

**SUMMARY OF SALIENT FACTS AND CONCLUSIONS**

**RIGHTS APPRAISED:** Fee Simple Interest

**SUBJECT PROPERTY:** 140.06 acres of irrigated farmland,  
southeast corner of Ott Road and  
Highland Road, Hermiston, Umatilla  
County, Oregon.

**OWNER OF RECORD:** J&M Walchli Land LLC, 79937 South  
Edwards Road, Hermiston, Oregon 97838-  
7943.

**SIZE OF SUBJECT:** Land: 140.06 Acres, with irrigation  
improvements.

**LEGAL DESCRIPTION:** Map 4N2918-00 Tax Lot 500

**ZONING:** EFU-40, Umatilla County.

**DATE OF VALUATION:** March 10, 2025

**DATE OF REPORT:** March 17 2025

**FINAL VALUE ESTIMATE:** \$ 2,100,000

### **PURPOSE OF APPRAISAL**

The purpose of this appraisal is to estimate the fair market value of the fee simple interest of the subject land as of the effective date of the appraisal.

### **USE OF APPRAISAL AND INTENDED USERS**

This appraisal is to be used by the client, Precision Approach Engineering, Corey McFarland, President, Tracey May, P. E., project engineer, for proposed acquisition of the subject property in fee simple, by the City of Hermiston for expansion of Runway 23 RPZ (Runway Protection Zone) for the Hermiston Municipal Airport, a federally assisted airport project.

**DEFINITION OF MARKET VALUE:** Market value is defined by the Federal Aviation Administration regulatory agency as follows:

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

- 1. buyer and seller are typically motivated,*
- 2. both parties are well informed or well advised and each acting in what they consider their own best interest,*
- 3. a reasonable time is allowed for exposure in the open market,*
- 4. payment is made in terms of U.S. dollars or in terms of financial arrangements comparable thereto,*
- 5. the price represents a normal consideration for the property sold unaffected by special financing or creative financing or concessions granted by anyone associated with the sale.*

**DEFINITION OF PROPERTY RIGHTS**

**Fee Simple Interest:** Absolute ownership unencumbered by any other interest or estate subject only to the limitations imposed by governmental powers of taxation, eminent domain, police power, and escheat. (*The Dictionary of Real Estate Appraisal, Sixth Edition, The Appraisal Institute, Chicago, Illinois*).

**EXPOSURE TIME AND ESTIMATED MARKETING PERIOD**

Exposure time is 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. The estimated exposure time assumes not only adequate, sufficient, and reasonable time, but also adequate, sufficient, and reasonable effort. Based upon the historical marketing time of the comparable sales and marketing statistics compiled by the Grants Pass Multiple Listing Service, the estimated exposure time as of the effective date of the appraisal for the subject property residence is 180 to 360 days.

Marketing time is an estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of an appraisal. Under market conditions for the following year, the subject should experience a normal marketing period. Based upon the historical marketing time of the comparable sales and marketing statistics compiled by the Grants Pass Multiple Listing Service, the estimated marketing period for the subject property as of the effective date of the appraisal, is approximately 180 days to 360 days (one year).

**SCOPE OF WORK**

In preparing this appraisal, the appraiser:

- Inspected the subject property on March 10, 2025, I was accompanied on the inspection by Charlie Fetterhoff, employee and representative for J. and M. Walchli, LLC and William Werner, Appraiser and Acquisition Agent;
- Reviewed the subject's market area and neighborhood, including supply and demand patterns in the neighborhood such as population, employment, new development, sales and listings, etcetera;
- Gathered comparable sales data, physically inspected the subject and the comparable sales. Photographs were taken of the subject and the comparables as well as review of aerial photographs of the comparable sales provided by Google Earth, or the Umatilla County Assessor's office records.
- Reviewed title reports, and a survey by City of Hermiston, reviewed the irrigation report by IRZ Consulting and Engineering, reviewed Phase I Environmental Site Assessment report by Haley and Aldrich, Inc., and reviewed recorded easement documents;
- Verified the comparable sales with at least one party to the transaction, brokers, public records, and assessor's office personnel;
- Disregarded or eliminated any sales exhibiting project influence (however no such sales were discovered);
- Applied the sales comparison approach to arrive at the final fee simple value estimate for the subject property.

**ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal is subject to the following assumptions and conditions:

The title to the property is good and marketable.

A survey of the subject site was provided for this appraisal. Property lines as they appear on the survey are assumed to be correct.

Data, maps, and descriptive data furnished by the client or client's representative are assumed accurate and correct.

No responsibility is assumed for matters of law or legal interpretation.

No conditions exist that are not discoverable through normal, diligent investigation, which would affect the use and value of the property.

The valuation is based on information and data from sources believed reliable and correct, but I assume no responsibility for its accuracy.

The value estimate is made subject to the purpose, date, and definition of value.

The appraisal is to be considered in its entirety and use of only a portion thereof will render the appraisal invalid.

This appraisal was made on the premise that there are no encumbrances prohibiting use of the property under the appraiser's estimate of highest and best use.

Possession of this report or a copy thereof does not carry with it the right of publication, nor may it be used for any purpose by any other than the client without the previous written consent of the appraiser and then only with proper qualifications.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraiser or firm with which he is connected or any reference to the Appraisal Institute or the MAI designation.

The appraiser shall not be required to give testimony nor appear in court by reason of this appraisal with reference to the property described herein unless prior arrangements have been made.

No responsibility is assumed for building permits, zone changes, engineering or any other services or duty connected with legally using the subject property.

It is understood that compensation for the appraisal services is in no way contingent upon the value reported and is dependent only upon delivery of this report.

No engineering soil report has been furnished for this appraisal. The appraiser makes no representations as to actual soil stability.

A Phase 1 Environmental Site Assessment, performed by Hadley & Aldrich, Inc. report dated February 2025 concludes that the Phase 1 Assessment revealed no evidence of Recognized Environmental Conditions (RECs) associated with the subject property. The appraiser has no knowledge of the existence of any hazardous materials, which may or may not be present on or in the subject property. However, the appraiser is not qualified to detect such substances. The presence of potentially hazardous materials would adversely affect the value of the subject. No responsibility is assumed for any possible hazardous waste condition. If the client, or any other party interested in the property is concerned about hazardous waste, they are advised to seek independent, competent counsel.

**LEGAL AND TAX DATA**

WALCHLI LAND LLC  
SOUTHEAST CORNER OTT ROAD AND HIGHLAND EXT.  
HERMISTON ,OREGON

**ASSESSED VALUE AND TAXES**

**2024 TAX ROLL**

2024 TAX ROLL				RMV		
<u>MAP-TAX LOT</u>	<u>ACCOUNT</u>	<u>LAND</u>	<u>IMPS</u>	<u>TOTAL</u>	<u>MAV</u>	<u>TAXES</u>
4N291800-500	123417	\$ 982,270	\$ 14,440	\$ 996,710	\$ 93,710	\$ 16,745.44
Tax Code: 0803						
Tax Rate: \$15.1654/\$1,000 assessed value						

Note: the subject is specially assessed as farm use. Potential additional tax liability if declassified from farm use.

**OWNERSHIP HISTORY**

A five-year history of the subject property ownership is required for this appraisal report to be compliant with FAA regulations, FIRREA, USPAP, and state law.

The have been no sales of the subject property during the five years preceding this appraisal. As of the effective date of the appraisal, the subject was not listed for sale with a brokerage firm.

The purpose of this appraisal to establish fair market value for acquisition of the subject by the City of Hermiston, for Hermiston Airport RPZ 23 project.

A copy of the Recital for acquisition including appraisal assumptions is presented on the following page.

**RECITAL**

City of Hermiston (*Buyer*) wishes to acquire from J & M Walchli Land, LLC (*Seller*) that real property (*the Property*) described as:

The West Half of the Northwest Quarter and the Northwest Quarter of the Southwest Quarter of Section 18, Township 4 North, Range 29, East of the Willamette Meridian, Umatilla County, Oregon. Excepting therefrom the East 267.70 feet thereof; Also, excepting therefrom any portion lying within the County Road right-of-way

Including all irrigation equipment, piping, wiring, pumps installed thereon (*Tax Lot 500*);

(AND)

That 30-foot-wide easement appurtenant to Tax Lot 500 conveyed to Seller August 29, 1975 and recorded in Book 346 Page 592 Umatilla County Records including all irrigation equipment, piping, wiring, pumps, and structures attached thereon (*Appurtenant Easement*), and any part of this equipment or structures that may lie immediately adjacent and outside of the Appurtenant Easement.

(AND)

That hand-line irrigation equipment (personal property) used to irrigate the corners of Tax Lot 500.

(AND)

All water rights vested in Seller appurtenant to Tax Lot 500.

**APPRAISAL ASSUMPTIONS**

1. Buyer will acquire:

Tax Lot 500 and all attached irrigation equipment.

The hand-line irrigation equipment (personal property) currently used to irrigate the corners of Tax Lot 500.

All Water Rights appurtenant to Tax Lot 500.

The 30-foot easement across Tax Lot 1500 and all equipment located in the easement including Pump 162, wiring, meters and pipes.

2. City and seller will create a Shared-Use Agreement to share irrigation delivery costs, and maintenance of the irrigation system on Tax Lot 500 and on Seller's retained land (Tax Lot 400 and Tax Lot 1300).

