

**INSURANCE COST APPRAISAL REPORT
OF**



SODA CREEK CONDOMINIUMS

**LOCATED
395, 397, 435, 495 & 497 Cove Boulevard
Dillon, CO 80435**

**FOR
Mr. Nathan Nosari
Manager, Soda Creek Condominiums**

**BY
Fred M. Ebert, SRA
Certified General Appraiser #CG1314171**

File# 20B5-064

EBERT APPRAISAL SERVICE, INC

Mountain Real Estate Appraisers and Consultants

Fred M. Ebert, SRA, CG1314171
Robert H. Ebert, CR1322010

June 24, 2020

Mr. Nathan Nosari
Manager – Soda Creek Condominiums

RE: Replacement Cost Valuation for Insurance
Soda Creek Condominiums
Cove Boulevard
Dillon, Colorado 80435

Dear Mr. Nosari:

As requested, I have physically inspected the subject property, researched market data and completed an Insurance Valuation Analysis of the above-described property. The conclusion of this study is presented to you in the attached appraisal report. This appraisal is presented, at your request, in a Restricted Use Report format, and it is for insurance valuation purposes only. The intended users are the Soda Creek Condominiums Association, your insurance company and agents.

The valuation estimate is for the *insurance value* of the subject property in a **“Studs Out” condition**, where there is no interior finishes included, for the purpose of insurance coverage. I developed the cost to replace the current buildings with new structures of similar function and size, using modern building materials and techniques, and implementing modern design standards. The cost of demolition for all structures and foundations is included in the concluded value. Personal property and items that are not built-in are excluded.

This is not a market value appraisal.

The analysis is subject to the assumptions, limiting conditions and certifications as set out in the full narrative report which is attached. This appraisal is written to comply with the guidelines and standards of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

The conclusions presented herein are strictly dependent on the narrative report which is attached and also the specific and limiting conditions of this appraisal. The narrative report will lead a reader through the appraisal process and provides the documentation, support and our reasoning in arriving at the estimated value. Thus, reading of the report in its entirety is required to fully understand the value estimate.

The final conclusion of the replacement cost of the subject, as of June 8, 2020 is:

REPLACEMENT COST (Studs Out)

\$6,765,000

SIX MILLION SEVEN HUNDRED SIXTY-FIVE THOUSAND DOLLARS

\$175 per Square Foot of Living Area

\$170,000 per Unit on Average

Specific Assumptions and Limitations:

- 1. The replacement improvements will be modeled after the original improvements with changes to meet current codes and building standards, so the architecture and engineering should be less than a new project. (Additional costs for rebuilding to upgraded standards would be borne by the owners).*
- 2. No more water or sewer taps will be needed in the event of a reconstruction.*
- 3. Underground utilities, general grading and drainage will be substantially salvaged. Rebuilding work will include landscaping and some soils work, which is expected to be substantially damaged.*
- 4. The appraiser has arrived at a size for this building by using the recorded condominium maps and tax records, as well as personal measurements. Public records may be inaccurate in some details, so I physically measured a sample of the buildings. I have used the best combination of methods and materials available to attempt to arrive at gross building areas, but small differences may exist, and the appraiser cannot be held accountable for these.*

If we may be of any further assistance to you in this matter, please do not hesitate to call, (970) 453-2199.

Sincerely,



Fred M. Ebert, SRA
Colorado Certified General Appraiser
#CG1314171

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EXECUTIVE SUMMARY

Property Appraised:	Soda Creek Condominiums
Location:	395, 397, 435, 495 & 497 Cove Boulevard, Dillon, CO 80435
Legal Address:	Soda Creek Condominiums, Town of Dillon, Summit County, CO
Purpose of this Report:	Offer an opinion of the replacement cost of the building for hazard insurance coverage, including only construction and finishes from the “bare walls” out, or “studs out” cost.
Property Rights Valued:	Fee Simple Estate (Replacement Cost Only)
Client:	Soda Creek Condominium Association Nathan Nosari, Manager PO Box 4844 Dillon, CO 80443
Intended Users:	Soda Creek Condominium Association, and their designated insurance companies
Number of Units:	40 units
Size of Improvements:	38,564 GLA SF, 400 Garage SF
Effective Date of the Appraisal:	June 8, 2020; this is the date of inspection of the property.
Effective Date of the Report:	June 23, 2020; this is the date of transmittal to the client.
Zoning:	Summit County, High density residential/ Soda Creek PUD (per zoning map)
Valuation Analysis:	Only the Cost Approach is a relevant means of valuing the replacement cost for insurance purposes.

The appraiser has used the best information available on similar properties in this mountain environment to arrive at replacement costs. Timing of loss alone may cause a lack of options for competitive bidding in these small markets. By accepting and using this evaluation, the client recognizes that costs and bids can vary substantially between projects, contractors and over time, and the appraisers will not be held responsible for cost changes or variances in bids from our estimates.

Considering the replacement cost data from other projects in the Silverthorne, Dillon, Breckenridge and Summit County markets, and also Marshall Valuation Cost Manual, my opinion of the replacement cost, bare walls out, of this building including full demolition costs, subject to the contingent and limiting conditions and assumptions listed in this report, as of June 8, 2020 is:

REPLACEMENT COST (Studs Out)

\$6,765,000

SIX MILLION SEVEN HUNDRED SIXTY-FIVE THOUSAND DOLLARS

\$175 per Square Foot of Living Area

\$170,000 per Unit on Average

Specific Assumptions and Limitations:

- 1. The replacement improvements will be modeled after the original improvements with changes to meet current codes and building standards, so the architecture and engineering should be less than a new project. (Additional costs for rebuilding to upgraded standards would be borne by the owners).*
- 2. No more water or sewer taps will be needed in the event of a reconstruction.*
- 3. Underground utilities, general grading and drainage will be substantially salvaged. Rebuilding work will include landscaping and some soils work, which is expected to be substantially damaged.*
- 4. The appraiser has arrived at a size for this building by using the recorded condominium maps and tax records, as well as on-site measurements. Public records may be inaccurate in some details, so I physically measured a sample of the buildings. I have used the best combination of methods and materials available to attempt to arrive at gross building areas, but small differences may exist, and the appraiser cannot be held accountable for these.*

CERTIFICATION

The Appraiser certifies that, to the best of his knowledge and belief...

- *The statements of fact contained in this report are true and correct.*
- *The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.*
- *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 performed no 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 the acceptance of this assignment. I have previously appraised this property in 2015 for insurance purposes.*
- *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.*
- *My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.*
- *I have made a personal inspection of the property that is the subject of this report but have only inspected 3 units for a representation of finishes and layout inside, during my previous inspection.*
- *No one provided significant real property appraisal assistance to the person signing this certification.*
- *The reported analysis, 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.*
- *The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.*

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



Fred M. Ebert, SRA
Colorado Certified General Appraiser #CG1314171

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions.

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible management and competent marketing unless otherwise stated.
3. All sketches in this report are intended to be visual aids and should not be construed as surveys or engineering reports.
4. The information in this report has been obtained from reliable sources. The appraiser cannot, however, guarantee or be responsible for the accuracy of information furnished by others.
5. The comparable sales data relied upon in this appraisal is believed to be from reliable sources; however, it was not possible to rely on information furnished by others. Therefore, the value conclusions are subject to the correctness and verification of said data.
6. This opinion of value applies to land and improvements only. The value of trade fixtures, furnishings and other equipment has not been included with the value of the real estate.
7. Subsurface rights (minerals, oil, etc.) were not considered in making this appraisal.
8. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless prior agreements have been made in writing.
9. The distribution of the total valuation in this report between land and improvements, applies only to the existing utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
10. The land, and particularly the soil, of the area under analysis appears firm and solid. Subsidence in the area is unknown or uncommon, but the appraiser does not warrant against this condition or occurrence.

11. The appraiser very carefully inspected the building (if as yet constructed) involved in this appraisal report and damage, if any, by termites, dry rot, or other infestations was reported as a matter of information and no guarantee of the amount or degree of damage, if any, is implied.
12. The appraiser has inspected, as far as possible, by observation, the land and the improvements thereon. However, it was not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representation is made herein as to these matters and unless specifically considered in the report. The value estimate is subject to any such conditions that could cause a loss in value. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated.
13. Possession of this report or a copy thereof does not imply the right of publications or use for any purpose by any other than the addressee, without the written consent of the appraiser.
14. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute.
15. Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or the SRA designation shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned.
16. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is not such material on or in the property, which would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
17. The reader should note that the owner may be subject to additional financial expenditures in accordance with the Americans With Disabilities Act (ADA), a federal law codified at 42 USC Section 12101 et seq. Among other requirements of the ADA that could apply to this property, Title III of the ADA requires owners and tenants of "public accommodations" to remove barriers to access by disabled persons and provide auxiliary aids and services for hearing, vision or speech impaired persons by January 26, 1992. The regulations under Title III of the ADA are codified at 28 CFR part 36. The reader should not that the appraiser is not a qualified expert as to the subject's compliance or noncompliance under the ADA.

In recognition of this law's recent enactment, some of the requirements may be subject to interpretation. The client is strongly urged to retain the services of qualified independent expert/advisor concerning the interpretation and application of the ADA and to determine the subject's compliance. The value reported herein is subject to revision should it be later determined that additional expenditures are required.

18. The contents of the appraisal are for limited private use only. If, by virtue of this report, it becomes necessary to testify in court in support of the value estimate, an additional fee will be charged. If this report becomes the property of any other party, other than the addressee or the person who has paid the fee connected herewith, permission must be obtained from the original addressee for reproduction or additional copies and additional fees will be charged for any further consultation, reappraisal, or review of the property.
19. The appraiser's liability is limited to the fee charged for this report.

APPRAISER'S COMPETENCY

I have been appraising in this market for 42 years and have appraised numerous properties similar to this development.

Qualifications for

Fred M. Ebert, SRA - Colorado Certified General Appraiser

EDUCATION

Licensing:	State of Colorado - Certified General Licensed Appraiser #CG1314171, Expires 12/31/2021
Formal:	University of Illinois - B.A. in Finance March 1977
Memberships:	Residential Member of The Appraisal Institute; The appraiser is current on all educational requirements for the SRA Designation with the Appraisal Institute.
Professional:	
March 31, 2017	Appraisal Institute, Review Theory, General
March 1, 2017	Appraisal Institute, Business Practices and Ethics
March 2, 2017	Appraisal Institute, National 7 Hour USPAP
April, 2015	Appraisal Institute, National 7-Hour USPAP
January, 2014	Appraisal Institute, General Market Analysis and H&B Use
April, 2013	Appraisal Institute, General Report Writing and Case Study
February, 2013	Appraisal Institute, Business Practices and Ethics

June, 2011	Appraisal Institute, Market Analysis/Highest and Best Use
April, 2011	Appraisal Institute, USPAP Update
March, 2011	Appraisal Institute, 15 Hour USPAP
February, 2011	Appraisal Institute, Cost Approach and Land Value
March, 2010	Appraisal Institute, Business Practices and Ethics
July, 2009	Appraisal Institute, Appraisal Curriculum Overview
July, 2009	Appraisal Institute, Appraising Distressed Commercial RE
May, 2009	Appraisal Institute, 7 Hour USPAP Update
January, 2008	Appraisal Institute, 7 Hour USPAP Update
July, 2006	Appraisal Institute, Course 510 Advanced Income Capitalization
July, 2006	Appraisal Institute, HP 12-C Financial Calculator
April, 2006	Appraisal Institute, Course 420 Business Ethics
June, 1999	General Applications, Course 320
January, 1998	Appraisal Institute -Standards of Prof. Practice Part C
December, 1993	Appraisal Institute - II530 Adv. Sales Comparison & Cost Approaches
November, 1992	Appraisal Institute - Appraising with the Residential Reviewer in Mind
November, 1991	Appraisal Institute - Standards Professional Practice, Part B
April, 1991	Applied Income Property Valuation - 202
February, 1990	SRA Designation from the Society of Real Estate Appraisers
December, 1987	SREA/Professional Practice
October, 1987	FNMA Guidelines to URAR
March, 1987	R41-C and The Appraiser URAR Seminar
December, 1983	Demonstration Narrative Report
June, 1977	Income Property Appraising (201)
February, 1977	Residential Appraising (101)
February, 1977	Income Property Valuation (102)

**CONFERENCES/SEMINARS/CLINICS
APPRAISAL INSTITUTE OR PRECEDING ORGANIZATION:**

2008-2020

I regularly attend seminars and conferences on a wide variety of topic related to appraisal and the industry. There are too many to list individually here.

June, 2008	Vineyard Appraising, Napa, CA
April, 2008	Conservation Easements, Overview
January, 2005	Economic Update, Denver and Colorado
September, 2004	Design in a Down Market, Land Uses, Resort Development and Transportation
January, 2004	Economic Update, Colorado Apartment Market
September, 2003	Affordable Housing, Restaurants, Redevelopment
September, 2002	Hotel Restoration, Water Rights, Transportation
September, 2001	Mountain Resort Properties, Costs, Transportation
November, 2000	Serving the Client, FNMA and Banking
January, 1999	Economic Forecasting

Instructor:

April, 1993
January, 1986

How to Measure Difficult Properties - Appraisal Institute
Colorado Mountain College - Appraisal for Brokers

EMPLOYMENT HISTORY

1977, to Present

Real Estate Appraiser/Ebert Appraisal Service

SAMPLE LIST OF CLIENTS

BANK OF AMERICA

U.S. BANK

BANK OF THE WEST

ALPINE BANK, COLORADO

MILLENNIUM BANK, COLORADO

GREAT OUTDOORS (GOCO) COLORADO

TOWN OF FRISCO, CO

TOWN OF SILVERTHORNE, CO

TOWN OF DILLON, CO

UPPER BLUE SANITATION DISTRICT

EAGLE RIVER WATER AND SANITATION DISTRICT

BANK OF COLORADO

HIGH COUNTRY BANK

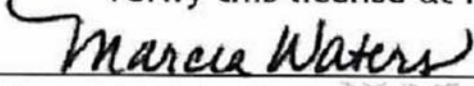
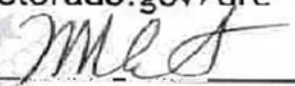
REFERENCES:

Scott Erchul, High Country Bank scott.erschul@highcountrybank.com (719) 395-1004

Larry Reavis, Alpine Bank, larryreavis@alpinebank.com (970) 513-5901

Deane Davenport, Bank of the West, deane.davenport@bankofthewest.com (303) 202-5750

Dan Burroughs, Town of Dillon, Dburroughs@townofdillon.com (970) 262-3405

Colorado Department of Regulatory Agencies Division of Real Estate Fred Marcus Ebert Certified General Appraiser	
COPY	COPY
CG1314171	01/06/2020
License Number	Issue Date
Active	12/31/2021
License Status	Expiration
Verify this license at http://dora.colorado.gov/dre	
 Director: Marcia Waters	 Licensee Signature

IDENTIFICATION OF ASSIGNMENT

PURPOSE AND SCOPE OF WORK AND INTENDED USERS

The purpose of this report is to estimate the replacement cost of these improvements as of June 8, 2020 for the home owners' association to decide on an amount for insurance coverage. I was contacted by Nathan Nosari, Manager, who ordered this cost estimate on behalf of the Soda Creek Condominium Association. I was asked to prepare an estimate of replacement cost for the project, considering the predominant risks of damage, which appears to be from wildfire. The specific insurance policy was not reviewed, and the coverage considered is for the basic building with finish to the surface of the interior walls and built-in fixtures and appliances. Certain exclusions are considered in this analysis, as the predominant risk is flooding or fire, and some parts of the construction may be salvageable, such as the excavated ground for the foundation, paved parking areas, and fees such as water and sewer tap fees.

Other costs may offset some of these savings from other potentially salvageable items. These include demolition expense, which is derived from Marshall Valuation Service Costs, and adjusted to local costs considering the best available data. Demolition costs at this location are difficult to estimate, as this is a fairly new development and no multi-story or multi-unit projects have been removed in this area recently. However, most policies list a separate budget for demolition that it outside the replacement cost.

Marshall Valuation Service costs are considered and the manual is used for reference, but the estimated costs in this manual do not always reflect the high cost of construction and related charges of the mountain resort market. The influence of this mountain location is considered in the estimated costs used in this analysis.

This replacement cost analysis is not a market value appraisal.

Users of this report should not confuse this analysis with a market value appraisal. Hazard insurance is purchased to cover the risk of loss. In the mountain resort markets there are several items involved in the value of residential and commercial properties that are not insurable, but constitute a substantial portion of the total value of a property. These include the land, water and sewer taps, which can be re-used, and some planning, infrastructure and overhead costs involved in a new project that would not need to be addressed in as much detail in the reconstruction of an existing project.

The Dictionary of Real Estate Appraisal, Fourth Edition, has the following definition:

Insurable Value –“Value used by insurance companies as the basis for insurance. Often considered to be replacement or reproduction cost plus allowances for debris removal or demolition less deterioration and non-insurable items. Sometimes cash value or market value, but often entirely a cost concept.”

