Department of Fish and Wildlife
Edmunds Well Property Acquisition at Summer Lake Wildlife Area, Lake County

Transaction Type (check one): ☑️ Acquisition  ☐ Disposal

I. Proposed Real Property Transaction (if the transaction is an acquisition please include a description of the intended use of the property):

- The Oregon Department of Fish and Wildlife is pursuing the purchase of 563.72 acres in Lake County, commonly known as the Edmunds Well Wildlife Sanctuary.
- ODFW will manage the Edmunds Well Property as an addition to the Summer Lake Wildlife Area, pursuant to OAR 635-008-0155, providing wildlife-oriented public use compatible with the goals and objectives contained in the Summer Lake Wildlife Area Management Plan, as may be amended from time to time.

II. Reason for PLAC Review (include what the agency is requesting from the PLAC):

- In compliance with ORS 270.120 (6), the PLAC shall advise Agency and DAS on the acquisition of this property.
- ODFW respectfully request that the PLAC recommend acquisition of the Edmunds Well property to complete the ODFW requirements as set forth in the Ruby Pipeline Project Mitigation Agreement.

Ruby Pipeline Project Mitigation Agreement.
The Ruby Pipeline Project is a natural gas pipeline that extends from Opal, Wyoming to Malin, Oregon. The construction phase started project June 30, 2010. Construction was completed and service commenced July 28, 2011. A number of wildlife and riparian habitats were impacted within the Oregon project area. Ruby committed to mitigate for the impacts to wildlife and riparian habitats classified under the ODFW Habitat Mitigation Policy (OAR 635-415-0000 through 635-415-0025). To fulfill a portion of its compensatory mitigation requirement, Ruby agreed to establish an Environmental Project Fund which directed ODFW to purchase property that would benefit wildlife, restore priority habitats, and provide public hunting and angling opportunities.

To comply with the terms set forth in the Ruby Pipeline Mitigation Agreement, the ODFW proposes to purchase approximately 564 acres, known as the Edmunds Well Wildlife Sanctuary, in Summer Lake. The property will become part of and managed in conjunction with the Summer Lake Wildlife Area, which is located approximately 3 miles SE of the Edmunds Well property, all in Lake County. Acquisition of the Edmunds Well property will complete the requirements imposed upon ODFW in the Mitigation Agreement.

III. Background Information

The Value of Wildlife Areas. ODFW owns lands to serve the needs of wildlife, as well as public recreation. Establishment and maintenance of wildlife areas and other resource properties is an integral part of ODFW’s Mission to “protect and enhance Oregon’s fish and wildlife and their habitats for use and enjoyment by present and future generations.” Wildlife-oriented recreation opportunities such as hunting, fishing, hiking and viewing provide positive economic benefits to their local communities. Securing places for wildlife in Oregon began in 1944 with the purchase of Summer Lake Wildlife Area.
Summer Lake Wildlife Area.
The Summer Lake Wildlife Area (SLWA) was established with the primary objectives of protecting and improving waterfowl habitat and providing a public hunting area. The SLWA consists of a large marsh with associated uplands. An 8.3-mile tour route bisects the area. The tour route is closed during hunting seasons (early October through late January) to provide refuge areas for waterfowl. SLWA provides essential habitat for more than 280 species of birds, 40 species of mammals and other fish, reptiles and amphibians. Native habitats include Lacustrine wetlands (lakebed and alkali playas), Palustrine wetlands (semi-permanent and seasonally flooded), sagebrush steppe uplands and salt desert scrub uplands. The abundance of wildlife present, species diversity, and geographic setting, make SLWA a popular destination for environmental education, and one of the best places in Oregon to view migrating waterfowl and other shore and water birds.

Wetland losses, degradations and changes in function resulted in an increased need for intensive management actions on SLWA. Many wildlife species, both migratory and resident, are dependent on wetland habitats to meet their life-cycle needs and to sustain populations at levels providing diverse opportunities for public enjoyment and utilization. SLWA provides wildlife-oriented recreational activities including hunting, viewing, photography, bird watching, environmental education, camping, and fishing.

Edmunds Well Wildlife Sanctuary.
Don and Carol Edmunds spent more than 20 years improving 640 acres into a beautiful wetlands sanctuary. Today the property is 560 acres of which more than 300 acres is wetlands, excavated ponds, canals, sand dunes, and dikes. The total water rights for the property exceed 1750 gpm. Four artesian wells supply all the water, which circulates by gravity flow. The free flowing water was all personally designed by Don Edmunds. As a result of Don’s amazing engineering efforts, the property affords the opportunity to continue wetlands management in a highly efficient manner. The wetlands consist of more than 20 ponds, most of which average about two to four acres in size, plus Opal Pond which is 20 acres. The wetlands and ponds were all very well designed and engineered to offer a highly natural appearing, and well-managed wetland oasis, unique and valuable to wildlife and their habitats. The ponds are man-made, and were developed and excavated by Edmunds personally, to take advantage of the property’s exceptional water resources. The ponds have been designed to resemble a natural set of ponds and wetlands that would be common in a delta area where a stream might flow out onto bottomland from the upland areas. The ponds are supplied with water and linked to the artesian wells, and each other, by a complex set of mainlines, ditches, and culverts. The net result is a natural lacustrine and wetland resource providing fish and wildlife habitat and associated recreation opportunities. The property has three buildings on it, the Palmer Residence is a 2-story, 3-bedroom home. The Fin & Feather Lodge is a 12 bed bunkhouse/activity center and associated garage. The activity center is suitable for meetings and educational workshops.
Relevance to Plans and Strategies.
The Oregon Conservation Strategy (OCS) is an overarching state strategy for conserving fish and wildlife and their habitats. The Edmunds Well property is located within the Conservation Opportunity Area #189 Summer Lake Area of the Northern Basin and Range ecoregion.

- Key OCS habitats located on the property include:
  - Flowing Water and Riparian
  - Sagebrush
  - Wetland
- OCS Strategy Species that occur or are likely to occur on the property include:
  - Western Toad
  - Snowy egret
  - Swainson’s hawk
  - Ferruginous hawk
  - Greater sage-grouse
  - Black-necked stilt
  - Long-billed curlew
  - Western burrowing owl
  - Willow flycatcher
  - Pygmy rabbit
  - 5 bat species (Long-legged myotis, Calif. myotis, Silver-haired, Hoary & Pallid bats)

IV. Topics for PLAC Consideration.

Willing Seller. Carol Edmunds personally contacted ODFW and offered to sell the Edmunds Well property to be managed as part of the Summer Lake Wildlife Area to continue her husband’s legacy for their property.

Funding – Acquisition and Maintenance/Management
Funding for the acquisition of the Edmunds Well property will come from the remainder of the Ruby Pipeline Mitigation funds. The remaining balance from US Fish & Wildlife Service under an approved PR grant.

Maintenance funding and management of the property will be provided by the existing SLWA budget and personnel. The Department has no immediate plans to conduct any major improvements to the property.

Benefits of Acquisition.
The acquisition of the Edmunds Well property by ODFW will serve many needs:
- Compliance with the terms of the Ruby Pipeline Project Mitigation Agreement.
- Restore and increase protection for a variety of key species and habitat identified in the Oregon Conservation Strategy.
- Provide opportunity to continue the Edmunds vision for the property as it fits into the Objectives and Strategies for the Summer Lake Wildlife Area.
- Educational Opportunities.
- Direct, positive impact on outdoor recreational opportunities.
- Provide positive economic benefits to the Summer Lake community and Lake County.
V. Staff Comments (agency comments that are not already included and DAS staff comments):

Payments to Counties In Lieu of Tax (PILT)
Lake County will receive the same amount of tax revenue from ODFW as it currently receives from the private landowner. Pursuant to statute, ODFW will pay “in lieu of taxes” on all applicable properties.

- ORS 496.340 was enacted by Oregon Law 1947, Chapter 324, “To relieve counties from the loss of revenue caused by the exemption from taxation of lands acquired by the state, acting by and through the state game commission, for public hunting grounds.” The PILT paid by ODFW is the amount equal to the ad valorem tax charged against the property, if the property would have been assessed to a taxable owner. The County Assessor determines the value of the property at the same use as assessed at time of acquisition by ODFW.

Public Outreach
It is the policy of ODFW to conduct public meetings, inform local civic clubs, angler/hunter groups, resource industry groups, local private landowners, and contact local governments and legislators to provide information and garner public input on land acquisitions prior to seeking approval from the Fish and Wildlife Commission.

The acquisition of the Edmunds Well property has been presented on various occasions to the following interested parties:
- public/informational meetings held at Summer Lake Lodge;
- Lake County Commission;
- Oregon Hunters Association, Lake County Chapter;
- Eastern Oregon Audubon Society
- Ducks Unlimited

VI. PLAC Findings (Summary of Committee findings, to be completed by DAS Staff):
At the October 25, 2018 meeting of PLAC, Sara King made a motion to accept this report, John Brown seconded and the motion was unanimously approved.
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<th>Tax #</th>
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<td>1100</td>
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<td>1102</td>
<td>160.59</td>
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<td>Palmer House (residence)</td>
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<td>West Palmer</td>
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<tr>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>563.72</strong></td>
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* per Lake Co. Assessor's records

Lake Co. Assessors Map 29s-17e
REQUEST TO WAIVE AGENCY NOTIFICATIONS

Seller: Carol J. Edmunds, Trustee of the Donald R. Edmunds Trust
Property: Edmunds Well Wildlife Sanctuary, Summer Lake, Lake County
Appraised Value: $1,045,000  Under ORS 192.345(6), information relating to the appraisal of real estate prior to its acquisition is “conditionally exempt” from disclosure.

BACKGROUND:

Summer Lake Wildlife Area.
The Summer Lake Wildlife Area (SLWA) was established with the primary objectives of protecting and improving waterfowl habitat and providing a public hunting area. The SLWA consists of a large marsh with associated uplands. An 8.3-mile tour route bisects the area. The tour route is closed during hunting seasons (early October through late January) to provide refuge areas for waterfowl. SLWA provides essential habitat for more than 280 species of birds, 40 species of mammals and other fish, reptiles and amphibians. Native habitats include Lacustrine wetlands (lakebed and alkali playas), Palustrine wetlands (semi-permanent and seasonally flooded), sagebrush steppe uplands and salt desert scrub uplands. The abundance of wildlife present, species diversity, and geographic setting, make SLWA a popular destination for environmental education, and one of the best places in Oregon to view migrating waterfowl and other shore and water birds.

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To comply with the terms set forth in the Ruby Pipeline Mitigation Agreement, ODFW proposes to purchase the Edmunds Well Wildlife Sanctuary. The property will become part of and managed in conjunction with the Summer Lake Wildlife Area, which is located approximately three miles SE of the Edmunds Well property, all in Lake County. Acquisition of the Edmunds Well property will complete the requirements imposed upon ODFW in the Mitigation Agreement.
Edmunds Well Wildlife Sanctuary.
The Edmunds Well property is a beautiful wetlands sanctuary. The property is 564 acres of which more than 300 acres is wetlands, excavated ponds, canals, sand dunes, and dikes. The total water rights for the property exceed 1750 gpm. Four artesian wells supply all the free flowing water, which circulates by gravity flow. The wetlands consist of more than 20 ponds, most of which average about two to four acres in size, plus Opal Pond which is 20 acres. The wetlands and ponds were all very well designed and engineered to offer a highly natural appearing, and well-managed wetland oasis, unique and valuable to wildlife and their habitats. The ponds are man-made, and were developed and excavated to take advantage of the property’s exceptional water resources. The ponds have been designed to resemble a natural set of ponds and wetlands that would be common in a delta area where a stream might flow out onto bottomland from the upland areas. The ponds are supplied with water and linked to the artesian wells, and each other, by a complex set of mainlines, ditches, and culverts. The net result is a natural lacustrine and wetland resource providing fish and wildlife habitat and associated recreation opportunities.

The property has three buildings on it, the Palmer Residence is a 2-story, 3-bedroom home. The Fin & Feather Lodge is a 12 bed bunkhouse/activity center and associated garage. The activity center is suitable for meetings and educational workshops.

DECLARATION OF INTENT TO PURCHASE REAL PROPERTY: Pursuant to OAR 125-045-0220, ODFW is declaring its intent to purchase the Edmunds Well Wildlife Sanctuary from Carol J. Edmunds, Trustee of the Donald R. Edmunds Trust.

NOTICE TO STATE AGENCIES AND POLITICAL SUBDIVISIONS: Pursuant to OAR 125-045-0225, the transferring State agency must give notice to other agencies and political subdivisions. ODFW has searched for over 10 years for available property near the Summer Lake Wildlife Area that would comply with the terms and conditions of the Ruby Pipeline Mitigation Agreement. Carol Edmunds, a Willing Seller, contacted ODFW with the opportunity to acquire the Edmunds Well property. The very close proximity of the Edmunds Well property to the existing Summer Lake Wildlife Area makes it an excellent candidate to satisfy and meet the requirements of the Ruby Pipeline Mitigation Agreement. Therefore, ODFW is requesting an exemption from the notification requirements to state agencies and political subdivisions.

APPRAISAL AND DETERMINATION OF VALUE OF REAL PROPERTY INTERESTS: An Appraisal Reports has been obtained on the property and are available upon request.

We appreciate your consideration in this matter and look forward to your timely response. If we may provide additional information please don’t hesitate to contact me.

Karen Tofte, Realty Specialist
Dept. of Fish and Wildlife
Phone 503-947-6260
APPRAISAL REPORT

Summer Lake Wildlife Area, Edmunds Well Land Acquisition
563.72-Acres with a High-Volume Artesian Well, Abundant Ponds, Wildlife Habitat, and Two Residential/Lodge Structures and Garage
Located at East of Shuffield Road (Co. Hwy 4-16A), 1.5 Miles North of Carlon Road
Summer Lake, Lake County, Oregon

As Of
May 8, 2017

Prepared For
Karen Tofte, Realty Specialist
Oregon Department of Fish & Wildlife
4034 Fairview Industrial Drive SE
Salem, OR 97302

Prepared By
Gregory W. Moore, MAI
President, AGCO – Moore Valuation, Inc.
60602 Woodside Road
Bend, Oregon 97702
Revised October 9, 2017

File No. M201738
Karen Tofte, Realty Specialist  
Oregon Department of Fish & Wildlife  
4034 Fairview Industrial Drive SE  
Salem, OR 97302

Dear Ms. Tofte,

This appraisal report presents the appraisal you requested for the Summer Lake Wildlife Area, Edmunds Well Land Acquisition, located at East of Shuffield Road (Co. Hwy 4-16A), 1.5 Miles North of Carlon Road, in Summer Lake, Lake County, Oregon. The report presents the physical description of the subject property, market data, and valuation analysis in an appraisal report format. The scope of the appraisal involves the application of the sales comparison approaches to estimating market value, which is appropriate. More detailed information remains in my work file. The subject property involves 563.72-Acres with a high-volume artesian well, abundant ponds, wildlife habitat, and two residential/lodge structures and garage. The property is currently utilized for wildlife viewing and recreation (fishing).

This appraisal was prepared at the request of, and for the exclusive use of, Karen Tofte, Realty Specialist with Oregon Department of Fish & Wildlife. The purpose of this appraisal is to estimate the subject's as-is, fee simple market value as of May 8, 2017. The appraisal project involves a single market value conclusion of an existing whole property, not a before-and-after appraisal related to a partial taking. The intended use of this appraisal is to assist the client with evaluation relative to the acquisition of the identified property. No third party shall have any rights to use or rely upon this appraisal for any purpose. The preparation of the report was originally completed on June 30, 2017, then revised to handle several clarifications and minor corrections on October 9, 2017.

The appraisal and this report have been prepared in conformance with the Uniform Appraisal Standards for Federal Land Acquisitions ("Yellow Book"). The appraisal and appraisal report also comply with the Uniform Standards of Professional Appraisal Practice (USPAP) as formulated by The Appraisal Foundation (except where superseded through the Jurisdictional Exception rule, for compliance with the “Yellow Book”). Further, this report is prepared in conformance to the Oregon Department of Fish & Wildlife appraisal policy. A copy of your written authorization and instructions is included in the Addenda of this report.

For a full understanding of the analysis and conclusions, it is essential that the user(s) of this report read it in its entirety, including, but not restricted to the limiting conditions, highest and best use, and final reconciliation. Such an understanding is necessary prior to making any decisions based on the information and analysis within this appraisal. Client’s, intended user’s,
or any reader’s use of the appraisal or reliance on its conclusions will constitute acceptance of the appraisal conditions (including the Scope of Work and Extraordinary Assumption) and the Statement of Limiting Conditions, as presented in this appraisal report.

A personal inspection of the property was made. As a result of my investigation it is my opinion that the market value of the subject property as of May 8, 2017 was:

**Market Value of Acquisition**
**ONE MILLION FORTY FIVE THOUSAND DOLLARS...**
**$1,045,000**

Respectfully submitted,

[Signature]

Gregory W. Moore, MAI
President, AGCO - Moore Valuation, Inc.
Oregon State Certification No. C000607
Washington State Certification No. 1102251
Revised October 9, 2017
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Certification of Gregory W. Moore, MAI

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- 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 assignment.
- 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.
- The appraisal was developed and the appraisal report was prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions.
- The appraisal was developed and the appraisal report prepared in conformance with the Appraisal Standards Board’s Uniform Standards of Professional Appraisal Practice and complies with USPAP’s Jurisdictional Exception Rule when invoked by Section 1.2.7.2 of the Uniform Appraisal Standards for Federal Land Acquisitions.
- The appraiser has made a physical inspection of the property appraised and the property owner was given the opportunity to accompany the appraiser on the property inspection (the owner accompanied the appraiser during the inspection).
- I have made a personal inspection of the exterior of most, but not all of the comparable sales utilized in this report (the degree to which primary sale has been inspected is indicated on each of the sales sheets, in the addenda).
- No one provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, 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 have completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, I have completed the requirements under the continuing education program mandated by the State of Oregon.

The estimated market value of the fee simple interest in the subject acquisition property, as of May 8, 2017, was $1,045,000.

____________________
Gregory W. Moore, MAI – Revised October 9, 2017

Certification of Gregory W. Moore
Summary of Facts and Conclusions

Property Name & Identification: Summer Lake Wildlife Area, Edmunds Well Land Acquisition
East of Shuffield Road (Co. Hwy 4-16A),
1.5 Miles North of Carlon Road
Summer Lake, Lake County, Oregon
Tax Lots 1100, 1102, 1200, 1300 & 2400 in T.29S-R.17E-00
43° 1'38.15"N / 120°40'17.64"W

Owner of Record: Donald R. Edmunds Trust (Carol Edmunds)

Unusual Limiting Conditions: None.

Property Rights Appraised: Fee simple

Zoning: A-2, Agricultural Use Zone

Land Area:
69.23 acres of ponds, canals, ditches, etc.
492.69 acres non-irrigated rangeland and sub-irrigated pasture
1.8 acres farmstead
563.72 total acres

Hazardous Materials: None noted

Improvements:
Palmer House: 1,282-sq. ft. 2-story 3-bed/1-bath house, built 1975.
Site Improvements: Wells, septic systems, fencing & gates, modest landscaping.

Highest and Best Use
As Vacant: Recreation (bird hunting, fishing, wildlife viewing) and vacation residence.
As Improved: Same as if vacant. Retain improvements, as-is.

Estimated Market Value:
$865,000 - land value ($5,000/ac for pond acreage, $1,000/ac for recreation-oriented rangeland)
$180,000 - depreciated replacement cost of improvements
$1,045,000

Date of Value: May 8, 2017

Appraiser: Gregory W. Moore, MAI
Photo 1
GPS Coordinates:
43°1'38.90"N
120°42'0.17"W

Photo by Greg Moore on
May 8, 2017

View east at the entrance to the subject’s driveway, west of the subject (this photo was taken outside of the photo location map boundaries).

Photo 2
GPS Coordinates:
43°1'38.31"N
120°40'20.07"W

Photo by Greg Moore on
May 8, 2017

COMMENTS.
Photo 3
GPS Coordinates:
43° 1'33.47"N
120°40'19.04"W

Photo by Greg Moore on May 8, 2017

View south of Red Rock Pond.

Photo 4
GPS Coordinates:
43° 1'49.64"N
120°40'14.63"W

Photo by Greg Moore on May 8, 2017

View east over the Well Pond.
Photo 5
GPS Coordinates:
43° 1'50.16"N
120°40'15.43"W

Photo by Greg Moore on May 8, 2017

View of the Edmunds Well, near the Well Pond.

Photo 6
GPS Coordinates:
43° 1'50.16"N
120°40'15.43"W

Photo by Greg Moore on May 8, 2017

View of the manifold and distribution system in the well house.
Photo 7
GPS Coordinates:
43° 11.94′N
120°40′33.87″W

Photo by Greg Moore on May 8, 2017

View west over Spirit Lake.

Photo 8
GPS Coordinates:
43° 11.70′N
120°40′3.98″W

Photo by Greg Moore on May 8, 2017

View northwest over the south side of Carol's Pond, with a mink swimming.
Photo 9
GPS Coordinates:
43° 1'37.85"N
120°40'16.90"W

Photo by Greg Moore on May 8, 2017

View north of the front of the Fin & Feather lodge, along with its garage, to the right.

Photo 10
GPS Coordinates:
43° 1'38.66"N
120°40'17.00"W

Photo by Greg Moore on May 8, 2017

Interior of the kitchen and dining area in the Fin & Feather Lodge.
Photo 11
GPS Coordinates:
43° 1'38.66"N
120°40'17.00"W

Photo by Greg Moore on May 8, 2017

Living room in the Fin & Feather Lodge.

Photo 12
GPS Coordinates:
43° 1'38.66"N
120°40'17.00"W

Photo by Greg Moore on May 8, 2017

One of the bathrooms in the Fin & Feather Lodge.
Photo 13
GPS Coordinates:
43° 1'38.66"N
120°40'17.00"W

Photo by Greg Moore on
May 8, 2017

View southeast of the back of the Fin & Feather garage.

Photo 14
GPS Coordinates:
43° 1'38.66"N
120°40'17.00"W

Photo by Greg Moore on
May 8, 2017

Interior of the Fin & Feather garage/shop.
Photo 15
GPS Coordinates:
43° 1'37.52"N
120°40'20.24"W

Photo by Greg Moore on
May 8, 2017

View northwest of the back of Palmer House.

Photo 16
GPS Coordinates:
43° 1'37.52"N
120°40'20.24"W

Photo by Greg Moore
on May 8, 2017

Kitchen in the Palmer House.
Statement of Limiting Conditions

This appraisal is subject to the following limiting conditions:

This appraisal is for no purpose other than property valuation, and the appraiser is neither qualified nor attempting to go beyond that narrow scope. The reader should be aware that there are also inherent limitations to the accuracy of the information and analysis contained in this appraisal. Before making any decision based on the information and analysis contained in this report, it is critically important to read this entire section to understand these limitations.

The appraiser assumes no responsibility for legal matters affecting the property appraised or the title, thereto. Title is assumed to be good and transferable. Any mortgages, liens, reservations, restrictions or encumbrances have been disregarded except where otherwise noted. There was no consideration given to personal property (if any), licenses or contracts in the valuation estimate.

A preliminary title report was furnished to the appraiser and reviewed. Information concerning the legal description and size of the subject property are deemed to be from reliable sources. There were several special exceptions (summarized on Page 36), although none were considered to represent significant impact on the market value of the property. Any drawings or sketches are for illustrative purposes only.

Title to the property is assumed to be fee simple unless otherwise noted. The property is appraised as though under competent management and ownership.

It is assumed that there is full compliance with all-applicable federal, state and local environmental regulations and laws unless non-compliance is stated, defined, and considered in the appraisal report. A comprehensive examination of laws and regulations affecting the subject was not performed for this appraisal.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report. Information and analysis shown in this report concerning these items is based only on a rudimentary investigation. Any significant question should be addressed to local zoning or land use officials and/or an attorney.

It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based. Appropriate government officials and/or an attorney should be consulted if an interested party has any questions or concerns on these items since I have not made a comprehensive examination of laws and regulations affecting the subject.

This appraisal should not be considered a report on the physical items that are a part of this property. Although the appraisal may contain information about the physical items being appraised (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation, and not as a complete or detailed physical report. The appraiser is not a construction, engineering, environmental, or
legal expert. Any statement given on these matters in this report should be considered preliminary in nature.

The observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, electrical service, insulation, and all mechanicals and construction is based on a casual inspection only, and no detailed inspection was made. For instance, I am not an expert on heating systems, and no attempt was made to inspect the interior of the furnace. The structures were not checked for building code violations, and it is assumed that all buildings meet applicable building codes unless so stated in the report.

Some items such as conditions behind walls, above ceilings, behind locked doors, or under the ground are not exposed to usual view, and therefore were not inspected. The existence of insulation, if any is mentioned, was found by conversation with others and/or circumstantial evidence. Since it is not exposed to view, the accuracy of any statements about insulation cannot be guaranteed.

No soils report was furnished to the appraiser. Conditions are assumed to be adequate for those uses consistent with highest and best use and current zoning ordinances. There is no warranty, implied or otherwise, as to the structural soundness or freedom from defects, hidden or unapparent in the subject improvements, or on the property. Nor is any responsibility assumed for any such conditions, or for engineering that may be required to discover such factors. Subsurface rights (mineral, oil, gas, geothermal, etc.) were not considered in making this appraisal. The appraiser is not qualified in these areas and suggests that the client retain experts in the appropriate field if desired.

I am not an environmental expert, and I do not have the expertise necessary to determine the existence of environmental hazards such as the presence of urea-formaldehyde foam insulation, toxic waste, asbestos or hazardous building materials, or any other environmental hazards on the subject or surrounding properties. If I know, or suspect any problems of this nature that I believe would create a significant problem, they are disclosed in this report. Nondisclosure should not be taken as an indication that such a problem does not exist. Again, I am not qualified to detect such conditions or substances. If desired, the client should retain an expert in this field.

Wells and septic systems, if any, are assumed to be in good working condition and of sufficient size and capacity for the stated highest and best use. It is assumed that wells and sewage disposal systems meet all federal, state and local laws and requirements.

The appraiser performed no chemical or scientific tests on the subject property. It is assumed that the air, water, ground, and general environment associated with the property present no physical or health hazard of any kind, unless otherwise noted in the report. It is further assumed that the land does not contain any type of dumpsite, and that there are no underground tanks (or any underground source) leaking toxic or hazardous chemicals into the groundwater or the environment unless otherwise noted in the report.

The age of any improvements to the subject property should be considered a rough estimate. I am not sufficiently skilled in the construction trades to be able to reliably estimate the age of improvements by observation. I therefore rely on circumstantial evidence that may come into my possession (assessor's data, architectural plans), or conversations with those who might be
somewhat familiar with the history of the property such as the property owners, onsite personnel, or others. Parties interested in knowing the exact age of improvements on the land should contact me to ascertain the source of my data and then make a decision as to whether they wish to pursue additional investigation.

The subject property was inspected to the degree necessary for estimating market value. The appraiser is not a qualified surveyor, engineer, or environmental consultant. Because a more detailed inspection or survey goes beyond the appraiser’s expertise and the scope of this appraisal, any observed condition or other comments given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is made as to the adequacy or condition of the foundation, roof exterior walls, interior walls, floors, heating system, air conditioning system, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, I would strongly suggest that a construction expert be hired for a detailed investigation.

Information furnished to the appraiser and contained in the report was obtained from sources considered reliable. However, the appraiser assumes no responsibility for the accuracy of such items. Data limitations result from a lack of certain areas of expertise by the appraiser (that go beyond the scope of the ordinary knowledge of an appraiser), the inability of the appraiser to view certain portions of the property, the inherent limitations of relying upon information provided by others, etc. Responsibility is not assumed for errors or omissions, nor is responsibility assumed for information not disclosed that might otherwise affect the valuation estimate.

Comparable data relied upon in this report is believed to be from reliable sources. Though all the comparable sales were examined, (unless otherwise stated), it was not possible to inspect them all in detail. The value conclusions are subject to the accuracy of said data.

The values shown in this appraisal report are estimates based on my analysis as of the date of the appraisal. These values may not be valid in other time periods, or as conditions change. I take no responsibility for events, conditions, or circumstances affecting the property's market value that take place subsequent to either the date of value contained in this report, or the date of inspection, whichever occurs first.

Before relying on any statement made in this appraisal report, interested parties should contact me for the exact extent of my data collection on any point that they believe to be important to their decision making. This will enable such interested parties to determine whether they would like to pursue additional data gathering for a higher level of certainty.

The appraiser is not required to give testimony, nor is he required to appear in court or any other hearing with reference to the subject property unless arrangements have been previously made.

Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization.

Gregory W. Moore is a MAI Designated Member of the Appraisal Institute. The Bylaws and Regulations of the Appraisal Institute require each member to control the use and distribution of each appraisal report signed by such member. Portions of this appraisal report shall not be
given to third parties without prior written consent of the appraiser. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without prior written consent of the signatories of this appraisal report.

The property has been appraised in its "as is" physical condition. Although there is an issue related to legal access to the subject property (title report indicates "lack of a right of access"), in that there the subject is located roughly 0.91 miles east of the closes public roadway (Shuffield Road), there is documented long-time and uncontested access to the property, going back to 1922, and therefore the owners would have good standing to perfecting legal access through implied or prescriptive easement. See Page 80. Given the long-term use of the drive, the market would conclude the property could continue to be legally accessed. Even if the owner of the neighboring property of which the access drive crosses, the legal standing of the access drive would be strong in the eyes of the law, given the long-term stipulated use. Therefore, it is not concluded that an extraordinary assumption is necessary for this issue.

This report conforms to the Appraisal Standards as found in the 2016-2017 Edition of the Uniform Standards of Professional Appraisal Practice (USPAP), except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions required invocation of USPAP’s Jurisdictional Exception Rule, as described in Sections 1.2.7.2 and Section 1.2.4 of the Uniform Appraisal Standards for Federal Land Acquisitions (6th Edition of UASFLA).

Appraisal reports are technical documents addressed to the specific technical needs of the client. Casual readers should understand that this report does not contain all of the information I have concerning the subject property or the real estate market. I have not knowingly withheld any factors unknown to the client that I believe to be significant. However, it is always possible that I have information of significance that may be important to others, but which does not appear essential due to my limited scope of analysis and limited expertise. Casual readers are cautioned about the limitations and possible misinterpretation of the appraisal report and its' contents.

The appraiser should be contacted with any questions before this report is relied upon for decision making.
Basis of Appraisal

This appraisal and this appraisal report correspond to the appraisal and appraisal reporting requirements set forth in the Appraisal Standards for Federal Land Acquisitions ("Yellow Book"). The appraisal and appraisal report also comply with the Uniform Standards of Professional Appraisal Practice (USPAP) as formulated by The Appraisal Foundation (except where superseded through the Jurisdictional Exception rule, for compliance with the "Yellow Book"). Further, this report is prepared in conformance to the Oregon Department of Fish & Wildlife appraisal policy. A copy of your written authorization and instructions is included in the Addenda of this report.

Limiting Conditions

This appraisal is subject to the limiting conditions presented in the Addenda. The reader must read those limiting conditions for a complete understanding of the basis on which this appraisal has been completed.

Purpose of the Appraisal (Type and Definition of Value) & Report

The purpose of this appraisal is to estimate the subject's as-is, fee simple market value as of May 8, 2017. The appraisal involves the market value of a whole property (i.e., a "whole taking"), not a portion of a larger parcel, and therefore no before-and-after analysis is performed. For purposes of this appraisal, market value is defined, as directed in the Appraisal Standards for Federal Land Acquisitions, as follows:

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.

The purpose of this appraisal report is to communicate the data, reasoning and opinions used in developing the estimate(s) of market value in a manner that is meaningful and not misleading in the marketplace.

Summary of Appraisal Problems/Complications

The major complication in completing the appraisal of the subject is dealing with the uncommon nature of the subject property, being a developed wetland property without agricultural/livestock productivity, but suited to recreation, specifically waterfowl and upland bird hunting, fishing, and wildlife watching. Although there are sales of properties that are physically similar to the subject for duck hunting clubs in California, such properties are not as common in Oregon, and the subject's remote location far away from any notable population centers limits would likely limit the market demand for the property, particularly when Oregon has a good deal of hunting opportunities on public land. Still, recreation (hunting, fishing, and wildlife viewing) represents the highest and best use of the property, and the appraisal problem was considered best solved by focusing on local and
more regional sales of properties with similar and conceivably competitive nature with the subject.

**Date of Value**

The estimate of market value is as of May 8, 2017.

**Inspection of Subject Property**

Gregory W. Moore personally inspected the subject property on May 8, 2017. The owner of the property, Carol Edmunds joined the appraiser on the inspection. The inspection involved driving around the property, with the owner pointing out the most notable elements of the property, taking photographs, and measuring the structural improvements on the site.

**Date of Report**

The report has been prepared starting on May 6, 2017. The preparation of the report was originally completed on June 30, 2017, then revised to handle several clarifications and minor corrections on October 9, 2017.

**Property Rights Appraised**

The rights being appraised are fee simple ownership.

**Client**

Karen Toffe, Realty Specialist  
Oregon Department of Fish & Wildlife  
4034 Fairview Industrial Drive SE  
Salem, OR 97302

**Intended Use**

The intended use of this appraisal is to assist the client with evaluation relative to the acquisition of the identified property.

**Intended Users**

The only intended users of this appraisal report are the client and duly appointed representatives of Oregon Department of Fish & Wildlife. This report is written specifically to meet the needs of the clients/intended users. No third party can use or rely upon this appraisal report.

**Scope of Work**

The scope of work involves sufficient research related to the regional/local market, as well as the physical and legal characteristics of the subject property and comparable market data, application of all applicable methods of valuation. This appraisal is reported in an Appraisal

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**Basis of Appraisal**
Report format, summarizing all information and analysis necessary for the intended users to a complete understanding of the appraisal conclusions.

Regional / Neighborhood Market Area Research

The regional and local neighborhood market area has been researched in an effort to discover recent events and trends that affect the highest and best use and property values related to the subject property. On a broad basis, population and employment/economic statistics were researched, along with published news articles, professional journals, and market reports. Further, the appraiser’s Work File (which includes electronic and hard copies of other appraisals and supporting documents) provides additional understanding of trends and values.

Research of the Subject Property

Investigation into the legal, physical, financial parameters affecting the subject property included a thorough research of:

- Assessment records for site and improvement details, assessed values and taxes, and ownership history,
- Clerk/Recorders documents (deeds),
- LoopNet, rMLS & MLS (Multiple Listing Services) records for sales and listing activity,
- Preliminary title report, as provided by the client,
- Review of property information regarding the subject, provided by the owner,
- Personal interview of the subject owner,
- Other sources of market information

The investigation of the subject property included a property inspection of the subject property, performed personally by Gregory Moore. The inspection involved driving and walking around the property, with an attempt to identify the boundaries of the property, and through the middle of the site. The appraiser also took measurements of the existing improvements for use with the computer sketching program Total Sketch in order to develop floor plans and improvement area estimates. The inspection also involved taking photos and writing notes. The subject owner was also interviewed to provide additional understanding of the property. The subject owner joined the appraiser during the property description.

The inspection was sufficient for estimating the market value of the property, attempting to inspect the property consistent to the degree that a prospective buyer would look into the property. However, the appraiser is not an engineer, building inspector, pest controller, or other inspection expert. While the appraiser did not note any evidence of problems related to such issues, the appraisal inspection was not so detailed as to discover any engineering deficiencies, structural damage, hazardous materials or infestation. The appraiser recommends full inspections by experts in these areas if a more complete understanding of any of these hazards is desired.

The appraiser, Gregory W. Moore, has performed many appraisals of similar properties over the past few years. The file data for the appraisals of similar properties, held by
Appraisal Group of Central Oregon, LLC, was reviewed for additional market data and trends.

Research of Comparable Properties

The search for comparable sales and/or leases, and the physical, financial and legal factors affecting the properties, involved a research of the following:

- rMLS & MLS (Multiple Listing Services) records,
- Loopnet "Recent Sales" for sales, and active listings of properties for sale or lease,
- Realtor interviews,
- Consultation with appraiser colleagues,
- Assessment records,
- Clerk/Recorders documents (deeds),
- Other sources of market information.

The local market was researched for sales and listings, marketing times, absorption rates, permits/applications for new competitive developments. This research not only provided information relative to market values, but also for supply/demand dynamics.

A search was made within the Central and southeast Oregon area for sales data of comparable properties. Given the limited amount of market data involving similar properties the market research was expanded to consider sales of properties suitable to similar recreational use (waterfowl and upland bird hunting, fishing, wildlife viewing, etc.) from throughout the Oregon, Washington, and Northern California area. The research focused on sales that occurred over the past two years. Unless otherwise specifically indicated, all primary sales and/or leases used in this report have been verified by at least one knowledgeable party (buyer, seller, owner, tenant, realtor, or leasing agent) involved with the sale/lease unless otherwise stated.

Gregory Moore performed an exterior inspection from the street for all primary comparable sales analyzed in the appraisal unless specifically indicated otherwise (due to remote location, locked gates, inclement weather/road conditions, or other limitations).

Scope of Analysis

This appraisal conforms to the Appraisal Standards as found in the current (2016-2017) Uniform Standards of Professional Appraisal Practice (USPAP) and the Uniform Standards for Federal Land Acquisitions. There are three fundamental approaches to value that may be considered.

1. Cost approach
2. Sales comparison approach
3. Income approach

The cost approach is arrived at by estimating the value of the site and adding to this the reproduction cost of the improvements less accrued depreciation. The reliability of this approach is based upon an accurate estimate of land value determined by sales of comparable sites plus an accurate estimate of reproduction cost new less accrued
depreciation as determined from a market analysis. When analyzing farms and ranches, market participants often place heavy weight on the cost approach methodology to estimate the contributory value of existing improvements, with the dominance of value related to the land, which is estimated using the sales comparison approach.

The sales comparison approach attempts to measure value from the market by direct comparison of the subject property with sold properties. For this approach to have validity, the sold properties must have a reasonable degree of comparability with the subject. Several different units of comparison may be used. As just discussed, the sales comparison approach is the primary method of estimating the market value of farm and ranch land, typically based on the price per acre on an overall basis or allocated to the various parts of the land (i.e., irrigated land, pasture, range, etc.). The sales comparison approach is also the primary method to estimate the market value of rural acreage homesteads, commonly considering both the price per acre and the overall price per homestead.

The income approach utilizes the capitalization of net income into value. Value is considered to be the present worth of anticipated future benefits. Reliability of this approach is dependent upon accurate projections of economic rent, expenses and capitalization rate. Consideration must also be given as to whether the subject property is typically an investment type property or an owner-user type of property. In the case of the subject’s property type, the market does not consider the rental income potential of the property when considering the market value. Therefore, there is no market support for applying the income approach in valuing the subject property.

The market value conclusion reconciles the value conclusions of the various valuation approaches, considering the various strengths and weaknesses of each method. The reconciliation of market value does not “average” the results of the approaches, but considers which approach(es) most closely resemble(s) the thought processes of typical buyers and sellers, which approaches have the strongest support from the market data available in this case, and how the other approaches (if applicable) support of conflict with the conclusion of the approach considered best supported.

This level of analysis is satisfactory for the intended use and users of the appraisal. The analysis and valuation of the subject considers the findings of the research and concludes the estimates of the fair market value.

Scope of Reporting

The appraisal is reported in an appraisal report format. The appraisal has also been reported in conformance with the Uniform Appraisal Standards for Federal Land Acquisitions. The report format presents a summary of the data and analysis that contributed to my value conclusions. I have expanded portions of my analysis that are most pertinent to give the intended users a better and more thorough understanding of the valuation complexities. The detailed data and analysis not presented here, but necessary for a complete understanding of my conclusions, remains in my work file.

Delivery of the appraisal report to the client constitutes the completion of this assignment.
Competency of the Appraiser

The appraiser has the appropriate knowledge and experience to complete the appraisal assignment competently. See the appraiser qualifications at the end of this report.

Prior Three and Five Years Sales History

There have been no sales involving the subject property within the three, or even five years prior to the date of value or date of this report. Please refer to the Subject History on page 23 for more information on prior sales of the subject property.
Property History, Identification, Assessment Data & Larger Parcel

Property Identification / Legal Description

A legal description for the subject can be found in the pending purchase/sale agreement in the Addenda.

Assessment Data

The subject property consists of five tax lots. The following table summarizes the assessor’s identification (Lake County), acreage, assessed values, and taxes for the subject property. Following the table is the corresponding plat map displaying the subject property.

<table>
<thead>
<tr>
<th>Plat Map</th>
<th>Tax Lot</th>
<th>Tax Acct.</th>
<th>Site Acres</th>
<th>Assessor’s Market Values</th>
<th>Taxable Value</th>
<th>Property Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>29S-17E-00</td>
<td>1100</td>
<td>8169</td>
<td>83.13</td>
<td>$98,559</td>
<td>$119,815</td>
<td>$218,374</td>
</tr>
<tr>
<td>---</td>
<td>1102</td>
<td>17417</td>
<td>160.59</td>
<td>$137,067</td>
<td>$52,913</td>
<td>$189,980</td>
</tr>
<tr>
<td>---</td>
<td>1200</td>
<td>6171</td>
<td>80.00</td>
<td>$80,720</td>
<td>$0</td>
<td>$80,720</td>
</tr>
<tr>
<td>---</td>
<td>1300</td>
<td>8172</td>
<td>160.00</td>
<td>$30,949</td>
<td>$0</td>
<td>$30,949</td>
</tr>
<tr>
<td>---</td>
<td>2400</td>
<td>8193</td>
<td>80.00</td>
<td>$69,990</td>
<td>$0</td>
<td>$69,990</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
<td><strong>563.72</strong></td>
<td><strong>$417,285</strong></td>
<td><strong>$172,728</strong></td>
</tr>
</tbody>
</table>

(-3% discount for on-time payment) $116.86

Overall Millage Rate = $12.4802 per $1,000

<table>
<thead>
<tr>
<th>Tax Lot</th>
<th>Improv.</th>
<th>Sq. Ft</th>
<th>Yr. Built</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1100</td>
<td>House</td>
<td>1,320</td>
<td>2004</td>
<td>2-bathrooms</td>
</tr>
<tr>
<td>1102</td>
<td>House</td>
<td>1,234</td>
<td>1975</td>
<td>2-bed/1-bath</td>
</tr>
</tbody>
</table>

Subject History

The subject property is under the ownership of Donald R. Edmunds Trust (Carol Edmunds), who have owned the subject property for more than ten years. There is no evidence of any sales or marketing involving the subject property within the five years prior to the date of this report or the date of value. In fact, there have been no sales involving the subject property in well over 10 years, with the owners taking possession of the property in the 1990s. The property was acquired by the owners for recreational purposes, and they have developed the water features (ponds, canals, ditches, streams, etc.) on the property over the years utilizing heavy machinery (excavators, bulldozers, etc.). The features were largely engineered, laser-leveled/ measured, etc. The property has been utilized for recreation and wildlife viewing, at times used as a ducking hunting club, personal fishing, and as a retreat for children and others for wildlife viewing and fishing.

The earliest acquisition involves the Edmunds acquisition of Tax Lot 1100 (split, creating 1101 & 1102) on March 1, 1990 from LH Ranch, Inc. for $71,744 (Contract Deed #214673, completed on February 7, 2008 with Deed #271-562). 1101 was sold off to Vernon D & Connie L. Eastman on March 8, 2006 for $120,000. The Edmunds acquired Tax Lots 1200 & 2400 from HL Ranch, Inc. on May 5, 1994 for $40,000 (Deed #225-721). The Edmunds
acquired Tax Lot 1300 from LH Ranch, Inc. on November 7, 1997 for $40,000 (Deed #261-156).

**Larger Parcel**

When performing appraisals for federal land exchanges and acquisitions it is necessary to determine the "larger parcel" for which the subject real estate is associated. This is particularly relevant when appraising a partial acquisition, but should be identified for all appraisals. The larger parcel considers continuity of ownership and use, and is critical to consider when estimating the total impact on value of an acquisition from the larger parcel, rather than simply the independent value of the acquisition. In the case of this appraisal, the acquisition parcel is the larger parcel, as the owner does not own any nearby land with continuity of use.
Area and Neighborhood Analysis

The subject is located in the Summer Lake area, in northwest Lake County. Lake County is a very large county, with the main town and county seat located in the southeast corner of the county, in Lakeview. Lake County is a sparsely populated county, based on agriculture and forestry. The subject's location is about equidistant from Central Oregon communities of La Pine and Bend, as well as Klamath Falls, compared to Lakeview, and the market trends from the Central Oregon and Klamath County areas compared to Lakeview. Therefore, the area overviews from both Central Oregon and Lakeview are presented here.

Central Oregon Area Overview

Central Oregon is characterized by high quality of life characteristics that have led to both historic instability as well as a growing/diversifying economy. The local climate is defined as semi-arid, and is generally pleasant year-round. Along with the climate, Central Oregon offers exceptional scenic, recreational, and environmental qualities, which has led to the rapid population growth and diversifying economy. The local economy has transitioned from primary industries (wood products and agriculture) and low-value tourism to secondary production, technology, service, and craft/recreation industries (brewing, recreation products, aviation, etc.), as well as high-value tourism. A more comprehensive area analysis is presented in the addenda of this appraisal report.

Rapid growth is a dominant factor in Central Oregon over the past two decades. Deschutes County grew 53 percent during the 1990's (75,600 to 115,367), and the growth accelerated from 2000 through 2006, with another 32.3% increase (up to the 152,615 in 2006). Redmond displayed nearly 75% growth from 2000 through 2006, with the population increasing from 13,481 to 23,500. During the same period, Bend increased 44.7%, from 52,029 to 75,290. Growth slowed late in the 2000s, but has regained steam in the mid 2010s. Deschutes County witnessed the 7th fastest population growth of all American Metropolitan Statistical Areas (MSAs) during 2014. The area is anticipated to continue growing, with the Bend Metropolitan Area projected to exceed 190,000 by 2025, and reach over 300,000 by 2050. The high level of population growth is predominantly due to new residents attracted by the high quality of life, many of which are highly educated and entrepreneurial in nature.

The economic health of Central Oregon strengthened considerably in the 1990s and through 2007, although still with some serious weaknesses. While it had unexpected diversity for an area of its population, isolation, and tourism influence, employment in the development industry (construction, real estate professionals, etc.) and influence from speculation were both at very high levels, leading to the area being exceedingly hard hit during the recession of the late 2000s. All classes and categories of real estate had increased dramatically in value through 2006. When the market slowed in mid-2006 as a result of the slumping national real estate market, over-development, the sudden withdrawal of demand from developers and investors, and problems with the financial markets, conditions were ripe for a collapse. Conditions were characterized as a full economic and real estate crash staring in 2008, with many property classes dropping more than 50% from 2008 through the end of 2010, with some development land classes declining more than 90% in value.
Signs of life in the market were apparent in 2011, with dramatically decreased inventory of houses for sale, increasing median home prices, and surging numbers of sales of commercial properties. The recovery gained steam from 2012 through 2014. Today, the local economy is considered to have made a full recovery, with a more diversified and stronger economy than that of the pre-recession boom, and the real estate market is nearing, if not surpassing the pre-recession highs. The current state of the market is that of a strong, diversified economy, fueled by 21st Century business, balanced tourism, new educational opportunities, and increasing scarcity in the real estate market.

**Lakeview Area**

Lakeview is a “rural” city, relatively isolated, in the sparsely populated south-central/southeastern side of Oregon, in an area dominated by ranching, farming, and timber production. Lakeview is located at the intersection of Highway 395 and Highway 140. Highway 395 is a major highway corridor linking Northeast California (Alturas, etc.) and Northwest Nevada (Reno). Highway 140 links Southern Oregon (Klamath Falls and Medford/Ashland) with Northern Nevada (Denim and Winnemucca). The area has been very stable with regard to population and economic development throughout its recent history. The area surrounding Goose Lake and the Warner Creek Valley (south, west, and northwest of Lakeview is predominantly made up of farming (hay) and pasture, while areas to the north and east and further to the west consist of forest and rangeland, with abundant public lands.

There is a State-run minimum-security work facility northwest of Lakeview, which cost $18,000,000 and employs over 100 permanent jobs. There is also a proposed natural gas transmission line that will cross Lake County from east to west, which should bring business to the local economy.

Lake County has remained much more stable over the past 25 years, largely skipping the boom and largely escaping the bust that has hit other areas of Oregon.

**Northwest Lake County**

The subject is located on the northwest part of Lake County, just north of the small rural community of Summer Lake. Summer Lake is one of several small agriculture-based communities in the area, which also includes Silver Lake, Christmas Valley, and Fort Rock. The most intensive land uses in the area include irrigated hay crop cultivation, most prevalent in Christmas Valley and Fort Rock. Seasonal grazing and balanced livestock operations are also common in the area. Recreation is also an important element in the area, particularly around Summer Lake, where wildlife viewing (birds, Big Horn sheep, antelope, etc.), waterfowl hunting, and fishing (Ana Reservoir and Ana River) draw strong numbers of visitors to the area. Goods and services are limited in the area, with small cafes and stores, as well as some primary schools.
## Subject Soils Inventory

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Name</th>
<th>Capability Class</th>
<th>Productivity Rating</th>
<th>AOI</th>
<th>Acres</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>119C</td>
<td>Kowake-Helphenstein complex, 0-15% slopes</td>
<td>N/A</td>
<td>7</td>
<td>441</td>
<td>487.1</td>
<td>86.5%</td>
</tr>
<tr>
<td>121C</td>
<td>Kewake-Ozarnis-Reese complex, 0-15% slopes</td>
<td>N/A</td>
<td>7</td>
<td>728</td>
<td>54.5</td>
<td>9.9%</td>
</tr>
<tr>
<td>W</td>
<td>Water</td>
<td>N/A</td>
<td>---</td>
<td>8.7</td>
<td>8.7</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Subject Property Description – Soils Map
Subject Property Description - Site

Location & Access

The subject is located at East of Shuffield Road (Co. Hwy 4-16A), 1.5 Miles North of Carlon Road in the vicinity of Summer Lake, in northwestern Lake County, Oregon. Summer Lake is roughly 75 miles northwest of Lakeview, and about 80 miles southeast of La Pine (Deschutes County). Direct access to the property is by way of a long (0.9 miles to the property, 1.4 miles to the farmstead), dirt driveway, east of Shuffield Road (Co. Hwy 4-16A), 1.5 miles north of Carlon Road. The property is located in the generally flat and gently rolling former lake-bed land northeast of Summer Lake. The property offers nice views of the mountains to the west and southwest (Winter Rim), as well as territorial views of the mesa like land features surrounding to the east and north. The subject is set at roughly 4,245 to 4,275 feet above sea level.

Site Area and Layout

The Lake County Assessor estimates the subject size as 563.72 acres. For purposes of this report, I assume the Lake County Assessor’s records are correct. Although there may be minor variances, I believe the market would assume these records are accurate. The property is generally blocked, with a prominent rectangle, along with another extended rectangle on the north side of the property. The site is gently rolling, but with very limited overall topographical features. There are more than 15 ponds on the property, all excavated by the current owners over the years, well designed and developed to offer a highly natural appearing wetland property. The table to the right shows the layout of the subject, with the acreage for the lots, as measured by the appraiser, utilizing Google Earth Pro. (measurement based on water levels as of the imagery date, July 5, 2014).

The ponds on the subject property are man-made, developed by the owner over the past two decades, taking advantage of the subject’s exceptional water resources which flow year round from artesian wells. The ponds have been designed to resemble a natural set of ponds and wetlands that would be common in a delta area where a stream might flow out onto bottomland from upland areas. The ponds are supplied with water and linked to the artesian wells (along with three well houses) and each other by a complex set of mainlines (at least 1 mile of 6” PVC pipe), ditches, and culverts.
The net result is a natural lacustrine and wetland resource providing fish and wildlife habitat and recreation (fishing, hunting, wildlife viewing, etc.).

**Soil, Subsoil and Drainage**

The United States Department of Agriculture, Soil Conservation Service, shows there is two types of soil on the subject property, as summarized in the following table:

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Map Unit</th>
<th>Capability Class</th>
<th>Productivity Rating</th>
<th>AOI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>119C</td>
<td>Kewake-Helphenstein complex, 0-15% slopes</td>
<td>N/A</td>
<td>441</td>
<td>487.1</td>
</tr>
<tr>
<td>121C</td>
<td>Kewake-Ozamis-Reese complex, 0-15% slopes</td>
<td>N/A</td>
<td>728</td>
<td>54.5</td>
</tr>
<tr>
<td>W</td>
<td>Water</td>
<td>N/A</td>
<td>8.7</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

The subject soils are fairly deep to bedrock, loamy, poorly drained with slow permeability and alkaline and saline in nature. These soils are not in irrigated areas, and therefore, the soil classification description does not offer capability designation. However, it is likely, considering other similar soils, to be in the range of 3 or 4, with irrigation.

**Mineral Deposits/Reserves**

The subject does not include any significant mineral deposits/reserves that are marketable without unacceptable damage to the overall property and its highest and best use and marketability.

**Flood/Other Hazards**

The subject property has not been mapped by FEMA with regard to flood hazard. However, according to Flood Insurance Rate Map 410115 0950B, which is just west of the subject property, it is not likely any part of the subject lies within a flood hazard area. It is likely the subject lies with the equivalent of Zone A, a zone considered to be an area of minimal flooding.

According to the Oregon Department of Geology and Mineral Industries, Central Oregon is in Zone III, which requires most buildings to be designed for 0.2-G acceleration. The current probability of the occurrence of a seismic event in this zone has been calculated as 5 to 25 percent in the next 50 years based on one data set related to the Cascadia subduction zone.

I noted no underground or above ground liquid fuel storage tanks during my inspection. This appraisal assumes there are no hazardous materials present on the subject. Before further development is considered, the potential for hazardous materials should be fully explored by a qualified engineering firm.
Zoning

The subject is zoned A-2, Agricultural Use Zone by the Lake County. Permitted uses in the zone include farming and ranching activities, along with associated residential improvements (typically one per farm parcel, although farm labor housing and grandfathered residences are permitted). Minimum lot size in the A-2 zone is 160 acres, making it possible for the subject to be split and held separately for multiple home sites. Recreation use, such as that which has been employed on the subject, is also permissible under the zoning.

Easements, Encroachments, Liens & Special Assessments

A preliminary title report was provided and reviewed. There were no notable unusual easements or other legal restrictions upon the appraiser’s review of the title report. However, it should be stressed that the subject is not an expert in land use law, and recommends the client contract one if a higher degree of certainty is desired relative to such legal issues. It is assumed that any existing easements, encroachments, or other legal restrictions, if any, have no effect on market value.

According to the preliminary title report, provided by the client, there were five general exceptions (typical of most properties), and 13 “special exceptions” (specific to the subject property). They are summarized, here:

#6 — Discusses that taxes are deferred on the subject, as is typical in Oregon for farm-use classified properties. This has no impact on market value, compared to the competitive market data.

#7-11 — Telephone / utility easement granted to Telephone Utilities of Eastern Oregon, Inc. This is typical of properties in the area, and does not impact market value.