3. Buyer shall pay Seller estimated costs to install flow meters and any other equipment needed to modify the irrigation system to implement the Shared-Use Agreement. Seller shall install this



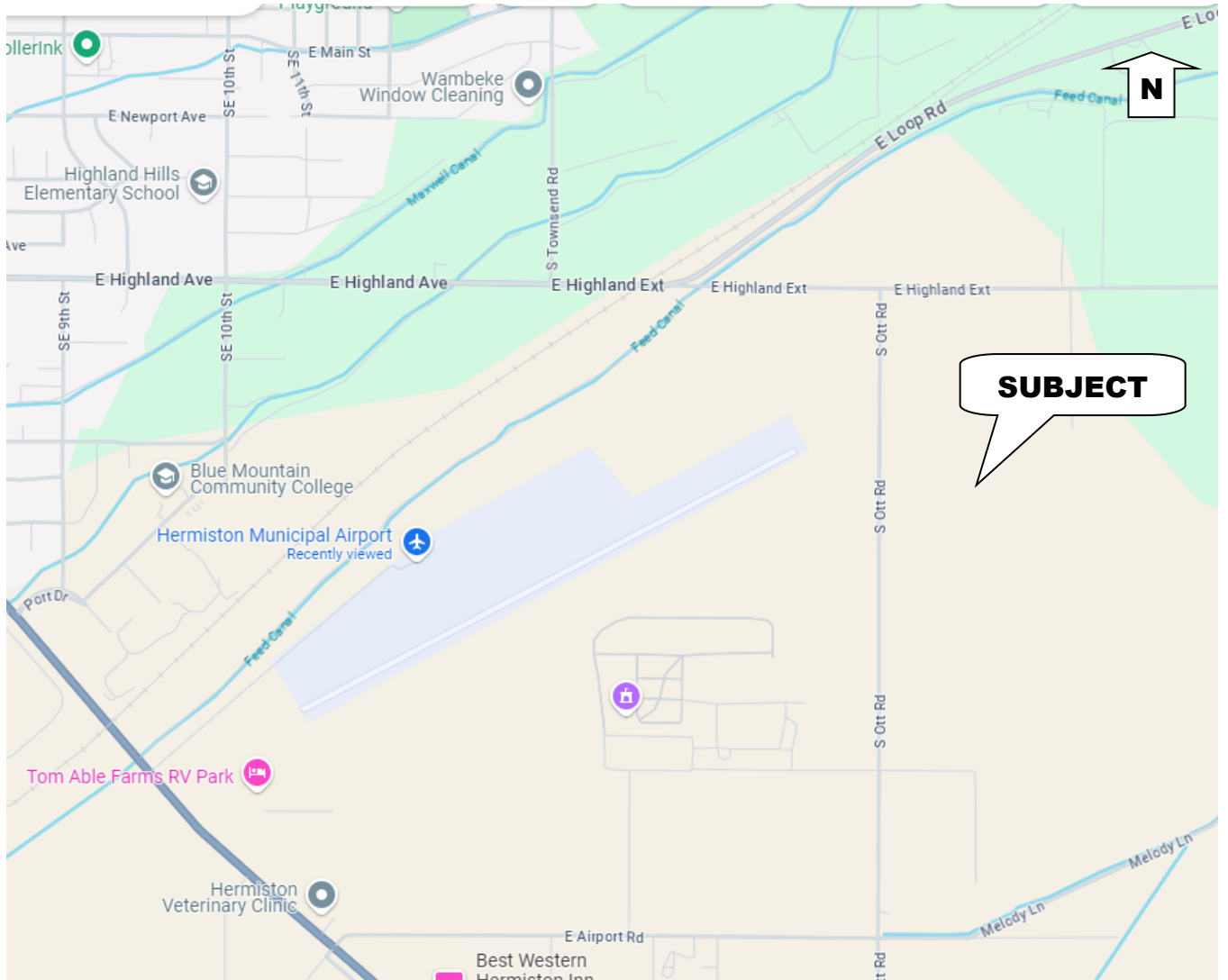
equipment and modify the irrigation equipment by \_\_\_\_\_ or 180 days after Closing, whichever is greater.

4. Seller shall reserve a nonexclusive easement appurtenant to Tax Lot 1300 and Tax Lot 400 to enter Tax Lot 500 and the Appurtenant Easement to operate the irrigation system.

Seller shall grant a nonexclusive easement appurtenant to Tax Lot 500 to enter Tax Lot 400 and Tax Lot 1300 to operate the irrigation system.

5. Crops/Possession:

Seller shall retain ownership and right to harvest existing crops on Tax Lot 500 after Closing. Buyer shall obtain possession of the Property on \_\_\_\_\_ or after a reasonable time needed to harvest crops whichever date is later.



## NEIGHBORHOOD-LOCATION MAP

**CITY AND NEIGHBORHOOD DESCRIPTION**

Hermiston and Umatilla County are located in northeast Oregon. Hermiston is situated at the junction of the Interstate 84 and Interstate 82 freeways. Hermiston is approximately seven miles south of the Columbia River and the state of Washington. The Hermiston-Pendleton Micropolitan Statistical Area are the commercial centers and Pendleton is the county seat for Umatilla County.

The climate has hot and dry summers, but cools considerably overnight, with relatively cold winters. Occasional snowstorms with relatively minimal accumulation. Annual average precipitation is 8.61 inches.

As of July 1, 2024, the estimated population of the city of Hermiston was 20,177 persons. Umatilla County population was estimated at 81,030 persons (Source: Population Research Center, Portland State University). Since the 2000 Census population estimate of 19,400, the population of Hermiston has increased by 1.04 percent. Over the same period, the population of Umatilla County increased by one percent. Population growth is slower in Eastern Oregon than population growth in Western Oregon. Population growth is expected to continue at this pace.

According to the U.S. Census, the median household income in Hermiston during 2022 was \$65,502, up from \$60,971 from the previous year, an increase of 7.4 percent.

According to the City of Hermiston's *2022 Comprehensive Annual Financial Report*, the area's largest employers are summarized in the chart on the following page.

#	Employer	# of Employees
1	Amazon Web Services	2,058
2	Wal-Mart Distribution Center	1,050
3	Good Shepherd Healthcare System	767
4	First Coast Security	750
5	Lamb Weston - Hermiston	625
6	Hermiston School District	623
7	Two Rivers Correctional Institution	440
8	Wal-Mart Supercenter	356
9	Union Pacific Railroad	300
10	Marlette Homes	250

Hermiston's economy is based upon agriculture, and transportation related businesses. Hermiston benefits from its location at the crossroads of several state highways and two interstate highways. Major transportation businesses include Wal-Mart's Northwest Distribution Center, and both Fed Ex and United Parcel Service (UPS) distribution centers. Amazon Web Services (cloud computing data center) is the largest employer in Hermiston. Technology is a growing sector in the Hermiston economy.

According to the State of Oregon Employment Department January 2025 *Labor Trends Report*, as of December 2024, the unemployment rate for Umatilla County was 4.2 percent, up from 4.1 percent the prior month.



Workforce & Economic Research Division

QualityInfo.org

January 28, 2025

### Umatilla County Current Labor Force and Industry Employment

	--Change From--				
	December 2024	November 2024	December 2023	November 2024	December 2023
<b>Labor Force Status</b>					
Civilian labor force	37,885	38,435	37,958	-550	-73
Unemployed	1,681	1,392	1,630	289	51
Unemployment rate	4.4%	3.6%	4.3%	0.8	0.1
Unemployment rate (seasonally adjusted)	4.2%	4.1%	4.2%	0.1	0.0
Employed	36,204	37,043	36,328	-839	-124
<b>Nonfarm Payroll Employment</b>					
Total nonfarm employment	30,080	30,380	30,300	-300	-220
Total nonfarm employment (seasonally adjusted)	30,090	30,160	30,300	-70	-210
Total private	22,200	22,350	22,370	-150	-170
Mining, logging, and construction	1,500	1,570	1,590	-70	-90
Manufacturing	2,620	2,660	2,700	-40	-80
Durable goods	1,160	1,170	1,180	-10	-20
Nondurable goods	1,460	1,490	1,520	-30	-60
Food manufacturing	1,120	1,130	1,160	-10	-40
Trade, transportation, and utilities	7,000	7,010	6,970	-10	30
Wholesale trade	1,000	1,010	930	-10	70
Retail trade	3,430	3,420	3,470	10	-40
Food and beverage retailers	730	730	730	0	0
General merchandise retailers	970	950	1,010	20	-40
Transportation, warehousing, and utilities	2,570	2,580	2,570	-10	0
Information	760	770	740	-10	20
Financial activities	820	830	870	-10	-50
Professional and business services	1,330	1,350	1,610	-20	-280
Private education and health services	4,480	4,470	4,250	10	230
Nursing and residential care facilities	1,020	1,010	970	10	50
Leisure and hospitality	2,910	2,910	2,890	0	20
Accommodation and food services	2,780	2,780	2,740	0	40
Other services	780	780	750	0	30
Government	7,880	8,030	7,930	-150	-50
Federal government	500	520	470	-20	30
State government	1,660	1,660	1,630	0	30
Local government	5,720	5,850	5,830	-130	-110
Indian tribal	1,830	1,820	1,860	10	-30
Local education	2,730	2,830	2,850	-100	-120
Local government excluding education and tribal	1,160	1,200	1,120	-40	40

The most recent month is preliminary, the prior month is revised. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Civilian labor force includes employed and unemployed individuals 16 years and older by place of residence.

Employed includes payroll employment, self-employed, unpaid family workers, domestics, agriculture, and labor disputants.

Unemployment rate is calculated by dividing unemployed by civilian labor force.

Nonfarm Payroll Employment: Data are by place of work and cover full- and part-time employees who worked or received pay for the pay period that includes the 12th of the month. The data exclude the self-employed, volunteers, unpaid family workers, and domestics.

Residential loan rates for a 30-year fixed rate mortgage currently average around 7 percent. Residential loan to value ratios typically range from 75 to 90 percent. Amortization periods are generally 15 to 30 years with a fixed rate over the term of the mortgage. Loan fees are typically one to two percent of the loan amount. Typical commercial mortgage interest rates for conventional loans range from approximately 7 to 8 percent. Loan to value ratios average up to 85 percent for owner occupancy and 75 percent for investment. Amortization periods are generally 20 to 25 years with five-year or ten-year loan calls. Loan fees are typically one to two percent of the loan amount.

#### HOUSING MARKET ANALYSIS

The table below summarizes real estate price trends and median annual home sale prices for all residential units in Hermiston over the past six years.

