Mountain States Appraisal, LLC
1459 Tyrell Lane, Suite B
Boise, ID 83706
Phone: (208) 336-1097

Joe Corlett, MAI, SRA
Moe Therrien, MAI
Kevin Ritter, MAI
Derek Newton, MAI
Jeff Vance, MAI
Paul Dehlin, MAI
David Pascua

April 15, 2024

Harris Family Limited Partnership
c/o Lenir Limited
Mr. Doug Fowler
877 W. Main Street, Suite 501
Boise, ID 83702

Re: Second Letter Addendum to the Appraisal of the Wetlands Conservation Easement Located on Eckhert Road at Harris Ranch in Boise, Idaho

Dear Mr. Fowler,

As requested by legal counsel, I am submitting explanatory comments with regard to the appraisal that I completed on the Wetlands Conservation Easement parcel as of November 12, 2007. My appraisal report was prepared as of August 13, 2008. As such, that represented a retrospective appraisal report. Our file number is MS-7822B-08.

As pointed out in a review analysis of the original appraisal report, the flood plain map used therein was incorrect. As such, I am attaching the corrected flood map to this letter. According to the flood map, approximately 3.8 acres of land area is located in the Boise River floodway. According to my recollection, I was told that density transfers out of fee simple land that is located in floodway would be appropriate in the case of this parcel in the development of the overall Harris Ranch project. Therefore, I did not exclude any floodway land areas in my appraisal analysis of the 10-acre conservation easement. This is also apparent by looking at the aerial photograph presented in the appraisal report which shows a dry site. Additionally, the sales data used for analyzing the subject's larger parcel had similar riparian influences with flood plain and floodway characteristics.

Density transfers are common in the real estate market. A density transfer occurs when open areas are desired to be preserved by planning authorities. Therefore, many authorities allow transfer of development density into the areas of the ownership that would be less intrusive to the amenity appeal in the case of a river front parcel. Therefore, as an example, a 100-acre site with an allowable density of four units per acre would support 400 total units. Under a density transfer provision, a developer might preserve 10 acres of the overall 100-acre ownership with no development potential and transfer the 40 units entitlements into the remaining portion of the site which would create a higher density but allow for a superior amenity appeal for the residents of those properties. Thus, it was not uncommon for appraisers to consider density transfers in the pursuit of an appraisal analysis.

It should be clearly understood that the appraisal was prepared for the client assuming that the appraisal would be used for documenting a charitable non-cash donation to a qualified receiver. Thus, the intended users of the appraisal report would include the Harris Family Limited Partnership, respective legal counsel, and the United States Internal Revenue Service. This is further supported by the fact that the definition of market value utilized in the appraisal report conformed to Treasury Regulations. Also, the appraisal made the assumption that no development rights could be transferred out of the encumbered portion or 10-acres of the site to the upland areas effectively relegating the 10-acres to a low-economic value.

Therefore, the appraisal was intended to document a potential donation. Whether or not the donation actually occurred, is not relevant to the analysis presented as of 2017.

Only a sales comparison approach was used to value the subject property. This was appropriate since sales data was available to analyze the subject property. An income or development approach would only have been used if there was no supporting larger sale activity in the marketplace. A development approach can be quite speculative in the valuation process. Therefore, a development approach or income approach was not utilized.

The effective date of valuation was as of November 12, 2007. Any other date of value would be outside of the scope of the appraisal analysis and its intended use.

Extraordinary assumptions and hypothetical conditions were used in the appraisal report. Both sets of circumstances were appropriate except that USPAP requires that a statement be made that if an assumption or a hypothetical condition was contrary to that assumed in the appraisal report a reanalysis may become necessary since there may be an impact on the value conclusion.

Since the appraisal report was retrospective in nature, the appraiser was aware of the pending economic recession in 2008. However, as of November 12, 2007, while there may have been clear indications in some markets, the indication of the pending recession was less apparent. However, it should be noted that market conditions adjustments were brought forward only to December of 2006. Subsequent to December 2006, the market was being perceived as flat and having no appreciation. Therefore, it is believed that the appraisal reflected the impending stagnation in the market.

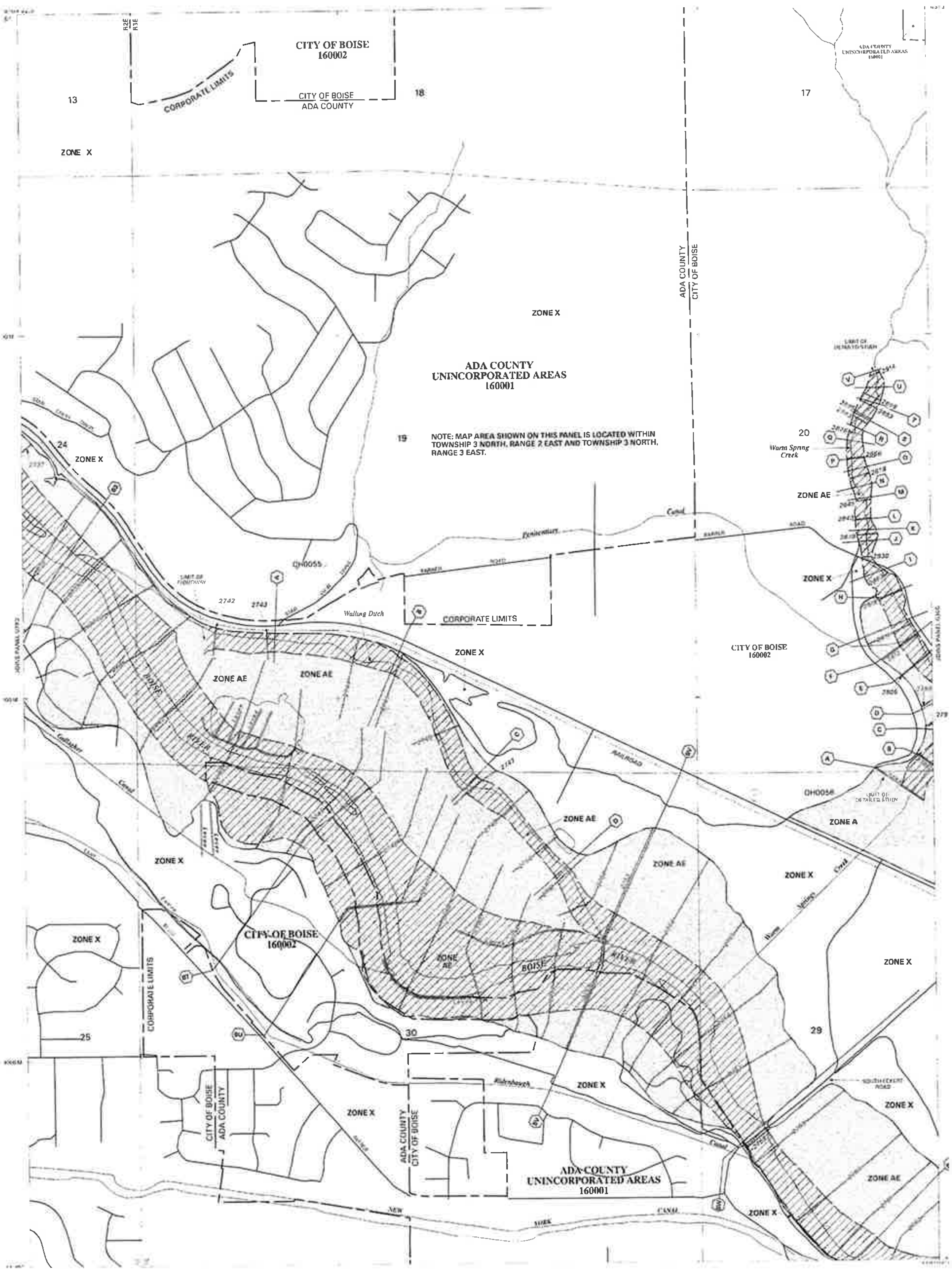
It should be clearly understood that the appraisal in question was prepared for documentation of a charitable non-cash donation. The date of value was as of November 12, 2007. No analyses have been made with respect to the valuation of the subject parcel on any other date. Regardless of when the Deed of Conservation was received or recorded, that is a legal question as opposed to a valuation question. Thus, the valuation as presented as of November 12, 2007 was considered to be an appropriate valuation of the subject property as of that effective date.

It should be understood that these comments are considered by reference an addendum to the original report in the form of explanatory comments and would therefore be subject to the assumptions and limiting conditions as well as certifications set forth in that report.

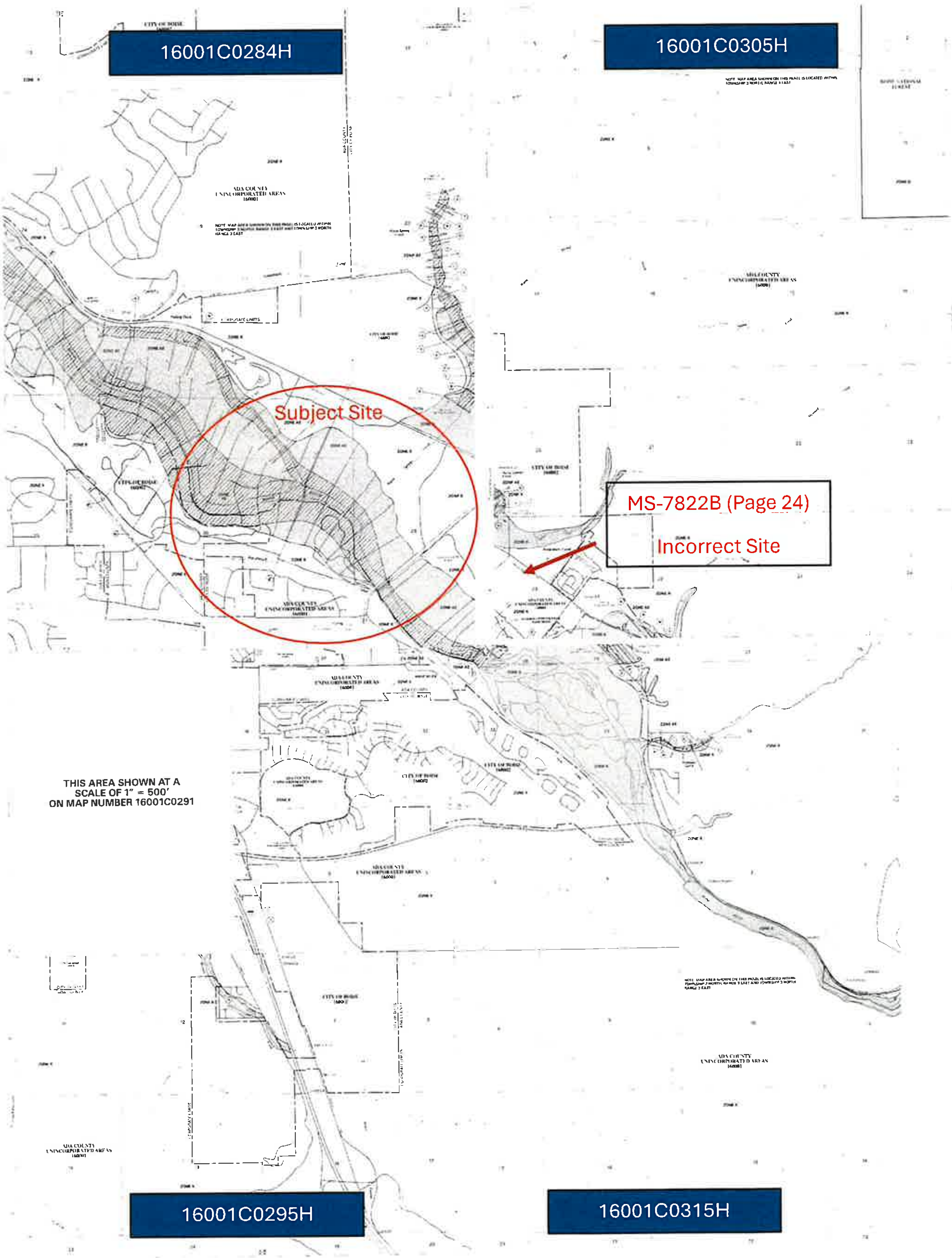
If you should have any further questions or if I may be of additional assistance, please do not hesitate to call upon me. Thank you for this opportunity to be of service.

Respectfully,
Mountain States Appraisal, LLC

G. Joseph Corlett, MAI, SRA
Senior Appraisal Manager
Idaho, Certification # CGA-7
Certificate Expires 03/11/2025



CITY OF BOISE
160002
CORPORATE LIMITS
CITY OF BOISE
ADA COUNTY
13
18
17
ZONE X
ADA COUNTY
CITY OF BOISE
ADA COUNTY
UNINCORPORATED AREAS
160001
19
NOTE: MAP AREA SHOWN ON THIS PANEL IS LOCATED WITHIN TOWNSHIP 3 NORTH, RANGE 2 EAST AND TOWNSHIP 3 NORTH, RANGE 3 EAST.
20
Warm Spring Creek
ZONE AE
24
ZONE X
Canal
Penitentiary
BARBER ROAD
OH0055
2742
2743
Walling Ditch
CORPORATE LIMITS
ZONE X
CITY OF BOISE
160002
ZONE AE
ZONE AE
BOISE
RIVER
Gallagher
Canal
RAILROAD
2747
ZONE AE
OH0056
ZONE A
ZONE X
ZONE AE
ZONE X
Warm Springs Creek
ZONE X
CITY OF BOISE
160002
CORPORATE LIMITS
ZONE AE
BOISE
RIVER
ZONE X
25
30
29
CITY OF BOISE
ADA COUNTY
ZONE X
ADA COUNTY
CITY OF BOISE
Ridenbaugh
ZONE X
ZONE X
ADA COUNTY
UNINCORPORATED AREAS
160001
Canal
ZONE AE
NEW
YORK
CANAL
ZONE X


16001C0284H
16001C0305H
Subject Site
MS-7822B (Page 24)
Incorrect Site
THIS AREA SHOWN AT A
SCALE OF 1" = 500'
ON MAP NUMBER 16001C0291
16001C0295H
16001C0315H