

**SELF CONTAINED APPRAISAL
REPORT
OF**

BANDON BIOTA LAND

Identified as:

**Coos County Map and Tax Lot
29-15-35-100**

PREPARED FOR

**Oregon State Parks
725 Summer St. NE, Suite C
Salem, Oregon 97301**

Attention: Cliff Houck, Real Property Manager

AND

**Bandon Biota, LLC
875 Michigan Avenue, Suite 3920
Chicago, IL 60611**

Attention: Michael Keizer, Chief Executive Officer

AS OF

June 5, 2010

PREPARED BY

**JEFFREY L. MARINEAU, MAI
MARINEAU AND ASSOCIATES
P. O. BOX 1017
COOS BAY, OREGON 97420**

Date of Value: June 5, 2010

APPRAISAL FILE #: B-3364

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Oregon State Parks
725 Summer St. NE, Suite C
Salem, Oregon 97301
Attention: Cliff Houck, Real Property Manager

June 28, 2010

and

Bandon Biota, LLC
875 Michigan Avenue, Suite 3920
Chicago, IL 60611
Attention: Michael Keizer, Chief Executive Officer

RE: Land owned by Bandon Biota,
LLC , Coos County, OR.

Dear Cliff and Mike:

Pursuant to your request, an appraisal has been completed on 111.3 acres of oceanfront land identified as Coos County Map and Tax Lot 29-15-35-100, located off of Lower Four Mile Road south of the Bandon, Oregon. An aerial inspection of the subject was made June 5, 2010 and this is the date of value. A physical inspection of the subject was made June 16, 2010. The appraisal was prepared for possible sale negotiations between Bandon Biota, LLC and Oregon State Parks.

The report has been written in Self Contained form at the request of the client with supporting data and analyzes in compliance with the guidelines of USPAP, Uniform Standards of Professional Appraisal Practice, and the regulations as formulated in FIRREA.

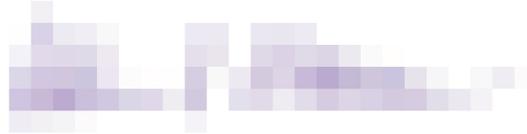
The Sales Comparison Approach is utilized in this report. After careful consideration of all available information and analyzing all factors pertinent to the fee simple valuation of the subject real property, as defined in this report, the estimated market value of the land, as of June 5, 2010, is **EIGHT HUNDRED THOUSAND DOLLARS.**

FINAL VALUE CONCLUSION: \$800,000

Your attention is directed to the attached report for property and market descriptions, date of presentation, and reasonable assumptions that are offered in support of the previous stated conclusions of market value; subject to the included Statement of Limiting Conditions. A copy of the appraiser's Certification is also included herein.

Thank you for the opportunity of providing you with this service. Please contact this office at the referenced address if you have any questions or comments concerning this appraisal report.

Sincerely,

A redacted signature consisting of several horizontal lines of varying lengths and colors, including shades of purple, blue, and grey, obscuring the name of the signatory.

Jeffrey L. Marineau, MAI

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SUMMARY OF FACTS AND CONCLUSIONS

Valuation Date: June 5, 2010

Date of Report: June 28, 2010

Land

This property is identified as Coos County Map and Tax Lot 29-15-35-100. The site is located south of Bandon off of Lower Four Mile Road and is 111.3 acres in size. The property has easy topography with some areas of sandy slopes, is irregularly shaped, and has ocean and New River frontage. A large portion of the property is useable with the exception of wetlands, river areas, and open dunes. Approximately 33.92 acres of the subject are ocean beach, 25.03 acres are submerged in New River, and the remaining 52.35 acres is upland area that is mostly useable. Vegetation of the subject is predominantly shore pine and gorse with other shrubs including European Beach Grass, Hooker Willow, and various other brush. Access is roughly developed to the southern property line. No utilities are developed onto the property, but power is also available near the southern property line. The property zoned REC, Recreational and MES, Minor Estuary and Shoreland zones of Coos County

IMPROVEMENTS: There are no improvements located on the subject property.

HIGHEST AND BEST USE: The Highest and Best Use for the subject, based on zoning is for a high end ocean view single family homesite in combination with a required high intensity recreational use.

FINAL VALUE CONCLUSION

\$800,000

APPRAISER:

Jeffrey L. Marineau, MAI

STATEMENT OF LIMITING CONDITIONS

The appraisal report is subject to the following limiting conditions. The report is not to be relied upon unless the conditions are accepted.

Standard Assumptions

1. Title to the property is assumed to be good and marketable unless otherwise stated. A Preliminary Title Report was not made available for this report. It is assumed that there are no exceptions, exclusions and stipulations that substantially affect the valuation of the subject property. A title company should be consulted if there are questions regarding the legal description.
2. That there is legal access to the property, unless otherwise noted. The property is appraised free and clear of any or all liens, easements or encumbrances unless otherwise stated.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, and other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there are no such materials on or in the property that would cause a loss in value. No responsibility is assumed for such conditions. If the client has any questions as to hazardous materials, an independent expert or an engineer should be consulted.
4. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in the appraisal report.
5. Assuming cash or cash equivalent terms for the subject valuation.
6. Assuming twelve to eighteen months of open market exposure.

Limiting Conditions

1. Information, estimates or opinions that are furnished to the appraisers, which may be contained in this report, were obtained from sources considered reliable and believed correct. If the client has any question regarding this information, it is the client's responsibility to seek whatever independent verification is deemed necessary.
2. Any maps or sketches, which may be attached to this report, are included to assist the reader in visualizing the property. Acreage calculations are approximate, and if there are any questions as to their accuracy, the client should have an independent expert verify the information utilized for this report.
3. The appraisal report has been prepared for the exclusive benefit of the client and the client's assigns. It may not be used or relied upon by any other party. Any party or

parties, who use or rely upon any information in this report, without the preparer's written consent, do so at their own risk.

4. No right to testimony is included in this appraisal, unless previous agreements have been made. None is proposed in this instance.
5. Unless otherwise stated, this appraisal has not considered any unapparent value or loss such as that derived from mineral deposits, boundary disputes with a neighboring property, concerns or value issues related to Measure 49, demands for easements or water rights, etc.

PHOTOGRAPHS OF SUBJECT PROPERTY

Photos Taken June 5, 2010



A view of the northern portions of the subject. The line gives an approximate representation of the northern boundary.



An overall view of the subject property.

PHOTOGRAPHS OF SUBJECT PROPERTY
Photos Taken June 5, 2010



Photo looking west near the subject's southern property line.



View looking north up path on the south end of the subject.

PHOTOGRAPHS OF SUBJECT PROPERTY

Photos Taken June 5, 2010



A view of the thick gorse and shore pine of the subject property.



An area of standing water.

PHOTOGRAPHS OF SUBJECT PROPERTY
Photos Taken June 16, 2010



View looking west from near the center of the property.



View looking north from near the center of the property.

PHOTOGRAPHS OF SUBJECT PROPERTY
Photos Taken June 16, 2010

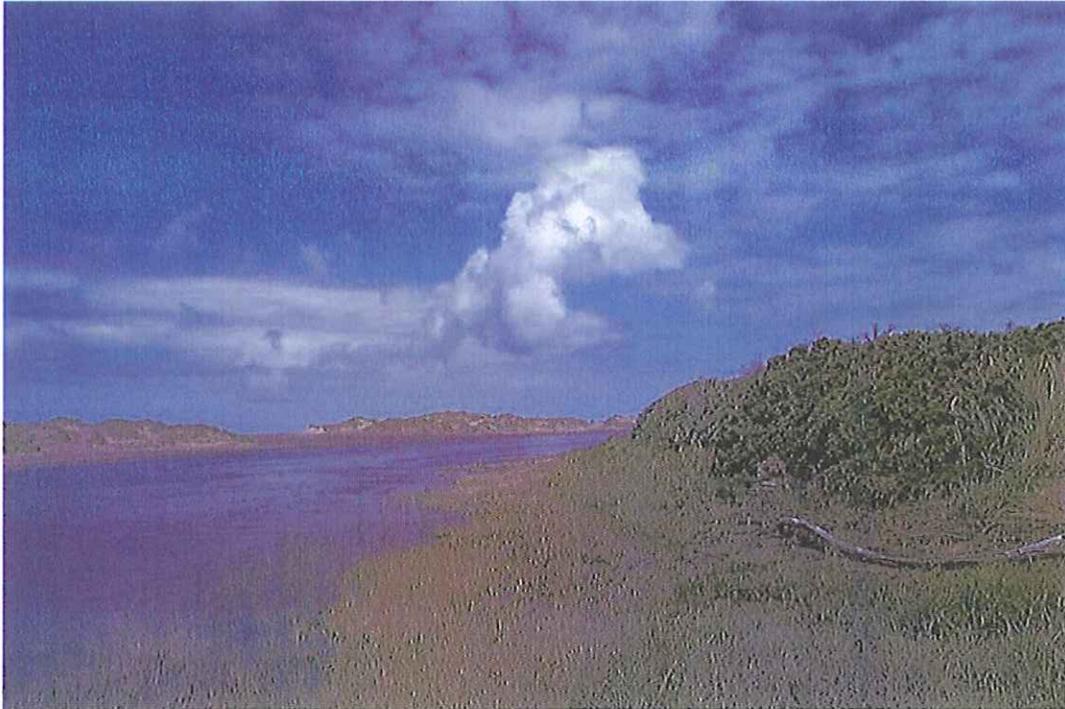
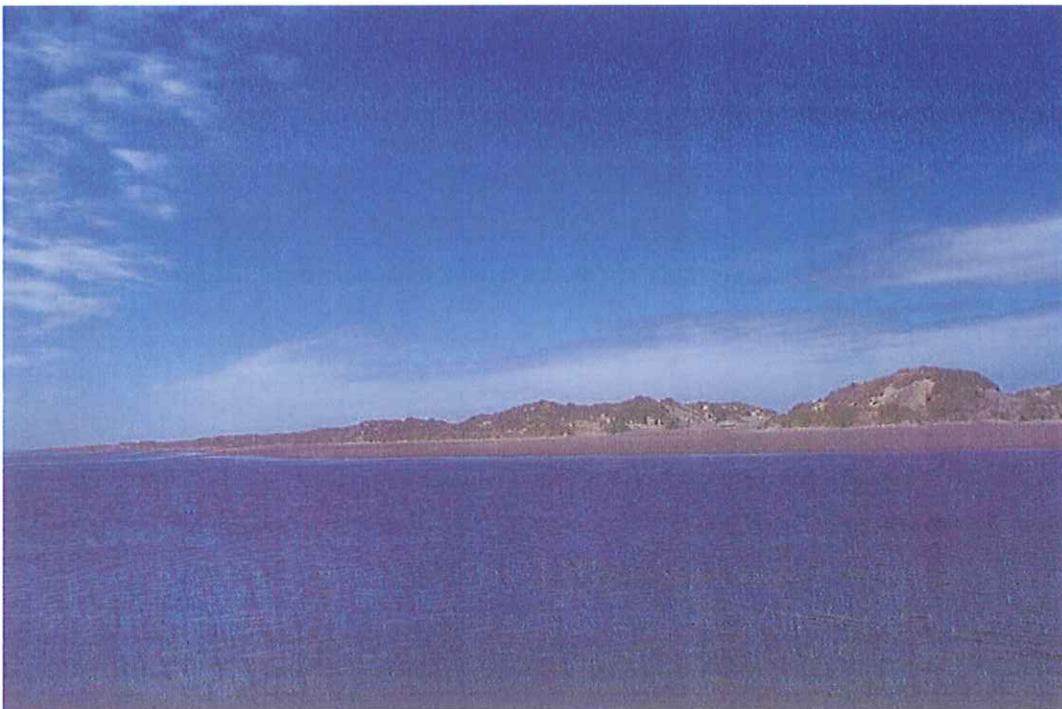


Photo looking northerly at the subjects frontage on New River.



View looking southwesterly across New River to the ocean beaches of the subject.

FACTUAL INFORMATION

THE APPRAISAL PROCESS / SCOPE OF WORK

This is a Self Contained Appraisal of the fee simple interest in the land, and the intended use of the appraisal is for possible sale negotiations. It is understood that Oregon State Parks, Cliff Houck, Real Property Manager, Bandon Dunes, Michael Kiezer, Chief Executive Officer, and assigns are the intended users. Bandon Dunes is the client of Marineau and Associates. An aerial inspection was made of the subject on June 5, 2010, and physical inspection of the subject property was made June 16, 2010. The date of value is, as of June 5, 2010.

The assignment involves the collection and gathering of data from various sources which were then analyzed to arrive at a value conclusion. The types of data collected included information on the social, political, governmental and economic factors within the county the property is located in, assembling accurate information on the legal description, assessed value, zoning and history of the property. Sales data was gathered from a variety of sources which included private investors, real estate brokers and salespersons, the Assessor's Office, the Recorder's Office, and other governmental agencies. The data was assembled, analyzed and a value conclusion was developed, given the limiting conditions and assumptions of the assignment.

The Coos and Curry County area provides the primary data for this analysis. Other data was researched along the entire Oregon Coast. We found local data to be the most meaningful, and therefore, chose to use the local data even though some of the sales date as far back as 2004.

There are generally three approaches to value. The Sales Comparison Approach is typically the best method of analyzing raw land. There are no improvements located on the subject property, and the Cost Approach is not applicable to this assignment. The Income Approach will not be used based on our scope of work and vacant land similar to the subject is rarely leased. This valuation will rely on a Sales Comparison Approach to determine the market value of this property.

Prior Services

This office has preformed appraisal services for Bandon Biota, LLC on this property within the past three years.

Competency

There is information in the addenda section of this report that lists the qualifications of Jeffrey L. Marineau, MAI, and the author of this report. Mr. Marineau's experience includes over 37 years of experience as an appraiser in Oregon, which includes experience in the valuation and evaluation of oceanfront land, forested sand dunes, high intensity recreation land, forest land, commercial, industrial properties, and agricultural developments.

William E. Flora, under the supervision of Jeffrey L. Marineau, MAI, assisted in the following categories described in OAR 161-025-0030(9)(a): (A) define the appraisal problem; (B) conduct preliminary analysis, select and collect applicable data; (C) conduct an analysis of the subject property; (D) conduct highest and best use analysis; (E) estimate land value, including on-site improvements; (F) estimate value of the property using the three approaches to value - cost, sales comparison and income capitalization [as applicable]; (G) reconcile each value

indication and reconcile the final value estimate; and (H) report estimate(s) of value(s) as defined.”

Definition of Market Value

The most probable price in terms of money which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interest;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- The price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve Systems (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

Owner of Record / History

The subject property was purchased by Bandon Biota, LLC for \$800,000 in May of 2009, from Coos County. Bandon Biota, LLC purchased the subject in an action for the minimum listed sale price. The property is undeveloped and has been used as open space lands for many years.

Assessed Value and Annual Tax Load

The grid below shows the Coos County Assessor’s Office information for the 2009 tax year.