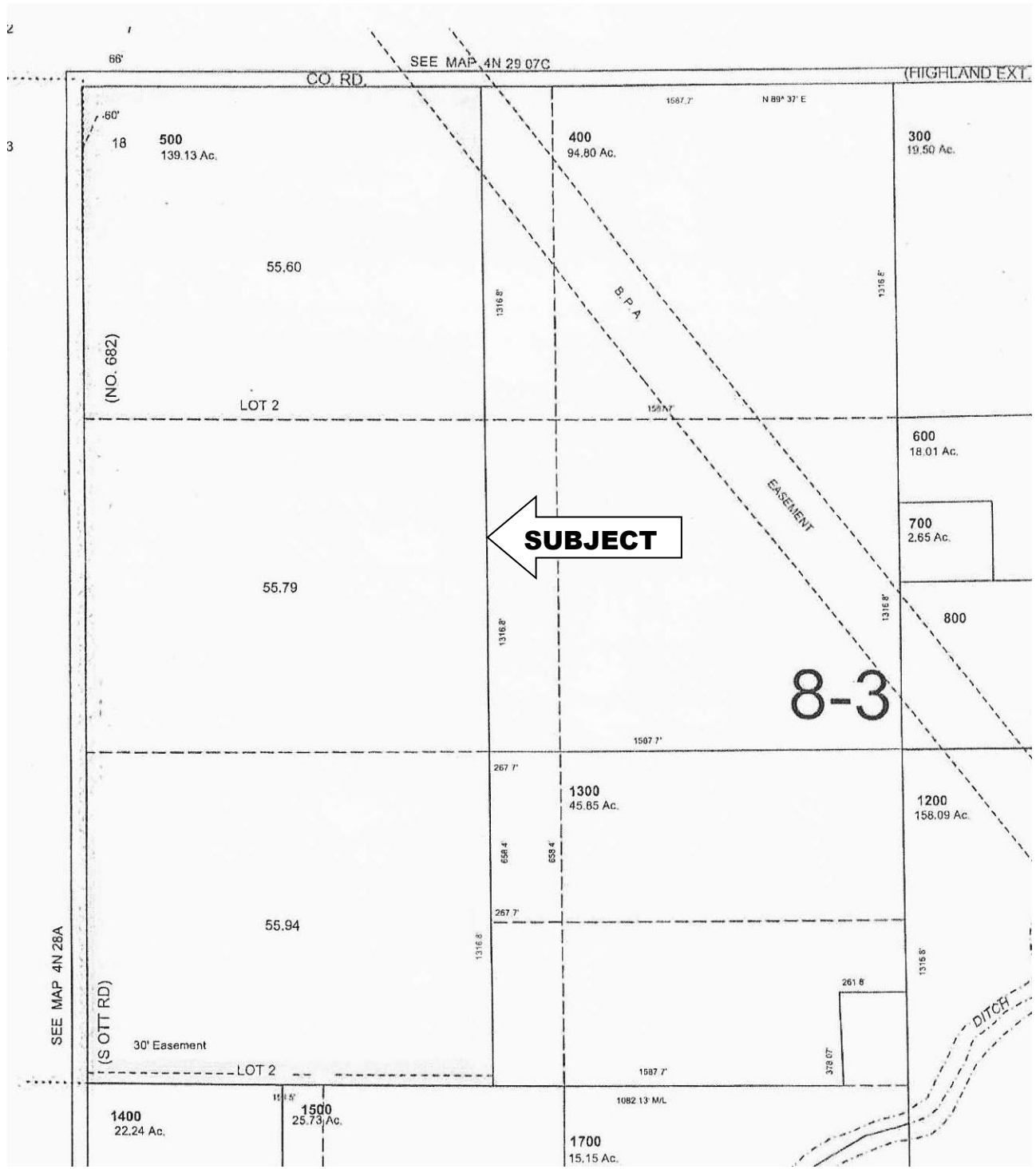
**HERMISTON RESIDENTIAL REAL ESTATE PRICE TRENDS**

<b><u>YEAR-JANUARY</u></b>	<b><u>Median Price</u></b>	<b><u>Annual % Chg</u></b>	<b><u>DOM</u></b>
1/2025	\$350,889	+12.8%	62
1/2024	\$311,000	-27.9%	N/A
1/2023	\$431,125	+34.7%	N/A
1/2022	\$320,000	+5.6%	N/A
1/2021	\$302,953	+14.3%	N/A
1/2020	\$393,184	+20.5%	N/A
<b>Average</b>		<b>10.0%</b>	

Median home prices have fluctuated over the time period covered by the chart. Healthy gains were made during 2025, 2023, 2021, and 2020. A significant decrease occurred during 2024. The price change from January 2020 through January 2025 was ten percent.

**CONCLUSION**

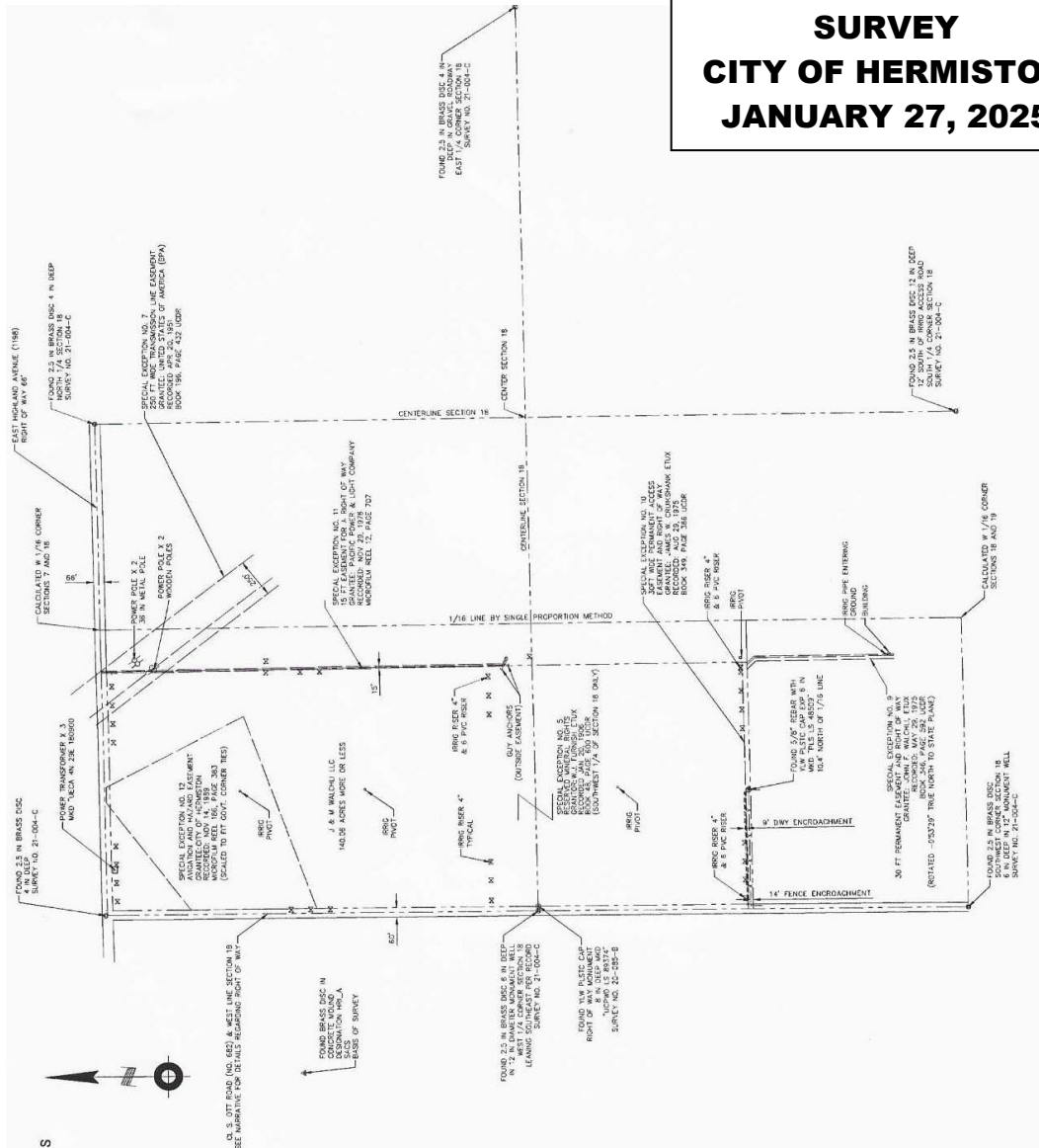
The economy of the subject market area economy has been steady to gradually increasing. There trends are projected to continue.



**PLAT MAP  
4N-29-18 TAX LOT 500**



**SURVEY  
CITY OF HERMISTON  
JANUARY 27, 2025**



RUNWAY 23 R2Z PROPERTY ACQUISITION: ENGINEERING SUPPORT SERVICES  
HERMISTON MUNICIPAL AIRPORT (HRA) - CITY OF HERMISTON  
AIP PROJECT NO. 3-41-0024-021-2025  
TASK ORDER NO. 30

HORIZONTAL DATUM: NAD 83, STATE PLANE OREGON NORTH ZONE  
BEARINGS ARE STATE PLANE - DISTANCES ARE SCALED TO GROUND  
USING THE CALCULATED COMBINED FACTOR AT NGS POINT HRLA  
COMBINED FACTOR = 1.00006653

**SURVEY NARRATIVE**  
THIS SURVEY WAS PERFORMED TO DETERMINE THE PROPERTY AND DELINEATE  
ENCUMBRANCES PER LOT BOOK REPORT NO. 172793 DATED 12/27/2025 PROVIDED BY  
PIONEER TITLE COMPANY.  
TITLE FOR SUBJECT PROPERTY IS LISTED IN: J & M WALCHU LAND, LLC, AN OREGON  
LIMITED LIABILITY COMPANY.  
THE CALCULATED ACREAGE OF SAID PROPERTY IS 140.05 ACRES, MORE OR LESS.  
THE PROPERTY IS DESCRIBED AS THE WEST HALF OF THE NORTHWEST QUARTER AND  
THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 4  
NORTH, RANGE 29 EAST OF THE WILLAMETTE MERIDIAN, UMATILLA COUNTY, OREGON;  
EXCEPTING THE EAST 267.70 FEET THEREOF.  
ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN COUNTY ROAD RIGHT OF  
WAY.

**EAST BOUNDARY**  
THE PROPERTY IS PART OF THE PUBLIC LAND SURVEY SYSTEM AND THEREFORE THE  
WESTERLY SIDE OF SECTION 18 IS THE PROPERTY LINE DERIVED OF ALGOLITHM THAT  
CONTAINS ANY ERROR IN THE MEASUREMENT OF THE OVERALL TOWNSHIP THEREFORE  
MEASURED VALUES BETWEEN GOVERNMENT CORNERS ON THIS SURVEY WERE  
CALCULATED BY THE PUBLIC LAND SURVEY SYSTEM. THE SURVEY WAS PERFORMED  
USING THE PROPORTION METHOD AND USED TO DETERMINE THE WEST 1/4 CORNER  
SECTION 18 AND 19 AND THE WEST 1/4 CORNER SECTION 18 AND 19. THE 1/4 LINE  
DETERMINED BY THESE TWO POSITIONS WAS OFFSET 267.70 FEET WESTERLY AND  
PARALLEL TO DETERMINE THE PROPOSED EAST BOUNDARY.

**SOUTH BOUNDARY**  
THE PROPERTY'S SOUTH BOUNDARY IS THE CALCULATED 1/4 LINE DIVIDING THE  
SOUTHWEST QUARTER OF SECTION 18.

