Received
County Adminstration
7/11/13

CBOE # 35

2013 REAL PROPERTY NOTICE OF DETERMINATION

Gunnison County
COLORADO

Kristy McFarland
Gunnison County Assessor
221 N Wisconsin St, Suite A
Gunnison, CO 81230

Date of Notice: June 25, 2013
Phone: (970) 641-1085
Fax: (970) 641-7920
Email: assessor@gunnisoncounty.org
Website: http://www.gunnisoncounty.org/assessor.html

ACCOUNT NUMBER	TAX YEAR	TAX AREA	PARCEL NUMBER
R002201	2013	100	3787-021-08-001

AGENT	LEGAL DESCRIPTION
MANN LAYNE F 7475 W 5TH AVE STE 321 LAKEWOOD, CO 80226-1675 OWNER: LSC SOUTHWEST COLORADO LLC	TR 57X300FT ADJ ON E TO LOTS 3-12 BLK 145WEST GUNNISON #619942

PROPERTY CLASSIFICATION	PROPERTY OWNER'S ESTIMATE OF VALUE	ASSESSOR'S VALUATION	
		ACTUAL VALUE PRIOR TO REVIEW	ACTUAL VALUE AFTER REVIEW
Commercial		159,250	202,000
Residential		68,850	0
TOTALS		$228,100	$202,000

The Assessor has carefully studied all the available information, giving particular attention to the specifics included on your protest. The Assessor's determination of value after review is based on the following:

The actual value of the property is determined by appropriate consideration of the approaches to appraisal set forth in § 39-1-103(5)(a), C.R.S.

Based upon the Restrictive Covenant (Rec #507355) the classification was changed to All Commercial for this property. Evidence provided included income and sales data beyond the June 30, 2012 appraisal date.

If you disagree with the Assessor's decision, you have the right to appeal to the County Board of Equalization for further consideration, § 39-8-106(1)(a), C.R.S.

The deadline for filing real property appeals is July 15.
The deadline for filing personal property appeals is July 20.

The Assessor establishes property values. The local taxing authorities (county, school district, city, fire protection, and other special districts) set mill levies. The mill levy requested by each taxing authority is based on a projected budget and the property tax revenue required to adequately fund the services it provides to its taxpayers. The local taxing authorities hold budget hearings in the fall. If you are concerned about mill levies, we recommend that you attend these budget hearings. Please refer to last year's tax bill or ask your Assessor for a listing of the local taxing authorities.

Please refer to the reverse side of this notice for additional information.

LAYNE F. MANN
ATTORNEY AT LAW
7475 WEST FIFTH AVENUE, SUITE 321
LAKEWOOD, COLORADO 80226
Telephone: (303) 233-8533
Fax: (303) 233-3065

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EXHIBIT A
Page 1 of 1

July 8, 2013

Gunnison County Board of Equalization
200 East Virginia Avenue
Gunnison, CO 81230

Re: 413 West New York Avenue, Gunnison, Colorado
Gunnison County Real Estate Tax Account #R002201

Dear County Board of Equalization:

I represent the owner of the referenced property, LSC Southwest Colorado LLC. On its behalf, enclosed please find a completed and signed Petition To County Board of Equalization regarding the property. Also attached is a signed letter of authorization from the owner authorizing me to file this Petition on its behalf.

If possible, I would like to participate in the hearing scheduled for this Petition via telephone. If you could provide me with information on the telephone number and time & date to call I will do so, or let me know if you would be calling me?

If possible, could you call me prior to scheduling the hearing to ensure I have not been scheduled in another County, or for another matter I may be involved in, on the same day and time? At this time I know I will be unavailable the morning of Monday, July 22.

Thank you very much.

Sincerely,

Layne F. Mann

Sent via certified mail #7012 2210 0000 3559 8810

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EXHIBIT B
Page 1 of 1

ATTACHMENT A TO PETITION TO COUNTY BOARD OF EQUALIZATION
TAX ACCOUNT #R002201
DATED: JULY 8, 2013

Enclosed is an appraisal of the subject property containing a value date of January 31, 2013. It concludes to a fair market value for the property of $80,000 based on both a sales comparison approach and an income approach to value argument.

As the County Assessor's Office has pointed out, the value date in this appraisal is 7 months beyond the June 30, 2012 date of value for the 2013 real estate tax assessment. However, it stands to reason that the value of the property probably did not drop from the $202,000 it is being assessed at as of June 30, 2012 to $80,000 as of January 31, 2013.

The two other possibilities are: 1) the appraisal is unreliable, or 2) the $202,000 assessment is unreliable.

My client has utilized Wildrose Appraisal Incorporated out of Divide, Colorado for a number of appraisals, all of which have seemed very well developed and accurate. The appraisers who developed the appraisal all have appraisal licenses and are well regarded in the appraisal community as far as we know. We have to believe the attached appraisal is an accurate representation of the property's fair market value as of January 31, 2013.

Our conclusion is that the $202,000 assessment is excessive and we respectfully request your consideration for adjusting the subject property's 2013 total actual value to $80,000 or to an amount between $80,000 and $202,000 which seems more reasonable to the Board.

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May 17, 2013

LETTER OF AUTHORIZATION

TO WHOM IT MAY CONCERN:

The undersigned hereby authorizes Layne F. Mann, attorney, to represent LSC Southwest Colorado LLC in the review and/or appeal of the 2013 property tax assessment relating to the following real estate:

413 West New York Avenue, Gunnison, Colorado
Gunnison County Real Estate Tax Account #R002201
Gunnison County Real Estate Tax Parcel #3787-021-08-001

This authorization includes the ability to review County assessment records and to obtain the complete cost, market or income approaches utilized by the County in arriving at the 2013 real estate tax assessment placed upon the property, to file any necessary tax abatement or assessment appeals, negotiate assessment reductions and represent Community Banks of Colorado at any hearings that may be held in regard to an appeal.

LSC Southwest Colorado, LLC

By: _____
William J. Clark
Managing LLC Member

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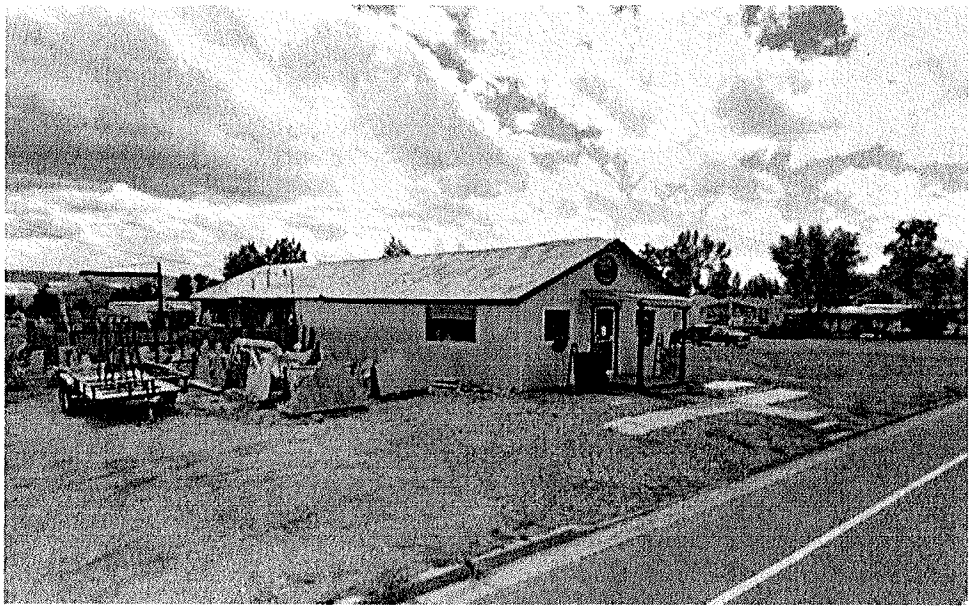
A Summary Report of a Real Property Appraisal



INDUSTRIAL PROPERTY
413 West New York Avenue
Gunnison, Colorado 81230

Prepared For:
Community Banks of Colorado
7900 East 1st Avenue
Denver, CO 80230
RIMS Project #: 13-000356-01

Effective Date:
January 31, 2013

WILDROSE
APPRAISAL, INCORPORATED

WILDROSE APPRAISAL, INC. FILE #13024

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March 6, 2013

Ms. Sondra Mercier
Community Banks of Colorado
7900 East 1st Avenue
Denver, CO 80230

RE: 413 West New York Avenue
Gunnison, CO 81230
A Summary Report of a Real Property Appraisal
Wildrose Appraisal, Inc. File No. 13024
RIMS Project No: 13-0000356-01

Dear Ms. Mercier:

In fulfillment of our agreement as outlined in the Letter of Engagement, Wildrose Appraisal, Inc., is pleased to transmit our appraisal, based on the scope of work agreement, presented in a Summary Report format developing an opinion of the market value of the fee simple interest in the above referenced real property as of January 31, 2013 on an "as is" basis. The opinion of value reported below is qualified by certain assumptions, limiting conditions, certifications, and definitions, which are set forth in the report. Additionally, the client has requested a disposition value for the subject.

The appraisal will be used by Community Banks of Colorado (client) and NBH, N. A. and Affiliates is to establish marketability and potential loan and asset recovery thresholds. You, as the client, are responsible for reading this report in its entirety. It may not be distributed to or relied upon by other persons or entities without written permission of Wildrose Appraisal, Inc. However, Community Banks of Colorado may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. The appraisers are not required to explain or testify as to appraisal results other than to respond to the client for routine and customary questions.

Please note that our consent to allow an appraisal report prepared by Wildrose Appraisal, Inc., or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in

its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed and the reasoning leading to the opinion of value. The analysis, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the *Uniform Standards of Professional Appraisal Practice* (USPAP), the requirements of the *Code of Professional Ethics* and *Standards of Professional Appraisal Practice* of the Appraisal Institute, The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Title XI Regulations and client's appraisal standards.

Based on the analysis contained in the following report, subject to the extraordinary assumptions employed, the market value of the subject property is concluded as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	*Interest Appraised*	*Effective Date*	*Value Conclusion*
As Is	**Fee Simple**	**January 31, 2013**	**$80,000**

The fee simple disposition value was determined to be $60,000. This is not a market value.

The analysis contained in this appraisal is based upon assumptions and estimates that are subject to uncertainty and variation. These estimates are often based on data obtained in interviews with third parties, and such data are not always completely reliable. In addition, we make assumptions as to future behavior of consumers, and the general economy, which are highly uncertain. It is, however, inevitable that some assumptions will not materialize and that unanticipated events may occur which will cause actual achieved operating results to differ from the financial analyses contained in this report, and these differences may be material. Therefore, while our analysis was conscientiously prepared on the basis of our experience, and the data available, we make no warranty of any kind that the conclusions presented will, in fact, be achieved. Additionally, we have not been engaged to evaluate the effectiveness of management, and we are not responsible for future marketing efforts, and other management actions upon which actual results may depend.

We take no responsibility for any events, conditions, or circumstances affecting the market that exists subsequent to the effective date of this appraisal. This

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letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and addenda.

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

Respectfully submitted,

WILDROSE APPRAISAL, INC

James M. Bittel
Manager
jamesbittel@wildroseappraisal.com
Colorado Certified General
Appraiser #CG01315404

Thomas O. Mead
Commercial Appraiser
tmead@wildroseappraisal.com
Colorado Certified General
Appraiser # CG40022647

Martin S. Kane MAI, M.S.
Commercial Appraiser
stevekane@wildroseappraisal.com
Colorado Certified General
Appraiser #CG40013915

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CERTIFICATION

Certification Statement

The undersigned do hereby certify that, to the best of our knowledge and belief:

- the statements of fact contained in this report are true and correct.

- 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.

- we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.

- we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

- our engagement in this assignment was not contingent upon developing or reporting predetermined results.

- 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.

- the reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Uniform Standards of Professional Appraisal Practice.*

- Thomas O. Mead made a personal exterior inspection of the property that is the subject of this report. James M. Bittel and Martin S. Kane did not inspect the subject. No one else provided significant real property appraisal assistance or appraisal consulting assistance to the persons signing this certification.

- the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

- no other services have been provided, as appraisers or in any other capacity, regarding the property that is the subject of this report within

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the three-year period immediately preceding acceptance of this assignment.

- that as of the effective date of this report, all appraisers involved with the preparation and reporting of this assignment are in good standing with the Colorado State Board of Real Estate Appraisers.

- Martin S. Kane MAI is in good standing with the Appraisal Institute.

- As of the date of this report, Martin S. Kane MAI has completed the continuing education program of the Appraisal Institute.

- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

-

James M. Bittel
Manager
jamesbittel@wildroseappraisal.com
Colorado Certified General
Appraiser #CG01315404

Thomas O. Mead
Commercial Appraiser
tmead@wildroseappraisal.com
Colorado Certified General
Appraiser # CG40022647

Martin S. Kane MAI, M.S.
Commercial Appraiser
stevekane@wildroseappraisal.com
Colorado Certified General
Appraiser #CG40013915

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PARAMETERS OF THE APPRAISAL

This appraisal report, the letter of transmittal, and the certification of value, are made expressly subject to the following assumptions and limiting conditions, as well as any hypothetical conditions and extraordinary assumptions referenced in the appraisal:

GENERAL ASSUMPTIONS

1. Legal and Title Considerations Pertaining to the Property

   - No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

   - The subject property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

2. Illustrative Material and Information Provided by Others

   - The appraiser(s) assumes that the intended user of this report has been provided with copies of available building plans and all leases and amendment, if any, that encumber the property.

   - Currently there are no standards for the uniform measurement of improved properties. The appraiser(s) has utilized standard appraisal procedures common in the local market area to determine the total improved areas of the subject, and has used those results for the sole purpose of completing the appraisal assignment. Please note this does NOT constitute a guarantee as to the accuracy of these measurements, except as they pertain to typical appraisal procedures for obtaining such measurements. The intended user of this report is advised to consult with an architect or other professional to insure the accuracy of building measurements for engineering, legal or other non-appraisal purposes.

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- The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

- All engineering studies and architectural plans are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the subject property.

3. Property Utilization

- Responsible ownership and competent property management are assumed.

- It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

- It is assumed that the subject property is in full compliance with all applicable federal, state, and local environmental regulations and laws, along with applicable covenants, conditions and restrictions unless the lack of compliance is stated, described, and considered in the appraisal report.

4. Scope of the Inspection, Property Conditions

- Only a visual surface inspection of the property has been made by the appraiser(s). It is assumed that there are no hidden or unapparent conditions of the subject property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining engineering studies that may be required to discover them.

- It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless non-conformity has been identified, described, and considered in the appraisal report.

- It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national governments or private entity or organization have been or can be obtained

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or renewed for any use on which the opinion of the value contained in this report is based.

- Nothing in this report should be deemed a certification or guaranty as to the structural and/or mechanical soundness of the building(s) and systems that relate to the functions and operations of the property. Rather the appraisal assumes functions, operations, and energy efficiency levels are satisfactory and consistent with the age of the property, unless otherwise noted. The intended user is urged to retain experts in analysis of such systems, if desired.

5. Appraisals Made Subject to Completion

- On all appraisals subject to satisfactory completions, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements according to specifications and as stated in the report, and in compliance with all laws, regulations and other restrictions, in a workmanlike manner, and without delay. Represented designs and engineering are assumed to be correct and adequate.

6. Environmental Disclaimer

- Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser(s). The appraiser(s), however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, toxic mold, and other potentially hazardous materials may affect the value of the property. The value concluded in this appraisal is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

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7. Market Data Presented

   - The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to change with future conditions.

LIMITING CONDITIONS

1. Allocation of Value

   - Any allocation of the total values concluded in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunctions with any other appraisal and are invalid if so used.

   - Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the opinion of value, unless such proration or division of interests has been set forth in the report.

2. Possession, Confidentiality, Distribution and Use of Report

   - Possession of this report, or a copy thereof, does not carry with it the right of publication.

   - Information contained in the appraisal may be utilized by the intended user, but the report remains the property of Wildrose Appraisal, Inc.

   - This report shall not be used by anyone but the intended user specified in the report or an appropriate third party as may be determined by the intended user at his/her sole discretion, without written approval, and then only in its entirety.

   - Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or Wildrose Appraisal, Inc.) shall be disseminated

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to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the Managing Director of Wildrose Appraisal, Inc.

- All conclusions and opinions concerning the analysis which are set forth in the report were prepared by the appraisers whose signatures appear on the appraisal report. No change of any item in the report shall be made by anyone other than the appraisers, and Wildrose Appraisal, Inc. shall have no responsibility if any such unauthorized change is made.

- Disclosure of the contents of the appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute.

3. Limitations of the Appraisal Services

- The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or be in attendance in court with reference to the subject property in question unless arrangements have been previously made.

- Opinions of value contained in this report are the professional opinions of the appraiser(s). There is no guarantee, written or implied, that the subject property will sell or lease for the indicated amounts within the indicated time frame.

- Acceptance and use of information in this report in any manner or purpose is acknowledgement that the entire report has been read by the intended user and that he/she agrees with the conclusion and the data contained in this report.

- The intended user agrees to notify the appraiser(s) of any error, omissions or invalid data **within 30 days** of receipt of the appraisal and return the report along with all copies to the appraiser(s) for correction prior to any use whatsoever.

4. Auxiliary Reports and Related Data by Others

- Unless stated otherwise, no auxiliary studies or reports related to the subject property, such as surveys,

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environmental impact reports, special market studies, highest and best use reports, feasibility analysis, or reports regarding modifications to the property for either compliance with the Americans with Disabilities Act, structural, or other reasons, have been furnished or reported to the appraiser(s) by the intended user. Data presented with respect to the subject's ownership, marketing, and income history is made available through the intended user, the borrower, or related parties. Provision of such auxiliary data, or the discovery of same by the appraiser(s), is beyond the scope of the appraisal services contracted. The appraiser(s) reserves the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimates, or conclusions upon any discovery or provision of such data or analysis, subsequent to it becoming known to the appraiser(s).

5. Limitations Related to the Definition of Value

   - The value concluded under the specified value definition is "the most probable price which a property should bring."

     As a point of clarification, the definition of value represents what a prudent, knowledgeable purchaser, under no necessity to buy would be willing to pay to purchase the property in a current sale. By this, value is representative of the price paid by the buyer, not the net proceeds to the seller. That is, the value does not consider payment of current sales commissions, title policy fees, legal fees, liens, past due taxes, or other disposition costs.

6. Americans with Disabilities Act Compliance

   - The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser(s) has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirement of the ADA would reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact would have a negative impact upon the value of the property. Since the appraiser(s) has no

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direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in concluding the value of the subject property.

7. Summary Report Format

   - Based on the standards of a Summary Report format, the detail of data reported is confined to a summary of the information reported, and a summary of the reasoning that supports the analysis, opinions and conclusions. The user of this report should recognize that the depth of detail of a Summary Report is less than that of a Self-Contained report. A Summary Report is structured for utilization by frequent users of appraisal services that have an adequate degree of familiarity with local market and economic conditions, the subject property, and the appraisal process, such that the level of detail provided will not impair an understanding of the market, the property, or the valuation process and conclusions. The client and any unintended users of the report should be aware that this report is not intended to be a Self-Contained report as defined by USPAP Standard 2.

SCOPE OF WORK[1]

The appraiser has been assigned by the client to develop an opinion of the subject's fee simple market value, based on the current "as is" condition of the subject. We are also providing a disposition value.

The appraiser has made a determination as to the scope of work necessary to solve the client's appraisal problem. The appraisal, based on the scope of work, in accordance with Standard 1 (Real Property Appraisal, Development), in a Summary report format, prepared in accordance with USPAP Standard 2 (Real Property Appraisal, Reporting), effectively demonstrates our analysis to derive the valuation conclusions.

Intended Use: To establish marketability and potential loan and asset recovery thresholds.

Intended User: The intended user(s) of this report are Community Banks of Colorado and NBH, N.A. and Affiliates.

[1] Scope of Work - The type and extent of research and analyses in an assignment. *2012-2013 USPAP*

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Property Rights Appraised:

Based on the scope of the appraisal assignment the fee simple property interest was appraised.

The fee simple interest is defined as follows:

> **Fee Simple** - 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. *(Dictionary of Real Estate, Fourth Edition)*

The leased fee interests are defined as follows:

> **Leased Fee** - An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease. *(Dictionary of Real Estate, Fourth Edition)*

Value Opinion:

Based on the scope of the appraisal assignment a "market value" opinion was developed.

"market value," as used in this report, is defined as:

> **Market Value** - The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and Seller are typically motivated;

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2. Both parties are well informed or well advised, and acting in what they consider their 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.

Source: "(12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994); Appraisal Institute, *The Dictionary of Real Estate Appraisal, Fourth Edition,* (Chicago, 2002) Page 177"

Note that the valuation makes no reduction for commission on sale, unpaid taxes, or liens against the property.

The Disposition Value is defined as the most probable price according to FIRREA Market Value definition assuming a limited marketing period as defined by local market parameters.

The engagement letter indicates, "In addition to reporting the market value of the subject, we also require your estimate of disposition value, which assumes a marketing period of 6 to 12 months". The

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appraisers will assume a 9-month midpoint in our analysis.

The following is the Disposition Value as defined by the client in the engagement letter:

The most probable price that a specified interest in real property should bring under the following conditions:

- Consummation of a sale within a future exposure time specified by the client.
- The property is subjected to market conditions prevailing at the date of valuation.
- Both buyer and seller is each acting prudently and knowledgeably.
- The seller is under compulsion to sell.
- The buyer is typically motivated
- Both parties are acting in what they consider their best interests.
- An adequate marketing effort will be made during the exposure time specified by the client.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- 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.

Effective Date of Value: The effective date of this appraisal analysis is January 31, 2013 on an "as is" basis.

In determining the valuation of the property, we will consider the value under conditions as of the effective date. Establishing the effective date of the appraisal is standard appraisal practice, and it is important to consider because value is subject to change over time. Aside from possible physical changes to the property, the value of real estate is also subject to changing economic conditions, under which value may remain static, increase, or decrease. Additionally, changing policies of governing

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authorities may impede or encourage development over time.

Inspecting Appraiser: Thomas O. Mead inspected the subject property exterior.

Extent of Inspection: An exterior inspection of the subject was performed on January 31, 2013 to determine its relevant physical and location characteristics. A complete visual inspection of the neighborhood was performed. No interior inspection was made as the subject was locked and the current owner is uncooperative. We received permission from Mr. Matthew Ruddy with Community Banks of Colorado to conduct only an exterior inspection.

Property Documents Received: In connection with the scope of work assignment, the appraisers received no information from the client related to the subject.

Market Analysis: Information was collected from the Gunnison Multi-List Service (MLS), the CCIM Site to Do Business, LoopNet, town and county officials; brokers experienced in the market; published data sources; appraisers' file data; and parties involved in the subject. This information was then used to develop the highest and best use analysis, and the applicable approaches to value.

The State of Colorado does not require disclosure of sales prices, the terms of sale, or mortgage details in public records. Moreover, privacy legislation precludes lenders from revealing the mortgage terms without the written permission of the borrower. The appraisers have accumulated the market data contained in this report over a period of several years, from a variety of sources that are believed to be reliable.

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Highest and Best Use: The highest and best use was determined "As Vacant" and "As Improved". Under the scope of work assignment, the subject was appraised to its highest and best use.

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

According to Advisory Opinion 17 of the Uniform Standards of Professional Appraisal Practice (USPAP), the use of a hypothetical condition is required whenever the following conditions apply:

1. **IF** the subject "as proposed" does not yet, in fact, exist as of the date of this appraisal.

2. **IF** the "as proposed" analysis performed to develop the opinion of value are based on a hypothesis, *specifically that the improved subject property is assumed to exist when in fact it does not exist.*

3. **IF** certain events need to occur, as disclosed in the report, before the property appraised with the proposed improvements will in fact exist.

4. **IF** the appraisal does not address unforeseeable events that could alter the proposed property improvements and/or the market conditions reflected in the analyses.

There are no hypothetical conditions.

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Extraordinary Assumptions:

According to USPAP, an extraordinary assumption is: an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraisers opinions or conclusions.

An extraordinary assumption presumes as fact otherwise uncertain information about the subject, and includes the following:

- Physical, legal, or economic attributes of the subject property
- Conditions external to the subject, such as market conditions or trends
- Integrity of the data used in this appraisal

In addition, the subject was locked at the time of our inspection. We were unable to complete an interior inspection of the subject. We assume there are no detrimental physical characteristics in the interior of the building and the interior condition is consistent with that of the exterior condition observed.

The use of these extraordinary assumptions could affect the "as is" value of this appraisal.

Personal Property:

The appraisal analysis and the conclusion of value pertain specifically to the subject's real property elements. We have not included any personal property in the valuation conclusion of this appraisal.

Approaches to Value:

Under the scope of work assignment, the following approaches to value were considered and used in this appraisal:

Approach	Used
Cost Approach	No
Sales Comparison Approach	Yes
Income Approach	Yes

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Cost Approach: Due to the age of the subject improvements and the lack of recent land sales in this area, the application of the cost approach is neither necessary nor applicable for a reliable opinion of value.

Sales Comparison Approach: The sales comparison approach was applied to the subject as a vacant land parcel. Sufficient data for the comparable sales was available and provides insight into the likely market value for the subject. The application of this approach has been included and is appropriate for a credible opinion of value.

Income Approach: We also used the income approach to value as the subject is potentially an income producing property. We obtained market based data for the subject and derived a value using the income approach. Given the lack of actual financial data for the subject, this approach was used in general support of the sales comparison approach.

Reconciliation: The applicable approaches to value were reconciled in order to determine a final value for the subject property.

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EXPOSURE TIME/MARKETING TIME

The exposure time, as defined in USPAP (2012/2013 Edition), is the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

As previously discussed, the number of commercial sales in the City of Gunnison market has been very limited over the past 3 years. As a result, the appraisers have expanded the search criteria to include all improved commercial property sales from January 2007 to present.

Address	Closing Date	Sold Price	DOM
301 S 14th Street	1/4/2007	$222,000	622
811 N Main Street	2/13/2007	$575,000	237
241 N Main Street	6/26/2007	$325,000	63
129 E Tomichi Avenue	6/27/2007	$345,000	686
405 W Tomichi Avenue	8/10/2007	$575,000	391
821 W Tomichi Avenue	12/28/2007	$550,000	685
211 N Main Street	11/5/2008	$430,000	142
210 W Spencer Avenue	10/30/2009	$287,500	219
204 N 12th Street	5/21/2010	$220,000	41
1005 W Rio Grande Avenue	1/25/2011	$235,000	357
323 E Tomichi Avenue	2/17/2011	$350,000	336
713 N Wisconsin Avenue	12/15/2011	$265,000	387
300-302 W Tomichi Avenue	3/28/2012	$300,000	1912
827 N Main Street	10/1/2012	$120,000	1105

The above sales range in days on market from 41 days to 1912 days with an average of 513 days on market. The comparables used in the Sales Comparison approach in this appraisal, had days on market of 436, 149, 357, and 622 days. Based on the indicated exposure periods, the value conclusion represents a market price achievable within 24 months prior to the effective date.

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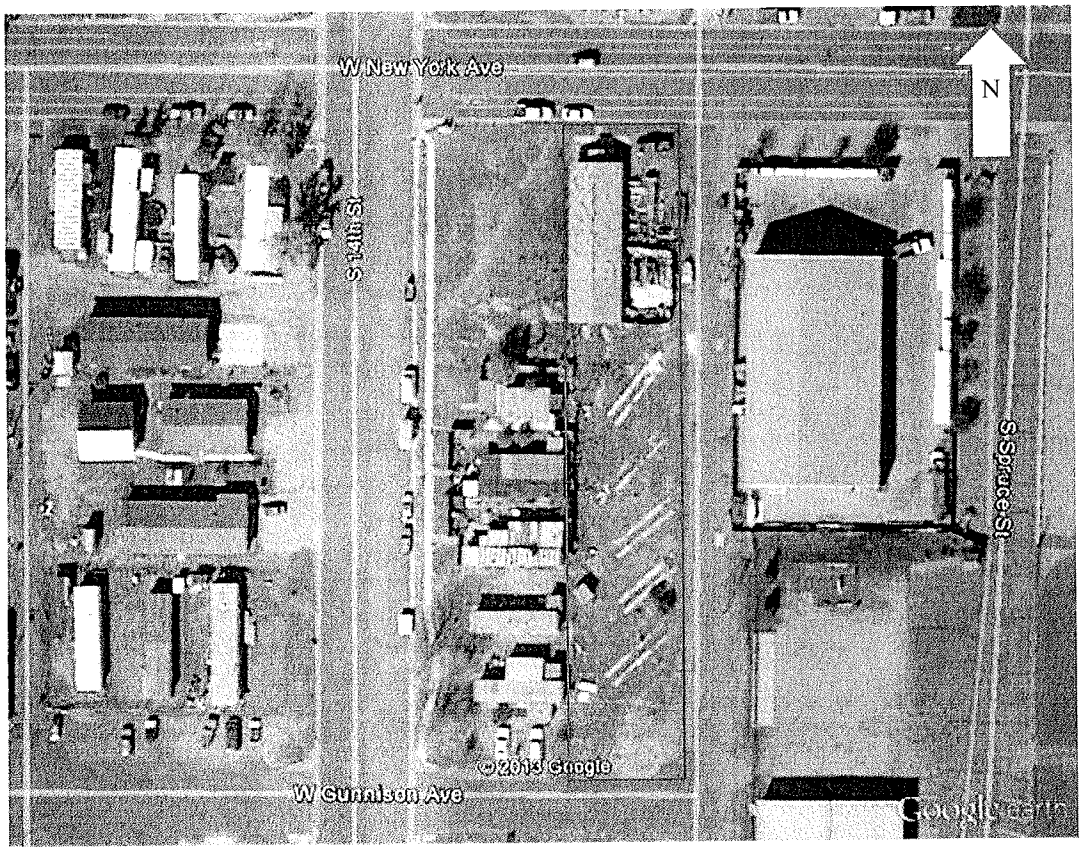
SUBJECT DESCRIPTION

The subject represents a light industrial building with an office and shop components. The subject is in the process of foreclosure.

The property is located in the City of Gunnison, Colorado, approximately one-half mile southwest of the downtown sector of the town.

For assessment purposes, the County Assessor has allocated 0.164 acres of the subject site as residential and 0.229 acres as commercial. As a result, the two land components are assessed at different levels.

Even though the county assesses the subject with a residential and a commercial component, the City considers the entire site commercial and has zoned the entire site commercial. The city planner reported the site was re-zoned to commercial use approximately 10 years earlier. Prior to the rezoning, the site was part of a mobile home park. The subject site was subdivided and there are some remaining mobile homes now located to the southwest of the subject.



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PROPERTY IDENTIFICATION

Address:	413 West New York Avenue, Gunnison, Colorado 81230
Legal Description:	A Tract of Land 57 feet x 300 feet adjacent on the east to Lots 3 through 12, Block 145 West Gunnison Subdivision, City of Gunnison, Gunnison County, State of Colorado
Assessor's Parcel Number:	3787-021-08-001
Account Number:	R002201
Current Ownership:	Rodney N. Peterson
Previous Sale(s):	The subject was purchased in 1998 by the current owner.
Current Listing or Contract:	The subject is not currently listed for sale, according to the Gunnison County MLS.
Additional Comments:	We are not aware of any other sales/listings of the property in the past three years.
Treasurer Information	
Tax Authority:	Gunnison County
Tax Year:	2012 payable in 2013
Mill Levy:	44.343
Actual Value:	$250,050
Assessment Ratio:	21.98%; Commercial uses are assessed at 29% and residential uses are assessed at 7.96%, thus the weighted assessment ratio for the overall property.
Assessed Value:	$54,950
Tax Liability:	$2,436.65
Delinquent Taxes:	No
Special Tax District:	No
Assessment Comments:	According to the Gunnison County Treasurer's office, as of the date of this report, there are no delinquent taxes. 2012 taxes due in 2013, in the amount of $2,436.65, are not paid. Taxes for 2012 are due in full June 30, 2013. The value by the assessor appears to be high based on other sales in the region. This may be due to the use of old sales or a high land value allocation.

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SITE DESCRIPTION

Land Area (SF):	17,100 square feet (per Gunnison County Assessor)
Land-to-Building Ratio:	8.05 : 1
Surplus Site Area:	No
Excess Site Area:	Yes; based on the current use as improved, the total subject site is 17,100 square feet and the land to building ratio is over 8 to 1. Typically, industrial properties have land ratios of 3-5 to 1. Also, a visual inspection of the subject indicates the property as improved, has land that is not being used. Even so, a different user may find a need for the additional land area. The subject may be subdivided upon approval by the city provided the minimum lot size is 8,000 square feet or more, and the other development standards are observed. At the present time, the subject site has not been subdivided and the market indicates low or no demand for commercial building sites (please see the Highest and Best Use section).
Frontage:	New York Avenue along the north border and an alley along the east border of the site
Visibility:	Average – from New York Avenue
Access:	Direct access from both directions along New York Avenue and from the alley
Shape:	Rectangular
Topography:	Generally level and at street grade with both bordering street and alley
North Adjacent Use:	Commercial/industrial along New York Avenue extending north to the commercial corridor along Tomichi Avenue
East Adjacent Use:	Lumber yard property and other commercial properties for approximately two blocks, then residential development
South Adjacent Use:	Mobile homes; light industrial properties
West Adjacent Use:	Vacant site; mobile homes; other residential development extends west from the mobile homes

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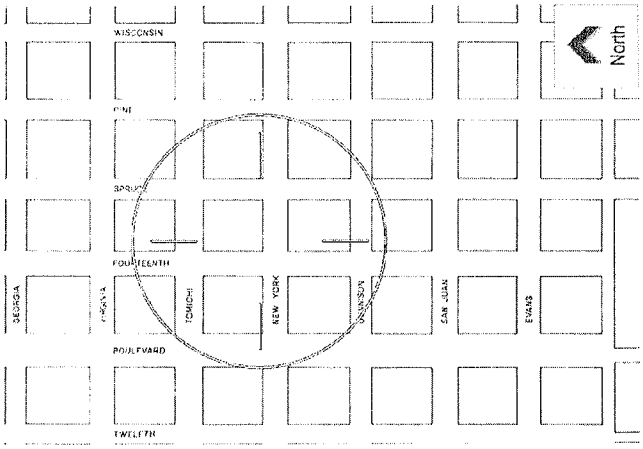
Site Improvements	
Parking:	Yes, on-site and on-street
Parking Type/# of Spaces:	Gravel, not striped/ 3 approximately)
Sidewalks / Type:	None
Curbs and Gutters / Type:	Yes / Concrete
Landscaping:	None

Utilities At Site	
Electricity:	Gunnison County Electric Association
Gas:	Atmos Energy
Water:	City of Gunnison Water and Sanitation
Sewer:	City of Gunnison Water and Sanitation

Easements: A title commitment was not made available for review. We assume that there are no title or easement issues with the subject as of the date of this appraisal. Restrictions are believed to be limited to typical utility easements and rights of way.

Environmental Issues: None known. We recommend an environmental site assessment for the subject property. This appraisal assumes no environmental issues.

Flood Hazard: No; Zone: C; per FEMA Map #0800800002C, dated September 18, 1985. Zone C is outside of the 100-year floodplain.



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Zoning Code/Jurisdiction: C-Commercial/ City of Gunnison

Zoning Description: The purpose of the Commercial (C) Zone District is to provide for commercial and service businesses in a pattern that allows ease of access by both vehicles and pedestrians. Area designated as C-Commercial zone district are primarily along the City's main entrance corridors. As a zone district devoted to a range of commercial and services businesses, allowable uses include: retail sales, restaurants, personal and commercial services, offices, fuel sales lodging, offices, financial institutions, laundry facilities and similar uses. Minimum lot size in the C district is 8,000 square feet and the maximum lot coverage in 50 percent.

The subject is an allowable use in this zone district, according to the city planning office.

IMPROVEMENT DESCRIPTION

At the time of our inspection, the building appeared to be occupied although the doors were locked and lights were out. Building signage indicated the business name is Custom Home Accents.

The subject is an office/shop structure with office-retail use on the northern portion of the building and shop area on the southern portion of the building. Also based on our exterior inspection, it appeared the original structure was wood frame with horizontal wood lap siding. Approximately 80 percent of this original siding has now been covered with metal siding.

Property Type:	Light industrial-office-retail with a shop
Year Built:	1966
Number of Buildings:	One
Building Type:	Free-standing
Number of Stories:	One
Building Area:	2,125 square feet; according to county records
Construction Class:	D, wood frame
Construction Quality:	Fair to Average
Configuration:	Single-occupant
Exterior Construction Detail	
Foundation:	Concrete
Exterior wall/framing:	Wood frame; exterior wall cover is a majority (80+-%) metal siding and a portion is wood

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	siding
Roof Frame:	Pitched
Roof Covering:	Composition shingle
Windows:	Double pane in fixed wood frames
Doors:	Glass store front in metal frame in front entry; wood exterior door on southeast side of building
Mechanical Description	
Heating & Cooling System:	Unknown
Plumbing:	Unknown
Electrical:	Unknown
Elevator(s):	None
Fire Protection:	Unknown
Interior Description	
Interior Layout:	Main access is from the front (north) of the building. The retail and office area is located on the north portion of the building and the shop portion is to the south. It appeared from our inspection the office-retail section represented approximately one-third of the building and the shop is two-thirds of the total building area. An interior inspection was not made (please see extraordinary assumptions).
Walls:	Unknown
Ceilings:	Unknown
Floor Covering:	Unknown
Doors:	Unknown
Physical Condition	
Overall Condition:	Fair to Average
Deferred Maintenance:	Weathered wood siding on southeast portion of exterior; exterior fence on east side of building is dilapidated
Effective Age:	20 Years
Typical Economic Life:	35 Years
Remaining Economic Life:	15 Years
Functional Utility:	Average for a shop with a retail-office component

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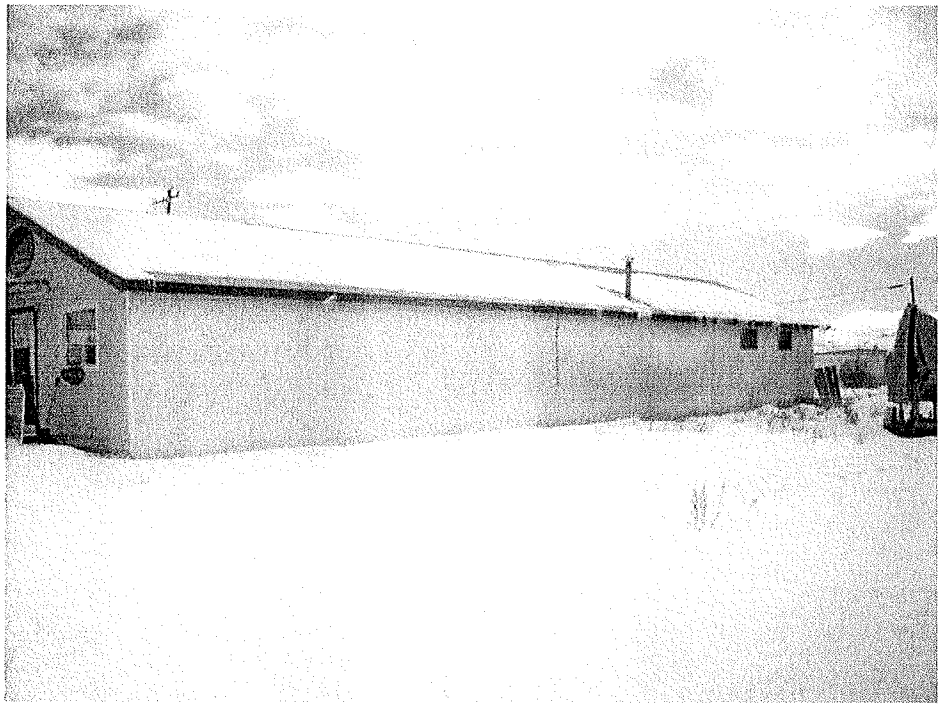
SUBJECT PHOTOGRAPHS

North view



Northwest view

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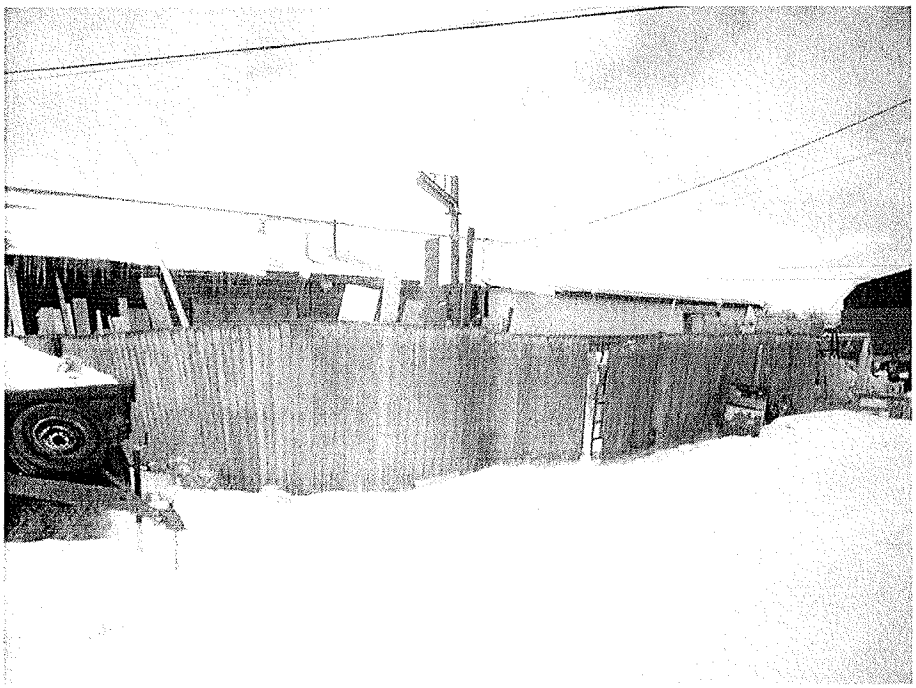
Southeast view



Southeast view

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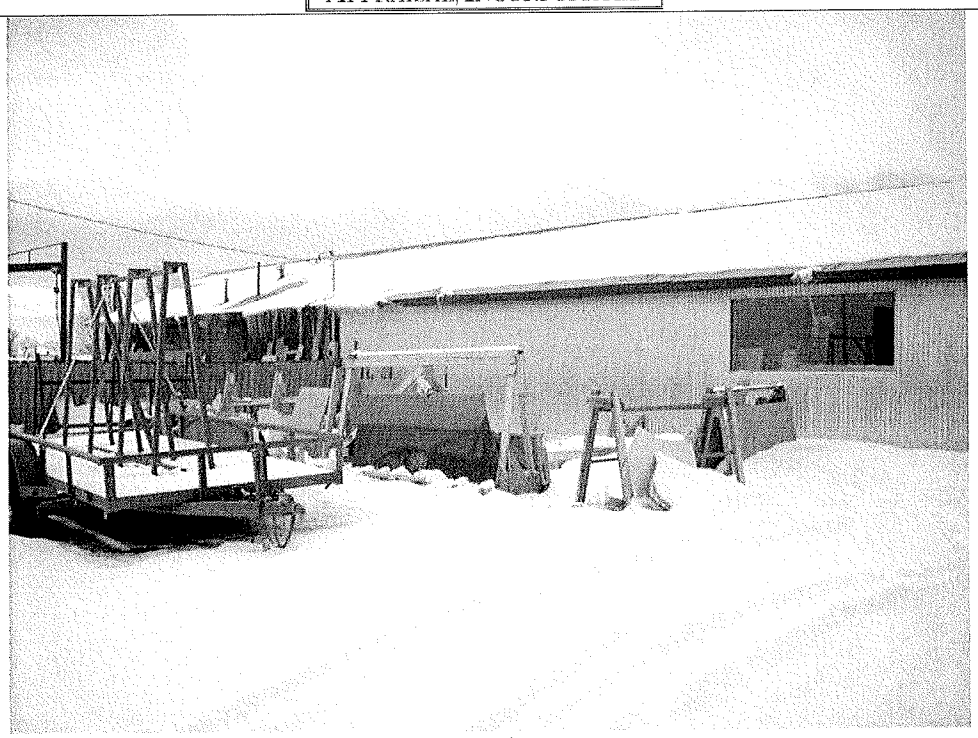
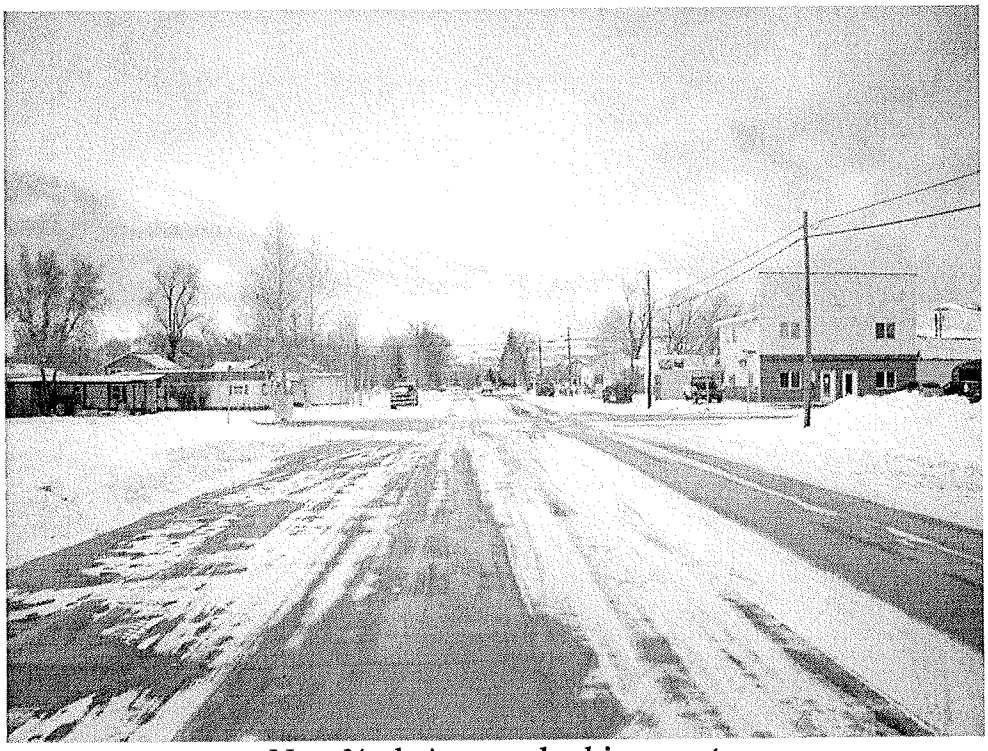


