



75 South Frontage Road West
Vail, Colorado 81657
vailgov.com

Town Manager's Office
970.479.2106
970.479.2157 fax

March 23, 2022

Bill Rock
Vail Resorts
390 Interlocken Crescent
Broomfield, CO 80021

Re: Purchase of the Booth Heights Land Site

Dear Bill,

Please be advised that, pursuant to the discussion held at our meeting on February 28, 2022, and at the direction of the Town Council, the Town hereby offers \$7,800,000.00 US to purchase the 23.31 acre property, legally described as East Vail Workforce Housing Subdivision Lot 1 and referred to in the attached appraisal, dated January 18, 2022, as the Booth Heights Land Site (the "Property"). As we discussed, the Town Council has resolved to acquire and preserve the Property as Designated Open Space as set forth in Section 13.11 of the Vail Town Charter and for the preservation of critical big horn sheep habitat as identified by the Colorado Department of Parks and Wildlife. Further, as we explained at our meeting, the Town is unable to pay more than fair market value for the Property which the Council believes this offer represents.

Please acknowledge receipt of this correspondence and please provide a response to the Town's offer stated above on or before **April 19, 2022**. Let me know if you have any questions.

Sincerely,

Scott Robson
Town Manager

Encl.

CC: Julie DeCecco and Alex Boian

Valuation Advisory

Client: Town of Vail

Property: Booth Heights Land Site, Vail, CO 81657

Report Date: January 18, 2022

JLL File #: 1206-21-179156

DRAFT



Booth Heights Land Site
Booth Heights Land Site
Vail, CO 81657



1225 17th Street, Suite 1900
Denver, CO 80202

Phone: 303-260-6500
Fax: 303-260-6501

January 18, 2022

Mr. George Ruther
Director/Housing Department
Town of Vail
75 South Frontage Road
Vail, CO 81657

Re: Appraisal

Booth Heights Land Site
Booth Heights Land Site
Vail, Eagle County, CO 81657

File Number: 1206-21-179156

Dear Mr. Ruther:

At your request, we have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject property is a land site located along North Frontage Road West in Vail, CO. The site consists of 5.397 acres of vacant land zoned H, Housing and 17.915 acres of vacant land zoned NAP, Natural Area Preservation for a total of 23.312 acres. We assume that improvements cannot be built on the 17.915 acres of land zoned NAP due to zoning requirements.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and applicable state appraisal regulations.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	December 23, 2021	\$7,800,000

Your attention is directed to the Limiting Conditions and Assumptions section of this report. Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Extraordinary Assumptions & Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions of conclusions.

1. For the purpose of the pro forma, we assume that the subject site is approved for development and the unit count and square footages as provided to us by the client are accurate.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is 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.

1. None.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

JLL Valuation & Advisory Services, LLC



Eric L. Enloe, MAI, CRE, FRICS
Managing Director
Certified General Appraiser
CO Certificate #: CG100046642
Telephone: (312) 252-8913
Email: eric.enloe@am.jll.com



Kristopher C. Vigoren, MAI, AI-GRS
Senior Vice President
Certified General Appraiser
CO Certificate #: CG100035447
Telephone: (505) 907-5076
Email: Kc.Vigoren@am.jll.com

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- B. Definitions
- C. Financials and Property Information
- D. Comparable Data
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Certification Statement

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. 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.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
11. We have not performed any 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.
12. Eric L. Enloe, MAI, CRE, FRICS, has not made a personal inspection of the subject property. Kristopher C. Vigoren, MAI, AI-GRS, has made a personal inspection of the property.
13. Significant real property appraisal assistance was provided by Max Kreuz who has not signed this certification.

14. As of the date of this report, Eric L. Enloe, MAI, CRE, FRICS, and Kristopher C. Vigoren, MAI, AI-GRS, have completed the continuing education program for Designated Members of the Appraisal Institute.



Eric L. Enloe, MAI, CRE, FRICS
Managing Director
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Summary of Salient Facts and Conclusions

Property Name	Booth Heights Land Site
Address	Booth Heights Land Site Vail, Eagle County, Colorado 81657
Property Type	Agricultural-Undeveloped
Owner of Record	Vail Corp
Tax IDs	210102403001 and 210102403002
Land Area	23.31 acres; 1,015,471 SF
Usable Land Area	5.40 acres; 235,093 SF
Zoning Designation	H, Housing
Exposure Time; Marketing Period	3-6 months; 3-6 months
Date of Report	January 18, 2022

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	December 23, 2021	\$7,800,000

The values reported above are subject to definitions, assumptions and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than the client and intended users may use or rely on the information, opinions and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions and limiting conditions contained therein.

Extraordinary Assumptions & Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions of conclusions.

1. For the purpose of the pro forma, we assume that the subject site is approved for development and the unit count and square footages as provided to us by the client are accurate.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is 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.

1. None.

Introduction

The subject property is a land site located along North Frontage Road West in Vail, CO. The site consists of 5.397 acres of vacant land zoned H, Housing and 17.915 acres of vacant land zoned NAP, Natural Area Preservation for a total of 23.312 acres. We assume that improvements cannot be built on the 17.915 acres of land zoned NAP due to zoning requirements.

Subject Identification

Name	Booth Heights Land Site
Address	Booth Heights Land Site, Vail, Eagle County, CO 81657
Tax ID	210102403001 and 210102403002
Owner of Record	Vail Corp
Legal Description	Subdivision: EAST VAIL WORKFORCE HOUSING SUBDIVISION Lot: 1

Ownership and Transaction History

To the best of our knowledge, no sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date. Additionally, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s).

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report.

Summary

- | | |
|----------|---|
| Research | <ul style="list-style-type: none"> ■ We inspected the property and its environs. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources. ■ Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources. ■ Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services. |
| Analysis | <ul style="list-style-type: none"> ■ Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use. ■ We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. ■ The results of each valuation approach are considered and reconciled into a reasonable value estimate. |

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations.

Client, Intended Use, and User(s)

Client: Town of Vail

Intended Use: The intended use of the appraisal is for asset evaluation for a potential acquisition.

Intended User(s): The intended user(s) of the appraisal is Town of Vail. The appraisal is not intended for any other use or user. No party or parties other than Town of Vail may use or rely on the information, opinions, and conclusions contained in this report.

Purpose of the Appraisal

The purpose of the appraisal is to estimate the Subject's:

Appraisal Premise	Interest Appraised	Date of Value
Market Value As Is	Fee Simple	December 23, 2021

The date of the report is January 18, 2022. The appraisal is valid only as of the stated effective date or dates.

Approaches to Value

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Applicability and utilization of the approaches in this assignment is described as follows.

Approach	Description	Applicability	Utilization
Cost	A cost approach is most applicable in valuing new or proposed construction when the improvements represent the highest and best use of the land and the land value, cost new and depreciation are well supported.	Not Applicable	Not Utilized
Sales Comparison	A sales approach is most applicable when sufficient data on recent market transactions is available and there is an active market for the property type.	Applicable	Utilized
Income	An income approach is most applicable when the subject is an income producing property or has the ability to generate income in the future as an investment.	Not Applicable	Not Utilized

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services.

- We have not performed any 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.

Report Option

Based on the intended users understanding of the subject's physical, economic and legal characteristics, and the intended use of this appraisal, an appraisal report format was used, as defined below.

Appraisal Report This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.

Definition of Values

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

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

Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

As Is Market Value The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal's effective date.

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015); also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471

Definition of Property Rights Appraised

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

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015)

Inspection

Eric L. Enloe, MAI, CRE, FRICS, has not personally performed an inspection. Kristopher C. Vigoren, MAI, AI-GRS, personally performed an inspection on December 23, 2021.

Significant Appraisal Assistance

It is acknowledged that Max Kreuz made a significant professional contribution to this appraisal, consisting of conducting research on the subject and transactions involving comparable properties, performing appraisal analyses, and assisting in report writing, under the supervision of the persons signing the report.

Area Demographics and Market Analysis

Eagle County Area Demographics

Eagle County is located in the U.S. state of Colorado. It is 1,698 square miles in size and has a population density of 34 persons per square mile.

Population

Eagle County has an estimated 2021 population of 57,726, which represents an average annual 0.9% increase over the 2010 census amount of 52,197. Eagle County added an average of 503 residents per year over the 2010 - 2021 period, and its annual growth rate is less than that of the State of Colorado.

Population Trends

Area	Population			Compound Ann. % Chng	
	2010 Census	2021 Est.	2026 Est.	2010 - 2021	2021 - 2026
1 mi. radius	2,280	2,586	2,725	1.2%	1.1%
3 mi. radius	4,132	4,599	4,862	1.0%	1.1%
5 mi. radius	6,566	7,212	7,566	0.9%	1.0%
Eagle County	52,197	57,726	61,521	0.9%	1.3%
Colorado	5,029,196	5,911,218	6,326,589	1.5%	1.4%
United States	308,745,538	333,934,112	345,887,495	0.7%	0.7%

Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, Eagle County's population is projected to increase at a 1.3% annual rate from 2021 - 2026, equivalent to the addition of an average of 759 residents per year. The Eagle County growth rate is expected to lag that of Colorado, which is projected to be 1.4%.

Employment

The current estimate of total employment in Eagle County is 30,225 jobs. Since 2011, employment grew by 2,663 jobs, equivalent to a 9.7% gain over the entire period. There were gains in employment in eight of the past ten years despite the national economic downturn and slow recovery.

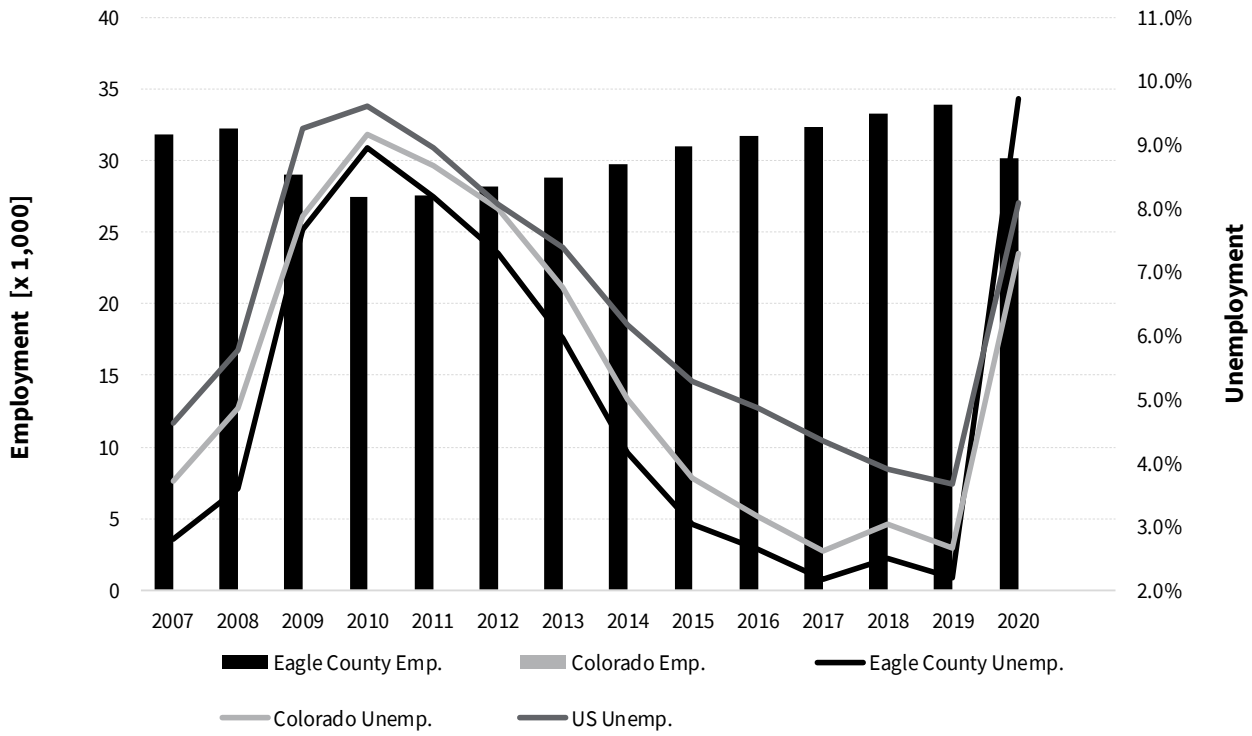
Eagle County's rate of change in employment significantly underperformed the State of Colorado, which experienced an increase in employment of 17.2% or 387,292 over this period.

Employment Trends

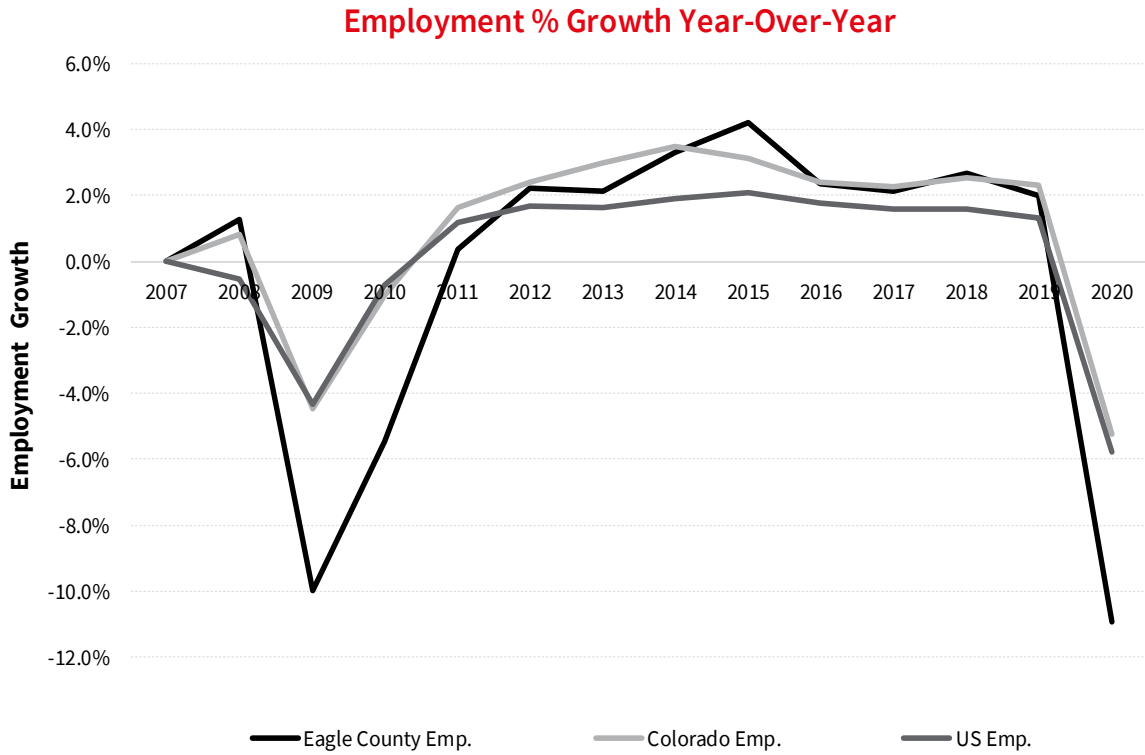
Year	Total Employment (Annual Average)						Unemployment Rate (Ann.)		
	Eagle		Colorado		United States		Eagle	United States	
	County	Change	County	Change	County	Change	County	Colorado	States
2007	31,845	-	2,330,333	-	137,981,250	-	2.8%	3.7%	4.6%
2008	32,256	1.3%	2,349,258	0.8%	137,223,833	-0.5%	3.6%	4.9%	5.8%
2009	29,043	-10.0%	2,244,392	-4.5%	131,296,083	-4.3%	7.7%	7.9%	9.3%
2010	27,459	-5.5%	2,221,067	-1.0%	130,345,000	-0.7%	9.0%	9.2%	9.6%
2011	27,562	0.4%	2,257,258	1.6%	131,914,417	1.2%	8.2%	8.7%	9.0%
2012	28,179	2.2%	2,311,708	2.4%	134,157,417	1.7%	7.3%	8.0%	8.1%
2013	28,785	2.2%	2,380,492	3.0%	136,363,833	1.6%	6.0%	6.8%	7.4%
2014	29,743	3.3%	2,463,642	3.5%	138,939,750	1.9%	4.2%	5.0%	6.2%
2015	30,993	4.2%	2,541,025	3.1%	141,824,917	2.1%	3.0%	3.8%	5.3%
2016	31,721	2.4%	2,601,742	2.4%	144,335,833	1.8%	2.6%	3.1%	4.9%
2017	32,395	2.1%	2,660,308	2.3%	146,607,583	1.6%	2.2%	2.6%	4.4%
2018	33,268	2.7%	2,727,308	2.5%	148,908,417	1.6%	2.5%	3.0%	3.9%
2019	33,932	2.0%	2,790,067	2.3%	150,904,750	1.3%	2.2%	2.7%	3.7%
2020	30,225	-10.9%	2,644,550	-5.2%	142,184,833	-5.8%	9.7%	7.3%	8.1%
10 Yr Change	2,663	9.7%	387,292	17.2%	10,270,417	7.8%			
Avg Unemp. Rate 2011-2020							4.8%	5.1%	6.1%
Unemployment Rate - Oct 2021							4.3%	4.5%	4.3%

Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Employment / Unemployment Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

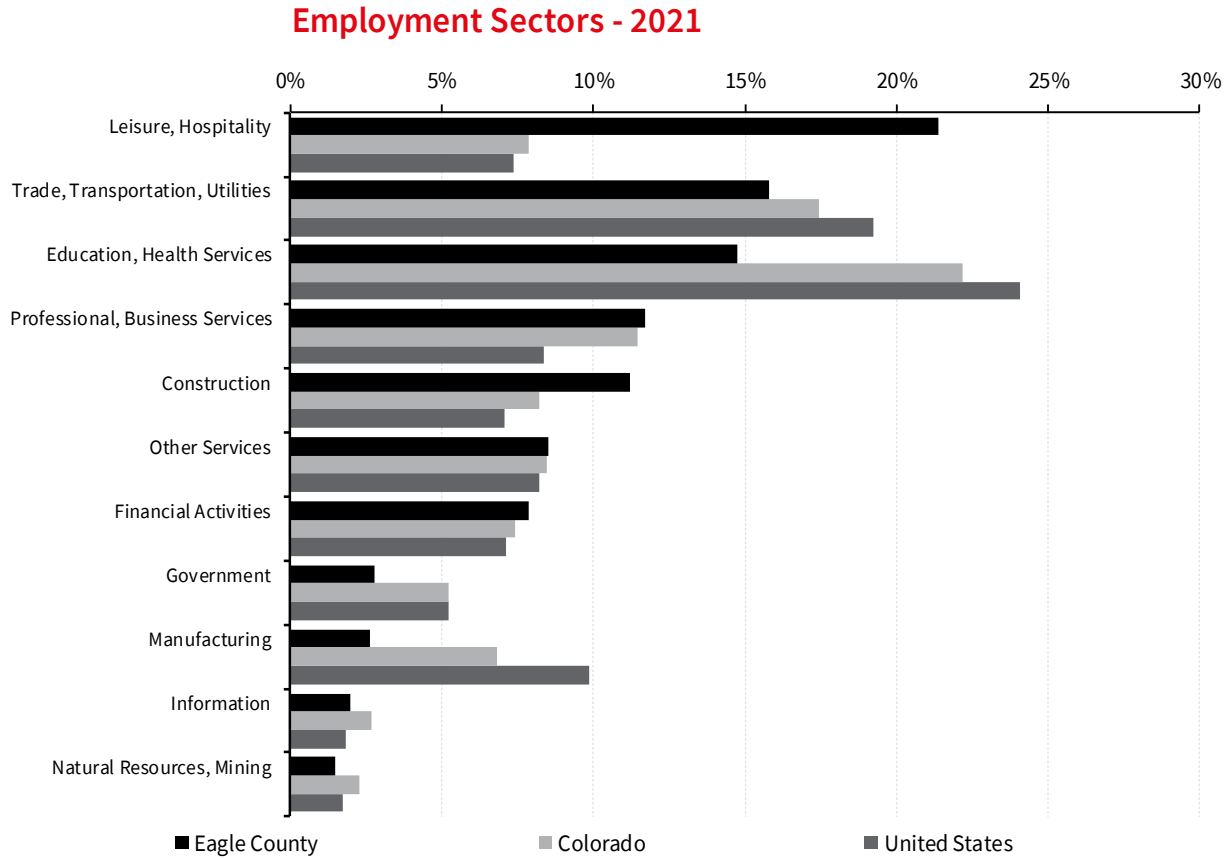


Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area’s economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the Eagle County unemployment rate of 4.8% has been lower than the Colorado rate of 5.1%. In the latter half of the decade that trend has continued, as Eagle County has consistently overperformed Colorado. Recent data shows that the Eagle County unemployment rate is 4.3%, and while this was a comparable rate to Colorado, it also must be considered that Eagle County has underperformed Colorado in the rate of job growth over the past two years.

Employment Sectors

The composition of Eagle County job market is illustrated in the chart below, paired with that of Colorado. Total employment for the areas is stratified by eleven major employment sectors, ranked from largest to smallest based on the percentage of Eagle County jobs in each sector.



Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

Eagle County has a greater percentage employment than Colorado in the following categories:

1. Leisure, Hospitality - which accounts for 21.4% of Eagle County payroll employment compared to 7.9% for Colorado as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
2. Professional, Business Services - which accounts for 11.7% of Eagle County payroll employment compared to 11.4% for Colorado as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
3. Construction - which accounts for 11.2% of Eagle County payroll employment compared to 8.2% for Colorado as a whole. This sector includes construction of buildings, roads, and utility systems.
4. Financial Activities - which accounts for 7.9% of Eagle County payroll employment compared to 7.4% for Colorado as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.

Eagle County is underrepresented in the following categories:

1. Education, Health Services - which accounts for 14.8% of Eagle County payroll employment compared to 22.2% for Colorado as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.

2. Manufacturing - which accounts for 2.6% of Eagle County payroll employment compared to 6.8% for Colorado as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
3. Government - which accounts for 2.8% of Eagle County payroll employment compared to 5.2% for Colorado as a whole. This sector includes public administration at the federal, state, and county level, as well as other government positions.
4. Trade, Transportation, Utilities - which accounts for 15.8% of Eagle County payroll employment compared to 17.5% for Colorado as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.

Household Income

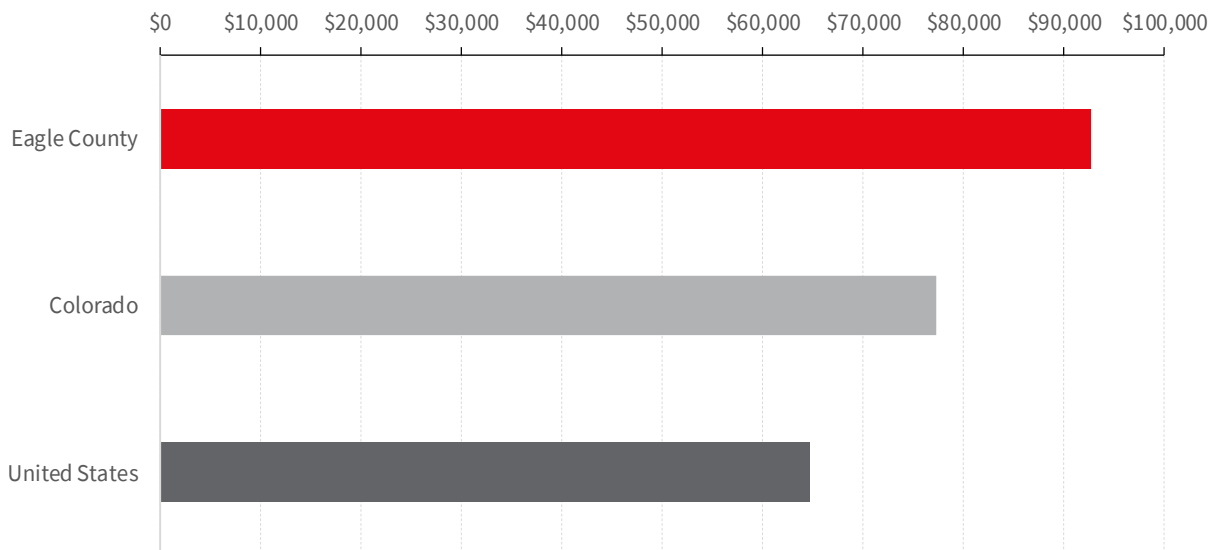
Eagle County has a much higher level of household income than Colorado. Median household income for Eagle County is \$92,631, which is 19.9% higher than Colorado.

Median Household Income

Area	Med. Household Income		Compound Ann. % Chng
	2021 Est.	2026 Est.	2021 - 2026
Eagle County	\$92,631	\$98,368	1.2%
Colorado	\$77,265	\$86,527	2.3%
United States	\$64,730	\$72,932	2.4%

Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

2021 Median Household Income Area Comparison

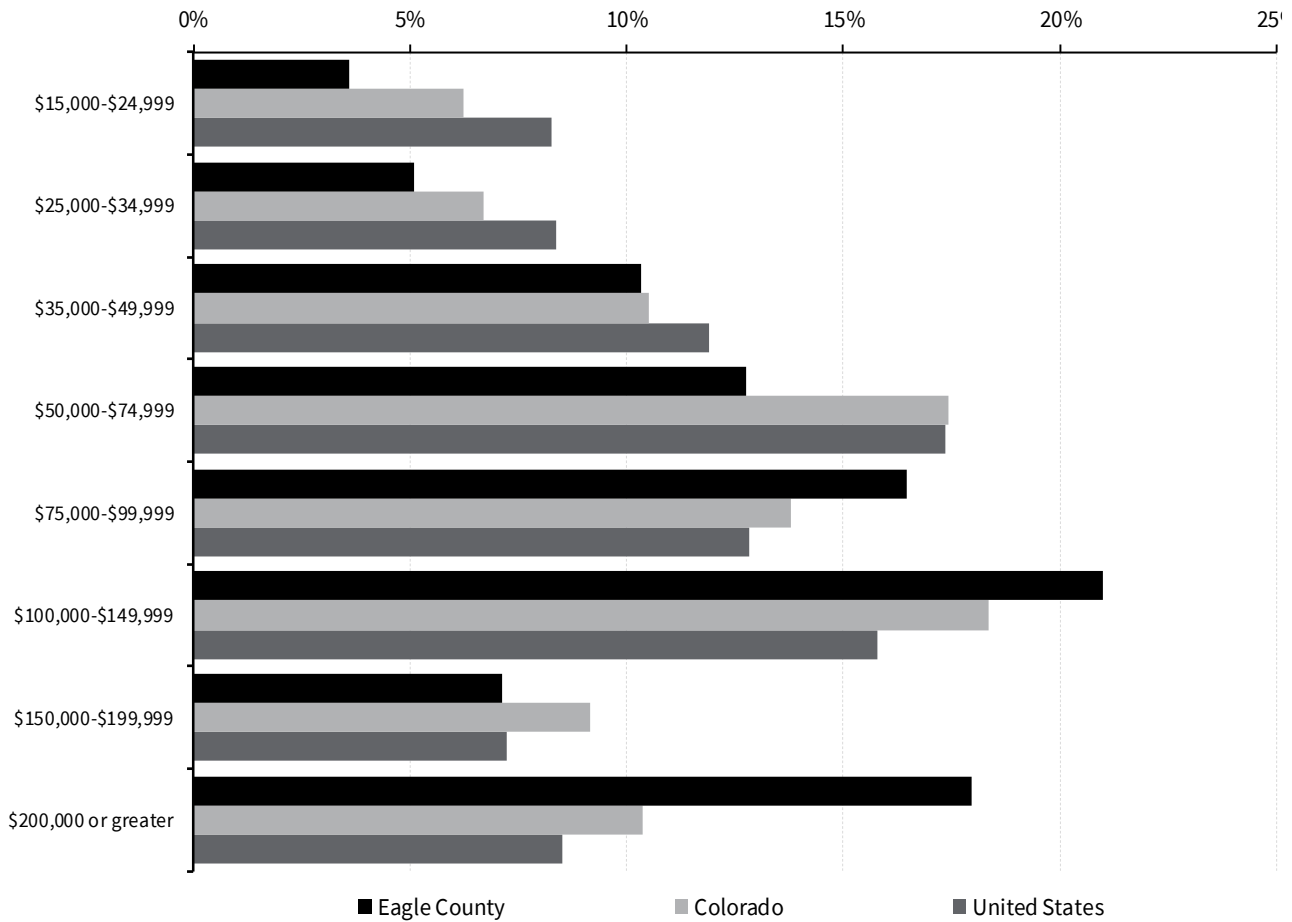


Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

Eagle County has a smaller concentration of households in the lower income levels than Colorado. Specifically, 14% of Eagle County households are below the \$35,000 level in household income as compared

to 20% of Colorado households. A far greater concentration of households is apparent in the higher income levels, as 63% of Eagle County households are at the \$75,000 or greater levels in household income versus 52% of Colorado households.

2021 Median Household Income Distribution

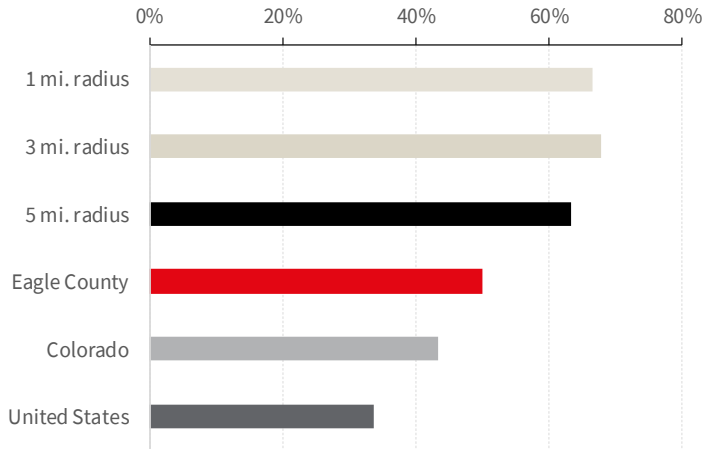


Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

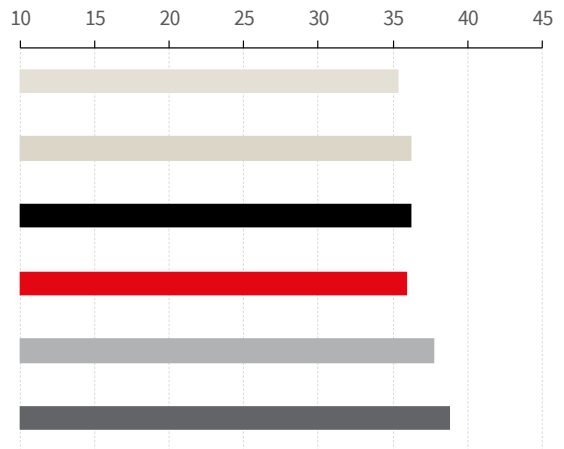
Education and Age

Residents of Eagle County have a higher level of educational attainment than those in Colorado. An estimated 50.0% of Eagle County residents are college graduates with four-year degrees or higher, while Colorado residents have an estimated 43.4% with at least a four-year degree. People in Eagle County are younger than their peers in Colorado. The median age of Eagle County is 36 years, while Colorado is 38 years.

