


Replat Staff Report

DATE: MARCH 27, 2024
TO: DOUGLAS COUNTY BOARD OF COUNTY COMMISSIONERS
THROUGH: DOUGLAS J. DEBORD, COUNTY MANAGER
FROM: TERENCE T. QUINN, AICP, DIRECTOR OF COMMUNITY DEVELOPMENT 
CC: ERIC PAVLINEK, PRINCIPAL PLANNER
JEANETTE BARE, AICP, PLANNING MANAGER
STEVEN E. KOSTER, AICP, ASSISTANT DIRECTOR OF PLANNING SERVICES
SUBJECT: INVERNESS FILING 7, 19TH AMENDMENT

PROJECT FILE: SB2023-064

OWNER:
REUNION INVERNESS RE LLC
2911 TURTLE CREEK BLVD, SUITE 1100
DALLAS, TEXAS 75219

APPLICANT:
TOMMY PUCCIANO
LOKAL HOMES
8310 S. VALLEY HIGHWAY, SUITE 115
ENGLEWOOD, COLORADO 80112

BOARD OF COUNTY COMMISSIONERS MEETING:

APRIL 9, 2024 @ 2:30 P.M.

I. EXECUTIVE SUMMARY

The request is for approval to replat Lot 1B-2 of Inverness Filing 7, 18th Amendment plat. The replat will result in 35 single-family attached residential lots, 7 tracts, and associated private drives within the 2.8-acre area. Central water and sewer service will be provided by the Inverness Water and Sanitation District (IWSD). A Homeowners Association will own and maintain the open space tracts, drainage facilities, and other subdivision infrastructure elements.

The replat has been processed in accordance with Article 7A – Administrative Replat. The applicant is also requesting approval of an alternative park land dedication standard as set forth in Article 10, Dedication Standards, of the Douglas County Subdivision Resolution (DCSR) for multi-family development proposals. As a result, the replat request is being brought before the Board of County Commissioners (Board) for its determination.

The property is zoned Planned Development within the Inverness Business Park and is generally located north of E-470, east of Interstate 25 and south of County Line Road.

II. REQUEST

A. Request

The applicant requests approval of a replat to establish 35 single-family attached residential lots for townhomes. The applicant has submitted an alternate park dedication standard. The Board may consider such requests in accordance with Section 1003.01 of the DCSR. The applicant also requests that the Board defer the payment of cash-in-lieu fees to time of building permit issuance for each of the eight multi-family structures proposed.

B. Process

In this case, the replat has been processed as an administrative replat as provided for in Section 708A of the DCSR. An administrative replat is a streamlined process for single family attached or multi-family dwelling units where central services are in place, no new public roads are required, and a concurrent Site Improvement Plan (SIP) has been submitted. Typical replat requirements still apply, including approval of all engineering reports, studies, and plans and provision of park and school land dedications if not previously met. In this case, as part of the park land dedication review process, the applicant has asked that the Board consider an alternative park dedication standard. For this reason, the replat is being brought before the Board.

Section 706.06 of the *DCSR* states: "The Board shall evaluate the replat request, staff report, referral agency comments, applicant responses, and public comment and testimony, and shall approve, approve with conditions, continue, table for further study, or deny the replat request. The Board's action shall be based on the evidence presented; compliance with adopted County standards, regulations, and policies; and other guidelines."

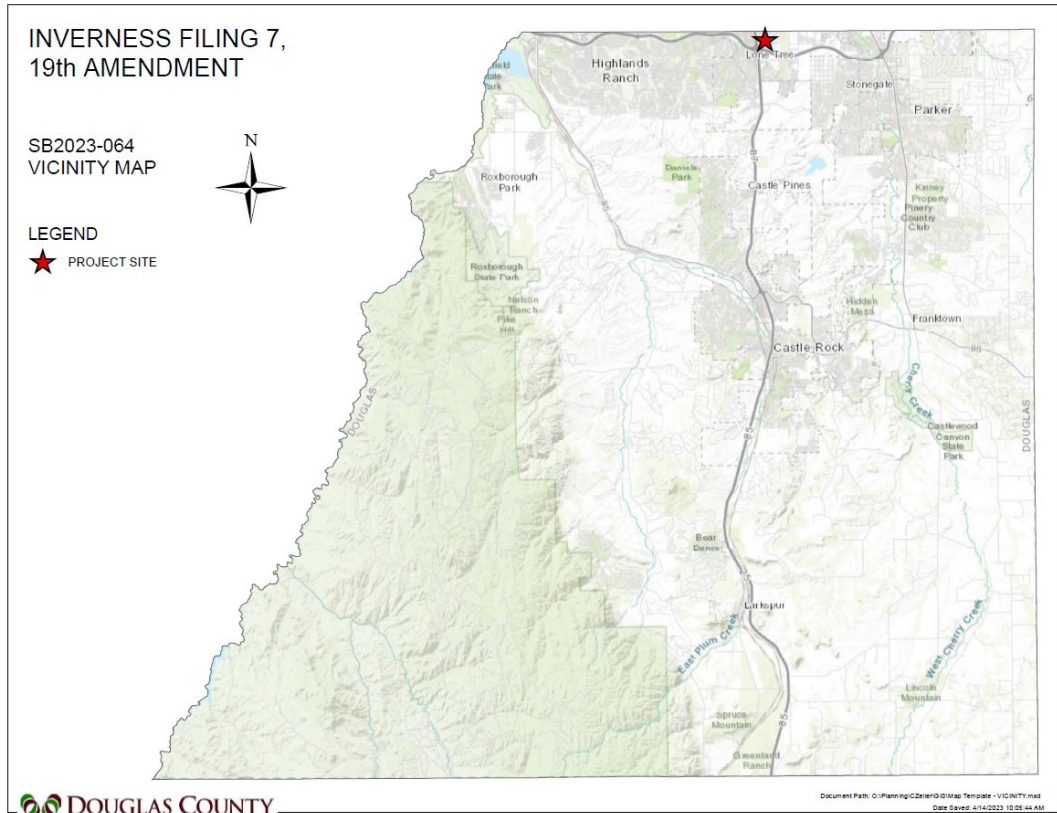
Article 1003.01 of the *DCSR* states: The following formula is used to calculate the minimum amount of land dedication required in residential developments which is deemed necessary to provide the needed parks. This formula is based on 15 acres/1000 population.

Local Park = Dwelling units x 0.015 acres/unit
Regional Park = Dwelling units x 0.030 acres/unit
Total = Dwelling units x 0.045 acres/unit

The Board reserves the right to adjust the acreage requirement between local and regional park categories as deemed necessary to meet specific needs and to determine the amount of developed park acreage required. The Board may also consider alternative park land dedication formulas for multi-family development proposals.

C. Location

The site is located adjacent to the intersection of Inverness Parkway and Inverness Drive South. The following vicinity map, zoning map, and aerial map show the general location of the project site.



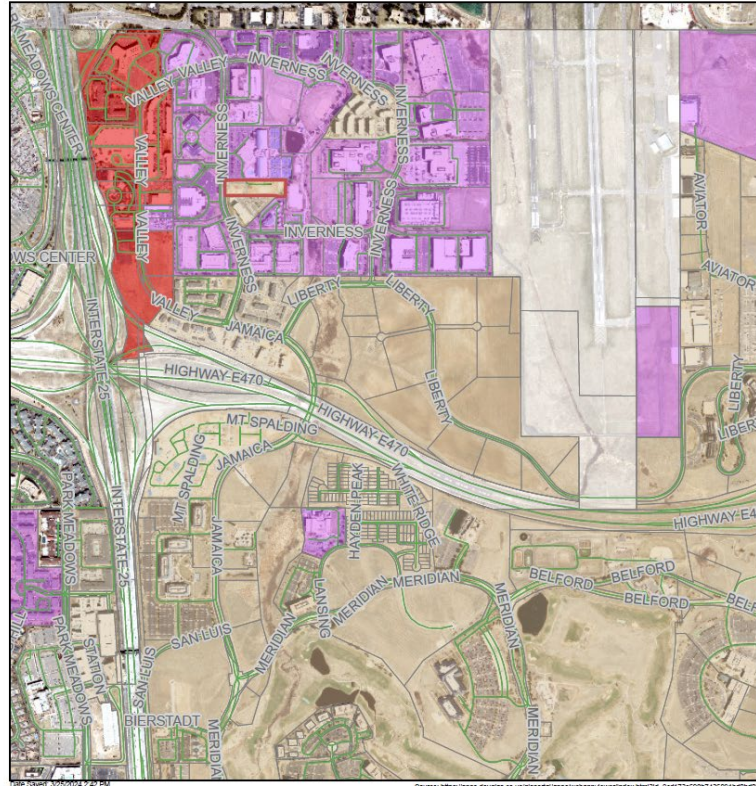
INVERNESS FILING 7,
19TH AMENDMENT

Zoning Map



LEGEND

- PROJECT SITE
- A1 - AGRICULTURAL ONE
- C - COMMERCIAL
- LI - LIGHT INDUSTRIAL
- PD - PLANNED DEVELOPMENT



INVERNESS FILING 7,
19TH AMENDMENT

Aerial Map



LEGEND

- PROJECT SITE



D. Project Description

The applicant requests a replat to establish 35 single-family attached residential lots for townhomes. Central water and sewer service will be provided by the IWSD. A Homeowners Association will own and maintain the open space tracts, drainage facilities, trails, and other subdivision infrastructure elements. General purpose utility easements will be established by separate document.

Project Details	
Zoning	Reunion at Inverness PD
Gross Site Acreage	2.843 acres
Residential Lots	35 single family attached residential lots
Tracts	7 Tracts

The applicant proposes to provide for park and school land dedication as described in detail in the attached request letter.

III. CONTEXT

A. Background

The Reunion at Inverness PD was approved by the Board in June of 2023. A major PD amendment was approved on March 12, 2024 establishing residential setbacks and guest parking requirements for this townhouse development. The applicant is under contract to purchase the property from the current owner and would like to develop single family attached lots for townhomes. A SIP has been submitted and under review. As part of the process of converting from former Light Industrial zoning to a PD for townhome use, park and school land dedication is required as part of the subsequent replat and SIP processes.

Article 10 – Dedications of the DCSR establishes standards for land dedication for new residential projects. For park land dedication, the standard is 0.045 acres of park land per unit, with consideration of lesser standards for multi-family development proposals as may be approved by the Board. Land dedication is accomplished through one or more methods: onsite land reserved for parks and trails, actual park and trail improvements, and cash-in-lieu of any remaining land dedication owed. To establish the valuation for any required cash-in-lieu fees, a specialized land appraisal specific to the requested subdivision is submitted. The appraised valuation assumes the land has been platted and that roads and services have been extended to the property. This valuation is then applied to the any remaining park dedication owed, after onsite dedication and improvements have been credited. The market valuation appraisal is intended to reflect the cost to the County for purchasing an equivalent amount of developable park land within the service area of the proposed subdivision.

The intent of the park land dedication standards is to ensure that sufficient parks are available to accommodate the increased population resulting from development

approvals. Authority for park and school land dedications, including cash-in-lieu fees, is established by State statute. Cash-in-lieu fees paid for a particular project are held in a separate County account and used to support regional park improvements within the service area of the proposed project.

B. Adjacent Land Uses and Zoning

The PD is surrounded by properties zoned Light Industrial (LI). The following table reflects the land uses surrounding the site.

	Zoning	Use
North	LI	Colorado Athletic Club
East	LI	Portion of John Derry Memorial Park
South	LI	DirectTV facility
West	LI	Office buildings

IV. PHYSICAL SITE CHARACTERISTICS

A. Site Characteristics and Constraints

No existing physical conditions are present that would preclude the proposed townhouse development. The site does not include area of known geologic hazard as identified in Section 9 of the Douglas County Comprehensive Master Plan (CMP).

B. Access

Two points of vehicular access are proposed with this development: a proposed full-movement access on Inverness Parkway and an existing full movement access from Inverness Drive South via a cross-access agreement.

C. Soils and Geology

Site specific geotechnical studies will be required at the time of building permit to further assess conditions for development.

D. Drainage and Erosion

A Phase III Drainage Report was reviewed by Engineering in conjunction with the SIP submittal and found to be acceptable.

E. Floodplain

No portion of the property is in a floodplain.

V. PROVISION OF SERVICES

A. Schools

The Douglas County School District (DCSD) reviewed the application and provided comments on the estimated school land dedication required for students generated

by the proposal. The DCSD anticipates that a total of 12 students are expected from the development, requiring a total land dedication of 0.275 acres. This amount of land is smaller than the District's minimum school site requirement, and the District has requested cash-in-lieu of land dedication. Based on the appraisal submitted with the administrative replat, the total fee would be \$162,192, or approximately \$4,635 per unit.

The applicant has requested to pay a fee of \$2,500 per unit in lieu of the standard cash-in-lieu fee. The School District has not specifically responded to the applicant's request for lesser fees. Without the District's approval, the full in-lieu fee would be applied to this project. The District has indicated that it does not support the deferral of fee payment to building permit issuance as it is difficult for the District to administer. Typically, the District has supported fee payment deferrals when the County takes responsibility for collecting the fee on behalf of the District.

B. Fire Protection

South Metro Fire Rescue (South Metro) provides fire service to the project site and surrounding area. South Metro reviewed the request and had no objection.

C. Sheriff Services

The Douglas County Sheriff's Office (DCSO) provides emergency services to the site. The DCSO did not comment on the request.

D. Water and Sanitation

Water and sewer service is provided by IWSD. The District did not comment on the request.

E. Utilities

Utility services were provided a referral response request on this application. AT&T, Black Hills Energy, and Comcast did not respond to the referral request. CenturyLink reviewed the request and had no objection. Xcel Energy commented that they have existing natural gas and underground electric facilities. The applicant is working with Xcel Energy on the design of the project. Additional easements that may be required will be dedicated by separate document.

F. Parks, Trails, and Open Space

Landscape tracts are established on the plat and provide open space areas around the townhome units. No formal park is dedicated on site, but a linear 10'-wide concrete trail is proposed to connect the project to the adjacent John Derry Park, a community park owned and maintained by the Inverness Metropolitan Improvement District. The length of the trail is approximately 3,130 feet and extends beyond the bounds of the plat into the park itself. A small outdoor gathering area with seating and other amenities is also provided for the townhome residents.

Based on the park dedication standard of 0.045 acres per unit, a total of 1.575 acres of parks would be required for the 35-unit development. A credit of 3%, or 0.085 acres, can be given for nonresidential land dedication provided at the time of original platting of the Inverness business park. Land associated with the onsite trail and gathering area comprises an additional 0.05 acres. Thus, the remaining land dedication required for the subdivision is 1.44 acres. Per the DCSR, this can be accommodated through a combination of improvements and cash-in-lieu fees.

Using the land appraisal valuation of \$589,789 per acre, the total cash-in-lieu fee would be \$849,296 or \$24,266 per unit. The applicant is proposing to contribute a total of \$104,205 in trail and park improvements with a \$53,295 financial contribution to the Inverness Metropolitan Improvement District for development of a master plan for upgrades to the adjacent John Derry Park as was requested through the referral process. The applicant anticipates providing additional correspondence from the metro district in support of the trail connection and financial contribution to its master planning process for the park.

In addition, the applicant asserts that the average household size will be below that of a typical detached single-family residence; they anticipate an average household size of 2 residents. For this reason, the applicant also asserts that the land dedication standard for its project should be reduced. In the past, the County has applied a lesser standard for multi-family developments. Such standards have significantly reduced the required land dedication for such projects.

The applicant's request represents an 81% reduction in the over park dedication requirement as set forth in the County's Subdivision Resolution. Based on limited scale of the project, smaller household sizes, proposed onsite and offsite improvements, and existing and planned parks and recreational opportunities within this area of the County, the applicant asserts that there will be adequate park facilities to meet the needs of future residents. The request to tie cash-in-lieu fees to building permit issuance is linked to development finance and lending practices as outlined in the applicant's request letter.

VI. PUBLIC NOTICE AND INPUT

Courtesy notifications of an application in process were mailed to all abutting landowners and no responses were received. No comments were received from adjacent property owners or other members of the public during or after the referral period. Referrals were sent to applicable departments and agencies. Comments were standard in nature as reflected in the attached referral response report. No specialized public notice is required for administrative or Board replat requests.

VII. STAFF ANALYSIS

Staff has evaluated the project for compliance with the administrative replat approval standards in Section 703A. Such standards are similar to those found in Article 7 as discussed below:

704.01 Complies with all applicable standards and criteria, and the original conditions of approval.

Staff Comment: The replat to establish 35 single-family attached residential lots is in compliance with all applicable standards and criteria of the DCSR.

704.02 Does not create nonconforming lots, and in the case of nonconforming lots, does not increase the nonconformity.

Staff Comment: No nonconforming lots are being created.

704.03 Complies with this Resolution.

Staff Comment: The replat request has followed the submittal process outlined in Section 706 of the DCSR.

704.04 Conforms with the goals and policies of the Master Plan.

Staff Comment: The Douglas County Comprehensive Master Plan (CMP) establishes goals and objectives applicable to development in the County. These sometimes-competing policies must be balanced through the public review process to achieve the larger vision of the community. For this application, Objective 2-1A of the Comprehensive Master Plan states that urban development should be directed to designated urban areas. This project lies within the Urban Area, in which urban density development is anticipated.

The property is located within the Lone Tree Municipal Planning Area as identified in Section 2 of the CMP. Goals, objectives, and policies within Section 2 of the CMP promote a mix of uses in the urban areas. Policies reference directing urban level development to designated urban areas (Objective 2-1A, Policies 2-1A.1, and 2-1A.2), and others support ensuring that development occurs concurrently with essential services and infrastructure (Goal 2-9; Objectives 2-9A and 2-9A.2). Policy 2-6D.5 encourages a mix of residential densities and a diversity of housing types, sizes, and price range, and Policy 2-7A.1 encourages a variety of housing that fits different lifestyles and needs. The rezoning is consistent with the policies of the CMP and Lone Tree Municipal Planning Area.

704.05 Addresses the design elements established in Article 4, section 404 of this Resolution.

Staff Comment: The replat request is consistent with the design elements listed in 404 of the Subdivision Resolution.

704.06 Conforms with Section 18A, Water Supply – Overlay District, of the Zoning Resolution.

Staff Comment: The property is served by the IWSD. The District provided a will-serve letter for this project.

704.07 Provides for public wastewater collection and treatment system and, if other methods of wastewater collection and treatment are proposed, such systems shall comply with State and local laws and regulations.

Staff Comment: The property is served by the IWSD. The District provided a will-serve letter for this project.

704.08 Identifies all areas of the proposed subdivision which may involve soil or topographical conditions presenting hazards or requiring special precautions and that the proposed uses of these areas are compatible with such conditions.

Staff Comment: Site specific geotechnical studies will be required at the time of building permit to further assess conditions for development.

704.09 Provides adequate drainage improvements.

Staff Comment: A Phase III Drainage Report was reviewed by Engineering in conjunction with the SIP submittal and found to be acceptable.

704.10 Provides adequate transportation improvements.

Staff Comment: Existing public roads provide access to the project site. The applicant is modifying the right-in right-out movement access on Inverness Parkway to improve access. No additional roadway improvements are needed for this development.

704.11 Protects significant cultural, archaeological, natural, and historical resources and unique landforms.

Staff Comment: Impacts to historic resources and unique landforms were reviewed with the original subdivision application.

704.12 Has available all necessary services, including fire and police protection, recreation facilities, utility services, streets, and open space to serve the proposed subdivision.

Staff Comment: Fire protection is provided by South Metro, and the DCSO provides police protection. Utility services are available. No entity expressed concern with impacts to public facilities or services. Recreational facilities are available at John Derry Park. Other regional parks exist or are planned in the northern tier of the County. The applicant will provide trail connections to an existing community park and contribute funds to the Inverness Metropolitan Improvement District to aid in master planning for other recreational improvements. Other existing and planned regional parks are located within Lone Tree and the surrounding metro area. Cash-in-lieu fees

would typically be used to support regional park improvements within the project's serve area.

VIII. STAFF ASSESSMENT

Staff has evaluated the replat request in accordance with Articles 7 and 7A of the *DCSR*. The applicant has requested reduced park and school fees, along with fee payment deferral to building permit issuance. The DCSD has not given approval of the applicant's request to reduce its cash-in-lieu fees. The Board may choose to approve an alternate park demand standard based on the justifications provided by the applicant.

Land values in the northern tier of the County are high and the County's typical standards may unduly burden multi-family projects with higher densities. Park standards are in place to ensure that adequate local and regional parks will be available for the County's increasing population. Other County policies support efforts to provide a variety of housing types, particularly more affordable multi-family units, in areas of the County where transit and other services are available. Should the Board find that the approval standards for the replat are met and that the park land dedication proposed by the applicant is acceptable, the following proposed conditions should be considered for inclusion in the motion:

1. Cash-in-lieu of school land dedication fees in the amount of \$162,192 shall be paid in eight equal installments of \$20,274 to the Douglas County School District at the time of building permit issuance for each townhome structure. The County shall ensure that such fees are provided to the DCSD as part of its building permit review process.
2. Cash-in-lieu of park land dedication fees in the amount of \$53,295 shall be paid in eight equal installments of \$6,661.88 to Douglas County at the time of building permit issuance for each townhome structure. When requested by the Inverness Metropolitan Improvement District, the Board shall consider the transfer of such funds to that District for park master planning purposes.
3. Proposed park and trail improvements shall be constructed in accordance with the approved Site Improvement Plan Improvements Agreement.
4. Prior to the Director of Community Development's signature on the administrative replat exhibit, technical corrections to the replat exhibit shall be made to the satisfaction of Douglas County.
5. All commitments and promises made by the applicant or the applicant's representative during the public meeting and/or agreed to in writing and included in the public record have been relied upon by the Board of County Commissioners in

approving the application; therefore, such approval is conditioned upon the applicant’s full satisfaction of all such commitments and promises.

ATTACHMENTS	PAGE
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Will-serve Letter.....	17
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LAND USE APPLICATION

Please fill in this application form completely. An incomplete application will not be processed.

Note: Neither the Planning Commission nor the Board of County Commissioners should be contacted regarding an open application.

OFFICE USE ONLY	
PROJECT NAME: Inverness Filing 7, 19th Amendment	PROJECT FILE #: SB2023-064
PROJECT TYPE: <u>Residential - Townhomes</u>	PLANNING FEES: \$260.00
MARKETING NAME: <u>Inverness Townhomes</u>	ENGINEERING FEES: \$200.00
SITE ADDRESS: <u>372 Inverness Drive South Englewood, CO 80112</u>	TOTAL FEES: \$460.00
OWNER(S):	RELATED PROJECTS: SP2023-100
Name(s): <u>Jeffrey Jones - Reunion Inverness RE, LLC</u>	_____
Address: <u>2911 Turtle Creek Blvd., Suite 1100 Dallas, TX 75219</u>	_____
Phone: <u>214-316-2777</u>	_____
Email: <u>jeffrey@americadevelopment.com</u>	_____
AUTHORIZED REPRESENTATIVE <i>(requires notarized letter of authorization if other than owner)</i>	_____
Name: <u>Tommy Pucciano - Lokal Communities, LLC</u>	_____
Address: <u>8310 South Valley Highway, Suite 115 Englewood, CO 80112</u>	_____
Phone: <u>720-234-4728</u>	_____
Email: <u>tpucciano@lokalhomes.com</u>	_____

LEGAL DESCRIPTION:

Subdivision Name: Inverness Subdivision

Filing #: 7, 18th Amd. Lot #: 1B-2 Block #: N/A Section #: 2 Township: 6 S Range: 67 W

STATE PARCEL NUMBER(S): 2231-022-05-028

ZONING:

Present Zoning: PD Proposed Zoning: PD - No Change Gross Acreage: 2.72 Acres

Gross Site Density (DU per AC): 12.87 # of Lots or Units Proposed: 35

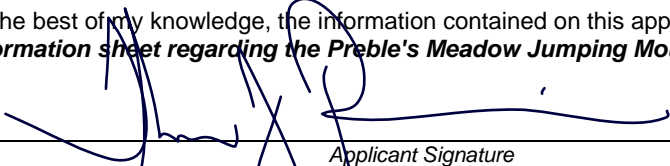
SERVICE PROVIDERS:

Fire District: South Metro Metro District: Inverness Gas: Xcel

Water: Inverness Water & San District Sewer: Inverness Water & San District Electric: Xcel

Roads: Public Private (please explain): Minimal roads through project

To the best of my knowledge, the information contained on this application is true and correct. ***I have received the County's information sheet regarding the Preble's Meadow Jumping Mouse.***



Applicant Signature

12/13/23

Date

100 Third Street, Castle Rock, Colorado 80104 • 303.660.7460



October 27, 2023

Re: Douglas County, CO – Site Improvement Plan (SIP) Project Description

Hello,

Lokal Homes is excited to present a new Site Improvement Plan to Douglas County for a new project located along Inverness Parkway just south of the Colorado Athletic Club and north of the Reunion Rehabilitation Hospital. This new project proposes 35 townhome units within 8 buildings where one building has 3-units, three buildings have 4-units, and four buildings have 5-units. The project will include improvements to an existing detention pond onsite as well as associated utilities (water, sanitary, storm, etc.) This project is located within the newly approved Reunion at Inverness Planned Development with this property being Planning Area 1 (PA-1). A principal use within PA-1 is Residence: Single-Family Attached, which this proposed development falls within. The owners of the Reunion Rehabilitation Hospital have begun the submittal process with Douglas County to officially split the overall PD property into two lots PA-1 and PA-2 with PA-1 becoming Lot 1B-2 and PA-2 becoming Lot 1B-1. This will be completed through the Douglas County Administrative Replat process.

