



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
PortlandGeneral.com

October 30, 2015

Via E-File / US Mail

Public Utility Commission of Oregon
201 High St. SE, Suite 100
PO Box 1088
Salem, OR 97308-1088

Attention: **Commission Filing Center:**

Re: UP 331 Application for Approval of the Sale of a part of PGE Property along the west side of the Springbrook Substation in Newberg to ODOT.

Enclosed are the three exhibits (Exhibits F, I, and K) that were inadvertently omitted from the e-filing made on October 22, 2015. Please attach them to the original signed Application for Approval of the Sale of Property to ODOT.

If you have any questions or require further information, please call me at (503) 464-8937 or Launa Harmon at (503) 464-7251. Please direct all formal correspondence, questions, or requests to the following e-mail address: pge.opuc.filings@pgn.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stefan Brown", is written over a horizontal line. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Stefan Brown,
Manager, Regulatory Affairs

Encls.

Exhibit "F"
Statement of Contingent Liabilities
As of June 30, 2015

PGE is subject to legal, regulatory, and environmental proceedings, investigations, and claims that arise from time to time in the ordinary course of its business. Contingencies are evaluated using the best information available at the time the financial statements are prepared. Legal costs incurred in connection with loss contingencies are expensed as incurred. The Company may seek regulatory recovery of certain costs that are incurred in connection with such matters, although there can be no assurance that such recovery would be granted.

Loss contingencies are accrued, and disclosed if material, when it is probable that an asset has been impaired or a liability incurred as of the financial statement date and the amount of the loss can be reasonably estimated. If a reasonable estimate of probable loss cannot be determined, a range of loss may be established, in which case the minimum amount in the range is accrued, unless some other amount within the range appears to be a better estimate.

A loss contingency will also be disclosed when it is reasonably possible that an asset has been impaired or a liability incurred if the estimate or range of potential loss is material. If a probable or reasonably possible loss cannot be reasonably estimated, then the Company: i) discloses an estimate of such loss or the range of such loss, if the Company is able to determine such an estimate; or ii) discloses that an estimate cannot be made and the reasons.

If an asset has been impaired or a liability incurred after the financial statement date, but prior to the issuance of the financial statements, the loss contingency is disclosed, if material, and the amount of any estimated loss is recorded in the subsequent reporting period.

The Company evaluates, on a quarterly basis, developments in such matters that could affect the amount of any accrual, as well as the likelihood of developments that would make a loss contingency both probable and reasonably estimable. The assessment as to whether a loss is probable or reasonably possible, and as to whether such loss or a range of such loss is estimable, often involves a series of complex judgments about future events. Management is often unable to estimate a reasonably possible loss, or a range of loss, particularly in cases in which: i) the damages sought are indeterminate or the basis for the damages claimed is not clear; ii) the proceedings are in the early stages; iii) discovery is not complete; iv) the matters involve novel or unsettled legal theories; v) there are significant facts in dispute; vi) there are a large number of parties (including where it is uncertain how liability, if any, will be shared among multiple defendants); or vii) there are a wide range of potential outcomes. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution, including any possible loss, fine, penalty, or business impact.

Trojan Investment Recovery Class Actions

In 1993, PGE closed the Trojan nuclear power plant (Trojan) and sought full recovery of, and a rate of return on, its Trojan costs in a general rate case filing with the OPUC. In 1995, the OPUC issued a general rate order that granted the Company recovery of, and a rate of return on, 87% of its remaining investment in Trojan.

Numerous challenges and appeals were subsequently filed in various state courts on the issue of the OPUC's authority under Oregon law to grant recovery of, and a return on, the Trojan investment. In 2007, following several appeals by various parties, the Oregon Court of Appeals issued an opinion that remanded the matter to the OPUC for reconsideration.

In 2008, the OPUC issued an order (2008 Order) that required PGE to provide refunds of \$33 million, including interest, which were completed in 2010. Following appeals, the 2008 Order was upheld by the Oregon Court of Appeals in February 2013 and by the Oregon Supreme Court in October 2014.

In 2003, in two separate legal proceedings, lawsuits were filed in Marion County Circuit Court against PGE on behalf of two classes of electric service customers. The class action lawsuits seek damages totaling \$260 million, plus interest, as a result of the Company's inclusion, in prices charged to customers, of a return on its investment in Trojan.

In August 2006, the Oregon Supreme Court issued a ruling ordering the abatement of the class action proceedings. The Oregon Supreme Court concluded that the OPUC had primary jurisdiction to determine what, if any, remedy could be offered to PGE customers, through price reductions or refunds, for any amount of return on the Trojan investment that the Company collected in prices.

The Oregon Supreme Court further stated that if the OPUC determined that it can provide a remedy to PGE's customers, then the class action proceedings may become moot in whole or in part. The Oregon Supreme Court added that, if the OPUC determined that it cannot provide a remedy, the court system may have a role to play. The Oregon Supreme Court also ruled that the plaintiffs retain the right to return to the Marion County Circuit Court for disposition of whatever issues remain unresolved from the remanded OPUC proceedings. In October 2006, the Marion County Circuit Court abated the class actions in response to the ruling of the Oregon Supreme Court.

In June 2015, based on a motion filed by PGE, the Marion County Circuit Court lifted the abatement and set oral argument on the Company's motion for Summary Judgment to occur on July 27, 2015.

PGE believes that the October 2, 2014 Oregon Supreme Court decision has reduced the risk of a loss to the Company in excess of the amounts previously recorded and discussed above. However, because the class actions remain pending, management believes that it is reasonably possible that such a loss to the Company could result. As these matters involve unsettled legal theories and have a broad range of potential outcomes, sufficient information is currently not available to determine the amount of any such loss.

Pacific Northwest Refund Proceeding

In response to the Western energy crisis of 2000-2001, the FERC initiated, beginning in 2001, a series of adjudicatory and investigative proceedings to determine whether refunds are warranted for bilateral sales of electricity in the Pacific Northwest wholesale spot market during the period December 25, 2000 through June 20, 2001. In an order issued in 2003, the FERC denied refunds. Various parties appealed the order to the Ninth Circuit Court of Appeals and, on appeal, the Court remanded the issue of refunds to the FERC for further consideration.

On remand, in 2011 and thereafter, the FERC issued several procedural orders that established an evidentiary hearing, defined the scope of the hearing, expanded the refund period to include January 1, 2000 through December 24, 2000 for certain types of claims, and described the burden of proof that must be met to justify abrogation of the contracts at issue and the imposition of refunds. Those orders included a finding by the FERC that the Mobile-Sierra public interest standard governs challenges to the bilateral contracts at issue in this proceeding, and the strong presumption under Mobile-Sierra that the rates charged under each contract are just and reasonable would have to be specifically overcome either by: i) a showing that a respondent had violated a contract or tariff and that the violation had a direct connection to the rate charged under the applicable contract; or ii) a showing that the contract rate at issue imposed an excessive burden or seriously harmed the public interest. The FERC also held that a market-wide remedy was not appropriate, given the bilateral contract nature of the Pacific Northwest spot markets. Refund proponents have filed petitions for appeal of these procedural orders with the Ninth Circuit. Those appeals remain pending.

In response to the evidence and arguments presented during the hearing, in May 2015, the FERC issued an order upholding the decision of an Administrative Law Judge that the refund proponents had failed to meet the Mobile-Sierra burden with respect to all but one respondent. That order is subject to requests for rehearing.

The Company has settled all of the direct claims asserted against it in the proceedings for an immaterial amount. The settlements and associated FERC orders have not fully eliminated the potential for so-called “ripple claims,” which have been described by the FERC as “sequential claims against a succession of sellers in a chain of purchases that are triggered if the last wholesale purchaser in the chain is entitled to a refund.” However, the FERC has acknowledged that the potential for such ripple claims is “speculative” and the Company believes that ripple claims made against it, if any, are unlikely to be successful under the FERC orders currently in effect. Accordingly, unless those FERC orders are overturned or modified, the Company does not believe that it will incur any material loss in connection with this matter.

Management cannot predict the outcome of the various pending appeals and remands concerning this matter. If, on rehearing, appeal, or subsequent remand, the Ninth Circuit or the FERC were to reverse previous FERC rulings and find that the Mobile-Sierra standard is not applicable or that a market-wide remedy is appropriate, it is possible that additional refund claims could be asserted against the Company. However, management cannot predict, under such circumstances, which contracts would be subject to refunds, the

basis on which refunds would be ordered, or how such refunds, if any, would be calculated. Further, management cannot predict whether any current respondents, if ordered to make refunds, would pursue additional refund claims against their suppliers, and, if so, what the basis or amounts of such potential refund claims against the Company would be. Due to these uncertainties, sufficient information is currently not available to determine PGE's liability, if any, or to estimate a range of reasonably possible loss.

EPA Investigation of Portland Harbor

In 1997, an investigation by the EPA of a segment of the Willamette River known as Portland Harbor revealed significant contamination of river sediments. The EPA subsequently included Portland Harbor on the National Priority List pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) as a federal Superfund site and listed 69 Potentially Responsible Parties (PRPs). PGE was included among the PRPs as it has historically owned or operated property near the river. In 2008, the EPA requested information from various parties, including PGE, concerning additional properties in or near the original segment of the river under investigation as well as several miles beyond. Subsequently, the EPA has listed additional PRPs, which now number over one hundred.

The Portland Harbor site continues to undergo a remedial investigation (RI) and feasibility study (FS) pursuant to an Administrative Order on Consent (AOC) between the EPA and several PRPs known as the Lower Willamette Group (LWG), which does not include PGE.

In 2012, the LWG submitted a draft FS to the EPA for review and approval. The draft FS, which is being rewritten by the EPA, along with the RI, will provide the framework for the EPA to determine a clean-up remedy for Portland Harbor that will be documented in a Record of Decision, which the EPA is not expected to issue before 2017.

The draft FS evaluates several alternative clean-up approaches, which would take from two to 28 years with costs ranging from \$169 million to \$1.8 billion, depending on the selected remedial action levels and the choice of remedy. The draft FS does not address responsibility for the costs of clean-up, allocate such costs among PRPs, or define precise boundaries for the clean-up. Responsibility for funding and implementing the EPA's selected clean-up will be determined after the issuance of the Record of Decision.

Management believes that it is reasonably possible that this matter could result in a loss to the Company. However, due to the uncertainties discussed above, sufficient information is currently not available to determine PGE's liability for the cost of any required investigation or remediation of the Portland Harbor site or to estimate a range of potential loss.

DEQ Investigation of Downtown Reach

The Oregon Department of Environmental Quality (DEQ) has executed a memorandum of understanding with the EPA to administer and enforce clean-up activities for portions of the Willamette River that are upriver from the Portland Harbor Superfund site (the Downtown Reach). In 2010, the DEQ issued an order

requiring PGE to perform an investigation of certain portions of the Downtown Reach. PGE completed this investigation in 2011 and entered into a consent order with the DEQ in 2012 to conduct a feasibility study of alternatives for remedial action for the portions of the Downtown Reach that were included within the scope of PGE's investigation.

Following the DEQ's evaluation of a draft feasibility study, PGE submitted a final feasibility study report to the DEQ in September 2014, which described possible remediation alternatives that ranged in estimated cost from \$3 million to \$8 million. Based on the estimated cost of the alternative recommended by the Company in the feasibility study report, PGE recorded a \$3 million reserve for this matter in 2014 and established a regulatory asset of \$3 million for future recovery in prices. In April 2015, the DEQ issued its Record of Decision in which it selected the remedy recommended in the feasibility study report.

The final order issued by the OPUC in the 2015 General Rate Case (GRC) included revenues to offset the amortization of the regulatory asset over a two year period that began January 1, 2015. As of June 30, 2015, the Company has a regulatory asset of \$2 million remaining for future recovery of costs related to the Downtown Reach. The 2016 GRC filing provides for the possibility of revising the recovery if costs vary from what was estimated.

Alleged Violation of Environmental Regulations at Colstrip

In July 2012, PGE received a Notice of Intent to Sue (Notice) for violations of the Clean Air Act (CAA) at Colstrip Steam Electric Station (CSES) from counsel on behalf of the Sierra Club and the Montana Environmental Information Center (MEIC). The Notice was also addressed to the other CSES co-owners, including PPL Montana, LLC, the operator of CSES. PGE has a 20% ownership interest in Units 3 and 4 of CSES. The Notice alleged certain violations of the CAA, including New Source Review, Title V, and opacity requirements, and stated that the Sierra Club and MEIC would: i) request a United States District Court to impose injunctive relief and civil penalties; ii) require a beneficial environmental project in the areas affected by the alleged air pollution; and iii) seek reimbursement of Sierra Club's and MEIC's costs of litigation and attorney's fees.

The Sierra Club and MEIC asserted that the CSES owners violated the Title V air quality operating permit during portions of 2008 and 2009 and that the owners have violated the CAA by failing to timely submit a complete air quality operating permit application to the Montana Department of Environmental Quality (MDEQ). The Sierra Club and MEIC also asserted violations of opacity provisions of the CAA.

On March 6, 2013, the Sierra Club and MEIC sued the CSES co-owners, including PGE, for these and additional alleged violations of various environmental related regulations. The plaintiffs are seeking relief that includes an injunction preventing the co-owners from operating CSES except in accordance with the CAA, the Montana State Implementation Plan, and the plant's federally enforceable air quality permits. In addition, plaintiffs are seeking civil penalties against the co-owners including \$32,500 per day for each violation occurring through January 12, 2009, and \$37,500 per day for each violation occurring thereafter.

In May 2013, the defendants filed a motion to dismiss 36 of 39 claims alleged in the complaint. In September 2013, the plaintiffs filed a motion for partial summary judgment regarding the appropriate method of calculating emission increases. Also in September 2013, the plaintiffs filed an amended complaint that withdrew Title V and opacity claims, added claims associated with two 2011 projects, and expanded the scope of certain claims to encompass approximately 40 additional projects. In July 2014, the court denied both the defendants' motion to dismiss and the plaintiffs' motion for partial summary judgment.

On August 27, 2014, the plaintiffs filed a second amended complaint to which the defendants' response was filed on September 26, 2014. The second amended complaint continues to seek injunctive relief, declaratory relief, and civil penalties for alleged violations of the federal Clean Air Act. The plaintiffs state in the second amended complaint that it was filed, in part, to comply with the court's ruling on the defendants' motion to dismiss and plaintiffs' motion for partial summary judgment. Discovery in this matter is ongoing with trial now scheduled for November 2015.

Management believes that it is reasonably possible that this matter could result in a loss to the Company. However, due to the uncertainties concerning this matter, PGE cannot predict the outcome or determine whether it would have a material impact on the Company.

Other Matters

PGE is subject to other regulatory, environmental, and legal proceedings, investigations, and claims that arise from time to time in the ordinary course of business, which may result in judgments against the Company. Although management currently believes that resolution of such matters, individually and in the aggregate, will not have a material impact on its financial position, results of operations, or cash flows, these matters are subject to inherent uncertainties, and management's view of these matters may change in the future.



POWELL BANZ
VALUATION

VALUATION SERVICES

Real Estate Appraisal
Consulting
Litigation
Estate Planning
Feasibility Analysis
Rent Surveys

PROPERTY TYPES

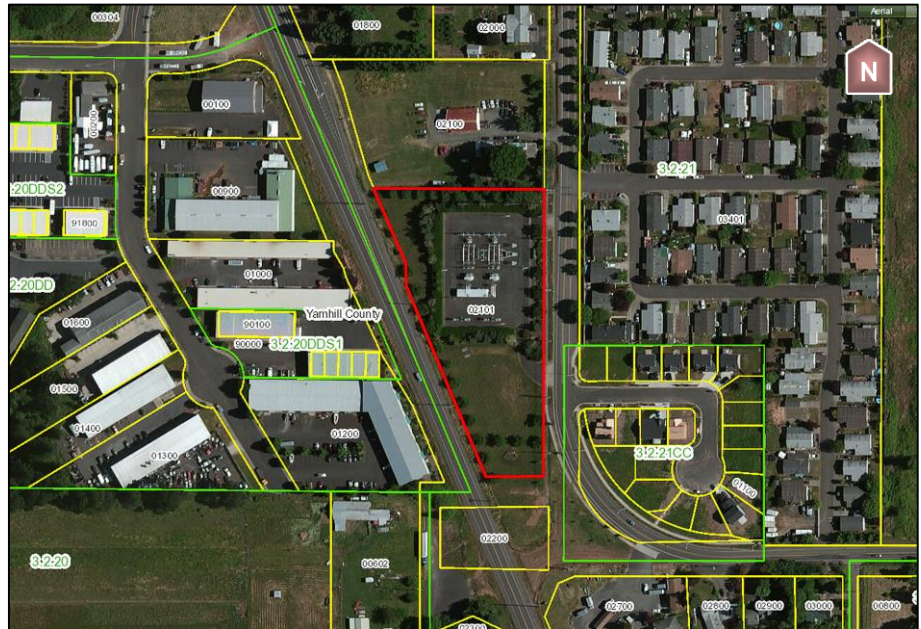
Land
Subdivisions
Multi-Family
Single-Family
Industrial
Office
Medical
Retail
Public
Religious
Parks / Open Space
Farms / Agricultural
Specialty

SERVING

Oregon
Washington
Idaho
Northern California

Powell Banz Valuation, LLC
2925 River Road S, Suite 270
Salem, Oregon 97302
(503) 371-2403 voice
(503) 371-2613 fax
www.powellbanzvaluation.com

**REAL ESTATE APPRAISAL
REPORT 7
TAKING & DAMAGES (LAND ONLY)**



(Aerial Photo Courtesy of ORMAP)

03S 02W 21 (TL 2101)

1101 NE Wilsonville Road
Newberg, Oregon 97132
ODOT Contract No.: 7588-535

PREPARED FOR

Oregon Department of Transportation
David Thiessen
Senior Right of Way Agent
Region 2
455 Airport Road SE Building A
Salem, Oregon 97301

PREPARED BY

C. Spencer Powell, MAI
File Number: P151160

EFFECTIVE DATE

As Is Value: March 6, 2015

APPRAISAL REPORT
Oregon Department of Transportation
(Summary Page)

RPT7-T&D

File No: 7588-535

1. Address/location of property:

1101 NE Wilsonville Road
Newberg, Oregon 97132

2. Ownership Information:

Legal Owner: Portland General Electric

Address: 121 SW Salmon Street
Portland, OR 97201

Phone: N/A

Contract Purchaser: N/A

Address: N/A

Phone: N/A

Tenant: N/A

Address: N/A

Rent: Lease: N/A

Section: OR18: Newberg - Dundee Bypass (Ph. I)

Highway: Salmon River

County: Yamhill

Eng. Sta: 'B' 59+50.00 to 67+75.00

Descript Dtd.: May 19, 2014

FAP # N/A

Appraiser C Spencer Powell, MAI

Phone: N/A

Recording Data: N/A

3. Type of Taking:

Partial Taking Entire Taking

Area of Entire Property: 128,021 SF +/- (2.94 AC +/-)

Area in Permanent

Easements: None

Area in Fee Taking: 21,299 SF +/-

Area of the Remainder: 106,722 SF +/- (2.45 AC +/-)

Area in Temporary

Easement: None

4. Access:

Before Taking: NE Wilsonville Road off S Springbrook Road at two points.

To Remainders: NE Wilsonville Road off S Springbrook Road at two points (remains unchanged).

5. Land Use Regulations:

Zoning: M-2 (Light Industrial): City of Newberg Comp Plan Designation: Industrial

Uses Permitted: Manufacturing and industrial-related uses.

Present Use: The site is improved with a power substation.

6. Highest and Best Use:

Entire Property: Industrial development

Remainder: Industrial development (remains unchanged).

7. Utilities:

Current Facilities: All utilities available/adjacent.

Possible Facilities: N/A.

8. Summary of Valuation:

Entire Property: **\$704,116 (land only)**

Remainder Property: **\$586,971**

TAKING:

(Entire Property Value less Land Only Taking)

Land	\$117,145
Improvements	\$34,509
Damages	\$0
Special Benefits	\$0
TOTAL	\$151,654
TOTAL ROUNDED	\$151,700

9. Purpose of Appraisal:

The purpose of this valuation is to estimate the fair market value of the subject property in fee simple title as a whole, when applicable; the fair market value of property taken as part of the whole, the fair market value of the remainder after the taking as will be affected by contemplated improvements with consideration for damages, if any, and benefits, if any to the remainder; and the total just compensation due the property owner by reason of the taking.