Population % with at least 4-Year Degree



Median Age

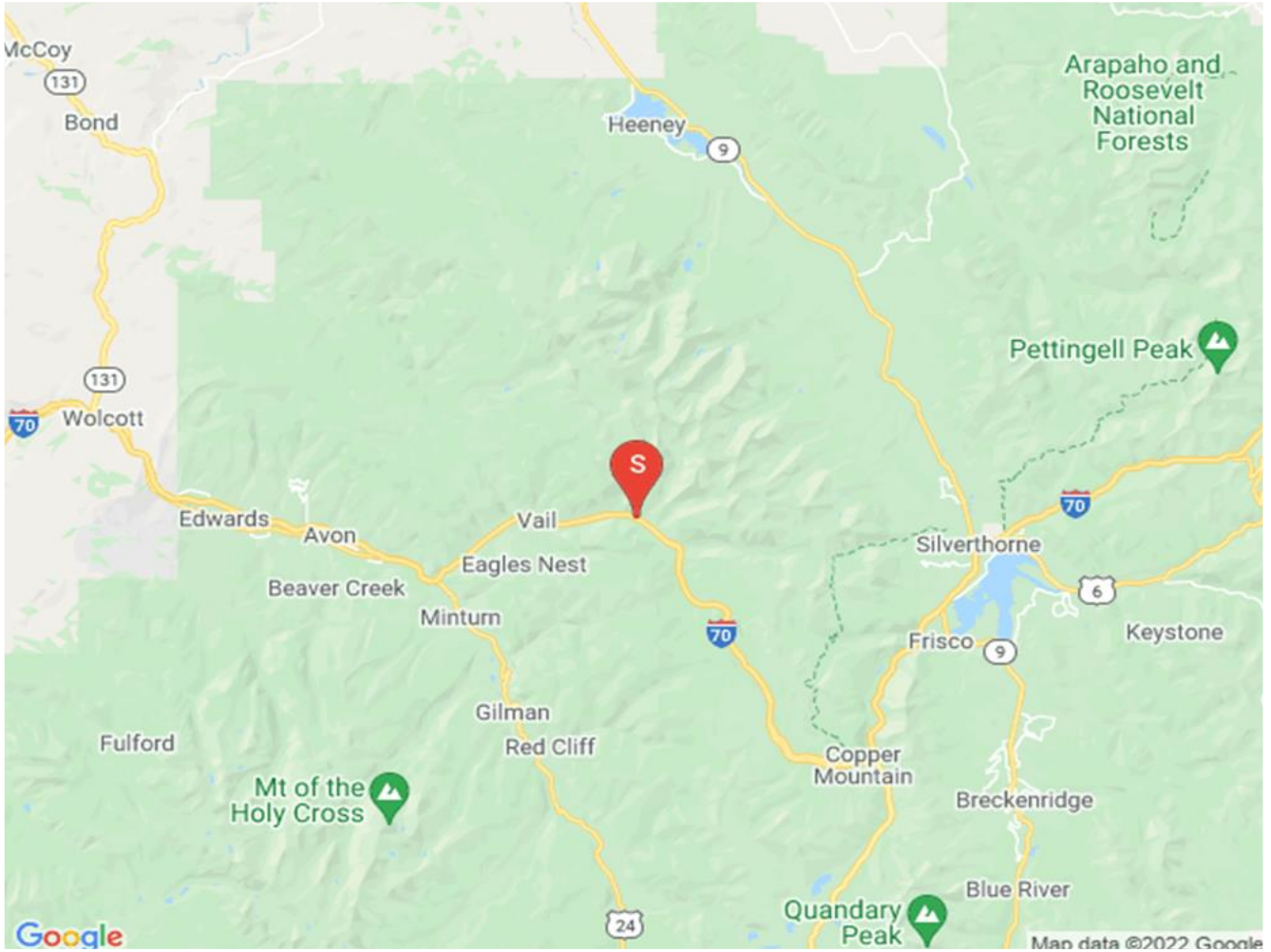


Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

Conclusion

Eagle County's economy will benefit from a rapidly growing population base, and higher income and education levels. Eagle County saw an increase in the number of jobs in the past 10 years and has maintained a lower unemployment than Colorado during the past decade. We project that Eagle County's economy will improve and employment will grow, strengthening the demand for real estate overall.

Area Map



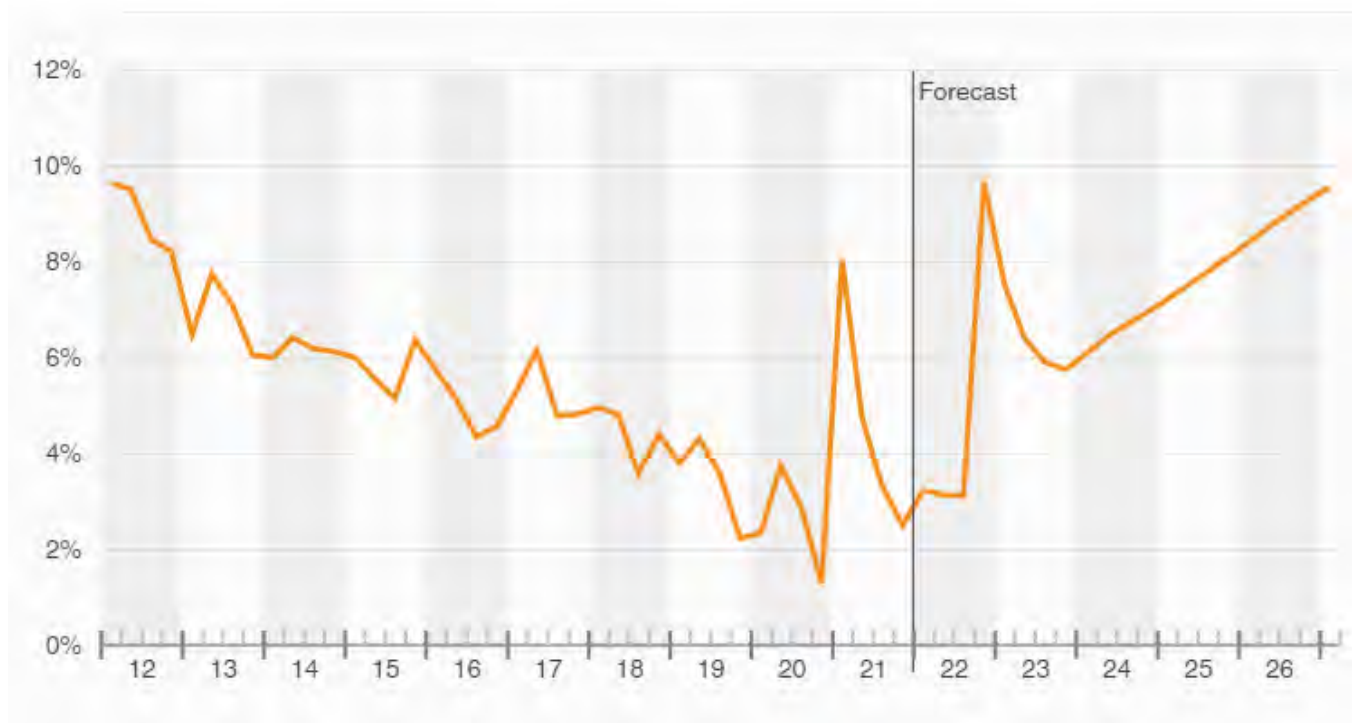
Market Area Analysis

The subject is located in Eagle County, Colorado. The subject does not fall into a defined market or submarket, and as such we have summarized the Q1 2022 data for Eagle County from CoStar in the following tables and charts.

The Eagle County multifamily market contains an overall inventory of about 43 properties or 2,835 units of existing multifamily space and has remained consistent over the past five years, with minimal increase to supply.

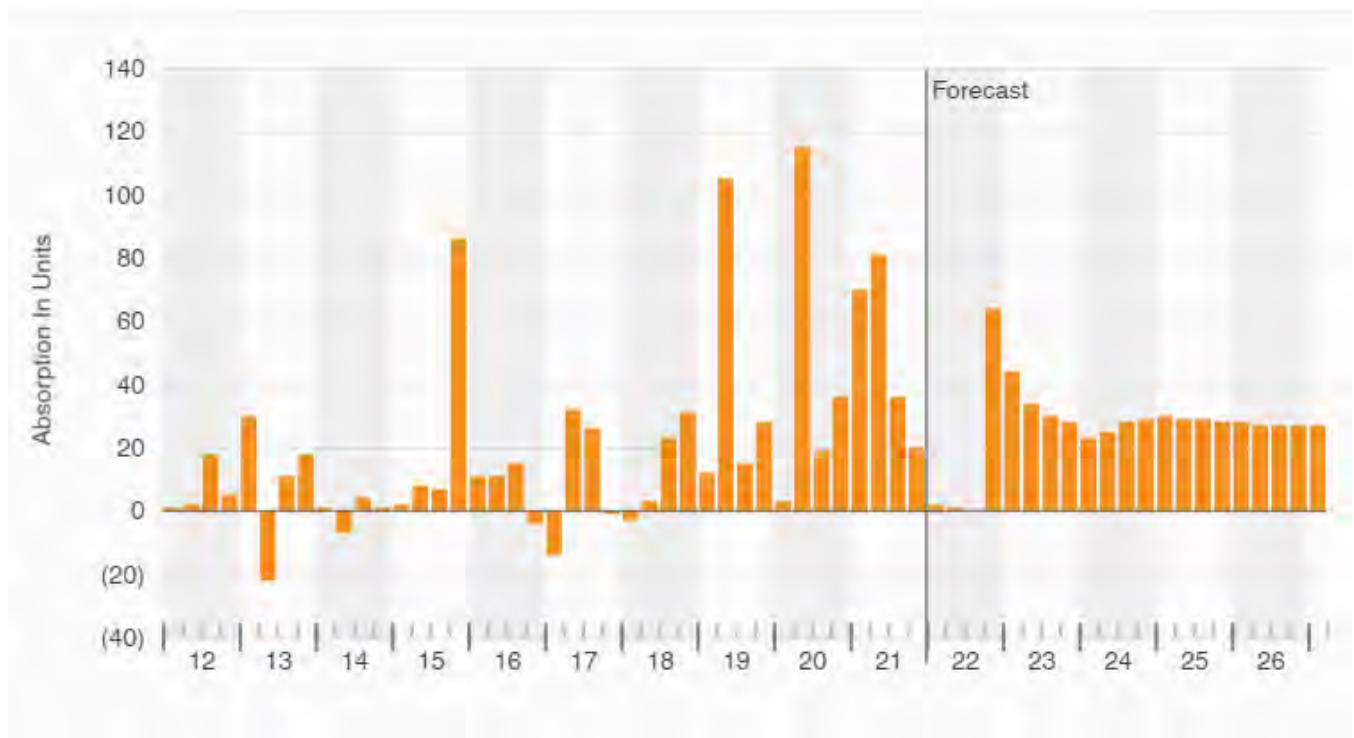
Vacancy Rate

The chart below presents the vacancy rate since 2011.



The vacancy rate is currently at 2.5%. This represents a general increase of the 2.8% average over the past five years.

Net Absorption



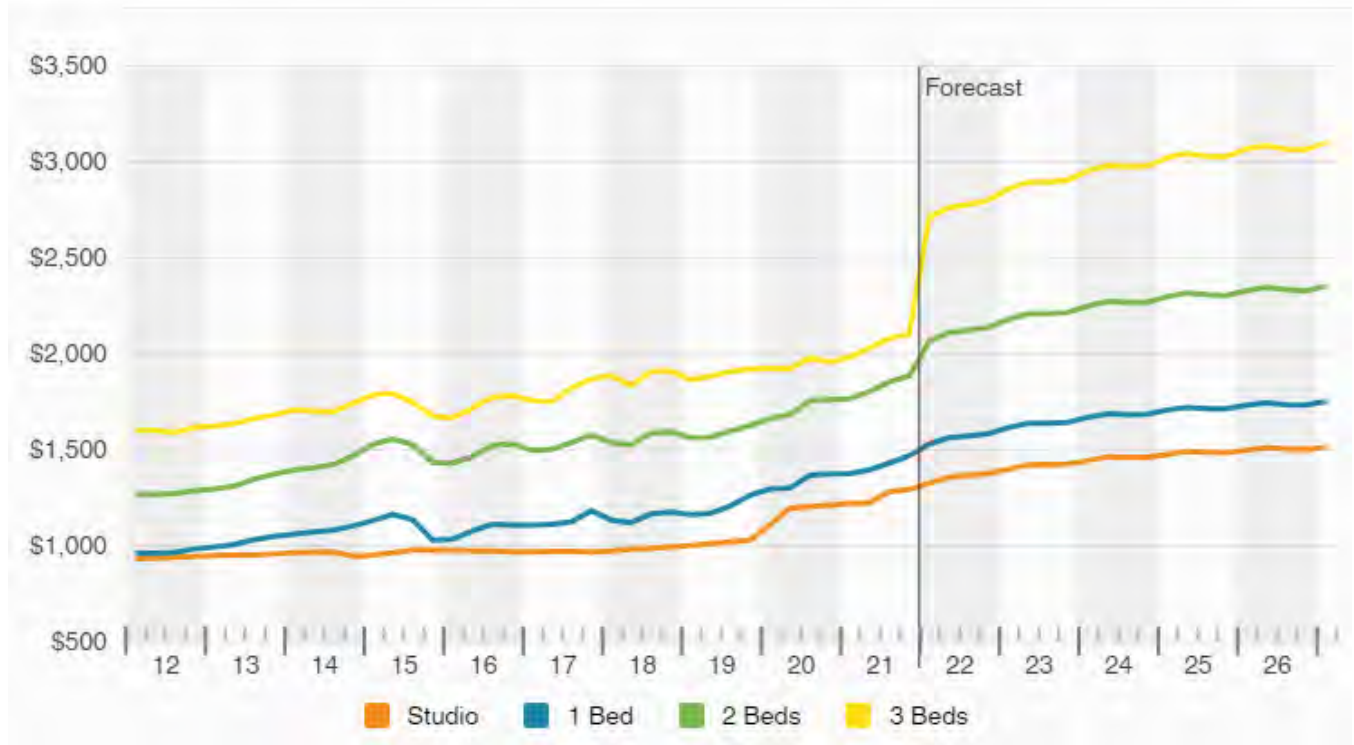
The 12 month absorption rate is 197 units.

Market Rent Per Unit



Asking rents on a per unit basis has increased since 2016 from approximately \$1,312 per unit to \$1,752 per unit.

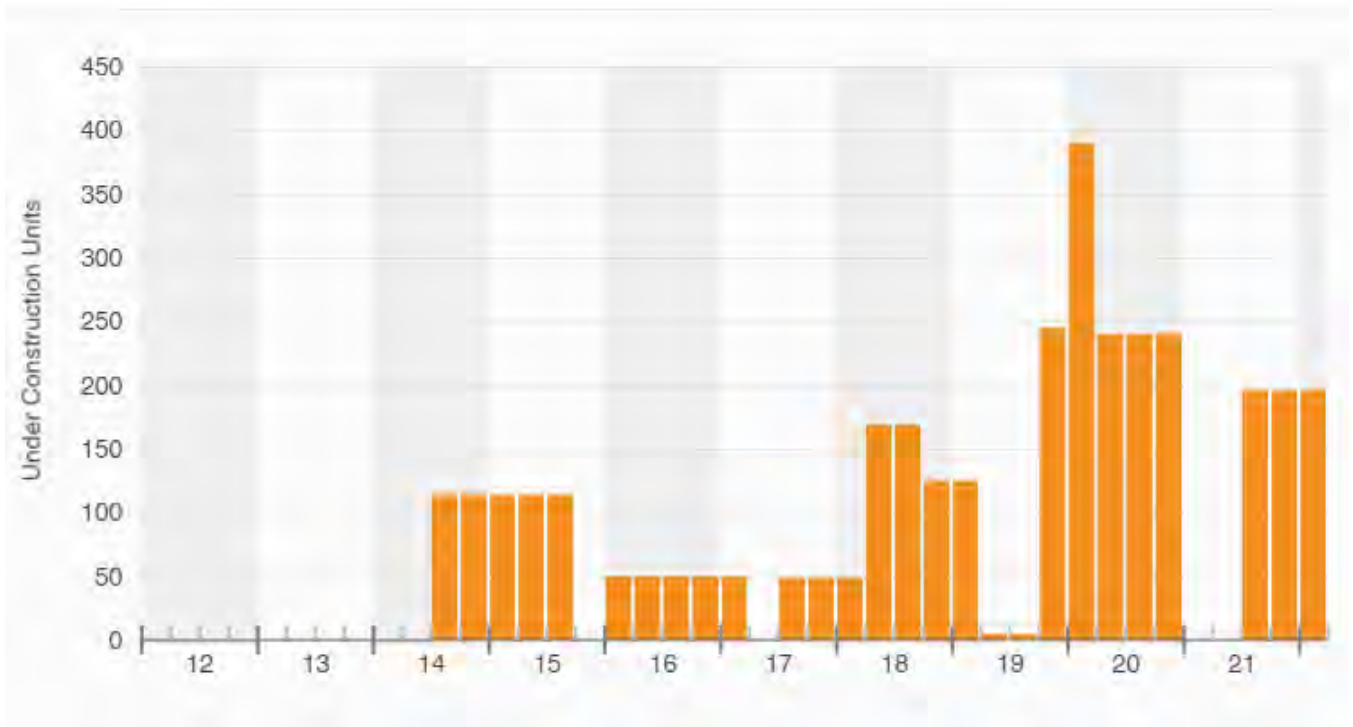
Market Rent per Unit by Bedroom



Asking rents per unit by bedroom are as follows:

- Studio: \$1,289
- One-Bedroom: \$1,465
- Two-Bedroom: \$1,880
- Three-Bedroom: \$2,099

Under Construction



According to Costar, there are 196 units currently under construction.

Surrounding Area Analysis

Boundaries

The subject is located in the Eagle County, which is generally bound as follows:

North	US 131
South	Wildcat Mountain
East	Buffalo Mountain
West	Interstate 70

Surrounding Demographics

A snapshot of the surrounding area demographics, including population, households, and income data, is displayed in the following table.

