



December 21, 2006

Mr. Pete Renter
Stemmons North America
P.O. Box 94941
Chicago, IL 69466

Re: Douglas Fir Tree Appraisal
Claim # 9256774682-001
Insured: Trapper Construction
Date of Loss: 06/13/2006
Employee/Claimant: William Smith

Assignment and Scope of Work

The undersigned has been retained to provide a conditional appraisal of damage that occurred due to unauthorized pruning of a Douglas Fir tree in the state of Washington.

The following appraisal has been prepared utilizing national guidelines provided by the Council of Tree and Landscape Appraisers, a consortium of seven green industry educational and research organizations.

This appraisal is based upon the following information:

- 1) The tree in question is a Douglas Fir, *Pseudotsuga menziesii*.
- 2) The trunk diameter at 54 inches above grade is 32 inches.
- 3) The health, structural integrity, and canopy shape of the tree prior to the incident was very good.
- 4) Prior to the incident, the tree provided aesthetic beauty, screening of undesirable views, and other functional improvements to the property.
- 5) Approximately 20% to 25% of the tree's canopy was removed or damaged during the pruning operation.

This tree appraisal report has been prepared utilizing a depreciated replacement cost approach for determining the value of trees. Under this approach, the calculated replacement cost of each tree is adjusted or depreciated based upon factors such as the individual tree's overall health and condition, species characteristics, canopy shape, life expectancy, structural integrity, aesthetic appeal, and contribution to the landscape. For trees greater than 6" in trunk diameter, the trunk formula method is used to determine depreciated replacement cost.

The trunk formula method utilizes local cost and specie data that are developed by regional plant appraisal committees. The Unit Tree Cost for conifers, as determined by the Pacific Northwest Chapter of the International Society of Arboriculture (PNWISA), is \$53.00 per square inch of trunk cross sectional area measured 54" above grade. PNWISA has assigned a Species rating of 75% for Douglas Fir trees.

Appraised Value

The appraised value of this Douglas Fir tree is \$20,600.00. In my opinion, the diminution in value due to the canopy loss is 40%, so the appraised loss is \$8240.00. Appraisal calculations and notes are offered in Appendix "A".

Note: The documentation provided does not appear to specifically mention the height at which the tree's diameter was measured. National guidelines require that the tree be measured 54" above grade (or slightly above or below that point, if needed, to avoid branches, knots, bumps, or other features that would distort the measurement). Appendix "B" offers alternative appraisal calculations for a range of tree sizes in the event that the tree was not originally measured at 54" above grade.

Reasonableness and Independence

Appraisers are required to ensure that their appraisals are reasonably related to the facts of the case, and that the appraisal methods utilized match the circumstances of the case. In my opinion, this report satisfies the reasonableness requirement.

This report has been prepared in an independent and objective manner. This consultant's compensation has been based solely upon a flat hourly rate for time expended for research and report preparation, without regard to the final appraised tree valuation.

Respectfully submitted,

Gregory P. David, RCA/BCMA
Registered Consulting Arborist

Appendix "A" - Stemmons NA - Claim # 9256774682-001

Appraisal Calculations

Tree Species = Douglas Fir, *Pseudotsuga menziesii*

Measured trunk size = 32" (DBH)

Appraised trunk area = 804.25sq. in. (Diameter² • 0.7854)

Adjusted trunk area = 787.56 sq. in. (per [Guide](#) for trees over 30")

Adjusted trunk increase = 781.83 sq. in (adjusted trunk area less 5.73 sq. in)

Unit tree cost = \$53.00 per square inch of cross-sectional trunk area.
(Determined by Pacific Northwest Chapter, ISA)

Basic tree price = \$ 41,937

(Adjusted trunk increase • \$53.00 per square inch) plus the installed cost of the largest commonly-available replacement tree (\$500.00)

Species % = 75 (Provided by PNWISA)

Location % = 80 (High aesthetic and functional residential value)

Condition rating = 80% (Very good condition, health, structure, life expectancy)

Appraised tree value = \$ 20,130

(Basic tree price • species factor • location factor • condition. Rounded to nearest \$100 per guidelines)

Loss factor = 40% (Decrease in value of tree - in percent)

Appraised loss = \$8050.00

(Appraised tree value • loss factor)