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Free Money

(or in other words: the chapter has scholarship money available; apply now!)

Twice each year, the Greater Oregon Chapter awards education scholarship money to chapter members. The scholarships consist of up to \$750 toward tuition for courses presented by GOCAI that meet designation requirements. Preference in awarding scholarships is given to members who have demonstrated progress toward meeting designation requirements and who have supported our chapter, but all chapter members are eligible to apply. The award money must be used within one year of award receipt.

April 2015 Field Notes

Message from the President:

Brian H. Brooks, SRA

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I am looking forward to the year ahead as the 2015 President of the great Greater Oregon Chapter of the Appraisal Institute and am grateful for the opportunity to serve. Beth Aquilizan, SRA did a fine job last year which will make this year that much easier for me, the board and Vicki Champ, our executive director.

I am excited to say that Katie Powell-Banz led the way for the first Chapter Directory in 5 years. We will be mailing one to all of our members soon.

Because the Oregon Legislature has a full year this year, as they do in all odd numbered years, the chapter has hired a valued contributor, lobbyist Lana Butterfield, in order to monitor legislation that could impact appraisers. Owen Bartels, MAI is working closely with her and is otherwise doing a very good job leading the Governmental Affairs committee. Owen has also taken the time to meet with some of our state legislators who have previously been advocates for our interests.

I want to thank Kurt Plaster, who attended LDAC last year, for stepping up to be a 3rd year director this year, Tyler Woods for volunteering to be a Region 1 Representative and Lenka Keith for joining the Education Committee and representing GOCAI at LDAC in May, along with Owen Bartels, MAI. For those of you interested in getting involved, now is a good time. Personally, being of service is rewarding and I am happy to have learned so much so far.

Like the Chapter has done in the past, we have given a \$2,000 scholarship to Portland State University's Center for Real Estate. The scholarship was given to Clancy Terry, a promising student in the Master of Real Estate Development program.

In February, for residential appraisers, Fannie Mae is rolling out its high-tech, automated risk assessment tool called Collateral Underwriter. To put it most succinctly appraisers must be consistent with the data, themselves and their peers, or they may be asked to, in what would be another example of scope creep, explain themselves. Much ado has been made about it but, as always, as long as one's reports have consistent quality there most likely won't be cause for concern.

I am looking forward to hearing from you and getting to know the valued members of our chapters as the year unfolds.

Brian H. Brooks, SRA

GOCAI 2015 President

The deadlines for application are June 30 and December 1 of each year. To access the application, please visit the GOCAI website (www.oregonappraisers.org) and click on the "Education Scholarships" link on the left side of the page.

Feature Article

Part of the Litigation Team

By Don Churnside
Gaydos, Churnside & Balthorp, P.C.



In many civil cases, in state and federal court, real property, or an interest in real property, and the value of that interest, is a critical issue. In that situation, it is the lawyer's job to know and understand the law, the procedural issues in proceeding through trial, and how the law will measure or calculate damages if that is an issue.

An appraiser is oftentimes a must on the litigation team in a wide range of cases and issues. Those issues include not only valuations in disputes over purchase and sale agreements involving independent, willing buyers and sellers, but also domestic relations proceedings, eminent domain and condemnation proceedings, probate and estate proceedings, and competing joint interests in real property, such as easements, licenses, joint ownership, co-tenancies, and consensual and nonconsensual liens against property.

In litigation, it is imperative that the real estate appraiser be made a part of the litigation team at the commencement of the litigation. The real estate appraiser is an invaluable asset in advising the lawyer as to the valuation issues that are part of the litigation. With the assistance of the appraiser, the lawyer is better equipped to not only understand the valuation issue, but also to accumulate and prepare additional evidence beyond the appraiser's opinion of value to support that opinion.

A critical aspect of an appraiser's participation is a thorough understanding at the outset between the lawyer and the appraiser as to the appraiser's scope of work, and the interest or interests that the appraiser is being asked to value. Oftentimes that interest is less than a simple fair market value of the real property at issue. The valuation issue is often a partial fee interest in the property as a co-tenant, or an easement or concurrent right in the property with another. A thorough understanding of the scope of the engagement is necessary by both the appraiser and the lawyer. The appraiser is the expert in real property, and should not and cannot assume that the lawyer has similar knowledge. It is incumbent on the appraiser, and of great assistance to the lawyer, that the appraiser explains the valuation issue to the lawyer, and the appraiser senses that the lawyer understands the appraisal issue.