Surrounding Area Demographics

	1 mi. radius	3 mi. radius	5 mi. radius	Eagle County	Colorado	United States
Population						
2010	2,280	4,132	6,566	52,197	5,029,196	308,745,538
2021	2,586	4,599	7,212	57,726	5,911,218	333,934,112
2026	2,725	4,862	7,566	61,521	6,326,589	345,887,495
Compound Chg 2010 - 2021	1.15%	0.98%	0.86%	0.92%	1.48%	0.72%
Compound Chg 2021 - 2026	1.05%	1.12%	0.96%	1.28%	1.37%	0.71%
Density	824	163	92	34	57	95
Households						
2010	1,092	1,982	2,976	19,236	1,972,868	116,716,292
2021	1,252	2,211	3,291	21,252	2,316,035	126,470,675
2026	1,324	2,344	3,466	22,643	2,479,932	131,047,364
Compound Chg 2010 - 2021	1.25%	1.00%	0.92%	0.91%	1.47%	0.73%
Compound Chg 2021 - 2026	1.12%	1.18%	1.04%	1.28%	1.38%	0.71%
Other Demographics						
Med. Household Income	\$92,556	\$95,468	\$92,608	\$92,631	\$77,265	\$64,730
Avg. Household Size	2.1	2.1	2.2	2.7	2.5	2.6
College Graduate %	66.5%	67.8%	63.3%	50.0%	43.4%	33.6%
Median Age	35	36	36	36	38	39
Owner Occupied %	52%	53%	55%	68%	64%	65%
Renter Occupied %	48%	47%	45%	32%	36%	35%
Med. Home Value	\$1,028,509	\$1,045,226	\$845,318	\$662,538	\$432,263	\$264,021

Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three-mile radius of the subject is 4,599, and the average household size is 2.1. Population in the area has risen since the 2010 census, and this trend is expected to continue in the ensuing five years. The pace of population growth within a three-mile radius is projected to be less than that of Eagle County overall.

Median household income is \$95,468, which is higher than the household income for Eagle County as a whole. The populace within a three-mile radius has a notably higher level of formal college education than residents in Eagle County, and median home values in the area are also substantially higher.

The following table presents a summary of the convenience of walking and biking to amenities in the neighborhood around the subject property, as well as its accessibility to public transportation.

Walk, Bike, and Transit Information

Metric	Rating (0-100)	Description
Walk Score	33	Car-Dependent
Bike Score	30	Somewhat Bikeable
Mass Transit	Mi. from Subj.	Location
Nearest Bus Stop	0.1	Chamonix

Source: Walkscore.com, updated 11/08/2021. Compiled by JLL Valuation & Advisory Services, LLC.

Demand Generators

Major employers in the area include Lodge & Spa at Cordillera, Vail Cascade Resort & Spa and Sonnenalp Hotel. We note that the town of Vail's major employment industry is based upon tourism and consists of retail, lodging, and restaurants. The closest major commercial corridors to the subject are N Frontage Rd W and S Frontage Rd W; providing average supporting retail and entertainment services. Development activity in the immediate area has been predominantly of residential uses.

An extended-stay hotel and employee housing development is proposed to be developed at 1783 North Frontage Road. The 4-star Marriott Residence Inn would include 170 rooms while the employee housing property would contain 96 apartments.

Extell Development Company, the ownership of Four Seasons Vail, has recently completed the first phase of their \$40 million dollar enhancement project.

In the summer of 2021, the \$75 million project consisting of 81 condominium units is set to be completed on the 4.2 acre parcel along Highway 6. Individual units will be listed for sale while others can be rented like hotel room suites, according to architect TAB Associates.

In addition, development has been moderate in the last three years. Finally, the subject has average area linkages providing access to the Vail job centers and surrounding commercial districts.

Access and Linkages

I-70 provides access to the subject from the greater Eagle County metro area. The subject has above average access to public transportation including bus. The nearest bus stop is located on Middle Creek, which is within a five-minute walk from the subject. Additionally, the subject has a walk score of 47 indicating an average walkability factor. The subject is most commonly accessed via car and bus.

The nearest commercial airport is Eagle County Regional Airport and is located within 32.2 miles of the subject property.

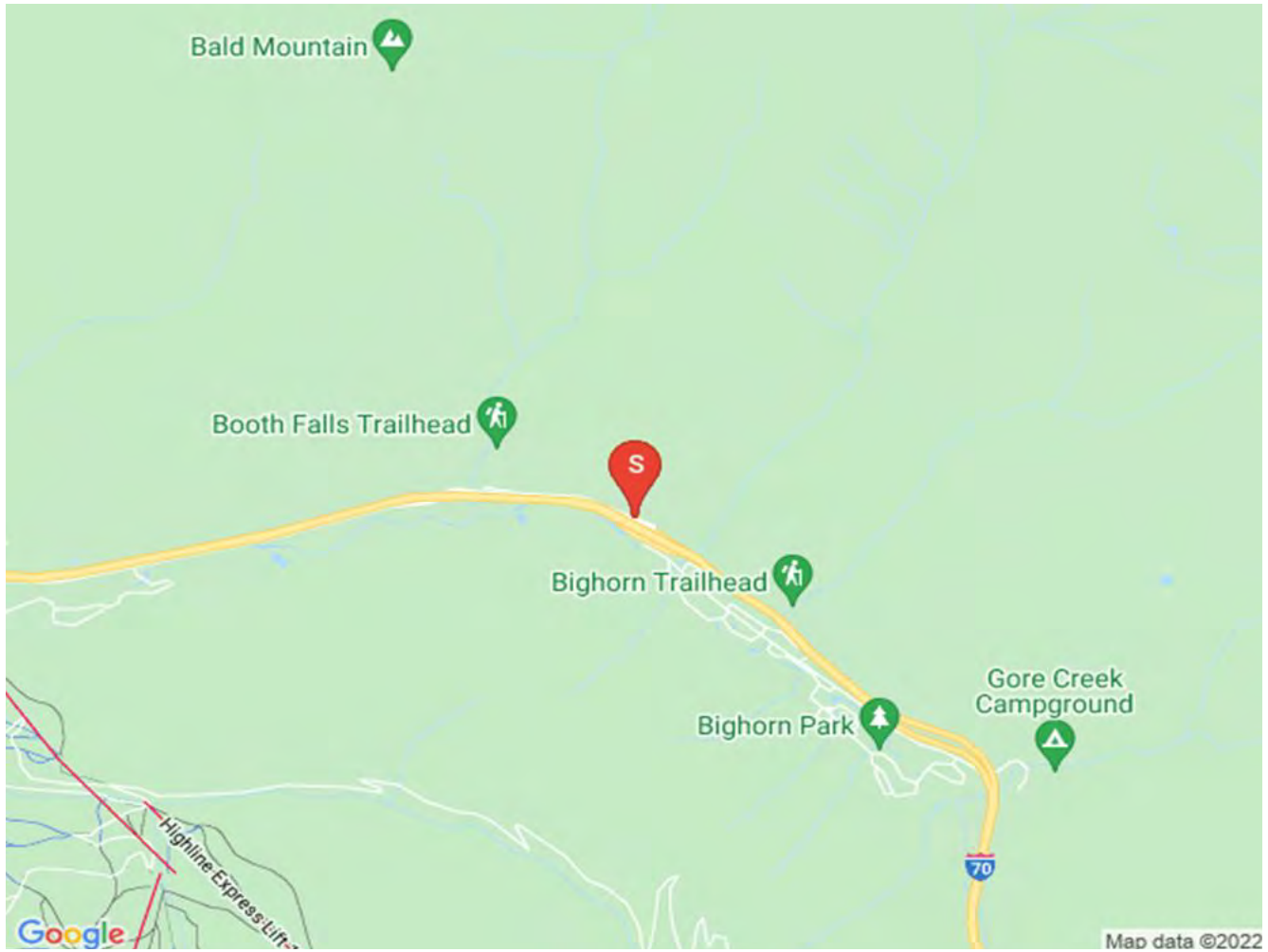
Safety and Support Services

The nearest police and fire stations are within 3.3 and 0.4 miles, respectively.

Outlook and Conclusion

The subject's area has not experienced recent employment growth and construction activity has been stagnant contributing to our conclusion that the subject's area is in the stable stage of its life cycle.

Surrounding Area Map



Property Description

Site Description

Aerial Map



The subject property is outlined in yellow on the aerial above.

We note that the parcel to the west is zoned H, Housing while the parcel to the east is zoned NAP, Natural Area Preservation.

Land Summary

Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
210102403001	5.40	235,093	5.40	235,093	Moderate	Irregular
210102403002	17.92	780,377	17.92	780,377	Level	Irregular
Totals	23.31	1,015,471	23.31	1,015,471		

Source: Public Records

Land Description

Shape	Irregular
Average Depth (Feet)	850
Average Width (Feet)	3,000
Corner Location	No
Primary Street Frontage	North Frontage Road
Traffic Volume	28,745
Access Rating	Average
Visibility Rating	Average
Functional Utility	Average
Topography	The subject has moderate to severe upward sloping topography and no areas of wetlands. We note that the subject site is located within the “High Severity Rockfall” zone, per the Official Geologic Rockfall Hazard Map, Town of Vail, CO (Adopted October 17, 2000).
Landscaping	The subject has average landscaping.
Drainage	No drainage problems were observed or disclosed to us during our inspection. This appraisal assumes that surface water collection is adequate.
Soil Conditions	Adequate for development
Wetlands/Watershed	No wetlands were observed during our site inspection.
Flood Zone Designation	X
Flood Zone	The subject is outside the 500-year flood plain. The appraiser is not an expert in this matter and is reporting data from FEMA maps.
FEMA Map Number	08037C0493D
FEMA Map Date	12/4/2007
Utilities	All public utilities are available to the site including public water and sewer, gas, electric, and telephone
Utilities Adequacy	The subject's utilities are typical and adequate for the market area.

Environmental Hazards

An environmental assessment was not provided for review. No environmental hazards were apparent from inspection and it is assumed the Subject is free and clear of any environmental hazards including, without limitation, hazardous waste, toxic substances and mold.

Zoning Summary – Parcel 210102243001

Zoning Jurisdiction	Town of Vail
Zoning Code	H
Zoning Description	Housing
Permitted Uses	Employee housing units, passive outdoor recreation areas, business offices and professional offices, dwelling units, etc.
Actual Density of Use	0.00
Current Use Legally Conforming	The subject is a legal and conforming use.
Zoning Change Likely	A zoning change is unlikely.
Maximum Building Height	None stated
Maximum Site Coverage	55.00
Set Back Distance (Feet)	20 feet
Side Yard Distance (Feet)	20 feet
Rear Yard Distance (Feet)	20 feet
Parking Requirement	1.4 spaces per dwelling unit
Other Land Use Regulations	We are not aware of any other land use regulations that would affect the property.
Source	Town of Vail

Zoning Summary – Parcel 210102243002

Zoning Jurisdiction	Town of Vail
Zoning Code	NAP
Zoning Description	Natural Area Preservations
Permitted Uses	Nature preserves, equestrian trails, nature walks, etc.
Actual Density of Use	0.00
Current Use Legally Conforming	The subject is a legal and conforming use.
Zoning Change Likely	A zoning change is unlikely.
Maximum Building Height	None stated
Maximum Site Coverage	Not applicable
Set Back Distance (Feet)	Not applicable
Side Yard Distance (Feet)	Note applicable
Rear Yard Distance (Feet)	Not applicable
Parking Requirement	Shall be determined by the planning and environmental commission.
Other Land Use Regulations	We are not aware of any other land use regulations that would affect the property.
Source	Town of Vail

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally conforming use.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Encumbrance/Easements/Restrictions

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Overall Site Utility

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning.

Subject Photographs



Subject Land
(Photo Taken on December 23, 2021)



Subject Land
(Photo Taken on December 23, 2021)



Frontage Road Street View
(Photo Taken on December 23, 2021)



Street View
(Photo Taken on December 23, 2021)



Street View
(Photo Taken on December 23, 2021)



Street View/Adjacent Lot
(Photo Taken on December 23, 2021)

Assessment and Taxes

Real estate tax assessments are administered by the Eagle County in which the subject is located and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by \$100, then multiplying the estimate by the composite rate. The composite rate is based on a consistent state tax rate throughout the state, in addition to one or more local taxing district rates.

Real Estate Taxes

Taxing Authority	Eagle County
Assessment Year	2021

Real estate taxes and assessments for the current tax year are shown in the following table.

Real Estate Assessment and Taxes - 2021

Tax ID	Assessed Value			Taxes and Assessments		
	Land	Improvements	Total Assessment	Tax Rate	Ad Valorem Taxes	Total Taxes
210102403001	\$1,267,630	\$0	\$1,267,630	5.143400%	\$65,199	\$65,199
210102403002	\$26,500	\$0	\$26,500	5.143400%	\$1,330	\$1,330
Totals	\$1,294,130	\$0	\$1,294,130	5.143400%	\$66,530	\$66,530

Depicted in the ensuing table is the subject property's tax history.

Tax History

Assessment Year	Total Assessment	Tax Rate	Ad Valorem Taxes	Total Taxes	Annual Change
2021	\$1,294,130	5.143400%	\$66,530	\$66,530	10.9%
2020	\$1,294,130	4.633992%	\$59,970	\$59,970	

Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

- **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
- **Physically Possible:** To what use is the site physically adaptable?
- **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
- **Maximally Productive:** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

Legally Permissible

The site is zoned H, Housing. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only multifamily use is given further consideration in determining highest and best use of the site, as though vacant.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Financially Feasible

Based on our analysis of the market, there is currently adequate demand for multifamily use in the subject's area. It appears that a newly developed multifamily use on the site would have a value commensurate with its cost. Therefore, multifamily use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than multifamily use. Accordingly, it is our opinion that multifamily use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for multifamily use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.

Highest and Best Use as Improved

No improvements are situated on the subject. Therefore, a highest and best analysis as improved is not applicable.

Accordingly, the highest and best use is to develop the site for multifamily use.

Most Probable Buyer

Taking into account the functional utility of the site and area development trends, the probable buyer is a developer or investor.

Valuation Methodology

Three basic approaches may be applicable and utilized, then reconciled to arrive at an estimate of market value. An approach to value is included or eliminated based on its applicability to the property type being valued and the information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers. Applicable approaches and whether or not they were utilized are summarized below:

Cost Approach

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciation from physical, functional and external causes. The land value, entrepreneurial profit and depreciated improvement costs are then added, resulting in indication of value.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. A gross income multiplier and / or effective gross income multiplier may also be analyzed. By process of correlation and analysis, a final indicated value is derived.

Income Approach

In the Income Capitalization Approach the income-producing capacity of a property is estimated by using contract rents on existing leases and by estimating market rent from rental activity at competing properties for the vacant space. Deductions are then made for vacancy and collection loss and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization.

Related to the Direct Capitalization Method is the Yield Capitalization Method. In this method periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using a discount rate or an internal rate of return.

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

Applicability and utilization of the approaches in this assignment is described as follows.

Approach	Description	Applicability	Utilization
Cost	A cost approach is most applicable in valuing new or proposed construction when the improvements represent the highest and best use of the land and the land value, cost new and depreciation are well supported.	Not Applicable	Not Utilized
Sales Comparison	A sales approach is most applicable when sufficient data on recent market transactions is available and there is an active market for the property type.	Applicable	Utilized
Income	An income approach is most applicable when the subject is an income producing property or has the ability to generate income in the future as an investment.	Not Applicable	Not Utilized

Land Valuation

The subject's land value has been developed via the sales comparison approach.

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. This approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

We have researched comparables for this analysis, which are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources and, when possible, verified by a party to the transaction.