#12 — 50’ easement along southern portion on Parcel #2. This would be on the far southern edge of the property, and would not represent a notable impact on the utility of the property, or its market value.

#13 — Comments on loss “arising by reason of any lack of a right of access to and from the Land”. The subject property has utilized a recognized drive for accessing the property throughout its modern history, and would most likely be considered an implied

Utilities & Services

The subject property is served with electricity and telephones. The property uses private wells and septic systems for domestic water and waste. Cellular reception is good in the area, and broadband communications are available through private satellite system.

Water Rights

The subject has unusual water resources, and a variety of water rights.
Certificate 83082 / Permit G-11952
This water right sources water from Edmunds Well and Hale Well, for Wildlife Habitat Use (including waterfowl attraction, waterfowl rearing areas and ponds, and fish rearing ponds). Priority is March 11, 1994. The certificate allows for up to 1,705 gallons per minute (1,500 GPM from Edmunds Well, and 205 GPM from Hale Well).

Certificate 82041 / Permit G-10729
This water right sources water from Edmunds Well, for Wildlife Habitat Use. Priority is June 4, 1987. The certificate allows for up to 1,500 GPM from Edmunds Well.

Certificate 73395 / T-9970
Transferred a portion of Cert. 73395 in the name of George E. Carlon, which had been used to irrigate 48.1 acres utilizing up to 3.0 acre feet (at 0.6 cubic feet per second) of water per year from two wells.

These are perpetual use water rights, not restricted to season, but the owners must monitor the volume of water. These are artesian water sources, with naturally pressurized groundwater, eliminating the need for pumping. In summary, the subject’s water rights provide adequate year-round water to support the wildlife habitat and recreational use, more specifically keeping the ponds on the subject property full. The water flow does drop off some during the summer, and with evaporation, some of the ponds do shrink as water drops.
Subject Property Description – Improvement Sketch

TOTAL Sketch by a la mode, inc.

<table>
<thead>
<tr>
<th>Area Calculations Summary</th>
<th>Calculation Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living Area</td>
<td></td>
</tr>
<tr>
<td>Palmer House – 1st Fl</td>
<td>929.5 Sq ft</td>
</tr>
<tr>
<td>Fin &amp; Feather Lodge</td>
<td>1320 Sq ft</td>
</tr>
<tr>
<td>Palmer House – 2nd Fl</td>
<td>352 Sq ft</td>
</tr>
<tr>
<td><strong>Total Living Area (Rounded):</strong></td>
<td><strong>2602 Sq ft</strong></td>
</tr>
<tr>
<td>Non-living Area</td>
<td></td>
</tr>
<tr>
<td>Detached Garage/Shop</td>
<td>544 Sq ft</td>
</tr>
<tr>
<td>Palmer House 2nd Fl Deck</td>
<td>320 Sq ft</td>
</tr>
<tr>
<td><strong>TOTAL Sketch software by a la mode, inc. 1-800-alamode</strong></td>
<td><strong>TOTAL</strong>: 3230 sq ft</td>
</tr>
</tbody>
</table>

Bedroom Living Bedroom

Bedroom Living Dining

Bath Kitchen Bath

Garage / Shop

2nd Floor Deck

TOTAL Sketch by a la mode, inc.

Subject Property Description – Improvement Sketch
Subject Property Description - Improvements

The subject property is improved with some modest structures that fit well with the recreational use of the property. The following table summarizes the improvements:

<table>
<thead>
<tr>
<th>Structure</th>
<th>Age/Effective Age</th>
<th>Anticipated Econ. Life</th>
<th>Physical Deprec.</th>
<th>Dimensions</th>
<th>Size (Sq. Ft.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fin &amp; Feather Lodge</td>
<td>2004, 10 years</td>
<td>60</td>
<td>17%</td>
<td>1-sty, 2-bed/2-ba</td>
<td>1,320</td>
</tr>
<tr>
<td>Fin &amp; Feather Garage / Shop</td>
<td>2008, 9 years</td>
<td>50</td>
<td>18%</td>
<td>17x32</td>
<td>544</td>
</tr>
<tr>
<td>Palmer House 1st Floor</td>
<td>1975, 35 years</td>
<td>60</td>
<td>58%</td>
<td>1-bd/1-ba</td>
<td>930</td>
</tr>
<tr>
<td>Palmer House 2nd Floor</td>
<td>1975, 35 years</td>
<td>60</td>
<td>58%</td>
<td>2-bd</td>
<td>352</td>
</tr>
<tr>
<td>Palmer House Total</td>
<td>1975, 35 years</td>
<td>60</td>
<td>58%</td>
<td>3-bd/1-ba</td>
<td>1,282</td>
</tr>
<tr>
<td>Palmer House 2nd Floor Deck</td>
<td>1998, 19 years</td>
<td>25</td>
<td>76%</td>
<td>8'</td>
<td>320</td>
</tr>
<tr>
<td>Miscellaneous Site Improvements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Fin & Feather Lodge & Garage**

The Fin & Feather Lodge building is designed to serve as a highly functional vacation dwelling, or for paying lodgers, given the size. The building has a wood frame structure, with gable roof (composition shingles), cedar board & bat siding, and vinyl windows. Interior, the house has standard-quality flooring (carpet, vinyl, etc.), cabinets, and appliances. The structure has mirror-image bedrooms and baths, set up for maximum occupancy to hold larger groups. The character of the house is that of a good quality, but Spartan remote residence to serve for recreational use. The house has had less use than typical of its actual age.

**Palmer House**

This is the older house on the property, a 1975-vintage 2-story house with traditional wood frame, board & bat siding, and gable roof (metal). Again, the house has standard-grade flooring (carpet & vinyl), counters (laminate), cabinets, and appliances.

**Other**

The subject has a variety of other improvements, notably three pump houses at the artesian well heads. While structural in nature, their utility is entirely related to the supply of water to the ponds, and therefore, adding value for the shed structure on top of the value inherent to the ponds would be “double-dipping”. Since the sheds do not add any utility to the lakes that would not be inherent in the lakes if they were naturally supplied by surface water, rather than from the artesian wells, there is no contributory value above what is supported for the ponds from the market data, meaning what people pay for such lakes. This is consistent with farms, where well houses do not contribute any more value to the property than the value inherent in the farmland.
**Highest and Best Use Analysis**

The *Uniform Appraisal Standards for Federal Land Acquisition* defines highest and best use as:

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. If improved, the highest and best use should consider the property as vacant and as improved. The highest and best use may involve an interim use that continues until anticipated changes in conditions (market and/or subject) occur that warrant developing the site to its true highest and best use.

A thorough highest and best use analysis must consider the highest and best use of the property as it is improved as of the date of value, and as though it were vacant. As stated above, the highest and best use must be legally permissible, physically possible, financially feasible, and result in the highest value (maximally productive). The use that produces the highest residual land value is the highest and best use. Such an analysis may show that the current improvements do not support the highest and best use of the property. That use may be an interim one that should continue until conditions warrant developing the site to its highest and best use as though it were vacant. The highest and best use is thoroughly discussed and developed within this report.

Specifically related to this appraisal for compliance with the Appraisal Standards for Federal Land Acquisitions ("Yellow Book"), the subject property must be considered to determine if the property is part of a larger parcel that includes other lands, or whether the subject, in itself, constitutes the larger parcel. In this case, the appraisal project is not related to a condemnation action, and does not involve a partial taking. Instead, the appraisal project considers the market value of an individual parcel under full fee simple ownership, and not related to surrounding lands. Another consideration related to "Yellow Book" is that the highest and best use must be an economic use, restricting uses such as conservation, natural lands, preservation, or any use that requires the property to be withheld from economic production in perpetuity for the basis of estimating the market value of the property.

Estimating the highest and best use involves market analysis, considering the subject’s physical characteristics, market growth patterns, and supply and demand factors.

The subject property is improved; therefore the highest and best use as vacant analyzes the site under the hypothetical that it is vacant and available to be put to its highest and best use. The following factors must be considered in making an analysis:

1. Legal uses permitted
2. Physically possible uses
3. Financially feasible uses
4. Maximally productive
As Vacant

Legally Permissible & Physically Possible

The subject includes 563.72 acres of land zoned A-2 in the vicinity of Summer Lake, in northwestern Lake County. The property is zoned A-2 for agricultural use by the Lake County Planning Department. This zone is intended to preserve and promote the productive and efficient agricultural practices in the area, and to restrict those uses that negatively impact the agricultural production of the area. The zone promotes farming, ranching, and related uses. Residential development is limited to one farm/ranch dwelling for every 160 acres. Typical farm and ranch improvements are permitted outright. Agriculturally related commercial improvements are approved subject to review. The subject is currently improved with two residences. Although it is possible to further partition the site to facilitate development of more home sites, it is not common that farm/rangeland properties are partitioned to the highest degree possible in the subject area.

The property is not physically suited to agricultural use, with no irrigation water rights, and pool productive capabilities of the land, given the high alkalinity and lack of irrigation. However, the subject’s water rights and layout make the property well suited to recreation use, namely for private bird hunting (waterfowl and upland birds), fishing, and other seasonal recreation. The amenity of the recreation is discounted by the remote location and lack of reasonably close amenities such as fine dining and all-season attractions.

Another potential option for the subject would involve modifying the water rights to allow for commercial fish production, specifically brood-stock development, egg production, and early rearing of smolt that could then be transported to other water for faster growth. The subject’s water is pure and relatively cold, which are positive factors for broodstock development and egg production, but results in slow growth of fish for planting or meat fish development. However, while this is an option, at this time, such would represent a speculative opportunity for some prospective buyers, but not a clearly recognized highest demand market for the subject.

Financially Feasible & Maximally Productive

With very little agricultural potential (either farming or livestock production), recreation becomes the most obvious use that would support the highest demand and value. The property offers very good opportunity for bird hunting and fishing, far higher in demand and supportable value than the property would support for just farming or livestock production, given the lack of irrigation and the highly alkaline soils. The negative, relative to recreation, including duck hunting, is that the subject is highly remote, set more than two hours from any notable population centers, and several hours further from any major metropolitan areas, and with very little in the way of surrounding amenities such as dining, shopping, or other recreation features, it would represent a property with notable marketing challenges.
Conclusion

The highest and best use of the subject property, as if vacant and available for development, would be for recreation use, namely bird hunting, fishing and wildlife viewing, with at least one vacation residence, possibly a farm hand house.

As Improved

Legally Permissible & Physically Possible

The subject, as improved, involves two residential structures, a garage, and site improvements. The improvements are modest in nature, size, and quality, and are well suited to the site in light of the highest and best use of the property, as if vacant. It would be legally permissible to raze, replace, expand, or remodel/renovate the improvements, but there is no specific inadequacies or issues that would dictate actions.

Financially Feasible & Maximally Productive

The improvements on the subject are consistent with the highest and best use of the property as if vacant. Therefore, while it may be desirable for many market participants to develop all new residential improvements or outbuildings, the improvements are functional, and there is no specific changes that would be noted by most market participants.

Conclusion

The highest and best use, as improved, is to retain the property as-is.
**Sales Comparison Approach – Land Valuation**

The first step in the market value analysis involves estimating the market value of the land. The best way to estimate the value of the subject land is to research and analyze recent sales of similar/competitive property in the local market. The subject property involves a recreation property with limited agricultural potential, but including rangeland, lacustrine/riparian habitat, wetlands, and good privacy. The property offers very good recreation character, highlighted by fine fly fishing on the on-site ponds for trout and bass, and excellent habitat / cover for waterfowl and upland birds. As a result, the most probable buyer for the subject is someone looking for acreage with good recreation opportunities, and not heavily concerned with proximity to amenities such as shopping or dining. The most important factors to be considered when analyzing sales of comparable property include recreation amenity (river/stream/lake/pond), water resources, size, zoning, site layout, and location. Specifically, the recreation ranch amenity is augmented by factors such as control of both sides of a river (when applicable) and limited boat-in fishing (leads to exclusivity), quality of on-site fishing runs, duration of the recreation season, proximity to population centers / dining / shopping / transportation resources (airports), and number and quality of home sites. In the case of the subject, the property offers poor livestock production capabilities on the pasture (limited by the lack of irrigation and alkalinity of the soils), and the recreation amenity is mixed, with good privacy and reasonably long fishing season offset by relatively remote location and variable fishing quality (good and bad years).

This analysis will estimate the market value of the land and ponds as integral to its recreation and scenic highest and best use. Additional sales will be discussed later that involve local sales for estimates of puritan land values for specific land categories.
### Summary of Comparable Ranch / Pasture Sales

<table>
<thead>
<tr>
<th>#</th>
<th>Situs Location</th>
<th>Acres</th>
<th>Irrig. Farmland</th>
<th>Price Date</th>
<th>$/acre Irrig. Pasture</th>
<th>$/acre Ancillary</th>
<th>Farmstead Lump $</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Buck Creek Home Site</td>
<td>637.92</td>
<td>None</td>
<td>12/21/2016</td>
<td>$0</td>
<td>$924</td>
<td>$25,000</td>
</tr>
<tr>
<td>2</td>
<td>44807 Highway 97</td>
<td>1,012.30</td>
<td>Flood/sub-irrig. pasture/meadow, river front riparian</td>
<td>4/7/2016</td>
<td>$2,600</td>
<td>$384</td>
<td>$175,000</td>
</tr>
<tr>
<td>3</td>
<td>32120 Gadowa Springs Rd.</td>
<td>2,095.01</td>
<td>410 ac sprinkler-irrigated (2 pivots, 9 wheels), 1,000 ac flood-irrigated pasture.</td>
<td>12/11/2014</td>
<td>$2,850</td>
<td>$932</td>
<td>$50,000</td>
</tr>
<tr>
<td>4</td>
<td>44292 Highway 31</td>
<td>1,374.00</td>
<td>120 ac flood-irrigated pasture</td>
<td>8/28/2014</td>
<td>$2,750</td>
<td>$503</td>
<td>$50,000</td>
</tr>
<tr>
<td>5</td>
<td>North End of Island Rd</td>
<td>1,350.02</td>
<td>193 ac irrig. pasture, 289 ac meadow</td>
<td>4/25/2014</td>
<td>$8,000</td>
<td>$5,074</td>
<td>$250,000</td>
</tr>
<tr>
<td>6</td>
<td>9907 Dixon Rd.</td>
<td>2,257.31</td>
<td>1,825.07 ac flood-irrigated pasture</td>
<td>3/12/2013</td>
<td>$2,750</td>
<td>$1,842</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

### Comparable Sale Discussions

The sales are presented according to their date of sale. The following analysis provides some summary information from the detailed sales sheets presented in the addenda, as well as relational discussion of the properties compared to the subject.

**Sale 1** — Buck Creek Home Site, Silver Lake, Oregon  
$650,000, December 2016  
637.92 acres  
$956/acre (land, overall), $924/ac (range), $485,000 recreation value.

This property involves an off-grid recreation property set in the hills west of Silver Lake off Freeman Spring Road about five miles south off Buck Canyon Road (about 5 mi. es west of Silver Lake). The property has about a 1.7-mile private driveway, behind a locked gate. The property is set along Buck Creek, with excellent privacy and nice recreation opportunities, surrounded by BLM land. Buck Creek is a small stream with native trout, offering nice fishing. It is possible to land a bush plane at the property. The house is a simple, off-grid cabin. The property was offered for sale at $699,900 at the time of sale, which was the original offering price. If the rangeland was allocated $200/acre (approximate ag utility value) and the homesite allocated at $25,000, the residual land value of roughly $485,000 would relate to the recreation value in this sale. This property is most similar relative to the combination of location, size, and focus on recreation with no notable agricultural value, but would be considered inferior to the market value for the subject, given the subject’s exceptional water resources, which would attract more wildlife for hunting and watching, and better fishing with better year-round accessibility. Therefore, this sale is considered to support a unit value of at least $1,000 per acre for the subject’s rangeland, and higher for the subject’s ponds.
Sale 2 – 44807 Highway 97, Chiloquin, Oregon
1,012.3 acres
$1,091,932, April 2016
$990/acre (overall), $2,500/ac (irrig.), $385/acre (range)

This property involves a large tract of meadow/pasture and woods along the Williamson River, east of Highway 97, north of Chiloquin, and just south of Lake Creek / Collier State Park. This stretch of the Williamson River offers excellent fishing for trophy rainbow coming up out of Klamath Lake (the Williamson is renowned as one of the best trophy rainbow fisheries in the Lower 48). The property has a nice, scenic character. The property is perimeter and cross fenced. There is one home site in the northern part of the property, overlooking the river. The property has better accessibility and is closer to population centers, and offers more agricultural value.

Sale 3 – 32120 Gadowa Springs Rd., Beatty, Oregon
2,095.01 acres
$4,000,000, December 2014
$1,838/acre (overall), $2,000-$2,850/ac (irrig.), $932/acre (range)

This property is located roughly 3 miles north of the rural community of Beatty along the Sycan River, in the Sprague River Valley. The property has roughly one mile of fronstage on the Sycan River, which could support good fishing, particularly with riparian habitat restoration. The property has supported fish hatchery operation in the past that included three sets of fish runs running off the exceptional water source, with five artesian wells supplying 10.03 CFS of water flowing at 58 degrees (near ideal temperature for trout farming), with perfect purity (disease-free). However, the property has not been used for fish propagation in many years. The sellers in this transaction acquired the property out of bankruptcy in 2004 based on perceived good value. Considering the poor quality/condition of the fish farm improvements, and prior conflict with the farming operation, the sellers had decided not to pursue aquaculture, and there is no sign that the buyers in the 2014 sale have opted to take advantage of the resource for aquaculture. At one point in the early/mid 2000s, the fish hatchery operation was leased to an operator (Sycan Springs Trout Farm), who had first rights to 4,500 GPM of water, along with 17 acres of land. The operation produced 150,000 pounds of dressed fish per year, with a contract with Fred Meyer at around $1.75 per pound. The lease terms involved the tenant paying the landlord a base rent of $15,000 per year, plus 8% overage rent if gross sales total over $220,000 per year. Gross Sales at one point were in the range of $20,000 per month, for a total of $16,600, or $1,655/CFS ($3.69/gpm). While the trout farm operation showed the potential for profit, the operation was poorly designed, with low quality improvements (wood and steel runs). Further, the leased operation conflicted with the farming operation on the rest of the ranch, as the fish farm was supposed to return the water to the same elevation of the spring for the farming operation, but the fish farm operator never satisfied the requirement.

This sale is presented due to the fact that the property includes similar artesian wells and offers good fishing and wildlife potential, but is less likely to attract the same buyers since the sale property has a good deal of agricultural production rather than a focus on wildlife and recreation.
Sale 4 – 44292 Highway 31, Paisley, Oregon $1,787,168, August 2014
1,374 acres $1,064/acre (overall), $1,800-$2,750/ac (irrig.), $503/acre (range)

This property was the OSU Harvey Ranch that sold near Summer Lake. It also had a BLM permit with 467 AUMs called the Paisley Flat allotment. Overall, the ranch is rated to support 142 AUs. The buyers are neighboring ranchers that purchased it because it fit with their existing operation. This is the closest of the sales, and offers some good recreation (hunting), but also includes a good deal of agricultural production character.

Sale 5 – North End Island Road, Fall River Mills, Shasta County, California $9,000,000, April 2014
1,350.02 acres $6,296/acre (overall), $0,000/ac (irrig.), $5,074/acre (range)

The ranch is located off the north end of Island Road within the Fall River Valley of northeastern Shasta County (midway between Redding/I-5 to the southwest, & Klamath Falls, OR to the north), in Northern California. The property is dominated by pasture land, wooded land, and riparian corridors. Lava and Spring Creeks flow through the property’s northeast corner to its southwest corner, separating the irrigated pasture to the southeast from the woodlands to the northwest. There is a separate ownership surrounding Vineyard Spring in the middle of the main portion of the ranch.

Spring Creek originates and flows nearly through its entirety within the boundaries of the property (1.3 miles, both sides of the stream) before flowing into Fall River. A 0.32-mile section of the Fall River (nationally renowned fly-fishing) loops through the southwest corner of the ranch, and the headwaters of Lava Creek (0.41 miles, plus 0.13 miles of smaller creek) form within the ranch’s eastern boundaries. In addition, there are 4.84- and 6.7-acre ponds near the ranch headquarters. Adding the frontage on the three streams, there is a total of approximately 2.16 miles of river frontage, plus the ponds. The on-site fishing is excellent, offering one of the best fly-fishing properties in California. The woodlands involve a mixture of oak and pine. The ranch offers excellent views of Mt. Shasta.

The sale is presented as it involves a property with similar exceptional water resources, with tremendous flows of water developing on-site, and in the case of this sale, the water resources are best suited to recreational use rather than offering the potential for fish propagation/aquaculture. The unit values from the sale are substantially superior to the subject, given its better proximity to major population centers and superior fishing.

2,257.31 acres $2,597/acre (overall), $2,750/ac (irrig.), $1,842/acre (range)

This property, known as the Upper Dixon Ranch) is located astride Dixon Road along the southeast corner of the intersection of Dixon Road and Highway 62. The property is entirely fenced and cross fenced. There are approximately 2,257.31 acres of flood irrigated pasture, 430.24 acres of sub-irrigated and -dry pasture with scattered timber and 2 acres in home sites. The property is irregular in shape with generally level topography. The property 1.09 miles of Wood River frontage in two segments (southeast corner with good fishing, and NE corner near headwaters), and 3.6 miles of Annie Creek, which also offers some nice fishing. The sale was included as it included recreation potential along with extensive water resources.
**Adjustments**

**Terms and Conditions of Sale**

All of the sales are considered to be cash equivalent, fee simple, market-oriented arm’s length transactions. The sales have all been verified by at least two sources and are consistent with market conditions in the area.

**Market Conditions / Time Adjustment**

The comparable sales come from a wide geographic area. The market conditions have varied considerably from throughout that area, although it is generally acknowledged that the market for this property type considers properties from a wide area, and that market had grown for many years with more sportsmen with means desiring to control their own waters until the economic and financial market events of the past year have slowed demand for these properties. Support quantitative adjustment factors is limited and erratic. Therefore, no specific quantitative time adjustments were made to the comparable sales. However, the date of sale was considered in the final reconciliation of the market data.

**Location, Size, and Physical Amenities**

The physical characteristics of the subject property and the comparable sales have a direct influence on the market data. Some elements such as the amount of irrigated pasture and types of other land are adjusted in the allocation process. There is insufficient market data to adjust for other factors such as the location, relative size (and how it affects the unit value), views, and other amenities. Although not quantitatively adjusted here, these factors are considered qualitatively and lead to the reconciliation of the market data with respect to the market value of the subject property.

**Supplemental Market Data**

In addition to the primary sales just reviewed, a great deal of other sales and listings were also considered. These include duck hunting properties in Oregon and California. The following will go over the most notable of that data.

Andy Wilburn, of Wilburn Ranch Brokerage, currently has several active listings being marketed as waterfowl hunting properties. One involves 1,104 acres offered at $669,000 ($606/acre), with the property including 240 acres of improved pasture, set south and east of Burns, Oregon (2 miles from Malheur Wildlife Refuge). A great deal of water comes onto the property from the Silvies River and fills ponds, sloughs, and water ways, along with islands and some upground, and the result is a property offering fine waterfowl and up and bird hunting. The broker indicated that the market for these properties is starting to gain some steam, although they have not received any offers on their duck hunting properties. Other similar waterfowl hunting properties offered by Wilburn include a 1,726.36 acres for $1,299,000 ($753/acre). The broker indicated that his listing properties may be at an even further disadvantage relative to isolation.
The following table summarizes several properties marketed and sold has duck hunting properties, in the Central Valley of California (these have not been inspected by the appraiser):

### Summary of California Waterfowl Hunting Sales

<table>
<thead>
<tr>
<th>Sale</th>
<th>Date</th>
<th>C.E. Sale Price</th>
<th>Conditions of Sale</th>
<th>Grantor</th>
<th>Grantee</th>
<th>Map</th>
<th>Tax Lot</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Oct-16</td>
<td>$1,200,000</td>
<td>Full Ownership</td>
<td>Steidmayer, Mark &amp; Traude</td>
<td>Kryski, Charles/Squires, Paul</td>
<td>T.15N-R.2W-Sec. 36</td>
<td>APN 017-100-027-100</td>
</tr>
<tr>
<td>2</td>
<td>Jul-16</td>
<td>$1,150,000</td>
<td>Full Ownership</td>
<td>Simmons Revoc. Trust</td>
<td>CWA Goose Lake West, LLC</td>
<td>T.17N-R.1ESec. 5 &amp; 6</td>
<td>APN 021-020-026 &amp; 028</td>
</tr>
<tr>
<td>3</td>
<td>Feb-15</td>
<td>$1,600,000</td>
<td>Full Ownership</td>
<td></td>
<td>Caverny Trust</td>
<td>Addlee Hunting Club LLC</td>
<td>APN 028-030-021</td>
</tr>
<tr>
<td>4</td>
<td>Aug-15</td>
<td>$425,000</td>
<td>Full Ownership</td>
<td></td>
<td></td>
<td></td>
<td>APN 024-240-064</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Comparison</th>
<th>Site</th>
<th>Location</th>
<th>Total Deeded Acreage</th>
<th>Easement Acres</th>
<th>Irrigated Acreage</th>
<th>Irrigation Application</th>
<th>Improvements</th>
<th>APN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Site</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Colusa, CA</td>
<td>Gridley, Butte County</td>
<td>347.76</td>
<td>Yes WRP</td>
<td>89.00</td>
<td>Flood</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td></td>
<td>696 Lower Honcut Rd</td>
<td>Middle Honcut Rd</td>
<td>110.00</td>
<td>No</td>
<td>0</td>
<td>Flood</td>
<td>Old clubhouse, bunkhouse, barn</td>
<td>APN 017-100-027-100</td>
</tr>
<tr>
<td></td>
<td>Orovil, CA</td>
<td>Orovil, CA</td>
<td>105.00</td>
<td></td>
<td></td>
<td></td>
<td>Residence</td>
<td>APN 021-020-026 &amp; 028</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>75.97</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>APN 028-030-021</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Allocation</th>
<th>$/Acre (overall)</th>
<th>Improvement Value</th>
<th>Irr. Equip., crops, stock, other</th>
<th>Residual Land Value</th>
<th>Residual Land ($/acre)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$3,451</td>
<td>$0</td>
<td>$0</td>
<td>$1,200,000</td>
<td>$3,451</td>
</tr>
<tr>
<td>2</td>
<td>$10,455</td>
<td>$50,000</td>
<td>$0</td>
<td>$1,100,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>3</td>
<td>$15,094</td>
<td>$825,000</td>
<td>$0</td>
<td>$718,000</td>
<td>$7,774</td>
</tr>
<tr>
<td>4</td>
<td>$5,504</td>
<td>$12,000</td>
<td>$0</td>
<td>$413,000</td>
<td>$3,436</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land Allocation</th>
<th>Walnut Orchard</th>
<th>Acreage</th>
<th>Unit Price</th>
<th>Sale Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irrigated Acreage</td>
<td>3</td>
<td>$6,000</td>
<td>$18,000</td>
<td></td>
</tr>
<tr>
<td>Wetlands/Hunting/Recreation</td>
<td></td>
<td>110.00</td>
<td>100</td>
<td>70.63</td>
</tr>
<tr>
<td>Acreage</td>
<td>347.76</td>
<td>$3,451</td>
<td>$1,200,000</td>
<td></td>
</tr>
<tr>
<td>Unit Price</td>
<td>$10,000</td>
<td>$6,000</td>
<td>$5,423</td>
<td></td>
</tr>
<tr>
<td>Sale Component</td>
<td>$1,100,000</td>
<td>$800,000</td>
<td>$345,000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Farmstead</th>
<th>Acreage</th>
<th>Unit Price</th>
<th>Sale Component</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>$1,200,000</td>
<td>$100,000</td>
<td>$300,000.00</td>
</tr>
</tbody>
</table>

The duck hunting club sales reflect overall recreation values, after subtracting the value attributable to improvements and agricultural value, at $383,000 to $1,200,000, overall, and $3,451 to $10,000 per acre, but focusing between $5,000 and $6,000 per acre, which would be considered superior to the market value for the subject, given the location of the sales.

**Land Value Conclusion**

It should be noted that the subject property represents a recreation property, first and foremost, and that the different areas of the site combine to provide overall utility for that use, meaning the land would not serve the recreation utility without the ponds, and the ponds would not function without the land. The valuation method here breaks down the areas, as well as the value indications from the differing areas on the comparable sales, but it should be recognized that the overall effective value per acre is also relevant, and that the unit rule (which means that the valuation considers the allocated values as parts of a whole,
rather than puritan values for those property components as though they were independently marketed, as such puritan values would not likely equate to the same value when considered as allocated within a larger property with other land categories.

The market research focused on sales of properties that would offer, at least over portions of the property, similar recreation utility. Ideally, comparable sales should have the potential to be directly competitive with the subject if they were on the market at the same time. At the least, however, portions of properties should have similar utility, and be able to project what market participants are willing to pay for such land when associated with other land, even if those buyers may not consider a property such as the subject, independently (sometimes buyers of farmland/pasture may also want and pay for recreation amenity). Therefore, given the lack of sales of properties highly similar land near the subject, or even further away, the sales research considered several sales of properties oriented around farming or ranching that had similar land components. The following table summarizes the comparable sales and re-presents the residual land value per acre:

<table>
<thead>
<tr>
<th>#</th>
<th>Situs Location</th>
<th>Acres</th>
<th>Price</th>
<th>$/acre</th>
<th>$/acre</th>
<th>Farmstead Lump $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Irrig. Farmland</td>
<td>Date</td>
<td>Irrig. Pasture</td>
<td>Ancillary</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Buck Creek Home Site</td>
<td>637.92</td>
<td>$650,000</td>
<td>$0</td>
<td>$924</td>
<td>$25,000</td>
</tr>
<tr>
<td></td>
<td>Silver Lake, Lake Co., OR</td>
<td></td>
<td>12/21/2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>44807 Highway 97 Chiloquin, Klamath Co., OR</td>
<td>1,012.30</td>
<td>$1,091,932</td>
<td>$2,500</td>
<td>$384</td>
<td>$175,000</td>
</tr>
<tr>
<td></td>
<td>Flood/sub-irrig. pasture/meadow, river front riparian</td>
<td></td>
<td>4/7/2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>32120 Gadowa Springs Rd. Beatty, Klamath Co., OR</td>
<td>2,085.01</td>
<td>$4,000,000</td>
<td>$2,850</td>
<td>$932</td>
<td>$50,000</td>
</tr>
<tr>
<td></td>
<td>410 ac sprinkler-irrigated (2 pivots, 9 wheels), 1,000 ac flood-irrigated pasture.</td>
<td></td>
<td>12/11/2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>44292 Highway 31 Paisley, Lake Co., OR</td>
<td>1,374.00</td>
<td>$1,787,168</td>
<td>$2,750</td>
<td>$503</td>
<td>$50,000</td>
</tr>
<tr>
<td></td>
<td>120 ac flood-irrigated pasture</td>
<td></td>
<td>8/26/2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>North End of Island Road NE Shasta County, California</td>
<td>1,350.02</td>
<td>$9,000,000</td>
<td>$8,000</td>
<td>$5,074</td>
<td>$250,000</td>
</tr>
<tr>
<td></td>
<td>193 ac irrig. pasture, 280 ac meadow</td>
<td></td>
<td>4/25/2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>9907 Dixon Rd. Ft. Klamath, Klamath Co.</td>
<td>2,257.31</td>
<td>$6,011,847</td>
<td>$2,750</td>
<td>$1,842</td>
<td>$50,000</td>
</tr>
<tr>
<td></td>
<td>1,825.07 ac flood-irrigated pasture</td>
<td></td>
<td>3/12/2013</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Often times, ponds are allocated the same value as irrigated farmland in agricultural sales. Further, recreation properties with significant river frontage are often allocated a single value across the entire property, indicating that the overall acreage, with its irrigation, is the motivation for the sale, rather than the majority of value based on the agriculture production land. Although the sales are not adjusted for market conditions, it should be noted that most of the sales are now dated.

Finally, it is important to note that buyers of such properties are acquiring the utility of the ponds for recreation, not all of the specific components that may or may not be necessary in other properties with the same utility (such as properties with natural lakes and/or wetlands, without the need for piping, culverts, levies, etc).
I believe the market would support a unit value of $5,000 per acre for the subject's pond acreage, $1,000/acre for the range/ancillary land, and $25,000 for the farmstead. The following table summarizes the valuation of the subject site, including the land and ponds:

<table>
<thead>
<tr>
<th>Land Component</th>
<th>Net Acres</th>
<th>Unit Value</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ponds</td>
<td>69.23</td>
<td>$5,000</td>
<td>$346,150</td>
</tr>
<tr>
<td>Non-irrigated pasture, rangeland, riparian, roads, etc:</td>
<td>492.69</td>
<td>$1,000</td>
<td>$492,690</td>
</tr>
<tr>
<td>Farmstead</td>
<td>1.8</td>
<td>N/A</td>
<td>$25,000</td>
</tr>
<tr>
<td><strong>Total Acres</strong></td>
<td>663.72</td>
<td><strong>$1,534</strong></td>
<td><strong>$865,040</strong></td>
</tr>
</tbody>
</table>

The overall effective unit value of just over $1,500 per acre is well supported by the market data. In fact, it is important to look back at the comparable sales to see how the overall unit value relates to the market data. The primary sales indicated overall land residual values (after excluding improvement/other value) ranging from $956 to $6,296 per acre, but focusing between $1,000 and $2,500 per acre.
Sales Comparison – Improvement Contribution

Improvements are adjusted out of the comparable sales in order to indicate the residual land value, which can be compared to the subject. The value of the improvements adjusted comes from a mixture of owner/realtor estimates, assessor’s estimates, and cost approach methodology.

The contributory value of the subject’s improvements is estimated using cost approach methodology. This methodology involves estimating the replacement cost new for all improvements that contribute to the overall value of the subject, and subtracting the estimated depreciation of each improvement. The depreciation is the measure of the difference between the cost new and present value of the improvements.

Replacement Cost New

The replacement cost new of the improvements was estimated by use of the Marshall & Swift Commercial Estimator Program. This computer program is updated quarterly for price trends and area. It is considered to be a reliable source of cost information especially in the absence of local construction projects that are similar to the subject.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fin &amp; Feather Lodge</td>
<td>Avg. Cls D Single-Family Residence</td>
<td>1,320</td>
<td>$84.88</td>
<td>1.007</td>
<td>1.01</td>
<td>1.12</td>
</tr>
<tr>
<td>Fin &amp; Feather Garage / Shop</td>
<td>Avg. Cls D Residential Garage (Det.)</td>
<td>644</td>
<td>$29.12</td>
<td>1.000</td>
<td>1.01</td>
<td>1.12</td>
</tr>
<tr>
<td>Palmer House 1st Floor</td>
<td>Avg.</td>
<td>930</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Palmer House 2nd Floor</td>
<td>---</td>
<td>352</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Palmer House Total</td>
<td>Falt Cls D Single-Family Residence</td>
<td>1,282</td>
<td>$72.97</td>
<td>1.007</td>
<td>1.01</td>
<td>1.12</td>
</tr>
<tr>
<td>Palmer House 2nd Floor Deck</td>
<td>Avg. Wood Deck</td>
<td>320</td>
<td>$12.24</td>
<td>1.000</td>
<td>1.01</td>
<td>1.12</td>
</tr>
<tr>
<td>Miscellaneous Site Improvements</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>

Improvement Contribution Conclusion

The total improvement contribution is estimated by subtracting the physical deterioration and economic obsolescence from the replacement cost new. In the case of farm, ranch, and land-focused recreation properties, the basis for depreciation estimated for improvements is almost exclusively estimated based on a straight line, age-life basis. However, for improvements that are not the more primary motivations for acquisition, economic obsolescence typically has influence, discounting the contributory value of improvements below the depreciated replacement costs. In this case, the Palmer House would have significantly less motivation for the typical buyers, and therefore, a discount of 25% is considered reasonable for that improvement. The following table summarizes these calculations.
DRC - Depreciated Replacement Cost

<table>
<thead>
<tr>
<th>Improvement / Structure</th>
<th>Cost</th>
<th>Depreciation</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RCN</td>
<td>Physical</td>
<td>Econ. Obso.</td>
</tr>
<tr>
<td>Fin &amp; Feather Lodge</td>
<td>$127,629</td>
<td>17%</td>
<td>0%</td>
</tr>
<tr>
<td>Fin &amp; Feather Garage / Shop</td>
<td>$17,920</td>
<td>18%</td>
<td>0%</td>
</tr>
<tr>
<td>Palmer House 1st Floor</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Palmer House 2nd Floor</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Palmer House Total</td>
<td>$106,520</td>
<td>58%</td>
<td>25%</td>
</tr>
<tr>
<td>Palmer House 2nd Floor Deck</td>
<td>$4,431</td>
<td>76%</td>
<td>26%</td>
</tr>
<tr>
<td>Miscellaneous Site Improvements</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Rounded)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The concluded depreciated replacement cost relates to an overall unit value of $57.22/square foot of improvement (subject’s improvements total 3,146 square feet, including the two houses and detached garage).

Market Improvement Value Extraction

It is worth looking into what the market paid for improvements in sales of properties with a similar combination of land and improvements. In the sales sheets, the improvement value was allocated in order to extract the land residual value. It is also possible to look at that estimated improvement value to see how it reflects value for the subject. The sales with the most similar improvements would include Sales 1, 4, 5, and 6 are most suitable to extracting market values, as well as supporting the allocation for economic obsolescence. These sales indicate approximate $/square foot figures for the improvements of $48.48, $25.32, $46.99, and $21.60 per square foot, respectively.

Although the subject’s unit value (depreciated replacement cost) for improvements is slightly higher, that should be expected since the subject is somewhat more residential in nature, overall, with less agricultural character, and improvements generally focused more on residential, rather than outbuildings. These indications from the sales include inherent economic obsolescence, therefore supporting the approximate economic obsolescence allocation for the subject’s improvements.
Sales Comparison Approach Conclusion

The final market value conclusion is derived by adding the contributory value of the ranchland, improvements, and ponds, as summarized in the following table:

<table>
<thead>
<tr>
<th>Summary of Subject Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Component</td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td>Land &amp; Ponds</td>
</tr>
<tr>
<td>Improvements</td>
</tr>
<tr>
<td>Total Acresage</td>
</tr>
</tbody>
</table>
Recreation Sale 1

Buck Creek Home Site
Silver Lake, Lake Co., OR

<table>
<thead>
<tr>
<th>Flat Map:</th>
<th>T.29S-R13E-00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Lot:</td>
<td>300</td>
</tr>
<tr>
<td>Lat / Long:</td>
<td>43° 5'10.78&quot;N / 121° 12'50.89&quot;W</td>
</tr>
</tbody>
</table>

**Sale**

<table>
<thead>
<tr>
<th>Date:</th>
<th>12/21/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price:</td>
<td>$650,000</td>
</tr>
<tr>
<td>Terms:</td>
<td>Conventional</td>
</tr>
<tr>
<td>Conditions of Sale:</td>
<td>Market</td>
</tr>
<tr>
<td>Grantor:</td>
<td>Robert Weson Living Trust</td>
</tr>
<tr>
<td>Grantee:</td>
<td>Phillips, Henry F.</td>
</tr>
<tr>
<td>Recording:</td>
<td>2016-2136</td>
</tr>
<tr>
<td>Marketing Period:</td>
<td>100 DOM</td>
</tr>
</tbody>
</table>

**Property Description**

<table>
<thead>
<tr>
<th>Site Area (acres)</th>
<th>637.92</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning</td>
<td>A-2 (Exclusive Farm Use)</td>
</tr>
<tr>
<td>Soils</td>
<td>Unknown</td>
</tr>
<tr>
<td>Irrigation</td>
<td>None</td>
</tr>
<tr>
<td>Amenities/ new amenities</td>
<td>Stream, fishing, remote, seasonal access</td>
</tr>
<tr>
<td>Resid. Improvements (RMS)</td>
<td>625-SF 3-bed/1-bath off-grid cabin, bit 1970</td>
</tr>
<tr>
<td>Other Improv.'s</td>
<td>None</td>
</tr>
</tbody>
</table>

**Sale Allocation**

<table>
<thead>
<tr>
<th>$/acre (overall)</th>
<th>$1,019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pers. property/other Improvements</td>
<td>$40,000</td>
</tr>
<tr>
<td>Land Residual</td>
<td>$610,000</td>
</tr>
<tr>
<td>Unit Land ($/acre)</td>
<td>$956</td>
</tr>
</tbody>
</table>

**Land Allocation**

<table>
<thead>
<tr>
<th>Range/Excess</th>
<th>632.92</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acres</td>
<td>5.00</td>
</tr>
<tr>
<td>Unit Price</td>
<td>$924</td>
</tr>
<tr>
<td>Value Component</td>
<td>$585,000</td>
</tr>
<tr>
<td>Farmstead</td>
<td></td>
</tr>
<tr>
<td>Acres</td>
<td>5.00</td>
</tr>
<tr>
<td>Value Component</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

Verified: MLS, County Records, not able to verify with buyer, seller or broker in time for appraisal.

**Property Description:**

This property involves an off-grid recreation property set in the hills west of Silver Lake off Freeman Spring Road about five miles south of Buck Canyon Road (about 5 miles west of Silver Lake). The property has about a 1.7-mile private driveway, behind a locked gate. The property is set along Buck Creek, with excellent privacy and nice recreation opportunities, surrounded by BLM land. Buck Creek is a small stream with native trout, offering nice fishing. It is possible to land a bush plane at the property. The house is a simple, off-grid cabin.

**Sale Comments:**

The property was offered for sale at $899,900 at the time of sale, which was the original offering price. If the rangeland was allocated $200/acre (approximate ag utility value) and the homesite allocated at $25,000, the residual land value of roughly $485,000 would relate to the recreation value in this sale. It was not possible to verify the sale as of the date of reporting, but MLS indicated a cash transaction, and no concessions were noted. Gregory W. Moore did not inspect this property due to its remote location and locked gates, although good photographic evidence was available from the marketing information. There was no evidence of other sales or marketing involving this property within the year prior to the this sale.
Ranch/ Pasture Sale 2

Tuttle-to-Barnes
44807 Highway 97
Chiloquin, Klamath Co., OR

Property ID
Map T.34S-R.37E-14; -15; -16; -17; 22; -23
Tax Lots 2900, 3000; 900, 1000, 1100, 1400; 200, 500, 100, 200; 400
Lat / Long: 42°37'5.8"N / 121°52'39.41"W

Sale
Date 4/7/16
C.E. Sale Price $1,091,932
Grantor Tuttle, Karen L & Kenneth L.
Grantee Barnes Lake County, LLC (Franklin County)
Conditions of Sale Market
Recording 2016-003724

Property Details
Total Acreage 1,012.30
Zoning EFU-CG
Layout Pasture/meadow, river front
Soils riparian
74% Crop & 26% woodland
11% Calf & 18% Pasture
Recreation Access Williamson R (0.4 mi. both sides)
River Miles (or Equiv) 1.54
Irrigation / Application Flood/Sub
Resid. Improvements 1,293.sf 2-bd/1-ba house (btl. 1979)
Other Improvements 1,800-SF barn/shed

Whole Allocation
$/Acre (overall) $1,079
Improvement Value $90,000
Residual Land Value $1,001,932
Resid. Land ($/acre) $990
Land ($/River Mile) $649,104

Verified: Local broker, not involved in sale. Calls to verify sale with parties involved were not returned in time for appraisal.

Highest and Best Use: Fishing / Recreation, residential ranch.

Property Description:
This property involves a large tract of meadow/pasture and woods along the Williamson River, east of Highway 97, north of Chiloquin, and just south of Lake Creek / Collier State Park. This stretch of the Williamson River offers excellent fishing for trophy rainbow coming up out of Klamath Lake (the Williamson is renowned as one of the best trophy rainbow fisheries in the Lower 48). The property has a nice, scenic character. The property is perimeter and cross fenced. There is one home site in the northern part of the property, overlooking the river.

Sale Comments:
There is no evidence of any other sales involving this property within the year prior to this sale. The appraiser, Gregory Moore, has viewed this property on many occasions, from the road and river.

<table>
<thead>
<tr>
<th>Land Allocation - Standard</th>
<th>Acres</th>
<th>$/Acre</th>
<th>Price per Acre</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irrigated Farmland</td>
<td>254.60</td>
<td>$2,500</td>
<td>$636,500</td>
<td></td>
</tr>
<tr>
<td>Non-Irr. Pasture/Forest/Range</td>
<td>756.70</td>
<td>$394</td>
<td>$290,432</td>
<td></td>
</tr>
<tr>
<td>Farmstead/Homesite</td>
<td>1.00</td>
<td>$75,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land Allocation - Recreation Based</th>
<th>Acres</th>
<th>$/Acre</th>
<th>Price per Acre</th>
<th>Value</th>
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<tr>
<td>Irrigated Farmland</td>
<td>254.60</td>
<td>$1,250</td>
<td>$310,250</td>
<td></td>
</tr>
<tr>
<td>Non-Irr. Pasture/Forest/Range</td>
<td>756.70</td>
<td>$250</td>
<td>$191,750</td>
<td></td>
</tr>
<tr>
<td>Farmstead/Homesite</td>
<td>1.00</td>
<td>$50,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>River / Recreation Amenity</td>
<td></td>
<td>$444,507</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ per River Mile</td>
<td></td>
<td>$287,975</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Ranch/Pasture Sale 3

17X Ranch – 32120 Gadowa Springs Rd.
Beatty, Klamath Co., Oregon.

Plat Map: 35S-12E-00, -26, -35B
Tax Lot: 5700, 5000, 5400, 5300, 5200,
4900; 1100, 800, 500; 200
Lat / Long: 42°3'16.49"N / 121°16'30.58"W

Sale
Date: 12/11/2014
Price: $4,000,000
Terms: Conventional
Conditions of Sale: Market
Grantor: Cornelson, Rodney R.
Grantee: Montelli, Connie
Recording: 2015-1046
Marketing Period: Unknown

Property Description
Site Area (acres) 2095.01
Zoning EFL-CG & FR
Soils 28.1% C6 6 Meters coarse sandy
loam (1-2% slope); 14.2% C6 4
Lobart silt loam (0-2%); 13.1% C6
4 Yoncalla loam; 12.6% C6 8 Rock
cutcrop-Nuss complex (6-40%); 8.1%
C6 6 Meters coarse sandy loam (12-
35%); other prominent soils include
C6 4 Lobart & Sycan silt loams,
Klamath-Orfino-Continental association,
etc.
Irrigation 410 ac sprinkler-irrigated (2
pivots, 9 wheels), 1,000 ac
field-irrigated pasture.
Amenities/Detract's 1 mile fronting Sycan River, full
perimeter fence, 10.03 CFS
artesian well (58 degrees)
formerly supported aquaculture.
Resid. Improv.'s 1,567-sq. ft. 2-bed/2-ba house, 2
old manufactured homes.
Other Improv.'s 80x14+ calving barn, 22x100
indoor calving pens (50x100'
clear-span w/ arena lights),
80x14+ & 85x100 hay sheds,
36x64 shop, 16x64 machine
shed, 30x68 fish hatchery
building (slab, insulated, w/12x36
finished processing room
w/ smoker).

Sale Allocation
$/acre (overall) $1,909
Pers. property/other
Improvement value $160,000
Land Residual $3,850,000
(Unit Land ($/acre) $1,838

Land Allocation
Farmland
Type Sprinkler-Irig. (pivot/wheel)
Acres 410.00
Unit Price $2,850
Value Component $1,168,500
Pasture
Type Flood-Irigated
Acres 1,002.00
Unit Price $2,000
Value Component $2,004,000
Range/Excess
Acres 673.01
Unit Price $932
Value Component $627,600
Farmstead
Acres 10.00
Value Component $80,000

Broker (Bob Bacon, 541-891-0309)

Property Description:
This property is located roughly 3 miles north of the rural community of Beatty
along the Sycan River, in the Sprague River Valley. The property has about 410
acres of good sprinkler-irrigated hay cropland, irrigated by 2 pivots and 9 wheel
lines. Improvements on the property consist of a house, three manufactured
homes, some farm buildings, and a former aquaculture (trout farm) operation. The
property has roughly one mile of frontage on the Sycan River, which could support
good fishing, particularly with riparian habitat restoration.

The fish hatchery operation included three sets of fish runs running off the
exceptional water source, with five artesian wells supplying 10.03 CFS of water
flowing at 58 degrees (near ideal temperature for trout farming), with perfect purity
(disease-free).

Sale Comments:
The sellers in this transaction acquired the property out of bankruptcy in 2004
based on perceived good value. Considering the poor quality/condition of the fish
farm improvements, and prior conflict with the farming operation, the sellers had
specified not to pursue aquaculture, and there is no sign that the buyers in the 2014
sale have opted to take advantage of the resource for aquaculture.

At one point in the early/mid 2000s, the fish hatchery operation was leased to an
operator (Sycan Springs Trout Farm), who had first rights to 4,500 GPM of water,
along with 17 acres of land. The operation produced 150,000 pounds of dressed
fish per year, with a contract with Fred Meyer at around $1.75 per pound. The
lease terms involved the tenant paying the landlord a base rent of $15,000 per
year, plus 8% overage rent if gross sales total over $220,000 per year. Gross
Sales at one point were in the range of $200,000 per month, for a total of $16,600,
or $1,655/CFS ($3.69/gpm). While the trout farm operation showed the potential
for profit, the operation was poorly designed, with low quality improvements (wood
and steel runs). Further, the leased operation conflicted with the farming
operation on the rest of the ranch, as the fish farm was supposed to return the
water to the same elevation of the spring for the farming operation, but the fish
farm operator never satisfied the requirement.

Gregory W. Moore inspected this property from the street frontage. There was no
evidence of other sales or marketing involving this property within the year prior to
the sale.

Verified: Direct marketing info, LoopNet, MLS, County Records, Inspecion.
**Ranch/Pasture Sale 4**

44292 Highway 31  
Paisley, Lake Co., OR

<table>
<thead>
<tr>
<th>Plat Map:</th>
<th>33S-17E-00; 32S-17E-00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Lot:</td>
<td>1100; 300</td>
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<tr>
<td>Lat / Long:</td>
<td>42°43'55.66&quot;N / 120°44'26.28&quot;W</td>
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**Sale**

<table>
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<th>Date:</th>
<th>8/28/2014</th>
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<tr>
<td>Price:</td>
<td>$1,787,168</td>
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<tr>
<td>Terms:</td>
<td>Conventional</td>
</tr>
<tr>
<td>Conditions of Sale:</td>
<td>Market</td>
</tr>
<tr>
<td>Grantor:</td>
<td>OSU Harvey Ranch</td>
</tr>
<tr>
<td>Grantee:</td>
<td>Withers, Dan</td>
</tr>
<tr>
<td>Recording:</td>
<td>2014-1409</td>
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<td>Marketing Period:</td>
<td>Unknown</td>
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**Property Description**

<table>
<thead>
<tr>
<th>Site Area (acres)</th>
<th>1374.00</th>
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</thead>
<tbody>
<tr>
<td>Zoning</td>
<td>EFU</td>
</tr>
<tr>
<td>Soils</td>
<td>Egliin very stoney loam (2-30% slopes), Mound stony loam, slump (2-50%), and Wintestim association, slump (30-50%), etc.</td>
</tr>
<tr>
<td>Irrigation</td>
<td>120 ac flood-irrigated pasture</td>
</tr>
<tr>
<td>Amenities/Detract's</td>
<td>Fronts Summer Lake, wildlife</td>
</tr>
<tr>
<td>Resid. Improv.'s</td>
<td>2,176-SF house, 2,408-SF labor house, 924-SF labor house, 1,788-SF MH</td>
</tr>
<tr>
<td>Other Improv.'s</td>
<td>4,060-SF barn, 128-SF shed, 384-SF shed</td>
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</tbody>
</table>

**Sale Allocation**

<table>
<thead>
<tr>
<th>$/acre (overall)</th>
<th>$1,301</th>
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<tbody>
<tr>
<td>Pers. property/other</td>
<td>$25,000</td>
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<tr>
<td>Improvement value</td>
<td>$300,000</td>
</tr>
<tr>
<td>Land Residual</td>
<td>$1,462,168</td>
</tr>
</tbody>
</table>

| Unit Land ($/acre) | $1,964 |

**Land Allocation**

**Farmland / Pasture**

<table>
<thead>
<tr>
<th>Type</th>
<th>Flood-Irrigated Pasture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acres</td>
<td>120.00</td>
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<td>Unit Price</td>
<td>$2,750</td>
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<tr>
<td>Value Component</td>
<td>$330,000</td>
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**Farmland / Pasture**

<table>
<thead>
<tr>
<th>Type</th>
<th>Improved Pasture</th>
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</thead>
<tbody>
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<td>Unit Price</td>
<td>$1,800</td>
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<td>Value Component</td>
<td>$640,600</td>
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**Range/Excess**

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<th>Acres</th>
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<tr>
<td>Unit Price</td>
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<td>Value Component</td>
<td>$441,368</td>
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**Farmstead**

<table>
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<tr>
<th>Acres</th>
<th>20.54</th>
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<tbody>
<tr>
<td>Value Component</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

**Verified:** County Records, Inspection, Buyer (by Marlo Dill)

**Property Description:**

This property was the OSU Harvey Ranch that sold near Summer Lake. It also had a BLM permit with 467 AUMs called the Paisley Flat allotment. Overall, the ranch is rated to support 142 AUs.

**Sale Comments:**

The buyers are neighboring ranchers that purchased it because it fit with their existing operation. Gregory W. Moore inspected this property from the street frontage. There was no evidence of other sales or marketing involving this property within the year prior to the sale.
Ranch/Pasture Sale 5

Spring Creek Ranch
North End of Island Road
NE Shasta County, California

Property ID

Map 016-240, 016-044, 016-320, 016-250
Tax Lot Multiple
Lat / Long 41° 8′56.64″ N / 121° 30′24.62″ W

Sale

Date 4/25/14
C.E. Sale Price $0,000,000
Grantor Outfitter Properties, LLC
Grantee Ecosmore Plazza, LLC
Conditions of Sale Market
Recording 2014-10734 & -10735

Property Details

Total Acreage 1,350.02
Zoning EA/P, TL, R-L, U
Layout Pasture/meadow/woodlands
Recreation Amenity 2.14 miles on Spring & Lava Cr's, Fall R.
River Miles (or Equiv.) 2.14
Irrigation / Application 193 ac irrig. pasture, 289 ac meadow
Resid. Improvements 3-bed/2-bath owner cabin, 3-bed/2.5-bath foreman's house, 3-bed/1-bath farmhand house.
Other Improvements Shop, hay barns, loafing shed, etc.

Whole Allocation

$/Acre (overall) $6,667
Improvement Value $500,000
Other/Rounding
Residual Land Value $8,600
Reisd. Land ($/acre) $6,268
Land ($/River Mile) $3,935,185

The ranch has 840.43 acres zoned EA/AP (Exclusive agriculture/agriculture preservation, minimum lots sizes of 40-760 acres), 159.59 acres zoned TL (Timberland, 80-acre minimum), 346.95 acres zoned R-L (Limited Residential, 10-acre minimum), and 6.17 acres zoned U (unclassified). Approximately 483 acres of Spring Creek Ranch is irrigated by springs and streams, 26 acres are irrigated with handlines, and the balance is flood irrigated. The ranch normally carries 250 cows and produces about 700 to 800 tons of hay (with about 250 to 300 tons of surplus hay that could be sold). Total carrying capacity is 3,500 AUMs, or 292 AIs (balanced).