The value determined in this report is the replacement cost, which is the cost to construct a new building with the same utility of the existing building, using modern building materials and current design standards. No factor is considered for the current depreciation or deterioration of the existing building.

For this assignment, the cost is further adjusted for a

INSPECTION

The appraiser conducted a visual inspection of the exterior of all buildings. The interior was visually inspected by walking through a unit measuring and drawing plans including individual rooms. Construction type, materials from the standard finishes and fixture quality were noted. Measurements included dimensions from the outside walls, rather than relying on a condominium map, which is interior space only. Pictures were taken from several angles inside and out. One two bedroom ground level unit was inspected, and this appeared to have mostly standard finishes. This is relied upon for the quality level.

PROJECT FINISHES

These units were finished with average quality materials and fixtures for the point in time that they were built. Today, many finishes that would have been upgrades or higher quality 20 years ago are more affordable and have become standard in good quality units. This is considered in the replacement cost analysis. Some examples are granite tile and slab countertops, varieties of tile made of porcelain and ceramic that were not available in the past, but are abundant at reasonable cost today. Plumbing and lighting fixtures in wide varieties can also be purchased through the preponderance of discount home furnishing stores at reasonable prices that were either not available 20+ years ago, or were available at much higher cost. Therefore, although I am attempting to include the quality and finishes of the original construction, the owner will have a

wide variety of materials and fixtures available to them today in the event of re-build that are similar in quality, often for less cost.

RESEARCH

The primary source of cost data, including the breakdown of specific building elements, was obtained from Marshall Valuation Service. This information was compared with construction cost estimates from other projects that are in the office data base and with interviews with builders and developers in this market. The cost multiplier for this mountain region was developed from the historic difference between actual building costs in this market and the Marshall Valuation estimates for those projects.

USPAP

This report is written to comply with The Uniform Standards of Professional Appraisal Practice, (USPAP), and the standards of the Appraisal Institute for a **restricted use appraisal report**. As such, there are limitations in the valuation processes and all three common approaches to value are not considered for this purpose. The cost approach to value is the only approach used, and this is restricted to replacement cost, with no analysis of accumulated depreciation or land value, as these items are irrelevant to the purpose of this analysis.

LEGAL DESCRIPTION

Each of the 40 units has an individual schedule number, but no land associated with the unit. The legal descriptions are generally as follows: Soda Creek Condominiums, Unit 1A – 1H, 2A – 2H, 3A – 3H, 4A – 4H, 5A – 5H, plus common area, Town of Dillon, Summit County, Colorado.

EFFECTIVE DATE OF APPRAISAL

The valuation date is the date of inspection, June 8, 2020. It should be noted that real estate values are influenced by a large number of external factors, which can change rapidly. Therefore, the value estimate is considered reliable only as of the date of this appraisal and cannot be guaranteed as a fact that will actually be realized.

EFFECTIVE DATE OF REPORT

This is the date of transmission to our client, June 23, 2020.

MARKET AREA AND NEIGHBORHOOD DATA

DESCRIPTION OF AREA SETTING – INTRODUCTION

As utilized in this appraisal, the subject's area or neighborhood is defined as follows:

"A grouping of complementary land uses consisting of individuals, buildings or businesses within, or as part of, a larger community. These groupings may be devoted to residential use, trade or service activities, industrial activities, recreational activities, or cultural and civic activities."

A neighborhood can be a section of a community or an entire community. It is a more or less unified area with definite boundaries which exhibit a fairly high degree of similar uses, tenancy and certain other characteristics. In essence, it is a group of complementary land uses that exhibit a greater degree of commonality than the larger area.

The value of a property is not found exclusively in its physical attributes. Economic, political, sociological and environmental forces found in the area interact to influence real estate values. In order to determine the degree of influence extended by these forces on a property, there past, present and probable future trends must be studied in depth. A detailed analysis of the subject area is described below.

DESCRIPTION OF REGIONAL SETTING, SUMMIT COUNTY DATA

The subject is located in Dillon, Colorado which is adjacent to Silverthorne, and is part of an overall shopping area with the largest grocery store in Summit County, as well a number of national and regional brand tenants. This section summarizes population, employment and other economic trends and projections for the area surrounding the subject. In my analysis of the area, I have found that much of the activities of the area are directed towards all of Summit County; therefore, I am of the opinion that statistics for the county accurately reflect the market area that includes the subject property. In addition to my discussion regarding the County as a whole, I will include a brief overview of the Town of Dillon.

REGIONAL ANALYSIS – SUMMIT COUNTY

Summit County is well located approximately one hour west of the Denver Metro Area along the Interstate 70 (I-70) corridor. It is the home to four world-class ski resort areas, including Arapahoe Basin, Breckenridge, Copper Mountain and Keystone. Consequently, much of the local economy is centered on the tourist industry. The local towns of Frisco, Dillon, Silverthorne and Breckenridge plus ski resort areas of Keystone and Copper Mountain offer a variety of activities and services. A major focus of the area is recreational activities. Winter activities include downhill and cross-country skiing, snowboarding, ice skating, snowshoeing, snowmobiling, dog sledding and sleigh rides. Summer activities are growing in popularity, however do not yet generate the amount of traffic that the ski areas do. These summer activities include biking, boating on Lake Dillon reservoir, fishing, hiking, and golfing on one of five area courses.

Because of the proximity to Denver, the economy of Summit County is closely tied to that of Denver.

POPULATION

Colorado.gov estimates the population for Summit County and the towns within the county as follows:

	2010	2011	2012	2013	2014	2015	2016	2017	2018	Change 2010-2018
Colorado	5,050,332	5,123,692	5,195,943	5,272,942	5,352,866	5,454,707	5,542,951	5,616,567	5,694,311	12.75%
Summit County	28,073	28,043	28,302	28,734	29,331	30,124	30,682	30,979	30,974	10.33%
Blue River	853	853	864	874	884	905	924	932	926	8.56%
Breckenridge	4,552	4,549	4,604	4,678	4,756	4,893	4,968	4,972	4,989	9.60%
Dillon	906	904	910	922	933	956	971	975	968	6.84%
Frisco	2,694	2,712	2,755	2,824	2,901	3,015	3,109	3,168	3,194	18.56%
Montezuma	65	65	65	66	66	68	69	69	67	3.08%
Silverthorne	3,904	3,913	3,956	4,038	4,263	4,399	4,554	4,703	4,789	22.67%
Unincorp. Area	15,099	15,047	15,148	15,332	15,528	15,888	16,087	16,160	16,041	6.24%

<https://demography.dola.colorado.gov/population/data/muni-pop-housing/>

Because much of Summit County is undevelopable National Forest land, it is generally rural in nature. Additionally, the population figures swell during high tourist seasons, with a much smaller “local” or year-round population. The population is spread throughout the county, with the largest population living in unincorporated areas.

EMPLOYMENT

The unemployment rates for the area are as follows:

UNEMPLOYMENT IN MOUNTAIN COUNTIES											
	Jun-17	Oct-17	Dec-17	Jan-18	Apr-18	Jun-18	Jan-19	Jun-19	Oct-19	Dec-19	Mar-20
COLORADO	2.30%	2.70%	3.00%	3.00%	2.90%	3.00%	3.70%	3.00%	2.40%	2.40%	4.80%
US*	4.40%	4.10%	4.10%	4.10%	3.90%	4.00%	4.00%	3.70%	3.60%	3.50%	4.40%
Chaffee	2.00%	2.30%	2.50%	2.90%	2.20%	2.30%	3.80%	2.40%	2.20%	2.10%	4.40%
Clear Creek	2.50%	2.20%	2.70%	3.00%	2.40%	3.20%	3.80%	2.90%	2.10%	2.00%	4.30%
Eagle	2.20%	2.40%	2.50%	2.40%	1.90%	2.60%	3.20%	2.50%	2.00%	1.80%	3.40%
Grand	2.00%	2.30%	2.30%	2.60%	2.40%	2.40%	3.30%	2.40%	2.10%	1.80%	3.70%
Lake	2.10%	2.30%	1.90%	2.20%	1.90%	2.50%	3.00%	2.70%	2.40%	1.60%	3.30%
Park	2.20%	2.30%	2.60%	3.20%	2.30%	2.70%	4.30%	2.70%	2.00%	2.20%	4.10%
Routt	2.40%	2.40%	2.50%	2.40%	2.20%	2.50%	3.00%	2.50%	2.00%	1.70%	3.60%
Summit	2.00%	2.20%	1.70%	1.80%	1.50%	2.40%	2.40%	2.30%	2.10%	1.40%	2.70%
Garfield	2.60%	2.60%	3.10%	3.60%	2.60%	2.80%	4.30%	2.70%	2.30%	2.50%	5.40%

Source: <https://www.colmiguateway.com/vosnet/lmi/default.aspx?pu=1&plang=E>

Seasonally not adjusted | *Seasonally adjusted

The Colorado Department of Labor and Unemployment shows a total labor force in Summit County of 24,814 as of March 2020. This labor pool shrinks in the “shoulder seasons” of late spring and fall, and summer is also lower than winter due to the many seasonal employees that are hired during this peak time. Any surge in the unemployment rate in the county is typically attributable to the cyclical employment of a resort area. Unemployment is typically lower in Summit County than in the State of Colorado.

Tourism is the top economic driver in Summit County. Consequently, employment in the lodging and food service industry represents over 30 percent of the workforce. Retail trade accounts for an additional six percent of the workforce. Silverthorne has developed as a primary retail location, with over 70 factory outlet stores. Most of the “chain” and “big-box” retail stores are located in the Silverthorne/Dillon area along the Highway 6 corridor. The most notable exception is the Wal-Mart and a Whole Foods Market plaza located in Frisco along or just off the Highway 9 corridor and just off Interstate Highway 70. The Breckenridge and Frisco historic downtown Main Street areas are both good locations for retail stores, but cater to the pedestrian tourist shopper rather than the regional shopper.

Dillon has a highway commercial area that extends up both sides of Highway 9 from I-70 east through residential areas to Keystone Ski Resort. It also has a downtown area overlooking Lake Dillon with high density residential mixed with single family neighborhoods and a commercial core area with offices, shops and restaurants.

The table below shows the preliminary distribution of industries in Summit County for the 3rd quarter of 2019.

Rank	Industry	Establishments	Employment	Total Wage	Average Weekly Wage
	Total, All Industries	2,394	20,870	\$230,802,527	\$851
1	Accommodation and Food Services	252	6,771	\$56,681,386	\$644
2	Retail Trade	284	2,763	\$23,143,522	\$644
3	Public Administration	24	1,733	\$23,004,041	\$1,021
4	Construction	375	1,573	\$24,303,417	\$1,188
5	Health Care and Social Assistance	117	1,330	\$19,687,844	\$1,139
6	Administrative and Waste Services	168	1,088	\$10,657,941	\$754
7	Real Estate and Rental and Leasing	337	1,010	\$12,074,122	\$920
8	Arts, Entertainment, and Recreation	54	989	\$9,021,134	\$702
9	Educational Services	26	903	\$11,293,485	\$962
10	Professional and Technical Services	331	686	\$12,787,200	\$1,434

The table below shows the preliminary estimated average wage in Summit County and Colorado for the 2nd quarter of 2019. *(data for 2019 3rd quarter is not yet available)*

Area	Ave Employment	Ave Hourly Wage*	Ave Weekly Wage	Ave Annual Wage*
Colorado	2,732,783	\$28.20	\$1,128	\$58,656
Summit County	20,704	\$19.38	\$775	\$40,300

RESIDENTIAL RENTS

Fair Market Rents are reported by the US Department of Housing and Urban Development (HUD) for Summit and the surrounding counties for 2019 as follows:

2019 FAIR MARKET RENTS					
County	0 BR	1 BR	2 BR	3 BR	4 BR
Summit	\$1,099	\$1,107	\$1,464	\$1,834	\$2,243
Eagle	\$920	\$1,120	\$1,432	\$1,794	\$2,092
Routt	\$967	\$974	\$1,288	\$1,853	\$1,973
Clear Creek*	\$1,029	\$1,204	\$1,508	\$2,119	\$2,461
Grand	\$681	\$801	\$1,060	\$1,434	\$1,624
Chaffee	\$559	\$760	\$870	\$1,172	\$1,176
Park	\$1,029	\$1,204	\$1,508	\$2,119	\$2,461
Garfield	\$892	\$897	\$1,161	\$1,616	\$2,013

<https://www.huduser.gov/portal/datasets/fmr.html>

Actual market rents will vary by property. These conclusions by HUD indicate 2% to 6% increases from 2018 for the mountain counties except for Eagle where there is a decline in rents by 3%, and a 6% increase for all counties considered in the Denver MSA. The Denver MSA includes the mountain counties of Clear Creek and Park. The eastern parts of these counties are mostly bedroom communities for the Denver MSA, but the western sides of these counties spread to the mountain regions and are more of an influence to the resort communities around Grand and Summit counties than the Front Range communities around Denver. From the HUD website, Fair Market Rent (FMR) is determined as follows:

“FMRs are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.”

Area Median Income continues to improve in the County, as reported by the Summit County Housing Authority.

SCHA 2019 SUMMIT COUNTY AREA MEDIAN INCOME (AMI)

Figures in RED are directly from HUD 4/24/2019; other numbers have been extrapolated

AMIs											
Household size	HUD EXTREMELY LOW			HUD LOW		TRUE					
	INCOME	50%	60%	INCOME	80%	90%	100%	110%	120%	140%	160%
1 person	\$18,750	\$31,200	\$37,440	\$49,950	\$49,920	\$56,160	\$62,400	\$68,640	\$74,880	\$87,360	\$99,840
1.5 person	\$20,075	\$33,425	\$40,110	\$53,500	\$53,480	\$60,165	\$66,850	\$73,535	\$80,220	\$93,590	\$106,960
2 person	\$21,400	\$35,650	\$42,780	\$57,050	\$57,040	\$64,170	\$71,300	\$78,430	\$85,560	\$99,820	\$114,080
3 person	\$24,100	\$40,100	\$48,120	\$64,200	\$64,160	\$72,180	\$80,200	\$88,220	\$96,240	\$112,280	\$128,320
4 person	\$26,750	\$44,550	\$53,460	\$71,300	\$71,280	\$80,190	\$89,100	\$98,010	\$106,920	\$124,740	\$142,560
4.5 person	\$28,460	\$46,350	\$55,620	\$74,175	\$74,160	\$83,430	\$92,700	\$101,970	\$111,240	\$129,780	\$148,320
5 person	\$30,170	\$48,150	\$57,780	\$77,050	\$77,040	\$86,670	\$96,300	\$105,930	\$115,560	\$134,820	\$154,080
6 person	\$34,590	\$51,700	\$62,040	\$82,750	\$82,720	\$93,060	\$103,400	\$113,740	\$124,080	\$144,760	\$165,440
7 person	\$39,010	\$55,250	\$66,300	\$88,450	\$88,400	\$99,450	\$110,500	\$121,550	\$132,600	\$154,700	\$176,800
8 person	\$43,430	\$58,850	\$70,620	\$94,150	\$94,160	\$105,930	\$117,700	\$129,470	\$141,240	\$164,780	\$188,320

REAL ESTATE AND DEVELOPMENT

The Summit County Planning Department estimates a total of 30,220 housing units exist in Summit County as of December 31, 2016. This figure is from a build-out study that estimates the “realistic build out” for all residential units in Summit County at 77.45% currently.

Because of limited land for future expansion, a strong redevelopment and renovation market was seen during the real estate boom from 2002 to 2006, especially in the Frisco area. Several mixed-use projects were completed, generally proximate to Frisco’s Main Street, that include first floor commercial or retail use with residential units built above. Numerous older single family homes and townhomes have undergone renovation within the past years as well, with several existing homes purchased for “scrape off” redevelopment as “trophy” second homes. This redevelopment (and new development) has slowed in the past six quarters, shown in greater detail in the following section.

Environmental issues that may affect future development in Summit County include high traffic congestion along the I-70 corridor, especially during peak summer and winter seasons. Water issues also face much of the more rural areas of Colorado, as especially the Denver Water Board attempts to provide a sustainable supply to the rapidly growing metro area. Effects on tourism were especially felt during recent drought years, when wild fires deterred summer travel and Denver’s use of water from Dillon Reservoir curtailed some summer activities.

Deed Restricted Housing

Affordable housing for local workers is perhaps the biggest concern for county and city governments as well as local employers and residents alike. This economy has been operating under a critical shortage of housing that is causing problems keeping workers in place and inhibiting the expansion and creation of businesses throughout the mountain resort communities. A recent study by two consultants, Wendy Sullivan of WSW Consulting, and Melanie Rees, of Rees Consulting, concluded that the Summit County market needed 659 units to “catch up” with demand, and another 1025 units to “keep up” with demand through 2020.

