupied residences. Only full open market exposure at a reasonable asking price can determine the actual market value of the subject.

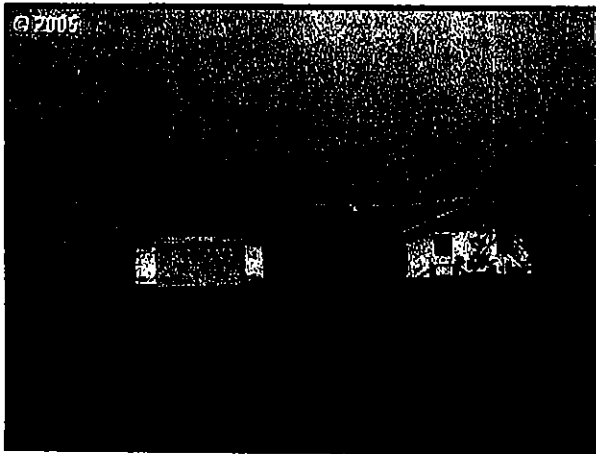
The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/FNMA form 1004B (Revised June 1993).

(WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF July 15, 2005 (WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ 520,000

APPRAISER: Signature *Craig E. McKerr* Name Craig E. McKerr, Appraiser, P.C. Date Report Signed August 26, 2005 State Certification # CRO0024 State OR Or State License # State  
SUPERVISORY APPRAISER (ONLY IF REQUIRED): Signature Name [ ] Did [ ] Did Not Inspect Property Date Report Signed State Certification # email: cem9th@msn.com State Or State License # phone 541-345-0744/fax 541-345-0577 State

# Comparable Photo Page

Borrower/Client	No borrower						
Property Address	95183 Turnbow Lane						
City	Junction City	County	Lane	State	OR	Zip Code	97448
Lender	Nail, Eugene and Maxine						



## Comparable 1

92211 Purkerson Road  
Prox. to Subject 10 air miles southeast  
Sale Price 422,500  
Gross Living Area 1,832  
Total Rooms 7  
Total Bedrooms 3  
Total Bathrooms 2  
Location Above Average  
View Fields, Hills  
Site 26.74 acres m/l  
Quality Good minus  
Age 14act 10eff

RMLS file photo



## Comparable 2

25583 Hall Road  
Prox. to Subject 7 air miles southwest  
Sale Price 325,000  
Gross Living Area 1,464  
Total Rooms 6  
Total Bedrooms 2  
Total Bathrooms 1  
Location Average minus  
View Creek, Pond, Wds  
Site 16 acres m/l  
Quality Average plus  
Age 33act 25eff

RMLS file photo



## Comparable 3

29320 McMullen Lane  
Prox. to Subject 6 air miles southeast  
Sale Price 395,000  
Gross Living Area 1,954  
Total Rooms 9  
Total Bedrooms 3  
Total Bathrooms 2  
Location Average plus  
View Woods, Fields  
Site 8.16 acres m/l  
Quality Good minus  
Age 25act 10eff

RMLS file photo

**CALCULATIONS**

Cost Source National Building Cost Data (web site calculator) -- 25474 Ferguson Road, Junction City, Oregon 97448

Component	No.	Size	Unit Cost	Cost
Dwelling	1	1,056	\$ 70	\$ 73,920
	1		\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$

Reproduction <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Cost New of Improvements				\$ 73,920
Plus: Indirect (Soft) Costs				\$
Plus: Entrepreneurial Profit			%	\$
Total Cost New				\$ 73,920
Less: Physical Deterioration		50 %		36,960
Less: Functional Obsolescence		%		
Less: External Obsolescence		%		
Total Accrued Depreciation (Deterioration & Obsolescence)				(\$ 36,960)
Depreciated Value of Building(s)				\$ 36,960
Plus: Contributing Value of Site Improvements				\$ 5,000
Depreciated Value of Improvements				\$ 41,960

Analysis/Comments: This proposed partitioned site also includes a 2,560sf barn with estimated cost to construct of \$15.00 per foot for \$38,400, depreciated contributory value of \$15,000, applied separately  
Covered Patio and deck = \$3,000 depreciated contributory value.

Total rounded value for 25474 Ferguson road residence = \$40,000  
This proposed partitioned site can be considered as "underimproved" as is; that is, if it were vacant, a new dwelling constructed would not be the same size and quality as the present dwelling.

Estimated site value based on appraised value of hypothetical parcel "A" = \$150,000

Total calculated value for 25474 Ferguson Road with house and barn on 2.5 acre hypothetical site is \$190,000 more or less

Reconciliation:

**SUMMARY OF COST APPROACH VALUE INDICATIONS**

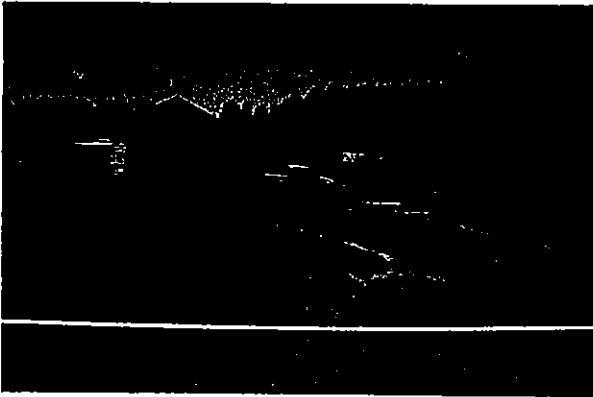
Site Value (Utilized Land Value)	\$	
Improvements Value	\$	41,960
Total Value Indication by the Cost Approach	\$	41,960
Market Rent Equivalency Adjustment	\$	
Value Estimate	\$	41,960
Plus: Excess Land	\$	
Total Value - Cost Approach - Real Estate	\$	41,960
Rounded	\$	41,960

**PHOTOGRAPH ADDENDUM -- 25474 Ferguson Road**

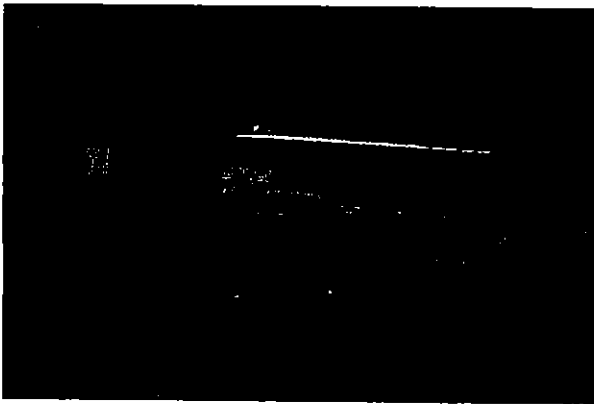
Borrower/Client	No borrower						
Property Address	95183 Tumbow Lane						
City	Junction City	County	Lane	State	OR	Zip Code	97448
Lender	Nail, Eugene and Maxine						



