

EVALUATION

RESTRICTED APPRAISAL REPORT



FAMILY DOLLAR

130 22nd Street
Greeley, CO 80631

Date of Value: July 17, 2020

PREPARED FOR

Benjamin Matthews
Bank of Colorado
1801 Broadway
Denver, CO 80202

PREPARED BY

Synergy Appraisal Group
5580 La Jolla Blvd
La Jolla, CA 92037
+1 (866) 888-5882

Wednesday, August 12, 2020

Benjamin Matthews
President
Bank of Colorado
1801 Broadway
Denver, CO 80202

RE: EVALUATION
130 22nd Street
Greeley, CO 80631

Dear Mr. Matthews,

Pursuant to your request regarding the above captioned property a Restricted Appraisal Report also referred to as an evaluation of real property collateral, which is limited in scope and detail has been prepared. The applicable approaches to the valuation of the subject property have been utilized, which are the Sales Comparison in an abbreviated format.

Descriptive materials and supporting documentation as to the appraisers reasoning and conclusions are retained within the appraisers work files. The use of this document is restricted to our client (Bank of Colorado) only. It should be noted that it is possible this report cannot be properly understood without additional information contained in the work file of the appraiser. Reliance on this report by anyone other than the intended user is prohibited. It is our understanding that our client, Bank of Colorado also the intended user, is utilizing the report for Decision-Making/Internal.

The purpose of the appraisal is to provide an opinion of the "As Is" market value of the subject as of the date of inspection. The property rights appraised are of the Market Value - Leased Fee Interest.

On the basis of our inspection and market research, it is our opinion that the "As Is" market value of the Market Value - Leased Fee interest in the subject property, as of , the date of inspection, was:

| MARKET VALUE OPINION | | | |
|----------------------|---------------------------|---------------|------------------|
| Basis of Value | Property Rights Appraised | Date of Value | Value Conclusion |
| As-Is | Market Value - Leased Fee | July 17, 2020 | \$1,880,000 |

SUBJECT PROPERTY

| | |
|------------------|---|
| Project Name | Family Dollar |
| Address | 130 22nd Street |
| City, State Zip | Greeley, CO 80631 |
| Report Type | Evaluation in Evaluation format per USPAP |
| Client File No. | 2020-17-12342 |
| Company File No. | DEN-20001 |
| Date of Report | August 12, 2020 |

ASSIGNMENT PARAMETERS

| | |
|---------------------------|---|
| Intended Use | Decision-Making/Internal - The intended use of this report was to determine a current market value opinion for the subject identified in this report. This report is recommended for INTERNAL USE ONLY, as it may not be comprehensive enough or understandable to all readers. This report was ordered to be used for federal compliance and assist in credit risk decisions. It is assumed that the loan type meets state licensure & Inter-Agency Guidelines for this type of product. |
| Property Rights Conveyed | Market Value - Leased Fee |
| Report Type | Evaluation meeting Inter-Agency requirements and Restricted Appraisal under Standard 2-2(b) |
| Hypothetical Condition | None |
| Extraordinary Assumptions | None |
| Other Definitions | Retained in the work file |

SCOPE OF WORK

| | |
|-----------------------------------|---|
| Inspection Completed By | John Smith, MAI |
| Inspection Date | July 17, 2020 |
| Extent of Inspection | Exterior |
| Data Sources | Client, MLS, prior appraisal, County, brokers/agents, local market participants, professional data companies. |
| Scope of Work Definitions | See attached addendum |
| Effective Date of Report | July 17, 2020 |
| Signature Date | August 12, 2020 |
| Certification/Limiting Conditions | See attached addendum |
| Market Conditions | Stabilizing - Market research from various sources indicate stabilizing. |

| | |
|------------------------------------|---|
| Real Property Interest Value | Market Value - Leased Fee |
| Value Opinion | As-Is Market Value |
| Approaches to Value Used | Sales Approach |
| Value Indication, Sales Comparison | \$1,880,000 |
| Preparer | John Smith, MAI Colorado Certified General Appraiser License No. 102923 |
| Competent | Yes |
| Market Time | 12 to 18 Months |
| Exposure Time | 12 to 18 Months |

OWNERSHIP INFORMATION/HISTORY

| | |
|--------------------------------|---|
| Current Owner of Record | Johnson 20 LLC |
| Borrower | Brad Johnson |
| Ownership History (Past 3 Yrs) | We are not aware of any current agreement of sale, listing, or option for the subject property. There have been no sales of other transfers of the subject property within three years prior to the effective date of this appraisal. |
| Current Listing/Contract Info | We are not aware of any current agreement of sale, listing, or option for the subject property. |

PROPERTY DATA

| | |
|--------------------------------|-------------------------|
| Property Address | 130 22nd Street |
| City, State, Zip | Greeley, Colorado 80631 |
| County | Weld County |
| Assessor Parcel Numbers | 096117113002 |
| Assessed Land / Improved Value | \$325,000 / \$1,100,000 |
| Real Estate Taxes | \$7,415 |

SITE AND BUILDING AREA

| | |
|---------------------------|---|
| Number of Parcels | 1 |
| Assessor Parcel | 096117113002 |
| Land Area | 103,672 SF (2.38 Acres) |
| Shape | Generally Rectangular |
| Access | Good |
| Utilities | All Available |
| Flood | Zone X (Unshaded) |
| Zoning | Commercial High Intensity (C-H) |
| Tenancy | Single-Tenant |
| Net Rentable Area (NRA) | 8,300 SF |
| Gross Building Area (GBA) | 8,300 SF |
| Buildings | 1 |
| Floors | 1 |
| Year Built | 2014 |
| Age/Life Analysis | |
| Actual Age | 6 |
| Remaining Life | 40 |
| Building Quality | Good |
| Building Condition | Good |
| Parking Spaces | 44 (4.82 Spaces per 1,000 SF Leased) |
| Foundation | Concrete Slab |
| Roof Type | Flat |
| Exterior Wall | Concrete Block |
| Location Description | The subject is located in Greeley, in Weld County. Land uses are mixed within a five-mile radius of the subject. An extensive neighborhood or location description was not part of the scope of work nor the limited assignment conditions. Maps are found in the addendum. |
| Surrounding Uses | The subject property and current use appears to be complimentary to the neighborhood. |
| Easements | None |
| Highest & Best Use | Retail Use as vacant / Retail Store as Improved |

SALES COMPARISON APPROACH

Based upon the assignment parameters, and scope of work, the subject age, the Sales Comparison Approach was deemed the most reasonable valuation method to determine credible results. When possible, sales are used to bracket the majority of physical features of the subject property.

The engagement of this assignment requires a value in the "as is" condition and use of the subject. A search was conducted of the most recent and comparable sales within the subject's market area. When the data pool is small search parameters are extended to net sufficient sales. Sales were compared to the subject using qualitative and quantitative methods. Market data suggested the commercial property in the market area is stabilizing. Quantitative adjustments were applied as percentages. Sales write-ups were retained in the work file. A map of the sales used in relation to the subject is located on the following page.

The Sales Comparison Approach analyzes comparable sales by applying transactional and property adjustments to bracket the subject property within an appropriate unit value comparison. Adjustments were applied as percentages. Below is a map of the sales used. On the following page is the grid stating adjustments applied to each sale. All sale write-ups and pictures were retained in the work file.



Family Dollar
1508 4th Ave
Greeley, CO 80631
NNN/Dollar Store

\$1,456,125
8/31/2017 Recorded
153 Days on Market
\$160/SF
\$10.24 NOI/SF
6.40% cap rate

100.0% Occupancy
Built 2018
Leased Fee



Family Dollar
1826 1st Ave
Greeley, CO 80631
NNN/Dollar Store

\$1,160,000
3/13/2017 Recorded
67 Days on Market
\$155/SF
\$10.62 NOI/SF
6.86% cap rate

100.0% Occupancy
Built 2020
Leased Fee



Family Dollar
1100 2nd Ave
Greeley, CO 80631
NNN/Dollar Store

\$2,285,000
9/29/2016 Recorded
93 Days on Market
\$251.10/SF
\$15.19 NOI/SF
6.05% cap rate

100.0% Occupancy
Built 2019
Leased Fee



Family Dollar
522 27th St
Greeley, CO 80631
NNN/Dollar Store

\$1,335,000
3/4/2016 Recorded
123 Days on Market
\$146.70/SF
\$9.02 NOI/SF
6.15% cap rate

100.0% Occupancy
Built 2019
Leased Fee



Value Determination

The net income was divided by the capitalization rates posted previously. Overall, it is likely that the subject's value falls in the middle of the range. Therefore, I conclude at a value of As-Is Market Value - Leased Fee for the subject or approximately \$225 per square foot of net rentable area.

AS-IS ESTIMATE \$1,880,000

ADDENDUM

SCOPE OF THE APPRAISAL

This report is intended to be a Valuation Compliance Report, which was ordered with the intent by the Client to remain in compliance with Interagency Guidelines, Federal Regulations, FDIC and Frank Dodd. The report and methodology was developed using traditional valuation methods and reporting guidelines suggested in the Standards of Professional Practice developed by the Appraisal Institute for similar valuation reports. All data pertinent to the solution of the valuation problem has been collected, confirmed and reported. The difficulty of the determined valuation is reflected in the extent of the Scope of the Appraisal. Please note, the limited scope of this assignment will not always provide a full understanding to ALL potential readers of the generated report. However, the preparer(s) attempted to follow minimum reporting standards.

Unless otherwise stated in the front end of this report, to accomplish the stated purpose of the valuation, an exterior field inspection of the subject property is completed and available in PDF file. If inspected, the PDF is attached to this report and individually to the Client through Equity Valuation Partner system software. Generally, the subject of the report is field inspected **3RD Party** vendor. Unless otherwise stated, the effective date of value is then the inspection date. At times, the Client does not require a physical inspection, therefore aerial photography is utilized to exam the subject of the report. No physical measurement of the subject is completed at inspection. The sources for site size, gross building size or net rentable area was gained from a prior appraisal, architectural drawings, County records or property cards. In addition, extensive research regarding market conditions, sales, rentals and other information was collected, confirmed and analyzed to support the valuation analysis. A large portion of data used has been retained in the appraiser's work file, but is available upon request to the client named in this report.

THE SPECIFIC ACTIVITIES INCLUDED, BUT LIMITED TO THE FOLLOWING.

- An Inspection of the property to be appraised, comparable rentals and comparable improved sales, land sales (if required by the Client named in this report).
- Information on competitive supply and demand was conducted by interviewing brokers and property managers. Information was also obtained from a variety of published sources including market participants, County, CoStar, Loopnet, brokerage firms, the Chamber of Commerce, newspapers and other sources.
- Research was performed into the local economy which drives the demand for land, retail, office or industrial space.
- A three year investigation into the ownership history of the property was conducted to ascertain current ownership, recent transfers and other information.
- Research was conducted for comparable sale and/or rental to help support the conclusions of market value. The data sources included interviews with brokers, 3rd party data vendors and other sources. The data was confirmed to the greatest extent possible, given the time allotment of the assignment and analyzed within the report.

MARKET VALUE DEFINITION

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in US 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: (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

COMPETENCY PROVISION

The preparer(s) completing this assignment has had prior experience appraising vacant land, owner occupied buildings, retail, office, and mixed use buildings. The preparer has also had experience valuing the types of interests appraised. With this experience, the preparer(s) is/are competent to complete the assignment as described in the Scope and Purpose of this appraisal. Geographic competency was gained through extensive research of all know sources including but not limited to: market participants, interviews, aerial pictometry, survey, internet sources, professional data collection agencies and field inspectors.

WORK HISTORY COMPLIANCE

In compliance with the Ethics Rule of USPAP, I/we hereby certify that the appraiser signing this report has no current or prospective interest in the subject of this report or the parties involved. I **have** not performed any services regarding the subject property within the last three years immediately proceeding acceptance of this assignment, as an appraiser or in any other capacity.

REPORT TYPE

This report is a Restricted Use Appraisal Report in accordance with Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. Additional supporting documentation is retained in the appraiser's workfile. The appraiser's opinions and conclusions set forth in this report may not be understood properly without additional information in the appraiser's workfile. However, in order to meet the requirements for an "evaluation" according to the Interagency Appraisal and Evaluation Guidelines, this report has been supplemented with additional information about the subject property and its market, as well as the data, reasoning, and analyses that were used in the valuation process.

DUTIES TO BECOME GEO-COMPETENT

Completed numerous appraisal assignments of commercial property throughout the State including the subject market area as well similar and identical property types to that of the subject of this report. Interviewed market participants, research data, aerial pictometry, more than 2+ decades experience in the field.

CERTIFICATION

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

- ▶ The statements of fact contained in this report are true and correct.
- ▶ The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- ▶ I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- ▶ I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- ▶ I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ▶ My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ▶ My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- ▶ My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- ▶ I have made a personal inspection of the property that is the subject of this report.
- ▶ No one provided significant real property appraisal assistance to the person signing the certification.
- ▶ 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.
- ▶ The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- ▶ As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

John Smith, MAI

Certified General Real Estate Appraiser
State of CO License No. 102923

LIMITING CONDITIONS

This appraisal report is to be used in whole and not in part. In particular, no part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraiser or firm with which he or she is connected, or any reference to the Appraisal Institute, or the MAI designation.

he distribution of value between land and building applies only under the present program of utilization and is invalidated if used in making a summation appraisal.

No responsibility is assumed by the undersigned Appraiser for any matter which is of a legal nature, nor is any opinion on the title rendered herewith. Good title is assumed.

This property has been appraised as if free and clear of all liens and encumbrances, except as herein described.

The management of the property is assumed to be competent and the ownership in responsible hands.

No survey has been made. Valuation is reported without regard to questions of boundaries, encumbrances and encroachments.

The author of the report is not required to give testimony in Court unless arrangements have been previously made therefore.

Possession of this report does not include the right to publish or advertise any of its conclusions, nor may any except the applicant use the same for any purpose without the previous written consent of the appraiser or the applicant.

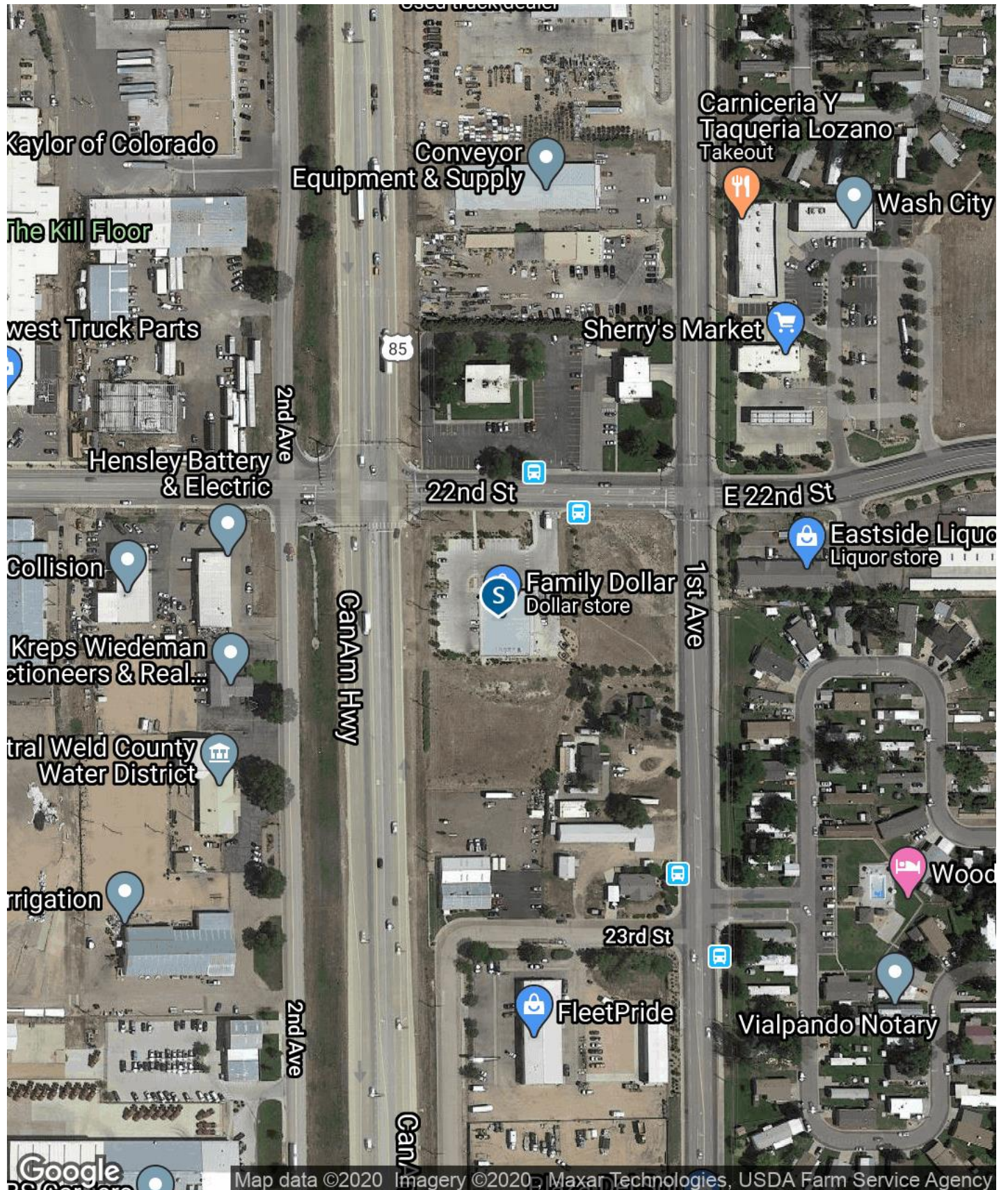
This appraisal assumes that no hazardous substances are or have been contaminating directly or indirectly the subject property and that the property has been and is in compliance with all applicable federal and state environmental protection statutes and regulations.

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

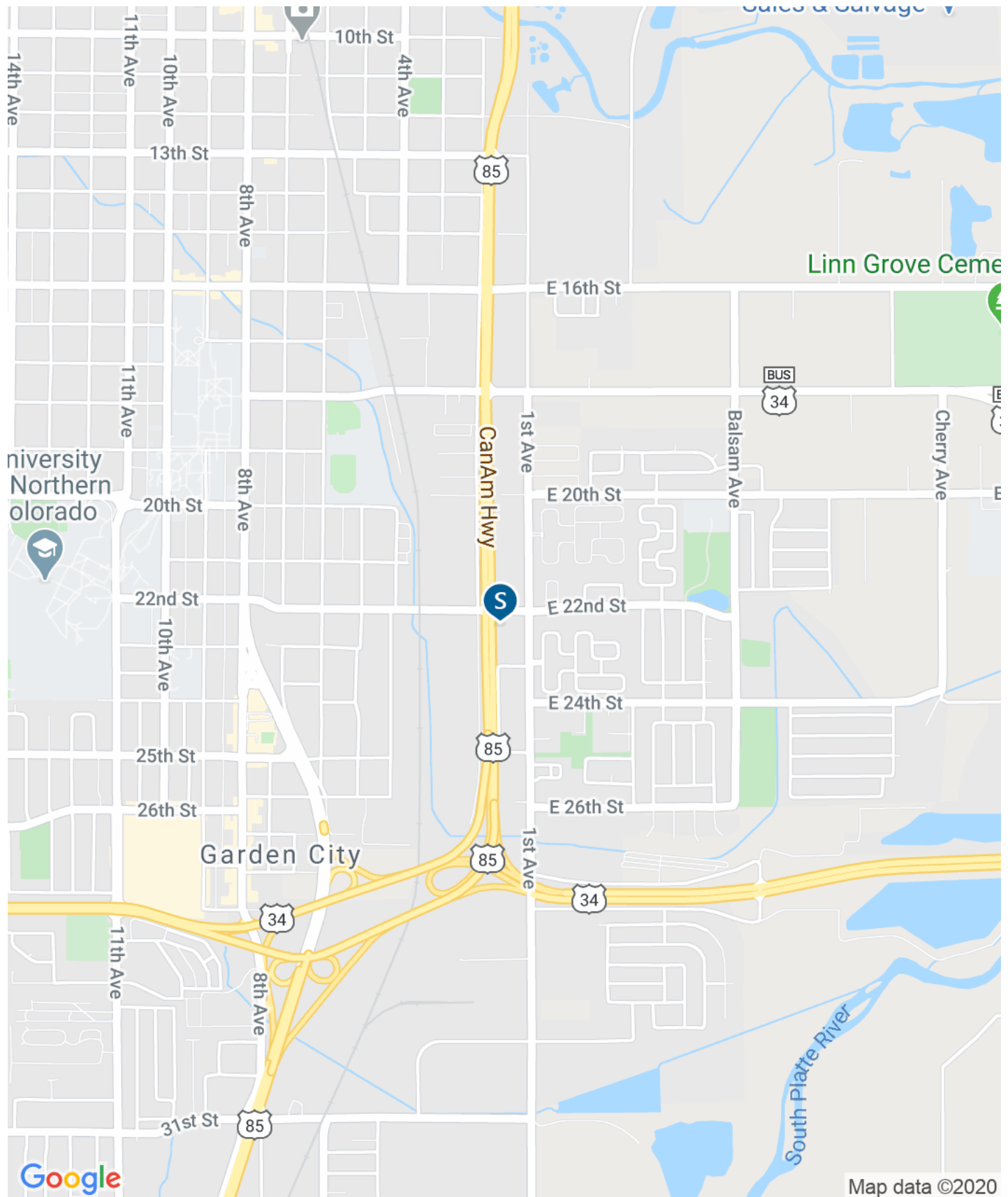
PROPERTY PHOTOGRAPHS



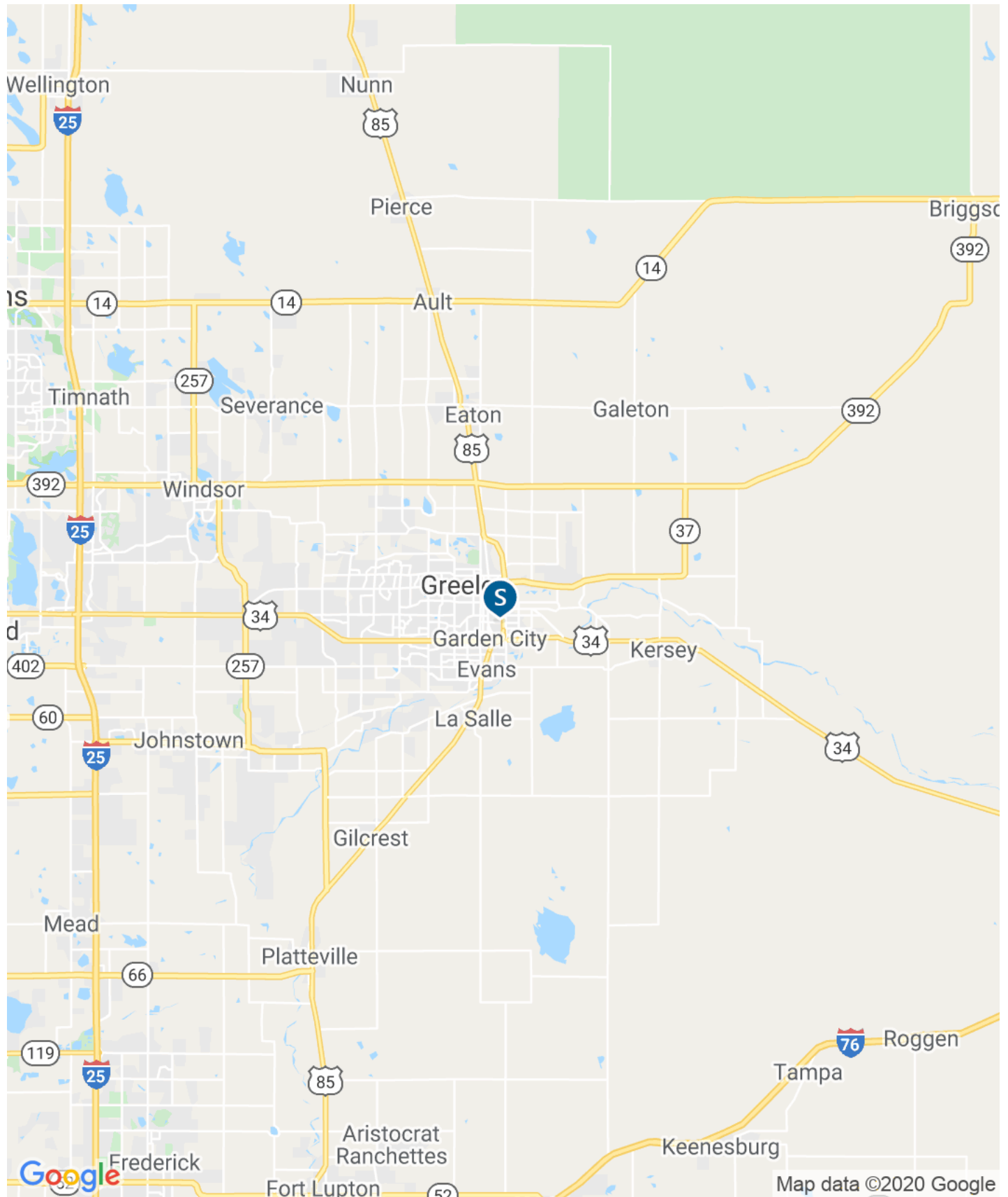
AERIAL MAP



LOCAL AREA MAP



REGIONAL AREA MAP



PLAT MAP

ZONING MAP

FLOOD MAP