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Restaurant Building

9228 Park Meadows Drive
Lone Tree, CO 80124

BBG File #0124017374
Client File #240812066

Prepared For

Appraisal Department
ENT Credit Union
11550 Ent Parkway
Colorado Springs, CO 80921 &
The US Small Business Administration

Report Date

September 9, 2024

Prepared By

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September 9, 2024

Appraisal Department
ENT Credit Union
11550 Ent Parkway
Colorado Springs, CO 80921 &
The US Small Business Administration

Re: Appraisal of Real Property
Restaurant Building
9228 Park Meadows Drive
Lone Tree, CO 80124
BBG File #0124017374
Client File #240812066

Dear Appraisal Department :

In accordance with your authorization (per the engagement letter found in the *Addenda* of this report), an Appraisal Report of the above-referenced property has been prepared.

The subject is a masonry and wood frame-constructed restaurant building located west of the Park Meadows Drive and Maximum Drive intersection within the City of Lone Tree, Douglas County, Colorado. The 5,634 square foot building was built in 2003 and has undergone modest updates as needed since its construction. The subject is situated upon a 65,344 square foot (1.50 acre) site. The subject is demised for a single tenant and is configured into a commercial-grade kitchen, open retail/seating space, a bar area and associated walk-in coolers and mechanical and storage rooms. The building also features two multi-fixture restrooms, and the site features a paved parking lot containing 64 parking spaces. The subject also contains a covered patio space that provides additional seating. The property was vacant at the time of the inspection but is slated to be 100% owner-occupied subsequent to a pending sale.

As of the valuation date of this report, the owner of record is DOUGLAS COUNTY BOARD OF COUNTY COMMISSIONERS. The subject is not currently listed for sale and is currently under a sale contract for \$4,100,000 (\$727.72). The subject was purchased by the current owner in January 2024 for \$3,900,000 (\$692.23/SF) and has performed various renovations costing approximately \$100,000, resulting in a total cash outlay of \$4,000,000 (\$709.98/SF). There have been no other transactions involving the subject within the three years preceding the effective date of this report.

This Appraisal Report was prepared to conform with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), the appraisal guidelines set forth in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the December 2010 Interagency Appraisal and Evaluation Guidelines. This report has been written in accordance with the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute. In addition, this report is intended to be in compliance with additional requirements of ENT Credit Union (client) as applicable. This report is intended to be used by the intended user(s) named herein; no other party may rely upon the opinions presented in this report.

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards, it is stated here that the use of any extraordinary assumptions and/or hypothetical conditions might have affected the assignment results.

Extraordinary Assumption(s) - We are appraising the subject under the extraordinary assumption that information provided by the Client and from public resources is accurate. If the actual size of the land or building is significantly different than that utilized within this report, the value conclusions could be impacted.

Hypothetical Condition(s) This appraisal employs no hypothetical conditions.

Based on the analysis undertaken, the following value opinion(s) have been developed.

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is	Fee Simple	August 29, 2024	\$4,010,000

This letter must remain attached to the report, which should be transmitted in its entirety, in order for the value opinion(s) set forth above to be relied upon by the intended user(s).

BBG, Inc. appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact the Client Manager.

Sincerely,



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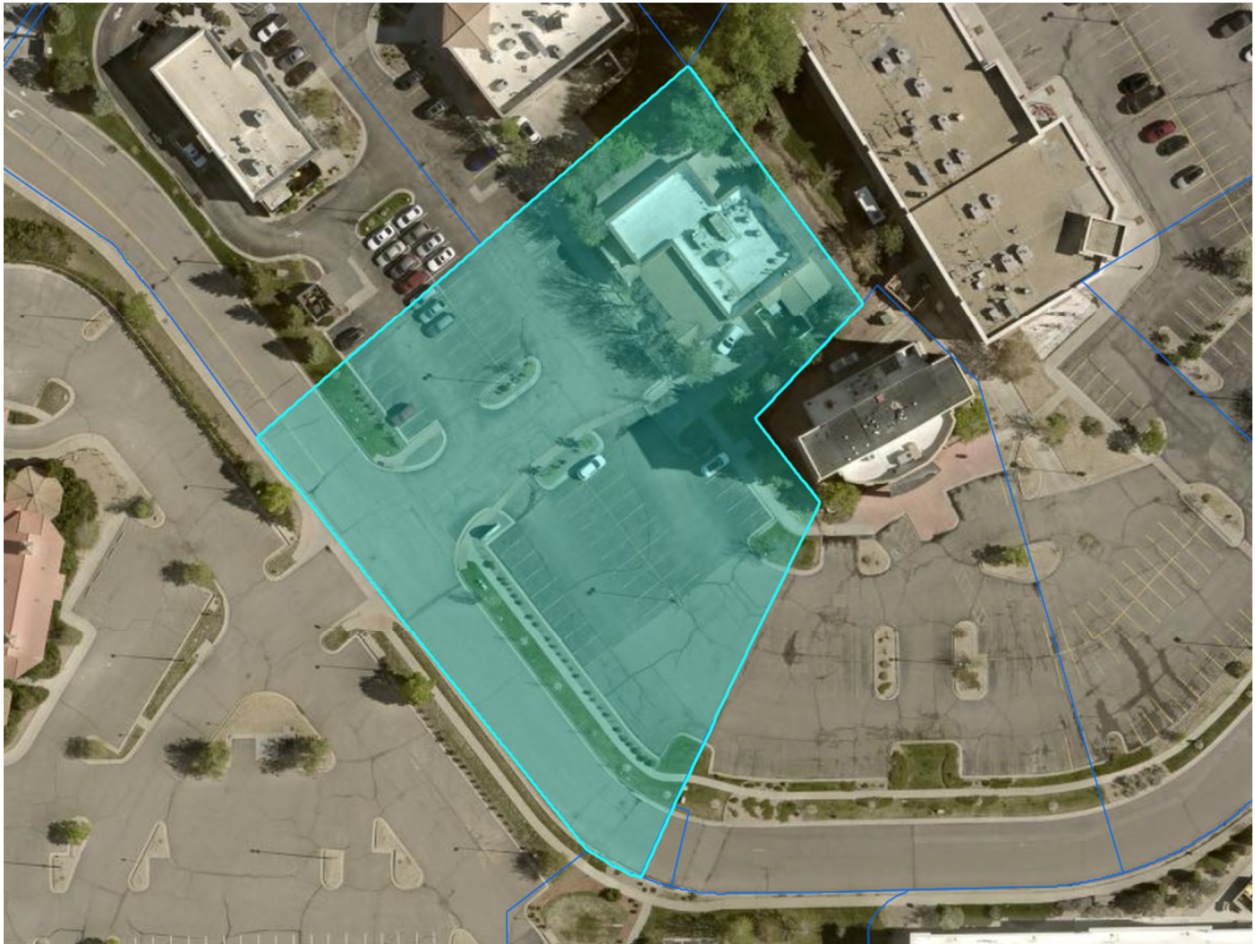
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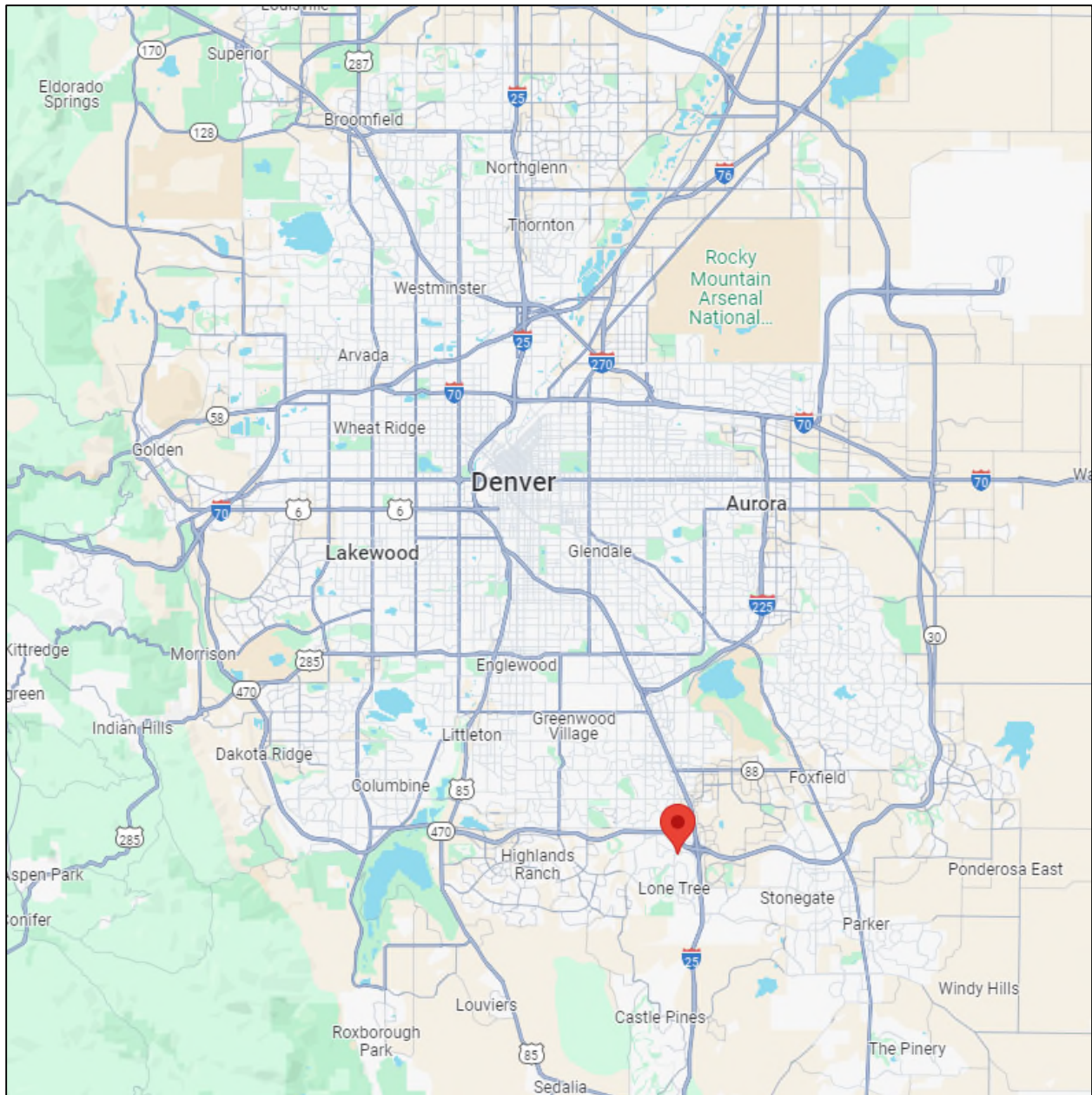
SUBJECT PROPERTY



AERIAL PHOTOGRAPH



LOCATION MAP



SUMMARY OF SALIENT FACTS

APPRAISAL INFORMATION

Client	ENT Credit Union 11550 Ent Parkway, Colorado Springs, CO 80921
Intended User(s)	ENT Credit Union and the US Small Business Administration
Intended Use	This appraisal is to be used as an aid in underwriting a loan, loan modification or loan extension; classification or monitoring of a loan; and/or the disposition or monitoring of REO or loan collateral.
Property Rights Appraised	As Is Market Value - Fee Simple
Date of Inspection	August 29, 2024
Marketing Time (Months)	12
Exposure Time (Months)	12
Owner of Record	DOUGLAS COUNTY BOARD OF COUNTY COMMISSIONERS
Property Contact(s)	Jeff Brandon, listing broker, provided information, was interviewed throughout the appraisal process and attended the inspection.
Most Probable Purchaser	Owner-User
Highest and Best Use	
If Vacant	Hold for future retail development
As Improved	Continue as currently developed

PROPERTY DATA

Property Name	Restaurant Building
Address	9228 Park Meadows Drive Lone Tree, CO 80124
Location	West of the intersection of Park Meadows Drive and Maximus Drive within the City of Lone Tree, Douglas County, Colorado.
County	Douglas
Parcel Number	2231-033-06-013
Legal Description	LOT 13H-1 PARK MEADOWS FILING 2 AMENDMENT 12 TOTAL ACREAGE 1.50 AM/L
Site Area	
Primary Site	65,344 square feet (1.50 acres)
Zoning	PD; Planned Development - Westbrook Entertainment & Sports District
Flood Zone/Map Number/Date	Zone X (Unshaded) 08035C0042G March 16, 2016
Year Built	2003
Type of Construction	Masonry/wood frame
Number of Buildings	1
Gross Building Area	5,634 square feet
Occupancy	0.0%
Overall Condition	Average
Overall Quality	Average
Overall Design/Functionality	Average

RISK SUMMARY

Advantages	<ul style="list-style-type: none"> - The population growth and income levels of the area are relatively strong in comparison to nearby submarkets. - The subject is located within a larger entertainment district and shares good commercial synergy with its neighboring properties. The subject has good transportation linkages to the area transportation network. - The subject has been well-maintained and is constructed with quality building materials.
Challenges	<ul style="list-style-type: none"> - The subject property is of older construction and may require more ongoing upkeep to maintain its economic life. - While the Federal Reserve is anticipated to lower interest rates in the coming months, there remains uncertainty as to the magnitude and number of potential reductions. This has resulted in cautious optimism in the market. - Inflation remains a significant concern among investors.

VALUE INDICATIONS**1) As Is as of August 29, 2024**

Cost Approach	Not Developed		
Land Value	Not Developed		
Sales Comparison Approach	\$4,010,000	\$711.75	Per Square Foot (GBA)
Income Capitalization Approach			
Direct Capitalization	\$3,170,000	\$562.66	Per Square Foot (GBA)
Yield Capitalization	Not Developed		
Approach Reliance	Sales Comparison Approach		
Value Conclusion - As Is	\$4,010,000	\$711.75	Per Square Foot (GBA)
Exposure Time (Months)	12		
Marketing Time (Months)	12		

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards, it is stated here that the use of any extraordinary assumptions and/or hypothetical conditions might have affected the assignment results.

Extraordinary Assumption(s)	- We are appraising the subject under the extraordinary assumption that information provided by the Client and from public resources is accurate. If the actual size of the land or building is significantly different than that utilized within this report, the value conclusions could be impacted.
Hypothetical Condition(s)	This appraisal employs no hypothetical conditions.

PROPERTY TRANSACTION HISTORY

Current Listing

Comments The subject is not currently listed for sale.

Current Contract

Contract Date May 7, 2024
Sale Price \$4,100,000
per SF (GBA) \$727.72
Grantor DOUGLAS COUNTY BOARD OF COMMISSIONERS
Grantee KURT GHIARDI
% Change – Previous Transaction 5.13%
% Change Discussion Since the time of the recent transaction, the current owner performed various renovations to the property including but not limited to: two new HVAC units, upgraded fire systems and landscaping work, with a reported cost of ~\$100,000 (\$17.75/SF). This results in an all in cash outlay of ~\$4,000,000 (\$709.98/SF).

Comments The subject is currently under contract via a pending arm's-length transaction between unrelated parties that are typically motivated. Per discussions with the listing broker, the property was marketed to a small pool of potential buyers prior to going on the open market and the prospective buyer expressed interest. The contract price was reported as the asking price. The buyer is a local sports bar/restaurant owner that is looking to open a new location in Lone Tree and was reportedly interested in the subject because it is located within an entertainment district that has a variety of improvement plans in the coming years. No other offers were provided for the subject. Because the subject was not listed on the open market prior to going under contract, it is possible that the contract price is not an indication of market value.

Recent Transaction

Sale Date January 3, 2024
Reception # 2024000369
Sale Price \$3,900,000
per SF (GBA) \$692.23
Grantor LOUDECO LLC
Grantee DOUGLAS COUNTY BOARD OF COUNTY COMMISSIONERS
Comments The subject was purchased by the current owner in January 2024 via an arm's-length transaction between unrelated parties that were typically motivated. The initial asking price was \$3,950,000 and the subject was on the market for ~10 months prior to sale. Based on its time on the market prior to sale, we conclude that the recent transaction was a good indication of market value at that time. The seller in the deal was an owner-user restaurant operator that wished to retail and divest of the real estate, while the buyer was Douglas County, who originally had plans to convert the building into a senior center. This plan ultimately did not fit with what the City of Lone Tree had envisioned for the entertainment district; therefore, the County changed course and decided to sell the property. Subsequent to sale, the County reportedly remedied several deferred maintenance items to get the property ready for sale. Items included two new HVAC units, upgraded fire systems and landscaping work, with a reported cost of ~\$100,000 (\$17.75/SF).

There have been no other known transactions of the subject property within the three years prior to the effective date of this appraisal.

SCOPE OF WORK

The scope of work best defines the needs of the client(s) and intended user(s) of the report and dictates what factors an appraiser considered during the valuation process. The scope of work summarized below has been deemed acceptable as it meets or exceeds both the expectations of parties who are regularly intended users for similar assignments and what an appraiser’s peers’ actions would be in performing the same or a similar assignment. As such, the scope of work summarized below is deemed appropriate for this assignment based on its parameters and will produce credible assignment results. Additional scope details are included in appropriate sections of this report.

SCOPE OF THE INVESTIGATION	
General and Market Data Analyzed	<ul style="list-style-type: none">Regional economic data and trendsMarket analysis data specific to the subject property typePublished survey dataNeighborhood demographic dataComparable cost, sale, rental, expense, and capitalization rate dataFloodplain statusZoning informationAssessor’s informationInterviewed professionals knowledgeable about the subject’s property type and market
Inspection Details	Eric Pitcher personally inspected the subject’s interior, exterior and site on August 29, 2024.
Property Specific Data Requested and Received	<div>PROPERTY DATA RECEIVED</div> <div>Floor plans Sale contract Renovation budget (verbal) Cross Parking Easement ALTA survey</div>
Data Requested, but not Provided	<div>DATA REQUESTED, BUT NOT PROVIDED</div> <div>Phase 1 ESA</div>
Data Sources	<div>DATA SOURCES</div> <div><div>Site Size</div><div>Building Size</div><div>Tax Data</div><div>Zoning Information</div><div>Flood Status</div><div>Demographics Reports</div><div>ALTA Survey</div><div>Douglas County Assessor's Records</div><div>Douglas County Assessor's Records</div><div>City of Lone Tree Planning Department</div><div>FEMA</div><div>Spotlight</div></div>

VALUATION METHODOLOGY

Most Probable Buyer	To apply the most relevant valuation methods and data, the appraiser must first determine the most probable buyer of the subject property. Based on the analyses presented, the most probable buyer of the subject property would be a(n) Owner-User
Valuation Methods Utilized	This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable. Investors do not typically rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not employed the Cost Approach to develop an opinion of market value.

DEFINITIONS

Pertinent definitions, including the definition of market value, are included in the glossary, located in the *Addenda* of this report. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States:

Market Value	<p>The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:</p> <ul style="list-style-type: none"> • Buyer and seller are typically motivated; • Both parties are well informed or well advised, and acting in what they consider their own best interests; • A reasonable time is allowed for exposure in the open market; • Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and • 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. ^[1]
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LEVEL OF REPORTING DETAIL

Standards Rule 2-2 (Real Property Appraisal, Reporting) contained in USPAP requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report.

This report is prepared as an **Appraisal Report**. An Appraisal Report must at a minimum summarize the appraiser's analysis and the rationale for the conclusions.

^[1] (Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Overview

Environmental, Social and Governance (ESG) has become a standard criterion in the global real estate sector, excepting the United States. The European Union has adopted specific, conduct-based directives on ESG. In the US, while there has been a scattering of ESG regulations within specific markets there has been no industry wide or politically enacted regulations. Nevertheless, market participants are increasingly concerned with environmental risks, sustainable construction, carbon neutrality, social responsibilities, and governance of their companies, partners, and vendors.

Principles for Responsible Investment provides the following summary of approaches to responsible investment for direct and indirect real estate investors.

 <p>ENVIRONMENTAL</p> <ul style="list-style-type: none"> ▪ Biodiversity and habitat ▪ Climate change ▪ Land contamination ▪ Energy consumption ▪ Greenhouse gas emissions ▪ Indoor environmental quality ▪ Location and associated infrastructure ▪ Materials ▪ Pollution prevention ▪ Resilience to catastrophe/ disaster ▪ Renewable energy ▪ Sustainable procurement ▪ Waste management ▪ Water consumption 	 <p>SOCIAL</p> <ul style="list-style-type: none"> ▪ Community development ▪ Controversial tenants ▪ Health and well-being of occupants, contractors and the local community ▪ Human rights ▪ Accessibility ▪ Inclusion and diversity ▪ Labour standards and working conditions ▪ Social enterprise partnering ▪ Stakeholder relations ▪ Occupier amenities – showers, changing rooms 	 <p>GOVERNANCE</p> <ul style="list-style-type: none"> ▪ Anti-bribery and money laundering ▪ Cybersecurity ▪ Board diversity ▪ Independence of board members ▪ Remuneration policy (including ESG-linked incentives) ▪ Data protection and privacy ▪ Legal and regulatory fines ▪ ESG clauses in contracts ▪ Asset data collection framework and/or management systems ▪ Procurement standards and requirements ▪ Tenant engagement frameworks
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Furthermore, PRI provides examples of how these issues may affect property valuations.

ADDITIONAL CAPITAL EXPENDITURES	Equipment upgrades to improve energy performance
INCREASED COSTS	Higher insurance premiums due to physical risk factors
FUTURE INCOME UNCERTAINTY	Tenant and leasing disruption due to extreme weatherevents
OBSOLESCENCE RISK	Buildings that do not meet minimum energy performancestandards set by legislation

Environmental

Both physical and transition risks must be analyzed for each property and market. Physical risks are hazards caused by changing climate such as floods, fires, rising temperatures, and rising sea levels. Transition risks involve the responses to climate change by humans and society. An example of transition risk is New York's Local Law 97 which requires most buildings over 25,000 square feet to meet energy and greenhouse gas emissions by 2024 with additional requirements in 2030. Transition risks are regulatory, economic and social changes that could affect asset values.

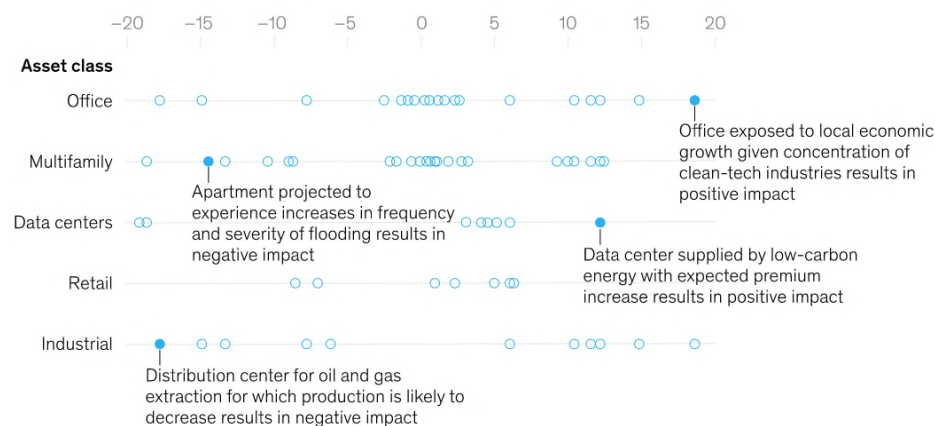
According to *Climate Risk and the Opportunity for Real Estate* by McKinsey & Company,

The combination of this economic transition and the physical risks of climate change has created a significant risk of mispricing real estate across markets and asset classes. For example, a major North American bank conducted analysis that found dozens of assets in its real-estate portfolio that would likely be exposed to significant devaluations within the next ten years due to factors including increased rates of flooding and job losses due to the climate transition. Additionally, a study of a diversified equity portfolio found that, absent mitigating actions, climate risks could reduce annual returns toward the end of the decade by as much as 40 percent. Leading real-estate players will figure out which of their assets are mispriced and in what direction and use this insight to inform their investment, asset management, and disposition choices. They will also decarbonize their assets, attracting the trillions of dollars of capital that has been committed to net zero and the thousands of tenants that have made similar commitments. They will then create new revenue sources related to the climate transition.

Building climate intelligence is central to value creation and strategic differentiation in the real-estate industry. But the reverse is also true: real estate is central to global climate change mitigation efforts. Real estate drives approximately 39 percent of total global emissions. Approximately 11 percent of these emissions are generated by manufacturing materials used in buildings (including steel and cement), while the rest is emitted from buildings themselves and by generating the energy that powers buildings. Real-estate owners and investors will need to improve their climate intelligence to understand the potential impact of revenue, operating costs, capital costs, and capitalization rate on assets. This includes developing the analytical capabilities to consistently assess both physical and transition risks. Analyses should encompass both direct effects on assets and indirect effects on the markets, systems, and societies with which assets interact.

The following chart from McKinsey& Co. shows examples of physical and transition risks, and their potential effects on value.

Illustrative chart and examples of physical and transition risk effects on equity value of assets, %



Social

According to *ESG Real Estate Insights* by Deloitte,

Recently, the “S” in ESG has received growing attention as the COVID-19 pandemic put greater emphasis on the social factor. Since real estate companies have a significant social impact, they should consider the “S” as a value driver. Social aspects in real estate include, for example, participation in the rehabilitation of public spaces, affordable housing, social housing or care centers as well as ensuring security in buildings and assuring human rights. From an internal perspective, social elements may also comprise ensuring workplace safety, fostering high standards in labor practices, responsible marketing, and promoting diversity across the company. Incorporating social considerations can increase companies’ ability to attract talent – especially among millennials. The risk of neglecting social elements can lead to a lack of reputation, lost work, higher employee turnover, increased operating costs, and may threaten the ability to operate.

Governance

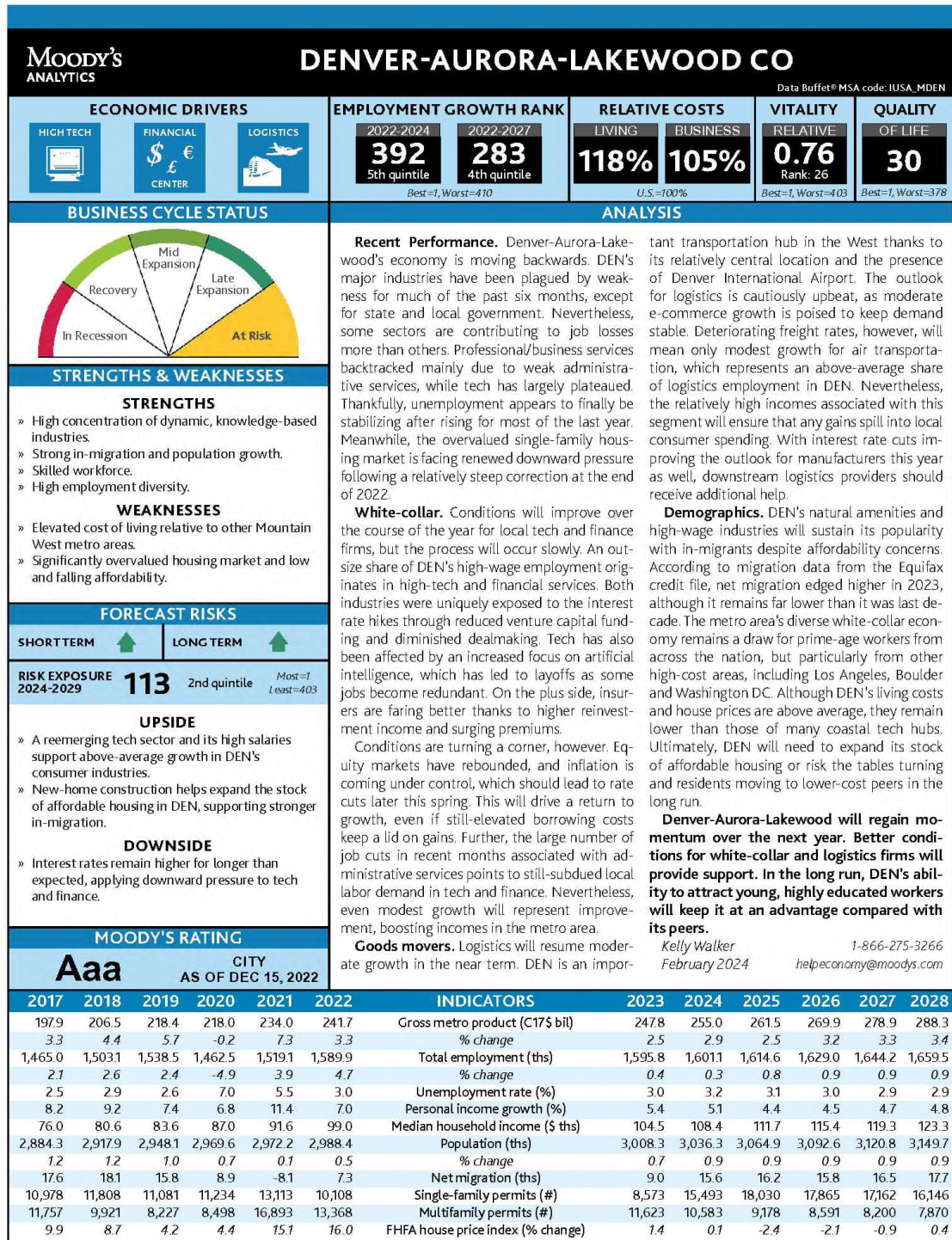
The “G” in ESG and how it pertains to commercial real estate is convoluted. Governance in commercial real estate has little to do with individual assets or portfolios, and more to do with how a commercial real estate company is structured, led, and how decisions are made. Governance concerns itself with how an ESG focused entity approaches risk management and longer-term planning. It may also concern itself with how individuals who manage properties make decisions to build tenant and community trust.

From a bigger picture, the “G” truly focuses on the boardroom and according to *ESG Real Estate Insights* by Deloitte,

Regarding the “G” in ESG, governance scrutiny is central to companies’ ability to continue business operations. While promoting corporate governance can present an opportunity for real estate companies in order to drive long-term value, not addressing governance considerations carries high risks – reaching from penalties and fines to a loss of reputation and market penetration.

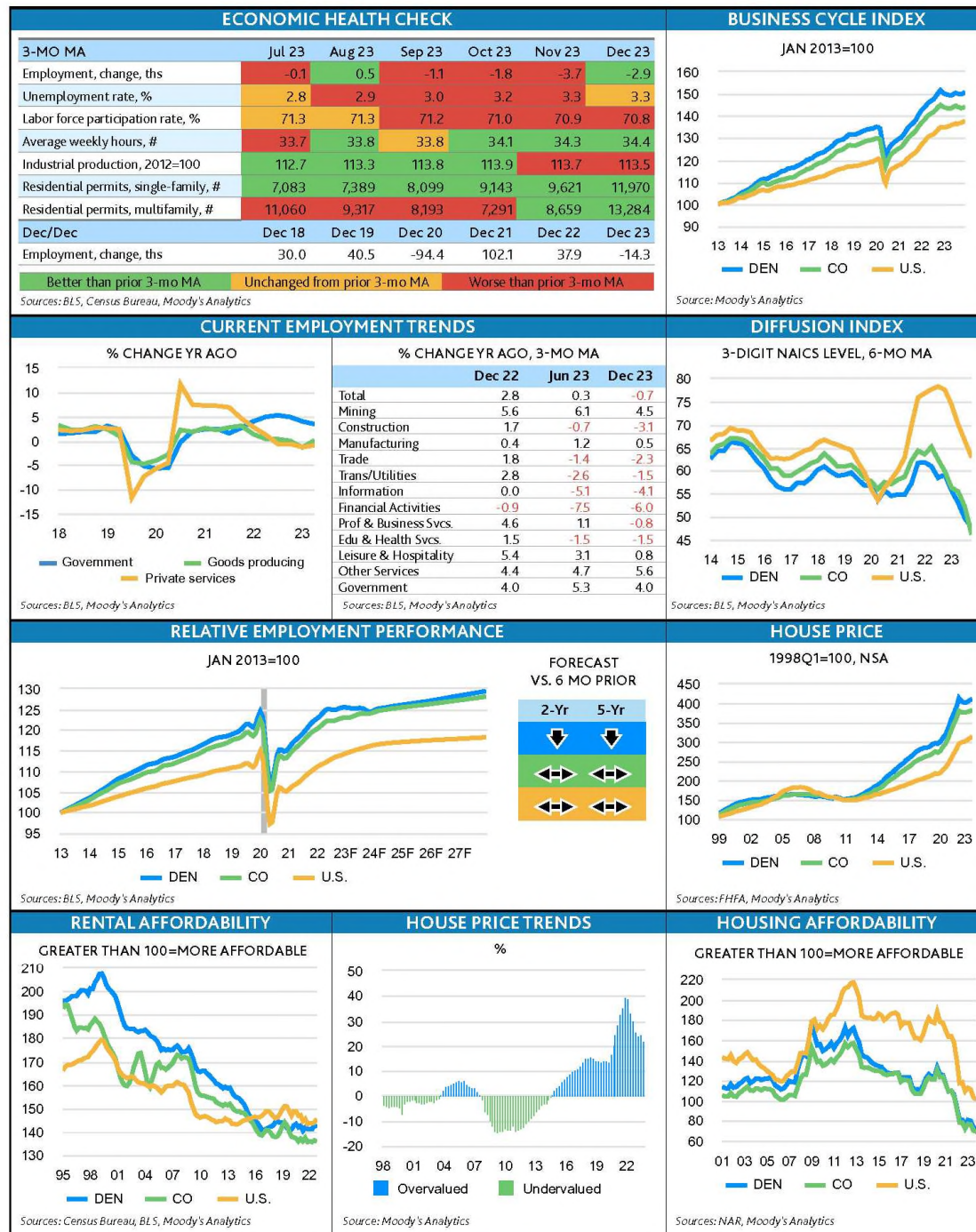
Governance elements include, among others, compliance with governance rules and guidelines, ensuring adequate and transparent remuneration, promoting transparent disclosure of governance issues, taking action against corruption, fostering diversity in management and governing bodies, as well as establishing and communicating organizational values. A corporate culture of ethics, compliance, and integrity is the foundation to create a positive long-term impact.