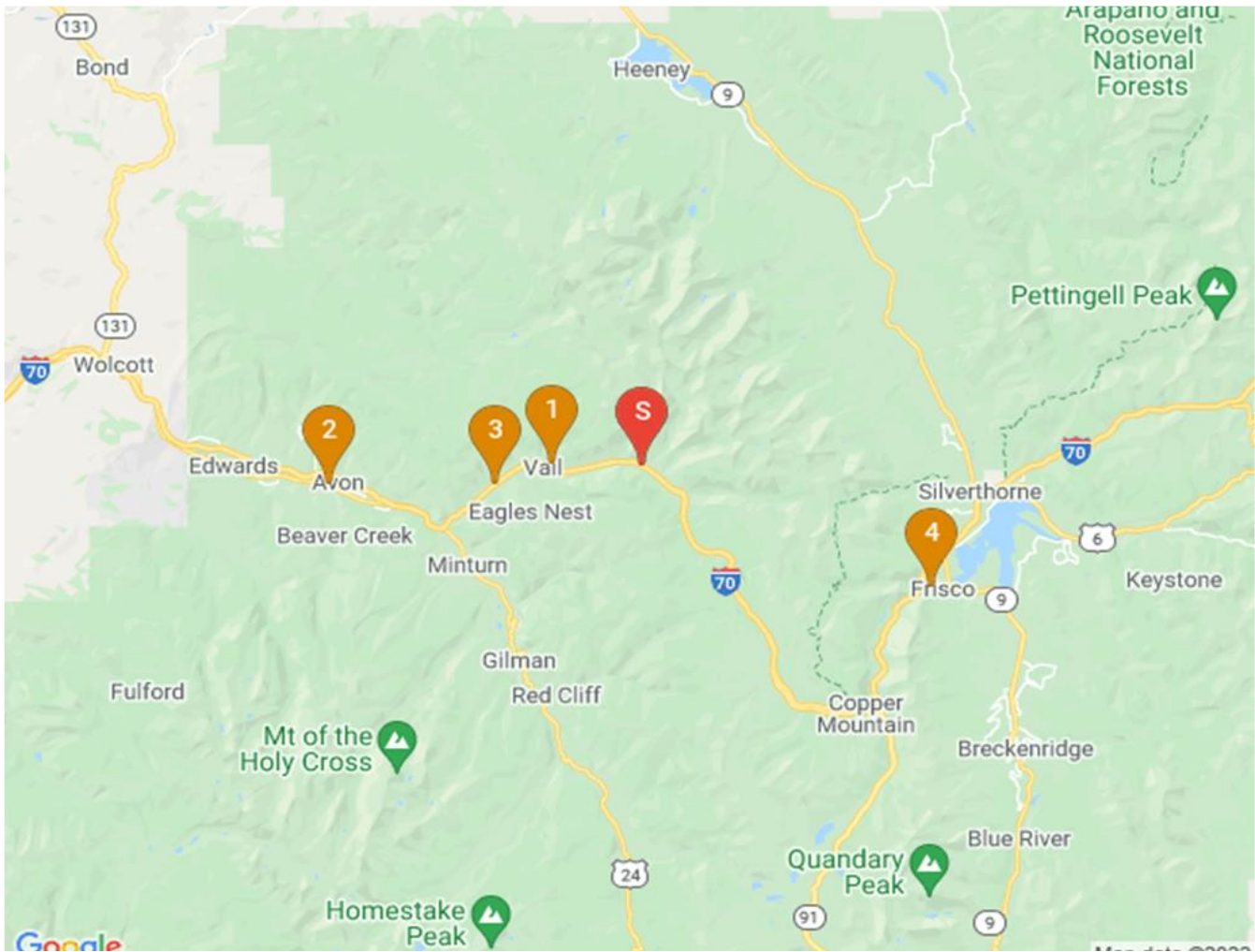
Because of the lack of land sales in the subject's surrounding areas, we have expanded our search to include bordering towns, such as Avon, Beaver Creek and Frisco. We have also included the sale of land that is unencumbered by deed restrictions based on the lack of comparable sites to the subject property. We consider the comparable sales the best available. We have valued the subject site based on the usable acreage of 5.40 acres and compared the sale comparables to the subject on that basis as well.

Land Sales Summary

No.	Name; Address	Sale Date; Status; Prop. Rights	Square Feet; Acres	Usable SF; Usable Acres	Zoning	Sale Price; Effective Price	\$/SF; \$/Acre	\$/Usable SF; \$/Usable Ac.
1	1326 Spraddle Creek Road 1326 Spraddle Creek Road Vail, CO 81657	11/2/2021 Listing Fee Simple	277,477 6.37	277,477 6.37	Hillside Residential	\$10,800,000 \$10,800,000	\$38.92 \$1,695,447	\$38.92 \$1,695,447
<p>Sale Comments: This is the sale of 6.37 acres of residential land located in the Spraddle Creek Estates development.</p>								
2	358 Riverfront Lane 358 Riverfront Lane Avon, CO 81620	12/14/2020 Closed Sale Fee Simple	39,248 0.90	39,248 0.90	PUD	\$1,450,000 \$1,450,000	\$36.94 \$1,611,111	\$36.94 \$1,611,111
<p>Sale Comments: This is the sale of .90 acres of vacant land planned for future residential or multifamily development. No conditions were reported to have affected the sale price.</p>								
3	1783 North Frontage Road 1783 North Frontage Road Vail, CO 81657	1/21/2020 Closed Sale Fee Simple	86,684 1.99	86,684 1.99	Public Accommodations	\$7,250,000 \$7,250,000	\$83.64 \$3,643,216	\$83.64 \$3,643,216
<p>Sale Comments: This is the sale of 1.99 acres of land zoned for public accommodation use. The site is proposed to include 170 extended-stay hotel rooms along with 96 deed-restricted employee apartments. No conditions were reported to have affected the sale price.</p>								
4	80 West Main Street 80 West Main Street Frisco, CO 80443	11/13/2019 Closed Sale Fee Simple	86,249 1.98	86,249 1.98	PUD	\$2,700,000 \$2,700,000	\$31.30 \$1,363,636	\$31.30 \$1,363,636
<p>Sale Comments: This is the sale of 1.98 acres of land located along West Main Street. The property was on the market for approximately four months and the buyer plans to build multifamily buildings on the site.</p>								
S	Booth Heights Land Site		1,015,471	235,093	H			
	Booth Heights Land Development Site		23.31	5.40				
	Vail, CO 81657							
	Eagle							

*If applicable, prices per SF/unit and capitalization rates and/or income multipliers based on effective sale price.

Land Sales Map








No.	Name	Location	Miles From Subject	Usable SF	Price/Usable SF
1	1326 Spraddle Creek Road	Vail, CO	3.4	277,477	\$38.92
2	358 Riverfront Lane	Avon, CO	11.7	39,248	\$36.94
3	1783 North Frontage Road	Vail, CO	5.5	86,684	\$83.64
4	80 West Main Street	Frisco, CO	11.9	86,249	\$31.30
S	Booth Heights Land Site	Vail, CO		235,093	

Analysis and Adjustment of Sales

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Grid

	Subject	Comp 1	Comp 2	Comp 3	Comp 4
					
Name	Booth Heights Land Site	1326 Spraddle Creek Road	358 Riverfront Lane	1783 North Frontage Road	80 West Main Street
Address	Booth Heights Land	1326 Spraddle Creek Road	358 Riverfront Lane	1783 North Frontage Road	80 West Main Street
City	Vail	Vail	Avon	Vail	Frisco
County	Eagle	Eagle	Eagle	Eagle	Summit
State	CO	CO	CO	CO	CO
Date	Dec-2021	Nov-2021	Dec-2020	Jan-2020	Nov-2019
Price		\$10,800,000	\$1,450,000	\$7,250,000	\$2,700,000
Usable Acres	5.40	6.37	0.90	1.99	1.98
Usable Land SF	235,093	277,477	39,248	86,684	86,249
Usable Land SF Unit Price		\$38.92	\$36.94	\$83.64	\$31.30
Flood Zone	X	X	X	X	X
Median Household Income	\$77,966	\$77,205	\$66,365	\$79,076	\$66,009
Zoning	H	Hillside	PUD	Public	PUD
Shape	Irregular	Irregular	Irregular	Irregular	Rectangular
Topography	Moderate slopes	Moderate Slope	Level	Level	Level
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing		Conventional	Conventional	Conventional	Conventional
Conditions of Sale		Normal	Normal	Normal	Normal
Market Trends Through	Dec-21	-	-	-	-
Adjusted Usable Land SF Unit Price		\$38.92	\$36.94	\$83.64	\$31.30
Location		-10%	10%	-10%	10%
Access/Exposure		-	-	-	-
Size		-	-10%	-5%	-5%
Shape/Topography		-5%	-20%	-20%	-20%
Zoning		5%	-	-	-
Flood Zone		-	-	-	-
Utilities		-	-	-	-
Entitlements		-10%	-10%	-10%	-10%
Adjusted Usable Land SF Unit Price		\$31.14	\$25.86	\$46.00	\$23.48
Net Adjustments		-20%	-30%	-45%	-25%
Gross Adjustments		30%	50%	45%	45%
Summary Indicators					
		Range	Average	Median	
Comparables - Unadjusted		\$31.30 - \$83.64	\$47.70	\$37.93	
Comparables - Adjusted		\$23.48 - \$46.00	\$31.62	\$28.50	
Reconciled Unit Value:			\$33.00		

Comparable Land Sale Adjustments

Property Rights

No adjustments for real property rights were required.

Financing

No adjustments for financing terms were required.

Conditions of Sale

No adjustments for conditions of sale were required.

Expenditures After Sale

No adjustments for expenditures after sale were required.

Economic Trends

The land sales took place from November 2019 to November 2021. Market conditions generally have been stable over this period through the effective date of value. As a result, we apply no adjustments for market trends.

Location

Comparables 1 and 3 have been adjusted downward due to their superior location when compared to the subject property. Comparables 2 and 4 have been adjusted upward due to their inferior location when compared to the subject property.

Access/Exposure

No adjustments for access/exposure were required.

Size

Comparables 2, 3 and 4 have been adjusted downward due to their smaller size when compared to the subject property. Comparable 1 has not been adjusted.

Shape/Topography

All four comparables have been adjusted downward due to their superior shape/topography when compared to the subject property. We note that the subject site is moderately sloped. Additionally, we consider the subject site to be inferior to the comparables as it is partially located in a geologic hazard zone due to rockfalls.

Zoning

Comparable 1 has been adjusted upward due to its inferior zoning when compared to the subject property. The remaining three comparables have not been adjusted. Comparable 4 is zoned for residential use which is inferior to the multifamily zoning of the subject.

Flood Zone

No adjustments for flood zone status were required.

Utilities

No adjustments for utilities were required.

Entitlements

All four comparables have been adjusted downward due to their superior entitlements when compared to the subject property. We note that the subject site is currently zoned for H, Housing which includes deed-restricted housing. We were not provided with specific details of any proposed development on the subject site.

Land Valuation Conclusion

All of the value indications have been considered, and in the final analysis, comparables 1 and 3 have been given most weight in arriving at our final reconciled value based on their location to the subject and both being in Vail, CO. Additionally, amongst these two comparables, greater weight has been given to comparable 1 seeing as it is the most recent market transaction. Secondary weight has been given to comparables 2 and 4.

Land Value Reconciliation

Premise	Value
As Is	December 23, 2021
Indicated Value per Usable Land SF	\$33.00
Subject Usable Land SF	235,093
Indicated Value	\$7,758,080
Rounded Value	\$7,800,000

Pro Forma of a Hypothetical Stabilized Multifamily Development – Direct Capitalization

According to the client, the subject property had a previous multifamily development approved on the 5.40-acre site. The details of the approved development is shown below. As such, we project market rent to the proposed units. We note that 51 units are deed restricted while the remaining 13 are not. The proposed development is in agreement with the Vail InDEED program, which is the Town's new deed restriction purchase program created to incentive homeowners and real estate buyers/sellers to deed restrict their property to help the Town meet the 2027 Housing Strategic Plan goal. The current goal of this initiative is to acquire an additional 1,000 deed restricted units by end of year 2027 and help reach the goal of maintaining and sustaining homes for residents within the community.

Approved Development Size Projections

Unit Type	# of Units	BR	Size (SF)	Market Rent PSF	Unit Rent
EHU - Downhill TH A	8	2	1,300	\$1.75	\$2,300
EHU - Downhill TH B	7	3	1,600	\$1.75	\$2,800
EHU - Uphill TH A	2	2	1,300	\$1.75	\$2,300
EHU - Uphill TH B	2	3	2,000	\$1.75	\$3,500
DU - TH B	6	3	1,975	\$2.00	\$4,000
DU - TH A	6	3	2,170	\$2.00	\$4,300
EHU - MF	42	2	830	\$1.75	\$1,500
	73		1,596	\$2.25	\$3,000

Our projections for net operating income is shown below. We assume a 5.0% vacancy loss and a 45% operating expense ratio.

Projections

Operating Income

Market Rent	\$1,948,800
Vacancy @ 5.0%	-\$97,440
Net Residential Income	\$2,046,240

Operating Expenses

OPEX	-\$920,808
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Net Operating Income	\$1,125,432
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Based on discussions with local participants, we have projected a capitalization rate of 4.5% for a development with similar proposed characteristics.

Direct Capitalization

Premise	Value
<hr/>	
Hypothetical Upon Stabilization	
Effective Gross Income	\$2,046,240
Expenses	<u>\$920,808</u>
Net Operating Income	\$1,125,432
Capitalization Rate	<u>4.50%</u>
Indicated Hypothetical Value upon Stabilization	\$25,009,600
Rounded Hypothetical Value upon Stabilization	\$25,000,000

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

As discussed previously, we use only the sales comparison approach in developing an opinion of value for the subject. The cost and income approaches are not applicable, and are not used.

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinion follows:

Value Indications

Summary of Value Indications

	Market Value As Is
Cost Approach	Not Utilized
Sales Comparison Approach	\$7,800,000
Income Capitalization Approach	Not Utilized
Reconciled	\$7,800,000

Cost Approach

The cost approach is most reliable for newer properties that have no significant amount of accrued depreciation.

As previously discussed, the Cost Approach is judged to be inapplicable and is not utilized.

Sales Comparison Approach

The sales comparison approach is most reliable in an active market when an adequate quantity and quality of comparable sales data are available. In addition, it is typically the most relevant method for owner-user properties, because it directly considers the prices of alternative properties with similar utility for which potential buyers would be competing.

There is a reasonably active market for comparable properties, and this approach most closely reflects buyer behavior. Accordingly, the sales comparison approach is given greatest weight in the value conclusion.

Income Approach

The income capitalization approach is usually given greatest weight when evaluating investment properties. The value indication from the income capitalization approach is supported by market data regarding income, expenses and required rates of return.

As previously discussed, the Income Approach is judged to be inapplicable and is not utilized as the subject is currently vacant land.

Value Conclusion

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), subject to the Limiting Conditions and Assumptions of this appraisal.

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	December 23, 2021	\$7,800,000

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local Land market, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is 3-6 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. *Given the market uncertainty and volatility, marketing times are currently difficult to predict.* It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 3-6 months.

Our estimate is supported by the following national investor survey data.

Investor Survey 2020 Q3 Multifamily Marketing Time

Property Type	Marketing Time	
West		
Multifamily	Range	3.0 – 9.0
	Average	4.7
US		
Student Housing	Range	1.0 – 12.0
	Average	4.9

Source: PwC Real Estate Investor Survey.

Limiting Conditions and Assumptions

1. All reports and work product we deliver to you (collectively called “report”) represent an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecast in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. We are not liable for any conclusions in the report that may be different if there are subsequent changes in value. We are not liable for loss relating to reliance upon our report more than three months after its date.
3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. We are not liable for any loss arising from these differences.
4. We are not obligated to predict future political, economic or social trends. We assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.
5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.
6. We assume responsible ownership and competent property management.
7. The appraisal process requires information from a wide variety of sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.
8. We assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. We recommend that you engage suitable consultants to advise you on these matters.
9. We assume that all engineering studies are correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.

10. We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. We are not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.
11. We assume that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. We have not made or requested any environmental impact studies in conjunction with the report. We reserve the right to revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
12. Unless otherwise stated in the report, you should assume that we did not observe any hazardous materials on the property. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances, and we are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. We do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. We encourage you to retain an expert in this field, if desired. We are not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist. We are not experts in the field of environmental conditions, and the report is not an environmental assessment of the property.
13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.
14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the ADA. We claim no expertise in ADA issues, and render no opinion regarding compliance of the property with ADA regulations.
15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.
16. We assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in the report is based.
17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.
19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.
20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.
21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, we do not make allowance for any liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
22. Any allocation in the report of value between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
23. The report is confidential to the party to whom it is addressed and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement.
24. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.
25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.

26. We may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. We will not verify documents, information and assumptions derived from industry sources or that JLL or its affiliates have prepared in the regular course of business. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.
27. JLL IS NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL THE LIABILITY OF JLL AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.
28. Unless expressly advised to the contrary, we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.
29. We assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
30. This appraisal is subject to the following.

Extraordinary Assumptions & Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions of conclusions.

1. For the purpose of the pro forma, we assume that the subject site is approved for development and the unit count and square footages as provided to us by the client are accurate.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is 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.

1. None.

Appendix A

Appraiser Qualifications

Eric L. Enloe, MAI, CRE, FRICS

Managing Director Valuation Advisory, U.S.

Current responsibilities

Eric leads the JLL Commercial Valuation Platform in the US. He directs valuation and consulting engagements related to a wide variety of property types in the Chicago market and national institutional assets and portfolios. He has a broad range of experience in the valuation and analysis of asset types including retail, office, industrial, multi-family, development land, manufactured housing, regional malls, hotels, self-storage, educational facilities, and going-concern valuations of complex assets. Eric has deep real estate valuation ties with major financial institutions, pension funds, REIT's, hedge funds, and insurance companies. Eric is heavily involved in national portfolio originations and management.

