

<i>TWENTY (20) YEAR ANALYSIS - CONSTRUCTION OF PARK</i>			
<i>FCEDA Rail Served Industrial Park</i>			
			<i>SQUARE FOOTAGE: 1,742,400</i>
TOTAL PROJECT COSTS	PER LEASABLE SQUARE FOOT (32.4 ACRES):	\$0.41	\$571,814
PROJECT EQUITY REQUIRED \ PERCENTAGE OF PROJ. COST		-31.16%	(\$178,186)
DEV EQUITY REQUIRED \ PERCENTAGE OF PROJ. COST			(\$178,186)
STABILIZED NET OPERATING INCOME - 3RD YEAR			\$436,347
<u>DEVELOPER'S PROJECTED FINANCIAL RETURNS:</u>			
PROJECT YIELD BEFORE DEBT SERVICE(noi/proj cost)			76.31%
PRE TAX IRR			#NUM!
<u>PROJECT AREAS:</u>			
TOTAL FCEDA LAND 40 ACRES (SURFACE SQ.FT - 1 acre)			1,889,633
LEASABLE FCEDA LAND 32.4 ACRES			1,411,344

FINANCIAL ASSUMPTIONS:		
INTERIM LOAN-(FEE/RATE)	1.50%	4.00%
PERMANENT LOAN- (FEE/RATE)	1.50%	4.00%
LAND CARRY (TERM MOS/RATE)	0	0.00%
DEBT COVERAGE (AMOUNT/COVERAGE)	\$8,726,946	1.25
LOAN TO VALUE RATIO (AMOUNT/RATIO)	\$7,272,455	100.0%
LOAN AMOUNT		\$ 750,000
CAPITALIZATION RATE		6.00%
CREDIT LOSS		0.00%
INFLATION FACTOR (RENT/EXPENSES)	0.00%	0.00%

MARKETING ASSUMPTIONS:
NNN MARKET RENT
NON RECOV OPER EXPS-RNTBLE SQ FT
NET RENT (RENTABLE SQ FT)
LEASING COMMISSION

TIMING ASSUMPTIONS (in Months):	INITIAL
PRE-DEVELOPMENT	9
CONSTRUCTION	18
LEASE-UP (AVERAGE INITIAL VACANCY)	33
FREE RENT	0

MONTHS TO STABILIZED INCOME	60
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<u>PROJECT COST</u>	<u>AREA</u>	<u>PER SQ FT</u>	<u>TOTAL</u>
LAND ACQUISITION	1,889,633	0.67	1,266,054
FCEDA LAND VALUE CONTRIBUTION	1,889,633	(0.50)	(944,816)
FCEDA PROJECT CONTRIBUTION	1,889,633	(3.27)	(6,175,374)
<i>Construction:</i>			
MOBILIZATION		0.38	716,000
WATER INFRASTRUCTURE		0.51	972,356
WASTEWATER INFRASTRUCTURE		0.30	570,000
STORM WATER INFRASTRUCTURE		0.28	529,940
MISCELLANEOUS UTILITIES		0.16	310,000
GRADING		1.76	3,326,587
ROAD AND ACCESS IMPROVEMENTS		1.39	2,620,852
ON-SITE RAIL		1.66	3,131,260
MULTI-USE TRAIL DEVELOPMENT		2.15	4,062,000
OFF SITE RAIL		0.62	1,175,780
CITY OF KALISPELL CONTRIBUTION		(2.38)	(4,500,000)
BNSF CONTRIBUTION		(0.26)	(500,000)
TIGER FUNDING		(5.29)	(10,000,000)
TRAIL DESIGN		0.17	325,000
PERMIT FEE		0.01	20,000
ENVIRONMENTAL, SURVEYING & ENGINEERING		0.92	1,741,500
TOTAL CONSTRUCTION & ACQUISITION COSTS	\$	(0.72)	\$ (1,352,861)
PERMANENT LOAN FEES	-0.83%	0.01	11,250
INTERIM LOAN FEES	-0.83%	0.01	11,250
INTERIM INTEREST	-1.66%	0.01	22,500
MKTG, PUBLIC, GOVT, MEDIA, PR	0.75%	0.08	146,260
MARKETING - PRE-GRAND OPENING	0.50%	0.05	97,506
TAXES DURING CONSTRUCTION (1.00%	0.10	195,013
BROKERAGE COMMISSIONS	0.80%	0.08	156,010
MISCELLANEOUS, CITY FEES	0.50%	0.01	15,000
LEGAL/CONSULTANT	1.10%	0.11	214,514
TOTAL	\$	(0.26)	\$ (483,559)
<i>RESERVES:</i>			
CAPITALIZED INITIAL LOSSES	PRO FORMA	0.03	55,373
CONTINGENCY		0.53	1,000,000
TOTAL RESERVES	\$	0.56	\$ 1,055,373
TOTAL PROJECT COST PER SQUARE FOOT	\$	0.30	\$ 571,814