Front elevation



Barn and parking area



rear elevation



**CALCULATIONS**

Cost Source National Building Cost Data (web site calculator) and Me's Budget Homes, a used manufactured home dealer

Component	No.	Size	Unit Cost	Cost
Carport	1	403	\$ 12	\$ 4,836
1972 manufactured home	1	1,152	\$ 40	\$ 46,080
replacement cost new			\$	\$
utility room add-on	1	96	\$ 20	\$ 1,920
garage/shop	1	660	\$ 20	\$ 13,200
			\$	\$
			\$	\$
Reproduction <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Cost New of Improvements				\$ 66,036
Plus: Indirect (Soft) Costs				\$
Plus: Entrepreneurial Profit			%	\$
Total Cost New				\$ 66,036
Less: Physical Deterioration			85 %	56,131
Less: Functional Obsolescence			%	
Less: External Obsolescence			%	
Total Accrued Depreciation (Deterioration & Obsolescence)				(\$ 56,131)
Depreciated Value of Building(s)				\$ 9,905
Plus: Contributing Value of Site Improvements				\$ 5,000
Depreciated Value of Improvements				\$ 14,905

Analysis/Comments: The majority of depreciation is for the manufactured home which has little residual value as a used home however it has value in use as an ongoing rental in terms of rental income.

Depreciated value for carport and garage/shop = \$10,000

depreciated site improvements: well, septic system and fence: estimated \$5,000

Total calculated depreciated contributory value = \$15,000 plus \$150,000 estimated site value from hypothetical parcel "A" appraisal = \$165,000 estimated "as is" value

No interior inspection was made of the manufactured home

Reconciliation:

**SUMMARY OF COST APPROACH VALUE INDICATIONS**

Site Value (Utilized Land Value)	\$	
Improvements Value	\$	14,905
Total Value Indication by the Cost Approach	\$	14,905
Market Rent Equivalency Adjustment	\$	
Value Estimate	\$	14,905
Plus: Excess Land	\$	
Total Value - Cost Approach - Real Estate	\$	14,905
Rounded	\$	14,910

**PHOTOGRAPH ADDENDUM -- 25466 Ferguson Road**

Borrower/Client	No borrower				
Property Address	95183 Turnbow Lane				
City	Junction City	County	Lane	State	OR
Zip Code	97448				
Lender	Nail, Eugene and Maxine				



Front of 25466 Ferguson Road improvements



Rear of 25466 Ferguson Road improvements



North creek bank area along south portion of 25466 Ferguson Road site, looking east from Turnbow Road

**Summary Appraisal Report**

File No 062005A

Borrower No borrower Census Tract 4.02 Map Reference Pittman page 4  
 Property Address Number Not Assigned Ferguson Road  
 City Junction City County Lane State Oregon Zip Code 97448  
 Legal Description Hypothetical Metes and Bounds Description; unpartitioned portion of Tax Lot 15-05-30-00-00304  
 Sale Price \$ Not Sold Date of Sale N/A Loan Term      yrs Property Rights Appraised  Fee  Leasehold  De Minimis PUD  
 Actual Real Estate Taxes \$ TBA (yr) Loan charges to be paid by seller \$ N/A Other sales concessions Not Applicable  
 Lender/Client Nail, Eugene and Maxine c/o Norm Waterbury Address 95183 Turnbow Lane, Junction City, Oregon 97448  
 Occupant vacant land Appraiser Craig E. McKern Instructions to Appraiser appraise to market value per USPAP standards  
Craig E. McKern, Appraiser, P.C. 1574 Coburg Road, PMB 397, Eugene, Oregon 97401 telephone 541-345-0744 facsimile 541-345-0577

**NEIGHBORHOOD**

Location  Urban  Suburban  Rural  Other  
 Built Up  Over 75%  25% to 75%  Under 25%  
 Growth Rate  Fully Dev  Rapid  Steady  Slow  
 Property Values  Increasing  Stable  Declining  
 Demand/Supply  Shortage  In Balance  Oversupply  
 Marketing Time  Under 3 Mos.  4-6 Mos.  Over 6 Mos.  
 Present Land Use 85% 1 Family 5% 2-4 Family      % Apts.      % Condo      % Commercial  
     % Industrial      % Vacant 10% other  
 Change in Present Land Use  Not Likely  Likely (\*)  Taking Place (\*)  
 (\*) From vacant/undeveloped To residential  
 Predominant Occupancy  Owner  Tenant 5 % Vacant  
 Single Family Price Range \$ 100 to \$ 900+ Predominant Value \$ 300+  
 Single Family Age <5 yrs. to 80+ yrs. Predominant Age 20-50 yrs.

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

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): See neighborhood description on main file for entire tax lot, 062005. This appraisal report is for an unpartitioned portion of Tax Lot 304 (shown as Parcel "A" on plat map) further described as the northeast 2.5 acres more or less north of Ferguson Creek, The portion has no improvements at present; a standard or sand filter septic system approval is assumed. The estimated value of this vacant site will be applied to calculated values for Parcels "B" and "C".

**SITE**

Dimensions Irregular, see plat map = 2 Sq. Ft. or Acres  Corner Lot  
 Zoning classification Exclusive Farm Use 40 acre minimum Present Improvements  do  do not conform to zoning regulations  
 Highest and best use  Present use  Other (specify) potential to partition to this smaller site under present Measure 37 procedures  
 Elec.  Public  Other (Describe)       
 Gas        
 Water  Private Well  
 San. Sewer  Private Septic  
Underground Elect. & Tel.  
 OFF SITE IMPROVEMENTS  
 Street Access  Public  Private  
 Surface Asphalt  
 Maintenance  Public  Private  
 Storm Sewer  Curb/Gutter  
 Sidewalk  Street Lights  
 Topo Level to Slight slope  
 Size Typical small acres  
 Shape Mostly Rectangular  
 View Valley, Hills, Wooded; backs to creek frontage  
 Drainage Normally Adequate FEMA 41039-0600F; Zones A and X  
 Is the property located in a HUD Identified Special Flood Hazard Area?  No  Yes  
 Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): See plat map for general outline of this HYPOTHETICAL site (the "after" instance) located on Ferguson Road and presently undeveloped. Any future dwelling would be in Zone X, away from creek side Zone A flood plain.

