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Real Estate Appraisal
Consulting
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PROPERTY TYPES

Land
Subdivisions
Multi-Family
Single-Family
Industrial
Office
Medical
Retail
Public
Religious
Parks / Open Space
Farms / Agricultural
Specialty

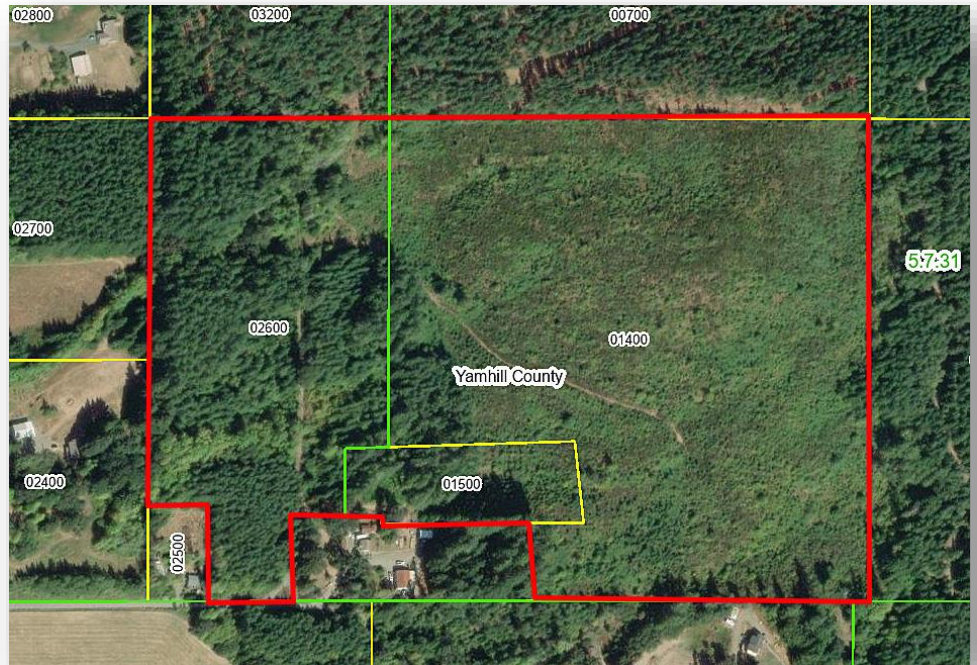
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REAL ESTATE APPRAISAL REPORT



Aerial image courtesy of Yamhill County

OSU TIMBER LAND

SW Grand Ronde Road
Map 5S7W31 1400,1500; 5S8W36 2600
Grand Ronde, Oregon 97347

PREPARED FOR

Nicole Neuschwander
Director of Leasing and Strategic Real Property Management
OSU Capital Planning & Development
850 SW 35th Street
Corvallis, Oregon 97333

PREPARED BY

Katherine Powell Banz, MAI
PBV File Number: P241241

EFFECTIVE DATE OF VALUE

"As Is" Date of Value: July 19, 2024



July 29, 2024

Nicole Neuschwander
Director of Leasing and Strategic Real Property Management
OSU Capital Planning & Development
850 SW 35th Street
Corvallis, Oregon 97333

RE: OSU TIMBER LAND
SW Grand Ronde Road
Map 5S7W31 1400, 1500; 5S8W36 2600
Grand Ronde, Oregon 97347

Dear Ms. Neuschwander:

As requested, the captioned property has been valued using generally accepted appraisal principles and practices. This appraisal report is intended to comply with the development and report requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Institute. A signed copy of the professional services agreement is included in the Addenda.

The subject is identified as 53.28 AC (2,320,877 SF) of unimproved land that is split-zoned EF-80 (Exclusive Farm Use District-80) and AF-80 (Agriculture/Forestry District-80) in rural Yamhill County, Oregon.

The subject property reflects forested acreage; however, the contributory value of any merchantable or pre-merchantable timber has been excluded from the land value concluded herein. The contributory value of the timber was determined by a timber cruise/appraisal (prepared by Northwest Forestry Services and included in the Addenda of this report), and is included in the final value conclusion.

I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this agreement.

Based upon my investigation and analysis of available information, the concluded values under the requested scenario, as of July 19, 2024, was:

MARKET VALUE SCENARIOS	DATE	VALUE
"As Is" Market Value, Land Only – Fee Simple	July 19, 2024	\$320,000
Rounded Timber Value*	July 11, 2024	\$320,000
"As Is" Market Value, Total – Fee Simple	July 19, 2024	\$640,000
Estimated Marketing/Exposure Time		One year or less

*rounded timber value per Northwest Forestry Services report

The concluded value is predicated on the extraordinary assumption that the timber cruise/appraisal conducted by Northwest Forestry Services is correct. This assumption may have affected the assignment results, and if determined to be false, the value conclusion herein will need to be revisited.

This appraisal is subject to the conditions and comments presented in this report. If any questions arise concerning this report, please contact the undersigned.

Sincerely,

POWELL BANZ VALUATION, LLC



Katherine Powell Banz, MAI
OR State Certified General Appraiser
No. C000897
Expiration Date: August 31, 2024

KPB:Imt
Appraisal Report
P241241

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ADDENDA

Professional Services Agreement	
Taxes, Assessment Data, Deed & Legal Description	
Timber Cruise / Appraisal	
Regional Description	
Appraiser Qualifications	
Appraiser Certification	

EXECUTIVE SUMMARY

PROPERTY INFORMATION		
Property Name: Address: Tax Account Number: Map/Tax Lot: Property Type: Current Use: Proposed Use: Owner of Record:	OSU Timber Land SW Grand Ronde Road Grande Ronde, Oregon 97347 230271, 203299, 235686 R57310 1400, 1500; R58360 2600 Forest Land Timber propagation N/A Oregon State University	
SITE CHARACTERISTICS		
Land Area: Zoning Designation: Conforming Use:	53.28 AC (2,320,877 SF) EF-80 – Exclusive Farm Use District-80 AF-80 – Agriculture/Forestry District-80 Yes	
HIGHEST AND BEST USE		
As Vacant:	Timber propagation	
VALUATION INFORMATION		
Cost Approach: Income Approach: Sales Comparison Approach:	Not Presented Not Presented \$320,000	
VALUE CONCLUSION – FEE SIMPLE		
“As Is” Market Value, Land Only: *Rounded Timber Value: Concluded “As Is” Market Value:	Effective Date of Value July 19, 2024 July 11, 2024 July 19, 2024	Value Conclusion \$320,000 \$320,000 \$640,000

* Rounded timber value per Northwest Forestry Services report (included in the Addenda).

PRELIMINARY APPRAISAL INFORMATION

SCOPE OF WORK

Scope of Work is defined in 2024 USPAP as *"the type and extent of research and analyses in an appraisal or appraisal review assignment."* The scope of work addresses the application and extent of the development process. It can include, but is not limited to: the extent to which the property is identified, the extent to which tangible property is inspected, the type and extent of data researched, and the type and extent of analyses applied to arrive at opinions or conclusions. The seven items used in defining the scope of work and the proposed solution are discussed in detail below:

This appraisal report is designed to inform the reader of all factors influencing the property's value in a clear and concise manner. The Preliminary Appraisal Information sections provide an overview of the property and general information. The Description section starts with general regional issues and proceeds to more specific issues directly related to the property. The Highest and Best Use section establishes the premise upon which the property is valued.

The goal of the appraiser is to produce credible value conclusions. Credible is defined in 2024 USPAP as *"worthy of belief."*

In order to conclude a credible market value opinion, the client and appraisers determined that the Valuation section focuses on the **"as is" market value** of the **fee simple** interest in the subject property. It describes the Sales Comparison Approach, and includes comparable information, application of market information to the subject, and valuation analysis. The approach utilized is reconciled into final value conclusions as applicable.

All comparable data has been verified by either a party to the transaction or an agent, unless otherwise identified. Supporting information is attached in the Addenda.

The subject property reflects forested acreage; however, the contributory value of any merchantable or pre-merchantable timber has been excluded from the land value concluded herein. The contributory value of the timber was determined by a timber cruise/appraisal performed by Northwest Forestry Services, effective July 11, 2024 (included in the Addenda of this report). The rounded value of timber is included in the final conclusion of value herein. Note that the timber cruise/appraisal includes both merchantable and pre-merchantable timber. Further, an allocation for the value of the underlying "bare land" based on Oregon Department of Revenue (DOR) published data is included. The published DOR land values are based on average per acre land values per the Douglas-fir site index. As the bare land value included in the timber cruise/appraisal is not based on comparable sales, it is disregarded. The scope of work for this appraisal includes research and analysis of sales that share similar physical and locational characteristics with the subject. The market value reported in this appraisal report is reasonable, credible, and well-supported.

CLIENT AND INTENDED USER

The client and intended user for this appraisal is Nicole Neuschwander, with OSU Capital Planning and Development.

PRELIMINARY APPRAISAL INFORMATION (continued)

OTHER INTENDED USERS

Other intended users include the client's legal and accounting professionals.

INTENDED USE

The purpose of this appraisal is to conclude market values, in **fee simple**, under the applicable scenarios, as described in this report.

Without prior written approval from the authors, **the intended use of this report is limited to asset monitoring by subject ownership**. All other uses are expressly prohibited. Reliance on this report by anyone other than the client for a purpose not set forth above is prohibited. The authors' responsibility is limited to the client. If you are not the stated intended user contact our office to have an appraisal customized for your needs.

TYPE OF VALUE

The "**As Is**" Value represents the value of the subject property, in its current status as of the date of inspection.

INSPECTION DATE

July 19, 2024

EFFECTIVE DATE OF VALUE

As Is Market Value: July 19, 2024

DATE OF REPORT

July 29, 2024

PROPERTY CHARACTERISTICS

The subject is identified as 53.28 AC (2,320,877 SF) of unimproved land that is split-zoned EF-80 (Exclusive Farm Use District-80) and AF-80 (Agriculture/Forestry District-80) in rural Yamhill County, Oregon.

The subject property reflects forested acreage; however, the contributory value of any merchantable timber has been excluded from the land value concluded herein. The contributory value of the timber was determined by a timber cruise/appraisal (included in the Addenda of this report), and is included in the final conclusion of value.

ASSIGNMENT CONDITIONS

- An exterior inspection of the subject.
- Interviewing the subject's owner representative.
- Inspecting of the subject property market area.
- Gathering and confirming land sales from the immediate area and competing marketplaces.

PRELIMINARY APPRAISAL INFORMATION (continued)

- Inspecting the exterior of all comparables utilized. Katherine Powell Banz, MAI inspected the exterior of all land sale comparables in person or via photographs.
- Highest and best use analysis.
- The application of the Sales Comparison Approach to arrive at an indication of value for the subject property.
- A review of the written report.

APPRAISER ASSISTANCE

Katherine Powell Banz, MAI inspected the interior and exterior of the subject property and was the primary appraiser responsible for the analysis and conclusions presented herein.

Lauren Thalhofer, Appraiser Assistant #AA03427 (expires November 15, 2024), aided in the following aspects of this appraisal assignment as outlined in ACLB Administrative Rules (OAR) 161-025-0030:

- Definition of the appraisal problem (A).
- Preliminary analysis, selection and collection of applicable data (B).
- Analysis of the subject property (C).
- Conducting a Highest and Best Use analysis (D).
- Estimating Land Value (E).
- Estimating value of the subject property using the applicable approaches of value – Sales Comparison Approach (F).
- Reconciliation of each value estimate to arrive at a final estimate of value (G).
- Reporting estimate(s) of value(s) as defined (H).

All work performed by Lauren Thalhofer has been directed, reviewed and approved by Katherine Powell Banz, MAI.

DEFINITION OF MARKET VALUE

This definition is in compliance with the OCC (Office of the Comptroller of the Currency), FDIC (Federal Deposit Insurance Corporation), *FIRREA (Federal Institutions Reform, Recovery, and Enforcement Act)*, and *USPAP (Uniform Standards of Professional Appraisal Practice)* as adopted by the Appraisal Foundation and the Appraisal Institute. This definition complies with the 2024 USPAP regulations.

Market Value, as defined by *The Appraisal of Real Estate, 15th Edition* as published by the Appraisal Institute is:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;

PRELIMINARY APPRAISAL INFORMATION (continued)

2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."¹

PROPERTY RIGHTS APPRAISED

Fee Simple Estate, defined in *The Dictionary of Real Estate Appraisal*, 7th Edition (2022), Appraisal Institute, as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

SPECIFIED FINANCING

Cash to seller, with or without financing; considered to be cash equivalent.

OWNERSHIP AND SALES HISTORY ANALYSIS

According to Yamhill County Assessor's records, the subject property is currently vested under the ownership of **Oregon State University**. The most recent transaction occurred May 3, 1995 for a recorded consideration of "NONE." This was a transfer from Oregon State University Foundation (Grantor) to Oregon State University (Grantee) as a change in vesting. It was not a market transaction. No transactions involving the subject have occurred in the last three years and the property is not currently listed for sale.

ASSESSMENT AND TAX INFORMATION

Annual real estate taxes levied by the **Yamhill County** Assessor's Office are summarized on the following table:

Tax Account	Tax Lot	Real Market Value			Assessed Value (M50)	2023/2024 Taxes	Tax Rate
		Land	Improvements	Total			
230271	R573101400	\$43,250	\$0	\$43,250	\$43,250	\$0.00	\$9.4428
230299	R573101500	\$33,627	\$0	\$33,627	\$22,940	\$0.00	\$9.4428
235686	R583602600	\$273,575	\$0	\$273,575	\$16,927	\$0.00	\$9.4428
Total		\$350,452	\$0	\$350,452	\$83,117	\$0.00	

Source: Yamhill County Assessor's Office

RMV as of July 2023, certified October 2023 by Yamhill County

The subject is owned by an educational institution and is **tax exempt**. A representative of the Yamhill County Assessor's office (503-434-7521) was interviewed regarding the RMV of the subject tax lots. The representative indicated that he did not know when the original values had been assigned to each tax lot, but that they would have been

¹ *The Appraisal of Real Estate, 15th Edition*. Chicago: Appraisal Institute, 2020.

PRELIMINARY APPRAISAL INFORMATION (continued)

trended forward ever since. He also noted that as the property is tax-exempt, the County has not re-assessed the property in many years. The County RMV for the subject is slightly higher than the value concluded herein. The following valuation analysis utilizes recent comparable sales data to conclude market value for the subject property. The market value concluded herein is reasonable, credible, and well-supported.

In May 1997 Oregon voters approved Ballot Measure 50, which is a property tax limitation. The maximum assessed value reported above reflects a 10% deduction from the 1995/96 assessed value and subsequent increases after 1998/99 of 3% per year plus bonded indebtedness.

LEGAL DESCRIPTION

Please refer to the Addenda for a full legal description.

INSPECTION

Date of Inspection: July 19, 2024
Property Representative: None present
Powell Banz Valuation, LLC: Katherine Powell Banz, MAI
Lauren Thalhofer
Nicholas Tokarski
Extent of Inspection: A physical inspection was performed.

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

Source	Information
Joey Spatafora, Property Representative (541-760-4375)	Subject information.
Yamhill County Assessor's Office (503-434-7521)	Subject data; tax information.
Yamhill County Planning Department (503-434-7516)	Zoning information.
Realquest	Subject data, comparable research.
Multiple brokers and real estate professionals	Local area data; comparable confirmation.
Willamette Valley Multiple Listing Service	Comparable research.
Regional Multiple Listing Service	Comparable research.
LoopNet	Comparable research.
CoStar	Comparable research.
County Deed Records	Comparable research.

COMPETENCY RULE

I am aware of the competency rule as detailed in *USPAP*, and with my understanding, I possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations. I have appraised numerous rural land and timber related properties in Yamhill County, the Willamette Valley, and throughout the State of Oregon in recent years.

PRELIMINARY APPRAISAL INFORMATION (continued)

PERSONAL PROPERTY, FIXTURES, AND INTANGIBLE ITEMS

No personal property, trade fixtures, or intangible items were included in this valuation.

USE OF RECOGNIZED APPRAISAL APPROACHES

This report utilizes one of the three recognized valuation methods: the Sales Comparison Approach to value.

The Cost and Income Approaches are not typically relevant when valuing raw land. The exclusion of these approaches does not diminish the validity of the value concluded herein.

The contributory value of the timber is concluded by a timber cruise/appraisal report, which is included in the Addenda.

UNAVAILABILITY OF INFORMATION

All information necessary to develop an estimate of value of the subject property was available to the appraiser.

EXPOSURE TIME AND MARKETING PERIOD

Exposure time is defined within the 2024 USPAP as:

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Exposure time is best established upon the experience of recent comparable sales. The sales indicate a standard exposure period of **one year or less** for appropriately priced properties similar to the subject.

Comparable	Location	Days on Market
1	SW Gopher Valley Road	105
2	28150 Andy Riggs Road	180
3	27600 SW Beaver Creek Road	36
4	SW Rock Creek Road	343
5	Old Military Road	523
	High	523
	Low	36
	Average	237

Marketing period is very similar to exposure time, but reflects a projected time period to sell the property, rather than a retrospective estimate.

Based on the subject property type and the data presented herein, a similar marketing period of **one year or less** remains reasonable.

ASSUMPTIONS AND LIMITING CONDITIONS

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

HYPOTHETICAL CONDITIONS

A hypothetical condition is a condition that is contrary to the facts, and yet will be used to value a property. An example of a hypothetical condition would be assuming a larger amount of land than actually exists to arrive at a value.

No hypothetical conditions were assumed in this analysis.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is an assumption made that does not exist, but could reasonably exist.

The concluded value is predicated on the extraordinary assumption that the timber cruise/appraisal conducted by Northwest Forestry Services is correct. This assumption may have affected the assignment results, and if determined to be false, the value conclusion herein will need to be revisited.

ORDINARY ASSUMPTIONS

The analysis assumes that the Yamhill County Assessor's office legal description accurately represents the subject property. A survey has not been provided to the appraiser. If further verification is required, a survey by a registered surveyor is advised.

I assume no responsibility for matters legal in character, nor do I render any opinion as to title, which is assumed to be marketable.

All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.

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

Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations pertinent to the subject property.

This report is not a real property inspection; the appraiser only performed a visual inspection of accessible areas and this appraisal cannot be relied upon to disclose conditions and/or defects in the property.

The appraiser assumes no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless noted.

Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.

This report shall be used for its intended purpose only, and by the parties to whom it is addressed. Possession of the report does not include the right of publication.

ASSUMPTIONS AND LIMITING CONDITIONS (continued)

Simply because a borrower or third party may receive a copy of the appraisal, does not mean that the borrower or third party is an Intended User as that term is defined in USPAP.

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

The statements of value and all conclusions shall apply as of the dates shown herein. The appraiser has no present or contemplated future interest in the property that is not specifically disclosed in this report.

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

This report must be used in its entirety. Reliance on any portion of the report independent of others may lead the reader to erroneous conclusions regarding the property values. No portion of the report stands alone without approval from the author.

The liability of Powell Banz Valuation, LLC and employees is limited to the client only and only up to the amount of the fee actually received for the assignment. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiency in the property. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures that would render it more or less valuable. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in case of lawsuit (brought by lender, partner, or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements, or cost, regardless of outcome; the client will hold Powell Banz Valuation, LLC completely harmless.

The appraiser is not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties. I have made no investigation or analysis as to the presence of such materials, and expressly disclaim any duty to note the presence of such materials.

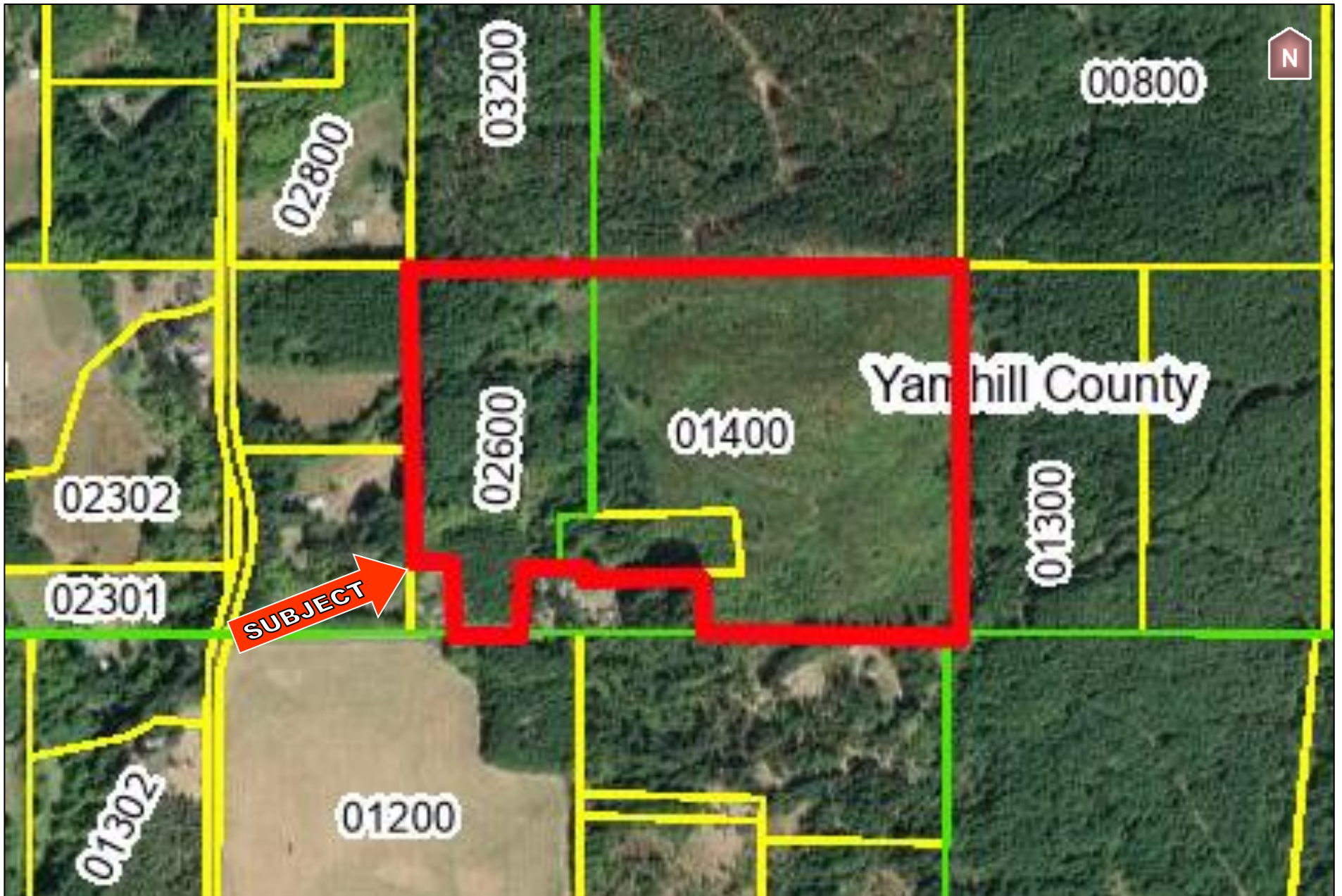
Therefore, irrespective of any degree of fault, Powell Banz Valuation, LLC and its principals, agents, and employees, shall not be liable for costs, expenses, damages, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids, or gasses, waste materials or other irritants, contaminants, or pollutants.

The appraiser assumes no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*, which prescribes specific building standards which may be applied differently to different buildings, depending on such factors as building age, historical significance, amenability to improvement, and costs of renovation. Powell Banz Valuation, LLC its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties, or diminution in value resulting from

ASSUMPTIONS AND LIMITING CONDITIONS (continued)

non-compliance. Except as otherwise noted herein, this appraisal assumes that the subject complies with all ADA standards appropriate to the subject improvements; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the necessary renovation costs, time period needed for renovation, and penalties for non-compliance (if any) were known today, appropriate deductions would be made to the value conclusion(s) reported herein.