East view



New York Avenue looking west

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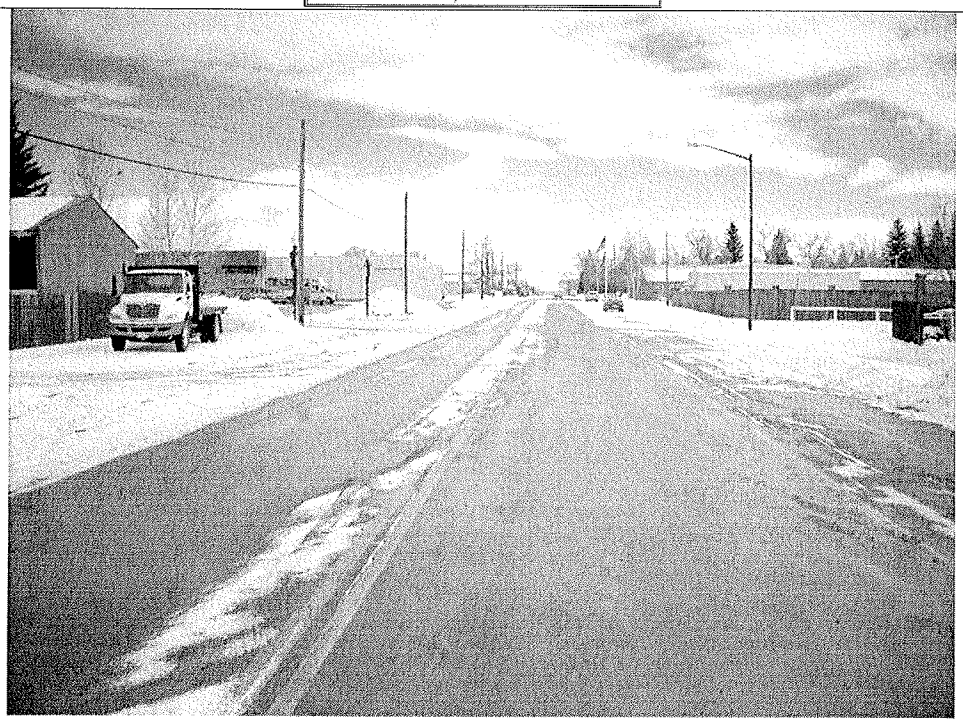
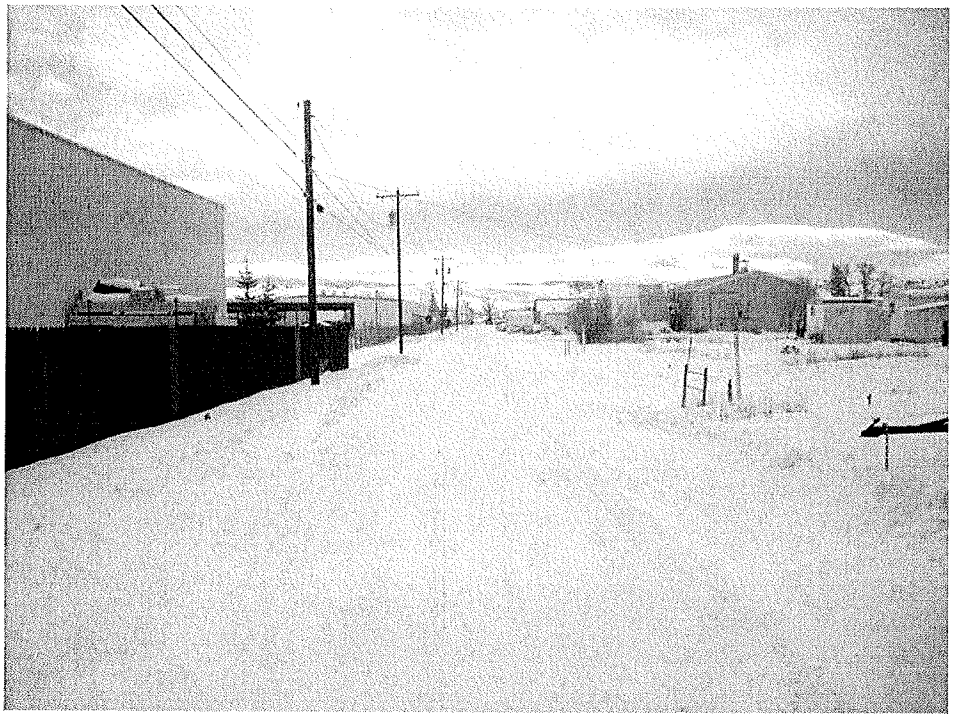


New York Avenue looking east



Alley along the east border of subject site looking south

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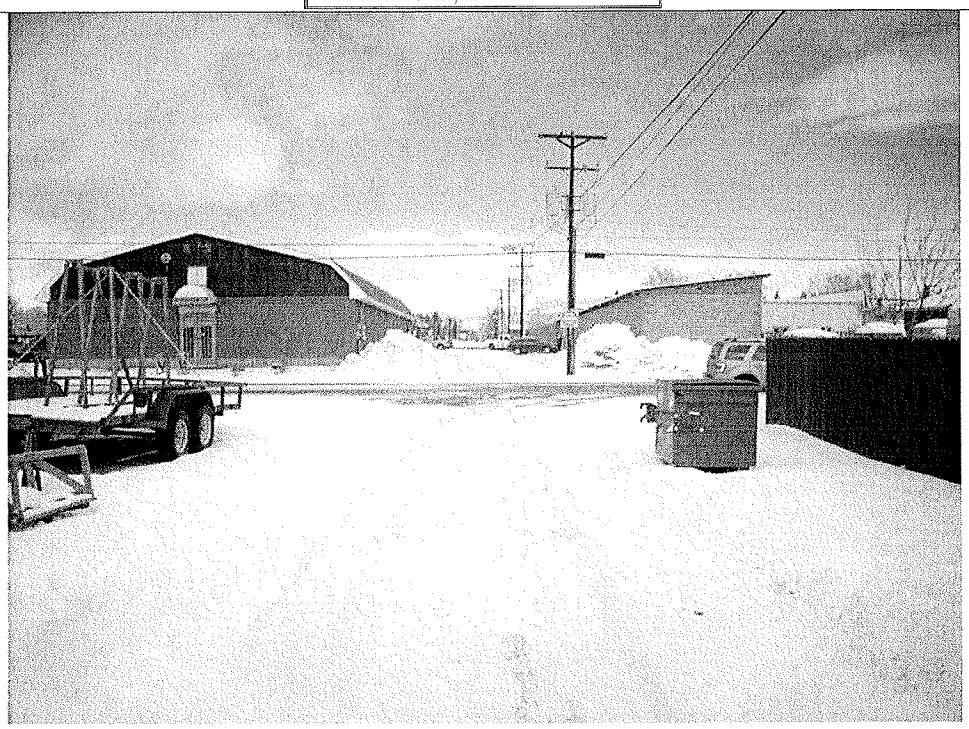

Alley looking north

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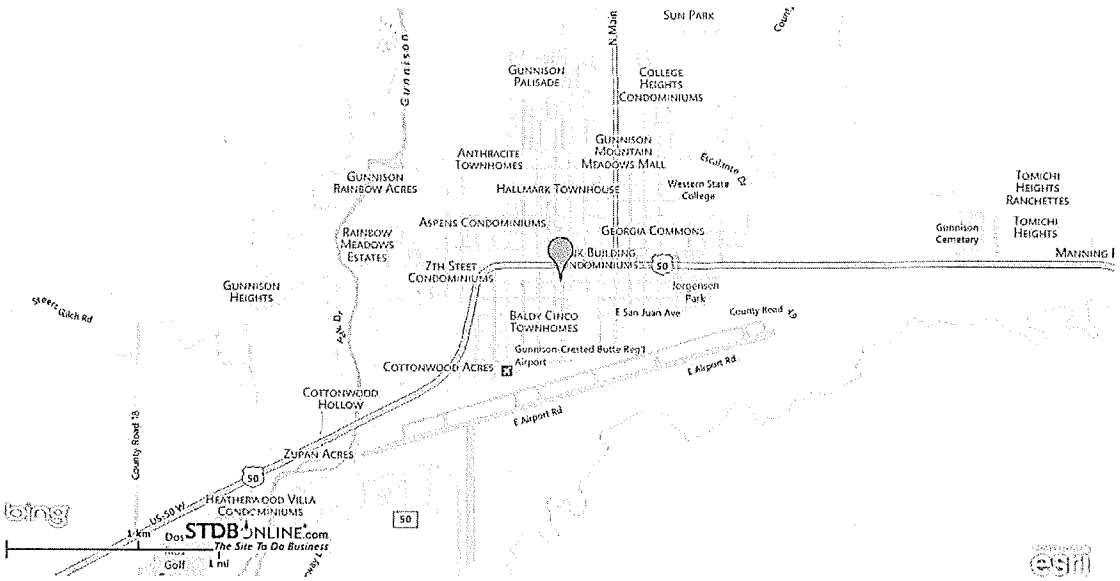
NEIGHBORHOOD ANALYSIS



The subject property is located along West New York Avenue between South 14th Street to the west and South Spruce Street to the east. Tomichi Avenue, a main east/west commercial thoroughfare within the City of Gunnison, is located one block north of the subject. Tomichi Avenue and Main Street are considered the "downtown" of Gunnison and have a heavy amount of foot traffic. Along these two streets are commercial, service, office and mixed commercial/residential uses. Just a few blocks in either direction from the main arterials is primarily single and multi-family residences. To the east of Main Street approximately 4-6 blocks is Western State Colorado University.

Access to the region is provided by US 50, a federal all-weather principal arterial highway interconnecting with I-70 at Grand Junction 126 miles to the west, and with I-25 at Pueblo 150 miles to the east. US 50 also connects with several principal arterial highways to Phoenix, Salt Lake City, Albuquerque, Denver, Dallas and other metropolitan areas as part of the original interstate highway system designed in the 1920's. Because the road is an older, two lane design, US 50 has not been plagued by the heavy traffic volume that has impacted Interstate 70. Because of US 50's status as the primary east-west traffic carrier in this region of Colorado, this linkage is a strong advantage to the site in terms of access and linkage to other Colorado regions. US 50 is a major four-lane highway from Interstate 25 west to Canon City. At that point it becomes two lanes as it traverses through Bighorn Sheep Canyon between Cañon City and Salida. It has sufficient passing lanes throughout the canyon and over Monarch Pass into the Gunnison Valley. The State of Colorado maintains this highway all year.

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The following demographic information from the CCIM Site to do Business is for Gunnison, Colorado, 2012 (estimated).

Population
In the identified market area, the current year population is 5,837. In 2000, the Census count in the market area was 5,443. The rate of change since 2000 was 0.60 percent annually. The five-year projection for the population in the market area is 5,994, representing a change of 0.90 percent annually from 2012 to 2017. Currently, the population is 55.4 percent male and 44.6 percent female.

Housing
Currently, 32.8 percent of the 2,676 housing units in the market area are owner occupied; 52.9 percent, renter occupied; and 14.3 percent are vacant. In 2000, there were 2,302 housing units - 39.7 percent owner occupied, 51.8 percent renter occupied and 8.5 percent vacant. The rate of change in housing units since 2000 is 1.35 percent per year. Median home value in the market area is $206,194, compared to a median home value of $167,749 for the U.S. In five years, median home value is projected to change by 0.32 percent annually to $209,519.

Households
The household count in this market area has changed from 2,106 in 2000 to 2,297 in the current year, a change of 0.76 percent annually. The five-year projection of households is 2,401, a change of 0.91 percent annually from the current year total. Average household size is currently 2.22, compared to 2.21 in the year 2000. The number of families in the current year is 975 in the market area.

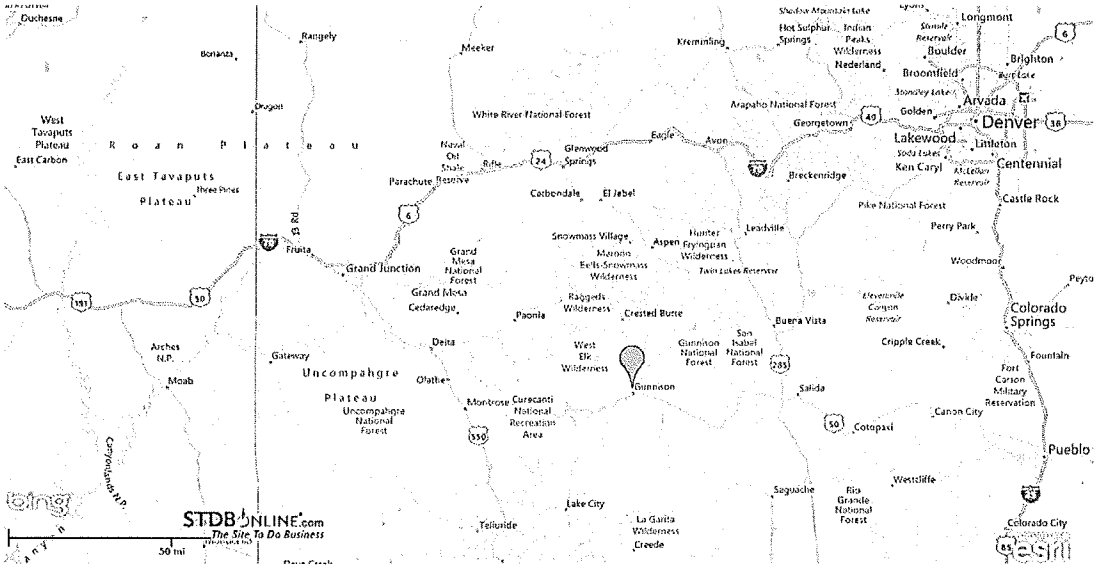
Income
Current median household income is $35,498 in the market area, compared to $50,157 for all U.S. households. Median household income is projected to be $39,648 in five years. Current average household income is $47,962 in this market area, compared to $68,162 for all U.S. households. Average household income is projected to be $51,963 in five years. In 2000, average household income was $40,956, compared to $24,877 in 1990. Current per capita income is $21,371 in Gunnison, compared to the U.S. per capita income of $26,409. The per capita income is projected to be $23,341 in five years. In 2000, the per capita income was $16,960, compared to $9,503 in 1990.

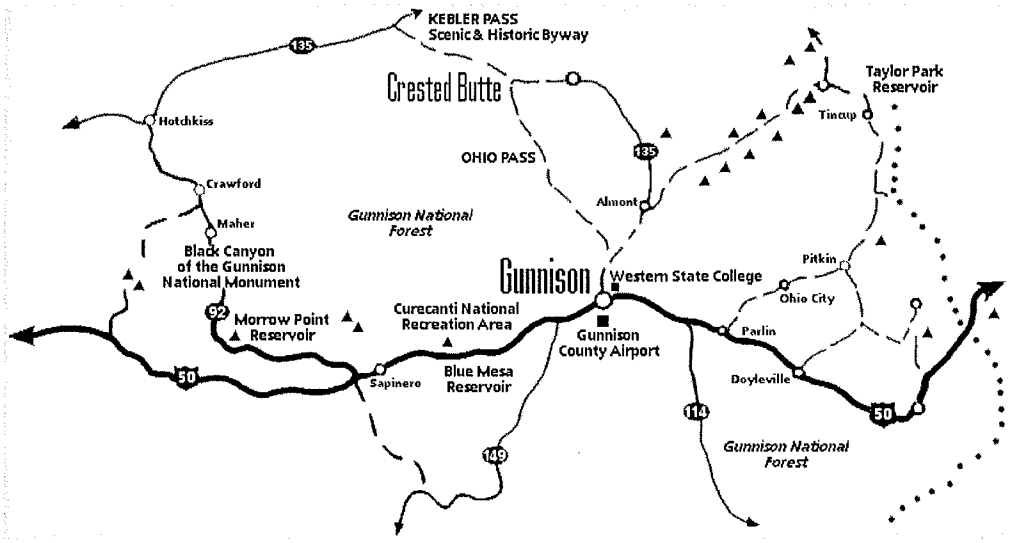
Employment

Total Businesses	551
Total Employees	3,485

As of November 2012, 5.9 percent of the labor force is unemployed according to the Bureau of Labor Statics.

REGIONAL ANALYSIS





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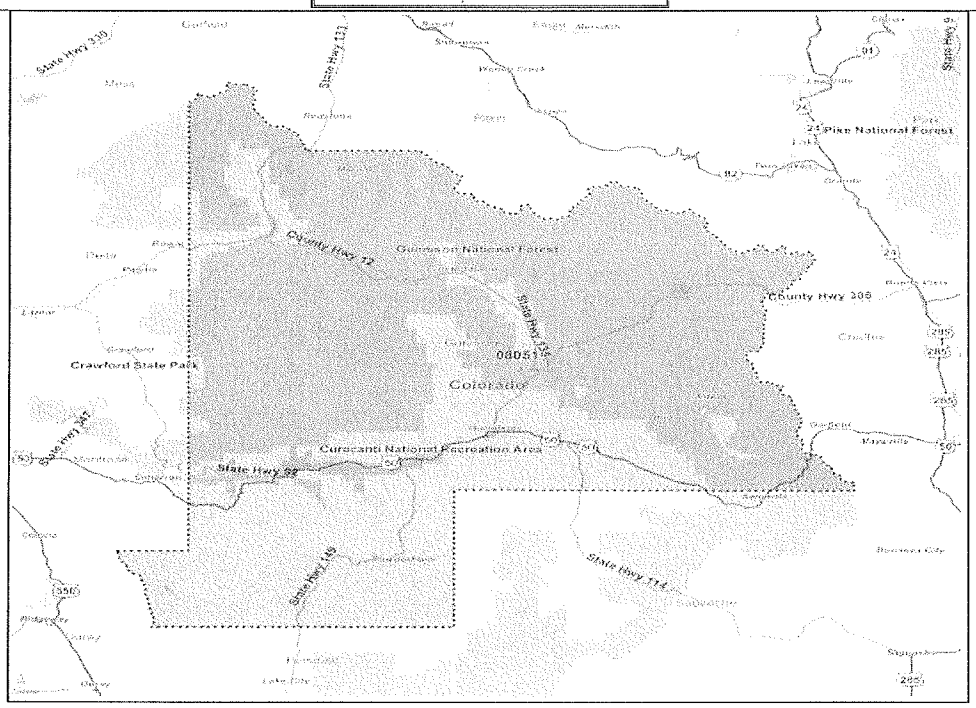

Gunnison County is located in west central Colorado on the western slope of the Continental Divide. It is located 190 miles from the Denver metropolitan area, based on shortest route driving miles. Some 1.6 million acres (more than 85%) of Gunnison County is public land that includes alpine desert, ranchland, mountain meadows and mountain peaks in excess of 12,000' elevation.

The county is made up of varying climate zones and topography. Its physical attributes are dominated by both natural and man-made features. The Gunnison River forms the major watershed in the county, flowing out of the Collegiate Range to the east (via Tomichi Creek) and the Maroon and Elk Mountain ranges to the north, as well as from several tributaries of the Gunnison River that flow out of the south from the San Juan Mountains. This includes the Lake Fork of the Gunnison. The Black Canyon of the Gunnison, the deepest gorge in the state, begins in Gunnison County to the west. Man-made features include Blue Mesa Reservoir, the largest of a series of reservoirs along the Gunnison, as well as the Morrow Point Reservoir.

Economic activity in the county began in the 1800's, when large ranches were established along the broad river valleys. Two decades later, silver was discovered in the mountains rimming the northern boundary of the county. The mining boom set off a new round of growth, with the Town of Crested Butte established as a commercial center serving mining towns such as Gothic, Pittsburgh, and Elkton. When silver collapsed in 1893, coal mining replaced it as the chief economic activity. By 1952, the last coal mine (Big Mine) was closed.

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Today the county is served by a broader based economy. Agriculture remains as a dominant economic activity, but has been augmented by a strong tourist-based industry, focused around the ski resort in Mount Crested Butte. Today this resort ranks as the 11th largest ski resort in the state, as measured by annual skier visits:

Crested Butte's ski area (actually Mt. Crested Butte) is categorized under one system as a Tier 2 ski area, well below the largest ski areas (Tier 1) but also significantly larger than the smaller Tier 3 resorts. Another ski area classification scheme lists Crested Butte as a destination resort, since visitors to the ski area predominantly travel from other regions (such as Texas and Oklahoma) to visit the ski area and tend to stay there for multiple days.