All appraisals must be made on the basis of fair market value. For the purposes of real property acquisition by the State, fair market value is defined as “the amount of money, in cash, that land would bring if offered for sale by one who desired but was not obligated to sell, and was bought by one willing, but not obligated to buy. It is the actual value of the land on the date of the taking, with all its adaptations to general and special issues, that is to be considered. However, nothing shall be allowed for prospective value, speculative value or possible value based upon future expenditures and improvements.” (State R/W Manual, Section 4.315)

In the State of Oregon; “where a part only of a larger tract of land is taken for a public road under the power of eminent domain, the owner is entitled to the market value of the land and improvements actually taken, and also an amount equal to the depreciation in market value of the remainder of the land caused by the road.” Pape et.al. vs. Linn County, (1931), 135 Or. 430, 436-437, 296 P. 65.

10. I have also made the following assumptions:

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

The value of the remainder and estimate of damages are based on the hypothetical condition the proposed Newberg-Dundee Bypass development has occurred as of the effective date of value and a portion of the subject property has been “taken” by the Oregon Department of Transportation for use in the planned Newberg-Dundee Bypass development.

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

The subject site is improved with a power substation. The following extraordinary assumption is made; the buried ground grid is assumed to be within the fenced area, and therefore is located outside the fee take.

Ordinary Assumptions – See the Terms of State’s Offer.

The analysis assumes that the legal description provided for this analysis accurately represents the subject property. A survey has not been provided to the appraiser.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The appraiser assumes no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*, which prescribes specific building standards which may be applied differently to different buildings, depending on such factors as building age, historical significance, amenability to improvement, and costs of renovation. Powell Banz Valuation, LLC its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties, or diminution in value resulting from non-compliance. Except as otherwise noted herein, this appraisal assumes that the subject complies with all ADA standards appropriate to the subject improvements; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the necessary renovation costs, time period needed for renovation, and penalties for non-compliance (if any) were known today, appropriate deductions would be made to the value conclusion(s) reported herein.

11. Preliminary title report furnished and examined: YES NO

I checked at the title company: N/A

A Preliminary Title Report prepared by AmeriTitle (dated February 4, 2015) was provided and reviewed. A copy of the report is included in the Addenda.

I have given consideration to any exceptions or limiting conditions therein that affect the value of subject property. Please explain the exceptions and limiting conditions:

The title report revealed various utility easements, all which are relatively typical for properties with highway/arterial frontage.

The presence of these easements does not significantly impact the value or use of the subject property.

12. Subject property has sold within the last five years: YES NO

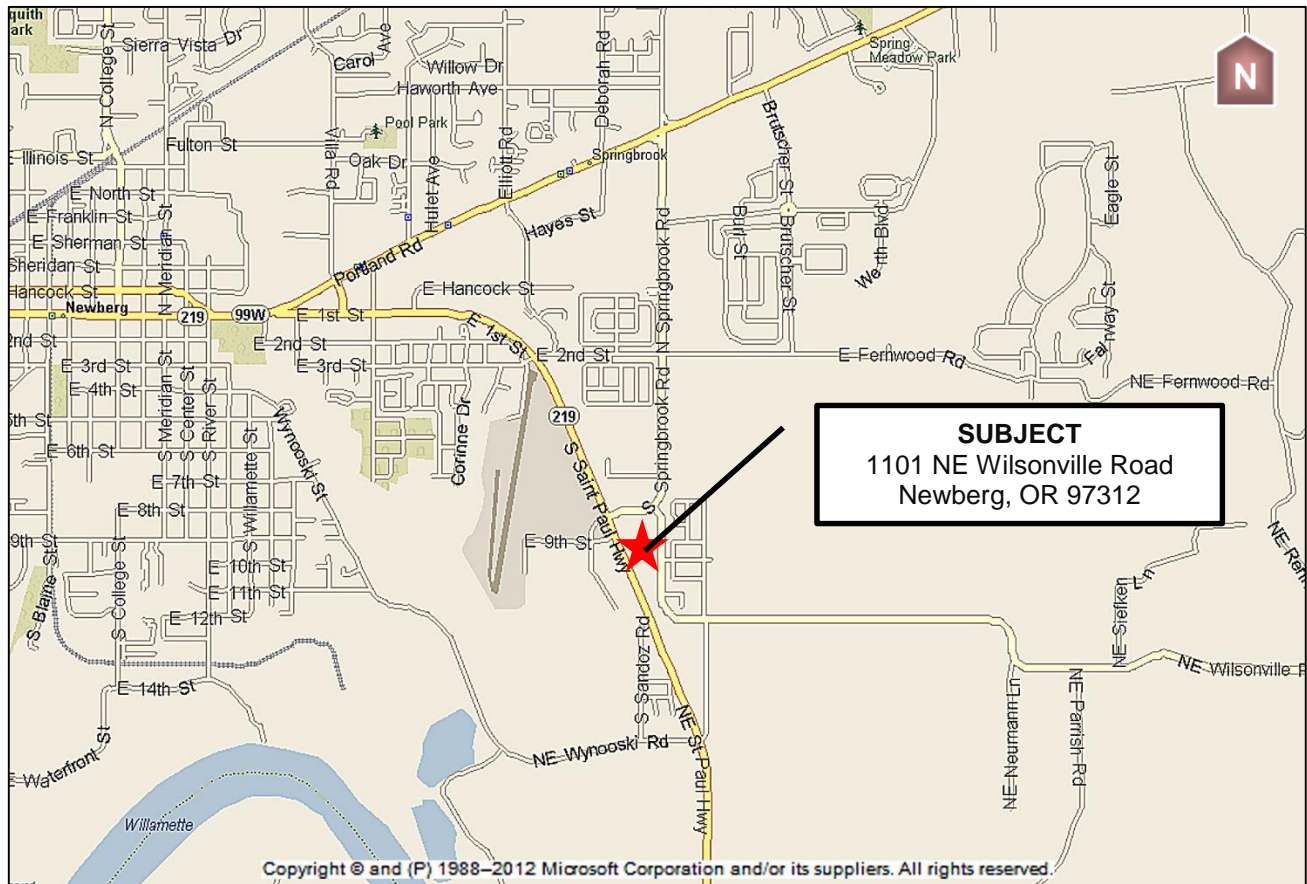
The subject property has not sold within the previous five years.

Owner Contact Report: Did Owner (or designee) accompany appraiser on inspection of the subject property?
YES NO .

Comments and concerns expressed by parties with interest in the subject property (Fee Owner, Contract Purchaser, Lessee, Tenant, etc.) are given below:

I was not contacted by the property owner or representative.

13. NEIGHBORHOOD DESCRIPTION:



A neighborhood is defined as a geographic area characterized by a similarity of users and/or uses within which any change has a direct and immediate effect on the subject and its value or marketability. The subject neighborhood is identified as East Newberg, a portion of the Portland - Vancouver Metropolitan Statistical Area (MSA).

The subject's immediate neighborhood is identified as the area east of the Highway 99W and Highway 219 split.

The area is typically served by public utilities including electricity, natural gas, telephone, and cable television, while properties outside city limits are typically served by wells and septic systems. Police and fire protection are provided by Yamhill County.

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

The Newberg Dundee Bypass project began construction in 2013. The bypass is an 11-mile, access-controlled expressway skirting the cities of Newberg and Dundee. The goal of the Oregon Department of Transportation (ODOT) project is to reduce congestion on Oregon Highway 99W through Newberg and Dundee by redirecting through traffic to the expressway thereby improving downtown livability in these communities.

Newberg and Dundee make up the employment sector. According to the US Census, 35% of Yamhill County's workforce travel outside the county to work. Education and health services provide 21% of the employment locally due to the presence of George Fox University.

The majority of the commercial development is found along Highway 99W (known locally as Portland Road) and consists mainly of strip commercial developments. There are two shopping centers, Springbrook Plaza and Fred Meyer. Springbrook Plaza is a community shopping center with anchor-tenants Rite Aid and Danielson's Thriftway. Other commercial development includes a Shilo Inn Motel, Newberg Inn, Travelodge, older and newer restaurants, service stations, small office buildings, several automobile dealerships, and assorted other small retail uses.

The majority of industrial development is found along Highway 219 (also known as S Saint Paul Highway) and consists of several industrial/manufacturing parks and a small community general aviation airport (Sportsman Airpark).

To the east of Springbrook Road is Providence Newberg Medical Center, which consists of a 56-acre campus with 175,500 SF medical center, 138,000 SF hospital and a 37,500 SF medical office center. Relatively recent developments in this area include the Portland Community College Newberg Center, assisted living/retirement care facilities and apartment complexes.

In summary, the area is characterized by extensive commercial development along Highway 99W, industrial development along Highway 219, and hospital/medical developments and newer residential developments to the east of Springbrook Road. Access and services throughout the area are good.

14. COURTHOUSE DATA:

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

Map and Taxlot	Tax Account	Area (AC)	Dimensions (approx.)	Real Market Value			Assessed Value (M50)	2014/15 Taxes
				Land	Improvements	Total		
03S 02W 21 (TL 2101)	62791	3.24	Trapezoid (~592' x ~266')	\$0	\$0	\$0	\$0	\$0.00
TOTALS		3.24		\$0	\$0	\$0	\$0	\$0.00

Source: Yamhill County Assessor's Office
 RMV as of July 2014, certified October 2014 by Yamhill County

The subject site is part of a regional utility company, and as such, is appraised by the State of Oregon. Therefore, Yamhill County assigns a Real Market Value of \$0 to common areas.

The subject site is a regularly-shaped parcel (trapezoid) with an area of **3.24 AC** per the Yamhill County Assessor's Office. **Based on ODOT engineering/surveys, a site area of 128,021 SF +/- (2.94 AC +/-) will be utilized in this report.**

17. DETAILED DESCRIPTION OF THE PROPERTY BEFORE THE TAKING:

Larger Parcel Identification:

Essential to the field of eminent domain appraising is the concept of the larger parcel. The larger parcel impacted by a right of way acquisition may be the entire property under appraisal, may only be a portion of the property, or may be several related parcels.

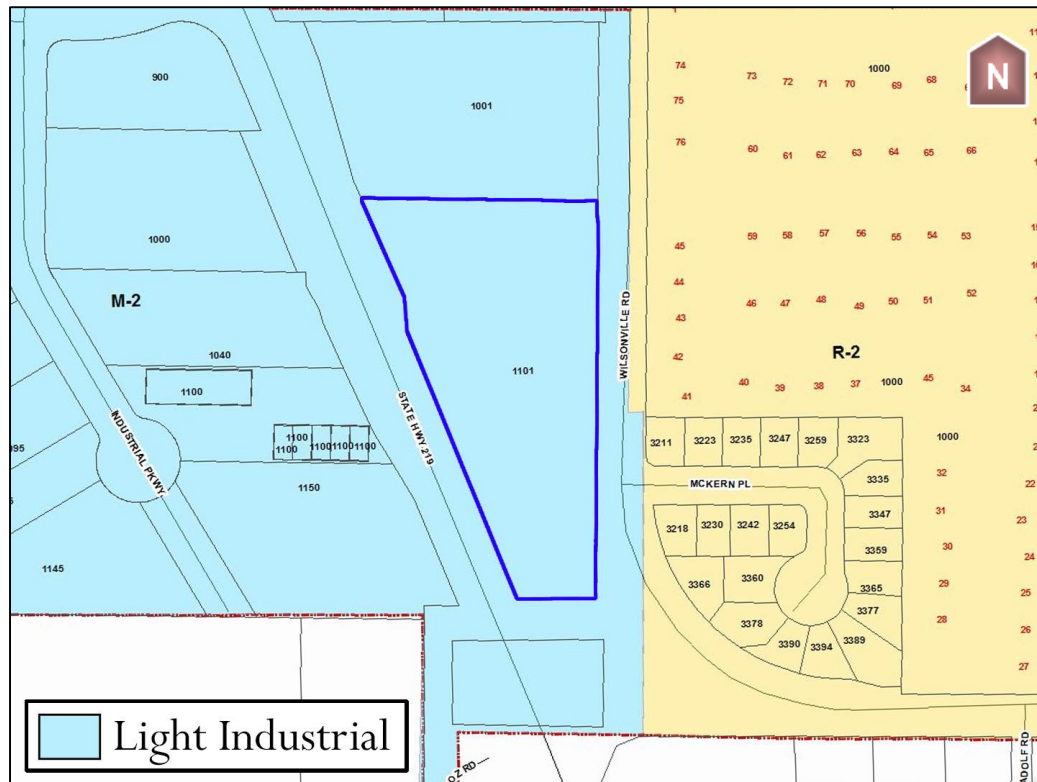
The larger parcel is that property under appraisal containing the following elements:

1. **Unity of title.** In order for one or more tracts of land to be considered to be part of the same larger parcel they must enjoy the same quality of ownership. The fact that owners have an interest in the parcel, a part of which is not taken, is not sufficient unity of ownership to support a claim for damages to that parcel. This is an issue which may require a legal determination.
2. **Contiguity.** For a remainder area to be considered part of the larger parcel it generally must be physically contiguous with the acquisition area. However, exceptions may be made, depending upon the nature of the operation being performed on the non-contiguous sites.
3. **Unity of use.** For a remainder area to be considered part of the larger parcel it must be in the same use or an integrated use with the acquisition area. This is an appraisal question and requires a determination by the appraiser.

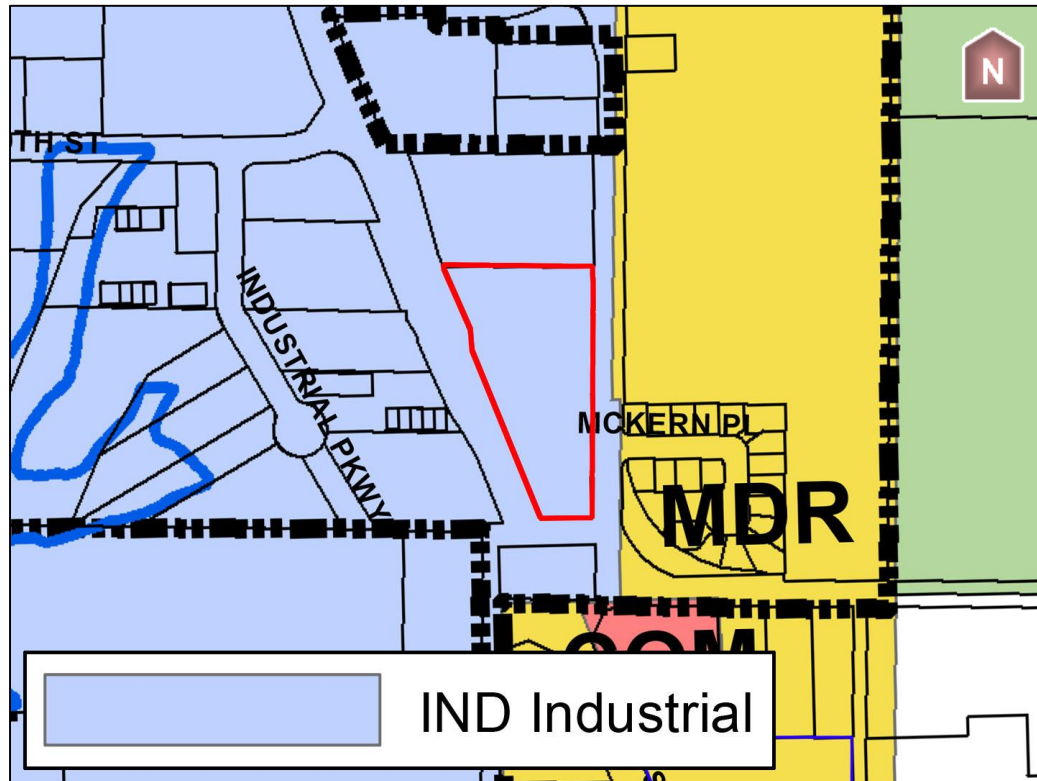
Parcels contiguous to the subject are not vested under the same ownership as the subject tax lot (TL 2101). As such, the “unity of title” condition is not met, and only TL 2101 is considered to be the larger parcel.

Based on ODOT engineering maps and construction plans, the subject improvements (fence and power substation) are not impacted by the take. **Therefore, only the supporting site will be valued in this analysis.**

Zoning



The site is zoned **M-2 (Light Industrial)** by the City of Newberg. The **M-2 (Light Industrial)** district is intended to create, preserve and enhance areas containing a wide range of manufacturing and related establishments and is typically appropriate to areas providing a wide variety of sites with good rail or highway access.



The site is designated **IND (Industrial)** in the City of Newberg Comprehensive Plan. The objective of this designation is to provide land for a variety of light industrial, heavy industrial and industrial park areas.

Newberg-Dundee Bypass

Oregon Highway 99W serves as the main thoroughfare for both Newberg and Dundee, and connects these cities to the Portland Metro Area, McMinnville and the Oregon Coast. As this highway is the most direct route between the Willamette Valley and coastal communities, tourist traffic has increased steadily. In addition, weekday commuters also use the highway to travel between Yamhill County and the Portland Metro Area.

These demands combine to create severe congestion, with lines of vehicles often stretching for over a mile in both directions (north and south). Congestion and travel delays have reached unacceptable levels for those who live, work in or travel through Newberg, Dundee and the surrounding areas.

The Oregon Department of Transportation is constructing a highway from Oregon Highway 219 (near Newberg) to Oregon Highway 99W (southwest of Dundee). The **Newberg-Dundee Bypass** project will provide an alternate route for local commuter and freight traffic around the congestion in Dundee and south Newberg, reducing the number of vehicles using Oregon Highway 99W.

The Newberg-Dundee bypass will exit onto Highway 219 between NE Wyooski Road and E 9th Street. The intersection will be signalized. NE Wilsonville will be reconnected to Highway 219 at the same intersection. Highway 219 will be widened, with some dedicated turn lanes added, but no additional travel lanes. Sound walls will be constructed along portions of Highway 219. S Springbrook Road will be also widened, with some dedicated turn lanes added, but no additional travel lanes. Sound walls will be constructed along portions of S Springbrook Road. Drainage/retention ponds will be added on S Springbrook Road and E Fernwood Road. Highway 99W at S Springbrook Road will be widened, with some dedicated turn lanes added, but no additional travel lanes.

Utilities

All public utilities including electricity, natural gas, water, and sewer are available to the subject.

Access

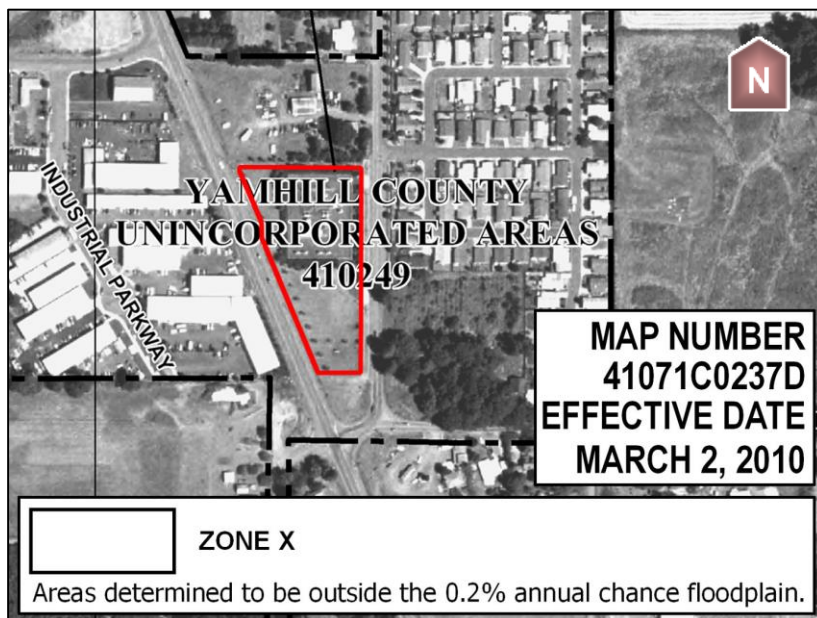
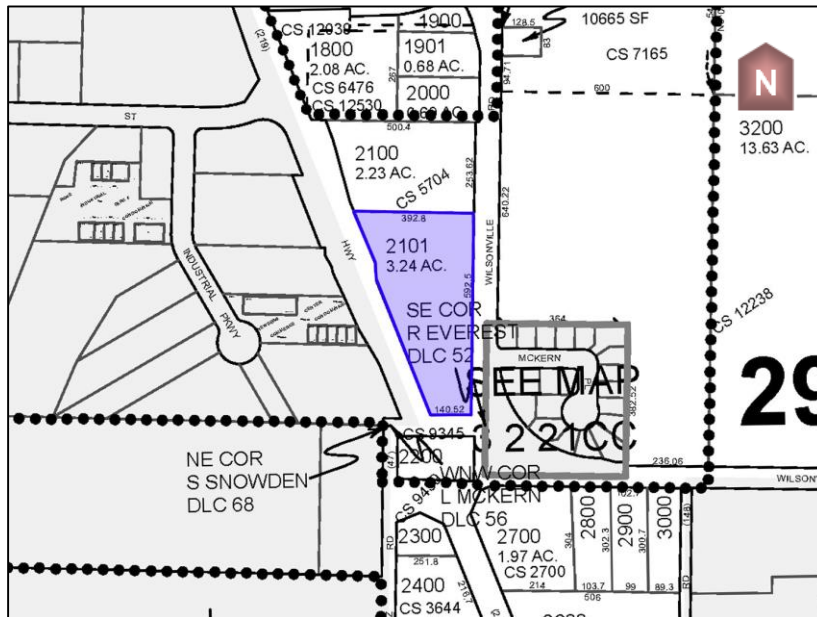
The subject is accessed from NE Wilsonville Road off S Springbrook Road at two points.