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	<u>NNA Ferguson Road - "A" Junction City</u>	<u>89666 Sheffer Road #2 Elmira</u>	<u>24080 High Pass Road Junction City</u>	<u>24751 Paradise Drive Junction City</u>
Proximity to Subject		<u>12 air miles south</u>	<u>2 miles southeast</u>	<u>9 air miles south</u>
Sales Price	<u>\$ Not Sold</u>	<u>\$ 160,000</u>	<u>\$ 169,000</u>	<u>\$ 159,500</u>
Price				
Data Source	<u>Inspection/Owner</u>	<u>Prudential R. E. Professionals/</u>	<u>Coldwell Banker CIR Realty/</u>	<u>RE/max Integrity/County</u>
Date of Sale and Time Adjustment	<u>07-15-2005</u>	<u>06-2005 (COE)</u>	<u>PENDING SALE</u>	<u>Active Listing</u>
Location	<u>Average plus</u>	<u>Above Average</u>	<u>Average plus</u>	<u>Average plus</u>
Site/View	<u>2 acre m/I/Creek, Hills</u>	<u>2 acre m/I/Wooded</u>	<u>4 ac m/I/Creek, Wds</u>	<u>3.4ac m/I/Woods</u>
Well/Septic	<u>None/ Assum Permit</u>	<u>None/ Assum Permit</u>	<u>Installed/Installed</u>	<u>Installed/Installed</u>
Buildability/Slope	<u>Assumed/ level</u>	<u>Assumed/ sloped</u>	<u>Buildable/ sloped</u>	<u>Buildable/ sloped</u>
Drive/Road access	<u>Not installed/Avail.</u>	<u>Driveway/Available</u>	<u>Driveway/Available</u>	<u>Driveway/Available</u>
Utilities	<u>Available at road</u>	<u>Available at road</u>	<u>Installed on site</u>	<u>Installed on site</u>
Sales or Financing Concessions	<u>Cash to Seller</u>	<u>Cash</u>	<u>Cash to Seller</u>	<u>Cash to Seller</u>
Net Adj. (Total)		<u>\$ +</u>	<u>\$ -</u>	<u>\$ -</u>
Indicated Value of Subject		<u>\$ 160,000</u>	<u>\$ 134,000</u>	<u>\$ 154,500</u>

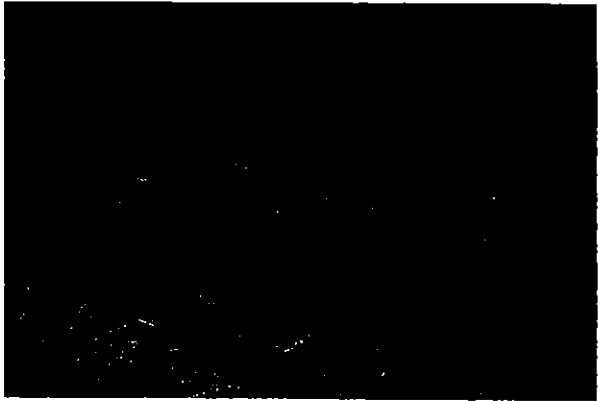
Comments on Market Data: Very limited closed sale data at this time for smaller parcels in the subject area. Pending Sale 2 is the most proximate but a larger site with a small creek (tributary to Bear Creek) through it among open meadows, wooded slopes. Listing Indicator 3 has sloped ground, older manufactured home as a placeholder. Sale 1 is near LaVelle Vineyards, close to schools, shopping, services, is a new partition.  
 Comments and Conditions of Appraisal: The appraisal is made to cash equivalency per USPAP and FIRREA guidelines; USPAP departure provisions do not apply. See attached assumptions, limiting conditions and comments. This parcel is a hypothetical partition of Tax Lot 304 and does not actually exist.

**RECONCILIATION**

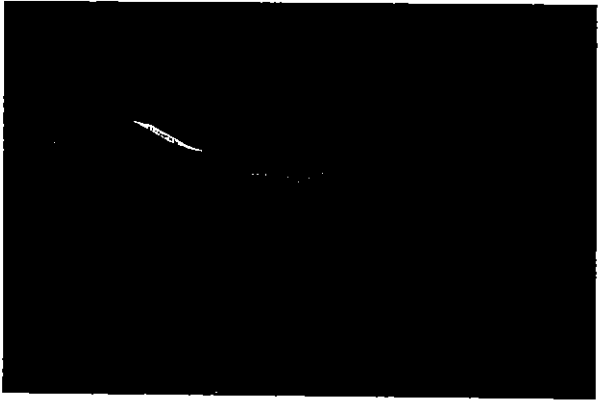
Final Reconciliation: The market data approach, based on the sales of reasonably similar properties, is judged the more reliable indicator of value. Support is from the cost approach. The income approach is not considered applicable to owner-occupied residences. Only full open market exposure at a reasonable asking price can determine the actual market value of the subject.  
 I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF July 15, 2005 to be \$ 140,000  
 The opinion of value stated is within a range of indicated values. Value opinion is provided for comparison purposes in a Measure 37 proceeding  
 Report completion date August 26, 2005  
 Craig E. McKern *[Signature]*  
 Appraiser(s)  Did  Did Not Physically Inspect Property  
 Review Appraiser (if applicable)

**PHOTOGRAPH ADDENDUM -- hypothetical parcel "A" -- 2 acres vacant site**

Borrower/Client	No borrower						
Property Address	Number Not Assigned Ferguson Road						
City	Junction City	County	Lane	State	Oregon	Zip Code	97448
Lender	Nail, Eugene and Madne c/o Norm Waterbury						



North portion of hypothetical parcel "A" from Ferguson Road, looking southeast



Hypothetical parcel "A" on right looking north from creek area, barn on hypothetical parcel "B" at left



Street scene looking east on Ferguson Road from front of 25474 Ferguson Road

**Summary Appraisal Report**

File No 0620058

Borrower No borrower Census Tract 4.02 Map Reference Pittman page 4  
 Property Address Number Not Assigned Turnbow Lane  
 City Junction City County Lane State Oregon Zip Code 97448  
 Legal Description Hypothetical Metes and Bounds Description, unpartitioned portion of Tax Lot 15-05-30-00-00304  
 Sale Price \$ Not Sold Date of Sale N/A Loan Term \_\_\_\_\_ yrs. Property Rights Appraised  Fee  Leasehold  De Minimis PUO  
 Actual Real Estate Taxes \$ TBA (yr) Loan charges to be paid by seller \$ N/A Other sales concessions Not Applicable  
 Lender/Client Nail, Eugene and Maxine c/o Norm Waterbury Address 95183 Turnbow Lane, Junction City, Oregon 97448  
 Occupant vacant land Appraiser Craig E. McKern Instructions to Appraiser appraise to market value per USPAP standards  
Craig E. McKern, Appraiser, P.C. 1574 Coburg Road, PMB 397, Eugene, Oregon 97401 telephone 541-345-0744 facsimile 541-345-0577

Location	<input type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input checked="" type="checkbox"/> Rural	Employment Stability	Good	Avg.	Fair	Poor
Built Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	Convenience to Employment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Growth Rate	<input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	Convenience to Shopping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Convenience to Schools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply	Adequacy of Public Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing Time	<input checked="" type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.	Recreational Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Present Land Use	<u>85%</u> 1 Family	<u>5%</u> 2-4 Family	<u>  </u> % Apts.	Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<u>  </u> % Industrial	<u>  </u> % Vacant	<u>10%</u> other	Property Compability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change in Present Land Use	<input type="checkbox"/> Not Likely	<input type="checkbox"/> Likely (*)	<input checked="" type="checkbox"/> Taking Place (*)	Protection from Detrimental Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(*) From <u>vacant/undeveloped</u> To <u>residential</u>			Police and Fire Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Predominant Occupancy	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<u>5</u> % Vacant	General Appearance of Properties	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single Family Price Range	\$ <u>100</u> to \$ <u>900+</u>		Predominant Value \$ <u>300+</u>	Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single Family Age	<u>&lt;5</u> yrs. to	<u>80+</u> yrs.	Predominant Age <u>20-50</u> yrs.					

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): See neighborhood description on main file for entire tax lot, 062005. This appraisal report is for an unpartitioned portion of Tax Lot 304 (shown as Parcel "E" on plat map); described as the south 6.4 acres more or less south of Ferguson Creek. The portion has no improvements at present; a standard or sand filter septic system approval is assumed. Site values for 95183 Turnbow Lane on the 6.4 acre hypothetical site is higher than this appraisal due to creek and pond.

Dimensions 422' x 660' more or less = 6.4 Sq. Ft. or Acres  Corner Lot  
 Zoning classification Exclusive Farm Use 40 acre minimum Present improvements  do  do not conform to zoning regulations  
 Highest and best use  Present use  Other (specify) potential to partition to this smaller site under present Measure 37 procedures  
 Elec.  Public  Other (Describe) \_\_\_\_\_  
 Gas  \_\_\_\_\_  
 Water  None  
 San. Sewer  None  
 Underground Elect. & Tel.  
 OFF SITE IMPROVEMENTS  
 Street Access  Public  Private  
 Surface Asphalt  
 Maintenance  Public  Private  
 Storm Sewer  Curb/Gutter  
 Sidewalk  Street Lights  
 Topo Level  
 Size Typical small acres  
 Shape Rectangular  
 View Filed, Hills, Wooded; no creek frontage  
 Drainage Normally Adequate FEMA 41039-0600F, Zones A and X  
 Is the property located in a HUD Identified Special Flood Hazard Area?  No  Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): See plat map for general outline of this HYPOTHETICAL site (the "after" instance) located on Turnbow Lane and presently undeveloped. Any future dwelling would be in Zone X, away from creek side Zone A flood plain.

The undersigned has rected three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

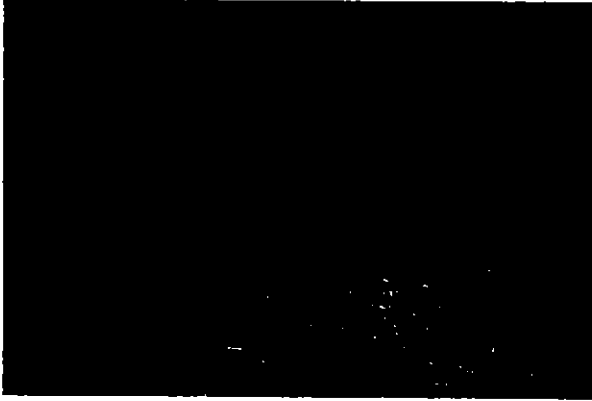
ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	<u>NNA Turnbow Lane - parcel "E"</u> <u>Junction City</u>	<u>24761 Lavell Road</u> <u>Junction City</u>	<u>24080 High Pass Road</u> <u>Junction City</u>	<u>25800 Hall Road</u> <u>Junction City</u>
Proximity to Subject		<u>2.5 air miles southeast</u>	<u>2 miles southeast</u>	<u>4 air miles southeast</u>
Sales Price	\$ <u>Not Sold</u>	\$ <u>149,900</u>	\$ <u>169,000</u>	\$ <u>239,500</u>
Price				
Data Source	<u>Inspection/Owner</u>	<u>Coldwell Banker CIR Realty/</u>	<u>Coldwell Banker CIR Realty/</u>	<u>RE/max Integrity/County</u>
Date of Sale and Time Adjustment	<u>07-15-2005</u>	<u>07-2005 (COE)</u>	<u>PENDING SALE</u>	<u>Active Listing</u>
Location	<u>Average plus</u>	<u>Average plus</u>	<u>Average plus</u>	<u>Average plus</u>
Site/View	<u>6.4 ac m//Field, Hills</u>	<u>2.6 acre m//Crk,Wd</u>	<u>4 ac m//Creek,Wds</u>	<u>4.7ac m//Wooded</u>
Well/Septic	<u>None/ Assum Permit</u>	<u>Installed/Installed</u>	<u>Installed/Installed</u>	<u>Installed/Installed</u>
Buildability/Slope	<u>Assumed/ level</u>	<u>Buildable/ sloped</u>	<u>Buildable/ sloped</u>	<u>Buildable/ sloped</u>
Drive/Road access	<u>Not installed/Avail.</u>	<u>Driveway/Available</u>	<u>Driveway/Available</u>	<u>Driveway/Available</u>
Utilities/outbuildings	<u>Available at road</u>	<u>Installed/garage</u>	<u>Installed on site</u>	<u>Installed on site</u>
Sales or Financing Concessions	<u>Cash to Seller</u>	<u>New Conv. Loan</u>	<u>Cash to Seller</u>	<u>Cash to Seller</u>
Net Adj. (Total)		<u>+</u>	<u>-</u>	<u>-</u>
Indicated Value of Subject		\$ <u>149,900</u>	\$ <u>160,000</u>	\$ <u>230,500</u>

Comments on Market Data: Very limited closed sale data at this time for smaller parcels in the subject area. Pending Sale 2 is the most proximate but a larger site with a small creek (tributary to Bear Creek) through it among open meadows, wooded slopes. Listing Indicator 3 has sloped ground, older manufactured home as a placeholder. Sale 1 is near Sale 2, has woods and pasture, improved building site, very high indicator.  
 Comments and Conditions of Appraisal: The appraisal is made to cash equivalency per USPAP and FIRREA guidelines; USPAP departure provisions do not apply. See attached assumptions, limiting conditions and comments. This parcel is a hypothetical partition of Tax Lot 304 and does not actually exist. Site value for this hypothetical 6.4 acre parcel "E" and the hypothetical 6.4 acre parcel "D" for the existing homesite of 95183 Turnbow Lane do not necessarily correlate because of the "D" parcel's creek and pond frontage and other site improvements.  
 Final Reconciliation: The market data approach, based on the sales of reasonably similar properties, is judged the more reliable indicator of value. Support is from the cost approach. The income approach is not considered applicable to owner-occupied residences. Only full open market exposure at a reasonable asking price can determine the actual market value of the subject.