The site is currently showing 16 standard surface parking spaces and 2 ADA surface parking spaces. Please note that each townhome unit will have an attached two-car garage. There will be multiple retaining walls onsite to help with the grade and each unit will step 6 to 12-inches between finish floors to help makeup grade as well. The buildings are proposed to be 3-stories in height with a maximum building height of 38-feet. Please note that the Reunion PD allows for a maximum building height of 60-feet, so the proposed buildings are well within the allowable standard. The project is proposing comfortably sized townhomes which will include three- and four-bedroom units with in-unit amenities that are in demand within the current market. Each unit will have a private outdoor living space with associated landscaping. The buildings will include gable roof forms with materials and colors that complement the surrounding area and fit within the Inverness Design Guidelines.

Lokal Homes believes we are bringing a great housing product to an area that is in need of for-sale homes. We are excited to bring this project to life and work closely with Douglas County throughout the design process.

Sincerely,

Matt Long
Project Manager



Douglas County
Department of Community Development
100 Third Street
Castle Rock, CO 80104

April 9, 2024

On behalf of Lokal Homes, I would like to present an amended request for a reduced Park and School Fee dedication requirements at the Inverness at Reunion Townhome development.

First, our project is very small, comprising of 2.72 AC of which 2.35 is developable due to an existing Detention Pond. Our project contemplates building 35 townhomes, which is a density of 14.8 DU per AC. Compared to large scale, higher density multi family projects that are greater than 20-22 DU per AC, this particular development will have a much smaller environmental impact and lower usage of public facilities compared to larger developments. A project of this size, will result in using fewer services, leading to less strain on local parks, making a case for a reduced fee that aligns with the development's size and impact on community resources.

Next, our Market analysis has identified three target buyer profiles which we believe will contribute to an overall lower occupancy rate per home than a typical single family development. Those buyers are **Young professionals** - Young couples or singles where one or both of the buyers work remotely. They will turn at least one bedroom into a dedicated office and will use any spare bedrooms as a guest suite for when friends come to visit. They enjoy the convenience of the location and minimal maintenance living. **Move-Down buyers** - Empty nesters that are looking to simplify their life and move into a vibrant, active community. They may have a dedicated office space in one of the bedrooms and will reserve the spare bedroom for when their kids come home to visit from college. They will host dinner parties and wine nights in their new, modern townhomes. **Aging Parents and Grandparents/Second home** - These buyers have a kid in Highlands Ranch or Castle Rock and are new grandparents. They spend their summers here and their winters elsewhere. They may have a primary residence in Vail, the Midwest or California. So while these are three bedrooms homes, we expect most to have only 2 full-time residents with visitors at various times.

Finally, given that this project is located in one of the last infill areas in Inverness, the appraised value is notably high. This type of land typically supports larger Commercial/Office or higher-density multi-family projects, commanding a higher appraised value. Although we believe the project's economics align with our proposed development, it cannot accommodate the additional fee for Cash in Lieu for Park Dedication. Based on the appraised land value and the standard method for calculating the Cash in Lieu Fee, it adds an extra \$35,000.00 per lot to the project's cost—a roughly 60% increase to the total lot price. This renders the project financially unfeasible. We heard you heard you loud and clear at the BCC hearing and we agree For Sale Housing is needed but additional fees like these are what cause these projects to not move forward.

Because of the examples stated above and due to our proximity to a Regional Park, we feel like the Standard Calculation for the project cannot be used. Instead Lokal would like to offer what we believe to be a fair Cash In Lieu Fee which is made up of multiple components listed below.

- As part of the fee we agree to provide an offsite trail making a direct connection to the adjacent 19 AC Regional Park (John Derry Memorial Park). This land is an additional **.05 AC** with the value of that land estimated to be approximately \$36,750. The trail will consist of 10' wide concrete, connecting our project to the park with an estimated value of \$21,910. Total project value **\$58,660**.
- Directly adjacent to the trail connection and on the east end of the project, we are providing an onsite gathering space with outdoor seating, pavers and social space with an estimated cost of **\$45,545**.
- Finally, during the referral process we heard from the Inverness Parks MD and Lokal would like to make a payment to the Inverness Metropolitan District Parks Master Plan Update Fund in the amount of **\$53,295**.

These Improvements and Contributions add value to the project and the surrounding area while meeting the intent of the Cash in Lieu requirement.

In addition, as previously requested, we would like to present a plan where these fees would be collected at time of Building Permit instead of Plat Recordation. The total project fees, Park and School, would be divided over the total number of building permits (8) and paid at time of each of those permits to help support the financial feasibility of the project. The reason we're asking for this is that most payments made before building permits are issued need to be financed by Acquisition and Development (A&D) loan lenders that charge a considerably higher interest rate on loans compared to Construction loan lenders. The average A&D loan can have an interest rate that is 10+% higher than the average Construction loan. Not only is the rate higher but the duration of the loan is considerably longer. A&D Loans last for years while Construction loans only last for the duration of time required to build the home(s). Furthermore, A&D lenders don't typically see fees paid this early and are generally averse to lending on this type of fee. As a result, we end up with either (1) an expensive A&D loan financing these fees or, even worse, (2) we need to use cash and taking cash out of the business to pay fees is not something that we've done. We need to keep cash in the business to get through the regularly seen ups and downs of being a home builder. All this can be avoided by approving reasonable fee amounts that are paid at the time building permits are issued for each individual building.

I look forward to hearing your decision.

Sincerely



Tommy Pucciano



February 15, 2024

Mr. Tommy Pucciano
Lokal Homes
8310 South Valley Highway, Suite 115
Englewood, CO 80112

Re: Commitment to serve 35 Townhomes Residential Dwelling Units within the Inverness Filing No. 7, 19th Amendment, Lots 1 – 35, Tracts A – H, Planning area 1, 2.843 acres In Douglas County, Colorado (formerly known as undeveloped area at 372 Inverness Drive South. Englewood, CO. 80112)

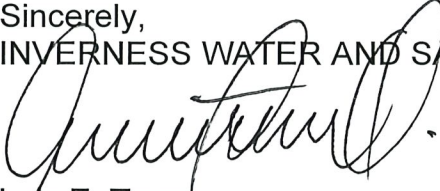
The Inverness Water and Sanitation District (“Water District”) provides water supply and wastewater collection and treatment for the undeveloped areas within the property referenced above. Inverness stands ready to serve the above referenced project per an Exclusion and Service Agreement (“ESA”). In addition, the Water District has the water supply and wastewater treatment capacity to provide these services for up to 35 Townhomes residential dwelling units. In addition, the District has the water supply to provide irrigation only-taps for the project.

Furthermore, service will be provided according to the District’s Rules and Regulations and is subject to the payment of tap fees as detailed in Appendix A of the District’s Rules and Regulations, which fees may change from time to time. This commitment is valid for 24 months from the date of this letter, and may be extended after that date subject to tap availability.

One-half of the total tap fees must be paid to the District within thirty (30) days from the date of the Douglas County’s issuance of a Building Permit. The other half must be paid within thirty (30) days from the date of the County’s issuance of a permanent Certificate of Occupancy.

If you require further information, please do not hesitate to contact me.

Sincerely,
INVERNESS WATER AND SANITATION DISTRICT



Luis E. Tovar
District Manager

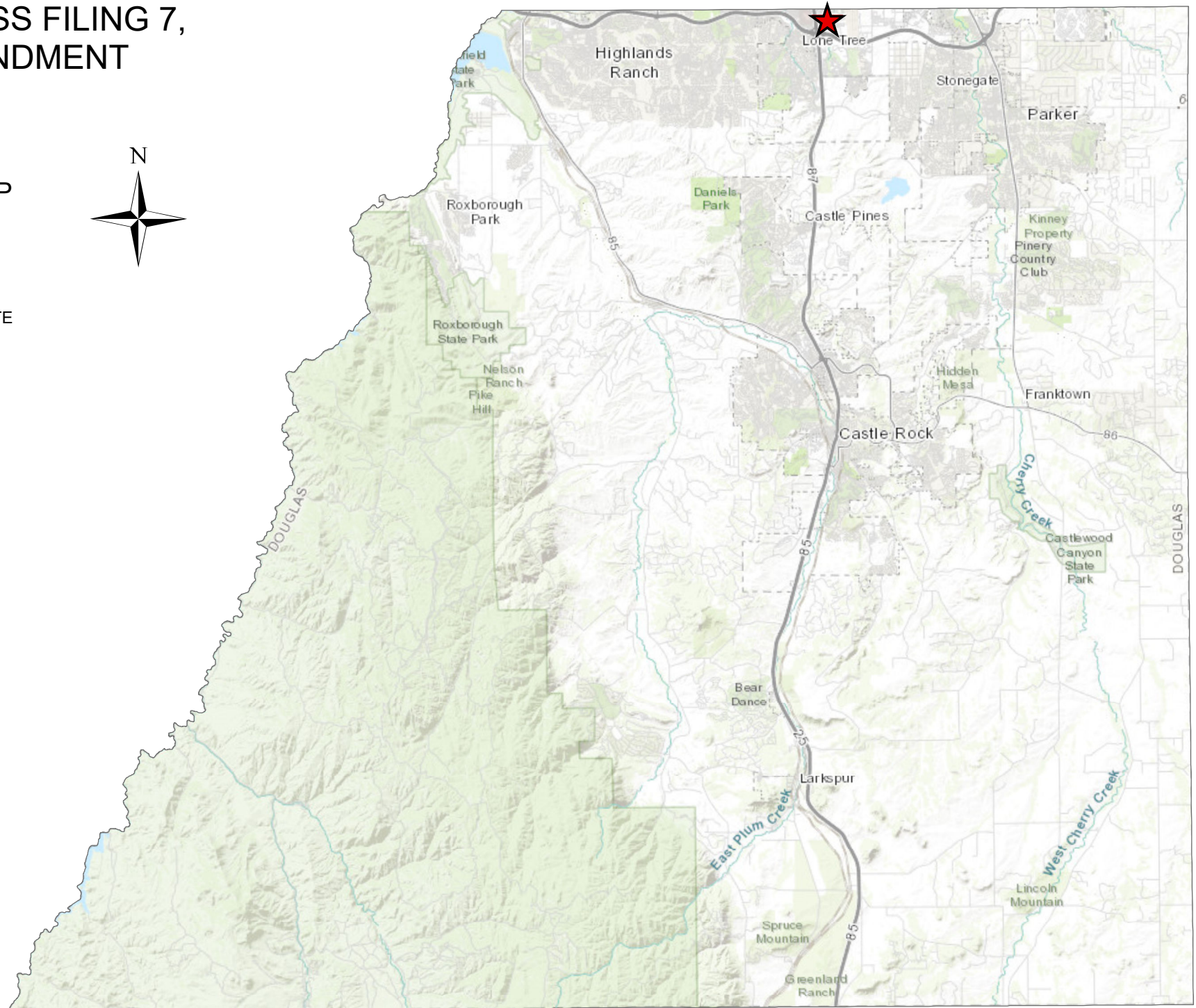
INVERNESS FILING 7, 19th AMENDMENT

SB2023-064
VICINITY MAP



LEGEND

 PROJECT SITE



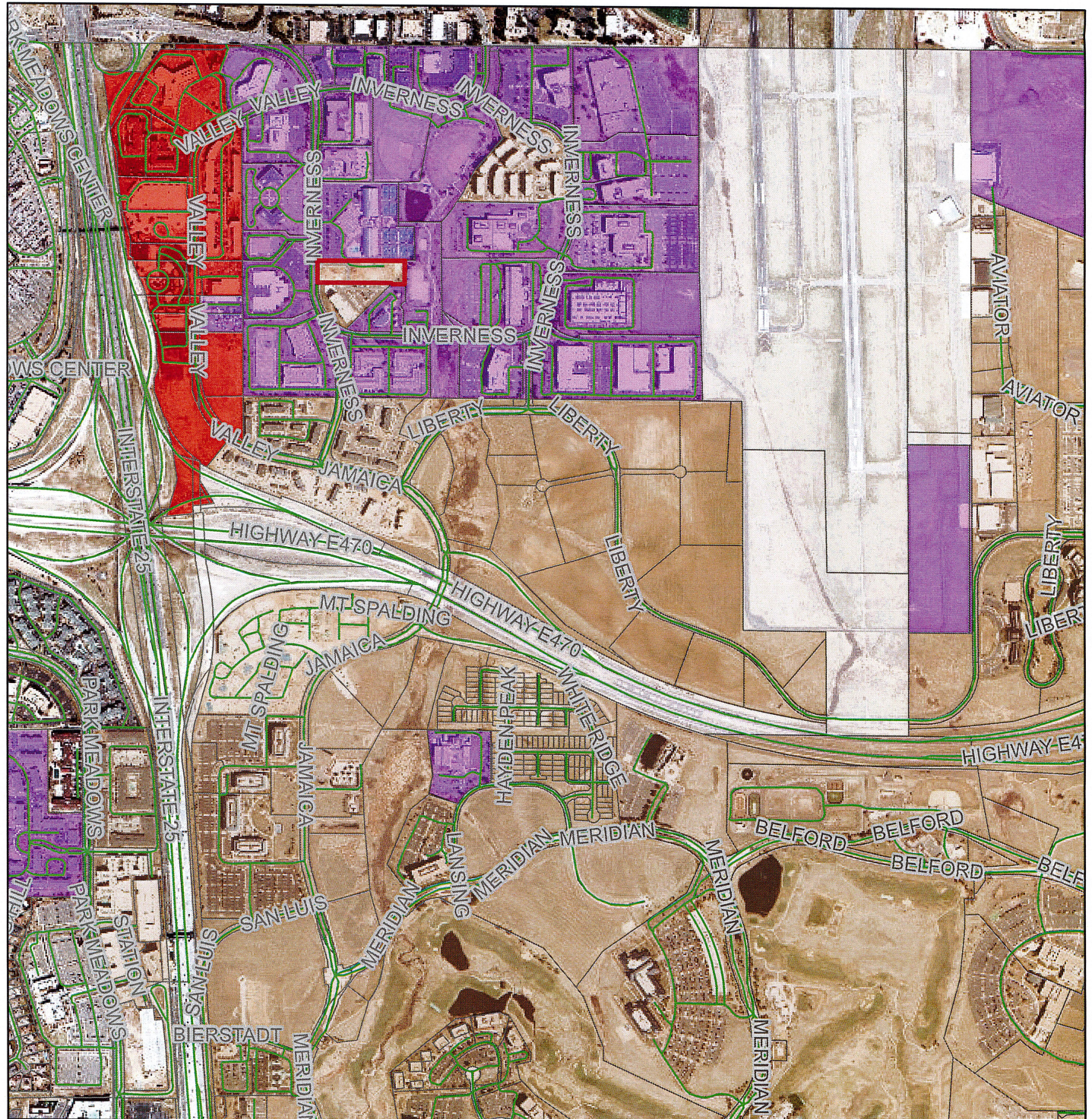
INVERNESS FILING 7, 19TH AMENDMENT

Zoning Map



LEGEND

- PROJECT SITE
- A1 - AGRICULTURAL ONE
- C - COMMERCIAL
- LI - LIGHT INDUSTRIAL
- PD - PLANNED DEVELOPMENT



Date Saved: 3/25/2024 2:42 PM

Source: <https://apps.douglas.co.us/gisportal/apps/webappviewer/index.html?id=9cd173c692b7436891bd0bd025bcc2>

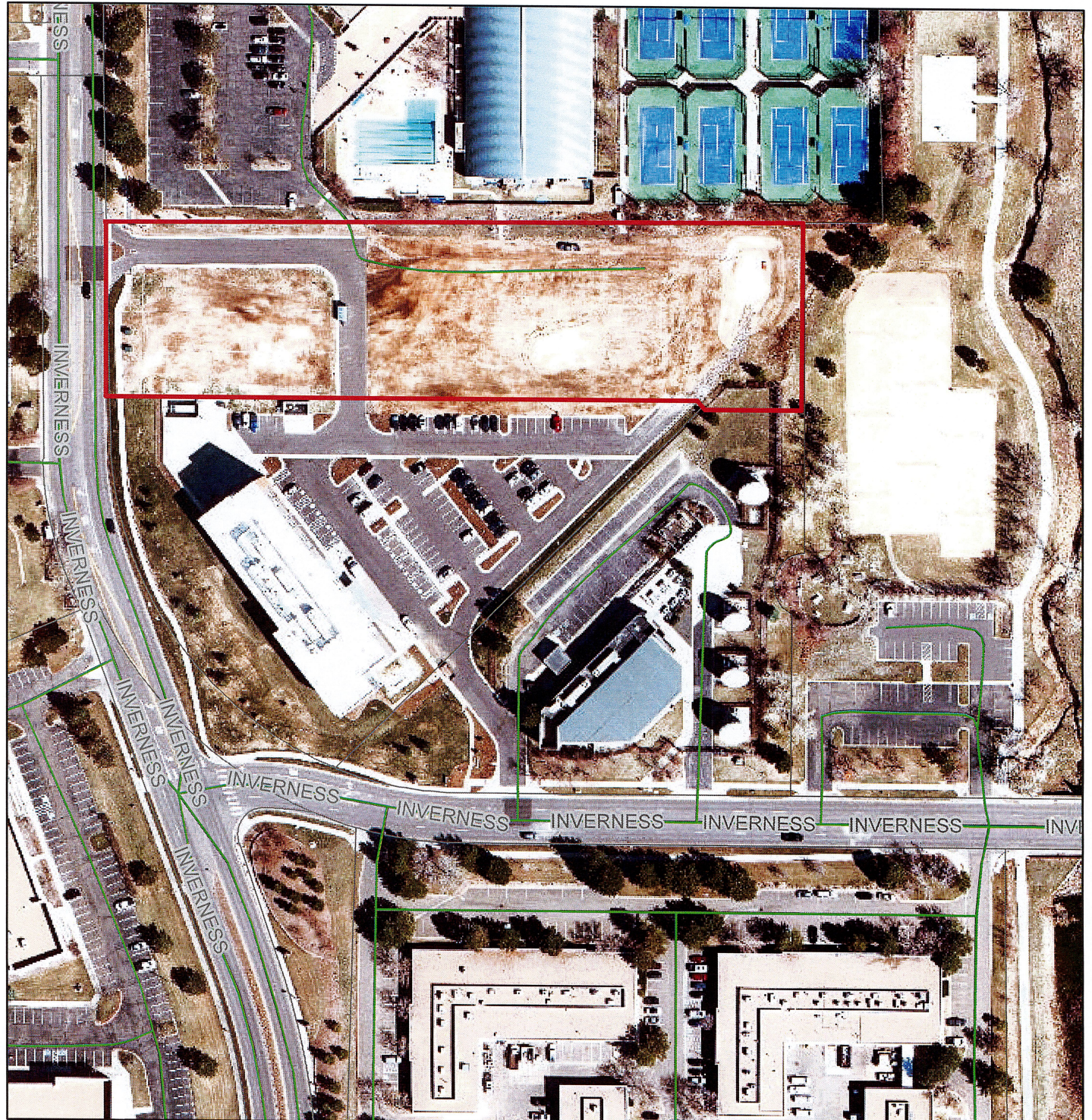
INVERNESS FILING 7, 19TH AMENDMENT

Aerial Map



LEGEND

 PROJECT SITE



Date Saved: 3/25/2024 2:43 PM

Source: <https://apps.douglas.co.us/gisportal/apps/webappviewer/index.html?id=9cd173c692b7436891bd0bd025cbcc2>

Referral Agency Response Report**Project Name:** Inverness Filing 7, 19th Amendment**Project File #:** SB2023-064**Date Sent:** 01/12/2024**Date Due:** 02/02/2024

Agency	Date Received	Agency Response	Response Resolution
Addressing Analyst	01/23/2024	<p>Verbatim Response: Addressing for this development is constrained with existing addresses of 374 to the north and 372 to the south. A street name is required for Tract A. The proposed street name ASCENT is approved and reserved for use with this development. Please propose the suffix to be used. Acceptable suffixes for this alignment are: Road, Lane, or Trail.</p> <p>Addresses will be determined with the site plan review, SP2023-100. Contact DCAddressing@douglas.co.usor 303.660.7411 with questions.</p>	The plat was revised accordingly.
Arapahoe County Engineering Services Division		No Response Received.	
Arapahoe County PWD/ Planning	01/17/2024	No Comment.	No action required.
Assessor	01/23/2024	<p>Verbatim Response: Please be aware of following comments and concerns: - Rectangular 0.076 acres parcel at eastern boundary of Tract G is not labelled. Unclear if it is tract or lot and if so what letter or number it should be. - Boundary between Tract D and Tract E is not clear and does not have dark black line as other lot/tract boundaries have. - General Notes has two #7s - Are the Tracts going to be conveyed to Ascent At Inverness Owners Association Inc by separate document? If so please specify. Regards, Mark Rankin</p>	The plat was revised accordingly.
AT&T Long Distance - ROW		No Response Received.	
Black Hills Energy		No Response Received.	
Building Services	01/22/2024	No Comment.	No action required.
CenturyLink	01/25/2024	See letter attached for detail.	No action required.

Referral Agency Response Report

Project Name: Inverness Filing 7, 19th Amendment

Project File #: SB2023-064

Date Sent: 01/12/2024

Date Due: 02/02/2024

Agency	Date Received	Agency Response	Response Resolution
Cherry Creek Basin Water Quality Authority	01/15/2024	<p>Verbatim Response: The Cherry Creek Basin Water Quality Authority (Authority) acknowledges notification from Douglas County that the proposed development plans for SB2023-064, Inverness Subdivision Filing 7, 19th Amendment have been or will be reviewed by Douglas County for compliance with the applicable Regulation 72 construction and post-construction requirements. Based on the Authority’s current policy, the Authority will no longer routinely conduct a technical review and instead the Authority will defer to Douglas County’s review and ultimate determination that the proposed development plans comply with Regulation 72. If a technical review of the proposed development plan is needed, please contact LandUseReferral@ccbwwqa.org. The review may include consultation with the Authority’s Technical Manager to address specific questions or to conduct a more detailed Land Use Review, if warranted.</p>	County Engineering has reviewed stormwater and grading plans.
City of Centennial		No Response Received.	
City of Lone Tree		No Response Received.	
Colorado Division of Water Resources	02/01/2024	See letter attached for detail.	<p>The State Engineer’s Office reviewed the request and stated as long as the District is willing to serve the development; the water supply is adequate and can be provided without causing injury.</p> <p>The District provided a will-serve letter for this project.</p>
Comcast		No Response Received.	

Referral Agency Response Report

Project Name: Inverness Filing 7, 19th Amendment

Project File #: SB2023-064

Date Sent: 01/12/2024

Date Due: 02/02/2024

Agency	Date Received	Agency Response	Response Resolution
Douglas County Parks and Trails	02/02/2024	Verbatim Response: No comment on replat request. Our understanding is an appraisal will be coming and park dedication will be calculated at that time.	Appraisal has been submitted and reviewed. Parks has reviewed the applicant's cost estimates for the trail connection and gathering area.
Douglas County School District RE 1		The District provided an updated letter on the proposal stating that 12 students will be generated by the proposal, and they do not want to be responsible for collecting fees at the time of building permit.	School District has not approved the requested fee reduction. If approved by the Board, the County would assume responsibility for ensuring that school fees will be collected accordingly.
Engineering Services	01/29/2024	See letter attached for detail.	All Engineering issues have been resolved. The SIP and SIPIA will secure public improvements for this project.
Inverness Metro Improvement District		No Response Received.	
Inverness Planning and Architectural Control Committee		No Response Received.	
Inverness Water & Sanitation District		No Response Received.	
Mile High Flood District	01/23/2024	No Comment.	No action required.
Office of Emergency Management	01/12/2024	Verbatim Response: OEM has no concerns with this project.	No action required.
Rural Water Authority of Douglas County		No Response Received.	
Sheriff's Office		No Response Received.	
Sheriff's Office E911		No Response Received.	
South Metro Fire Rescue	01/22/2024	Verbatim Response: South Metro Fire Rescue (SMFR) has reviewed the provided documents and has no objection to the proposed administrative replat. Applicants and Contractors are encouraged to contact SMFR regarding the applicable permit requirements for the proposed project.	No action required.
Southeast Metro Stormwater Authority		No Response Received.	
Southeast Public Improv Metro District		No Response Received.	
Town of Parker Development Review	01/12/2024	No Comment.	No action required.

Referral Agency Response Report

Project Name: Inverness Filing 7, 19th Amendment

Project File #: SB2023-064

Date Sent: 01/12/2024

Date Due: 02/02/2024

Agency	Date Received	Agency Response	Response Resolution
Town of Parker Public Works		No Response Received.	
Xcel Energy-Right of Way & Permits	01/22/2024	See letter attached for detail.	The applicant is working with Xcel on the design of the project and will secure any easements via separate document.