Many projects have been developed over the past decade and longer, but there are now a critical volume of units planned in projects hosted by a variety of public and private entities that may go a long way toward stabilizing demand. If successful, these projects could come close to meeting the demand and needs. Developments planned and underway total over 1600 units, but some could be a few years before starting, and others will take a few years to build out. Most will include a mix of rental and for-sale units.

Besides the current and anticipated demand from existing forces, the economy in general suffers when companies leave the mountains or cannot set up shop here because employees and owners cannot afford or find housing. A glaring example is Vail Associates moving their corporate headquarters, management, bookings and property operations to a Denver suburb from Avon, in the center of the The Vail Valley. Several other companies have followed suite. Studies cited by these most recent reports are dated, with data from 2012. Since then, the housing market has recovered with a limited number of new units built, causing prices and rents of housing to skyrocket. The shortage has been further exacerbated by on-line home and unit rental sites, and advances in software and management practices that make it easier and more profitable for owners to rent their units by themselves short term, or through internet-based management. This alone has removed hundreds of units from the long-term rental market, and maybe thousands.

When considering the above trends, the housing needs are likely much greater than these studies indicate. Following are projects proposed and under way in Summit County.

Project	Town	#unit	Type	Owners	Status	remaks
Huron Landing	Breckenridge	26	2-BR, rental	rental	expected to be completed by summer	JV Breckenridge & Summit
West Hills	Keystone	66	2-3 BR Duplex	own	25/66 phase 1 under construction	first phase next phases. followed by several buildings of apartments for rent and some smaller units for sale.
Smith Ranch (formerly Silver Mountain)	Silverthorne	206		own, rental	future project	high infrastructure costs and funding uncertainties stalled the development. With reauthorization of 5A, the Town is reconsidering Smith Ranch.
Lake Hill	Frisco	436	single family detached, duplexes, townhouses, and large multifamily buildings, rental & own	own, rental	planning phase	for next 10 yrs; w/ some real challenges getting utilities to this site
Wellington Lincoln Park	Breckenridge	65	2,3,4 BR		under construction w/ 7 out of 65 completed in 2016	Another phase of the Wellington neighborhood development
Block 11	Breckenridge	250			future project	in Runway Sub
Denison Placer 2	Breckenridge	30	10 1-BR; 20 studios, rental	rental	Under/Pending Construction	20 units are reserved for students at CMC and 10 units are restricted to Town of Breckenridge
Denison Placer 1 (BLUE 52)	Breckenridge	70	18 apartments (Blue 52) 52 1-3 BR townhomes	own, rental	Construction is scheduled to start in spring 2017	first phase - 17 townhomes
Snake River Basin	Keystone	196	120 year-round rentals made up of one- and two-bedroom apartments, 36 three-bedroom, four-occupant seasonal units and 40 low-income, mostly one-bedroom rentals.	rental	planning phase	The adjacent land is also the site of the recently approved Village at Wintergreen workforce complex on which Vail is working with development partner Gorman & Company. The county board gave the thumbs up to that 196-unit Snake River Basin project on May 22.
Mary Ruth Place Project	Frisco	8	1 studio 5 1-bedroom units 2 2-bedroom units		Construction is projected to begin in summer 2017	
Basecamp Project	Frisco	24	rental	rental	Construction timeline is targeted for 2017	to be located on upper floors of Basecamp Development
Wendy's/Exxon Project	Frisco	4			planning phase	above gas station for employees
Boatyard Expansion Project	Frisco	5	rental	rental	construction completion is projected for late summer 2017.	
Copper Point Townhomes	Copper Mount	15	single family attached units with 3 Duplex and 3 Triplex buildings.Sale	own	first units are projected to be complete November, 2016 with the entire project completed by June 2017.	
Mc Cain	Breckenridge	100			future project	
Stan Miller Annexation	Breckenridge	105		own (65) rental (40)	future project	
Berlin Placer	Breckenridge	36	employee units	own	under review	
PUD in Dillon	Dillon	3		rental	planning phase	Three (3) affordable rentals are proposed as part of a 65-unit condominium PUD.
County owned land	Keystone	25		own	planning phase	The County is looking to partner with a private builder
Total		1670				

COMMERCIAL REAL ESTATE ACTIVITY

Recently, some of the remaining development land for commercial use has been built out in Frisco, with a retail center anchored by a Whole Foods Market and in Silverthorne, with a Lowes and Murdoch's Home and Ranch Supply. A proposed Home Depot that was cancelled.

Dillon and Silverthorne have attracted other nationally recognized retailers to the area including Walgreens, Qdoba, Chipotle, Noodles and Company, as well as others. There is currently a parcel of commercial development land available to the market in the same regional retail center as City Market and Walgreens. This activity shows the long term bullish attitude of these retailers for Summit County.

During 2009, commercial property sales slowed to almost a halt. As of year-end 2009, there were only six commercial property transactions that occurred on the Summit County MLS, and at least three that occurred off the MLS. All were moderately-sized properties purchased for owner-use. Only one of the transactions was for retail use, and was sold immediately after a bank foreclosure.

In 2010, commercial activity picked up a bit. As of year-end 2010, there were 15 commercial property transactions that occurred on the Summit County MLS - 13 of the sales were commercial or industrial condominiums.

Commercial inventory as of May 2020 is stable, but few properties are being offered for sale. There are currently 16 properties offered in Summit county with over \$34,000,000 in asking price volume. There are currently 2 pending listings offered at a total list price of \$450,000 combined.

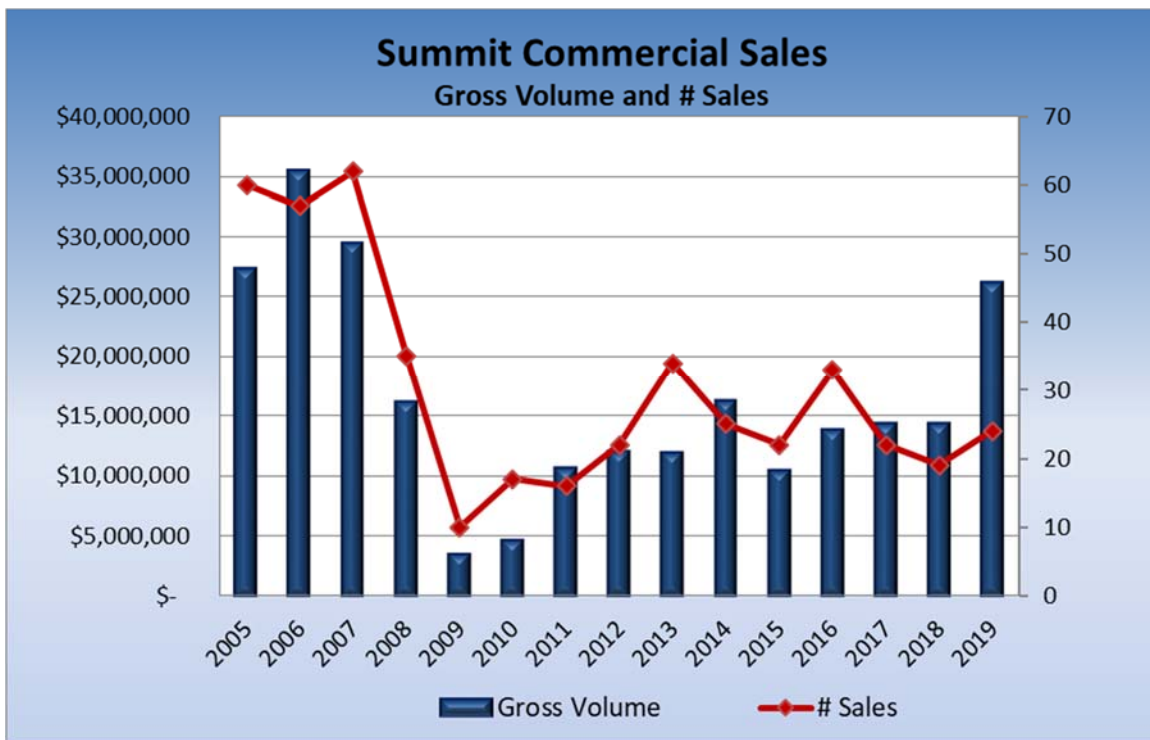
The table and graph show the trend of commercial property transactions that have been marketed on the Summit County MLS. This data was filtered to omit businesses and lease listings/transactions that did not include real estate. This data does not include private party transactions or transactions that were marketed through other means such as LoopNet.

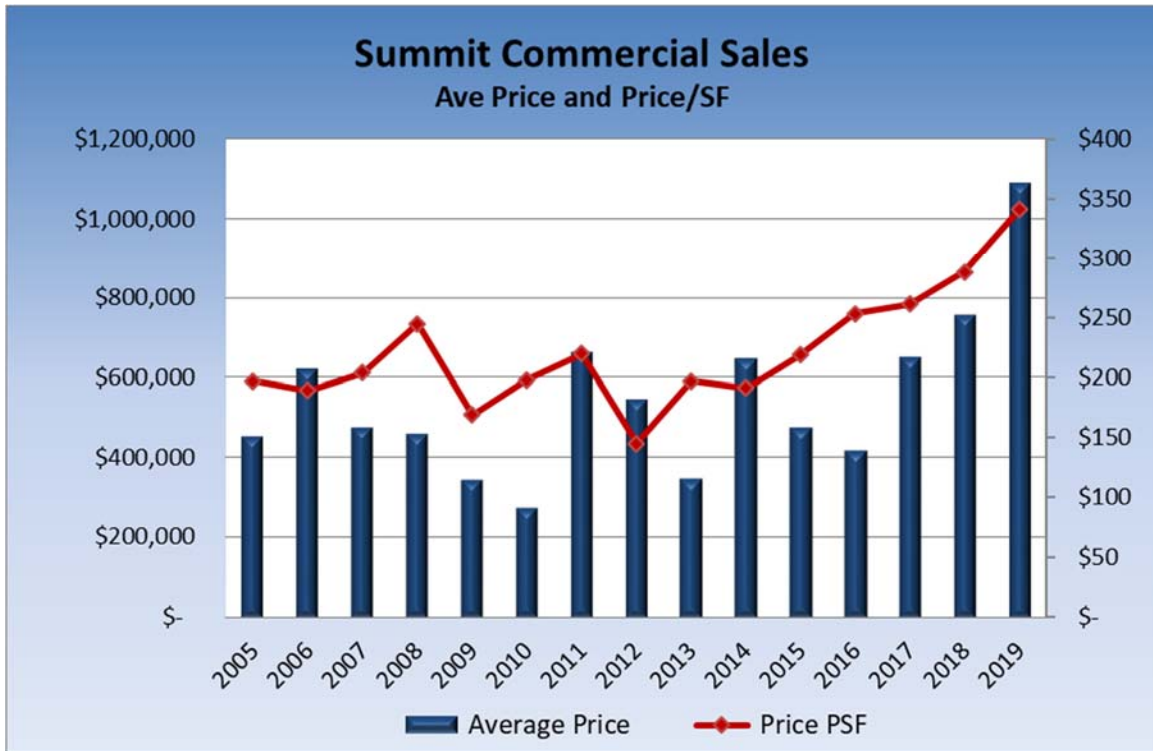
As is typical for a resort community, two of every three homes in Summit County is a second home, with a majority of Summit County second homeowners having permanent homes along the Front Range (Denver metropolitan area).

SUMMIT COUNTY COMMERCIAL SALES - MLS DATA

Year	# Sales	Average Price	Gross Volume	Price PSF	Ratio	Ave. DOM
2005	60	\$ 454,495	\$ 27,269,700	\$ 197	91%	297
2006	57	\$ 621,772	\$ 35,441,004	\$ 189	91%	313
2007	62	\$ 474,994	\$ 29,449,628	\$ 204	93%	302
2008	35	\$ 459,811	\$ 16,093,385	\$ 245	95%	172
2009	10	\$ 344,581	\$ 3,445,810	\$ 169	92%	153
2010	17	\$ 274,338	\$ 4,663,746	\$ 198	81%	361
2011	16	\$ 665,003	\$ 10,640,048	\$ 220	85%	447
2012	22	\$ 544,218	\$ 11,972,796	\$ 145	83%	447
2013	34	\$ 348,829	\$ 11,860,186	\$ 197	88%	602
2014	25	\$ 647,874	\$ 16,196,850	\$ 191	88%	303
2015	22	\$ 476,463	\$ 10,482,186	\$ 219	82%	487
2016	33	\$ 419,213	\$ 13,834,029	\$ 253	93%	290
2017	22	\$ 649,723	\$ 14,293,906	\$ 261	94%	247
2018	19	\$ 754,500	\$ 14,335,500	\$ 288	93%	95
2019	24	\$ 1,088,167	\$ 26,116,008	\$ 341	93%	87

Year End 2019



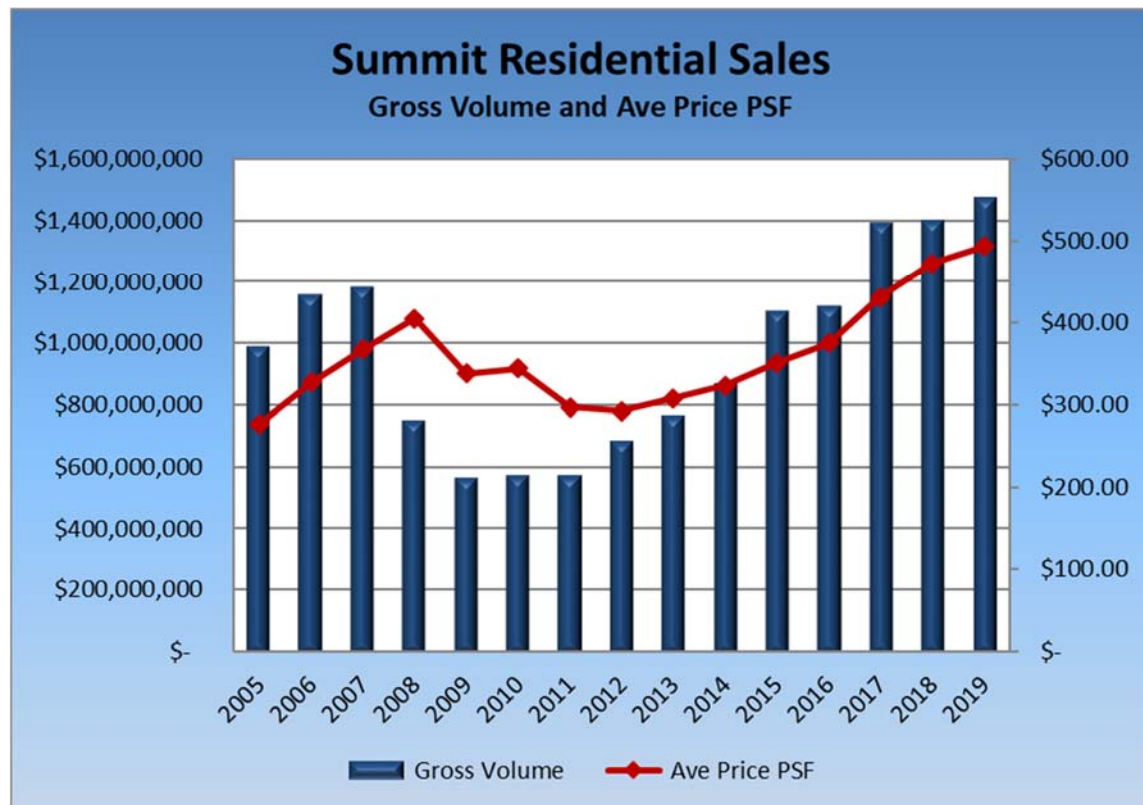
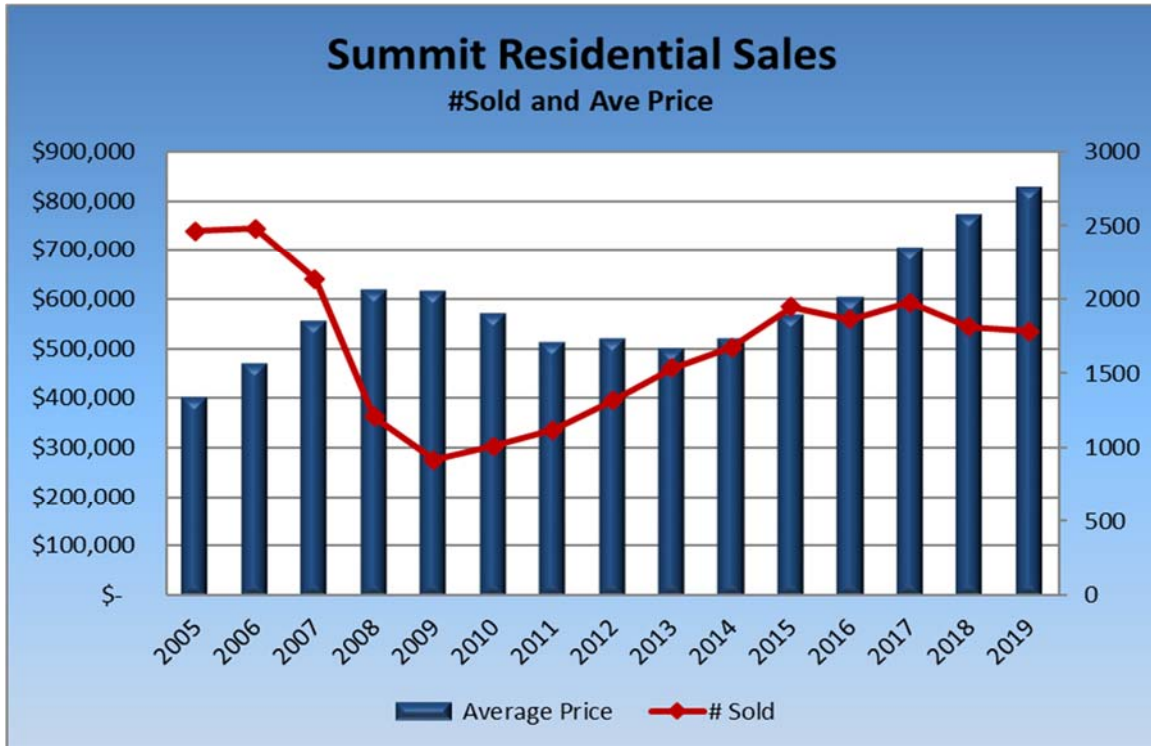


RESIDENTIAL SALES

The following figures show activity on the Summit County MLS system for all residential unit types from 2005 through 2019.

