Valbridge PROPERTY ADVISORS

Appraisal Report

Water Rights
1305 Gateway Drive
Berthoud, Larimer County, Colorado 80513

Report Date: 10-12-2020

INCORPORATED UNDER THE LAWS OF STATE OF COLORADO.

No 1046 Shares 7.46

The Loveland Lake and Ditch Company

CAPITAL STOCK, $15,000.00

This Certifies that Gateway Park Master Association is the owner of Seven and 46/100 Shares of the Capital Stock of

The Loveland Lake and Ditch Company

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation this 3rd day of July A.D. 2018

Secretary President

SHARES $100.00 EACH

FOR:

First National Bank of Omaha
Appraisal Reviewer
1620 Dodge Street, STOP 4605
Omaha, NE 68197

Client Number: FNN Order #: 202008152

Valbridge Property Advisors | Denver | Front Range

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Valbridge File Number:
CO01-20-0253-000

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10-12-2020

Appraisal Reviewer
First National Bank of Omaha
1620 Dodge Street, STOP 4605
Omaha, NE 68197

RE: Appraisal Report
Water Rights
1305 Gateway Drive
Berthoud, Larimer County, Colorado 80513

Dear First National Bank of Omaha Appraisal Reviewer:

In accordance with your request, we have performed an appraisal of the above referenced property. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. This letter of transmittal does not constitute an appraisal report and the rationale behind the value opinion(s) reported cannot be adequately understood without the accompanying appraisal report.

The subject consists of 7.46 shares of Loveland Lake and Ditch Company, 6.5 shares of Handy Ditch Company, and 5 shares of Welch Lateral. The water shares are associated with a subdivision called Gateway Park in Berthoud. This appraisal does not include any land or buildings but consists of only the water shares as described above.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); and the requirements of our client as we understand them.

The client in this assignment is First National Bank of Omaha and the intended user of this report is First National Bank of Omaha and no others. The sole intended use is for loan underwriting. The value opinions reported herein are subject to the definitions, assumptions, limiting conditions, and certifications contained in this report.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- None

Hypothetical Conditions:

- None

Based on the analysis contained in the following report, our value conclusions are summarized as follows:

Value Conclusion

Component	As Is
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	September 26, 2020
Value Conclusions	
7.46 Shares Loveland Lake & Ditch Company	$110,000
6.5 Shares Handy Ditch Company	$590,000
5.0 Shares of Welch Lateral & Ditch Company	$0
Value Conclusion	**$700,000**

Respectfully submitted,
Valbridge Property Advisors | Denver | Front Range

Megan J. Larson
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Table of Contents

Summary of Salient Facts

Property Identification

Client Identification Number	FNN Order #: 202008152
Property Name	Water Rights
Property Address	1305 Gateway Drive Berthoud, Larimer County, Colorado 80513
Latitude & Longitude	40.083308, -104.987854
Tax Parcel Number	
Property Owner	Gateway Park Master Association
Total Land Area	0.000 acres
Number of Buildings	0
Loveland Lake & Ditch Company	7.46 shares
Handy Ditch Company	6.5 shares
Welch Lateral & Ditch Company	5.0 shares

Valuation Opinions

Reasonable Exposure Time	12 months or less
Reasonable Marketing Time	12 months or less

Value Indications

Approach to Value	As Is
Sales Comparison Loveland Lake & Ditch Company	$111,900
Sales Comparison Handy Ditch Company	$585,000
Cost	Not Developed
Sales Comparison Welch Lateral & Ditch Company	$0
Income Capitalization	Not Developed

Value Conclusion

Component	As Is
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	September 26, 2020
Value Conclusions	
7.46 Shares Loveland Lake & Ditch Company	$110,000
6.5 Shares Handy Ditch Company	$590,000
5.0 Shares of Welch Lateral & Ditch Company	$0
Value Conclusion	**$700,000**

Subject Water Share Certificates

LOVELAND LAKE AND DITCH COMPANY

No 1046

INCORPORATED UNDER THE LAWS OF STATE OF COLORADO

Shares -7.46-

The Loveland Lake and Ditch Company

CAPITAL STOCK, $15,000.00

This Certifies that Gateway Park Master Association is the owner of Seven and 46/100 Shares of the Capital Stock of The Loveland Lake and Ditch Company transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation this 3rd day of July A.D. 2018

Secretary

President

SHARES $100.00 EACH

HANDY DITCH COMPANY

No 4247

Incorporated Under the Laws of the State of Colorado

1.5 SHARES

THE HANDY DITCH COMPANY

CAPITAL STOCK $45,000.00 — 900 SHARES, $50.00 EACH

This is to Certify, That Berthoud Gateway Properties, LLC is the owner of * * * * * * * *One and one half* * * * * * * * * * * Shares of Capital Stock of THE HANDY DITCH COMPANY, full paid, transferable only on the books of the Company, in person or by attorney, on surrender of this Certificate.

This certificate issued subject to perpetual lien, power of sale or forfeiture thereof, for delinquent assessment; and subject to the right or refusal to deliver water upon stock on which delinquent assessments exist, as provided in Chapter 80, Session Laws of 1927, of the State of Colorado.

Berthoud, Colo. October 8, 2013

Secretary

President

No 4086

Incorporated Under the Laws of the State of Colorado

5 SHARES

THE HANDY DITCH COMPANY

CAPITAL STOCK $45,000.00

COLORADO

900 SHARES, $50.00 EACH

This is to Certify, That Berthoud Gateway Properties, LLC is the owner of * * * * * * * * * * * * Five * * * * *** * * * * * * Shares of Capital Stock of THE HANDY DITCH COMPANY, full paid, transferable only on the books of the Company, in person or by attorney, on surrender of this Certificate.

This certificate issued subject to perpetual lien, power of sale or forfeiture thereof, for delinquent assessment; and subject to the right or refusal to deliver water upon stock on which delinquent assessments exist, as provided in Chapter 80, Session Laws of 1927, of the State of Colorado.

Berthoud, Colo. August 23, 2006

James B. Myers Secretary

President

WELCH LATERAL DITCH COMPANY

INCORPORATED UNDER THE LAWS OF THE STATE OF COLORADO

286

5

The Welch Lateral Ditch Company

CAPITAL STOCK $5,000.00

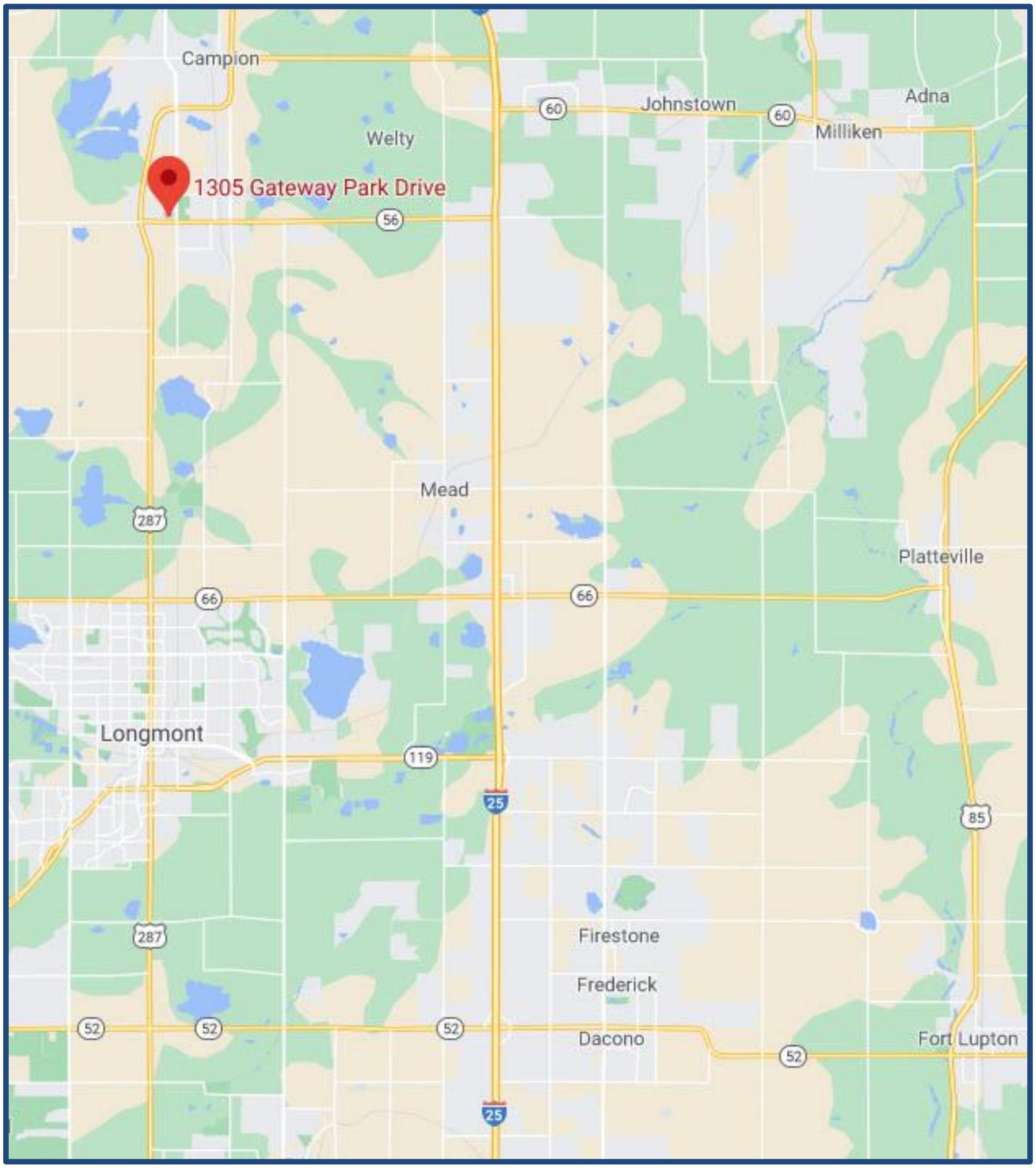
This Certifies that Berthoud Gateway Properties, LLC is the owner of * * * * * * * * * * Five * * * * * * * * * * * * * * Shares of the Capital Stock of The Welch Lateral Ditch Company full paid and non-assessable transferable only on the Books of the Corporation by the holder hereof in person or by Attorney on surrender of this Certificate properly assigned.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation at Berthoud, Colo., this 23rd day of August A.D. 2006

SECRETARY PRESIDENT

SHARES $20.00 EACH

Location Map-Gateway Park Subdivision



Introduction

Client and Intended Users of the Appraisal

The client in this assignment is First National Bank of Omaha and the sole intended user of this report is First National Bank of Omaha. Under no circumstances shall any of the following parties be entitled to use or rely on the appraisal or this appraisal report:

i. The borrower(s) on any loans or financing relating to or secured by the subject property,

ii. Any guarantor(s) of such loans or financing; or

iii. Principals, shareholders, investors, members or partners in such borrower(s) or guarantors.

Intended Use of the Appraisal

The sole intended use of this report is for loan underwriting.

Real Estate Identification

The subject property is located at 1305 Gateway Drive, Berthoud, Larimer County, Colorado 80513. This is part of the Gateway Park Subdivision. The subject consists of water shares as identified earlier in the report; the appraisal is for the water shares only with no land or buildings included.

Use of Real Estate as of the Effective Date of Value

As of the effective date of value, the subject consists of water shares.

Use of Real Estate as Reflected in this Appraisal

The opinion of value for the subject as is reflects use as water shares.

Ownership of the Property

According to the Owner, title to the subject property is vested in Gateway Park Master Association.

History of the Property

Ownership of the subject property has changed within the past three years. The current owner acquired the subject property on 10-12-2017 for a reported consideration of $686,000. The grantor was Berthoud Gateway Properties, LLC according to the Arms Length Transaction. The sale contract is located in the Addenda. We have considered and analyzed the known history of the subject in the development of our opinions and conclusions.

Analysis of Listings/Offers/Contracts

The subject is not currently listed for sale or under contract for sale.

Type and Definition of Value

The appraisal problem is to develop an opinion of the market value of the subject property. "Market Value," as used in this appraisal, is defined as "the most probable price that 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:

- *Buyer and seller are typically motivated.*
- *Both parties are well informed or well advised, each acting in what they consider their own best interests;*
- *A reasonable time is allowed for exposure in the open market;*
- *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale."1*

The value conclusions apply to the value of the subject property under the market conditions presumed on the effective date of value. Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Per the scope of our assignment we developed opinions of value for the subject property under the following scenarios of value:

Valuation Scenario	Effective Date of Value
As Is Market Value of the Fee Simple Interest	September 26, 2020

We completed an appraisal inspection of the subject water share certificates on 09-26-2020.

Date of Report

The date of this report is 10-12-2020.

List of Items Requested but Not Provided

- All requested information was provided

Assumptions and Conditions of the Appraisal

This appraisal assignment and the opinions reported herein are subject to the General Assumptions and Limiting Conditions contained in the report and the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results.

Extraordinary Assumptions

- None

Hypothetical Conditions

- None

[1] Source: Code of Federal Regulations, Title 12, Banks and Banking, Part 722.2-Definitions

Scope of Work

The elements addressed in the Scope of Work are (1) the extent to which the subject property is identified, (2) the extent to which the subject property is inspected, (3) the type and extent of data researched, (4) the type and extent of analysis applied, (5) the type of appraisal report prepared, and (6) the inclusion or exclusion of items of non-realty in the development of the value opinion. These items are discussed as below.

Extent to Which the Property Was Identified

The three components of the property identification are summarized as follows:

- Legal Characteristics - The subject was legally identified via the property owner.
- Economic Characteristics - Economic characteristics of the subject property were identified via market participant surveys, our company database, and/or third party sources, as well as a comparison to properties with similar locational and physical characteristics.
- Physical Characteristics - The subject was physically identified via examination of the water share certificates.

Extent to Which the Property Was Inspected

We inspected the subject on 09-26-2020.

Type and Extent of Data Researched

We researched and analyzed: (1) market area data, (2) property-specific market data, (3) zoning and land-use data, and (4) current data on comparable listings and transactions. We also interviewed people familiar with the subject market/property type including water attorney Arnold Turner, Water Colorado contact Montgomery Morris, Bill Herganrader who is retired from the board of the Loveland Lake & Ditch Company, Stephanie Brothers who is the Director of Public works for the Town of Berthoud, and Paul Zilis who is an attorney for the Town of Berthoud.

Type and Extent of Analysis Applied (Valuation Methodology)

We observed surrounding land use trends, the condition of any improvements, demand for the subject property, and relevant legal limitations in concluding a highest and best use. We then valued the subject based on that highest and best use conclusion.

Appraisers develop an opinion of property value with specific appraisal procedures that reflect three distinct methods of data analysis: the Cost Approach, Sales Comparison Approach, and Income Capitalization Approach. One or more of these approaches are used in all estimations of value.

- Sales Comparison Approach - In the Sales Comparison Approach, value is indicated by recent sales and/or listings of comparable properties in the market, with the appraiser analyzing the impact of material differences in both economic and physical elements between the subject and the comparables.
- Direct Capitalization: Land Residual Method - The Land Residual Methodology involves estimating the residual net income to the land by deducting from total potential income the portion attributable to the improvements, assuming development of the site at its highest and

best use. The residual income is capitalized at an appropriate rate, resulting in an indication of land value.

- Direct Capitalization: Ground Rent Capitalization – A market derived capitalization rate is applied to the net income resulting from a ground lease. This can represent the leased fee or fee simple interest, depending on whether the income potential is reflective of a lease in place or market rental rates.
- Yield Capitalization: Subdivision Development Method – Also known as Discounted Cash Flow Analysis (DCF), the methodology is most appropriate for land having multiple lot development in the near term as the highest and best use. The current site value is represented by discounting the anticipated cash flow to a present value, taking into consideration all necessary costs of development, maintenance, administration, and sales throughout the absorption period.

All of these approaches to value were considered. We assessed the availability of data and applicability of each approach to value within the context of the characteristics of the subject property and the needs and requirements of the client. Based on this assessment, we relied upon the Sales Comparison Approach. The Cost Approach was not used because this is an appraisal of water shares only and there are no improvements. The Income Capitalization Approach was not used because this is an appraisal of water shares only and market participants rarely employ this approach for valuing water shares only. Further discussion of the extent of our analysis and the methodology of each approach is provided later in the respective valuation sections.

Appraisal Conformity and Report Type

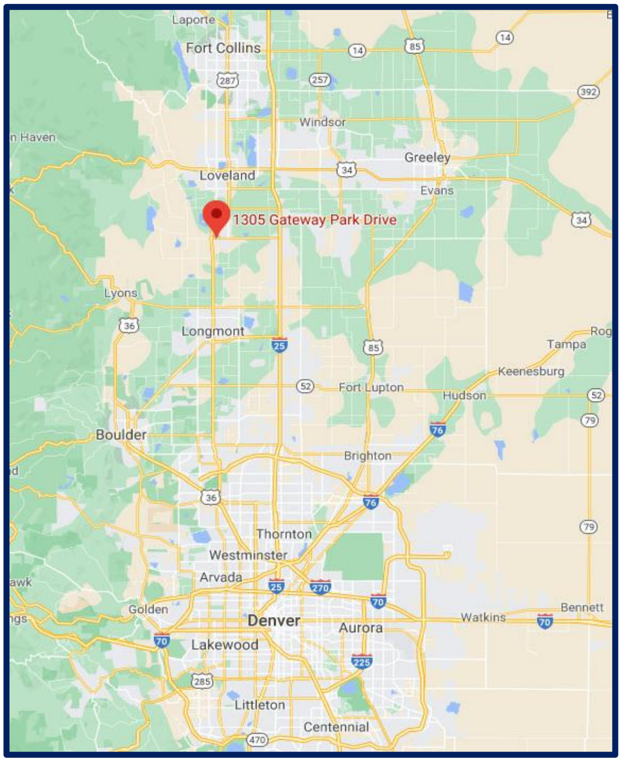
We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); and the requirements of our client as we understand them. This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.

Personal Property/FF&E

All items of non-realty are excluded from this analysis. The opinion of market value developed herein is reflective of real estate only.

Regional and Market Area Analysis

REGIONAL MAP



Overview

The subject is located in Berthoud, in Larimer County. It is part of the Fort Collins-Loveland MSA.

Population

Population characteristics relative to the subject property are presented in the following table.

Population

Area	2010	Estimated 2020	Annual % Change 2010 - 20	Projected 2025	Annual % Change 2020 - 25
United States	308,745,538	333,793,107	0.8%	346,021,282	0.7%
Colorado	5,029,196	5,857,922	1.6%	6,283,296	1.5%
Fort Collins MSA	299,630	364,444	2.2%	396,400	1.8%
City of Fort Collins	144,693	169,874	1.7%	181,191	1.3%

Source: Site-to-Do-Business (STDB Online)

Transportation

Major transportation routes in the larger area include Interstate 70 and Interstate 25. Interstate 25 extends north and south along the Front Range and connects Denver with Fort Collins and Cheyenne, Wyoming to the north and Denver, Colorado Springs and Pueblo to the south.

Employment

Although the Colorado labor market may have historically had strong roots in the mining of silver and oil, today's market is very much entrepreneurial and is considered one of the nation's best business climates. Key industries include advanced manufacturing, aerospace, bioscience, energy and natural resources, technology and infrastructure engineering and various others. The table below summarizes the region's employment by industry.

EMPLOYMENT BY SECTOR

Employment by Industry - Fort Collins, CO Metropolitan Statistical Area

Industry	2020 Estimate	Percent of Employment
Agriculture/Mining	3,650	1.90%
Construction	14,216	7.40%
Manufacturing	17,866	9.30%
Wholesale Trade	3,650	1.90%
Retail Trade	19,787	10.30%
Transportation/Utilities	7,300	3.80%
Information	3,266	1.70%
Finance/Insurance/Real Estate	10,950	5.70%
Services	103,162	53.70%
Public Administration	7,876	4.10%
Total	192,108	100.0%

Source: Site-to-Do-Business (STDB Online)

Unemployment

The following table exhibits current and past unemployment rates as obtained from the Bureau of Labor Statistics. Overall, the state and most of its MSAs boasted one of the lowest unemployment rates in the country as of the end of 2019, prior to the nation-wide outbreak of the COVID-19 virus. At that time the unemployment rate in the state of Colorado was 2.5%, 2.0% for the Fort Collins MSA and 1.9% for the city of Fort Collins.

Recently, due to the coronavirus outbreak and the government's attempts to slow down the outbreak of the virus by shutting non-essential businesses, over 30 million people have lost their jobs nationally and over 450,000 in the State of Colorado have filed for unemployment benefits over the last ten weeks. Unemployment for the United States was 3.6% in February, but rose to 4.4% in March, 14.7% in April, dropping the last two months due to the reopening of business, to 13.3% in May and 11.1% in June. Similarly, the state unemployment rate rose from 2.5% in February to 5.2% in March, 12.2% in April, then dropping to 10.2% in May. In Fort Collins unemployment rose to 4.4% in March, 11.5% in April and dropped to 8.7% in May. June statistics are not yet available for the state and municipalities.

Unemployment Rates

Area	YE 2015	YE 2016	YE 2017	YE 2018	YE 2019	YTD 2020
United States	6.7%	4.7%	4.1%	3.9%	3.5%	13.3%
Colorado	3.5%	2.9%	2.9%	3.2%	2.5%	10.2%
Fort Collins MSA	2.8%	2.3%	2.3%	3.2%	2.0%	8.6%
City of Fort Collins	2.7%	2.2%	2.2%	3.1%	1.9%	8.7%

Source: Bureau of Labor Statistics - Year End - National & State Seasonally Adjusted

Median Household Income

Total median household income for the region is presented in the following table. Overall, the subject's MSA compares favorably to the country and similar to the state overall.

Median Household Income

Area	Estimated 2019	Projected 2024	Annual % Change 2019 - 24
United States	$60,548	$69,180	2.9%
Colorado	$70,141	$80,967	3.1%
Fort Collins, CO MSA	$71,240	$83,677	3.5%

Source: Site-to-Do-Business (STDB Online)

Conclusions

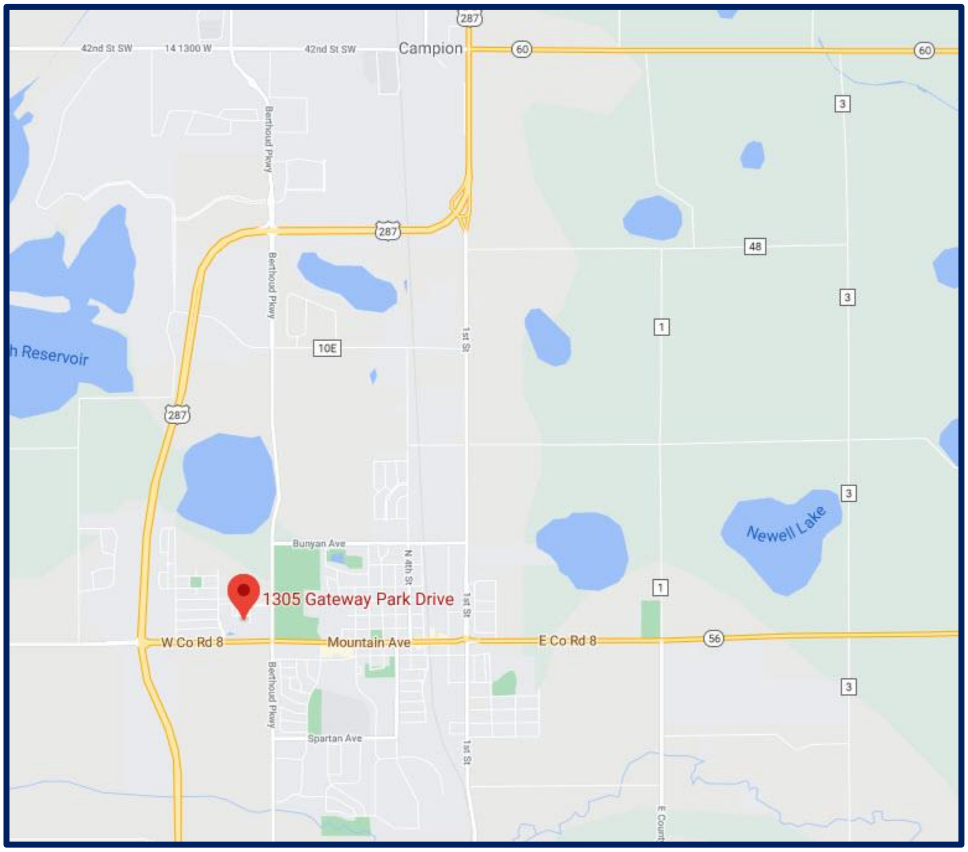
While metro Denver's economy was once vulnerable to the fall of one market, such as the silver or oil markets, today's economy is more diverse and resilient, mirroring the economies of some of the nation's larger cities; thereby limiting somewhat the effects of recessionary times. The national economy appeared to be recovering through approximately 2007, but was then hit with one of the worst recessions in modern history. Overall, the Denver metropolitan area and Northern Colorado economy suffered less than the national economy during this recession. Since 2013, the recovery has been in full swing with the unemployment rate at or below three percent for the past few years. Thus, the economic outlook was generally positive prior to the recent coronavirus outbreak.

Since early March 2020 wide swaths of the economy have shut down or slowed, and the prospects for it to restart are, at present, unknown. The federal government was trying to encourage a May 1, 2020 reboot of the economy, but this will be controlled by individual state governments and will be a function of where each of these states is in the growth of new virus cases. Most scientists and doctors seem to agree that a widespread reopening of the economy will not be possible until either 1) widespread testing is available to determine who needs to be quarantined and who can go out in public without risk of contaminating others, and/or 2) a vaccine has been discovered. A vaccine is likely to take 12 to 18 months to develop and test safely, so that is unlikely to be a near-term solution. Testing has been lagging, with large numbers of tests not available, making it impossible to test enough people rapidly enough. As a result, the May 1 restart date has been more aspirational for most states rather than practical, at least population centers in most states, and it is likely that six to nine months will be a more likely time for modest reopening of the economy. It will likely take a year, at best, before the economy has a chance to be back to where it was prior to January 2020.

At present, there has been a gradual and slow reopening of some businesses on a limited basis. While it was originally hoped that the economic hit caused by the COVID-19 would be steep but short, with the economy returning in the summer at the latest, it is more likely that the recovery will be longer in duration, a year or 18 months at best, before a return to something that resembles normal is achieved.

City and Neighborhood Analysis

NEIGHBORHOOD MAP



Overview

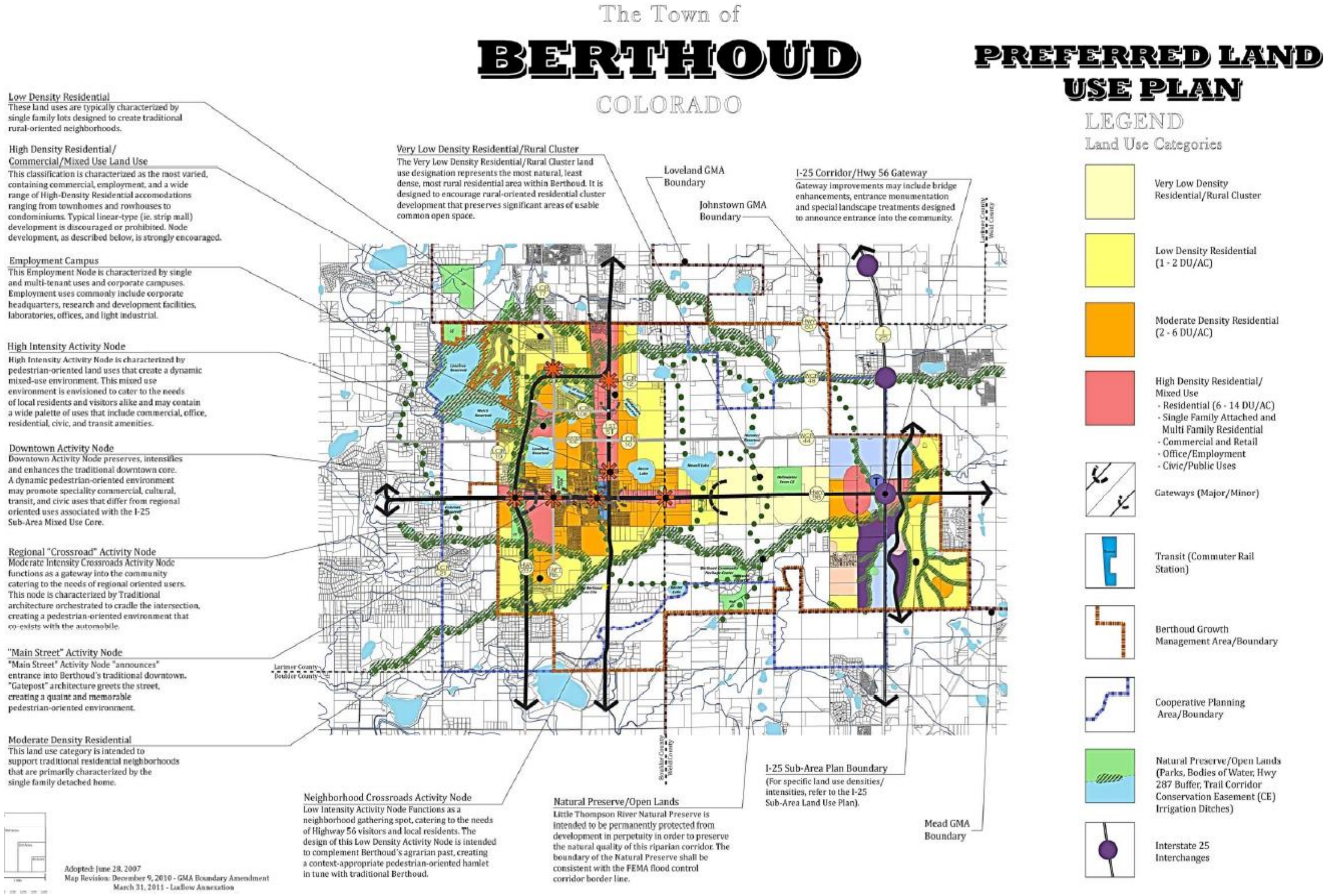
The subject is located in the Town of Berthoud in Larimer County. The town was originally developed as a rural community that supported agricultural uses in Larimer County and northern Boulder County. The oldest structures were built about 100 years ago. The town grew slowly until the 1950s, when development stagnated. Beginning in the 1990s, residential subdivisions began to be developed again as overflow population growth from Longmont and Loveland/Fort Collins began. This continued slowly until the 2007-2009 economic crisis, when the economy slowed and demand for residential properties in Berthoud also slowed in demand. Over the last several years, as the economy recovered, residential demand has again begun to be seen, with new residential subdivisions being developed.

Neighborhood Location and Boundaries

The neighborhood is bordered on the north by State Highway 60/County Road 14, on the south by the Little Thompson River, on the west by County Road 21, and on the east by County Line Road.

The subject neighborhood is essentially the town of Berthoud, a rural community in southeastern Larimer County. The town has a limited amount of commercial and industrial development and mainly serves as a bedroom community to the cities of Loveland and Fort Collins to the north and Longmont to the south. The main portion of the community is about 1.5 miles in a north-south direction and 1.5 miles in an east-west direction. While the town has annexed land to the east toward I-25, the main body of the town is about two miles west of I-25. I-25 is accessed by an interchange with Highway 56, which is Mountain Avenue through town. Most of the commercial properties are along Mountain Avenue, or old Highway 287, which is 1st Street on the east side of town. In 2005 a new US Highway 287 bypass of town was built on the west side of the town. This allows traffic between Longmont and Loveland to bypass Berthoud.

The neighborhood is in the southeastern portion of Larimer County, just north of the Boulder/Larimer County line and just west of the Weld/Larimer County line. The size of the neighborhood is about four miles square as defined. Below is the Town of Berthoud's Preferred Land Use Plan Map.


The Town of
BERTHOUD
COLORADO
PREFERRED LAND USE PLAN
LEGEND
Land Use Categories
Very Low Density Residential/Rural Cluster
Low Density Residential (1 - 2 DU/AC)
Moderate Density Residential (2 - 6 DU/AC)
High Density Residential/ Mixed Use
- Residential (6 - 14 DU/AC)
- Single Family Attached and Multi Family Residential
- Commercial and Retail
- Office/Employment
- Civic/Public Uses
Gateways (Major/Minor)
Transit (Commuter Rail Station)
Berthoud Growth Management Area/Boundary
Cooperative Planning Area/Boundary
Natural Preserve/Open Lands (Parks, Bodies of Water, Hwy 287 Buffer, Trail Corridor Conservation Easement (CE) Irrigation Ditches)
Interstate 25 Interchanges
Low Density Residential
These land uses are typically characterized by single family lots designed to create traditional rural-oriented neighborhoods.
High Density Residential/ Commercial/Mixed Use Land Use
This classification is characterized as the most varied, containing commercial, employment, and a wide range of High-Density Residential accomodations ranging from townhomes and rowhouses to condominiums. Typical linear-type (ie. strip mall) development is discouraged or prohibited. Node development, as described below, is strongly encouraged.
Employment Campus
This Employment Node is characterized by single and multi-tenant uses and corporate campuses. Employment uses commonly include corporate headquarters, research and development facilities, laboratories, offices, and light industrial.
High Intensity Activity Node
High Intensity Activity Node is characterized by pedestrian-oriented land uses that create a dynamic mixed-use environment. This mixed use environment is envisioned to cater to the needs of local residents and visitors alike and may contain a wide palette of uses that include commercial, office, residential, civic, and transit amenities.
Downtown Activity Node
Downtown Activity Node preserves, intensifies and enhances the traditional downtown core. A dynamic pedestrian-oriented environment may promote speciality commercial, cultural, transit, and civic uses that differ from regional oriented uses associated with the I-25 Sub-Area Mixed Use Core.
Regional "Crossroad" Activity Node
Moderate Intensity Crossroads Activity Node functions as a gateway into the community catering to the needs of regional oriented users. This node is characterized by Traditional architecture orchestrated to cradle the intersection, creating a pedestrian-oriented environment that co-exists with the automobile.
"Main Street" Activity Node
"Main Street" Activity Node "announces" entrance into Berthoud's traditional downtown. "Gatepost" architecture greets the street, creating a quaint and memorable pedestrian-oriented environment.
Moderate Density Residential
This land use category is intended to support traditional residential neighborhoods that are primarily characterized by the single family detached home.
Very Low Density Residential/Rural Cluster
The Very Low Density Residential/Rural Cluster land use designation represents the most natural, least dense, most rural residential area within Berthoud. It is designed to encourage rural-oriented residential cluster development that preserves significant areas of usable common open space.
Loveland GMA Boundary
Johnstown GMA Boundary
I-25 Corridor/Hwy 56 Gateway
Gateway improvements may include bridge enhancements, entrance monumentation and special landscape treatments designed to announce entrance into the community.
Larimer County
Weld County
Larimer County
Boulder County
Boulder County
Weld County
Neighborhood Crossroads Activity Node
Low Intensity Activity Node Functions as a neighborhood gathering spot, catering to the needs of Highway 56 visitors and local residents. The design of this Low Density Activity Node is intended to complement Berthoud's agrarian past, creating a context-appropriate pedestrian-oriented hamlet in tune with traditional Berthoud.
Natural Preserve/Open Lands
Little Thompson River Natural Preserve is intended to be permanently protected from development in perpetuity in order to preserve the natural quality of this riparian corridor. The boundary of the Natural Preserve shall be consistent with the FEMA flood control corridor border line.
I-25 Sub-Area Plan Boundary
(For specific land use densities/ intensities, refer to the I-25 Sub-Area Land Use Plan).
Mead GMA Boundary
Adopted: June 28, 2007
Map Revision: December 9, 2010 - GMA Boundary Amendment
March 31, 2011 - Ludlow Annexation

Demographics

The following table depicts the area demographics in Berthoud within a one-, three-, and five-mile radius from the subject.

Neighborhood Demographics

Radius	1 mile	3 miles	5 miles
Population Summary			
2000 Population	2,219	6,838	13,553
2010 Population	2,328	7,194	14,176
2019 Population	2,818	10,167	18,550
2024 Population Estimate	3,132	11,830	21,652
Annual % Change (2019 - 2024)	2.1%	3.1%	3.1%
Housing Unit Summary			
2000 Housing Units	903	2,622	4,927
% Owner Occupied	81.2%	79.4%	81.9%
% Renter Occupied	14.3%	17.4%	15.6%
2010 Housing Units	993	2,934	5,663
% Owner Occupied	73.6%	75.7%	77.4%
% Renter Occupied	21.2%	20.0%	18.1%
2019 Housing Units	1,179	4,035	7,208
% Owner Occupied	75.7%	81.0%	81.4%
% Renter Occupied	20.8%	16.5%	16.3%
2024 Housing Units	1,309	4,691	8,374
% Owner Occupied	77.2%	82.9%	83.5%
% Renter Occupied	19.5%	15.1%	14.8%
Annual % Change (2019 - 2024)	2.1%	3.1%	3.0%
Income Summary			
2019 Median Household Income	$80,198	$82,363	$84,936
2024 Median Household Income Estimate	$96,141	$97,721	$98,247
Annual % Change	3.7%	3.5%	3.0%
2019 Per Capita Income	$35,654	$37,206	$39,576
2024 Per Capita Income Estimate	$42,680	$43,434	$45,659
Annual % Change	3.7%	3.1%	2.9%

Source: Site-to-Do-Business (STDB Online)

Within a three-mile radius, the reported population is 10,167 with a projected growth rate of approximately 3.1% annually. There are 4,035 housing units within that three-mile radius. The growth rate is expected to be 3.1% annually. Most of the housing is owner-occupied. Our research indicates that property values in the area are stable to increasing.

Within a three-mile radius, the median household income is $82,363. Looking ahead, annual household income growth is projected at 3.5% per year. The average income figures suggest that the inhabitants are within the middle to upper income brackets.

Neighborhood Land Use

The subject neighborhood is the entire Town of Berthoud and surrounding rural land. It is located in an area with land uses typical in a small town, and includes residential, commercial, retail and industrial uses. An approximate breakdown of the development in the area is as follows:

Residential:	20%
Retail:	10%
Office:	10%
Industrial:	10%
Vacant/farm/ranch:	50%

Access

Major traffic arteries include US Highway 287 on the west side of the neighborhood in a north-south direction, and State Highway 56, which is Mountain Avenue through Berthoud, in an east-west direction. US Highway 287 at one time ran through Berthoud, traveling east on Mountain Avenue before once again heading north on 1st Street, but in 2005 a bypass was built on the west side of town, approximately 1.5 miles west of the prior location, so US 287 now runs along the west side of town, turns northeasterly on the north side of town, then rejoins the location of old US 287 north of town. The town is also accessible from I-25 about two miles east of the main part of town with an interchange with Mountain Avenue/State Highway 56. The neighborhood has good access from two major highways, US 287 on the west and I-25 on the east.

Life Stage and Trends

The subject neighborhood is in a stable stage of the development lifecycle. The typical improvement in the area is 5 to 100 years old. The overall condition of the neighborhood is average, and the overall appeal of the neighborhood is average.

The future of the neighborhood will be tied to growth in the overall economy, unless the town can succeed in successfully luring major employers to relocate or develop in the town, which would lead to new demand for residential and commercial support.

Conclusions

The subject neighborhood is the town of Berthoud, a bedroom community in southeastern Larimer County that supports the Loveland/Fort Collins area to the north and Longmont/Boulder to the south. It began to develop new residential subdivisions in the 1990s. Demand for new construction slowed between 2008 and 2011 during the overall economic slowdown that began in 2007. However, recent trends indicate that the market is growing stronger, which may indicate a return of new development activity.

History of Water Rights in Colorado

The following was obtained from waterknowledge.colostate.edu/water-history. The information is not a complete history of Colorado water rights but has been tailored for our subject and to give some context for understanding water rights in general.

Colorado has nine major watersheds and four major aquifers. The increase in population since 1900 has spurred the demand for water for agricultural and commercial uses. The earliest recognized water right in Colorado is known as "The People's Ditch" and is in the San Luis Valley at 8,000 feet elevation. The water right to the ditch was eventually allotted under Colorado's doctrine of prior appropriation (which did not officially arrive until 1876) and given an adjudication date of 1852 to indicate priority.

The Colorado Constitution instituted the Doctrine of Prior Appropriation in 1876, which states that to obtain a water right, water must be put to a beneficial use. These rights may be bought, sold, inherited, relocated, or altered in its use, as long as the change did not injure or impose upon other water rights. The Colorado Constitution also ranked water uses in the following order: domestic, agricultural, industrial. In 1957, tributary groundwater became subject to this doctrine under the Ground Water Management Act. In 1891, the Colorado Supreme Court ruled that water rights to be property protected by the US Constitution.

In Colorado, water use has slowly shifted from primarily agricultural uses to more urban and suburban uses. Agriculture still accounts for $40 billion annually and remains the dominant water user in Colorado. In 2015, irrigated farmland accounted for less than 10 percent of the state's privately owned land area but used 86 percent of its total water diversions. Agricultural uses are declining around the state due to volatile commodity prices, farm consolidation, rising production costs, and declining numbers of young farmers. Meanwhile, more municipalities, energy developers, and recreational and environmental needs have been increasing their demand for water rights to meet the needs of an increasing population. Additionally, Colorado has recurring drought conditions which complicate the water rights matters in the state. These conditions reduce streamflows and contribute to groundwater declines, further diminishing the water available for farmland irrigation. In response, many Colorado farmers are changing their farming methods to use less water, such as planting rotational crops and more drought-resistant crops, using innovative irrigation techniques, and relying on strip-tilling or no-till practices.

Since 2005, Colorado's nine Basin Roundtables, the Interbasin Compact Committee, the Colorado Water Conservation Board, and stakeholders across Colorado have collaborated to determine how to implement water supply solutions to meet future needs. The groups have also sought to balance the needs of the people, such as recreation, tourism, communities and agriculture, against those of the environment and maintaining a healthy watershed. This will allow sustainability into the future.

Subject Description

The subject consists of 7.46 shares of Loveland Lake and Ditch Company, 6.5 shares of Handy Ditch Company, and 5.0 shares of Welch Lateral Ditch Company. This appraisal does not include any land or buildings associated with these water rights.

The subject water shares are owned by Gateway Park Master Association, which is the developer of the Gateway Park subdivision in the town of Berthoud, Colorado. Many of the lots in this subdivision have been sold to individual buyers. The water is to be used as a non-potable system for the Gateway Park subdivision. According to the property contact, some of the water could be leased in normal years. In dryer years, all the water could be used.

Following are the certificates for the subject property. The Handy Ditch shares are split onto two different certificates.

Subject Certificates

INCORPORATED UNDER THE LAWS OF
STATE OF COLORADO

No 1046 Shares -7.46-

The Loveland Lake and Ditch Company

CAPITAL STOCK, $15,000.00

This Certifies that Gateway Park Master Association is the owner of Seven and 46/100 Shares of the Capital Stock of The Loveland Lake and Ditch Company transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation this 3rd day of July A.D. 2018

Secretary President

SEAL

SHARES $100.00 EACH

Certificate for 7.46 Loveland Lake and Ditch Shares

No 4086

Incorporated Under the Laws of the State of Colorado *5* SHARES

THE HANDY DITCH COMPANY

CAPITAL STOCK $45,000.00 900 SHARES, $50.00 EACH

This is to Certify, That Berthoud Gateway Properties, LLC is the owner of * * * * * * * * * * * * Five * * * * *** * * * * * * Shares of Capital Stock of THE HANDY DITCH COMPANY, full paid, transferable only on the books of the Company, in person or by attorney, on surrender of this Certificate.

This certificate issued subject to perpetual lien, power of sale or forfeiture thereof, for delinquent assessment; and subject to the right or refusal to deliver water upon stock on which delinquent assessments exist, as provided in Chapter 80, Session Laws of 1927, of the State of Colorado.

Berthoud, Colo. August 23, 2006

James B. Myers Secretary President

Certificate for 5.0 Handy Ditch Shares

№ 4247

Incorporated Under the Laws of the State of Colorado *1.5* SHARES

THE HANDY DITCH COMPANY

CAPITAL STOCK $45,000.00 900 SHARES, $50.00 EACH

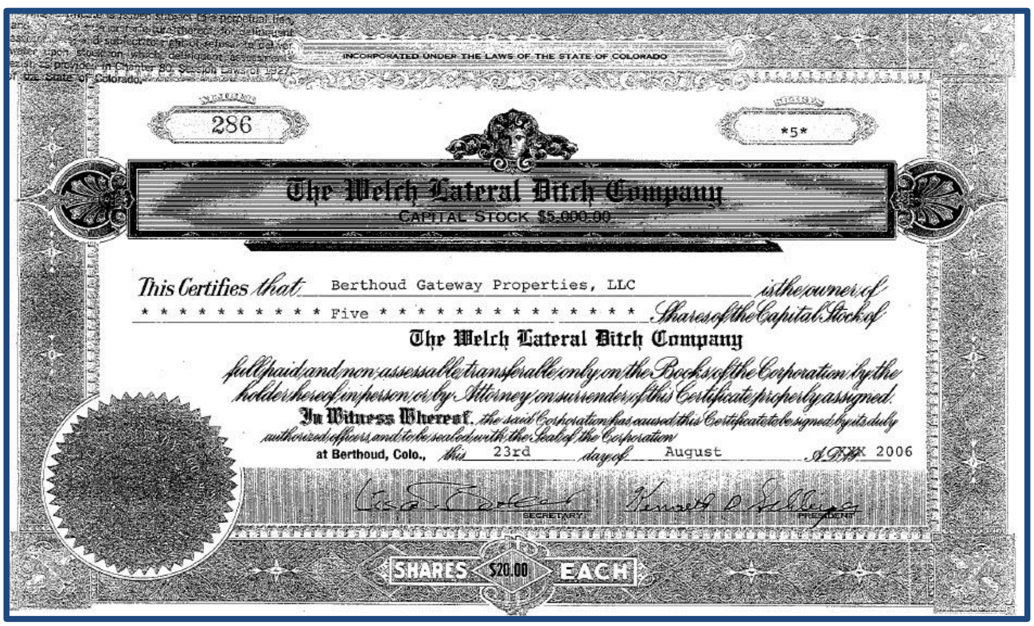
This is to Certify, That Berthoud Gateway Properties, LLC is the owner of * * * * * * * *One and one half* * * * * * * * * * * * Shares of Capital Stock of THE HANDY DITCH COMPANY, full paid, transferable only on the books of the Company, in person or by attorney, on surrender of this Certificate.

This certificate issued subject to perpetual lien, power of sale or forfeiture thereof, for delinquent assessment; and subject to the right or refusal to deliver water upon stock on which delinquent assessments exist, as provided in Chapter 80, Session Laws of 1927, of the State of Colorado.

Berthoud, Colo. October 8, 2013

Secretary President

Certificate for 1.5 Handy Ditch Shares



INCORPORATED UNDER THE LAWS OF THE STATE OF COLORADO

286 *5*

The Welch Lateral Ditch Company

CAPITAL STOCK $5,000.00

This Certifies that Berthoud Gateway Properties, LLC is the owner of * * * * * * * * * * Five * * * * * * * * * * * * * * Shares of the Capital Stock of The Welch Lateral Ditch Company full paid and non-assessable transferable only on the Books of the Corporation by the holder hereof in person or by Attorney on surrender of this Certificate properly assigned.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation at Berthoud, Colo., this 23rd day of August A.D. 2006

SECRETARY PRESIDENT

SHARES $20.00 EACH

Certificate for 5.0 Welch Lateral Ditch Shares

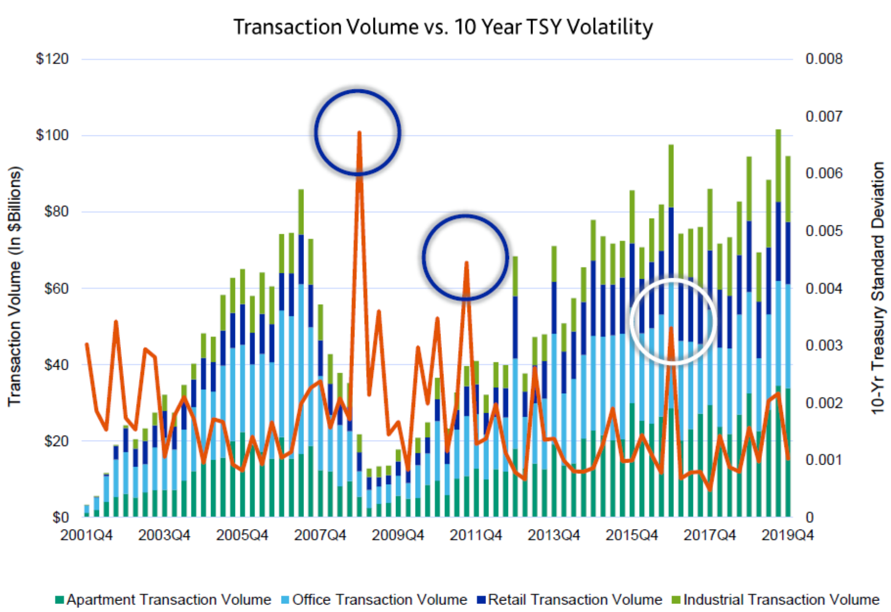
Market Analysis

Financial markets are seeing dramatic impacts due to the novel coronavirus pandemic, and while the pandemic continues to be fought, no metric will be reliable to predict with certainty what value impacts will be. However, using trusted analytics resources we can better understand the ways in which past economic shocks have progressed which will help us better assess true risk associated with a particular CRE asset.

This economic crisis is unique from others in that there have been shocks to both the supply and demand side. This worry is exacerbated by record corporate debt in place. According to the Federal Reserve, American non-financial corporate debt has risen to 49% of GDP. In 2009 it was 43%. Two-thirds of non-financial corporate bonds in the US are rated “BBB” or lower.

The United States has posted a 4.8% decrease in GDP for the first quarter of 2020. China’s Q1 GDP contracted 6.8% year over year, then rebounded for a 3.2% growth in Q2, year over year. An annualized drop of 32.9% was reported at the end of July, with a quarter contraction of 9.5% from April through June. Real GDP is expected to decline 12% from peak to trough between Q419 and Q220, and contract by 6.6% in all of 2020. Unemployment as of late July was 11% nationwide, and expected to remain in double digits through the early Fall, according to Moody’s Analytics.

CRE markets have been reporting drops in transaction volumes due to travel restriction, quarantines and “stay at home” orders. Movements in the stock market and interest rates as well as stimulus packages and legislation have caused many deals in progress to be put on hold while participants reconstruct return expectations and yield estimates. Moody’s recorded a 47% drop in transaction activity by dollar volume in the first quarter. The end date of this period of volatility is impossible to foresee, but a historical picture of the relationship between volatility (as measured by deviations in the 10-Yr Treasury prices) and the transaction volume of commercial real estate from the end of 2001 to the end of 2019 may provide some insight.



Source: Moody’s Analytics REIS

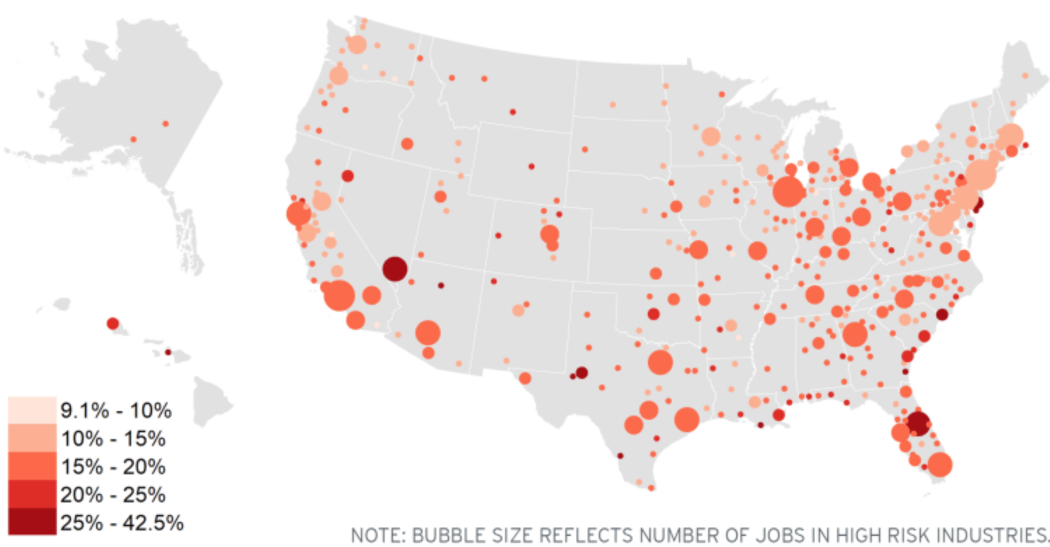
The preceding graph shows that transactional volume may drop anywhere from 20 to 40% during periods of extreme volatility.

The National Council of Real Estate Investment Fiduciaries (NCREIF) tracks the values and returns for institutionally owned commercial real estate. NCREIF compared the recession in the early 1990's to the financial crisis that began in 2007-08. They found a 27% decline in values across 40,000 individual office, industrial, retail, multi-family and hotel properties for the 2007-08 period. While this was slightly higher than the 25% value drop during the recession of the early 1990's, the recovery was much quicker. The NCREIF study attributes the faster recovery in values to better data for valuation being available and a desire by investment managers to get the properties in their funds marked to market quickly. The addition of more frequent outside appraisals likely also helped. In the current crisis, we have even more data available (now nearly in real time), as well as stronger analytic models and the benefit of a financial stimulus playbook from which to act more quickly to respond to systemic shocks. The strong federal response has been well received and has kept many markets solvent. The second half of 2020 may see increased volatility again as legislators argue over additional stimulus options, eviction moratoria ends and the additional unemployment benefit from the federal government of $600 per week is no longer being sent to affected households.

Impacts to values have not been consistent across sectors, asset classes and markets. Study and analysis on micro levels is critical. Moreover, the analysis of markets and properties prior to the downturn is important as is the market's vulnerability to recession. The Brookings Institution used Moody's Analytics to identify "most at risk" industry groups, from which it compiled a list of five particularly vulnerable sectors: mining/oil and gas, transportation, employment services, travel arrangements, and leisure/hospitality. The following map illustrates areas most affected by employment in these sectors.

MAP 1

Sunbelt tourist destinations and energy metros stand to be most affected
Share of metro employment in high risk industries, 2019

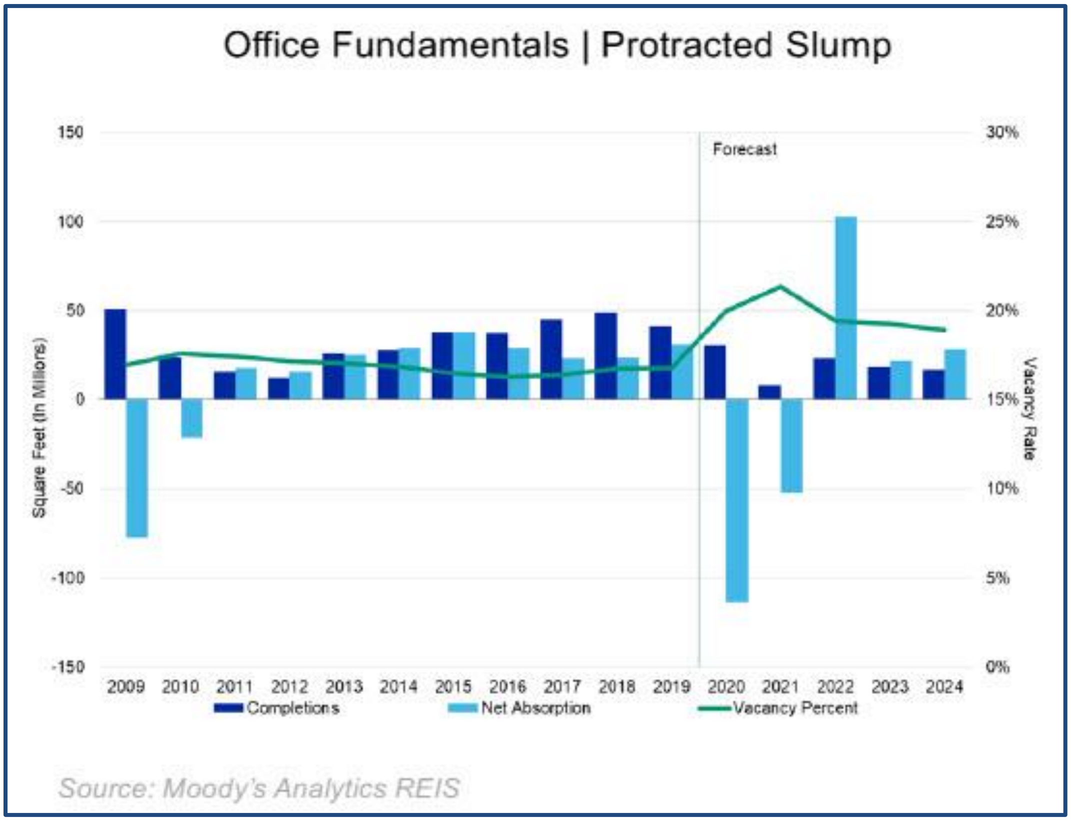


Source: Zandi, "COVID-19: A Fiscal Stimulus Plan," (Moody's Analytics, 2020) and Brookings analysis of Emsi data

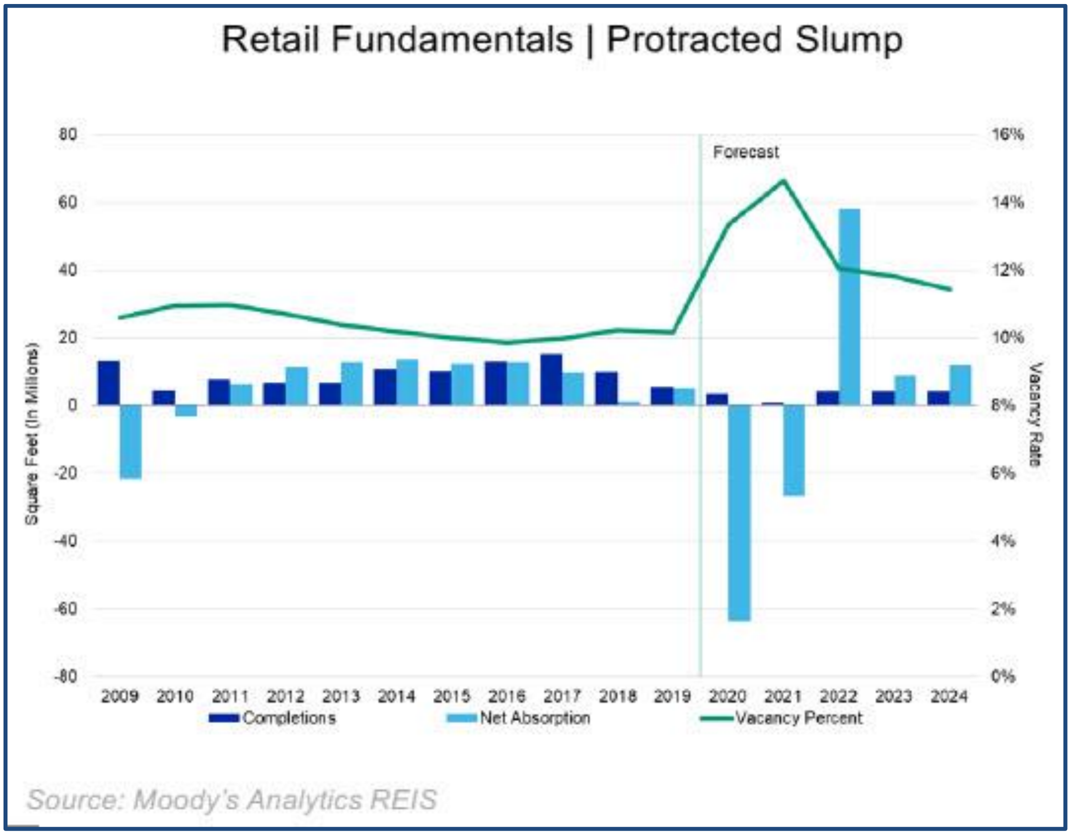
B | Metropolitan Policy Program at BROOKINGS

Property types will also be asymmetrically affected. In the multi-family sector, markets that are oversupplied, or which have a history of rising vacancy or low to flat rent growth are indications of areas that may be harder hit by the new crisis. Markets with volatility in rent growth are still vulnerable, even if vacancy was stable in the past 12 months.

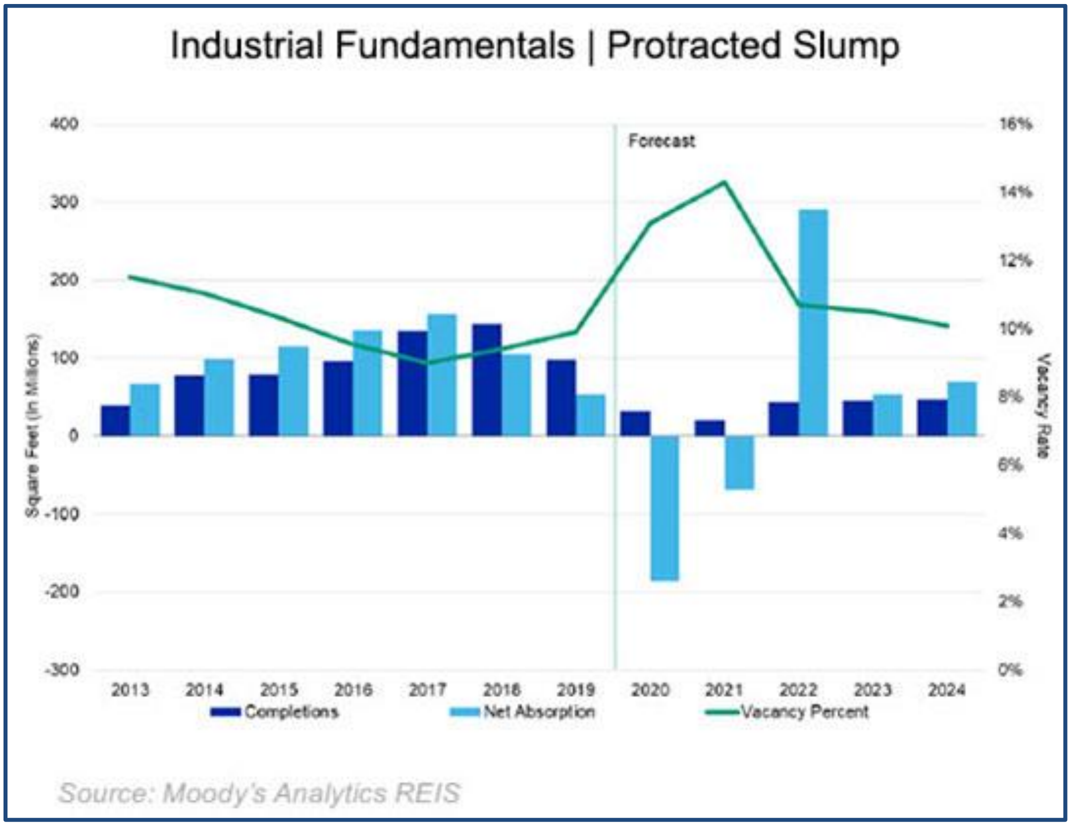
For office and retail properties, Moody's predicts a protracted slump.



Moody's expects office vacancy to peak at 21% in 2021 and remain close to 20% through 2024. This is an historic high, but long-term leases in place will help the sector overall weather some of the short term shock. Systemic change to office space use remains a variable. Remote working is likely to reduce overall footprints, and workers used to saving commuting times may press for smaller suburban office locations over large unified spaces in city centers.



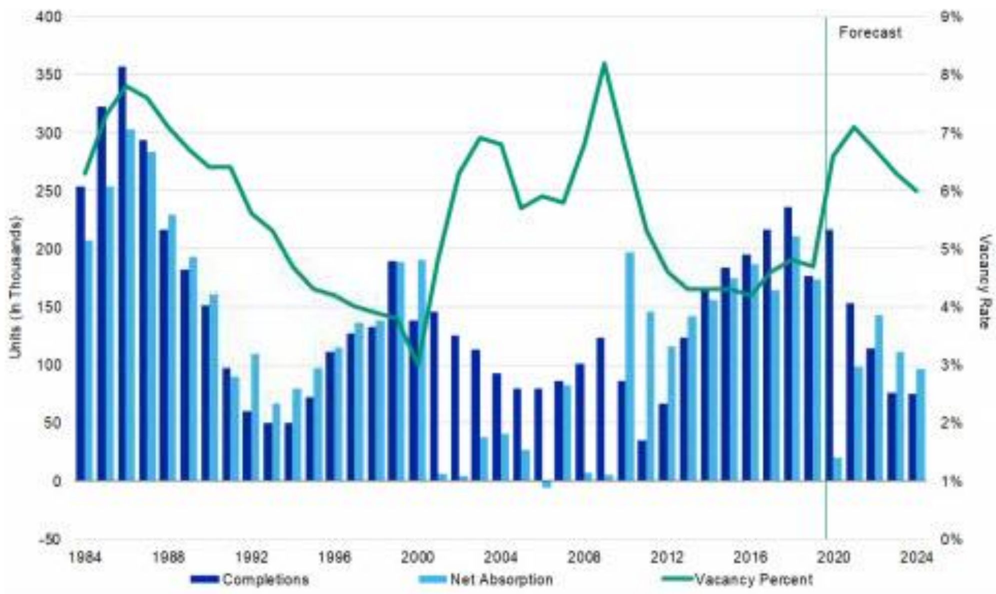
Retail, according to the models, will top out in 2021 at just under 15% vacancy and gradually improve to 11.5% by 2024. Net absorption drops precipitously in 2020 and 2021 in both sectors and begins to recover after that. It's important to note that rents and vacancies in both office and retail are expected to track with GDP performance, so the model is sensitive to future changes in that metric. Retail must also be considered in its specific iteration. Grocery stores and pharmacies have not seen impacts to their business, nor is one expected. Tenants concentrated in malls, however, are experiencing high bankruptcies. This sector especially necessitates more granular identification when looking for trends. Location also plays a role in performance as surges in infection have and may still cause additional shutdowns to retailers such as bars, restaurants, theaters and gyms creating a longer recovery arc for the sector.



Industrial follows the same pattern. Absorption drops in the next 24 months, through 2021, vacancy peaks at just over 14%, and improves to 10% by 2024. This trends higher than in 2019, but is less severe than impacts to retail and office.

Multi-family has yet to see a significant impact to vacancies and rents. It is unclear to what extent this will continue through the year. As we enter into the period where the CARES Act's eviction moratorium has ended (as of July 24) and 12 states have no protections in place for renters outside of the federal programs, we may see vacancies begin to rise. As of July 20, the National Multifamily Housing Council (NMHC) reported that 91.3% of apartment households paid full or partial rent. The end of federal unemployment benefits may impact this number in Q3. Vacancies are expected to peak at 7% in 2021, and asking and effective rents to drop 4 to 5% between 2020 and 2021. For comparison, this is a less dramatic impact than what was seen in 2008 and 2009.

Figure 3 National Apartment Market
Completions, Net Absorption, and Vacancy

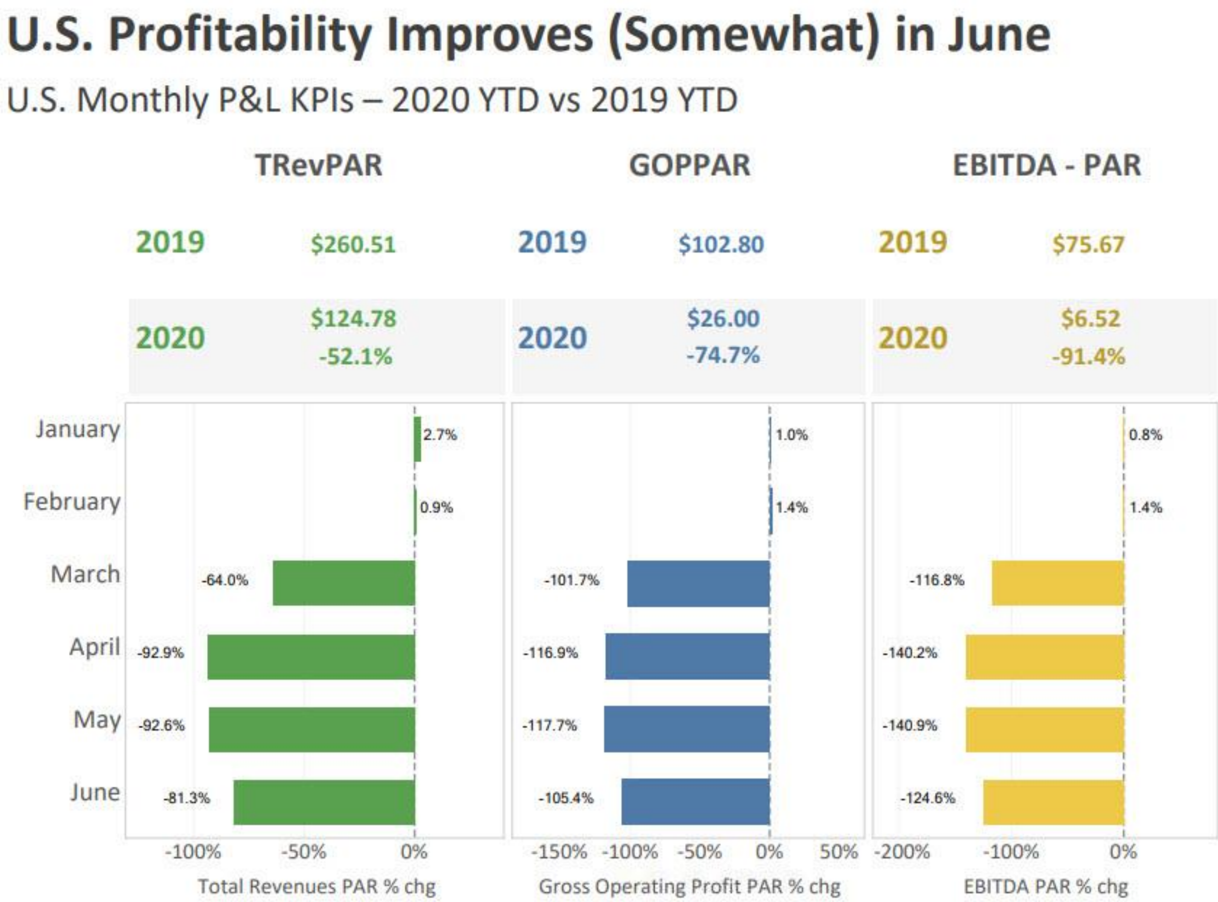


Source: Moody's Analytics REIS

Secondary property types are also being impacted by the pandemic. Occupancy for self-storage properties dropped in the first quarter by 40 basis points and rents fell by 3.9% year over year for 10 by 10 foot non-climate controlled units. Student housing is in flux as schools are making final decisions about whether to offer in person instruction for the fall and possibly spring semesters. Moody's is predicting a 220 basis point increase for rent-by-the-bed properties and 100 basis point vacancy increases for rent-by-the-unit. Rents will drop 4 to 6% over the fall.

Senior housing has seen a dramatic impact. This is not surprising given the disproportional impact of the virus on elderly populations. Vacancies in the sector rose to 10.1% in the first quarter of 2020. Rates for Q2 are not available at this time but are expected to continue to rise. The property type will have substantial challenges both creating safe environments for residents and staff and then convincing residents and their families of that safety.

Affordable housing, on the other hand, does not appear to have been impacted by the downturn. Vacancies in the sector are only at 2.4% and asking rents increased by 0.6% in Q1. As families continue to feel the employment strain the demand is unlikely to slacken, however, investors are watching closely as there is talk of issuing rent waivers in certain locales and/or extending eviction moratoria.

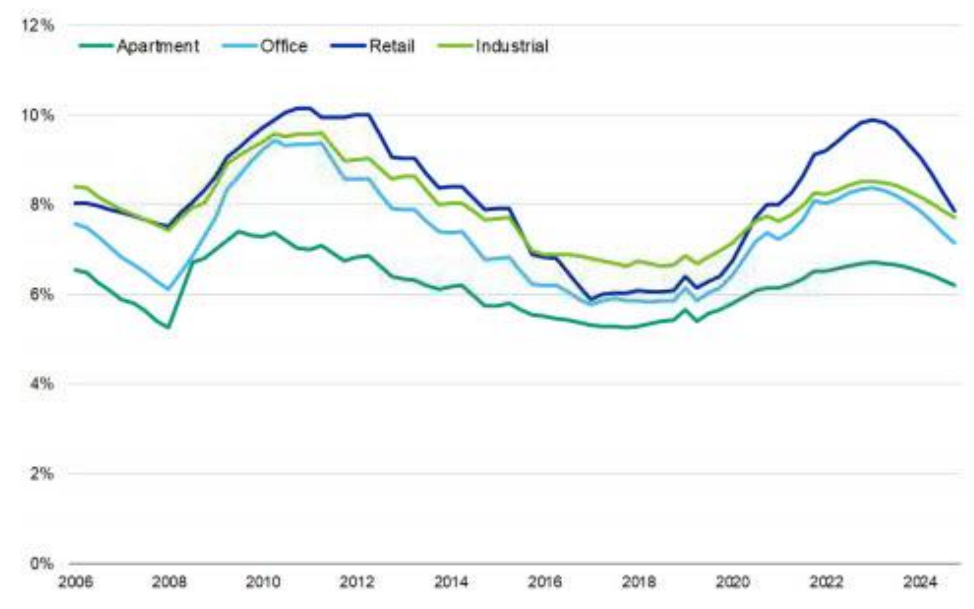


Source: STR. 2020 © CoStar Realty Information, Inc.

Hospitality is second only to retail in its severe impact from the pandemic. A July 24, 2020 release from STR reports a GOPPAR (gross operating profit per available room) down 105.4% year-over-year in June. This was a slight improvement over April and May, down -116.9% and -110.1%, respectively. Occupancy is predictably down 42.5% as well, to 42.5% across all room types. ADR for June is at $92.15, down -31.5.%.

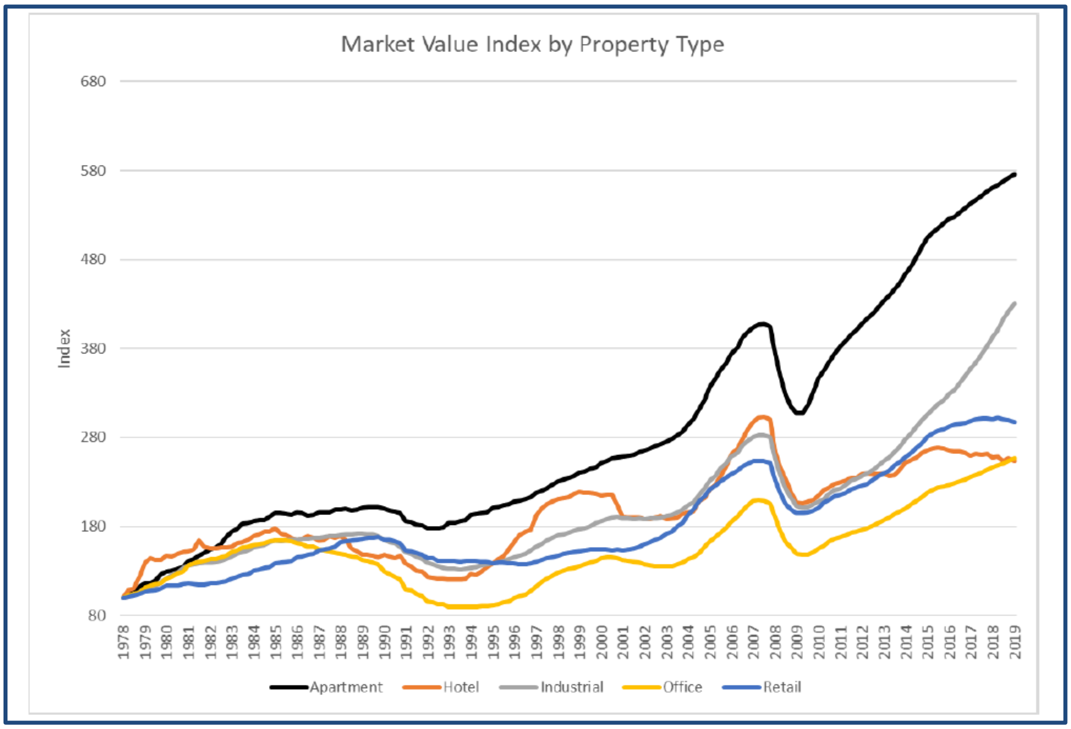
Across all asset classes, investors are also watching the interest rate landscape closely. Rates are expected to remain low for the foreseeable future. Conversely, cap rates are expected to rise over the next couple of years before trending back down in 2023 and 2024. Retail rates are the highest, expected to peak near 10% in 2023, and multifamily is steadier, staying below 7% for the duration of the period forecasted.

Figure 12 Cap Rate Forecasts (Near Term)



Source: Moody's Analytics REIS

To complement the Moody's predictive modeling, NCREIF published a breakdown of impact on market value by property sector, tracking from 1978 to the end of Q4 2019.



As the graph illustrates, multi-family saw one of the largest value drops in 2007-09, but was also the first to recover, and that recovery was the largest and fastest.

Industrial followed the curve, even surging in recent years.

Hotels never returned to their pre-recession peak, even as the economy as a whole was growing.

Office and retail both recovered around seven years after the low point. Office however, had the second most dramatic drop in value and was last to recover (after hotels). This is likely to repeat in the recovery from this crisis as firms may discover that their employees and clients can be served by work-from-home models, allowing them to consolidate square footage.

Market Conditions for Water Shares in Colorado Prior to Covid-19

Water shares in Colorado have been sought-after for years as Colorado's climate has over 300 sunny days a year and the water source for the state is largely from the mountain snowfall which melts and populates the rivers and streams that feed into many of the other water systems in the state. As Colorado has a dryer climate prone to droughts, water rights and ownership of water shares are therefore important and are purchased by private citizens for irrigation of farms and land as well as developers for subdivisions and commercial development.

In order to ascertain the current market for water shares in Colorado, we interviewed a number of water rights market participants and reviewed our files for water rights valuations, looking closely at trends over time for the same water rights. We detail this research and the specific interviews later in the report.

Water shares do not change hands often and many of the sales are confidential. Thus, we have limited data from which to draw our valuation conclusions. Some water shares are in high demand, such as Big Thompson Basin. These shares are transferring from agricultural uses to municipal ownership and are being increasingly leased to farmers who do not have ownership of any water rights. Other water shares may have little to no value if they are limited in their use and/or tied to specific lands. Sometimes if water shares are transferred with land, only the shares that satisfy the needs of the development have value, with any surplus shares being transferred to the municipality in which the development is located.

Market Conditions for Water Shares After COVID-19

According to Montgomery Morris at Water Colorado in Fort Collins, they have noted a 10.0% drop in water prices for all types of water shares since March of 2020, but many of those shares have recovered to 2019 levels. We have noted this same trend in commercial real estate concerning land and buildings, wherein there was a drop in the market across the board due to uncertainty from the pandemic, but a quick recovery in sectors that were not tied to in-person goods are services. One sector that has seen increased activity is suburb development, which is directly tied to water shares and water rights activities in the state. This may account for the quick market recovery noted by Water Colorado.

Demand for water rights remains strong in Colorado due to the climate and to the scarcity of water rights that are available for sale. Developers are purchasing water rights for their developments and more municipalities are obtaining water rights that can then be leased for agricultural reasons. Water rights and water shares will continue to be in demand in the future.

Water Rights Valuation-Sales Comparison

In order to estimate the current value of the subject water shares, we have conducted research on each of the subject ditch companies to find the latest sales and transfers of water shares. We have also gathered information from the property contact on the prior sale of the subject in 2017, and have additional information from the property contact concerning research on the subject water shares that was conducted in 2018. We also utilized our own past reports on different water shares and our collective experience with the water share market in Colorado to arrive at our value conclusion.

Loveland Lake & Ditch Company

The subject consists of 7.46 shares of Loveland Lake and Ditch Company.

Water attorney Arnold Turner was able to share some history behind the name of Loveland Lake and Ditch Company. He said that Loveland Reservoir was named such because the family who owned it were the Lovelands. The name has nothing whatsoever to do with the Town of Loveland or Lake Loveland, which is oddly owned by the City of Greeley. The farm that the Loveland family owned was located east of the Town of Berthoud. Bill Herganrader, who is retired from the board of the Loveland Lake and Ditch Company, provided further context: there are two "Loveland Lakes", with the one near Berthoud being the subject ditch company and the one closer to the city of Loveland that is Greeley water. This second Loveland Lake owned by the City of Greeley trades for closer to $100,000 per share.

According to Mr. Herganrader, the subject's Loveland Lake & Ditch Company shares currently trade for between $10,000 to $20,000 per share for the subject's particular location. Approximately three years ago, Loveland Lake & Ditch Company shares traded between $6,000 to $8,000 per share between small private parties with limited shares. Some market participants are driving up the prices; these are speculators bidding against each other for the water for their development projects. These developers often end up with more water than they need for the property; the surplus water is then controlled by the city upon annexation of the development.

Stephanie Brothers, Director of Public Works for the Town of Berthoud, disclosed that shares of Loveland Lake & Ditch trade between $10,000 and $20,000 per share.

Paul Zilis, who is an attorney for the town of Berthoud, disclosed public records information on a 2017 sale of Loveland Lake & Ditch Company shares selling for $10,000 per share.

According to the report prepared by Jon Reinhard and conveyed to us by the subject property owner, the Town of Berthoud paid $507,000 for 50.7 shares of Loveland Lake & Ditch Company in 2017; this is the sale confirmed by Paul Zilis and confirms the price of $10,000 per share.

Thus, we estimate the current value of the Loveland Lake & Ditch Company shares to be $10,000 to $20,000 per share.

Handy Ditch Company

The subject consists of 6.5 shares of Handy Ditch Company. These are split onto two certificates: one for 5.0 shares and one for 1.5 shares.

The headgate for Handy Ditch is situated just south of Sylvan Dam near the mountain town of Parshall, Colorado.

Montgomery Morris of Colorado Water disclosed that shares of Handy Ditch Company sold for $95,000 and $100,000 per share in late 2019.

Paul Zilis, attorney for the Town of Berthoud, stated that as a part of the 2017 sale of water shares to the Town of Berthoud, there was 0.5 shares of Handy Ditch sold for $21,000. This equates to $42,000 per share at that time. He further stated that the price of Handy Ditch is currently trading at $85,000 per share; he said the price is "skyrocketing" because Little Thompson began accepting water dedication for subdivisions. This information is from public records.

The property contact information from Jon Reinhard indicated that in 2018, shares of Handy Ditch were transferring for $45,000 per share, and that Loveland Lake & Ditch had acquired one share of Handy Ditch for $40,000 at that time.

Thus, we estimate the current value of Handy Ditch Company between $85,000 and $100,000 per share.

Welch Lateral & Ditch Company

Bill Herganrader gave us some information on Welch Lateral & Ditch Company. He said that this water right is tied to specific lands and can only be used for non-potable irrigation and therefore is not sold separately from the land. And thus these shares have no tradable value.

The property contact information from Jon Reinhard indicated that in 2018, the Welch Lateral shares were of no value due to the ditch being blocked when the 287 bypass was constructed.

Thus, we estimate the current value of the Welch Lateral & Ditch Company share is $0.

Reconciliation

In the Sales Comparison section of the report, we determined a range of value for the subject shares for each of the ditch companies involved. These are as follows:

Water Shares

Ditch Company	Range of Value	Number of Shares	Total Range of Value
Loveland Lake & Ditch	$10,000-$20,000	7.46	$74,600 - $149,200
Handy Ditch	$85,000-$100,000	6.50	$552,500 - $650,000
Welch Lateral & Ditch	$0	5.00	$0
		Grand Total:	**$627,100 - $799,200**

Taking into account our market research, the reported sales, information from our interviews and our experience in the market, we have determined values for the subject water shares as follows:

Water Shares

Ditch Company	Value Per Share	Number of Shares	Total Value
Loveland Lake & Ditch	$15,000	7.46	$111,900
Handy Ditch	$90,000	6.50	$585,000
Welch Lateral & Ditch	$0	5.00	$0
		Grand Total:	$696,900

To reach a final opinion of value, we considered the reliability and relevance of each value indication based upon the quality of the data and applicability of the assumptions underlying each approach. Due to the nature of the subject property as water shares, we utilized the Sales Comparison Approach only. Below is our summary of value indications for the subject.

Summary of Value Indications

The indicated values from the approaches used and our concluded market values for the subject property are summarized in the following table.

Value Indications

Approach to Value	As Is
Sales Comparison Loveland Lake & Ditch Company	$111,900
Sales Comparison Handy Ditch Company	$585,000
Cost	Not Developed
Sales Comparison Welch Lateral & Ditch Company	$0
Income Capitalization	Not Developed

Value Conclusion

Component	As Is
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	September 26, 2020
Value Conclusions	
7.46 Shares Loveland Lake & Ditch Company	$110,000
6.5 Shares Handy Ditch Company	$590,000
5.0 Shares of Welch Lateral & Ditch Company	$0
Value Conclusion	**$700,000**

Consideration of the Previous Sale

Ownership of the subject property has changed within the past three years. The current owner acquired the subject property on 10-12-2017 for a reported consideration of $686,000. We have considered and analyzed the known history of the subject in the development of our opinions and conclusions. The current value conclusion of the subject water shares is supported by the previous sale contract.

Our findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions:

- None

Hypothetical Conditions:

- None

Exposure Time and Marketing Period

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates of 12 months or less and 12 months or less, respectively, are considered reasonable and appropriate for the subject property.

General Assumptions and Limiting Conditions

This appraisal is subject to the following general assumptions and limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Denver | Front Range will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Denver | Front Range is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions. Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.
10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Denver | Front Range and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Denver | Front Range.
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire more precise measurement, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer) as an alternative source. If this alternative measurement source reflects or reveals substantial differences with the measurements used within the report, upon request of the client, the appraiser will submit a revised report for an additional fee.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, upon request of the client, the appraiser will submit a revised report for an additional fee.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, and a review of the final plans and specifications reveals substantial differences upon request of the client the appraiser will submit a revised report for an additional fee.

28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.

29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an 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 Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.

30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.

31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.

32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.

33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.

34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

35. You and Valbridge Property Advisors | Denver | Front Range both agree that any dispute over matters in excess of $5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Denver | Front Range and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Valbridge Property Advisors | Denver | Front Range or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Denver | Front Range for this assignment, and under no circumstances shall any claim for consequential damages be made.

36. Valbridge Property Advisors | Denver | Front Range shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Denver | Front Range. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Denver | Front Range and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Denver | Front Range harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Denver | Front Range in such action, regardless of its outcome.

37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Denver / Front Range. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.

38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.

39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.

40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

41. The global outbreak of a "novel coronavirus" (known as COVID-19) was officially declared a pandemic by the World Health Organization (WHO). It is currently unknown what direct, or indirect, effect, if any, this event may have on the national economy, the local economy or the market in which the subject property is located. The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of this event, or any event, subsequent to the effective date of the appraisal.

Certification – Megan Larson

I certify that, to the best of my 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has not performed services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My 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 value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Megan Larson has personally inspected the subject property certificates.
10. No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the Standards and Ethics Education Requirement for Candidates/Practicing Affiliates of the Appraisal Institute.

Megan J. Larson
Certified General Appraiser
Colorado, License #CG.200001130
License Expires 12/31/2021

Certification – Matthew W. Awsumb, MAI

I certify that, to the best of my 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has not performed services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My 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 value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Matthew W. Awsumb did not personally inspect the subject property.
10. No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.

Matthew W. Awsumb, MAI
Managing Director
Colorado, License # CG.100032453
License Expires 12-31-2020
mawsumb@valbridge.com
303-867-1935

Addenda

Letter of Engagement

FNN Order# 202008152
3772 EUREKA WAY , Unit#:C
ERIE, CO 80516
County: WELD

September 21, 2020

MATTHEW AWSUMB
VALBRIDGE PROPERTY ADVISORS
5345 ARAPAHOE AVENUE
SUITE 7
BOULDER, CO 80303
Tel#: 303-443-9600
Fax#: 303-443-9623

RE: Appraisal Assignment FNN Order# 202008152

Dear MATTHEW AWSUMB:

First National Bank of Omaha requests that you provide us with a Appraisal Report on the following identified property (the "Property"):

Property Description:	Valuation on water share values and the collateral will be assignment of the water shares. Borrower is Gateway Park Master Assocation. CPA- Andrea Weaver is best contact. This is the master association of 6 sub-associations one of which is a commercial area.. 217 total units and 7 of them being commercial.
Physical Address:	3772 EUREKA WAY , Unit#:C ERIE, CO 80516 County: WELD
Legal Description:	Not Specified
Value Type(s) to be Appraised:	1. "As Is" Market Value
Property Rights to be Appraised:	Fee Simple

In preparation for the Appraisal Report, the Appraiser should make a personal inspection of the Property including all improvements, structures, appurtenances, or other elements of value on the Property. The Appraiser should verify, insofar as is practicable, all recent sales and listings of the Property and all recent sales of comparable property which Appraiser has taken into consideration as reflecting the market value of the Property. If the property is located in a local market which has experienced dramatic price increases or decreases relative to regional norms, the sales history analysis MUST cover this period and reasonably disclose and verify this information. Sales histories MUST include as a minimum the date of sale, sale price and financing. Sale histories MUST be analyzed in conjunction with the final value conclusion.

The Appraisal Report must be completed according to the standards required by FIRREA of 1989 and 12 CFR Part 34. The report should include, but not be limited to, the five minimum standards of the regulations as set forth in 12 CFR § 34.44 that are summarized below:

1. Compliance with USPAP - Appraisals must conform to the Uniform Standards of Professional Appraisal Practices (USPAP) adopted by the Appraisal Foundation.

2. Written Appraisals - Appraisals must be written and contain sufficient information and analysis to support the Bank's decision to engage in the transaction.

3. Deductions and Discounts - Appraisals must analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units.

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County: WELD

4. Market Value - Appraisals must be analyzed based on 12 CFR 34 definition of market value defined as follows:

   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:

   a. Buyer and seller are typically motivated;

   b. Both parties are well informed or well advised, and acting in what they consider their own best interests;

   c. A reasonable time is allowed for exposure in the open market;

   d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

   e. 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.

5. Licensed or Certified - Appraisals must be performed by a state-licensed or state-certified appraiser, as required by the regulation. A qualified staff appraiser may assist in the preparation of the report. However, the appraiser engaged MUST review and sign the report.

The Appraisal Report shall contain a fair market value of the Property including improvements, structures, and appurtenances. In the event the Property is improved, the Appraiser shall state the age, dimensions, kind, character, and condition of each of the various structures, improvements, or fixtures appertaining to the Property together with the Appraiser's opinion of the Property's highest and best use and an allocation of the value and utility of each structure, improvement, fixture, or other element of value in relation to the highest and best use to which the property, in the Appraiser's opinion, is adaptable. The Appraisal Report shall also include:

1. A photograph of the property including interior/exterior photos and street scenes for all commercial properties.

2. A report of any and all circumstances found by the Appraiser to exist with respect to any unlawful condition, use or occupancy of the property being appraised.

3. The names and addresses of the owners of the property and the date and place of recording the instrument of conveyance under which the owners claim title.

4. The assessed value of the property and the amount of the current real estate tax levy.

5. A statement of the rental value of the property and a history of the rental experience, if any.

6. A statement whether any portion of the Property is subject to special assessments and, if so, the nature, amount and number of years during which payments must be made.

7. A certification by the Appraiser that is similar in content to the following form:

   a. The statements of fact contained in this report are true and correct.

   b. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.

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

   d. My compensation is not contingent on an action or event resulting from the analyses, opinions or conclusions in, or the use of, this report.

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e. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Practice of The Appraisal Foundation and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, as well as the requirements of the laws of the State of Colorado relating to review by its duly authorized representatives. This report also conforms to the requirements of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) (or specify standards which hold the Appraiser to an equal or higher standard).

f. I have (or have not) made a personal inspection of the property that is the subject of this report. (If more than one person signs the report, this certification must clearly specify which individuals did not make a personal inspection of the appraised property.)

g. No one provided significant professional assistance to the person signing this report (if there are exceptions, the name of each individual providing significant professional assistance must be stated).

8. A signed copy of this engagement letter MUST be included in the addenda of the appraisal report in addition to the appraiser's qualifications and appropriate state licenses.

First National Bank of Omaha requires appraisers to fully comply with all Fair Lending regulations and guidelines. The valuation of a property or neighborhood, including comparable properties, cannot be influenced in any way by prohibited factors including; race, religion, national origin, sex, marital or family status, age or handicap. An appraisal or property valuation may not use different standards based on any of the prohibited factors. Further, there can be no discrimination on a prohibited basis because of the characteristics of the present or prospective occupants of the property to be financed or the neighborhood where that property is located. Nor may any neighborhood be arbitrarily excluded from the valuation process based on demographic characteristics.

The Appraiser agrees that this report and conclusions are for the confidential information of First National Bank of Omaha and its participants, successors, or assigns and that the Appraiser will not disclose the conclusions, in whole or in part, without the prior permission and approval of the client.

Each party: (a) agrees to protect and maintain in confidence any information that it may obtain from the other party during the term of this Order; (b) shall use such information solely for the purposes contemplated by this Order and shall not rent, sell, lease, transfer, provide or otherwise disclose such information to any third party except as required by applicable law or regulation; (c) shall take all reasonable steps to protect the confidentiality of such information, in no event using a standard of care less than the same standard used to protect is own confidential information and (d) shall give access to such information only to those employees who have a need to know in connection with the performing that partyš obligations under this Order. The disclosing party may seek injunctive relief against the breach or threatened breach by the other in addition to such legal remedies as may be available, including the recovery of damages.

The appraiser agrees to comply with all Federal, State, and local laws, rules and regulations applicable to the services including, but not limited to the Gramm-Leach-Bliley Act and implementing regulations and any applicable consumer protection or consumer credit laws or regulations.

The appraiser agrees not to engage in any unfair, deceptive or abusive acts and practices in the course of performance of the services pursuant to this Order. The appraiser must provide adequate training, including training regarding consumer protection laws, to their employees and agents that interact, directly or indirectly, with First National Bank of Omaha consumers. The appraiser will monitor all employees and agents that interact with consumers in order to ensure that all such employees and agents are complying with First National Bank of Omahaš requirements and all applicable laws and regulations in the performance of their duties under the Order. The appraiser will monitor, and will provide to First National Bank of Omaha upon request (i) policies, procedures, internal controls and training materials used with employees and agents that interact with consumers; (ii) policies, procedures and internal controls used in connection with handling of non-public personal information; (iii) the results of monitoring of any of the foregoing policies and

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ERIE, CO 80516
County: WELD

controls; and (iv) any corrective action made to policies, procedures, internal controls, or training as a result of such monitoring. The appraiser agrees to forward any complaint they receive from a consumer to First National Bank of Omaha immediately, and in any case no later than twenty four (24) hours after receipt of the consumer compliant.

In consideration for the preparation of the report described above, the Appraiser shall be paid the sum of **$3,200.00**, which shall constitute full payment for all work done and reimbursement for all expenses incurred, including the cost of supplies, materials and equipment. The Appraisal Report shall have a completion date of **October 12, 2020**, contingent upon the appraiser receiving supporting documents as scheduled. If delays are anticipated or occur, you must immediately request an extension of the due date in writing from the undersigned in order to avoid late fees or penalties. Should the appraisal not be delivered on or before this date, the Bank reserves the right, at its sole discretion, to either cancel the assignment for cause without payment of the fee or deduct a penalty of one percent (1%) per business day until the appraisal is received. Additionally, the Bank reserves the right to cancel this assignment. Upon cancellation, payment of the fee will be limited to actual time spent and any out-of-pocket expenses incurred up to the date of termination.

We understand that you and all personnel associated with the assignment will be available to discuss any concerns we might have regarding the analysis and the value conclusions. The Bank reserves the right to withhold payment if, at our sole discretion, the appraiser fails to address our concerns with the appraisal within ten working dates of such notice.

This agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this agreement shall not be binding upon either party except to the extent incorporated into this agreement. This agreement shall be governed by the laws of the State of Colorado. In the event that any action is filed in relation to this agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney's fees.

PLEASE CONTACT THE INDIVIDUAL(S) LISTED AS THE CONTACT FOR THIS ASSIGNMENT IMMEDIATELY TO REQUEST PROPERTY INFORMATION AND SCHEDULE INSPECTIONS. SHOULD YOU EXPERIENCE ANY DELAYS IN OBTAINING NECESSARY INFORMATION, PLEASE NOTIFY US, IN WRITING VIA FAX OR E-MAIL, NO LESS THAN FIVE BUSINESS DAYS PRIOR TO THE DUE DATE.

Your contact for this assignment is:

ANDREA WAVER , OTHER
(T) 970-829-8298 970-829-8298
,
(T)

Please address your transmittal, invoice and include an executed copy of this engagement letter to:

First National Bank of Omaha Appraisal Department
1620 Dodge Street STOP 4605
Omaha, NE 68197

A finalized report must be submitted through the AppraisalTrac system for the review process. We require a PDF file copy of all appraisals, as all our files are electronically imaged for file storage and retrieval. If you have any questions or do not have the ability to send electronic documents please notify us immediately.

Sincerely,

APPRAISAL DEPARTMENT

First National Bank of Omaha Appraisal Department

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3772 EUREKA WAY , Unit#:C
ERIE, CO 80516
County: WELD

Please include this signed letter in the addenda of the appraisal report which signifies a mutual understanding of the assignment.

I accept your appraisal assignment as requested.

Signed: Matthew Ausand   Date: 09-21-2020

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Collateral Receipt and other subject documents

Number: ________

000000000001826883021503142018

COLLATERAL RECEIPT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$450,000.00	03-14-2018	03-14-2028	1826883	523 / 523	541718	1153	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Grantor: GATEWAY PARK MASTER ASSOCIATION INC.
3772 EUREKA WAY UNIT C
FREDERICK, CO 80516-9475

Lender: Adams Bank & Trust
LONGMONT
10 KEN PRATT BOULEVARD
LONGMONT, CO 80501-8994

Description of Collateral	Custody Control Signatures	Date Released
The Loveland Lake and Ditch Company - Seven and 46/100 Shares of Capital Stock issued under Certificate No. 1026 The Welch Lateral Ditch Company - Five Shares of Capital Stock issued under Certificate No. 286 The Handy Ditch Company - Five Shares of Capital Stock issued under Certificate No. 4086 The Handy Ditch Company - One and one half Shares of Capital Stock issued under Certificate No. 4247		

Initial Delivery Acknowledgments:

Grantor: ______________________
(Grantor's Signature)

Adams Bank & Trust
By: ______________________
(Authorized Officer)

Return Receipt Acknowledgment:

Grantor acknowledges the receipt of all collateral, including all unmatured coupons, if any.

X ______________________
(Grantor's Signature)

Instructions for Returning Collateral and Disposition of Coupons: ______________________

____

____

____

QUIT CLAIM DEED

THIS DEED, made this 14th day of March, ~~2017~~ 2018 between Berthoud Gateway Properties, LLC, Colorado limited liability company, whose legal address for purposes hereof is 361 71st Ave., Greeley, CO 80634 ("Grantor"); and Gateway Park Master Association, a Colorado nonprofit corporation, whose legal address for purposes hereof is 3772 Eureka Way, Suite C, Frederick, CO 80516 ("Grantee").

WITNESS, that the Grantor, for and in consideration of the sum of $10.00 dollars and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has remised, released, sold, conveyed and QUIT CLAIMED, and by these presents does remise, release, sell, convey and QUIT CLAIM unto the Grantee, successors and assigns, forever, all the right, title, interest, claim and demand which the Grantor has in and to the real property, together with improvements, if any, situate, lying and being in the County of Larimer and State of Colorado, described as follows:

Any and all water rights represented by the shares in the ditch companies as set forth below (by assignment as well as quit claim conveyance):

Company	Certificate No.	No. of Shares
The Loveland Lake and Ditch Company	1026	7.46
The Welch Lateral Ditch Company	286	5
The Handy Ditch Company	4086	5
The Handy Ditch Company	4247	1.5

TO HAVE AND TO HOLD the same, together with all and singular the appurtenances and privileges thereunto belonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever, of the grantor, either in law or equity, to the only proper use, benefit and behoof of the Grantees its successors and assigns forever.

IN WITNESS WHEREOF, The Grantor has executed this deed on the date set forth above.

GRANTOR
Berthoud Gateway Properties, LLC

By: Thomas J. Roche
Its: Manager

STATE OF COLORADO)
)ss.
County of Larimer)

The foregoing instrument was acknowledged before me this 14th day of March, ~~2017~~ 2018 by Thomas J. Roche, as Manager of Berthoud Gateway Properties, LLC.

Witness my hand and official seal.
My commission expires: 1/19/21.

Kristy Hamar
Notary Public

KRISTY L HAMAR
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20054002435
MY COMMISSION EXPIRES JANUARY 19, 2021

ASSIGNMENT OF STOCK TRANSFER

Assignment Separate from Stock Certificate

FOR VALUE RECEIVED, I / we hereby sell, assign and transfer to

Gateway Park Master Association
Name of Assignee(s)

700 Ken Pratt Blvd, Suite 111 Longmont, CO 80501
Mailing address of Assignee(s)

[as joint tenants with right of survivorship / as tenants in common (strike one or both if an entity)]

Five (5) Shares of the Capital Stock of the **Handy Ditch Company** standing in my / our name(s) on the books of said Company represented by

Certificate No. 4086 herewith and do hereby irrevocably constitute and appoint the Secretary / Transfer Agent of said Company to transfer the said shares of stock on the books of the within named Company and issue a new certificate to effectuate this transfer on the books of the Company.

Dated 3/14/2018

Berthoud Gateway Properties, LLC
Assignor (must be exactly as shown on Certificate)

[signature], Manager
Assignor (must be exactly as shown on Certificate)

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was acknowledged before me this 14th day of March, 2018

My commission expires: 1/19/21

KRISTY L HAMAR
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20054002435
MY COMMISSION EXPIRES JANUARY 19, 2021

Witness my hand and official seal.

Kristy Hamar
Notary Public

OR

HANDY DITCH WITNESS:

Name, Title

Date

Fractional interests in the shares represented by th
certificate smaller than one-quarter of one share m
not be offered for sale, sold or otherwise transferre

No 4086

Incorporated Under the Laws of the State of Colorado

5 SHARES

THE HANDY DITCH COMPANY

CAPITAL STOCK $45,000.00

900 SHARES, $50.00 EACH

This is to Certify, That Berthoud Gateway Properties, LLC is the owner of * * * * * * * * * * * * Five * * * * *** * * * * * * Shares of Capital Stock of THE HANDY DITCH COMPANY, full paid, transferable only on the books of the Company, in person or by attorney, on surrender of this Certificate.

This certificate issued subject to perpetual lien, power of sale or forfeiture thereof, for delinquent assessment; and subject to the right or refusal to deliver water upon stock on which delinquent assessments exist, as provided in Chapter 80, Session Laws of 1927, of the State of Colorado.

Berthoud, Colo. August 23, 2006

James B. Myers
Secretary

[illegible]
President

FOR VALUE RECEIVED, Berthoud Gateway Properties, LLC hereby sell,

assign and transfer to Gateway Park Master Association

shares of the within mentioned Stock, and do hereby constitute and

appoint Attorney, irrevocable to transfer the same on the Books of the Company, with full power of substitution in the premises.

Security on note of $ to

due 20

WITNESS hand and seal this 14th day of

March A. D. 2018

(SEAL)

FOR VALUE RECEIVED, hereby sell,

assign and transfer to

shares of the within mentioned Stock, and do hereby constitute and

appoint Attorney, irrevocable to transfer the same on the Books of the Company, with full power of substitution in the premises.

Security on note of $ to

due 20

WITNESS hand and seal this day of

A. D. 20

(SEAL)

Cancelled 20

New Cert. No. for Shares issued

to

New Cert. No. for Shares issued

to

, Secretary

ASSIGNMENT OF STOCK TRANSFER

Assignment Separate from Stock Certificate

FOR VALUE RECEIVED, I / we hereby sell, assign and transfer to

Gateway Park Master Association
Name of Assignee(s)

700 Ken Pratt Blvd, Suite 111 Longmont, CO 80501
Mailing address of Assignee(s)

[as joint tenants with right of survivorship / as tenants in common (strike one or both if an entity)]

Five (5) Shares of the Capital Stock of the **Welch Lateral Ditch Company** standing in my / our name(s) on the books of said Company represented by

Certificate No. 286 herewith and do hereby irrevocably constitute and appoint the Secretary / Transfer Agent of said Company to transfer the said shares of stock on the books of the within named Company and issue a new certificate to effectuate this transfer on the books of the Company.

Dated 3/14/2018

Berthoud Gateway Properties, LLC
Assignor (must be exactly as shown on Certificate)

[signature], Manager
Assignor (must be exactly as shown on Certificate)

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was acknowledged before me this 14th day of March, 20 18

My commission expires: 1/19/21

Witness my hand and official seal.

Kristy Hamar
Notary Public

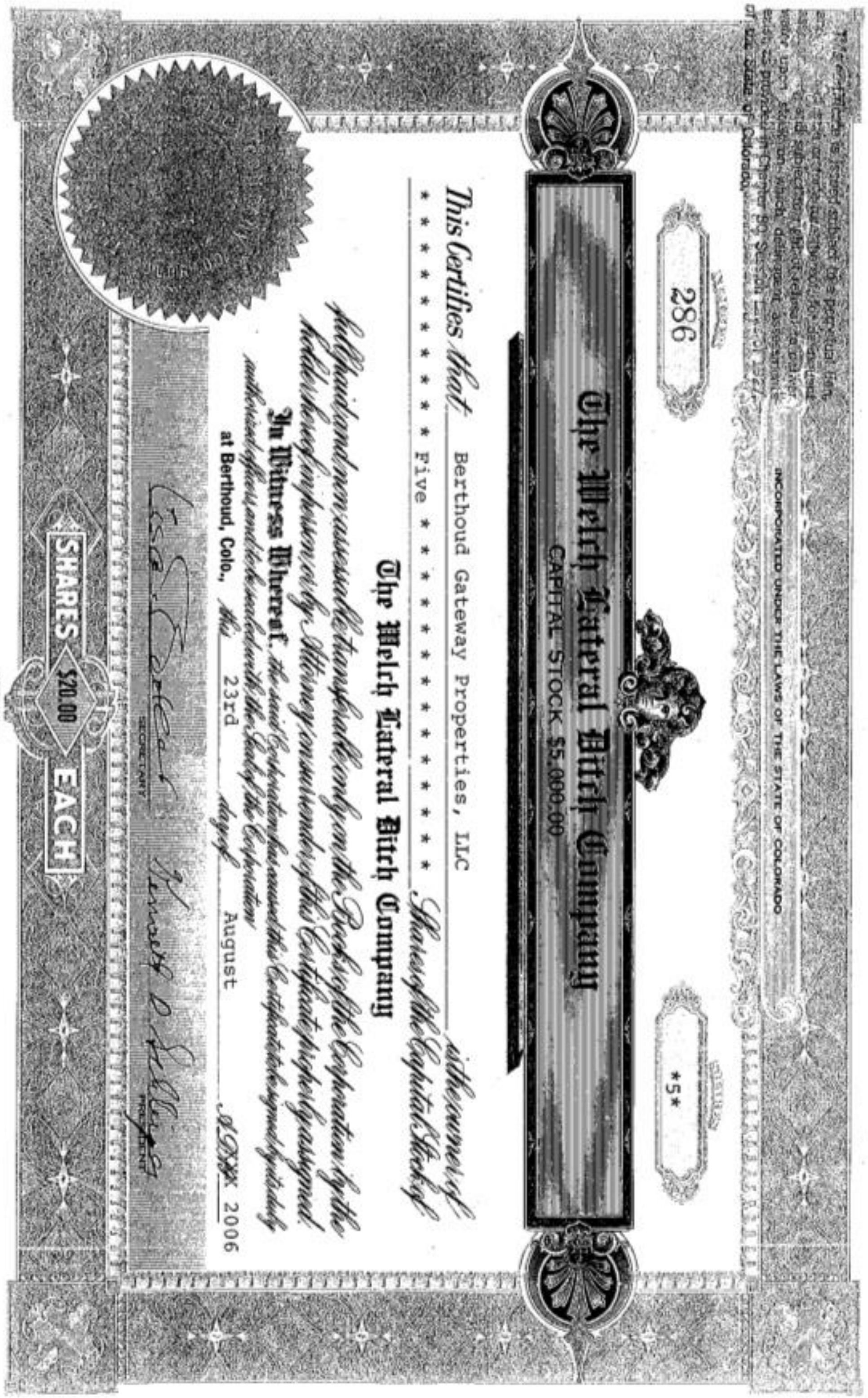
KRISTY L HAMAR
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20054002435
MY COMMISSION EXPIRES JANUARY 19, 2021

OR

WELCH LATERAL DITCH WITNESS:

Name, Title

Date



INCORPORATED UNDER THE LAWS OF THE STATE OF COLORADO

286

5

The Welch Lateral Ditch Company

CAPITAL STOCK $5,000.00

This Certifies that Berthoud Gateway Properties, LLC is the owner of

* * * * * * * * * * Five * * * * * * * * * * * * * * * Shares of the Capital Stock of

The Welch Lateral Ditch Company

full paid and non assessable transferable only on the Books of the Corporation by the holder hereof in person or by Attorney on surrender of this Certificate properly assigned.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation

at Berthoud, Colo., this 23rd day of August A.D. 2006

SECRETARY

PRESIDENT

SHARES $20.00 EACH

For value Received, ____ hereby sell, assign and transfer unto

Gateway Park Master Association

Shares of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

____ Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated March 14, 2018

In Presence of

NOTICE. THE SIGNATURE OF THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THIS CERTIFICATE IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

ASSIGNMENT OF STOCK TRANSFER

Assignment Separate from Stock Certificate

FOR VALUE RECEIVED, I/we hereby sell, assign and transfer to

Gateway Park Master Association
Name of Assignee(s)

700 Ken Pratt Blvd, Suite 111 Longmont, CO 80501
Mailing address of Assignee(s)
[as joint tenants with right of survivorship / as tenants in common (strike one or both if an entity)]

One and one-half (1.5) Shares of the Capital Stock of the **Handy Ditch Company** standing in my / our name(s) on the books of said Company represented by

Certificate No. 4247 herewith and do hereby irrevocably constitute and appoint the Secretary / Transfer Agent of said Company to transfer the said shares of stock on the books of the within named Company and issue a new certificate to effectuate this transfer on the books of the Company.

Dated 3/14/2018

Berthoud Gateway Properties, LLC
Assignor (must be exactly as shown on Certificate)

[signature], Manager
Assignor (must be exactly as shown on Certificate)

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was acknowledged before me this 14th day of March, 2018.

My commission expires: 1/19/21

Witness my hand and official seal.

Kristy Hamar
Notary Public

KRISTY L HAMAR
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20054002435
MY COMMISSION EXPIRES JANUARY 19, 2021

OR

HANDY DITCH WITNESS:

Name, Title

Date

Fractional interests in the shares represented by this certificate smaller than one-quarter of one share may not be offered for sale, sold or otherwise transferred.

№ 4247

Incorporated Under the Laws of the State of Colorado *1.5* SHARES

THE HANDY DITCH COMPANY

CAPITAL STOCK $45,000.00 900 SHARES, $50.00 EACH

This is to Certify, That Berthoud Gateway Properties, LLC is the owner of * * * * * * * *One and one half* * * * * * * * * * * * Shares of Capital Stock of THE HANDY DITCH COMPANY, full paid, transferable only on the books of the Company, in person or by attorney, on surrender of this Certificate.

This certificate issued subject to perpetual lien, power of sale or forfeiture thereof, for delinquent assessment; and subject to the right or refusal to deliver water upon stock on which delinquent assessments exist, as provided in Chapter 80, Session Laws of 1927, of the State of Colorado.

Berthoud, Colo. October 8, 2013

James B. Myers
Secretary

President

FOR VALUE RECEIVED Berthoud Gateway Properties, LLC hereby sell,

assign and transfer to Gateway Park Master Association

shares of the within mentioned Stock, and do hereby constitute and

appoint .... Attorney, irrevocable to transfer the same on the Books of the Company, with full power of substitution in the premises.

Security on note of $........ to ....

due .... 20........

WITNESS .... hand and seal this 12th day of March A. D. 20 18.

.... (SEAL)

FOR VALUE RECEIVED, ... hereby sell,

assign and transfer to ....

....

shares of the within mentioned Stock, and do hereby constitute and

appoint .... Attorney, irrevocable to transfer the same on the Books of the Company, with full power of substitution in the premises.

Security on note of $........ to ....

due .... 20........

WITNESS .... hand and seal this .... day of

.... A. D. 20........

.... (SEAL)

Cancelled .... 20........

New Cert. No. .... for .... Shares issued

to ....

New Cert. No. .... for .... Shares issued

to ....

........, Secretary

STOCK ASSIGNMENT

The undersigned, Berthoud Gateway Properties, LLC ("Assignor"), hereby sells, transfers and assigns to Gateway Park Master Association ("Assignee") 7.46 shares of stock in The Loveland Lake and Ditch Company ("Company"), which stock is standing in the name of the undersigned, on the books and records of the Company represented by Certificate No. 1026.

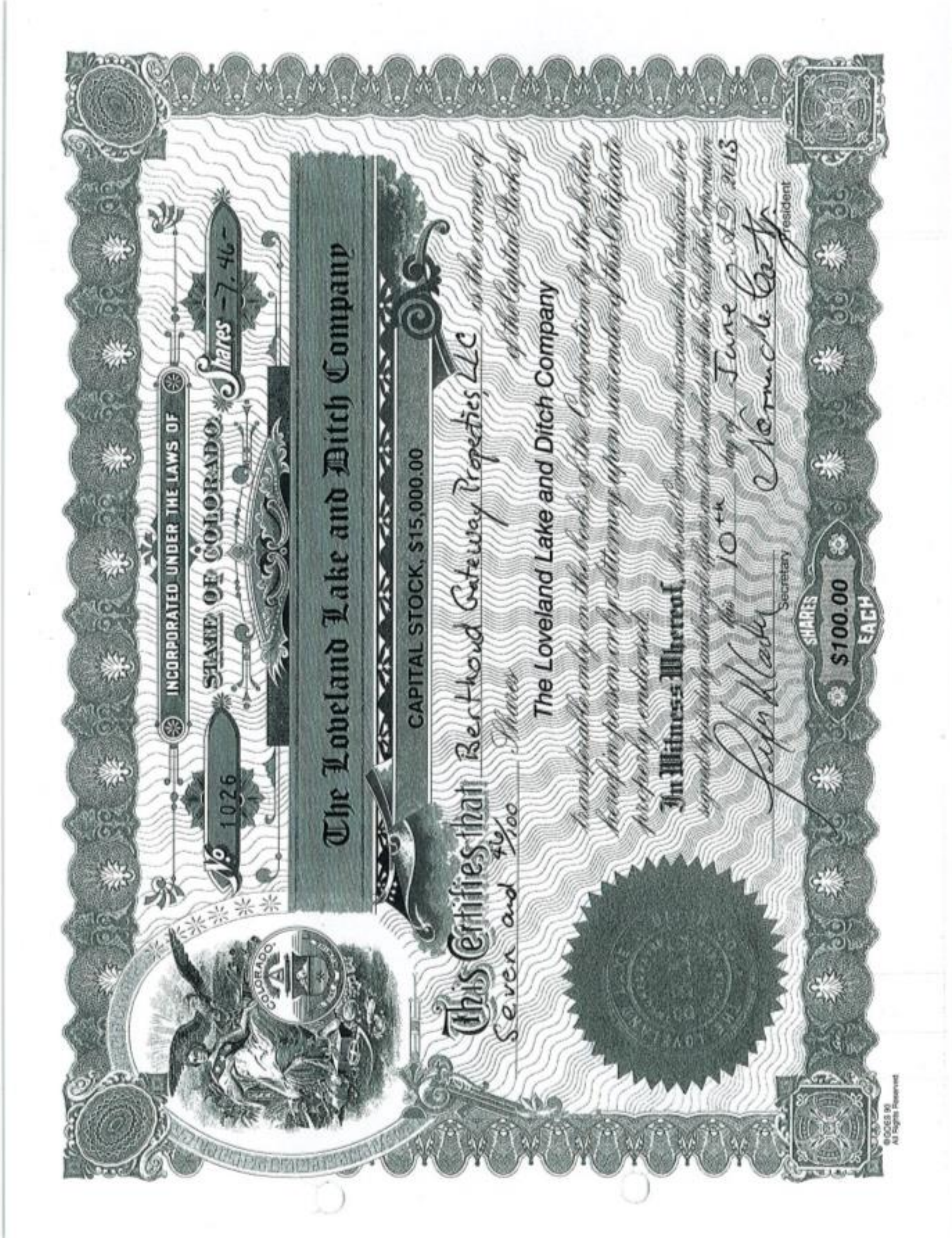
TO HAVE AND TO HOLD the same unto Assignee, its successors and assigns forever.

This Assignment is made and accepted without recourse to Assignor and without any representations or warranties, written or oral, express or implied, of any kind.

IN WITNESS WHEREOF, Assignor has executed this Stock Assignment as of the 14th day of March, ~~2017.~~ 2018

ASSIGNOR
Berthoud Gateway Properties, LLC

By: Thomas J. Roche
Its: Manager


INCORPORATED UNDER THE LAWS OF
STATE OF COLORADO
No. 1026
Shares -7.46-
The Loveland Lake and Ditch Company
CAPITAL STOCK, $15,000.00
This Certifies that Berthoud Gateway Properties LLC is the owner of
Seven and 46/100 Shares of the Capital Stock of
The Loveland Lake and Ditch Company
In Witness Whereof
10th June 2013
Secretary
President
SHARES $100.00 EACH

CERTIFICATE FOR -7.46- SHARES

CAPITAL STOCK OF THE

OF THE
LOVELAND LAKE AND DITCH COMPANY

ISSUED TO
Berthoud Gateway Properties, LLC

DATED
June 10th, 2013

For Value Received, hereby sell, assign and transfer unto Gateway Park Master Association Shares of the Capital Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint to transfer the said Stock on the books of the within named Corporation with full power of substitution in the premises.

Dated March 14, 2018

In presence of

NOTICE: THE SIGNATURE OF THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

Sale Contract from 2017

AGREEMENT FOR PURCHASE AND SALE OF WATER STOCK

This Agreement for Purchase and Sale of Water Stock (this "Agreement") is made and entered into this 12th day of October, 2017 ("Effective Date"), by and between Berthoud Gateway Properties, LLC, Colorado limited liability company, whose address for purposes hereof is 361 71st Ave., Greeley, CO 80634 ("Seller"), and Gateway Park Master Association, a Colorado nonprofit corporation, whose address for purposes hereof is 3772 Eureka Way, Suite C, Frederick, CO 80516 ("Buyer"). Seller and Buyer are hereinafter sometimes referred to together as the "Parties" or individually as a "Party".

BACKGROUND OF AGREEMENT

The following background statements are made to aid in the understanding and interpretation of this Agreement:

A. Seller is the record and beneficial owner of the following shares of stock (collectively, the "Water Stock"), representing Seller's proportionate interests, based on the total shares issued and outstanding in each respective company, of water rights held by each respective company:

Company	Certificate No.	No. of Shares
The Loveland Lake and Ditch Company	1026	7.46
The Welch Lateral Ditch Company	286	5
The Handy Ditch Company	4086	5
The Handy Ditch Company	4247	1.5

B. Seller desires to sell and Buyer desires to purchase the Water Stock pursuant to the terms and conditions of his Agreement.

AGREEMENT

Now, therefore, in consideration of the mutual promises of the Parties, the terms and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Incorporation. The foregoing background statements are incorporated herein as if fully set forth. All such statements are material terms of this Agreement and not merely recitals.

2. Purchase and Sale. Seller shall sell and Buyer shall buy, at the price and upon the terms and conditions hereinafter set forth, all of the Water Stock at Closing, as hereinafter defined.

3. Purchase Price and Terms.

3.1. The purchase price for the Water Stock is $450,000.00, payable as follows:

Item	Amount	Amount
Purchase Price	$686,000.00	
New Loan		$450,000.00
Developer Contribution		$236,100.00
Cash at Closing		$0.00
Total	$686,000.00	$686,000.00

3.2. At Closing, Seller will credit to Buyer $50,000.00 ("Seller Concession") in relation to Buyer's closing costs, loan discount points, loan origination fees, prepaid items and any other fee, cost, charge, expense or expenditure, all of which, except as specifically stated otherwise herein, shall be Buyer's responsibility. Seller Concession is in addition to any sum Seller has agreed to pay or credit Buyer elsewhere in this Agreement.

3.3. All amounts due hereunder shall be paid at Closing, including any loan proceeds, Cash at Closing and closing costs, and must be in funds that comply with all applicable Colorado laws, including electronic transfer funds, certified check, savings and loan teller's check or cashier's check.

4. Due Diligence. On or before November 15, 2017, Seller shall provide Buyer with the following:

4.1. All documents or other information currently in Seller's possession pertaining to the Water Stock;

4.2. A copy of title documents for the Water Stock, including copies of the Water Stock certificates, copies of the assignment of such Water Stock certificates to the Seller, and copies of the conveyance deed(s) transferring the Water Stock to Seller; and

4.3. Copies of any and all documents evidencing the Seller's authority to sell the Water Stock.

The foregoing documents shall constitute the "Due Diligence Documents". From and after the date hereof, Buyer shall have the right to inspect the Due Diligence Documents, the Water Stock, and the water rights represented thereby, to the extent that Seller has authority to permit, including with respect to confirming that the companies with which the Water Stock relates will allow the shares to transfer and to obtain any and all necessary approvals therefrom or to satisfy any other requirements thereof.

This Agreement is conditional upon Buyer's satisfaction with its inspection of the Due Diligence Documents, the Water Stock and the water rights represented thereby, in Buyer's sole subjective discretion. This condition is for the sole benefit of Buyer. Buyer shall have a right to terminate, pursuant to § 9, on or before November 30, 2017, if the Buyer is not so satisfied.