From: [Terri Maulik](#)
To: [Eric Pavlinek](#); [Referrals](#)
Subject: AC Case No O24-010 re: Douglas County eReferral (SB2023-064)
Date: Wednesday, January 17, 2024 2:38:54 PM
Attachments: [image001.png](#)

Eric,

Thank you for the opportunity to review and comment on this project. The Arapahoe County Planning Division has no comments; however, other departments and/or divisions may submit comments.



ARAPAHOE COUNTY

TERRI L MAULIK (she/her/hers)

Planning Technician | PWD - Planning Division

6924 S Lima St., Centennial Co 80112

Direct: 720-874-6840 | Main: 720-874-6650

arapahoeco.gov | [Facebook](#) | [Twitter](#) | [Instagram](#) | [Nextdoor](#)

-----Original Message-----

From: epavlinek@douglas.co.us <epavlinek@douglas.co.us>
Sent: Friday, January 12, 2024 9:56 AM
To: [Referrals](mailto:Referrals@arapahoegov.com) <Referrals@arapahoegov.com>
Subject: Douglas County eReferral (SB2023-064) Is Ready For Review

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

There is an eReferral for your review. Please use the following link to log on to your account:
<https://apps.douglas.co.us/planning/projects/Login.aspx>

Project number: SB2023-064

Project title: Inverness Subdivision Filing 7, 19th Amendment

Administrative replat to divide Lot 1B-2, Inverness Subdivision Filing 7, 18th Amendment into 35 fee-simple lots and 8 tracts. The 2.843-acre lot is zoned Planned Development (PD). The related site improvement plan (SP2023-100) is being processed concurrently.

This referral will close Friday, February 2, 2024.

If you have any questions, please contact me.

Sincerely,

Eric Pavlinek
Planning Services

1/25/2024



Eric Pavlinek, Project Planner
Douglas County – Community & Planning Development
Douglas County, Colorado

PROJECT: SB2023-064

PROJECT SUMMARY: Administrative replat to divide Lot 1B-2, Inverness Subdivision Filing 7, 18th Amendment into 35 fee-simple lots and 8 tracts. The 2.843-acre lot is zoned Planned Development (PD). The related site improvement plan (SP2023-100) is being processed concurrently.

APPROVAL TO PROCEED: Subject Location: 372 Inverness Drive South, Englewood, CO 80112: PID: 2231-022-05-028

P860273
No Reservations/No Objection

No Reservations/No Objection:

To Whom It May Concern:

Qwest Corporation d/b/a CENTURYLINK (“CenturyLink”) has reviewed the request for the project described above and has determined that it has No Comments/No Objections.

It is the intent and understanding of CenturyLink that this Letter of No Objection shall not reduce our rights to any existing easement or rights we have on this site or in the area.

This Letter of No Reservations/No Objection response is submitted WITH THE STIPULATION that if CenturyLink facilities are found and/or damaged within the area as described, the Applicant will bear the cost of relocation and repair of said facilities.

If you have any questions, please contact Rina Hoopes at Varina.Hoopes@lumen.com.

Sincerely yours,

/s/

CenturyLink Right of Way Team



February 1, 2024

Eric Pavlinek
Douglas County Department of Community Development
Transmission sent via email: epavlinek@douglas.co.us

RE: Inverness Filing 7, 19th Amendment
Case No. SB2023-064
Part of the W ½ of the NW ¼, Sec. 2, T6S, R67W, 6th P.M.
Lot 1B-2, Filing 7, Inverness Subdivision
Water Division 1, Water District 8

Dear Eric Pavlinek:

We have reviewed the information received by this office on January 12, 2024 regarding the above referenced referral. The Applicant is requesting a replat request to subdivide approximately 2.843 acres into 35 lots and 8 tracts.

Water Supply Demand

A Water Supply Information Summary Sheet was not submitted; therefore, the water supply demand for this subdivision is unknown.

Source of Water Supply

The proposed water source is listed as the Inverness Water and Sewer District (“District”). According to the letter dated November 10, 2022, the property is within the boundaries of the District and is currently served by the District. The District is ready to serve 40 multi-family units on the property known as 372 Inverness Drive South, Englewood (subject property is a part of), according to the District’s Rules and Regulations.

Information provided to this office by Inverness indicates that, as of 2023, the District has the following water supplies and is involved in projects with potential for future renewable water supplies:

- Denver Water permanent lease for 597 acre-feet of renewable & reusable water
- 2,458 acre-feet per year nontributary Denver Basin groundwater
- Water reuse (irrigation purposes only) 1,232 acre-feet per year
- Potential for 500 acre-feet of renewable water through the WISE project
- Potential for 394 acre-feet of renewable water through the Cherry Creek Project Water Authority

Inverness states that build-out demand in their service area is 2,167 acre-feet. Pursuant to this information Inverness appears to have adequate water supplies to meet the current needs.

The majority of the District’s water supply is water from bedrock aquifers in the Denver Basin. The State Engineer’s Office does not have evidence regarding the length of time for which this source will be a physically and economically viable source of water. According to 37-90-137(4)(b)(I),



C.R.S., “Permits issued pursuant to this subsection (4) shall allow withdrawals on the basis of an aquifer life of one hundred years.” Based on this allocation approach, the annual amounts of water decreed are equal to one percent of the total amount, as determined by rules 8.A and 8.B of the Statewide Nontributary Ground Water Rules, 2 CCR 402-7. Therefore, the water may be withdrawn in those annual amounts for a maximum of 100 years.

State Engineer’s Office Opinion

Based upon the above and pursuant to sections 30-28-136(1)(h)(I) and 30-28-136(1)(h)(II), C.R.S., it is our opinion that the proposed water supply is adequate and can be provided without causing injury to decreed water rights; **as long as the District is willing to serve the 35 lots.**

Our opinion that the water supply is **adequate** is based on our determination that the amount of water required annually to serve the subdivision is currently physically available, based on current estimated aquifer conditions.

Our opinion that the water supply can be **provided without causing injury** is based on our determination that the amount of water that is legally available on an annual basis, according to the statutory allocation approach, for the proposed uses is greater than the annual amount of water required to supply existing water commitments and the demands of the proposed subdivision.

Our opinion is qualified by the following:

The Division 1 Water Court has retained jurisdiction over the final amount of water available pursuant to the above-referenced decree, pending actual geophysical data from the aquifer.

The amounts of water in the Denver Basin aquifer, and identified in this letter, are calculated based on estimated current aquifer conditions. The source of water is from a non-renewable aquifer, the allocations of which are based on a 100 year aquifer life. The county should be aware that the economic life of a water supply based on wells in a given Denver Basin aquifer may be less than the 100 years used for allocation due to anticipated water level declines. We recommend that the county determine whether it is appropriate to require development of renewable water resources for this subdivision to provide for a long-term water supply.

Should you or the Applicant have any questions, please contact Ailis Thyne of this office at 303-866-3581 x8216.

Sincerely,



Ioana Comaniciu, P.E.
Water Resource Engineer

Ec: Subdivision File No. 31178
District file



620 Wilcox Street
 Castle Rock, Colorado 80104

March 12th, 2024

Eric Pavlinek
 Douglas County Planning Services
 100 Third Street
 Castle Rock, CO 80104

RE: Reunion at Inverness Planned Development 1st Amendment, Administrative Replat, and Site Improvement Plan (ZR2023-023, SB2023-064, SP2023-100)

Dear Mr. Pavlinek,

Thank you for the opportunity to respond to the above referenced application. It is our understanding that the applicant is requesting to amend the Reunion at Inverness Planned Development to create development standards for fee-simple townhome lots. It is also our understanding that the applicant is requesting approval of a replat (Inverness Filing 7, 19th Amendment) and site improvement plan to allow for the construction of 35 townhome units. The property is generally located north of the intersection of Inverness Parkway and Inverness Drive South.

**CASH-IN-LIEU CALCULATION
 STUDENT GENERATION**

PROJECT NAME: REUNION AT INVERNESS PD AMENDMENT 1, REPLAT, SITE IMPROVEMENT PLAN ZR2023-023, SB2023-064, SP2023-100					
	DU/ 35	ACRES 2.843		DENSITY 12.31	
				Generation	Number
				Rate	of Students
<u>STUDENT GENERATION RATES</u>	No. of DU's				
ELEMENTARY	35	X		0.17	6
MIDDLE SCHOOL	35	X		0.05	2
HIGH SCHOOL	35	X		0.11	4
					12
					Required
				School	Land
	Number			Acreage	Dedication
	of Students			Per Student	Acreage
<u>SCHOOL LAND DEDICATION</u>					
ELEMENTARY	6	X		0.018	0.107
MIDDLE SCHOOL	2	X		0.030	0.053
HIGH SCHOOL	4	X		0.030	0.116
				TOTAL	0.275

On behalf of Douglas County School District, we have a couple comments regarding this application. DCSD has calculated the amount of school site land dedication required for students generated by the proposal. A total of 12 students are expected from the development requiring a total land dedication requirement of 0.275-acres. Since this amount of land dedication is smaller than DCSD's minimum site requirements DCSD would request cash-in-lieu of land.

Pursuant to Section A (Statement of Commitments, School Land Dedications and Commitments) of the Reunion at Inverness Planned Development, "A commitment for land dedication for schools shall be met through the fee-in-lieu of dedicated land onsite as identified on the final plat in accordance with Douglas County Subdivision Resolution Section 1004, as amended."

Section 1004.05.3 of the Douglas County Subdivision Resolution states, "The cash-in-lieu fee shall be equivalent to the full market value of the acreage required for school land dedication. Value shall be based on anticipated market value after completion of platting. The applicant shall submit a proposal for the cash-in-lieu fee and supply the information necessary for the Board to evaluate the adequacy of the proposal. This information shall include at least one appraisal of the property by a qualified appraiser." Section 1004.06 of the Douglas County Subdivision Resolution states, "The conveyance of land or payment of fees obtained through the County's dedication requirement shall be required prior to the recordation of the first final plat for the subdivision."

Attached to this letter is a request from Lokal Homes, for the reduction of school cash-in-lieu fees. The representative from Lokal Homes proposes an alternate cash-in-lieu-fee of \$2,500 per residential lot and that this fee be paid at the time of building permit rather than at plat recordation. DCSD defers to Douglas County regarding this request as they are the authority having jurisdiction to grant or deny this request. The assessment and payment of these fees are mandated by the County's subdivision and zoning regulations as stated above and the determination to grant variances or deviations from this ordinance lies with Douglas County.

DCSD strongly prefers that the fee is paid upon plat recordation and not at the time of permit. It is our understanding that there is currently no process or mechanism in place at Douglas County to confirm school fees have been paid prior to issuance of a building permit. In this instance, the onus to ensure fees have been paid prior to permit issuance would be left to DCSD. DCSD does not have access to residential permits being processed by the Douglas County Building Division and would have no way to track, monitor, or enforce payment of these fees. DCSD is amenable to payment at the time of permit rather than plat recordation if Douglas County can internally validate the payment of these fees prior to issuing building permits.

Sincerely,
Shavon Caldwell
Planning Manager, DCSD Planning & Construction
scaldwell2@dcsdk12.org
office: 303.387.0417
mobile: 720.428.1170



DCSD Planning & Construction
Shavon Caldwell

March 4, 2024

On behalf of Lokal Homes, I would like to present a request for a reduced School Fee dedication requirement at the Inverness at Reunion Townhome development.

First, our project is very small, comprising of 2.72 AC of which 2.35 is developable due to an existing Detention Pond. Our project contemplates building 35 townhomes, which is a density of 14.8 DU per AC. Compared to large scale, higher density multi family projects that are greater than 20-22 DU per AC, this particular development will have a much smaller environmental impact and lower usage of public facilities (schools) compared to larger developments. A project of this size, will result in using fewer services and may lead to less strain on schools, making a case for a reduced fee that aligns with the development's size and impact on community resources.

Next, our Market analysis has identified three target buyer profiles which we believe will contribute to an overall lower occupancy rate per home than a typical single family development. Those buyers are **Young professionals** - Young couples or singles where one or both of the buyers work remotely. They will turn at least one bedroom into a dedicated office and will use any spare bedrooms as a guest suite for when friends come to visit. They enjoy the convenience of the location and minimal maintenance living. **Move-Down buyers** - Empty nesters that are looking to simplify their life and move into a vibrant, active community. They may have a dedicated office space in one of the bedrooms and will reserve the spare bedroom for when their kids come home to visit from college. They will host dinner parties and wine nights in their new, modern townhomes. **Aging Parents and Grandparents/Second home** - These buyers have a kid in Highlands Ranch or Castle Rock and are new grandparents. They spend their summers here and their winters elsewhere. They may have a primary residence in Vail, the Midwest or California. So while these are three bedrooms homes, we expect most to have only 2 full-time residents with visitors at various times.

Finally, given that this project is located in one of the last infill areas in Inverness, the appraised value is notably high. This type of land typically supports larger Commercial/Office or higher-density multi-family projects, commanding a higher appraised value. Although we believe the project's economics align with our proposed development, it cannot accommodate the additional fee for Cash in Lieu for School Dedication. Based on the appraised land value and the standard method for calculating the Cash in Lieu Fee, it adds an extra \$6,500.00 per lot to the project's cost. This renders the project financially unfeasible.

We feel like the standard calculation for School Cash in Lieu Fee can not be used but we would like to propose an amount of \$2,500 per unit.

In addition, as previously requested, we would like to request that the fees be collected at time of Building Permit instead of Plat Recordation.

I look forward to hearing your decision.

Sincerely



Tommy Pucciano

VP Community Development

Lokal Homes, LLC


REFERRAL RESPONSE REQUEST

Date Sent: January 12, 2024

Comments due by: February 2, 2024

Project Name:	Inverness Subdivision Filing 7, 19 th Amendment
Project File #:	SB2023-064
Project Summary:	Administrative replat to divide Lot 1B-2, Inverness Subdivision Filing 7, 18th Amendment into 35 fee-simple lots and 8 tracts. The 2.843-acre lot is zoned Planned Development (PD). The related site improvement plan (SP2023-100) is being processed concurrently.

Information on the identified development proposal located in Douglas County is enclosed. Please review and comment in the space provided.

<input type="checkbox"/> No Comment	
<input checked="" type="checkbox"/> Please be advised of the following concerns: Please see comments in the attached redlined plat exhibit.	
<input type="checkbox"/> See letter attached for detail.	
Agency: Douglas County Public Works	Phone #: 303-660-7490
Your Name: Ken Murphy, P.E. <i>(please print)</i>	Your Signature: 
	Date:

Agencies should be advised that failure to submit written comments prior to the due date, or to obtain the applicant's written approval of an extension, will result in written comments being accepted for informational purposes only.

Sincerely,

Eric Pavlinek, Project Planner

Enclosures

SOUTH METRO FIRE RESCUE

FIRE MARSHAL'S OFFICE



Eric Pavlinek, Project Planner
Douglas County Department of Community Development, Planning Services
100 Third St
Castle Rock Co 80104
303.660.7460
303.660.9550 Fax

Project Name: Inverness Subdivision Filing 7, 19th Amendment
Project File #: **SB2023-064**
S Metro Review #: REFRP24-00004

Review date: January 22, 2024

Plan reviewer: Aaron Miller
720.989.2246
aaron.miller@southmetro.org

Project Summary: Administrative replat to divide Lot 1B-2, Inverness Subdivision Filing 7, 18th Amendment into 35 fee-simple lots and 8 tracts. The 2.843-acre lot is zoned Planned Development (PD). The related site improvement plan (SP2023-100) is being processed concurrently.

Code Reference: Douglas County Fire Code, 2018 International Fire Code, and 2021 International Building Code with amendments as adopted by Douglas County.

South Metro Fire Rescue (SMFR) has reviewed the provided documents and has no objection to the proposed administrative replat. Applicants and Contractors are encouraged to contact SMFR regarding the applicable permit requirements for the proposed project.



Right of Way & Permits

1123 West 3rd Avenue
Denver, Colorado 80223
Telephone: 303.285.6612
violeta.ciocanu@xcelenergy.com

January 25, 2024

Douglas County Planning Services
100 Third Street
Castle Rock, CO 80104

Attn: Eric Pavlinek

Re: Inverness Filing 7, 19th Amendment, Case # SB2023-064 - AMENDED

Public Service Company of Colorado's (PSCo) Right of Way and Permits Referral Desk has reviewed the documents for **Inverness Filing 7, 19th Amendment**.

Please note that PSCo/Xcel Energy's standard distribution easement requirements are as follows (*RESIDENTIAL ONLY*):

- gas distribution line, (front) lot 6-feet
- electrical distribution line, (rear) lot 8-feet
- joint trench, 10-feet
- transformer, 15-feet x 15-feet
- switch cabinet, 20-feet x 20-feet or 15-feet x 25-feet depending on model
- all gas lines must maintain a minimum 5-feet clear from any structure, therefore, easement must adjust accordingly
- all gas lines must be adjacent to drivable pavement/walkway that is a minimum of 8-feet wide & 6-inches thick to allow service trucks access and plowing in snowy conditions

Please be aware that PSCo owns and operates both natural gas and underground electric facilities, including switch cabinets in the area to be developed and requests all facilities (including the buried ones) to be shown on all current and future plans.

The property owner/developer/contractor must complete the application process for any new natural gas or electric service, or modification to existing facilities via [xcelenergy.com/InstallAndConnect](https://www.xcelenergy.com/InstallAndConnect). It is then the responsibility of the developer to contact the Designer assigned to the project for approval of design details.

Please continue working with the Xcel Designers team. Additional easements will be required by separate document(s). The Designer(s) must contact the appropriate Right-of-Way Agent (Russell McLung at russell.w.mcclung@xcelenergy.com).

Violeta Ciocanu (Chokanu)
Right of Way and Permits
Public Service Company of Colorado dba Xcel Energy
Office: 303-285-6612 – Email: violeta.ciocanu@xcelenergy.com

February 14, 2024

Eric Pavlinek
Principal Planner
Douglas County Department of Community Development
100 Third Street, Suite 220
Castle Rock, CO 80104

RE: Inverness Subdivision Filing 7, 19th Amendment, SB2023-064 – Referral Comments

Dear Eric,

Please find below our responses to the referral agency review comments on the replat. To facilitate your review, we have included the original comments in italicized font and have provided our responses in bold.

ADDRESSING ANALYST

Addressing is constrained with existing addresses of 374 to the north and 372 to the south. A street name is required for Tract A. The proposed street name ASCENT is approved and reserved for use with this development. Please propose the suffix to be used. Acceptable suffixes for this alignment are: Road, Lane, or Trail.

Addresses will be determined with the site plan review, SP2023-100

Response: We have worked with Addressing to reserve the street name “Ascent Trail” for Tract A. The plat has been revised to reflect this and will be the document used to record this street name.

ASSESSOR

Please be aware of following comments and concerns:

- Rectangular 0.076 acres parcel at eastern boundary of Tract G is not labelled. Unclear if it is tract or lot and if so what letter or number it should be.*
- Boundary between Tract D and Tract E is not clear and does not have dark black line as other lot/tract boundaries have.*
- General Notes has two #7s*
- Are the Tracts going to be conveyed to Ascent At Inverness Owners Association Inc by separate document? If so please specify.*

Response: - Rectangular 0.076 acres portion is Tract H. The label for Tract H has been moved to show this more clearly.

- The boundary between Tract D and E has been darkened to show more clearly.**
- Duplicate Note #7 fixed.**
- All tracts will be owned and maintained by the Ascent at Inverness Owners Association. There will be a Special Warranty Deed upon improvement completion that will transfer from the Owner at the time of plat to the HOA.**



CHERRY CREEK BASIN WATER QUALITY AUTHORITY

The Cherry Creek Basin Water Quality Authority (Authority) acknowledges notification from Douglas County that the proposed development plans for SB2023-064, Inverness Filing 7, 19th Amendment have been or will be reviewed by Douglas County for compliance with the applicable Regulation 72 construction and post-construction requirements. Based on the Authority's current policy, the Authority will no longer routinely conduct a technical review and instead the Authority will defer to Douglas County's review and ultimate determination that the proposed development plans comply with Regulation 72. If a technical review of the proposed development plan is needed, please contact LandUseReferral@ccbwwqa.org. The review may include consultation with the Authority's Technical Manager to address specific questions or to conduct a more detailed Land Use Review, if warranted.

Response: Noted, we will address any comments provided by Douglas County.

COLORADO DIVISION OF WATER RESOURCES

Based upon the above and pursuant to sections 30-28-136(1)(h)(I) and 30-28-136(1)(h)(II), C.R.S., it is our opinion that the proposed water supply is adequate and can be provided without causing injury to decreed water rights; as long as the District is willing to serve the 35 lots.

Our opinion that the water supply is adequate is based on our determination that the amount of water required annually to serve the subdivision is currently physically available, based on current estimated aquifer conditions.

Our opinion that the water supply can be provided without causing injury is based on our determination that the amount of water that is legally available on an annual basis, according to the statutory allocation approach, for the proposed uses is greater than the annual amount of water required to supply existing water commitments and the demands of the proposed subdivision.

Our opinion is qualified by the following:

The Division 1 Water Court has retained jurisdiction over the final amount of water available pursuant to the above-referenced decree, pending actual geophysical data from the aquifer.

The amounts of water in the Denver Basin aquifer, and identified in this letter, are calculated based on estimated current aquifer conditions. The source of water is from a non-renewable aquifer, the allocations of which are based on a 100 year aquifer life. The county should be aware that the economic life of a water supply based on wells in a given Denver Basin aquifer may be less than the 100 years used for allocation due to anticipated water level declines. We recommend that the county determine whether it is appropriate to require development of renewable water resources for this subdivision to provide for a long-term water supply.

Response: Noted. We are working on getting an updated will-serve letter from IWSD but they have already provided one in the past stating they are willing to serve up to 40 units so we feel confident there will be no issues.

DOUGLAS COUNTY PARKS AND TRAILS

No comment on replat request. Our understanding is an appraisal will be coming and park dedication will be calculated at that time.

Response: Noted, we are continuing to work with the County on the park dedication fees.

ENGINEERING RESPONSES

Please see redline responses to comments attached at the end of this letter.

XCEL

Public Service Company of Colorado's (PSCo) Right of Way and Permits Referral Desk has reviewed the documents for Inverness Filing 7, 19th Amendment and is denying this plat due to lack of dry utility easements. Where are dry utilities proposed to be located?

Please note that PSCo/Xcel Energy's standard distribution easement requirements are as follows (RESIDENTIAL ONLY):

- gas distribution line, (front) lot 6-feet*
- electrical distribution line, (rear) lot 8-feet*
- joint trench, 10-feet*
- transformer, 15-feet x 15-feet*
- switch cabinet, 20-feet x 20-feet or 15-feet x 25-feet depending on model*
- all gas lines must maintain a minimum 5-feet clear from any structure, therefore, easement must adjust accordingly*
- all gas lines must be adjacent to drivable pavement/walkway that is a minimum of 8-feet wide & 6-inches thick to allow service trucks access and plowing in snowy conditions*

Please be aware that PSCo owns and operates both natural gas and underground electric facilities, including switch cabinets in the area to be developed and requests all facilities (including the buried ones) to be shown on all current and future plans.

The property owner/developer/contractor must complete the application process for any new natural gas or electric service, or modification to existing facilities via xcelenergy.com/InstallAndConnect. It is then the responsibility of the developer to contact the Designer assigned to the project for approval of design details.

Additional easements may need to be acquired by separate document. The Designer must contact the appropriate Right-of-Way Agent.

Response: The Developer is worker directly with Xcel to provide gas and electric service to the townhomes. We intend for dry utilities to utilize the existing and proposed utilities on the north and south borders of the property. If any additional easements are deemed necessary through our coordination with Xcel, they will be dedicated by separate document.

Sincerely,
GALLOWAY

Casey Volt
Civil Project Engineer
caseyvisscher@gallowayus.com

APPRAISAL REPORT

PLATTED TOWNHOME LOTS
PORTION OF 372 INVERNESS DRIVE SOUTH
ENGLEWOOD, COLORADO 80112
CBRE FILE NO. CB24US009537-1

CLIENT: LOKAL HOMES





VAS Dept., 1225 17th Street, Suite 3200
Denver, CO 80202

T (303) 628-7476
F (303) 628-1757

www.cbre.com

Date of Report: March 5, 2024

Ms. Nicole Gallop
LOKAL HOMES
8310 S Valley Hwy
Englewood, Colorado 80112

RE: Appraisal of: Platted Townhome Lots
Portion of 372 Inverness Drive South
Englewood, Douglas County, Colorado
CBRE, Inc. File No. CB24US009537-1

Dear Ms. Gallop:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Appraisal Report.

The subject is a 2.84-acre (123,845 sq. ft.) tract of vacant land (multi-family) located adjacent to the municipal address 372 Inverness Drive South in Englewood, Colorado. It is currently recorded in the Assessor's Office as a portion of a larger parcel that has already been replatted to 35 townhome lots (which range in lot sizes between 1,013 square feet and 1,542 square feet, averaging 1,213 square feet).

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is Platted Land Value	Fee Simple Estate	February 14, 2024	\$1,675,000
Compiled by CBRE			

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal

March 5, 2024

Page 2

Practice of the Appraisal Institute. It also conforms to Article 10 Dedication Standards of the Douglas County Subdivision Resolution.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES

Arod Javier
Vice President
Certified General Appraiser, State of Colorado
No. CG40026961
Phone: (303) 628-7438
Email: arod.javier@cbre.com

Justin Atwell, MAI, MRICS
Managing Director
Certified General Appraiser, State of Colorado
No. CG100041161
Phone: (303)-628-7480
Email: justin.atwell@cbre.com

Certification

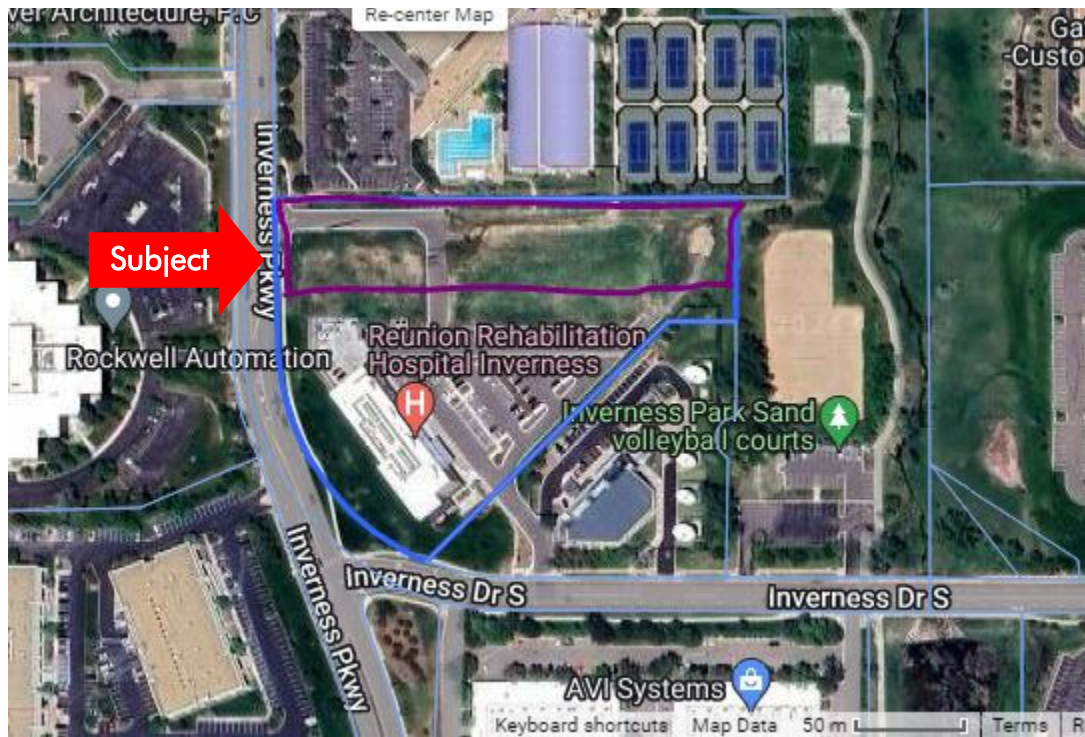
We certify to the best of our knowledge and belief:

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.
4. Arod Javier and Justin Atwell, MAI, MRICS have not provided any services as appraisers regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
9. Arod Javier has made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the persons signing this certification.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, Justin Atwell, MAI, MRICS has completed the continuing education program for Designated Members of the Appraisal Institute.
14. As of the date of this report, Arod Javier has completed the Standards and Ethics Education Requirements for Candidates for Designation or Practicing Affiliates of the Appraisal Institute.
15. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the State of Colorado.

Arod Javier
 Certified General Appraiser, State of Colorado
 No. CG40026961

Justin Atwell, MAI, MRICS
 Certified General Appraiser, State of Colorado
 No. CG100041161

Subject Photographs



Aerial View (subject is highlighted in purple)



View of Subject from Inverness Parkway



View of unnamed interior roadway towards Inverness Parkway, subject to the left



View of Subject from interior roadway



View of Subject from interior roadway



Street view along Inverness Parkway, subject to the left



Street view along Inverness Parkway, subject to the right

Executive Summary

Property Name	Platted Townhome Lots	
Location	Portion of 372 Inverness Drive South Englewood, Douglas County, CO 80112	
Parcel Number(s)	Portion of 2231-022-05-028	
Client	Lokal Homes	
Highest and Best Use	Hold for detached single-family development	
As Vacant		
Property Rights Appraised	Fee Simple Estate	
Date of Report	March 5, 2024	
Date of Inspection	February 14, 2024	
Estimated Exposure Time	12 Months	
Estimated Marketing Time	12 Months	
Primary Land Area	2.84 AC	123,845 SF
Zoning	Business with the Inverness Subdivision	
Buyer Profile	Homebuilder	

VALUATION		Total	Per Unit
As Is Platted Land Value On	February 14, 2024		
Sales Comparison Approach		\$1,675,000	\$13.52

CONCLUDED MARKET VALUE			
Appraisal Premise	Interest Appraised	Date of Value	Value
As Is Platted Land Value	Fee Simple Estate	February 14, 2024	\$1,675,000
Compiled by CBRE			

MARKET VOLATILITY

We draw your attention to a combination of inflationary pressures (leading to higher interest rates) and recent failures/stress in banking systems which have significantly increased the potential for constrained credit markets, negative capital value movements and enhanced volatility in property markets over the short-to-medium term.

Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility and the potential for deteriorating market conditions.

It is important to note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how markets respond to evolving events.

CURRENT ECONOMIC CONDITIONS

At its January 2024 meeting, the Federal Reserve held the federal funds rate at a range of 5.25% to 5.50% and indicated it will continue reducing its balance sheet by \$95 billion per month. The

Fed removed language from its policy statement about further tightening but stated it needs more confidence inflation “is moving sustainably toward 2.00%” before considering cuts. Rising real interest rates will be a headwind for the economy in coming quarters; however, CBRE expects the U.S. economy will remain resilient with growth averaging 1.6% for the year.

While opinions vary on future economic issues, the general market consensus at the time of this appraisal is the anticipation of moderating inflation as higher interest rates cool demand. Tighter lending conditions and a weakening economy will keep capital markets activity subdued and reduce leasing demand in the short to medium term. Amid this uncertain and dynamic environment, investment market performance will be uneven across property types.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as “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.”¹

- This appraisal employs no extraordinary assumption/s.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as “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 analysis.”²

- This appraisal employs no hypothetical condition/s.

¹ The Appraisal Foundation, *USPAP, 2024 Edition (Effective January 1, 2024)*

² T The Appraisal Foundation, *USPAP, 2024 Edition (Effective January 1, 2024)*

OWNERSHIP AND PROPERTY HISTORY

OWNERSHIP SUMMARY	
Item	Current
Current Ownership	
Owner:	Reunion Inverness RE LLC
Sale in Last 3 Years?:	No
County/Locality Name:	Douglas
Pending Sale	
Under Contract:	Yes
Buyer:	The Progressive Land Company, LLC
Contract Price:	\$2,350,000
Contract Date:	November 17, 2021
Arm's Length:	Yes
At / Above / Below Market:	Above Market
Current Listing	
Currently Listed For Sale:	No
Compiled by CBRE	

The subject is currently under contract for \$2,350,000 as an arms-length contract between unaffiliated parties but was signed November 17, 2021, at the height of the housing market boom. The subject was listed prior to sale for roughly 17 months and received offers between \$2.23 million and \$2.48 million from developers wanting to develop the site into a hotel, medical facility or school, but the seller opted for the current buyer who intends to develop it for residential use.

The subject was exposed to the open market and generated several interested parties, however, as mentioned above the current contract as signed November 17, 2021, at the height of the housing market boom. Given the declining market conditions, the contract price is now considered above market.

EXPOSURE/MARKETING TIME

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

- exposure periods for comparable sales used in this appraisal;
- the opinions of market participants.

The following table presents the information derived from these sources.

EXPOSURE/MARKETING TIME DATA			
Investment Type	Exposure/Mktg. (Months)		
	Range		Average
Comparable Sales Data	3.0	- 30.0	17.0
Local Market Professionals	6.0	- 12.0	12.0
CBRE Exposure Time Estimate	12 Months		
CBRE Marketing Period Estimate	12 Months		
Various Sources Compiled by CBRE			

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B Client Contract Information	
C Qualifications	

Scope of Work

This Appraisal Report is intended to comply with the real property appraisal development and reporting requirements set forth under Standards Rule 1 and 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered, and analysis is applied.

INTENDED USE OF REPORT

This appraisal is to be used for internal use and no other use is permitted.

CLIENT

The client is Lokal Homes.

INTENDED USER OF REPORT

This appraisal is to be used by Lokal Homes. No other user(s) may rely on our report unless as specifically indicated in this report.

Intended users are those who an appraiser intends will use the appraisal or review report. In other words, appraisers acknowledge at the outset of the assignment that they are developing their expert opinions for the use of the intended users they identify. Although the client provides information about the parties who may be intended users, ultimately it is the appraiser who decides who they are. This is an important point to be clear about: The client does not tell the appraiser who the intended users will be. Rather, the client tells the appraiser who the client needs the report to be speaking to, and given that information, the appraiser identifies the intended user or users. It is important to identify intended users because an appraiser's primary responsibility regarding the use of the report's opinions and conclusions is to those users. Intended users are those parties to whom an appraiser is responsible for communicating the findings in a clear and understandable manner. They are the audience.³

RELIANCE LANGUAGE

Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for

³ Appraisal Institute, *The Appraisal of Real Estate*, 15th ed. (Chicago: Appraisal Institute, 2020), 40.

any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to develop an opinion of the market value of the subject property.

DEFINITION OF VALUE

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

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 is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.⁴

INTEREST APPRAISED

The value estimated represents Fee Simple Estate as defined below:

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.⁵

Extent to Which the Property is Identified

The property is identified through the following sources:

postal address
 assessor's records
 legal description obtained from the client (presented in the Addenda of this report)

Extent to Which the Property is Inspected

Arod Javier inspected the subject, as well as its surrounding environs on the effective date of appraisal. This inspection was considered adequate and is the basis for our findings.

⁴ Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

⁵ Appraisal Institute, The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022), 73.

Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- comparable data

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. For vacant land, the sales comparison approach has been employed for this assignment.

STATEMENT OF COMPETENCY

Arod Javier has the appropriate knowledge, education, and experience to complete this assignment competently.

Data Resources Utilized in the Analysis

DATA SOURCES	
<i>Item:</i>	<i>Source(s):</i>
Site Data	
Size	Plat
Zoning	Douglas County Planning and Zoning Dept.
Other	
Misc. 1	Purchase and Sale Agreement and ammendments
Data Not Provided	
Item 1	Geotechnical Report
Item 2	Phase I Environmental Site Assessment
Item 3	Title Report
Compiled by CBRE	

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available. Depending on a specific appraisal assignment, any of the following four methods may be used to determine the market value of the fee simple interest of land:

- Sales Comparison Approach;
- Income Capitalization Procedures;
- Allocation; and
- Extraction.

The following summaries of each method are paraphrased from the text.

The first is the sales comparison approach. This is a process of analyzing sales of similar, recently sold parcels in order to derive an indication of the most probable sales price (or value) of the property being appraised. The reliability of this approach is dependent upon (a) the availability of comparable sales data, (b) the verification of the sales data regarding size, price, terms of sale, etc., (c) the degree of comparability or extent of adjustment necessary for differences between the subject and the comparables, and (d) the absence of nontypical conditions affecting the sales price. This is the primary and most reliable method used to value land (if adequate data exists).

The income capitalization procedures include three methods: land residual technique, ground rent capitalization, and Subdivision Development Analysis. A discussion of each of these three techniques is presented in the following paragraphs.

The land residual method may be used to estimate land value when sales data on similar parcels of vacant land are lacking. This technique is based on the principle of balance and the related concept of contribution, which are concerned with equilibrium among the agents of production--i.e., labor, capital, coordination, and land. The land residual technique can be used to estimate land value when: 1) building value is known or can be accurately estimated, 2) stabilized, annual net operating income to the property is known or estimable, and 3) both building and land capitalization rates can be extracted from the market. Building value can be estimated for new or proposed buildings that represent the highest and best use of the property and have not yet incurred physical deterioration or functional obsolescence.

The subdivision development method is used to value land when subdivision and development represent the highest and best use of the appraised parcel. In this method, an appraiser determines the number and size of lots that can be created from the appraised land physically, legally, and economically. The value of the underlying land is then estimated through a discounted cash flow analysis with revenues based on the achievable sale price of the finished product and expenses based on all costs required to complete and sell the finished product.

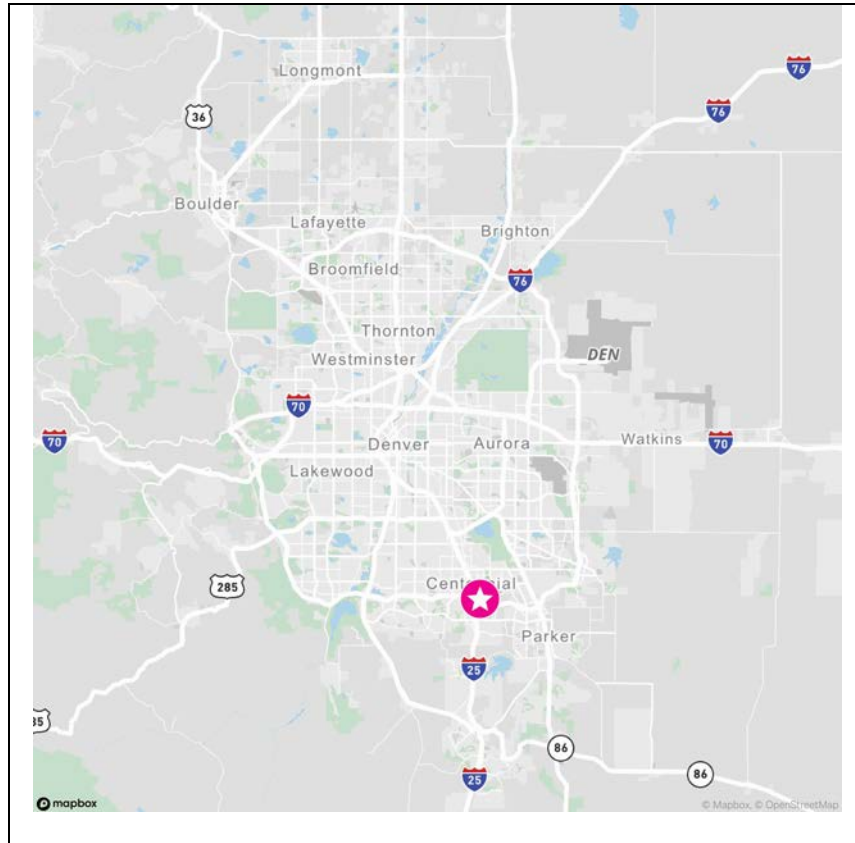
The ground rent capitalization procedure is predicated upon the assumption that ground rents can be capitalized at an appropriate rate to indicate the market value of a site. Ground rent is paid for the right to use and occupy the land according to the terms of the ground lease; it corresponds to the value of the landowner's interest in the land. Market-derived capitalization rates are used to convert ground rent into market value. This procedure is useful when an analysis of comparable sales of leased land indicates a range of rents and reasonable support for capitalization rates can be obtained.

The allocation method is typically used when sales are so rare that the value cannot be estimated by direct comparison. This method is based on the principle of balance and the related concept of contribution, which affirm that there is a normal or typical ratio of land value to property value for specific categories of real estate in specific locations. This ratio is generally more reliable when the subject property includes relatively new improvements. The allocation method does not produce conclusive value indications, but it can be used to establish land value when the number of vacant land sales is inadequate.

The extraction method is a variant of the allocation method in which land value is extracted from the sale price of an improved property by deducting the contribution of the improvements, which is estimated from their depreciated costs. The remaining value represents the value of the land. Value indications derived in this way are generally unpersuasive because the assessment ratios may be unreliable, and the extraction method does not reflect market considerations.

For this analysis, we have utilized only the sales comparison approach as this methodology is typically used for land sites that are feasible for immediate development and where sufficient land sale data exists. The other methodologies are used primarily when comparable land sales data is non-existent. Therefore, these approaches have not been used.

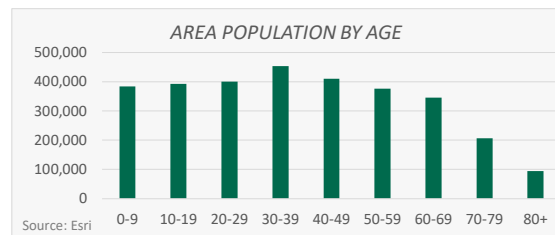
Area Analysis



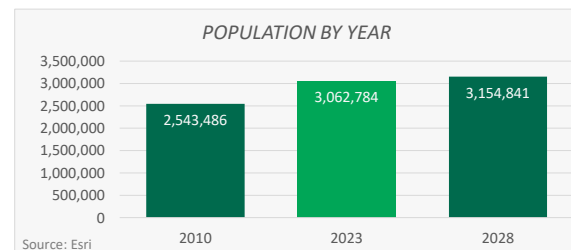
The subject is located in the Denver-Aurora-Lakewood, CO Metropolitan Statistical Area. Key information about the area is provided in the following tables.

POPULATION

The area has a population of 3,062,784 and a median age of 38, with the largest population group in the 30-39 age range and the smallest population in 80+ age range.



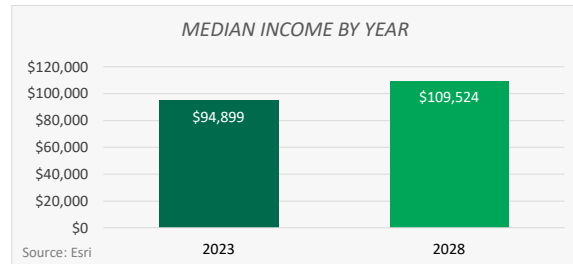
Population has increased by 519,298 since 2010, reflecting an annual increase of 1.4%. Population is projected to increase by 92,057 between 2023 and 2028, reflecting a 0.6% annual population growth.



Source: ESRI, downloaded on Feb, 28 2024

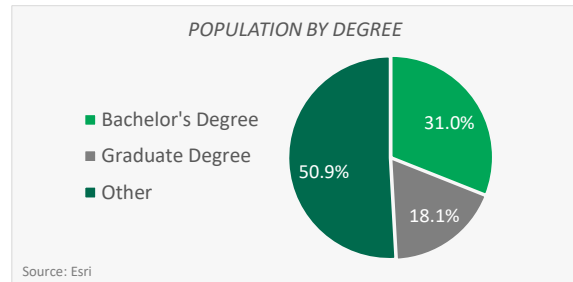
INCOME

The area features an average household income of \$131,179 and a median household income of \$94,899. Over the next five years, median household income is expected to increase by 15.4%, or \$2,925 per annum.

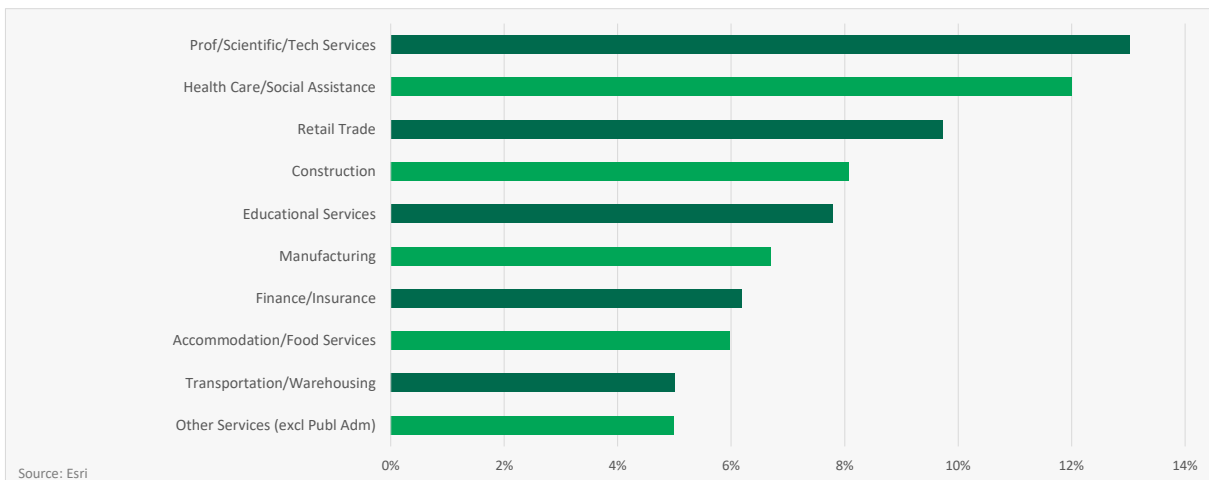


EDUCATION

A total of 49.1% of individuals over the age of 24 have a college degree, with 31.0% holding a bachelor's degree and 18.1% holding a graduate degree.



EMPLOYMENT

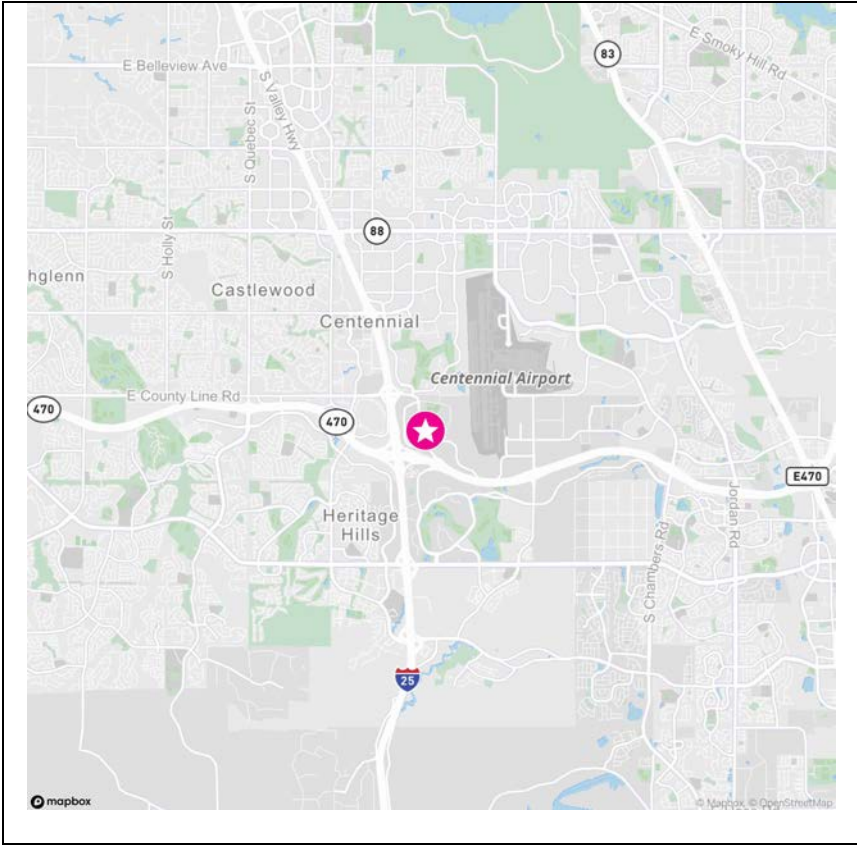


The area includes a total of 1,709,947 employees and has a 3.3% unemployment rate. The top three industries within the area are Prof/Scientific/Tech Services, Health Care/Social Assistance and Retail Trade, which represent a combined total of 35% of the workforce.

Source: ESRI, downloaded on Feb 28, 2024; BLS.gov dated Dec 1, 2023 (preliminary)

Population and job growth in the Denver Metropolitan MSA is forecasted to continue growing through 2028. The area’s strong demographics, educated workforce, and diversified economy will secure the area as a top investment market for the foreseeable future.

Neighborhood Analysis



LOCATION

The subject is located in an unincorporated area of Douglas County just outside the City of Englewood and is considered a suburban location. The neighborhood is situated in Arapahoe and Douglas Counties, about 18 miles southeast of the Denver Central Business District.

BOUNDARIES

The neighborhood boundaries are detailed as follows:

- North: East Belleview Avenue
- South: E-470
- East: Centennial Airport/Cherry Creek State Park
- West: South Quebec Street

LAND USE

The subject neighborhood contains a wide variety of land uses from single and multifamily residential to office, industrial and retail. The Southeast submarket of metropolitan Denver along the Interstate 25 Corridor is the most prominent suburban office market in the area. The subject neighborhood includes the Inverness Business Park and the Meridian International Business

Center (to the south). To the west/southwest of the subject (west side of I-25) is the Panorama and Park Ridge Office Parks. To the north and northwest of the subject is Greenwood Plaza and the Denver Technological Center (DTC). These areas are home to numerous corporate headquarter facilities and is the primary employment center in the south Denver metro area.

Retail development in the vicinity is concentrated along arterial streets. County Line Road, west of Interstate 25 is an established retail corridor that is built up with neighborhood retail centers, freestanding department stores, auto dealerships and a variety of restaurants and smaller single tenant retail development. At the northwest quadrant of I-25 and C-470 is Park Meadows Mall, the most significant retail development in the vicinity. There is a considerable amount of additional retail development in the outlying vicinity of the mall.

