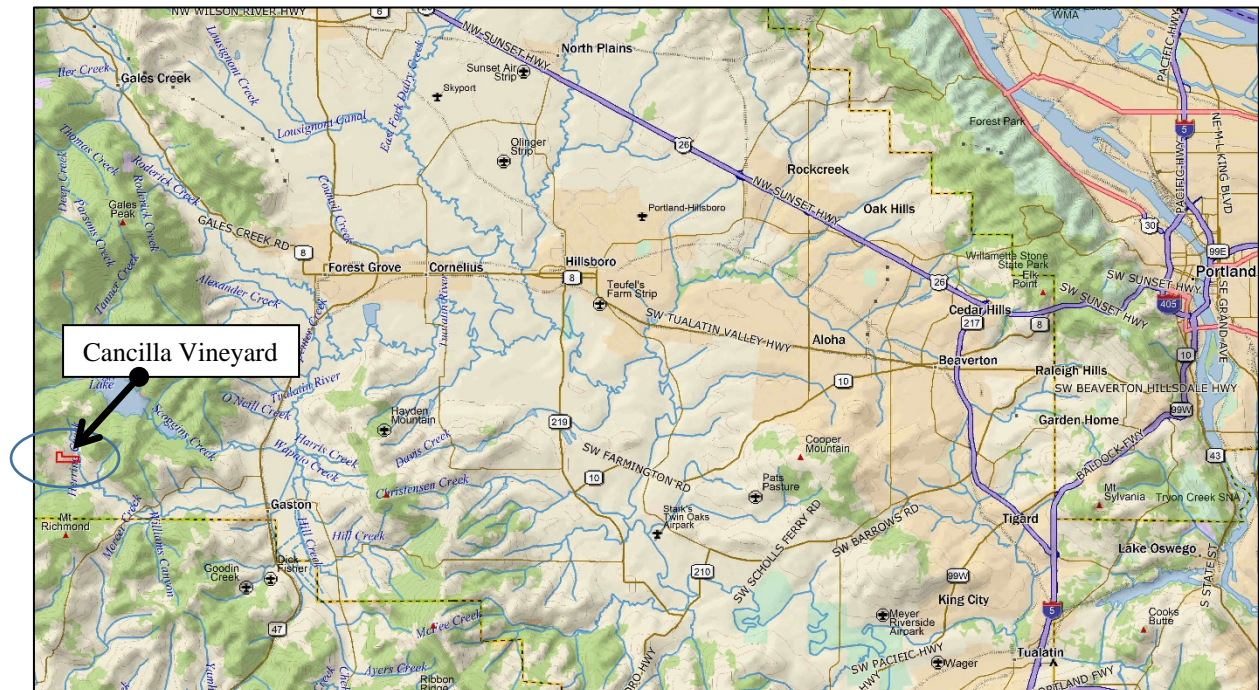


## Property Description

**Property Owner:** Kenneth P. Cancilla

**Property Location/Access:** 9179 SW Lee Road, Gaston, OR 97119 (southern Washington County). Legal and physical access are available from Lee Road, which forms the eastern property boundary. A gravel surfaced drive leads through an electronic privacy gate from Lee Road to the home site. Lee Road is an all-weather bi-directional gravel surfaced and County maintained road that leads south from the appraised property to Patton Valley Road and north to the loop road around Hagg Lake. Paved and bi-directional Patton Valley Road provides access to Highway 47, the main north/south arterial in the neighborhood. Gaston, OR, the nearest community with services, is located about 6 road miles to the east. Forest Grove and Hillsboro are situated  $\pm 10$  and  $\pm 15$  road miles to the northeast, and Portland is about 36 miles ( $\pm 1$  hour drive time) to the northeast. The subject's locale is rural in nature with a scattering of larger tracts mixed with smaller rural residential properties. Henry Hagg Lake, a reservoir holding the Tualatin Valley Irrigation District's pool of irrigation water, is located just a mile north of the property. The lake is available to the public for recreation/boating, etc.