A recent study indicates that nearly 200,000 non-residents per year visit Gunnison County; Crested Butte sees a large number of those. The two historic mining communities - Gunnison and Crested Butte - offer a variety of outdoor activities including alpine skiing at Crested Butte Mountain Resort. Hiking, fishing, mountain biking, skiing and hunting are also available.

The City of Gunnison is the county seat and is the largest populated municipality in the county with an estimated 5,644 residents as of 2008. Gunnison also is home to Western State University and serves as a primary base for outdoor recreational excursions and contains the only commercial airport in the region.

The century-old mountain town of Crested Butte with a population of approximately 1,663 exemplifies a 19th century Victorian community with its beginnings in coal mining. This area is scattered with ghost towns reflective of that era. Three miles north of Crested Butte is the Crested Butte Mountain Resort (or Mt. Crested Butte), the only ski resort within Gunnison County. Some of Colorado's most spectacular mountain landscapes, including the Gunnison National Forest and the Oh-Be-Joyful, West Elk, Maroon Bells/Snowmass, Collegiate Peaks and Ragged Wilderness areas, are within proximity of Crested Butte.

Transportation and Highways

Gunnison County is crossed by few paved roads. An area known for its rugged terrain and sparse population, many of the roads were originally designed for mining purposes and are today used for four-wheel recreation.
The primary east-west arterial through the county is US 50, one of the major transcontinental highways prior to the Interstate Highway System. US 50 leads from Pueblo at Interstate 25 to the east through Gunnison County and joins

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Interstate 70 on the western slope at Grand Junction. US 50 is a two lane federal highway that crosses Monarch Pass at the extreme eastern section of the county at 11,312 feet above sea level. State Highway 135 leads north from the city of Gunnison approximately 30 miles to Crested Butte and Mt. Crested Butte. Various roads requiring four-wheel access branch off from the road to scenic points of interest. Southward, SH 149 travels through the Curecanti National Recreational Area to Creed.

Population Trends

The county has historically been built on ranching and mining with settlement of the county dating back to the 1870s. The county is economically driven by recreation, hunting/fishing, coal, cattle and Western State Colorado University in Gunnison. During the 1980's Gunnison County suffered as a result of the poor national economy and a decline in tourism. The net out-migration exceeded the in-migration during this time period with an actual county population decline - 0.39 percent during the decade. Mt Crested Butte was the exception to this decline with a reported increase in all decades. This was followed by relatively strong population growth during the 1990s with Mt Crested Butte very strong in this period. Based on the current population estimates, the growth has been minimal from 2000 to 2012.

Demographics – Gunnison County

The data employed in this section of the report was obtained from "The Site to Do Business"; the reports were generated in February 2013 and represent the latest data available for Gunnison County:

Population	
2000 Population	13,956
2010 Population	15,324
2012 Population	15,360
2017 Population	15,789
1990-2000 Annual Rate	3.11%
2000-2010 Annual Rate	1.03%
2012-2017 Annual Rate	0.55%

In the Gunnison County market area, the current year population is 15,360. In 2000, the Census count in the market area was 13,956. The rate of change since 2000 was 1.0 percent annually. The five-year projection for the population in the market area is 15,789, representing a change of 0.43 percent annually from 2010 and 0.55 percent from 2012 to 2017. Currently, the population is 54.4 percent male and 45.6 percent female.

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Households

1990 Households	3,855
2000 Households	5,649
2010 Households	6,516
2012 Households	6,494
2017 Households	6,780
1990-2000 Annual Rate	3.9%
2000-2010 Annual Rate	1.44%
2012-2017 Annual Rate	0.87%

The household count in this market area has changed from 5,649 in 2000 to 6,494 in 2012, a change of 1.44 percent annually. The five-year projection of households is 6,780, a change of 0.87 percent annually from the 2012 total. Average household size is currently 2.23, compared to 2.30 in the year 2000. The number of families in the current year is 3,392 in the market area.

Housing

In 2012, 31.4 percent of the 11,674 housing units in the market area were owner occupied; 24.3 percent, renter occupied; and 44.4 percent were vacant. In 2010, there were 11,412 housing units - 34.2 percent owner occupied, 22.9 percent renter occupied and 42.9 percent vacant. The rate of change in housing units since 2010 is 1.0 percent. Median home value in the market area is $278,571, compared to a median home value of $167,749 for the U.S. In five years, median home value is projected to change by 0.12 percent annually to $280,308.

Median Household Income

2012 Median HH Income	$49,365
2017 Median HH Income	$53,401
2012-2017 Annual Rate	1.58%

Households by Income

Current median household income is $49,365 in Gunnison County, compared to $50,157 for all U.S. households. Median household income is projected to be $53,401 in five years. In 2000, median household income was $37,442, compared to $23,013 in 1990. Current average household income is $63,917 in this market area, compared to $68,162 for all U.S. households. Average household income is projected to be $68,956 in five years. In 2000, average household income was $51,572, compared to $29,517 in 1990. Current per capita income is $28,060 in the market area, compared to the U.S. per capita income of $26,409. The per capita income is projected to be $30,653 in five years.

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Population by Employment

According to the Colorado Department of Labor and Employment, as of December 2012, Gunnison County has an unemployment rate of 6.2 percent. It should be noted that the Gunnison County labor forces are very seasonal and subject to significant variation with the peak employment during the ski season and during summer tourist months. The state unemployment rate is 7.6 percent as of December 2012. The following graph indicates unemployment rate changes for Gunnison County:

Labor Force data for Gunnison County, CO compared over time

Not Seasonally Adjusted Labor Force, Employment and Unemployment data in Gunnison County, CO

Time Period	Civilian Labor Force	Employment	Unemployment	Unemployment Rate (%)
Dec. 2012	8,962	8,403	559	6.2
Nov. 2012	8,646	8,068	578	6.7
Dec. 2011	9,689	9,141	548	5.7
5 Year Annual Average 2007 - 2011	9,411	8,924	487	5.2
10 Year Annual Average 2002 - 2011	9,142	8,719	423	4.6

Labor Force data for Gunnison County, CO compared over 24 Months

Not Seasonally Adjusted Labor Force, Employment and Unemployment data in Gunnison County, CO between Dec. 2012 and Jan. 2011

Although the county experienced strong growth during the earlier part of the 2000 decade due to the economic health of the Colorado ski industry and related recreation and tourism industries, the population in the entire county is expected to increase only slightly over the next few years due to the current recession. It should be noted that the data is reporting an overall increase in the period from 2012 to 2017 of only 0.55 percent per year, a decline from the 0.94 percent estimated from 2000 to 2010.

Skier Visits

Changes in the ski market directly impact construction activity and real estate values in the area. Information relating to ski area statistics and skier visits in Colorado is presented on the following chart.

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Season	Colorado
1999-00	10,891,318
2000-01	11,666,672
2001-02	11,128,131
2002-03	11,605,777
2003-04	11,254,231
2004-05	11,815,572
2005-06	12,533,108
2006-07	12,561,221
2007-08	12,540,603
2008-09	11,855,495
2009-10	11,850,000
2010-11	11,980,350
2011-2012	6,160,000*

Source: Colorado Ski Country USA
**Does not include the Vail Resorts' four properties*

During the 2008-2009 season, Colorado's mountain resorts reported approximately 11.86 million visits, according to data compiled by Colorado Ski Country USA. This total was lower than the previous two seasons (2006-07 was a record year). The slower economy had an impact on the season and this trend has carried in to the 2009-2010 season as the number of skiers decreased slightly from the previous year. The 2010-2011 season had an increase in skier visits of 1.1 percent over the previous season.

Colorado accounts for approximately 20 percent of ski and snowboard visits in the US, which means more than one out of every five winter travelers selects Colorado as their winter ski/ride destination. Even in a troubled economy and below average snowfall, Colorado saw approximately 12 million skiers for the 2010-11 season.

USA	57.1 million
Colorado Ski Country	11.85 million
Vermont	4.1 million
New York	4 million
Utah	4 million

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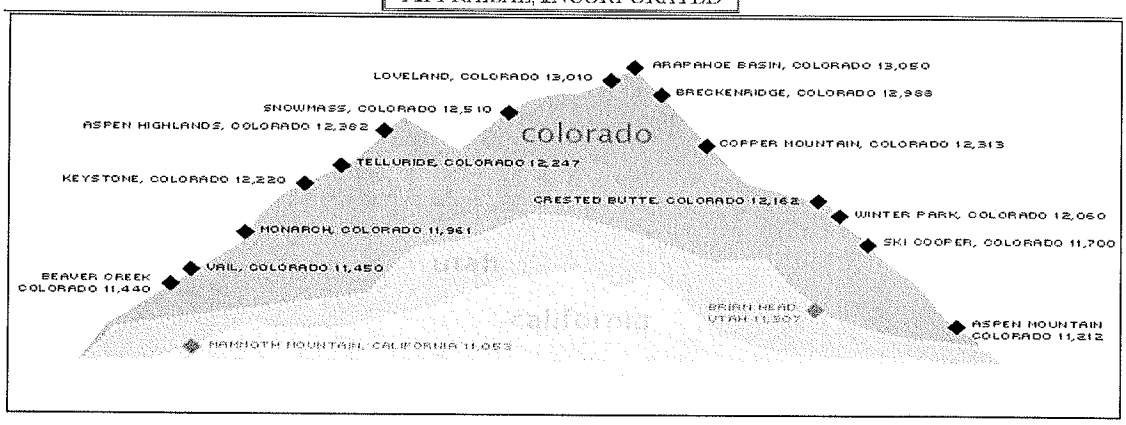

According to the National Ski Areas Association press release dated May 7, 2012:

The National Ski Areas Association (NSAA) reported US Ski areas had approximately 51 million skier and snowboarder visits in the 2011-12 season. This was one of the lowest skier visit seasons since 1991-92 when there were 50.8 million visits and represents a 15.7 percent decrease from the previous year. The decrease came after a record setting 2010-11 season when over there were over 60 million skier visits. The 1980-81 season had the largest year-to-year drop in visits with a 17.6 percent decrease but the industry had a 22 percent increase the following year.

In the State of Colorado, skier visits were down by 790,000 visits, or 11.4 percent in 2011-12, compared to the previous season. The drop was attributed to a lack of snow. Melanie Mills, president and CEO of Colorado Ski Country USA said, "Much of the ski industry in the U.S. was confronted with weather challenges last year, but several of our resorts bucked the national trend and showed signs of resilience during what was clearly an uninspiring winter." Colorado's ski areas lacked in-state skier visits, which was the primary customer decrease. Destination business from visitors outside of Colorado actually increased.

Other positive indicators show that the mild weather patterns experienced this season actually fostered an excellent ski and snowboard learning environment, as evidenced by increases in lesson participation rates. The survey also shows that guest service satisfaction levels are at an all-time high, and early assessments of season pass renewals for the 2012/13 season are encouraging.

The 2011/12 season was also marked by the lowest national average resort snowfall since 1991/92, the second-lowest snowfall in 21 years of available data. According to the survey, 50 percent of responding ski areas opened late this season, and 48 percent closed early. Every region experienced a decrease in overall days of operation, with particularly significant declines in the Southeast,

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down 13.9 percent, the Northeast was down 13 percent, the Pacific Southwest was down 11.7 percent, and the Midwest was down 10.6 percent. More modest declines in total days of operation were experienced in the Rocky Mountain and Pacific Northwest regions, with each showing a 0.8 percent decrease.

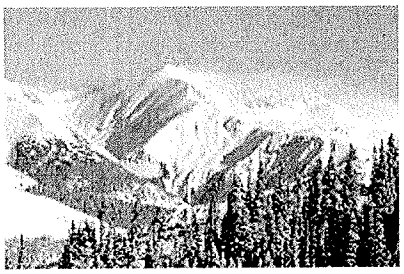
Crested Butte recorded 305,290 skier visits this past ski season (2011-2012). According to public relations and communications manager Erica Reiter, the resort saw a 15.7 percent decline in overall skier visits and a 10 percent drop in season pass visits. The resort was also more than 15 percent down in destination visits. There were 251,084 visits in 2010-2011.

The total snowfall was also low at 144.5 inches for the season. The resort saw as little as 193 inches as recently as the 2009-2010 ski season, but Reiter had to go back to the winter of 1993-1994 to find a total snowfall anywhere near this past season's low total when 168 inches were recorded.

CBMR is attributing the drop in attendance to the weather, but Reiter says that the decline in airline seats into the valley also played a role. There were about 11 percent fewer seats flying into the Gunnison Crested Butte Airport compared to the 2010-2011 ski season, and that has an economic impact. "Destination visitors are the people who bring the most money to the valley, staying in lodging, going out to eat and shopping," Reiter said. CBMR is not the only ski resort to see a decline in skier visits. Across the region, Vail Resorts is reporting a 12.6 percent decline in skier visits at its Colorado and California resorts combined, which represents an 8.9 percent decrease for its Colorado resorts and 24.2 percent for its California properties (excluding its recent acquisition, Kirkwood Ski Resort).

This can have an adverse effect on the subject, as the Town of Crested Butte relies on revenue from tourists during both the ski season and during the summer months. With lower ski numbers and a low snowfall for the 2011/2012 season, this could affect the revenue generated by the subject.

Previous Sales of Ski Area:



In early 2003, the resort was scheduled to be sold to Phoenix Property Company of Dallas. However, Phoenix cancelled that agreement in July of 2003. According to published reports, this caused a severe cash crunch for the resort, as there had been no financing plans arranged for operating capital for the coming season. The owners of the ski operation closed on the sale of the ski area and related assets on March 1, 2004 to the owners of

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two resorts on the east coast. Transfer of the resort to stronger hands was critical, not only for continued operations, but also for expansion plans such as redevelopment of the Crested Butte Town Center area. In December 2008, CNL Lifestyles Incorporated announced that it was purchasing the Crested Butte ski area as part of a three-property purchase from family-owned Triple Peaks LLC, and will lease back to Triple Peaks LLC the three properties under a long term lease. The $132 million purchase, which also includes Vermont's Okemo ski area and New Hampshire's Mount Sunapee, will reportedly provide new capital to invest into the three ski area for improvements. Tim and Diane Mueller of Triple Peaks will reportedly maintain operations of all three ski area. The purchase will also provide capital to build the Red Lady Lodge at Crested Butte. CNL Lifestyle Properties Inc. is a real estate investment trust that owns 115 properties in the United States and Canada. The company is headquartered in Orlando, Florida.

Through 2012, demand for Crested Butte real estate slowed slightly. Compared to 2011 the number of residential sales was down 9.3 percent and total dollar volume was down 11.2 percent. However, the median price was up 30.5 percent in 2012 over 2011.

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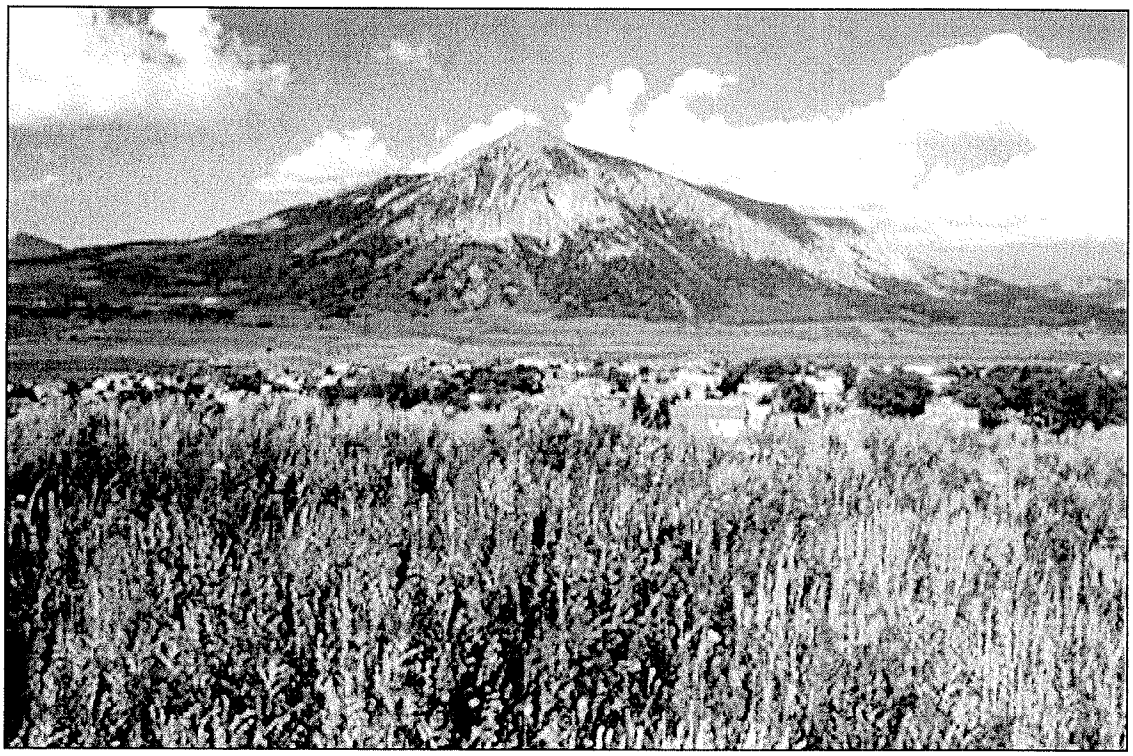

During the 1990's, Crested Butte Mountain Resort (CBMR), the ski area operator and real estate developer, spent much time in the headlines for their successful three-way land swap. In the late 1980's, the U. S. Forest Service and the State Land Board began discussion of a potential land exchange involving state trust lands in Gunnison County. CBMR approached the Forest Service with a proposal to extend the private lands at their base area. The Forest Service suggested that CBMR acquire and offer the State Land Board other property as part of a three-way exchange.

The resort was successful in completing this historic exchange in November 1998. This exchange would preserve more than 7,000 acres of critical open space. Under the terms of the exchange, the public received 5,500 acres of open space, new National Forest land, which included lands added to the ranchland acreage protected by conservation easement. The State Land Board received the income-producing 2,020 acre Ochs Ranch, a working cattle ranch southwest of Crested Butte, land that the resort paid for. In exchange for this land, CBMR received 420 acres of federal forest land adjacent to its then-current holdings. The three-way land trade is an example of how Crested Butte Mountain Resort at Mt. Crested Butte has held tight to the qualities that set it apart from other resorts. These

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trade parcels are known as the East and West Trade parcels. They will allow CBMR development rights to create 350 residential units, many of which will be the last "ski-in/ski-out" estate home sites available at any existing mountain resort, 98,000 square feet of commercial space and a new base area village anchored by a multi-million dollar convention center.

The ski resort was also instrumental in the creation of the successful Gunnison Ranchland Conservation Legacy and yearly contributes funds to both the Legacy and the Crested Butte Land Trust. Also pledged to the Crested Butte Land Trust will be four percent of the gross land sales from acreage acquired through the US Forest Service land trade.

Crested Butte Mountain Resort Trends

Plans for Crested Butte Mountain Resort include expanding housing options with seasonal employee housing, affordable community cottages, and diverse condominiums and luxury homes. The Canaan Terrain Park was built in 2005 to offer snow boarders features such as rail slides and hits that rival some of the top parks in resorts throughout Colorado. This marketing is designed to cater to the family ski market. CBMR purchased the Treasury Center in November of 2005, adding 33,000 square feet to the resorts base holdings. This building contains the Adaptive Sports Center, retail spaces and a restaurant. Purchased earlier in the fall of 2006 was the Manor House Lodge property north of the Grand Lodge, which was immediately razed for re-development and additional parking.

Crested Butte Mountain Resort (CBMR) is becoming known as a convention and conference destination with the addition of a new conference center, the major renovation of a slope side hotel and the availability of existing meeting space at the Grand Lodge Hotel and Plaza condominiums. CBMR is going from 5,000 square feet of meeting space to over 25,000 square feet. All of these properties are within close proximity to each other and are either owned or managed by (CBMR). These additions and renovations are all a part of the $200 million in improvements that are underway at CBMR.

The Mt. Crested Butte base village called "Mountaineer Square," which includes an upscale lodging building and conference facility, has been completed for several years. The region's newest meeting venue is located in the heart of the base area near shopping, restaurants and the new transit center, where guests can take the free shuttle bus three miles to the authentic western town of Crested Butte. The state-of-the-art Mountaineer Conference Center includes 9,000-square feet of unique and flexible event space, including the 5,000-square foot Grand Ball room and accommodates groups from 20 to 500 with full service catering and audiovisual amenities. The Lodge at Mountaineer Square is CBMR's newest

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luxury property featuring spacious hotel and condominium accommodations. The Lodge surrounds the Mountaineer Conference Center, and is located just steps from the ski lifts. Guests can choose from 95 units, appointed with upscale finish items and ranging from standard king bed hotel rooms to three bedroom suits. All studio, one, two and three bedroom suites contain fully equipped, upscale kitchens, gas fireplaces, high speed wired and wireless internet, washer/dryer, private balconies, underground parking, private balconies, ski valet, indoor/outdoor heated swimming pool, outdoor hot tub, sauna and fitness room.

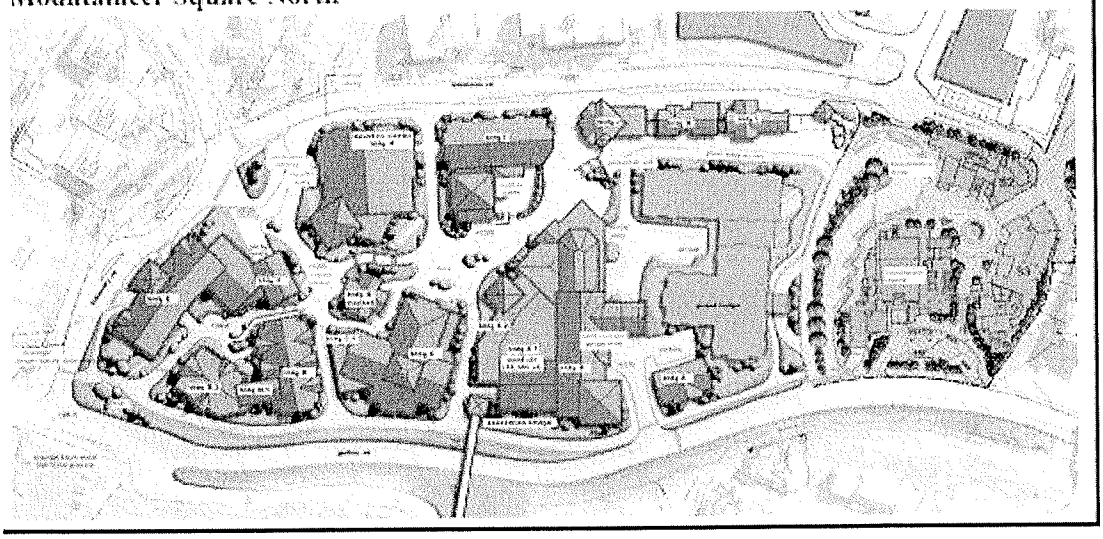
In March 2009, CBMR presented a finalized Master Development Plan (MDP) for the Crested Butte Resort area. This includes upgrades to the 2005 Main Mountain Improvement Plan that was approved by the USFS in January 2008.