Additionally, the Landmark development is a mixed use, master-planned residential and commercial development located between Orchard and Belleview along I-25 (northwest of the subject). Uses include two high end residential condominium towers comprising of a total of 278 units, 211 townhome units, and a 153,736-square foot community/lifestyle retail property with a common parking structure. Total acreage for the entire Landmark development comprises approximately 10.53-acres. This mixed-use development was constructed in 2007. These are the two primary retail areas in the Southeast submarket with concentrated retail uses. Other retail in the neighborhood is more ancillary retail to support the significant office use in and around the area with a high daytime population.

After years of stable market conditions and steady performance, the area is seeing an influx of new construction projects. New recent development in DTC/Greenwood Village area includes the CoBank Building and Belleview Station. The CoBank Building is a 274,287-square foot, 11-story, Class A office building. It is a build-to-suit project for CoBank, which has leased 100% of the improvements on a 15-year lease. Belleview Station is a 42-acre, master planned, mixed-use, transit-oriented development (TOD) with good access to the Belleview Station light rail platform. Upon completion of the mixed-use campus, Belleview Station will have over 2.2 million square feet of office space, 300,000 square feet of retail, 1,800 residential units, plus one or two hotels and over 5 acres of plazas and open space. This is located to the west of the intersection of Belleview and I-25. It includes three new developments: One Belleview Station, MileHouse Apartments, and The Den Apartments. One Belleview Station is a 318,405 SF of Class A office space (with ground floor retail space) within a 15-story building completed in 2017. Other ongoing developments in the immediate area a 15-story office tower at 6900 Layton Avenue. PrimeWest's 6900 Layton delivered in Q3 2020, bringing approximately 385,000 sq. ft. of Class A space to the DTC micromarket. This project was 67.6% preleased upon completion to Newmont Mining and Logisticare. Current occupancy for this property is reported at approximately 94%. These properties all benefit from a good location/proximity to Belleview Station. Vectra Bank's 130,045 SF building at 7222 East Layton Avenue was completed in 2022 and is in the initial lease-up.

Other non-office new development in the immediate Belleview Station area includes a 19-story, 155,970 SF Kimpton Hotel featuring 190 guest rooms and 14 suites over 14 floors (anticipated to open in 2024). Additionally, the site to the north is being developed by the Stonebridge Companies and include a soft-branded 175-room Residence Inn hotel and 189 luxury for-rent apartments (slated for completion in the Spring 2025).

ACCESS

Primary access to the subject neighborhood is provided by Interstate 25 and state highway C-470. Interstate 25 (I-25) is a north/south highway that parallels the Rocky Mountains and is a primary arterial for Colorado's Front Range. This is the principal route to downtown Denver to the north, and Colorado Springs to the south. This highway is six lanes in either direction north of Lincoln, and four lanes to the south.

State highway C-470, a four-lane limited access freeway, meets I-25 to the north of Lincoln Avenue, and provides a southwest/west metropolitan loop, linking with Interstate 70 east of Golden. The E-470 Public Highway Authority is responsible for the E-470 tollway, providing a southeast/east/northeast metropolitan loop. Currently, the C-470/E-470 circumnavigates $\frac{3}{4}$ of metro Denver. That is the southwest, southeast, and northeast quadrants are connected by the loop. It is not unlikely that the last quarter loop will be finished, as there is opposition to bring the throughway into Golden.

The area is adequately served by Regional Transportation District (RTD) bus service and the RTD light rail line was recently expanded with the FasTracks initiative to link the south metro area to the CBD and generally follows the I-25 corridor as well as the South Santa Fe corridor west of the neighborhood. The closest RTD light rail stations are the Dry Creek and County Line Stations on the west side of I-25.

CENTENNIAL AIRPORT

The largest single land use located in the subject neighborhood is the Centennial Airport (APA). The Centennial Airport, formerly Arapahoe County Airport, opened on May 12, 1968. An international airport with U.S. Customs services, the Centennial Airport accommodated 302,660 aircraft operations in 2022 with most of the traffic concentrated during the daytime hours. The airport is served by three runways, and is home to a number of flight schools, medivac companies, flying clubs, air charter services, and aircraft sales services and aircraft maintenance services. Use of Centennial Airport runways is limited by weight. Current weight limit is 75,000 pounds. Five Fixed Based Operators (FBOs) have operations at Centennial Airport: Denver jetCenter, TAC Air, Signature Flight Support, XJet, and the HeliPlex.

Centennial Airport is used regularly by a variety of very important flights, such as Flight for Life, various medical flights, and Law Enforcement among others. The airport also offers support for a number of flight schools, flying clubs, air charter services, aircraft sales services and aircraft

maintenance services, as well as being an important hub for commerce and trade. The economic impact of the airport to the local community is estimated at \$2.1 billion annually. Centennial Airport is located to the east of the subject property.

DEMOGRAPHICS

Selected neighborhood demographics in 1-, 3- and 5-mile radius from the subject are shown in the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS				
Portion of 372 Inverness Drive South Englewood, CO 80112	1 Mile Radius	3 Mile Radius	5 Mile Radius	Denver-Aurora- Lakewood, CO Metropolitan Statistical Area
Population				
2028 Total Population	6,737	68,273	218,497	3,154,841
2023 Total Population	5,652	64,397	210,029	3,062,784
2010 Total Population	2,283	50,629	174,398	2,543,486
2000 Total Population	49	38,059	129,717	2,179,314
Annual Growth 2023 - 2028	3.57%	1.18%	0.79%	0.59%
Annual Growth 2010 - 2023	7.22%	1.87%	1.44%	1.44%
Annual Growth 2000 - 2010	46.84%	2.89%	3.00%	1.56%
Households				
2028 Total Households	3,541	29,694	86,404	1,263,208
2023 Total Households	2,923	27,471	82,017	1,213,963
2010 Total Households	1,313	21,043	67,501	1,004,694
2000 Total Households	14	13,716	46,372	852,187
Annual Growth 2023 - 2028	3.91%	1.57%	1.05%	0.80%
Annual Growth 2010 - 2023	6.35%	2.07%	1.51%	1.47%
Annual Growth 2000 - 2010		4.37%	3.83%	1.66%
Income				
2023 Median Household Income	\$83,886	\$111,963	\$121,783	\$94,899
2023 Average Household Income	\$108,686	\$154,366	\$167,184	\$131,179
2023 Per Capita Income	\$57,612	\$65,828	\$65,366	\$52,058
2023 Pop 25+ College Graduates	2,536	29,491	96,800	1,031,830
Age 25+ Percent College Graduates - 2023	63.1%	64.7%	67.0%	49.1%

Source: ESRI

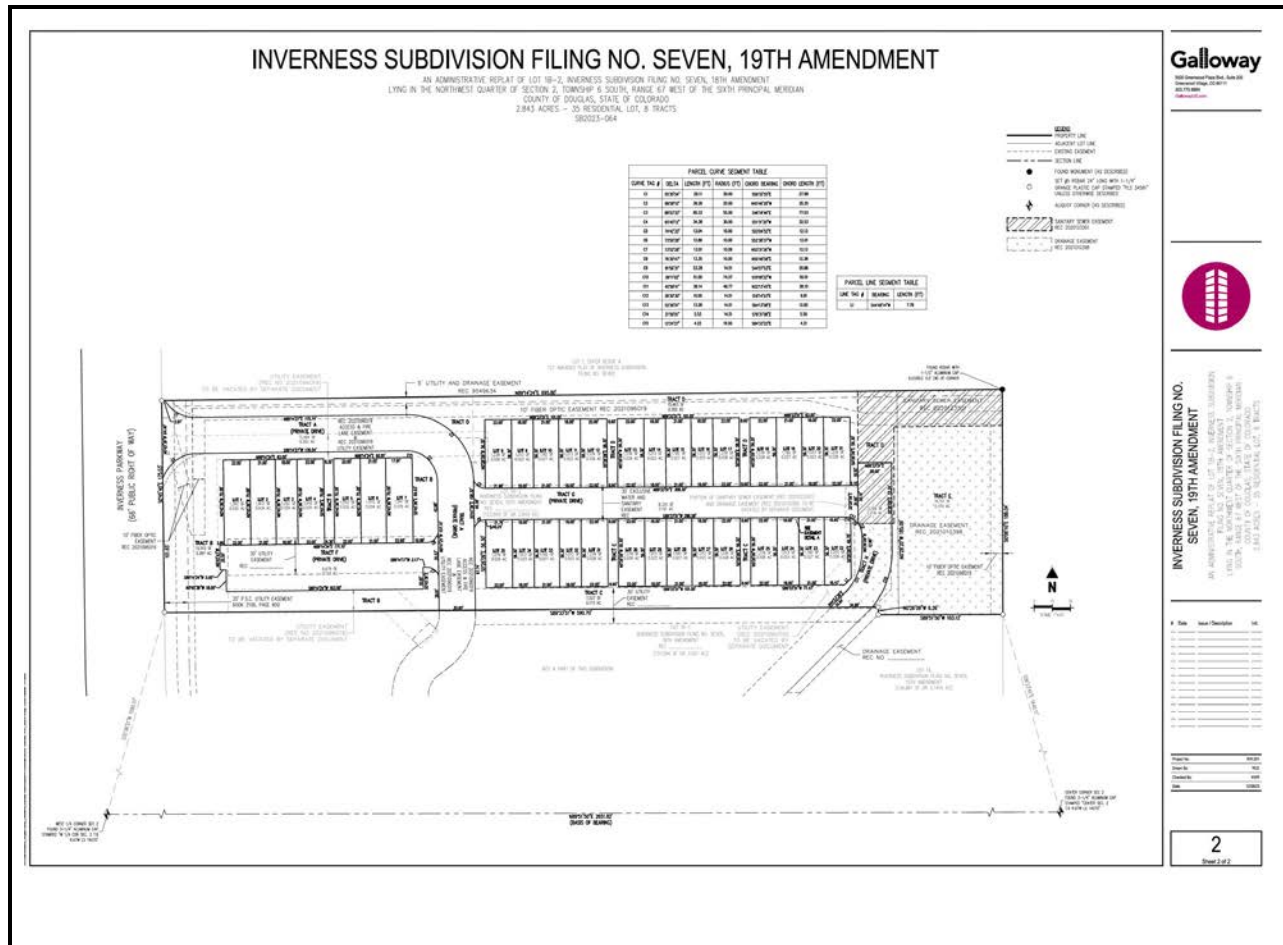
CONCLUSION

As shown in the table above, the growth within the 1-mile radius of the subject has experienced higher growth relative to the outlying radii rates. The rate of growth is over the next five years is expected to slow largely due to the area becoming increasing built-out with only select in-fill and redevelopment of older properties likely to drive future growth. The area has an above average income demographic as compared to the overall metro average.

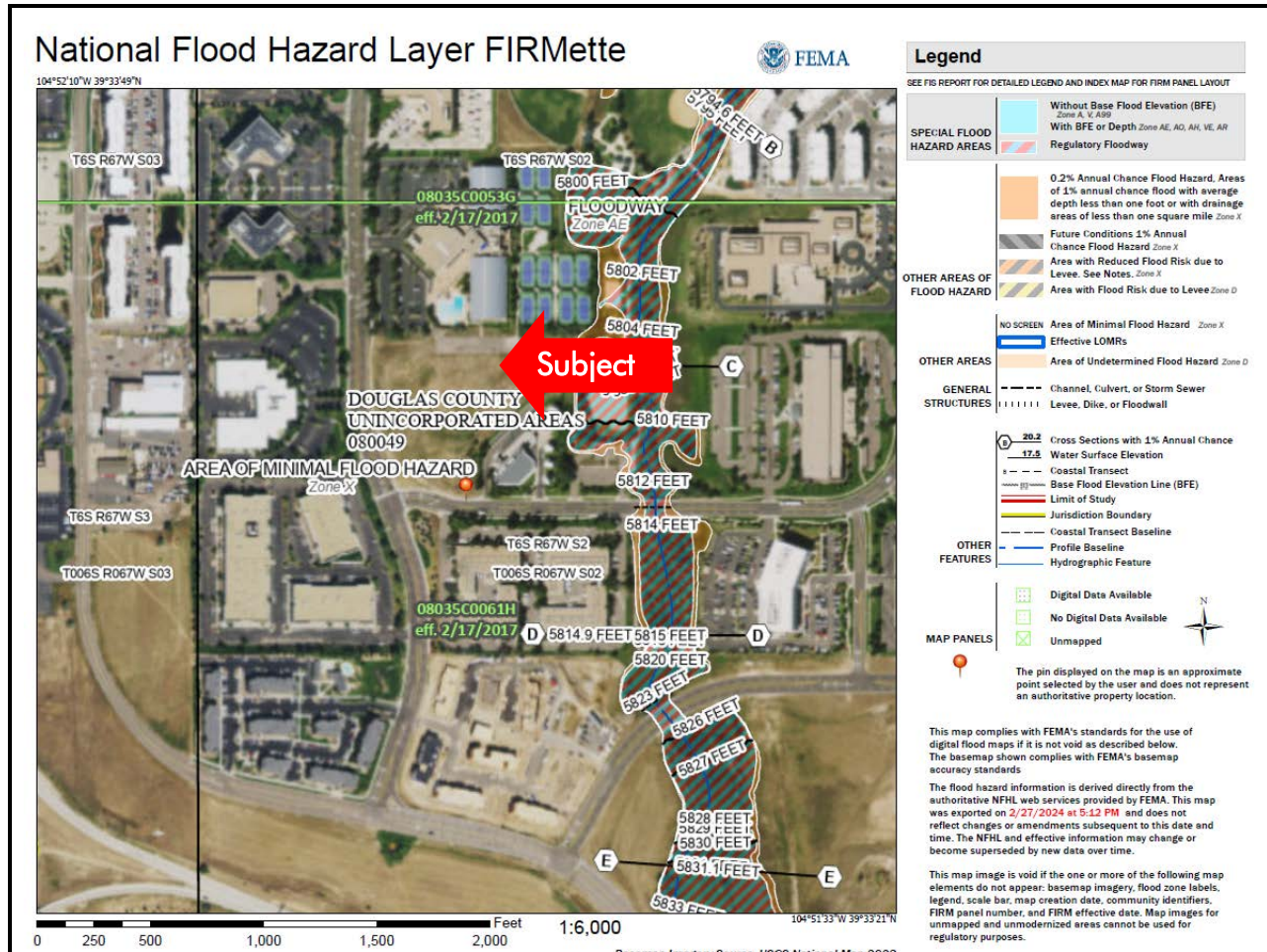
Given the neighborhood’s location, surrounding demographics and economic conditions, adequate demand is anticipated for the subject and competitive properties over the long-term

outlook horizon. The outlook for the neighborhood is for slow activity and improvement over the next several years as the market trends back to Pre-COVID-19 level over the next 18 to 24 months.

PLAT SHOWING SUBDIVIDED LOTS



FLOOD PLAIN MAP



The subject is located within an Unshaded, Zone X flood zone, an area of minimal flood hazard.

Site Analysis

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY AND ANALYSIS			
Physical Description			
Net Site Area	2.84 Acres 123,845 Sq. Ft.		
Primary Road Frontage	Inverness Parkway		
Shape	Rectangular		
Topography	Moderate Slope		
Parcel Number(s)	Portion of 2231-022-05-028		
Zoning District	Business with the Inverness Subdivision		
Flood Map Panel No. & Date	08035C00	17-Feb-17	
Flood Zone	Zone X (Unshaded)		
Adjacent Land Uses	Reunion Rehabilitation Hospital, Colorado Athletic Club, several		
Comparative Analysis			Rating
Visibility			Average
Functional Utility			Average
Traffic Volume			Average
Adequacy of Utilities			Average
Landscaping			N/A
Drainage			Assumed Adequate
Utilities	Provider	Availability	
Water	Inverness Water and Sanitation	X	
Sewer	Inverness Water and Sanitation	X	
Natural Gas	Xcel Energy	X	
Electricity	Xcel Energy	X	
Telephone	Multiple Providers	X	
Mass Transit	RTD	X	
Other	Yes	No	Unknown
Detrimental Easements			X
Encroachments			X
Deed Restrictions			X
Reciprocal Parking Rights			X
Various sources compiled by CBRE			

SIZE

The subject currently exists as part of a larger parcel, however, this appraisal is based on the site that has been platted into 35 townhome lots. The gross land area of the site totals 123,845 square feet with 42,446 square feet specific for the proposed platted home lot area. The remaining acreage is proposed to consist of interior roadways, detention areas, and open tracts. The proposed lots are anticipated to consist of 35 townhome lots which range in lot sizes between 1,013 square feet and 1,542 square feet, averaging 1,213 square feet.

INGRESS/EGRESS

Ingress and egress to the site is through a private drive along Inverness Parkway. Two reciprocal access points are also available via the adjacent Reunion Medical facility to the south.

TOPOGRAPHY AND DRAINAGE

The site has moderate slope but is not seen as an impediment to the development of the property. During our inspection of the site, we observed no drainage problems and assume that none exist.

SOILS

A soils analysis for the site has not been provided for the preparation of this appraisal. In the absence of a soils report, it is a specific assumption that the site has adequate soils to support the highest and best use.

EASEMENTS AND ENCROACHMENTS

There are no known easements or encroachments impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a current title policy outlining all easements and encroachments on the property, if any, prior to making a business decision.

COVENANTS, CONDITIONS AND RESTRICTIONS

There are no known covenants, conditions or restrictions impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a copy of the current covenants, conditions and restrictions, if any, prior to making a business decision.

UTILITIES AND SERVICES

The site includes all municipal services, including police, fire and refuse garbage collection. All utilities are available to the site in adequate quality and quantity to service the highest and best use.

ENVIRONMENTAL ISSUES

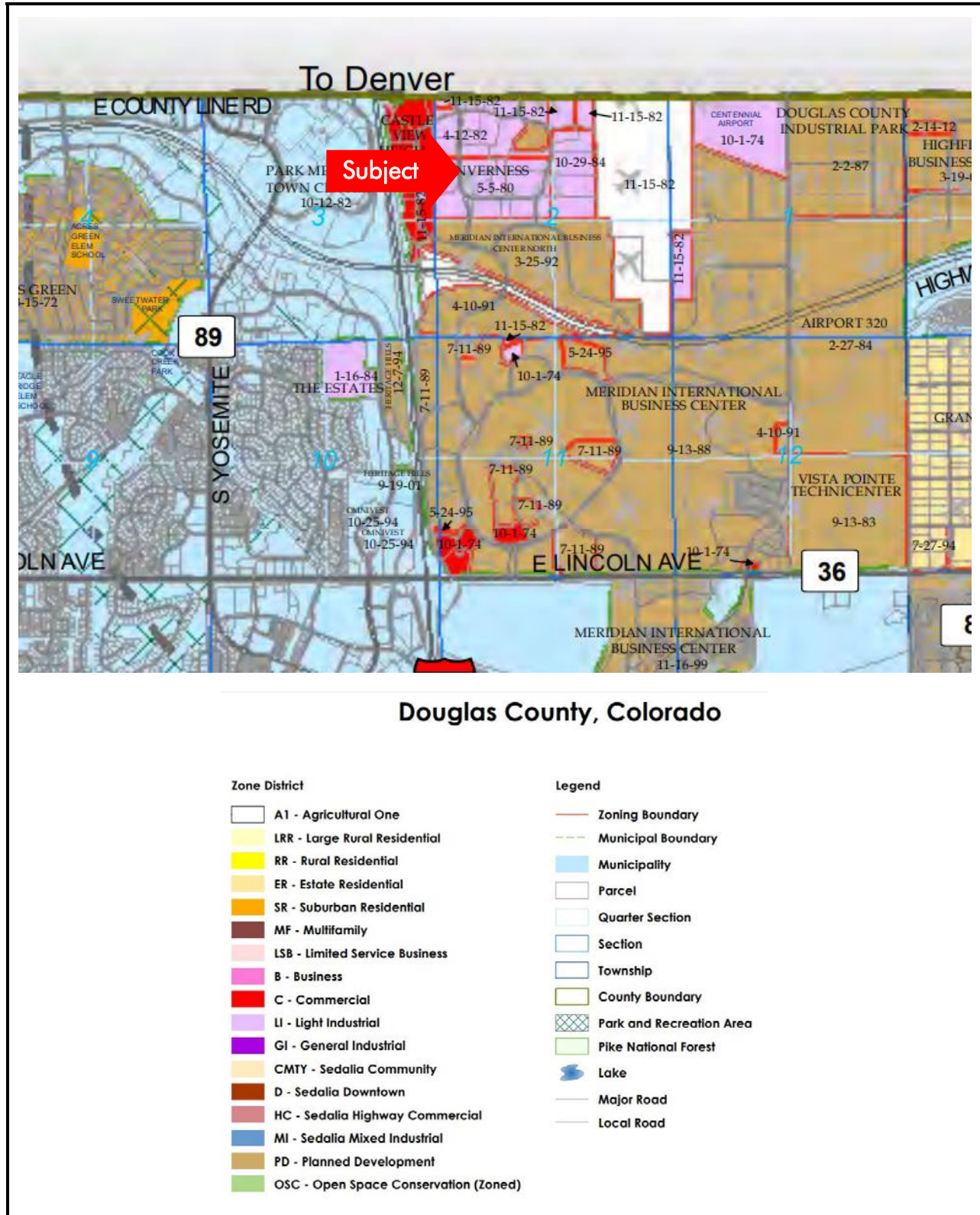
Although CBRE was not provided an Environmental Site Assessment (ESA), a tour of the site did not reveal any obvious issues regarding environmental contamination or adverse conditions.

The appraiser is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

CONCLUSION

The subject is afforded average access and visibility from roadway frontage. The size of the site is typical for the area and use, and there are no known detrimental uses in the immediate vicinity. The subject is assumed to have reciprocal easement for access with the medical facility adjacent to the south of the subject. Overall, there are no known factors which are considered to prevent the site from development to its highest and best use.

ZONING MAP



Zoning

The following chart summarizes the subject’s zoning requirements.

ZONING SUMMARY	
Current Zoning	Business with the Inverness Subdivision
Legally Conforming	See Comments
Uses Permitted	Light industrial, retail, and office
Zoning Change	Not likely
Source: Planning & Zoning Dept. and Plat	

ANALYSIS AND CONCLUSION

The subject is located within a PUD zoning district within the Inverness Subdivision with a designated land use of Business, which allows for a wide variety of development types including light industrial, retail, and office. However, the buyer indicated they have received entitlement for residential development for 35 townhomes.

Additional information may be obtained from the appropriate governmental authority. CBRE has assumed the information obtained is correct.

Tax and Assessment Data

Colorado property taxes are calculated utilizing three components:

- Assessor's Actual Value
- Assessment Rate
- Mill Levy

ASSESSOR'S ACTUAL VALUE

Under Colorado law, all real property (land, buildings, improvements, etc.) must be valued every two years. This occurs in each odd-numbered year (2021, 2023, 2025 etc.). The Assessor studies the prices of properties which sold during the 18-month period ending on June 30 of the year prior to the reappraisal. For example, new 2023 values are based on properties which sold between January 1, 2021, and June 30, 2022. While statute prescribes an eighteen-month study period, assessors are allowed to extend the study period back in time in six-month increments. Real Property Notices of Valuation are available by May 1st of a valuation year. It is also worth noting property sales do not trigger a reassessment by the Assessor.

ASSESSMENT RATE & ASSESSED VALUE

Statute provides that the actual value of property is not the taxable value. Rather, the taxable value is a percentage of the actual value.

$$\text{Assessor's Actual Value} \times \text{Assessment Rate \%} = \text{Assessed Value}$$

The percentage is called an "assessment rate," and the resulting value is called the "assessed value." The Colorado legislature is responsible for determining the Assessment Rate for all property classes. With the repeal of the Gallagher Amendment in 2020, the multi-family and residential assessment rate was frozen at 7.15%. While the rate is set in statute as 7.15%, it has been temporarily reduced to 6.765% for the 2023 tax year. The assessment rate is 27.9% for commercial properties.

The passage of SB22-238 changed the multifamily assessment rates for tax years 2023, 2024 and 2025.

- 2023 Assessment Rate 6.765%
- 2024 Assessment Rate 6.800%
- 2025 Assessment Rate 7.150%

Commercial property will be assessed at 27.9% for tax year 2023. It will go back to 29% for tax years 2024 & 2025.

TAX RATE/MILL LEVY

In December of each year county commissioners, city councils, school boards, governing boards of special districts, and other taxing authorities determine the revenue needed and allowed under

the law to provide services for the following year. Each taxing authority calculates a tax rate based on the revenue needed from property tax and the total assessed value of real and personal property located within their boundaries. The tax rate is often expressed as a mill. One mill is equal to \$1 of property tax for every \$1,000 of assessed value.

Assessed Value X Mill Levy = Property Tax Due

The statutory "5.5%" Property Tax Revenue Limit, also known as the "Annual Levy Law" (Section 29-1-301, et seq., C.R.S) restricts the amount of total property tax revenue that a local tax authority may collect each year. The limit applies to the amount of property tax revenue that is collected on a local government’s entire tax base. The mill levies determined in December every year must consider the 5.5% limit on property tax collection, unless exempt by voter approval.

