BOARD OF COUNTY COMMISSIONERS FOR
ADAMS COUNTY, STATE OF COLORADO

RESOLUTION APPROVING ABATEMENT PETITION REFUND FOR R0061065

Resolution 2014-218

BE IT RESOLVED, by the Board of County Commissioners, County of Adams, State of Colorado, that the Petitions for Abatement or Refund of Taxes, as approved by the Adams County Assessor, are hereby confirmed.

Upon motion duly made and seconded the foregoing resolution was adopted by the following vote:

Henry______________________ Aye
Tedesco____________________ Aye
Hansen_____________________ Aye
Commissioners

STATE OF COLORADO)
County of Adams)

I, __Karen Long__, County Clerk and ex-officio Clerk of the Board of County Commissioners in and for the County and State aforesaid do hereby certify that the annexed and foregoing Order is truly copied from the Records of the Proceedings of the Board of County Commissioners for said Adams County, now in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said County, at Brighton, Colorado this 12th day of May, A.D. 2014.

County Clerk and ex-officio Clerk of the Board of County Commissioners
Karen Long:

By:

E-Signed by Keisha Hirsch
VERIFY authenticity with ApproveIt

Deputy

APPROVAL

ABATEMENT FOR TAX YEAR: 2012

BUSINESS NAME:	30699-2 Assets, LLC			
ACCOUNT NUMBER:	R0061065			
PARCEL NUMBER:	171929111001			
	ACTUAL VALUE	ASSESSED VALUE	MILL LEVY	TAX DOLLARS
ORIGINAL VALUE	$1,325,744	$384,470	107.399	$41,291.69
REVISED VALUE	$710,000	$205,900	107.399	$22,113.45
ABATED VALUE	$615,744	$178,570	107.399	$19,178.24

Provide your reason for the Abatement/Added in the space below:

The 2012 tax year abatement petition is being fully approved @ $710,000. Appraisal on file, this property sold out of foreclosure for $614,400 on 5/18/2012. KM

RECEIVED
MAY 01 2014
Adams County
Commissioners' Office

ADDED ASSESSMENT FOR TAX YEAR:

BUSINESS NAME:				
ACCOUNT NUMBER:				
PARCEL NUMBER:				
	ACTUAL VALUE	ASSESSED VALUE	MILL LEVY	TAX DOLLARS
ORIGINAL VALUE	$0	$0	0	$0.00
REVISED VALUE	$0	$0	0	$0.00
ADDED VALUE	$0	$0	0	$0.00

PETITION FOR ABATEMENT OR REFUND OF TAXES

County: Adams

Date Received RECEIVED
(Use Assessor's or Commissioners' Date Stamp)

NOV 13 2013

OFFICE OF THE
ADAMS COUNTY ASSESSOR

Section I: Petitioner, please complete Section I only.

Date: 11 (Month) 13 (Day) 2013 (Year)

Petitioner's Name: 30699-2 Assets, LLC

Petitioner's Mailing Address: 30699 Russell Ranch Road #295 Westlake Village, CA 91361

City or Town | State | Zip Code

SCHEDULE OR PARCEL NUMBER(S)	PROPERTY ADDRESS OR LEGAL DESCRIPTION OF PROPERTY
01719-29-1-11-001/R0061065	8400 Alcott St Westminster, CO

Petitioner requests an abatement or refund of the appropriate taxes and states that the taxes assessed against the above property for the property tax year 2012 are incorrect for the following reasons: (Briefly describe why the taxes have been levied erroneously or illegally, whether due to erroneous valuation, irregularity in levying, clerical error, or overvaluation. Attach additional sheets if necessary.)

This property was acquired through foreclosure by Velocity Commercial Capital, LLC and then transferred to 30699-2 Assets, LLC. Velocity Commercial Capital is the sole equity member of 30699-2 Assets. The condition of the property was poor, the roof was leaking and there was only one tenant. A full appraisal of the property was completed on 7/29/11 with the value stated as $710,000. The condition of the building in 2012 had deteriorated as the borrower neglected the property. The Adams Co assessor reduced the value of 2013 taxes to $710,000.The value of the property in 2012 was not greater than the agreed upon 2013 value.

Petitioner's estimate of value: $ 710,000 (Value) (2012) (Year)

I declare, under penalty of perjury in the second degree, that this petition, together with any accompanying exhibits or statements, has been prepared or examined by me, and to the best of my knowledge, information, and belief, is true, correct, and complete.

Petitioner's Signature 30699-2 Assets, LLC — Daytime Phone Number (818) 532-3738

By Steve Nicholson, Asset Manager (Agent's Signature*) — Daytime Phone Number ( )

*Letter of agency must be attached when petition is submitted by an agent.

If the Board of County Commissioners, pursuant to § 39-10-114(1), C.R.S., or the Property Tax Administrator, pursuant to § 39-2-116, C.R.S., denies the petition for refund or abatement of taxes in whole or in part, the Petitioner may appeal to the Board of Assessment Appeals pursuant to the provisions of § 39-2-125, C.R.S., within thirty days of the entry of any such decision, § 39-10-114.5(1), C.R.S.

Section II: **Assessor's Recommendation**
(For Assessor's Use Only)

Tax Year 2012

	Actual	Assessed	Tax
Original	1325744	384470	$41291.69
Corrected	710,000	205900	$22113.45
Abate/Refund	615,744	178570	$19178.24

☒ **Assessor recommends approval as outlined above.**

If the request for abatement is based upon the grounds of overvaluation, no abatement or refund of taxes shall be made if an objection or protest to such valuation has been filed and a Notice of Determination has been mailed to the taxpayer, § 39-10-114(1)(a)(I)(D), C.R.S.

Tax year 2012 Protest? ☒ No ☐ Yes (If a protest was filed, please attach a copy of the NOD.)

☐ **Assessor recommends denial for the following reason(s):**

Assessor's or Deputy Assessor's Signature

15-DPT-AR No. 920-66/11

FOR ASSESSORS AND COUNTY COMMISSIONERS USE ONLY
(Section III or Section IV must be completed)

Every petition for abatement or refund filed pursuant to § 39-10-114, C.R.S. shall be acted upon pursuant to the provisions of this section by the Board of County Commissioners or the Assessor, as appropriate, within six months of the date of filing such petition, § 39-1-113(1.7), C.R.S.

Section III: Written Mutual Agreement of Assessor and Petitioner

(Only for abatements up to $10,000)

The Commissioners of ____________________ County authorize the Assessor by Resolution No. ________ to review petitions for abatement or refund and to settle by written mutual agreement any such petition for abatement or refund in an amount of $10,000 or less per tract, parcel, or lot of land or per schedule of personal property, in accordance with § 39-1-113(1.5), C.R.S.

The Assessor and Petitioner mutually agree to the values and tax abatement/refund of:

Tax Year ________

	Actual	Assessed	Tax
Original			
Corrected			
Abate/Refund			

Note: The total tax amount does not include accrued interest, penalties, and fees associated with late and/or delinquent tax payments, if applicable. Please contact the County Treasurer for full payment information.

______________________________ Petitioner's Signature   ______________________________ Date

______________________________ Assessor's or Deputy Assessor's Signature   ______________________________ Date

Section IV: Decision of the County Commissioners

(Must be completed if Section III does not apply)

WHEREAS, the County Commissioners of Adams County, State of Colorado, at a duly and lawfully called regular meeting held on 5/12/14 (Month Day Year), at which meeting there were present the following members:

Chaz Tedesco, Erik Hansen, Eva Henry

with notice of such meeting and an opportunity to be present having been given to the Petitioner and the Assessor of said County and Assessor Gil Reyes (Name) *(being present--not present)* and Petitioner 30699-2 Assets (Name) *(being present--not present)* and WHEREAS, the said County Commissioners have carefully considered the within petition, and are fully advised in relation thereto, NOW BE IT RESOLVED that the Board *(agrees--does not agree)* with the recommendation of the Assessor, and that the petition be *(approved--approved in part--denied)* with an abatement/refund as follows:

Year	Assessed Value	Taxes Abate/Refund
2012	$710,000	$19,178.24

____
Chairperson of the Board of County Commissioners' Signature

I, Karen Long County Clerk and Ex-Officio Clerk of the Board of County Commissioners in and for the aforementioned county, do hereby certify that the above and foregoing order is truly copied from the record of the proceedings of the Board of County Commissioners.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said County this 12th day of May (Month), 2014 (Year).

ADAMS COUNTY COLORADO SEAL

____
County Clerk's or Deputy County Clerk's Signature

Note: Abatements greater than $10,000 per schedule, per year, must be submitted in duplicate to the Property Tax Administrator for review.

Section V: Action of the Property Tax Administrator

(For all abatements greater than $10,000)

The action of the Board of County Commissioners, relative to this petition, is hereby

☐ Approved ☐ Approved in part $________________ ☐ Denied for the following reason(s):

______________________ Secretary's Signature   ______________________ Property Tax Administrator's Signature   __________ Date

15-DPT-AR No. 920-66/11

REAL AND PERSONAL PROPERTY
NOTICE OF DETERMINATION

Gil Reyes
ADAMS Assessor
4430 SOUTH ADAMS COUNTY PKWY
BRIGHTON, CO 80601

Date of Notice: 6/14/2013
Telephone: 720-523-6038
Fax: 720-523-6037
Review #: 85269

SCHEDULE/ACCOUNT NO.	TAX YEAR	TAX AREA	LEGAL DESCRIPTION/ PHYSICAL LOCATION
01719-29-1-11-001/R0061065	2013	158	SUB:PRESS SUBDIVISION BLK:1 LOT:1 8400 ALCOTT ST WESTMINSTER, CO
PROPERTY OWNER: 30699-2 ASSETS LLC 2711 CENTERVILLE RD STE 400 WILMINGTON, DE 198081646			

PROPERTY CLASSIFICATION		PROPERTY OWNER'S ESTIMATE OF VALUE	ASSESSOR'S VALUATION	
			ACTUAL VALUE PRIOR TO REVIEW	ACTUAL VALUE AFTER REVIEW
COMMERCIAL		614,357	1,326,688	710,000
	TOTAL	614357	1326688	710000

The Assessor has carefully studied all 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:

VALUE ADJUSTED BASED UPON INFORMATION SUBMITTED

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.

15-DPT-AR
PR 207-08/08
NOD #: 40553

PETITION FOR ABATEMENT OR REFUND OF TAXES

County: Adams

Date Received RECEIVED
(Use Assessor's or Commissioners' Date Stamp)

NOV 13 2013

OFFICE OF THE
ADAMS COUNTY ASSESSOR

Section I: Petitioner, please complete Section I only.

Date: 11 (Month) 13 (Day) 2013 (Year)

Petitioner's Name: 30699-2 Assets, LLC

Petitioner's Mailing Address: 30699 Russell Ranch Road #295 Westlake Village, CA 91361

City or Town / State / Zip Code

SCHEDULE OR PARCEL NUMBER(S)	PROPERTY ADDRESS OR LEGAL DESCRIPTION OF PROPERTY
01719-29-1-11-001/R0061065	8400 Alcott St Westminster, CO

Petitioner requests an abatement or refund of the appropriate taxes and states that the taxes assessed against the above property for the property tax year 2012 are incorrect for the following reasons: (Briefly describe why the taxes have been levied erroneously or illegally, whether due to erroneous valuation, irregularity in levying, clerical error, or overvaluation. Attach additional sheets if necessary.)

This property was acquired through foreclosure by Velocity Commercial Capital, LLC and then transferred to 30699-2 Assets, LLC. Velocity Commercial Capital is the sole equity member of 30699-2 Assets. The condition of the property was poor, the roof was leaking and there was only one tenant. A full appraisal of the property was completed on 7/29/11 with the value stated as $710,000. The condition of the building in 2012 had deteriorated as the borrower neglected the property. The Adams Co assessor reduced the value of 2013 taxes to $710,000.The value of the property in 2012 was not greater than the agreed upon 2013 value.

Petitioner's estimate of value: $ 710,000 (Value) (2012) (Year)

I declare, under penalty of perjury in the second degree, that this petition, together with any accompanying exhibits or statements, has been prepared or examined by me, and to the best of my knowledge, information, and belief, is true, correct, and complete.

Petitioner's Signature 30699-2 Assets, LLC — Daytime Phone Number (818) 532-3738

By Steve Nicholson, Asset Manager — Daytime Phone Number (   )

Agent's Signature*

***Letter of agency must be attached when petition is submitted by an agent.**

If the Board of County Commissioners, pursuant to § 39-10-114(1), C.R.S., or the Property Tax Administrator, pursuant to § 39-2-116, C.R.S., denies the petition for refund or abatement of taxes in whole or in part, the Petitioner may appeal to the Board of Assessment Appeals pursuant to the provisions of § 39-2-125, C.R.S., within thirty days of the entry of any such decision, § 39-10-114.5(1), C.R.S.

Section II: **Assessor's Recommendation**
(For Assessor's Use Only)

Tax Year ______

	Actual	Assessed	Tax
Original			
Corrected			
Abate/Refund			

☐ **Assessor recommends approval as outlined above.**

If the request for abatement is based upon the grounds of overvaluation, no abatement or refund of taxes shall be made if an objection or protest to such valuation has been filed and a Notice of Determination has been mailed to the taxpayer, § 39-10-114(1)(a)(I)(D), C.R.S.

Tax year: ______ Protest? ☐ No ☐ Yes (If a protest was filed, please attach a copy of the NOD.)

☐ **Assessor recommends denial for the following reason(s):**

Assessor's or Deputy Assessor's Signature

15-DPT-AR No. 920-66/11

FOR ASSESSORS AND COUNTY COMMISSIONERS USE ONLY

(Section III *or* Section IV must be completed)

Every petition for abatement or refund filed pursuant to § 39-10-114, C.R.S. shall be acted upon pursuant to the provisions of this section by the Board of County Commissioners or the Assessor, as appropriate, within six months of the date of filing such petition, § 39-1-113(1.7), C.R.S.

Section III: Written Mutual Agreement of Assessor and Petitioner

(Only for abatements up to $10,000)

The Commissioners of ______________________ County authorize the Assessor by Resolution No. _________ to review petitions for abatement or refund and to settle by written mutual agreement any such petition for abatement or refund in an amount of $10,000 or less per tract, parcel, or lot of land or per schedule of personal property, in accordance with § 39-1-113(1.5), C.R.S.

The Assessor and Petitioner mutually agree to the values and tax abatement/refund of:

Tax Year _________

	Actual	Assessed	Tax
Original	________	________	________
Corrected	________	________	________
Abate/Refund	________	________	________

Note: The total tax amount does not include accrued interest, penalties, and fees associated with late and/or delinquent tax payments, if applicable. Please contact the County Treasurer for full payment information.

______________________________ ______________________________
Petitioner's Signature Date

______________________________ ______________________________
Assessor's or Deputy Assessor's Signature Date

Section IV: Decision of the County Commissioners

(Must be completed if Section III does not apply)

WHEREAS, the County Commissioners of _________________ County, State of Colorado, at a duly and lawfully called regular meeting held on _____/_____/_____, at which meeting there were present the following members:
Month Day Year

____

____

with notice of such meeting and an opportunity to be present having been given to the Petitioner and the Assessor of said County and Assessor ______________________________ *(being present--not present)* and
Name

Petitioner ______________________________ *(being present–not present)*, and WHEREAS, the said
Name

County Commissioners have carefully considered the within petition, and are fully advised in relation thereto, NOW BE IT RESOLVED that the Board *(agrees--does not agree)* with the recommendation of the Assessor, and that the petition be *(approved--approved in part--denied)* with an abatement/refund as follows:

Year	Assessed Value	Taxes Abate/Refund
______	__________	__________

____
Chairperson of the Board of County Commissioners' Signature

I, ______________________________ County Clerk and Ex-Officio Clerk of the Board of County Commissioners in and for the aforementioned county, do hereby certify that the above and foregoing order is truly copied from the record of the proceedings of the Board of County Commissioners.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said County

this __________ day of__________________, _________.
Month Year

____
County Clerk's or Deputy County Clerk's Signature

Note: Abatements greater than $10,000 per schedule, per year, must be submitted in duplicate to the Property Tax Administrator for review.

Section V: Action of the Property Tax Administrator

(For all abatements greater than $10,000)

The action of the Board of County Commissioners, relative to this petition, is hereby

☐ Approved ☐ Approved in part $__________________ ☐ Denied for the following reason(s):

______________________________ ______________________________ __________
Secretary's Signature Property Tax Administrator's Signature Date

REAL AND PERSONAL PROPERTY NOTICE OF DETERMINATION

Gil Reyes
ADAMS Assessor
4430 SOUTH ADAMS COUNTY PKWY
BRIGHTON, CO 80601

Date of Notice: 6/14/2013
Telephone: 720-523-6038
Fax: 720-523-6037
Review #: 85269

SCHEDULE/ACCOUNT NO.	TAX YEAR	TAX AREA	LEGAL DESCRIPTION/ PHYSICAL LOCATION
01719-29-1-11-001/R0061065	2013	158	SUB:PRESS SUBDIVISION BLK:1 LOT:1 8400 ALCOTT ST WESTMINSTER, CO
PROPERTY OWNER: 30699-2 ASSETS LLC 2711 CENTERVILLE RD STE 400 WILMINGTON, DE 198081646			

PROPERTY CLASSIFICATION		PROPERTY OWNER'S ESTIMATE OF VALUE	ASSESSOR'S VALUATION: ACTUAL VALUE PRIOR TO REVIEW	ASSESSOR'S VALUATION: ACTUAL VALUE AFTER REVIEW
COMMERCIAL		614,357	1,326,688	710,000
	TOTAL	614357	1326688	710000

The Assessor has carefully studied all 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:

VALUE ADJUSTED BASED UPON INFORMATION SUBMITTED

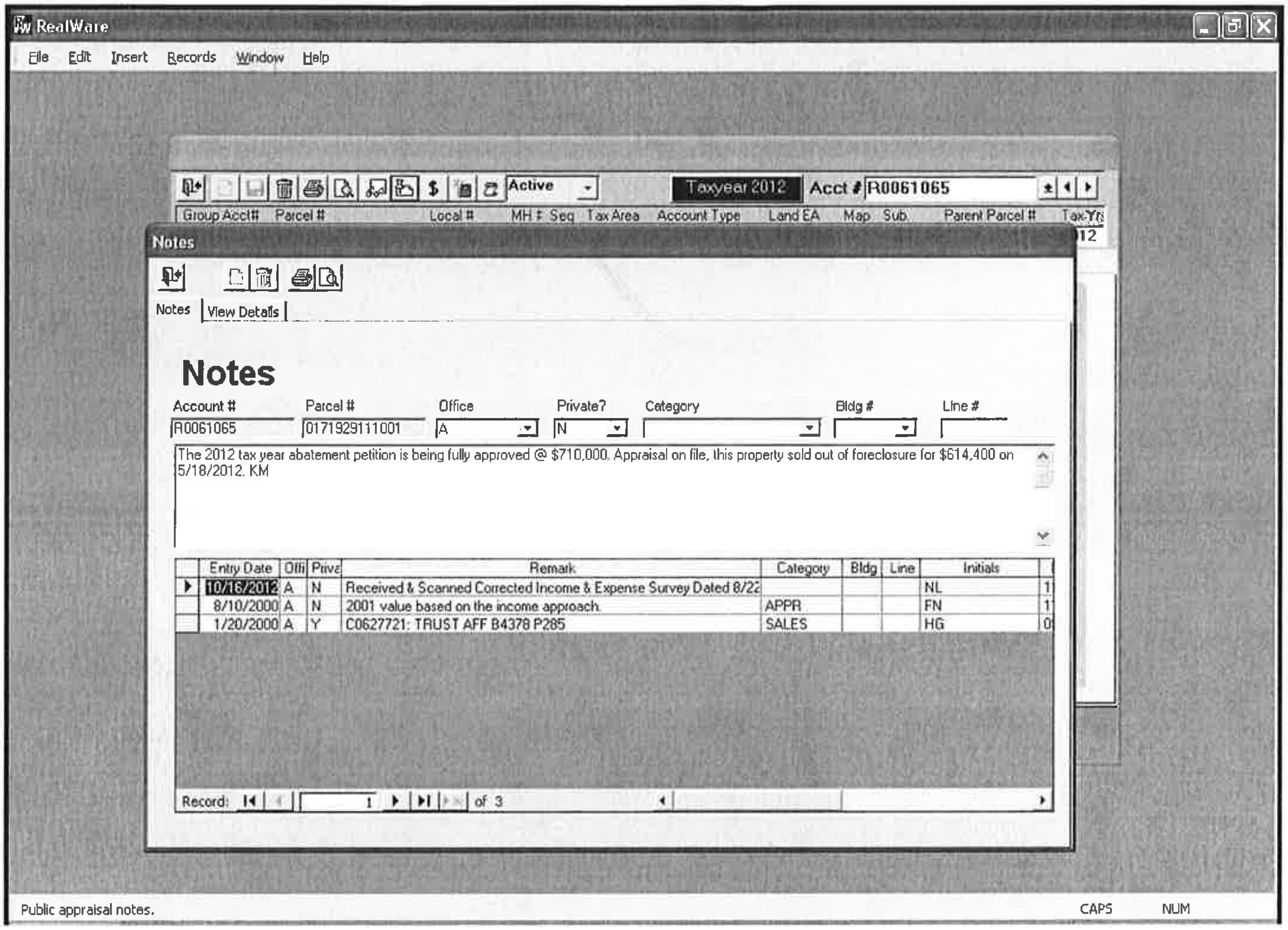
If you disagree with the Assessor's decision, you have the right to appeal to the County Board of Equalization for further consideration, § 39-8-106(1)(a), C.R.S.

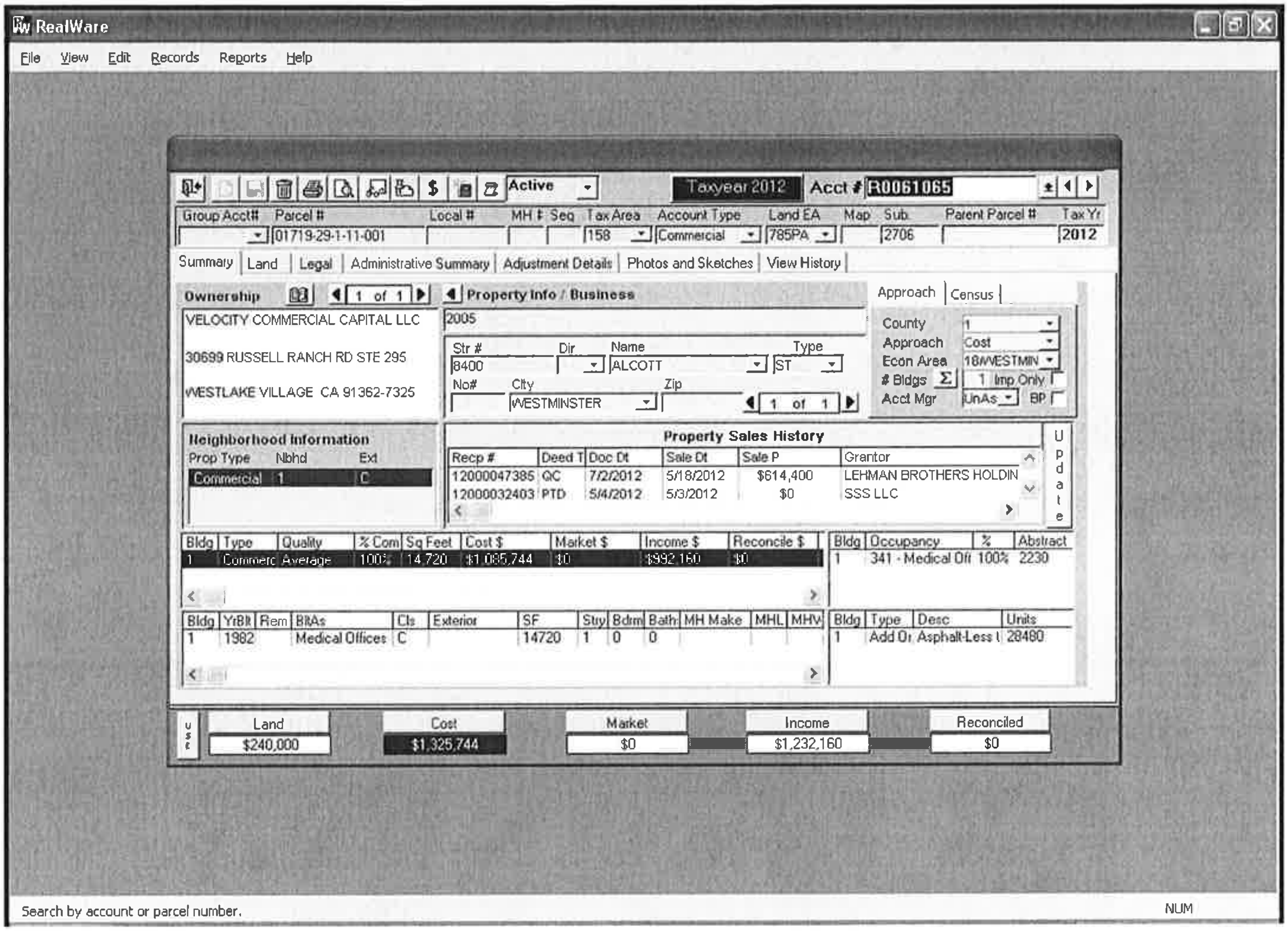
The deadline for filing real property appeals is July 15.
The deadline for filing personal property appeals is July 20.

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.

15-DPT-AR
PR 207-08/08
NOD #: 40553


RealWare
File Edit Insert Records Window Help
Active
Taxyear 2012
Acct # R0061065
Group Acct# Parcel # Local # MH # Seq Tax Area Account Type Land EA Map Sub. Parent Parcel # TaxYr
Notes
Notes View Details
Notes
Account # R0061065
Parcel # 0171929111001
Office A
Private? N
Category
Bldg #
Line #
The 2012 tax year abatement petition is being fully approved @ $710,000. Appraisal on file, this property sold out of foreclosure for $614,400 on 5/18/2012. KM
Entry Date | Offi | Priva | Remark | Category | Bldg | Line | Initials
10/16/2012 | A | N | Received & Scanned Corrected Income & Expense Survey Dated 8/22 | | | | NL
8/10/2000 | A | N | 2001 value based on the income approach. | APPR | | | FN
1/20/2000 | A | Y | C0627721: TRUST AFF B4378 P285 | SALES | | | HG
Record: 1 of 3
Public appraisal notes.
CAPS NUM


RealWare
File View Edit Records Reports Help
Active
Taxyear 2012
Acct # R0061065
Group Acct# Parcel # Local # MH # Seq Tax Area Account Type Land EA Map Sub. Parent Parcel # Tax Yr
01719-29-1-11-001
158
Commercial
785PA
2706
2012
Summary Land Legal Administrative Summary Adjustment Details Photos and Sketches View History
Ownership 1 of 1
VELOCITY COMMERCIAL CAPITAL LLC
30699 RUSSELL RANCH RD STE 295
WESTLAKE VILLAGE CA 91362-7325
Property Info / Business
2005
Str # Dir Name Type
8400 ALCOTT ST
No# City Zip
WESTMINSTER
1 of 1
Approach Census
County 1
Approach Cost
Econ Area 18/WESTMIN
Bldgs 1 Imp Only
Acct Mgr UnAs BP
Neighborhood Information
Prop Type Nbhd Ext
Commercial 1 C
Property Sales History
Recp # Deed T Doc Dt Sale Dt Sale P Grantor
12000047385 QC 7/2/2012 5/18/2012 $614,400 LEHMAN BROTHERS HOLDIN
12000032403 PTD 5/4/2012 5/3/2012 $0 SSS LLC
Update
Bldg Type Quality % Com Sq Feet Cost $ Market $ Income $ Reconcile $
1 Commerc Average 100% 14,720 $1,085,744 $0 $992,160 $0
Bldg Occupancy % Abstract
1 341 - Medical Off 100% 2230
Bldg YrBlt Rem BltAs Cls Exterior SF Stry Bdrm Bath MH Make MHL MHV
1 1982 Medical Offices C 14720 1 0 0
Bldg Type Desc Units
1 Add On Asphalt-Less 28480
Land $240,000
Cost $1,325,744
Market $0
Income $1,232,160
Reconciled $0
Search by account or parcel number.
NUM

PETITION FOR ABATEMENT OR REFUND OF TAXES

County: Adams

Date Received RECEIVED
(Use Assessor's or Commissioners' Date Stamp)

NOV 13 2013

OFFICE OF THE
ADAMS COUNTY ASSESSOR

Section I: Petitioner, please complete Section I only.

Date: 11 13 2013
Month Day Year

Petitioner's Name: 30699-2 Assets, LLC

Petitioner's Mailing Address: 30699 Russell Ranch Road #295 Westlake Village, CA 91361

City or Town State Zip Code

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Petitioner's estimate of value: $ 710,000 (2012)
Value Year

I declare, under penalty of perjury in the second degree, that this petition, together with any accompanying exhibits or statements, has been prepared or examined by me, and to the best of my knowledge, information, and belief, is true, correct, and complete.

Petitioner's Signature 30699-2 Assets, LLC — Daytime Phone Number (818) 532-3738

By Steve Nicholson, Asset Manager — Daytime Phone Number ( )
Agent's Signature*

*Letter of agency must be attached when petition is submitted by an agent.

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Section II: **Assessor's Recommendation**
(For Assessor's Use Only)

Tax Year ______

	Actual	Assessed	Tax
Original			
Corrected			
Abate/Refund			

☐ **Assessor recommends approval as outlined above.**

If the request for abatement is based upon the grounds of overvaluation, no abatement or refund of taxes shall be made if an objection or protest to such valuation has been filed and a Notice of Determination has been mailed to the taxpayer, § 39-10-114(1)(a)(I)(D), C.R.S.

Tax year: ______ Protest? ☐ No ☐ Yes (If a protest was filed, please attach a copy of the NOD.)

☐ **Assessor recommends denial for the following reason(s):**

Assessor's or Deputy Assessor's Signature

15-DPT-AR No. 920-66/11

FOR ASSESSORS AND COUNTY COMMISSIONERS USE ONLY

(Section III or Section IV must be completed)

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Section III: Written Mutual Agreement of Assessor and Petitioner

(Only for abatements up to $10,000)

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The Assessor and Petitioner mutually agree to the values and tax abatement/refund of:

Tax Year _________

	Actual	Assessed	Tax
Original	____________	____________	____________
Corrected	____________	____________	____________
Abate/Refund	____________	____________	____________

Note: The total tax amount does not include accrued interest, penalties, and fees associated with late and/or delinquent tax payments, if applicable. Please contact the County Treasurer for full payment information.

______________________________ ______________________________
Petitioner's Signature Date

______________________________ ______________________________
Assessor's or Deputy Assessor's Signature Date

Section IV: Decision of the County Commissioners

(Must be completed if Section III does not apply)

WHEREAS, the County Commissioners of ________________ County, State of Colorado, at a duly and lawfully called regular meeting held on _____/_____/_____, at which meeting there were present the following members:
Month Day Year

____

____

with notice of such meeting and an opportunity to be present having been given to the Petitioner and the Assessor of said County and Assessor ______________________________ *(being present--not present)* and
Name

Petitioner ______________________________ *(being present--not present)*, and WHEREAS, the said
Name

County Commissioners have carefully considered the within petition, and are fully advised in relation thereto, NOW BE IT RESOLVED that the Board *(agrees--does not agree)* with the recommendation of the Assessor, and that the petition be *(approved--approved in part--denied)* with an abatement/refund as follows:

Year	Assessed Value	Taxes Abate/Refund
______	____________	____________

____
Chairperson of the Board of County Commissioners' Signature

I, ______________________________ County Clerk and Ex-Officio Clerk of the Board of County Commissioners in and for the aforementioned county, do hereby certify that the above and foregoing order is truly copied from the record of the proceedings of the Board of County Commissioners.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said County

this __________ day of __________________, _________.
Month Year

____
County Clerk's or Deputy County Clerk's Signature

Note: Abatements greater than $10,000 per schedule, per year, must be submitted in duplicate to the Property Tax Administrator for review.

Section V: Action of the Property Tax Administrator

(For all abatements greater than $10,000)

The action of the Board of County Commissioners, relative to this petition, is hereby

☐ Approved ☐ Approved in part $__________________ ☐ Denied for the following reason(s):

______________________________ ______________________________ __________
Secretary's Signature Property Tax Administrator's Signature Date

15-DPT-AR No. 920-66/11

REAL AND PERSONAL PROPERTY
NOTICE OF DETERMINATION

Gil Reyes
ADAMS Assessor
4430 SOUTH ADAMS COUNTY PKWY
BRIGHTON, CO 80601

Date of Notice: 6/14/2013
Telephone: 720-523-6038
Fax: 720-523-6037
Review #: 85269

SCHEDULE/ACCOUNT NO.	TAX YEAR	TAX AREA	LEGAL DESCRIPTION/ PHYSICAL LOCATION
01719-29-1-11-001/R0061065	2013	158	SUB:PRESS SUBDIVISION BLK:1 LOT:1 8400 ALCOTT ST WESTMINSTER, CO
PROPERTY OWNER: 30699-2 ASSETS LLC 2711 CENTERVILLE RD STE 400 WILMINGTON, DE 198081646			

PROPERTY CLASSIFICATION		PROPERTY OWNER'S ESTIMATE OF VALUE	ASSESSOR'S VALUATION	
			ACTUAL VALUE PRIOR TO REVIEW	ACTUAL VALUE AFTER REVIEW
COMMERCIAL		614,357	1,326,688	710,000
	TOTAL	614357	1326688	710000

The Assessor has carefully studied all 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:

VALUE ADJUSTED BASED UPON INFORMATION SUBMITTED

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.

15-DPT-AR
PR 207-08/08
NOD #: 40553

Account #	**Adams County Assessor**	**Tax Year**
R0061065	***Protest Inquiry Form***	2013

Review # 85269 **ReviewType** ASR Level **Notice Print Date**

Taxpayer Name 30699-2 ASSETS LLC

Parcel # 0171929111001

Status Hold

Taxpayer Address 2711 CENTERVILLE RD STE 400

WILMINGTON DE 198081646

Taxpayer Estimated Value

$614,357

Legal Description SUB:PRESS SUBDIVISION BLK:1 LOT:1

Notice Value

$1,326,688

Agent Name KENDRICK PROPERTY TAX CONSULTANTS

Assessor Final Value

$0

Agent Address 10910 W WALKER DR

LITTLETON CO 80127

Appeal Date **Appeal Time** to

Appeal Method Mail

Decision/Reason

Assigned To Ken M

Appraiser Use Only

ADJUST OR DENY: A -12

REASON NUMBER OR TEXT:

NEW VALUE: L 252,000 B 458,000 T 710,000

COMMENTS: The subject was purchased on 5/18/2012 for $614,000. This sale was questionable because the grantor was Lehman Brothers, which was one of the largest financial institutions responsible for the financial failures of the US economy when it went out of business. The subject was appraised for $710,000 on July 25, 2011. Adjust the value to consider the base year appraisal of the subject. According to Costar, the building is 100% occupied. The value was originally determined by the cost approach.

Dan Delmundo

Adams County Assessor's Office
4430 South Adams County Parkway
2nd Floor, Ste C2100
Brighton, CO 80601

May 16, 2013

Please allow this letter to serve as the assessment appeal for the following property:

Acct# R0061065 (Subject)
8400 Alcott St

I am the agent that will be representing the ownership, the authorization is attached. My contact information for correspondence:

Rick Hinn
Kendrick Property Tax Consultants
10910 W Walker Dr
Littleton, CO 80127
303-569-8225

Please see below regarding the appeal

This property was purchased on May 18, 2012 for $614,357.

An appraisal was performed on the property with an effective date of July 25, 2011 with a market value of $710,000.

A liquidation sale value was requested and based on an estimated marketing time of 90 days or less, the value was $355,000.

In May of 2012, the property was 85% vacant with the five tenant leases expiring within 2 months or they had month-to-month leases.

Due to the current state of the property as of June 30, 2012 with a recent sales price of $614,357, ownership believes that this represents the true market value.

Ownership estimated value as of June 30, 2012

$614,357

KENDRICK PROPERTY TAX
CONSULTANTS

To Whom It May Concern,

This letter shall authorize Kendrick Property Tax Consultants to represent us concerning taxes on Real Property for years 2013 - 2014 (and any prior years if applicable). The owner, address and schedule number(s) for the subject property(s) are as follows:

30699-2 Assets LLC
8400 Alcott St, Westminster, CO 80031
Acct# R0061065

Kendrick Property Tax is authorized to investigate appraisals and assessments, to appeal property assessments and taxes, to appear before administrative boards or agencies and where authorized to appear before courts of competent jurisdiction.

The rights, powers and authorization of Kendrick Property Tax Consultants herein granted shall commence upon the execution of this letter of authorization and shall remain in force and effect until written notice of termination is received or until the purpose for which this letter of authorization is given, is complete.

Sincerely,

RICK FAVELA - SVP & DIRECTOR OF EO   MAY 14, 2013
Print Name / Title   Date

Signature

PHONE 303.569.8225 FAX 303.595.5219
rick@coloradopropertytax.org
10910 W WALKER DR. LITTLETON, CO 80127

May 2012
Rent Roll

May - 2012

Name of Tenant	Suite	Sq. Feet	Monthly Rent	Amount Paid to Receiver	Balance Due	Per Sq Ft	Escalations	Lease Expiration	Comments
VACANT	101	[illegible]	$0.00		$0.00	$0.00	NA		Suite needs a lot of work
VACANT	102	[illegible]	$0.00		$0.00	$0.00	NA		Suite needs a lot of work
[illegible] Wellness	103	[illegible]					NA		
VACANT	103-1		$0.00		$0.00		NA		
Jane Porter	103-2		$350.00	$350.00	$0.00		NA	Exp - Mo to Mo	Jane's rent is due on the 15th of the month
VACANT	103-3		$0.00		$0.00		NA		
VACANT	103-4		$0.00		$0.00		NA		
VACANT	103-5		$0.00		$0.00		NA		
VACANT	103-6		$0.00		$0.00		NA		
VACANT	103-7		$0.00		$0.00		NA		
VACANT	103-8		$0.00		$0.00		NA		
[illegible] Ponce	103-9		$150.00	$150.00	$0.00		NA	7/1/2012	
VACANT	103-10		$0.00		$0.00		NA		
VACANT	103-11		$0.00		$0.00		NA		
VACANT	103-12		$0.00		$0.00		NA		
Knead a Brass	103-13		$350.00	$350.00	$0.00		NA	Exp Mo to Mo	
VACANT	103-14		$0.00		$0.00		NA		
White Tiger	103-15		$350.00	$350.00	$0.00		NA	6/30/2012	Signed new lease with Receiver
VACANT	104	1,179	$0.00		$0.00	$0.00	NA		Space needs some work - was a hair salon
VACANT	106	2,100	$0.00		$0.00	$0.00	NA		Suite needs a lot of work
Provident Adult Health	106	2,178	[illegible]	[illegible]	$0.00	$21.00	NA	11/30/2011	Paying month to month
VACANT	109	1,003	$0.00		$0.00	$0.00	NA		Suite needs a lot of work
		11,848	$5,008.00	$5,008.00	$0.00				

estimated suite size

1:53 PM
6/17/2012

CBRE
CB RICHARD ELLIS

1225 17th Street, Suite 1570
Denver, CO 80202
T (303) 628-7474
F (303) 628-1757
www.cbre.com

July 29, 2011

Lisa Kimbro, MAI
AURORA BANK FSB, COMMERCIAL SERVICES
27472 Portola Parkway, Suite 205 #419
Foothill Ranch, CA 92610

RE: Appraisal of Alcott Medical Center
8400 Alcott Street
Westminster, Adams County, CO 80031
CBRE File No 11-277DN-0614
Client Reference No 7000000013

Dear Ms. Kimbro:

At your request and authorization, CB Richard Ellis (CBRE) has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Self-Contained Appraisal Report.

The subject is a 14,720-square foot medical office property located at 8400 Alcott Street in Westminster, Colorado. The improvements were constructed in 1982 and are situated on a 1.102-acre site. It is regarded as a Class C property in this market. Although requested, no reliable property data (rent roll, operating statements, leases, etc.) was available for review during the appraisal process. Therefore, we have relied on the public information from the Adams County Assessor for the building size and land area. Based on a personal tour of the subject property we have estimated the property to be approximately 85.7% occupied and is considered to be in fair to average overall condition. Also according to the receiver's report, a majority of the leases are short term and have less than 12 months left until expiration. We have appraised the fee simple interest in the subject property due to the lack of reliable information and short lease terms. The subject is more fully described, legally and physically, within the enclosed report.

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

MARKET VALUE CONCLUSION			
Appraisal Premise	**Interest Appraised**	**Date of Value**	**Value Conclusion**
As Is	Fee Simple Estate	July 25, 2011	$710,000
Liquidation Value	Fee Simple Estate	July 25, 2011	$355,000

Compiled by CBRE

Based on the subject's estimated exposure and marketing time of 12 months and the requested requirement for liquidation sale value, we have estimated that a 50% discount from the complex's market value would be required. The discount is based upon an estimated marketing time of 90-days or less. It assumes the seller is under extreme compulsion to sell and there is a severely limited future marketing period. Based on the analysis contained in the following report, the liquidation value of the subject is $355,000 ($710,000 X 50%).

Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, 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. It also conforms to the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) and Title XI Regulations.

The report is for the sole use of the client; however, client 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 appraiser is 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 CBRE 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.

CBRE hereby expressly grants to Client the right to copy this report and distribute it to other parties in the transaction for which this report has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any. It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us..

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES

Christopher P. Wong

Christopher P. Wong
Real Estate Analyst
Registered Appraiser: State of Colorado
No. AR100004637
Phone: 303-628-1793
Fax: 303-628-1757
Email: christopher.wong@cbre.com

Christopher N. Baker, MAI
Director
Colorado Certified General Appraiser
No. CG 40003507
Phone: 303-628-7480
Fax: 303-628-1757
Email: chris.baker@cbre.com

Thomas D. Baroch, MAI
Managing Director
Certified General Real Estate Appraiser: State of Colorado (No. CG01315467)
Phone: (303) 628-7474
Fax: (303) 628-1757
Email: tom.baroch@cbre.com

ADAMS COUNTY ASSESSOR
PROPERTY PROFILE

Account #: R0061065
Local #:

Parcel #: 0171929111001
MH Seq #: **MH Space:**

Appr Year: 2013 **Levy:** 107.399 **# of Bldgs:** 1 **Create On:**
Tax Dist: 158 **Map #:** **LEA:** 785PA **Active On:** 19960101
Assign To: UnAssigned **Initials:** DPD **Acct Type:** Commercial **InactiveOn:**
New Growth: 0 **Last Updated:** 6/10/2013

Owner's Name and Address:

30699-2 ASSETS LLC

2711 CENTERVILLE RD STE 400

WILMINGTON DE 198081646

Business: 2005

Property Address:

Street: 8400 ALCOTT ST
City: WESTMINSTER

Sales Summary

Sale Date	Sale Price	Deed Type	Reception #	Book	Page #	Grantor
11/9/2012	$0	QC	13000000730	2013		VELOCITY COMMERCIAL CAPITAL LLC
5/18/2012	$614,400	QC	12000047385	2012		LEHMAN BROTHERS HOLDINGS INC
5/3/2012	$0	PTD	12000032403	2012		SSS LLC
1/31/2003	$1,290,000	WD	C1092908			SHIRLEY COMPANY INC THE
12/13/1999	$1,500,000	WD	C0627721	5998	193	NACAMULI 1994 FAMILY TRUST ET
8/23/1994	$0	BS	38594	4378	286	
7/30/1993	$1,300,000	WD	24036	4120	881	

Legal Description

SUB:PRESS SUBDIVISION BLK:1 LOT:1

Subdivision Name:
PRESS SUBDIVISION

Land Valuation Summary

Land Type	Ag Code	Abst Code	Square Feet	Unit of Measure	Number Of Units	Value Per Unit	Actual Value	Assmt Percent	*Assessed Value
Commercial		2120	48,000	Square Feet	48000	$5.25	$252,000.00	0.29	$73,080

ADAMS COUNTY ASSESSOR
PROPERTY PROFILE

Account #: R0061065 **Parcel #:** 0171929111001

Local #: **MH Seq #:** **MH Space:**

Land Subtotal:	**48000**	**$252,000.00**	**$73,080**

Buildings Valuation Summary

Bldg #	Property Type	Abst Code	Occupancy	Actual Value	Assmt Percent	*Assessed Value
1	Commercial	2220	341 - Medical Offices	$458,000	0.29	$132,820
Improvements Subtotal:				**$458,000**		**$132,820**

Total Property Value	**$710,000**	**$205,900**

*Approximate Assessed Value

Building #: 1

Property Type: Commercial

Quality: Average

Condition: Average

Perimeter: 564

Percent Comp: 100.00%

Condo SF	Condo % Land:	Condo % Bldg:	Unit Type:	Landscaping $:
	0	1		$0.00

Nbhd: 1

Nbhd Ext: C

Nbhd Adj: 1

Occupancy: Medical Offices

ADAMS COUNTY ASSESSOR
PROPERTY PROFILE

Account #: R0061065
Local #:

Parcel #: 0171929111001
MH Seq #: **MH Space:**

Individual Built As Detail

Built As:	Medical Offices	**Year Built:**	1982
Construction Type:	C	**Year Remodeled:**	
HVAC:	Warm and Cool Air Zone	**% Remodeled:**	
Interior Finish:		**Adj Year Blt:**	1982
Roof Cover:		**Effective Age:**	30
Built As SF:	14720	**Mh Make:**	
# of Baths:		**Tag Length/Width:**	X
# of Bdrms:		**Tag Length/Width:**	X
# of Stories:	1	**Mh Skirting LF:**	
Story Height:	12	**MH Skirting Type:**	
Sprinkler SF:		**Diameter:**	
Capacity:		**Height:**	

Building Details

Bldg #: 1	Units	Units Price	RCN	Actual Value
Add On				
Asphalt-Less than 1000 sq. ft.	28480	$2.01	$57,244.80	$35,492.00

Value Details

RCN Cost/SF:	$121.72	**Design Adj %:**	0	**Func Obs %:**	0
Total RCN:	$1,848,963.00	**Exterior Adj %:**	0	**Econ Obs %:**	0
Phys Depr %:	0.42	**Interior Adj %:**	0	**Other Obs %:**	0
Phys Depr $:	774275	**Amateur Adj %:**	0		
RCNLD $:	$1,074,688.00	**RCNLD Cost/SF**	$73.01	**Market/SF:**	$0.00

Account Notes

Account #: R0061065

Entry Date	Office	Note	Bldg	Category
8/10/2000	A	2001 value based on the income approach.		APPR
10/16/2012	A	*Received & Scanned Corrected Income & Expense Survey Dated 8/22/12*		
6/10/2013	A	Review # 85269 Adjust the value to consider that the subject was appraised for $710,000 on 7/25/2011 by third party.		

R0061065
8400 Alcott St
INCOME APPROACH

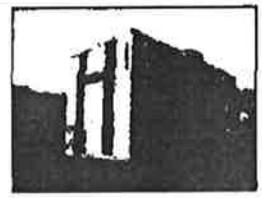
Potential Gross Income				
Total Rentable Area in sf is: 14,720	$14.00 /sf	$206,080		
Total Potential Gross Income			$206,080	
less 15% Vacancy			$30,912	
Effective Gross Income:			$175,168	
Less Operating Expenses,(apprxmtely) 40% of the Eff'ctve Gross Inc.			$70,067	$4.76 /sf
Net Operating Income Before Capitalization			$105,101	
Capitalization Rate:			14.8%	
Value using the Income Approach			$710,000	
Net Operating Income divided by the Capitalization Rate			$48.23 / sf	
Inc Aprch **Value for the Subject**			**$710,000**	
Assigned Value for the subject			$1,326,688	$90.13 /sf
Difference in value			($616,688)	

7 10390 W Bradford Rd - Bradford Office Suites — SOLD

Littleton, CO 80127 — Jefferson County

Sale Date:	04/17/2012 (818 days on mkt)	Bldg Type:	Class B Office
Sale Price:	$1,390,000 - Confirmed	Year Built/Age:	Built 2002 Age: 10
Price/SF:	$111.54	RBA:	12,462 SF
Pro Forma Cap	-	Parcel No:	59-334-11-006
Actual Cap Rate:	-		
Comp ID:	2301301	Sale Conditions:	-
Research Status:	Confirmed		

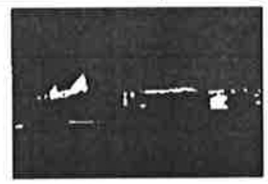
8 1391 Carr St - Parkview Office Plaza — SOLD



Lakewood, CO 80214 — Jefferson County

Sale Date:	12/07/2011 (1,037 days on mkt)	Bldg Type:	Class C Office
Sale Price:	$435,000 - Full Value	Year Built/Age:	Built 1974 Age: 37
Price/SF:	$26.86	RBA:	16,076 SF
Pro Forma Cap	-	Parcel No:	-
Actual Cap Rate:	-		
Comp ID:	2230499	Sale Conditions:	Short Sale
Research Status:	Full Value		

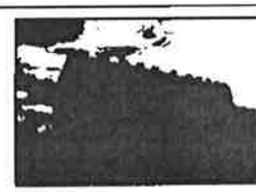
9 1501 Del Norte St — SOLD



Denver, CO 80221 — Adams County

Sale Date:	11/30/2010	Bldg Type:	Class C Office
Sale Price:	$1,150,000 - Full Value	Year Built/Age:	Built 1980 Age: 30
Price/SF:	$92.68	RBA:	12,408 SF
Pro Forma Cap	-	Parcel No:	1719-33-4-13-014
Actual Cap Rate:	-		
Comp ID:	2016215	Sale Conditions:	-
Research Status:	Full Value		

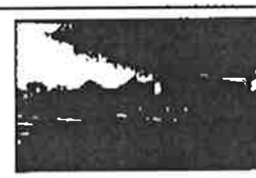
10 1532 Galena St — SOLD



Aurora, CO 80010 — Adams County

Sale Date:	11/14/2011 (711 days on mkt)	Bldg Type:	Class C Office
Sale Price:	$640,000 - Confirmed	Year Built/Age:	Built 1972 Age: 39
Price/SF:	$50.66	RBA:	12,632 SF
Pro Forma Cap	-	Parcel No:	1823-34-4-28-007
Actual Cap Rate:	-		
Comp ID:	2212062	Sale Conditions:	-
Research Status:	Confirmed		

11 5855 Wadsworth Byp - Bldg B — SOLD



Arvada, CO 80003 — Jefferson County

Sale Date:	09/30/2011 (616 days on mkt)	Bldg Type:	Class B Office
Sale Price:	$965,000 - Confirmed	Year Built/Age:	Built 1996 Age: 15
Price/SF:	$59.45	RBA:	16,231 SF
Pro Forma Cap	-	Parcel No:	39-114-02-039
Actual Cap Rate:	-		
Comp ID:	2188129	Sale Conditions:	REO Sale
Research Status:	Confirmed		

ALCOTT MEDICAL CENTER
8400 Alcott Street
Westminster, Adams County, CO 80031
CBRE File No. 11-277DN-0614
Client Reference No. 7000000013

Self-Contained Appraisal Report

Prepared For:

Lisa Kimbro, MAI
AURORA BANK FSB, COMMERCIAL SERVICES
27472 Portola Parkway, Suite 205 #419
Foothill Ranch, CA 92610

VALUATION & ADVISORY SERVICES

CBRE
CB RICHARD ELLIS

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1225 17th Street, Suite 1570
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F (303) 628-1757
www.cbre.com

July 29, 2011

Lisa Kimbro, MAI
AURORA BANK FSB, COMMERCIAL SERVICES
27472 Portola Parkway, Suite 205 #419
Foothill Ranch, CA 92610

RE: Appraisal of Alcott Medical Center
8400 Alcott Street
Westminster, Adams County, CO 80031
CBRE File No 11-277DN-0614
Client Reference No 7000000013

Dear Ms. Kimbro:

At your request and authorization, CB Richard Ellis (CBRE) has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Self-Contained Appraisal Report.

The subject is a 14,720-square foot medical office property located at 8400 Alcott Street in Westminster, Colorado. The improvements were constructed in 1982 and are situated on a 1.102-acre site. It is regarded as a Class C property in this market. Although requested, no reliable property data (rent roll, operating statements, leases, etc.) was available for review during the appraisal process. Therefore, we have relied on the public information from the Adams County Assessor for the building size and land area. Based on a personal tour of the subject property we have estimated the property to be approximately 85.7% occupied and is considered to be in fair to average overall condition. Also according to the receiver's report, a majority of the leases are short term and have less than 12 months left until expiration. We have appraised the fee simple interest in the subject property due to the lack of reliable information and short lease terms. The subject is more fully described, legally and physically, within the enclosed report.

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

MARKET VALUE CONCLUSION			
Appraisal Premise	**Interest Appraised**	**Date of Value**	**Value Conclusion**
As Is	Fee Simple Estate	July 25, 2011	$710,000
Liquidation Value	Fee Simple Estate	July 25, 2011	$355,000

Compiled by CBRE

Based on the subject's estimated exposure and marketing time of 12 months and the requested requirement for liquidation sale value, we have estimated that a 50% discount from the complex's market value would be required. The discount is based upon an estimated marketing time of 90-days or less. It assumes the seller is under extreme compulsion to sell and there is a severely limited future marketing period. Based on the analysis contained in the following report, the liquidation value of the subject is $355,000 ($710,000 X 50%).

Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, 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. It also conforms to the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) and Title XI Regulations.

The report is for the sole use of the client; however, client 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 appraiser is 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 CBRE 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.

CBRE hereby expressly grants to Client the right to copy this report and distribute it to other parties in the transaction for which this report has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any. It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES

Christopher P. Wong
Real Estate Analyst
Registered Appraiser: State of Colorado
No. AR100004637
Phone: 303-628-1793
Fax: 303-628-1757
Email: christopher.wong@cbre.com

Christopher N. Baker, MAI
Director
Colorado Certified General Appraiser
No. CG 40003507
Phone: 303-628-7480
Fax: 303-628-1757
Email: chris.baker@cbre.com

Thomas D. Baroch, MAI
Managing Director
Certified General Real Estate Appraiser: State of Colorado (No. CG01315467)
Phone: (303) 628-7474
Fax: (303) 628-1757
Email: tom.baroch@cbre.com

CERTIFICATION OF THE APPRAISAL

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. 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.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of CO.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Christopher N. Baker, MAI and Thomas D. Baroch, MAI have completed the continuing education program of the Appraisal Institute.
11. As of the date of this report, Christopher P. Wong has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.
12. Christopher P. Wong and Christopher N. Baker, MAI have and Thomas D. Baroch, MAI has not toured the property that is the subject of this report.
13. No one provided significant real property appraisal assistance to the persons signing this report.
14. Valuation & Advisory Services operates as an independent economic entity within CBRE. Although employees of other CBRE divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
15. Christopher P. Wong and Christopher N. Baker, MAI have and Thomas D. Baroch, MAI has not provided real estate related services on this property in the three years prior to accepting this assignment.

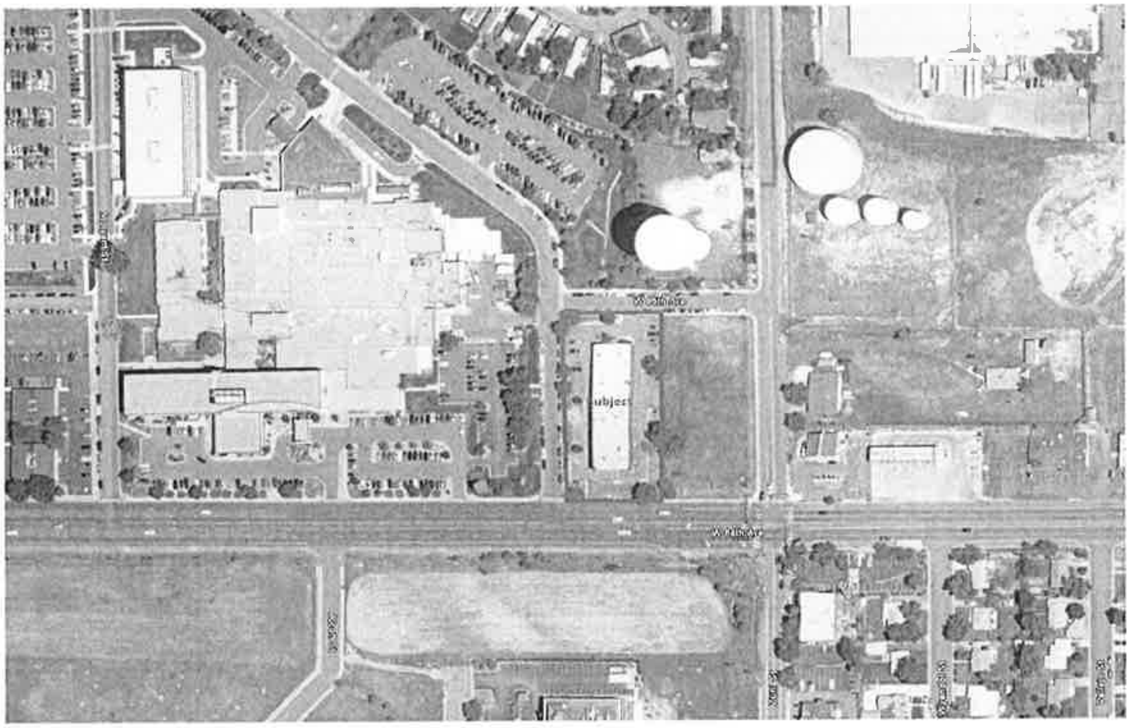
Christopher P. Wong

Christopher P. Wong
CO Registered Appraiser
No AR100004637

Christopher N. Baker, MAI
CO CGA No #40003507

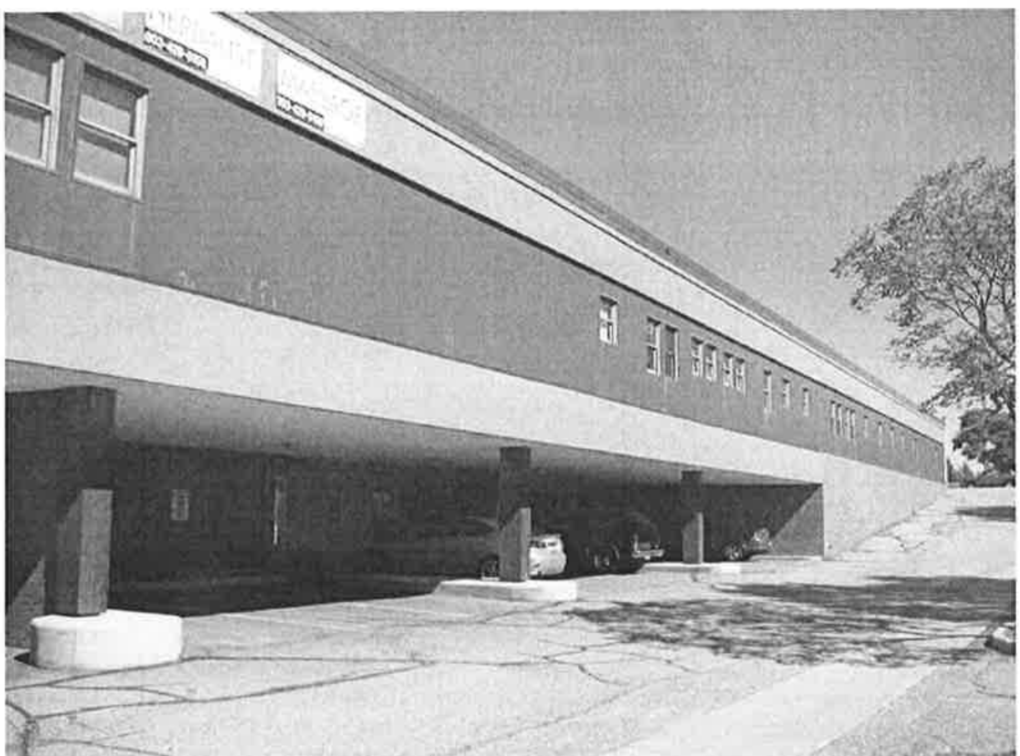
Thomas D. Baroch, MAI
Certified General Real Estate Appraiser: State of Colorado (No. CG01315467)

SUBJECT PHOTOGRAPHS

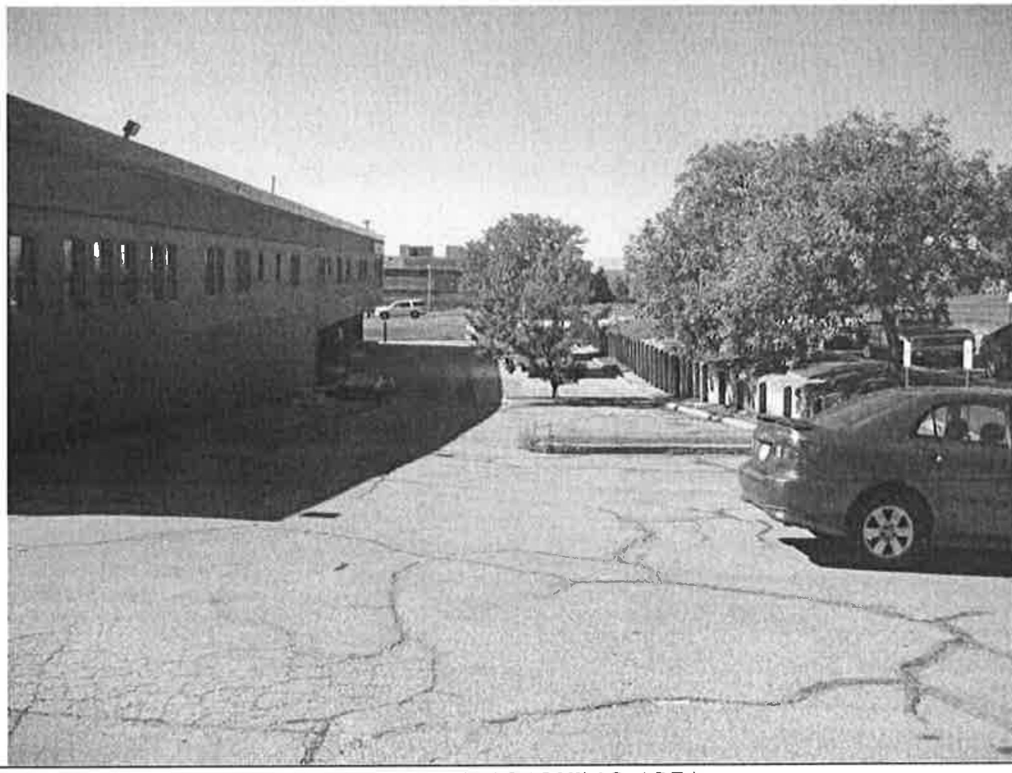


AERIAL VIEW

TYPICAL VIEW OF THE SUBJECT



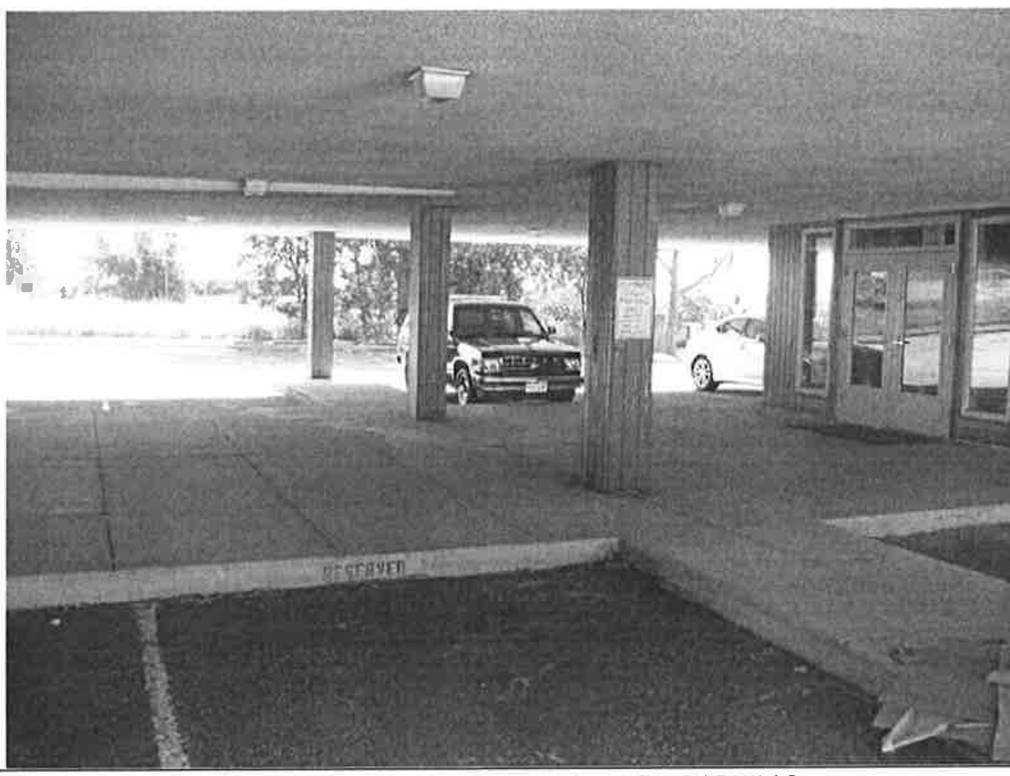
TYPICAL VIEW OF THE SUBJECT



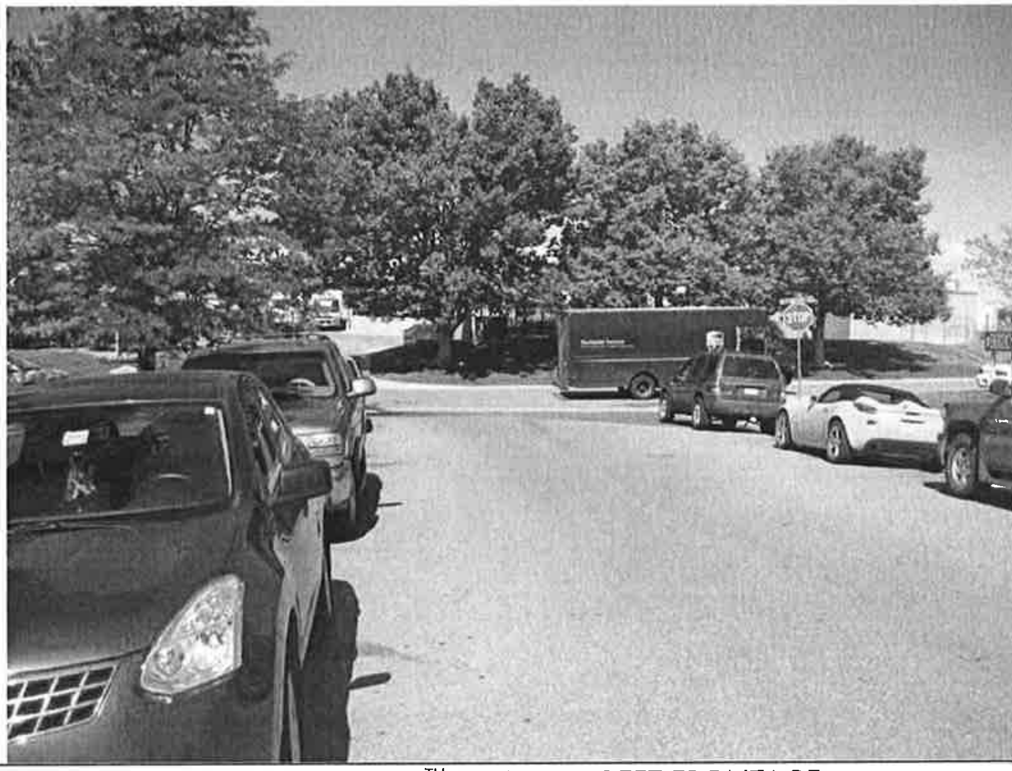
VIEW OF THE PARKING AREA

VIEW OF THE COMMON AREA CORRIDOR

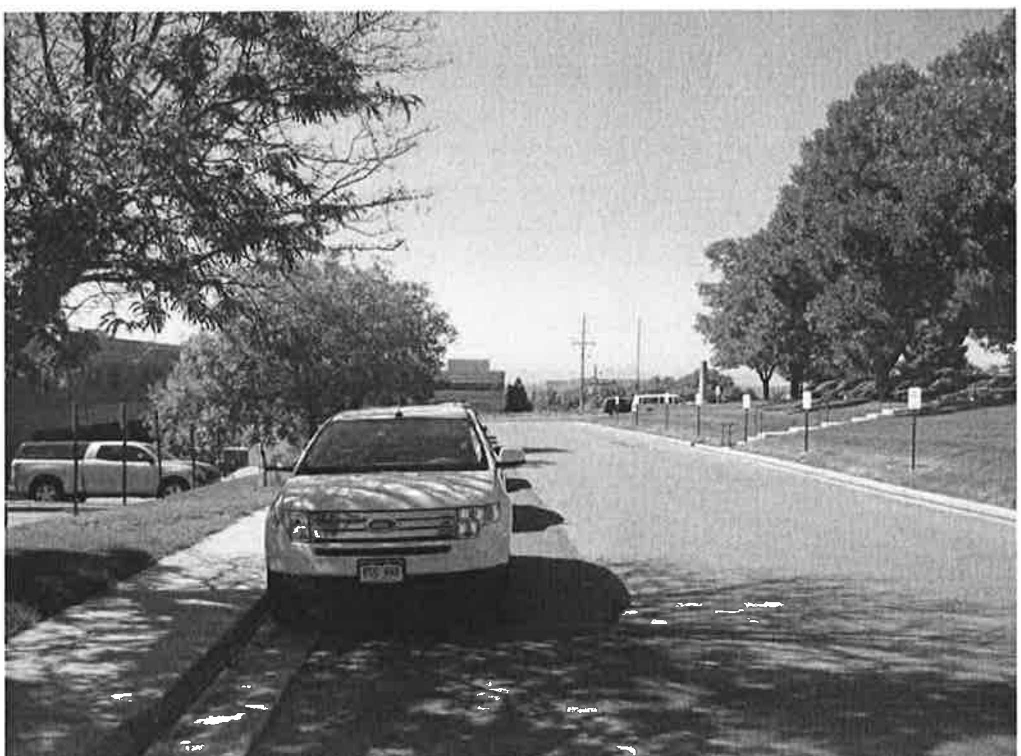
VIEW OF A TYPICAL OFFICE SPACE INTERIOR



VIEW OF THE RESERVED COVERED PARKING



VIEW OF THE 85TH AVENUE STREET FRONTAGE



VIEW OF THE ALCOTT STREET FRONTAGE

SUMMARY OF SALIENT FACTS

Property Name	Alcott Medical Center	
Location	8400 Alcott Street, Westminster, Adams County, CO 80031	
Client Reference Number	7000000013	
Assessor's Parcel Number	1719-29-1-11-001	
Highest and Best Use		
As If Vacant	Office	
As Improved	Office	
Property Rights Appraised	Fee Simple Estate	
Land Area	1.10 AC	47,999 SF
Improvements		
Property Type	Office	(Medical/Dental)
Number of Buildings	1	
Number of Stories	1 plus basement	
Net Rentable Area	14,720 SF	
Year Built	1982	
Condition	Fair to Average	
Estimated Exposure Time	12 Months	
Financial Indicators		
Current Occupancy	85.7%	
Stabilized Occupancy	85.0%	
Stabilized Credit Loss	In Vacancy	
Overall Capitalization Rate	9.50%	

Pro Forma Operating Data	***Total***	***Per SF***
Effective Gross Income	$175,168	$11.90
Operating Expenses	$107,490	$7.30
Expense Ratio	61.36%	
Net Operating Income	$67,678	$4.60

VALUATION	Total	Per SF
Sales Comparison Approach	$740,000	$50.27
Income Capitalization Approach	$710,000	$48.23
Insurable Value	$1,520,000	$103.26

CONCLUDED MARKET VALUE

Appraisal Premise	Interest Appraised	Date of Value	Value
As Is	Fee Simple Estate	July 25, 2011	$710,000
Liquidation Value	Fee Simple Estate	July 25, 2011	$355,000

Compiled by CBRE

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

- Although requested, no reliable property data (rent roll, operating statements, leases, etc.) was available for review during the appraisal process. Therefore, we have relied on the public information from the Adams County Assessor for the building size and land area. Based on a personal tour of the subject property we have estimated the property to be approximately 85.7% occupied and is considered to be in fair to average overall condition. Also according to the receiver's report, a majority of the leases are short term and have less than 12 months left until expiration. We have appraised the fee simple interest in the subject property due to the lack of reliable information and short lease terms.

TABLE OF CONTENTS

INTRODUCTION

PROPERTY IDENTIFICATION

The subject is a 14,720-square foot medical office property located at 8400 Alcott Street in Westminster, Colorado. The improvements were constructed in 1982 and are situated on a 1.102-acre site. Currently, the property is 85.7% occupied and is considered to be in fair to average overall condition. It is regarded as a Class C property in this market. The subject is more fully described, legally and physically, within the enclosed report.

OWNERSHIP AND PROPERTY HISTORY

Title to the property is currently vested in the name of SSS, LLC, which acquired title to the property in January 2003, as improved for $1,290,000, cash, as recorded in reception number C1092908 of the Adams County Clerk & Recorder. To the best of our knowledge, there has been no ownership transfer of the property during the previous three years.

PREMISE OF THE APPRAISAL

The following table illustrates the various dates associated with the valuation of the subject, the valuation premise(s) and the rights appraised for each premise/date:

PREMISE OF THE APPRAISAL

Item	Date	Interest Appraised
Date of Report:	July 29, 2011	
Date of Inspection:	July 25, 2011	
Date of Value		
As Is:	July 25, 2011	Fee Simple Estate

Compiled by CBRE

PURPOSE OF THE APPRAISAL

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

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;

3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [1]

TERMS AND DEFINITIONS

The Glossary of Terms in the Addenda provides definitions for additional terms that are, and may be used in this appraisal.

INTENDED USE AND USER OF REPORT

This appraisal is to be used by the client for foreclosure due diligence.

SCOPE OF WORK

The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied, all based upon the following problem-identifying factors stated elsewhere in this report:

- Client
- Intended use
- Intended user
- Type of opinion
- Effective date of opinion
- Relevant characteristics about the subject
- Assignment conditions

This appraisal of the subject has been presented in the form of a Self-Contained Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. That is, this report incorporates, to the fullest extent possible, practical explanation of the data, reasoning and analysis that were used to develop the opinion of value. This report also includes thorough descriptions of the subject and the market for the property type. CBRE completed the following steps for this assignment:

[1] Office of Comptroller of the Currency (OCC), 12 CFR Part 34, Subpart C – Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago: Appraisal Institute, 2002), 177-178. This is also compatible with the RTC, FDIC, FRS and NCUA definitions of market value as well as the example referenced in the *Uniform Standards of Professional Appraisal Practice (USPAP)*.

Data Resources Utilized in the Analysis

RESOURCE VERIFICATION	
Site Data	Source/Verification:
Size	Adams County Assessor's Records
Improved Data	Source/Verification:
Net Size/Units	Adams County Assessor's Records
Area Breakdown/Use	Site Tour
No. Bldgs.	Site Tour
Parking Spaces	Site Tour
YOC	Adams County Assessor's Records
Economic Data	Source/Verification:
Deferred Maintenance:	None Noted
Income Data:	None Provided
Expense Data:	None Provided
Compiled by CBRE	

Extent to Which the Property is Identified

CBRE collected the relevant information about the subject from the owner (or representatives), public records and through a personal tour of the subject property. The property was identified through the following sources:

- postal address
- assessor's records

Although requested, no leases, rent roll, or operating statements were available for the appraisal.

Extent to Which the Property is Toured

CBRE toured both the interior and exterior of the subject, as well as its surrounding environs on the effective date of appraisal. Christopher P. Wong and Christopher N. Baker, MAI personally toured the property on July 25, 2011. Most of the tenant suites were closed or locked (with shut blinds), but the appraiser did walk into the suite 103 (Diversified Wellness) entrance. There was no receptionist or on-site staff present so the appraiser did not walk through the tenant suite. The appraiser walked through all of the common areas and around the exterior of the building. From a visual inspection it appeared that suite 106 was the only tenant space that was vacant. Information provided by the receiver also indicated that suite 106 was vacant and the suite size was approximately 2,100 SF.

Type and Extent of the Data Researched

CBRE reviewed the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process. This process included interviews with regional and/or local market participants, available published data, and other various resources. CBRE also conducted regional and/or local research with respect to the following:

- applicable tax data

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

Type and Extent of Analysis Applied

CBRE analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section. CBRE then correlated and reconciled the results into a reasonable and defensible value conclusion, as defined herein. A reasonable exposure time associated with the value estimate presented has also been considered.

EXPOSURE/MARKETING TIME

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

- exposure periods for comparable sales used in this appraisal;
- exposure/marketing time information from the CBRE *National Investor Survey* and the *PWC Real Estate Investor Survey;* and
- the opinions of market participants.

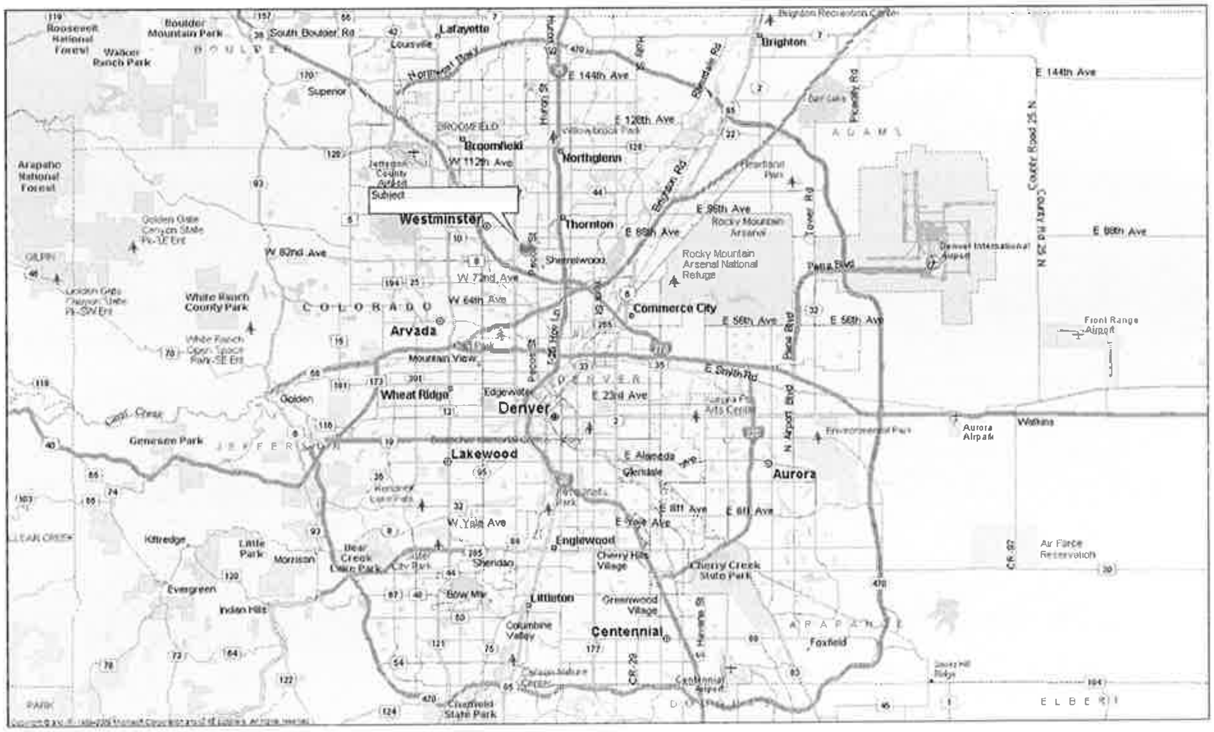
The following table presents the information derived from these sources.

EXPOSURE/MARKETING TIME INFORMATION		
	Exposure/Mktg. (Months)	
Investment Type	Range	Average
CBRE Suburban Office		
Class A	1.0 - 12.0	5.8
Class B	1.0 - 12.0	6.1
Class C	1.0 - 18.0	6.8
CBRE General Investment		
Class A	4.0 - 12.0	7.3
Class B	6.0 - 12.0	8.0
Class C	6.0 - 18.0	10.0
PWC Suburban Office		
National Data	2.0 - 24.0	8.8
CBRE Exposure Time Estimate	**12 Months**	

Source: CBRE National Investor Survey & PWC Real Estate Investor Survey

This exposure/marketing time reflects current economic conditions, current real estate investment market conditions, the terms and availability of financing for real estate acquisitions, and property and market-specific factors. It assumes that the subject is (or has been) actively and professionally marketed. The marketing/exposure time would apply to all valuation premises included in this report.

AREA ANALYSIS



LOCATION

The city of Denver is located on the eastern slope of the Rocky Mountains in the northeastern part of the state. From Denver, Colorado Springs is 70 miles due south, Pueblo is 112 miles south and Fort Collins is 60 miles to the north. These four metropolitan areas, along with other smaller communities, form what is known as the "Front Range" of Colorado. Denver proper is located approximately one mile above sea level, although elevations vary significantly throughout the metropolitan area. Denver is a "quality of life" region with a variety of natural and urban amenities that cannot be found in any other metro area. Despite Denver's status as the major metropolitan area with the highest elevation, the climate is quite mild, boasting an average of 300 sunny days per year. Denver residents can enjoy world-class skiing, hiking, mountain biking, river rafting, fishing and camping all nearby in the spectacular Rocky Mountains.

ACCESS AND TRANSPORTATION

Denver is located at the crossroads of three major interstate highways. Interstate 25 is the oldest metropolitan area freeway. It extends north/south and provides access from Albuquerque, New Mexico, to Cheyenne, Wyoming, and beyond. Interstate 70 and Interstate 76 provide east/west access. Interstate 225 serves the southeastern quadrant of the metropolitan area and I-270 crosses the northeast quadrant. There is also a state highway that provides beltway access around the southern and eastern portions of the metro area: C-470 on the west side of Interstate 25, and E-470 (a toll road) on the east side of Interstate 25. Both of those highways are complete on the south side of I-70 and E-470 is complete north past the entrance to Denver International Airport (DIA) to I-25 near 160th Avenue and west to Broomfield. Completion of the beltway on the west side through the city of Golden is uncertain due to alignment disputes between various west side municipalities.

T-Rex

The Transportation Expansion Project was a major infrastructure initiative which included the widening of Interstate 25 from the CBD to the southeast periphery of the metro area and the construction of a light rail line along the Interstate 25 and Interstate 225 corridors in southeast metro Denver. Construction began in 2001 and was completed in August 2006. T-Rex added 19 miles of double track light rail, built 13 stations, expanded I-25 to four and five lanes in each direction, expanded I-225 to three lanes in each direction and reconstructed eight interchanges, improving ramps and enhancing safety.

