



## Letter of Engagement

November 3, 2025

Brenda McNaney, AI-GRS  
ROVE Valuations, LLC  
3412 Colton Blvd, Ste 201  
Billings, Montana 59102

Dear Ms. McNaney,

This is to confirm Glacier Bank request for you to complete a narrative appraisal report of the following real property:

Subject Property:	Noble Investment Properties  108 Jay Effar Rd  Libby, MT 59923
Description of Subject Property:	56.19 acres with a 24x36 garage built in 1993, a Warehouse Building built in 2006 & Office Building built in 2006.
Assessor's Parcel Number(s):	0000009293
Borrower Entity Name:	Noble Investment Properties
Contact for Access & Information:	Chris Noble – 406-293-1053
Bank Contact:	Appraisal Department – <a href="mailto:appraisaldepartment@glacierbank.com">appraisaldepartment@glacierbank.com</a> 406-756-4268
Appraisal Report Format:	Narrative.
Scope of Work:	The report is to be in accordance with the instructions set forth in this letter which includes Bank and instructions.
Indicated User(s):	Bank Division and its assigns.
Purpose of Appraisal:	To assist the Bank in making underwriting decisions involving the appraised property as collateral.
Appraisal Fee:	\$3,500 inclusive of all expenses.
Appraisal Delivery Due Date:	11/18/2025

At the Bank's discretion, a late fee of 2% of appraisal fee may be deducted from the appraisal fee for each business day beyond the delivery due date. A late fee will not apply if different arrangements are agreed to between the Bank and the appraiser subsequent to issuance of this Letter of Engagement (LOE).

Appraisal Delivery Format:

PDF format and must allow electronic notes and comments features.

The Bank reserves the right to convey a copy of the appraisal to other parties. You may be requested to discuss the analysis in the appraisal report with any of the indicated users.

The following are included to assist you in completing this assignment:

- |  |   |
|--|---|
| <input type="checkbox"/> Legal Description   | <input type="checkbox"/> Rent Roll and/or Lease Documents |
| <input type="checkbox"/> Title Insurance Policy  | <input type="checkbox"/> Operating History                |
| <input type="checkbox"/> Plans & Specifications (floor &/or site)  | <input type="checkbox"/> Costs: Actual and/or Estimates   |
| <input type="checkbox"/> Sale(s) and/or Listings of Subject and any Pending Purchase Agreements and Marketing Data |   |
| <input checked="" type="checkbox"/> Other: PRC & Tax Bill  |   |

A legal description is required. Any items required for the appraisal that are not included with this LOE are to be obtained from the borrower or contact person via Contact Letter in writing. This e-mail is to be delivered within 3 business days of receipt of this LOE. You are to indicate the date you need the required information by in order to complete the assignment by the due date. The Bank Contact is to be copied in the initial Contact Letter.

Confidential information supplied to the appraiser, which may be identified for valuation purposes in this report only, includes the following: Information from the borrower or others stated to be confidential or that would be reasonably expected to be confidential.

The market value of the real property interest(s) and associated effective date(s) of appraisal is (are) marked as follows:

- |  |
|--|
| <input checked="" type="checkbox"/> Fee Simple "As Is" – Real Estate Only                                |
| <input type="checkbox"/> Fee Simple "Prospective at Completion" – Real Estate Only                       |
| <input type="checkbox"/> Leased Fee "As Is" – Real Estate Only   |
| <input type="checkbox"/> Leased Fee "Prospective at Completion" – Real Estate Only                       |
| <input type="checkbox"/> Leased Fee "Prospective at Stabilized Occupancy" – Real Estate Only             |
| <input type="checkbox"/> Leasehold "As Is" – Real Estate Only  |
| <input type="checkbox"/> Leasehold "Prospective at Completion" – Real Estate Only                        |
| <input type="checkbox"/> Leasehold "Prospective at Stabilized Occupancy" – Real Estate Only              |
| <input type="checkbox"/> Going Concern "As Is"- indicate Real Estate Only component                      |
| <input type="checkbox"/> Going Concern "Prospective at Completion" – indicate Real Estate Only component |

- Going Concern "Prospective at Stabilized Occupancy" – indicate Real Estate Only component  
 Insurable Replacement Cost  
 Post Construction Completion inspection required with fee to inspect separate from appraisal cost  
 Other:

If in your opinion a value estimate which is not requested above is applicable and/or an indicated requested estimate is not applicable, it is your responsibility to contact the Bank Contact and clarify before proceeding.

