THREE-STEP APPRAISAL PROCEDURE

The Appraisal Procedure that the Parties shall use, if an appraisal is needed, shall be conducted as follows:

(a) The Parties shall confer about the fair market value of the property (i.e., real estate, business, or other property). If they fail to reach agreement, they shall jointly hire a certified residential real estate appraiser or certified business appraiser (the “Appraiser”). Absent agreement on the selection of the Appraiser, each Party shall choose an Appraiser, and those two shall select the Appraiser to be used by the Parties.

(b) After receiving this initial appraisal, the Parties shall confer about whether they agree on the value of the property. If they do not, they shall jointly hire a second Appraiser by agreement or using the method described above.

(c) After receiving the second appraisal, the Parties shall confer about whether they agree on the value of the property. If they do not, they shall jointly hire a third Appraiser by agreement or using the method described above.

(d) The Parties shall then average the three appraisals and that shall be the value of the property, unless one of the appraisals is 15% higher or lower than the average of the other two, in which case the remaining two will be averaged, and that shall be the value. If two of the appraisals are more than 15% higher or lower than the average of the other two, the appraisal to be ignored for averaging purposes shall be the appraisal that is more disparate than the other.

(e) With regard to all of these appraisals, neither Party shall contact the appraiser separately. In the case of real estate, neither shall be at the property when it is being inspected by the appraiser unless both Parties are present. In the case of a business appraisal, both Parties shall be entitled to attend any meetings and participate in any discussions (oral or written) with the Appraiser.

(f) The Parties shall share equally the cost of the appraisals.