CBMR has requested an amendment to the Mountaineer Square North PUD to include a town aquatic/recreation center, mixed use residential and commercial buildings, a gourmet food market, and underground parking. Also included are community housing and an event plaza. The new plan for Mountaineer Square North calls for a reduction in total residential units from 1,025 to 592 units.

Other real estate projects included Cimarron, which is currently on hold due to the slow economy, Prospect (already under development with 350 total approved units), Promontory and the North Village (see below).

The following sketch provides an overview of the revised Mountaineer Square North project:

Mountaineer Square North



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Crested Butte Kochevar Property

The Slate River valley climbs from Crested Butte to the Paradise Divide, running past wetlands, wildflower meadows and lakes to the West Elk mountains. In June 2010, the Trust for Public Land protected 313-acres in the valley held by the local Kochevar family since 1905. The largest conservation transaction in the town's history preserves its scenic view of Smith Hill, and adds new connections and trails between existing protected areas along the river and lakes. The addition helps residents and visitors alike experience more of the natural beauty and small-town character for which Crested Butte is famous. This transaction adds to TPL's long legacy of natural lands protected in the area, which stretches from Town Ranch Park to the Paradise Divide and Schofield Park.

Real Estate Trends

We relied on the Gunnison County Multi-List Service (MLS) to provide the following information concerning residential real estate trends in this market. We first examined the total volume of residential sales (attached & detached residential) in this market since January 2008. The market data included sales from Mt. Crested Butte, Crested Butte, and Crested Butte South:

Year	No. of Sales	Avg Price	Median Price	AVG DOM
2008	86	$776,340	$512,500	366
2009	114	$533,341	$329,950	318
2010	118	$427,543	$340,000	306
2011	172	$405,930	$218,000	197
2012	156	$397,265	$285,500	212

The drop in sale volume has not been linear and is impacted by the entry of new projects. Sales volume decreased in 2008 from 2007 but increased in 2009, 2010, and 2011. The number of sales in 2011 was larger than the number of sales from 2007, before the recession, and over double the number of sales from 2008. Sales volume in 2012 was down somewhat from 2011.

In terms of price levels, 2007 and 2008 saw a peak in the price per square foot, followed by declines in 2009 and 2010 to previous levels in 2005 and 2006. 2011 saw prices fall even further. Overall, price levels rose from 2006 through 2008. Prices began to drop in 2009 and continued to drop through December 31, 2011. However, 2012 rebounded with a 30.5 percent higher median sale price over 2011.

We next examined the reported days on market for this same set of sale data. Ironically, 2008 saw a spike in the reported days on market. The 2009, 2010 and 2011 average DOM totals were fairly consistent and below those seen for all of

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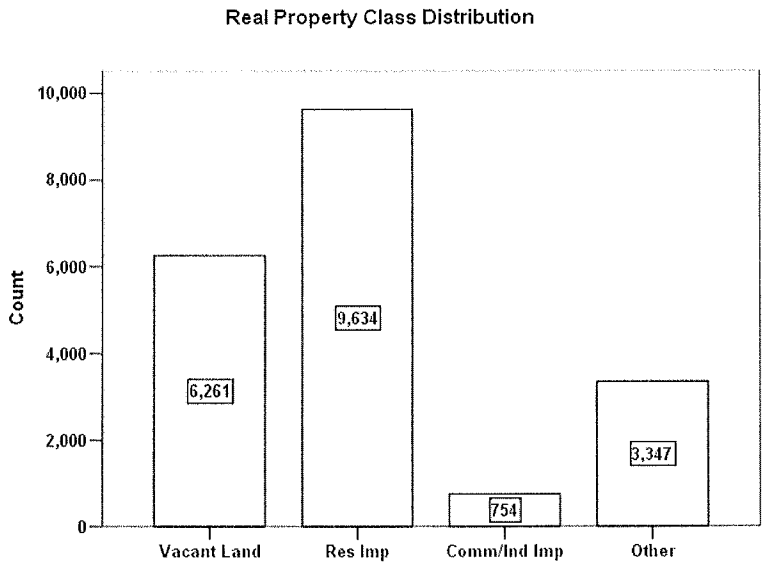
2007 and 2008. Through 2012, average days on market were generally similar to 2011 and much lower than 2008, 2009, and 2010.

Total dollar volume was $61.9 million in 2012, 11.2 percent lower than 2011 volume of $69.8 million.

COMMERCIAL REAL ESTATE

We examined the number of commercial/industrial properties in Gunnison County as compared to other property classes, as follows:



One challenge in this market is its scale, given that commercial/industrial properties as a whole accounted for only 3.8 percent of all real property parcels in this county. With fewer commercial properties to begin with, the following sales analysis was admittedly weaker than we would have liked (although sufficient for a credible market overview).

The following table tracks commercial/industrial sales for Gunnison County from January 2008 through the end of 2012:

Year	No. of Sales	Avg Price	Median Price	DOM
2008	8	$788,500	$345,000	336
2009	7	$764,357	$675,000	533
2010	4	$240,250	$227,000	52
2011	8	$410,500	$250,000	343
2012	12	$373,583	$160,000	381

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The above sales included retail, industrial, and commercial/industrial, real estate only (no business values included), indicated by the Gunnison Country MLS. Overall, the commercial/industrial market is smaller scaled than other larger mountain region counties, although there is a clear downward trend in terms of sale volume in the above data.

The above data indicates a significant drop in the price levels in 2010 across the commercial/industrial class of properties, although it should be noted that this data covers a wide range of commercial and industrial property subclasses. There were only 4 sales recorded in 2010. There were 8 sales in 2011 with a 46 percent increase in the average sale price from the previous year. There 12 sales in 2012, with total volume of $4.48 million, the highest for number and dollar volume in 5 years.

The days on market for these sales were the highest in 2009 and then declined significantly in 2010 with another increase in 2011 and 2012. However, as it was noted before the 2010, 2011, and 2012 data as of the effective date of this report is extremely limited with only 4 sales in 2010, 8 sales in 2011 and 12 sales in 2012. Days on market for 2012 does not include one sale that involved a landlord-seller and a tenant-buyer.

Additionally, the following building permits were issued according to Gunnison County for 2007 through 2012 for commercial buildings and single-family residential to include residences with attached and detached garages.

Year	Commercial	Residential
2007	6	91
2008	4	56
2009	6	47
2010	6	18
2011	4	17
2012	3	16

Commercial building permits have remained relatively stable. Residential building permits peaked in 2007 and have since fallen significantly. 2011 ended slightly lower than 2010 with 3 commercial building permits in 2012 and 16 single-family residential building permits.

As of the effective date of this report, there are 98 active listings of commercial properties in Gunnison County, with a median asking price of $499,000 and total asking prices of $64.77 million. Median days on market is 525 days. In just the Towns of Crested Butte, South Crested Butte, and Mt. Crested Butte, there are 44

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commercial listings. They have a median days on market of 781 days, a median listing price of $573,425, and total listing price of $33.96 million.

CONCLUSION:

The above real estate trends indicate a significant slowdown in terms of real estate volume since 2007, prior to the beginning of the national recession, although some recent improvement has also been evident. At this stage, the Crested Butte ski resort market is on par with price levels seen in Winter Park and Keystone, and lag behind those seen in Steamboat Springs and Breckenridge. It should be noted that all of these other ski areas are much larger in terms of their skier visits, each posting visits at or above 1,000,000 per year, or at least twice as many as the Crested Butte market. While Keystone and Winter Park are Front Range destination resorts, Steamboat is more similar to Crested Butte in terms of distance and driving times to the Front Range urban centers. The issue of wide fluctuations in tourist visits throughout the year has also been solved by many of these other markets, and it remains a challenge to the Crested Butte resort market.

Although the proposed expansion of the Snodgrass ski area is not going to occur any time in the foreseeable future, and not as submitted to the USFS, improvements to the existing ski area and other related new projects underway or planned lead us to conclude that the Crested Butte resort market, including the subject, should benefit from these efforts over the long run, once the general economy improves.

At this point, however, the current market is behind pre-recession levels but with some positive signs. Vacancy for commercial space is low and rents remain at relatively high levels indicating that the commercial market in Gunnison County and in the Crested Butte area may be starting to stabilizing somewhat. In the present and near future, we expect that prices will remain relatively stable with continued slow volume. It is also likely that a significant rebound in the residential market will take several years.

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HIGHEST AND BEST USE ANALYSIS

Four criteria are examined in order to determine the highest and best use of the subject property. The criteria and their applicability to the subject are as follows:

1. ***Legally Permissible:*** *a legally permissible use is determined primarily by current zoning regulations. However, other considerations such as long-term leases, deed restrictions, and environmental regulations may preclude some possible highest and best use.*

2. ***Physically Possible:*** *the size, shape and topography affect the uses to which land may be developed. The utility of a parcel is dependent on its frontage and depth. Sites with irregular shapes may be more expensive to develop, and topography or subsoil conditions may make utilization too costly or restrictive. Highest and best use as improved also depends on physical characteristics such as condition and utility.*

3. ***Financially Feasible:*** *the use of the property is analyzed to make a determination as to the likelihood that the property is capable of producing a return which is greater than the combined income needed to satisfy operation expenses, debt service, and capital amortization. Any use that is expected to produce a positive return is classified as financially feasible.*

4. ***Maximally Productive:*** *the use that provides the highest rate of return among financially feasible uses is the highest and best use. The use of the land must yield a profitable net return, and the quantity of land devoted to any specific use must be limited to that quantity which will yield a maximum return to each owner.*

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Highest and Best Use - As Vacant:

Legally Permissible:	The primary controlling factor in regard to legal permissibility is the current zoning. The subject is zoned C, Commercial, by the City of Gunnison. As indicated in the Site Description, this zoning designation allows a variety of uses including retail, gas station, restaurant, office, warehouse and other similar commercial uses.
Physically Possible:	In regard to physically possible uses, there are no significant physical limitations that would affect development of the subject site. The site is of ample size to accommodate a myriad of smaller development types. The topography is generally level and at street grade with New York Avenue and all utilities are to site. The site has an average neighborhood location with exposure and access.
Financially Feasible:	The financially feasible use would be one that effectively maximizes the subject's site area. In examining financially feasible uses for the subject, we considered the surrounding uses in the area with respect to the theory of conformity, which indicates that property value is created and sustained when the characteristics of a property conform to the demands of its market. Surrounding uses in the subject neighborhood are primarily commercial in the immediate area and along New York Avenue. Residential uses are located on secondary thoroughfares. The physical attributes of the site including visibility and access and the surrounding uses suggest that a shop with a retail-office component property could be financially feasible. Given our concerns with the overall commercial market in Gunnison, we conclude that development of the site would have to be postponed until market conditions support additional development. Given the current state of the local and regional economy, this could require a multi-year

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holding period.

Maximally Productive:	The maximally productive use of this site would consider all of the available development options (allowable under the current zoning designation), the current market conditions, and the character of the greater area. The maximally productive use as vacant is a retail-light industrial (retail-office shop) development at some point in the future. Any development would be based upon demand by a user and not on speculation.

Highest and Best Use - As Improved

Legally Permissible:	The "as is" use is legally permissible.
Physically Possible:	The building is in fair to average condition and the site is functional making the "as is" use physically possible. The subject site contains 17,100 square feet and the building size is 2,125 square feet. These areas result in a land to building ratio of just over 8.0:1.0, which is high based on typical ratios of 3.0 to 5.0:1.0. In addition, our inspection of the subject site indicates a large amount of the site is not currently being used by the property owner. This is not to say the entire site may be of use to the owner at a future time, or a subsequent user may use the entire site. Current zoning requires a minimum site area of 8,000 square feet with maximum site coverage of 50 percent. Based on these standards, it appears the site could be subdivided (upon approval by the city). Therefore, the site as currently improved appears to have excess land area. However, given current market conditions, demand for commercial sites is virtually non-existent. Subdividing the subject at this time would only be feasible and productive upon demand by a user. As currently improved, there may be excess land

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	associated with the subject, but the lack of demand for similar sites does not indicate the excess land adds additional value to the property overall at this time.
Financially Feasible:	The "as is" use is questionable, given that it is currently in the process of foreclosure. The current owner has his business at the subject location and the business is oriented to residential and construction supplying and installing cabinets, counter-tops, and other stonework. In a stable market with new construction activity and renovations taking place, this type of user may be financially feasible. Currently, the construction and remodeling activity is minimal. However, another retail-office-shop use may be feasible; i.e., a use that has a more consistent clientele that is not as reliant on one industry. These uses may include: electronic sales and service; recreational equipment sales and service (for skiing, fishing, hunting, mountain biking, hiking, etc.); catalog sales and distribution, etc.
Maximally Productive:	The current use, as a retail-office-shop, is legally permissible and physically possible, and is potentially financially feasible and maximally productive for a new user.

Ownership Profile

Based on an examination of the marketplace, the likely ownership profile is an owner/user. There is likely a multi-year holding period for the subject as if a vacant site and as improved.

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VALUATION PROCEDURES AND METHODOLOGIES

Current appraisal standards recognize three basic approaches to real estate value. These are identified as the cost, sales comparison, and income capitalization approaches.

The cost approach to value is developed by two fundamental opinions: the value of the land and the value of the improvements to the land. Initially, the current fair market value of the land is estimated as if unimproved and capable of being put to its highest and best use. The reproduction or replacement cost new of the improvements, less any depreciation, is then added, along with any contributory value of the site improvements. The validity of the resulting value estimate is impacted to varying degrees by the accuracy of the cost estimates and the depreciation estimate. Given the age of the subject improvements, the difficulty in determining depreciation, especially economic obsolescence, and the relatively few recent commercial land sales, and due to the fact that investors do not typically use this approach when making investment decisions for similar properties, we have not used the Cost Approach in this appraisal.

The sales comparison approach is based on comparison between the subject property and similar properties which sold within a reasonable period prior to the date of appraisal, and which are capable of providing insight into the valuation of the subject property. Units of comparison are examined and developed and after making the appropriate adjustment for differences such as location and physical characteristics, are then applied to the subject to derive an indication of value. We discovered sales of light industrial properties and made appropriate adjustments to the comparable sales to determine a value by the Sales Comparison Approach.

The income capitalization approach measures value by capitalization of the net income from the real estate. The potential gross income is first estimated based on data derived directly from the market. Deductions are then made for vacancy and collection loss, and normal operating expenses. The resulting net income figure is then converted to a value estimate by any one of several capitalization methods. We found market rental and operating data for the subject from which to derive a net operating income (NOI). We then converted the NOI to a value using an overall rate by the Income Approach.

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SALES COMPARISON APPROACH

The sales comparison approach to value compares the subject to similar properties that have sold or are under contract in the same or similar market. This approach is based on the principle of substitution, which states that no commodity has a value greater than a similar commodity offering similar uses, similar utility, and similar function that can be purchased within a reasonable period. In other words, the market value of a property is set by the price of acquiring a substitute property, which could provide the owner with similar utility. The principle of substitution also is crucial in reconciling all three approaches to value, as it provides linkage in the underlying determination of the subject's market value.

Unit of Comparison

Using a common unit of comparison is an effective device to adjust for differences in physical characteristics while controlling for scale or some other factor. This control allows the appraisers to determine the impact of differences in attributes between the subject and comparable sale properties.

As for the subject, the appraisers discussed recent market transactions with area brokers, as well as evaluating the physical attributes of the subject's use type. In both instances, the predominant unit of comparison was price per square foot. The following analysis will use this unit.

Elements of Comparison

Eight major comparison categories must be considered in the direct sales comparison approach. These include the following:

Date of Sale
- 1. Property rights
- 2. Financing
- 3. Conditions of Sale
- 4. Expenditures made after sale

Trend Forward
- 5. Market Trends

Appraisal Effective Date
- 6. Location
- 7. Physical Attributes
- 8. Economic Attributes

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Each of these categories will be addressed in the subsequent analysis, as it relates to the subject.

Sales Selection Criteria

These sales were selected based on the following criteria:

- Size: 2,000 sf to 8,000 sf
- Location: Gunnison
- Sale Dates: January 2007 to present
- Highest and Best Use: Light industrial

Listings

We also searched for listings of properties generally similar to the subject in Gunnison. There are currently three listings of light industrial properties in the city that are generally similar to the subject. A summary of the listings is as follows:

Listing No.	Location	Asking Price	Asking Price/SF	Bldg Size SF	Land Size SF
1	800 W. Rio Grande Ave.	$350,000	$103.06	3,396	33,750
2	881 W. Bidwell St.	$449,000	$95.13	4,720	15,000
3	44 CR 51	$225,000	$29.62	7,596	43,560

Listing 3 is a bank owned property. Listing 1 includes a small shed of 196 square feet and the main building was constructed in 1995. This property is located at the west entry to the airport. Listing 2 has two bays with overhead doors, two restrooms, kitchen and office. This property is now vacant. Listings 1 and 2 are in superior condition compared to the subject and both buildings are occupied. Listing 3 is in similar condition overall compared to the subject, even though the building is larger. This listing appears to be framing the lower end of the market for similar properties in the Gunnison area. We have included listing 3 in our comparables.

Comparable Properties

Due to the limited number of sales in the subject's immediate market, we expanded our search to include light industrial properties from 2007 to the present. Of the sales reviewed, based on the above criteria, the following

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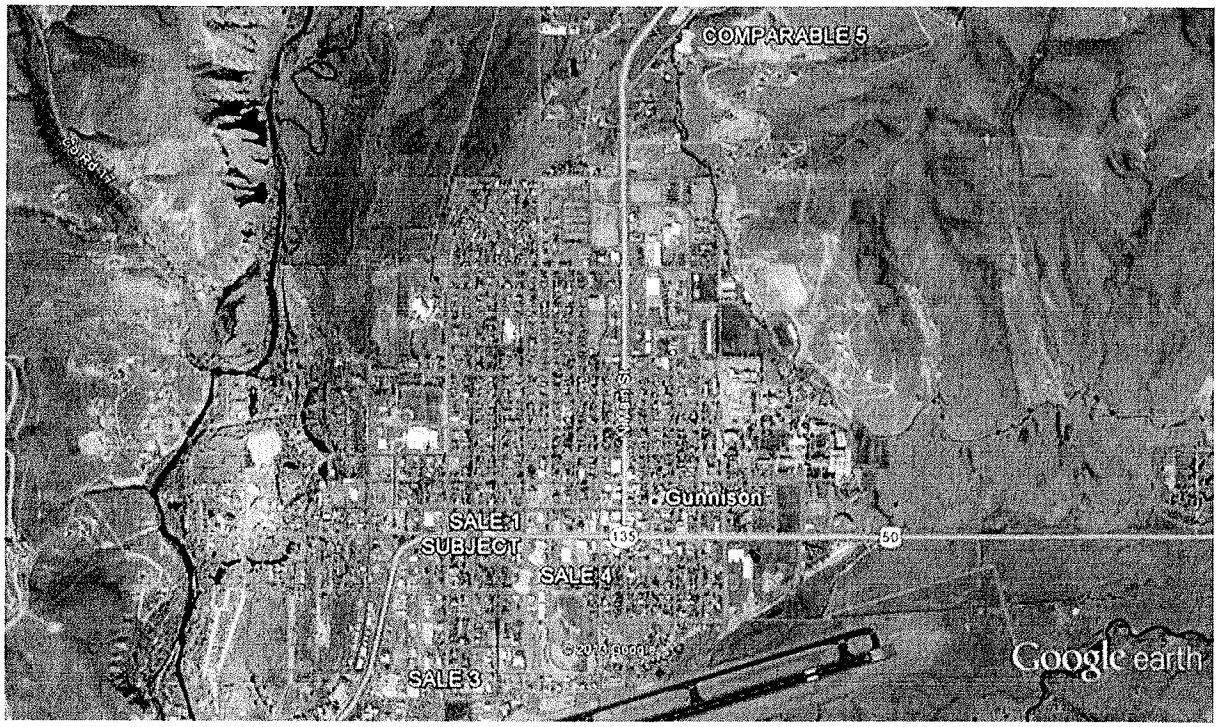
comparables represent the best available from the market to estimate the subject's market value under this valuation approach.

SUMMARY OF COMPARABLE SALES

No.	Location	Date of Sale	Sale Price	Building Area	Price Per SF	Year Built	Land Size; SF
1	614 W. New York Ave. Gunnison, CO	Dec-12	$100,000	2,310	$43.29	1967	4,356
2	115 S. 12th St. Gunnison, CO	Dec-12	$150,000	3,120	$48.08	1947	5,875
3	1005 W. Rio Grande Gunnison, CO	Dec-10	$235,000	2,300	$102.17	1975	26,250
4	301 S. 14th St. Gunnison, CO	Jan-07	$222,000	3,494	$63.54	1963	6,250
5	44 CR 51 Gunnison, CO	Listing	$225,000	7,596	$29.62	1980	43,560

COMPARABLE SALES MAP



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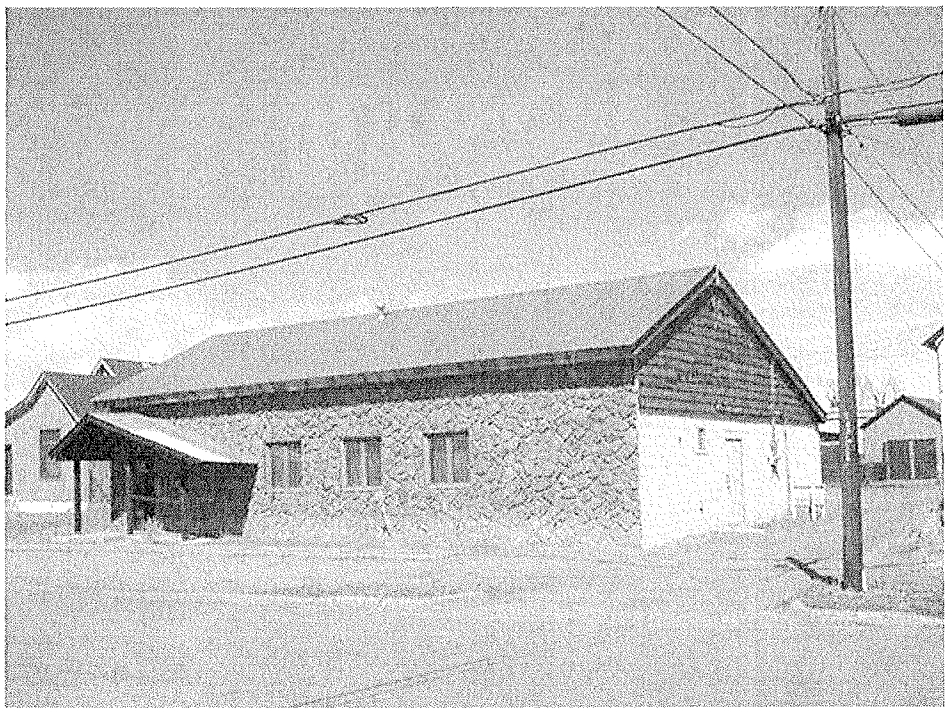
SALE 1



SALES DATA	
ADDRESS:	614 West New York Avenue, Gunnison
IMPROVED AREA:	2,310 square feet
SITE AREA:	4,356 square feet
CONSTRUCTION/ AGE:	Concrete block-stone /1947
SALE PRICE / TERMS:	$100,000/ Cash to seller
SALE DATE:	December 12, 2012
SALE PRICE PER SF:	$43.29
SELLER	Grand Lodge of the Independent Order of Odd Fellows
BUYER:	JJJJ Investments LLC

COMMENTS: This property is located two blocks west of the subject. The building was formerly used by the IOOF for a lodge but has large open area and high ceilings and could easily be used for a retail-office-shop building. The selling broker indicated the property was in poor condition overall when sold. The property was on the market for 436 days before the sale and the original listing price was $150,000. There were no transfers of the property in the previous three years.

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SALE 2

SALES DATA	
ADDRESS:	115 South 12th Street, Gunnison
IMPROVED AREA:	3,120 square feet
SITE AREA:	5,875 square feet
CONSTRUCTION/ AGE:	Concrete block / 1947
SALE PRICE / TERMS:	$150,000/ Cash to seller
SALE DATE:	December 5, 2012
SALE PRICE PER SF:	$48.08
SELLER	Raymond F. Clark Properties LLC
BUYER:	Janet M. Lucas et. al.

COMMENTS: This property is located approximately 3 blocks west of the subject at the northwest corner of New York Avenue and 12th Street. The seller used the building for a body shop. The broker indicated the property was in average condition when sold. It was listed for $175,000 at the time of sale and was on the market for 149 days. The transaction was a cash transaction. There were no transfers of the property in the previous three years.

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SALE 3

SALES DATA	
ADDRESS:	1005 West Rio Grande Avenue, Gunnison
IMPROVED AREA:	2,300 square feet
SITE AREA:	217,800 square feet
CONSTRUCTION/ AGE:	Metal building with some brick façade / 1975
SALE PRICE / TERMS:	$235,000/ Cash to seller
SALE DATE:	December 21, 2010
SALE PRICE PER SF:	$102.17
SELLER	Amerigas Propane LP
BUYER:	James R. Scales III

COMMENTS: This property is located approximately one-half mile southwest of the subject near the airport. It was owned by a national company, which divested several properties nationwide in recent years. The buyer acquired the property for his own business according to the broker. Condition of the property was good when sold. The property was listed for $365,000 when sold and was a cash transaction. It was on the market for 357 days. There were no transfers of the property in the previous three years.

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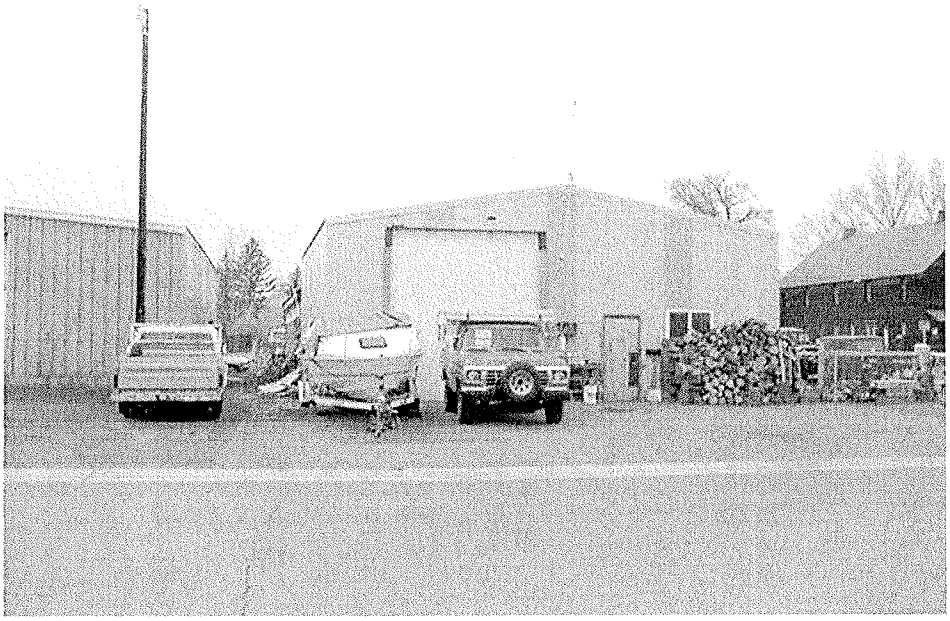
SALE 4



SALES DATA	
ADDRESS:	301 South 14th Street, Gunnison, CO
IMPROVED AREA:	3,494 square feet
SITE AREA:	6,250 square feet
CONSTRUCTION/ AGE:	Metal building/1963
SALE PRICE / TERMS:	$222,000/ Cash to seller
SALE DATE:	January 4, 2007
SALE PRICE PER SF:	$63.54
SELLER	Robert A. Gandy III et. al.
BUYER:	301 LLC

COMMENTS: This property is located one block south of the subject along the west side of 14th Street. An addition was constructed in 1972. The office area was partially finished when the building was sold. The property was in average condition when sold according to the broker. Days on market were 622 days, and the property was listed for $225,000 when sold. There were no transfers of the property in the previous three years.

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COMPARABLE 5

COMPARABLE DATA	
ADDRESS:	44 Country Road 51, Gunnison, CO
IMPROVED AREA:	7,596 square feet
SITE AREA:	43,560 square feet
CONSTRUCTION/ AGE:	Metal building/1980
ASKING PRICE:	$225,000
SALE DATE:	Listing
SALE PRICE PER SF:	$29.37
SELLER	First State Bank of Hotchkiss
BUYER:	N/A

COMMENTS: This property is located north of the main sector of the city just off the frontage road to the east of Highway 135. This area is more rural and remote comparable to the subject's location. The building has been used as a health club but has large open areas and offices that could easily be used for light industrial purposes. The building has finished area at garden level that is included in the total building area reported above. Condition of this property is reported to be fair to average by the listing broker, which is generally similar to the subject.

The listing broker indicted the bank owner is motivated. The property was listed for sale August 4, 2008. Asking price at the time of the original listing was $539,000.

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Discussion and Analysis

Property Rights Conveyed: All sales were fee simple transactions.

Cash Equivalency: The sales were cash or cash equivalent to the seller.

Condition of Sale: This element of comparison takes into account possible motivation on the part of the buyer or seller in a comparable sale transaction.

Comparable 5 is a listing and is bank owned. Typically, listings sell for a lower price compared to the asking price and bank owned properties sell for a lower amount than non-bank owned properties. In Gunnison County, we compared asking prices and sales prices of commercial properties in the last 3 years. Differences in asking and sale prices are represented below:

2010: Avg: 15%, Median: 20%
2011: Avg: 16%, Median: 24%
2012: Avg: 17%, Median: 29%

The range in the difference between asking prices and sales prices is 15 to 29 percent. Non-bank owned prices can be 5 to 35 percent higher than bank owned properties due to seller motivation. An upward adjustment for the listing and bank-owned status of Comparable 5 will be applied.

Buyer Expenditures: This element is based on the understanding that a knowledgeable buyer would consider possible expenditures to be made upon purchase of a property and those costs affect the price a buyer would pay. No significant expenditures were known to have been anticipated by the buyers on any of the comparable sale properties.

Market Conditions: Due to changes in a market, the value of a property may be different from time of sale to date of appraisal. If the market (economic conditions or climate) indicates an increase in prices paid, sales that have occurred at earlier dates would most likely require positive

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adjustments to reflect these improved economic conditions. When a market is showing a downturn (declining economic conditions) then sale prices will most likely indicate a decrease. Any decrease in price paid would result in negative adjustments.

As discussed previously, market conditions in the area began to deteriorate with the onset of the recession, which began in the Gunnison market in approximately 2007. Commercial sales volume and sales prices dropped, rents decreased overall, and vacancies for commercial properties increased. Discussions with local brokers indicate the market was 25 to 35 percent stronger in terms of prices, rents, vacancy, demand, etc., prior to the recession compared to current conditions. We will adjust Sale 4 downward for superior market conditions and the other comparables do not require adjustments for market conditions, as they are current.

Location: We compared the subject's location along Main Street with the comparable properties. Sale 1, 2, 3, and 4 are located within one-half mile of the subject with generally similar overall location characteristics. These locations do not require location adjustments.

Comparable 5 is significantly inferior to the subject in terms of location given the location north of the city on a county road. An upward adjustment is warranted for Comparable 5.

Building Size: Unit cost and size are generally inversely proportional. As the size of the building increases, typically the cost per unit decreases. Based on the range of building sizes, Comparable 5 was adjusted upward for size. We could not support size adjustments for the other sales.

Condition: The subject is in fair to average condition overall. Sale 1 was reported to be in poor condition at the time of sale, which is inferior compared to the subject. An upward adjustment will be made to this comparable. Sales 2 and 4 were in average condition and Sale 3 was in good condition when sold. These sales warrant a downward

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adjustment for condition. Comparable 5 is in generally similar condition compared to the subject.

Age: Investors will typically adjust the price of a property based on the effective age of the improvements. We previously estimated the effective age of the subject at 20 years. Sales 1 and 4 are generally similar compared to the subject in terms of effective age. Sales 3 and 5 are superior to the subject in terms of age and will be adjusted downward. Comparable 2 is inferior to the subject in terms of effective age and an upward adjustment will be made.

Quality: The subject is wood frame construction with metal exterior (80+-%). Sales 1 and 2 were built with masonry materials and are somewhat superior compared to the subject. Sale 3 has some masonry on the front portion of the building. These comparables will be adjusted downward for quality. The other sales are generally similar to the subject in terms of quality and no adjustments are warranted.

The following adjustment grid summarizes the previous narrative:

ADJUSTMENT GRID

NO.	SALE PRICE/SF	CONDITIONS OF SALE	MARKET CONDITIONS	LOCATION	SIZE	CONDITION	AGE	QUALITY	OVERALL NET ADJUSTMENT	INDICATED ADJUSTED PRICE
1	$43.29	NONE	NONE	NONE	NONE	UPWARD $4.33	NONE	DOWNWARD ($6.49)	DOWNWARD ($2.16)	$41.13
2	$48.08	NONE	NONE	NONE	NONE	DOWNWARD ($4.81)	UPWARD $4.81	DOWNWARD ($7.21)	DOWNWARD ($7.21)	$40.87
3	$102.17	NONE	NONE	NONE	NONE	DOWNWARD ($30.65)	DOWNWARD ($10.22)	DOWNWARD ($10.22)	DOWNWARD ($51.09)	$51.09
4	$63.54	NONE	DOWNWARD ($15.89)	NONE	NONE	DOWNWARD ($6.35)	NONE	NONE	DOWNWARD ($22.24)	$41.30
5	$29.62	UPWARD $8.89	NONE	UPWARD $5.92	UPWARD $2.96	NONE	DOWNWARD ($2.96)	NONE	UPWARD $14.81	$44.43
Subj	N/A	CASH	CURRENT	CITY	2,125 SF	FAIR-AVG	1966	METAL	MEAN	$43.76

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Summary and Conclusion:

The adjusted prices range between $40.87 and $51.09 per square foot, with a mean of $43.76 per square foot.

All of the comparables provide market value insight in some manner related to the subject. Sale 4 sold during a period of superior market conditions and Comparable 5 was a listing that was adjusted for this factor. Four of the comparables are located in the City of Gunnison, similar to the subject and Comparable 5 was adjusted upward for inferior location characteristics. Sale 3 was configured for a national gas company and the buyer was an owner-occupant. This property was in the best condition of all of the sales. The subject is towards the lower end of the comparables in terms of quality and condition.

Based on this data, the market indicates an adjusted price of $40.00 per square foot. The market value of the subject by the Sales Comparison Approach is as follows:

Concluded Price Per SF:	$40.00
Building Area:	x2,125 SF
Market Value by Sales Comparison:	**$85,000**

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INCOME APPROACH

The income approach measures market value by determining the price that open market conditions would justify paying for a particular property's net income stream. This is specifically accomplished for an appraisal by discounting the property's projected net income into present value by use of a capitalization rate derived from sales of comparable properties. The property's net operating income is the key term.

Net operating income is generally arrived at through a process that determines prevailing open market rents, rates of vacancy and collection loss, and expenses necessary to operate the property and service the tenants. Prevailing market rates of vacancy and collection loss and operating expenses are deducted from prevailing market rent to produce the property's projected net income.

It is important to note that: (1) Vacancy and collection loss is a projection over the entire economic life of the property, not that which occurs at a given point in time, (2) For appraisal purposes, income taxes, depreciation, debt service, capital improvements, franchising fees, and business expenses of the owner are excluded from operating expenses since they are expenses of the owner and not of the property, (3) The proper rental for the property is that prevailing in the marketplace as of the appraisal date and not that which is carried over from old lease arrangements.

Economic net income is converted to a value indication under this approach by application of an overall capitalization rate, which is derived from market sales occurring during the applicable period, as well as comparison with prevailing market data. The overall rate includes provisions for a market rate of return on the investment as well as recapture of the investment.

Potential income for the subject is based on applying market data and information obtained from investor surveys. We surveyed brokers, buyers and sellers of properties similar to the subject to derive market rental rates and typical lease terms. While some industrial properties are leased on a modified gross basis, most industrial buildings similar to the subject have been leased on a triple net basis. For a triple net lease structure, the pro rata operating expenses are paid by the tenant.

We used direct capitalization to derive a value by the Income Approach. Stabilized net operating income was capitalized into a value using overall capitalization rates derived from comparable sales.

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Applicability to the Subject

There is no contract rent for the subject, therefore, potential income for the subject is projected based on market data and information obtained from investor surveys.

Market Rent

We have reviewed lease information for industrial properties in the subject's market. Most of the industrial properties in the Gunnison market are owner-occupied and are not leased to third parties. Therefore, we searched generally similar markets for rental comparables and have included two from Crested Butte and two from Salida. We believe the market would consider these markets when determining a potential rental rate for the subject real estate. We analyzed the impact of location, quality, condition, age, other physical characteristics, and lease terms on the average effective rental rate of each comparable. Properties similar to the subject tend to be leased on a gross basis, where the owner pays the operating expenses. We have used gross lease comparables in our analysis.

COMPARABLE RENTALS

Rental	Location	Rent Rate, Gross Per SF	Size SF
1	8100 W. Highway 50 Salida	$7.50	6,400
2	830 W. First St. Salida	$4.20	2,000
3	134 Buckley Dr. Crested Butte	$10.75	1,200
4	482 Riverland Dr. Crested Butte	$9.00	8,200
5	881 W. Bidwell St. Gunnison	$5.10	2,360

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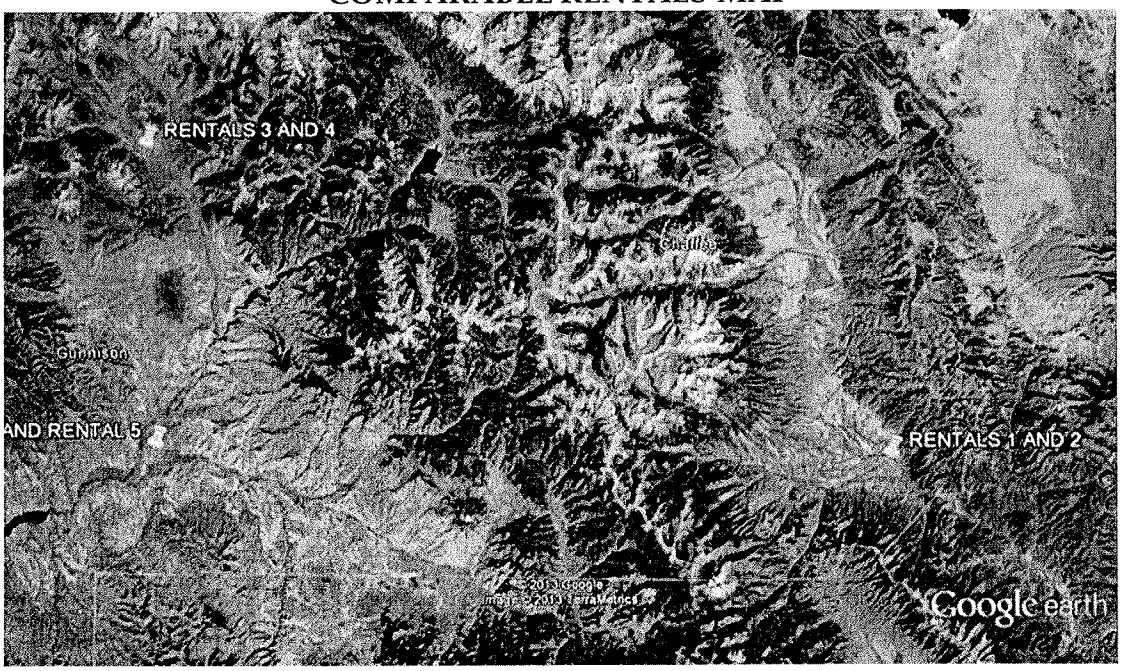
COMPARABLE RENTALS MAP



A discussion of the rental comparables is presented as follows:

- Rental rates from the comparable rentals range from $4.20 to $10.75 per square foot, on a gross basis.
- The mean of the above rates is $7.31 per square foot, gross.
- The two properties with the highest rates are located just south of Crested Butte where prices are rental rates are typically higher compared to Gunnison.
- The comparables are metal buildings.
- Rental 5 consists of one-half of the subject building that was leased to a third party tenant prior to the sale of the building.
- The subject is in fair to average condition, which is inferior to the comparables.
- Rates are projected to stabilize in 2013 but are not likely to increase until the market absorbs more vacant space.
- There was no new industrial product delivered in 2012 in the City of Gunnison and none is under construction at the present time.

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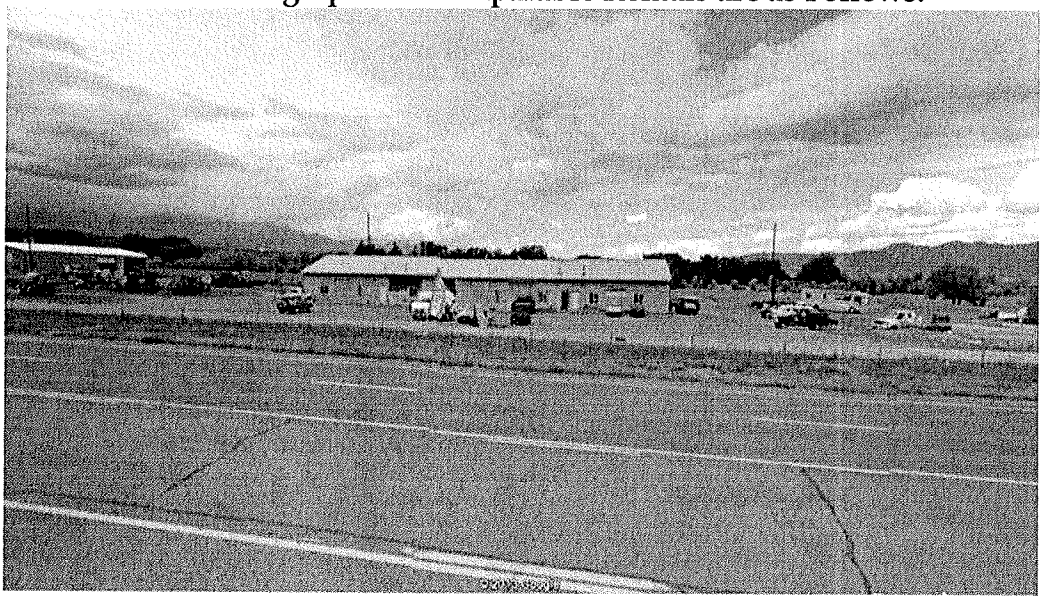
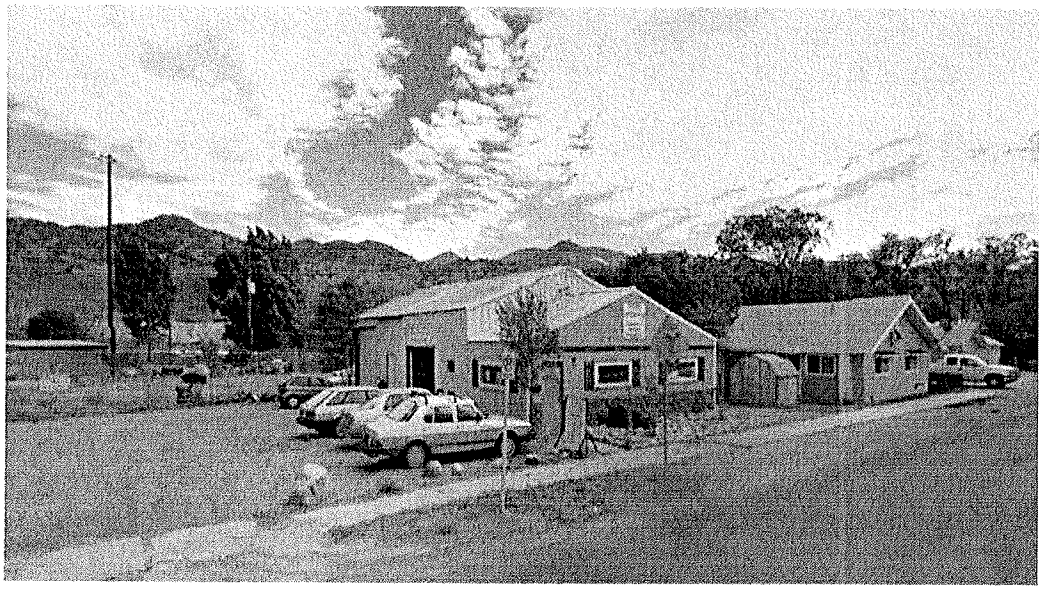
The market indicates a rent rate for the subject generally towards the middle of the comparable rent range, or $7.00 per square foot, gross. This results in gross potential rental income of $14,875 per year.

Photographs of Comparable Rentals are as Follows:



Rental 1



Rental 2

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Rental 3

Rental 4

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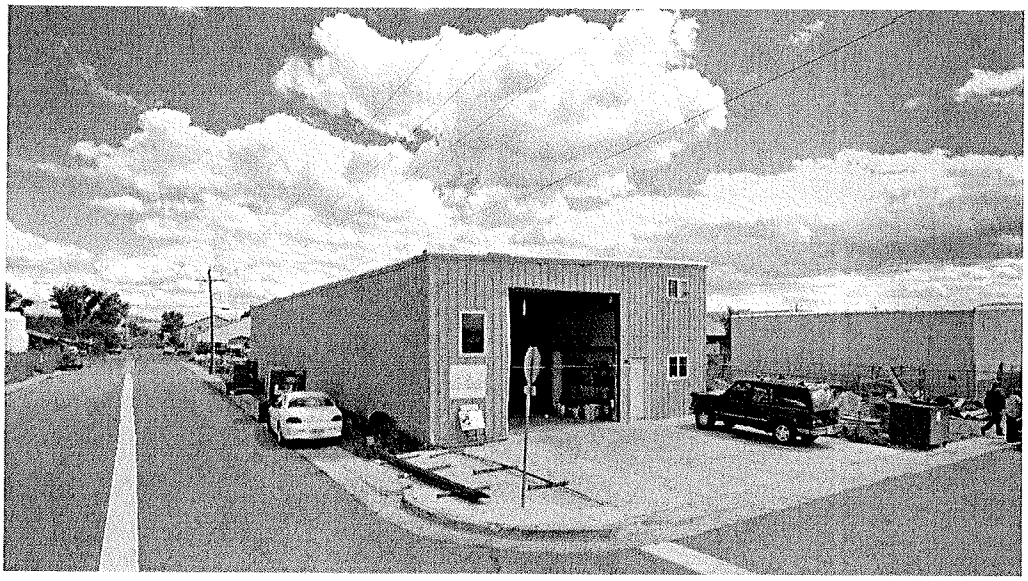

Rental 5

Vacancy and Credit Loss

Real estate brokers and investors in properties similar to the subject were surveyed. We also had information regarding other similar property sales. Based on this information, the buyers of these property types usually anticipate some level of vacancy during their holding period, if the property is a successful business operation.

Other factors considered:

- The subject is currently owner-occupied (although the property's future occupancy is uncertain at this time).
- The location of the property is similar to other industrial properties in the area in terms of access and exposure.
- The building is in fair to average condition.
- Vacancy in the market is estimated to be between 5 and 20 percent for commercial properties of all types, based on discussions with local real estate brokers. Older properties with inferior locations have the highest vacancy rates. Stabilized vacancy rates are on the lower end of the range and owner-occupied (single-tenant) properties tend to have somewhat lower vacancy rates.
- No new construction is on-line in the submarket.

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Most investors are currently inputting vacancy and credit loss of 5 to 10 percent for properties similar to the subject. Commensurate with market data, we have applied a vacancy or credit loss factor of 7 percent.

Expense Analysis

Local properties generally similar to the subject typically have gross lease structures, wherein the owners pay the operating expenses. We were not provided with actual operating expenses for the subject, therefore, we relied on market based expenses.

Market Based Operating Expenses

Repairs, maintenance, and grounds are projected to be $0.50 per square foot. This is similar buildings of similar age and condition.

Utilities for similar buildings typically range from $1.00 to $2.00 per square foot. Based on the age and condition of the improvements we have projected total utilities expense of $1.50 per square foot per year.

Cleaning expenses are tied directly to occupancy and will apply only to leased space. Cleaning expenses for similar buildings and are projected at $0.15 per square foot per year. Most cleaning would be performed by the tenant's employees.

Real property taxes were projected in the Real Property Taxes section. Property taxes are projected to be $1.14 per square foot per year.

Insurance expenses are typically $0.15 to $0.20 per square foot for small industrial buildings. We have projected $0.15 per square foot.

Management fees are typically 3 to 6 percent of effective gross income. Smaller, single-occupant properties tend to have lower management fees. We estimate management fees of 5 percent of effective gross income. We will input management fees at $0.32 per square foot per year.

Advertising, supplies, associated fees, and miscellaneous expenses are estimated to be $0.10 per square foot per year based on similar properties.

Estimated operating expenses are summarized as follows:

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Operating Expense	Estimated Amount PSF
Repairs & Maintenance	$0.50
Utilities	$1.50
Cleaning	$0.15
Property Taxes	$1.14
Insurance	$0.15
Management Fees	$0.32
Advertising, Supplies, Misc	$0.10
Total Expenses	$3.86

The above expenses are $3.86 per square foot, or $8,203 per year for the subject. This amount is generally in line with other light industrial properties in the area.

Net Operating Income

Gross Potential Income	$14,875
Less: Vacancy and Credit Loss @7%	$ 1,041
Effective Gross Income	$13,834
Less: Operating Expenses	$ 8,203
Net Operating Income	$ 5,631

Direct Capitalization

Net operating income to be generated from ownership of the subject is capitalized into a value using a market-derived overall capitalization rate. We have used information regarding overall capitalization rates for similar properties in the subject market in order to conclude an overall rate for the subject. The income to be capitalized is the income indicated in the rent analysis above. Future rent escalations are inherent in the overall rate.

Comparable Sales- Extraction
There were few recent market transactions with operating expenses available to the appraiser in the local market to extract local capitalization rates. The appraiser spoke with local realtors for an observation of what typical capitalization rates are for the Gunnison market. The capitalization range rate was approximately 5.0 to 10.0 percent.

Information was available from previous appraisals on two Crested Butte transactions (October 2006 and February 2007) to extract rates indicating a range of 6.5 to 7.9 percent; however, these sales are older. Brokers have reported commercial properties in Gunnison County are mostly owner-occupied or are

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purchased for owner-occupancy and are seldom purchased based on an overall rate.

One listing in Crested Butte in the Majestic Plaza development is currently offered at a 6.5 percent capitalization rate and an industrial property listing in Salida is being offered at 7.2 percent.

Survey

We also consulted The First Quarter 2013 RealtyRates.com Investor Survey. We examined results for industrial properties nationwide, to estimate the capitalization rate for the subject. This survey includes profit and therefore it represents rates towards the higher end of the range.

RealtyRates.com INVESTOR SURVEY - 1st Quarter 2013* INDUSTRIAL - ALL TYPES						
Item	**Input**					**OAR**
Minimum						
Spread Over 10-Year Treasury	1.05%	**DCR Technique**	1.15	0.048672	0.85	**4.76**
Debt Coverage Ratio	1.15	**Band of Investment Technique**				
Interest Rate	2.70%	Mortgage	85%	0.048672	0.041371	
Amortization	30	Equity	15%	0.077172	0.011576	
Mortgage Constant	0.048672	OAR				**5.29**
Loan-to-Value Ratio	85%	**Surveyed Rates**				**5.03**
Equity Dividend Rate	7.72%					
Maximum						
Spread Over 10-Year Treasury	6.85%	**DCR Technique**	2.15	0.118169	0.50	**12.70**
Debt Coverage Ratio	2.15	**Band of Investment Technique**				
Interest Rate	8.50%	Mortgage	50%	0.118169	0.059084	
Amortization	15	Equity	50%	0.171230	0.085615	
Mortgage Constant	0.118169	OAR				**14.47**
Loan-to-Value Ratio	50%	**Surveyed Rates**				**13.75**
Equity Dividend Rate	17.12%					
Average						
Spread Over 10-Year Treasury	2.93%	**DCR Technique**	1.50	0.068491	0.69	**7.12**
Debt Coverage Ratio	1.50	**Band of Investment Technique**				
Interest Rate	4.58%	Mortgage	69%	0.068491	0.047503	
Amortization	24	Equity	31%	0.128904	0.039500	
Mortgage Constant	0.068491	OAR				**8.70**
Loan-to-Value Ratio	69.4%	**Surveyed Rates**				**9.99**
Equity Dividend Rate	12.89%					

*4th Quarter 2012 Data

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The range of the surveyed capitalization rates was 4.76 to 14.47 percent for all types of industrial properties. The average rates from the three methods in the survey were 7.12, 8.70, and 9.99 percent.

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Band of Investment

An examination of the current money market would suggest a loan-to-value ratio of 75 percent with an amortization of 20 years at a 5.5 percent interest rate. Considering the character of the investment influenced by market conditions, as well as discussions with investors in the market, an equity rate of 10.0 percent is appropriate. This estimate of the equity rate is supported by the previously cited survey(s). A capitalization rate derived under this methodology is quantified as follows:

Mortgage Component:	0.75 x 0.0825 =	0.0619
Equity Component:	0.25 x 0.1000 =	0.0250
Capitalization Rate:		0.0869, or 8.7 percent

Conclusion

The results of the above methods used to conclude a capitalization rate are as follows:

Comparable Sales:	6.5% to 7.9%
Survey:	7.1% to 9.9%
Band of Investment:	8.7%

We examined the strengths and weaknesses of each capitalization reporting method. The RealtyRates reports were national surveys, and were not specific to local properties. Band of investment involves local equity and debt factors for commercial properties in the area. Owner-occupied properties typically have lower capitalization rates as these properties are not purchased by institutional investors for their stream of income. Purchasers are more motivated by capital appreciation, tax advantages, equity build-up, proximity to a personal residence, and other factors, thus leading to lower capitalization rates. In addition, investment returns continue to be at historically low levels. The ten-year US treasury bond rate is 1.94 percent, triple A rated municipal 10-year bonds are yielding 1.77 percent, and 10-year triple A rated corporate bonds are yielding 2.44 percent. Considering all relevant aspects of the subject's economic environment, we will input an overall rate of 8.0 percent in our analysis. Capitalizing the net operating income will provide a market value for the subject, as follows:

Net Operating Income:	$5,631
Capitalization Rate:	8.0%
Market Value by the Income Approach:	**$70,388**
Rounded:	**$70,000**

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RECONCILIATION

The pertinent approaches to value have been summarized in this appraisal analysis. A summary of the value conclusions of each of these individual approaches indicates the following:

Cost Approach:	**Not Used**
Sales Comparison Approach:	**$85,000**
Income Approach:	**$70,000**

Cost Approach – Due to the age of the subject improvements and the inherent difficulty in estimating depreciation, and the limited number of recent commercial land sales, the application of the cost approach was not used.

Sales Comparison Approach – The comparables used were determined to be relevant market transactions capable of providing insight to the nature of the market. There were numerous adjustments required in deriving a value conclusion. However, we believe the sales adjustments were appropriate and provided an indication of the subject's market value by the Sales Comparison Approach.

Income Approach – We were not able to obtain actual financial information for the subject. We obtained data from the market to derive a net operating income and capitalized the NOI into value using survey and band of investment methods. The Income Approach would be considered by an investor when making a buying decision for the subject property.

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Conclusion -

We will give the Sales Comparison Approach the somewhat more emphasis due to the lack of actual operating data and because typical investors give greater emphasis to this approach. Even so, we have considered the value by the Income Approach in our final value conclusion.

Based on these factors, the value conclusion is as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	*Interest Appraised*	*Effective Date*	*Value Conclusion*
As Is	**Fee Simple**	**January 31, 2013**	**$80,000***

*Using the extraordinary assumptions previously stipulated in this report.

DISPOSITION VALUE

As part of the scope of work of this assignment, we were asked to provide an orderly disposition value of the subject. This is typically termed a "quick sale" and represents the market clearing price of a property that would elicit a short marketing period. The client has specified that this period would be 6 to 12 months (we used a 9-month midpoint for this analysis).

Disposition Value (defined):

As defined by the client, the most probable price that a specified interest in real property should bring under the following conditions:

- Consummation of a sale within a future exposure time specified by the client.
- The property is subjected to market conditions prevailing at the date of valuation.
- Both buyer and seller is each acting prudently and knowledgeably.
- The seller is under compulsion to sell.
- The buyer is typically motivated
- Both parties are acting in what they consider their best interests.
- An adequate marketing effort will be made during the exposure time specified by the client.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- 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.

For the estimated discounting for the reduction in value due to the property being marketed and sold by a lender, we examined commercial sales in 2009, 2010, and 2011 between REO and non-REO transactions from the Front Range, as follows:

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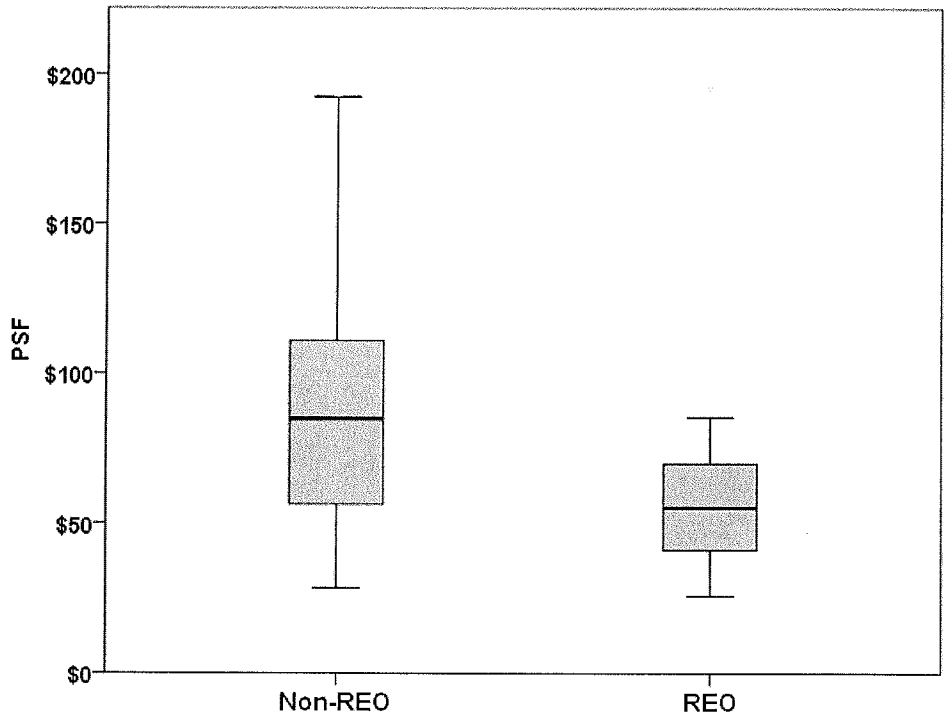

Type	No. Sales	Median PR/SF	Mean PR/SF
Non-REO	76	$85	$92
REO	24	$56	$64

This differential was used as a proxy to estimate what type of price discounting would be required, based on the assumption that bank-owned properties in general typically have shorter marketing periods because banks presumably do not desire to carry real estate for extended periods. Their pricing would likely be discounted as compared non-REO properties under this assumption. The above analysis indicates a differential range of -30% to -35%; we applied a -30% adjustment.

This adjustment was applied to the fee simple value of the subject as follows:

Market Value	$80,000
REO Adjustment (30%)	$24,000
Disposition (Collateral) Value	$56,000
Rounded	$60,000

Based on this analysis, we concluded a fee simple disposition value of $60,000.

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APPRAISER QUALIFICATIONS

JAMES M. BITTEL

RELATED PROFESSIONAL EXPERIENCE

Firm: Wildrose Appraisal, Inc.-President and Co-Owner
PO Box 383
Divide, Co. 81211
September 1993 to present

Firm: Rocky Mountain Valuation Specialists, LLC
Director
PO Box 848
Salida, Co. 81201
June 1999 to January 2007

Firm: Valuation Research Corporation
Title: Vice President-Appraisal Branch Operations
9590 W. 14th
Lakewood, Co. 80215
December 1991 to September 1993

Firm: Promark Realty, et. al.
Title: Partner
743 Horizon Court
Grand Junction, Co.
March 1986 to December 1991

Firm: Farm Credit Services
Title: Vice President-Special Assets Group-Appraiser #443
743 Horizon Court, Suite 100
Grand Junction, Co. 81506
May 1979 to March 1986

EXPERTISE

Appraisal of existing and proposed residential, commercial and farm/ranch properties in El Paso, Teller, Douglas, Elbert, Jefferson, Custer, Fremont, Gunnison, Summit, Chaffee, Pueblo, Arapahoe, Archeluta, La Plata, Denver, Ouray, Montrose, Prowers, Pitkin, Moffat, Grand, Yuma, Washington, Adams, Larimer, Boulder, Park, Weld, Delta, Lake, Routt, Alamosa, Costilla, Rio Grande, Saguache, Mesa, Eagle, Garfield, and Clear Creek counties in Colorado. Appraisal of farm/ranch, commercial, eminent domain cases, business valuations, and complex residential properties.

Qualified as expert witness in El Paso and Teller County District Courts, Fremont County District Court, Douglas County District Court, Denver County District Court, Archuleta County District

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Court, Chaffee County District Court, and Hillsborough County, Florida District Court.

PROFESSIONAL LICENSE

Colorado Certified General Appraiser #CGO1315404
Certified through December 31, 2014
Colorado R. E. Employing Broker License #IB01217665
Licensed through June 29, 2013
Arizona Certified General Appraiser #31839
Certified through April 30, 2013

PROFESSIONAL EDUCATION

Kansas State University
B.S. Economics, May 1979

Real Estate Training Center
Broker Licensing Classes-1986-1992

University of Colorado
NCRE 200 & 208-55 class hours-July, 1991
Licensed Non-Federal Class combined with Standards and Ethics

University of Colorado
NCRE 210-40 class hours-September, 1991
Licensed Federal Appraiser

University of Colorado
NCRE 215 Certified Appraiser I
September 1992

University of Colorado
NCRE 222 Certified Appraiser II
October 1992
University of Colorado
NCRE 230-Certified Appraiser III
December 1992

American Society of Farm Managers and Rural Appraisers
A-29 Highest and Best Use
February 1994

University of Colorado
Subdivision Development
August, 1994

American Society of Farm Managers and Rural Appraisers
Purdue University
A-20-Principles of Rural Appraisal
August 13-19, 1995

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American Society of Farm Managers and Rural Appraisers
Denver, Colorado
A-30-Principles of Rural Appraisal-Audit
June 17-22, 1996

University of Colorado
NCRE 208
Uniform Standards of Professional Appraisal Practice
October 10-11, 1997

American Society of Farm Managers and Rural Appraisers
Denver, Colorado
A-15-Appraisal Report Writing
January 26-28, 1998

American Society of Farm Managers and Rural Appraisers
Denver, Colorado
A-25-Eminent Domain
January 29-31, 1998

American Society of Farm Managers and Rural
Appraisers/Appraisal Foundation
Omaha, Nebraska
National Uniform Standards of Professional Practice A-12. Part
II
April 28-29, 1999

Appraisal Institute
Salt Lake City, Utah
Uniform Standards of Professional Practice/Ethics
April 19-20, 2001

International Right of Way Association
Easement Valuation
Durango, Colorado
September 26, 2002

McKissock Data Systems
Denver, Colorado
Uniform Standards of Professional Practice/Ethics
December 10, 2002

Appraisal Institute
Denver, Colorado
National USPAP Update Class
Fall, 2004

VANED Van Education Center
Denver, Colorado
National USPAP Update Class
May 20, 2007

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Appraisal Institute/ASA
Sacramento, Colorado
Valuation of Conservation Easements
February 25-29, 2008

Appraisal Institute/IRS
Denver, CO
Federal Tax Valuations
July 23, 2009

VANED Van Education Center
Denver, Colorado
2008-2009 National USPAP Update Class
December 23, 2009

7 Hour USPAP 2010-2011 Update
Stephen Snyder AQB Instructor
363 S. Harlan Street
April 9, 2010

7 Hour USPAP 2010-2011 Update
Stephen Snyder AQB Instructor
Daniels Gate Recreation Center
April 22, 2011

Supervising Beginning Appraisers
Arizona School of Real Estate and Business
Certified by Arizona Board of Appraisal
August 26, 2011

PROFESSIONAL SEMINARS:

University of Colorado
NCRE 232-Electronic Appraising
June 1994

Teller Title Company-Jim Felt Water Attorney
Water Rights and Real Estate Transactions
July, 1994

American Society of Farm Managers and Rural Appraisers
Oil & Gas Royalty Income Valuation
September 21, 1995

American Society of Farm Managers and Rural Appraisers
Rotational Grazing Techniques
September 21, 1995

American Society of Farm Managers and Rural Appraisers
Geographic Information Systems
September 21, 1995

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Colorado Real Estate Commission
Mandatory 8 Hour Update Class
November 21, 1996, November, 1998

Appraisal Institute
FHA Residential Appraisal Seminar
August 10, 1999

Realtors Land Institute
Revised Colorado Sales Contracts
August 12, 1999

CLE International
Eminent Domain
August 19-20, 1999

Realtors Land Institute
1031 Tax Deferred Exchange
January 13, 2000

American Society of Farm Managers and Rural Appraisers
Water Rights Seminar
February 17, 2000

Realtors Land Institute
Real Estate Counseling
May 4, 2000

Colorado Water Well Contractors Association
Wells-Are They a Dependable Source of Water
October 19, 2000
National Business Institute
Getting Successful Results in Colorado Eminent Domain Actions
May 29, 2002

CLE International
Eminent Domain Conference
August 12-13, 2002

Colorado Real Estate Commission
Real Estate Update Class
November 13, 2003

J. Albert Bauer, Esq.
Homeowners Associations
November 13, 2003

Appraisal Institute
Right of Way Acquisition Process for Federally Funded Projects
FHA and the Real Estate Market
Appraisers in the Ring
August 6, 2004

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Colorado Real Estate Commission
Real Estate Update Class
October 27, 2004

J. Albert Bauer, Esq.
Top Ten Challenges of the New Sales Contract
October 27, 2004

Colorado Bar Association Continuing Legal Education
23rd Annual Real Estate Symposium
July 28-30, 2005

Law of Easements: Legal Issues and Practical Considerations
Lorman Education Services
November 16, 2005

Colorado Real Estate Commission
Real Estate Update Class
November 17, 2005

VANED Van Education Center
National Association of Realtors Ethics Update
December 30, 2005

Attorneys Title Guaranty Fund, Inc
Principles of Title Insurance
March 29, 2007

VANED Van Education Center
CREC Real Estate Update Class
May 19, 2007

Colorado Bar Association Continuing Legal Education
25th Annual Real Estate Symposium
July 19-21, 2007

Colorado Bar Association Continuing Legal Education
27th Annual Real Estate Symposium
July 16-18, 2009

CLE International
Eminent Domain Conference
August 27-28, 2009

The Real Estate School, LLC-Oliver Frascona
2009 CREC Real Estate Update Class
November 17, 2009

CLE International
Eminent Domain Conference
August 26-27, 2010

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VANED Van Education Center
CREC Real Estate Update Class
December 29, 2010

VANED Van Education Center
CREC Real Estate Update Class
December 26, 2011

VANED Van Education Center
National Association of Realtors Ethics Update
December 30, 2011

PROFESSIONAL AFFILIATIONS:

2003 President, Chaffee County Board of Realtors

Member-International Right of Way Association

PARTIAL CLIENT LIST

Cushman Wakefield
Community Banks of Colorado
Community Banks of the Rockies
First Community Industrial Bank
Colorado Department of Transportation
City of Woodland Park, CO
City of Cripple Creek, CO
City of Canon City, CO
Town of Buena Vista, CO
Town of Mt. Crested Butte, CO
Bank Midwest
Colorado Mountain Bank
Colorado Natural Gas
Chaffee County, Colorado
Lake County, Colorado
Pueblo Bank & Trust
Colorado East Bank
Bank of the West
PGP Valuation acting for the FDIC
Park State Bank
Collegiate Peaks Bank
Crested Butte Bank

Specific References Available Upon Request.