Exposure

The subject has approximately 560 lineal feet of frontage along NE Wilsonville Road and approximately 605 lineal feet of frontage along Highway 219. According to estimates from Google Earth for 2009 (most recent available), traffic counts near the subject along NE Wilsonville Road were approximately 2,800 vehicles per day (vpd). According to ODOT Traffic Volume Tables for 2013 (most recent available), traffic counts near the subject along Highway 219 were approximately 10,500 vehicles per day (vpd).

The Site

The subject site is a regularly-shaped parcel (trapezoid) with an area of **3.24 AC** per the Yamhill County Assessor's Office. Based on ODOT engineering/surveys, the remainder subject site (following the take) has an area of 106,722 SF +/- (2.45 AC +/-). With a fee take of 21,299 SF +/-, this equates to a site area before the take of 128,021 SF +/- (106,722 SF + 21,299 SF). **A site area of 128,021 SF +/- (2.94 AC +/-) will be utilized in this report.**



According to the Federal Emergency Management Agency (FEMA), National Flood Insurance Program (NFIP), Flood Insurance Rate Maps (FIRM), Community-Panel Nos. 41071C0237D, dated March 2, 2010 (map above), the subject is located within Zone X (an area determined to be outside the 0.2% annual chance floodplain).

The subject is generally level and at street grade.

Soils are assumed to be stable, supporting the subject's improvements and surrounding buildings.

There are no known open DEQ files associated with the subject property.

Highest and Best Use

Present Use – The subject site is improved with a power substation. The improvements (fence and power substation) are located outside the fee take. As such, the existing improvements are not impacted.

For the purposes of this analysis, only the subject's supporting site is valued. Therefore the highest and best use of the subject as improved is not addressed.

As Vacant -

Legally Permissible - Legal factors influencing the subject property are primarily zoning regulations and ordinances. The subject is zoned **M-2 (Light Industrial)** by the City of Newberg.

The **M-2 (Light Industrial)** district is intended to create, preserve and enhance areas containing a wide range of manufacturing and related establishments and is typically appropriate to areas providing a wide variety of sites with good rail or highway access.

Legal factors support **industrial development** of the vacant site.

Physically Possible - Physical factors that generally affect the highest and best use of the property are size/shape, topography, access, exposure and overall location.

The subject is located along NE Wilsonville Road off S Springbrook Road with proximity to commercial services along Highway 99W. The immediate subject neighborhood is industrial (industrial/manufacturing parks, general aviation airport). The subject is accessed directly from NE Wilsonville Road at two points. The topography is generally level and at street grade, and the shape is conducive to industrial development.

As vacant land, physical characteristics support **industrial development**.

Financially Feasible - Due to the legal considerations, physical characteristics and surrounding development, the greatest financial return would likely come from an industrial **development**.

Marketability - Due to the subject's average access, good exposure, average location and physical characteristics that are conducive to industrial development, the subject has a good marketability rating for an **industrial development** consistent with the allowable uses of the M-2 zoning ordinance.

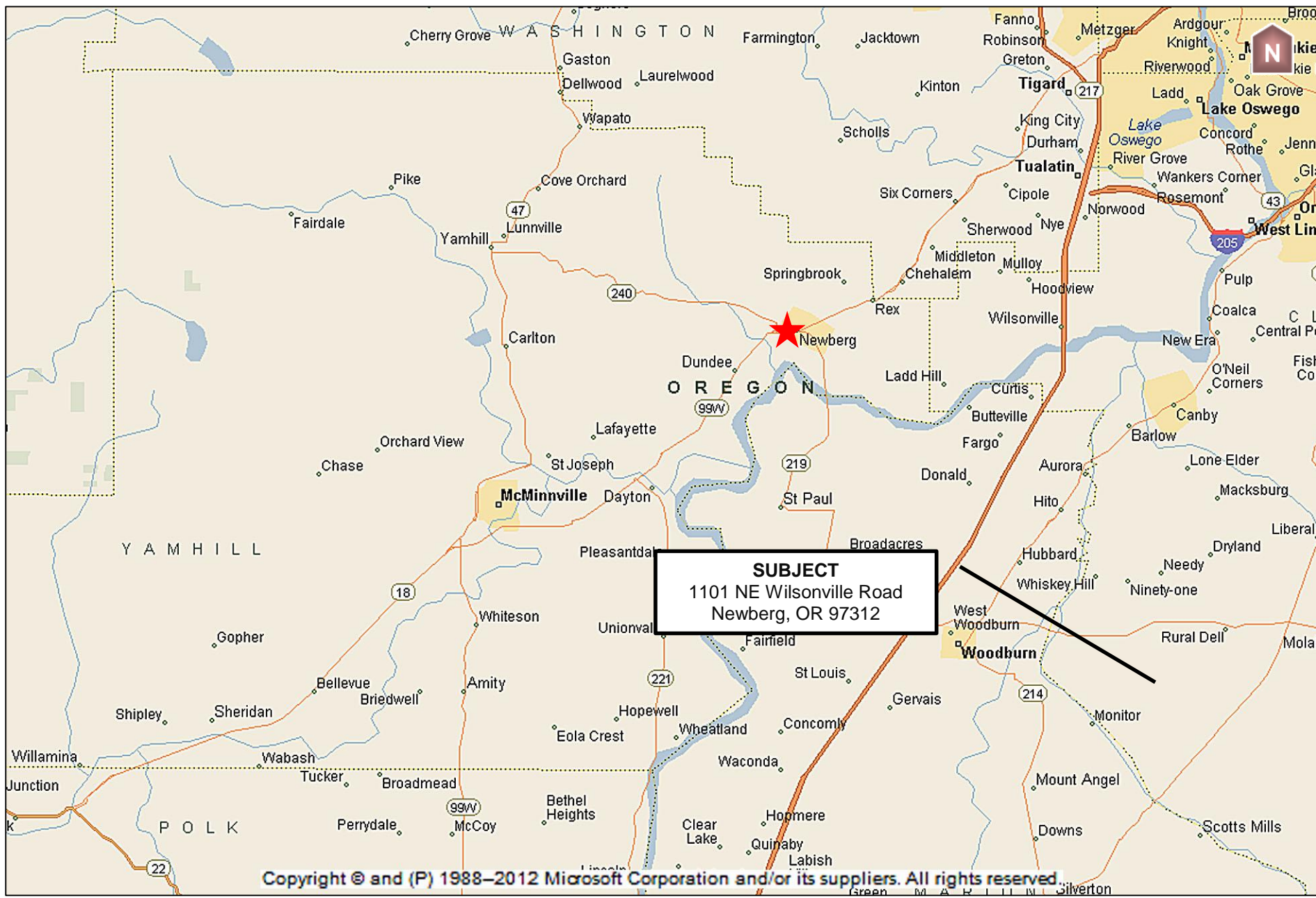
A marketing period of **one year**, if listed at or near market value, is anticipated. This is similar when compared to the exposure/marketing periods of industrial development land sales in the market area.

Highest and Best Use Conclusion As Vacant - Based upon past, present and prospective market activity in the subject's market area and region, **it is my opinion that industrial development is the highest and best use of the vacant subject site.**

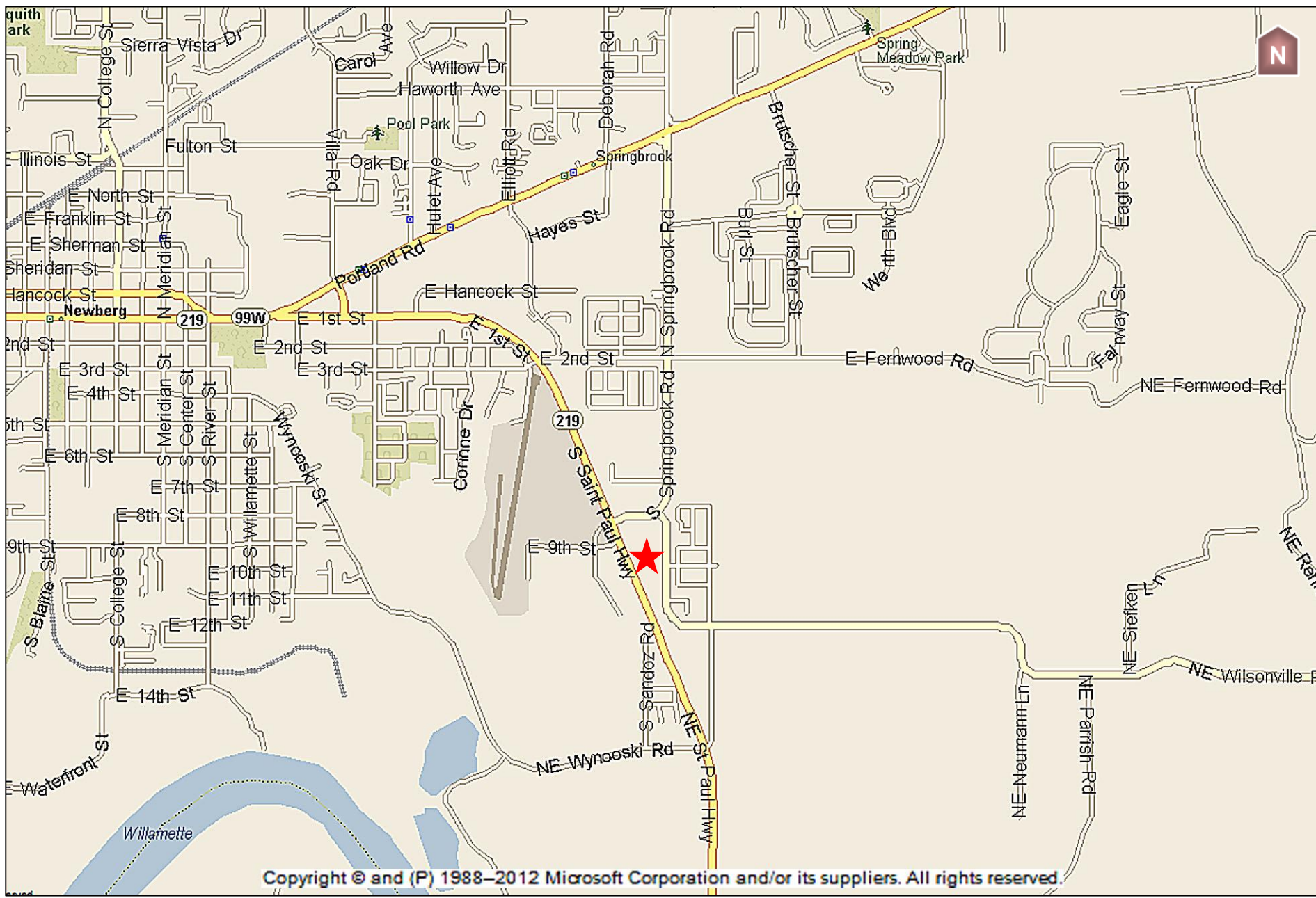
As Improved – The improvements (fence and power substation) are located outside the fee take. As such, the existing improvements are not impacted.

For the purposes of this analysis, only the subject's supporting site is valued. Therefore the highest and best use of the subject as improved is not addressed.

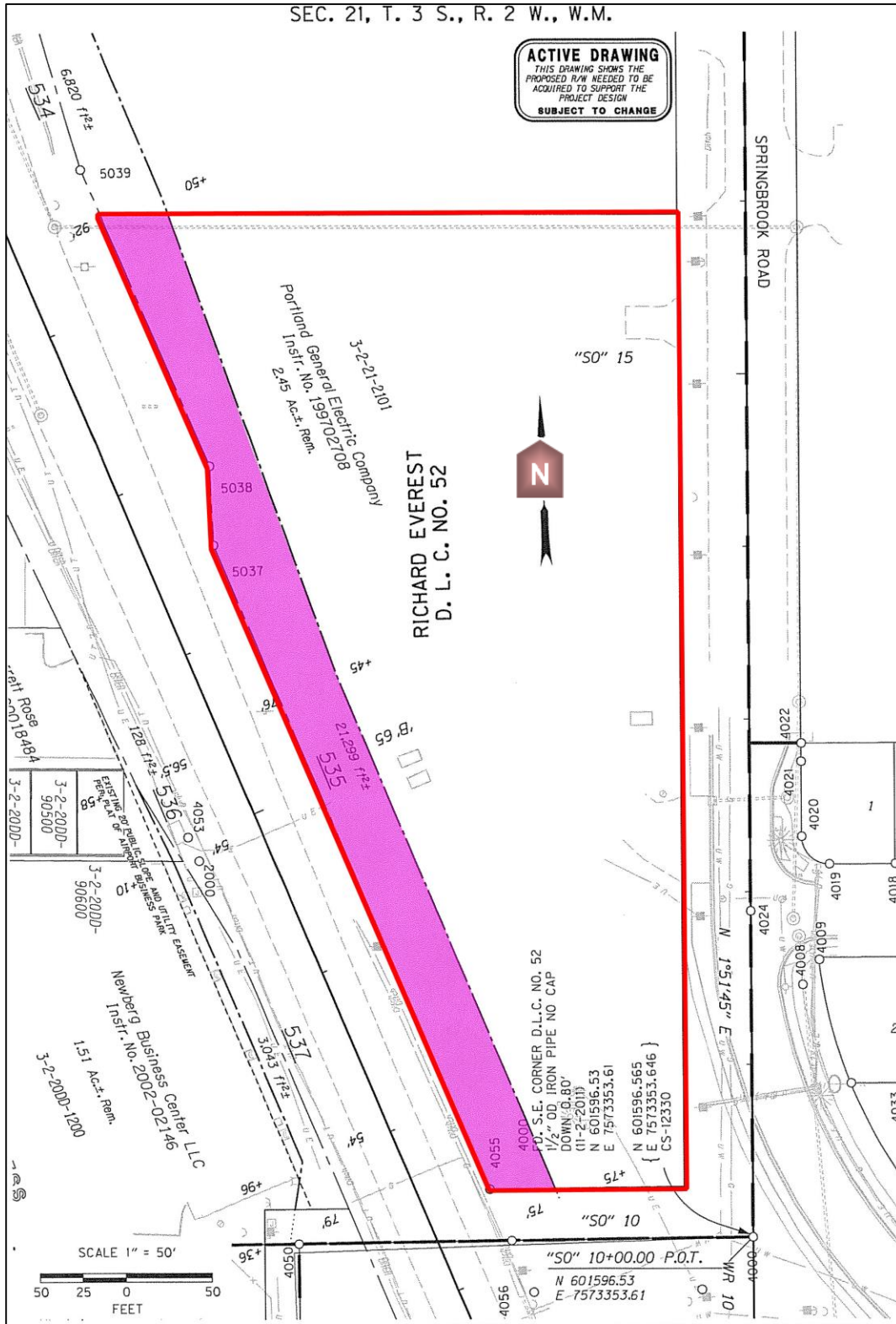
REGIONAL MAP



NEIGHBORHOOD MAP



RIGHT OF WAY SKETCH MAP



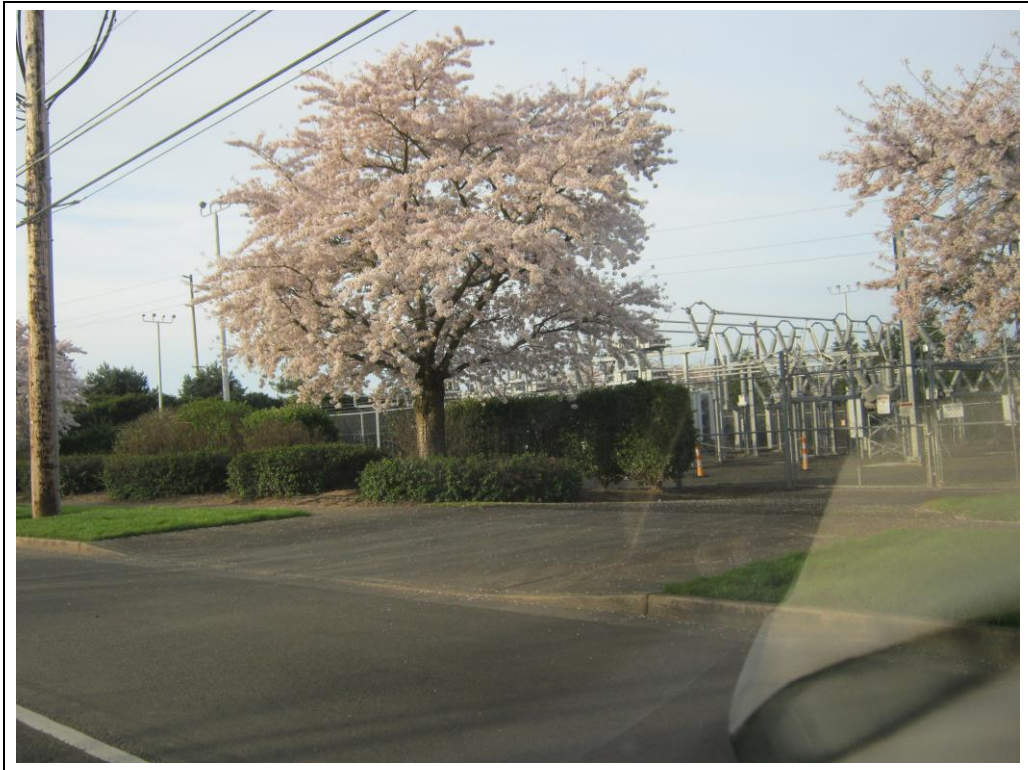
	Section	OR18:Newberg - Dundee Bypass (Phase 1)	Scale	1" = 50'
	Highway	Salmon River	Rev. Date	May, 2014
	County	Yamhill	File	7588 535
	Purpose	R/W Acquisition	See Drawing 11B-7-28	

RIGHT OF WAY SKETCH MAP/AERIAL



	Section	OR18: Newberg - Dundee Bypass (Phase 1)	Scale	1" = 50'
	Highway	Salmon River	Rev. Date	May, 2014
	County	Yamhill	File	7588 535
	Purpose	R/W Acquisition	See Drawing 11B-7-28	

SUBJECT PHOTOGRAPHS



1. View southwest across the subject property.
(10452-380, taken March 13, 2015)



2. View southwest across the subject property and NE Wilsonville Road.
(10452-217, taken March 6, 2015)



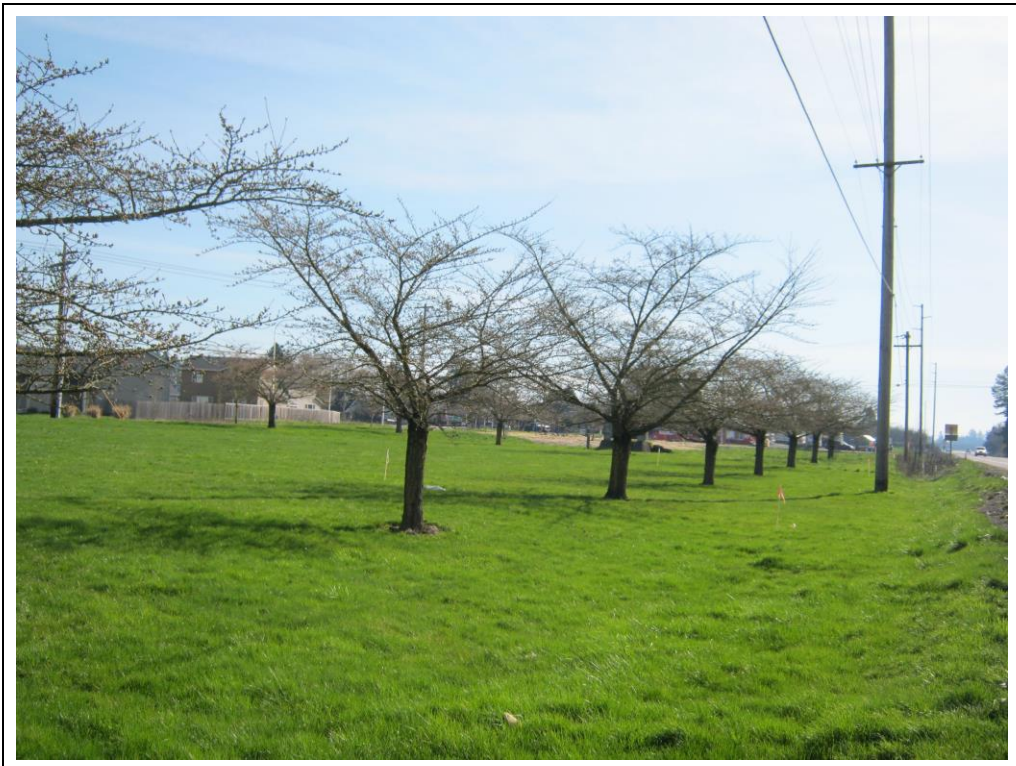
3. View northwest across the subject property.
(10452-381, taken March 13, 2015)



4. View southeast along Parcel 1.
(10452-77, taken February 24, 2015)



5. View of Parcel 1 in proximity to chain link fence.
(10452-82, taken February 24, 2015)



6. View southeast along Parcel 1.
(10452-83, taken February 24, 2015)

APPRAISAL OF THE SUBJECT PROPERTY

18. VALUATION OF THE LAND BEFORE THE TAKING:

The Sales Comparison Approach is used to value the subject before the taking, as vacant and ready for development to its highest and best uses.