AREA	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Description
Breck	983	939	792	481	362	405	491	543	638	644	733	677	736	703	623	# of sales
	\$484,018,387	\$569,084,706	\$559,934,496	\$397,256,457	\$295,040,860	\$300,288,465	\$307,562,400	\$347,310,945	\$389,264,854	\$444,992,408	\$541,276,520	\$540,858,008	\$680,173,664	\$669,187,809	\$710,017,525	Total Volume
	\$492,389	\$606,054	\$706,988	\$825,897	\$815,030	\$741,453	\$626,400	\$639,615	\$610,133	\$690,982	\$738,440	\$798,904	\$924,149	\$951,903	\$1,139,675	Avg Price/Unit
		23%	17%	17%	-1%	-9%	-16%	2%	-5%	13%	7%	8%	16%	3%	20%	% Chg
Frisco	225	206	220	109	98	117	137	159	161	181	223	191	163	163	170	# of sales
	\$ 93,517,200	\$ 108,542,430	\$ 122,826,000	\$ 56,600,757	\$ 48,521,858	\$ 56,718,090	\$ 63,811,449	\$ 70,723,518	\$ 76,097,294	\$ 87,022,809	\$ 128,164,567	\$ 115,058,973	\$ 106,816,997	\$ 127,483,115	\$ 122,823,640	Total Volume
	\$415,632	\$526,905	\$558,300	\$519,273	\$495,121	\$484,770	\$465,777	\$444,802	\$472,654	\$480,789	\$574,729	\$602,403	\$655,319	\$782,105	\$722,492	Avg Price/Unit
		27%	6%	-7%	-5%	-2%	-4%	-5%	6%	2%	20%	5%	9%	19%	-8%	% Chg
Dillon	280	294	307	147	97	106	128	154	169	187	209	212	203	173	221	# of sales
	\$ 82,760,720	\$ 91,481,040	\$ 110,450,925	\$ 54,590,802	\$ 33,565,492	\$ 38,600,960	\$ 42,129,536	\$ 54,399,422	\$ 60,106,202	\$ 66,925,804	\$ 81,237,673	\$ 81,091,484	\$ 86,431,107	\$ 96,021,228	\$ 122,756,881	Total Volume
	\$ 295,574	\$ 311,160	\$ 359,775	\$ 371,366	\$ 346,036	\$ 364,160	\$ 329,137	\$ 353,243	\$ 355,658	\$ 357,892	\$ 388,697	\$ 382,507	\$ 425,769	\$ 555,036	\$ 555,461	Avg Price/Unit
		5%	16%	3%	-7%	5%	-10%	7%	1%	1%	9%	-2%	11%	30%	0%	% Chg
Silverthorne	462	415	359	242	182	192	195	225	293	329	372	394	425	351	433	# of sales
	\$ 149,325,792	\$ 161,249,080	\$ 174,696,939	\$ 128,230,718	\$ 96,085,808	\$ 94,440,000	\$ 82,586,010	\$ 107,664,300	\$128,862,865	\$ 149,799,951	\$ 178,040,688	\$ 209,855,826	\$ 266,499,225	\$ 237,032,055	\$ 294,355,998	Total Volume
	\$323,216	\$388,552	\$486,621	\$529,879	\$527,944	\$491,875	\$423,518	\$478,508	\$439,805	\$455,319	\$478,604	\$532,629	\$627,057	\$ 675,305	\$ 679,806	Avg Price/Unit
		20%	25%	9%	0%	-7%	-14%	13%	-8%	4%	5%	11%	18%	8%	1%	% Chg
Copper	118	159	115	51	40	33	31	42	54	73	98	95	109	91	61	# of sales
	\$ 35,252,320	\$ 57,716,845	\$ 47,985,179	\$ 23,075,919	\$ 20,344,000	\$ 18,523,791	\$ 17,000,245	\$ 15,334,368	\$ 21,992,094	\$ 28,446,567	\$ 34,820,282	\$ 36,263,305	\$ 54,088,961	\$ 53,159,379	\$ 40,578,481	Total Volume
	\$ 298,748	\$ 362,999	\$ 417,262	\$ 452,469	\$ 508,600	\$ 561,327	\$ 548,395	\$ 365,104	\$ 407,261	\$ 389,679	\$ 355,309	\$ 381,719	\$ 496,229	\$ 584,169	\$ 665,221	Avg Price/Unit
		22%	15%	8%	12%	10%	-2%	-33%	12%	-4%	-9%	7%	30%	18%	14%	% Chg
Keystone	392	469	349	178	137	154	136	196	218	267	305	292	339	328	274	# of sales
	\$ 136,653,123	\$ 165,913,364	\$ 170,236,516	\$ 84,689,018	\$ 68,583,570	\$ 63,069,006	\$ 58,324,120	\$ 86,760,772	\$ 85,497,856	\$ 94,016,841	\$ 132,554,525	\$ 133,343,260	\$ 191,245,494	\$ 210,052,184	\$ 177,779,146	Total Volume
	\$ 348,605	\$ 353,760	\$ 482,128	\$ 475,781	\$ 500,610	\$ 409,539	\$ 429,295	\$ 442,657	\$ 392,192	\$ 352,123	\$ 434,605	\$ 456,655	\$ 564,146	\$ 640,403	\$ 648,829	Avg Price/Unit
		1%	36%	-1%	5%	-18%	5%	3%	-11%	-10%	23%	5%	24%	14%	1%	% Chg
Total	2,460	2,482	2,142	1,208	916	1,007	1,118	1,319	1,533	1,681	1,940	1,861	1,975	1,809	1,782	# of sales
Total	\$ 981,527,542	\$ 1,153,987,465	\$ 1,186,130,055	\$ 744,443,671	\$ 562,141,588	\$ 571,640,312	\$ 572,992,124	\$ 682,193,325	\$761,821,165	\$ 871,204,380	\$1,096,094,255	\$1,116,470,856	\$1,385,255,448	\$1,392,935,770	\$ 1,468,311,671	Total Volume
Total	\$ 398,995	\$ 464,943	\$ 553,749	\$ 616,261	\$ 613,692	\$ 567,667	\$ 508,874	\$ 517,205	\$ 496,948	\$ 518,266	\$ 564,997	\$ 599,931	\$ 701,395	\$ 770,003	\$ 823,968	Avg Price/Unit
		17%	19%	11%	0%	-7%	-10%	2%	-4%	4%	9%	6%	17%	10%	7%	% Chg
Sales Data from Summit County MLS Year End 2019																

Graphically, the following charts show trends in number of sales and average prices per unit, based on the data in the above spreadsheet:



DILLON SALES

Graphically, the following charts show trends in gross sales and average price, and number of sales and average price per SF, based on the data in the above spreadsheet.

DILLON RESIDENTIAL SALES								
Year	# Sold	Average Price	Gross Volume	% Change	Ave Price PSE	Sales Ratio	DOM	
2005	280	\$ 295,574	\$ 82,760,720.00	3.91%	\$ 206.00	97.79%	88	
2006	294	\$ 311,160	\$ 91,481,040.00	10.54%	\$ 228.00	98.17%	62	
2007	307	\$ 359,775	\$ 110,450,925.00	20.74%	\$ 270.45	98.49%	58	
2008	147	\$ 371,366	\$ 54,590,802.00	-50.57%	\$ 283.02	96.44%	66	
2009	97	\$ 346,036	\$ 33,565,492.00	-38.51%	\$ 252.00	94.53%	127	
2010	106	\$ 364,160	\$ 38,600,960.00	15.00%	\$ 228.00	94.53%	144	
2011	128	\$ 329,137	\$ 42,129,536.00	9.14%	\$ 210.47	93.73%	143	
2012	154	\$ 353,243	\$ 54,399,422.00	29.12%	\$ 216.55	95.22%	116	
2013	169	\$ 355,658	\$ 60,106,202.00	10.49%	\$ 231.63	96.26%	96	
2014	187	\$ 357,892	\$ 66,925,804.00	11.35%	\$ 243.10	96.17%	92	
2015	209	\$ 388,697	\$ 81,237,673.00	21.38%	\$ 258.63	96.86%	65	
2016	212	\$ 382,507	\$ 81,091,484.00	-0.18%	\$ 291.32	98.04%	37	
2017	203	\$ 425,769	\$ 86,431,107.00	6.58%	\$ 335.00	98.38%	23	
2018	173	\$ 555,036	\$ 96,021,228.00	11.10%	\$ 380.62	98.65%	24	
2019	221	\$ 555,461	\$ 122,756,881.00	27.84%	\$ 416.24	98.06%	37	

Year End 2019





The information represented in the graphs and table above are taken from the Summit County MLS. Number of transactions and annual dollar volume of transactions shows a clear decline in 2008 and 2009. The data from 2010-2011 shows stabilization with recovery steadily since that period. The data shows a drop in # of units sold in 2016-2018 due to a lack of inventory.

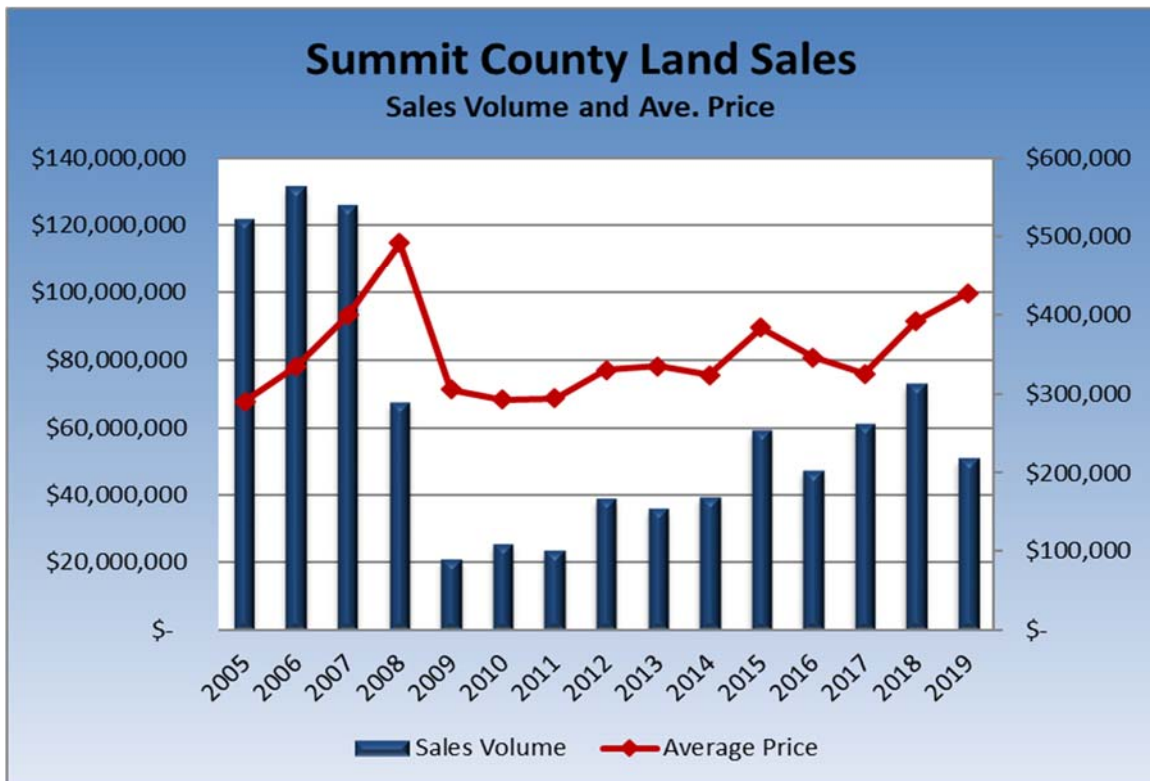
RESIDENTIAL LAND SALES

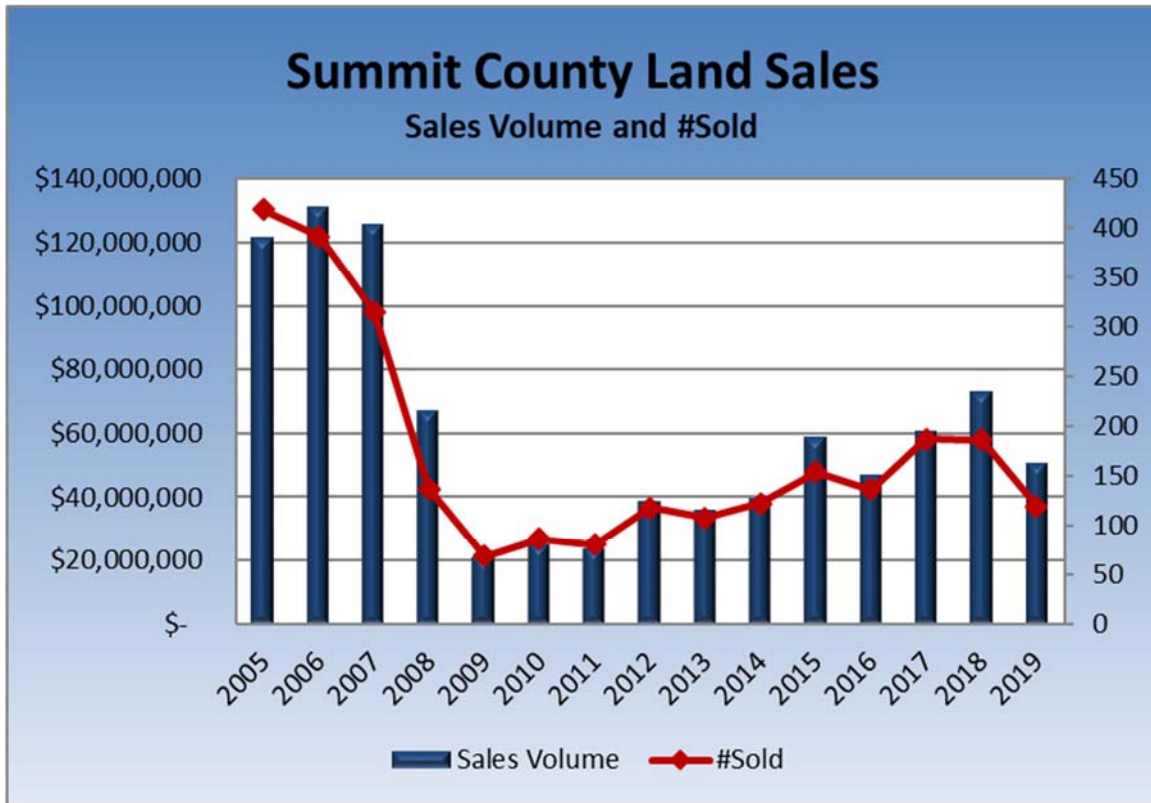
The market for residential lots has shown a dramatic decline in sales price per lot until 2017 and a drop in the number of annual transactions and volume in Summit County in 2019. The following statistics are from the MLS for Summit County:

SUMMIT COUNTY LAND SALES - MLS DATA

<u>Year</u>	<u>#Sold</u>	<u>Average Price</u>	<u>Sales Volume</u>	<u>Sale/List Ratio</u>	<u>Avg DOM</u>
2005	419	\$ 290,430	\$ 121,690,170	93.88%	331
2006	392	\$ 335,090	\$ 131,355,280	94.61%	254
2007	315	\$ 399,548	\$ 125,857,620	95.82%	168
2008	137	\$ 491,834	\$ 67,381,258	92.80%	152
2009	68	\$ 305,285	\$ 20,759,380	86.58%	254
2010	86	\$ 292,338	\$ 25,141,068	86.50%	261
2011	80	\$ 294,486	\$ 23,558,880	86.81%	273
2012	118	\$ 330,443	\$ 38,992,274	87.80%	359
2013	107	\$ 335,077	\$ 35,853,239	89.66%	414
2014	122	\$ 324,202	\$ 39,552,644	88.88%	443
2015	154	\$ 383,585	\$ 59,072,090	90.86%	329
2016	136	\$ 345,909	\$ 47,043,624	92.23%	337
2017	187	\$ 325,607	\$ 60,888,509	92.79%	273
2018	186	\$ 392,223	\$ 72,953,478	105.11%	256
2019	119	\$ 427,247	\$ 50,842,393	93.92%	233