REGIONAL OVERVIEW



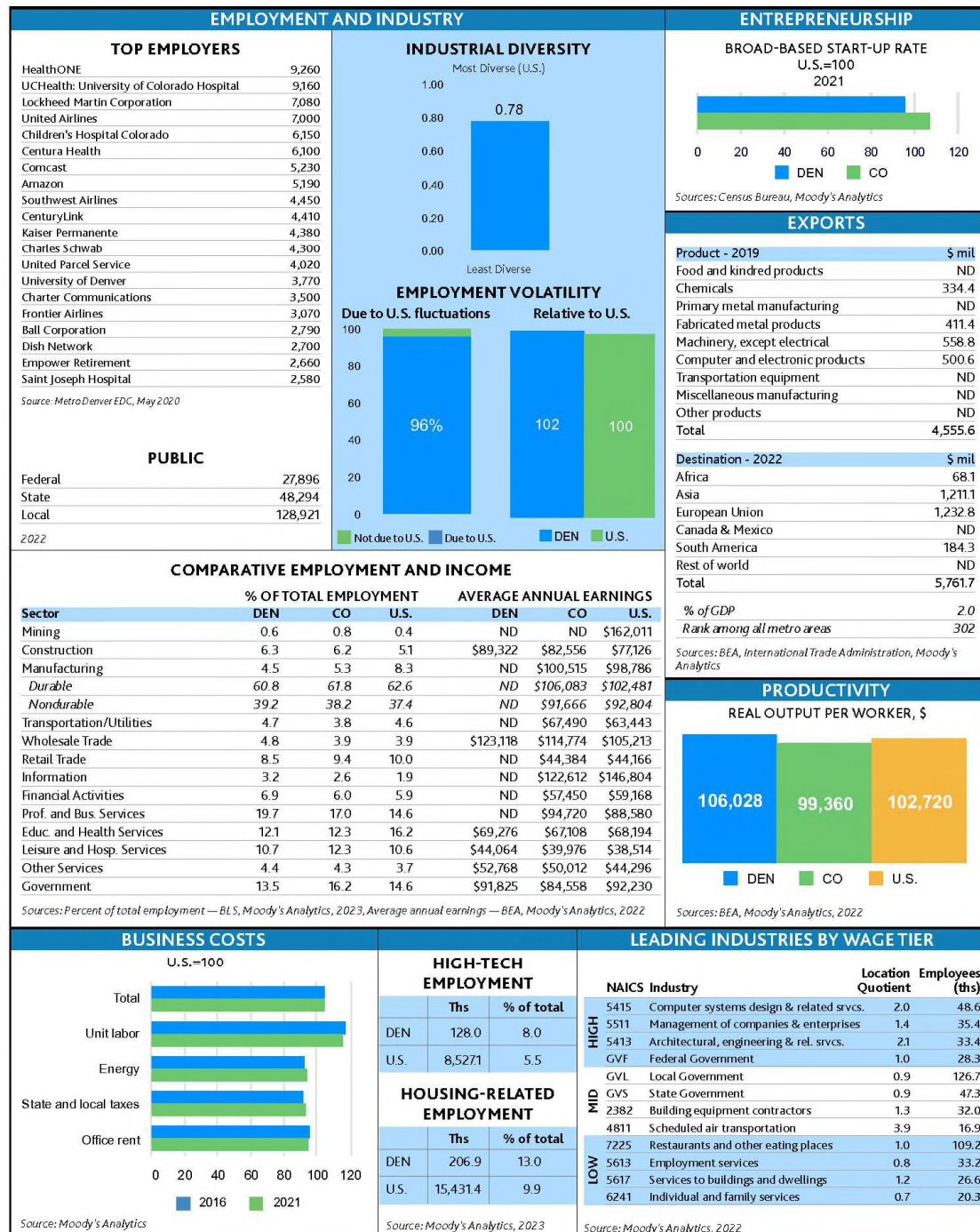
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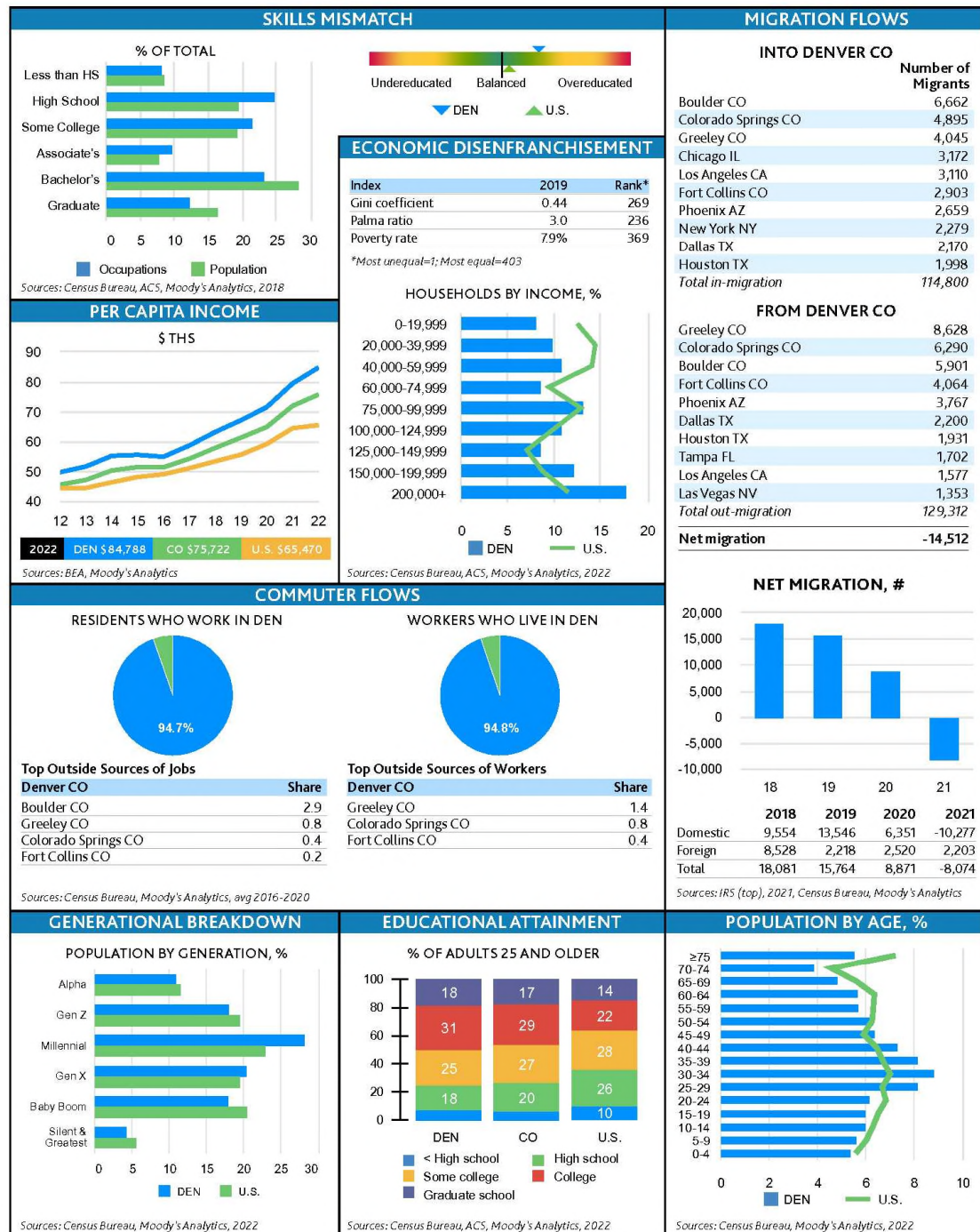
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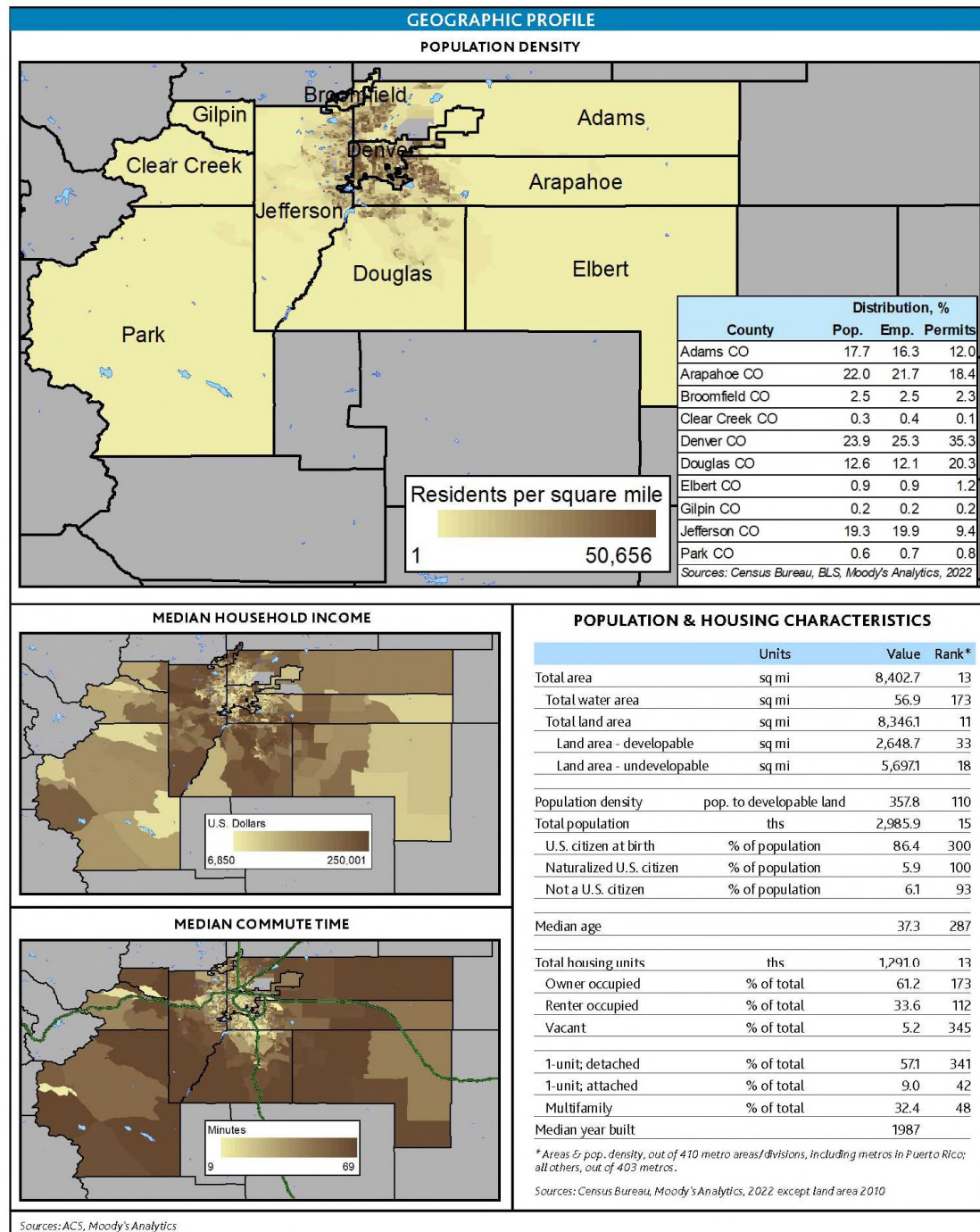
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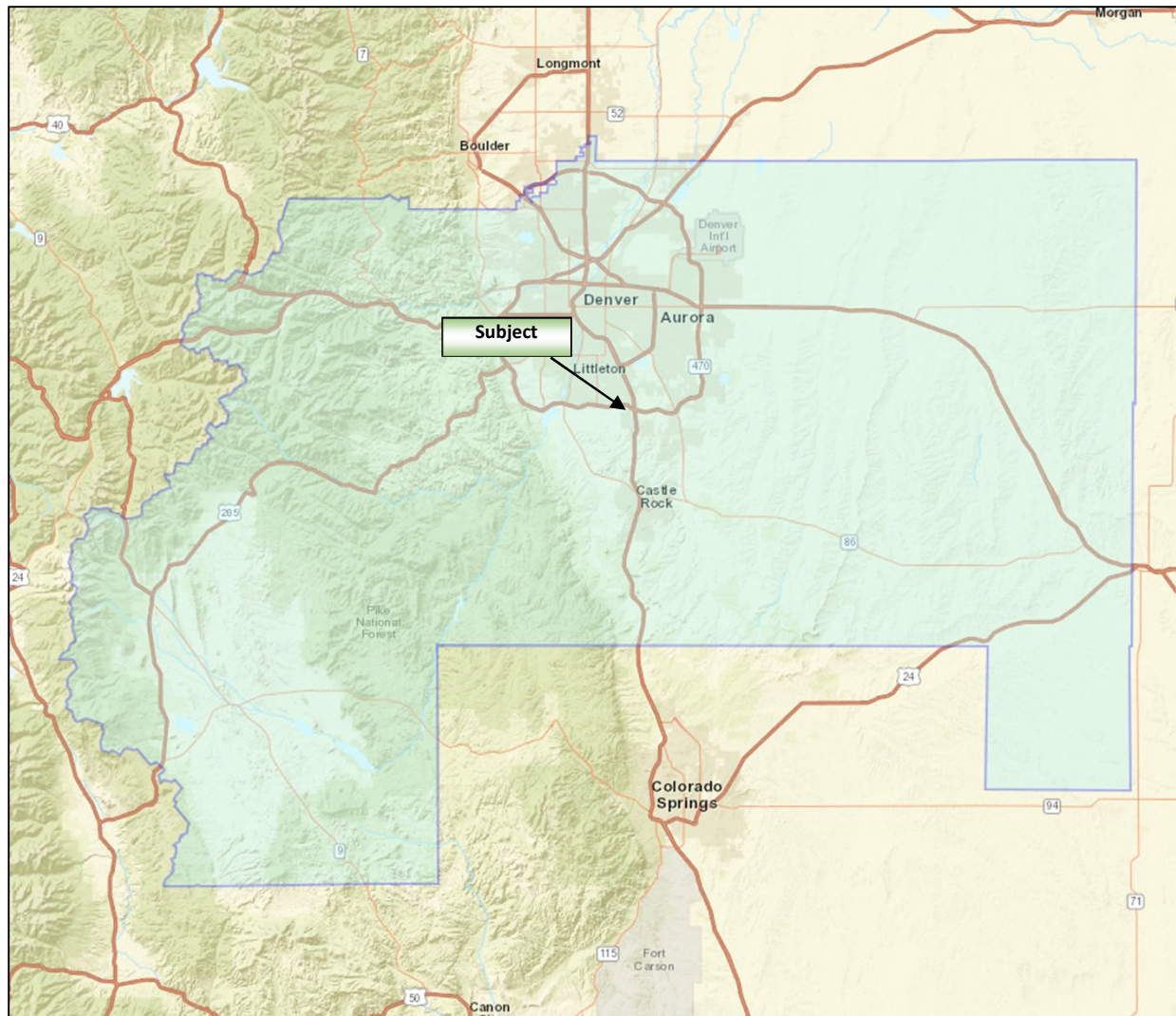
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REGIONAL MAP



MARKET AREA OVERVIEW

A “Market Area” is defined by the Appraisal Institute as “a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.”

The following analysis is provided to give the reader an understanding of the Market Area surrounding the subject property. The significant data source for the demographics was provided by Claritas.

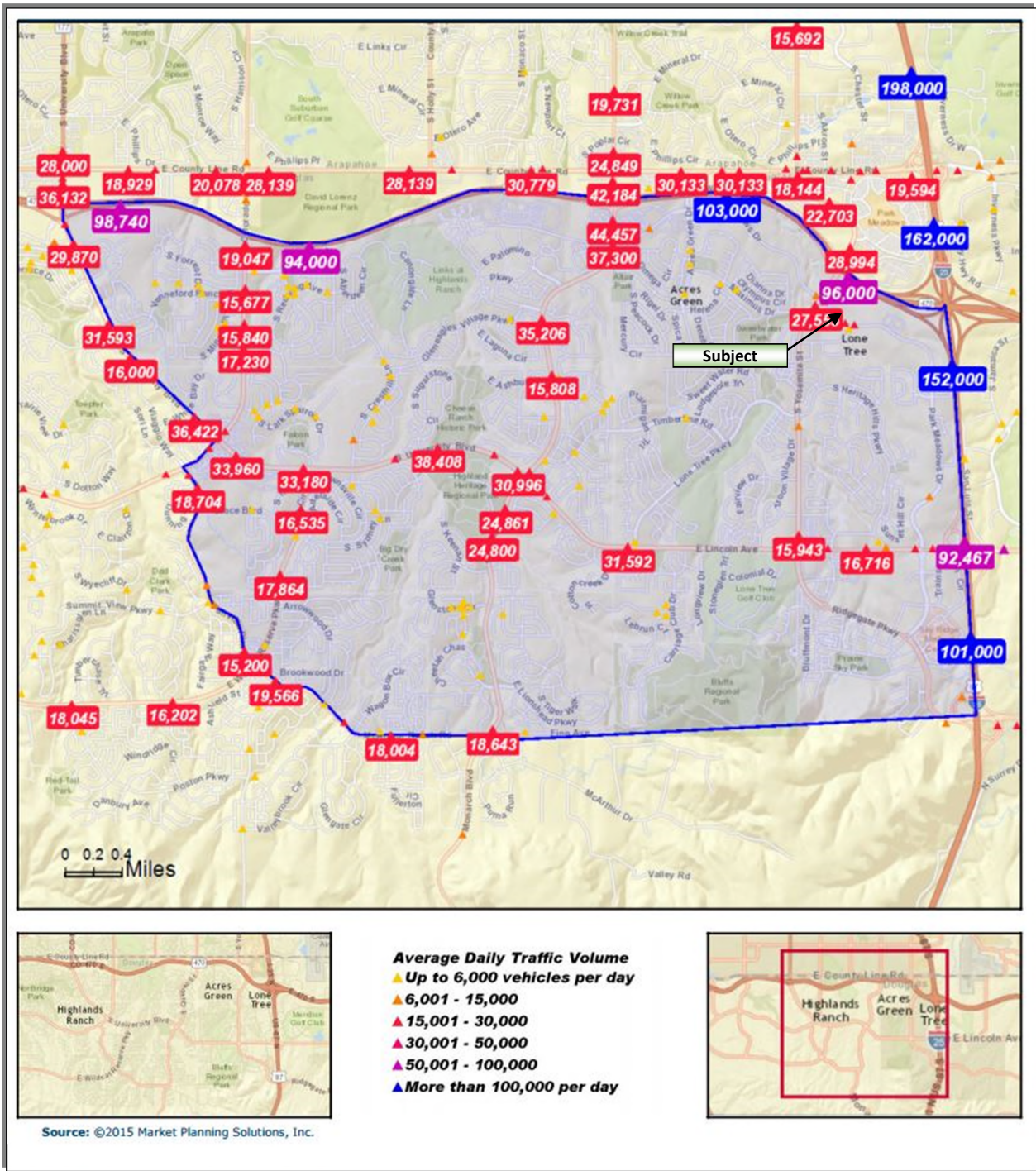
General Overview			
Location	Approximately 19 miles southeast of Denver Central Business District including portions of Highlands Ranch and Lone Tree, within Douglas County, Colorado.		
Boundaries	North:	Colorado Highway 470	
	South:	McArthur Ranch Road	
	East:	Interstate 25	
	West:	University Boulevard/Fairview Parkway	
Primary Access	Lincoln Avenue:	E/W, 4-8 lane signal-controlled commercial thoroughfare	
	University Boulevard:	N/S, 4 lane signal-controlled commercial thoroughfare	
	South Colorado Boulevard:	N/S, 4 lane signal-controlled commercial thoroughfare	
	South Quebec Street:	N/S, 4 lane signal-controlled commercial thoroughfare	
	South Yosemite Street:	N/S, 4 lane signal-controlled commercial thoroughfare	
Subject’s Surrounding Uses	North:	Retail Properties	
	South:	Retail Properties	
	East:	Retail Properties	
	West:	Retail Properties	
	Surrounding properties in the subject’s immediate area include office, retail and residential development. Residential uses, including master planned residential developments such as Highlands Ranch, Lone Tree, and Heritage Hills, are located to the south and west of the subject, and are in above-average to new condition. Retail uses are located along primary thoroughfares with newer retail-anchored shopping centers located proximate to the Lincoln Avenue and South Yosemite Street intersection. The Sky Ridge Medical Center is located southeast of the subject across Lincoln Avenue, and the Lincoln RTD Light rail station is located approximately one mile northeast of the subject. Office uses are primarily located in the eastern portion of the Market Area along Interstate 25.		
The Market Area’s access is good as there are many major thoroughfares that link the area to the greater Denver Metro area’s highway system.			
Market Area Composition	Predominant Use Types	SF Residential	Above-Average to new condition
	Secondary Use Types	Retail	Above-Average to new condition
		Office	Above-Average to new condition
	Limited Use Types	MF Residential	Above-Average to new condition

General Overview (Continued)	
Market Area Land Use Trends	<ul style="list-style-type: none">- Visual inspection and a review of aerial maps indicates the area is approximately 95%+/- built-out, with improvements that were constructed from the early 1980s to very recently and are in above-average to new condition.-Office uses in the subject Market Area range from small owner-occupied office buildings to large corporate headquarters. The primary concentrations of office development can be found just to the east of the Market Area at the Inverness and Meridian Business Parks, and within the Market Area along both Park Meadows Drive and Lincoln Avenue. Charles Schwab, a full services investment company, built in 2014 a 40-acre campus within Ridgeway at the southwest corner of the intersection of Lincoln Avenue and Park Meadows Drive.- Retail uses are located throughout the Market Area. The primary concentration of new development can be found in the Ridgeway area of the Lone Tree master planned community. Retail uses include anchored and non-anchored strip centers, big-and mid-box developments, and restaurants. Additional retail development is located throughout the Market Area at primary intersections.- Residential uses occupy much of the Market Area and include portions of the master planned communities of Highlands Ranch and Lone Tree. Single-family residential properties comprise the bulk of the residential development in the Market Area. Multi-family uses are present in the Market Area but are less common.- Industrial uses are limited within the Market Area.-The Park Meadows Mall is located just outside the Market Area boundaries, but influences the entire area. The Park Meadows Mall consists of one of the largest retail shopping malls with multiple national tenants in place.
Life Cycle Phase	Stability: with some continued development of vacant parcels of land that remain within the eastern portion of the Market Area.
Utilities/Municipal Services	Typical municipal services available throughout the Market Area.
Conclusion	The subject's Market Area is located in the far southern reaches of the Denver metro area. Despite the outlying location, the Market Area has good linkages to major highways and interstates, which is a positive factor for a variety of use types. Surrounding uses in the immediate area of the subject provide good synergy, and future development in the Ridgeway area will continue to make this portion of the Market Area desirable. Overall, there are no apparent negative factors relating to the Market Area that would detract from the subject's marketability.

MARKET AREA DEMOGRAPHICS

COMPARATIVE DEMOGRAPHIC ANALYSIS FOR PRIMARY TRADE AREA			
Description	1-Mile Radius Totals	3-Mile Radius Totals	5-Mile Radius Totals
Population			
2029 Projection	12,496	77,510	231,923
2024 Estimate	11,788	74,431	222,193
2020 Census	11,258	72,626	216,597
2010 Census	9,730	62,892	188,051
2024 Est. Median Age	34.91	39.46	39.68
2024 Est. Average Age	38.21	40.21	39.66
Households			
2029 Projection	5,575	32,373	89,656
2024 Estimate	5,185	30,920	85,838
2020 Census	4,868	30,041	83,794
2010 Census	3,998	24,972	73,087
2024 Est. Average Household Size	2.26	2.40	2.56
2024 Est. Households by Household Income (%)			
Household Income < \$15,000	2.35	3.06	3.44
Household Income \$15,000 - \$24,999	3.03	2.70	2.37
Household Income \$25,000 - \$34,999	4.47	3.19	2.85
Household Income \$35,000 - \$49,999	6.31	6.01	5.73
Household Income \$50,000 - \$74,999	16.47	13.42	12.50
Household Income \$75,000 - \$99,999	14.68	12.57	11.39
Household Income \$100,000 - \$124,999	13.64	11.53	10.91
Household Income \$125,000 - \$149,999	10.01	9.72	9.51
Household Income \$150,000 - \$199,999	11.03	13.58	14.06
Household Income \$200,000 - \$249,999	5.44	7.72	8.13
Household Income \$250,000 - \$499,999	7.02	9.97	11.04
Household Income \$500,000+	5.57	6.54	8.09
2024 Est. Average Household Income	\$144,058	\$162,227	\$173,514
2024 Est. Median Household Income	\$104,688	\$119,336	\$127,007
2024 Est. Tenure of Occupied Housing Units (%)			
Owner Occupied	44.01	58.71	68.01
Renter Occupied	55.99	41.29	31.99
2024 Est. Median All Owner-Occupied Housing Value	\$676,678	\$706,254	\$717,071
Source: 2024 Claritas, Inc.			

MARKET AREA MAP

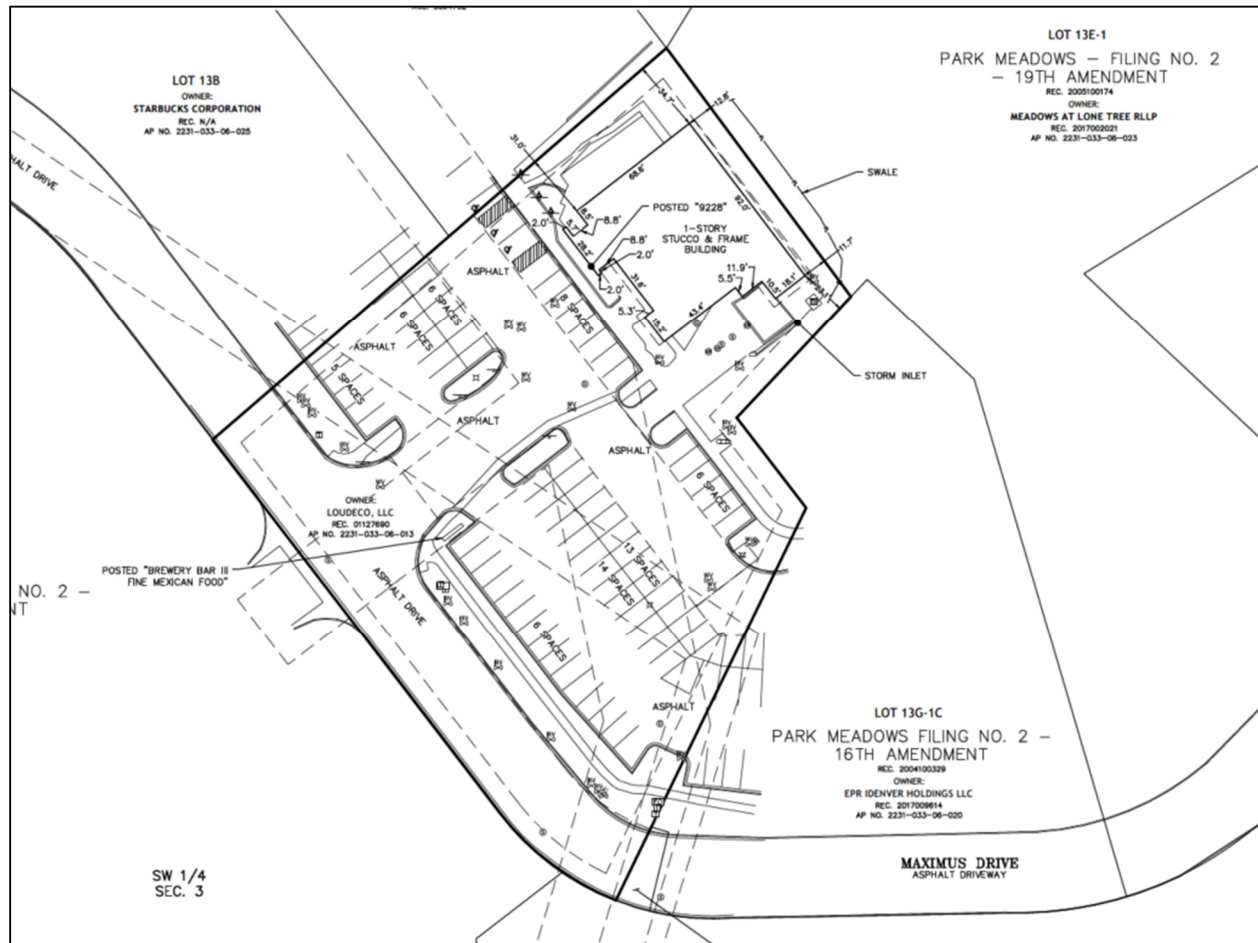


SITE DESCRIPTION

GENERAL SITE DESCRIPTION OVERVIEW			
Location	West of the intersection of Park Meadows Drive and Maximus Drive within the City of Lone Tree, Douglas County, Colorado.		
Parcel Number	2231-033-06-013		
Legal Description	LOT 13H-1 PARK MEADOWS FILING 2 AMENDMENT 12 TOTAL ACREAGE 1.50 AM/L		
Latitude, Longitude	39.55444, -104.88305		
Site Area	65,344 square feet	(1.50 acres)	
Configuration	Irregular		
Topography	Generally level		
Drainage	Appears adequate		
Utilities/Municipal Services	Typical utilities and municipal services available to site.		
Off-Site Improvements	None		
Flood Zone(s)	<u>Zone</u>	<u>Map</u>	<u>Date</u>
	Zone X (Unshaded)	08035C0042G	March 16, 2016
	Zone X Unshaded (Outside 500Y) is a Non-Special Flood Hazard Area (NSFHA) of minimal flood hazard, usually depicted on Flood Insurance Rate Maps (FIRM) as above the 500-year flood level. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.		
Soil/Subsoil Conditions	We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property.		
Environmental Concerns	The inspecting appraiser did not observe any environmental issues and for the purpose of this appraisal, it is specifically assumed that none exist. No independent environmental studies were provided. This appraisal assignment was engaged to determine the market value of the property, independent of any potential environmental issues. In the event the property is determined to be impacted by environmental concerns, it could affect our appraisal conclusions.		
Easements, Encroachments and Deed Restrictions	Cross/shared parking agreement in place		
Hazards Nuisances	None known		
Frontage	~300' along Maximus Drive		
Access	Full-turn access along Maximus Drive		
Visibility	Unobstructed: Maximus Drive Partially obstructed: Yosemite Street, Park Meadows Drive		
Surrounding Land Uses	Retail		
Opportunity Zone	No		
Enterprise Zone	No		
Traffic Counts	~20,000 VPD along Park Meadows Drive; ~15,000 VPD along Yosemite Street per DRCOG		
Transportation Facilities	None		
Site Utility	Average		
Comments	The subject is located within a larger entertainment district with good commercial synergy and transportation linkages. The subject is not located within a flood zone.		

ZONING	
Designation	PD
Description	Planned Development - Westbrook Entertainment & Sports District
Zoning Intent	The Mixed Commercial/ Mixed Use Planning Areas are mixed use neighborhoods with an emphasis on commercial uses. They arrange residential, office and retail uses around a central focus like public spaces and buildings that are generally within walking distance to the edge of the area. The Commercial/ Mixed Use Planning Areas are intended to create a balanced mix of uses in a pedestrian friendly environment with an interconnected street network and multiple connections to open space systems that define edges of the district. Residential components are expected to be of a higher density and will buffer themselves from adjacent non-residential components. It is expected that some residential components may be located on floors above non-residential uses and other creative approaches of housing densities and styles will be encouraged.
Compliance	The subject is a legal conforming use in this district.
ZONING REQUIREMENTS	
Permitted Uses	Permitted uses include but are not limited to the following: Eating Place, Consumer Retail, Large Scale, Medium Scale, Small Scale, Food Sales or Market, Small, Liquor Store, Office: Non-Dental or Non-Medical.
Minimum Lot Size	None
Maximum Lot Size	None
Minimum Lot Width	100'
Maximum Coverage Ratio	1
Front (min. ft.)	Upon Review
Rear, alley/no alley (min. ft.)	Upon Review
Side (min. ft.) interior	Upon Review
Maximum Height	Upon Review
Max Floor Area Ratio	1.5:1
Required No. Parking Spaces	56 spaces (10 per 1,000 SF)
Subject's Total Parking Spaces	64

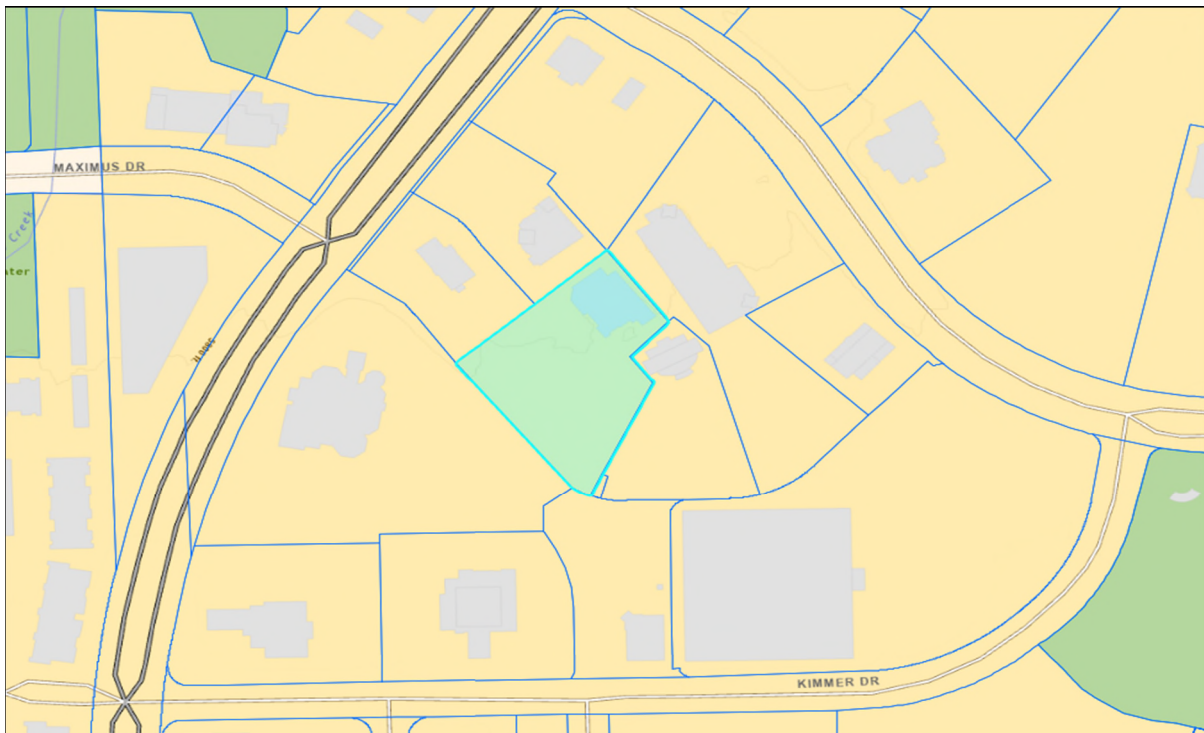
ALTA SURVEY



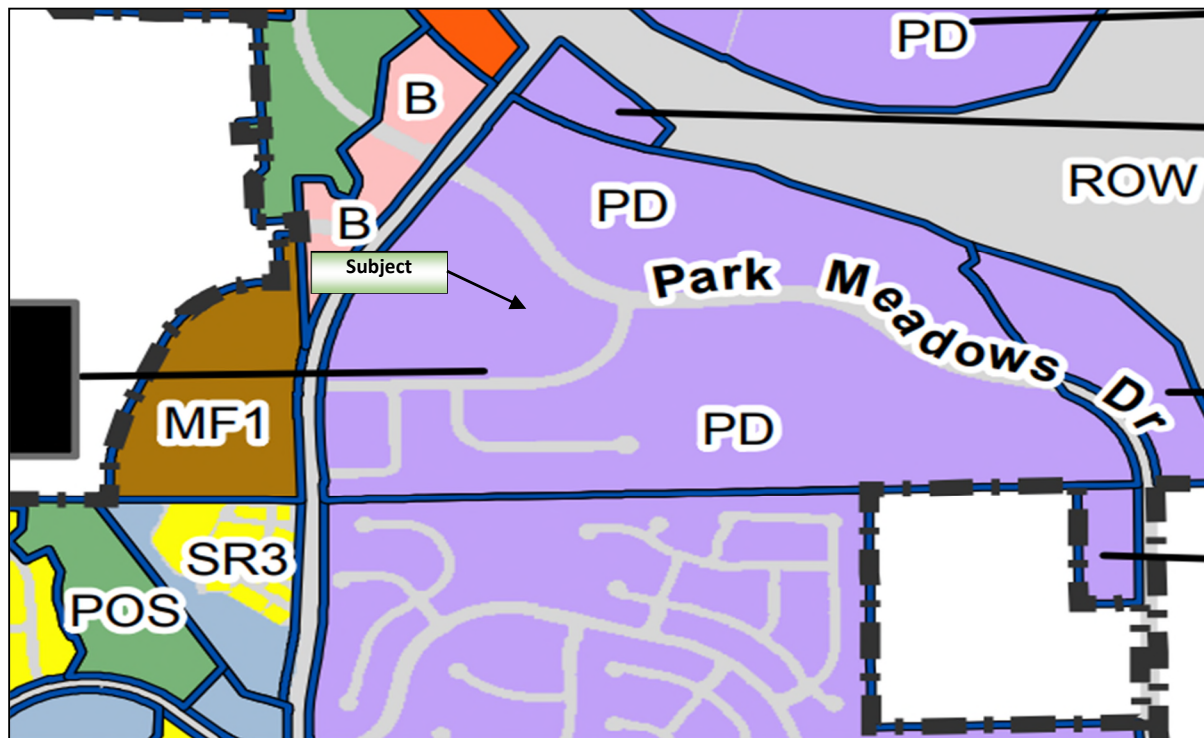
AERIAL MAP



ASSESSOR MAP



ZONING MAP



FLOOD MAP



IMPROVEMENTS DESCRIPTION

GENERAL IMPROVEMENT DESCRIPTION OVERVIEW	
Address	9228 Park Meadows Drive Lone Tree, CO 80124
Property Description	Restaurant Building
Year Built	2003
Number of Buildings	1
Number of Stories	1
Building Construction Class (MVS)	Class C
Gross Building Area	5,634 square feet
Building Footprint	5,634 square feet
Floor-Area Ratio	0.09
Land-to-Building Ratio	11.60 : 1
Parking	
Surface Parking Spaces	68
Parking Ratio	12.07 spaces per 1,000 SF of gross building area.
ADA Compliance	The property is not assumed to be fully ADA compliant.

CONSTRUCTION DETAIL	
General Layout	The subject is currently configured as a full service restaurant for a single-user. The single-level building is demised into open retail/seating, a bar area, commercial-grade kitchen, walk-in coolers and associated mechanical and storage rooms. The subject also features a covered outdoor patio featuring additional seating.
Foundation	Poured concrete slab
Construction	Masonry/wood frame
Exterior Walls	Stucco
Roof Type	Flat/gabled
Roof Cover	Wood framed commercial
Windows	Two multi-fixture restrooms

INTERIOR DETAIL	
Interior Walls	Drywall
Ceilings	Acoustical tile
Floor Coverings	Commercial-grade carpet, tile
Lighting	Recessed, surface-mounted
Restrooms	Two multi-fixture restrooms

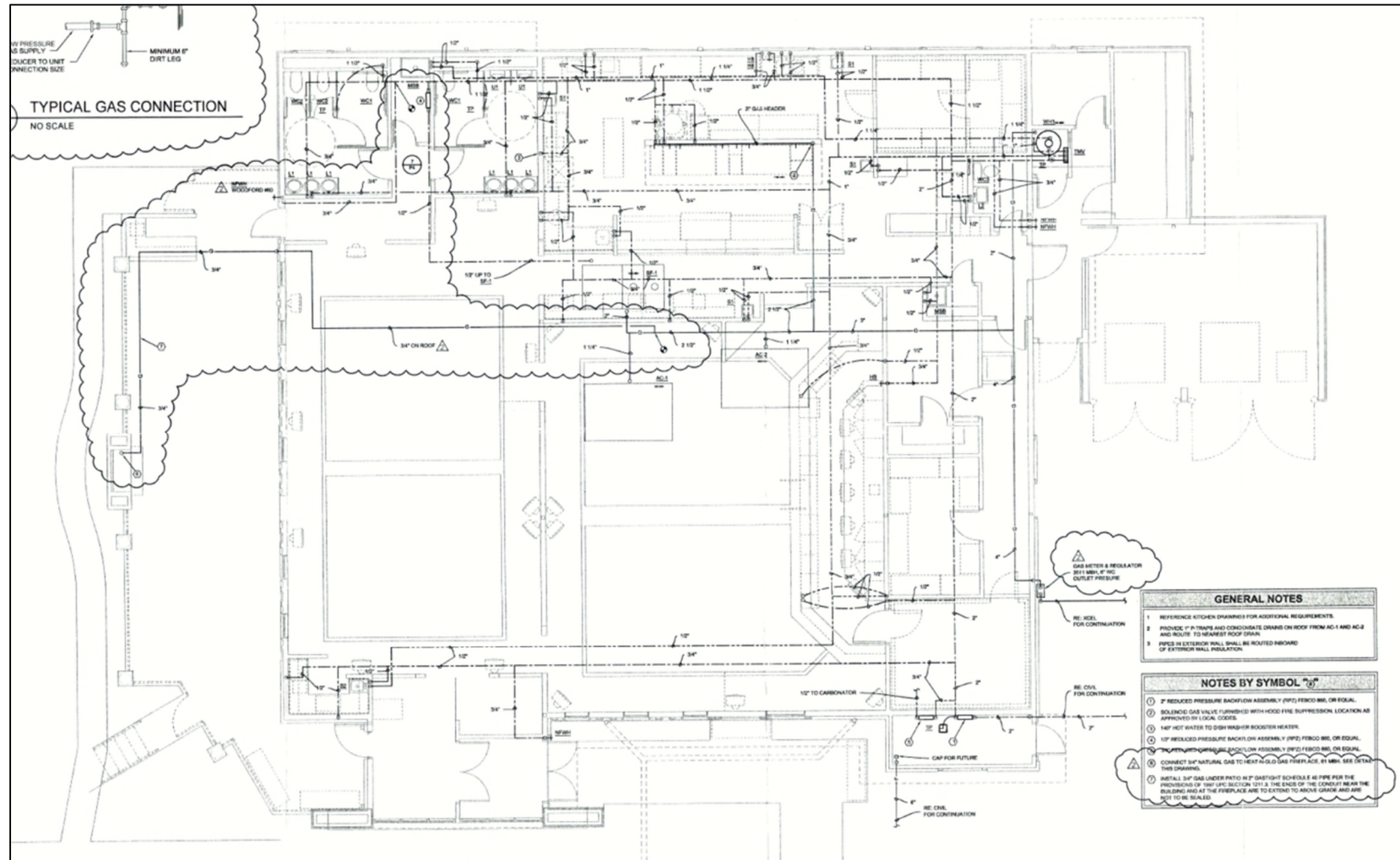
MECHANICAL DETAIL	
Heating	Packaged HVAC
Cooling	Packaged HVAC
Plumbing	Assumed to code and adequate
Electrical	Assumed to code and adequate
Fire Protection	Wet system

SITE IMPROVEMENTS	
Parking Type	Surface
Landscaping	Trees, shrubs, rock beds
Signage	Surface-mounted
Fencing	None
Other	Covered outdoor patio

RENOVATION/DEFERRED MAINTENANCE	
Recent Renovations or Replacements	The current owner reportedly remedied several deferred maintenance items to get the property ready for sale. Items included two new HVAC units, upgraded fire systems and landscaping work, with a reported cost of ~\$100,000 (\$17.75/SF).
Deferred Maintenance	None
Cost to Cure	N/A

SUMMARY	
Building Condition	Average We did not inspect the roof of the building(s) nor make a detailed inspection of the mechanical systems. We are not qualified to render an opinion as to the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed about the adequacy and condition of mechanical systems.
Building Quality	Average
Design and Functionality	Average
Actual Age	21 years
Expected Economic Life	50 years
Effective Age	15 years
Remaining Economic Life	35 years

FLOOR PLAN





West Elevation



South Elevation



East Elevation



North Elevation



Open Retail Space



Open Retail Space



Bar Area



Commercial Grade Kitchen



Commercial Grade Kitchen



Walk-In Cooler



Typical Restroom



Outdoor Patio

PROPERTY ASSESSMENT AND TAX ANALYSIS

The State of Colorado has one system that is applicable for all counties concerning the assessment of real estate property taxes. There are specific appraisal tax districts that are segregated by county for assessing the real estate that is located within each particular county. Tax rates are established by each county's taxing jurisdiction.

Typically, the county assessor's actual value is based on the mass appraisal process. This technique is based more on statistical probability and does not focus on individual property characteristics. Therefore, there is frequently a difference between the assessor's estimate of actual value and the appraiser's estimate of market value for any particular property.

The county assessor determines actual values on January 1st of each year. Taxes for that year are due and payable by April 30th of the next year. An owner may elect to pay the taxes in two halves. The first half is due on February 18th and the second on June 15th. Year 2023 taxes are due in 2024. The subject will not be under reassessment until tax year 2025 payable 2026.

The Colorado Constitution specifies different assessment ratios for commercial and residential improvements. The residential assessment ratio is variable and can be changed every other year by the state legislature according to a formula specified by the constitution. The passage of SB22-238 changed the assessment rates for tax years 2023, 2024 and 2025. While the assessment rate remained 29% for 2022, it will go to 27.9% for tax year 2023. Assessment rates will reportedly return to 29% for the 2024 and 2025 tax years. However, Douglas County currently displays the subject as assessed at the 27.9% rate for 2024; therefore, we use this rate for the 2024 projected taxes.

The following table summarizes the subject's real property taxation. Overall, the 2024 assessed value for the subject appears reasonable and we will utilize the projected 2024 taxes for the development of the Income Capitalization Approach.