20 YEAR PROFORMA:			1	2	3	4	5	6	7	8	9	10	11
INCOME:	ACRES												
LOT 1	2.1	0	0	0	18,295	36,590	36,590	36,590	36,590	36,590	36,590	36,590	36,590
LOT 2	2.3	0	0	0	0	0	0	0	0	0	0	0	0
LOT 3	3.2	0	0	0	27,878	55,757	55,757	55,757	55,757	55,757	55,757	55,757	55,757
LOT 4	1.7	0	0	0	0	0	0	0	0	0	0	0	0
LOT 5	1.8	0	0	0	15,682	31,363	31,363	31,363	31,363	31,363	31,363	31,363	31,363
LOT 6	1.7	0	14,810	29,621	29,621	29,621	29,621	29,621	29,621	29,621	29,621	29,621	29,621
LOT 7	1.6	0	13,939	27,878	27,878	27,878	27,878	27,878	27,878	27,878	27,878	27,878	27,878
LOT 8	2.0	0	17,424	34,848	34,848	34,848	34,848	34,848	34,848	34,848	34,848	34,848	34,848
LOT 9	0.5	0	0	0	4,356	8,712	17,424	17,424	17,424	17,424	17,424	17,424	17,424
LOT 10	2.1	0	18,295	36,590	36,590	36,590	36,590	36,590	36,590	36,590	36,590	36,590	36,590
LOT 11	1.3	0	11,326	22,651	22,651	22,651	22,651	22,651	22,651	22,651	22,651	22,651	22,651
LOT 12 (CHS)	11.4	0	99,317	198,634	198,634	198,634	198,634	198,634	198,634	198,634	198,634	198,634	198,634
LOT 13	0.7	0	0	0	6,098	12,197	24,394	24,394	24,394	24,394	24,394	24,394	24,394
EXPENSE RECOVERY		0	(5,253)	(10,507)	(12,676)	(14,845)	(15,473)	(15,473)	(15,473)	(15,473)	(15,473)	(15,473)	(15,473)
LESS CREDIT LOSS		(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
PROPERTY MANAGEMENT @ 5% OF GROSS RE		0	(8,756)	(17,511)	(21,127)	(24,742)	(25,788)	(25,788)	(25,788)	(25,788)	(25,788)	(25,788)	(25,788)
% OF OPERATING COSTS TO GROSS INCOME		16.50%	-11.00%	-11.00%	-11.00%	-11.00%	-11.00%	-11.00%	-11.00%	-11.00%	-11.00%	-11.00%	-11.00%
TOTAL INCOME		(10,000)	159,858	329,716	399,856	469,996	490,278	490,278	490,278	490,278	490,278	490,278	490,278
OPERATING EXPENSES		(1,500)	(15,986)	(32,972)	(39,986)	(47,000)	(49,028)	(49,028)	(49,028)	(49,028)	(49,028)	(49,028)	(49,028)
MISCELLANEOUS FEES		(150)	(1,599)	(3,297)	(3,999)	(4,700)	(4,903)	(4,903)	(4,903)	(4,903)	(4,903)	(4,903)	(4,903)
43560													
NET OPERATING INCOME		(11,633)	142,273	293,447	355,872	418,297	436,347						
FREE & CLEAR RETURN		-2.04%	24.88%	51.32%	62.24%	73.15%	76.31%	76.31%	76.31%	76.31%	76.31%	76.31%	76.31%
		0	0	0	0	0	0	0	0	0	0	0	0
DEBT SERVICE - 30 YEARS		(43,373)	(43,373)	(43,373)	(43,373)	(43,373)	(43,373)	(43,373)	(43,373)	(43,373)	(43,373)	(43,373)	(43,373)
BUILDING INCOME		(55,023)	98,901	250,074	312,499	374,924	392,975						
CAPITAL ITEMS:													
LEASING COMMISSIONS		0	0	0	0	0	0	0	0	0	0	0	0
MISC ANNUAL CAPITAL ITEMS		(350)	(5,595)	(11,540)	(13,995)	(16,450)	(17,160)	(17,160)	(17,160)	(17,160)	(17,160)	(17,160)	(17,160)
(annual reserve percentage increase)		3.50%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%
TOTAL CAPITAL ITEMS		(350)	(5,595)	(11,540)	(13,995)	(16,450)	(17,160)	(17,160)	(17,160)	(17,160)	(17,160)	(17,160)	(17,160)
PRE TAX OPERATING CASH FLOW		(55,373)	93,306	238,534	298,504	358,474	375,815	375,815	375,815	375,815	375,815	375,815	375,815
CAPITALIZED INITIAL LOSSES		55,373	0	0	0	0	0	0	0	0	0	0	0
WATCO FINANCIAL CONTRIBUTION		40,000	40,000	40,000	40,000	40,000							
ADJUSTED CASH FLOW		40,000	133,306	278,534	338,504	398,474	375,815	375,815	375,815	375,815	375,815	375,815	375,815
SALE VALUE @ STABILIZATION	\$7,272,455												
PRE TAX CASH FLOW	\$178,186	\$40,000	\$133,306	\$278,534	\$338,504	\$398,474	\$375,815						