Please contact the undersigned if you have questions regarding this engagement. Thank you for your consideration in performing this assignment.

**Glacier Bank**

Bank Contact Signature

Name: Sarah Lovitt

E-mail: [appraisaldepartment@glacierbank.com](mailto:appraisaldepartment@glacierbank.com)

Phone: 406-756-4268

**Engaged Appraiser**

Appraiser Signature

Name: Brenda McElroy, AI-GRS

Date of Signature: 11/3/2025

State Certification #: REA-RAG-LIC-16011

Expiration Date: 03/31/2026

## Appraisal Standards & Instructions

The appraisal must meet the following requirements and conditions. Please contact the Bank if you believe exceptions are necessary.

### **REGULATORY**

1. Conform to the current Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of the Appraisal Foundation.
2. Conform to Title XI of the Financial Institution Reform, Recovery, and Enforcement Act of 1989 (FIRREA) and the Interagency and Evaluation Guidelines (IAEG) of 2 Dec 2010. These are on the Internet. If necessary, please contact the Bank Commercial Valuation Department (CVD) for a copy.
3. The following definition of market value applies to the requested market value estimate(s):

Market value means the most probable price which a property should bring in a competitive and open market under all condition's requisite to a fair sale, the buyer and seller each acting prudently and knowledgably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specific date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
  2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
  3. A reasonable time is allowed for exposure in the open market;
  4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
  5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
- [Title 12 – Coded of Federal Regulations (CFR) – Subpart C – 34.42(g); 1 Jan 2005]

### **APPRAISAL PROCESS**

4. If information in the Request for Proposal (RFP) and/or the Letter of Engagement (LOE) conflict with information learned during the appraisal process, it is the responsibility of the engaged appraiser to notify CVD and obtain resolution of any inconsistencies before completion of the appraisal.
5. If intended users additional to the Bank are indicated in the LOE, the appraiser is responsible for obtaining and incorporating appraisal standards and/or instructions of the additional intended users.
6. Each requested effective date of value (i.e. retrospective, as is, at completion, at stabilization) must include a Market Value estimate of the Real Estate Only. All Real Estate Only value estimates are to be indicated in the Letter of Transmittal (LOT) and Executive Summary. Any value estimates of personal property and/or furniture, fixtures, and equipment (FF&E) are to be shown separately.
- If the appraisal also provides additional estimates such as Going Concern or Value in Use, these must be clearly labeled as such. If a Going Concern estimate is provided, the component breakdown (real estate, business value, personal property, FF&E) is to be indicated.
7. The engaged appraiser must sign the appraisal report.

8. The engaged appraiser must inspect the subject property unless different arrangements are made with the Bank Contact.
  9. All appraisers who sign the appraisal report must meet current state licensing requirements (including any temporary licensing) for the state in which the subject property is located. It is the appraiser's responsibility to learn the requirements of the pertinent state. License numbers and expiration dates are to be indicated in the report.
  10. Any Extraordinary Assumption and/or Hypothetical Condition must be stated at a minimum in the LOT. This should preferably be done whenever the associated value estimate is indicated.
  11. If the property is suspected to contain wetlands or hazardous materials, the appraiser must contact the Bank Contact before notifying any governmental agency or proceeding with the appraisal. The appraiser must indicate the existence of any known potential hazards such as underground storage tanks, storage containers of known hazardous content or unknown contents, asbestos, etc.
  12. If the subject of the appraisal is proposed and there is insufficient information provided in the plans, specifications, and/or development costs to reasonably conclude a value estimate, contact CVD before proceeding.
  13. Exposure and Marketing Times are to be indicated and supported for each valuation scenario. The value estimate(s) is to correspond to exposure and marketing times no longer than 12 months. If the appraiser believes a normal marketing time would be longer than 12 months no matter what the value estimate, contact CVD before proceeding.