REAL ESTATE ASSESSMENT AND TAXES				
Tax ID No.		2023	2024	Pro Forma
2231-033-06-013		\$1,774,710	\$1,774,710	\$1,774,710
Tax Value Subtotal		\$1,774,710	\$1,774,710	\$1,774,710
Assessed Value @	27.90%	\$495,150	\$495,150	\$495,150
General Tax Rate	per \$1,000	90.0840	90.0840	90.0840
Property Taxes		\$44,605	\$44,605	\$44,605
Special/Direct Assessments		\$0	\$0	\$0
Total Taxes		\$44,605	\$44,605	\$44,605
Total Taxes PSF		\$7.92	\$7.92	\$7.92

VALUATION COMPARISON

Assessor's actual value estimates frequently differ from appraised values. One reason for discrepancies is that assessor valuations typically lag behind current market estimates by a significant amount of time, and another is that assessor valuations are based on a mass appraisal process rather than analysis of individual properties. While significant differences between actual values and appraised values may indicate the need for reassessment, we are not qualified to speculate on whether reassessment will occur or whether such reassessment would result in revised actual value estimates. We note that while a potential sale of the subject would eventually factor into the County's assessment value, the potential sale price would not be factored until the 2027 re-assessment, as the cut off for 2025 re-assessment is June 30, 2024, and re-assessment occurs every other year.

MARKET ANALYSIS

DENVER RETAIL MARKET

CoStar is the source for the following data. The data reflects conditions of 2024 Q2, the most recent data available. The initial discussion provides information on the overall Denver Retail market, followed by the subject's submarket. The subject is located within the South submarket, which will be discussed later in this report.

CoStar's forecast scenarios include its Houseview Base Case, introduced in 2023, and several algorithmic forecast scenarios. These have been produced using CoStar's internal econometric property sector models based on inputs from Oxford Economics' macroeconomic models in its North American Cities and Regions service published in June 2024.

The Houseview Base Case forecast scenario is based on the Algorithmic Base Case below, where manual interventions are made to the property sector forecasts to account for structural and cyclical impacts in the commercial real estate markets that are not adequately reflected in macroeconomic forecasts. For example, tighter financial conditions have resulted in higher cap rates and steeper valuation losses, while low office utilization rates caused by the adoption of hybrid work arrangements have weakened fundamentals beyond what headline job gains or losses encapsulate. These interventions result in forecasts that are better aligned with the professional views of CoStar's property sector specialists.

The Houseview offers two accompanying scenarios: the Houseview Moderate Upside and the Houseview Severe Downside, where the former provides a more optimistic view of the economy with job gains and economic growth moderately improved over the Houseview Base Case, and the latter seeing a more muted economic environment.

The Algorithmic Base Case forecast is based on the Oxford Economics baseline forecast, which reflects moderate economic growth throughout 2024, driven by a solid labor market and the strong state of household balance sheets. GDP is expected to grow by 2.4% in 2024 and by 1.8% in 2025. Job gains have been slowing and are expected to continue to slow for the next few years. Firms are projected to add 2.4 million positions in 2024, compared to 3 million in 2023, and 1.2 million in 2025. The unemployment rate is expected to end the year at 4.1% and drift higher to 4.2% by mid-2025, staying there through the forecast period.

Headline and core inflation are expected to continue easing through the next four quarters but remain above the Federal Reserve's 2% target rate throughout 2024. The Federal Reserve is expected to lower its target rate in the second half of 2024. Capital markets remain calm. Spreads between BBB corporate bonds and the 10-year Treasury stay between 1.0% and 1.25% through the end of the forecast period.

CoStar also offers a forecast based on the 2024Q2 Algorithmic Moderate Upside scenario, which sees economic activity surprising to the upside over the coming year. Domestic demand 2 accelerates in this scenario, and GDP grows by 2.9% in 2024 and 3.3% in 2025, boosted by a virtuous cycle of higher asset prices, resilient confidence and vigorous lending growth. The Moderate Upside has the economy adding about 4 million jobs in 2024 before slowing to 1.6 million in 2025. The unemployment rate will fall to 3.1% by the end of this year and tick lower to 3.0% in 2025.

The Algorithmic Moderate Downside scenario envisions conditions where higher inflation, higher interest rates, and weakening demand cause a contraction in economic output in the second and third quarters of 2024. The economy will grow by 1.7% in 2024 compared to 2.4% in the Algorithmic Base Case scenario. Financial market turmoil unfolds, as well as weaker consumer confidence and reduced business investment.

Job losses begin in the second quarter of 2024 and continue through the end of 2025, with employment falling by about 1.9 million jobs during that time. The unemployment rate will rise to 5.2% by the end of 2024, 6.6% by the end of 2025, and 7.1% by 2026. The shock to aggregate demand and the labor market leads to slower inflation, weaker asset prices, and higher bond yields, leading to deteriorating financial conditions.

The Algorithmic Interest Rate Shock forecast consists of the same economic forecast as the Moderate Downside scenario but delivers a shock to the BBB corporate bond yield as a proxy for a sudden increase in risk originating in financial markets or from significant and unexpected geopolitical events. In this scenario, higher risk spreads drive cap rates higher, which causes sharper near-term property value losses before eventually recovering.

The Algorithmic Severe Downside scenario envisions a severe global recession that might occur in the event of a major geopolitical crisis impacting supply chains, commodity prices and domestic consumer and business sentiment. This combination results in a severe and prolonged contraction in output and employment, which spills over to reduced capital accumulation and total factor productivity.

In this scenario, the economy begins to contract sharply in the third quarter of 2024 and is in recession through early 2026, with GDP falling about 7.5% peak through trough. Job losses start immediately and continue through 2025, with more than 7.4 million positions lost during that time. The unemployment rate rises to 10% by the end of 2025. The severe economic distress weighs heavily on prices, and asset prices plummet.

Costar provides statistics related to the retail market based on the following subtypes: Mall, Neighborhood Center, Power Center, Strip Center, General Retail and Other.

KEY INDICATORS AT A GLANCE

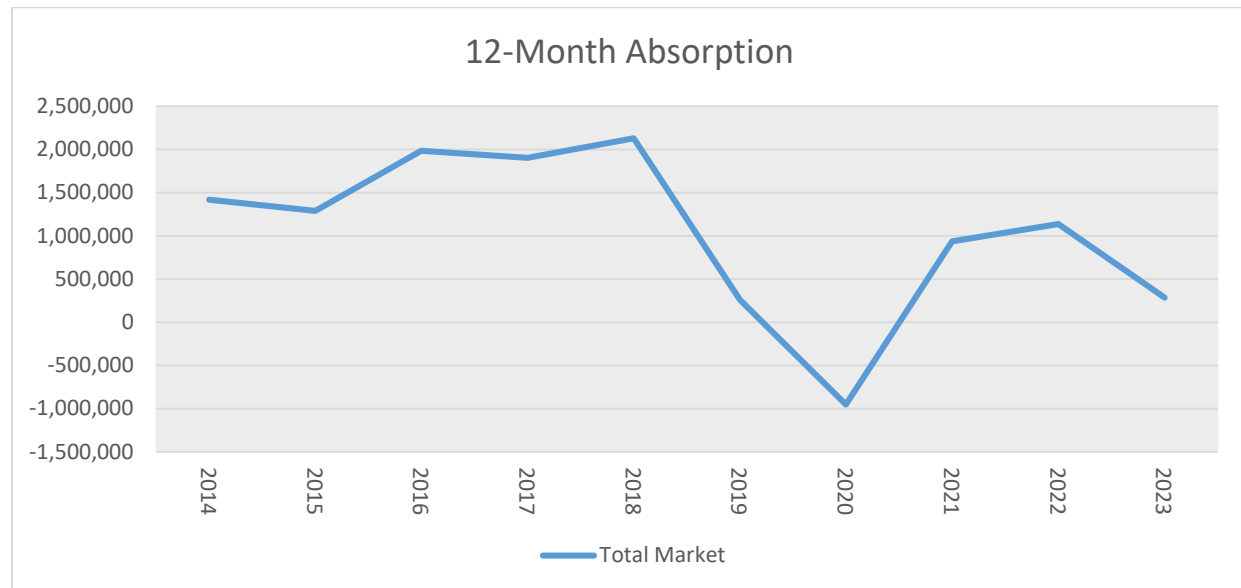
	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	3.96%	3.97%	increased 1 Basis Points
Absorption (SF)	-47,318	92,358	increased 139,676 SF
Quoted Rental Rates (\$/SF/Year)	\$25.63	\$25.74	increased \$0.11 PSF
Inventory (SF)	165,375,069	165,500,956	increased 125,888 SF
Net Deliveries (SF)	-478,253	125,887	increased 604,140 SF
Under Construction (SF)	622,184	466,091	decreased 156,093 SF
Overall Comparison	<i>As of Q2 2024, the Denver Retail Market as exhibiting positive movement for most major economic indicators.</i>		

DENVER RETAIL MARKET STATISTICS

PERIOD	EXISTING INVENTORY (SF)	VACANCY %	NET ABSORPTION (SF)	NET COMPLETIONS (SF)	UNDER CONST. (SF)	QUOTED RATES (\$/SF/YEAR)
2024 Q2	165,500,956	3.97%	92,358	125,887	466,091	\$25.74
2024 Q1	165,375,069	3.96%	-47,318	-478,253	622,184	\$25.63
2023 Q4	165,853,322	4.21%	-325,734	99,452	654,384	\$25.65
2023 Q3	165,753,870	3.90%	166,782	83,097	628,877	\$25.40
2023	165,853,322	4.21%	283,896	717,415	654,384	\$25.65
2022	165,135,907	3.96%	1,137,865	241,015	1,150,843	\$24.89
2021	164,894,892	4.51%	935,209	135,791	624,572	\$23.90
2020	164,759,101	5.00%	-951,549	755,435	591,483	\$23.08
2019	164,001,204	3.99%	256,676	908,866	967,164	\$22.44
2018	163,086,338	3.59%	2,132,120	1,361,228	1,160,099	\$21.79
2017	161,706,892	4.14%	1,902,440	1,515,015	1,716,439	\$20.99
2016	160,173,127	4.42%	1,984,803	1,256,614	1,583,464	\$20.02
2015	158,909,513	4.91%	1,287,064	913,191	1,132,821	\$19.22

The Denver Retail market ended the second quarter with a vacancy rate of 3.97%. The vacancy rate increased over the previous quarter, with net absorption totaling 92,358 square feet in the second quarter. Rental rates increased compared to the previous quarter, ending second quarter at \$25.74. A total of 125,887 square feet was delivered to the market, with 466,091 square feet still under construction at the end of the quarter.

ABSORPTION



Net absorption for the overall Denver Retail market was 92,358 square feet in the second quarter 2024. That compares to -47,318 square feet in the first quarter 2024, -325,734 square feet in the fourth quarter 2023, and 166,782 square feet in the third quarter 2023. Net absorption in the market over the prior 12 months totaled -113,912 square feet.

The Mall subtype recorded net absorption of -11,568 square feet in the second quarter 2024, compared to 29,849 square feet in the first quarter 2024, -507,977 square feet in the fourth quarter 2023, and -14,536 square feet in the third quarter 2023.

Neighborhood Centers recorded net absorption of -167,204 square feet in the second quarter 2024, compared to 156 square feet in the first quarter 2024, 28,090 square feet in the fourth quarter 2023, and -16,953 square feet in the third quarter 2023.

Power Centers recorded net absorption of 4,232 square feet in the second quarter 2024, compared to -133,145 square feet in the first quarter 2024, -55,633 square feet in the fourth quarter 2023, and 36,944 square feet in the third quarter 2023.

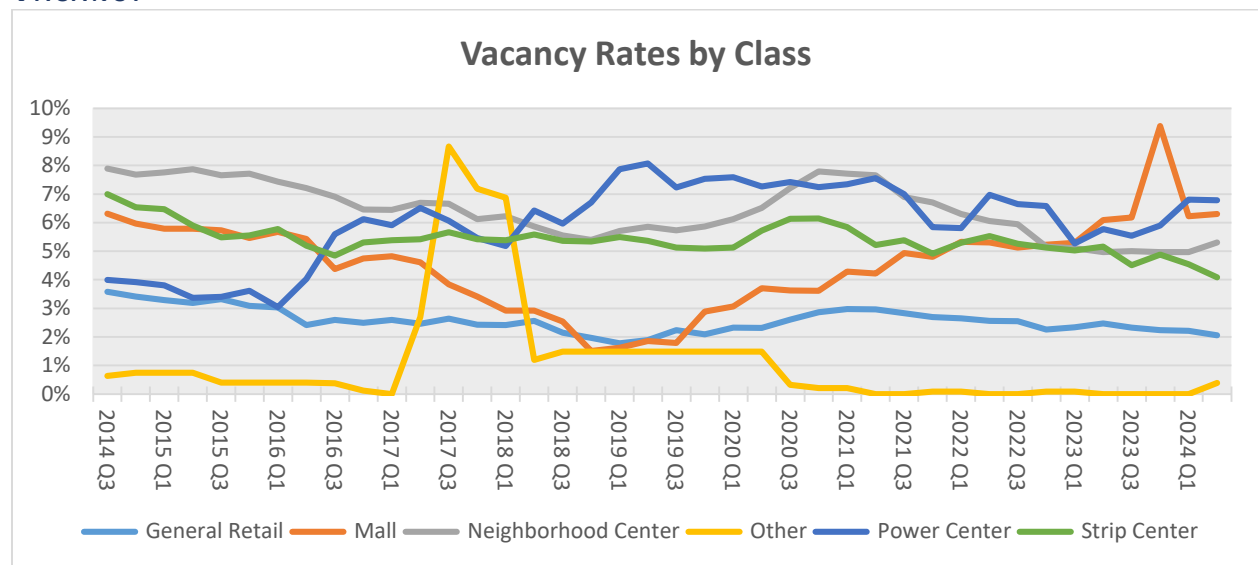
Strip Centers recorded net absorption of 36,035 square feet in the second quarter 2024, compared to 27,669 square feet in the first quarter 2024, -11,082 square feet in the fourth quarter 2023, and 58,126 square feet in the third quarter 2023.

General Retail recorded net absorption of 236,949 square feet in the second quarter 2024, compared to 33,380 square feet in the first quarter 2024, 220,868 square feet in the fourth quarter 2023, and 102,001 square feet in the third quarter 2023.

Finally, Other retail subtypes recorded net absorption of -5,188 square feet in the second quarter 2024, compared to 0 square feet in the first quarter 2024, 0 square feet in the fourth quarter 2023, and 0 square feet in the third quarter 2023.

Net absorption for the South submarket was -39,309 square feet in the second quarter 2024. That compares to 61,581 square feet in the first quarter 2024, -83,984 square feet in the fourth quarter 2023, and -41,461 square feet in the third quarter 2023.

VACANCY



Vacancy for the overall Denver Retail market was 3.97% in the second quarter 2024. That compares to 3.96% in the first quarter 2024, 4.21% in the fourth quarter 2023, and 3.90% in the third quarter 2023.

The Mall subtype recorded vacancy of 6.30% in the second quarter 2024, compared to 6.22% in the first quarter 2024, 9.39% in the fourth quarter 2023, and 6.18% in the third quarter 2023.

Neighborhood Centers recorded vacancy of 5.30% in the second quarter 2024, compared to 4.97% in the first quarter 2024, 4.97% in the fourth quarter 2023, and 5.00% in the third quarter 2023.

Power Centers recorded vacancy of 6.78% in the second quarter 2024, compared to 6.81% in the first quarter 2024, 5.90% in the fourth quarter 2023, and 5.54% in the third quarter 2023.

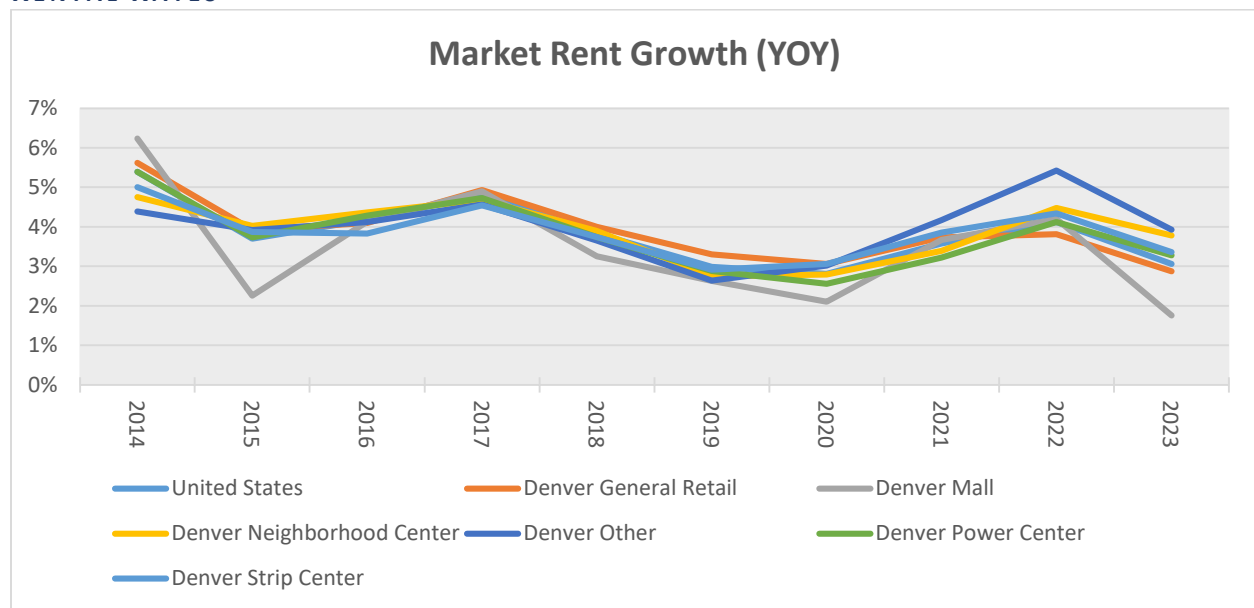
Strip Centers recorded vacancy of 4.09% in the second quarter 2024, compared to 4.54% in the first quarter 2024, 4.88% in the fourth quarter 2023, and 4.51% in the third quarter 2023.

General Retail recorded vacancy of 2.06% in the second quarter 2024, compared to 2.21% in the first quarter 2024, 2.23% in the fourth quarter 2023, and 2.33% in the third quarter 2023.

Finally, Other retail subtypes recorded vacancy of 0.39% in the second quarter 2024, compared to 0.00% in the first quarter 2024, 0.00% in the fourth quarter 2023, and 0.00% in the third quarter 2023.

Vacancy for the South submarket was 4.63% in the second quarter 2024. That compares to 4.41% in the first quarter 2024, 4.68% in the fourth quarter 2023, and 4.24% in the third quarter 2023.

RENTAL RATES



The rental rates shown below are per square foot per year on a NNN basis.

The average asking rental rate for available Retail space, all subtypes, was \$25.74 psf at the end of the second quarter 2024 in the Denver market area. Average asking rental rates reported a 0.4% increase from the end of the first quarter 2024, when rents were reported at \$25.63.

The average quoted rate within the Mall subtype was \$35.77 at the end of the second quarter 2024, while Neighborhood Center rates stood at \$24.15, Power Center rates at \$26.96, Strip Center rates at \$23.56, General Retail rates at \$24.70, and Other retail rates at \$25.29. At the end of the first quarter 2024, Mall subtype rates were \$35.79, Neighborhood Center rates stood at \$24.01, Power Center rates at \$26.81, Strip Center rates at \$23.47, General Retail rates at \$24.61, and Other retail rates at \$25.23.

The average quoted asking rental rate in Denver's South submarket was \$31.11 at the end of the second quarter 2024. In the first quarter 2024, quoted rates were \$31.04.

INVENTORY & CONSTRUCTION

During the second quarter 2024, a total of 125,887 square feet was completed in the Denver market area. This compares to a total of -478,253 square feet completed in the first quarter 2024, a total of 99,452 square feet completed in the fourth quarter 2023, and 83,097 square feet completed in the third quarter 2023.

There was 466,091 square feet of Retail space under construction at the end of the second quarter 2024.

SUBTYPE	EXISTING INVENTORY (SF)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (SF)
Mall	15,525,724	-502,262	0
Neighborhood Center	50,377,169	9,630	0
Power Center	15,422,969	7,500	0
Strip Center	8,125,595	25,170	0
General Retail	74,546,849	290,145	457,711
Other	1,341,022	0	0
Total	165,500,956	-169,817	466,091

MARKET OUTLOOK

The Denver Retail market ended the second quarter 2024 with a vacancy rate of 3.97%. The vacancy rate increased over the previous quarter, with net absorption totaling 92,358 square feet in the second quarter 2024. Rental rates increased \$0.11 PSF over the previous quarter and ended at \$25.74. A total of 125,887 square feet was delivered in the quarter, with 466,091 square feet still under construction at the end of the quarter.

SOUTH RETAIL MARKET

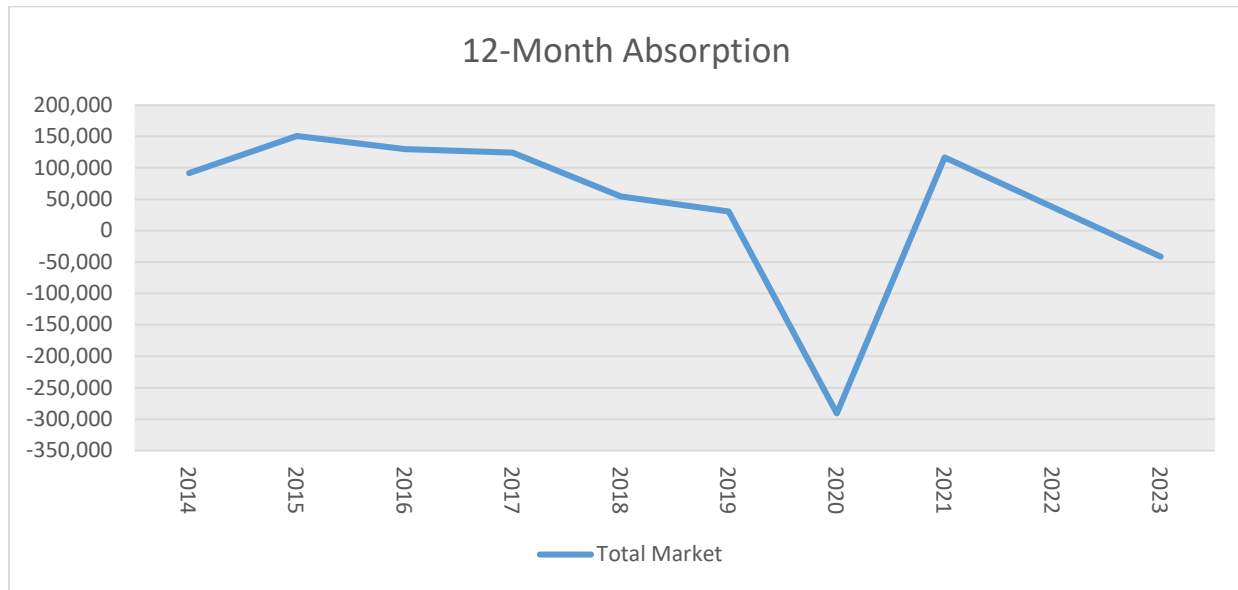
KEY INDICATORS AT A GLANCE

	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	4.41%	4.63%	increased 22 Basis Points
Absorption (SF)	61,581	-39,309	decreased 100,890 SF
Quoted Rental Rates (\$/SF/Year)	\$31.04	\$31.11	increased \$0.07 PSF
Inventory (SF)	19,252,039	19,256,527	increased 4,488 SF
Net Deliveries (SF)	10,000	4,488	decreased 5,512 SF
Under Construction (SF)	24,488	20,000	decreased 4,488 SF
Overall Comparison	As of Q2 2024, the Denver Retail Market as negative positive movement for most major economic indicators.		

SOUTH RETAIL MARKET STATISTICS

PERIOD	EXISTING INVENTORY (SF)	VACANCY %	NET ABSORPTION (SF)	NET COMPLETIONS (SF)	UNDER CONST. (SF)	QUOTED RATES (\$/SF/YEAR)
2024 Q2	19,256,527	4.63%	-39,309	4,488	20,000	\$31.11
2024 Q1	19,252,039	4.41%	61,581	10,000	24,488	\$31.04
2023 Q4	19,242,039	4.68%	-83,984	0	34,488	\$31.01
2023 Q3	19,242,039	4.24%	-41,461	4,992	14,488	\$30.75
2023	19,242,039	4.68%	-41,385	3,779	34,488	\$31.01
2022	19,238,260	4.44%	37,659	-2,926	26,586	\$30.21
2021	19,241,186	4.65%	116,480	-37,426	8,415	\$29.05
2020	19,278,612	5.44%	-290,771	85,644	6,691	\$28.10
2019	19,192,968	3.51%	30,565	27,743	81,609	\$27.47
2018	19,165,225	3.53%	54,468	104,299	27,028	\$26.76
2017	19,060,926	3.28%	124,080	55,133	61,683	\$25.80
2016	19,005,793	3.66%	129,826	163,944	30,397	\$24.60
2015	18,841,849	3.51%	150,682	111,746	167,743	\$23.59

The South Retail market ended the second quarter with a vacancy rate of 4.63%. The vacancy rate increased over the previous quarter, with net absorption totaling -39,309 square feet in the second quarter. Rental rates increased compared to the previous quarter, ending second quarter at \$31.11. A total of 4,488 square feet was delivered to the market, with 20,000 square feet still under construction at the end of the quarter.

ABSORPTION

Net absorption for the overall South Retail market was -39,309 square feet in the second quarter 2024. That compares to 61,581 square feet in the first quarter 2024, -83,984 square feet in the fourth quarter 2023, and -41,461 square feet in the third quarter 2023. Net absorption in the market over the prior 12 months totaled -103,173 square feet.

The Mall subtype Retail market recorded net absorption of 0 square feet in the second quarter 2024, compared to 932 square feet in the first quarter 2024, -32,476 square feet in the fourth quarter 2023, and -8,964 square feet in the third quarter 2023.

The Neighborhood Center subtype Retail market recorded net absorption of 56,724 square feet in the second quarter 2024, compared to 45,332 square feet in the first quarter 2024, -55,857 square feet in the fourth quarter 2023, and 33,379 square feet in the third quarter 2023.

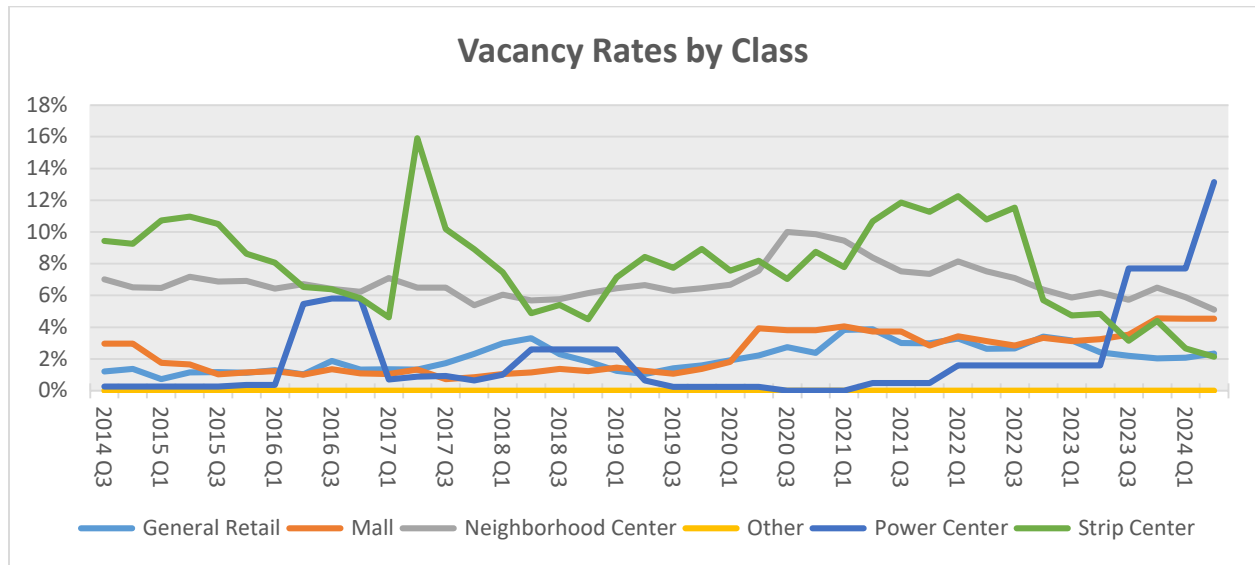
The Power Center subtype Retail market recorded net absorption of -85,711 square feet in the second quarter 2024, compared to 0 square feet in the first quarter 2024, 0 square feet in the fourth quarter 2023, and -95,853 square feet in the third quarter 2023.

Strip Centers recorded net absorption of 2,628 square feet in the second quarter 2024, compared to 8,984 square feet in the first quarter 2024, -6,435 square feet in the fourth quarter 2023, and 8,764 square feet in the third quarter 2023.

General Retail recorded net absorption of -12,950 square feet in the second quarter 2024, compared to 6,333 square feet in the first quarter 2024, 10,784 square feet in the fourth quarter 2023, and 20,013 square feet in the third quarter 2023.

Finally, Other retail subtypes recorded net absorption of 0 square feet in the second quarter 2024, compared to 0 square feet in the first quarter 2024, 0 square feet in the fourth quarter 2023, and 0 square feet in the third quarter 2023.

VACANCY



Vacancy for the overall South Retail market increased to 4.63% in the second quarter 2024. That compares to 4.41% in the first quarter 2024, 4.68% in the fourth quarter 2023, and 4.24% in the third quarter 2023.

Mall subtype projects reported a vacancy rate of 4.54% at the end of the second quarter 2024, 4.54% at the end of the first quarter 2024, 4.57% at the end of the fourth quarter 2023, and 3.53% at the end of the third quarter 2023.

Neighborhood Center subtype projects reported a vacancy rate of 5.11% at the end of the second quarter 2024, 5.88% at the end of the first quarter 2024, 6.49% at the end of the fourth quarter 2023, and 5.73% at the end of the third quarter 2023.

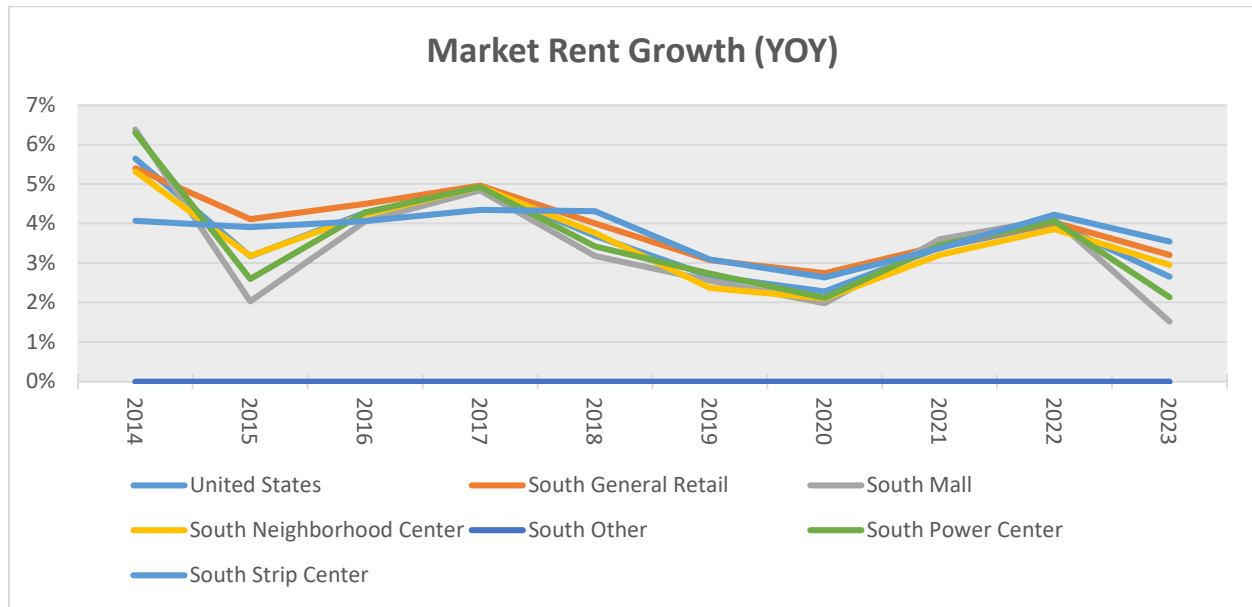
Power Center subtype projects reported a vacancy rate of 13.15% at the end of the second quarter 2024, 7.70% at the end of the first quarter 2024, 7.70% at the end of the fourth quarter 2023, and 7.70% at the end of the third quarter 2023.

Strip Centers recorded vacancy of 2.14% in the second quarter 2024, compared to 2.65% in the first quarter 2024, 4.39% in the fourth quarter 2023, and 3.14% in the third quarter 2023.

General Retail recorded vacancy of 2.34% in the second quarter 2024, compared to 2.08% in the first quarter 2024, 2.03% in the fourth quarter 2023, and 2.19% in the third quarter 2023.

Finally, Other retail subtypes recorded vacancy of 0.00% in the second quarter 2024, compared to 0.00% in the first quarter 2024, 0.00% in the fourth quarter 2023, and 0.00% in the third quarter 2023.

RENTAL RATES



The rental rates shown below are per square foot per year on a NNN basis.

The average asking rental rate for available Retail space, all classes, was \$31.11 psf at the end of the second quarter 2024 in the South market area. This represented a 0.2% increase in quoted rental rates from the end of the first quarter 2024, when rents were reported at \$31.04.

The average quoted rate within the Mall subtype sector was \$41.96 at the end of the second quarter 2024, while Neighborhood Center subtype rates stood at \$29.35, Power Center subtype rates at \$32.47, Strip Center rates at \$26.57, General Retail rates at \$27.96, and Other retail rates at \$0.00. At the end of the first quarter 2024, Mall subtype rates were \$41.98, Neighborhood Center rates were \$29.25, Power Center rates were \$32.43, Strip Center rates were \$26.45, General Retail rates were \$27.88 and Other Retail rates were \$0.00.

INVENTORY & CONSTRUCTION

During the second quarter 2024, a total of 4,488 square feet was completed in the South market area. This compares to a total of 10,000 square feet completed in the first quarter 2024, a total of 0 square feet completed in the fourth quarter 2023, and 4,992 square feet completed in the third quarter 2023.

There were 20,000 square feet of Retail space under construction at the end of the second quarter 2024.

SUBTYPE	EXISTING INVENTORY (SF)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (SF)
Mall	3,147,410	0	0
Neighborhood Center	7,373,057	0	0
Power Center	1,570,367	0	0
Strip Center	515,809	0	0
General Retail	6,644,226	19,480	20,000
Other	0	0	0

SOUTH MARKET OUTLOOK

The South Retail market ended the second quarter 2024 with a vacancy rate of 4.63%. The vacancy rate increased over the previous quarter, with net absorption totaling -39,309 square feet in the second quarter 2024. Rental rates increased \$0.07 PSF over the previous quarter and ended at \$31.11. A total of 4,488 square feet was delivered in the quarter, with 20,000 square feet still under construction at the end of the quarter.

HIGHEST AND BEST USE

INTRODUCTION

The highest and best use is the reasonable, probable, and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible and that results in the highest value. These criteria are often considered sequentially. The tests of legal permissibility and physical possibility must be applied before the remaining tests of financial feasibility and maximal productivity. A financially feasible use is precluded if it is legally prohibited or physically impossible. If a reasonable possibility exists that one of the prior, unacceptable conditions can be changed, is it appropriate to proceed with the analysis with such an assumption.

HIGHEST AND BEST USE CRITERIA

The site's highest and best use is analyzed both as vacant and as improved, and if improvements are proposed then an as proposed analysis is required. In all cases, the property's highest and best use must meet four criteria: (1) legally permissible; (2) physically possible; (3) financially feasible; and (4) maximally productive.

AS IF VACANT

LEGALLY

Legally, the subject is zoned PD (Planned Development District) by the City of Lone Tree Planning Department. The purpose of this district is to encourage creative design, including new urbanism, neo-traditional and other innovative approaches and to facilitate a variety of designs or a mix of use in the development of a balanced community, including residential, business, commercial, recreational, open space and other selected secondary uses. The PD District is characterized by a project that provides or contributes to a balanced mix of land uses in the surrounding community, served by adequate schools, parks, employment opportunities, retail, health services and public transit. Pedestrian, bicycle, public transit and automobile circulation should include connections between neighborhoods, community facilities, employment centers and shopping centers. The subject is located within the Westbrook Entertainment and Sports District Planned Development.

PHYSICALLY

Physically, there are no unusual constraints to development and the site is functional for many allowable uses under the PD zoning designation. The site is relatively flat with good access and partial visibility from Park Meadows Drive, a primary thoroughfare. The site consists of 65,344 square feet (1.50 acres) and has a functional shape. Surrounding uses consist of retail and office uses in average to excellent condition.

FINANCIALLY

Financial feasibility is determined by the relationship of supply and demand for the legally probable land uses versus the cost to create them. The market analysis section reveals that retail-oriented uses in the subject's submarket are generally stabilized compared to historical levels. While comparisons of rental and vacancy rates and operating expenses indicate the property is capable of providing an adequate return on investment, elevated construction costs could be too high to warrant new retail-oriented development in the current market. Therefore, development of a retail property upon the subject's site is not currently considered financially feasible.

MAXIMALLY

Maximally, all of the prior considerations and surrounding development indicate that the highest and best use of the subject site is to hold for future retail-oriented development.

AS IMPROVED

LEGALLY

Based on a review of the PD zoning guidelines, the subject's existing improvements are a legally permissible use.

PHYSICALLY

Physically, the subject improvements conform to surrounding uses. We noted no significant items of deferred maintenance or functional issues. The subject has visibility and accessibility via Park Meadows Drive, a primary thoroughfare, and benefits from good exposure to traffic. The subject's layout and design could accommodate a variety of local restaurant tenants/operators and is functional for its intended use. The subject is currently demised for a single-user restaurant and has historically functioned in this manner. Overall, the building appeals to a variety of potential users and functions well for its intended use.

FINANCIALLY

Financially, the improvements provide contributory value to the site, and there is no alternate use that would result in a greater value.

MAXIMALLY

Maximally, all of the prior considerations and surrounding uses indicate the highest and best use of the subject is continued use, as improved.

VALUATION PROCESS

Valuation in the appraisal process generally involves three techniques, including the Cost Approach, Sales Comparison Approach and the Income Capitalization Approach.

These three valuation methods are defined in the following table:

VALUATION METHODS	DEFINITION
Cost Approach	In this approach, value is based on adding the contributing value of any improvements (after deductions for accrued depreciation) to the value of the land as if it were vacant based on its highest and best use. If the interest appraised is other than fee simple, additional adjustments may be necessary for non-realty interest and/or the impact of existing leases or contracts.
Sales Comparison Approach	In this approach, recent sales of similar properties in the marketplace are compared directly to the subject property. This comparison is typically accomplished by extracting "units of comparison", for example, price per square foot, and then analyzing these units of comparison for differences between each comparable and the subject. The reliability of an indication found by this method depends on the quality of the comparable data found in the marketplace.
Income Capitalization Approach	In this approach, a property is viewed through the eyes of a typical investor, whose primary objective is to earn a profit on the investment principally through the receipt of expected income generated from operations and the ultimate resale of the property at the end of a holding period.

VALUATION METHODS UTILIZED

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. The subject's age makes it difficult to accurately form an opinion of depreciation and tends to make the Cost Approach unreliable. Investors do not typically rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not employed the Cost Approach to develop an opinion of market value.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

SALES COMPARISON APPROACH

METHODOLOGY

In the Sales Comparison Approach, we developed an opinion of value by comparing similar, recently sold properties in the surrounding or competing area to the subject property. In order to determine the value of the subject property, these comparable sales and/or listings are then evaluated and adjusted based on their differences when compared to the subject property. Inherent in this approach is the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The Sales Comparison Approach to value requires the following sequential steps:

Unit of Comparison	A unit of comparison (i.e. price per square foot, price per dwelling unit) must be selected for comparable analysis of the sales and the subject. The selected unit of comparison must be consistent with market behavior.
Search for Sales	Research must be done to locate comparable sales, listings and contracts of properties that are similar to the subject. Similarities may include property type, size, physical condition, location and the date of the sale.
Confirmation	All sales must be confirmed to verify that the data used is accurate, and that all of the sales, listings or contracts represent arm's-length transactions.
Comparison	Each of the improved sales that is chosen for this valuation is considered generally similar to the subject. Therefore, each difference between the comparables and the subject must be identified, and then adjusted for the various differences. All adjustments are made to the comparables as they relate to the subject property.
Reconciliation	Once the comparables have been adjusted, a value must be concluded based on the indications produced from the analysis of the comparables.

UNITS OF COMPARISON

Based on market behavior observed, the most appropriate unit of comparison for this analysis is price per square foot of GBA.

SALE OF THE SUBJECT PROPERTY

The subject is currently under contract for a pending price of \$4,100,000 (\$727.72/SF). Per discussions with the listing broker, the property was marketed to a small pool of potential buyers prior to going on the open market and the prospective buyer expressed interest. While the subject was never listed on the open market, the contract price was reported as the asking price. The buyer is a local sports bar/restaurant owner that is looking to open a new location in Lone Tree and was reportedly interested in the subject because it is located within an entertainment district that has a variety of improvement plans in the coming years.

The subject was purchased by the current owner in January 2024 via an arm's-length transaction for \$3,900,000 (\$692.23/SF). The initial asking price was \$3,950,000 and the subject was on the market for ~10 months prior to sale.

The seller in the deal was an owner-user restaurant operator that wished to retail and divest of the real estate, while the buyer was Douglas County, who originally had plans to convert the building into a senior center. This plan ultimately did not fit with what the City of Lone Tree had envisioned for the entertainment district; therefore, the County changed course and decided to sell the property. Subsequent to sale, the County reportedly remedied several deferred maintenance items to get the property ready for sale. Items included two new HVAC units, upgraded fire systems and landscaping work, with a reported cost of ~\$100,000 (\$17.75/SF), resulting in a total cash outlay of \$4,000,000 (\$709.98/SF) for the subject.

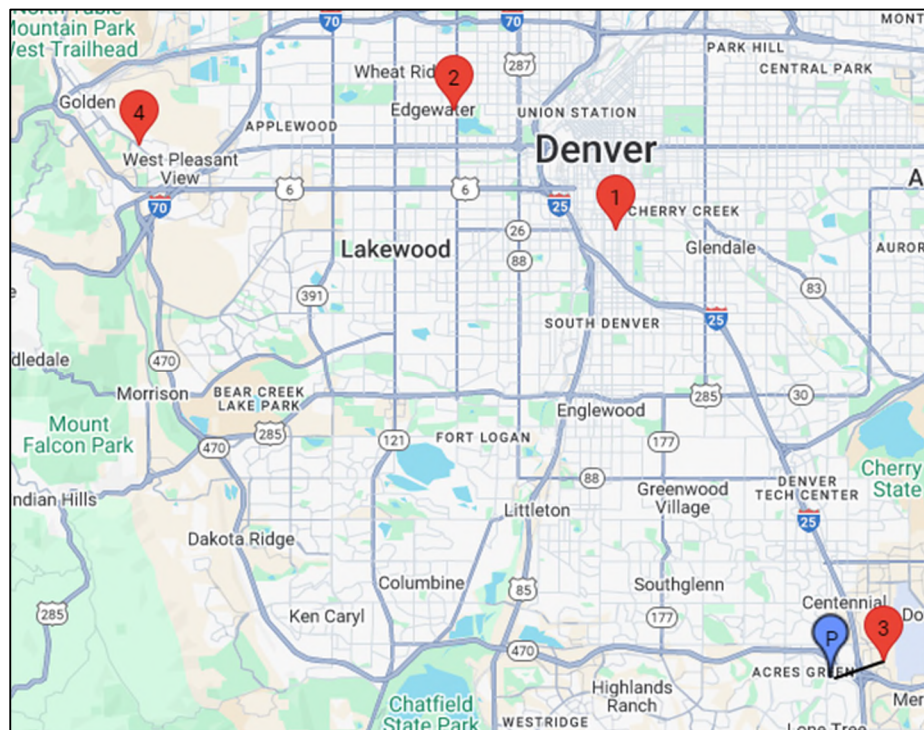
COMPARABLE IMPROVED SALES

Using third party data sources of CoStar, LoopNet, MLS, assessor data, and a visual inspection of the neighborhood for listings, we searched the Denver metro area for the most recent sales of restaurant buildings sharing similar characteristics to the subject. We initially searched for properties sold based on fee simple for a single-user that transacted subsequent to the subject's recent sale in January 2024; however, no such sales were identified. Therefore, we expanded our search and focused on properties containing between 2,000 and 10,000 square feet that feature a restaurant buildout over the past two years. Through this process, we identified a total of four comparable sales to compare to the subject. We also searched for active listing to compare to the subject but found none deemed applicable to our analysis.

We note that this report analyzes only the subject's land and improvements, exclusive of any FF&E items. Each comparable included in this analysis is a restaurants/food service property in which FF&E items were not allocated separately from the respective real estate. We have confirmed that any FF&E that may have been included in the sale had essentially low to no value and/or little to no impact on the sale price as most restaurant users equip their restaurants with their own FF&E, which is typically new. Therefore, no adjustments are warranted for FF&E items.

On the following pages, we present a summary of the improved properties that we compared to the subject property, a map showing their locations, and the adjustment process.

COMPARABLE IMPROVED SALES MAP



COMPARABLE IMPROVED SALES SUMMARY

SUMMARY OF IMPROVED SALES									
Comp No.	Property / Location	Date of Sale / Status	Property Rights	Year Built / Renovated	Site Size (SF) (Acres)	Bldg. Size (SF Gross)	Land-to-Building Ratio	Sale Price	Price per SF (Gross)
1	Restaurant Building 500 East Alameda Avenue Denver, CO	Oct-23 Closed	Fee Simple	1956 / 2010	8,592 0.20	1,974	4.35 : 1	\$1,690,000	\$856.13
2	Retail/Restaurant Building 5302 West 25th Avenue & 2501 Ames & 2475 Ames Edgewater, CO	Feb-23 Closed	Fee Simple	1905	20,076 0.46	3,871	5.19 : 1	\$2,490,000	\$643.24
3	Restaurant Building 9232 Park Meadows Drive Lone Tree, CO	Jan-23 Closed	Fee Simple	2003	32,670 0.75	5,108	6.40 : 1	\$3,500,000	\$685.20
4	Restaurant Building 17525 South Golden Road Golden, CO	Jan-23 Closed	Fee Simple	1985	33,977 0.78	2,809	12.10 : 1	\$1,775,000	\$631.90
Subj.	Restaurant Building 9228 Park Meadows Drive Lone Tree, CO	---	Fee Simple	2003	65,344 1.5	5,634	11.60 : 1	---	---

COMPARABLE SALE PHOTOS



Sale 1



Sale 2

COMPARABLE SALE PHOTOS



Sale 3



Sale 4

COMPARABLE IMPROVED SALES ADJUSTMENT GRID

COMPARABLE SALE SUMMARIES AND ADJUSTMENTS					
Property / Location	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Property / Location	Restaurant Building 9228 Park Meadows Drive Lone Tree, CO	Restaurant Building 500 East Alameda Avenue Denver, CO	Retail/Restaurant Building 5302 West 25th Avenue & 2501 Ames & 2475 Ames Edgewater, CO	Restaurant Building 9232 Park Meadows Drive Lone Tree, CO	Restaurant Building 17525 South Golden Road Golden, CO
Date of Sale / Status	---	Oct-23 Closed	Feb-23 Closed	Jan-23 Closed	Jan-23 Closed
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Bldg. Size (SF Gross)	5,634	1,974	3,871	5,108	2,809
Site Size (SF)	65,344	8,592	20,076	32,670	33,977
Site Size (Acres)	1.50	0.20	0.46	0.75	0.78
Sale Price	---	\$1,690,000	\$2,490,000	\$3,500,000	\$1,775,000
Unadjusted Price per SF (Gross)	----	\$856.13	\$643.24	\$685.20	\$631.90
Transactional Adjustments					
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		0%	0%	0%	0%
Financing					
Adjustment		0%	0%	0%	0%
Terms/Conditions of Sale					
Adjustment		0%	0%	0%	0%
Expenditures After Sale					
Adjustment		0%	0%	0%	0%
Market Conditions	Aug-24	Oct-23	Feb-23	Jan-23	Jan-23
Adjustment		0%	0%	0%	0%
Total Transactional Adjustments		0%	0%	0%	0%
Adjusted Price per SF (Gross)		\$856.13	\$643.24	\$685.20	\$631.90
Property Adjustments					
	Average	Above-Average	Average	Average	Average
Location		-5%	0%	0%	0%
	5,634	1,974	3,871	5,108	2,809
Property Size SF (Gross)		-10%	-5%	0%	-5%
	2003; Ren. / Above-Average	1956; Ren. / Good	1905; Ren. / Fair	2003 / Above-Average	1985 / Below-Average
Year Built / Renovated		-5%	10%	0%	10%
	Average	Average	Average	Average	Average
Quality		0%	0%	0%	0%
	11.60 : 1	4.35 : 1	5.19 : 1	6.4 : 1	12.1 : 1
Land-To-Building Ratio		5%	5%	5%	0%
	Average	Average	Average	Average	Average
Functional Utility		0%	0%	0%	0%
Total Property Adjustments		-15%	10%	5%	5%
Indication for Subject		\$727.71	\$707.57	\$719.46	\$663.49

ADJUSTMENT PROCESS

The sales that we have utilized represent the best available information that could be compared to the subject property. The major elements of comparison for an analysis of this type include the property rights conveyed, the financial terms incorporated into a particular transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

PROPERTY RIGHTS CONVEYED

This adjustment accounts for any impact that the property rights transferred to the buyer may have on sale price. For leased fee properties, the length of leases in place and the relationship of market to contract rent could impact value. Some properties may have stronger appeal to an owner-user or an investor, resulting in a premium or discount associated with fee simple property rights. If a buyer acquires the leasehold interest in a comparable, then an adjustment may be necessary that accounts for the impact to the of ground rent and/or risk associated with the expiration of the ground lease to the sale price.

The subject is currently vacant and slated to be 100% owner-occupied subsequent to sale. All of the sales utilized in this analysis involved the transfer of the fee simple interest and no adjustments for property rights are warranted.

FINANCING

This category accounts for differences in financing terms associated with the transaction. Financing arrangements that may require an adjustment include mortgage assumptions (at favorable interest rates), seller buydowns, installment sales, wrap-around loans, or any other atypical financing arrangements that do not represent cash-equivalent terms.

To the best of our knowledge, all of the sales utilized in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

TERMS/CONDITIONS OF SALE

Adjustments for conditions of sale typically reflect various motivations of the buyer and/or seller. This may include such factors as seller distress (short sale, REO, auction) or buyer motivation (assemblage, etc.). In some situations, the conditions of sale may significantly affect transaction prices. Properties that are listed for sale may require adjustments herein to account for any disparity between asking prices and the achievable sale price anticipated.

To the best of our knowledge, none of the sales utilized included favorable terms or atypical conditions of sale, therefore, no adjustments are warranted.

EXPENDITURES AFTER SALE

In order to arrive at the effective sale price, the actual sale price of each comparable is adjusted to account for any expenditures planned by the buyer immediately after sale, such as capital expenditures, cost to cure deferred maintenance, or lease-up costs.

No capital costs were expended subsequent to the sale of any of the comparable sales, so no adjustments were warranted.

MARKET CONDITIONS

This time-adjustment category accounts for differences in economic conditions between the effective date of appraisal and the transaction date of the comparable, such as may be caused by changing supply and demand factors, rental rates, vacancy rates and/or capitalization rates.

The comparable sales transacted between January 2023 and May 2024. Based on discussions with area brokers, prices for restaurant and general retail properties had risen sharply in recent years through the early portions of 2022, before increased interest rates starting in mid-2022 resulted in general price stabilization or a slight decrease in some scenarios. These economic conditions resulted in decreased sales volume, making it difficult to determine market conditions adjustments either in the positive or negative. Considering that each comparable sale utilized occurred after the start of 2023, we do not apply market conditions adjustments in this analysis.

LOCATION

The appeal of a property's location to users of and/or investors in a particular property type can influence value significantly. This factor broadly considers the impact of demographics, geographical attributes, access to transportation networks and local land use trends on pricing. Comparisons of location can often be derived, or even quantified, by examining rent, vacancy, capitalization rate, and land value trends in the subject and directly competitive areas.

The subject is located within a larger retail center and entertainment district, with access and visibility via two primary thoroughfares, Park Meadows Drive and Yosemite Street. The surrounding area also includes the Park Meadows Mall and various power centers, and the area is a regional commercial center for the southern Denver metro area. Based on these attributes, the subject is considered to have an average overall location. With the exception of Sale 1, the comparables are located throughout the periphery of Denver's core area and are located along arterial/primary thoroughfares within larger commercial concentrations. Therefore, these comparables benefit from similar locational attributes to the subject and no adjustments are warranted.

Sale 1 is located two miles south of the Denver CBD and blocks north of the prominent Washington Park neighborhood. Sale 1 is situated with good pedestrian access in an area that is considered to have superior commercial synergy and land values compared to that of the subject. Therefore, Sale 1 is considered to have an above-average location and is given a 5% downward adjustment for location.

PROPERTY SIZE SF (GROSS)

Normally, all other characteristics being equal, the unit value of a property is affected by its size. Building size and price per square foot typically have an inverse relationship. Larger buildings tend to achieve lower pricing on a per-unit basis due to their economies of scale, and smaller pool of prospective buyers.

The subject contains 5,634 square feet of GBA. The comparables range in size between 1,974 and 5,108 square feet of GBA and warranted adjustments can be viewed in the adjustment grid table.

YEAR BUILT/CONDITION

The absolute physical/chronological age differences between properties can impact achievable pricing. This category may reflect such differences, irrespective of other related differences in property condition and/or effective age, which considers maintenance and renovations that have occurred since the property's original construction date.

The subject was constructed in 2003 and has undergone modest renovations as needed, including recent HVAC unit replacement, landscaping and fire suppression system upgrades. The chosen comparables were constructed

between 1905 to 2003, with all properties having undergone a minimum of modest renovations as needed, and conditions ranging from fair to good. Warranted adjustments are listed within the adjustment grid table.

QUALITY

Quality adjustments reflect differences in the quality and durability of construction materials, design, building classification, finish-out, et cetera.

The subject is of masonry and wood frame construction and features average quality interior finishes that are consistent and desirable for modern restaurant users. The overall quality of the each comparable is considered to be similar and average when compared to that of the subject. We note that the determination of quality is equally based on quality of construction materials and the quality of the respective interior finishes. No adjustments are warranted for this category.

LAND-TO-BUILDING RATIO

This represents the proportion of land area to gross building area. Properties with a higher land-to-building ratio are generally considered superior to those with a lower ratio due to the possibility for expansion, redevelopment, outside storage, parking, et cetera.

The subject maintains a land-to-building ratio of 11.60:1, which is considered above-average for this property type in its market. The comparables range from 4.35:1 to 12.10:1 in terms of land-to-building ratio and warranted adjustments can be viewed within the adjustment grid table.

FUNCTIONAL UTILITY

Adjustments for functional utility may include differences for architectural style, converted usage, building efficiency, "smart" systems and other items.

The subject is a single-story, freestanding restaurant building with a layout and design consistent with modern restaurant uses. The subject is demised into a commercial-grade kitchen, open retail/seating space, a bar area and outdoor patio. Overall, the subject is considered to have average functional utility for a restaurant building. Each of the comparables are typical restaurant buildings featuring similar functionality to the subject and no adjustments are warranted.

SALES COMPARISON APPROACH CONCLUSION

SALES SUMMARY	UNADJUSTED	ADJUSTED
Minimum	\$631.90	\$663.49
Maximum	\$856.13	\$727.71
Average	\$704.12	\$704.56
Median	\$664.22	\$713.51
Standard Deviation	\$89.98	\$24.77

After adjustments, the comparable improved sales reflect a range from \$663.49 to \$727.71 per square foot, with an average of \$704.56 per square foot. Sale 3 is most similar to the subject as it is a relatively recent sale that is located within the same entertainment district as the subject and requires just 5% gross/net adjustments. Sale 3 represents a good indication of value for the subject and is given all weight in our analysis for the subject's initial indication of value. The remaining comparables require more significant adjustments, and while they were not given weight in our analysis, their adjusted values well bracket and support our conclusions. Based on the data available and the analyses presented, the indicated value of the subject property by the Sales Comparison Approach is \$720.00 per square foot, which is near the adjusted value of Sale 3, rounded.

As previously discussed, the subject is currently under contract for \$4,100,000 (\$727.72/SF) and the subject was not exposed to the open market prior to going under contract. Rather, the subject was marketed to a small group of potential buyers. Therefore, it is possible that the current contract price is not market value.

The subject was purchased by the current owner in January 2024 for \$3,900,000 (\$692.23/SF). The initial asking price was \$3,950,000 and the subject was on the market for ~10 months prior to sale. Subsequent to sale, the owner remedied deferred maintenance items including two new HVAC units, upgraded fire systems and landscaping work, with a reported cost of ~\$100,000 (\$17.75/SF), resulting in a total cash outlay of \$4,000,000 (\$709.98/SF) for the subject. Given that the subject was exposed to the open market prior to sale, we believe the cash outlay to be indicative of market value at its time of sale. We also estimate entrepreneurial incentive for the renovations at 10% of the project cost. Due to the renovations performed at the property, similar conditions from the time of the recent sale and because the total cash outlay plus entrepreneurial incentive is within 1.2% of our developed value, we conclude that the total cash outlay plus entrepreneurial incentive of \$4,010,000 (\$711.75/SF) is a good indication of value for the subject. Therefore, we conclude to this value as our opinion of value via the Sales Comparison Approach.

SALES COMPARISON APPROACH VALUE CONCLUSION	
Indicated Value per SF	\$711.75
per SF	x 5,634
Indicated As Is Value	\$4,010,000

INCOME CAPITALIZATION APPROACH

GENERAL PROCESS

In the Income Capitalization Approach, the appraiser concludes to a value indication for the subject by converting a projected net operating income into a single present value by using either the direct capitalization or yield capitalization method.

In direct capitalization, the estimated net operating income is divided by a market-driven capitalization rate to provide an indication of value. In yield capitalization, a series of income streams are discounted over a holding period to estimate a present value. The yield capitalization approach is referred to as a discounted cash flow analysis, and is most useful for properties that are not stabilized or expect to have large fluctuations in the income stream over a holding period.

The Income Capitalization Approach to value requires the following sequential steps:

Estimate Economic Gross Income	Estimate the economic gross income for the subject’s space based on existing leases and market data.
Estimate Effective Gross Income	Estimate a proper vacancy and credit loss for the subject’s market, then deduct this rent loss from the estimated economic gross income to arrive at an effective gross income.
Estimate the Net Operating Income	Calculate the net operating income by deducting the estimated operating expenses (fixed and variable) and a provision for replacement of short-lived building components from the estimated effective gross income.
Value Indication	Convert the net operating income into a value indication by using a market-derived capitalization rate in the case of direct capitalization and/or a market-derived discount rate in the yield capitalization analysis (discounted cash flow analysis). The yield capitalization approach also forecasts the anticipated future income streams and estimates a reversion price at the end of a presumed holding period. These future income streams are then discounted to a present value using a market-extracted discount rate based on investor expectations based on the risks associated with a property.

MARKET RENT

We utilize two methods in determining market rent for the subject property. These two methods include the following:

Examine recent leasing activity at the subject – The most recent arm’s-length leases at the subject property often best represent what lessees are willing to pay for a specific property type and location in an open market situation. Recent leasing activity is often the best indicator of market rent for a particular property.

Conduct a rental rate survey of comparable properties – In conducting a rental rate survey, we analyze asking and actual rental rates for properties that would be considered similar to the subject and likely compete with the subject for tenants. When there is a lack of recent leasing activity at the subject, comparable rent surveys are a good indicator of what a property could expect in terms of rental rates. In most instances, the rental rate survey will support the actual rental rates indicated by the recent leasing activity.

RECENT LEASING ACTIVITY

The subject is currently vacant and the prospective owner plans to 100% owner-occupy subsequent to sale. There is no recent leasing activity to report.

TENANT ANALYSIS – CREDIT ANALYSIS

For analysis purposes, we must make assumptions regarding the presumed tenant implied in this analysis. We assume the tenant is a locally based tenant of average credit risk. The capitalization rate selected will reflect this assumption.



Lease 1



Lease 2



Lease 3



Listing 1

COMPARABLE LEASE ADJUSTMENT GRID

LEASE COMPARABLES - 9228 PARK MEADOWS DRIVE									
Characteristics	Subject	Lease 1		Lease 2		Lease 3		Listing 1	
Address	9228 Park Meadows Drive	1620 Wazee Street		1076 Ogden Street		5332 DTC Boulevard		1000 South Colorado Boulevard	
City	Lone Tree	Denver		Denver		Greenwood Village		Denver	
Data Source	NA	CoStar, Assessor, Broker		CoStar, Assessor, Broker		CoStar, Assessor, Broker		CoStar, Assessor, Broker	
Property Type	Restaurant Building	Restaurant Building		Restaurant Unit		Restaurant Unit		Fast Casual Restaurant Unit	
Unit Size	5,634	6,400		4,422		3,300		3,059	
Vacant SF Area	N/A	0		0		0		3,059	
Vacancy Rate	N/A	0%		0%		0%		27%	
Representative Lease									
Actual or Asking Lease Rate	N/A	Actual		Actual		Actual		Asking	
Tenant(s)	N/A	Local Tenant		Local Tenant		Delectible Egg		N/A	
SF Area Leased	N/A	6,400		4,422		3,300		0	
Commencement	N/A	10/21/2024		7/7/2024		11/30/2022		N/A	
Term	N/A	Not Reported		60 mos.		Not Reported		N/A	
TI Allowance	N/A	None Reported		None Reported		None Reported		None Reported	
Lease Rate Expense Structure	NNN	NNN		NNN		NNN		NNN	
Base Annual Rent	N/A	\$35.00		\$31.00		\$32.00		\$35.00	
Expense adjustments	N/A	\$0.00		\$0.00		\$0.00		\$0.00	
Adjusted rent (NNN)		\$35.00		\$31.00		\$32.00		\$35.00	
Qualitative Adjustments	Description	Description	Adj.	Description	Adj.	Description	Adj.	Description	
Market Trends	N/A	Actual		Actual		Actual		Asking	(-)
Location	Average	Good	(-)(-)	Above-Average	(-)	Average		Average	
Age/condition	2003; Ren. / Above-Average	1980 / Average	(+)	1980 / Below-Average	(+)(+)	2004 / Average	(+)	2009 / Above-Average	
Size	5,634	6,400		4,422		3,300	(-)	3,059	(-)
Quality/Type	Average	Average		Above-Average		Average		Average	
Functional Utility	Average	Average		Average		Average		Below-Average	(+)
Overall Comparison to Subject		(-)		(=)		(=)		(-)	
Indication for the Subject		Lower than	\$35.00	Higher than	\$31.00	Similar to	\$32.00	Less than	\$35.00

MARKET RENT CONCLUSIONS

Based upon the preceding data and analysis, a summary of the concluded market rents utilized within the following analysis is presented within the following table.

MARKET RENT CONCLUSION	
Gross Building Area (SF)	5,634
Subject's Contract Rent	Owner-Occupied
Comparable Lease Rate Range	\$31.00/SF to \$35.00/SF
Concluded Market Rent (\$/SF)	\$32.00
Expense Structure	NNN
Comments: Restaurant use lease comparables to the subject indicate a tight range for restaurant uses in the market area between \$31.00/SF and \$35.00/SF, NNN. The subject is currently vacant and is slated to be 100% owner-occupied subsequent to sale. Lease Comparable 3 is most similar to the subject, as it required minimal net/gross adjustments and the remaining comparables support this conclusion. Therefore, we conclude to a market rent of \$32.00/SF, NNN, which is similar to the rental rate for Lease Comparable 3. We will utilize this rent for the development of the Income Capitalization Approach.	

POTENTIAL GROSS RENTAL INCOME CONCLUSION

Potential gross rental income based on market rents is shown in the following table:

POTENTIAL GROSS RENTAL INCOME			
Space Type	SF	Annual Rent (PSF)	Annual Rent
Restaurant Building	5,634	\$32.00	\$180,288

VACANCY AND COLLECTION LOSS

Occupancy data for the market, submarket and the subject, as well as the concluded vacancy for the subject, is shown in the following table. Due to relatively low vacancy within the submarket, along with the subject's comparatively average condition, average quality and average functional utility, we estimate a vacancy rate towards the middle of the overall indicated range. We note that the vacancy projection is inclusive of all vacancy categories, including collection loss.

MARKET VACANCY	
Source	Rate
CoStar - Denver Metro Retail Vacancy - Q2 2024	3.97%
CoStar - Denver Metro Retail Vacancy - 5-Yr Average	4.35%
CoStar - South Denver Submarket Retail Vacancy - Q2 2024	4.63%
CoStar - South Denver Submarket Retail Vacancy - 5-Yr Average	4.54%
Range	3.97% - 4.63%
Concluded Overall Vacancy Rate	4.50%

OTHER INCOME

No other income would ordinarily be collected at the subject property.

POTENTIAL GROSS PASS-THROUGH INCOMES (RECOVERIES)

Any prospective tenant for the subject would lease the space on a triple net basis, paying all the expenses with the exception of minimal owner expenses associated with reserves for replacement and administration costs. Because most expenses would be recoverable from the tenant, and because there is no actual operating expense information, we neither add the recovered expenses to the potential gross rental income, nor deduct recoverable operating expenses from the income. However, during times of vacancy the owner will lose income due to the inability to recover expenses. These and other owner expenses will be detailed later in this valuation in the operating expense section.

OPERATING EXPENSES

As mentioned previously, concluded market lease rate is structured on a triple net basis. The tenant pays all expenses with the exception of replacement reserves and any administration costs. Therefore, we estimate owner's expenses to be 1% of effective gross income.

Also, if the property were to become vacant, there would be an owner's expense associated with expenses not recovered by the landlord during vacancy. To calculate this expense, we add the estimated property tax, insurance, utilities, management and repair/maintenance and HOA expenses; we then multiply by the vacancy factor. This calculation results in the amount of lost recoveries during times of vacancy. Dividing this expense by the estimated effective gross income shows these lost expenses as a percentage of EGI.

EXPENSES IN TIMES OF VACANCY			
Expense		PSF	Total
Property Taxes		\$7.92	\$44,605
Repairs and Maintenance		\$2.00	\$11,268
Insurance		\$1.00	\$5,634
Management (4% EGI)		\$1.22	\$6,887
Utilities		\$1.50	\$8,451
HOA		\$2.98	\$16,789
Total		\$16.62	\$93,634
Multiplied by Vacancy Factor of	4.50%	\$0.75	\$4,214
Divided by EGI			2.45%

PRO FORMA OPERATIONS

The following Pro Forma Income Statements are based on the income and expense projections detailed throughout this valuation.

PROFORMA OPERATING STATEMENT		
Category		Projected Expenses Projected Income
Potential Gross Rental Income (PGRI)		\$180,288
Plus: Other Income		\$0
Plus: Pass-Through Income		\$0
Total Potential Gross Rental Income		\$180,288
Less: Market Vacancy	4.50%	(\$8,113)
Effective Gross Income (EGI)		\$172,175
Fixed Expenses		
Owner's Expenses	1.00%	(\$1,722)
Operating Expense Recovery Loss	2.45%	(\$4,214)
Total Expenses		(\$5,936)
Net Operating Income		\$166,239

DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a projected single year's income expectancy into an indication of value. Dividing a property's net operating income by an appropriate market-derived capitalization rate provides a value indication. This capitalization rate is known as the overall rate.

There are several methods that can be used in deriving an overall rate that can be used to capitalize the net operating income that was projected in the previous Pro Forma Operating Statement.

MARKET DERIVATION

When adequate data is available, the overall rate is best derived from the comparable sales employed in the Sales Comparison Approach. The following table summarizes capitalization rates extracted from the comparable sales transactions. Rates were calculated based upon in-place NOIs at the time of their respective sales.

COMPARABLE SALES/MARKET EXTRACTED RATES					
Property	Sale Date	Building SF	YOC	Capitalization Rate	NOI PSF
1 ST Retail Building 13551 Quebec Street Thornton, CO	Jun-24	4,500	2023	5.25%	\$38.94
2 Fast Food Restaurant 497 East 120th Avenue Denver, CO	Jan-24	3,100	2006	5.00%	\$41.29
3 Restaurant Building 497 East 120th Way Thornton, CO	Nov-23	6,787	1995	6.00%	\$33.09
4 ST Retail Building 2000 East Colfax Avenue Denver, CO	Jan-23	12,398	1987	5.18%	\$33.84
5 MT Retail Building 4275 Tennyson Street Denver, CO	Sep-22	10,406	1941	5.21%	\$26.54
6 Restaurant Building 5001 West 38th Avenue Denver, CO	Jun-22	2,225	1965	4.17%	\$44.98
7 Restaurant Building 592 South Mccaslin Road Louisville, CO	Listing	5,128	1995	5.00%	\$25.16
Subject		5,634	2003		\$29.51
Range				4.17% - 6.00%	
Average				5.12%	

The sales above indicate a wide range of capitalization rates for various types of single- and multi-tenant retail/restaurant properties throughout the Denver metro market area. There appears little correlation between NOI per square foot and indicated cap. The subject has an above-average condition and average quality, with average functional utility. The subject generally has a similar location to the cap rate comparables, with good accessibility. Overall, we estimate that the subject would achieve a capitalization rate near the middle of the indicated range. Based on all available data sources and market participant interviews, we conclude to a 5.25% capitalization rate. However, the range would be from 5.00% to 5.50%.

INVESTOR SURVEYS

INVESTOR SURVEYS		
Survey/Investment Type	OAR Range	Average
CoStar Data - Current Quarter		
Denver Metro - Restaurants		5.80%
South Denver Submarket - Retail		6.20%
PwC Real Estate Investor Survey (2Q24)		
Strip Center	5.50% - 10.00%	7.33%
Situs RERC Real Estate Report (2Q24)		
Neigh/Community	6.00% - 8.00%	6.70%
Indicated OAR:	5.50% - 10.00%	6.51%

BAND OF INVESTMENT

The band of investment calculation is summarized in the following table.

BAND OF INVESTMENT				
Loan Parameters				
Loan-to-Value (LTV)				70%
Amortization Period (yrs)				30
Interest Rate				6.00%
Mortgage Constant				0.07195
Equity Dividend Rate				5.00%
Calculation				
0.70 LTV	x	0.07195	Mortgage Constant	= 0.05036
0.30 Equity	x	0.05000	Equity Dividend Rate	= 0.01500
Capitalization Rate				6.54%

CAPITALIZATION RATE SUMMARY AND CONCLUSIONS

The capitalization rates derived from the various techniques are summarized in the following table.

SUMMARY CAPITALIZATION RATE AND CONCLUSION	
Method	Capitalization Rate
Market Extraction	5.00% - 5.50%
Investor Surveys	6.51%
Band of Investment	6.54%
Primary Weight	Market Extraction
Secondary Weight	Investor Surveys
Capitalization Rate Conclusion	5.25%

Typically, most weight is placed on the rates derived from sources most closely associated with the subject's immediate market, that is, comparable sales, particularly if the comparable sales have a similar risk profile to the subject property. Based on all available data sources, we conclude to a **5.25%** capitalization rate. However, the range would be from 5.00% to 5.50%.

VALUE INDICATION FROM DIRECT CAPITALIZATION

A value indication by the Direct Capitalization Method is calculated by dividing the net operating income (NOI), derived earlier in this section by the appropriate capitalization rate. Our conclusion via the Direct Capitalization Method is as follows.

DIRECT CAPITALIZATION METHOD VALUE CONCLUSION - AS IS		
NET OPERATING INCOME	\$166,239	\$29.51
Based on Most Probable Rate of 5.25%	\$3,166,457	\$562.03
Indicated As Is Value	\$3,166,457	\$562.03
Rounded to nearest \$10,000	\$3,170,000	\$562.66

RECONCILIATION AND FINAL VALUE

SUMMARY OF VALUE INDICATIONS

VALUE INDICATIONS			
1) As Is as of August 29, 2024			
Cost Approach	Not Developed		
Land Value	Not Developed		
Sales Comparison Approach	\$4,010,000	\$711.75	Per Square Foot (GBA)
Income Capitalization Approach			
Direct Capitalization	\$3,170,000	\$562.66	Per Square Foot (GBA)
Yield Capitalization	Not Developed		
Approach Reliance	Sales Comparison Approach		
Value Conclusion - As Is	\$4,010,000	\$711.75	Per Square Foot (GBA)
Exposure Time (Months)	12		
Marketing Time (Months)	12		

MARKET VALUE - VALUATION RELIANCE

The Sales Comparison Approach simulates the valuation methodology that would be used by the subject's most likely purchaser, an owner-user. In the Sales Comparison Approach, similar properties that have sold recently are compared to the subject. We were able to identify an adequate number of comparable properties, which provide a reliable indication of value for the subject property. Therefore, the Sales Comparison Approach is considered to provide a reliable value indication, and we place significant weight on this approach in the final value reconciliation.

The Income Approach was developed primarily as support for the Sales Comparison Approach. The subject property appeals to an owner-user, and this type of purchaser does not consider a property's potential to generate income when making purchase decisions. Nonetheless, we were able to identify comparable rental properties that provided a good indication of the subject's market rent potential. Therefore, the Income Approach provides support for the value indication of the Sales Comparison Approach.

The disparity between the value indications provided by the Sales Comparison Approach and the Income Capitalization Approach is primarily reflective of the differences between the most probable buyer identified for each value premise (owner-users vs. investors), and how a potential buyer would likely analyze the facility on an acquisition basis. Market research and data revealed that owner-user buyers are willing to pay more than investor buyers for this property type. While a notable disparity exists among the value indications, the final value conclusion is considered reasonable in light of the methods of analysis employed by the different potential buyers along with the principles upon which each valuation technique is based and considering the most probable purchaser of the subject property is an owner-user. We spoke to multiple brokers who specialize in retail properties in the subject market area who indicated there is significant demand for this property type in the subject market area by owner-users. The brokers noted that owner-users are paying higher prices than investors would typically pay for similar properties.

The subject is under contract for a pending purchase price of \$4,100,000 (\$727.72/SF). As noted at the conclusion of the Sales Comparison Approach, the subject was not exposed to the open market prior to going under contract and, therefore, it is possible that the current contract price is not a good indication of market value. Conversely, the subject transacted in January 2024 at market terms for a price of \$3,900,000 and the buyer performed various renovations at the property, resulting in a reported total cash outlay plus entrepreneurial incentive estimates at approximately \$4,010,000 (\$711.75/SF) for the subject. Considering the similar market conditions from the previous value and because the cash outlay is within 1.2% of our value developed via the Sales Comparison Approach, the recent cash outlay is considered to be a good indication of value for the subject. All weight is placed upon the Sales

Comparison Approach value, and we conclude to \$4,010,000 (\$711.75/SF) as our final opinion of value for the subject.

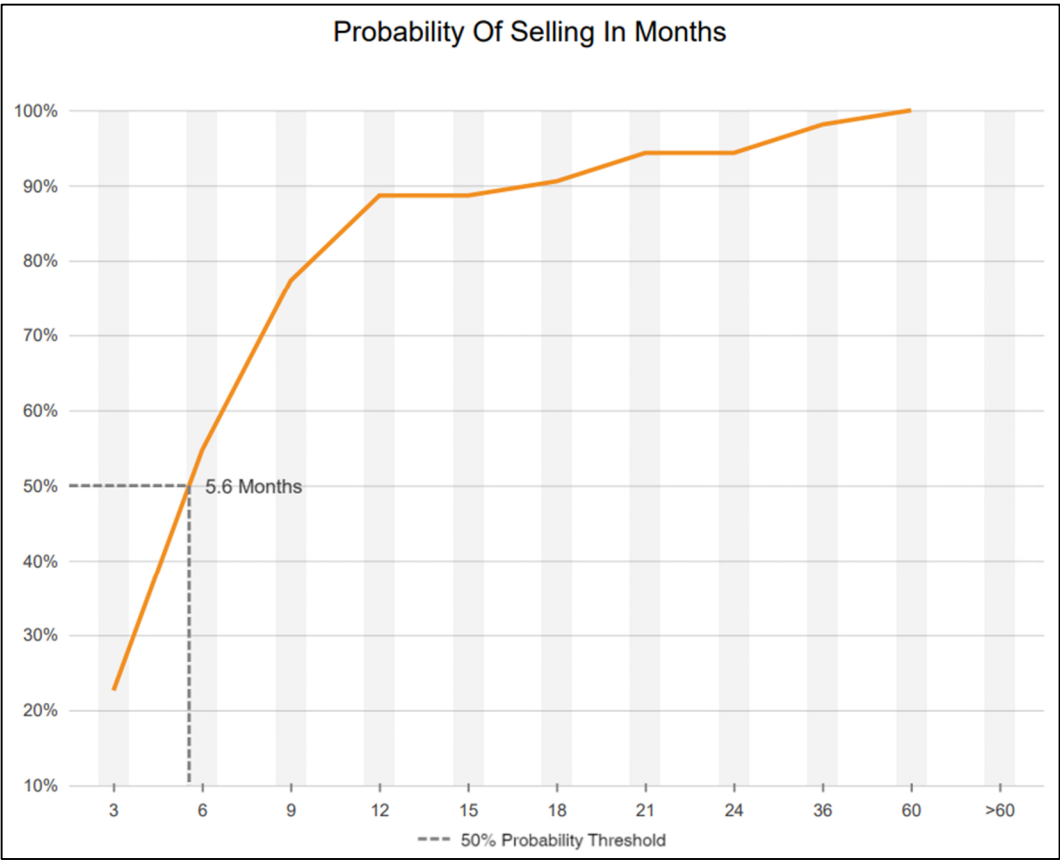
FINAL OPINION(S) OF VALUE

Based on the inspection of the property and the investigation and the analysis undertaken, we have developed the following value opinion(s).

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is	Fee Simple	August 29, 2024	\$4,010,000

MARKETING TIME AND EXPOSURE TIME

The median marketing time for similar properties sold in the Denver metro area occurring since the Q2 2021 as reported by CoStar is shown below. Based on this data, the marketing and exposure time is estimated at less than 12-months.



Financing for retail properties in the real estate market is available and is not having a negative impact on the marketability of this type of building. We believe the subject would sell within 12 months for each of the appraised market value scenarios.

The exposure time is also estimated at less than 12 months for each of the appraised market value scenarios; however; it could be slightly longer than the marketing time depending on any improvement in the market.

CERTIFICATION

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved with this assignment.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the state of CO.
9. The reported analyses, opinions, and Value Indications were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics, the Standards of Professional Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Robert Ryan, MAI has and Brett Wilkerson, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
12. Robert Ryan, MAI has not and Eric Pitcher has and Brett Wilkerson, MAI has not made a personal inspection of the property that is the subject of this report.
13. No one provided significant real property appraisal assistance to the persons signing this certification.
14. Robert Ryan, MAI has not and Eric Pitcher has not and Brett Wilkerson, MAI has not provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.



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STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

- 1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
 - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
 - b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
 - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
 - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
 - e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.

- f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
 - g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
 - h) It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
 - i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.
 - j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
 - k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
 - l) BBG, Inc., excepting employees of BBG Assessment, Inc., and the appraiser(s) are not experts in determining the presence or absence of hazardous substances toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. and the appraiser(s) assume no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. The Client is free to retain an expert on such matters in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
 - m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.
- 2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the

inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.

