Abutting Properties

Six of the subject parcels are located within an area with forest and modest farm uses and rural residences scattered throughout. Parcel 7 is in a rural residential area just outside of West Salem with larger farmlands nearby.

Easements/Encumbrances

No title report has been provided to the appraiser. My inspection of the subject and county records did not reveal any encroachments, encumbrances or easements atypical to the area. There are no encumbrances that significantly negatively impact the properties or limit their current uses.

Adverse Conditions

I did not observe conditions that are, or might be, adverse to the farm, forest or rural residential operations of the properties.

Irrigation Water

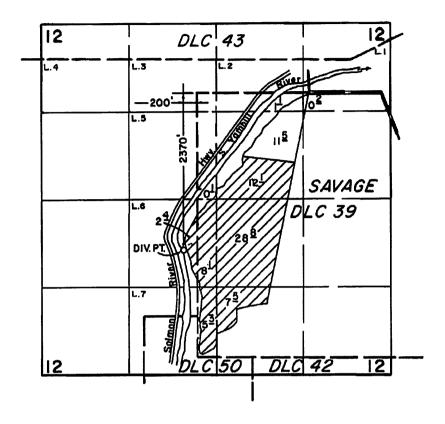
The State of Oregon Water Resources Department shows 64.3 acres of water rights on Subject Parcel 1.

The farm tenant leasing Parcel 1 has installed buried mainlines and drainage tiling. The property is irrigated from the South Yamhill River via buried mainlines to sprinklers.

The quantity and quality of the irrigation water appear to be adequate and typical for the area.

The following map shows the location of the subject irrigation rights. A copy of the water rights certificate is included in the Addenda of this report.

WATER RIGHTS MAP



SCALE: 1"= 1320'

FINAL PROOF SURVEY

Application No. 68726. Permit No. 49703....
IN NAME OF

JOHN A. HEBERT, SR. & NORMA C. HEBERT

Surveyed JUNE 29 1987, by B. W. BISHOP

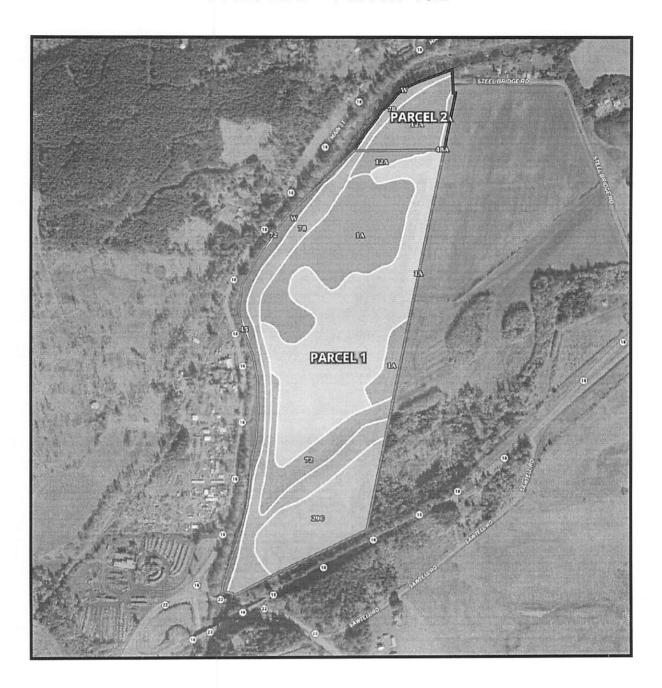
Soil, Subsoil and Drainage

The United States Department of Agriculture, Soil Conservation Service, shows the soils on each of the subject properties. These soils are well-suited to the current uses and indefinite continuation of those uses on the subject properties. The Soils Maps and charts below summarize the subject soils on each parcel.

Soils ~ Parcel 1								
Soil Code	Soil Description	Percent Slopes	Capability Class	% of Subject	Subject Acreage			
48A	McAlpin silty clay loam +	0 to 3	2e	35.6%	40.41			
1A	Abiqua silty clay loam	0 to 3	1	21.9%	24.91			
78	Xerochrepts and Haploxerolls	steep	6e	14.6%	16.63			
29C	Hazelair silt loam	3 to 12	4e	13.5%	15.33			
72	Waldo silty clay loam	1	3w	7.1%	8.02			
w	Water	0	8	5.6%	6.31			
12A	Briedwell silt loam	0 to 3	2s	1.7%	1.90			
45	Malabon silty clay loam	0 to 3	1	0.1%	0.08			
	TOTALS			100%	113.61			

Soils ~ Parcel 2								
Soil Code	Soil Description	Percent Slopes	Capability Class	% of Subject	Subject Acreage			
12A	Briedwell silt loam	0 to 3	2s	72.1%	7.85			
78	Xerochrepts and Haploxerolls	steep	6e	19.5%	2.12			
1A	Abiqua silty clay loam	0 to 3	1	5.8%	0.63			
W	Water	0	8	2.4%	0.26			
48A	McAlpin silty clay loam	0 to 3	2e	0.1%	0.01			
	TOTALS			100%	10.89			

SOILS MAP - Parcels 1&2



STATE OF OREGON

COUNTY OF POLK

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

JOHN A. HEBERT, SR. AND NORMA C. HEBERT 770 N.E. HILL STREET SHERIDAN, OREGON 97378

confirms the right to use the waters of SOUTH YAMHILL RIVER, a tributary of WILLAMETTE RIVER, for the purpose of IRRIGATING 64.3 ACRES.