The ranch includes three residences and several barns and outbuildings. Most of the structures are located at the ranch headquarters, with a ranch hand's house and garage located at the lower end of Spring Creek near the southwest corner of the property. These improvements are modest in size and quality, and range in age and condition.

Sale Comments:
The seller had bought the property in January of 2007 for approximately $10,850,000, and had done very little to change the property in the interim. The property was offered for sale at $8,500,000 at the time of sale. The specific sale price could not be disclosed by the broker, although it was reported that the sellers were not distressed, and it is reasonable to estimate the sale price to be at least $8,000,000, which was utilized in this analysis. The buyer was indicated to be a high-net-worth individual.

There had been another sale pending in 2014.
The appraiser, Gregory W. Moore, did not personally inspect this property. There is no evidence of other sales or marketing involving the property within the prior year.

Verified: Terry Hundemer, listing agent with the Chickering Company (530) 265-5774 Verification by Gregory W. Moore.
Ranch/Pasture Sale 6

9907 Dixon Rd. / 55849 & 55111 Hwy 62
Ft. Klamath, Klamath Co.

Plat Map: T32-S3S-R.75E-000
Tax Lot: Multiple
Lat / Long: 42°44'4.24"N / 122°0'28.00"W

Sale
Date: 3/12/2013
Price: $6,011,647
Terms: Conventional
Conditions of Sale:
Grantor: Malcolm Beach Investments, LLC (Wood) & Limes Land Company, LLC (VonSchlogal)
Recording: 2013-2705
Marketing Period: Not Exposed

Property Description
Site Area (acres): 2257.31
Zoning: EFU-G
Soils: Cls 5 Kirk-Chock, Tuthi coarse sandy loam, Steiger loamy coarse sand, Lapine gravelly loamy coarse sand.
Irrigation: 1,825.07 ac flood-irrigated pasture
Amenities/Dotrac'ts: 1.09 mi. Wood River, 3.6 mi. Annie Creek
Resid. Improv.'s: 1,924-3F house (bld. 1960s), 1,280-SF labor house, 560-SF garage
Other Improv.'s: 3,179 Sq of outbuildings

Sale Allocation
$/acre (overall) $2,663
Pers. property/other Improvement value $150,000
Land Residual $5,861,647
Unit Land ($/acre) $2,597

Land Allocation
Farmland / Pasture
Type: Flood-Irrigated Pasture
Acres: 1,825.07
Unit Price $2,750
Value Component $6,018,943

Range/Excess
Acres: 430.24
Unit Price $1,642
Value Component $702,705
Farmstead
Acres: 2.00
Value Component $80,000

Realtor Tom Harrison (by Marlo Dill)

Property Description:
This property, known as the Upper Dixon Ranch, is located astride Dixon Road along the southeast corner of the intersection of Dixon Road and Highway 62. The property is entirely fenced and cross fenced. There are approximately 2,257.31 acres of flood irrigated pasture, 430.24 acres of sub-irrigated and dry pasture, with scattered timber and 2 acres in home sites. The property is irregular in shape with generally level topography. Elevation ranges from 4,190 feet to 4,420 feet above sea level. Soils are predominantly Kirk-Chock association, capability class V, with lesser amounts of Tuthi coarse sandy loam, Steiger loamy coarse sand, 1 to 15 percent slopes, Lapine gravelly loamy coarse sand, 10 to 35 percent south slopes, and water. There was an older stick built single family residence, built in the late 1960's the structure measured approximately 1,240 sq. ft., with a 684 sq. ft. finished attic. There are two older dwellings the smaller structure with finished attic is in fair condition with the other structure retaining the right for a replacement dwelling. The property 1.09 miles of Wood River frontage in two segments (southeast corner with good fishing, and NE corner near headwaters), and 3.6 miles of Annie Creek, which also offers some nice fishing.
Sale Comments:
The property was not exposed to the market at the time of sale. The sellers were longtime ranchers in the area. This property was acquired along with two other sales that were purchased under contract by John VonSchlegel for a stated consideration of $3,000 per acre across the board (for all three properties, averaged, but not applicable to just this property) with no consideration given to the building improvements. The buyer in that transaction then re-sold this property, and one of the others, to a business partner (not considered here). Gregory W. Moore inspected this property from the street frontage. There was no evidence of other sales or marketing involving this property within the year prior to the sale. Gregory W. Moore inspected this property from the street frontage.
ATTACHMENT A

Purchase and Sale Agreement

This agreement for the purchase and sale of real property ("Agreement") is made as of the 30th day of November 2016, between Carol J. Edmunds, Trustee of the Donald R. Edmunds Trust, U/T/A dated May 10, 1996 ("Seller"), and the State of Oregon, acting by and through its Department of Fish and Wildlife, on behalf of the Oregon Fish and Wildlife Commission ("Buyer"), and is effective when executed by both parties (the "Effective Date").

Buyer seeks to acquire the Property (defined below) from Seller:

Buyer and Seller agree as follows:

1. **Agreement to Purchase and Sell.** In consideration of Buyer's acquisition and delivery of an appraisal conforming to Uniform Appraisal Standards for Federal Land Acquisition (the "Yellow Book Appraisal") and payment of the Purchase Price (defined below) to Seller, Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the real property described in the attached Exhibit A (the "Property"), together with all improvements located on the Property and any other rights or interests appurtenant to the Property, subject to the terms and conditions of this Agreement.

2. **Purchase Price.** The value of the Property will be established by a Yellow Book Appraisal (the "Purchase Price"), and the Purchase Price will represent 100% of the valuation established by the Yellow Book Appraisal. Buyer and Seller agree to amend this Agreement to state the Purchase Price, as established by the Yellow Book Appraisal, unless Buyer and Seller mutually agree to a different price, in which event the parties shall amend this Agreement to reflect the agreed-upon price for the Property.

Buyer shall request bids for the Yellow Book Appraisal work within thirty (30) days of the Effective Date, and shall execute a contract for the Yellow Book Appraisal work within forty-five (45) days of the Effective Date. Upon Buyer's delivery of the Yellow Book Appraisal to Seller, each party shall have fifteen (15) days to review the appraisal and provide written notice of rejection of the Purchase Price to the other party. In the event that either party rejects the Purchase Price, this Agreement shall become null and void. Failure by either party to provide written notice of rejection of the Purchase Price to the other party within ten (10) days following completion of the 15 day Yellow Book Appraisal review period, shall be deemed acceptance of the Purchase Price by such party.

Buyer shall pay to Seller the Purchase Price for the Property in cash, at Closing. Buyer shall deposit the Purchase Price with the Escrow Agent at least one (1) day prior to the Closing Date for delivery to Seller upon satisfaction of all conditions precedent to the Closing, as described in this Agreement. Buyer shall not pay any earnest money or provide an escrow deposit, as the parties covenant and agree that Buyer's acquisition of the Yellow Book Appraisal and delivery of the same to Seller constitutes sufficient consideration in lieu of earnest money or a related escrow deposit.
3. **Inspection.** Seller authorizes Buyer and its representatives to enter the Property, at any reasonable time or times before the date of Closing on twenty-four (24) hours prior written notice to conduct any and all reasonable inspections, examinations, tests, surveys, and investigations of such Property which Buyer may wish to perform. Written notice will be delivered to buyer by email from Buyer. Seller will confirm receipt of written notice by reply email back to buyer. Buyer will be responsible for any costs, losses, expenses, liabilities, actions, or damages to persons or such Property caused by such inspection, examinations, tests, surveys, or investigations. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement is to be construed as permitting any violation of Article XI, Section 7 of the Oregon Constitution or any other law regulating liabilities or monetary obligations of the State of Oregon.

4. **Document Delivery.** Within fifteen (15) days of the Effective Date, Seller shall deliver to Buyer copies of all water rights certificates, permits, pending applications, transfer approval orders (collectively, the “Water Rights”), irrigation records, leases, licenses, permits, unrecorded easements, maps, and all other agreements or obligations affecting the Property (the “Documents”), except as otherwise delivered pursuant to Section 6.4, below, or provided to Buyer prior to the Effective Date.

5. **Conditions of Seller.** Seller’s obligation to sell the Property is conditioned upon the satisfaction of each of the following conditions, or Seller’s waiver of either condition:

   5.1 Buyer’s performance of all of its obligations under this Agreement.

   5.2 The continuing accuracy of all Buyer’s representations and warranties in this Agreement.

6. **Conditions of Buyer.** Buyer’s obligation to purchase the Property is conditioned upon the satisfaction of each of the following conditions, or Buyer’s waiver of any or all of the conditions provided below:

   6.1 Buyer obtaining all necessary State of Oregon approvals to acquire the Property pursuant to the terms of this Agreement. The foregoing approvals include but are not limited to those obtained from the Department of Justice, Department of Administrative Services, and the Oregon Fish and Wildlife Commission, as required by Oregon Revised Statutes and Administrative Rules.
6.2 Buyer’s receipt of a Notice of Federal Assistance Award ("Award") for adequate funds from the US Fish & Wildlife Service, Wildlife & Sport Fish Restoration Program (the "USFWS"), to purchase the Property, and completion of all conditions imposed by USFWS for the award on or before May 31, 2017. Buyer has until 5:00 pm Pacific Time May 31, 2017 to notify Seller in writing that such an Award has been obtained. If Buyer fails to notify Seller by such time, this Agreement shall become null and void without any further action required by either party, except for Buyer’s obligation to deliver to Seller, copies of any appraisal or environmental site assessment completed by Buyer prior to May 31, 2017, and neither party shall be further bound hereunder.

6.3 In addition to the Award, Buyer’s receipt of sufficient matching funds (the “Matching Funds”), on or before May 31, 2017, to purchase the Property. Buyer has until 5:00 pm Pacific Time May 31, 2017 to notify Seller in writing that such matching funds have been obtained. If Buyer fails to notify Seller by such time, this Agreement shall become null and void without any further action required by either party, except for Buyer’s obligation to deliver to Seller, copies of any appraisal or environmental site assessment completed by Buyer prior to May 31, 2017, and neither party shall be further bound hereunder.

6.4 Buyer has obtained a preliminary commitment (Title Report #4; File No. 90214AM) from AmeriTitle (the “Title Company”), dated October 27, 2016, for an ALTA standard coverage owner’s policy of title insurance (the “Title Commitment”) which Title Company is prepared to issue said owner’s policy of title insurance in the amount of the total Purchase Price. The cost of this owner’s policy shall be paid for by Seller. Buyer has completed its review of the Title Commitment, and Buyer is prepared to purchase the Property subject to the exceptions contained therein (the “Permitted Exceptions”).

6.5 Buyer’s review and approval of a Phase I Environmental Site Assessment and any other environmental due diligence which may include review of existing reports describing the environmental condition of the Property, soil, air and water sampling at the Property, and other tests and procedures deemed necessary by Buyer in Buyer’s sole discretion, and Buyer’s determination that the environmental condition of the Property is acceptable.

6.6 Buyer’s survey and successful negotiation of a perpetual, appurtenant easement, to be recorded at closing, for public vehicular and pedestrian ingress and egress to the Property from Shurfeld Road.

6.7 Buyer’s successful modification, at closing, of the fifty foot (50’) easement referenced in Partition Plat No. 2006-B-118.

6.8 Buyer’s completion and approval of a boundary Survey of the Property.
6.9 Except as limited by Section 6.10 and 6.11 below, Buyer’s obtaining, reviewing, and approval of all Documents specified in Section 4 of this Agreement, in addition to Buyer’s obtaining, reviewing, and approval of any inspections, examinations, tests, surveys, or other investigations of the Property, exclusive of a Phase 1 Environmental Site Assessment, which Buyer may wish to perform.

6.10 Buyer’s successful negotiation with the U.S. Fish and Wildlife Service (the “Service”) for termination or modification, on terms acceptable to Buyer, of the following agreements, at Closing: (a) Lease between Seller and the Service, dated 8/5, 1993; and (b) Landowner Agreement for Restoration Projects Under the Oregon Partners for Wildlife Program between Seller and the Service, dated 8/12/1998.

6.11 Buyer’s successful negotiation with the Bureau of Land Management (BLM) for termination or modification, on terms acceptable to Buyer, of the 1993 Memorandum of Understanding between the BLM, Don and Carol Edmunds and Buyer.

6.12 Seller’s termination, on or before Closing, of its Lease with the Edmunds Well Wildlife Sanctuary, dated 8/27/01.

6.13 Seller’s performance of all of its obligations under this Agreement.

6.14 The willingness of a title company to issue to Buyer, at Closing and without charges in excess of its standard fees, its ALTA owner’s standard coverage policy of title insurance, in the amount of the Purchase Price showing title to the Property vested in Buyer, subject only to the Permitted Exceptions.

6.15 The continuing accuracy of all Seller’s representations and warranties in this Agreement.

7. **Conveyance by Warranty Deed.** At Closing, Seller shall convey title to the Property to Buyer by warranty deed in substantially the form provided in Exhibit B (the “Deed”).

8. **Title Insurance.** If Seller’s condition stated in Section 5.1 has been satisfied, Buyer will acquire, at Seller’s sole expense at Closing, an ALTA owner’s standard coverage policy of title insurance, in the amount of the Purchase Price, showing title to the Property vested in Buyer as described above, and subject only to the Permitted Exceptions.

9. **Escrow Instructions.** Upon execution of this Agreement, the parties shall deposit an executed counterpart of this Agreement with Susan Creal, Branch Manager, First American Title, 2105 14th Ave. SE, Albany, Oregon (“Escrow Agent”). Seller and Buyer shall execute such reasonable additional and supplementary escrow instructions as may be appropriate to enable Escrow Agent to comply with the terms of this Agreement; however, in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement control.
10. **Closing.** The closing of the sale and purchase of the Property (the "Closing") must be held and delivery of all items to be made at the Closing under the terms of this Agreement must be made at the offices of Escrow Agent on or before **June 30, 2017**, or such later date and time as Buyer and Seller may mutually agree upon in writing, time not being of the essence of this Agreement (the “Closing Date”).

11. **Seller’s Closing Documents.** At or before Closing, Seller shall deposit with the Escrow Agent the following items:

   11.1 the duly executed and acknowledged Warranty Deed;

   11.2 the title insurance company’s commitment to issue an ALTA owner’s standard coverage policy of title insurance, as described in Section 6.14;

   11.3 originals of all Documents identified in Section 4 of this Agreement; and

   11.4 such additional funds as Seller is obligated to provide under this Agreement that are necessary to close this transaction.

12. **Buyer’s Closing Documents.** At or before Closing, Buyer shall deposit into escrow the following items:

   12.1 the Purchase Price; and

   12.2 such additional funds as Buyer is obligated to provide under this Agreement that are necessary to close this transaction.

13. **Prorations and Closing Costs.**

   13.1 All real property taxes and assessments shall be prorated as of the date of Closing, and any taxes or additional penalties that would be due as a result of removal of the Property from any tax deferral or special use assessment program will be charged to Seller as though the Property were removed from such program on the Closing Date.

   13.2 Seller shall pay the cost of a standard coverage title insurance policy.

   13.3 Buyer shall pay the recording fee for the Deed.

   13.4 Buyer and seller shall each pay one-half of all costs of escrow.

   13.5 Buyer shall pay for the Yellow Book Appraisal.
14. **Required Actions of Buyer and Seller.** Buyer and Seller shall execute all such instruments and documents and take all actions as may be necessary or convenient in order to consummate the purchase and sale contemplated by this Agreement and shall use their reasonable efforts to accomplish the close of escrow in accordance with the provisions stated in this Agreement. On or before Closing, Seller shall terminate its lease with the Edumds Well Wildlife Sanctuary, dated 8/27/01.

15. **Seller's Representations and Warranties.** Seller represents and warrants to Buyer that:

15.1 Seller has the legal power, right, and authority to enter into this Agreement and the instruments referred to here and to consummate the transactions contemplated in this Agreement.

15.2 This Agreement and all documents required to be executed by Seller are and will be valid, legally binding obligations of and enforceable against Seller in accordance with their terms.

15.3 Neither the execution and delivery of this Agreement and documents referred to here, nor the incurring of the obligations set forth here, nor the consummation of the transactions here contemplated, nor compliance with the terms of this Agreement and the documents referred to here conflict with or result in the material breach of any terms, conditions, or provisions of, or constitute a default under any bond, note, or other evidence of indebtedness, or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease, or other agreements or instruments to which Seller is a party or affecting the Property.

15.4 Except as disclosed to Buyer in writing, there is no litigation, claim, or arbitration, pending or threatened (including any material default or breach), with regard to the Documents, the Property, or operation of the Property.

15.5 No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings are pending or, to the best of Seller's knowledge, threatened against Seller, nor are any such proceedings contemplated by Seller.

15.6 To Seller's knowledge, there are no unperformed obligations that are currently due relative to the Property to any governmental or quasi-governmental body or authority.
15.7 To Seller's knowledge, Seller has not caused any hazardous substance, waste, or material to be used, generated, stored, or disposed of on or transported to or from the Property in violation of any applicable law before or during the period in which Seller has owned the Property. For the purposes of this Section 15.7, "hazardous substance, waste, or material" means all petroleum-based products, radon, asbestos, PCBs, and all substances, wastes, and materials that are so defined in the Comprehensive Environmental Response, Compensation, and Liability Act, 42 USC §§9601-9675; the Resource Conservation and Recovery Act, 42 USC §§6901-6992k; and the Hazardous Materials Transportation act, 49 USC §§5101-5128, as may be amended from time to time.

15.8 Seller is the legal and beneficial fee simple titleholder of the Property and has good, marketable, and insurable title to the Property, free and clear of all liens, encumbrances, claims, covenants, conditions, restrictions, easements, rights of way, options, judgments, or other matters, except as disclosed by the Title Commitment. There will be no change in the ownership, operation, or control of Seller from the date of this Agreement until the Closing Date. Seller warrants that, as of Closing, title to the Property shall be good, marketable, and insurable subject only to the Permitted Exceptions.

15.9 Seller has neither entered into any other contracts for the sale of the Property, nor, to Seller's actual knowledge, do there exist any, rights of first refusal or options to purchase the Property executed by Seller.

15.10 Two groundwater permits (Permit No.'s G10729 and G11952) are appurtenant to and benefit the Property (the "Water Rights"). Seller has neither forfeited nor abandoned the Water Rights, as Seller has maintained the Water Rights by applying water to the Property for beneficial use in compliance with the Water Rights during the five (5) year period preceding the Closing Date.

15.11 There will be no leases, licenses, permits, easements, MOU's or agreements of any nature affecting the Property as of the Closing Date, except for the Permitted Exceptions and those leases, licenses, permits, easements, MOU's and agreements delivered to Buyer pursuant to Section 4, and not terminated under this Agreement.

Seller's representations and warranties contained in Section 15 shall survive the Closing and do not merge into the Deed and the recordation of the Deed in the official records.

16. Buyer's Representations and Warranties. In addition to any express agreements of Buyer contained elsewhere in this Agreement, Buyer represents and warrants to Seller that:

16.1 Buyer has the legal power, right, and authority to enter into this Agreement and the instruments referred to here and to consummate the transactions contemplated here.
16.2 All requisite action has been or will be undertaken by Buyer in connection with entering into this Agreement and the instruments referred to here and the consummation of the transactions contemplated here.

16.3 The persons executing this Agreement and the instruments referred to here on behalf of Buyer have the legal power, right, and actual authority to bind Buyer to the terms and conditions of this Agreement.

16.4 This Agreement and all documents required by it to be executed by Buyer are and will be valid, legally binding obligations of, and enforceable against Buyer in accordance with their terms.

17. Buyer's Right to Assign. Buyer shall have the right to assign any or all of its rights under this Agreement to any agency or subdivision of the federal government or State of Oregon, should such assignment be necessary in order to facilitate the transaction.

18. Brokers. Seller and Buyer each hereby represent to the other that it did not employ or use any broker or finder to arrange or bring about this transaction and that there are no claims or rights for brokerage commissions or finder's fees in connection with the transactions contemplated by this Agreement.

19. Amendment and Modification. This Agreement may be amended, modified, or supplemented only by a written agreement signed by Buyer and Seller.

20. Risk of Loss Prior to Closing. Risk of loss or damage to the Property or any part of it by fire, storm, burglary, vandalism or other casualty between the Effective Date of this Agreement and the Closing Date is hereby assumed by Seller.

21. Notices. All notices required or permitted hereunder must be in writing and must be served on the Parties at the following addresses:

Seller: Carol J. Edmunds, Trustee, of the
        Donald R. Edmunds Trust, UTA dated May 10, 1996
        60838 Scotts Bluff Place
        Bend, OR 97702
        E-Mail: CJEdmunds42@gmail.com
        Telephone: 541-388-2290 home (or) 541-410-2440 cell

Buyer: Oregon Department of Fish and Wildlife
        Attn: Karen Toft, Realty Specialist
        4034 Fairview Industrial Dr. SE
        Salem, OR 97302
        E-Mail: Karen.L.Toft@state.or.us
        Telephone: 503-947-6260
Any such notices may be sent by: (a) certified mail, return receipt requested, in which case notice is deemed delivered five (5) business days after deposit, postage prepaid in the U.S. mail; or (b) a nationally recognized overnight courier, in which case notice is deemed delivered one business day after deposit with such courier; or (c) facsimile transmission or e-mail, in which case notice is deemed delivered upon electronic verification that transmission to recipient was completed.

22. **Personal Property.** No personal property is included in this transaction. Seller shall remove any and all personal property from the Property prior to Closing, including all artwork and three custom Ducks Unlimited chairs. In the event that high water prevents land-based access to the Property prior to Closing, Buyer agrees to grant Seller access to the Property after Closing to remove personal property when conditions permit.

23. **Possession.** Seller will deliver possession of the Property to Buyer on the Closing Date.

24. **Governing Law.** All matters with respect to this Agreement, including but not limited to matters of validity, construction, effect, and performance, are to be governed by the laws of the State of Oregon.

25. **Counterparts.** This Agreement may be executed in two or more fully or partially executed counterparts, each of which is an original binding the signer thereof against the other signing parties, but all counterparts together constitute one and the same instrument.

26. ** Entire Agreement.** This Agreement and any other document to be furnished pursuant to the provisions of this Agreement embody the entire agreement and understanding of the parties as to its subject matter. There are no restrictions, promises, representations, warranties, covenants, or undertakings other than those expressly set forth or referred to in such documents. This Agreement and such documents supersede all prior agreements and understandings among the parties with respect to the subject matter of this Agreement.

27. **Severability.** Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this Agreement.

28. **Arbitration/Remedies.** In the event of dispute regarding the terms of this Agreement, Buyer and Seller agree that either party may submit the dispute to non-binding arbitration. Should said arbitration fail to resolve the dispute within sixty (60) days of submission of the issue to the arbitrator, either party may proceed to exercise any and all remedies available to it under law and equity, and Buyer may pursue an action to compel specific performance or an action for damages for breach, separately or alternatively.
THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 40.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. 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 THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Seller:
Carol J. Edmunds, Trustee of the Donald R. Edmunds Trust, U/TA dated May 10, 1996
By: Carol J. Edmunds, Trustee

Buyer:
State of Oregon, acting by and through its Department of Fish and Wildlife, on behalf of The Oregon Fish and Wildlife Commission
By: [Signature]
As its: [Title]
Date: [Date]

Approved for legal sufficiency pursuant to ORS 291.047

By: Jeffrey R. Wheeler
Title: Assistant Attorney General, Oregon Department of Justice
Date: [Date]

Page 10 of 16: Purchase and Sale Agreement: ODFW acquisition from EDMUNDS
EXHIBIT A
Legal Description of the Property

In the County of Lake, State of Oregon:

PARCEL 1

Township 29 South, Range 17 East of the Willamette Meridian,
Section 35: The E¼ of the NW¼.

PARCEL 2

Township 29 South, Range 17 East of the Willamette Meridian,
Section 26: The W½ of the SW¼.
Section 35: The W¼ of the NW¼.

PARCEL 3

Township 29 South, Range 17 East of the Willamette Meridian,
Section 35: The W¼ of the NE¼.

PARCEL 4

Parcel 2 of Partition Plat No. 2006-B-118 filed with the Lake County Clerk on February 27, 2006 and
situated in NE¼ of Section 26, Township 29 South, Range 17 East of the Willamette Meridian, Lake
County Oregon

PARCEL 5

Parcel 1 of Partition Plat No. 2006-B-118 filed with the Lake County Clerk on February 27, 2006 and
situated in S½ of Section 26, Township 29 South, Range 17 East of the Willamette Meridian, Lake
County Oregon
EXHIBIT B

to Warranty Deed
(Encumbrances)

1. Taxes deferred, as disclosed by the tax roll, the premises herein described have been zoned or classified for farm use. At any time that said land is disqualified for such use the property will be subject to additional taxes or penalties and interest.
(Affects Parcels 2 and 3)

2. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
  Granted To: Telephone Utilities of Eastern Oregon, Inc. an Oregon corporation
  Recorded: June 6, 1989
  Book: 212, Page: 519

3. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
  Granted To: Telephone Utilities of Eastern Oregon, an Oregon corporation
  Recorded: June 6, 1989
  Book: 212, Page: 520 (Affects Parcel 4)

4. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
  Granted To: Telephone Utilities of Eastern Oregon, Inc., an Oregon corporation
  Recorded: July 12, 1989
  Book: 213, Page: 31 (Affects Parcel 5)

5. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
  Granted To: Telephone Utilities of Eastern Oregon, Inc., an Oregon corporation
  Recorded: July 12, 1989
  Book: 213, Page: 32 (Affects Parcel 5)

6. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
  Granted To: Telephone Utilities of Eastern Oregon, Inc., an Oregon corporation
  Recorded: October 19, 1989
  Book: 213, Page: 665 (Affects Parcel 2)

7. Easement as created and shown on the Partition Plat No. 2006-B-118, affecting the Southerly 50 feet of Parcel 2.
ATTACHMENT B
PRESCRIPTIVE EASEMENT

April 24, 1987

RE: Lake County, Oregon
Township 19S, Range 17
Section 26 N.E. 1/4

TO WHOM IT MAY CONCERN;

Our family has owned 160 acres in Lake County, Oregon since May 5, 1922. The 160 acres was purchased at that time by my grandparents, Elmer S. Parcell and Alpha R. hw. The property was passed by inheritance to my parents and the property was deeded to me and my wife, Jann I. on June 26, 1981. We have used a dirt access road that starts from the county road (county road cuts across the N.W. corner of Section 27) and goes East through the center of section 26 to the S.W. corner of our QTR section. Our grandfather used the road since May 1922, my parents, LeRoy D. Smith and Reatha L. hw. and/or their designees since 1958 have used the road and we and/or our designees have used this road since June 1981.

Myron G. Smith
7027 47th Ave. N.E.
Marysville, WA. 98270
BEFORE THE WATER RESOURCES DEPARTMENT
OF THE
STATE OF OREGON

In the Matter of Transfer Application
T-9970, Lake County

) FINAL ORDER APPROVING A
) CHANGE IN POINT OF
) Appropriation, Place of Use
) And Character of Use

ORS 537.705 and 540.505 to 540.580 establish the process in which a water right holder may
submit a request to transfer the point of appropriation, place of use, or character of use authorized
under an existing water right. OAR Chapter 690, Division 380 implements the statutes and
provides the Department’s procedures and criteria for evaluating transfer applications.