Experience

He has been involved in commercial real estate valuations since 1998. He joined one of Integra Realty Resources founding offices. Prior to joining JLL, he held various positions with Integra Realty Resources, including Senior Managing Director of the Chicago office. Mr. Enloe helped grow the Chicago office into one of the largest offices in Integra Realty Resources. He has directed assignments in 50 states, the District of Columbia, and Canada. His team has provided valuation or consulting services on more than 5,000 assets over the last five years. He also provides advisory services to owners and develops, including asset disposition and purchase due diligence.

Education and affiliations

Bachelor's Degree | Finance | University of Notre Dame
Appraisal Institute, member
Association for Corporate Growth
Chicago Real Estate Council
Fellow in the Royal Institute of Chartered Surveyors
Counselor of Real Estate (CRE)

Contact

T +1 312 252 8913
eric.enloe@am.jll.com



Certified General Real Estate Appraiser:

- Arizona • North Carolina
- Arkansas • North Dakota
- California • Ohio
- Colorado • Oklahoma
- Connecticut • Oregon
- Delaware • Pennsylvania
- Florida • Rhode Island
- Georgia • South Carolina
- Hawaii • South Dakota
- Idaho • Tennessee
- Illinois • Texas
- Indiana • Utah
- Iowa • Vermont
- Kansas • Virginia
- Kentucky • Washington
- Louisiana • West Virginia
- Maine • Wisconsin
- Maryland • Wyoming
- Massachusetts
- Michigan

[1] U.S. property valuation and tax consulting services are performed by JLL Valuation & Advisory Services, LLC, a wholly owned indirect subsidiary of Jones Lang LaSalle Incorporated.



COLORADO

Department of
Regulatory Agencies

Division of Real Estate

1560 Broadway, Suite 925
Denver, CO 80202-5111

Dear Eric Lee Enloe

Congratulations! Below are your electronic wallet cards and a larger wall license to use as proof of your licensure. You may also print your license any time through your Online E-Services account by visiting our homepage at dora.colorado.gov/dre and selecting "Online E-Services" from our "Quick Links".

If you have any questions about your credential, or if you require any additional assistance, please contact our Customer Support Team at (303) 894-2166 or by email at dora_realestate_website@state.co.us.

Eric Lee Enloe 201 W Grand Unit Ph5 Chicago, IL 60654	State of Colorado Department of Regulatory Agencies Division of Real Estate	
 Director: Marcia Waters	 <p>Board of Real Estate Appraisers</p> <p>Eric Lee Enloe Certified General Appraiser</p>	License #: CG100046642 Status: Active Expires: 12/31/2022
For the most up to date information regarding this credential, visit http://dora.colorado.gov/dre		

Colorado Department of Regulatory Agencies Division of Real Estate Eric Lee Enloe Certified General Appraiser	
CG100046642	12/09/2020
License Number	Issue Date
Active	12/31/2022
License Status	Expiration
Verify this license at http://dora.colorado.gov/dre	
	
Director: Marcia Waters	Licensee Signature



Qualifications

Kristopher C. Vigoren, MAI, AI-GRS

Senior Vice President Valuation and Advisory Services, U.S.

Current responsibilities

KC Vigoren serves as Senior Vice President for JLL Valuation Advisory in the United States. In this role, he is focused on performing various appraisal and consulting services for commercial lending, litigation, and tax protest purposes. In addition, his responsibilities include client communications, appraisal review, property inspection, supporting staff of certified appraisers, and mentoring junior appraisers.

Experience

Prior to joining JLL in late 2021, KC served as an Appraisal Review Manager within the Corporate and Investment Bank (CIB) at JPMorgan Chase. In this capacity, he was mainly involved in national portfolio review coordination and management. KC has worked in the commercial real estate industry since 2002 primarily in commercial real estate appraisal and valuation and appraisal review. His background includes the valuation of real estate for multiple applications including market value appraisals, portfolio valuations, investment advisory services, and market rent studies. He has experience appraising a variety of property types including but not limited to; regional malls, lifestyle centers, triple net properties, restaurants, office properties, medical office buildings, industrial properties, self-storage, cold-storage, manufactured-home communities, limited and full-service lodging/hospitality properties, multifamily, student housing, and residential and commercial subdivision development sites.

Education and affiliations

University of Utah: Bachelor of Science in Business Administration with a concentration in Finance.

Appraisal Institute – Designated Member

Contact

T: +1 505 977 5076

E: kc.vigoren@am.jll.com



*Certified General Real
Estate Appraiser:*

- Colorado
- Oregon

Kristopher C Vigoren
7368 South Hudson Way
Centennial, CO 80122

State of Colorado
Department of Regulatory Agencies
Division of Real Estate



Board of Real Estate Appraisers

Kristopher C Vigoren

Certified General Appraiser

License #: CG100035447

Status: Active

Expires: 12/31/2023

Marcia Waters

Director: Marcia Waters



For the most up to date information regarding this credential, visit <http://dora.colorado.gov/dre>

Appendix B

Definitions

Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015), unless otherwise noted.

Amenity

A tangible or intangible benefit of real property that enhances its attractiveness or increases the satisfaction of the user. Natural amenities may include a pleasant location near water or a scenic view of the surrounding area; man-made amenities include swimming pools, tennis courts, community buildings, and other recreational facilities.

As Is Market Value

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

Class of Apartment Property

For the purposes of comparison, apartment properties are grouped into three classes. These classes represent a subjective quality rating of buildings, which indicates the competitive ability of each building to attract similar types of tenants. Combinations of factors such as rent, building finishes, system standards and efficiency, building amenities, location/accessibility, and market perception are used as relative measures.

Class A apartment properties are the most prestigious properties competing for the premier apartment tenants, with rents above average for the area. Buildings have high-quality standard finishes, architectural appeal, state-of-the-art systems, exceptional accessibility, and a definite market presence.

Class B apartment properties compete for a wide range of users, with rents in the average range for the area. Class B buildings do not compete with Class A buildings at the same price. Building finishes are fair to good for the area, and systems are adequate.

Class C apartment properties compete for tenants requiring functional space at rents below the average for the area. Class C buildings are generally older, and are lower in quality and condition.

(Adapted from “Class of Office Building” in *The Dictionary of Real Estate Appraisal*.)

Deferred Maintenance

Needed repairs or replacement of items that should have taken place during the course of normal maintenance.

Depreciation

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

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

Disposition Value

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

1. Consummation of a sale within a future exposure time specified by the client.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time specified by the client.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
10. This definition can also be modified to provide for valuation with specified financing terms.

Effective Date of Appraisal

The date to which the appraiser's analyses, opinions, and conclusions apply; also referred to as date of value.

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.

In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Excess Land; Surplus Land

Excess Land: Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued independently.

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

Exposure Time

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Extraordinary Assumption

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

Fee Simple Estate

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

Floor Area Ratio (FAR)

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

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region.

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

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.

Lease

A contract in which rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

Leasehold Interest

The tenant's possessory interest created by a lease.

Liquidation Value

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

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars, or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
10. This definition can also be modified to provide for valuation with specified financing terms.

Marketing Time

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

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements.

Market Value

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

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Multifamily Property Type

Residential structure containing five or more dwelling units with common areas and facilities. (Source: Appraisal Institute Commercial Data Standards and Glossary of Terms, Chicago, Illinois, 2004 [Appraisal Institute])

Multifamily Classifications

Garden/Low Rise Apartments: A multifamily development of two- or three-story, walk-up structures built in a garden-like setting; customarily a suburban or rural-urban fringe development. (Source: *Appraisal Institute*)

Mid/High-Rise Apartment Building: A multifamily building with four or more stories, typically elevator-served. (Source: Appraisal Institute)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Rentable Floor Area (RFA)

Rentable area shall be computed by measuring inside finish of permanent outer building walls or from the glass line where at least 50% of the outer building wall is glass. Rentable area shall also include all area within outside walls less stairs, elevator shafts, flues, pipe shafts, vertical ducts, air conditioning rooms, fan rooms, janitor closets, electrical closets, balconies and such other rooms not actually available to the tenant for his furnishings and personnel and their enclosing walls. No deductions shall be made for columns and projections unnecessary to the building. (Source: *Income/Expense Analysis, 2013 Edition – Conventional Apartments, Institute of Real Estate Management, Chicago, Illinois*)

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design and layout.

Reproduction Cost

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

Room Count

A unit of comparison used primarily in residential appraisal. No national standard exists on what constitutes a room. The generally accepted method is to consider as separate rooms only those rooms that are effectively divided and to exclude bathrooms.

Stabilized Income

Income at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist and the existing conditions are those expected to continue over the economic life of the property; projected income that is subject to change, but has been adjusted to reflect an equivalent, stable annual income.

Appendix C

Financials and Property Information



Google

Map data ©2022 Imagery ©2022 Maxar Technologies, USDA Farm Service Agency

Powered by CoreLogic®

MAP DATA

FEMA Special Flood Hazard Area: No
Map Number: 08037C0493D
Zone: X
Map Date: December 04, 2007
FIPS: 08037

MAP LEGEND

- Areas inundated by 500-year flooding
- Areas inundated by 100-year flooding
- Velocity Hazard
- Protected Areas
- Floodway
- Subject Area

Property Record Card

Eagle

VAIL CORP
C/O: THE FIXED ASSETS
DEPARTMENT

Account: R066786
 Tax Area: SC103 - VAIL (TOWN) - SC103
 Acres: 5.397

Parcel: 2101-024-03-001
 Situs Address:
 3700 N FRONTAGE RD W
 VAIL AREA

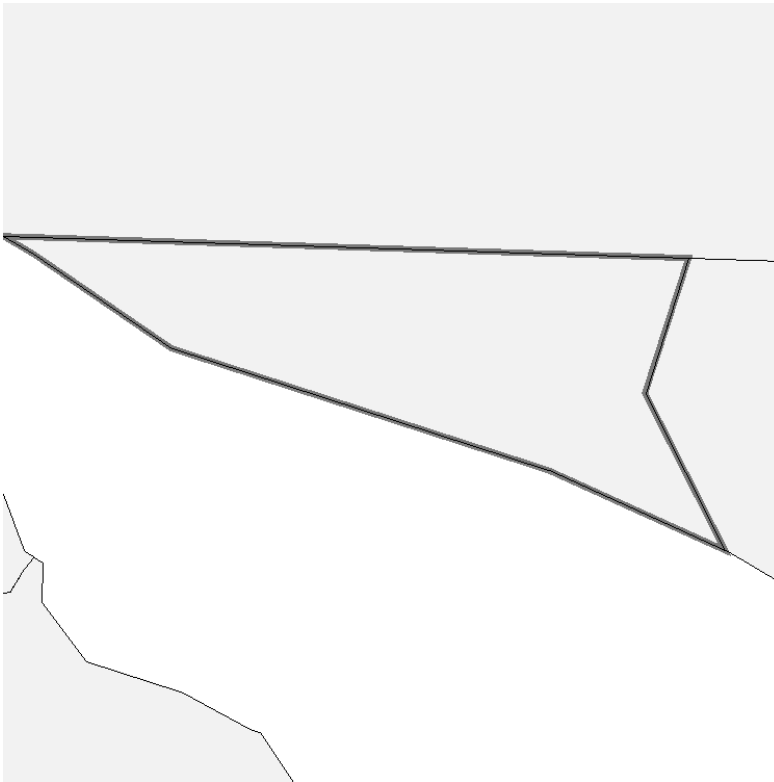
390 INTERLOCKEN CRES STE
 1000
 BROOMFIELD, CO 80021-8056

Value Summary

Value By:	Market	Override
Land (1)	\$4,371,130	N/A
Total	\$4,371,130	\$4,371,130

Legal Description

Subdivision: EAST VAIL WORKFORCE HOUSING SUBDIVISION
 Lot: 1



Land Occurrence 1

Abstract Code	0100 - VACANT RES LAND	Percentage	100
Use Code	1000 - RESIDENTIAL	Neighborhood	204 - BOOTH FALLS
Land Code	6652 - BIGHORN HWY 6	Super Neighborhood	100 - EAST VAIL / BOOTH FALLS
Size	5.397	Zoning	33 - HDMF

SubArea	ACTUAL	EFFECTIVE	HEATED	FOOTPRINT
Land U	9350			
Total	9,350.00			
	Value	Rate	Rate	Rate
	\$4,371,130	467.50		

Abstract Summary

Code	Classification	Actual Value	Taxable Value	Actual Override	Taxable Override
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Property Record Card

Eagle

Abstract Summary

0100	VACANT RES LAND	\$4,371,130	\$1,267,630	NA	NA
Total		\$4,371,130	\$1,267,630	NA	NA

Property Record Card

Eagle

VAIL CORP
C/O: THE FIXED ASSETS
DEPARTMENT

Account: R066787
 Tax Area: SC111 - VAIL (TOWN) - SC111
 Acres: 17.915

Parcel: 2101-024-03-002
 Situs Address:
 3700 N FRONTAGE RD W
 VAIL AREA

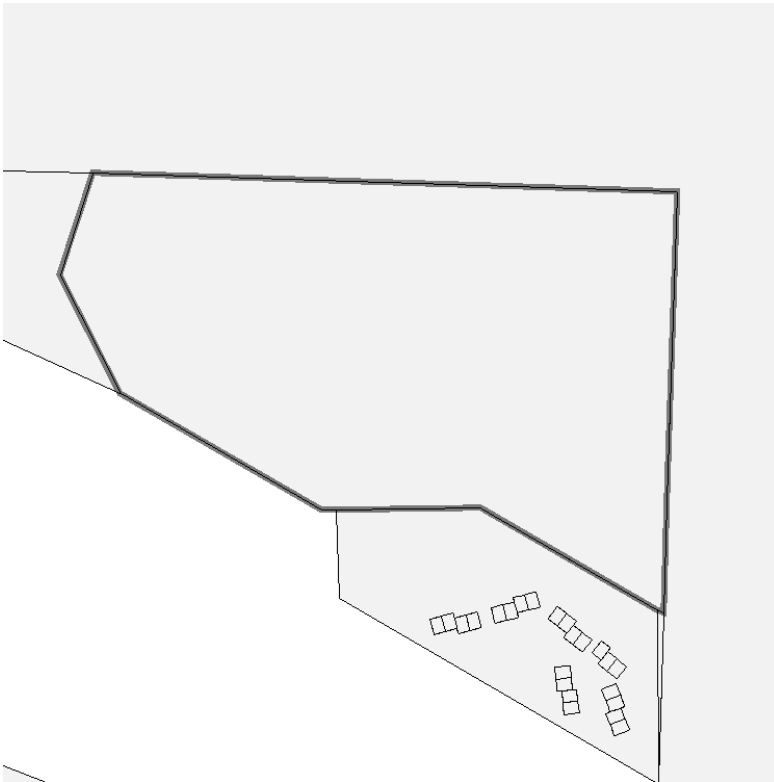
390 INTERLOCKEN CRES STE
 1000
 BROOMFIELD, CO 80021-8056

Value Summary

Value By:	Market	Override
Land (1)	\$91,370	N/A
Total	\$91,370	\$91,370

Legal Description

Subdivision: EAST VAIL WORKFORCE HOUSING SUBDIVISION
 Tract: A



Land Occurrence 1

Abstract Code	0100 - VACANT RES LAND	Percentage	100
Use Code	1000 - RESIDENTIAL	Neighborhood	204 - BOOTH FALLS
Land Code	7067 - OPEN SPACE	Super Neighborhood	100 - EAST VAIL / BOOTH FALLS
Size	17.915	Zoning	18 - OS

SubArea	ACTUAL	EFFECTIVE	HEATED	FOOTPRINT
Land A	17.915			
Total	17.915			
	Value	Rate	Rate	Rate
	\$91,370	5,098.77		

Abstract Summary

Code	Classification	Actual Value	Taxable Value	Actual Override	Taxable Override
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Property Record Card

Eagle

Abstract Summary

0100	VACANT RES LAND	\$91,370	\$26,500	NA	NA
Total		\$91,370	\$26,500	NA	NA

ARTICLE I. HOUSING (H) DISTRICT

SECTION:

12-6I-1:: Purpose

12-6I-2:: Permitted Uses

12-6I-3:: Conditional Uses

12-6I-4:: Accessory Uses

12-6I-5:: Setbacks

12-6I-6:: Site Coverage

12-6I-7:: Landscaping And Site Development

12-6I-8:: Parking And Loading

12-6I-9:: Location Of Business Activity

12-6I-10:: Other Development Standards

12-6I-11:: Development Plan Required

12-6I-12:: Development Plan Contents

12-6I-13:: Development Standards/Criteria For Evaluation

12-6I-1: PURPOSE:

The housing district is intended to provide adequate sites for employee housing which, because of the nature and characteristics of employee housing, cannot be adequately regulated by the development standards prescribed for other residential zone districts. It is necessary in this zone district to provide development standards specifically prescribed for each development proposal or project to achieve the purposes prescribed in section 12-1-2 of this title and to provide for the public welfare. Certain nonresidential uses are allowed as conditional uses, which are intended to be incidental and secondary to the residential uses of the district. The housing district is intended to ensure that employee housing permitted in the zone district is appropriately located and designed to meet the needs of residents of Vail, to harmonize with surrounding uses, and to ensure adequate light, air, open spaces, and other amenities appropriate to the allowed types of uses. (Ord. 29(2005) § 23: Ord. 19(2001) § 2: Ord. 3(2001) § 2)

12-6I-2: PERMITTED USES:

The following uses shall be permitted in the H district:

Bicycle and pedestrian paths.

Communications antennas and appurtenant equipment.

Employee housing units, as further regulated by chapter 13 of this title.

Passive outdoor recreation areas, and open space. (Ord. 12(2008) § 10)

12-6I-3: CONDITIONAL USES:

The following conditional uses shall be permitted in the H district, subject to issuance of a conditional use permit in accordance with the provisions of chapter 16 of this title:

Commercial uses which are secondary and incidental (as determined by the planning and environmental commission) to the use of employee housing and specifically serving the needs of the residents of the development, and developed in conjunction with employee housing, in which case the following uses may be allowed subject to a conditional use permit:

Automated teller machines (ATMs) exterior to a building.

Banks and financial institutions.

Business offices and professional offices, as further regulated by section 12-16-7 of this title.

Child daycare facilities.

Eating and drinking establishments.

Funiculars and other similar conveyances.

Health clubs.

Personal services, including, but not limited to, laundromats, beauty and barber shops, tailor shops, and similar services.

Retail stores and establishments.

Dwelling units (not employee housing units) subject to the following criteria to be evaluated by the planning and environmental commission:

A. Dwelling units are created solely for the purpose of subsidizing employee housing on the property, and

B. Dwelling units are not the primary use of the property. The GRFA for dwelling units shall not exceed thirty percent (30%) of the total GRFA constructed on the property, and

C. Dwelling units are only created in conjunction with employee housing, and

D. Dwelling units are compatible with the proposed uses and buildings on the site and are compatible with buildings and uses on adjacent properties.

Outdoor patios.

Public and private schools.

Public buildings, grounds and facilities.

Public parks and recreational facilities.

Public utilities installations including transmission lines and appurtenant equipment. (Ord. 12(2008) § 10)

12-6I-4: ACCESSORY USES:

The following accessory uses shall be permitted in the H district:

Home occupations, subject to issuance of a home occupation permit in accordance with the provisions of section 12-14-12 of this title.

Minor arcades.

Private greenhouses, toolsheds, playhouses, attached garages or carports, swimming pools, or recreation facilities customarily incidental to permitted residential uses.

Other uses customarily incidental and accessory to permitted or conditional uses, and necessary for the operation thereof. (Ord. 29(2005) § 23: Ord. 19(2001) § 2: Ord. 3(2001) § 2)

12-6I-5: SETBACKS:

The setbacks in this district shall be twenty feet (20') from the perimeter of the zone district. At the discretion of the planning and environmental commission, variations to the setback standards may be approved during the review of a development plan subject to the applicant demonstrating compliance with the following criteria:

A. Proposed building setbacks provide necessary separation between buildings and riparian areas, geologically sensitive areas and other environmentally sensitive areas.

B. Proposed building setbacks will provide adequate availability of light, air and open space.

C. Proposed building setbacks will provide a compatible relationship with buildings and uses on adjacent properties.

D. Proposed building setbacks will result in creative design solutions or other public benefits that could not otherwise be achieved by conformance with prescribed setback standards.

Variations to the twenty foot (20') setback shall not be allowed on property lines adjacent to HR, SFR, R, PS, and RC zoned properties, unless a variance is approved by the planning and environmental commission pursuant to chapter 17 of this title. (Ord. 19(2001) § 2: Ord. 3(2001) § 2)

12-6I-6: SITE COVERAGE:

Site coverage shall not exceed fifty five percent (55%) of the total site area. At the discretion of the planning and environmental commission, site coverage may be increased if seventy five percent (75%) of the required parking spaces are underground or enclosed, thus reducing the impacts of surface paving provided within a development, and that the minimum landscape area requirement is met. (Ord. 19(2001) § 2: Ord. 3(2001) § 2)

12-6I-7: LANDSCAPING AND SITE DEVELOPMENT:

At least thirty percent (30%) of the total site area shall be landscaped. The minimum width and length of any area qualifying as landscaping shall be fifteen feet (15') with a minimum area not less than three hundred (300) square feet. (Ord. 19(2001) § 2: Ord. 3(2001) § 2)

12-6I-8: PARKING AND LOADING:

Off street parking shall be provided in accordance with chapter 10 of this title. No parking or loading area shall be located within any required setback area. At the discretion of the planning and environmental commission, variations to the parking standards outlined in chapter 10 of this title may be approved during the review of a development plan subject to a parking management plan. The parking management plan shall be approved by the planning and environmental commission and shall provide for a reduction in the parking requirements based on a demonstrated need for fewer parking spaces than chapter 10 of this title would require. For example, a demonstrated need for a reduction in the required parking could include:

A. Proximity or availability of alternative modes of transportation including, but not limited to, public transit or shuttle services.

B. A limitation placed in the deed restrictions limiting the number of cars for each unit.

C. A demonstrated permanent program including, but not limited to, rideshare programs, carshare programs, shuttle service, or staggered work shifts. (Ord. 19(2001) § 2: Ord. 3(2001) § 2)

12-6I-9: LOCATION OF BUSINESS ACTIVITY:

A. Limitation; Exception: All conditional uses in section 12-6I-3 of this article shall be operated and conducted entirely within a

building, except for permitted loading areas and such activities as may be specifically authorized to be unenclosed by a conditional use permit and the outdoor display of goods.

B. Outdoor Display Areas: The area to be used for outdoor display must be located directly in front of the establishment displaying the goods and entirely upon the establishment's own property. Sidewalks, building entrances and exits, driveways and streets shall not be obstructed by outdoor display. (Ord. 19(2001) § 2: Ord. 3(2001) § 2)

12-6I-10: OTHER DEVELOPMENT STANDARDS:

A. Prescribed By Planning And Environmental Commission: In the H district, development standards in each of the following categories shall be as proposed by the applicant, as prescribed by the planning and environmental commission, and as adopted on the approved development plan:

1. Lot area and site dimensions.
2. Building height.
3. Density control (including gross residential floor area). (Ord. 19(2001) § 2: Ord. 3(2001) § 2)

12-6I-11: DEVELOPMENT PLAN REQUIRED:

A. Compatibility With Intent: To ensure the unified development, the protection of the natural environment, the compatibility with the surrounding area and to assure that development in the housing district will meet the intent of the zone district, an approved development plan shall be required.

B. Plan Process And Procedures: The proposed development plan shall be in accordance with section 12-6I-12 of this article and shall be submitted by the developer to the administrator, who shall refer it to the planning and environmental commission, which shall consider the plan at a regularly scheduled meeting.

C. Hearing: The public hearing before the planning and environmental commission shall be held in accordance with section 12-3-6 of this title. The planning and environmental commission may approve the application as submitted, approve the application with conditions or modifications, or deny the application. The decision of the planning and environmental commission may be appealed to the town council in accordance with section 12-3-3 of this title.

D. Plan As Guide: The approved development plan shall be used as the principal guide for all development within the housing district.

E. Amendment Process: Amendments to the approved development plan will be considered in accordance with the provisions of section 12-9A-10 of this title.

F. Design Review Board Approval Required: The development plan and any subsequent amendments thereto shall require the approval of the design review board in accordance with the applicable provisions of chapter 11 of this title prior to the commencement of site preparation. (Ord. 29(2005) § 23: Ord. 19(2001) § 2: Ord. 3(2001) § 2)

12-6I-12: DEVELOPMENT PLAN CONTENTS:

The administrator shall establish the submittal requirements for a development plan application. A complete list of the submittal requirements shall be maintained by the administrator and filed in the department of community development. Certain submittal requirements may be waived and/or modified by the administrator and/or the reviewing body if it is demonstrated by the applicant that the information and materials required are not relevant to the proposed development or applicable to the planning documents that comprise the Vail comprehensive plan. The administrator and/or the reviewing body may require the submission of additional plans, drawings, specifications, samples and other materials if deemed necessary to properly evaluate the proposal. (Ord. 29(2005) § 23: Ord. 5(2003) § 3: Ord. 19(2001) § 2: Ord. 3(2001) § 2)

12-6I-13: DEVELOPMENT STANDARDS/CRITERIA FOR EVALUATION:

The following criteria shall be used as the principal means for evaluating a proposed development plan. It shall be the burden of the applicant to demonstrate that the proposed development plan complies with all applicable design criteria.

A. Building design with respect to architecture, character, scale, massing and orientation is compatible with the site, adjacent properties and the surrounding neighborhood.

B. Buildings, improvements, uses and activities are designed and located to produce a functional development plan responsive to the site, the surrounding neighborhood and uses, and the community as a whole.

C. Open space and landscaping are both functional and aesthetic, are designed to preserve and enhance the natural features of the site, maximize opportunities for access and use by the public, provide adequate buffering between the proposed uses and surrounding properties, and, when possible, are integrated with existing open space and recreation areas.

D. A pedestrian and vehicular circulation system is designed to provide safe, efficient and aesthetically pleasing circulation to the site and throughout the development.

E. Environmental impacts resulting from the proposal have been identified in the project's environmental impact report, if not waived, and all necessary mitigating measures are implemented as a part of the proposed development plan.

F. Compliance with the Vail comprehensive plan and other applicable plans. (Ord. 29(2005) § 23: Ord. 19(2001) § 2: Ord. 3(2001) § 2)

ARTICLE C. NATURAL AREA PRESERVATION (NAP) DISTRICT

SECTION:

12-8C-1: Purpose

12-8C-2: Permitted Uses

12-8C-3: Conditional Uses

12-8C-4: Accessory Uses

12-8C-5: Development Standards

12-8C-6: Parking And Loading

12-8C-7: Additional Development Standards

12-8C-1: PURPOSE:

The natural area preservation district is designed to provide areas which, because of their environmentally sensitive nature or natural beauty, shall be protected from encroachment by any building or other improvement, other than those listed in section 12-8C-2 of this article. The natural area preservation district is intended to ensure that designated lands remain in their natural state, including reclaimed areas, by protecting such areas from development and preserving open space. The natural area preservation district includes lands having valuable wildlife habitat, exceptional aesthetic or flood control value, wetlands, riparian areas and areas with significant environmental constraints. Protecting sensitive natural areas is important for maintaining water quality and aquatic habitat, preserving wildlife habitat, flood control, protecting view corridors, minimizing the risk from hazard areas, and protecting the natural character of Vail which is so vital to the town's tourist economy. The intent shall not preclude improvement of the natural environment by the removal of noxious weeds, deadfall where necessary to protect public safety or similar compatible improvements. (Ord. 21(1994) § 10)

12-8C-2: PERMITTED USES:

The following shall be permitted uses in the NAP district:

Nature preserves. (Ord. 21(1994) § 10)

12-8C-3: CONDITIONAL USES:

The following conditional uses shall be permitted in the NAP district, subject to the issuance of a conditional use permit in accordance with the provisions of chapter 16 of this title:

Equestrian trails, used only to access national forest system lands.

Interpretive nature walks.

Parking, when used in conjunction with a permitted or conditional use.

Paved and unpaved, nonmotorized, bicycle paths and pedestrian walkways.

Picnic tables and informal seating areas.

Other uses customarily incidental and accessory to permitted or conditional uses and necessary for the operation thereof, with the exception of buildings. (Ord. 21(1994) § 10)

12-8C-4: ACCESSORY USES:

Not applicable in the NAP district. (Ord. 21(1994) § 10)

12-8C-5: DEVELOPMENT STANDARDS:

Not applicable in the NAP district. (Ord. 21(1994) § 10)

12-8C-6: PARKING AND LOADING:

Parking and loading requirements will be determined by the planning and environmental commission during the review of conditional use requests in accordance with the provisions of chapter 16 of this title. (Ord. 21(1994) § 10)

12-8C-7: ADDITIONAL DEVELOPMENT STANDARDS:

Additional regulations pertaining to site development standards and the development of land in the natural area preservation district are found in chapter 14, "Supplemental Regulations", of this title. (Ord. 21(1994) § 10)

Appendix D

Comparable Data

Land Sale Comparables

Land Sale Comparable 1

Property Information

Property Name	1326 Spraddle Creek Road
Address	1326 Spraddle Creek Road
City	Vail
State	CO
Zip	81657
ID	375933



Transaction Details

Price	\$10,800,000
Date	11/2/2021
Price Per Acre	\$1,695,447
Price Per Land SF	\$38.92
Price Per Usable Acre	\$1,695,447
Price Per Usable Land SF	\$38.92
Grantor	Undisclosed
Grantee	Undisclosed
Property Rights	Fee Simple
Financing	Conventional
Conditions of Sale	Normal
Transaction Type	Listing

Property Information

Site Data

Acres	6.37
Land SF	277,477
Usable Acres	6.37
Usable Land SF	277,477
Zoning	Hillside Residential
Topography	Moderate Slope
Shape	Irregular

Operating Data / Key Indicators

Comments

This is the sale of 6.37 acres of residential land located in the Spraddle Creek Estates development.

Land Sale Comparable 2

Property Information

Property Name 358 Riverfront Lane
Address 358 Riverfront Lane
City Avon
State CO
Zip 81620
ID 376040

Transaction Details

Price \$1,450,000
Date 12/14/2020
Price Per Acre \$1,609,305
Price Per Land SF \$36.94
Price Per Usable Acre \$1,609,305
Price Per Usable Land SF \$36.94

Grantor Undisclosed
Grantee Chapin V Ness
Property Rights Fee Simple
Financing Conventional
Conditions of Sale Normal
Transaction Type Closed Sale



Acres 0.90
Land SF 39,248
Usable Acres 0.90
Usable Land SF 39,248
Zoning PUD
Topography Level
Shape Irregular

Property Information

Site Data

Operating Data / Key Indicators

Comments

This is the sale of .90 acres of vacant land planned for future residential or multifamily development. No conditions were reported to have affected the sale price.

Land Sale Comparable 3

Property Information

Property Name	1783 North Frontage Road
Address	1783 North Frontage Road
City	Vail
State	CO
Zip	81657
ID	376043



Transaction Details

Price	\$7,250,000
Date	1/21/2020
Price Per Acre	\$3,643,216
Price Per Land SF	\$83.64
Price Per Usable Acre	\$3,643,216
Price Per Usable Land SF	\$83.64
Grantor	Vail Hotel Owner
Grantee	Vail Hospitality Group LLC
Property Rights	Fee Simple
Financing	Conventional
Conditions of Sale	Normal
Transaction Type	Closed Sale

Property Information

Site Data

Acres	1.99
Land SF	86,684
Usable Acres	1.99
Usable Land SF	86,684
Zoning	Public Accommodations
Topography	Level
Shape	Irregular

Operating Data / Key Indicators

Comments

This is the sale of 1.99 acres of land zoned for public accommodation use. The site is proposed to include 170 extended-stay hotel rooms along with 96 deed-restricted employee apartments. No conditions were reported to have affected the sale price.

Land Sale Comparable 4

Property Information

Property Name	80 West Main Street
Address	80 West Main Street
City	Frisco
State	CO
Zip	80443
ID	370103



Transaction Details

Price	\$2,700,000
Date	11/13/2019
Price Per Acre	\$1,363,636
Price Per Land SF	\$31.30
Price Per Usable Acre	\$1,363,636
Price Per Usable Land SF	\$31.30
Grantor	Royal Mountain Land
Grantee	White Pine Residences
Property Rights	Fee Simple
Financing	Conventional
Conditions of Sale	Normal
Transaction Type	Closed Sale

Site Data

Acres	1.98
Land SF	86,249
Usable Acres	1.98
Usable Land SF	86,249
Zoning	PUD
Topography	Level
Shape	Rectangular

Property Information

Operating Data / Key Indicators

Comments

This is the sale of 1.98 acres of land located along West Main Street. The property was on the market for approximately four months and the buyer plans to build multifamily buildings on the site.

Appendix E

Engagement Letter

Eric L. Enloe, MAI, CRE, FRICS
Managing Director
200 E Randolph, 47th Floor
Chicago, IL 60601
312-252-8913
Eric.Enloe@am.jll.com

December 16, 2021

George Ruther
Director
Housing Department
Town of Vail
75 South Frontage Road
Vail, CO 81657
Direct: 970.376.2675

RE: Valuation & Advisory Services for the Property: Booth Heights Land Development Site

Dear Mr. Ruther,

JLL Valuation & Advisory Services, LLC (JLL VA) is pleased to provide this proposal and engagement letter for valuation and advisory services regarding the Property.