Real Property - Current 2009 Assessment and Tax Load						
Map / Tax Lot	Land Area	REAL MARKET VALUE			Tax Assessed Value	2009
		Land	Improvement	Total		Tax Amount
29-15-35A-100	111.30	\$ 727,273	\$ -	\$ 727,273	\$ 450,952	\$ 3,624
TOTAL	111.30	\$ 727,273	\$ -	\$ 727,273	\$ 450,952	\$ 3,624

Zoning

The subject property is located within Coos County’s REC, Recreational and MES Minor Estuary and Shorland zones. The MES zones of the subject property are located on the western portions and allow for low intensity recreational uses, but no development.

The purpose of the recreation district is to accommodate recreational uses of areas with high recreational or open space value. The district applies solely to areas designated as “Recreation” in the Comprehensive Plan, which include state, county and other municipal parks, the Oregon Dunes National Recreation Area, as well as private lands currently developed as golf courses. New recreational developments in this district shall be oriented to the open space nature of the land. The type and intensity of recreational developments in this district must be conditioned by environmental considerations set forth in the County’s Coastal Shoreland / Dune Lands Comprehensive Plan policies where such developments are allowed in these coastal resource areas.

This zone permits outright farm buildings, timber farming / harvesting, propagation, management and harvesting of a forest product, high intensity recreational uses, low intensity recreational uses, Campgrounds and Recreational Vehicle Parks subject to Review Standard and Special Development Condition 30, and many other uses. Conditional uses include single family dwellings subject to Review Standard and Special Development Condition 5, a watchman / caretaker dwelling subject to Review Standard and Special Development Condition 72, fire stations, and more. Appropriate zoning language can be found in the addenda of this report.

Special Review Standard and Special Development Condition 30 states that campgrounds and recreational vehicle parks are allowed, if the proposal is in compliance with Article 9.2. Article 9.2, Recreational Vehicular Park and Campground Review states recreational vehicular parks and campgrounds shall be subject to requirements set-forth in Oregon Administrative Rule (OAR) 918-650-0000 through 918-650-0085. These standards shall apply in-lieu of the parent zoning district. An application for a recreational vehicular park and campground shall be reviewed as a hearings body conditional use and shall include the submittal of a preliminary site plan drawn as specified by OAR Division 650. (OR 01-02-004P1 6/13/01).

Special Review Standard and Special Development Condition 5 states that on land zoned, "Recreation" and privately owned on January 1, 1993, one single family dwelling or mobile home may be established on contiguous lots or parcels under the same ownership on January 1, 1993, subject to several provisions. It does not appear the subject could be developed residentially under this scenario, as it was purchased by Bandon Biota, LLC in May of 2009.

Special Review Standard and Special Development Condition 72 states residential uses are permitted only in conjunction with a permitted or conditionally permitted use. We believe the subject could be developed residentially in conjunction with a High Intensity Recreational Use, or a Campground / Recreational Vehicle Park as these uses are allowed outright and conditionally, respectively.

High Intensity and Low Intensity Recreational uses are listed as permitted in the zoning ordinance. Recreation is defined as any experience voluntarily engaged in largely during leisure (discretionary time) from which the individual derives satisfaction. Low Intensity Recreation is defined as not requiring developed facilities and can be accommodated without change to the area or resource. For example, boating, hunting, hiking, wildlife photography, and beach or shore activities can be low intensity recreation. High Intensity Recreation is defined as uses with specially built facilities, or occurs in such density or form that it requires or results in a modification of the area or resource. Campgrounds, RV parks, golf courses, and marinas are examples of high intensity recreation.

In researching possible uses for the recreationally zoned subject property, the appraiser was careful to find a use that would likely be allowed in the subject's Recreational Zone. We spoke with Patti Everden and Stacey Leep of the Coos County Planning Department, and through the course of several conversations and extensive research, we have determined that a high intensity recreational use could be defined as a tent campground or RV campground, and caretaker's dwellings are part of that permitted use. This provides for a probable way to develop the subject with a residential component. The ability to develop the subject residentially creates significant value. Again, appropriate zoning language can be found in the addenda section of this report.

Area Data

The subject property is located in Coos County. Coos Bay and North Bend abuts each other in Northern Coos County, and form the Bay Area Community. The Bay Area is situated along the Oregon Coastal Highway (Route 101). Together, these two communities form the largest metropolitan area on the Oregon Coast. The twin city Bay Area is a forest product and tourism/recreation based, lower-to-middle income region located on the Southern Oregon Coast, Coos County, Oregon.

The local economy has improved in the last two decades since the recessionary forces affecting timber harvesting caused a deep drop in real estate prices. With the immigration of seniors, unemployment rates have been reduced, as non-manufacturing employment opportunities replaced positions displaced in the manufacturing sector. Recent population figures show an estimated 63,210 in Coos County, up from the 1990 census figure of 60,273. Coos Bay has a population of 16,670 while North Bend has 9,855 residents, according to Portland State University.

The Mill Casino and Resort has taken over one of the closed mill sites and has built an Indian gambling resort. The construction of the Scottish links golf courses 25 miles to the South, just north of Bandon, by Michael Keiser out of Chicago, has led to a lot of new interest in this area. Four Scottish links golf courses, and an extensive practice facility, have already been developed five miles to the north of Bandon. The resort is one of our largest employers with close to 450 employees plus several hundred caddies during the peak summer months. Mr. Keiser has put more than \$100,000,000 into this development, which has drawn national and international attention.

The North Bend Airport Business Park negotiated construction of a large office building for a call-center facility, which has been in operation for several years. The call center service, recently purchased by Xerox, is tied to the fiber optic cable that has been brought to our community. A new larger airport terminal building and control tower at the South Coast Regional Airport was completed in 2008. The State Legislature passed a bill authorizing \$20,000,000 for a new natural gas line for Coos County from the I-5 corridor, subject to voter approval, which passed. Work is now complete and working line has been extended under the bay to the North Spit.

The area's economy shows positive economic signals. Although there have been mill closures in the past, there are now solid industrial prospects. There has been additional semi-intense new retail development. Wal-Mart acquired the lands to the east of their original store for over \$1.5 million dollars and developed a Wal-Mart Superstore on Newmark Avenue. Staples spent \$532,500 for a lot on the west side of Wal-Mart and built their store there. These developments are across the street from SOCC, the local 2-year college. Newmark Street has undergone a widening project that significantly improved the traffic flow and access to all properties in this area.

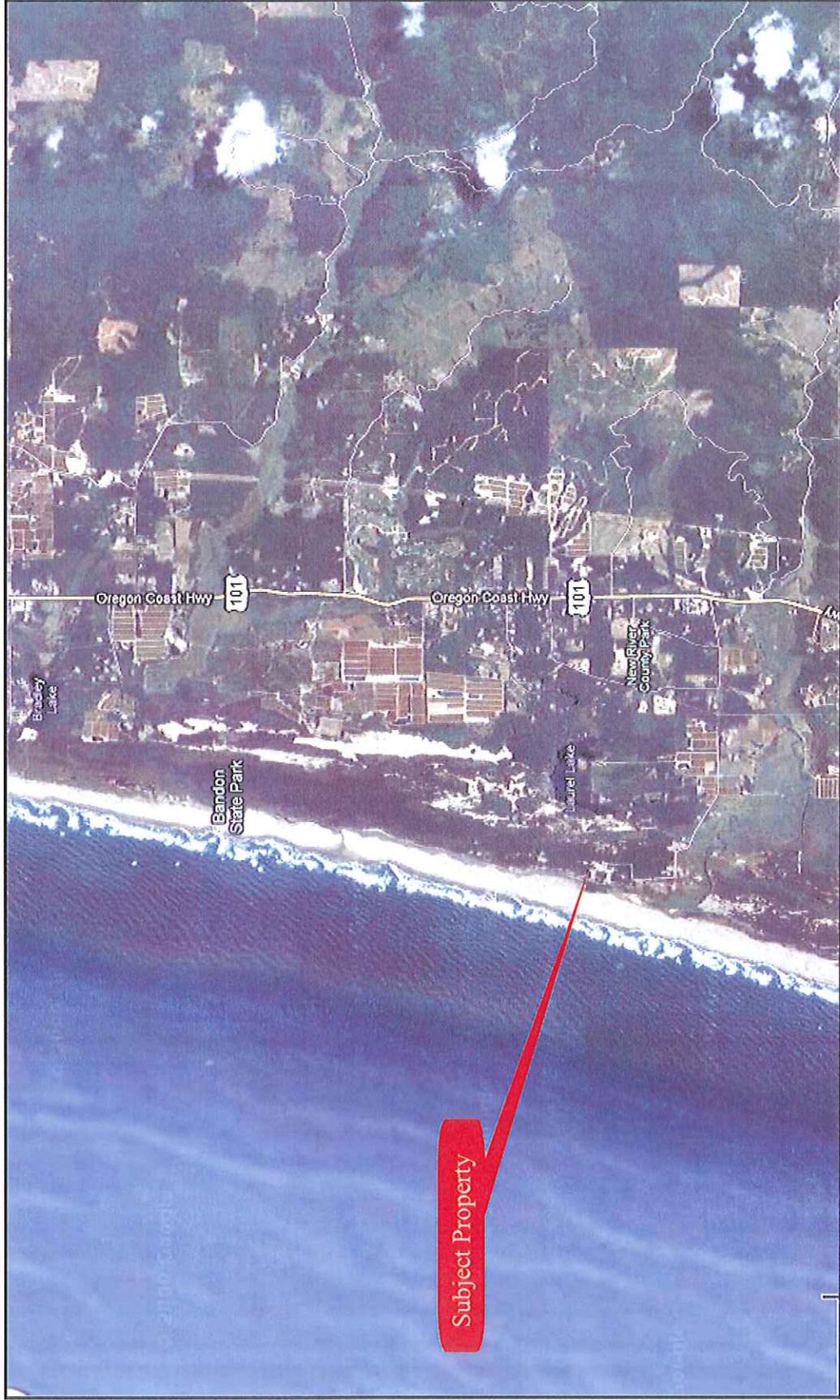
Oregon Resources will soon be opening the old Glenbrook Nickel Site in the South Coos Bay area. They will invest over \$30 million and employ over 40 people. In addition, if the Jordon Cove LNG facility is approved, it will bring \$900 million in investment and employ more than 70 people. In 2007, the CEDCO Mill Casino and Hotel plus RV Park constructed a luxury six story hotel and indoor pool with spas at the southwest corner of the Casino, reported as

costing over \$45 million dollars. The area economy, as a whole, should see moderate growth into the foreseeable future.

Neighborhood

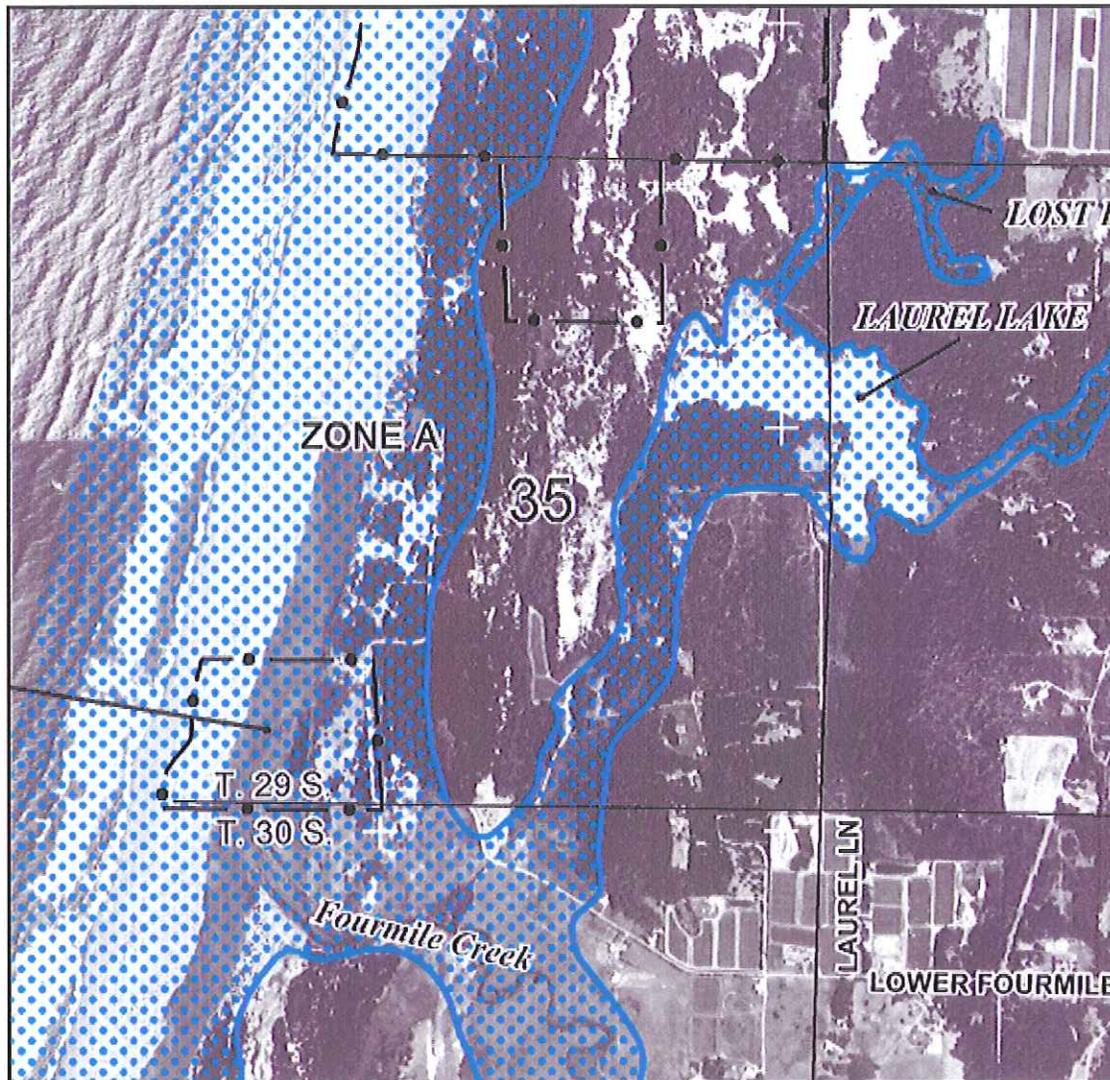
The subject property is located approximately 5-10 miles south of the City of Bandon and is several miles north of the small community of Langlois. Land uses in the immediate area vary from small rural acreage homesites to large tracts of recreational, agricultural, and forest lands. The Pacific Ocean, Bandon State Park, New River, Four Mile Creek, and Laurel Lake are in the immediate neighborhood. The subject is a typical use within its neighborhood.

Area Map



FEMA Flood Map (41011C0327D)

It appears that the subject property maybe partially located within federally identified flood zone A, as evidenced by panel 41011C0700D, September 25, 2009. Zone A is an area of 100 year flood; base flood elevations and flood hazard factors are not determined. The legend follows the flood map below.



LEGEND



SPECIAL FLOOD HAZARD AREAS (SFHAs) SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD

The 1% annual chance flood (100-year flood), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. The Special Flood Hazard Area is the area subject to flooding by the 1% annual chance flood. Areas of Special Flood Hazard include Zones A, AE, AH, AO, AR, A99, V, and VE. The Base Flood Elevation is the water-surface elevation of the 1% annual chance flood.

- ZONE A** No Base Flood Elevations determined.
- ZONE AE** Base Flood Elevations determined.
- ZONE AH** Flood depths of 1 to 3 feet (usually areas of ponding); Base Flood Elevations determined.
- ZONE AO** Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined. For areas of alluvial fan flooding, velocities also determined.
- ZONE AR** Special Flood Hazard Areas formerly protected from the 1% annual chance flood by a flood control system that was subsequently decertified. Zone AR indicates that the former flood control system is being restored to provide protection from the 1% annual chance or greater flood.
- ZONE A99** Area to be protected from 1% annual chance flood by a Federal flood protection system under construction; no Base Flood Elevations determined.
- ZONE V** Coastal flood zone with velocity hazard (wave action); no Base Flood Elevations determined.
- ZONE VE** Coastal flood zone with velocity hazard (wave action); Base Flood Elevations determined.



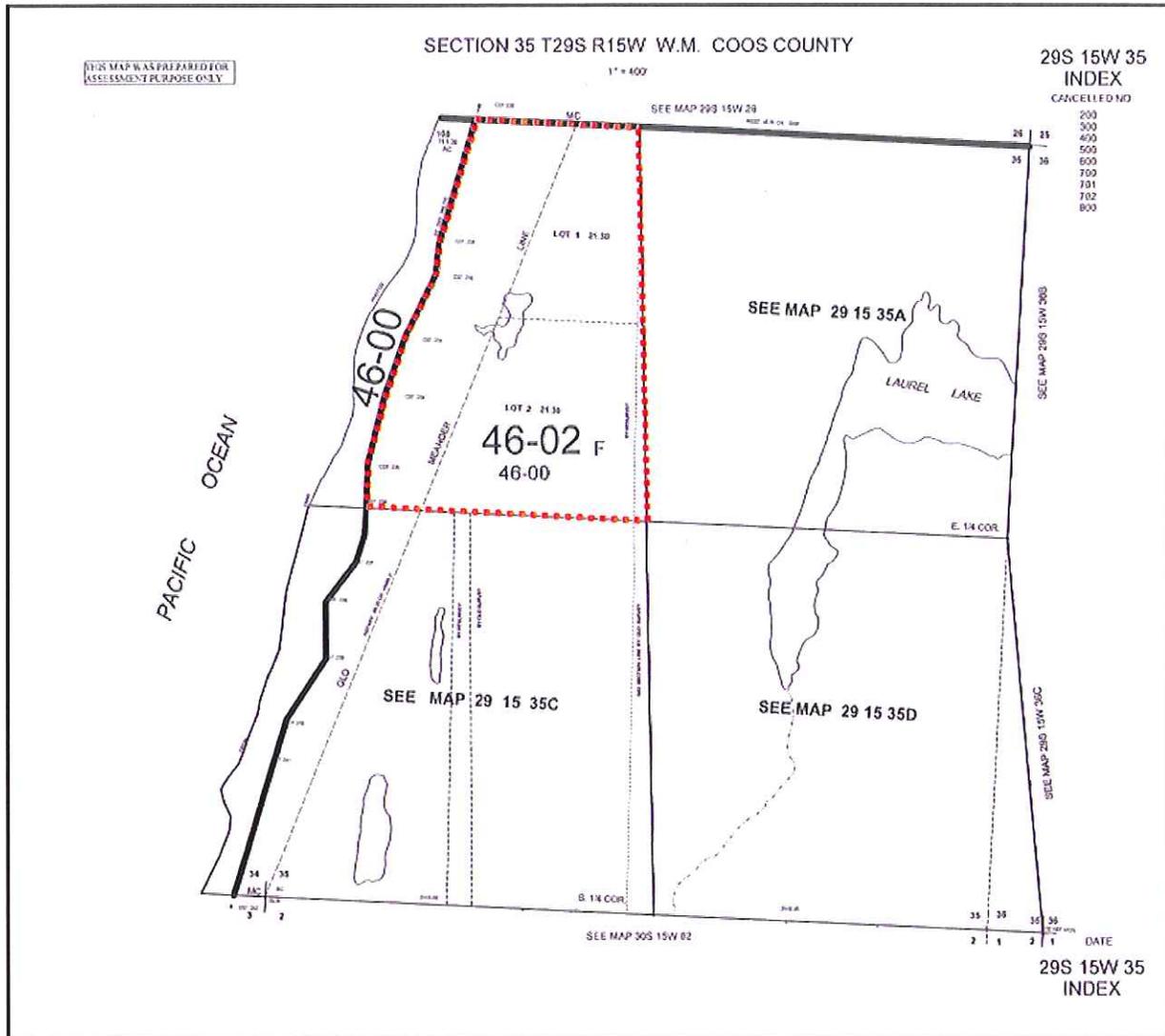
FLOODWAY AREAS IN ZONE AE

The floodway is the channel of a stream plus any adjacent floodplain areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without substantial increases in flood heights.



OTHER FLOOD AREAS

Plat Map 29-15-35-100



SUBJECT PROPERTY DESCRIPTION

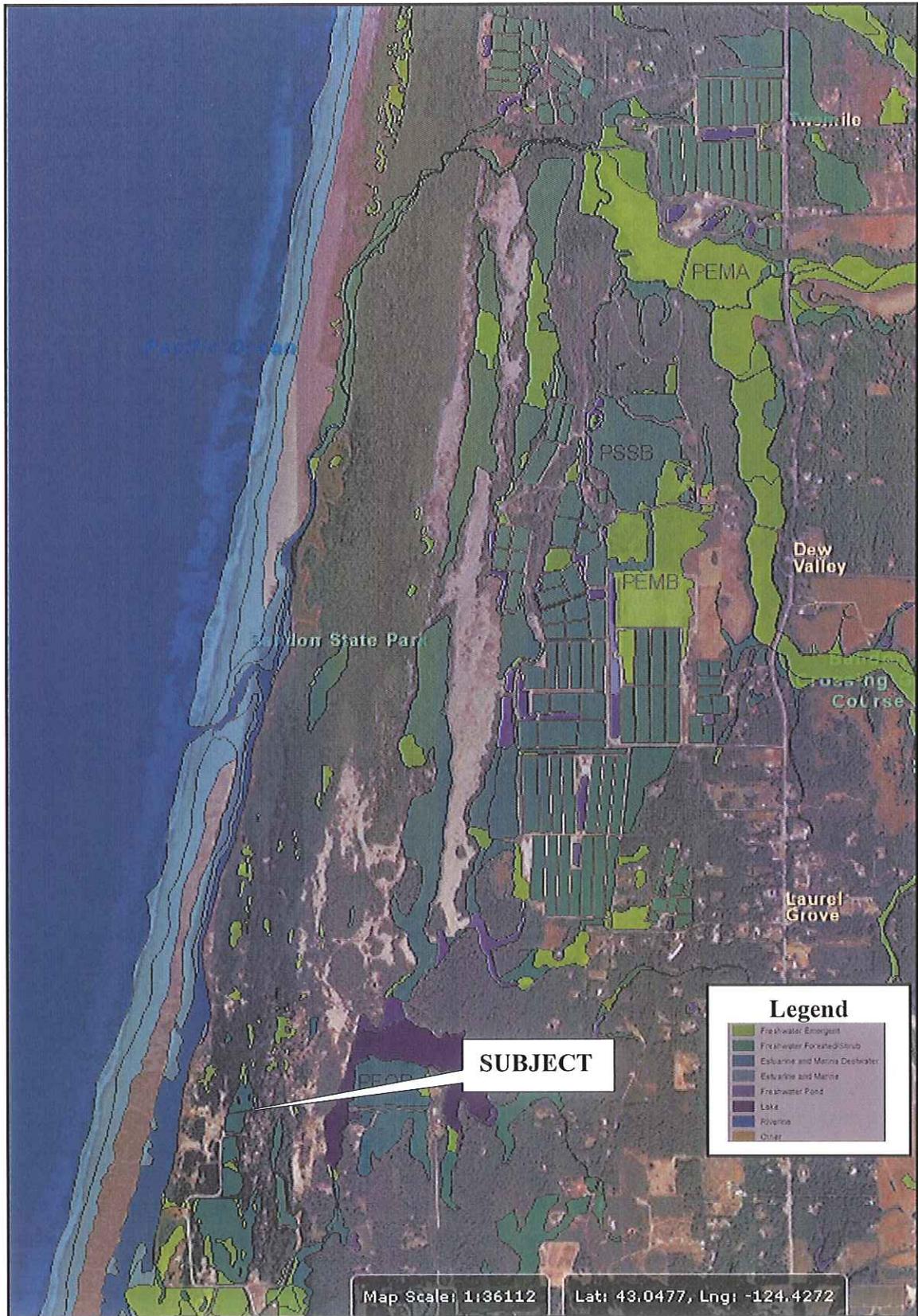
Site

Access to the property is off of Highway 101 onto Lower Four Mile Road. Lower Four Mile Road runs east to west and eventually turns into Roaring Surf Road and ends near the southern boundary of the subject. The property consists of one parcel, known as Coos County Map and Tax Lot No. 29-15-35-100. The lot totals 111.3 acres, and is irregular in shape. The topography of the property is mostly flat with some moderate grades.

ACCESS MAP



WETLANDS MAP

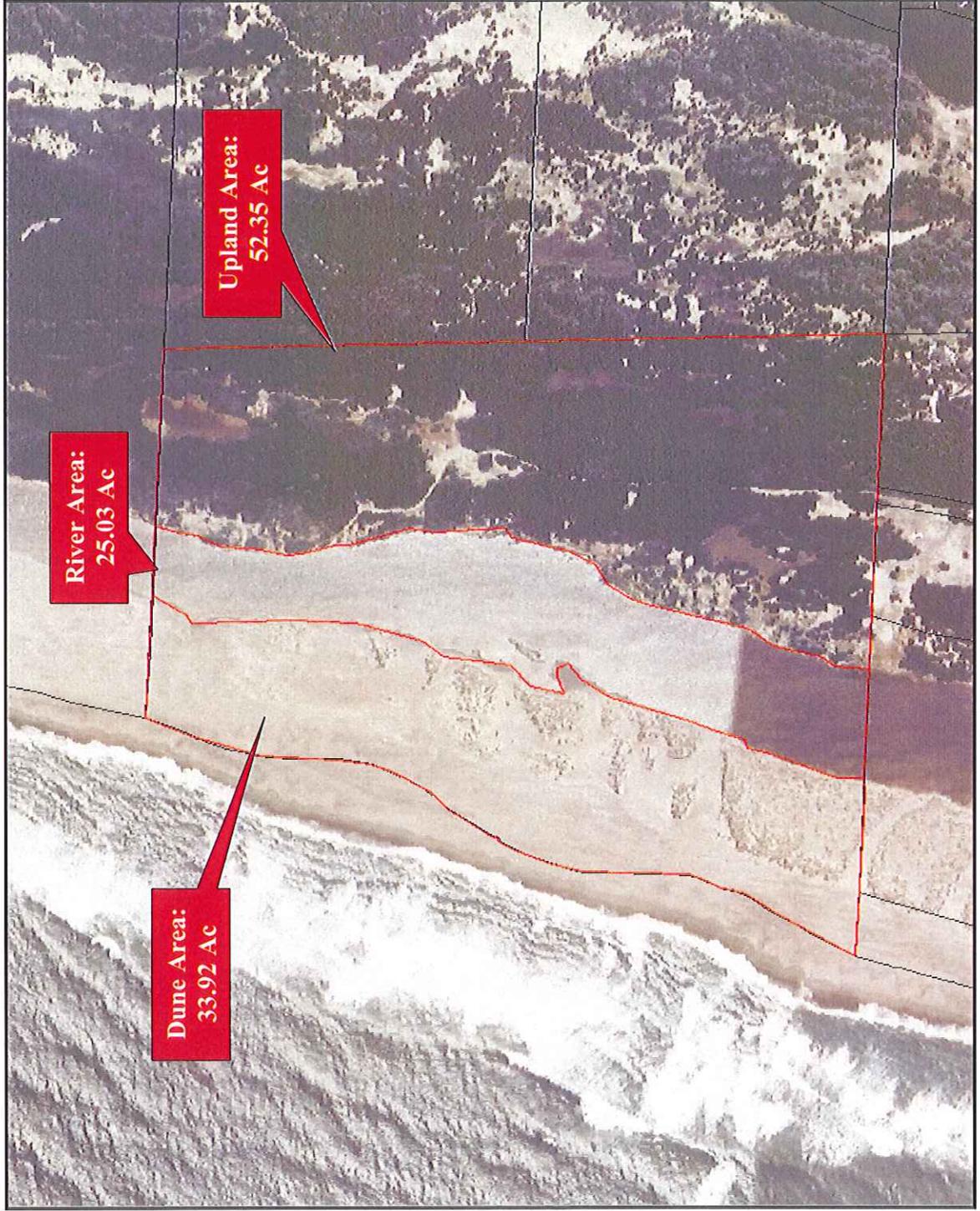


New River splits the property running north to south. The portion of the subject west of New River is identified in the aerial photo on the next page as a dune area and totals approximately 33.92 acres. This portion of the subject is sandy beach with very little vegetation and moderate topography. None of the subject property west of New River can be used for development. Approximately 25.03 acres of the subject is submerged by New River and is unusable.

The portions of the subject that are east of the river are developable, have moderate to flat topography, and total approximately 52.35 acres. The upland portions of the property, some portions probably 40 to 50 feet above sea level, are covered with mostly gorse, shore pine, various shrubs, and beach grass. Some indicator species of wetlands were noted on the property. An expert in the field should be contacted, if the client has any question regarding wetlands located on the subject property. The wetlands map presented on the previous page indicates there are Freshwater Emergent wetlands and Freshwater-Forested and Shrub wetlands located on the upland acreage. The general description of these wetlands on the U.S. Fish and Wildlife Website are as follows. Freshwater Emergent wetlands are described as forested swamp or wetland shrub bog or wetland. Freshwater-Forested and Shrub wetlands are described as Herbaceous marsh, fen, swale, and wet meadow. We found the maps to be accurate for the most part, but during our inspection some areas shown as Freshwater-Forested and Shrub wetlands on the map, were actually dry sandy soils. Overall, it appeared that the subject is very useable ground. Power is available adjacent the subject property. No water or sewer is developed on the site.

In summary, the subject is considered to have a good location with a private natural setting. This property has excellent amenities with ocean and river frontage giving it very good appeal within our market area.