FasTracks

FasTracks is RTD's twelve-year comprehensive plan to build and operate high speed rail lines and expand and improve bus service and Park-n-Rides throughout the region. It is the most ambitious light rail project ever initiated and will have a tremendous impact on local neighborhoods, businesses, real estate markets and economies. FasTracks includes 91 planned light rail stations, 122 miles of new light rail and commuter rail, 18 miles of bus rapid transit service, 21,000 new parking spaces at rail and bus stations, and expanded bus service in all areas. FasTracks will cost $4.7 billion to construct over twelve years and will be funded by a combination of region-wide sales tax, federal funds, and private contributions. The tax went into effect on January 1, 2005. The Regional Transportation District (RTD) has purchased Union Station from a private ownership group in order to make that historic facility a metro wide transportation hub.

In June 2009, RTD celebrated a major milestone on the FasTracks transit expansion program as the contractor for the West Corridor Light Rail Project was issued a notice to move into full construction. The West Corridor is the first of the FasTracks corridors to begin construction. While early construction activities on the 12.1-mile light rail project have been underway since mid-2008, this progress signals the first full construction of a FasTracks rail project. Construction on the West Corridor rail is anticipated to be complete by late 2013 and opening for riders in 2014.

On June 15, 2010 Denver's Regional Transportation District (RTD) announced the selection of Denver Transit Partners for the single largest FasTracks contract to build and operate commuter rail lines to Denver International Airport (DIA), Arvada-Wheat Ridge and south Westminster. The Eagle P3 Project packages several FasTracks projects into a single contract, including the design and construction of the East Corridor to DIA, the Gold Line to Arvada-Wheat Ridge, a short segment of the Northwest Rail corridor to south Westminster, and the commuter rail maintenance facility in north Denver.

DIA

Denver International Airport opened in February 1995 and replaced Stapleton International Airport. DIA is located 23 miles northeast of the CBD and contains 53 square miles of land area (34,000 acres), making it one of the largest airports in the world. The airport is owned and operated by the City and County of Denver and DIA is the primary airport serving the Metro Denver region and Colorado. There are five 12,000-foot runways, three concourses, 136 gates and approximately 25 airlines served. The airport has extensive expansion capabilities with a maximum gate potential of 495 gates. DIA is a major hub for United Airlines and United is by far the dominant carrier.

POPULATION

Historic population statistics for 1980 through 2010 and projections for 2020 and 2030, by county, are provided in the following table.

POPULATION BY COUNTY — DENVER-BOULDER AREA

County	04/80	04/90	2000 Census	% Change '90-'00	2010 Census	% Change '00-'10	2020 Forecast	% Change '10-'20	2030 Forecast	% Change '20-'30
Adams	244,944	258,087	348,413	35.0	441,603	26.8	548,891	24.3	648,531	18.2
Arapahoe	293,292	391,985	487,967	24.5	572,003	17.2	678,079	18.5	772,997	14.0
Boulder	189,625	208,898	269,758	29.1	294,567	9.2	343,171	16.5	376,007	9.6
Broomfield	17,713	25,419	39,074	53.7	55,889	43.0	73,327	31.2	83,745	14.2
Denver	492,694	467,153	554,636	18.7	600,158	8.2	695,637	15.9	736,366	5.9
Douglas	25,153	60,391	175,766	191.0	285,465	62.4	390,598	36.8	465,659	19.2
Jefferson	371,753	436,391	524,966	20.3	534,543	1.8	606,608	13.5	667,854	10.1
Denver Area	1,617,461	1,848,319	2,400,580	29.9	2,784,228	16.0	3,336,311	19.8	3,751,159	12.4

Source: U.S. Bureau of the Census (1980, 1990, 2000 and 2010); Colorado Demography Section (2020 & 2030) Published in October, 2010

The rapid pace of population growth between 1990 and 2000 was felt by all counties in the Denver Area. The range of growth in this time period was between 18.7% and 191.0% with the Denver area as a whole growing by 29.9% or 2.99% per year. The City and County of Denver was the only county that had below 20% growth and this can primarily be attributed to the density of that county.

The pace of population growth between 2000 and 2010 declined in every county compared to the previous decade. The range of growth in this time period was between 1.8% and 62.4% with the Denver area as a whole growing by 16.0% or 1.6% per year. Counties that had double-digit growth in the previous decade that fell to single digit growth between 2000 and 2010 include Boulder, Denver and Jefferson Counties. Douglas County dropped to double digit growth from triple digit growth in the previous decade. The Denver Area made up approximately 55.36% of the Colorado population in 2010 which was 5,029,196.

The pace of population growth between 2010 and 2020 is expected to decline in Adams, Broomfield, and Douglas Counties compared to the previous decade. The range of growth in this time period is expected to be between 15.9% and 36.8% with the Denver area as a whole growing by 19.8% or 1.98% per year. The Denver Area is expected to make up approximately 54.1% of the Colorado population in 2020. The Colorado population in 2020 is expected to be 6,171,730.

The pace of population growth between 2020 and 2030 is expected to decline in all Counties compared to the previous decade. The range of growth in this time period is expected to be between 5.9% and 19.2% with the Denver area as a whole growing by 12.4% or 1.24% per year. The Denver Area is expected to make up approximately 52.15% of the Colorado population in 2030. The Colorado population in 2030 is expected to be 7,193,036.

RECREATION AND CULTURAL AMENITIES

The City and County of Denver operates some 100 parks that cover 3,790 acres and provide picnic and playground areas, golf courses, tennis courts, fishing and boating lakes and swimming pools. The city controls a significant amount of parkland outside of city limits. That includes lands in the surrounding foothills to the west such as the Red Rocks Amphitheater outside of Morrison in Jefferson County and the Winter Park ski area in Grand County. Coors Field is the home of the Colorado Rockies. The ballpark seats 50,000 and opened for the 1995 baseball season. Coors Field is located on a 23-acre site near the Lower Downtown Historical District (LoDo) and was a major catalyst in revitalizing the LoDo area. The 20,000-seat Pepsi Center arena for the NBA Denver Nuggets and NHL Colorado Avalanche was completed in 1999 on a site on the west edge of downtown. The Invesco Field at Mile High stadium was completed in the fall of 2001 on the site of the former McNichols Arena and adjacent to the former Mile High Stadium. It seats 76,125. Dick's Sporting Goods Park complex is an 18,000-seat home stadium for the Colorado Rapids Major League Soccer Club located nine miles northeast of downtown Denver in Commerce City. It opened in the spring of 2007. Other cultural amenities include the Denver Center for the Performing Arts, various other theatres and museums. Redevelopment at the former Stapleton Airport includes extensive new parklands and open space areas.

BASIC SERVICES

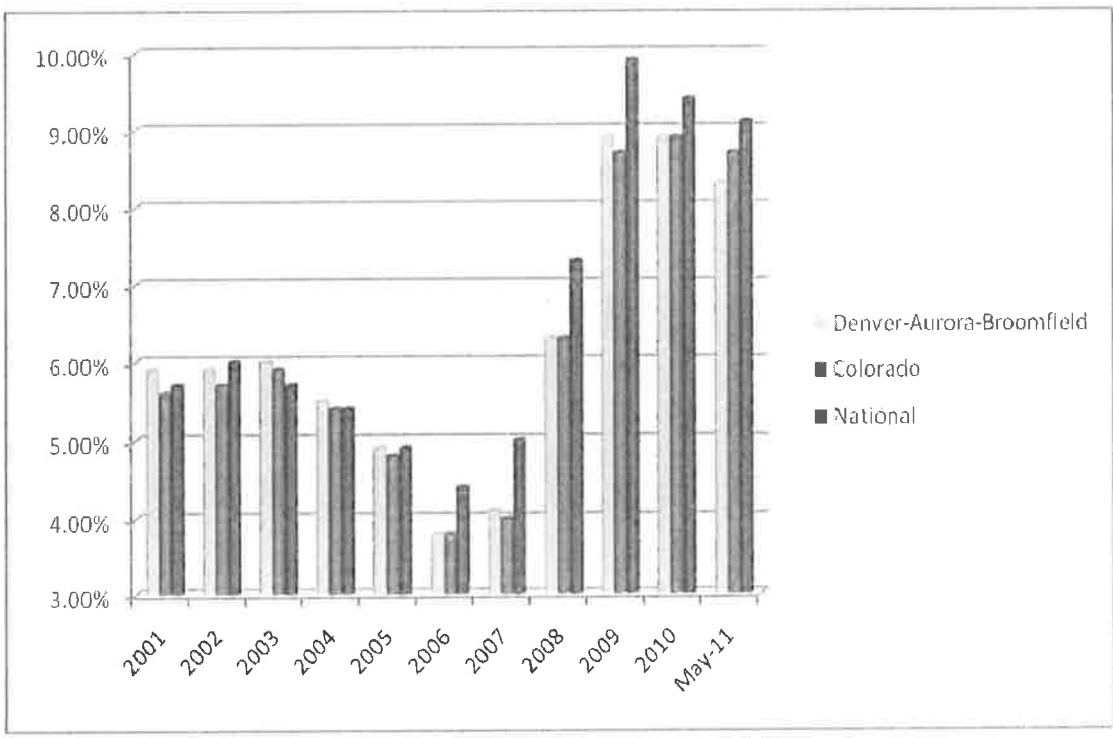
The Denver metropolitan area is comprised of a number of separate municipalities; the most significant among these are the City and County of Denver, Arvada, Aurora, Centennial, Lakewood, Littleton, Englewood, Golden, Wheat Ridge, Thornton, Broomfield and Boulder. The City and County of Denver is ruled by a mayor/council form of government. Outside Denver proper, systems of government vary widely. Most of the larger, suburban cities provide services through centralized governmental bodies. However, there are also many utility, fire control and recreational districts throughout the area which service both incorporated and unincorporated areas.

COLORADO EMPLOYMENT TRENDS

Labor Force

The global recession, energy and commodity prices, credit market disruptions and numerous financial failures are all events that contributed to the rise in unemployment in 2008 and 2009. The unemployment rates across the country have remained well above the historical levels since the initial increase in 2008. Denver's unemployment rate decreased from 8.9% at year end 2010 to 8.3% in May of 2011. Colorado's unemployment rate decreased from 8.9% at year end 2010 to 8.7% in May of 2011. The National unemployment rate decreased from 9.4% at year end 2010 to 9.1% in May of 2011. The credit crisis, the housing market slump, a decrease in demand across sectors and flat incomes forced businesses to cut expenses and shed employees to remain solvent. It appears as if unemployment has stabilized and has been decreasing at a slow pace thus far in 2011.

The following chart illustrates the Greater Denver, State of Colorado, and United States unemployment rates over the past eight years. These statistics were provided by the Bureau of Labor Statistics.



Wage and Salary Employment

The monthly survey of Colorado business establishments indicates the number of nonfarm wage and salary jobs increased by 4,200 in May to 2,234,300. Employment increased between April and May in seven of Colorado's eleven major industry sectors. Other services employment decreased 1,000, leisure and hospitality employment decreased by 100, financial services employment decreased by 700 and information employment remained unchanged.

Historical Summary

The following chart summarizes historical and current labor market data in three of the major metropolitan statistical areas.

HISTORICAL LABOR MARKET DATA BY MARKET AREA

	State of Colorado				Denver PMSA (Adams, Arapahoe, Denver, Douglas, & Jefferson Counties)				Boulder-Longmont PMSA (Boulder County)				Greeley PMSA (Weld County)			
Year	Labor Force	Employment	% Change	% Un-employed	Labor Force	Employment	% Change	% Un-employed	Labor Force	Employment	% Change	% Un-employed	Labor Force	Employment	% Change	% Un-employed
1991	1,781,764	1,691,309	---	5.1	919,363	878,779	---	4.4	136,931	130,922	---	4.4	67,752	64,345	---	5.0
1992	1,819,605	1,710,242	1.12	6.0	936,303	886,287	0.85	5.3	140,741	133,815	2.21	4.9	68,277	64,302	-0.07	5.8
1993	1,900,187	1,800,035	5.25	5.3	973,516	926,634	4.55	4.8	148,333	141,687	5.88	4.5	72,038	68,292	6.21	5.2
1994	2,001,491	1,917,043	6.50	4.2	1,019,277	979,302	5.68	3.9	157,103	151,245	6.75	3.7	75,082	71,755	5.07	4.4
1995	2,087,518	2,000,022	4.33	4.2	1,055,530	1,015,858	3.73	3.8	161,895	155,272	2.66	4.1	78,802	75,080	4.63	4.7
1996	2,093,184	2,004,741	0.24	4.2	1,053,105	1,012,940	-0.29	3.8	160,491	154,413	-0.55	3.8	78,177	74,503	-0.77	4.7
1997	2,151,617	2,081,421	3.82	3.3	1,083,265	1,052,695	3.92	2.8	165,798	161,148	4.36	2.8	80,091	76,981	3.33	3.9
1998	2,241,839	2,155,740	3.57	3.8	1,126,797	1,091,275	3.66	3.2	172,327	166,592	3.38	3.3	84,704	80,875	5.06	4.5
1999	2,264,105	2,198,147	1.97	2.9	1,141,480	1,113,991	2.08	2.4	176,948	172,274	3.41	3.4	85,764	82,690	2.24	3.6
2000	2,275,545	2,213,044	0.68	2.7	1,149,374	1,122,901	0.80	2.3	183,882	179,447	4.16	2.4	85,822	82,910	0.27	3.4
2001	2,294,893	2,209,598	0.16	3.7	1,152,615	1,112,123	-0.96	3.5	189,963	183,284	2.14	3.5	88,182	84,605	2.04	4.1
2002	2,435,299	2,296,356	3.93	5.7	1,211,118	1,140,157	2.52	5.9	197,696	187,244	2.16	5.3	97,667	91,562	8.22	6.3
2003	2,479,169	2,339,399	1.87	5.6	1,258,865	1,184,381	3.89	5.9	173,701	165,255	-11.74	4.9	101,519	94,922	3.66	6.4
2004	2,540,256	2,406,932	2.89	5.2	1,291,223	1,220,263	3.02	5.5	165,813	157,991	-4.39	4.7	108,549	102,916	8.42	5.2
2005	2,547,895	2,419,241	0.51	5.0	1,306,362	1,238,521	1.50	5.2	167,589	160,106	1.34	4.5	109,916	104,342	1.39	5.1
2006	2,642,535	2,540,579	3.82	3.9	1,350,723	1,296,771	3.30	4.0	174,907	169,166	4.23	3.3	114,849	110,434	4.81	3.8
2007	2,726,466	2,619,862	3.12	3.9	1,392,493	1,336,796	3.09	4.0	179,224	173,174	2.37	3.4	120,778	115,811	4.87	4.1
2008	2,743,109	2,579,975	-1.5	5.9	1,399,960	1,329,521	-0.54	5.0	179,330	171,585	-0.92	4.3	122,426	115,883	0.06	5.3
2009	2,701,026	2,492,540	-3.5	7.7	1,381,287	1,271,849	-4.5	7.9	174,043	162,893	-5.3	6.4	119,985	109,585	-5.7	8.7
2010	2,687,396	2,447,712	-1.8	8.9	1,380,903	1,256,866	-1.2	9.0	173,234	160,965	-1.2	7.1	119,689	107,501	-1.9	10.2

PMSA= Primary Metropolitan Statistical Area, CMSA= Consolidated Metropolitan Statistical Area

Denver-Boulder-Greeley CMSA is total of Denver, Boulder-Longmont, and Greeley PMSA's

*Note: For 2004 an Area Redefinition classified, Broomfield County as a portion of the Denver MSA no longer part of the Boulder-Longmont PMSA

Source: Colorado Department of Labor & Employment, Data is Annual Average as of year listed, Not Seasonally Adjusted

The following is a list of the top public and private employers within the State of Colorado.

MAJOR EMPLOYERS				
Rank	Public Employers (Denver Metro)		Private Employers (Denver Metro)	
	Company	Employees (#)	Company	Employees (#)
1)	Federal Government	36,878	Wal-Mart Stores Inc.	24,487
2)	State of Colorado	33,476	Safeway Inc.	10,000
3)	University of Colorado System	15,205	Centura Health	9,802
4)	Denver Public Schools	13,587	King Soopers Inc.	9,658
5)	City & County of Denver	12,000	HCA-Health One, LLC	8,700
6)	Denver Health	5,311	Qwest Communications	7,760
7)	Adams 12 Five Star Schools	5,160	Wells Fargo	6,300
8)	Aurora Public Schools	5,000	Exempla Healthcare	6,149
9)	Boulder Valley School District	4,335	University of Denver	5,491
10)	Jefferson County	2,867	Kaiser Foundation Health Plan of Colorado	4,735
11)	Regional Transportation District	2,430	United Airlines	3,610
12)	Littleton Public Schools	2,200	UPS	3,457
13)	Arapahoe County	1,950	Ball Corp.	3,200
14)	Boulder County	1,780	Comcast	3,000
15)	Adams County	1,774	US Bank	2,680

Source: Denver Business Journal, 2010-2011 Book of Lists

HOUSING

New housing construction in the Denver-Boulder area has a history of volatility, yet periods of significant activity have occurred since the 1960s. The most recent time of limited construction took place from early 2002 through 2003, as the effects of commercial overbuilding, and a generally down market was felt in metro Denver. Favorable mortgage interest rates and a strengthening Denver economy caused a rebound in residential construction activity throughout most of 2004 and 2005. For sale permits reached a new peak in 2005 with 20,420, surpassing the previous peak of 20,406 in 1999.

The following table provides historical permit data for single family attached homes, single family detached homes, and apartment units for Metro Denver (Adams, Arapahoe, Boulder, Broomfield, Denver, and Jefferson Counties) from 1991 to present.

DENVER METRO PERMIT DATA								
Year	Single Family Detached Permits	% Change	Single Family Attached Permits	% Change	Apartment Permits	% Change	Total Permits	% Change
1991	7,755	---	111	---	208	---	8,074	---
1992	9,374	21%	2,227	1906%	1,136	446%	13,365	66%
1993	13,415	43%	588	-74%	1,951	72%	16,254	22%
1994	13,974	4%	1,355	130%	4,588	135%	19,917	23%
1995	13,036	-7%	1,965	45%	4,979	9%	19,980	0%
1996	13,517	4%	2,097	7%	3,666	-26%	19,280	-4%
1997	15,168	12%	2,647	26%	5,415	48%	23,230	20%
1998	16,337	8%	3,527	33%	7,794	44%	27,658	19%
1999	17,796	9%	2,883	-18%	4,784	-39%	25,463	-8%
2000	16,180	-9%	3,321	15%	9,116	91%	28,617	12%
2001	14,542	-10%	4,442	34%	9,090	0%	28,074	-2%
2002	13,966	-4%	4,425	0%	4,085	-55%	22,476	-20%
2003	12,806	-8%	3,755	-15%	1,858	-55%	18,419	-18%
2004	14,460	13%	4,843	29%	2,681	44%	21,987	19%
2005	15,988	11%	4,642	-4%	460	-83%	21,090	-4%
2006	11,183	-30%	5,311	14%	1,727	275%	18,221	-14%
2007	7,219	-35%	4,632	-13%	3,015	75%	14,866	-18%
2008	3,727	-48%	1,330	-71%	4,413	46%	9,471	-36%
2009	2,428	-35%	601	-55%	438	-90%	3,467	-63%
2010	3,356	38%	798	33%	1,002	129%	5,156	49%
Annual Averages	**11,811**	--	**2,775**	--	**3,620**	--	**18,253**	--
May 2011 YTD	1328	--	268	--	470	--	2,066	--

Source: Home Builders Association of Metro Denver

The above permit data shows a development slowdown from 2007 to the present. This trend reflects stalled construction activity as a result of the recession. From 2007 to 2010 the average number of permits was 8,240 which is approximately 45% of the average since 1991 (18,253 permits annually). Apartment permits have led the rebound. This is primarily due to an increase in residents displaced from single family homes returning to the rental market and thus increasing demand for rental units. Until the existing supply of single family homes returns to historic levels, it is unlikely that single family home permits will keep pace with apartment permits. When the available 2011 data is annualized, the number of building permits in 2011 is on pace to be below the average levels seen since the recession began in 2007. The oversupply of existing single family homes is seen as the primary factor in the historically slow pace of building permits.

The Homebuilders Association of Denver re-categorized the above figures for year end 2000. They separated out single family detached for sale and grouped townhomes, condos, and duplexes. The total number of permits issued in the Denver metro area has been declining since the 2004 peak.

Both attached and detached Single family home permits increased from in 2010 from the previous year for the first time since 2004. With an across the board increase in permits from 2009 to 2010, the bottom appears to have occurred in 2009. However, there remains widespread uncertainty in the likely rebound from the lows of 2009 due to the slow pace in employment growth. It should be noted that building permits do not equate to building starts. Nonetheless, there is usually a fairly close correlation between the two. It is believed that the actual number of home starts is approximately 3% to 5% lower than the number of units authorized for construction.

The metro area resale market has trended in line with the new home market. For comparison purposes, an historical summary of sales and average prices is presented below.

Denver's resale market is experiencing an overall increase in sales prices after a three year downward trend. Sales of existing homes, both attached and detached, declined for year-over-year data, according to MLS information. In addition, the average price for both attached and detached homes in the resale market have increased, breaking the downward trend since 2006 which represented the first such decline in over fifteen years. While it is too soon to speculate on how far and how long prices might increase, we anticipate relatively flat to steady appreciation during this market correction period.

METRO DENVER RESALE TRENDS SUMMARY

	Single Family Detached				Condo/Townhome			
Year	No. Sold	% Change	Average Price	% Change	No. Sold	% Change	Average Price	% Change
1994	29,710		$138,301		8,372		$80,283	
1995	27,883	-6.1%	$150,318	8.7%	8,254	-1.4%	$87,278	8.7%
1996	29,527	5.9%	$159,328	6.0%	8,579	3.9%	$94,660	8.5%
1997	30,981	4.9%	$169,587	6.4%	9,204	7.3%	$100,694	6.4%
1998	35,159	13.5%	$185,785	9.6%	10,792	17.3%	$115,235	14.4%
1999	36,373	3.5%	$217,021	16.8%	11,467	6.3%	$121,483	5.4%
2000	36,744	1.0%	$249,613	15.0%	11,765	2.6%	$146,335	20.5%
2001	35,820	-2.5%	$259,484	4.0%	11,500	-2.3%	$159,251	8.8%
2002	34,896	-2.6%	$269,356	3.8%	11,245	-2.2%	$172,167	8.1%
2003	35,540	1.8%	$279,279	3.7%	10,816	-3.8%	$175,312	1.8%
2004	40,518	14.0%	$290,876	4.2%	11,294	4.4%	$181,091	3.3%
2005	40,428	-0.2%	$309,047	6.2%	11,490	1.7%	$191,953	6.0%
2006	39,208	-3.0%	$317,112	2.6%	11,036	-4.0%	$188,745	-1.7%
2007	38,845	-0.9%	$310,418	-2.1%	10,944	-0.8%	$180,321	-4.5%
2008	37,988	-2.2%	$270,261	-12.9%	9,849	-10.0%	$171,350	-5.0%
2009	33,114	-12.8%	$264,803	-2.0%	8,956	-9.1%	$159,628	-6.8%
2010	30,777	-7.1%	$282,080	6.5%	8,041	-10.2%	$161,005	0.9%

Source: Metrolist

2011 ECONOMIC FORECAST - DENVER

The Metro Denver EDC's (Economic Development Corporation) Chief Economist Patty Silverstein highlighted Metro Denver's economic progress in 2010 and outlook for 2011 as the region continues to make its way out of the national recession.

"While Metro Denver's reputation for economic performance suffered somewhat during the recession, it continues to rank as one of the metros with the best prospects for growth and recovery," explained Silverstein.

According to Silverstein, industries expected to perform best in the Metro Denver region in the coming years are those with an emphasis on innovation, technology, and personal services; jobs in renewable energy, engineering, and healthcare will increase in 2011, while the outlook for public sector jobs is more pessimistic as the state government faces budget challenges.

Metro Denver employment fell sharply during the recession and did not return to 2009 levels—which were greatly diminished—until late 2010. Local employers' hiring expectations are improving, but employers are still generally less optimistic about jobs than they were before the recession, according to Silverstein, who forecasts employment growth in Metro Denver for 2011 at 1.1 percent, which represents an additional 14,300 jobs.

Such assets moving Metro Denver forward include international recognition as a hub for cleantech companies, a housing market that has weathered the recession reasonably well, and a population that is growing at an above average rate. Ultimately, these factors confirm that Metro Denver is a highly desirable place to live and work.

"While 2011 may not be a year of rapid growth, it will be one that demonstrates Metro Denver's resiliency," said Metro Denver EDC's Executive Vice President Tom Clark.

The 2011 Economic Forecast reviews the events of the past several years and examines emerging trends. The forecast begins at the national level and then discusses the economy in Colorado and Metro Denver, which is the region comprised of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson Counties.

The U.S. gross domestic product (GDP) will increase an estimated three percent in 2011. The forecast growth rate is a welcome change from 2009's steep decline and 2010's cautious increase, but several obstacles to the nation's economic growth remain. Household spending drives most of U.S. economic activity, and households simply cannot return to their pre-recession spending habits without more job and income growth. Pre-recession spending habits also reflected a boom in refinance activity, which is unlikely to occur again soon. Another factor in economic growth—government spending—could be a drag on GDP this year as cash-strapped governments at all levels look for ways to cover deficits.

For the Federal Reserve, the potential for sub-par economic growth appears to outweigh inflation concerns. As a result, monetary policy remains accommodative and the central bank is proceeding with plans for a second round of quantitative easing. Interest rates likely will not rise until the end of 2011 or early 2012, but the Federal Reserve has a delicate task in the meantime—it must ensure that the massive liquidity placed in the system does not drive excessive inflation. Signs of inflation—particularly in commodity prices – began to surface in early 2011.

Recovery from a "lost decade" of job growth is no small challenge. Even if employers add jobs at a respectable pace, the nation's unemployment rate—forecast to be 9.3 percent in 2011—could remain elevated for the next five years. Job gains to-date have been underwhelming, and some employers will hesitate to expand too quickly even when conditions improve. Given increases in corporate profits and the limitations of their current employment capacity, though, more employers should add jobs soon. The forecast increase in total U.S. employment for 2011 is 1.1 percent.

While the recovery appears to be progressing globally, economic health in developing nations is improving more quickly than it is in the U.S., Europe, and other advanced economies. Currency conflicts and the ongoing challenge of massive public debts will require significant international dialogue and cooperation in coming years.

For Colorado, the "Great Recession" was a story of contrasts: the state ranked above average for job and income growth before the recession and below average during and after the downturn. Colorado was not unique in its top-to-bottom experience, as several other states in the West reported similar trends. The change in states' before- and after-recession economies could reflect their relative dependence on construction and natural resources.

Colorado entered the recession somewhat later than other states, but its job losses ultimately exceeded the national average. Job growth in the state, however, should nearly match the nationwide pace this year and will reach a forecast rate of one percent. Colorado's unemployment rate will remain below the national average as the economy recovers, but the rate—like the rate nationwide—could remain elevated for the next five or six years. Colorado's forecast unemployment rate for 2011 is 8.1 percent. For every economic challenge, Colorado has a distinct advantage. These relative advantages—including high quality life, a talented workforce, and a relatively stable housing market—continue to attract new residents. Colorado's forecast rate of population growth (1.6 percent in 2011) will significantly exceed growth nationwide over the next five years.

Colorado exports—which have been slower to rise than exports nationwide—should increase this year as natural resource prices rise and the state's renewable energy manufacturers continue to thrive. Renewable energy activity is also a bright spot for the state's manufacturing sector more generally.

Like the Colorado economy, Metro Denver's economy contracted more than expected during the recession. The area was not among the worst performing, but it was noticeably absent from the group of the best. Still, the region ranks among those with the best prospects for recovery and growth.

Consumer confidence data from recent months suggest households remain very concerned about limited opportunities for jobs and income growth. Ultimately, these concerns will continue to affect household spending patterns until unemployment declines and wages grow more solidly. The forecast increase in Metro Denver retail trade sales for 2011 (+5 percent) is an improvement from declines reported during the recession but is somewhat smaller than sales growth rates reported before the downturn began.

Metro Denver's housing market—like other markets nationwide—slumped again when the homebuyers' tax credits expired. Still, home prices in the market have held up far better than prices in many other metro areas. Metro Denver's median home price will increase a modest two percent in 2011, and home sales will increase 9.5 percent.

Stronger home prices are one reason Metro Denver has avoided a foreclosure crisis like those in Nevada, California, and Florida. Foreclosure rates in the seven-county area have declined from highs reached during the recession, but foreclosure filings are still elevated from an historic perspective. Until job gains occur more quickly and home prices and sales rise more solidly, many Metro Denver residents remain at risk of default.

With the housing market still struggling to regain its footing, home construction activity will increase only modestly this year. Credit remains a key challenge for the new homes market, as many builders still cannot access funding for projects and many potential homebuyers cannot get mortgages.

Financing is also a key obstacle to commercial development, which will increase only slightly from deep lows this year. The sluggishness in commercial development also reflects low lease rates, which must increase considerably before they can justify speculative development. Commercial vacancy rates appear to be stabilizing for most property types, but lease rates will take longer to recover.

REAL ESTATE MARKET OVERVIEW

The following table provides a brief synopsis on current (2Q '11) market indicators from the real estate sectors in the Denver metro area.

DENVER REAL ESTATE MARKET OVERVIEW

	Total SF/Units	Vacant SF/Units	Vacancy Rate (%)	Available Space (SF)	Availability Rate (%)	Under Construction SF/Units Added	Net Absorption (YTD)
Office	107,121,418	16,496,698	15.4%	25,173533	23.5%	300,006	128,561 SF
Retail	78,030,906	6,242,472	8.0%	9,675,832	12.4%	461,000	650,108 SF
Industrial	224,421,902	15,933,955	7.1%	20,646814	9.2%	205,000	373,378 SF
Multifamily	289,451	15,920	5.5%	N/A	N/A	1,652	58 units

Sources: CB Richard Ellis: Office, Retail & Industrial (2nd Quarter 2011)
Apartment Association Metro Denver: Multifamily (1st Quarter 2011)

Office Market

Despite ongoing uncertainty about national economic growth, the Denver metro region has continued its recovery at a moderate pace, further reinforced by signs of strength in local real estate fundamentals. The Denver office market has performed about as well as could be expected under the difficult circumstances endured during the recession, with demand slowly but steadily returning to the area. At the midway point of 2011, leasing activity is certainly elevated from the levels recorded in 2009 and 2010, allowing for a continued decline in the direct vacancy rate. Over the past year, fundamentals have benefited from larger national users looking to relocate to the local market. This encouraging trend has helped stem the tide of increasing vacancy rates. In the second quarter of 2011, the Denver office market posted a modest 128,561 square feet (SF) of positive absorption. This increase in occupied space allowed the direct vacancy rate to decrease slightly to 15.4%. The total availability rate, including sublease space, increased nominally in the second quarter to average 23.5%. As a result of the continued flight to quality, Class A buildings, particularly in Denver's key submarkets, have been the initial beneficiaries of increased occupier demand and large blocks of high quality space are increasingly difficult to find. As corporate profits and balance sheets continue to improve, many companies are transitioning from the drastic cost-cutting seen in the past two years to a tentative hiring mode. So far in 2011, office leasing activity has been lead by the energy, education, government and financial services sectors. Additionally, despite recent mergers and downsizing, activity in the technology, healthcare, and telecommunications sectors indicates that they are next industry clusters poised to aid in the metro area's recovery. The current transitional period defining the marketplace continues to favor the occupier's side; however, the amount of time left to capitalize on lower rental rates and attractive lease options is likely waning as market fundamentals rebound. While conditions are clearly stabilizing, Metro Denver's asking lease rates dipped slightly in the second quarter, averaging $19.59 per SF on a full service basis. The capital markets sector's resurgence, in conjunction with the stabilization of lease rates and vacancy, will significantly contribute to the overall health of the Denver market. Institutional investors are clearly demonstrating an increased appetite for opportunities and, as a result, transaction activity is increasing. Demand for core assets in Denver's key submarkets is higher than it has been since 2007. With the anticipation of continued progress in actual property level performance, rather than mere reliance upon on capitalization rate compression, investors are now more willing to forecast rental rate growth, especially in higher quality space. One of the most significant sales so far in 2011 involved the purchase of 1515 Wynkoop. This LEED Gold certified building in Denver's Lower Downtown area, traded for a rumored $118 million, or $371 per SF. In addition, the sale of Tuscany for an approximate $47 million, or $182 per SF, is an indication of elevated transaction activity in Denver's suburban markets. Sales transaction volume is expected to continue to increase in the second half of 2011 as investors become more comfortable placing capital, recognizing that commercial real estate fundamentals are recovering at a steady pace from the lows of the recession..

Retail Market

While national job growth has yet to consistently record improving results, metro Denver employment numbers did achieve modest gains during the second quarter of 2011. This decrease in unemployment encouraged positive trends for local retail fundamentals. Retail sales are showing signs of stabilization as consumer confidence and spending increases. The increases in consumer spending continue to help stimulate the local economy, and in turn are supporting the continued improvement of property level fundamentals and the current path towards economic recovery. In addition, businesses are becoming better capitalized and the residential market continues to exhibit more positive trends, showing signs of fewer foreclosure filings and increases sales prices. The limited amount of retail supply stemming from stalled development activity, coupled with emerging signs of increasing tenant demand, is resulting in a continued return to overall health for Denver retail market. Increases in occupancy levels, positive absorption and the stabilization of rental rates, further reflect reasons for optimism for improving retail market conditions in the Denver metro area for the remainder of the year. In the second quarter of 2011, the Denver retail market recorded 650,108 square feet (SF) of positive absorption. This increase in occupancy caused the total vacancy rate to decrease to a healthy 8.2%. Accounting for sublease space, the overall availability rate remained relatively flat at 12.4%. The delivery of two build-to-suit properties, Nordstrom's Rack and Best Buy at Belmar totaling 140,000 SF, were significant factors in the amount of positive absorption achieved. As a result of the difficult market conditions occurred, retail owners and operators continue to consider a wider range of tenants and the use of creative leasing methods as they look to recapture market lease rates and increase occupancy levels. Although average asking lease rates decreased slightly during the second quarter, recording an average rate of $16.28 per SF, they are likely to begin witnessing increases again as the market continues to improve. This scenario has created an opportunity for retailers to take advantage of the market instability observed during the last two years to either relocate or expand into higher quality spaces. The retail investment market continues to remain subdued by the uncertainty of the timing and strength of a return to economic stability; however activity has noticeably picked up in the first half of 2011. Although transaction levels remain tempered in comparison to pre-recession levels, Denver is currently outperforming other comparable regional markets from a pricing perspective. A full rebound in sales volume and pricing within the retail sector is likely further out than other commercial real estate asset types. On the development side, the inventory of projects underway in the Denver retail market remains minimal. The subdued pipeline of projects is expected to continue through year end 2011, as the confidence of developers will remain tempered until a sustained recovery is achieved.

Industrial Market

While distant from the ideal picture of fully stabilized fundamentals, local commercial real estate markets are continuing to exhibit the positive signs of healing that began to emerge in the later half of 2010. In the second quarter of 2011 the Denver industrial market recorded additional positive results demonstrating recovery efforts are proceeding at a steadily encouraging pace. Aided by historically low levels of new construction and five straight quarters of positive absorption now being recorded, the local vacancy and availability rates for the Denver industrial market are clearly stabilizing. In the second quarter of 2011, the Denver industrial market posted the additional positive absorption of 373,378 square feet (SF). These gains in occupied space allowed the overall vacancy rate to decrease 12 basis points to 7.09%. Accounting for sublease space, the total vacancy rate also decreased to 8.3%. While inventories, trade and production levels, which are the key drivers for the industrial realm, all continue on an earnest path towards expansion, even though they remain below pre-recession highs. The increase in inventory restocking endeavors has benefited the demand for local warehouse/distribution and manufacturing space. Additionally, leasing activity in the warehouse/ flex R&D sector of the Northwest submarket has been the driving force behind the recent positive absorption recorded in the Denver industrial market. The increases in tenant activity witnessed have resulted in a noticeable reduction in the number of large blocks of space on the market. Further reflecting improved market conditions and an uptick in overall confidence, average asking rental rates also appear to remain strong and stabilized with a current average $5.93 per SF. However, tenants continue to place a high priority on keeping operations lean with uncertain market conditions still hindering growth forecasts, companies are taking advantage of lower then average lease rates in comparison to prerecession rates. Landlords continue to be focused on retaining tenants and occupancy levels rather than increasing lease rates to stabilize their assets. Along with record low amounts of supply, larger and more modern warehouses have been the first to benefit in the improving market. Consequently, this recent "flight to quality" has helped many Class A buildings stabilize, as several tenants have sought to take advantage of the attractive rates available allowing them to upgrade to higher quality options. The largest transaction to occur in the second quarter was Dish Network's lease of 127,951 SF at 12695-12775 E 49th Ave. Also of note is Fraser Trucking's lease of 29,719 SF at 3650 N Fraser St. Certainly an encouraging trend established in the second half of 2010 which has continued so far in 2011, is the significant increase in owner/user sales as well as general investment sales activity. As leasing activity continues to head in the right direction, numerous investors continue actively searching for potential emerging opportunities to purchase quality industrial buildings well below replacement costs. Additionally, the local industrial sector has proven to be largely immune to distressed activity when compared to other investment sectors, as industrial investors have historically tended to use far less leverage than others employ. One of the more notable sale transactions in the second quarter was the sale of 11005 W. 8th Ave for $6.5 million dollars or $65.35 per SF. Also reaching the closing table was 2460 Airport Blvd for $6 million dollars or $37.15 per SF.

Multi-Family Market

As of the first quarter of 2011, the total metro inventory was approximately 289,451 units, with the addition of 3,791 units added in 2009 and 498 units in 2010. Only 2,548 and 2,517 units were added to supply in 2004 and 2005, respectively. For all of 2006, there was a net positive absorption of 2,709 units for the metro Denver area. During 2007, there was a net positive absorption of 4,644 units. A negative absorption of (2,421) units was reported throughout 2008. A total of 4,069 units were absorbed in 2009, however, in 2010 a total of 6,827 units were absorbed. As of the first quarter of 2011, the monthly turnover of residents was 3.9%, down from 5.6% for the third quarter of

2010. From 1999 through 2002, the Metro Denver area peaked at the highest level of unit delivery since the start of the most recent development cycle, which began in earnest in 1993.

Throughout 2010, the average vacancy rate metropolitan wide decreased 220bps to 5.5% from 7.7% in the fourth quarter of 2009. The metro wide vacancy rate stood at 7.9% for the fourth quarter of 2008 and 6.5% in the third quarter of 2008. The average vacancy rate for 1990's units stood at 4.6% in the first quarter of 2011. The vacancy rate for units developed between 2000 and 2004 is 5.0% and the rate for units developed 2005 and after is 12.5%.

Average rental rates in the Denver multifamily housing market are reported based on unfurnished units with residents paying gas and electricity expenses. Average rents do not include the cost of rental discount/concessions, models, bad debts and delinquencies.

The current average rent as of the first quarter of 2011 is $911.41, an increase over $877.16 in the first quarter of 2010. Units constructed after 2005 had the highest average at $1,259.87 while units built in the 1960's averaged $751.66. The highest rental rates are in complexes with 200-349 units ($957.30), and lowest in buildings with up to 8 units ($677.34). Rental rates on a per square foot basis averaged $1.07 in the first quarter of 2011 versus $1.02 for the fourth quarter of 2009. The highest rent per square foot is for units with 499 square feet or less ($1.34 per square foot) and lowest for units with 1,000 square feet and above ($1.01 per square foot). The moderating force in market rental rates has been the amount of new development. However, due to the limited amount of units in the pipeline rent increases are expected to be significant in the near term.

COLORADO ECONOMY HIGHLIGHTS

Moody's Economy.com provides the following Denver, CO metro area economic summary as of April 2011. The full Moody's Economy.com report is presented in the Addenda.

DENVER, CO - ECONOMIC ANALYSIS

Indicators	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Gross Metro Product (C$B)	115.6	119.3	122.5	126.0	128.7	127.6	132.6	137.3	143.0	148.6	153.1	157.3
% Change	1.3	3.2	2.6	2.9	2.1	-0.8	3.9	3.6	4.2	3.9	3.0	2.8
Total Employment (000)	1,167.0	1,190.0	1,215.5	1,241.2	1,253.4	1,199.4	1,190.4	1,206.0	1,236.7	1,261.6	1,293.2	1,315.2
% Change	0.8	2.0	2.1	2.1	1.0	-4.3	-0.8	1.3	2.5	2.0	2.5	1.7
Unemployment Rate	5.9	5.3	4.5	4.0	5.0	7.9	8.3	9.0	8.0	7.0	5.7	5.2
Personal Income Growth	5.2	6.2	8.9	4.9	4.5	-2.1	1.4	4.5	6.5	7.0	5.9	4.9
Population (000)	2,321.7	2,353.5	2,399.6	2,449.5	2,500.4	2,552.2	2,588.9	2,621.6	2,656.4	2,689.6	2,720.8	2,751.1
Single-Family Permits	18,599.0	17,760.0	13,166.0	7,859.0	4,003.0	2,723.0	3,809.5	5,371.7	11,039.0	14,235.4	14,340.9	13,367.9
Multifamily Permits	3,237.0	3,104.0	4,904.0	6,358.0	4,811.0	1,389.0	1,188.1	1,836.2	3,929.7	4,716.5	4,668.4	4,276.9
Existing-Home Price ($Ths)	238.9	246.3	249.6	244.6	218.7	217.1	232.0	224.4	224.9	231.3	240.0	248.5
Mortgage Originations ($Mil)	39,250.8	36,324.2	31,791.0	28,920.9	26,479.6	34,644.8	28,620.8	24,575.3	22,745.7	25,034.2	27,704.6	31,772.9
Net Migration (000)	2.7	9.5	22.9	26.5	28.0	28.6	13.5	9.6	11.8	10.3	8.5	7.7
Personal Bankruptcies	15,030.0	24,127.0	5,564.0	8,734.0	11,920.0	15,976.0	18,496.0	20,381.1	20,921.6	21,537.7	22,190.0	22,718.6

Source: Moody's Economy.com

RECENT PERFORMANCE

The recovery in Denver-Aurora-Broomfield is building momentum, as a narrow rebound in professional services spreads to the rest of the economy. Job growth has been close to the national average, with a rebound in manufacturing employment in 2011. There was a recent upward revision to unemployment, and it has moved higher this year, to above the national rate, although mostly as a result of an expanding labor force. The housing market remains soft, as prices have entered a double dip; housing starts remain weak but have moved slightly higher.