Another difficult issue in litigation is whether the appraiser is an expert witness or a fact witness. As a qualified expert, the appraiser is allowed to render an opinion as to valuation. As a member of the litigation team, and a participant in the accumulation of facts, and perhaps the history of the property, the appraiser is oftentimes a fact witness, as well. The appraiser and the lawyer should discuss and agree on the extent to which an appraiser will testify as to the facts and circumstances of the particular issue in front of the court. An appraiser who testifies extensively as to the facts reflects a clear and accurate understanding of the valuation issue, but also is subjected to cross-examination based upon bias, which may substantially challenge the appraiser's credibility. It may be appropriate for the lawyer to use other witnesses to explain the facts and circumstances to allow the appraiser to maintain the appraiser's independence and objectivity, thereby reducing the risk of an assertion of bias.

At each stage of the litigation, as the lawyer and the appraiser are contemplating the appraiser's participation

and involvement, the lawyer and the appraiser should consider the opportunity for the other side to cross-examine and challenge the appraiser's opinion of value. It is easy to anticipate that the basis for the opinion will be the subject of inquiry by the opposing counsel. The appraiser should be comfortable regarding the source of the appraiser's information supporting the opinion of value. Once again, those sources should be independent from the lawyer to avoid any bias or prejudice and maintain the credibility of the appraiser's opinion.

The parties should also consider the appraiser's compensation, and ensure that there is no aspect of the compensation that would challenge the appraiser's credibility. Obviously compensation that was connected to the outcome of the case could be easily challenged, and results in an obvious inference that the appraiser's opinion was altered or impacted by the result the appraiser was hoping would be attained.

In nearly all cases, it should be anticipated that the opposing party will also have an expert appraiser. Hopefully the lawyer can obtain the other party's expert's appraisal or opinion. The opposing party's appraisal or opinion should be shared with the appraiser, not only to assist in the appraiser's testimony, but also to aid the lawyer in cross-examination of the opponent's expert. The appraiser will have practical experience in looking at comparable sales or factual data, reviewing the qualifications of the expert individually, and also the appraisal, and pointing out to the lawyer areas to question.

The reverse of that analysis suggests that the lawyer and the appraiser should consider and discuss when the appraiser generates a written report. If care is not taken, and written reports are discoverable by the other side, a series of amended reports will be a source for cross-examination, and the challenge to credibility.

The most important part of the relationship is the appraiser's testimony at trial. For the appraiser's comfort, that should be practiced with the lawyer as much as is necessary. The appraiser should be comfortable with the questions that will be asked, and the answers that are anticipated. The lawyer and the appraiser should also practice cross-examination, and anticipate the opposing party's questions of the appraiser. The appraiser should be prepared to support assumptions that support the appraiser's opinion, and the basis for those assumptions.

In preparing the direct testimony, the appraiser should have substantial input as to how the lawyer asks the questions, and what questions the appraiser prefers to be asked, in what order. The appraiser is then able to work through the appraiser's process, analysis, and final opinion in a way that is comfortable and logical to the appraiser. That testimony will be more convincing than a series of disjointed questions from the lawyer. An appraiser should never assume that the lawyer's input and suggestion is more valuable than the appraiser's in formulating testimony and making the appraiser's opinion credible and believable.

In conclusion, the appraiser is a valuable team member, and the appraiser's contribution is the greatest when the parties work as a team, enhancing each party's strengths and anticipating the opposing party's position to present to the trier of fact the most convincing presentation.

Newly Designated Members

Ken Davis

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Where did you grow up? go to school? I'm in no-man-land relative to AI Chapters (hour north of Portland and two hours south of Seattle) so I belong to both. Born and raised in Longview, Washington. Other than five years living in Orange County, CA back in the late 80's I have always lived where I am at now.

What is your "appraiser story?" (How did you end up becoming an appraiser?) and what do you enjoy most about your job?

Second generation appraiser...wanted to be an MAI when I was five so I could get a cool plaque like the one my Dad's boss had...he told me I had to become an MAI to get one so that is what I decided to be when I grew up. I will note that mine is nowhere near as cool as the old A.I.R.E.A. ones were with the embossed gold seal and yellow and green ribbons. I am still learning to live with my plain one. I now have three AI designations, one ASA designation and one RICS designation. Not sure what I pursue next?