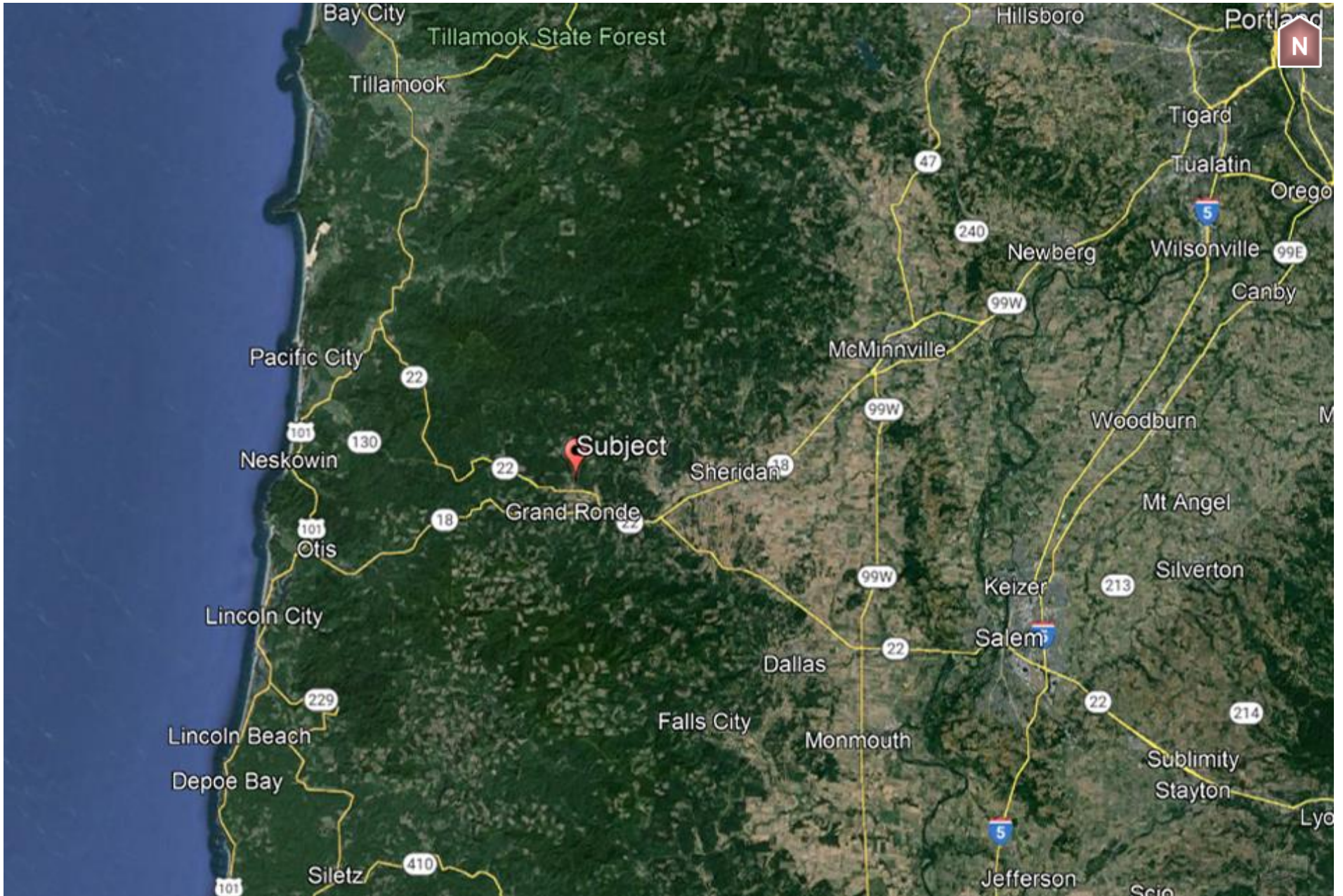
AERIAL PHOTOGRAPH



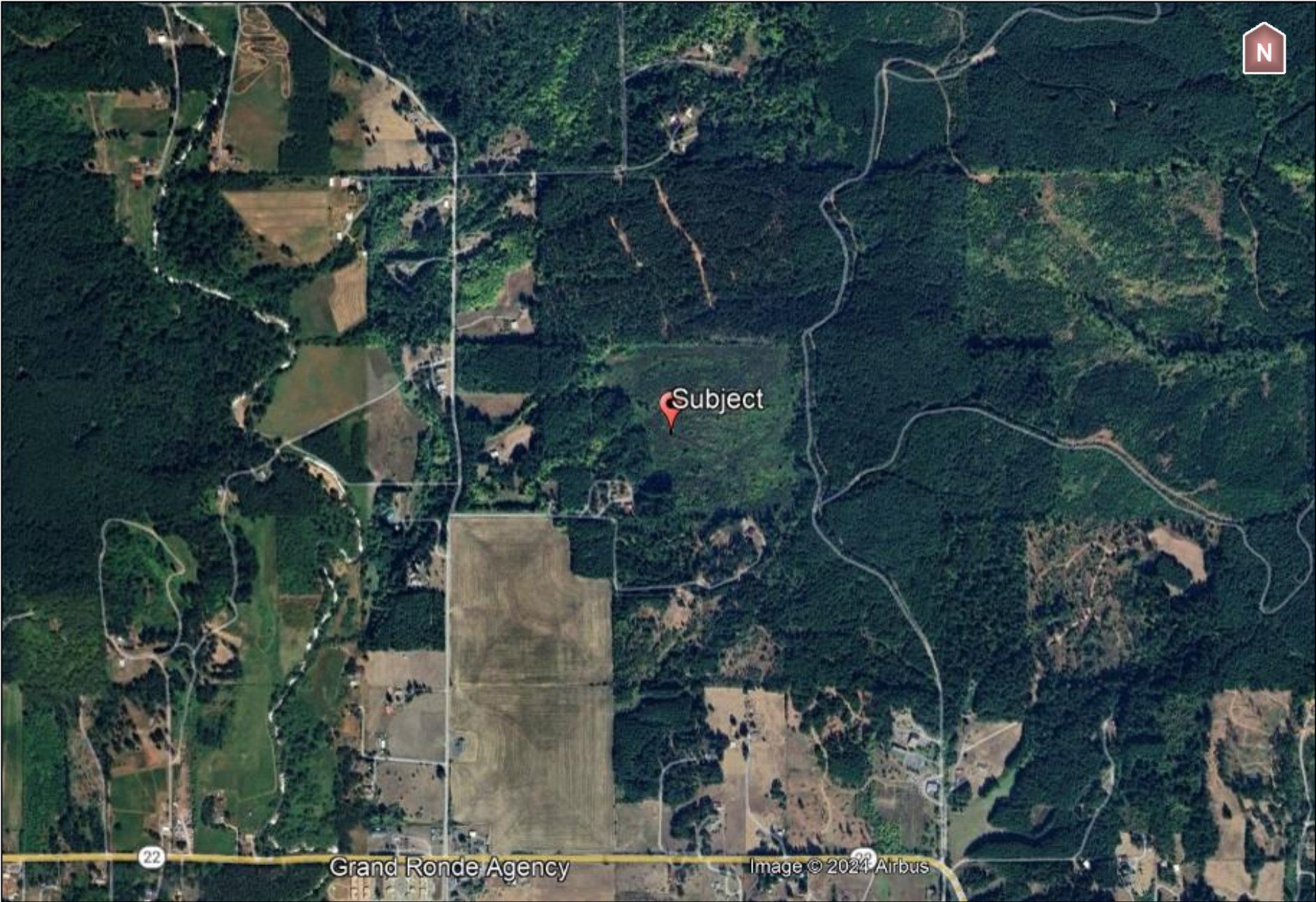
AERIAL PHOTOGRAPH – GOOGLE EARTH (VIEW NORTH)



REGIONAL MAP



MARKET AREA MAP

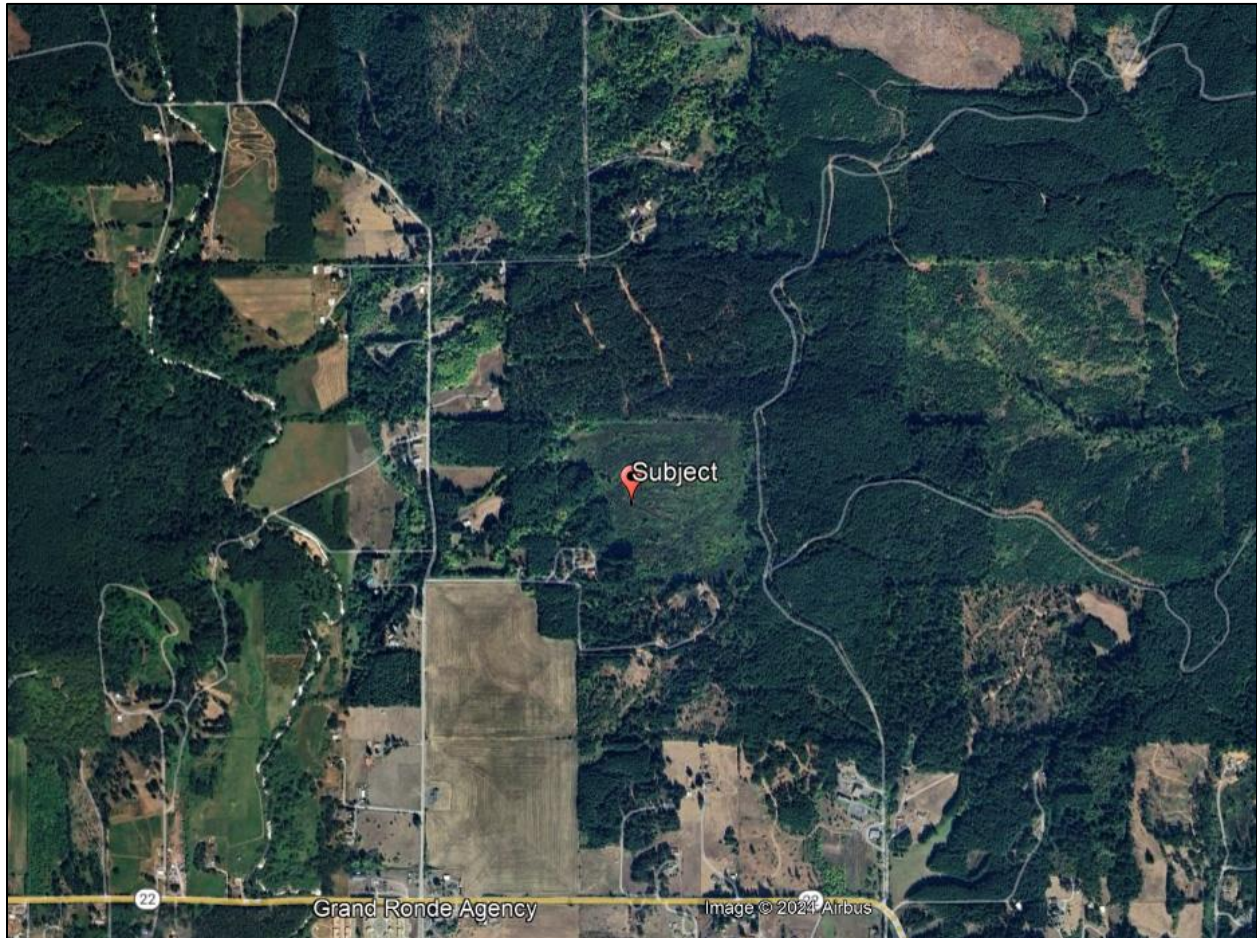


DESCRIPTION

REGIONAL DESCRIPTION

Please see the Addenda for a detailed description of Yamhill County.

MARKET AREA DESCRIPTION



A neighborhood is defined as a geographic area characterized by a similarity of users and/or uses within which any change has a direct and immediate impact on the subject and its value or marketability. The subject is located in **rural Yamhill County**, just northeast of Grand Ronde. The area surrounding the subject property is rural in nature and is primarily comprised of timber land and acreage homesites.

Grand Ronde is a census-designated place and unincorporated community in Yamhill and Polk Counties. The neighborhood is comprised of a mixture of rural residential and agricultural uses, with limited commercial uses along Salmon River Highway 18. Historically identified as a village in Polk County, it includes an expanded rural area extending into Yamhill County. It was named for the French Grande Ronde which may reference the 1855 gathering of 27 native tribes from Oregon, northern California and southern Washington. They were relocated to the area which originally covered 61,000 acres. The closest communities are Willamina located roughly seven miles northeast and Sheridan approximately 10 miles northeast of the primary population base in Grand Ronde. McMinnville is approximately 30 miles to the northeast.

DESCRIPTION (continued)

Originally, Grand Ronde was the headquarters of the Grand Ronde Indian Reservation, which covered parts of Polk and Yamhill Counties until the agency was closed in 1925. The organizational structure of the reservation was replaced by The Confederated Tribes of the Grand Ronde Community of Oregon, which was first incorporated May 13, 1935, terminated August 13, 1954, then reestablished in November of 1983².

Generally, the neighborhood is bisected by Highway 22 (SW Hebo Road) and Highway 18 (Salmon River Highway). The Siuslaw National Forest binds the west edge of the neighborhood.

The primary transportation route is Salmon River Highway 18, which runs west to the Oregon Coast and northeast to McMinnville and Portland. Highway 22 runs southeast to Salem and northwest to Hebo. Highways 18 and 22 converge for approximately 4.5 miles between Grand Ronde and Willamina. From Highway 18, Grand Ronde Road runs through the town of Grand Ronde, connecting with Highway 22 to the north.

Incorporated areas of Polk and Yamhill Counties are served by public utilities, including water, sewer, electricity, natural gas, telephone and cable television. The Grand Ronde Community Water Association is the public water system serving the unincorporated community of Grand Ronde. Septic systems are relied upon for most development in the neighborhood. Surrounding rural areas have water and sewer services that are typically provided by on-site wells and septic systems. Police protection is provided by municipal police departments in the major cities and by the Sherriff's Departments of Polk and Yamhill Counties in small rural communities and unincorporated areas. Grand Ronde Tribal Police serves the Grand Ronde community. Fire protection in the area is provided by the Grand Ronde Fire Station located at 28480 McPherson Road. Additional fire protection for the larger area is provided by the Polk and Yamhill County Fire Departments.

Commercial uses in the neighborhood include Wandering Spirit RV Park, a US Post Office, Bonanza Antique Mall, American Market, and a gas station/mini market. The largest economic influence in this area is Spirit Mountain Casino, which is located southeast of Grand Ronde Road and the Highway 18 interchange. Other commercial uses in the subject's neighborhood are primarily Tribe affiliated.

The Confederated Tribes of the Grand Ronde Community of Oregon own and operate **Spirit Mountain Casino**, which is a major local employer in Grand Ronde and the top employer in Polk and Yamhill Counties, as well as one of the most popular tourist attractions in the State of Oregon. The casino property includes a 254-room lodge (Spirit Mountain Lodge), 90,000 SF of gaming in the casino, multiple dining and bar options, an event center, tribal administration offices, a tribal police station, on-site RV parking, a warehouse, gas station, car wash, and convenience store/fast food restaurant with drive-thru. The casino and supporting improvements are the heart of the neighborhood, drawing tourists from the greater Northwest. In 1997, the Casino created the Spirit Mountain Community Fund, which supports a number of charities both within Polk County and throughout Oregon from the casino's revenue.

The wood products industry is another major local employer. Willamina is also known as "Timbertown, U.S.A." and is the location of several lumber mills. The **Hampton Lumber Company** sawmill has been in operation since 1942, and currently has more than 250

² Wikipedia Encyclopedia, http://en.wikipedia.org/wiki/Grand_Ronde,_Oregon

DESCRIPTION (continued)

employees, many of whom live in Willamina, Grand Ronde, Sheridan, and the surrounding area. It is one of the largest producing mills in the United States. Current annual production, primarily Douglas fir, is 500 million board feet of lumber. The presence of local mills also generates additional employment in the trucking and logging industries.

The area has seen at least two sawmills close: H. R. Jones in Grand Ronde and Taylor Lumber Company near Sheridan. Because many local residents worked in these mills, the economy has been affected. The presence of the casino, however, lessens the impact and adds stability to the community. There is also a Federal Prison located in Sheridan that houses 1,291 inmates. The subject's immediate neighborhood is defined by the presence of Spirit Mountain Casino, the major anchor in Grand Ronde. Other uses are comprised of older homes on acreage homesites and vacant agricultural land.

Development in the area has been somewhat slow; however, the Confederated Tribes of the Grand Ronde Community of Oregon has been instrumental in adding housing, schools, healthcare, and other civic developments to the community. Projects completed by the Confederated Tribes include a fire station on the southeast corner of Grand Ronde and McPherson Roads, an extensive remodel of the Wellness Clinic and a new Foster Care building.

The newest commercial related development in the area is Star Storage (subject property), which is a 41.71 AC property located west of the Grand Ronde city center. It includes a mix of enclosed storage units, as well as covered and uncovered RV storage. Construction of Phases 1 and 2 occurred between 2019 and 2021, with Phase 3 planned for completion in early 2025.

While the area generally reflects a rural unincorporated community based in the wood products industry, the presence of Spirit Mountain Casino, the Confederated Tribes of the Grand Ronde Community of Oregon government offices, and related community buildings, are positive fixtures in the community solidifying the local economy for the foreseeable future.

DESCRIPTION (continued)

SITE DESCRIPTION

Hazardous Waste/Asbestos

Upon physical inspection of the site, no hazardous material was evident. I have made no independent investigation regarding this issue. This appraisal assumes the site is free of all hazardous waste and toxic materials. Please refer to the Assumptions and Limiting Conditions section regarding this issue.

Current Use

The site consists of forested land with shared access from NW Grand Ronde Road. The property is not improved. Surrounding land uses include timber propagation, agriculture, and rural residential development.

Site Size

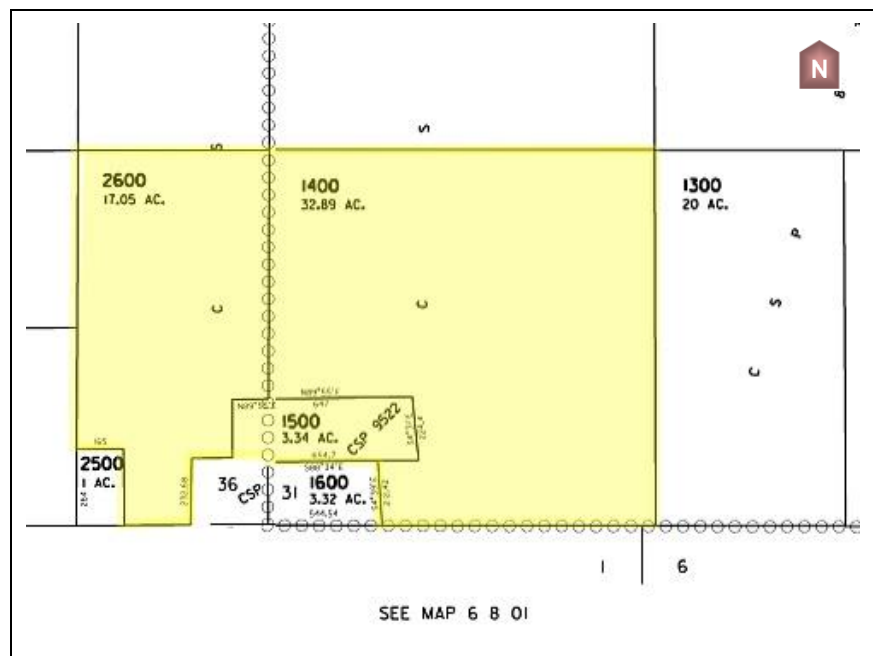
According to measurements taken from the subject's plat, the site size is **53.28 AC (2,320,877 SF)**.

Map & Tax Lot	Size (SF)	Size (AC)
R573101400	1,432,688	32.89
R573101500	145,490	3.34
R583602600	742,698	17.05
Total	2,320,877	53.28

Shape

Irregular.

Plat Map



Map and Tax Lots

R573101400
R573101500
R583602600

DESCRIPTION (continued)

Topography



As indicated by the Google Earth exhibit, the subject site slopes downward from east to west. **Elevation on the subject parcel ranges from 403' to 685'**. According to Web Soil Survey, slopes range from 3 to 30%, but are **predominantly 12 to 20%**.

Proximate Properties--

North

Timber land, with timber and rural residential uses beyond.

East

Timber land, with timber uses beyond.

South

Rural residential and agricultural uses, with rural residential, agricultural, and timber uses beyond.

West

Rural residential and timber uses, with NW Grand Ronde Road beyond.

Utilities

Public utilities, including garbage and electricity, are available to the subject property. Adjacent improved properties are served by on-site wells and septic systems.

Street Improvements

NW Grand Ronde Road is improved with a gravel surface and shoulders. It is a two-way local access road with one lane each of generally north and southbound traffic.

Exposure

The site is located off a gravel road approximately 0.75 miles from Grand Ronde. It has a secluded location.

When compared to similar properties in the immediate area and region, exposure is **average**.

DESCRIPTION (continued)

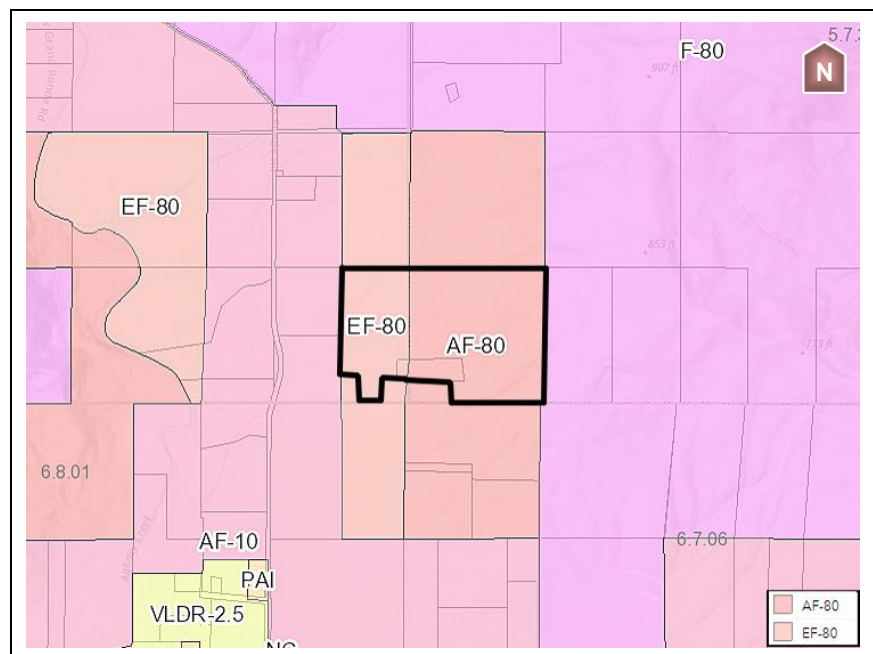
Accessibility

Average, the site is accessible from a shared gravel driveway off NW Grand Ronde Road. Note that only tax lot 2600 has frontage along the driveway. According to a representative from the Yamhill County Planning Department (503-434-7516), the lack of direct access to the remaining parcels could make selling the tax lots individually difficult.

Easements and Encumbrances

A preliminary title report was not available for review. Upon reviewing county plat maps, there did not appear to be any adverse easements, encroachments, or encumbrances relevant to the subject property. If questions arise regarding easements, encroachments, or encumbrances, further research is advised.

Zoning and Comprehensive Plan



The site is split-zoned **EF-80 (Exclusive Farm Use District-80)** and **AF-80 (Agriculture/Forestry District-80)** by Yamhill County.

According to Section 402.01 of the Yamhill County Planning Ordinance, "the purpose of the **Exclusive Farm Use District** is to identify and protect land designated as Exclusive Farm Use on the Comprehensive Plan that is suitable and desirable for commercial agricultural operations and other uses which are compatible with such operations."

Permitted uses include:

- Farm uses, and;
- Propagation and harvesting of a forest product.

DESCRIPTION (continued)

Zoning and Comprehensive Plan (continued)

Conditional uses subject to review and approval include:

- Facilities for processing forest products;
- Community centers, and;
- Single-family dwellings.

*According to Section 403.01 of the Ordinance, "the purpose of the **Agriculture/Forestry District** is to identify and protect lands designated as Agriculture/Forestry Large Holdings on the Comprehensive Plan, that are a mixture of agricultural and forest management operations, and other uses which are compatible with such operations."*

Permitted uses include:

- Farm uses;
- Forest operations, and;
- Uninhabitable structures accessory to fish and wildlife enhancement.

Conditional uses subject to review and approval include:

- Permanent forest product processing facilities;
- Propagation, cultivation, maintenance, and harvesting of aquatic or insect species, and;
- Single-family dwellings.

The complete zoning code can be located at the following Yamhill County website address:

<https://www.yamhillcounty.gov/297/Planning-Ordinances>

Homesite Potential

Both the EF-80 and AF-80 zones allow for residential uses in some cases. A representative with Yamhill County Planning (503-434-7516) was interviewed regarding the potential buildability of the subject.

The representative indicated that in both applicable zones, there are several potential routes to determine whether a home could be built on a property, depending on previous ownership, site size, surrounding land uses, and the current and former use/uses of the property. Based on the subject's characteristics, the most applicable route would be to apply for a single-family template dwelling on the AF-80 (Agriculture/Forestry District) portion of the property.

The subject could be eligible for a single-family template dwelling. According to the zoning ordinance, depending on soil capabilities, **between three and 11** other parcels that existed as of January 1, 1993 would need to be located within a 160 AC square centered on the subject, and **at least three** of those parcels would need to be improved with a single-family dwelling that existed as of January 1, 1993. This comprises Yamhill County's "Template Test." The

DESCRIPTION (continued)

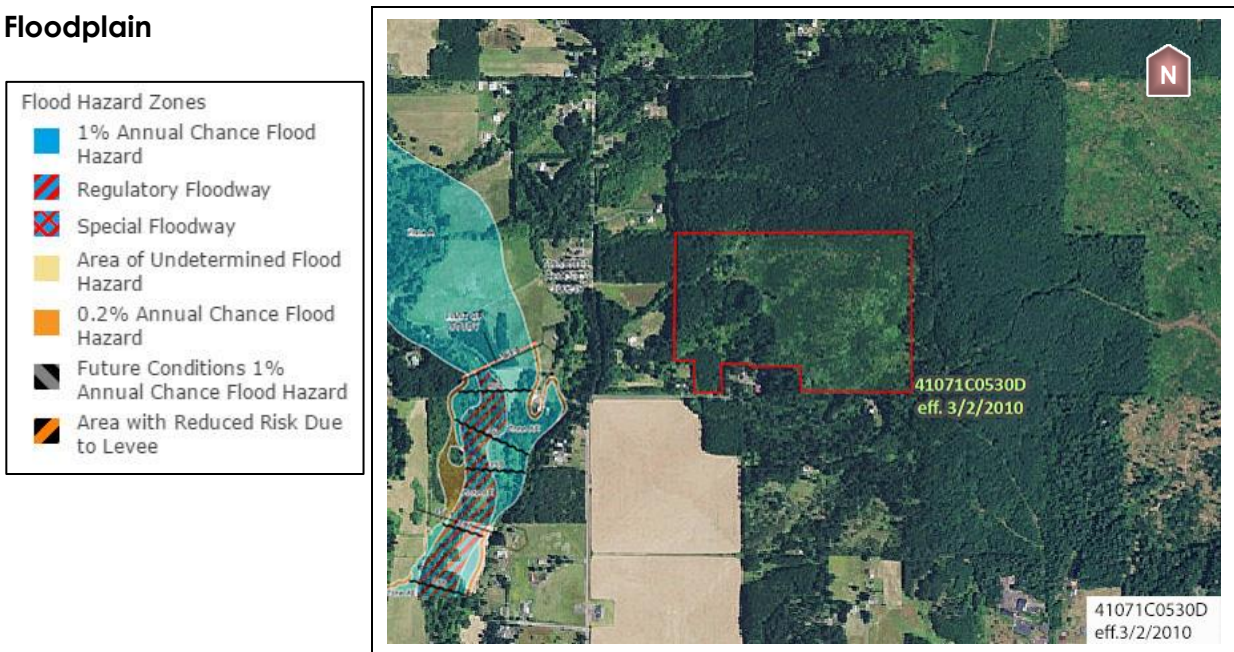
Homesite Potential (continued)

representative indicated that, based on the subject soil's timber producing capabilities, a template test for the subject would require at least 11 other parcels that existed as of January 1, 1993.

The appraiser's preliminary research found several legal dwellings within a 160 AC square centered on the subject; however, only one was constructed prior to 1993. The representative indicated the subject site had homesite potential based on the zoning, size, and access; however, based on surrounding land uses, did not think the property would pass the template test.

If questions arise regarding the potential buildability of the subject, further research is advised.

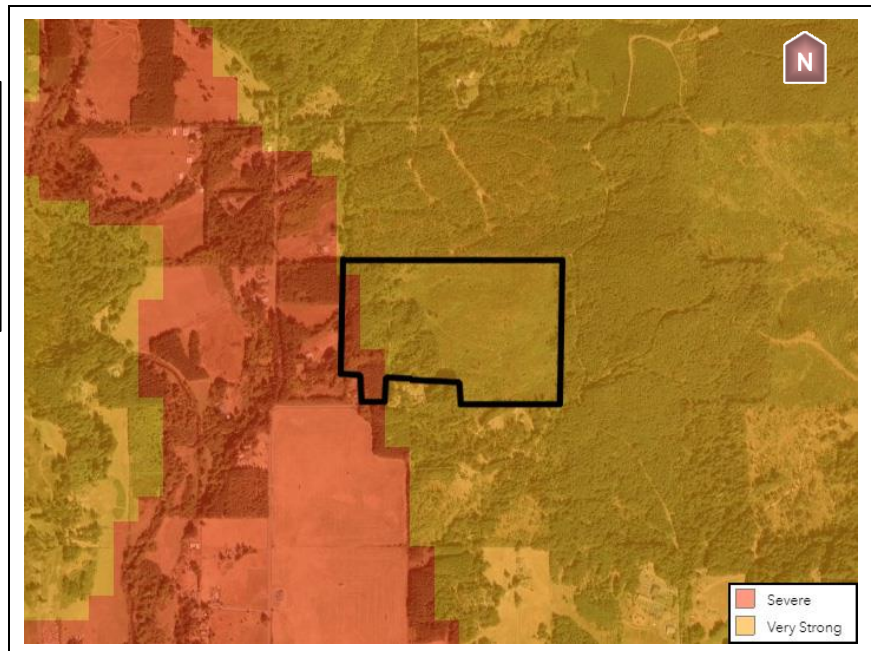
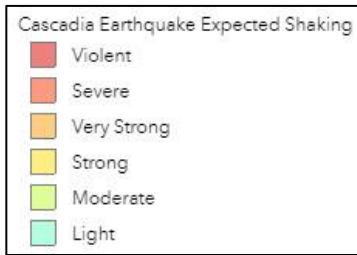
Floodplain



According to the Federal Emergency Management Agency (FEMA), National Flood Insurance Program (NFIP), Flood Insurance Rate Map (FIRM), Community-Panel No. 41071C0530D, dated March 2, 2010, the subject site lies in Zone X, an area of minimal flood hazard.

DESCRIPTION (continued)

Seismic Hazard



According to the Oregon Department of Geology and Mineral Industries (DOGAMI), the data show the amount of shaking expected if a magnitude 9.0 Cascadia Subduction Zone (CSZ) earthquake occurs. A CSZ earthquake will create a local tsunami that will inundate the Oregon coast.