LABOR FORCE

Despite accelerating employment growth, strong labor force growth will keep unemployment elevated for some time. According to business surveys, Denver has maintained its reputation as a center of opportunity for young, skilled workers, with a high quality of life and a number of emerging growth industries. This has supported strong in-migration and labor force growth. This explains, in part, the recent increase in the area's unemployment. Another explanation may be the movement of self-employed consultants into permanent positions, which would be recorded as an increase in employment in the payroll survey, but not the household survey.

TRAVEL

Increasing tourism and business travel will boost revenues for local businesses, supporting stronger hiring over the coming year. Leisure and hospitality payrolls are already expanding at an above-average rate, and transportation services will continue to add jobs over the coming year. Passenger traffic at Denver International Airport, one of the busiest in the world, was up 1.3% in the first two months of 2011 on a year-ago basis; cargo shipments, by weight, have risen about 4%.

Expansion and improvement of airport facilities coincides with construction of a commuter rail line connecting the airport and downtown Denver. Short term, these infrastructure projects will contribute to the turnaround in construction payrolls midyear. The greatest impact will be longer term, however. Tech and telecom firms have cited direct air travel with other tech centers as a deciding factor in choosing to expand into Denver, but airport capacity, distance, and limited ground transportation options have been bottlenecks.

TELECOMMUNICATIONS

Denver will remain a center of telecom for the nation, but revolutions in technology and consumer demand patterns present upside and downside risk for the area, for both the area's established corporate giants and its numerous start-ups. The April purchase of Qwest Communications, one of the area's largest employers, by Louisiana's CenturyLink will lead to some downsizing over the next few years, but other consolidation trends are more favorable. Level 3, which provides online video-streaming services for Netflix, has announced plans to purchase a major competitor, making it more competitive.

A more speculative move by another major local employer, Dish Network, to purchase the former video rental company Blockbuster signals its intention to develop its own video streaming platform to compete with Netflix. Neither the outcome of this move nor its effect on area incomes and employment is clear yet, but such aggressive risk-taking is a positive sign.

CONCLUSION

Denver-Aurora-Broomfield's above-average unemployment rate will overshadow its recovery in the near term, but stronger employment growth in 2011 will begin to bring it down, boosting incomes and consumer demand. In addition to telecommunications, Denver is becoming a national center for renewable energy, healthcare, engineering, and other professional services, which will help the area attract a skilled workforce and stay an above-average performer in the long run.

BEIGE BOOK SUMMARY (APRIL 13TH, 2011)-NATIONAL ECONOMIC REVIEW

Reports from the twelve Federal Reserve Districts indicated that economic activity generally continued to improve since the last report. While many Districts described the improvements as only moderate, most Districts stated that gains were widespread across sectors, and Kansas City described its economic gains as solid. Manufacturing continued to lead, with virtually every District citing examples of steady improvement, often with reports of increased hiring. Retailers in the Boston District reported mixed sales results and retail sales remained weak in the Richmond District, but all other Districts experienced at least slight gains in consumer spending and the New York District cited robust sales. Business services, including freight-related activities, improved in most Districts. Loan demand was either unchanged or up slightly in most Districts, with New York, St. Louis, and Kansas City citing weaker lending. Residential and commercial real estate performance varied across Districts. Seven of the Districts described commercial real estate as slightly improved, while five noted that their markets were flat. While most Districts noted little change in their residential real estate markets, half of the Districts cited at least pockets of weakening.

Reports focusing on the near-term outlook were most often upbeat. Some Districts, however, also noted that uncertainties remained high. Boston, Philadelphia, Richmond, Atlanta, Chicago, Minneapolis, and Dallas all noted actual or expected disruptions to sales and production as a result of the tragedy in Japan. Most Districts reported signs of improvement in at least some of their labor markets and Boston, Richmond, Chicago, and Kansas City cited examples of concern among their contacts about being able to obtain certain types of skilled workers. Some businesses in the Philadelphia and Cleveland Districts still preferred to hire temporary over permanent workers.

Wage pressures were described by most Districts as weak or subdued, but higher commodity costs were widely reported to be putting increasing pressures on prices. Energy prices were cited most often, but raw materials in general were an increasing concern of businesses. The ability to pass through cost increases varied across Districts, with manufacturers generally finding less resistance to price increases than either retail or construction (where weak demand was a limiting factor).

Nonfinancial Services

Non-financial service firms generally reported expansion, although Minneapolis and Atlanta heard mixed reports. Demand for business-to-business services increased in the Boston, Philadelphia, Richmond, Minneapolis, and San Francisco Districts. Boston and Minneapolis cited stronger demand for advertising and marketing services. In addition, respondents in several Districts reported higher demand for seasonal accounting services. Contacts at firms providing travel-related services in the Atlanta and Richmond Districts also reported an uptick in demand. Kansas City District restaurateurs said sales were up, but the average check amount had declined; in contrast, restaurant contacts in the Atlanta District gave mixed reports and some in the St. Louis District planned to decrease operations.

Reports from transportation services firms were mostly positive. Contacts in the Cleveland, Richmond, and Atlanta Districts reported an increase in freight transportation volume, notably for vehicles and construction materials. Dallas received mixed reports, however, citing weaker international demand for intermodal transportation; container volume flattened, while railroads reported moderate increases. Carriers in the Atlanta District reported increased air travel for business and leisure, while airlines in the Dallas District indicated traffic was steady. New York and Richmond cited a strengthening in freight trucking, and port activity rose in the Richmond and San Francisco Districts. Shippers in the Atlanta District anticipated temporary disruptions resulting from the disaster in Japan.

Manufacturing

All twelve Districts reported that manufacturing activity increased since their previous reports. Ten of the twelve Districts cited a further pickup in production, while Cleveland and Dallas observed steady to slightly improving activity. Dallas said overall demand in manufacturing rose slightly from low levels, noting gains in food, plastics, and construction-related products. Richmond and Chicago reported substantial increases in auto and auto parts manufacturing. Cleveland indicated that auto production overall dipped slightly, but that domestic automakers showed a substantial rise in production. Moreover, St. Louis mentioned that automobile parts and electrical equipment manufacturers reported plans to open new plants in their District. Boston and Kansas City reported that growth of high-tech goods was strong, but several contacts in the Dallas District said that high-tech shipments to Japanese factories declined. Boston and Richmond District respondents attributed a lack of new contracts from federal government agencies to the uncertainties surrounding the budget for fiscal year 2011. San Francisco reported that makers of commercial aircraft and related parts had modest growth in new orders, which they attributed in part to increased demand for aircraft with greater fuel efficiency. Philadelphia said that manufacturers of fabricated metal products and industrial machinery cited higher demand. Similarly, steel producers and metal service centers in the Cleveland District reported that shipping volume met or exceeded expectations, with shipments driven by energy-related, transportation, and heavy equipment.

Comments on the outlook were generally positive. Boston mentioned that manufacturers generally remained cautiously optimistic but voiced greater uncertainty about the outlook for the rest of the year, based on the disruption at Japanese facilities, the geopolitical climate worldwide, and ambiguity about U.S. government spending plans. Likewise, Chicago commented that contacts' optimism was tempered by elevated uncertainties surrounding recent global events. New York and Kansas City stated that contacts remained optimistic about the near-term outlook, and Philadelphia indicated that more than two-thirds of their manufacturers expected business conditions to improve in the next six months.

Real Estate and Construction

Real estate markets for single family homes for the most part either were little changed from low levels or continued to weaken across all Districts. Residential construction was described by Chicago as subdued and the spring building season is likely to be slower than previously anticipated. Market activity was still declining in the St. Louis and Minneapolis Districts, while activity in the New York, Cleveland, Kansas City, Dallas, and San Francisco Districts remained weak. Atlanta characterized the market as mixed, with Florida brokers providing most of the signs of improvement. Both Philadelphia and Atlanta noted that brokers expected the market to improve, and builders in the Cleveland District were more optimistic than in the past several months. A few Districts found pockets of improvement. For example, Philadelphia reported that agents were seeing a pickup in inquiries, showings, and traffic, although there was little increase in sales or construction. Boston noted higher activity in just the last few weeks, due in part to improved weather, and Richmond said that the market for lower-priced homes improved. The multifamily markets strengthened in several Districts, including Chicago, Dallas, Minneapolis, and San Francisco, both in terms of leasing and construction activity.

Commercial real estate activity remained weak across all Districts, although seven reported slight improvements since their last report. Market activity was still slow in the St. Louis and Philadelphia Districts and remained at low levels in the Boston, Atlanta, and San Francisco Districts. Markets in the San Francisco District were characterized as subdued, but leasing activity increased among technology firms. Most other Districts noted improvements, albeit slight, in activity. For example, Chicago and Kansas City cited moderate gains in construction, with Chicago highlighting gains in healthcare and automotive industries. Improvements in the Cleveland District were also driven by healthcare projects and, to a lesser extent, by manufacturing and energy. Office and industrial leasing improved in the Richmond District, although retail was little changed.

Banking and Financial Services

Most Districts cited loan demand as either unchanged or slightly improved since the last report, although many of the Districts citing improvements noted weak demand in some market segments. Banks in the Chicago District noted that their pipeline was still not robust, although manufacturing, food processing, and healthcare experienced some growth. Cleveland reported that business lending was strongest in healthcare and in energy. Consumer loan demand showed some improvement in the Richmond and San Francisco Districts, but was little changed in the Chicago District. Overall loan demand was weak or little changed in the Philadelphia and Kansas City Districts, although Philadelphia noted some improvement in commercial and industrial loans and in some types of commercial real estate loans. However, New York described household demand (for both consumer loans and mortgages) as weakening in its District, and St. Louis noted declines across most segments of its market, including real estate, commercial and industrial, and personal loans.

Several Districts reported that credit standards were unchanged or slightly tighter and that competition for quality loans was intense. For example, Cleveland described credit standards as unchanged, while New York noted no change for consumer loans but tightening for other categories in its District. San Francisco noted that credit standards remained somewhat restrictive. Cleveland characterized loan quality as stable or slightly improved and delinquency rates as stable or trending down. However, New York mentioned an uptick in delinquency rates for commercial and industrial loans. Competition for quality loans was described as intense in the Chicago, Dallas, and San Francisco Districts, putting downward pressures on rates and fees.

Employment, Wages & Prices

Most Districts reported that labor market conditions were generally stronger than in their last reports. New York, Richmond, Chicago, Minneapolis, Kansas City, and Dallas all noted increased employment activity, while Boston and Atlanta reported modest or gradual improvement. However, Philadelphia, Cleveland and San Francisco mentioned limited or delayed hiring, while labor market conditions were mixed in the St. Louis District. Boston, New York, Cleveland, Richmond, and Dallas cited noticeable improvements in the manufacturing sector, and Boston and Kansas observed increased labor demand in the technology sector. New York, Cleveland, Richmond, Chicago, and Minneapolis received upbeat reports from staffing agencies. New York said that a major employment agency experienced a marked pickup in hiring activity in March, describing it as "the best month in years." A staffing contact in the Cleveland District noted moderate growth in the number of new job openings, with vacancies concentrated in health care, energy and professional business services. A large staffing firm in the Chicago District reported solid growth in billable hours and a substantial increase in permanent placement and recruiting activity, while contacts in the Philadelphia District were inclined to delay additions to permanent or temporary staff. Employers in the Boston, Richmond, Chicago, and Kansas City Districts said that they were experiencing difficulty in recruiting highly specialized workers. Despite signs of improvement in most labor markets, St. Louis and Minneapolis reported examples of layoffs in the manufacturing sector of their regions.

Input prices rose in most Districts, particularly for cotton and other agricultural commodities, petroleum-based products, and industrial metals. In addition, shippers added fuel surcharges in several Districts. Boston, Cleveland and Atlanta cited increasing cost pressures, and some manufacturers in Boston were raising their selling price to pass costs along to customers. The ability to pass through increases, however, varied in both the Chicago and Atlanta Districts, with manufacturers generally being more successful than retail or construction firms. Contacts in the San Francisco District reported a limited ability to pass through higher input prices on anything other than food and gasoline. Kansas Cited stated that more manufacturers and retailers expected to raise prices in coming months.

Wage pressures were reported to be mostly contained, especially in the Philadelphia, Cleveland, Minneapolis, Dallas, and San Francisco Districts. Kansas City noted wages generally held steady, even with expanded hiring, and wage pressures were expected to be contained except for highly competitive or specialized positions. Wage pressures were described as modest in the Chicago District. However, Richmond reported slightly faster wage increases. Boston reported that nearly all of the manufacturing firms that they contacted planned to implement merit increases, and one contact planned a greater merit pool next year to compensate for previous low raises. Philadelphia noted some concern about rising nonwage employment costs, but wages for business firms in the District were mostly steady.

Agriculture and Natural Resources

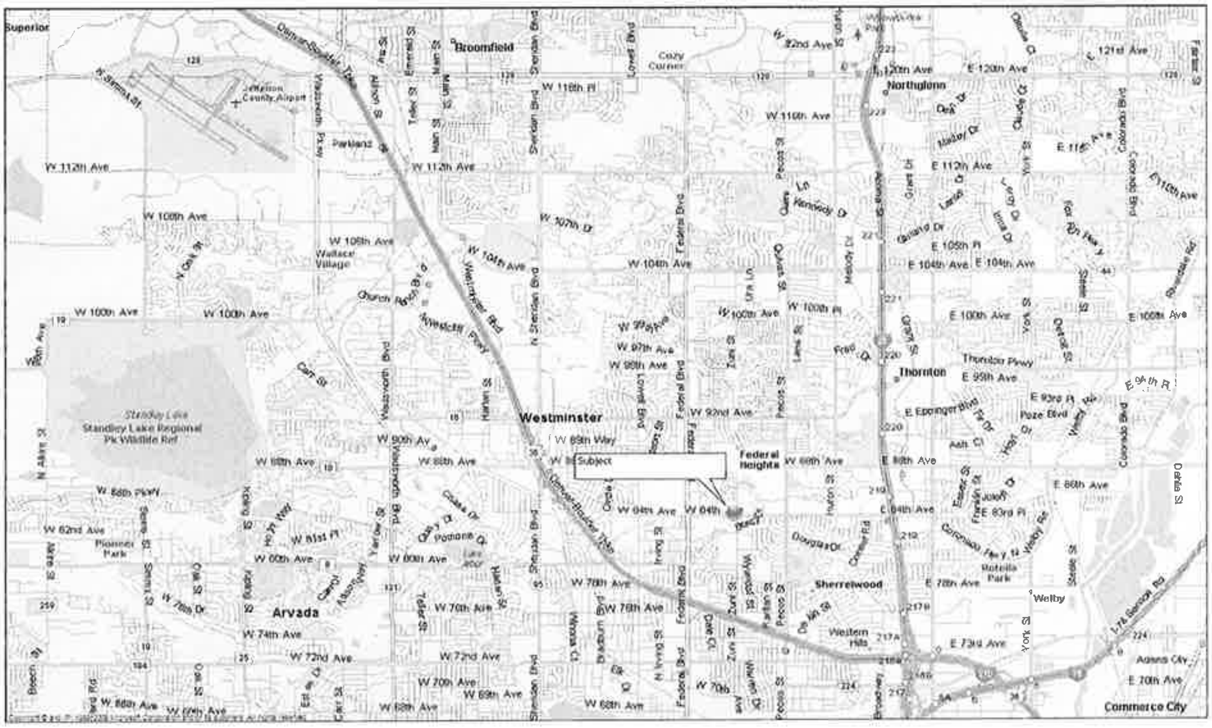
Assessments of agricultural activity were mixed. Varying degrees of drought conditions persisted in the Atlanta, Kansas City and Dallas Districts, with Chicago indicating that some areas in their District did not have adequate subsoil moisture to endure dry spells. In the Kansas City District, agricultural growing conditions generally worsened in late February and March. In particular, winter wheat crop conditions deteriorated further as the drought in the southern Plains intensified. Dallas reported that drought conditions became more widespread in March, covering more than 90 percent of the District. However, Dallas noted that planting was underway despite concern about the lack of soil moisture for spring crops. Chicago also indicated that planting should proceed quickly in most of the District, as fields were in good condition with ground moisture sufficient for an excellent start to the crop year. Moreover, the Minneapolis District continued to enjoy good conditions in spite of wet weather and spring flooding. Most Districts reported that prices of fuel and feed continued to put downward pressure on margins, but prices for most agricultural commodities remained strong. Atlanta said that strong global demand contributed to elevated prices for some farm acreage, while Kansas City attributed higher farmland values to strong crop prices and a limited number of farms for sale.

Activity in the energy industry generally strengthened since the last report. Minneapolis, Kansas City, and Dallas reported increased drilling activity as demand firmed. In the Atlanta District, deep-water drilling permits were issued in late February for the first time since the Gulf oil spill last April, although the number of rigs operating in the Gulf of Mexico was still only about half the number prior to the spill. In the St. Louis and Kansas City Districts, coal production remained above year-ago levels, but was stable to moderately lower in the Cleveland District. Kansas City reported increased drilling activity, with exploration shifting away from natural gas toward crude oil, while Cleveland indicated that oil and gas output held steady. In the San Francisco District, extraction activity for natural gas expanded, while Minneapolis reported that late-March oil exploration activity increased since mid-February. Minneapolis also noted that iron ore mines in northern Minnesota were operating at full capacity, with expectations that 2011 production will be the highest in more than 10 years.

CONCLUSION

Denver has managed the "Great Recession" well in relation to the rest of the nation and is already showing the first signs of recovery. The comparatively small house price declines and job losses have kept the worst of the housing downturn from reaching the metro area. Over the long term, the metro area will benefit from a skilled workforce, expansive research base, and advanced technology industries that will continue to attract a healthy flow of new residents and capital investment. Continued investment into the area infrastructure systems such as the FasTracks program will also have a positive impact on local neighborhoods, businesses, real estate markets and economies. The small gains in information and business/professional services employment suggest an approaching tech-based recovery is imminent. Long-term infrastructure projects will keep local construction workers busy even if real estate construction remains flat. Denver's recent performance has been disappointing, though it is well positioned for strong long-term growth. The largest downside forecast risk is currently a possible stalling of the FasTracks project, which might fall victim to budget-cutting. Despite these risks, Denver is expected to slightly outperform the nation over the forecast horizon.

NEIGHBORHOOD ANALYSIS



LOCATION

The subject property is located on the east side of Federal Boulevard, near the intersection of 84th Avenue and Alcott Street in the City of Westminster, Adams County, Colorado. The subject is approximately 9 miles northwest of the Denver Central Business District. Adjoining municipalities include Federal Heights, Thornton and Northglenn to the east, Broomfield to the north and northeast, Unincorporated Jefferson County to the west, and Arvada to the south.

The City of Westminster is a suburban community governed by a council manager form of government. The city was incorporated in 1911 and now contains 27.5 square miles of land. All normal municipal services are available. Development is controlled by the City of Westminster, Department of Planning.

BOUNDARIES

The neighborhood boundaries are detailed as follows:

North:	120th Avenue
South:	US Highway 36 – Denver Boulder Turnpike
East:	Interstate 25
West:	Sheridan Boulevard

LAND USE

Land use in the neighborhood consists primarily of residential uses interspersed with neighborhood, community and regional shopping districts. Development in the immediate vicinity of the subject consists of retail/commercial along the major arterials leading to residential areas. There are several large vacant tracts in the immediate area of the subject and newer residential development has occurred along US Highway 36 and other major thoroughfares. The subject property is situated approximately three-quarters of a mile north of the intersection of Federal Boulevard and the Boulder Turnpike (known as Highway 36) and two miles west of Interstate 25 with an exit at 84th Avenue.

Growth patterns have occurred along primary commercial thoroughfares such as Highway 36 and 84th, 92nd, 104th, and 120th Avenues, as well as north-south arterials such as Pecos Street, Federal Boulevard, and Sheridan Boulevard. Due to the age and built-up nature of the area any new development has been primarily infill in nature.

ACCESS

The major north-south traffic arterials in the neighborhood are Sheridan, Lowell and Federal Boulevards and Pecos Street along with the Boulder Turnpike. The Boulder Turnpike provides excellent metro wide access from the subject neighborhood. Federal Boulevard is a divided six-lane thoroughfare with controlled intersections. Major east/west arterials include 92nd, 88th, 84th, 80th, 72nd and 64th Avenues. Driving time to the CBD is approximately 10 minutes and to Denver International Airport is approximately 35 minutes.

DEMOGRAPHICS

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

SELECTED NEIGHBORHOOD DEMOGRAPHICS			
8400 Alcott Street Westminster, CO	1 Mile Radius	3 Mile Radius	5 Mile Radius
Population			
2016 Population	20,022	147,901	326,342
2011 Population	19,097	141,339	309,456
2000 Population	19,431	142,558	291,005
1990 Population	15,578	121,081	245,578
Annual Growth 2011 - 2016	0.95%	0.91%	1.07%
Annual Growth 2000 - 2011	-0.16%	-0.08%	0.56%
Annual Growth 1990 - 2000	2.23%	1.65%	1.71%
Households			
2016 Households	7,590	54,852	122,363
2011 Households	7,242	52,316	115,633
2000 Households	7,533	53,306	108,807
1990 Households	6,147	45,608	91,218
Annual Growth 2011 - 2016	0.94%	0.95%	1.14%
Annual Growth 2000 - 2011	-0.36%	-0.17%	0.55%
Annual Growth 1990 - 2000	2.05%	1.57%	1.78%
Income			
2011 Median HH Inc	$38,088	$46,430	$51,533
2011 Estimated Average Household Income	$43,308	$55,613	$61,402
2011 Estimated Per Capita Income	$16,817	$20,586	$23,026
Age 25+ College Graduates - 2000	1,369	14,635	37,428
Age 25+ Percent College Graduates - 2011	9.5%	13.8%	16.0%

Source: CBRE

CONCLUSION

The neighborhood contains a variety of single-family residential and retail/commercial uses. The neighborhood is situated within the City of Westminster within Adams County. Primary access to and from the neighborhood is from several major thoroughfares and one highway (along with access from Interstate 25 at the eastern side of the neighborhood). The access is considered average. The subject neighborhood can generally be described as mature, with no noted detrimental influences. The subject neighborhood is located in a primarily built up area and growth has been slow over the past five years within a 5-mile radius. Primary growth within the neighborhood is from infill sites and redevelopment. We anticipate that the subject neighborhood will remain stable over the foreseeable future.

MARKET ANALYSIS

An overview of local market conditions is presented. The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. The market analysis will take into account supply and demand, vacancy, absorption and planned projects. The analysis is based on recent studies conducted by CBRE, and includes data pertinent to the Denver metropolitan area as well as the submarket in which the subject is located. Primary data sources utilized for this analysis includes CBRE's internal market research, PWC Investor Survey, CoStar and market participant interviews. The subject is in the Northwest submarket of the Denver Metro area and is considered a Class C multi-tenant medical office building.

OFFICE MARKET OVERVIEW

Despite ongoing uncertainty about national economic growth, the Denver metro region has continued its recovery at a moderate pace, further reinforced by signs of strength in local real estate fundamentals. The Denver office market has performed about as well as could be expected under the difficult circumstances endured during the recession, with demand slowly but steadily returning to the area. At the midway point of 2011, leasing activity is certainly elevated from the levels recorded in 2009 and 2010, allowing for a continued decline in the direct vacancy rate. Over the past year, fundamentals have benefited from larger national users looking to relocate to the local market. This encouraging trend has helped stem the tide of increasing vacancy rates. In the second quarter of 2011, the Denver office market posted a modest 128,561 square feet (SF) of positive absorption. This increase in occupied space allowed the direct vacancy rate to decrease slightly to 15.4%. The total availability rate, including sublease space, increased nominally in the second quarter to average 23.5%. As a result of the continued flight to quality, Class A buildings, particularly in Denver's key submarkets, have been the initial beneficiaries of increased occupier demand and large blocks of high quality space are increasingly difficult to find.

As corporate profits and balance sheets continue to improve, many companies are transitioning from the drastic cost-cutting seen in the past two years to a tentative hiring mode. So far in 2011, office leasing activity has been lead by the energy, education, government and financial services sectors. Additionally, despite recent mergers and downsizing, activity in the technology, healthcare, and telecommunications sectors indicates that they are next industry clusters poised to aid in the metro area's recovery. The current transitional period defining the marketplace continues to favor the occupier's side; however, the amount of time left to capitalize on lower rental rates and attractive lease options is likely waning as market fundamentals rebound. While conditions are clearly stabilizing, Metro Denver's asking lease rates dipped slightly in the second quarter, averaging $19.59 per SF on a full service basis.

The capital markets sector's resurgence, in conjunction with the stabilization of lease rates and vacancy, will significantly contribute to the overall health of the Denver market. Institutional investors are clearly demonstrating an increased appetite for opportunities and, as a result, transaction activity is increasing. Demand for core assets in Denver's key submarkets is higher than it has been since 2007. With the anticipation of continued progress in actual property level performance, rather than mere reliance upon on capitalization rate compression, investors are now more willing to forecast rental rate growth, especially in higher quality space. One of the most significant sales so far in 2011 involved the purchase of 1515 Wynkoop. This LEED Gold-certified building in Denver's Lower Downtown area, traded for a rumored $118 million, or $371 per SF. In addition, the sale of Tuscany for an approximate $47 million, or $182 per SF, is an indication of elevated transaction activity in Denver's suburban markets. Sales transaction volume is expected to continue to increase in the second half of 2011 as investors become more comfortable placing capital, recognizing that commercial real estate fundamentals are recovering at a steady pace from the lows of the recession.

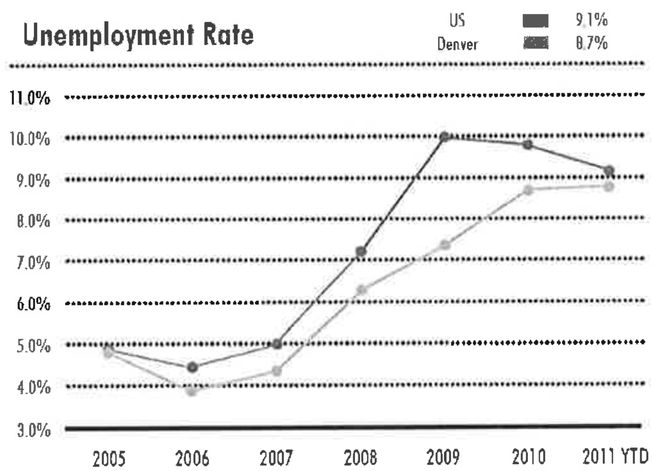
The following chart summarizes current market conditions in the various Denver area submarkets.

Market Statistics

Market	Rentable Area	Direct Vacancy Rate %	Net Absorption SF	Under Construction SF	Average Asking Lease Rate -$ SF/ YR (Full Service)	Availability Rate %	Total Vacancy Rate %
Aurora	5,878,269	20.6%	85,163	-	$13.37	24.6%	20.9%
Boulder	5,525,211	12.4%	176	-	$18.32	21.0%	12.8%
Capitol Hill	1,034,247	9.7%	6,899	-	$17.23	10.5%	9.7%
Cherry Creek	3,984,429	12.1%	(10,488)	-	$20.44	16.6%	13.3%
S. Col. Blvd/Midtown	6,487,352	18.5%	15,342	-	$16.55	24.3%	18.6%
Downtown	25,545,755	13.3%	44,735	270,000	$25.14	23.4%	14.4%
Longmont	974,909	12.4%	6,386	-	$14.60	17.6%	12.4%
North	2,303,342	20.8%	(22,085)	-	$15.07	33.3%	20.8%
Northeast	886,356	16.6%	12,146	-	$18.28	26.0%	18.8%
Northwest	7,308,550	16.1%	(43,967)	-	$20.82	25.5%	16.8%
Southeast	33,459,513	16.2%	100,453	-	$18.59	24.7%	16.8%
Southwest	5,669,818	11.6%	1,341	-	$17.04	18.5%	11.7%
West	7,063,999	16.3%	(29,229)	30,006	$18.06	22.3%	17.0%
West Hamp-Alameda	999,668	25.5%	(38,311)	-	$13.20	28.4%	27.1%
Denver	**107,121,418**	**15.4%**	**128,561**	**300,006**	**$19.59**	**23.5%**	**16.1%**

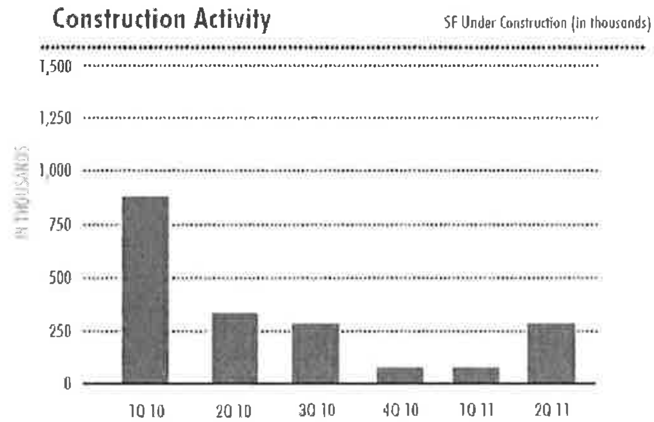
Unemployment

The national economy continues to show signs of recovery, but an increase in the unemployment rate in the second quarter of 2011 continues to weigh on overall progress. The national rate saw an increase from first quarter, and is currently at a seasonally adjusted rate of 9.1%. The Denver metro area's unemployment rate achieved a slight decrease from the previous quarter to a seasonally adjusted rate of 8.7%. Due to the gains recorded, the Denver metro area's unemployment rate no longer exceeds the national unemployment rate. An increase in new job creation must be present in order to help speed up the overall economy's return to health. Labor market stability and growth is a key ingredient to return to a fully stabilized commercial real estate market. Even though our local economy has yet to post consecutive quarters of declining unemployment rates through the second quarter of 2011, it does appear that Denver is making a more efficient recovery than many other metro areas around the country.



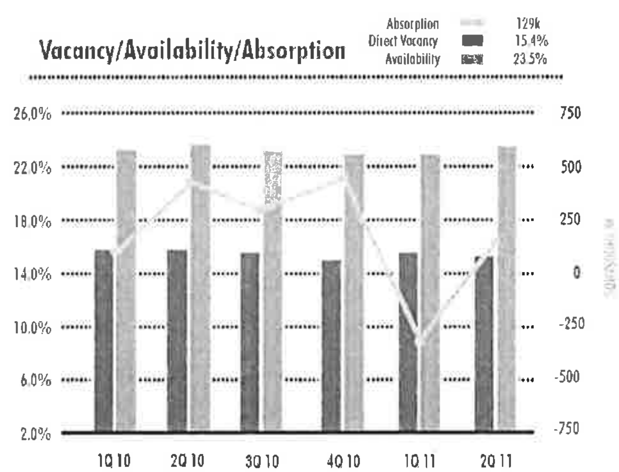
Construction Activity

With a constricted pipeline, there were no significant deliveries in the second quarter. The largest project underway is the 270,000 SF build-to-suit project for Davita's headquarters in the Downtown submarket at 2000 16th Street. Office development in the Denver metro area remains very limited as achievable lease rates currently remain below levels that would justify new construction. Additionally, continued concerns about sustainable job growth have resulted in reserved growth in tenant demand as market stabilization is still in progress. While lending conditions are certainly improving along with the measured improvement in the overall economy, credit remains tight as both lenders and developers remain risk-averse until measurable corporate growth is seen, and economic fundamentals strengthen. The relatively low amount of new office inventory added to the market over the past couple of years will allow Denver to recover more rapidly than other markets once job growth returns. Over the next several quarters, plans shelved in the wake of the recession will be once again be brought to market, with the construction surrounding the Union Station development leading the way.



Vacancy/Availability/Net Absorption

While the vacancy rate in the second quarter of 2011 improved only slightly, the current level of 15.4% is a drastic improvement from the recent highs endured during the recession. Accounting for sublease space, the total availability rate remains inflated at 23.5%. Although modest, the positive absorption of 128,561 SF achieved in the second quarter is encouraging. While a noticeable reduction in the number of large blocks of quality space has been witness, there is still a significant amount of Class B and C space available, as well as a significant amount of sublease space being listed. As a result, the Denver office market remains decidedly divided between the high and low quality asset classes. The direct vacancy rate in Class A space rests at a healthy 11.7%, while the vacancy rate is much higher in class B and C space, 18.5% and 19.0%, respectively. In the second quarter, the largest gains in occupied space were reported in the Southeast submarket where 100,453 SF of positive absorption was achieved. Additionally, there are a number of large lease transactions anticipated on the horizon that will offset recent downsizing and further bolster fundamentals. Several large deals were signed in the first half of 2011, including Health One and DIRECTV, that will improve absorption and occupancy levels in 2011 as these tenants take physical possession.



CBRE
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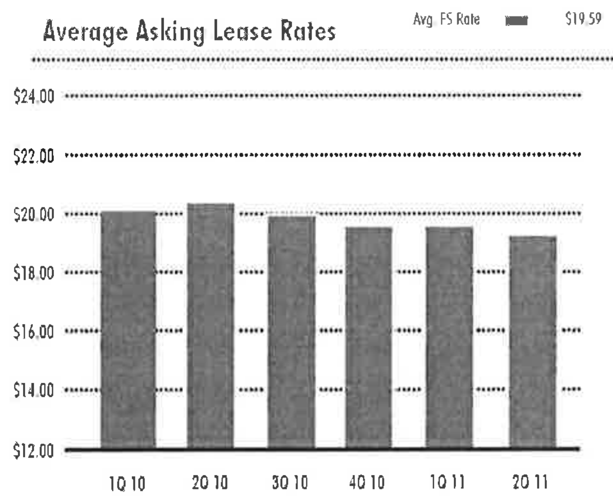
Average Asking Lease Rates

Occupancy costs in the region have reached something of a plateau point that will likely continue for the next several quarters until the supply and demand levels warrant increases in asking rates. The weighted average asking lease rate for office space in Metro Denver average $19.59 on a full service basis. Lease rates in Class A average $22.84 per SF on a full service basis. Metro Class B and C rates closed the quarter at $17.93 and $15.29 per SF, respectively. The delta between signing lease rates and asking rates has begun to narrow across many of the major submarkets, as fundamentals are not weighted in the tenant's favor as much as in previous quarters. However, tenants are realizing that there are still opportunities to utilize the current economic climate to leverage favorable lease terms and lock in long-term deals. "Blend and extend" and renewals continue to outpace new lease transactions as tenants consider the high cost of relocation coupled with the available opportunities to negotiate with landlords before the market turns. It is not likely that the rapid rental rate growth seen in previous recovery cycles will be experienced this time around, as only modest rental rate inflation is expected through the next year.



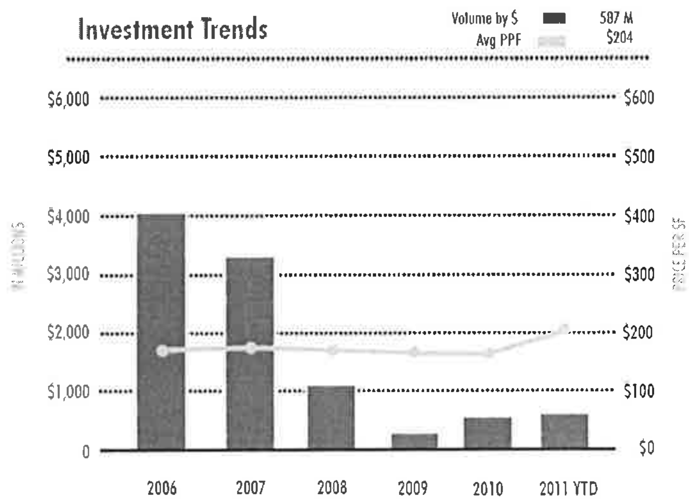
Following is a CBRE econometric forecast of rent growth over the forthcoming five years:

Denver Annual History & Forecast: 1998 - 2015

Year	Ofc. Empl. (x 1000) Financial	Services	Inventory (sf x 1000)	Completions (sf x 1000)	Vacancy Rate (%)	Net Absorp. (sf x 1000)	TW Rent Index ($/sf)	Rent Infl. (%)
History								
1998	91.5	238.0	72,497	1,805	7.5	2,205	18.15	13.3
1999	93.6	255.3	76,479	3,982	10.1	1,721	19.14	5.5
2000	94.1	272.4	80,937	4,458	9.0	4,944	19.15	0.1
2001	93.4	247.4	85,223	4,286	16.4	-2,536	17.23	-10.0
2002	95.1	232.9	86,219	996	20.8	-2,875	16.25	-5.7
2003	97.4	230.6	86,878	659	21.2	191	15.16	-6.7
2004	97.5	236.7	87,330	452	19.0	2,311	15.14	-0.1
2005	100.1	242.6	87,760	430	16.8	2,222	15.59	3.0
2006	100.3	251.6	88,505	745	14.6	2,632	16.25	4.2
2007	98.8	262.4	89,277	772	14.7	486	18.39	13.2
2008	95.9	261.5	91,380	2,103	16.3	342	20.10	9.3
2009	92.4	244.8	92,650	1,270	17.7	-208	17.76	-11.6
Forecast								
2010	93.0	246.0	93,464	814	17.2	1,199	17.36	-2.3
2011	94.8	255.3	93,494	30	16.8	362	17.71	2.0
2012	96.3	265.7	93,884	391	16.0	1,064	18.46	4.2
2013	97.2	273.7	94,292	409	14.9	1,364	19.32	4.7
2014	97.9	278.3	94,934	641	14.2	1,223	20.15	4.3
2015	98.0	280.9	95,781	847	14.0	922	20.92	3.8

Investment Trends

After experiencing a noticeable uptick in the first quarter, the second quarter of 2011 also recorded a handful of significant transactions. The largest transaction of the quarter occurred with American Realty Advisors' purchase of 1515 Wynkoop for a rumored $118 million, or $371 per SF, in the Downtown submarket. Also of note in the second quarter were the sales of Tuscany Plaza at 6312 South Fiddlers Green Circle, which sold to Cornerstone Real Estate Advisers for $47 million, or $182 per SF, in the Southeast submarket, and The Views I & II, a portfolio of two properties, which sold to Semaho Inc. for $42 million, or $125 per SF, in the Northwest submarket. The current state of increased activity in the debt markets is pushing transaction levels up as investors aggressively seek opportunities to place capital. Given the increased competition for the best assets, rising levels of liquidity and attractive spreads of commercial mortgages, lenders will likely begin to take on more risk than they have been willing to in the past two years. There are clearly signs investors are beginning to consider a broader profile of asset classes, including distressed opportunities. While the recent increase in sales activity is certainly encouraging, the gap between what sellers will accept and what buyers will pay remains to be established. As a result, asset valuation remains somewhat challenging and concerns continue to exist surrounding the possibility of an onset of commercial mortgage defaults.



Historical Perspective

The following charts and tables summarize market-wide conditions over the past several quarters as well as a 10-year historical summary through the second quarter 2011.

Quarterly Stats	2Q10	3Q10	4Q10	1Q11	2Q11
Total NRA	106,930,646	107,272,418	107,272,418	107,121,418	107,121,418
Direct Vacant %	16.2%	16.0%	15.2%	15.5%	15.4%
Sub. Available SF	2,654,256	2,620,806	2,181,894	2,132,420	2,279,635
Direct Available %	21.7%	21.3%	20.9%	20.8%	21.5%
Absorption	465,491	139,115	451,083	(285,070)	128,561
Direct Asking Lease Rate	$20.25	$19.99	$19.78	$19.78	$19.59
Activity	1,986,860	2,266,145	1,771,950	1,958,301	1,972,549

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 YTD	10 Year Avg.
Total NRA	101,176,793	101,812,614	102,668,946	101,503,378	102,367,632	103,352,073	105,438,141	106,540,490	107,272,418	107,121,418	103,925,390
Under Construction	560,725	249,450	36,981	768,591	994,856	2,619,222	1,378,866	809,617	30,006	300,006	774,832
Direct Vacant %	17.7%	17.5%	17.7%	15.8%	14.2%	12.6%	14.1%	16.4%	15.2%	15.4%	15.6%
Total Available %	24.3%	24.0%	22.9%	19.5%	17.9%	17.3%	18.7%	22.3%	23.0%	23.5%	21.3%
Sub. Available SF	5,921,323	5,361,481	3,267,872	2,718,190	2,061,473	2,398,270	2,499,141	2,673,024	2,181,894	2,279,635	3,136,230
YTD Change in Avail.	4,969,672	(81,849)	(1,005,266)	(3,646,966)	(1,537,936)	(443,296)	1,871,960	4,024,670	(111,676)	532,751	457,206
Direct Asking Lease Rate	$16.32	$16.34	$16.39	$17.08	$18.21	$20.04	$21.16	$20.02	$19.78	$19.59	$18.49
Absorption	(4,024,214)	(859,821)	748,426	1,319,517	1,874,571	2,470,662	43,875	(1,540,529)	1,141,392	(156,509)	101,737
Activity	8,214,002	11,008,270	10,575,761	10,116,597	10,052,038	9,614,377	7,717,865	5,582,849	7,371,152	3,930,850	8,418,376

Class Stats	NRA	Lease Rates	Vacancy
Metropolitan Denver	107,121,418	$19.59	15.4%
Class A	49,695,475	$22.84	11.7%
Class B	45,374,972	$17.93	18.5%
Class C	12,050,971	$15.29	19.0%
Metropolitan Denver	107,121,418	$19.59	15.4%
Class A	49,695,475	$22.84	11.7%
Class B	45,374,972	$17.93	18.5%
Class C	12,050,971	$15.29	19.0%

Trends At A Glance*	Year-over-Year	Quarterly
Construction	—	▲
Vacancy	▼	—
Absorption	▼	▲
Lease Rates	▼	—
Activity	—	—

* The arrows are trend indicators over the specified time period and do not represent a positive or negative value (e.g. absorption could be negative, but still represent a positive trend over a specified period.)

Market Outlook

Stable growth and job creation is the key to the Denver office market's recovery. The trend of slow but sustainable progress is likely to continue throughout the second half of 2011. While a return to health is clearly underway, the overall global economic recovery will need to take full hold before our local office market fundamentals can reach equilibrium levels. Stagnant employment growth has been the largest stumbling block in recovery efforts. It is important to recognize that while employers have been adding to payrolls for a handful of quarters now, there are still fewer office workers than existed at the market's peak. Steady job creation will be necessary to support the type of demand required to lower vacancy rates enough to support significant increases in rental rates and a complete return to equilibrium levels. The second half of 2011 is expected to continue to yield encouraging results and there are several reasons for optimism when examining the Denver office market. Denver pulls from a strongly diversified economic base and boasts more favorable employment statistics than the national averages. Considering the strong underlying fundamentals of the Denver metro market relative to many other areas of the country, the market continues to receive recognition as one poised for a swift and efficient recovery.

Northwest Submarket Trends

The following charts and tables summarize current and historical trends impacting the Denver Metro office market and the Northwest submarket as of the 2nd Quarter 2011.

OFFICE MARKET STATISTICS

Category	Denver Metro	NW Submarket
Existing Supply (SF)	107,121,418	7,308,550
New Construction (SF)	300,006	0
Net Absorption (SF)	(156,509)	(40,151)
Direct Vacancy Rate	15.4%	16.1%
Average Rent PSF	$19.59	$20.82
Date of Survey	2nd Q 2011	2nd Q 2011

Source: CBRE

The Northwest submarket is third largest of the fourteen recognized metro area office submarkets and accounts for 6.8% of the overall office space in the metro area. The submarket vacancy rate of 16.1% is 70 basis points above the overall market vacancy rate of 15.4%. The following chart summarizes vacancy rates and asking rental rates in the Northwest submarket based on building class. These statistics are current as of the 2nd Quarter 2011:

Quarterly Stats	2Q10	3Q10	4Q10	1Q11	2Q11
Total NRA	7,117,778	7,459,550	7,459,550	7,308,550	7,308,550
Direct Vacant %	14.8%	15.4%	16.2%	15.5%	16.1%
Sub. Available SF	414,832	381,992	318,717	343,119	317,247
Direct Available %	20.1%	20.9%	22.3%	21.3%	21.1%
Absorption	51,691	68,970	80,567	3,816	(43,967)
Direct Asking Lease Rate	$19.49	$20.16	$20.21	$20.16	$20.82
Activity	113,673	223,059	100,033	116,275	140,815

Annual Stats	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 YTD	10 Year Avg.
Total NRA	6,828,883	6,858,508	7,374,997	6,838,357	6,838,357	6,838,357	7,267,213	7,223,981	7,459,550	7,308,550	7,083,675
Under Construction	N/A	N/A	N/A	70,887	N/A	N/A	N/A	285,000	N/A	N/A	177,944
Direct Vacant %	28.1%	29.5%	29.8%	24.2%	19.3%	13.4%	16.0%	16.7%	16.2%	16.1%	20.9%
Total Available %	40.0%	39.4%	38.0%	26.7%	24.0%	20.9%	22.1%	25.5%	26.6%	25.5%	28.9%
Sub. Available SF	1,100,764	567,252	584,070	237,585	245,242	433,528	354,357	406,446	318,717	317,247	456,321
YTD Change in Avail.	14,967	(23,713)	89,964	[illegible]	(183,628)	(210,703)	174,992	235,294	262,702	[illegible]	(23,168)
Direct Asking Lease Rate	$17.28	$17.42	$17.62	$17.80	$17.39	$19.39	$20.29	$20.51	$20.21	$20.82	$18.87
Absorption	(259,879)	(107,975)	328,448	174,003	194,852	404,533	(69,492)	(45,913)	324,728	(40,151)	90,316
Activity	1,104,780	1,358,483	1,469,028	1,148,365	627,361	646,425	451,128	269,039	436,765	257,090	776,846

Class Stats	NRA	Lease Rates	Vacancy
Metropolitan Denver	107,121,418	$19.59	15.4%
Class A	49,695,475	$22.84	11.7%
Class B	45,374,972	$17.93	18.5%
Class C	12,050,971	$15.29	19.0%
Northwest	7,308,550	$20.82	16.1%
Class A	2,074,035	$25.11	17.4%
Class B	4,374,117	$20.61	14.5%
Class C	860,398	$13.61	20.6%

Trend At A Glance*	Year-over-Year	Quarterly
Construction	▼	—
Vacancy	▲	▲
Absorption	▼	▼
Lease Rates	▲	▲
Activity	▲	▲

* The arrows are trend indicators over the specified time period and do not represent a positive or negative value (e.g. absorption could be negative, but still represent a positive trend over a specified period.)

COMPETITIVE PROPERTIES

Comparable properties have been surveyed in order to identify the occupancy trends within the immediate submarket. The comparable data is summarized in the following table:

SUMMARY OF COMPARABLE OFFICE RENTALS			
Comp. No.	Name	Location	Occupancy
1	North Zuni Medical Center	8380 Zuni Street, Denver, CO	22%
2	Valley Medical Office Building	51 West 84th Avenue, Thornton, CO	34%
3	Pearl Professional Building	9101 Pearl Street, Thornton, CO	65%
4	Lake Arbor Plaza	9101 Harlan Street, Westminster, CO	87%
5	9025 Grant Street Office Building	9025 Grant Street, Thornton, CO	100%
Subject	Alcott Medical Center	8400 Alcott Street, Westminster, CO	86%
Compiled by CBRE			

The majority of comparable multi-tenant medical office properties surveyed reported occupancy rates below stabilized levels. Listing brokers active in the market have indicated that leasing activity is slow. We spoke with Bill Lawrence of Transwestern, who was the broker indicated by CoStar. However, Mr. Lawrence informed us that he was not and has not been the leasing broker at the subject property for a while. Based on our tour of the property, a majority of the tenant space appeared to be leased and we estimated the property to be approximately 85.7% occupied. The current direct vacancy for office space in the Northwest submarket of the Denver Metro area is 16.1%. The 10-year average direct vacancy for office space in the Northwest submarket is 20.9%. Therefore, we have estimated the property stabilized occupancy of 85% to be well supported and reasonable.

SUBJECT TRENDS AND PROJECTIONS

Occupancy

Occupancy rate is the relationship between the actual income received from a property and the income that would be received if the entire space were occupied. Consequently, the occupancy rate is a product of both (1) the relationship between the amount of occupied space in a building or market (physical) and (2) the relationship between the contract rent for the occupied building or market space and the total rent estimated for all space in the building or market (economic).

Subject's Historical Trends

No property information was provided for this appraisal. The occupancy history was provided via a CoStar analytics occupancy history for the subject property. The subject's occupancy is detailed in the following chart.

OCCUPANCY	
Year	% PGI
2008	46%
2009	75%
2010	75%
Current	85%
CBRE Estimate	**85%**
Compiled by CBRE	

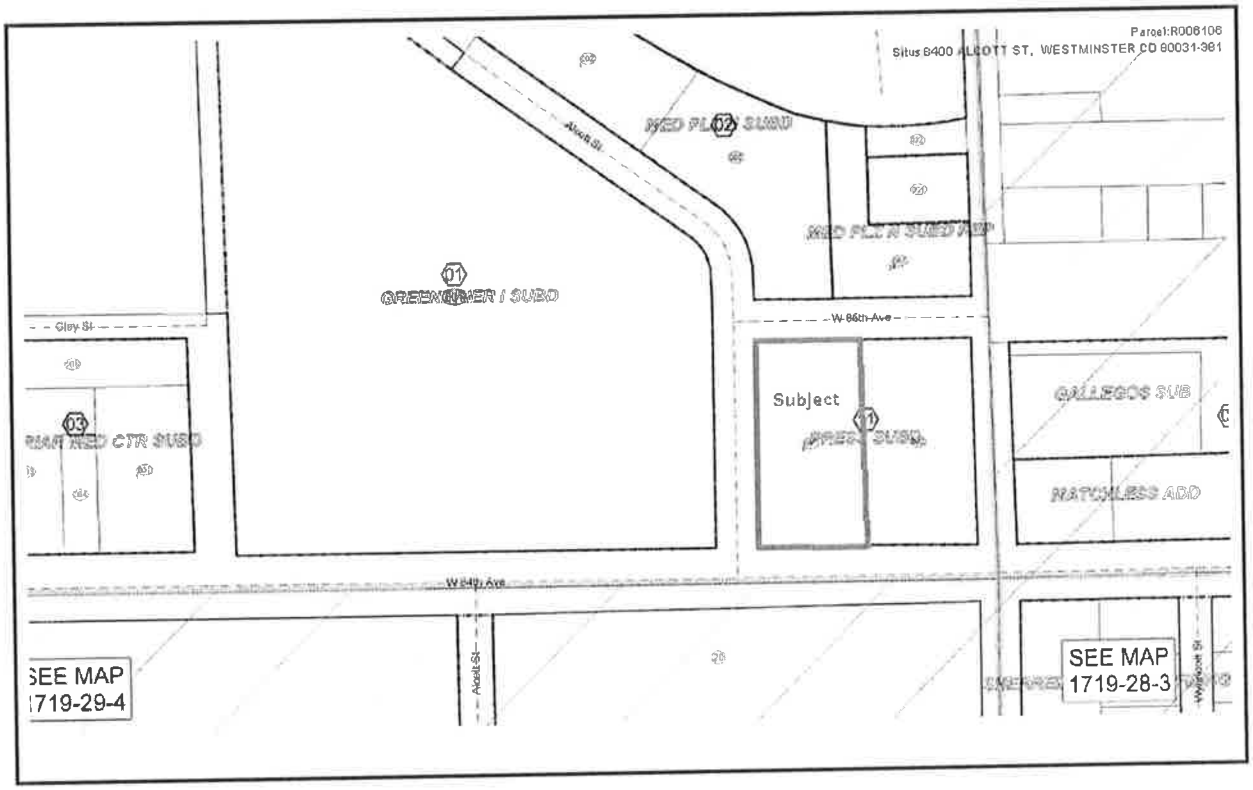
Conclusion

Based on the foregoing analysis, CBRE's conclusion of stabilized occupancy for the subject is illustrated in the following table. This estimate considers both the physical and economic factors of the market.

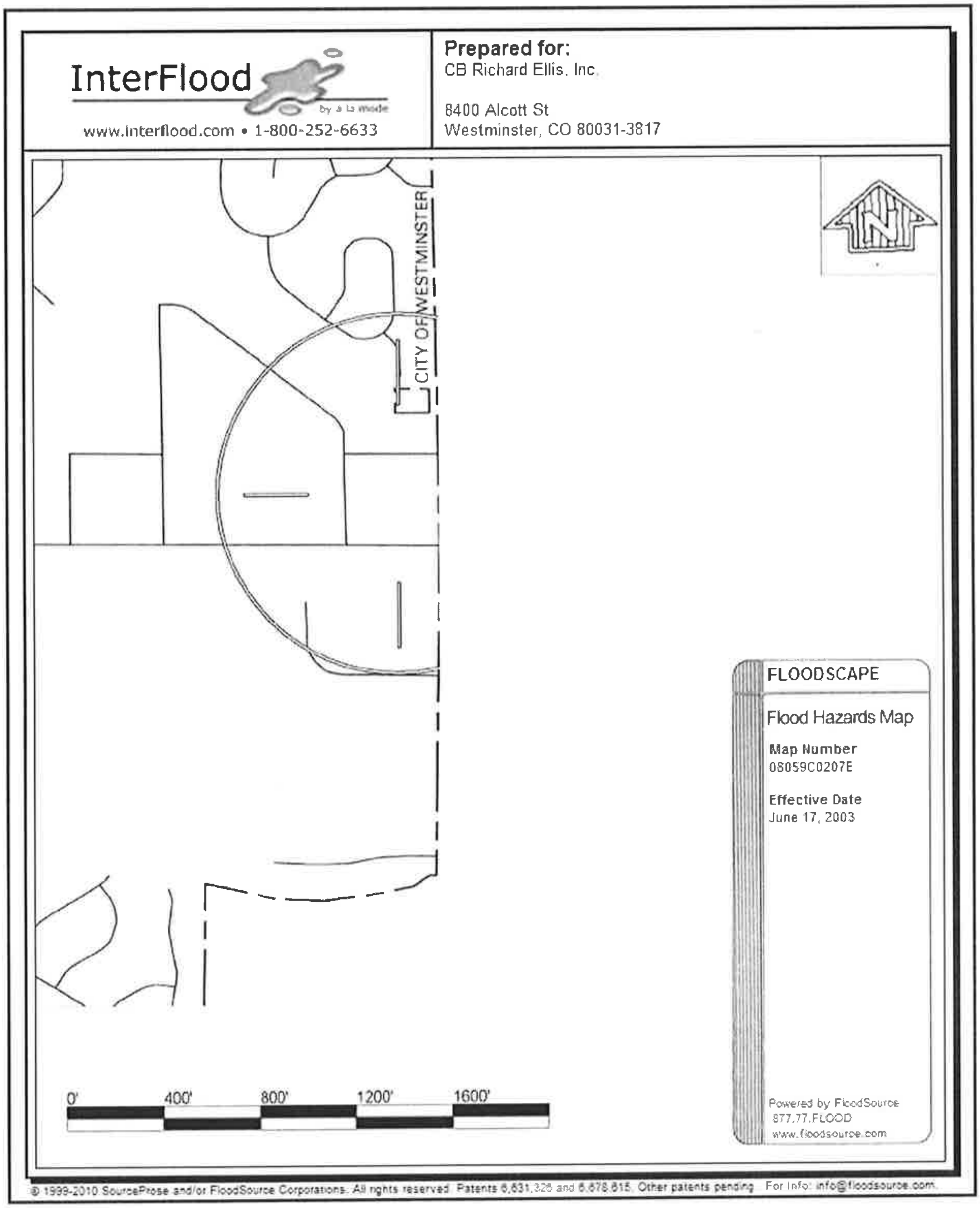
OCCUPANCY CONCLUSIONS	
Denver Metro - All	84.6%
Denver Metro - Class C	81.0%
Denver Northwest Submarket - All	83.9%
Denver Northwest Submarket - Class C	79.4%
Denver Northwest Submarket - 10-year average occupancy	79.1%
Rent Comparables	68.3%
Subject's Current Occupancy	85.7%
Subject's Stabilized Occupancy	85.0%
Compiled by CBRE	

The subject is approximately 85.7% leased to a local medical office tenant mix. Listing brokers active in the market have indicated that leasing activity is slow. We have estimated that a long-term vacancy factor of 15% is appropriate and reasonable for the subject property.

PLAT MAP


Parcel:R006106
Subject
GALLEGOS SUB
MATCHLESS ADD
W 86th Ave
W 84th Ave
Clay St
Alcott St
SEE MAP 1719-29-4
SEE MAP 1719-28-3

FLOOD MAP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FLOODSCAPE
Flood Hazards Map
Map Number
08059C0207E
Effective Date
June 17, 2003
Powered by FloodSource
877.77.FLOOD
www.floodsource.com
0'
400'
800'
1200'
1600'
© 1999-2010 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,631,326 and 6,678,615. Other patents pending. For Info: info@floodsource.com

SITE ANALYSIS

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

SITE SUMMARY		
Physical Description		
Net Site Area	1.10 Acres	47,999 Sq. Ft.
Primary Road Frontage	84th Avenue	150 Feet
Secondary Road Frontage	Alcott Street	300 Feet
Additional Road Frontage	85th Avenue	150 Feet
Average Depth	150 Feet	
Excess Land Area	None	
Surplus Land Area	None	
Zoning District	C1, Commercial District	
Flood Map Panel No. & Date	08059C0207E	17-Jun-03
Flood Zone	Zone X	

Source: Various sources compiled by CBRE

LOCATION

The subject is located at the NEC of the intersection of 84th Avenue and Alcott Street, about one and one-half miles west of the I-25 interchange with 84th Avenue. The street address is 8400 Alcott Street. Ingress and egress is available to the site via a full turn curb cut along 85th Avenue.

LAND AREA

The site is considered adequate in terms of size and utility. There is no unusable, excess or surplus land area. Please refer to the Resource Verification table within the Scope of Work for the source of the land area size.

SHAPE AND FRONTAGE

The site is generally rectangular and has adequate frontage along 84th Avenue, a primary thoroughfares within the neighborhood. The property also has frontage along Alcott Street and 85th Avenue, which are secondary thoroughfares in the neighborhood.

TOPOGRAPHY AND DRAINAGE

The site is downward sloping from north to south and is generally below street grade. The topography of the site is not seen as an impediment to the development of the property. During our inspection of the site, we observed no drainage problems and assume that none exist.

SOILS

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

EASEMENTS AND ENCROACHMENTS

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

COVENANTS, CONDITIONS AND RESTRICTIONS

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

UTILITIES AND SERVICES

The site is within the jurisdiction of the City of Westminster and is provided all municipal services, including police and fire protection. A representative of the City of Westminster Public Works and Utilities Department confirmed that they provide water and sewer services to the subject property, and Xcel Energy provides electricity and gas service. All utilities are available to the site in adequate quality and quantity to service the highest and best use.

FLOOD ZONE

According to flood hazard maps published by the Federal Emergency Management Agency (FEMA), the site is within Zone X, as indicated on Community Map Panel No. 08059C0207E. FEMA defines the flood zone(s) as follows:

> Zones C and X (unshaded) are flood insurance rate zones used for areas outside the 0.2-percent-annual-chance floodplain. No Base Flood Elevations (BFEs) or depths are shown in this zone, and insurance purchase is not required.

ENVIRONMENTAL ISSUES

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

ADJACENT PROPERTIES

The adjacent land uses are summarized as follows:

North:	Westminster water tanks and mobile home park
South:	Vacant land and office/medical office uses
East:	Vacant land and commercial uses
West:	St. Anthony's North Hospital and medical office uses

CONCLUSION

The site is well located and afforded average access and visibility from roadway frontage. The size of the site is typical for the area and use, and there are no known detrimental uses in the immediate vicinity. Overall, there are no known factors which are considered to prevent the site from development to its highest and best use, as if vacant, or adverse to the existing use of the site.

IMPROVEMENTS ANALYSIS

The following chart shows a summary of the improvements.

IMPROVEMENTS SUMMARY		
Property Type	Office	(Medical/Dental)
Number of Buildings	1	
Number of Stories	1 plus basement	
Year Built	1982	
Net Rentable Area	14,720 SF	
Site Coverage	30.7%	
Land-to-Building Ratio	3.26 : 1	
Parking Improvements	Open Surface Stalls	
Total Spaces:	70	
Parking Ratio (per 1,000 SF NRA)	4.76	

Source: Various sources compiled by CBRE

BUILDING AREA

Please refer to the Resource Verification table in the Scope of Work for the source of the building area size. The following is a description of the subject improvements and basic construction features derived from CBRE's inspection.

YEAR BUILT

The subject was built in 1982.

FOUNDATION

The foundation is assumed to be of adequate load-bearing capacity to support the improvements.

CONSTRUCTION COMPONENTS

The construction components are assumed to be in working condition and adequate for the building.

FLOOR STRUCTURE

The floor structure is summarized as follows:

Ground Floor:	Concrete slab on compacted fill
Other Floors:	Metal deck with light-weight concrete cover

EXTERIOR WALLS

The exterior wall structure is a combination of brick and wood siding on a wood frame.

ROOF COVER

The building has a built up composition flat roof.

INTERIOR FINISHES - OFFICE AREAS

The typical interior office finish of the property is summarized as follows:

Floor Coverings:	Commercial grade carpeting over concrete.
Walls:	Textured and painted sheetrock.
Ceilings:	Combination textured and painted sheetrock and suspended acoustical tile.
Lighting:	Standard commercial fluorescent fixtures.
Summary:	The interior office areas are typical building standard office finish, and are commensurate with competitors in the area. The occupied space office finish is in average condition.

INTERIOR FINISHES – COMMON AREAS

The interior common area finish of the property is summarized as follows:

Floor Coverings:	Commercial grade carpeting over concrete.
Walls:	Textured and painted sheetrock.
Ceilings:	Combination textured and painted sheetrock and suspended acoustical tile.
Lighting:	Standard commercial fluorescent and recessed incandescent fixtures.
Summary:	The interior common areas are attractive and appear to be in average condition. The subject's common areas are commensurate with competitors in the area.

ELEVATOR/STAIR SYSTEM

The north side of the building is generally at street grade with 85th Avenue. However, as previously indicated the site is downward sloping from north to south and is generally below street grade. Therefore, an interior stairwell is located at the south side of the building and provides access to the tenant suites. There are no elevators in the building.

HVAC

The HVAC system is assumed to be in good working order and adequate for the building.

ELECTRICAL

The electrical system is assumed to be in good working order and adequate for the building.

PLUMBING

The plumbing system is assumed to be in good working order and adequate for the building.

RESTROOMS

The restrooms are adequate and are assumed built to local code.

FIRE PROTECTION

It is assumed the improvements have adequate fire alarm systems, fire exits, fire extinguishers, fire escapes and/or other fire protection measures to meet local fire marshal requirements. CBRE is not qualified to determine adequate levels of safety & fire protection, whereby it is recommended that the client/reader review available permits, etc. prior to making a business decision.

SECURITY

Each tenant suite has individually keyed access. The security is assumed to be in good working order and adequate for the building.

PARKING AND DRIVES

The property features an adequate number of surface and covered parking spaces, including reserved handicapped spaces. All parking spaces and vehicle drives are asphalt paved and considered to be in average condition. Patron parking areas are along the sides of the building. There are also 18 reserved covered stalls which are located below the south side of the building. The number of parking spaces is legally conforming for the existing use and is typical of the market.

LANDSCAPING

Landscaping is considered to be in average condition and well maintained.

QUALITY AND STRUCTURAL CONDITION

The overall quality of the facility is considered to be average for the neighborhood and age. However, CBRE is not qualified to determine structural integrity and it is recommended that the client/reader retain the services of a qualified, independent engineer or contractor to determine the structural integrity of the improvements prior to making a business decision.

FUNCTIONAL UTILITY

The overall layout of the property is considered functional in utility. The typical floor plate is commensurate with the market and is typically adequate to meet existing and prospective tenant space requirements.

ADA COMPLIANCE

All common areas of the property appear to have handicap accessibility. The client/reader's attention is directed to the specific limiting conditions regarding ADA compliance.

FURNITURE, FIXTURES AND EQUIPMENT

Any personal property items contained in the property are not considered to contribute significantly to the overall value of the real estate.

ENVIRONMENTAL ISSUES

CBRE is not qualified to detect the existence of any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. The existence of such substances may affect the value of the property. For the purpose of this assignment, we have specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.

DEFERRED MAINTENANCE

A property condition report was not available for our analysis. Our tour of the property indicated no major items of deferred maintenance.

ECONOMIC AGE AND LIFE

CBRE's estimate of the subject improvements effective age and remaining economic life is depicted in the following chart:

ECONOMIC AGE AND LIFE	
Actual Age	29 Years
Effective Age	13 Years
MVS Expected Life	45 Years
Remaining Economic Life	32 Years
Accrued Physical Incurable Depreciation	28.9%
Compiled by CBRE	

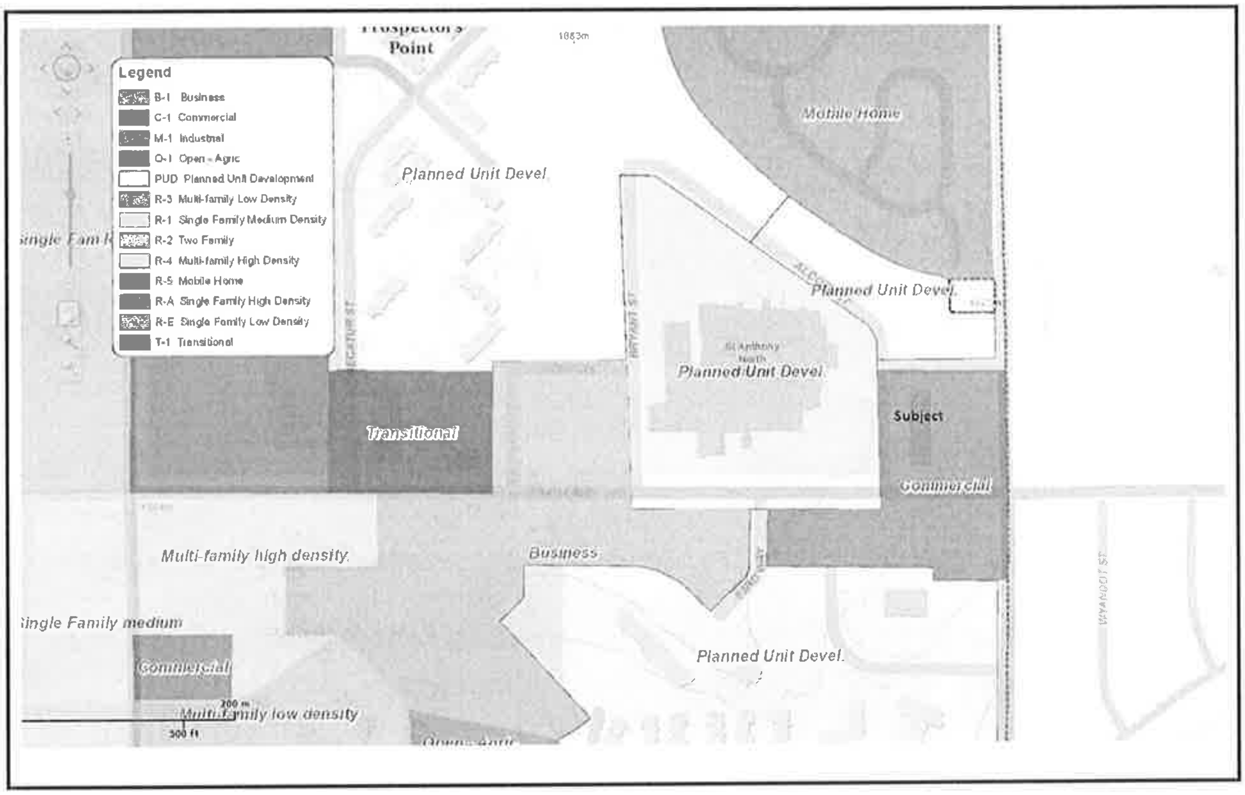
The overall life expectancy is based upon our on-site observations and a comparative analysis of typical life expectancies reported for buildings of similar construction as published by Marshall and

Swift, LLC, in the Marshall Valuation Service cost guide. While CBRE did not observe anything to suggest a different economic life, a capital improvement program could extend the life expectancy.

CONCLUSION

The improvements are in fair to average overall condition. Overall, there are no known factors that adversely impact the marketability of the improvements.

ZONING MAP



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ZONING

The following chart summarizes the subject's zoning requirements.

ZONING SUMMARY	
Current Zoning	C1, Commercial District
Legally Conforming	Yes
Uses Permitted	A retail and office district where outside storage of merchandise is permitted. Any change in use is subject to review by the planning and zoning board.
Zoning Change	Not likely
Source: Planning & Zoning Dept.	

ANALYSIS AND CONCLUSION

The improvements represent a legally-conforming use and, if damaged, may be restored without special permit application. Additional information may be obtained from the appropriate governmental authority.

TAX AND ASSESSMENT DATA

The following summarizes the local assessor's estimate of the subject's market value, assessed value, and taxes, and does not include any furniture, fixtures or equipment.

AD VALOREM TAX INFORMATION				
Assessor's Market Value		2010 due 2011	2011 due 2012	CBRE Pro Forma
1719-29-1-11-001		$1,329,824	$1,325,744	
Subtotal		$1,329,824	$1,325,744	$1,325,744
Assessed Value @		29%	29%	29%
		$385,649	$384,466	$384,466
General Tax Rate	(per $1,000 A.V.)	107.025000	---	107.025000
Total Taxes		**$41,274**	**NAV**	**$41,147**
Source: Assessor's Office				

Real estate in Colorado is revalued by the county assessor every two years (odd years only). The most recent re-assessment of the subject occurred on January 1, 2011. The revaluation assessment was released on May 1, 2011. The mill levy for 2011 taxes will not be released until January 1, 2012. In our pro forma analysis we have employed the 2010 mill levy of 107.025. Typically, commercial properties bear a higher overall tax burden than residential properties. The State of Colorado has provided for a unified system to assess real estate for property taxes. Appraisal districts are established on a county basis to assess real estate within the county. The individual taxing authorities within the county set their own tax rates.

Gallagher and TABOR Amendments

Changes in property values, as determined by the assessor, do not necessarily result in a change in taxes. There are two parts of the Colorado constitution that govern taxes: the Gallagher Amendment and Amendment One (the TABOR Amendment). The Gallagher Amendment establishes assessed values by allocating the tax base between residential property (inclusive of multi-family) and commercial property by changing the *residential* equalization rate. The commercial and vacant land equalization rate must remain fixed at 29%. The residential equalization rate floats to maintain a constant ratio of total tax collections - 55% from commercial property taxes, and 45% from residential property taxes. Thus, if the total value of residential property increases faster than that of commercial property, as was the case in most Denver metropolitan counties over the past several years, the residential equalization rate must be lowered. This rate has trended downward in the past ten years.

The TABOR Amendment to the Colorado Constitution limits taxing authority budget increases at 5.5% unless voters approve a higher amount. Other limitations to revenue growth are inflation as measured by the CPI and local growth determined by school enrollment and new construction. In addition to the Gallagher Amendment, the TABOR Amendment limits the aggregate amount a taxing district may collect each year to the prior year's collection increased only by a rate equivalent to the change in CPI plus the change in population. Thus, if property values increase to a significant degree, the overall mill levy must decrease unless a referendum is passed by a community vote.

The county assessor revalues real estate in Colorado every two years (odd years only). Counties are allowed to reassess new construction every six months in Colorado, under new growth initiatives. We forecasted the subject taxes based on the most recent mill levy for the subdivision of 107.025.

TAX COMPARABLES

As a crosscheck to the subject's applicable real estate taxes, CBRE has reviewed the real estate tax information according to Adams County for comparable properties in the market area. The following table summarizes the comparables employed for this analysis:

AD VALOREM TAX COMPARABLES

Comparable Rental	8380 Zuni Street	51 West 84th Avenue	2701 West 84th Avenue	Subject
Year Built	1977	1973	1971	1982
NRA (SF)	14,363	17,400	13,440	14,720
Tax Year	2011	2011	2011	2011
Total Assessed Value	$365,458	$342,490	$296,960	$384,466
AV Per SF (NRA)	$25.44	$19.68	$22.10	$26.12

Source: Assessor's Office

CONCLUSION

Based on the foregoing, the total taxes for the subject have been estimated as $41,147 for the base year of our analysis, based upon an assessed value of $384,466, or $26.86 per square foot. This is in line with the current and historical assessment. According to a representative of the Adams County Treasurer's website, the 2010 taxes are delinquent. The total amount due for 2010 taxes is $42,099.68 (current until June 30, 2011). This amount includes $41,274.20 in general taxes and $825.48 in interest.

HIGHEST AND BEST USE

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

- legal permissibility;
- physical possibility;
- financial feasibility; and
- maximum profitability.

The highest and best use analysis of the subject is discussed on the following pages. This analysis incorporates the information presented in the Market Analysis section, as well as any unique characteristics of the subject described previously.

AS VACANT

Legal Permissibility

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

Physical Possibility

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

Financial Feasibility

The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. As discussed in the market analysis of this report, the subject office market is generally oversupplied, rents have decreased from the peak of the market, and vacancy rates have increased from the peak of the market. Development of new office properties has stopped and there is currently no new construction of office buildings in the Northwest submarket of the Denver Metro area. These factors indicate that it would not be financially feasible to complete a new office project under current market conditions.

Maximum Profitability

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land. In the case of the subject as if vacant, the analysis has indicated that a new office project would be most appropriate.

CONCLUSION: HIGHEST AND BEST USE AS VACANT

As noted, new development is not financially feasible at this time. Therefore, the highest and best use of the site, as vacant, would be to hold for future office development when economic conditions improve.

AS IMPROVED

Legal Permissibility

As discussed, the subject site's zoning and legal restrictions permit a variety of land uses. The site has been improved with an office development that is a legal, conforming use.

Physical Possibility

The physical characteristics of the subject improvements were discussed in detail in the improvements analysis. Both the layout and positioning of the improvements are considered functional for office use. While it would be physically possible for a wide variety of uses, based on the legal restrictions and the design of the improvements, the continued use of the property for office users would be the most functional use.

Financial Feasibility

The financial feasibility of an office property is based on the amount of rent which can be generated, less operating expenses required to generate that income; if a residual amount exists, then the land is being put to a productive use. As will be indicated in the income capitalization approach, the subject is producing a positive net cash flow and continued utilization of the improvements for office purposes is considered financially feasible.

Maximum Profitability

The maximally profitable use of the subject as improved should conform to neighborhood trends and be consistent with existing land uses. Although several uses may generate sufficient revenue to satisfy the required rate of return on investment and provide a return on the land, the single use that produces the highest price or value is typically the highest and best use. As shown in the applicable valuation sections, buildings that are similar to the subject have been acquired or continue to be used by office owners/tenants. None of the comparable buildings have been acquired for conversion to an alternative use. These comparables would indicate that the maximally productive use of the property is consistent with the existing use as an office property.

CONCLUSION: HIGHEST AND BEST USE AS IMPROVED

Based on the foregoing, the highest and best use of the property, as improved, is consistent with the existing use as an office development.

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

COST APPROACH

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.

INCOME CAPITALIZATION APPROACH

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

METHODOLOGY APPLICABLE TO THE SUBJECT

In valuing the subject, only the sales comparison and income capitalization approaches are applicable and have been used. The cost approach is not applicable in the estimation of market value due to the age of the improvements and the difficulty in accurately estimating all forms of accrued depreciation.

INSURABLE VALUE

Insurable value is defined as follows:

> (1) the value of an asset or asset group that is covered by an insurance policy; can be estimated by deducting costs of noninsurable items (e.g., land value) from market value. (2) value used by insurance companies as the basis for insurance. Often considered to be replacement or reproduction cost plus allowances for debris removal or demolition less deterioration and noninsurable items. Sometimes cash value or market value, but often entirely a cost concept. (Marshall & Swift LP) [2]

CBRE has followed traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry-accepted publications such as the Marshall Valuation Service. The methodology employed is a derivation of the cost approach and is not reliable for insurable value estimates. Actual construction costs and related estimates can vary greatly from this estimate.

The insurable value estimate presented herein is intended to reflect the value of the destructible portions of the subject, based on the replacement of physical items that are subject to loss from hazards (excluding indestructible items such as basement excavation, foundation, site work, land value and indirect costs). In the case of the subject, this estimate is based upon the base building costs (direct costs) as obtained via the Marshall Valuation Service handbook, with appropriate deductions.

This analysis should not be relied upon to determine proper insurance coverage as only consultants considered experts in cost estimation and insurance underwriting are qualified to provide an insurable value. It is provided to aid the client/reader/user as part of their overall decision making process and no representations or warranties are made by CBRE regarding the accuracy of this estimate and it is strongly recommended that other sources be utilized to develop any estimate of insurable value.

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[2] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago: Appraisal Institute, 2002), 147.

INSURABLE VALUE CONCLUSION

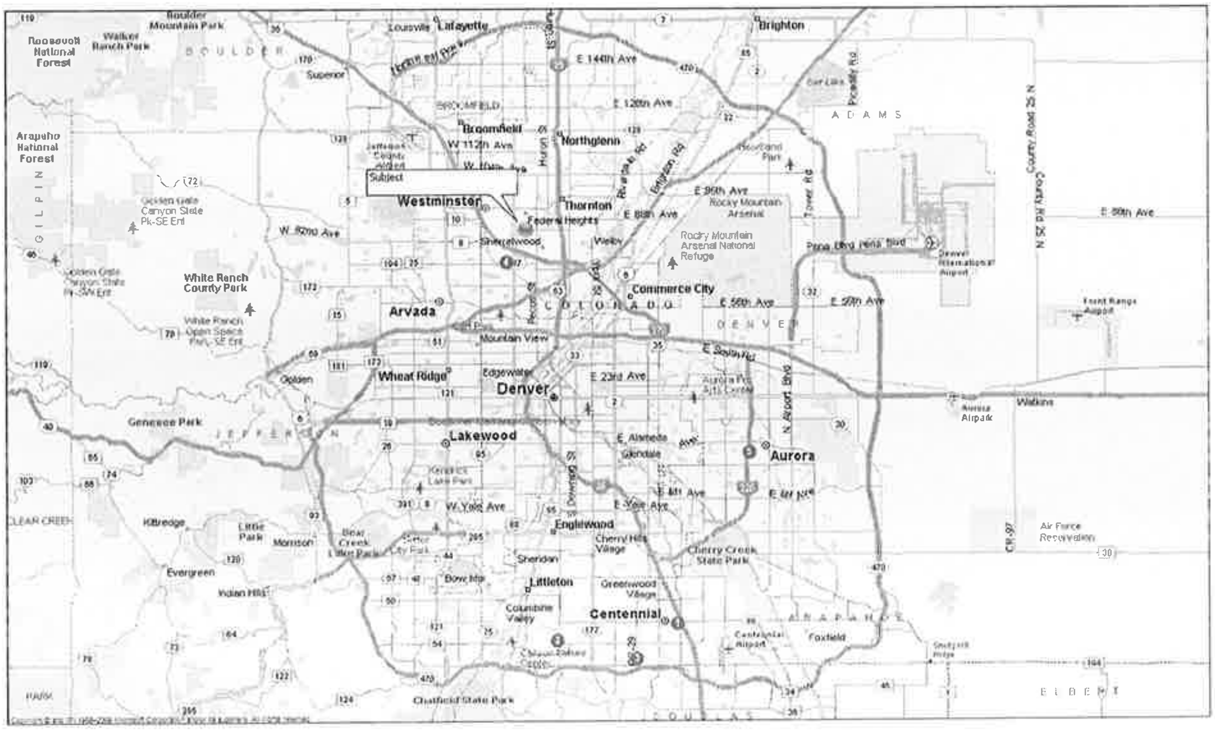
Primary Building Type:	Office	Height per Story:	12'
Effective Age:	13 YRS	Number of Buildings:	1
Condition:	Average	Gross Building Area:	14,720 SF
Exterior Wall:	Brick and Wood	Net Rentable Area:	14,720 SF
Number of Stories:	1	Average Floor Area:	14,720 SF

MVS Sec/Page		15/22
Quality/Bldg. Class		Average/C
Building Component		Medical Office
Component Sq. Ft.		14,720 SF
Base Square Foot Cost		$116.34
Square Foot Refinements		
Heating and Cooling		
Sprinklers		$2.50
Subtotal		$118.84
Height and Size Refinements		
Number of Stories Multiplier		1.00
Height per Story Multiplier		1.00
Floor Area Multiplier		0.94
Subtotal		$111.77
Cost Multipliers		
Current Cost Multiplier		1.05
Local Multiplier		0.98
Final Square Foot Cost		**$115.01**
Base Component Cost		**$1,692,952**
Base Building Cost	*(via Marshall Valuation Service cost data)*	$1,692,952
Insurable Value Exclusions	10.0% of Total Building Cost	($169,295)
Insurable Value Indication		$1,523,657
Rounded		$1,520,000
Value Per SF		$103.26

Compiled by CBRE

SALES COMPARISON APPROACH

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



		SUMMARY OF COMPARABLE OFFICE SALES									
		Transaction									
No.	Name	Type	Date	Year Built	NRA (SF)	Actual Sale Price	Adjusted Sale Price [1]	Price Per SF [1]	Occ.	NOI Per SF	OAR
1	6801 South Yosemite Street Office Building, Centennial, CO	Sale	Feb-09	1972, Renov. 2009	12,504	$965,000	$965,000	$77.18	Owner /User	NAV	NAP
2	Highline Professional Center - Building 8, Littleton, CO	Sale	Aug-10	1982	25,990	$1,525,000	$1,525,000	$58.68	71%	$5.87	10.00%
3	Foxridge Medical Office Building, Centennial, CO	Sale	Dec-10	1985	24,380	$1,600,000	$1,600,000	$65.63	62%	$6.23	9.50%
4	Park Center Office Building, Westminster, CO	Sale	Mar-11	1975	20,170	$1,080,000	$1,080,000	$53.54	86%	$4.93	9.21%
5	13901 East Exposition Avenue Office, Aurora, CO	Sale	Mar-11	1984	12,368	$650,000	$650,000	$52.55	Owner /User	NAV	NAP
Subj. Pro Forma	Alcott Medical Center, Westminster, CO	---	---	1982	14,720	---	---	---	85%	$4.60	---

[1] Transaction amount adjusted for cash equivalency and/or deferred maintenance (where applicable)

Compiled by CBRE

The sales utilized represent the best data available for comparison with the subject. They were selected from our research of comparable Class B/C, 70's and 80's vintage office/medical sales within the Denver Metro area.