5. Title. Title to the Water Stock shall be merchantable in the Seller on or before Closing. Seller warrants that all annual assessments, fees, charges, and taxes upon the Water Stock for the year of Closing and all prior years shall have been paid in full. Subject to payment by Buyer as required herein, the Seller shall execute and deliver at the time and place of Closing: (a) a good and sufficient Quit Claim Deed to the Water Stock, conveying the same to Buyer free and clear of any and all liens, taxes and other encumbrances of any nature whatsoever, except those permitted herein; (b) the original stock certificate(s) for the Water Shares; (c) the assignments of the Water Stock to Buyer fully conveying and transferring the Water Stock; and (d) any documents evidencing Seller's authority to sell the Water Stock (collectively, the "Transfer Documents"). Any encumbrance which may affect the title to the Water Stock be paid at the time of settlement from the proceeds of this transaction or from any other source.

6. Closing Time and Place. The closing of this transaction shall occur at the Seller's place of business located at mutually agreed place ____ at 3:00pm on December 7, 2017 (the "Closing"). At Closing, Seller deliver to Buyer the Transfer Documents and Buyer shall deliver the Purchase Price.

7. Possession and Use of Water Stock. Upon Closing, the Buyer shall have the right to use and to put to beneficial use all of the Water Stock.

8. Costs, Fees and Expenses. Buyer is responsible for all of costs, fees and expenses associated with obtaining the new loan, obtaining any appraisal, completing Buyer's due diligence, and otherwise related to effectuating the transfer of the Water Stock (including any transfer fees). Notwithstanding, each Party shall be responsible for their respective taxes and legal fees and expenses related to this transaction.

9. Termination. If a Party has a right to terminate, as provided in this Agreement, the termination is effective upon the other Party's receipt of a written notice to terminate, provided such written notice was received on or before the applicable deadline specified in this Agreement. If the notice to terminate is not received on or before the specified deadline, the Party with the right to terminate accepts the specified matter, document or condition as satisfactory and waives the right to terminate under such provision. In the event this Agreement is terminated, the Parties are relieved of all obligations hereunder, subject to § 10.13.

10. Additional Provisions.

10.1. As Is Condition. Except as otherwise provided in this Agreement, Buyer acknowledges that Seller is conveying the Water Stock to Buyer in an "**As Is**" condition, "**Where Is**" and "**With All Faults**." Without limiting the foregoing, Seller makes no representation that the companies with which the Water Stock relates will allow the shares to transfer.

10.2. Broker's Commissions. The Parties shall hold each other, respectively, harmless from any claims for broker's commissions through the applicable Party by any person, firm or entity in any amount.

10.3. Notices. Any notices, demands or other communications required or desired to be given under provision of this Agreement shall be given in writing, delivered personally, or sent by certified or registered mail, return receipt requested, postage prepaid, to the addresses as first set forth above or at such other addresses as any Party may hereafter from time to time designate by written notice to the other Party given in accordance with this paragraph. Notice shall be effective upon delivery in person, or three (3) days after mailing if such mailing is by certified mail, return receipt requested.

10.4. Amendment. This Agreement may be modified, amended, changed or terminated in whole or in any part only by an agreement in writing duly authorized and executed by all the Parties with the same formality as this Agreement.

10.5. Waiver. The waiver of any breach or any of the provisions of this Agreement by any Party shall not constitute a continuing waiver of any subsequent breach by said Party, by either of the same or any other provision of this Agreement.

10.6. Headings for convenience only. Paragraph or section headings and titles contained herein are intended for convenience and reference only and are not intended to define or limit the scope or intent of any provision of this Agreement.

10.7. Non-severability. Each paragraph or section of this Agreement is intertwined with the other and is not severable unless by mutual consent of the Parties hereto.

10.8. Non-assignability. Neither party may assign their rights or delegate their duties hereunder without the prior written consent of the other Party.

10.9. Binding Effect. This Agreement and rights and obligations created hereby shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns.

10.10. Governing Law. This Agreement and its application shall be construed in accordance with the laws of the State of Colorado.

10.11. Multiple Originals. This Agreement may be simultaneously executed in any number of counterparts, each of which shall be deemed original but all of which constitute one and the same agreement. Signatures may be evidenced by facsimile or email. Documents with original signature shall be provided to the other Party at Closing, or earlier, upon request of any Party.

10.12. Condemnation. If, prior to the Closing, all or any portion of the Water Stock shall be subjected to a bona fide threat of condemnation, or shall become the subject of any proceedings, judicial, administrative, or otherwise, with respect to taking by eminent domain or condemnation, Seller shall promptly notify Buyer thereof. At their option, either Party may elect to terminate this Agreement by giving the other party written notice of such termination within 15 days following Buyer's receipt of such notice. Upon receipt of such notice of termination, this Agreement shall terminate, and the Parties shall be released from any further duties or obligations hereunder. If a Party does not elect to terminate this Agreement, this Agreement shall continue unchanged and in full force and effect except as follows:

10.12.1.If the scheduled date of Closing is within such fifteen (15) day period, the Closing shall be extended to the first business day following the end of such fifteen (15) day period; and

10.12.2.In the event of any eminent domain or condemnation action, the Seller shall transfer the Water Stock less any portion of the Water Stock taken by eminent domain or condemnation. At the Closing, Seller shall assign to Buyer all of Seller's interest in any proceeds or awards that have been or may thereafter by made for any taking or condemnation.

10.13. Attorney's Fees and Costs. If any judicial proceeding may hereafter by brought to enforce any of the provision hereof, including an action for specific performance and/or damages, the prevailing Party shall be entitled to recover the costs of such proceedings, including reasonable attorneys' fees and reasonable expert witness fees.

10.14. Execution. This Agreement shall be in full force and effect, upon the Parties' mutual execution hereof.

10.15. Entire Agreement. This Agreement constitutes the entire Agreement between the Parties relating to the subject hereof and any prior agreements pertaining thereto whether oral or written have been merged or integrated into this Agreement.

[Signature Page Follows]

In Witness Whereof, the Parties have executed the Agreement in duplicate original counterparts the day and year first above written.

SELLER

Berthoud Gateway Properties, LLC

By: Thomas J. Roche
Its: Manager

BUYER

Gateway Park Master Association

By: ~~Matt Notter~~ Craig Wrigley
Its: ~~President~~ Vice-President

Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 6th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but which are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Bulk Value

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction.

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)
The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction
A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation
In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

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

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time;
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Double Net (Net Net) Lease
An alternative term for a type of net lease. In some markets, a net net lease is defined as a lease in which the tenant is responsible to pay both property taxes and premiums for insuring the building(s). (Valbridge)

(The market definition of a double net lease varies depending on the market)

Easement
The right to use another's land for a stated purpose. (Dictionary)

EIFS
Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date
The date on which the appraisal or review opinion applies. (SVP)

In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Gross Income (EGI)
The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

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

EPDM
Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

Escalation Clause
A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause, expense recovery clause or stop clause*. (Dictionary)

Estoppel Certificate
A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

Excess Land
Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Dictionary)

Excess Rent
The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

Expense Stop
A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

Exposure Time
The time a property remains on the market.
The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal;

Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (Dictionary)

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

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP)

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. (Dictionary)

Floor Common Area
In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)

Full Service (Gross) Lease
A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

Furniture, Fixtures, and Equipment (FF&E)
Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-Concern Value
An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business.* (Dictionary)

Gross Building Area (GBA)
Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.

Gross leasable area plus all common areas.
For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area
The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method
A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up." (Dictionary)

Gross Retail Sellout
The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called the *aggregate of the retail values, aggregate retail selling price or sum of the retail values.* (Dictionary)

Ground Lease
A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent
The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC
Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use
The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use of for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)

[The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

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

Comment: Hypothetical conditions are 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. (USPAP)

Insurable Value
A type of value for insurance purposes. (Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees). (Dictionary)

Investment Value
The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)

Just Compensation
In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

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

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

See also Positive Leasehold and Negative Leasehold.

Lessee (Tenant)
One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)
One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

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

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.

The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Loan to Value Ratio (LTV)
The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations
Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent
The most probable rent that a property should bring in a competitive and open market under all the conditions requisite to a fair lease transaction, the lessee and the lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:
Lessee and lessor are typically motivated;
Both parties are well informed or well advised, and acting in what they consider their best interests;
Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
The rent reflects specified terms and conditions, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, and tenant improvements (TIs). (Appraisal Institute)

Market Value
The most probable price that 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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Marketing Time
An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation)

Master Lease
A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

Modified Gross Lease
A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease, net net lease, partial net lease, or semi-gross* lease. (Dictionary)

Negative Leasehold
A lease situation in which the market rent is less than the contract rent. (Dictionary)

Operating Expense Ratio
The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., OER = 1 – NIR (Dictionary)

Option
A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest
Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common, easement, or life interest. (Dictionary)

Pass Through
A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Percentage Lease
A lease in which the rent or some portion of the rent represents a specified percentage of the volume of business, productivity, or use achieved by the tenant. (Dictionary)

Positive Leasehold
A lease situation in which the market rent is greater than the contract rent. (Dictionary)

Potential Gross Income (PGI)
The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Future Value Upon Completion
A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report. … The prospective market value –as completed- reflects the property's market value as of the time that development is expected to be complete. (Dictionary)

Prospective Future Value Upon Stabilization
A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report …The prospective market value – as stabilized – reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (Dictionary)

Replacement Cost
The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost
The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

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

Sandwich Leasehold Estate
The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease
An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination
A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior, or subordinate, to the claims of another party. (Dictionary)

Surplus Land
Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

TPO
Thermoplastic polyolefin, a resilient synthetic roof covering.

Triple Net (Net Net Net) Lease
An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease, net net net lease, or fully net lease*. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

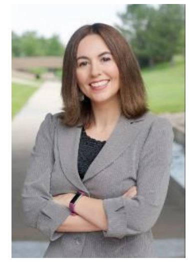
Usable Area
The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)

VTAB

Value of the Total Assets of a Business. The value of a going concern (i.e. the business enterprise). (Dictionary)



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State of Colorado

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Appraisal Institute & Related Courses
Continuing education courses taken through the Appraisal Institute and other real estate organizations.

Recent Appraisal Education

- AI, Opportunity Zones
- AI, Appraisers Spreading Their Wings
- AI, Mountains & Valleys Valuations
- AI, General Demonstration Report-Capstone Program
- AI, Advanced Concepts and Case Studies
- AI, Advanced Income Capitalization
- AI, Advanced Market Analysis and Highest & Best Use
- AI, General Appraiser Sales Comparison Approach
- AI, General Appraiser Site Valuation and Cost Approach
- AI, General Appraiser Income Approach I and II
- AI, General Appraiser Report Writing and Case Studies
- AI, Statistics, Model and Finance
- AI, General Appraiser Market Analysis and Highest and Best Use
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- AI, Business Practice and Ethics
- AI, The Effects of Defects
- AI, Using Spreadsheet Programs in Real Estate Appraisals
- AI, Valuing Fractional Interests
- AI, Colorado Property Taxes
- AI, Trends in Health Care Real Estate
- AI, Real Estate Valuation Policy Update
- Allied Schools for Real Estate Appraisers, Basic Appraisal Principles
- AS, Basic Appraisal Procedures
- AS 15 Hour National USPAP Course

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Lenders, attorneys, municipalities, developers, housing authorities, trusts, banks, investors

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Division of Real Estate

Board of Real Estate Appraisers

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Expires: 12/31/2021

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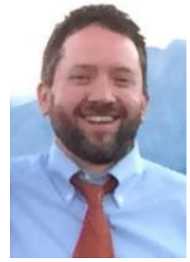

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- Uniform Standards of Professional Appraisal Practice
- Business Practices and Ethics - Appraisal Institute
- Principles of Appraisal Practice, Parts I and II
- Income Capitalization
- Appraisal Applications
- AI, Residential Sales Comparison and Income Approaches
- AI, General Appraiser Income Approach, Parts I and II
- AI, General Appraiser Market Analysis and Highest and Best Use
- AI, General Appraiser Sales Comparison Approach
- AI, General Appraiser Report Writing and Case Studies
- AI, General Appraiser Site Valuation and Cost
- AI, General Appraiser Advanced Income Capitalization
- AI, General Appraiser Advanced Concepts and Case Studies
- Numerous seminars and webinars including: Appraising Distressed Commercial Real Estate; Valuation for Financial Reporting; Introduction to the Valuation of Green Buildings, UASFLA (Yellow Book) Applications, USPAP Update Courses

Experience

Valbridge Property Advisors | Bristol Realty Counselors of Colorado, Inc.
Boulder, CO
Managing Director
Prepare narrative commercial appraisal reports for lenders, attorneys, estates, governmental agencies and local municipalities. Typical assignments include the appraisal of a variety of commercial property types, including apartments, condominiums, shopping centers, subdivisions, industrial, office buildings, special use properties, vacant land, easements and acquisitions, rent studies as well as complex residential properties. Interests appraised include fee simple, leased fee and leasehold.

Trotz Real Estate Services, Inc. Memphis, TN
Prepared narrative commercial appraisal reports for lender clients, attorneys, local municipalities, and individuals. Typical assignments included the appraisal of a variety of different property types including vacant land, industrial, apartment, retail, office, various easements, and residential properties.

The Terebesy Company, Memphis, TN
Prepared residential appraisal reports for lender clients and individuals.

Appraisal Property Types
Properties appraised include subdivisions, retail/commercial properties, shopping centers, industrial properties, office buildings, apartment developments, condominiums, special-use properties and vacant land.

Typical Appraisal Clients
Alpine Bank
Alpine Lumber Company
Bank of the West
Burns & McDonnell Engineering Company
Boulder Housing Authority
Boulder County Transportation
Centennial Bank
City of Boulder
City of Longmont
Compass Bank
Crossfirst Bank
Elevations Credit Union
First National Bank of Colorado
First National Denver
FirstBank
Flatirons Bank
Guaranty Bank and Trust
Home State Bank
Independent Bank
JPMorgan Chase Bank
Northstar Bank
PNC Real Estate
ReadyCap Lending
Stevens, Littman, Biddison & Weinberg
Sunflower Bank
U.S. Bank
UMB Bank
United Water and Sanitation District
Valley Bank and Trust
Key Bank
Citywide Bank/Heartland Financial

Vectra Bank
Western States Land Services
Zions Bank
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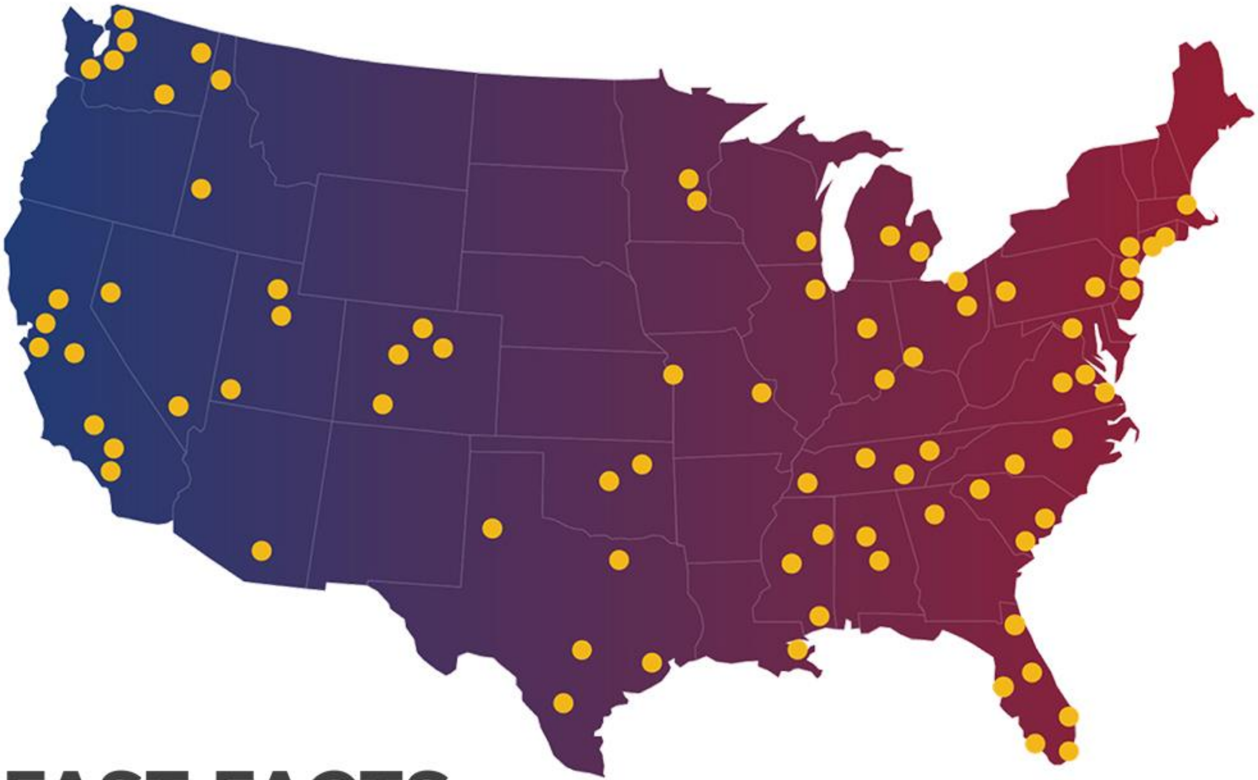
Valbridge
PROPERTY ADVISORS



FAST FACTS

COMPANY INFORMATION

- Valbridge is the largest independent national commercial real estate valuation and advisory services firm in North America.
    - Total number of MAI-designated appraisers: 200+ on staff
    - Total number of office locations: 70+ across U.S.
    - Total number of staff: 675+ strong
- Valbridge covers the entire U.S. from coast to coast.
- Valbridge services all property types, including special-purpose properties.
- Valbridge provides independent valuation services. We are not owned by a brokerage firm or investment company.
- Every Valbridge office is led by a senior managing director who holds the MAI designation of the Appraisal Institute.
- Valbridge is owned by our local office leaders.
- Valbridge welcomes single-property assignments as well as portfolio, multi-market and other bulk-property engagements.

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