PAYMENT OF PROPERTY TAXES

Taxes are paid in arrears. Thus 2023 taxes are payable in 2024. Taxes may be paid in one payment by April 30th or in two equal payments by February 28th and June 15th.

PROTESTING PROPERTY VALUATIONS

Colorado Statute allows property owners to protest taxes in the month of May of a valuation year. Owners of real property can protest the value, or the classification established by the assessor. This protest period provides an opportunity for taxpayers to inform the assessor of errors in classification, property description, or other discrepancies that may result in a reduction in value or a change in classification.

SUBJECT ASSESSMENT AND TAXES

The following summarizes the local assessor’s estimate of the subject’s market value, assessed value, and taxes. It is noted that the subject lots have not been recorded yet and the parcel number is still part of the larger parcel it originally came from.

AD VALOREM TAX INFORMATION			
Parcel	Assessor's Parcel No.	Parcel Description	2024
1	Portion of 2231-022-05-028	Actual value of entire parcel	\$18,533,890
	Subtotal		\$18,533,890
	% of Assessed Value		27.9%
	Final Assessed Value		5,170,960
	General Tax Rate (per \$1,000 A.V.)		94.261000
	Total Taxes		\$487,420
	Taxes per SF		\$3.94

Source: Assessor's Office

If the subject were to sell or be developed, an increase in taxes in the next reassessment period will likely be possible. Nonetheless, the subject is of similar profile as comparable properties and any substantial change in the assessed value or tax liability is unlikely to have a significant impact to the value of the property or discourage buyers from acquiring the property. It should be anticipated by any prospective purchaser or user that the total occupancy costs including tax liability would be in-line with similar quality properties upon re-assessment in the next period.

DELINQUENCY

According to information obtained from the County Treasurer's website, the subject is unaffected by delinquent real estate taxes.

Market Analysis - For Sale Residential

The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Primary data sources utilized for this analysis include ESRI Demographics, Zonda, and Metrostudy.

ZONDA MARKET REPORT

The following provides a brief overview of the market provided by Zonda, a data-driven study targeted for homebuilding and multifamily industries. The following market report was prepared as of February 2024.

Market Report | February 2024

Denver-Aurora-Lakewood, CO

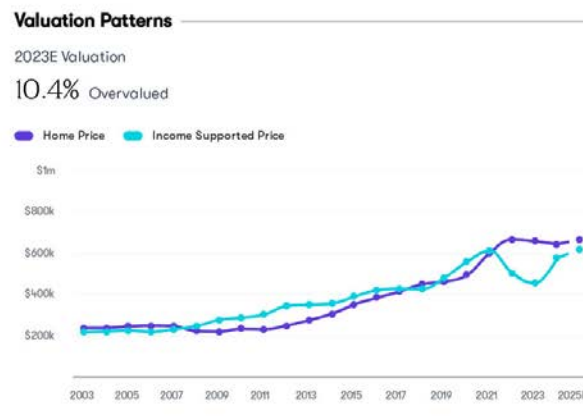
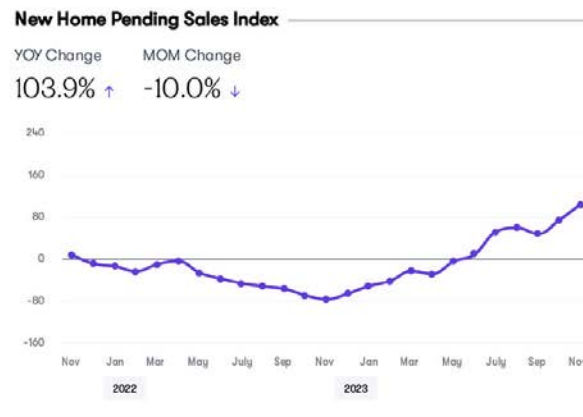
The Denver new home market has been anemic for the better part of 2023. Although there was a brief respite at the start of 2023, elevated mortgage rates have been a formidable challenge given high home prices. The Zonda New Home Pending Sales Index categorized Denver as slightly underperforming in recent months as mortgage rates climbed towards 8% and only improved when rates settled below 7%. Builders have pulled back on new home starts for nearly two years and only in the fourth quarter of 2023 was there a quarter-over-quarter improvement. As rates hold at current levels, we expect modest improvements in the near term.

Strengths

As affordability wanes, demand for apartments remains strong and development activity has been robust with new additions running at one of the highest levels in recent history. But affordability is an issue for renters as rent increases may be plateauing.

Weaknesses

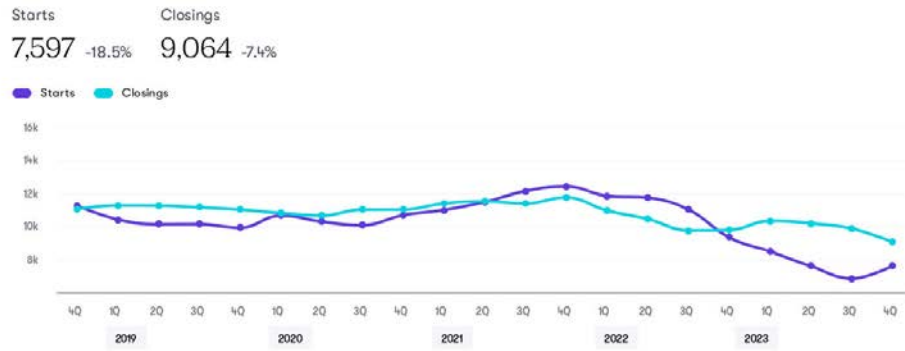
Denver has seen its population explode in recent years and has been a population destination during the pandemic. But as the cost of housing rises the metro area has not had the kind of draw it used to have. Net migration between 2021 to 2022 contracted by 0.3%.



Supply Snapshot



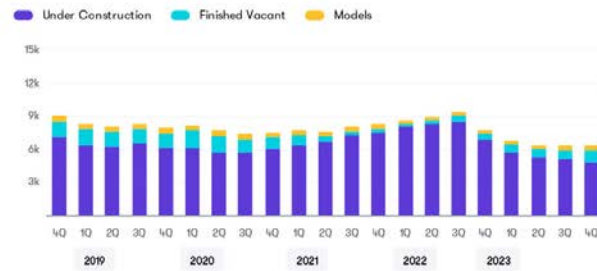
Annual Observed Starts vs. Annual Observed Closings



New Home Sales



Total Housing Inventory



Supply

Quarterly Housing Starts increased 59.9% over a year ago, while the number of available Vacant Developed Lots sits at 13,263 down 3.1% from the same quarter last year. In terms of Supply/Demand balance, the market area is 0.39% undersupplied.

Supply Highlights

Future Lots 191,416 1.2%	Vacant Developed Lots 13,263 -3.1%
Quarterly Lot Deliveries 2,318 -20.7%	Quarterly Starts 2,077 59.9%
Total Housing Inventory 6,391 -18.7%	Finished Vacant Inventory 775 68.1%

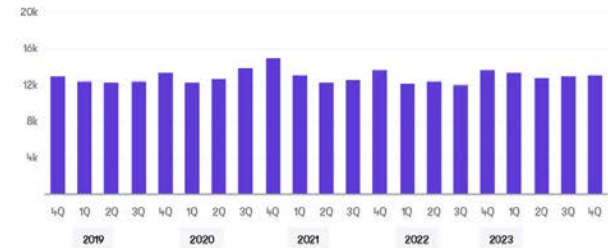
Supply vs. Demand

2024E
0.39% Undersupplied



Vacant Developed Lots

4Q 2023
13,263 -3.1%



Sales

New home sales in the Denver-Aurora-Lakewood, CO metropolitan area increased 13.1% year-over-year to an annualized rate of 6,638 units in January. Over the past 12 months, 1,733 of sales were attached units and 4,905 were detached. Existing home closings for the 12 month period ending in December posted a year-over-year decline of 23.5% to an annualized rate of 41,951 units. Of those, 10,079 were attached units and 29,081 detached.

Avg. Sales Rate

Last 12 months

2.3
Denver

2.4
Colorado

2.3
USA



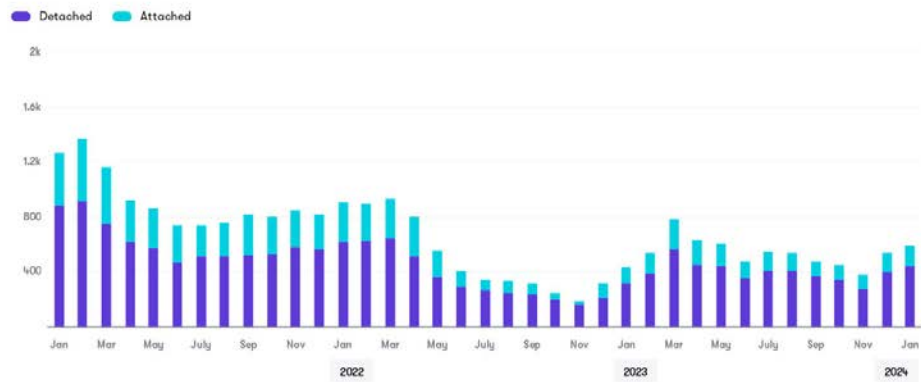
New Home Sales

New Home Sales

6,638 13.1%
Last 12 Months

Detached Sales
4,905 18.3%
Last 12 Months

Attached Sales
1,733 0.7%
Last 12 Months



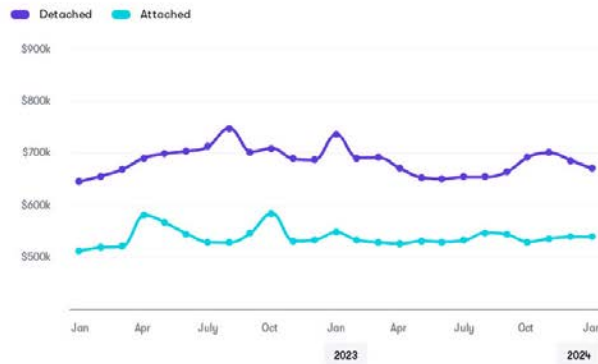
Prices

The average list price for a new detached home in the Denver-Aurora-Lakewood, CO region decreased 8.9% from 2023 to \$669,829 in January while the average list price for a new attached home decreased 1.6% over the same period to \$538,297. Homes priced between \$450,000 and \$550,000 experienced the most closing activity over the past year. The new home affordability ratio for a detached home reached 19.4% in December.

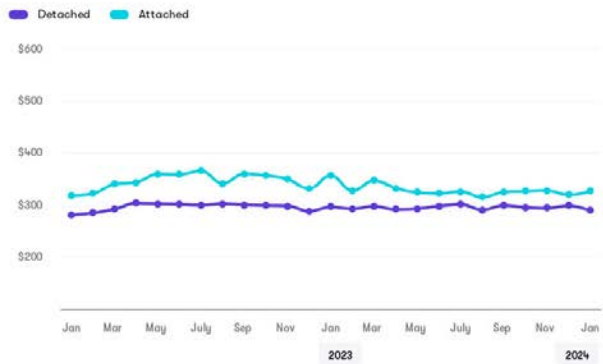
Price Highlights

Avg. New Detached List Price	Avg. New Attached List Price
\$669,829 -8.9%	\$538,297 -1.6%
Median Existing Detached Closed Price	Median Existing Attached Closed Price
\$581,500 2.9%	\$370,000 -1.1%
New Detached Home Premium	New Attached Home Premium
7% ↓	30% ↓

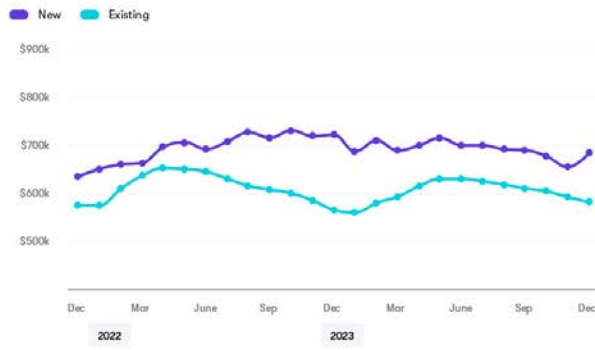
Avg. New Home List Price



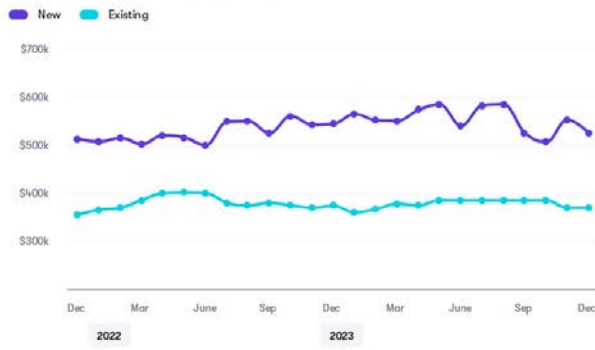
Avg. New Home List Price per SQ FT



Detached Median Closing Price



Attached Median Closing Price



New Detached Closings by Price



New Attached Closings by Price



MARKET ABSORPTION

The following tables shows the monthly sales rate per project for various homebuilders in the competitive market area.

Top 15 Active Builders

#	BUILDER	# OF PROJECTS	AVG. PRICE	# OF YTD SALES ↓	MARKET SHARE	AVG. SALES RATE	REMAINING UNITS
Averages/Totals		194	\$640,598	5,666	87%	2.52	11,460
1	Lennar	28	\$653,324	1,206	18.8%	3.42	1,577
2	Richmond American Homes	30	\$607,055	825	12.9%	2.13	1,142
3	Meritage Homes	15	\$559,488	528	8.2%	2.33	909
4	Century Communities, Inc.	13	\$594,797	476	7.4%	2.84	841
5	D.R. Horton, Inc.	12	\$570,457	432	6.7%	4.42	1,263
6	Taylor Morrison	12	\$660,048	333	5.2%	1.96	670
7	Shea Homes	12	\$837,733	332	5.2%	2.86	758
8	Toll Brothers	14	\$843,624	300	4.7%	2.23	1,027
9	Clayton Properties Group	7	\$513,010	255	4.0%	3.44	920
10	Dream Finders Homes	13	\$546,038	222	3.5%	1.84	551
11	KB Home	11	\$547,838	214	3.3%	2.21	519
12	PulteGroup Inc.	9	\$690,812	158	2.5%	1.53	372
13	Brookfield Residential	4	\$727,107	133	2.1%	2.10	189
14	TRI Pointe Homes, Inc.	10	\$613,579	128	2.0%	1.57	466
15	Lokal Homes	4	\$644,065	124	1.9%	2.87	256

The survey above captures 87% of the market. There are 194 active projects in the market area reporting an average sold price of \$640,598. Monthly sales per project range from 1.57 to 4.42, with an average of 2.52 sales per project per month. We note a total inventory of 11,460 units remaining.

Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximally productive.

The highest and best use analysis of the subject is discussed below.

AS VACANT

Legal Permissibility

The legally permissible uses were discussed in the Site Analysis and Zoning Sections.

Physical Possibility

The subject is adequately served by utilities, and has an adequate shape and size, sufficient access, etc., to be a separately developable site. There are no known physical reasons why the subject site would not support any legally probable development (i.e., it appears adequate for development).

Existing structures on similar sites provides additional evidence for the physical possibility of development.

Financial Feasibility

Potential uses of the site include residential uses. The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. The site is surrounded by office use with significant new residential uses located within Inverness (mostly multi-family). The subject has been platted through Douglas County into 35 townhome units. Based on the surrounding land uses and platting of the property, multi-unit residential is determined to be the financially feasible development for the site.

Interest rate hikes as well as higher costs for construction have slowed the residential home buyer's market in the recent past as indicated by the market analysis provided. However, the subject's neighborhood offers suburban aspects while being within proximity to office employment, as well as having easy access to other employment areas and the Rocky Mountains. Due to the lack of inventory of affordable housing within the neighborhood and similar Denver Metropolitan neighborhoods, multi-unit residential housing is anticipated to be received well within the subject's neighborhood despite the recent decline in market conditions; nonetheless on a longer absorption period, which will likely not be feasible.

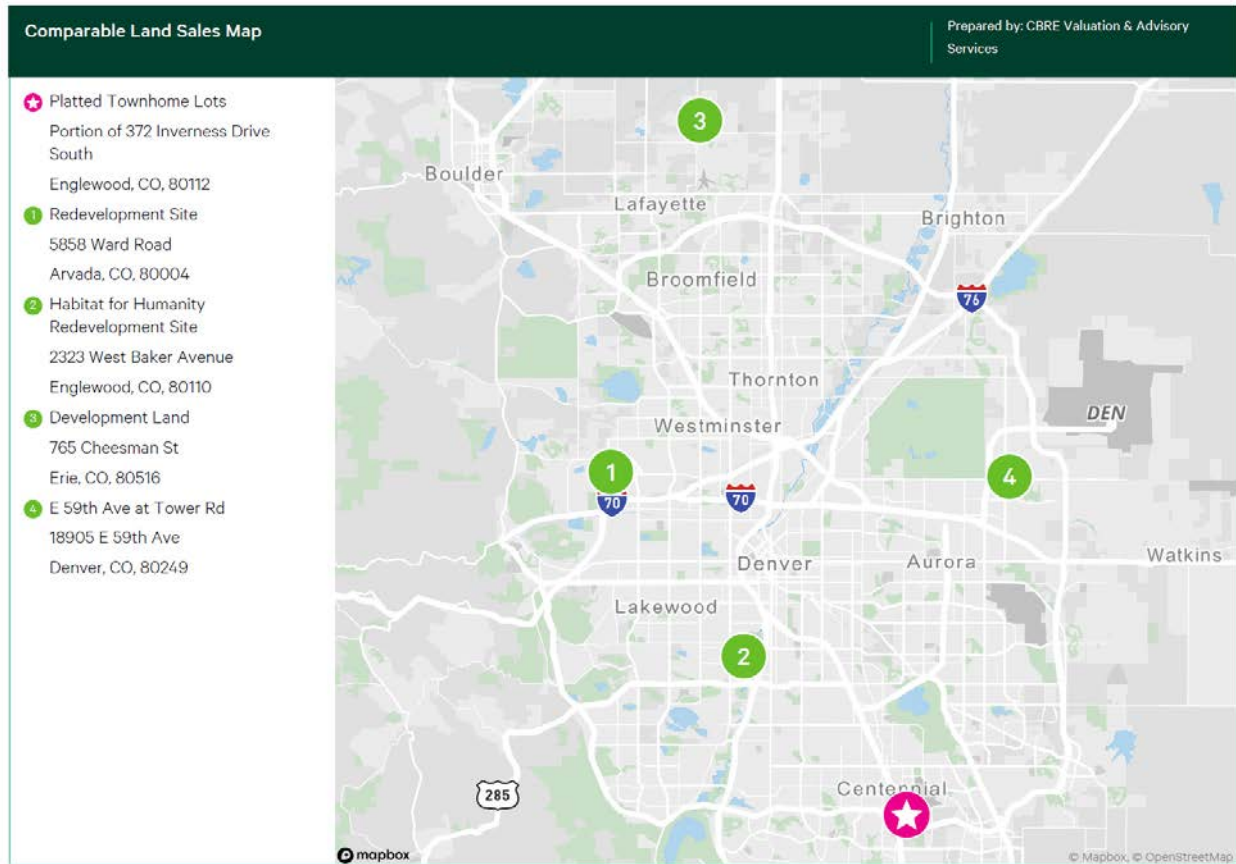
Maximum Productivity - Conclusion

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land.

Based on the information presented above and upon information contained in the market and neighborhood analysis, we conclude that the highest and best use of the subject as vacant would be to hold for the development of a multi-unit residential property in line with the developer's plans for the site to develop a 35-unit townhome project. Our analysis of the subject and its respective market characteristics indicate the most likely buyer, as if vacant, would be an investor (land speculation) or a developer/homebuilder.

Land Value

The following map and table summarize the comparable data used in the valuation of the subject site. A detailed description of each transaction is included in the addenda.



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SUMMARY OF COMPARABLE LAND SALES										
No.	Property Location	Transaction		Interest Transferred	Zoning	Actual Sale Price	Adjusted Sale Price ¹	Size (Acres)	Size (SF)	Price Per Bldg Unit
		Type	Date							
1	Redevelopment Site 5858 Ward Road Arvada, CO 80004	Sale	Oct-22	Fee Simple/Freehold	R-24	\$3,200,000	\$3,200,000	6.62	288,367	\$35,556
2	Habitat for Humanity Redevelopment Site 2323 West Baker Avenue Englewood, CO 80110	Sale	Dec-22	Fee Simple/Freehold	R-2-A	\$1,850,000	\$1,850,000	3.27	142,354	\$71,154
3	Development Land 765 Cheesman St Erie, CO 80516	Sale	Feb-23	Fee Simple/Freehold	NMU, Neighborhood Mixed-Use	\$1,150,000	\$1,150,000	2.06	89,734	\$39,655
4	E 59th Ave at Tower Rd 18905 E 59th Ave Denver, CO 80249	Sale	Apr-23	Fee Simple/Freehold	C-MU-30	\$11,750,000	\$11,750,000	11.30	492,413	\$42,115
Subject	Portion of 372 Inverness Drive South Englewood, CO 80112	---	---		Business with the Inverness Subdivision	---	---	2.84	123,845	---

¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)
Compiled by CBRE

Our initial search consisted of land sales within the immediate area that took place within the past two years and were of similar size to the subject, however, limited land sales were uncovered. Therefore, we expanded our search geographically and chronologically to include neighboring towns and older sales, respectively.

The indicated adjustments will be used in the following discussions.

ANALYSIS OF COMMERCIAL LAND SALES

Expenditures Made Immediately After Purchase

An adjustment under this category represents additional, atypical investment (e.g., curing deferred maintenance) required to make a property salable. In order for the adjustment to be appropriate, the buyer and seller must have been aware at the time of purchase that the expenditures would be necessary.

For the comparable sales, the confirming parties did not report any expenditures made immediately after purchase.

Property Rights Conveyed

Real estate carries with it a bundle of property rights, which can be transferred in whole or in part. Examples of some of the most common property rights are the fee simple estate, leased fee interest, leasehold interest, and partial interests. The fee simple estate is the most all-encompassing property right and includes all rights to use the property. The leased fee interest is characterized by a property that is encumbered by one or more leases. The leasehold interest represents the lessee's rights to use a property on which there is a lease. Partial interests result when property rights are divided among two or more parties and may involve controlling or non-controlling interests.

Selling prices may be impacted by the specific property rights included in the transfer. Thus, any differences in property rights among the comparable sales must be identified and may require

adjustment to account for differences in property rights compared with the property rights appraised for the subject. In addition, adjustments may be necessary to reflect the difference between properties leased at market rent and those leased at a rental rate that is either below or above market levels.

The comparable sales involved the transfer of the same property rights as what is being appraised here; therefore, none of the comparables require an adjustment for property rights conveyed.

Financing Terms

Because most definitions of market value — including the one governing the value conclusion estimated for this report — specify terms of cash or its equivalent, the adjustment for financing is generally referred to as a cash-equivalency adjustment. Cash-equivalency adjustments are based on market evidence, and are made for the presence of atypical financing, as financing terms can affect the sale price. A common type of atypical financing is seller financing, as seller financing may influence the sale price upward, if the seller provided favorable terms. Conversely, financing may have a negative influence on the sale price, as an example, if a buyer assumes or is required to assume a part of a transaction, unfavorable loan terms.

The comparable sales all involved transactions financed with typical market terms; therefore, none of the comparables require an adjustment for financing terms.

Conditions of Sale

Conditions of sale refer to buyer and seller motivations. In order to be instructive to the analysis, sale prices should be representative of arm's length transactions with no unusual buyer or seller motivations. Examples of unusual motivations include related parties, assemblage (plottage) value, forced sale, tax considerations, and lack of sufficient exposure on the market. These circumstances may result in the following: manipulation of the price by buyer or seller, distressed prices that do not reflect typical exposure or marketing time, or premiums (or discounts) associated with unusual motivations. In these cases, it is necessary to consider any unusual conditions of sale, and to adjust, if possible.

Another example of a circumstance which is analyzed within the conditions of sale category is the situation of asking prices. Asking prices are often higher than the amount ultimately negotiated once an arm's length transaction has been consummated. Hence, it may be necessary to adjust down for asking prices.

Sale One included an existing church that will need to be demolished; hence, an upward adjustment was applied to this sale.