ELEMENTS OF COMPARISON

Property Rights Conveyed

Real estate carries with it a bundle of property rights, which can be transferred in whole or in part. Examples of some of the most common property rights are the fee simple estate, leased fee estate, leasehold estate, and partial interests. The fee simple estate is the most all-encompassing property right, and includes all rights to use the property. The leased fee estate is characterized by property that is encumbered by one or more leases. The leasehold estate is the lessee's rights to use a property on which there is a lease. Partial interests result when property rights are divided among two or more parties, and may involve controlling or non-controlling interests. Selling prices may be impacted by the specific property; rights included in the transfer. Thus, any differences in property rights among the comparable sales must be identified, and may require adjustment to account for differences in property rights compares with the property rights appraised for the subject. In addition, adjustments may be necessary to reflect the difference between properties leased at market rent and those leased at a rent that is either below or above market levels.

Financing Terms

Financing terms provided by the seller can affect the sale price if they differ from terms available from third party lenders. The value estimate in this appraisal is based on an all cash payment to the seller, with buyers typically using institutional financing based on an appropriate loan-to-value ratio and market interest rate. Seller financing may have an upward influence on the sale price, if favorable terms are provided.

Conditions of Sale

Conditions of sale refer to buyer and seller motivations. In order to be instructive to the analysis, sale prices should be representative of arm's length transactions with no unusual buyer or seller motivations. Examples of unusual motivations include related parties, assemblage (plottage) value, forced sale, tax considerations, and lack of sufficient exposure on the market. These circumstances may result in the following: manipulation of the price by buyer or seller, distress prices that do not reflect typical exposure or marketing time, or premiums (or discounts) associated with unusual motivations. In these cases, it is necessary to consider any unusual conditions of sale, and to make adjustments, if possible. Another example of a circumstance which is analyzed within the conditions of sale category is the situation of asking prices. Asking prices are often higher than the amount ultimately negotiated once an arm's length transaction has been consummated. Hence, it may be necessary to adjust down for asking prices.

Market Conditions

Economic conditions may change between the sale date of the comparables and the effective date of value provided. Examples of changes in the market include changes in the economy, tax laws, supply, population growth, employment growth, inflation rates and buyer and seller perceptions. These forces may result in appreciation or depreciation, or may have no impact on real estate prices. Changes may impact real estate in general, or may have different impacts on different real estate segments. The adjustment for this factor is not a function of time, but of differences, if any, between time periods. Thus, it is possible a period of time could elapse with no material change in market conditions having occurred.

Location

An analysis of location takes into account differences in the comparables relative to their surrounding environs. Location considers factors such as exposure, corner, view, traffic counts, access, surrounding land uses, proximity to major transportation routes, distance/time between employment centers and/or residential centers, and economics and demographics in the immediate area.

Physical Characteristics

Physical characteristics of the comparable sales were considered. Physical characteristics include items such as age, quality, condition, design, amenities, building materials, size, parking adequacy, and functional utility.

Economic Characteristics

Economic characteristics of the comparable sales were also considered. Economic characteristics include all elements of a property having a direct effect on income. Such items might include net operating income, expense structures, lease provisions and/or terms, tenancy, concessions, management, et cetera.

DISCUSSION/ANALYSIS OF IMPROVED SALES

Improved Sale One

This comparable represents a 12,504-square foot medical office building and is situated on a 0.82-acre parcel at 6801 South Yosemite Street in Centennial, Colorado. The improvements were originally constructed in 1972 and were renovated in 2009. The improvements were considered to be in average condition at the time of sale. The exterior walls depict brick construction components. The property sold in February 2009 for $965,000, or $77.18 per square foot. This property was purchased by 1st Health Centers, PC, which will occupy the subject property as an owner/user.

No adjustment is needed for interest transferred, financing terms or conditions of sale. Market conditions have declined since the time of sale, which required a downward adjustment. This comparable is equal to the subject in terms of quality of construction, size, parking, and tenancy. The age/condition of this property is superior compared to the subject, which required downward adjustment. This comparable also maintains a superior location in the Southeast submarket and within close proximity to I-25. A downward adjustment for location was required. Overall, we would expect the subject property to command a lower unadjusted price per square foot. The adjusted per unit value indicated by this sale established the high end of the reasonable range of value for the subject property.

Improved Sale Two

This comparable represents a 25,990-square foot professional office building and is situated on a 2.67-acre parcel at 8 West Dry Creek Circle in Littleton, Colorado. The improvements were originally constructed in 1982 and were considered to be in average condition at the time of sale. The exterior walls depict masonry construction components. The property sold in August 2010 for $1,525,000, or $58.68 per square foot. The listing broker indicated that the property was approximately 70.7% occupied and reported an OAR of 10.00% based on in-place income at the time of sale.

No adjustment is needed for interest transferred, financing terms, conditions of sale, or market conditions. This comparable is equal to the subject in terms of age/condition, quality of construction, size, parking, and tenancy. This comparable maintains a superior location in the South submarket and within close proximity to C-470. A downward adjustment for location was required. The income characteristics at this property are superior compared to the subject. A downward adjustment is required for income characteristics. Overall, we would expect the subject property to command a lower unadjusted price per square foot. The adjusted per unit value indicated by this sale is within a reasonable range of value for the subject property.

Improved Sale Three

This comparable represents a 24,380-square foot medical office building and is situated on a 1.77-acre parcel at 8120 South Holly Street in Centennial, Colorado. The improvements were originally constructed in 1985 and were considered to be in average condition at the time of sale. The exterior walls depict brick construction components. The property sold in December 2010 for $1,600,000, or $65.63 per square foot. The listing broker indicated that the property was approximately 62.1% occupied and reported an OAR of 9.50% based on in-place income at the time of sale.

No adjustment is needed for interest transferred, financing terms, conditions of sale, or market conditions. This comparable is equal to the subject in terms of age/condition, quality of construction, size, parking, and tenancy. This comparable maintains a superior location in the South submarket and within close proximity to C-470. A downward adjustment for location was required. The income characteristics at this property are superior compared to the subject. A downward adjustment is required for income characteristics. Overall, we would expect the subject property to command a lower unadjusted price per square foot. The adjusted per unit value indicated by this sale is within a reasonable range of value for the subject property.

Improved Sale Four

This comparable represents a 20,170-square foot professional office building and is situated on a 0.98-acre parcel at 3489 West 72nd Avenue in Westminster, Colorado. The improvements were originally constructed in 1975 and were considered to be in average condition at the time of sale. The exterior walls depict brick construction components. The property sold in March 2011 for $1,080,000, or $53.54 per square foot. The listing broker indicated that the property was approximately 85.8% occupied and reported an OAR of 9.21% based on in-place income at the time of sale.

No adjustment is needed for interest transferred, financing terms, conditions of sale, or market conditions. This comparable is equal to the subject in terms of age/condition, quality of construction, location, size, parking, and tenancy. The income characteristics at this property are superior compared to the subject. A downward adjustment is required for income characteristics. Overall, we would expect the subject property to command a similar unadjusted price per square foot. The adjusted per unit value indicated by this sale is within the reasonable range of value for the subject property.

Improved Sale Five

This comparable represents a 12,368-square foot owner/user office building and is situated on a 0.82-acre parcel at 13901 East Exposition Avenue in Aurora, Colorado. The improvements were originally constructed in 1984 and were considered to be in average to good condition at the time of sale. The previous tenant was a bank. The exterior walls depict masonry construction components. Also, this building has a high parking ratio at 8.00/1,000 SF, which is considered to be above the typical ratio. The property sold in March 2011 for $650,000, or $52.55 per square foot. This property was purchased by an owner/user.

No adjustment is needed for interest transferred, financing terms, conditions of sale, or market conditions. This comparable is equal to the subject in terms of age/condition, quality of construction, location, size, parking, and tenancy. As previously indicated, there is no adjustment for parking because the ratio is considered to be above the typical parking. Overall, we would expect the subject property to command a similar unadjusted price per square foot. The adjusted per unit value indicated by this sale is within the reasonable range of value for the subject property.

SUMMARY OF ADJUSTMENTS

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

OFFICE SALES ADJUSTMENT GRID

Comparable Number	1	2	3	4	5	Subj. Pro Forma
Transaction Type	Sale	Sale	Sale	Sale	Sale	---
Transaction Date	Feb-09	Aug-10	Dec-10	Mar-11	Mar-11	---
Year Built	1972, Renov. 2009	1982	1985	1975	1984	1982
NRA (SF)	12,504	25,990	24,380	20,170	12,368	14,720
Actual Sale Price	$965,000	$1,525,000	$1,600,000	$1,080,000	$650,000	---
Adjusted Sale Price [1]	$965,000	$1,525,000	$1,600,000	$1,080,000	$650,000	---
Price Per SF [1]	$77.18	$58.68	$65.63	$53.54	$52.55	---
Occupancy	Owner/User	71%	62%	86%	Owner/User	85%
NOI Per SF	NAV	$5.87	$6.23	$4.93	NAV	$4.60
OAR	NAP	10.00%	9.50%	9.21%	NAP	---
Adj. Price Per SF	$77.18	$58.68	$65.63	$53.54	$52.55	
Property Rights Conveyed	0%	0%	0%	0%	0%	
Financing Terms [1]	0%	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	0%	
Market Conditions (Time)	-8%	0%	0%	0%	0%	
Subtotal - Price Per SF	$71.01	$58.68	$65.63	$53.54	$52.55	
Age/Condition	-5%	0%	0%	0%	0%	
Quality of Construction	0%	0%	0%	0%	0%	
Location	-15%	-10%	-10%	0%	0%	
Size	0%	0%	0%	0%	0%	
Parking	0%	0%	0%	0%	0%	
Tenancy	0%	0%	0%	0%	0%	
Income Characteristics	0%	-10%	-15%	-5%	0%	
Total Other Adjustments	-20%	-20%	-25%	-5%	0%	
Indicated Value Per SF	**$56.80**	**$46.94**	**$49.22**	**$50.86**	**$52.55**	

[1] Transaction amount adjusted for cash equivalency and/or deferred maintenance (where applicable)

Compiled by CBRE

SALE PRICE PER SQUARE FOOT CONCLUSION

Overall, comparable sales three, four, and five were the most representative of the subject, and warranted greatest consideration. The three comparables indicated an adjusted value range of $49/SF to $53/SF, which appears reasonable for the subject. The following chart presents the valuation conclusion:

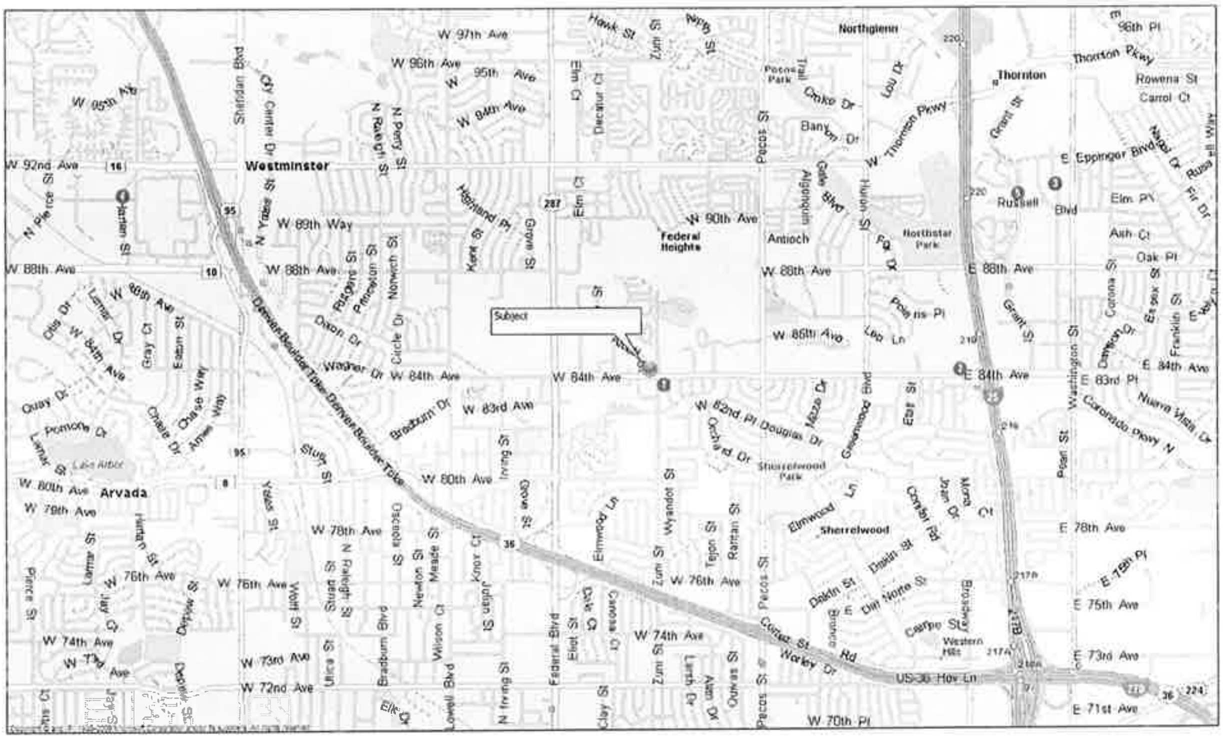
SALES COMPARISON APPROACH				
NRA (SF)	**X**	**Value Per SF**	**=**	**Value**
14,720	X	$50.00	=	$736,000
VALUE CONCLUSION				
Indicated Stabilized Value				**$740,000**
Value Per SF				**$50.27**

Compiled by CBRE

Additionally, we have considered the June 2010 sale for the North Zuni Medical Center (rent comparable no. 1), which provides a good indication of a 70's/80's vintage medical office building with high vacancy. This property sold for $387,500 or approximately $25.65/SF based on a net rentable area of 15,106 SF. This sale provides good support for our liquidation value of $355,000 or approximately $24.12/SF.

INCOME CAPITALIZATION APPROACH

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



Comp. No.	Property Name and Location	Year Built	Occ.	NRA (SF)	Quoted Rental Rate	Expense Basis	Thru/ Stop Amt.	Tenant Name	Lease Area (SF)	Base Rent
					SUMMARY OF COMPARABLE OFFICE RENTALS					
1	North Zuni Medical Center 8380 Zuni Street, Denver, CO	1977	22%	14,363	$14.00/SF-$16.00/SF	Gross	$6.50/SF	Quoted	---	$14.00/SF-$16.00/SF
2	Valley Medical Office Building 51 West 84th Avenue, Thornton, CO	1973	34%	17,400	$14.00/SF	Gross	$8.00/SF	Quoted	---	$14.00/SF
3	Pearl Professional Building 9101 Pearl Street, Thornton, CO	1982	65%	25,800	$14.50/SF	Gross	$9.50/SF	Medical Quoted	605 ---	$14.50/SF $14.50/SF
4	Lake Arbor Plaza 9101 Harlan Street, Westminster, CO	1980	87%	42,901	$15.00/SF	Gross W/BYES	$6.00/SF	Quoted	---	$15.00/SF
5	9025 Grant Street Office Building 9025 Grant Street, Thornton, CO	1987	100%	16,756	$8.00/SF (Corresponding Gross Rental Rate - $17.50/SF)	NNN	$9.50/SF	Quoted	---	$8.00/SF
Subj.	Alcott Medical Center 8400 Alcott Street, Westminster, CO	1982	86%	14,720	---	---				---

Compiled by CBRE

The rentals utilized represent the best data available for comparison with the subject. They were selected from our research of Class B/C multi-tenant medical office buildings within the Northwest submarket. Conversations with leasing brokers active in the market indicate very limited activity within the past 12 to 24 months. The two closest hospital campuses near the comparables are the St. Anthony North Hospital and the North Suburban Medical Center. The rents illustrated in the preceding chart represent a sample of actual confirmed offerings in the subject's submarket.

DISCUSSION/ANALYSIS OF RENT COMPARABLES

Most office leasing in the Northwest submarket is done on a gross basis. That is, the landlord, up to a base year stop, pays the expenses. After the stop is reached, tenants reimburse for the overage on a pro rata basis. The subject's is also leased on a gross basis to the landlord. The comparable rental properties indicate a current asking gross rental rate range from $14.00/SF to $17.50/SF. The comparable rental properties indicate that the most recent actual achieved gross rental rates are at the lower end of the range from $14.00/SF to $15.00/SF, generally on an "As Is" basis. In order to achieve base rental rates in the $16.00/SF to $17.50/SF range, tenants would typically expect to receive $20/SF to $30/SF in tenant improvements, but brokers indicate that these types of deals have not occurred in the market. The leasing brokers indicated that leasing activity of class C medical office space within the Northwest submarket has slowed significantly. Additionally due to the age and condition of the subject property, we anticipate that tenants will receive between $5/SF and $10/SF in tenant improvements. Therefore, the subject property would achieve base rental rates at the low end of the typical range.

The most significant variables among the comparables are the base rental rates, location, and the quality of common area finish within a particular property. Free rent as a concession is not a major factor, although some landlords are willing to provide one month free of rent per lease year, depending on tenant credit and the length of the lease. Landlords are more willing to provide free rent as compared to a capital outlay for tenant improvements.

Typically, rent escalations are CPI based or $0.50/SF annually at the comparables. The most typical lease terms are in a range from 1 to 5 years. Tenant improvements for new tenants range from nothing to $15.00/SF. Renewal leases will receive nothing to $5.00/SF.

All of the comparables cited would and do compete for tenants with the subject property. Overall, the comparables indicate an appropriate gross rental rate at the subject that is at the low end of the range indicated. We have concluded to a market rental rate of **$14.00/SF** for the subject.

MARKET RENT ESTIMATE

Base Rental Rate

The estimate of base rental rates is shown in the following chart.

BASE RENTAL RATES	
Category	Office Space
Rent Comparable Data	$14.00-$17.50
CBRE Estimate	**$14.00**
Compiled by CBRE	

Concessions

The estimate of concessions is shown in the following chart.

CONCESSIONS	
Category	Office Space
Rent Comparable Data	Negotiable
CBRE Estimate	**Negotiable**
Compiled by CBRE	

Reimbursements

The estimate of reimbursements is shown in the following chart.

REIMBURSEMENTS	
Category	Office Space
Rent Comparable Data	Gross
CBRE Estimate	**Gross**
Compiled by CBRE	

Escalations

At the present time, annual escalations in the range of 2% to 3% or $0.25/SF to $0.50/SF are common in the local market. As such, we have concluded market rental escalations of $0.50/SF per annum. The dollars per square foot escalation method is the most prevalent format in the current market.

Tenant Improvements

The estimate of tenant improvements is shown in the following chart.

TENANT IMPROVEMENTS	
Category	Office Space
Rent Comparable Data	
New Tenants	$0 to $15
Renewals	$0 to $5
CBRE Estimate	
New Tenants	**$7.00**
Renewals	**$3.00**
Compiled by CBRE	

Lease Term

The estimate of lease terms is shown in the following chart.

LEASE TERM	
Category	Office Space
Rent Comparable Data	1 to 5 YRS
CBRE Estimate	**5 YRS**
Compiled by CBRE	

MARKET RENT CONCLUSIONS

The following chart shows the market rent conclusions for the subject:

MARKET RENT CONCLUSIONS	
Category	Office Space
NRA (SF)	14,720
Percent of Total SF	100.0%
Market Rent ($/SF/Yr.)	$14.00
Concessions	Negotiable
Reimbursements	Gross
Annual Escalation	$0.50/SF/YR
Tenant Improvements (New Tenants)	$7.00
Tenant Improvements (Renewals)	$3.00
Average Lease Term	5 Years
Compiled by CBRE	

POTENTIAL RENTAL INCOME CONCLUSION

Within this analysis, potential rental income is estimated based upon the forward looking market rental rates over the next twelve months. This method of calculating rental income is most prevalent in the local market and is consistent with the method used to derive overall capitalization rates from the comparable sales data. As previously indicated, no property data was provided during the appraisal process.

RENT ROLL ANALYSIS - FEE SIMPLE ESTATE

Suite No.	Tenant	Lease Start	Lease Expiration	Term (Mos.)	Size (NRA) SF	% Total	Contract Rental Rate $/SF/Yr.	$/Yr.
All	Speculative Tenant	---	---	---	14,720	100.0%	$14.00	$206,080
Occupied Subtotals					14,720	100.0%	$14.00	$206,080
Property Totals - Market Rent					14,720	100.0%	$14.00	$206,080

Compiled by CBRE

VACANCY

The subject's estimated stabilized occupancy rate was previously discussed in the market analysis. The subject's vacancy is detailed as follows:

VACANCY

Year	% PGI
2008	54%
2009	25%
2010	25%
Current	14%
CBRE Estimate	**15%**

Compiled by CBRE

The vacancy allowance includes a provision for credit loss.

EFFECTIVE GROSS INCOME

The subject's effective gross income is detailed as follows:

EFFECTIVE GROSS INCOME

Year	Total	$/SF
CBRE Estimate	**$175,168**	**$11.90**

Compiled by CBRE

OPERATING EXPENSE ANALYSIS

Expense Comparables

The following chart summarizes expenses obtained from comparable properties.

EXPENSE COMPARABLES		
Comparable Number	1	2
Location	Denver Metro	Denver Metro
NRA (SF)	64,051	24,380
Expense Year	2011 Budget	2009
Expenses	$/SF	$/SF
Real Estate Taxes	$2.35	$2.93
Property Insurance	0.15	0.14
Common Area Maintenance	4.75	4.61
Management Fee	0.38	0.90
Reserves for Replacement	-	-
Operating Expenses	$7.64	$8.58
Source: Operating Statements		

The following subsections represent the analysis for the pro forma estimate of each category of the subject's stabilized expenses.

Real Estate Taxes

The real estate taxes for the subject were previously discussed. The subject's expense is detailed as follows:

REAL ESTATE TAXES		
Year	Total	$/SF
Expense Comparable 1	N/A	$2.35
Expense Comparable 2	N/A	$2.93
CBRE Estimate	**$41,147**	**$2.80**
Compiled by CBRE		

Our estimate is based on the current property assessment and tax rate, is consistent with other properties operating in the area and generally supported by the tax comparables as presented in the tax section of the report.

Property Insurance

Property insurance expenses typically include fire and extended coverage and owner's liability coverage. The subject's expense is detailed as follows:

PROPERTY INSURANCE		
Year	Total	$/SF
Expense Comparable 1	N/A	$0.15
Expense Comparable 2	N/A	$0.14
CBRE Estimate	**$2,208**	**$0.15**
Compiled by CBRE		

Our estimate is consistent with other properties operating in the area.

Common Area Maintenance

The CAM or Common Area Maintenance encompasses all other reimbursable operating expenses at the subject and includes items such as repairs and maintenance, janitorial, utilities, administrative expenses, etc. The subject's Common Area Maintenance expense is detailed as follows:

COMMON AREA MAINTENANCE		
Year	Total	$/SF
Expense Comparable 1	N/A	$4.75
Expense Comparable 2	N/A	$4.61
CBRE Estimate	**$58,880**	**$4.00**
Compiled by CBRE		

The subject property maintains very minimal common area as compared to typical medical office buildings. The building does not have an elevator and maintains one common corridor which provides access to tenant suites. Therefore, we have concluded to a CAM charge below the range indicated by the expense comparables which both maintain superior common areas as compared to the subject. Based on conversations with leasing brokers active in the market, our CAM charges appear to be in line with similar 70's/80's vintage medical office properties in the area. Typical overall expenses range from $6.50/SF to $8.50/SF.

Management Fee

Management expenses are typically negotiated as a percentage of collected revenues (i.e., effective gross income). The subject's expense is detailed as follows:

MANAGEMENT FEE		
Year	Total	% EGI
CBRE Estimate	**$5,255**	**3.0%**
Compiled by CBRE		

Professional management fees in the local market range from 3.0% to 5.0% for comparable properties. Given the subject's size and the competitiveness of the local market area, we believe an appropriate management expense for the subject would be towards the lower end of the range.

Reserves for Replacement

Reserves for replacement have been estimated based on discussions with knowledgeable market participants who indicate a range from $0.10/SF to $0.20/SF for comparable properties. Reserves occur below the NOI line in Direct Capitalization, and are therefore not deducted.

OPERATING EXPENSE CONCLUSION

The subject's expense is detailed as follows:

OPERATING EXPENSES		
Year	Total	$/SF
Expense Comparable 1	N/A	$7.64
Expense Comparable 2	N/A	$8.58
CBRE Estimate	**$107,490**	**$7.30**
Compiled by CBRE		

The subject's per square foot operating expense pro forma is in line with the total per square foot operating expenses indicated by the rent comparables and conversations with leasing brokers active in the market. The operating expense range indicated by leasing brokers for comparable properties ranged from $6.50/SF to $8.50/SF. Our pro forma operating expense is within that range. Our pro forma operating expenses are below the range indicated by the expense comparables above due to lower concluded CAM charges at the subject property as compared to the comparables.

NET OPERATING INCOME CONCLUSION

The subject's net operating income is detailed as follows:

NET OPERATING INCOME		
Year	Total	$/SF
CBRE Estimate	**$67,678**	**$4.60**
Compiled by CBRE		

DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication. The following subsections represent different techniques for deriving an overall capitalization rate for direct capitalization.

Comparable Sales

The overall capitalization rates (OARs) confirmed for the comparable sales analyzed in the sales comparison approach are as follows:

COMPARABLE CAPITALIZATION RATES

Sale	Sale Date	Sale Price $/SF	Occupancy	OAR Basis	OAR
1	Feb-09	$77.18	Owner/User	NAV	NAP
2	Aug-10	$58.68	71%	Existing	10.00%
3	Dec-10	$65.63	62%	Existing	9.50%
4	Mar-11	$53.54	86%	Existing	9.21%
5	Mar-11	$52.55	Owner/User	NAV	NAP
Indicated OAR:			85%		**9.21% to 10.00%**

Compiled by: CBRE

The overall capitalization rates for these sales were derived based upon the actual income characteristics of the property. Sales One and Five were purchased by owner/users and therefore no income or OAR information was available. Sales Two, Three, and Four represent three recent office investment sales. The OAR range indicated by these three sales ranges from 9.21% to 10.00%.

Published Investor Surveys

The results of the most recent investor surveys are summarized in the following chart.

OVERALL CAPITALIZATION RATES		
Investment Type	OAR Range	Average
CBRE Suburban Office		
Class A	7.00% - 10.00%	8.21%
Class B	7.50% - 11.00%	9.02%
Class C	8.50% - 12.00%	10.03%
CBRE General Investment		
Class A	7.50% - 10.00%	8.59%
Class B	8.00% - 11.00%	9.47%
Class C	9.50% - 12.00%	10.88%
PWC Medical Office		
National Data	6.00% - 11.50%	8.28%
PWC Suburban Office		
National Data	5.50% - 11.00%	7.60%
Denver Submarket	6.50% - 11.00%	8.16%
Indicated OAR:	**9.50% to 10.50%**	
Compiled by: CBRE		

The subject is considered to be a Class C property. Because of the subject's fair to average overall condition, location, and overall investment characteristics, an OAR at the upper end of the PWC Medical Office range indicated in the preceding table is considered appropriate.

Market Participants

We surveyed several active market participants specifically with regards to an appropriate going in capitalization rate for the subject property. No reliable rent roll, leases, and/or operating statements were provided for the preparation of this appraisal. Therefore, we appraised the fee simple interest of the subject property. Based on local tenancy with average credit, market rental rates, and the location of the building, most investment brokers interviewed indicated that an appropriate rate for the subject would be in a range from 9.00% to 10.50%.

Capitalization Rate Conclusion

The following chart summarizes the OAR conclusions.

OVERALL CAPITALIZATION RATE - CONCLUSION	
Source	Indicated OAR
Comparable Sales	9.21% to 10.00%
National Investor Survey	9.50% to 10.50%
Market Participants	9.00% to 10.50%
CBRE Estimate	9.50%
Compiled by: CBRE	

In concluding an overall capitalization rate for the subject, primary reliance has been placed upon the data obtained from the interviews with active market participants. This data tends to provide the most accurate depiction of both buyer's and seller's expectations within the market. Further secondary support for our conclusion is noted via the comparable sales, the CBRE National Investor Survey, and the PWC National Investor Survey. Considering the data presented, the concluded overall capitalization rate appears to be well supported in the local market.

Direct Capitalization Summary

A summary of the direct capitalization at stabilized occupancy is illustrated in the following chart.

DIRECT CAPITALIZATION SUMMARY

Income		$/SF/Yr	Total
Potential Rental Income		$14.00	$206,080
Vacancy	15.00%	(2.10)	(30,912)
Credit Loss	In Vacancy	0.00	-
Net Rental Income		$11.90	$175,168
Other Income		0.00	-
Expense Reimbursements		0.00	-
Effective Gross Income		$11.90	$175,168
Expenses			
Real Estate Taxes		$2.80	$41,147
Property Insurance		0.15	2,208
Common Area Maintenance		4.00	58,880
Management Fee	3.00%	0.36	5,255
Reserves for Replacement	Below NOI	0.00	-
Operating Expenses		**$7.30**	**$107,490**
Operating Expense Ratio			61.36%
Net Operating Income		**$4.60**	**$67,678**
OAR			/ **9.50%**
Indicated Stabilized Value			**$712,395**
Rounded			**$710,000**
Value Per SF			**$48.23**
Matrix Analysis		**Cap Rate**	**Value**
		9.25%	$730,000
		9.50%	$710,000
		9.75%	$690,000

Compiled by CBRE

RECONCILIATION OF VALUE

The value indications from the approaches to value are summarized as follows:

SUMMARY OF VALUE CONCLUSIONS	
Sales Comparison Approach	$740,000
Income Capitalization Approach	$710,000
Reconciled Value	$710,000
Compiled by CBRE	

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

The income capitalization approach is applicable to the subject since it is an income producing property leased in the open market. Market participants are primarily analyzing properties based on their income generating capability. Therefore, the income capitalization approach is considered a reasonable and substantiated value indicator and has been given primary emphasis in the final value estimate.

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

MARKET VALUE CONCLUSION			
Appraisal Premise	**Interest Appraised**	**Date of Value**	**Value Conclusion**
As Is	Fee Simple Estate	July 25, 2011	$710,000
Liquidation Value	Fee Simple Estate	July 25, 2011	$355,000
Compiled by CBRE			

Based on the subject's estimated exposure and marketing time of 12 months and the requested requirement for liquidation sale value, we have estimated that a 50% discount from the complex's market value would be required. The discount is based upon an estimated marketing time of 90 days or less. It assumes the seller is under compulsion to sell and there is a limited future marketing period. Based on the analysis contained in the following report, the liquidation value of the subject is $355,000 ($710,000 X 50%).

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. CBRE, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.

2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. CBRE professionals are not engineers and are not competent to judge matters of an engineering nature. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of CBRE by ownership or management; CBRE inspected less than 100% of the entire interior and exterior portions of the improvements; and CBRE was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, CBRE reserves the right to amend the appraisal conclusions reported herein.

3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. CBRE has no knowledge of the existence of such materials on or in the property. CBRE, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate 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 any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

   We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to CBRE This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.

5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, CBRE has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, CBRE reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify CBRE of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, CBRE will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. CBRE assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. CBRE is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. CBRE does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of CBRE
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of CBRE to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. This study may not be duplicated in whole or in part without the specific written consent of CBRE nor may this report or copies hereof be transmitted to third parties without said consent, which consent CBRE reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of CBRE which consent CBRE reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. CBRE shall have no accountability or responsibility to any such third party.
15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that

environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to CBRE unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor CBRE assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.

20. CBRE assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient or super-efficient.

21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.

23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, CBRE has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since CBRE has no specific information relating to this issue, nor is CBRE qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.

24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client approximately result in damage to Appraiser. Notwithstanding the foregoing, Appraiser shall have no obligation under this Section with respect to any loss that is caused solely by the active negligence or willful misconduct of a Client and is not contributed to by any act or omission (including any failure to perform any duty imposed by law) by Appraiser. Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover, from the other, reasonable attorney fees and costs.

25. The report is for the sole use of the client; however, client 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. Appraiser is 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 CBRE 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.

26. As part of the client's requested scope of work, an estimate of insurable value is provided herein. CBRE has followed traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry accepted publications such as the Marshal Valuation Service handbook. The methodology employed is a derivation of the cost approach which is primarily used as an academic exercise to help support the market value estimate and therefore is not reliable for Insurable Value estimates. Actual construction costs and related estimates can vary greatly from this estimate.

    This analysis should not be relied upon to determine proper insurance coverage which can only be properly estimated by consultants considered experts in cost estimation and insurance underwriting. It is provided to aid the client/reader/user as part of their overall decision making process and no representations or warranties are made by

CBRE regarding the accuracy of this estimate and it is strongly recommend that other sources be utilized to develop any estimate of insurable value.

ADDENDA

ADDENDUM A

GLOSSARY OF TERMS

assessed value Assessed value applies in ad valorem taxation and refers to the value of a property according to the tax rolls. Assessed value may not conform to market value, but it is usually calculated in relation to a market value base. †

cash equivalency The procedure in which the sale prices of comparable properties sold with atypical financing are adjusted to reflect typical market terms.

contract rent The actual rental income specified in a lease. ‡

disposition value The most probable price which a specified interest in real property is likely to bring under all of the following conditions: 1) Consummation of a sale will occur within a limited future marketing period specified by the client; 2) The actual market conditions currently prevailing are those to which the appraised property interest is subject; 3) The buyer and seller is each acting prudently and knowledgeably; 4) The seller is under compulsion to sell; 5) The buyer is typically motivated; 6) Both parties are acting in what they consider their best interests; 7) An adequate marketing effort will be made in the limited time allowed for the completion of a sale; 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.‡

effective rent The rental rate net of financial concessions such as periods of no rent during the lease term; may be calculated on a discounted basis, reflecting the time value of money, or on a simple, straight-line basis. ‡

excess land In regard to an improved site, the land not needed to serve or support the existing improvement. In regard to a vacant site or a site considered as though vacant, the land not needed to accommodate the site's primary highest and best use. Such land may be separated from the larger site and have its own highest and best use, or it may allow for future expansion of the existing or anticipated improvement. *See also* surplus land. ‡

extraordinary assumption An assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. *See also* hypothetical condition. ‡

fee simple estate Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. ‡

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

full service lease A lease in which rent covers all operating expenses. Typically, full service leases are combined with an *expense stop*, the expense level covered by the contract lease payment. Increases in expenses above the expense stop level are passed through to the tenant and are known as *expense pass-throughs*.

going concern value Going concern value is the value of a proven property operation. It includes the incremental value associated with the business concern, which is distinct from the value of the real estate only. Going concern value includes an intangible enhancement of the value of an operating business enterprise which is produced by the assemblage of the land, building, labor, equipment, and marketing operation. This process creates an economically viable business that is expected to continue. Going concern value refers to the total value of a property, including both real property and intangible personal property attributed to the business value. †

gross building area (GBA) The total floor area of a building, including below-grade space but excluding unenclosed areas, measured from the exterior of the walls. Gross building area for office buildings is computed by measuring to the outside finished surface of permanent outer building walls without any deductions. All enclosed floors of the building including basements, mechanical equipment floors, penthouses, and the like are included in the measurement. Parking spaces and parking garages are excluded. †

hypothetical condition That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. *See also* extraordinary assumption. †

investment value Investment value is the value of an investment to a particular investor based on his or her investment requirements. In contrast to market value, investment value is value to an individual, not value in the marketplace. Investment value reflects the subjective relationship between a particular investor and a given investment. When measured in dollars, investment value is the price an investor would pay for an investment in light of its perceived capacity to satisfy his or her desires, needs, or investment goals. To estimate investment value, specific investment criteria must be known. Criteria to evaluate a real estate investment are not necessarily set down by the individual investor; they may be established by an expert on real estate and its value, that is, an appraiser. †

leased fee
See leased fee estate

leased fee estate An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.‡

leasehold
See leasehold estate

leasehold estate The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.‡

liquidation value The most probable price which a specified interest in real property is likely to bring under all of the following conditions: 1) Consummation of a sale will occur within a severely limited future marketing period specified by the client; 2) The actual market conditions currently prevailing are those to which the appraised property interest is subject; 3) The buyer is acting prudently and knowledgeably; 4) The seller is under extreme compulsion to sell; 5) The buyer is typically motivated; 6) The buyer is acting in what he or she considers his or her best interests; 7) A limited marketing effort and time will be allowed for the completion of a sale; 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. ‡

market rent The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby: 1) lessee and lessor are typically motivated; 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) the rent payment is made in terms of cash in U.S. dollars and is expressed as an amount per time period consistent with the payment schedule of the lease contract; and 5) the rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction. ‡

market value Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: 1) A reasonable time is allowed for exposure in the open market; 2) Both parties are well informed or well advised, and acting in what they consider their own best interests; 3) Buyer and seller are typically motivated; 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.§

marketing period The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal. ‡

net lease Lease in which all or some of the operating expenses are paid directly by the tenant. The landlord never takes possession of the expense payment. In a *Triple Net Lease* all operating expenses are the responsibility of the tenant, including property taxes, insurance, interior maintenance, and other miscellaneous expenses. However, management fees and exterior maintenance are often the responsibility of the lessor in a triple net lease. A *modified net lease* is one in which some expenses are paid separately by the tenant and some are included in the rent.

net rentable area (NRA) 1) The area on which rent is computed. 2) The Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor. *

occupancy rate The relationship or ratio between the income received from the rented units in a property and the income that would be received if all the units were occupied.‡

prospective value opinion A forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new us, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written. ‡

reasonable exposure time The estimated length of time 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; a retrospective opinion based upon an analysis of past events assuming a competitive and open market. ††

rent
See
full service lease
net lease
market rent
contract, coupon, face, or nominal rent
effective rent

shell rent The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called plain vanilla finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes; mechanical systems, interior electric, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses. ‡

surplus land Land not necessary to support the highest and best use of the existing improvement but, because of physical limitations, building placement, or neighborhood norms, cannot be sold off separately. Such land may or may not contribute positively to value and may or may not accommodate future expansion of an existing or anticipated improvement. *See also* excess land. ‡

usable area 1) The area actually used by individual tenants. 2) The Usable Area of an office building is computed by measuring to the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Excludes areas such as mechanical rooms, janitorial room, restrooms, lobby, and any major vertical penetrations of a multi-tenant floor. *

use value Use value is a concept based on the productivity of an economic good. Use value is the value a specific property has for a specific use. Use value focuses on the value the real estate contributes to the enterprise of which it is a part, without regard to the property's highest and best use or the monetary amount that might be realized upon its sale. †

value indication An opinion of value derived through application of the appraisal process. ‡

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† *The Appraisal of Real Estate*, Thirteenth Edition, Appraisal Institute, 2008.

‡ *The Dictionary of Real Estate Appraisal*, Fourth Edition, Appraisal Institute, 2002.

§ Office of Comptroller of the Currency (OCC), 12 CFR Part 34, Subpart C – Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago: Appraisal Institute, 2002), 177-178. This is also compatible with the RTC, FDIC, FRS and NCUA definitions of market value as well as the example referenced in the *Uniform Standards of Professional Appraisal Practice (USPAP)*.

* 2000 BOMA Experience Exchange Report, Income/Expense Analysis for Office Buildings (Building Owners and Managers Association, 2000)

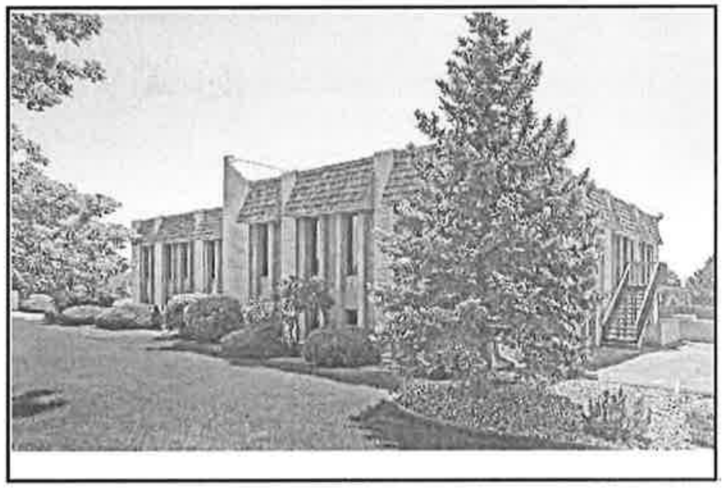
†† *Statement on Appraisal Standard No. 6*, Appraisal Standards Board of The Appraisal Foundation, September 16, 1993, revised June 15, 2004.