Year End 2019



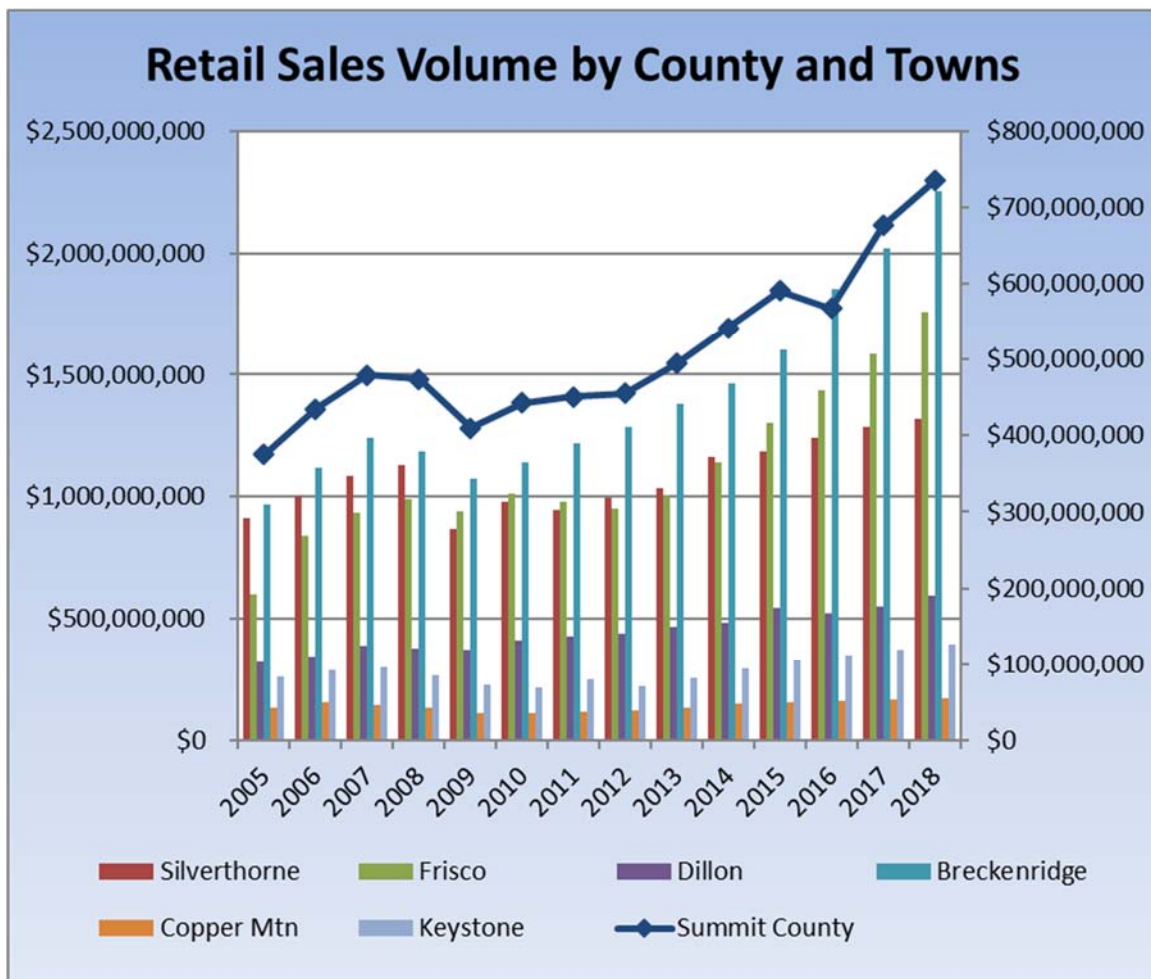


From 2009 through 2011, land sales dollar volume leveled-off at the bottom of the market, at a rate about one-fifth that of the prior years. Recovery has been limited due to a lack of inventory of land around the county. Prices have been more stable than volume levels, but recently have spiked with a limited inventory. The current strong market is maintaining in spite of rising interest rates and some evidence of national slowdown. The market is being monitored for effects of these events.

RETAIL SALES

Retail sales in the Summit County area overall have been steady in the past years, with some slight fluctuations. The following chart shows retail sales in each town/city/community in Summit County. The table shows detail of the subject's market area.

Retail Sales Statistics Summit County			Retail Sales Statistics- Dillon		
Year	Volume	% change	Year	Volume	% Change
2005	\$1,171,526,537	10.60%	2005	\$102,851,400	
2006	\$1,359,694,249	16.06%	2006	\$109,215,760	6.19%
2007	\$1,496,632,538	10.07%	2007	\$124,956,756	14.41%
2008	\$1,480,836,550	-1.06%	2008	\$121,445,842	-2.81%
2009	\$1,280,571,598	-13.52%	2009	\$119,683,257	-1.45%
2010	\$1,385,144,630	8.17%	2010	\$131,034,750	9.48%
2011	\$1,407,965,253	1.65%	2011	\$137,083,345	4.62%
2012	\$1,423,615,672	1.11%	2012	\$139,728,116	1.93%
2013	\$1,544,892,960	8.52%	2013	\$149,994,445	7.35%
2014	\$1,691,461,469	9.49%	2014	\$155,024,654	3.35%
2015	\$1,846,077,634	9.14%	2015	\$174,240,859	12.40%
2016	\$1,773,583,000	-3.93%	2016	\$166,805,000	-4.27%
2017	\$2,112,916,000	19.13%	2017	\$176,791,000	5.99%
2018	\$2,296,461,000	8.69%	2018	\$190,578,000	7.80%



REGIONAL CONCLUSIONS

A real estate boom in Summit County began in late 2003 and was apparent in 2004 after a period of stability to slight decline in the first two years after 9/11/2001. This boom peaked locally in Q3 2007, and 2008 showed significant decline in volume while residential pricing continued to increase slightly before coming down with a substantial decrease in volume continuing into 2009, with prices not bottoming until about 2013. A subsequent upswing has taken place with volume and price rises until now the inventory is very limited and there is not much affordable on the market. Prices have increased well beyond the peak of 2008 in some neighborhoods.

TOWN OF DILLON

The Town of Dillon is a resort community overlooking the shores of Lake Dillon in central south Summit County. It has grown up with resort condominiums around the lakeshore that are owned by second homeowners and there are commercial areas in the downtown area and out along Highway 6 entering the town of I-70. The cluster of multi-family is evident in the downtown area and along Highway 6 near Dillon Ridge Shopping Center, which features a townhome project and a proposed multi-family project with rental apartments and condominiums.

To the north is Silverthorne, which is along the north border, to the south is Lake Dillon, to the east is residential development partly in town and this extends to Keystone Resort a few miles up the road, and to the east is more residential development of mixed density. All of these areas are surrounded by public lands. The BLM and National Forest Lands control over 80% of Summit County.

Dillon has several parks and recreational facilities including hiking trails, a marina on the lake, a lakefront amphitheater, as well as tennis and baseball/softball fields. Bike trails run through town that lead to Silverthorne, Frisco, Keystone and around Lake Dillon. Hiking trails extend in every direction from downtown. From downtown Dillon, it is a 10 minute drive to Keystone Resort and Ski Area, a 30 minute drive to Breckenridge, a 20 minute drive to Copper Mountain and about 30 minutes up Loveland Pass Road past Keystone to Arapahoe Basin Ski Area.

Dillon was established in the early 1960's when the original Town of Dillon was flooded to create Lake Dillon. Some of the original houses and buildings were moved out of the old town to subdivisions around the new town, Frisco and Silverthorne. These included the Dillon Town Hall, which served until the 1980's before being replaced and turned into a performing arts hall.

NEIGHBORHOOD CONCLUSIONS

The real estate market for residential properties is characterized by very strong demand and a limited inventory of units or houses. The commercial market is active with owner-users and investors looking for properties that function for their needs. The residential market is extremely hot at this time, with a very limited inventory, and commercial properties are also in strong demand. Land sales are beginning to recover.

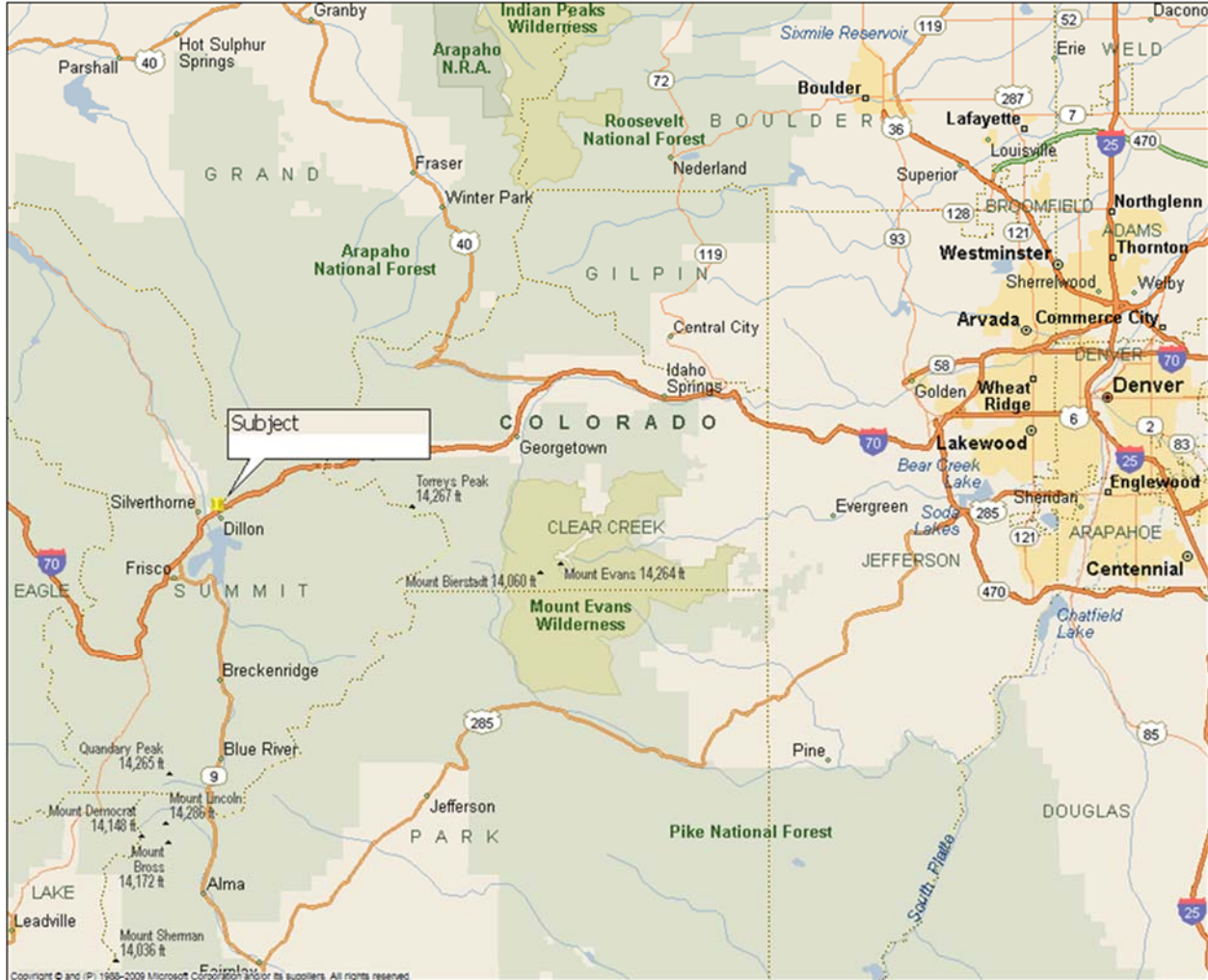
The Dillon/Silverthorne area is a central community that serves the resort areas of Breckenridge, Copper Mountain, and Keystone, and a large part of the appeal is that it remains somewhat more

affordable than many other Summit County neighborhoods. This makes it a very attractive location for primary residents. Much of the population growth in the county has been centered here. With its location centrally between the ski areas and recreation areas, the town is also very appealing for the Front Range second home buyers, who can drive to this area within one hour. These second homeowners also support the market. However, the strong demand is now driving prices beyond the reach of most local residents, even in Silverthorne and Dillon Valley, where more of the affordable housing has traditionally been located.

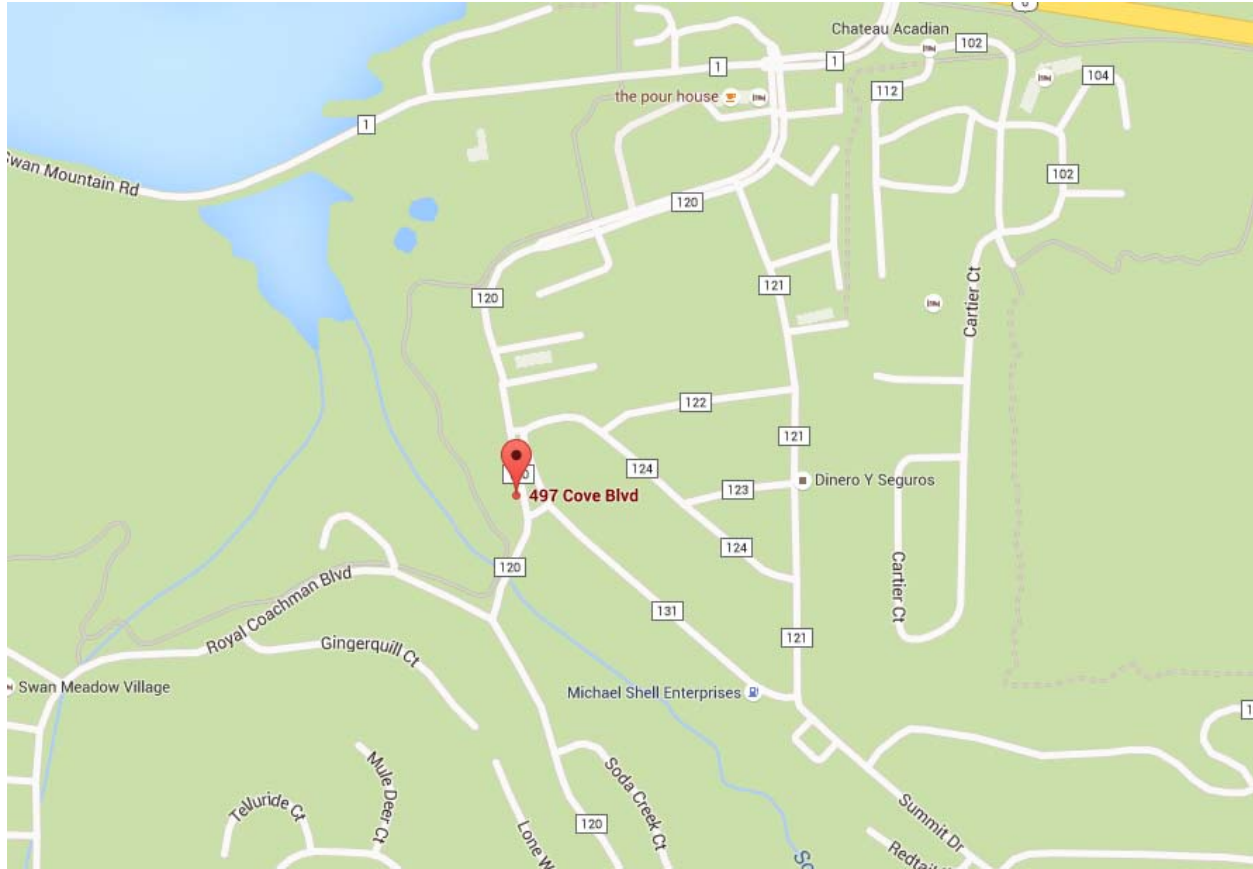
Silverthorne also has one of the strongest concentrations of industrial use properties. There are few vacant land sites zoned for heavy-commercial use left in Summit County. The improved properties with this zoning in the Downtown Silverthorne neighborhood were increasing in value during the real estate boom years. The subsequent decline hit the construction industry heavily, and vacancies increased in industrial and commercial properties related to this business. **However, buildings with land available for parking and drive, and those with outdoor storage allowed in the C-2 District recovered quickly and saw minimal value decline in comparison with the more prevalent commercial condominiums in the flex projects.** The proximity to I-70, Highway 9 and Highway 6 make Dillon-Silverthorne a strategic location for many businesses that operate locally and outside of Summit County.