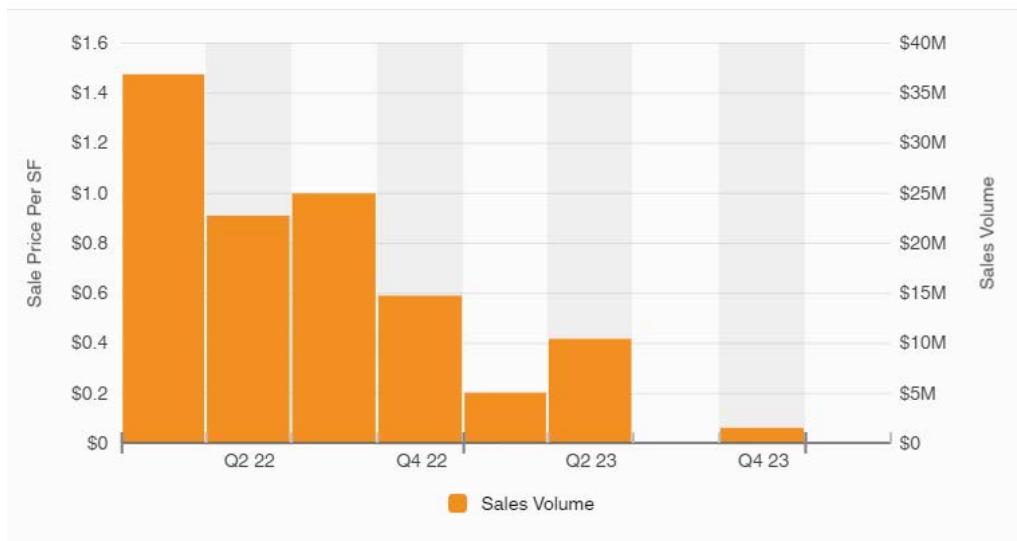
Market Conditions Adjustment

Economic conditions may change between the sale date of the comparables and the effective date of value provided. These changes in supply and demand characteristics tend to exert some

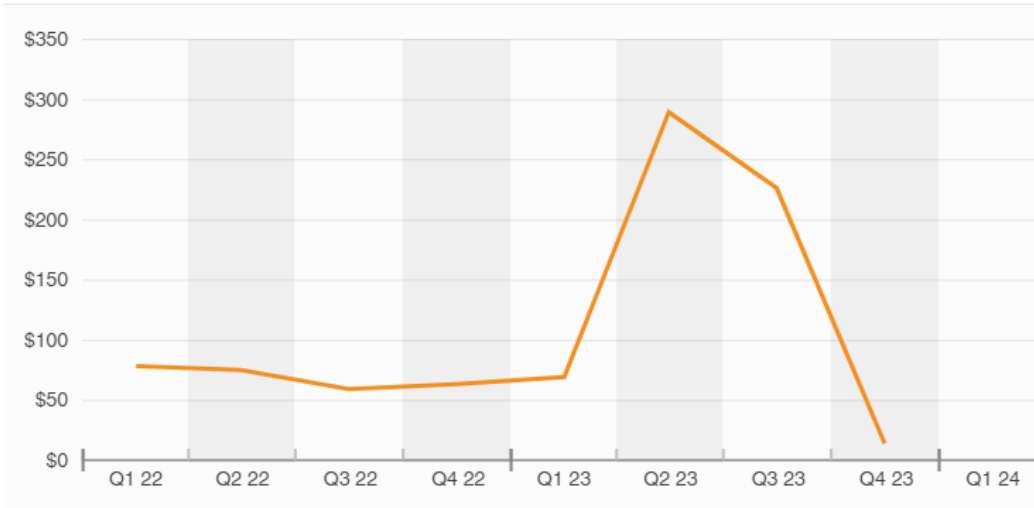
impact on real estate prices. The adjustment for this factor is not a function of time, but of differences in economic conditions, if any, between time periods. Thus, it is possible a period of time could elapse with no material change in market conditions having occurred.

- There is limited market data available to extract a market conditions adjustment as land sales in the central submarket have stalled due to rising interest rates. Brokers who specialize in development land in central Denver noted interest rates and high construction costs have negatively impacted returns for developers, which has frozen the land market. While the broker had no specific data to point to other than the lack of land sales, they noted for land to transact in this market values will need to be 5%-20% below 2020-2022 pricing to meet developers' required return on development in the current interest rate environment.
- One market example is a current listing for a site located at 5401 West 10th Avenue. This site consists of 1.19 acres of land and is zoned for multi-family development. According to the listing broker it has been sitting on the market longer than usual and was originally listed for \$2.85 million or \$54.98 per square foot up until about a few months ago. The current list price is \$2.2 million or \$42.44 per square foot, which represents a decrease of approximately 23%.
- According to CoStar Analytics, within a three-mile radius of the subject, the sales volume and price per square foot of land has decreased since Q1 2022, per the tables below.

Sales Volume & Sale Price Per SF

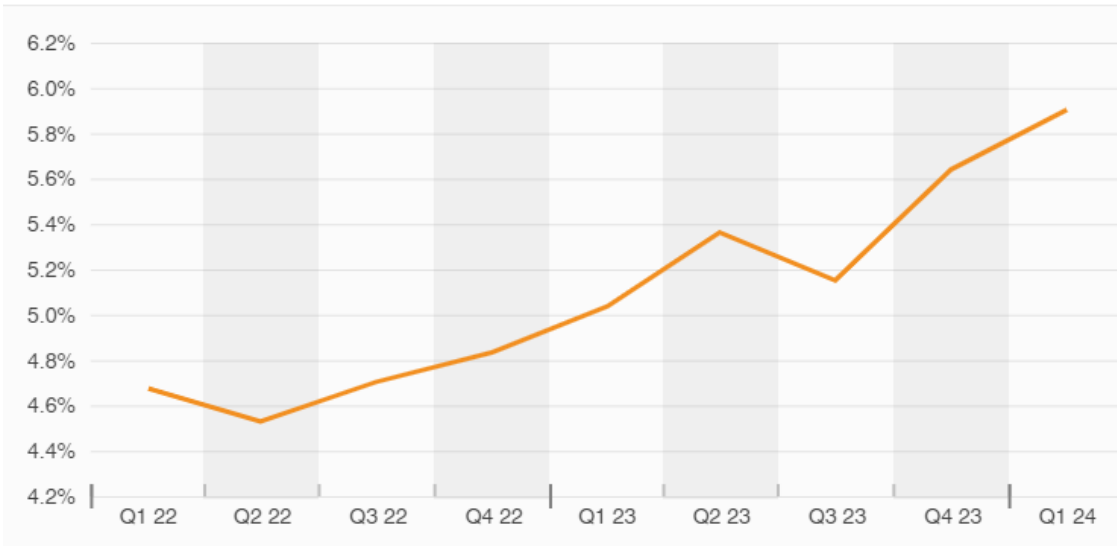


Sale Price Per Land SF



- Additionally, the average asking price to sale price is reported at a -5.2% decrease with a high of -33.3% and the average months to sale is 12.1 months.
- Lastly, the appraisers analyzed historical capitalization rate data, sales volume, and price per unit data, per CoStar, for the sales of improved multifamily properties in the Denver MSA since Q1 2022 that are over 50 units, as shown below.

Cap Rate



Sales Volume & Sale Price Per Unit



- The data set clearly shows an increase in capitalization rates for multifamily sales from Q1 2022 through Q1 2024. The sales volume has trended downward since Q1 2022. The price per unit has decreased from an average of \$343,439 per unit in Q1 2022 to an average of \$308,191 per unit in Q4 2023, or a decline of 10.26% per unit. The increase in capitalization rates and decline in sale price per unit is a direct correlation with rising interest rates, increasing construction costs, a tightening overall lending environment, and increase in overall risk, which negatively impacts what developers can pay for development sites. This data further supports declining market conditions since Q1 2022.
- Improved multifamily sale data, per CoStar, indicates a decline in sale price per unit of 10.26% from Q1 2022 to Q4 2023, or about 5% per year. However, we recognize that land values are typically impacted to a greater extent than improved properties in declining markets.
- Therefore, we have adjusted the Sales upward 7.5% through June 2022, after which downward by 10% annually from the date of sale through the effective date of value, which is slightly higher than the decline in sale price per unit for the same time period and considered reasonable.

DISCUSSION/ANALYSIS OF LAND SALES

Land Sale One

This comparable is 5858 Ward Road, Arvada, Colorado which features a 6.7 acre gently sloping site which is currently developed as a large brick religious facility and associated car parking. The property was marketed as a redevelopment opportunity with R-24 zoning allowing for medium-density residential development of up to 24 units per acre equating to a total of 161 units, however, as of February 2024, plans have been submitted to the City for 90 alley-load townhome units 75 of which will have 19-foot-wide lots and 15 will have 16-foot-wide lots. The property appears to be encumbered by a drainage ditch bisecting the southern quarter of the site.

The buyer also purchased a smaller contiguous parcel just south of this parcel a month before from a different seller.

In terms of conditions of sale, this comparable was considered inferior and received an upward adjustment for this characteristic due to the cost that needs to be spent for demolition of the existing improvements. The downward market conditions (time) adjustment reflects the declining market conditions since the date of sale. The upward adjustment for size reflects this comparable's inferior feature with respect to economies of scale regarding parcel size. An adjustment for topography was considered appropriate for this comparable given its level topography compared to the subject's slope, increasing cost to develop the site. Because of this superior trait, a downward adjustment was considered appropriate. The adjustment for location was warranted due to its location in an older neighborhood and lower median housing value. Therefore, an upward adjustment was judged proper for this comparable. Overall, this comparable was deemed inferior in comparison to the subject and an upward net adjustment was warranted to the sales price indicator.

Land Sale Two

The subject represents a previously developed vacant land site that sold to Habitat for Humanity in December of 2021 for purposes of constructing a 26-unit residential duplex project. The site had previously been the location of a public school, however, all improvements were demolished prior to this purchase. The site is relatively level and features frontage along both South Zuni and West Baker Avenue. Utilities are assumed to be available on site. No site development plan was approved at the time of sale, however, it was noted that adequate zoning was in place with some preliminary steps completed. The sale was arms length and reflective of market pricing at the time.

The downward market conditions (time) adjustment reflects the declining market conditions since the date of sale. An adjustment for topography was considered appropriate for this comparable given its level topography compared to the subject's slope, increasing cost to develop the site. Because of this superior trait, a downward adjustment was considered appropriate. The adjustment for location was warranted due to its location in an older neighborhood and lower median housing value. Therefore, an upward adjustment was judged proper for this comparable. With respect to zoning/density, this comparable was considered superior in this aspect and received a downward adjustment because of more dense zoning classification but mitigated by the absence of an approved development plan. Overall, this comparable was deemed superior in comparison to the subject and a downward net adjustment was warranted to the sales price indicator.

Land Sale Three

This comparable represents a single parcel of land located at 765 Cheesman Street, within Old Town Erie, Weld County, Colorado. The site is generally level and contains a total of 89,734 square feet of land area. It is improved with a single-family residence; however, the highest and

best use of the site is redevelopment to high density residential. The Town of Erie purchased the property the intention of redevelopment into approximately 25 townhome units. The property was taken to market approximately 24 months ago and was unpriced. After receiving market feedback, the listing price was eventually set at \$1,300,000. It was previously under contract to another developer for \$1,200,000 who was also interested in developing high density residential; however, this previous buyer was slow to move through due diligence / permitting as they focused on another project and decided they didn't want to pay for extensions to the contract. Thus, the property was placed back on the market until the agreement was reached with the Town of Erie.

The downward market conditions (time) adjustment reflects the declining market conditions since the date of sale. An adjustment for topography was considered appropriate for this comparable given its level topography compared to the subject's slope, increasing cost to develop the site. Because of this superior trait, a downward adjustment was considered appropriate. The adjustment for location was warranted due to its location in an older neighborhood and lower median housing value. Therefore, an upward adjustment was judged proper for this comparable. Overall, this comparable was deemed inferior in comparison to the subject and an upward net adjustment was warranted to the sales price indicator.

Land Sale Four

This comparable represents the sale of four-parcel vacant tract of land, situated on a 16.87-acre parcel at 18905 E 59th Ave in Denver, CO. The property is approved and fully entitled for 279 market rate units including primarily three-story multifamily product for 118 apartments and 89 townhome units. The sale included building plans and blueprints, civil plans, and all other required documentation and approvals. The property was marketed for approximately four months and received a lot of interest. It went under contract for full asking price of \$11,750,000 or \$42,115 per unit. There is a parcel located at the northwest area of the site consisting of 5.57 acres that was included in the sale, but is not developable and is considered unusable land and is not included in the net land area. This information has been confirmed by the selling broker.

The downward market conditions (time) adjustment reflects the declining market conditions since the date of sale. The upward adjustment for size reflects this comparable's inferior feature with respect to its substantially larger land size. An adjustment for topography was considered appropriate for this comparable given its level topography compared to the subject's slope, increasing cost to develop the site. Because of this superior trait, a downward adjustment was considered appropriate. With respect to zoning/density, this comparable was considered superior in this aspect and received a downward adjustment because of more dense zoning classification. The upward adjustment for highest & best use was considered reasonable due to . Overall, this comparable was deemed inferior in comparison to the subject and an upward net adjustment was warranted to the sales price indicator.

SUMMARY OF ADJUSTMENTS

The following adjustment grid implies a level of accuracy that may not exist in the current market. However, the grid has been included to illustrate the magnitude of the warranted adjustments. Use of an adjustment grid in making quantitative adjustments is only appropriate and reliable when the extent of adjustment for each factor is well supported and the dollar or percentage adjustment is derived through either paired sales analysis or other data relevant to the market. In instances where paired sales and market data was not readily available, we used our best judgment to make a reasonable estimate for the appropriate warranted adjustment.

The magnitude of the adjustment as presented is indicative of the similarity, inferiority, or superiority of the comparable. For example, an adjustment of 5%± demonstrates an attribute that is slightly superior/inferior comparative to the subject. An adjustment of 10%± demonstrates an attribute that is moderately superior/inferior comparative to the subject. And an adjustment more than 11%± demonstrates an attribute that is significantly superior/inferior comparative to the subject. Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

LAND SALES ADJUSTMENT GRID					
Comparable Number	1	2	3	4	Subject
Transaction Type	Sale	Sale	Sale	Sale	---
Transaction Date	Oct-22	Dec-22	Feb-23	Apr-23	---
Interest Transferred	Fee	Fee	Fee	Fee	
	Simple/Freehold	Simple/Freehold	Simple/Freehold	Simple/Freehold	
Zoning	R-24	R-2-A	NMU, Neighborhood	C-MU-30	Business with the Inverness
Actual Sale Price	\$3,200,000	\$1,850,000	\$1,150,000	\$11,750,000	---
Adjusted Sale Price ¹	\$3,200,000	\$1,850,000	\$1,150,000	\$11,750,000	---
Size (Acres)	6.62	3.27	2.06	11.30	2.84
Size (SF)	288,367	142,354	89,734	492,413	123,845
Density (UPA)	13.60	7.96	14.08	24.68	12.31
Price Per Unit	\$35,556	\$71,154	\$39,655	\$42,115	---
Price (\$ Per Unit)	\$35,556	\$71,154	\$39,655	\$42,115	
Property Rights Conveyed	0%	0%	0%	0%	
Financing Terms ¹	0%	0%	0%	0%	
Conditions of Sale	5%	0%	0%	0%	
Market Conditions (Time)	-10.1%	-8.5%	-7.0%	-5.0%	
Subtotal	\$33,563	\$65,106	\$36,879	\$40,009	
Size	5%	0%	0%	20%	
Topography	-5%	-5%	-5%	-5%	
Location	20%	5%	20%	0%	
Zoning/Density	0%	-20%	0%	-10%	
Highest & Best Use	0%	0%	0%	10%	
Total Other Adjustments	20%	-20%	15%	15%	
Value Indication for Subject	\$40,275	\$52,085	\$42,411	\$46,010	
Absolute Adjustment	45%	39%	32%	50%	

¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)

Compiled by CBRE

Prior to necessary adjustments, the comparable sales represent a range of \$35,556 to \$71,154 per unit. After adjustments were made, this range was narrowed to reflect \$40,275 to \$52,085 per unit with an average adjusted price of \$45,195 per unit.

CONCLUSION

The subject has been valued on a per unit basis based on how a developer would typically analyze a multi-family home development. All comparable sales represent multi-unit residential lots and are therefore considered to appeal to a similar buyer group. The main features that were adjusted for within the comparable set include land size, topography, density and their micro location when compared to the subject development site.

All of the comparable sales required similar adjusting however, more weight was given to the more recent sales; sales with the least overall gross adjustments; and those sales in proximity to the subject property, principally in the range between \$45,000 and \$50,000 per unit. This equates to \$1,675,000 or \$47,857 per unit, on average.

The following table presents the valuation conclusion:

CONCLUDED LAND VALUE AS IF COMPLETE				
\$ Per Unit		Subject Units		Total
\$45,000	x	35	=	\$1,575,000
\$50,000	x	35	=	\$1,750,000
Indicated Value:				\$1,675,000
		(Rounded \$ Per Unit)		\$47,857
Compiled by CBRE				

Reconciliation of Value

In the sales comparison approach, the subject is compared to similar properties that have been sold recently or for which listing prices or offers are known. The sales used in this analysis are considered comparable to the subject, and the required adjustments were based on reasonable and well-supported rationale. In addition, market participants are currently analyzing purchase prices on similar properties as they relate to available substitutes in the market. Therefore, the sales comparison approach is considered to provide a reliable value indication.

Based on the foregoing, the market value of the subject has been concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is Platted Land Value	Fee Simple Estate	February 14, 2024	\$1,675,000
Compiled by CBRE			

Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
 - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
 - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
 - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently, nor super-efficiently.
 - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
 - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property, nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report and any conclusions stated therein. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or on behalf of the client, property owner or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report and any conclusions stated therein. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including, without limitation, any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. This Report has been prepared in good faith, based on CBRE's current anecdotal and evidence-based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this Report, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections. Further, other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later change or be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge including, but not limited to, environmental, social, and governance principles ("ESG"), beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.

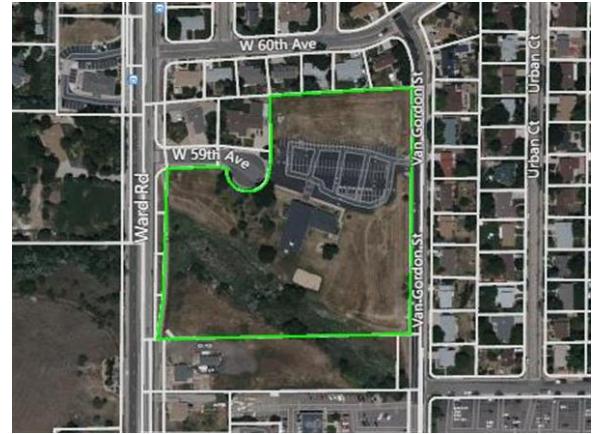
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.
13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

ADDENDA

Addendum A

LAND SALE DATA SHEETS

Property Name	Redevelopment Site
Address	5858 Ward Road Arvada, CO 80004
County	Jefferson
Govt./Tax ID	39-084-12-010
Land Area Net	6.620 ac/ 288,367 sf
Land Area Gross	6.620 ac/ 288,367 sf
Site Development Status	Finished
Utilities	All to site
Maximum FAR	N/A
Min Land Bldg Ratio	N/A
Shape	Rectangular
Topography	Other(See Comments)
Flood Zone Class	N/A
Flood Panel No./ Date	N/A
Zoning	R-24
Entitlement Status	N/A



Transaction Details

Type	Sale	Primary Verification	Broker, Public Records
Interest Transferred	Fee Simple	Transaction Date	10/25/2022
Condition of Sale	None	Recording Date	10/25/2022
Recorded Buyer	Hillcrest Terrace LLC	Sale Price	\$3,200,000
Buyer Type	Developer	Financing	Market Rate Financing
Recorded Seller	Applewood Baptist Church	Cash Equivalent	\$3,200,000
Marketing Time	30 Month(s)	Capital Adjustment	\$0
Listing Broker	Tanner Digby - Marcum Commercial	Adjusted Price	\$3,200,000
Doc #	2022097136	Adjusted Price / ac and / sf	\$483,384 / \$11.10
		Adjusted Price/ FAR	N/A
		Adjusted Price/ Unit	\$35,556

Comments

This comparable is 5858 Ward Road, Arvada, Colorado which features a 6.7 acre gently sloping site which is currently developed as a large brick religious facility and associated car parking. The property was marketed as a redevelopment opportunity with R-24 zoning allowing for medium-density residential development of up to 24 units per acre equating to a total of 161 units, however, as of February 2024, plans have been submitted to the City for 90 alley-load townhome units 75 of which will have 19-foot-wide lots and 15 will have 16-foot-wide lots. The property appears to be encumbered by a drainage ditch bisecting the southern quarter of the site. The buyer also purchased a smaller contiguous parcel just south of this parcel a month before from a different seller.

Property Name	Habitat for Humanity Redevelopment Site
Address	2323 West Baker Avenue Englewood, CO 80110
County	Arapahoe
Govt./Tax ID	1971-28-3-03-029
Land Area Net	3.268 ac/ 142,354 sf
Land Area Gross	3.268 ac/ 142,354 sf
Site Development Status	Raw
Utilities	Available on site
Maximum FAR	N/A
Min Land Bldg Ratio	N/A
Shape	Rectangular
Topography	Generally Level
Flood Zone Class	Zone X (Unshaded)
Flood Panel No./ Date	08005C0142K/ Dec 2010
Zoning	R-2-A
Entitlement Status	None



Transaction Details

Type	Sale	Primary Verification	Listing agent, public records, and CoStar
Interest Transferred	Fee Simple	Transaction Date	12/22/2022
Condition of Sale	None known	Recording Date	12/27/2022
Recorded Buyer	Habitat for Humanity	Sale Price	\$1,850,000
Buyer Type	Developer	Financing	Not Available
Recorded Seller	School District 1	Cash Equivalent	\$1,850,000
Marketing Time	3 Month(s)	Capital Adjustment	\$0
Listing Broker	Marty Roth, CBRE	Adjusted Price	\$1,850,000
Doc #	E212-0814	Adjusted Price / ac and / sf	\$566,095 / \$13.00
		Adjusted Price/ FAR	N/A
		Adjusted Price/ Unit	\$71,154

Comments

The subject represents a previously developed vacant land site that sold to Habitat for Humanity in December of 2021 for purposes of constructing a 26-unit residential duplex project. The site had previously been the location of a public school, however, all improvements were demolished prior to this purchase. The site is relatively level and features frontage along both South Zuni and West Baker Avenue. Utilities are assumed to be available on site. No site development plan was approved at the time of sale, however, it was noted that adequate zoning was in place with some preliminary steps completed. The sale was arms length and reflective of market pricing at the time.

Property Name	Development Land
Address	765 Cheesman St Erie, CO 80516
County	Weld
Govt./Tax ID	146718210001
Land Area Net	2.060 ac/ 89,734 sf
Land Area Gross	2.060 ac/ 89,734 sf
Site Development Status	Other(See Comments)
Utilities	All to site
Maximum FAR	N/A
Min Land Bldg Ratio	N/A
Shape	Irregular
Topography	Varies
Flood Zone Class	Zone X (Unshaded)
Flood Panel No./ Date	08013C0441J/ Dec 2012
Zoning	NMU, Neighborhood Mixed-Use
Entitlement Status	N/A



Transaction Details

Type	Sale	Primary Verification	Buyer, Listing Agent, Public Records
Interest Transferred	Fee Simple	Transaction Date	02/15/2023
Condition of Sale	None	Recording Date	02/15/2023
Recorded Buyer	Town of Erie	Sale Price	\$1,150,000
Buyer Type	Other	Financing	Not Available
Recorded Seller	Barbara Haislip	Cash Equivalent	\$1,150,000
Marketing Time	18 Month(s)	Capital Adjustment	\$0
Listing Broker	Robert Hudgins	Adjusted Price	\$1,150,000
Doc #	4882023	Adjusted Price / ac and / sf	\$558,252 / \$12.82
		Adjusted Price/ FAR	N/A
		Adjusted Price/ Unit	\$39,655

Comments

This comparable represents a single parcel of land located at 765 Cheesman Street, within Old Town Erie, Weld County, Colorado. The site is generally level and contains a total of 89,734 square feet of land area. It is improved with a single-family residence; however, the highest and best use of the site is redevelopment to high density residential. The Town of Erie purchased the property the intention of redevelopment into approximately 25 townhome units. The property was taken to market approximately 24 months ago and was unpriced. After receiving market feedback, the listing price was eventually set at \$1,300,000. It was previously under contract to another developer for \$1,200,000 who was also interested in developing high density residential; however, this previous buyer was slow to move through due diligence / permitting as they focused on another project and decided they didn't want to pay for extensions to the contract. Thus, the property was placed back on the market until the agreement was reached with the Town of Erie.

Property Name	E 59th Ave at Tower Rd
Address	18905 E 59th Ave Denver, 80249
County	Denver
Govt./Tax ID	Multiple
Land Area Net	11.304 ac/ 492,413 sf
Land Area Gross	16.874 ac/ 735,039 sf
Site Development Status	Raw
Utilities	N/A
Maximum FAR	N/A
Min Land Bldg Ratio	N/A
Shape	Irregular
Topography	Generally Level
Flood Zone Class	Zone X (Unshaded)
Flood Panel No./ Date	0800460117H/ Nov 2013
Zoning	C-MU-30
Entitlement Status	Fully Entitled/Planning Permissions



Transaction Details

Type	Sale	Primary Verification	Assessor Records; Selling Broker
Interest Transferred	Fee Simple	Transaction Date	04/26/2023
Condition of Sale	None	Recording Date	04/26/2023
Recorded Buyer	DHIC Landings at Gateway LLC	Sale Price	\$11,750,000
Buyer Type	Developer	Financing	Market Rate Financing
Recorded Seller	Dunkirk Place LLC	Cash Equivalent	\$11,750,000
Marketing Time	N/A	Capital Adjustment	\$0
Listing Broker	Martin Roth - (720) 528-6367 - CBRE	Adjusted Price	\$11,750,000
Doc #	3037988	Adjusted Price / ac and / sf	\$1,039,437 / \$23.86
		Adjusted Price/ FAR	N/A
		Adjusted Price/ Unit	\$42,115

Comments

This comparable represents the sale of four-parcel vacant tract of land, situated on a 16.87-acre parcel at 18905 E 59th Ave in Denver, CO. The property is approved and fully entitled for 279 market rate units including primarily three-story multifamily product for 118 apartments and 89 townhome units. The sale included building plans and blueprints, civil plans, and all other required documentation and approvals. The property was marketed for approximately four months and received a lot of interest. It went under contract for full asking price of \$11,750,000 or \$42,115 per unit. There is a parcel located at the northwest area of the site consisting of 5.57 acres that was included in the sale, but is not developable and is considered unusable land and is not included in the net land area. This information has been confirmed by the selling broker.