The market was surveyed for comparable land sales. Data sources included the Willamette Valley Multiple Listing Service (WVMLS), Regional Multiple Listing Service (RMLS), LoopNet, CoStar, various County assessment records, and interviews with Realtors in the regional market area. Emphasis was placed on the date of sale, location, access, exposure, and size. As discussed in further detail below, the comparable search revealed several sales from which to compare to the subject property. Unless otherwise specified, each sale was personally verified with a party to the transaction (buyer, seller, or agent involved in the sale). If confirmation of the sale with a non-related person or resource was used, the method and extent of confirmation is explained in greater detail within the comparable narrative in the following section and in the Data Sheets.

19. EXPLAIN ADJUSTMENTS AND RELATE COMPARABLE LAND SALES DATA TO SUBJECT:

Five Year Sales History of the Subject: The subject property has not sold within the previous five years.

LAND COMPARABLE SALES:

The **price per square foot** unit of comparison will be used in this analysis. This indicator best reflects the behavior of the typical buyer and seller of industrial development properties in the subject market.

The comparable sales transpired between early 2014 and late 2014. They represent sales of industrial development land in Yamhill and Washington Counties with highest and best uses similar to the subject property.

On a price per square foot basis, the comparable sales have an unadjusted overall price range of **\$3.70 to \$8.23 per SF**.

The following adjustments are considered:

Contributory Value of Improvements: The comparables were not improved; **therefore, no adjustments were necessary.**

Property Rights Conveyed: Properties are sold with a specific bundle of rights and typically reflect various forms of ownership interest. The subject is valued in fee simple. All of the comparable sales reflect the transfer of fee simple ownership; **therefore, no adjustments were necessary.**

Financing Terms: Financing can play an important role in a sale transaction. Whether a sale reflects conventional mortgage financing, seller financing or cash can increase or decrease the effective sale price. The comparable sales are analyzed to ensure typical financing or cash equivalency. All of the comparables sold via conventional mortgage financing or cash; **therefore, no adjustments were necessary.**

Conditions of Sale: Conditions of sale reflects the motivations of the buyer and seller. An adjustment is necessary if either party is operating under duress. Examples include a seller that needs cash in a hurry or a buyer who needs the property in order to complete an assemblage or 1031 exchange. In times of recession, lower prices are often negotiated in order to facilitate a sale rather than give the property back to the bank. Transactions of this type are not necessarily reflective of arm's length negotiations and may require an adjustment.

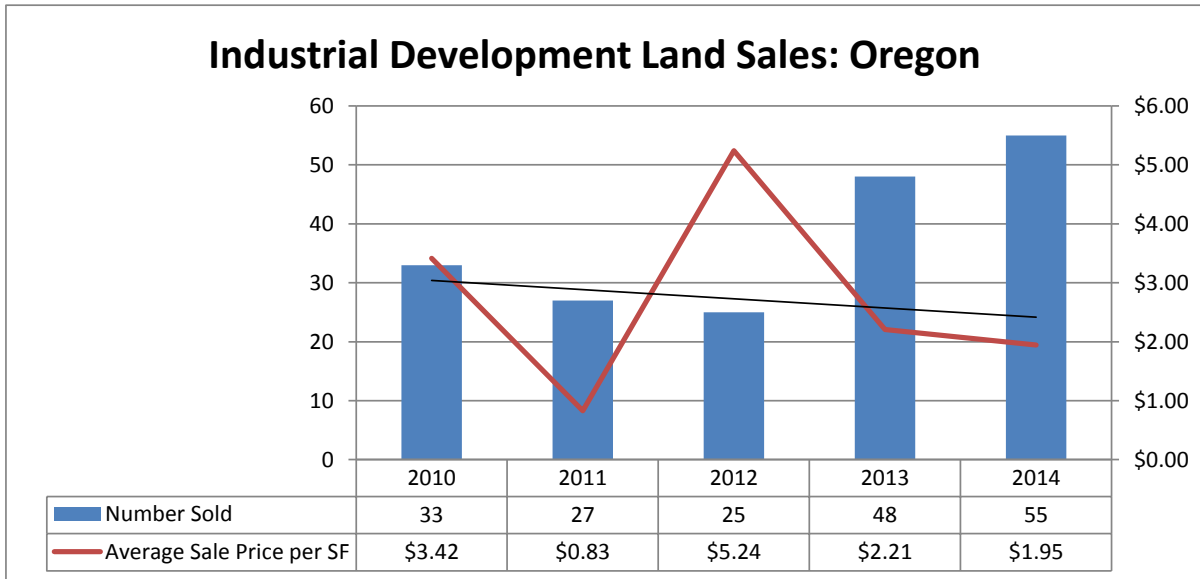
Comparable 1 was bank-owned at the time of sale. According to the buyers' agent, the sale price was at or near market levels (despite the fact that the property was bank-owned at the time of sale and sold at auction). The REO nature of the sale had no effect on the sale price.

The remaining comparables reflect arm's length negotiations, with no atypical buyer/seller motivations; **therefore, no adjustments were necessary.**

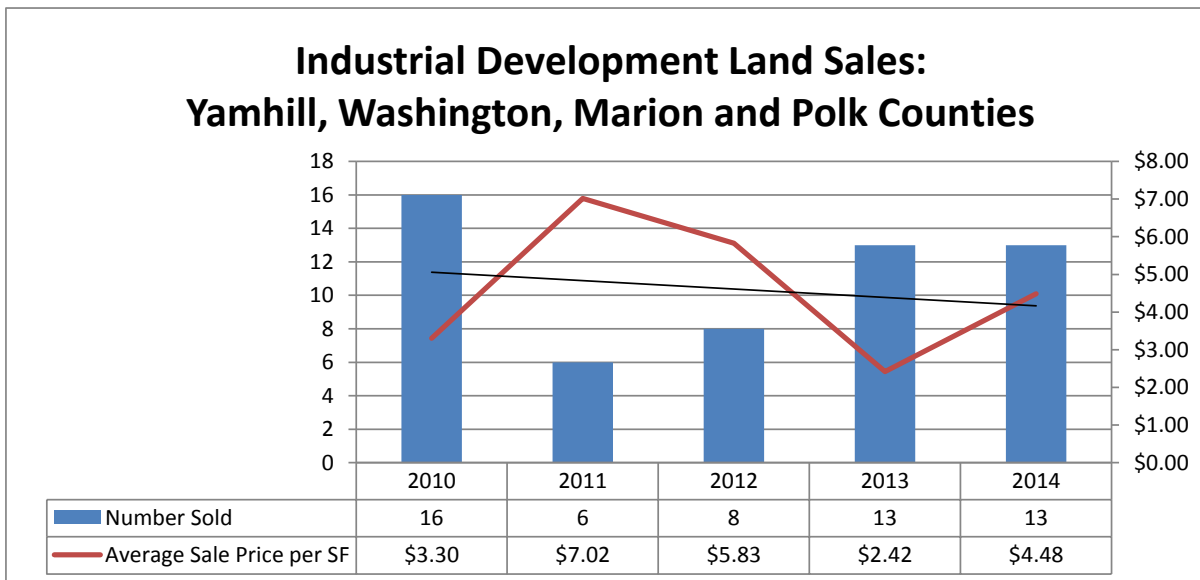
Expenditures Made After Sale: For development sites, these costs typically include demolishing improvements and readying the site for development.

The comparables represent raw development parcels requiring no expenditures after sale; therefore no adjustments were necessary.

Market Conditions: The following charts were prepared utilizing data from CoStar:



The number of sales of industrial development land in Oregon increased overall from 2010 to 2014. The average sale price per square foot fluctuated over the same time period, but decreased overall. A line of regression for the average sale price per square foot has been graphed. The slope of the regression line indicates a change in the average sale price per square foot of **-5.13% per year** between 2010 and 2014. **The relatively few number of sales is prone to skewing by a single outlier transaction, and may not accurately reflect the market for industrial development land.**



The number of sales of industrial development land in Yamhill, Washington, Marion and Polk Counties increased overall from 2011 to 2014. The average sale price per square foot fluctuated from 2010 to 2014, but decreased overall. A line of regression for the average sale price per square foot has been graphed. The slope of the regression line indicates a change in the average sale price per square foot of **-4.41% per year** between 2010 and 2014. **The relatively few number of sales is prone to skewing by a single outlier transaction, and may not accurately reflect the market for industrial development land.**

The comparable sales transpired between early 2014 and late 2014. Various market participants, including buyers, sellers and Realtors involved in recent sales transactions, were contacted regarding an adjustment for market conditions. All participants reported that the industrial development land market in the region has remained relatively level over the past several years. Based upon this anecdotal information, **and considering the recent nature of the comparable data, no market conditions adjustment is applied to the comparable sales.**

Other Adjustments: As reliable percentage or dollar adjustments could not be quantified based on the limited sales data available, qualitative analysis is used to compare the comparable sales to the subject. Characteristics including buyer/seller motivations (conditions of sale), location, access/exposure, size, zoning, developability issues/percent developable, improvements and availability of utilities are considered in the analysis. **In valuing raw land, economies of scale are in play, with a premise that buyers will pay less per unit of comparison for larger sites. Conversely, a buyer will pay more per unit of comparison for smaller sites.**

The adjustments are identified on the Land Comparable Tabulation Chart and Adjustment Grid included at the end of this section.

Comparable Analysis:

The characteristics of the comparables are outlined in the following narrative. Aerial photographs were supplied courtesy of Google Earth. Information regarding the comparables is presented on the Land Comparable Tabulation Chart and Adjustment Grid, which follows the comparable discussion, and on the Data Sheets located in the Addenda.



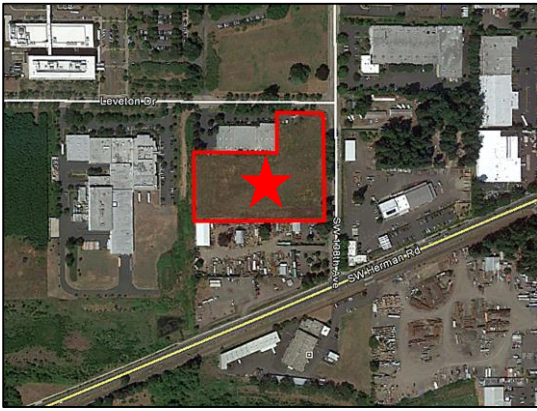
15104 SW Oregon Street
Sherwood, OR
Washington County
02S 01W 29DC (TL 800)
Aerial Photograph Courtesy of Google Earth

Comparable 1 (\$4.37/SF) is the April 2014 sale of a 2.76 AC parcel of industrial development land in Sherwood, OR.

The property was listed for sale at \$811,523 for approximately two years before selling at \$525,000 (35.31% discount from list price). According to the buyers' agent, the sale price was at or near market levels (despite the fact that the property was bank-owned at the time of sale and sold at auction). The REO nature of the sale had no effect on the sale price. The property was purchased for future development of an industrial building.

The location in Sherwood is superior, noting the proximity to the Portland area and the recent development/growth of the community. Access/exposure are very inferior when compared to the subject. The site size is similar. Zoning (LI: Light Industrial) is similar. The site is encumbered by a 0.33 AC DEQ area, which is essentially undevelopable. As such, the site is approximately 88% developable. This is slightly inferior when compared to the subject (100% developable). It is unimproved; this is similar when compared to the subject (which is appraised as a vacant site). It has all city utilities available/adjacent; this is similar when compared to the subject.

Overall, this is a **low indicator** for the subject.



18655 SW 108th Avenue
Tualatin, OR
Washington County
02S 01W 22AD (TLs 1300, 1400 & 1500)
Aerial Photograph Courtesy of Google Earth

Comparable 2 (\$6.00/SF) is the June 2014 sale of a 5.36 AC parcel of industrial development land in Tualatin, OR.

The property was listed for sale at \$1,755,115 for 1,106 days before selling at \$1,400,000 (20.23% discount from list price). It was not bank-owned at the time of sale and buyer/seller motivations were typical. It was purchased for future development of an industrial building.

The location in Tualatin is very superior, noting the proximity to the Portland area and the recent development/growth of the community. Access/exposure are inferior when compared to the subject. The larger site size places some downward pressure on the price per SF indication. Zoning (ML: Light Manufacturing) is similar. The site is essentially unencumbered and is 100% developable. This is similar when compared to the subject (100% developable). It is unimproved; this is similar when compared to the subject (which is appraised as a vacant site). It has all city utilities available/adjacent; this is similar when compared to the subject.

Overall, this is a **high indicator** for the subject.



NE Miller Street
McMinnville, OR
Yamhill County
04S 04W 15C (TL 1900)
Aerial Photograph Courtesy of Google Earth

Comparable 3 (\$3.99/SF) is the June 2014 sale of a 1.00 AC parcel of industrial development land in McMinnville, OR.

The property was listed for sale at \$185,000 for approximately one year before selling at \$174,000 (5.95% discount from list price). It was not bank-owned at the time of sale and buyer/seller motivations were typical. It was purchased for future development of an industrial building.

The location in McMinnville is similar. Access/exposure are very inferior when compared to the subject. The smaller site size places some upward pressure on the price per SF indication. Zoning (M-2: General Industrial) is similar. The site is essentially unencumbered and is 100% developable. This is similar when compared to the subject (100% developable). It is unimproved; this is similar when compared to the subject (which is appraised as a vacant site). It has all city utilities available/adjacent; this is similar when compared to the subject.

Overall, this is a **low indicator** for the subject.



801 N Meridian Street
Newberg, OR
Yamhill County
03S 02W 18DD (TL 100)
Aerial Photograph Courtesy of Google Earth

Comparable 4 (\$3.70/SF) is the October 2014 sale of a 0.62 AC parcel of industrial development land in Newberg, OR.

The property was listed for sale at \$110,000 for 506 days before selling at \$100,000 (9.09% discount from list price). It was not bank-owned at the time of sale and buyer/seller motivations were typical. It was purchased for future development of an industrial building.

The location in Newberg is similar. Access/exposure are very inferior when compared to the subject. The smaller site size places upward pressure on the price per SF indication. Zoning (M-2: Light Industrial) is similar. The site is essentially unencumbered and is 100% developable. This is similar when compared to the subject (100% developable). It is unimproved; this is similar when compared to the subject (which is appraised as a vacant site). It has all city utilities available/adjacent; this is similar when compared to the subject.

Overall, this is a **low indicator** for the subject.



20675 SW Olds Place
Sherwood, OR
Washington County
02S 01W 29A (TL 2000)
Aerial Photograph Courtesy of Google Earth

Comparable 5 (\$8.23/SF) is the November 2014 sale of a 0.92 AC parcel of industrial development land in Sherwood, OR.

The property was listed for sale at \$360,000 for approximately one year before selling at \$330,000 (8.33% discount from list price). It was not bank-owned at the time of sale and buyer/seller motivations were typical. It was purchased for future development of an industrial building.

The location in Sherwood is very superior, noting the proximity to the Portland area, the recent development/growth of the community and the proximity to commercial services. Access/exposure are similar. The smaller site size places some upward pressure on the price per SF indication. Zoning (LI: Light Industrial) is similar. The site is essentially unencumbered and is 100% developable. This is similar when compared to the subject (100% developable). It is unimproved; this is similar when compared to the subject (which is appraised as a vacant site). It has all city utilities available/adjacent; this is similar when compared to the subject.

Overall, this is a **high indicator** for the subject.

20. SUMMARY OF LAND COMPARABLE SALES ANALYSIS:

Based on the physical and locational characteristics influencing value, all of the comparables are similar to the subject with regard to utility and highest and best use. The perceived placement of the subject is illustrated amongst the comparable array in the following table:

Comparable	Adjusted Price/SF	Indication
5	\$8.23	High
2	\$6.00	High
SUBJECT		
1	\$4.37	Low
3	\$3.99	Low
4	\$3.70	Low

Overall, the comparable sales support a unit value between **\$4.37 and \$6.00/SF** for the subject. The arrayed data adheres to the following pattern: high \$/SF comparables are high indicators of value for the subject, while low \$/SF comparables are low indicators of value for the subject.

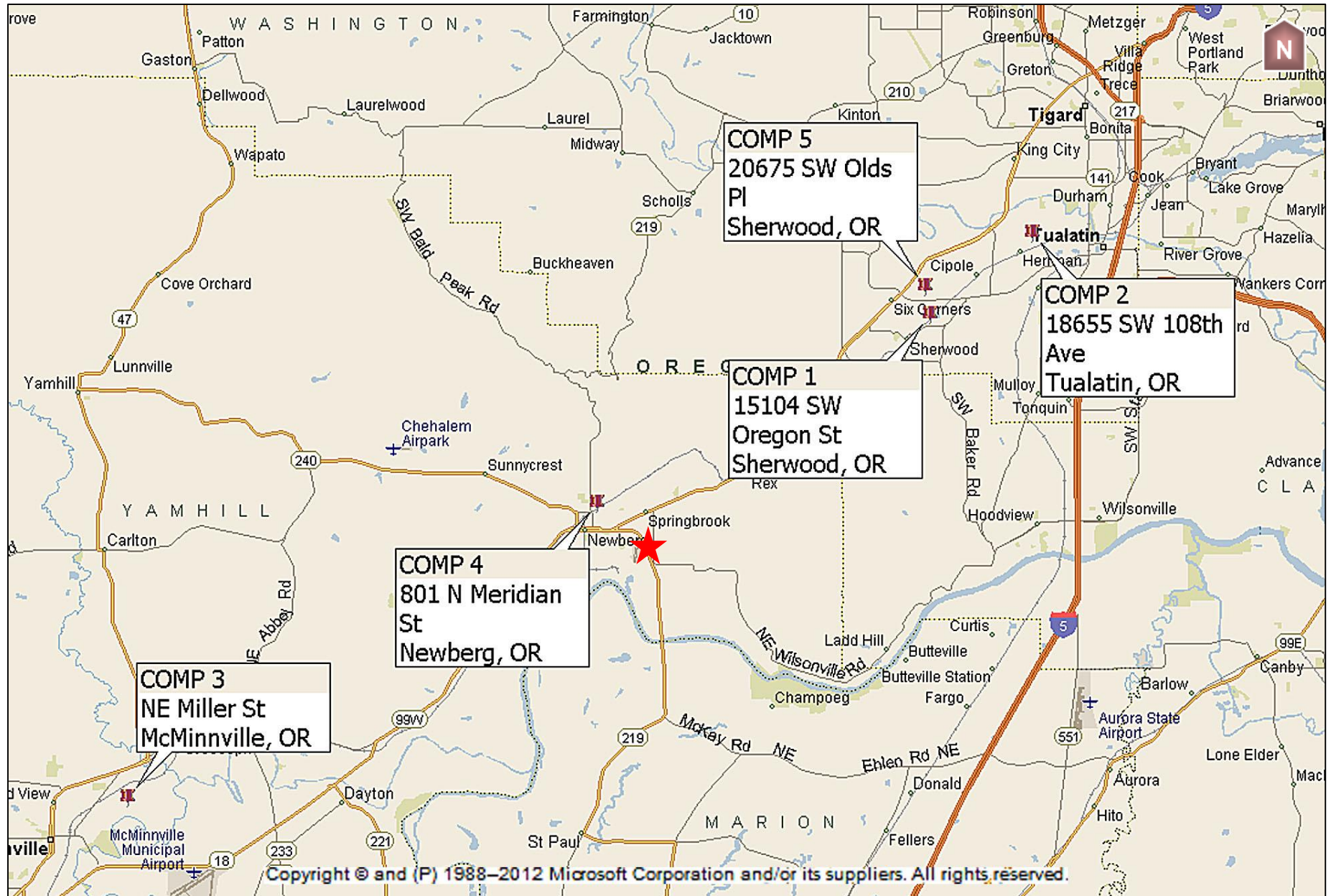
Unit Value Conclusion: Overall, the qualitative analysis supports a unit value of **\$5.50/SF for the subject property.**

The Land Comparable Tabulation Chart and Land Comparable Map are located on the following pages.