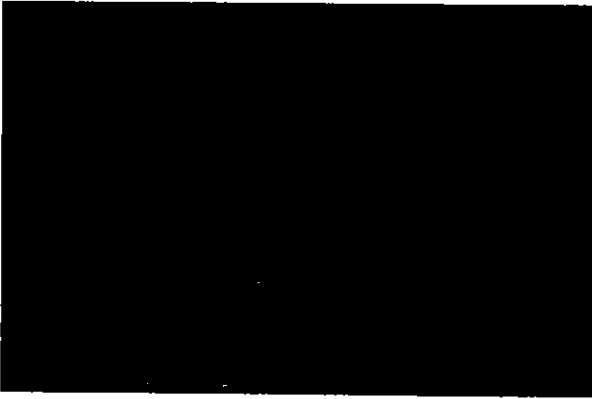
I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF July 15, 2005 to be \$ 160,000  
 The opinion of value stated is within a range of indicated values. Value opinion is provided for comparison purposes in a Measure 37 proceeding  
 Report completion date August 26, 2005  
 Craig E. McKern *Craig E. McKern*  
 Appraiser(s) Review Appraiser (if applicable)  Did  Did Not Physically Inspect Property

**PHOTOGRAPH ADDENDUM -- hypothetical parcel "E" 6.4 acres vacant site**

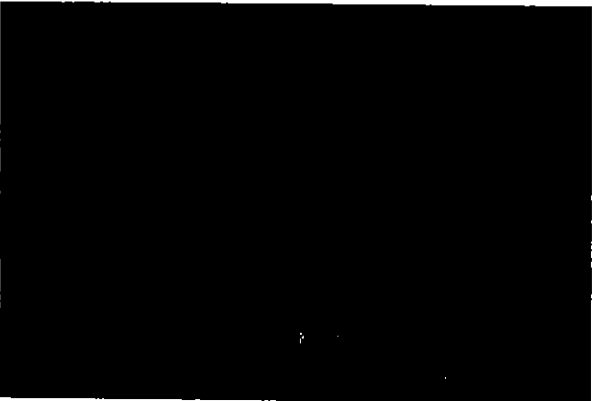
Borrower/Client	No borrower						
Property Address	Number Not Assigned Tumbow Lane						
City	Junction City	County	Lane	State	Oregon	Zip Code	97448
Lender	Nail, Eugene and Maxine c/o Norm Waterbury						



West portion of hypothetical parcel "E" from 95183 Tumbow lane homesite



Hypothetical parcel "E" looking southeast from 95183 Tumbow Lane homesite



East portion of hypothetical parcel "E" looking from 95183 Tumbow Lane homesite

Table with columns: ESTIMATED SITE VALUE, ESTIMATED REPRODUCTION COST-NEW-OF IMPROVEMENTS, Dwelling, Appl's, porch, decks, pellet stove, Bzway, Garage/Carport, Total Estimated Cost New, Less Physical, Functional, External, Depreciation, Depreciated Value of Improvements, \*As-is\* Value of Site Improvements, INDICATED VALUE BY COST APPROACH.

Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property): Cost approach data from National Building Cost Service data and office files. Site value based on data from the subject's general or competitive areas which may be limited in any location which is mostly "built-up" at this time. Physical depreciation is based on the age/life method. Depreciated site improvements: utilities, site preparation, walks, driveways, landscape, fence, sprinklers, well/septic systems; pond (\$10,000); newer motor home garage/shed/storage (\$20,000).

Table with columns: ITEM, SUBJECT, COMPARABLE NO. 1, COMPARABLE NO. 2, COMPARABLE NO. 3. Rows include: Address, Proximity to Subject, Sales Price, Price/Gross Living Area, Data and/or Verification Source, VALUE ADJUSTMENTS, Sales or Financing Concessions, Date of Sale/Time, Location, Leasehold/Fee Simple, Site, View, Design and Appeal, Quality of Construction, Age, Condition, Above Grade Room Count, Gross Living Area, Basement & Finished Rooms Below Grade, Functional Utility, Heating/Cooling, Energy Efficient Items, Garage/Carport, Porch, Patio, Deck, Fireplace(s), etc., fence, Pool, etc., Outbuildings, Net Adj. (total), Adjusted Sales Price of Comparable.

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): Subject presents a difficult appraisal problem due to having three dwellings of widely various styles, ages, qualities, values on one tax lot plus site amenities such as pasture ground, creek and improved pond. The sale indicators cited bracket a range of values with a single figure value selected from within the range, with emphasis on Sales 1 and 2, both fairly recently closed. Sale 1 and Sale 2 located considerably further from metro area, Junction City schools in the Low Pass area; Sale 1 observed to be in somewhat dated and worn condition based on exterior drive-by, Realtor information. Indicator 3 is a very recently pending sale which is a high indicator at the adjusted asking price after extended marketing time; it was remodeled in 2000.

Table with columns: ITEM, SUBJECT, COMPARABLE NO. 1, COMPARABLE NO. 2, COMPARABLE NO. 3. Rows include: Date, Price and Data Source, for prior sales within year of appraisal; Analysis of any current agreement of sale, option, or listing of subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal.

INDICATED VALUE BY SALES COMPARISON APPROACH \$ 430,000

INDICATED VALUE BY INCOME APPROACH (if Applicable) Estimated Market Rent \$ N/A /Mo. x Gross Rent Multiplier N/A = \$

This appraisal is made [X] "as is" [ ] subject to the repairs, alterations, inspections or conditions listed below [ ] subject to completion per plans & specifications. Conditions of Appraisal: The appraisal is made to cash equivalency per USPAP and FIRREA guidelines and USPAP departure provisions do not apply. See attached assumptions, limiting conditions and comments. The appraised value assumes a clear termite and dry rot report. Final Reconciliation: The market data approach, based on the sales of reasonably similar properties, is judged the more reliable indicator of value. Support is from the cost approach. The income approach is not considered applicable to owner-occupied residences. Only full open market exposure at a reasonable asking price can determine the actual market value of the subject.