All public utilities such as electricity, telephone, natural gas, sewer and water are in adequate supply to serve this neighborhood. The subject is in the southwestern portion of Silverthorne which is predominately zoned for commercial use, either light or heavy industrial. This is one of a very few locations for warehouse space in Summit County and the light industrial sector in Silverthorne, while not immune from negative economic indicators, has shown signs of stability.

REGIONAL LOCATION MAP



NEIGHBORHOOD MAP



SUBJECT DATA

PROPERTY DESCRIPTION

The subject of this report is a residential condominium project located in the Summit Cove neighborhood east of Dillon and west of Keystone, at the easternmost point of Lake Dillon. The buildings are well spaced along a paved drive and outdoor parking area on spacious site with a variety of fir and Aspen trees.

FLOOD MAP

According to FEMA Map Community Panel Number 08117C0357E eff 11/16/2011, there are no flood hazard risks associated with this area. The subject is in a Zone X flood hazard designation, which is an area of minimal hazard.



Site is roughly bounded by the yellow mark.

PLAT



SITE PLAN



DESCRIPTION OF SUBJECT PROPERTY

This project is frame built with two story buildings with trussed roofs that were framed on site. The project consists of five buildings, with four units on each floor and four stacked above, utilizing exterior stairway access under a covered breezeway between building halves. Each unit has a generous 6 x 12 foot deck, with the front lower units utilizing a grade level patio area with fence instead.

Following is a list of materials and equipment:

FOUNDATION	Poured concrete, reinforced with footers, built on crawl space. Poured patio areas in front of the grade level units.
STRUCTURE	Wood frame with 6" walls, framed on site roof with 12" stringers 12" off center. Trussed floor joists with insulation between units and over and under.
WALLS	Cedar channel siding over a vapor barrier and 5/8" sheathing on 6" wood frame walls with R-19 rated batt insulation. (Assume this is to-code construction) Interior is drywall with texture and paint, oak trim.
ROOF	Medium pitch, composition shingle over bituthane over plywood decking. R-30 Batt insulation. 5/8" drywall interior ceiling, taped, textured and painted.
FLOORING	Carpeting in all living rooms, bedrooms and halls . Vinyl tile in kitchens and baths is standard. Ceramic is an alternative. Entryway is quarry tile. There are no common interior hallways. There are common entry porches that access four units per floor.
DECKS AND PORCHES	The units each have deck areas off the living room and master bedroom, and the ground floor units have patio area of the same size. The upper level units all have wood decks.
DOORS/WINDOWS	Doors are insulated metal at the entries. Interior are Masonite panel hollow core with standard fixtures. Windows are aluminum slide with thermopane glass. Patio doors are aluminum sliders.
MECHANICAL	Each building has a central boiler with in-floor gas fired hot water heat fired by a Teledyne Mighty Therm. Hot water is from a gas fired wall mounted unit with 80 gallon storage tank.
KITCHENS/UNITS	Kitchens are complete with disposal, dishwasher, microwave oven with fan and exhaust, free standing radiant electric stove, and refrigerator; all of standard quality.



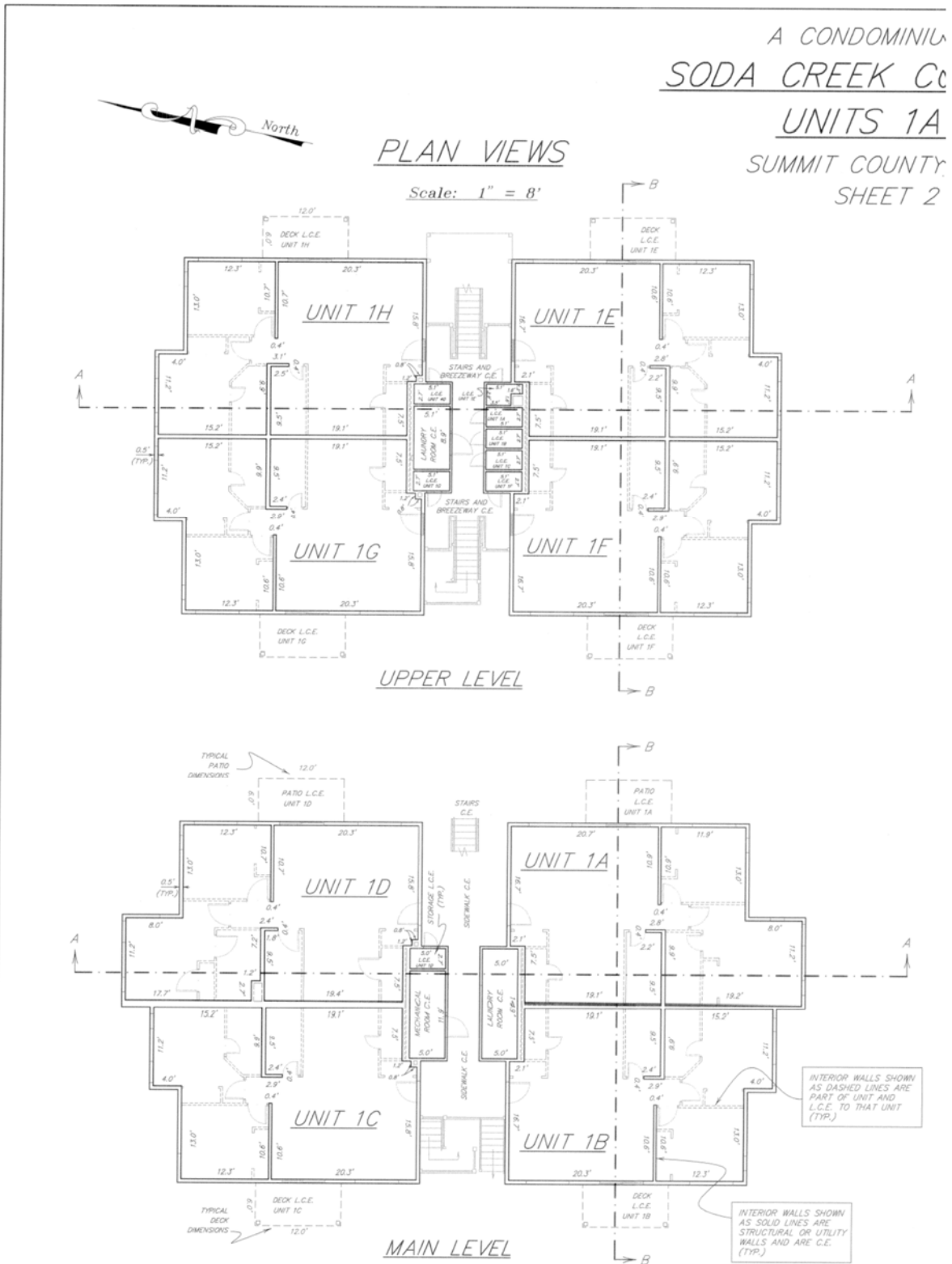
Central boiler for heat and another for hot water, together with a hot water storage tank.

BUILDING SIZE BREAKDOWNS

Total All Units			40
SIZE SUMMARIES	#Units	Size SqFt	Total
Standard Units	20	936	18,720
Large Units	19	984	18,696
3 Bedroom	1	1,148	1,148
TOTAL LIVING			38,564

<u>Other</u>	<u>Area</u>
Decks	2,880
Garages	400
Concrete Sidewalks	3,780
Asphalt Paving, Approx.	35,000
OTHER ITEMS	
Fireplaces	0
Kitchens	40

FLOOR PLANS

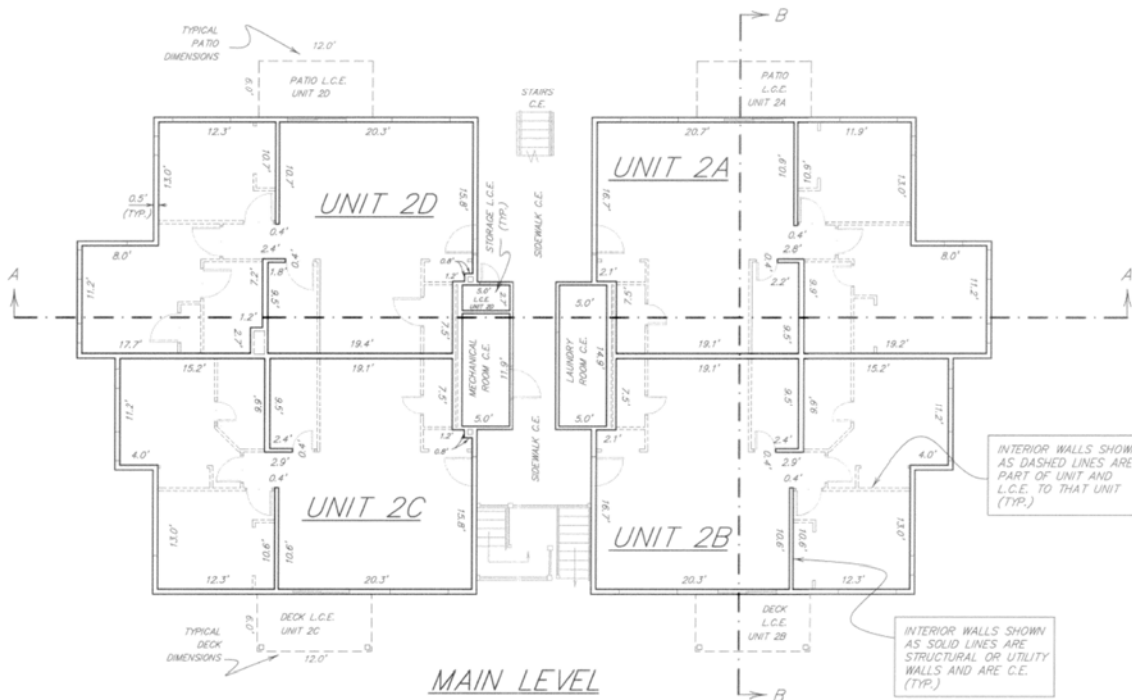
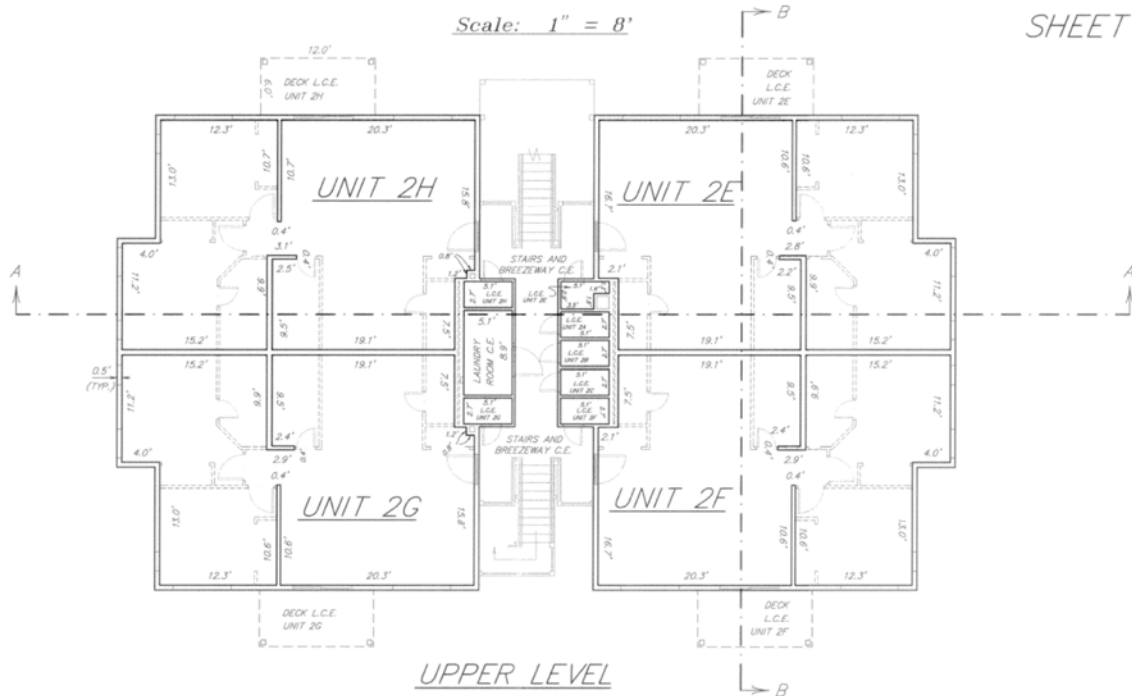




PLAN VIEWS

Scale: 1" = 8'

UNITS 2A
SUMMIT COUNTY,
SHEET 3



INTERIOR WALLS SHOWN
AS DASHED LINES ARE
PART OF UNIT AND
L.C.E. TO THAT UNIT
(TYP.)

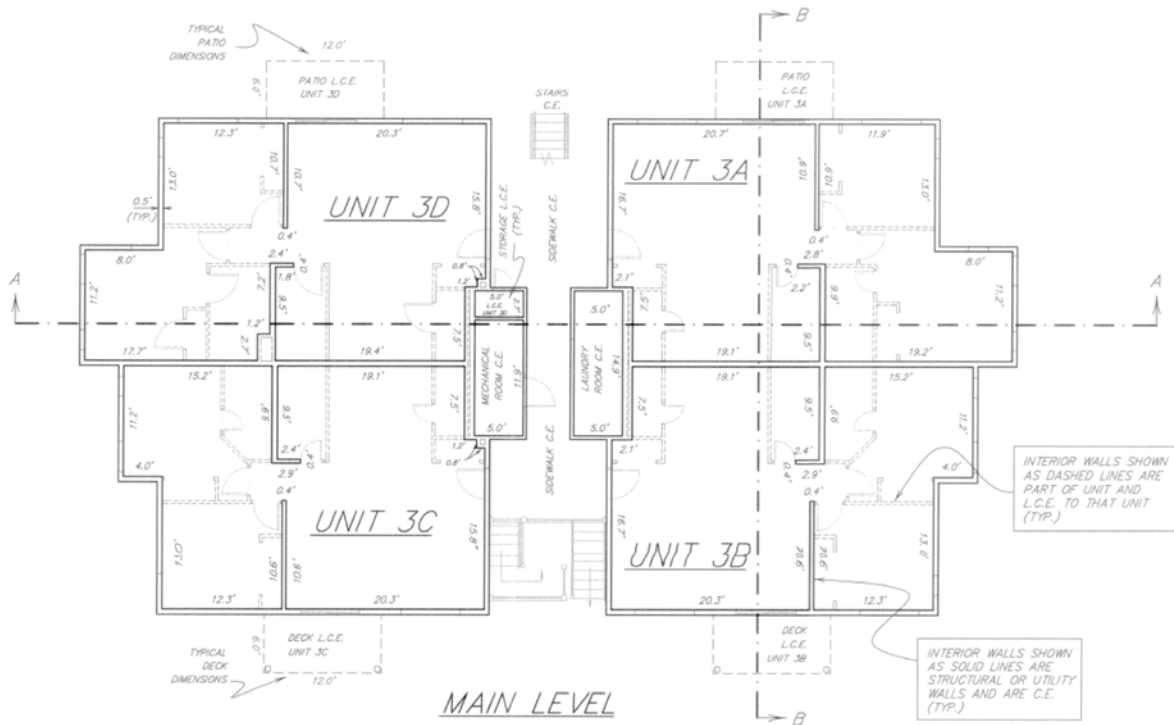
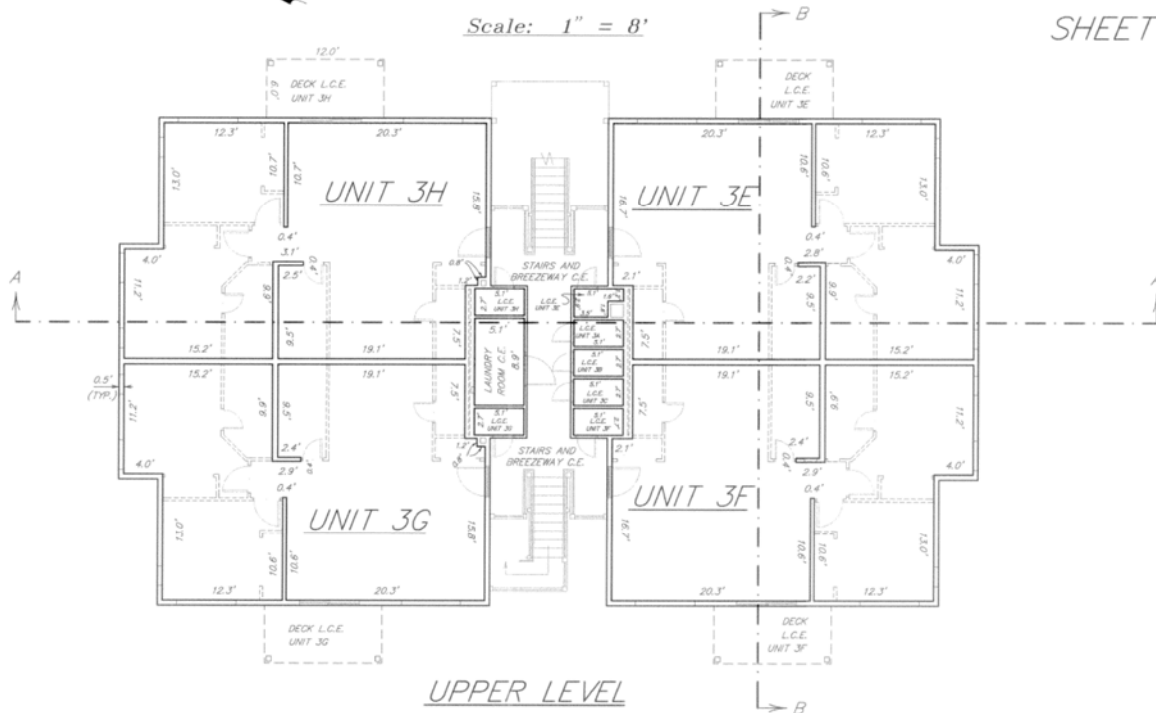
INTERIOR WALLS SHOWN
AS SOLID LINES ARE
STRUCTURAL OR UTILITY
WALLS AND ARE C.E.
(TYP.)