LAND COMPARABLE TABULATION CHART AND ADJUSTMENT GRID

Characteristics	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	
Address	1101 NE Wilsonville Road	15104 SW Oregon Street	18655 SW 108th Avenue	NE Miller Street	801 N Meridian Street	20675 SW Olds Place	
City, State	Newberg, OR	Sherwood, OR	Tualatin, OR	McMinnville, OR	Newberg, OR	Sherwood, OR	
County	Yamhill	Washington	Washington	Yamhill	Yamhill	Washington	
Map & Tax Lot	03S 02W 21 (TL 2101)	02S 01W 29DC (TL 800)	02S 01W 22AD (TLs 1300, 1400 & 1500)	04S 04W 15C (TL 1900)	03S 02W 18DD (TL 100)	02S 01W 29A (TL 2000)	
Sale Date	VALUATION DATE: March 6, 2015	April 24, 2014	June 17, 2014	June 27, 2014	October 8, 2014	November 3, 2014	
Sale Price		\$525,000	\$1,400,000	\$174,000	\$100,000	\$330,000	
Price/SF (Unadjusted)		\$4.37	\$6.00	\$3.99	\$3.70	\$8.23	
Date Inspected	March 6, 2015	March 14, 2015	March 14, 2015	March 14, 2015	March 13, 2015	March 14, 2015	
Total Site Area (AC)	2.94 +/-	2.76	5.36	1.00	0.62	0.92	
Total Site Area (SF)	128,021 +/-	120,226	233,482	43,560	27,007	40,075	
Zoning	M-2 (Light Industrial)	LI (Light Industrial): City	ML (Light Manufacturing): City	M-2 (General Industrial): City	M-2 (Light Industrial): City	LI (Light Industrial): City	
Comprehensive Plan Designation	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial	
Access	NE Wilsonville Rd off S Springbrook Rd	SW Oregon St off SW Tualatin-Sherwood Rd	SW 108th Ave off SW Herman Rd	NE Miller St off NE Riverside Dr	N Meridian St off Hwy 99W	SW Olds Pl off SW Tualatin-Sherwood Rd	
Exposure	NE Wilsonville Rd and Hwy 219	SW Oregon St	SW 108th Ave	NE Miller St	N Meridian St	SW Olds Pl	
Developability Issues	None	DEQ Area (0.33 AC)	None	None	None	None	
Percent Developable	100%	88%	100%	100%	100%	100%	
Improvements	None: Appraised as a Vacant Site (See Narrative)	None	None	None	None	None	
Utilities	Available/Adjacent	Available/Adjacent	Available/Adjacent	Available/Adjacent	Available/Adjacent	Available/Adjacent	
Element		Description	Adj (+/-)	Description	Adj (+/-)	Description	Adj (+/-)
Contributory Value of Improvements		None	\$0	None	\$0	None	\$0
Property Rights Conveyed		Fee Simple	\$0	Fee Simple	\$0	Fee Simple	\$0
Financing Terms		REO (No Effect)	\$0	Conventional	\$0	Conventional	\$0
Conditions of Sale		Arm's Length	\$0	Arm's Length	\$0	Arm's Length	\$0
Expenditures After Sale		None	\$0	None	\$0	None	\$0
Market Conditions	None	0.00%	\$0	0.00%	\$0	0.00%	\$0
Adjusted Sales Price		\$525,000		\$1,400,000		\$100,000	\$330,000
Adjusted Price SF		\$4.37		\$6.00		\$3.70	\$8.23
Qualitative Adjustment		Comparison	Rating (+/-)	Comparison	Rating (+/-)	Comparison	Rating (+/-)
Buyer/Seller Motivations	Typical	REO (No Effect)	=	Typical (Sim.)	=	Typical (Sim.)	=
Location	Newberg, Yamhill County, Oregon	Superior	+	V. Superior	++	Similar	=
Access/Exposure	Average/Good	V. Inferior	--	Inferior	-	V. Inferior	--
Size (SF)	128,021 +/-	Similar	=	Larger (Sl. Inf.)	-/=	Smaller (Sl. Sup.)	+/=
Zoning	M-2 (Light Industrial)	Similar	=	Similar	=	Similar	=
Developability Issues/Percent Developable	None/100%	Sl. Inferior	-/=	Similar	=	Similar	=
Improvements	None: Appraised as a Vacant Site (See Narrative)	None (Sim.)	=	None (Sim.)	=	None (Sim.)	=
Utilities	Available/Adjacent	Similar	=	Similar	=	Similar	=
Comparability		-		+/=		-	
Conclusion		Low Indicator		High Indicator		Low Indicator	
Confirmation							
Source		CoStar		CoStar		RMLS	
Agent, Grantor or Grantee		Agent		Agent		Agent	
Name		Dave Hohmann		Stu Peterson		Ginger Bennett	
Phone No.		503-502-4877		503-972-7288		503-407-5776	
Confirmed		Phone/Sale Sheet/County Recs		Phone/Sale Sheet/County Recs		Phone/Sale Sheet/County Recs	

LAND COMPARABLE MAP



21. SUMMARY OF LAND VALUE:

LAND CLASSIFICATION	AREA	UNIT PRICE
1. Subject Property	128,021 SF @	\$5.50 /SF = \$ 704,116
TOTAL FOR LAND: \$		704,116

35. DETAILED DESCRIPTION OF THE TAKING:

The taking consists of a fee taking. The location of this parcel is depicted on the Right of Way Sketch previously presented.

The improvements (fence and power substation) are located outside the fee take. As such, the existing improvements are not impacted.

However, the fee take impacts landscaping.

The legal description of the parcel is as follows:

File 7588535
 Drawing 11B-7-28
 5/19/2014

EXHIBIT A - Page 1 of 1

Fee

A parcel of land lying in the Richard Everest D.L.C. No. 52, Township 3 South, Range 2 West, W.M., Yamhill County, Oregon and being a portion of that property described in that Statutory Warranty Deed to Portland General Electric Company, recorded February 21, 1997 as Instrument No. 199702708, Records of Yamhill County; the said parcel being that portion of said property included in a strip of variable in width, lying on the Easterly side of the center line of the relocated Hillsboro – Silverton Highway, which center line is described as follows:

Beginning at Engineer’s center line Station ‘B’ 40+62.10, said station being 2,530.30 feet North and 1,155.69 feet West of the Southeast corner of the Richard Everest D.L.C. No. 52, Township 3 South, Range 2 West, W.M.; thence South 21° 02’ 39” East 4,211.41 feet to Engineers Station ‘B’ 82+73.51.

The width in feet of said strip of land is as follows:

Station	to	Station	Width on Easterly Side of Center Line
‘B’ 59+50.00		‘B’ 61+50.00	92.00
‘B’ 61+50.00		‘B’ 64+45.00	92.00 in a straight line to 76.00
‘B’ 64+45.00		‘B’ 67+75.00	76.00 in a straight line to 75.00

Bearings are based on County Survey No. 12222, filed September 26, 2006, Yamhill County, Oregon.

This parcel of land contains 21,299 square feet, more or less.

REGISTERED
 PROFESSIONAL
 LAND SURVEYOR

OREGON
 JUNE 13, 2008
MICHAEL RAEY FALLERT
 78960

RENEWAL DATE: 12/31/15

Parcel 1: Value of the Land within the Fee Taking

The area of **Parcel 1** is **21,299 SF**, more or less.

The qualitative analysis presented in the Sales Comparison (Market Data) Approach supports a unit value of \$5.50/SF for the subject property.

In the case of the fee taking (Parcel 1), the entire bundle of rights is removed. As such, 100% of the fee value of the land within Parcel 1 is compensated.

The concluded value of the take associated with Parcel 1 is \$117,145.

Parcel	Parcel Size (SF)	Fee Unit Value (\$/SF)	Concluded Value of Parcel (or portion)	Type of Taking	Percentage of Fee	Concluded Value of Take
1	21,299	\$5.50	\$117,145	Fee Take	100%	\$117,145

36. VALUATION OF IMPROVEMENTS WITHIN THE TAKING:

There are no improvements within the taking. However, the taking is improved with landscaping.

The value of the improvements within the take area was based on replacement cost new less depreciation. The value of the compensable improvements was estimated using cost data obtained from a national cost estimating service, specifically Marshall Valuation Service (MVS). Measurements were made from construction diagrams. Then, the estimated economic life as reported by Marshall Valuation Service was utilized to arrive at the depreciated cost.

Parcel 1: Improvements impacted by Parcel 1 include landscaping. The replacement cost new and depreciated replacement cost new are summarized in the following tables:

IMPACTED HARDSCAPE, SITE IMPROVEMENTS & LANDSCAPING WITHIN PARCEL 1: FEE TAKING (MARSHALL VALUATION)								
Description	Size	Unit Cost	Current	Local	Change Multiplier	Total Direct Costs	Indirect Costs	Cost New
Landscaping (Industrial Park: Low Cost)	21,299 SF	x \$2.08 /SF	x 1.04	x 1.07	x 1.000	= \$ 49,299	x 1.05	= \$ 51,764
Site Improvements: Replacement Cost New						\$ 49,299		\$ 51,764

PHYSICAL DETERIORATION - IMPACTED HARDSCAPE, SITE IMPROVEMENTS & LANDSCAPING WITHIN PARCEL 1: FEE TAKING							
Description	Economic Life	Actual Age	Effective Age*	Depreciation %	Replacement Cost	Physical Det.	Dep. Rep. Cost
Landscaping (Industrial Park: Low Cost)	12	N/A	4	33.33%	\$ 51,764	\$ 17,255	\$ 34,509
Physical Deterioration				33.33%	\$ 51,764	\$ 17,255	\$ 34,509
TOTAL DEPRECIATED REPLACEMENT COST							\$ 34,509

*By observation.

Therefore, the value of the improvements within Parcel 1 totals \$34,509.

37. DETAILED DESCRIPTION OF THE REMAINDER PROPERTY:

Zoning

The zoning of the remainder subject property will not have changed; M-2 (Light Industrial).

Utilities

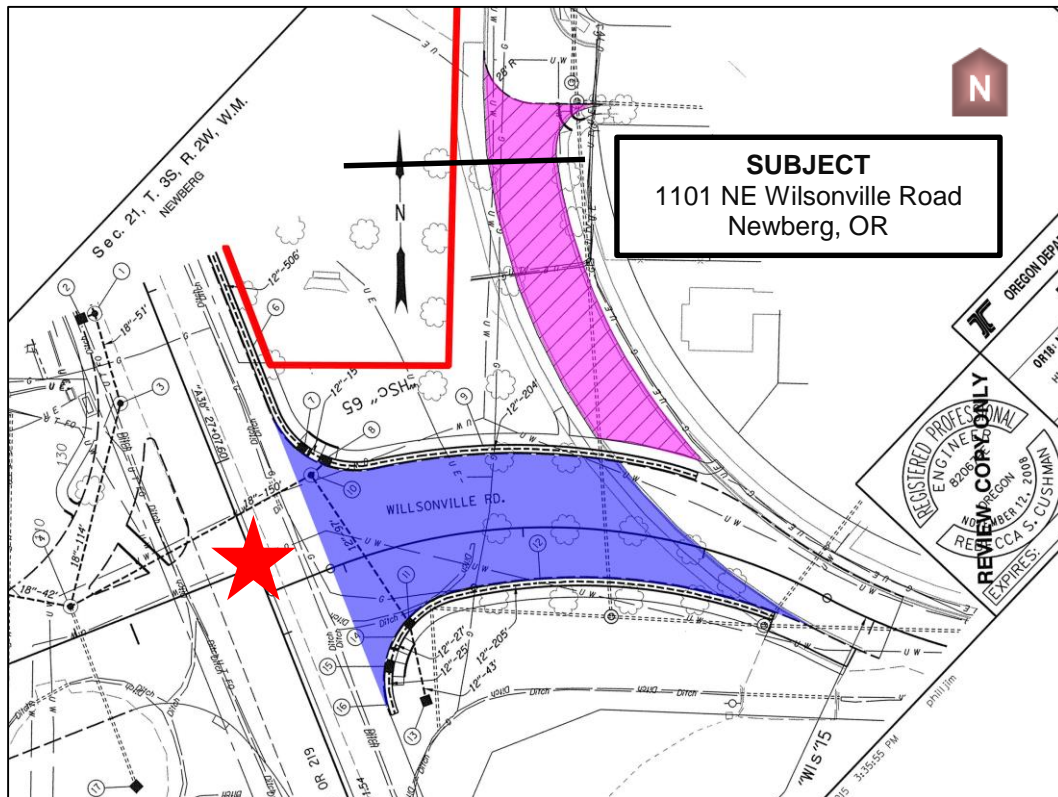
After acquisition, the utilities associated with the remainder subject property will not have changed (see also the Terms of State's Offer).

The Site

The remainder subject property is a regularly-shaped parcel (trapezoid) measuring 106,722 SF +/- (2.45 AC +/-), according to measurements illustrated on the ODOT Sketch Map (May 19, 2014).

Access

The bypass connects with Highway 219 (indicated by a star in the ODOT Construction Plan map below) to the southwest of the remainder subject property (outlined in red) and will be a signalized intersection. In addition, NE Wilsonville Road will be reconnected to Highway 219 to the immediate south of the remainder subject property (shaded blue), and a portion of NE Wilsonville Road will be closed (shaded pink):



After acquisition, access to the remainder subject property will have changed; the subject is still accessed from the north (NE Wilsonville off Springbrook Road), but will no longer be accessible from the south as a portion of NE Wilsonville Road will be closed to the south and re-routed to 219.

The subject retains reasonable access after acquisition.

These characteristics of the bypass project will enhance the remainder subject property's exposure.

The floodplain characteristics of the remainder subject property will not have changed after acquisition.

Other than a change in parcel size, access, and exposure to the bypass, the characteristics of the remainder subject property after acquisition are relatively similar to the subject property before acquisition.

Improvements

The improvements (fence and power substation) are located outside the fee take. As such, the existing improvements are not impacted.

Highest and Best Use

Other than a change in parcel size, access, and exposure to the bypass, the characteristics of the remainder subject property after acquisition are relatively similar to the subject property before acquisition.

Therefore, the highest and best use of the remainder subject property remains unchanged when compared to the subject property before acquisition.

COMPENSABLE DAMAGES AND SPECIAL BENEFITS

52. EXPLANATION OF LOSS OF VALUE TO THE REMAINDER PROPERTY:

Other than a change in parcel size, access, and exposure to the bypass, the characteristics of the remainder subject property after acquisition are relatively similar to the subject property before acquisition.

Parcel 1 impacted landscaping that served as a visual buffer. Note, however, that the ODOT construction plan indicates that street trees (visual buffer landscaping) will be planted in the fee take area. **Therefore there is no loss in value to the remainder subject property.**

After acquisition, access to the remainder subject property will have changed; the subject is still accessed from the north (NE Wilsonville off Springbrook Road), but will no longer be accessible from the south as a portion of NE Wilsonville Road will be closed to the south and re-routed to 219.

The subject retains reasonable access after acquisition.

There are no damages associated with the acquisition.

53. EXPLANATION OF INCREASE OF VALUE TO THE REMAINDER PROPERTY:

The bypass connects with Highway 219 to the southwest of the remainder subject property and will be a signalized intersection. In addition, NE Wilsonville Road will be reconnected to Highway 219 to the immediate south of the remainder subject property, and a portion of NE Wilsonville Road will be closed.

These characteristics of the bypass project will enhance the remainder subject property's exposure, and may result in an increase in the value of the subject remainder property.

54. COST TO CURE ALTERNATES:

There are no damages associated with remainder property.

ALLOCATION SHEET

TOTAL VALUE OF THE TAKING IS ALLOCATED AS FOLLOWS:

57. Land:

	LAND CLASSIFICATION	AREA	UNIT PRICE	
1.	Fee Taking (Parcel 1)	21,299 SF @	\$5.50/SF	\$ 117,145
TOTAL FOR LAND:				\$ 117,145

58. IMPROVEMENTS IN TAKING:

1.	Parcel 1 (Landscaping)		\$ 34,509
TOTAL IMPROVEMENTS:			\$ 34,509

59. VALUE OF TAKE: (Land and Improvements) \$ 151,654

60. DAMAGES TO REMAINDER: (Land and Improvements)
INCURABLE:

1.	N/A		\$ 0
TOTAL INCURABLE DAMAGES:			\$ 0

CURABLE (Cost to Cure Estimates):

1.	N/A		\$ 0
TOTAL COST TO CURE:			\$ 0

TOTAL DAMAGES TO REMAINDER (Curable Plus Incurable): \$ 0

61. SPECIAL BENEFITS: \$ 0

62. NET DAMAGES: (Total Damages Minus Special Benefits) \$ 0

63. FAIR MARKET VALUE: \$ 151,654
FAIR MARKET VALUE (ROUNDED): \$ 151,700

64. FENCING ALLOWANCE: 0 L.F. @ \$0/L.F. \$ 0

65. HAZARDOUS WASTE INVESTIGATION STATEMENT: Appropriate Not Appropriate

If appropriate describe: N/A

CERTIFICATE OF APPRAISER

I hereby certify: that on ***March 6, 2015**, I personally made a field inspection of the property herein appraised and have afforded the property owner or his personally designated representative the opportunity to accompany me at the time of inspection. I have also personally made a field inspection of the comparable sales relied upon in making said appraisal. The subject and the comparable sales relied upon in making said appraisal were as represented in said appraisal.

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

Daniel P. Harms, State Certified General Appraiser #C001113 (expires January 31, 2016) provided significant real property appraisal assistance to the person signing this report. All work performed by Mr. Harms has been overseen, reviewed and approved by C. Spencer Powell, MAI.

That to the best of my knowledge and belief the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed herein are based is correct; subject to the limiting conditions herein set forth. That I understand that such appraisal may be used in connection with the acquisition of property for a project to be constructed by the State of Oregon with the assistance of Federal-Aid Highway funds or other Federal Funds.

That such appraisal has been made in conformity with the appropriate State laws, regulations, and policies and procedures applicable to appraisal of property for such purposes; and that to the best of my knowledge, no portion of the value assigned to such property consists of items which are noncompensable under established law of said State. That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.

That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property appraised.

That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the acquiring Agency of said State or officials of the Federal Highway Administration and I will not do so until so authorized by said State officials, or until I am required to do so by due process of law. It is clearly understood by me that this appraisal has been requested by the Oregon Department of Transportation for the purposes of negotiations or contemplated or pending litigation to acquire the property evaluated herein; that I will provide such additional appraisal services as may be requested by the Oregon Department of Transportation in the valuation of this property; and, if called upon to do so, I will defend this appraisal in court.

That any decrease or increase in the fair market value of the real property herein appraised, prior to the date of valuation, which decrease or increase, other than that due to physical deterioration within the reasonable control of the owner(s), was caused by the public improvement for which the property is being acquired, or by the likelihood that the property would be acquired for such improvement, has been disregarded in determining the compensation for the property.

That my opinion of fair market value for the acquisition, including damages, if any, to the remaining property, as of ****March 6, 2015**, is *****\$151,700** based upon my independent appraisal and the exercise of my professional judgment, and that the conclusion set forth in this appraisal was reached without collaboration or direction as to value.

(Signature) C. Spencer Powell, MAI
OR State Certified General Appraiser
No. C000154

Expiration Date: February 28, 2017

(Bus Phone)

March 26, 2015
(Date)







- * Date(s) subject was inspected
- ** Date of Valuation
- *** Value of property to be acquired

TAXES AND ASSESSMENT DATA

Yamhill County Property Tax Search

Search Again

Data Current as of: Feb 3, 2015

Account Info:		 Market Land Value	\$0
Account No	62791	 Market Structure Value	\$0
Map/Tax Lot Number	R3221 02101	 Total RMV	\$0
 Property Class	0036	 Total Assessed Value	\$0
 Tax Code Area	29.0	Exemption	\$0
Property Status	ACTIVE	Net Taxable	\$0
Associated Pin		2014-2015 Levied Tax	\$0.00
Owner Info:		Account Balance	\$0.00
Property Owner	RESIDENT	← Account has no outstanding balance	
Situs Address	01101 WILSONVILLE RD		
Owner Mailing Address	121 SW SALMON ST PORTLAND OR 97201		

Property Info:

Year Built	Acres/ Lot Sq Ft	Square Footage	Number of Bedrooms	Number of Bathrooms	Stories
0000	3.24	0	0	0.00	0

Sales Info:

Deed Reference Number	Sale Date	Sale Price
1997/02708	Feb 21, 1997	235,000



View this tax lot on the Yamhill County GIS Maps



View the plat map for this tax lot

Tax & Payment History:

Stmts	Tax Year	Payments	Interest/ Discount	Fees	Levied Taxes	Last Activity Date
	1997	0.00	0.00	0.00	0.00	12/15/1997
	1996	-1267.37	-39.19	0.00	1306.56	11/15/1996
	1995	-1052.04	-32.53	0.00	1084.57	11/15/1995
	1994	-739.25	-22.86	0.00	762.11	11/15/1994
	1993	-818.32	-25.30	0.00	843.62	
	1992	-897.74	-27.77	0.00	925.51	
	1991	-1008.26	-31.18	0.00	1039.44	

(Summary amounts only. Interest and Fees are calculated at time of payment. There are no fees other than those imposed by the county.)

This product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

Property Detail Report

For Property Located At :
1101 WILSONVILLE RD, NEWBERG, OR 97132-7058



Owner Information

Owner Name: **PORTLAND GENERAL ELECTRIC COMPANY**
 Mailing Address: **121 SW SALMON ST, PORTLAND OR 97204-2908 C013**
 Vesting Codes: **// CO**

Location Information

Legal Description:	3.24 ACRES IN SEC 21 T3S R2W	APN:	62791
County:	YAMHILL, OR	Alternate APN:	R3221 02101
Census Tract / Block:	302.02 / 3	Subdivision:	
Township-Range-Sect:	3S-2W-21	Map Reference:	/ 3S-2W-21
Legal Book/Page:		Tract #:	
Legal Lot:		School District:	29.0
Legal Block:		School District Name:	
Market Area:		Munic/Township:	S.D. 29J- NEWBERG
Neighbor Code:	IND6		

Owner Transfer Information

Recording/Sale Date:	/	Deed Type:	
Sale Price:		1st Mtg Document #:	
Document #:			

Last Market Sale Information

Recording/Sale Date:	05/21/2007 / 04/24/2007	1st Mtg Amount/Type:	/
Sale Price:	\$22,600	1st Mtg Int. Rate/Type:	/
Sale Type:		1st Mtg Document #:	
Document #:	11068	2nd Mtg Amount/Type:	/
Deed Type:	WARRANTY DEED	2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	
New Construction:		Multi/Split Sale:	
Title Company:	TICOR TITLE INSURANCE CO.		
Lender:			
Seller Name:	PORTLAND GENERAL ELECTRIC		

Prior Sale Information

Prior Rec/Sale Date:	02/21/1997 / 02/21/1997	Prior Lender:	
Prior Sale Price:	\$235,000	Prior 1st Mtg Amt/Type:	/
Prior Doc Number:	2708	Prior 1st Mtg Rate/Type:	/
Prior Deed Type:	WARRANTY DEED		

Property Characteristics

Year Built / Eff:	/	Total Rooms/Offices		Garage Area:	
Gross Area:		Total Restrooms:		Garage Capacity:	
Building Area:		Roof Type:		Parking Spaces:	
Tot Adj Area:		Roof Material:		Heat Type:	
Above Grade:		Construction:		Air Cond:	
# of Stories:		Foundation:		Pool:	
Other Improvements:		Exterior wall:		Quality:	
		Basement Area:		Condition:	

Site Information

Zoning:		Acres:	3.24	County Use:	MISC PROPERTY/CENTRAL ASSESS (003)
Lot Area:	141,134	Lot Width/Depth:	x	State Use:	MISC PROPERTY/CENTRAL ASSESS (003)
Land Use:	MISCELLANEOUS	Commercial Units:		Water Type:	
Site Influence:	WATERFRONT	Sewer Type:		Building Class:	

Tax Information

Total Value:		Assessed Year:		Property Tax:	
Land Value:		Improved %:		Tax Area:	29.0
Improvement Value:		Tax Year:		Tax Exemption:	
Total Taxable Value:					

15-DAY INSPECTION LETTER



POWELL BANZ
V A L U A T I O N

February 17, 2015

VIA CERTIFIED MAIL

Portland General Electric Company

Attn: Property Representative
121 SW Salmon Street
Portland, OR 97201

**RE: Property Inspection: 1101 Wilsonville Road, Newberg, OR
03S 02W 21 (TL 2101): Yamhill County**
ODOT OR 18 – Newberg-Dundee Bypass Transportation Project
ODOT File 7588-535

Dear Property Representative:

Our firm has been retained by the Oregon Department of Transportation (ODOT) to complete an appraisal of the above captioned property in Yamhill County, Oregon. The appraisal is being conducted in conjunction with the ODOT OR 18 – Newberg-Dundee Bypass Transportation Project. I have made preliminary arrangements to inspect the exterior of the property from public streets on **March 6, 2015**. While it is not necessary for you to accompany me on the inspection, I wanted to give you the opportunity to do so. **Please inform any on-site property contact of our inspection date.**

Oregon law requires that you be given 15-day notice prior to an inspection of the property. If you would like to attend the inspection, and need additional time, we can reschedule. Please contact Daniel P. Harms at 503-371-2403 if you would like to accompany me on the inspection, and/or if you have information that you would like us to consider prior to our meeting. Our mailing address is 2925 River Road S, Suite 270, Salem, Oregon 97302. The contact information of our staff member coordinating this assignment is: Daniel P. Harms, dharms@powellbanz.com, phone: 503-371-2403, fax: 503-371-2613.

If you do not choose to accompany me on the inspection and there is information you want me to consider, I would request that you provide this information to me prior to March 6, 2015.

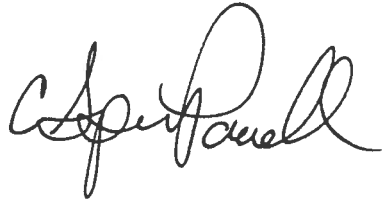
Please note, ODOT survey crews will soon be on the property staking the acquisition areas in conjunction with the transportation project.

Portland General Electric Company

If you have any questions regarding this request or other matters pertaining to the appraisal process, please feel free to contact me at your convenience.

Sincerely,

Powell Banz Valuation, LLC

A handwritten signature in black ink, appearing to read "C. Spencer Powell". The signature is fluid and cursive, with the first name "C. Spencer" and the last name "Powell" clearly distinguishable.

C. Spencer Powell, MAI
OR Certified General Real Estate Appraiser
License No. C000154
Expiration Date: February 28, 2015

CSP:dph

PBV File No. P151160

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery K VANDYK 2-2-15</p>
<p>1. Article Addressed to:</p> <p>Portland General Electric Co Attn: Property Representative 121 SW Salmon St Portland, OR 97201</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from service label)</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p> <p>7012 3460 0002 5642 5230</p>

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

7012 3460 0002 5642 5230

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

PORTLAND OR 97201

Postage	\$ 00.49	0504
Certified Fee	\$3.30	06
Return Receipt Fee (Endorsement Required)	\$2.70	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	FEB 17 2015
Total Postage & Fees	\$ 06.49	02/17/2015

Sent to: Portland General Electric Co
 Street or PO: Attn: Property Representative
 City, State: 121 SW Salmon St
 Portland, OR 97201

PS Fo Instructions

PRELIMINARY TITLE REPORT



320 Church Street NE
P.O. Box 652
Salem, OR 97308-0652
503-581-1431 FAX 364-8716

Oregon Department of Transportation
455 Airport Road SE, Building A
Salem, OR 97301

Attn: Jutta Martin

February 12, 2015
Report #3
Escrow Number :
Escrow Officer:
Title Number : 013157Y
Title Officer : MATT PASLAY
Your Reference: 7588535

PRELIMINARY TITLE REPORT FOR:
PGE
OR18 Newberg Dundee Bypass
Salmon River Highway

<u>Policy or Policies to be issued:</u>	<u>Liability</u>	<u>Premium</u>
OWNER'S STANDARD COVERAGE	\$1.00	\$200.00
Proposed Insured: Oregon Department of Transportation		

We are prepared to issue ALTA (2006) title insurance policy(ies) of **STEWART TITLE GUARANTY COMPANY**, in the usual form insuring the title to the land described as follows:

See Exhibit "A"

and dated as of February 4, 2015 at 8:00 A.M. , title is vested in:

Portland General Electric Company, a Corporation of Oregon

The estate or interest in the land described or referred to in this Commitment and covered herein is:

Fee Simple

"Superior Service with Commitment and Respect for Customers and Employees"

Order No. 013157Y
Page 2

The policy shall be issued subject to the usual printed conditions, stipulations and exclusions from coverage appearing in such policy form and the following:

General Exceptions

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public record or proceedings by a public agency which may result in taxes or assessments or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the public records, reservations or exceptions in patents or in acts authorizing the issuance thereof, water rights, claims or title to water.
4. Any encroachment (of existing improvements located on the subject land onto adjoining land or of existing improvements located on adjoining land onto the subject land), encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the subject land.
5. Any lien, or right to a lien, for services, labor, material, equipment rental or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the public records.

Special Exceptions

6. Taxes paid as follows:
Year : 2013-2014
Exemption : Public Utility
If the exempt status is terminated under the statute prior to the date on which the assessment roll becomes the tax roll in the year in which said taxes were assessed, an additional tax may be levied.
Map No. 3-2-21, Tax Lot 2101, Account No. 62791.
7. City liens, if any, of the City of Newberg. (An inquiry has been directed to the City Clerk concerning the status of such liens and report will follow if such liens are found)
8. Regulations, including levies, liens, assessments, rights of way and easements of the Yamhill Soil and Water Conservation District.
9. The rights of the public in and to that portion of the herein described property lying within the limits of public roads, streets or highways.
10. Limited access in deed to State of Oregon, by and through its Department of Transportation, Highway Department, which provides that no right or easement of right of access to, from or across the State Highway other than expressly therein provided for shall attach to the abutting property,
Recorded : April 22, 1958

Order No. 013157Y
Page 3

11. An easement created by instrument, including the terms and provisions thereof,
Dated : November 30, 1994
Recorded : December 2, 1994 199419073
In Favor Of : Springbrook Estates Limited Partnership
For : Sewer Easement
12. An easement created by instrument, including the terms and provisions thereof,
Dated : March 30, 1995
Recorded : April 5, 1995 199504218
In Favor Of : The City of Newberg, a municipal corporation
For : Utility
13. Supplemental to Indenture of Mortgage and Deed of Trust, including the terms and provisions thereof, Recorded September 6, 1996, as 199614700.
14. Limited access in deed to State of Oregon, by and through its Department of Transportation, Highway Department, which provides that no right or easement of right of access to, from or across the State Highway other than expressly therein provided for shall attach to the abutting property,
Recorded : May 21, 2007 200711068

End of Exceptions

**NOTE: The following is for information purposes only:
The following deed(s) affecting said land were recorded within 24 months of the date of this report.**

NONE

Document : Warranty Deed
Grantor(s): Dennis L. Buckley, Trustee and Phyllis Buckley successor Trustee of Verna M. Buckley Trust
Grantee(s): Portland General Electric Company
Recorded : February 21, 1997 199702708

NOTE: ANY POLICY INSTRUCTIONS AND DOCUMENTS TO BE RECORDED IN YAMHILL COUNTY SHOULD BE SENT DIRECTLY TO OUR DUNDEE OFFICE TO AVOID UNNECESSARY DELAY IN RECORDING TIME:

Street Address:
AmeriTitle
1326 N. Highway 99W, Ste. 101
Dundee, OR 97115
Phone: 503-554-8500
Fax: 503-544-8559

The standard recording charges for Yamhill County are as follows:
\$41.00 for the first page plus \$5.00 for each additional page. Please contact your Title Officer or Escrow Officer for further information.

Note: Underwriter's portion of the total title insurance premium (including endorsements and additional risk premiums, if any) 10%.

Order No. 013157Y
Page 4

NOTE: The legal description contained in this commitment is based on information provided with the application for title insurance and the public records as defined in the policy to issue. The parties to the forthcoming transaction must notify the title company prior to closing if the legal description does not conform to their expectations.

NOTE: Any map or sketch enclosed as an attachment herewith is furnished for information purposes only to assist in property location with reference to streets and other parcels. No representation is made as to accuracy and the company assumes no liability for any loss occurring by reason of reliance thereon.

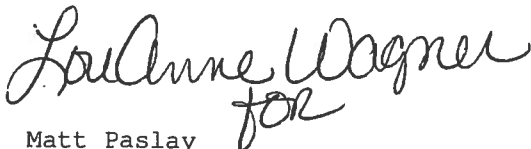
NOTE: Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the parties to the transaction must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.

Note: Report No. 3 is being issued to update report.

This report is preliminary to the issuance of a policy of title insurance and shall become null and void unless a policy is issued and the full premium paid.

Yours truly,

AmeriTitle

A handwritten signature in cursive script that reads "LouAnne Wagner". Below the signature, the word "for" is written in a smaller, simpler cursive script.

Matt Paslay
Title Officer

"Superior Service with Commitment and Respect for Customers and Employees"

Order No. 013157Y
Page 5

Copies of this report have been sent to the following:

Oregon Department of Transportation
455 Airport Road SE, Building A
Salem, OR 97301

Attn: Jutta Martin

BUYER/BORROWER and/or SELLER
C/O ESCROW DEPARTMENT

Order No. 013157Y
Page 6

In Response to the Gramm – Leach – Bliley Act Effective 7/1/2001

PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use the information we have obtained from any other source, such as information obtained from a public record or from another person or entity.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

1. Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
2. Information about your transactions with us, our affiliated companies, or others; and
3. Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies may include financial service providers, exchange companies, other title insurance companies, escrow collection companies, foreclosure companies, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information that we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies, have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

EXHIBIT A - Page 1 of 1

File 7588535
 Drawing 11B-7-28
 5/19/2014

Fee

A parcel of land lying in the Richard Everest D.L.C. No. 52, Township 3 South, Range 2 West, W.M., Yamhill County, Oregon and being a portion of that property described in that Statutory Warranty Deed to Portland General Electric Company, recorded February 21, 1997 as Instrument No. 199702708, Records of Yamhill County; the said parcel being that portion of said property included in a strip of variable in width, lying on the Easterly side of the center line of the relocated Hillsboro – Silverton Highway, which center line is described as follows:

Beginning at Engineer's center line Station 'B' 40+62.10, said station being 2,530.30 feet North and 1,155.69 feet West of the Southeast corner of the Richard Everest D.L.C. No. 52, Township 3 South, Range 2 West, W.M.; thence South 21° 02' 39" East 4,211.41 feet to Engineers Station 'B' 82+73.51.

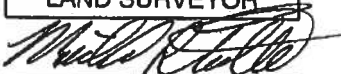
The width in feet of said strip of land is as follows:

Station	to	Station	Width on Easterly Side of Center Line
'B' 59+50.00		'B' 61+50.00	92.00
'B' 61+50.00		'B' 64+45.00	92.00 in a straight line to 76.00
'B' 64+45.00		'B' 67+75.00	76.00 in a straight line to 75.00

Bearings are based on County Survey No. 12222, filed September 26, 2006, Yamhill County, Oregon.

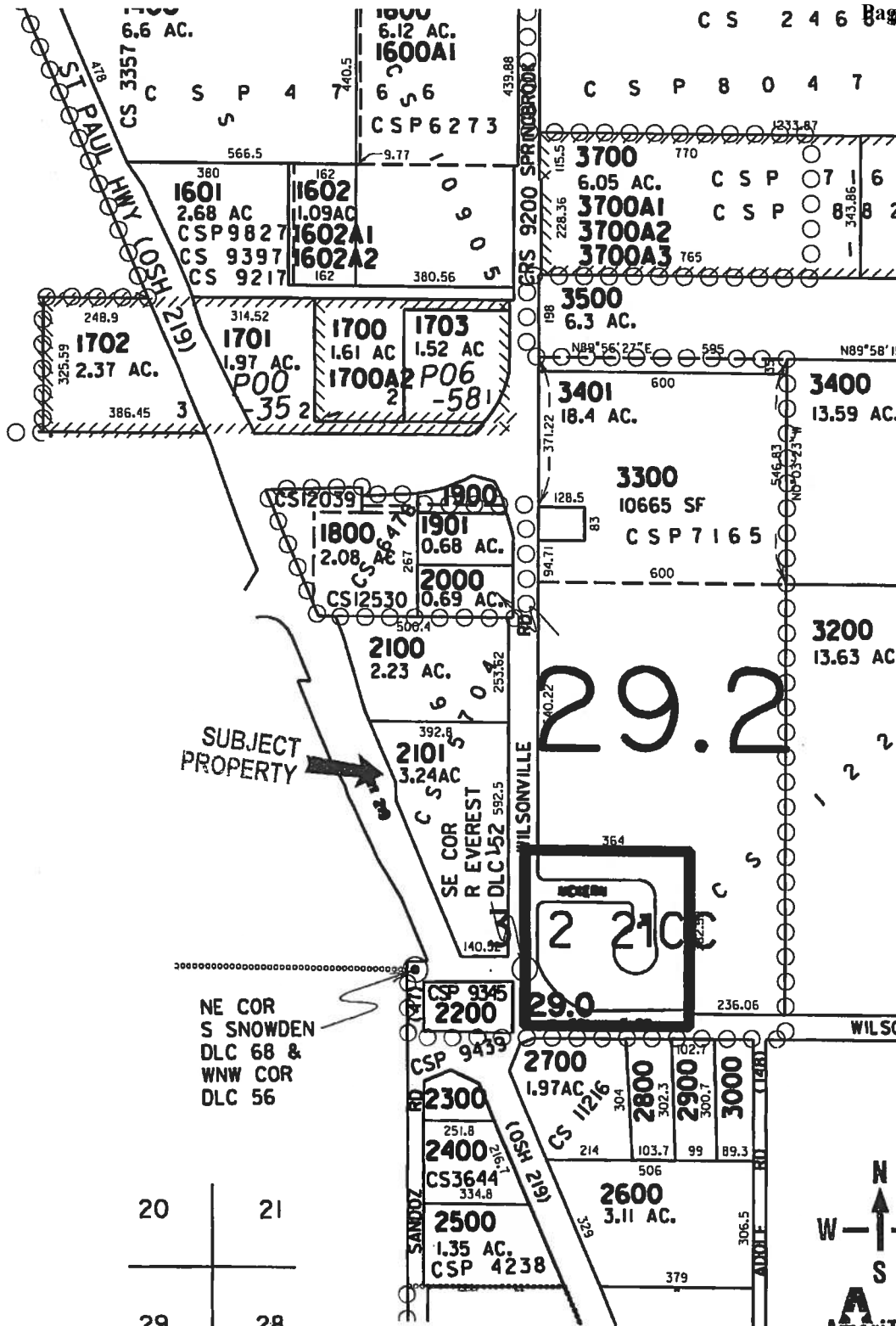
This parcel of land contains 21,299 square feet, more or less.