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/FNMA form 1004B (Revised June 1993). I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF July 15, 2005 (WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ 430,000

APPRaiser: Signature: Craig E. McKern, Appraiser, P.C. Name: Craig E. McKern, Appraiser, P.C. Date Report Signed: August 26, 2005. State Certification #: CRO0024. State OR. SUPERVISORY APPRAISER (ONLY IF REQUIRED): Signature: Name: [ ] Did [ ] Did Not Inspect Property. Date Report Signed: State Certification #: email: cem9th@msn.com. State OR. Or State License #: phone 541-345-0744/fax 541-345-0577. State

Borrower/Client No borrower				
Property Address 95183 Tumbow Lane				
City Junction City	County Lane	State OR	Zip Code 97448	
Lender Nell, Eugene and Maxine				



**Comparable 1**

25429 Hall Road  
 Prox. to Subject 7 air miles southwest  
 Sale Price 299,500  
 Gross Living Area 1,790  
 Total Rooms 7  
 Total Bedrooms 3  
 Total Bathrooms 2  
 Location Average minus  
 View Woods, Creek  
 Site 4.8 acres m/l  
 Quality Average plus  
 Age 28act 25eff

RMLS file photo



**Comparable 2**

25583 Hall Road  
 Prox. to Subject 7 air miles southwest  
 Sale Price 325,000  
 Gross Living Area 1,484  
 Total Rooms 6  
 Total Bedrooms 2  
 Total Bathrooms 1  
 Location Average minus  
 View Creek, Pond, Wds  
 Site 16 acres m/l  
 Quality Average plus  
 Age 33act 25eff

RMLS file photo



**Comparable 3**

28320 McMullen Lane  
 Prox. to Subject 6 air miles southeast  
 Sale Price 395,000  
 Gross Living Area 1,954  
 Total Rooms 9  
 Total Bedrooms 3  
 Total Bathrooms 2  
 Location Average plus  
 View Woods, Fields  
 Site 8.18 acres m/l  
 Quality Good minus  
 Age 25act 10eff

RMLS file photo



**APPRAISAL AND REPORT IDENTIFICATION**

This appraisal conforms to one of the following definitions:

- Complete Appraisal (The act or process of estimating value, or an opinion of value, performed without invoking the Departure Rule.)
- Limited Appraisal (The act or process of estimating value, or an opinion of value, performed under and resulting from invoking the Departure Rule.)

This report is one of the following types:

- Self Contained (A written report prepared under Standards Rule 2-2(a) of a Complete or Limited Appraisal performed under STANDARD 1.)
- Summary (A written report prepared under Standards Rule 2-2(b) of a Complete or Limited Appraisal performed under STANDARD 1.)
- Restricted (A written report prepared under Standards Rule 2-2(c) of a Complete or Limited Appraisal performed under STANDARD 1, restricted to the stated intended use by the specified client or intended user.)

**Comments on Standards Rule 2-3**

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

The statements of fact contained in this report are true and correct.  
 The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.  
 I have no present or prospective interest in the property that is the subject of this report, and no (or the specified) personal interest with respect to the parties involved.  
 I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.  
 My engagement in this assignment was not contingent upon 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.  
 My analyses, opinions and conclusions were developed and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.  
 I have made a personal inspection of the property that is the subject of this report.  
 No one provided significant real property appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant real property appraisal assistance must be stated.)  
 I have made a personal interior inspection of the subject property.  
 A lengthy period passed between the date of inspection and the date of completion as the appraiser performed a variety of investigations on Measure 37 and its ramifications for the subject property. There is no guarantee from the appraiser that the attached report(s) will be found fully satisfactory to the Lane County jurisdiction for handling Measure 37 claims, as these requirements may change due to court ordered or Legislature passed modifications.

**Comments on Appraisal and Report Identification**

Note any departures from Standards Rules 1-3 and 1-4, plus any USPAP-related issues requiring disclosure:

This appraisal report is complete on the basis of the full site inspection, not the extent of commentary attached.  
 The appraised value includes a realty fee as did the sale prices of the comparables, unless otherwise stated.

There were no directly observed toxic materials or hazardous substances in the immediate area of the subject; if any do exist, these are assumed to be safely stored and used according to label directions. A specific search for and recognition of toxic waste and hazardous materials such as might be found in a farm and ranch environment (a Level I assessment) is beyond the scope of the appraiser's training and knowledge. Common household, shop and garden chemicals and substances found in most homes and garages, including those of the reader, are assumed to exist around the site. These common toxic materials and hazardous substances include chemicals such as fertilizers, weed killers, pest poisons and sprays, bleach, detergent, oils, cleansers, solvents and fuels, among other solid, liquid and paste substances, and are assumed to be used according to label directions and Federal, state and local regulations unless otherwise specifically noted in this report. It is specifically assumed there is no toxic mold or fungus manifest on the site which would affect livability or marketability.

See attached supplemental addendum. This report has been prepared for use in a State Measure 37 proceeding and is restricted to that use only. See the cover letter page for brief explanations of the use and purpose of this report 062005 in conjunction with report 062005A and 062005B which are for smaller hypothetical parcels out of the 20 acres more or less of the report in hand in order to provide "before and after" scenarios. The actual legality, validity and application of State Measure 37 is still in question with present and future court and Legislature involvements a certainty.

**APPRAISER:**

Signature: Craig E. McKern  
 Name: Craig E. McKern, Appraiser, P.C.  
 Date Signed: August 26, 2005  
 State Certification #: CR00024  
 or State License #: \_\_\_\_\_  
 State: Oregon  
 Expiration Date of Certification or License: 09-30-2006

**SUPERVISORY APPRAISER (only if required):**

Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Date Signed: \_\_\_\_\_  
 State Certification #: email: cem9th@msn.com  
 or State License #: phone 541-345-0744/fax 541-345-0577  
 State: \_\_\_\_\_  
 Expiration Date of Certification or License: \_\_\_\_\_

Did  Did Not Inspect Property

Borrower/Client	No borrower		
Property Address	95183 Turnbow Lane		
City	Junction City	County	Lane
State	OR	Zip Code	97448
Lender	Nail, Eugene and Maxine		

**Appraisal Development and Reporting Process:**

As per prior agreement with the client named on the cover sheet and first form page of this report, the level of appraisal service requested is a Summary Appraisal Report of a Complete Appraisal of the subject property. This level of service has, in the past, been known as a "form appraisal" using standard FNMA or FHLMC forms to convey information to the reader. This level of appraisal service is for the most part the same as past "form appraisals".