Aerial View

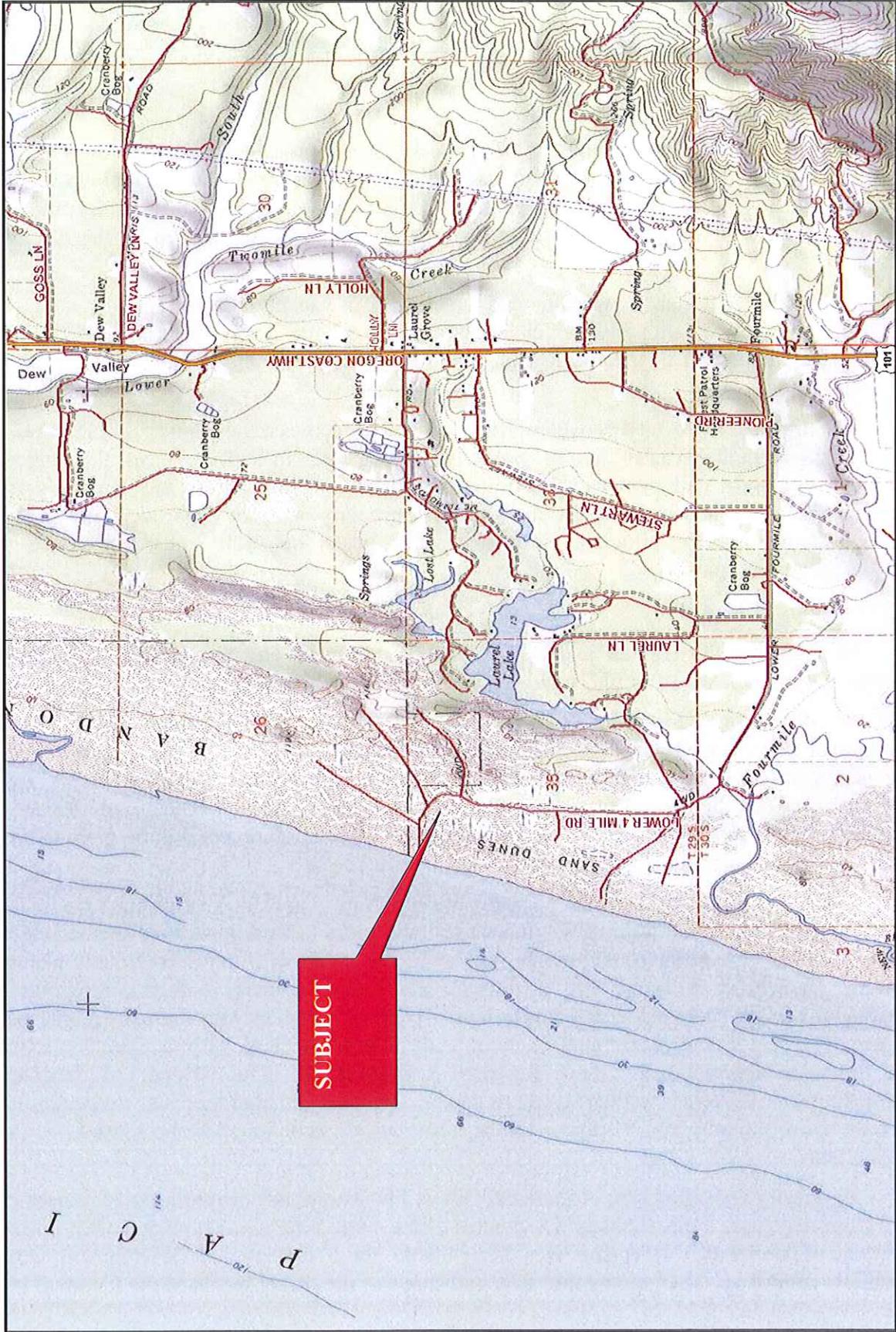


**Dune Area:
33.92 Ac**

**River Area:
25.03 Ac**

**Upland Area:
52.35 Ac**

Topographic Map



Improvements

There are no improvements located on the subject property.

Highest and Best Use Analysis

The function of Highest and Best Use Analysis is to assess the physical qualities of a property in relation to the forces at work in its marketplace. It assists the appraiser in identifying elements of utility and function, and allows for the reasoned prediction of the subject property's performance in the marketplace. The term Highest and Best Use, as defined by the Appraisal Institute, is:

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 and best use.

The highest use defined above implies a distinction between the Highest and Best Use of land, or a site as though vacant, and the property as improved. In both instances, the economic principles of supply and demand, substitution, balance and conformity are the basis of a valuation for analyzing the interest in both real property and the improvements. These interdependent economic principles influence value based on utility, scarcity, desire and effective purchasing power.

Site "As Vacant Land"

In analyzing the Highest and Best Use for the subject site "as vacant", the appraiser attempts to determine the most likely and probable use of the land.

Legally Permissible Uses: The property is located inside Coos County's REC, Recreational and MES, Minor Estuary and Shoreland zones. The Minor Estuary and Shoreland zone is a restrictive zone that will allow for low intensity recreational uses. This zone encumbers areas of the subject ocean beaches, areas submerged in New River, and appears to encumber small areas of the subject east of New River. No development will be permitted on areas in the MES zone.

The REC, Recreation zone permits outright high intensity recreational uses, low intensity recreational uses, farm uses, timber uses, and more. Conditional uses include single family dwellings, fire stations, and more. The appraiser spoke with the Coos County planner about the likelihood of being able to develop the subject property with a campground / recreational vehicle park and single family homesite in conjunction with the recreational use. The planner stated it is likely the subject could be developed residentially in conjunction with a High Intensity Recreational Use. Research completed by Chris Hood, of Stuntzner Engineering, also reveals a residential use in conjunction with the high intensity residential use is a valid use of the property. Pertinent zoning information can be found in the addenda section of this report.

Physically Possible Uses: The overall site is 111.3 acres and according to measurements taken from ArcView, approximately 52.35 acres of the subject are useable upland areas with the exception of wetlands. Adequate area is available for a recreational development with a caretaker's residence. The topography, size, and shape of the parcel would allow for small scale

farm and forest uses. The sandy soil, however, is less than ideal for farm and forest uses. Many other uses are physically possible at the subject site, but zoning laws will restrict some uses that are physically possible.

Financial Feasibility / Marketability: The subject location is well suited for recreational development with a residential amenity in a caretaker's home. The subject has river and ocean frontage in a very private natural setting, giving it excellent recreational appeal. With a recreational development, a caretaker's residence is a legally allowable use. The development of a high end ocean and riverfront residence in combination with the recreational use is both financially feasible and maximally productive. It is our opinion significant value is created when the subject gains the entitlements to be developed residentially, and it appears a High Intensity Recreational Use is the most probable method of developing the subject residentially.

Conclusion of Highest and Best Use "As Vacant": As vacant, the best use is for the development of recreational uses including a caretaker's residence that maximizes ocean views in combination with low intensity recreational uses on the MES zoned land.

VALUATION

Description of the Approaches to Valuation

There are three basic approaches to estimating the value of real property. These are generally referred to as the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. The applicability of any of the approaches to a given subject property is directly related to the availability of market data. There are instances when one or more of the approaches may not be reliably developed. Each of the valuation techniques is defined below.

Cost Approach: A set of procedures in which an appraiser derives a value indication by estimating the current cost to reproduce or replace the existing improvements, deducting for all accrued depreciation in the property and adding the estimated land value.

Sales Comparison Approach: A set of procedures in which an appraiser derives a value indication by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison and making adjustments, based on the elements of comparison, to the sale prices of the comparables.

Income Capitalization Approach: A set of procedures in which an appraiser derives a value indication for income-producing properties by converting anticipated benefits into property value. This conversion is accomplished by either (1) capitalizing a single year's income expectancy or an annual average of several years' income expectancies at a market-derived capitalization rate or a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment; or (2) discounting the annual cash flows for the holding period and the reversion at a specified yield rate.

Regardless of the income capitalization approach taken, the analysis includes forecasts and predictions of future events as buyers of income-producing property basically trade present dollars for the right to receive future dollars.

The valuation process is composed of integrated and interrelated techniques and procedures designed to produce a reliable and convincing estimate of value. On the following pages are presented the Market Data and Analyses, which form the basis of the final value estimates. The Cost Approach and Income Approach are omitted from this assignment as they are not applicable. The Cost Approach can lend a credible value estimate when appraising properties with new improvements with little accrued depreciation. There are no improvements located on the subject. Properties similar to the subject are rarely, if ever, leased for income, and therefore, the Income Approach does not apply to this valuation.

The data presented in the Sales Comparison Approach is the most recent and applicable data available for this analysis. Data along the entire Oregon Coast and southwest Washington was researched. We found the local data to be most meaningful even though some of the information dates back to 2004. Each sale was verified and inspected as closely as possible to accurately assess the land and any existing site improvements.

Sales Comparison Approach

The Sales Comparison Approach produces a value estimate based upon the sales and/or listings of reasonably comparable properties. It is a process of making primarily physical comparisons between sold properties and the subject. The reliability of this technique depends on the following:

1. The degree of comparability between the comparison property and the subject.
2. The accuracy of the sales data.
3. The actions of the market in the intervening time since the sale.
4. The absence of unusual conditions affecting the sale.

This approach is the most common and reliable method of estimating the land value. It is a primary approach utilized by us in evaluating the property.

The exteriors of the comparable properties have been inspected and the sales were analyzed in relation to the subject property. The analysis included adjustments for differences accountable in the four above conditions plus location, lot size, utility, and other factors which were relevant. It is noted that larger parcels typically sell for lower dollar prices per square foot than do smaller parcels. The sales used were considered the closest, most recent relevant sales available for comparison to the subject property.

The Sales Comparison Approach is based primarily on the Economic Principle of Substitution in that the value of a site and improvements tends to be the cost of acquiring an equally desirable substitute property. It is the process of analyzing sales of similar, recently sold properties, preferably from the subject immediate neighborhood, in order to derive an indication of the most probable sales price. This approach is most reliable in an active market for property with a high degree of similarity and becomes less effective in an inactive market, or when properties lack homogeneity.

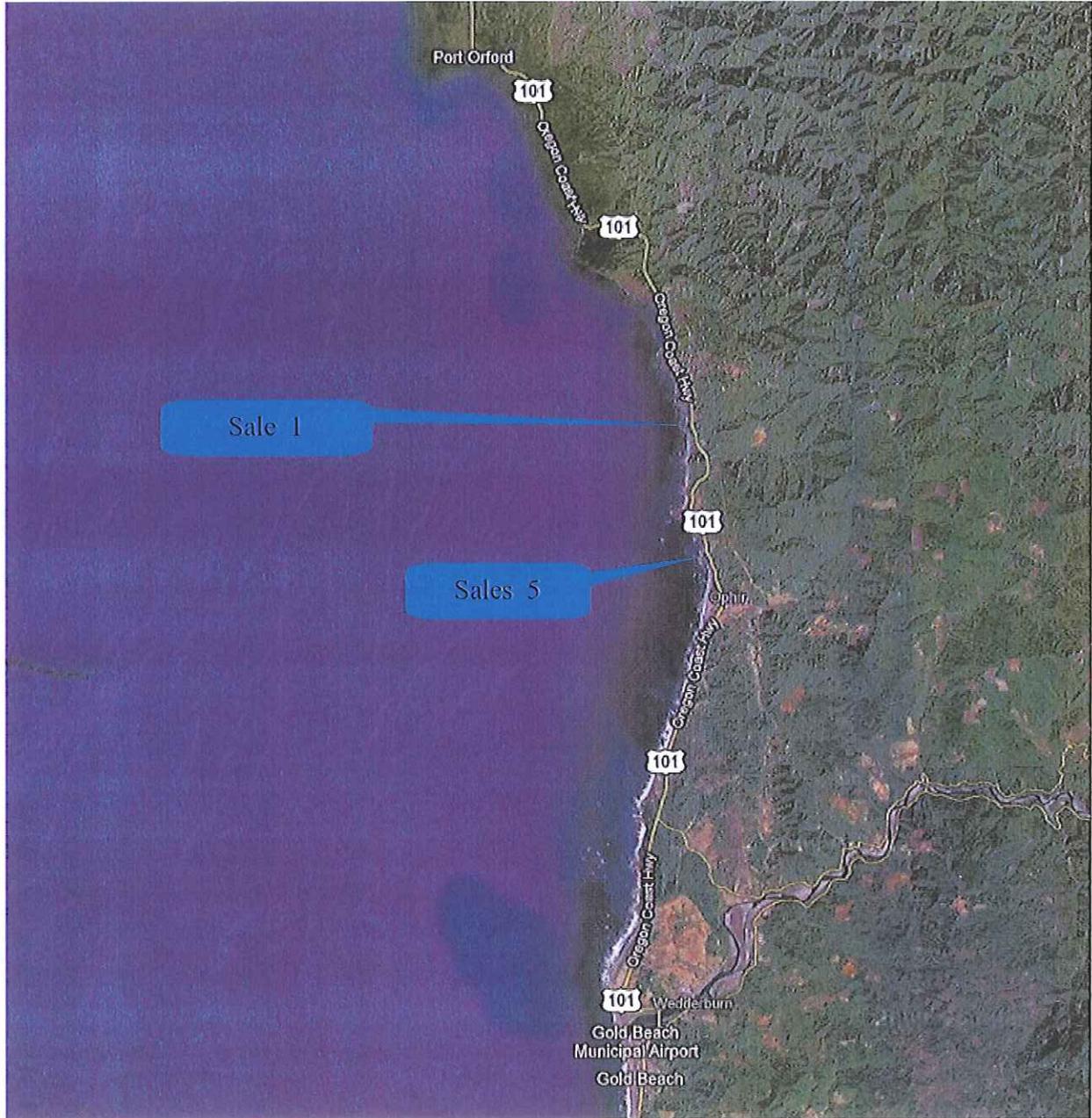
In the Sales Comparison Approach, the subject property is compared to the most recent and relevant sales of properties similar to the subject. In this analysis, the appraisers have identified the most comparable properties along our coastline.

A total of 5 sales are used in the Sales Comparison Approach. The Highest and Best Use of the subject property is for the development of a single family homesite in combination with high and low intensity recreational uses. Significant value is created by gaining the entitlements to develop the subject residentially. Therefore, we found it necessary to use sales that are residential in nature, and share similar amenities such as ocean frontage and views. The appraisers reviewed many sales for this valuation, and once the final selection had been made for this assignment, we were able to determine the most appropriate allocations to best support the subject's value under the high intensity recreational use with a caretaker's residence. Sales 1-5 suggest a 50 acre homesite for a caretaker's residence would be well received within the market. Therefore, we valued the subject property as a 52.53 acre homesite, the size of the subject's useable upland area.