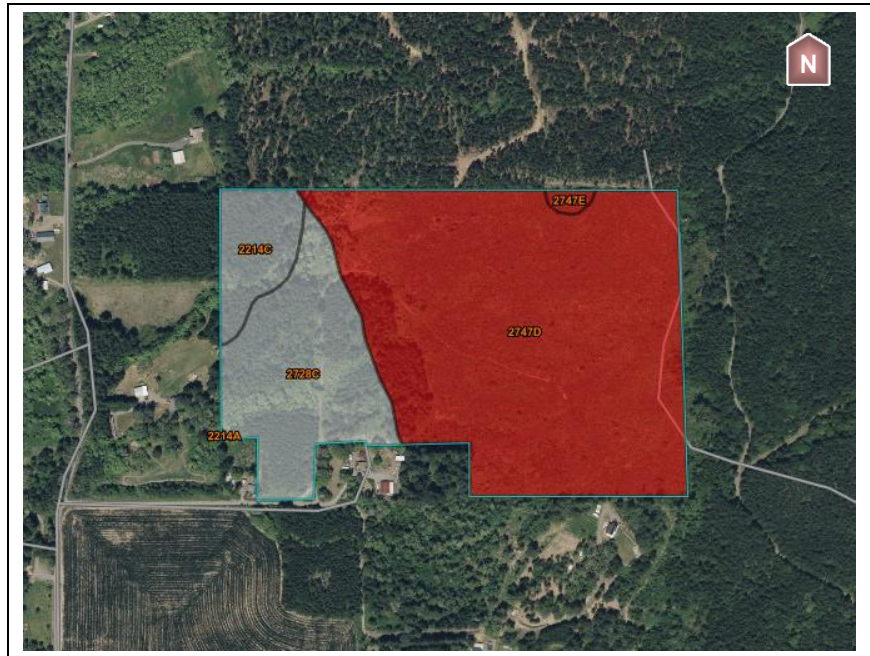
Portions of the subject site will experience **very strong** and **severe** shaking in the event of seismic activity. This data shows the strongest shaking expected to occur during an earthquake in a 500-year period. The stronger the amount of shaking, the more structural damage will occur.

This seismic rating is typical for the immediate area and larger region.

DESCRIPTION (continued)

Soils

Soils found on the United States Department of Agriculture's Natural Resources Conservation Service Web Soil Survey map for Lincoln County.



The type and location of the soils as reported in the map above are considered to be accurate, as are the site allocation percentages in the following table:

Map Unit Symbol	Map Unit Names	% Slope	Drainage	Approx. % of site	Forest Productivity - Tree Site Index Rating
2214C	Chehalem silty clay loam, sedimentary	3-12%	SW Poor	6.30%	Not Rated
2728C	Steiwer silt loam	3-12%	Well	21.30%	Not Rated
2747D	Jory-Bellpine complex	12-20%	Well	71.60%	122
2747E	Jory-Bellpine complex	20-30%	Well	0.80%	122
Totals		3-30%	Well Drained	100.00%	Not Rated-122

Soils included in the subject property are generally found in areas with slopes ranging from 3 to 30%; further, 71.60% of the subject site has soils found in areas with **12 to 20% slopes**.

The **tree site index** (Douglas-Fir tree height, in feet, after 50-years) is a measure of the productivity of the site as timberland. Based on the soil allocations, 72.40% of the subject has a tree site index of **122**. The remaining **27.60%** of the site is **not rated** for tree site index, as these soils are generally found in floodplains along rivers and streams. **The subject's soils are average for timber productivity when compared to timberland properties in the region.**

DESCRIPTION (continued)

Timber

Based on a timber cruise/appraisal performed by Northwest Forestry Services (effective July 11, 2024 and included in the Addenda), the subject site includes merchantable and pre-merchantable timber.

The contributory value of the timber is included in the final conclusion of value.

Site Rating

The subject site is located in a rural area just northeast of Grand Ronde in Yamhill County, Oregon. It is forested with and has sloping topography. The site has average shared access and average exposure for the area and property type. Zoning allows for various forest and farm uses. The subject soils are average for timber productivity.

Overall, the subject site has an average rating for timber production.

SUBJECT PHOTOGRAPHS
JULY 19, 2024



1. View north from the southwest portion of the subject. (13633-27)



2. Additional view northeast. (13633-23)

SUBJECT PHOTOGRAPHS – JULY 19, 2024 (continued)



3. View east along the southern boundary of the subject. (13633-14)



4. View northwest across the southern portion of the site. (13633-13)

SUBJECT PHOTOGRAPHS – JULY 19, 2024 (continued)



5. View north across the southern portion of the site. (13633-10)



6. Additional view. (13633-4)

SUBJECT PHOTOGRAPHS – JULY 19, 2024 (continued)



7. View northeast toward the steeply sloping topography. (13633-1)



8. Additional view. (13633-2)

MARKET ANALYSIS/HIGHEST & BEST USE

MARKET OVERVIEW

The subject is located within Yamhill County. Please see the Population, Economy, and Real Estate Market sections in the Regional Description located in the Addenda.

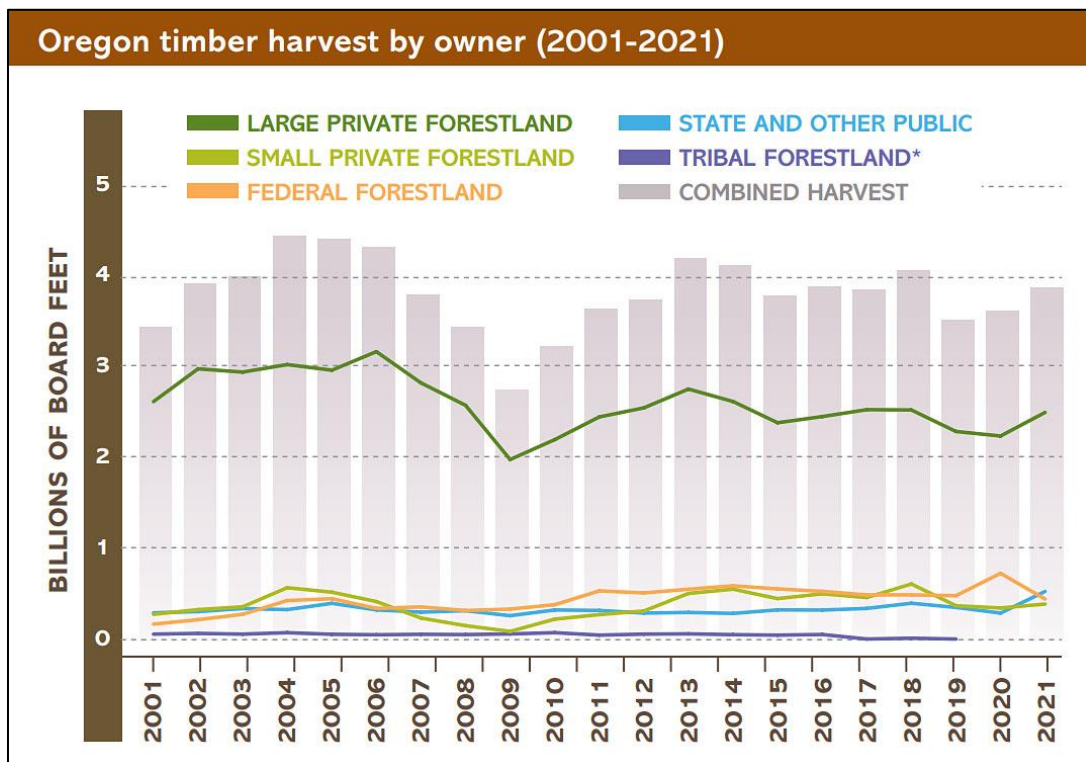
TIMBER INDUSTRY ANALYSIS

The subject is a 53.28 AC parcel of split EF-80 (Exclusive Farm Use District) and AF-80 (Agriculture/Forestry District) zoned land. The subject reflects forested acreage; however, per the scope of work, any marketable timber is excluded from the land value conclusion. The contributory value of the merchantable and pre-merchantable timber on the subject property was concluded in a report produced by Northwest Forestry Services, effective July 11, 2024. This report is included in the Addenda, and the timber value is included in the final value conclusion herein. Based on the site's size, soils, and surrounding land uses, the region's timber industry is relevant to the subject.

The following section is based on data obtained from the 2023-24 Edition of "Oregon Forest Facts" from the Oregon Forest Resources Institute. Note that this publication analyzes data between 2001 and 2021 (most recent available).

Nearly half of Oregon is forestland, or approximately 30 million AC. The total forestland acreage has remained relatively constant over the past 60 years. The majority of the forestland acreage is owned by the federal government, followed by larger and small private owners.

Per the exhibit below, the Oregon timber harvest has remained relatively steady since the 2001; between 3 and 4 billion board feet per year. The majority of the timber harvested takes place on large private forestland.



MARKET ANALYSIS/HIGHEST & BEST USE (continued)

Oregon has led the nation in softwood lumber production: ~17% of the total U.S. Production from 2016 to 2021 (most recent available).

Top softwood lumber-producing states (in millions of board feet) ⁴							
	2016	2017	2018	2019	2020	2021	% of U.S. total for 2021
Oregon	5,646	5,742	6,100	5,724	5,983	6,141	17%
Washington	3,580	3,833	4,010	4,245	4,456	4,484	12%
Alabama	2,413	2,430	2,524	2,909	3,322	3,511	10%
Georgia	2,791	2,866	2,837	2,703	3,258	3,383	9%
Arkansas	2,179	2,467	2,701	2,577	2,566	2,562	7%
TOTAL U.S.	32,535	33,779	34,907	35,163	36,908	37,152	

Oregon has led the nation in plywood production as well: ~28% of the total U.S. Production from 2016 to 2021 (most recent available).

Top plywood-producing states (in millions of square feet, 3/8" basis) ⁵							
	2016	2017	2018	2019	2020	2021	% of U.S. total for 2021
Oregon	2,512	2,518	2,475	2,395	2,291	2,357	28%
Louisiana	1,180	1,250	1,258	1,274	1,186	1,213	15%
Mississippi	659	818	818	834	734	782	9%
Texas	693	695	670	654	679	680	8%
Washington	666	604	610	575	588	547	7%
TOTAL U.S.	8,805	9,026	8,869	8,557	8,325	8,337	

2020 saw historic increases in lumber prices in the US for several reasons. COVID-19 related lockdowns and low mortgage rates resulted in increased demand for single-family homes. Wood products mills in the Pacific Northwest, unable to keep up with demand for finished lumber, have experienced a bottleneck due to widespread closures resulting from the 2008 housing crisis and the 1990 listing of the northern spotted owl as threatened under the Endangered Species Act.

Additionally, wildfires in the summer and fall of 2020 caused significant damage to Oregon's standing timber supply.

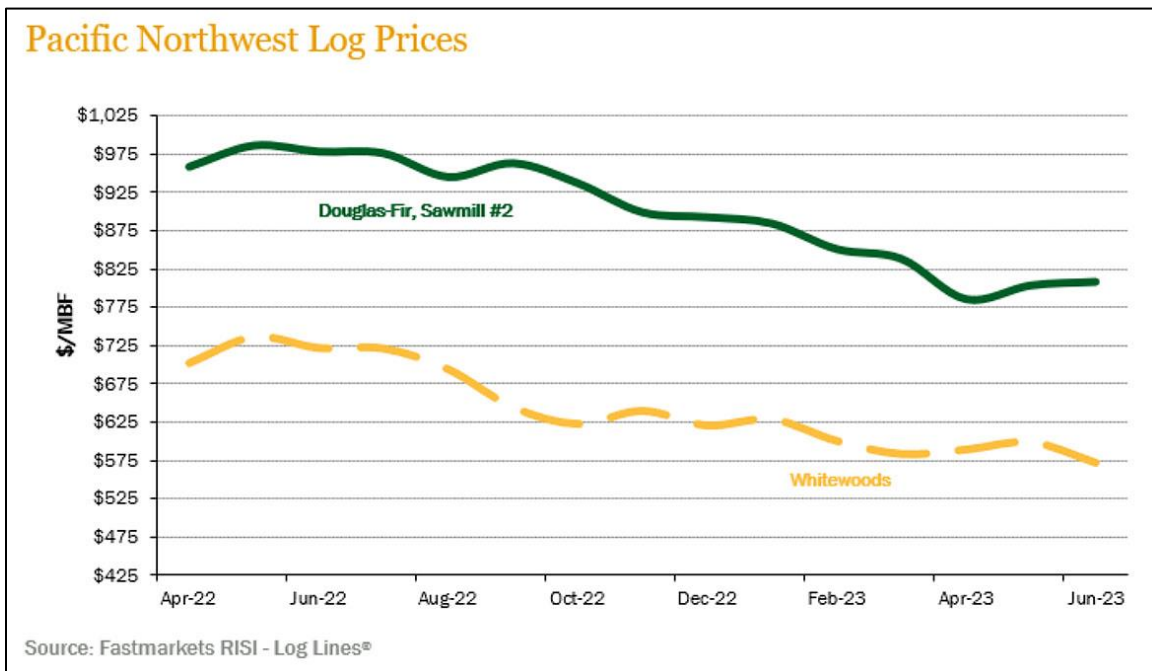
According to an article published in May 2021 by Forest2Market, "In Lane County, Oregon, 2018 annual harvest totaled 559 MMBF; fire losses on the county's private forests alone may amount to nearly one-year's total harvest." The firm speculates that some areas in Western Oregon may experience interruptions in future timber supply that last decades.

Total wildland fires and acres burned in Oregon^{12, 13, 14}	Year	ODF fires	ODF acres	Total fires	Total acres
The total number of Oregon wildfires per year has remained fairly stable, but the total acres burned has increased in recent years. In 2020, the acreage burned on Oregon Department of Forestry (ODF) protected lands was nearly 10 times the average of the previous 10 years. This is because of the large amount of private land that burned in the Labor Day fires.	2022	*879	*3,4512	*2,045	*446,534
	2021	1,134	228,778	2,203	828,778
	2020	981	541,372	2,215	1,141,613
	2019	1,020	17,077	2,295	79,735
	2018	1,112	76,774	2,019	897,263
	2017	1,091	47,162	2,049	714,520
	2016	832	5,661	1,245	219,509
	2015	1,079	86,849	2,588	685,809
	2014	1,120	53,387	3,087	984,629
	2013	1,186	104,167	2,848	350,786
	2012	689	17,547	1,599	1,290,527
	Average (2013-22)	1,044	119,576	2,259	634,918

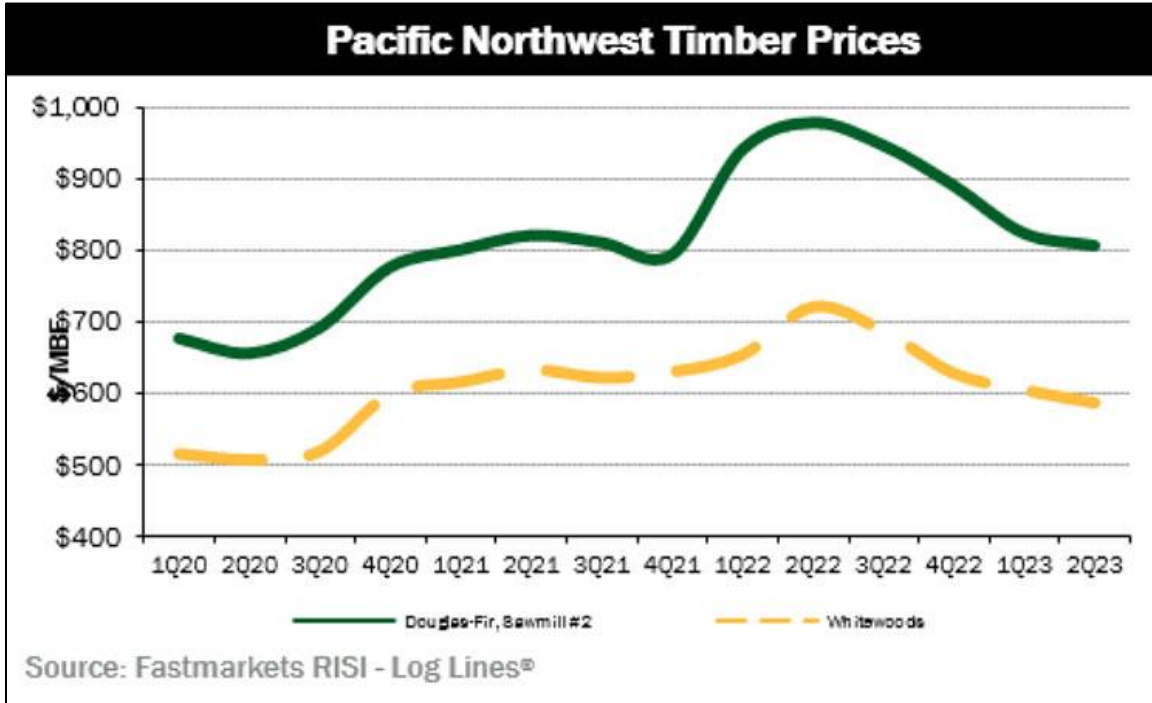
*Data available as of 11/2022, Oregon Department of Forestry

MARKET ANALYSIS/HIGHEST & BEST USE (continued)

The following section is based on data obtained from the 2nd Quarter 2023 Report from Forest Investment Associates (FIA) - (most recent available).



Pacific NW Douglas-Fir log prices decreased ~15% since last year.



Pacific NW Douglas-Fir timber prices decreased ~20% since last year.

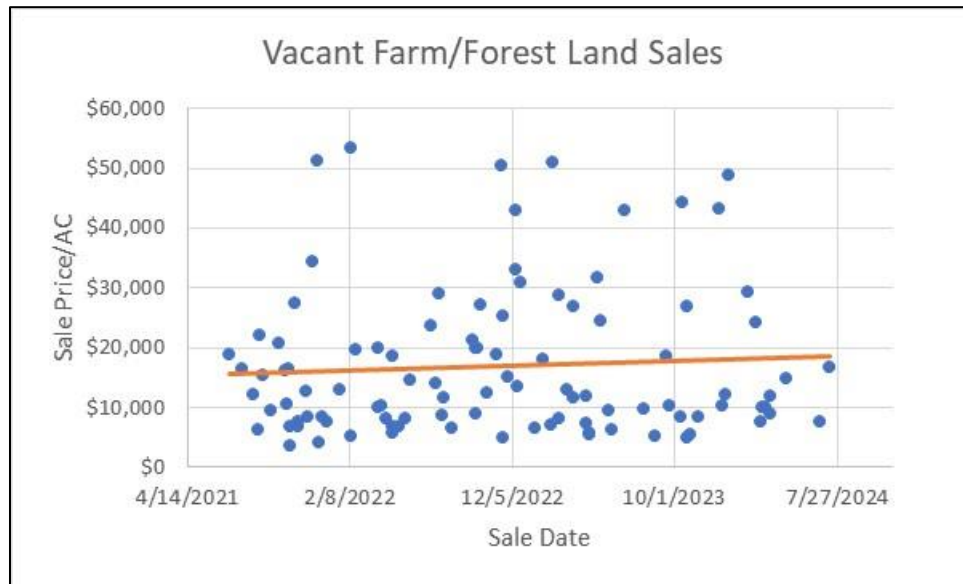
Note, however, that medium-to-longer term outlook for the regional market for logs and timber appears strong.

MARKET ANALYSIS/HIGHEST & BEST USE (continued)

VACANT LAND INVENTORY

Statistical data was obtained from the Regional Multiple Listing Service (RMLS). Due to the relatively small number of rural bare land sales in Yamhill County, and the subject's close proximity to the Yamhill-Polk County Line, the search was expanded to include Polk County to the south. Still, a relatively small number of rural land sales were found.

The following table includes rural land sales within **Yamhill** and **Polk Counties** from Q3 2021 through Q3 2024 to date. The data includes vacant land parcels larger than 10.00 AC, with various farm and forest-related zoning.



The above data indicates an overall increase in sale price/AC, for farm/forest land, of **+0.59% per month** over the survey period.

MARKET CONDITIONS CONCLUSION

The subject is identified as a 53.28 AC, EF-80 and AF-80 zoned, treed property in rural Yamhill County, Oregon. The property is not improved, and, based on conversations with the Yamhill County Planning Department, it is unlikely to be buildable. The vacant rural land market continues to appreciate, as demand in this sector remains strong. Considering the location, topography, timber productivity, and zoning, the subject property value should trend with the overall timber land market throughout the region.

The market data showed a positive price per AC trend over the surveyed time period. Considering the relatively limited data, a conservative market conditions adjustment slightly below that indicated by the data is reasonable. A rounded market conditions adjustment of **+0.50% per month** will be applied to the comparable sales used in the Sales Comparison Approach, up to the date of value, July 19, 2024.

MARKET ANALYSIS/HIGHEST & BEST USE (continued)

STRENGTHS, CHALLENGES, OPPORTUNITIES & THREATS (SCOT ANALYSIS)

The subject's **strengths** include:

- Location near Grand Ronde;
- Average timber production potential (tree site index of 122);
- Adjacent land uses include rural residences, agricultural properties, and forest land.

Challenges include:

- The subject tax lots cannot be divided;
- The property is not improved with utilities, and;
- Shared access to one of the three tax lots.

Opportunities include:

- Continued demand for timber properties in the Willamette Valley.

Threats include:

- Climate change;
- Wildfire;
- Continued market uncertainty surrounding elevated interest rates and inflation.

HIGHEST AND BEST USE

Introduction

Highest and best use is a market driven concept which identifies the most profitable and competitive use to which a property can be put. It is further defined as follows:

*"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability."*³

The concept of highest and best use is fundamental to real property value. In one application of the concept, a site is valued as though vacant and available for development to its highest and best use. In another application, the highest and best use of the property as improved is estimated. A site may have one highest and best use as though vacant, while the improved site may have another optimal use.⁴

Highest and best use is essentially a market driven concept which identifies the ideal use(s) of a property which follow logical market criteria. It attempts to mirror the thinking of a buyer in the marketplace. Analysis pertaining to the legal, physical, financial and most productive uses of the site, both as though vacant and as improved, narrows development options to those best fitting the demand for the property. Once highest and best use is established, the appraisal process focuses on the identified sub-market, selecting parameters for meaningful analyses.

³ *The Dictionary of Real Estate Appraisal, Fifth Edition*. Chicago: Appraisal Institute, 2010.

⁴ *The Appraisal of Real Estate, Fourteenth Edition*. Chicago: Appraisal Institute, 2013.

MARKET ANALYSIS/HIGHEST & BEST USE (continued)

The highest and best use of the subject land has been tested separately against the four criteria in the following analysis.

As Vacant Site

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.⁵

Legally Permissible - Legal factors influencing the subject are primarily zoning regulations and County ordinances. The subject site is split-zoned **EF-80** (Exclusive Farm Use District) and **AF-80** (Agriculture/Forestry District) by Yamhill County. Permitted uses primarily include forest and farm uses (including timber propagation and forest product processing), as well as recreation uses. Residential uses may be allowed if certain conditions are met. Based on conversations with a representative for the Yamhill County Planning Department, the subject likely does not have homesite potential. Legal uses support **timber propagation and recreation uses**.

Physically Possible - The subject site is located just northeast of Grand Ronde, in rural Yamhill County, Oregon. It has an irregular shape and relatively small size. The topography slopes from east to west, with 12-20% slopes across 72% of the site. The predominant soils on the property have a tree site index of 122, which is average for other properties in the subject's market area. The sloping topography, productive soils, and current timber use suggest a timber propagation use is possible.

Considering physical and locational characteristics, a **timber propagation use** is supported for the vacant site.

Financially Feasible - Due to the site's physical characteristics, surrounding development, and legal considerations, the greatest financial return would likely come from timber production. Therefore, development of the site with a legally and physically supported **timber propagation use** is financially feasible.

Maximally Productive - A **timber propagation use** accurately describe the maximally productive use of the site, as vacant, as it represents a financially feasible, physically possible and legally permissible use.

Marketability - As stated previously, the subject site has an average rating for timber propagation when compared to similar nearby properties and should compete well in the market.

Because of the subject's size, topography, and location, I anticipate a **marketing period of one year or less**, if listed at or near market value. This is consistent with marketing periods of similar properties in the subject's market area.

Highest and Best Use Conclusion As Vacant - Based upon past, present and prospective market activity in the subject's market area, it is my opinion that a **timber propagation use** is an adequate expression of the highest and best use of the vacant site.

⁵ *The Dictionary of Real Estate Appraisal, Fifth Edition*. Chicago: Appraisal Institute, 2010.

VALUATION METHODS

SITE VALUE

In valuing the subject site, as though vacant as of the effective date of this report, the Sales Comparison Approach is utilized. In this approach, recent sales and/or listings of similar sites are compared to the subject using the adjustment process (if appropriate) to indicate value. Where good market activity and data is available, this approach best reflects market behavior and provides a useful estimate of value for the subject land.

COST APPROACH

The Cost Approach is based upon the principle that the value of property is significantly related to its physical characteristics and that no one would pay more than the cost to build a like facility in today's market on a comparable site. In this approach, the market value of the site is estimated and added to the depreciated value of the improvements. In addition, entrepreneurial profit is added. For proposed or newer properties, this approach may have significant relevance. For older properties or those with substantial depreciation, this approach has limited application. However, the Cost Approach may prove useful as an indication of potential supply, as measured by the amount of profit evident. These factors will be considered in addressing the emphasis placed on the Cost Approach.

INCOME APPROACH

This approach is predicated on the assumption that there is a definite relationship between the net income a property will earn and its value. Net income is the income generated before payment of any debt service. The process of converting it into value is called capitalization. Net income is divided by a capitalization rate. Factors such as risk, time, interest on the capital investment, upside potential and recapture of the depreciating asset are considered in the rate. Applying a capitalization rate based on indications from comparable sales reflects expectations of buyers and sellers in the market.

Another capitalization concept employed with the Income Approach is the Discounted Cash Flow Analysis or yield capitalization. It is developed by projecting cash flows over a holding period assuming variations in income, expenses, lease terms, reversion rates and internal rates. The net present value of the cash flows is a method of measuring anticipated future benefits.

SALES COMPARISON APPROACH

This approach analyzes sales of comparable properties with regard to the nature and condition of each sale. Logical adjustments and/or comparisons are made for varying physical characteristics. For land value, a common denominator is a price per square foot or price per acre; for improved properties, it may be the price per square foot, price per unit, or a gross income multiplier. This approach develops a good indication of value when sales of similar properties have occurred.

VALUATION METHODS (continued)

RECONCILIATION

This is the process by which the individual approach indications are weighed based on validity and applicability to the subject market. The indications often indicate different values. After factors influencing each approach are carefully considered (i.e. quality and quantity of data, sophistication of the market, etc.), a final point estimate of value is concluded.

In this report the Sales Comparison Approach will be utilized to value the subject property. This is typically the best approach when valuing bare land.

SALES COMPARISON APPROACH

In this section, the market value of the subject property will be estimated by direct comparison analysis, which compares recent sales of land located in the subject's market area to the subject property. As discussed in the Site Description section, the subject contains **53.28 AC**, with a highest and best use for **timber propagation**.

The **price per AC** unit of comparison will be used in this analysis. This indicator best reflects the behavior of the typical buyer and seller in the subject market. The price AC is based upon the physical characteristics of the property, and care must be taken in the comparable selection process. The comparables are analyzed considering such factors as location, size, zoning, homesite potential, among others.

A survey of the market area was conducted and included CoStar, LoopNet, Regional Multiple Listing Service, Willamette Valley Multiple Listing Service, County assessor's records, and interviews with several local real estate professionals familiar with the subject property type. The limited number of comparable sales in the subject's market area and lack of uniformity within this market prevents direct extraction of adjustments from the marketplace. General analysis reflecting market behavior is utilized to determine which comparables are superior or inferior to the subject. This analysis establishes value parameters for the subject, allowing for a final conclusion of value.

Information regarding the land sale comparables is presented on the Land Sales Tabulation Chart and Adjustment Grid, which follows the comparable discussion. A Land Sale Location Map is also included.

ADJUSTMENTS

QUANTITATIVE ADJUSTMENTS

Property Rights Conveyed – Properties are sold with a specific bundle of rights and typically reflect various forms of ownership interest. This analysis focuses on the **fee simple** value of the property. Therefore, the comparable sales are analyzed on a fee simple basis. No adjustment is necessary.

Financing Terms – Comparables 1, 2, 3, and 4 sold via conventional financing or cash. No adjustment is necessary. Comparable 5 was part of a 1031 exchange; however, the listing broker indicated this did not impact the sale price. No adjustment is necessary.

Conditions of Sale – The comparables generally reflect arm's length negotiations. Therefore, no adjustment is made.

Market Conditions - As discussed in the Market Analysis section, a **+0.50% per month** market conditions adjustment is applied to the comparable sales through the retrospective date of value.

QUALITATIVE ADJUSTMENTS – The comparables are compared and contrasted to the subject on a qualitative basis. Categories include location, access, site size, zoning, timberland productivity, topography, floodplain, amenities, encumbrances, homesite potential, utilities, and merchantable timber. Each category is analyzed and the comparable is concluded to be similar, inferior or superior to the subject. The categories are reconciled, resulting in reasonable, low or high indicators for the subject.

The comparables are briefly discussed on the following pages, culminating in a conclusion of value.

Forest Land

Comparable 1

Sale Information

Buyer	Steven Pringle	
Seller	Chilton Inc	
Sale Date	11/18/2022	
Transaction Status	Recorded	
Sale Price	\$290,000	\$4,890 /AC
Recording Number	2022-14861	
Rights Transferred	Fee Simple	
Financing	Conventional	
Conditions of Sale	Arm's Length	
Marketing Time	105 days	

Property

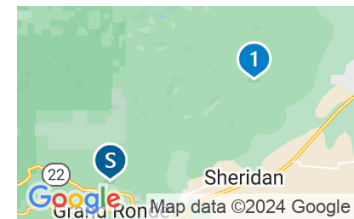
Land Area	59.31 Acres (2,583,544 SF)
Number of Parcels	1
Zoning	F-80
Shape	Irregular
Topography	Level to Sloping



SW Gopher Valley Road
Sheridan, OR 97101

County
Yamhill

APN
R462401000



Confirmation

Name	Reese Hendrickson/Yamhill County
Company	Chilton Property Group/Deed
Phone Number	360-998-0462

Remarks

This is a 59.31 AC F-80 (Forestry-80) zoned property in rural Yamhill County, near Sheridan. The site reflects generally cleared, unimproved acreage with relatively steep slopes ranging from 12-60% across 76% of the site. The property was logged in 2021. The F-80 zoning designation provides homesite potential, but the property does not include an approved homesite. Further, based on nearby land uses, the site's most likely use is timber propagation or recreation. It is not improved with any utilities.

This is the November 2022 sale of the property. It was listed on the open market for 105 days at an asking price of \$275,000 before it sold at a 5.45% list-to-sale price premium. According to the marketing materials, the property had been logged in 2021, and there was no merchantable timber on site at the time of sale. An attempt was made to contact the listing broker; however, they could not be reached. Their marketing materials and Yamhill County Assessor's records are relied upon.



POWELL BANZ
VALUATION

Forest Land

Comparable 2

Sale Information

Buyer	Daniel & Ellen Butler	
Seller	Chiasson Living Trust	
Sale Date	3/3/2023	
Transaction Status	Recorded	
Sale Price	\$235,000	\$8,217 /AC
Recording Number	2023-1439	
Rights Transferred	Fee Simple	
Financing	Cash	
Conditions of Sale	Arm's Length	
Marketing Time	180 days	

Property

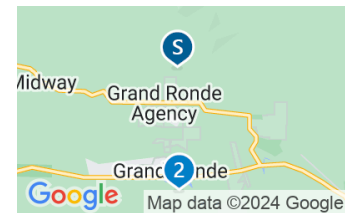
Land Area	28.6 Acres (1,245,816 SF)
Number of Parcels	1
Zoning	F/F
Shape	Rectangular
Topography	Level



28150 Andy Riggs Rd
Grand Ronde, OR 97347

County
Polk

APN
287865



Confirmation

Name	Tim Cairns/Polk County Records
Company	Re/Max Equity Group/Deed
Phone Number	503-701-0604

Remarks

This is a 28.60 AC F/F (farm/forest) zoned property in rural Polk County, near Grand Ronde. The site reflects treed, unimproved acreage with gentle topography ranging from 0-3% across 94% of the site. The timber present on the site is pre-merchantable. Approximately 19% of the site is within Zone A. The F/F zoning designation provides homesite potential, and the site has forest template dwelling approval. It is not improved with any utilities.

This is the March 2023 sale of the property. It was listed on the open market for 180 days at an asking price of \$259,000 prior to selling at a 9.27% list-to-sale price discount. Based on aerial imagery, the timber present on the property appears to be pre-merchantable, and no adjustment was made for merchantable timber. An attempt was made to contact the listing broker; however, they could not be reached. The broker's listing materials and county records are relied upon.



POWELL BANZ
VALUATION

Forest Land

Comparable 3

Sale Information

Buyer	Ralph Siegfried	
Seller	Debra & Daniel Webb	
Sale Date	6/7/2023	
Transaction Status	Recorded	
Sale Price	\$510,000	\$6,122 /AC
Recording Number	2023-4890	
Rights Transferred	Fee Simple	
Financing	Cash	
Conditions of Sale	Arm's Length	
Marketing Time	36 days	

Property

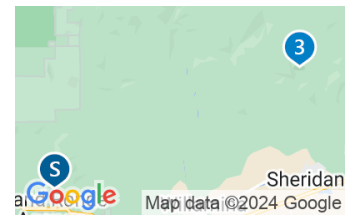
Land Area	83.3 Acres (3,628,548 SF)
Number of Parcels	2
Zoning	F-80
Shape	Irregular
Topography	Level to Sloping



27600 SW Beaver Creek
Road
Sheridan, OR 97378

County
Yamhill

APN
R560300400, R561102004



Confirmation

Name	Mike Cook
Company	Mike Cook Properties
Phone Number	503-784-2287

Remarks

This is an 83.30 AC F-80 (forestry) zoned property in rural Yamhill County, near Sheridan. The site reflects treed, unimproved acreage with slopes ranging from 2-60% across 93% of the site. The F-80 zoning designation provides homesite potential, and the site has forest template dwelling approval. It is not improved with any utilities.

This is the June 2023 sale of the property. It was listed on the open market for 36 days at an asking price of \$599,000 prior to selling at a 14.86% list-to-sale price discount. The listing broker indicated that there were a few interested parties during the marketing period. Further, the two parcels had to be sold together to retain access to tax lot R561102004. According to the seller there was some merchantable timber on-site; however, it was of minimal value.



POWELL BANZ
VALUATION

Forest Land

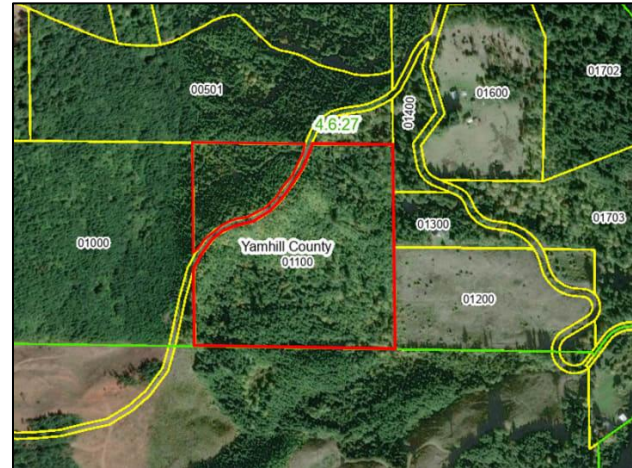
Comparable 4

Sale Information

Buyer	Michael Jamieson	
Seller	Philip Peterson	
Sale Date	10/18/2023	
Transaction Status	Recorded	
Sale Price	\$185,000	\$4,790 /AC
Recording Number	2023-9768	
Rights Transferred	Fee Simple	
Financing	Cash	
Conditions of Sale	Arm's Length	
Marketing Time	343 days	

Property

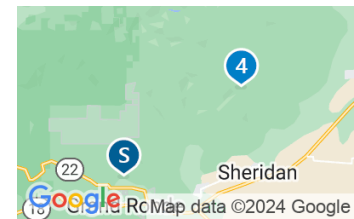
Land Area	38.62 Acres (1,682,287 SF)
Number of Parcels	1
Zoning	F-80
Shape	Generally Rectangular
Topography	Steep



SW Rock Creek Rd
Sheridan, OR 97378

County
Yamhill

APN
R462701100



Confirmation

Name	Molly Barajas/Yamhill County Records
Company	Bella Casa Real Estate Group/Deed
Phone Number	503-310-4267

Remarks

This is a 38.62 AC F-80 (forestry) zoned property in rural Yamhill County, near Sheridan. The site reflects treed, unimproved acreage with relatively steep slopes ranging from 12-90% across the entire site. The F-80 zoning designation provides homesite potential, but the property does not include an approved homesite. Further, based on nearby land uses, the site's most likely use is recreation or timber harvest. It is not improved with any utilities. The timber on site is pre-merchantable.

This is the October 2023 sale of the property. It was listed on the open market for 343 days at an asking price of \$250,000 prior to selling at a 26.00% list-to-sale price discount. According to the broker's marketing materials, the timber on site is pre-merchantable. An attempt was made to contact the listing broker; however, they could not be reached. The broker's listing materials and county records are relied upon.



POWELL BANZ
VALUATION

Forest Land

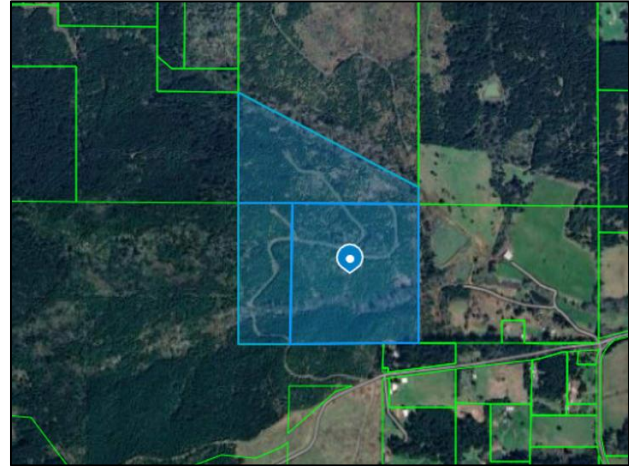
Comparable 5

Sale Information

Buyer	NW Timber Holdings	
Seller	Weyerhaeuser	
Sale Date	2/21/2024	
Transaction Status	Recorded	
Sale Price	\$605,000	\$7,460 /AC
Recording Number	2024-1603	
Rights Transferred	Fee Simple	
Financing	1031 Exchange	
Conditions of Sale	Arm's Length	
Marketing Time	523 days	

Property

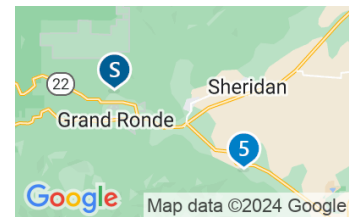
Land Area	81.1 Acres (3,532,715 SF)
Number of Parcels	3
Zoning	TC
Shape	Irregular
Topography	Level to Sloping



Old Military Road
Dallas, OR 97378

County
Polk

APN
236003, 482415, 236173



Confirmation

Name	John Hatch
Company	DAT Real Estate Solutions
Phone Number	503-400-7995

Remarks

This is an 81.10 AC TC (timber conservation) zoned property in rural Polk County, near Dallas. The site reflects treed, unimproved acreage with slopes ranging from 3-30% across the entire site. The TC zoning designation provides homesite potential, and the site has template dwelling approval. It is not improved with any utilities, and the timber on site is pre-merchantable.

This is the February 2024 sale of the property. It was listed on the open market for 523 days at an asking price of \$649,000 prior to selling at a 6.78% list-to-sale price discount. The listing broker indicated that there were a few interested parties during the marketing period, but no other offers. It sold via 1031 exchange; however, the listing broker did not feel this impacted the sale price. The timber on site was pre-merchantable.

SALES COMPARISON APPROACH (continued)

The following narrative compares and contrasts the comparables relative to the subject property based on:

- **Location** – The subject is located in rural Yamhill County, near Grand Ronde, similar to Comparable 2. Comparable 5, near Dallas, is also similar. The remaining comparables are in more rural areas, and are ranked slightly inferior.
- **Access** – The subject is accessible via a shared driveway, similar to Comparables 3 and 5. Comparable 2 was not improved with access at the time of sale, and is inferior. The remaining comparables are accessed via private driveways, and are slightly superior to the subject.
- **Site Size (AC)** – The subject's site size (53.28 AC) is bracketed by the comparables, which range from 28.60 AC to 83.30 AC. Comparables 1 and 4 are similar to the subject. Comparable 2 is smaller, while the remaining comparables are larger, which generally places some downward pressure on the sale price per AC indicator.
- **Zoning** – The subject is split-zoned EF-80 (Exclusive Farm Use) and AF-80 (Agriculture/Forestry). The comparables have various forest and agriculture zones, and are ranked similar.
- **Timberland Productivity (Site Index)** – 72% of the subject site has a Tree Site Index of 122, while the remaining 28% of soils on the property are not typically considered to be timber-producing soils, and do not have a tree site index rating. Comparables 1, 3, and 5, have unrated soils covering 24%, 11%, and 29% of their sites, respectively. They are ranked similar. 94% of Comparable 2 is not rated, and it is inferior. Comparable 4 includes tree site indices ranging from 110 to 124 across the entire site, and is slightly superior.
- **Topography** – The subject site includes slopes ranging from 12-20% across 72% of the site. Comparables 1, 3, and 5 have similar gentle slopes. Comparable 2 has 0-3% slopes across 94% of the site, and is superior. Comparable 4 includes steeper topography, and is ranked inferior.
- **Floodplain** – The subject is not located within the floodplain, similar to Comparables 3, 4, and 5. Comparables 1 and 2 include very small areas within Zone A, and are also ranked similar.
- **Amenities** – The subject does not include any amenities of note, similar to Comparables 1, 2, and 4. Comparables 3 and 5 include creeks, and are superior.
- **Encumbrances** – The subject does not include any encumbrances of note, similar to Comparables 2, 3, and 5. The remaining comparables are bisected by county roads, and are inferior.
- **Homesite** – The subject and all of the comparables have homesite potential based on their zoning and size. The subject has minimal nearby residential development, and would be unlikely to pass a template test. Comparables 1 and 4 are similar. The remaining comparables had forest template dwelling approval at the time of sale, and are ranked superior.
- **Utilities** – The subject is not improved with any utilities, and city utilities are not available to the site. All of the comparables are similar, and no adjustment is necessary.

SALES COMPARISON APPROACH (continued)

- **Merchantable Timber** – Any merchantable or pre-merchantable timber present on the subject site is not included in this portion of the analysis. Comparable 1 was harvested in 2021, and is similar. Comparables 2, 4, and 5 include young timber, and are slightly superior. Comparable 3 includes some merchantable timber; however, it was of minimal value. Comparable 3 is also slightly superior.

SALES COMPARISON APPROACH CONCLUSION (EXCLUDING TIMBER)

The subject's perceived position is arrayed with the comparables in the following table:

Comparable Land Sales Array		
Comparable	Adjusted Price/AC	Indication
2	\$8,915	High
5	\$7,646	High
3	\$6,520	High
SUBJECT		
1	\$5,379	Low
4	\$5,006	Low

The comparables indicate an adjusted range of \$5,006 to \$8,915 per AC. The subject is bracketed by Comparables 1 and 3, indicating a narrowed range of \$6,379 to \$6,520 per AC. Comparable 1 (\$5,379/AC) is a low indicator due to its slightly inferior location and encumbrance by Gopher Valley Road. Comparable 3 (\$6,520/AC) is a high indicator due to its pre-merchantable timber, creek amenity, and template dwelling approval. Based on the subject's characteristics, including 53.28 AC size, slopes ranging from 12-20% across much of the site, shared access from SW Grand Ronde Road, tree site index, lack of homesite approval, and its highest and best use for timber propagation, a rounded unit value of **\$6,000/AC** is concluded for the subject site.

After analyzing the comparable sales, the indicated "as is" market value of the subject property (**land only, excluding timber**), as of July 19, 2024, was (53.28 AC x \$6,000/AC) \$319,680, rounded to:

THREE HUNDRED TWENTY THOUSAND DOLLARS

\$320,000

TIMBER VALUATION

According to the timber cruise/appraisal prepared by Matt Sheehy with Northwest Forest Services (included in the Addenda), the subject's timber is valued as follows:

Timber Market Value	
Merchantable Timber	\$144,644
Pre-Merchantable Timber	\$174,989
Total Timber Value*	\$319,633
Rounded	\$320,000

*Per timber cruise/appraisal prepared by Northwest Forestry Services

SALES COMPARISON APPROACH (continued)

TOTAL VALUE CONCLUSION: SUBJECT PROPERTY

Adding the contributory value of the timber to the previously concluded value of the underlying land results in an "as is" market value of the fee simple estate, as of July 19, 2024, of (\$320,000 + \$320,000):

SIX HUNDRED FORTY THOUSAND DOLLARS

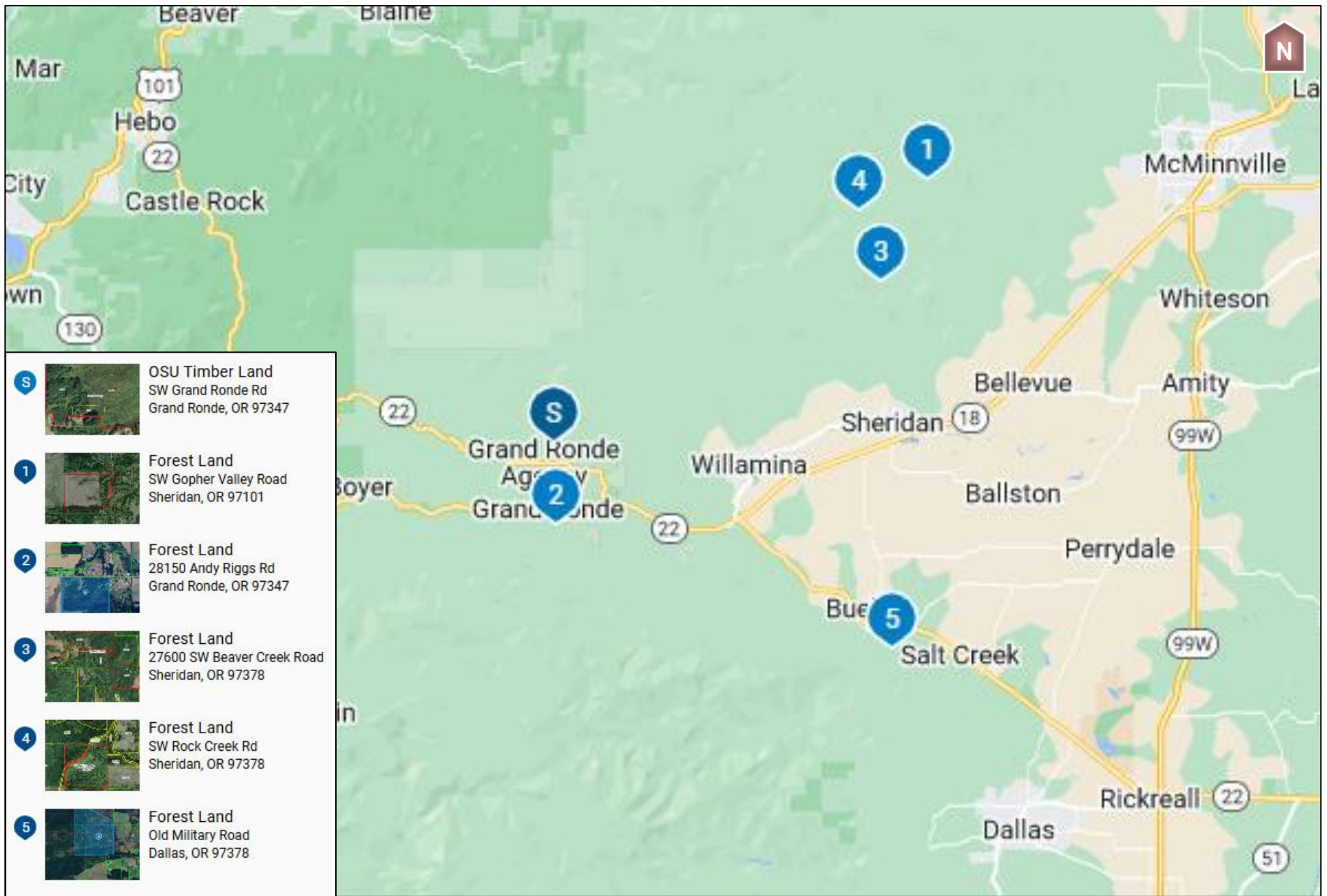
\$640,000

The concluded value is predicated on the extraordinary assumption that the timber cruise/appraisal conducted by Northwest Forestry Services is correct. This assumption may have affected the assignment results, and if determined to be false, the value conclusion herein will need to be revisited.

LAND SALES TABULATION CHART AND ADJUSTMENT GRID

Characteristics	Subject	Comparable 1		Comparable 2		Comparable 3		Comparable 4		Comparable 5	
Address	SW Grand Ronde Road	SW Gopher Valley Road		28150 Andy Riggs Road		27600 SW Beaver Creek Road		SW Rock Creek Road		Old Military Road	
City, County, State	Grand Ronde, Yamhill, Oregon	Sheridan, Yamhill, Oregon		Grand Ronde, Polk, Oregon		Sheridan, Yamhill, Oregon		Sheridan, Yamhill, Oregon		Dallas, Polk, Oregon	
Map & Tax Lot(s)	R5731 01400 & 01500, R5836 02600	R4624 01000		6813-A0-2701		R5603 00400, R5611 02004		R4627 01100		06635-00-00500, 07602-00 600 & 601	
Sale Date	Date of Value:	November 18, 2022		March 3, 2023		June 7, 2023		October 13, 2023		February 21, 2024	
Sale Price (Unadjusted)	July 19, 2024	\$290,000		\$235,000		\$510,000		\$185,000		\$605,000	
Price/AC (Unadjusted)		\$4,890		\$8,217		\$6,122		\$4,790		\$7,460	
List Price		\$275,000		\$259,000		\$599,000		\$250,000		\$649,000	
List Price v.s. Sale Price (% Change)		5.45%		-9.27%		-14.86%		-26.00%		-6.78%	
Days on Market		105		180		36		343		523	
Site Size (AC)	53.28	59.31		28.60		83.30		38.62		81.10	
Zoning	EF-80 & AF-80	F-80 (Forestry-80)		F/F (Farm/Forest)		F-80 (Forestry-80)		F-80 (Forestry-80)		TC (Timber Conservation)	
Access	Shared Driveway	Private Driveway		Not Improved		Shared Driveway		Private Driveway		Shared Driveway	
Timberland Productivity (Tree Site Index)	122 (72% of Site), NR (28%)	110 (32% of Site), 122 (44%) NR (24%)		124 (6% of Site) NR (94%)		110 (19% of Site), 122 (70%), NR (11%)		110 (27%), 119 (17%), 122 (50%), 124 (6%)		122 (71% of Site), NR (29%)	
Topography	12-20% (72% of Site)	12-60% (76% of Site)		0-3% (94% of Site)		2-60% (93% of Site)		12-90% (100% of Site)		3-30% (100% of Site)	
Floodplain	None	~19% Zone A		~6% Zone A		None		None		None	
Amenities	None Noted	None Noted		None Noted		Creek		None Noted		Creek	
Encumbrances	None Noted	Gopher Valley Road		None Noted		None Noted		Rock Creek Road		None Noted	
Homesite	Potential, Likely Timber/Rec Only	Potential, Likely Timber/Rec Only		Template Approval		Template Approval		Potential, Likely Timber/Rec Only		Template Approval	
Utilities	None	None		None		None		None		None	
Merchantable Timber	See Narrative	None		Pre-Merchantable		Yes, Minimal Value		Pre-Merchantable		Pre-Merchantable	
Element		Description	Adj (+/-)	Description	Adj (+/-)	Description	Adj (+/-)	Description	Adj (+/-)	Description	Adj (+/-)
Property Rights Conveyed		Fee Simple	\$0	Fee Simple	\$0	Fee Simple	\$0	Fee Simple	\$0	Fee Simple	\$0
Financing Terms		Conventional	\$0	Cash	\$0	Cash	\$0	Cash	\$0	1031 Exchange	\$0
Conditions of Sale		Arm's Length	\$0	Arm's Length	\$0	Arm's Length	\$0	Arm's Length	\$0	Arm's Length	\$0
Adjusted Sales Price			\$290,000		\$235,000		\$510,000		\$185,000		\$605,000
Months of Market Conditions Adjustment		20		17		13		9		5	
Market Conditions Adjustment/Listing	+0.50% per Month to Date of Value	10.00%	\$29,000	8.50%	\$19,975	6.50%	\$33,150	4.50%	\$8,325	2.50%	\$15,125
Adjusted Sales Price			\$319,000		\$254,975		\$543,150		\$193,325		\$620,125
Adjusted Price/AC			\$5,379		\$8,915		\$6,520		\$5,006		\$7,646
Qualitative Adjustment		Comparison	Adj (+/=/-)	Comparison	Adj (+/=/-)	Comparison	Adj (+/=/-)	Comparison	Adj (+/=/-)	Comparison	Adj (+/=/-)
Location	Grand Ronde, Yamhill, Oregon	Sl. Inferior	-/=	Similar	=	Sl. Inferior	-/=	Sl. Inferior	-/=	Similar	=
Access	Shared Driveway	Sl. Superior	+/=	Inferior	-	Similar	=	Sl. Superior	+/=	Similar	=
Site Size (AC)	53.28	Similar	=	Smaller	+	Larger	-	Similar	=	Larger	-
Zoning	EF-80 & AF-80	Similar	=	Similar	=	Similar	=	Similar	=	Similar	=
Timberland Productivity (Site Index)	122 (72% of Site), NR (28%)	Similar	=	Inferior	-	Similar	=	Sl. Superior	+/=	Similar	=
Topography	12-20% (72% of Site)	Similar	=	Superior	+	Similar	=	Inferior	-	Similar	=
Floodplain	None	Similar	=	Similar	=	Similar	=	Similar	=	Similar	=
Amenities	None Noted	Similar	=	Similar	=	Superior	+	Similar	=	Superior	+
Encumbrances	None Noted	Inferior	-	Similar	=	Similar	=	Inferior	-	Similar	=
Homesite	Potential, Likely Timber/Rec Only	Similar	=	Superior	+	Superior	+	Similar	=	Superior	+
Utilities	None	Similar	=	Similar	=	Similar	=	Similar	=	Similar	=
Merchantable Timber	See Narrative	Similar	=	Sl. Superior	+/=	Sl. Superior	+/=	Sl. Superior	+/=	Sl. Superior	+/=
Comparability			-		+		+		-		+
Conclusion			Low Indicator		High Indicator		High Indicator		Low Indicator		High Indicator

LAND SALES MAP



CERTIFICATION OF APPRAISAL

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

- The statements of fact contained in this report are true and correct.
- I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this agreement.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective personal interest in the property that is the subject of this report, and no 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 to 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, Katherine Powell Banz, MAI, have made a personal inspection of the property that is the subject of this report. I have also inspected the exterior of all comparable data referenced in this report in person or via photographs.
- Lauren Thalhofer provided significant professional assistance to the person signing this report.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I, Katherine Powell Banz, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.



Katherine Powell Banz, MAI
OR Certified General Real Estate Appraiser
License No. C000897
Expiration Date: August 31, 2024

July 29, 2024
Date

PROFESSIONAL SERVICE AGREEMENT



June 11, 2024

Bid Number: B5825

Nicole Neuschwander
Director of Leasing and Strategic Real Property Management
OSU Capital Planning & Development
850 SW 35th St
Corvallis, OR 97333
nicole.neuschwander@oregonstate.edu

Dear Ms. Neuschwander:

Thank you for considering Powell Banz Valuation, LLC for the appraisal assignment identified in the attached Professional Service Agreement. Please sign one copy of the agreement and return it via fax or e-mail, thereby indicating your authorization for us to proceed with this assignment.

The following is a list of information we will need to begin our analysis. Please forward with the agreement as soon as possible.

- Signed Professional Service Agreement
- Property contact for site inspection

Our ability to honor the terms of this agreement will require your response by June 13, 2024. If you have questions regarding the enclosed, please feel free to contact me. We look forward to working with you.