PROPERTY IDENTIFICATION Booth Heights Land Development Site, Vail, CO

PROPERTY TYPE: 23.5 acre land development site

INTEREST APPRAISED: Fee Simple

INTENDED USERS: Town of Vail [NO OTHER USERS ARE INTENDED BY JLL VALUATION & ADVISORY SERVICES, LLC.]

INTENDED USE: Asset evaluation for a potential acquisition

VALUES PROVIDED: As Is Market Value (land only) as well as a prospective stabilized proforma at completion of a multifamily project

VALUATION DATE: As of the date of inspection

APPRAISAL STANDARDS: Uniform Standards of Professional Appraisal Practice (USPAP) by the Appraisal Foundation, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute

PROPERTY INSPECTION: JLL VA will conduct an inspection of the Property.

VALUATION APPROACHES: Sales comparison approach for the land analysis. We would perform an analysis of other comparable land sales and make appropriate adjustments for differences between the subject property and the comparables. For the prospective stabilized proforma at completion of the multifamily project, we would perform an income capitalization approach.

APPRAISAL REPORT: Appraisal Report-Standard

FEE: \$10,000. This fee includes an appearance at a Village of Vail meeting on January 18, 2022 or a date TBD.

EXPENSES: The fee includes the expenses related to this engagement. There will be no added charges for travel, delivery fees or report production costs

DELIVERY DATE: January 14, 2022

Delays in obtaining the data needed to complete this assignment or delays in accessing the property for inspection (if applicable) may result in delays in the date our analysis is completed and delivered.

DELIVERY METHOD: A PDF of the report(s) will be delivered to the client contact identified on this engagement letter. Two hard copies are available at client's request. Additional copies can be requested at \$250 per copy.

This engagement letter is subject to the General Terms and Conditions attached to this letter as Exhibit A, the Statement of Assumptions and Limiting Conditions attached to this letter as Exhibit B.

Upon your acceptance of this Agreement, we will forward our information request and coordinate a property inspection. We will update you within 48 hours of receiving the signed engagement to confirm our information request was provided and a property inspection is scheduled.

We appreciate the opportunity to be of service. Providing white-glove service and the least amount of disruption at the property is our top priority.

Sincerely,

JLL VALUATION & ADVISORY SERVICES, LLC



Eric L. Enloe, MAI, CRE, FRICS
Managing Director

George Ruther

Printed Name

gruther@vailgov.com

Email Address

Town of Vail Housing Department

Company

(970) 376 2675

Phone Number

AGREED AND ACCEPTED BY:

Town of Vail



Signature

12/16/21

Date

Exhibit A

Terms and Conditions

1. INTRODUCTION

- 1.1** These Terms and Conditions supplement the proposal, agreement, letter of engagement or email (the “engagement”) between JLL Valuation and Advisory Services, LLC and the Client indicated in the engagement that sets out details of the Services to be provided to the Client. All capitalized terms in this exhibit have the meanings given to them in the engagement unless given a different meaning in this exhibit. These Terms and Conditions, together with the engagement and all other exhibits, schedules and riders to the engagement, are collectively called the “agreement”.

2. SERVICES

- 2.1** We will provide the Services using reasonable care and skill.
- 2.2** We may make changes to the Services if necessary to comply with any law or safety requirement. We will notify you if that happens. Otherwise, JLL and the Client must agree in writing to any changes to the Services, the Fees, or any other provision of the agreement.

3. CLIENT OBLIGATIONS

- 3.1** You agree to give us all documents and other information that we advise you are reasonably necessary for us to provide the Services.
- 3.2** You will maintain adequate property and public liability insurance to reasonably insure property that you own or occupy and any activities on that property. You will obtain all necessary licenses, permissions and consents which may be required to enable us to perform the Services (other than professional licenses that we are required to maintain to perform the Services). You are responsible to keep your property in a safe condition so that we may perform the Services in reasonable safety.
- 3.3** You will notify us promptly if you believe any information you have provided is incomplete or inaccurate.

4. DELAY

We are not responsible for any delay in our

performance of the Services if caused by any event beyond our reasonable control, or for any delay caused by your failure to comply with the agreement.

5. FEES, EXPENSES AND PAYMENT

- 5.1** Our fee in its entirety is earned upon delivery of the first report. We will invoice you at time of delivery for any outstanding balance.
- 5.2** You agree that your obligation to pay the Fee is not contingent upon the results, conclusions or recommendations we provide.
- 5.3** If we are asked to invoice any other party, you agree to settle our invoice immediately if the other party does not do so within 30 days of the date of the invoice.
- 5.4** Delinquent payments under the agreement will earn interest at the rate of one and one-half percent (1-1/2%) per month from the date due until paid, or if lower, the maximum rate permitted by law. If the Fee or any part of it remains unpaid 30 days after it was due, you may not use any report or work product we have delivered to you for any reason.
- 5.5** If you terminate this agreement before the Services are completed, you will pay us, no later than the termination date, a reasonable fee proportionate to the part of the Services performed to the date of termination.
- 5.6** Our rights under Section 5.3 and 5.4 are in addition to, and will not limit, our right to pursue any other rights and remedies under the agreement or at law or in equity.

6. INDEMNITY

You agree to indemnify and defend us and hold us harmless from any loss, liability or expense (including attorneys’ fees) arising from a third party action, claim or proceeding (“Loss”) that we suffer arising out of the agreement or the Services, other than Loss that a court of competent jurisdiction has determined was the result of our negligence or willful misconduct. We agree to indemnify and defend you and hold you harmless from any Loss that you suffer arising out of our negligent performance of Services under the agreement, other than Loss that is found by a court of competent jurisdiction to result from your negligence or willful misconduct.

7. EXCLUSIONS OF, AND LIMITATIONS ON, LIABILITY

- 7.1** EACH OF JLL AND THE CLIENT WAIVES ANY CLAIMS AGAINST EACH OTHER FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THE AGREEMENT. IN NO EVENT SHALL JLL'S LIABILITY IN CONNECTION WITH THE AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.

8. TERMINATION

- 8.1** Either of us may terminate the agreement without reason by giving 30 days' advance written notice to the other.
- 8.2** Either of us may terminate the agreement immediately if the other breaches the agreement and fails to remedy the breach within 10 days of notice by the non-breaching party.
- 8.3** We may terminate the agreement immediately for any of the following reasons:
- (a) We cannot provide any of the Services due to conditions beyond our reasonable control.
 - (b) In our reasonable opinion, there is insufficient information available to provide a report or other work product that meets our standards.
 - (c) A conflict of interest arises which prevents us from acting for you.
 - (d) You have asked us to provide reports or work product that we do not consider to be accurate.

9. ASSUMPTIONS AND LIMITATIONS

- 9.1** Any report or other work product we deliver as part of the Services will be subject to our standard Statement of Assumptions and Limiting Conditions, provided as an exhibit and as part of the agreement, which will be incorporated into the report or work product.
- 9.2** We understand that you may wish to use the report or other work product we deliver as part of the Services to support your Stark law and Anti-Kickback compliance process. Our reports and work product are appraisals prepared pursuant to Uniform Standards of Professional Appraisal Practice, and do not undertake to evaluate any such compliance. You acknowledge that many factors in addition to

property value must be considered to determine Stark or anti-kickback law compliance, and agree that any reports and work product we deliver make no opinion or representation that any transaction involving property we appraise is compliant with Stark law or any anti-kickback law.

10. CONFIDENTIALITY

- 10.1** We each agree to maintain the confidentiality of each other's confidential information and will not disclose any information received in confidence from each other, until two years after termination or expiration of the agreement, except where required to do so by law.
- 10.2** Any report or other work product that we deliver to you in connection with the Services is confidential and may be used by only you, unless we agree otherwise in writing.

11. INTELLECTUAL PROPERTY RIGHTS

- 11.1** We retain all copyright (and other intellectual property rights) in all materials, reports, systems and other deliverables which we produce or develop for the purposes of the agreement, or which we use to provide the Services.
- 11.2** You will not reproduce or copy any part of any report or other work product we produce as part of the Services without our prior written consent.

12. GENERAL

- 12.1** The agreement may be modified only by a written agreement signed by both of us. Liability accruing before the agreement terminates or expires will survive termination or expiration.
- 12.2** The agreement states the entire agreement, and supersedes all prior agreements, between you and JLL with respect to the matters described in the agreement.
- 12.3** If a court determines that any part of the agreement is unenforceable, the remainder of the agreement will remain in effect.
- 12.4** The agreement is governed by the laws of the State of Illinois. Each of us irrevocably submits to the exclusive jurisdiction of the courts of that State.
- 12.5** The agreement may be executed in multiple counterparts.

- 12.6** No director, officer, agent, employee or representative of either of us has any personal liability in connection with the agreement.
- 12.7** Neither of us may assign or transfer any rights or obligations under the agreement without the prior written approval of the other. We each agree to be reasonable in evaluating such a request for approval.
- 12.8** If there is any conflict between the terms of the letter and this exhibit, the terms of the letter will prevail.
- 12.9** If either of us fails to enforce any provision or exercise any right under the Agreement at any time, that failure will not operate as a waiver to enforce that provision or to exercise that right at any other time.
- 12.10** The agreement does not establish any partnership or joint venture between us, or make either of us the agent of the other.
- 12.11** A person who is not a party to the agreement does not have any rights to enforce its terms unless specifically agreed in writing.
- 12.12** Neither of us may publicize or issue any specific information to the media about the Services or the agreement without the written consent of the other.
- 12.13** Each of us represents to the other that it is not a person or entity with whom U.S. entities are restricted from doing business under regulations of the Office of Foreign Asset Control (“OFAC”) of the Department of the Treasury (including those named on OFAC’s Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action. Each of us agrees to comply with all applicable laws, statutes, and regulations relating to anti-bribery and anti-corruption.
- 12.14** If either party does not comply with the obligations under the agreement and legal action is commenced to enforce the rights under the agreement, the faulty losses will reimburse the prevailing party reasonable costs (including attorneys’ fees), associated with such action.
THE PARTIES HEREBY WAIVE TRIAL BY JURY.
- 12.15** Sections 5, 6, 7, 10, 11, 12.1, 13, 17 and 18 will survive termination of the agreement.

13. USE OF DATA AND DATA PROTECTION

- 13.1** You agree as follows: (i) The data we collect in connection with the agreement will remain our property. (ii) We and our affiliates may utilize,

sell and include data you have provided (either in the aggregate or individually) in the databases of JLL and its affiliates and for use in derivative products. (iii) We may utilize all data already in the public domain on an unrestricted basis.

- 13.2** In order for us to provide the Services, we may need to record and maintain in hard copy and/or in electronic form, information regarding the Client, its officers and any other individuals connected with the Client (collectively “Data Subjects”). We may also verify the identity of Data Subjects, which could include carrying out checks with third parties such as credit reference, anti-money laundering or sanctions checking agencies.
- 13.3** We may use all information that we hold regarding Data Subjects to provide the Services. We may also use and share it with third parties for other purposes as described in our Privacy Statement available at www.jll.com. We may use both commercially available and proprietary software programs to perform the Services (web based and others).

14. SPECIAL EXPERTS

- 14.1** If you request our assistance in hiring a special expert to contribute to any assignment (such as a surveyor, environmental consultant, land planner, architect, engineer, business, personal property, machinery and equipment appraiser, among others), you will perform your own due diligence to qualify the special expert. You will be responsible to pay for the services of the special expert.
- 14.2** We not responsible for the actions and findings of any special expert. You agree to indemnify and defend us and hold us harmless from all damages that may arise out of your reliance on any special expert.

15. CONFLICTS POLICY

JLL adheres to a strict conflict of interest policy. If we learn of a conflict of interest, we will notify you and recommend a course of action to resolve the conflict. If we learn of a conflict that we do not believe can be resolved, we may terminate the agreement without penalty.

16. FIRREA REQUIREMENTS

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, any report produced by JLL under the agreement, if ordered independent of a financial institution or agent, might not be FIRREA compliant or acceptable to a federally regulated financial institution.

17. USPAP REQUIREMENTS

The Ethics Rule of the Uniform Standards of Professional Appraisal Practice (“USPAP”) requires us to disclose to you any prior services (appraisal or otherwise) performed within three years prior to the date of this letter by the individual JLL appraiser who will be performing Services for the Property. We represent that to our knowledge, that JLL has not provided prior services within the designated disclosure period, outside of what we have identified.

18. USE OF WORK PRODUCT AND RELIANCE

- 18.1** You agree that any report or other work product we produce in connection with the Services are for your use only, and only for the purpose indicated in the agreement. No person or entity other than the Client may use or rely on any such report or work product unless we consent otherwise in writing, even if such reliance is foreseeable. Any person who receives a copy of any report or other work product we produce as a consequence of disclosure requirements that apply to the Client, does not become an intended user of this report unless the Client specifically identified them at the time of the engagement.

- 18.2** You will not use any such report or work product in connection with any public documents. You will not refer to JLL in any public documents without our prior written consent. We may give or withhold our consent in our sole discretion for any purpose under this Section 18.
- 18.3** Notwithstanding the foregoing, JLL understands that applicable law in eminent domain proceedings may require you to disclose our reports and work product to landowners and to otherwise make our reports and work product available to the public. To the extent required by applicable law, JLL consents to such disclosure. However, you and only you, and no such landowner or other person or entity, may rely on our reports or our work product.

19. LITIGATION MATTERS

- 19.1** We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in the agreement or otherwise in writing, or if required by law.
- 19.2** If we receive a subpoena or other judicial command to produce documents or to provide testimony in a lawsuit or proceeding regarding the agreement, we will notify you if allowed by law to do so. However, if we are not a party to these proceedings, you agree to compensate us for our professional time at the then prevailing hourly rates of the personnel responding to the subpoena or providing testimony, and to reimburse us for our actual expenses incurred in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred.

v. 02_27_2020

Exhibit B

Statement of Assumptions and Limiting Conditions

1. All reports and work product we deliver to you (collectively called “report”) represents an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecast in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. We are not liable for any conclusions in the report that may be different if there are subsequent changes in value. We are not liable for loss relating to reliance upon our report more than three months after its date.
3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. We are not liable for any loss arising from these differences.
4. We are not obligated to predict future political, economic or social trends. We assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.
5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.
6. We assume responsible ownership and competent property management.
7. The appraisal process requires information from a wide variety of sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.
8. We assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. We recommend that you engage suitable consultants to advise you on these matters.
9. We assume that all engineering studies correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.
10. We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. We are not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.
11. We assume that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. We have not made or requested any environmental impact studies in conjunction with the report. We reserve the right to

revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.

12. Unless otherwise stated in the report, you should assume that we did not observe any hazardous materials on the property. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances, and we are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. We do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. We encourage you to retain an expert in this field, if desired. We are not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist. We are not experts in the field of environmental conditions, and the report is not an environmental assessment of the property.
13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.
14. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the Americans with Disabilities Act ("ADA"), Stark law or any anti-kickback laws. We claim no expertise in such issues and render no opinion regarding compliance of you or the property with ADA, Stark law or anti-kickback law or regulations.
15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.
16. We assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in the report is based.
17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.
19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.
20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any

associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.

21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, we do not make allowance for any liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
22. Any allocation in the report of value between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
23. The report is confidential to the party to whom it is addressed and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement.
24. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.
25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.
26. We may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. We will not verify documents, information and assumptions derived from industry sources or that JLL or its affiliates have prepared in the regular course of business. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.
27. JLL IS NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL THE LIABILITY OF JLL AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.
28. Unless expressly advised to the contrary, we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.
29. We assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
30. We may determine during the course of the assignment that additional Hypothetical Conditions and Extraordinary Assumptions may be required in order to complete the assignment. The report will be subject to those Hypothetical Conditions and Extraordinary Assumptions. Each person that is permitted to use the report agrees to be bound by all the Assumptions and Limiting Conditions and any Hypothetical Conditions and Extraordinary Assumptions stated in the report.

JLL Valuation Advisory is pleased to be completing valuation services relating to your property. The following represents a general request of items specific to your property type. Some items may not apply or be readily available. Please reach out anytime with questions.

Financial information

1. Details of a pending sale agreement within past 3 years. A copy of purchase & sale agreement or offering memorandum is preferred.
2. Any information on costs for entitlements and site improvements to date.
3. Proposed unit mix including market and affordable blend

Property information

1. Site survey, site plan, legal description and/or plat map.
2. Ad Valorem tax bill (real property and personal property, if applicable).



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