**WEST BOUNDARY**  
PER UMATILLA COUNTY PUBLIC WORKS SURVEY 20-06-8 TWO OLD RIGHTS OF WAY  
EXIST FORS OTT ROAD CENTERED ON THE SECTION INTERSECTION SECTIONS 13 AND  
18. THE OLD RIGHTS OF WAY WERE ESTABLISHED BY THE PUBLIC LAND SURVEY  
SYSTEM AND THE 8 FT 1/4 WHICH WOULD PROVIDE FOR AUTOMATIC  
VACATION OF ONE OF THE RIGHTS OF WAY. THE PUBLIC WORKS SURVEY HELD A 66 FOOT  
WIDTH MATCHING WITH PRIVATE SURVEYS AND STATES QUOTE "AT SOME FUTURE  
DATE THE PUBLIC LAND SURVEY WILL BE REQUIRED TO RECONSTRUCT THE  
RIGHT OF WAY WITH A VACATION PROPOSAL."

**NORTH BOUNDARY**  
THE PROPERTY LINE IS THE CENTER OF THE 66 FOOT RIGHT OF WAY  
CENTERED ON THE SECTION INTERSECTION SECTIONS 13 AND  
18.

EXCEPT AS NOTED IN THE INFORMATION ON LOT BOOK PLUS REPORT FROM PIONEER  
TITLE THAT ARE LOCABLE ARE SHOWN ON THIS SURVEY.

THE SURVEY EQUIPMENT CONSISTED OF TWO TRIMBLE 1150 GPS RECEIVERS AND A  
TS20 DATA COLLECTION.

SCALE 1" = 300'

REGISTERED  
PROFESSIONAL  
LAND SURVEYOR  
JANUARY 27, 2025  
JAMES L. TITON  
JL TITON  
EXPIRES 31 DECEMBER 2025

**SITE DESCRIPTION**

**LOCATION:** The subject is located at the southeast corner of South Ott Road and Highland Extension Road, Hermiston, Umatilla County, Oregon.

**SIZE AND SHAPE:** As shown on the preceding plat map and survey map (pages 14-15), the subject parcel is 139.13 acres by Assessor's records. However, the City of Hermiston Survey indicates the subject parcel is 140.06 acres, more or less. Reliance has been placed on the acreage determined by the survey. The subject parcel has a rectangular shape.

**TOPOGRAPHY AND SOIL:** The subject's topography is level with road grades. No soils report was available for this appraisal. Soil quality as evidenced by the subject and surrounding structures appears adequate for low-rise construction with standard concrete perimeter foundation design and for residences, farm buildings and agricultural uses. Umatilla County Assessors office indicates the subject soils are Class 2, which "very good" soil. Some of the best soils in Umatilla County.

**ACCESS AND SITE IDENTITY:** The subject has good access and exposure from South Ott Road and from East Highland Extension Road. The subject fronts 3,950.4 feet along the east line of South Ott Road and 1,534.15 feet along the south line of East Highland Extension Road. An access easement 30-feet in width runs along the south property line.

**ROADS:** South Ott Road is an asphalt paved, bi-directional county road. East Highland Extension Road is also an asphalt paved, bi-directional county road. Dirt roads are located along the east (power line road) and south property lines (access easement).

**FLOOD PLAIN:** According to FEMA Map No. 41059C0625G, dated September 5, 2010, the subject is not located in a flood hazard area.

**ZONING:** The subject parcel is zoned EFU-40, Exclusive Farm Use with Airport and Hazard Overlay Zone, by Umatilla County. The EFU zone permits single family dwellings customarily provided in conjunction with farm use, farm dwelling for a relative, farm worker housing, and a variety of agricultural uses and farm buildings. The airport hazard overlay zone includes restrictions on building heights, land use, and other activities that could pose a risk to aviation safety.

**EASEMENTS OF RECORD:** Include typical public utility easements. A 30-foot wide ingress-egress easement along the south property line (Book 349 Page 386). A copy of the access easement is included in the addenda. An easement 250-feet in width for the transmission of electrical power in favor of the Bonneville Power Administration (BPA) runs across the northeast corner of the subject. An Avigation easement in favor of the City of Hermiston is located in the northwest corner of the subject. A copy of the avigation and hazard easement document (Reel 186 Page 384, dated October 28, 1989) is included in the addenda. The easements are depicted on the survey found on page 15.

No other easements or encroachments were discovered that would adversely affect the value of the subject. However, should any such easement or encroachment be discovered, the appraiser reserves the right to re-evaluate the subject.

**ENVIRONMENTAL HAZARDS:** A Phase I Environmental Assessment was provided for this appraisal. The report found the subject property is free environmental hazards. However, should environmental contamination be discovered, the appraiser reserves the right to re-evaluate the subject.

**FLOOD PLAIN:** According to FEMA map Community Panel No. 41033C0429E, dated December 3, 2009, the subject is not located in a flood hazard zone.

**WETLANDS ISSUES:** No designated wetlands areas are located on the subject property.

**SOILS:** according to Umatilla County records and discussions with Candace Kendall, Umatilla County Assessor agricultural appraiser, the subject soils are Class 2, which is a 'very good' soil class, it is the best soil class found in the Hermiston area. The soil is suitable for growing a wide variety of crops. This includes watermelons, onions, potatoes, corn and other crops as well.

**IRRIGATION:** the subject is located within the boundaries of the Stanfield Irrigation District. Approximately 135 acres are irrigated on the subject parcel (Tax Lot 500). There are 142.5 acres of water rights associated with subject parcel, Certificate 94238, priority date 1905, and supplemental water right Certificate 94240 with a priority date of 1924. The subject irrigation system is interconnected with Tax Lots 400 and 1300. The combined irrigation system provides water to approximately 275 acres. The subject parcel includes three pivots covering approximately 107 acres and an additional 28 acres that are irrigated with hand lines situated at the corners of the pivots.

**PUBLIC UTILITIES:** Public utilities are available to the subject property from the following suppliers:

Electricity	- Pacific Power Company
Telephone	- Century Link
Natural Gas	- Cascade Natural Gas
Garbage Disposal	- Sanitary Disposal, Inc.
Water	- Wells
Sanitary Sewage	- Septic systems
Storm Drainage	- Roadside ditches

**COMMENTS:** The subject site is a good quality agricultural parcel located in a rural residential and agricultural neighborhood east of Hermiston. It is conveniently located close to employment centers, schools, services, medical centers, shopping centers, and major transportation arterials.

SUBJECT PROPERTY PHOTOGRAPHS



South Ott Road looking south from E. Highland



Subject looking southeast from intersection.



Subject west property line looking south along  
South Ott Road



Central portion of subject looking east.





Irrigation riser, west property line along Ott Road



Fiber Optic line west property line near Ott Road.





Subject looking northeast from southwest corner



Access easement road along south property line



Subject looking northwest from southeast corner



Subject irrigation pivot 18-A, one of three



BPA easement, crossing northeast property corner



East Highland Road looking west from BPA easement





Subject looking south from northeast corner



Subject looking southwest from northeast corner

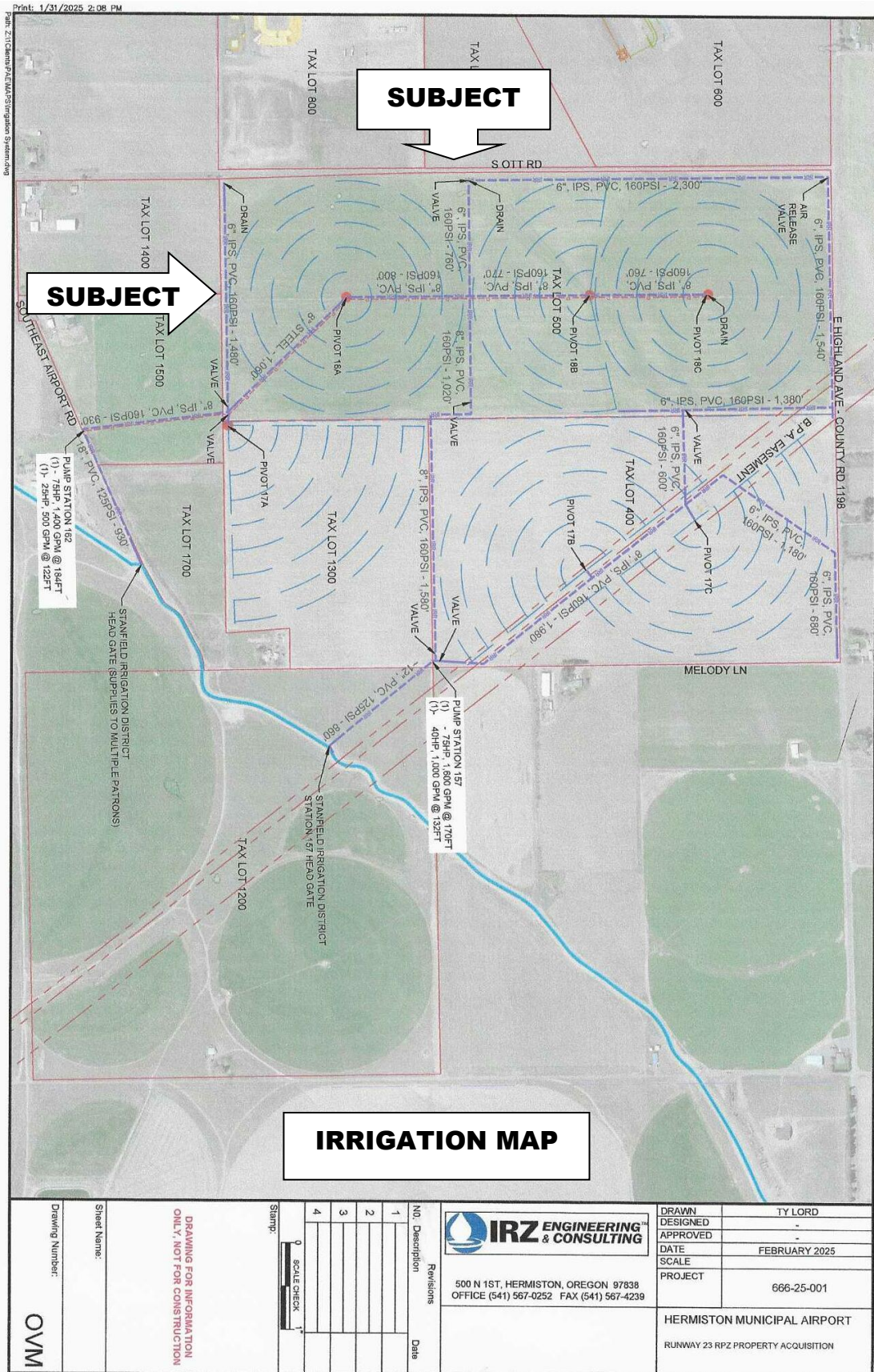


Typical Irrigation Pivot 18-C (one of three)



Dirt road along east property line looking south





### HIGHEST AND BEST USE

Highest and best use is defined as that use from among reasonably probable and legal alternative uses which is found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value. The highest and best use of both land as vacant and as improved must meet four criteria. It must be legally permissible, physically possible, financially feasible, and maximally productive. Judgments as to a property's highest and best use form the basis for estimating its market value. A complete analysis of highest and best use requires a consideration of the property both as though vacant and as improved. However, the subject is unimproved land including the irrigation system. Therefore, highest and best use analysis is limited to the property as vacant.

#### **THE LAND AS VACANT**

Highest and best use of the land as though vacant assumes that a parcel of land is vacant or can be made vacant by demolishing any improvements. This analysis determines how the land should be used and what type of improvements should be constructed.

**Legally Permissible:** Legal considerations of a site's use primarily center around permitted uses under its current zoning, a conditional use permit, or obtainable different zoning. According to the Umatilla County records, the subject is zoned EFU-40, Exclusive Farm Use with Airport and Hazard Overlay Zone. The purpose of the EFU zone is to preserve agricultural land. The EFU zone is classified as Resource Lands under the Oregon Department of Land Conservation and Development (DLCD) Statewide Planning Goal No. 3 (Agricultural

Lands). Permitted uses include a wide variety of agricultural uses and residences in conjunction with farm use. Based on land use patterns a change in zoning is not probable or anticipated.

**Physically possible:** Important physical aspects of the site include size, shape, topography, soil, access and the availability of public utilities. The subject, by survey, is 140.06 acres, more or less. Approximately 135 acres are irrigated on the subject parcel through the Stanfield Irrigation District. Water rights cover approximately 142.5 acres. The subject parcel includes three pivots irrigating approximately 107 acres and an additional 28 acres that are irrigated with hand lines situated at the corners of the pivots. The subject's size is typical for permitted agricultural uses under its zoning. The subject has a rectangular shape which is conducive to efficient utility for agricultural uses. The subject's topography is level. Soil conditions are very good for growing crops common to Umatilla County. The site has good access via the road frontages and 30-foot wide access easement along the south property line, and the powerline road along the east property line. All normal public utilities are available to the subject as well as irrigation water. There are no physical constraints so adverse as to prevent development of the subject with a permitted agricultural uses.

**Financially Feasible:** Financially feasible simply means that the market value of a property will be equal to or greater than its cost when considering the highest and best use of the property as if vacant. Agricultural uses are prevalent in Hermiston and the Columbia Basin. Soil conditions and available irrigation are conducive to farming. Historically, agricultural uses have demonstrated financial feasibility in the subject market area. This is demonstrated by comparable sales.

**Maximally Productive:** The final step in the highest and best use analysis of the land as if vacant is to estimate the hypothetical



ideal improvement which maximizes land value. Based upon the foregoing analysis, the maximally productive use would be irrigation systems for agricultural uses. A wide variety of crops are grown in Hermiston and the Columbia Basin.

**CONCLUSION:**

The highest and best use of the subject as though vacant is for continued agricultural use.

**SALES COMPARISON APPROACH**

This approach is predicated upon prices paid for other comparable agricultural properties. The differences between the comparable sales and the subject are analyzed in order to help estimate the value of the subject.

The sales comparison approach was used to estimate the fee simple value of the subject land.

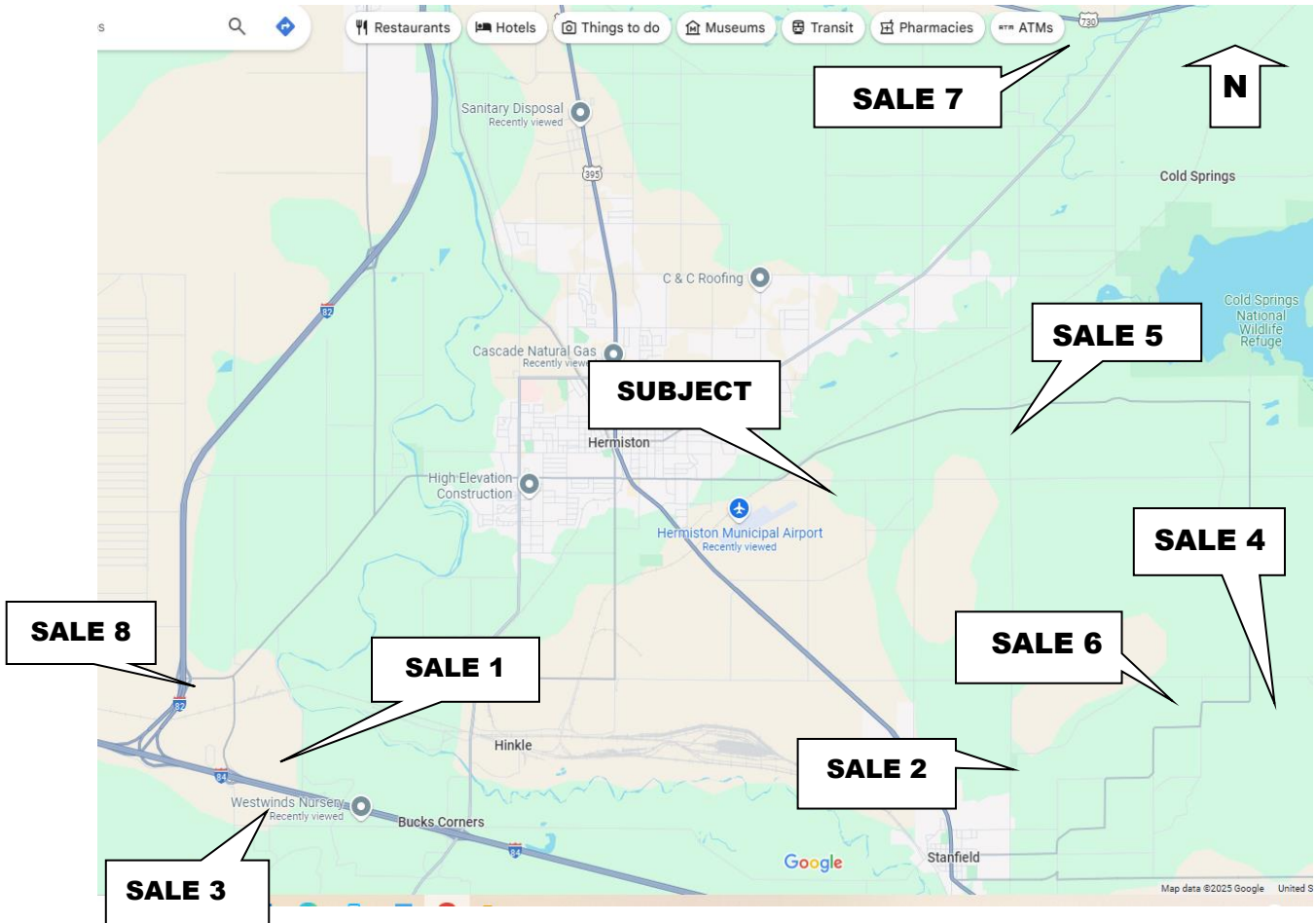
Eight comparable sales were discovered for comparison with the subject. All sales are located in the Hermiston market area. Four sales include improvements, two are improved with older residences and farm buildings, one included a residence demolished after the sale, and one sale with only a machine shed. Four sales are unimproved other than irrigation systems. All sales are irrigated land. The sales are summarized in the chart on the following page. More detailed information regarding the sales is presented in the sales data sheets that follow the sales summary. Each sale includes an aerial photograph of the property. Individual photographs of the sales follow the sales data sheets.

The unit of comparison most commonly used for analyzing sales of agricultural land is the price per acre. This unit of comparison was used for evaluating the comparable sales in relation to the subject. All the sales were cash or cash equivalent terms. All sales conveyed the fee simple interest.

A relative comparison analysis was used to analyze the comparable sales in relation to the subject. Superior characteristics required downward adjustments and inferior characteristics required upward adjustments.

**SUMMARY OF COMPARABLE SALES**

<b><u>SALE NO.</u></b> <b><u>LOCATION</u></b>	<b><u>DATE</u></b> <b><u>SALE PRICE</u></b>	<b><u>LAND-AC</u></b>	<b><u>IMPS</u></b>	<b><u>PRICE</u></b> <b><u>PER AC</u></b>	<b><u>REMARKS</u></b>
No. 1 North side Intrst 84 Adj 77712-77803 Cottonwood Bend Rd Hermiston, OR	12/23/24 \$427,000	49.47 Ac 32.20 Ac. Wtr rghts	Unimprvd Irrig system deprctd	\$8,631	Contig. Owner Soils Cls 4&6
No. 2 77665 S. Edwards Rd Stanfield, OR	9/20/24 \$1,000,000 \$ 250,000 Imps value \$ 750,000 Land value	69.40 Ac 62.35 Ac irrigtd	SFR/Mfg Home/farm sheds	\$14,409 imprvd \$12,029 62.35 irrg ac	Irreglr shape Soils Cls 2&6
No. 3 29950-30000 Block Noble Road Hermiston, OR	6/12/24 \$1,293,200 Allocation \$1,258,200 Irrg land \$35,000 dry land	130.72 Ac 93.80 Ac Irrig. 36.92 Ac dry land	Unimprvd	\$9,893 Total \$13,414 Irrigd \$948 Dry	Irrg canal bisects property Soils Cls 4&6
No. 4 North & East 34429 Despain Gulch Stanfield, OR	4/24/24 \$424,000 +other considratn	46.79 Ac Irrgd w/dry crnrs	Machine Shed	\$8,872	1031 Exchg w/trade Soils Cls 2&4
No. 5 79727 Latham Road Stanfield, OR	4/24/24 \$3,100,000 \$ 400,000 Imps value \$2,700,000 Land value	169.69 Ac 169.15 Ac Irrigated	Older Res Machine shed w/living Qrtrs, GP shed	\$18,269 Total \$15,911 Land resid.	Soils Cls 2, & 3-6
No. 6 West of 77356 North Loop Road Stanfield, OR	4/24/24 \$635,000	40.00 Ac Irrigated dry crnrs	Unimprvd	\$15,875	Cash & Trade Sale 4 Soil Cls 2
No. 7 81450 N. Golda Road Hermiston, OR	9/12/23 \$1,150,000	75.38 Ac Irrigated	Old Res Farm bldg No value demolishd	\$13,660	Irrigtn Wells Irreg shape Soils Cls 2-6
No. 8 West of Intrstate 84 Adj to 77803 Cottonwood Bend Rd Hermiston, OR	2/1/23 \$2,220,000	169.16 Ac Irrigated Dry crnrs	Machine shed w/lvg qrtrs	\$13,124	Contig Owner Soils Cls 2-4



**COMPARABLE SALES MAP**

COMPARABLE SALES DATA



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SALE NO.	1
LOCATION:	North side Interstate 84, NW Livestock Road, Hermiston, Oregon
GRANTOR:	Westwinds, Inc.
GRANTEE:	Blue Farm, LLC
DATE:	December 23, 2024
SALES PRICE:	\$427,000
TERMS:	Cash to the seller
UNIT PRICE:	\$8,631 per acre
DEED:	Warranty Deed 2024-8995

SALE NO.: 1 (Continued)

VERIFICATION: Joel Edmonds, Blue Farm, 360-941-7088  
ASSESSOR'S Account No. 118272  
PARCEL NO.: Map 4N2832-00 Tax Lot 300

ZONING: EFU, Umatilla County

SITE: 49.47 acres, irrigated farmland, Westland Irrigation District, Westland Canal with 32.2 acres of water rights. Soil Class 4-6. The irrigation equipment was fully depreciated and had to be replaced. The Westland canal runs under Interstate 84. Blue Farm was able to incorporate a new irrigation system from their contiguous ownerships, avoiding pumping water underneath Interstate 84.