- 3) If provided, the opinion of insurable replacement cost is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable replacement cost purposes. The Appraisers are not familiar with the definition of insurable replacement cost from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraisers are not cost experts in cost estimating for insurance purposes.
- 4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
- 5) The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
- 6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- 7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
- 8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
- 9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.

- 11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
- 12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.
- 13) Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (a) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (b) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (c) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, the receipt of an Appraisal Report by such party shall not confer any right upon such party to use or rely upon such report, and Appraiser shall have no liability for such unauthorized use or reliance upon such report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.

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About BBG

BBG is an independent, third-party provider of commercial real estate valuation, advisory, environmental, and engineering services.

With over **50 offices nationwide**, our team of experts offers local expertise across the country to help you meet your objectives throughout the real estate lifecycle; from acquisition to disposition.

Our **4,500 active clients** include commercial real estate professionals, investors, lenders, attorneys, accountants, and corporations.

Our Expertise

Nationwide Reach

Our services are available nationwide for all commercial property types. We deliver on both individual transactions and large portfolios.

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BBG's commitment to best-in-class customer service includes one point of contact to streamline the process and expedite completion.

Unbiased Independence

We guarantee an independent perspective free from potential conflicts of interest.



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- Global Financial Services Provider

Specialty Practices

- + Affordable Multifamily
- + Healthcare
- + Right of Way
- + Manufactured Housing Communities & RV Parks
- + Financial Reporting
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- + Car Wash
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Services

BBG's **valuation and assessment services** offer deep expertise in the following practice areas:

Valuation

- + Appraisal Services
 - Single Asset & Portfolios
- + Appraisal Review
- + Appraisal Management
- + Lease and Cost Analysis
- + Insurance Valuation
- + Arbitration & Consulting
- + Estate Planning
- + Feasibility Studies
- + Highest and Best Use Studies
- + Evaluation
- + Investment Analysis
- + Tax Appeals
- + Litigation Support
- + Manufactured Housing & Campgrounds

Advisory

- + ASC 805 Business Combinations
- + ASC 840 Leases
- + Purchase Price Allocations
- + Portfolio Valuations for Reporting Net Asset Values (NAV)
- + Public and Non-traded REIT Valuations
- + Valuations for Litigation & Litigation Support
- + Sale-Leaseback Valuation Analysis
- + Valuations for Bankruptcy/Fresh Start Accounting
- + Cost Segregation Analysis

Assessment

- + Environmental Due Diligence
 - + Phase I/II ESA
 - + TSA, RSA, & other Streamlined Services
- + Property Condition Reports
 - + Debt/Equity
- + Construction Risk Management
- + Survey Services
- + Zoning Services
- + Seismic Services
- + HUD
- + Energy Efficiency Services
- + Indoor Air Quality
 - + IAQ/Radon
 - + ACM/LBP

ADDENDA

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GLOSSARY

Appraisal: (noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.⁷

Appraisal Practice: valuation services performed by an individual acting as an appraiser, including but not limited to appraisal and appraisal review.⁷

Appraisal Review: (noun) the act or process of developing an opinion about the quality of another appraiser's work (i.e., a report, part of a report, a workfile, or some combination of these), that was performed as part of an appraisal or appraisal review assignment, (adjective) of or pertaining to an opinion about the quality of another appraiser's work that was performed as part of an appraisal or appraisal review assignment.⁷

Appraiser: one who is expected to perform valuation services competently and in a manner that is independent, impartial and objective.⁷

Appraiser's Peers: other appraisers who have expertise and competency in a similar type of assignment.⁷

Assessed Value: The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.¹

Asset:

1. Any item, the rights to which may have economic value, including financial assets (cash or bonds), business interests, intangible assets (copyrights and trademarks), and physical assets (real estate and personal property).
2. In general business usage, something owned by a business and reflected in the owner's business sheet.

Asset: A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.²

Assignment: a valuation service that is provided by an appraiser as a consequence of an agreement with a client.⁷

Assignment Conditions: Assumptions, extraordinary assumptions, hypothetical conditions, laws and regulation, jurisdictional exceptions, and other conditions that affect the scope of work.⁷

Assignment Elements: Specific information needed to identify the appraisal or appraisal review problem: client and any other intended users, intended use of the appraiser's opinions and conclusions, type and definition of value; effective date of the appraiser's opinions and conclusions; subject of the assignment and its relevant characteristics; and assignment conditions.⁷

Assignment Results: An appraiser's opinions or conclusions, not limited to value, that were developed when performing an appraisal assignment, an appraisal review assignment, or a valuation service other than an appraisal or appraisal review.⁷

Bias: a preference or inclination that precludes an appraiser's impartiality, independence, or objectivity in an assignment.⁷

Business Enterprise: an entity pursuing an economic activity.⁷

Business Equity: the interests, benefits, and rights inherent in the ownership of a business enterprise or a part thereof in any form (including, but not necessarily limited to, capital stock, partnership interests, cooperatives, sole proprietorships, options, and warrants).⁷

Capital Expenditure: Investments of cash (or the creation of liability) to acquire or improve an asset, e.g., land, buildings, building additions, site improvements, machinery, equipment; as distinguished from cash outflows for expense items that are normally considered part of the current period's operations. Also referred to as Cap Ex.¹

Cash Equivalency Analysis: An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.¹

Client: the party or parties (i.e., individual, group or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.⁷

Condominium Ownership: A form of fee ownership of separate units or portions of multiunit buildings that provides for formal filing and recording of a divided interest in real estate.¹

Confidential Information:

1: information that is either:

- Identified by the client as confidential when providing it to a valuer and that is not available from any other source, or
- Classified as confidential or private by applicable law or regulation.

2: Information that is either

- Identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or
- Classified as confidential or private by applicable law or regulation *
- NOTICE: For example, pursuant to the passage of the Gramm-Leach-Bliley Act in November 1999, some public agencies have adopted privacy regulations that affect appraisers. The Federal Trade Commission (FTC) issued two rules. The first rule (16 CFR 313) focuses on the protection of "non-public personal information" provided by consumers to those involved in financial activities "found to be closely related to banking or usual in connection with the transaction of banking." These activities include "appraising real or personal property." The second rule (16 CFR 314) requires appraisers to safeguard customer non-public personal information. Significant liability exists for appraisers should they fail to comply with these FTC rules.⁷

Cost: the actual or estimated amount required to create, reproduce, replace or obtain a property.⁷

Cost Approach: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.¹

Credible: worthy of belief.⁷

Deferred Maintenance: Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of the property, such as a broken window, a dead tree, a leak in the roof, or a faulty roof that must be completely replaced. These items are almost always curable.¹

Disposition Value: The most probable price that a specified interest in real property should bring under the following conditions: 1) Consummation of a sale within a specific time, which is short than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration of the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.¹

Economic Life: The period over which improvements to real estate contribute to property value.¹

Effective Date: the date to which the appraiser's analysis, opinions and conclusions apply, also referred to as date of value.⁷

Effective Gross Income Multiplier (EGIM): The ratio between the sale price (or value) of a property and its effective gross income.¹

Effective Rent: Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions, the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.¹

Exposure Time: an opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effect date of the appraisal.⁷

Extraordinary Assumption: an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.⁷

Fair Market Value:

1. In nontechnical usage, a term that is equivalent to the contemporary usage of market value.
2. As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. For example, one definition of *fair market value* provided by the Internal Revenue Service for certain purposes is as follows: The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. The fair market value of a particular item of property includible in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate. (IRS Regulation §20.2031-1)¹

Fair Share:

1. A share of a fund or deposit that is divided or distributed proportionately.
2. A share of a burden or obligation that is divided proportionately; e.g., a tenant in a multitenant building or development may be required to pay a pro rata share of the building's operating expenses based on the number of square feet the tenant occupies. In a shopping center, the tenant's share of operating costs is often stated as a fraction, with the gross leasable area of the tenant's premises as the numerator and the gross leasable area or gross leased area of the entire shopping center as the denominator.
3. The share of a trade area that a retail facility is likely to capture; assumes that capture is a function of property size as a proportion of the overall inventory of competitive space in the trade area, i.e., that the facility captures a "fair share" of the trade area.¹

Fair Value:

1. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (FASB)
2. The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties. (This does not apply to valuations for financial reporting.) (IVS).¹
3. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.²

Feasibility Analysis: a study of the cost benefit relationship of an economic endeavor.¹

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.¹

Floor Area Ratio (FAR): The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.¹

Going Concern:

1. An established and operating business having an indefinite future life.
2. An organization with an indefinite life that is sufficiently long that, over time, all currently incomplete transformations [transforming resources from one form to a different, more valuable form] will be completed.¹

Gross Building Area (GBA):

1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the super structure and substructure basement; typically does not include garage space.¹

Highest and Best Use:

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS).
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)¹

Hypothetical Condition: a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.⁷

Income Capitalization Approach: Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.¹

Inspection: Personal observation of the exterior or interior of the real estate that is the subject of an assignment performed to identify the property characteristics that are relevant to the assignment, such as amenities, general physical condition, and functional utility. Note that this is not the inspection process performed by a licensed or certified building inspector.¹

Insurable Value: A type of value for insurance purposes.¹

Intangible Property (intangible Assets): Nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment.⁷

Intended Use: the user(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.⁷

Intended User: the client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.⁷

Internal Rate of Return ("IRR"): The annualized yield rate or rate of return on capital that is generated or capable of being generalized within an investment of portfolio over a period of ownership. Alternatively, the indicated return of capital associated with a projected or pro forma income stream. The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the Net Present Value (NPV) equals zero. The IRR reflects both the return on invested capital and the return of the original investment, which are basic considerations of potential investors. Therefore, deriving the IRR from analysis of market transactions of similar properties having comparable income patterns is a proper method for developing market discount rates for use in valuations to arrive at Market Value. Used in discounted cash flow analysis to find the implied or expected rate of return of the project, the IRR is the rate of return which gives a zero net present value (NPV). See also equity yield rate (YE); financial management rate of return (FMRR); modified internal rate of return (MIRR); yield rate (Y).¹

Investment Value: 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (IVS)¹

Jurisdictional Exception: an assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP.⁷

Leasehold Interest: The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.¹

Leased Fee Interest: The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.¹

Liquidation Value: The most probable price that a specified interest in real

property should bring under the following conditions: 1) Consummation of a sale within a short time period; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer and seller are acting prudently and knowledgeably; 4) The seller is under extreme compulsion to sell; 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto. 9) 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. This definition can also be modified to provide for valuation with specified financing terms.¹

Load Factor: A measure of the relationship of common area to useable area and therefore the quality and efficiency of building area layout, with higher load factors indicating a higher percentage of common area to overall rentable space than lower load factors; calculated by subtracting the amount of useable area from the rentable area and then dividing the difference by the useable area:¹

Load Factor =

$$\frac{(\text{Rentable Area} - \text{Useable Area})}{\text{Useable Area}}$$

Market Value: a type of value stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal.⁷

Market Value "As If Complete" On The Appraisal Date: Market value as if complete on the effective date of the appraisal is an estimate of the market value of a property with all construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value should reflect the market value of the property as if complete and prepared for occupancy by tenants.

Market Value "As Is" On The Appraisal Date: Value As Is -The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. See also effective date; prospective value opinion.

Market Value of the Total Assets of the Business: The market value of the total assets of the business is the market value of all of the tangible and intangible assets of a business as if sold in aggregate as a going concern. This assumes that the business is expected to continue operations well into the future.⁴

Marketing Time: An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property Market Value Opinions" address the determination of reasonable exposure and marketing time.).³

Mass Appraisal: the process of valuing a universe of properties as of a given date using standard methodology, employing common data and allowing for statistical testing.⁷

Mass Appraisal Model: a mathematical expression of how supply and demand factors interact in a market.⁷

Misleading: intentionally or unintentionally misrepresenting, misstating or concealing relevant facts or conclusions.⁷

Net Lease: A lease in which the landlord passes on all expenses to the tenant. See also lease.¹

Net Rentable Area (NRA): 1) The area on which rent is computed. 2) The

Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor.⁵

Penetration Ratio (Rate): The rate at which stores obtain sales from within a trade area or sector relative to the number of potential sales generated; usually applied to existing facilities. Also called: penetration factor.¹

Personal Inspection: a physical observation performed to assist in identifying relevant property characteristics in a valuation service.⁷

Personal Property: any tangible or intangible article that is subject to ownership and not classified as real property, including identifiable tangible objects that are considered by the general public as being "personal", such as furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment, and intangible property that is created and stored electronically such as plans for installation art, choreography, emails or designs for digital tokens.⁷

Physical Characteristics: attributes of a property that are observable or measurable as a matter of fact, as distinguished from opinions and conclusions, which are the result of some level of analysis or judgement.⁷

Price: the amount asked, offered or paid for a property.⁷

Prospective opinion of value. A value opinion effective as of a specified future date. The term does not define a type of value. Instead it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.¹

Real Estate: an identified parcel or tract of land, including improvements, if any.⁷

Real Property: the interests, benefits and rights inherent in the ownership of real estate.⁷

Reconciliation: A phase of a valuation assignment in which two or more value indications are processed into a value opinion, which may be a range of value, a single point estimate, or a reference to a benchmark value.¹

Relevant Characteristics: features that may affect a property's value or marketability such as legal, economic or physical characteristics.⁷

Reliable Measurement: [The IAS/IFRS framework requires that] neither an asset nor a liability is recognized in the financial statements unless it has a cost or value that can be measured reliably.²

Remaining Economic Life: The estimated period over which existing improvements are expected to contribute economically to a property; an estimate of the number of years remaining in the economic life of a structure or structural components as of the effective date of the appraisal; used in the economic age-life method of estimating depreciation.¹

Replacement Cost: The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.¹

Report: any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client or a party authorized by the client upon completion of an assignment.⁷

Retrospective Value Opinion: A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."¹

Sales Comparison Approach: The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.¹

Scope of Work: the type and extent of research and analyses in an appraisal or appraisal review assignment.⁷

Signature: personalized evidence indicating authentication of the work performed by the appraiser and the acceptance of the responsibility for content, analyses and the conclusions in the report.⁷

Stabilized value: A value opinion that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale price may fall short of long-term value. It is also a value opinion that excludes from consideration any transitory condition that may cause excessive construction costs, e.g., a premium paid due to a temporary shortage of supply.

Substitution: The principle of substitution states that when several similar or commensurate commodities, goods, services are available, the one with the lowest price will attract the greatest demand and widest distribution. This is the primary principle upon which the cost and sales comparison approaches are based.³

Total Assets of a Business: Total assets of a business is defined by the Appraisal Institute as “the tangible property (real property and personal property, including inventory and furniture, fixtures and equipment) and intangible property (cash, workforce, contracts, name, patents, copyrights, and other residual intangible assets, to include capitalized economic profit).”

Use Value:

The value of a property assuming a specific use, which may or may not be the property’s highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually.¹

Valuation Service: a service pertaining to an aspect of property value, regardless of the type of service and whether it is performed by appraisers or by others.⁷

Value: the monetary relationship between properties and those who buy and sell, or use those properties, expressed as an opinion of the worth of a property at a given time.⁷

Workfile: data, information and documentation necessary to support the appraiser’s opinions and conclusions and to show compliance with USPAP.⁷

¹ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute 2010). ² Appraisal Institute, *International Financial Reporting Standards for Real Property Appraiser*, IFRS Website, www.ifrs-ebooks.com/index.html. ³ Appraisal Institute, *The Appraisal of Real Estate*, 13th ed. (Chicago: Appraisal Institute 2008). ⁴ This definition is taken from “Allocation of Business Assets Into Tangible and Intangible Components: A New Lexicon,” *Journal of Real Estate Appraisal*, January 2002, Volume LXX, Number 1. This terminology is to replace former phrases such as: value of the going concern. ⁵ Financial Publishing Company, *The Real Estate Dictionary*, 7 ed. ⁶ U.S. Treasury Regulations. ⁷ USPAP 2020-2021

SALE CONTRACT

1 The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission. (AE41-6-21) (Mandatory 1-22)

2 **THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.**

3
4 **AGREEMENT TO AMEND/EXTEND CONTRACT**

5
6 Date: 7/29/2024

7
8 1. This agreement amends the contract dated 4/29/2024 (Contract) between Douglas County Board of Commissioners (Seller) and Kurt Ghiardi (Buyer) relating to the sale and purchase of the following legally described real estate in the County of Douglas, Colorado (insert legal description):

9
10 LOT 13H-1, PARK MEADOWS FILING NO. 2, 12TH AMENDMENT, COUNTY OF DOUGLAS, STATE OF COLORADO

11 known as: 9228 Park Meadows Drive, Lone Tree, CO 80124 (Property).

12
13 **NOTE: If the table is omitted, or if any item is left blank or is marked in the "No Change" column, it means no change to the corresponding provision of the Contract. If any item is marked in the "Deleted" column, it means that the corresponding provision of the Contract to which reference is made is deleted.**

14
15 2. **§ 3.1. Dates and Deadlines.** [Note: This table may be omitted if inapplicable.]

Item No.	Reference	Event	Date or Deadline		No Change	Deleted
1	§ 3	Time of Day Deadline	<u>no change</u>			
2	§ 4	Alternative Earnest Money Deadline	<u>no change</u>			
Title						
3	§ 8	Record Title Deadline (and Tax Certificate)	<u>no change</u>			
4	§ 8	Record Title Objection Deadline	<u>no change</u>			
5	§ 8	Off-Record Title Deadline	<u>no change</u>			
6	§ 8	Off-Record Title Objection Deadline	<u>no change</u>			
7	§ 8	Title Resolution Deadline	<u>no change</u>			
8	§ 8	Third Party Right to Purchase/Approve Deadline	<u>no change</u>			
Owners' Association						
9	§ 7	Association Documents Deadline	<u>no change</u>			
10	§ 7	Association Documents Termination Deadline	<u>no change</u>			
Seller's Disclosures						
11	§ 10	Seller's Property Disclosure Deadline	<u>no change</u>			
12	§ 10	Lead-Based Paint Disclosure Deadline	<u>no change</u>			
Loan and Credit						
13	§ 5	New Loan Application Deadline	<u>no change</u>			
14	§ 5	New Loan Terms Deadline	<u>no change</u>			
15	§ 5	New Loan Availability Deadline	<u>no change</u>			
16	§ 5	Buyer's Credit Information Deadline	<u>no change</u>			
17	§ 5	Disapproval of Buyer's Credit Information Deadline	<u>no change</u>			
18	§ 5	Existing Loan Deadline	<u>no change</u>			
19	§ 5	Existing Loan Termination Deadline	<u>no change</u>			
20	§ 5	Loan Transfer Approval Deadline	<u>no change</u>			
21	§ 4	Seller or Private Financing Deadline	<u>no change</u>			
Appraisal						
22	§ 6	Appraisal Deadline	<u>9/26/2024</u>	<u>Thursday</u>		
23	§ 6	Appraisal Objection Deadline	<u>9/27/2024</u>	<u>Friday</u>		
24	§ 6	Appraisal Resolution Deadline	<u>9/30/2024</u>	<u>Monday</u>		
Survey						
25	§ 9	New ILC or New Survey Deadline	<u>no change</u>			
26	§ 9	New ILC or New Survey Objection Deadline	<u>no change</u>			
27	§ 9	New ILC or New Survey Resolution Deadline	<u>no change</u>			
Inspection and Due Diligence						
28	§ 2	Water Rights Examination Deadline	<u>no change</u>			
29	§ 8	Mineral Rights Examination Deadline	<u>no change</u>			
30	§ 10	Inspection Termination Deadline	<u>no change</u>			
31	§ 10	Inspection Objection Deadline	<u>no change</u>			
32	§ 10	Inspection Resolution Deadline	<u>no change</u>			
33	§ 10	Property Insurance Termination Deadline	<u>no change</u>			
34	§ 10	Due Diligence Documents Delivery Deadline	<u>no change</u>			

35	§ 10	Due Diligence Documents Objection Deadline	no change			
36	§ 10	Due Diligence Documents Resolution Deadline	no change			
37	§ 10	Environmental Inspection Objection Deadline (CBS2, 3, 4)	no change			
38	§ 10	ADA Evaluation Termination Deadline (CBS2, 3, 4)	no change			
39	§ 10	Conditional Sale Deadline	no change			
40	§ 10	Lead-Based Paint Termination Deadline	no change			
41	§ 11	Estoppel Statements Deadline (CBS2, 3, 4)	no change			
42	§ 11	Estoppel Statements Termination Deadline (CBS2, 3, 4)	no change			
Closing and Possession						
43	§ 12	Closing Date	10/4/2024	Friday		
44	§ 17	Possession Date	no change			
45	§ 17	Possession Time	no change			
46	n/a	n/a	no change			
47	n/a	n/a	no change			

18 3. Other dates or deadlines set forth in the Contract are changed as follows:

19 n/a

20

21 4. Additional amendments:

22 n/a

23 All other terms and conditions of the Contract remain the same.

24

This proposal expires unless accepted in writing by Seller and Buyer as evidenced by their signatures below and the offering party to this document receives notice of such acceptance on or before 8/2/2024 11:59 PM MT.

Date Time

26

TADT

27

Tim Hallmark, Director, Facilities, Fleet & Emergency Support Services

Date: 7/30/2024

Seller: Douglas County Board of Commissioners

By: Tim Hallmark, Director, Facilities, Fleet & Emergency Support Services

28

DD

29

Doug DeBord

Date: 7/30/2024

Seller: Douglas County Board of Commissioners

By: Doug DeBord

30

JG

31

Jeff Garcia, Douglas County Attorney

Date: 7/30/2024

Seller: Douglas County Board of Commissioners

By: Jeff Garcia, Douglas County Attorney

32

33

KG

34

Kurt Ghiardi

Date: 7/29/2024

Buyer: Kurt Ghiardi

35

36 Buyer: Date:

37

Address:

38

AE41-6-21. AGREEMENT TO AMEND/EXTEND CONTRACT

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The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission. (AE41-6-21) (Mandatory 1-22)

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

AGREEMENT TO AMEND/EXTEND CONTRACT

Date: 6/19/2024

1. This agreement amends the contract dated 4/29/2024 (Contract) between **Douglas County Board of Commissioners** (Seller) and **Kurt Ghiardi** (Buyer) relating to the sale and purchase of the following legally described real estate in the County of **Douglas**, Colorado (insert legal description):

LOT 13H-1, PARK MEADOWS FILING NO. 2, 12TH AMENDMENT, COUNTY OF DOUGLAS, STATE OF COLORADO

known as: **9228 Park Meadows Drive, Lone Tree, CO 80124** (Property).

NOTE: If the table is omitted, or if any item is left blank or is marked in the "No Change" column, it means no change to the corresponding provision of the Contract. If any item is marked in the "Deleted" column, it means that the corresponding provision of the Contract to which reference is made is deleted.

2. **§ 3.1. Dates and Deadlines.** [Note: This table may be omitted if inapplicable.]

Item No.	Reference	Event	Date or Deadline		No Change	Deleted
1	§ 3	Time of Day Deadline	no change		<input checked="" type="checkbox"/>	
2	§ 4	Alternative Earnest Money Deadline	no change		<input checked="" type="checkbox"/>	
		Title				
3	§ 8	Record Title Deadline (and Tax Certificate)	no change		<input checked="" type="checkbox"/>	
4	§ 8	Record Title Objection Deadline	no change		<input checked="" type="checkbox"/>	
5	§ 8	Off-Record Title Deadline	no change		<input checked="" type="checkbox"/>	
6	§ 8	Off-Record Title Objection Deadline	no change		<input checked="" type="checkbox"/>	
7	§ 8	Title Resolution Deadline	no change		<input checked="" type="checkbox"/>	
8	§ 8	Third Party Right to Purchase/Approve Deadline	no change		<input checked="" type="checkbox"/>	
		Owners' Association				
9	§ 7	Association Documents Deadline	no change		<input checked="" type="checkbox"/>	
10	§ 7	Association Documents Termination Deadline	no change		<input checked="" type="checkbox"/>	
		Seller's Disclosures				
11	§ 10	Seller's Property Disclosure Deadline	no change		<input checked="" type="checkbox"/>	
12	§ 10	Lead-Based Paint Disclosure Deadline	no change		<input checked="" type="checkbox"/>	
		Loan and Credit				
13	§ 5	New Loan Application Deadline	no change		<input checked="" type="checkbox"/>	
14	§ 5	New Loan Terms Deadline	7/8/2024	Monday		
15	§ 5	New Loan Availability Deadline	7/8/2024	Monday		
16	§ 5	Buyer's Credit Information Deadline	no change		<input checked="" type="checkbox"/>	
17	§ 5	Disapproval of Buyer's Credit Information Deadline	no change		<input checked="" type="checkbox"/>	
18	§ 5	Existing Loan Deadline	no change		<input checked="" type="checkbox"/>	

19	§ 5	Existing Loan Termination Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
20	§ 5	Loan Transfer Approval Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
21	§ 4	Seller or Private Financing Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
Appraisal						
22	§ 6	Appraisal Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
23	§ 6	Appraisal Objection Deadline	<i>7/8/2024</i>	Monday		
24	§ 6	Appraisal Resolution Deadline	<i>7/12/2024</i>	Friday		
Survey						
25	§ 9	New ILC or New Survey Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
26	§ 9	New ILC or New Survey Objection Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
27	§ 9	New ILC or New Survey Resolution Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
Inspection and Due Diligence						
28	§ 2	Water Rights Examination Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
29	§ 8	Mineral Rights Examination Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
30	§ 10	Inspection Termination Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
31	§ 10	Inspection Objection Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
32	§ 10	Inspection Resolution Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
33	§ 10	Property Insurance Termination Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
34	§ 10	Due Diligence Documents Delivery Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
35	§ 10	Due Diligence Documents Objection Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
36	§ 10	Due Diligence Documents Resolution Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
37	§ 10	Environmental Inspection Objection Deadline (CBS2, 3, 4)	<i>no change</i>		<input checked="" type="checkbox"/>	
38	§ 10	ADA Evaluation Termination Deadline (CBS2, 3, 4)	<i>no change</i>		<input checked="" type="checkbox"/>	
39	§ 10	Conditional Sale Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
40	§ 10	Lead-Based Paint Termination Deadline	<i>no change</i>		<input checked="" type="checkbox"/>	
41	§ 11	Estoppel Statements Deadline (CBS2, 3, 4)	<i>no change</i>		<input checked="" type="checkbox"/>	
42	§ 11	Estoppel Statements Termination Deadline (CBS2, 3, 4)	<i>no change</i>		<input checked="" type="checkbox"/>	
Closing and Possession						
43	§ 12	Closing Date	<i>7/19/2024</i>	Friday		
44	§ 17	Possession Date	<i>no change</i>		<input checked="" type="checkbox"/>	
45	§ 17	Possession Time	<i>no change</i>		<input checked="" type="checkbox"/>	
46	<i>n/a</i>	<i>n/a</i>	<i>no change</i>		<input checked="" type="checkbox"/>	
47	<i>n/a</i>	<i>n/a</i>	<i>no change</i>		<input checked="" type="checkbox"/>	

18 3. Other dates or deadlines set forth in the Contract are changed as follows:

19 *n/a*

20

21 4. Additional amendments:

22 *n/a*

23 All other terms and conditions of the Contract remain the same.

24

25 This proposal expires unless accepted in writing by Seller and Buyer as evidenced by their signatures below and the offering party to this document receives notice of such acceptance on or before 6/21/2024 11:59 PM MT.

Date Time

26

27

Tim Hallmark, Director, Facilities, Fleet & Emergency Support Services

Date: *6/20/2024*

Seller(s) Initials:

TAD7 DD

JG

Kg

Seller: **Douglas County Board of Commissioners**
By: Tim Hallmark, Director, Facilities, Fleet & Emergency Support Services

28

29

Doug DeBord

Date: **6/20/2024**

Seller: **Douglas County Board of Commissioners**
By: Doug DeBord

30

31

Jeff Garcia, Douglas County Attorney

Date: **6/20/2024**

Seller: **Douglas County Board of Commissioners**
By: Jeff Garcia, Douglas County Attorney

32

33

34

Kurt Ghiardi

Date: **6/20/2024**

Buyer: **Kurt Ghiardi**

35

36 Buyer: _____ Date: _____

37

Address:

38

AE41-6-21. AGREEMENT TO AMEND/EXTEND CONTRACT

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Seller(s) Initials:

THD DD

JG

Kg

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission. (CBS3-6-23) (Mandatory 1-24)

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

CONTRACT TO BUY AND SELL REAL ESTATE (COMMERCIAL)

☒ **Property with No Residences)**
☐ **Property with Residences-Residential Addendum Attached)**

Date: 4/29/2024

AGREEMENT

1. **AGREEMENT.** Buyer agrees to buy and Seller agrees to sell the Property described below on the terms and conditions set forth in this contract (Contract).

2. **PARTIES AND PROPERTY.**

2.1. **Buyer.** Kurt Ghiardi (Buyer) will take title to the Property described below as ☐ **Joint Tenants**
☐ **Tenants In Common** ☒ **Other** in Severalty.

2.2. **No Assignability.** This Contract **IS NOT** assignable by Buyer unless otherwise specified in **Additional Provisions.**

2.3. **Seller.** Douglas County Board of Commissioners (Seller) is the current owner of the Property described below.

2.4. **Property.** The Property is the following legally described real estate in the County of Douglas, Colorado (insert legal description):

LOT 13H-1, PARK MEADOWS FILING NO. 2, 12TH AMENDMENT, COUNTY OF DOUGLAS, STATE OF COLORADO


known as: 9228 Park Meadows Drive, Lone Tree, CO 80124

together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto and all interest of Seller in vacated streets and alleys adjacent thereto, except as herein excluded (Property).

2.5. **Inclusions.** The Purchase Price includes the following items (Inclusions):

2.5.1. **Inclusions – Attached.** If attached to the Property on the date of this Contract, the following items are included unless excluded under **Exclusions**: lighting, heating, plumbing, ventilating and air conditioning units, TV antennas, inside telephone, network and coaxial (cable) wiring and connecting blocks/jacks, plants, mirrors, floor coverings, intercom systems, built-in kitchen appliances, sprinkler systems and controls, built-in vacuum systems (including accessories) and garage door openers (including none remote controls). If checked, the following are owned by the Seller and included: ☐ **Solar Panels**
☐ **Water Softeners** ☐ **Security Systems** ☐ **Satellite Systems** (including satellite dishes). Leased items should be listed under § 2.5.7. (Leased Items). If any additional items are attached to the Property after the date of this Contract, such additional items are also included in the Purchase Price.

2.5.2. **Inclusions – Not Attached.** If on the Property, whether attached or not, on the date of this Contract, the following items are included unless excluded under **Exclusions**: storm windows, storm doors, window and porch shades, awnings, blinds, screens, window coverings and treatments, curtain rods, drapery rods, fireplace inserts, fireplace screens, fireplace grates, heating stoves, storage sheds, carbon monoxide alarms, smoke/fire detectors and all keys.



2.5.3. Other Inclusions. The following items, whether fixtures or personal property, are also included in the Purchase Price:

none

2.5.4. Encumbered Inclusions. Any Inclusions owned by Seller (e.g., owned solar panels) must be conveyed at Closing by Seller free and clear of all taxes (except personal property and general real estate taxes for the year of Closing), liens and encumbrances, except:

none

2.5.5. Personal Property Conveyance. Conveyance of all personal property will be by bill of sale or other applicable legal instrument.

2.5.6. Parking and Storage Facilities. The use or ownership of the following parking facilities: none; and the use or ownership of the following storage facilities:

none

Note to Buyer: If exact rights to the parking and storage facilities is a concern to Buyer, Buyer should investigate.

2.5.7. Leased Items. The following personal property is currently leased to Seller which will be transferred to Buyer at Closing (Leased Items):

none

2.5.8. Trade Fixtures. With respect to trade fixtures, Seller and Buyer agree as follows:

none

The trade fixtures to be conveyed at Closing will be conveyed by Seller free and clear of all taxes (except personal property taxes for the year of Closing), liens and encumbrances, except none. Conveyance will be by bill of sale or other applicable legal instrument.

2.6. Exclusions. The following items are excluded (Exclusions):

none

2.7. Water Rights/Well Rights.

☐ **2.7.1. Deeded Water Rights.** The following legally described water rights:

none

Any deeded water rights will be conveyed by a good and sufficient none deed at Closing.

☐ **2.7.2. Other Rights Relating to Water.** The following rights relating to water not included in §§ 2.7.1., 2.7.3. and 2.7.4., will be transferred to Buyer at Closing:

none

☐ **2.7.3. Well Rights.** Seller agrees to supply required information to Buyer about the well. Buyer understands that if the well to be transferred is a "Small Capacity Well" or a "Domestic Exempt Water Well" used for ordinary household purposes, Buyer must, prior to or at Closing, complete a Change in Ownership form for the well. If an existing well has not been registered with the Colorado Division of Water Resources in the Department of Natural Resources (Division), Buyer must complete a registration of existing well form for the well and pay the cost of registration. If no person will be providing a closing service in connection with the transaction, Buyer must file the form with the Division within sixty days after Closing. The Well Permit # is

none.

☐ **2.7.4. Water Stock Certificates.** The water stock certificates to be transferred at Closing are as follows:

none

2.7.5. Conveyance. If Buyer is to receive any rights to water pursuant to § 2.7.2. (Other Rights Relating to Water), § 2.7.3. (Well Rights), or § 2.7.4. (Water Stock Certificates), Seller agrees to convey such rights to Buyer by executing the applicable legal instrument at Closing.

2.7.6. Water Rights Review. Buyer ☐ Does ☐ Does Not have a Right to Terminate if examination of the Water Rights is unsatisfactory to Buyer on or before the **Water Rights Examination Deadline**.

3. DATES, DEADLINES AND APPLICABILITY.

3.1. Dates and Deadlines.

Item No.	Reference	Event	Date or Deadline
1	§ 3	Time of Day Deadline	<i>n/a</i>
2	§ 4	Alternative Earnest Money Deadline	<i>5 Days After MEC</i>
		Title	
3	§ 8	Record Title Deadline (and Tax Certificate)	<i>5 Days After MEC</i>
4	§ 8	Record Title Objection Deadline	<i>30 Days After MEC</i>
5	§ 8	Off-Record Title Deadline	<i>5 Days After MEC</i>
6	§ 8	Off-Record Title Objection Deadline	<i>30 Days After MEC</i>
7	§ 8	Title Resolution Deadline	<i>35 Days After MEC</i>
8	§ 8	Third Party Right to Purchase/Approve Deadline	<i>Deleted</i>
		Owners' Association	
9	§ 7	Association Documents Deadline	<i>7 Days After MEC</i>
10	§ 7	Association Documents Termination Deadline	<i>30 Days After MEC</i>
		Seller's Disclosures	
11	§ 10	Seller's Property Disclosure Deadline	<i>7 Days After MEC</i>
12	§ 10	Lead-Based Paint Disclosure Deadline (if Residential Addendum attached)	<i>Deleted</i>
		Loan and Credit	
13	§ 5	New Loan Application Deadline	<i>5 Days After MEC</i>
14	§ 5	New Loan Terms Deadline	<i>45 Days After MEC</i>
15	§ 5	New Loan Availability Deadline	<i>45 Days After MEC</i>
16	§ 5	Buyer's Credit Information Deadline	<i>Deleted</i>
17	§ 5	Disapproval of Buyer's Credit Information Deadline	<i>Deleted</i>
18	§ 5	Existing Loan Deadline	<i>Deleted</i>
19	§ 5	Existing Loan Termination Deadline	<i>Deleted</i>
20	§ 5	Loan Transfer Approval Deadline	<i>Deleted</i>
21	§ 4	Seller or Private Financing Deadline	<i>Deleted</i>
		Appraisal	
22	§ 6	Appraisal Deadline	<i>30 Days After MEC</i>
23	§ 6	Appraisal Objection Deadline	<i>40 Days After MEC</i>
24	§ 6	Appraisal Resolution Deadline	<i>45 Days After MEC</i>
		Survey	
25	§ 9	New ILC or New Survey Deadline	<i>30 Days After MEC</i>
26	§ 9	New ILC or New Survey Objection Deadline	<i>40 Days After MEC</i>
27	§ 9	New ILC or New Survey Resolution Deadline	<i>45 Days After MEC</i>
		Inspection and Due diligence	
28	§ 2	Water Rights Examination Deadline	<i>Deleted</i>
29	§ 8	Mineral Rights Examination Deadline	<i>Deleted</i>
30	§ 10	Inspection Termination Deadline	<i>30 Days After MEC</i>
31	§ 10	Inspection Objection Deadline	<i>30 Days After MEC</i>

HH *DD*

KG

174	32	§ 10	Inspection Resolution Deadline	35 Days After MEC
175	33	§ 10	Property Insurance Termination Deadline	30 Days After MEC
176	34	§ 10	Due Diligence Documents Delivery Deadline	7 Days After MEC
178	35	§ 10	Due Diligence Documents Objection Deadline	30 Days After MEC
179	36	§ 10	Due Diligence Documents Resolution Deadline	35 Days After MEC
180	37	§ 10	Environmental Inspection Termination Deadline	30 Days After MEC
181	38	§ 10	ADA Evaluation Termination Deadline	30 Days After MEC
182	39	§ 10	Conditional Sale Deadline	Deleted
183	40	§ 10	Lead-Based Paint Termination Deadline (if Residential Addendum attached)	Deleted
184	41	§ 11	Estoppel Statements Deadline	Deleted
185	42	§ 11	Estoppel Statements Termination Deadline	Deleted
186			Closing and Possession	
187	43	§ 12	Closing Date	60 Days After MEC
188	44	§ 17	Possession Date	Upon Delivery of Deed
189	45	§ 17	Possession Time	Upon Delivery of Deed
190	46	§ 27	Acceptance Deadline Date	5/8/2024 Wednesday
191	47	§ 27	Acceptance Deadline Time	5:00PM MT
192	48	none	none	none
193	49	none	none	none

3.2. Applicability of Terms. If any deadline blank in § 3.1. (Dates and Deadlines) is left blank or completed with "N/A", or the word "Deleted," such deadline is not applicable and the corresponding provision containing the deadline is deleted. Any box checked in this Contract means the corresponding provision applies. If no box is checked in a provision that contains a selection of "None", such provision means that "None" applies.

The abbreviation "MEC" (mutual execution of this Contract) means the date upon which both parties have signed this Contract. The abbreviation "N/A" as used in this Contract means not applicable.

3.3. Day; Computation of Period of Days; Deadlines.

3.3.1. Day. As used in this Contract, the term "day" means the entire day ending at 11:59 p.m., United States Mountain Time (Standard or Daylight Savings, as applicable). Except however, if a **Time of Day Deadline** is specified in § 3.1. (Dates and Deadlines), all Objection Deadlines, Resolution Deadlines, Examination Deadlines and Termination Deadlines will end on the specified deadline date at the time of day specified in the **Time of Day Deadline**, United States Mountain Time. If **Time of Day Deadline** is left blank or "N/A" the deadlines will expire at 11:59 p.m., United States Mountain Time.

3.3.2. Computation of Period of Days. In computing a period of days (e.g., three days after MEC), when the ending date is not specified, the first day is excluded and the last day is included.

3.3.3. Deadlines. If any deadline falls on a Saturday, Sunday or federal or Colorado state holiday (Holiday), such deadline ☒ **Will** ☐ **Will Not** be extended to the next day that is not a Saturday, Sunday or Holiday. Should neither box be checked, the deadline will not be extended.

4. PURCHASE PRICE AND TERMS.

4.1. Price and Terms. The Purchase Price set forth below is payable in U.S. Dollars by Buyer as follows:

Item No.	Reference	Item	Amount	Amount
----------	-----------	------	--------	--------

Seller(s) Initials:   



1	§ 4.1.	Purchase Price	\$ 4,100,000.00	
2	§ 4.3.	Earnest Money		\$ 50,000.00
3	§ 4.5.	New Loan		\$ 3,100,000.00
4	§ 4.6.	Assumption Balance		\$
5	§ 4.7.	Private Financing		\$
6	§ 4.7.	Seller Financing		\$
7	none	none		\$
8	none	none		\$
9	§ 4.4.	Cash at Closing		\$ 950,000.00
10		Total	\$ 4,100,000.00	\$ 4,100,000.00

4.2. Seller Concession. At Closing, Seller will credit to Buyer \$none (Seller Concession). The Seller Concession may be used for any Buyer fee, cost, charge or expenditure to the extent the amount is allowed by the Buyer's lender and is included in the Closing Statement or Closing Disclosure at Closing. Examples of allowable items to be paid for by the Seller Concession include, but are not limited to: Buyer's closing costs, loan discount points, loan origination fees, prepaid items and any other fee, cost, charge, expense or expenditure. Seller Concession is in addition to any sum Seller has agreed to pay or credit Buyer elsewhere in this Contract.