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

**Scope of Work:**

In preparing this report, the appraiser inspected the subject site in total and the owner's dwelling and improvements only on July 15, 2005.

Relevant information on comparable land and improved site sales, construction costs and accrued depreciation were also gathered, verified and considered. All three approaches to value were considered; the sales comparison approach only was developed for 062005B and 062005C reports; sale comparison and cost approach was developed for the 062005 report.

In addition, calculated values were arrived at for the two hypothetical parcels shown as "B" and "C" on the map sketch as these have improvements on them.

The income approach, along with rents, comparative rental data and calculated formulas and multipliers, is used ONLY IF the subject is likely to become or remain a rental income property in the foreseeable future, which is not the case for the subject dwelling at this time. The two rental properties, shown as "B" and "C" hypothetical parcels, would more likely than not be sold for owner-occupancy, if separately marketed, than continue as rentals.

**Purpose of the Appraisal and Use of the Report:**

The purpose of this appraisal report is to estimate the market value as defined on the attached USPAP addendum.

This appraisal report is intended ONLY for the use of the client named for the purpose of establishing a fair market value by an independent third party for Measure 37 proceedings. The use of this report is restricted to the clients, Eugene and Maxine Nail, the owners, and their advisor/agent, Norm Waterbury, plus an attorney or land use consultant if desired for this purpose only. Duly constituted Lane County committees or courts for Measure 37 appeals are also an expected reader of this report but Lane County is not a client of the appraiser.

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

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

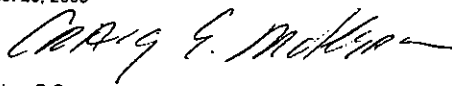
**Supplemental Certifications:**

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

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

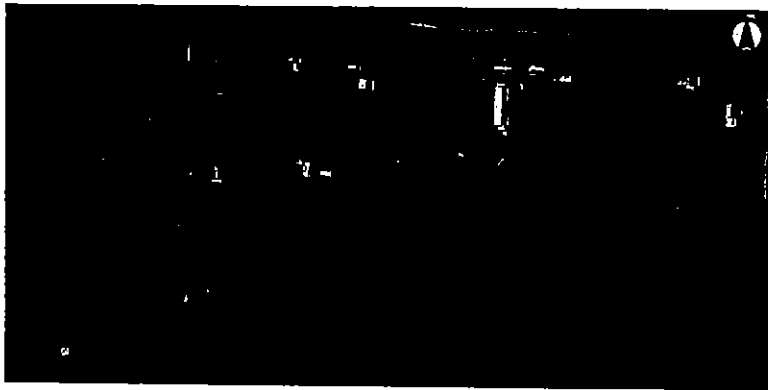
signed and dated August 26, 2005

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





General aerial view of Tumbow Lane at Ferguson Road junction, subject 20 acres upper left center



Detail of aerial photo with subject 20 acres just left of center to center

NS



5. 107  
 1-  
 Maxine E. Nail  
 95183 Thurabow Ln  
 Junction City, OR 97448  
 Grantor's Name and Address

F. Eugene Nail  
 95183 Thurabow Lane  
 Junction City, OR 97448  
 Grantee's Name and Address

After recording, return to (Name, Address, Zip):  
 F. EUGENE NAIL  
 95183 Thurabow Ln  
 Junction City, OR 97448

Until requested otherwise, send all tax statements to (Name, Address, Zip):  
 ABOVE ADDR.

STATE OF OREGON,  
 County of \_\_\_\_\_ ) ss.  
 I certify that the within instrument  
 was received for record on the \_\_\_\_\_ day  
 of \_\_\_\_\_, 19\_\_\_\_, at  
 \_\_\_\_\_ o'clock \_\_\_\_\_ M., and recorded in  
 book/reel/volume No. \_\_\_\_\_ on page \_\_\_\_\_

Division of Chief Deputy Clerk  
 Lane County Deeds and Records 2000-072058



\$25.00

RPR DEED - 1 - 7 CASHIER 07  
 \$5.00 \$11.00 \$10.00  
 12/21/2000 11:05:39 AM

WARRANTY DEED

KNOW ALL BY THESE PRESENTS that Maxine E. Nail

hereinafter called grantor, for the consideration hereinafter stated, to grantor paid by Maxine E. Nail  
F. EUGENE NAIL - Wife of husband  
 hereinafter called grantee, does hereby grant, bargain, sell and convey unto the grantee and grantee's heirs, successors and assigns,  
 that certain real property, with the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining,  
 situated in Lane County, State of Oregon, described as follows, to-wit:

The West half of the North half of the following described parcel of land:

Beginning at the Northwest corner of the East half of the Northwest quarter of Section 30 in Township 15 South, Range 5 West of the Willamette Meridian; run thence South 0° 14' East parallel with the West line of said Section 30, a distance of 39.53 chains to the South line of the North half of said Section; thence on said line South 89° 13' East 20.03 chains more or less to the Center of Section 30; thence 0° 14' West 39.53 chains more or less to the quarter Section corner on the line between Sections 19 and 30; thence North 89° 50' West 20.03 chains to the point of beginning, in Lane County, Oregon.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

To Have and to Hold the same unto grantee and grantee's heirs, successors and assigns forever.  
 And grantor hereby covenants to and with grantee and grantee's heirs, successors and assigns, that grantor is lawfully seized in fee simple of the above granted premises, free from all encumbrances except (if no exceptions, so state): \_\_\_\_\_

\_\_\_\_\_ and that grantor will warrant and forever defend the premises and every part and parcel thereof against the lawful claims and demands of all persons whomsoever, except those claiming under the above described encumbrances.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$ None. However, the actual consideration consists of or includes other property or value given or promised which is  the whole  part of the (indicate which) consideration. (The sentence between the symbols ©, if not applicable, should be deleted. See ORS 93.030.)

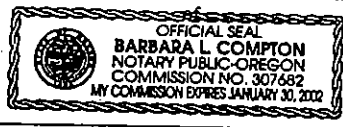
In construing this deed, where the context so requires, the singular includes the plural, and all grammatical changes shall be made so that this deed shall apply equally to corporations and to individuals.

In witness whereof, the grantor has executed this instrument this 21st day of December, 2000; if grantor is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.830.

