APPRAISAL OF REAL PROPERTY
IN A RESTRICTED REPORT

Lounge Property

10250 Ura Lane
Thornton, Colorado 80221

As of July 27, 2012

Prepared For:

Carlin-Cherry San and Company
2162 Ura Lane
Northglenn, Colorado 80234

Prepared By:

Gregory M. Owen, MAI
Thomas O. Mead, Commercial Appraiser
EquiReal Appraisal Services
286 Main Street, P.O. Box 2322
Elizabeth, Colorado 80107

File No.: 2012-196

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August 10, 2012

Mr. Woon Ki Lau, Esq.
Carlin-Cherry San and Company
2162 Ura Lane
Northglenn, Colorado 80234

Re: Appraisal of Real Property in a Restricted Report
Lounge Property
10250 Ura Lane
Thornton, Colorado 80221

Dear Mr. Lau:

In fulfillment of our agreement, Gregory M. Owen, MAI, and Thomas O. Mead, of EquiReal Appraisal Services are pleased to transmit this restricted report concluding the market value in the referenced real property.

The property consists of a free-standing building containing 6,042 square-feet on a 47,600 square foot site. The subject is currently vacant. The location of the property is in the north central sector of the Denver metropolitan area, just south of 104th Avenue along the east side of Ura Lane, between Interstate 25 and Federal Boulevard, in the City of Thornton, Adams County, Colorado. The property is currently listed for sale for $495,000.

This report was prepared for, and is intended for, the specified use of Carlin-Cherry San and Company (Client). It may not be distributed to or relied upon by other persons or entities without written permission of EquiReal Appraisal Services. The Client reserves the right to convey a copy of the report to other parties. It is our understanding that the intended use of the appraisal report is to assist the Client in making internal decisions regarding the subject property.

This is an appraisal of the real property in a restricted report prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). This is a restricted report, and details regarding the property description, market analysis, comparable sales, and other data are contained in our files.

The property was inspected by Thomas O. Mead, and the report was prepared by, Gregory M. Owen, MAI and Thomas O. Mead, commercial appraiser.

We appraised the subject for the Client with an effective date of November 30, 2011 and the value conclusion at that time was $575,000. We also previously appraised the subject for the Client with an effective date of May 19, 2008. The value conclusion at that time was $860,000. Since the last appraisals, market conditions have continued to decline for restaurant/bar properties in the marketplace. In addition, the property was leased and occupied at the time of the first appraisal, and has now been vacant for approximately 3 years.

The value opinion reported below is qualified by certain assumptions, limiting conditions, definitions and a certification, which are set forth in the report.

We have formed an opinion that the market value of the fee simple estate in the referenced property, as of July 27, 2012, was:

Four Hundred Fifty Five Thousand Dollars
$455,000

The value conclusion is based on an exposure time and marketing period of up to 24 months. This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and an Addendum.

Respectfully submitted,

Gregory M. Owen, MAI
Manager
EquiReal Appraisal Services
Colorado Certified General
Appraiser No. CG01327640

Thomas O. Mead
Commercial Appraiser
EquiReal Appraisal Services
Colorado Certified General
Appraiser No. CG40022647

Identification of Property

The subject consists of a 6,042 square foot free-standing building configured for use as a lounge and limited menu restaurant. The subject site contains 1.09 acres, or 47,600 square feet. Location of the subject is in the north central sector of the Denver metropolitan area, 1.5 miles west of Interstate 25, just south of the intersection of 104th Avenue and Ura Lane, in the City of Thornton, Adams County, Colorado. The one-story building was constructed in 1977 of wood frame with stucco exterior.

Additional information regarding the units is as follows:

Address:	10250 Ura Lane, Thornton, Colorado 80221
Parcel ID Number:	0171916202018
County Account Number:	R0042962
Legal Description:	Jones Tract, Block C, further described as the South 45 feet of the North One-half of Lot 1, together with the South one-half of Lot 1 except the south 158.5 feet, in the City of Thornton, Adams County, State of Colorado

Property Ownership and Recent History

The subject is currently owned by Carlin-Cherry San and Company, which acquired the subject in 1988. There have been no other transactions within the past three years on this site.

The subject had been leased to a third party operator until 2009. However, the operator defaulted on the lease, vacated the property, and the owner began improving the property with various upgrades to make the property operational again. Cost of improving the property, including installing some new FF&E, was estimated by the owner to be between $60,000 and $75,000.