20 YEAR PROFORMA:											
INCOME:			12	13	14	15	16	17	18	19	20
	ACRES										
LOT 1	2.1	36,590	36,590	36,590	36,590	36,590	36,590	36,590	36,590	36,590	36,590
LOT 2	2.3	0	0	0	0	0	0	0	0	0	0
LOT 3	3.2	55,757	55,757	55,757	55,757	55,757	55,757	55,757	55,757	55,757	55,757
LOT 4	1.7	0	0	0	0	0	0	0	0	0	0
LOT 5	1.8	31,363	31,363	31,363	31,363	31,363	31,363	31,363	31,363	31,363	31,363
LOT 6	1.7	29,621	29,621	29,621	29,621	29,621	29,621	29,621	29,621	29,621	29,621
LOT 7	1.6	27,878	27,878	27,878	27,878	27,878	27,878	27,878	27,878	27,878	27,878
LOT 8	2.0	34,848	34,848	34,848	34,848	34,848	34,848	34,848	34,848	34,848	34,848
LOT 9	0.5	17,424	17,424	17,424	17,424	17,424	17,424	17,424	17,424	17,424	17,424
LOT 10	2.1	36,590	36,590	36,590	36,590	36,590	36,590	36,590	36,590	36,590	36,590
LOT 11	1.3	22,651	22,651	22,651	22,651	22,651	22,651	22,651	22,651	22,651	22,651
LOT 12 (CHS)	11.4	198,634	198,634	198,634	198,634	198,634	198,634	198,634	198,634	198,634	198,634
LOT 13	0.7	24,394	24,394	24,394	24,394	24,394	24,394	24,394	24,394	24,394	24,394
EXPENSE RECOVERY		(15,473)	(15,473)	(15,473)	(15,473)	(15,473)	(15,473)	(15,473)	(15,473)	(15,473)	(15,473)
LESS CREDIT LOSS		(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
PROPERTY MANAGEMENT @ 5% OF GROSS RE		(25,788)	(25,788)	(25,788)	(25,788)	(25,788)	(25,788)	(25,788)	(25,788)	(25,788)	(25,788)
% OF OPERATING COSTS TO GROSS INCOME		-11.00%	-11.00%	-11.00%	-11.00%	-11.00%	-11.00%	-11.00%	-11.00%	-11.00%	-11.00%
TOTAL INCOME		490,278	490,278	490,278	490,278	490,278	490,278	490,278	490,278	490,278	490,278
OPERATING EXPENSES		(49,028)	(49,028)	(49,028)	(49,028)	(49,028)	(49,028)	(49,028)	(49,028)	(49,028)	(49,028)
MISCELLANEOUS FEES		(4,903)	(4,903)	(4,903)	(4,903)	(4,903)	(4,903)	(4,903)	(4,903)	(4,903)	(4,903)
	43560										
NET OPERATING INCOME		436,347	436,347	436,347	436,347	436,347	436,347	436,347	436,347	436,347	436,347
FREE & CLEAR RETURN		76.31%	76.31%	76.31%	76.31%	76.31%	76.31%	76.31%	76.31%	76.31%	76.31%
		0	0	0	0	0	0	0	0	0	0
DEBT SERVICE - 30 YEARS		(43,373)	(43,373)	(43,373)	(43,373)	(43,373)	(43,373)	(43,373)	(43,373)	(43,373)	(43,373)
BUILDING INCOME		392,975	392,975	392,975	392,975	392,975	392,975	392,975	392,975	392,975	392,975
CAPITAL ITEMS:											
LEASING COMMISSIONS		0	0	0	0	0	0	0	0	0	0
MISC ANNUAL CAPITAL ITEMS		(17,160)	(17,160)	(17,160)	(17,160)	(17,160)	(17,160)	(17,160)	(17,160)	(17,160)	(17,160)
(annual reserve percentage increase)		-3.50%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%
TOTAL CAPITAL ITEMS		(17,160)	(17,160)	(17,160)	(17,160)	(17,160)	(17,160)	(17,160)	(17,160)	(17,160)	(17,160)
PRE TAX OPERATING CASH FLOW		375,815	375,815	375,815	375,815	375,815	375,815	375,815	375,815	375,815	375,815
CAPITALIZED INITIAL LOSSES		0	0	0	0	0	0	0	0	0	0
WATCO FINANCIAL CONTRIBUTION											
ADJUSTED CASH FLOW		375,815	375,815	375,815	375,815	375,815	375,815	375,815	375,815	375,815	375,815
SALE VALUE @ STABILIZATION		\$7,272,455									
PRE TAX CASH FLOW		\$178,186	\$375,815								