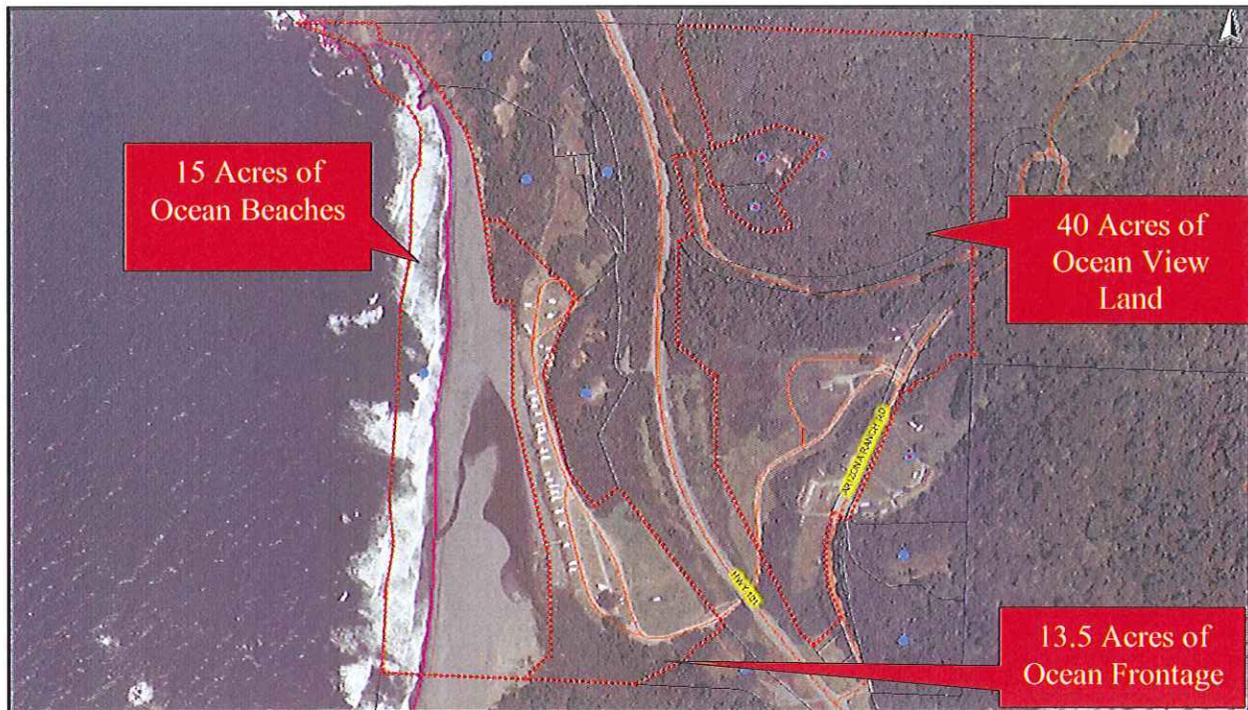
Coos County Comparable Sales Map



Curry County Comparable Sales Map



Sale 1

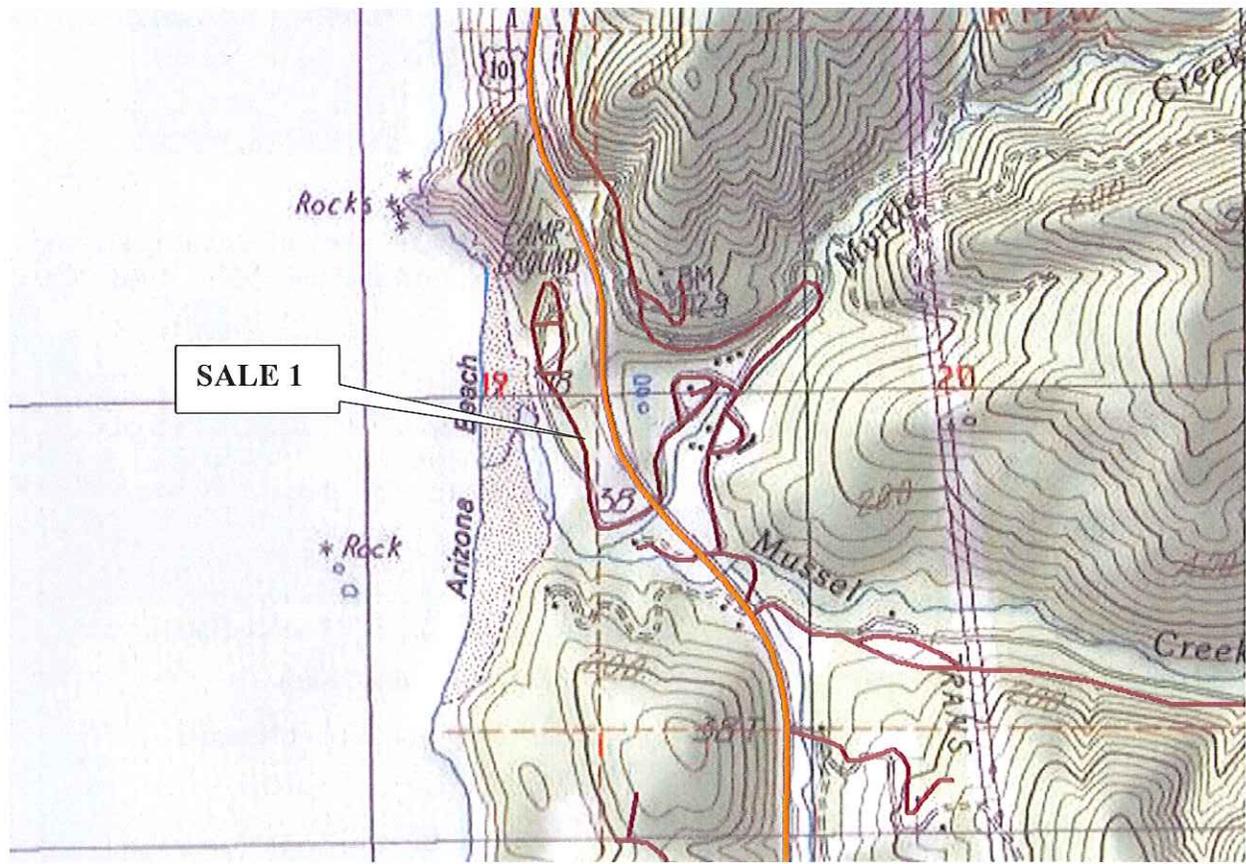


LOCATION:	37076 Arizona Ranch Road, Port Orford
GRANTOR:	Mark and Jaclyn Rechbert
GRANTEE:	State of Oregon
DATE OF SALE:	4/30/2008
CONSIDERATION:	\$3,000,000
TERMS OF SALE:	Cash
LAND SIZE:	53.5 acres (Useable) – 68.5 acres (Total)
UNIT PRICE:	\$54,206 per acre (Useable Land)
LEGAL DESCRIPTION/ PROPERTY IDENTITY:	Curry County Map and Tax Lot Number 34-14-20-200 & 500
ZONING:	RC, Rural Commercial
RECORDATION:	2008-2131
VERIFIED:	Curry County Assessor's Office and Cliff Houck, Oregon State Parks.

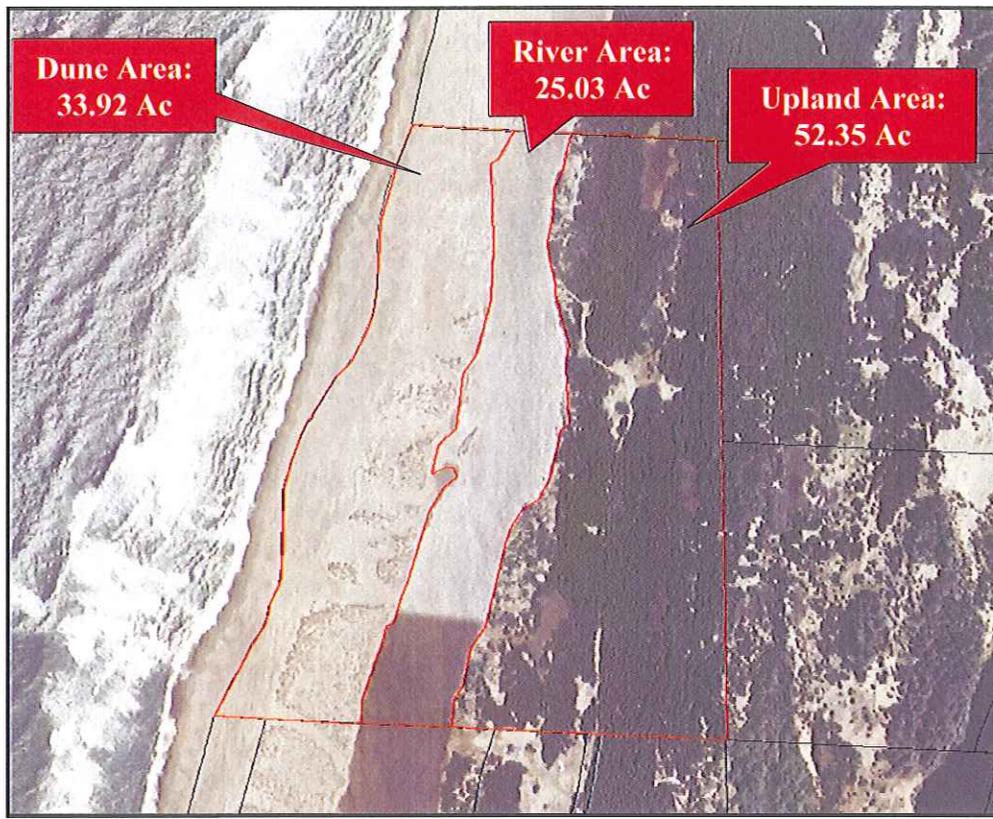
COMMENTS:

Sale 1 is allocated as a 53.5 acre parcel; however, 15 additional acres of ocean beaches were included in the sale. We do not allocate any value to these portions of the property as ocean beaches can be privately owned, but private ownerships have no control over these lands or public access. Map and Tax Lot 34-14-20-500 totals 15 acres and the entire parcel is ocean beach. Tax Lot 200 totals 53.5 acres and is split by Highway 101. Approximately 13.5 acres is west of Highway 101 and has ocean frontage. This area has flat topography with mostly open grass areas. The south end of the ocean frontage is forested. This area was developed with a combination of tent and RV campsites. The remaining 40 acres of Tax Lot 200 are on the east side of Highway 101 and there may be ocean views from the elevated areas at the north end of the site. Improvements on this portion of the property include a Rec/Office Building (1,290 SF), a storage building (1,502 SF), a shop building (3,668 SF), a shower/laundry building (1,026 SF), and several sheds (1,656 SF). At the time of sale this property was developed with 135 RV spaces, which included 13 full services spaces with water, sewer, and electricity. 90 of the spaces were overnight units with water and electricity, and 32 of the sites were for tents served by water only. All of the improvements are allocated a nominal \$100,000, as they were in average to below average condition at the time of sale. The State of Oregon did not purchase this parcel to run as a campground, but as a day use area with some primitive camping allowed.

Topography Map



Sale 2 and The Subject Property



LOCATION:	Pacific Ocean Frontage, west of Laural Lake; south of Bandon off Lower Four Mile Road, Coos County.
GRANTOR:	Coos County
GRANTEE:	Bandon Biota, LLC
DATE OF SALE:	05/06/2009
CONSIDERATION:	\$800,000
TERMS OF SALE:	Cash
LAND SIZE:	52.53 acres (Usable) – 111.3 acres (Total)
UNIT PRICE:	\$15,229 per acre (Usable Land)
LEGAL DESCRIPTION/ PROPERTY IDENTITY:	Coos County Map and Tax Lot Number 29-15-35-100
ZONING:	REC, Recreational
RECORDATION:	2009-4219

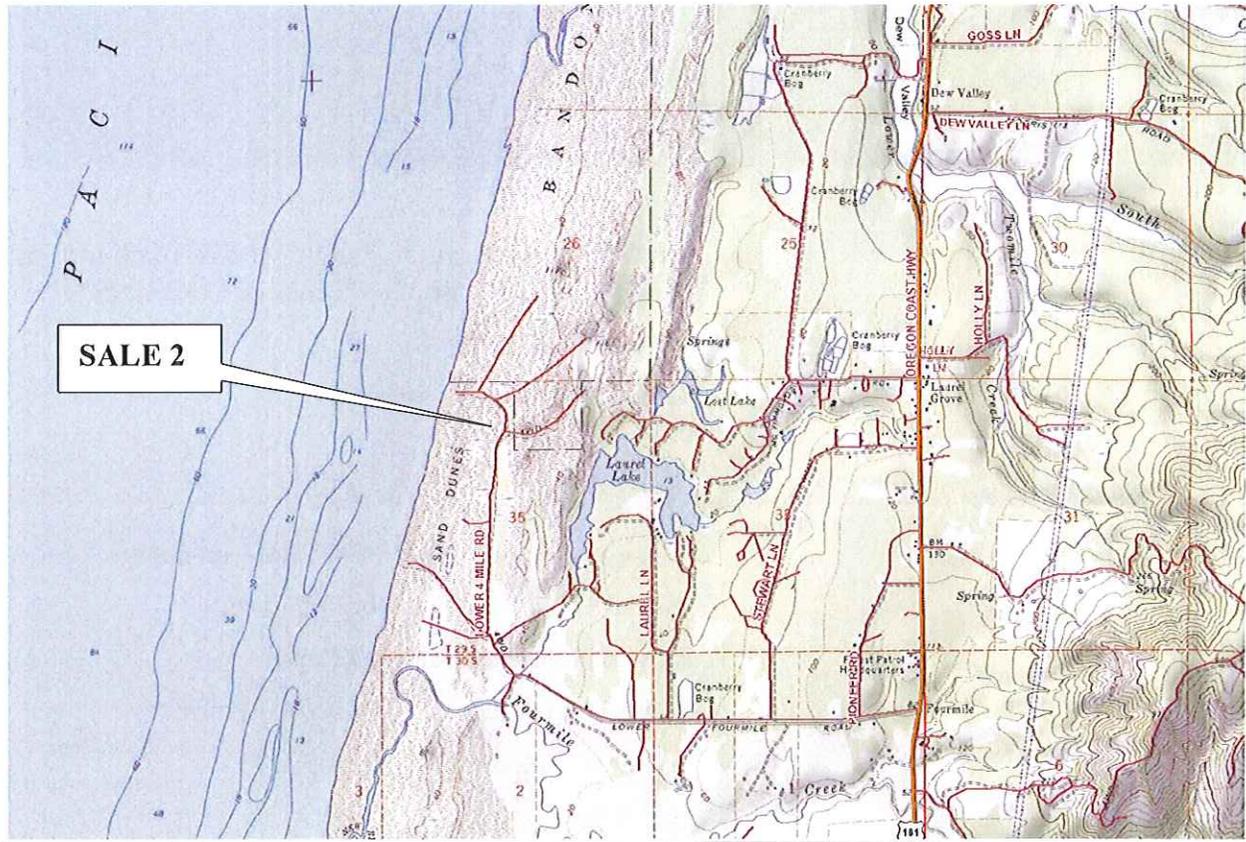
VERIFIED:

Coos County, Bob Johnson, Representing Bandon Biota, LLC

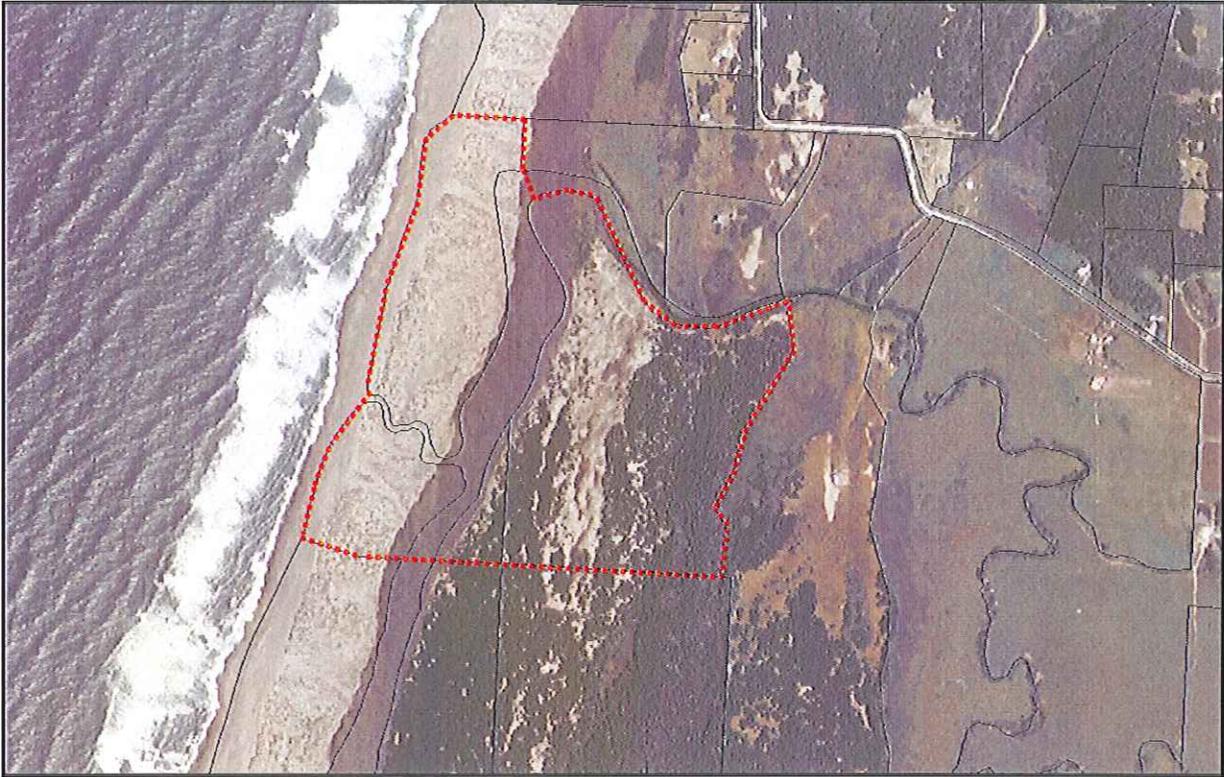
COMMENTS:

Sale 2 is allocated as a 52.53 acre parcel; however, the actual size of the parcel is 111.3 acres. Approximately 33.92 acres is ocean beach, 25.03 acres is submerged under New River, and the remaining 52.53 acres is useable upland area. The ocean beaches were included in the sale. We do not allocate any value to these portions of the property as areas near the beaches can be privately owned, but private ownerships, many times, have no control over these lands or public access. The upland portions of the property have mostly flat topography with some moderately steep rolling grades. The sandy soils are covered with a mixture of shorepine, cut grass, gorse, and other shrubbery. Some wetland indicator species were noted and there are areas of standing water on this parcel. This parcel has excellent amenity with ocean frontage and New River frontage in a private neighborhood south of Bandon. There are no improvements located on this parcel. No utilities are developed on the property, but power is available adjacent to this sale. Access is roughly developed and available from the north end of Roaring Surf Road / Lower Four Mile Road.

Topography Map



Sale 3



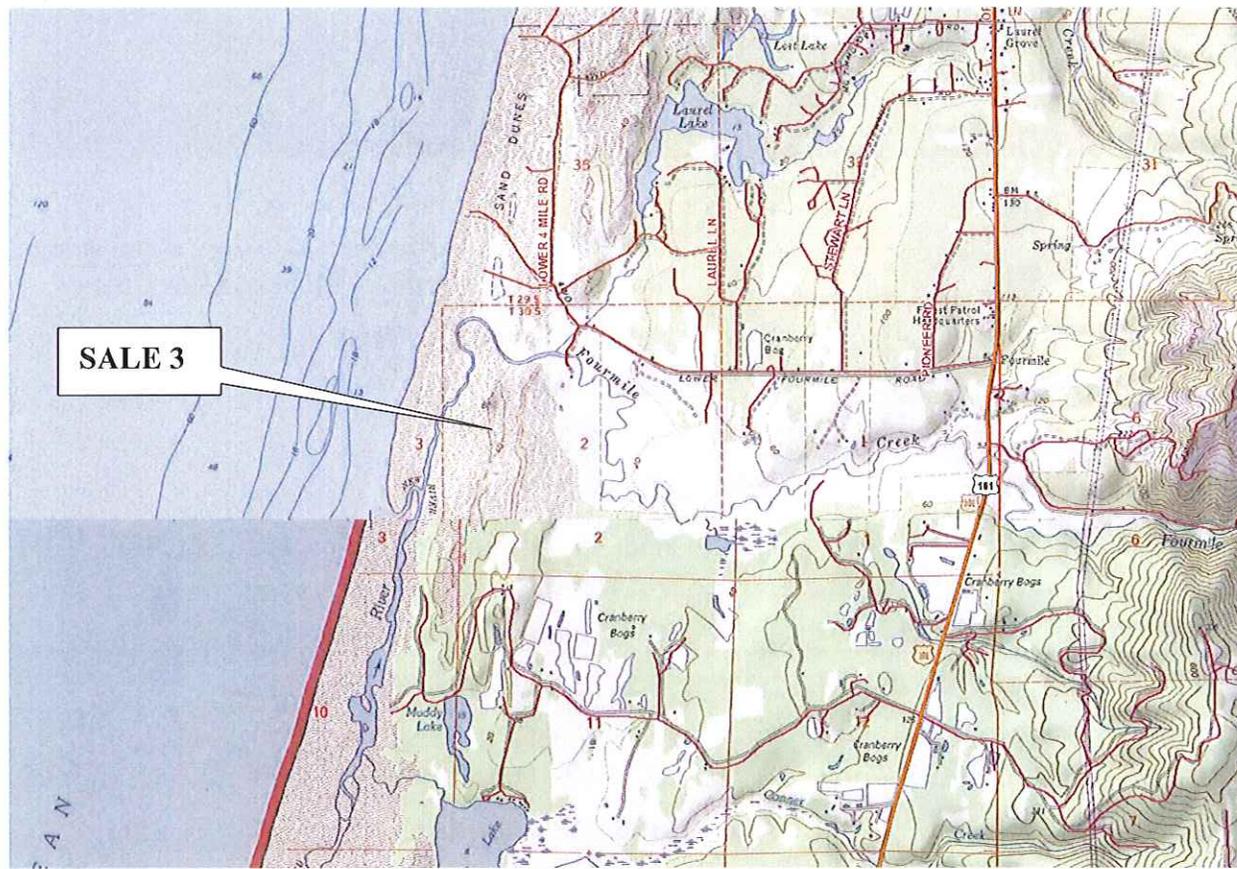
LOCATION:	New River area on the Pacific Ocean; south side of Four Mile Creek; south of Bandon, Coos County
GRANTOR:	Charles and Nancy Kerwin
GRANTEE:	Theodor and Jody McNeely
DATE OF SALE:	7/26/2004
CONSIDERATION:	\$1,215,000
TERMS OF SALE:	Paid to accommodator – IRC 1031 Exchange
LAND SIZE:	60.31 Acres (Usable) – 112.95 (Total)
UNIT PRICE:	\$20,146 per acre (Useable Land)
LEGAL DESCRIPTION/ PROPERTY IDENTITY:	Coos County Map and Tax Lot Numbers: 30-15-2-500, 30-15-3-100 and 300
ZONING:	MES/F
RECORDATION:	2004-10729
VERIFIED:	Chuck Kerwin

COMMENTS:

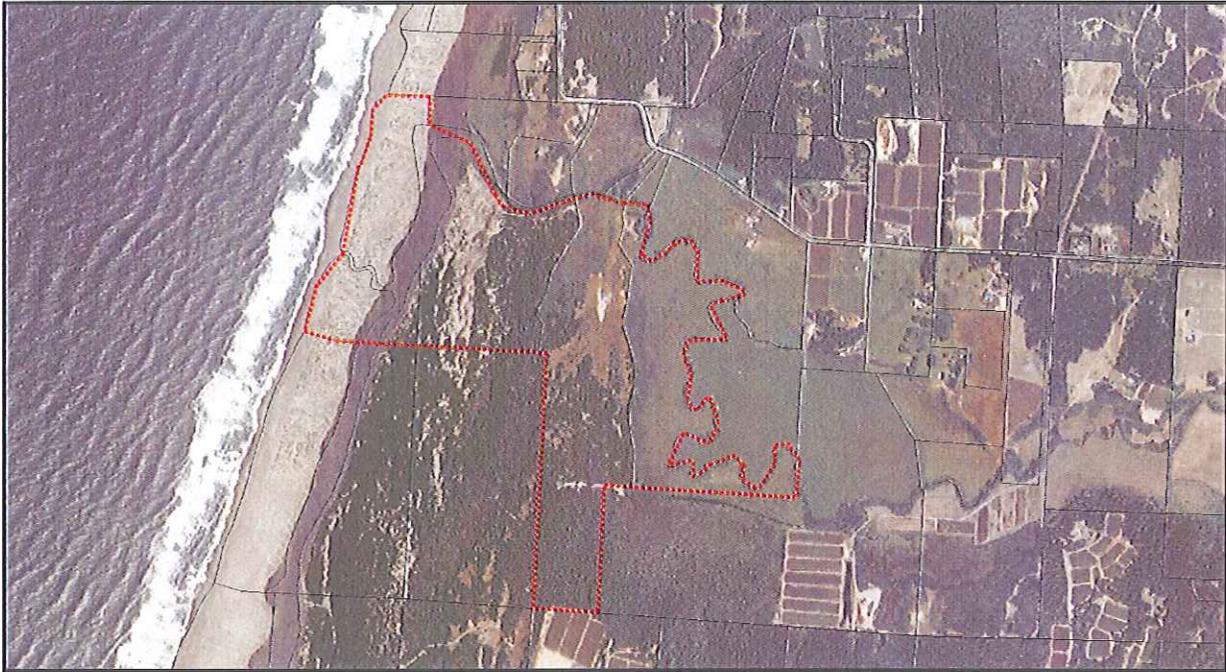
This parcel totals 112.95 acres; however, only 60.31 acres are useable upland areas. The remaining 52.64 acres are submerged in New River and Ocean Beach. This sale is located just south of Lower Four Mile Road, and has a good location south of Bandon with excellent amenities including a private natural setting, elevated ocean views, elevated river views, Four Mile Creek frontage, and ocean and river frontage. The land is a mixture of elevated vegetative hills and sandy beach, all with sandy soils. The topography is undulating dunal areas that vary from level to steeper grades along the west sides of the property. At the time of sale, this parcel had potential for two homesites, and neither was developed. A bridge across Four Mile Creek would have been necessary to accommodate access.

Sale 3 is a portion of Sale 4. Chuck Kerwin sold Sale 3 to Theodore and Jody McNeely in July of 2004. The McNeely's then sold the larger parcel, Sale 4, to Bandon Biota, LLC in July of 2004.

Topography Map



Sale 4



LOCATION: New River area on the Pacific Ocean; south side of Four Mile Creek; south of Bandon, Coos County

GRANTOR: Theodore & Jody McNeely

GRANTEE: Bandon Biota, LLC

DATE OF SALE: July 26, 2004

CONSIDERATION: \$1,750,000

TERMS OF SALE: Paid to accommodator pursuant to IRC 1031 exchange

LAND SIZE: 183.31 Acres (Usable) – 235.95 (Total)

UNIT PRICE: \$9,547 per acre (Developable Land)

**LEGAL DESCRIPTION/
PROPERTY IDENTITY:** Coos County Map and Tax Lot Number 30-15-03-100 and 300 / 30-15-02-101, 111, and 500

ZONING: MES/F/EFU/QRR-5

RECORDATION: 2004-10730

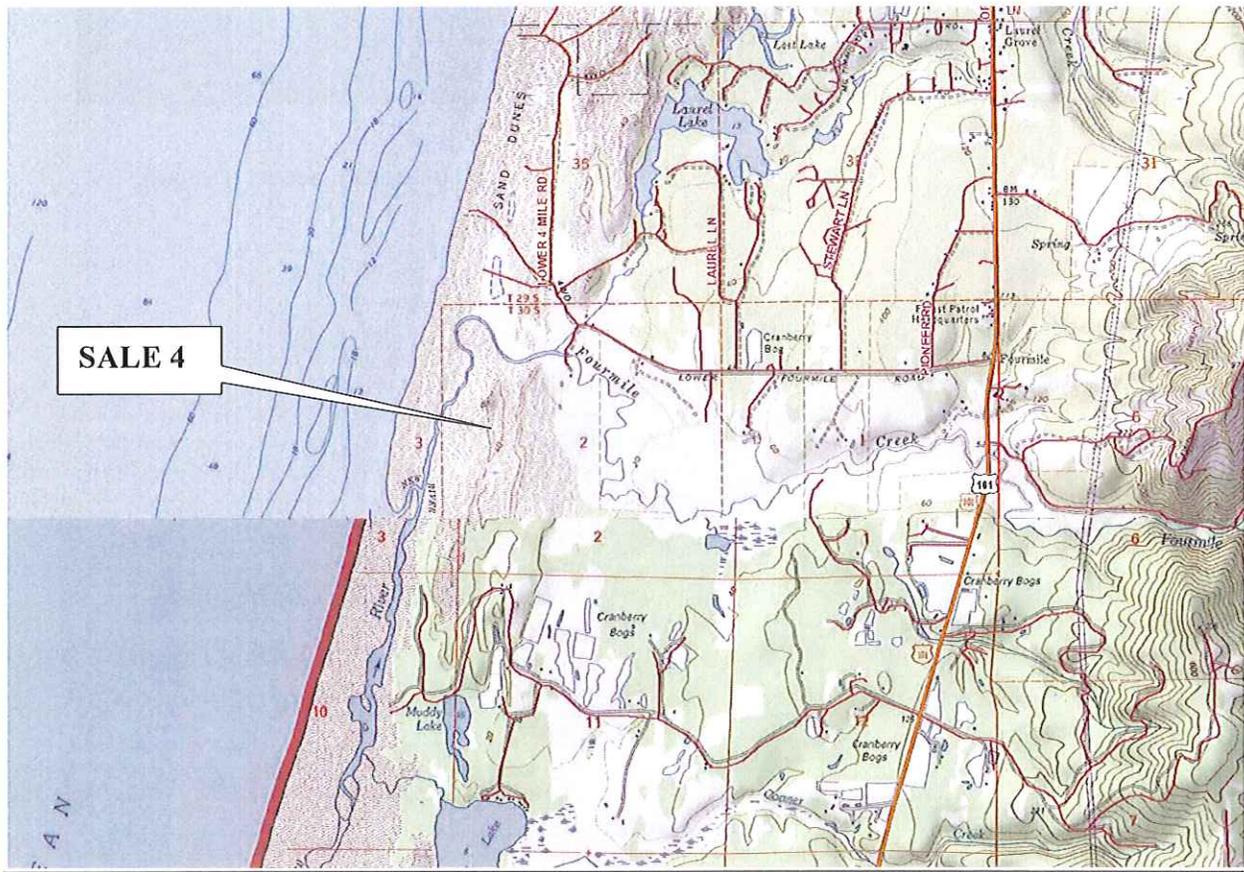
VERIFIED: Bob Johnson representing Bandon Biota, LLC