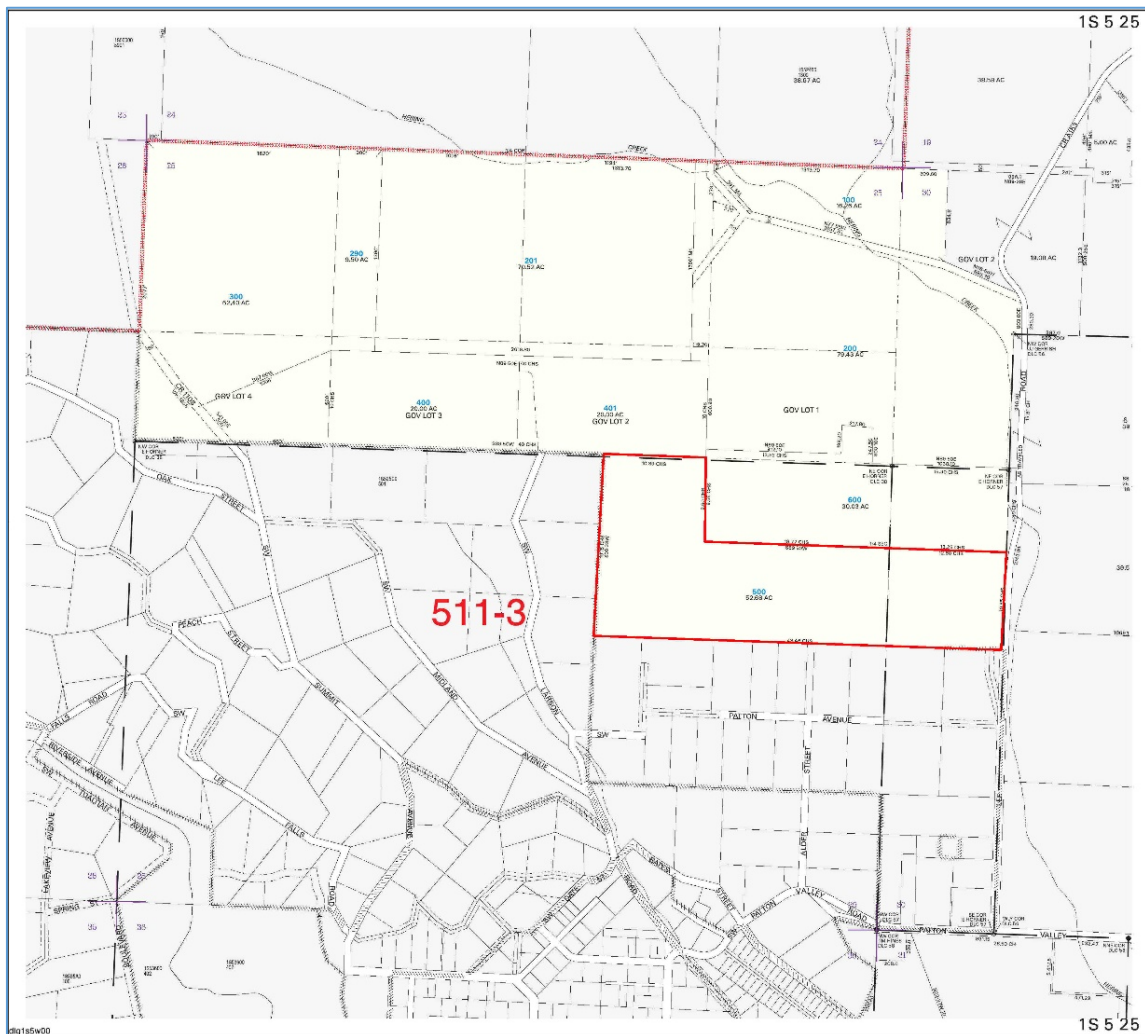
The property, located in the Willamette Valley American Viticultural Area (AVA) is situated just north of Cherry Grove, a former town that is now a collection of rural dwellings.



**Assessor's Data:** The following table and plat map summarize Washington County Assessor's data for the appraised property.

Map/Lot	Account #	Size (Ac.)	RMV* Land	RMV Impvt.	Taxable Value	2017 Property Tax
1S-5W-25, 500	R0453743	52.68	\$178,260	\$160,410	\$249,950	\$3,177.10

\*Washington County Assessor's estimate of "real market value."



**Legal Description:** The legal description cited in a 1997 purchase deed matches (for the most part) distance calls on Washington County Plat Map 1S-5W-25. The legal description in the deed also matches distance calls on a October 1883 survey of the property .

