

August 31, 2006

Oregon Department of Transportation, Right of Way Section  
Attn: Gail Harbert, Room 420  
355 Capital Street, N.E.  
Salem, Oregon 97301-3871

Dear Gail:

In accordance with our agreement, I have re-appraised the immediate harvest value of stumpage on Parcels 3 & 4 in Douglas County, Oregon. These parcels have been designated as surplus and are being considered for sale, either separately or combined, by the Oregon Department of Transportation (ODOT). These parcels are identified as Tax Lot 300, Section 2, T32S, R5W, Willamette Meridian. They are located approximately 2 miles north of the town of Azalea on opposite sides of the Interstate 5 (I-5) freeway. I re-inspected the timber on these parcels on August 11, 2006. This letter summarizes the results of my re-inspection and stumpage re-appraisal for these parcels.

#### **Physical Characteristics**

Parcels 3 & 4 contain a total of 228.39 acres. Of this, approximately 183.39 acres is in Parcel 3 (west of I-5) and 45 acres is in Parcel 4 (east of I-5). Approximately 181 acres of Parcel 3 and 42 acres of Parcel 4 are forested with merchantable timber. The remaining 5.35 acres of non-forest and sub-merchantable timber are located in roads and in minor openings in the merchantable timber stands.

Soils on these parcels are deep and slightly above average in productivity for Douglas County. Site quality is mid to low Site Class III for Douglas-fir. Slopes greater than 30% on these parcels are vulnerable to surface erosion or mass movement, if denuded or undercut. However, there are no indications of recent soil movement on these parcels. These soils appear to be reasonably stable for prudent road construction and timber harvesting and there are no obvious areas, where slope-failure threatens I-5.

Parcel 3 contains a small, unnamed, perennial stream, which flows eastward across the southern one-quarter of the parcel. In addition there are numerous small, intermittent stream channels in both parcels. I physically inspected each of these streams. All of these streams are too steep and too small to have fish use and there is no domestic use of these streams. I discussed these streams with Jack Tanahill, the local Oregon Department of Forestry (ODF) Forest Practices

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