4.3. Earnest Money. The Earnest Money set forth in this Section, in the form of a check or wire, will be payable to and held by First American Title - April Meigs (Earnest Money Holder), in its trust account, on behalf of both Seller and Buyer. The Earnest Money deposit must be tendered, by Buyer, with this Contract unless the parties mutually agree to an **Alternative Earnest Money Deadline** for its payment. The parties authorize delivery of the Earnest Money deposit to the company conducting the Closing (Closing Company), if any, at or before Closing. In the event Earnest Money Holder has agreed to have interest on Earnest Money deposits transferred to a fund established for the purpose of providing affordable housing to Colorado residents, Seller and Buyer acknowledge and agree that any interest accruing on the Earnest Money deposited with the Earnest Money Holder in this transaction will be transferred to such fund.

4.3.1. Alternative Earnest Money Deadline. The deadline for delivering the Earnest Money, if other than at the time of tender of this Contract, is as set forth as the **Alternative Earnest Money Deadline**.

4.3.2. Disposition of Earnest Money. If Buyer has a Right to Terminate and timely terminates, Buyer is entitled to the return of Earnest Money as provided in this Contract. If this Contract is terminated as set forth in § 24 and, except as provided in § 23 (Earnest Money Dispute), if the Earnest Money has not already been returned following receipt of a Notice to Terminate, Seller agrees to execute and return to Buyer or Broker working with Buyer, written mutual instructions (e.g., Earnest Money Release form), within three days of Seller's receipt of such form. If Seller is entitled to the Earnest Money, and, except as provided in § 23 (Earnest Money Dispute), if the Earnest Money has not already been paid to Seller, following receipt of an Earnest Money Release form, Buyer agrees to execute and return to Seller or Broker working with Seller, written mutual instructions (e.g., Earnest Money Release form), within three days of Buyer's receipt.

4.3.2.1. Seller Failure to Timely Return Earnest Money. If Seller fails to timely execute and return the Earnest Money Release Form, or other written mutual instructions, Seller is in default and liable to Buyer as set forth in "If Seller is in Default", § 20.2. and § 21, unless Seller is entitled to the Earnest Money due to a Buyer default.

4.3.2.2. Buyer Failure to Timely Release Earnest Money. If Buyer fails to timely execute and return the Earnest Money Release Form, or other written mutual instructions, Buyer is in default and liable to Seller as set forth in "If Buyer is in Default, § 20.1 and § 21, unless Buyer is entitled to the Earnest Money due to a Seller Default.

4.4. Form of Funds; Time of Payment; Available Funds.

4.4.1. Good Funds. All amounts payable by the parties at Closing, including any loan proceeds, Cash at Closing and closing costs, must be in funds that comply with all applicable Colorado laws, including electronic transfer funds, certified check, savings and loan teller's check and cashier's check (Good Funds).

Seller(s) Initials: 



4.4.2. **Time of Payment.** All funds, including the Purchase Price to be paid by Buyer, must be paid before or at Closing or as otherwise agreed in writing between the parties to allow disbursement by Closing Company at Closing **OR SUCH NONPAYING PARTY WILL BE IN DEFAULT.**

4.4.3. **Available Funds.** Buyer represents that Buyer, as of the date of this Contract, ☒ **Does** ☐ **Does Not** have funds that are immediately verifiable and available in an amount not less than the amount stated as Cash at Closing in § 4.1.

4.5. **New Loan.**

4.5.1. **Buyer to Pay Loan Costs.** Buyer, except as otherwise permitted in § 4.2. (Seller Concession), if applicable, must timely pay Buyer's loan costs, loan discount points, prepaid items and loan origination fees as required by lender.

4.5.2. **Buyer May Select Financing.** Buyer may pay in cash or select financing appropriate and acceptable to Buyer, including a different loan than initially sought, except as restricted in § 4.5.3. (Loan Limitations) or § 29 (Additional Provisions).

4.5.3. **Loan Limitations.** Buyer may purchase the Property using any of the following types of loans: ☐ **Conventional** ☒ **Other** any Buyer deems acceptable.

4.6. **Assumption.** (Omitted as inapplicable)

4.7. **Seller or Private Financing.** (Omitted as inapplicable)

TRANSACTION PROVISIONS

5. **FINANCING CONDITIONS AND OBLIGATIONS.**

5.1. **New Loan Application.** If Buyer is to pay all or part of the Purchase Price by obtaining one or more new loans (New Loan), or if an existing loan is not to be released at Closing, Buyer, if required by such lender, must make an application verifiable by such lender, on or before **New Loan Application Deadline** and exercise reasonable efforts to obtain such loan or approval.

5.2. **New Loan Terms; New Loan Availability.**

5.2.1. **New Loan Terms.** If Buyer is to pay all or part of the Purchase Price with a New Loan, this Contract is conditional upon Buyer determining, in Buyer's sole subjective discretion, whether the proposed New Loan's payments, interest rate, conditions and costs or any other loan terms (New Loan Terms) are satisfactory to Buyer. This condition is for the sole benefit of Buyer. Buyer has the Right to Terminate under § 24.1., on or before **New Loan Terms Deadline**, if the New Loan Terms are not satisfactory to Buyer, in Buyer's sole subjective discretion.

5.2.2. **New Loan Availability.** If Buyer is to pay all or part of the Purchase Price with a New Loan, this Contract is conditional upon Buyer's satisfaction with the availability of the New Loan based on the lender's review and underwriting of Buyer's New Loan Application (New Loan Availability). Buyer has the Right to Terminate under § 24.1., on or before the **New Loan Availability Deadline** if the New Loan Availability is not satisfactory to Buyer. Buyer does not have a Right to Terminate based on the New Loan Availability if the termination is based on the New Loan Terms, Appraised Value (defined below), the Lender Property Requirements (defined below), Insurability (§ 10.5. below) or the Conditional Upon Sale of Property (§ 10.7. below). **IF SELLER IS NOT IN DEFAULT AND DOES NOT TIMELY RECEIVE BUYER'S WRITTEN NOTICE TO TERMINATE, BUYER'S EARNEST MONEY WILL BE NONREFUNDABLE**, except as otherwise provided in this Contract (e.g., Appraisal, Title, Survey).

5.3. **Credit Information.** (Omitted as inapplicable)

5.4. **Existing Loan Review.** (Omitted as inapplicable)

6. **APPRAISAL PROVISIONS.**

6.1. **Appraisal Definition.** An "Appraisal" is an opinion of value prepared by a licensed or certified appraiser, engaged on behalf of Buyer or Buyer's lender, to determine the Property's market value (Appraised Value). The Appraisal may also set forth certain lender requirements, replacements, removals or repairs necessary on or to the Property as a condition for the Property to be valued at the Appraised Value.

6.2. Appraised Value. The applicable appraisal provision set forth below applies to the respective loan type set forth in § 4.5.3., or if a cash transaction (i.e., no financing), § 6.2.1. applies.

6.2.1. Conventional/Other. Buyer has the right to obtain an Appraisal. If the Appraised Value is less than the Purchase Price, or if the Appraisal is not received by Buyer on or before **Appraisal Deadline** Buyer may, on or before **Appraisal Objection Deadline**:

6.2.1.1. Notice to Terminate. Notify Seller in writing, pursuant to § 24.1., that this Contract is terminated; or

6.2.1.2. Appraisal Objection. Deliver to Seller a written objection accompanied by either a copy of the Appraisal or written notice from lender that confirms the Appraised Value is less than the Purchase Price (Lender Verification).

6.2.1.3. Appraisal Resolution. If an Appraisal Objection is received by Seller, on or before **Appraisal Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Appraisal Resolution Deadline**, this Contract will terminate on the **Appraisal Resolution Deadline**, unless Seller receives Buyer's written withdrawal of the Appraisal Objection before such termination, (i.e., on or before expiration of **Appraisal Resolution Deadline**).

6.3. Lender Property Requirements. If the lender imposes any written requirements, replacements, removals or repairs, including any specified in the Appraisal (Lender Property Requirements) to be made to the Property (e.g., roof repair, repainting), beyond those matters already agreed to by Seller in this Contract, this Contract terminates on the earlier of three days following Seller's receipt of the Lender Property Requirements, or Closing, unless prior to termination: (1) the parties enter into a written agreement to satisfy the Lender Property Requirements; (2) the Lender Property Requirements have been completed; or (3) the satisfaction of the Lender Property Requirements is waived in writing by Buyer.

6.4. Cost of Appraisal. Cost of the Appraisal to be obtained after the date of this Contract must be timely paid by ☒ **Buyer** ☐ **Seller**. The cost of the Appraisal may include any and all fees paid to the appraiser, appraisal management company, lender's agent or all three.

7. OWNERS' ASSOCIATIONS. This Section is applicable if the Property is located within one or more Common Interest Communities and subject to one or more declarations (Association).

7.1. Common Interest Community Disclosure. THE PROPERTY IS LOCATED WITHIN A COMMON INTEREST COMMUNITY AND IS SUBJECT TO THE DECLARATION FOR THE COMMUNITY. THE OWNER OF THE PROPERTY WILL BE REQUIRED TO BE A MEMBER OF THE OWNERS' ASSOCIATION FOR THE COMMUNITY AND WILL BE SUBJECT TO THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION. THE DECLARATION, BYLAWS AND RULES AND REGULATIONS WILL IMPOSE FINANCIAL OBLIGATIONS UPON THE OWNER OF THE PROPERTY, INCLUDING AN OBLIGATION TO PAY ASSESSMENTS OF THE ASSOCIATION. IF THE OWNER DOES NOT PAY THESE ASSESSMENTS, THE ASSOCIATION COULD PLACE A LIEN ON THE PROPERTY AND POSSIBLY SELL IT TO PAY THE DEBT. THE DECLARATION, BYLAWS AND RULES AND REGULATIONS OF THE COMMUNITY MAY PROHIBIT THE OWNER FROM MAKING CHANGES TO THE PROPERTY WITHOUT AN ARCHITECTURAL REVIEW BY THE ASSOCIATION (OR A COMMITTEE OF THE ASSOCIATION) AND THE APPROVAL OF THE ASSOCIATION. PURCHASERS OF PROPERTY WITHIN THE COMMON INTEREST COMMUNITY SHOULD INVESTIGATE THE FINANCIAL OBLIGATIONS OF MEMBERS OF THE ASSOCIATION. PURCHASERS SHOULD CAREFULLY READ THE DECLARATION FOR THE COMMUNITY AND THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION.

7.2. Association Documents to Buyer. Seller is obligated to provide to Buyer the Association Documents (defined below), at Seller's expense, on or before **Association Documents Deadline**. Seller authorizes the Association to provide the Association Documents to Buyer, at Seller's expense. Seller's obligation to provide the Association Documents is fulfilled upon Buyer's receipt of the Association Documents, regardless of who provides such documents.

7.3. Association Documents. Association documents (Association Documents) consist of the following:

7.3.1. All Association declarations, articles of incorporation, bylaws, articles of organization,

operating agreements, rules and regulations, party wall agreements and the Association's responsible governance policies adopted under § 38-33.3-209.5, C.R.S.;

7.3.2. Minutes of: (1) the annual owners' or members' meeting and (2) any executive boards' or managers' meetings; such minutes include those provided under the most current annual disclosure required under § 38-33.3-209.4, C.R.S. (Annual Disclosure) and minutes of meetings, if any, subsequent to the minutes disclosed in the Annual Disclosure. If none of the preceding minutes exist, then the most recent minutes, if any (§§ 7.3.1. and 7.3.2., collectively, Governing Documents); and

7.3.3. List of all Association insurance policies as provided in the Association's last Annual Disclosure, including, but not limited to, property, general liability, association director and officer professional liability and fidelity policies. The list must include the company names, policy limits, policy deductibles, additional named insureds and expiration dates of the policies listed (Association Insurance Documents);

7.3.4. A list by unit type of the Association's assessments, including both regular and special assessments as disclosed in the Association's last Annual Disclosure;

7.3.5. The Association's most recent financial documents which consist of: (1) the Association's operating budget for the current fiscal year, (2) the Association's most recent annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the Association's last Annual Disclosure, (3) the results of the Association's most recent available financial audit or review, (4) list of the fees and charges (regardless of name or title of such fees or charges) that the Association's community association manager or Association will charge in connection with the Closing including, but not limited to, any fee incident to the issuance of the Association's statement of assessments (Status Letter), any rush or update fee charged for the Status Letter, any record change fee or ownership record transfer fees (Record Change Fee), fees to access documents, (5) list of all assessments required to be paid in advance, reserves or working capital due at Closing and (6) reserve study, if any (§§ 7.3.4. and 7.3.5., collectively, Financial Documents);

7.3.6. Any written notice from the Association to Seller of a "construction defect action" under § 38-33.3-303.5, C.R.S. within the past six months and the result of whether the Association approved or disapproved such action (Construction Defect Documents). Nothing in this Section limits the Seller's obligation to disclose adverse material facts as required under § 10.2. (Disclosure of Adverse Material Facts; Subsequent Disclosure; Present Condition) including any problems or defects in the common elements or limited common elements of the Association property.

7.4. Conditional on Buyer's Review. Buyer has the right to review the Association Documents. Buyer has the Right to Terminate under § 24.1., on or before **Association Documents Termination Deadline**, based on any unsatisfactory provision in any of the Association Documents, in Buyer's sole subjective discretion. Should Buyer receive the Association Documents after **Association Documents Deadline**, Buyer, at Buyer's option, has the Right to Terminate under § 24.1. by Buyer's Notice to Terminate received by Seller on or before ten days after Buyer's receipt of the Association Documents. If Buyer does not receive the Association Documents, or if Buyer's Notice to Terminate would otherwise be required to be received by Seller after **Closing Date**, Buyer's Notice to Terminate must be received by Seller on or before Closing. If Seller does not receive Buyer's Notice to Terminate within such time, Buyer accepts the provisions of the Association Documents as satisfactory and Buyer waives any Right to Terminate under this provision, notwithstanding the provisions of § 8.6. (Third Party Right to Purchase/Approve).

8. TITLE INSURANCE, RECORD TITLE AND OFF-RECORD TITLE.

8.1. Evidence of Record Title.

☒ **8.1.1. Seller Selects Title Insurance Company.** If this box is checked, Seller will select the title insurance company to furnish the owner's title insurance policy at Seller's expense. On or before **Record Title Deadline**, Seller must furnish to Buyer, a current commitment for an owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price, or if this box is checked, ☐ an **Abstract of Title** certified to a current date. Seller will cause the title insurance policy to be issued and delivered to Buyer as soon as practicable at or after Closing.

☐ **8.1.2. Buyer Selects Title Insurance Company.** If this box is checked, Buyer will select the title insurance company to furnish the owner's title insurance policy at Buyer's expense. On or before **Record**

Title Deadline. Buyer must furnish to Seller, a current commitment for owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price.

If neither box in § 8.1.1. or § 8.1.2. is checked, § 8.1.1. applies.

8.1.3. Owner's Extended Coverage (OEC). The Title Commitment ☒ **Will** ☐ **Will Not** contain Owner's Extended Coverage (OEC). If the Title Commitment is to contain OEC, it will commit to delete or insure over the standard exceptions which relate to: (1) parties in possession, (2) unrecorded easements, (3) survey matters, (4) unrecorded mechanics' liens, (5) gap period (period between the effective date and time of commitment to the date and time the deed is recorded) and (6) unpaid taxes, assessments and unredeemed tax sales prior to the year of Closing. Any additional premium expense to obtain OEC will be paid by ☒ **Buyer** ☐ **Seller** ☐ **One-Half by Buyer and One-Half by Seller** ☐ **Other** none.

Regardless of whether the Contract requires OEC, the Title Insurance Commitment may not provide OEC or delete or insure over any or all of the standard exceptions for OEC. The Title Insurance Company may require a New Survey or New ILC, defined below, among other requirements for OEC. If the Title Insurance Commitment is not satisfactory to Buyer, Buyer has a right to object under § 8.7. (Right to Object to Title, Resolution).


8.1.4. Title Documents. Title Documents consist of the following: (1) copies of any plats, declarations, covenants, conditions and restrictions burdening the Property and (2) copies of any other documents (or, if illegible, summaries of such documents) listed in the schedule of exceptions (Exceptions) in the Title Commitment furnished to Buyer (collectively, Title Documents).

8.1.5. Copies of Title Documents. Buyer must receive, on or before **Record Title Deadline**, copies of all Title Documents. This requirement pertains only to documents as shown of record in the office of the clerk and recorder in the county where the Property is located. The cost of furnishing copies of the documents required in this Section will be at the expense of the party or parties obligated to pay for the owner's title insurance policy.

8.1.6. Existing Abstracts of Title. Seller must deliver to Buyer copies of any abstracts of title covering all or any portion of the Property (Abstract of Title) in Seller's possession on or before **Record Title Deadline**.

8.2. Record Title. Buyer has the right to review and object to the Abstract of Title or Title Commitment and any of the Title Documents as set forth in § 8.7. (Right to Object to Title, Resolution) on or before **Record Title Objection Deadline**. Buyer's objection may be based on any unsatisfactory form or content of Title Commitment or Abstract of Title, notwithstanding § 13, or any other unsatisfactory title condition, in Buyer's sole subjective discretion. If the Abstract of Title, Title Commitment or Title Documents are not received by Buyer on or before the **Record Title Deadline**, or if there is an endorsement to the Title Commitment that adds a new Exception to title, a copy of the new Exception to title and the modified Title Commitment will be delivered to Buyer. Buyer has until the earlier of Closing or ten days after receipt of such documents by Buyer to review and object to: (1) any required Title Document not timely received by Buyer, (2) any change to the Abstract of Title, Title Commitment or Title Documents, or (3) any endorsement to the Title Commitment. If Seller receives Buyer's Notice to Terminate or Notice of Title Objection, pursuant to this § 8.2. (Record Title), any title objection by Buyer is governed by the provisions set forth in § 8.7. (Right to Object to Title, Resolution). If Seller has fulfilled all Seller's obligations, if any, to deliver to Buyer all documents required by § 8.1. (Evidence of Record Title) and Seller does not receive Buyer's Notice to Terminate or Notice of Title Objection by the applicable deadline specified above, Buyer accepts the condition of title as disclosed by the Abstract of Title, Title Commitment and Title Documents as satisfactory.

8.3. Off-Record Title. Seller must deliver to Buyer, on or before **Off-Record Title Deadline**, true copies of all existing surveys in Seller's possession pertaining to the Property and must disclose to Buyer all easements, liens (including, without limitation, governmental improvements approved, but not yet installed) or other title matters not shown by public records, of which Seller has actual knowledge (Off-Record Matters). This Section excludes any **New ILC** or **New Survey** governed under § 9 (New ILC, New Survey). Buyer has the right to inspect the Property to investigate if any third party has any right in the Property not shown by public records (e.g., unrecorded easement, boundary line discrepancy or water rights). Buyer's Notice to Terminate or Notice of Title Objection of any unsatisfactory condition (whether disclosed by Seller or revealed by such inspection, notwithstanding § 8.2. (Record Title) and § 13 (Transfer of Title), in Buyer's sole subjective discretion, must be received by Seller on or before **Off-Record Title Objection Deadline**. If an





Off-Record Matter is received by Buyer after the **Off-Record Title Deadline**, Buyer has until the earlier of Closing or ten days after receipt by Buyer to review and object to such Off-Record Matter. If Seller receives Buyer's Notice to Terminate or Notice of Title Objection pursuant to this § 8.3. (Off-Record Title), any title objection by Buyer is governed by the provisions set forth in § 8.7. (Right to Object to Title, Resolution). If Seller does not receive Buyer's Notice to Terminate or Notice of Title Objection by the applicable deadline specified above, Buyer accepts title subject to such Off-Record Matters and rights, if any, of third parties not shown by public records of which Buyer has actual knowledge.

8.4. Special Taxing and Metropolitan Districts. Intentionally Deleted

8.5. Tax Certificate. A tax certificate paid for by ☐ Seller ☒ Buyer, for the Property (Tax Certificate) must be delivered to Buyer on or before **Record Title Deadline**. If the content of the Tax Certificate is unsatisfactory to Buyer, in Buyer's sole subjective discretion, Buyer may terminate, on or before **Record Title Objection Deadline**. Should Buyer receive the Tax Certificate after **Record Title Deadline**, Buyer, at Buyer's option, has the Right to Terminate under § 24.1. by Buyer's Notice to Terminate received by Seller on or before ten days after Buyer's receipt of the Tax Certificate. If Buyer does not receive the Tax Certificate, or if Buyer's Notice to Terminate would otherwise be required to be received by Seller after **Closing Date**, Buyer's Notice to Terminate must be received by Seller on or before Closing. If Seller does not receive Buyer's Notice to Terminate within such time, Buyer accepts the content of the Tax Certificate as satisfactory and Buyer waives any Right to Terminate under this provision. If Buyer's loan specified in §4.5.3, (Loan Limitations) prohibits Buyer from paying for the Tax Certificate, the Tax Certificate will be paid for by Seller.

8.6. Third Party Right to Purchase/Approve. If any third party has a right to purchase the Property (e.g., right of first refusal on the Property, right to purchase the Property under a lease or an option held by a third party to purchase the Property) or a right of a third party to approve this Contract, Seller must promptly submit this Contract according to the terms and conditions of such right. If the third-party holder of such right exercises its right this Contract will terminate. If the third party's right to purchase is waived explicitly or expires, or the Contract is approved, this Contract will remain in full force and effect. Seller must promptly notify Buyer in writing of the foregoing. If the third party right to purchase is exercised or approval of this Contract has not occurred on or before **Third Party Right to Purchase/Approve Deadline**, this Contract will then terminate. Seller will supply to Buyer, in writing, details of any Third Party Right to Purchase the Property on or before the Record Title Deadline.

8.7. Right to Object to Title, Resolution. Buyer has a right to object or terminate, in Buyer's sole subjective discretion, based on any title matters including those matters set forth in § 8.2. (Record Title), § 8.3. (Off-Record Title), § 8.5. (Tax Certificate) and § 13 (Transfer of Title). If Buyer exercises Buyer's rights to object or terminate based on any such title matter, on or before the applicable deadline, Buyer has the following options:

8.7.1. Title Objection, Resolution. If Seller receives Buyer's written notice objecting to any title matter (Notice of Title Objection) on or before the applicable deadline and if Buyer and Seller have not agreed to a written settlement thereof on or before **Title Resolution Deadline**, this Contract will terminate on the expiration of **Title Resolution Deadline**, unless Seller receives Buyer's written withdrawal of Buyer's Notice of Title Objection (i.e., Buyer's written notice to waive objection to such items and waives the Right to Terminate for that reason), on or before expiration of **Title Resolution Deadline**. If either the Record Title Deadline or the Off-Record Title Deadline, or both, are extended pursuant to § 8.2. (Record Title) or § 8.3. (Off-Record Title) the Title Resolution Deadline also will be automatically extended to the earlier of Closing or fifteen days after Buyer's receipt of the applicable documents; or

8.7.2. Title Objection, Right to Terminate. Buyer may exercise the Right to Terminate under § 24.1., on or before the applicable deadline, based on any title matter unsatisfactory to Buyer, in Buyer's sole subjective discretion.

8.8. Title Advisory. The Title Documents affect the title, ownership and use of the Property and should be reviewed carefully. Additionally, other matters not reflected in the Title Documents may affect the title, ownership and use of the Property, including, without limitation, boundary lines and encroachments, set-back requirements, area, zoning, building code violations, unrecorded easements and claims of easements, leases and other unrecorded agreements, water on or under the Property and various laws and governmental regulations concerning land use, development and environmental matters.

Seller(s) Initials:   



8.8.1. OIL, GAS, WATER AND MINERAL DISCLOSURE. THE SURFACE ESTATE OF THE PROPERTY MAY BE OWNED SEPARATELY FROM THE UNDERLYING MINERAL ESTATE AND TRANSFER OF THE SURFACE ESTATE MAY NOT NECESSARILY INCLUDE TRANSFER OF THE MINERAL ESTATE OR WATER RIGHTS. THIRD PARTIES MAY OWN OR LEASE INTERESTS IN OIL, GAS, OTHER MINERALS, GEOTHERMAL ENERGY OR WATER ON OR UNDER THE SURFACE OF THE PROPERTY, WHICH INTERESTS MAY GIVE THEM RIGHTS TO ENTER AND USE THE SURFACE OF THE PROPERTY TO ACCESS THE MINERAL ESTATE, OIL, GAS OR WATER.

8.8.2. SURFACE USE AGREEMENT. THE USE OF THE SURFACE ESTATE OF THE PROPERTY TO ACCESS THE OIL, GAS OR MINERALS MAY BE GOVERNED BY A SURFACE USE AGREEMENT, A MEMORANDUM OR OTHER NOTICE OF WHICH MAY BE RECORDED WITH THE COUNTY CLERK AND RECORDER.

8.8.3. OIL AND GAS ACTIVITY. OIL AND GAS ACTIVITY THAT MAY OCCUR ON OR ADJACENT TO THE PROPERTY MAY INCLUDE, BUT IS NOT LIMITED TO, SURVEYING, DRILLING, WELL COMPLETION OPERATIONS, STORAGE, OIL AND GAS, OR PRODUCTION FACILITIES, PRODUCING WELLS, REWORKING OF CURRENT WELLS AND GAS GATHERING AND PROCESSING FACILITIES.

8.8.4. ADDITIONAL INFORMATION. BUYER IS ENCOURAGED TO SEEK ADDITIONAL INFORMATION REGARDING OIL AND GAS ACTIVITY ON OR ADJACENT TO THE PROPERTY, INCLUDING DRILLING PERMIT APPLICATIONS. THIS INFORMATION MAY BE AVAILABLE FROM THE COLORADO OIL AND GAS CONSERVATION COMMISSION.

8.8.5. Title Insurance Exclusions. Matters set forth in this Section and others, may be excepted, excluded from, or not covered by the owner's title insurance policy.

8.9. Mineral Rights Review. Buyer ☐ Does ☐ Does Not have a Right to Terminate if examination of the Mineral Rights is unsatisfactory to Buyer on or before the Mineral Rights Examination Deadline.

9. NEW ILC, NEW SURVEY.

9.1. New ILC or New Survey. If the box is checked, (1) ☐ New Improvement Location Certificate (New ILC); or, (2) ☒ New Survey in the form of ALTA Survey; is required and the following will apply:

9.1.1. Ordering of New ILC or New Survey. ☐ Seller ☒ Buyer will order the New ILC or New Survey. The New ILC or New Survey may also be a previous ILC or survey that is in the above-required form, certified and updated as of a date after the date of this Contract.

9.1.2. Payment for New ILC or New Survey. The cost of the New ILC or New Survey will be paid, on or before Closing, by: ☐ Seller ☒ Buyer or: none

9.1.3. Delivery of New ILC or New Survey. Buyer, Seller, the issuer of the Title Commitment (or the provider of the opinion of title if an Abstract of Title) and Lender will receive a New ILC or New Survey on or before New ILC or New Survey Deadline.

9.1.4. Certification of New ILC or New Survey. The New ILC or New Survey will be certified by the surveyor to all those who are to receive the New ILC or New Survey.

9.2. Buyer's Right to Waive or Change New ILC or New Survey Selection. Buyer may select a New ILC or New Survey different than initially specified in this Contract if there is no additional cost to Seller or change to the New ILC or New Survey Objection Deadline. Buyer may, in Buyer's sole subjective discretion, waive a New ILC or New Survey if done prior to Seller incurring any cost for the same.

9.3. New ILC or New Survey Objection. Buyer has the right to review and object based on the New ILC or New Survey. If the New ILC or New Survey is not timely received by Buyer or is unsatisfactory to Buyer, in Buyer's sole subjective discretion, Buyer may, on or before New ILC or New Survey Objection Deadline, notwithstanding § 8.3. or § 13:

9.3.1. Notice to Terminate. Notify Seller in writing, pursuant to § 24.1, that this Contract is terminated; or

9.3.2. New ILC or New Survey Objection. Deliver to Seller a written description of any matter that was to be shown or is shown in the New ILC or New Survey that is unsatisfactory and that Buyer

requires Seller to correct.

9.3.3. New ILC or New Survey Resolution. If a **New ILC or New Survey Objection** is received by Seller, on or before **New ILC or New Survey Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **New ILC or New Survey Resolution Deadline**, this Contract will terminate on expiration of the **New ILC or New Survey Resolution Deadline**, unless Seller receives Buyer's written withdrawal of the New ILC or New Survey Objection before such termination (i.e., on or before expiration of **New ILC or New Survey Resolution Deadline**).

DISCLOSURE, INSPECTION AND DUE DILIGENCE

10. PROPERTY DISCLOSURE, INSPECTION, INDEMNITY, INSURABILITY AND DUE DILIGENCE.

10.1. Seller's Property Disclosure. On or before **Seller's Property Disclosure Deadline**, Seller agrees to deliver to Buyer the most current version of the applicable Colorado Real Estate Commission's Seller's Property Disclosure form completed by Seller to Seller's actual knowledge and current as of the date of this Contract.

10.2. Disclosure of Adverse Material Facts; Subsequent Disclosure; Present Condition. Seller must disclose to Buyer any adverse material facts actually known by Seller as of the date of this Contract. Seller agrees that disclosure of adverse material facts will be in writing. In the event Seller discovers an adverse material fact after the date of this Contract, Seller must timely disclose such adverse fact to Buyer. Buyer has the Right to Terminate based on the Seller's new disclosure on the earlier of Closing or five days after Buyer's receipt of the new disclosure. Except as otherwise provided in this Contract, Buyer acknowledges that Seller is conveying the Property to Buyer in an "**As Is**" condition, "**Where Is**" and "**With All Faults**."

10.3. Inspection. Unless otherwise provided in this Contract, Buyer, acting in good faith, has the right to have inspections (by one or more third parties, personally or both) of the Property, Leased Items, and Inclusions (Inspection), at Buyer's expense. If (1) the physical condition of the Property, including, but not limited to, the roof, walls, structural integrity of the Property, the electrical, plumbing, HVAC and other mechanical systems of the Property, (2) the physical condition of the Inclusions and Leased Items, (3) service to the Property (including utilities and communication services), systems and components of the Property (e.g., heating and plumbing), (4) any proposed or existing transportation project, road, street or highway, or (5) any other activity, odor or noise (whether on or off the Property) and its effect or expected effect on the Property or its occupants is unsatisfactory, in Buyer's sole subjective discretion, Buyer may:

10.3.1. Inspection Termination. On or before the **Inspection Termination Deadline**, notify Seller in writing, pursuant to § 24.1., that this Contract is terminated due to any unsatisfactory condition, provided the Buyer did not previously deliver an Inspection Objection. Buyer's Right to Terminate under this provision expires upon delivery of an Inspection Objection to Seller pursuant to § 10.3.2.; or

10.3.2. Inspection Objection. On or before the **Inspection Objection Deadline**, deliver to Seller a written description of any unsatisfactory condition that Buyer requires Seller to correct.

10.3.3. Inspection Resolution. If an Inspection Objection is received by Seller, on or before **Inspection Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Inspection Resolution Deadline**, this Contract will terminate on **Inspection Resolution Deadline** unless Seller receives Buyer's written withdrawal of the Inspection Objection before such termination (i.e., on or before expiration of **Inspection Resolution Deadline**). Nothing in this provision prohibits the Buyer and the Seller from mutually terminating this Contract before the Inspection Resolution Deadline passes by executing an Earnest Money Release.

10.4. Damage, Liens and Indemnity. Buyer, except as otherwise provided in this Contract or other written agreement between the parties, is responsible for payment for all inspections, tests, surveys, engineering reports, or other reports performed at Buyer's request (Work) and must pay for any damage that occurs to the Property and Inclusions as a result of such Work. Buyer must not permit claims or liens of any kind against the Property for Work performed on the Property. Buyer agrees to indemnify, protect and hold Seller harmless from and against any liability, damage, cost or expense incurred by Seller and caused by any





such Work, claim, or lien. This indemnity includes Seller's right to recover all costs and expenses incurred by Seller to defend against any such liability, damage, cost or expense, or to enforce this Section, including Seller's reasonable attorney fees, legal fees and expenses. The provisions of this Section survive the termination of this Contract. This § 10.4. does not apply to items performed pursuant to an Inspection Resolution.

10.5. Insurability. Buyer has the Right to Terminate under § 24.1., on or before **Property Insurance Termination Deadline**, based on any unsatisfactory provision of the availability, terms and conditions and premium for property insurance (Property Insurance) on the Property, in Buyer's sole subjective discretion.

10.6. Due Diligence.

10.6.1. Due Diligence Documents. Seller agrees to deliver copies of the following documents and information pertaining to the Property and Leased Items (Due Diligence Documents) to Buyer on or before **Due Diligence Documents Delivery Deadline**:

10.6.1.1. Occupancy Agreements. All current leases, including any amendments or other occupancy agreements, pertaining to the Property. Those leases or other occupancy agreements pertaining to the Property that survive Closing are as follows (Leases):

none

10.6.1.2. Leased Items Documents. If any lease of personal property (§ 2.5.7., Leased Items) will be transferred to Buyer at Closing, Seller agrees to deliver copies of the leases and information pertaining to the personal property to Buyer on or before **Due Diligence Documents Delivery Deadline**. Buyer ☐ **Will** ☐ **Will Not** assume the Seller's obligations under such leases for the Leased Items (§ 2.5.7., Leased Items).

10.6.1.3. Encumbered Inclusions Documents. If any Inclusions owned by Seller are encumbered pursuant to § 2.5.4. (Encumbered Inclusions) above, Seller agrees to deliver copies of the evidence of debt, security and any other documents creating the encumbrance to Buyer on or before **Due Diligence Documents Delivery Deadline**. Buyer ☐ **Will** ☐ **Will Not** assume the debt on the Encumbered Inclusions (§ 2.5.4., Encumbered Inclusions).

10.6.1.4. Other Documents. If the respective box is checked, Seller agrees to additionally deliver copies of the following:

☐ **10.6.1.4.1.** All contracts relating to the operation, maintenance and management of the Property;

☐ **10.6.1.4.2.** Property tax bills for the last none years;

☐ **10.6.1.4.3.** As-built construction plans to the Property and the tenant improvements, including architectural, electrical, mechanical and structural systems; engineering reports; and permanent Certificates of Occupancy, to the extent now available;

☐ **10.6.1.4.4.** A list of all Inclusions to be conveyed to Buyer;

☐ **10.6.1.4.5.** Operating statements for the past none years;

☐ **10.6.1.4.6.** A rent roll accurate and correct to the date of this Contract;

☐ **10.6.1.4.7.** A schedule of any tenant improvement work Seller is obligated to complete but has not yet completed and capital improvement work either scheduled or in process on the date of this Contract;

☐ **10.6.1.4.8.** All insurance policies pertaining to the Property and copies of any claims which have been made for the past none years;

☐ **10.6.1.4.9.** Soils reports, surveys and engineering reports or data pertaining to the Property (if not delivered earlier under § 8.3.);

☐ **10.6.1.4.10.** Any and all existing documentation and reports regarding Phase I and II environmental reports, letters, test results, advisories and similar documents respective to the existence or nonexistence of asbestos, PCB transformers, or other toxic, hazardous or contaminated substances and/or underground storage tanks and/or radon gas. If no reports are in Seller's possession or known to Seller, Seller warrants that no such reports are in Seller's possession or known to Seller;



☐ **10.6.1.4.11.** Any Americans with Disabilities Act reports, studies or surveys concerning the compliance of the Property with said Act;

☐ **10.6.1.4.12.** All permits, licenses and other building or use authorizations issued by any governmental authority with jurisdiction over the Property and written notice of any violation of any such permits, licenses or use authorizations, if any; and

☒ **10.6.1.4.13.** Other:

Seller to provide to Buyer all due diligence documents currently in Seller's possession.

10.6.2. Due Diligence Documents Review and Objection. Buyer has the right to review and object based on the Due Diligence Documents. If the Due Diligence Documents are not supplied to Buyer or are unsatisfactory, in Buyer's sole subjective discretion, Buyer may, on or before **Due Diligence Documents Objection Deadline**:

10.6.2.1. Notice to Terminate. Notify Seller in writing, pursuant to § 24.1., that this Contract is terminated; or

10.6.2.2. Due Diligence Documents Objection. Deliver to Seller a written description of any unsatisfactory Due Diligence Documents that Buyer requires Seller to correct.

10.6.2.3. Due Diligence Documents Resolution. If a Due Diligence Documents Objection is received by Seller, on or before **Due Diligence Documents Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Due Diligence Documents Resolution Deadline**, this Contract will terminate on **Due Diligence Documents Resolution Deadline** unless Seller receives Buyer's written withdrawal of the Due Diligence Documents Objection before such termination (i.e., on or before expiration of **Due Diligence Documents Resolution Deadline**).

10.6.3. Zoning. Buyer has the Right to Terminate under § 24.1., on or before **Due Diligence Documents Objection Deadline**, based on any unsatisfactory zoning and any use restrictions imposed by any governmental agency with jurisdiction over the Property, in Buyer's sole subjective discretion.

10.6.4. Due Diligence – Environmental, ADA. Buyer has the right to obtain environmental inspections of the Property including Phase I and Phase II Environmental Site Assessments, as applicable.

☐ Seller ☒ Buyer will order or provide ☒ **Phase I Environmental Site Assessment**, ☐ **Phase II Environmental Site Assessment** (compliant with most current version of the applicable ASTM E1527 standard practices for Environmental Site Assessments) and/or none, at the expense of ☐ Seller ☒ Buyer (Environmental Inspection). In addition, Buyer, at Buyer's expense, may also conduct an evaluation whether the Property complies with the *Americans with Disabilities Act* (ADA Evaluation). All such inspections and evaluations must be conducted at such times as are mutually agreeable to minimize the interruption of Seller's and any Seller's tenants' business uses of the Property, if any.

If Buyer's Phase I Environmental Site Assessment recommends a Phase II Environmental Site Assessment, the **Environmental Inspection Termination Deadline** will be extended by 30 days (Extended Environmental Inspection Objection Deadline) and if such Extended Environmental Inspection Objection Deadline extends beyond the **Closing Date**, the **Closing Date** will be extended a like period of time. In such event, ☐ Seller ☒ Buyer must pay the cost for such Phase II Environmental Site Assessment.

Notwithstanding Buyer's right to obtain additional environmental inspections of the Property in this § 10.6.4., Buyer has the Right to Terminate under § 24.1., on or before **Environmental Inspection Termination Deadline**, or if applicable, the Extended Environmental Inspection Objection Deadline, based on any unsatisfactory results of Environmental Inspection, in Buyer's sole subjective discretion.

Buyer has the Right to Terminate under § 24.1., on or before **ADA Evaluation Termination Deadline**, based on any unsatisfactory ADA Evaluation, in Buyer's sole subjective discretion.

10.7. Conditional Upon Sale of Property. This Contract is conditional upon the sale and closing of that certain property owned by Buyer and commonly known as none. Buyer has the Right to Terminate under § 24.1. effective upon Seller's receipt of Buyer's Notice to Terminate on or before **Conditional Sale Deadline** if such property is not sold and closed by such deadline. This Section is for the sole benefit of Buyer. If Seller does not receive Buyer's Notice to Terminate on or before **Conditional Sale Deadline**, Buyer waives any Right to Terminate under this provision.