Respectfully,

POWELL BANZ VALUATION, LLC

A handwritten signature in blue ink that reads 'Katherine Powell Banz'.

Katherine Powell Banz, MAI
Principal
+1 (503) 371-2403
kbanz@powellbanz.com

Professional Service Agreement	Bid Number:	B5825
Property: OSU Timber Land	Location:	SW Grand Ronde Rd Map 5S7W31 1400,1500; 5S8W36 2600 Grand Ronde, OR 97347
Client: OSU Capital Planning & Development	Contact:	Nicole Neuschwander



Scope of Work:	An Appraisal Report prepared in accordance with the Appraisal Institute and Uniform Standards of Professional Appraisal Practice. The report will present the 'As-Is' Market Value of the subject property as of the date of inspection. The appraisal will not include the contributory value of the timber.
Intended Use:	Asset monitoring by subject ownership.
Intended Users:	Client and the client's legal & accounting professionals.
Copies:	One (1) Electronic Final Appraisal in PDF format is included in the fee. Hard copies are billed separately at \$150.00 per copy.
Professional Fee:	\$3,700.00
Retainer:	\$0.00 Credit card payments incur a 3.50% processing fee.
Terms:	Commencement of the appraisal process will begin upon receipt of the signed Professional Service Agreement, retainer and any requested materials. The fee for the appraisal is due upon delivery of the report. Past due accounts will accrue a late payment charge of 1.5% per month, compounded monthly. In the event that either party commences any legal action relating to the provisions of the Agreement, including collection, the prevailing party shall be entitled to its actual attorney's fees and costs, including those incurred upon appeal. This agreement shall be governed by and construed in accordance with the laws of the State of Oregon, and the venue of any action arising from this agreement shall be in Marion County, Oregon.
Delivery:	Five to seven weeks from the return of the Professional Service Agreement and requested items. If the requested items are not received within a week from engagement the appraisal will be delayed until we have all requested information.
Modification or Cancellation:	Changes in the Scope of Work, pre-trial conferences, trial preparation and testimony will be billed separately at the stated hourly rates below. If the assignment is cancelled prior to completion, for any reason, the client will be billed at a minimum \$500 or for all time expended prior to cancellation. Billing rates are \$150 per hour for associate time, \$200 per hour for senior associate time, \$350 per hour for designated associate time and \$400 per hour for principal time. If the client delays completion of the assignment beyond 90 days, the fee will be renegotiated.
Hazardous Waste Disclaimer:	Powell Banz Valuation, LLC does not assume any duty to analyze or examine the property or adjacent property for the possible presence of toxic or hazardous substances or materials and accepts no liability regarding the issue. This appraisal report will contain a comprehensive disclaimer to this effect.

Professional Service Agreement **Bid Number:** **B5825**

Property: OSU Timber Land **Location:** SW Grand Ronde Rd
Map 5S7W31 1400,1500; 5S8W36 2600
Grand Ronde, OR 97347

Client: OSU Capital Planning & Development **Contact:** Nicole Neuschwander



Liability: Powell Banz Valuation, LLC's responsibilities are rendered and limited to the client. Liability is limited to the fee actually received for the services requested herein.
This agreement is the entire agreement between the parties, and supersedes all prior and contemporaneous agreements and communications regarding this assignment.

I, Katherine Powell Banz, MAI, Principal of Powell Banz Valuation, LLC, agree to the above terms, assuming the Professional Service Agreement and retainer are returned by June 13, 2024.

I, Nicole Neuschwander, on behalf of OSU Capital Planning & Development, agree to the above stated terms and authorize Powell Banz Valuation, LLC to prepare the above referenced appraisal.

 June 11, 2024

Katherine Powell Banz, MAI Date

DocuSigned by:
 6/12/2024 | 11:25:3

F48C73224ADC456...
Nicole Neuschwander Date

TAXES, ASSESSMENT DATA, DEED & LEGAL DESCRIPTION



Yamhill County, Oregon

In the heart of the Willamette Valley

535 NE 5th
Street
McMinnville,
OR 97128
503-434-
7521

Property Account Summary

6/12/2024



Click image above for more information

Account Number	230271	Property Address	
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General Information

Alternate Property #	R5731 01400
Property Description	See Metes & Bounds
Property Category	Land &/or Buildings
Status	Active, Locally Assessed
Tax Code Area	30.3
Remarks	POTENTIAL ADDITIONAL TAX LIABILITY. DISQUALIFIED AMOUNT = 1,937.65

Tax Rate

Description	Rate
Total Rate	

Property Characteristics

Neighborhood	Misc Exempt
Land Class Category	920 Exempt School Vacant
Account Acres	32.8900
Change Property Ratio	Exempt

Parties

Role	Name
Owner	OREGON STATE UNIVERSITY

Related Properties

No Related Properties Found

Property Values



Yamhill County, Oregon

In the heart of the Willamette Valley

535 NE 5th
Street
McMinnville,
OR 97128
503-434-
7521

Property Account Summary

6/12/2024



Click image above for more information

Account Number	230299	Property Address	
----------------	--------	------------------	--

General Information

Alternate Property #	R5731 01500
Property Description	See Metes & Bounds
Property Category	Land &/or Buildings
Status	Active, Locally Assessed
Tax Code Area	30.3
Remarks	POTENTIAL ADDITIONAL TAX LIABILITY. DISQUALIFIED AMOUNT = 196.78

Tax Rate

Description	Rate
Total Rate	

Property Characteristics

Neighborhood	Misc Exempt
Land Class Category	920 Exempt School Vacant
Account Acres	3.3400
Change Property Ratio	Exempt

Parties

Role	Name
Owner	OREGON STATE UNIVERSITY

Related Properties

No Related Properties Found

Property Values



Yamhill County, Oregon

In the heart of the Willamette Valley

535 NE 5th
Street
McMinnville,
OR 97128
503-434-
7521

Property Account Summary

6/12/2024



Click image above for more information

Account Number	235686	Property Address	
----------------	--------	------------------	--

General Information

Alternate Property #	R5836 02600
Property Description	See Metes & Bounds
Property Category	Land &/or Buildings
Status	Active, Locally Assessed
Tax Code Area	30.3
Remarks	POTENTIAL ADDITIONAL TAX LIABILITY. DISQUALIFIED AMOUNT = 1,260.49

Tax Rate

Description	Rate
Total Rate	

Property Characteristics

Neighborhood	Misc Exempt
Land Class Category	920 Exempt School Vacant
Account Acres	17.5000
Change Property Ratio	Exempt

Parties

Role	Name
Owner	OREGON STATE UNIVERSITY

Related Properties

No Related Properties Found

Property Values

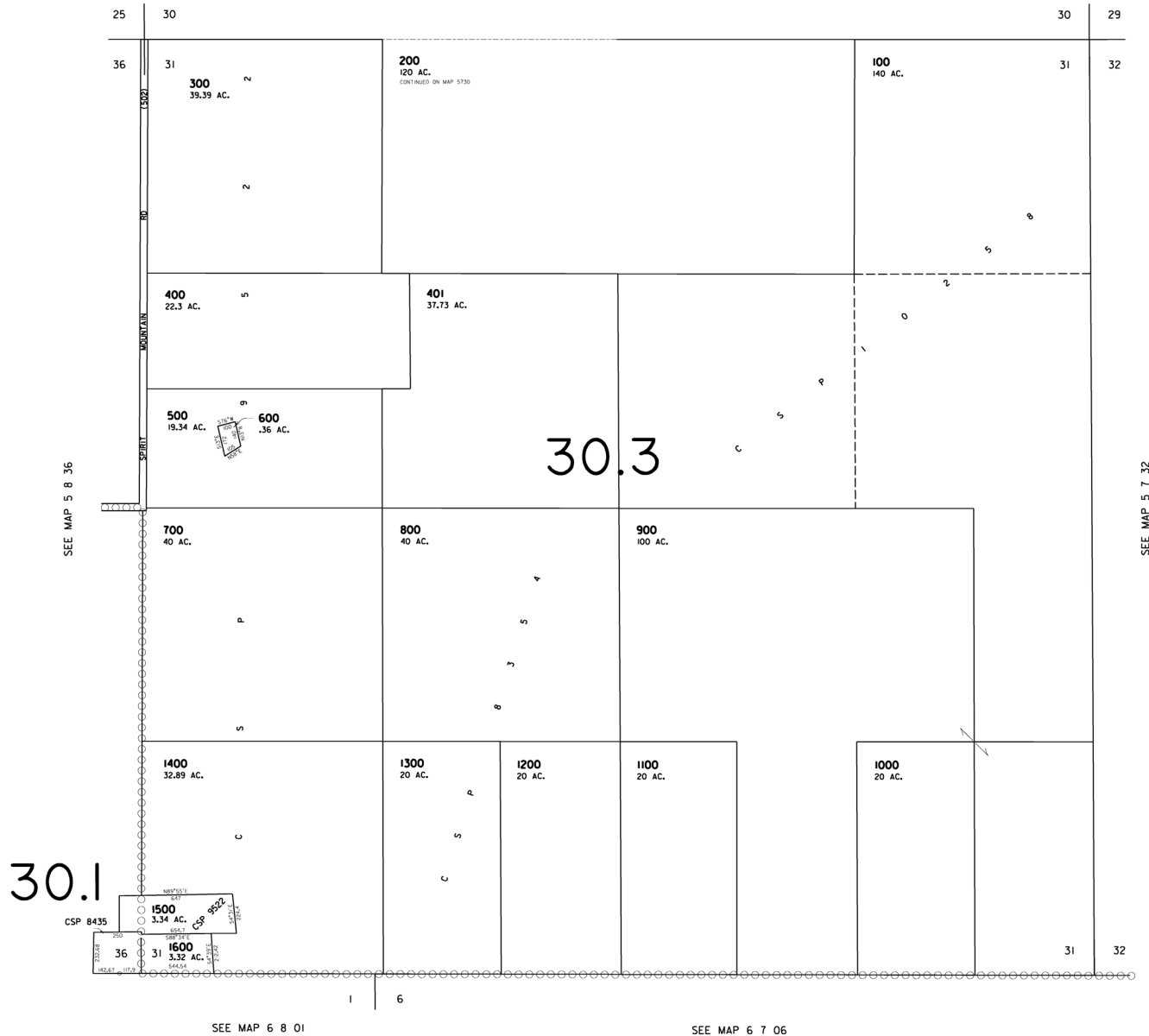
THIS MAP WAS PREPARED FOR
ASSESSMENT PURPOSE ONLY

SECTION 31 T5S R7W W.M.
YAMHILL COUNTY
1" = 400'

5 7 31

SEE MAP 5 7 30

CANCELLED



30.1

30.3

REVISED 9-30-97 TA

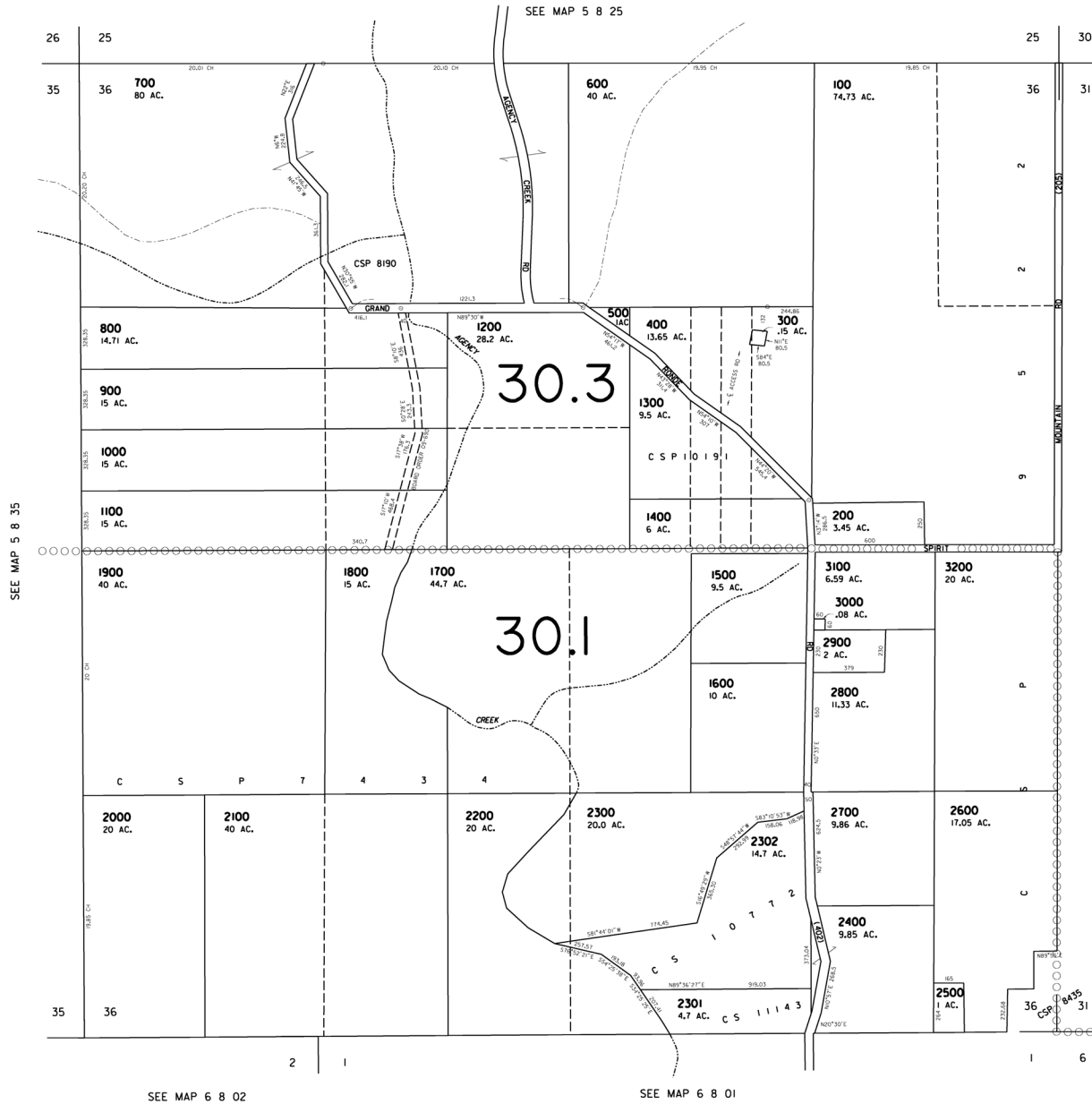
5 7 31

THIS MAP WAS PREPARED FOR
ASSESSMENT PURPOSE ONLY.

SECTION 36 T5S R8W W.M.
YAMHILL COUNTY
1" = 400'

5 8 36

CANCELLED



REVISED 12-11-09 58

5 8 36

Warranty Deed

OREGON STATE UNIVERSITY FOUNDATION, a nonprofit corporation, Grantor, conveys and warrants to STATE OF OREGON, acting by and through the STATE BOARD OF HIGHER EDUCATION, for and on behalf of OREGON STATE UNIVERSITY, Grantee the following described real property:

PLEASE SEE ATTACHED EXHIBIT A.

The true consideration for this conveyance is NONE.

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.

IN WITNESS WHEREOF, the Grantor has duly executed this instrument this 3rd day of May, 1995.

STATE OF OREGON)
County of Benton) ss:

OREGON STATE UNIVERSITY FOUNDATION

By: John W. Irving
John W. Irving, Executive Director

By: Martin N. Kelley

The foregoing instrument was acknowledged before me this 3rd day of May, 1995, by John W. Irving, Executive Director of OREGON STATE UNIVERSITY FOUNDATION, an Oregon nonprofit corporation, and Martin N. Kelley, President of OREGON STATE UNIVERSITY FOUNDATION, an Oregon nonprofit corporation, on behalf of the corporation.



Loretta M. Ask
Notary Public for Oregon

Until a change is requested, send tax statements to:

After recording return to:

Oregon State System of Higher Ed.
540 Citizens Bldg., 975 Oak St.
Eugene, OR 97401

OREGON STATE UNIVERSITY FOUNDATION
Snell Hall #517
Corvallis, OR 97331

INDEXED

Recorded in Official Yamhill County Records
CHARLES STERN, COUNTY CLERK



199507892 2:57pm 06/26/95

001 015719 11 03 000202
1 0 D08 2 10.00 10.00 20.00 0.00 0.00 0.00

Third Title Insurance Company

1052

EXHIBIT A

-----PARCEL 1:

The Southwest Quarter of the Southwest Quarter of Section 31, Township 5 South, Range 7 West and the East One Half of the Southeast Quarter of the Southeast Quarter of Section 36, Township 5 South, Range 8 West of the Willamette Meridian in Yamhill County, Oregon.

EXCEPTING THEREFROM a parcel described as beginning at a post marking the Southeast corner of Section 36, Township 5 South, Range 8 West; thence South $89^{\circ}55'$ West, 117.9 feet; thence North $02^{\circ}28'$ West, 438.0 feet; thence North $89^{\circ}55'$ East, 647.0 feet; thence South $04^{\circ}31'$ East, 437.4 feet; thence South $89^{\circ}55'$ West, 544.5 feet to the point of beginning.

AND EXCEPTING ALSO, a parcel described as beginning at the Southwest corner of the East Half of the Southeast Quarter of the Southeast Quarter of Section 36 in Township 5 South, Range 8 West of the Willamette Meridian in Yamhill County, Oregon, and running thence East along Section line 165.0 feet; thence North 264.0 feet; thence West 165.0 feet; thence South 264.0 feet to the point of beginning.

PARCEL 2:

BEGINNING at a post marking the Southeast corner of Section 36 in Township 5 South, Range 8 West of the Willamette Meridian in Yamhill County, Oregon; thence South $89^{\circ}55'$ West, 117.9 feet; thence North $02^{\circ}28'$ West, 210.0 feet to the True Point of Beginning; thence North $02^{\circ}28'$ West, 228.0 feet; thence North $89^{\circ}55'$ East, 647.0 feet; thence South $04^{\circ}31'$ East, 224.4 feet; thence North $88^{\circ}34'$ West, 654.7 feet to the True Point of Beginning.

TOGETHER WITH a non-exclusive easement for ingress and egress as reserved in instrument recorded November 19, 1984 in Film Volume 190, Page 954, Deed and Mortgage Records.

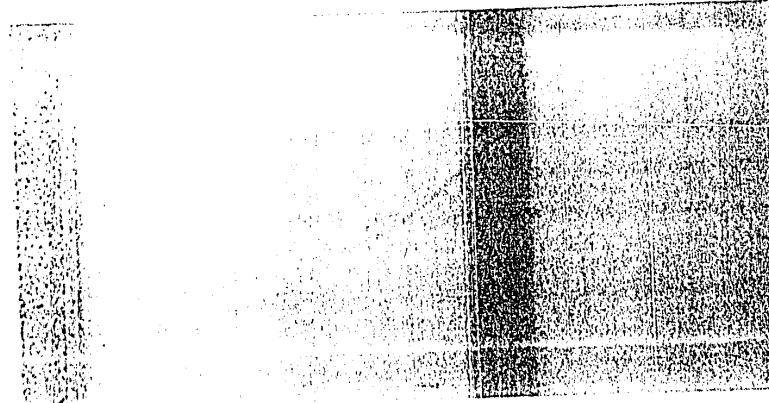
EXCEPTING FROM THE ABOVE PARCELS, two tracts conveyed to Harold Warnicke et ux., by deed recorded November 19, 1984 in Film Volume 190, Page 952 and by deed recorded November 19, 1984 in Film Volume 190, Page 957, Deed and Mortgage Records.

PARCEL 3:

A tract of land lying in Section 31, Township 5 South, Range 7 West of the Willamette Meridian in Yamhill County, Oregon, more particularly described as follows:

BEGINNING at an iron rod which is 448.98 feet North $89^{\circ}56'42''$ East from the East One-Sixteenth corner of the North line of Section 1 in Township 6 South, Range 8 West of the Willamette Meridian in Yamhill County, Oregon; thence North $04^{\circ}39'05''$ West, 212.42 feet to an iron rod on the North line of that tract of land conveyed to Harold and Jennie Warnicke and recorded in Film Volume 121, Page 049 of the Yamhill County, Oregon Deed and Mortgage Records; thence North $89^{\circ}42'21''$ East, 139.09 feet to the Northeast corner of said Warnicke tract; thence South $04^{\circ}39'05''$ East, 213.0 feet to the Southeast corner of said Warnicke tract; thence South $89^{\circ}56'42''$ West, 139.13 feet to the point of beginning. -----

2062



TIMBER CRUISE & APPRAISAL

TIMBER APPRAISAL

ROTH PROPERTY

YAMHILL COUNTY, OREGON



TIMBER APPRAISAL
ROTH PROPERTY
YAMHILL COUNTY, OREGON

submitted to

Jackie Thorsness
Chief Operating Officer, College of Agricultural Sciences
Oregon State University
430 Strand Ag Hall
Corvallis, OR 97331

by

Matthew Sheehy, Forester
Northwest Forestry Services
17617 NW Sauvie Island Rd.
Portland, OR 97231

Report Date: July 17th, 2024
Appraisal Date: July 11th, 2024



17617 NW Sauvie Island Rd. Portland, Oregon 97231

Jackie Thorsness
Chief Operating Officer, College of Agricultural Sciences
Oregon State University
430 Strand Ag Hall
Corvallis, OR 97331

Re: Timber Appraisal –

Dear Jackie. Thorsness:

I have completed the appraisal that you requested for the Roth Property in Yamhill County, Oregon. The appraisal was effective as of July 11th, 2024, the date of my last inspection. In my opinion, market value was \$354,000 as of the appraisal date. This total includes merchantable timber, pre-merchantable plantations, and bare land.

Timber was valued using the conversion return approach, in which timber value is net revenue from hypothetical logging on or as soon as feasible after the appraisal date. Net revenue is the difference between delivered log prices and all costs associated with harvest. For the pre-merchantable timber, a discounted cash flow analysis was used in conjunction with the conversion return approach. Estimated net revenue at anticipated harvest date was discounted to the appraisal date.

Bare land was valued based on its use as forestland. Its potential for higher and better uses was not investigated. The property has been used as forestland for many years and is zoned for agricultural and forestry uses. The land value estimate was derived from data published by the Oregon Department of Revenue.

The report is attached. It sets forth the assumptions, limiting conditions, pertinent facts, and reasoning leading to the value conclusion.

Sincerely,

Matthew Sheehy, forester

TIMBER APPRAISAL

ROTH PROPERTY

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DESCRIPTIONS, ANALYSES, AND CONCLUSIONS

I. INTRODUCTION

Subject Property:

The subject is comprised of three tax lots located in southern Yamhill County. They are listed below. Acreages are from the Yamhill County Assessor’s records. Total is 53.28. Owner is Oregon State University.

<u>Assessor Parcel Number</u>	<u>Account Number</u>	<u>Section</u>	<u>Legal Township</u>	<u>Range</u>	<u>Acres</u>
R5731 01400	230271	31	5 South	7 West	32.89
R5731 01500	230299	31	5 South	7 West	3.34
R5836 02600	235686	36	5 South	8 West	<u>17.05</u>
					53.28

Purpose:

To help establish property value.

Real Property Interest:

Merchantable and pre-merchantable timber. Other uses were not examined.

Appraisal Date:

July 11th, 2024.

Client and Intended Users:

This report was requested by Jackie Thorsness, Chief Operating Officer at the College of Agricultural Sciences. The intended user is Oregon State University.

Type of Value: Market value:

The definition of market value in this appraisal is from the 2020-2021 edition of the Uniform Appraisal Standards for Federal Land Acquisitions. Market value is

“the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of value, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property.”

Hypothetical Conditions and Extraordinary Assumptions:

None.

Scope of Work:

All merchantable and premerchantable timber over 20 years old in age on the Roth property was cruised. Younger stands were informally surveyed for composition and stocking.

Timber was then appraised using the conversion return approach, a variation of the income approach to appraisal. In the conversion return approach, timber value is net revenue from hypothetical logging on or as soon as feasible after the appraisal date. Net revenue is the difference between delivered log prices and all costs associated with harvest. For pre-merchantable timber, a discounted cash flow analysis was used in conjunction with the conversion return approach. Estimated net revenue at anticipated harvest date was discounted to the appraisal date. Log buyers and timber harvesters from throughout western Oregon provided price and cost data.

Land was appraised using publically available data on forestland values. The property was appraised only for its use as forestland. The potential for a higher and better use was not investigated.

Inspection and Owner Contacts:

I first inspected the Roth property in April of 2012 for a previous appraisal assignment involving the property authored by Jerry Witler of Northwest Forestry Services. The property was inspected by Niko Kwiatkowski on May 2nd, 2022 as part of an update to the 2012 appraisal. I inspected the property again between July 5th-11th as part of this assignment.

I spoke to Jackie Thorsness, Chief Operating Officer at the College of Agricultural Sciences, prior to my visit to discuss changes to the property and forest management over the last decade. I encountered a neighbor, Jeffery Warnicke, while visiting the property.

Figure 1. Roth Property aerial photograph.



Roth Property

II. ASSUMPTIONS AND LIMITING CONDITIONS

- (1) For purposes of this appraisal, title to the timber is assumed to be marketable and insurable. The appraiser takes no responsibility for legal matters and infers no opinion of title. The timber has been valued as though free of liens and encumbrances.
- (2) Oregon State University provided the legal description of the subject property. This report includes maps and photographs derived from the legal description and from property boundary drawings found with the Yamhill County GIS tool and files proved by White Oak. Their sole purpose is to assist the reader in visualizing the property.
- (3) The data used in this report were collected and analyzed using accepted procedures. However, data are subject to sampling and other errors. The report contains the appraiser's best estimates of log volumes, log prices, and harvest costs, but the appraiser cannot guarantee the volume or value of the timber.
- (4) The various approaches to value and mathematical calculations in the report are merely aids to the formulation of the opinion of value. In these calculations, certain arithmetical figures are rounded to the nearest significant amount.
- (5) Any harvest plans presented in this report are for valuation purposes only. They are based on limited observations which have not been field verified. Detailed engineering may indicate other alternatives.
- (6) The data and conclusions in this appraisal are a part of the whole. No part of this appraisal is to be used out of context. By itself, no part of this appraisal is necessarily correct in that it represents only part of the evidence upon which the final judgment of value is based.
- (7) The estimated market value in this report is subject to change over time. It is reported as of July 11th, 2024, and is valid only for that date.
- (8) The appraiser assumes no responsibility for management requirements that may be enforced by any government agency.
- (9) Information contained in this report about the presence of threatened, endangered, or other protected wildlife on or nearby to the subject properties was obtained from the Oregon Department of Forestry. Nevertheless, the appraiser assumes no responsibility for management requirements that may be enforced by any government agency.

- (10) Information provided by others is assumed to be true and accurate. A reasonable effort has been made to verify such information. However, the appraiser assumes no responsibility for its accuracy.
- (11) During the 2012 cruise, an old metal drum and other debris was found to have been dumped in Cover Type 6 on the Roth property. Whether it can be considered to be hazardous waste is unknown. This appraisal relies on the assumption that this waste is not hazardous. Nevertheless, the appraiser is not qualified to identify or to survey for such materials and accepts no responsibilities in this specialized field.
- (12) Neither all nor any part of this report shall be conveyed to the public through advertising, public relations, sales, or other media without the written consent of the author.

III. PROPERTY DESCRIPTION

Location and Access:

The Roth property is located about 2.5 miles north of the community of Grand Ronde. Access is by a graveled road that originates on Grand Ronde Road. The road is partially overgrown with Himalayan blackberry starting at the property boundary. At the time of the cruise, the access road was blocked by large farm equipment just before entering the property. Figure 1 is an aerial photograph taken that shows the location of the property boundary and the access roads.

Boundaries:

Most of the property boundaries are easy to locate. They are defined by timber cutting lines and changes in land use. Property boundaries initially were located based on the GIS data established for previous timber appraisals on the property. Cover types were delineated from aerial photographs and modified later based on field observations. Survey markers were found in some locations, and many of the boundaries are identifiable by timber cutting lines.