Other parties are not to be provided the appraiser's value estimate(s) of the subject property. If support is stated to be from sources such as real estate agents or other appraisers or surveys, the support and details of their estimates should be analyzed in the context of the subject value estimate(s). The best and most straightforward support is to analyze marketing times of comparable sales utilized for the subject value estimate(s).
  14. The appraisal must include a detailed description and analysis of any recent or pending sale or lease of the subject (minimum within 3 years), or recent and/or current listings. The appraised value estimate must be reconciled to this history. While the USPAP requirement is within 3 years, the appraiser is to seriously consider whether a subject sale or lease outside that time frame could still serve as a useful comparable. Often an adjustment for time is the only adjustment necessary and the previous subject sale and/or lease(s) could still reasonably be a better comparable than newer non-subject sales and/or leases that require multiple adjustments.
- The condition at time of sale (both physically and economically) if different from the subject's current condition must be explained.
- If recent subject sale or listing activity is indicated to exist but the appraiser is not given details, contact CVD before proceeding. At a minimum, the efforts made to obtain this information and persons contacted to obtain such must be documented in the appraisal.
15. If after getting review feedback or for any other reason you are considering issuing a revised appraisal, please do not do so before first contacting CVD. A revision may not be necessary as sometimes issues can be resolved and communicated in the review only. If a revision is issued, please update the date of report to match the date of delivery of the revision to CVD.

## **DESCRIPTION OF SITE AND IMPROVEMENTS**

16. For existing building improvements, verify within reason square footage provided by other parties by spot measuring the building(s).
17. All improved office, retail, and industrial properties - both subject and comparables - must indicate the usable, rentable, and gross square footage as applicable. These are to be indicated whenever square footage, price/sq.ft., and/or rent/sq.ft. are communicated. If there are no differences, specifically indicate why they are the same.

Multifamily, lodging, and assisted living properties are to indicate both unit private livable area and common area (access hallways, lobbies, amenity buildings, etc.) Indicate any garage square footage separately.

## **SALES COMPARISON APPROACH aka SALES COMPARISON APPROACH: Non-Income Analysis**

18. This section is to incorporate only fee simple sales and constitute analysis of physical units of comparison. The exception is a comparable property that technically sold in leased fee but had only month-to-month or very short term(s) remaining on leases could be included for physical comparison for practical purposes. Similarly, a comparable property that had a very small percentage of the property leased at time of sale could also be included for physical comparison and treated as if it was a fee simple sale for practical purposes.
19. Include summary chart and adjustment grid of comparable sales. Chart must include subject and comparable improvement data. Net and gross (absolute) adjustments are to be indicated and analyzed for each comparable. Quantitative adjustments are to be applied that show numerically by either percentage or dollar amount the estimated degree (strength) of any difference between a comparable and the subject. Qualitative +/- adjustments are not to be applied.
20. GIM, EGIM and NOI/SF measure income-producing characteristics. If used, these methods are appropriately included only in the Income Approach. They are not to replace analysis of physical units of comparison in the sales comparison approach.

## **INCOME APPROACH aka SALES COMPARISON APPROACH: Income Analysis**

21. This section is to incorporate only leased fee sales and constitute analysis of income characteristics of comparison. The leased fee sales should have meaningful remaining terms. Sales that have month-to-month or very short terms remaining or have a very small percentage of the overall building space leased should instead be considered for fee simple analysis.
22. Analyze and report data on current revenues, expenses and vacancies for the subject property. If available, an operating history (three-years preferred) of income and expenses should be included. Any meaningful deviations from historical income/expense data must be explained and supported in the report.
23. Include summary chart and adjustment grid of comparable sales and leases. Chart must include subject and comparable improvement data. Net and gross (absolute) adjustments are to be indicated and analyzed for each comparable. Quantitative adjustments are to be applied that show numerically by either percentage or dollar amount the estimated degree (strength) of any difference between a comparable and the subject. Qualitative (+/-) adjustments are not to be applied.

24. OAR Calculation and Communication: Indicate the six steps of Overall Capitalization Rate (OAR) calculation for all leased fee sales: Potential Gross Income (PGI), Vacancy and Collection Loss, Effective Gross Income (EGI), Expenses, Net Operating Income (NOI), and OAR. All numbers should be expressed as dollar figures and per rentable sq.ft., with vacancy and expense also expressed as percentage of PGI and EGI, respectively.

When a property (subject or comparable) has other income, show the breakdown of the PGI calculation by indicating the potential rent income (PRI) + other income. Other income is not to include reimbursable income.

When a property (subject or comparable) has reimbursable expenses, apply only the non-reimbursable income and expenses in the calculation of NOI. This allows proper comparison of income and expense measurements such as per sf, per unit, and percentage ratios.

Indicate whether each figure applied in OAR calculation is actual or estimated as it applied at the time of sale. Indicate the source of actual and estimated numbers. An OAR is not a fact.

OARs are not to be created from fee simple sales.

OARs are not to be derived from surveys unless the survey shows the quality of the income purchased combined with the assumptions made in the OAR calculation, i.e. the survey needs to show the same detail as requested above. An OAR is not a fact.

25. Indicate the remaining lease term(s) for tenant(s) at time of sale at the subject and comparables (within reason).

26. Indicate the type of expense basis that applies to each comparable expense. If it is Modified Gross, the expenses that are the responsibility of the lessor must be indicated.

27. Analyze and report appropriate deductions and discounts for proposed construction or renovation, not leased or partially leased buildings, non-market lease terms, and tract developments with unsold units.

Examples of possible deductions are rent loss, holding expenses, leasing commissions, tenant improvements (TIs), and concessions. This process collectively is known as an absorption discount.

Any portion of the subject that is owner-occupied or under a non-transferable lease is economically vacant to an investor buyer and is to be accounted for in the absorption discount analysis. This is not a hypothetical condition.

## **ADDENDA**

28. Put a copy of the signed LOE including Standards and Instructions and a copy of the RFP in the addenda of the appraisal report.

29. Put a copy of additional intended users' standards and instructions (if any) in the addenda.

## **REPORT STYLE**

30. Report pages should be numbered consecutively from cover page to last page so that each page number of a hard copy of the appraisal matches the PDF electronic page number. This includes continuing to number all pages in the addenda. The preferred format is, for example, 1 of 95, 2 of 95, etc.

31. The following exhibits must be included in all appraisals:

- a) Color photos of subject property – front, rear, interior, and street scenes. Include photographs of any unusual characteristics or major items of deferred maintenance.
- b) Location and/or neighborhood maps, plat or parcel map, zoning map, and flood zone map. The subject is to be identified on all exhibits.
- c) Subject site plan.
- d) Photographs of comparable improved property sales and leases.
- e) Maps showing location of land sales, building sales, and rent comparables.
- f) Boundary or plat maps of all comparable land sales if appraisal is of vacant land only.

Indicate the north orientation on all exhibits via a north arrow.

32. All comparable fee simple and leased fee sales and comparable rents must have full data sheets or be part of a detailed chart if combined. All data sheets must be uniform in presentation of data (i.e., same format) for ready comparison. If supplemental sales are provided, they must also have the same data sheet detail, or else the appraiser should re-consider the purpose and practical use of submitting supplemental sales.

The preferred placement of data sheets is in the valuation section in which they are being analyzed and applied instead of the addenda.

33. The preferred method of communication of data and improvement area is in charts. Narrative is to explain what does not logically or practically fit in the chart, and not be redundant to the chart.