Applicant
DON EDMUNDS
20903 KNOTT RD
BEND, OR 97702

Findings of Fact
1. On July 18, 2005, Don Edmunds filed a transfer application to change the place of use,
character of use under Certificate 73395 and to change the place of use and point of
appropriation under a portion of Certificate 82030. The Department assigned the application
number T-9970.

2. The portion of the first right to be transferred is as follows:
Certificate: 73395 in the name of George E. Carlon; L. H. Ranch Inc. and Don and Carol
Edmunds (perfected under Permit G-10888)
Use: IRRIGATION of 48.1 ACRES
Priority Date: NOVEMBER 13, 1987
Rate: 0.6 CUBIC FOOT PER SECOND (cfs)
Limit/Duty: ONE-EIGHTIETH cfs per acre, not to exceed 3.0 acre-feet per acre per year
Source: A WELL (Well 2) located in the Summer Lake Basin

NOTICE OF RIGHT TO PETITION FOR RECONSIDERATION OR JUDICIAL REVIEW
This is an order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any
petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to
ORS 536.075 and OAR 137-004-0080, you may either petition for judicial review or petition the Director for
reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no
action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

T-9970.m-a-dip Page 1 of 5 Special Order Volume 71 Page 397
3. Application T-9970 proposes to change the character of use to Wildlife Habitat.

4. Application T-9970 also proposes to change the place of use of the right to:

5. The portion of the second right to be transferred is as follows:

Certificate: 82030 in the name of Don Edmunds (perfected under Permit G-11952)
Use: WILDLIFE HABITAT (including waterfowl attraction, waterfowl rearing areas and ponds, and fish rearing ponds)
Priority Date: MARCH 11, 1994
Rate: 45.0 GALLONS PER MINUTE (gpm)
Source: A WELL (Hale Well) located in the Summer Lake Basin
6. The point described in Certificate 73395 for Well 2 (179.1 feet South and 2605.9 feet East from the West ¼ corner of Sec. 26, Section 26, T. 29 South, R. 17 East, WM) and the point described in Certificate 82030 for the Hale Well (2800 feet South and 2680 feet West from the NE corner of Sec. 26, Section 26, T. 29 South, R. 17 East, WM) both describe the same point of appropriation.

7. Application T-9970 proposes to move 0.1 CFS (45.0 gpm) from the Hale well to a new point of appropriation (Well No. 3) located approximately 0.6 mile southwest and described as follows:

<table>
<thead>
<tr>
<th>Twp</th>
<th>Rng</th>
<th>Mer</th>
<th>Sec</th>
<th>Q-Q</th>
<th>Survey Coordinates</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 S</td>
<td>7 E</td>
<td>WM</td>
<td>26</td>
<td>SW SW</td>
<td>Well 3 - 50 FEET NORTH AND 440 FEET EAST FROM THE SW CORNER OF SECTION 26</td>
</tr>
</tbody>
</table>

8. Application T-9970 also proposes to change the place of use of that portion of the right to:

<table>
<thead>
<tr>
<th>Twp</th>
<th>Rng</th>
<th>Mer</th>
<th>Sec</th>
<th>Q-Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 S</td>
<td>7 E</td>
<td>WM</td>
<td>26</td>
<td>SW SW</td>
</tr>
<tr>
<td>29 S</td>
<td>7 E</td>
<td>WM</td>
<td>35</td>
<td>NW NW</td>
</tr>
</tbody>
</table>

9. Notice of the application for transfer was published on July 26, 2005, pursuant to ORS 540.520 and OAR 690-380-4000. No comments were filed in response to the notice.

10. On January 31, 2007, the Department issued a preliminary determination proposing to approve Transfer T-9970 and mailed a copy to the applicant. Additionally, notice of the preliminary determination for the transfer application was published on the Department’s weekly notice on February 6, 2007, and in the Lake County Examiner newspaper on February 8, 15 and 22, 2007 pursuant to ORS 540.520 and OAR 690-380-4020. No protests were filed in response to the notice.

11. Water has been used within the last five years according to the terms and conditions of the rights, and no evidence is available that would demonstrate that the rights are subject to forfeiture under ORS 540.610.

12. Wells and a distribution system sufficient to use the full amount of water allowed under the existing rights are present.

13. T-9970 proposes to increase the size of the place of use of the right evidenced by Certificate 73395 by including the current place of use within the proposed place of use. As defined by OAR 690-380-0100(2) the proposed change could result in enlargement if not conditioned so as to prevent use of more water than could have been beneficially used without waste for the existing authorized use. The best currently available information indicates that beneficial use of water for irrigation of crops in the area would not likely exceed 2.6 acre-feet per acre on 48.1 acres for a total volume of 125.1 acre-feet per year.
14. On September 21, 2006, Don Edmunds requested to limit the use under the right evidenced by Certificate 73395 to no more than 125.1 acre-feet per year at a rate not to exceed 0.6 cfs from Well 2 (Hale Well). Therefore, the proposed use, if conditioned to limit the total annual volume to 2.6 acre-feet per acre for the 48.1 acres under Certificate 73395 (125.1 acre-feet total annual volume), would not result in enlargement of the right.

15. The change of place of use and 0.1 CPS from the Hale well to Well #3 under certificate 82030 would not result in an enlargement of that right.

16. The proposed change would not result in injury to other water rights.

**Conclusions of Law**

The proposed changes in place of use, character of use, and point of appropriation in application T-9970 are consistent with the requirements of ORS 540.505 to 540.580, and OAR 690-380-5000.

Now, therefore, it is ORDERED:

1. The right to the use of the water is restricted to beneficial use at the place of use described, and is subject to all other conditions and limitations contained in Certificates 73395, 82030 and any related decree.

2. Certificates 73395 and 82030 are cancelled. New certificates will be issued describing the portions of the rights not involved in this transfer.

3. The use of water under the right evidenced by Certificate 73395 (perfected under Permit G-10888) shall be limited to a rate of 0.6 cfs and a total annual volume of 125.1 acre-feet.

4. The approved changes shall be completed and full beneficial use of the water shall be made on or before **October 1, 2008**. A Claim of Beneficial Use prepared by a Certified Water Rights Examiner shall be submitted by the applicant to the Department within one year after the deadline for completion of the changes and full beneficial use of the water.

5. The quantity of water diverted at the additional point of appropriation, together with that diverted at the old point of appropriation, shall not exceed the quantity of water lawfully available at the original point of appropriation.

6. The former place of use of the water transferred under Certificate 82030, described in Finding of Fact #5, shall no longer receive water as part of that right.

7. When required by the Department, the water user shall install and maintain a headgate, an in-line flow meter, weir, or other suitable device for measuring and recording the quantity of water diverted. The type and plans of the headgate and measuring device must be approved by the Department prior to beginning construction and shall be installed under the general supervision of the Department.
8. When satisfactory proof of the completed changes is received, new certificates confirming the portions of the rights transferred will be issued.

Dated at Salem, Oregon this 28th day of March 2007.

[Signature]
Phillip C. Ward, Director

Mailing date: MAR 29 2007
ATTACHMENT C - WATERS RIGHTS

STATE OF OREGON
COUNTY OF LAKE
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE IS ISSUED TO

DON EDMUNDS
20903 KNOTT ROAD
BEND, OREGON 97702

Confirms the right to use the waters of EDMUNDS WELL and HALE WELL in the SUMMER LAKE BASIN for WILDLIFE HABITAT USE (including Waterfowl Attraction, Waterfowl Rearing Areas and Ponds, and Fish Rearing Ponds).

This right was perfected under Permit G-11952. The date of priority is March 11, 1994. The amount of water to which this right is entitled is limited to an amount actually beneficially used, and shall not exceed 1705 gallons per minute (GPM), being 1500 GPM from the Edmunds Well and 205 GPM from the Hale Well, or its equivalent in case of rotation, measured at the well.

The wells are located as follows:

<table>
<thead>
<tr>
<th>Twp</th>
<th>Rng</th>
<th>Mer</th>
<th>Sec</th>
<th>Q-Q</th>
<th>Survey Coordinates</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 S</td>
<td>17 E</td>
<td>WM</td>
<td>26</td>
<td>SW NE</td>
<td>EDMUNDS WELL - 1700 FEET SOUTH AND 2200 FEET WEST FROM THE NE CORNER OF SECTION 26</td>
</tr>
<tr>
<td>29 S</td>
<td>17 E</td>
<td>WM</td>
<td>26</td>
<td>NE SW</td>
<td>HALE WELL - 2800 FEET SOUTH AND 2680 FEET WEST FROM THE NE CORNER OF SECTION 26</td>
</tr>
</tbody>
</table>

A description of the place of use to which this right is appurtenant is as follows:

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<tr>
<th>Twp</th>
<th>Rng</th>
<th>Mer</th>
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<th>Q-Q</th>
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<td>17 E</td>
<td>WM</td>
<td>26</td>
<td>NE NE</td>
</tr>
<tr>
<td>29 S</td>
<td>17 E</td>
<td>WM</td>
<td>26</td>
<td>NW NE</td>
</tr>
<tr>
<td>29 S</td>
<td>17 E</td>
<td>WM</td>
<td>26</td>
<td>SW NE</td>
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<tr>
<td>29 S</td>
<td>17 E</td>
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<td>26</td>
<td>SE NE</td>
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<tr>
<td>29 S</td>
<td>17 E</td>
<td>WM</td>
<td>26</td>
<td>NE SW</td>
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<tr>
<td>29 S</td>
<td>17 E</td>
<td>WM</td>
<td>26</td>
<td>SE SW</td>
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<tr>
<td>29 S</td>
<td>17 E</td>
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<td>NW SE</td>
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<tr>
<td>29 S</td>
<td>17 E</td>
<td>WM</td>
<td>26</td>
<td>SW SE</td>
</tr>
<tr>
<td>29 S</td>
<td>17 E</td>
<td>WM</td>
<td>35</td>
<td>NW NE</td>
</tr>
<tr>
<td>29 S</td>
<td>17 E</td>
<td>WM</td>
<td>35</td>
<td>SW NE</td>
</tr>
<tr>
<td>29 S</td>
<td>17 E</td>
<td>WM</td>
<td>35</td>
<td>NE NW</td>
</tr>
</tbody>
</table>

The well shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon.

Measurement, recording and reporting conditions:

A. The water user shall maintain the meter or measuring device in good working order, shall keep a complete record of the amount of water used each month and shall submit a report which includes the recorded water use measurements to the Department annually or more frequently as may be required by the Director. Further, the Director may require the water user to report general water use information, including the place and nature of the use under the water right.
B. The water user shall allow the water master access to the meter or measuring device; provided however, where the meter or measuring device is located within a private structure, the water master shall request access upon reasonable notice.

This right along with any other rights for wildlife habitat use on the same lands from the Edmunds Well is limited to a total diversion of 1500 GPM.

In the event of a request for a change in point of appropriation, an additional point of appropriation or alteration of the appropriation facility associated with this authorized diversion, the quantity of water allowed herein, together with any other right, shall not exceed the capacity of the facility at the time of perfection of this right.

This right is limited to any deficiency in the available supply of any prior right existing for the same land.

If substantial interference with a senior right occurs due to withdrawal of water from any well listed on this right, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences.

The Director may require water level or pump test results every ten years.

Failure to comply with any of the provisions of this right may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of this right.

The right to the use of the water for the above purpose is restricted to beneficial use without waste on the lands or place of use described. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

By law, the land use associated with this water use must be in compliance with statewide land use goals and any local acknowledged land use plans.

The use of water shall be limited when it interferes with any prior surface or ground water rights.

This certificate describes that portion of the water right confirmed by Certificate 82030 State Record of Water Right Certificates, NOT modified by the provisions of an order of the Water Resources Director entered March 28, 2007, approving Transfer Application T-9970.

The issuance of this superseding certificate does not confirm the status of the water right in regard to the provisions of ORS 540.610 pertaining to forfeiture or abandonment.

WITNESS the signature of the Water Resources Director,

Affixed March 28, 2007

[Signature]

For: Phillip C. Ward, Director

T-9970.RA/dip Page 2 of 2 Recorded in State Record of Water Right Certificates numbered 83082.
STATE OF OREGON
COUNTY OF LAKE
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

DON EDMUNDS
20903 KNOTT RD
BEND OR 97702

Confirms the right to use the waters of EDMUNDS WELL in the SUMMER LAKE BASIN for WILDLIFE HABITAT USE INCLUDING WATERFOWL ATTRACTION, WATERFOWL REARING FONDS, AND FISH REARING FONDS.

This right was perfected under Permit G-10729. The date of priority is JUNE 4, 1987. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 1500 GALLONS PER MINUTE (GPM) FROM THE EDMUNDS WELL, or its equivalent in case of rotation, measured at the well.

The well is located as follows:

<table>
<thead>
<tr>
<th>Twp</th>
<th>Rng</th>
<th>Mer</th>
<th>Sec</th>
<th>GLot</th>
<th>DLC</th>
<th>Survey Coordinates</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 S</td>
<td>17 E</td>
<td>WM</td>
<td>26</td>
<td>SW NE</td>
<td></td>
<td>1700 FEET SOUTH &amp; 2200 FEET WEST FROM NE CORNER, SECTION 26</td>
</tr>
</tbody>
</table>

A description of the place of use to which this right is appurtenant is as follows:

<table>
<thead>
<tr>
<th>FISH AND WILDLIFE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twp</td>
</tr>
<tr>
<td>-----</td>
</tr>
<tr>
<td>29 S</td>
</tr>
<tr>
<td>29 S</td>
</tr>
<tr>
<td>29 S</td>
</tr>
<tr>
<td>29 S</td>
</tr>
</tbody>
</table>

The well shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The water user shall install and maintain a weir, meter, or other suitable measuring device and shall keep a complete record of the amount of ground water withdrawn.

This right, along with any other rights for wildlife habitat use on the same lands from the Edmunds well is limited to a total diversion of 1500 gpm.

NOTICE OF RIGHT TO PETITION FOR RECONSIDERATION OR JUDICIAL REVIEW

This is an order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080, you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied. In addition, under ORS 537.260 any person with an application, permit or water right certificate subsequent in priority may jointly or severally contest the issuance of the certificate at any time before it has issued, and after the time has expired for the completion of the appropriation under the permit, or within three months after issuance of the certificate.

Application G-11659.RA

Page 1 of 2

Certificate 82041
The right to use water for the above purpose is restricted to beneficial use on the lands or place of use described.

The use of water shall be limited to appropriation of water only to the extent that it does not impair or substantially interfere with existing surface water rights of others.

WITNESS the signature of the Water Resources Director, affixed June 21, 2006.

[Signature]

Phillip C. Ward, Director
Water Resources Department
STATE OF OREGON
STANDARD PROFESSIONAL SERVICES CONTRACT
(Architectural, Engineering, Land Surveying and Related Services)

THIS PROFESSIONAL SERVICES CONTRACT (the “Contract”) is between the State of Oregon, by and through its Department of Fish & Wildlife, (the “Owner”), and:

<table>
<thead>
<tr>
<th>Company</th>
<th>Appraisal Group of Central Oregon</th>
<th>Contract #</th>
<th>835-135-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>60502 Woodside Rd.</td>
<td>PCA Project/Phase</td>
<td>815003-12</td>
</tr>
<tr>
<td>City, State Zip</td>
<td>Bend OR, 97702</td>
<td>Email:</td>
<td>Greg@ago- appraisal.com</td>
</tr>
<tr>
<td>Phone</td>
<td>(541) 480-6527</td>
<td>Fax #</td>
<td>(541) 312-3063</td>
</tr>
</tbody>
</table>

(the “Consultant”; (collectively Owner and Consultant are referred to as the “Parties”). This Contract is for all Services related to completion of the project more particularly described as follows (the “Project”):

Summer Lake Wildlife Area, Edmunds Well Land Acquisition. This appraisal is to estimate a fair market value for approximately 563.72 acres of property in Lake County.

This Contract shall become effective on the date that the Contract is fully executed by the Parties and all required State of Oregon approvals have been obtained (the "Effective Date"). No Services shall be performed prior to the Effective Date. The Contract shall expire, unless otherwise terminated or extended, on June 30th, 2017. Generally, the Services to be performed by Consultant on the Project consist of the following (the “Services”):

Contractor shall conduct an assessment of five lots of approximately 563.72 acres of Edmund Wells. To assist Oregon’s Department of Fish and Wildlife in determining the market value for acquisition of the identified property.

The Services are more specifically described in the EXHIBIT A, Statement of Work. Owner agrees to pay Consultant a sum not to exceed ($17,500.00) for performance of the Services, which shall include all allowable expenses. Progress payments shall be made in accordance with EXHIBIT B, Consultant Compensation.

This Contract consists of these introductory provisions and the signature page(s), Section 1-Relationship of the Parties, Section 2-Consultant’s Responsibilities; Representations and Warranties, Section 3-Responsibilities of Owner; Special Contract Provisions, Section 4-General Contract Provisions and the following exhibits attached hereto and incorporated herein by this reference:

| EXHIBIT A: Statement of Work | Attachment A: Purchase and Sale Agreement |
| EXHIBIT B: Consultant Compensation | Attachment B: Prescriptive Easement |
|                                | Attachment D: Map of Water Rights |
|                                | Attachment E: Water Rights Notice |

THIS CONTRACT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES ON THE SUBJECT MATTERS ADDRESSED HEREIN. THE TERMS OF THIS CONTRACT CANNOT BE WAIVED, ALTERED, MODIFIED, SUPPLEMENTED OR AMENDED, IN ANY MANNER WHATSOEVER, EXCEPT BY WRITTEN INSTRUMENT SIGNED BY THE PARTIES AND CONTAINING ALL REQUIRED STATE OF OREGON APPROVALS. ANY SUCH WAIVER, ALTERATION, MODIFICATION, SUPPLEMENTATION OR AMENDMENT SHALL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS, ORAL OR WRITTEN, REGARDING THIS CONTRACT EXCEPT AS CONTAINED, INCORPORATED OR REFERENCED HEREIN. CONSULTANT, BY THE SIGNATURE BELOW OF ITS AUTHORIZED REPRESENTATIVE, HEREBY ACKNOWLEDGES THAT IT HAS READ THIS CONTRACT, UNDERSTANDS THIS CONTRACT, AND AGREES TO BE BOUND BY ALL OF THIS CONTRACT’S TERMS AND CONDITIONS. THIS CONTRACT, AND ANY AMENDMENTS TO IT, MAY BE EXECUTED IN COUNTERPARTS (EACH OF WHICH SHALL BE AN ORIGINAL AND ALL OF WHICH SHALL CONSTITUTE BUT ONE AND THE SAME INSTRUMENT) OR IN MULTIPLE
ORIGINALS. A FAXED FORM OF THIS CONTRACT OR ANY AMENDMENT THERETO, EXECUTED BY ONE OR MORE OF THE PARTIES, WILL CONSTITUTE A COUNTERPART HEREOF, AS LONG AS THE COUNTERPART BEARING THE PARTY’S ORIGINAL SIGNATURE IS PROMPTLY TRANSMITTED TO THE OTHER PARTY AND RECEIVED BY THAT PARTY FORTHWITH.

Appraisal Group of Central Oregon

Department of Fish & Wildlife

Name/Title

Date

Cameron Smith
Acting Deputy Director for Administration

Date

4/26/17

04-24-1
1. RELATIONSHIP OF THE PARTIES

1.1. Consultant shall provide the Services for the Project in accordance with the terms and conditions of this Contract. Consultant's performance of Services shall be as a professional consultant to Owner to carry out the Project and to provide the technical documents and supervision to achieve Owner's Project objectives.

1.2. In administering this Contract, Owner may retain the services of an independent project manager and other consultants as needed to fulfill Owner's objectives.

1.3. Consultant shall provide a list of all sub-consultants which Consultant intends to utilize on the Project (the "Sub-consultants"). This list shall include such information on the qualifications of the Sub-consultants as may be requested by Owner. Owner reserves the right to review the Sub-consultants proposed. Consultant shall not retain a Sub-consultant to which Owner has a reasonable objection.

1.4. Consultant acknowledges that this Contract was awarded on the basis of the unique background and abilities of the key personnel of Consultant and Sub-consultants identified by Consultant (collectively, the "Key Personnel" and individually, the "Key Person"). Therefore, Consultant shall make available Key Personnel as identified in its proposal. Consultant shall provide to Owner a list of the proposed Key Personnel to be assigned to the Project. This list shall include such information on the professional background of each Key Person as may be requested by Owner. If any Key Person becomes unavailable to Consultant, the Parties shall mutually agree upon an appropriate replacement. Without prior notice to, and the written consent of, Owner, Consultant shall not: (i) re-assign or transfer any Key Person to other duties or positions so that the Key Person is unable to fully perform his or her responsibilities under the Contract; (ii) allow any Key Person to delegate to anyone his or her performance of any management authority or other responsibility required under the Contract; or (iii) substitute any Key Person. Any of these actions shall constitute a material breach of the Contract. Consultant shall remove any individual or Sub-consultant from the Project if so directed by Owner in writing following discussion with Consultant, provided that Consultant shall have a reasonable time period within which to find a suitable replacement.

2. CONSULTANT'S RESPONSIBILITIES; REPRESENTATIONS AND WARRANTIES

2.1. Consultant agrees that:

2.1.1. The phrase "Standard of Care" that is used in this Contract is defined as follows: the same professional skill, care, diligence and standards as other professionals performing similar services under similar conditions (the "Standard of Care");

2.1.2. Consultant shall perform all Services in accordance with the Standard of Care;

2.1.3. Consultant shall prepare, in accordance with the Standard of Care, all drawings, specifications, deliverables and other documents so that they accurately reflect, fully comply with and incorporate all applicable laws, rules, and regulations, and so that they are complete and functional for the purposes intended, except as to any deficiencies which are due to causes beyond the control of Consultant;

2.1.4. Consultant shall be responsible for correcting any inconsistencies, errors or omissions in the drawings, specifications, deliverables and other documents prepared by Consultant at no additional cost to Owner;

2.1.5. Owner's review or acceptance of documents shall not be deemed as approval of the adequacy of the drawings, specifications, deliverables and other documents. Any review or acceptance by Owner will not relieve Consultant of any responsibility for complying with the Standard of Care;

2.1.6. Except as provided in Supplemental Services addressed within Exhibits A and B, Consultant shall, at no additional cost to Owner, render assistance to Owner in resolving problems or other issues relating to the Project design or to specified materials;

2.1.7. During the term of the Contract, Consultant shall obtain, hold, maintain, and fully pay for all licenses and permits required by law for Consultant to conduct its business and perform the Services. During the term of the Contract, Owner shall pay for and Consultant shall obtain, hold and maintain all licenses and permits required for the Project, unless otherwise specified in the Contract. Consultant shall review the Project site and the nature of the Services and advise Owner throughout the course of the Project as to the necessity of obtaining all Project permits and licenses, the status of the issuance of any such permits and licenses, and any issues or impediments related to the issuance or continuation of any such permits and licenses; and

2.1.8. Consultant shall pay all Sub-consultants and other subcontractors as required by Consultant's contracts with those Sub-consultants and subcontractors. Consultant agrees that Owner has no direct or indirect contractual obligation or other legal duty whatsoever to pay the Sub-consultants and other subcontractors of Consultant or otherwise ensure that Consultant makes full and timely payment to those Sub-consultants and subcontractors for services performed on the Project.

2.2. Consultant represents and warrants to Owner that:

2.2.1. Consultant has the power and authority to enter into and perform this Contract; the persons executing this Contract on behalf of Consultant have the actual authority to bind Consultant to the terms of this Contract;

2.2.2. When executed and delivered, this Contract shall be a valid and binding obligation of Consultant enforceable in accordance with its terms; the provisions of this Contract do not conflict with or result in a default under any

Page 3 of 19
agreement or other instrument binding upon Consultant and do not result in a violation of any law, regulation, court decree or court order or other legal process applicable to Consultant;

2.2.3. Consultant shall, at all times during the term of this Contract, be duly licensed to perform the Services, and if there is no licensing requirement for the profession or services, be duly qualified and competent;

2.2.4. Consultant is an experienced firm having the skill, legal capacity, and professional ability necessary to perform all the Services required under this Contract and to design and administer a project having the scope and complexity of the Project;

2.2.5. Consultant has the capabilities and resources necessary to perform Consultant's obligations under this Contract;

2.2.6. Consultant is, or shall become, in a manner consistent with the Standard of Care, familiar with all current laws, rules, and regulations which are applicable to the design and construction of the Project;

2.2.7. All Services shall be performed in accordance with the Standard of Care.

2.2.8. The Project, when completed and if constructed in accordance with the intent established by the drawings, specifications, deliverables and other documents prepared by Consultant pursuant to this Contract, shall be structurally sound and a complete and properly functioning facility suitable for the purposes for which it is intended; and

2.2.9. The published specifications of the "Automated Systems" that Consultant has specified, designated and planned pursuant to this Contract conform to the Contract requirements. For the purposes of this subsection, "Automated Systems" shall mean any computers, software, firmware, HVAC systems, elevators, electrical systems, fire or life safety systems, security systems and any other electrical, mechanized or computerized devices serving the Project.

2.3. The warranties set forth in this section are in addition to, and not in lieu of, any other warranties provided in this Contract or at law.

3. RESPONSIBILITIES OF OWNER; SPECIAL CONTRACT PROVISIONS

Owner's responsibilities under this Contract, and certain additional responsibilities of Consultant, are set forth in Exhibit D-Special Contract Provisions.

4. GENERAL CONTRACT PROVISIONS

4.1. Contract Performance. Consultant shall at all times perform the Services diligently and without delay and shall punctually fulfill all Contract requirements consistent with the schedule for the performance of Services set forth in Exhibits A and E. Expiration or termination of the Contract shall not extinguish, prejudice, or limit either party's right to enforce this Contract with respect to any default or defect in performance. Time is of the essence in the performance of this Contract.

4.2. Access to Records. For not less than three (3) years after the Contract's expiration or termination, Owner, the Secretary of State's Office of the State of Oregon, the federal government, and their duly authorized representatives shall have access to the books, documents, papers, and records of Consultant and the Sub-consultants which pertain to the Contract for the purpose of making audits, examination, excerpts, and transcripts. If, for any reason, any part of this Contract, any Project-related consultant contract or any Project-related construction contract(s) is involved in litigation, Consultant shall retain all pertinent records for not less than three years or until all litigation is resolved, whichever is longer. Consultant shall provide Owner and the other entities referenced above with full access to these records in preparation for and during litigation.

4.3. Funds Available and Authorized. Owner reasonably believes as of the Effective Date that sufficient funds are available and authorized for expenditure to finance the cost of this Contract within Owner's appropriation or limitation. Consultant understands and agrees that, to the extent that sufficient funds are not available and authorized for expenditure to finance the cost of this Contract, Owner's payment of amounts under this Contract attributable to Services performed after the last day of the current biennium is contingent on Owner receiving from the Oregon Legislative Assembly appropriations, limitations or other expenditure authority sufficient to allow Owner, in the exercise of its reasonable administrative discretion, to continue to make payments under this Contract.

4.4. Insurance. Consultant shall maintain in effect for the duration of this Contract, or any other time periods required herein, the insurance set forth in Exhibit E-Insurance Provisions.

4.5 Indemnity.

4.5.1. CLAIMS FOR OTHER THAN PROFESSIONAL LIABILITY. Consultant shall indemnify, defend, save, and hold harmless the State of Oregon and Owner, and their officers, agents, and employees, from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of whatsoever nature resulting from or arising out of the acts or omissions of Consultant or its Sub-consultants, subcontractors, agents, or employees under this Contract.
10. **Closing.** The closing of the sale and purchase of the Property (the "Closing") must be held and delivery of all items to be made at the Closing under the terms of this Agreement must be made at the offices of Escrow Agent on or before **June 30, 2017**, or such later date and time as Buyer and Seller may mutually agree upon in writing, time not being of the essence of this Agreement (the "Closing Date").

11. **Seller’s Closing Documents.** At or before Closing, Seller shall deposit with the Escrow Agent the following items:

   11.1 the duly executed and acknowledged Warranty Deed;
   
   11.2 the title insurance company’s commitment to issue an ALTA owner’s standard coverage policy of title insurance, as described in Section 6.14;
   
   11.3 originals of all Documents identified in Section 4 of this Agreement; and
   
   11.4 such additional funds as Seller is obligated to provide under this Agreement that are necessary to close this transaction.

12. **Buyer’s Closing Documents.** At or before Closing, Buyer shall deposit into escrow the following items:

   12.1 the Purchase Price; and
   
   12.2 such additional funds as Buyer is obligated to provide under this Agreement that are necessary to close this transaction.

13. **Prorations and Closing Costs.**

   13.1 All real property taxes and assessments shall be prorated as of the date of Closing, and any taxes or additional penalties that would be due as a result of removal of the Property from any tax deferral or special use assessment program will be charged to Seller as though the Property were removed from such program on the Closing Date.

   13.2 Seller shall pay the cost of a standard coverage title insurance policy.

   13.3 Buyer shall pay the recording fee for the Deed.

   13.4 Buyer and seller shall each pay one-half of all costs of escrow.

   13.5 Buyer shall pay for the Yellow Book Appraisal.
4.10.2. For purposes of this certification, "Oregon Tax Laws" means a state tax imposed by ORS 401.792 to 401.816 (Tax for Emergency Communications), 118 (Inheritance Tax), 314 (Income Tax), 316 (Personal Income Tax), 317 (Corporation Excise Tax), 318 (Corporation Income Tax), 320 (Amusement Device and Transient Lodging Taxes), 321 (Timber and Forestland Tax), 323 (Cigarettes and Tobacco Products Tax), the elderly supplemental assistance program under ORS 316.620 to 316.706, and any local taxes administered by the Department of Revenue under ORS 305.620.

4.11. Severability. The Parties agree that if any term or provision of this Contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected; and the rights and obligations of the Parties shall be construed and enforced as if the Contract did not contain the particular term or provision held to be invalid.

4.12. Force Majeure. Neither party shall be held responsible for delay or default in the performance of its obligations due to a cause beyond its reasonable control, including, but not limited to fire, riot, acts of God, terrorist acts or war where such cause was beyond such party's reasonable control. Each party shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon the cessation of the cause, diligently pursue performance of its obligations under the Contract.

4.13. Waiver. The failure of Owner to enforce any provision of this Contract shall not constitute a waiver by Owner of that or any other provision.

4.14. Third Party Beneficiaries. Nothing contained in this Contract shall create a contractual relationship with or a cause of action in favor of a third party against Owner or Consultant. Consultant's Services under this Contract shall be performed solely for Owner's benefit and no other entity or person shall have any claims against Consultant because of this Contract for the performance or nonperformance of Services hereunder.

4.15. Ownership of Work Product; Confidentiality.

4.15.1. Definitions. As used in this Contract, the following terms have the meanings set forth below:

a. "Consultant Intellectual Property" means any intellectual property that is owned by Consultant and developed independently from this Contract and that is applicable to the Services or included in the Work Product.

b. "Third Party Intellectual Property" means any intellectual property that is owned by parties other than Owner or Consultant and that is applicable to the Services or included in the Work Product.

c. "Work Product" means the Services Consultant delivers or is required to deliver to Owner under this Contract. Work Product includes every invention, discovery, work of authorship, trade secret or other tangible or intangible item and all intellectual property rights therein, and all copies of plans, specifications, reports and other materials, whether completed, partially completed or in draft form.

4.15.2. Work Product. Except as provided in Sections 4.15.3 and 4.15.4, all Work Product created by Consultant pursuant to this Contract, including derivative works and compilations, and whether or not such Work Product is considered a "work made for hire" or an employment to invent, shall be the exclusive property of Owner. Owner and Consultant agree that such original works of authorship are "work made for hire" of which Owner is the author within the meaning of the United States Copyright Act. To the extent that Owner is not the owner of the Intellectual property rights in such Work Product, Consultant hereby irrevocably assigns to Owner any and all of its rights, title, and interest in all original Work Product created pursuant to this Contract, whether arising from copyright, patent, trademark, trade secret, or any other state or federal intellectual property law or doctrine. Upon Owner's reasonable request, Consultant shall execute such further documents and instruments necessary to fully vest such rights in Owner. Consultant forever waives any and all rights relating to original Work Product created pursuant to this Contract, including without limitation, any and all rights arising under 17 USC §106A or any other rights of identification of authorship or rights of approval, restriction or limitation on use or subsequent modifications.

4.15.3. Consultant Intellectual Property. In the event that Consultant Intellectual Property is necessary for the use of any Work Product, Consultant hereby grants to Owner an irrevocable, non-exclusive, non-transferable, perpetual, royalty-free license to use Consultant Intellectual Property, including the right of Owner to authorize contractors, consultants and others to use Consultant Intellectual Property, for the purposes described in this Contract.

4.15.4. Third Party Intellectual Property. In the event that Third Party Intellectual Property is necessary for the use of any Work Product, Consultant shall secure on Owner's behalf and in the name of Owner, an irrevocable, non-exclusive, non-transferable, perpetual, royalty-free license to use the Third Party Intellectual Property, including the right of Owner to authorize contractors, consultants and others to use the Third Party Intellectual Property, for the purposes described in this Contract.

4.15.5. Consultant Intellectual Property-Derivative Work. In the event that Work Product created by Consultant under this Contract is a derivative work based on Consultant Intellectual Property or is a compilation that includes Consultant Intellectual Property, Consultant hereby grants to Owner an irrevocable, non-exclusive, non-transferable, perpetual, royalty-free license to use the pre-existing elements of Consultant Intellectual Property employed in the Work Product, including the right of Owner to authorize contractors, consultants and others to use the pre-existing elements of Consultant Intellectual Property.
Property employed in a Work Product, for the purposes described in this Contract.

4.15.6. Third Party Intellectual Property-Derivative Work. In the event that Work Product created by Consultant under this Contract is a derivative work based on Third Party Intellectual Property, or is a compilation that includes Third Party Intellectual Property, Consultant shall assure on Owner's behalf and in the name of Owner an irrevocable, non-exclusive, non-transferable, perpetual, royalty-free license to use the pre-existing elements of the Third Party Intellectual Property employed in a Contract Work Product, including the right to authorize contractors, consultants and others to use the pre-existing elements of the Third Party intellectual Property employed in this Contract, for the purposes described in this Contract.

4.15.7. Limited Owner Indemnity. To the extent permitted by the Oregon Constitution, Article XI, Section 7, and by the Oregon Tort Claims Act, ORS 30.260 through 30.397, Consultant shall be indemnified and held harmless by Owner from liability arising out of re-use or alteration of the Work Product by Owner which was not specifically contemplated and agreed to by the Parties in this Contract or under separate contract.

4.15.8. Consultant Use of Work Product. Consultant may refer to the Work Product in its brochures or other literature that Consultant utilizes for advertising purposes and, unless otherwise specified, Consultant may use standard line drawings, specifications and calculations on other, unrelated projects.

4.15.9. Confidential Information. Consultant acknowledges that it or its employees, Sub-consultants, subcontractors or agents may, in the course of performing their responsibilities under this Contract, be exposed to or acquire information that is the confidential information of Owner or Owner's clients. Any and all information provided by Owner and marked confidential, or identified as confidential in a separate writing, that becomes available to Consultant or its employees, Sub-consultants, subcontractors or agents in the performance of this Contract shall be deemed to be confidential information of Owner ("Confidential Information"). Any reports or other documents or items, including software, that result from Consultant's use of the Confidential Information and any Work Product that Owner designates as confidential are deemed Confidential Information. Confidential Information shall be deemed not to include information that: (a) is or becomes (other than by disclosure by Consultant) publicly known; (b) is furnished by Owner to others without restrictions similar to those imposed by this Contract; (c) is rightfully in Consultant's possession without the obligation of nondisclosure prior to the time of its disclosure under this Contract; (d) is obtained from a source other than Owner without the obligation of confidentiality; (e) is disclosed with the written consent of Owner; or (f) is independently developed by employees or agents of Consultant who can be shown to have had no access to the Confidential Information.

4.15.10. Non-Disclosure. Consultant agrees to hold Confidential Information in strict confidence, using at least the same degree of care that Consultant uses in maintaining the confidentiality of its own confidential information, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than the provision of Services to Owner under this Contract, and to advise each of its employees, Sub-consultants, subcontractors and agents of their obligations to keep Confidential Information confidential. Consultant shall use its best efforts to assist Owner in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the generality of the foregoing, Consultant shall advise Owner immediately in the event Consultant learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and Consultant will at its expense cooperate with Owner in seeking injunctive or other equitable relief in the name of Owner or Consultant against any such person. Consultant agrees that, except as directed by Owner, Consultant will not at any time during or after the term of this Contract disclose, directly or indirectly, any Confidential Information to any person, except in accordance with this Contract, and that upon termination of this Contract or at Owner's request, Consultant will turn over to Owner all documents, papers, and other material in Consultant's possession that embody Confidential Information.

4.15.11. Injunctive Relief. Consultant acknowledges that breach of this Section 4.15, including disclosure of any Confidential Information, will give rise to irreparable injury to Owner that is inadequately compensable in damages. Accordingly, Owner may seek and obtain injunctive relief against the breach or threatened breach of this Section 4.15, in addition to any other legal remedies that may be available. Consultant acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interests of Owner and are reasonable in scope and content.

4.15.12. Publicity. Consultant agrees that news releases and other publicity relating to the subject of this Contract will be made only with the prior written consent of Owner.

4.15.13. Security. Consultant shall comply with all virus-protection, access control, back-up, password, and other security and other information technology policies of Owner when using, having access to, or creating systems for any of Owner's computers, data, systems, personnel, or other information resources.

4.16. Termination.

4.16.1. Parties Right to Terminate by Agreement. This Contract may be terminated at any time, in whole or in part, by written mutual consent of the Parties.

4.16.2. Owner's Right to Terminate for Convenience. Owner may, at its sole discretion, terminate this Contract,
in whole or in part, by written notice to Consultant specifying the termination date of the Contract.

4.16.3. **Owner's Right to Terminate for Cause.** Owner may terminate this Contract immediately, in whole or in part, upon written notice to Consultant, or such later date as Owner may establish in such notice, upon the occurrence of any of the following events:

4.16.3.1. Owner asks lawful funding, appropriations, limitations or other expenditure authority at levels sufficient to allow Owner, in the exercise of its reasonable discretion, to pay for Consultant’s Services;

4.16.3.2. Federal, state or local laws, regulations or guidelines are modified or interpreted in such a way that either the Services under this Contract are prohibited or Owner is prohibited from paying for such Services from the planned funding source;

4.16.3.3. Consultant no longer holds all licenses or certificates that are required to perform the Services; or

4.16.3.4. Consultant fails to provide Services within the times specified or allowed under this Contract; fails to perform any of the provisions of this Contract; or so fails to perform the Services as to endanger performance of this Contract in accordance with its terms, and after receipt of written notice from Owner, does not correct such failures within the time that Owner specifies (which shall not be less than 10 calendar days, except in the case of emergency).

4.16.4. **Cessation of Services.** Upon receiving a notice of termination, and except as otherwise directed in writing by Owner, Consultant shall immediately cease all activities related to the Services or the Project.

4.16.5. **Consultant's Right to Terminate for Cause.**

4.16.5.1. Consultant may terminate this Contract if Owner fails to pay Consultant pursuant to this Contract, provided that Owner has failed to make such payment to Consultant within forty-five (45) calendar days after receiving written notice from Consultant of such failure.

4.16.5.2. Consultant may terminate this Contract, for reasons other than non-payment, if Owner commits any material breach or default of any covenant, warranty, obligation or agreement under this Contract, fails to perform under the Contract within the time specified, or so fails to perform as to endanger Consultant's performance under this Contract, and such breach, default or failure is not cured within thirty (30) calendar days after delivery of Consultant’s notice, or such longer period as Consultant may specify in such notice.

4.16.6. **Delivery of Work Product/Retained Remedies of Owner.** As directed by Owner, Consultant shall, upon termination, promptly deliver to Owner all documents, information, works in progress and other property that are deliverables or would be deliverables if the Contract had been completed. By Consultant's signature on this Contract, Consultant allows Owner to use Work Product and other property for Owner's intended use. The rights and remedies of Owner provided in this Section 4.16 are not exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

4.16.7. **Payment upon Termination.**

4.16.7.1. In the event of termination pursuant to Sections 4.16.1, 4.16.2, 4.16.3.1, 4.16.3.2 or 4.16.5, Consultant’s sole remedy shall be a claim for the sum designated for accomplishing the Services multiplied by the percentage of Services completed and accepted by Owner plus Consultant’s reasonable Contract close-out costs, less previous amounts paid and any claim(s) which Owner has against Consultant, except in the event of a termination under Section 4.16.3.1, where no payment will be due and payable for Services performed or costs incurred after the last day of the current biennium, consistent with Section 4.3. Within thirty (30) days after termination, Consultant shall submit an itemized invoice for all unreimbursed Services completed before termination and all Contract close-out costs actually incurred by Consultant. Owner shall not be obligated to pay for any such costs invoiced to and received by Owner after thirty (30) days after termination. If previous amounts paid to Consultant exceed the amount due to Consultant under this subsection, Consultant shall promptly refund any excess amount upon demand.

4.16.7.2. In the event of termination pursuant to Sections 4.16.3.3 or 4.16.3.4, Owner shall have any remedy available to it in law or equity. Such remedies may be pursued separately, collectively or in any order whatsoever. If it is determined for any reason that Consultant was not in default under Sections 4.16.3.3 or 4.16.3.4, the rights and obligations of the Parties shall be the same as if the Contract was terminated pursuant to Section 4.16.2.

4.17. **Foreign Contractor.** If Consultant is not domiciled in or registered to do business in the State of Oregon as of the Effective Date, Consultant shall promptly provide to the Oregon Department of Revenue and the Secretary of State's Corporation Division all information required by those agencies relative to this Contract. Consultant shall demonstrate its legal capacity to perform the Services under this Contract in the State of Oregon prior to executing this Contract.

4.18. **Notice.** Except as otherwise expressly provided in this Contract, any notices to be given hereunder shall be given in writing by personal delivery, facsimile, or mail, postage prepaid, to Consultant or Owner at the address or number set forth on Exhibit A, or to such other address or number as either party may provide pursuant to this ‘Notice’ section. Any notice delivered by mail shall be deemed to be given five (5) calendar days after the date of mailing. Any notice delivered by facsimile shall be deemed to be given when the transmitting machine generates a receipt of the transmission. To be effective against Owner, any facsimile communication or notice must be confirmed by telephone notice to Owner’s Representative for the Project as indicated.
in Exhibit A and shall not be deemed to be given until such confirmation is completed. Any notice by personal delivery shall be deemed to be given when actually delivered. Regular, day-to-day communications between the Parties may be transmitted through one of the methods set forth above, in person, by telephone, by e-mail, or by other similar electronic transmission.

4.19. Media Contacts, Confidentiality. Consultant shall provide no news release, press release, or any other statement to a member of the news media regarding this Project, without Owner’s prior written authorization.

4.20. Conflict of Interest. Except with Owner’s prior written consent, Consultant shall not engage in any activity, or accept any employment, interest or contribution that would, or would reasonably appear to, compromise Consultant’s professional judgment with respect to this Project, including, without limitation, concurrent employment on any project in direct competition with the Project.

Exhibits A through G are attached.
STATE OF OREGON
STANDARD PROFESSIONAL SERVICES CONTRACT
EXHIBIT A
STATEMENT OF WORK

SECTION 1: SUBJECT IDENTIFICATION & GENERAL INFORMATION

Summary Identification: The subject property contains approximately 563.72 acres and is comprised of 5 parcels. The appraisal problem is to estimate market value of the subject property. The subject is located in Lake County, Oregon.

Client: Oregon Department of Fish and Wildlife

Intended Users: Oregon Department of Fish and Wildlife;
US Fish and Wildlife Service

Intended Use: Acquisition of the identified property
The appraisal report is not intended for any other use.

Property Description:

<table>
<thead>
<tr>
<th>Parcel Identification</th>
<th>Assessor Map &amp; Tax Lot Number</th>
<th>Tax Account Number</th>
<th>Gross Acres (Land)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parcel 1</td>
<td>29s-17e TL 1200</td>
<td>8171</td>
<td>80.00</td>
</tr>
<tr>
<td>Parcel 2</td>
<td>29s-17e TL 1300</td>
<td>8172</td>
<td>160.00</td>
</tr>
<tr>
<td>Parcel 3</td>
<td>29s-17e TL 2400</td>
<td>8193</td>
<td>80.00</td>
</tr>
<tr>
<td>Parcel 4</td>
<td>29s-17e TL 1100</td>
<td>8169</td>
<td>83.13</td>
</tr>
<tr>
<td>Parcel 5</td>
<td>29s-17e TL 1102</td>
<td>17417</td>
<td>160.59</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>563.72</strong></td>
</tr>
</tbody>
</table>

Also include brief written description with such elements as: size, shape, zoning, water availability (rivers/creeks/springs/wells), river frontage, utilities, past & current uses, etc., as appropriate. If the property is listed with a broker, include broker’s name and number.

Legal Description: See Preliminary Title Report #4 dated October 27, 2016, issued by AmeriTitle, File #90214AM.

Personal Property: none

Property Access: No recorded access or easement agreement from Shuffield Rd. (County Road 4-16A) to the subject property. AmeriTitle report #4, exception #13 indicates “lack of a right of access”. Dave Knowles at Lake County (541-947-6921) confirmed that access from County Road 4-16A to the subject property is a private drive.

Contact Information: Carol Edmunds
Owner/Seller 541-388-2290 home
541-410-2440 cell
CJEdmunds42@gmail.com

Inspection Permission: Permission to enter upon and appraise the property has been granted. Inspection arrangements are to be made with the property owner.
Controversies / Issues: No recorded access to the subject property.

Outstanding Rights: Subject to reservations and encumbrances of record. (See Preliminary Title Report #4 dated October 27, 2016, issued by AmeriTitle, File #90214AM). The encumbrances shall be discussed in the report as to how they affect value. An unrecorded Prescriptive Easement document has been furnished by Seller. No other unrecorded documents or agreements were identified; verification with the property owner is advised. Any potential encumbrances observed during inspection, but not specifically of record, shall be reported and considered in the valuation.

Provided Subject Property Information:
The following documents and reports will be provided under separate cover:
- Location Map
- Assessor’s Plat
- Preliminary Title Report #4 with documents for exceptions 7, 8, 9, 10, 11 & 12
- MAPS Appraisal
- Map – Access & Easements
- Prescriptive Easement Document provided by Seller
- Water Rights Map OWRD
- Water Rights Certificate 83082; and Final Order T-9970, Special Order Volume 71, Page 397

SECTION 2: APPRAISAL REQUIREMENTS & INSTRUCTIONS

Appraisal Standards: The appraisal reports must conform to standards established by the Uniform Standards of Professional Appraisal Practices (USPAP) and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFA). - Yellow Book); and the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (PL 91-646) as amended; Federal Regulations 49 CFR, Part 24). No other supplemental standards are applicable.

Market Value: "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 the appraisal, 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 at the time of the appraisal." [Interagency Land Acquisition Conference, Uniform Appraisal Standards for Federal Land Acquisitions, 5th ed. (Appraisal Institute, 2000), 13]

Property Interest: The purpose of the appraisal is to form an independent, unbiased opinion of Market Value of the Fee Simple Estate of the defined property; subject to encumbrances noted in the title report, visible on the property or as reported by the owner. Any information or observations that are found to be contrary to the above described property rights must immediately be brought to the client’s attention as a request for possible amended instructions.

Date of Value: Synonymous with the date of last property inspection; which must be no later than 60 calendar days prior to the submission of the completed appraisal report, unless the appraiser receives written approval from the client prior to preparation of the appraisal report.
Extraordinary Assumption(s): The Appraiser may not assume or invoke any extraordinary assumption without documented written approval from the client.

Hypothetical Condition(s): None allowed without documented written approval from the client.

Jurisdictional Exception: If the Appraiser perceives that USPAP's Jurisdictional Exception Rule should be invoked to meet certain standards in UASFLA, the Appraiser must contact the client to obtain prior written approval. The only exception to this is the USPAP requirement for exposure time. No additional authorization is required for invoking the Jurisdictional Exception for exposure time. However, the appraisal should give the specific reason that the Jurisdictional Exception is being invoked.

Legal Instruction: N/A.

Special Appraisal Instructions:

General Appraisal Requirements & Instructions:

- The contracted Appraiser must hold a valid State Certificate as a Certified General Appraiser for the jurisdiction in which the subject property is located. (Valid credentials include those obtained directly from the jurisdiction, those issued under a reciprocity agreement, and/or those characterized as "temporary" under the jurisdiction's licensing and certification statutes.)

- The Appraiser's Scope of Work must result in credible assignment results for the intended use.

- The Statement of Work and employment contract (purchase or task order) must be included within the Addenda to the appraisal report.

- The appraiser may be required to attend a pre-appraisal meeting with the client(s). The date, time and place of the meeting (if required) will be coordinated by the client and communicated to the appraiser and other necessary parties.

- For appraisals with an intended use of acquisition or exchange, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (PL 91-646) as amended and the Uniform Appraisal Standards or Federal Land Acquisitions (Section A-4, pages 9 & 10), require the Appraiser to offer the property owner and/or the owner's representative an opportunity to accompany the Appraiser during the property inspection. The appraiser must certify in the report that such an offer was extended.

- The Appraiser must make a personal inspection of the subject property and all of the comparable market properties used in the analyses unless specific arrangements to the contrary have been approved in writing by the client prior to the commencement of the assignment.

- The appraisal is to be documented in a Self-Contained report format. See UASFLA page 9, which states that a report prepared in accordance with UASFLA will be considered as meeting the USPAP requirements for a Self-Contained report.

- Yellow Book Appraisal Report Documentation Checklist. This checklist is to be completed by the contract fee appraiser. An electronic copy shall be transmitted by the appraiser to the client and review appraiser and a paper copy shall be included in the report.

- The appraisal report will be reviewed for compliance with the terms of this Statement-of-Work, UASFLA Section C, and USPAP Standard 3. Findings of inadequacy, if any, will require clarification and/or correction to the report.
1. The opinions of current market value may not be predicated upon potential highest and best uses that are speculative or conjectural. A proposed highest and best use requires showing reasonable probability that the land is both physically adaptable for such use and there is an economic need or demand for such use in the reasonably near future.

2. The appraiser's conclusion of highest and best use must be an economic use. A non-economic highest and best use, such as conservation, natural lands, preservation or any use that requires the property to be withheld from economic production in perpetuity, is not a valid use upon which to estimate market value.

3. Essential in the appraiser's conclusion of highest and best use is the determination of "Larger Parcel". The appraiser must make a larger parcel determination in every appraisal conducted for any partial acquisition. (See UASFLA Section A-14)

4. The preferred method of adjusting comparable sales is through supported quantitative adjustments (percentage, $/acres, etc.); qualitative adjustments (similar, inferior, or superior) are to be used only when the market variables cannot be quantified. Qualitative adjustments without support are unacceptable. When the Appraiser must resort to qualitative analyses, support that is more extensive and discussion of the Appraiser's reasoning why a comparable sale is similar, inferior, or superior to the subject property is required. All adjustments must be supported by clear, appropriate, and credible analysis based on documented market research. Mere references to undisclosed "trends," or reliance on the Appraiser's "opinion" or "judgment" without market support is an unacceptable practice. Market support includes discussions with buyers/sellers, potential investors, brokers, etc. The Appraiser must also recognize that variances in sale prices may be caused by multiple factors and should not over adjust a comparable by double-counting overlapping items.

5. Appraisers without a complete understanding of fundamental statistical concepts must not rely on regression analysis techniques to extract adjustments for the sales comparison approach. Without a discussion of how each comparable sale property relates to the subject property and a statistical interpretation of the validity of the results, applying a regression analysis to a large sample data set is not acceptable.

6. Documentation of the comparable sales and other market data utilized in the appraisal must comply with reporting requirements of UASFLA and the Uniform Relocation Assistance & Real Property Acquisition Policies Act 1970. For instance, the latter requires "A description of the comparable sales, including a description of all relevant physical, legal and economic factors such as parties to the transaction, source and method of financing, and verification by a party involved in the transaction."

7. If sales to governmental entities, including sales to non-profit entities with the intention of transferring the sale property to a governmental entity, are included in the appraisal report, they are subject to extraordinary verification and treatment. They must be documented in accordance with the guidelines found in UASFLA Section D-9.

8. Color photographs and maps of comparable properties shall be included in the appraisal report. Aerial photographs for comparable properties will be accepted unless the aerial photographs are so dated that they do not accurately represent the property as it physically existed on the date of inspection. Any unusual property features must be photographed from ground level.

9. The appraisal report and all information furnished to the Appraiser are the client's internal documents and are to be considered confidential by the Appraiser. All requests for information concerning the appraisal must be referred to the client. The general public is not an intended user of the appraisal report; however, the Appraiser must also be aware that the Freedom of Information Act and Agency policy may result in the release of all or part of the appraisal report to others.
SECTION 3: CONTRACTING, PERFORMANCE & PAYMENT

Contracting Officer (CO)
Any questions regarding appraisal instructions and/or technical requirements for this solicitation should be addressed to the client. The CO, for this appraisal, is as follows:

Karen Tofte, Realty Specialist
Oregon Department of Fish and Wildlife
4034 Fairview Industrial Dr. SE
Salem, OR 97302

503-947-6260
Karen.L.Tofte@state.or.us

Appraisal Fee and Delivery
Appraisal Cost and Delivery Proposals will be submitted to the CO. The proposal should include appraisal cost and delivery date proposal.

Evaluation Criteria
This appraisal solicitation will be based on “Best Value”. Cost factors will be considered, however, cost is not expected to be the controlling factor in the selection of the appraisal contractor for the work described. Appraisal delivery date and contractor, past performance, experience and education towards the assignment is important.

The appraisal contractor must have extensive working knowledge of UASFLA - Yellow Book. The appraisal contractor must have previous experience in appraising similar properties in the same geographical area as described in this Statement of Work that adhered to UASFLA. He/she must be a Certified General Appraiser or must obtain a temporary general certification in the State of assignment.

Performance
A 60 day (or less) delivery is the preferred due date for submission of 4 signed copies and an electronic of the appraisal report. The delivery date begins from the notice to proceed of contract award.

The submitted appraisal report will be reviewed for compliance with the terms of this Statement-of-Work, UASFLA, USPAP and the Uniform Act (PL 91-646). A third party review appraiser will review the report. Findings of inadequacy, if any, will require clarification and/or correction.

The appraisal report and all information furnished to the Appraiser are the client’s internal documents and are to be considered confidential by the Appraiser. All requests for information concerning the appraisal must be referred to the CO. The general public is not an intended user of the subject appraisal report; however the Appraiser must also be aware that the Freedom of Information Act and Agency policy may result in the release of all or part of the appraisal report to others.

Payment
Invoices shall be submitted to the Oregon Department of Fish and Wildlife, c/o of Contracting Officer identified above.

Full payment will be made within 45 days of receipt of the appraisal.
STATE OF OREGON
STANDARD PROFESSIONAL SERVICES CONTRACT
EXHIBIT B
CONSULTANT COMPENSATION

B.1 BASIS OF COMPENSATION

B.1.01 Owner shall compensate Consultant for the performance of Services set forth in Exhibit A, as follows:

The maximum, not to exceed total amount payable under this Contract is $17,500.00, for the combination of Basic Services, Supplemental Services and Reimbursable Expenses.