Timber:

The property is vacant forestland. The only improvement is the access road. The primary tree species is Douglas-fir. Minor species include western redcedar, red alder, bigleaf maple, Oregon ash, Oregon white oak, black cottonwood, and cascara.

For purposes of the timber cruise and appraisal, the property was divided into nine cover types, each defined based on differences in species composition, stocking, and age. A description of each type follows. Figure 2 shows the location of the cover types. Figures 5 through 14 are on-site photographs.

Table 1. Roth property cover type acres, rounded

Cover Type	Acres	Composition
1	6.8	Merchantable Timber
2	1.5	Non-Merchantable
3	0.8	Pre-Merchantable Timber
4	1.8	Pre-Merchantable Timber
5	1.1	Non-Merchantable
6	2.0	Pre-Merchantable Timber
7	3.7	Pre-Merchantable Timber
8	2.6	Pre-Merchantable Timber
9	32.2	Pre-Merchantable Timber
Roads	0.8	Not Stocked
Total	53.3	

Type 1 is composed of well stocked 55 to 60-year-old Douglas-fir. Timber is mostly of good quality with export quality logs seen. Defect is minimal, with some sweep seen in butt logs. Conch seen in one Douglas-fir sampled. A small partially built fort structure was found built from small trees. Several stumps were found from trees that were used in its construction. See Figure 4 for location.

Type 2 consists of a poorly stocked mixture of primarily Douglas-fir, Oregon ash, Oregon white oak, cascara and other non-merchantable hardwoods, and brush. Tree sizes and ages are variable, ranging from merchantable Douglas-firs and ashes to naturally regenerated seedlings and saplings of the various species. Soils are wet in spots. Due to the low quality of trees and low value of the species present, Type 2 was considered non-merchantable.

Type 3 is composed of moderately stocked 20 to 25-year-old Douglas-fir plantation. The type contains some areas dominated by naturally regenerated hardwoods, such as Oregon white oak and cascara.

Type 4 is composed primarily of Douglas-fir with varying ages. Most of the type is stocked with 35 to 60 year-old trees. Younger, naturally regenerated Douglas-firs and other trees also are present. Stocking is variable. Brush is heavy in the poorly stocked areas. Merchantable volume is relatively low but young Douglas-fir are growing well.

Type 5 is composed of a poorly stocked mixture of Oregon ash and Oregon white oak. Most of the trees are poorly formed and have little merchantable volume. Type

surrounds a small non-fish-bearing stream and is low and wet.

Type 6 consists of moderately stocked 25 to 30-year-old Douglas-fir plantation. The type contains a large component of brush and non-merchantable hardwoods, including hawthorn, blackberry, and cascara.

Type 7 is composed of a poorly stocked area with naturally regenerated trees of many species, including Douglas-fir, Oregon white oak, and cascara. A small stream runs through part of the type, and much of the area is low and wet.

Type 8 is a roughly 15-year-old Douglas-fir and western redcedar plantation. Tree stocking generally is poor. Competition from brush, such as Scotch broom and blackberries, and from non-merchantable hardwoods is heavy throughout the plantation. However, most trees that have survived now are above the brush.

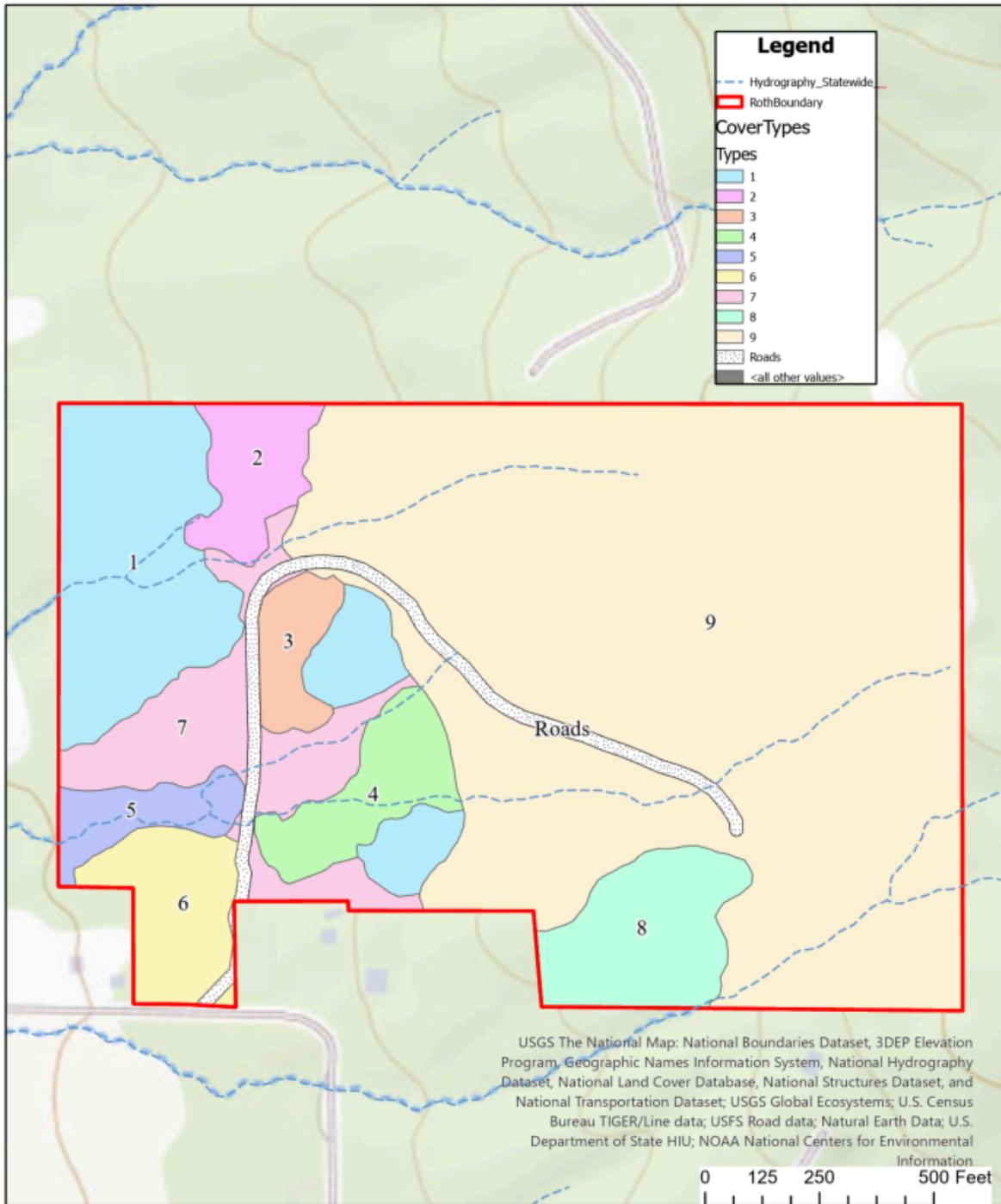
Type 9 is composed of a Douglas-fir plantation established in spring 2013. Logging was completed in late April 2012. During the logging, three to four acres of the harvest unit were subjected to severe soil disturbance, apparently due to use of a tractor during wet conditions. Scattered western redcedar, Oregon white oak, and other species were planted in this area along with the Douglas-fir. Survival of the planted seedlings is poor in some areas. In other areas, stocking is moderate. Surviving saplings are free to grow and are growing well, averaging approximately 180 trees per acre. Some naturally regenerated seedlings are overtopped with brush, particularly with Scotch broom.

Site Quality:

All stands that were 35 years and older were sampled for site index. For younger stands without suitable site trees, site index was inferred by sampling suitable site trees in nearby adjacent stands. Site index is a measure of productivity. For Douglas-fir, it is defined as the average height of dominant and large codominant trees at a breast height (4.5 feet above ground) age of 50 years. Douglas-fir site indexes are divided into five classes, with Class 1 being the most productive.

Site index on the Roth property is 122. Site index 120 falls in mid-Site Class 2.

Figure 2. Roth property cover types and roads.



Roth Property

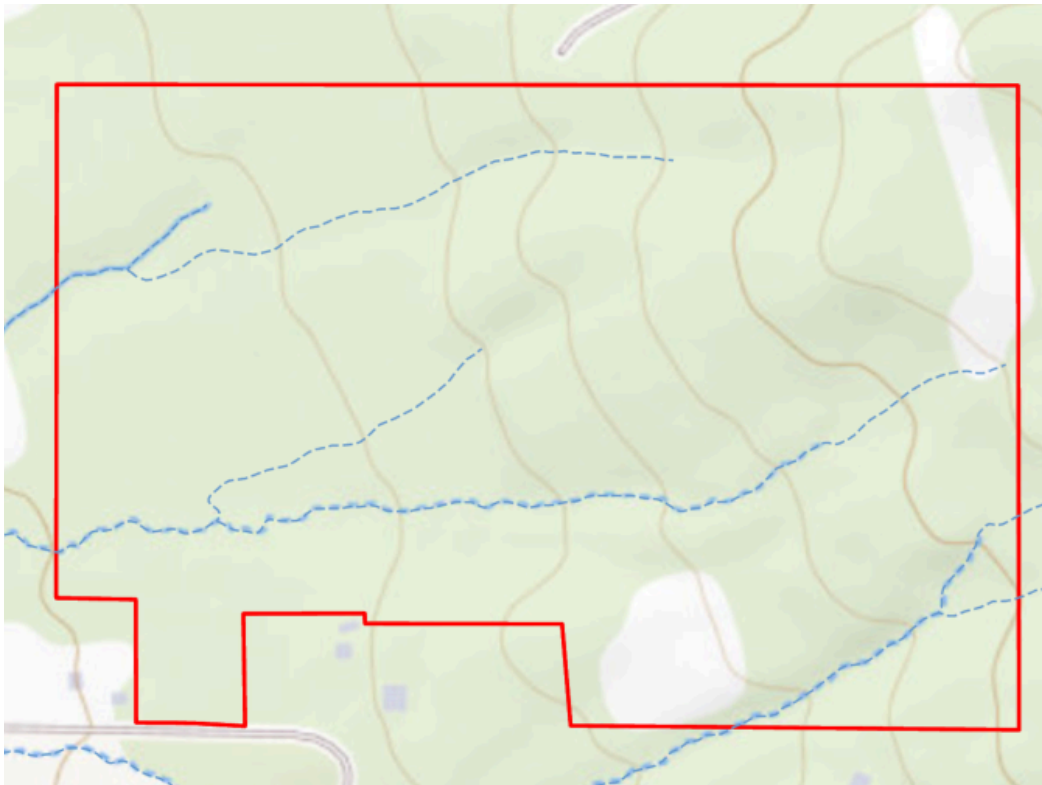
Operability for Logging:

Operability for logging is excellent. Topography is gentle throughout the property, and the entire area can be logged using relatively inexpensive logging systems, such as a shovel yarder or tractor. The terrain gently slopes westerly. Elevation ranges from about 390 feet in the southwestern corner to about 690 feet in the northeast. Figure 3 is a topographic map of the property.

Peavine silty clay loam soils are moderately well suited for timber harvest equipment. Their major limitation is low soil strength.

Two very small tributaries to Agency Creek flow southwesterly from the Roth property. Neither is classified as fish-bearing by the Oregon Department of Forestry. Therefore, under Oregon’s Forest Practices Rules, no tree buffer is required around them. Operators still must observe rules regarding Equipment Limitation Zones, ensuring that machinery make minimal entries within 35 feet of the high-water mark of non-fish-bearing streams to prevent soil disturbance and sedimentation that could negatively impact water quality. Additionally, best management practices should be followed to minimize any potential environmental impacts, such as avoiding the deposition of slash, debris, and waste materials in the stream channels.

Figure 3. Roth property topography.



IV. LEGAL LIMITATIONS ON TIMBER HARVEST

Oregon Forest Practice Rules - Stream Protection:

In Oregon, logging operations near fish-bearing streams are subject to regulations under the Oregon Forest Practices Act (OFPA). While the subject property does not contain any fish-bearing streams or tributaries to Salmon, Steelhead, and Bull Trout (SSBT) streams, it does have seasonal creeks that require protection under the Oregon Forest Practices Act (OFPA). These seasonal creeks necessitate the establishment of Equipment Limitation Zones (ELZs).

Equipment Limitation Zones are areas adjacent to streams where the operation of heavy machinery is restricted to protect water quality and prevent soil disturbance. For the seasonal creeks on this property, machinery use must be limited within these zones, and operators must take special care to minimize disturbance to the stream banks and nearby soil.

It's important to note that while timber harvest is not prohibited within ELZs, operations must be conducted in a manner that minimizes soil disturbance and protects water quality. This may include using low-impact harvesting methods or restricting harvesting to dry periods.

Seasonal tributaries are protected up to their Regulatory Hydrological Maximum (RH Max), which is the point where the stream's actual flow ends. The RH Max may differ from the endpoint shown on state hydrology maps, and a stream survey must be conducted before a harvest to determine the RH Max and ensure that the entire stream is protected. This report uses stream location and classification based on current hydrology maps provided by ODF.

Wildlife Trees:

On the Roth property, the merchantable timber stand is too small for wildlife tree rules to apply. Typically, these rules require the retention of a certain number of trees per acre for wildlife habitat purposes. However, given the size of the stands on this property, these requirements are not applicable.

Threatened, Endangered, and Other Sensitive Wildlife Species:

The presence of threatened, endangered, or other sensitive wildlife can have a large impact on timber value. According to Johnathan Clark, stewardship forester for Yamhill County, ODF has no record of any such wildlife on or adjacent to the Roth property.

Protection of Oregon's Archaeological and Cultural Heritage:

According to Josh Henderson, Archaeology Survey & Inventory Coordinator for the Oregon Parks and Recreation Department, significant archaeological artifacts have been identified on nearby properties. He reviewed the State's inventory of archaeological resources and historic properties and determined that there are no previously identified resources within the Roth boundary. However, records indicate that the Roth property has never been surveyed for archaeological resources and there is a low to moderate probability for inadvertently encountering archaeological resources during logging activities. Because the probability is low, the economic impact of these artifacts was not considered in this report.

V. TIMBER INVENTORY

Cruise Design:

The timber was cruised by myself, Matthew Sheehy, between July 5th and 11th, 2024. Prior to the cruise, timber types were delineated using the aerial photos shown in the previous section and with historical photographs. These types were updated to reflect field observations. Type acreages were then calculated using ArcGIS software.

The 6.8 acres of merchantable timber, Type 1, was cruised with 18 variable radius cruise plots. For the variable radius plots, all trees were measured and graded.

Sighting point for determining whether a tree was in a sample plot was 16 feet above stump level. All trees that were 6.6 inches and greater in diameter, including salvageable mortality, were cruised on the variable radius plots. Basal area factor was 36.0. Plot centers were marked with white flagging. A stick was placed in the ground at each center with a flag tied to it. One flag was hung above center with the plot number written on it.

Pre-merchantable timber over the age of 20 were sampled with 12 nested variable and fixed radius plots. For both the variable radius and fixed radius plots, all trees were measured and graded.

Sighting point for determining whether a tree was in a sample plot was four feet above stump level. All trees that were 6.6 inches and greater in diameter, including salvageable mortality, were cruised on the variable radius plots. Trees between one-foot tall and 6.5 inches in diameter were cruised on the fixed radius plots. All fixed radius plots were 0.01 acres in size. Basal area factor was 29.0 in Type 3, Type 4, and Type 6. Basal area factor was 27.0 in Type 7. Plot centers were marked with white flagging. A stick was placed in the ground at each center with a flag tied to it. One flag was hung above center with the plot number written on it.

Pre-merchantable stands younger than 20 were informally surveyed to determine composition, stocking level, average diameter and average total height.

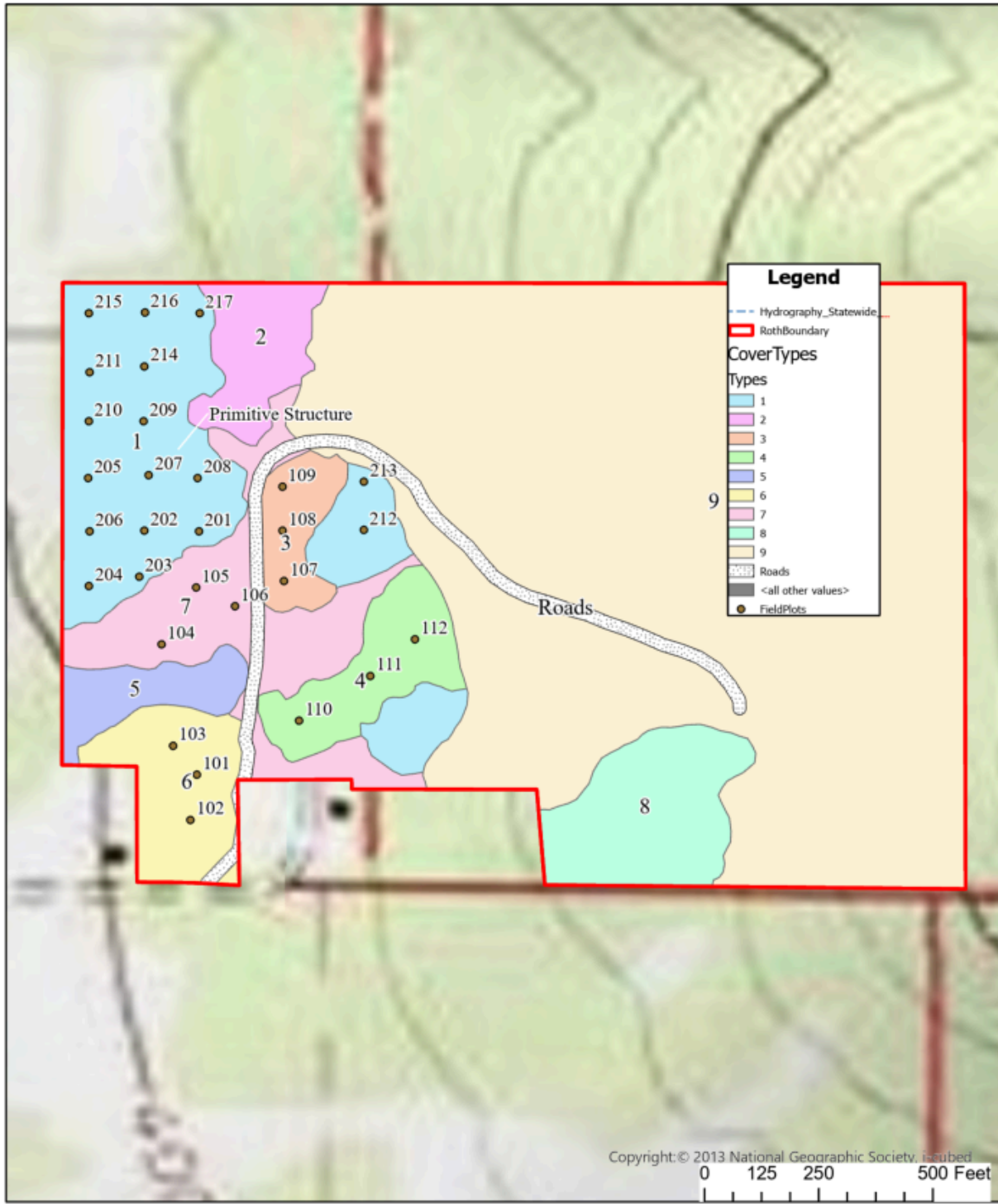
Tree Measurements:

The data were analyzed using the Super ACE cruise program. Super ACE is available from Atterbury Consultants, Inc. The program calculates stand volumes and can handle variable log lengths. It is widely used throughout the Pacific Northwest. On the variable radius measure plots, species, age class, diameter at four feet above stump level, form factor, merchantable height, and estimated defect were recorded for each sample tree. On each variable radius measure plot, total height and crown ratio also were recorded for the first two trees of each species. On all fixed radius plots, species, age class, total height, and crown ratio were recorded for each sample tree.

Form factor is the ratio of outside bark diameters at 16 and four feet above stump level. Merchantable height generally is height to an inside bark diameter of five inches. When the top log is pulp quality, minimum top diameter is three inches rather than five. However, merchantable height cannot exceed height to the point where outside bark diameter is 40 percent of outside bark diameter at 16 feet above stump level. If a tree is broken below the point of normal merchantability, merchantable height is to the break.

Preferred gross log length was 40 feet plus trim for export quality Douglas-fir, western hemlock, and grand fir sawlogs. It was 36 to 40 feet plus trim for domestic quality sawlogs of these species, as well as for western redcedar sawlogs. Preferred gross length was 30 feet plus trim for red alder, bigleaf maple, and Oregon ash sawlogs. Trim was 12 inches on all logs. Logs were cruised in other lengths due to defect or at the top of the tree. In some cases, they were cut shorter in order to obtain a better sort. Maximum gross log length for all species was 40 feet plus trim, and minimum was 12 feet plus trim.

Figure 4. Roth plot locations.



Roth Property

Log Grades and Sorts:

Each log on trees that were 6.6 inches and larger in diameter was assigned a grade and sort. Within one exception, grades followed the Official Rules of the Log Scaling and Grading Bureaus of the Pacific Northwest. The exception was applied to rough Douglas-fir sawlogs with a scaling diameter of 12 inches and larger. These logs were assigned a grade designated No. 3 Sawmill Rough (3R) if they met the size standards for No. 2 Sawmill sawlogs, but were too rough for No. 2 Sawmill specifications. The Official Rules include No. 3 Sawmill Rough logs with other No. 3 Sawmill logs. The distinction is important, however, because these logs are worth considerably less than those that are smaller and smoother. Unlike for sorts, grade specifications generally remain constant over time.

Table 2 defines the sorts used in the cruise. Sorts reflect current market conditions. Consequently, their specifications change over time. The first four items in Table 2 apply to export quality Douglas-fir sawlogs.

Results:

Only Type 1 contains a significant volume of merchantable timber. Tables 3 and 4 summarize the cruise results for the 6.8 acres of merchantable timber in Type 1. Table 3 summarizes the results. It includes data on average number of trees, diameter, basal area, and volume per acre by species, as well as other stand statistics. Table 4 breaks down board foot volume by species, log grade, and log sort. The Glossary at the end of this report defines some of the terms and abbreviations in the tables.

According to the cruise, total net volume of merchantable timber was 333 MBF (thousand board feet) as of the appraisal date, including pulp logs. Of this total, about 99 percent was in Douglas-fir and about 1 percent was in western redcedar. Per-acre volume was 48.9 MBF.

A comparison of cruises conducted in 2012 and 2024 show impressive growth in Type 1. Over the 12 years, annual growth was 5.2% in this type.

Calculated standard error of total net board foot volume for merchantable types is 7.1 percent. Standard error is a measure of the precision of the volume estimate. Based on sampling error alone, the probability that true volume is within one standard error of cruise volume is 68 percent. It is 95 percent that true volume is within two standard errors, and 99 percent that it is within three. Actual sampling error likely is lower than calculated, however. Standard error calculations are based on the assumption of a random sample. Plots were installed on a regular grid that sampled the entire area.

Table 2. Log Sort Definitions

- JA – JAPAN EXPORT - Special Mill or very good No. 2 Sawmill appearance. No sweep, hooked butts, or knot whorls. Defect deductions less than 10 percent of gross scale. Knots generally less than 1.0 inches, well scattered in upper quarter. Minimum scaling diameter 12 inches, minimum length 26 feet plus trim.
- J8 – JAPAN EXPORT, 8-11” - Special Mill appearance. No sweep, hooked butts or knot whorls. Defect deductions less than 10 percent of gross scale. Knots generally less than 0.5 inches, well scattered in upper quarter. Scaling diameter between 8 and 11 inches, minimum length 26 feet plus trim.
- CJ – INTERMEDIATE EXPORT – Good No. 2 Sawmill quality. No excessive taper or sweep. Defect deductions less than 10 percent of gross scale. Knots generally less than 1.5 inches, well distributed. Minimum scaling diameter 12 inches, minimum length 26 feet plus trim.
- CH – CHINA EXPORT - No. 2 or No. 3 Sawmill quality. No excessive taper or sweep, but more sweep allowable than for other export sorts. Defect deductions less than 25 percent of gross scale. Minimum scaling diameter 8 inches, minimum length 26 feet plus trim.
- DO – DOMESTIC SAWLOG – If Douglas-fir or grand fir, too small for export or rough, bumpy, with sweep, hook, or defect that excludes export sorts. Minimum scaling diameter 5 inches, minimum length 12 feet plus trim.
- HD – HARDWOOD SAWLOG - Can be trimmed to a smooth appearance. Minimum scaling diameter 8 inches, minimum length 12 feet plus trim.
- H6 – HARDWOOD SAWLOG 6-7” – Same as HD, except scaling diameter 6 to 7 inches and minimum length 16 feet plus trim.
- PU – Pulp log. Too small for other sorts or cannot be classified as a sawlog due to sweep, roughness, or other defects. Minimum scaling diameter 3 inches, minimum length 12 feet.
-

Table 3. Statistical Summary for merchantable Type 1.

TC TSTATS				STATISTICS				PAGE	1		
				PROJECT	ROTH24			DATE	7/16/2024		
TWP	RGE	SECT	TRACT	TYPE	ACRES	PLOTS	TREES	CuFt	BdFt		
05S	08W	36	MERCH	0001	6.80	18	105	1	W		
				TREES	ESTIMATED	PERCENT					
				PER PLOT	TOTAL	SAMPLE					
					TREES	TREES					
TOTAL		18	105	5.8							
CRUISE		18	105	5.8	1,289		8.1				
DBH COUNT											
REFOREST											
COUNT											
BLANKS											
100 %											
STAND SUMMARY											
	SAMPLE	TREES	AVG	BOLE	REL	BASAL	GROSS	NET	GROSS	NET	
	TREES	/ACRE	DBH	LEN	DEN	AREA	BF/AC	BF/AC	CF/AC	CF/AC	
DOUG FIR	102	158.2	17.5	94	63.2	264.6	49,142	48,458	12,345	12,345	
WR CEDAR	3	31.4	9.9	36	5.3	16.7	469	469	287	287	
TOTAL	105	189.6	16.5	85	69.3	281.3	49,611	48,927	12,632	12,632	
CONFIDENCE LIMITS OF THE SAMPLE											
68.1 TIMES OUT OF 100 THE VOLUME WILL BE WITHIN THE SAMPLE ERROR											
CL: 68.1 %	COEFF	SAMPLE TREES - BF					# OF TREES REQ.	INF. POP.			
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15			
DOUG FIR	58.1	5.7	370	393	416						
WR CEDAR	34.6	24.0	13	17	21						
TOTAL	61.1	6.0	360	382	405	149	37	17			
CL: 68.1 %	COEFF	SAMPLE TREES - CF					# OF TREES REQ.	INF. POP.			
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15			
DOUG FIR	50.4	5.0	93	98	103						
WR CEDAR	39.1	27.1	8	10	13						
TOTAL	53.3	5.2	90	95	100	113	28	13			
CL: 68.1 %	COEFF	TREES/ACRE					# OF PLOTS REQ.	INF. POP.			
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15			
DOUG FIR	38.2	9.3	144	158	173						
WR CEDAR	424.3	102.8	31	64							
TOTAL	64.6	15.7	160	190	219	176	44	20			
CL: 68.1 %	COEFF	BASAL AREA/ACRE					# OF PLOTS REQ.	INF. POP.			
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15			
DOUG FIR	26.5	6.4	248	265	282						
WR CEDAR	424.3	102.8	17	34							
TOTAL	26.7	6.5	263	281	299	30	8	3			
CL: 68.1 %	COEFF	NET BF/ACRE					# OF PLOTS REQ.	INF. POP.			
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15			
DOUG FIR	30.9	7.5	44,829	48,458	52,088						
WR CEDAR	424.3	102.8	469	951							
TOTAL	29.3	7.1	45,454	48,927	52,400	36	9	4			
CL: 68.1 %	COEFF	NET CUFT FT/ACRE					# OF PLOTS REQ.	INF. POP.			
SD: 1.0	VAR.%	S.E.%	LOW	AVG	HIGH	5	10	15			
DOUG FIR	29.5	7.1	11,464	12,345	13,226						
WR CEDAR	424.3	102.8	287	582							
TOTAL	26.5	6.4	11,822	12,632	13,443	30	7	3			

Table 4. Volume by Species, Sort and Grade for merchantable Type 1.