REGISTERED
 PROFESSIONAL
 LAND SURVEYOR



OREGON
 JUNE 13, 2008
MICHAEL RAEY FALLERT
 78960

RENEWAL DATE: 12/31/15



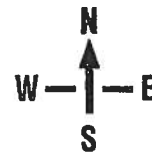
SUBJECT PROPERTY

29.2

29.0

NE COR S SNOWDEN DLC 68 & WNW COR DLC 56

20	21
29	28



AmeriTitle
 320 Church St. N.E.
 Salem, OR 97301
 581-1431

THIS MAP IS PROVIDED SOLELY FOR THE PURPOSE OF ASSISTING IN THE LOCATION OF THE PROPERTY. THE GRANTEE ASSUMES NO LIABILITY FOR ERRORS OF ANY KIND, OR OMISSIONS OR ALIENATIONS ACQUIRED BY AN ACTUAL SURVEY.
 ORDER NO. 013157Y

REVISED 4-13-11 SB

032W21

TAKE DESCRIPTIONS

EXHIBIT A - Page 1 of 1

File 7588535
Drawing 11B-7-28
5/19/2014

Fee

A parcel of land lying in the Richard Everest D.L.C. No. 52, Township 3 South, Range 2 West, W.M., Yamhill County, Oregon and being a portion of that property described in that Statutory Warranty Deed to Portland General Electric Company, recorded February 21, 1997 as Instrument No. 199702708, Records of Yamhill County; the said parcel being that portion of said property included in a strip of variable in width, lying on the Easterly side of the center line of the relocated Hillsboro – Silverton Highway, which center line is described as follows:

Beginning at Engineer's center line Station 'B' 40+62.10, said station being 2,530.30 feet North and 1,155.69 feet West of the Southeast corner of the Richard Everest D.L.C. No. 52, Township 3 South, Range 2 West, W.M.; thence South 21° 02' 39" East 4,211.41 feet to Engineers Station 'B' 82+73.51.

The width in feet of said strip of land is as follows:

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'B' 61+50.00		'B' 64+45.00	92.00 in a straight line to 76.00
'B' 64+45.00		'B' 67+75.00	76.00 in a straight line to 75.00

Bearings are based on County Survey No. 12222, filed September 26, 2006, Yamhill County, Oregon.

This parcel of land contains 21,299 square feet, more or less.

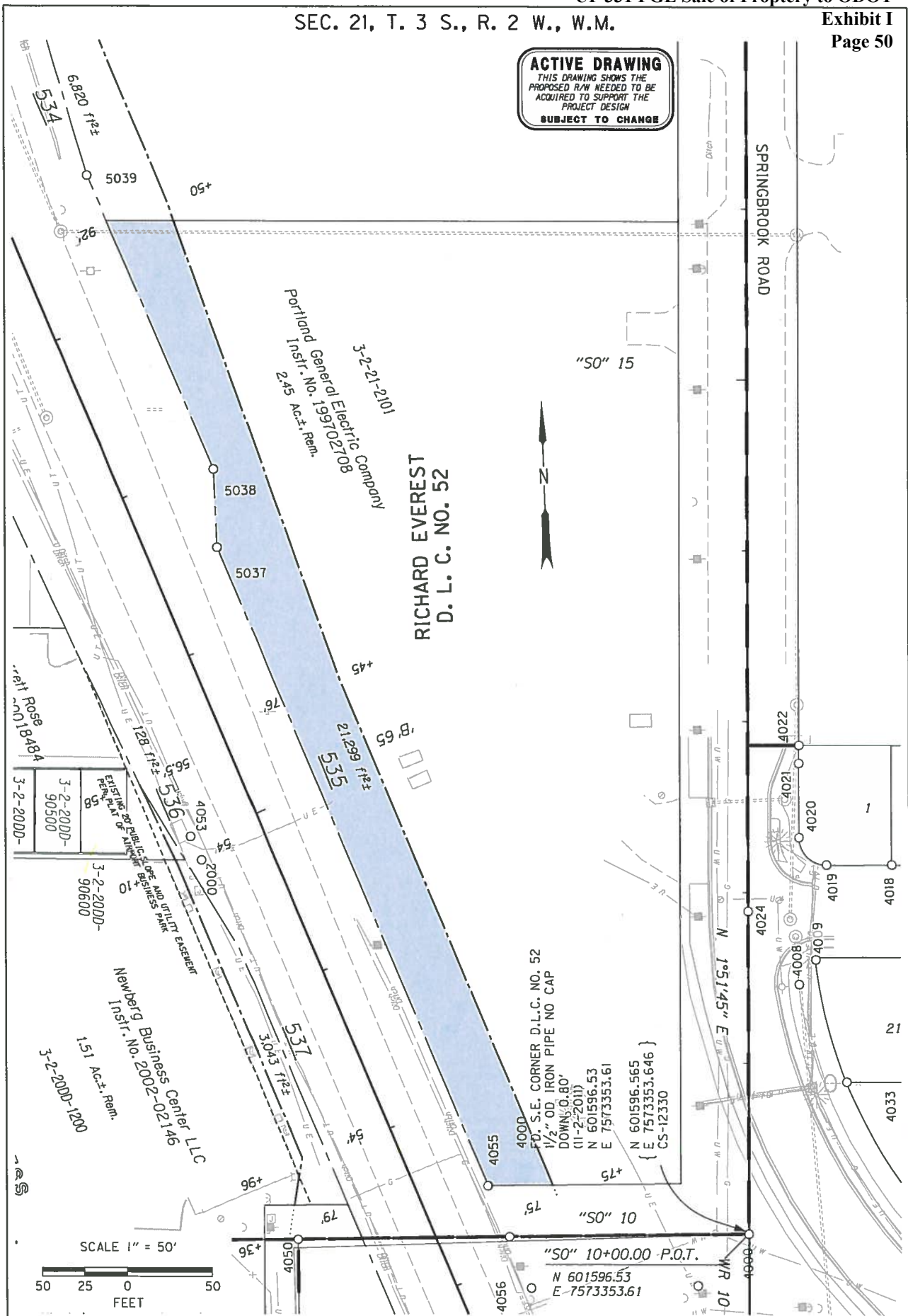
REGISTERED
PROFESSIONAL
LAND SURVEYOR



OREGON
JUNE 13, 2008
MICHAEL RAEY FALLERT
78960

RENEWAL DATE: 12/31/15

ACTIVE DRAWING
THIS DRAWING SHOWS THE
PROPOSED R/W NEEDED TO BE
ACQUIRED TO SUPPORT THE
PROJECT DESIGN
SUBJECT TO CHANGE



OREGON DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY
ENGINEERING
SKETCH MAP

Section	OR18:Newberg - Dundee Bypass (Phase 1)
Highway	Salmon River
County	Yamhill
Purpose	R/W Acquisition

Scale	1" = 50'
Rev. Date	May, 2014
File	7588 535
	See Drawing 11B-7-28

DATA SHEETS

UNIMPROVED LAND COMPARABLE SALE

File No.: 7588-535

Sale No. 1

Address/Location: 15104 SW Oregon StreetCity: Sherwood County: Washington Account No.: R2118790Township: 02S Range: 01W Section: 29DC Tax Lot: 800Lot No.: Lot 3 Block: N/A Subdivision: Part. Plat 2003-030

Neighborhood Description: Sherwood is a medium-sized community located along Highway 99W and SW Tualatin-Sherwood Road. Commercial uses are located within the Highway 99W and SW Tualatin Sherwood Road commercial corridors, with residential and industrial uses radiating outward.

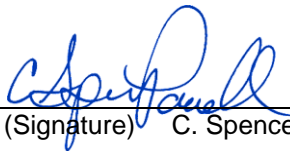
Average Above Average Below Average Zone: LI (Light Industrial): City of Sherwood Comp Plan Designation: IndustrialUses Permitted: Industrial/manufacturing.Present Use: Hold for future development.Highest and Best Use at Date of Sale: Light industrial development.Date of Sale: April 24, 2014Consideration: \$525,000Unit Price: \$4.37/SFGrantor: Columbia Community Bank/Premier Community BankGrantee: Randall and Jui-mei KillionLand Area: 2.76 AC or 120,226 SFDimensions: Irregular**ASSESSED VALUE:**Land: \$ 503,960 (RMV) Improvements: \$ 0 (RMV) Taxes: \$ 9,498.90 Year '14/15Recording Data: 2014-024937Financing Terms: Cash: Seller Financed: Interest Rate: N/AMarket Interest Rate at Time of Sale: N/AAre the Seller Financing Terms Equivalent to Cash? YES NO Down Payment: N/A Terms of Payment: N/A**DESCRIBE LAND BASED UPON FEATURES RELATED TO ITS HIGHEST AND BEST USE (SUCH AS EXISTING ENCUMBRANCES, AVAILABLE SERVICES, DRAINAGE, TOPOGRAPHY, ACCESS AND ACCESSIBILITY):**

The site is a 2.76 AC parcel of industrial development land in Sherwood, OR. Access/exposure characteristics are poor. The site is encumbered by a 0.33 AC DEQ area, which is essentially undevelopable. As such, the site is approximately 88% developable. It was unimproved at the time of sale. It has all city utilities available/adjacent.

VERIFICATION:Name: Dave Hohmann Relationship to Sale: AgentAddress: 9725 SW Beaverton-Hillsdale Hwy, Ste 120, Beaverton, OR 97005 Phone: 503-502-4877**REMARKS AND MOTIVES:**

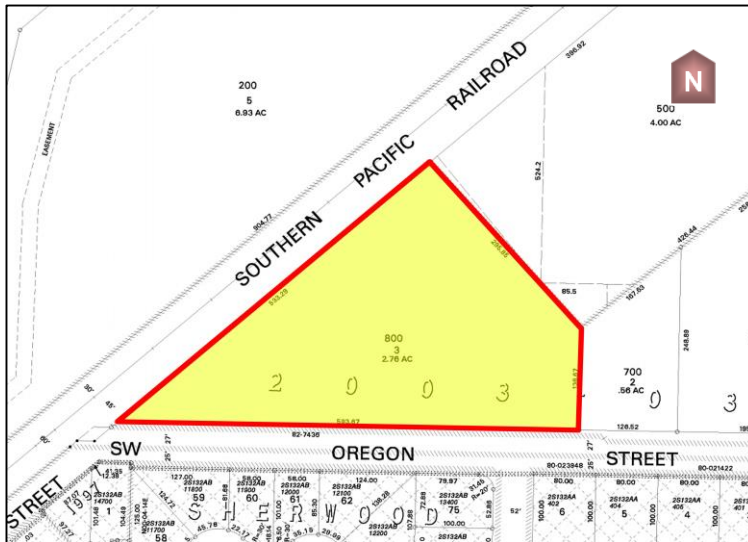
The property was listed for sale at \$811,523 for approximately two years before selling at \$525,000 (35.31% discount from list price). According to the buyers' agent, the sale price was at or near market levels (despite the fact that the property was bank-owned and sold at auction). The REO nature of the sale had no effect on the sale price. The property was purchased for future development of an industrial building.

I [DO DO NOT] consider this sale representative of the market. This sale [IS IS NOT] a sale of a remainder property from a former right of way or other eminent domain taking.


(Signature) C. Spencer Powell, MAIMarch 14, 2015

(Date Inspected)

COMPARABLE 1 (continued)



Plat Map.



Aerial Photo (courtesy of Google Earth).



Photo taken March 14, 2015 (10452-476).

UNIMPROVED LAND COMPARABLE SALE

File No.: 7588-535

Sale No. 2

Address/Location: 18655 SW 108th Avenue
 City: Tualatin County: Washington Account No.: R2176128, R217129 & R2176130
 Township: 02S Range: 01W Section: 22AD Tax Lots: 1300, 1400 & 1500
 Lot No.: Parcels 1, 2 & 3 Block: N/A Subdivision: Part. Plat 2011-24
 Neighborhood Tualatin is a medium-sized community located along Highway 99W, SW Tualatin-Sherwood
 Description: Road and Interstate 5. Commercial uses are located within the Highway 99W and SW
Tualatin Sherwood Road commercial corridors, with residential and industrial uses radiating
outward.
 Average Above Average Below Average
 Zone: ML (Light Manufacturing): City of Tualatin Comp Plan Designation: Industrial
 Uses Permitted: Industrial/manufacturing.
 Present Use: Hold for future development.
 Highest and Best Use at Date of Sale: Light industrial development.
 Date of Sale: June 17, 2014
 Consideration: \$1,400,000 Unit Price: \$6.00/SF
 Grantor: SFP Leveton, LLC Grantee: Leveton, LLC
 Land Area: 5.36 AC or 233,482 SF Dimensions: Flag Lot
 ASSESSED VALUE:
 Land: \$ 1,274,130 (RMV) Improvements: \$ 0 (RMV) Taxes: \$ 18,853.58 Year '14/15
 Recording Data: 2014-036518
 Financing Terms: Cash: Seller Financed: Interest Rate: N/A
 Market Interest Rate at Time of Sale: N/A
 Are the Seller Financing Terms Equivalent to Cash? YES NO
 Down Payment: N/A Terms of Payment: N/A

DESCRIBE LAND BASED UPON FEATURES RELATED TO ITS HIGHEST AND BEST USE (SUCH AS EXISTING ENCUMBRANCES, AVAILABLE SERVICES, DRAINAGE, TOPOGRAPHY, ACCESS AND ACCESSIBILITY):

The site is a 5.36 AC parcel of industrial development land in Tualatin, OR. Access/exposure characteristics are below average. The site is essentially unencumbered and is 100% developable. It was unimproved at the time of sale. It has all city utilities available/adjacent.

VERIFICATION:

Name: Stu Peterson Relationship to Sale: Agent
 Address: 1800 SW First Avenue, Suite 650, Portland, OR 97201 Phone: 503-972-7288

REMARKS AND MOTIVES:

The property was listed for sale at \$1,755,115 for 1,106 days before selling at \$1,400,000 (20.23% discount from list price). It was not bank-owned at the time of sale and buyer/seller motivations were typical. It was purchased for future development of an industrial building.

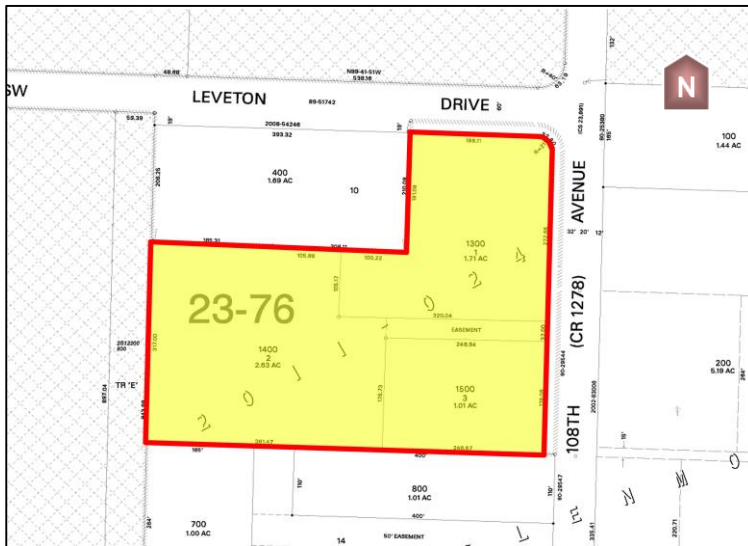
I [DO DO NOT] consider this sale representative of the market. This sale [IS IS NOT] a sale of a remainder property from a former right of way or other eminent domain taking.



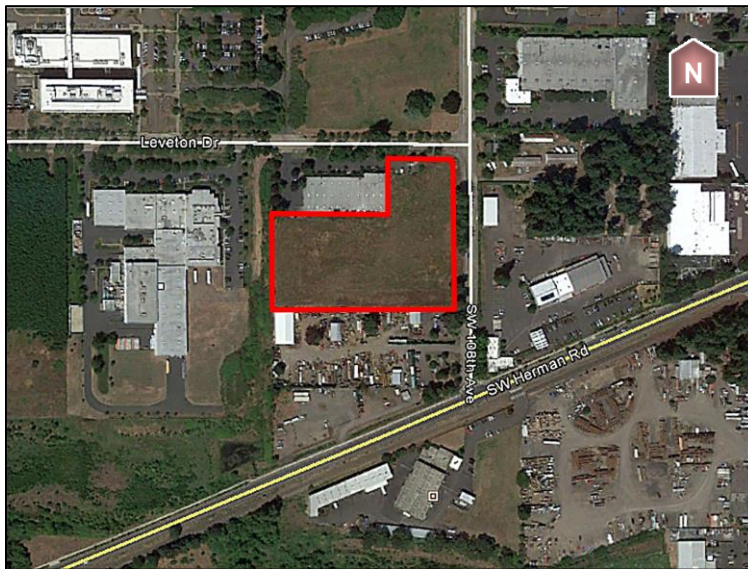
(Signature) C. Spencer Powell, MAI

March 14, 2015
 (Date Inspected)

COMPARABLE 2 (continued)



Plat Map.



Aerial Photo (courtesy of Google Earth).



Photo taken March 14, 2015 (10452-483).

UNIMPROVED LAND COMPARABLE SALE

File No.: 7588-535

Sale No. 3

Address/Location: NE Miller Street

City: McMinnville County: Yamhill Account No.: 511852

Township: 04S Range: 04W Section: 15C Tax Lot: 1900

Lot No.: 5 Block: N/A Subdivision: KPP Industrial Park

Neighborhood Description: McMinnville is a medium-sized community located along Highway 99W. Commercial uses are located within the Highway 99W commercial corridor, with residential uses radiating outward and industrial uses at the eastern edge of town.

Average Above Average Below Average

Zone: M-2 (General Industrial): City of McMinnville Comp Plan Designation: Industrial

Uses Permitted: Industrial/manufacturing.

Present Use: Hold for future development.

Highest and Best Use at Date of Sale: Light industrial development.

Date of Sale: June 27, 2014

Consideration: \$174,000 Unit Price: \$3.99/SF

Grantor: RLR Properties, LLC (25% interest) Grantee: TerraCalc, LLC
N&C Properties, LLC (25% interest)
MG Properties, LLC (25% interest)
JCA Properties, LLC (15%)
N.O. Properties, LLC (10%)

Land Area: 1.00 AC or 43,560 SF Dimensions: Rectangular

ASSESSED VALUE:
 Land: \$ 126,208 (RMV) Improvements: \$ 0 (RMV) Taxes: \$ 1,370.02 Year '14/15

Recording Data: 2014-08071

Financing Terms: Cash: Seller Financed: Interest Rate: N/A

Market Interest Rate at Time of Sale: N/A

Are the Seller Financing Terms Equivalent to Cash? YES NO

Down Payment: N/A Terms of Payment: N/A

DESCRIBE LAND BASED UPON FEATURES RELATED TO ITS HIGHEST AND BEST USE (SUCH AS EXISTING ENCUMBRANCES, AVAILABLE SERVICES, DRAINAGE, TOPOGRAPHY, ACCESS AND ACCESSIBILITY):

The site is a 1.00 AC parcel of industrial development land in McMinnville, OR. Access/exposure characteristics are poor. The site is essentially unencumbered and is 100% developable. It was unimproved at the time of sale. It has all city utilities available/adjacent.

VERIFICATION:

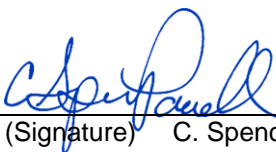
Name: Nick Ostroff Relationship to Sale: Agent

Address: 901 NE Glisan Street, Portland, OR 97232 Phone: 503-224-6791

REMARKS AND MOTIVES:

The property was listed for sale at \$185,000 for approximately one year before selling at \$174,000 (5.95% discount from list price). It was not bank-owned at the time of sale and buyer/seller motivations were typical. It was purchased for future development of an industrial building.

