



March 15, 2017

Derrick Wharff  
Assessor and Tax Collector  
Yamhill County Assessment & Taxation  
535 NE 5<sup>th</sup> Street, Room 42  
McMinnville, Oregon 97128

SUBJECT: Proposal/Authorization for Valuation and Consulting Services  
Evergreen Wings and Waves Waterpark Appraisal  
3685 SE Three Mile Lane  
McMinnville, Oregon (the "Subject Property")

Dear Mr. Wharff:

Integra Realty Resources – Portland ("Integra – Portland"), appreciates the opportunity to provide this proposal for valuation and consulting services to the undersigned (the "Client") for the above-captioned property.

The property under consideration is the Evergreen Wings and Waves Waterpark site. This is a unique indoor waterpark that features a mounted Boeing 747 aircraft. This property complements the adjacent Evergreen Aviation and Space Museums as well as the IMAX movie theater (not part of the appraisal).

The site itself includes the waterpark and related site and building improvements only.

It is our understanding that property taxes and assessed values are under dispute between the property owner and the Yamhill County Assessor's Office.

We propose to value the property via the sales comparison and the cost approaches. The income approach will also be explored but may not be applicable due to the fact that special purpose properties similar to the subject are rarely leased.

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The purpose of the appraisal is to provide an opinion of the market value of the fee simple interest in the subject property. The intended use is for property tax dispute purposes. The use of the appraisal by anyone other than the client and their advisors is prohibited.

The appraisal and reports will be prepared in conformance with and subject to, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the *Uniform Standards of Professional Appraisal Practice* (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation.

The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Property within a three-year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. We have not previously appraised this property within the past three years for the same client.

The project would be completed on an "hourly not-to-exceed" basis, with a not-to-exceed threshold of \$12,000, with delivery prior to June 1, 2017. The fee is due and payable within 30 days of the delivery of the reports. It is understood that simple interest of 15% per annum will accrue on any unpaid balance for compensation due, subject to reduction pursuant to any applicable usury law. We shall also be entitled to recover our costs (including attorneys' fees), associated with collecting any amounts owed or otherwise incurred in connection with this assignment. If the assignment is cancelled by either party prior to completion, you agree to pay us for all our expenses and our time to date based upon the percentage of work completed. Upon default, we shall be permitted to file a lien against the Subject Property for any amounts owed pursuant to this engagement.

The appraisal and any consulting reports will be communicated in a narrative reporting format. Two copies of the appraisal report will be provided. The proposed delivery date is contingent upon the absence of events outside our control, timely access for inspection of the Subject Property, as well as our receipt of all requested information necessary to complete the assignment.

Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance or wetlands. Therefore, unless we have been provided with appropriate third party expert reports, the appraisals will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment and actions.

Any additional time required for preparation of court testimony etc. would be billed at our standard hourly rates (see attachment I at the end of this letter).

The assignment and any assignment results would remain confidential and would be discussed only with you, the client.

If this proposal is acceptable, please authorize us to proceed by executing this letter agreement where noted below and returning one copy to the undersigned. Thank you for

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considering us for this assignment and we look forward to working with you. Please call if you wish to discuss this proposal or the assignment any further.

Sincerely,

**INTEGRA REALTY RESOURCES – PORTLAND**

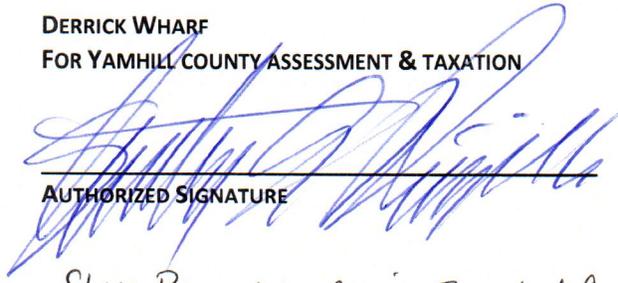


Kurt K. Plaster, MAI  
Director

Attachments

**AGREED & ACCEPTED THIS 16<sup>th</sup> DAY OF March, 2017.**

**BY: DERRICK WHARF  
FOR YAMHILL COUNTY ASSESSMENT & TAXATION**



**AUTHORIZED SIGNATURE**

Stan Primozych, Chair Board of Commissioners  
**NAME (PRINT)**

**Accepted by Yamhill County  
Board of Commissioners on**

3-16-17 by Board Order

# 17-88

**ATTACHMENT I**

**IRR ADDITIONAL TERMS**

This assignment is subject to the following terms:

1. Completion Date Estimate: Integra – Portland agrees to use reasonable commercial efforts to complete this report as per the attached letter agreement. Said completion date is an estimate and does not take into consideration pre-trial or court time as well as delays beyond the control of Integra – Portland such as illness, lack of specific necessary data and/or Acts of God.
2. Database/Marketing: Both parties acknowledge that real estate appraisal requires current and historical market data to competently analyze the Subject Property. Accordingly, the Client agrees that: (i) the data collected by Integra – Portland in this assignment will remain the property of Integra – Portland; and (ii) with respect to any data provided by the Client, Integra – Portland and its partner companies may utilize, sell and include such data (either in the aggregate or individually), in their marketing materials, the Integra database and derivative products so long as the identity of the Client is kept confidential. The Client agrees that all data already in the public domain may be utilized on an unrestricted basis.
3. Litigation: In the event Integra – Portland is called upon to provide testimony or receives a subpoena concerning any suit or proceeding or otherwise become involved in any litigation relating to this engagement or assignment, in which Integra – Portland is not a party, Integra – Portland will make every reasonable effort to assist the Client and give such testimony. The Client agrees to compensate Integra – Portland at its then current rates, on an hourly basis, plus reimbursement for all expenses incurred as a result of said litigation. In addition to the foregoing, the following terms are applicable:

(a) Review and trial preparation (if applicable) in-office, will be billed at standard hourly rates; outside office rates may apply to conferences, depositions and testimony. Our current in-office rates are as follows:

Senior Managing Director	\$300.00/hour
Managing Director or Director	\$250.00/hour
Senior Analyst (State Certified General R.E. Appraisers)	\$170.00/hour
Analyst/Researcher	\$75.00/hour

(b) All reports for which testimony is required must be disclosed prior to report authorization.

(c) All fees for reports, conferences and depositions must be paid prior to hearings and trial.

4. **Limitations of Liability:** It is expressly agreed that in any action which may be brought against Integra – Portland, Integra Realty Resources, Inc. or their respective officers, owners, managers, directors, agents, subcontractors or employees (the “Integra Parties”), arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, or any information or opinions contained therein, the Integra Parties shall not be responsible or liable for an incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with gross negligence. It is further agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the respective Accepted Assignment (unless the appraisal was fraudulent or prepared with gross negligence). Finally, it is agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

In the event the Client provides our work or permits reliance thereon by, any person or entity not authorized by Integra - Portland in writing to use or rely thereon, Client hereby agrees to indemnify and hold Integra - Portland, its affiliates and the respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys’ fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon our work by any such unauthorized person or entity.

You acknowledge that any opinions and conclusions expressed by professionals employed by Integra - Portland during this assignment are representations made as them as employees and not as individuals. Our responsibility is limited to you as Client, and use of our product by third parties shall be solely at the risk of you and/or third parties.

5. **Late Fees; Etc.:** Unless arrangements are made otherwise, a late charge of 15% per annum, commencing thirty (30) days after the receipt of invoice will be charged on any balance not paid; however, in no event shall this delinquency rate of interest exceed the maximum rate permitted by law. We shall also be entitled to recover our costs (including attorneys’ fees), associated with collecting any amounts owed or otherwise incurred in connection with this engagement. Upon default, we shall be permitted to file a lien against the Subject Property for any amounts owed pursuant to this engagement.
6. **Cancellation:** In the event the assignment is canceled prior to completion, an invoice will be prepared reflecting the percentage of work completed as of that date. Any credits to the Client will be promptly refunded or any remaining balances to Integra – Portland will be indicated on the invoice.
7. **Marketpoint/Template:** The Client acknowledges that IRR-Marketpoint, our appraisal templates and Interconnect software is proprietary and confidential. Accordingly, the Client agrees not to use such software or make such software available for the use of any third party.

**ATTACHMENT II**

**CLIENT ADDITIONAL TERMS**

**Agreement performed at Integra -Portland's expense as Independent Contractor.** Integra-Portland will furnish all of the materials, supplies, tools, equipment, labor, and other services necessary for the construction and completion of the Project as described in these documents. Integra-Portland is an Independent Contractor under this agreement.

**Commencement and completion date.** Integra-Portland will commence work as required hereunder within 7 calendar days after the Client's approval of this agreement and will complete the same no later than June 1, 2017 unless extended or otherwise modified by written notice signed by both parties.

**Compensation.** Integra-Portland agrees to perform all of the work described herein and comply with the terms therein. The maximum amount due Integra-Portland for completion of the scope of work is \$12,000.00 unless the project price is modified by executed change order signed by both parties. Payment shall be made by Client in a single payment following final acceptance of the project by Client.

**Penalty for failure to meet deadline.** The parties agree that Client has a substantial interest in the timely completion of the work to be performed under this agreement. However, the parties agree that the damages to be anticipated from the failure of Integra-Portland to complete this work to be performed under this agreement in the specified time are uncertain and difficult to establish. The parties therefore desire to liquidate Client's damages for Integra-Portland's failure to complete the work on time. The parties therefore agree that Integra-Portland is liable for and shall pay as liquidated damages to Client the sum of \$600.00 (equal to contract price times .05) per day for each calendar day to commence on the first calendar day after the required completion date under this agreement and to continue after each and every calendar day until all work is satisfactorily completed as specified in the agreement.

**Ownership of Work Product by Client.** Except as set forth elsewhere herein, the appraisal, appraisal report, consulting reports and all associated work product provided under this agreement shall be owned by Client exclusively and shall be considered works made for hire by Integra-Portland for Client. Client shall exclusively own all United States and international copyrights and all other intellectual property rights in such work product.

**Termination.** Either party may terminate this agreement on not less than ten (10) days written notice if the other party fails to comply with a material term of this agreement. Termination shall not excuse liabilities incurred prior to the termination date. In addition, in the event Client no longer receives funds adequate to enable it to continue this agreement, it will provide written notice of termination of this agreement to Integra-Portland.

**Incorporation of statutory provisions required for public contracts.** Integra-Portland certifies it shall comply with all applicable public contract laws to include ORS 279B.200 through 279B.240 and ORS 279C.500 through 279C.530. ORS 279B.200 through 279B.240 and ORS 279C.500 through 279C.530 are incorporated into this agreement by reference.

**Workers' Compensation.** Integra-Portland, its subcontractors, if any, and all employers working under this agreement are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage for all their subject workers.

**Certification of compliance with tax laws.** Integra-Portland certifies, under penalty of perjury, that it is not in violation of any Oregon tax laws.

**Insurance.** Integra-Portland, at its expense, agrees to maintain its current forms and levels of insurance coverage for the entire term of this agreement. such insurance shall have minimums not less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate.

**Prohibition of Discrimination.** In hiring employees for performance of work under this agreement, no contractor, subcontractor or any person acting on their behalf (including Integra-Portland) shall by reason of race, religion, age, color, creed, physical handicap or sex discriminate against a person who is qualified and available to perform work to which employment relates.

**Risk of Loss.** The risk of loss or damage to the subject matter of this agreement arising from any cause whatsoever, including acts of God, shall be upon Integra-Portland until such time as the Client, in its reasonable discretion, has accepted the work.

**INDEMNIFICATION.** INTEGRA-PORTLAND SHALL INDEMNIFY, DEFEND, SAVE AND HOLD HARMLESS CLIENT FROM AND AGAINST ANY AND ALL SUITS, ACTIONS, LEGAL OR ADMINISTRATIVE PROCEEDINGS, DEMANDS, CLAIMS, LIABILITIES, FINES, PENALTIES, LOSSES, INJURIES, DAMAGES, EXPENSES OR COSTS, INCLUDING INTEREST AND ATTORNEY FEES, IN ANY WAY CONNECTED WITH ANY INJURY TO ANY PERSON OR DAMAGE TO ANY PROPERTY OCCASIONED IN ANY WAY BY INTEGRA-PORTLAND'S OR INTEGRA-PORTLAND'S SUBCONTRACTORS' PROSECUTION OF WORK UNDER THIS AGREEMENT.

**Nonwaiver.** No waiver of any breach of this agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this agreement shall be taken and construed as cumulative, that is, in addition to every other remedy provided therein or by law. The failure of Client to enforce at any time any of the terms of this agreement, or to exercise any option which is provided, or to require at any time performance by Consultant of any of the provisions, shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of any part of this agreement, or the right of Client to thereafter enforce each and every provision.

**Severability.** Should any clause or section of this agreement be declared by court to be void or voidable, the remainder of this agreement shall remain in full force and effect.

**Attorney fees and costs.** In the event that either party to this agreement shall take any action, judicial or otherwise, to enforce or interpret any of the terms of this agreement, each party shall be wholly responsible for its own expenses which it may incur in taking such action, including costs and attorney fees, whether incurred in a suit or action or appeal from a judgment or decree therein or in connection with any nonjudicial action.

**Applicable laws.** This agreement is executed in the State of Oregon and is subject to Oregon law and jurisdiction in Yamhill County.

**Subcontractors and Successors bound.** Consultant covenants and agrees to bind any and all Subcontractor(s) for performance of work under this agreement. Any reference to Consultant shall include any and all Subcontractor(s) ad infinitum. This agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.

THIS AGREEMENT AND THE CONTRACT DOCUMENTS CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES. NO WAIVER, CONSENT, MODIFICATION OR CHANGE IN TERMS OF THIS CONTRACT SHALL BIND

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EITHER PARTY UNLESS IN WRITING AND SIGNED BY BOTH PARTIES. SUCH WAIVER, CONSENT, MODIFICATION OR CHANGE, IF MADE, SHALL BE EFFECTIVE ONLY FOR THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS OR REPRESENTATIONS, ORAL OR WRITTEN NOTICE SPECIFIED HEREIN REGARDING THIS AGREEMENT. THE CONSULTANT, BY SIGNATURE OF ITS AUTHORIZED REPRESENTATIVE, HEREBY ACKNOWLEDGES THAT HE/SHE HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.