T TSPCSTGR		Species, Sort Grade - Board Foot Volumes (Type)								Page 1										
		Project: ROTH24								Date	7/16/2024									
										Time	4:44:19PM									
T05S R08W S36 T0001										T05S R08W S36 T0001										
Twp	Rge	Sec	Tract	Type	Acres	Plots	Sample Trees	CuFt	BdFt											
05S	08W	36	MERCH	0001	6.80	18	105	1	W											
Spp	Sort	Grade	% Net BdFt	Bd. Ft. per Acre			Total Net MBF	Percent Net Board Foot Volume								Average Log			Logs Per /Acre	
				Def%	Gross	Net		Log Scale Dia.				Log Length				Ln	Dia	Bd		CF/
DF	PU	UT	2		1,023	1,023	7	2	98			25	24		52	24	11	172	1.54	6.0
DF	CJ	2S	13		6,295	6,295	43		100						100	40	14	318	1.82	19.8
DF	CH	2S	16	1.0	7,875	7,793	53		100						100	40	14	282	1.71	27.6
DF	CH	3S	18	1.2	8,904	8,801	60	98	2						100	40	9	129	0.84	68.1
DF	DO	2S	4	10.5	2,308	2,066	14		100		21			12	67	30	15	247	2.01	8.4
DF	DO	3S	12	3.9	5,909	5,680	39	98	2		6	1	5	89		37	8	78	0.61	73.1
DF	DO	4S	7	.3	3,460	3,449	23	68	32		39	18	9	34		27	6	30	0.37	113.7
DF	JA	2S	17		8,197	8,197	56		100				3		97	40	13	247	1.47	33.2
DF	KO	3S	4	.7	2,195	2,178	15	85	15						100	40	10	159	1.02	13.7
DF	J8	3S	7	.0	2,976	2,976	20		100						100	40	9	129	0.81	23.1
DF	Totals		99	1.4	49,142	48,458	330	5	42	54	5	2	2	91		35	9	125	0.91	386.6
RC	PU	UT	33		159	159	1	100							100	20	4	10	0.30	15.9
RC	DO	4S	67		310	310	2	54	46						100	20	5	20	0.62	15.5
RC	Totals		1		469	469	3	70	30						100	20	5	15	0.46	31.4
Type Totals				1.4	49,611	48,927	333	5	41	53	6	2	2	90		34	9	117	0.89	418.0

VI. TIMBER VALUATION

Valuation Methods:

Timber market value was estimated using the conversion return approach, a variation of the income approach to appraisal. In the traditional income approach, a regular and predictable income stream is capitalized to estimate net worth. Small forestland properties generally do not produce a regular income stream, however. In the conversion return approach, market value is net revenue from hypothetical logging at the appraisal date, or as soon thereafter as feasible. Net revenue is the difference between delivered log prices and all costs associated with harvest. Harvest costs include logging, hauling, road construction and maintenance, administration, harvest taxes, reforestation, entrepreneurial profit, and risk.

Price and cost data were obtained from logging companies, timberland owners, and log buyers, as well as from published materials. Some came from logging operations conducted by Northwest Forestry Services on behalf of its clients. The conversion return approach is used both by government agencies and the timber industry. For pre-merchantable trees, a discounted cash flow analysis was used in conjunction with the conversion return approach. Estimated net revenue at anticipated harvest date was discounted to the appraisal date.

Growth in pre-merchantable stands was projected using Forest Projection and Planning System (FPS) software. FPS was developed by Dr. James D. Arney. It is supported by the Forest Biometrics Research Institute and can be purchased from them. It is widely used throughout the Pacific Northwest. FPS also was used to project growth for stands that would be harvested in the future under the appraisal scenario.

FPS calculates volumes based on user-specified log lengths and scaling diameters for each species. For the FPS calculations, log dimensions were set to match current market demand as closely as possible. Nominal length for conifers was set at 36 feet. It was set at 30 feet for red alder and bigleaf maple and at 32 feet for other hardwoods. Minimum length for conifers was 16 feet. It was 12 feet for hardwoods. FPS bucks each tree into the nominal log lengths, with the remainder going into a shorter log with at least the minimum length. Minimum scaling diameter was five inches for all species. FPS cannot project log sorts and grades reliably.

Calculation of Pre-Merchantable Timber and Future Harvests:

For future harvests, the time value of money must be considered. Future net revenues were discounted to the appraisal date at a rate of 4.25 percent in the scenario. According to data collected by Mason, Bruce & Girard, Inc. the average discount rate for investments in Pacific Northwest west side forests ranged from about 3.25 to 4.5 percent in the period leading up to the appraisal date. Rates have declined steadily from a high of about 6.5 percent in 2011, though they did rise again in 2016. In recent years, loan interest rates have risen at the fastest pace in decades in response to rising levels of economic inflation. Interviews with various timberland investors indicate that discount rates have continued to fall in recent months. These data are consistent with those published by RISI, a service that provides information to the forest products industry. The selected discount rate is for a property within the acreage size range of the subject properties with readily marketable timber that is relatively easy to access, such as the subject property. Future net revenue was discounted to the appraisal date using the following equation:

$$V_0 = V_n / (1 + i)^n$$

In the equation, “V₀” is discounted net revenue at the appraisal date, “V_n” is net revenue “n” years after the appraisal date, and “i” is the interest rate.

Timber stands will require regular maintenance while growing to maturity. This cost was estimated at \$20 per year. The discounted value of the stream of annual expenses was calculated using the following equation:

$$V_0 = a [(1 + i)^n - 1] / i (1 + i)^n$$

In this equation, “V₀” is discounted value of the expense stream, “n” is number of years, “i” is the interest rate, and “a” is the amount of the annual expense.

Log Markets:

The market for Douglas-fir sawlogs in and around Yamhill County is highly competitive, with numerous buyers in the region. Hampton Lumber and Boise Cascade in Willamina, Stimson Lumber in Forest Grove, Interfor in Philomath, RSG Forest Products in Mist, Frank Lumber in Lyon and Western Forest Products in Camas are all key players in the Douglas-fir sawlog market.

For Douglas-fir logs that qualify, the export market offers another alternative, with the highest quality export sorts commanding higher prices than those on the domestic sawlog market. The closest ports for exporting logs are in Rainier and Longview. Weyerhaeuser is the primary exporter of Douglas-fir logs.

The market for other species, such as Oregon white oak and bigleaf maple, is more limited in the region. The closest buyers of these species include Northwest Hardwoods in Eugene and Longview and Hardwood Components in Mehama. The latter operation is relatively small, and they accept only the highest quality logs, limiting available options for these species. Zena will buy Oregon white oak, but their capacity is limited to only a few truck loads.

Regional mills showed little appetite for bigleaf maple, cherry and Oregon ash as of the appraisal date. These species were sold as pulp logs. The closest mills for pulp logs are Coastal Fibre in Willamina.

Log Price Trends:

According to the Log Lines Log Price Reporting Service, average regional price for domestic Douglas-fir No. 2 Sawmill sawlogs in May 2024 was \$725 per MBF. Average price for Japan sort Douglas-fir export logs was about \$885 per MBF.

For comparison, prices were as low as \$340 per MBF for Douglas-fir and \$270 for hemlock in 2009 during the last recession. Regional log prices were relatively steady between the middle of 2015 and 2020. They had peaked early in 2014 before declining rapidly to the middle of 2015. Average Douglas-fir domestic No. 2 Sawmill price in early 2014 reached \$760 per MBF. Average hemlock domestic No. 2 Sawmill price in early 2014 reached \$640 per MBF.

2020 saw historic volatility in the market due to the COVID-19 pandemic, a drop in demand in the export market, a large increase in domestic demand for lumber, and catastrophic wildfires in Oregon and Washington. Early 2020 saw prices drop rapidly with the rise in uncertainty around the pandemic only to rebound quickly to record highs. Average Douglas-fir domestic No. 2 Sawmill price in January of 2022 reached \$1,010. Japan sort Douglas-fir reached \$1,200 that same month.

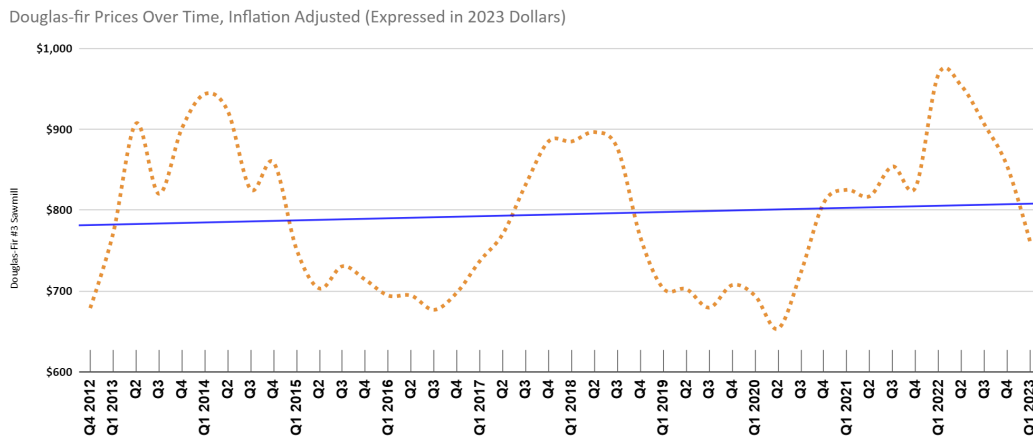
Douglas-fir prices have dropped from their peaks in 2022 due to inflation, a cooling of the economy and fears of a recession. Prices have hovered where they are today since mid-summer of 2023.

Price changes between early 2020 and today’s date have differed by species. Prices for species such as western redcedar have seen an even more dramatic increase as demand for cedar has increased. Western redcedar was at a record high price in 2021.

Many log buyers currently share the view that rising interest rates and a slowdown in new home construction will continue to depress prices in late 2023. But few believe that downturn will last long, and many predict relatively high log prices into the near-term future. Several log buyers suspect the baseline for “low” log prices has permanently risen in recent years.

Figure 5 shows the trend in Douglas-fir log prices between 2012-2023. The chart is adjusted for inflation. The initial increase in Douglas-fir price reflects the recovery following the financial crisis of the great recession. Changes in prices between 2014 and 2019 were widely driven by changes in demand from the China export market and tariffs imposed by China and the United States on exports and imports. The charts show a cooling in the market since 2022.

Figure 5. Douglas-fir #3 Sawmill price trends: 2012 - 2023.



VII. MERCHANTABLE TIMBER VALUE

Gross Revenue:

Table 5 calculates estimated gross revenue as of July 11th, 2024, the appraisal date. Gross revenue is the sum of delivered log prices. Some of the buyers listed in Section VI, as well as others in northwestern Oregon and southwestern Washington, provided price quotes. Some were provided to the appraiser directly. Others were from the Oregon and Washington Log Market Reports and the Log Lines Log Price Reporting Service.

The table shows the range of prices as of the appraisal date, as well as those selected. Selected prices were not necessarily the highest quoted, but were the most favorable considering handling and transportation costs. Most buyers base price on length, as well as on sort and grade. Prices selected in Table 6 reflect a predominance of long logs, which were preferred in the cruise. Pulp log prices and some hardwood sawlog prices were quoted on a per ton basis. They were converted to a per MBF basis in the table. Some sort and grade combinations were divided between logs with a butt diameter greater than 32 inches and smaller logs. All No. 3 Sawmill Rough logs were valued as pulp logs due to the low volume and lack of nearby markets for this grade.

From Table 5, estimated adjusted gross revenue from logging as of the appraisal date was \$261,187. Estimated harvest volume was 333 MBF.

Table 5. Delivered Log Prices by Species, Sort, and Grade
July 11th., 2024

Species	Sort	Grade	Range	Selected Price	MBF	Gross (\$)
Douglas-fir	J8	No. 3 Sawmill	730-960	750	20	15,000
	JA	No. 2 Sawmill	730-960	960	56	53,760
	CJ	No. 2 Sawmill	720-960	960	43	41,280
	CH	No. 2 Sawmill </ 28	730-825	825	53	43,725
	KO	No. 3 Sawmill	730-750	750	15	11,250
	CH	No. 3 Sawmill	730-825	750	60	45,000
	DO	No. 2 Sawmill </ 28	600-750	750	14	10,500
	DO	No. 3 Sawmill	600-675	600	39	23,400
	DO	No. 4 Sawmill	515-570	570	23	13,110
	PU	Utility	114	144	7	1,008
Western Redcedar	DO	No. 4 Sawmill	1500	1,500	2	3,000
	PU	Utility	154	154	1	154
Totals					333	261,187

Harvest Costs – Logging:

Combined cost of falling, bucking, yarding, and loading varies with species, log size, volume, yarding distance, and other factors. The Roth property lies on gentle ground that is advantageous for logging. Per acre harvest volume is good at 48.9 MBF. Per MBF cost increases as volume decreases. Considering these factors, logging cost will be on the upper end of the range. Estimated cost to fall, buck, yard, and load was \$160 per MBF.

Harvest Costs – Road Construction and Maintenance:

Little or no new road construction will be needed for logging Type 1. The existing road will need to be maintained during the operation, and this cost was considered to be a part of logging cost.

Harvest Costs – Reforestation:

Oregon’s Forest Practices Rules require that the site be reforested after logging, unless it is to be converted to other uses. Consequently, reforestation often is considered to be a cost of harvest. Estimated reforestation cost, including site preparation, was \$500 per acre.

Harvest Costs - Hauling:

Hauling cost was based on a rate of \$1,500 per day per truck. Table 6 shows the likely destinations, as well as estimated load sizes and number of loads per day. From Table 6, estimated average hauling cost was \$96 per MBF.

Table 6. Hauling Destinations and Hauling Volumes.

Destination	Log Sort / Grade	Net Per Load	Loads Per Day	Cost per MBF	MBF
Camas	JA, JH and CJ #2 Sawmill DF	4	2.1	\$179	99.0
Willamina	DO #2 , #3 and #4 Sawmill DF, CH #3 Sawmill DF,	3.5	7	\$61	171.0
Willamina	CH #2 Sawmill	4	7	\$54	53.0
Willamina	Pulp, All Species	3	7	\$71	8.0
Kalama	Western Redcedar, All Sorts	3.5	2.1	\$204	2.0

Other Harvest Costs:

The landowner will incur administrative expenses such as locating and marking timber harvest boundaries, obtaining harvest permits, marketing, hiring and supervising a logger, bookkeeping, and other related activities. Estimated cost for administration was \$30 per MBF.

Oregon’s Forest Products Harvest Tax is due upon harvest. As of the appraisal date, this tax was \$5.9577 per MBF, with the first 25 MBF exempted.

In addition to the above costs, timber investors expect a reasonable allowance for entrepreneurial profit and for risk. Normal risk factors include sampling and other errors in the cruise that were relied upon to estimate value, changes in log prices, changes in fuel, labor, and other harvest costs, and damage to timber after purchase. The allowance for profit and risk was estimated to be 10.0 percent of the difference between total delivered log price and all harvests costs. This allowance is based on interviews with timber investors. It applies to a property with readily marketable species and good operability for logging.

Total Harvest Cost:

Estimated total harvest cost is shown in Table 7 below. Total harvest costs were \$116,543. Average cost per MBF, before accounting for risk, was \$302.

Table 7. Harvest Costs.

Cost			Total
Logging	\$160 x 333	(Cost x MBF)	\$53,280
Hauling	\$96 x 333	(Cost x MBF)	\$31,967
Admin	\$30 x 333	(Cost x MBF)	\$9,990
Reforestation	\$500 x 6.8	(Cost x Acres)	\$3,400
Forest Harvest Tax	\$5.9577 x 308	[Rate x NET MBF (-25)]	\$1,835
Risk	10.0% x \$160,715	(Rate x Net)	\$16,071
Total			\$116,543

Merchantable Timber Value:

Net value is the difference between gross revenue and total harvest cost. As of the appraisal date, this difference was as follows:

Gross Revenue	\$ 261,187
Total Harvest Cost	<u>\$ 116,543</u>
Net Revenue	\$ 144,644

VIII. PRE-MERCHANTABLE TIMBER VALUE

Net Revenue:

Under the appraisal scenario, 43.1 acres of pre-merchantable timber in Type 3, 4, 6, 7, 8 and 9 will be grown until each stand reaches 35-40 years old, the age at which timber generally is logged by forest products companies in the area. Growth was projected using FPS software. It is widely used throughout the Pacific Northwest and elsewhere.

Future prices were selected for Douglas-fir, western redcedar and grand fir. Other species were assumed to have a negligible effect on value. Selected prices were \$815 per MBF for Douglas-fir, western redcedar was \$1,500, and red alder was \$550. Selected prices were based on price trends described in Section VI.

Harvest costs were assumed to be similar to the 2024 harvest with a few exceptions. Risk was not taken into account, as the discount rate will do so. Fewer acres will require cable logging in future harvest, and logging costs are expected to be lower than in 2024. Lastly, per-acre-harvest volume will be lower than in 2024. Costs generally increase as per-acre volume decreases. Harvest cost was estimated at \$310 per MBF. Table 8 shows future net harvest volume per acre for each stand, according to the FPS projections, and net revenue per acre at each harvest date.

Table 8. Future Harvest Volumes and Net Revenue per Acre.

Type	Harvest Year	Site Index	DF (MBF)	RC (MBF)	RA (MBF)	Net Revenue/Acre at Harvest (\$)
3	2039	122	14.3	- .0	- .0	\$7,197
4	2039	122	16.0	- .0	- .0	\$8,094
6	2039	122	13.9	- .0	- .0	\$7,041
7	2044	122	15.3	- .0	- .0	\$7,721
8	2044	122	9.7	6.8	1.5	\$13,387
9	2044	122	19.8	- .0	- .0	\$10,012

Pre-merchantable Timber Value:

The future net revenues listed above and annual expenses were discounted to their present value using the formula detailed in Section VI. Table 9 shows total acres, net revenue and discounted value for each type.

Table 9. Discounted Value

Type	Acres	Net Revenue/Acre at Harvest (\$)	Years Until Harvest	Discounted Value/Acre (\$)	Discounted Annual Expense/Acre (\$)	Total Discounted Value/Acre (\$)	Total Discounted Value (\$)
3	0.8	\$7,197	15	\$3,855	\$219	\$3,636	\$2,909
4	1.8	\$8,094	15	\$4,335	\$219	\$4,117	\$7,410
6	2.0	\$7,041	15	\$3,772	\$219	\$3,553	\$7,106
7	3.7	\$7,721	20	\$3,359	\$266	\$3,093	\$11,443
8	2.6	\$13,387	20	\$5,823	\$266	\$5,557	\$14,449
9	32.2	\$10,012	20	\$4,355	\$266	\$4,089	\$131,671
						Total Net	\$174,989

From Table 9, pre-merchantable timber value for the Roth property is \$174,989.

IX BARE LAND VALUE

Land was valued for its use as forestland. Its potential for a higher and better use was not assessed. The long history of forestry use of the property and the agricultural and forestry zoning support its use as forestland.

Land values were obtained from the Oregon Department of Revenue (DOR). DOR tracks bare forestland market values for tax purposes. The values are published based on Douglas-fir site index. For site index 122, average land value, based on DOR data, was \$644.67 per acre as of the appraisal date. For 53.28 acres, total land value would be \$34,348.

X. TIMBER MARKET VALUE

Timber Market Value:

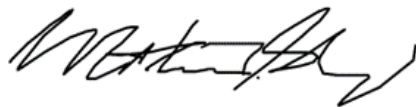
Timber market value for the Roth property is the sum of the merchantable timber value, pre-merchantable timber and bare land value. As of the appraisal date, this total was as follows:

Merchantable Timber	\$ 144,644
Pre-Merchantable Timber	\$ 174,989
Bare Land Value	\$ 34,348
Timber Market Value	\$ 353,981
Rounded	\$ 354,000

CERTIFICATION

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

- (1) The statements of fact contained in this report are true and correct.
- (2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- (3) I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- (4) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (5) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- (6) 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 stipulated results, or the occurrence of subsequent events directly related to the intended use of this appraisal.
- (7) I have personally inspected the property that is the subject of this report.
- (8) I have not performed a previous appraisal of the subject property within the three years prior to this assignment.



July 11th, 2024

Matthew Sheehy

date

GLOSSARY OF TERMS AND ABBREVIATIONS

Basal Area (BA) – the cross-sectional area of a tree, in square feet, at 4.5 feet above ground level (breast height). When the basal areas of all trees in a stand are added together, the result is expressed as square feet per acre, which is a measure of a stand’s density.

Basal Area Factor – The factor, which when multiplied by stem count at a variable radius sample point, gives the total basal area occupied by tree stems on a per acre basis

Board Foot (BdFt or BF) – A unit for measuring wood volume. It is a piece of wood one foot long, one foot wide, and one inch thick.

Conifer – A cone-bearing tree. They often are referred to as softwoods or evergreens, although the hardness of their wood varies, and not all are evergreen. Common conifers in the Pacific Northwest include Douglas-fir, western hemlock, grand fir, Pacific silver fir, noble fir, and western redcedar.

Conversion Return Approach – A derivation of the income approach in which market value is calculated as net revenue from hypothetical logging at the appraisal date, or as soon thereafter as feasible

Cubic Foot (CuFt or CF) – A unit for measuring wood volume. It is a piece of wood one foot long, one foot wide, and one foot thick.

Cunit – 100 cubic feet

Diameter at Breast Height (DBH) – Tree diameter outside bark at 4.5 feet above ground level

DFSIM (Douglas-fir Simulator) - A managed stand growth and yield simulator for coastal Douglas-fir. It was developed by the U. S. Forest Service and is available at no charge from them.

DFW – Washington Department of Fish and Wildlife

Discounted Cash Flow Analysis – A procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams, as well as the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

DNR – Washington Department of Natural Resources

Extraordinary Assumption - An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property, or about conditions external to the property, such as market conditions or trends, or about the integrity of the data used in the analysis. (Definition from the 2016-2017 edition of the Uniform Standards of Professional Appraisal Practice)

Fixed Radius Plot Sampling – A sampling method used in a timber cruise in which the sample plot radius is fixed. All trees within the specified radius from plot center are measured.

Forest Stand or Type – A group of trees with distinct characteristics, such as species, age, or condition, which can be distinguished from adjacent group.

Form Factor (FF) – A measure of tree taper. It is the ratio of outside bark diameters at 16 and four feet above stump level.

FPS (Forest Projection and Planning System) – Software that calculates tree volumes and projects growth under user-specified silvicultural regimes. It is widely used throughout the Pacific Northwest and is available from the Forest Biometrics Research Institute.

GIS (Geographic Information System) - A system designed to capture, store, manipulate, analyze, manage, and present all types of spatial or geographical data

GPS (Global Positioning System) – A satellite-based navigation system that provides location and time information

Gross Volume - Tree volume with no deductions made for defects

Hardwood – In the Pacific Northwest, usually a broad-leaved deciduous tree. However, hardwoods can be evergreen, and the hardness of their wood varies considerably. Common hardwoods in the Pacific Northwest include red alder, bigleaf maple, black cottonwood, Oregon ash, and cherry.

Hypothetical Condition – A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis (Definition from the 2016-2017 edition of the Uniform Standards of Professional Appraisal Practice.)

Income Approach – A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. The annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

Log Grade – A standard of log quality based on characteristics such as diameter, length, volume, percentage of defect, knot size, and tightness and straightness of grain. Log grades generally are defined by independent grading bureaus. They are used as a standard by most buyers and sellers in a defined geographic region.

Log Sort – A standard of log quality based on characteristics such as diameter, length, volume, percentage of defect, knot size, and tightness and straightness of grain. Log sorts are defined by each buyer, so that multiple sets of sorts may be used in a particular geographic region.

Market Value (from the Interagency Land Acquisition Conference, Uniform Appraisal Standards for Federal Land Acquisitions, 6th edition) - The amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of value, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither compelled to buy or sell, giving due consideration to all available economic uses of the property.

Merchantable Timber – Timber of sufficient size and quality that it can be harvested economically

MBF – 1,000 board feet

Net Timber Revenue - The difference between delivered log prices and all costs associated with harvest

Net Volume - Tree volume with deductions made for defects

Pre-Merchantable Timber – Timber that is of no of sufficient size or quality to be harvested economically, but that is expected to become merchantable in the future

Relative Stand Density (REL DEN) - The proportion of the stand density normally expected in a stand of given characteristics under some standard condition. It is a function of tree size and number of trees per acre.

Reversion – A lump-sum benefit that an investor receives or expects to receive at the termination of an investment

RMA (Riparian Management Area) - Protective buffer around fish-bearing streams and some of their tributaries. It is required by Oregon’s Forest Practices Rules. Width varies depending upon stream size, site quality, and other factors.

Scaling Diameter – Log diameter, inside bark, at the small end

Site Class – An expression of forest site quality based on its potential for growing trees. Each site class is a grouping of site indexes. Douglas-fir sites are broken into five site classes, with Class 1 being best for growth. Site classes cover the following site index groups:

Class 1	Site Index 136 and higher	Class 4	Site Index 76-95
Class 2	Site Index 116-135	Class 5	Site Index 75 and Lower
Class 3	Site Index 96-115		

Site Index (SI) – An expression of forest site quality based on its potential for growing trees. For Douglas-fir, it is defined as the projected average height of dominant and large codominant trees at a breast height (4.5 feet above ground level) age of 50 years.

Species Codes

BM	Bigleaf Maple	WH	Western Hemlock
CW	Black Cottonwood	RA	Red Alder
DF	Douglas-fir	RC	Western Redcedar
NF	Grand Fir	WI	Willow
OA	Oregon Ash	WP	Western White Pine

Standard Error (S. E.) - A measure of the precision of the volume estimate. Based on sampling error alone, the probability that true volume is within one standard error of cruise volume is 68 percent. It is 95 percent that true volume is within two standard errors, and 99 percent that it is within three. Calculations typically are based on the assumption of a random sample.

Stocking (STK) – An indication of the number of trees in a stand in relation to the desirable number for best growth and management

Super ACE – Timber cruising software available from Atterbury Consultants, Inc. The program calculates stand volumes and can handle variable log lengths. It is widely used throughout the Pacific Northwest.