The property is offered for sale for $495,000. This is a reduction in price since the last appraisal in November 2011 when the offering price was $595,000. Until being vacated in 2009, the subject was leased to a single-tenant, D&R, Inc. The lease term was five years beginning April 7, 2004 and expiring April 6, 2009. Rent was $12.92 per square foot, net. The property currently remains vacant. According to the listing broker, the property is not currently being offered for lease.

Purpose and Intended Use of the Appraisal

The purpose of this appraisal is to estimate the market value of the subject property. It is our understanding that the appraisal is to be used by the Client for internal decision-making.

Local Area Summary

The subject neighborhood is located in the north central sector of the Denver Metropolitan Area, west of the Interstate 25 corridor and west of Federal Boulevard. Denver's Central Business District is approximately 10 miles to the southeast. Immediately east of the subject are two large water tower type structures located on City of Thornton property.

The local market area contains a mix of residential and commercial along major arterials. A large number of automobile dealerships are located along 104th Avenue west of Interstate 25. Approximately 50 percent of the development in the local market area is commercial and 40percent residential with the remaining 10 percent being retail special use.

View Point Condominiums is located immediately west of the subject, and vacant sites are located immediately north and south of the subject site. Single-family and multi-family residential development is in close proximity. A park is located on block to the south. At the intersection of Ura Lane and 104th Avenue, on the south side of 104th Avenue, are two automobile dealerships.

Site and Improvements Description

Location:	East side of Ura Lane, one-half block south of 104th Avenue, City of Thornton, Adams County, Colorado
Street Address:	10250 Ura Lane, Thornton, Colorado 80221
Additional information is as follows:	
Parcel ID Number:	0171916202018
Account Number:	R0042962
Zoning:	CR, Community Retail, City of Thornton

Pertinent characteristics of the improvements are as follows.

General Data

Year Built:	1977
Gross Building Area:	6,042 square feet
No. of Levels:	One
Building Configuration:	Front of building facing north; three bars; 2 patio areas including one enclosed patio; seating and multiple television screens throughout; dance floor on west side of building.
Quality:	Average quality wood frame, stucco exterior

Condition:	Average condition overall; some minor deferred maintenance in the form of peeling paint on the exterior, and some cracking in the exterior concrete patio and walkways. This is common for properties of similar age and we have not attempted to deduct a cost to paint.
Site Improvements:	
Parking:	154 asphalt-paved surface parking lot on north, east, and south sides of building; ratio of 25 spaces per 1,000 square feet of building, which is a high ratio
Landscaping:	Trees, shrubs, and lawn
Other:	Parking lot lighting; building signage; barrier poles; trash enclosure
Comments:	The layout and functionality are typical of lounges of this age. The building is functional for the use.
Deferred Maintenance:	Some deferred maintenance exists that could be cured at a relatively low cost relative to the value. These are considered minor items and typical of this type of property. The condition has been considered in valuing the subject property.

There have been numerous upgrades to the improvements in the past three years. These upgrades include:

- Installed new carpeting
- Installed new ceramic floor tile in restrooms
- Installed new ceramic wall tile in restrooms
- Improved interior sewer system
- Replaced bar on east side
- Installed bar exit-east bar
- Installed new bar sink and plumbing
- Installed new masphalt roof
- Painted exterior of building
- Improved west side lounge area including band stage and lighting
- Repainted portions of the interior

The total cost of these upgrades and renovations was estimated by the owners to be between $60,000 and $75,000.

Scope of the Appraisal Process

In the process of preparing this appraisal, we:

- Inspected the site;
- Obtained descriptive information regarding the site and improvements;
- Reviewed and analyzed regional and local market area trends and analyzed market conditions for properties such as the subject;
- Determined the highest and best use as vacant;
- Conducted market investigations to ascertain the sale prices of comparable properties, to identify sales prices per square foot;
- Made adjustments to comparable sales, concluded an adjusted price per square foot, and applied it to the subject providing a value indication;
- Pursued market rental data on leases of properties similar to the subject and analyzed the subject lease;
- Prepared an estimate of stabilized income and expense, and net operating income for capitalization purposes;
- Capitalized stabilized net operating income into a value using a market-derived overall capitalization rate;
- Prepared Sales Comparison and Income Approaches to value; and
- Reconciled the approaches used and concluded value.

We have not used the Cost Approach in this appraisal given the age of the subject and the consideration that the market does not use the Cost Approach when making decisions regarding similar properties.