**Property History:** Ken Cancilla purchased the property in October 1997 from Wiliam and Florence Lowery via a Warranty Deed. At the time of Mr. Cancilla's purchase the proerty was improved with the existing dwelling and an older barn. Subsequent to purchasing the property Mr. Cancilla planted a ±20 acre vineyard (1999 and 2005) and constructed a new

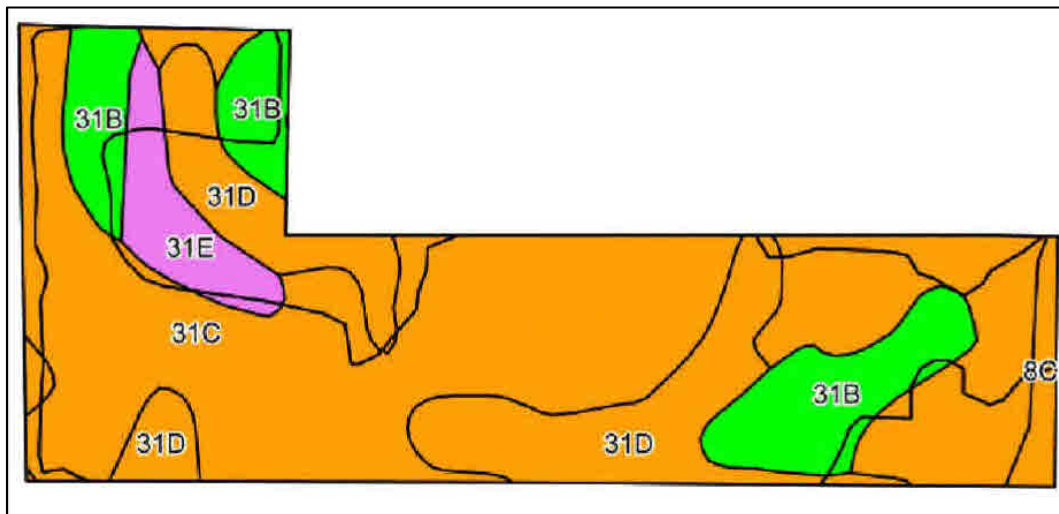
outbuilding (2009) after the old barn was crushed under a heavy snow-load. Further, Mr. Cancilla added exterior decking to the home, replaced the windows with modern 2 pane Milgard windows, upgraded the kitchen in 2012, and upgraded the HVAC system at about the same time.

**Land Use:** The property totals 52.68 acres, based on Washington County Assessor's information. A reasonable estimate of land use on the property has about 24.5 acres of land supporting the ±20 net acres of vineyard.

An additional ±11.90 acres of land could likely be developed to wine grapes with some reasonable land preparation effort. Of this ±11.90 acres, about 1¾ acres is inside the existing game fence and is essentially ready to plant. About 1¼ acres of the plantable land inside the fence is at the eastern edge of the existing vineyard and ½ acre of open land is situated at the western edge. The largest tranche of potentially plantable land, totaling nearly 8.50 acres (including about 1¼ acres inside the game fence), is in the eastern portion of the property in an area that is divided by a steep non-plantable escarpment. A smaller area of woodland (just under 3 acres) in the northwest corner of the property could likely be planted with a land clearing effort

About 1.75 acres of the property is devoted to the entry drive, home site, and farmstead. Ancillary land, totaling ±14.53 acres is situated in a ±8½ to-9 acre area of steep north and east facing woodland in the northern area of the property and in three areas of escarpment and low lying ground to the west, north and south of the home site/farmstead.

**Soils/Topography:** The soil profile of the property, consisting mostly of Melbourne silty clay loam (formerly classified as "Willakenzie") is well suited to wine grape production.





Area Symbol: OR067, Soil Area Version: 15									
Code	Soil Description	Acres	Percent of field	Non-Irr Class Legend	Water Table	Restrictive Layer	Soil Drainage	Non-Irr Class *c	Irr Class *c
31C	Melbourne silty clay loam, 7 to 12 percent slopes	31.44	58.1%		> 6.5ft.	> 6.5ft.	Well drained	IIIe	
31D	Melbourne silty clay loam, 12 to 20 percent slopes	10.98	20.3%		> 6.5ft.	> 6.5ft.	Well drained	IIIe	
31B	Melbourne silty clay loam, 2 to 7 percent slopes	7.81	14.4%		> 6.5ft.	> 6.5ft.	Well drained	IIe	
31E	Melbourne silty clay loam, 20 to 30 percent slopes	2.79	5.2%		> 6.5ft.	> 6.5ft.	Well drained	IVe	
8C	Chehalis silty clay loam	1.12	2.1%		2.2ft.	> 6.5ft.	Somewhat poorly drained	IIIe	IIIe