What kinds of non-appraisal things do you like to do? (hobbies, travels, etc.)

I have eight kids (four biological and four adopted) so there isn't much time for other stuff. I have two daughters in college at WSU and one of them is on scholarship for Track & Field. The adopted kids range in age from 9 to 15 and keep me busy. The youngest three are home schooled and I help with that during the day. My wife is in the second year of a Master's Program. She is going to be a counselor when she grows up. :)

Favorite things list:

- a. Favorite food: Seafood
- b. Favorite kind of music: Jazz
- c. Favorite sports team: Grew up on Blazers, Seahawks and Mariners.
- d. Favorite place to visit: Oregon Coast (locally), Southern California and Tropical beaches if I am going to fly.
- e. Favorite movie or book: I am presently working through a bucket list of classic novels...I have read about fifty in the past five years and have just under a 100 left on the list. The Count of Monte Cristo is by far the best novel I have ever read; it is also the longest. Anything "Star Trek" is a good movie. I am also growing more fond of my Bible each day.
- f. Favorite quote: "If it's on the Internet...it has to be true!" - Abraham Lincoln

What would be your first choice for a second career?

There was no second choice...I decided when I was five and that was it. I have, however, after many appraisal jobs and nearly a decade of managing an appraisal department for a large regional bank found my niche as a review appraiser...so I am now operating on the "Dark Side" of the industry (I apologize for switching to a Star Wars reference...couldn't be avoided).

What advice would you give to someone who is currently working toward designation?

Get the CapStone demo done as soon as possible...just in case they ever decide to take that option away. I pre-date that option and it took me at least five years of procrastination to actually complete mine.

Lenka M. Keith, MAI

lkeith@irr.com



Where did you grow up? go to school? How did you end up in Portland? I grew up in the former communist Czechoslovakia. I left the country illegally in 1982, and was sentenced to 2 years in prison in my absence, in case I decided to come back. I ended up in Portland thanks to a classmate, who left Czechoslovakia in 1979 and had a number of relatives in Portland. After completing some undergraduate work in Prague prior to leaving the country, I went to Portland State University; graduated in 1984. I spent the first 14 years of my adult life working as a lab technician (11 of which were at the Portland VA Medical Center).

What is your "appraiser story?" (How did you end up becoming an appraiser?) and what do you enjoy most about your job?

In 1999, after ending a 6-year retail career, I found myself at a crossroads. I did not want to go back to doing medical research because it was not a good fit for my degree, and I did not have a clear direction. But I had always been intrigued by distressed properties and the way investors were able to turn them around. An acquaintance, who owned a large apartment management company, suggested I take an appraisal class. Although the idea of an appraisal class sounded boring and dry, I figured I had nothing to lose. The first class I ever took was taught by none other than Terry Bernhardt, and I was hooked from Day One (thank you, Terry!). Three months later I was hired by Integra Realty Resources, and I have been with the company ever since (15 years now). Taking on a trainee is a risk and a significant time commitment, and I appreciate having been given the opportunity to grow as an appraiser within the company.

What kinds of non-appraisal things do you like to do? (hobbies, travels, etc.) My favorite non-appraisal activity by far is ice skating, which I do several times a week. I call it my "mental health maintenance program". I also enjoy ballroom dancing, cooking, skiing, gardening, backpacking - not necessarily in that order.

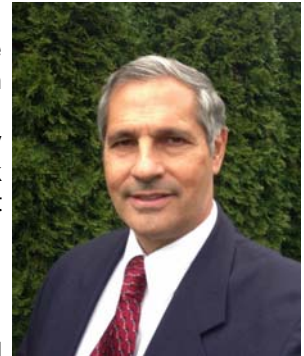
What would be your first choice for a second career? Upon finishing my undergraduate degree I considered becoming a physical therapist, but at the time the unofficial pre-requisite to getting into the program was to have at least a year of field-related volunteer work under one's belt, which was out of my reach.

What advice would you give to someone who is currently working toward designation? Keep going and don't do what I did! I took the comprehensive exam 7 years before writing my demo report, so in essence I took the majority of the required education 8-10 years before completing my demo. I definitely found the old saying "if you don't use it, you lose it" to be true, but obviously, it all worked out in the end.