IMPROVEMENTS: Unimproved

REMARKS: The deed Exhibit A, Exception 9, indicates the portion of the property being sold which lies westerly of the Westland Irrigation Canal has been used by a third party other than the sellers for more than ten years. Consequently, that said third party has adverse possession or other rights to the property which lies east of the canal. Blue Farm LLC also owns adjacent parcels Tax Lots 100 and 200. This parcel was purchased for incorporation into Blue Farm holdings with their contiguous parcels to the north and east. Blue Farm basically purchased the property for the water rights. This was a strategic purchase. They extended their irrigation from the northerly and easterly contiguous parcels. The price reflects the cost of replacing the fully depreciated irrigation equipment.

COMPARABLE SALES DATA



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SALE NO.	2
LOCATION:	77665 South Edwards Road, Stanfield, Umatilla County, Oregon
GRANTOR:	Stephen Walker and Carmine Walker
GRANTEE:	Nathan E. Barak and Elizabeth A. Barak
DATE:	September 20, 2024
SALES PRICE:	\$1,000,000
TERMS:	\$500,000 down, \$500,000 commercial mortgage
UNIT PRICE:	\$14,409 per acre including improvements
DEED:	Warranty Deed 2024-6849
VERIFICATION:	Nathan Barak, 541-720-6503
ASSESSOR'S	Account No. 133552 and 133674
PARCEL NO.:	Map 4N-29-28 Tax Lot 1500 and Map 4N-29-33 Tax Lot 800
ZONING:	EFU, Exclusive Farm Use, Umatilla County

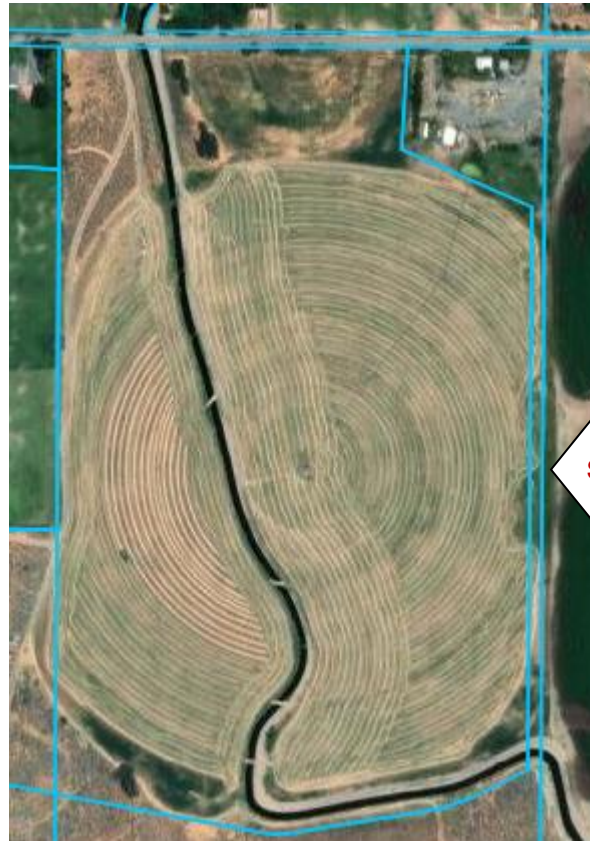
SALE NO.: 2 (Continued)

SITE: Total 69.40 acres, irregular shaped parcel. Irrigation, 4-inch lines, Hermiston Irrigation District, Furnish Ditch and U.S.R.S. feed canal. Soils vary from Class 2 to Class 6.

IMPROVEMENTS: a single story residence, 957 SF, built 1940, 2BR/1BA, kitchen, floor plan, garage 720 SF, built 2001, doublewide manufactured home, 1,792 SF, 2BR/1BA floor plan, built 1978, machine shed 588 SF, general purpose building, 1,408 SF, hay cover 560 SF, shed, and two lean-to structures. The buyer indicated that his motivation for purchase was the farm ground. The improvements contributed approximately \$200,000. Deducting the contributory value of the improvements leaves a residual to the land of approximately \$800,000 or \$12,831 per acre (62.35 acres). Parcel shape limits utility.



COMPARABLE SALES DATA



**SALE 3**

Parcel 4N2831 Tax Lot 2300

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SALE NO.	3
LOCATION:	Noble Road, Umatilla County, Oregon
GRANTOR:	Sheila J. Boectther Trustee
GRANTEE:	P & R Farming, LLC, Hayden Pollock
DATE:	June 12, 2024
SALES PRICE:	\$1,293,200
UNIT PRICE:	\$9,893 per acre
DEED:	Warranty Deed 2024-3937
VERIFICATION:	Bryce Pollock, 541-314-0163
ASSESSOR'S PARCEL NO.:	Account Nos. 118282 and 172401 4N283100-2300 and 4N283200-1600

SALE NO.: 3 (Continued)

ZONING: EFU, Exclusive Farm Use, Umatilla County

SITE: 130.72 acres, level topography, circle irrigation, 93.8 acres of water rights, three pivots at time of sale, Westland Irrigation District. Dry land 36.92 acres, not cultivated, used primarily as pasture. Soils are Class 2 to Class 6.

IMPROVEMENTS: Unimproved

ANALYSIS: Deducting on an estimated \$900 per acre for the dry land or \$35,000 (rounded) leaves a residual contributory value to irrigated land of \$1,258,200, or \$13,414 per acre (93.8 acres).

REMARKS: Crops include watermelons, grass seed, and corn.



Parcel 4N2832 Tax Lot 1600

COMPARABLE SALES DATA



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SALE NO.	4
LOCATION:	contiguous north and east of 34429 Despain Gulch Road, Stanfield, Umatilla County, Oregon
GRANTOR:	Mills Brothers, LLC
GRANTEE:	Brian and Duane, LLC
DATE:	April 24, 2024
SALES PRICE:	\$424,000 plus other consideration
TERMS:	1031 Exchange
UNIT PRICE:	\$8,872 per acre
DEED:	WD 2024-2661
VERIFICATION:	Darrin Ditchen, Golden Valley Farms, 541.567.2173
ASSESSOR'S	Account No. 133581
PARCEL NO.:	Map 4N292300 Tax Lot 2800

SALE NO.: 4 (Continued)

SITE: 46.79 acres, more or less, level topography with circle irrigation, Stanfield Irrigation District. There is one full circle pivot. 6-inch PVC line with 40 HP pump. The property has dry corners which adversely affected price. Soils are Class 2 to Class 4.

IMPROVEMENTS: An average quality single story Class D (wood frame construction) machine shed (2,352 SF).

ZONING: EFU, Exclusive Farm Use, Umatilla County

REMARKS: The consideration included a 1031 tax exchange trade of a parcel that was fully irrigated with no improvements, located just north of the NWC of North Loop Road and Feedville Road, Stanfield. The agreed upon consideration for the trade parcel was \$625,000, or \$15,625 per acre. The parcel was fully irrigated. The grantee had leased this parcel for several years prior to the trade/purchase. This also influenced price. The traded parcel was incorporated into the Mills Brothers (grantor) farm operations. This parcel was acquired for incorporation into Golden Valley Farms' holdings (approximately 4,000 acres). Golden Valley has incorporated with parcel with their irrigations systems as well. Golden Valley Farms grows only grass seed which they sell to golf course operators located in hot weather states that have to overseed every year.

COMPARABLE SALES DATA



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SALE NO.	5
LOCATION:	79727 Latham Road, Stanfield, Umatilla County, Oregon
GRANTOR:	Estate of Richard V. Latham as to an undivided one-half interest and Audrey Latham Family Trust, Loree A. Harmon, Trustee and Personal Representative
GRANTEE:	Brian and Duane, LLC
DATE:	April 24, 2024
SALES PRICE:	\$3,100,000
TERMS:	Cash to the sellers
UNIT PRICE:	\$18,269 per acre including improvements
DEED:	Bargain and Sale Deed 2024-2667
VERIFICATION:	Darrin Ditchen, Golden Valley Farms, 541.567.2173

SALE NO.: 5 (Continued)

ASSESSOR'S Account No. 122445 and 133462  
PARCEL NO.: 4N2900-00 Tax Lot 400 and 4N2910-00 Tax Lot 400

ZONING: EFU, Exclusive Farm Use, Umatilla County

SITE: Total 169.69 acres, ell shaped parcel, irrigated farmland, with pivots and half pivot irrigation systems. Soils predominantly Class 3 to Class 5.

IMPROVEMENTS: A single story wood frame residence with 2,118 SF, three bedroom, one bath floor plan, built 1930 with renovation, carport (832 SF), a two-story wood frame machine shed (2,592 SF) with living quarters, two bedrooms, kitchen and bath, a general purpose building (2,400 SF), deck (540 SF), and concrete flatwork (320 SF).

REMARKS: The property was purchased for incorporation into Golden Valley Farms holdings (approximately 4,000 acres). Golden Valley Farms grows only grass seed which they sell to golf course operators located in hot weather states that have to overseed every year. The buyer indicated that the irrigated farmland was worth \$15,000 to \$16,000 per acre.

ANALYSIS: Allocating \$400,000 as the contributory value of the improvements yields a land residual of \$2,700,000, or \$15,911 per acre.