B.1.02 Payments for Services and Reimbursable Expenses shall be made upon receipt of invoice, following Owner's review and approval of detailed invoices submitted by Consultant and acceptance of the Services or approval of Reimbursable Expenses by Owner. Payment for all Services performed and for Reimbursable Expenses shall not exceed the amounts indicated in Section B.1.01. Owner shall make payment only after Owner's receipt and approval of (i) Consultant's detailed invoice as described in Section B.1.07, and (ii) all reports, designs, certificates, and documents covered by the invoice. Payments are subject to the provisions of ORS 293.462.

B.1.03 Reimbursable Expenses, as described in Section B.2, are defined as the direct costs expended by Consultant, Consultant's employees and Sub-consultants for performance of Services rendered to complete the Project. The estimated dollar amounts for each of the identified Reimbursable Expense items are as follows:

<p>| 1 | Travel Related Expenses          | $ .00 |</p>
<table>
<thead>
<tr>
<th>2</th>
<th>General Reimbursable Expenses</th>
<th>$ .00</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$ .00</strong></td>
</tr>
</tbody>
</table>

It is understood that the actual total amount payable for each individual Reimbursable Expense item may be more or less than the estimate above, however, the total amount of all Reimbursable Expenses shall not exceed the maximum amount stated in Section B.1.01 for Reimbursable Expenses without a Contract amendment. Payments for Reimbursable Expenses shall be identified and tracked on monthly invoices according to the expense items listed above.

B.1.04 Consultant shall not submit invoices for, and Owner will not pay, any amount in excess of the maximum, not to exceed amount payable under this Contract set forth in Section B.1.01. If this amount is increased by Contract amendment, the amendment must be effective before Consultant performs Services subject to the amendment. Consultant shall notify Owner's Representative identified in this Contract in writing of the expiration of the Contract, thirty (30) days prior to such expiration. No payment will be made for any Services performed prior to the Effective Date or after the expiration date of the Contract.

B.1.05 Consultant shall submit monthly invoices for Services performed. To be processed for payment by Owner, the invoices shall include the following basic information:

A. The correct name of Owner's authorized representative
B. Invoice date
C. Date range during which the Services being invoiced for were provided
D. Invoice number that ends in a "—##", which represents the correct invoice sequence of issue. The last invoice submitted on the Project must be clearly labeled "Final Invoice"
E. The correct Contract number
F. Original Contract total, not to exceed amount broken out by: Basic Services, Supplemental Services released to date by line item, and Reimbursable Expenses separated by two categories of Travel Expenses and General Reimbursable
G. Statement of changes to the original total, not to exceed amount by amendment(s) and broken out in the same way as in item F, showing the revised Contract amounts
H. Paid to date amounts showing the amounts submitted for prior to the current invoice (regardless of payment status), and broken out the same way as in item F
I. Amounts being invoiced for in the current invoice and broken out the same way as in item F, with a roll up of a "Total Amount Billed For This Invoice" line item amount
J. Balances Remaining after receipt of payment for the current invoice broken out the same way as in item F
Consultant shall describe all Services performed with particularity and by whom it was performed and shall itemize and explain all expenses for which reimbursement is claimed. Reimbursable Expenses shall be broken out into to line item categories, 1) Travel Expenses and 2) General Reimbursable Expenses. Invoices for Basic Services under a specific Phase shall be for completed Basic Services only and shall indicate the percentage of the total Basic Services for that Phase that the amount invoiced represents. Invoice amounts for authorized fixed price Supplemental Services shall indicate the Supplemental Service, its contract reference number, the total amount of the fixed price Supplemental Service, and the total percentage and related dollar amount of the fixed price Supplemental Service completed by the end of the current invoice period, less the total dollar amount previously billed for, with the balance representing the total amount being currently billed for. Invoices for authorized Supplemental Services based on a not to exceed amount shall set forth the number of hours worked by Consultant’s personnel on the identified Services, describe the Services performed by each such personnel in detail on a daily basis, and set forth the rate of compensation for each of such personnel as set forth in EXHIBIT B.

Consultant shall send invoices to Owner’s Representative identified in this Contract, using the following address:

Attn: Karen Tothe, Realty Specialist
503-947-6260
Oregon Department of Fish and Wildlife
4034 Fairview Industrial Dr. SE
Salem, OR 97302

Consultant shall not indicate or invoice for any past due amounts in the current invoice. All such notifications of a past due amount must be handled by a separate Statement of Account.

Owner shall have the right to reject any invoice which does not have the proper information as required by this section without incurring penalty liabilities for late payment.

B.1.08 Owner and Consultant agree in accordance with the terms and conditions of this Contract that:

a. If the scopes of the Project or the Services are changed materially, Consultant shall request in writing an amendment to the Contract before additional Services are provided and before compensation is adjusted. All legally required approvals must be obtained for any Contract amendment before the amendment is effective and before Services may be performed or payment made under the amendment.

b. Consultant’s fee for preparing routine change orders adding or deleting Services from the Project shall be included in the maximum not-to-exceed amount for Basic Services stated in Section B.1.03.

c. Upon Owner’s request and without additional compensation, Consultant shall make such revisions to completed Contract Documents as are necessary to correct errors or omissions appearing therein, in accordance with the standard of care described in Section 2.1.1 of Consultant’s Responsibilities, Representations and Warranties.

B.2 REIMBURSABLE EXPENSES

B.2.01 Reimbursable Expenses are in addition to compensation for Services and shall not exceed the maximum amount stated in Section B.1.05 without prior authorization by Owner. This amount is separated into two categories, Travel Expenses and General Reimbursable Expenses, as outlined below. Reimbursable Expenses include actual, allowable and reasonable expenditures made by Consultant and Consultant’s employees in performing the Services required in Exhibit A. Reimbursable Expenses must be evidenced by copies of actual third-party invoices or receipts delivered to Owner to qualify for reimbursement and are limited to the types of actual expenses listed below.

B.2.01.1 General Reimbursable Expenses consist of:

a. Long distance communications.

b. Reproductions, postage and handling of drawings and specifications and other documents, excluding reproductions of drawings, specifications and other documents used by Consultant and Consultant’s sub-consultants.

c. Data processing and photographic production techniques when used in connection with Supplemental Services.

d. Third-party models and mock-ups requested by Owner.

e. The printing of master or reproducible sets of plans and project manuals including specifications.
B.2.01.2 Travel Expenses:

It is the policy of the State that all travel shall be allowed only when the travel is essential to the normal discharge of Consultant's responsibilities under the Contract. All travel shall be conducted in the most efficient and cost-effective manner resulting in the best value to the State. The travel must comply with all the requirements set forth in this section and must be for official State business only. Personal expenses shall not be authorized at any time. All expenses are included in the total maximum Contract amount stated in Section B.1.01.

Consultant understands and agrees that travel expenses shall be reimbursed only in accordance with rates approved by the Oregon Department of Administrative Services and in effect at the time the expense was incurred. The current approved rates for reimbursement of travel expenses are set forth below. Consultant understands and agrees that the rates are subject to change and, in such event, the changed rates shall immediately become part of this Contract and govern reimbursement of any travel expenses incurred after the date of the change. Owner shall, as soon as reasonably practicable, notify Consultant of any change in the approved rates for mileage and meals. Mileage and travel expenses are based upon State of Oregon rates set by the Department of Administrative Services travel policy, as amended (the "Travel Policy"). The full text of the Travel Policy, which is binding upon the Parties, can be reviewed at the Oregon State Controller's Division website: http://sct.das.state.or.us/ under "travel". The approved mileage rate follows the current United States General Services Administration (GSA) Federal rate. Lodging and meal Per Diem is based on the GSA per diem rates. The Travel Policy provides a GSA website link to view the standard rate for continental United States (CONUS) and rates for locations that are paid above the CONUS rate. Per diems for Alaska, Hawaii, and U.S. Territories and Possessions can be found at the U.S. Department of Defense website link provided in the Travel Policy. International per diems can be found at the U.S. Department of State website link provided in the "travel" policy.

Current approved rates are as follows:

a. Mileage. Mileage for travel in a private automobile, while Consultant is acting within the course and scope of his/her duties under this Contract and driving over the most direct and usually traveled route, will be reimbursed at a rate of $.54 cents per mile, absent an official and completed amendment to the Travel Policy by the State of Oregon Department of Administrative Services. To qualify for mileage reimbursement, Consultant must hold a valid, current driver's license for the class of vehicle to be driven and carry personal automobile liability insurance in amounts not less than those required by (i) the Oregon Financial Responsibility Law (ORS 806.060) or (ii) the jurisdiction in which the vehicle is being operated, whichever is greater. No mileage reimbursement will be paid for the use of motorcycles or mopeds.

b. Meals. The standard rate for meals is $59.00 per day. For purposes of calculating individual meals where Consultant is entitled only to a partial day reimbursement, the following allocation of the meal per diem applies:

<table>
<thead>
<tr>
<th>Meal</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>25%</td>
</tr>
<tr>
<td>Lunch</td>
<td>25%</td>
</tr>
<tr>
<td>Dinner</td>
<td>50%</td>
</tr>
</tbody>
</table>

Except in the event of necessary overnight travel as provided below, breakfast and dinner expenses shall be reimbursed only if Consultant, while acting within the course and scope of his/her duties under this Contract, is required to travel more than two (2) hours: (a) before the start (for breakfast expense reimbursement), or (b) after the end (for dinner expense reimbursement) of Consultant's regular workday (8:00 a.m. to 5:00 p.m.). Lunch expense is reimbursable only if Consultant, while acting within the course and scope of his/her duties under this Contract, is required to travel overnight and begins or ends the journey, respectively, before or after 11:00 a.m. Breakfast and dinner expenses are reimbursable during Consultant's necessary overnight travel while acting within the course and scope of his/her duties under this Contract.

For any exceptions to the expense items listed above, Consultant must obtain the separate written approval of Owner's Representative prior to incurring any expense for which reimbursement will be sought. Owner will not pay any mark up over actual allowable reimbursement costs. Any costs associated with recordkeeping or labor to create reproductions of receipts is considered indirect overhead and therefore part of Consultant's Professional Hourly Rates.
STATE OF OREGON
STANDARD PROFESSIONAL SERVICES CONTRACT
EXHIBIT C
INSURANCE PROVISIONS

INSURANCE REQUIREMENTS:
Contractor shall obtain at Contractor’s expense the insurance specified in this section prior to performing under this Contract and shall maintain it in full force and at its own expense throughout the duration of this Contract, as required by any extended reporting period or tail coverage requirements, and all warranty periods that apply. Contractor shall obtain the following insurance from insurance companies or entities that are authorized to transact the business of insurance and issue coverage in State and that are acceptable to Agency. Coverage shall be primary and non-contributory with any other insurance and self-insurance, with the exception of Professional Liability and Workers’ Compensation. Contractor shall pay for all deductibles, self-insured retention and self-insurance, if any.

WORKERS’ COMPENSATION & EMPLOYEES’ LIABILITY
All employers, including Contractor, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and provide workers’ compensation insurance coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Contractor shall require and ensure that each of its subcontractors complies with these requirements. If Contractor is a subject employer, as defined in ORS 656.023, Contractor shall also obtain employers’ liability insurance coverage with limits not less than $500,000 each accident. If contractor is an employer subject to any other state’s workers’ compensation law, Contractor shall provide workers’ compensation insurance coverage for its employees as required by applicable workers’ compensation laws including employers’ liability insurance coverage with limits not less than $500,000 and shall require and ensure that each of its out-of-state subcontractors complies with these requirements.

COMMERCIAL GENERAL LIABILITY:
☒ Required ☐ Not required

Commercial General Liability Insurance covering bodily injury and property damage in a form and with coverage that are satisfactory to the State. This insurance shall include personal and advertising injury liability, products and completed operations, contractual liability coverage for the indemnity provided under this contract, and have no limitation of coverage to designated premises, project or operation. Coverage shall be written on an occurrence basis in an amount of not less than $1,000,000.00 per occurrence. Annual aggregate limit shall not be less than $2,000,000.00.

AUTOMOBILE LIABILITY INSURANCE:
☒ Required ☐ Not required

Automobile Liability Insurance covering Contractor’s business use including coverage for all owned, non-owned, or hired vehicles with a combined single limit of not less than $1,000,000.00 for bodily injury and property damage. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for Commercial General Liability and Automobile Liability). Use of personal automobile liability insurance coverage may be acceptable if evidence that the policy includes a business use endorsement is provided.

ADDITIONAL INSURED:
The Commercial General Liability Insurance and Automobile liability insurance required under this Contract must include an additional insured endorsement specifying the State of Oregon, its officers, employees and agents as Additional Insureds, including additional insured status with respect to liability arising out of ongoing operations and completed operations, but only with respect to Contractor’s activities to be performed under this Contract. Coverage shall be primary and non-contributory with any other insurance and self-insurance. The Additional Insured endorsement with respect to liability arising out of your ongoing operations must be on ISO Form CG 20 10 07 04 or equivalent and the Additional Insured endorsement with respect to completed operations must be on ISO form CG 20 37 04 13 or equivalent.

TAIL COVERAGE:
If any of the required insurance is on a claims made basis and does not include an extended reporting period of at least 24 months, Contractor shall maintain either tail coverage or continuous claims made liability coverage, provided the effective date of the continuous claims made coverage is on or before the effective date of this Contract, for a minimum of 24 months following the later of: (i) Contractor’s completion and Agency’s acceptance of all Services required under this Contract, or, (ii) Agency or Contractor termination of contract, or, iii) The expiration of all warranty periods provided under this Contract.
CERTIFICATE(S) AND PROOF OF INSURANCE:
Contractor shall provide to Agency Certificate(s) of Insurance for all required insurance before delivering any Goods and performing any Services required under this Contract. The Certificate(s) shall list the State of Oregon, its officers, employees and agents as a Certificate holder and as an endorsed Additional Insured. If excess/umbrella insurance is used to meet the minimum insurance requirement, the Certificate of Insurance must include a list of all policies that fall under the excess/umbrella insurance. As proof of insurance Agency has the right to request copies of insurance policies and endorsements relating to the insurance requirements in this Contract.

NOTICE OF CHANGE OR CANCELLATION:
The contractor or its insurer must provide at least 30 days' written notice to Agency before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s).

INSURANCE REQUIREMENT REVIEW:
Contractor agrees to periodic review of insurance requirements by Agency under this agreement and to provide updated requirements as mutually agreed upon by Contractor and Agency.

STATE ACCEPTANCE:
All insurance providers are subject to Agency acceptance. If requested by Agency, Contractor shall provide complete copies of insurance policies, endorsements, self-insurance documents and related insurance documents to Agency’s representatives responsible for verification of the insurance coverages required under this Section.
Pertinent Appraisal Definitions

The following definitions come from the Fourth Edition of the Dictionary of Real Estate Appraisal (Appraisal Institute, 2010), unless otherwise noted:

Market Value

For purposes of this appraisal, market value is defined, as directed in the Appraisal Standards for Federal Land Acquisitions, as follows:

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.

“As Is Market Value”

This is the estimate of Market Value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, extraordinary assumptions, or qualifications as of the date of inspection.

“Prospective Bulk Wholesale Value”

This is also referred to as the “Bulk Value” or the “Discounted Value to a Single Purchaser”. It is the Market Value estimate based on market conditions forecast to exist as of the date of completion of the units or infrastructure. The value conclusion assumes the sale of all lots, units, or houses to a single purchaser in a single transaction as of the date of completion.

“Absorption Period” (“Sell-Off Period”)

This is the market supported estimate at the time necessary to sell the entire inventory of lots or units. This estimate is to take into consideration current supply and demand characteristics, as well as anticipated changes (perceivable as of the date of the appraisal report) during the construction period and thereafter during the anticipated absorption period itself.

Fee Simple Estate

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.
Leased Fee Interest

An ownership interest held by a landlord with the rights of use and occupancy conveyed by the lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of leasehold from lessor to lessee under conditions whereby:

1. Lessee and lessor are typically motivated.
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. The rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract.
5. The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction.
6. Market rent contrasts from contract rent, which is the actual rental income specified in a lease.

Contract Rent

The actual rental income specified in a lease.

Highest and Best Use

The Uniform Appraisal Standards for Federal Land Acquisition (2001) defines highest and best use as:

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. If improved, the highest and best use should consider the property as vacant and as improved. The highest and best use may involve an interim use that continues until anticipated changes in conditions (market and/or subject) occur that warrant developing the site to its true highest and best use.

Specifically related to this appraisal for compliance with the Appraisal Standards for Federal Land Acquisitions ("Yellow Book"), the subject property must be considered to determine if the property is part of a larger parcel that includes other lands, or whether the subject, in itself, constitutes the larger parcel. In this case, the appraisal project is not related to a
condemnation action, and does not involve a partial taking. Instead, the appraisal project considers the market value of an individual parcel under full fee simple ownership, and not related to surrounding lands (although the property will be under public ownership with the adjacent lands already under public ownership). Another consideration related to "Yellow Book" is that the highest and best use must be an economic use, restricting uses such as conservation, natural lands, preservation, or any use that requires the property to be withheld from economic production in perpetuity for the basis of estimating the market value of the property.

**Exposure Time**

Exposure Time is defined as the time a property remains on the market. Exposure is further defined as:

The estimated length of time 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; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time, but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

The exposure time is commonly estimated in appraisals complying with USPAP. However, when an appraisal is performed in order to comply with the Uniform Standards for Federal Land Acquisitions, the definition of market value does not involve a specific exposure time, and the estimate of exposure time within the appraisal is discouraged.

**Marketing Time**

This is an opinion of the time it might take to sell a property at the concluded value during the period immediately after the effective date of an appraisal.

**Entrepreneurial incentive & Entrepreneurial Profit**

The following defines entrepreneurial incentive and profit:

*Entrepreneurial Profit:* A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; The difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development.

*Entrepreneurial Incentive:* A market-derived figure that represents the amount an entrepreneur expects to receive for his or her contribution to a project and risk.
Entrepreneurial incentive is forward-looking and relates to the reward that the entrepreneur anticipates receiving. Entrepreneurial profit looks backward to what the entrepreneur actually received by the end of the development and marketing period. This can take the form of profit on a sale, additional return on a real estate investment, or use value to the entrepreneur. Although expenditures do not guarantee value, an entrepreneur will not proceed with a development unless he anticipates making a profit. Therefore, entrepreneurial profit represents a legitimate cost of development and should be included when developing replacement costs in the Cost Approach.

The 12th Edition of *The Appraisal of Real Estate* further explains the contributions of the entrepreneur, developer, and contractor on Page 362, as follows:

*Project Profit* is the total amount of reward for entrepreneurial coordination and risk.

*Entrepreneurial Profit* refers to the portion of the project profit attributable to the efforts of the entrepreneur, distinct from the efforts of the developer, if one is present. In projects in which the entrepreneur and the developer are one and the same, the entrepreneurial profit is equivalent to total project profit.

*Developer's Profit* represents compensation for the time, energy, and expertise of an individual other than the original entrepreneur—usually, in large projects, the person responsible for managing the overall development process.

*Contractor's Profit* (including subcontractors' fees) is essentially a portion of the project's overhead and is not usually reflected in the entrepreneurial reward.

**Ranching Terms**

**Animal Unit (AU)**

An animal unit is defined as a unit of measure equivalent to an animal weighing 1,000 pounds. The term is subject to some local variation. The following table summarizes the AU description in the subject's local ranch market.

<table>
<thead>
<tr>
<th>Animal Category</th>
<th>Animal Units (AUs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mature Cow</td>
<td>1.0 - 1.2</td>
</tr>
<tr>
<td>Pregnant Heifer</td>
<td>1.0</td>
</tr>
<tr>
<td>Yearling</td>
<td>0.8 - 1.0</td>
</tr>
<tr>
<td>Weaned Calf</td>
<td>0.5 - 0.6</td>
</tr>
<tr>
<td>Cow/Calf Unit</td>
<td>1.2 - 1.5</td>
</tr>
<tr>
<td>Mature Bull</td>
<td>1.25 - 1.4</td>
</tr>
<tr>
<td>5 Sheep</td>
<td>1.0 - 1.2</td>
</tr>
<tr>
<td>Mature Horse</td>
<td>1.5</td>
</tr>
</tbody>
</table>
Animal Unit Month (AUM)

An animal unit month is the quantity of feed that one animal unit needs for one month to sustain life and achieve good growth. The formula is actually “A” x “U” x “M” = AUM, whereby “A” equals the number of head of livestock, “U” equals the size of the unit by decimal equivalent; and “M” equals the number of months involved or season.

Cow Year Long (CYL)

A cow year long is the total number of cows that can be nourished properly for one full year on a given piece of land without harming the natural adult vegetative cover divided by the number of cows in that total that can produce calves.

Carrying Capacity

The carrying capacity is the maximum number of animals that can be grazed without damaging the forage production, quality, or soil of the range; expressed in AUs, AUMs, or CYLs.
Appraiser Certification and Licensure Board

State Certified General Appraiser

Gae Lynne Cooper, Administrator

License No.: CA004807
Issue Date: August 1, 2015
Expiration Date: July 31, 2017

Gregory W. Moore
Appraisal Group of Central Oregon, LLC
60602 Woodside Rd
Bend, OR 97702

STATE OF WASHINGTON

DEPARTMENT OF LICENSING - BUSINESS AND PROFESSIONS DIVISION

THIS CERTIFIES THAT THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A

CERTIFIED GENERAL REAL ESTATE APPRAISER

GREGORY WINSTON MOORE
60602 WOODSIDE RD
BEND OR 97702

License Number: 110251
Issued Date: 01/17/2014
Expiration Date: 07/07/2019

Pat Kehler, Director
Qualifications of Gregory W. Moore, MAI

Professional Affiliations

MAI Designated Member, Appraisal Institute
Oregon State Certified General Appraiser #C000607 (valid through July 31, 2017)
Washington State Certified General Appraiser # 1102251 (valid through July 7, 2019)

Education

University of California, Santa Barbara,
Bachelor of Arts - Environmental Studies, 1993

Appraisal Institute Courses & Seminars:

Course 120, Appraisal Procedures, 1994
Course 410, Standards of Professional Practice - Part A (USPAP), 1994, 2000
Course 310, Basic Income Capitalization, 1995
Course 420, Standards of Professional Practice - Part B (Ethics), 1995, 2000
Course 510, Advanced Income Capitalization, 1996
Course 530, Advanced Sales Comparison and Cost Approaches, 1997
Course 540, Report Writing and Valuation Analysis, 1999
Course 520, Highest & Best Use and Market Analysis, 2000
Course 550, Advanced Applications, 2001
Course 710, Condemnation Appraising: Basic Principles & Applications, 2002
Course 720, Condemnation Appraising: Advanced Topics & Applications, 2002
Mark-to-Market: the Next FIRREA?, Appraisal Institute, 2002
Real Estate Finance Statistics & Valuation Modeling, July 2009
General Demonstration Report Writing Seminar, Appraisal Institute, June 2004
Subdivision Analysis, Appraisal Institute, June 2005
Valuation of Detrimental Conditions in Real Estate, Appraisal Institute, June 2007
Analyzing Operating Statements, Appraisal Institute, June 2007
Residential Design & Functional Utility, Appraisal Institute, June 2007
Data Verification Methods, Appraisal Institute, July 2009
Appraisal Curriculum Overview – Residential & General, Appraisal Institute, June 2011
Uniform Appraisal Dataset from Fannie Mae and Freddie Mac, Appraisal Institute, July 2011
Rates and Ratios: Making sense of GIMs, OARs, and DCF, Appraisal Institute, July 2011
Forecasting Revenue, Appraisal Institute, July 2013
General Demonstration Report – Capstone Program, July 2014
Appraiser Certification & Licensure Board Update, September 2014
Case Studies in Green Residential Buildings, May 2017
Small Hotel/Motel Valuation, May 2017

Other Courses & Seminars:

Appraisal Principles, Chemeketa Community College, 1993
Willamette Valley Grass Seed Industry, ASFMRA, 1998
A-10, Advanced Rural Appraisal - Cost Approach, ASFMRA, 1999
Public & Non-profit Land Acquisitions & Their Impact on Real Estate Markets, ASFMRA, 2000
Course BV201, Introduction to Business Valuation, American Society of Appraisers, June 2003
Non-USPAP Appraiser Regulatory Compliance, Bob Keith, May 2004
Water Rights, Title Concerns & Recent Legislation, ASFMRA, May 2012
Mold, Pollution & the Appraiser, McKissock, July 2013
Appraiser Liability Prevention, LIA Administrators & Insurance Services, September 2014
Employment History

Appraisal Group of Central Oregon, LLC – Partner, January 2004 to Present

Appraisal Experience

- Commercial/Income Valuation including: strip & stand-alone retail, ‘big box’ retail, medical &
general office space, care facilities, mini-storage, light & heavy industrial, gas
station/convenience store, automotive service, car wash, and commercial/industrial/residential
development land.
- Rural/Agricultural/Resource Property Valuation including: farms, nurseries, orchards, dairies,
vineyards, wineries, ranches, timber production, lumber mills, food processors, cold storage
facilities, river and rail grain elevator terminals, seed cleaners, fertilizer plants, and quarries.
- Complex/Uncommon Property Valuation including: recreation & other high-appeal realty,
natural resource valuations (mineral, timber and water interests), private & fee hunting lands,
private & fee fishing retreats, lake/river frontage, marinas, campgrounds, resorts, sport camps,
wrangle, islands, solar farms, and historic properties.
- Residential Property Valuation including: all value ranges ($30,000 to $3,000,000+); all ages
and proposed construction; complex acreage, waterfront, and recreation oriented residential;
form and narrative reporting.
- Condemnation Support; whole and partial takings.
- Litigation Support / Expert Witness Testimony; partnership dissolution, divorce, & bankruptcy.

Partial List of Clients

<table>
<thead>
<tr>
<th>Financial</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>AmericanWest Bank</td>
<td>Oregon Department of Transportation</td>
</tr>
<tr>
<td>Bank of America</td>
<td>Bonneville Power Administration</td>
</tr>
<tr>
<td>Bank of the Cascades</td>
<td>State of Oregon, Division of State Lands</td>
</tr>
<tr>
<td>Bank of the West</td>
<td>Oregon Parks &amp; Recreation Department</td>
</tr>
<tr>
<td>CenterPointe Community Bank</td>
<td>US Forest Service</td>
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<tr>
<td>Columbia Bank</td>
<td>US Bureau of Land Management</td>
</tr>
<tr>
<td>Columbia Community Bank</td>
<td>City of Bend</td>
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<tr>
<td>Community Bank</td>
<td>City of Albany</td>
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<tr>
<td>First Community Credit Union</td>
<td>City of Salem</td>
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<tr>
<td>Harvest Capital Company</td>
<td>City of Woodburn</td>
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<td>Key Bank of Oregon</td>
<td>City of Madras</td>
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<td>Mid Oregon Credit Union</td>
<td>Marion County</td>
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<td>OnPoint Community Credit Union</td>
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<td>SELCO Credit Union</td>
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<td>U.S. Bank</td>
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<td>Washington Federal Bank</td>
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<td>Wells Fargo Bank</td>
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<table>
<thead>
<tr>
<th>Other</th>
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<tbody>
<tr>
<td>Burns Paiute Tribe</td>
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<tr>
<td>Central Oregon Irrigation District</td>
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<tr>
<td>Confederated Tribes of Warm Springs Reservation</td>
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<tr>
<td>Deschutes Basin Land Trust</td>
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<tr>
<td>Nature Conservancy</td>
</tr>
<tr>
<td>River Network</td>
</tr>
<tr>
<td>Trust for Public Lands</td>
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</tbody>
</table>