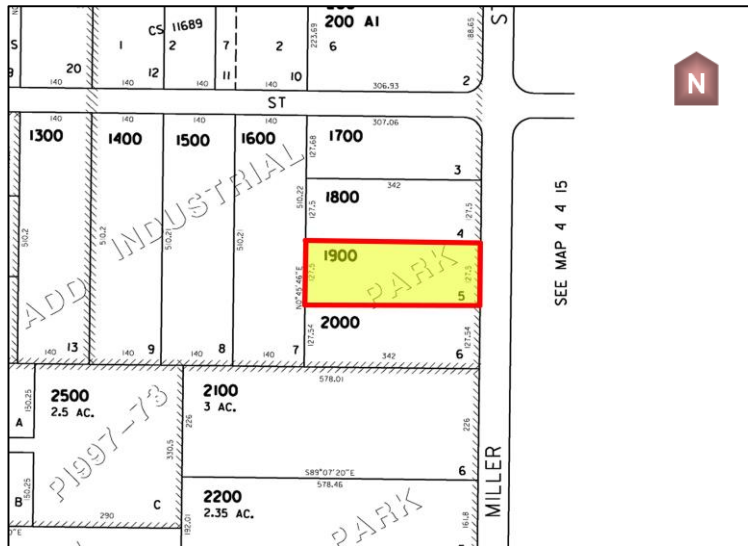
I [DO DO NOT] consider this sale representative of the market. This sale [IS IS NOT] a sale of a remainder property from a former right of way or other eminent domain taking.



(Signature) C. Spencer Powell, MAI

March 14, 2015
 (Date Inspected)

COMPARABLE 3 (continued)



Plat Map.



Aerial Photo (courtesy of Google Earth).



Photo taken March 14, 2015 (10452-444).

UNIMPROVED LAND COMPARABLE SALE

File No.: 7588-535

Sale No. 4

Address/Location: 801 N Meridian StreetCity: Newberg County: Yamhill Account No.: 45150Township: 03S Range: 02W Section: 18DD Tax Lot: 100Lot No.: 1-4 Block: 1 Subdivision: Deskin's Third Addition

Neighborhood: Newberg is a medium-sized community located along Highway 99W and Highway 219.
 Description: Commercial uses are located within the Highway 99W commercial corridor, with residential uses radiating outward and industrial uses along Highway 219.

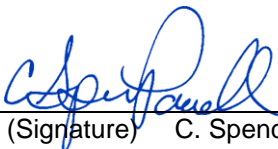
Average Above Average Below Average Zone: M-2 (Light Industrial): City of Newberg Comp Plan Designation: IndustrialUses Permitted: Industrial/manufacturing.Present Use: Hold for future development.Highest and Best Use at Date of Sale: Light industrial development.Date of Sale: October 8, 2014Consideration: \$100,000Unit Price: \$3.70/SFGrantor: Milestone Properties, LLCGrantee: Newberg Habitat for HumanityLand Area: 0.62 AC or 27,007 SFDimensions: Trapezoidal**ASSESSED VALUE:**Land: \$ 162,749 (RMV) Improvements: \$ 0 (RMV) Taxes: \$ 24.82 Year '14/15Recording Data: 2014-12931Financing Terms: Cash: Seller Financed: Interest Rate: N/AMarket Interest Rate at Time of Sale: N/AAre the Seller Financing Terms Equivalent to Cash? YES NO Down Payment: N/A Terms of Payment: N/A**DESCRIBE LAND BASED UPON FEATURES RELATED TO ITS HIGHEST AND BEST USE (SUCH AS EXISTING ENCUMBRANCES, AVAILABLE SERVICES, DRAINAGE, TOPOGRAPHY, ACCESS AND ACCESSIBILITY):**

The site is a 0.62 AC parcel of industrial development land in Newberg, OR. Access/exposure characteristics are poor. The site is essentially unencumbered and is 100% developable. It was unimproved at the time of sale. It has all city utilities available/adjacent.

VERIFICATION:Name: Ginger Bennett Relationship to Sale: AgentAddress: N/A Phone: 503-407-5776**REMARKS AND MOTIVES:**

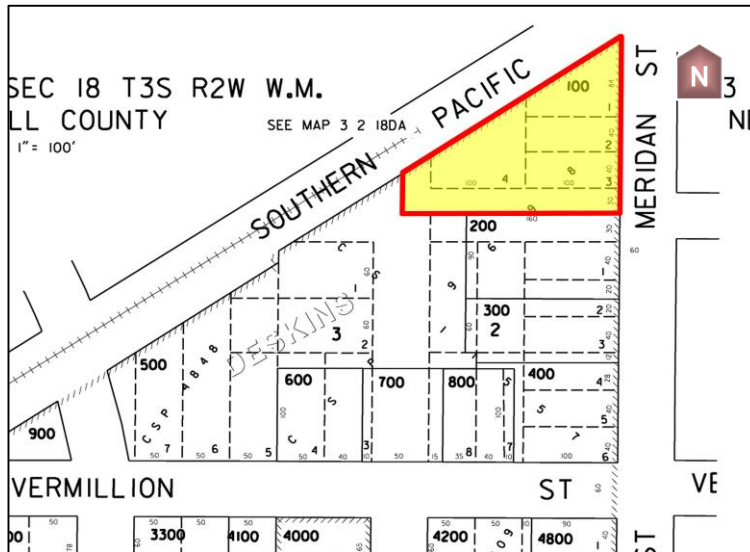
The property was listed for sale at \$110,000 for 506 days before selling at \$100,000 (9.09% discount from list price). It was not bank-owned at the time of sale and buyer/seller motivations were typical. It was purchased for future development of an industrial building.

I [DO DO NOT] consider this sale representative of the market. This sale [IS IS NOT] a sale of a remainder property from a former right of way or other eminent domain taking.


(Signature) C. Spencer Powell, MAIMarch 13, 2015

(Date Inspected)

COMPARABLE 4 (continued)



Plat Map.



Aerial Photo (courtesy of Google Earth).



Photo taken March 13, 2015 (10452-350).

UNIMPROVED LAND COMPARABLE SALE

File No.: 7588-535

Sale No. 5Address/Location: 20675 SW Olds PlaceCity: Sherwood County: Washington Account No.: R2151075Township: 02S Range: 01W Section: 29A Tax Lot: 2000Lot No.: 4 Block: N/A Subdivision: Sherwood Commercial Center

Neighborhood Description: Sherwood is a medium-sized community located along Highway 99W and SW Tualatin-Sherwood Road. Commercial uses are located within the Highway 99W and SW Tualatin Sherwood Road commercial corridors, with residential and industrial uses radiating outward.

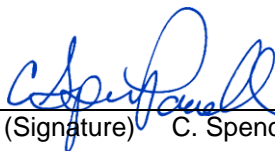
Average Above Average Below Average Zone: LI (Light Industrial): City of Sherwood Comp Plan Designation: IndustrialUses Permitted: Industrial/manufacturing.Present Use: Hold for future development.Highest and Best Use at Date of Sale: Light industrial development.Date of Sale: November 3, 2014Consideration: \$330,000Unit Price: \$8.23/SFGrantor: Sherwood Commercial Center, LLCGrantee: Litera Holdings, LLCLand Area: 0.92 AC or 40,075 SFDimensions: Irregular**ASSESSED VALUE:**Land: \$ 223,620 (RMV) Improvements: \$ 0 (RMV) Taxes: \$ 4,214.90 Year '14/15Recording Data: 2014-071321Financing Terms: Cash: Seller Financed: Interest Rate: N/AMarket Interest Rate at Time of Sale: N/AAre the Seller Financing Terms Equivalent to Cash? YES NO Down Payment: N/A Terms of Payment: N/A**DESCRIBE LAND BASED UPON FEATURES RELATED TO ITS HIGHEST AND BEST USE (SUCH AS EXISTING ENCUMBRANCES, AVAILABLE SERVICES, DRAINAGE, TOPOGRAPHY, ACCESS AND ACCESSIBILITY):**

The site is a 0.92 AC parcel of industrial development land in Sherwood, OR. Access/exposure characteristics are average. The site is essentially unencumbered and is 100% developable. It was unimproved at the time of sale. It has all city utilities available/adjacent.

VERIFICATION:Name: Stu Peterson Relationship to Sale: AgentAddress: 1800 SW First Avenue, Suite 650, Portland, OR 97201 Phone: 503-972-7288**REMARKS AND MOTIVES:**

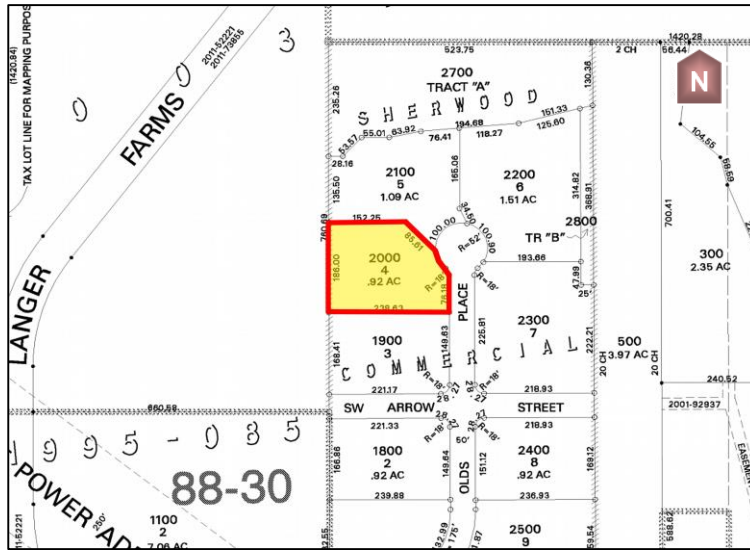
The property was listed for sale at \$360,000 for approximately one year before selling at \$330,000 (8.33% discount from list price). It was not bank-owned at the time of sale and buyer/seller motivations were typical. It was purchased for future development of an industrial building.

I [DO DO NOT] consider this sale representative of the market. This sale [IS IS NOT] a sale of a remainder property from a former right of way or other eminent domain taking.


(Signature) C. Spencer Powell, MAIMarch 14, 2015

(Date Inspected)

COMPARABLE 5 (continued)



Plat Map.



Aerial Photo (courtesy of Google Earth).



Photo taken March 14, 2015 (10452-479).

APPRAISER QUALIFICATIONS

EXPERIENCE AND QUALIFICATIONS

C. SPENCER POWELL, MAI

C. Spencer Powell, MAI owned and operated Powell Valuation Inc, a private real estate appraisal and consultation firm, from 1973 to 2013. Spencer sold the business to Katherine Powell Banz, MAI and Jonathan B. Banz, MAI in January 2014. He offers 42+ years of valuation and appraisal related experience.

Spencer was employed as a staff appraiser for Hagood & Daniels, Inc., Fort Worth, Texas from 1971 through 1973. He has been an independent fee appraiser in Oregon since 1973. Spencer has qualified as an expert witness in Circuit Courts throughout Oregon as well as U.S. Bankruptcy Court and Federal Court. Spencer focuses on complex valuation and consultation assignments throughout the Northwest.

PROFESSIONAL AFFILIATIONS

Appraisal Institute, Designated MAI (No. 5518), 1976

National President, Appraisal Institute, 1996

Chair, AI Educational Trust, 1998-99

1983 Oregon Chapter President, Governing Council 1985-1987, (Appraisal Institute)

Member National Appraisal Review Committee (ARC) 1978-1980, (Appraisal Institute)

Regional Member Ethics Administration 1983-1987, (Appraisal Institute)

Vice Chairman National Ethics Administration Division 1988

Vice Chairman National Ethics and Counseling Committee 1989

National Chairman, Ethics & Counseling Committee, 1993

Northwest Regional Vice President, 1990, (Appraisal Institute)

1974-75 Salem Chapter President, Society of Real Estate Appraisers

District Vice-Governor, Society of Real Estate Appraisers, 1978

Licensed Oregon Real Estate Broker

State of Oregon - Certified General Appraiser (No. C000154)

State of Washington - Certified General Appraiser (No. 1100469)

COMMUNITY

Founder, Member of the Board, Bank of Salem, 1994-07

Board Member - American Home Savings and Loan Association, 1987-1989

Board Member - Downtown Development Board, 1990-1993

Board Member, Vice President, Building Committee Chairman - United Methodist

Retirement Center 1980-1987

Board Member, Past President - Salem Economic Development Corporation 1981-1985

Board Member - Salem Area Chamber of Commerce 1978-1981

Board Member - Friends of Deepwood 1975-1977

EDUCATION

Oregon State University-Corvallis, Oregon

University of Oregon-Eugene, Oregon, Real Estate and Urban Studies

Bachelor of Business Administration

POWELL BANZ VALUATION, LLC is a private consulting firm specializing in real estate valuation and consultation, serving the northwest since 1973. Ownership was transferred from Powell Valuation Inc in January 2014. The firm concentrates on complex commercial, industrial and multi-family valuation assignments for government, corporations and individuals. Work has been performed on a national scale. A sample of clients served is included below.

Financial:

AKT, LLP
AmericanWest Bank
Bank of America
Bank of the Pacific
Bank of the West
Banner Bank
Church Extension Plan
Citizens Bank
CitiGroup
CIT Small Business Lending
Continental Bank
Evangelical Christian Credit Union
First Bank

First Community Credit Union
First Federal, Coeur d'Alene
First Federal, Longview
First Federal, McMinnville
First Interstate Bank, N.A.
HomeStreet Bank
JPMorgan Chase Bank, NA
Norris, Beggs & Simpson
Northwest Community Credit Union
OnPoint Community Credit Union
Oregon Coast Bank
OSU Federal Credit Union

Pioneer Trust Bank, N.A.
Regents Bank
Riverview Community Bank
Sierra Point Credit Union
Siuslaw Bank
Umpqua Bank
Ward Cook Inc.
Washington Federal Bank
Wells Fargo Bank
Western Bank
Willamette Community Bank
Willamette Valley Bank

Governmental:

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

Federal Home Loan Bank
FSLIC
Klamath County
Lane County
Marion County
Military Dept. - State of Oregon
Mount Angel School District
Oregon Attorneys General
Oregon Dept. of Parks & Recreation
Oregon Dept. of Transportation
Oregon Division of State Lands
Oregon Dept. of General Services
Network Oregon Affordable Housing

Polk CDC
Port of Portland
Riverdale School District
Salem/Keizer School District
U.S. Army Corps of Engineers
U.S. Bureau of Land Management
U.S. Dept. of Interior
U.S. Marshall's Office
U.S. Forest Service
Washington Dept. of Fish & Wildlife
Woodburn School District
Yamhill County Housing Authority

Insurance/Medical:

Corvallis Clinic
Good Samaritan Hospital (Corvallis)
Harvard Medical
Killen Enterprises
MetLife Capital Insurance Company

Mid-Valley Healthcare
Mutual of Enumclaw
Oregon Mutual
Pacific Mutual
Performance Health Technology

SAIF
Salem Hospital
Samaritan Albany General Hospital
Samaritan Health Services
St. Paul Fire & Marine

General:

Arnold, Gallagher, PC
Catholic Community Service Foundation
Coppinger Farms
Elkins, Zipse & Mitchell
Feibleman & Case, PC
First American Title
George R. Suniga Enterprises
GHR Lawyers
Greyhound Lines Inc
Henderson, Franklin, Starnes & Holdt
Kelley & Kelley Attorneys
International Business Machines

Landerholm Legal Advisors
Martinis & Hill
McDonalds Corporation
MDH Management LLC
Meier & Wyse
Morrow Equipment
Mt. West Development Corp
Moyer Theaters (TMT)
Nonpareil, Inc.
Pacific Petroleum
Portland General Electric
Power Equipment Systems

Rick Franklin Corporation
River Network
Roth's Fresh Market
Saafeld Griggs PC
Schnitzer Investment
Sherman, Sherman, Johnnie & Hoyt
State Farm Insurance Co.
Stoel, Rives, L.L.P.
Sun America Investments
Texaco Lubricants
Valley Rolling Mills
Westfair Associates

APPRAISER CERTIFICATION

Appraiser Certification and Licensure Board

State Certified General Appraiser

28 hours of continuing education required for renewal

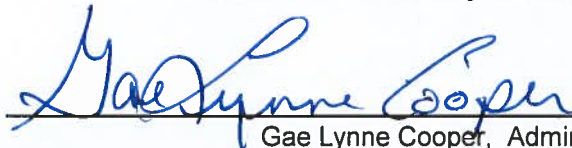


C Spencer Powell
Powell Banz Valuation LLC
2925 River RD S STE 270
Salem, OR 97302

License No.: **C000154**

Issue Date: **March 13, 2015**

Expiration Date: **February 28, 2017**



Gae Lynne Cooper, Administrator

FILE 7588 535
MAP 11B-7-28

WARRANTY DEED

PORTLAND GENERAL ELECTRIC COMPANY, an Oregon corporation, Grantor, for the true and actual consideration of \$151,700.00 does convey unto the **STATE OF OREGON**, by and through its **DEPARTMENT OF TRANSPORTATION** Grantee, fee title to the property described on **Exhibit "A" dated 5/19/2014**, attached hereto and by this reference made a part hereof.

TOGETHER WITH all abutter's rights of access, if any, between the above-described parcel and Grantor's remaining real property.

Grantor covenants to and with Grantee, its successors and assigns, that grantor is the owner of said property which is free from encumbrances, except for easements, conditions, and restrictions of record, and will warrant the same from all lawful claims whatsoever, except as stated herein.

Grantor agrees that the consideration recited herein is just compensation for the property or property rights conveyed, including any and all reduction in value to Grantor's remaining property, if any, which may result from the acquisition or use of said property or property rights. However, the consideration does not include damages resulting from any use or activity by Grantee beyond or outside of those uses expressed herein, if any, or damages arising from any negligence.

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

AFTER RECORDING RETURN TO:
OREGON DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY SECTION File #
4040 FAIRVIEW INDUSTRIAL DRIVE SE, MS#2
SALEM OR 97302-1142

Map and Tax Lot #: 3-2-21-2101

Property Address: 1101 NE Wilsonville Road
Newberg, Oregon 97132

FILE 7588 535
MAP 11B-7-28

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

The statement above is required by law to be included in this instrument. PLEASE NOTE: the property described in this instrument is not a "lot" or "parcel" as defined in ORS 92.010 or 215.010. Nevertheless, the property is a legally created unit of land as described in ORS 92.010 (9) (d) or (e).

It is understood and agreed that the delivery of this document is hereby tendered and that terms and obligations hereof shall not become binding upon the State of Oregon Department of Transportation, unless and until accepted and approved by the recording of this document.

Dated this _____ day of _____, 20_____.

**PORTLAND GENERAL ELECTRIC COMPANY,
an Oregon corporation**

By _____
President

By _____
Secretary

FILE 7588 535
MAP 11B-7-28

STATE OF OREGON, County of _____

Dated _____, 20____. Personally appeared _____

and _____, who, being sworn, stated that they are the President and Secretary of
Portland General Electric Company, an Oregon corporation, and that this instrument was voluntarily signed on behalf
of the corporation by authority of its Board of Directors. Before me:



Notary Public for Oregon
My Commission expires _____

Accepted on behalf of the Oregon Department of Transportation

EXHIBIT A - Page 1 of 1

File 7588535
Drawing 11B-7-28
5/19/2014

Fee

A parcel of land lying in the Richard Everest D.L.C. No. 52, Township 3 South, Range 2 West, W.M., Yamhill County, Oregon and being a portion of that property described in that Statutory Warranty Deed to Portland General Electric Company, recorded February 21, 1997 as Instrument No. 199702708, Records of Yamhill County; the said parcel being that portion of said property included in a strip of variable in width, lying on the Easterly side of the center line of the relocated Hillsboro – Silverton Highway, which center line is described as follows:

Beginning at Engineer's center line Station 'B' 40+62.10, said station being 2,530.30 feet North and 1,155.69 feet West of the Southeast corner of the Richard Everest D.L.C. No. 52, Township 3 South, Range 2 West, W.M.; thence South 21° 02' 39" East 4,211.41 feet to Engineers Station 'B' 82+73.51.

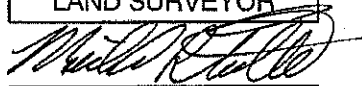
The width in feet of said strip of land is as follows:

Station	to	Station	Width on Easterly Side of Center Line
'B' 59+50.00		'B' 61+50.00	92.00
'B' 61+50.00		'B' 64+45.00	92.00 in a straight line to 76.00
'B' 64+45.00		'B' 67+75.00	76.00 in a straight line to 75.00

Bearings are based on County Survey No. 12222, filed September 26, 2006, Yamhill County, Oregon.

This parcel of land contains 21,299 square feet, more or less.

REGISTERED
PROFESSIONAL
LAND SURVEYOR



OREGON
JUNE 13, 2008
MICHAEL RAEY FALLERT
78960

RENEWAL DATE: 12/31/15