COMPARABLE SALES DATA



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SALE NO.	6
LOCATION:	west of 77356 North Loop Road, Stanfield, Umatilla County, Oregon
GRANTOR:	Brian and Duane, LLC
GRANTEE:	Mills Brothers, LLC
DATE:	April 24, 2024
SALES PRICE:	\$635,000
TERMS:	Cash and trade of property
UNIT PRICE:	\$15,875 per acre
DEED:	Bargain and Sale Deed 2024-2655
VERIFICATION:	Darrin Ditchen, Golden Valley Farms, 541.567.2173
ASSESSOR'S	Account No. 133609
PARCEL NO.:	4N2923-00 Tax Lot 2200
ZONING:	EFU, Exclusive Farm Use, Umatilla County
SITE:	40.00 acres, square/rectangular shaped parcel, irrigated farmland, with pivot irrigation system. Corners are dry. Class 2 soils.

SALE NO.: 6 (Continued)

IMPROVEMENTS: Unimproved other than irrigation system.  
(Hermiston Irrigation District: 541.567.3024.

REMARKS: The property was a trade in a 1031 exchange (see Sale 4). The trade made sense for both parties as it consolidated their holdings into contiguous parcels for both ownerships. Golden Valley Farms holdings (approximately 4,000 acres). Golden Valley Farms grows only grass seed which they sell to golf course operators located in hot weather states that have to overseed every year. The grantor indicated that the irrigated farmland was worth \$15,000 to \$16,000 per acre.



COMPARABLE SALES DATA



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SALE NO.	7
LOCATION:	81450 North Golda Road, Hermiston, Umatilla County, Oregon
GRANTOR:	Phillip M. Warren and Danette L. Warren
GRANTEE:	Unit 1 Lands, LLC (Triple E Farms)
DATE:	September 12, 2023
SALES PRICE:	\$1,150,000
TERMS:	
UNIT PRICE:	\$13,660 per acre including improvements
DEED:	Warranty Deed 2023-6392
VERIFICATION:	Cole Easterday, Triple E Farms 509.547.1249
ASSESSOR'S	Account No. 130098
PARCEL NO.:	5N2928-BO Tax Lot 100
ZONING:	EFU, Umatilla County

SALE NO.: 7 (Continued)

SITE: 75.38 acres, irregular shaped parcel with level topography. The property is irrigated crop land via wells. Buyer indicated that wells are good, and the amount of irrigation water has been sufficient. The property is located east of the Hermiston Irrigation District but is not within district boundaries. Soils Class 2, 6, and 7.

IMPROVEMENTS: A single family residence, 2,118 SF, 3BR/1BA, machine shed 2,592 SF, irrigation shed, 140 SF were on site at time of sale, however, the residential improvements were demolished after the sale. A manufactured home was placed on site during January 2025.

ANALYSIS: The improvements, other than the irrigation system, did not contribute value to the sale price. Therefore, the sale reflects land value. Following the sale, the buyer invested approximately \$150,000 in converting the irrigation system to one large pivot and one small pivot. This increased irrigated land by a few acres. Including irrigation expenditures after sale indicates an adjusted sale price of \$1,300,000, or \$17,246 per acre. The buyer grows potatoes, corn, and other crops as well.

COMPARABLE SALES DATA



Parcel 4N2833A Tax Lot 400  
Parcel 4N2833A Tax Lot 500

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SALE NO.	8
LOCATION:	North of Interstate 84, contiguous to 77803 Cottonwood Bend Road, Hermiston, Oregon
GRANTOR:	Columbia Ag Holdings, LLC
GRANTEE:	Unit 1 Lands, LLC, (Blue Farm, LLC)
DATE:	February 1, 2023
SALES PRICE:	\$2,220,000
TERMS:	Cash to the seller
UNIT PRICE:	\$13,124 per acre including improvements
DEED:	Warranty Deed 2023-668
VERIFICATION:	Joel Edmonds, Blue Farms, 360-941-7088
ASSESSOR'S	Account No. 128130, 128131, 118271, 128081
PARCEL NO.:	4N2833A Tax Lots 400, 500, Map 4N283200 Tax Lot 200, and Map 4N2800-00 Tax Lot 1300
ZONING:	EFU, Umatilla County
SITE:	Total 169.16 acres (four parcels), irregular shaped parcels and a trapezoid shaped parcel with level to undulating topography. The property is irrigated crop land by the Westland Irrigation Canal, Westland Irrigation District. Tax Lots 400, 500, are contiguous east of Sale 1. Two parcels are contiguous, and two parcels are non-contiguous and are located to the east. Purchased to expand Blue Farm holdings in the area. Soils are Class 2 and Class 4.

SALE NO.: 8 (Continued)

IMPROVEMENTS: Machine shed 2,453 SF with 2BR/1BA, living quarters, general purpose shed, 120 SF, and irrigation systems.



Parcel 4N2800 Tax Lot 1300



Parcel 4N2832 Tax Lot 200

COMPARABLE SALES PHOTOGRAPHS



**Sale 1**

NW Livestock Road north side of I-84



**Sale 2**

77665 South Edwards Road





**Sale 3**

29950 to 30000 Block Noble Road

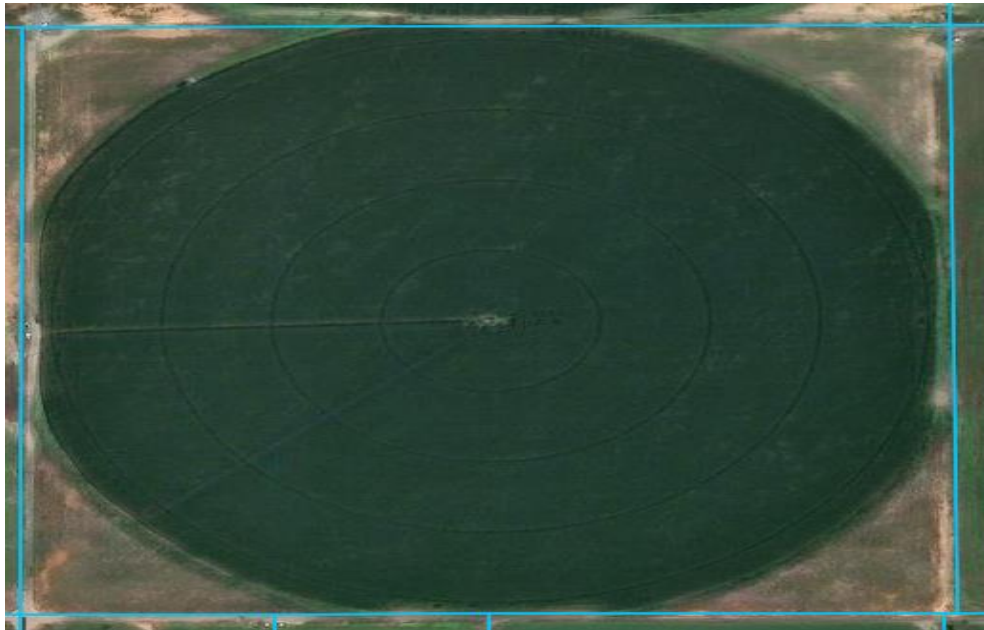


**Sale 4**

East of 34429 Despain Gulch Road



**Sale 5**  
79727 Latham Road



**Sale 6**  
Aerial Photograph, street photo not available



**Sale 7**

81450 North Golda Road



**Sale 8**

Near 77803 Cottonwood Bend Road



**Sale 1** is located along NW Livestock Road, north of Interstate 84. It was purchased in late December 2024. The sale price was \$427,000, or \$8,631 per acre. It was purchased Blue Farm, LLC for assemblage with other agricultural holdings in the area. Verification of the sale revealed that the irrigation system on this parcel was fully depreciated and had to be replaced. The cost to cure the irrigation system adversely affected the sale price. The buyer was able to incorporate the new irrigation system into the existing irrigation system on their contiguous parcels to the north and east.

The site property is 49.47 acres with 32.2 acres of water rights. Topography is level to slightly undulating. It has a trapezoid shape. Utility is good. Soils are slightly inferior to the subject.

In comparison to the subject, the primary adjustments are upward for the cost of a new irrigation system, upward for slightly inferior soils, and downward for size differential. Overall, the net adjustment is upward due to the cost to cure the irrigation system.

Analysis of Sale 1 indicates a value for the subject that is substantially greater than \$8,631 per acre.

**Sale 2** is located at 77665 South Edwards Road. It sold September 20, 2024 for \$1,000,000, or \$14,409 per acre including improvements value.

The property totals 69.40 acres in two contiguous parcels. The properties have an irregular shape that limits utility. Soils range from Class 2 (very good) to Class 6. The property is improved with an older single family residence and farm buildings. The homesite parcel is 7.05 acres. The buyer indicated his motivation for purchase was the farm ground (62.35 acres). The improvements have an estimated contributory value of approximately \$200,000. The residual to the land amounts to \$800,000, or \$12,831 per irrigated ground (62.35 acres).

In comparison to the subject, the primary adjustments are downward for the contributory value of the improvements, upward for inferior parcel shape that limits utility, upward for slightly inferior soils, and downward for size differential. Overall, Sale 2 is inferior to the subject. The net adjustment is upward.

Analysis of Sale 2 indicates a value for the subject is greater than \$12,831 per acre.

**Sale 3** is located in the 29950-30000 block of Noble Road, south of Interstate 84. The property was purchased June 12, 2024. The sale price was \$1,293,200 or \$9,893 per acre. The sale includes two parcels totaling 130.72 acres, of which 93.8 acres are irrigated and 36.92 acres are dry pasture. The parcels are contiguous near the southwest corner of the northerly parcel and the northeast corner of the southerly parcel. Soils are Class 2 to Class 6. The topography is predominantly rolling. The irrigation canal bisects Tax Lot 2300 (westerly parcel). It is irrigated with pivots (circle irrigation systems).

Verification of the sale indicated the buyer paid \$900 to \$1,000 per acre for the dry land or approximately \$35,000 (rounded). The balance of \$1,258,200 was allocated to the irrigated land, or \$13,414 per acre (93.8 acres). Other than the irrigation systems and fencing, the property is unimproved. The buyer grows watermelons, grass seed, and corn.

In comparison to the subject, the primary adjustments are downward slightly for size differential, upward to reflect the subject's greater irrigated acreage, upward for slightly inferior soils, and upward for inferior utility (topography and the canal bisecting Tax Lot 2300). Overall, the net adjustment is upward.

Analysis of Sale 3 indicates a value for the subject that is greater than \$9,893 per acre overall, and greater than \$13,414 per acre for the irrigated land.