PLAN VIEWS

Scale: 1" = 8'

UNITS 3A
SUMMIT COUNTY
SHEET 4

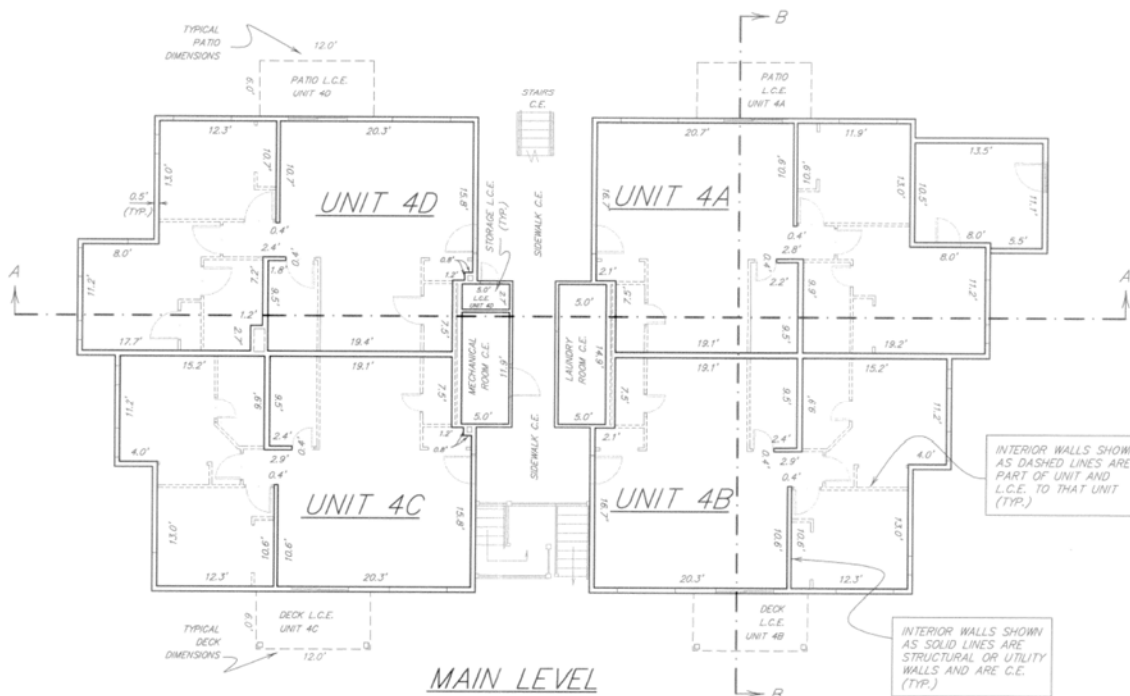
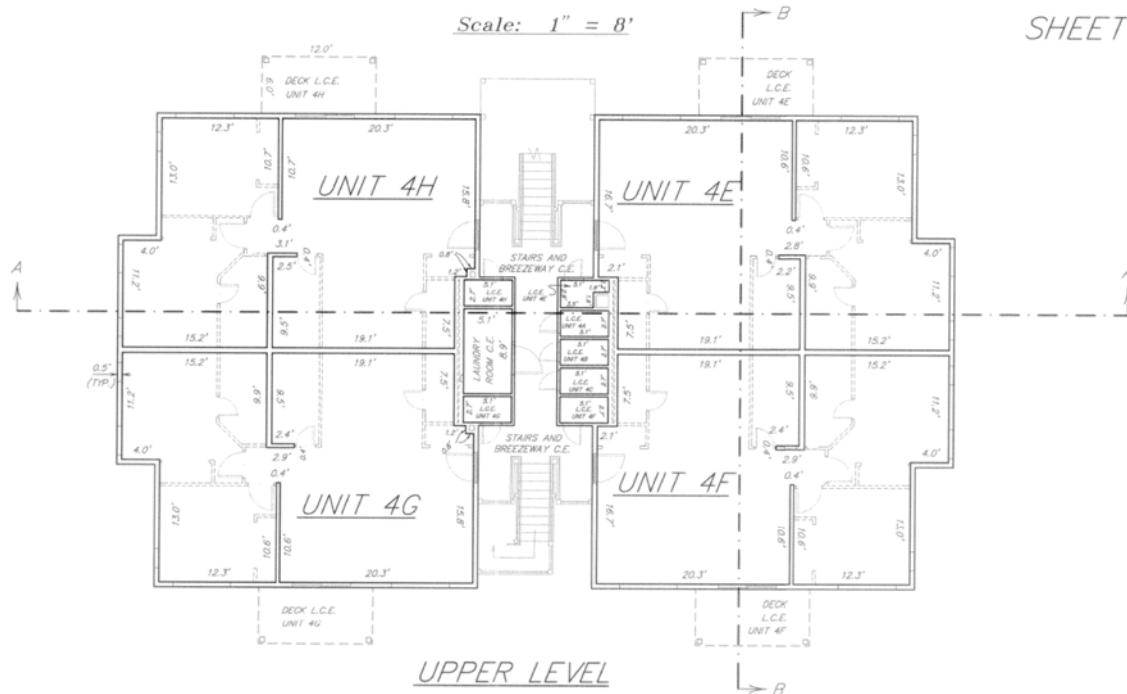




PLAN VIEWS

Scale: 1" = 8'

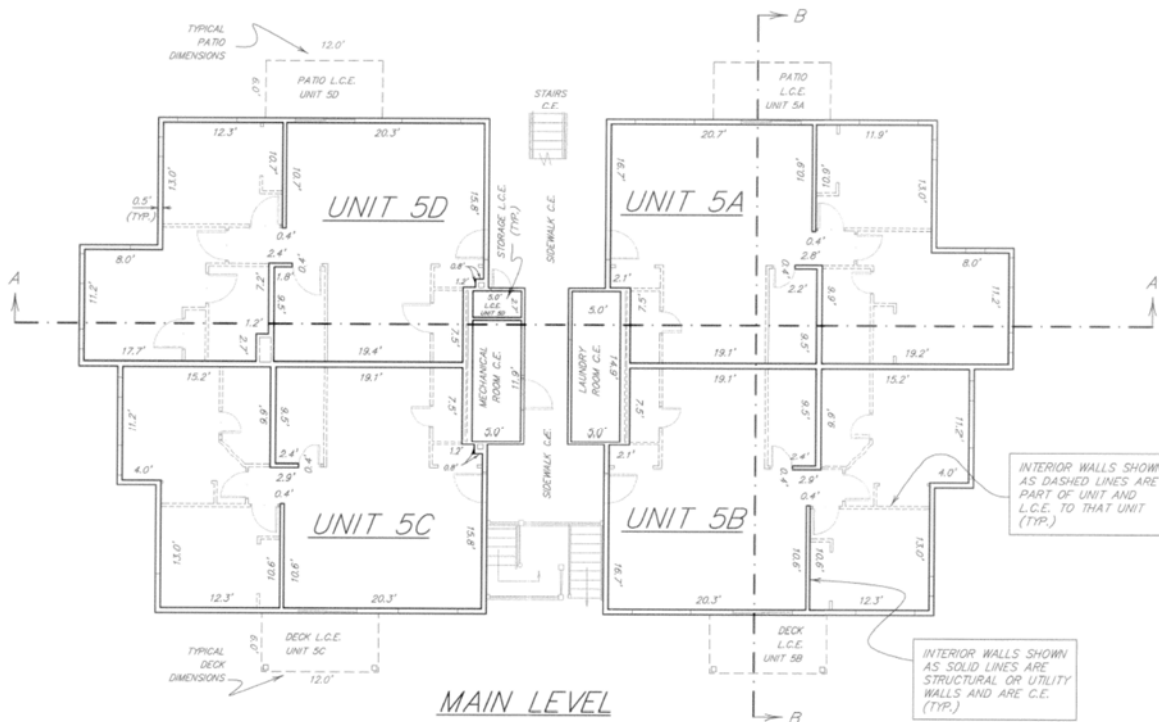
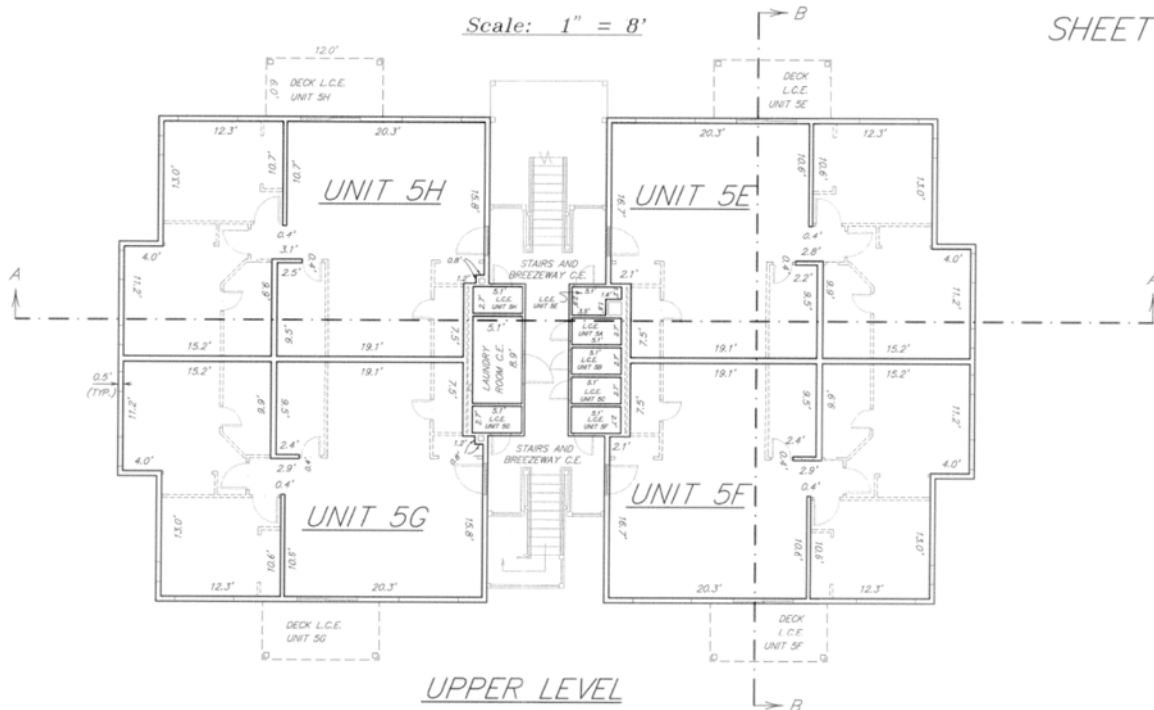
UNITS 4A
SUMMIT COUNTY,
SHEET 5 c



PLAN VIEWS

Scale: 1" = 8'

UNITS 5A
SUMMIT COUNTY,
SHEET 6 c



SUBJECT PHOTOS



Front of Building with Office on left that is now an extra room for that unit.