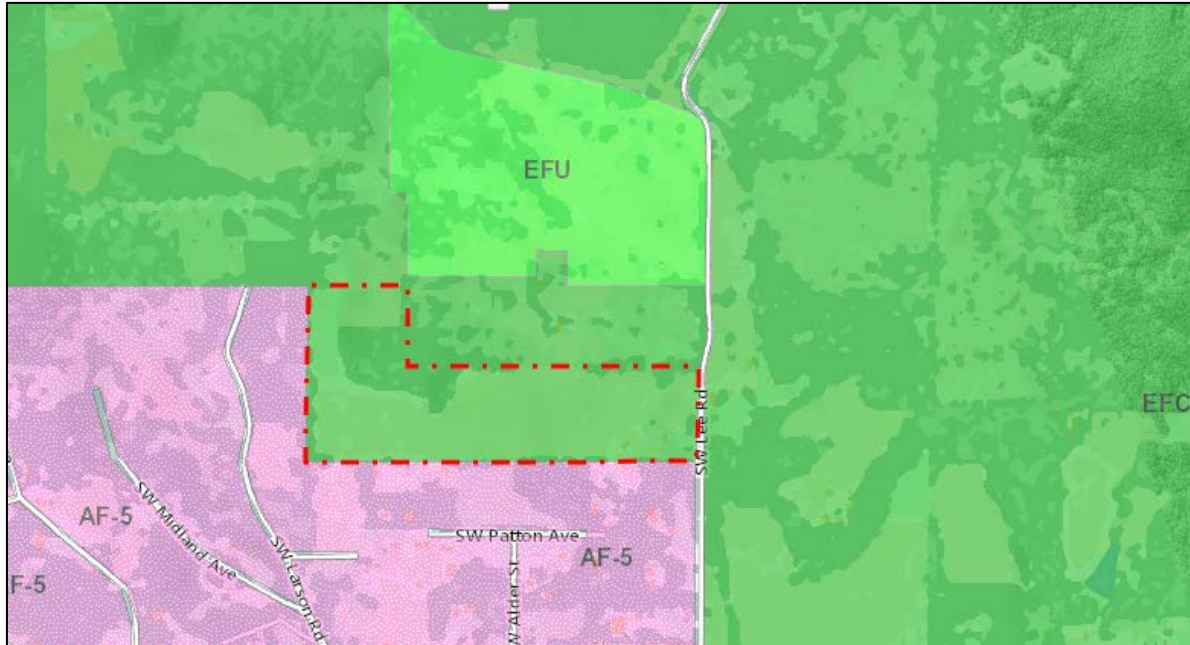
Topography is varied, ranging from quite steep, to rolling. Elevations range from  $\pm 600'$  in the northwest corner of the property down to  $\pm 280'$  at the southeast corner of the property along Lee Road. The planted and plantable land falls within the  $\pm 600$  to  $\pm 330'$  elevation band, which is well suited to wine grape production, and has generally rolling topography that can be wheel tractor farmed.

Aspects on the planted and plantable land are mixed with south to southeast aspects in the western portion of the property and easterly aspects tipping to the south and north in the eastern portion of the property. Overall, the mix of aspects and elevations offers a nice mix of microclimates.



**Irrigation Rights:** There are no irrigation rights associated with the property. The existing vineyard is dry-farmed.

**Zoning:** The property is zoned EFC (Exclusive Forest Conservation) by Wasington County. The use of the property as cropland to support a vineyard is an allowed use under the EFC code. Just to the south of the subject are lands zoned "AF-5", a zoning district allowing rural residential properties with a 5-acre minium lot size.



**Utilities:** The property supports a domestic well (located in the low lying area north of the home site/farmstead and west of Lee Road). The 6" diameter cased well was drilled in 1975 to a depth of 300'. Static water level was reported at 12'. The owner reports that the well delivers adequate water to service the dwelling and, in conjunction with a small above ground storage cistern located at the dwelling, furnishes enough water to handle vineyard spray operations.

Residential waste water disposal is by means of a septic tank and leach field, which are in working order.

Electrical, telephone, and **high speed internet services (25 mb/sec DSL)** are available and have been extended to the property.

**Cancilla Vineyard Summary:** The planted vineyard on the property totals ±19.93 net vine acres across 11 blocks. I relied on vine counts provided by the owner (see attached Results Partners block diagram) for block acreages, but confirmed the block sizes with Google Earth polygons. All of the vines are on phylloxera resistant rootstock (3309). The blocks 2-9 were planted in 1999 while blocks 10 and 11 were planted in 2005, block 1 was planted in 2003. The following aerial photograph and table summarize the planting.