10.8. Source of Potable Water (Residential Land and Residential Improvements Only).

[Intentionally Deleted - See Residential Addendum if applicable]

10.9. Existing Leases; Modification of Existing Leases; New Leases. Seller states that none of the Leases to be assigned to the Buyer at the time of Closing contain any rent concessions, rent reductions or rent abatements except as disclosed in the Lease or other writing received by Buyer. Seller will not amend, alter, modify, extend or cancel any of the Leases nor will Seller enter into any new leases affecting the Property without the prior written consent of Buyer, which consent will not be unreasonably withheld or delayed.

10.10. Lead-Based Paint. [Intentionally Deleted - See Residential Addendum if applicable]

10.11. Carbon Monoxide Alarms. [Intentionally Deleted - See Residential Addendum if applicable]

10.12. Methamphetamine Disclosure. [Intentionally Deleted - See Residential Addendum if applicable]

11. TENANT ESTOPPEL STATEMENTS.

11.1. Estoppel Statements Conditions. Buyer has the right to review and object to any Estoppel Statements. Seller must request from all tenants of the Property and if received by Seller, deliver to Buyer on or before **Estoppel Statements Deadline**, statements in a form and substance reasonably acceptable to Buyer, from each occupant or tenant at the Property (Estoppel Statement) attached to a copy of the Lease stating:

11.1.1. The commencement date of the Lease and scheduled termination date of the Lease;

11.1.2. That said Lease is in full force and effect and that there have been no subsequent modifications or amendments;

11.1.3. The amount of any advance rentals paid, rent concessions given and deposits paid to Seller;

11.1.4. The amount of monthly (or other applicable period) rental paid to Seller;

11.1.5. That there is no default under the terms of said Lease by landlord or occupant; and

11.1.6. That the Lease to which the Estoppel Statement is attached is a true, correct and complete copy of the Lease demising the premises it describes.

11.2. Seller Estoppel Statement. In the event Seller does not receive from all tenants of the Property a completed signed Estoppel Statement, Seller agrees to complete and execute an Estoppel Statement setting forth the information and documents required §11.1. above and deliver the same to Buyer on or before **Estoppel Statements Deadline**.

11.3. Estoppel Statements Termination. Buyer has the Right to Terminate under § 24.1., on or before **Estoppel Statements Termination Deadline**, based on any unsatisfactory Estoppel Statement, in Buyer's sole subjective discretion, or if Seller fails to deliver the Estoppel Statements on or before **Estoppel Statements Deadline**. Buyer also has the unilateral right to waive any unsatisfactory Estoppel Statement.

CLOSING PROVISIONS

12. CLOSING DOCUMENTS, INSTRUCTIONS AND CLOSING.

12.1. Closing Documents and Closing Information. Seller and Buyer will cooperate with the Closing Company to enable the Closing Company to prepare and deliver documents required for Closing to Buyer and Seller and their designees. If Buyer is obtaining a loan to purchase the Property, Buyer acknowledges Buyer's lender is required to provide the Closing Company, in a timely manner, all required loan documents and financial information concerning Buyer's loan. Buyer and Seller will furnish any additional information and documents required by Closing Company that will be necessary to complete this transaction. Buyer and Seller will sign and complete all customary or reasonably required documents at or before Closing.

12.2. Closing Instructions. Colorado Real Estate Commission's Closing Instructions ☐ **Are** ☒ **Are Not** executed with this Contract.



12.3. **Closing.** Delivery of deed from Seller to Buyer will be at closing (Closing). Closing will be on the date specified as the **Closing Date** or by mutual agreement at an earlier date. At Closing, Seller agrees to deliver a set of keys for the Property to Buyer. The hour and place of Closing will be as designated by Buyer and Seller, which may be non-simultaneous Closings.

12.4. **Disclosure of Settlement Costs.** Buyer and Seller acknowledge that costs, quality and extent of service vary between different settlement service providers (e.g., attorneys, lenders, inspectors and title companies).

12.5. **Assignment of Leases.** Seller must assign to Buyer all Leases at Closing that will continue after Closing and Buyer must assume Seller's obligations under such Leases. Further, Seller must transfer to Buyer all Leased Items and assign to Buyer such leases for the Leased Items accepted by Buyer pursuant to § 2.5.7. (Leased Items).

13. **TRANSFER OF TITLE.** Subject to Buyer's compliance with the terms and provisions of this Contract, including the tender of any payment due at Closing, Seller must execute and deliver the following good and sufficient deed to Buyer, at Closing: ☒ special warranty deed ☐ general warranty deed ☐ bargain and sale deed ☐ quit claim deed ☐ personal representative's deed ☐ none deed. Seller, provided another deed is not selected, must execute and deliver a good and sufficient special warranty deed to Buyer, at Closing.

Unless otherwise specified in § 29 (Additional Provisions), if title will be conveyed using a special warranty deed or a general warranty deed, title will be conveyed "subject to statutory exceptions" as defined in §38-30-113(5)(a), C.R.S.

14. **PAYMENT OF LIENS AND ENCUMBRANCES.** Unless agreed to by Buyer in writing, any amounts owed on any liens or encumbrances securing a monetary sum against the Property and Inclusions, including any governmental liens for special improvements installed as of the date of Buyer's signature hereon, whether assessed or not, and previous years' taxes, will be paid at or before Closing by Seller from the proceeds of this transaction or from any other source.

15. **CLOSING COSTS, FEES, ASSOCIATION STATUS LETTER AND DISBURSEMENTS, TAXES AND WITHHOLDING.**

15.1. **Closing Costs.** Buyer and Seller must pay, in Good Funds, their respective closing costs and all other items required to be paid at Closing, except as otherwise provided herein.

15.2. **Closing Services Fee.** The fee for real estate closing services must be paid at Closing by ☐ Buyer ☐ Seller ☒ One-Half by Buyer and One-Half by Seller ☐ Other none.

15.3. **Association Fees and Required Disbursements.** At least fourteen days prior to **Closing Date**, Seller agrees to promptly request that the Closing Company or the Association deliver to Buyer a current Status Letter, if applicable. Any fees associated with or specified in the Status Letter will be paid as follows:

15.3.1. **Status Letter Fee.** Any fee incident to the issuance of Association's Status Letter must be paid by ☒ Buyer ☐ Seller ☐ One-Half by Buyer and One-Half by Seller ☐ N/A.

15.3.2. **Record Change Fee.** Any Record Change Fee must be paid by ☒ Buyer ☐ Seller ☐ One-Half by Buyer and One-Half by Seller ☐ N/A.

15.3.3. **Assessments, Reserves or Working Capital.** All assessments required to be paid in advance (other than Association Assessments as defined in § 16.2. (Association Assessments), reserves or working capital due at Closing must be paid by ☒ Buyer ☐ Seller ☐ One-Half by Buyer and One-Half by Seller ☐ N/A.

15.3.4. **Other Fees.** Any other fee listed in the Status Letter as required to be paid at Closing will be paid by ☒ Buyer ☐ Seller ☐ One-Half by Buyer and One-Half by Seller ☐ N/A.

15.4. **Local Transfer Tax.** Any Local Transfer Tax must be paid at Closing by ☒ Buyer ☐ Seller ☐ One-Half by Buyer and One-Half by Seller ☐ N/A.

15.5. **Sales and Use Tax.** Any sales and use tax that may accrue because of this transaction must be paid when due by ☒ Buyer ☐ Seller ☐ One-Half by Buyer and One-Half by Seller ☐ N/A.

Seller(s) Initials: 



15.6. Private Transfer Fee. Any private transfer fees and other fees due to a transfer of the Property, payable at Closing, such as community association fees, developer fees and foundation fees, must be paid at Closing by ☒ Buyer ☐ Seller ☐ One-Half by Buyer and One-Half by Seller ☐ N/A.

15.7. Water Transfer Fees. Water Transfer Fees can change. The fees, as of the date of this Contract, do not exceed \$any for:

☐ Water Stock/Certificates ☐ Water District

☐ Augmentation Membership ☐ Small Domestic Water Company ☒ any

and must be paid at Closing by ☒ Buyer ☐ Seller ☐ One-Half by Buyer and One-Half by Seller ☐ N/A.

15.8. Utility Transfer Fees. Utility transfer fees can change. Any fees to transfer utilities from Seller to Buyer must be paid by ☒ Buyer ☐ Seller ☐ One-Half by Buyer and One-Half by Seller ☐ N/A.

15.9. FIRPTA and Colorado Withholding.

15.9.1. FIRPTA. The Internal Revenue Service (IRS) may require a substantial portion of the Seller's proceeds be withheld after Closing when Seller is a foreign person. If required withholding does not occur, the Buyer could be held liable for the amount of the Seller's tax, interest and penalties. If the box in this Section is checked, Seller represents that Seller ☐ IS a foreign person for purposes of U.S. income taxation. If the box in this Section is not checked, Seller represents that Seller is not a foreign person for purposes of U.S. income taxation. Seller agrees to cooperate with Buyer and Closing Company to provide any reasonably requested documents to verify Seller's foreign person status. If withholding is required, Seller authorizes Closing Company to withhold such amount from Seller's proceeds. Seller should inquire with Seller's tax advisor to determine if withholding applies or if an exemption exists.

15.9.2. Colorado Withholding. The Colorado Department of Revenue may require a portion of the Seller's proceeds be withheld after Closing when Seller will not be a Colorado resident after Closing, if not otherwise exempt. Seller agrees to cooperate with Buyer and Closing Company to provide any reasonably requested documents to verify Seller's status. If withholding is required, Seller authorizes Closing Company to withhold such amount from Seller's proceeds. Seller should inquire with Seller's tax advisor to determine if withholding applies or if an exemption exists.

16. PRORATIONS AND ASSOCIATION ASSESSMENTS.

16.1. Prorations. The following will be prorated to the **Closing Date**, except as otherwise provided:

16.1.1. Taxes. Personal property taxes, if any, special taxing district assessments, if any, and general real estate taxes for the year of Closing, based on

☐ Taxes for the Calendar Year Immediately Preceding Closing

☒ Most Recent Mill Levy and Most Recent Assessed Valuation, adjusted by any applicable qualifying seniors property tax exemption, qualifying disabled veteran exemption or ☐ Other
none

16.1.2. Rents. Rents based on ☐ Rents Actually Received ☐ Accrued. At Closing, Seller will transfer or credit to Buyer the security deposits for all Leases assigned to Buyer, or any remainder after lawful deductions, and notify all tenants in writing of such transfer and of the transferee's name and address.

16.1.3. Other Prorations. Water and sewer charges, propane, interest on continuing loan and
none

16.1.4. Final Settlement. Unless otherwise specified in Additional Provisions, these prorations are final.

16.2. Association Assessments. Current regular Association assessments and dues (Association Assessments) paid in advance will be credited to Seller at Closing. Cash reserves held out of the regular Association Assessments for deferred maintenance by the Association will not be credited to Seller except as may be otherwise provided by the Governing Documents. Buyer acknowledges that Buyer may be obligated to pay the Association, at Closing, an amount for reserves or working capital. Any special assessment assessed prior to **Closing Date** by the Association will be the obligation of ☒ Buyer ☐ Seller. Except however, any special assessment by the Association for improvements that have been installed as of the date of Buyer's signature hereon, whether assessed prior to or after Closing, will be the obligation of Seller unless otherwise specified in Additional Provisions. Seller represents there are no unpaid regular or special assessments against the Property except the current regular assessments and //

none

Association Assessments are subject to change as provided in the Governing Documents.

17. POSSESSION. Possession of the Property and Inclusions will be delivered to Buyer on **Possession Date at Possession Time**, subject to the Leases as set forth in § 10.6.1.1.

If Seller, after Closing occurs, fails to deliver possession as specified, Seller will be subject to eviction and will be additionally liable to Buyer, notwithstanding § 20.2. (If Seller is in Default), for payment of \$ 500.00 per day (or any part of a day notwithstanding § 3.3., Day) from **Possession Date and Possession Time** until possession is delivered.

General Provisions

18. CAUSES OF LOSS, INSURANCE; DAMAGE TO INCLUSIONS AND SERVICES; CONDEMNATION; AND WALK-THROUGH. Except as otherwise provided in this Contract, the Property, Inclusions or both will be delivered in the condition existing as of the date of this Contract, ordinary wear and tear excepted.

18.1. Causes of Loss, Insurance. In the event the Property or Inclusions are damaged by fire, other perils or causes of loss prior to Closing (Property Damage) in an amount of not more than ten percent of the total Purchase Price and if the repair of the damage will be paid by insurance (other than the deductible to be paid by Seller), then Seller, upon receipt of the insurance proceeds, will use Seller's reasonable efforts to repair the Property before **Closing Date**. Buyer has the Right to Terminate under § 24.1., on or before **Closing Date**, if the Property is not repaired before **Closing Date**, or if the damage exceeds such sum. Should Buyer elect to carry out this Contract despite such Property Damage, Buyer is entitled to a credit at Closing for all insurance proceeds that were received by Seller (but not the Association, if any) resulting from damage to the Property and Inclusions, plus the amount of any deductible provided for in the insurance policy. This credit may not exceed the Purchase Price. In the event Seller has not received the insurance proceeds prior to Closing, the parties may agree to extend the **Closing Date** to have the Property repaired prior to Closing or, at the option of Buyer, (1) Seller must assign to Buyer the right to the proceeds at Closing, if acceptable to Seller's insurance company and Buyer's lender; or (2) the parties may enter into a written agreement prepared by the parties or their attorney requiring the Seller to escrow at Closing from Seller's sale proceeds the amount Seller has received and will receive due to such damage, not exceeding the total Purchase Price, plus the amount of any deductible that applies to the insurance claim.

18.2. Damage, Inclusions and Services. Should any Inclusion or service (including utilities and communication services), system, component or fixture of the Property (collectively Service) (e.g., heating or plumbing), fail or be damaged between the date of this Contract and Closing or possession, whichever is earlier, then Seller is liable for the repair or replacement of such Inclusion or Service with a unit of similar size, age and quality, or an equivalent credit, but only to the extent that the maintenance or replacement of such Inclusion or Service is not the responsibility of the Association, if any, less any insurance proceeds received by Buyer covering such repair or replacement. If the failed or damaged Inclusion or Service is not repaired or replaced on or before Closing or possession, whichever is earlier, Buyer has the Right to Terminate under § 24.1., on or before **Closing Date**, or, at the option of Buyer, Buyer is entitled to a credit at Closing for the repair or replacement of such Inclusion or Service. Such credit must not exceed the Purchase Price. If Buyer receives such a credit, Seller's right for any claim against the Association, if any, will survive Closing.

18.3. Condemnation. In the event Seller receives actual notice prior to Closing that a pending condemnation action may result in a taking of all or part of the Property or Inclusions, Seller must promptly notify Buyer, in writing, of such condemnation action. Buyer has the Right to Terminate under § 24.1., on or before **Closing Date**, based on such condemnation action, in Buyer's sole subjective discretion. Should Buyer elect to consummate this Contract despite such diminution of value to the Property and Inclusions, Buyer is entitled to a credit at Closing for all condemnation proceeds awarded to Seller for the diminution in the value of the Property or Inclusions, but such credit will not include relocation benefits or expenses or exceed the Purchase Price.

18.4. Walk-Through and Verification of Condition. Buyer, upon reasonable notice, has the right to





walk through the Property prior to Closing to verify that the physical condition of the Property and Inclusions complies with this Contract.

19. RECOMMENDATION OF LEGAL AND TAX COUNSEL. By signing this Contract, Buyer and Seller acknowledge that their respective broker has advised that this Contract has important legal consequences and has recommended: (1) legal examination of title; (2) consultation with legal and tax or other counsel before signing this Contract as this Contract may have important legal and tax implications; (3) to consult with their own attorney if Water Rights, Mineral Rights or Leased Items are included or excluded in the sale; and (4) to consult with legal counsel if there are other matters in this transaction for which legal counsel should be engaged and consulted. Such consultations must be done timely as this Contract has strict time limits, including deadlines, that must be complied with.

20. TIME OF ESSENCE, DEFAULT AND REMEDIES. Time is of the essence for all dates and deadlines in this Contract. This means that all dates and deadlines are strict and absolute. If any payment due, including Earnest Money, is not paid, honored or tendered when due, or if any obligation is not performed timely as provided in this Contract or waived, the non-defaulting party has the following remedies:

20.1. If Buyer is in Default:

☐ **20.1.1. Specific Performance.** Seller may elect to cancel this Contract and all Earnest Money (whether or not paid by Buyer) will be paid to Seller and retained by Seller. It is agreed that the Earnest Money is not a penalty, and the parties agree the amount is fair and reasonable. Seller may recover such additional damages as may be proper. Alternatively, Seller may elect to treat this Contract as being in full force and effect and Seller has the right to specific performance or damages, or both.

20.1.2. Liquidated Damages, Applicable. This § 20.1.2. applies unless the box in § 20.1.1. is checked. Seller may cancel this Contract. All Earnest Money (whether or not paid by Buyer) will be paid to Seller and retained by Seller. It is agreed that the Earnest Money amount specified in § 4.1. is LIQUIDATED DAMAGES and not a penalty, which amount the parties agree is fair and reasonable and (except as provided in §§ 10.4. and 21), such amount is SELLER'S ONLY REMEDY for Buyer's failure to perform the obligations of this Contract. Seller expressly waives the remedies of specific performance and additional damages.

20.2. If Seller is in Default:

20.2.1. Specific Performance, Damages or Both. Buyer may elect to treat this Contract as canceled, in which case all Earnest Money received hereunder will be returned to Buyer and Buyer may recover such damages as may be proper. Alternatively, in addition to the per diem in § 17 (Possession) for failure of Seller to timely deliver possession of the Property after Closing occurs, Buyer may elect to treat this Contract as being in full force and effect and Buyer has the right to specific performance or damages, or both.

20.2.2. Seller's Failure to Perform. In the event Seller fails to perform Seller's obligations under this Contract, to include, but not limited to, failure to timely disclose Association violations known by Seller, failure to perform any replacements or repairs required under this Contract or failure to timely disclose any known adverse material facts, Seller remains liable for any such failures to perform under this Contract after Closing. Buyer's rights to pursue the Seller for Seller's failure to perform under this Contract are reserved and survive Closing.

21. LEGAL FEES, COST AND EXPENSES. Anything to the contrary herein notwithstanding, in the event of any arbitration or litigation relating to this Contract, prior to or after **Closing Date**, the arbitrator or court must award to the prevailing party all reasonable costs and expenses, including attorney fees, legal fees and expenses.

22. MEDIATION. If a dispute arises relating to this Contract (whether prior to or after Closing) and is not resolved, the parties must first proceed, in good faith, to mediation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. Before any mediated settlement is binding, the parties to the dispute must agree to the settlement, in writing. The parties will jointly appoint an acceptable mediator and will share

equally in the cost of such mediation. The obligation to mediate, unless otherwise agreed, will terminate if the entire dispute is not resolved within thirty days of the date written notice requesting mediation is delivered by one party to the other at that party's last known address (physical or electronic as provided in § 26). Nothing in this Section prohibits either party from filing a lawsuit and recording a *lis pendens* affecting the Property, before or after the date of written notice requesting mediation. This Section will not alter any date in this Contract, unless otherwise agreed.

23. EARNEST MONEY DISPUTE. Except as otherwise provided herein, Earnest Money Holder must release the Earnest Money following receipt of written mutual instructions, signed by both Buyer and Seller. In the event of any controversy regarding the Earnest Money, Earnest Money Holder is not required to release the Earnest Money. Earnest Money Holder, in its sole subjective discretion, has several options: (1) wait for any proceeding between Buyer and Seller; (2) interplead all parties and deposit Earnest Money into a court of competent jurisdiction (Earnest Money Holder is entitled to recover court costs and reasonable attorney and legal fees incurred with such action); or (3) provide notice to Buyer and Seller that unless Earnest Money Holder receives a copy of the Summons and Complaint or Claim (between Buyer and Seller) containing the case number of the lawsuit (Lawsuit) within one hundred twenty days of Earnest Money Holder's notice to the parties, Earnest Money Holder is authorized to return the Earnest Money to Buyer. In the event Earnest Money Holder does receive a copy of the Lawsuit and has not interpleaded the monies at the time of any Order, Earnest Money Holder must disburse the Earnest Money pursuant to the Order of the Court. The parties reaffirm the obligation of § 22 (Mediation). This Section will survive cancellation or termination of this Contract.

24. TERMINATION.

24.1. Right to Terminate. If a party has a right to terminate, as provided in this Contract (Right to Terminate), the termination is effective upon the other party's receipt of a written notice to terminate (Notice to Terminate), provided such written notice was received on or before the applicable deadline specified in this Contract. If the Notice to Terminate is not received on or before the specified deadline, the party with the Right to Terminate accepts the specified matter, document or condition as satisfactory and waives the Right to Terminate under such provision.


24.2. Effect of Termination. In the event this Contract is terminated, and all Earnest Money received hereunder is timely returned to Buyer, the parties are relieved of all obligations hereunder, subject to §§ 10.4. and 21.

25. ENTIRE AGREEMENT, MODIFICATION, SURVIVAL; SUCCESSORS. This Contract, its exhibits and specified addenda, constitute the entire agreement between the parties relating to the subject hereof and any prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this Contract. No subsequent modification of any of the terms of this Contract is valid, binding upon the parties, or enforceable unless made in writing and signed by the parties. Any right or obligation in this Contract that, by its terms, exists or is intended to be performed after termination or Closing survives the same. Any successor to a party receives the predecessor's benefits and obligations of this Contract.

26. NOTICE, DELIVERY AND CHOICE OF LAW.

26.1. Physical Delivery and Notice. Any document or notice to Buyer or Seller must be in writing, except as provided in § 26.2. and is effective when physically received by such party, any individual named in this Contract to receive documents or notices for such party, Broker, or Brokerage Firm of Broker working with such party (except any notice or delivery after Closing must be received by the party, not Broker or Brokerage Firm).

26.2. Electronic Notice. As an alternative to physical delivery, any notice may be delivered in electronic form to Buyer or Seller, any individual named in this Contract to receive documents or notices for such party, Broker or Brokerage Firm of Broker working with such party (except any notice or delivery after Closing, cancellation or Termination must be received by the party, not Broker or Brokerage Firm) at the electronic address of the recipient by facsimile, email or internet.





1166 **26.3. Electronic Delivery.** Electronic Delivery of documents and notice may be delivered by: (1) email
1167 at the email address of the recipient, (2) a link or access to a website or server provided the recipient
1168 receives the information necessary to access the documents, or (3) facsimile at the facsimile number (Fax
1169 No.) of the recipient.

1170 **26.4. Choice of Law.** This Contract and all disputes arising hereunder are governed by and construed
1171 in accordance with the laws of the State of Colorado that would be applicable to Colorado residents who sign
1172 a contract in Colorado for real property located in Colorado.
1173

1174 **27. NOTICE OF ACCEPTANCE, COUNTERPARTS.** This proposal will expire unless accepted in writing,
1175 by Buyer and Seller, as evidenced by their signatures below and the offering party receives notice of such
1176 acceptance pursuant to § 26 on or before **Acceptance Deadline Date** and **Acceptance Deadline Time**. If
1177 accepted, this document will become a contract between Seller and Buyer. A copy of this Contract may be
1178 executed by each party, separately and when each party has executed a copy thereof, such copies taken
1179 together are deemed to be a full and complete contract between the parties.
1180

1181 **28. GOOD FAITH.** Buyer and Seller acknowledge that each party has an obligation to act in good faith
1182 including, but not limited to, exercising the rights and obligations set forth in the provisions of **Financing**
1183 **Conditions and Obligations; Title Insurance, Record Title and Off-Record Title; New ILC, New Survey;**
1184 **and Property Disclosure, Inspection, Indemnity, Insurability and Due Diligence.**
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ADDITIONAL PROVISIONS AND ATTACHMENTS

1191

1192 **29. ADDITIONAL PROVISIONS.** (The following additional provisions have not been approved by the
1193 Colorado Real Estate Commission.)

1194 **29.1. This Contract is assignable by Buyer without Seller's prior written consent if assigned**
1195 **to an affiliated entity, otherwise Buyer must have Seller's prior written consent if assigned to**
1196 **an un-affiliated entity, which shall not be unreasonably withheld. Except as so restricted, this**
1197 **Contract inures to the benefit of and is binding upon the heirs, personal representatives,**
1198 **successors and assigns of the parties.**
1199

1200 **30. OTHER DOCUMENTS.**

1201 **30.1. Documents Part of Contract.** The following documents are a part of this Contract:

1202 **none**
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1206

1207 **30.2. Documents Not Part of Contract.** The following documents have been provided but are not a
1208 part of this Contract:
1209

1210 **none**
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Signatures

1221

1222
1223


Date: **5/3/2024**



Buyer: **Kurt Ghiardi**

[NOTE: If this offer is being countered or rejected, do not sign this document.]

Tim Hallmark, Director, Facilities, Fleet & Emergency Support Services Date: **5/7/2024**

Seller: **Douglas County Board of Commissioners**
By: Tim Hallmark, Director, Facilities, Fleet & Emergency Support Services

Doug DeBord

Date: **5/7/2024**

Seller: **Douglas County Board of Commissioners**
By: Doug DeBord

[Signature]

Date: **5/7/2024**

Seller: **Douglas County Board of Commissioners**
By: Jeff Garcia, Douglas County Attorney

END OF CONTRACT TO BUY AND SELL REAL ESTATE

BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.

A. Broker Working With Buyer

Broker ☐ **Does** ☐ **Does Not** acknowledge receipt of Earnest Money deposit. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 23, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.

Broker is working with Buyer as a ☐ **Buyer's Agent** ☐ **Transaction-Broker** in this transaction.

☒ **Customer.** Broker has no brokerage relationship with Buyer. See § B for Broker's brokerage relationship with Seller.

Brokerage Firm's compensation or commission is to be paid by ☐ **Listing Brokerage Firm** ☐ **Buyer**

[Signature]

DD

[Signature]

Kg

☐ Other .

This Broker's Acknowledgements and Compensation Disclosure is for disclosure purposes only and does NOT create any claim for compensation. Any compensation agreement between the brokerage firms must be entered into separately and apart from this provision.

Brokerage Firm's Name: **none**

Brokerage Firm's License #: **none**

none none

Date: **5/3/2024**

Broker's Name: **none none**

Broker's License #: **none**

Address: **none none, none**

Phone No.: **none**

Fax No.: **none**

Email Address: **none**

B. Broker Working with Seller

Broker ☐ Does ☒ **Does Not** acknowledge receipt of Earnest Money deposit. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 23, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.

Broker is working with Seller as a ☒ **Seller's Agent** ☐ **Transaction-Broker** in this transaction.

☐ **Customer.** Broker has no brokerage relationship with Seller. See § A for Broker's brokerage relationship with Buyer.

Brokerage Firm's compensation or commission is to be paid by ☒ **Seller** ☐ **Buyer** ☐ **Other** .

This Broker's Acknowledgements and Compensation Disclosure is for disclosure purposes only and does NOT create any claim for compensation. Any compensation agreement between the brokerage firms must be entered into separately and apart from this provision.

Brokerage Firm's Name: **NavPoint Real Estate Group**

Brokerage Firm's License #: **EC 100036966**

[Signature]

DD

[Signature]

Kg

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Date: **4/29/2024**

Broker's Name: **Jeff Brandon**

Broker's License #: **FA.040047683**

Address: **20 N Wilcox St Suite 118B Castle Rock, CO 80104**

Phone No.: **720-420-7530**

Fax No.: **720-240-0762**

Email Address: **jeff.brandon@navpointre.com**

CBS3-6-23. CONTRACT TO BUY AND SELL REAL ESTATE (COMMERCIAL)

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Seller(s) Initials:









LETTER OF ENGAGEMENT



MountainSeed Appraisal Management, LLC
2100 Powers Ferry Road SE, Suite 410
Atlanta, GA 30339
404- 973- 2568

REQUEST FORM
COMPANY: ENT Credit Union- Colorado Springs, CO

State Registration Number: AMC.200000378

File Information

File ID: 240812066 **Due Date:** 9/9/2024
Loan Number: TBD

Vendor Information

Loan Type: SBA **Vendor:** (NBP) Wilkerson, Brett
Form: Appraisal Report (Narrative format)
Service Fee: \$XXXX **Interest Valued:** Fee Simple
Real Estate Valued: Land and Improvements **Effective Date of Value As Is**
Valuation: Insurable Value
Other Intended Users:
USDA: No
SBA: Yes **Branch and Address:** U.S. Small Business Administration
(Colorado District): 721 19th St.,
Suite #426, Denver, CO 80202.

Client Information

Client: ENT Credit Union- Colorado Springs, CO **Borrower:**
Address: 11550 Ent Pkwy **Co- Borrower:**
Colorado Springs, CO 80921 **Company Name:**

Subject Property

Address: 9228 Park Meadows Drive **Intended Use:** Sale / Purchase
Lone Tree, CO 80124 **Product Category:** Origination
County: Douglas **Map:** [Map Link](#)
Sales Price: 4,100,000
Property Type: Restaurant
Property Tax ID: 2231- 033- 06- 013
Description: APPRAISERS: PLEASE PROVIDE FEES FOR BOTH STANDARD AND RUSH
TURNAROUND TIMES. YOUR FEE AND TURNAROUND TIME FOR A RUSH BID CAN BE
PLACED IN THE APPRAISERS BID NOTES. THANK YOU.

****ASSIGNMENT CONDITION:** This order is for ONE report only. Multiple reports for this
order are not permitted. Contact MountainSeed immediately if you determine multiple reports

are needed or have questions on how to complete this as one report.**

FFAny allocation of the FFEand real property values must be listed separately within the report.

Prior Experience: The property being bid is a restaurant. Please comment on your level of experience and approximately how many similar properties you have appraised in the past 36 months. You must include these comments in the order as the client is attempting to ensure they have an appraiser that is qualified to perform the appraisal.

CDC and SBA should also be listed as intended users.

SBA Appraisal Guidelines

Per SOP 50 10 Version: 7.1 (effective - Nov 15, 2023) (applicable sections):

"C. The "Appraisal Report" must be prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP)."

"D. In order for the appraiser to identify the scope of work appropriately, the appraisal must identify SBA as the client or an intended user of the appraisal, as those terms are defined in the Uniform Standards of Professional Appraisal Practice (USPAP). The CDC may also be identified as the client or an intended user. It is acceptable to SBA if the appraisal identifies the Third Party Lender as the client and SBA as an intended user. The CDC may not use an appraisal prepared for the applicant. The cost may be passed on to the borrower."

"F. If the loan will be used to acquire an existing building that does not require construction, the appraiser should estimate market value on an as- is basis. If the appraiser estimates the value other than on an as- is basis, the narrative must include an explanation of why the as- is basis was not used."

"G. If the appraisal engagement letter asks the appraiser for a business enterprise or going concern value, the appraiser must allocate separate values to the individual components of the transaction including land, building, equipment and business (including intangible assets)."

"H. When the collateral is a Special Purpose Property, the appraiser must be experienced in the particular industry."

- Additional Comment: Although the requirement is not found in the SBA SOP, it is often requested and stated by banks that there be at least two appraisal approaches considered in an SBA compliant appraisal. The appraiser should also provide at least two approaches.

NOTE: If the Remaining Economic Life (REL) is less than 25- years, please contact MountainSeed immediately before completing the assignment. (The REL applies to "Prospective Value Upon Completion" when applicable.)

Are there issues that the financial institution knows about that could impact value? No

Property Contact Information

Contact Person: Jeff Brandon

Work Phone: 720- 420- 7530

Cell Phone:

Home Phone:

Contact Email

Address:

Note: This request form is not transferable to another vendor and/or appraiser. If the vendor and/or appraiser named on this request is unable to complete this assignment, please contact MountainSeed AMC at 404- 973- 2568. All vendors and/or appraiser are approved on an individual basis and if this assignment is completed by another vendor and/or appraiser, MountainSeed AMC will not be liable for any related service fees.



Date: 8/22/2024

Appraisal Company: (NBP) BBG Inc (Comm Apprls)
Appraisal Co Address: 5901- B Peachtree Dunwoody Rd
Atlanta, GA 00001

Regarding: 9228 Park Meadows Drive Lone Tree, CO 80124

Dear: Brett (NBP) Wilkerson

This letter (this **"Engagement Letter"**) confirms your engagement to prepare an appraisal of the property described below in compliance with the terms and conditions set forth below.

Basic Information

Property to Be Appraised: 9228 Park Meadows Drive Lone Tree, CO 80124

Property Description: APPRAISERS: PLEASE PROVIDE FEES FOR BOTH STANDARD AND RUSH TURNAROUND TIMES. YOUR FEE AND TURNAROUND TIME FOR A RUSH BID CAN BE PLACED IN THE APPRAISERS BID NOTES. THANK YOU.

****ASSIGNMENT CONDITION:** This order is for ONE report only. Multiple reports for this order are not permitted. Contact MountainSeed immediately if you determine multiple reports are needed or have questions on how to complete this as one report.**

FFAny allocation of the FFEand real property values must be listed separately within the report.

Prior Experience: The property being bid is a restaurant. Please comment on your level of experience and approximately how many similar properties you have appraised in the past 36 months. You must include these comments in the order as the client is attempting to ensure they have an appraiser that is qualified to perform the appraisal.

CDC and SBA should also be listed as intended users.

*****SBA Appraisal Guidelines*****

Per SOP 50 10 Version: 7.1 (effective - Nov 15, 2023) (applicable sections):
"C. The "Appraisal Report" must be prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP)."

"D. In order for the appraiser to identify the scope of work appropriately, the appraisal must identify SBA as the client or an intended user of the appraisal, as those terms are defined in the Uniform Standards of Professional Appraisal Practice (USPAP). The CDC may also be identified as the client or an intended user. It is acceptable to SBA if the appraisal identifies the Third Party Lender as the client and SBA as an intended user. The CDC may not use an appraisal

prepared for the applicant. The cost may be passed on to the borrower."

"F. If the loan will be used to acquire an existing building that does not require construction, the appraiser should estimate market value on an as-is basis. If the appraiser estimates the value other than on an as-is basis, the narrative must include an explanation of why the as-is basis was not used."

"G. If the appraisal engagement letter asks the appraiser for a business enterprise or going concern value, the appraiser must allocate separate values to the individual components of the transaction including land, building, equipment and business (including intangible assets)."

"H. When the collateral is a Special Purpose Property, the appraiser must be experienced in the particular industry."

- Additional Comment: Although the requirement is not found in the SBA SOP, it is often requested and stated by banks that there be at least two appraisal approaches considered in an SBA compliant appraisal. The appraiser should also provide at least two approaches.

NOTE: If the Remaining Economic Life (REL) is less than 25- years, please contact MountainSeed immediately before completing the assignment. (The REL applies to "Prospective Value Upon Completion" when applicable.)

Interest in the Property to
be Appraised: Fee Simple

Client: ENT Credit Union- Colorado Springs, CO

Intended User: Financial Institution

Borrower (if Applicable):

Property Owner Contact
Name: Jeff Brandon

Property Owner Phone: 720- 420- 7530

Appraisal Management
Company: MountainSeed Appraisal Management, LLC

Valuation Methodology to
Be Used: **Value As Is**
Insurable Value

Appraisal Form to Be
Used: Appraisal Report (Narrative format)

Due Date: 9/9/2024

Addressee: Your Appraisal Report should be addressed to the Financial Institution.

I. INSTRUCTIONS

a. Purpose of the Assignment

The purpose of the assignment is to develop and report an informed and independent opinion of the Market Value of the Subject Property.

b. Intended Use

The report you prepare is intended to be used by the Financial Institution as an aid in underwriting a loan, loan modification or loan extension; classification or monitoring of a loan; and/or the disposition or monitoring of REO or loan collateral, which may constitute a federally- related real estate transaction for purposes of applicable federal appraisal regulations. The Financial Institution may, without your prior authorization or a notice to you, provide your report to other parties for their use, including without limitation in lending- related activities.

c. Acceptance of the Assignment

You must accept or decline this assignment ***within one (1) business day.***

d. Web Portal

The Financial Institution (Client) has engaged MountainSeed Appraisal Management, LLC (MountainSeed) to provide certain appraisal management company services to the Financial Institution. The Client has appointed MountainSeed as the Clients agent for purposes of engaging you on behalf of the Client in accordance with this Engagement Letter. Accordingly, you must direct communications about this appraisal assignment to MountainSeed through the web- based software system with which you registered prior to receiving this assignment (the **Web Portal**). If you have an issue with the Web Portal, please contact MountainSeed by phone (404) 973- 2568 or email (info@mountainseed.com).

You agree to consistently monitor the Web Portal for updates and correspondence from MountainSeed.

You agree to respond to all communications from MountainSeed within one (1) business day, and you agree to comply with the other timing and delivery requirements set forth below. Failure to respond to communications from MountainSeed regarding this appraisal assignment, or failure to meet any of the other timing and delivery requirements, may result in the work being reassigned to another appraiser. You understand that the Financial Institution reserves the right to withhold payment in the event the assignment is reassigned due to your failure to meet timing and delivery requirements.

e. Requirement to Decline the Assignment or Stop Work

You must decline this assignment if you are not geographically competent, the assignment falls outside of your scope of practice restrictions, or you know of any reason you would not be able to provide an unbiased and independent professional judgment as to the Market Value of the Subject Property. Furthermore, you must stop work and immediately notify MountainSeed if you later determine that you are not qualified to complete the assignment. You acknowledge that you have received a copy of MountainSeeds Appraiser Independence Policy (AP0001) (the **Appraiser Independence Policy**), which is incorporated into this Engagement Letter by this reference. ***If you believe that a violation of the Appraiser Independence Policy has occurred, or any applicable conflict of interest or independence requirements (such as attempts by others to influence or coerce) have been compromised in any way, you will immediately stop work and contact MountainSeeds compliance hotline at 1- 877- 848- 4914.***

f. Requirements for Completion of the Assignment

i. Inspection

Immediately, but in no event less than ***two (2) business days***, following your acceptance of this assignment, you should contact the property contact to schedule an inspection. If you are unable to reach the property contact, please notify MountainSeed immediately. As soon as the inspection date has been

set, you should change the order status in the Web Portal to "**Appt. Set**" and add the date and time of the appointment in the appropriate section of the order.

ii. Property Information

The description of the Subject Property and any other information provided to you by MountainSeed or Financial Institution is provided on an **As-Is, Where-Is** basis with no representation or warranty whatsoever.

If at any time you discover a material discrepancy or insufficiency in the description of the Subject Property or other information provided to you that necessitates a change in the scope of the work, your fee or the Due Date, you must notify MountainSeed within **one (1) business day** of such discovery (and in any event prior to the Due Date and your delivery of the Appraisal) and the parties will work together to agree upon a mutually satisfactory amendment to this Engagement Letter to memorialize any such necessary changes.

iii. Uniform Standard

In performing the assignment, you and your work product must conform to generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (**USPAP**) promulgated by the Appraisal Standards Board of the Appraisal Foundation.

iv. Additional Requirements

You and your work product must comply with the regulations, guidelines, and standards specified in the MountainSeed General Guidelines for Financial Institutions, Commercial Appraisal Services (herein referred to as the **Additional Requirements**). You can access these guidelines via the following link:

<https://mountainseed.com/mountainseed-commercial-guidelines>

By signing this engagement letter, you acknowledge that you have received a copy of these Guidelines.

While you must comply, and must ensure that your work product complies, with those provisions in the respective federal laws and regulations that are applicable to you and your performance of this assignment, this Engagement Letter does not require you to guaranty compliance with portions of those federal laws and regulations that do not apply to your performance of this assignment or over which you have no control whatsoever. However, you must be knowledgeable about and comply with any provisions of the laws, regulations, and guidelines discussed above that apply to your work. For example, you must comply with the requirement to provide an As Is Market Value for assignments involving federally related transactions. This requirement applies to all assignments, including those involving new construction or for properties undergoing renovation. Please remember that under USPAPs Scope of Work Rule, assignment conditions include laws and regulations. You may also wish to refer to USPAP Advisory Opinion 30, *Appraisals for Use by a Federally Regulated Financial Institution*.

v. Nondiscrimination

The Fair Housing Act, Equal Credit Opportunity Act, and other federal, state, and local laws and regulations broadly prohibit discrimination in real estate, appraisal and lending services based on legally protected characteristics. These protected characteristics, depending on the applicable law or regulation, may include race, color, religion, sex, sexual orientation, gender identity, age, marital status, disability, familial status, exercise of any federally protected civil right, receipt of income derived from any public assistance program, birthplaces of residents of the property or in the neighborhood, national origin of the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.