Garage



Front Side 497 Building



Street, Main Entry



Typical Entry With Stairs



Front of 397 Building Close



View of Project From Swan Mountain Road



View



Laundry



Kitchen

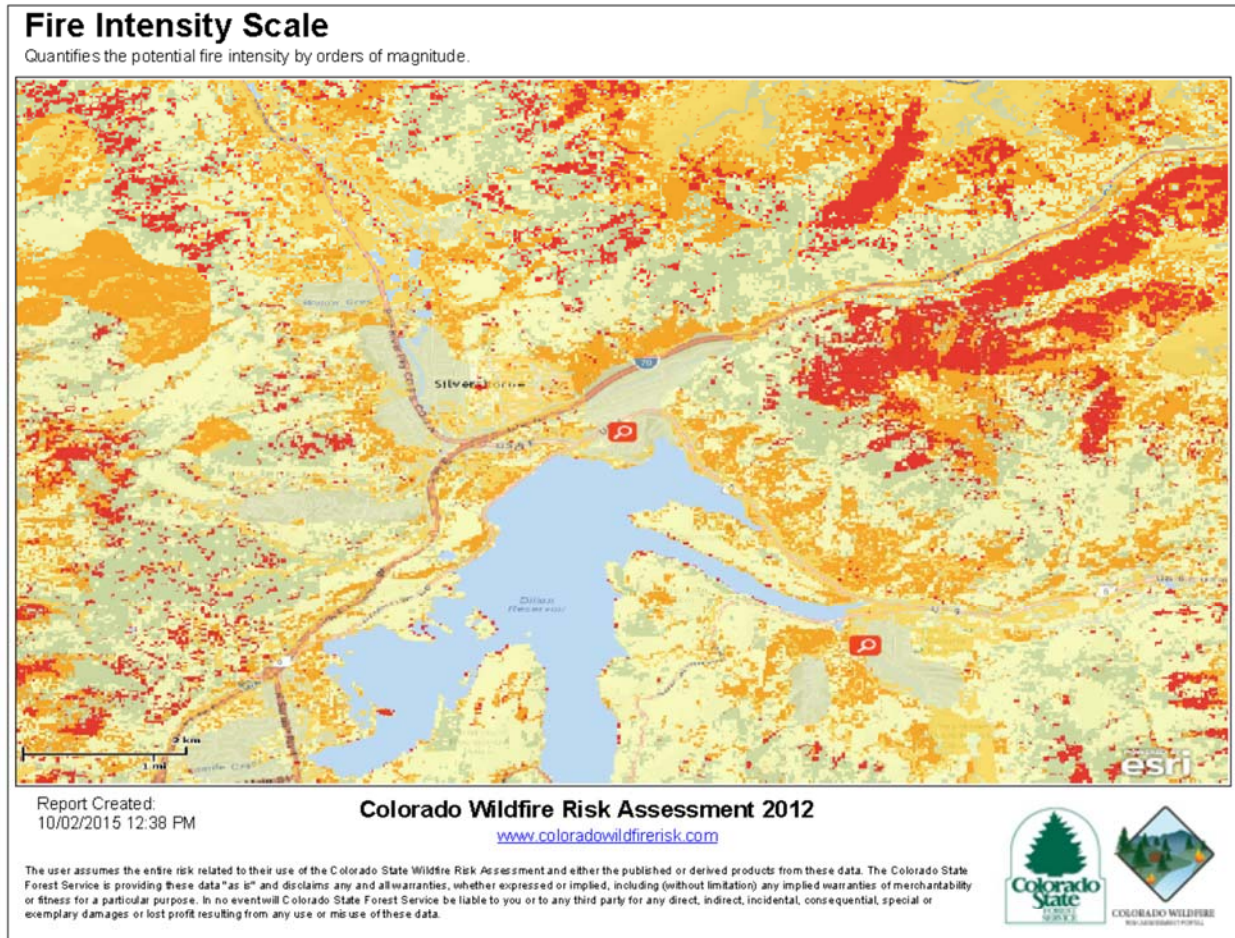


Living Room

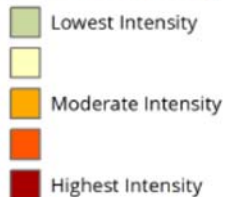


Bathroom

WILDFIRE RISK ASSESSMENT MAPS



Fire Intensity Scale

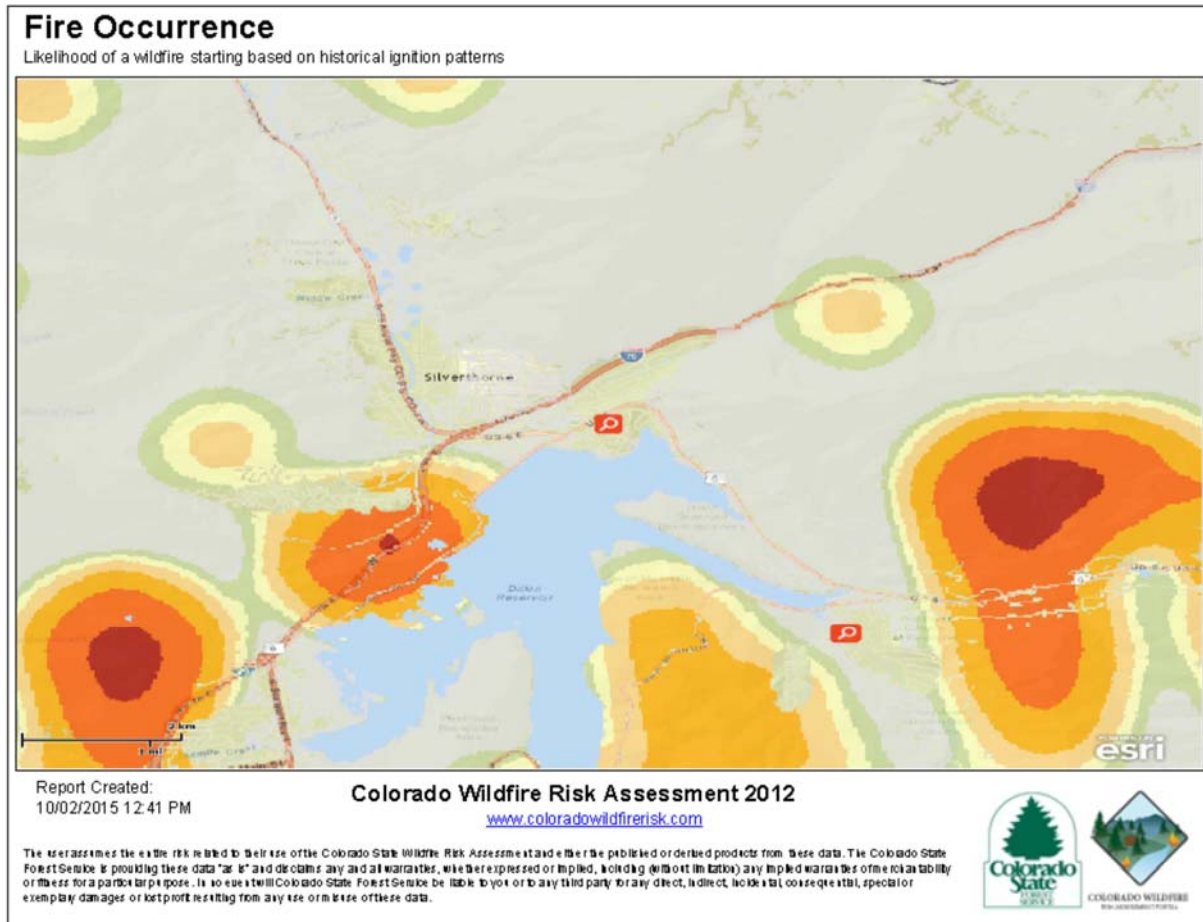


This map quantifies the potential fire intensity. The area with the subject is indicating moderate intensity due to the lack of dry tree coverage.

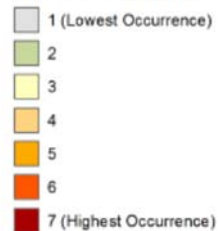
This map was developed by the Colorado State Forest Service.

www.ColoradoWildfireRisk.com

LIKELIHOOD OF FIRE OCCURRENCE



Fire Occurrence



This map shows the likelihood of a wildfire starting based upon historic ignition patterns. The general location of the subject is central top about mid-way between the two hot spots. This map was developed by the Colorado State Forest Service.

INSURANCE EXCLUSIONS

Parts of the following are quoted from Marshall Valuation, which offers an explanation of the insurance cost estimate, and certain qualifying and characteristic features of this analysis.

Construction after a loss may call for added costs before replacement or repairs can be made. This may include complete or partial demolition, gutting and/or debris removal to make the site clear and safe for reconstruction. This may vary by location, type of catastrophe, type of construction and the extent of loss. A building burnt to the ground by fire may require only simple debris removal.

After a loss or demolition, while the excavation and foundations may still exist, the necessity for repair and modification usually discourages re-use. Also, after a few years the neighborhood value and character has changed sufficiently or building styles or codes may have changed, so that the re-use is seldom attempted; when foundations or floor slabs are used again, expenditures must be made for rehabilitation and modification.

Mechanical piping below ground is in much the same category, with little salvage value in connection with re-use if the foundation is not salvageable.

Plans, specifications and engineering are seldom repeated on the same site, since buildings are not usually rebuilt in exactly the same way after a loss. Also, an ownership interest in the plans often remains with the architect, so that another use, together with necessary modifications would call for a further fee, if the architect were still available. In the case of older buildings, plans and specifications may have been misplaced or lost.

Architect's fees for design and supervision are not likely to be avoided, and substantial work and consultation are likely needed in the event of a major loss. Contractors profit and overhead are a part of all costs estimated, although entrepreneurship is not considered in replacement cost, as the association is not motivated to profit from any rebuild. Still, some general overhead is necessary.

REPLACEMENT COST

Replacement cost is the cost of constructing a new structure to current building standards and building codes, using contemporary materials and finishes, as well as considering newer design criteria. This tends to decrease the costs over the actual reproduction of the existing building, since modern materials and building techniques typically reduce the costs. Any existing functional obsolescence is typically eliminated by following current design criteria and building codes.

The foundations of the buildings appear to be in good condition, and may be salvageable in the event of some fires. However, the large scale forest fires that impacted the Denver and Colorado Springs Front Range neighborhoods in the summer of 2012, and those since in California and elsewhere, damaged the foundations of the those structures and required the removal of the concrete. This report will assume that the foundation will be replaced.

COVERAGE SPECIFIED

The purpose of this report is to offer support for an opinion of the replacement cost of the improvements in the event of a fire or other potential damage. This report assumes a substantial loss of the entire structure.

COST APPROACH EXPLANATION

The cost of replacing these buildings in today's market is estimated using the best available information. These costs are directly from Marshall Valuation Service with an adjustment factor for this area that the appraiser has derived over time. They are also derived from this and other mountain resort markets to be as accurate as possible in this high cost area.

The cost of replacing this building in today's market is estimated using the best available information. Costs are from the local market, but also checked against Marshall Valuation Service, Multiple Residents Section 12 Page 17, Good Quality, Class D, Wood Frame. This section breaks out the building shell from the interior finish, showing approximately 60% to the shell after adjusting for heating. I have verified this with local builders, although all projects are slightly different, and several items needed to be added back in, such as the decks and site work disturbed.

The project quality is on the upper range of the standard apartment and middle range of the luxury apartment costs mostly due to the siding, design and location, rather than upgraded finishes. These costs are significantly augmented to better reflect local costs. There is no listing for highly similar condominiums, so the appraiser is using costs from other sources. These include townhomes and homes built to similar or better quality in the workforce housing communities in Breckenridge and Frisco over the past three years. The base cost is estimated at \$165 per square foot, adjusted up to about \$185 with standard finishes, which is verified with local builders.

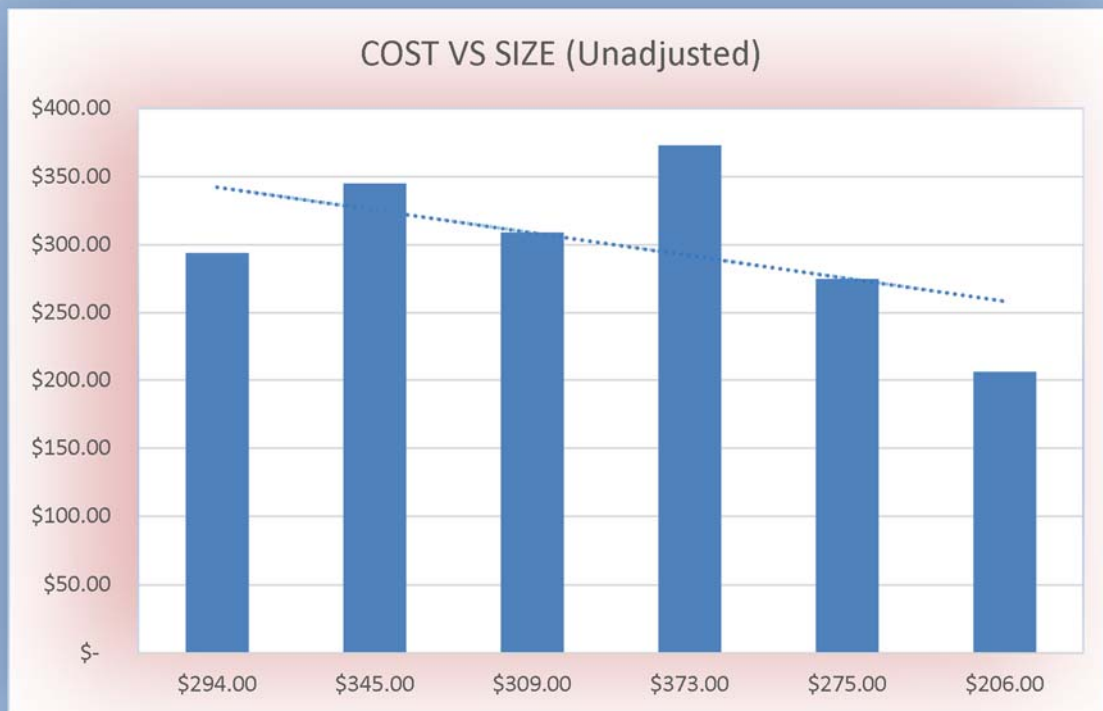
The garage is estimated from section 12, page 35, Residential Garages – Detached (153), class D good, with a base of \$48.00, with an adjusted cost rounded to \$57.00 psf. This is for storage only, and is not insulated or heated.

The estimate of indirect costs are based upon historic values from other projects in this area. These costs are typically included in the Marshall base cost for the building, but experience has shown that the addition of these items produces a more accurate cost estimate. Some building codes and construction techniques and materials may have changed since the buildings were originally built, so it is likely that a replacement would need to be considered as a new construction project, with new architectural plans. The existing water and sewer taps could transfer to a new project on site, but there would be costs for new building permits. The overhead and supervision is the cost for a professional developer representative for the Association to oversee all facets of the construction project. This is based on fees, not profit.

The Town of Breckenridge has been involved in building several apartment, condominiums and townhomes over the past few years. I am considering several projects, and each is unique in its own way, and costs vary rather widely. These costs are used to derive an adjustment for location, after considering site work, water and sewer taps, variances in size, date of construction and other factors. Following is a chart showing these costs as reported, followed by a chart and graph of unadjusted costs, including my conclusion of overall costs per square foot.

Other Construction Projects:

PROJECT COSTS		
Including Overhead, Site Work		
<u>Project</u>	<u>Ave. Size Unit</u>	<u>Cost PSF</u>
Denison Commons	640	\$ 294.00
COTO Flats	766	\$ 345.00
Pinewood 2	752	\$ 309.00
Huron Landing	831	\$ 373.00
SUBJECT	964	\$ 275.00
Blue 52 (Townhome)	1547	\$ 206.00



I have analyzed these project costs and adjusted for various features and quality level. My conclusion would be about \$275 per square foot for complete new construction before adjustment for water and sewer taps, and some other items where there would be savings to replacing this project.

The “Studs Out” coverage is based on no finishes inside the unit, but all exterior features are to be included, including decks, site work, exterior fixtures, entry areas and paving that is likely to be damaged or removed in from the damage or rebuilding.

Porches and decks are generally in a cost range of around 20-35%+/- of base cost, so these are estimated at about \$50-60 psf from Marshall, which is consistent with local quotes. A new project will require fire sprinklers and more robust monitors and alarms, as well as increased air and temperature sealing in the basic construction.

The demolition cost of the structure, if it were rendered unusable, is estimated from the cost manual at \$7.43 psf, rounded to \$7.50 psf since the buildings are low rise and there is sufficient room on the site for access and temporary storage. The insurance coverage shows only \$50,000, so this is adjusted also.

The grounds around the building are also considered, since there is some landscaping with trees and shrubs, as well as lawn areas. These are mature and include Aspen, Spruce and Pine trees.

These are reflected in the cost at about \$5,400 per unit after adjustment, as this project has extensive landscaping for the density. Some of the paving around the building should be salvaged, although there will be some damage from a catastrophic fire, mostly by the equipment used for excavating and rebuilding the buildings, so this is considered at a reduced rate to repair the existing surface.

These costs do not include a number of the soft cost items, such as water and sewer taps, which can be reused, entrepreneurs' profit, which would not be included in the reconstruction performed by the existing owners. Profit for builders and a general supervision fee, possibly through the architect's office, are included since all subcontractors and consultants involved will still need to charge for their time.

Architectural fees are still substantial, although estimated at only a fraction of new construction, as an architectural consultant will be needed on-site for reconstruction, and plans will need to be reproduced, perhaps with some minor changes. Any upgrades or substantial changes decided by the homeowners would create additional costs that are not covered in this analysis, and would not likely be covered by the insurance.

NON-RECURRING EXPENSES

There was an extensive amount of site preparation and excavation for the buildings that will be salvageable in the event of a complete loss. The cost of this is estimated as a percentage of building costs from the appraiser's experience in this market.

Following is a summary of the costs for this project.

REPLACEMENT COST ANALYSIS						
SODA CREEK AT LAKE DILLON						
Dillon, CO 80435 (East of)						
Marshall, Sect. 11, P 18, refined				\$145.00		
Time Multiplier, Summit		1.35				
Wood Frame, Good, Adjusted Cost				\$195.75		
Finished to Shell Adjustment		0.6				
DIRECT COSTS		<u>Base Cost</u>	<u>Adjusted Cost</u>	<u>Total Cost</u>		
Building Construction Base		\$145.00	\$195.75	\$7,548,903		
BASE COST ALLOCATION		60%		\$4,529,342		
Maintenance Garage		\$48.00	\$64.80	\$25,920		
Wood Decks/Patios		\$45.00	\$60.75	\$174,960		
Driveway Paving (Repair Only)		\$2.50	\$3.38	\$118,125		
Sidewalks, Paving, concrete		\$4.50	\$6.08	\$22,964		
Landscaping/irrigation		\$4,000	\$5,400	\$216,000		
Fire Suppression		\$3.50	\$4.73	\$182,215		
Upgraded Heating, Laundry facilities		\$7.50	\$10.13	\$390,461		
Total Contractor Finish				\$5,659,986	\$146.77	psf
INDIRECT COSTS						
Arch./Engineering/Planning		4.5%		\$254,699		
Permit & Fees		2.0%		\$113,200		
Overhead, supervision 8%		8.0%		\$452,799		
Misc. and Contingency		5.0%		\$282,999		
Total Indirect Costs				\$1,103,697	\$28.62	
Total Building Replacement Costs				\$6,763,683	\$175.39	psf
Complete Demolition, Including Foundation	\$7.50	Ins. Cover	-\$50,000	\$339,230		
Total Replacement Costs, STUDS OUT				\$7,102,913	\$184.19	psf

POTENTIALLY SALVAGEABLE ITEMS

The only items that are likely to survive a major fire are the excavation and site work to shape and prepare the site for the terracing and foundation platforms. Following summarizes these costs as a percentage of base construction costs at 10-15% based on my history of construction costs.

NON-REOCCURRING COSTS						
Total Replacement Costs				\$7,102,913		
Deductions for Potentially Salvageable Foundation						
Excavation for Foundations, Site Work	50%	\$500,000	\$675,000	\$337,500		
Potentially Salvageable Items						
Total Replace Costs with Salvageable excavation and site work			STUDS OUT	\$6,765,413		
			ROUNDED	\$6,765,000	\$175.42	
					\$169,125	Per Unit

RECONCILIATION

This cost estimate includes substantially rebuilding the current structure upon a significant loss. The predominant hazard addressed in this report is fire hazard. This cost estimate is made as of June 8, 2020, which is also the date of inspection. Subject to the contingent and limiting conditions, and those conditions and assumptions made in this report, my opinion of the replacement cost of these structures is:

Replacement Cost, Studs Out	\$6,765,000
Per Square Foot	\$175.00
Per Unit Average	\$170,000

Specific Assumptions and Limitations:

- 1. The replacement improvements will be modeled after the original improvements with changes to meet current codes and building standards, so the architecture and engineering should be less than a new project. (Additional costs for rebuilding to upgraded standards would be borne by the owners).*
- 2. No more water or sewer taps will be needed in the event of a reconstruction.*
- 3. Underground utilities, general grading and drainage will be substantially salvaged. Rebuilding work will include landscaping and some soils work, which is expected to be substantially damaged.*
- 4. The appraiser has arrived at a size for this building by using the recorded condominium maps and tax records, as well as personal measurements. Public records may be inaccurate in some details, so I physically measured a sample of the buildings. I have used the best combination of methods and materials available to attempt to arrive at gross building areas, but small differences may exist, and the appraiser cannot be held accountable for these.*