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SUMMARY OF EXPERT TESTIMONY AND EXPERT WITNESS FEE SCHEDULE-
Only includes cases with actual court testimony-does not include cases settled during or pre-trial, current cases, or cases settled after deposition.

1) Woods v. Sturman Case No. 96-CV-47 Teller County District Court. Heard before District Court Judge Mary Jane Looney, Teller and El Paso County Combined Courts, 1997, Eminent Domain

2) Joseph Lionelle, et al v. Melvin Vorwald Case No 94-CV-90 Chaffee County District Court. Heard before Hon. William D. Neighbors, Judicial Arbiter Group, July, 1997, Eminent Domain

3) In re the Marriage of Anderson, Douglas County District Court, Case No. 95-DR-507, 1996, Marriage Dissolution

4) Berger v. Hammer, Denver District Court, Case #97-CV-1204, August, 1997, Partnership Dissolution

5) Miller V. Wilson, Teller and El Paso County District Court, Case # 96-CV-109, October, 1999, Eminent Domain

6) In re the Marriage of Parsons, Fremont County District Court, Case #94-DR-497, July, 1999, Marriage Dissolution

7) Department of Transportation v. Love in Action, El Paso County District Court, June 2004, Case #03-CV-862, Eminent Domain

8) In re: the Marriage of Shurbet, El Paso County District Court, Judicial Arbitration Group, June 2009, Case #06-DR-110, Marriage Dissolution

9) Fosset Gulch Pipeline Company, LLC, v. Candlearia, Archuleta County District Court, June 29, 2009, Eminent Domain Immediate Possession Hearing

10) Harmon v. Harmon, Hillsborough County, Florida District Court, November 10, 2009, Case #DR08-00113, Marriage Dissolution

11) Woody Creek Ventures, LLC v. Chaparral Aspen Homeowners Association, Inc., Pitkin County District Court, January 26, 2010, Case #08-CV-117, Eminent Domain Deposition

Preparation Time (Pre-Deposition or Pre-Trial)	$150.00 per hour
Deposition Time (including attendance and testimony)	$200.00 per hour
Trial Time (including attendance and testimony)	$200.00 per hour
Travel Time (round trip)	$100.00 per hour

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THOMAS O. MEAD

PROFESSIONAL DESIGNATION

Colorado Certified General Appraiser #CG40022647

All continuing education courses have been completed to maintain the Colorado appraisal license. The current Colorado Certified General Appraiser license expires December 2013.

EMPLOYMENT HISTORY

Wildrose Appraisal Inc., 2012 to present

Commercial real estate appraiser. Valuation of all types of commercial properties including: existing, proposed, retrospective valuations. Have appraised properties throughout the State of Colorado, and on a case-by-case basis, in the State of Wyoming. Properties appraised include: offices, retail properties, industrial properties, vacant land, small ranch properties, subdivisions, condominium and townhouse developments, restaurants, churches, apartments, hotels, charter schools, car washes, commercial condominiums, and others.

Clients I have appraised for include: banks, life insurance companies, developers, investors, attorneys, mortgage bankers, and others.

EquiReal Appraisal Services, 2004-2011

Commercial real estate appraiser. Valuation of all types of commercial real estate including: office, industrial, multi-family, retail, land, religious facilities, restaurants, mixed-use, and other properties. Appraise existing and proposed construction.

Rocky Mountain Valuation Specialists LLC, 2000-2004

Commercial appraiser. Valuation of all types of commercial properties. Also was the director of marketing for approximately one year for the firm. The marketing position responsibilities encompassed bidding and engaging assignments, allocating and monitoring work with appraisers, developing and maintaining client relationships.

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Prior Experience, 1977-2000

Officer in various financial institutions. Progressive management from branch level to executive level. Responsible for real estate loan operations and administration. Member of senior management teams. Last bank position was the Vice President and manager of the Commercial Real Estate department for the mortgage subsidiary of the Colorado National Banks (since sold twice).

EDUCATION

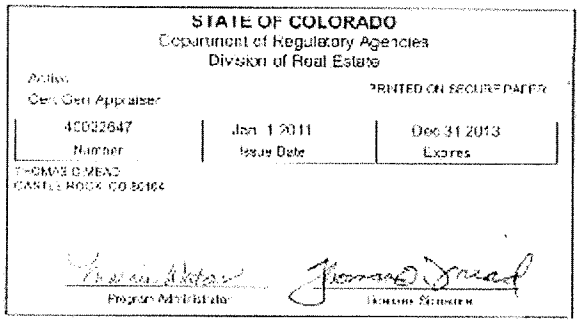
Colorado State University
Bachelor of Science, 1976
Business Administration
Finance and Real Estate

University of Northern Colorado
Master of Business Administration, 1984

Graduate of the School of Mortgage Banking, 1981

Real Estate Training Center, Initial appraisal course for appraisal licensure
Appraisal Institute Course 120
Appraisal Institute Course 310
Appraisal Institute Course 320
Lincoln Graduate Center, Narrative Report Writing
American Real Estate College, Certified Residential Appraiser Course
USPAP updates, including 2012-2013 USPAP
Various continuing education courses

COPY OF LICENSE


STATE OF COLORADO
Department of Regulatory Agencies
Division of Real Estate

Active
Cert Gen Appraiser

PRINTED ON SECURE PAPER

45032647	Jan 1 2011	Dec 31 2013
Number	Issue Date	Expires

THOMAS D MEAD
CASTLE ROCK CO 80104

Program Administrator

Director, Division of Real Estate

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APPRAISER QUALIFICATIONS

Martin Steven Kane MAI M.S.
WILDROSE APPRAISAL, INC.
303-663-6735 OFFICE
303-437-1651 CELL

APPRAISAL PROFESSIONAL EXPERIENCE:

Wildrose Appraisal Inc. (2008 to Present)
Commercial Appraiser

Appraisal of commercial properties, including resort, office, retail, industrial, planned mixed-use developments, residential subdivisions, lodging, shopping centers, vacant land, places of worship and other commercial property types. Geographic scope includes Colorado mountain resort counties, Denver metropolitan area, other Front Range markets (such as Colorado Springs and Fort Collins-Loveland), and western slope markets in Colorado.

Rocky Mountain Valuation Specialists (1997 to 2007)
Commercial Appraiser/Valuation Modeler/Mass Appraiser

Appraisal of commercial properties, including office, retail, industrial, planned mixed-use developments, residential subdivisions, lodging, shopping centers, vacant land, places of worship and other commercial property types. Lead work on regional and market analysis. Statistical analysis includes market trend analyses and econometric modeling of commercial sub-markets. Lead commercial appraisal and quality control manager for commercial appraisal services. Mass appraisal experience in commercial, agricultural and residential real estate databases. Geographic assignments include all of the Colorado Front Range, all mountain resort counties, major eastern plains counties and major western slope counties.

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MASS APPRAISAL / VALUATION MODELING EXPERIENCE:

Colorado Property Assessment Audit Project (2002 to Present)

Statistical compliance analyst for project. Duties included sale ratio verification of residential, commercial, and vacant land valuations for assessors in every Colorado County. Analysis also included sold/unsold analysis and market trending validation. Verification based on IAAO standards. Presented findings to State Board of Equalization and individual counties. Developed training materials and presentations for county assessment staff. Significant interaction with assessor staff covering data and compliance issues. Worked with Colorado Division of Property Taxes on compliance matters and training. References available on request.

STAT Residential AVM (2004 to 2007)

Developed residential valuation models for California, Colorado, Arizona and Nevada. Valuation process included all stages of model development from raw data editing through valuation of properties and outcome evaluation. Designed comparable selection process and weighting, as well as training materials and validation reports. Developed valuation algorithms for modeling of single family, town home and condominium properties. Valuation coverage averaged over 90% in most markets. Over 70% of sold properties modeled fell within +/- 10% of sale price. Over 7 million properties modeled. Developed sale updating process to maintain accuracy of models. Extensive programming experience using SPSS to process and model sale data.

Farm Credit Services of America AVM Development (2006 to 2007)

Developed agricultural automated valuation models for Iowa, South Dakota, and Nebraska using agricultural sale data. AVM modeling focused on agricultural cropland. Modeling developed as an added module to Farm Credit Services of America's (FCSA) ValueSource system. Developed training materials and trained appraisal staff of FCSA. Presented valuation findings to senior leadership team of FCSA. Worked with FCSA appraisal team to

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calibrate and refine models. Developed sale updating process to maintain accuracy of models.

Commercial Portfolio Valuation (2002 to 2007)

Provided commercial portfolio modeling services for Cushman and Wakefield (C&W). C&W clients included Wal-Mart, Nations Bank, Bank of America, Cumberland Farms, Pep Boys, Toys R Us, and other national clients. Several portfolios were securitized by Wall Street firms based on portfolio model. Services included appraisal sampling determination, statistical modeling, and report preparation, as well as onsite consulting with Cushman and Wakefield clients. Consulted with C&W clients to review scope of work and results. References available on request.

AVM Seminar (2002 - Present)

Developed AVM Seminar for Appraisal Institute. Taught seminar for Appraisal Institute chapters, including those in Northern California, upstate New York, northern Florida, northern Ohio, and Reno, Nevada, as well as organization such as the Professional Appraisal Association for South Dakota. Seminar was a one-day seminar that covered all facets of appraisal valuation modeling. References available on request.

Valuation Research Corporation (1995 to 1997)

Valuation modeler for ValueCheck®, an automated valuation product marketed and developed by Valuation Research Corporation. Primary duties included the design, implementation, and analysis of over 3,000 residential valuation models that covered the 6 Denver metropolitan counties, El Paso, Pueblo, Larimer, Eagle and Summit Counties in Colorado, as well as Maricopa and Pima Counties in Arizona. Presented and trained client staffs on implementation of ValueCheck®, as well as co-authored user manual.

City & County of Denver, Colorado (1988 - 1990)

Progressively greater responsibilities in all facets of residential and multi-family mass appraisal using Cole Layer Trumble system; modeled multi-family residential properties in Denver County;

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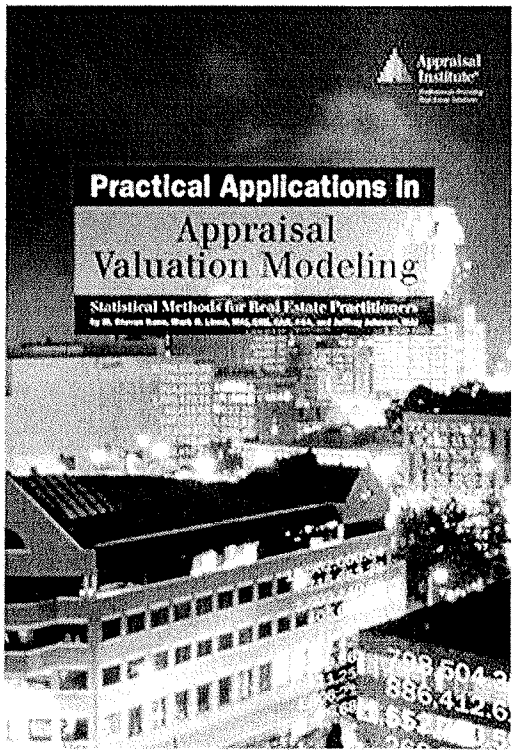
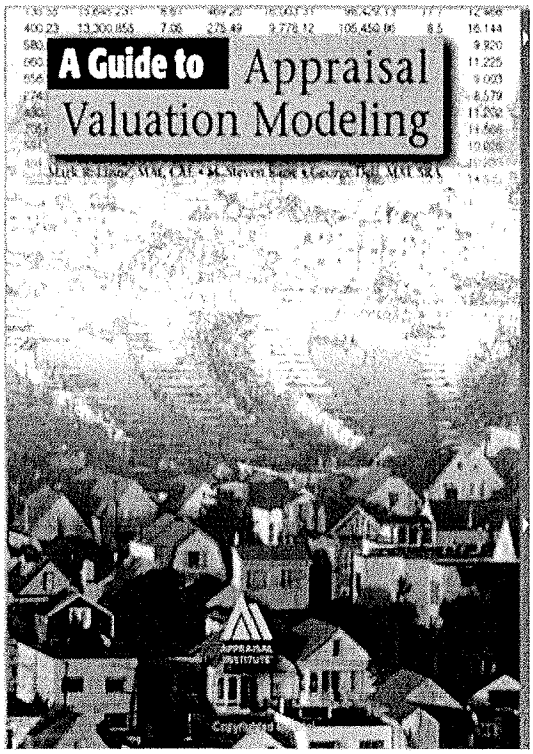
functioned as tax protest contact with general public; presented assessment case data in hearings involving public tax protest.





PUBLICATIONS:

Textbooks:

"**Practical Applications in Appraisal Valuation Modeling**" Principal Author: 2004 Publication by the Appraisal Institute

"**A Guide to Appraisal Valuation Modeling**" Principal Author: 2000 Publication by the Appraisal Institute

Periodicals:

"**The Application of Statistical Analysis**", Valuation Insights and Perspectives, Third Quarter, 2000.

"**Appraisers and Statistics: Adaptation or Extinction**", Valuation Insights and Perspectives, Winter, 1996.

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EDUCATIONAL BACKGROUND:

Appraisal Institute (1998-Present):

Courses

120 - General Appraisal Procedures (Houston TX, 10/98)
310 - Basic Income Capitalization (Houston TX, 03/99)
320 – General Applications (Boulder CO, 06/99)
410 – Professional Standards Part A (Omaha NE, 04/99)
420 – Professional Standards Part B (Boulder CO, 06/99)
510 - Advanced Income Capitalization (Minneapolis MN, 07/99)
520 – Highest and Best Use/Market Analysis (Tempe AZ, 08/99)
530 – Adv Sales Comparison & Cost Appr Analysis (Kansas City MO, 10/04)
540 – Report Writing and Valuation Analysis (Edison NJ, 08/00)
550 – Advanced Applications (Houston TX, 05/00)

- **AWARDED MAI DESIGNATION IN JANUARY 2010**

Seminars/Workshops

Litigation (San Antonio TX, 06/98)
Highest and Best Use: Commercial Case Studies (Orlando FL, 06/99)
Conservation Easements (Las Vegas NV, 06/00)`
Gen Demonstration Report Writing Seminar (Dallas TX, 11/00)
Instructor Leadership and Development Conference (Atlanta, GA, 02/02)
URISA Conferences (Reno, NV 04/02 / Columbus, OH, 04/03)
FNIS Conference (Laguna Beach, CA, 06/03)
Predictive Methods Conference (Newport Beach, CA, 06/03)
Appraisal Summit (Washington DC, 2003)

International Association of Assessment Officers (1988-1989):

Course 1: Fundamentals of Real Property Appraisal (Denver CO, 09/88)
Course 2: Basic Income Capitalization (Denver CO, 09/89)
Course 300: Fundamentals of Mass Appraisal (Phoenix, AZ, 03/02)

Other Coursework:

USPAP, EGOS (Denver CO, 02/98)
Small Residential Income Properties, Univ of Colo (Denver CO, 04/98)
Conservation Easements, ASFMRA (Las Vegas NV, 07/00)
USPAP 2000 Update, EGOS (Denver CO, 12/00)
General Comprehensive Examination Workshop (Dallas TX, 02/01)
Modeling Vacant Land & Commercial Properties w/SPSS (Denver CO, 02/02)
Valuation of Conservation Easements (Sacramento, CA, 02/08)

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Eminent Domain and Condemnation (Denver, 12/08)
Market Analysis and Conditions - The Statistics (Aurora, 03/10)
Cost Approach Fundamentals (Aurora, 04/11)
General Curriculum Overview (Aurora, 11/11)

University of Saint Thomas, Minneapolis, Minnesota (2001-2009):

Master of Science, Real Estate Appraisal; graduated May 2009.
MSRA 610-21 Legal Issues in Valuation
MSRA 610-51 Special Topics in Appraisal
MSRA 610-41 Urban land Economics
MSRA 610-61 Statistical Analysis
MSRA 610-31 Effective Communication
MSRA 610-11 Market Analysis

University of Colorado (1991-1995):

15 hours of Statistical Analysis coursework at the Masters degree level, including Regression Analysis, Descriptive Analysis, and Inferential Analysis.

University of Colorado at Denver (1982-1985):

24 hours of Economics coursework at the Masters Degree level, including Econometrics, Regional Economics, Applied Economic Theory, and Urban Economics.

Regis University, Denver, Colorado (1976-1980):

Bachelor of Science in Economics; Applied Mathematics minor; graduated Cum laude with honors, recipient of Joseph A. Ryan Award in Economics, 1980.

PROFESSIONAL DESIGNATIONS/ASSOCIATION MEMBERSHIPS:

Appraisal Institute:

MAI	**2010-Present**
General Associate	**1999-2010**
Affiliate	**1998-1999**

International Association of Assessing Officers
Member 1988-1990, 2002- Present

Colorado Board of Real Estate Appraisers
Colorado Certified General
Appraiser #CG40013915
Certified through December 31, 2014
Most recent USPAP 7-Hour Update – April 2012

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LITIGATION EXPERIENCE:

February 2011 - Provided deposition testimony involving foreclosure litigation of large scale development tract in El Paso County (factual witness)

MAJOR APPRAISAL ASSIGNMENTS/CLIENTS

Roaring Fork Transportation Authority
FDIC
City of Colorado Springs
Colorado Springs Utilities
Bank Midwest
Bank of the West
Firstbank of Colorado
Town of Crested Butte
Crested Butte Land Trust
Bank of Colorado
Cushman and Wakefield
Bank of America
State of Colorado, Legislative Council
Colorado Business Bank
Colorado Capital Bank
Community Banks of Colorado
Haginas and Chapman
Compass Bank
Solera National Bank
Heart of the Rockies Regional Medical Center

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MAJOR APPRAISAL ASSIGNMENTS

Soda Springs Resort, Soda Springs, California
Granby Ranch, Granby, Colorado
Monument Ridge, Monument, Colorado
Santa Fe Springs, Colorado Springs
Countryside North, Fountain, CO
Riverwalk Development Site, Steamboat Springs, CO
Aidan's Meadow, Eagle, Colorado
Forest Meadows, Colorado Springs, CO
The Shores at Highlands, Breckenridge, CO
Peak 7, Breckenridge, CO
Shock Hill Lodge and Spa, Breckenridge, CO
West Braddock Site, Breckenridge, CO
Eagle Ranch, Eagle, CO
Buckhorn Valley, Gypsum, CO
Residence at Little Nell Site, Aspen, CO
Hidden Mine Ranch, Crested Butte, CO
The Seasons, Montrose, CO
Orvis Shorefox, Granby, CO
Rendezvous, Fraser, CO
Lakota, Winter Park, CO
Grand Elk Ranch and Club, Granby, CO
Snake Canyon Ranch, Jackson, Wyoming
The Wellington Neighborhood, Breckenridge, CO
Stratton Flats, Gypsum, CO
Eagle's Nest Commercial Dev, Eagle, CO
Windwalker, Gypsum, CO
The Lodge at Aspen Mountain, Aspen, CO
Grand Park, Fraser, CO
The Conservatory, Aurora, CO
Signature Vistas, Loveland, CO
SolVista Golf and Ski Ranch, Granby, CO
Ravenna, Douglas County, CO
Canyon Ranch, Crawford, CO
Red Rock Plaza, Carbondale, CO
Willowstone Chalet, Colorado Springs, CO
Parker Station, Parker. CO
Morningstar Preserve, Aspen, CO
The Sardy House, Aspen, CO
Saddle Ridge, Gypsum, CO
Adams Rib PUD, Eagle, CO
Westwood Retail Center, Arvada, CO

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PROFESSIONAL REFERENCES:

Deane Davenport MAI SRA
VP - Senior Commercial Review Appraiser - Bank of the West
303-202-5750

David McArdle, MAI
Managing Director – Cushman & Wakefield
212-841-7789

George Rago, MAI
Managing Director – Cushman & Wakefield
212-841-7851

Randall Hoffman
Branch President/Denver Metro Branch – Bank of Colorado
303-989-8601

Michael Sullivan MAI SRA
Appraisal Review - Bank of the West
303-202-5751

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ADDENDA

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LAYNE F. MANN
Attorney at Law
7475 W. Fifth Avenue
Suite 321
Lakewood, CO 80226

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