We appraised the subject for the Client with an effective date of November 30, 2011 and the value conclusion at that time was $575,000. We also previously appraised the subject for the Client with an effective date of May 19, 2008. The value conclusion at that time was $860,000. Since the last appraisals, market conditions have continued to decline for restaurant/bar properties in the marketplace. In addition, the property was leased and occupied at the time of the first appraisal, and has now been vacant for approximately 3 years.

Date of Value, Property Inspection, and Report Transmittal

The date of market value is July 27, 2012, which was the date of inspection. The report was transmitted to the Client on August 10, 2012.

Property Rights Appraised

The subject is vacant and not leased, therefore, the fee simple estate was appraised.

Highest and Best Use

The highest and best use of the subject is a lounge property with limited menu food service. This type of use is allowed by zoning and legally permissible. Conversion to another use would not be financially feasible. The subject is designed for this use, and the costs to convert are extensive. In addition, various improvements for bar/lounge use were made in the past three years. Incurring conversion costs is not feasible, and the property should continue to be marketed for sale and/or lease as a bar/lounge.

Pertinent Definitions

The definition of market value, as set forth in the Uniform Standards of Professional Appraisal Practice, is as follows:

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:

a. buyer and seller are typically motivated;
b. both parties are well informed or well advised, and acting in what they consider their own best interest;
c. a reasonable time is allowed for exposure in the open market;
d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
e. 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.

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

Highest and Best Use
The reasonably probable and legal use of vacant land or an improved property, which 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, financially feasibility, and maximum profitability.

We conducted a search of sales transactions of generally similar properties. There were a limited number of sales located in the subject's immediate area, therefore, we expanded our search to include properties located throughout the Denver metropolitan area. We analyzed five comparable sales transactions to determine the value of the subject. The sales for the properties transacted from 2011 to 2012. The sales prices for the comparables ranged from $43.73 to $104.70 per square foot of gross building area. Sales prices varied based on the location, quality, and condition of the improvements. Warranted adjustments, based on comparison to the subject, were applied, resulting in an adjusted sales price for each transaction. A summary of comparable sales is as follows:

Sale No.	Location	Sale Date	Building Size	Sales Price	Price Per SF	Year Built
1	5091 E. Colfax Ave. Denver	5/2012	8,162 SF	$510,000	$62.48	1950
2	8595 Pearl St. Thornton	10/2011	5,600 SF	$300,000	$53.57	1967
3	146 Van Gordon St. Lakewood	8/2011	12,578 SF	$550,000	$43.73	1981
4	5304 Vance St. Arvada	9/2011	6,065 SF	$635,000	$104.70	1980
5	1962 Market St. Denver	4/2011	4,874 SF	$505,000	$103.61	1886 Renovated

The comparable sales were lounges with a restaurant component. The buildings were locally owned or rented and not affiliated with a national chain. These characteristics are similar to the subject. Sale 3 was foreclosed and lender owned at the time of sale. In addition, there was some deferred maintenance. Sale 2 had an asking price of $499,000 and sold after 259 days on the market for $300,000.

We also analyzed scale of the improvements, quality and condition of the improvements, age, parking availability, and other factors. The subject has had recent upgrades that were also considered in the analysis. A vacant commercial property in today's market environment, especially one with a business element similar to the subject, typically has the highest price discounts. These properties are competing with vacant commercial properties owned by banks and other lenders and there is strong motivation for the banks to sell the "real estate owned" properties even at large discounts and/or prices below the loan balance. In addition, as the length of time a property is on the market increases, we have observed a commensurate decrease in the prices offered for the property.

The adjusted prices ranged from approximately $59 to $98 per square foot with a mean adjusted price of approximately $75 per square foot. Based on our analysis, an adjusted price of $75.00 per square foot is indicated by the market.

Concluded Adjusted Price Per Square Foot:	$75.00
Building Area:	x6,042 SF
Market Value by the Sales Comparison Approach:	**$453,150**
Rounded:	**$455,000**

Potential income for the subject is based on researching market data and information obtained from investor surveys and comparing the data to contract rent.

We used direct capitalization primarily in our analysis. Stabilized net operating income was capitalized into a value using overall capitalization rates derived from comparable sales.

<u>Contract Rent</u>

The subject is currently vacant and there is no contract rent. However, until 2009, the subject was leased to a single-tenant, D&R, Inc. The lease term was five years beginning April 7, 2004 and expiring April 6, 2009. Rent was $12.92 per square foot, net.

The listing broker reported the property is not now being offered for lease.