The right has been perfected under Permit 49703. The date of priority is MAY 13, 1986. The right is limited to not more than 0.8 CUBIC FOOT PER SECOND or its equivalent in case of rotation, measured at the point of diversion from the source.

The point of diversion is located as follows:

LOT 6 (NE 1/4 SW 1/4), SECTION 12, T 6 S, R 7 W, W.M.; 2370 FEET SOUTH AND 200 FEET WEST FROM NW CORNER DLC 39.

The amount of water used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to ONE-EIGHTIETH of one cubic foot per second per acre, or its equivalent for each acre irrigated and shall be further limited to a diversion of not to exceed 2.5 acre-feet per acre for each acre irrigated during the irrigation season of each year.

The right shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the place of use under the right, and to which such right is appurtenant, is as follows:

12.1 ACRES SW 1/4 NE 1/4 0.1 ACRE SE 1/4 NW 1/4 8.1 ACRES NE 1/4 SW 1/4 ALL AS PROJECTED WITHIN DLC 39 LOT 6 (NE 1/4 SW 1/4) 2.4 ACRES SE 1/4 SW 1/4 5.3 ACRES 28.8 ACRES 7.5 ACRES NW 1/4 SE 1/4 SW 1/4 SE 1/4 ALL AS PROJECTED WITHIN DLC 39 SECTION 12 TOWNSHIP 6 SOUTH, RANGE 7 WEST, W.M.

The right to the use of the water for the above purpose is restricted to beneficial use on the lands or place of use described. The right is subject to minimum flows established by the Water Resources Commission with an effective date prior to this right.

WITNESS the signature of the Water Resources Director, affixed this date SEPTEMBER 29, 1989.

/s/ WILLIAM H. YOUNG

Water Resources Director

Recorded in State Record of Water Right Certificates numbered 62419

68726.JCL

DEC 1 5 2000 STATE OF OREGON WELL I.D. # L WATER SUPPLY WELL REPORT START CARD # (as required by ORS 537.76 WATER RESOURCES DEPT Instructions for completing this SAME ME OF ECONPAGE of this form. WELL by legal description: WellaNumber Longitude E or W. WM. Address City (2) TYPE OF WORK New Well Deepening Alteration (repair/recondition) Abandonment (3) DRILL METHOD: Rotary Air Rotary Mud Cable Auger ft. below land surface Date Other. Date Artesian pressure lb. per square inch (4) PROPOSED USE: Domestic Community Industrial Irrigation (11) WATER BEARING ZONES: ☐ Livestock ☐ Other ☐ Injection ☐ Thermal Depth at which water was first found (5) BORE HOLE CONSTRUCTION: Special Construction approval Yes No Depth of Completed Well 77 ft. SWL **Estimated Flow Rate** To From Explosives used Yes No Type. SEAL HOLE (12) WELL LOG: OC. Method **Ground Elevation** How was seal placed: Other. SWL From To Material ft. to Material Backfill placed from Size of gravel Gravel placed from ft. to ft. (6) CASING/LINER: Welded Threaded To Gauge Steel Plastic Drive Shoe used ☐ Inside ☐ Outside ☐ None Final location of shoc(s) (7) PERFORATIONS/SCREENS Perforations Material ☐ Screens Casing Liner 2000 Completed (8) WELL TESTS: Minimum testing time is 1 hour Flowing (unbonded) Water Well Constructor Certification: ☐ Artesian ☐ Bailer ☐ Pump I certify that the work I performed on the construction, alteration, or abandon-Time ment of this well is in compliance with Oregon water supply well construction Drill stem at Drawdown Yield gal/min standards. Materials used and information reported above are true to the best of my 1 hr. knowledge and belief. WWC Number Date Signed (bonded) Water Well Constructor Certification: Depth Artesian Flow Found Temperature of water I accept responsibility for the construction, alteration, or abandonment work ☐ Yes By whom Was a water analysis done? performed on his well during the construction dates reported above. All work ☐ Too little Did any strata contain water not suitable for intended use? performed during this time is in compliance with Oregon water supply well standards. This report is true to the best of my knowledge and construction ☐ Odor ☐ Colored ☐ Salty ☐ Muddy WWC Number Depth of strata: