EMINENT DOMAIN – REAL PROPERTY APPRAISAL

PARTIAL ACQUISITION REPORT FORMAT

PREPARED FOR

City and County of Denver
201 West Colfax Avenue
Denver, Colorado 80202

In Care Of

H.C. Peck and Associates
Attention: Leslie J. DeLuca
4001 Fox Street
Denver, Colorado 80216

PREPARED BY

Charles Nelson, MAI
Civil Technology, Inc.
2413 Washington Street, Suite 100
Denver, Colorado 80205

PROJECT:	Park Hill Detention
PROJECT LOCATION:	Park Hill Golf Club; 4141 East 35th Street, Denver, CO
PROJECT PARCEL NO'S:	PE-1 and TE-1
OWNERSHIP:	George W. Clayton Trust
APPRAISER:	Charles Nelson, MAI
DATE OF VALUATION:	July 23, 2018
DATE OF REPORT:	July 26, 2018

July 26, 2018

City and County of Denver
c/o H.C. Peck and Associates
Attention: Leslie J. DeLuca
4001 Fox Street
Denver, Colorado 80216

PARCEL NOS.:	PE-1 and TE-1
SUBJECT PROPERTY LOCATION:	4141 East 35th Avenue Denver, Colorado 80207
PROPERTY TYPE:	18-Hole Golf Course with Clubhouse
OWNERSHIP:	George W. Clayton Trust

Mrs. DeLuca:

This is my eminent domain appraisal report for the referenced property with an effective date of appraisal and valuation as of July 23, 2018. The purpose of this appraisal is to provide a compensation estimate for the reasonable market value of the property actually taken; compensable damages, if any, to the residue; and special benefits, if any, to the residue.

The development of my appraisal is contained in the attached appraisal report which sets forth my conclusions, supporting data, and reasoning.

I have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report, within the three-year period immediately preceding acceptance of this assignment.

I understand that this appraisal report may be used in connection with the acquisition of right-of-way for the referenced project to be constructed by the City and County of Denver. If necessary, this report with supporting data, analyses, conclusions, and opinions is to serve as a basis for court testimony for condemnation trial purposes. This appraisal report will become a public record after final settlement with the owner or after the conclusion of legal proceedings.

The reasonable market value and compensation estimate are subject to certain definitions, assumptions and limiting conditions, and certification of appraiser set forth in the attached appraisal report. Based upon my independent appraisal and exercise of my professional judgment, my compensation estimate for the acquisition as of July 23, 2018, is **$415,300**. Please see Extraordinary Assumptions and Limiting Conditions.

Sincerely,

Charles Nelson

Charles Nelson, MAI
Colorado Certified General Appraiser #CG 1323474

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Executive Summary	
Project	Park Hill Detention
Project Parcel Numbers	PE-1 and TE-1
County Parcel Number	1193-00-032
Name of Owner	George W. Clayton Trust
Address	4141 East 35th Avenue Denver, Colorado 80207
Owner Present at Inspection	The owner representative was contacted and gave instruction to arrange an inspection with Arcis Golf, the tenant on the property. The property was inspected on May 7, 2018. Matt Stephens with Arcis Golf, and the Manager at Park Hill Golf Course, was present during the inspection. Mr. E. Peter Elzi, appraiser with THK Associates, with expertise in golf course analysis and valuation, was also present, in addition to his associate. Mr. Elzi assisted on the appraisal process including the golf market analysis and valuation section. Additional inspections were made including an inspection from the public street on July 23, 2018.
Property Interest Appraised	Fee simple estate
Effective Date of Value/Report	The date of value is July 23, 2018, and the date of the report is July 26, 2018.
Summary of Environmental Concerns	The property is appraised as though clean.
Tenants	Arcis Golf leases the property. The lease includes the golf course, while the buildings and other items used to operate the golf course are owned by the tenant. The lease term is from January 1st, 1999, through December 31st, 2018. The lease also includes two options to extend. According to news articles, Arcis Golf is planning to exercise the option to extend.
Description of Improvements	The improvements include a 26,154 square foot clubhouse built in 1976, and a small building serving the driving range, and with indoor teaching and practice facilities. The building size and age were taken from county records. The clubhouse is in average condition for age. The parking lot is asphalt with concrete curbs.
Description of the Underlying Land/Site	The land is an irregular tract measuring 6,729,836 square feet, based on county records. This equates to 154.5 acres, rounded. The size based on county records is used in the report. Various plans and other data indicate a size of 155.42 acres. The county records appear to reflect the slight reduction in land size based on land that was acquired from the golf course, by the Regional Transportation District (RTD), for the FasTracks project. The property is improved as an 18-hole golf course. (Please see body of report for more detailed descriptions.)
Larger Parcel	The larger parcel is the property as improved. However, the permanent improvements are not impacted and their value is not included as part of the valuation summary.
Personal Property	Not Applicable
Use History	The property has been used as a golf course since 1931.
Subject 5-Year Sales History	The property has not sold on the open market within the last five years.

Executive Summary	
Zoning	The land is zoned Open Space Recreation District (OS-B) in Denver. The zone allows open space, parks, and similar uses. The intent of the zone district is to protect open space type uses not under city ownership, and to allow active and passive recreation uses. The property is currently under an agreement between the Clayton Foundation and the City and County of Denver to continue operation as a golf course. (See Summary of Appraisal Problem on pages 28 through 35).
External Market Influences	The golf course market may be stabilizing after a period of decline. Additional comment on the golf market is in the addendum section under the golf course market analysis and valuation portion of the report. The commercial and industrial real estate markets, in general, are strong with low vacancy rates and increasing rental rates. The industrial market has greater demand compared to supply, and more space is being occupied compared to new space added and combined with tenants leaving existing buildings. (Absorption is positive, in general) The residential and multifamily markets are showing the strongest gains over the last several years. However, there are some signs of a slowing of the growth pattern, although growth continues to be positive. The retail market is growing with increasing rents. However, the growth is at a slower pace compared to the residential and industrial markets.
Part Taken/Easements Parcel Nos.	PE-1 and TE-1
Highest/Best Use Before Acquisition	The highest and best use before the acquisition is the current golf course use.
Highest/Best Use After Acquisition	The highest and best use after the acquisition continues to be golf course use.
Part Taken Total Land/Site Area and Purpose	Not Applicable (N/A)
Permanent Easement Acquired Total Land/Site Area	Parcel PE-1 measures 1,087,720 square feet or 24.971 acres.
Purpose of Parts Acquired	N/A
Purpose of Easement	The easement will be used for drainage detention purposes.
Purpose of Temporary Easement	Temporary easement TE-1 measures 2,030,674 square feet or 46.618 acres. The land will be used for construction support, storage of dirt/fill, construction staging, and similar uses.
Summary of the Effect of the Acquisition on the Residue	The appraisal is developed under the extraordinary assumption that the project will include redesigning and returning the property to an 18-hole golf course in the after condition. As of the effective date of value the plans have not been completed.

Executive Summary	
Damage Considerations	Given that the golf course is redesigned and returned to an 18-hole functioning golf course in the after condition, there are no damages. The golf course valuation section, completed by Mr. Elzi, in the addendum includes calculation of the value based on the after condition. However, this value considers the temporary fees loss due to the need to reduce the course to a 9-hole course while construction is taking place. This represents a temporary loss. The after condition to be valued in this report is based on the Modified State Before and After rule, described later in the report. Given that the course is returned to an 18-hole golf course, the residue value before consideration of the impact from the project, and the value after consideration of the impact from the project, is the same.
Cost-to-Cure	The project will include redesigning and curing any impacted areas and there are no cost-to-cure applied in the report.
Special Benefits Considerations	The redesigned portion of the golf course will likely have superior aesthetic appeal in the after condition. However, the project does not create damages and special benefits have not been calculated.

Value and Compensation Conclusions						
Larger Parcel Value Before Take					**Total Value**	
Land/Site Value	154.50	AC	X	$19,039.79	= $2,941,648	
Contributory Value - Impacted Site Improvements					$0	
Total Larger Parcel Value Before Take (land + affected improvements)						**$2,941,648**

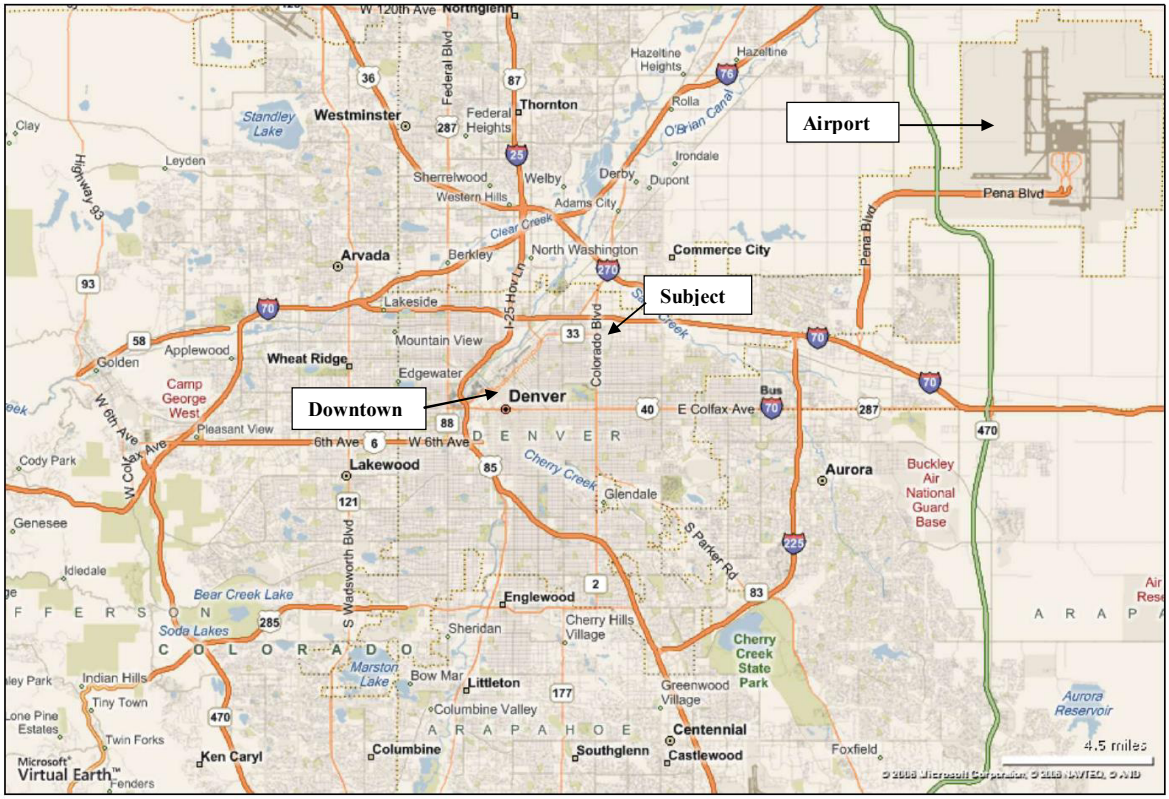
Value of Part Taken						
Land/Site Taking						
Parcel No.	Area SF	$ Unit Value/Acre		Value	Total Value	
N/A	0	$0		$0		
Total Land/Site Value of Part Taken					**$0**	
Permanent Easement Taking						
Parcel No.	Area SF	$ Unit Value/Acre	% of Fee	Value	Total Value	
PE-1	24.971	$19,039.79	50%	$237,721		
Total Easement Value of Part Taken					**$237,721**	
Owner Affected Improvement Takings (Contributory Value)						
Descriptions of Improvements (buildings, structures, etc.)				Contributory Value	Total Value	
Contributory Value - Impacted Site Improvements				$0		
Total Impacted Improvements Value of Part Taken					**$0**	
Total Value of Part Taken (land + affected improvements)						**$237,721**

Residue Value Before Take					
Larger Parcel Value Before Take (land + affected improvements)				$2,941,648	
<Less> Value of Part Taken (land + easements + affected improvements)				($237,721)	
Residue Value Before Take					**$2,703,927**
Residue Value After Take					
Site Value - Fee Land	129.529	SF X	$19,039.79	$2,466,205	
Land Subject to Permanent Easement PE-1	24.971	SF X	$9,519.90	$237,722	
Residue Value After Take					**$2,703,927**
Difference Represents Incurable Damages					**$0**

Rental Value of Temporary Easement						
Parcel No.	**Area AC**	**$ Unit Value**	**Rate (%)**	**Term (Years)**	**Value**	
TE-1	46.618	$19,039.79	10%	2	$177,519	
Total Rental Value of Temporary Easement						$177,519

Compensation Summary		
Land/Site Value of Part Taken	$0	
Easement Value of Part Acquired	$237,721	
Owner Improvements Contributory Value of Part Taken	$0	
Total Value of Part Taken		$237,721
Compensable Damages and/or Offsetting Special Benefits		
Compensable Damages/Incurable	$0	
<Less> Special Benefits (offset up to 100% of incurable damage)	($-0-)	
Compensable Damages/Curable/Cost-to-Cure	$0	
Remaining Special Benefits (offset up to 50% value part taken) >>	($-0-)	
Net of Damages/Offsetting Special Benefits		$0
Total Rental Value of Temporary Easement		$177,519
Compensation Estimate		*$415,240*
Compensation Estimate - Rounded		**$415,300**

General Metro Area Map



Site to do Business Aerial Photograph - (General Location of Permanent Easement Identified

For illustration Only; Not Scaled or Exact)

Street Map


Subject
Denver
Park Hill Golf Club
Skyland Park
E 46th Ave
E 45th Ave
E 44th Ave
E 43rd Ave
E 42nd Ave
E 41st Ave
E 40th Ave
E 39th Ave
E 38th Ave
E 36th Ave
E 35th Ave
E 34th Ave
E 48th Ave
E 47th Ave
E Smith Rd
E Stapleton Dr N
E Stapleton Dr S
E Bruce Randolph Ave
Colorado Blvd
Monaco Pkwy
Microsoft Virtual Earth
500 yds

Subject Photographs
Additional Photographs in Addendum Section
Looking North along 13th Hole

Looking Northeast – Cart Path and Tee Box to Right

Looking North – 15th Hole in Background

Looking Northeast – Holes 12 and 11 in Background; Area of Portion of TE-1

Northeast Portion of Golf Course

Rear Portion of Course (Area of Easement) Corner of Smith Road and Dahlia Street in Background

Portion of Easement Running Parallel with Dahlia Street (In Background) Area of TE-1 Adjoins PE-1

Looking South at Driving Range and Area of TE-1

Driving Range Looking North; Portion of PE-1 in Background

PART 1 – SCOPE OF WORK

Comments on Competency

My personal experience with the valuation of golf courses is limited. Therefore, I have taken steps to meet the competency requirement under USPAP. I consulted with Mr. E. Peter Elzi, of THK Associates. Mr. Elzi is a Real Estate Appraiser with extensive experience in the appraisal of golf courses. Mr. Elzi provided significant assistance in the golf course market analysis and valuation section, and also appraised the property independently. As part of the consultation, I meet with Mr. Elzi on-site, and we completed a thorough site investigation and a detailed discussion of the analysis.

Mr. Elzi's analysis of the golf course market and of the value of the golf course before the acquisition is incorporated into the conclusions in this report. Mr. Elzi also includes other general information sections that are duplicated in my analysis. These sections in his report have been removed, including the highest and best use and zoning sections. The complete report is in file. Mr. Elzi and I agree that the highest and best use is continued golf course use.

I reviewed his opinion and completed additional consultation with other experts. In addition, I studied the golf course market including reviewing sales data and review of articles in various publications. Based on study and analysis, the valuation developed by Mr. Elzi, for the value before the take, is supportable.

Mr. Elzi also calculated minor damages based on the temporary need to convert the course into a 9-hole golf course during construction. The purpose of this assignment, however, includes calculating the value in the after condition, after the project is completed. The project will include restoring the golf course to an 18-hole golf course in the after condition, and the value of the residue before considering the impact from the project and after considering the impact from the project does not change.

The analysis is based on the Modified State Before and After Rule used in Colorado when valuing property for eminent domain purposes. The rule includes valuing the after condition, as if the project is in place. In the after condition, the property will continue to be an 18-hole golf course and there are no compensable damages.

Assumptions and Limiting Conditions

The certification of the appraiser appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the appraiser in the report.

Extraordinary Assumptions

Definition of 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 2018-2019 ed.; The Appraisal Foundation)

1. The project will include redesigning the golf course in the after condition, so that the course will continue to be an 18-hole golf course. Impacted site improvements will also be replaced/repaired in kind, as part of the project. As of the effective date of value the golf course redesign plan has not been completed and the report is developed as though the plan will show an 18-hole golf course in the after condition, with no impact in terms of future golf course use. This report includes discussion of the redesign process. However, this is based on a planning document in preliminary format. The final design will likely be modified as the public comment process takes place.

2. The tenant did not provide the current operating statement including income and expense data. The report is developed as though the current operating statement information would not have a major impact on the valuation. If the statement is provided, and it shows new or different information that could impact value, the appraisal and report may need to be revised. A 2010 statement is included in the valuation section, in the addendum to this report.

   USPAP requires disclosure that these extraordinary assumptions could impact the results of the appraisal.

Hypothetical Conditions

Definition of 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 2018-2019 ed.; The Appraisal Foundation)

No hypothetical conditions are applicable in the valuation of the subject property.

General Assumptions and Limiting Conditions

1. The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photographs are included for the same purpose. Site plans are not surveys unless prepared by a separate surveyor. The subject site, according to various plans and other data in file, is shown to be 155.42 acres. County records show a land size of 6,729,836 square feet, or 154.5 acres, rounded. The county records appear to reflect a small reduction in land size based on land that was acquired from the course, by the Regional Transportation District (RTD), for the FasTracks project. The size based on county records is used in the report.

2. This is an Appraisal Report which is intended to comply with the reporting requirements set forth in Standards Rule 2 of USPAP.

3. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report. The property is appraised "as if free and clear" of liens and encumbrances, but subject to existing easements, covenants, deed restrictions, and rights-of-way of record. Title work was provided and reviewed as part the assignment.

4. Opinions, estimates, data, and statistics furnished by others in the course of studies relating to this report are considered reliable.

5. Responsible ownership and competent management of the subject property are assumed.

6. This report is as of the date set out and is not intended to reflect subsequent fluctuations in market conditions, up or down. As an assignment condition, no specific exposure time is linked to the value and compensation conclusions in this appraisal report, however, reasonable exposure time is presumed. This is in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions, which is a guiding document in eminent domain appraisal procedures and policies followed by the City and County of Denver and by other agencies, organizations and appraisal professionals. Mr. Elzi concludes to a market exposure time in his report, but this is not the case for the larger assignment.

7. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated land use. Separate allocations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

8. This report is as of the date set out and is not intended to reflect subsequent fluctuations in market conditions, up or down.

9. It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or arranging for engineering studies that may be required to discover them.

10. It is assumed the subject property complies with all applicable zoning and use regulations and restrictions, unless non-conformity has been stated, defined, and considered in this appraisal report.

11. It is assumed the use of land and improvements is within the boundaries or property lines of the property described and there is no encroachment or trespass unless otherwise stated in this report.

12. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection of the subject property. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the subject property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, or for any expertise or knowledge required to discover them.

13. There was no indication of environmental hazards noted during inspection. I am not qualified to complete a detailed environmental analysis like a Phase 2 study. If new or different information is provided the appraisal and report may need to be revised.

14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in developing an opinion of the value of the property.

Certification of Appraiser

Parcel No.: PE-1 and TE-1
Owner: George W. Clayton Trust

I certify that, to the best of my knowledge and belief:

- I have personally inspected the subject property appraised and I have also made a personal field inspection of the comparable sales relied upon in making my appraisal, examined sales instruments of record, and have confirmed the sales transactions with the buyer and/or seller unless otherwise noted. The photographs in this appraisal report reasonably represent the subject property, the property to be acquired, and comparable sales relied upon.

- I have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

- any increase or decrease in the reasonable market value of the real property appraised caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than physical deterioration within the reasonable control of the owner, was disregarded in this appraisal (Colorado Jury Instructions - Civil 4th, 36:3; § 24-56-117(1)(c), C.R.S.; and 49 CFR § 24.103(b)). This is also known as the *Project Influence* rule and is a Jurisdictional Exception Rule to USPAP Standards Rule 1-4(f) and is only applicable to the reasonable market value of the larger parcel before take and the value of the part taken.

- my analyses, opinions, and conclusions were developed, and this report has been prepared in conformity and consistent with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act); 49 CFR Part 24; 23 CFR Part 710; § 38-1-101 et. seq. C.R.S.; §24-56-101 et. seq. C.R.S.; CDOT Right of Way Manual Chapter 3, as may be revised; appropriate State laws, regulations, policies and procedures applicable to appraisal of right-of-way; and the Uniform Standards of Professional Appraisal Practice (USPAP). To the best of my knowledge no portion of the value assigned to the property consists of items which are non-compensable under established State law.

- statements of fact contained in this report are true and correct. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

- I understand this appraisal may be used in connection with the acquisition of right-of-way for the referenced project to be constructed by the City and County of Denver.

- 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.

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

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

- 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 the

value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

- I have not revealed the findings and results of this appraisal to anyone other than the proper officials of H.C. Peck and Associates and the City and County of Denver, nor will I do so until required by due process of law or by having publicly testified as to the findings.

- I acknowledge that this appraisal report and all maps, data, summaries, charts and other exhibits collected or prepared under this agreement shall become the property of the City and County of Denver without restriction or limitation on their use. I also acknowledge that this appraisal report will become a public record after settlement with the property owner or after the conclusion of legal proceedings.

- Mr. E. Peter Elzi provided significant real property appraisal assistance to the person signing this report including the golf market analysis and valuation in the addendum section. I completed review and additional work explained in the body of the report. I have adopted the market analysis and valuation sections into this report.

- The use of this report is subject to the requirements of the Board of Real Estate Appraisers, State of Colorado, Department of Regulatory Agencies relating to review by its duly authorized representatives. The assignment is also subject to the requirements of the Appraisal Institute.

- As of the date of this report, I, Charles Nelson, have completed the requirements of the continuing education program of the Board of Real Estate Appraisers, State of Colorado.

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

- As of the date of this report, I, Charles Nelson, have completed the continuing education program for Designated Members of the Appraisal Institute.

- The report is subject to review by duly authorized representatives of the Appraisal Institute.

- The property was inspected on May 7, 2018. Additional inspections were made including an inspection from the public street on July 23, 2018.

- The effective date of appraisal and valuation is as of July 23, 2018. The date of the appraisal report is July 26, 2018.

- Based upon my independent appraisal and the exercise of my professional judgment, my compensation estimate for the acquisition as of July 23, 2018, is **$415,300.**

Charles Nelson, MAI
State of Colorado
Certified General Appraiser #CGO1323474

Identity of the Client and Intended Users

This appraisal report has been prepared for the client, the City and County of Denver, in care of H.C. Peck and Associates. Known users of this appraisal report include but are not limited to H.C. Peck and Associates, and the City and County of Denver, and their attorneys.

Intended Use of the Appraisal

The intended use of the appraisal is in connection with the acquisition of a permanent easement for the referenced project to be constructed by the City and County of Denver. If necessary, this appraisal report with supporting data, analyses, conclusions, and opinions is to serve as a basis for court testimony in condemnation trial proceedings. The appraisal report will become a public record after settlement with the property owner or at the conclusion of legal proceedings.

Real Property Interest Appraised

The real property interest of the subject larger parcel before take, the part taken, and residue after take are valued as fee simple estate (title). The property is appraised "as if free and clear" of all liens, bond assessments, and indebtedness, but subject to existing easements, covenants, deed restrictions, and rights-of-way of record. The property is currently leased, explained later in the report. The lease is not a market based lease and involves payment for the sustainability of the Clayton Foundation. The value in this report is based on the fee simple value for the property based in its highest and best use.

Definition of Reasonable Market Value

Colorado eminent domain proceedings use the following jurisdictional definition of reasonable market value:

> "The value you are to determine for the property actually taken is the reasonable market value for such property on July 23, 2018. 'Reasonable market value' means the fair, actual, cash market value of the property. It is the price the property could have been sold for on the open market under the usual and ordinary circumstances, that is, under those circumstances where the owner was willing to sell and the purchaser was willing to buy, but neither was under an obligation to do so." (CJI-Civil 4th, 36:3)
>
> In determining the market value of the property actually taken, you are not to take into account any increase or decrease in value caused by the proposed public improvement." (CJI-Civil 4th, 36:3)

Colorado Revised Statutes also address project influence:

> "Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, shall be disregarded in determining the compensation for the property." (§24-56-117(1)(c), C.R.S.)

Undivided Basis Rule

The fee value is estimated based on the Undivided Basis Rule. The Undivided Basis Rule is defined below.

3.1.20 – Undivided Basis Rule (Undivided Fee)

1. Colorado Statute

The State of Colorado follows the "undivided basis" rule. Based upon state statute, this is a jurisdictional exception to USPAP Standards Rule 1-4(d) and (e). Property to be taken by a condemning agency is to be valued on an undivided basis instead of a "sum of the interest" approach. Sum of the interest approach involves valuing the lessor's (leased fee estate) and lessee's (leasehold estate) interests separately and then adding the two interests together to arrive at a value for the property taken. It is not proper to value a leasehold separately for litigation valuation purposes in Colorado.

Under the undivided basis rule, compensation awarded for the fee can be later apportioned between the lessor and lessee in a separate and subsequent hearing. A lessee is entitled to participate in the valuation trial. A lessee may join with the property owner to present evidence as to reasonable market value of the undivided fee and to cross-examine testimony of appraisers.

Colorado Revised Statutes, Title 38, Article 1, Section 105(3) (§ 38-1-105(3), C.R.S.) states:

> "...If there is more than one person interested as owner or otherwise in the property and they are unable to agree upon the nature, extent, or value of their respective interests in the total amount of compensation so ascertained and assessed on an undivided basis by either a commission or a jury, the nature, extent, or value of said interests shall thereupon be determined according to law in a separate and subsequent proceeding and distribution made among the several claimants thereto."

2. Colorado Case Law

The undivided basis rule is also a jurisdictional exception to USPAP based upon Colorado case law. Colorado case law, Montgomery Ward & Co. v. City of Sterling, 185 Colo. 238, 523 P.2d 465 (1974) provides further explanation of the undivided basis rule. The following annotation of Montgomery Ward & Co. v. City of Sterling is contained in Colorado Revised Statutes 2002, Vol. 10, Property-Real And Personal, Bradford Publishing Co., Denver, 2002, p. 1154-55.

- **"This state follows version of undivided basis rule.** Where a lessor holds a fee simple subject to an encumbrance, such as a lease, this state follows the rule that the property must be valued on an undivided basis, but with some distinctions from the strict undivided fee rule."

- **"Under undivided basis rule, parties have opportunity to agree on apportionment of award,** thereby avoiding completely the difficult task of ascertaining the value of the separate interests."

- **"Encumbrance adding or subtracting from fair market value not ignored.** The undivided basis rule, as applied in Colorado and, as distinguished from the undivided fee rule adopted in some states, does not ignore the value which an encumbrance may add to or subtract from the fair market value of the property as a whole."

- **"Contract rental adding to value relevant.** The undivided basis rule contemplates that where a contract rental adds to the fair market value of the property, evidence of that rental is relevant in determining the compensation to be paid."

- **"If contract rental less than fair rent, latter relevant.** Under the undivided basis rule, where a contract rental is less than the fair rental, the fair rental and not the contract rental is the relevant evidence on the issue of compensation. This assures a fair return for the property valued as a whole."

In the subject's case, the lease between Arcis Golf and the Clayton Foundation is not based on market principals with a purpose that is outside of the scope of this assignment. The property, therefore, is not valued based on this lease.

Effective Date of Appraisal

The effective date of appraisal, reasonable market value opinion, and compensation estimate for the proposed acquisition is July 23, 2018.

Date of Appraisal Report

The date of the appraisal report is July 26, 2018.

Date of Property Inspection and Owner Accompaniment

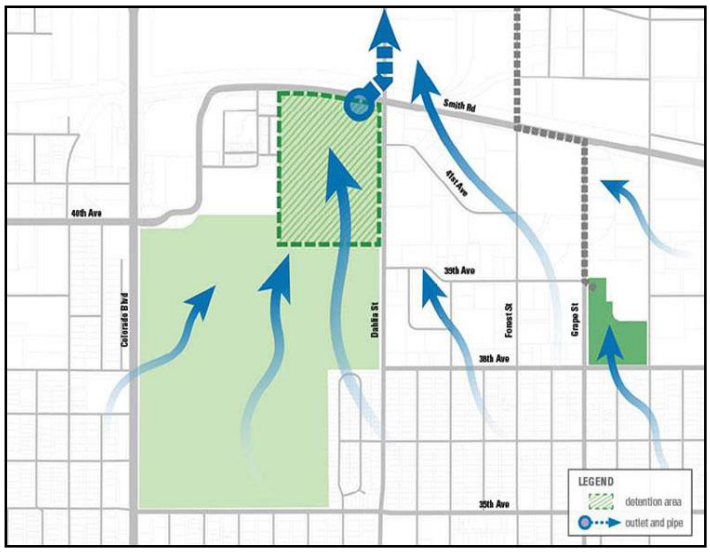
The owner representative was contacted and gave instruction to arrange an inspection with Arcis Golf, the tenant on the property. The property was inspected on May 7, 2018. Matt Stephens with Arcis Golf, and the Manager at Park Hill Golf Club, was present during the inspection. Mr. E. Peter Elzi, appraiser with THK Associates, with expertise in golf course analysis and valuation, was also present, along with his associate. Mr. Elzi assisted on the appraisal process including the valuation section. Additional inspections were made including an inspection from the public street on July 23, 2018.

Project Identification and Description

The Park Hill Detention project is part of a larger integrated program known as the Platte to Park Hill: Stormwater Systems program, taking a comprehensive approach to flood control in the neighborhoods north and east of downtown while improving water quality and enhancing public safety. The Park Hill project includes constructing a detention pond in the northeast portion of the Park Hill Golf Course. As of the effective date of value, final design

has not been completed. The design process will include input from the Clayton Foundation, and the community.

The following diagram was taken from the City and County of Denver web site (www.denvergov.org); last visited in July of 2018. Please note; the map is a preliminary and general and presented for illustration only.



The project is located in the northeast portion of the golf course. Based on preliminary planning documents, several holes will need to be relocated and re-constructed including all of hole #3, most of hole #4, most of hole #5, a large portion of hole #6 and a small portion of hole #2.

Right-of-Way Plans Relied on for Valuation Purposes

As of the effective date of value right-of-way plans were not completed. The appraisal is developed based on preliminary legal descriptions, dated March 18, 2018. The legal descriptions of the permanent easement and temporary easement are presented later in the report. If the legal descriptions are changed, the appraisal and report will need to be modified to reflect the change(s).

Purpose of the Appraisal

Eminent domain appraisal is subject to the Code of Federal Regulations (CFR) and the Federal Uniform Act appraisal requirements, Colorado Revised Statutes (C.R.S.), and Colorado Jury Instructions (CJI). Real property appraisal development and reporting is subject to the Uniform Standards of Professional Appraisal Practice (USPAP). The purpose of this appraisal is to develop a compensation estimate for the reasonable market value of the property actually taken; compensable damages, if any, to the residue after take; and

specific benefits, if any, to the residue after take. Referred to as the modified state before-and-after rule, steps to develop a compensation estimate for the acquisition of real property are:

1. Larger Parcel Value Before Take
2. Value of Part Taken (including easements acquired)
3. Residue Value Before Take (= Value of Larger Parcel Before Take <Less> Value of Part Taken)
4. Residue Value After Take (including encumbered easement areas acquired)
5. Analysis of Damages and/or Benefits
6. Rental Value of Temporary Easements
7. Compensation Estimate Summary

Please see the Appendices for further details about the steps outlined above.

Scope of Research and Analyses

Golf course properties are generally evaluated based on potential income generation, with the exception of sites that may have a different highest and best use. Given the subject's lease and zoning, and the Beneficial Ownership by the City and County of Denver, the golf course use will likely continue into the future.

The type of data needed to value a golf course similar to the subject includes income and expense data for the subject, and data from the market from operating golf course properties. Various publications and surveys are required to aid in estimating capitalization rates and discount rates. Mr. E. Peter Elzi, of THK Associates, provided much of this data. However, the tenant did not provide the current operating statement including income and expense data. The report is developed as though the current operating statement information would not have a major impact on the valuation. If the statement is provided and shows new of different information that would impact value, the appraisal and report may need to be revised. In addition, comparable sales of golf courses are included.

Other data sources used included published sales data prepared by Site to do Business, CoStar, Real Quest, the Multiple Listing Service, and public records. Economic factors relating to the subject neighborhood and surrounding areas were investigated. The sources of these economic factors varied including the Site to Do Business service, and sources detailed in the valuation section in the addendum, and articles published in the Denver Post and other news sources.

There are three approaches by which the value of real estate may be estimated, with additional subset methodology based on the core approaches. The three approaches include the Sales Comparison, the Cost, and the Income Capitalization Approach. In some cases, one or more of the approaches are deemed unreliable or unsupportable; and, consequently, are not used.

The income approach is used in this assignment, and includes a discounted cash flow analysis. This type of analysis requires projections into the future, and it is difficult to predict supply and demand, changes in the economy, changes in requirements for development, and so on; that impact property use and value. Therefore, as a test of reasonableness, comparable sales data will be presented.

Summary of Appraisal Problems

The subject property was under a conservation easement agreement between the owners (George W. Clayton Trust) and the City and County of Denver, signed in 1997. A portion of the agreement follows, with the entire agreement in file. The intent of the agreement was to restrict the land to public golf course use.

9. Condemnation.

(a) In the event that such portion of the Golf Course Land is taken through the exercise of the power of eminent domain by the City and County of Denver so that it is no longer physically possible to operate a regulation-length 18-hole golf course and driving range on the Golf Course Land, Grantee shall have no claim against Grantor for any portion of the compensation attributable to the value of the Golf Course Land taken, and Grantor shall have the right to terminate this Easement by delivering a written notice of termination to Grantee, which termination shall be effective immediately upon delivery.

(b) In the event that such portion of the Golf Course Land is taken through the exercise of the power of eminent domain by any public entity other than the City and County of Denver, so that it is no longer physically possible to operate a regulation-length 18-hole golf course and driving range on the Golf Course Land, Grantee shall be entitled to 25% of the total compensation attributable to the value of the Golf Course Land taken, and, if the Grantor elects to sell, in an arm's length transaction at fair market value, the remainder of the Golf Course Land and tenders to Grantee a cash amount equal to 25% of the full selling price of the cash equivalent for the value of any trade, the Grantor shall have the right to terminate this Easement upon tendering said amount, along with a written notice of termination, to Grantee.

(c) In the event that a portion of the Golf Course Land is taken through the exercise of the power of eminent domain by any public entity including the City and County of Denver and the portion taken does not make it physically impossible to operate a regulation-length 18-hole golf course and driving range on the Golf Course Land, Grantee shall have no claim against Grantor for any portion of the compensation attributable to the value of the Golf Course Land taken, and the Conservation Easement shall remain in full force and effect.

10. Abandonment. In the event Grantee shall release, terminate, extinguish, or abandon its rights herein granted, all right, title, and interest of Grantee hereunder shall cease and terminate, and the grant herein shall revert to the Grantor.

11. Anti-Discrimination. The Grantor acknowledges and agrees that, with respect to the operation, management, and maintenance of the Golf Course and access to and use of the Golf Course by the public, the Grantor is subject to, and obligated to comply with, Denver's Anti-Discrimination Ordinance set forth in §§ 28-91 *et seq.*, Denver Revised Municipal Code, as it currently exists or may hereafter be amended. To this end, the Grantor acknowledges and agrees that the Golf Course is a "place of public accommodation" under this Ordinance.

12. Transfer. Nothing contained herein shall restrict the right of Grantor to sell, convey, mortgage, encumber, transfer, assign, or lease all or any portion of the Golf Course Land or any interest therein subject to this Easement. Obligations or restrictions contained herein shall not be a personal covenant of Grantor, but shall run with the land and be enforceable against any owner, lessee, mortgage holder, assignee, or other successor in interest of Grantor.

Clause C under item 9 states that if the acquisition does not make it physically impossible to operate a golf course, the conservation easement shall remain in full force and effect.

The above agreement, however, is no longer in affect based on the following document, releasing the easement.

2000175268 2000/12/01 14:34:36 1/ 3 REL
DENVER COUNTY CLERK AND RECORDER .00 .00 SSR

1.3

RELEASE OF EASEMENT

WHEREAS, THE CLAYTON FOUNDATION, as Trustee for the George W. Clayton Trust, a Colorado Trust ("Foundation"), is the record owner in fee simple of approximately 156 acres of certain lands located within the City and County of Denver, as more particularly described in Exhibit A (the "Golf Course Land"); and

WHEREAS, a regulation-length 18-hole daily fee public golf course known as the Park Hill Golf Course is presently located and operated on the Golf Course Land; and

WHEREAS, THE CITY AND COUNTY OF DENVER, a municipal corporation of the State of Colorado ("Denver") acquired a conservation easement upon the Golf Course Land on November 4, 1997, which was recorded with the Denver Clerk and Recorder's Office (the "Easement"); and

WHEREAS, Denver no longer has a need or desire to hold the Easement since it will beneficially own the Golf Course land.

NOW THEREFORE, in consideration of these premises above and execution of the Agency Agreement between Denver and the Foundation, on this 13TH day of OCTOBER, 2000, Denver hereby releases, remises, cancels, and forever discharges all of the rights, title, and interest which it had under and by virtue of the aforesaid Easement in the real estate described therein.

THE CITY AND COUNTY OF DENVER

By: _____
Mayor

ATTEST:

By: _____
Rosemary Rodriguez, Clerk and Recorder

APPROVED AS TO FORM:

J. Wallace Wortham, Jr.
City Attorney

_____
Assistant City Attorney

This document, in essence, gives the City and County of Denver control over the use of the site with Beneficial Ownership. The Beneficial Ownership relegates the use of the property as a public golf course, into the future.

Denver's defined use is as a golf course, with the land zoned for passive recreation, and this defines the highest and best use, discussed in the body of the report.

The following is a brief history and current status of the golf course and arrangement with the tenant. The narrative is presented for information purposes. The value in this report is based on the fee simple value based on highest and best use, and the various agreements are between related parties and other entities and are not market based.

Brief Property History

Mr. George W. Clayton, a Denver businessman who died in 1899, bequeathed his estate to fund the George W. Clayton Home and School for Orphan Boys. The City of Denver acted as trustee of the George W. Clayton Trust from 1899 through 1984, when The Clayton Foundation was formed to act as trustee. The land that the golf course is located on was formerly a dairy farm owned by the George W. Clayton Trust. The city developed the property into a golf course in 1931 to create greater funding for the nonprofit. The Clayton Foundation eventually evolved into providing education for low income children, their purpose today.

The city was removed as trustee in 1984 when The Clayton Foundation was created to act as the trustee of the George W. Clayton Trust. In order to create greater funding for the nonprofit, The Clayton Foundation attempted to sell the property in 1986 for $10.6 million, based on a rezoning to allow retail and industrial development. A preliminary agreement was reached with L.C. Fulenwider, Inc. However, due to the downturn in the economy and resistance to the rezoning, the agreement was no consummated, and the foundation renegotiated the golf course lease.

In 1996, the golf course operator died and the land was again offered for sale or lease. The City and County of Denver and The Clayton Foundation agreed to limit the land uses to golf course and related uses, with the city, in essence, paying $2 million for the development

rights through a conservation easement that was placed on the property. The easement limited the use to golf course and related uses. In 1998 a lease was signed with American Golf Corporation.

In 2000, it was discovered that although The Clayton Foundation was a nonprofit, the tenant, American Golf Corporation, was not and a possessory interest tax was assessed. The tax, ultimately, was shared between Clayton and the tenant. In addition, at some point it was determined that real estate taxes could have been assessed since 1984 when the city was removed as the trustee and The Clayton Foundation became the trustee. This action meant that the property was no longer tax exempt because The Clayton Foundation was not part of the city.

The Clayton Foundation and the City developed an Agency Agreement that would transfer the fee title to the city, and remove the 1997 conservation easement. This would again create a tax exempt status. The Clayton Foundation would have a right to terminate the agency relationship with the city by giving 30 days prior written notice. However, a conservation easement would then be put back in place that would ensure that the golf course land is used only for golf course and related activities.

In 2008 the golf course lease was assigned to Evergreen Alliance Golf Limited, now known as Arcis Golf.

Lease Summary

The current lease in place was originally between The Clayton Foundation as Lessor and American Golf Corporation as Lessee, initiated in December of 1998. A first amendment was made in 2004. In 2008 the lease was assigned to Evergreen Alliance Golf Limited (EAGLE Golf), now known as Acris Golf. The excerpt below shows the lease terms.

Lease Year	Guaranteed Rent
(a) Lease Year 1 (calendar year 1999)	$500,000 per Lease Year.
(b) Lease Year 2 (calendar year 2000)	$550,000 per Lease Year.
(c) Lease Year 3 (calendar year 2001)	$650,000 per Lease Year.
(d) Lease Year 4 (calendar year 2002)	$700,000 per Lease Year.
(e) Lease Years 5 through 20 (calendar years 2003 through 2018) and any Option Periods	The greater of (i) 75% of the average annual Guaranteed and Participation Rent paid for the immediately preceding three (3) Lease Years, or (ii) $700,000 per Lease Year.

In addition to the guaranteed rent in the table above, the tenant is required to pay 90 percent of net income proceeds. According to multiple sources, the golf course operation has been negative by $200,000 to $300,000 per year, in terms of net income, in the past several years. There is also a history of different operators that did not generate a profit. According to new articles, Arcis has reported a small profit for 2017.

In addition to the lease payment, operating expenses account for/include an annual management payment to the lessee at $100,000 from 1998 through 2000, then increasing by the Consumer Price Index (CPI) each year but not to be reduced if the CPI is negative between years. If the net operating income is insufficient to provide for the management payment, along with a personal property payment and debt service payment the amount due accrues to the following year/years with priority in terms of payment, when net operating income is available. Again, the guaranteed lease payment is part of the operating expenses deducted as part of the net income calculation and must be paid prior to the tenant receiving any management payment.

The subject is valued based on the fee simple estate. The likely buyer would be a golf course operator given the zoning, past and current use, and various agreements restricting the use.

First Right of Refusal

The lease also provides for a first right of refusal for any "bona fide offer" to purchase the Lessor's fee interest. In this case a knowledgably tenant acting within the market would likely evaluate the offer based on the revenues generated at the golf course. Given the agreement in place, and the conservation easement that could be placed on the property if the agreement is cancelled, the use is relegated to golf course use, and an offer to purchase would be based on golf course use.

Eminent Domain Article

The city is proposing to purchase a permanent easement over a portion of the golf course land to provide for a drainage facility/detention area for a larger drainage project. This could include the use of eminent domain. The lease includes an eminent domain article including treatment for a total taking and a partial taking. The eminent domain article from the lease is below.

> 19. EMINENT DOMAIN.
>
> 19.1 Total Taking. If at any time during the Lease term, use of all or a material portion of the Leased Premises shall be taken by condemnation or by right of eminent domain, this Lease shall terminate on the date of such taking and all rental payments already made shall be apportioned as of the date of the taking. For purposes of this Article, a "material portion" shall be deemed to have been taken if the remaining portion cannot economically be used by Lessee, in Lessee's reasonable judgment, in the manner in which the Leased Premises were used prior to such taking.
>
> 19.2 Partial Taking. In the event that use of less than all or a material portion of the Leased Premises is taken by condemnation or by right of eminent domain, this Lease shall not terminate, but the Guaranteed Rent due during the remainder of the Lease term shall be reduced as of the date of such partial taking in a proportion to the reduction in the Gross Revenues of the Leased Premises attributable to such partial taking.
>
> 19.3 Condemnation Award. If there is a taking by right of eminent domain, the award shall belong to and be paid to Lessor, except that Lessee shall receive from the award a sum attributable to the value of Lessee's leasehold estate, including improvements.

The project will include returning the golf course to an 18-hole course, and continued use as a golf course will be physically possible in the after condition.

PART 2 – FACTUAL DATA
LARGER PARCEL BEFORE ACQUISITION

Identification of Larger Parcel before Acquisition

Appraisal for eminent domain is unique in that it requires consideration of damages and/or benefits to the residue property after the take, when a partial taking occurs. Thus, the larger parcel from which a taking will be made must be determined.

Conditions that establish the larger parcel for the consideration of compensable damages and/or special benefits include an integrated highest and best use, and unity of ownership.

The larger parcel is the property as improved. The golf course is located at 4141 East 35th Avenue, Denver, Colorado. The course is located on a 154.5 acre site with a clubhouse and a second smaller building housing the range service counter and indoor teaching and practice area. The improvements also include a driving range.

External Market and Location Influences

Mr. Elzi has completed a golf market analysis as part of his expert report. The golf market analysis is in the addendum section.

External Market and Location Influences

The following narrative for the general Colorado area is based on the Focus Colorado Economic and Revenue Forecast, June, 2018; and from the Colorado Business Economic Outlook 2018. The narrative has been shortened and paraphrased in places.

Colorado and the Nation

The U.S. and Colorado economies appear positioned to flourish in the near term, with strong labor markets, improving housing markets, and robust consumer activity. A portion of current economic strength is attributable to the Tax Cuts and Jobs Act, which is accelerating short-term growth but may be borrowing against future investment. The economic expansion is expected to weaken late in the current forecast period as the business cycle comes to a close. As interest rates rise, households are expected to reprioritize savings at the expense of some spending, which will reduce growth capacity. Employers are already constrained by labor shortages, which will be exacerbated as veteran workers age out of the labor force. This forecast anticipates strong growth in the near term that is expected to taper off through 2020.

Colorado - Jobs/Unemployment

According to the Colorado Business Economic Outlook 2018, the Colorado economy is strong, but lacks a sufficient labor force. Hiring in Colorado is projected to slow based on the lack of labor force as opposed to the lack of jobs. Non-farm payroll jobs added in 2017 are estimated at 56,300, which is a 2.2 percent growth rate. Jobs added in 2016 totaled 57,300, which was a 2.3 percent growth rate. For 2018, jobs to be added are projected at 47,100, a growth rate of 1.8 percent, lower than the previous years.

The industries expecting the highest gains include professional and business services, at 10,000 jobs added, trade transportation and utilities at 8,700 and education and health services at 8,400 jobs added.

The Colorado unemployment rate was 2.3 percent in the spring, an all-time low. The average rate for 2017 was 2.5 percent. The expected rate for 2018 is 2.6 percent. The rate will remain among the lowest in the country, and the cost of living and tight labor market will subdue growth from in-migration.

Denver Metro Market Area

The first four months of 2018 offered additional growth to the metro Denver region's booming economy. Employment growth across the seven-county region is up year-to-date over 2017 levels, while the unemployment rate is holding steady at historically low rates. Without slack in the labor market, wage pressures continue to rise. The dearth of housing in the area has pushed home prices up even further, and subsequently excluded some people from the housing market and the region. Housing permit growth is up thus far in 2018; however, demand continues to overwhelm supply. As housing costs price many out of the area and the population ages in place, population growth is expected to slow, which may slow economic activity over the longer-term. The labor market in the metro Denver region followed the national trend during the first four months of the year, with an increasing number of workers entering the labor market as job opportunities improve. Employment growth was up 2.4 percent year-to-date over the same period last year, while the unemployment rate maintained 2017 levels. Early data suggest that employment growth has accelerated for the first time since 2014, even as population growth in the region has slowed.

The unemployment rate continues to signal that the area economy is at full employment. The extra slack in the labor market and a slight decline in the total labor force led to a stable unemployment rate of 2.7 percent year-to-date, the same level as 2017. The metro Denver region's unemployment rate is lower than the statewide average of 3.0 percent. Approximately 30 percent more companies in Denver report that they are adding jobs as of April, compared to the same month last year, which may help maintain this historically low rate of unemployment.

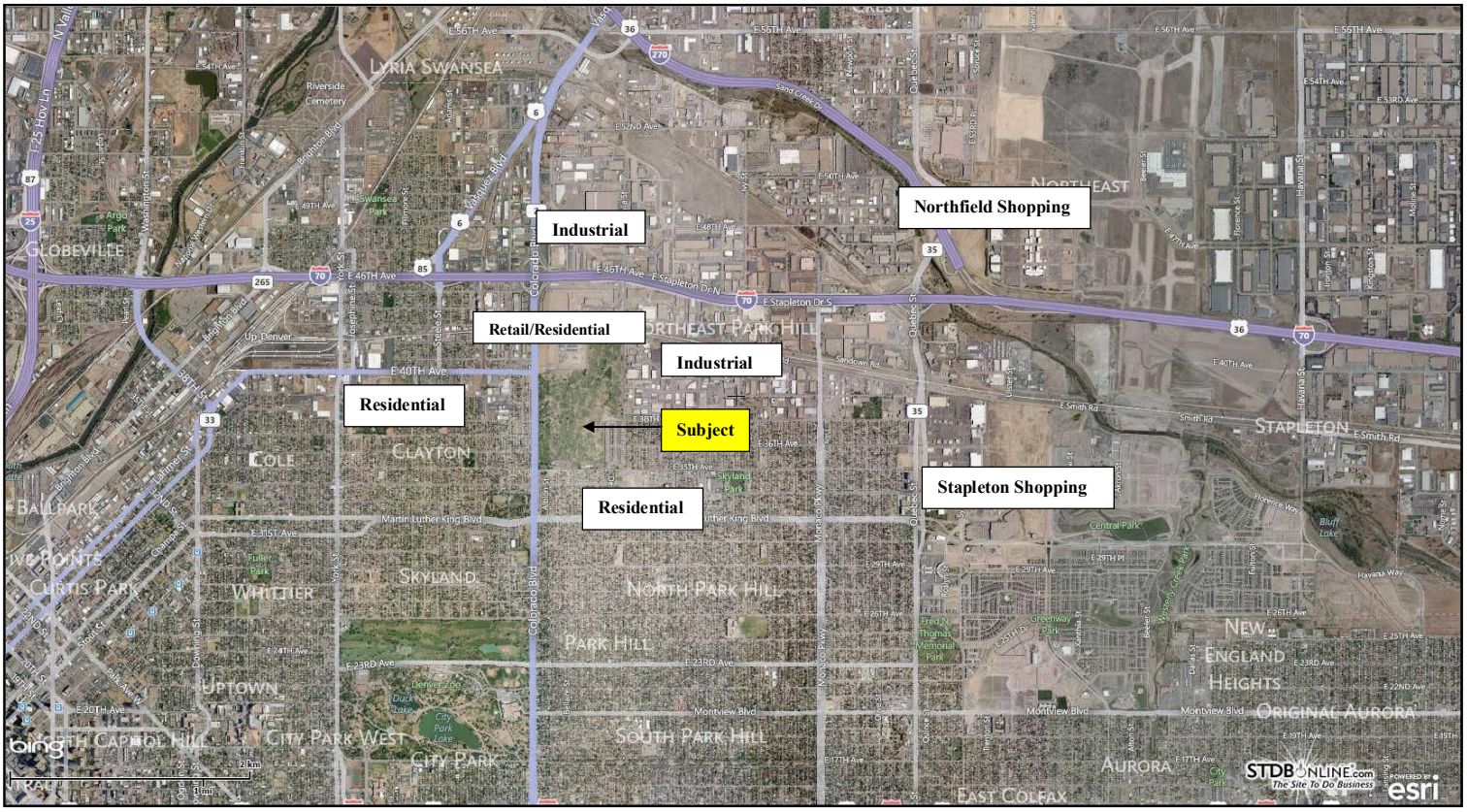
Residential construction activity remained elevated at the start of 2018, owing to strong demand and mild winter weather. In the first four months of the year, Denver-Aurora area single-family home permits rose 23.1 percent over year-ago levels, while permits in the Boulder metro area increased 4.2 percent. In 2017, the region experienced low growth at 3.8 percent in the Denver-Aurora area, and a decline of 4.3 percent in Boulder, as labor and land constraints muted growth. Multi-family construction has remained elevated throughout the metro Denver area as developers make the most of limited land.

Nonresidential building, a more volatile indicator than residential housing, is down year-to-date both in value and square footage. Value is down 0.4 percent, while square footage is down over 38 percent in the first four months of the year over the same period last year. Permits for nonresidential construction are at the lowest point since 2016.

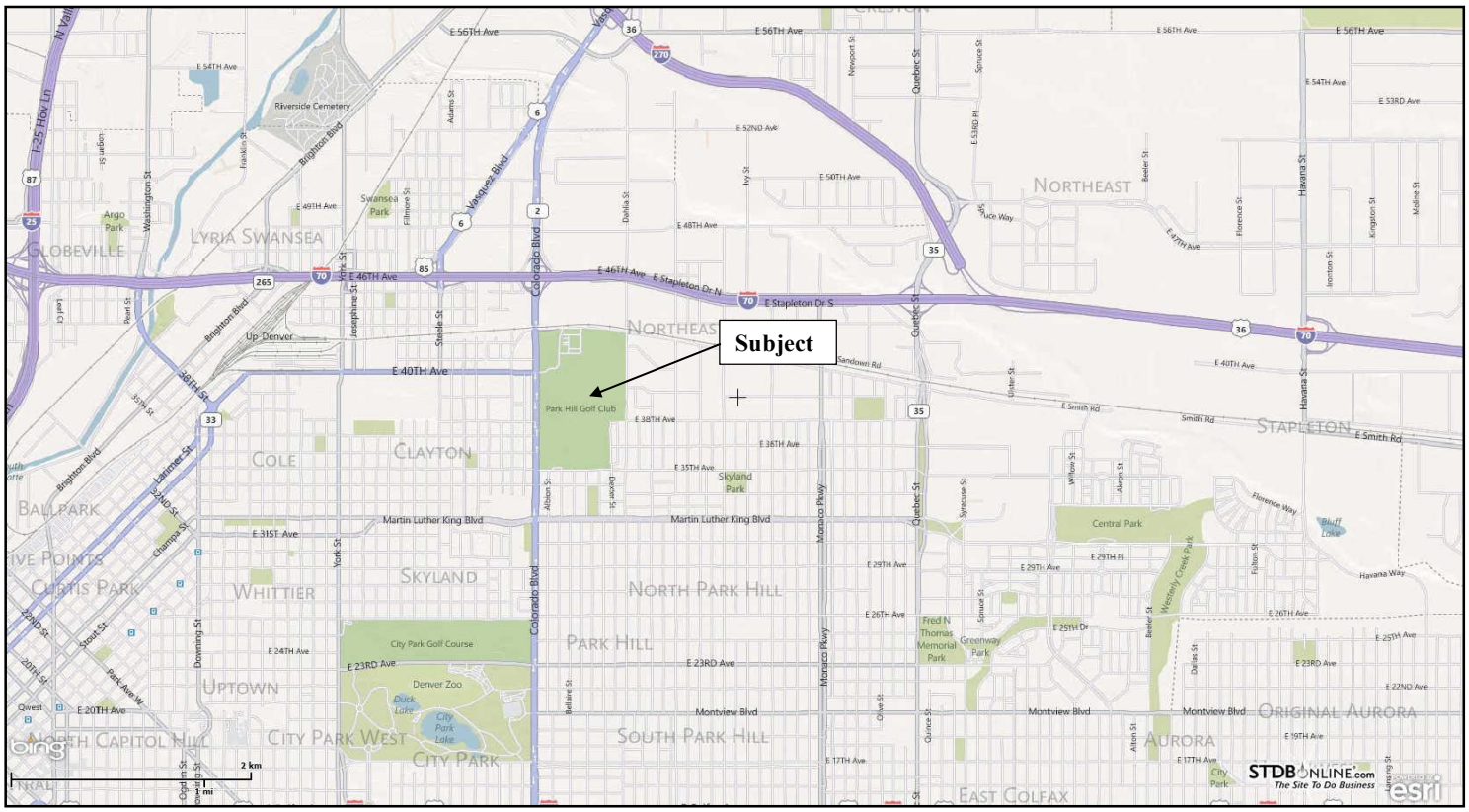
Subject Neighborhood - General Description

The subject is located adjacent to the northeast Denver industrial corridor. The general boundaries include Colorado Boulevard on the west, East 48th Avenue on the north, Quebec Street on the east, and East 38th Avenue on the south. Interstate 70 is in the middle of the general neighborhood. Colorado Boulevard is improved with commercial and retail uses, and industrial uses across from the subject and to the south. Development north of the subject includes new apartment buildings, retail development, and attached and detached single family homes, with sites further north improved with industrial buildings. The area to the east includes rail yards, highway interchanges, and light and heavy industrial uses. Small single family homes are along the south side of East 35th Avenue. The maps to follow show the general area.

Aerial


Industrial
Northfield Shopping
Retail/Residential
Industrial
Residential
Subject
Residential
Stapleton Shopping

Street Map


Subject
E 56TH Ave
E 54TH Ave
E 53RD Ave
E 52ND Ave
E 50TH Ave
E 49TH Ave
E 48TH Ave
E 47TH Ave
E 46TH Ave
E Stapleton Dr N
E Stapleton Dr S
E 40TH Ave
E 38TH Ave
E 36TH Ave
E 35TH Ave
E 31ST Ave
E 29TH Ave
E 29TH Pl
E 26TH Ave
E 25TH Dr
E 25TH Ave
E 24TH Ave
E 23RD Ave
E 22ND Ave
E 20TH Ave
E 19TH Ave
E 17TH Ave
E Smith Rd
Sandowri Rd
Martin Luther King Blvd
Montview Blvd
Colorado Blvd
Vasquez Blvd
Brighton Blvd
Quebec St
Havana St
Monaco Pkwy
Central Park
Park Hill Golf Club
City Park Golf Course
Denver Zoo
Duck Lake
City Park Lake
Skyland Park
Swansea Park
Argo Park
Riverside Cemetery
Fred N Thomas Memorial Park
Greenway Park
Westerly Creek Park
Bluff Lake
Up Denver
NORTHEAST
NORTHEAST
STAPLETON
GLOBEVILLE
LYRIA SWANSEA
CLAYTON
COLE
BALLPARK
CURTIS PARK
WHITTIER
SKYLAND
NORTH PARK HILL
PARK HILL
UPTOWN
CITY PARK WEST
CITY PARK
SOUTH PARK HILL
AURORA
ORIGINAL AURORA
EAST COLFAX
NORTH CAPITOL HILL
2 km
1 mi
STDBONLINE.com
The Site To Do Business
esri

Aerial Diagram

Interstate 70, in the subject's area, was constructed in 1964. The aging highway will be replaced through the Central 70 CDOT project. The project includes lowering a portion of the highway, widening the highway, and various bridges and related improvements. The project will being in the short term, with a 4-5 year window for completion.

The larger neighborhood includes single family homes in the Park Hill area, to the south and east of the subject. Homes in Park Hill were built in the earlier to mid-1900's, with scattered new in-fill development. The homes range from small entry level ranch and bungalows to bungalows, to large high-priced Tudors. However, the bulk of the homes within a one mile radius of the subject are ranch and bungalow homes.

The previous map illustrated recent development near the subject. A newer retail center and a condominium project, previously known as the Park Hill Town Center development and now known as Park Hill Village, were partially developed in the early 2000's and then the downturn in the economy stalled the additional development that was planned. As the economy recovered, development resumed. A 168-unit market rate apartment complex, known as Park Hill 4000, was completed in 2014. The Park Hill Station apartment complex, across Albion Street from the 4000 project, was completed in 2016. This complex includes 150 affordable apartment units. A group of detached single family homes were built in 2015-2016 on a subdivided parcel that was previously planned for development prior to foreclosure. The group of homes, part of the originally platted Park Hill Town Center development, sold from $450,000-$550,000.

The commercial development, west of the apartment complexes and at the corner of East 40th Avenue and Colorado Boulevard, was recently completed. This retail strip development includes pad sites (land sites within a shopping center with various shared access, parking, and so on) developed with a Carl's Jr. quick service restaurant, KT's Real Good BBQ, a Starbucks with drive-thru, Domino's Pizza, MetroPC's, and a Qdoba Mexican Grill chain. A vacant site north of the retail center is planned for mixed use development in the future.

The Renaissance at North Colorado Station was also completed in 2016. This complex, located across Colorado Boulevard from the northwest portion of the golf course, includes

301 units serving segments of the homeless community, along with residence who earn between 30 and 60 percent of the area median income.

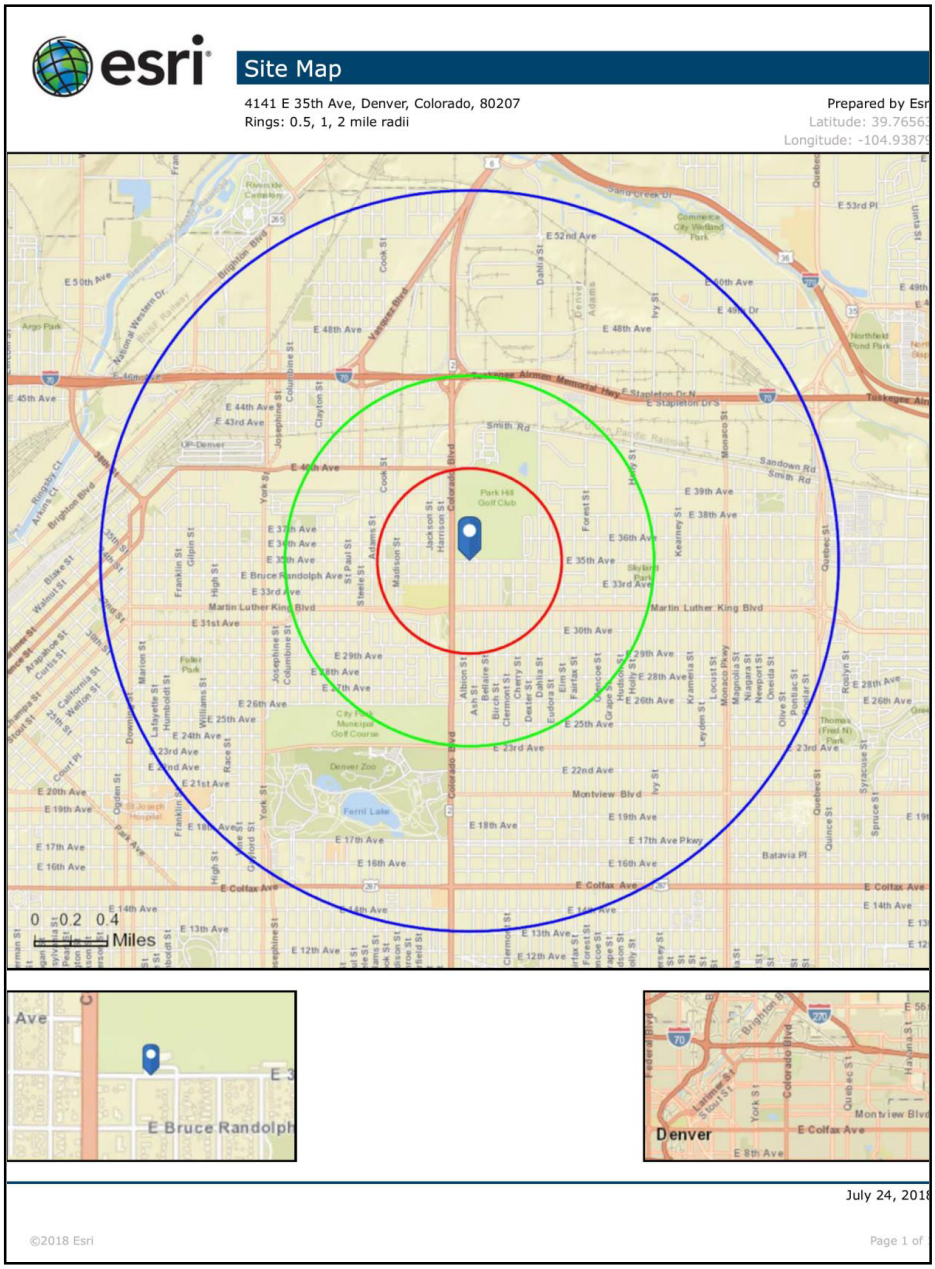
Major retail/commercial development is concentrated in the Northfield and Stapleton areas. Northfield, located at the northeast intersection of I-70 and Quebec Street (see previous aerial photograph), is an outdoor shopping center with major anchors like JC Penny and Bass Pro Shop Outdoor World. The center struggled early with the downturn in retail sales. The access, in the past, was circuitous and this also impacted sales volume. However, a bridge and interchange extension of Central Park Boulevard was completed in 2012. The bridge/overpass has improved access, and the shopping center now has direct access off I-70, and sales are stronger. The surrounding housing growth has also increased the population base, creating more shoppers for the Northfield retail development.

The Stapleton shopping center, located off of the southeast interchange of I-70 and Quebec Street, is anchored by Wal-Mart, Office Depot, and other national stores.

Demographics

The following pages show tables listing demographic data for a .5, 1, and 2 mile radius from the subject. A map showing the study area boundaries precedes the data.

Study Area Map



Demographic and Income Comparison Profile

4141 E 35th Ave, Denver, Colorado, 80207
Rings: 0.5, 1, 2 mile radii

Prepared by Esri
Latitude: 39.76563
Longitude: -104.93879

	0.5 miles	1 mile	2 miles
Census 2010 Summary			
Population	3,913	15,108	55,103
Households	1,429	5,734	21,779
Families	844	3,454	11,985
Average Household Size	2.70	2.60	2.49
Owner Occupied Housing Units	788	3,470	12,527
Renter Occupied Housing Units	641	2,264	9,252
Median Age	32.9	33.9	34.0
2018 Summary			
Population	5,226	17,399	62,196
Households	1,893	6,483	24,264
Families	1,121	3,918	13,308
Average Household Size	2.72	2.65	2.52
Owner Occupied Housing Units	972	3,800	13,561
Renter Occupied Housing Units	921	2,683	10,703
Median Age	33.4	34.8	35.2
Median Household Income	$49,317	$53,368	$57,095
Average Household Income	$68,787	$78,321	$89,491
2023 Summary			
Population	5,688	18,718	66,367
Households	2,045	6,923	25,747
Families	1,217	4,203	14,146
Average Household Size	2.74	2.67	2.54
Owner Occupied Housing Units	1,109	4,233	15,064
Renter Occupied Housing Units	936	2,690	10,684
Median Age	33.9	34.9	35.3
Median Household Income	$57,920	$61,789	$68,554
Average Household Income	$80,249	$88,116	$101,229
Trends: 2018-2023 Annual Rate			
Population	1.71%	1.47%	1.31%
Households	1.56%	1.32%	1.19%
Families	1.66%	1.41%	1.23%
Owner Households	2.67%	2.18%	2.12%
Median Household Income	3.27%	2.97%	3.73%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023.

July 24, 2018

Demographic and Income Comparison Profile

4141 E 35th Ave, Denver, Colorado, 80207
Rings: 0.5, 1, 2 mile radii

Prepared by Esri
Latitude: 39.76563
Longitude: -104.93879

	0.5 miles		1 mile		2 miles	
2018 Households by Income	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
<$15,000	262	13.8%	823	12.7%	2,916	12.0%
$15,000 - $24,999	204	10.8%	645	9.9%	2,211	9.1%
$25,000 - $34,999	210	11.1%	673	10.4%	2,333	9.6%
$35,000 - $49,999	280	14.8%	893	13.8%	3,221	13.3%
$50,000 - $74,999	317	16.7%	1,102	17.0%	3,965	16.3%
$75,000 - $99,999	187	9.9%	741	11.4%	2,711	11.2%
$100,000 - $149,999	273	14.4%	896	13.8%	3,292	13.6%
$150,000 - $199,999	87	4.6%	312	4.8%	1,425	5.9%
$200,000+	73	3.9%	397	6.1%	2,190	9.0%
Median Household Income	$49,317		$53,368		$57,095	
Average Household Income	$68,787		$78,321		$89,491	
Per Capita Income	$25,841		$29,533		$35,842	
2023 Households by Income	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
<$15,000	230	11.2%	724	10.5%	2,424	9.4%
$15,000 - $24,999	182	8.9%	577	8.3%	1,914	7.4%
$25,000 - $34,999	197	9.6%	612	8.8%	2,076	8.1%
$35,000 - $49,999	276	13.5%	868	12.5%	3,079	12.0%
$50,000 - $74,999	342	16.7%	1,204	17.4%	4,208	16.3%
$75,000 - $99,999	227	11.1%	896	12.9%	3,269	12.7%
$100,000 - $149,999	376	18.4%	1,188	17.2%	4,427	17.2%
$150,000 - $199,999	122	6.0%	406	5.9%	1,888	7.3%
$200,000+	94	4.6%	447	6.5%	2,463	9.6%
Median Household Income	$57,920		$61,789		$68,554	
Average Household Income	$80,249		$88,116		$101,229	
Per Capita Income	$29,779		$32,888		$40,273	

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023.

July 24, 2018

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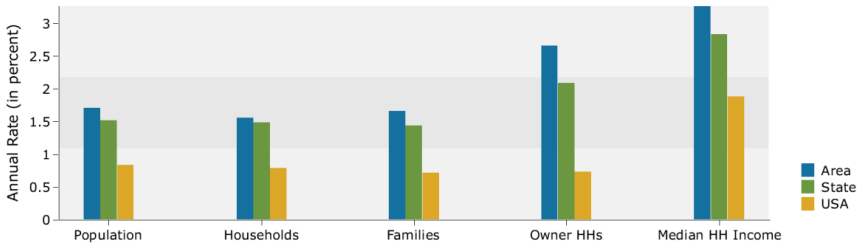
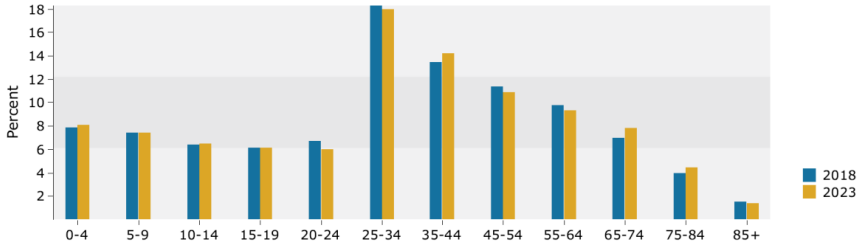
0.5 miles

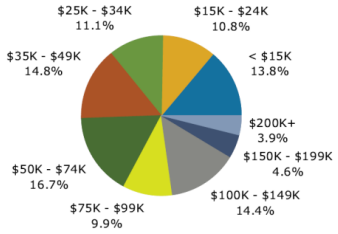
Trends 2018-2023



Population by Age



2018 Household Income



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023.

July 24, 2018

Demographic and Income Comparison Profile

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Rings: 0.5, 1, 2 mile radii

Prepared by Esri
Latitude: 39.76563
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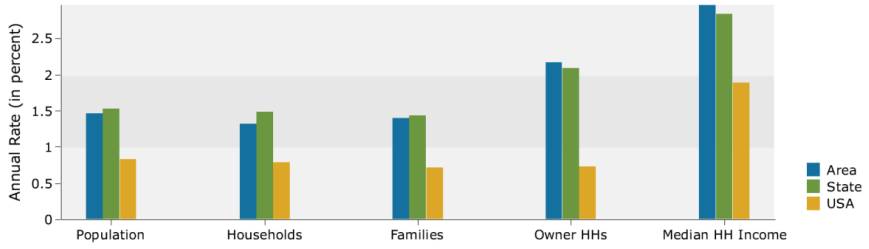
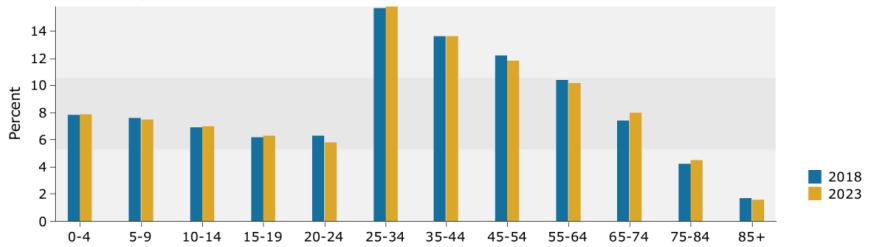
1 mile

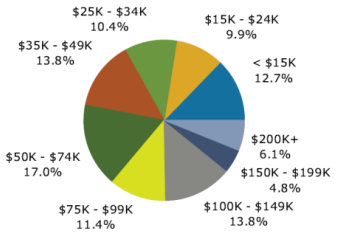
Trends 2018-2023



Population by Age



2018 Household Income



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023.

July 24, 2018

Demographic and Income Comparison Profile

4141 E 35th Ave, Denver, Colorado, 80207
Rings: 0.5, 1, 2 mile radii

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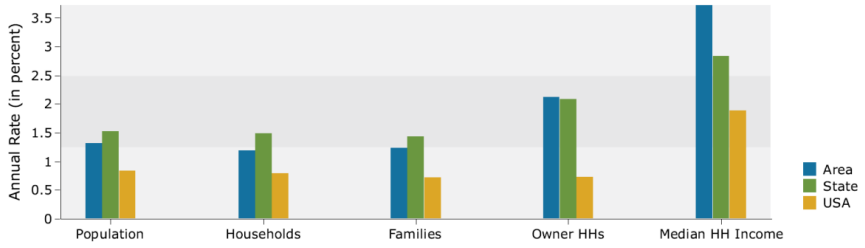
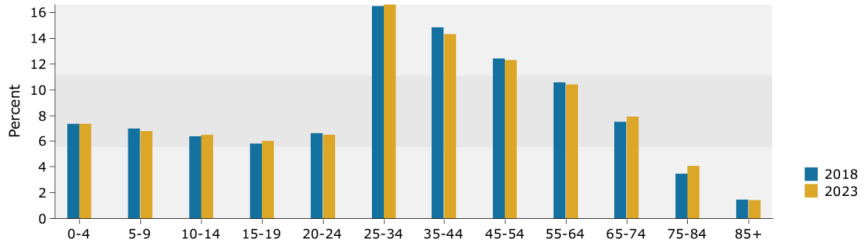
Longitude: -104.93879

2 miles

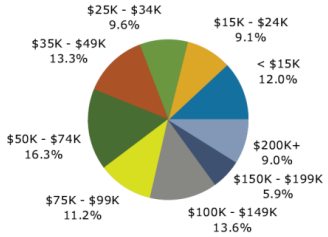
Trends 2018-2023



Population by Age



2018 Household Income



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023.

July 24, 2018

The area demographics indicate that the population is younger, with a higher per capita income, median household income, and average household income compared to the state as a whole. This reflects the transitioning nature of areas near downtown Denver, with the highest income in the 2 mile radius, closer to downtown.

Although the neighborhood has a strong industrial base, the residential base includes a high percentage of single family homes, with values increasing substantially over the last five years. Prior to the increase the residential market experienced foreclosures and other distressed sales, in the immediate area. The area is now in demand evidenced by the new development, including in-fill development where older homes are demolished for new construction, and with significant renovation of existing homes. The residential market in this area is strong.

Market Influence from Marijuana

The voters of Colorado passed Amendment 20 in 2000 allowing the use of medical marijuana. In 2009 the United States Justice Department developed a policy to not prosecute businesses or users of marijuana in states that had passed laws allowing legal use. Use of marijuana continues to be against federal law.

Colorado voters passed Amendment 64 in 2012, legalizing recreational use of marijuana. The corresponding demand created from the Justice Department policy and legalization laws has created a major impact on the vacancy rate of older warehouses in Denver.

The current low vacancy in the industrial market, for properties located in areas that can support a marijuana use, has created demand for available properties. *Xceligent,* a former commercial real estate research and marketing company, reported in 2014 that marijuana manufacturing facilities occupied 4.5 million square feet of warehouse space in Denver. This is a small fraction of the total space, but a large fraction for one user type. There is a concentration of marijuana grow facilities and retail outlets, in the subject's general area.

Not all jurisdictions have established policy in terms of the marijuana industry and this explains some of the concentrated demand in Denver. A moratorium on retail licenses was due to expire in May of 2016. City Council voted to allow new caps on establishments that

would freeze the number of locations for retail shops, and reduce the number of grow houses by 15. However, the vote was split and this ordinance did not pass. An ordinance on odor regulations was passed on a 13-0 block vote.

Council Bill NO. CB16-0291 passed in April of 2016, placing strict regulations on licensure. The bill caps the total number of licensed locations where marijuana cultivation and sales may be permitted in the city, adopting new procedures for the issuance of retail marijuana cultivation and sales licenses, prohibiting the issuance of new medical marijuana cultivation and sales licenses, and adopting other related amendments. A lottery system will be implemented for future licenses.

Marijuana selling and use is against federal law and banks are reluctant to underwrite commercial loans and other financing, in avoidance of federal prosecution. Therefore, the industry is largely based on cash or owner carried financing, although there are some lending institutions that service the marijuana industry. There continues to be a threat of prosecution for money laundering and other crimes if banks knowingly except funds derived from marijuana sales or other marijuana related businesses.

The industry is in flux with new legislation being designed to regulate production of the product, selling of the product, location requirements in terms of proximity to schools and similar uses, and so on. The Justice Department, under the current administration, may revise enforcement policy and this adds to the uncertainty of the future of the industry.

Conclusions – External Market and Location Influences

The subject area is established. Given the access, linkages, and general location, the industrial uses should continue into the future. The residential market is strong and the area is in demand. The northeast central-metro location, existing housing stock, and existing and planned infrastructure have benefited the area.

Property Data - Larger Parcel Before Acquisition

Location

The subject is located at 4141 East 35th Avenue Denver, Colorado 80207.

Legal Description

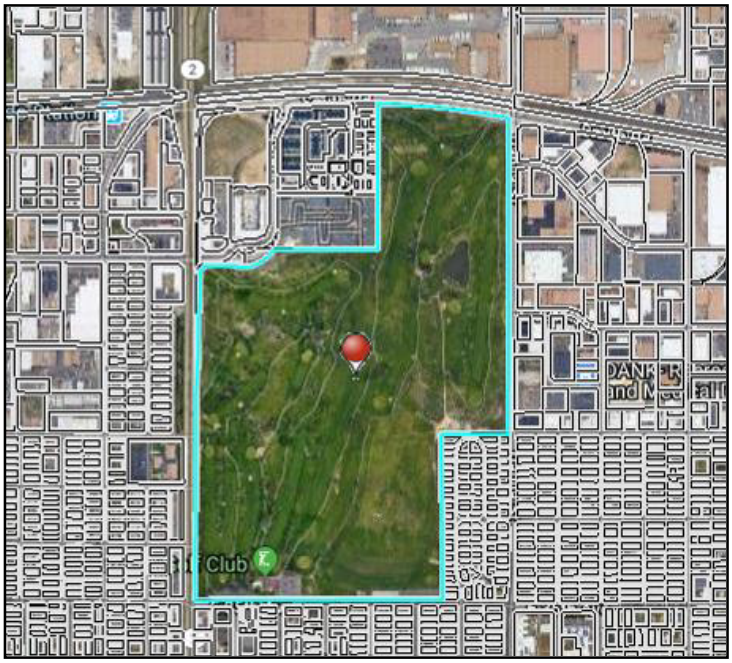
The legal description is in file.

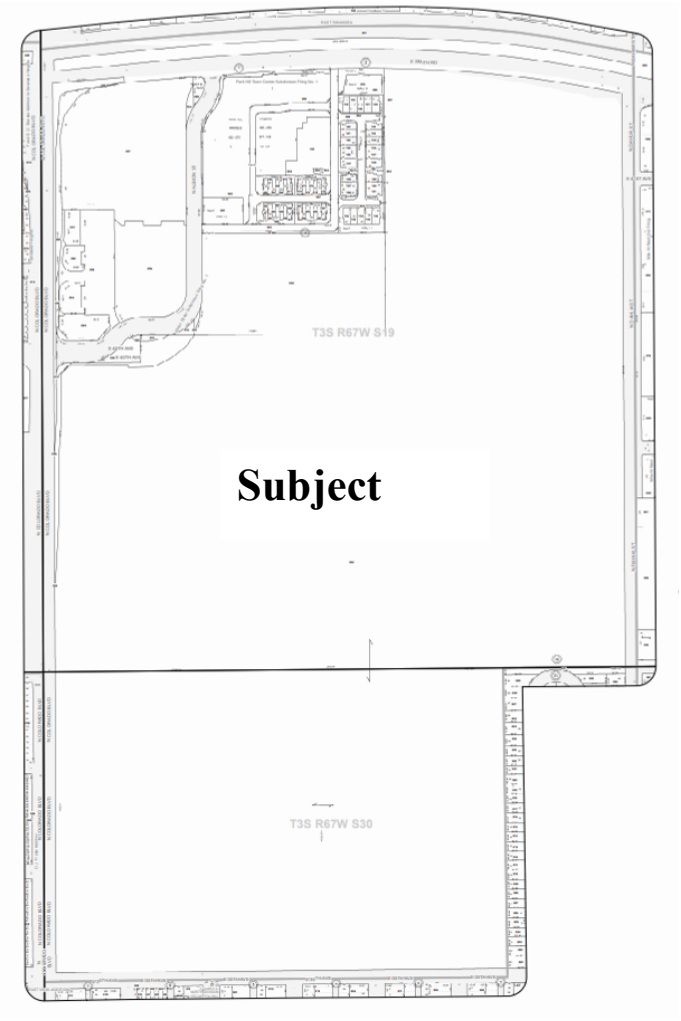
Present Use

The site is improved as an 18-hole golf course with a 26,154 square foot clubhouse and a separate smaller building that supports the driving range and indoor practice and teaching facility.

Land Size and Shape

The land is an irregular tract measuring approximately 154.5 acres. A county aerial and plat follow. The county parcel number is 1193-00-032.




T3S R67W S19
Subject
T3S R67W S30

Access

Access to the site is provided by curb cuts off East 35th Avenue.

Visibility/View

The site has an average view and average visibility in relationship to other properties in the area.

Topography

The land is relatively level and at grade with the surrounding streets.

Floodplain and Drainage

The site is not within the boundaries of a 100-year flood plain according to FEMA map with panel number 0800460089G dated November 17, 2005.

Soil, Subsoil and Water Conditions

No obvious adverse soil or subsoil conditions were noted during inspection. However, soil tests were not provided. If, later, adverse soil conditions are discovered, the appraisal and report may need to be revised.

Easements, Encroachments, and Restrictive Covenants

The site is encumbered by standard utility easements. No obvious encroachments were noted during inspection. Title information, in file, was reviewed as part of the appraisal process.

The property was subject to a conservation easement. The owner, the George W. Clayton Trust, was the Grantor and the City and County of Denver was the Grantee. A copy of the conservation easement is in file.

However, in 2000 the property was placed under the Beneficial Ownership of the City and County of Denver, and the conservation easement was released. The Beneficial Ownership relegates the use of the property as a public golf course, into the future.

In the subject's case, the property, in the after condition, can continue to be used as a regulation golf course. This would follow the intent of the conservation easement.

Utilities

Denver Water provides water service and Xcel Energy provides electric service to this area. The City and County of Denver provide sewer service. Other city services include fire protection, police protection, snow removal, and public street maintenance. Access to utilities is convenient.

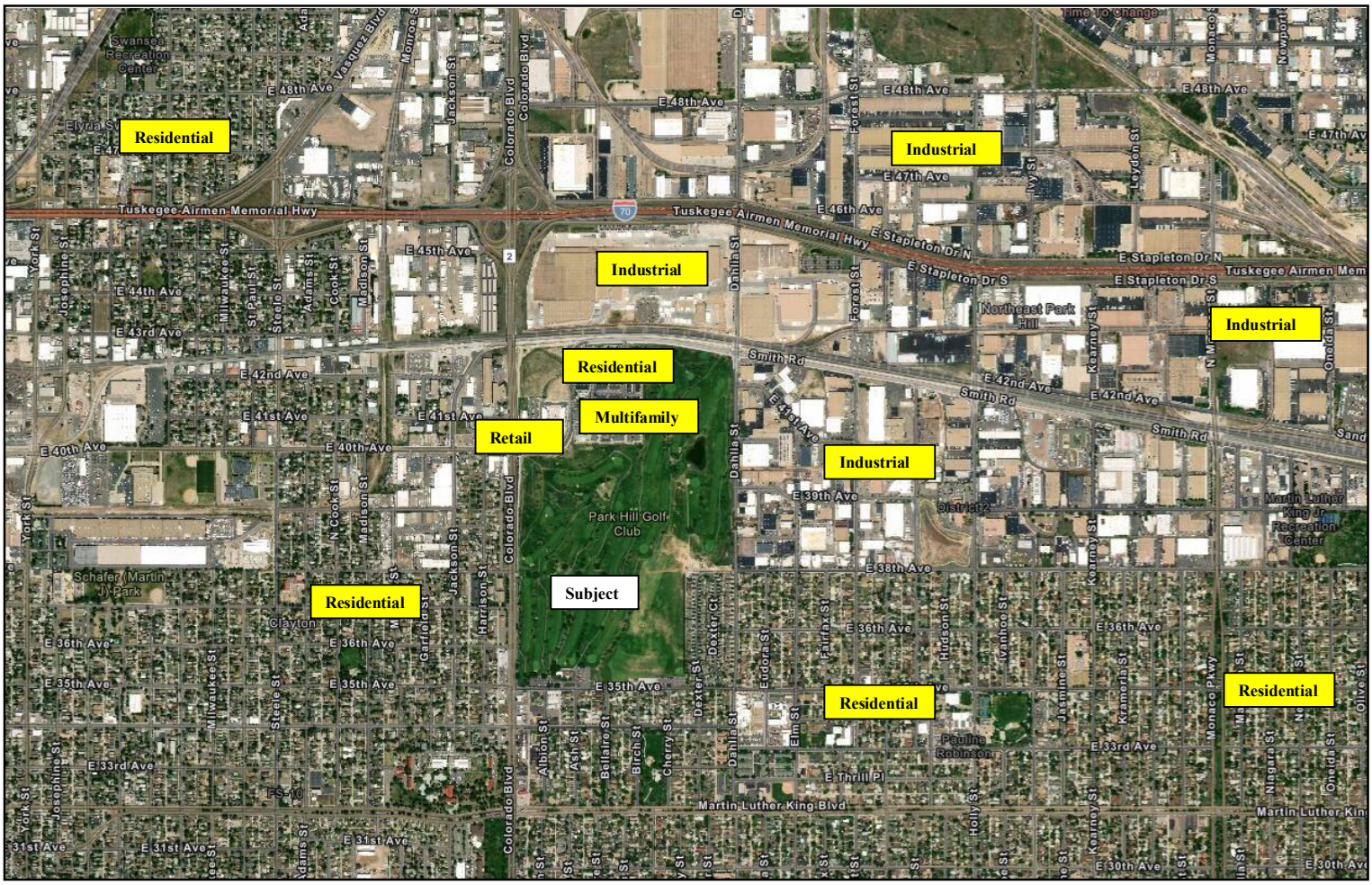
Land/Site Improvements

Site improvements include trees, fencing, cart paths, sod, and sprinkler systems.

Land/Site's Relationship to Neighboring Properties

The site is near industrial properties, residential and retail development, and single family homes. The aerial photograph below shows the surrounding development.

Site to do Business Aerial



Nuisances and Hazards

During inspection, no nuisances or hazards on the site or adjacent land were noted.

Easement and Encroachments

Known easements or encroachments on the subject property would include utility lines and roadways, typical to this type of property. There are no apparent easements that affect the utilization of the subject, with the exception of the various easements and agreements previously discussed.

Potential Environmental Hazards

There was no indication of environmental hazards noted during inspection. The property is appraised as though clean.

Owner Improvements Data

The improvements include a 26,154 square foot clubhouse and a smaller building that supports the driving range, and indoor practice/teaching area. The clubhouse includes a pro shop, dinning/banquet room, a bar/lounge area, outdoor patio, offices, and restrooms. The clubhouse and range building are not impacted by the project.

Sale History

The property has not sold on the open market within the last five years.

Subject Use History

The subject is currently under a lease to Arcis Golf Corporation. The lease was initiated on December 23, 1998 and runs from January 1, 1999 through December 31, 2018. At this stage in the lease and remainder of the term the minimum annual rental or lease payment to The Clayton Foundation is $700,000 or $58,333 per month. Arcis Golf Corporation also has the first right of refusal for a legitimate offer to purchase the golf course and related facilities.

The site is under the Beneficial Ownership of the City and County of Denver, and the City has stated that the property will continue in use as a public golf course. Given the Beneficial Ownership, the open market would analyze the property based on income production as a

public golf course as opposed to the lease arrangement. The lease income, based on the various arrangements with the City and County of Denver, would not be available in the open market.

The lease expires on December 31, 2018. The tenant has stated that they intend to exercise the lease option; and after years of losses the golf course operation made a slight profit in 2017, according to news articles. The exercise of the option, however, may include considerations outside the fee simple value as a golf course.

Listing/Contract History

The property is not listed for sale. The City and County of Denver and the Clayton Foundation discussed a possible redevelopment of the property in 2017. The various possibilities represented a development agreement between related parties, and not an arm's length open market sale. Although a sale price was stated for the land, the agreement also included sharing of future development profits, if any, joint decisions on development, if any, and various additional nonmarket based discussions and considerations. The discussions were discontinued and no agreements or other documents were effectuated. There is not a current listing or contract for the property.

Assessed Value and Real Estate Taxes

Property taxes in the City and County of Denver are derived by applying a mill levy to the assessed value of the property. The assessed value is a percentage of the actual value. The percentage used for commercial properties is 29 percent. The mill levy in the subject area is 77.134. The subject is owned by a non-profit and is exempt from real estate taxes. However, the building is owned by the tenant and property taxes, in the amount of $26,198.56, for the year 2017, were paid in 2018.

Legal Entitlements and Stage of Development

Not applicable

Zoning and Other Land Use Regulations

The site is zoned OS-B under the authority of the City and County of Denver. The intent of the district is as follows;

> "The OS-B district is intended to protect and promote open space and parks not otherwise owned, operated, or leased by the City, and generally intended for active and passive recreation use. The district allows more building coverage and a variety of active recreational facilities than in the OS-C district."

The complete district regulations are in file. The current use is allowed in the OS-B zone. In addition, the Beneficial Ownership by the City and County of Denver, previously explained, would further restrict the use of the land to golf course use.

PART 3 – ANALYSIS AND VALUATION – LARGER PARCEL BEFORE ACQUISITION

Highest and Best Use- Larger Parcel Before Acquisition

Highest and best use is the most profitable and competitive use of a property. Colorado Jury Instructions - Civil 4th, 36:6 views highest and best use as follows:

> "In determining the market value of the property actually taken (and the damages, if any, and benefits, if any, to the residue) you should consider the use, conditions and surroundings of the property as of the date of valuation.
>
> In addition, you should consider the most advantageous use or uses to which the property might reasonably and lawfully be put in the future by persons of ordinary prudence and judgment. Such evidence may be considered, however, only insofar as it assists you in determining the reasonable market value of the property as of the date of valuation (or the damages, if any, or the benefits, if any, to the residue). It may not be considered for the purposes of allowing any speculative damages or values."

Highest and best use is the most profitable and competitive use of a property. The Appraisal Institute in The Dictionary of Real Estate Appraisal, Sixth Edition, Chicago, © 2015, pg. 109, defines highest and best use as:

1. 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.

2. 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 or 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)

3. [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)

(Please note; the institute definition includes all three of the above descriptions)

In the subject's case, the highest and best use is defined by the legally allowed uses. The zoning and Beneficial Ownership by the City restrict the use to an 18-hole public daily fee golf course and this is the only allowed use. The golf course use generates income to the land and is the highest and best use. Although Arcis Golf leases the property from the Clayton Foundation; according to the various agreements and conversations with officials with the City and the Foundation, the lease arrangements are not based on the open market. The lease income is designated for charitable use by the Clayton Foundation. Therefore, the

lease income paid by Arcis Golf is not applicable in valuing the property based on market value. The property will be valued as a public daily fee 18-hole regulation golf course.

Valuation Methodology

Golf Course properties are unique. Buyers and sellers generally evaluate the income producing potential and possible redevelopment for a different use. In the subject's case, the property cannot be legally developed for a different use based on zoning and the agreement in place. The income approach is used by the market when evaluating golf courses and the income approach is used to value the property. In addition, comparable sales data is presented for support and as a test of reasonableness.

Mr. E. Peter Elzi of THK Associates provided detailed market analysis and developed an income approach to estimate value. The report is in the addendum. Information and analysis that has been presented, and that is duplicated in Mr. Elzi's report, is removed, with his completed report in file.

Mr. Elzi values the Leased Fee property rights, based on income generation. The income is generated from daily fees charged to users as opposed to a formal lease arrangement. In this case, the leased fee value is similar the fee simple value. The potential buyer for a golf course would generally be a golf course operator and would consider golf course revenue and expenses in setting a purchase price. The fee simple price paid is based on income analysis.

After a thorough review, and consultation with Mr. Elzi, I agree with the methodology regarding the property value in the before condition. In addition I reviewed sales and income data related to golf courses, and consulted with other appraisers who have performed appraisals on golf courses. Based on the analysis and data, my estimate of current market value, as of July 23, 2018, is **$4,145,500**.

(Please note; due to internal rounding the numbers and percentages in the various charts to be presented in the income approach may be +/- several points)

This value is for the property as improved and includes the building and personal property including the furniture, fixtures, and equipment (FF&E) and the clubhouse. Mr. Elzi

presented an estimate of value for the personal property. The estimate was $210,000. Based on data in file and data from cost manuals, the FF&E value is reasonable.

The clubhouse is owned by Arcis Golf Corporation but is part of the real estate. The clubhouse value is part of the total value; but the clubhouse will not be impacted. The estimated value of the clubhouse is $38 per square foot. This is based on analysis of the improvements using cost manuals, cost data in file, and applying depreciation. The analysis includes consultation with Mr. Elzi regarding how the golf course market treats older clubhouse buildings. The size of the clubhouse is 26,154 square feet resulting in a total contributory value of $993,852.

Most buyers in this particular market would purchase the property and then complete significant renovation of the clubhouse to meet their needs, or demolish the clubhouse and rebuild the clubhouse*, creating functional depreciation. Therefore, the market would support a shell type value as opposed to a value where minor renovation would be required or where the building could be used "as is". The small building adjacent to the driving range has nominal value to the larger market.

**(this would be allowed under the beneficial ownership because it is part of operating the golf course.)*

Subtracting the value of the personal property and building from the total, results in a value for the golf course land and site improvements, at **$2,941,648** ($4,145,500 - $210,000 – 993,852 = $2,941,648). The land measures 154.5 acres. The price per acre is $19,039.79. Given the age of the golf course and current condition, the market would place nominal value on the existing site improvements and a subtraction for site improvements is not applied. *(See Contributory Value of Impacted Site Improvements, to follow, for further comment)*

As a test of reasonableness, golf course sales were investigated. Mr. Elzi presents sales analysis. I concur with Mr. Eliz's analysis in this portion of his narrative. Considering the clubhouse improvements, and difference in location, etcetera; the sales generally support the value for the subject developed by the income approach. With the exception of the sales in Mr. Eliz's report, there were no additional golf course sales that were purchased for continued golf course use, in the area or region.

The 146-acre Applewood Golf Course at 14001 West 32nd Avenue, Golden, Colorado, was purchased in December of 2016 by the Trust for Public Land. The purchase price was $13,500,000 or $2.12 per square foot. The deed includes a requirement that the land continue to be used as a golf course for the next 10 years. The land was transferred to Prospect Recreation and Park District shortly after the sale.

Although the Trust/District purchased the land to preserve the golf course, the price was based on the land as a redevelopment site, and not based on golf course metrics. Coors, the previous owner, sold for a small discount, slightly under market value but based on redevelopment value. Prior to the sale, the property was marketed for redevelopment and a buyer was in place that filed for a rezoning change and was planning to build 400 apartment units.

Contributory Value of Impacted Site Improvements

Although the unit value includes site improvements, the large land area creates a diluted contribution from small portions of the site that may have more improvements compared to other portions of the site.

The permanent easement is 24.971 acres and improved with sod, portions of the cart path, trees, and so on. The site improvements over this large area, and given the condition, create a minute portion that is recognized in the unit value of the land, and this minor portion is less than a rounding margin. The market buyer would likely replace of refurbish the existing site improvements, in order to achieve higher fees. Given the current fees, there is no additional value for the site improvements.

The larger parcel land value is shown below. The permanent improvements are not impacted and there value is not included in the summary.

Larger Parcel Value Before Take						Total Value	
Land/Site Value	154.50	SF	X	$19,039.79	=	$2,941,648	
Contributory Value - Impacted Site Improvements						$0	
Total Larger Parcel Value Before Take (land + affected improvements)							$2,941,648

PART 4 – FACTUAL DATA PARTS ACQUIRED

Identification Of Parts Acquired As Part Of The Larger Parcel

The project will include the acquisition of a permanent easement. The preliminary plans indicate an easement size of 24.971 acres or 1,087,720 square feet.

An aerial showing the general location of the permanent easement follows. The aerial photograph is followed by a legal description and sketch diagram of the area. Photographs were previously presented and are also presented in the valuation section in the addendum of this report.

Aerial Photograph - (General Location of Permanent Easement Identified

For illustration Only; Not Scaled or Exact)

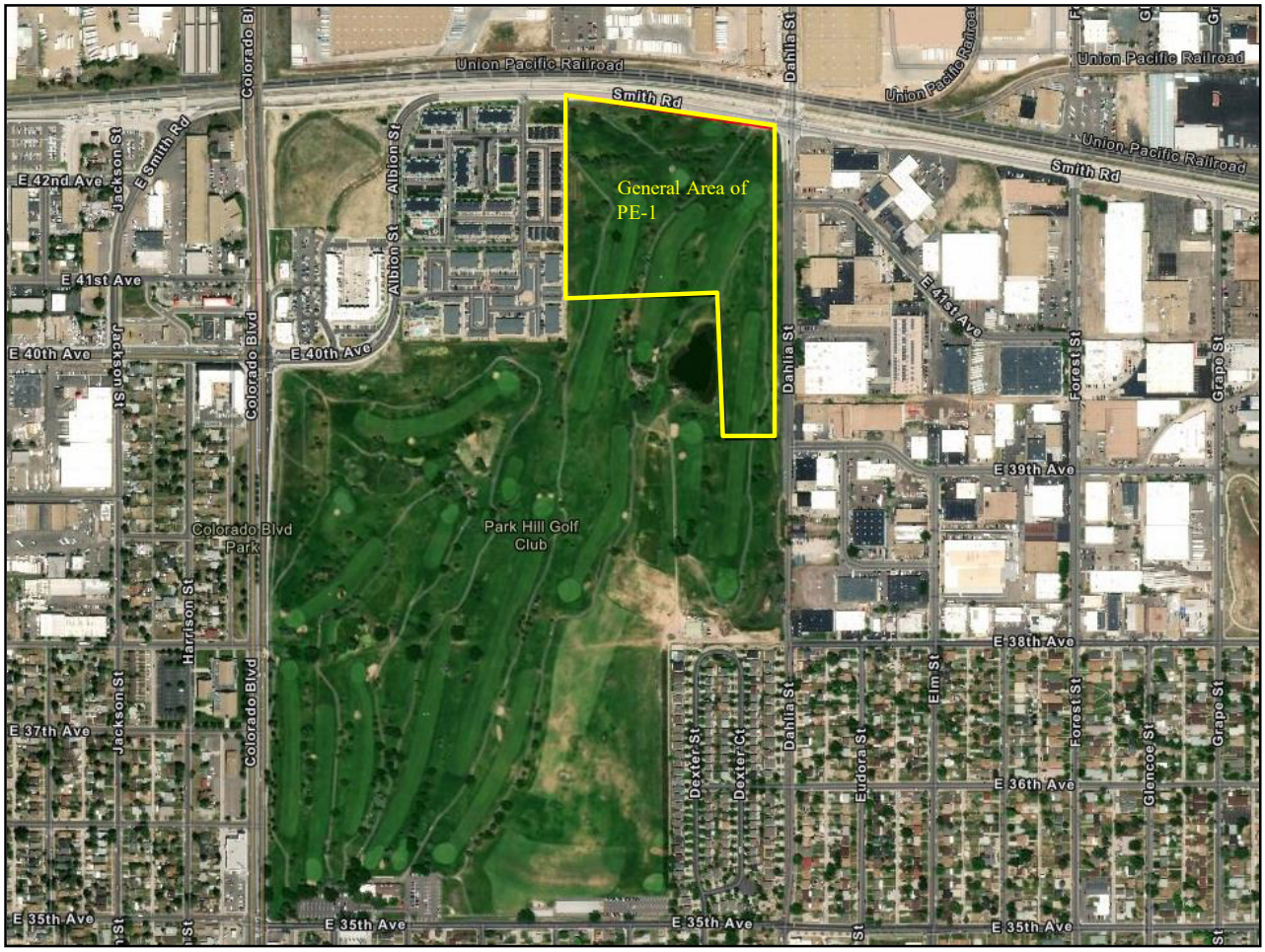


EXHIBIT A

PERMANENT EASEMENT AREA
PAGE 1 OF 3
MARCH 23, 2018

A PARCEL OF LAND CONTAINING 1,087,720 SQUARE FEET, MORE OR LESS, LOCATED IN THE SOUTHWEST ONE-QUARTER OF SECTION 19, TOWNSHIP 3 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, STATE OF COLORADO, SAID PARCEL MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER-SOUTH ONE-SIXTEENTH CORNER OF SAID SECTION 19, WHENCE THE CENTER ONE-QUARTER CORNER OF SAID SECTION 19 BEARS N00°03'09"E, A DISTANCE OF 1,324.50 FEET.

THENCE N89°56'42"W, A DISTANCE OF 50.00 FEET TO THE WEST RIGHT-OF-WAY LINE OF DAHLIA ST. (74' R.O.W.) AND THE **POINT OF BEGINNING**.

THENCE ALONG SAID WEST RIGHT-OF-WAY LINE OF DAHLIA ST. (74' R.O.W.) S00°03'27"W, A DISTANCE OF 449.32 FEET;

THENCE DEPARTING SAID WEST RIGHT-OF-WAY LINE N90°00'00"W, A DISTANCE OF 226.60 FEET;

THENCE N02°24'53"W, A DISTANCE OF 651.77 FEET;

THENCE N90°00'00"W, A DISTANCE OF 742.85 FEET TO THE EAST LINE OF PARK HILL TOWN CENTER SUBDIVISION, FILING NO. 1, RECORDED AT RECEPTION NO. 2004129062, CITY AND COUNTY OF DENVER RECORDS;

THENCE ALONG SAID EAST LINE OF PARK HILL TOWN CENTER SUBDIVISION, FILING NO. 1, RECORDED AT RECEPTION NO. 2004129062, CITY AND COUNTY OF DENVER RECORDS, N00°07'53"E, A DISTANCE OF 992.87 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF SMITH RD. (R.O.W. VARIES);

THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE OF SMITH RD. (R.O.W. VARIES) AND THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 5,607.93 FEET, A DELTA ANGLE OF 02°14'41", AN ARC LENGTH OF 219.71 FEET, A CHORD BEARING S87°40'03"E, A DISTANCE OF 219.70 FEET;

THENCE DEPARTING SAID SOUTH RIGHT-OF-WAY LINE OF SMITH RD. (R.O.W. VARIES) AND ALONG THE SOUTH LINE OF A PARCEL OF LAND RECORDED AT RECEPTION NO. 2013029217 (R.T.D. PARCEL EC-78A), CITY AND COUNTY OF DENVER RECORDS, THE FOLLOWING SEVEN (7) COURSES;

1) S02°57'59"W, A DISTANCE OF 3.25 FEET;

2) S81°53'56"E, A DISTANCE OF 369.97 FEET;

3) S78°37'22"E, A DISTANCE OF 260.34 FEET;

4) S67°38'27"E, A DISTANCE OF 49.23 FEET;

5) N89°20'13"E, A DISTANCE OF 81.19 FEET;

EXHIBIT A

PERMANENT EASEMENT AREA CONT.
PAGE 2 OF 3
MARCH 23, 2018

6) S47°17'33"E, A DISTANCE OF 22.71 FEET;

7) S15°06'52"E, A DISTANCE OF 45.07 FEET TO SAID WEST RIGHT-OF-WAY LINE OF DAHLIA STREET (74' R.O.W.);

THENCE ALONG SAID WEST RIGHT-OF-WAY LINE OF DAHLIA ST. (74' R.O.W.) S00°03'09"W, A DISTANCE OF 1,002.36 FEET TO THE **POINT OF BEGINNING**.

THE ABOVE DESCRIBED PARCEL CONTAINS 1,087,720 SQUARE FEET OR 24.971 ACRES, MORE OR LESS.

BASIS OF BEARINGS: ALL BEARINGS ARE BASED ON A LINE CONNECTING THE CENTER-SOUTH ONE-SIXTEENTH CORNER OF SAID SECTION 19 (FOUND AXLE IN MONUMENT BOX), AND THE CENTER ONE-QUARTER CORNER OF SAID SECTION 19 (FOUND 3-1/4" ALUMINUM CAP IN A MONUMENT BOX, ILLEGIBLE), BEARING N00°03'09"E.

PREPARED BY: RICHARD D. MUNTEAN, CO PLS 38189
FOR AND ON BEHALF OF:
105 WEST, INC.
4201 E. YALE AVE., SUITE 230
DENVER, CO 80222

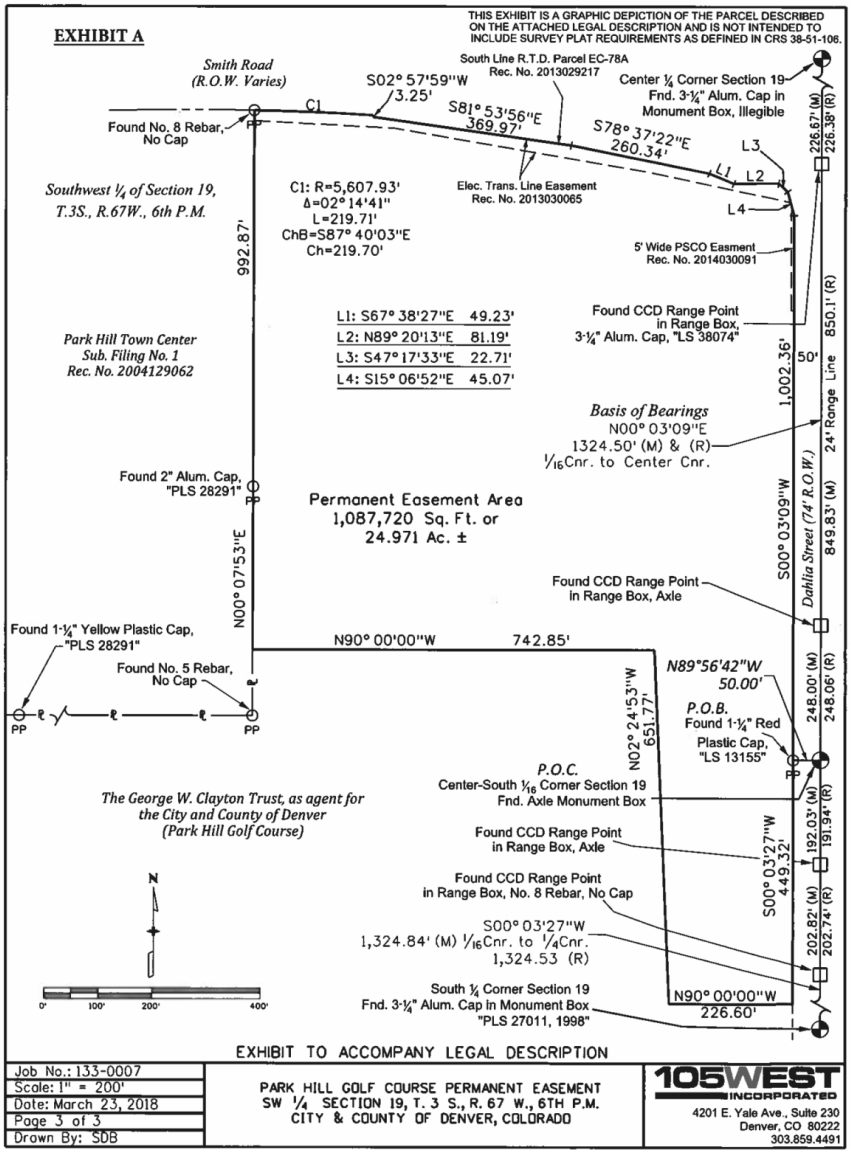


EXHIBIT A
THIS EXHIBIT IS A GRAPHIC DEPICTION OF THE PARCEL DESCRIBED ON THE ATTACHED LEGAL DESCRIPTION AND IS NOT INTENDED TO INCLUDE SURVEY PLAT REQUIREMENTS AS DEFINED IN CRS 38-51-106.
Smith Road (R.O.W. Varies)
South Line R.T.D. Parcel EC-78A Rec. No. 2013029217
Center ¼ Corner Section 19 Fnd. 3-¼" Alum. Cap in Monument Box, Illegible
S02° 57'59"W 3.25'
C1
S81° 53'56"E 369.97'
S78° 37'22"E 260.34'
L1
L2
L3
L4
Found No. 8 Rebar, No Cap
Southwest ¼ of Section 19, T.3S., R.67W., 6th P.M.
C1: R=5,607.93' Δ=02° 14'41" L=219.71' ChB=S87° 40'03"E Ch=219.70'
Elec. Trans. Line Easement Rec. No. 2013030065
5' Wide PSCO Easment Rec. No. 2014030091
992.87'
L1: S67° 38'27"E 49.23'
L2: N89° 20'13"E 81.19'
L3: S47° 17'33"E 22.71'
L4: S15° 06'52"E 45.07'
Found CCD Range Point in Range Box, 3-¼" Alum. Cap, "LS 38074"
Park Hill Town Center Sub. Filing No. 1 Rec. No. 2004129062
1,002.36'
50'
Basis of Bearings N00° 03'09"E 1324.50' (M) & (R) 1/16Cnr. to Center Cnr.
Found 2" Alum. Cap, "PLS 28291"
Permanent Easement Area 1,087,720 Sq. Ft. or 24.971 Ac. ±
N00° 07'53"E
S00° 03'09"W
Dahlia Street (74' R.O.W.)
24' Range Line
Found CCD Range Point in Range Box, Axle
Found 1-¼" Yellow Plastic Cap, "PLS 28291"
N90° 00'00"W 742.85'
Found No. 5 Rebar, No Cap
N89°56'42"W 50.00'
N02° 24'53"W 651.77'
P.O.B. Found 1-¼" Red Plastic Cap, "LS 13155"
P.O.C. Center-South 1/16 Corner Section 19 Fnd. Axle Monument Box
The George W. Clayton Trust, as agent for the City and County of Denver (Park Hill Golf Course)
Found CCD Range Point in Range Box, Axle
S00° 03'27"W 449.32'
Found CCD Range Point in Range Box, No. 8 Rebar, No Cap
S00° 03'27"W 1,324.84' (M) 1/16Cnr. to ¼Cnr. 1,324.53 (R)
South ¼ Corner Section 19 Fnd. 3-¼" Alum. Cap in Monument Box "PLS 27011, 1998"
N90° 00'00"W 226.60'
0' 100' 200' 400'
EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION
Job No.: 133-0007
Scale: 1" = 200'
Date: March 23, 2018
Page 3 of 3
Drawn By: SDB
PARK HILL GOLF COURSE PERMANENT EASEMENT
SW ¼ SECTION 19, T. 3 S., R. 67 W., 6TH P.M.
CITY & COUNTY OF DENVER, COLORADO
105WEST INCORPORATED
4201 E. Yale Ave., Suite 230
Denver, CO 80222
303.859.4491

PART 5 - ANALYSIS AND VALUATION OF PARTS ACQUIRED

Land Value Permanent Easement

The fee value of the land was estimated at $19,039.79 per acre. The value of the permanent easement is based on the property rights acquired and may not include the entire "bundle of rights" creating the fee simple value. Consideration is given to the amount of property rights severed by virtue of the easement as compared to the property rights retained by the owner. To estimate the value of PE-1, data in file from the sale of easement land was analyzed, in addition to sales data and analysis presented addendum section.

The data and analysis in the addendum section show that tracts with limits on development, similar to an impact by an easement that limits the surface use, sell for a lower price compared to typical building sites. The percentage ranges from approximately 3% to 66%.

PE-1 will be used for drainage purposes. The land will no longer be available for significant golf course hole location in the future. The surface, however, will continue to be part of the overall course and add aesthetic appeal like open space, greenbelt area, possible water feature, and so on.

Weighing the impact on use, easement PE-1 is estimated at 50 percent of the fee value. PE-1 measures 24.971 acres. The fee value of the land is $19,039.79 per acre. The total value of PE-1 is $237,721.

Improvements Value Part Taken

There are no improvements taken.

Site Improvements Value

Impacted site improvements will be repaired or replaced in kind by the project. In addition, the improvements have nominal contributory value.

The value of the parts acquired from the larger parcel is summarized below.

Value of Part Taken						
Land/Site Taking						
Parcel No.	Area AC	$ Unit Value/Acres		Value	Total Value	
N/A	0	0		$0		
				Total Land/Site Value of Part Taken	**$0**	
Permanent Easement Taking						
Parcel No.	Area Acres	$ Unit Value	% of Fee	Value	Total Value	
PE-1	24.971	$19,039.79	50%	$237,721		
				Total Easement Value of Part Taken	**$237,721**	
Owner Affected Improvement Takings (Contributory Value)						
Descriptions of Improvements (buildings, structures, etc.)				Contributory Value	Total Value	
Contributory Value - Impacted Site Improvements				$0		
				Total Impacted Improvements Value of Part Taken	**$0**	
					Total Value of Part Taken (land + affected improvements)	**$237,721**

PART 6 – RESIDUE VALUE BEFORE ACQUISITION

Residue Value Before Acquisition

The residue value before take is a mathematical step that is simply the value of the larger parcel (land + affected improvements) minus the value of the part taken, including fee takings, easements and affected improvements, but excluding any temporary easements. The calculation for the subject is shown below:

Residue Value Before Take		
Larger Parcel Value Before Take (land + affected improvements)	$2,941,648	
<Less> Value of Part Taken (land + easements + affected improvements)	($237,721)	
Residue Value Before Take		**$2,703,927**

PART 7 – FACTUAL DATA – RESIDUE AFTER ACQUISITION

Factual Data – Residue After the Acquisition

The next step in the valuation section is to analyze the residue after the acquisition. In this section of the report, the impact of the proposed permanent easement and project on the remaining property is analyzed. This analysis will show if there are any damages or special benefits to the residue by an increase or decrease in the market value and if these possible damages are compensable under State law; or if the benefits arising from the project are general in nature rather than special to the subject. The steps in the valuation of the residue after the acquisition follow.

Neighborhood Factors

The project will not change the general characteristics of the general area as described.

Property Data

The golf course, after the project, will have superior aesthetic appeal given the new design creating a partially new golf course. The project time frame is 1.5 years to 2 years. During this time the golf course may be relegated to a 9-hole course. This is temporary with the property retuned to an 18-hole course in the after condition.

Mr. Eliz developed a damage estimate for the period where the golf course will be limited to 9 holes. However, the valuation in this report is based on the Modified State Before and After Rule, previously presented. The after condition will continue to include and 18-hole golf course.

The City and County of Denver will also continue to pay $700,000 per year during construction. The scope of this assignment, however, does not include analysis of the relationship between the tenant, The Clayton Foundation, and the City and County of Denver. The scope is limited to analyzing the current market value and compensation due for the acquisition of the permanent easement and rental of the temporary easement.

PART 8 – ANALYSIS AND VALUATION – RESIDUE AFTER ACQUISITION

Highest and Best Use – Residue After the Acquisition

Given the data, the site in the after condition will continue to be comparable to the site in the before condition, given that the project will redesign the golf course and return it to an 18-hole course.

Valuation Conclusion – Residue After Acquisition

The income approach used to value the property before the acquisition is applicable to the value of the residue after the acquisition.

Following is a summary of the value of the residue after the take, given that the golf course is redesigned and returned after the project as an 18-hole course.

Residue Value After Take					
Site Value - Fee Land	129.529	SF X	$19,039.79	$2,466,205	
Land Subject to Permanent Easement PE-1	24.971	SF X	$9,519.90	$237,722	
				Residue Value After Take	$2,703,927
				Difference Represents Incurable Damages	$0

PART 9 – ACQUISITION ANALYSIS OF DAMAGES AND/OR BENEFITS AND COMPENSATION SUMMARY

Residue Value Before vs. After

The residue value before the acquisition is $2,703,927 and the residue value after the acquisition is $2,703,927. The project does not create damages to the residue. The table below shows a summary of the residue before the acquisition and the residue after the acquisition.

Special Benefits – Residue Value After Take

The project will include partial redesign of the golf course, creating a newer portion and improving the aesthetic appeal. The project does not create damages, and special benefits have not been calculated.

Compensable Damages Incurable – Residue Value After Take

The project does not create incurable damages.

Compensable Damages - Curable

The project does not include curable damages.

Summary of Compensable Damages and/or Offsetting benefits

The total damages and cost to cure are summarized below.

Compensable Damages and/or Offsetting Special Benefits		
Compensable Damages/Incurable	$0	
<Less> Special Benefits (offset up to 100% of incurable damage)	$0	
Compensable Damages/Curable/Cost-to-Cure	$0	
Remaining Special Benefits (offset up to 50% value part taken) >>	$0	
Net of Damages/Offsetting Special Benefits		$0

PART 10 –TEMPORARY EASEMENT RENTAL VALUE

Rental Value of Temporary Construction Easements

The project will include the rental of a temporary easement labeled TE-1. The temporary easement measures 46.618 acres or 2,030,674 square feet and will be used for construction support/staging. The temporary easement period is 2 years. A copy of the legal description of the temporary easement is on the following pages. Photographs were previously presented, and are presented in the addendum section.

EXHIBIT B

TEMPORARY EASEMENT AREA
PAGE 1 OF 3
MARCH 23, 2018

A PARCEL OF LAND CONTAINING 2,030,674 SQUARE FEET, MORE OR LESS, LOCATED IN THE SOUTHWEST ONE-QUARTER OF SECTION 19 AND THE NORTHWEST ONE-QUARTER OF SECTION 30, TOWNSHIP 3 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, STATE OF COLORADO, SAID PARCEL MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER ONE-SIXTEENTH CORNER OF SAID SECTION 19, WHENCE THE SOUTH ONE-QUARTER CORNER OF SAID SECTION 19 BEARS S00°03'27"W, A DISTANCE OF 1,324.84 FEET.

THENCE N89°56'42"W, A DISTANCE OF 50.00 FEET TO THE WEST RIGHT-OF-WAY LINE OF DAHLIA ST. (74' R.O.W.);

THENCE ALONG SAID WEST RIGHT-OF-WAY LINE OF DAHLIA ST. (74' R.O.W.) S00°03'27"W, A DISTANCE OF 449.32 FEET TO THE **POINT OF BEGINNING**.

THENCE CONTINUING ALONG SAID WEST RIGHT-OF-WAY LINE OF DAHLIA ST. (74' R.O.W.) S00°03'27"W, A DISTANCE OF 875.68 FEET TO THE SOUTH LINE OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 19;

THENCE S00°02'24"W, A DISTANCE OF 3.46 FEET TO THE NORTHEAST CORNER OF THE OVERLOOK AT PARK HILL, FILING NO. 1, RECORDED AT RECEPTION NO. 2001067475, CITY AND COUNTY OF DENVER RECORDS;

THENCE ALONG THE NORTH LINE OF SAID OVERLOOK AT PARK HILL, FILING NO. 1, RECORDED AT RECEPTION NO. 2001067475, CITY AND COUNTY OF DENVER RECORDS, N81°54'10"W, A DISTANCE OF 24.14 FEET TO SAID SOUTH LINE OF THE SOUTHWEST ONE-QUARTER OF SECTION 19;

THENCE CONTINUING ALONG SAID NORTH LINE OF THE OVERLOOK AT PARK HILL, FILING NO. 1, RECORDED AT RECEPTION NO. 2001067475, CITY AND COUNTY OF DENVER RECORDS AND SAID SECTION LINE, S89°52'00"W, A DISTANCE OF 487.07 FEET TO THE NORTHWEST CORNER OF SAID OVERLOOK AT PARK HILL, FILING NO. 1, RECORDED AT RECEPTION NO. 2001067475, CITY AND COUNTY OF DENVER RECORDS;

THENCE DEPARTING SAID SECTION LINE AND ALONG THE WEST LINE OF SAID OVERLOOK AT PARK HILL, FILING NO. 1, RECORDED AT RECEPTION NO. 2001067475, CITY AND COUNTY OF DENVER RECORDS, S00°25'28"E, A DISTANCE OF 198.49 FEET;

THENCE DEPARTING SAID WEST LINE N90°00'00"W, A DISTANCE OF 562.99 FEET;

THENCE N45°11'23"W, A DISTANCE OF 408.00 FEET;

THENCE N12°23'56"W, A DISTANCE OF 704.85 FEET;

THENCE N21°53'29"E, A DISTANCE OF 261.71 FEET;

EXHIBIT B

TEMPORARY EASEMENT AREA CONT.
PAGE 2 OF 3
MARCH 23, 2018

THENCE N45°18'56"E, A DISTANCE OF 549.53 FEET TO THE SOUTH LINE OF PARK HILL TOWN CENTER SUBDIVISION, FILING NO. 1, RECORDED AT RECEPTION NO. 2004129062, CITY AND COUNTY OF DENVER RECORDS;

THENCE ALONG SAID SOUTH LINE OF PARK HILL TOWN CENTER SUBDIVISION, FILING NO. 1, RECORDED AT RECEPTION NO. 2004129062, CITY AND COUNTY OF DENVER RECORDS, S89°57'26"E, A DISTANCE OF 28.69 FEET TO THE SOUTHEAST CORNER OF SAID PARK HILL TOWN CENTER SUBDIVISION, FILING NO. 1, RECORDED AT RECEPTION NO. 2004129062, CITY AND COUNTY OF DENVER RECORDS;

THENCE ALONG THE EAST LINE OF SAID PARK HILL TOWN CENTER SUBDIVISION, FILING NO. 1, RECORDED AT RECEPTION NO. 2004129062, CITY AND COUNTY OF DENVER RECORDS, N00°07'53"E, A DISTANCE OF 121.35 FEET;

THENCE DEPARTING SAID EAST LINE S90°00'00"E, A DISTANCE OF 742.85 FEET;

THENCE S02°24'53"E, A DISTANCE OF 651.77 FEET;

THENCE S90°00'00"E, A DISTANCE OF 226.60 FEET TO THE **POINT OF BEGINNING**.

THE ABOVE DESCRIBED PARCEL CONTAINS 2,030,674 SQUARE FEET OR 46.618 ACRES, MORE OR LESS.

BASIS OF BEARINGS: ALL BEARINGS ARE BASED ON A LINE CONNECTING THE CENTER-SOUTH ONE-SIXTEENTH CORNER OF SAID SECTION 19 (FOUND AXLE IN A MONUMENT BOX), AND THE SOUTH ONE-QUARTER CORNER OF SAID SECTION 19 (FOUND 3-1/4" ALUMINUM CAP IN A MONUMENT BOX, "PLS 27011, 1998"), BEARING S00°03'27"W.

PREPARED BY: RICHARD D. MUNTEAN, CO PLS 38189
FOR AND ON BEHALF OF:
105 WEST, INC.
4201 E. YALE AVE., SUITE 230
DENVER, CO 80222

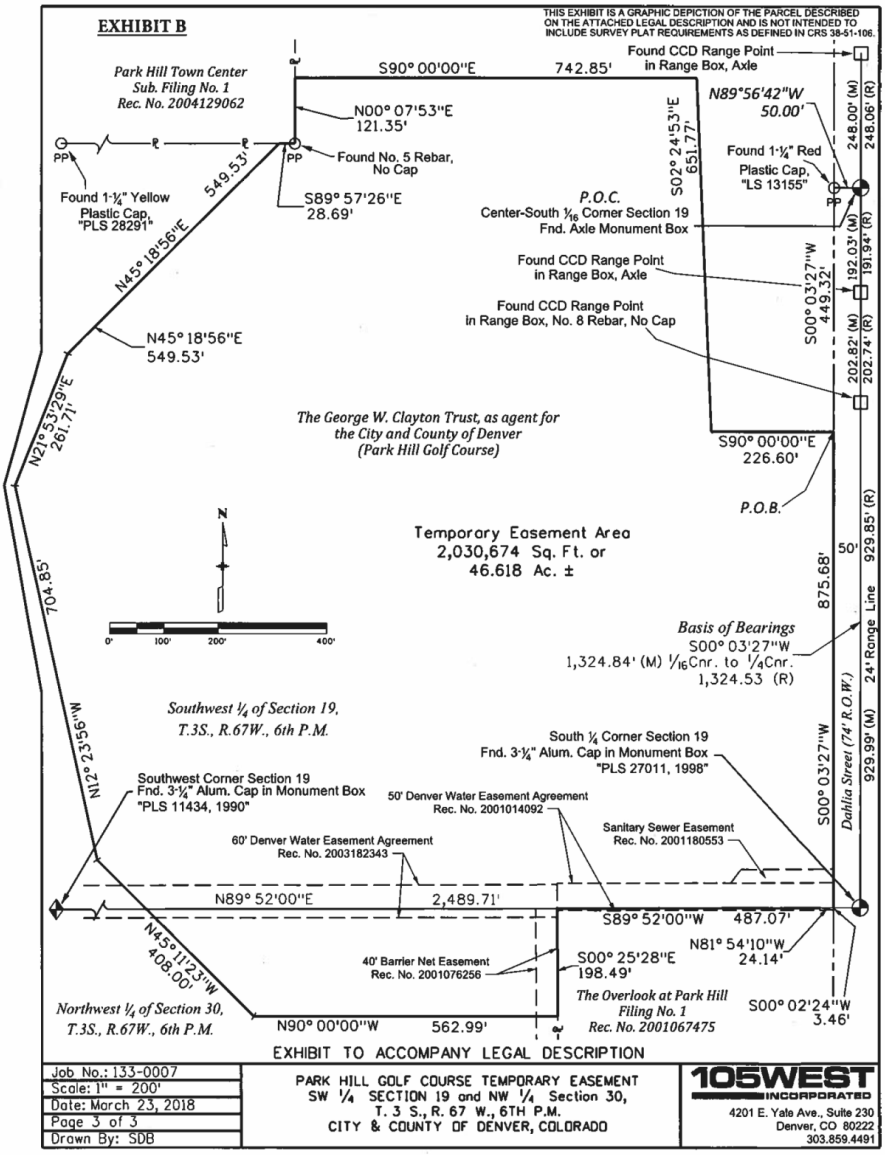


EXHIBIT B
THIS EXHIBIT IS A GRAPHIC DEPICTION OF THE PARCEL DESCRIBED ON THE ATTACHED LEGAL DESCRIPTION AND IS NOT INTENDED TO INCLUDE SURVEY PLAT REQUIREMENTS AS DEFINED IN CRS 38-51-106.
Park Hill Town Center Sub. Filing No. 1 Rec. No. 2004129062
S90° 00'00"E 742.85'
Found CCD Range Point in Range Box, Axle
N00° 07'53"E 121.35'
Found No. 5 Rebar, No Cap
S89° 57'26"E 28.69'
Found 1-¼" Yellow Plastic Cap, "PLS 28291"
549.53'
N45° 18'56"E 549.53'
N21° 53'29"E 261.71'
704.85'
N12° 23'56"W
N45° 11'23"W 408.00'
N89°56'42"W 50.00'
S02° 24'53"E 651.77'
Found 1-¼" Red Plastic Cap, "LS 13155"
P.O.C. Center-South 1/16 Corner Section 19 Fnd. Axle Monument Box
Found CCD Range Point in Range Box, Axle
Found CCD Range Point in Range Box, No. 8 Rebar, No Cap
S00° 03'27"W 449.32'
248.00' (M) 248.06' (R)
192.03' (M) 191.94' (R)
202.82' (M) 202.74' (R)
The George W. Clayton Trust, as agent for the City and County of Denver (Park Hill Golf Course)
S90° 00'00"E 226.60'
P.O.B.
Temporary Easement Area 2,030,674 Sq. Ft. or 46.618 Ac. ±
875.68'
50'
929.85' (R)
929.99' (M)
24' Range Line
Dahlia Street (74' R.O.W.)
S00° 03'27"W
Basis of Bearings S00° 03'27"W 1,324.84' (M) 1/16Cnr. to 1/4Cnr. 1,324.53 (R)
Southwest ¼ of Section 19, T.3S., R.67W., 6th P.M.
South ¼ Corner Section 19 Fnd. 3-¼" Alum. Cap in Monument Box "PLS 27011, 1998"
Southwest Corner Section 19 Fnd. 3-¼" Alum. Cap in Monument Box "PLS 11434, 1990"
50' Denver Water Easement Agreement Rec. No. 2001014092
Sanitary Sewer Easement Rec. No. 2001180553
60' Denver Water Easement Agreement Rec. No. 2003182343
N89° 52'00"E 2,489.71'
S89° 52'00"W 487.07'
N81° 54'10"W 24.14'
40' Barrier Net Easement Rec. No. 2001076256
S00° 25'28"E 198.49'
The Overlook at Park Hill Filing No. 1 Rec. No. 2001067475
S00° 02'24"W 3.46'
Northwest ¼ of Section 30, T.3S., R.67W., 6th P.M.
N90° 00'00"W 562.99'
EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION
Job No.: 133-0007
Scale: 1" = 200'
Date: March 23, 2018
Page 3 of 3
Drawn By: SDB
PARK HILL GOLF COURSE TEMPORARY EASEMENT
SW ¼ SECTION 19 and NW ¼ Section 30, T. 3 S., R. 67 W., 6TH P.M.
CITY & COUNTY OF DENVER, COLORADO
105WEST INCORPORATED
4201 E. Yale Ave., Suite 230
Denver, CO 80222
303.859.4491

The term of the temporary easements is one year or 2 years or 24 months. The value of a temporary construction easement is a rental value based on a reasonable return to the land.

Land lease rates were investigated to support the land lease rate to be used to calculate the temporary construction easement rental value. There were no examples of golf course sites that were leased, in the general area or region. The subject lease is not a market based document.

The rental rate, therefore, was based on land leases in developed areas, return rates reported by various publications, and other land rental information.

Based on the data, and considering a slight premium due to the nature of the lease with only a portion of the land rented, the rental rate is estimated at 10 percent of the fee value. The value of the temporary construction easement is calculated as follows:

Rental Value of Temporary Easement						
Parcel No.	**Area AC**	**$ Unit Value**	**Rate (%)**	**Term (Years)**	**Value**	
TE-1	46.618	$19,039.79	10%	2	$177,519	
					Total Rental Value of Temporary Easement	$177,519

PART 11 – COMPENSATION SUMMARY

Explanation of Compensation

The compensation includes the permanent easement to be acquired, and rental of the temporary easement. The compensation estimate is summarized below.

Compensation Summary		
Land/Site Value of Part Taken	$0	
Easement Value of Part Acquired	$237,721	
Owner Improvements Contributory Value of Part Taken	$0	
Total Value of Part Taken		$237,721
Compensable Damages and/or Offsetting Special Benefits		
Compensable Damages/Incurable	$0	
<Less> Special Benefits (offset up to 100% of incurable damage)	($-0-)	
Compensable Damages/Curable/Cost-to-Cure	$0	
Remaining Special Benefits (offset up to 50% value part taken) >>	($-0-)	
Net of Damages/Offsetting Special Benefits		$0
Total Rental Value of Temporary Easement		$177,519
Compensation Estimate		*$415,240*
Compensation Estimate - Rounded		**$415,300**

Addendum

Socio-Economic Profile Of The Park Hill Primary Trade Area

In the analysis to determine demand for golf facilities, it is necessary to identify the primary area from which the facility typically will attract its patrons. The trade area is a function of population density, natural barriers, golfer distance/travel time habits, accessibility of the site, and the location of competitive facilities. THK has defined the trade area as the area within an approximate 20 to 25 minute drive of the Park Hill Golf Club and has adjusted that area to reflect competitive golf facilities and natural and physical barriers that affect travel time. The geographic delineation of the primary trade area is shown on the following map.

In 1990, there were 575,698 people living in the trade area. Since then the trade area has experienced a 1.6% annual growth in the population with 398 new residents annually. Household growth has continued throughout this time period at a 1.4% growth rate, or 160 new households annually. The trade area has captured a large percentage of total growth in the region. Since 1990 the trade area has captured 24.2% of total population growth and 23.3% of total household growth in the region. Since 2000 these capture rates have increased to 24.5% and 24.6% respectively.

Based on the historical development activity in the area and the economic forecast for the area, it is possible to project future population levels in the trade area. The Park Hill primary trade area's 2018 population of 879,775 residing in 366,573 households will experience annual average population growth of 11,627 and household growth of 5,804 through 2028. Thus, the population in the Park Hill primary trade area will increase to 936,404 by 2023 and 996,044 by 2028. The forecasted population and household growth rates are shown on the following table.

Population and Household Trends in the Denver CMSA and the Park Hill Primary Trade Area, 1980 - 2018

					Annual Average					
					1990-2018		2000-2018		2010-2018	
Denver CMSA	1990	2000	2010	2018	Numerical	Percent	Numerical	Percent	Numerical	Percent
Population	1,667,009	2,179,564	2,543,482	2,921,049	44,787	2.0%	41,194	1.6%	43,824	1.7%
Households	667,139	852,261	1,004,696	1,156,241	17,468	2.0%	16,888	1.7%	16,878	1.8%
Park Hill Primary Trade Area										
Population	575,698	698,198	788,117	879,775	10,860	1.5%	10,088	1.3%	10,621	1.4%
Households	252,372	291,866	328,382	366,573	4,079	1.3%	4,150	1.3%	3,801	1.4%
Park Hill as a percent of the Denver CMSA										
Population	35%	32%	31%	30%	24.2%	-	24.5%	-	24.2%	-
Households	38%	34%	33%	32%	23.3%	-	24.6%	-	22.5%	-

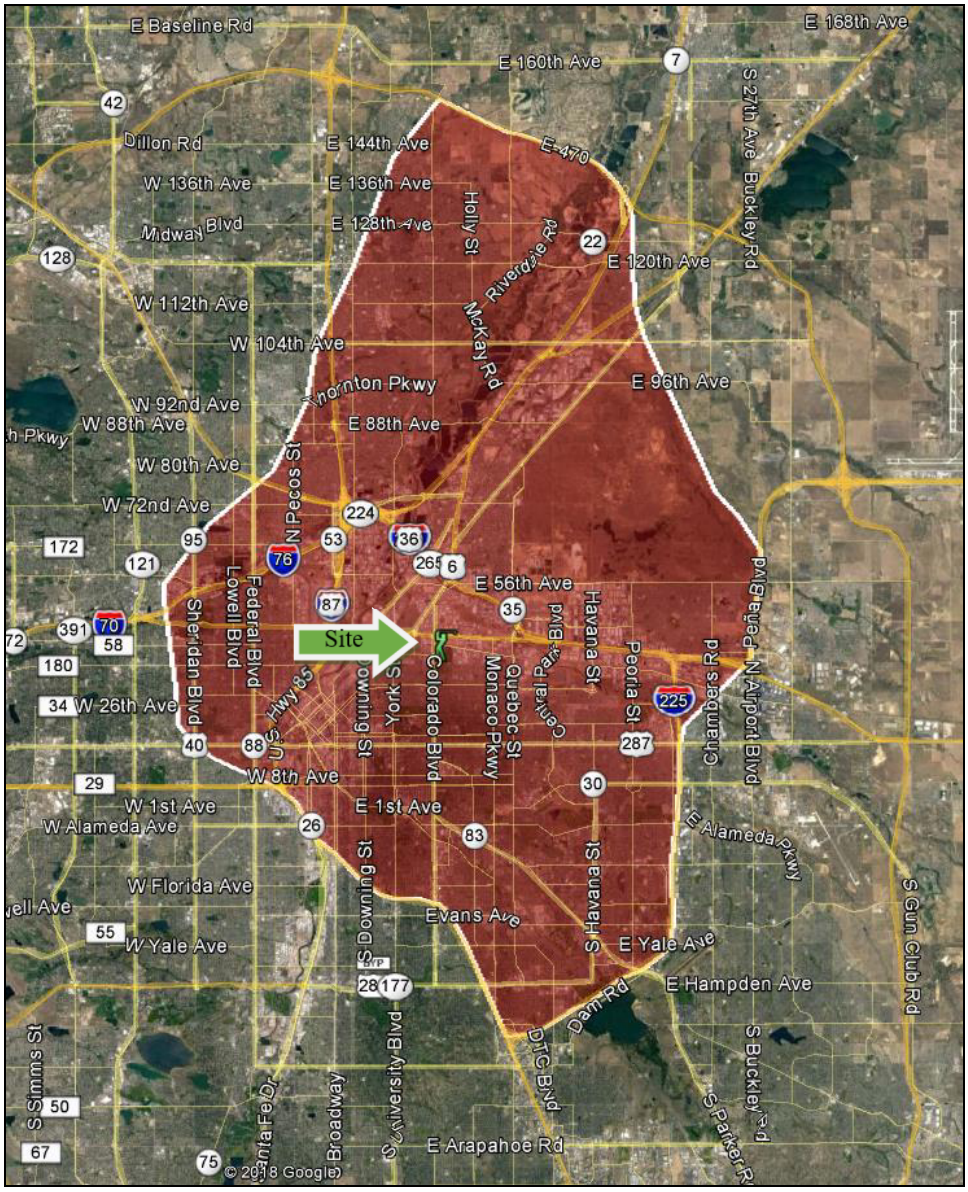
Source: US Bureau of the Census and THK Associates

Projected Population and Household Trends in the Denver CMSA and the Park Hill Primary Trade Area, 2018 - 2028

				Annual Average			
				2018-2023		2018-2028	
Denver CMSA	2018	2023	2028	Numerical	Percent	Numerical	Percent
Population	2,921,049	3,140,810	3,360,572	43,952	1.5%	43,952	1.4%
Households	1,156,241	1,243,284	1,330,327	17,409	1.5%	17,409	1.4%
Park Hill Primary Trade Area							
Population	879,775	936,404	996,044	11,326	1.3%	11,627	1.2%
Households	366,573	401,050	424,609	6,895	1.8%	5,804	1.5%
Park Hill as a percent of the Denver CMSA							
Population	30%	30%	30%	26%	-	26%	-
Households	32%	32%	32%	40%	-	33%	-

Source: US Bureau of the Census and THK Associates

FIGURE 1 – PARK HILL PRIMARY TRADE AREA



Golf Demand

In order to accurately gauge demand, the participation rate by age group needs to be established for the trade area. Accordingly, THK applies the estimated participation rates for the primary trade area to the area demographics. To further evaluate participation rates, golfers have been designated as either core or occasional players. Core golfers play eight or more 18-hole rounds each year.

The overall golf participation rate for those aged 5 and above in the United States is 8.8%. The golf participation rate for males is 14.8% and for females 3.3%. The Mountain states have an overall golf participation rate of 9.1%, with the male participation rate being 13.8% and the female participation rate being 4.7%. The Colorado/Park Hill environs have an overall golf participation rate of 9.4%; the male participation rate in the state is 14.2% compared to 4.7% for females.

Men in the Colorado/Park Hill environs aged 30-39 have the highest golf participation rate of 18.7% followed by the 40-49 age group at 15.1%. Men between ages 5 and 11 have the lowest rate at 5.4%; females between 40-49 have the highest participation rate at 12.9% with the 30-39 group at 6.8%. The female age group of 5-11 has the lowest rate at 1.7%. The following table displays the participation rates by age and gender for the United States, Mountain states, and Colorado/Park Hill.

The age and gender distribution for the Park Hill primary trade area is shown following the participation rates table for the years 2010-2028. In 2018, the largest age group for males was the 30-39 bracket; the largest concentration of females was also in the 30-39 bracket.

Golf Participation Rates by Age and Gender in the U.S., Mountain States and Colorado

United States

	Male Golf Participation Rate			Female Golf Participation Rate			Total Golf Participation Rate		
Age Range	**Serious***	**Occasional****	**Total**	**Serious***	**Occasional****	**Total**	**Serious***	**Occasional****	**Total**
0-5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5-11	1.7%	3.1%	4.8%	0.3%	0.7%	1.0%	0.5%	2.1%	2.6%
12-17	4.7%	6.0%	10.7%	0.6%	0.6%	1.2%	3.2%	3.1%	6.3%
18-29	7.0%	7.3%	14.2%	0.8%	2.1%	2.9%	3.5%	5.0%	8.5%
30-39	9.6%	8.9%	18.5%	1.4%	3.0%	4.3%	4.6%	6.4%	11.0%
40-49	8.5%	6.9%	15.4%	1.4%	0.2%	1.6%	4.2%	4.7%	9.0%
50-59	0.7%	5.1%	5.8%	1.8%	1.8%	3.6%	4.5%	3.4%	7.8%
60-64	8.4%	4.2%	12.6%	2.2%	1.4%	3.5%	4.9%	2.7%	7.6%
65+	7.3%	2.6%	9.9%	1.5%	1.0%	2.5%	3.8%	1.5%	5.3%
Total	**7.8%**	**7.0%**	**14.8%**	**8.4%**	**2.6%**	**3.3%**	**4.3%**	**4.6%**	**8.8%**

Mountain

	Male Golf Participation Rate			Female Golf Participation Rate			Total Golf Participation Rate		
Age Range	**Serious***	**Occasional****	**Total**	**Serious***	**Occasional****	**Total**	**Serious***	**Occasional****	**Total**
0-5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5-11	1.4%	3.7%	5.0%	0.4%	1.2%	1.6%	0.4%	2.7%	3.1%
12-17	3.7%	7.0%	10.6%	0.7%	1.1%	1.8%	2.2%	4.0%	6.2%
18-29	5.5%	8.5%	14.0%	0.9%	3.5%	4.4%	2.5%	6.4%	8.9%
30-39	7.6%	10.3%	17.9%	1.5%	5.0%	6.6%	3.2%	8.2%	11.4%
40-49	6.8%	7.9%	14.7%	8.7%	4.1%	12.8%	3.7%	6.0%	9.7%
50-59	6.3%	6.0%	12.3%	2.8%	3.0%	5.8%	3.8%	4.3%	8.2%
60-64	6.6%	4.9%	11.5%	2.6%	2.2%	4.8%	4.2%	3.4%	7.7%
65+	5.8%	3.1%	8.9%	1.7%	1.7%	3.4%	3.2%	1.9%	5.1%
Total	**6.0%**	**7.8%**	**13.8%**	**1.3%**	**3.4%**	**4.7%**	**3.5%**	**5.6%**	**9.1%**

Colorado

	Male Golf Participation Rate			Female Golf Participation Rate			Total Golf Participation Rate		
Age Range	**Serious***	**Occasional****	**Total**	**Serious***	**Occasional****	**Total**	**Serious***	**Occasional****	**Total**
0-5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5-11	1.1%	4.3%	5.4%	0.3%	1.4%	1.7%	0.4%	3.1%	3.5%
12-17	3.1%	8.2%	11.4%	0.5%	1.2%	1.7%	2.2%	4.6%	6.9%
18-29	4.8%	9.9%	14.7%	0.7%	3.9%	4.6%	2.5%	7.3%	9.8%
30-39	6.6%	12.2%	18.7%	1.1%	5.7%	6.8%	3.3%	9.4%	12.6%
40-49	5.8%	9.4%	15.1%	8.3%	4.6%	12.9%	3.0%	6.9%	9.8%
50-59	5.4%	7.0%	12.3%	1.4%	3.4%	4.9%	3.1%	4.9%	8.0%
60-64	5.7%	5.6%	11.3%	1.9%	2.6%	4.5%	3.4%	4.0%	7.4%
65+	4.9%	3.6%	8.5%	1.3%	1.9%	3.2%	2.7%	2.2%	5.0%
Total	**5.0%**	**9.1%**	**14.2%**	**1.0%**	**3.8%**	**4.7%**	**2.9%**	**6.5%**	**9.4%**

* Participation rates indicate the percentage of each population group that golfs at least eight times per year
** Participation rates indicate the percentage of each population group that golfs less than eigth times per year

Source: THK Associates, Inc.

Age and Gender Distribution of The Park Hill GC PTA, 2000-2028

	2010		2018		2023		2028	
Male	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
0-4	29,593	7.4%	37,014	8.4%	35,513	7.6%	32,724	6.6%
5-11	38,773	9.7%	47,343	10.7%	51,224	10.9%	52,286	10.5%
12-17	29,510	7.4%	32,904	7.5%	40,794	8.7%	45,681	9.1%
18-29	67,261	16.8%	59,721	13.5%	61,986	13.2%	73,979	14.8%
30-39	69,930	17.5%	76,263	17.3%	63,386	13.5%	51,505	10.3%
40-49	62,420	15.6%	67,418	15.3%	76,467	16.3%	77,907	15.6%
50-59	48,531	12.1%	51,375	11.7%	57,863	12.3%	68,175	13.6%
60-64	20,283	5.1%	22,075	5.0%	23,908	5.1%	26,509	5.3%
65+	34,312	8.6%	46,671	10.6%	58,463	12.4%	70,782	14.2%
Total	**400,612**	**100.0%**	**440,785**	**100.0%**	**469,604**	**100.0%**	**499,549**	**100.0%**

	2010		2018		2023		2028	
Female	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
0-4	28,697	7.4%	34,938	8.0%	33,456	7.2%	30,790	6.2%
5-11	36,549	9.4%	45,205	10.3%	48,510	10.4%	49,424	10.0%
12-17	28,134	7.3%	31,646	7.2%	38,815	8.3%	43,180	8.7%
18-29	60,563	15.6%	59,084	13.5%	60,112	12.9%	71,139	14.3%
30-39	60,917	15.7%	76,032	17.3%	64,355	13.8%	50,991	10.3%
40-49	55,614	14.4%	61,136	13.9%	73,079	15.7%	78,540	15.8%
50-59	46,531	12.0%	48,614	11.1%	53,297	11.4%	63,398	12.8%
60-64	20,881	5.4%	22,507	5.1%	23,785	5.1%	25,346	5.1%
65+	49,620	12.8%	59,829	13.6%	71,391	15.3%	83,688	16.9%
Total	**387,505**	**100.0%**	**438,991**	**100.0%**	**466,799**	**100.0%**	**496,496**	**100.0%**

	2010		2018		2023		2028	
Total	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
0-4	58,290	7.4%	71,952	8.2%	68,969	7.4%	63,514	6.4%
5-11	75,323	9.6%	92,548	10.5%	99,734	10.7%	101,710	10.2%
12-17	57,643	7.3%	64,550	7.3%	79,609	8.5%	88,861	8.9%
18-29	127,824	16.2%	118,805	13.5%	122,098	13.0%	145,118	14.6%
30-39	130,847	16.6%	152,295	17.3%	127,741	13.6%	102,496	10.3%
40-49	118,034	15.0%	128,554	14.6%	149,546	16.0%	156,447	15.7%
50-59	95,062	12.1%	99,989	11.4%	111,160	11.9%	131,573	13.2%
60-64	41,164	5.2%	44,582	5.1%	47,693	5.1%	51,855	5.2%
65+	83,932	10.6%	106,500	12.1%	129,854	13.9%	154,470	15.5%
Total	**788,117**	**100.0%**	**879,775**	**100.0%**	**936,404**	**100.0%**	**996,044**	**100.0%**

Source: U.S. Bureau of the Census, and THK Associates, Inc.

Number of Trade Area Golfers

The next step in the analysis is to apply the participation rates to the primary trade area population using the age and gender breakdowns. For example, in 2018, there are 76,263 male residents between the age of 30 and 39 in the primary trade area (see previous table). As shown in the following table, 6.6% of this population group are serious participants in golf, and 12.2% are occasional participants: 76,263 x 6.6% and 76,263 x 12.2% = 14,277* male golfers between the ages of 30 and 39. *May not add due to rounding.

This exercise is important because the primary indicators for golf participation are age and gender, as they are for all recreational activities. Any variations in the demographic profile of the local area have important impacts on the demand for golf, because of the differences in golf participation between age groups. The following table shows the number of male and female golfers in the primary trade area in 2018, 2023, and 2028. There are presently 74,726 golfers within the trade area boundaries. In 2023, it is anticipated that 79,497 golfers will reside in the primary trade area and by the year 2028, there should be 83,917 golfing residents in the trade area.

Number of Golfers by Age and Gender in The Park Hill GC PTA, 2018-2028

2018	Male			Female			Total		
Age Range	Serious*	Occasional**	Total	Serious*	Occasional**	Total	Serious*	Occasional**	Total
0-5	-	-	-	-	-	-	-	-	-
5-11	530	2,045	2,575	145	615	760	675	2,660	3,335
12-17	1,027	2,711	3,738	152	380	532	1,179	3,091	4,270
18-29	2,867	5,924	8,791	425	2,316	2,741	3,292	8,240	11,532
30-39	5,003	9,274	14,277	852	4,319	5,171	5,855	13,593	19,448
40-49	3,883	6,310	10,193	5,087	2,788	7,875	8,970	9,098	18,068
50-59	2,754	3,576	6,330	700	1,672	2,372	3,454	5,248	8,702
60-64	1,254	1,236	2,490	432	576	1,008	1,686	1,812	3,498
65+	2,278	1,680	3,958	766	1,149	1,915	3,044	2,829	5,873
Total	**19,596**	**32,756**	**52,352**	**8,559**	**13,815**	**22,374**	**28,155**	**46,571**	**74,726**

2023	Male			Female			Total		
Age Range	Serious*	Occasional**	Total	Serious*	Occasional**	Total	Serious*	Occasional**	Total
0-5	-	-	-	-	-	-	-	-	-
5-11	577	2,224	2,801	165	700	865	742	2,924	3,666
12-17	1,279	3,378	4,657	197	492	689	1,476	3,870	5,346
18-29	2,990	6,180	9,170	449	2,442	2,891	3,439	8,622	12,061
30-39	4,179	7,746	11,925	713	3,618	4,331	4,892	11,364	16,256
40-49	4,427	7,193	11,620	6,394	3,504	9,898	10,821	10,697	21,518
50-59	3,117	4,047	7,164	837	2,000	2,837	3,954	6,047	10,001
60-64	1,365	1,346	2,711	461	615	1,076	1,826	1,961	3,787
65+	2,867	2,115	4,982	752	1,128	1,880	3,619	3,243	6,862
Total	**20,801**	**34,229**	**55,030**	**9,968**	**14,499**	**24,467**	**30,769**	**48,728**	**79,497**

2028	Male			Female			Total		
Age Range	Serious*	Occasional**	Total	Serious*	Occasional**	Total	Serious*	Occasional**	Total
0-5	-	-	-	-	-	-	-	-	-
5-11	591	2,281	2,872	160	679	839	751	2,960	3,711
12-17	1,440	3,802	5,242	209	523	732	1,649	4,325	5,974
18-29	3,587	7,412	10,999	517	2,817	3,334	4,104	10,229	14,333
30-39	3,413	6,326	9,739	577	2,925	3,502	3,990	9,251	13,241
40-49	4,532	7,365	11,897	6,600	3,617	10,217	11,132	10,982	22,114
50-59	3,691	4,793	8,484	922	2,203	3,125	4,613	6,996	11,609
60-64	1,521	1,499	3,020	492	655	1,147	2,013	2,154	4,167
65+	3,489	2,574	6,063	1,082	1,623	2,705	4,571	4,197	8,768
Total	**22,264**	**36,052**	**58,316**	**10,559**	**15,042**	**25,601**	**32,823**	**51,094**	**83,917**

* Participation rates indicate the percentage of each population group that golfs at least eight times per year
** Participation rates indicate the percentage of each population group that golfs less than eigth times per year

Source: THK Associates, Inc

Trade Area Golf Rounds in Demand

The table below shows the number of rounds that the average golfer plays by age level. The national golfer averages 19.4 rounds per year, while golfers over 65 average 44.6 rounds of golf per year. Young golfers average only 7.3 rounds per year nationally. In the Colorado/Park Hill area, it is estimated that the average golfer is currently playing 17.3 rounds, while seniors are averaging 39.9 rounds of golf per year. The number of rounds in Colorado/Park Hill area is expected to increase to 17.5 for the average player in 2028.

Average Number of Rounds for Golfers by Age in Colorado and Nationally

	2018			2018		
		National			Colorado	
Age Range	Serious	Occasional	Total	Serious	Occasional	Total
5-11	11.7	1.6	7.3	11.0	1.7	8.7
12-17	25.6	2.4	15.2	22.9	2.1	13.6
18-29	23.4	2.1	13.9	21.0	1.9	12.4
30-39	24.8	2.2	14.8	22.2	2.0	13.3
40-49	28.6	2.6	17.0	25.6	2.4	15.2
50-59	46.6	4.2	27.7	41.7	3.9	24.9
60-64	73.7	6.7	43.9	66.0	6.1	39.3
65+	75.0	6.8	44.6	67.1	6.2	39.9
Total	**29.6**	**3.0**	**19.4**	**26.5**	**2.7**	**17.3**

	2023			2028		
		Colorado			Colorado	
Age Range	Serious	Occasional	Total	Serious	Occasional	Total
5-11	11.1	1.7	8.7	11.1	1.7	8.7
12-17	23.0	2.1	13.7	23.1	2.2	13.7
18-29	21.1	1.9	12.5	21.2	1.9	12.5
30-39	22.4	2.0	13.3	22.5	2.1	13.4
40-49	25.7	2.4	15.3	25.8	2.4	15.3
50-59	41.9	3.9	25.0	42.1	3.9	25.2
60-64	66.3	6.1	39.4	66.7	6.2	39.6
65+	67.4	6.2	40.1	67.7	6.3	40.3
Total	**26.7**	**2.7**	**17.4**	**26.8**	**2.7**	**17.5**

Source: THK Associates, Inc.

The number of rounds of golf generated by each group in the trade area is shown in the following table. The rounds per golfer for each age (previous table) are multiplied by the number of golfers in the trade area and are then adjusted for an 18-hole equivalent round. In 2018, residents of the trade area will demand 785,610 rounds of 18-hole golf. A large percentage of those rounds will come from seniors (65+) who will account for nearly 166,344 rounds of golf. By the year 2028, there will be a demand for 971,060 rounds of golf in the trade area. The 18-hole equivalent adjustment is 75%.

Number of 18-Hole Equivalent Round per Golfer by Age
For The PHGC PTA, 2018-2028

2018

Age Range	Rounds Per Serious Golfer	Number of Serious Golfers	18 Hole Equivalent Rounds	Rounds Per Occasional Golfer	Number of Occasional Golfers	18 Hole Equivalent Rounds	Total 18 Hole Equivalent Rounds
5-11	11.0	675	5,569	1.7	2,660	3,392	**8,961**
12-17	22.9	1,179	20,249	2.1	3,091	4,868	**25,117**
18-29	21.0	3,292	51,849	1.9	8,240	11,742	**63,591**
30-39	22.2	5,855	97,486	2.0	13,593	20,390	**117,876**
40-49	25.6	8,970	172,224	2.4	9,098	16,376	**188,600**
50-59	41.7	3,454	108,024	3.9	5,248	15,350	**123,374**
60-64	66.0	1,686	83,457	6.1	1,812	8,290	**91,747**
65+	67.1	3,044	153,189	6.2	2,829	13,155	**166,344**
Total	**26.5**	**28,155**	**692,047**	**2.7**	**46,571**	**93,563**	**785,610**

2023

Age Range	Rounds Per Serious Golfer	Number of Serious Golfers	18 Hole Equivalent Rounds	Rounds Per Occasional Golfer	Number of Occasional Golfers	18 Hole Equivalent Rounds	Total 18 Hole Equivalent Rounds
5-11	11.1	742	6,161	1.7	2,924	3,771	**9,932**
12-17	23.0	1,476	25,463	2.1	3,870	6,240	**31,703**
18-29	21.1	3,439	54,338	1.9	8,622	12,511	**66,849**
30-39	22.4	4,892	82,029	2.0	11,364	17,406	**99,435**
40-49	25.7	10,821	208,488	2.4	10,697	18,971	**227,459**
50-59	41.9	3,954	124,313	3.9	6,047	17,549	**141,862**
60-64	66.3	1,826	90,824	6.1	1,961	9,011	**99,835**
65+	67.4	3,619	182,924	6.2	3,243	15,163	**198,087**
Total	**26.7**	**30,769**	**774,540**	**2.7**	**48,728**	**100,622**	**875,162**

2028

Age Range	Rounds Per Serious Golfer	Number of Serious Golfers	18 Hole Equivalent Rounds	Rounds Per Occasional Golfer	Number of Occasional Golfers	18 Hole Equivalent Rounds	Total 18 Hole Equivalent Rounds
5-11	11.1	751	6,270	1.7	2,960	3,840	**10,110**
12-17	23.1	1,649	28,590	2.2	4,325	7,010	**35,600**
18-29	21.2	4,104	65,170	1.9	10,229	14,920	**80,090**
30-39	22.5	3,990	67,240	2.1	9,251	14,240	**81,480**
40-49	25.8	11,132	215,550	2.4	10,982	19,570	**235,120**
50-59	42.1	4,613	145,760	3.9	6,996	20,400	**166,160**
60-64	66.7	2,013	100,630	6.2	2,154	9,950	**110,580**
65+	67.7	4,571	232,200	6.3	4,197	19,720	**251,920**
Total	**26.8**	**32,823**	**861,410**	**2.7**	**51,094**	**109,650**	**971,060**

Source: National Golf Foundation and THK Associates, Inc

The next step in the analysis is to determine the total demand for golf rounds. Resident golfers will demand 785,610 18-hole rounds in 2018 of which an estimated 85% or 667,769 rounds will be captured by public golf courses in the primary trade area. Secondary support will actually be negative as there is a high population base with a limited supply of courses in the primary trade area and secondary support or leakage will result in a negative demand from secondary support. A total of 367,273 18-hole public rounds will be demanded in 2018. In

2023, there will be demand for 409,138 18-hole public rounds. By the year 2028, 453,971 18-hole public rounds will need to be accommodated by trade area courses to satisfy trade area demand.

Demand for Golf in The PHGC PTA, 2018-2028

Item	2018	2023	2028
Total Rounds From			
Primary Trade Area	785,610	875,162	971,060
Private Rounds/1	117,842	131,274	145,659
Public Rounds	667,769	743,888	825,401
Capture of Rounds	392,805	437,581	485,530
Private Rounds/2	58,921	65,637	72,830
Public Rounds/3	333,884	371,944	412,701
Secondary Support /4	39,281	43,758	48,553
Private Rounds	5,892	6,564	7,283
Public Rounds	33,388	37,194	41,270
Total Rounds	**432,086**	**481,339**	**534,083**
Private Rounds	64,813	72,201	80,112
Public Rounds	367,273	409,138	453,971

1\ Assumes 15% of demand is for private golf
2\ Assumes a capture rate of 50% of private resident rounds
3\ Assumes a capture rate of 50% of public resident rounds
4\ Assumes secondary support is 10% of total demand

Source: THK Associates, Inc.

Golf Supply Trends In The Park Hill Primary Trade Area

In order to further isolate the operating conditions that exist in the Park Hill primary trade area, THK has singled out the primary trade area's existing facilities. The subject property's competition is located generally within a 20-25-minute drive time of the Park Hill Golf Club. Within the primary trade area, THK inventoried a total of 13 golf courses and 207 golf holes. The 13 golf courses are comprised of 11 public and 2 private courses. THK obtained round data from the Colorado Golf Association and inventories of courses. The number of reported rounds is in excess of our estimated demand. In part this could be attributed to rounds stated by golf facilities being higher than the actual play realized. This can be due to employees at facilities making estimates without actual rounds play and facilities not wanting to reveal decreases in play. It is estimated, by the Colorado Golf Association and the individual courses, that primary trade area courses played a total of approximately 380,952 18-hole equivalent rounds in 2017, 330,152 of which were public rounds and 50,800 were private rounds. On average, there were 29,304 rounds of golf played at the 13 area courses in 2017. The 11 public golf courses (exclusive of the subject) played an average of 26,528 golf rounds in 2017 while the 2 private courses averaged 25,400 rounds. With regards to the public courses, THK inventoried all of the public golf courses in the Park Hill primary trade area. Of the 11 public golf courses, there was an 18-hole weighted fee of $26.81 per round.

Overall, the primary trade area has the equivalent of 11.5 18-hole public and private courses. The 11 public golf course's fees and the 13 golf courses in the primary trade area are profiled on the following two tables. These fees have been researched as a check of reasonableness for the rates at Park Hill.

Summary of Golf Course Greens Fees at Public Golf Courses in Park Hill Primary Trade Area

#	Golf Course	2011 Overall 18-Hole Weighted Fee
1	Aurora Hills	$28.88
2	City Park	$30.05
3	CommonGround	$44.42
4	CommonGround Par 3	$15.85
6	Heather Gardens	$15.00
7	J.F. Kennedy	$29.35
8	J.F. Kennedy Par 3	$18.10
9	Riverdale Dunes	$40.00
10	Riverdale Knolls	$32.00
11	Wills Case	$29.28
12	Windsor Gardens Par 3	$12.00
	Overall Average	$26.81

Note: Nonresident Fees are used at Municipal Course

Source: CGA Rounds & Revenue Survey 2011 & THK Associates, INC

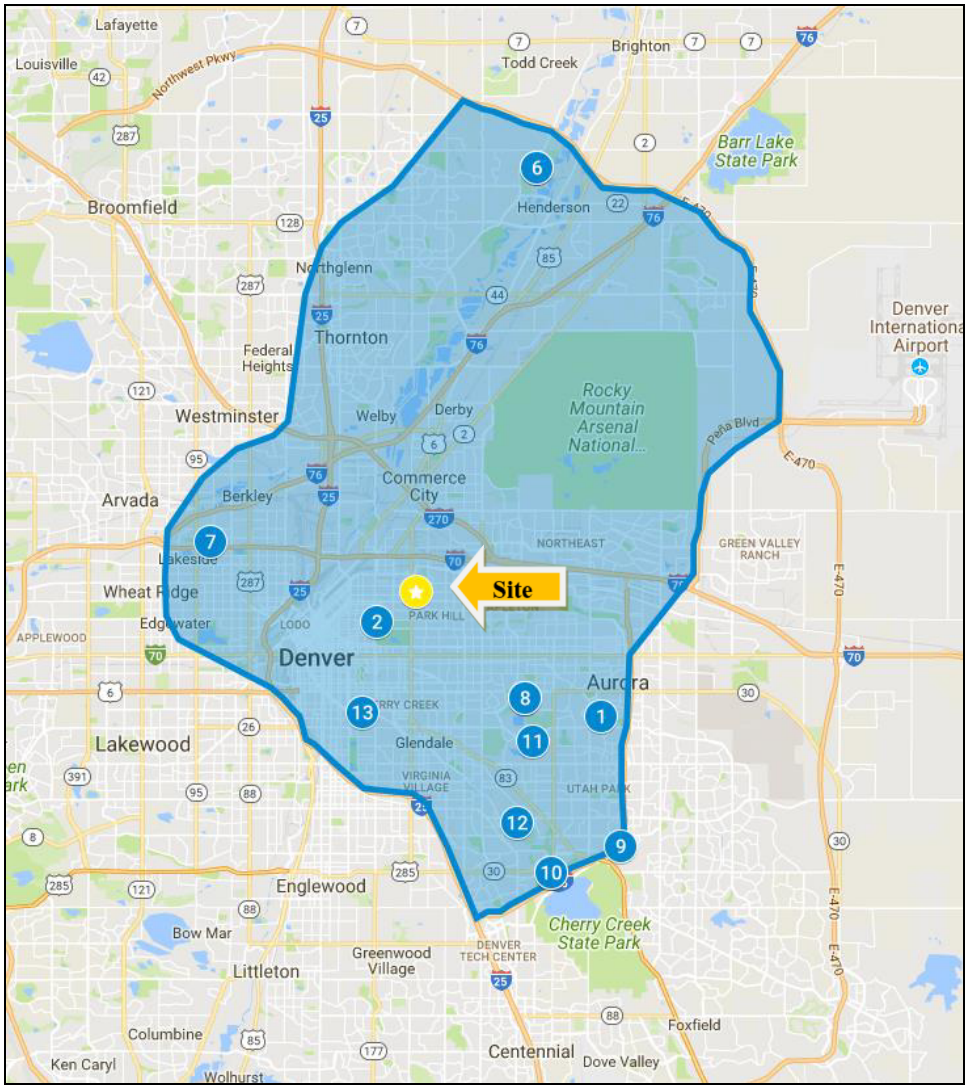
Golf Courses in the Park Hill Primary Trade Area

#	Course	Holes	Type	Length	2017 Estimated 18-Hole Rounds Played
	Subject Course				
	Park Hill	18	Daily Fee	Regulation	38,349
	Public Regulation				
1	Aurora Hills	18	Municipal	Regulation	34,716
2	City Park	18	Municipal	Regulation	16,856
3	Common Ground	18	Daily Fee	Regulation	29,913
4	J.F. Kennedy	27	Municipal	Regulation	51,356
5	Riverdale Dunes	18	Municipal	Regulation	30,996
6	Riverdale Knolls	18	Municipal	Regulation	43,914
7	Wills Case	18	Municipal	Regulation	42,057
	Total	135			249,808
	Course Equivalent	7.5			33,308
	Public Non-Regulation				
8	CommonGround Par 3	9	Daily Fee	Par 3	1,643
9	Heather Gardens	9	Daily Fee	Executive	24,000
10	J.F. Kennedy Par 3	9	Municipal	Par 3	8,352
11	Windsor Gardens	9	Daily Fee	Par 3	8,000
	Total	36			41,995
	Course Equivalent	2			20,998
	Private				
12	Cherry Creek Country Club	18	Private	Regulation	22,800
13	Denver Country Club	18	Private	Regulation	28,000
	Total	36			50,800
	Course Equivalent	2.0			25,400
	Public Competitors	9.5		Total Rounds	291,803
	Private Competitors	2.0		Total Rounds	50,800
	Total Competitors	11.5			342,603
	Rounds Per Course				29,792
	Total Rounds*				380,952
	Public*				330,152
	Private*				50,800

* Includes Subject Course

Source: Colorado Golf Association, Course Interviews, & THK Associates, INC

FIGURE 2 – GOLF COURSES IN THE PRIMARY TRADE AREA



Supply And Demand for Golf in the Primary Trade Area

The table below shows a comparison of supply and demand for golf rounds in the area. Currently, THK shows a relative balance of supply and demand of public and private rounds of golf, with a slight under supply of private golf. Demand will continue to increase and by 2028, there will be an excess demand of approximately 123,819 public rounds. Demand will justify 2.8 additional public courses in the primary trade area by 2028. Today the trade area could add 0.8 public courses. The overall market and Park Hill environs appear to be bottomed and stabilized and golf rounds should begin to increase at a healthy pace over the coming decade.

Comparison of Supply and Demand for Golf Rounds in The PHGC PTA, 2018-2028

DEMAND	2018	2023	2028
Total Rounds	**432,086**	**481,339**	**534,083**
Private Rounds	64,813	72,201	80,112
Public Rounds	367,273	409,138	453,971
SUPPLY	**2018**	**2023**	**2028**
Current Rounds Played	380,952	380,952	380,952
Private Rounds Played	50,800	50,800	50,800
Public Rounds Played	330,152	330,152	330,152
EXCESS DEMAND	**2018**	**2023**	**2028**
Total Rounds	51,134	100,387	153,131
Private Rounds	14,013	21,401	29,312
Public Rounds	37,121	78,986	123,819
CAPACITY	**2018**	**2023**	**2028**
Private Rounds	30,000	30,000	30,000
Public Rounds	45,000	45,000	45,000
COURSE DEMAND	**2018**	**2023**	**2028**
Private Courses	0.5	0.7	1.0
Public Courses	0.8	1.8	2.8
Total Courses	1.3	2.5	3.7

Demand is the total estimated demand for private and public golf rounds

Source: THK Associates, Inc.

Subject Property

The subject property is the Park Hill Golf Club located at 4141 East 35th Avenue in Denver, Colorado. The subject is a 5,189 yard to 6,357 yard 18-hole fee golf club. After the proposed taking the golf course should be similar in length. The course was designed by Clark Hamilton and opened in 1931. The golf course land parcel comprises 155.42-acres. The site has a fairly level terrain. The course offers practice facilities that include a driving range, indoor hitting/instruction area and putting green. The cart path surfaces run on portions of the course and are in poor condition. The golf course is routed with "returning 9-holes", meaning that the number 1 tee, number 10 tee, number 9 green, and number 18 green all have proximity to the clubhouse. The 26,154 square foot clubhouse offers a pro shop, dinning/banquet room, a bar/lounge area, outdoor patio, as well as offices and restrooms. The clubhouse is in average condition and was built in 1976. The parking lot is asphalt with concrete curbs.

Topography and Drainage

The subject property's elevation is approximately 5,280 feet above sea level and is a relatively level property. There are some views of downtown and the mountains. Vegetation surrounding the manicured portions of the golf course consists of native terrain. Drainage appears to be adequate.

Easements and Encroachments

Known easements or encroachments on the subject property would include utility lines and roadways, typical to this type of property. There are no apparent easements that affect the utilization of the subject. The City and County of Denver is proposing a drainage and detention project that will impact a portion of the subject property. The detention area will impact the northeast portion of the subject property and cause the re-location and re-construction of all of hole #3, most of hole #4, most of hole #5, a large portion of hole #6 and a small portion of hole #2. There will also be some modifications to the driving range with extensions of netting. The clubhouse, practice tee area, indoor practice area, maintenance area and parking lot will not be impacted. We have assumed that the project will start in 2019 and be completed by the spring of 2020. Approximately 8 golf holes will need to be re-constructed and or re-routed to return the subject to an 18-hole regulation golf course. We have assumed that during the construction phase of the golf course the subject will remain open as a nine hole facility with the range and restaurant fully functional. After the re-construction of the golf course there will

be no permanent impact to the subject property in terms of its ability to function as an 18-hole golf course facility. Based on our experience with similar situations and the number of rounds played at 9-hole versus 18-hole golf facilities in the Denver region (see Exhibit 4) the impact to round play at Park Hill Golf Club would be approximately 60.0% of rounds. After re-construction and grow in is complete there would be no residual impact and play would return to normal levels.

HOLE		1	2	3	4	5	6	7	8	9	OUT	INITIAL	10	11	12	13	14	15	16	17	18	IN	TOT	HCP	NET
Back	M: 68.3/115 W: 74.2/127	550	469	175	371	368	534	198	376	394	3435		325	197	335	378	380	189	375	186	557	2922	6357		
Middle	M: 66.1/110 W: 72.0/124	530	437	129	360	338	508	165	356	375	3198		315	187	320	354	361	143	355	170	540	2745	5943		
Men's Handicap		9	1	7	5	13	3	17	15	11			18	8	14	6	16	12	4	10	2				
Par		5	4/5	3	4	4	5	3	4	4	36/37		4	3	4	4	4	3	4	3	5	34	70/71		
Pace of Play		:19	:33	:42	:56	1:10	1:29	1:38	1:52	2:04			2:19	2:28	2:42	2:56	3:10	3:19	3:33	3:42	4:00				
Women's Handicap		3	5	15	7	13	1	17	11	9			14	16	8	12	2	10	6	18	4				
Forward	67.6/114	510	370	93	311	265	436	142	306	334	2767		306	170	310	326	326	100	340	153	391	2422	5189		

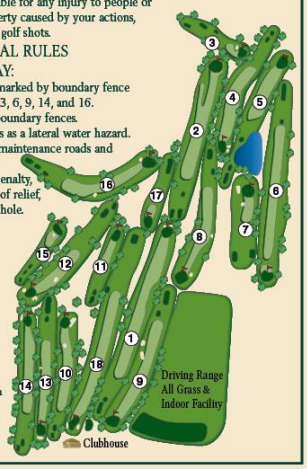
Scorer: © Golf ScoreCards, Inc. 4/2018 1-866-258-7267 Attest: Date:

PLAYER RULES OF CONDUCT:

- Please play ready golf.
- Load limit for cart: 2 persons and 2 sets of clubs.
- Keep carts off tees and greens at all times.
- Keep carts 30 yards away from green and on cart paths at tees.
- Each player must have a set of clubs.
- Proper golf attire with shirts required.
- Replace all divots, rake and sand bunkers.
- Repair ball marks on greens.
- You are responsible for any injury to people or damage to property caused by your actions, including errant golf shots.

USGA & LOCAL RULES GOVERN PLAY:

- Out of bounds marked by boundary fence or stakes on #2, 3, 6, 9, 14, and 16.
- No relief from boundary fences.
- Lake on #6 plays as a lateral water hazard.
- Drop ball from maintenance roads and constructed cart paths, without penalty, at nearest point of relief, no closer to the hole.

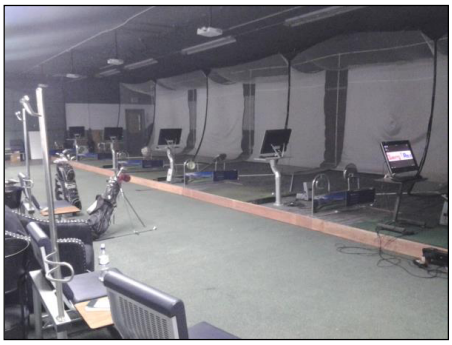


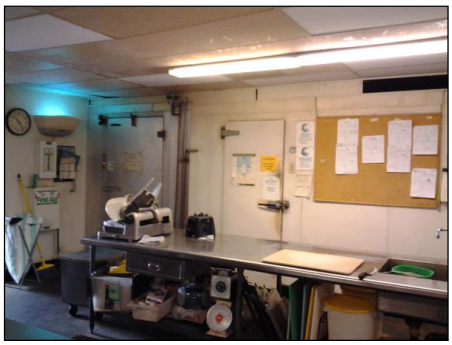
Park Hill
GOLF CLUB

4141 East 35th Ave.
Denver, CO 80207
(303) 333-5411
www.parkhillgc.com

ARCIS GOLF

Park Hill
GOLF CLUB
Est. 1931





To develop the opinion of value, a Restricted Appraisal Report, as defined by USPAP was performed. This is a Restricted Appraisal Report format that is intended to comply with the reporting requirements set forth under USPAP.

The three traditional appraisal methods used to value real property are the sales comparison, income capitalization, and cost approaches. These methods are summarized following:

> The **cost approach** is based on the premise that the value of a property is indicated by the current cost to construct a replacement for the improvements, minus the amount of depreciation from all causes evident in the improvements, and the value of the land.
>
> The **sales comparison approach** is based on elements of direct comparison. Adjustments are made to the sale price of each comparable property to reflect the differences between the sale and the subject property.
>
> The **income capitalization approach** is based on measuring the present value of future benefits of an ownership. Income streams and reversionary values are capitalized through direct capitalizations or discounted by applying a discounted cash flow analysis.

The subject property, before and after, was valued using the Sales Comparison Approach as a check of reasonableness and the Income Capitalization Approach to estimate market value. The Cost Approach to Value can also be utilized to estimate the value of a property and is most beneficial when valuing a proposed or to be built asset. In this case, with the Park Hill Golf Club being a completed and fully functioning property, the Cost Approach is not considered relevant, as the ability of the existing asset to produce net income is the best and most reliable method (Income Approach to Value) to value an existing asset. The Cost Approach to Value was not considered in this report.

The property, comparables and the surrounding area were thoroughly inspected by Mr. E. Peter Elzi, Jr. and Mr. Elzi developed the Income Capitalization Approach to value. Other efforts and data needed for this assignment included the following:

- Inspection of the subject property and surrounding area
- Denver Metro Area demographic and economic data
- Identification of comparable sales of similar properties in the region
- Inspection of the comparable sales
- Confirmation of sales data through deeds and other public information
- Review of historical Financial and Operating Data for the Park Hill Golf Club

The data was confirmed by examination of deeds, deeds of trust, other public records, and/or by confirmation with the principals or agents of individual transactions. The size of the subject property was obtained from the County Assessor. THK Associates, Inc. and E. Peter Elzi, Jr. have been involved with the valuation and assessment of over 600 golf course properties throughout the region and nation. The appraiser has extensive experience in the golf course industry and has competent knowledge to perform this assignment. This report conforms to USPAP Competency Provision as approved and adopted by the Appraisal Foundation.

The income capitalization approach (discounted cash flow analysis) develops an indication of value based on the income a property is expected to generate. This valuation technique allows for changes in an income stream over a projected holding period. It then reverts the periodic future cash flows to a present value by discounting them at a selected discount rate. Projections are made about the potential gross income from membership dues, green fees, cart rental fees, concession sales, pro shop sales, etc. Projections are also made on the expenses that are expected to occur in operating the business.

This type of analysis necessitates various assumptions regarding the base pro forma data, future market supply/demand conditions and trends, anticipated changes in green fees, operating expenses, etc. It is critical that the input data and assumptions are a reasonable reflection of investor actions and that they are based on the kind of historic market standards and future expectations that assure an objective and reliable conclusion. The final result is to be viewed as an estimate of probability, tempered by a balance between the upside potential and the downside risk inherent in golf course properties.

Considering the current market conditions and the overall character of the subject property, the following data and assumptions are considered appropriate for the discounted cash flow analysis. Ten years is the presumed period of ownership with a capitalization of the 10th year's projected net operating income.

Potential Gross Income

The initial step of the discounted cash flow analysis is to estimate the potential gross income the subject property is capable of realizing over the analysis period. The subject property will generate revenue from six primary sources. These sources are typical of most semi-private or daily fee golf club operations, although some golf courses have additional categories or subcategories. The primary revenue sources are following:

- Greens Fees
- Driving Range
- Cart Rentals
- Food and Beverage
- Pro shop and other operations

Fees and Rounds Played At Park Hill Golf Club

The number of annual golf rounds at the Park Hill Golf Club has steadily increased since 2013 from 33,348 18-hole rounds to 38,349 18-hole rounds in 2017. With the temporary closure of City Park golf course, Park Hill should see rounds in 2018 higher than 2017.

Weighted average greens fees for 18-holes at Park Hill have also steadily increased since 2013 from $23.15 to $25.29 in 2017. The fees at the Park Hill Golf Club are competitive with similar area facilities.

Park Hill Golf Club Projected Round Play

THK has calculated total demand for golf in the Park Hill Golf Club environs to determine how many rounds should be played annually at the golf facility. THK's market analysis accounts for golf demand from permanent residents as well as secondary support. These figures are based on unit counts, golf participation rates, occupancies, and frequency of play. There is demand for approximately 367,273 18-hole public rounds of golf in the Park Hill primary trade area in 2018. This demand is estimated to grow to 454,971 18-hole public rounds by 2028. The Park Hill Golf Club has well positioned itself in the area market in several ways. It provides an affordable golf experience that is well located in a major metropolitan area and easily accessed from Colorado Boulevard and Interstate 70. The Park Hill Golf Club also has a solid built in base of resident and local play. Incorporating and assessing this overall level of competition in the region, THK estimates the 18-hole course at the Park Hill Golf Club should capture approximately 11.50% of area demand in 2018. When City Park golf course re-opens in 2019 the Park Hill capture rate will decrease to approximately 10.0%. The historical performance over the last five years at Park Hill of more than 35,600 rounds indicates that the facility is generic capture rate. The projected demand at the Park Hill Golf Club is for 42,236 rounds in 2018 and reaching its' realistic capacity of 45,000 rounds by 2028. As previously noted the impacts to the facility during the drainage and golf course re-construction project will result in a loss of rounds of approximately 60.0%. This loss of rounds has been assumed to occur in 2019.

Revenues

From these round play projections THK has developed a cash flow for the next ten years. Both revenues and expenses are estimated based on the older historical financial statements at the Park Hill Golf Club, discussions and interviews with local golf operators and

investors, actual performance of the City and County of Denver golf courses (see Exhibit #1), as well as typical market rates and conditions at similar facilities. Numerous projections have been made for estimating revenues. Our historical records (Exhibit #2) indicate in 2010 the Park Hill Golf Club achieved total revenue of $2,252,661.

Greens Fees

The Park Hill Golf Club has historically had green fees competitive compared to the comparable courses/facilities profiled in the area and wider region. Greens fee revenue at the Park Hill Golf Club is projected at approximately $25.50 per round today.

Cart Fees

The Park Hill Golf Club is projected to realize $5.00 per round in cart fee revenues.

Food and Beverage

The food and beverage operation has been stable and the facility offers catering and banquets. We have estimated food and beverage revenues at $20.00 per 18-hole round.

Pro Shop/Merchandise Revenues

Revenues from these areas are expected to be $7.00 per 18-hole round.

Driving Range Revenues

Revenues from these areas are expected to remain stable and are currently estimated at $6.00 per round, including the indoor practice area.

Miscellaneous and Range Revenues

Miscellaneous revenues from items such as club rental and driving range fees are estimated at $1.00 per round.

Operating Expenses

Operating expenses for the facility include items such as:

- Cost of goods sold (pro shop and F&B)
- Golf shop operations (payroll, benefits, insurance, range supplies, club rental, advertising, uniforms, subscriptions, etc.)
- Golf maintenance expenses (payroll, benefits, insurance, tools, equipment leases, utilities, fertilizer, pesticides, etc.)
- Food and Beverage expenses (payroll, benefits, insurance, licenses, supplies, laundry, some kitchen leases, etc.)
- Clubhouse expenses (payroll, benefits, insurance, utilities, trash, utilities, etc.)
- Administration expenses (payroll, benefits, insurance, legal, accounting, computers, etc.)
- Personal Property taxes
- Replacement reserves
- Management fees

The Park Hill Golf Club is a well-established facility. Neither the Clayton Foundation nor Arcis Golf would supply a current Income and Expenses statement. In our files we do have a 2010 Income and Expenses Statement for Park Hill (Exhibit #2). We also researched the income and expenses for the City and County of Denver golf courses.

Discounted Cash Flow Analysis (Dcf)

The DCF technique is used to value the subject property based on its anticipated cash flows and reversionary value over the projection period. The present value is derived by discounting the cash flows by a rate reflective of the perceived risk and future income-producing expectations. The rate used is selected based on analysis of anticipated yield rates of several investors dealing in similar quality investments, along with an analysis of alternative investments with similar perceived risk.

The analysis period is ten-years with a sale based on the 10th year net operating income before reserves, or reversion year. The 10th year cash flow is capitalized at an appropriate rate to arrive at the value of the reversion; the 10th year discount factor is then applied. The present value of the cash flows is then added to the present value of the reversion to arrive at the market value of the subject property.

Capitalization and Discount Rate Derivation

To estimate an applicable cap and discount rate, national investor surveys were reviewed for their accepted internal rates of return and objectives for golf courses and similar

investment quality commercial, industrial, and hospitality properties. Hospitality properties are most comparable to golf courses in terms of investment, operation, and management risk. This is because golf courses and hotel properties require a significant amount of management and personal property inventory.

The ***Realty Rates.com Investor Survey (Exhibit #3)*** was the main survey source used.

Realty Rates Survey

The proper selection of a capitalization rate is critical to the value of a property. One source that tracks real estate yields is the Realty Rates Investor survey. It represents a blend of investor expectations as reported in the quarterly survey of institutional investors. It should be emphasized that this composite yield only pertains to investment grade real estate. As of the 2st quarter of 2018 the Realty Rates Investor Survey reports that the average pre-tax investment yield for all types of properties was 10.00%. Golf properties have average capitalization rates of 11.97%. The most recent survey is shown in the following table.

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2018*
CURRENT & HISTORICAL CAP RATE INDICES
Method-Weighted* Property Category Indices

	Apts		Golf		Healthcare Senior Housing		Industrial		Lodging		MH/RV Park		Office		Retail		Restaurant		Self Storage		Special Purpose		Weighted^ Composite Indices	
Year	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg
2018	8.38	22	11.97	24	8.96	9	9.16	20	10.52	25	9.50	24	9.00	6	9.32	14	11.52	10	9.81	23	11.58	33	9.60	18
1st Qtr	8.38	23	11.97	28	8.96	13	9.16	22	10.52	31	9.50	28	9.00	5	9.32	17	11.52	26	9.81	25	11.58	34	9.60	21
2017	8.16	4	11.73	-2	8.87	-6	8.96	-12	10.28	5	9.26	11	8.94	-22	9.19	-8	11.42	-15	9.57	-9	11.25	4	9.42	-6
4th Qtr	8.15	6	11.69	8	8.82	7	8.94	6	10.21	5	9.22	7	8.96	7	9.16	6	11.26	6	9.56	7	11.24	6	9.39	6
2016	8.13	-2	11.75	6	8.92	12	9.08	15	10.22	0	9.15	15	9.16	16	9.27	12	11.57	-10	9.67	14	11.21	10	9.48	9
2015	8.15	-9	11.69	-14	8.80	-9	8.93	-10	10.22	-20	8.99	-18	9.00	-6	9.15	-11	11.66	-13	9.52	-22	11.11	-12	9.40	-12
2014	8.24	-15	11.83	-9	8.89	-1	9.03	-4	10.43	-17	9.17	-5	9.06	-22	9.26	15	11.79	-6	9.75	-20	11.24	14	9.52	-7
2013	8.39	14	11.92	-14	8.90	5	9.07	-2	10.60	3	9.22	14	9.28	-19	9.11	-4	11.86	9	9.95	-24	11.10	1	9.58	-2
2012	8.25	-35	12.07	6	8.85	-36	9.09	-40	10.57	-24	9.08	-39	9.47	3	9.15	-13	11.77	6	10.19	-49	11.09	-4	9.60	-21
2011	8.60	-29	12.00	-22	9.21	-40	9.49	-11	10.81	-24	9.48	-8	9.44	-10	9.28	-26	11.70	-14	10.69	-3	11.12	-17	9.81	-19
2010	8.89	4	12.22	5	9.62	15	9.60	12	11.05	7	9.55	22	9.54	16	9.54	25	11.84	12	10.72	21	11.30	0	10.00	13
2009	8.85	8	12.17	16	9.47	10	9.48	10	10.98	-7	9.33	1	9.38	29	9.29	20	11.72	15	10.50	37	11.30	8	9.87	14
2008	8.77	-4	12.01	29	9.37	-16	9.38	-14	11.05	56	9.32	-5	9.09	-16	9.09	-11	11.57	-28	10.13	20	11.22	-7	9.74	-1
2007	8.81	-45	11.72	-21	9.53	-65	9.52	-25	10.49	-28	9.37	-26	9.25	-47	9.20	-12	11.85	61	9.93	-38	11.29	-24	9.75	-28
2006	9.26	12	11.93	47	10.18	15	9.77	35	10.77	27	9.63	41	9.72	26	9.32	30	11.24	18	10.31	27	11.53	9	10.03	26
2005	9.14	14	11.46	80	10.03	-16	9.42	-30	10.50	-21	9.22	19	9.46	6	9.02	16	11.06	5	10.04	13	11.44	-30	9.77	2
2004	9.00	-19	10.66	28	10.19	-37	9.72	19	10.71	-98	9.03	-48	9.40	-4	8.86	-19	11.01	-15	9.91	-13	11.74	-30	9.75	-19
2003	9.19	-2	10.38	-32	10.56	64	9.53	33	11.69	56	9.51	-11	9.44	1	9.05	-18	11.16	8	10.04	-53	12.04	105	9.94	12
2002	9.21	-40	10.70	18	9.92	-39	9.20	-61	11.13	26	9.62	-60	9.43	-35	9.23	-62	11.08	-3	10.57	-12	10.99	-177	9.82	-41
2001	9.61	64	10.52	133	10.31	90	9.81	16	10.87	98	10.22	-68	9.78	-35	9.85	-53	11.11	47	10.69	13	12.76	32	10.23	21
2000	8.97		9.19		9.41		9.65		9.89		10.90		10.13		10.38		10.64		10.56		12.44		10.01	

* Weighted by methodology: Band-of-Investment, DCR Technique, Sales Survey

^ Further weighted by property category

*1st Quarter 2018 Data

Discount Rate Derivation

To estimate an applicable discount rate, national investor surveys were reviewed for their accepted internal rates of return and objectives for similar investment quality projects. In addition, market rates for other investments were considered. A recent survey provided by Integra Realty Resources, Investor Survey 2018, has provided a summary of discount rates on a national basis. Discount rates for daily fee golf courses ranges from 10.24% to 21.66% and averages 15.80%.This survey is shown in Exhibit #3.

Market Rates

A real estate investment competes in the capital markets and must be competitive with the yield offered by other investment vehicles or similar risk.

Following are benchmarks and yields on selected investments:

- 5-Year CD Rate – 3.00%
- 10-year Treasury Note – 2.87%
- LIBOR 3-month 2.34%
- Prime Rate – 5.0%
- 30-year mortgage – 4.55%

Source: *Wall Street Journal*, 7/2018

These alternative investments are relatively safe compared to the subject property; as a result, an incremental increase in the discount rate is appropriate to allow for the perceived risk, Illiquidity, management, etc. An adjustment of 6.0% to 8.0% to the Prime Rate for perceived risk was applied, which indicates a discount rate range from about 11.0% to 13.0%. At this time the real estate markets are performing at some of the lowest levels in decades. Finally, the lack of capital in the markets continues to hamper the recovery of residential real estate. Risk with subdivisions is also higher at this time due to the slowdown in residential construction activity.

Summary - Discount Rates

For the reasons described above, it is our opinion that the discount rate for the subject property should be at the high end of the range to properly account for the actual and perceived risk associated with real estate development. Based on this data, a discount rate of 12.5% was applied.

Terminal Capitalization Rate

The **RealtyRates *Survey*** indicates terminal capitalization rates for golf currently at 11.97%. A terminal capitalization rate of 11.5% was applied.

Summary - DCF Analysis – Before Taking

The following shows the result of the DCF analysis, before the taking. The indicated value by this approach is **$4,145,500**, for the Park Hill Golf Club. This evaluation is for the "as-is" market value of the subject as of May 7, 2018.

Summary - DCF Analysis – After Taking

The following shows the result of the DCF analysis, after the taking. As previously discussed, the City and County of Denver is proposing a drainage and detention project that will impact a portion of the subject property. The detention area will impact the northeast portion of the subject property and cause the re-location and re-construction of all of hole #3, most of hole #4, most of hole #5, a large portion of hole #6 and a small portion of hole #2. There will also be some modifications to the driving range with extensions of netting. The clubhouse, practice tee area, indoor practice area, maintenance area and parking lot will not be impacted. We have assumed that the project will start in 2019 and be completed by the spring of 2020. Approximately 8 golf holes will need to be re-constructed and or re-routed to return the subject to an 18-hole regulation golf course. We have assumed that during the construction phase of the golf course the subject will remain open as a nine hole facility with the range and restaurant fully functional. After the re-construction of the golf course there will be no permanent impact to the subject property in terms of its ability to function as an 18-hole golf course facility. Based on our experience with similar situations and the number of rounds played at 9-hole versus 18-hole golf facilities in the Denver region (see Exhibit 4) the impact to round play at City Park Golf Club would be approximately 60.0% of rounds. After re-construction and grow in is complete there would be no residual impact and play would return to normal levels.

The taking will require the re-location of two greens and two tees. During the re-location process the play at the golf course will be interrupted to the extent of operating as a 9-hole course for approximately one year. I have assumed that the re-location can begin in early 2019 and the course will be operational as an 18-hole facility by the spring of 2020. I have estimated a 60% impact on rounds in 2019. The indicated value by this approach is

$4,035,000, for the Park Hill Golf Club. This evaluation is for the "as-is" market value of the subject as of May 7, 2018.

Personal Property Value

Personal property includes golf carts, lawn mowers, trimmers, tractors, kitchen equipment, chairs, etc. It typically ranges from 2.5% to 10% of the total value. The subject property's personal property includes the clubhouse; restaurant furniture, fixtures, and equipment; and golf fixtures and equipment. The subject property requires this equipment to operate successfully. Without it, the subject property cannot generate income. Most of the personal property will be associated with the golf and clubhouse FF&E. Based on this, personal property value is estimated at 5% of the subject property's value (before taking), or approximately $210,000.

Business Value

The analysis includes adequate management and reserve amounts. This is enough to account for business value, if any.

Market Potentials for the PHGC

Year	2018	2019	2020	2021	2022
Demand for Public Rounds	367,273	375,341	383,586	392,013	400,625
Capture Rate	11.5%	10.0%	10.0%	10.0%	10.0%
Total Demand for Public Rounds at The Park Hill Golf Club	**42,236**	**37,534**	**38,359**	**39,201**	**40,062**
Course Utilization	**93.9%**	**83.4%**	**85.2%**	**87.1%**	**89.0%**

Year	2023	2024	2025	2026	2027	2028
Demand for Public Rounds	409,138	418,548	428,175	438,023	448,098	453,971
Capture Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Total Demand for Public Rounds at The Park Hill Golf Club	**40,914**	**41,855**	**42,818**	**43,802**	**44,810**	**45,000**
Course Utilization	**90.9%**	**93.0%**	**95.2%**	**97.3%**	**99.6%**	**100.0%**

Source: THK Associates, Inc.

Projected Cash Flow Operations for the 18-Hole Park Hill Golf Club - Before

YEAR	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total Rounds Played	42,236	37,534	38,359	39,201	40,062	40,914	41,855	42,818	43,802	44,810
Average Weighted Green Fee/1	$25.50	$26.27	$27.05	$27.86	$28.70	$29.56	$30.45	$31.36	$32.30	$33.27
REVENUES										
Green Fees	$1,077,027	$985,833	$1,037,714	$1,092,326	$1,149,812	$1,209,474	$1,274,410	$1,342,833	$1,414,930	$1,490,898
Cart Fees	$211,182	$193,301	$203,473	$214,182	$225,453	$237,152	$249,884	$263,301	$277,437	$292,333
Pro Shop/Merchandise	$295,655	$270,621	$284,863	$299,854	$315,635	$332,012	$349,838	$368,621	$388,412	$409,266
Range	$253,418	$231,961	$244,168	$257,018	$270,544	$284,582	$299,861	$315,961	$332,925	$350,799
Food & Beverage	$844,727	$773,202	$813,894	$856,726	$901,813	$948,607	$999,537	$1,053,203	$1,109,749	$1,169,331
Misc.	$42,236	$38,660	$40,695	$42,836	$45,091	$47,430	$49,977	$52,660	$55,487	$58,467
Total Revenues	$2,724,245	$2,493,577	$2,624,807	$2,762,943	$2,908,348	$3,059,257	$3,223,508	$3,396,578	$3,578,941	$3,771,094
COGS										
Merchandise	$59,131	$54,124	$56,973	$59,971	$63,127	$66,402	$69,968	$73,724	$77,682	$81,853
Food & Beverage	$320,996	$293,817	$309,280	$325,556	$342,689	$360,471	$379,824	$400,217	$421,705	$444,346
GROSS PROFIT	$2,344,118	$2,145,636	$2,258,555	$2,377,416	$2,502,532	$2,632,384	$2,773,716	$2,922,637	$3,079,553	$3,244,895
EXPENSES										
Golf Shop Operations Personnel	$225,000	$231,750	$238,703	$245,864	$253,239	$260,837	$268,662	$276,722	$285,023	$293,574
Administrative Operations Expenses	$290,000	$298,700	$307,661	$316,891	$326,398	$336,189	$346,275	$356,663	$367,363	$378,384
Golf Maintenance	$525,000	$540,750	$556,973	$573,682	$590,892	$608,619	$626,877	$645,684	$665,054	$685,006
Driving Range	$70,000	$72,100	$74,263	$76,491	$78,786	$81,149	$83,584	$86,091	$88,674	$91,334
F & B Personnel & Operating	$400,000	$412,000	$424,360	$437,091	$450,204	$463,710	$477,621	$491,950	$506,708	$521,909
Cart & Equipment Leases	$65,000	$66,950	$68,959	$71,027	$73,158	$75,353	$77,613	$79,942	$82,340	$84,810
Clubhouse Expense	$145,000	$149,350	$153,831	$158,445	$163,199	$168,095	$173,138	$178,332	$183,682	$189,192
Miscellaneous Expense	$27,242	$24,936	$26,248	$27,629	$29,083	$30,593	$32,235	$33,966	$35,789	$37,711
Management Expenses	$231,561	$211,954	$223,109	$234,850	$247,210	$260,037	$273,998	$288,709	$304,210	$320,543
Reserves	$54,485	$49,872	$52,496	$55,259	$58,167	$61,185	$64,470	$67,932	$71,579	$75,422
Total Expenses	**$2,033,288**	**$2,058,361**	**$2,126,601**	**$2,197,229**	**$2,270,335**	**$2,345,766**	**$2,424,473**	**$2,505,990**	**$2,590,423**	**$2,677,886**
TOTAL OPERATING INCOME	**$310,830**	**$87,275**	**$131,954**	**$180,187**	**$232,197**	**$286,618**	**$349,243**	**$416,648**	**$489,131**	**$567,009**

2018 Assumptions

Weighted Green Fee	$25.50
Cart/Round	$5.00
Merchandise/Round	$7.00
Range/Round	$6.00
F&B/Round	$20.00
Misc/Round	$1.00
Total Revenue/Round	$64.50
Inflation	3%

Source: Park Hill Golf Club, City and County of Denver and THK Associates, Inc.

Discounted Cash Flow Analysis for the 18-Hole Park Hill Golf Club - Before

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Net Operating Income	$310,830	$87,275	$131,954	$180,187	$232,197	$286,618	$349,243	$416,648	$489,131	$567,009
Reversion										$8,654,565
Annual Present Value	$276,293	$68,958	$92,676	$112,490	$128,853	$141,380	$153,130	$162,386	$169,454	$174,608
Discount Rate	12.50%									
Present Value of Income Stream	$1,480,230									
Reversion										
10th Year Revenues	$3,771,094									
10th Year Expenses	$2,677,886									
10th Year Net Income	$1,093,208									
Cap Rate	12.0%									
Net sales Price *	$8,654,565									
Present Value of Reversion Sale	$2,665,140									
Total Present Value	$4,145,370									

* 12.0% cap rate minus 5% cost of sale

Source: THK Associates, Inc.

Projected Cash Flow Operations for the 18-Hole Park Hill Golf Club - After

YEAR	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total Rounds Played	42,236	15,014	38,359	39,201	40,062	40,914	41,855	42,818	43,802	44,810
Average Weighted Green Fee/1	$25.50	$26.27	$27.05	$27.86	$28.70	$29.56	$30.45	$31.36	$32.30	$33.27
REVENUES										
Green Fees	$1,077,027	$394,333	$1,037,714	$1,092,326	$1,149,812	$1,209,474	$1,274,410	$1,342,833	$1,414,930	$1,490,898
Cart Fees	$211,182	$77,320	$203,473	$214,182	$225,453	$237,152	$249,884	$263,301	$277,437	$292,333
Pro Shop/Merchandise	$295,655	$108,248	$284,863	$299,854	$315,635	$332,012	$349,838	$368,621	$388,412	$409,266
Range	$253,418	$92,784	$244,168	$257,018	$270,544	$284,582	$299,861	$315,961	$332,925	$350,799
Food & Beverage	$844,727	$309,281	$813,894	$856,726	$901,813	$948,607	$999,537	$1,053,203	$1,109,749	$1,169,331
Misc.	$42,236	$15,464	$40,695	$42,836	$45,091	$47,430	$49,977	$52,660	$55,487	$58,467
Total Revenues	$2,724,245	$997,431	$2,624,807	$2,762,943	$2,908,348	$3,059,257	$3,223,508	$3,396,578	$3,578,941	$3,771,094
COGS										
Merchandise	$44,348	$16,237	$42,729	$44,978	$47,345	$49,802	$52,476	$55,293	$58,262	$61,390
Food & Beverage	$278,760	$102,063	$268,585	$282,720	$297,598	$313,040	$329,847	$347,557	$366,217	$385,879
GROSS PROFIT	$2,401,137	$879,131	$2,313,493	$2,435,245	$2,563,405	$2,696,415	$2,841,185	$2,993,728	$3,154,462	$3,323,825
EXPENSES										
Golf Shop Operations Personnel	$225,000	$115,875	$238,703	$245,864	$253,239	$260,837	$268,662	$276,722	$285,023	$293,574
Administrative Operations Expenses	$290,000	$298,700	$307,661	$316,891	$326,398	$336,189	$346,275	$356,663	$367,363	$378,384
Golf Maintenance	$525,000	$270,375	$556,973	$573,682	$590,892	$608,619	$626,877	$645,684	$665,054	$685,006
Driving Range	$70,000	$72,100	$74,263	$76,491	$78,786	$81,149	$83,584	$86,091	$88,674	$91,334
F & B Personnel & Operating	$400,000	$206,000	$424,360	$437,091	$450,204	$463,710	$477,621	$491,950	$506,708	$521,909
Cart & Equipment Leases	$65,000	$66,950	$68,959	$71,027	$73,158	$75,353	$77,613	$79,942	$82,340	$84,810
Clubhouse Expense	$145,000	$149,350	$153,831	$158,445	$163,199	$168,095	$173,138	$178,332	$183,682	$189,192
Miscellaneous Expense	$27,242	$24,936	$26,248	$27,629	$29,083	$30,593	$32,235	$33,966	$35,789	$37,711
Management Fee	$231,561	$84,782	$223,109	$234,850	$247,210	$260,037	$273,998	$288,709	$304,210	$320,543
Reserves	$54,485	$19,949	$52,496	$55,259	$58,167	$61,185	$64,470	$67,932	$71,579	$75,422
Total Expenses	**$2,033,288**	**$1,309,016**	**$2,126,601**	**$2,197,229**	**$2,270,335**	**$2,345,766**	**$2,424,473**	**$2,505,990**	**$2,590,423**	**$2,677,886**
TOTAL OPERATING INCOME	**$367,849**	**-$429,885**	**$186,892**	**$238,016**	**$293,069**	**$350,649**	**$416,712**	**$487,739**	**$564,039**	**$645,939**

2018 Assumptions

Weighted Green Fee	$25.50
Cart/Round	$5.00
Merchandise/Round	$7.00
Range/Round	$6.00
F&B/Round	$20.00
Misc/Round	$1.00
Total Revenue/Round	$64.50
Inflation	3%

Source: Park Hill Golf Club, City and County of Denver and THK Associates, Inc.

Discounted Cash Flow Analysis for the 18-Hole Park Hill Golf Club - After

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Net Operating Income	$367,849	($429,885)	$186,892	$238,016	$293,069	$350,649	$416,712	$487,739	$564,039	$645,939
Reversion										$8,654,565
Annual Present Value	$326,977	($339,662)	$131,260	$148,592	$162,633	$172,965	$182,712	$190,093	$195,405	$198,914
Discount Rate	12.50%									
Present Value of Income Stream	$1,369,890									
Reversion										
10th Year Revenues	$3,771,094									
10th Year Expenses	$2,677,886									
10th Year Net Income	$1,093,208									
Cap Rate	12.0%									
Net sales Price *	$8,654,565									
Present Value of Reversion Sale	$2,665,140									
Total Present Value	$4,035,030									

* 12.0% cap rate minus 5% cost of sale

Source: THK Associates, Inc.

As a check of reasonableness, available sales of golf courses located in Colorado were gathered.

In many cases the Comparable Sales Approach to Value is useful in determining the value of a property. In the case of a unique property such as a golf facility, the Comparable Sales Approach is more difficult. This is especially true for private facilities, which are often member owned and rarely sold. There are few golf course sales in Colorado recently. Recent sales in the Denver area include Plum Creek in Castle Rock, a lower end daily fee facility that recently sold (foreclosure sale) for $1,700,000. Plum Creek was suffering from deferred maintenance and lack of marketing. The highest sales price was for the Colorado National Golf Club in Erie. This facility was in excellent condition and has a newer clubhouse in excellent condition. Colorado National Golf Club is vastly superior to the Park Hill Golf Club. The seven golf course sales had prices that range from $1,250,000 to $7,800,000 and average $3,697,114. Sales prices per hole range from $69,444 to $433,333 and average $220,395.

Based on the relative lack of good comparable sales, the Comparable Sales Approach to Value has not been utilized in this report, except as a check of reasonableness.

Value Comparison

#	Course	Sale Date	Sale Price	Sale Price / Hole
1	Plum Creek	1/2/2015	$1,700,000	$94,444
2	Fox Hill	3/9/2011	$3,940,000	$218,889
3	The Club at Pradera	7/24/2013	$5,000,000	$277,778
4	Colorado National Golf Club	9/8/2016	$7,800,000	$433,333
5	Blackstone	10/9/2014	$5,455,709	$303,095
6	Black Bear	10/9/2014	$4,288,800	$238,267
7	The Country Club at Woodmoor	8/14/2015	$1,250,000	$69,444
8	Heritage at Todd Creek	6/28/2012	$2,302,400	$127,911
	Average		**$3,967,114**	**$220,395**

Source: THK Associates, Inc. and CoStar Analytics

The Cost Approach to Value can also be utilized to estimate the value of a property and is most beneficial when valuing a proposed or to be built asset. In this case, with the Park Hill Golf Club being a completed and functioning property, the Cost Approach is not considered relevant as the ability of the existing asset to produce net income is the best and most reliable method (Income Approach to Value) to value an existing asset. The Cost Approach to Value was not considered in this appraisal.

In estimating the retrospective market value of the subject, the following approach to value was used – Income Capitalization Approach. The Sales Comparison Approach was used as a check of reasonableness while the Cost Approach was not considered relevant for subject.

Income Capitalization Approach

The Income Capitalization Approach is based on the assumption that a definite relationship exists between the net income a property produces and its total value. This approach focuses on the most important feature to an investor in an income producing property, the potential net operating income. The strength of this approach is that it develops a value indication by a direct capitalization or discount process, which is the likely method used by an investor. The overall real estate market in the region is soft. Strengthening the subject's position is the extreme cost and significant barriers to entry for a new course. As the real estate market recovers the subject will become more stable and profitable, in our opinion. This approach, given the strength of historical data available for the subject, received the most weight in the final value estimate.

Sales Comparison Approach

The Sales Comparison Approach is most relevant in homogeneous markets when there is an active market with ample sales volume. When appraising more complex properties in thinner markets this approach is less useful. We were unable to identify multiple sales of some properties with similar development potentials as the subject in the region. The Comparable Sales Approach to Value has received only consideration as an indicator of value in this case as a check of reasonableness. The Sales Comparison Approach to Value and was given no weight in the final value estimate.

Cost Approach

The Cost Approach is usually relevant for owner-user properties, or for new investment property construction. The Cost Approach as mentioned in the Cost Approach to Value section of this report is not considered relevant as the cost to reproduce improvements would not be considered by investors who are likely to base market value on the asset's ability to produce income.

In order to arrive at a final "as-is" market value estimate for the subject we have relied upon the **Income Capitalization Approach to Value.**

The indications of value for the Park Hill Golf Club, before the taking, are as follows:

RECONCILIATION – "As-Is" Market Value – Park Hill Golf Club, Before Taking	
Approach	**Indicated Value**
Sales Comparison Approach	N/A
Income Capitalization Approach	$4,145,500
Cost Approach	N/A
Conclusion	**$4,145,500**

Based on this information, the "as-is" market value, before the taking, (based on a 12-month marketing period) of the Park Hill Golf Club, as of May 7, 2018, is concluded at **$4,135,500**. Of the total value approximately $210,000 is personal property and not real estate value.

The indications of value for the Park Hill Golf Club, after the taking are as follows:

RECONCILIATION – "As-Is" Market Value – Park Hill Golf Club, After Taking	
Approach	**Indicated Value**
Sales Comparison Approach	N/A
Income Capitalization Approach	$4,035,000
Cost Approach	N/A
Conclusion	**$4,035,000**

Based on this information, the "as-is" market value, after the taking (based on a 12-month marketing period) of the Park Hill Golf Club, as of May 7, 2018, is concluded at **$4,035,000**. Of the total value approximately $210,000 is personal property and not real estate value.

Advisory Opinion G-7 of the USPAP defines reasonable exposure time as the following:

> "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market"

In contrast, the same Advisory Opinion defines marketing time as:

> "An estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of the appraisal"

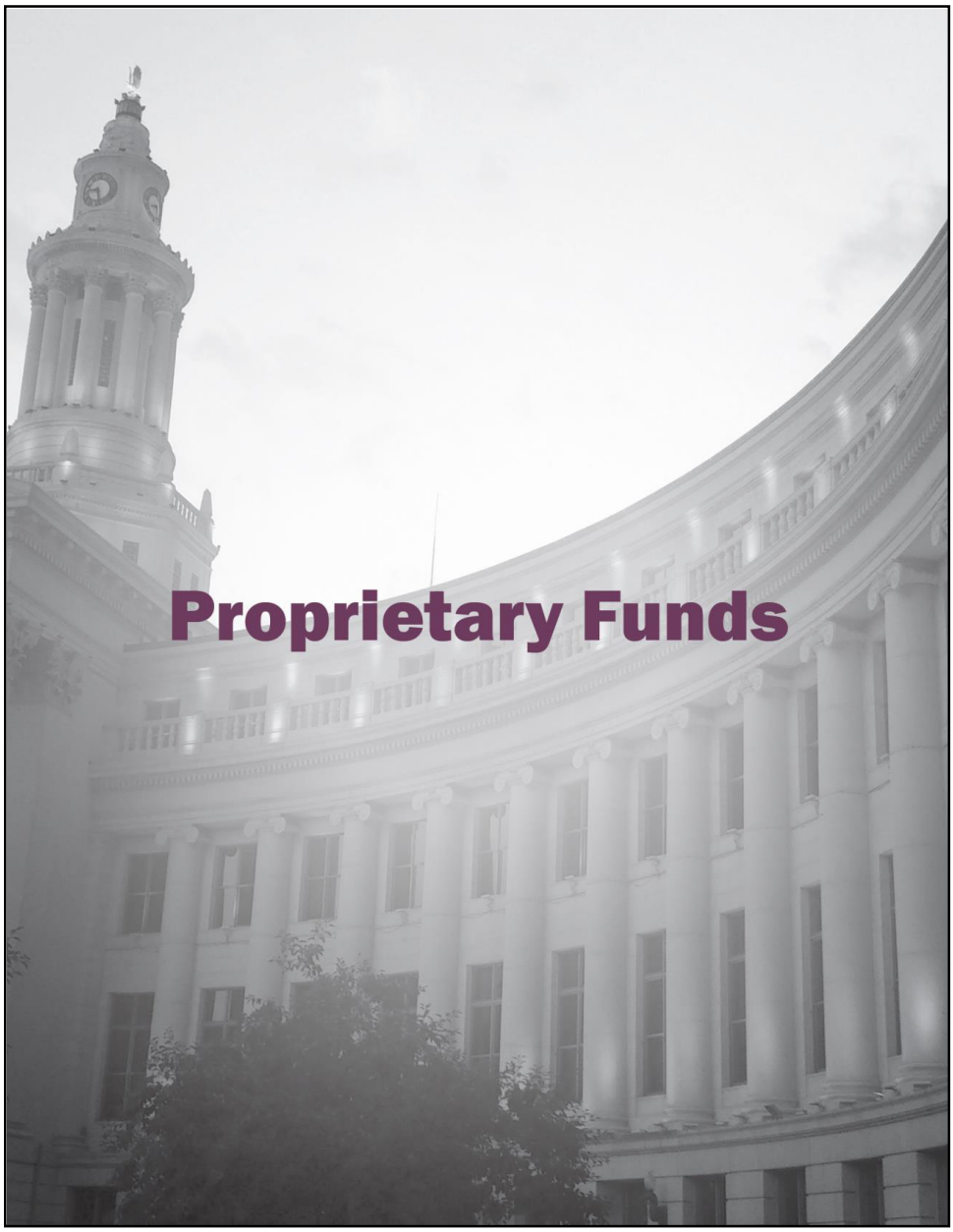
Generally, the marketing and exposure time should be the same. In a market decline, the marketing period will likely be greater than the exposure time.

The marketing/exposure time is dependent on many factors including:

- Reasonableness of the asking price
- Health of the overall market
- Availability of financing
- Competitive strengths of the subject property

The appraised value has been based on a marketing time of up to 12-months, which we believe consistent with the prevailing marketing conditions for golf course properties.

Exhibit 1
Denver Golf Course
Financial Data



Proprietary Funds

Proprietary Funds

Proprietary funds are a group of funds that account for activities that are often seen in the private sector and are operated in a similar manner as in the private sector.

Enterprise Funds

- **Environmental Services -** to account for the operation and activity of the City's chemical waste disposal, phase out of hazardous materials disposal sites, and litter prevention.
- **Golf Course -** to account for the administration, operation, maintenance and improvement of City-owned golf facilities.

Internal Service Funds

- **Asphalt Plant -** to account for the expenditures and revenues of the City's Asphalt Plant that provides a service to the metropolitan Denver area and is an essential element in the street resurfacing program of the City's Street Maintenance division.
- **Workers' Compensation -** to account for the City's workers compensation self insurance activities.

Combining Statement of Net Position - Nonmajor Enterprise Funds

December 31, 2017 (dollars in thousands)

	Environmental Services	Golf Course	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 20,366	$ 4,036	$ 24,402
Receivables:			
Accounts	2,506	117	2,623
Accrued interest	82	18	100
Inventories	-	155	155
Interfund receivable	1,914	-	1,914
Restricted assets:			
Cash and cash equivalents	6,347	-	6,347
Accounts receivable	572	-	572
Accrued interest receivable	26	-	26
Total Current Assets	**31,813**	**4,326**	**36,139**
Capital assets:			
Land	3,168	1,131	4,299
Construction in progress	4,767	1,235	6,002
Buildings and improvements	665	11,684	12,349
Improvements other than buildings	-	16,804	16,804
Machinery and equipment	199	5,967	6,166
Accumulated depreciation	(783)	(21,713)	(22,496)
Net capital assets	8,016	15,108	23,124
Total Noncurrent Assets	**8,016**	**15,108**	**23,124**
Total Assets	**39,829**	**19,434**	**59,263**
Deferred Outflows of Resources			
Deferred outflows on pensions	1,531	1,328	2,859
Total Deferred Outflows of Resources	**1,531**	**1,328**	**2,859**
Liabilities			
Current liabilities:			
Vouchers payable	548	1,369	1,917
Revenue bonds payable	-	590	590
Accrued liabilities	38	174	212
Unearned revenue	-	552	552
Interfund payable	418	12	430
Capital lease obligations	-	311	311
Compensated absences	228	105	333
Restricted liabilities:			
Vouchers payable	709	-	709
Total Current Liabilities	**1,941**	**3,113**	**5,054**
Noncurrent liabilities:			
Revenue bonds payable, net	-	1,275	1,275
Net pension liability	6,561	5,405	11,966
Compensated absences	366	497	863
Total Noncurrent Liabilities	**6,927**	**7,177**	**14,104**
Total Liabilities	**8,868**	**10,290**	**19,158**
Deferred Inflows of Resources			
Items related to pension plans	169	-	169
	169	**-**	**169**
Net Position			
Net investment in capital assets	8,016	12,932	20,948
Restricted for capital projects	6,236	-	6,236
Unrestricted	18,071	(2,460)	15,611
Total Net Position	**$ 32,323**	**$ 10,472**	**$ 42,795**

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Nonmajor Enterprise Funds

For the Year Ended December 31, 2017 (dollars in thousands)

	Environmental Services	Golf Course	Total
Operating Revenues			
Charges for services	$ 12,355	$ 11,851	$ 24,206
Other revenue	2,345	112	2,457
Total Operating Revenues	**14,700**	**11,963**	**26,663**
Operating Expenses			
Personnel services	4,743	5,780	10,523
Contractual services	4,332	1,032	5,364
Supplies and materials	119	1,152	1,271
Depreciation	21	1,143	1,164
Other operating expenses	1,661	2,276	3,937
Total Operating Expenses	**10,876**	**11,383**	**22,259**
Operating income (loss)	3,824	580	4,404
Nonoperating Revenues (Expenses)			
Disposition of assets	34	-	34
Investment and interest income	266	25	291
Interest expense	-	(120)	(120)
Net Nonoperating Revenues (Expenses)	**300**	**(95)**	**205**
Income (loss) before transfers	4,124	485	4,609
Transfers out	(295)	-	(295)
Change in Net Position	3,829	485	4,314
Net position - January 1	28,494	9,987	38,481
Net Position - December 31	**$ 32,323**	**$ 10,472**	**$ 42,795**

Combining Statement of Cash Flows - Nonmajor Enterprise Funds

For the Year Ended December 31, 2017 (dollars in thousands)

	Environmental Services	Golf Course	Total
Cash Flows From Operating Activities			
Receipts from customers	$ 11,526	$ 12,031	$ 23,557
Payments to suppliers	(4,653)	(3,404)	(8,057)
Payments to employees	(4,260)	(5,790)	(10,050)
Other receipts	2,345	112	2,457
Net Cash Provided by Operating Activities	**4,958**	**2,949**	**7,907**
Cash Flows From Noncapital Financing Activities			
Transfers (out)	(295)	-	(295)
Net Cash Provided by Noncapital Financing Activities	**(295)**	**-**	**(295)**
Cash Flows From Capital and Related Financing Activities			
Principal payments	-	(962)	(962)
Interest paid on capital debt	-	(120)	(120)
Acquisition of capital assets	(4,740)	(1,225)	(5,965)
Disposition of Assets	34	-	34
Net Cash (Used) in Capital and Related Financing Activities	**(4,706)**	**(2,307)**	**(7,013)**
Cash Flows from Investing Activities			
Interest received	266	22	288
Net increase in cash and cash equivalents	223	664	887
Cash and cash equivalents - January 1	26,490	3,371	29,861
Cash and Cash Equivalents - December 31	**$ 26,713**	**$ 4,035**	**$ 30,748**
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income (loss)	$ 3,824	$ 580	$ 4,404
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	21	1,143	1,164
Accounts receivable	(415)	96	(319)
Interfund receivable	1,075	-	1,075
Inventories	-	46	46
Vouchers payable	(250)	484	234
Unearned revenue	-	84	84
Accrued liabilities	(81)	(49)	(130)
Interfund payable	37	2	39
Deferred outflows of resources	493	285	778
Deferred inflows of resources	169	-	169
Net pension liability	85	278	363
Net Cash Provided by Operating Activities	**$ 4,958**	**$ 2,949**	**$ 7,907**

Combining Statement of Net Position - Internal Service Funds

December 31, 2017 (dollars in thousands)

	Asphalt Plant	Workers' Compensation	Total
Assets			
Current Assets:			
Cash and cash equivalents	$ 8,837	$ 40,579	$ 49,416
Receivables:			
Accounts	-	3,092	3,092
Accrued interest	-	266	266
Inventories	119	-	119
Interfund receivable	58	-	58
Total Current Assets	**9,014**	**43,937**	**52,951**
Capital Assets:			
Buildings and improvements	3,627	-	3,627
Machinery and equipment	1,677	-	1,677
Accumulated depreciation	(5,261)	-	(5,261)
Net capital assets	43	-	43
Total Assets	**9,057**	**43,937**	**52,994**
Liabilities			
Current Liabilities:			
Vouchers payable	58	798	856
Accrued liabilities	9	28	37
Interfund payable	2	53	55
Compensated absences	-	112	112
Claims reserve	-	9,149	9,149
Total Current Liabilities	**69**	**10,140**	**10,209**
Noncurrent Liabilities:			
Compensated absences	131	123	254
Claims reserve	-	17,133	17,133
Total noncurrent liabilities	131	17,256	17,387
Total Liabilities	**200**	**27,396**	**27,596**
Net Position			
Net investment in capital assets	43	-	43
Unrestricted	8,814	16,541	25,355
Total Net Position	**$ 8,857**	**$ 16,541**	**$ 25,398**

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds

For the Year Ended December 31, 2017 (dollars in thousands)

	Asphalt Plant	Workers' Compensation	Total
Operating Revenues			
Charges for services	$ 9,169	$ 12,000	$ 21,169
Other revenue	1	2,417	2,418
Change in claims reserve	-	1,531	1,531
Total Operating Revenues	**9,170**	**15,948**	**25,118**
Operating Expenses			
Personnel services	633	1,637	2,270
Contractual services	405	135	540
Supplies and materials	6,041	586	6,627
Depreciation	81	-	81
Claims payments	-	9,105	9,105
Other operating expenses	108	1,129	1,237
Total Operating Expenses	**7,268**	**12,592**	**19,860**
Operating income (loss)	1,902	3,356	5,258
Nonoperating Revenues (Expenses)			
Investment and interest income	-	1,358	1,358
Transfers Out	-	(415)	(415)
Net Nonoperating Revenues (Expenses)	-	**943**	**943**
Change in net position	1,902	4,299	6,201
Net position - January 1	6,955	12,242	19,197
Net Position - December 31	**$ 8,857**	**$ 16,541**	**$ 25,398**

Combining Statement of Cash Flows - Internal Service Funds

For the Year Ended December 31, 2017 (dollars in thousands)

	Asphalt Plant	Workers' Compensation	Total
Cash Flows From Operating Activities			
Receipts from customers	$ 9,138	$ 11,041	$ 20,179
Payments to suppliers	(6,600)	(1,721)	(8,321)
Payments to employees	(625)	(1,622)	(2,247)
Other receipts	1	2,417	2,418
Claims paid	-	(9,105)	(9,105)
Net Cash Provided by Operating Activities	**1,914**	**1,010**	**2,924**
Cash Flows From Noncapital Financing Activities			
Transfers out	-	(415)	(415)
Net Cash (Used) by Noncapital Financing Activities	-	(415)	(415)
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(35)	-	(35)
Net Cash Used by Capital and Related Financing Activities	**(35)**	-	**(35)**
Cash Flows from Investing Activities			
Interest received	-	1,431	1,431
Net increase (decrease) in cash and cash equivalents	1,879	2,026	3,905
Cash and cash equivalents - January 1	6,958	38,553	45,511
Cash and Cash Equivalents - December 31	**$ 8,837**	**$ 40,579**	**$ 49,416**
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	$ 1,902	$ 3,356	$ 5,258
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	-	-	-
Depreciation	81	-	81
Changes in Assets and Liabilities			
Accounts receivable	-	(959)	(959)
Interfund receivable	(31)	-	(31)
Inventories	(61)	-	(61)
Vouchers payable	14	148	162
Accrued liabilities	8	15	23
Interfund payable	1	(19)	(18)
Claims reserved	-	(1,531)	(1,531)
Net Cash Provided by Operating Activities	**$ 1,914**	**$ 1,010**	**$ 2,924**

Exhibit 2
Park Hill Golf Course 2010 Revenue & Expenses

Park Hill Golf Course #696
Net Operating Income
December 31, 2010

	2010
Gross Revenues	
Green Fees	934,689.10
Membership	0.00
Pro Shop	270,674.87
Driving Range	180,481.45
Golf Cars	151,743.16
Food & Beverage	708,205.51
Other Operating Activities	6,867.34
Total Gross Revenues	**2,252,661.43**
Cost of Goods Sold	
COGS- Merchandises Sales	43,030.49
COGS- Food & Beverage	228,791.05
Total Cost of Goods Sold	**271,821.54**
Gross Profit	**1,980,839.89**
Operating Expenses	
Pro Shop	178,180.19
Driving Range	71,405.97
Golf Cars	39,322.78
Course Maintenance	432,257.83
Food & Beverage	326,902.36
Sales & Membership	62,892.35
General & Administrative	212,385.12
Clubhouse	142,868.18
Start Up Expense	0.00
Taxes- Property	(40,302.42)
Other Expenses	1,853.70
Interest Income	0.00
Interest - Capital Leases	19,767.28
Capital Lease Principal Pymts	47,814.18
Guaranteed Base Rent	699,996.00
Capital Reserve Fund (2% of Gross Rev.) (Sch A)	45,053.23
Total Operating Expenses	**2,240,396.75**
2010 Net Operating Loss	**(259,556.86)**
Management Fee (Sch B)	131,690.78
Debt Service Payment (Sch C)	121,712.00
2010 Adjusted Net Operating Income subject to participation rent/ (Shortfall) (Sch E)	**(512,959.64)**

The above financial information is correct in all material respects:

Sharice Williams
Corporate Staff Accountant

3/21/11
Date

Exhibit 3

Realtyrates.com Investor Survey 2nd Quarter 2018

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2018*							
GOLF COURSES & COUNTRY CLUBS - ALL TYPES							
Item	**Input**						**OAR**
Minimum							
Spread Over 10-Year Treasury	0.84%	**DCR Technique**		1.20	0.048303	0.80	**4.64**
Debt Coverage Ratio	1.20	**Band of Investment Technique**					
Interest Rate	3.75%	Mortgage		80%	0.048303	0.038642	
Amortization	40	Equity		20%	0.094016	0.018803	
Mortgage Constant	0.048303	OAR					**5.74**
Loan-to-Value Ratio	80%	**Surveyed Rates**					**5.46**
Equity Dividend Rate	9.40%						
Maximum							
Spread Over 10-Year Treasury	11.95%	**DCR Technique**		2.15	0.166801	0.50	**17.93**
Debt Coverage Ratio	2.15	**Band of Investment Technique**					
Interest Rate	14.86%	Mortgage		50%	0.166801	0.083401	
Amortization	15	Equity		50%	0.220597	0.110299	
Mortgage Constant	0.166801	OAR					**19.37**
Loan-to-Value Ratio	50%	**Surveyed Rates**					**18.40**
Equity Dividend Rate	22.06%						
Average							
Spread Over 10-Year Treasury	5.15%	**DCR Technique**		1.56	0.095468	0.67	**9.92**
Debt Coverage Ratio	1.56	**Band of Investment Technique**					
Interest Rate	7.81%	Mortgage		67%	0.095468	0.063938	
Amortization	22	Equity		33%	0.163636	0.054043	
Mortgage Constant	0.095468	OAR					**11.80**
Loan-to-Value Ratio	67.0%	**Surveyed Rates**					**12.89**
Equity Dividend Rate	16.36%						

*1st Quarter 2018 Data

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2018*							
GOLF COURSES & COUNTRY CLUBS - PUBLIC DAILY FEE COURSES							
Item	**Input**						**OAR**
Minimum							
Spread Over 10-Year Treasury	0.94%	**DCR Technique**		1.36	0.071773	0.65	**6.36**
Debt Coverage Ratio	1.36	**Band of Investment Technique**					
Interest Rate	3.85%	Mortgage		65%	0.071773	0.046652	
Amortization	20	Equity		35%	0.094016	0.032906	
Mortgage Constant	0.071773	OAR					**7.96**
Loan-to-Value Ratio	65%	**Surveyed Rates**					**7.56**
Equity Dividend Rate	9.40%						
Maximum							
Spread Over 10-Year Treasury	11.31%	**DCR Technique**		1.80	0.161587	0.50	**14.54**
Debt Coverage Ratio	1.80	**Band of Investment Technique**					
Interest Rate	14.22%	Mortgage		50%	0.161587	0.080793	
Amortization	15	Equity		50%	0.214597	0.107299	
Mortgage Constant	0.161587	OAR					**18.81**
Loan-to-Value Ratio	50%	**Surveyed Rates**					**17.87**
Equity Dividend Rate	21.46%						
Average							
Spread Over 10-Year Treasury	6.13%	**DCR Technique**		1.48	0.113929	0.58	**9.70**
Debt Coverage Ratio	1.48	**Band of Investment Technique**					
Interest Rate	9.04%	Mortgage		58%	0.113929	0.065509	
Amortization	18	Equity		43%	0.148278	0.063018	
Mortgage Constant	0.113929	OAR					**12.85**
Loan-to-Value Ratio	58%	**Surveyed Rates**					**12.49**
Equity Dividend Rate	14.83%						

*1st Quarter 2018 Data

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2018*							
GOLF COURSES & COUNTRY CLUBS - SEMI-PRIVATE GOLF CLUBS							
Item	**Input**						**OAR**
Minimum							
Spread Over 10-Year Treasury	1.04%	**DCR Technique**		1.53	0.049780	0.65	**4.93**
Debt Coverage Ratio	1.53	**Band of Investment Technique**					
Interest Rate	3.95%	Mortgage		65%	0.049780	0.032357	
Amortization	40	Equity		35%	0.094016	0.032906	
Mortgage Constant	0.049780	OAR					**6.53**
Loan-to-Value Ratio	65%	**Surveyed Rates**					**6.20**
Equity Dividend Rate	9.40%						
Maximum							
Spread Over 10-Year Treasury	11.95%	**DCR Technique**		2.15	0.166801	0.50	**17.93**
Debt Coverage Ratio	2.15	**Band of Investment Technique**					
Interest Rate	14.86%	Mortgage		50%	0.166801	0.083401	
Amortization	15	Equity		50%	0.220597	0.110299	
Mortgage Constant	0.166801	OAR					**19.37**
Loan-to-Value Ratio	50%	**Surveyed Rates**					**18.40**
Equity Dividend Rate	22.06%						
Average							
Spread Over 10-Year Treasury	6.50%	**DCR Technique**		1.84	0.101792	0.58	**10.75**
Debt Coverage Ratio	1.84	**Band of Investment Technique**					
Interest Rate	9.41%	Mortgage		58%	0.101792	0.058530	
Amortization	28	Equity		43%	0.150978	0.064165	
Mortgage Constant	0.101792	OAR					**12.27**
Loan-to-Value Ratio	58%	**Surveyed Rates**					**13.28**
Equity Dividend Rate	15.10%						

*1st Quarter 2018 Data

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2018*							
GOLF COURSES & COUNTRY CLUBS - PRIVATE CLUBS							
Item	**Input**						**OAR**
Minimum							
Spread Over 10-Year Treasury	0.84%	**DCR Technique**		1.20	0.048303	0.80	**4.64**
Debt Coverage Ratio	1.20	**Band of Investment Technique**					
Interest Rate	3.75%	Mortgage		80%	0.048303	0.038642	
Amortization	40	Equity		20%	0.094016	0.018803	
Mortgage Constant	0.048303	OAR					**5.74**
Loan-to-Value Ratio	80%	**Surveyed Rates**					**5.46**
Equity Dividend Rate	9.40%						
Maximum							
Spread Over 10-Year Treasury	10.67%	**DCR Technique**		1.88	0.156437	0.60	**17.65**
Debt Coverage Ratio	1.88	**Band of Investment Technique**					
Interest Rate	13.58%	Mortgage		60%	0.156437	0.093862	
Amortization	15	Equity		40%	0.208597	0.083439	
Mortgage Constant	0.156437	OAR					**17.73**
Loan-to-Value Ratio	60%	**Surveyed Rates**					**16.84**
Equity Dividend Rate	20.86%						
Average							
Spread Over 10-Year Treasury	5.26%	**DCR Technique**		1.54	0.091402	0.70	**9.85**
Debt Coverage Ratio	1.54	**Band of Investment Technique**					
Interest Rate	8.17%	Mortgage		70%	0.091402	0.063982	
Amortization	28	Equity		30%	0.145578	0.043673	
Mortgage Constant	0.091402	OAR					**10.77**
Loan-to-Value Ratio	70%	**Surveyed Rates**					**12.22**
Equity Dividend Rate	14.56%						

*1st Quarter 2018 Data

Certified General Appraiser, #CG01316142
Vice President, THK Associates, Inc.

Education

Bachelor of Science and Business Administration. Major in Real Estate and Construction Management, University of Denver, Denver, Colorado (1977)

While at the University of Denver, appraisal related courses completed by Mr. Elzi included:

- Real Estate Practices and Principles
- Real Estate Appraisal I and II
- Real Estate Finance I and II
- Real Estate Investment Analysis
- Urban Analysis
- Real Estate Law
- Construction Materials and Methods
- Quantitative Methods Analysis

Mr. Elzi has also completed the SRA Course 201, Principles of Income Property Appraising.

Experience

Mr. Elzi has been with THK Associates, Inc. since 1981 and during that time he has assisted clients with absorption and highest and best use studies, valuation estimates that present cash flow analysis concerning all types of land uses including golf course, retail/commercial, residential, office, industrial, hotel/motel and related opportunities. Over the last 37 years, he has examined projects in over 50 major metropolitan areas around the nation. Recent projects include the valuation of the Plum Creek Golf Club in Castle Rock, Colorado; Bear Dance Golf Club in Larkspur, Colorado; Giants Ridge golf courses in Biwabik, Minnesota; Mulligan's Golf and entertainment facility in South Jordan, Utah, the Colorado National Golf Club in Erie, Colorado; and the Lakota Canyon golf course in New Castle, Colorado. Prior to joining THK, Mr. Elzi was an independent fee appraiser and real estate broker with a Denver based firm.

Acronyms and Definitions

Following are certain acronyms and definitions of significant terms used in this appraisal report. Sources and authorities for the following definitions are shown as text-notes.

AC – acre

CDOT – Colorado Dept. of Transportation

PSF or SF – per square foot; square foot

ROW or R.O.W. – Right of Way

RTD – Regional Transportation District

Benefits (Specific Benefits) – "...any benefits to the residue are to be measured by the increase, if any, in the reasonable market value of the residue due to the (construction) (improvement) of the (...proposed improvement). For anything to constitute a specific benefit, however, it must result directly in a benefit to the residue and be peculiar to it. Any benefits which may result to the residue but which are shared in common with the community at large are not to be considered." (CJI-Civ. 4th, 36:4)

Compensation – "...ascertain the reasonable market value of the property actually taken and the amount of compensable damages, if any, and amount and value of any specific benefit, if any, to the residue of any land not taken." (CJI-Civ. 4th, 36:1)

"(a) For highway acquisition, the right to compensation and the amount thereof, including damages and benefits, if any, shall be determined as of the date the petitioner is authorized by agreement, stipulation, or court order to take possession or the date of trial or hearing to assess compensation, whichever is earlier, but any amount of compensation determined initially shall remain subject to adjustment for one year after the date of the initial determination to provide for additional damages or benefits not reasonably foreseeable at the time of the initial determination. (b) If an entire tract or parcel of property is condemned, the amount of compensation to be awarded is the reasonable market value of the said property on the date of valuation. (c) If only a portion of a tract or parcel of land is taken, the damages and special benefits, if any, to the residue of said property shall be determined. When determining damages and special benefits, the appraiser shall take into account a proper discount when the damages and special benefits are forecast beyond one year from the date of appraisal. (d) In determining the amount of compensation to be paid for such a partial taking, the compensation for the property taken and damages to the residue of said property shall be reduced by the amount of any special benefits which result from the improvement or project, but not to exceed fifty percent of the total amount of compensation to be paid for the property actually taken." (§ 38-1-114(2), C.R.S.)

Damages – "…Any damages are to be measured by the decrease, if any, in the reasonable market value of the residue, that is, the difference between the reasonable market value of the residue before the property actually taken is acquired and the reasonable market value of the residue after the property actually taken has been acquired. Any damages which may result to the residue from what is expected to be done on land other than the land actually taken from the respondent and any damages to the residue which are shared in common with the community at large are not to be considered." (CJI-Civ. 4th, 36:4)

Easement – "An easement can generally be described as an interest in land of another entitling the owner of that interest to a limited use of the land in which it exists, or a right to preclude specified uses in the easement area by others. An easement is an interest less than the fee estate, with the landowner retaining full dominion over the realty subject only to the easement; the landowner may make any use of the realty that does not interfere with the easement holder's reasonable use of the easement and is not specifically

excluded by the terms of the easement." (Interagency Land Acquisition Conference, Uniform Appraisal Standards for Federal Land Acquisitions, Washington, D.C., 2000, p.63)

Fee Simple Estate (Title) – "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." (Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition, Chicago, 2010, p. 78) **Note:** as an assignment condition all mineral rights are excepted from any fee simple property interest appraised in this report.

Larger Parcel – "That tract, or those tracts, of land which possess a unity of ownership and have the same, or an integrated, highest and best use. Elements of consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use." (Interagency Land Acquisition Conference, Uniform Appraisal Standards for Federal Land Acquisitions, Washington, D.C., 2000, p. 17)

Part Taken (Partial Taking) – "The taking of part of any real property interest for public use under the power of eminent domain; requires the payment of compensation." (Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition, Chicago, 2010, p. 143)

Residue (Remainder) – "'Residue' means that portion of any property which is not taken but which belongs to the respondent, ..., and which has been used by, or is capable of being used by, the respondent, together with the property actually taken, as one economic unit." (CJI-Civ. 4th, 36:4)

Restoration Cost to Cure (Cost to Cure) – "In certain circumstances, damage to the remainder may be cured by remedial action taken by the owner. The cost to cure, however, is a proper measure of damage only when it is no greater in amount than the decrease in the market value of the remainder if left as it stood. When the cost to cure is less than the severance damages if the cure were not undertaken, the cost to cure is the proper measure of damage, and the government is not obligated to pay in excess of that amount." (Interagency Land Acquisition Conference, Uniform Appraisal Standards for Federal Land Acquisitions, Washington, D.C., 2000, p. 51)

Slope Easement – "A 'slope easement' is an easement reserved to the condemnor to use whatever portion of the property is needed to provide lateral support for a roadbed, and those surface rights to property which are not required for lateral support are retained by landowner for any usage which does not interfere with condemnor's slope easement." (State Dept. of Highways v. Woolley, 696 P.2d 828, Colo. App. 1984)

Temporary Easement – "An easement granted for a specific purpose and applicable for a specific time period. A construction easement, for example, is terminated after the construction of the improvement and the unencumbered fee interest in the land reverts to the owner." (Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition, Chicago, 2010, p. 195)

Compensation due for a temporary easement is the reasonable rental value for the time the easement is used. (State Dept. of Highways v. Woolley, 696 P.2d 828, Colo. App. 1984)

The purpose of this appraisal is to develop a compensation estimate for the reasonable market value of the property actually taken; compensable damages, if any, to the residue after take; and special benefits, if any, to the residue after take. Referred to as the modified state before-and-after rule, steps to develop a compensation estimate for the acquisition of real property are:

1. Larger Parcel Value Before Take

   The first step in the appraisal process is to develop the reasonable market value of the subject larger parcel had there been no taking or any effect on value due to the proposed transportation project. The Jurisdictional Exception Rule of USPAP applies to Standards Rule 1-4(f) in this step. In Standards Rule 1-4(f), anticipated public or private improvements must be analyzed for their effect on value as reflected in market actions. This is contrary to law for eminent domain appraisal. Jurisdictional exception authorities are Uniform Act, Title III, § 301(3); 49 CFR § 24.103(b); § 24-56-117(1)(c), C.R.S.; and CJI – Civ. 4th, 36:3.

   > "Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, shall be disregarded in determining the compensation for the property." (§24-56-117(1)(c), C.R.S.)

2. Value of Part Taken (including easements acquired)

   The second step involves the same USPAP Jurisdictional Exception Rule as in step 1. In this step, the reasonable market value of the land or property actually taken is developed. The value of land taken is based on its value as part of the whole or the larger parcel. Value of improvements taken is based on their contributory value to the larger parcel. (49 CFR § 24.103(a)(2)(iv), §§ 38-1-114(2) and 115(b), C.R.S., and CJI-Civil 4th, 36:3)

3. Residue Value Before Take

   The third step is the reasonable market value of the residue before the property actually taken has been acquired. This step sets the initial basis for the ascertainment of damages and/or special benefits to the residue. The reasonable market value of the residue before the take is the mathematical difference of step 1 (larger parcel value before take) minus step 2 (value of part taken).

4. Residue Value After Take (including encumbered easement areas acquired)

   The fourth step is to develop the reasonable market value of the residue after the real property actually taken has been acquired and proposed project improvements have been constructed. In this step, the reasonable market value of the residue after the taking is no longer subject to the Jurisdictional Exception Rule to USPAP Standards Rule 1-4(f). Any decrease or increase in the reasonable market value, if any, of the residue after take due to the proposed public project needs analyses. The influence of the proposed public improvement is considered except for any damages or benefits shared in common with the community at large.

   The market value of the residue after take is predicated on the "as is" or "uncured" condition of the residue after the acquisition. Any decrease or increase in value of the residue after take is

based on market evidence. Damage to the residue must be established before a cost to cure can be considered to mitigate some or all damage. Special benefits may accrue to the residue after take as a result of the project.

5. Analysis of Damages and/or Benefits (**NOTE:** Some of the items or steps in this part 5 are abbreviated or optional by assignment condition in this Standard Partial Take appraisal format)

   Fifth step in the process involves analysis of damages and benefits to the residue after the take. Depending upon the extent of damages and cost to cure, performance of another appraisal of the "cured" residue after take may be required (see *Feasibility of Cost to Cure* below). The damages and benefits analyses might include the following elements:

   - Indicated Damages and/or Benefits
   - Compensable Damages and/or Offsetting Special Benefits
   - Compensable Damages – Incurable
   - Compensable Damages – Curable (Net Cost to Cure) including:
     - Cost to Cure
     - Feasibility of Cost to Cure Damages (Possible Re-appraisal of Residue After Cure*)
     - Net Cost to Cure
   - Indicated Offsetting Special Benefits – Residue Value As Cured

   *If damage to the residue is substantial and the cost to cure is not minor, an appraisal of the residue as cured might be necessary to analyze the feasibility of the cure. If the cost to cure is minor, an analysis of the feasibility of the cost to cure damages might not be required.

6. Rental Value of Temporary Easements

   Sixth step in the process is the estimate of reasonable rental value for the time the temporary easement is used. A temporary (construction) easement is used for a limited time period and is terminated after the construction of the highway improvements. The unencumbered fee interest in the land reverts to the owner at the time of termination.

7. Estimate of Compensation Summary

   The final step is a compensation summary. The compensation summary includes the following:

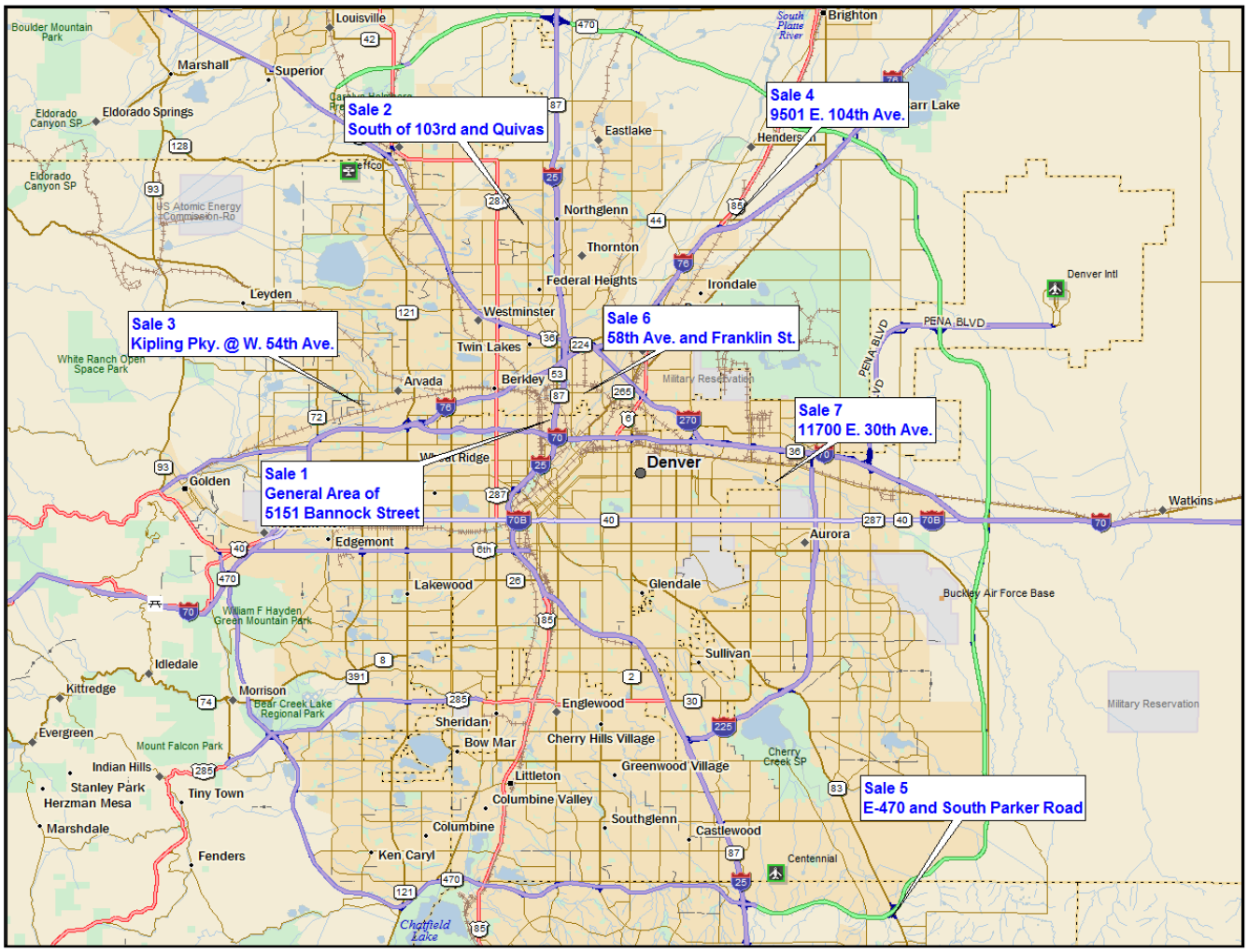
   - Reasonable Market Value – Land and/or Real Property Taken
   - Compensable Damages – Curable – Net Cost to Cure (residue after take/as is)
   - Compensable Damages – Incurable (residue after take/as is))
   - Offsetting Special Benefits (residue after take/"as is" or "as cured")
   - Temporary Easements Rental Value
   - Total Compensation Estimate

As stated in § 38-1-114(2)(d), C.R.S., "In determining the amount of compensation to be paid for such a partial taking, the compensation for the property taken and damages to the residue of said property shall be reduced by the amount of any special benefits which result from the improvement or project, but not to exceed fifty percent of the total amount of compensation to be paid for the property actually taken."

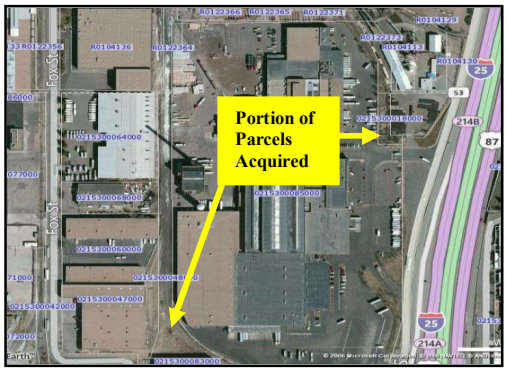
Sales Data

The following sales, with location map, include sites that were limited in use, similar to land impacted by an easement. The sales and analysis to follow are not compared directly to the subject but are used to support the percentage of fee value adjustment developed for the easement.

Land Sales Map



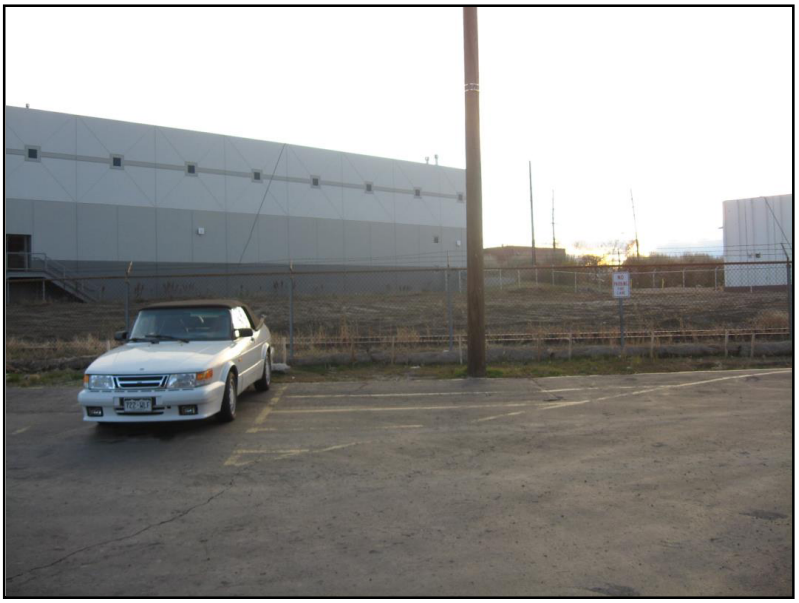
Sale 1 – Photograph on Following Page



Location/Address:	Vacant Remnant tracts at 5151 Bannock Street, Denver, Colorado		
Tax Schedule No.:	Not identified as of date of report		
Legal Description:	Lengthy - In File		
Grantor:	BNSF Railway Co.		
Grantee:	Central Warehousing Services LLC		
Sale Confirmed with/Date:	Buyer/November of 2013		
Appraiser Confirming:	Charles Nelson		
Recordation/Sale Deed:	Reception Number 2013077031 CCD and Reception Number 2013000046015 in Adams County/Quit Claim Deeds; consideration is not properly identified in public records data - Owner deeds identify land area and consideration		
Property Rights Conveyed:	Fee Simple		
Conditions of Sale:	Arm's Length Open Market Transaction		
Financing Source and Terms:	Cash Equivalent	**Date of Sale:**	May-13
Post Sale Expense:	N/A	**Selling Price:**	$105,000
Project Influence:	None	**Unit Price/SF:**	$1.17
Physical Characteristics – Legal Aspects			
Land Area-SF:	89,851	**Access:**	Adjacent Parcel
Land Area - Acres	2.06		
Shape:	Rectangular	**Utilities:**	Public - To The Site
Topography:	Level	**Zoning:**	I-B; Industrial
Drainage/Flood Plain:	Not Located in Flood Plain	**Platted:**	Platted
Use at time of sale:	Vacant		
Highest and Best Use:	Assemblage with Adjacent Owner; Only Viable Use		

Remarks: This transaction included a complex transfer of two remnant tracts adjacent to a larger ownership. The tract at the northeast portion of the site is a narrow parcel, and included a ditch. The land was purchased by the larger adjacent ownership to control foliage and vegetation growth. The owner leases several warehouses to various tenants, including tenants that store food for restaurants. The tenants complained that their customers, like the Cheese Cake Factory, were concerned about the growth near the storage warehouse, noticed during site visits. The second tract at the southwest portion of the site was purchased to control drainage runoff. The land was graded towards the larger ownership and the owner needed to purchase the parcel to re-grade and control runoff during precipitation. The two parcels had no other feasible uses then to the adjacent owner. The buyer provided a site tour and also produced deeds that included the consideration, parcel sizes, and additional information including a separate transaction where the buyer was required to purchase abandoned rail track. County data does not include the entire documentation, at this point. One parcel is located in Adams County and the second parcel is located in Denver County.

Looking North – Northeast Parcel in Adams County



Looking Southwest – Southwest Parcel in City and County of Denver

Sale 2 – Photograph on Following Page

Location/Address:	Quivas Street at East 103rd Avenue, Thornton, Colorado 80260		
Tax Schedule No.:	1719-16-2-02-050		
Legal Description:	In File		
Grantor:	West Quivas LLC		
Grantee:	Jade Star Enterprises		
Sale Confirmed with/Date:	Buyer/July of 2013		
Appraiser Confirming:	Charles Nelson		
Recordation/Sale Deed:	Reception Number 090000040009 /Special Warranty Deed in Adams County		
Property Rights Conveyed:	Fee Simple		
Conditions of Sale:	Arm's Length Open Market Transaction		
Financing Source and	Cash Equivalent	**Date of Sale:**	May-09
Post Sale Expense:	N/A	**Selling Price:**	$35,500
Project Influence:	None	**Unit Price/SF:**	$1.97
Physical Characteristics – Legal Aspects			
Land Area-SF:	18,009	**Access:**	West Quivas Street
Land Area - Acres	0.41		
Shape:	Rectangular	**Utilities:**	Public - To The Site
Topography:	Level	**Zoning:**	PUD;Retail
Drainage/Flood Plain:	Not Located in Flood Plain	**Platted:**	Platted
Use at time of sale:	Vacant		
Highest and Best Use:	Limited Use		
Remarks:	This tract was purchased by the adjacent owner, to increase the parking area. The adjacent building was purchased for a price of $1,550,000, in 2008. The buyer added asphalt paving after purchase.		

Looking West

Sale 3 – Photograph on Following Page

Location/Address:	Kipling Street @ West 54th Avenue, Arvada, Colorado		
Tax Schedule No.:	39-161-00-017		
Legal Description:	Lengthy - In File		
Grantor:	State Of Colorado (Colorado State Land Board)		
Grantee:	Arvada Cemetery Association		
Sale Confirmed with/Date:	Seller and City of Arvada/November of 2013		
Appraiser Confirming:	Charles Nelson		
Recordation/Sale Deed:	Reception Number 2009105520 Patent in Jefferson County		
Property Rights Conveyed:	Fee Simple		
Conditions of Sale:	Arm's Length Open Market Transaction		
Financing Source and	Cash Equivalent	**Date of Sale:**	Aug-09
Post Sale Expense:	N/A	**Selling Price:**	$65,000
Project Influence:	None	**Unit Price/SF:**	$0.35
Physical Characteristics – Legal Aspects			
Land Area-SF:	185,566	**Access:**	No Finished Access
Land Area - Acres	4.26		
Shape:	Irregular	**Utilities:**	In Street
Topography:	Sloping	**Zoning:**	Single Family
Drainage/Flood Plain:	Not Located in Flood Plain	**Platted:**	Platted
Use at time of sale:	Vacant		
Highest and Best Use:	Limited Use		
Remarks:	This tract was sold by the State of Colorado, to the adjacent owner, Arvada Cemetery Association. The parcel did not have finished access and the cost to provide access was prohibitive, from a feasibility standpoint. The topography is sloping up from Kipling Street, and this also created an impediment to development. The site was sold at auction and available to the open market. County records show a smaller land size. The seller, however, confirmed the size at 4.26 acres, and this is also the size stated on the marketing brochure.		

Looking Southerly

Looking Southeasterly

Sale 4 – Photograph on Following Page

Location/Address:	9501 East 104th Avenue, Commerce City, Colorado		
Tax Schedule No.:	1721-10-0-01-019		
Legal Description:	Lengthy - In File		
Grantor:	9501 E 104th Avenue LLC		
Grantee:	Revex 127 Investments LLC		
Sale Confirmed with/Date:	Buyer/November of 2013		
Appraiser Confirming:	Charles Nelson		
Recordation/Sale Deed:	Reception Number 2013000018217/Special Warranty Deed in Jefferson County		
Property Rights Conveyed:	Fee Simple		
Conditions of Sale:	Arm's Length Open Market Transaction		
Financing Source and	Cash Equivalent	**Date of Sale:**	Feb-13
Post Sale Expense:	N/A	**Selling Price:**	$225,000
Project Influence:	None	**Unit Price/SF:**	$0.83
		Physical Characteristics – Legal Aspects	
Land Area-SF:	270,072	**Access:**	Interior Road
Land Area - Acres	6.20		
Shape:	Irregular	**Utilities:**	In Street
Topography:	Level	**Zoning:**	I-3; industrial
Drainage/Flood Plain:	Not Located in Flood Plain	**Platted:**	Platted
Use at time of sale:	Vacant		
Highest and Best Use:	Industrial		
Remarks:	This site was purchased to support development of an industrial building. The building has been constructed and is occupied by Act Underground, an excavation company. The gross land size is 6.2 acres. However, the buildable area is 3.5 acres. The remaining land is impacted by an easement that does not allow development. County records show a slightly smaller site size. However, the buyer's agent confirmed the larger land area, and the marketing brochure also lists the size at 6.2 acres.		

Looking Northeast – Prior to Development

Looking Northeast after Development - Building in Background

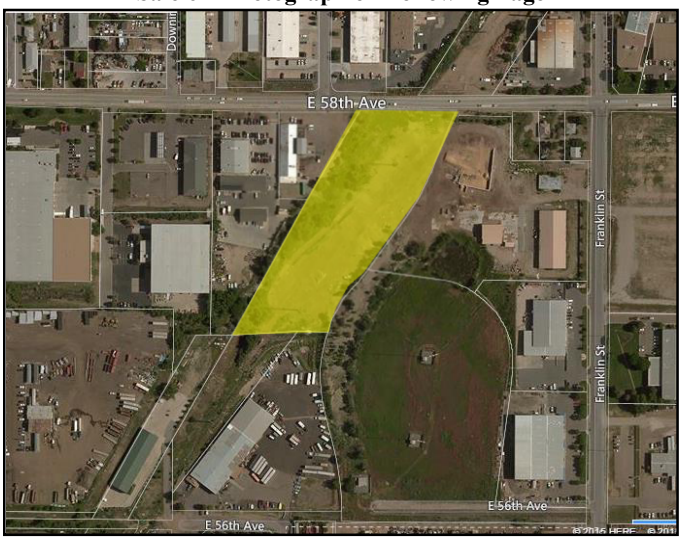
Sale 5 – Photograph on Following Page

Location/Address:	E-470 and South Parker Road at Dead End of Twenty Mile Road, Parker, Colorado 80138		
Tax Schedule No.:	2233-091-00-001		
Legal Description:	Lengthy - In File		
Grantor:	Golden Growth Partners		
Grantee:	Miramont Parker LLC		
Sale Confirmed with/Date:	Buyer/May of 2013		
Appraiser Confirming:	Charles Nelson		
Recordation/Sale Deed:	Reception Number 2012101030/Special Warranty Deed - Douglas County		
Property Rights Conveyed:	Fee Simple		
Conditions of Sale:	Arm's Length Open Market Transaction		
Financing Source and	Cash Equivalent	**Date of Sale:**	Dec-12
Post Sale Expense:	N/A	**Selling Price:**	$90,000
Project Influence:	None	**Unit Price/SF:**	$0.81
Physical Characteristics – Legal Aspects			
Land Area-SF:	111,557	**Access:**	Mississippi Avenue
Land Area - Acres	2.56		
Shape:	Rectangular	**Utilities:**	Public - To The Site
Topography:	Level	**Zoning:**	PUD;Retail
Drainage/Flood Plain:	Not Located in Flood Plain	**Platted:**	No
Use at time of sale:	Vacant		
Highest and Best Use:	Retail/Commercial		
Remarks:	This site was purchased to support development of a medical office providing x-ray, mammography and laboratory services with a drive-thru prescription pick-up. Prior to development the site needed to be approved for a variance to the storm water detention requirements. According to the project narrative the site constraints included multiple sanitary and water easements, the Cherry Creek drainage way, Preble Jumping Mouse (a protected species) habitat on the western portion of the land, and the overall narrowness of the property. The property is now developed as Miramont Family Medicine		

Looking West – Prior to Development

As Improved

Sale 6 – Photograph on Following Page



Location/Address:	SWQ of East 58th Avenue and Franklin Street, Denver, Co (unincorporated Adams County)		
Tax Schedule No.:	1825-11-3-00-040 @ Time of Sale		
Legal Description:	Lengthy - In File		
Grantor:	Public Service Company of Colorado		
Grantee:	James Sweetman Family Partnership		
Sale Confirmed with/Date:	Buyer/November of 2015		
Appraiser Confirming:	Charles Nelson		
Recordation/Sale Deed:	Reception Number 2013000057825 /Special Warranty Deed - Adams County, Colorado		
Property Rights Conveyed:	Fee Simple		
Conditions of Sale:	Arm's Length Open Market Transaction		
Financing Source and	Cash Equivalent	**Date of Sale:**	Jul-13
Post Sale Expense:	N/A	**Selling Price:**	$89,000
Project Influence:	None	**Unit Price/SF:**	$0.40
Physical Characteristics – Legal Aspects			
Land Area-SF:	221,285	**Access:**	No Finished Access at Sale
Land Area - Acres	5.08		
Shape:	Irregular	**Utilities:**	Public - To The Site
Topography:	Level	**Zoning:**	I-1; Industrial at Sale
Drainage/Flood Plain:	Located in a Flood Plain	**Platted:**	Yes
Use at time of sale:	Vacant		
Highest and Best Use:	Limited outside storage		
Remarks:	This site was purchased and assembled with adjoining land, to be sold to Ready-Mix for use as a batch plant. The parcel acquired was a remnant tract owned by Public Service Company of Colorado. The site is in a floodplain and is also bisected by a 20-foot wide sewer easement and an overhead electric power line easement. The buyer owned the adjoining land and assembled this site with the adjoining land, selling the total 10.79 acres for $2,850,000 to Ready Mix. The adjoining site included several basic metal industrial buildings that the buyer may incorporate into the batch plant development. The land detailed above is now finished as parking area.		

Looking Southeast

Sale 7 – Photograph on Following Page

Location/Address:	11700 East 30th Avenue, Aurora, Colorado 80010		
Tax Schedule No.:	1823-26-4-07-002		
Legal Description:	Lot 4, Block 1, MBT Subdivision Filing No. 1, County of Adams, State of Colorado		
Grantor:	Young Professionals LLC		
Grantee:	Tai-Dan HSU		
Sale Confirmed with/Date:	Agent for Seller with Full Knowledge of the Transaction		
Appraiser Confirming:	Charles Nelson		
Recordation/Sale Deed:	Reception Number /2014000045982 Special Warranty Deed - Adams County, Colorado		
Property Rights Conveyed:	Fee Simple		
Conditions of Sale:	Arm's Length Open Market Transaction		
Financing Source and	Cash Equivalent	**Date of Sale:**	Jul-14
Post Sale Expense:	N/A	**Selling Price:**	$125,000
Project Influence:	None	**Unit Price/SF:**	$0.80
Physical Characteristics – Legal Aspects			
Land Area-SF:	156,380	**Access:**	No Finished Access at Sale
Land Area - Acres	3.59		
Shape:	Trapezoidal	**Utilities:**	Public - To The Site
Topography:	Level	**Zoning:**	M-1 and M-3, Industrial; and Open
Drainage/Flood Plain:	Partially Located in a Flood Plain	**Platted:**	Yes
Use at time of sale:	Vacant		
Highest and Best Use:	Limited outside storage		
Remarks:	This property was purchased for outside storage of trailers. The site is impacted by a floodplain due to Sand Creek. In addition, half of the site had open zoning and it was unclear as to what would be allowed on the site. The buyer may use the site for storage of trailers.		

Photograph – Looking Southwest

Analysis

The sales are summarized below.

Sale	Address	Land Size Acres	Land Size - SF	Date of Sale	Selling Price	Price/SF
1	Approx. 5151 Bannock St.	2.06	89,851	May-13	$105,000	$1.17
2	Quivas and E. 103rd Ave.	0.41	18,009	May-09	$35,500	$1.97
3	Kipling Street @ W. 54th Av.	4.26	185,566	Aug-09	$65,000	$0.35
4	9501 E. 104th Ave.	6.20	270,072	Feb-13	$225,000	$0.83
5	E 470 & Parker Road	2.56	111,557	Dec-12	$90,000	$0.81
6	SWQ of East 58th Ave. and Franklin St.	5.08	221,285	Jul-13	$89,000	$0.40
7	11700 East 30th Ave.	3.59	156,380	Jul-14	$125,000	$0.80

Sale 1

Typical buildable land tracts in the general area of Sale 1 sell for $5.00 to $6.00 per square foot, given similar size and zoning, and frontage, and market conditions. Sale 1 sold for 20-23% of the price for buildable land. The only logical buyer for the remnant parcels was the adjacent owner. Neither site had development potential. The sites were purchased so that corrective measures could be implemented that would benefit the larger ownership.

Sale 2

Sale 2 was purchased by the adjacent owner to be used for parking. The tract is narrow and had limited development potential as a stand-alone parcel. Buildable tracts in the area of Sale 2 sell from $3.00 to $5.00 per square foot, based on similar market conditions. Sale 2, with a price of $1.97 per square foot, is 39-66% of the value of a buildable site. The small size of the remnant tract impacts the unit price, but the overall price, at $35,500, shows the limited value. A small site that could support development, independently, would sell for a substantially higher overall price, compared to $35,500.

Sale 3

Sale 3 was purchased by the adjacent owner, to be used for possible future expansion of the Arvada Cemetery. The land does not have finished access. In addition, the site slopes up from Kipling Street. Site analysis completed by the seller showed that there was not a feasible option to add access, given the potential uses. Buildable land sites in this area sell from $5.00 to $10.00 per square foot. This sale, at $.35 per square foot, is 3.5-7% of the value of buildable land, illustrating the significant constraints.

Sale 4

Sale 4 was developed with an industrial building. The land has access and is buildable. However, a large portion of the site was impacted by an easement that reduced the buildable area. This impacted the unit price for the land as a whole. Industrial land sites in the area sell from $3.00 to $5.00 per square foot, under similar market conditions. Sale 4 sold for $.83 per square foot, or 17-28% of the fee value of a buildable site.

Sale 5

Sale 5 was purchased to support development of a medical office. The narrow shape, encumbrances, access, and other constraints created the low price. Retail and commercial sites in this area sell from $7.00 to $25.00 per square foot, as of the date of this sale. A variance for storm water detention had to be approved prior to site development. The price, at $90,000, indicates the discount for the marginal development potential. The land is now developed. The purchase price, at $.81 per square foot, was 3-12% of buildable land prices paid for sites that that are ready for development.

Sale 6

Sale 6 was purchased to be assembled with adjoining land, and then sold in total to Ready Mix for use as a batch plant. The land is impacted by easements and floodplain area as described. The unit value purchase price was $.40 per square foot. Buildable industrial sites in this area sell from $2.00 to over $7.00 per square foot, given similar market conditions. Sale 6 sold for 6-20% of the price for a buildable site.

Sale 7

Sale 7 was purchased to be used for trailer storage in the future. The purchase price was $.80 per square foot. The floodplain impacts and zoning limit the potential uses. Buildable industrial sites in this area sell from $2.00 to over $5.00 per square foot, given similar market conditions, frontage, size, and so on. Sale 7 has a value between 16-40% of the value of a site ready for development.

The data show that tracts with limits on development, similar to an impact by an easement that limits the surface use, sell for a lower price compared to typical building sites. The percentage ranges from approximately 3% to 66%.

CIVIL TECHNOLOGY INC.

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Charles Nelson, MAI - Real Estate Appraiser/Consultant
charles.nelson@civiltechnology.com

Summary of Qualifications
Certified General Appraiser having 28 years of experience providing a wide range of appraisal services throughout the Greater Denver Area

Major Project Experience

- City of Westminster Little Dry Creek Interceptor Sewer Repair & Replacement Project
- City and County of Denver Federal Boulevard project
- City and County of Denver NWC project
- City and County of Denver Peoria Crossing project
- CDOT Central 70 project
- Commerce City 70th and Colorado Blvd. project
- El Paso County Baptist Road West project
- RTD and CDOT T-Rex project
- RTD Fastracks project
- Completed numerous additional assignments for eminent domain purposes

Sample of Clients

- Arapahoe County
- City and County of Denver
- City of Aurora
- City of Commerce City
- City of Thornton
- City of Westminster
- Colorado Department of Transportation (CDOT)
- H.C. Peck and Associates
- HDR
- Regional Transportation District
- TRS Corp.

Education and Professional Certifications

- Metropolitan State University of Denver (Bachelors of Science)
- Certified General Appraiser – (CG -1323474 State of Colorado)
- Listed on CDOT's Qualified Appraiser List
- MAI Designation from the Appraisal Institute
- Qualified as an Expert Witness in Denver, Arapahoe, Douglas, and Jefferson Counties

Professional Affiliations

- Member of the Appraisal Institute
- Former President/current member of the Colorado Chapter of the Appraisal Institute
- Former President/ current member of the International Right-of-Way Association, Chapter 6 – Denver, CO

Recent Testimony

Client	Property Address	Case Number	Date	Attorney for Petitioner	Attorney for Defendant	Type of Testimony
City and County of Denver (CCD)	5125 Race Court	2017CV31602	06/06/18	Renee A. Carmody	John R. Sperber and Sean J. Metherell	Trial
CCD	3890 Franklin St. et al	2017CV32494	04/23/18	Renee A. Carmody	Mikaela V. Rivera	Mediation
CCD	3890 Franklin St. et al	2017CV32494	04/04/18	Renee A. Carmody	Mikaela V. Rivera	Deposition
CCD	4660 Baldwin Court	2017CV30662	11/08/17	Renee A. Carmody	Brandee L. Caswell and Sean J. Metherell	Mediation
CCD	5001 National Western Drive	2016CV34153	07/18/17	Renee A. Carmody	Bruce G. Smith	Trial
CCD	5001 National Western Drive	2016CV34153	06/07/17	Renee A. Carmody	Bruce G. Smith	Deposition
CCD	3301 Brighton Blvd. and 3400 Arkins Ct.	2015CV031614	10/24/16	Renee A. Carmody	John R. Sperber	Trial
CCD	3301 Brighton Blvd. and 3400 Arkins Ct.	2015CV031614	08/11/16	Renee A. Carmody	John R. Sperber	Deposition
RTD	4100 Dahlia Street	2012CV3221	01/25/16	Edward J. Blieszner	Douglas S. Widlund	Trial
RTD	4100 Dahlia Street	2012CV3221	11/19/15	Edward J. Blieszner	Douglas S. Widlund	Deposition
CCD	1945 Cherry Street Denver, CO	2013CV031507	10/15/14	Jo Ann Weinstein and Steve Hahn	Jody Harper Alderman and Carrie S. Bernstein	Deposition
Greenwood Village	7300 E. Belleview Avenue Greenwood Village, CO	2012CV1177	1/7/14	Tonya Haas Davidson and Shannon Chambers	Douglas S. Widlund	Trial
Greenwood Village	7300 E. Belleview Ave. Greenwood Village, CO	2012CV1177	6/13/13	Tonya Haas Davidson and Shannon Chambers	Douglas S. Widlund	Deposition
Greenwood Village	7300 E. Belleview Ave. Greenwood Village, CO	2012CV1177	4/12/13	Tonya Haas Davidson and Shannon Chambers	Douglas S. Widlund	Deposition
RTD	750 West 48th Avenue Denver, CO	2011CV2546	10/15/12	Richard F. Rodriguez	Jody Harper Alderman	Trial
RTD	4045 Fox Street Denver, CO	2011CV 8820	9/20/12	Robert R. Duncan	Mikaela V. Rivera	Deposition
RTD	750 West 48th Avenue Denver, CO	2011CV2546	6/28/12	Richard F. Rodriguez	Jody Harper Alderman	Deposition
RTD	6045 Lipan Street et al Denver, CO	2011CV 356	5/2/12	Donald M. Ostrander	James R. Cage	Deposition
RTD	5200 Smith Road Denver, CO	2011 CV 7075	4/4/12	Robert R. Duncan	Douglas S. Widlund	Deposition
RTD	5715-5717 W. 11th Ave. Lakewood, CO	2010CV 1021	9/12/11	Don M. Ostrander	Bruce G. Smith	Trial
RTD	1300 Lamar St. Lakewood, CO	2009CV 6469	3/9/11	Richard F. Rodriguez	Timothy W. Gordon	Deposition
RTD	1300 Lamar St. Lakewood, CO	2009CV 6469	3/9/11	Richard F. Rodriguez	Timothy W. Gordon	Trial
RTD	5600 W. 13th Ave. Lakewood, CO	10CV 1896	2/16/11	Edward J. Blieszner	Robert T. Hoban	Trial
RTD	5715-5717 W. 11th Ave. Lakewood, CO	2010CV 1021	1/28/11	Don M. Ostrander	Bruce G. Smith	Deposition