Addendum B

CLIENT CONTRACT INFORMATION

Proposal and Contract for Services

CBRE, Inc.
VAS Dept., 1225 17th Street, Suite
3200
Denver, CO 80202
www.cbre.us/valuation
Justin Atwell, MAI, MRICS
Managing Director

February 5, 2024

Nicole Gallop
Lokal Homes
8310 S Valley Hwy, Suite 115
Englewood, CO 80112
Phone: 720-458-1788
Email: ngallop@lokalhomes.com

RE: Assignment Agreement | CB24US009537
Residential
372 Inverness Drive South,
Englewood, CO 80112

Dear Ms. Gallop:

We are pleased to submit this proposal and our Terms and Conditions for this assignment.

PROPOSAL SPECIFICATIONS

Purpose:	To estimate the Market Value of the referenced real estate
Premise:	As Is
Rights Appraised:	Fee Simple
Intended Use:	Mortgage Lending
Intended User:	The intended user is Lokal Homes ("Client"), and such other parties and entities (if any) expressly recognized by CBRE as intended users (each an "Intended Users" and collectively the "Intended Users") provided that any Intended User's use of, and reliance upon, any report produced by CBRE under this Agreement shall be subject to the Terms and Conditions attached hereto and incorporated herein (including, without limitation, any limitations of liability set forth in the attached Terms and Conditions).
Reliance:	Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not use or rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions

or contents or have any liability in connection therewith. Unless otherwise expressly identified in this Agreement, there are no third-party beneficiaries of this Agreement pertaining to this appraisal assignment or any reports produced by CBRE under this Agreement, and no other person or entity shall have any right, benefit or interest under this Agreement or with respect to any reports produced by CBRE under this Agreement.

Scope of Inspection:

A full interior and exterior inspection of the property will be conducted and arranged with the property contact and performed by CBRE Valuations.

If this expected property inspection is not possible due to unforeseen issues (such as lack of on-site personnel cooperation, physical obstructions, or appraiser/property contact health and safety concerns), the client will be promptly advised. The client may continue this assignment based on other inspection options agreed upon by CBRE and client or provide CBRE with a written notice to cancel. If CBRE determines that a credible appraisal result cannot be achieved due to inspection limitations, it will promptly provide the client with a written cancellation of this assignment.

Valuation Approaches:

All three traditional approaches to value will be considered.

Report Type:

Appraisal Report

Appraisal Standards:

USPAP

Appraisal Fee:

\$3,500.00. If cancelled by either party before a completion, the fee will be based on CBRE's hourly rates for the time expended; plus actual expenses.

Expenses:

Fee includes all associated expenses except to the extent otherwise provided in the attached Terms and Conditions.

Retainer:

A retainer of \$3,500.00 is due prior to commencement of the outlined services.

Please remit retainer payments via wire to:

Name: Wells Fargo

ABA No.: 121000248

Swift ID: WFBIUS6S

Name on Account: CBRE Valuation Wire Receipts

General Account No.: 4121248561

Address: 420 Montgomery Street

San Francisco, CA 94104

Bank Contact: Michele Polcari

Telephone Number: (310) 606-4792

Please include the invoice number when submitting payment.
For additional payment remittance options, contact CBRE VAS
Accounts Receivable - 901-620-3232 | CBREVASAR@cbre.com

Payment Terms:

Final payment is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. The full appraisal fee is considered earned upon delivery of the draft report. We will invoice you for the assignment in its entirety at the completion of the assignment.

Delivery Instructions:

CBRE encourages our clients to join in our environmental sustainability efforts by accepting an electronic copy of the report.

An Adobe PDF file via email will be delivered to ngallop@lokalhomes.com. The client has requested 0 bound final copy (ies).

Delivery Schedule:

Preliminary Value:

Not Required

Draft Report:

Not Required

Final Report:

10 business days after the Start Date

Start Date:

The appraisal process will start upon receipt of your signed agreement, the retainer, and the property specific data.

Acceptance Date:

These specifications are subject to modification or withdrawal if this proposal is not accepted within 5 business days from the date of this letter.

When executed and delivered by all parties, this letter, together with the Terms and Conditions and the Specific Property Data Request attached hereto and incorporated herein, will serve as the Agreement for appraisal services by and between CBRE and Client. Each person signing below represents that it is authorized to enter into this Agreement and to bind the respective parties, including all intended users, hereto.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

CBRE, Inc.
Valuation & Advisory Services



Justin Atwell, MAI, MRICS
Managing Director
As Agent for CBRE, Inc.
T +1 303 6287480
Justin.Atwell@cbre.com

PROPERTY NAME	PROPERTY LOCATION	REPORT TYPE	APPRAISAL FEES
372 Inverness Drive South	372 Inverness Dr S, Englewood, CO 80112	Appraisal Report	\$3,500.00
Assignment Total:			\$3,500.00

AGREED AND ACCEPTED

FOR LOKAL HOMES ("CLIENT"):

Nicole Gallop

Signature

2/6/24

Date

Nicole Gallop

Name

VP of Accounting & Finance

Title

720-458-1788

Phone Number

ngallop@lokalhomes.com

E-Mail Address

ADDITIONAL OPTIONAL SERVICES

Assessment & Consulting Services: CBRE’s Assessment & Consulting Services group has the capability of providing a wide array of solution-oriented due diligence services in the form of property condition and environmental site assessment reports, ALTA Surveys, and other necessary due diligence service (seismic risk analysis, zoning compliance service, construction risk management, annual inspections, etc.).

Initial below if you desire CBRE to contact you to discuss a proposal for any part or the full complement of consulting services, or you may reach out to us at ACSProposals@cbre.com. We will route your request to the appropriate manager. For more information, please visit www.cbre.com/assessment.

TERMS AND CONDITIONS

1. The Terms and Conditions herein are part of an assignment agreement (the "Agreement") for appraisal services ("Services") between CBRE, Inc. ("CBRE") and the client signing this Agreement and for whom the Services will be performed (the "Client") for the property identified herein (the "Property") and shall be deemed a part of such Agreement as though fully set forth therein. In addition, with respect to any appraisal report prepared by CBRE pursuant to the Agreement (the "Report"), any use of, or reliance on, the Report by any Intended User constitutes acceptance of these Terms and Conditions as well as acceptance of all qualifying statements, limiting conditions, and assumptions stated in the Report. The Agreement shall be governed and construed by the laws of the state where the CBRE office executing this Agreement is located without regard to conflicts of laws principles.
2. Client shall be responsible for the payment of all fees stipulated in this Agreement. Payment of the fees and preparation of the Report are not contingent upon any predetermined value or on any action or event resulting from the analyses, opinions, conclusions, or use of the Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft Report is requested, the fee is considered earned upon delivery of the draft Report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed Report. In such event, the Client is obligated to pay CBRE for the time and expenses incurred (including, but not limited to, travel expenses to and from the job site) prior to the effective date of cancellation, with a minimum charge of \$500. Hard copies of the Reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping fees of \$30 per Report.
3. If CBRE is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls and conferences (except routine meetings, phone calls and conferences with the Client for the sole purpose of preparing the Report), litigation, or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this assignment, the Report, CBRE's expertise, or the Property, Client shall pay CBRE's additional out-of-pocket costs and expenses, including but not limited to CBRE's reasonable attorneys' fees, and additional time incurred by CBRE based on CBRE's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Report), meeting participation, and CBRE's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional Services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed Report has been delivered to Client at the time of such request.
4. CBRE shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 5 days written notice.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the CBRE office executing this Agreement is located. **EACH PARTY, AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL OF ITS CHOICE, KNOWINGLY AND VOLUNTARILY, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION IN ANY WAY RELATED TO THIS AGREEMENT.**
6. CBRE assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for CBRE to prepare a valid Report hereunder. Client acknowledges that such additional expertise is not covered in the fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. Client acknowledges that CBRE is being retained hereunder as an independent contractor to perform the Services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and CBRE. Unless otherwise stated in this Agreement, Client shall not designate or disclose CBRE or any of its agents or employees as an expert or opinion witness in any court, arbitration, or other legal proceedings without the prior written consent of CBRE.
8. This assignment shall be deemed concluded and the Services hereunder completed upon delivery to Client of the Report discussed herein.

9. All statements of fact in the Report which are used as the basis of CBRE's analyses, opinions, and conclusions will be true and correct to CBRE's actual knowledge and belief. CBRE does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to CBRE by Client or others. TO THE FULLEST EXTENT PERMITTED BY LAW, CBRE DISCLAIMS ANY GUARANTEE OR WARRANTY AS TO THE OPINIONS AND CONCLUSIONS PRESENTED ORALLY OR IN ANY REPORT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE EVEN IF KNOWN TO CBRE. Furthermore, the conclusions and any permitted reliance on and use of the Report shall be subject to the assumptions, limitations, and qualifying statements contained in the Report.
10. CBRE shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The Report will not constitute a survey of the Property analyzed.
11. Client shall provide CBRE with such materials with respect to the assignment as are requested by CBRE and in the possession or under the control of Client. Client shall provide CBRE with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
12. The data gathered in the course of the assignment (except data furnished by Client, "Client Information") and the Report prepared pursuant to the Agreement are, and will remain, the property of CBRE. With respect to Client Information provided by Client, CBRE shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential and proprietary Client Information furnished to CBRE. Notwithstanding the foregoing to the contrary, CBRE is authorized by Client to disclose all or any portion of the Report and related data as may be required by applicable law, statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable CBRE or its employees and agents to comply with the Bylaws and Regulations of the Appraisal Institute as now or hereafter in effect.
13. Unless specifically noted, in preparing the Report CBRE will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Materials") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there are no major or significant repairs, improvements or deferred maintenance of the Property that would require the expertise of a professional cost estimator, engineer, architect or contractor. If any such repairs, improvements or maintenance are needed, the estimates for such repairs, improvements or maintenance are to be prepared by other parties pursuant to a separate written agreement in Client's sole discretion and direction, and are not deemed part of the Services or otherwise covered as part of the fee hereunder.
14. In the event Client intends to use the Report in connection with a tax matter, Client acknowledges that CBRE provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Report. Client agrees that CBRE shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from CBRE relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
15. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY:
 - (A) EXCEPT TO THE EXTENT ARISING FROM SECTION 16, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER PARTY, FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR OTHER EXEMPLARY LOSSES OR DAMAGES, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, REGARDLESS OF THE FORESEEABILITY OR THE CAUSE THEREOF.
 - (B) EXCEPT TO THE EXTENT ARISING FROM SECTION 16, OR SECTION 17 IF APPLICABLE, AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE FEES AND COSTS REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO CBRE UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS (\$10,000).
 - (C) CBRE SHALL HAVE NO LIABILITY WITH RESPECT TO ANY LOSS, DAMAGE, CLAIM OR EXPENSE INCURRED BY OR ASSERTED AGAINST CLIENT ARISING OUT OF, BASED UPON OR RESULTING FROM CLIENT'S OR ANY INTENDED USER'S FAILURE TO PROVIDE ACCURATE OR COMPLETE INFORMATION OR DOCUMENTATION PERTAINING TO ANY SERVICES OR REPORT ORDERED UNDER OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING CLIENT'S OR ANY INTENDED USER'S FAILURE, OR THE FAILURE OF ANY OF CLIENT'S OR ANY

INTENDER USER'S RESPECTIVE OFFICERS, DIRECTORS, MEMBERS, PRINCIPALS, AGENTS OR EMPLOYEES, TO PROVIDE A COMPLETE AND ACCURATE COPY OF THE REPORT TO ANY THIRD PARTY. CBRE SHALL HAVE NO LIABILITY WHATSOEVER FOR REPORTS OR DELIVERABLES THAT ARE SUBMITTED IN DRAFT FORM.

(D) THE LIMITATIONS OF LIABILITY IN SUBSECTIONS 15(A) AND 15(B) ABOVE SHALL NOT APPLY IN THE EVENT OF A FINAL FINDING BY A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.

16. (a) Client shall not disseminate, distribute, make available or otherwise provide any Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Report, in whole or in part, in any offering, including, but not limited to any offering of the Property or any securities offering as defined by applicable law, or other material intended for review by other third parties) except (i) to any third party (a) identified in the Agreement as an Intended User subject to the terms and conditions of this Agreement or (b) otherwise expressly acknowledged in a separate writing executed by CBRE, such third party and Client, setting forth that such third party is an "Intended User" of the Report and providing CBRE with an acceptable release from such third party with respect to such Report or wherein Client provides acceptable indemnity protections to CBRE against any claims resulting directly from the distribution of the Report to such third party; (ii) to any third party service provider (including accountants, attorneys, rating agencies and auditors) using the Report in the course of providing Services for the sole benefit of an Intended User and limited to the Intended Use of the Report as defined in this Agreement, or (iii) to the extent required by applicable law, statute, government regulation, legal process, or judicial decree.
- (b) In the event CBRE consents, in writing, to Client incorporating or referencing the Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such other materials available to any such parties unless and until Client has provided CBRE with complete copies of such offering or other materials and CBRE has approved the inclusion of the Report, or reference to the Report and/or CBRE, in such offering and other materials in writing. Further, CBRE's consent to such inclusion of the Report, or reference to the Report and/or CBRE, in any securities offering is subject to (i) CBRE's and CBRE's securities counsel's review and approval, in writing, of any inclusion of the Report, or reference to the Report and/or CBRE, in such securities offering; (ii) Client shall not modify the Report, any such inclusion of or reference to the Report and/or CBRE in such securities offering once approved by CBRE and its securities counsel in writing; and (iii) Client shall reimburse CBRE for its out-of-pocket costs and expenses, including attorneys' fees, arising from legal review of such securities offering and related materials on CBRE's behalf.
- (c) In the absence of satisfying the conditions of this Section 16 with respect to any party who is not designated as an Intended User, in no event shall the receipt of a Report by such party extend any right to the party to use and rely on such Report, and CBRE shall have no liability for such unauthorized use and reliance on any Report.
- (d) In the event Client breaches the provisions of this Section 16, Client shall indemnify, defend and hold CBRE and its affiliates and their officers, directors, employees, contractors, agents and other representatives (CBRE 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 Report.
17. In the event Client incorporates or references the Report, in whole or in part, in any offering, including, but not limited to any offering of the Property or any securities offering as defined by applicable law, or other material intended for review by other parties, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the Report or the engagement of or performance of Services by any Indemnified Party hereunder, (ii) any Damages claimed by any user or recipient of the Report, whether or not an Intended User, (iii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iv) an actual or alleged violation of applicable law by an Intended User (including, without limitation, securities laws) or the negligent or intentional acts or omissions of an Intended User (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating, preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising therefrom, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release or settlement of any Proceeding (whether or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of CBRE (which consent will not

be unreasonably withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.

18. Time Period for Legal Action. Unless the time period is shorter under applicable law, except in connection with Section 16 and Section 17, CBRE and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement, (b) any Services or Reports under this Agreement or (c) any acts or conduct relating to such Services or Reports, shall be filed within two (2) years from the date of delivery to Client of the Report to which the claims or causes of action in the legal action or lawsuit relate. The time period stated in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.
19. Miscellaneous.
- (a) This Agreement contains the entire agreement and understanding of the parties with respect to the subject matter hereof. This Agreement may not be amended, modified or discharged, nor may any of its terms be waived except by written agreement of both parties. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. A signed copy of this Agreement transmitted by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes.
 - (b) Neither party shall assign this Agreement in whole or in part (other than by operation of law) to any person or entity without the prior written consent of the other party. Subject to the foregoing, this Agreement and all of its provisions shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns.
 - (c) No consent or waiver, either expressed or implied, by a party to or of any breach or default, shall be construed to be a consent or waiver to or of any other breach or default in the performance of any obligations hereunder. Failure of a party to complain or declare the other party in default shall not constitute a waiver by such party of rights and remedies hereunder.
 - (d) Except as hereinafter provided, no delay or failure in performance by a party shall constitute a default hereunder to the extent caused by Force Majeure. Unless the Force Majeure substantially frustrates performance of the Services, Force Majeure shall not operate to excuse, but only to delay, performance of the Services. If Services are delayed by reason of Force Majeure, CBRE promptly shall notify Client. Once the Force Majeure event ceases, CBRE shall resume performance of the Services as soon as possible. As used herein, "Force Majeure" means any event beyond the control of the Party claiming inability to perform its obligations and which such Party is unable to prevent by the exercise of reasonable diligence, including, without limitation, the combined action of workers, fire, acts of terrorism, catastrophes, changes in laws, condemnation of property, governmental actions or delays, national emergency, war, civil disturbance, floods, unusually severe weather conditions, endemic or pandemic, or other acts of God. Inability to pay or financial hardship shall not constitute Force Majeure regardless of the cause thereof and whether the reason is outside a party's control.
 - (e) Any provision of this Agreement that, by its language, contemplates performance or observation subsequent to any termination or expiration of this Agreement shall survive such termination or expiration and shall continue in full force and effect.
 - (f) If any provision of this Agreement, or application thereof to any person or circumstance, shall to any extent be invalid, then such provision shall be modified, if possible, to fulfill the intent of the parties reflected in the original provision. The remainder of this Agreement, or the application of such provision to person or circumstance other than those as to which it is held invalid, shall not be affected thereby, and each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

SPECIFIC PROPERTY DATA REQUEST

In order to complete this assignment under the terms outlined, CBRE, Inc., Valuation & Advisory Services, will require the following specific information for the property:

1. PLEASE NOTIFY US IMMEDIATELY IF ANY OTHER CBRE SERVICE LINE (INCLUDING CAPSTONE) IS INVOLVED IN THE BROKERAGE, FINANCING, INVESTMENT OR MANAGEMENT OF THIS ASSET.
2. Current title report or title holder name
3. Legal description
4. Survey and/or plat map
5. Site plan for proposed or entitled development
6. Lot-by-lot summary of gross lot and net pad areas
7. Individual home plans, elevations and square footages
8. Building plans and specifications, including square footage, for any community facilities
9. Current county property tax assessment or tax bill and information on the projected effective tax rate (including all potential special assessments)
10. Details on any sale, contract, or listing of the property within the past three years
11. Engineering studies, soil tests or environmental assessments
12. Homeowner's association agreement and details on membership costs, if applicable
13. Details regarding any proposed sales concessions to be offered
14. Details regarding any proposed lot premiums
15. Development pro forma (including product pricing/sales summary, hard costs, soft costs and absorption estimate)
16. Any marketing reports and/or local competitive studies
17. Any previous market/demand studies or appraisals
18. Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process
19. Any other information that might be helpful in valuing this property

If any of the requested data and information is not available, CBRE, Inc., reserves the right to extend the delivery date by the amount of time it takes to receive the requested information or make other arrangements. Please have the requested information delivered to the following:

Arod B. Javier

Vice President

CBRE | Valuation & Advisory Services

T +1 303 628 7438

arod.javier@cbre.com | www.cbre.com/people/arod-javier

Addendum C

QUALIFICATIONS



T + 1 (303) 628-7438
M + 1 (303) 718-3289
Arod.Javier@cbre.com

1225 17th Street
Suite 3200
Denver, CO 80202 USA

Clients Represented

- Beal Service Corporation
- Sentinel Real Estate Corporation
- Ford Motor Credit Company
- BMW Financial Services
- Toyota Financial Services
- Avanti
- Citibank
- Bank of the West
- Fifth Third Bank
- PNC Bank
- BOK Financial
- UBS
- Fairfield Residential
- CalPERS
- PRIM
- CWCcapital
- RREEF/Deutsch
- SITQ

Experience

Arod Javier's appraisal experience has been in the fee preparation of real estate appraisals. His experience encompasses a wide variety of property types, including retail, office, industrial, multi-family, net leased investments, car dealership, and land development, among others, in the Rocky Mountain region, with concentration in the Denver, Boulder, Fort Collins, Greeley, and Colorado Springs metro areas. He began working in the real estate industry in 1996 when he joined Cushman & Wakefield of Colorado Inc., Valuation & Advisory (C&W) as a Director (last held title). C&W honored him with the Philip Zimmerman Award, an award given to an individual who exemplifies integrity, teamwork, community service, extra effort and courage.

He eventually became a Review Appraiser at a community bank with \$2.3 billion in assets, where he initially handled commercial and residential appraisal reviews, but consequently managed engaging appraisals and monitored third party vendors in the absence of a Corporate Chief Appraiser. He also became the overall resource person to 80± relationship managers for regulatory appraisal guidelines under FDIC, OCC, USPAP, and FIRREA for more than 600± commercial and residential federally related real estate loan transactions (annually).

Professional Affiliations / Accreditations

- Certified General Real Estate Appraiser, State of Colorado (No. CG40026961)

Education

- University of the Philippines
 - Bachelor of Science Degree in Agribusiness Management
- University of the Philippines
 - Masters in Management (three courses from obtaining the degree)
- University of the Philippines
 - Graduate Courses in Urban and Regional Planning (completed two courses)



COLORADO

Department of
Regulatory Agencies

Division of Real Estate

1560 Broadway, Suite 925
Denver, CO 80202-5111

Dear Arod Bautista Javier

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.

Arod Bautista Javier
11814 S Breeze Grass Way
Parker, CO 80134

State of Colorado
Department of Regulatory Agencies
Division of Real Estate



Board of Real Estate Appraisers

Arod Bautista Javier
Certified General Appraiser



License #: CG40026961
Status: Active
Expires: 12/31/2025

Marcia Waters

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
Arod Bautista Javier
Certified General Appraiser

<u>CG40026961</u>	<u>12/31/2023</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>

<i>Marcia Waters</i> _____ Director: Marcia Waters	<i>Arod Bautista Javier</i> _____ Licensee Signature
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PROFESSIONAL PROFILE



JUSTIN J. ATWELL, MAI, MRICS

Managing Director
Valuation and Advisory Services
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F. +1 303 628 1757
justin.atwell@cbre.com

www.cbre.com/justin.atwell

CLIENTS REPRESENTED

- KeyBank
- NorthMarq Capital
- Principal Real Estate Investors
- US Bank
- Ladder Capital Finance
- Callahan Capital Partners
- Prudential Investment Management
- C-III Asset Management
- CIBC World Markets
- Met Life
- CBRE Debt & Equity
- Ivanhoe Cambridge

Justin J. Atwell, MAI, MRICS is the Managing Director of CBRE, Inc. Denver. He is a seasoned real estate professional with over 17 years of valuation and consultation experience. He has worked in multiple markets with exposure to the valuation of office, retail, multi-family, industrial, and land. Assignments completed include valuations of proposed, partially completed, renovated and existing structures. He has experience providing consultations, reviews, market studies, tax appeals, feasibility studies, and litigation support.

In his current role as Managing Director, he provides oversight, training, mentoring, and client management for the Denver area of CBRE, Inc. which includes offices in Denver, Colorado Springs, Fort Collins, Edwards, and Breckenridge.

For over 10 years prior, Mr. Atwell specialized in the valuation of office properties and was the market leader for appraisal and consulting assignments of office real estate in the greater Denver and Seattle Metro areas. Property types primarily include CBD office properties, suburban office properties, medical centers, and data centers.

REPRESENTATIVE ASSIGNMENTS

Property Name, Location	Property Type	Size
■ 1144 Fifteenth, Denver CBD	Office	660,000 SF
■ Drive I and II, Denver RiNo	Office	100,000 SF
■ Fillmore Place, Denver Cherry Creek	Mixed-Use	190,000 SF
■ Palazzo Verdi, Greenwood Village	Office	300,000 SF
■ Republic Plaza, Denver CBD	Office	1,320,000 SF
■ Columbia Center, Seattle CBD	Office	1,500,000 SF

CREDENTIALS

Professional Affiliations/Accreditations/Certifications

- Member of the Appraisal Institute (MAI)
- Member of the Royal Institute of Chartered Surveyors (MRICS)
- 2011 Associate of the Year, Appraisal Institute, Seattle Chapter
- CBRE Top Producer 2007, 2008, and 2010

EDUCATION

- The Evergreen State College
Bachelor of Arts, Urban Design and Planning





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Dear Justin John Atwell

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Justin John Atwell 1435 Adams St Denver, CO 80206	State of Colorado Department of Regulatory Agencies Division of Real Estate	
	 Board of Real Estate Appraisers Justin John Atwell Certified General Appraiser	License #: CG100041161 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		

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Justin John Atwell	
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