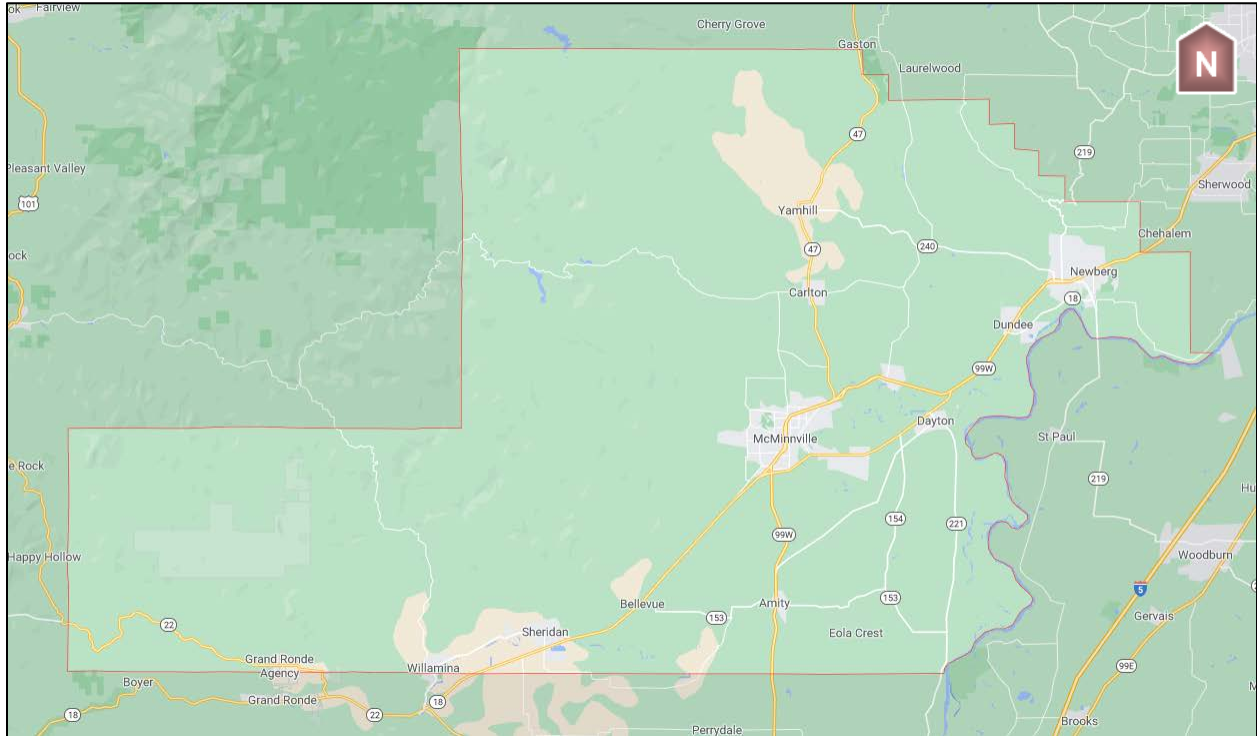
Timber Cruise – An inventory of a forest stand to determine the quantity of the forest products that can be derived from the stand, as well as other stand variables, such as tree quality, site quality, age, and species composition

Variable Radius Plot Sampling – A sampling method used in a timber cruise in which the plot radius varies directly with the diameter of the individual trees that are being measured. Every tree has its own plot. In addition, the area of the plot is directly proportional to the basal area of the tree diameter that it represents, and the probability of a tree being selected for measurement is directly proportional to its basal area.

REGIONAL DESCRIPTION

REGIONAL DESCRIPTION – YAMHILL COUNTY

Yamhill County is home to Oregon's wine country. It is located within the Portland Metropolitan Statistical Area (PMSA). Nearly one-fifth of Yamhill County's workforce commutes to the Portland Metropolitan area.



The region includes the cities of Amity, Carlton, Dayton, Dundee, Gaston, Grand Ronde, Lafayette, McMinnville, Newberg, Sheridan, St. Paul, Willamina, and Yamhill. The largest cities in the region are Newberg and McMinnville.

Newberg is located at the eastern edge of Yamhill County, approximately 25 miles southwest of Portland and 24 miles northwest of Salem. Neighboring McMinnville lies approximately 14 miles southwest of Newberg, close to 40 miles from the Portland Central Business District. Sheridan is located just southwest of McMinnville. As the Portland/Vancouver areas continue to grow, the outlying semi-urban locations such as Newberg and McMinnville are expected to continue to house a larger share of the new population and employment. West of Sherwood and east of the Oregon Coast, McMinnville and Newberg comprise the largest urban areas.

CLIMATE

Yamhill County's climate is temperate with short, warm, dry summers and cold, wet winters. Temperatures usually vary between 35 degrees and 82 degrees with an average warm season high temperature of 75 degrees. In the cold seasons, the average high temperature is 53 degrees. The wet season lasts for about 6.7 months from October to May with an average annual rainfall of 43 inches which is higher than the national average of 38 inches. Snowfall averages 3 inches per year, far less than the average national figure of 28 inches.

REGIONAL DESCRIPTION (continued)

POPULATION

As can be seen in the following chart, the population of Yamhill County increased steadily from 2014 to 2023 at an average annual rate of 0.78%. Within Yamhill County, Newberg has had the largest annual population increase, at 1.93% per year. However, between 2022 and 2023, McMinnville experienced a 2.01% population increase. Population is summarized on the following chart:

POPULATION TRENDS

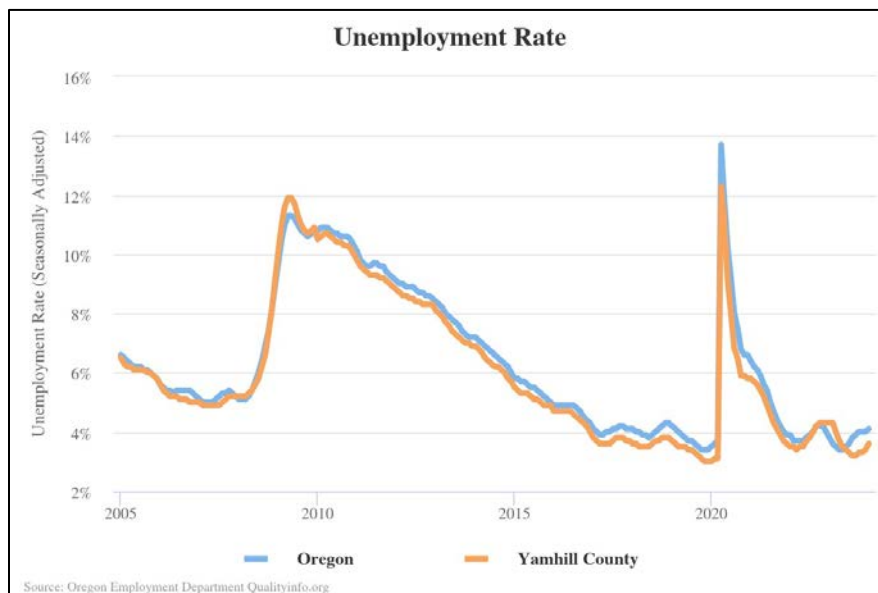
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Average % Change 2014-23	% Change 2022-23
Oregon	3,962,710	4,013,845	4,076,350	4,141,100	4,195,300	4,236,400	4,243,851	4,266,620	4,269,529	4,291,525	0.92%	0.52%
Yamhill County	102,525	103,630	104,990	106,300	107,415	108,060	108,605	108,261	109,318	109,743	0.78%	0.39%
Newberg	22,765	22,900	23,465	23,480	23,795	24,045	24,120	25,376	26,546	26,728	1.93%	0.69%
McMinnville	32,705	33,080	33,405	33,665	33,810	33,900	34,615	34,251	33,930	34,612	0.65%	2.01%
Sheridan	6,225	6,115	6,115	6,185	6,190	6,205	6,100	6,377	6,075	5,987	-0.42%	-1.45%

Source: Portland State University, Population Research Center, Certified Population Estimates April 2023

EMPLOYMENT AND ECONOMY

In 2008, unemployment across the nation increased as a result of the Great Recession. Since 2009; however, unemployment rates in all surveyed areas have fallen to pre-recessionary levels.

After the onset of the Coronavirus in the United States in March 2020, **Yamhill County** unemployment spiked to 13.2% in April 2020, as social distancing mandates forced many service related businesses to close and lay off workers. Since the peak, unemployment has steadily decreased in Yamhill County, measuring 3.6% in January 2024, below the rate for the Salem MSA (4.0%), and Oregon (4.1%).



REGIONAL DESCRIPTION (continued)

The economy of Yamhill County is fueled by employment from manufacturing, agriculture, wine production, and dental instrument production. The largest private employers in McMinnville as of December 2020 (most recent available) are shown below, courtesy of McMinnville Economic Development Partnership:

McMinnville's Top Employers (2020) (Private)	Full-time employees
Willamette Valley Medical Center	574
Linfield University	401
Cascade Steel Rolling Mills, Inc.	390
Meggitt Polymers & Composites	222
Betty Lou's, Inc.	250
Oregon Mutual Insurance Company	190
World Class Technology	160
Skyline Homes	120
Wal-mart Stores, Inc.	183
Freelin Wade	108
NWUAV	108

Source: <https://www.mcminnvillebusiness.com/industries>

PROPERTY TAXES

In November 1996, Oregon voters approved a property tax limitation measure (Measure 47) which went into effect during the 1997/98 tax year. Under the provisions of this measure, property taxes at July 1, 1997 will be reduced to the smaller of the 1994/95 tax, or the 1995/96 tax less ten percent. Tax increases for subsequent years are limited to three percent per year, with exceptions for new construction, major remodeling, annexations and rezoning.

On May 21, 1997, voters approved a re-write of Measure 47 in the form of Measure 50. This revision effectively rolls back assessed values and tax levies freezing tax rates to 1995/96 levels. In addition, appreciation is capped at three percent per year. Ramifications of this revision are yet to be interpreted by county assessors.

TRANSPORTATION

Newberg has primarily developed along **Highway 99W**, a four-lane highway, providing the main transportation route to Lincoln City on the Oregon Coast, from Portland. Highways 219 and 240 connect with Highway 99 within Newberg's city limits. Newberg is located approximately 15 miles from Interstates 5 and 205. The city has local public bus service, with Greyhound providing four daily interstate and intrastate services. The city has rail freight service, and a small community general aviation airport named Sportsman Airpark located at the east edge of Newberg. Commercial flights are available at the Portland International Airport just over 23 miles away.

REGIONAL DESCRIPTION (continued)

Phase 1 of the long-awaited **Newberg-Dundee Bypass Highway** was completed and opened to drivers on January 6, 2018. The project cost \$252 million and was finished in just over four years, on schedule and on budget. The project consists of a four-mile stretch of a new two-lane roadway that connects Highway 99 West, west of Dundee, to Highway 219, south of Newberg. ODOT was able to use \$10.5 million of costs savings from Phase 1 to begin making right-of-way purchases to complete Phase 2 of the three-phase project, which upon completion will feature a new 11-mile stretch of highway to address the increased traffic along Hwy 99W and the back-ups during peak commute periods. Phase 2 has been funded, and Phase 2A is in the design phase, where OR 18 meets OR 219, including the realignment of NE Wynooski Road. Construction of Phase 2A is anticipated to begin in 2024, with completion in 2026. Specifically, Phase 2A includes the following:

- Realigning OR 18 with a new connection to OR 219.
- Adding eastbound exit and westbound entrance ramps.
- Adding a bridge carrying the eastbound exit ramp over OR 219.
- Removing the old OR 18 alignment.
- Realigning Wynooski Road to meet the intersection of OR 219 and Wilsonville Road.
- Removing the old Wynooski Road alignment.
- Widening OR 219 for an additional travel lane, sidewalk, ADA ramps and drainage.

Like Newberg, McMinnville is also developed largely along Highway 99W. The city is located approximately 30 miles from Interstates 5 and 205 by road. The city features a municipal airport southeast of the city (McMinnville Municipal Airport). The airport is city-owned and publicly used.

EDUCATION

The Newberg School District serves approximately 4,970 students enrolled at six elementary schools, two middle schools, one public high school, and one alternative high school.

Newberg is also home to **George Fox University**, a 60-acre, four-year institution founded by Quakers in 1891, with approximately 4,070 undergraduate and graduate students enrolled for the 2018/19 school year. Providence Newberg Hospital is a fully accredited, 40-bed hospital, with over 100 affiliated physicians.



McMinnville has several public and private schools in the area. Currently, there are six elementary schools, two middle schools and one high school which serve around 6,394 students (as of November 2023). McMinnville is also home to a Chemeketa Community College Campus and Linfield University.

Linfield University, a 189-acre independent undergraduate college, is one of the oldest colleges in the Pacific Northwest and was chartered by the Oregon Territorial Legislature in 1858. The college is known for its excellent teaching staff, great science programs and its emphasis on international studies with programs in 12 different countries. The university has a total enrollment of 1,726 students, with 1,672 undergraduate students (2022/2023).

REGIONAL DESCRIPTION (continued)

COMMERCIAL DEVELOPMENT

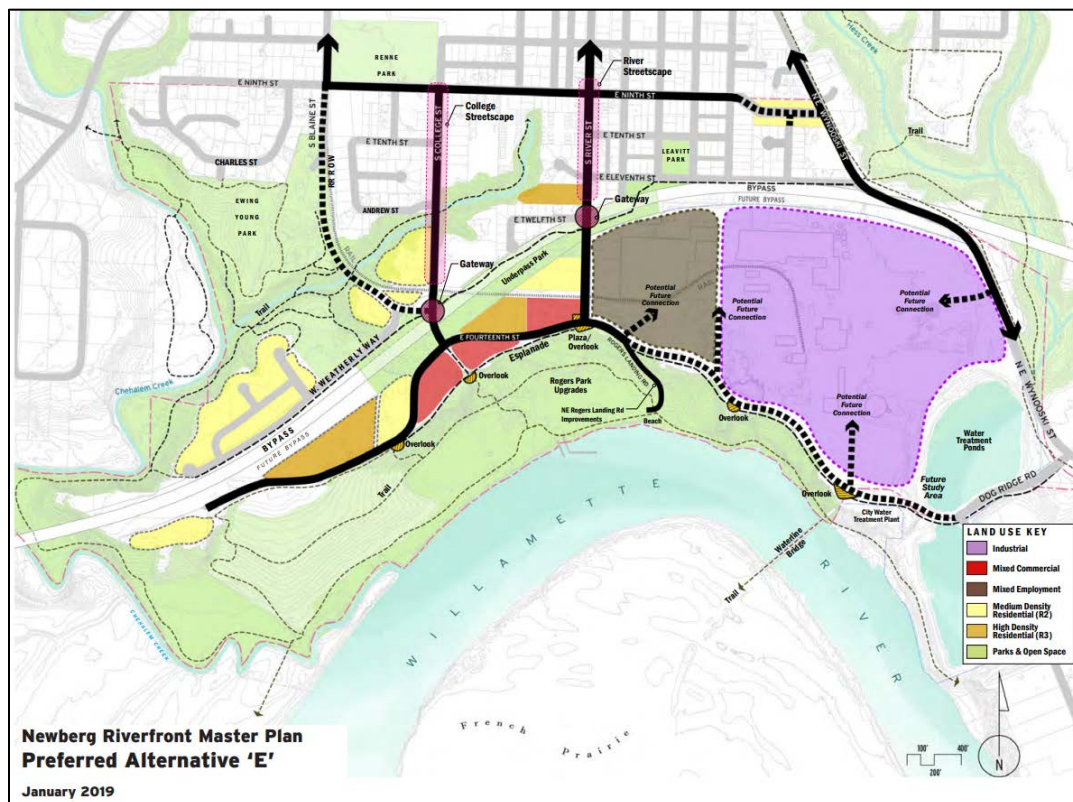
Newberg - Commercial development in Newberg has primarily taken place along Highway 99W, which divides into a one-way couplet at the edge of downtown. The one-way couplet is comprised of Hancock and First Streets and is home to the original downtown area. Development along these thoroughfares consists of mature commercial retail and office facilities, with some new development interspersed. This area was refurbished with new sidewalks, curbs, and gutters and other streetscape improvements in 2003.

The majority of the new development in Newberg is located along Highway 99W, east of the Central Business District and consists mainly of strip commercial developments. In this area there are two shopping centers, Springbrook Plaza and Fred Meyer. Springbrook Plaza is a community shopping center with anchor-tenants Rite Aid and Danielson's Thriftway. Other commercial development includes a Shilo Inn Motel, Newberg Inn, Travelodge, older and newer restaurants, service stations, small office buildings, several automobile dealerships, and assorted other small retail uses.

The Riverfront Citizen Advisory Committee has been assembled to create Newberg's vision for the riverfront area in south Newberg, along the Willamette River.

With completion of Phase 1 of the Newberg-Dundee Bypass Highway, the plan will look to decipher what uses should best fit the area and focus on taking advantage of the waterfront view amenity in a way that improves connectivity with the rest of the city and protects open spaces areas and other unique features.

The Newberg City Council accepted the 2019 Riverfront Master Plan on September 16, 2019. The City is currently working to implement the plan.



REGIONAL DESCRIPTION (continued)

Much is the same in **McMinnville**, with a heavy concentration of retail development along Highway 99W (Baker and Adams Streets). In the downtown area; however, **Hotel Oregon** is one of the main tourist attractions and is great for an overnight stay near the vineyards. Now owned by McMenamins, the hotel started in 1905, but had previously housed a restaurant, lounge, banquet hall, Greyhound Bus Depot, Western Union, a soda fountain and a beauty parlor. The hotel boasts a 40 ft. long bar, two hand-made pool tables, historical artwork and photographs and 42 European-style guestrooms.

Downtown revitalization efforts by the McMinnville Downtown Association (MDA) have made the downtown area one of the most charming and vital in the state. Visitors are treated to boutique shopping, restaurants, wine bars, live theater, fine arts, and urban lodging. Downtown McMinnville has created an environment that fosters small business growth and allows family-owned businesses to flourish and prosper.

The **Atticus Hotel** – pictured at right, courtesy of atticushotel.com - is located at 375 NE Ford Street in the downtown core. It is a 36-room boutique hotel that includes a wide variety of rooms, ranging from micro studios to a penthouse suite. The hotel opened in Spring 2018.



Some of McMinnville's newer developments can be found heading towards the southeastern part of town on Highway 18. Chemeketa Community College constructed a new campus located near highway 18 at the site of the former Tanger Outlet Mall. The building, coupled with the surrounding landscape, transformed a portion of the site into a college campus. Chemeketa can now expand the depth and breadth of course offerings to residents of Yamhill County. It was funded with \$14.3 million of general obligation bonds, \$6.2 million of state construction funds, and \$1 million from the Auxiliary Services Fund.

INDUSTRIAL DEVELOPMENT

Newberg has historically been an agricultural based economy. However, a number of manufacturing firms are now located in the area, which now has a diversified industrial base. Included are manufacturing firms located northeast and northwest of central Newberg producing dental equipment, newsprint, circuit boards, custom injection molded parts, high intensity lamps and portable machine tools.

The majority of the industrial development in Newberg has primarily occurred in three areas; the A-DEC Industrial Park, Flightway Industrial Park, and the Airpark Business Complex. Industrial land in the area has generally been sold off in parcels less than five acres in size.

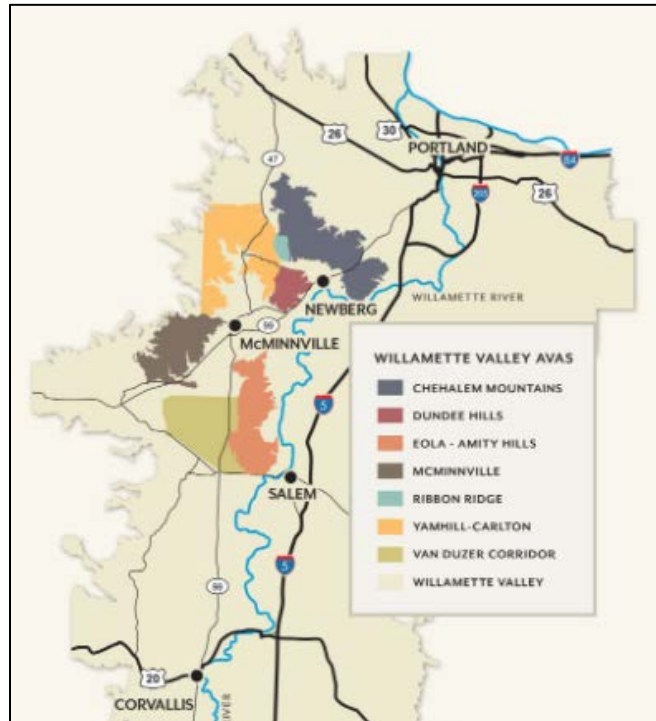
In 1953, McMinnville Industrial Promotions (MIP) was created by a group of businessmen to increase the industrial capacity of the area. This group is responsible for the location of several industries in the area including: Cascade Steel Rolling Mills, Smith Cookie, Nelson Paint, Diane's Foods, Hayes Axle, Elastometric Silicone Products, and the Skyline Corporation. McMinnville has a wide selection of fully serviced industrial sites available. Whether an industry is heavy in nature, or light, or has special needs such as airport

REGIONAL DESCRIPTION (continued)

access, properly zoned and serviced sites are available. The public facilities and services necessary for industry are in abundant supply in McMinnville. A large portion of the industrial lots and developments can be found on Highway 99W in the northeastern portion of the city.

TOURISM

Yamhill County is in the heart of **Oregon's Wine Country**. Both Newberg and McMinnville have easy access to some of the finest vineyards and wineries in the area. Yamhill County's wine area is located 35 miles southwest of Portland and 40 miles east of the coast and has over 60 vineyards, 20 wineries, and 1,200 acres of grapes. The area is further refined to reflect American Viticultural Areas (AVA) that delineate areas specific to the growing of wine grapes. The north portion of the Willamette Valley AVA is further divided into six specific AVAs: Chehalem Mountains, Dundee Hills, Eola-Amity Hills, McMinnville, Ribbon Ridge, and Yamhill-Carlton. The County's main production includes Pinot noir (75.58%), Pinot gris (4.76%), and Chardonnay (4.79%).



Groundbreaking on **The Allison Inn & Spa**, the first luxury inn in Oregon's Willamette Valley wine region, began in October of 2007 and was completed in 2009. The inn, located in Newberg, has 85 rooms and suites, along with an 87 seat restaurant. The inn/restaurant is only part of the 450-acre development project known as Springbrook. The project, which is anticipated to take place over the next decade, includes the inn/restaurant, 1,200 homes, a retail village, 200 seat conference center, and 50 acres of green spaces including recreational trails for biking, walking, wetlands, streams, and a small vineyard. The Allison Inn & Spa has had a significant effect on tourism and the wine country popularity. This large resort should provide some added economic benefits for the county and wine country area in the future.

The **Evergreen Aviation and Space Museum** in McMinnville is a museum that opened in 1991 and features a variety of military and civilian aircraft and spacecraft features the Spruce Goose, the largest wooden plane ever constructed. Adjacent to the museum is **Wings and Waves Waterpark**, a 71,350 SF waterpark with 10 slides constructed in 2011. It is currently the largest waterpark in the state of Oregon.

RESIDENTIAL DEVELOPMENT

Residential development has been spurred by a combination of the general strength of the economy, and the demand for more affordable housing to service the nearby Portland metropolitan area. Several single and multi-family projects have been

REGIONAL DESCRIPTION (continued)

developed over the past few years. The presence of George Fox University in Newberg and Linfield College in McMinnville keeps apartment vacancy relatively low.

CONCLUSION

Yamhill County, including the major cities of Newberg and McMinnville, has experienced moderate population growth over the last 10 years. The area is somewhat insulated from economic changes experienced by other communities. The region is heavily influenced by the Willamette Valley's wine country, which attracts visitors from around the globe. Due to the Willamette Valley's unique location between the Cascade Mountains to the east and the Coast Range to the west, the area is prime for cool climate grape growing and cultivation. Several prominent vineyards within close proximity include: Rex Hill Winery, Stoller Family Estate, Sokol Blosser Winery, Erath Winery, Argyle Winery, and August Cellars.

Economic conditions in the area appear secure. The presence of George Fox and Linfield Universities, local and regional tourism associated with Yamhill County's wine country, and its proximity to Portland provide the community with stability. As the cost of living continues to rise in Portland, residential development can be expected to continue in bedroom communities such as Newberg, McMinnville, Dundee, and others throughout Yamhill County.

APPRAISER QUALIFICATIONS



POWELL BANZ
VALUATION

EXPERIENCE & QUALIFICATIONS

The firm concentrates on complex commercial, industrial and multi-family valuation assignments for government, corporations and individuals. Work has been performed on a national scale. This is a sample of clients served:

Financial:

AKT, LLP
Bank of America
Bank of the Pacific
Bank of the West
Banner Bank
Church Extension Plan
Citizens Bank
CitiGroup
CIT Small Business Lending
Continental Bank
Evangelical Christian Credit Union
First Bank
First Community Credit Union
First Federal, McMinnville
First Interstate Bank, N.A.
HomeStreet Bank
JPMorgan Chase Bank, NA
Northwest Community Credit Union
OnPoint Community Credit Union
Oregon Coast Bank
OSU Federal Credit Union
Pioneer Trust Bank, N.A.
Regents Bank
Riverview Community Bank
Siuslaw Bank
Umpqua Bank
Washington Federal
Wells Fargo Bank
Willamette Community Bank
Willamette Valley Bank

Governmental:

Benton County
Bonneville Power Administration
City of Albany
City of Coos Bay
City of Corvallis
City of Eugene
City of Lincoln City
City of Newport
City of Salem
City of Silverton
City of Sweet Home
City of Woodburn
Dallas School District
Douglas County
FDIC

Federal Home Loan Bank
Klamath County
Lane County
Marion County
Military Dept. - State of Oregon
Mount Angel School District
Oregon Attorneys General
Oregon Dept. of Parks & Recreation
Oregon Dept. of Transportation
Oregon Division of State Lands
Oregon Dept. of General Services
Polk CDC
Port of Portland
Riverdale School District
Salem/Keizer School District
U.S. Army Corps of Engineers
U.S. Bureau of Land Management
U.S. Dept. of Interior
U.S. Marshall's Office
U.S. Forest Service
Washington Dept. of Fish & Wildlife
Woodburn School District
Yamhill County Housing Authority

Insurance/Medical:

Corvallis Clinic
Good Samaritan Hospital (Corvallis)
SAIF
Salem Health
Samaritan Albany General Hospital
Samaritan Health Services
St. Paul Fire & Marine

General:

Arnold, Gallagher, PC
Catholic Community Services
Martinis & Hill
McDonalds Corporation
Roth's Fresh Market
MDH Management LLC
Saalfeld Griggs PC
Feibleman & Case, PC
First American Title
Morrow Equipment
Sherman, Sherman, Johnnie & Hoyt
Mtn. West Development Corp.
State Farm Insurance Co.
GHR Lawyers



Katherine Powell Banz, MAI is a Principal and Certified General Appraiser with Powell Banz Valuation, LLC. Katie is licensed in Oregon and Washington and has performed a diverse range of commercial valuation assignments throughout the Northwest since joining the firm in 2002. In 2014 Katie and her husband, Jonathan Banz, MAI, AI-GRS purchased the business and rebranded the company Powell Banz Valuation, LLC.

Katie's professional experience includes a wide variety of valuation-related work, including consultation, appraisal, expert witness testimony, appraisal review, and feasibility analysis of income producing properties; including retail, office, development land, industrial, single and multi-family residential, and special use properties such as churches and schools.

Katie was the 2018 President of the Greater Oregon Chapter of the Appraisal Institute (GOCAI). She was an active GOCAI Board Member from 2012-2020. Katie also volunteered as a Region Representative for the Appraisal Institute Region 1 from 2017-2020, and served on the 2021 Region 1 Nominating Committee.

Katie graduated from Linfield College (McMinnville, Oregon) in 1997 with a Bachelor of Arts degree. Following college, she worked as a graphic artist and project manager with the Boeing Company in Seattle until joining Powell Valuation Inc in 2002.

In her spare time, Katie enjoys reading, gardening, striving to live a creative life, and spending time with her husband and Great Danes.

EXPERTISE & SERVICES

- Real Estate Valuation
 - Professional & Medical Office
 - Retail
 - Industrial
 - Subdivision Analysis
 - Multi-Family
 - Lodging
 - Special Purpose Properties
- Expert Witness Testimony
- Eminent Domain and Condemnation
- Market Analysis & Feasibility Studies
- Appraisal Review



kbanz@powellbanz.com
503-371-2403

AFFILIATIONS

- State of Oregon Certified General Appraiser, #C000897
- State of Washington Certified General Appraiser (#1101856)
- Designated Member of the Appraisal Institute (#480999)
- State of Oregon Supervising Appraiser
- Greater Oregon Chapter of the Appraisal Institute - GOCAI:
 - 2019/2020 Region 1 Representative
 - 2019 Past President
 - 2018 President
 - 2017 Vice President
 - 2016 Treasurer
 - 2015 Secretary
 - 2012- 2014 Board Member
- Board Member -Deepwood Museum & Gardens, Salem, OR (2014-2019)

EDUCATION / DESIGNATION

- MAI - Appraisal Institute
- B.A. - Linfield College

APPRAISER CERTIFICATION



Appraiser Certification and Licensure Board

State Certified General Appraiser

28 hours of continuing education required

KATHERINE J BANZ
POWELL BANZ VALUATION, LLC
201 FERRY ST SE STE 300
SALEM, OR 97301

License No.: C000897

Issue Date: September 01, 2022

Expiration Date: August 31, 2024

Chad Koch, Administrator