<u>Market Rent</u>

We surveyed brokers, buyers and sellers of properties similar to the subject to derive market rental rates and typical lease terms. There were a limited number of leased bars/restaurants in the subject's immediate area, therefore, we included lease terms from properties throughout the northern sector of the Denver metropolitan area. A summary of comparable rentals is as follows:

Rental No.	Location	Size	Rent Per SF Net
1	5451 N. 32nd Ave. Wheat Ridge	2,000 SF	$12.00
2	2200 S. Monaco Pky Denver	1,157 SF	$8.00
3	10001 E. Iliff Ave. Aurora	1,200 SF	$10.00
4	3191 W. 38th Ave. Denver	11,100 SF	$6.00 to $11.00
5	6996 W. 38th Ave. Wheat Ridge	7,533 SF	$12.00

We analyzed the impact of location, quality, condition, age, other physical characteristics, tenant improvement provisions and other lease terms on the average effective rental rate of each comparable. All of the comparable rentals were triple net leases, similar to the subject.

The range of market rents is $6.00 to $13.00 per square foot on a net basis where the tenant pays operating costs for the property. The $6.00 space is inferior to the subject in terms of exposure, as this portion of the building does not front a major street.

The market continues to remain weak with uncertain demand for most all commercial properties. Bars/lounges/restaurants are more difficult to sell or lease in the current market if they are vacant when offered to the market. In addition, the longer a property is vacant, the market tends to factor-in a larger price discount when making investments decisions. Seldom does a bar/restaurant buyer need to act quickly when making a buying/leasing decision and investors in today's market can be tentative, methodical, and deliberate in negotiations. The subject has been vacant for approximately 3 years. This reaffirms the market's weakness and the lack of strong demand for the subject. In order to entice a potential tenant, the rate would have to be low enough to offer a higher probability of success, especially in the early months of the operation, and especially for a business that is not now operating. As a result, some months of free rent may be part of a lease transaction with a lower start rate and a gradually increasing ($0.50 to $1.00 per square foot per year) rental rate. There may also be some provision for tenant improvements included in the lease. We believe the subject would lease for a rate towards the lower end of the range of the rental comparables. Based on our analysis, the market indicates a rent rate of $8.00 per square foot, triple net. This would be an average rate over the lease term with a lower starting rate.

Market rent in our analysis indicates gross potential income for the subject as follows:

Market Rental Rate:	$8.00 PSF
Building Area:	x6,042 SF
Gross Potential Income:	$48,336

Operating expenses are paid by the tenant in a net lease arrangement. The market is currently inputting a vacancy or credit loss of 10 percent for similar properties when making buying decisions. This is a higher rate than in previous years due to current market conditions, the vacancy of the subject, and the local ownership and projected local tenancy of the subject. Restaurant/bar properties without national affiliations tend to experience higher vacancy and credit loss rates compared to those with national affiliations. Therefore, consistent with the market we will input a 10 vacancy and credit loss rate. The market rent for the subject is triple net where the tenant is responsible for operating expenses. Net operating income for the subject is as follows:

Gross Potential Income:	$48,336
Less: Vacancy and Credit Loss @ 10%:	$<4,834>
Effective Gross Income:	$43,502
Operating Expenses:	$<0>
Net Operating Income:	$43,502

We reviewed sales of restaurant and lounge properties that transacted in recent years in the Denver metropolitan area.

Sale No.	Address	Sale Date	Overall Cap Rate
1	7407 E. 36th Ave. Denver	12/2011	9.75%
2	10392 Reed St. Westminster	7/2012	9.0%
3	8800 E. Hampden Ave. Denver	1/2010	8.8%
4	9239 Park Meadows Dr. Lone Tree	12/2010	8.6%
5	9010 Wadsworth Pkwy. Westminster	8/2010	9.0%
6	8610 Washington St. Thornton	3/2010	9.3%

The capitalization rates range from 8.6 to 9.75 percent for these sales. Interest rates continue to be at low levels although market conditions are still weak for locally owned restaurants and bars. The subject is vacant and has not been operating for over three years. In addition, the property is older, is not located on a busy arterial with good visibility and access, and will likely be owned and/or operated by a local entity. Therefore, we believe that an overall capitalization rate for the subject would be toward the higher end of the capitalization rate from the above sales. Based on this analysis, we have concluded an overall capitalization rate of 9.5 percent.