ADDENDUM B

IMPROVED SALE DATA SHEETS

OFFICE SALE No. 1

6801 South Yosemite Street Office Building



Location Data

Location:	**6801 South Yosemite Street** **Centennial,CO 80112**
County:	**Arapahoe**
Assessor's Parcel No:	**2075-28-1-21-012**
Atlas Ref:	**N/A**

Physical Data

Type:	**Medical/Dental**
Land Area:	**0.8200 Acres**
Gross Building Area:	**12,504 SF**
Net Rentable Area:	**12,504 SF**
Usable Bldg Area:	**N/A**
Year Built:	**1972 Renov. 2009**
No. of Stories:	**2**
Parking:	**3.50/1,000 SF**
Condition:	**Average**
Exterior Walls:	**Brick**
Class:	**B**
Amenities:	**N/A**

Financial Data

Source:	**Owner/User**

Sale Data

Transaction Type:	**Sale**
Date:	**2/2009**
Marketing Time:	**6 months**
Grantor:	**Arapahoe Mental Health Center,**
Grantee:	**M4M LLC**
Document No.:	**9020290**
Sale Price:	**$965,000**
Financing:	**Market Terms**
Cash Eq.Price:	**$965,000**
Req.Capital Cost:	**$0**
Adj. Sale Price:	**$965,000**
Verification:	**Broker**

Analysis

Buyers Underwriting Criteria.:	**Other**
Overall Cap. Rate (OAR):	**N/A**
Projected IRR:	**N/A %**
Eff. Gross Multiplier (EGIM):	**N/A**
Oper. Expense Ratio (OER):	**N/A %**
Price Per Square Foot:	**$77.18**

Comments

This is the sale of a 12,504 SF medical office building located at 6801 South Yosemite Street in Centennial, Colorado. This property was purchased by 1st Health Centers, PC, which will occupy the subject property as an owner/user. The property sold in February 2009 for $965,000 or approximately $77.18/SF based on a net rentable area of 12,504 SF.

OFFICE SALE No. 2

Highline Professional Center - Building 8

Location Data

Location:	8 West Dry Creek Circle Littleton,CO 80120
County:	Arapahoe
Assessor's Parcel No:	2077-27-3-18-002
Atlas Ref:	N/A

Physical Data

Type:	Multi Tenant
Land Area:	2.6700 Acres
Gross Building Area:	N/A
Net Rentable Area:	25,990 SF
Usable Bldg Area:	N/A
Year Built:	1982
No. of Stories:	2
Parking:	4.00/1,000 SF
Condition:	Average
Exterior Walls:	Masonry
Class:	B
Amenities:	N/A

Sale Data

Transaction Type:	Sale
Date:	8/2010
Marketing Time:	14 months
Grantor:	48th Avenue Realty Co
Grantee:	8WDC LLC
Document No.:	0082482
Sale Price:	$1,525,000
Financing:	Market Terms
Cash Eq.Price:	$1,525,000
Req.Capital Cost:	$0
Adj. Sale Price:	$1,525,000
Verification:	Listing Broker

Financial Data

Source:	Broker
Occupancy at Sale:	70.7%
Existing or ProForma Inc:	Existing

	Total	Per SF
Potential Gross Income:	N/A	N/A
Vacancy and Credit Loss:	N/A	N/A
Effective Gross Income:	N/A	N/A
Expenses and Reserves:	N/A	N/A
Net Operating Income:	$152,500	$5.87

Analysis

Buyers Underwriting Criteria.:	Other
Overall Cap. Rate (OAR):	10.00 %
Projected IRR:	N/A %
Eff. Gross Multiplier (EGIM):	N/A
Oper. Expense Ratio (OER):	N/A %
Price Per Square Foot:	$58.68

Comments

This comparable is the sale of a 25,990 SF, Class B office building located at 8 West Dry Creek Circle in Littleton, Colorado. This property was built in 1982 and was considered to be in average condition at the time of sale. The listing broker, Gene Pride of Cushman and Wakefield of Colorado indicated that the property was approximately 70.7% occupied and reported an OAR of 10.00% based on in-place income at the time of sale. The sales price was $1,525,000 or approximately $58.68/SF based on a net rentable area of 25,990 SF.

OFFICE SALE No. 3

Foxridge Medical Office Building

Location Data

Location:	8120 South Holly Street Centennial,CO 80122
County:	Arapahoe
Assessor's Parcel No:	2075-32-3-29-002
Atlas Ref:	N/A

Physical Data

Type:	Medical/Dental
Land Area:	1.7700 Acres
Gross Building Area:	24,380 SF
Net Rentable Area:	24,380 SF
Usable Bldg Area:	N/A
Year Built:	1985
No. of Stories:	2
Parking:	4.63/1,000 SF
Condition:	Average
Exterior Walls:	Brick and Glass
Class:	B
Amenities:	N/A

Sale Data

Transaction Type:	Sale
Date:	12/2010
Marketing Time:	2 months
Grantor:	Thomas H. Roberts III
Grantee:	Foxridge Medical LLC
Document No.:	0131399
Sale Price:	$1,600,000
Financing:	Market Terms
Cash Eq.Price:	$1,600,000
Req.Capital Cost:	$0
Adj. Sale Price:	$1,600,000
Verification:	Broker & Arapahoe County Assessor

Financial Data

Source:	Broker
Occupancy at Sale:	62.1%
Existing or ProForma Inc:	Existing

	Total	Per SF
Potential Gross Income:	N/A	N/A
Vacancy and Credit Loss:	N/A	N/A
Effective Gross Income:	N/A	N/A
Expenses and Reserves:	N/A	N/A
Net Operating Income:	$152,000	$6.23

Analysis

Buyers Underwriting Criteria.:	Other
Overall Cap. Rate (OAR):	9.50 %
Projected IRR:	N/A %
Eff. Gross Multiplier (EGIM):	N/A
Oper. Expense Ratio (OER):	N/A %
Price Per Square Foot:	$65.63

Comments

This comparbale is a 24,380-square foot, suburban medical office building located at 8120 South Holly Street in Centennial, Colorado. The improvements were constructed in 1985 and are situated on a 1.77-acre site. At the time of sale the buidling was approximately 62.1% occupied and considered to be in average overall condition. The property sold in December 2010 for $1,600,000 or approximately $65.63/SF. The OAR based on existing income at the time of sale was reported to be 9.50%.

OFFICE SALE No. 4

Park Center Office Building

Location Data

Location:	**3489 West 72nd Avenue Westminster,CO 80030**
County:	**Adams**
Assessor's Parcel No:	**01719-32-3-00-083**
Atlas Ref:	**N/A**

Physical Data

Type:	**Multi Tenant**
Land Area:	**0.9800 Acres**
Gross Building Area:	**20,170 SF**
Net Rentable Area:	**20,170 SF**
Usable Bldg Area:	**N/A**
Year Built:	**1975**
No. of Stories:	**2**
Parking:	**4.00/1,000 SF**
Condition:	**Average**
Exterior Walls:	**Brick**
Class:	**B**
Amenities:	**N/A**

Sale Data

Transaction Type:	**Sale**
Date:	**3/2011**
Marketing Time:	**N/A**
Grantor:	**The Regulator Trust**
Grantee:	**B.S.F. Investment Group, LLC**
Document No.:	**11000018942**
Sale Price:	**$1,080,000**
Financing:	**Market Terms**
Cash Eq.Price:	**$1,080,000**
Req.Capital Cost:	**$0**
Adj. Sale Price:	**$1,080,000**
Verification:	**Broker & Adams County Assessor**

Financial Data

Source:	**Broker**
Occupancy at Sale:	**85.8%**
Existing or ProForma Inc:	**Existing**

	Total	Per SF
Potential Gross Income:	**N/A**	**N/A**
Vacancy and Credit Loss:	**N/A**	**N/A**
Effective Gross Income:	**N/A**	**N/A**
Expenses and Reserves:	**N/A**	**N/A**
Net Operating Income:	**$99,468**	**$4.93**

Analysis

Buyers Underwriting Criteria.:	**Other**
Overall Cap. Rate (OAR):	**9.21 %**
Projected IRR:	**N/A %**
Eff. Gross Multiplier (EGIM):	**N/A**
Oper. Expense Ratio (OER):	**N/A %**
Price Per Square Foot:	**$53.54**

Comments

This comparable is a 20,170-square foot, multi-tenant office building located at 3489 West 72nd Avenue in Westminster, Colorado. The improvements were constructed in 1975 and are situated on a 0.98-acre site. At the time of sale the building was approximately 85.8% occupied and considered to be in average overall condition. The property sold in March 2011 for $1,080,000 or approximately $53.54/SF. The OAR based on existing income at the time of sale was reported to be 9.21%.

OFFICE SALE No. 5

13901 East Exposition Avenue Office

Location Data

Location:	**13901 East Exposition Avenue** **Aurora,CO 80012**
County:	**Arapahoe**
Assessor's Parcel No:	**1975-18-2-12-001**
Atlas Ref:	**N/A**

Physical Data

Type:	**Single Tenant**
Land Area:	**0.8200 Acres**
Gross Building Area:	**12,368 SF**
Net Rentable Area:	**12,368 SF**
Usable Bldg Area:	**N/A**
Year Built:	**1984**
No. of Stories:	**2**
Parking:	**8.00/1,000 SF**
Condition:	**Average to Good**
Exterior Walls:	**Masonry**
Class:	**B**
Amenities:	**N/A**

Financial Data

Source:	**Owner/User**

Sale Data

Transaction Type:	**Sale**
Date:	**3/2011**
Marketing Time:	**3 months**
Grantor:	**13901 LLC**
Grantee:	**JS Colorado LLC**
Document No.:	**1028995**
Sale Price:	**$650,000**
Financing:	**Market Terms**
Cash Eq.Price:	**$650,000**
Req.Capital Cost:	**$0**
Adj. Sale Price:	**$650,000**
Verification:	**Listing Broker**

Analysis

Buyers Underwriting Criteria.:	**Other**
Overall Cap. Rate (OAR):	**N/A**
Projected IRR:	**N/A %**
Eff. Gross Multiplier (EGIM):	**N/A**
Oper. Expense Ratio (OER):	**N/A %**
Price Per Square Foot:	**$52.55**

Comments

According to the listing broker, this property was on the market for approximately 3 months at a list price of $749,000 or $60.56/SF. The property had previously been on the market in November 2009 and went under contract in April 2010 for $490,000 or $39.62 to an investor. The listing broker indicated that the property sold in March 2011 for $650,000 or $52.55/SF. He indicated that the building was vacant at the time of sale and that it was in average to good condition. The previous tenant was a bank. This building has a high parking ratio at 8.00/1,000 SF. It is being purchased by an owner/user.

ADDENDUM C

RENT COMPARABLE DATA SHEETS

OFFICE COMPARABLE No. 1

North Zuni Medical Center

Location Data

Location:	**8380 Zuni Street Denver,CO 80221**
County:	**Adams**
Assessor's Parcel No:	**1719-28-3-07-074**
Atlas Ref:	**N/A**

Physical Data

Type:	**Medical/Dental**
Gross Building Area:	**N/A**
Net Rentable Area:	**14,363 SF**
Usable Building	**N/A**
Loss Factor:	**N/A**
Year Built:	**1977**
# of Stories:	**3**
Parking:	**Open Surface Parking**
Condition:	**Poor to Average**
Exterior Walls:	**Brick and Masonry**
Class:	**C**
Amenities:	**N/A**

Occupancy / Lease Data

Occupancy:	**22%**
Typical Size:	**2,500 SF**
Term:	**3-5 Years**
Base Rent PSF:	**$14.00/SF-$16.00/SF**
Rent Escalations:	**2.5% to 3.0%**
Basis:	**Gross**
Expense Pass-Thru:	**$6.50/SF**
Free Rent (months):	**Negotiable**
Tenant Improvement:	**$0 to $5/SF**
Leasing Agent:	**CBRE**
Phone No.:	**720-528-6448**
Survey Date:	**07/2011**

Comments

This comparable is a 14,363 SF medical office building located near the St. Anthony's North Medical Campus. The physical address of this property is 8380 Zuni Street, Denver, Colorado. This building is currently 22% leased and is in poor to average condition. The leasing agent reported that the owner recently renovated both the lobby and common areas. The leasing agent indicated that the market has been stagnant and they have not had any recent leasing activity at this comparbale. There has not been a lot of backflow from the St. Anthony's North Medical Campus and instead doctors have been looking to other markets for leasable space. Based on the buildings age/condition, if tenants were going to receive $5/SF to $10/SF in tenant improvements, actual rates would achieve from $14.00/SF to $16.00/SF. Current expenses were reported to be approximately $6.50/SF.

OFFICE COMPARABLE No. 2

Valley Medical Office Building

Location Data

Location:	**51 West 84th Avenue Thornton,CO 80260**
County:	**Adams**
Assessor's Parcel No:	**01719-27-2-18-002**
Atlas Ref:	**N/A**

Physical Data

Type:	**Medical/Dental**
Gross Building Area:	**17,400 SF**
Net Rentable Area:	**17,400 SF**
Usable Building	**N/A**
Loss Factor:	**N/A**
Year Built:	**1973**
# of Stories:	**N/A**
Parking:	**3.27/1,000 SF**
Condition:	**Average**
Exterior Walls:	**Masonry**
Class:	**C**
Amenities:	**N/A**

Occupancy / Lease Data

Occupancy:	**34.0%**
Typical Size:	**2,500 SF**
Term:	**3 to 5 Yrs**
Base Rent PSF:	**$14.00/SF**
Rent Escalations:	**$0.50/SF/YR**
Basis:	**Gross**
Expense Pass-Thru:	**$8.00/SF**
Free Rent (months):	**Negotiable**
Tenant Improvement:	**$0 to $5/SF**
Leasing Agent:	**French Ridge Development Co**
Phone No.:	**303-426-4606**
Survey Date:	**07/2011**

Comments

This comparbale is a 17,400 SF office/medical building located at 51 West 84th Avenue in Thornton within close proximity to both the North Suburban Medical Center and the St Anthony North Medical Center. According to the leasing broker, there has not been any recent activity on the vacant space and leasing has been very slow in the market. Occupancy has slowly declined at this property and when we spoke with the leasing broker in June 2010 the property was approximately 45.8% leased. The property is currently 34.0% leased and is in average condition. The leasing broker indicated that the quoted rental rates are $14.00/SF, which is likely for an "as is" deal. The quoted lease terms are from 3 to 5 years. The leasing agent indicated that free rent is negotiable, but no new lease deals have been completed recently. He indicated that he has completed a few renewals for general office space below the $14.00/SF quoted rental rate.

OFFICE COMPARABLE No. 3

Pearl Professional Building

Location Data

Location:	**9101 Pearl Street** **Thornton,CO 80229**
County:	**Adams**
Assessor's Parcel No:	**1719-22-4-03-010**
Atlas Ref:	**46-C**

Physical Data

Type:	**Multi Tenant**
Gross Building Area:	**25,800 SF**
Net Rentable Area:	**25,800 SF**
Usable Building	**N/A**
Loss Factor:	**N/A**
Year Built:	**1982**
# of Stories:	**3**
Parking:	**4.00/1,000 SF**
Condition:	**Average**
Exterior Walls:	**Concrete**
Class:	**C**
Amenities:	**Standard**

Occupancy / Lease Data

Occupancy:	**65.1%**
Typical Size:	**1,500 SF**
Term:	**3 to 5 Yrs**
Base Rent PSF:	**$14.50/SF**
Rent Escalations:	**$0.50/SF/YR**
Basis:	**Gross**
Expense Pass-Thru:	**$9.50/SF**
Free Rent (months):	**Negotiable**
Tenant Improvement:	**$0 to $10/SF**
Leasing Agent:	**Newmark Knight Frank Frederick**
Phone No.:	**303-260-4366**
Survey Date:	**07/2011**

Recent Leases

Date	Size (SF)	Tenant	Rent (PSF)	TI (PSF)	Free Rent (Months)	Escalations	Term (Yrs)
2010	605	Medical	$14.50	$2.00		$0.50/SF/YR	3.00

Comments

This comparable is a 25,800 SF medical office building. According to the leasing broker, activity has been slow over the previous 12 to 24 months. The most recent deal was a 605 SF space with a starting rate of $14.50/SF with $0.50/SF annual escalations on a 3-year term. Tenant improvements for that deal was $2.00/SF/YR. Typical lease terms range from 3 to 5 years, but can be longer up to 10 years. Operating expenses are currently $9.50/SF. The leasing broker indicated that the landscaping and management fees might be higher than market typical. He thought that a market typical expense for this building would be approximately $8.50/SF. Tenant improvements are negotiable depending on tenant credit, term length, and current condition of the vacant space. The typical range for tenant improvements are up to $10/SF for new leases and up to $1.00/SF/YR for renewals.

OFFICE COMPARABLE No. 4

Lake Arbor Plaza

Location Data

Location:	**9101 Harlan Street Westminster,CO 80031**
County:	**Jefferson**
Assessor's Parcel No:	**29-243-01-005**
Atlas Ref:	**N/A**

Physical Data

Type:	**Multi Tenant**
Gross Building Area:	**42,901 SF**
Net Rentable Area:	**42,901 SF**
Usable Building	**N/A**
Loss Factor:	**N/A**
Year Built:	**1980**
# of Stories:	**3**
Parking:	**3.70/1,000 SF**
Condition:	**Average**
Exterior Walls:	**Mixed Construction**
Class:	**B**
Amenities:	**N/A**

Occupancy / Lease Data

Occupancy:	**87.3%**
Typical Size:	**2,500 SF**
Term:	**3 to 5 Years**
Base Rent PSF:	**$15.00/SF**
Rent Escalations:	**$0.50/SF/YR**
Basis:	**Gross W/BYES**
Expense Pass-Thru:	**$6.00/SF**
Free Rent (months):	**Negotiable**
Tenant Improvement:	**$0 to $15**
Leasing Agent:	**Frederick Ross - Don Misner**
Phone No.:	**303-572-7700**
Survey Date:	**07/2011**

Comments

This comparable is a 42,901 SF multi-tenant office building located near the Westminster Mall. The physical address of this property is 9101 Harlan Street, Westminster, Colorado. This building is currently 87.3% leased and is in average condition. The leasing agent indicated that the market has been stagnant and they have not had any recent leasing activity at this comparable in over 12 months. The leasing broker indicated that actual lease rates at the property is inline with the quoted rates. Operating expenses were reported as $6.00/SF. The suites offered for lease are in need of updating and new leases will most likely be signed with $5/SF to $15/SF in tenant improvements.

OFFICE COMPARABLE No. 5

9025 Grant Street Office Building

Location Data

Location:	**9025 Grant Street** **Thornton,CO 80229**
County:	**Adams**
Assessor's Parcel No:	**1719-22-4-09-007**
Atlas Ref:	**N/A**

Physical Data

Type:	**Multi Tenant**
Gross Building Area:	**16,756 SF**
Net Rentable Area:	**16,756 SF**
Usable Building	**N/A**
Loss Factor:	**N/A**
Year Built:	**1987**
# of Stories:	**2**
Parking:	**Surface Lot**
Condition:	**Average**
Exterior Walls:	**Glass Panel/Masonry**
Class:	**B**
Amenities:	**N/A**

Occupancy / Lease Data

Occupancy:	**100%**
Typical Size:	**N/A**
Term:	**3 to 5 Yrs**
Base Rent PSF:	**$8.00/SF**
Rent Escalations:	**3% Annual Increases**
Basis:	**NNN**
Expense Pass-Thru:	**$9.50/SF**
Free Rent (months):	**Negotiable**
Tenant Improvement:	**As Is**
Leasing Agent:	**Friedlander Commercial Real Es**
Phone No.:	**303-885-9200**
Survey Date:	**07/2011**

Comments

This comparable is a 16,756 SF office/medical building located at 9025 Grant Street in Thornton within close proximity to the North Suburban Medical Center. According to the property manager, new leases have been signed with a base rental rate beginning at $8.00/SF NNN. Expenses are $9.50/Sf for an adjusted gross rental rate of $17.50/SF. Typical lease terms are from 5 to 7 years, and the leasing agent indicated that tenant improvements are minimal with most suites being offered on an as is basis. The leasing broker indicated that free rent was negotiable. The buidling is currently 100% leased.

ADDENDUM D

INSURABLE VALUE WORKSHEET

AURORA BANK FSB, COMMERCIAL SERVICES

INSURABLE VALUE WORK SHEET

Property Address: 8400 Alcott Street, Westminster, CO 80031
Property Type: Medical office
Cost Source: MVS
Section / Page(s): 15/22 - Average/C

"Insurable value" is defined as the destructible portions of a property and determines the amount of insurance that may, or should, be carried to indemnify the owner in the event of loss.

Aurora Bank Commercial Services defines insurable value as full replacement cost new, including all direct and indirect costs, without exclusions for the foundation or architect's fees, and without depreciation. Insurable value should not include entrepreneurial incentive or land value. For condominiums where the insurance carried by the association would fund the replacement of the structure, insurable value should reflect the full replacement cost new of the tenant improvements.

Structures: $115.01 ~~[illegible]~~/SF x 14,720 SF (see pg. 63 of appraisal) $ 1,692,952

Tenant Improvements in Place $ -0-
(If not included in above structure cost)

Tenant Improvements Yet to be Installed $ -0-

TOTAL INSURABLE VALUE $ 1,692,952

ADDENDUM E

LEGAL DESCRIPTION

SUB: PRESS SUBDIVISION BLK: 1 LOT:1

ADDENDUM F

CBRE MARKET REPORT

MarketView Denver Office

Despite uncertainty about the strength of the economic expansion efforts underway, commercial real estate fundamentals in Denver have made several steps towards healing and recovery. Leasing activity has noticeably picked up and vacancy rates have consequently declined in response to five straight quarters of increases in occupied square feet (SF). The Denver metro region has performed about as well as could be expected under the difficult circumstances endured during the recession, with demand slowly but steadily returning to the area. Over the past year, the most significant leasing activity has been generated by larger corporate users with more borrowing power, stronger balance sheets, and the ability to acquire other businesses. A more diversified spectrum of tenant sizes and industry types are now exhibiting a measured amount of confidence and job losses across the board have begun to reverse themselves. This encouraging trend has helped stem the tide of increasing vacancy rates and the first quarter of 2011 recorded another encouraging round of results for the Denver office market with the posting of 119,531 SF of positive absorption. The total availability rate (including sublease space) decreased in the first quarter, dropping from 22.9% to 22.6%. The direct vacancy rate currently rests at 15.1%. As a result of the recent flight to quality witnessed, Class A buildings, particularly in Denver's key submarkets, have been the initial beneficiaries of the increased occupier demand and large blocks of high quality space are increasingly difficult to find.

As corporate profits and balance sheets continue to improve, many companies are transitioning from the drastic cost-cutting process to a tentative hiring mode. In 2010, office leasing activity was led by the federal government sector with additional activity being recorded in energy, financial and legal companies. While these industry clusters are all expected to continue to contribute to Denver's overall growth this year, the local office market will not benefit from the significant positive absorption that was achieved last year through the government's leasing activity. The current transitional period defining the marketplace continues to favor the occupier's side; however, the amount of time left to capitalize on lower rental rates and attractive lease options is likely waning as market fundamentals are rebounding. Many tenants have taken advantage of the favorable economic terms available as well as concessions such as free rent and tenant improvement allowances given by landlords by locking in long term lease renewals. Metro Denver's asking lease rates remained relatively unchanged in the first quarter, averaging $19.78 per SF on a full service basis.

Along with the stabilization of local office market fundamentals, an additional encouraging trend is the resurgence occurring in the capital markets sector. Institutional investors are clearly demonstrating an increased appetite for opportunities and as a result, transaction activity is increasing and the demand for core assets in Denver's key submarkets is higher than it has been in quite some time. With the anticipation of improvement in actual property level performance, rather than mere reliance upon on cap rate compression, investors are now more willing to forecast increasing rents, especially in higher quality space. The return of liquidity to the marketplace and increase in significant sales activity was demonstrated by the sale of the newly construction 1800 Larimer in February to Invesco Real Estate for $430 per SF in Denver's Central Business District. Sale transaction volume is expected to increase in 2011 as investors seek to place capital, believing that commercial real estate fundamentals have hit bottom and are rebounding.

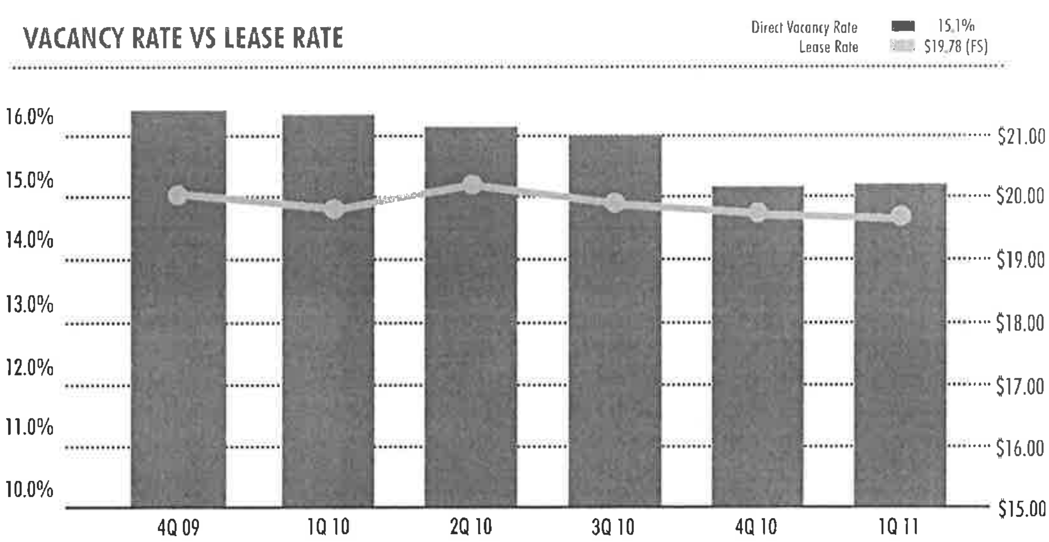
Quick Stats

	Current	Change from last Yr.	Change from last Qtr.
Direct Vacancy	15.1%	↓	↓
Total Vacancy	16.0%	↓	↓
Lease Rates	$19.78	↓	—
Net Absorption*	119k	↑	↓
Under Construction	30k	↓	—
1Q Completions	0k	↓	—

* The arrows are trend indicators over the specified time period and do not represent a positive or negative value. (e.g., absorption could be negative, but still represent a positive trend over a specified period.)

Hot Topics

- Denver posts fifth consecutive quarter of positive absorption
- Lease and vacancy rates continue to stabilize
- Sales activity is rebounding, while construction activity remains limited
- Large blocks of Class A space are becoming more scarse



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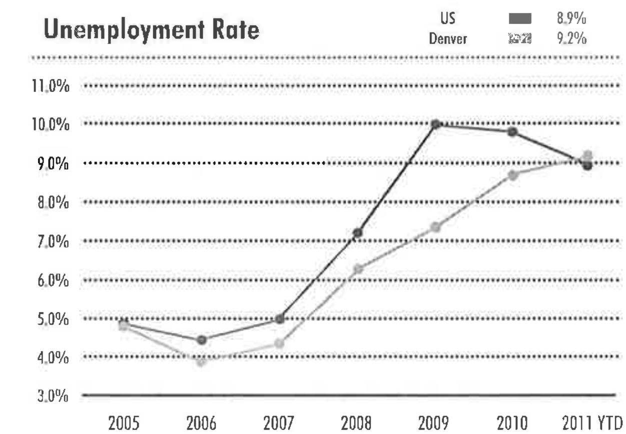
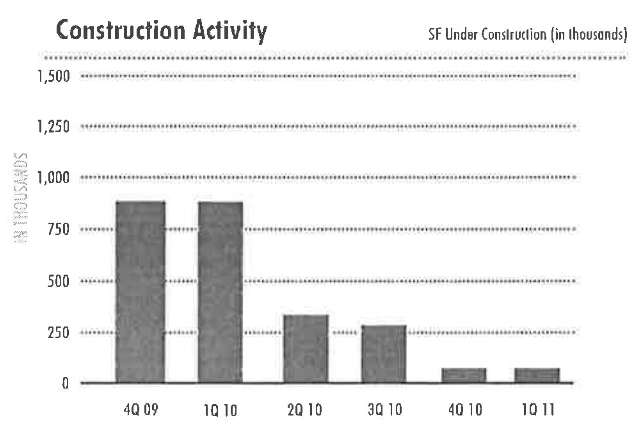
Market	Rentable Area	Direct Vacancy Rate %	Net Absorption SF	Under Construction SF	Average Asking Lease Rate -$ SF/ YR (Full Service)	Availability Rate %	Total Vacancy Rate %
Aurora	5,878,269	22.1%	(5,272)	-	$14.89	24.6%	22.3%
Boulder	5,525,211	11.2%	(80,775)	-	$18.80	17.1%	11.6%
Capitol Hill	1,034,247	10.3%	(8,466)	-	$16.52	12.1%	10.8%
Cherry Creek	3,984,429	11.9%	11,882	-	$19.98	15.8%	13.0%
S. Col. Blvd/Midtown	6,487,352	18.0%	90,116	-	$16.77	24.3%	18.0%
Downtown	25,545,755	12.8%	122,578	-	$25.37	24.0%	14.1%
Longmont	974,909	13.1%	3,012	-	$15.51	16.2%	13.1%
North	2,303,342	19.9%	(1,514)	-	$16.23	33.9%	21.6%
Northeast	886,356	18.0%	5,769	-	$19.08	23.7%	20.1%
Northwest	7,308,550	15.2%	21,338	-	$20.16	26.1%	16.9%
Southeast	33,459,513	16.5%	(46,807)	-	$18.19	22.5%	17.3%
Southwest	5,669,818	11.6%	(29,383)	-	$17.82	16.9%	11.8%
West	7,063,999	14.9%	21,546	30,006	$18.45	20.7%	14.9%
West Hamp-Alameda	999,668	19.0%	15,507	-	$13.93	21.6%	20.6%
Denver	**107,121,418**	**15.1%**	**119,531**	**30,006**	**$19.78**	**22.5%**	**16.0%**



While there are several signs the economy is in a recovery mode, the elevated unemployment rates continue to weigh heavily on the overall economic recovery. Unemployment and lack of job creation in the private sector continue to remain unsettling as the rebound from the downturn progresses. For the first time in several years, the Denver metro unemployment rate has surpassed that of the national rate. The national unemployment rate has decreased five-tenths of a percentage point so far this year from where it was in the closing month of 2010, posting a seasonally adjusted unemployment rate of 8.9% for the month of February. In comparison, the Denver-Aurora-Broomfield combined statistical area remained flat at 9.2% in February. Labor market stability and growth is a primary aspect to the health of commercial real estate market fundamentals, and although Denver metro's increasing unemployment rate remains a concern, our local market appears to be poised for a more efficient recovery than many other areas of the country.



After seeing a handful of significant deliveries including 1800 Larimer, 1900 16th Street and Central Park Tower in 2010, construction activity is at a virtual standstill. Office development in the Denver metro area remains very limited as achievable lease rates currently remain below levels that would justify new construction. Additionally, recent concerns about sustainable job growth and the resulting tenant demand lingers as a return to market stabilization and return to equilibrium is still being pursued. While lending conditions are certainly improving along with the overall economy, credit remains tight as both lenders and developers remain risk-averse until measurable corporate growth is seen and economic fundamentals are strengthened. The relatively low amount of new office inventory added to the market over the past couple of years will allow Denver to recover more rapidly than other markets once job growth returns. Notable projects of interest in the next few years will include a 270,000 SF build-to-suit project for Davita's headquarters in the Downtown submarket, as well as the construction surrounding the Union Station redevelopment.

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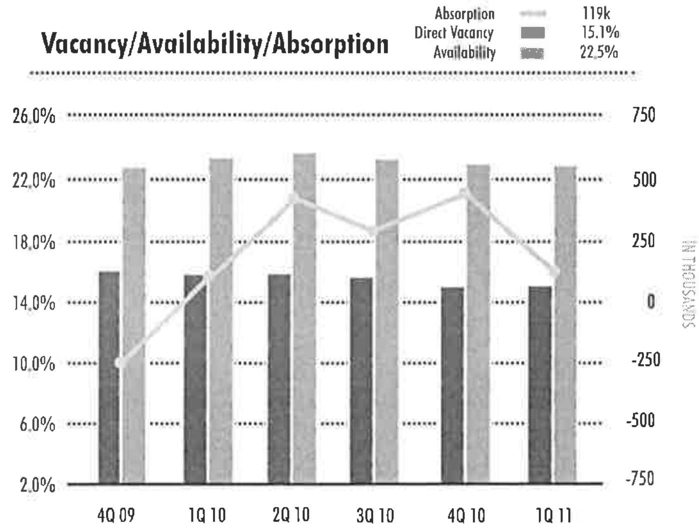
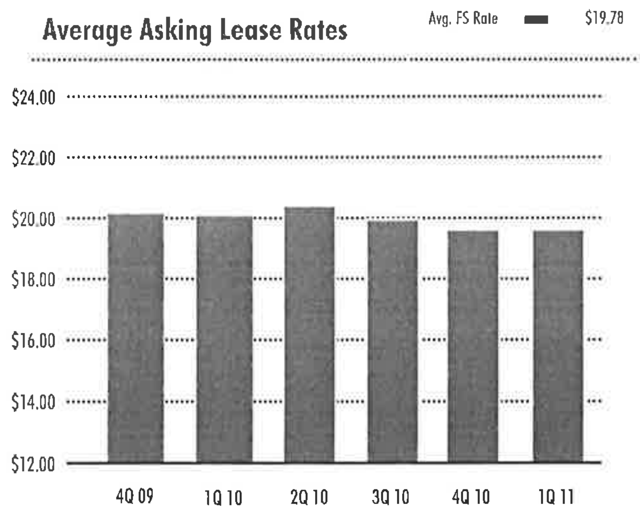
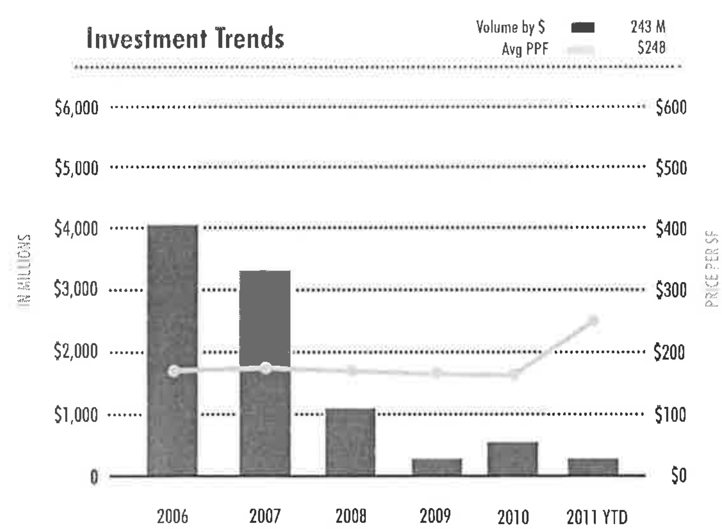
Vacancy/Availability/Absorption



Average Asking Lease Rates



Investment Trends



While the vacancy rate in the first quarter of 2011 remained relatively unchanged, the current level of 15.1% is a drastic improvement from the recent highs endured during the recession. The opening three months of this year also marked the significant accomplishment of five straight consecutive quarters of positive absorption for the Denver office market, recording 119,531 SF of additional occupied space. Accounting for sublease space, the total availability rate remains somewhat inflated at 22.6%. However, over the course of the past year, there has been a noticeable reduction in the number of large blocks of quality direct and sublease space available on the market. As a result, the Denver office market remains highly bifurcated. The direct vacancy rate in Class A space rests at a healthier 11.8%, while the vacancy rate is much higher in Class B and C space, 18.2% and 18.3%, respectively. In the first quarter, the largest gains in occupied space were reported in the Downtown submarket where 122,578 SF of positive absorption was achieved. Additionally, there are several large occupancies anticipated on the horizon that will further bolster fundamentals and increase occupied space. A handful of large deals were signed in 2010, including United Launch Alliance and Bridgepoint Education, that will improve absorption and occupancy levels in 2011 as these tenants take physical possession.

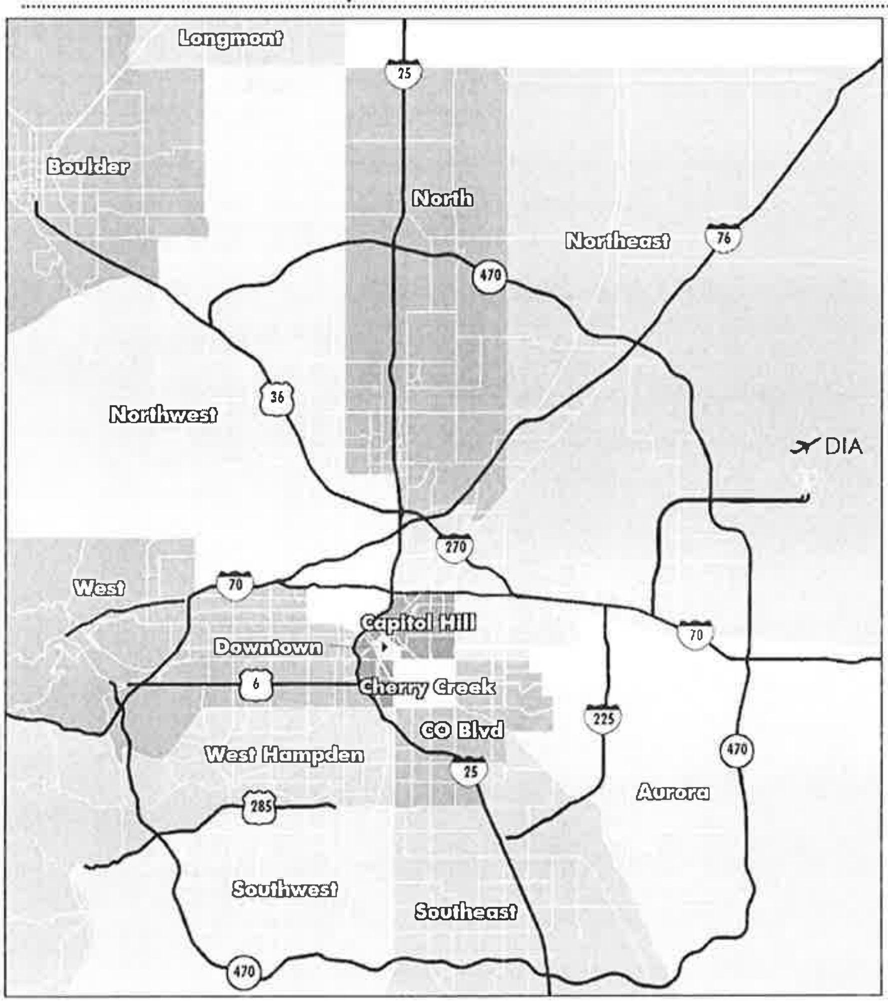
Occupancy costs in the region have reached something of a plateau point that will likely continue for the next several quarters until the supply and demand levels warrant increases in asking rates. The weighted average asking lease rate for office space in Metro Denver was $19.78 on a full service basis, unchanged from last quarter. Lease rates in Class A average $23.19 per SF on a full service basis. Metro Class B and C rates closed the quarter at $18.12 and $15.24 per SF, respectively. The delta between signing lease rates and asking rates has begun to narrow across many of the major submarkets as it is no longer seen as a tenants market as much as it had in previous quarters. However, tenants are realizing that there are still opportunities utilizing the current economic climate to leverage favorable lease terms and lock in aggressive, long-term deals. "Blend and extends" and renewals continue to outpace new lease transactions as tenants consider the high cost of relocation coupled with the still available opportunities to negotiate with landlords before the market turns. It is not likely that the rapid rental rate growth that was seen in previous recovery cycles will be experienced this time around and only modest rental rate inflation is expected through the next year.

After seeing a noticeable uptick in the closing months of 2010, the first quarter of 2011 also recorded a handful of significant transactions. The largest transaction of the quarter occurred with Invesco Real Estate's purchase of 1800 Larimer for $213 million in the Downtown submarket. Also reaching the closing table in the first quarter was the sale of the Solarium at 7400 East Orchard Road which sold to Lowe Enterprises, Inc. for $14 million in the Southeast submarket. The current aggressive state of the debt markets is pushing transaction levels as pent-up capital looks for placement. Given the increased competition for the best assets, rising levels of liquidity and attractive spreads of commercial mortgages, lenders will likely begin to take on more risk than they have been willing to in the past two years. There are clearly signs investors are beginning to consider a broader profile of asset classes, including distressed opportunities. While the recent increase in sales activity is certainly encouraging, the gap between what sellers will accept and what buyers will pay remains to be established. As a result, asset valuation remains somewhat challenging and concerns continue to exist surrounding the possibility of an onset of commercial mortgage defaults. While there are realistic expectations for market improvement, the inventory of underperforming real estate and maturing debt is expected to grow over the next 12 to 15 months and will dampen the recovery.

MARKET OUTLOOK

Slow but steady growth will likely define the Denver office market's recovery through the remainder of 2011. While a return to health is clearly underway, the overall global economic recovery will need to take full hold before our local office market fundamentals can boost stabilization again. The office market is directly reliant on job creation and this type of growth has been the missing link between where we stand and a return to equilibrium. It is important to recognize that while employers have been adding to payrolls for a handful of quarters now, there are still fewer office workers than existed at the market's peak. Sustainable job creation will be necessary to support the type of demand required to lower vacancy rates enough to support significant increases in rental rates and a complete return to equilibrium levels. That being said, 2011 will likely be a positive transitional year and there are several reasons for optimism when examining the Denver office market. Denver pulls from a strongly diversified economic base and boasts more favorable employment statistics than the national averages. These factors continue to support projections that Denver's commercial market fundamentals are poised for a stronger rebound than many other areas of the country.

Denver Office Submarket Map



Average Asking Lease Rate
Rate determined by multiplying the asking net lease rate for each building by its available space, summing the products, then dividing by the sum of the available space with net leases for all buildings in the summary.

Direct Vacancy Rate
Direct Vacant Square Feet currently unoccupied and available for lease by the landlord divided by the Net Rentable Area.

Net Leases
Includes all lease types whereby the tenant pays an agreed rent plus most, or all, of the operating expenses and taxes for the property, including utilities, insurance and/or maintenance expenses.

Market Coverage
Includes all competitive office buildings 10,000 square feet and greater in size.

Net Absorption
The change in occupied square feet from one period to the next.

Net Rentable Area
The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies, and stairwell areas.

Occupied Area (Square Feet)
Building area not considered vacant.

Under Construction
Buildings which have begun construction as evidenced by site excavation or foundation work.

Available Area (Square Feet)
Available Building Area which is either physically vacant or occupied.

Availability Rate
Available Square Feet divided by the Net Rentable Area.

Vacant Area (Square Feet)
Existing Building Area which is physically vacant or immediately available.

Normalization
Due to a reclassification of the market, the base, number and square footage of buildings of previous quarters have been adjusted to match the current base. Availability and Vacancy figures for those buildings have been adjusted in previous quarters.

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For more information regarding the MarketView, please contact:
Kate Waggoner, Research Manager
CB Richard Ellis
8390 E. Crescent Pkwy, # 300
Greenwood Village, CO 80111
T. 720.528.6300 F. 720.528.6333

ADDENDUM G

PRÉCIS METRO REPORT - ECONOMY.COM, INC.

DENVER

EMPLOYMENT GROWTH RANK

2010-2012
142
2nd quintile

2010-2015
165
3rd quintile

Best=1, Worst=392

VITALITY

RELATIVE	RANK
94%	**215**
U.S.=100%	Best=1 Worst=384

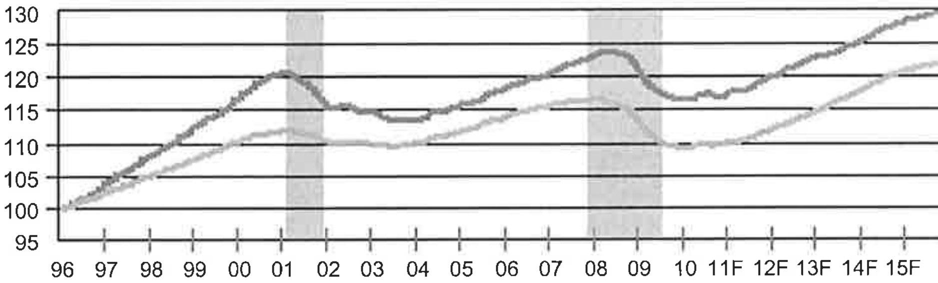
RELATIVE COSTS

LIVING	BUSINESS
100%	**94%**

U.S.=100%

LIFE CYCLE PHASE Growth

RELATIVE EMPLOYMENT PERFORMANCE (1996=100)



Data Buffet® MSA code: *MDEN*

2004	2005	2006	2007	2008	2009	2010	INDICATORS	2011	2012	2013	2014	2015
115.6	119.3	122.5	126.0	128.7	127.6	132.6	**Gross metro product (C$B)**	137.3	143.0	148.6	153.1	157.3
1.3	*3.2*	*2.6*	*2.9*	*2.1*	*-0.8*	*3.9*	*% change*	*3.6*	*4.2*	*3.9*	*3.0*	*2.8*
1,167.0	1,190.0	1,215.5	1,241.2	1,253.4	1,199.4	1,190.4	**Total employment (000)**	1,206.0	1,236.7	1,261.6	1,293.2	1,315.2
0.8	*2.0*	*2.1*	*2.1*	*1.0*	*-4.3*	*-0.8*	*% change*	*1.3*	*2.5*	*2.0*	*2.5*	*1.7*
5.9	5.3	4.5	4.0	5.0	7.9	8.3	**Unemployment rate**	9.0	8.0	7.0	5.7	5.2
5.2	6.2	8.9	4.9	4.5	-2.1	1.4	**Personal income growth**	4.5	6.5	7.0	5.9	4.9
2,321.7	2,353.5	2,399.6	2,449.5	2,500.4	2,552.2	2,588.9	**Population (000)**	2,621.6	2,656.4	2,689.6	2,720.8	2,751.1
18,599	17,760	13,166	7,859	4,003	2,723	3,809	**Single-family permits**	5,372	11,039	14,235	14,341	13,368
3,237	3,104	4,904	6,358	4,811	1,389	1,188	**Multifamily permits**	1,836	3,930	4,716	4,668	4,277
238.9	246.3	249.6	244.6	218.7	217.1	232.0	**Existing-home price ($ths)**	224.4	224.9	231.3	240.0	248.5
39,251	36,324	31,791	28,921	26,480	34,645	28,621	**Mortgage originations ($mil)**	24,575	22,746	25,034	27,705	31,773
2.7	9.5	22.9	26.5	28.0	28.6	13.5	**Net migration (000)**	9.6	11.8	10.3	8.5	7.7
15,030	24,127	5,564	8,734	11,920	15,976	18,496	**Personal bankruptcies**	20,381	20,922	21,538	22,190	22,719

STRENGTHS & WEAKNESSES

STRENGTHS

- Above-average per capita income.
- Skilled workforce and high concentration of tech industries.
- Strong demographic trends.

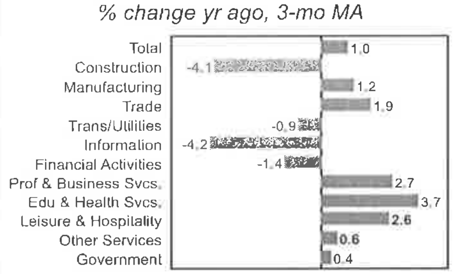
WEAKNESSES

- Budget pressures threaten public sector employees and contractors.
- Continued decline in finance employment due to bank failures.
- High dependence on volatile industries.

CURRENT EMPLOYMENT TRENDS

MARCH 2011

% change yr ago, 3-mo MA



FORECAST RISKS

SHORT TERM ▲ LONG TERM ▲ | RISK-ADJUSTED RETURN, '10-15 **0.38%**

UPSIDE

- Improved housing affordability supports faster population growth.
- Investment in transportation infrastructure attracts national and multinational businesses.

DOWNSIDE

- Financing shortfall may slow or stop FasTracks infrastructure modernization project.
- Further telecom shakeouts endanger local tech growth.

ANALYSIS

Recent Performance. The recovery in Denver-Aurora-Broomfield is building momentum, as a narrow rebound in professional services spreads to the rest of the economy. Job growth has been close to the national average, with a rebound in manufacturing employment in 2011. There was a recent upward revision to unemployment, and it has moved higher this year, to above the national rate, although mostly as a result of an expanding labor force. The housing market remains soft, as prices have entered a double dip; housing starts remain weak but have moved slightly higher.

Labor force. Despite accelerating employment growth, strong labor force growth will keep unemployment elevated for some time. According to business surveys, DEN has maintained its reputation as a center of opportunity for young, skilled workers, with a high quality of life and a number of emerging growth industries. This has supported strong in-migration and labor force growth. This explains, in part, the recent increase in the area's unemployment. Another explanation may be the movement of self-employed consultants into permanent positions, which would be recorded as an increase in employment in the payroll survey, but not the household survey.

Travel. Increasing tourism and business travel will boost revenues for local businesses, supporting stronger hiring over the coming year. Leisure and hospitality payrolls are already expanding at an above-average rate, and transportation services will continue to add jobs over the coming year. Passenger traffic at Denver International Airport, one of the busiest in the world, was up 1.3% in the first two months of 2011 on a year-ago basis; cargo shipments, by weight, have risen about 4%.

Expansion and improvement of airport facilities coincides with construction of a commuter rail line connecting the airport and downtown DEN. Short term, these infrastructure projects will contribute to the turnaround in construction payrolls midyear. The greatest impact will be longer term, however. Tech and telecom firms have cited direct air travel with other tech centers as a deciding factor in choosing to expand into DEN, but airport capacity, distance, and limited ground transportation options have been bottlenecks.

Telecommunications. DEN will remain a center of telecom for the nation, but revolutions in technology and consumer demand patterns present upside and downside risk for the area, for both the area's established corporate giants and its numerous start-ups. The April purchase of Qwest Communications, one of the area's largest employers, by Louisiana's CenturyLink will lead to some downsizing over the next few years, but other consolidation trends are more favorable. Level 3, which provides online video-streaming services for Netflix, has announced plans to purchase a major competitor, making it more competitive.

A more speculative move by another major local employer, Dish Network, to purchase the former video rental company Blockbuster signals its intention to develop its own video streaming platform to compete with Netflix. Neither the outcome of this move nor its effect on area incomes and employment is clear yet, but such aggressive risk-taking is a positive sign.

Denver-Aurora-Broomfield's above-average unemployment rate will overshadow its recovery in the near term, but stronger employment growth in 2011 will begin to bring it down, boosting incomes and consumer demand. In addition to telecommunications, DEN is becoming a national center for renewable energy, healthcare, engineering, and other professional services, which will help the area attract a skilled workforce and stay an above-average performer in the long run.

Mark Hopkins
April 2011

EMPLOYMENT & INDUSTRY

TOP EMPLOYERS

University of Colorado System	15,205
HealthONE	9,640
King Soopers	8,600
Wal-Mart Stores, Inc.	7,900
CenturyLink	7,380
Exempla Healthcare	7,320
Lockheed Martin Corporation	7,220
Safeway, Inc.	6,700
Centura Health	6,370
Kaiser Permanente	5,870
Denver Health & Hospital Authority	5,311
Dish Network	4,690
United Airlines, Inc.	4,500
Wells Fargo & Company	4,400
University of Denver	4,310
Children's Hospital	4,270
IBM Corporation	4,200
University of Colorado Hospital	4,000
Frontier Airlines	3,760
United Parcel Service, Inc.	3,620

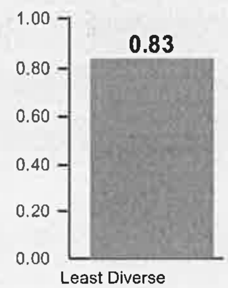
Source: Metro Denver EDC, April 2011

PUBLIC

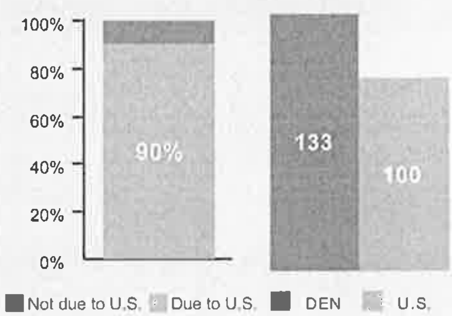
Federal	29,150
State	36,594
Local	111,827

2010

INDUSTRIAL DIVERSITY



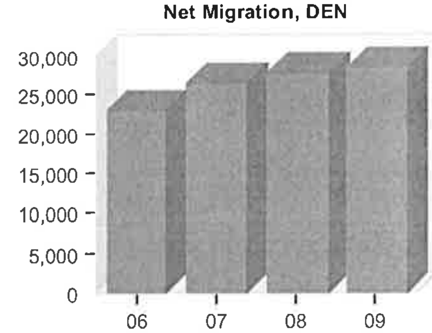
EMPLOYMENT VOLATILITY



MIGRATION FLOWS

INTO DENVER, CO	NUMBER OF MIGRANTS
Boulder, CO	5,571
Colorado Springs, CO	3,843
Greeley, CO	3,522
Los Angeles, CA	2,644
Phoenix, AZ	2,572
Fort Collins, CO	2,472
Santa Ana, CA	1,730
Chicago, IL	1,489
Houston, TX	1,351
San Diego, CA	1,313
Total In-migration	*89,865*
FROM DENVER, CO	
Greeley, CO	4,217
Boulder, CO	4,115
Colorado Springs, CO	2,668
Phoenix, AZ	2,229
Fort Collins, CO	1,961
Los Angeles, CA	1,482
Las Vegas, NV	1,318
Houston, TX	1,126
Dallas, TX	1,097
Seattle, WA	980
Total Out-migration	*75,140*
Net Migration	**14,725**

Net Migration, DEN



	2006	2007	2008	2009
Domestic	12,958	17,438	19,248	19,831
Foreign	9,972	9,017	8,733	8,738
Total	22,930	26,455	27,981	28,569

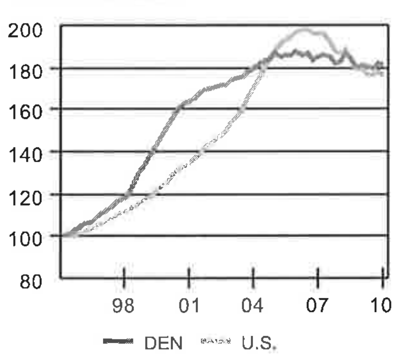
Sources: IRS (top), 2008; Census Bureau, 2009

COMPARATIVE EMPLOYMENT AND INCOME

Sector	% of Total Employment			Average Annual Earnings		
	DEN	CO	U.S.	DEN	CO	U.S.
Mining	0.3%	1.1%	0.5%	$125,668	$95,562	$91,842
Construction	5.5%	5.2%	4.3%	$56,676	$52,115	$50,268
Manufacturing	5.1%	5.6%	8.9%	$78,590	$72,530	$72,640
Durable	*64.9%*	*64.6%*	*61.3%*	*nd*	*$76,942*	*$73,745*
Nondurable	*35.1%*	*35.4%*	*38.7%*	*nd*	*$64,285*	*$70,876*
Transportation/Utilities	3.9%	3.2%	3.6%	$62,558	$60,529	$60,284
Wholesale Trade	5.2%	4.1%	4.2%	$82,840	$75,378	$72,785
Retail Trade	10.1%	10.6%	11.1%	$30,635	$29,282	$29,664
Information	3.7%	3.2%	2.1%	$171,263	$135,918	$89,270
Financial Activities	7.6%	6.5%	5.9%	$44,857	$36,471	$44,809
Prof. and Bus. Services	17.0%	14.8%	12.8%	$71,013	$61,687	$59,659
Educ. and Health Services	12.0%	11.9%	15.1%	$51,558	$48,156	$49,003
Leisure and Hosp. Services	10.7%	11.9%	10.0%	$25,887	$23,201	$22,683
Other Services	4.0%	4.2%	4.1%	$39,870	$37,837	$32,385
Government	14.9%	17.7%	17.3%	$67,280	$63,895	$65,178

Sources: Percent of total employment — Moody's Analytics & BLS, 2010; Average annual earnings — BEA, 2009

HOUSE PRICES



Source: FHFA, 1996Q1=100, NSA

MOODY'S RATING

Aaa	COUNTY AS OF OCT 06, 2010

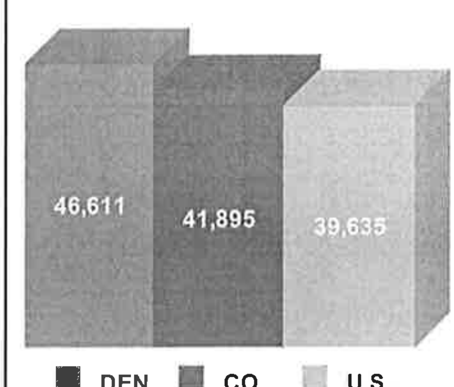
LEADING INDUSTRIES

NAICS	INDUSTRY	EMPLOYEES (000)
GVSL	State & Local Government	148.4
7221	Full-Service Restaurants	45.8
7222	Limited-Service Eating Places	36.8
GVF	Federal Government	29.1
6221	General Medical and Surgical Hospitals	26.0
5413	Architectural, Engineering, and Related Srvcs.	25.0
5511	Management of Companies and Enterprises	23.6
5617	Services to Buildings and Dwellings	23.3
5415	Computer Systems Design and Related Srvcs.	22.2
5613	Employment Services	21.2
4451	Grocery Stores	19.5
2382	Building Equipment Contractors	18.0
6211	Offices of Physicians	16.3
5171	Wired Telecommunications Carriers	16.3
5241	Insurance Carriers	15.2

High-tech employment	78.5
As % of total employment	6.5

Sources: BLS, Moody's Analytics, 2010

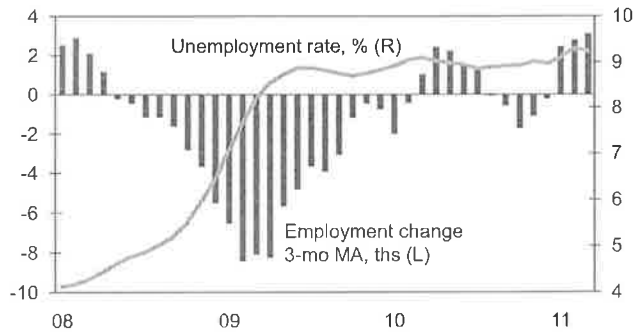
PER CAPITA INCOME



Source: Bureau of Economic Analysis, 2009

DENVER

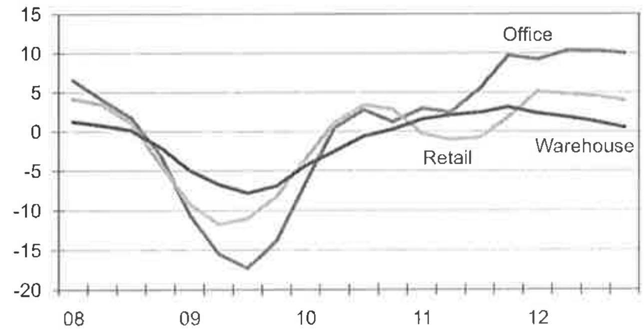
Job Seekers Still Outstripping Net Job Gains



Source: BLS

Office Space Expected to Outpace Other Needs

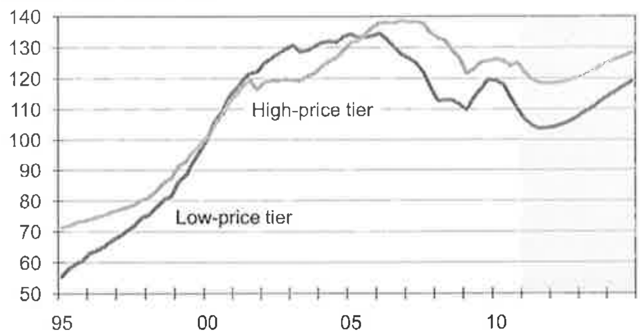
Employment, change yr ago, ths



Sources: BLS, Moody's Analytics

Home Prices Will Not Rebound This Year

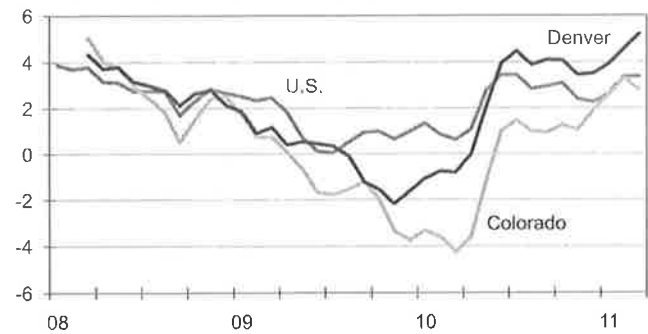
Home price, 2000=100



Source: S&P/Case-Shiller

Earnings Outpacing Those of State, Nation

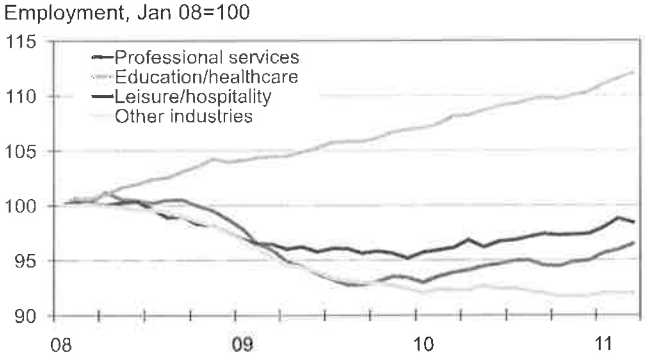
Average weekly earnings, % change yr ago



Source: BLS

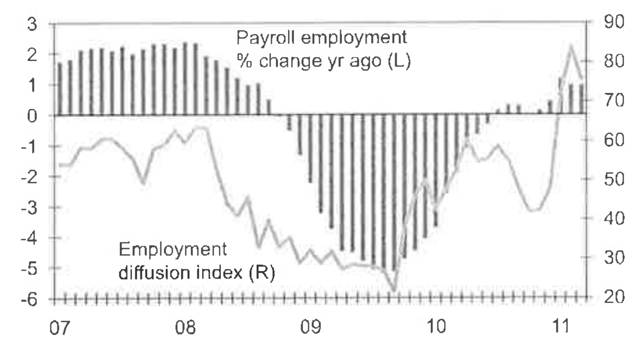
Only a Few Industries Drove Gains Last Year...

Employment, Jan 08=100



Source: BLS

...But Hiring Is Becoming More Broad Based



Sources: BLS, Moody's Analytics

Since the recovery began, a narrow range of private service industries—including education and healthcare, professional services and more recently, leisure and hospitality services—have led employment growth in DEN. Over the past six months these three industries alone contributed 1.4 percentage points to total 1.5% annualized payroll growth. State government has also made a contribution to job growth, despite budget pressures. Employment in other areas has largely remained flat, with goods producers continuing to shed jobs, especially in construction.

With the new year, momentum in the DEN economy has improved significantly. Job growth has accelerated slightly but, more important, employment is becoming more diffuse: The share of industries adding jobs has risen suddenly, to a level consistent with strong expansion. This indicates that the recovery is maturing into a self-sustaining expansion, with demand finally spilling over into a wider range of services, including wholesale and retail trade. Manufacturing is one industry that appears to have turned the corner, although construction and information payrolls continue to decline.

About Moody's Analytics
Economic & Consumer Credit Analytics

Moody's Analytics helps capital markets and credit risk management professionals worldwide respond to an evolving marketplace with confidence. Through its team of economists, Moody's Analytics is a leading independent provider of data, analysis, modeling and forecasts on national and regional economies, financial markets, and credit risk.

Moody's Analytics tracks and analyzes trends in consumer credit and spending, output and income, mortgage activity, population, central bank behavior, and prices. Our customized models, concise and timely reports, and one of the largest assembled financial, economic and demographic databases support firms and policymakers in strategic planning, product and sales forecasting, credit risk and sensitivity management, and investment research. Our customers include multinational corporations, governments at all levels, central banks and financial regulators, retailers, mutual funds, financial institutions, utilities, residential and commercial real estate firms, insurance companies, and professional investors.

Our web and print periodicals and special publications cover every U.S. state and metropolitan area; countries throughout Europe, Asia and the Americas; and the world's major cities, plus the U.S. housing market and other industries. From our offices in the U.S., the United Kingdom, and Australia, we provide up-to-the-minute reporting and analysis on the world's major economies.

Moody's Analytics added Economy.com to its portfolio in 2005. Its economics and consumer credit analytics arm is based in West Chester PA, a suburb of Philadelphia, with offices in London and Sydney. More information is available at www.economy.com.

ADDENDUM H

ENGAGEMENT LETTER

Aurora Bank • Commercial Services

JERADY ANN LONCONO
APPRAISAL DEPARTMENT

VIA E-MAIL
Tom.Baroch@cbre.com

June 17, 2011

Thomas D. Baroch, MAI
CB Richard Ellis Valuation & Advisory Services
1225 17th Street, Suite 1570
Denver, CO 80202
303-628-7474
303-628-1757 (fax)
303-349-7474 (cell)

Reference No.: **7000000013**

Dear Thomas D. Baroch, MAI,

This Letter of Engagement confirms the selection of your appraisal firm to develop an appraisal report to assist Aurora Bank FSB, Commercial Services ("Bank") in making a credit decision in a real estate-related transaction, subject to the following terms and conditions:

Reference No.:	**Include the reference number on the title page of the appraisal and your invoice**
Property Address:	8400 Alcott Street Westminster, CO 80031
Description:	The subject property is an office building; 14,785 SF; Year Built 1982; Site Area 1.102 Acres
Report Format:	Self-Contained
Valuation Scenarios:	- As Is Market Value - Liquidation Value (as defined in the Appraisal Institute's dictionary; based on a 3 to 6 month marketing time) - Insurable Value defined as Full Replacement Cost New (see attached worksheet)
Fee:	$ 4,800.00
Delivery Date:	On or before July 11, 2011
Intended Use:	Foreclosure due diligence

Inspections:	A complete exterior and interior inspection of the subject property should be completed whenever possible. If interior access to the subject building is not made available, please contact the Aurora Bank Commercial Services contact for further instructions. Please be sure to check sources such as CoStar, LoopNet, and local MLS systems for a current or recent listing of the subject property, as the listing broker may be able to provide interior access.

Property Contact Name and Phone:	Donna J. Reeh, counsel Bloom Murr & Accomazzo, P.C.	303-534-2277; 303-534-1313 (fax); dreeh@bmalaw.com
Aurora Bank Commercial Services Contact Name, Phone and Email:	Ann Hempfling	949-860-0244; Ann.Hempfling@aurorabankfsb.com

The subject property and comparable rentals and sales must be inspected by a licensed certified general appraiser who signs the report. The report must separate the value of the real estate from the going concern value and furniture, fixtures and equipment value. The value of the real estate must be clearly stated and not include FF&E or business value.

The Sales Comparison and Income Approaches to value are required for all reports, regardless of property type or user unless otherwise agreed to by the undersigned. The Cost Approach is required for properties that are proposed, under construction or recently constructed and where it is relied on by market participants. Exclusion of the Cost Approach must be explained and supported by the appraiser.

The appraisal should be in conformance with the OTS appraisal requirements, USPAP, and the attached Aurora Bank Commercial Services, appraisal scope of work requirements.

Aurora Bank Commercial Services accepts electronic copies (PDF) or hard copies (2 originals) of the report. Please send electronic copies of the report to ABCSreports@aurorabankfsb.com. If you submit an electronic copy of the report, it is not necessary to send a hard copy. Include reference number on the title page for all correspondences.

Please send the appraisal invoice to **Aurora Bank Commercial Services, Attn: Servicing Department**, P.O. Box 2182, Secaucus, NJ 07096-2182. Invoices ***must include*** an Aurora Bank Commercial Services requestor name (Appraisal Department – Lisa Kimbro), reference number, and your invoice number.

AURORA BANK COMMERCIAL SERVICES – MINIMUM APPRAISAL REQUIREMENTS

The following are Aurora Bank Commercial Services minimum requirements for approval of appraisal reports. The items below must be included in the appraisal report. They must be either described or summarized depending on the report format. **Strict adherence to these guidelines is required.**

General Requirements
1. Conform to USPAP and All Supplemental Federal Appraisal Regulations
2. Disclose all items that will affect the utility and value of the subject property.
3. Include sufficient supporting documentation so that the analysis, judgment, logic and reasoning are clear to the reader
4. Include legal description of the property
5. Include Purchase agreement if available
6. Include signed engagement letter in addendum
7. Include verification sources for all comparable sales and rentals unless those sources request confidentiality.

Inspection
1. The subject and comparable sales and rentals must be inspected by a licensed certified general appraiser. Reports with inspections by only an appraisal trainee will not be accepted.
2. An interior and exterior inspection of the subject property is required, unless otherwise noted in the engagement letter.
3. For **apartment building** appraisals the appraiser must perform an interior inspection of at least one-third of the total units for properties containing 35 or less units. For buildings with more than 35 units an interior inspection must be performed on at least 25 percent of the units. In addition, if the property has security bars installed a specific comment whether or not they each have "quick releases" installed must be provided.
4. At a minimum, an exterior inspection of the comparable improved sales, land sales and rentals is required.
5. A complete visual inspection of the neighborhood is required.
6. Exterior and interior photographs of the subject and exterior photographs of the comparable sales are required.

Regional Analysis
1. Discuss regional data and market conditions as it pertains to the subject property type
2. Regional Map identifying the subject property

Neighborhood Analysis
1. Identify the boundaries of the neighborhood
2. Discuss land uses within and surrounding the neighborhood
3. Disclose apparent nuisances

Site Analysis
1. Plat map with subject property identified in Site Section or addendum in form reports.
2. Physical address observed at inspection
3. Describe adjacent land uses
4. Disclose apparent easements and encroachments as applicable
5. Disclose apparent nuisances, as applicable.

Improvement Description

1. Sketch or floor plans of subject property in Improvement Section or addendum in form reports or other documentation sufficient to identify the extent and character of the improvements, particularly if proposed or under renovation.
2. Include discussion of material specifications
3. Effective age
4. Remaining economic life

Highest and Best Use

1. Describe or summarize the four tests of highest and best use and not simply state the highest and best conclusion. Parking conformity must be discussed.
2. **If the highest and best use of the property is different than the existing use, please call Aurora Bank Commercial Services, for possible changes to the scope of work.**

Sales Comparison Approach

1. Include at least three recently closed sales from the market area or similar areas within the region. Sales must be selected based on the highest and best use regardless of geographic limitations and be physically similar to the subject
2. Pending sales and listings are acceptable **along with the three required closed sales** in an attempt to bracket the subject property value.
3. An adjustment grid with discussion of the sales and adjustments is required. Pre- and post adjusted values must approximate each other to prove the applicability of the comparable data and reasonableness of the value conclusion.
4. Photographs of each sale are required
5. Location map identifying the location of the sales in relationship to the subject is required.

Income Approach

1. Current rent roll that includes, but is not limited to the tenant name, unit size and lease amount, dates, terms escalations and options to renew.
2. Rental adjustment grid is required. The rent survey must include but not be limited to tenant name, unit size and lease amounts, dates, terms, escalations and options to renew.
3. Vacancy must be supported from market data
4. Expenses must be compared to historical data, similar properties and/or industry standards and either discussed or summarized in the report.
5. Overall capitalization rates must be supported by comparable sales from the market that have recently sold.
6. A discounted cash flow method of value is required for all appraisals where appropriate. Market conditions, the market area and the specific property type should support using or not using the DCF method.
7. Photographs of each comparable rental are required
8. Location map identifying the comparable rental's location in relationship to the subject is required

Cost Approach

1. Include at least three recently closed land sales from the market area or similar areas within the region. Land sales must be selected based on the highest and best use regardless of geographic limitations and be physically similar to the subject
2. Pending sales and listings are acceptable **along with the three required closed sales** in an attempt to bracket the subject property value.
3. An adjustment grid with discussion of the sales and adjustments is required. Pre- and post adjusted values must approximately each other to prove the applicability of the comparable data and reasonableness of the value conclusion.
4. Photographs of each sale or plat maps are required
5. Location map identifying their location in relationship to the subject are required.
6. The opinion of replacement cost new or reproduction cost new must be supported by recognized industry sources such as Marshall Valuation Service or similar cost estimating services or by comparable developer's costs for similar property types. Developer costs should be analyzed and discussed.

Insurable Value

1. For freestanding buildings defined as full replacement cost new and does not include any form of depreciation or obsolescence. The opinion must include the cost of the foundation and below grade plumbing, which under certain conditions could require replacement.
2. For condominiums where hazard insurance is covered by the condominium association, insurable value must represent the full replacement cost of the tenant improvements.

As Is Value

1. All appraisals are required to report an "As Is" Value of the subject property. For improved property that is proposed, under construction, under rehabilitation or has not yet reached stabilization, appropriate deductions and discounts must be applied to the prospective stabilized or upon completion value. These deductions and discounts include, but are not limited to, leasing commissions, rent losses, tenant improvements and capital improvements.

Market Value As If Complete

1. This represents the current market value of a proposed property or a property undergoing rehabilitation or tenant improvements. The date of completion must be disclosed and is that time when the improvements are completed and ready for delivery to the buyer or lessee.
2. Report appropriate deductions and discounts for un-leased space including, but not limited to rent loss, commissions and tenant improvements, as appropriate.

Market Value As If Stabilized

1. This represents the current market value of a property that has achieved stabilized occupancy.
2. The date of stabilization must be disclosed.

Proposed Construction

1. Include copy of building plans or other documentation sufficient to identify the extent and character of the proposed improvements.
2. Include construction, renovation or tenant improvement cost breakdown
3. Report current market value as if complete on the appraisal inspection date, as appropriate.
4. Report current market value as if stabilized on the appraisal inspection date, as appropriate.
5. Report appropriate deductions and discounts for un-leased space including but not limited to rent loss, commissions and tenant improvements, as appropriate.

If you have any questions, please contact me at (949) 614-4438.

Sincerely,

Lisa Kimbro, MAI,
Aurora Bank FSB, Commercial Services
Lisa.Kimbro@AuroraBankFSB.com

Encl.

Acknowledgment of Receipt and Acceptance of Assignment

By acknowledging the receipt of this letter, you agree to the terms of the assignment and the stated delivery date.

Please Note: The individual who signs the engagement letter (below) is required to sign the appraisal report and be available to address any questions about the report that the Bank may have.

THOMAS D. BAROCH — 6/17/2011
Print Name — **Date**

Thomas D. Baroch / as agent
Signature Managing Director / for CBRE / BOA

Please sign and return by fax within 3 days to (866) 590-5344.

ADDENDUM I

QUALIFICATIONS

QUALIFICATIONS of

CHRISTOPHER N. BAKER, MAI
Director

CB Richard Ellis, Inc.
Valuation & Advisory Services
1225 Seventeenth Street, Suite 1570
Denver, Colorado 80202
Phone: 303-628-7480
Fax: 303-628-1757
Email: chris.baker@cbre.com

EDUCATIONAL

Bachelor of Arts Degree, Urban Planning, University of Connecticut, Storrs, Connecticut

LICENSE(S)/CERTIFICATION(S)

Certified General Real Estate Appraiser: State of Colorado (No. CG40003507)

PROFESSIONAL

Member Appraisal Institute (MAI Certificate No. 11665)
Affiliate Member Denver Board of Realtors
HUD Trained Appraiser – MAP Programs

EMPLOYMENT EXPERIENCE

1992-1995	Appraiser, Lesher-Glendinning Appraisers and Counselors, Inc., Ridgefield, Connecticut
1995-1998	Appraiser, DYCO Real Estate, Denver, Colorado
1999	Appraiser, National Valuation Consultants, Denver, Colorado
2000-2010	Senior Real Estate Analyst & Vice President, CB Richard Ellis, Inc., Denver, Colorado
2011	Director, CB Richard Ellis, Inc., Denver, Colorado

Appraisal experience has been in the fee preparation of real estate appraisals, feasibility and highest and best use studies, rent analyses, and market studies of commercial and residential properties. Experience encompasses a wide variety of property types including office, retail, industrial, multifamily, self-storage, hotel/motel, medical office buildings, restaurants, special-use properties, industrial and residential subdivisions, urban and rural lands and single-family residences.

Assignments completed Colorado, Connecticut, Kentucky, Georgia, Idaho, South Dakota, Montana, Michigan, Utah, New Mexico, Nebraska, Wyoming, and Iowa. Primary geographical experience is metropolitan Denver, the Front Range of Colorado, and mountain resort areas of Colorado.

The Intermountain Region of CB Richard Ellis, Inc. Valuation & Advisory Services covers the states of Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, Nevada, New Mexico, North and South Dakota, Utah, and Wyoming. The regional office is based in Phoenix, Arizona, with satellite offices in the cities of Colorado Springs, Denver, Des Moines, Las Vegas, Minneapolis, Salt Lake City, Omaha, and Tucson.

YOUR REGISTRATION HAS A NEW FORMAT, DESIGN, COLOR AND ADDED SECURITY FEATURES. The wallet card provided below is your official authorization to practice. This card has security features and is printed on heat sensitive paper. Do not duplicate this document. Photocopies are not considered official documents.

The right-side portion can be used to update your HOME address only with the Colorado Division of Real Estate. After completing this form, please mail to:

Colorado Division of Real Estate
Attn: Licensing Section (Address Change)
1560 Broadway, Ste. 925
Denver, CO 80202

To Remove Document Fold and Tear Along This Perforation

STATE OF COLORADO
Department of Regulatory Agencies
Division of Real Estate

Active
Cert Gen Appraiser

PRINTED ON SECURE PAPER

40003507	Jan 1 2011	Dec 31 2013
Number	Issue Date	Exp

CHRISTOPHER N BAKER
DENVER, CO 80202

Marcia Waters
Program Administrator

Licensee Signature

COPY

CHRISTOPHER N BAKER

Type: CG Number: 40003507

HOME Phone

AREA --- ---

HOME Address – Include City State, Zip

▲ Use the area above for a HOME address change only

◄ THIS IS YOUR WALLET CARD

QUALIFICATIONS OF

CHRISTOPHER P. WONG
Real Estate Analyst

CB Richard Ellis, Inc.
Valuation & Advisory Services
1225 17th Street, Suite 1570
Denver, Colorado 80202
(303) 628-1793
Christopher.Wong@cbre.com

EDUCATIONAL

Bachelor of Business Administration, Hotel, Restaurant & Tourism Management, University of Denver, Denver, Colorado
Master's of Business Administration, Hotel Finance & Investments, University of Denver, Denver, Colorado

LICENSE(S)/CERTIFICATION(S)

Registered Appraiser: State of Colorado (No.AR100004637)

EMPLOYMENT EXPERIENCE

May 2004 – June 2005	Real Estate Analyst, Hospitality Real Estate Counselors – Hotel Consulting & Brokerage, Englewood, Colorado
November 2005 - Present	Real Estate Analyst, CB Richard Ellis - Valuation & Advisory Services, Denver, Colorado

Professional experience has been in the fee preparation of real estate appraisals and feasibility studies of commercial properties. Primary experience encompasses a wide variety of property types including office, hotel, retail, industrial, medical office buildings, and special purpose.

Assignments completed in Colorado. Primary geographical experience is metropolitan Denver, Colorado Springs, Fort Collins and the Front Range of Colorado and various Colorado mountain resort communities.

The Intermountain Region of CB Richard Ellis, Inc. Valuation & Advisory Services covers the states of Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, Nevada, New Mexico, North and South Dakota, Utah, and Wyoming. The regional office is based in Phoenix, Arizona, with satellite offices in the cities of Colorado Springs, Denver, Des Moines, Las Vegas, Minneapolis, Salt Lake City, and Tucson.

STATE OF COLORADO
Department of Regulatory Agencies
Division of Real Estate

Active
Registered Appraiser

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CHRISTOPHER P WONG
DENVER, CO 80202

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Program Administrator

Christopher P. Wong

Licensee Signature

PROFESSIONAL PROFILE

Tom Baroch, MAI
Managing Director

Valuation & Advisory Services
Denver, Colorado

T 303.628.7474
F 303.628.1757

tom.baroch@cbre.com

CLIENTS REPRESENTED

- Wells Fargo
- Bank of America
- JP Morgan Chase
- Bank of the West
- CW Capital
- CalPERS

Tom Baroch, MAI, is the Managing Director of the CB Richard Ellis Valuation & Advisory Services office in Denver, Colorado. His professional experience has been in the fee preparation of real estate appraisals, feasibility studies, rent analyses and market studies of a wide variety of property types including office, retail, industrial, multifamily, hotel/motel, resorts, net leased investments (including GSA leases), fractional interests, medical office buildings and various special purpose properties as well as both urban and rural lands.

Mr. Baroch's experience has been compiled in the appraisal of properties in Arizona, Colorado, Utah and Wyoming as well as in Southern California, Iowa, Nebraska and New Mexico. Primary geographical experience is metropolitan Denver, Colorado Springs, Fort Collins, Pueblo and the Front Range of Colorado, various Colorado mountain resort communities, metropolitan Salt Lake City, Utah, and Maricopa County (metropolitan Phoenix), Arizona. Mr. Baroch is also an accepted Expert Witness in Arapahoe County, City, County of Denver and Jefferson County District Courts.

Prior to joining CB Richard Ellis in 1991, Mr. Baroch was a real estate appraiser with Burke Hansen, Inc., a regional real estate appraisal firm in Phoenix, Arizona.

SIGNIFICANT ASSIGNMENTS

- One Civic Center (Denver Post Building), 589,157 SF, Denver, Colorado
- Wells Fargo Center, 1,178,560 SF, Denver, Colorado
- Plaza Tower One, 467,623 SF, Denver, Colorado
- Fillmore Place (mixed-use), 461,844 SF, Colorado Springs, Colorado
- Palmer Center (mixed-use), 461,844 SF, Colorado Springs, Colorado
- Eagle Gate Plaza & Office Tower, 348,108 SF, Salt Lake City, Utah
- Southglenn Mall, 959,217 SF, Littleton, Colorado
- Pueblo Mall, 574,689 SF, Pueblo, Colorado
- Radisson Hotel (now Sheraton), 744 Rooms, Denver, Colorado
- Marriott Denver South, 595 Rooms, Denver, Colorado
- Sheraton, 500 Rooms, Colorado Springs, Colorado
- Ritz Carlton, 281 Rooms, Phoenix, Arizona

CREDENTIALS

- Appraisal Institute, Designated Member (MAI)
- CB Richard Ellis Hotel & Gaming Group, Member
- Certified General Real Estate Appraiser
  - State of Colorado (No. CG01315467)
  - State of Wyoming (No. 348)
- Accepted Expert Witness
- Arapahoe County, City & County of Denver and Jefferson County District Courts

EDUCATION

- San Diego State University, Bachelor of Science; Biology

STATE OF COLORADO
Department of Regulatory Agencies
Division of Real Estate

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THOMAS D BAROCH
DENVER, CO 80202

Marcia Waters
Program Administrator

Licensee Signature