Maxine E. Nail

STATE OF OREGON, County of LANE ) ss.  
 This instrument was acknowledged before me on DECEMBER 21, 2000  
 by MAXINE E. NAIL  
 This instrument was acknowledged before me on \_\_\_\_\_, 19\_\_\_\_  
 by \_\_\_\_\_  
 as \_\_\_\_\_



Barbara L. Compton  
 Notary Public for Oregon  
 My commission expires 1-30-02

Summary Appraisal Reports of a Complete Appraisals of:

File 062005

95183 Turnbow Lane, Junction City Oregon 97448  
the present 20 acre more or less site,  
all of Tax Lot 15-05-30-00-00304, the "before" instance"

including calculated projected values for  
two separate, dissimilar dwellings on hypothetical 2.5 acre sites  
commonly addressed as:  
25466 Ferguson Road (hypothetical parcel "C")  
and 25474 Ferguson Road (hypothetical parcel "B")

AND

File 06205A

A hypothetical portion of Tax Lot 15-05-30-00-00304  
A 2 acre more or less site, an "after" instance (hypothetical parcel "A")  
(unsurveyed, not a legal lot or partitioned site at this time)

AND

File 062005B

A hypothetical portion of Tax Lot 15-05-30-00-00304  
A 6.4 acre more or less site, an "after" instance, hypothetical parcel "E"  
(unsurveyed, not a legal lot or partitioned site at this time)

AND

File 062005C

95183 Turnbow Lane, Junction City Oregon 97448  
As being on a hypothetical 6.4 acre more or less site  
An "after" instance, hypothetical parcel "D"

Client:

Nail, Eugene and Maxine  
owners  
95183 Turnbow Lane  
Junction City, Oregon 97448

c/o Norm Waterbury, their agent

Purpose of the Appraisal:

To estimate market value of actual and hypothetical parcels subject to certain conditions  
outlined in the text and exhibits of the reports 062005, 062005A and 062005B  
plus calculated valuations of hypothetical parcels "B" and "C"

Use of the Appraisal:

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

Date of Most Recent Inspection  
and Effective Date of Report:  
July 15, 2005

Report Completion Date:  
August 28, 2005

Prepared by:

Craig E. McKern, Appraiser, P.C.  
Certified Residential Real Estate Appraiser  
1574 Coburg Road, PMB 397  
Eugene, Oregon 97401-4802  
files 062005, 062005A, 062005B, 062005C  
including exhibits and addendums

REC'D MAR 23 2006

Lane County  
Land Management Division  
125 East 8th Ave.  
Eugene, Or. 97401

March 22, 2006  
Jon Hartwell  
P.O. Box 281  
Cheshire, Or.  
97419  
(541) 998-3050

RE: File Number PA 05-6305. Change in zoning from E40. Property location: 95183 Turnbow Lane, Junction City. Owner Maxine E. Nail Revocable Trust.

Dear Sir:

As I am out of town and unable to attend the hearing for the above change of use, I am commenting by mail in hopes that my comments will be read into the record at the hearing.

Being a builder and involved in building and engineering activities for the past 25 years I think I can voice my opinions with some degree of experience and validity. While I am not necessarily against development, I feel that at some point we have to draw the line. This is one of those instances, that I feel development would severely affect the neighboring properties, and undermine the direction that land use and zoning were created to achieve. I have some serious issues with this development and have outlined these issues as follows:

1. The proposed property is located on Turnbow Lane a narrow 2 lane road heavily traveled, and extensively used by farm vehicles and commercial vehicles (gravel trucks). There are numerous driveways and private roads which have access to Turnbow and I feel that the addition of a private road accessing up to six or more multiple properties would create a hazard.
2. There are a number of small farms and residential properties in the area all on wells. The water volume in many of the wells in the area is minimal at best and I am concerned about the addition of multiple properties drilling wells and possibly causing draw down on the existing wells during dry conditions.
3. Where is the site drainage to terminate and what conditions are going to be required to protect the existing water table. If the developer is proposing injection wells what safeguards are going to be required to protect the watershed from oil and contamination? The proposed area is subject to high water and flooding and what protections are the neighboring property owners going to have to keep said contaminants from entering Ferguson Creek and downstream tributaries and properties?
4. There is a small pond/dam located above the properties to be developed, and the development is also located on Ferguson Creek. What precautions are going to be made to assure that the proposed development does not flood during high water occurrences and that the septic systems do not contaminate downstream properties?

As a final note. This is an area of farms and private single family residences, and I feel that the sitting of a six unit residential subdivision is out of place.

Sincerely



Jon Hartwell

March 26, 2006

REC'D MAR 28 2006

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

RE: File Number PA 05-6305. Change in zoning from E40. Property location:  
95183 Turnbow Lane, Junction City. Owner Maxine E. Nail, Revocable Trust.

Dear Sir:

As part of the community surrounding this property we have many concerns about the change in its development.

1. We are concerned about the possible septic field contamination into Ferguson Creek waters and downstream tributaries and properties.
2. The parts of the proposed area are subject to high water and flooding during wet years and do would not be desirable home sites.
3. The addition of new wells would severely impact neighboring properties that already face diminished well capacity.
4. This property is zoned E40, Exclusive Farm Use. How does the owner feel their property values have been changed/ limited since the original purchase? How do they qualify for measure 37 protection?

We would like this letter entered into the records for the County Commissioners Public Hearing. We also will be present to give our views at this hearing on April 5, 2006.

Thank for your consideration,

*Patricia Suzanne Buechler*  
Patricia Suzanne Buechler

*Donald B. Buechler*  
Donald B. Buechler  
25307 Jaeg Rd.  
Junction City, OR 97448

77715 Furnbow Lane  
Junction City, Ore

Sane County  
Land Management

REC'D MAR 28 2006

Re: Dept file PA 05-6305  
Zoning E 40 (Exclusive Farm use)  
Owner: Maxine E Nail

To Sane County Commissioners:

I am a close neighbor to the area proposal for a zone change.

I have observed the many years the complete flooding of the flatland on the property for Zone change plus the land connectivity.

The meeting of a number of the surrounding neighbors questioning the change all agreed a number of reasons there should not be any further suellings. The three present ones each have wells and septic's bordering the Sargustson Creek. One model is a hardship house now rented after parents passed away — why does that still exist??



The surrounding homes have well problems — such as holding tanks, others a small source. They have fears of more water drainage from the obvious scarce supply — not to mention a great problem of salt water in that area.

The other problem supposedly not addressed in the beginning are septic drainage into the creek as it overflows during some very rainy season, flooding clear across the wetlands. The creek drains into the Long Tom River.

Come on, enough is enough!  
Two houses and an illegal one should not further burden the area.

Sincerely,

Jesse L. Maritz

94915 Turnbull Lane