**Sale 4** is located north and east of 34429 Despain Gulch Road. The property was acquired during April 2024. The consideration was \$424,000 plus other good and valuable consideration, or \$8,872 per acre). Consideration was given to the fact that the grantee had leased this parcel from the grantor for several years. The parties to this transaction also traded the contiguous parcel (Sale 6). The consideration for Sale 6 was \$635,000, or \$15,875 per acre (40 acres). Comparison of Sale 4 with Sale 6 indicates an upward adjustment for conditions of sale of \$211,000, or \$5,275 per acre. An upward adjustment of \$5,275 per acre is warranted for conditions of sale. The adjusted sale price amounts to \$13,571 per acre.

The property is 46.79 acres. It is irrigated with two dry corners (northeast and southeast). Soils are Class 2 and Class 4. A residence with separate ownership is located to the southwest. The property has a near rectangular shape. It is unimproved other than the irrigation system. Topography is level.

In comparison to the subject, the primary adjustments are upward for conditions of sale (other consideration), upward for slightly inferior soils, and downward for size differential.

Analysis of Sale 4 indicates a value for the subject that is greater than \$8,872 per acre. The adjusted sale price amounts to \$13,571 per acre. This is considered a lower value indicator for subject.

**Sale 5** is located at 79727 Latham Road. It is located near the subject. It sold April 24, 2024. The sale price was \$3,100,000, or \$18,269 per acre including improvements.

The sale includes two contiguous parcels with an ell shape, totaling 169.69 acres, irrigated farm ground. Irrigation system includes full pivots and a half-pivot. Soils vary from Class 2 and Class 3 to Class 5. The improvements a residence, carport, two-story machine shed with living quarters, sheds, deck and concrete flatwork.

The improvements have an estimated contributory value of approximately \$400,000. The residual to the land amounts to \$2,700,000, or \$15,911 per acre.

The buyer purchased the property to add to their extensive agricultural holdings in the area. The buyer grows grass seed for golf courses located in hot weather states.

In comparison to the subject, the primary adjustments are downward for the contributory value of the improvements, upward slightly for size differential.

Analysis of Sale 5 indicates a value for the subject of approximately \$15,900 per acre.

**Sale 6** is located west of 77356 North Loop Road. It sold as part of a trade April 24, 2024. The consideration was \$635,000, or \$15,875 per acre. Verification of the sale, revealed the buyer believed the consideration represented market value. The buyer has extensive holding in the area.

Sale 6 is 40.00 acres, irrigated farm ground with dry corners (pivot irrigation system). Soils are Class 2. The buyer grows grass seed for golf courses located in hot weather states.

In comparison to the subject, the primary adjustment is downward for size differential.

Analysis of Sale 6 indicates a value for the subject that is slightly less than \$15,875 per acre.

**Sale 7** is located at 84150 North Golda Road. It sold September 12, 2023 for \$13,660 per acre including improvements. Verification of the sale revealed that the buyer did not place any value on the improvements. In fact, he had the improvements demolished after the sale.

The parcel is 75.38 acres. It is an irregular shaped parcel with level topography. Soil is predominantly Class 2 with some Class 6 soils. Irrigation source is via wells. The buyer indicated that the

wells are productive, and the amount of water has been sufficient for growing crops. Following the sale, the buyer invested approximately \$150,000 converting the existing irrigation system to one large pivot and one small pivot. Including expenditures after sale, the adjusted sale price amounts to \$1,300,000, or \$17,246 per acre. The upgraded system allowed him to increase the number of acres under irrigation.

In comparison to the subject, the primary adjustment is downward for size differential.

Analysis of Sale 7 indicates a value for the subject property that is less than \$17,246 per acre.

**Sale 8** is located north of Interstate 84. It is contiguous to 77803 Cottonwood Bend Road. The sale includes four parcels totaling \$2,220,000, or \$13,124 per acre including improvements. Improvements consist of a machine shed with living quarters and a small shed. The buyer indicated that the improvements were immaterial to the sale. The property was purchased to increase Unit 1 Lands, LLC holdings in the area.

The property is irrigated by Westland Irrigation District. The topography is level to undulating. Soils are predominantly Class 2 but varies with some Class 6 and Class 7 soils.

In comparison to the subject, the primary adjustments are upward slightly for size differential and for topography, and for slightly inferior soils. The net adjustment is upward.

Analysis of Sale 8 indicates a value for the subject that is greater than \$13,124 per acre.

Eliminating Sale 1, the comparable sales indicate a range of value for the subject from \$12,831 per acre to \$15,911 per acre. The mean of the range is \$14,567 per acre. Sale 4, Sale 5 and Sale 6 are most similar as to location. Sale 4 is similar to the subject as to soils, all Class 2 soils. These sales indicate a mean value of

\$15,119 per acre. Sale 3, Sale 5, and Sale 8 are most similar as to size. These sales indicate a mean value of \$14,150 per acre.

The subject is a good size parcel with good physical characteristics, efficient irrigation system and very good Class 2 soils. For these reasons, a value at the upper end of the range is judged appropriate.

Considering the preceding comparative analysis, the fee simple value of the subject as of March 10, 2025, is estimated to be:

$$140.06 \text{ Acres} \times \$15,000/\text{Acre} = \$2,100,900$$

**Rounded = \$2,100,000.**

The value estimate predicated upon the appraisal assumptions found on pages 8 and 9 of this report.

**CERTIFICATION OF APPRAISAL**

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

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analysis, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The 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, the approval of a loan, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Uniform Standards of Professional Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation, the standards and reporting requirements of the Federal Appraisal Regulations.
- I certify that to the best of my knowledge and belief, the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the 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, Paul V. Zacha, MAI, has completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.
- I have made a personal inspection of the subject on August 9, 2024. I have inspected one comparable sale and two comparable rentals. Information regarding the legal, physical, and economic characteristics of all the other comparable sales or comparable rentals used in this analysis was provided by brokers, other



appraisers, or assessor's office personnel. Photographs were adapted from listing brochures, Google Earth, or assessor's records.

- Paul V. Zacha, MAI, has not appraised this property or provided any other service in connection with this property during the three years prior to accepting this assignment.
- Paul V. Zacha is licensed as a State Certified General Appraiser (No. C000323, expiration November 30, 2024) by the State of Oregon Appraiser Certification and Licensure Board.



Paul V. Zacha, MAI  
March 17, 2025

**PAUL V. ZACHA, MAI  
QUALIFICATIONS**

Paul V. Zacha is a professional appraiser/consultant in our Grants Pass office. He conducts real estate appraisals plus market, economic feasibility, and highest and best use studies. Prior to joining Real Property Consultants in 1992, Mr. Zacha was the Commercial/Industrial Appraisal Supervisor with the Josephine County Assessor's Office.

Mr. Zacha was awarded the MAI designation by the Appraisal Institute on August 31, 1998.

Mr. Zacha's appraisal experience includes a wide variety of commercial, industrial and multi-family properties in southern Oregon. His private appraisal experience includes professional office buildings, community shopping centers, restaurants, motels, subdivision analysis, industrial buildings, service stations, and apartment complexes, both private and government subsidized. Mr. Zacha has also conducted condemnation appraisals of both partial and complete takings. Additional assignments include market analysis and feasibility studies for professional office building development, single-family residential subdivisions and multiple family residential developments.

A partial list of clients for whom Mr. Zacha has performed appraisals includes U. S. Bank, Bank of America, Bank of Southern Oregon, Valley of the Rogue Bank, Community Bank, Umpqua Bank, Douglas National Bank, Liberty Federal Bank, Klamath First Federal Bank, Evergreen Federal Bank, Premier West Bank, Home Valley Bank, Bank of the Cascades, The Mortgage Professionals, Asante Health Systems, Inc., Pacific Corporation (Pacific Power and Light Company), Pacific Gas and Transmission Company, Avista Corporation, Rail Tex, Parametrix, Inc., Superior Lumber Company, the U. S. Department of Housing and Urban Development, the U. S. Department of Veterans Affairs, Rogue Community College, the City of Grants Pass, Josephine County, the City of Medford, Jackson County, the Oregon Department of Justice and the Oregon Department of Revenue, various law firms and individual private investors in both Josephine and Jackson Counties.

Mr. Zacha holds a Certified Appraiser's License from the State of Oregon's Appraiser Certification and Licensure Board.

Mr. Zacha was appointed as a member of the State of Oregon Certification and Licensure Board by Governor Kitzhaber in June 1996.

He was reappointed for a second four-year term by Governor Kitzhaber in June 2000. His duties included serving as Vice-Chair of the Board and Chair of the Board's Enforcement Committee. The Board is charged with creating and adopting the administrative rules and procedures to enforce the State of Oregon's appraisal law and the Uniform Standards of Professional Appraisal Practice.

Mr. Zacha has qualified and testified as an expert witness before the Josephine County Circuit Court, the Oregon Department of Revenue, the Oregon Tax Court, the Josephine County Board of Equalization, and the U. S. District Court.

Mr. Zacha earned a Bachelor of Science degree in Economics from the University of Oregon in June 1971. Some additional real estate appraisal courses, seminars, and examinations that he has completed are as follows:

Appraisal Institute

- Real Estate Appraisal Principles-Basic Valuation Procedures
- Uniform Standards of Professional Appraisal Practice
- Basic Income Capitalization
- Advanced Income Capitalization
- Report Writing and Valuation Analysis
- Advanced Applications
- Demonstration Narrative Appraisal Report
- Condemnation Appraising, Basic and Advanced Principles
- Separating Real & Personal Property from Intangible Assets
- Analyzing Distressed Real Estate
- Valuation of Detrimental Conditions in Real Estate
- Understanding Rates, Ratios, GIMs, and DCFs Seminar
- Scope of Work Seminar
- Self-Storage Economics and Appraisal Seminar
- Office Building Valuation: Contemporary Perspective
- Analyzing Operating Expenses-Forecasting Revenue
- Subdivision Valuation

American Society of Appraisers

- Industrial Seminars 1989, 1990 and 1991

The Comprehensive Appraisal Workshop, Five-Day Format,

- by Ted R. Whitmer, MAI, CCIM, Attorney, August 1997

Attacking and Defending an Appraisal in Litigation,

- by Ted R. Whitmer, MAI, CCIM, Attorney, May 2001

Mr. Zacha is also active in community service. He is a past president and current member of the Grants Pass Active Club. This

organization historically has organized community activities to raise and donate over \$200,000 annually to local children's charities.

Mr. Zacha is also a former fund-raiser for the University of Oregon Duck Athletic Fund. This volunteer organization helps raise funds to provide scholarships for student athletes at the University of Oregon.