



# BOV

## Broker's Opinion of Value

### Income and Sales Approach

#### Subject Property Address

1218 W. ASH STREET Windsor CO 80550

#### Order Information

<b>BOV Type</b>	Exterior	<b>Reference</b>	
<b>Work Order ID</b>	3455714	<b>Project</b>	
<b>Inspection Date</b>	01/24/2012	<b>Ordered By</b>	
<b>Borrower</b>		<b>Order Date</b>	01/23/2012
<b>Loan</b>		<b>Report Date</b>	01/30/2012



#### Subject Property Price Estimate

<b>Sales Comparison Price</b>	\$1,248,525
<b>Income Approach Price</b>	\$1,190,100
<b>Reconciled Market Price</b>	\$1,230,000

#### Broker's Opinion of Market Trend



DECLINING  
3 % ANNUALLY

#### Overview

Based upon an inspection conducted on 01/24/2012 the subject property was found to be in good condition. The office property has a total of 13425 square feet and is approximately 13 years old. The subject is located in a commercial location. The reconciled market price was concluded to be \$1,230,000.

##### QC Conclusion

Subject's ownership data and image match the Weld County Assessor's information. The property is in good condition, with no apparent damage or deferred maintenance needs. The value conclusion appears to be reasonable and well supported with the comparables used. Subject property is somewhat unique in that it has a full basement. Sale #3, as noted by the preparer of this report, is the most similar sold comp and is also the closest in proximity. This comparable has been adjusted to reflect its unique current layout due to its prior use as a bank building. While it would be appealing to a retail bank branch buyer or tenant, it would likely require extensive interior build out for a more typical office tenant or tenants.

This is a Broker's Opinion of Value, which is an opinion of value created by a licensed real estate broker or agent, not an appraiser. Analysis was not completed in accordance with Uniform Standards of Professional Appraisal Practice, which require evaluators to act as impartial third parties with objectivity and without personal interest.

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<b>Borrower</b>	<b>Work Order ID</b> 3455714
<b>Loan Number</b>	<b>Reference</b>

## Subject Property Information

<b>Date of Inspection</b>	01/24/2012	<b>Ownership of the Property (Name)</b>	SUTO LLC
<b>County</b>	Weld	<b>Assessor Parcel #</b>	080717303017
<b>Legal Description</b>	The East 1/2 of Pad 6, Windsor Manor Centre, A Planned Unit Development in the town of Windsor, According to the Amended Planned Unit Development ... [Cont'd in Subject Section of Notes Addendum]		
<b>Property Type</b>	Office		
<b>Year Built</b>	1999	<b>Site Size</b>	0.15
<b>Above Grade SF</b>	6,713	<b>Below Grade SF</b>	6,712
<b>Assessor Land Value</b>	\$10,800	<b>Assessment Date</b>	10/01/2010
<b>Assessor Improvement Value</b>	\$253,950	<b>Annual Taxes</b>	\$25,601
<b>Assessor Total Value</b>	\$264,750	<b>Past Due Taxes</b>	\$0
<b>Zoning Type</b>	Commercial	<b>Special or Non-Conforming Use</b>	Not Applicable

**Discuss Current, Future or Past Use (Highest and Best Use)**  
The subject is currently a multi-tenant single story office building with a full basement. In many buildings like this the basement us used for storage and is unfinished. The current an future best use is as professional or medical offices.

**Business Name of Tenants**  
... [Cont'd in Subject Section of Notes Addendum]

## Subject Sale / Listing History

<b>Currently for Sale</b>	No	<b>Listing Agent Number</b>	
<b>Last Sale Date</b>		<b>Listing Agent Name</b>	
<b>Last Sale Price</b>		<b>Original List Price</b>	
<b>Current Sale Type</b>		<b>Current List Price</b>	

**Sale / Listing Comments**  
No recent sales or listing history.

## Broker's Opinion of Subject's Neighborhood

<b>Source of Data</b>	Loopnet/Ires/ex	<b>Neighborhood Type</b>	Commercial
<b>New Construction</b>	No	<b>Apparent Occupancy Level in Neighborhood (%)</b>	85
<b>Population of Subject's City</b>	18,644	<b>Population Trend</b>	Decreasing

**Discuss Overall Neighborhood Appearance and Maintenance**  
Due to short sales, foreclosures, high inventory and high unemployment rate in the area values have declined. No boarded up buildings noted, very nice area.

**Discuss Any Risk of Vandalism in the Neighborhood**  
Low vandalism risk, no signs of vandalism noted in the area.

**Discuss Any New Construction in the Neighborhood**  
No new construction noted.

**Discuss Any Nuisances in the Neighborhood (Railroads, Waste Facilities, Powerlines, Airports, etc.)**  
None noted.

**Discuss Any Notable Land Uses in the Area (i.e. University, Military Base, Theme Park, Large Public Parks, Regional Shopping, Waterfront, Recreational Opportunities, Major Employers, etc.)**  
... [Cont'd in Neighborhood Section of Notes Addendum]

**Discuss Access to Local Amenities**  
This location is close to many fast food restaurants, such as McDonalds, Good Times, Wendys, Buger King, also retail strip malls and grocery stores like King Soopers and Safeway.

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**Borrower**  
**Loan Number**

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**Reference**

## Broker's Opinion of Subject's Location

**Subject Location** Interior **Local Traffic Volume** Medium

### Discuss Subject's Access to Major Transportation Arteries

Located one block off Main Street -- Main street is the same as Hwy 392 for access to I-25, and Highway 85. The area has convenient access to Fort Collins, Greeley, Loveland, Denver and Wyoming.

**Proximity to Nearest Major City (if population is less than 50,000)** 10 **Proximity to Residential Area (miles)** 0.25

**Proximity to Employment Centers (miles)** 10

### Discuss Subject's Street Appeal

This is somewhat busy street, subject is located off the street and the parking lot is shared with other office buildings. Good street appeal.

### Discuss Any Challenges in Accessing Subject Property

None noted.

### Discuss Subject's Visibility

The subject has good visibility, no buildings in front of the subject, large parking lot between the building and West Ash Street.

### Discuss Subject's Signage

Tombstone type sign in front of the building, typical for the property type and use.

### Describe Land Use Directly North

Residential -- single and multi-family homes

### Describe Land Use Directly South

Offices and retail.

### Describe Land Use Directly East

Offices and retail strip center, Windsor high school.

### Describe Land Use Directly West

Offices and retail.

## Broker's Opinion of Subject's Site

**Site Shape** Rectangular **Site Area** 0.15  
**Topography** Flat **Site Improvements** Yes  
**Frontage (feet)** 120 **Site Highest & Best Use** Current Use

### Site Comments

The site is well utilized, with good curb appeal.

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## Broker's Opinion of Subject's Exterior Condition

**Construction Type**

Frame & Masonry

**Describe Quality of Subject's Construction**

This is good quality building, brick and stucco exterior. No noted damage.

**Number of Floors**

1

**Discuss Any Recent Capital Improvements**

None noted.

**Discuss Any Deferred Maintenance Items**

None noted.

**Estimated Cost to Repair Damage or Deferred Maintenance**

\$0

**Discuss Condition of Landscaping**

The landscape appears in good condition.

**Number of Outdoor Parking Spaces** 50

**Number of Covered Parking Spaces** 0

**Discuss the Condition of the Subject's Parking**

Good condition asphalt parking lot.

## Broker's Opinion of Subject's Interior Condition

**Number of Elevators**

0

**Ceiling Height**

0 ft

**Discuss Overall Interior of the Subject Property**

N/A

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## Sales Price Comparison

	Subject	Sale 1	Sale 2	Sale 3	Listing 1	Listing 2	Listing 3
<b>Data Source</b>	LoopNet/Ires/	LoopNet/Ires/	LoopNet/Ires/	LoopNet/Ires/	LoopNet/Ires/	LoopNet/Ires/	LoopNet/Ires/
<b>Address</b>	1218 W. ASH STREET	8235 W 20TH St	2940 Ginnala Dr	1130 Main St	7251 W 20TH St	1140 38TH Ave	3109 35TH Ave
<b>City</b>	Windsor	Greeley	Loveland	Windsor	Greeley	Greeley	Greeley
<b>State</b>	CO	CO	CO	CO	CO	CO	CO
<b>Zip</b>	80550	80634	80538	80550	80634	80634	80634
<b>County</b>	Weld	Weld	Larimer	Weld	Weld	Weld	Weld
<b>Property Type</b>	Office	Office	Office	Office	Office	Office	Office
<b>Type of Business</b>	Office	Office	Office	Office	Office	Office	Office
<b>Proximity (miles)</b>		7.69	8.84	0.2	8.34	10.41	11.79
<b>Above Grade SF</b>	6,713	9,458	6,974	4,050	4,556	5,148	6,600
<b>Below Grade SF</b>	6,712	1,320	0	3,544	4,556	1,672	0
<b>Total Square Feet</b>	13,425	10,778	6,974	7,594	9,112	6,820	6,600
<b>Condition</b>	Good	Good	Good	Good	Good	Good	Good
<b>Site Size</b>	0.15	0.73	0.6	1.26	1.03	0.14	0.16
<b>Year Built</b>	1999	2005	1996	2002	2002	2001	2004
<b>Number of Units</b>	10	8	8	4	6	8	5
<b>Number of Stories</b>	1	1	1	1	1	1	1
<b>Parking Spaces</b>	50	20	18	25	20	15	10
<b>Construction Type</b>	Frame & Commercial	Frame & Suburban	Frame & Suburban	Frame & Suburban	Frame & Suburban	Frame & Suburban	Frame & Suburban
<b>Area</b>							
<b>Visibility</b>	Medium	Medium	Medium	Medium	Medium	Medium	Medium
<b>Assessor's Parcel Number</b>	08071730301	05908325011	9501326008	08071733800	09590840200	09591113000	09592310004
<b>Assessor's Land Value</b>	\$10,800	\$326,310	\$211,300	\$461,311	\$283,343	\$36,378	\$171,836
<b>Assessor's Improvement Value</b>	\$253,950	\$761,360	\$788,600	\$444,889	\$468,397	\$819,422	\$620,164
<b>Assessor's Total Value</b>	\$264,750	\$1,087,670	\$999,900	\$906,200	\$751,740	\$855,800	\$792,000
<b>Assessment Date</b>	10/01/2010	10/01/2010	10/01/2010	10/01/2010	10/01/2010	10/01/2010	10/01/2010
<b>Current List Price</b>		\$1,900,000	\$1,500,000	\$950,000	\$895,000	\$975,000	\$1,059,000
<b>Original List Price</b>		\$1,900,000	\$1,500,000	\$950,000	\$999,000	\$1,300,000	\$1,059,000
<b>Original List Date</b>		10/02/2010	02/03/2010	04/20/2010	05/11/2011	09/27/2010	01/20/2011
<b>Days on Market</b>		289	225	142	260	486	371
<b>Sale Price</b>		\$1,760,000	\$1,140,000	\$675,000			
<b>Sale Date</b>		07/18/2011	09/16/2010	09/09/2010			
<b>Price Per SF</b>	\$91	\$163	\$163	\$88	\$98	\$142	\$160
<b>Price Per Unit</b>	\$123,000	\$220,000	\$142,500	\$168,750	\$149,166	\$121,875	\$211,800

Sales Price Comparison Estimate "As Is"

\$1,248,525

## Sales Price Comparison Discussion

Best comps are sale #3 and active #1 as both of these had full basement like subject. Therefore, the best sale approach estimate per square foot for the subject including below and above ground level is \$93.00.

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Borrower

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## Comments Regarding Comparability of Sales and Listings to Subject

Sale 1  Inferior  Similar  Superior

This is a newer single story office building like subject. Located in a similar area, similar quality of construction, property has a basement, as does the subject.

Sale 2  Inferior  Similar  Superior

This is a medical office building located in Loveland, CO which is Southwest of subject. Good construction quality like the subject, however this property does not have a basement.

Sale 3  Inferior  Similar  Superior

Single story building with a full basement, larger lot than subject, freestanding building, within 1 block of subject. Prior use was a bank building (First Class Bank). An adjustment is warranted to this comparable based on its prior use -- its current layout would require extensive buildout to be brought up to the same appeal for general office tenants due to the specific characteristics of a bank building (presence of a bank vault, drive through, safe deposit boxes, etc.).

Listing 1  Inferior  Similar  Superior

This is a single story medical office building that has a full basement seven exam rooms, 2 with sinks, large waiting room. Similar location.

Listing 2  Inferior  Similar  Superior

Office building listing, located next to the Bittersweet shopping center, partial basement, centrally located.

Listing 3  Inferior  Similar  Superior

Fully leased office building built in 2004, single story building, brick and stucco exterior, very similar to subject in terms of appeal, no basement.

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### Income Approach

	Subject	Sale 1	Sale 2	Sale 3	Listing 1	Listing 2	Listing 3
<b>Above Grade Price Per SF</b>	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.50
<b>Below Grade Price Per SF</b>	\$2.00	\$2.00	\$0.00	\$2.00	\$2.00	\$2.00	\$0.00
<b>Annual Rents / SF</b>	\$114,119	\$144,510	\$104,610	\$67,838	\$77,452	\$80,564	\$102,300
<b>Rent Type</b>	NNN	NNN	NNN	NNN	NNN	NNN	NNN
<b>Other Income</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Potential Gross Income</b>	\$114,119	\$144,510	\$104,610	\$67,838	\$77,452	\$80,564	\$102,300
<b>Vacancy %</b>	15	15	15	15	15	15	15
<b>Effective Gross Income</b>	\$97,001	\$122,833	\$88,918	\$57,662	\$65,834	\$68,479	\$86,955
<b>Annual Expenses</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Net Operating Income</b>	\$97,001	\$122,833	\$88,918	\$57,662	\$65,834	\$68,479	\$86,955
<b>Cap. Rate</b>	8.15%	6.98%	7.80%	8.54%	7.36%	7.02%	8.21%

<b>Income Approach Price Estimate</b>	<b>\$1,190,100</b>
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### Income Approach Discussion

For the income approach, the final analysis is calculated with a reasonable cap rate for the area. The cap rates in the Ires, LoopNet and Xcelignet databases were between 6% and 9%. The lease ranges for this type of building were in the \$13.00 to \$18.00 PSF above grade range depending on the unit size, number of units and quality of tenant interior finishes.

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### Conclusion Questions

#### Discrepancies Between Approaches

The approaches were very similar, no significant discrepancy noted.

#### Public Records Discrepancies

The data used for this analysis were as follows: Property Description Multi tenant office building on .15 acres containing 13,425 SF built in 1999. The public records shows the owner of Suto LLC, the property has a 6,535 main level with a basement of 6,535 this would have a total square footage of 13,070 but not all above ground level. Client's data used for this report.

#### Subject Sale History Discrepancies

None noted.

### Reconciliation and Final Conclusion Summary

Due to high inventory, high foreclosure rate, high unemployment the values have declined. This decline has affected the market as well as value on most properties in the area, my price is concluded on similar like properties in the same area, that have like uses, based on active, sold and current lease properties in the Ires, LoopNet and Xceligent data bases. The office buildings in subject's area are about 85% occupied.

<b>Subject Reconciled Market Price Estimate "As Is"</b>	<b>\$1,230,000</b>
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### Analyst Conclusions / Comments

Subject's ownership data and image match the Weld County Assessor's information. The property is in good condition, with no apparent damage or deferred maintenance needs. The value conclusion appears to be reasonable and well supported with the comparables used. Subject property is somewhat unique in that it has a full basement. Sale #3, as noted by the preparer of this report, is the most similar sold comp and is also the closest in proximity. This comparable has been adjusted to reflect its unique current layout due to its prior use as a bank building. While it would be appealing to a retail bank branch buyer or tenant, it would likely require extensive interior build out for a more typical office tenant or tenants.



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## NOTES ADDENDUM

### SUBJECT SECTION

[Cont'd from page 2] ...site plan recorded September 28, 1988 in Book 1210 at Reception No. 2158940, Located in the town of Windsor, County of Weld, State of Colorado

#### Property Description

Multi tenant office building on .15 acres containing 13,425 SF built in 1999.

[Cont'd from page 2] ...Hartford Homes Inc, Primerica, Horace Mann Insurance, Interwest Consulting Group, Windsor Smiles Orthodontics, Rocky Mountain Business Ventures -- Subway, Strathmore Homes, Comfort Keepers, Ill.

#### Additional comments for Subject Property

The subject is a single story commercial office building built in 1999, no damage noticed on the exterior. Similar to other office buildings surrounding this building. Windsor is a smaller town and between a rural and suburban area. It is an up and coming area that has great schools, parks and golf courses.

### NEIGHBORHOOD SECTION

[Cont'd from page 2] ...The majority of this area is zoned for commercial uses, mostly retail and office. Single family detached and attached homes are less than mile away. Budweiser Event Center, Centerra Mall, desirable Water Valley Golf Course and Highlands Golf Course are nearby. Anheuser-Busch Budweiser Brewery is one of the largest employers in the area, within commuting distance to subject.

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- S) SUBJECT - 1218 W. ASH STREET
- S1) COMP SALE 1 - 8235 W 20TH St (Calculated distance: 7.69 miles)
- S2) COMP SALE 2 - 2940 Ginnala Dr (Calculated distance: 8.84 miles)
- S3) COMP SALE 3 - 1130 Main St (Calculated distance: 0.20 miles)
- L1) COMP LIST 1 - 7251 W 20TH St (Calculated distance: 8.34 miles)
- L2) COMP LIST 2 - 1140 38TH Ave (Calculated distance: 10.41 miles)
- L3) COMP LIST 3 - 3109 35TH Ave (Calculated distance: 11.79 miles)

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SUBJECT FRONT VIEW



SUBJECT SIDE VIEW



SUBJECT NEIGHBORHOOD VIEW



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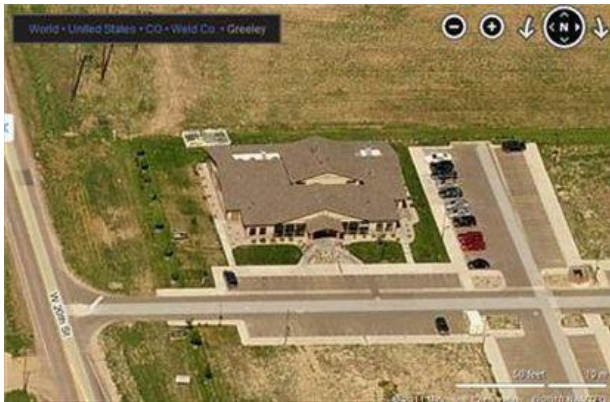
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SUBJECT ADDRESS VERIFICATION



COMP SALE 1 FRONT VIEW



COMP SALE 2 FRONT VIEW



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COMP SALE 3 FRONT VIEW



COMP LISTING 1 FRONT VIEW



COMP LISTING 2 FRONT VIEW





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COMP LISTING 3 FRONT VIEW