COMMENTS:

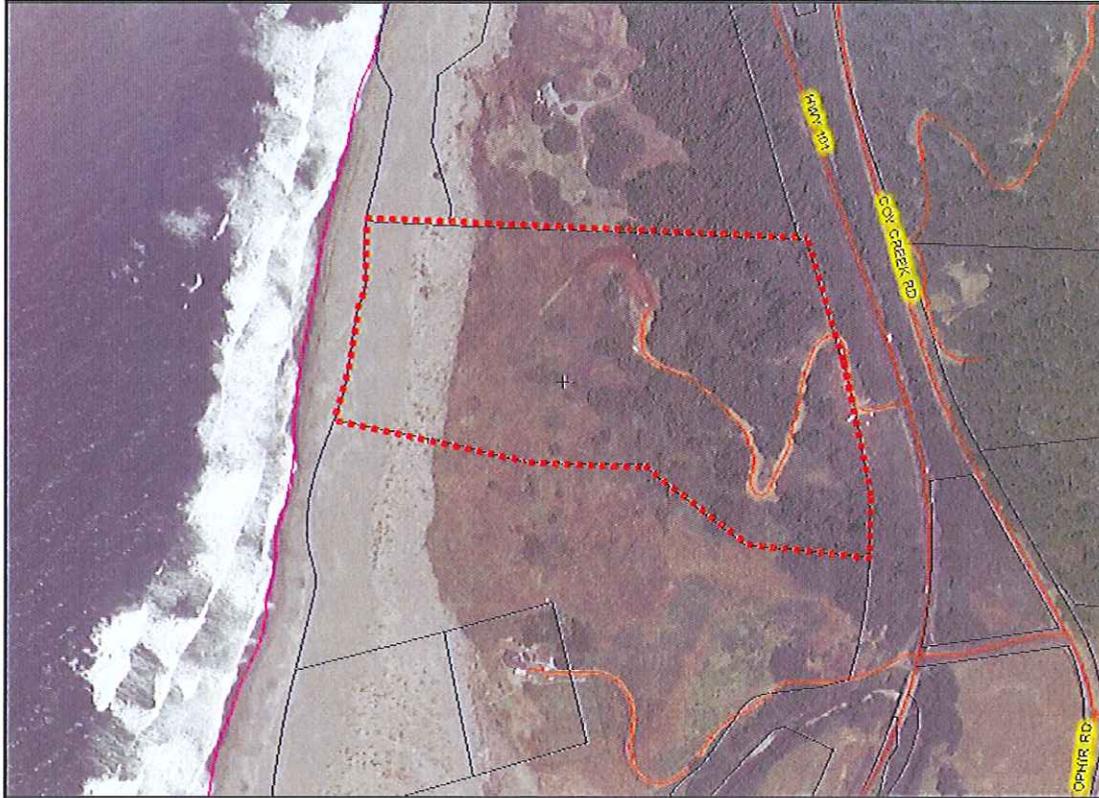
This parcel totals 235.95 acres; however, only 183.31 acres are developable. The remaining 52.64 acres are submerged in New River, and are ocean beach. This sale located just south of Lower Four Mile Road has a good location south of Bandon with excellent amenities including a private natural setting, elevated ocean views, elevated river views, Four Mile Creek frontage, and ocean and river frontage. The land is a mixture of pasture, timberland, elevated and forested dunes, and sandy beach. Access is from Lower Four Mile Road to a one lane gravel road, crossing Four Mile Creek via a railroad car bridge to the fully developed homesite (now unoccupied). The topography is undulating dunal areas that vary from level to steep grades along the west sides of the property. The eastern portions are flat bottom ground that has good utility for grazing livestock. At the time of sale, this parcel had potential for seven homesites, but only 1 was developed. The developed homesite is not considered to contribute value as it does not maximize the water influences afforded to the parcel, and would be moved, if the property were to be marketed. Power, water, and septic are developed to the homesite, which is no longer occupied.

Sale 4 includes all of Sale 3, in addition to other lands. Chuck Kerwin sold Sale 3 to Theodore and Jody McNeely in July of 2004 for \$1,215,000. The McNeely's then sold the larger parcel, Sale 4, to Bandon Biota, LLC in July of 2004.

Topography Map



Sales 5

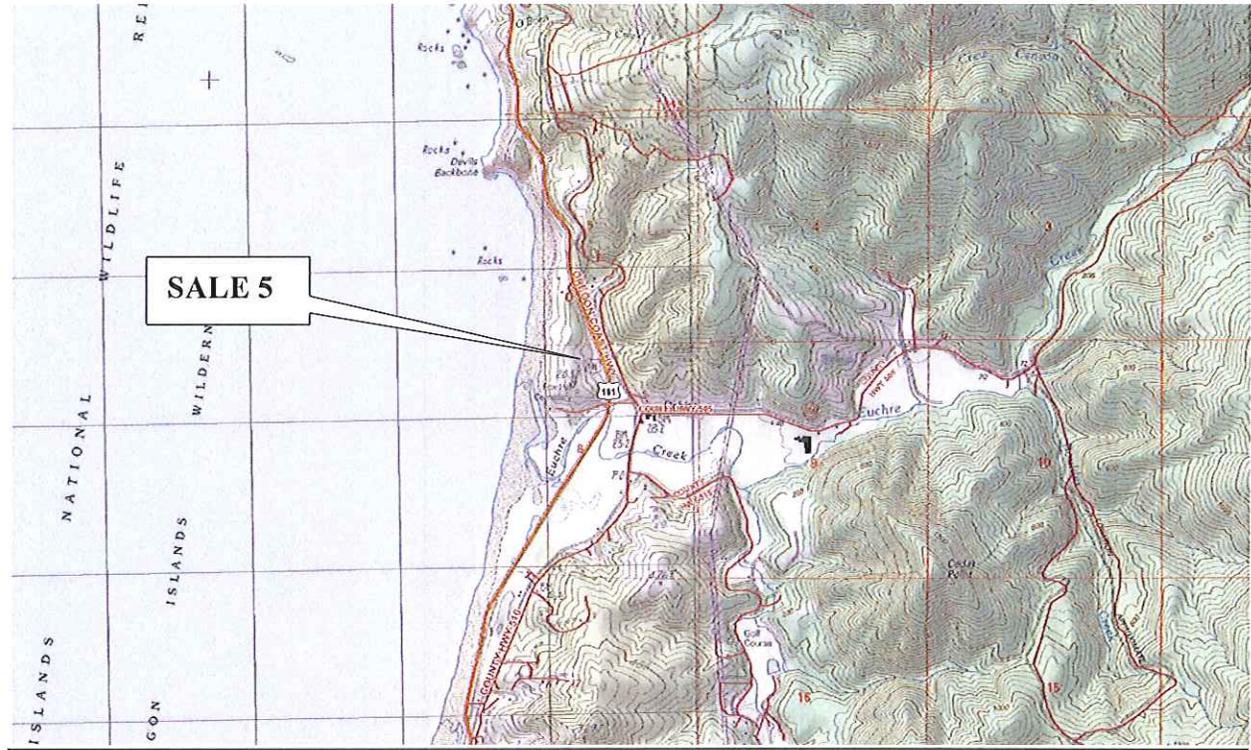


LOCATION:	35400 Highway 101, Gold Beach, Oregon
GRANTOR:	Gloria Buffington
GRANTEE:	Paul Wesselink
DATE OF SALE:	7/13/05
CONSIDERATION:	\$1,250,000
TERMS OF SALE:	Unknown
LAND SIZE:	23.74 acres
UNIT PRICE:	\$52,654 Per Acre
LEGAL DESCRIPTION/ PROPERTY IDENTITY:	Curry County Map and Tax Lot Number 35-14-08-107
ZONING:	FG, Forest Grazing
RECORDATION:	2005-4656
VERIFIED:	Curry County Assessor's Office and Gloria Buffington

COMMENTS:

The property has good location just minutes north of Gold Beach with a private natural setting, ocean frontage, and excellent elevated ocean views. This sale has excellent residential appeal. The topography varies from flat to steep, and the land is a mixture of undulating timberland and pasture. At the time of the sale, the homesite was partially developed with an access road and an excavated building site. This parcel was purchased as a homesite for a single family dwelling, which is now constructed.

Topography Map



Summary of Sales Data

Sale No.	Date	Total Price	Zoning	Type	Value	Land Area in Acres	Price per Square Foot/Acre	Comments
1	4/30/08	3,000,000	RC	Land Improvements	\$ 2,900,000 \$ 100,000 \$ 3,000,000	53.50	\$ 54,206	34-14-20-200-Curry County 37076 Arizona Ranch Road, Port Orford Oceanfront Campground with Homesite Potential State of Oregon (Arizona Beach)
2	5/6/09 (Subject Property)	800,000	REC	Land Building	\$ 800,000 \$ - \$ 800,000	52.53	\$ 15,229	29-15-35-100-Coos County West of Laural Lake; South of Bandon Ocean and New River Frontage. Total land area is 111.3 Acres; 55.53 acres are useable. Bandon Biota, LLC
3	7/26/04	1,215,000	MES F	Land Building	\$ 1,215,000 \$ - \$ 1,215,000	60.31	\$ 20,146	30-15-2-500, 30-15-3-100 & 300-Coos County New River area on Pacific Ocean; South side of Four Mile Creek; South of Bandon. Total Land area is 112.95; 60.31 useable. Ocean and New River Frontage. McNeely
4	7/26/04	1,750,000	MES F EFU QRR-5	Land Building	\$ 1,750,000 \$ - \$ 1,750,000	183.31	\$ 9,547	30-15-2-500, 101, 111, 30-15-3-100 & 300-Coos County New River area on Pacific Ocean; South side of Four Mile Creek; South of Bandon. Total Land area is 235.91; 183.31 useable. Ocean and New River Frontage. Bandon Biota, LLC
5	7/13/05	1,250,000	FG	Land Building	\$ 1,250,000 \$ - \$ 1,250,000	23.74	\$ 52,654	35-14-08-107-Curry County 35400 Highway 101, Gold Beach Ocean Front Homesite Wesselink

The Valuation Process

The Highest and Best Use of the subject property is for the development of a single family homesite in combination with high and low intensity recreational uses. Significant value is created by gaining the entitlements to develop the subject residentially. Therefore, we found it necessary to use sales that are residential in nature, and share similar amenities such as ocean frontage and views. The appraisers reviewed many sales for this valuation, and once the final selection had been made for this assignment, we were able to determine the most appropriate allocations to best support the subject's value under the high and low intensity recreational use with a caretaker's residence. Sales 1-5 suggest a 50 acre homesite for a caretaker's residence would be well received within the market. Therefore, we valued the subject property as a 52.53 acre homesite, the size of the subject's useable upland area.

The subject land is well suited for the development of a high end single family residence with excellent amenities such as private river and ocean views and frontage, and mostly moderate rolling topography. The property is also located in an area of existing good quality residential development. However, zoning laws will require the development of a recreational use in order for a caretaker's dwelling to be allowed. We estimate that it would take at least 1 year to complete the application process, and construct a recreational use with a caretaker's home. From a buyer's standpoint, this represents a significant amount of time, expense, and work coordinating the processes. In our view, a developer would require a discount for purchasing the property in its current undeveloped condition. Significant value would be created by completing this application process and selling the subject as a developable site. Another factor the appraiser considered is the significant development cost. The subject is raw land with access developed roughly to the southern boundary. In order to develop the subject as a recreational site, roads will need to be developed, RV or campsites would need to be developed, and a homesite with all utilities would need development. Further, current market conditions have created a cautious financial environment. Credit markets have tightened, and there is less demand for vacant residential land.

After extensively researching zoning laws and the highest and best use of the subject property, we have concluded that the subject property should be valued under the premise of a recreational use with a caretaker's residence. Therefore, the subject property is valued as a 52.53 acre homesite, the entire upland area east of New River. Sales 1-5 indicate values from \$9,547 per acre up to \$54,206 per acre for the subject's undeveloped homesite. The appraisers extensively researched the entire coastline for appropriate sales data. The best market data available is used in this report.

Land Value Reconciliation (50 Acre Homesite)

Sale 1 is known as Arizona Beach and which sold for \$3,000,000 in April of 2008. The property has a relatively similar location when compared to the subject property on the southern Oregon coast. However, this sale has superior ocean frontage, access, and views, but comparable natural settings in a desirable neighborhood. Overall, the subject has inferior residential appeal when compared to this parcel. Areas of Arizona Beach west of Highway 101 are protected from the highway noise and have flat unobstructed panoramic ocean frontage and views. These areas west of the highway are ideal for developing a single family residence. The subject's ocean frontage and views are more distant with a buffer of MES, Minor Estuary and Shoreland zone lands, and New River separating it from the ocean beach. The subject has excellent amenities with river and ocean frontage, but Sale 1 ocean frontage and access is considered to provide superior overall amenity. This sale is almost identical in size when compared to the subject. Access roads will have to be developed to the subject homesite and recreational use. Sale 1's access is developed. Further, no utilities are developed on the subject while, Sale 1 is developed with water, septic, and electricity. Sale 1 indicates a value of much less than \$54,206 per acre for the subject's undeveloped 50 acre homesite.

Sale 2 is a recent sale of the subject property, having taken place in May of 2009 for a consideration of \$800,000. Bandon Biota, LLC purchased this parcel from Coos County in an auction, and \$800,000 was the listed minimum sale price. This sale, in our opinion, is a strong indicator of market value.

Sale 3 has a very similar rural location when compared to the subject property on the southern Oregon coast south of Bandon. This property sold for \$1,215,000 in July of 2004 and included a total of 60.31 acres of usable land. Sale 3 is located in the same neighborhood, a short distance south of the subject. This sale is considered to have superior residential appeal when compared to the subject. This parcel fronts the New River, Four Mile Creek, and the Pacific Ocean. The western portions of the property, east of the New River have undulating forested dunes, which provide areas ideal for developing single family homesites with excellent elevated ocean and river views. The subject is situated in a similar location with very similar amenities, but Sale 3 has elevated areas that will provide for superior ocean, river, and creek views. Sale 3's usable land area is very similar in size when compared to the subject. Access was not developed and would require a bridge over Four Mile Creek. At the time of sale, this property had potential for two homesites, but neither were developed. This sale took place in 2004, which makes this data point less reliable due to fluctuations in the market. Sale 3 indicates a value of slightly less than \$20,146 per acre for the subject's undeveloped 50 acre homesite.

Sale 4 sold for \$1,750,000 in July of 2004 and includes Sale 3 as part of the transaction. This parcel has a very similar location in the same neighborhood as the subject on the southern Oregon coast south of Bandon. This sale is considered to have slightly superior residential appeal when compared to the subject. This parcel fronts New River, Four Mile Creek, and the Pacific Ocean. The western portions of the property, east of the New River have undulating forested dunes, which provide areas ideal for developing single family homesites with excellent elevated ocean and river views. The subject has very similar amenities with ocean and New River frontage, but this sale has elevated areas that will provide superior views of the river and ocean. No access is developed onto the subject property, while access is developed onto Sale 4 by way of a gravel road to a railroad bridge across Four Mile Creek. A homesite is developed, but it is our opinion the homesite contributes limited value as it is not located in an area that

capitalizes on the excellent ocean and river amenities afforded to the property. The eastern portions of this sale have utility for grazing livestock. This sale took place in 2004, which makes this data point less reliable due to fluctuations in the market. Also, at the time of sale this parcel had the potential to be developed with seven single family homesites, one of which was developed. Sale 4 indicates a value of less than \$9,547 per acre for the subject's undeveloped 50 acre homesite.

Sale 5 sold in July of 2005 for \$1,250,000. This parcel totals 23.74 acres and is located south of the subject property in Curry County and is considered to have a relatively similar location when compared to the subject property on the southern Oregon coast. However, this sale has superior elevated ocean frontage, access, and views in a desirable neighborhood north of Gold Beach. Overall, the subject has inferior residential appeal when compared to this parcel. At the time of closing, the parcel had a partially developed homesite which is superior to the subject in its raw state. There will be significant development cost associated with developing the subject. This sale is much smaller when compared to the subject and the law of diminishing returns applies. Buyers are typically able to negotiate a lower price per acre when purchasing larger properties. Sale 5 indicates a value of less than \$52,654 per acre for the subject's undeveloped 50 acre homesite.

In summary, all of the sales, excluding Sale 2 (the subject), are considered to have superior residential appeal when compared to the subject property due to superior ocean frontage and views. The recent sale of the subject, Sale 2, is given emphasis in this analysis. This sale is the most recent sale available, and in our opinion, is a strong indicator of value. Sales 1, 3, 4, and 5 provide additional support for our estimate of value for the subject property. After careful consideration of all pertinent data we estimate the value of the subject property at \$15,000 per acre, rounded to \$800,000.

Summary of the Sales Comparison Approach

Components	Area in Acres	Price Per Acre	Value
Homesite	52.53	\$ 15,000	\$ 787,950
Total	52.53		\$ 787,950
Rounded To:			
Value By The Sales Comparison Approach:			\$ 800,000

FINAL VALUE CONCLUSION

In summary, the Sales Comparison Approach is typically the best method of analyzing vacant rural land. The sales data presented is the best information available in our market area.

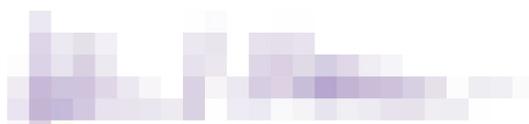
After careful consideration of all available information, analyzing all factors pertinent to the fee simple valuation of the subject real property as defined in this report, the estimated market value, as of June 5, 2010 is, **EIGHT HUNDERED THOUSAND DOLLARS.**

FINAL VALUE CONCLUSION **\$800,000**

CERTIFICATION OF THE APPRAISER

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 have no personal interest with respect to the parties involved.*
- *I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.*
- *The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.*
- *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 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 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, Jeffrey L. Marineau, MAI, has completed the requirements under the continuing education program of the Appraisal Institute.*
- *my analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).*
- *I have made a personal inspection of the property that is the subject of this report.*
- *William E Flora, provided significant, professional assistance in the preparation of this report to the person signing this report.*



Jeffrey L. Marineau, MAI

6/28/2010

Date

ADDENDA

REC, RECREATION & MES, MINOR ESTUARY AND SHORELAND ZONES

SECTION 4.2.200. Open Space and Natural Zoning Districts.

The uses and activities regulated by the open space and natural zoning districts are set forth below:

TABLE 4.2a

OPEN SPACE/NATURAL USE	ZONE DISTRICT				
	SS	REC	MES	CREMP REC	CREMP NR
Airport	N	N	N	N	N
Aquaculture	N	N	N	N	N
Farm use pursuant to ORS 215.203	P	P	P-83	P-100,101	ACU-54,34
Farm use pursuant to ORS 215.203 but not for profit	P	P	P-83	P-100,101	ACU-54,34
Farm buildings	P	P	P-83	ACU-54	ACU-54
Timber farming/harvesting	P	P	P-83	P-100,101	P
Propagation, management and harvesting of a forest product	P	P	P-83	ACU-38, 52,54,85	ACU-38, 52,54
Log storage/sorting yard (land)	N	N	N	N	N
Recreation:					
high intensity	P	P	N	ACU-54,86	N
low intensity	P	P	P-82	ACU-54,86	ACU-54,94
Dryland moorage	N	N	N	N	N
Marina shoreside facility	N	N	N	ACU-54,87	N
Marinas	N	P	N	P	N
Fish & wildlife habitat management	P	P	P	N	N
Hunting & fishing preserve	N	P	P-83	N	N
Research & education observation structure	P	P	N	N	N
Campground	P-30	P-30	N	N	N
Recreational vehicle park	N	P-30	N	N	N
Educational-associated facilities	P	P	N	N	N
Dorm facilities	P	N	N	N	N
Modification of historic structure	ACU-65	ACU-65	N	ACU-54,65	ACU-54,65
Water-borne transportation	N	N	N	N	N
Dryland moorage	N	N	N	N	N
Industrial & port facilities	N	N	N	N	N
Contaminated soil/land farming	N	N	N	N	P
Stream alteration	N	N	N	N	N
Navigation aids	N	N	N	N	N

TABLE 4.2a

OPEN SPACE/NATURAL USE	ZONE DISTRICT				
	SS	REC	MES	CREMP REC	CREMP NR
Restoration:					
passive	N	N	P	N	N
active restoration of fish & wildlife habitat or water quality & estuarine enhancement	P	P	P	N	N
Residential:					
single family dwelling:	N	ACU-5	N	ACU-54,88	ACU-10,32, 96,97,99,105
temporary residence	N	P-13	N	P-13,100, 101	N
watchman/caretaker	P-72	P-72	N	ACU-54,72, 89	N
2-family duplex	N	N	N	N	N
multi-family duplex	N	N	N	N	N
2nd floor apartment	N	N	N	N	N
family hardship	N	N	N	N	ACU-2
Bed & Breakfast	N	N	N	N	C-104
Home occupation	N	N	N	N	P-120
Cottage industry	N	N	N	N	P-120
Day care facility (12 people or less)	N	N	N	N	N
Day care facility (13 people or more)	N	N	N	N	N
Land divisions:					
partition	N	P-6	P-6	P-6,48,54	ACU-6,48,54
subdivision	N	P-6	P-6	P-6,48,54	ACU-6,48,54
residential planned unit dev.	N	N	N	N	N
recreational planned unit dev.	N	N	N	N	N
Mobile Home Park	N	N	N	N	N
Industrial uses:					
water-dependent (WD)	N	N	N	N	N
water-related (WR)	N	N	N	N	N
non-WD/non-WR	N	N	N	N	N
Circus/Carnival	N	P-27	N	N	N
Fire station	N	ACU-7	N	N	N
Solid waste disposal	N	N	N	N	N
Museum	N	ACU-7	N	N	N
Zoos	N	ACU-7	N	N	N

TABLE 4.2a

OPEN SPACE/NATURAL USE	ZONE DISTRICT				
	SS	REC	MES	CREMP REC	CREMP NR
Utility facility:					
generation of power for public sale	N	N	N	N	N
generation of power not for public sale	N	N	N	N	N
service lines	P	N	P-83	N	ACU-54
communication structure	N	P	P-83	ACU-7,54	N
air and water navigation aids	N	ACU-7	N	ACU-7,54	N
sewer/water plant/pump station	N	N	N	N	N
Exploration:					
geo-thermal	N	N	N	N	N
aggregate	N	N	N	N	N
other mineral or subsurface resource	N	N	N	N	N
Mining/mineral extraction, including dredging necessary for mineral extraction:					
geo-thermal	N	N	N	N	N
aggregate	N	N	N	N	N
other mineral or subsurface resource	N	N	N	N	N
Dikes:					
new construction	N	P	ACU-83, 90	ACU-54,92	N
maintenance/repair	N	P	ACU-83, 90	ACU-54,92	N
Drainage and tidgating	N	P	N	ACU-54,92	N
Dredge material disposal	N	P	N	ACU-40, 41,51,54	ACU-36,41, 51,54
Fill	N	P	N	ACU-54,93	ACU-36,41, 51,54
Mitigation	N	P	P	ACU-54,87	ACU-54
Shoreland Stabilization:					
structural	N	ACU-102	ACU-84	ACU-46, 54	ACU-46, 54,95
non-structural	N	P	P	P	P
Commercial:					
convenience store	N	C-7,72, 107	N	N	N
off-road vehicle parts & repair service	N	C-7,108	N	N	N
golf course	N	P	N	N	N
kennel	N	P	N	ACU-54	ACU-54

TABLE 4.2a

OPEN SPACE/NATURAL USE	ZONE DISTRICT				
	SS	REC	MES	CREMP REC	CREMP NR
Commercial - continued:					
water-dependent	N	N	N	N	N
water-related	N	N	N	N	N
non-water-dependent/related	N	N	N	N	N
hotel/motel	N	N	N	N	N
off road vehicle rental	N	P	N	N	N
race track	N	C-7	N	N	N

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QUALIFICATIONS OF THE APPRAISER

JEFFREY L. MARINEAU, MAI

STATE CERTIFIED APPRAISER #C000029; Expiration April 30, 2012

Education

Graduate of the University of Oregon, Bachelor of Science Degree in Business Administration - Real Estate Major, 1973

Appraisal Institute:

Course I-Part A	:	Successfully challenged examination
Course I-Part B	:	Successfully challenged examination
Course II	:	Successfully completed course
Litigation Valuation	:	Successfully completed course
Market Analysis	:	Successfully completed course
Standards of Professional Practice, Part A (USPAP):		Successfully completed course - 2001
Standards of Professional Practice, Part B (420)	:	Successfully completed course - 2001
Condemnation Appraising Course SE710	:	Successfully completed course - 1999
Condemnation Appraising Course SE720	:	Successfully completed course - 1999

Seminars:

Tax Code and Valuation - 1986	Appraiser as an Expert Witness - 1992
Applied Appraisal Techniques - 1986	Americans w/Disabilities Act - 1992
Narrative Appraisal Report Writing - 1986	Wetlands Evaluation Issues - 1992
Lease and Leasehold Valuation - 1987	Hotel/Motel Valuation - 1993
Income Producing Properties - 1987	Income Property Valuation - 1993
R41-c Memorandum (FHLBB) - 1987	Professional Timber Cruising - 1994
Construction Cost Seminar - 1987	Subdivision Analysis - 1994
Highest and Best Use - 1988	Hotel/Motel Valuation - 1993
Cash Equivalency - 1988	The Internet and Appraising - 1997
Cash Flow Analysis - 1989	Eminent Domain - 1998
Hazardous Wastes & Toxic Materials - 1989	Oregon Wetlands - 2001
Real Estate Risk Analysis - 1989	Federal Land Exchanges - 2000
Mineral Valuation - 1990	Federal Land Acquisition - 2002 and 2007
UC/IAR Form - 1989	Easement Valuation - 1990
Legal/Professional Topics - 2003	Uncertainties of Measure 37 - 2005
USPAP Update - 2006	GIS Applications - 2006
Federal Land Acquisition - 2007	New Technology for Foresters - 2007
Business Practices and Ethics-2008	Construction Details and Trends-2008

Southwestern Oregon Community College Courses:

Residential Blueprint Reading & Sketching Commercial Blueprint Reading & Sketching
Residential Electrical Wiring

Other Real Estate related workshops and seminars

Appraisal Experience

Eminent Domain: Full and partial takings, Air rights, Microwave beam paths, Highway right-of-way, etc.
Industrial: Wood products manufacturing plants, Warehouses, Deep draft water frontage, Shipyards, Seafood processing plants, Log yards, etc.
Commercial: Retail store buildings, Office buildings, Restaurants, Service stations, Supermarkets, Shopping centers, etc.
Residential: Single-family dwellings, Multifamily dwellings, Condominiums
Special: Governmental structures, Timberland, Sand dunes,
Purpose: Motels, Recreational vehicle parks, Churches, Hospitals, Ranch and farm land, Subdivisions, etc.

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QUALIFICATIONS OF THE APPRAISER

Jeffrey L. Marineau, MAI (continued)

Employment

Apprentice Appraiser: 1968 to 1973. Appraisal experience working with Fred J. Marineau, limited to non-school days.

Licensed Real Estate Appraiser: Employed since 1973 with Fred J. Marineau, Real Estate Appraisers and Consultants

Owner: Marineau and Associates - July 1986 to present

State Certified Appraiser: C000029

Professional Organizations

Member, Appraisal Institute

Member, Rotary International

Member, Coos County Board of Realtors

REPRESENTATIVE LIST OF APPRAISAL/CONSULTATION CLIENTS

Court Appearances

District Court - Coos and Curry Counties

Circuit Court - Coos, Curry and Douglas Counties

Oregon Tax Court

Federal Bankruptcy Court - Eugene

Department of Revenue - Coos and Lincoln Counties

Board of Equalization - Coos County

Corporate Clients

Weyerhaeuser Corporation

Georgia Pacific Corporation

Menasha Corporation

International Paper Corporation

Bohemia Corporation

Al Pierce Company

Coos Head Timber Company

South Coast Lumber Company

Lloyd Corporation

Chevron Corporation

Union Oil of California

Agnew Timber Company

HGE, Incorporated

Toth Aluminum Corporation

Yergen and Meyer Corporation

Coos Aviation, Inc.

Westbrook Land and Timber

Ocean Terminals

Bald Knob Land and Timber Co.

Coast Distributors, Inc.

Moore Mill Lumber Company

Sause Bros. Ocean Towing, Inc.

Financial Clients

Wells Fargo Bank

U. S. Bancorp

Bank of America

Oregon Bank

Umpqua Bank

Seafirst Mortgage Corporation

Klamath First Federal

Siuslaw Valley Bank

Key Bank

Freedom Federal Savings & Loan

Yaquina Bay Bank

Chetco Federal Credit Union

Rainier Financial Services

Frontier Investment Corporation

First Farwest Capital Fund, Inc

Public Clients and Institutions

City of Coos Bay

City of Coos County

City of North Bend

City of Reedsport

City of Bandon

City of Coquille

State of Oregon:

Forestry Department

State Lands Division

Oregon Department of Transportation

University of Oregon

Oregon State University

Southwestern Oregon Community College

North Bend School District 13

Port of Newport

U. S. Bureau of Land Management

U. S. Forest Service

Bonneville Power Administration

General Services Administration

U. S. Postal Service

Oregon International Port of Coos Bay

Federal Deposit & Insurance Corp. (FDIC)

Federal Savings & Loan Ins. Corp (FSLIC)

Coos Bay School District 9

Trust for Public Lands

Natural Resources Conservation Service

Nature Conservancy

U. S. Small Business Administration

U. S. Corps of Engineers

U. S. Fish and Wildlife Service

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