Direct Capitalization

Market value by the Income Approach is calculated by direct capitalization as follows:

Net Operating Income:	$43,502
Overall Capitalization Rate:	9.5%
Market Value by the Income Approach:	**$457,916**
Rounded:	**$460,000**

RECONCILIATION AND FINAL VALUE CONCLUSION

The approaches to value are summarized as follows:

Sales Comparison Approach:	$455,000
Income Approach:	$460,000

The Cost Approach was used not due because of the age of the improvements and the market does not use this method for similar properties.

We discovered sales of similar properties for use in the Sales Comparison Approach. Adjustments were made to account for differences in location, quality, age and other physical/ functional characteristics. An adjusted price of $75.00 per square foot was indicated. The Sales Comparison Approach was considered reliable.

We found lease rate data for similar properties in the subject's market. We used the market rate to derive a net operating income for the subject. We also discovered sales of restaurant/lounge properties indicating capitalization rates. A market rent of $8.00 per square foot was concluded. Stabilized vacancy of 10 percent was deducted, and the net operating income was capitalized at a 9.5 percent overall capitalization rate. The Income Approach was considered reliable.

The two approaches indicate a value in a tight range of $455,000 and $460,000. The property is currently listed for $495,000. The asking price appears to be high given current market conditions for properties similar to the subject. The value concluded in this appraisal is lower than the asking price.

The market continues to remain weak for most commercial property types with decreasing prices. We do not project a noticeable change in market conditions for properties similar to the subject in the near future.

We have formed an opinion that the market value of the fee simple estate in the referenced property, as of July 27, 2012, was:

Four Hundred Fifty Five Thousand Dollars
$455,000

The value conclusion is based on an exposure time and marketing period of up to 24 months.

ASSUMPTIONS AND LIMITING CONDITIONS

The Appraisal has been made subject to the following assumptions and limiting conditions:

1. No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters which are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken by the Appraiser.

2. The information contained in the Appraisal or upon which the Appraisal is based has been gathered from sources the Appraiser assumes to be reliable and accurate. Some of such information may have been provided by the owner of the Property. The Appraiser shall not be responsible for the accuracy or completeness of such information.

3. The opinion of value is only as of the date stated in the Appraisal.

4. The Appraisal is to be used in whole and not in part. No part of the Appraisal shall be used in conjunction with any other appraisal unless specified within this Appraisal.

5. Publication of the Appraisal or any portion thereof without the prior written consent of EquiReal Appraisal Services is prohibited. Except as may be otherwise stated in the Letter of Engagement, the Appraisal may not be used by any person other than the party to whom it is addressed or for purposes other than that for which it was prepared. No part of the Appraisal shall be conveyed to the public through advertising, or used in any sales or promotional material without the appraiser's prior written consent. Reference to the Appraisal Institute or to the MAI designation is prohibited.

6. Except as may be otherwise stated in the Letter of Engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal, unless required by Subpoena. The Appraiser may agree to provide testimony through subsequent agreement with the Client, under separate agreement and compensation.

7. The Appraisal assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Appraisal; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value estimate contained in the Appraisal is based.

8. The physical condition of the improvements considered by the Appraisal is based on visual inspection by the Appraiser or other person or documentation identified in the Appraisal. EquiReal Appraisal Services assumes no responsibility for the soundness of structural members nor for the condition of mechanical equipment, plumbing or electrical components.

9. Unless otherwise stated in the Appraisal, the existence of potentially hazardous or toxic materials, which may have been used in the construction or maintenance of any improvements or may be located at or about the Property, was not considered in arriving at the opinion of value. The Appraiser is not qualified to detect such substances.

10. Unless otherwise stated in the Appraisal, compliance with the requirements of the Americans With Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Unless the Appraiser has been informed otherwise, it is assumed that the Property conforms with the ADA.

11. When appraising an income-producing or potentially income-producing property, the forecasted potential gross income referred to in the Appraisal may be based on lease summaries provided by the owner, management or other third parties. The Appraiser assumes no responsibility for the authenticity or completeness of lease information provided by others.

12. The forecasts of income and expenses, if any are made in the Appraisal, are not predictions of the future. Rather, they are the Appraiser's best estimates and projections based on Property and market information. The Appraiser makes no warranty or representation that these forecasts will materialize.

Please Note:
"Appraisal" is the appraisal report and opinion of value stated therein. "Property" is the subject of the Appraisal. "Appraiser(s)" is the employee(s) of EquiReal Appraisal Services who prepared and signed the Appraisal. “Client” is the party which requested the Appraisal and to whom the Appraisal is delivered. “Letter of Engagement” is the contractual agreement between the Appraiser and Client engaging the Appraiser to perform the services specified.

Extraordinary Assumptions and Limiting Conditions

The appraisers have previously inspected the interior of the subject but did not inspect the interior as of the effective date of this report. A representative of the property owner and the listing broker reported there were no changes to the interior of the subject since the last appraisal was completed and we assume this to be the case.

CERTIFICATION OF APPRAISAL

I certify that, to the best of my 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

3. 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.

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

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

6. 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.

7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

8. Thomas O. Mead made a personal exterior inspection of the property that is the subject of this report and Gregory M. Owen did not. Thomas O. Mead previously made an interior inspection of the subject.

9. No one provided significant real property appraisal assistance to the persons signing this certification.

10. We appraised the subject for the Client with an effective date of November 30, 2011 and the value conclusion at that time was $575,000. We also previously appraised the subject for the Client with an effective date of May 19, 2008. The value conclusion at that time was $860,000. Since the last appraisals, market conditions have continued to decline for restaurant/bar properties in the marketplace. In addition, the property was leased and occupied at the time of the first appraisal, and has now been vacant for approximately 3 years.

Gregory M. Owen, MAI
Colorado Certified General
Appraiser No. CG01327640

Thomas O. Mead
Colorado Certified General
Appraiser No. CG40022647

GREGORY M. OWEN, MAI

Professional Affiliations

Member of the Appraisal Institute - MAI No. 11339
Certified General Appraiser, State of Colorado, No. CG01327640

Real Estate Experience

Manager, EquiReal Appraisal Services, a company designed for Real Estate Appraisal and Property Tax Consulting (2002 to present)

Director, Cushman & Wakefield of Colorado, Inc., Valuation Advisory Services, Denver, CO (1991 to 2002)

Appraisal Assistant, Scott, Stahl and Burbach Appraisers, Denver, CO (1991)

Experience includes appraisal of the following types of property:

Office Buildings	Charter Schools
Breweries	Manufacturing Complexes
Residential Subdivisions	Proposed Projects
Apartment Complexes	Sale/Leaseback
Business Parks	Vacant Land
Shopping Centers	Corporate Headquarters
Retirement Communities	High-Technology Campuses
Restaurants	Health Clubs
Retail Stores	Special (Post Offices, Day Care, etc.)
Master-Planned Communities	Build-to-Suit Retail, Office, Industrial
Distribution Warehouses	Office/Warehouse Facilities
Hotels	Ranches

Tax consulting services include valuation of numerous property types, conducting negotiations with County Assessors, providing expert testimony, and representation throughout the appeal process

Education

Bachelor of Science in Business Real Estate and Finance (1987)
University of Colorado, Boulder, Colorado

All continuing education courses have been completed to maintain membership in the Appraisal Institute and to maintain the Colorado appraisal license. The current Colorado Certified General Appraiser license expires December 2012. Completion of continuing education for renewal of the MAI designation is required by December 2012.

THOMAS O. MEAD

PROFESSIONAL DESIGNATION

Colorado Certified General Appraiser #CG40022647

All continuing education courses have been completed to maintain the Colorado appraisal license. The current Colorado Certified General Appraiser license expires December 2013.

EMPLOYMENT HISTORY

EquiReal Appraisal Services, 2004-Present

Commercial appraiser. Valuation of all types of commercial real estate including: office, industrial, apartments, retail, land, churches, restaurants, mixed-use, and other properties. Appraise existing and proposed construction.

Rocky Mountain Valuation Specialists LLC, 2000-2004

Commercial appraiser. Valuation of all types of commercial properties. Also was the director of marketing for approximately one year for the firm. The marketing position responsibilities encompassed bidding and engaging assignments, allocating and monitoring work with appraisers, developing and maintaining client relationships.

Prior Experience, 1977-2000

Officer in various financial institutions. Progressive management from branch level to executive level. Responsible for real estate loan operations and administration. Member of senior management teams.

EDUCATION

Colorado State University
Bachelor of Science, 1976
Business Administration
Finance and Real Estate

University of Northern Colorado
Master of Business Administration, 1984

Graduate of the School of Mortgage Banking, 1981
Real Estate Training Center, Initial appraisal course for appraisal licensure
Appraisal Institute Course 120
Appraisal Institute Course 310
Appraisal Institute Course 320
Lincoln Graduate Center, Narrative Report Writing
American Real Estate College, Certified Residential Appraiser Course
USPAP update, Emily Griffith Opportunity School
USPAP updates, McKissock Real Estate School