Douglas B. Trospers, MAI

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I grew up in Idaho, Montana, Maryland, Virginia, and Wisconsin, graduating college at University of Wisconsin - Madison. I entered the appraisal profession as an appraiser trainee in Billings, Montana. My appraisal work has taken me to Europe, the Far East, all over the United States, including Alaska and Hawaii, then finally Portland, Oregon. One thing I like most about appraising is you are not stuck behind a desk all the time - you can get out in the field. I also like the market research aspect. I enjoy learning about the many different real estate markets.



If I had not gone into appraising I probably would have gotten involved in land surveying, geographic information systems or some other mapping related profession. I like working with geographic information systems (GIS) and since I am primarily a land appraiser I use it a lot in my appraisal work.

My recommendation to those pursuing the MAI designation is to keep up your experience log - it is a good reminder that every appraisal you do may end up being examined by the Appraisal Institute. After completing your education requirements, go back over all the problems from the advanced appraisal classes and understand them inside and out before you take the comprehensive exam. It took me quite a while to get this designation. It was worth it.

Member Spotlight: Brian H. Brooks, SRA

By Zoe R. York, MAI

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Brian grew up in Gross Point, Michigan, a community just outside of Detroit. A graduate of Michigan State University, he held a number of jobs after graduation including helping friends start and run a physical therapy business. Brian happened upon appraisal as a career through some friends and after tagging along on a few inspections decided that it was an interesting profession he wanted to pursue. Having a Business Administration degree and experience in business start-up and operation, opening his own appraisal business was a natural progression after he became licensed. He started business in 2002 in Michigan, noting that the market in Detroit was hit by the recession nearly 3 years before the rest of the country.

When family needs prompted a move to Oregon 7 years ago, Brian was well versed in appraising in a recession and wondering what all the fuss was about since he had been dealing with a down market for years! His wife is a therapist and has helped with the operation of the business since inception. Together, Brian and his wife love to travel and love to watch the Detroit Red Wings hockey games. They have traveled to games in over 4 different states. Aside from being avid hockey fans, he and his wife also enjoy the other end of the entertainment spectrum and are repeat patrons of plays and Broadway shows. Brian likes to think of himself as a curious person, which is in part what instigates his "travel bug" - he has been to 44 states in total!

Brian has been involved with the Appraisal Institute for a while now and finds it very rewarding. He is still

getting used to being called "Mr. President," but overall is very excited to serve this year.

In Memoriam: Brady L. Adams

Direct quote from Brian Glanville, MAI, about Mr. Adams.

"If I remember correctly, he was an SRA as well as President of Evergreen Bank. When we united the 5 SREA chapters and the AIREA chapter in 1991, Brady was on the first GOCAI Board of Directors. Pretty amazing having a Bank exec. on our chapters' Board! He was a great guy and gave us outstanding advice. He always treated everyone with respect and enjoyed himself. And he was a great supporter during his time in the Senate. We tried to get him to take an officer's position with the Chapter, but said he was thinking about running for office, and he wins a seat on the Senate and later becomes the Senate President. I'll always remember him as a good friend."



[click here to read his obituary](#)

Meet your Scholarship Recipient!

By Zoe York
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Twice each year, the Greater Oregon Chapter awards education scholarship money to chapter members. The scholarships consist of up to \$500 toward tuition for courses presented by GOCAI that meet designation requirements. The most recent winner of this scholarship was John C. A. Gillem of Powell Banz. Congratulations John!

Where did you grow up? go to school? Where do you live now?

I was born in Seattle, and grew up in Prineville, Oregon. I then attended college at Pacific University in Forest Grove, Oregon and now reside in Salem, Oregon.

What is your "appraiser story?" (How did you end up becoming an appraiser?) and what do you enjoy most about your job?

I wanted to be an accountant when I first graduated college, but I was offered a job by Powell Banz Valuation LLC (the appraisal firm where I currently work) and I decided to take it. I am glad that I did! I enjoy the complexity and ever-changing nature of the projects we work on.

What kinds of non-appraisal things do you like to do? (hobbies, travels, etc.)

Running, lifting weights at the gym, snowboarding, and boating.

Favorite things list:

- a. Favorite food: Pizza.
- b. Favorite kind of music: Any kind.
- c. Favorite sports team: Seattle Seahawks, Seattle Mariners
- d. Favorite place to visit: Hawaii, Minnesota
- e. Favorite movie or book: Once a Runner, by John L. Parker Jr.

Favorite quote: "Win the Day" - Chip Kelly

More Information on Scholarships

Preference in awarding scholarships is given to members who have demonstrated progress toward meeting designation requirements and who have supported our chapter, but all chapter members are eligible to apply. The award money must be used within one year of award receipt.

The deadlines for application are June 30 and December 1 of each year. To access the application, please visit the GOCAI website (www.oregonappraisers.org) and click on the "Education Scholarships" link on the left side of the page.

ACLB Quarterly Meeting Summary first quarter meeting-2015

By Owen E. Bartels, MAI
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Changes to State Licensing Exams

In order to accommodate new AQB requirements, the State of Oregon's licensing examinations will be changed, but it sounds like only slightly. The AQB's guidelines on national certification examinations can be found at <http://oregonaclb.org/wp-content/uploads/2014/10/2015-examcont.pdf>. The basic change, it appears, is the number of examination questions and the distribution of those questions according to the referenced guidelines. There will be 125 examination questions, 110 of which will be scored (leaving 15 as not-scored experimental questions). Time allotted for the examinations will include up to 4 hours for licensed and certified residential licenses, and up to 6 hours for the certified general license.

2015 Legislative Session Underway

In order to best serve our membership, the GOCAI board has again contracted with Lana Butterfield to represent our interests in Salem this legislative session. I would like to thank, in no particular order, Beth Aquilizan, Brian Brooks, John Donnerberg, Chad Plaster, Wayne Richards, and David Balfour for their help in wrangling the extensive list of bills to discern which have an impact on our membership. At the start of the session there were approximately 1,400 bills proposed in the Oregon house and senate. I'm told there have been about 1,100 introduced since, bringing us to around 2,500 bills to vet for potential impact on your business. Without Ms. Butterfield and the folks included above we would never have been able to churn through these.

We have yet to see anything directly hostile or damaging to the appraisal profession, though there are a number of bills relating to property taxation methodologies, land use proposals around the treatment of UGBs, issues relating to manufactured housing, low-income housing... the full spectrum. As the session continues we'll try to keep you all apprised of any issues of specific import or impact.

Announcement - Nominating Committee Elect:



Ryan S. Prusse, MAI has been selected to serve on the Region 1 Nominating Committee for 2015-2016. Qualified candidates are all those who have previously served at the Regional level.

Main responsibilities will include selecting people to serve on the National Nominating Committee, to choose a Regional 3rd Director for 2015, and to select Regional Leadership for 2016/2017.

Our Chapter membership representation on this committee also includes Terry Bernhardt, JD, SRA who is the Chair.

Thanks to Terry and Ryan for representing us at the Region 1 Level.

If members are interested in serving at this level, the starting position is as a Regional Representative. Please contact Brian Brooks, MAI or Vicki Champ if you would like to be added to the roster of potential Regional Representatives for future consideration.

Upcoming Events-2015

DATE	DESCRIPTION	
May 7	Business Practices and Ethics	Doubletree by Hilton, Tigard, OR
May 8	7-Hour National USPAP Update Course	Doubletree by Hilton, Tigard, OR
May 11-12	Uniform Appraisal Standards for Federal Land Acquisitions	Doubletree by Hilton, Tigard, OR
May 20	Right of Way Appraisals: What Appraisers and Agents need to know	Hayden's Grill, Tualatin, OR.
September 15-18	General Appraiser Income Approach, Pt. 1	Doubletree by Hilton, Tigard, OR
September 21-24	General Appraiser Income Approach, Pt. 2	Doubletree by Hilton, Tigard, OR
October 19-23	Valuation of Conservation Easements	Doubletree by Hilton, Tigard, OR
December 4	7-Hour National USPAP Update Course	Doubletree by Hilton, Tigard, OR

For a complete list of upcoming classes and events, and to register for any of these classes, please visit the GOCAI website, www.oregonappraisers.org

Sincerely,

A handwritten signature in black ink that reads "Zoe R. York". The signature is stylized and cursive.

Zoe R. York, MAI
Newsletter Editor, Greater Oregon Chapter of the Appraisal Institute