In accepting this assignment, you acknowledge the importance of these protections against discrimination

and agree that your performance of the assignment, including without limitation your development and reporting of the appraisal and your interactions with all persons, will not be based in part or in whole on information involving any legally protected characteristics, regardless of your intention, unless expressly permitted by law. You agree that you and persons acting under your direction or control are knowledgeable of and will abide by all applicable federal, state, and local laws and regulations governing nondiscrimination.

1. Specifically Prohibited/Unacceptable Practices

To avoid discrimination, or a suggestion of discrimination, by you or by other parties who may utilize or rely on your appraisal, you agree that you will not:

- a) Act with bias or otherwise discriminate against or treat differently any individual or group based on a protected characteristic.
- b) Consider, discuss, or refer to any protected characteristic of any party or with regard to the neighborhood or community within which the subject property is located in your appraisal development and/or report or in communications with other parties, including MountainSeed, unless expressly permitted by law or regulation.
- c) Use, rely on, consider, or discuss in any analysis, opinion or conclusion, any assumptions, stereotypes, or generalizations related to protected characteristics (or nonprotected characteristics intentionally used as a substitute for a protected characteristic).
- d) Employ terminology or veiled language as code words that may signal underlying bias, including but not limited to desirable location/neighborhood, diverse, gentrified, pride of ownership, predominantly White or Black or Hispanic neighborhood, services or amenities geared toward a protected class or using generational descriptors such as Gen X, Millennial, or Boomer.

These specific unacceptable practices do not limit your responsibility to comply with all other discrimination prohibitions in the applicable laws and regulations.

2. Exceptions

In limited circumstances, applicable nondiscrimination laws and regulations may permit the consideration of protected characteristics in the performance of an appraisal (e.g., the prohibition against discrimination based on family may not be applicable to an appraisal of housing legally designated for older persons). If a protected characteristic is considered under such a limited exception, that such consideration is required or expressly permitted by law or regulation, the appraiser must conspicuously state in the report the protected characteristic(s) considered and cite the law or regulation that requires or expressly permits consideration.

3. Reporting of Concerns and Accusations

In the event that any party expresses a concern or makes any accusation regarding discrimination, you agree that you will immediately notify MountainSeed and cooperate with MountainSeed in its investigation and resolution of the matter.

vi. State- Specific Requirements

1. AMC Registration/License Number & Fee Disclosure

Appraisals are expected to comply with any state- specific requirements regarding the disclosure of: (a) MountainSeed's AMC registration or license number, as applicable; and/or (b) the fee paid for your services. Pursuant to state law, MountainSeed cannot prohibit the appraiser from disclosing the appraisal fee within the appraisal report. Furthermore, MountainSeed does not require the appraiser to disclose the AMC registration/license number or appraisal fee within the appraisal report, however in the following states, you should disclose the AMC registration and/or your fee within the body of the appraisal report. (Note: This list is provided for informational purposes only. It is your responsibility to verify disclosure requirements with the licensing board in the state where the subject property is located.)

State	Appraiser to Disclose in Report (AMC #, Fee, or Both)	Special Instructions
Alabama	AMC #	Appraiser shall state fee paid to appraiser in certification of report.
Arizona	Fee	Appraiser shall state their fee in scope of work section of report.
Colorado	Fee	None
Georgia	Both	None
Illinois	Both	See Assignments Involving Illinois Property
Kentucky	Both	Appraiser to place AMC name, registration number and fee paid to appraiser in report.
Louisiana	Fee	None
Montana	AMC #	None
Nevada	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.
New Jersey	Both	None
New Mexico	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.
Ohio	Fee	Appraiser to state actual fees paid to the appraiser within the body of the appraisal report.
Utah	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.
Vermont	Fee	Appraiser to state fee paid to appraiser in report.

2. Assignments Involving Illinois Property

For appraisal assignments involving property located in the state of Illinois, you must comply with the requirements of Illinois law and the Illinois Administrative Code. Illinois has established state law governing appraisal assignments in which an AMC is involved. You must comply with Illinois

law, including the provisions of Illinois Administrative Code Section 1455.250.

a. Client(s) & Intended User(s)

MountainSeed is an appraisal management company (AMC) and is engaging you on the Financial Institutions behalf, acting as the Financial Institutions agent. As the Financial Institution is engaging you through MountainSeed (an agent), the Financial Institution is also a client. Accordingly, notwithstanding any provision to the contrary contained in this Engagement Letter, ***you must identify MountainSeed as the client and the Financial Institution as the intended user in the appraisal report.***

b. AMC Illinois Registration Number

The appraiser shall prominently display the appraisal management company's Illinois registration number (see top of this engagement letter) and expiration date as follows: "The appraisal management company's Illinois registration number is 558.xxxxxx and it expires on (month/day/year)."

Verify current license number and expiration date

at: <https://online-dfpr.micropact.com/Lookup/LicenseLookup.aspx>

c. Fee Payment Statement

Per Illinois Administrative Code Section 1455.250, the appraiser shall prominently display the appropriate statement as follows:

- 1) An independent appraiser by employment or contract for a specific assignment, the appraiser shall prominently display the appraisal fee received from the appraisal management company in the certification as follows: "The compensation for this appraisal assignment is \$____."
- 2) An employee appraiser for a specific assignment, the appraiser shall prominently display the appraisal fee received from the appraisal management company in the certification as follows: "The compensation for this appraisal assignment is \$_____."
- 3) An employee appraiser who receives a salary and does not receive a fee for the assignment, the employee appraiser shall prominently display the following language: "The appraiser is a salaried employee and received no appraisal fee for the assignment."
- 4) An appraiser for a specific assignment, the appraiser shall prominently display the appraisal management company's Illinois registration number and expiration date as follows: "The appraisal management company's Illinois registration number is _____ and it expires on (month/day/year)."

d. To our knowledge, the owner of the property under appraisal has not been advised that interior images may be required under the assignment criteria. It is advised that upon contact with the owner, you notify them of any interior images that may be required.

vii. Form- Specific Requirements

1. FHLMC Form 71A

If Form 71A is used, the appraiser must conspicuously state in an addendum that the pre- printed definition of market value, contingent & limiting conditions, certification, and FHLMC Form 461 (lease analysis) referenced on Form 71A are outdated and are not incorporated in the report. (See 71A Addendum Example below).

At a minimum, the report must contain a current definition of market value, assumptions and limiting conditions, and certifications that comply with the current USPAP.

71A Addendum Example:

FORM 71A CONTAINS THE FOLLOWING PRE- PRINTED ELEMENTS THAT ARE OUTDATED AND COMPROMISE COMPLIANCE WITH CURRENT STANDARDS AND GUIDELINES. THESE PRE- PRINTED ELEMENTS ARE NOT INCORPORATED IN THE REPORT.

- 1. Definition of Market Value Not current (c.1975) as printed on Form 71A and not consistent with the current FIRREA definition. (See FIRREA Title XI § 323.2 Definitions. (h) Market value)*
- 2. Contingent & Limiting Conditions Not current with USPAP as they contain assumptions that appear to require explicit identification as Extraordinary Assumptions (e.g. assumptions regarding condition). [See USPAP Standard 2- 2 (a)(xiii)]*
- 3. Certification Not current or consistent with the current minimum certification required by USPAP. (See USPAP Standard 2- 3)*
- 4. FHLMC Form 461 (Lease Analysis) Inadequate to meet current standards and requirements for development and reporting.*

THE APPRAISER HAS REPLACED THESE WITH ADDENDA AND ATTACHMENTS THAT COMPLY WITH CURRENT STANDARDS AND GUIDELINES.

2. FHLMC Form 71B

If a 71B is ordered, the appraiser must conspicuously state in an addendum that FHLMC 239 (certification and statement of limiting conditions, including definition of market value) and FHLMC Form 461 (lease analysis) referenced on form 71B are outdated and are not incorporated in the report. (See 71B Addendum Example below)

At a minimum, the report must contain a current definition of market value, assumptions and limiting conditions, and certifications that comply with the current USPAP.

71B Addendum Example:

FORM 71B CONTAINS PRE- PRINTED REFERENCES TO THE FOLLOWING FORMS THAT ARE OUTDATED AND COMPROMISE COMPLIANCE WITH CURRENT STANDARDS AND GUIDELINES. THESE ELEMENTS ARE NOT INCORPORATED IN THE REPORT.

1. FHLMC 239 Outdated due to:

a. Definition of Market Value) Not current (c.1975) and not consistent with the current FIRREA definition. (See FIRREA Title XI § 323.2 Definitions. (h) Market value)

b. Contingent & Limiting Conditions Not current with USPAP as they contain assumptions that appear to require explicit identification as Extraordinary Assumptions (e.g. assumptions regarding condition). [See USPAP Standard 2- 2 (a)(xiii)]

c. Certification Not current or consistent with the current minimum certification required by USPAP. (See USPAP Standard 2- 3)

2. FHMLC Form 461 (Lease Analysis) *Inadequate to meet current standards and requirements for development and reporting.*

THE APPRAISER HAS REPLACED THESE WITH ADDENDA AND ATTACHMENTS THAT COMPLY WITH CURRENT STANDARDS AND GUIDELINES.

viii. Special Requirements

Your Appraisal must comply with USPAP, the Additional Requirements stated above, and all the terms and conditions and any Special Requirements set forth in this Engagement Letter.

g. Requirements for Delivery of the Appraisal

i. Delivery to MountainSeed

You must upload the Appraisal, including all exhibits and addendums, in a color PDF format to the Web Portal. You must upload a separate PDF of your invoice for the report in accordance with the Invoicing and Payment section below. The invoice should comply with the requirements of Section II(b) of this Engagement Letter.

ii. Due Date

You must deliver all work product required under the terms of this Engagement Letter by 5pm (local time of the subject property) on the Due Date. You must promptly notify MountainSeed in writing, and in no event less than two (2) business days prior to the Due Date, in the event that you anticipate any delay in meeting the Due Date. MountainSeed shall be under no obligation to extend the Due Date.

iii. Effective Date of the Appraisal

The effective date of your valuation opinion must be within thirty (30) days of the date of your delivery of the Appraisal, unless instructed otherwise.

II. POST- DELIVERY

a. Review of the Appraisal and Response to Related Inquiries

You acknowledge that MountainSeed may, for the benefit of MountainSeed and the Financial Institution, conduct or cause to be conducted a review of your completed appraisal. In connection with that review, MountainSeed may contact you to discuss your appraisal, to ask questions, or to request revisions in connection with MountainSeeds Appraisal Independence Policy. You agree to respond: (i) **within one (1) business day** to acknowledge your receipt of any such communication, and (ii) **within two (2) business days** to address any requests for revisions or additional information. You acknowledge that the resolution of such requests may in some cases require further analysis or written response from you and you agree that such analysis or response is part of the scope of work agreed to in connection with this assignment and will be provided at no additional charge.

Furthermore, you acknowledge that MountainSeed may use the results of any reviews or other quality control processes to establish an appraiser scorecard or other methodology or process for determining the quality of your work product (a **Scorecard**), and you agree that MountainSeed may share the results of any such Scorecard with the Financial Institution and other Financial Institution clients and third parties. You have the right to request a copy of your Scorecard and to dispute any information contained in it.

MountainSeed agrees to use good faith efforts to cooperate with you in resolving any such disputes regarding information contained on your Scorecard.

b. Invoicing and Payment

i. Generally

You must address your invoice to the Financial Institution (Client) at its address and submit it with your

completed Appraisal. ***The fee for this engagement set forth above includes all expenses, including travel and any technical assistance that you feel is necessary or appropriate.*** Your invoice at a minimum should include your contact information, the property address and MountainSeed File ID Number, the fee, an invoice date and payment terms, and shall be accompanied by a completed IRS W- 9 Form (unless you have already provided a copy of your W- 9 to MountainSeed).

Provided you have delivered the appraisal and otherwise fully satisfied your obligations hereunder, the Financial Institution (Client) will pay your fee as set forth above within forty- five (45) days following the later to occur of (1) the Clients receipt of your invoice and all required supplemental information (e.g., W- 9) or (2) the Clients receipt of completed report or work product meeting all requirements of this Engagement Letter.

You acknowledge and agree that your fee may be withheld in the event that your work product, in the Clients reasonable discretion, does not comply with any requirement of this Engagement Letter.

Please note that MountainSeed does not charge the Client an all- inclusive flat fee (your appraiser fee and the AMC fee combined). Instead, MountainSeed's arrangement with the Client requires you to invoice the Financial Institution directly for your agreed- upon fee. MountainSeed's fee is invoiced separately from yours. We believe this model provides transparency for you. We believe that asking you to bill the Financial Institution directly for your appraisal fee eliminates delay.

While it is our belief that this is the best payment model, we also understand that it is possible that from time to time a Client may be delinquent in timely payment. We do not want to be a deterrent in your receiving timely payment. If you have outstanding invoices that are excessively delinquent and would like to inquire directly to the Financial Institution on the status of your payment, please feel free to place a message in the Web Portal and request the contact information for the accounts payable department at the Financial Institution.

ii. Payment Requests

If you believe that the Financial Institution has failed to pay your fee for an appraisal within 40 days of the date you transmitted to us your completed appraisal, except where you have been notified of any non- compliance with the conditions of the engagement, in addition to placing a message in the Web Portal please contact MountainSeed immediately at accounting@mountainseed.com so that we can work with you and the Financial Institution to ensure that you receive timely payment. Please note that while we believe that our payment policy is mutually beneficial, it does require that we rely on you to notify us when you have not been timely paid. To assist us in prioritizing your request for payment, please include the phrase PAYMENT REQUEST in all caps in the subject line of your email.

Please note that except as specifically provided elsewhere in this agreement (or as required by law/regulation), MountainSeed does not assume liability for your fee in the event that the Financial Institution fails to pay or is in delinquent in paying your invoice.

iii. State- Specific Requirements

1. Timing of Payment

a) In states that require payment be made within less than 45 days (LA, NC, NY, VA, WI), payment shall be made within the allowed time period (30 days).

b) In states with an allowed time period for payment greater than 45 days, client may reserve the right to exceed 45 days without notice and shall make payment within the time period allowed by state law/rule/regulation.

2. Payment Requests

a) For assignments involving properties located in states with laws and/or regulations requiring an appraisal management company to assume all responsibility for payment of the appraisal fee (e.g. Illinois, North

Carolina): After notifying MountainSeed as set forth in Payment Requests, if you have not been paid by the Financial Institution, and you have not been notified of any non-compliance with the conditions of the engagement, MountainSeed will pay any outstanding portion of your fee within the time allowed by law/regulation after you transmitted a completed report compliant with the terms of this Engagement Letter. In states with an allowed time period for payment greater than 45 days, client may reserve the right to exceed 45 days without notice and shall make payment within the time period allowed by state law/rule/regulation.

b) In states that require payment be made within 30 days (LA, NC, NY, VA, WI), if an appraiser believes the Client has not paid a fee within 25 days, calculated from the date a completed report was transmitted to MountainSeed, except where the appraiser has been notified of any non-compliance with the conditions of the engagement, the appraiser shall place a message in the Web Portal AND contact MountainSeed immediately at accounting@mountainseed.com so that MountainSeed can ensure timely payment.

c. Disputes

MountainSeed has established a policy and a process for handling dispute requests from the Client following the Client's receipt of the completed appraisal, in accordance with the Appraiser Independence Policy and Client Dispute Policy. If you receive a completed dispute request form through the Web Portal, you agree to respond: (i) **within one (1) business day** to acknowledge your receipt of any such communication, and (ii) **within three (3) business days** to address any requests for revisions or additional information utilizing the Web Portal. You acknowledge that the resolution of such dispute requests may in some cases require further analysis or written response from you and you agree that such analysis or response is part of the scope of work agreed to in connection with this assignment and will be provided at no additional charge.

III. REPRESENTATIONS AND WARRANTIES

a. Licensure/Certification

You represent and warrant that you hold the appraisal license or certification necessary to perform the appraisal assignment. Furthermore, you represent and warrant that all professional qualifications, licenses, and other information provided to MountainSeed or Financial Institution were and remain valid, true, correct, and complete in every respect, except to the extent you have notified MountainSeed and Financial Institution in writing of any change.

b. Appraisal Standards and Competency

By executing this Engagement Letter you acknowledge, declare, represent and warrant that you:

(i) Understand the competency requirements of the pertinent version of USPAP and can satisfy each provision of the competency rule;

(ii) Meet the competency requirements for this appraisal assignment;

(iii) Are competent in the property type of the assignment;

(iv) Are competent in the geographical area of the assignment;

(v) Have access to appropriate data sources for the assignment;

(vi) Are aware that misrepresentation of competency may be subject to the mandatory reporting requirement in the most current version of USPAP;

(vii) Are familiar with the laws, rules, regulations, guidelines and other materials described in USPAP and the Additional Requirements;

(viii) Are not aware of any reason why you or the Appraisal you prepare in connection with this assignment would fail to comply with USPAP and Additional Requirements, including without limitation the independence provisions and prohibitions on conflicts of interest;

(ix) Have specific experience with the Subject Property type;

(x) Hold all licenses, registrations, permits, certifications and governmental or other authorizations required to perform the appraisal in accordance with USPAP and the Additional Requirements, and in compliance with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines;

(xi) Have not performed any prior services regarding the Subject Property, as an appraiser, or in any other capacity, within the three-year period ending with the date of this Engagement Letter, or if you have you have performed such services, have disclosed those services in writing in compliance with USPAP prior to

accepting this assignment;

(xii) To your actual knowledge, are not listed on an exclusionary list or any similar list maintained by any governmental or quasi- governmental entity;

(xiii) To your actual knowledge, have not had any registration, certificate or license to act as an appraiser refused, denied, canceled, surrendered in lieu of a pending revocation, suspended or revoked by any state or appraisal board prior to or as of the date of this Engagement Letter; and

(xiv) Have no interest, direct or indirect, financial or otherwise in the Subject Property or the underlying transaction. ***(Although USPAP may allow an appraiser to appraise a property in which the appraiser has an interest with appropriate disclosures, the Additional Requirements do not permit such activity. If you have an interest in the Subject Property, you must decline this assignment.)***

c. Compliance with Applicable Law

You represent and warrant that you perform services as covered by this Engagement Letter in compliance with all applicable federal and state laws, regulations, and guidance, including, but not limited to, the laws, regulations, and guidance identified in the Additional Requirements section of this Engagement Letter.

d. Errors & Omissions Insurance

You represent and warrant that you maintain, and covenant that you shall continue to maintain (either by continuation of similar coverage with the same or a different insurance carrier or by the purchase of extended reporting period coverage or tail coverage) for a period of three years after the date of completion of this assignment, professional liability insurance (***E&O Insurance***) covering damages arising from the professional appraisal services delivered by you under this Engagement Letter. Your E&O Insurance shall: (i) have a minimum liability limit of \$500,000 per claim and \$1,000,000 in aggregate for all claims, (ii) be issued by an insurance carrier having a Bests Financial Strength rating of A- or better and Financial Size Category of at least Class IX, and (iii) be issued on an insurance policy form and by an insurance program acceptable to MountainSeed and Financial Institution. The policy shall not contain an exclusion for defense or damages relating to claims arising out of failed financial institutions or claims made by the FDIC or any other state or federal regulator or insurer of Financial Institutions, mortgage lenders, or other financial institutions.

You represent and warrant that you have provided MountainSeed (or other persons or entities as directed by MountainSeed) with true, correct and complete insurance declarations page or certificate of coverage evidencing your current E&O Insurance together with any other insurance documentation relating to such coverage requested by MountainSeed.

You agree to supply evidence of E&O Insurance whenever your E&O Insurance is renewed or replaced and shall immediately inform MountainSeed (or other persons or entities as directed by MountainSeed) of any nonrenewal, cancellation, termination or change of prior acts date/retroactive date of Appraisers E&O Insurance. During the period that you are required to carry E&O Insurance under this Engagement Letter, you shall not make any change or alteration to your E&O Insurance which results in the loss of prior acts or retroactive date coverage covering the date on which the assignment was performed under this Agreement. You consent to MountainSeed confirming E&O Insurance coverage directly with the insurance carriers or insurance program administrators.

IV. INTELLECTUAL PROPERTY

As between you and the Financial Institution, the Financial Institution will be deemed to own your appraisal and any reports or other information provided by you to Financial Institution in connection with this Engagement Letter, and neither Financial Institution nor MountainSeed will be restricted in any way with respect to redistribution of such information. You shall not claim any copyrights or other ownership interests in that work product. You, however, shall have the right to retain copies of reports, documents or other information produced or utilized by you for the purpose of your work file under USPAP or as may be required under any law or regulation.

Notwithstanding the foregoing, you acknowledge and agree that, in connection with its review of your Appraisal or otherwise, MountainSeed may extract and compile market data, including without limitation,

information relating to comparable sales, rents, operating expenses, income, leases, and leasing activity; neighborhood descriptions; economic trends; and similar information, including, without limitation, for purposes of populating databases to be used by MountainSeed and its affiliates in future performance of services for, and product offerings to Financial Institution and other clients. Any such databases or other compilation of data extracted and compiled by MountainSeed shall be owned solely by MountainSeed, and you specifically disclaim, transfer, and assign to MountainSeed any right, title or interest in and to such databases and compilations and the information contained in them; provided, however, that this sentence shall not limit the Financial Institutions rights to use the appraisal in accordance with the terms of this Engagement Letter. For the absence of doubt, any such information extracted from your Appraisal and compiled by MountainSeed solely in accordance with the rights granted to MountainSeed under this paragraph shall not include your opinion of the value of the Subject Property as stated in the Appraisal, or any other confidential information relating to the Subject Property or the loan or transaction underlying the appraisal (including the identity of the lender and the identity of the borrower), or any confidential information with respect to the Financial Institution, the borrower, or the Financial Institutions or borrowers business operations, to the extent not already publicly available.

V. OTHER PROVISIONS

a. Relationship between the Parties

In the performance of services under the terms of this Engagement Letter, you shall act solely as an independent contractor, and nothing herein contained or implied shall at any time be construed so as to create the relationship of employer and employee, master and servant, partner, principal and agent or joint venture partner between you and Financial Institution or MountainSeed. Specifically, you acknowledge and agree that (i) neither Financial Institution nor MountainSeed will withhold any taxes, income or otherwise, from payments to you and that you will be required to file corporate, partnership, and/or individual tax returns and to pay taxes in accordance with applicable federal, state and local laws, (ii) this Engagement Letter is not an employment agreement, (iii) you are not an employee of MountainSeed or Financial Institution for any purpose, including, but not limited to, application of the Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, state and federal income tax withholding requirements, workers compensation insurance, and third- party liability claims, (iv) neither MountainSeed nor Financial Institution shall be liable for any obligations incurred by you unless specifically authorized in writing, (v) you shall not act as an agent of MountainSeed or Financial Institution, nor bind MountainSeed or Financial Institution in any manner, (vi) you shall not represent or communicate to any party that you are an employee or an agent of MountainSeed or Financial Institution, and (vii) you are free to perform services for any and all other clients or management companies and you are free to set your own hours with respect to the performance of the assignment under this Engagement Letter.

b. Subcontracting Performance of Services

i. Generally

No subcontracting or outsourcing is permitted under this Engagement Letter. You, as the person signing this Engagement Letter, shall be the person who performs and signs the Appraisal requested herein. In general, the Financial Institution expects that you shall be the person that personally inspects the Property in connection with your Appraisal. Requests to have another employee in your firm inspect the Property must be approved and accepted by MountainSeed prior to engagement. Unless specifically instructed otherwise by MountainSeed or the Financial Institution, you may receive assistance in completing the Appraisal, so long as: (1) you at all times comply with USPAP, the Additional Requirements and the other provisions of this Engagement Letter, including without limitation in documenting the assistance you received, (2) the person providing the assistance is employed directly by you or by your appraisal firm and is characterized as an employee (and not an independent contractor) for federal income tax purposes; (3) the person providing the assistance is competent and qualified to provide the assistance and holds all necessary state, federal or local licenses, certificates or other authorizations required by any applicable authority; (4) you continuously supervise the person providing the assistance at all times in any work related to this Appraisal assignment, and (5) you sign the Appraisal and certification and accept full responsibility for the work. Specifically, and without limitation, you acknowledge and agree that you are

familiar with applicable state laws, rules and appraisal board regulations, if any, regarding receiving professional assistance in connection with an appraisal assignment and that you shall at all times comply with those laws, rules and regulations in receiving any assistance in performing the Appraisal. You shall not assign this Engagement Letter to any other party, and any attempt by you to assign shall be void.

ii. State- Specific Requirements

For appraisal assignments involving property located in the state of Montana, subject to being permissible under the policies of the Financial Institution, Subsection V(b)(i), above, does not preclude you from: (i) utilizing the assistance of a licensed real estate trainee (under your supervision) or (ii) transferring the assignment to your employee who is Montana- licensed or - certified real estate appraiser who is a member of the Financial Institutions panel, provided that such individual can complete the work in accordance with USPAP and pursuant to the requirements of the Montana Board of Real Estate Appraisers.

c. No Disclaimers

The Financial Institution reserves the right not to accept the report and neither Financial Institution nor MountainSeed will be responsible for any fees or expenses incurred hereunder if your report includes disclaimers limiting your professional liability for services typically performed by an appraiser. This section shall not prohibit you from including standard disclaimers that may limit your liability for services typically performed by a third- party and that an appraiser is not qualified to perform, such as environmental site assessments.

d. No Third- Party Beneficiaries

All requirements and standards for you and your work product are imposed solely and exclusively for the benefit of MountainSeed and Financial Institution and their respective successors and assigns, and no other person shall be deemed a third- party beneficiary of this Engagement Letter. You are solely responsible for ensuring that you and your work product comply with all such requirements and standards. Specifically, you are not entitled to rely on any review that MountainSeed may perform to evaluate your work products compliance with any such requirements and standards. You should not assume that MountainSeed will refuse to accept your work product in absence of strict compliance with any or all such requirements and standards.

e. No Promise of Future Assignments

You acknowledge that neither MountainSeed nor Financial Institution has made any guarantee of future assignments. Neither Financial Institution nor MountainSeed makes any promise or guarantee as to any minimum number of assignments or minimum level of revenue.

f. Indemnity

You agree to indemnify MountainSeed for any and all loss, damage, liability, claim or expense incurred by an Indemnified Party arising out of or related to (i) any death, bodily injury or damage to property resulting from your acts or omissions, (ii) your negligence, gross negligence or willful misconduct in performing this assignment; or (iii) any breach of your representations, warranties and covenants contained in this Engagement Letter. Notwithstanding the foregoing, nothing in subpart (iii) above will be deemed to require you to defend, indemnify or hold harmless MountainSeed or any MountainSeed- related Indemnified Party with respect to any liability, damage, loss, claim or expense that arises out of the services performed by MountainSeed, its agents, employees, or independent contractors, and not the services you performed.

Furthermore, this indemnification provision in this paragraph shall not apply to appraisals performed in Vermont; for other states, in the event that the indemnification provision in this paragraph is broader than permitted by any applicable law or regulation, this section shall be limited to the extent of the indemnification permitted by such law or regulation in that state.

g. Termination

Notwithstanding anything contained herein to the contrary, either Financial Institution or MountainSeed may, at its option and for any reason, terminate this agreement without responsibility for payment of the appraiser's fees or costs, except for any actual staff time and out- of- pocket costs only, not to exceed the fee amount stated above, incurred by the appraiser in connection with the appraiser's performance of this

agreement as of the date of termination.

h. Amendment

This Engagement Letter may only be amended in writing, signed by the parties hereto.

i. Confidentiality

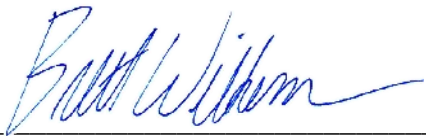
You will take all reasonable steps to ensure that neither you nor any organization with which you are affiliated (including any employees, agents, appraisers, or officers of any such organization) will divulge any Confidential Information concerning your Appraisal to any person other than Financial Institution or MountainSeed. For purposes of this engagement letter, the term **Confidential Information** shall mean all non- public data or information that is submitted directly or indirectly to you by MountainSeed or Financial Institution or obtained or learned by you as a result of the engagement described in this Letter, including without limitation, information related to Financial Institutions or MountainSeeds customers, technology, operations facilities, consumer markets, products, capabilities, systems procedures, security practices, research, development, business affairs, ideas, concepts, innovations, inventions, designs, business methodologies, improvements, trade secrets, copyrightable subject matter and other proprietary information.

All Confidential Information shall remain the property of Financial Institution or MountainSeed, as applicable, and shall be protected as described below.

Except may be required by applicable law or lawful order or requirement of a court or other governmental authority having jurisdiction over you, you shall take reasonable means to hold all Confidential Information in confidence, and you shall not use (except for purposes set forth herein and authorized by Financial Institution or MountainSeed), disclose, duplicate, publish, release, transfer or otherwise make available Confidential Information in any form to, or for the use and benefit of, any person or entity without the express written consent of MountainSeed. You represent and warrant to Financial Institution and MountainSeed that you have established commercially reasonable controls to ensure the confidentiality of Confidential Information and to insure that Confidential Information is not disclosed in violation of the provisions of this Engagement Letter or the Gramm- Leach- Bliley Act of 1999 (15 U.S.C. § 6801, et seq.), as it may be amended, supplemented or replaced from time to time (the **GLB Act**) and the regulations promulgated thereunder. If the GLB Act, the regulations promulgated thereunder or other applicable law now or hereafter in effect imposes a higher standard of confidentiality, such standard shall prevail over the standard set forth in this Engagement Letter.

You also agree that you will at any time during your engagement, at MountainSeeds or Financial Institutions request, and in any event, at the termination of this engagement, regardless of the reason, surrender to MountainSeed and/or Financial Institution (as is appropriate) all Confidential Information and any copies or abstracts thereof, to the extent surrendering the information is not prohibited under USPAP or other applicable federal, state and local laws, ordinances, rules, regulations and guidelines that may require you to maintain certain records.

You have caused this Engagement Letter to be executed as of the date set forth below.

 _____ (COMPANY)

By: _____ BBG Inc

Name: _____ Brett Wilkerson, MAI

Title: _____

APPRAISER LICENSES AND QUALIFICATIONS

Profile

Eric Pitcher is a staff appraiser at BBG working out of the Denver office. Mr. Pitcher joined BBG in January of 2019 and has extensive experience appraising the following property types: multi-family, retail, office, medical office, industrial, commercial condominiums, vacant commercial land, affordable MF, religious facilities and air plane hangars and new construction.

Mr. Pitcher began his career at BBG as an analyst and continued his advancement by becoming a Certified General Appraiser within the State of Colorado. Prior to his career in commercial real estate, Mr. Pitcher spent significant time as a Geographic Information Systems (GIS) analyst for environmental consulting firms as well as energy companies.

Professional Affiliations

Certified General Real Estate Appraiser

State of Colorado (License No. CG200002579)

Education

Bachelor of Arts – Geography/Geographic Information Systems – University of Northern Colorado, 2009

Bachelor of Arts – History – University of Northern Colorado, 2009

Coursework

Basic Appraisal Principles

Basic Appraisal Procedures

National USPAP Course

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Approach

General Appraiser Report Writing and Case Studies

Statistics, Modeling and Finance

General Appraiser Market Analysis & Highest & Best Use

Expert Witness for Commercial Appraisers

Commercial Appraisal Review



COLORADO

Department of
Regulatory Agencies

Division of Real Estate

1560 Broadway, Suite 925
Denver, CO 80202-5111

Dear Eric Michael Pitcher

Congratulations! Below are your electronic wallet cards and a larger wall license to use as proof of your licensure. You may also print your license any time through your Online E-Services account by visiting our homepage at dora.colorado.gov/dre and selecting "Online E-Services" from our "Quick Links".

If you have any questions about your credential, or if you require any additional assistance, please contact our Customer Support Team at (303) 894-2166 or by email at dora_realestate_website@state.co.us.

Eric Michael Pitcher Eric Pitcher 1616 S Van Dyke Way Lakewood, CO 80228	State of Colorado Department of Regulatory Agencies Division of Real Estate	
		License #: CG200002579 Status: Active Expires: 12/31/2025
Director: Marcia Waters		
For the most up to date information regarding this credential, visit http://dora.colorado.gov/dre		

Colorado Department of Regulatory Agencies Division of Real Estate Eric Michael Pitcher Certified General Appraiser	
<u>CG200002579</u>	<u>12/12/2023</u>
License Number	Issue Date
<u>Active</u>	<u>12/31/2025</u>
License Status	Expiration
Verify this license at http://dora.colorado.gov/dre	
	
Director: Marcia Waters	Licensee Signature



Profile

Rob has comprehensive experience in commercial brokerage, valuation, consulting, litigation support and university instruction dating back to 1989. His valuation experience includes a wide range of commercial property types with a focus on multifamily and affordable housing. Rob has been a member of the Appraisal Institute since 1992 and has held the MAI designation since 2002 and has a wide mix of commercial real estate experience across many markets. He also has earned a Master of Business Administration with a real estate concentration and is a Georgia Certified General Real Property Appraiser. Rob has worked as an appraiser or broker on properties throughout the US. He served as a reviewer for under-performing new development loans and litigation support during the Resolution Trust Corp Era, as well as, a key participant in nearly a dozen environmental class action defense cases with many having total potential class claims of over \$1 Billion.

In addition to conventional market rate multifamily properties, Rob has focused on multifamily financed under government-sponsored affordable housing programs. This appraisal practice focus includes Low Income Housing Tax Credits (LIHTC)/Section 42, HOME Investment Partnerships Program (HOME), as well as, other U.S. Department of Housing and Urban Development (HUD) programs. This multifamily concentration includes experience with Federal Home Loan Mortgage Corporation (FHLMC), known as Freddie Mac and Federal National Mortgage Association (FNMA), also known as Fannie Mae compliant reports. Along with a variety of conventional financing uses, there has been many opinions used for new development, valuation of tax credits, partnership buyout or exit negotiation, estate and tax planning, takings and various consulting.

Rob served as a Director in an investment sales group that specialized in the sale of affordable housing including properties developed with low income housing tax credits and various complementing programs. Rob first joining this investment sales group at HFF (Holiday Fenoglio Fowler, LP) in 2005 and when this specialty group moved to ARA (Apartment Realty Advisors).

For ten years (1995 to 2005) Rob also served as an Adjunct Professor of Graduate Studies focused on real estate topics at the University of New Orleans (LSU System) where he also served as Assistant Director and Consulting Analyst in UNO's Real Estate Market Data Center for thirteen (13)-years.

Professional Affiliations

MAI, Member of the Appraisal Institute No.11687

Certified General Real Estate Appraiser

State of South Carolina (License 7751)
State of Tennessee (License No. 00005042)
State of Alabama (License No. G01486)
State of Louisiana (License No. APR.00920-CGA)

Certified General Real Property Appraiser

State of Florida (License No. RZ3435)
State of Georgia (License No. 334357)
State of Colorado (License No. CG200003816)

State of Georgia Salesperson (License No.328385)

Education

MBA with Real Estate Finance Concentration - University of New Orleans, 1991
BS in Marketing -University of New Orleans, 1989



COLORADO

Department of
Regulatory Agencies

Division of Real Estate

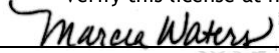
1560 Broadway, Suite 925
Denver, CO 80202-5111

Dear Robert L Ryan

Congratulations! Below are your electronic wallet cards and a larger wall license to use as proof of your licensure. You may also print your license any time through your Online E-Services account by visiting our homepage at dora.colorado.gov/dre and selecting "Online E-Services" from our "Quick Links".

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Robert L Ryan Robert Ryan 1820 Shelburne Rdg Marietta, GA 30068-1525	<p>State of Colorado Department of Regulatory Agencies Division of Real Estate</p> <p>Board of Real Estate Appraisers</p> <p>Robert L Ryan Certified General Appraiser</p>	
 Director: Marcia Waters		License #: CG200003816 Status: Active Expires: 12/31/2024
For the most up to date information regarding this credential, visit http://dora.colorado.gov/dre		

Colorado Department of Regulatory Agencies Division of Real Estate Robert L Ryan Certified General Appraiser	
CG200003816	05/14/2024
License Number	Issue Date
Active	12/31/2024
License Status	Expiration
Verify this license at http://dora.colorado.gov/dre	
 Director: Marcia Waters	 Licensee Signature





Brett Wilkerson, MAI
Managing Director
Work: 303-420-1052 x3303
bwilkerson@bbgres.com

Profile

Brett Wilkerson is the Managing Director of the Denver office. He has significant expertise with multi-family valuation, feasibility, and market studies of conventional and affordable properties. His experience also includes the valuation of commercial properties, including office buildings; office/warehouses; industrial properties, retail properties; condominiums, and vacant land. He successfully completed many neighborhood, city, and market studies.

Brett began his career with Butler Burgher, Inc. in 2005 as an analyst. He continued his advancement by becoming a General Certified Appraiser followed by Director prior to becoming Managing Director- Denver.

Professional Affiliations

Appraisal Institute
MAI Designation

General Certified Appraiser:

State of Colorado (License No. CG 200000805)
State of Texas (License No. TX-1337852)
State of Louisiana (License No. G 3714)
State of Utah (License No. 10190993-CG00)
State of Arizona (License No. 32190)
State of Wyoming (License No. AP-1547)
State of New Mexico (License No. 03517-G)
State of Kansas (License No. G-1322)
State of Montana (License No. REA-RAG-LIC-8701)

State of Oregon (License No. C001359)
State of Washington (License No. 1102546)
State of South Dakota (License No. 1530CG)
State of Iowa (License No. CG03845)
State of Massachusetts (License No. 1000197)
State of California (License No. 3008679)
State of Nevada (License No. A.0208345-CG)
State of Oklahoma (License No. 13268CGA)
State of Idaho (License No. CGA 4330)

HUD MAP Certified, May 2009
General Associate Member, No. 480652 (Appraisal Institute)

Education

Bachelor of Business Administration, Major in Finance, 2002
University of North Texas



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1560 Broadway, Suite 925
Denver, CO 80202-5111

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Brett J Wilkerson 8343 Douglas Avenue Suite 700 Dallas, TX 75225	<p>State of Colorado Department of Regulatory Agencies Division of Real Estate</p> <p>Board of Real Estate Appraisers</p> <p>Brett J Wilkerson Certified General Appraiser</p>	
 Director: Marcia Waters		License #: CG200000805 Status: Active Expires: 12/31/2024
For the most up to date information regarding this credential, visit http://dora.colorado.gov/dre		

Colorado Department of Regulatory Agencies Division of Real Estate Brett J Wilkerson Certified General Appraiser	
CG200000805	11/04/2022
License Number	Issue Date
Active	12/31/2024
License Status	Expiration
Verify this license at http://dora.colorado.gov/dre	
 Director: Marcia Waters	 Licensee Signature



INSURABLE VALUE

The opinion of insurable replacement cost is included at the request of the client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable replacement cost purposes. The appraisers are not familiar with the definition of insurable replacement cost from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The appraisers are not cost experts in cost estimating for insurance purposes.

INSURABLE REPLACEMENT COST			
Replacement Cost New (RCN)	Area (SF)	\$/SF	Subtotal
Building Improvements			
Base Cost	5,634	\$218.00	\$1,228,212
Sprinklers	5,634	\$5.24	\$29,522
Subtotal			\$1,257,734
Multipliers			
Current Cost		1.080	
Local Area		1.000	
Area Multiplier		1.011	
Story Height		1.000	
Product of Multipliers			x 1.092
Adjusted Base Building Cost			\$1,373,446
Less: Insurance Exclusions			
Total Insurance Exclusion Adjustment		10.00%	(\$137,345)
Insurable Replacement Cost			\$1,236,101
Rounded to nearest \$10,000			\$1,240,000
Source: Marshall Valuation Service			
Type: Restaurants	Section: 13	Class: C	