Block	Plant Date	Varietal/Clone	Spacing	Net Acres
1	2003	PN/777	8'x 5'	1.27
2	1999	PN/Pom (grafted from PG in 2005)	8'x 4'	0.34
3	1999	CH/67 & 96	8'x 4'	1.04
4	1999	PN/Pom	8'x 4'	1.76
5	1999	PN/Wad	8'x 4'	1.14
6	1999	PN/115	8'x 4'	0.87
7	1999	PN/114	8'x 4'	1.03
8	1999	PN/777	8'x 4'	1.15
9	1999	PN/667	8'x 4'	1.09
10	2005 ( $\frac{2}{3}$ )/2006 ( $\frac{1}{3}$ )	PN/777	8.5'x 5'	3.30
11	2005 ( $\frac{2}{3}$ )/2006 ( $\frac{1}{3}$ )	PN/Pom	8.5'x 5'	6.94
			<b>Total</b>	<b>19.93</b>

**Note: Rootstock on all blocks is 3309.**

All blocks are hung on a VSP system with anchored wood end posts, notched steel line posts every 4<sup>th</sup> or 5<sup>th</sup> vine, cane wire, and three sets of catch wires. The vineyard is perimeter game fenced with 6'6" mesh topped with smooth wire.

Yields have typically been in the  $\pm 3$  ton/acre range. Most of the fruit is sold to local wineries. A number of wineries have made well received "vineyard designated" Pinot Noir from the fruit. The owner holds back some of the fruit for his own label (Cancilla Cellars). Current prices for the Pinot Noir fruit are in the \$3,000 to \$3,100/ton range. None of the fruit is contracted long term.

**The vineyard is organically farm and is Oregon Tilth certified.**

A good rocked vineyard access road leads from the home site/farmstead along the south property line to the vineyard blocks.

Overall the vineyard is in very good to excellent condition and shows professional management.

**Structures:** The property is improved with a circa 1969 built single family dwelling and a circa 2009 built utility building.

The ±1969 built home, a split entry structure with the main entrance on the east side, has ±1,872 ft<sup>2</sup> of living area split between ±1,248 on the main level and ±624 ft<sup>2</sup> on the lower level. The wood framed home (2"x4" exterior walls) rests on a concrete foundation. It has a low pitched roof covered with a built-up "hot mop" tar material that is in good condition. Exterior siding is a combination of vertical and horizontal wood lap in average condition for its age. Interior walls are dry-wall finished with a pop-corn texture on most of the ceilings. Interior fit and finish is utilitarian in nature.

The ±1,248 ft<sup>2</sup> main level supports a kitchen, dining area, living room, full bath, and three bedrooms. The master bedroom has an attached ¾ bath. The kitchen was upgraded in ±2012 with granite countertops, new wood cabinetry, and a propane fired stove. Flooring in the kitchen is sheet vinyl. The living room has a fireplace with a pellet stove insert. Low pile Berber type carpet is present in the living room as well as in the bedrooms. Full ducted HVAC is available with heat provided by a propane burner. Windows are all newer vinyl clad 2-pane units.

The ±624 ft<sup>2</sup> lower level supports a family room with a fireplace and a laundry room. Access to the ±624 ft<sup>2</sup> two-car garage is available from the lower level.

The dwelling has a "full house" 14kw propane fired generator on stand-by in case of power failure.

Wood decking (i.e., western red cedar) , totaling ±1,000 ft<sup>2</sup>, is present off the back of the home and wraps around the south and a portion of the east side.

The utility building was constructed in 2009. It measures 36' x 60' (2,160 ft<sup>2</sup>), not including a ±12' x 50' (600 ft<sup>2</sup>) open shed extension off the east side. Eave height of the enclosed area is ±16'. The building has a pole frame, and pre-manufactured roof trusses. The roof is sheathed with oriented strand board topped with standing seam metal. Exterior walls are also covered with standing seam metal. No insulation is present. Access is via sliding doors on the north

end as well as the south end.. The floor is gravel covered. Power has been extended to the building (200 amp panel), but there is no plumbing. Lighting is by modern fluorescent fixtures. Overall the building is in excellent condition. Total costs to construct in 2009 were reported at ±\$56,000 (±26/ft<sup>2</sup>) , including extending power.

A ±275 gallon above ground fuel tank is present at the utility building. .