Mark W. Richey, MAI

October 10, 2014

Eagle Urban Renewal Agency
City of Eagle Idaho
660 E. Civic Lane
Eagle, Idaho 83616

Dear Agency Members:

This letter is for professional appraisal services and represents authorization for Mark W. Richey to prepare a market value appraisal of real property for the Eagle Urban Renewal Agency as defined by USPAP Standard 2. The appraisal subject is 35 West State Street in Eagle, Idaho. It is my understanding the purpose of this appraisal is to estimate the market value of this property "as is," effective the date of my inspection as you are contemplating purchasing this ownership. The intended use of the appraisal is the Agency's attempt to reach a price upon which both parties can agree. The intended user is the Eagle Urban Renewal Agency and their advisors. The appraisal report and the contents of my work file are not intended for any other use or user without my written authorization.

To complete the appraisal, I propose the following scope:

1. contact the Eagle Urban Renewal Agency regarding information they believe should be considered in this valuation;
2. contact the owners Sandy and Rick Smith for their permission to inspect the subject property, to discuss the history of the property, past marketing endeavors, and their thoughts regarding conditions affecting the subject;
3. conduct a formal inspection of this property;
4. check with the City of Eagle regarding zoning issues as they relate to this ownership's highest and best use;
5. interview a representative of the Ada County Highway District regarding both current and contemplated access issues subsequent to their announcement abandoning the roundabout proposed for downtown Eagle during the summer of 2014;
6. research the market for sales that are representative of the subject property in regards to location, zoning, size, access and physical features;
7. analyze the pertinent market data;
8. formulate an opinion of market value;

9. prepare an appraisal report describing the physical - legal issues that affect the subject and summarize the analysis conducted in support of my market value estimate.
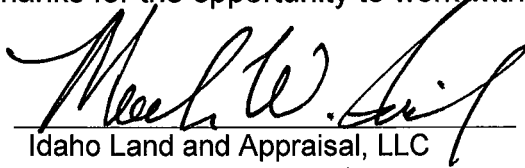
This proposal assumes the Eagle Urban Renewal Agency will provide the pertinent information they have regarding the physical/legal characteristics of this real property, e.g., legal description, site diagrams, aerial photographs, current or past marketing agreements, real estate contracts, zoning information, environmental assessments, or market data. Also, please provide me the contact information of the owners so I can schedule a meeting with them at their convenience.

My proposal assumes the subject site is clean, and there are no subsurface contamination issues. I believe the underground storage tanks have been removed, and a formal report exists summarizing the subject's sub-surface status. Should this not be the case, I reserve the right to end this appraisal project, because an assumption "as clean" is misleading in a public forum, and an "as contaminated" scenario is a complicated valuation assignment, beyond the scope of this agreement. I would expect compensation for time and expenses to date should this scenario occur through my investigation of the subject's physical characteristics.

Due to the complexities of an assignment that arise from being retained by a public agency to appraise private property owned by someone else, I estimate the fee to complete the appraisal to range from $6,000 to $10,000, not to exceed $10,000. My professional fees are based on a rate of $150 per hour. I will deliver three bound copies and an electronic copy of the appraisal report on or before December 31, 2014, and expect payment upon submission of my invoice.
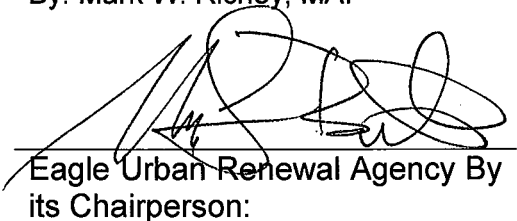
If you are in agreement with these terms, please sign and return this document.

Thanks for the opportunity to work with you on this project.

_____   _____
Idaho Land and Appraisal, LLC   Date: 10/10/14
By: Mark W. Richey, MAI

_____   _____
Eagle Urban Renewal Agency By   Date: 10-13-14
its Chairperson: