

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
(West Palm Beach)

Case No. 20-CV-81205-RAR

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

COMPLETE BUSINESS SOLUTIONS GROUP, INC.,  
d/b/a PAR FUNDING, *et al.*

Defendants.

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**NON-PARTY RH INDIGO TRAILS LLLP'S VERIFIED MOTION TO INTERVENE  
AND LIFT LITIGATION INJUNCTION TO ALLOW IT TO COMPLETE  
NON-JUDICIAL FORECLOSURE IN ADAMS COUNTY, COLORADO AND  
MEMORANDUM OF LAW, AND REQUEST FOR EXPEDITED HEARING**

Non-Party, RH INDIGO TRAILS, LLLP, a Colorado limited liability limited partnership (“Indigo Trails”), by and through its undersigned attorneys, hereby moves the Court for the entry of an order (i) allowing it to intervene in this action for the limited purpose of asserting and protecting its property rights being adversely affected by an order of this Court, and (ii) lifting the litigation injunction for the specific purpose of allowing Indigo Trails to complete a non-judicial foreclosure action against specific parcels of real property located in Adams County, Colorado, in which one or more receivership Defendants may claim an interest as a subordinate lienholder.

***INTRODUCTION***

Importantly, the plight of Indigo Trails, not of its own making, is both legally and factually distinct from the situation of other secured creditors that may have come before this Court seeking

relief from the stay.<sup>1</sup> **In the coming weeks**, the effect of recently enacted local property development laws will seriously imperil and irreparably harm Indigo Trails' indisputable property rights if Indigo Trails is precluded from quickly moving ahead to complete its foreclosure and obtain title to the property well before January 1, 2022. The same harm will befall another if that party is the successful bidder at the foreclosure sale.

Assuming *arguendo* that the discretion of this Court in a receivership commenced by the Securities and Exchange Commission (the "SEC") is very broad with respect to granting a stay of remedy enforcement actions by creditors, the application of that discretion cannot be so vast such that a particular stay results in depriving a secured party that has zero connections with the Defendants of its immutable property rights, while the Receiver and his constituents bear no risks of the adverse consequences a delay requested for their benefit. If the Receiver is unable to conclude a transaction that pays off Indigo Trails' prior security interest and the Receiver walks away from the Property, Indigo Trails is left "to pick up the pieces" after the more expensive water-rights requirements are in effect.

This Court should not continue to indulge the Receiver for the mere hypothetical possibility that the person responsible for defaulting on the loan from Indigo Trails may eventually come up with a transaction that might generate a return to the Receivership estate, which proceeds would have to exceed the approximate \$4 million owing to the holder of the first lien. The denial of relief to Indigo Trails requested in this Motion effectively elevates a junior lien over the rights of a first lien in contravention of more than 500 years of Black-letter property law.

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<sup>1</sup> Indigo Trails is wholly unrelated to Lead Funding, II, LLC, and the property at issue in this Motion is not in the same county as the property at issue in the Lead Funding II's Amended Motion to Intervene and Lift Litigation Injunction to Allow it to Proceed with Foreclosure Action in Colorado State Court (D.E. # 616), much less being an adjacent parcel of real estate. Further, Indigo Trails was the original owner of the subject property that sold the property in 2017 through mostly purchase money financing, but the buyer, the principal of which is the same person the Receiver is relying upon, never made one payment on the loan from Indigo Trails.

Therefore, Indigo Trails requests an expedited<sup>2</sup> hearing and/or consideration of this Motion and the entry of an order granting the requested relief. In support of this Motion, Indigo Trails states:

***PROCEDURAL BACKGROUND***

1. On July 27, 2020, the Court entered its Order Granting Plaintiff Securities and Exchange Commission’s Motion for Appointment of Receiver (the “Order Appointing Receiver”) [ECF No. 36] wherein it appointed a Receiver over the Receivership Entities,<sup>3</sup> including Commercial Business Solutions Group, Inc. (“CBSG”). Counsel for Receiver advised counsel for Indigo Trails that as of about thirty days ago Liberty 7th Avenue, LLC was not one of the Receivership Entities.<sup>4</sup>

2. On July 31, 2020, the Court entered its Order Granting Plaintiff’s Urgent Motion to Amend Order Appointing Receiver to Include Litigation Injunction (the “Order Staying Litigation”) [ECF No. 56] wherein it stayed “[a]ll civil legal proceedings of any nature, including, but not limited to,... foreclosure actions... involving... (b) any of the Receivership Entities’ property interests, wherever located [and] (c) any of the Receivership Entities, including subsidiaries and partnership” (“Ancillary Proceedings”) and further ordered that:

The parties to any and all Ancillary Proceedings are enjoined from commencing or continuing any such legal proceeding, or from taking any action, in connection with any such proceeding, including, but not limited to, the issuance or employment of process.

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<sup>2</sup> As described below, Indigo Trails through its counsel communicated for several months with counsel for the Receiver, and the latter has repeated the manta that the Receiver is investigating and considering a potential transaction allegedly orchestrated by the same person that controls the entity that acquired the subject property, and then caused that entity never to make a mortgage payment to Indigo Trails for more than 4 years.

<sup>3</sup> The terms “Receiver” and “Receivership Entities” are defined in the Order Appointing Receiver [ECF No. 36] and subsequent Amended Order Appointing Receiver [ECF No. 141].

<sup>4</sup> Even if Liberty 7<sup>th</sup> Avenue becomes a receivership defendant, the legal analysis and the conclusion requiring granting this Motion would not change.

All Ancillary Proceedings are stayed in their entirety, and all Courts having any jurisdiction thereof are enjoined from taking or permitting any action until further Order of this Court.

3. On August 13, 2020, the Court entered its Amended Order Appointing Receiver (the “Amended Order,” and together with the Order Staying Litigation, the “Litigation Injunction”) [ECF No. 141] wherein it repeated the terms of the Order Staying Litigation.

4. From communications with counsel, Indigo Trails understands that the Receiver contends the Litigation Injunction prevents Indigo Trails from completing a foreclosure of the Property.

5. Although not a joined as a party to this case, Indigo Trails seeks relief from the Litigation Injunction for the sole and limited purpose of completing a non-judicial foreclosure of its senior deed of trust securing \$4 million indebtedness (now reduced to a state-court judgment) which exceeds the value of the underlying real estate by approximately \$3 million. As set forth more fully below, the affected real property offers no realistic prospect of recovery to the receivership estate, and in the absence of the requested relief, such property will continue to diminish in value due to a combination of unpaid taxes and greatly increased water dedication requirements that will take effect in January 2022.

#### ***FACTS UNDERLYING INDIGO TRAILS’ INTEREST***

5. Prior to May 2017, Indigo Trails was the owner of that certain real property located in Adams County, City of Brighton, Colorado, consisting of platted residential lots more particularly as follows (the “Property”):

##### **Phase V:**

Lots 18-28, inclusive, Block 9  
Lots 7-12, inclusive, Block 12  
Lots 3-14, inclusive, Block 13  
Lots 1-6, inclusive, Block 14  
Lots 1-4 inclusive, 8-11 inclusive, Block 15



Lots 1, 8, 9, 10, 11, Block 16; and Tract L except that portion of Tract L more particularly described on that Special Warranty Deed dated April 25, 2002, and recorded on April 29, 2002 at Reception No. CO96 I 748.

6. On or about May 4, 2017, Indigo Trails sold the Property to Colorado Homes, LLC (“Colorado Homes”), an entity controlled by Ranko Mocevic (“Mocevic”). The deed transferring the ownership of the Property is recorded at Reception No. 2017000039861 of the Adams County, Colorado real property records.<sup>5</sup>

7. Colorado Homes paid Indigo Trails only \$25,000 upfront and financed the balance of the purchase price for the Property through seller financing. In connection therewith, Colorado Homes executed and delivered to Indigo Trails<sup>6</sup> a promissory note in the original principal amount of \$2,375,000 (the “Note”). A true and correct copy of the Note is attached to this motion as Exhibit A.<sup>7</sup> Colorado Homes is not a Defendant, and at this time, Indigo Trails has not asserted that it holds claims directly against any Defendants, directly or indirectly.

8. As security for the Note, Colorado Homes executed a deed of trust against the Property for the benefit of Indigo Trails, which was recorded on May 8, 2017, at Reception No. 2017000039863 of the Adams County, Colorado real property records (the “Deed of Trust”). A true and correct copy of the Deed of Trust is attached to this motion as Exhibit B.<sup>8</sup>

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<sup>5</sup> The Deed on its face reflects the above-recording information and that instrument is an official record of the Adams County Assessor and Recorder’s Office of Adams County, Colorado, which is viewable at <https://gisapp.adcogov.org/PropertySearch/>

<sup>6</sup> The Note and other loan documents described in this motion identify Indigo Trails as “Indigo Trails, LLLP,” which is a registered trade name of RH Indigo Trails, LLLP.

<sup>7</sup> The Note and other documents attached to this motion are authenticated in the Declaration of Erika Volling attached as Exhibit I. Many of the documents are also self-authenticating official records.

<sup>8</sup> The Deed of Trust on its face reflects the above-recording information and that instrument is also an official record of the Adams County Assessor and Recorder’s Office of Adams County, Colorado, which is viewable at <https://gisapp.adcogov.org/PropertySearch/>

9. Colorado Homes failed to make payments of interest and principal as required under the Note. In fact, it never paid principal or interest due under the Note; consequently, Indigo Trails never received any money or other property from any of the Defendants.

10. In January 2019, nineteen (19) months after execution of the Note and unbeknownst to Indigo Trails and without its consent, Colorado Homes apparently executed a Security Agreement for the benefit of Defendant CBSG (the “CBSG Security Agreement”), which was recorded against the Property on January 30, 2019, at Reception No. 2019000007308 of the Adams County real property records. Indigo Trails never executed any type of subordination agreement in favor of CBSG.<sup>9</sup>

11. On June 23, 2020, only about a month before the commencement of this case, and also unbeknownst to Indigo Trails and without its consent, Colorado Homes executed a special warranty deed conveying to Liberty 7<sup>th</sup> Avenue, LLC (“Liberty”), a 40-percent tenancy-in-common interest in the Property (the “Liberty TIC Deed”). The Liberty TIC Deed was recorded on July 10, 2020, at Reception No. 2020000064047 of the Adams County real property records. On the same day, again without Indigo Trails’ knowledge or consent, either Colorado Homes or Liberty recorded a Memorandum of Tenancy in Common Agreement at Reception No. 2020000064048 of the Adams County real property records.

12. On or about July 13, 2020, Indigo Trails provided written notice to Colorado Homes of its election to accelerate the Note based on payment defaults in accordance with paragraph 4 thereof, and demanded payment of the entire principal balance and all accrued interest under the Note. Colorado Homes failed to comply with the demand.

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<sup>9</sup> While a basic tenant of real property law, Section 38-35-106 and Section 38-35-109 of Colorado Revised Statutes (2019) make it clear that the CBSG Security Agreement and Liberty TIC Deed are subordinate to Indigo Trails’ Deed of Trust.

13. Indigo Trails initiated foreclosure of the Deed of Trust by delivering a Notice of Election and Demand for Sale to the Adams County public trustee on July 28, 2020. The public trustee designated the matter as Public Trustee Sale No. 202078812, and recorded the Notice of Election and Demand on July 30, 2020, at Reception No. 2020000072563. A copy of the recorded notice is attached to this motion as Exhibit C.

14. On October 29, 2020, the District Court for Adams County, Colorado, entered its Order Authorizing Sale pursuant to Rule 120 of the Colorado Rules of Civil Procedure. A copy of the order authorizing sale is attached to this motion as Exhibit D.

15. In August and September, 2020, before it knew of this case or the Receiver, Indigo Trails provided notices of its foreclosure to both CBSG and Liberty because the CBSG Security Agreement and Liberty TIC Deed appeared in title work obtained for the purposes of the foreclosure. Neither the entities nor the Receiver ever contracted Indigo Trails or its counsel (identified on all notices) objecting to foreclosure.

16. On November 30, 2020 – two days prior to the scheduled sale date of December 2, 2020 – Indigo Trails received correspondence from an attorney representing Colorado Homes that included a copy of the Litigation Injunction.

17. Although the Litigation Injunction does not extend to claims against Colorado Homes, Indigo Trails did understand that Colorado Homes had purportedly granted a junior security interest in the Property to CBSG. Accordingly, based on the Litigation Injunction, Indigo Trails has continued its foreclosure sale from week to week since the original foreclosure sale date in December 2020.

18. Of note, the Receiver never filed a copy of the complaint or amended complaint filed in this action and the original order appointing him Receiver or any amended order in the United States District Court for the District of Colorado, as required by 28 U.S.C. § 754.

19. On April 24, 2021, the District Court for Arapahoe County, which has *in personam* jurisdiction over the action on the promissory note against Colorado Homes, entered judgment in favor of Indigo Trails and against Colorado Homes for principal, interest and other sums due under the Note in the amount of \$3,944,595.11, plus interest in the amount of \$1,187.50 per day for each day from and including March 11, 2021 (the “Judgment”). A copy of the Judgment is attached hereto as Exhibit E.

20. The amounts due to Indigo Trails under the Note, Deed of Trust and/or Judgment vastly exceeds the value of the Property as stated in a January 2021 appraisal prepared by Harold S. McCloud, MAI, AI-GRS (the “McCloud Appraisal”). The Declaration of Mr. McCloud is attached to this motion as Exhibit F, and a copy of the McCloud Appraisal is attached as Exhibit F-1. According to the McCloud Appraisal, the as-is market value of the Property is \$790,000 (as of January 2021), with a stabilized value of \$1,218,000 assuming the stated conditions were satisfied. In either case, both of these values are far below the almost \$4 million owed to Indigo Trails.

#### ***GOOD FAITH COMMUNICATIONS WITH THE RECEIVER***

21. On February 8, 2021, Indigo Trails, through its Colorado attorneys, provided the Receiver with a copy of the McCloud Appraisal, together with a letter detailing the status of its loan to Colorado Homes. Indigo Trails requested the Receiver’s cooperation in extricating the Property from the Litigation Injunction based on the absence of any owner equity that could result in value to the receivership estate.

22. The next day, counsel for the Receiver, Richard Parks, informed Indigo Trails' counsel in a phone conversation and follow-up email that he would endeavor to get the Property released from the Litigation Injunction "as soon as possible" if Indigo Trails could provide documentary evidence of its loan and the underlying purchase-and-sale transaction. Within hours, the Receiver's counsel was in possession of the purchase and sale agreement, the loan documents, and settlement statements for both the buyer and seller.

23. On March 3, 2021, the Receiver's counsel informed Indigo Trails via email that the Receiver was not presently willing to release the Property from the Litigation Injunction based on his pending investigation of Colorado Homes' role in transferring interests to "parties related to CBSG/Par Funding as part of an organized activity ending with self-serving and possibly avoidable transfers." The email concluded with a request for disclosure of "all the names and addresses of all of the stakeholder/equity interests including responsible parties behind corporate parties that hold or have held interests in or by your client in the past several years."

24. Later the same day, Indigo Trails delivered to the Receiver's counsel a complete copy of the Indigo Trails limited liability partnership agreement showing ownership vested 99 percent in the MRFR Family Trust and 1 percent in Michael Richardson, together with excerpts from the Settlement of Trust creating the MRFR Family Trust showing that Mr. Richardson and his family members are the sole settlors and beneficiaries of the MRFR Family Trust. The documentation should have allayed any suspicion of cross-ownership between Indigo Trails and its members, on one hand, and Colorado Homes and its principals, on the other.

25. In subsequent emails between Indigo Trails' Colorado counsel and the Receiver's counsel in March 2021, the Receiver's counsel stated that his position had not changed (i.e., the Property would not be released from the Litigation Injunction), but did not offer any further

explanation or evidence to justify any expectation that the Property could generate value to the receivership estate.

26. Indigo Trails retained Florida counsel in April 2021, who has engaged in a series of further discussions with the Receiver's counsel as well as counsel for the SEC. In connection with those discussions, Indigo Trails has provided the following additional information and accommodation:

- (a) Indigo Trails provided the Receiver's counsel with a Declaration given by Mr. Richardson on April 27, 2021, a copy of which is attached to this motion as Exhibit G (the "Richardson Declaration"). The Richardson Declaration provides a brief history of the Richardson family's involvement with the Property and other land within the Indigo Trails subdivision. The Richardson Declaration establishes the absence of any relationship between himself and Indigo Trails, on one hand, and Colorado Homes and its principal, on the other, prior to the 2017 transaction evidenced by the Note and Deed of Trust. Mr. Richardson's Declaration also establishes his lack of knowledge concerning the CBSG Security Agreement or the Liberty TIC Deed, to the extent the latter instrument matters in this case.
- (b) Mr. Richardson consented to be interviewed by the Receiver's counsel. The interview occurred on June 3, 2021. Mr. Richardson answered all questions posed by the Receiver's counsel. Again, Mr. Richardson's answers made clear that there is no relationship whatsoever between himself or Indigo Trails, on one hand, and either Colorado Homes, Liberty, CBSG or any of their affiliates or principals, on the other.

27. At no time has the Receiver, the SEC, or counsel for either of them provided any information to Indigo Trails or its counsel to support any suspicion (a) that the value of the Property is greater than the balance of the Judgment, or (b) that there is, or ever has been, any personal or business relationship between Indigo Trails or its principals, on one hand, and Colorado Homes, Liberty, or CBSG or their affiliates or principals, on the other, with the exception of the arm's-length purchase-and-sale and loan transaction evidenced by the Note and Deed of Trust.

***FACTS ESTABLISHING IMMINENT HARM TO MOVANT'S INTEREST IN PROPERTY***

28. The McCloud Appraisal provides compelling evidence that the value of the Property is woefully inadequate to satisfy the sums due under the Deed of Trust. On the other hand, the impairment threatening Indigo Trails and its property rights by the Litigation Injunction extends far beyond the inconvenience of delay.

29. Ordinance No. 2363 adopted on June 1, 2021, by the City of Brighton, where the Property is located (the "Ordinance"), jeopardizes Indigo Trails' first lien against the Property and rights emanating therefrom. A copy of the Ordinance is attached to this motion as Exhibit H.<sup>10</sup> Like many municipalities providing domestic water service, the City of Brighton requires developers to dedicate water rights to the City as a condition of development approvals, with dedication requirements varying depending on the nature and size of the development. The Ordinance increases existing requirements and makes the Property dramatically more expensive to develop, *a fortiori* reducing its value, unless the current water-dedication requirements for the Property are satisfied on or before December 31, 2021.

30. The new requirements imposed by the Ordinance, which take effect on January 1, 2022, will impose greater burdens in two respects: first, the quantity of water required to be dedicated to the City ("Dedication") will increase by approximately 25 percent. Second, the credit granted to a developer (i.e., the owner of the land) toward the Dedication requirements represented by individual shares of water stock, heretofore measured based on average historical yields, will be measured by "firm yields." Firm yields are substantially more conservative because they are based on drought years. Under the City of Brighton's current requirements, one share of "Fulton Ditch" water stock is credited as 1.7 acre-feet of water toward the Dedication requirement. Under

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<sup>10</sup> Pursuant to Federal Rule of Evidence 201, Indigo Trails requests the Court take judicial notice of the Ordinance.

the “firm yield” requirements taking effect in January 2022, one share of Fulton Ditch water stock will be credited as 0.8 acre-feet toward the Dedication requirement.

31. The combination of increased Yield requirements and decreased per-share credit to be applied against the Yield requirements will result in a cost increase of approximately two hundred sixty two percent (262%). See Declaration of Erika Volling attached to this motion as Exhibit I, and Ms. Volling’s comparison of the current and soon-to-be implemented requirements is attached as Exhibit I-1. As the comparison demonstrates, the cost of meeting water-dedication requirements for the 48 residential lots platted within the Property is estimated to increase from \$964,159.69 under the current requirements to \$2,500,966.88 under the requirements taking effect in January 2022. The Receiver is not offering to advance sums to secure the existing dedication rights before the doubling of costs kicks-in.

32. Neither the Ordinance nor other applicable law specifically recognizes the right of the holder of deed of trust to satisfy the water-dedication requirements under the current requirements. However, if Indigo Trails voluntarily tried to lock-in the current standards, this Court cannot afford legal protection to Indigo Trails that any advance of almost one million dollars (\$1,000,000.00) in water-dedication credits under the existing law would be secured by the terms of the Deed of Trust between it and Colorado Homes. The Receiver’s delay in closing a transaction with Mocevic or a group led by him should not be permitted to put Indigo Trails at a risk of suffering further damages to its property interest rights in the Property.

33. In addition, unpaid real estate taxes and an impending spike in water-dedication requirements imposed by the City of Brighton threaten to reduce greatly, if not altogether eliminate, the value of the Property, and thus the continuance of the stay against Indigo Trails



severely impairs and harms its property rights -- here, a superior security interest acquired by Indigo Trails in a transaction having nothing to do with the Defendants.

34. Colorado Homes also has failed to pay real estate taxes assessed against the Property for the years 2017, 2018, 2019 and 2020. The balance of unpaid taxes calculated through October 31, 2021, is **\$106,200.98**<sup>11</sup>. A list of the parcel identification numbers for the parcels that make up the Property is attached to this motion as Exhibit J.

35. Under Colorado law, the holder of a tax certificate may, upon application, receive a treasurer's deed conveying title to real property upon and after the three-year anniversary of the issuance of a tax certificate. C.R.S. § 39-11-120(1). Indigo Trails understands from the Adams County Treasurer that a tax certificate for 2017 taxes was issued in November 2018. Accordingly, a treasurer's deed to the Property could be issued as early as November 2021. It is unknown to Indigo Trails whether the Adams County Treasurer considers itself to be restricted by the Litigation Injunction in terms of its ability to issue a treasurer's deed to the Property. In any event, the issuance of a treasurer's deed would eliminate Indigo Trails' collateral interest in the Property as well as any interest of the receivership estate. The Receiver has not offered to pay the unpaid taxes or any other adequate protection to protect Indigo Trails' interest in the Property.

36. The Receiver should not be permitted to continue to stay the first lienholder's right to realize on its bargained-for collateral, forcing it to advance funds to prevent a tax deed sale, particularly where the further delay is due to Mocevic's (the defaulting party's principal) alleged negotiations for a potential "white knight" who may or may not materialize and provide sufficient funds to satisfy the approximate \$4 million due under the Deed of Trust.

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<sup>11</sup> The official records of Adams County Treasurer and Trustee evidencing the amount of taxes due and owing on the Property, available by assigned parcel numbers, are reviewable at <https://www.adcotax.com/treasurer/treasurerweb>.

37. The importance of satisfying tax delinquencies before November 2021, and the water-dedication requirements for the Property before year-end, could hardly be more urgent. There is no evidence that Colorado Homes or the Receiver has the means or willingness to resolve either the tax delinquency or the water-dedication requirement. It is therefore critically important that this Court grant Indigo Trails relief from the Litigation Injunction to complete its foreclosure and resolve these significant issues, which if not timely resolved, will result in harm to Indigo Trails.

***FACTS SUPPORT REQUEST TO INTERVENE***

32. “Rule 24 of the Federal Rules of Civil Procedure provides that the Court must permit someone to intervene who brings a timely motion and who “claims an interest relating to the property or transaction that is the subject of the action, and is so situated that disposing of the action may as a practical matter impair or impede the movant’s ability to protect its interest, unless existing parties adequately represent that interest.” *Quantum Communs. Corp. v. Star Broad., Inc.*, No. 05-21772-CIV, 2009 U.S. Dist. LEXIS 92868, 2009 WL 3055371 (S.D. Fla. Sept. 14, 2009).

33. To establish a right to intervene under Fed. R. Civ. P. 24(a), the prospective intervenor must establish: “1) that the application to intervene is timely; 2) that the intervenor has an interest relating to the property or transaction that is the subject of the action; 3) that the intervenor is situated such that disposition of the action, as a practical matter, may impede or impair his ability to protect that interest; and 4) that the intervenor’s interest is not adequately represented by the existing parties to the suit.” *Id.* (citing *Purcell v. BankAtlantic Financial Corp.*, 85 F. 3d 1508, 1512 (11<sup>th</sup> Cir. 1996).

34. Moreover, under Fed. R. Civ. P. 24(c), a motion to intervene must “be accompanied by a pleading that sets out the claim or defense for which intervention is sought.” Fed. R. Civ. P. 24(c).

35. Indigo Trails meets each element of the standard for intervention.

- (a) First, this motion is timely. There is no trial or other adjudication scheduled in this matter concerning the Property that would be delayed or disrupted by allowing intervention. Indigo Trails has engaged for months in a series of discussions with the Receiver in an effort to resolve this matter on a stipulated basis. The timing of this motion reflects both reasonable deference to the Receiver and recognition of urgent matters on the near horizon in the form of tax delinquencies and burdens associated with the Ordinance.
- (b) Indigo Trails has established its undisputed interest in the Property, which the Receiver claims to be subject to the receivership estate, in the form of the Deed of Trust (Exhibit B) and Notice of Election and Demand (Exhibit C).
- (c) Indigo Trails position as the senior secured party with respect to the Property clearly puts it in a position where the failure to modify the Litigation Injunction impairs and impedes its ability to protect its interest in the Property. Indigo Trails already has been delayed by more than ten months in completing its foreclosure. Allowing the Litigation Injunction to remain in effect, without exception for this one Property, will not only extend the delay with no real prospect of benefit to the receivership estate, but it will potentially greatly diminish or even extinguish Indigo Trails’ interests due to the pending tax delinquency and Ordinance requirements.
- (d) The rights and interests of Indigo Trails clearly are not protected by any party to this case. Indigo Trails’ rights and interests are directly adverse to CBSG’s and, to the extent implicated, Liberty’s subordinate interests in the Property. Further, based on the Receiver’s unwillingness to release the Property from the Litigation Injunction, or to commit to (i) paying the tax delinquency prior to the issuance of a treasurer’s deed, and (ii) satisfying the water-dedication requirements before the Ordinance takes effect, there can be no dispute but that the Receiver has declined to protect Indigo Trails’ interest in the Property.
- (e) Finally, Indigo Trails has satisfactorily established the basis for its claim against the Property in the form of the Note, Deed of Trust and the Notice of Election and Demand (Exhibit C), as well as the Judgment (Exhibit E).

***FACTS SUPPORT GRANTING RELIEF FROM LITIGATION INJUNCTION***

36. To modify a litigation stay, a court should consider “(1) whether refusing to lift the stay genuinely preserves the *status quo* or whether the moving party will suffer substantial injury

if not permitted to proceed; (2) the time in the course of the receivership at which the motion for relief from the stay is made; and (3) the merit of the moving party's underlying claim.” *SEC v. Stanford Int’l Bank Ltd.*, 424 Fed. Appx 338, 341 (5<sup>th</sup> Cir. 2011) (quoting *SEC v. Wencke*, 742 F. 2d 1230, 1231 (9<sup>th</sup> Cir. 1984).

37. While it cannot speak to the situation of other parties, Indigo Trails asserts the facts here clearly and convincingly satisfy each component of a lift-stay analysis. First, refusing to lift the stay would not genuinely preserve the status quo because it causes Indigo Trails’ interest in the Property to be greatly diminished by the impending heightened requirements of the Ordinance and unpaid real estate taxes. Further, continuing the stay as to Indigo Trails effectively coerces Indigo Trails to presently fund the water-dedication rights under the current standards and pay the delinquent taxes to avoid the loss of the Property, without any assurance that the Receiver will have the ability to pay it for the amounts due, including the sums advanced to resolve these important items or that Indigo Trails will be able to recover these advances if it later becomes the owner of the Property.

38. Even apart from imminent impairment of Indigo Trails’ collateral, maintaining the existing “status quo” as it relates to the Property provides no benefit or value to the receivership estate. As shown by the McCloud Appraisal (Exhibit F-1), the value of the Property is a mere fraction of the \$4 million or so owing to Indigo Trails secured by the Deed of Trust. Indigo Trails submits that the Court, when evaluating this Motion, should view the Litigation Injunction as the functional equivalent of the automatic stay imposed in bankruptcy cases by 11 U.S.C. § 362. The failure to consider the severe impact of the unbridled Litigation Injunction on Indigo Trails under the facts presented by this Motion raises the same concerns that Congress recognized with an uncontrolled “automatic stay” in a bankruptcy case. *See* S. REP. NO. 989, *supra* note 5, at 49, 53,

1978 U.S. CODE CONG. & AD. NEWS at 5835, 5839 ("This section and the concept of adequate protection are based as much on policy grounds as on constitutional grounds. Secured creditors should not be deprived of the benefit of their bargain."); *see also* H.R. REP. NO. 595, *supra* note 5, at 339, 1978 U.S. CODE CONG. & AD. NEWS at 6295.

39. If the receivership estate were a bankruptcy estate, under 11 U.S.C. § 362(d)(2), secured creditors such as Indigo Trails would be afforded relief from the automatic if the trustee cannot provide adequate protection or it is shown that the debtor has no equity in the property and that the property is not necessary to an effective reorganization. Here, the Receiver has never offered anything to protect the rights of Indigo Trails. Moreover, the absence of any equity is readily apparent from the McCloud Appraisal, and the Receiver has not yet disputed this fact even though he was provided a copy of the McCloud Appraisal months ago. Further, the Receiver's role here is more akin to that of a trustee in a Chapter 7 proceeding, in which the absence of equity alone is sufficient to justify relief from the stay, than to the role of a trustee or debtor-in-possession in a Chapter 11 case, where an asset's necessity to an effective reorganization is relevant. By analogy to Section 362, Indigo Trails should be entitled to a modification of the Litigation Injunction.

40. The objective of the receivership is to preserve value for creditors and innocent investors of the receivership entities – not to reorganize and operate entities that engage in speculative transactions. There is simply no value to be realized from the Property beyond the amount of the first lien. Therefore, even if leaving the Property subject to the Litigation Injunction could be said to preserve the "status quo," it would not preserve anything beneficial to the receivership estate. The repeated prognostications of the Receiver that he is evaluating forthcoming proposals from Mocevic cannot override the damage and harm staring Indigo Trails

in the face. The denial of this Motion, and thus continuation of a yearlong stay against Indigo Trails' superior lien rights, would appear to implicate the same constitutional concerns Congress was concerned about with an unbridled "automatic stay" in bankruptcy proceeding.

41. The receivership has been in place for more than fourteen months and Indigo Trails suspended its foreclosure more than ten months ago.<sup>12</sup> The Receiver has had more than ample time to investigate the Property, the purchase-and-sale and loan transactions between Indigo Trails and Colorado Homes, and the facts and circumstances surrounding the granting of the subordinate security interest to CBSG. Indigo Trails has provided the Receiver with all relevant information. Conversely, over the course of many months of dialogue, the Receiver has been unable to articulate any factual basis (i) to substantiate any suspicion that Indigo Trails or its principal engaged in any questionable dealings with Colorado Homes, CBSG, Liberty, or principals or affiliates of any of them, or (ii) to indicate that the Property has value equal to or in excess of the amount necessary to generate any benefit to the receivership estate.

42. Finally, as to the merits of movant's underlying claim, cannot be disputed by Receiver in good faith. The Note and Deed of Trust are clear and unambiguous. Colorado Homes never made a payment of principal or Interest on the Note, the terms of which are expressly detailed in the instrument and the amounts due can be calculated therefrom. Moreover, Indigo Trails has reduced its monetary claim against non-Defendant Colorado Homes to finality in the form of the Judgment. There is no basis on which any party could dispute the authenticity, validity, priority or effect of the Deed of Trust. Of course, if the Court grants relief from the stay, the Receiver has the right, like any other inferior lienholder or interested party, to participate in the public auction

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<sup>12</sup> In this regard, the continuance of the stay may force Indigo Trails to re-start the non-judicial foreclosure process in Colorado, resulting in further delay in its ability to effect its rights as the first lienholder in the Property.

---

of the Property. He is not precluded from entering into a transaction with Mocevic or anyone else to bid as joint venture at the foreclosure sale. What the Receiver should not be allowed to do is hide behind an unlimited injunction that adversely and materially affects the property rights of a party that had and has nothing to do with the Defendants.

***RECEIVER'S FAILURE TO COMPLY WITH 28 U.S.C. § 754***

43. Indigo Trails has thus far refrained from completing its foreclosure in deference to the Litigation Injunction notwithstanding the failure of the Receiver to file a notice in the U.S. District Court for the District of Colorado as required by 28 U.S.C. § 754,<sup>13</sup> which provides:

A receiver appointed in any civil action or proceeding involving property, real, personal or mixed, situated in different districts shall, upon giving bond as required by the court, be vested with complete jurisdiction and control of all such property with the right to take possession thereof.

He shall have the capacity to sue in any district without ancillary appointment, and may be sued with respect thereto as provided in section 959 of this title.

***Such receiver shall, within ten days after the entry of his order of appointment, file copies of the complaint and such order of appointment in the district court for each district in which property is located. The failure to file such copies in any district shall divest the receiver of jurisdiction and control over all such property in that district.*** (Emphasis added)

44. The CBSG Security Agreement is recorded in the real property records of Adams County and, as asserted by the Receiver, gives the receivership estate an interest in the Property. That interest exists only in the State of Colorado. The Receiver cannot have it both ways -- that is, claim that the estate holds interest in the Property subject to the receivership, and therefore the Litigation Injunction, but fail to comply with the requirements of 28 U.S.C. § 754. Thus, as a matter of law, the Receiver no longer has jurisdiction or authority over any interest in the Property.

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<sup>13</sup> Based on a party search conducted by Indigo Trails' counsel utilizing the PACER database on October 6, 2021, the Receiver has filed notices in several districts but none in the District of Colorado.

*See, e.g., S.E.C. v. Vision Communications, Inc.*, 74 F.3d 287 (D.C. Cir. 1996) (holding that the failure of a receiver appointed by the Securities and Exchange Commission to file a copy of the complaint and order in Pennsylvania within ten days of entry of the appointment order divested the receiver of jurisdiction and control of property in Pennsylvania.)

### **CONCLUSION**

45. Indigo Trails is an innocent party and woefully under-secured creditor of a non-Defendant, and its ability to enforce its state law property rights may have been suspended by the Litigation Injunction with no assured real benefit to the receivership estate. Tax delinquencies and, more importantly, the increased water dedication requirements imposed by local government that will take effect in less than 90 days away threaten to severely dilute and diminish the Property and thus adversely impact the security interest rights of the first consensual lienholder. Indigo Trails is therefore entitled to relief from the Litigation Injunction to complete its foreclosure of the Deed of Trust before December 1, 2021.<sup>14i</sup> If the Receiver is able to satisfy the sums due under the Deed of Trust before the foreclosure sale (which after noticing taking into account noticing requirements) must be completed before **December 1, 2021**, the foreclosure sale would be cancelled and the Receiver could foreclose its junior mortgage and acquire ownership of the Property. What the Receiver should not be able to do is continually use a non-statutory stay doctrine to elevate its unconsented, subordinated lien above the rights of the senior secured creditor against a non-Defendant.

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<sup>14</sup> The originally scheduled sale date was Wednesday, December 2, 2020. Colorado does not permit foreclosure sales to be continued for more than one year beyond the originally scheduled sale date. C.R.S. § 38-38-109(1)(a). Adams County conducts public trustee sales only on Wednesdays. Therefore, if the sale does not occur on or before Wednesday, December 1, 2021, Indigo Trails will be required to withdraw its foreclosure and commence a new proceeding.



46. In the alternative, or perhaps as a threshold issue, this motion should be granted or denied as moot on the express basis that the Receiver's claimed interest in the Property is not part of the receivership estate, and therefore not subject to the Litigation Injunction, because the Receiver failed to file notice in the U.S. District Court for the District of Colorado as required by 28 U.S.C. § 754.

WHEREFORE, Indigo Trails respectfully requests that the Court enter an order (i) allowing it to intervene as a party in this action solely with respect to challenging the Litigation Injunction as it pertains to the Property, (ii) lifting or modifying the Litigation Injunction for the limited purpose of allowing it to complete its non-judicial foreclosure of the Property, or determining the stay does not apply to the Property, and (ii) granting such other and further relief as the Court deems just and proper.

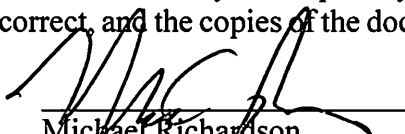
Dated: October 14, 2021.

Respectfully submitted,

FOLEY & LARDNER LLP  
Attorneys for Indigo Trails LLLP  
100 N. Tampa St., Suite 2700  
Tampa, FL 33602  
813-229-2300 (phone)  
813-221-4210 (fax)

By: /s/ Mark Wolfson  
Mark Wolfson  
Florida Bar No. 352756  
[mwolfson@foley.com](mailto:mwolfson@foley.com)

I, Michael Richardson, over the age of 18, am the General Partner of Indigo Trails, LLLP, and declare and verify under penalty of perjury that the facts asserted in the above motion are true and correct, and the copies of the documents attached hereto as Exhibits are true and correct copies.

  
\_\_\_\_\_  
Michael Richardson  
October 13, 2021

**CERTIFICATION PURSUANT TO LOCAL RULE 7.1**

I HEREBY CERTIFY that, pursuant to Local Rule 7.1, I contacted and conferred with the attorneys for the Plaintiff and Receiver in a good faith effort to resolve the issues raised in this motion and, based on those communications, state that both the Plaintiff and Receiver oppose this motion.

By: Mark J. Wolfson

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served via Notice of Electric Filing by CM/ECF transmission to all counsel and parties who are registered to receive such service in this case on October 14, 2021.

*/s/ Mark J. Wolfson*  
Attorney

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission. (NTD81-10-06) (Mandatory 1-07)

IF THIS FORM IS USED IN A CONSUMER CREDIT TRANSACTION, CONSULT LEGAL COUNSEL.

THIS IS A LEGAL INSTRUMENT. IF NOT UNDERSTOOD, LEGAL, TAX OR OTHER COUNSEL SHOULD BE CONSULTED BEFORE SIGNING.

PROMISSORY NOTE

U.S. \$2,375,000.00

Denver, Colorado
Date: May 4, 2017

1. FOR VALUE RECEIVED, the undersigned (Borrower) promise(s) to pay Indigo Trails, LLLP (Note Holder) or order, the principal sum of Two Million Three Hundred Seventy-Five Thousand Dollars (the "Loan"), with interest on the unpaid principal balance from May 4, 2017, until paid, at the rate of zero interest for the first nine (9) months from the date of this Promissory Note and thereafter at the rate of six percent (6%) per annum. Principal and interest shall be payable at 200 W. Hampden Avenue, Suite 201, Englewood, CO 80110, or such other place as Note Holder may designate, in quarterly, interest only payments calculated on the amount of the remaining principal balance and payable on the tenth (10th) calendar day of each month following the end of each Quarter (as defined below), together with annual Principal Reduction Payments (as defined and as further set forth below), beginning the first calendar month following the end of the first applicable Quarter after the initial nine (9) months following the date of this Note, for such interest only payments; and principal reduction payments on the first (1st) calendar day of the first month following the first anniversary of the date of this Promissory Note, and each 1-year anniversary thereafter. Such payments shall continue until the entire indebtedness evidenced by this Note is fully paid; provided, however, if not sooner paid, the entire principal amount outstanding and accrued interest thereon, plus all other amounts due and owing Note Holder, shall be due and payable on the date that is the sixth (6th) anniversary of the date of this Promissory Note.

2. Borrower shall pay to Note Holder a late charge of ten percent (10%) of any payment not received by Note Holder within five (5) days after the payment is due (except with respect to any Principal Reduction Payment, as further set forth below).

3. Payments received for application to this Note shall be applied first to the payment of late charges, if any, second to the payment of accrued interest at the default rate specified below, if any, third to accrued interest first specified above, and the balance applied in reduction of the principal amount hereof.

4. If any payment required by this Note is not paid when due, or if any default under any Deed of Trust securing this Note occurs, the entire principal amount outstanding and accrued interest thereon shall at once become due and payable at the option of Note Holder (Acceleration); and the indebtedness shall bear interest at the rate of the Eighteen percent (18%) percent per annum from the date of default. Note Holder shall be entitled to collect all reasonable costs and expense of collection and/or suit, including, but not limited to reasonable attorneys' fees.

5. Borrower may prepay the principal amount outstanding under this Note, in whole or in part, at any time without penalty.

Any partial prepayment shall be applied against the principal amount outstanding and shall not postpone the due date of any subsequent payments or change the amount of such payments.

6. Borrower and all other makers, sureties, guarantors, and endorsers hereby waive presentment, notice of

Handwritten signature and initials

53 dishonor and protest, and they hereby agree to any extensions of time of payment and partial payments  
54 before, at, or after maturity. This Note shall be the joint and several obligation of Borrower and all other  
55 makers, sureties, guarantors and endorsers, and their successors and assigns.  
56

57 7. Any notice to Borrower provided for in this Note shall be in writing and shall be given and be effective  
58 upon (a) delivery to Borrower or (b) by mailing such notice by first class U.S. mail, addressed to Borrower at  
59 Borrower’s address stated below, or to such other address as Borrower may designate by notice to Note  
60 Holder. Any notice to Note Holder shall be in writing and shall be given and be effective upon (a) delivery to  
61 Note Holder or (b) by mailing such notice by first class U.S. mail, to Note Holder at the address stated in the  
62 first paragraph of this Note, or to such other address as Note Holder may designate by notice to Borrower.  
63

64 8. The indebtedness evidenced by this Note is secured by a Deed of Trust dated May 4, 2017 and until  
65 released said Deed of Trust contains additional rights of Note Holder. Such rights may cause Acceleration of  
66 the indebtedness evidenced by this Note. Reference is made to said Deed of Trust for such additional terms.  
67 Said Deed of Trust grants rights in the following legally described property located in the  
68 County of ADAMS, State of Colorado:  
69

70 **Phase V:**

- 71 Lots 18-28, inclusive, Block 9;
- 72 Lots 7-12, inclusive, Block 12;
- 73 Lots 3-14, inclusive, Block 13;
- 74 Lots 1-6, inclusive, Block 14;
- 75 Lots 1-4 inclusive, 8-11 inclusive, Block 15;
- 76 Lots 1, 8, 9, 10, 11, Block 16;

77 and

78 Tract L except that portion of Tract L more particularly described on that Special Warranty Deed dated April 25, 2002  
79 and recorded on April 29, 2002 at Reception No. CO961748  
80

81 Indigo Trails Filing No. 1  
82 City of Brighton,  
83 County of Adams,  
84 State of Colorado  
85

86 generally known as No. Vacant Land in Brighton, CO 80601 (Property Address).  
87 Street Address, City, State, Zip  
88

89 9. Notwithstanding anything to contrary contained in this Note, the rates applicable under this Note shall be  
90 the lesser of (i) the maximum rate of interest which, under applicable Colorado law, Note Holder is then  
91 permitted to charge Borrower, or (ii) rate as stated herein.  
92

93 10. As used herein, the term “Quarter” means the following four respective periods: (1) January 1- March  
94 31; (2) April 1 - June 30; (3) July 1 – September 30; and (4) October 1 – December 31.  
95

96 11. Borrower shall make an initial Principal Reduction Payment (“the Initial Principal Reduction”) of Two  
97 Hundred Seventy-Five Thousand Dollars (\$275,000.00 USD) on 45 days after the date of this Note. Note  
98 Holder shall grant Borrower a one-time extension of 45 days for payment of the Initial Principal Reduction  
99 upon written request of Borrower. Thereafter, beginning on the first (1<sup>st</sup>) calendar day following the annual  
100 anniversary of the date of this Note (each being a “Principal Reduction Payment Date”), Borrower shall make  
101 a Principal Reduction payment to Note Holder in the amount equal to the number of lots noted below at  
102 \$50,000 per lot. The anniversary date shall begin on the 365<sup>th</sup> day following the date of this Note, and  
103 continuing for six (6) years thereafter (the “Anniversary Date”):  
104  
105

  
Initial

	<b>Anniversary Date:</b>	<b>Number Lots</b>	<b>Principal Reduction</b>
106			
107	1 <sup>st</sup> Anniversary Date:	Zero (0) Lots	\$0
108	2 <sup>nd</sup> Anniversary Date:	Three (3) Lots	\$150,000
109	3 <sup>rd</sup> Anniversary Date:	Twelve (12) Lots	\$600,000
110	4 <sup>th</sup> Anniversary Date:	Twelve (12) Lots	\$600,000
111	5 <sup>th</sup> Anniversary Date:	Twelve (12) Lots	\$600,000
112	6 <sup>th</sup> Anniversary Date:	Three (3) Lots	<u>\$150,000</u>
113			\$2,100,000

114 (each payment, is referred to as a Principal Reduction Payment” and collectively as the “Principal Reduction  
 115 Payments”). If any Principal Reduction Payment is not received on the Principal Reduction Payment Date  
 116 (time being of the essence in connection therewith), in addition to the rights and remedies of Note Holder  
 117 under this Note, the Deed of Trust or the Guaranty (as defined below), Borrower shall pay to Note Holder a  
 118 late charge of ten percent (10%) of the Principal Reduction Payment not timely received by Note Holder.  
 119

120 12. The Principal Reduction Payment paid by Buyer on or before Anniversary Date shall be applied  
 121 against the Principal Balance. Seller shall allow a partial release of Lots at 110% of Par Value (as  
 122 hereinafter defined) upon completion and written Initial Acceptance by the City of Brighton for all  
 123 development improvements (including off-site improvements) required by the City to service the Lots in  
 124 Phases IV and V of Indigo Trails Subdivision Filing No. 1. Par Value shall be calculated by dividing the  
 125 original Note Principal Balance by the number of Lots in Phase V times 110% (\$2,100,000 divided by 48  
 126 Lots = \$43,750 times 110% equals \$48,125) (the “Par Value”). In no event, however, shall the Par Value  
 127 or requirement for partial release be greater than the Principal Balance. Additionally, each partial release  
 128 is subject to the condition that all Lots to be released must be contiguous to each other and Lots within  
 129 each subsequent partial release shall be contiguous to any previously released Lots.  
 130

131 13. As material inducement for the Note Holder agreeing to make the Loan referenced herein, Borrower  
 132 agrees to cause Ranko Mocevic (“Guarantor”) to execute and deliver a Pledge and Security Agreement and a  
 133 personal guaranty in a form acceptable to Note Holder in its sole discretion.  
 134

135 14. In the event of default by Borrower and/or Guarantor, Borrower shall be required to assign the Declarant  
 136 Rights received under that certain Partial Assignment of Declarant Rights and Builder Designation back to  
 137 the Lender.  
 138

139 (CAUTION: SIGN ORIGINAL NOTE ONLY/RETAIN COPY)

140  
 141 COLORADO HOMES, LLC,  
 142 a Colorado limited liability company

143 By: [Signature]  
 144  
 145 Title: MANAGER

146  
 147 GUARANTOR: [Signature]  
 148  
 149  
 150 By: Ranko Mocevic, individually

151  
 152 Borrower’s address: 6460 S. Quebec Street, Centennial, CO 80111

153  
 154 KEEP THIS NOTE IN A SAFE PLACE. THE ORIGINAL OF THIS NOTE MUST BE EXHIBITED TO THE  
 155 PUBLIC TRUSTEE IN ORDER TO RELEASE A DEED OF TRUST SECURING THIS NOTE.



The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission. (TD72-8-10) (Mandatory 1-11)

IF THIS FORM IS USED IN A CONSUMER CREDIT TRANSACTION, CONSULT LEGAL COUNSEL.

THIS IS A LEGAL INSTRUMENT. IF NOT UNDERSTOOD, LEGAL, TAX OR OTHER COUNSEL SHOULD BE CONSULTED BEFORE SIGNING.

DEED OF TRUST (Due on Transfer -- Strict)

THIS DEED OF TRUST is made this 4th day of May, 2017, between Colorado Homes, LLC, a Colorado limited liability company (Borrower), whose address is 6460 S. Quebec Street, Centennial, CO 80111; and the Public Trustee of the County in which the Property (see § 1) is situated (Trustee); for the benefit of Indigo Trails, LLLP, a Colorado limited liability limited partnership (Lender), whose address is 200 W. Hampden Avenue, Suite 201, Englewood, CO 80110.

Borrower and Lender covenant and agree as follows:

1. Property in Trust. Borrower, in consideration of the indebtedness herein recited and the trust herein created, hereby grants and conveys to Trustee in trust, with power of sale, the following legally described property located in the County of ADAMS, State of Colorado:

Phase V:

- Lots 18-28, inclusive, Block 9;
Lots 7-12, inclusive, Block 12;
Lots 3-14, inclusive, Block 13;
Lots 1-6, inclusive, Block 14;
Lots 1-4 inclusive, 8-11 inclusive, Block 15;
Lots 1, 8, 9, 10, 11, Block 16;

and

Tract L except that portion of Tract L more particularly described on that Special Warranty Deed dated April 25, 2002 and recorded on April 29, 2002 at Reception No. CO961748

Indigo Trails Filing No. 1
City of Brighton,
County of Adams,
State of Colorado

generally known as No. Vacant Land in Brighton, CO 80601 (Property Address),
Street Address City State

together with all its appurtenances (Property).

2. Note: Other Obligations Secured. This Deed of Trust is given to secure to Lender:

2.1. the repayment of the indebtedness evidenced by Borrower's note (Note) dated of even date herewith in the principal sum of Two Million Three Hundred Seventy-Five Thousand and No/100ths Dollars (U.S. \$2,375,000.00), with interest on the unpaid principal balance from nine (9) months after the date hereof until paid, at the rate as stated in the Note, with principal and interest payable at 200 W. Hampden Avenue, Suite 201, Englewood, CO 80110 or such other place as Lender may designate, in quarterly interest only payments, and an initial principal reduction payment of Two Hundred Seventy-Five Thousand Dollars (\$275,000.00) within forty-five (45) days, plus annual principal reduction payments, as further set forth in the Note, due on the dates as further set forth in the Note; such payments to continue until the entire indebtedness evidenced by said Note is fully paid; however, if not sooner paid, the entire principal amount outstanding and accrued interest thereon shall be due and payable on the date that is the sixth (6th) anniversary of the date of the Note and this Deed of Trust; and Borrower is to pay to Lender a late charge of ten percent (10%) of any payment not received by Lender within periods as set forth in the Note; and Borrower has the right to prepay the principal amount outstanding under said Note, in whole or in part, at any time without penalty;

2.2. the payment of all other sums, with interest thereon at the Eighteen Percent (18%) per annum, disbursed by Lender in accordance with this Deed of Trust to protect the security of this Deed of Trust; and

2.3. the performance of the covenants and agreements of Borrower herein contained.

3. Title. Borrower covenants that Borrower owns and has the right to grant and convey the Property, and warrants title to the same, subject to general real estate taxes for the current year, easements of record or in existence, and recorded

57 declarations, restrictions, reservations and covenants, if any, as of this date; and subject to those items of record listed on  
58 Schedule B-2 to Lender's loan title policy.

59 **4. Payment of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the  
60 indebtedness evidenced by the Note, and late charges as provided in the Note and shall perform all of Borrower's other  
61 covenants contained in the Note.

62 **5. Application of Payments.** All payments received by Lender under the terms hereof shall be applied by Lender first  
63 in payment of amounts due pursuant to § 23 (Escrow Funds for Taxes and Insurance), then to amounts disbursed by Lender  
64 pursuant to § 9 (Protection of Lender's Security), and the balance in accordance with the terms and conditions of the Note.

65 **6. Prior Mortgages and Deeds of Trust; Charges; Liens.** Borrower shall perform all of Borrower's obligations  
66 under any prior deed of trust and any other prior liens. Borrower shall pay all taxes, assessments and other charges, fines and  
67 impositions attributable to the Property which may have or attain a priority over this Deed of Trust, and leasehold payments or  
68 ground rents, if any, in the manner set out in § 23 (Escrow Funds for Taxes and Insurance) or, if not required to be paid in such  
69 manner, by Borrower making payment when due, directly to the payee thereof. Despite the foregoing, Borrower shall not be  
70 required to make payments otherwise required by this section if Borrower, after notice to Lender, shall in good faith contest  
71 such obligation by, or defend enforcement of such obligation in, legal proceedings which operate to prevent the enforcement of  
72 the obligation or forfeiture of the Property or any part thereof, only upon Borrower making all such contested payments and  
73 other payments as ordered by the court to the registry of the court in which such proceedings are filed.

74 **7. Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property  
75 insured against loss by fire or hazards included within the term "extended coverage" in an amount at least equal to the lesser of  
76 (a) the insurable value of the Property or (b) an amount sufficient to pay the sums secured by this Deed of Trust as well as any  
77 prior encumbrances on the Property. All of the foregoing shall be known as "Property Insurance."

78 The insurance carrier providing the insurance shall be qualified to write Property Insurance in Colorado and shall be chosen  
79 by Borrower subject to Lender's right to reject the chosen carrier for reasonable cause. All insurance policies and renewals  
80 thereof shall include a standard mortgage clause in favor of Lender, and shall provide that the insurance carrier shall notify  
81 Lender at least ten (10) days before cancellation, termination or any material change of coverage. Insurance policies shall be  
82 furnished to Lender at or before closing. Lender shall have the right to hold the policies and renewals thereof.

83 In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss  
84 if not made promptly by Borrower.

85 Insurance proceeds shall be applied to restoration or repair of the Property damaged, provided said restoration or repair is  
86 economically feasible and the security of this Deed of Trust is not thereby impaired. If such restoration or repair is not  
87 economically feasible or if the security of this Deed of Trust would be impaired, the insurance proceeds shall be applied to the  
88 sums secured by this Deed of Trust, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if  
89 Borrower fails to respond to Lender within 30 days from the date notice is given in accordance with § 16 (Notice) by Lender to  
90 Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the  
91 insurance proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Deed of  
92 Trust.

93 Any such application of proceeds to principal shall not extend or postpone the due date of the installments referred to in  
94 §§ 4 (Payment of Principal and Interest) and 23 (Escrow Funds for Taxes and Insurance) or change the amount of such  
95 installments. Notwithstanding anything herein to the contrary, if under § 18 (Acceleration; Foreclosure; Other Remedies) the  
96 Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the  
97 proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the  
98 sums secured by this Deed of Trust immediately prior to such sale or acquisition.

99 All of the rights of Borrower and Lender hereunder with respect to insurance carriers, insurance policies and insurance  
100 proceeds are subject to the rights of any holder of a prior deed of trust with respect to said insurance carriers, policies and proceeds.

101 **8. Preservation and Maintenance of Property.** Borrower shall keep the Property in good repair and shall not commit  
102 waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of  
103 Trust is on a leasehold. Borrower shall perform all of Borrower's obligations under any declarations, covenants, by-laws, rules,  
104 or other documents governing the use, ownership or occupancy of the Property.

105 **9. Protection of Lender's Security.** Except when Borrower has exercised Borrower's rights under § 6 above, if  
106 Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if a default occurs in a prior lien, or  
107 if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's  
108 option, with notice to Borrower if required by law, may make such appearances, disburse such sums and take such action as is  
109 necessary to protect Lender's interest, including, but not limited to:

- 110 **9.1.** any general or special taxes or ditch or water assessments levied or accruing against the Property;
- 111 **9.2.** the premiums on any insurance necessary to protect any improvements comprising a part of the Property;
- 112 **9.3.** sums due on any prior lien or encumbrance on the Property;



113           **9.4.** if the Property is a leasehold or is subject to a lease, all sums due under such lease;  
114           **9.5.** the reasonable costs and expenses of defending, protecting, and maintaining the Property and Lender's interest  
115 in the Property, including repair and maintenance costs and expenses, costs and expenses of protecting and securing the  
116 Property, receiver's fees and expenses, inspection fees, appraisal fees, court costs, attorney fees and costs, and fees and costs of  
117 an attorney in the employment of Lender or holder of the certificate of purchase;  
118           **9.6.** all other costs and expenses allowable by the evidence of debt or this Deed of Trust; and  
119           **9.7.** such other costs and expenses which may be authorized by a court of competent jurisdiction.  
120 Borrower hereby assigns to Lender any right Borrower may have by reason of any prior encumbrance on the Property or by  
121 law or otherwise to cure any default under said prior encumbrance.  
122 Any amounts disbursed by Lender pursuant to this § 9, with interest thereon, shall become additional indebtedness of  
123 Borrower secured by this Deed of Trust. Such amounts shall be payable upon notice from Lender to Borrower requesting payment  
124 thereof, and Lender may bring suit to collect any amounts so disbursed plus interest specified in § 2.2 (Note: Other Obligations  
125 Secured). Nothing contained in this § 9 shall require Lender to incur any expense or take any action hereunder.  
126 **10. Inspection.** Lender may make or cause to be made reasonable entries upon and inspection of the Property, provided  
127 that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's  
128 interest in the Property.  
129 **11. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any  
130 condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned  
131 and shall be paid to Lender as herein provided. However, all of the rights of Borrower and Lender hereunder with respect to  
132 such proceeds are subject to the rights of any holder of a prior deed of trust.  
133 In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, with  
134 the excess, if any, paid to Borrower. In the event of a partial taking of the Property, the proceeds remaining after taking out any  
135 part of the award due any prior lien holder (net award) shall be divided between Lender and Borrower, in the same ratio as the  
136 amount of the sums secured by this Deed of Trust immediately prior to the date of taking bears to Borrower's equity in the  
137 Property immediately prior to the date of taking. Borrower's equity in the Property means the fair market value of the Property  
138 less the amount of sums secured by both this Deed of Trust and all prior liens (except taxes) that are to receive any of the award,  
139 all at the value immediately prior to the date of taking.  
140 If the Property is abandoned by Borrower or if, after notice by Lender to Borrower that the condemnor offers to make an  
141 award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is given,  
142 Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the  
143 sums secured by this Deed of Trust.  
144 Any such application of proceeds to principal shall not extend or postpone the due date of the installments referred to in  
145 §§ 4 (Payment of Principal and Interest) and 23 (Escrow Funds for Taxes and Insurance) nor change the amount of such  
146 installments.  
147 **12. Borrower not Released.** Extension of the time for payment or modification of amortization of the sums secured by  
148 this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the  
149 liability of the original Borrower, nor Borrower's successors in interest, from the original terms of this Deed of Trust. Lender shall  
150 not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify  
151 amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower nor Borrower's  
152 successors in interest.  
153 **13. Forbearance by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder,  
154 or otherwise afforded by law, shall not be a waiver or preclude the exercise of any such right or remedy.  
155 **14. Remedies Cumulative.** Each remedy provided in the Note and this Deed of Trust is distinct from and cumulative to  
156 all other rights or remedies under the Note and this Deed of Trust or afforded by law or equity, and may be exercised  
157 concurrently, independently or successively.  
158 **15. Successors and Assigns Bound; Joint and Several Liability; Captions.** The covenants and agreements herein  
159 contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower,  
160 subject to the provisions of § 24 (Transfer of the Property; Assumption). All covenants and agreements of Borrower shall be  
161 joint and several. The captions and headings of the sections in this Deed of Trust are for convenience only and are not to be used  
162 to interpret or define the provisions hereof.  
163 **16. Notice.** Except for any notice required by law to be given in another manner, (a) any notice to Borrower provided  
164 for in this Deed of Trust shall be in writing and shall be given and be effective upon (1) delivery to Borrower or (2) mailing  
165 such notice by first class U.S. mail, addressed to Borrower at Borrower's address stated herein or at such other address as  
166 Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be in writing and shall be  
167 given and be effective upon (1) delivery to Lender or (2) mailing such notice by first class U.S. mail, to Lender's address stated



168 herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in  
169 this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in any manner designated herein.

170 **17. Governing Law; Severability.** The Note and this Deed of Trust shall be governed by the law of Colorado. In the  
171 event that any provision or clause of this Deed of Trust or the Note conflicts with the law, such conflict shall not affect other  
172 provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the  
173 provisions of the Deed of Trust and Note are declared to be severable.

174 **18. Acceleration; Foreclosure; Other Remedies.** Except as provided in § 24 (Transfer of the Property; Assumption),  
175 upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, or upon any default in a prior lien  
176 upon the Property, (unless Borrower has exercised Borrower's rights under § 6 above), at Lender's option, all of the sums  
177 secured by this Deed of Trust shall be immediately due and payable (Acceleration). To exercise this option, Lender may invoke  
178 the power of sale and any other remedies permitted by law. Lender shall be entitled to collect all reasonable costs and expenses  
179 incurred in pursuing the remedies provided in this Deed of Trust, including, but not limited to, reasonable attorney's fees.

180 If Lender invokes the power of sale, Lender shall give written notice to Trustee of such election. Trustee shall give such  
181 notice to Borrower of Borrower's rights as is provided by law. Trustee shall record a copy of such notice and shall cause  
182 publication of the legal notice as required by law in a legal newspaper of general circulation in each county in which the  
183 Property is situated, and shall mail copies of such notice of sale to Borrower and other persons as prescribed by law. After the  
184 lapse of such time as may be required by law, Trustee, without demand on Borrower, shall sell the Property at public auction to  
185 the highest bidder for cash at the time and place (which may be on the Property or any part thereof as permitted by law) in one  
186 or more parcels as Trustee may think best and in such order as Trustee may determine. Lender or Lender's designee may  
187 purchase the Property at any sale. It shall not be obligatory upon the purchaser at any such sale to see to the application of the  
188 purchase money.

189 Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale,  
190 including, but not limited to, reasonable Trustee's and attorney's fees and costs of title evidence; (b) to all sums secured by this  
191 Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto.

192 **19. Borrower's Right to Cure Default.** Whenever foreclosure is commenced for nonpayment of any sums due  
193 hereunder, the owners of the Property or parties liable hereon shall be entitled to cure said defaults by paying all delinquent  
194 principal and interest payments due as of the date of cure, costs, expenses, late charges, attorney's fees and other fees all in the  
195 manner provided by law. Upon such payment, this Deed of Trust and the obligations secured hereby shall remain in full force  
196 and effect as though no Acceleration had occurred, and the foreclosure proceedings shall be discontinued.

197 **20. Assignment of Rents; Appointment of Receiver; Lender in Possession.** As additional security hereunder,  
198 Borrower hereby assigns to Lender the rents of the Property; however, Borrower shall, prior to Acceleration under § 18  
199 (Acceleration; Foreclosure; Other Remedies) or abandonment of the Property, have the right to collect and retain such rents as  
200 they become due and payable.

201 Lender or the holder of the Trustee's certificate of purchase shall be entitled to a receiver for the Property after Acceleration  
202 under § 18 (Acceleration; Foreclosure; Other Remedies), and shall also be so entitled during the time covered by foreclosure  
203 proceedings and the period of redemption, if any; and shall be entitled thereto as a matter of right without regard to the solvency or  
204 insolvency of Borrower or of the then owner of the Property, and without regard to the value thereof. Such receiver may be  
205 appointed by any Court of competent jurisdiction upon ex parte application and without notice; notice being hereby expressly  
206 waived.

207 Upon Acceleration under § 18 (Acceleration; Foreclosure; Other Remedies) or abandonment of the Property, Lender, in  
208 person, by agent or by judicially-appointed receiver, shall be entitled to enter upon, take possession of and manage the Property  
209 and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied,  
210 first to payment of the costs of preservation and management of the Property, second to payments due upon prior liens, and then  
211 to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually  
212 received.

213 **21. Release/Partial Releases.** Upon payment of all sums secured by this Deed of Trust, Lender shall cause Trustee to  
214 release this Deed of Trust and shall produce for Trustee the Note. Borrower shall pay all costs of recordation and shall pay the  
215 statutory Trustee's fees. If Lender shall not produce the Note as aforesaid, then Lender, upon notice in accordance with § 16  
216 (Notice) from Borrower to Lender, shall obtain, at Lender's expense, and file any lost instrument bond required by Trustee or  
217 pay the cost thereof to effect the release of this Deed of Trust. The Principal Reduction Payment paid by Buyer on or before  
218 each Anniversary Date as described in the Note shall be applied against the Principal Balance. Seller shall allow a partial  
219 release of Lots at 110% of Par Value (as hereinafter defined) upon completion and written Initial Acceptance by the City of  
220 Brighton for all development improvements (including off-site improvements) required by the City to service the Lots in  
221 Phases IV and V of Indigo Trails Subdivision Filing No. 1. Par Value shall be calculated by dividing the Note Principal  
222 Balance after the initial principal reduction payment by the number of Lots in Phase V times 110% (\$2,100,000 divided by 48  
223 Lots = \$43,750 times 110% equals \$48,125) (the "Par Value"). In no event, however, shall the Par Value or requirement for



224 partial release be greater than the Principal Balance. Additionally, each partial release is subject to the condition that all Lots to  
 225 be released must be contiguous to each other and Lots within each subsequent partial release shall be contiguous to any  
 226 previously released Lots.

227 **22. Waiver of Exemptions.** Borrower hereby waives all right of homestead and any other exemption in the Property  
 228 under state or federal law presently existing or hereafter enacted.

229 **23. Escrow Funds for Taxes and Insurance.** This § 23 is not applicable if Funds, as defined below, are being paid  
 230 pursuant to a prior encumbrance. Subject to applicable law, if Lender provides written notice of the requirement to do so, Borrower  
 231 shall pay to Lender, on each day installments of principal and interest are payable under the Note, until the Note is paid in full, a  
 232 sum (herein referred to as "Funds") equal to one-fourth (1/4) of the yearly taxes and assessments which may attain priority over  
 233 this Deed of Trust, plus one-fourth (1/4) of yearly premium installments for Property Insurance, all as reasonably estimated  
 234 initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof, taking into  
 235 account any excess Funds not used or shortages.

236 The principal of the Funds shall be held in a separate account by Lender in trust for the benefit of Borrower and deposited  
 237 in an institution, the deposits or accounts of which are insured or guaranteed by a federal or state agency. Lender shall apply the  
 238 Funds to pay said taxes, assessments and insurance premiums. Lender may not charge for so holding and applying the Funds,  
 239 analyzing said account or verifying and compiling said assessments and bills. Lender shall not be required to pay Borrower any  
 240 interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing  
 241 credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as  
 242 additional security for the sums secured by this Deed of Trust.

243 If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments and insurance premiums as they  
 244 fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within 30 days from the date notice is  
 245 given in accordance with § 16 (Notice) by Lender to Borrower requesting payment thereof. Provided however, if the loan  
 246 secured by this Deed of Trust is subject to RESPA or other laws regulating Escrow Accounts, such deficiency, surplus or any  
 247 other required adjustment shall be paid, credited or adjusted in compliance with such applicable laws.

248 Upon payment in full of all sums secured by this Deed of Trust, Lender shall simultaneously refund to Borrower any Funds  
 249 held by Lender. If under § 18 (Acceleration; Foreclosure; Other Remedies) the Property is sold or the Property is otherwise  
 250 acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender,  
 251 whichever occurs first, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of  
 252 Trust.

253 **24. Transfer of the Property; Assumption.** The following events shall be referred to herein as a "Transfer": (i) a  
 254 transfer or conveyance of title (or any portion thereof, legal or equitable) of the Property (or any part thereof or interest therein);  
 255 (ii) the execution of a contract or agreement creating a right to title (or any portion thereof, legal or equitable) in the Property (or  
 256 any part thereof or interest therein); (iii) or an agreement granting a possessory right in the Property (or any portion thereof), in  
 257 excess of 3 years; (iv) a sale or transfer of, or the execution of a contract or agreement creating a right to acquire or receive,  
 258 more than fifty percent (50%) of the controlling interest or more than fifty percent (50%) of the beneficial interest in Borrower  
 259 and (v) the reorganization, liquidation or dissolution of Borrower. Not to be included as a Transfer are (x) the creation of a lien  
 260 or encumbrance subordinate to this Deed of Trust; (y) the creation of a purchase money security interest for household  
 261 appliances; or (z) a transfer by devise, descent or by operation of the law upon the death of a joint tenant. At the election of  
 262 Lender, in the event of each and every Transfer:

263 **24.1.** All sums secured by this Deed of Trust shall become immediately due and payable (Acceleration).

264 **24.2.** If a Transfer occurs and should Lender not exercise Lender's option pursuant to this § 24 to Accelerate,  
 265 Transferee shall be deemed to have assumed all of the obligations of Borrower under this Deed of Trust including all sums  
 266 secured hereby whether or not the instrument evidencing such conveyance, contract or grant expressly so provides. This  
 267 covenant shall run with the Property and remain in full force and effect until said sums are paid in full. Lender may without  
 268 notice to Borrower deal with Transferee in the same manner as with Borrower with reference to said sums including the  
 269 payment or credit to Transferee of undisbursed reserve Funds on payment in full of said sums, without in any way altering or  
 270 discharging Borrower's liability hereunder for the obligations hereby secured.

271 **24.3.** Should Lender not elect to Accelerate upon the occurrence of such Transfer then, subject to § 24.2 above, the  
 272 mere fact of a lapse of time or the acceptance of payment subsequent to any of such events, whether or not Lender had actual or  
 273 constructive notice of such Transfer, shall not be deemed a waiver of Lender's right to make such election nor shall Lender be  
 274 estopped therefrom by virtue thereof. The issuance on behalf of Lender of a routine statement showing the status of the loan,  
 275 whether or not Lender had actual or constructive notice of such Transfer, shall not be a waiver or estoppel of Lender's said  
 276 rights.

277 **25. Additional Provisions.** This Deed of Trust, the Note, and the documents referenced below, together with any and  
 278 all other documents executed and delivered in connection with the Loan (as defined in the Note) as may be required by Lender,  
 279 in its sole discretion, including without limitation, pledge agreements, personal guaranty, financing statements, and security

280 agreements, shall be referred to as the "Loan Documents." Borrower agrees, upon written request by Lender, to execute any  
281 and all additional documents as Note Holder may require to secure the Loan, including, without limitation, personal guaranty,  
282 pledge agreements, financing statements, and security agreements. Time is of the essence in connection with the Borrower's  
283 performance of all obligations under the Loan Documents. Notwithstanding anything contained herein or in any Loan  
284 Document to the contrary, in the event of (a) a default in any payment due under the Note or this Deed of Trust when due and  
285 payable, or (b) any other event of default (beyond any applicable cure period, if any) under the provisions of the Note, this Deed  
286 of Trust, or any other Loan Document, then the whole principal sum of this Note plus accrued interest and all other obligations  
287 of Borrower to Lender, direct or indirect, absolute or contingent, now existing or hereafter arising, shall, at the option of the  
288 Lender become immediately due and payable without notice or demand, and the Lender shall have and may exercise any or all  
289 of the rights and remedies provided herein and the other Loan Documents, and under applicable law.

290  
291 **25.1 Guaranty/Pledge and Security Agreement.** As material inducement for the Lender agreeing to make the  
292 Loan, Borrower agrees to cause Ranko Mocevic ("Guarantor") to execute and deliver a personal guaranty in a form acceptable  
293 to Lender in its sole discretion along with a Pledge and Security Agreement. If Guarantor: (a) becomes insolvent or is unable to  
294 pay its debts when due, (b) files a petition in bankruptcy, reorganization or similar proceedings (and if filed against, such  
295 petition is not removed within 7 days), or (c) a receiver is appointed or there is an assignment for the benefit of Guarantor's  
296 creditors, then Lender may, in its sole discretion, declare a default of this Deed of Trust and shall be entitled to exercise all  
297 rights under § 18 (Acceleration; Foreclosure; Other Remedies), including the right to accelerate and exercise its power of sale.

298  
299 **26. Borrower's Copy.** Borrower acknowledges receipt of a copy of the Note and this Deed of Trust.  
300  
301

EXECUTED BY BORROWER.

IF BORROWER IS LIMITED LIABILITY COMPANY:

COLORADO HOMES, LLC,  
a Colorado limited liability company

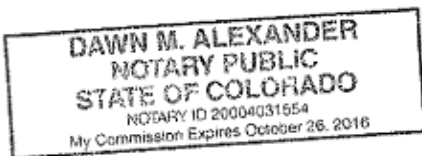
By [Signature]  
Ranko Mocevic

Manager  
Title of Authorized Representative

By [Signature]  
Ranko Mocevic, individually

STATE OF COLORADO  
COUNTY OF Denver

The foregoing instrument was acknowledged before me this 3rd day of May, 2017,  
by Ranko Mocevic, as Manager of COLORADO HOMES, LLC, on behalf of said company and by Ranko Mocevic,  
individually.



Witness my hand and official seal.  
My commission expires \_\_\_\_\_

[Signature]  
Notary Public

302 \*If a natural person or persons, insert the name(s) of such person(s). If a corporation, insert, for example, "John Doe as President and Jane Doe  
303 as Secretary of Doe & Co., a Colorado corporation." If a partnership, insert, for example, "Sam Smith as general partner in and for Smith &  
304 Smith, a general partnership." A Statement of Authority may be required if borrower is a limited liability company or other entity (§ 38-30-  
305 172, C.R.S.)  
306

7/30/2020 at 9:21 AM, 10/13, REC: \$23.00

TD Pgs: 0 Josh Zygielbaum, Adams County, CO.

**NOTICE OF ELECTION AND DEMAND FOR SALE BY PUBLIC TRUSTEE**

Public Trustee Sale No. **A202078812**

TO THE PUBLIC TRUSTEE OF Adams COUNTY Colorado

Pursuant to the terms of the deed of trust ("Deed of Trust") described as follows:

Colorado Homes, LLC  
Indigo Trails, LLLP

Indigo Trails LLLP

May 4, 2017

May 8, 2017

Adams County

2017000039863

Reception No. and/or Book/Page No.

Original Grantor(s)  
Original Lender  
Current holder ("Holder") of Evidence of Debt ("Debt") secured by Deed of Trust  
Date of Deed of Trust  
Recording Date of Deed of Trust  
County of Recording  
Reference Nos. of Recorded Deed of Trust

\$2,375,000.00 Original principal balance of Debt  
\$2,375,000.00 Outstanding principal balance of Debt on date of this Notice

**YOU ARE NOTIFIED THAT:**

The undersigned, on behalf of the Holder, gives this notice and declares a violation of the covenants of the Deed of Trust; elects to foreclose the Property described below ("the Property"); and demands that you, as Public Trustee of the County in which the Property is located, give notice of sale, publish for sale, and sell the Property to pay the Debt and expenses of sale, all as provided by law and the terms of the Deed of Trust.

The legal description of the Property that is the subject of this Notice of Election and Demand in accordance with §38-38-101(1)(c), C.R.S. is:

ATTACHED HERETO AS EXHIBIT A

also known by street and number as: Vacant Land in Brighton, Colorado 80601

The Property is  all  only a portion, as permitted by §38-38-101(3), C.R.S., of the Property presently encumbered by the Deed of Trust.

The covenants that were violated under the Debt, the Deed of Trust, or both, on which this demand for foreclosure is based are as follows:

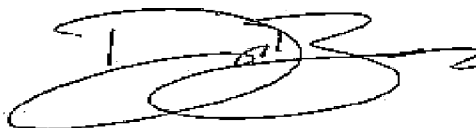
The amounts owing under the Debt and the Deed of Trust were not paid when the same became due and payable. In addition, Grantor failed to pay property taxes when the same became due and payable in violation of the Deed of Trust. In addition, Grantor encumbered the property in violation of the Deed of Trust.



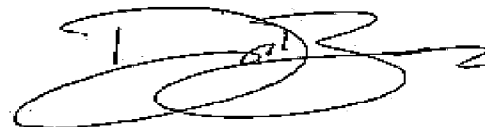
## A202078812

- The Debt consists of multiple instruments, and the Holder elects to foreclose with respect to fewer than all of such instruments. The instruments to be satisfied in whole or in part by this foreclosure consist only of the following:
- Changes to the Deed of Trust based on an affidavit that was filed with the above-named Public Trustee with this Notice of Election and Demand, which affidavit was recorded on \_\_\_\_\_ (date) at \_\_\_\_\_, (Reception No. and/or Book/Page No.) have been accepted by the Public Trustee and are described as follows:

Date: July 28, 2020 \_\_\_\_\_



\_\_\_\_\_  
David A. Brewster, Registration No. 52481  
OTTEN, JOHNSON, ROBINSON,  
NEFF + RAGONETTI, P.C.  
950 17th Street, Suite 1600  
Denver, Colorado 80202  
Telephone: (303) 575-7505  
Attorney for Holder



## A202078812

### EXHIBIT A (Legal Description)

#### PHASE V:

Lots 18-28, inclusive, Block 9;  
Lots 7-12, inclusive, Block 12;  
Lots 3-14, inclusive, Block 13;  
Lots 1-6, inclusive, Block 14;  
Lots 1-4 inclusive, 8-11 inclusive, Block 15;  
Lots 1, 8, 9, 10, 11, Block 16;  
and

Tract L except that portion of Tract L more particularly described on that Special Warranty Deed dated April 25, 2002 and recorded on April 29, 2002 at Reception No. CO961748

Indigo Trails Filing No. 1  
City of Brighton,  
County of Adams  
State of Colorado

DISTRICT COURT, ADAMS COUNTY, COLORADO Court Address: 1100 JUDICIAL CENTER DRIVE, BRIGHTON, CO, 80601	DATE FILED: October 29, 2020 9:34 AM CASE NUMBER: 2020CV31102
<b>Petitioner(s)</b> INDIGO TRAILS LLLP v. <b>Respondent(s)</b> COLORADO HOMES LLC	<b>△ COURT USE ONLY △</b> Case Number: 2020CV31102 Division: W Courtroom:
<b>Order:Order Regarding Amended Verified Motion for Order Authorizing Sale Pursuant to C.R.C.P. 120</b>	

The motion/proposed order attached hereto: SO ORDERED.

Issue Date: 10/29/2020



SHARON D HOLBROOK  
District Court Judge



DISTRICT COURT, ADAMS COUNTY COLORADO  Adams County Justice Center 1100 Judicial Center Drive Brighton, CO 80601	▲ COURT USE ONLY ▲  <hr/> Case No.: 2020CV31102  Division: W
<p><b>IN THE MATTER OF THE APPLICATION OF                  INDIGO TRAILS, LLLP, FOR AN ORDER                  AUTHORIZING THE PUBLIC TRUSTEE OF                  ADAMS COUNTY, COLORADO, TO SELL                  CERTAIN REAL ESTATE UNDER A POWER OF                  SALE CONTAINED IN A DEED OF TRUST                  GRANTED BY COLORADO HOMES, LLC</b></p>	
<p align="center"><b>ORDER REGARDING AMENDED VERIFIED MOTION FOR ORDER                  AUTHORIZING SALE PURSUANT TO C.R.C.P. 120</b></p>	

THIS MATTER having come before the Court upon the Amended Verified Motion of Indigo Trails, LLLP, for an Order Authorizing the Public Trustee of Adams County, Colorado, to sell certain real estate under a power of sale contained within a deed of trust (the “**Amended Motion**”), with no responses being filed by the response deadline of Tuesday, October 13, 2020, and the Court being fully advised,

FINDS that there is a reasonable probability that the default or other circumstance alleged in the Motion to justify invocation of the power of sale has occurred, that an order authorizing sale is otherwise proper under the Service Member Civil Relief Act (SCRA), 50 U.S.C. § 520, as amended, that the provisions of Colorado Rule of Civil Procedure 120 have been complied with, and that the Amended Motion should be granted; and it is therefore

ORDERED that, pursuant to the provisions of the Deed of Trust dated May 4, 2017, granted by Borrower for the benefit of Applicant, and recorded on May 8, 2017 in the office of the Adams County Clerk and Recorder (“**Official Records**”) at Instrument No. 2017000039863, the Public Trustee is authorized to sell the real property located in Adams County, Colorado, and more fully described as follows:

All that certain real property described in **Exhibit A** attached hereto and incorporated herein by reference.

and FURTHER ORDERED that a return of such sale be made to this Court for its approval.

Signed this \_\_\_\_ day of \_\_\_\_\_, 2020.

BY THE COURT:

\_\_\_\_\_  
District Court Judge

Public Trustee Sale No. A202078812  
Adams County, Colorado

Attachment to Order - 2020CV31102

DISTRICT COURT, ARAPAHOE COUNTY COLORADO  Arapahoe County Justice Center 7325 S. Potomac Street Centennial, CO 80112	DATE FILED: April 24, 2021 9:50 AM CASE NUMBER: 2020CV32490
<p><b>Plaintiff:</b></p> INDIGO TRAILS LLLP, a Colorado limited liability limited partnership,  v.  <p><b>Defendant:</b></p> COLORADO HOMES, LLC, a Colorado limited liability company.	<p style="text-align: center;">▲ COURT USE ONLY ▲</p> <hr style="width: 20%; margin: auto;"/> Case No.: 2020CV32490  Courtroom: 21
<p><del>PROPOSED</del> ORDER AND JUDGMENT</p>	

This matter is before the Court on the Motion for Default Judgment filed by the Plaintiff, Indigo Trails LLLP. The Court has reviewed the motion and attachments thereto, and enters the following order and judgment:

1. Plaintiff filed its complaint in this matter on December 23, 2020.
2. Defendant, through its attorney, executed a Waiver and Acceptance of Service on December 31, 2020.
3. Defendant’s answer or other responsive pleading was due on January 21, 2021. However, based on informal agreements between counsel for Plaintiff and Defendant, the Court is informed that Plaintiff would not have objected to an extension of the answer deadline to March 5, 2021.
4. Counsel for Defendant entered his appearance in this matter on January 27, 2021, but Defendant did not file an answer or other responsive pleading within 21 days after waiving and accepting service, nor within any agreed period of extension.
5. Plaintiff’s motion for default complies with the Requirements of Rules 55 and 121, § 1-14, C.R.C.P.
6. The Court has considered venue and finds that it is proper.
7. The party in whose favor judgment is to be entered is the Plaintiff, Indigo Trails LLLP. The party against whom judgment is to be entered is the Defendant, Colorado Homes, LLC.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

A. Plaintiff's motion for default judgment is granted. Judgment is hereby entered in favor of the Plaintiff, Indigo Trails LLLP, and against the Defendant, Colorado Homes, LLC, in the amount of \$3,944,595.11, plus \$1,187.50 per day for each day from and including March 11, 2021. This judgment amount consists of the following:

- (i) \$2,375,000, representing the original, principal amount of the promissory note on which judgment has been sought and is being entered;
- (ii) accrued interest through March 10, 2021, of \$1,507,376.71;
- (iii) late charges of \$27,500;
- (iv) attorneys' fees totaling \$32,178 incurred by Lender in protecting and pursuing its rights due to Borrower's default under the Note, which the Court has considered and finds to be reasonable; and
- (v) out-of-pocket expenses of \$2,540.40, which the Court has considered and finds to be reasonable.

B. The entire amount of the judgment shall bear interest from the date of this Order and Judgment until paid at the rate of 18 percent per annum, representing the parties' agreement pursuant to the default rate of interest set forth in the underlying promissory note.

C. Entry of this Order and Judgment shall not impact the priority or continuing effect of any deed of trust against real property or security interest against personal property granted as collateral for the underlying promissory note, nor shall it impact the status of any ongoing or future foreclosure of any such deed of trust or security agreement. Plaintiff may present a certified copy of this Order and Judgment to the Adams County public trustee in substitution for the original promissory note, again without impacting the priority of the deed of trust, which continues (along with any security agreement) to secure the same indebtedness, but which indebtedness is now evidenced by this Order and Judgment, into which the promissory note is merged. *See* C.R.S. § 38-38-101(1)(b)(III) and C.R.S. § 4-9-601(e); *Lakeside Ventures, LLC v. Lakeside Development Co.*, 68 P.3d 516, 519 (Colo. App. 2002).

DATED: April 24, 2021.

BY THE COURT:



\_\_\_\_\_  
District Court Judge

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
(West Palm Beach)

Case No. 20-CV-81205-RAR

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

COMPLETE BUSINESS SOLUTIONS GROUP, INC.,  
d/b/a PAR FUNDING, *et al.*

Defendants.

---

**EXHIBIT F – DECLARATION OF HAROLD S. McCLOUD**

I, Harold S. McCloud, state and affirm the following under penalty of perjury:

1. I am over the age of 18 years and am competent to give testimony in this matter.
2. Attached as Exhibit F-1 to this Declaration is a true and correct copy of an appraisal that I prepared in January 2021 concerning 48 platted residential lots located in Adams County, Colorado, more particularly described in the appraisal (the “Property”).
3. Exhibit F-1 described my credentials and qualifications as an appraiser and accurately sets forth my opinion concerning the value of the Property as of the date stated in the appraisal.

I declare under penalty of perjury that each of the foregoing averments is true and correct to the best of my knowledge, information and belief.

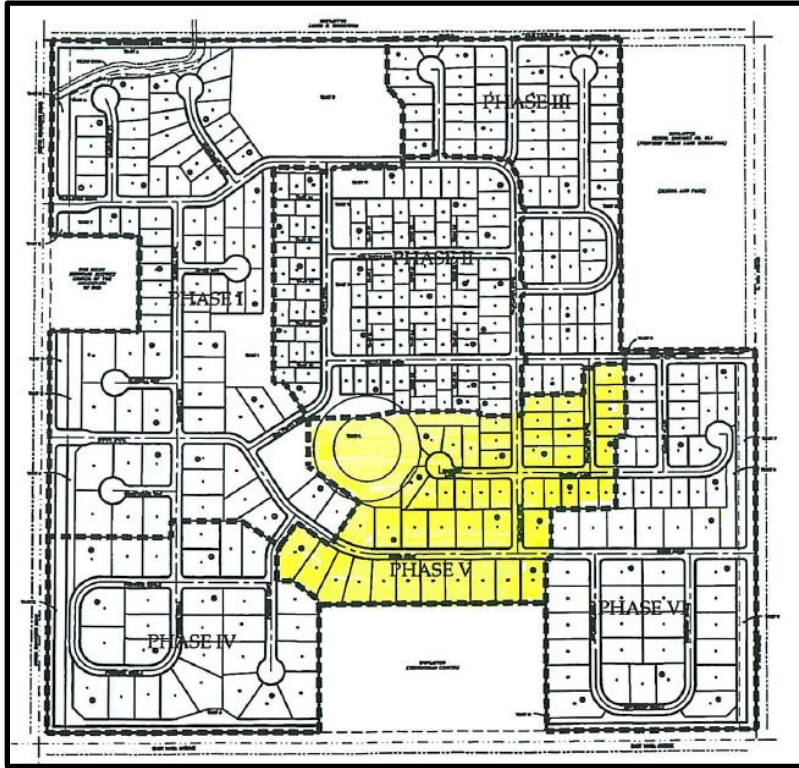
Dated this 13<sup>th</sup> day of October, 2021.



---

Harold S. McCloud

**REAL PROPERTY APPRAISAL REPORT**  
**48 Single-Family Residential Lots – Indigo Trails PUD**  
**NEC of Chambers Road and East 144<sup>th</sup> Avenue in**  
**Brighton, Adams County, Colorado**



*Prepared for:*

Mick Richardson, Manager  
**Indigo Trails, LLLP**  
200 West Hampden Avenue, Suite 201  
Englewood, Colorado 80110-2407

**EFFECTIVE DATE OF VALUE – JANUARY 20, 2021**  
**REPORT DATE – JANUARY 29, 2021**

*By:*

**MCCLOUD & ASSOCIATES**  
P.O. Box 295  
Parker, Colorado 80134



**MC CLOUD & ASSOCIATES**

Real Estate Appraisers and Consultants

P.O. Box 295

Parker, CO 80134

Harold S. McCloud, MAI  
hdmcloud@comcast.net

(720) 747-4710

Specializing in Special  
Purpose Property & General  
Property Appraisals

---

January 29, 2021

Mick Richardson, Manager

**Indigo Trails, LLLP**

200 West Hampden Avenue, Suite 201

Englewood, Colorado 80110-2407

RE: Indigo Trails PUD – 48 Single-Family Lots generally at  
NEC of Chambers Road and East 144<sup>th</sup> Avenue in  
Brighton, Colorado

Dear Mr. Richardson:

At your request, I have inspected the 48 single-family lots located in the Indigo Trails subdivision. The Indigo Trails subdivision is located on the NEC of Chambers Road and East 144<sup>th</sup> Avenue in Brighton. The subject's 48 residential lots are accesses from Indigo Drive (Blocks 9, 12 and 13) and south of Bellflower Drive (Blocks 14, 15 and 16), both west and east of Wildflower Drive. These lots are currently paper platted with asphalt paved roads, concrete curbs, gutter, and sidewalks terminating at most of the filings. The purpose of the inspection was to estimate the Market Value of the *Fee Simple Interest* in these lots, as of January 20, 2021, the most recent date of inspection. The purpose of this valuation assignment is in connection with foreclosure proceedings by the client against the borrower, Colorado Homes, LLC (60%) and Liberty 7<sup>th</sup> Avenue, LLC (40%) tenants-in-common.

A review of my records indicated that I never valued these lots.

This appraisal report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP 2020-2021) for an appraisal report. I have presented most of the available information in this document. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file.

The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. ***The appraiser is not responsible for the unauthorized use of this report.***

The definitions of market value, legal description, assumptions and limiting conditions and other pertinent data used to solve the appraisal problem is included in the attached report. The as-is condition of the property is presented on the recorded subdivision plat – Indigo Trails, filing #1, recorded on August 31, 2000 at Reception Number C0776734 of the Adams County Recorder’s records.

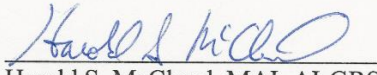
This appraisal is prepared in conformance the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Code of Professional Ethics of the Appraisal Institute.

As concluded in the report, the subject property has, as of January 20, 2021, a:

**MARKET VALUE ESTIMATE  
(\$790,000)**

Thank you for the opportunity of working with you on this appraisal assignment.

Respectfully submitted,

  
Harold S. McCloud, MAI, AI-GRS  
Certified General Appraiser in  
Colorado #CG01313633

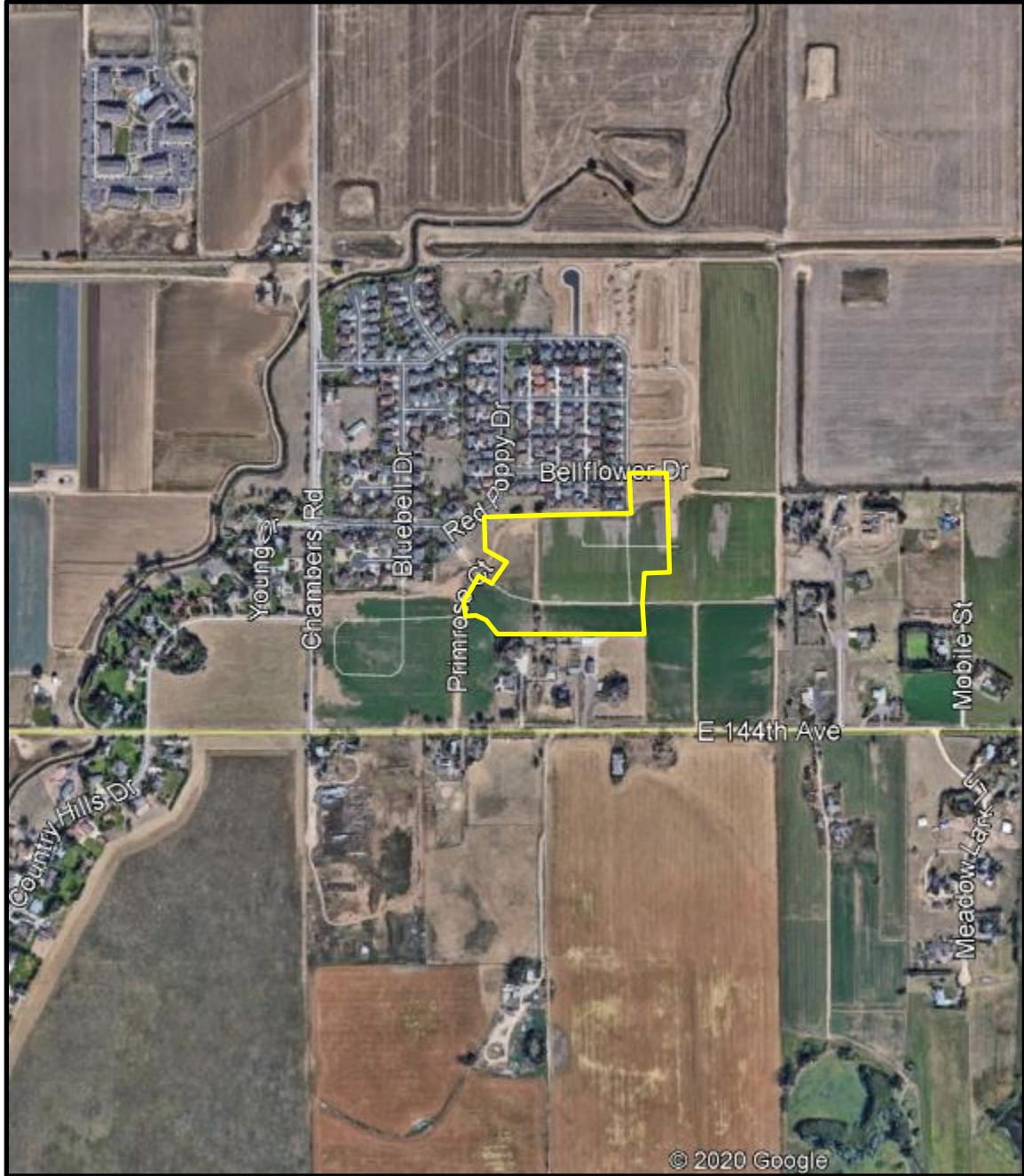


## ***Summary of Important Facts and Conclusions***

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<b>Property Type:</b>	The subject's 48 residential lots are accesses from Indigo Drive (Blocks 9, 12 and 13) and south of Bellflower Drive (Blocks 14, 15 and 16), both west and east of Wildflower Drive, Brighton, CO
<b>Location:</b>	NEC of Chambers Road and East 144 <sup>th</sup> Avenue in in Brighton, Adams County, Colorado
<b>Ownership:</b>	Colorado Homes, LLC (60%) and Liberty 7 <sup>th</sup> Avenue, LLC (40%) tenants-in-common
<b>Value Definition:</b>	Market Value
<b>Property Rights Appraised:</b>	Fee Simple Interest "as-is"- no consideration of the existing liens is given.
<b>Date of Valuation:</b> As-Is	January 20, 2021
<b>Property Size:</b>	Various residential lot sizes
<b>Zoning:</b>	Indigo Trails, Fist Filing - PUD, City of Brighton
<b>Highest and Best Use:</b>	Residential Development
<b>Value Indications:</b> Lot Residual Approach	\$790,000 - \$16,460 per lot
<b>Final Value Estimate:</b> Market Value	<b>(\$790,000)</b>

### Aerial Map





Looking southeasterly from Indigo Drive and Primrose Court at Filing 9



Looking southwesterly from Indigo Drive and Primrose Court at Filing 9



Looking southeasterly from Indigo Drive at Filing 9





Looking southeasterly from Indigo Drive at Filings 9 and 12



Looking northeasterly from Indigo Drive at Filings 9, 12 and 13



Looking easterly at Filing 15 from Wildflower Drive



Looking southeasterly at Filings 12 and 15 from Wildflower Drive



Looking southerly at Filings 12 and 15 from Wildflower Drive



Looking southwesterly at Filings 13 and 14 from Wildflower Drive





Looking southeasterly at Filing 16 from Bellflower Place



Looking southerly at Filings 15 and 16 from Bellflower Place



Looking southwesterly at Filings 12 and 15 from Bellflower Place

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## **ADDENDA**

## ***Introduction***

---

### **IDENTIFICATION OF THE SUBJECT PROPERTY**

The property that is the subject of this appraisal report consists of 48 Single-Family Lots located within the Indigo Trails subdivision. The Indigo Trails subdivision is located on the NEC of Chambers Road and East 144<sup>th</sup> Avenue in Brighton. The subject's 48 residential lots are accesses from Indigo Drive (Blocks 9, 12 and 13) and south of Bellflower Drive (Blocks 14, 15 and 16), both west and east of Wildflower Drive. These lots are currently paper platted with asphalt paved roads, concrete curbs, gutter, and sidewalks terminating at most of the Blocks. I have relied on information from the client, the Adams County records (Assessor, Recorder and Treasurer office) and the planning documents (annexation, zoning, land use, etc.) for the property on file with the City of Brighton. The property is annexed to Brighton and zoned PUD. A summary legal description is found below:

**Phase V:**  
Lots 18-28, inclusive, Block 9;  
Lots 7-12, inclusive, Block 12;  
Lots 3-14, inclusive, Block 13;  
Lots 1-6, inclusive, Block 14;  
Lots 1-4 inclusive, 8-11 inclusive, Block 15;  
Lots 1, 8, 9, 10, 11, Block 16;  
and  
Tract L except that portion of Tract L more particularly described on that Special Warranty Deed dated April 25, 2002 and recorded on April 29, 2002 at Reception No. CO961748

### **PROPERTY RIGHTS APPRAISED**

The property rights appraised are those of the fee simple estate wherein no liens, leases or encumbrances are considered other than the normal encumbrances of eminent domain, police power, taxation, escheat, easements, and restrictions of record and subject to typical market financing consistent with the definition of market value.



## **OWNERSHIP AND SALES HISTORY**

According to the Adams County Assessor's & Recorder's offices, the current owner of record is Colorado Homes, LLC (60%) and Liberty 7<sup>th</sup> Avenue, LLC (40%) tenants-in-common. The owners acquired title to the subject on May 8, 2017 as recorded at Reception Number 2017000039861. An inhouse transfer was recorded July 10, 2020 to Liberty 7<sup>th</sup> Avenue, LLC as recorded at Reception Number 2020000064047.

The property is neither under contract nor offered for sale.

## **PURPOSE OF APPRAISAL**

The purpose of this valuation assignment is in connection with foreclosure proceedings by the client against the borrower, Colorado Homes, LLC (60%) and Liberty 7<sup>th</sup> Avenue, LLC (40%) tenants-in-common.

## **INTENDED USER AND USE**

The intended user of this appraisal report is the client, Mick Richardson, Manager of **Indigo Trails, LLLP**. The intended use of this appraisal report is in connection with foreclosure proceedings. It is understood that this Appraisal Report may be provided to other parties to this litigation, their representatives, and agents but these individuals are not made part of the appraiser/client relationship as a result of this possible course of action. *The appraiser is not responsible for the unauthorized use of this report.*

## **EFFECTIVE DATE OF VALUATION**

The most recent date of inspection was January 20, 2021. The written report was prepared on January 29, 2021.

## SCOPE OF WORK

This appraisal report contains most of the data, reasoning and analyses to support the conclusions contained herein. The complete appraisal process was applied utilizing all of the pertinent approaches and techniques required to-solve the appraisal problem.

- The appraiser has made a personal on-site inspection of the property.
- Records provided by the client were collected and utilized in the appraisal process. These records included legal description, Indigo Trails PUD, Filing #1, Title work, various legal instruments, and standard instructions to the appraiser.
- The public records were investigated to determine the history of the subject. The Adams County Assessor's office was consulted to learn the layout of the subject lots. The Adams County Treasurer's office was consulted to learn the assessed value, mill levy and taxes of the subject lots. The City of Brighton was contacted concerning utility lines and development codes. The City of Brighton zoning and planning department was consulted regarding the current entitlement status of the property.
- The three traditional valuation approaches – cost, income, and sales comparison – were considered in the appraisal. Value indications were derived from the sales comparison approach which were considered applicable. The Cost and Income Approaches were concluded not to be relevant to solving the current appraisal problem.
- Gathered information from the subject's neighborhood, and in the general residential home markets in Adams County, more specifically, Brighton. This information was utilized in preparing a residential market analysis to conclude the highest and best use of the subject property.
- Reviewed demographic information (i.e. population, employment, household earnings, etc.) from various sources (City of Brighton, Adams County, Colorado Demographer's office, Nielsen Solutions Center, etc.).
- Several independent sources of information for bulk sales of residential lots with zoning were investigated to produce the market evidence relied upon in this report. These sources included the Assessor's records, CoStar and Colorado Comps. The appraiser has personally verified the information utilized in this report.

- The data was then analyzed for relevance and applicability to this specific appraisal problem and is the basis for the conclusion to value expressed in this report.
- Several conclusions may be expressed in this appraisal that the appraiser has accepted as reasonable without proof or documentation.
- Certain other business and engineering disciplines may be deferred to in this report, and the reader should not substitute the conclusions of the appraiser for the professional services appropriate to those disciplines. This applies most directly to the estimated cost of extending utilities to the property. Only general information is available – not a specific cost estimate.
- Prepared an Appraisal Report, as defined in USPAP.

### **PERSONAL PROPERTY, FIXTURES AND INTANGIBLE ITEMS**

The appraiser has not included within the valuation estimate any personal property, fixtures and/or intangible items, if any, located within the confines of the subject property. No consideration has been given to any furniture, trade fixtures or special equipment. Any discussion of those items is for reference purposes only, and I accept no responsibility for the valuation of those items.

### **COMPETENCY**

The appraisal problem requires the valuation of 48 single-family lots located within the Indigo Trails subdivision. I have done extensive research and appraisal of this property type.

I have appraised similar properties in Adams, Arapahoe, Boulder, Elbert, Garfield, Jefferson, Douglas, Garfield, and Weld Counties in Colorado. Please refer to my Qualifications at the end of this report.

## **DEFINITION OF MARKET VALUE**

Market Value is a type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following.

“The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.”

## **TYPICAL MARKET FINANCING**

Based on a survey of local lending institutions, typical financing for vacant land is up to 50% of value at interest rates of 6.5% to 8.0% amortized over 15 years with 3 to 5-year call provisions. Any seller assisted financing approximating these terms is deemed cash to seller.

## ***ASSUMPTIONS AND LIMITING CONDITIONS***

---

This Appraisal Report is subject to the following Assumptions and Limiting Conditions:

### **Legal Matters and Title**

1. No investigation of title to the subject property has been made, and it is assumed to be good and marketable, free and clear of all deeds of trust, use restrictions and reservations, easements, cases or actions pending, tax liens, and bonded indebtedness, unless otherwise specified.
2. No responsibility for legal matters is assumed.
3. All existing liens and encumbrances have been disregarded and the subject property is appraised as though free and clear, unless otherwise specified.

### **Limitations on the Extent of the Appraisal Process**

1. The appraiser assumes that there are no hidden or unapparent conditions of the subject property, subsoil or structures which would render it more or less valuable than otherwise comparable property. The appraiser assumes no responsibility for such conditions or for engineering, which might be required to discover such deficiencies.
2. The appraiser has made no investigation into the presence or absence of asbestos, PCBs, or other hazardous materials in the subject property. The reader should be aware that no consideration has been given to the impact, if any, on the valuation of the subject property if any of these materials should be present. The appraiser assumes no responsibility for addressing such conditions, if any, or for engineering which might be required to discover such deficiencies.

### **Limitations on information contained in this Appraisal Report**

1. Care has been taken to obtain all information from reliable sources. However, the appraiser cannot guarantee or be responsible for the accuracy of this information.
2. Any sketches in this report are intended to be visual aids and should not be construed as surveys or engineering drawings.

### **Limitations on value estimates contained in this Appraisal Report**

1. If the valuation contained herein relates to an estate that is less than the whole fee simple estate and is a fractional interest only, the value of this fractional interest, plus the value of all other fractional interests, may or may not equal the value of the entire fee simple estate considered as a whole.
2. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other report and are invalid if so used.
3. The value reported for each geographical portion relates to such portion only and should not be construed as applying with equal validity to other portions of the larger parcel or tract. The value reported for each geographical portion plus the value of all other geographical portions may or may not equal the value of the entire parcel or tract considered as a whole.
4. No consideration has been given to any furniture, trade fixtures, or special equipment. Any discussion of those items is for reference purposes only, and we accept no responsibility for the valuation of those items.
5. In the current market, real estate price levels for income-producing properties are dictated by the present value of future expectations. Under the circumstances, appraisers must quantify market projections which are, by their character, imprecise. Property earnings and financial projections contained in this report represent my informed judgment as to present and anticipated market trends. Any cash flow analysis implemented for valuation purposes represents an orderly financial process superimposed on a market which is typically erratic in behavior. Any aberrations and/or dramatic changes in the local and national economy may impact the subject property's capacity to generate the earnings set forth herein with a concomitant impact on value.

### **Publication and use of this Appraisal Report**

1. Possession of this report or a copy thereof does not imply right of publication, nor use for any purpose by any other than the person or company to whom it is addressed, without the written consent of the author.
2. The report and data investigated, except that furnished by the client, remain the sole property of this firm.
3. Neither all nor any 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 author, particularly as to valuation conclusions, the identity of the authors or firm with which they are connected, or any reference to the Appraisal Institute and the Appraisal Foundation, or to the MAI and SRA Designations.
4. I have no objection to your use of the firm's name as the author of the report which is to be prepared, and hereby consent to your making reference to such report in your reports or financial statements and in any document filed with any governmental agency, or any potential investors, ***Provided That:*** 1) prior to making any such reference in any report or statement or any document filed with The Securities and Exchange Commission or other governmental agency, I am allowed to review and approve the text of such reference to determine the accuracy and adequacy of such reference to the report prepared by our firm; 2) in my opinion, the proposed reference is not untrue or misleading and is adequate for the purposes intended in light of the circumstances under which it is made; and, 3) such reference to the report includes language to be approved by this firm.
5. Any dispute regarding matters involved with this assignment will be decided in Douglas County, Colorado, and the parties agree that the courts of Douglas County, Colorado will have the jurisdiction and venue to decide any such dispute. The prevailing party in such dispute shall be awarded from the other party reasonable attorneys' fees, costs and expenses incurred in connection with such dispute.
6. Loss or removal of any portion of this report invalidates the entire report.
7. Transfer of this report via electronic means is restricted to the client for whom this report has been prepared and the specific use stated herein and no other. Possession of an electronic copy thereof does not imply right of publication, nor use for any purpose other than that stated in the report or by any other than the person or company to whom it is addressed, without the written consent of the author.
8. ***The appraiser is not responsible for the unauthorized use of this report.***



### **General Limitations on the Appraisal**

1. The terms of the agreement between the client and the appraiser is such that the appraiser has no obligation to update the report or revise it in any manner because of events or transactions occurring subsequent to the date of such report.
2. The appraiser shall not be required to give testimony or be in attendance in court by reason of this report unless prior arrangements have been made in writing. If any courtroom or administrative testimony is required in connection with this report, an additional fee shall be charged for those services.
3. Other Assumptions and Limiting Conditions have been made where they logically apply and are specified in the report.

### **Appraisal Institute Requirements**

1. Disclosure of the contents of the report is governed by the bylaws and regulations of the professional appraisal organizations with which the appraiser is affiliated: specifically, the Appraisal Institute.
2. When the signatory of the report is a candidate or a member of the Appraisal Institute, its bylaws and regulations require the member or candidate to control the use and distribution of the report. Therefore, except as hereinafter provided, the party for whom this report was prepared may distribute copies of the report, in its entirety, to such third parties as may be selected by the party for whom this consulting report was prepared. However, selected portions of this report shall not be given to third parties without the prior written consent of the signatory of this report. Further, neither all, nor any part of this report shall be disseminated to the general public by use of advertising media, public relations media, new media, sales media or other media for public communication without the prior written consent of the signatory of this report. Nor shall the consultants, firm, or professional organization of which the appraiser is a member be identified without written consent of the appraiser.

### **Assignment Conditions**

1. None

### **Extraordinary Assumptions**

1. None

### **Hypothetical Conditions**

- 1, None

## *Reasonable Exposure Time*

---

Reasonable exposure time is one of the conditions in most market value definitions. Exposure time always precedes the effective date of the appraisal.

Exposure time is defined as follows:

"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."<sup>1</sup>

Exposure time varies depending upon the type of real estate and current market conditions. The estimated period for reasonable exposure is a key element in the analysis conducted during an appraisal assignment. The estimated exposure time can be based on one or more of the following:

- Historical information about the number of days on the market;
- Information gathered during the verification of sales; and
- Discussions with market participants.

Other information gathered during this process includes identities of typical buyers and sellers for the type of real estate involved and typical equity levels and/or financing terms.

Reasonable exposure time is not an estimate of time only, but, rather, it is a function of price, time and use. I have analyzed conditions in this marketplace (including any potential impact of COVID) and have discussed them in-depth with brokers and buyers active in the market. These individuals felt that the subject could be marketed within a 36 to 48-month period.

---

<sup>1</sup>Appraisal Standards Board of the Appraisal Foundation, Appraisal Standards No. 6 (SMT-6), September 16, 1992.

The subject's 48 residential lots are accesses from Indigo Drive (Blocks 9, 12 and 13) and south of Bellflower Drive (Blocks 14, 15 and 16), both west and east of Wildflower Drive in the Indigo Trails subdivision. The Indigo Trails subdivision is located on the NEC of Chambers Road and East 144<sup>th</sup> Avenue in in Brighton. As will be presented later in this report, there has been no reported development activity within the Indigo Trails subdivision for a minimum of three years.

After considering the relevant factors, it is my opinion that a reasonable exposure time for the subject property more than 48-60 months.

## *Location Analysis*

---

### **METROPOLITAN DENVER DATA**

A detailed Metropolitan Denver Data discussion is not presented herein but is located in the appraiser's file(s) if requested. The appraisal problem is specific to Adams County and the City of Brighton rather than the entire Metropolitan Denver Area.

### **CITY OF BRIGHTON**

The subject property is located in the City of Brighton in Adams County, Colorado. The City of Brighton is the county seat of Adams County and is located approximately 20 miles northeast of downtown Denver, 20 minutes northwest from Denver International Airport and about 30 minutes east from Boulder.

Brighton has experienced rapid growth in the last 17 years, from about 21,000 in 2000 to an estimated 43,998 in 2020. By 2025, Brighton is anticipated to grow by roughly 20 percent. Brighton's housing costs remain among the lowest in the metro area. Median value of owner-occupied homes in Brighton is \$307,000 compared to over \$500,000 in Denver. Residents can choose from a variety of housing options.

A location map is found in the addendum section of this report for a graphic depiction of the subject's location.

Brighton was incorporated in 1887 as a stage/railroad depot and farming community. Over the years, Brighton has evolved into the Adams County seat (1902) and a bedroom community of Denver. The city is bounded by E-470 and East 120<sup>th</sup> Avenue on the south, US 85 and the Platte River on the west, SH 7 and the Weld/Adams County line on the north and I-76 and Barr Lake on the east.

Brighton is a home rule municipality that encompasses 21.2 square miles at an elevation of 4,984 feet above sea level. Currently 1,300 businesses are located in Brighton, employing 15,000 people. In the last year, Brighton reportedly created additional jobs and anticipates that trend will continue to rise (except for the 2020 impact of COVID). Brighton offers lower taxes and sustainable growth.

Brighton's School District 27J serves nearly 17,000 students from the cities of Brighton, Commerce City and Thornton as well as portions of unincorporated Adams, Broomfield and Weld counties. Brighton is home to five elementary schools, three middle schools, and two high schools in addition to several charter schools and an alternative high school. Brighton is also home to a satellite campus for Front Range Community College and is in close proximity to many of Colorado's premier colleges and universities.

Aviation has totally changed the complexion of the city. The closing of Stapleton Airport in Denver and the opening of the Denver International Airport brought the greatest changes in the area. The decade of 2000-2010 brought numerous annexations to accommodate the growing population. Growth occurred in all directions and numerous new residential subdivisions were added in addition to shopping facilities, the Adams County municipal complex and the Platte Valley Medical Center.

Adams Crossing is a major employment center for Brighton in the northwest quadrant of I-76 and East 120<sup>th</sup> Avenue north and south of E-470. Phase I was the 91-acre Adams County Government Center 124<sup>th</sup> Avenue/Sable Boulevard. Land is available for a mix of commercial office, retail services, residential neighborhoods and open space amenities. At build out Adams Crossing is planned for 22,000 people.



Bromley Interstate Business Park is a 300-acre rail served business park fronting I-76 at Bridge Street (E. 160<sup>th</sup> Avenue). The park is the only developed property on the east side of I-76 in this area and has rail service from Burlington Northern Santa Fe Railroad and 3 miles of I-76 frontage. The park is accessed from Bridge Street, Bromley Lane and Baseline Road. Municipal utilities were extended under I-76 at Bridge Street.

In addition to the Brighton 27J school district, city, and county facilities, other major employers include the Platte Valley Medical Center, United Power and Vestas two manufacturing plants (wind turbine blade factory and a nacelle manufacture plant) add to the city's employment base.

Brighton's unique location between two major transportation corridors adds to the desirability of the city. US 85 and I-76 serve the northeastern portions of Colorado and also progress into Denver and its environs. In the more recent past, E-470, the outer belt for Denver, was completed and provides access to Denver International Airport (15 to 20 miles) and the entire Denver metropolitan area.

Shopping for the city has historically been small local businesses near the intersection of US 85, Bromley Lane and the downtown district. A newer 396-acre shopping center with a pedestrian-oriented retail venue - Prairie Center – is located in the southwest quadrant of I-76/E. 144<sup>th</sup> Avenue/Buckley Road. Tenants include Home Depot, Kohl's, Dick's Sporting Good, Michaels, Super Target and many other stores. Prairie Center is a 2,000-acre master planned community offering 3,000 single-family homes, townhomes, condominiums and apartments and the retail center (shopping, dining and entertainment).

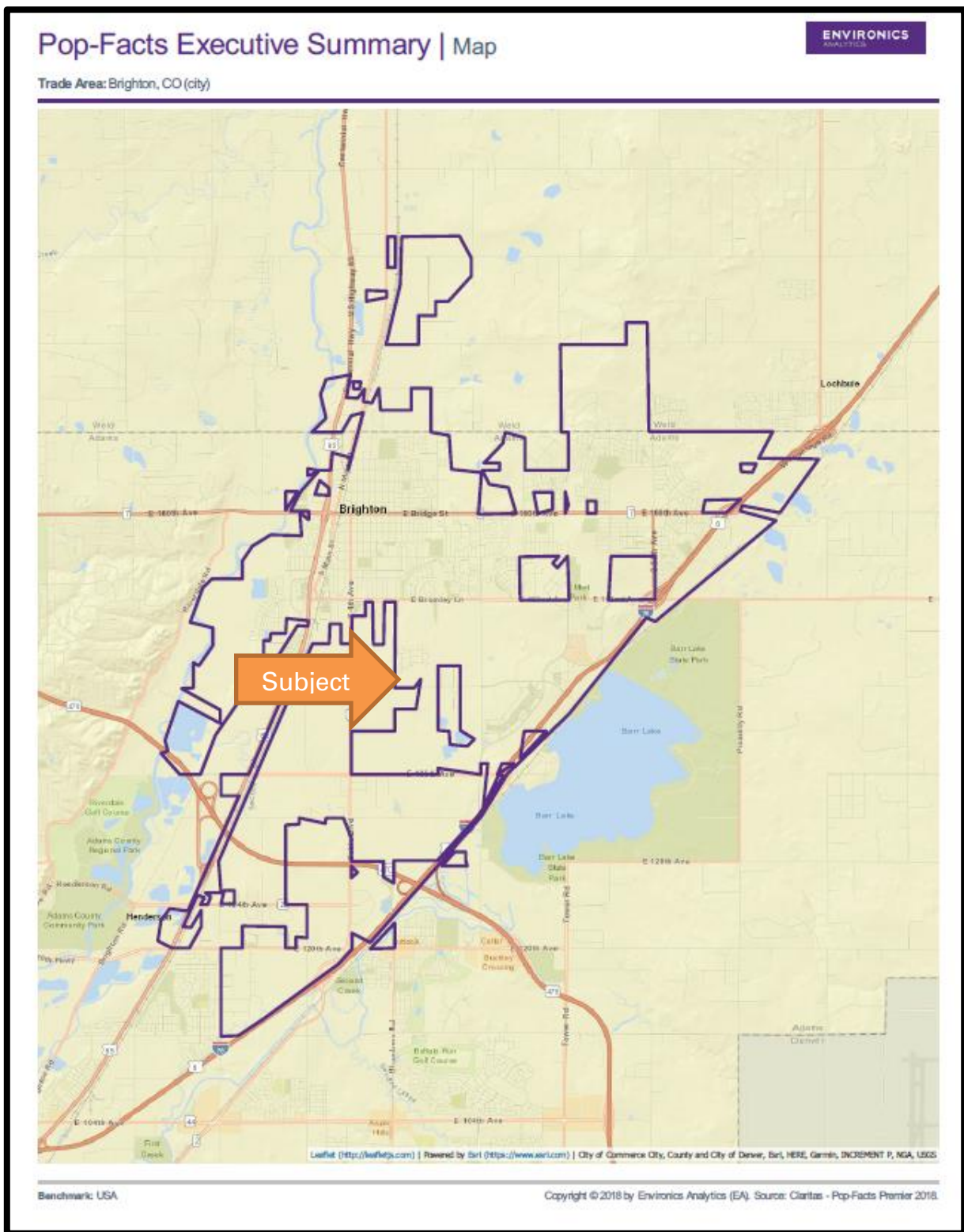
Platte Valley Medical Center (PVMC) – This is a general medical and surgical hospital built in 2007 with 78 beds that serves all of Adams County and Southern Weld County. This 50-acre campus is a full-service facility with satellite medical office space. The full campus is designed with a future build out potential of 300 beds in a six-story tower making PVMC a full-scale regional medical center.

### **3-Mile Radius Demographics W/O COVID Impact**

- The population in this area is estimated to change from 28,635 to 34,712, resulting in a growth of 21.2% between 2010 and the current year. Over the next five years, the population is projected to grow by 7.5%.
- The current year median age for the area is 34.5, while the average age is 36.5. Five years from now, the median age is projected to be 35.7.
- The number of households in this area is estimated to change from 9,394 to 11,261, resulting in an increase of 19.9% between 2010 and the current year. Over the next five years, the number of households is projected to increase by 7.2%.
- The average household income is estimated to be \$90,168 for the current year. The average household income in this area is projected to change over the next five years, from \$90,168 to \$101,869.
- Current Year Employment Rate – Estimated at 96.4% with over 49.5% white collar, 28.6% blue collar and 21.9% service & farm workers.
- Most of the current year dwellings are owner-occupied (67.9%) with 67.1% of the dwellings being one unit detached homes with 27.4% of the homes having been built between 2000 and 2009.

A Brighton City Map is found on the following page.

### City of Brighton



## Summary

In summary, Brighton has experienced growth over the past decade and continues to change from a rural agricultural community to a viable bedroom community northeast of Denver. The newest development has occurred along the west side of I-76 from E-470 north to Bridge Street (E. 160<sup>th</sup> Avenue). The majority of land fronting the west side of I-76 has been or is being developed as there are municipal utilities. There are no known utility lines east of I-76 and the cost to “bore” the lines under the interstate are cost prohibitive. Therefore, there has been no new development on the east side of I-76 in Brighton. The city offers affordable housing, good schools, easy access to transportation and local employment opportunities. No adverse factors appear to affect the area or the residential market. The outlook is for stability and slow growth.

A Neighborhood Map is found on the following page.

### Proximity Aerial





## NEIGHBORHOOD

The primary purpose of neighborhood analysis is to determine how social, governmental, economic, and environmental forces influence property values in the subject property's neighborhood. The neighborhood is defined as:

*“A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.”*

**SOURCE:** The Dictionary of Real Estate Appraisal, Sixth Edition, Page 156

**Neighborhood Boundaries:** The subject neighborhood is bounded on the north by Bromley Lane, on the east by US 6/Highway 76, the E-470 tollway on the south and US Highway 85 & the South Platte River on the west.

**Access:** Major arterials include the boundary streets, East 132<sup>nd</sup>, East 136<sup>th</sup> and East 144<sup>th</sup> Avenues which traverse the neighborhood in an east/west direction and Sable Boulevard and Buckley Road in a north/south direction.

**General Neighborhood:** The area is a mix of uses ranging from the agricultural farms, detached homes on small acreage tracts, and the commercial/industrial uses at I-76, E-470, 4<sup>th</sup> Avenue and Bromley Lane and The Prairie Center located in the southwest corner of US 6 (Prairie Center Parkway) and East 144<sup>th</sup> Avenue (Eagle Boulevard). There are no municipal utilities available to most of the properties. Brighton has annexed some lands; however, there are no services or dense development except for the industrial project across Sable Boulevard from the subject (Sable Center). Palizzi Farms is one of the major agricultural operations in this area (vegetable growers and owners of vacant land in this area). Petrocco Farms (another vegetable grower in this area) is located at the southwest corner of Chambers Road and Bromley Lane. Immediately east of the intersection is land that is annexed and zoned in Brighton for a mix of uses (multi-family, commercial, office). Located in the southern portion of this development is the Solaire apartments sited on one of the largest geothermal energy systems in the nation.



Country Hills Estates (small rural residential subdivision built in the late 1970's) is located immediately to the west of the subject with homes on less than 1 acre lots. Indigo Trails is a residential subdivision located along the east side of Chambers Road, immediately north of the subject. Colorado Homes is developing a new single-family residential development (Mallard Ridge) immediately south of Indigo Trails, on the northeast corner of Chambers Road and East 144<sup>th</sup> Avenue.

**Employment:** The majority of the neighborhood is agricultural in nature. Areas of employment are found in the industrial areas along US Highway 85 and Sable Boulevard in the northwest corner of the neighborhood and in the City of Brighton. Additional employment centers include Prairie Center in the northeast corner of the neighborhood and to the southwest in Commerce City and the larger Denver metropolitan area.

**Shopping:** Neighborhood shopping is located at the intersection of Bromley Lane and Sable Boulevard, which is improved with the King Soopers Marketplace shopping center. Petrocco Farms (one of the vegetable growers in this area) is located at the southwest corner along with Brighton Animal Clinic and Wal-Mart. Additional shopping is located at Prairie Center, anchored by Target, Dick's Sporting Goods, Ross, Kohl's, and The Home Depot in the northeast corner of the neighborhood and the City of Brighton. Additional shopping opportunities are found to the southwest in Commerce City.

**Recreational Amenities:** Northeast of the subject at I-76/E. 144<sup>th</sup> Avenue on the east side of I-76 is Barr Lake State Park. This state park is a wildlife park with fishing, limited boating (10 horsepower or less for fishing), multi-use trails and wildlife viewing stations (viewing and photography). Brighton Sports Complex (1111 Judicial Center Drive) – Brighton Park – adult softball complex with four lighted fields, fully fenced, playground/open play area, restrooms, shelters, picnic benches. No overnight camping. Noah's Ark water entertainment area fronts the complex – Bromley Lane.

**Summary:** The subject property is in the southeastern portion of the City of Brighton in a generally rural (agricultural) area with infill residential development. To date, municipal water and sewer services are in portions of the neighborhood along main arterials and collector streets but are not currently of sufficient capacity to allow for buildout without installation of additional main distribution and collector lines. As such, significant infrastructure costs will need to be expended in this area before major development can occur. While some of the properties in the neighborhood are annexed to and zoned by Brighton, there is no cost-effective way to develop many of these land parcels.

## Site Analysis

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### SITE DATA

Physical characteristics of the subject site are summarized below:

**Area/Shape/Dimensions:** According to the Indigo Trails Final Plat, the subdivision includes 131.62 acres and is irregular in shape. Indigo Trails is located on the northeast corner of Chambers Road and East 144<sup>th</sup> Avenue in Brighton, Colorado. The reader is referred to sketches in the Addendum section for site configuration and dimensions. The subject property consists of partially finished lots and 46 paper-platted lots as follows:

**Phase V:**  
Lots 18-28, inclusive, Block 9;  
Lots 7-12, inclusive, Block 12;  
Lots 3-14, inclusive, Block 13;  
Lots 1-6, inclusive, Block 14;  
Lots 1-4 inclusive, 8-11 inclusive, Block 15;  
Lots 1, 8, 9, 10, 11, Block 16;  
and  
Tract L except that portion of Tract L more particularly described on that Special Warranty Deed dated April 25, 2002 and recorded on April 29, 2002 at Reception No. CO961748

**Topography:** The various blocks are generally level vacant land. The various blocks are at grade with Indigo Drive, Primrose Court, Bellflower Drive, Wildflower Drive and Bellflower Place.

**Drainage:** The subdivision has onsite storm water detention.

**Floodplain:** As depicted on FEMA Flood Insurance Rate Maps 08001C0333H dated March 5, 2007, the subject property is not located within a designated floodplain/floodway. The site is in Zone X (areas determined to be outside the 500-year floodplain).

**Access:** The subject has developed access from East 144<sup>th</sup> Avenue. The development plan indicates future access to East 144<sup>th</sup> Avenue from South 19<sup>th</sup> Avenue. (Please refer to the Addendum Section for details).

**Easements:** I was not provided with an ALTA/ASCM survey and therefore cannot comment on easements of record. During the site inspection, no easements or encroachments were observed. For purposes of this appraisal, I have assumed that there are no detrimental easements, encroachments or restrictions. If this found not to be true, I reserve the right to re-evaluate the value of the property based on new information.

**Utilities:** There are municipal water and waste water lines are provided by the City of Brighton and are located within the Indigo Trail subdivision. These lines are proximate to the subject lots and require minimum offsite extensions. Storm water retention is required as part of the total project. (Please refer to the Addendum Section for details).

Electrical service is provided to the area by United Power. Natural gas service is provided by Excel Energy. Telephone service is by CenturyLink and other private providers.

**Environmental Issues:** I was not provided with an environmental site evaluation. Thus, I make no representations regarding the presence or absence of hazardous materials on this property (See General Assumptions and Limiting Conditions.) No hazardous materials were noted on or around the site during my inspection.

**Soils Issues:** I have not been provided with a soil report and cannot comment specifically on the soil conditions, but because of development proximate to the various blocks, I assume that no soil conditions exist that would adversely affect future development of the property.

**Water Rights:** Typically, water rights are transferred to the City at time of residential development for water service. According to the City of Brighton Water Department, the subject lots lack any raw water credits for development. According to the City Water Department, the current cost for raw water varies from \$20,000 to \$40,000 per acre foot depending on the water source. I was informed that the subject lots will require approximately 32.14 acres feet of raw water. Considering the quoted market range, I have utilized \$30,000 per acre foot, which equates to \$964,200 or \$20,088 per residential lot for adjustment purposes.

**Mineral Rights:** I was not provided with a current title commitment policy that would have indicated if mineral rights have been removed from the subject property. I make no representations concerning mineral rights.

**Street Improvements:** Chambers Road is a two-lane asphalt paved minor collector street. East 144<sup>th</sup> Avenue, the subject's south property line is a two-lane asphalt paved public road. Indigo Drive, Primrose Court, Bellflower Drive, Wildflower Drive and Bellflower Place are two-lane interior paved public streets. The interior roadways have concrete curbs, gutters, or sidewalks.

**Existing Improvements:** The subject lots contain no vertical improvements.

## Conclusion

The subject lots are located within a residential subdivision and are generally level sites that are at the grade with the adjacent residential streets in the City of Brighton. There is 46 paper platted lots and 2 lots that are finished and rough graded. The property has access to existing public utilities within the subdivision with minimal offsite utility costs for extension. It is noted that all of these lots required raw water rights dedications to develop to indicated in the plat notes of the PUD.

The subdivisions location in the neighborhood is adjacent to single-family residential and agricultural parcels. There are a number of rough graded finished residential lots adjacent to the subject lots that remain unimproved. No active builder was found onsite. Based on current market supply/demand factors specific to Indigo Trails, immediate development of the lots is not likely. The subject lots will likely be developed with a lengthy time horizon.

**TAXES AND ASSESSMENTS**

The subject property is assessed and taxed by Adams County under 48 separate account numbers. According to the Adams County Treasures' office, the 2020 real estate taxes payable in 2021 are \$39,913.08. Miscellaneous taxes due total \$546.00. Back taxes (lien) due total \$54,126.72 and lien interest totals \$4,719.66. The total of all these items is \$99,305.46.

**ZONING**

The subject property is zoned PUD, which allows for detached single-family residential development. The Development Agreement requires off-site improvements that must be escrowed for East 144<sup>th</sup> Avenue for Phase Four and installed at the start of Phase Six, which is beyond the scope of this assignment. Phase Five appears not to part of this Agreement. Please see below:

File 18 MAP 405

**INDIGO TRAILS FILING NO. 1**  
 A PART OF THE SOUTHWEST 1/4 OF SECTION 17, TOWNSHIP 1 SOUTH, RANGE 66 WEST,  
 OF THE 6TH PRINCIPAL MERIDIAN, CITY OF BRIGHTON, COUNTY OF ADAMS, STATE OF COLORADO

**FINAL PLAT**  
 SHEET 1 OF 5

**PROPERTY DESCRIPTION AND DEDICATION**

KNOW ALL MEN BY THESE PRESENTS THAT THE UNDERSIGNED BEING THE OWNERS OF THAT PARCEL OF LAND LOCATED IN THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 1 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BASIS OF BEARINGS**  
 THE NORTH LINE OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 1 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, BEING ASSIGNED TO BEAR N 89°42'47" E.

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 17, THENCE N 89°42'47" E ALONG THE NORTH LINE OF SAID SOUTHWEST QUARTER OF SECTION 17, A DISTANCE OF 300.00 FEET TO THE POINT OF BEGINNING;

THENCE N 89°42'47" E, CONTINUING ALONG SAID NORTH LINE OF THE SOUTHWEST QUARTER OF SECTION 17, A DISTANCE OF 2196.50 FEET;  
 THENCE S 02°00'49" E, A DISTANCE OF 1175.30 FEET;  
 THENCE N 89°42'47" E, A DISTANCE OF 500.33 FEET TO A POINT ON THE EAST LINE OF SAID SOUTHWEST QUARTER OF SECTION 17;

THENCE S 02°00'49" E, ALONG SAID EAST LINE OF THE SOUTHWEST QUARTER OF SECTION 17, A DISTANCE OF 1425.00 FEET TO A POINT ON THE NORTHERLY BOUNDARY OF THE EAST 144TH AVENUE RIGHT OF WAY;

THENCE S 89°52'07" W, ALONG SAID NORTHERLY BOUNDARY OF THE EAST 144TH AVENUE RIGHT OF WAY, A DISTANCE OF 782.93 FEET;  
 THENCE N 02°17'04" W, A DISTANCE OF 476.50 FEET;  
 THENCE S 89°52'07" W, A DISTANCE OF 843.60 FEET;  
 THENCE S 02°17'04" W, A DISTANCE OF 476.50 FEET TO A POINT ON SAID NORTHERLY BOUNDARY OF THE EAST 144TH AVENUE RIGHT OF WAY;

THENCE S 89°52'07" W, ALONG SAID NORTHERLY BOUNDARY OF THE EAST 144TH AVENUE RIGHT OF WAY, A DISTANCE OF 1506.28 FEET TO A POINT ON THE EASTERLY BOUNDARY OF THE CHAMBERS ROAD RIGHT OF WAY;

THENCE N 02°21'41" E, ALONG SAID EASTERLY BOUNDARY OF THE CHAMBERS ROAD RIGHT OF WAY, A DISTANCE OF 1511.46 FEET;  
 THENCE S 89°57'19" E, A DISTANCE OF 136.00 FEET;  
 THENCE N 02°21'41" E, A DISTANCE OF 1513.00 FEET;  
 THENCE N 89°57'19" E, A DISTANCE OF 330.00 FEET TO A POINT ON SAID EASTERLY BOUNDARY OF THE CHAMBERS ROAD RIGHT OF WAY;

THENCE N 02°21'41" E, ALONG SAID EASTERLY BOUNDARY OF THE CHAMBERS ROAD RIGHT OF WAY, A DISTANCE OF 726.20 FEET TO THE POINT OF BEGINNING, CONTAINING 13.82 ACRES, MORE OR LESS.

HAVE LAIN OUT AND PLATTED THE SAME AS SHOWN ON THIS PLAT UNDER THE NAME AND STYLE OF INDIGO TRAILS FILING NO. 1, AND DO HEREBY GRANT TO THE CITY OF BRIGHTON, STATE OF COLORADO, FOR THE USE OF THE PUBLIC, THE PERPETUAL RIGHT OF WAY IN, OVER, UNDER, AND ACROSS THE PUBLIC WAYS AND LAND HEREON SHOWN AND NOT PREVIOUSLY DEDICATED. EASEMENTS ARE RESERVED AS HEREON SHOWN AND ARE FOR INSTALLATION AND MAINTENANCE OF PUBLIC UTILITIES OR DRAINAGE.

EXCLUDED THIS 20<sup>th</sup> DAY OF JANUARY, A.D. 2021, BY:  
 M & O 4 LLC, A COLORADO LIMITED LIABILITY COMPANY PARTNERSHIP  
 MICHAEL A. RICHARDSON, GENERAL MANAGER

STATE OF COLORADO } SS  
 COUNTY OF ADAMS } SS

THE FOREGOING PLAT AND DEDICATION WAS ACKNOWLEDGED BEFORE ME THIS 20<sup>th</sup> DAY OF JANUARY A.D. 2021, BY THE ABOVE SIGNED, MICHAEL A. RICHARDSON AS GENERAL PARTNER OF M & O 4 LLC.

MY COMMISSION EXPIRES 9-26-01 NOTARY PUBLIC *Lesley S. Landon*

ROBERT L. HUNT } SS  
 STATE OF COLORADO } SS  
 COUNTY OF ADAMS } SS

THE FOREGOING PLAT AND DEDICATION WAS ACKNOWLEDGED BEFORE ME THIS 20<sup>th</sup> DAY OF FEBRUARY A.D. 2021, BY THE ABOVE SIGNED, ROBERT L. HUNT.

MY COMMISSION EXPIRES 9-26-01 NOTARY PUBLIC *Lesley S. Landon*

**NOTES**

1. BASIS OF BEARINGS IS THE NORTH LINE OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 1 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, BEING ASSIGNED TO BEAR N 89°42'47" E, AND BEING MONUMENTED AS SHOWN HEREON.
2. EIGHT (8) FOOT WIDE EASEMENTS, UNLESS OTHERWISE NOTED, ARE GRANTED AND LOCATED ALONG ALL REAR LOT LINES FOR THE EXCLUSIVE USE OF ELECTRIC, TELEPHONE AND CABLE TELEVISION. OTHER UTILITIES SHALL HAVE RIGHT TO CROSS AT SUBSTANTIALLY RIGHT ANGLES.
3. TWELVE (12) FOOT WIDE EASEMENTS, UNLESS OTHERWISE NOTED, ARE GRANTED AND LOCATED ALONG ALL FRONT LOT LINES FOR THE EXCLUSIVE USE OF SEWERWAS, ELECTRIC, TELEPHONE AND CABLE TELEVISION. OTHER UTILITIES SHALL HAVE RIGHT TO CROSS AT SUBSTANTIALLY RIGHT ANGLES.
4. TOTAL NUMBER OF LOTS IS 370.
5. THE DEVELOPER AND ALL SUBSEQUENT SELLERS OF A LOT OR LOTS (IMPROVED OR UNIMPROVED) SHALL INCLUDE A COPY OF THE PLAT NOTES, A COPY OF THE COVENANTS AND A COPY OF THE LOT-SPECIFIC SUELS INVESTIGATION AS ATTACHMENTS TO AND INCORPORATED AS PARTS OF ALL SALES CONTRACTS FOR THE PURCHASE OR SALE OF ANY LOTS) LOCATED WITHIN THE PROPERTY.
6. SALE OF LOTS SHALL NOT BE ALLOWED UNTIL PUBLIC IMPROVEMENTS ARE COMPLETED BY THE DEVELOPER OR FINANCIAL GUARANTEES ACCEPTABLE TO THE CITY HAVE BEEN PROVIDED BY THE DEVELOPER.
7. TRACT A WILL BE OWNED BY THE CITY OF BRIGHTON FOR THE FULTON DITCH. TRACTS B, E, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V AND W ARE FOR OPEN SPACE PURPOSES AND WILL BE OWNED & MAINTAINED BY THE CITY OF BRIGHTON. TRACTS C, F, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V AND W ARE FOR OPEN SPACE PURPOSES AND WILL BE OWNED & MAINTAINED BY THE HOMEOWNERS ASSOCIATION. TRACTS D AND R ARE FOR OPEN SPACE AND DRAINAGE PURPOSES AND WILL BE OWNED & MAINTAINED BY THE HOMEOWNERS ASSOCIATION. TRACTS A-H AND P ARE FOR PRIVATE ACCESS AND WILL BE OWNED & MAINTAINED BY THE HOMEOWNERS ASSOCIATION.
8. APPROVAL OF THIS DOCUMENT MAY CREATE A VESTED PROPERTY RIGHT PURSUANT TO ARTICLE 68 OF THE TITLE 24, COLORADO REVISED STATUTES, AS AMENDED.
9. ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BE BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF THE CERTIFICATION SHOWN HEREON.
10. THIS LAND SURVEY DOES NOT CONSTITUTE A TITLE SEARCH BY THE SURVEYOR OF RECORD TO DETERMINE OWNERSHIP OF THIS TRACT, VERIFY THE DESCRIPTIONS SHOWN, VERIFY THE COMPLETENESS OF THIS DESCRIPTION WITH THAT OF ADJACENT TRACTS, OR VERIFY EASEMENTS OF RECORD.

**LIEN HOLDERS:**

CHARLES E. HUNT AND TRIM HUNT  
 STATE OF COLORADO } SS  
 COUNTY OF ADAMS } SS

THE FOREGOING PLAT AND DEDICATION WAS ACKNOWLEDGED BEFORE ME THIS 20<sup>th</sup> DAY OF FEBRUARY A.D. 2021, BY THE ABOVE SIGNED, CHARLES E. HUNT AND TRIM HUNT.

MY COMMISSION EXPIRES 9-26-01 NOTARY PUBLIC *Lesley S. Landon*

ADAMSON NATIONAL BANK } SS  
 STATE OF COLORADO } SS  
 COUNTY OF ADAMS } SS

THE FOREGOING PLAT AND DEDICATION WAS ACKNOWLEDGED BEFORE ME THIS 20<sup>th</sup> DAY OF FEBRUARY A.D. 2021, BY THE ABOVE SIGNED, ADAMSON NATIONAL BANK, CONSTRUCTION OFFICER OF ADAMSON NATIONAL BANK.

MY COMMISSION EXPIRES 9-26-01 NOTARY PUBLIC *Lesley S. Landon*

CITY OF BRIGHTON } SS  
 STATE OF COLORADO } SS  
 COUNTY OF ADAMS } SS

THE FOREGOING PLAT AND DEDICATION WAS ACKNOWLEDGED BEFORE ME THIS 20<sup>th</sup> DAY OF JANUARY A.D. 2021, BY THE ABOVE SIGNED, ADAMSON C. SHERWOOD, CONSTRUCTION OFFICER OF CITYWIDE BANK.

MY COMMISSION EXPIRES 9-26-01 NOTARY PUBLIC *Lesley S. Landon*

**SURVEYOR'S CERTIFICATE:**

I, JEFFRY A. GUSTAFSON, A REGISTERED LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY CERTIFY THAT THE ACCOMPANYING PLAT AND THE BOUNDARY SURVEY THEREOF WERE MADE BY ME AND UNDER MY SUPERVISION AND THAT THE SAME ARE CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

DATE: 12-22-20

JEFFRY A. GUSTAFSON } SS  
 COLORADO L.S. NO. 25038  
 FOR AND ON BEHALF OF PEAK EYE CONSULTANTS

**APPROVAL:**

APPROVED BY THE CITY OF BRIGHTON PLANNING COMMISSION THIS 20<sup>th</sup> DAY OF NOV., A.D. 2020

*Jeffrey D. Bernard*  
 Mayor

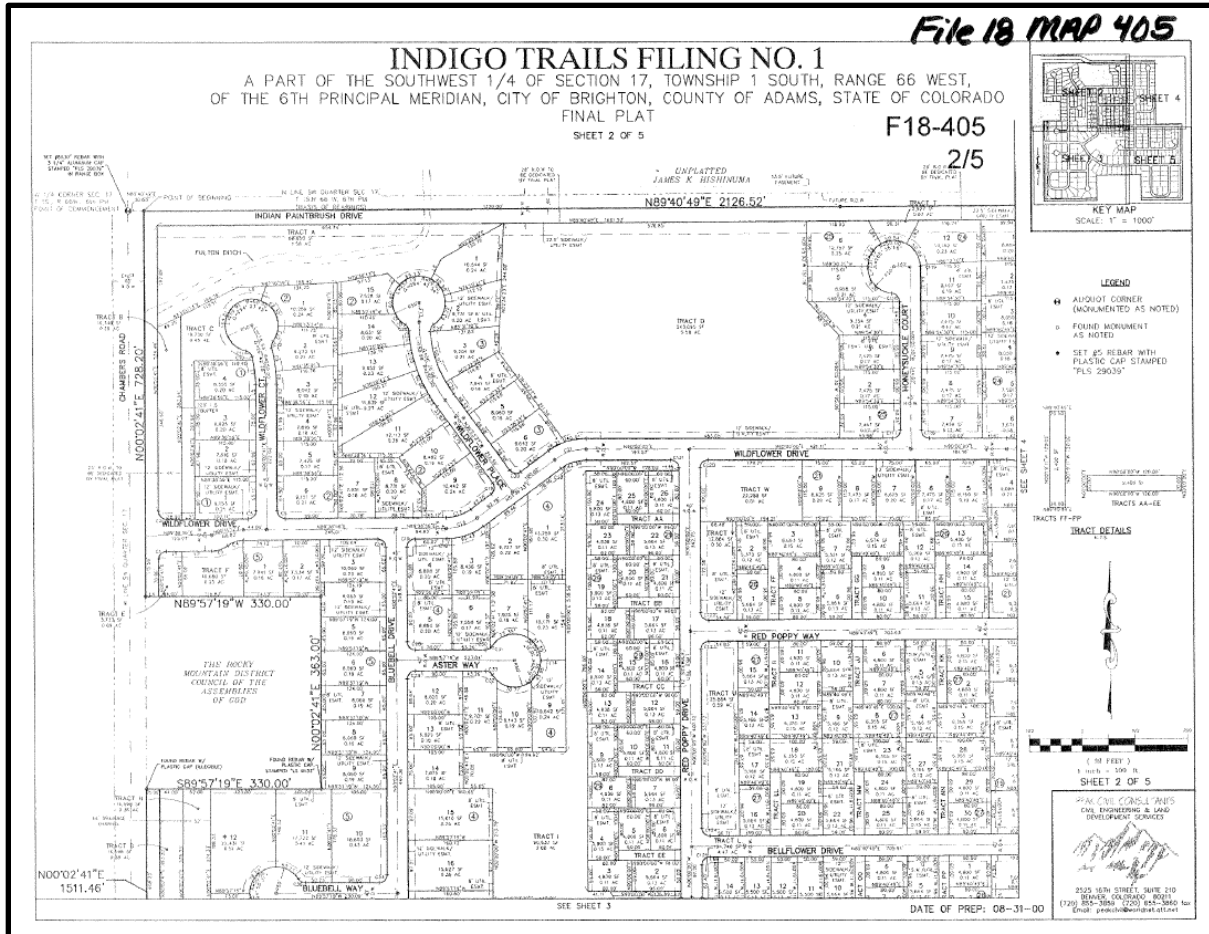
**CLERK AND RECORDER'S CERTIFICATE:**

THIS PLAT WAS FILED FOR RECORD IN THE OFFICE OF THE ADAMS COUNTY CLERK IN THE STATE OF COLORADO AT 10:00 AM ON THE 20<sup>th</sup> DAY OF JANUARY, A.D. 2021.

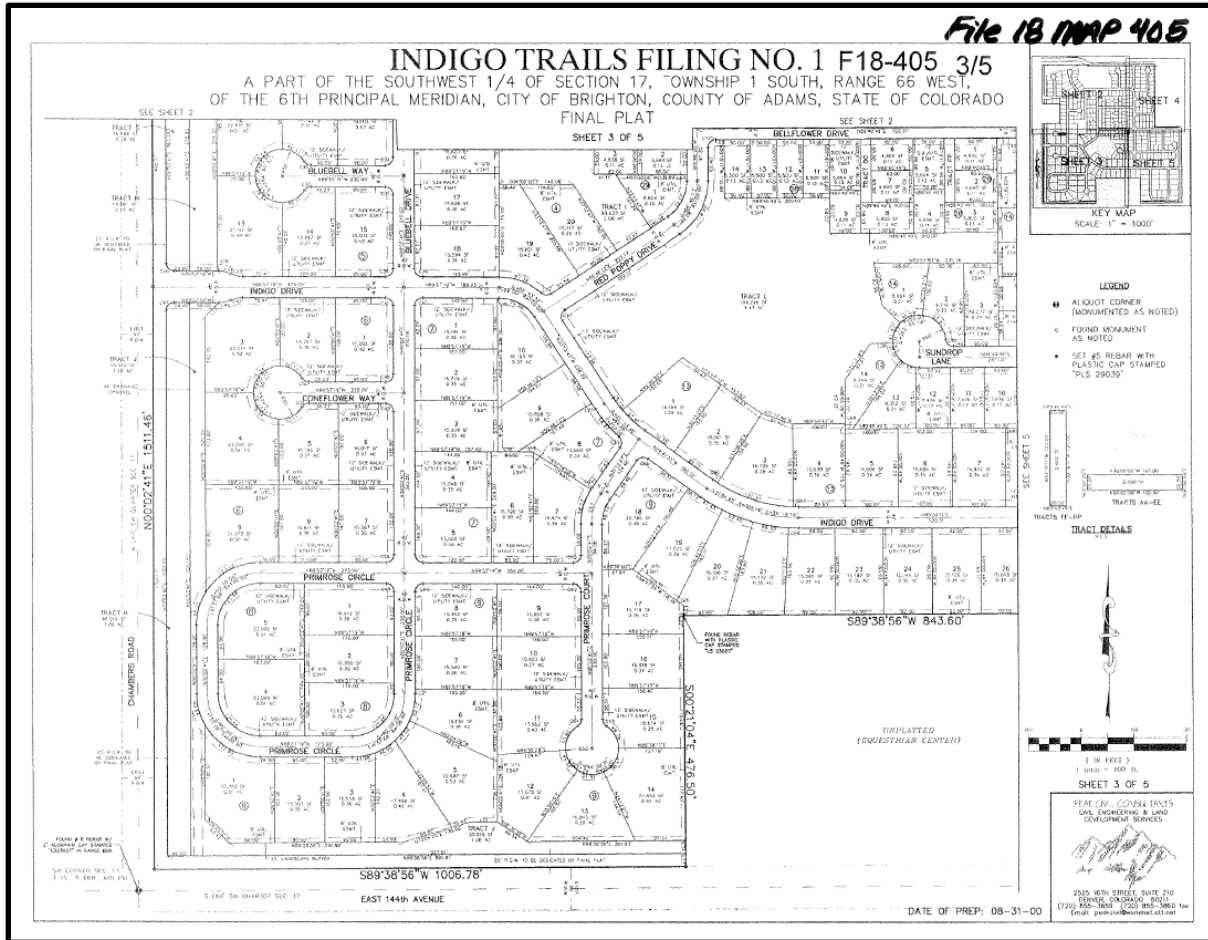
*Lesley S. Landon*  
 COUNTY CLERK & RECORDER

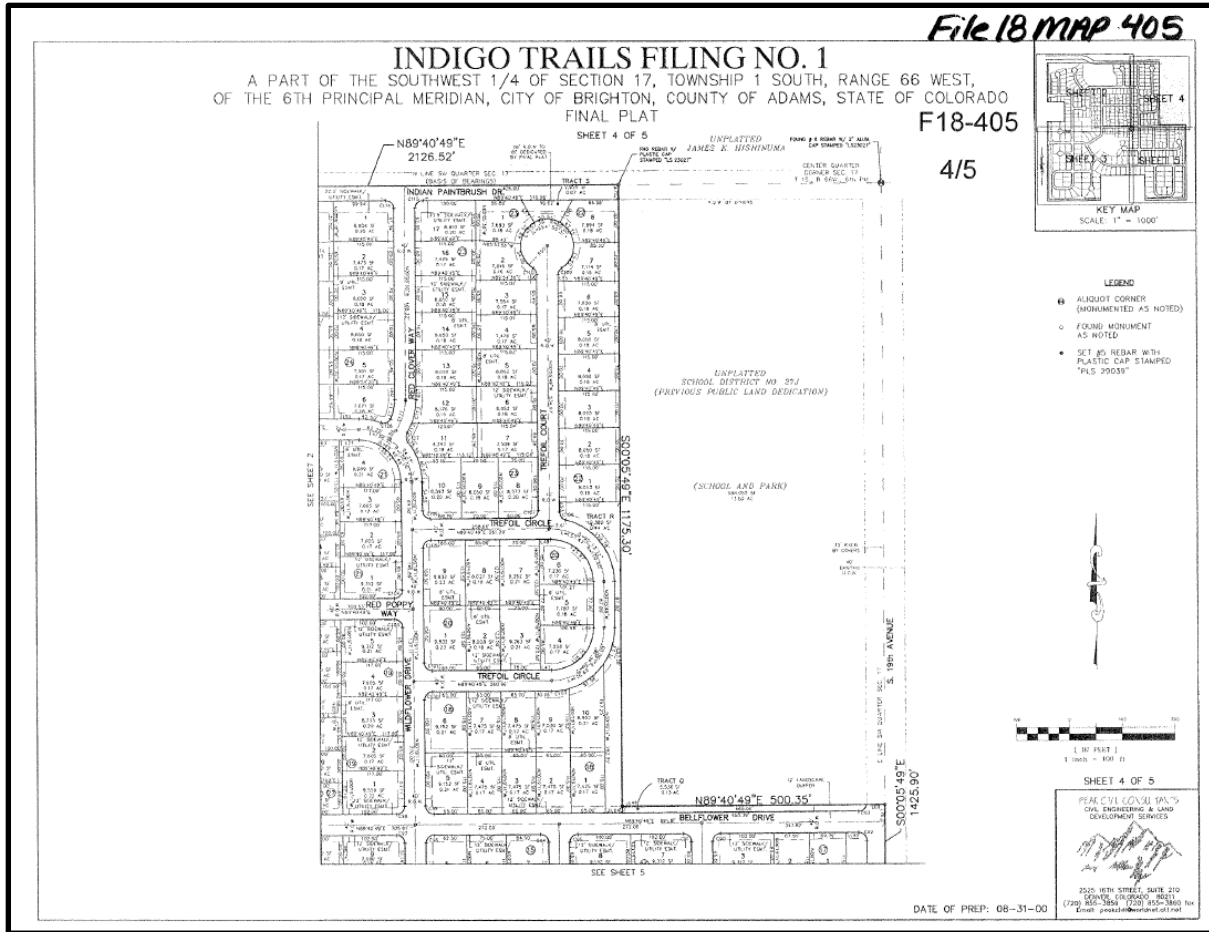
**RECORDING INFORMATION:**

MAP NO. 405  
 RECEPTION NO. C0776734  
 DATE OF PREP: 08-31-00

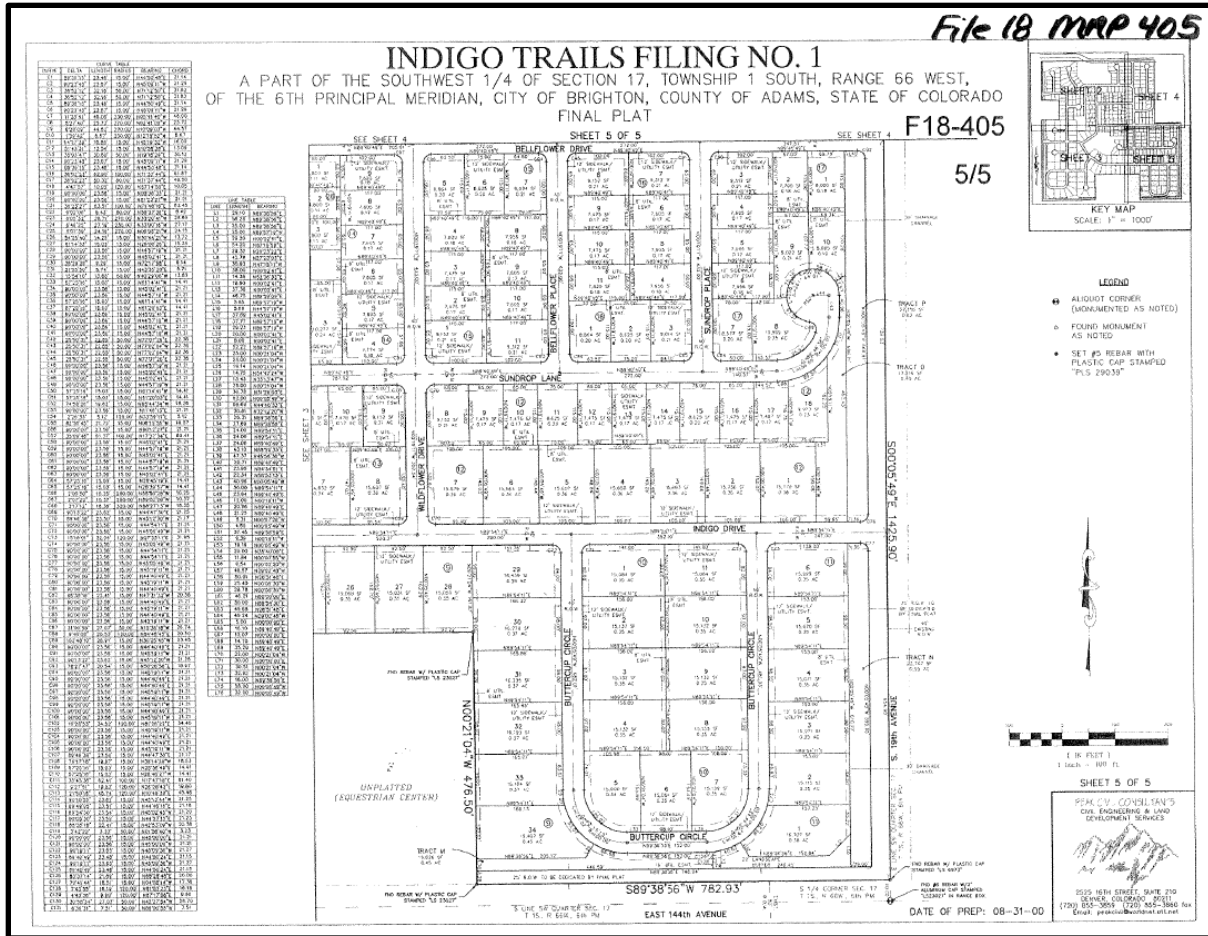








File 18 MAP 405



## *Market Analysis*

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### **Property Productivity Analysis**

**Physical Attributes:** The Site Data section above, presented the subject lots as generally level sites that are located in the Indigo Trails subdivision located in the NEC of Chambers Road and East 144th Avenue in the City of Brighton. There has been no recent development vertical development for a period of years though 29 lots have been finished and rough graded in phase 4 in this subdivision. . Public roads and utilities are available to some of the individual blocks. The subject lots are considered below average compared to other developing subdivisions due to issues within the Development Agreement, number of individual lot developers and the number of lots to care the agreed upon off-site cost burdens.

### **Analytics Report**

I have commissioned an Analytics Report on Indigo Trails from Zonda that defines the Subdivisions competitive market area (CMA), in which I concur, which consists of the Brighton and Commerce City Submarkets. This report is found on the following pages.

**Note:** this report with Metro Study data that forms the support for my residual analysis found in the valuation section.

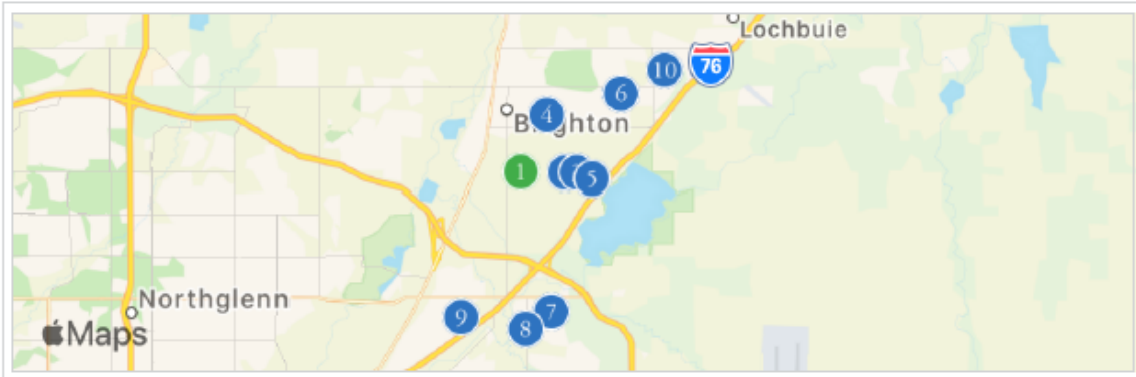
ANALYTICS REPORT

# Indigo Trails

COMPETITIVE MARKET (CM)

# Active Project # Sold Out Project

MAP KEY	PROJECT NAME	BUILDER	CITY	MILES ↑	UNIT SIZE	AVG. PRICE	SALES RATE	LOT SIZE/TYPE
1	Indigo Trails	Colorado Ho...	Brighton	-	1,846 - 3,326	\$581,100	3.48	7,475
2	Villages at Prairie C...	KB Home	Brighton	1.06	1,382 - 2,583	\$414,709	2.30	6,615
3	Villages at Prairie C...	Meritage Homes	Brighton	1.34	1,727 - 3,147	\$477,323	3.83	6,325
4	Park Place	Teater Constru...	Brighton	1.50	1,732 - 2,400	\$521,389	0.75	8,208
5	Seasons at Prairie Ce...	Richmond Am...	Brighton	1.71	1,580 - 2,250	\$412,150	1.73	6,120
6	Brighton Crossings/...	Brookfield Res...	Brighton	3.03	1,853 - 1,853	\$494,982	1.68	6,100
7	Pointe at Buffalo Ru...	Lokal Homes	Commerce City	3.38	1,374 - 2,211	\$363,490	3.13	4,350
8	Estates at Buffalo Run	Lokal Homes	Commerce City	3.73	2,092 - 2,638	\$482,590	3.29	8,800
9	Village at Southgate	Meritage Homes	Brighton	3.73	1,713 - 2,835	\$451,419	3.76	7,150
10	Brighton Crossing	D.R. Horton	Brighton	4.21	2,103 - 2,905	\$470,157	3.64	7,370
<b>Averages:</b>				2.60	1,740 - 2,614	\$466,931	2.76	



Results were programatically filtered by Product Type: Detached, Project Status: Active and Sold Out, Unit Size: 738 sq ft - 5,322 sq ft, Lot Size: 4,111 sq ft - 10,839 sq ft, List Price: \$187,800 - \$1,086,400

SALES

Indigo Trails, Jan. 26, 2021

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**SALES RANKING**

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<i>Overall Sales Rank</i>	<i>Sales Most Recent Month</i>	<i>Sales Most Recent Month Market Share</i>
4 out of 10	1 out of 10	72.8%

**SALES SUMMARY** *Ranked by sale rate in descending order*

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NO.	PROJECT NAME	BUILDER	SALES RATE ↓	SALES REC. MO.	PLANNED	SOLD	REMAINING	SURVEY DATE
1	Villages at Prairie Center	Meritage Homes	3.83	3	53	47	6	01/03/21
2	Village at Southgate	Meritage Homes	3.76	8	150	129	21	01/03/21
3	Brighton Crossing	D.R. Horton	3.64	8	187	186	1	12/17/20
4	<b>Indigo Trails</b>	<b>Colorado Hom...</b>	<b>3.48</b>	<b>110</b>	<b>132</b>	<b>132</b>	<b>-</b>	<b>05/01/20</b>
5	Estates at Buffalo Run	Lokal Homes	3.29	2	151	142	9	01/03/21
6	Pointe at Buffalo Run/L...	Lokal Homes	3.13	6	62	56	6	01/03/21
7	Villages at Prairie Center	KB Home	2.30	12	90	52	38	01/03/21
8	Seasons at Prairie Center	Richmond Amer...	1.73	-	31	30	1	12/18/20
9	Brighton Crossings/Free...	Brookfield Resid...	1.68	2	144	143	1	12/16/20
10	Park Place	Teater Construct...	0.75	-	77	72	5	12/01/20
Totals & Averages:			2.76	151	1,077	989	88	

**SALES HISTORY**

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*Dec. 2020*

38 ↑

**SALES RATE**

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*Dec. 2020*

5.4 ↑

2



\$ PRICES

Indigo Trails, Jan. 26, 2021

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NEW HOME

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PRICE RANKING

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*Avg. Current Price*

**10 out of 10**

*Price Per Sq Ft*

**6 out of 10**

*Average Price Last Survey*

**\$581,100**

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PRICE SUMMARY

*Ranked by avg price in ascending order*

NO.	PROJECT NAME	BUILDER	AVG. PRICE CUR. MONTH ↑	% CHANGE	PRICE SQ FT	% CHANGE	SURVEY DATE
1	Pointe at Buffalo Run/Leg...	Lokal Homes	\$363,490	-5.50%	\$198	8.56%	12/07/20
2	Seasons at Prairie Center	Richmond American Ho...	\$412,150	-2.13%	\$221	-0.92%	01/19/21
3	Villages at Prairie Center	KB Home	\$414,709	0.72%	\$219	5.17%	01/13/21
4	Village at Southgate	Meritage Homes	\$451,419	0.66%	\$207	3.81%	01/23/21
5	Brighton Crossing	D.R. Horton	\$470,157	1.29%	\$191	2.20%	12/13/20
6	Villages at Prairie Center	Meritage Homes	\$477,323	0.73%	\$203	4.55%	01/20/21
7	Estates at Buffalo Run	Lokal Homes	\$482,590	2.11%	\$211	2.47%	01/05/21
8	Brighton Crossings/Freestyle	Brookfield Residential	\$494,982	0%	\$267	0%	12/16/20
9	Park Place	Teater Construction	\$521,389	0%	\$244	0.88%	11/30/20
10	<b>Indigo Trails</b>	<b>Colorado Homes, LLC</b>	<b>\$581,100</b>	<b>0%</b>	<b>\$211</b>	<b>1.65%</b>	<b>04/30/20</b>
Averages:			\$466,930	-0.21%	\$217	2.84%	

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AVG. PRICE HISTORY

*Jan. 2021*

\$581,100

■ CM ■ Indigo Trails

Zonda

3

Indigo Trails, Jan. 26, 2021

PRICE GRAPH price by sq ft

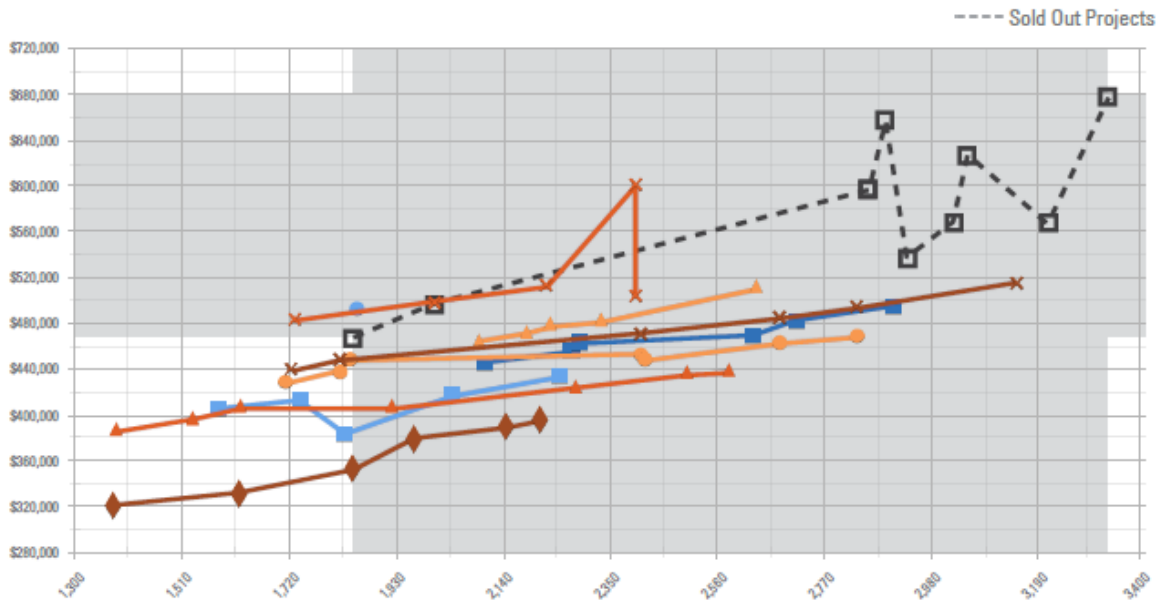


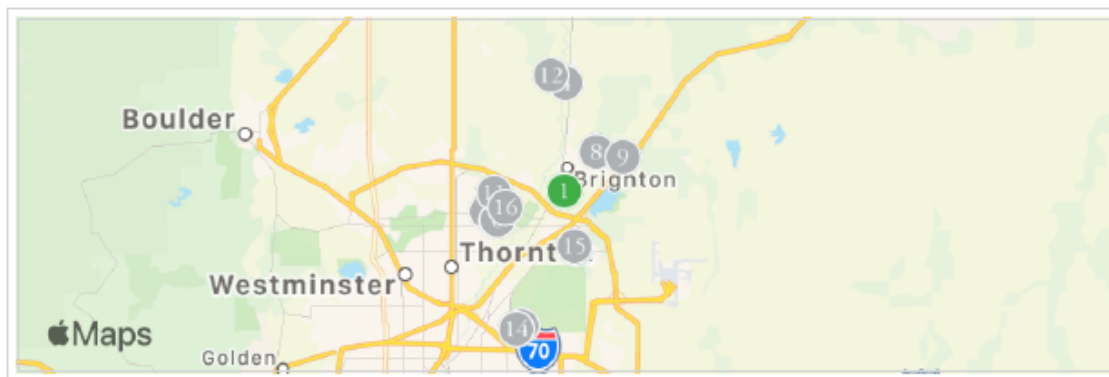
CHART KEY	PROJECT NAME	BUILDER	CITY	PRICE RANGE	SALES RATE ↑	LOT SIZE/ TYPE
☐	Indigo Trails	Colorado Homes,...	Brighton	\$469K - \$679K	3.48	7,475
■	Brighton Crossing	D.R. Horton	Brighton	\$447K - \$497K	3.64	7,370
●	Brighton Crossings/Fre...	Brookfield Residen...	Brighton	\$495K - \$495K	1.68	6,100
▲	Estates at Buffalo Run	Lokal Homes	Commerce City	\$466K - \$512K	3.29	8,800
✕	Park Place	Teater Construction	Brighton	\$485K - \$602K	0.75	8,208
◆	Pointe at Buffalo Run/...	Lokal Homes	Commerce City	\$323K - \$397K	3.13	4,350
■	Seasons at Prairie Center	Richmond Americ...	Brighton	\$385K - \$435K	1.73	6,120
●	Village at Southgate	Meritage Homes	Brighton	\$430K - \$470K	3.76	7,150
▲	Villages at Prairie Center	KB Home	Brighton	\$388K - \$439K	2.30	6,615
✕	Villages at Prairie Center	Meritage Homes	Brighton	\$441K - \$517K	3.83	6,325



## SUPPLY

Indigo Trails, Jan. 26, 2021

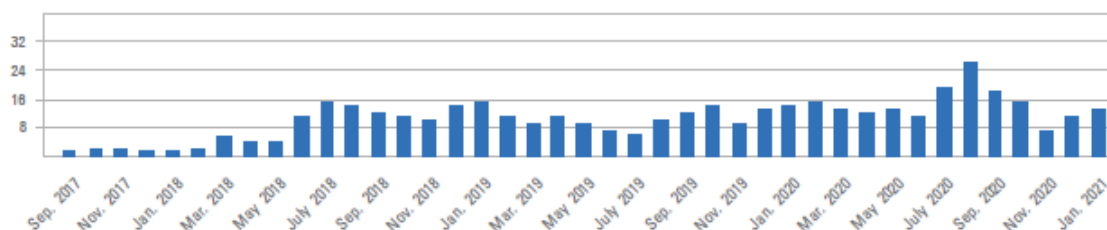
PROXIMITY OF UPCOMING PROJECTS		# Active Project	# Upcoming Project	# Sold Out Project	
NO	PROJECT	BUILDER	UNIT SIZE	PRICE RANGE	TYPE
1	Indigo Trails	Colorado Homes, LLC	1,846 - 3,326	\$469,000 - \$679,000	Detached
2	Arras Park	McStain Neighborhoods	---	---	Detached
3	Central Park/North End/w...	Boulder Creek Neighb...	---	---	Detached
4	Courtyards at Lupton Village	EPCON	---	---	Detached
5	Creekside	CreekStone Homes	---	---	Detached
6	Creekside Village	Richmond American...	---	---	Detached
7	Gallery at Reunion	Richmond American...	---	---	Detached
8	Homestead	Richfield Homes	---	---	Detached
9	Lochbuie Station	Horizon View Homes	---	---	Detached
10	Parterre	Lennar	---	---	Detached
11	Parterre	Taylor Morrison	---	---	Detached
12	Second Creek Farm	LGI Homes	1,293 - 2,812	\$381,900 - \$479,900	Detached
13	Signature Portfolio/Central...	Brookfield Residential	---	---	Detached
14	Tealight Portfolio/Central...	Brookfield Residential	---	---	Detached
15	The Gallery	Richmond American...	---	---	Detached
16	Timberleaf	D.R. Horton	1,503 - 3,372	\$443,990 - \$644,990	Detached



Indigo Trails, Jan. 26, 2021

**QUICK MOVE-IN**

<span style="color: blue;">■</span> <i>CM Total #Units Available</i>	<span style="color: orange;">■</span> <i>Indigo Trails Total #Units Available</i>	<i>Market Share</i>
8	0	0.0%



*Quick Move-Ins*

**VILLAGE AT SOUTHGATE** *by Meritage Homes*

*As of Jan. 24, 2021*

NO.	SITE ADDRESS	BED/ BATH	FLOORS/ GARAGE	MASTER BEDROOM	PLAN NAME	SQ FT	PRICE ↑
1	1027 Alpine Aven Street	3/2	1/2	Down	The Eldorado	1,713	\$459,130
2	954 Lavender Place	3/2	1/2	Down	The Platte	1,819	\$461,110
3	1052 Alpine Aven Street	3/2	1/2	Down	The Northgate	1,839	\$474,490
4	936 Lavender Place	4/2.5	2/2	Up	The Castlewood	2,422	\$481,670
5	981 Alpine Aven Street	3/2	1/2	Down	The Northgate	1,839	\$483,270
6	959 Alpine Aven Street	4/3.5	2/3	Up	The Birch	2,404	\$494,190
<b>Averages:</b>						<b>2,006</b>	<b>\$475,643</b>

**VILLAGES AT PRAIRIE CENTER** *by Meritage Homes*

*As of Jan. 21, 2021*

NO.	SITE ADDRESS	BED/ BATH	FLOORS/ GARAGE	MASTER BEDROOM	PLAN NAME	SQ FT	PRICE ↑
1	3103 KESTREL ST	4/2.5	2/2	Up	The Castlewood	2,410	\$578,280



Indigo Trails, Jan. 26, 2021

2	2837 KESTREL ST	4/3.5	2/4 Up	The Golden Gate	3,147	\$607,160
---	-----------------	-------	--------	-----------------	-------	-----------

Averages:					2,778	\$592,720
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**COMMUNITY**

Indigo Trails, Jan. 26, 2021

BUYER BROWSING PATTERNS ON NEWHOMESOURCE.COM *last 30 days*

Adams County Page Views

6,506

Brighton Page Views

887

80601 Page Views

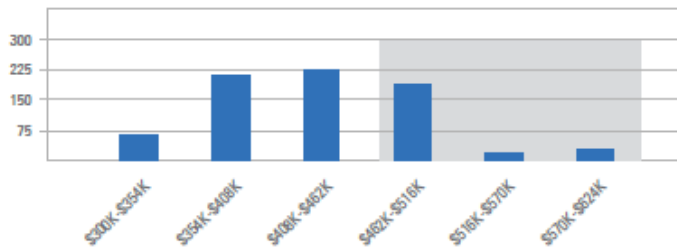
583

**City Of Brighton**

SEARCH BY PRICE RANGE *last 30 days*

Indigo Trails Price Range

\$469,000 - \$679,000



SEARCH BY LAYOUT



SEARCH BY PRODUCT TYPE

Attached

35%

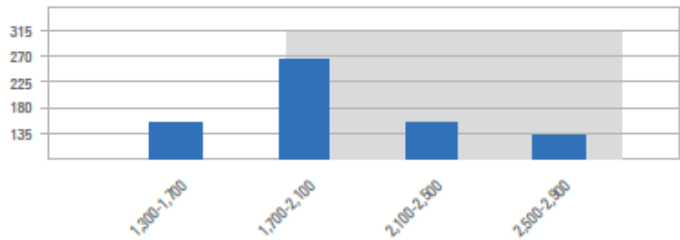
Detached

65%

SEARCH BY UNIT SIZE *last 30 days*

Indigo Trails Unit Size

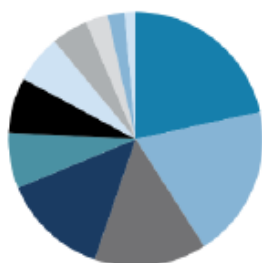
1,846 - 3,326 sq ft





Indigo Trails, Jan. 26, 2021

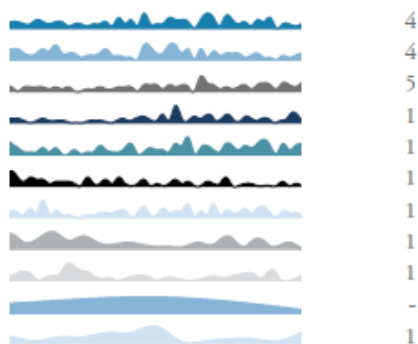
SEARCH BY BUILDER MARKET SHARE



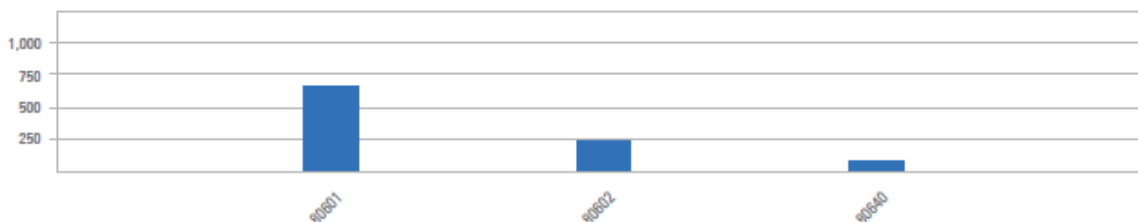
21.6%	Brookfield Residential
19.4%	Richmond
14.3%	Meritage Homes
13.3%	KB Home
7.1%	Richfield Homes
7.0%	D.R. Horton, Inc.
6.1%	Lennar
4.6%	Taylor Morrison
2.8%	Dream Finders Homes
2.1%	BLVDWAY Communities
1.4%	David Weekley Homes

12 MONTH HISTORY

# of projects



SEARCH BY ZIP CODE last 30 days



SEARCH BY MASTER PLAN / COMMUNITY

# of clicks

Prairie Center	220	Brighton Crossings	200
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## APPENDIX

Indigo Trails, Jan. 26, 2021

### Floorplans

#### INDIGO TRAILS by Colorado Homes, LLC

NO.	PLAN NAME	BED/ BATH	FLOORS/ GARAGE	SQ FT	CURRENT PRICE	PRICE SQ FT ↑	PRICE CHANGE	SURVEY DATE
1	Estate Series 800	3/2.5	1/3	1,846	\$469,000	\$254	-	05/01/20
2	Estate Series 900	3/2.5	1/3	2,004	\$499,000	\$249	-	05/01/20
3	Estate Series 600	4/3.5	2/3	2,854	\$599,000	\$210	-	05/01/20
4	Estate Series 100	4/3.5	2/3	2,856	\$599,000	\$210	-	05/01/20
5	Estate Series 300	4/3.5	1/3	2,890	\$659,000	\$228	-	05/01/20
6	Estate Series 700	4/3.5	2/3	2,933	\$539,000	\$184	-	05/01/20
7	Estate Series 400	4/3.5	2/3	3,023	\$570,000	\$189	-	05/01/20
8	Estate Series 320	4/3.5	2/3	3,051	\$629,000	\$206	-	05/01/20
9	Estate Series 200	4/3.5	2/3	3,210	\$569,000	\$177	-	05/01/20
10	Estate Series 500	4/3.5	2/3	3,326	\$679,000	\$204	-	05/01/20
Averages:				2,799	\$581,100	\$211	-	

#### BRIGHTON CROSSING by D.R. Horton

NO.	PLAN NAME	BED/ BATH	FLOORS/ GARAGE	SQ FT	CURRENT PRICE	PRICE SQ FT ↑	PRICE CHANGE	SURVEY DATE
1	Grover	3/2	1/2	2,103	\$446,990	\$213	\$6,000	12/14/20
2	Haswell	3/2	1/2	2,272	\$456,990	\$201	\$6,000	12/14/20
3	Julesburg	4/2	1/2	2,289	\$464,990	\$203	\$6,000	12/14/20
4	Kersey	4/2.5	2/3	2,629	\$470,990	\$179	\$6,000	12/14/20
5	Branson	4/2.5	2/3	2,714	\$483,990	\$178	\$6,000	12/14/20
6	Arvada	4/2.5	2/3	2,905	\$496,990	\$171	\$6,000	12/14/20
Averages:				2,485	\$470,157	\$191	\$6,000	

Indigo Trails, Jan. 26, 2021

**BRIGHTON CROSSINGS/FREESTYLE** *by Brookfield Residential*

NO.	PLAN NAME	BED/ BATH	FLOORS/ GARAGE	SQ FT	CURRENT PRICE	PRICE SQ FT ↑	PRICE CHANGE	SURVEY DATE
1	Freestyle 2	3/2	1/2	1,853	\$494,982	\$267	-	12/17/20
Averages:				1,853	\$494,982	\$267	-	

**ESTATES AT BUFFALO RUN** *by Lokal Homes*

NO.	PLAN NAME	BED/ BATH	FLOORS/ GARAGE	SQ FT	CURRENT PRICE	PRICE SQ FT ↑	PRICE CHANGE	SURVEY DATE
1	Ryan	3/2	1/2	2,092	\$465,990	\$223	\$10,000	01/06/21
2	Tenley	3/2	1/2	2,189	\$472,990	\$216	\$10,000	01/06/21
3	Walter	3/2.5	1/2	2,234	\$478,990	\$214	\$10,000	01/06/21
4	Jack	3/2.5	1/2	2,330	\$482,990	\$207	\$10,000	01/06/21
5	Carter	3/2.5	1/2	2,638	\$511,990	\$194	\$10,000	01/06/21
Averages:				2,297	\$482,590	\$211	\$10,000	

**PARK PLACE** *by Teater Construction*

NO.	PLAN NAME	BED/ BATH	FLOORS/ GARAGE	SQ FT	CURRENT PRICE	PRICE SQ FT ↑	PRICE CHANGE	SURVEY DATE
1	Princeton	3/2	1/3	1,732	\$484,895	\$280	-	12/01/20
2	Shavano	3/2	1/2	2,004	\$500,383	\$250	-	12/01/20
3	Crestone	3/2.5	2/3	2,225	\$513,935	\$231	-	12/01/20
4	Cameron	2/2	1/3	2,400	\$602,265	\$251	-	12/01/20
5	Columbia	2/2	1/3	2,400	\$505,465	\$211	-	12/01/20
Averages:				2,152	\$521,389	\$244	-	

**POINTE AT BUFFALO RUN/LEGACY** *by Lokal Homes*

NO.	PLAN NAME	BED/ BATH	FLOORS/ GARAGE	SQ FT	CURRENT PRICE	PRICE SQ FT ↑	PRICE CHANGE	SURVEY DATE
1	Christian	2/2.5	2/2	1,374	\$322,990	\$235	-	12/08/20



Indigo Trails, Jan. 26, 2021

2	Brett	3/2.5	2/2	1,620	\$333,990	\$206	-	12/08/20
3	Calvin	3/2.5	2/2	1,846	\$354,990	\$192	-	12/08/20
4	Annie	3/2.5	2/2	1,965	\$380,990	\$194	\$5,000	12/08/20
5	Wyatt	3/2.5	2/2	2,146	\$390,990	\$182	\$5,000	12/08/20
6	Madison	3/2.5	2/2	2,211	\$396,990	\$180	\$5,000	12/08/20
<b>Averages:</b>				1,860	\$363,490	\$198	\$5,000	

SEASONS AT PRAIRIE CENTER *by Richmond American Homes*

NO.	PLAN NAME	BED/ BATH	FLOORS/ GARAGE	SQ FT	CURRENT PRICE	PRICE SQ FT ↑	PRICE CHANGE	SURVEY DATE
1	Onyx	3/2	1/3	1,580	\$406,950	\$258	\$13,000	01/20/21
2	Alexandrite	3/2	1/3	1,740	\$414,950	\$238	\$9,000	01/20/21
3	Coral	3/2.5	2/3	1,830	\$384,950	\$210	-	01/20/21
4	Citrine	3/2.5	2/3	2,040	\$418,950	\$205	-\$81,000	01/20/21
5	Lapis	3/2.5	2/3	2,250	\$434,950	\$193	\$14,000	01/20/21
<b>Averages:</b>				1,888	\$412,150	\$221	-\$9,000	

VILLAGE AT SOUTHGATE *by Meritage Homes*

NO.	PLAN NAME	BED/ BATH	FLOORS/ GARAGE	SQ FT	CURRENT PRICE	PRICE SQ FT ↑	PRICE CHANGE	SURVEY DATE
1	The Eldorado	3/2	1/2	1,713	\$429,990	\$251	\$3,000	01/24/21
2	The Platte	3/2	1/2	1,819	\$439,990	\$242	\$3,000	01/24/21
3	The Northgate	3/2	1/2	1,839	\$449,990	\$245	\$3,000	01/24/21
4	The Castlewood	4/2.5	2/2	2,408	\$454,990	\$189	\$3,000	01/24/21
5	The Birch	3/2.5	2/2	2,420	\$449,990	\$186	\$3,000	01/24/21
6	The Waterton	4/2.5	2/2	2,683	\$464,990	\$173	\$3,000	01/24/21



Indigo Trails, Jan. 26, 2021

7	The Clear Creek	4/3	2/3	2,835	\$469,990	\$166	\$3,000	01/24/21
Averages:				2,245	\$451,419	\$207	\$3,000	

VILLAGES AT PRAIRIE CENTER *by KB Home*

NO.	PLAN NAME	BED/ BATH	FLOORS/ GARAGE	SQ FT	CURRENT PRICE	PRICE SQ FT ↑	PRICE CHANGE	SURVEY DATE
1	Plan 1382	3/2	1/2	1,382	\$387,995	\$281	\$3,000	01/14/21
2	Plan 1532 Modeled	3/2	1/2	1,532	\$397,995	\$260	\$3,000	01/14/21
3	Plan 1624	3/2.5	2/2	1,624	\$407,995	\$251	\$3,000	01/14/21
4	Plan 1923	3/2.5	2/2	1,923	\$407,995	\$212	\$3,000	01/14/21
5	Plan 2282	3/2.5	2/2	2,282	\$424,995	\$186	\$3,000	01/14/21
6	Plan 2502	4/2.5	2/2	2,502	\$436,995	\$175	\$3,000	01/14/21
7	Plan 2583 Modeled	4/2.5	2/2	2,583	\$438,995	\$170	\$3,000	01/14/21
Averages:				1,975	\$414,709	\$219	\$3,000	

VILLAGES AT PRAIRIE CENTER *by Meritage Homes*

NO.	PLAN NAME	BED/ BATH	FLOORS/ GARAGE	SQ FT	CURRENT PRICE	PRICE SQ FT ↑	PRICE CHANGE	SURVEY DATE
1	The Eldorado	3/2	1/2	1,727	\$440,990	\$255	\$2,000	12/30/20
2	The Platte	3/2	1/2	1,819	\$449,990	\$247	\$2,000	12/30/20
3	The Castlewood	4/2.5	2/2	2,410	\$472,990	\$196	\$5,000	01/21/21
4	The Waterton	4/2.5	2/2	2,684	\$486,990	\$181	\$5,000	01/21/21
5	The Clear Creek	4/3	2/3	2,835	\$495,990	\$175	\$2,000	12/30/20
6	The Golden Gate	4/3.5	2/3	3,147	\$516,990	\$164	\$5,000	01/21/21
Averages:				2,437	\$477,323	\$203	\$3,500	

DEFINITIONS AND METHODOLOGY

All information presented involved the assembly of data sources that we consider to be reliable, including the Bureau of Labor Statistics, CBRE- EA, CoreLogic, Great Schools, Moody's Analytics, Neustar, U.S. Bureau of the Census, Zillow, various regional Multiple Listing Service providers, and Meyers Research. We do not guarantee any data accuracy as all information is subject to human errors, omissions, and/or changes.

Report data is powered in partnership with Builder Digital Experience, or BDX. BDX is the nation's leading consortium of the 32 largest builders, providing unparalleled depth and breadth of data for sales and marketing teams.



Abbreviations

AVG - Average	F - Forecast
C - Current	L3M - Last 3 Months
CBSA - Core Based Statistical Area	LTM - Last 12 Months
CHG - Change	P - Partial
CM - Current Month	YTD - Year To Date
E - Estimated	YOY - Year Over Year

**Buyer Browsing Data** is browsing behaviour data collected in collaboration with BDX and is based on the monthly activity from 2 million unique new home shoppers visiting [www.newhomesource.com](http://www.newhomesource.com).

**Competitive Market Selection** - The competitive market includes only active and upcoming projects in the area that are the same product type as the key project. The competitive set is narrowed to the best 9 projects that fall within a specified range for unit size, price, and lot size. The nine closest projects meeting this criteria are selected. Upcoming projects may be included as part of the competitive set if limited details are available.

**Existing Home Data** are transactions as reported by public record data for existing or resale homes, filtered by product type based on the key project.

**New Home Price** The information is based on a survey of a project's current lowest available list for price for each floorplan. Floorplan price updates are updated through multiple channels including updates through a collaboration with BDX, monthly telephone surveys, or a review of MLS listings or builder websites.

**Quick Move-In** data set represents standing inventory or quick delivery homes. If

ABOUT US



Meyers Research combines experienced real estate and technology advisors with leading data to provide our clients with a clear perspective and a strategic path forward. Based in Beverly Hills, we are home to 150 experts in 10 offices across the country.

*Get More Out Of Zonda*

Expand coverage to nearby regions to find emerging consumer segments.

*Get More Out Of Services*

Uncover meaningful consumer and product insights.

Contact Us

[www.zondahome.com](http://www.zondahome.com)  
[hello@zondahome.com](mailto:hello@zondahome.com)  
(858) 381-4390



Indigo Trails, Jan. 26, 2021

quick move-ins have been taken off the market or sold-out, there can be a difference between the report and the graph. The data is collected in collaboration with BDX and represents information from builders participating on [www.newhomesource.com](http://www.newhomesource.com).

**Sales History & Sales Rates** - Competitive projects exclude the key project and reflect data through the most recently completed month based on the survey date.

For comparison purposes, I have analyzed an Inventory Tabular Statistics (1004 MC), which is found below and is specific to sales and listings of existing housing stock in the Brighton area. This data supports that of the Zonda Report presented above.

### Inventory Tabular Statistics (1004 MC) –Data Summary

<b>Inventory Tabular Stats (1004MC)</b>																
Minimum, maximum, average, and median values are calculated from all listings that match the criteria for each table. No row corresponds to a specific listing.																
Property Type is 'Residential' Mls Status is 'Closed' Status Contractual Search Date is 08/01/2017 to 08/18/2018 Property Sub Type is 'Single Family Residence' Latitude, Longitude is around 39.99, -104.76 Year Built is 2010 to 2018																
Closed Listings																
#	Beds	Baths	Above Area	Total Area	List Price	PSF Above	PSF Total	PSF Fin	Close Price	Close/ List	Net Close	Net Close/ List	Close/ Orig List	Days In MLS	Year Built	Age
Min	2	2	1,073	1,073	\$299,000	\$128	\$91	\$96	\$296,500	88%	\$293,500	87%	86%	0	2010	2
Max	6	5	3,494	5,594	\$592,000	\$403	\$280	\$304	\$592,000	110%	\$592,000	110%	113%	302	2018	10
Avg	3	3	2,209	3,436	\$423,853	\$199	\$127	\$184	\$421,646	99%	\$419,570	99%	99%	52	2015	5
Med	3	3	2,207	3,319	\$418,038	\$195	\$122	\$177	\$415,973	100%	\$415,250	99%	99%	28	2015	5
Total number of Closed Listings evaluated: 134																
All Listings																
#	Beds	Baths	Above Area	Total Area	List Price	PSF Above	PSF Total	PSF Fin	Close Price	Close/ List	Net Close	Net Close/ List	Close/ Orig List	Days In MLS	Year Built	Age
Min	2	2	1,073	1,073	\$299,000	\$128	\$91	\$96	\$296,500	88%	\$293,500	87%	86%	0	2010	2
Max	6	5	3,494	5,594	\$592,000	\$403	\$280	\$304	\$592,000	110%	\$592,000	110%	113%	302	2018	10
Avg	3	3	2,209	3,436	\$423,853	\$199	\$127	\$184	\$421,646	99%	\$419,570	99%	99%	52	2015	5
Med	3	3	2,207	3,319	\$418,038	\$195	\$122	\$177	\$415,973	100%	\$415,250	99%	99%	28	2015	5
Total number of All Listings evaluated: 134																

**Conclusion:** Though an active market exists in the Brighton and Commerce City CMA, the subject has not been active for the last three years. This is due to the various legal, developmental and ownership interests that must be resolved.

## *Highest and Best Use*

---

The following definitions of highest and best are taken from *The Dictionary of Real Estate Appraisal, Sixth Edition, Page 109*:

- The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
- The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
- [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

The highest and best use of the property must meet four criteria: it must be 1) legally permissible, 2) physically possible, 3) financially feasible, and 4) maximally productive.

### **As If Vacant**

**Legally Permitted:** In concluding to the highest and best use of the land, as if vacant, only those uses, which legal or reasonably probable can be considered. The subject property consists of 48 lots within the Indigo Trails PUD (Planned Unit Development) in the City of Brighton. As previously set forth herein, the Indigo Trails subdivision has received all legal entitlements and is partially developed with detached single-family residential units. The subject lots consist of 2 partially finished lots and 46 paper platted lots. Considering the surrounding uses, a change in zoning is not considered likely.

**Physically Possible:** The subject lots consist of partially finished lots and 46 paper platted lots. The subject lots a generally level site that is at the grade with the boundary streets in the City of Brighton. Public utilities are adjacent to the filings with adequate capacity for development. The subject lots are generally level and at grade with the existing public street. Access to the subdivision is considered good with adjacent major collector streets.

Soil conditions, as evidenced by improved properties in the immediate area, are capable of supporting development. Therefore, few development restrictions exist on the site and none are more restrictive than zoning.

**Financially Feasible:** Current development in the City of Brighton is concentrated northeast of the subject as indicated in the Zonda Report presented earlier. The subject lots are located in Indigo Trails, an older established residential subdivision on the northeast corner of East 144<sup>th</sup> Avenue and Chambers Road. Lot sizes range from 7,475 SF to 22,887 SF, average 13,136 SF. The number of existing finished lots and paper platted lots in an active submarket indicate a lack of market demand for the immediate area. There are a number of legal issues specific to the Development Agreement that must be worked out. Additionally, all of the remaining lots are not under single ownership which also negatively impacts lot marketing. Based on current legal issues with the subject, development of these lots is not likely in the short term due to these unresolved issues.

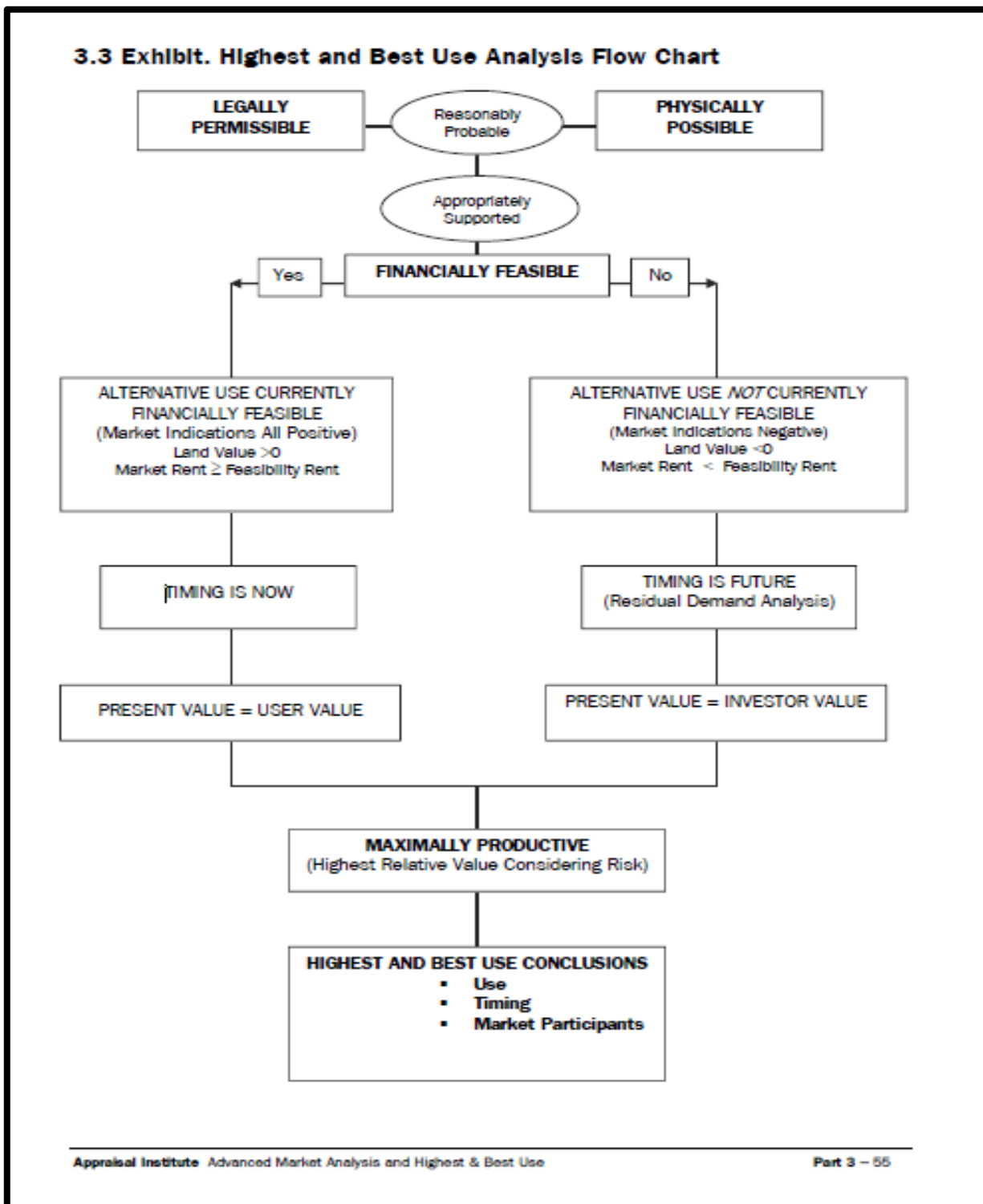
**Maximally Productive:** Development of the 48 paper- platted lots does not meet the test of financial feasibility. After considering the character of the neighborhood and the site restrictions imposed by zoning, the most probable use for the subject site is for a residential development when the various legal, developmental and ownership interests are resolved. The maximally productive use is to hold for future residential development consistent with zoning and market demand when the various legal, developmental and ownership interests are resolved.

**Conclusion:** The highest and best use of the subject lots is for future residential development. The most likely buyer at this time is a developer/investor or speculator who can afford to hold the lots until the various issues are resolved. The estimated timing is for three to four years. A Highest and Best Use Flow chart is found on the following page and demonstrates that the Market Value to be concluded must be discounted for time, risk and carrying costs.

### **As Improved**

The subject's paper platted lots are generally vacant land. There are no vertical improvements on any of the lots. Public roads are to some of the blocks with utilities available for extension. Market conditions indicate that development of the land will be in three years or longer due to market demand and additional off site development costs for the entire subdivision and a lack of a master developer in title to the remaining subdivision lots that are in different ownerships.

### Highest and Best Use Flow Chart





## ***VALUATION OVERVIEW***

---

**Site Valuation Methods:** There are six basic methods that are used to value vacant land/sites.

1. **Sales Comparison Analysis** – Most common and preferred method of appraising all types of sites and raw land parcels.
2. **Allocation** – The contributory value of a component, land/building.
3. **Extraction** – A method of determining the depreciated cost of an improvement and subtracting it from the sale price to determine land value.
4. **Land Residual Technique** – The quantity that is left over.
5. **Ground Rent Capitalization** – Capitalizing ground rent using a market derived by rates or factors.
6. **Subdivision Development Analysis** – Discounted Cash Flow Analysis.

The subject property consists of 46 paper-platted single family residential lots and two finished lots. The market analysis presented above indicated that the subject is in an active residential market with strong market absorption. The trend over the last three years has been upward for both sale prices and absorption.

By comparison, the subject subdivision is partially built out but has remained stagnant over the last three years due to land development issues that are unrelated to market condition. The reasons for this were presented in the Highest and Best Use section, and consist of various legal, developmental and ownership interests that are yet to be resolved. The most likely buyer is concluded to be a developer/investor or speculator who can afford to hold the lots until these various issues are resolved.

I have researched residential multi-lot sales in the subject's Competitive Market Area (CMA) and the northeast metropolitan Denver area over the last five years for similar properties to compare to the subject. I found sales of paper platted and finished lot sales that were acquired for immediate development. I did not find any sales of paper platted lots that were acquired for future development.

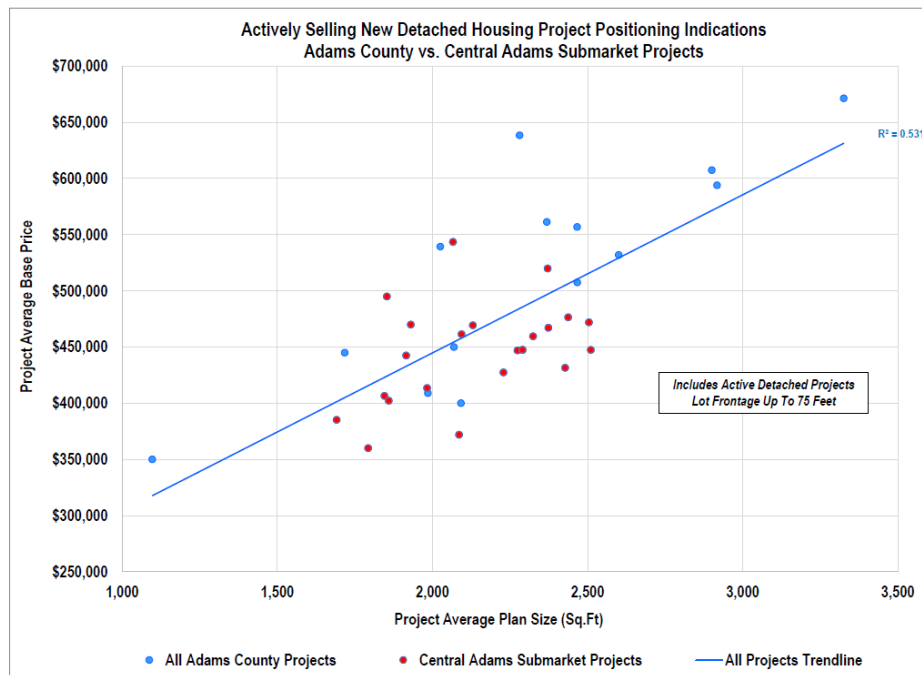
I found two 2020 transfers of finished lots in the Reunion (97 lots) and Brighton Crossing (46 lots) subdivision Finished lot sales that transferred in 2020 with similar densities ranged from \$81,500 to \$102,000 per lot.

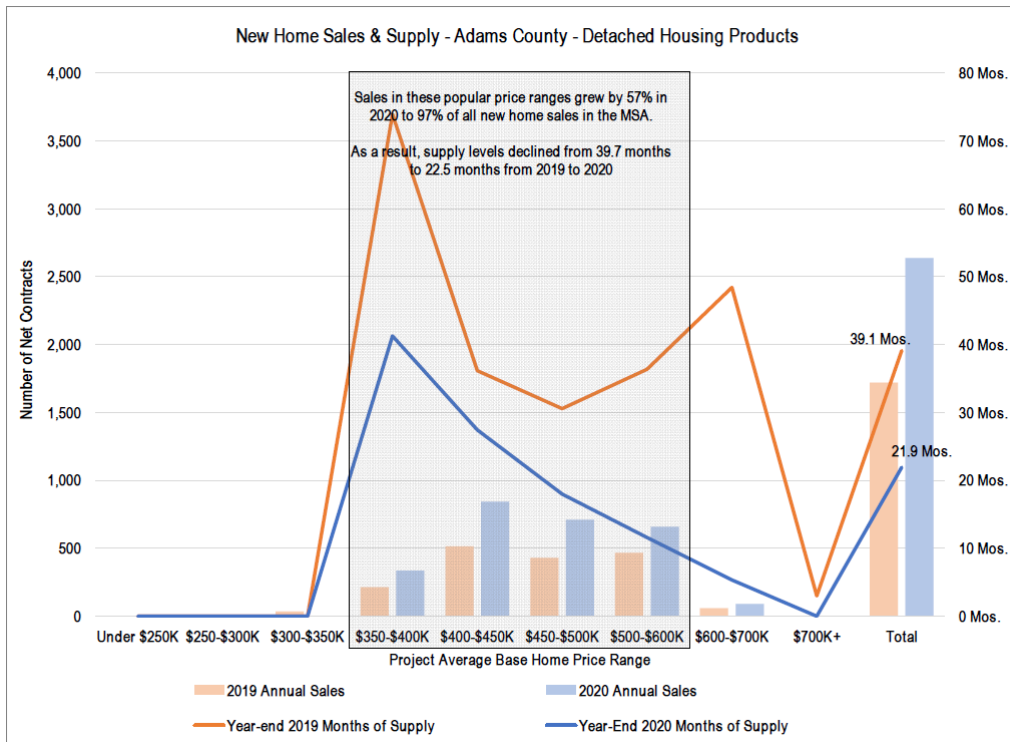
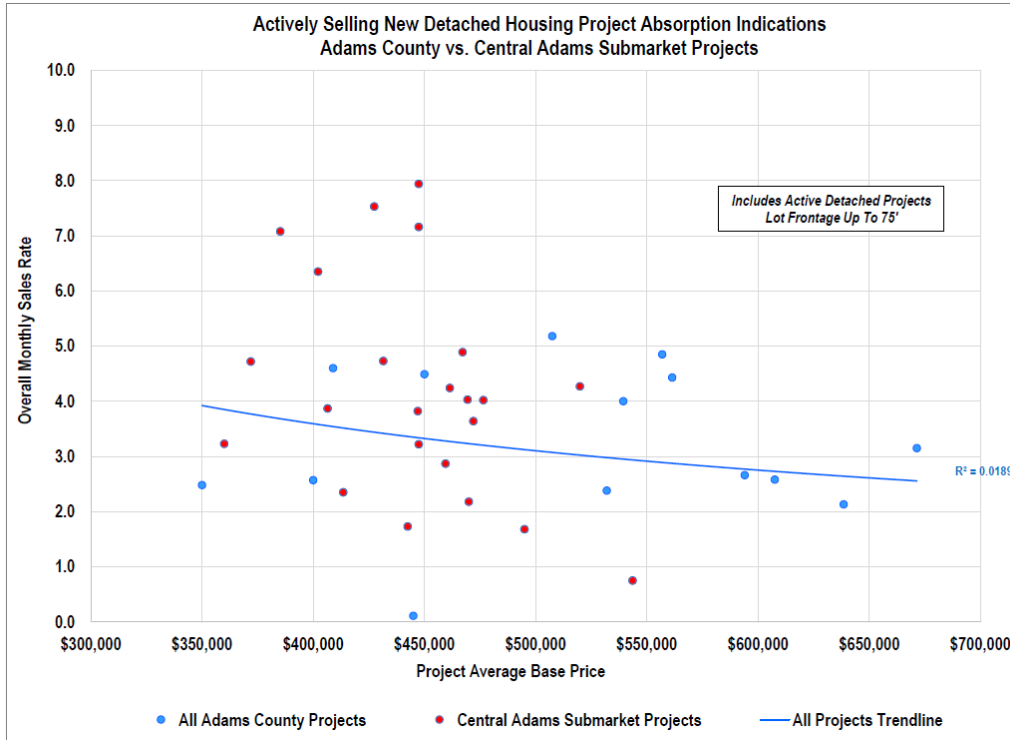
I did find one paper-platted lot sale in the subject’s immediate area. This sale was located at 2900 Kestrel Street in the Buffalo Highlands subdivision, approximate one mile to the east. This sale is part of a multiphase takedown by Meritage Homes that transferred 100 lots in August 2020 for \$4,674,000 or \$46,740 per lot. The sale transferred with raw water credits for all lots. A deduction of \$20,088 for the value of the raw water would reduce this transfer to \$26,652 per lot.

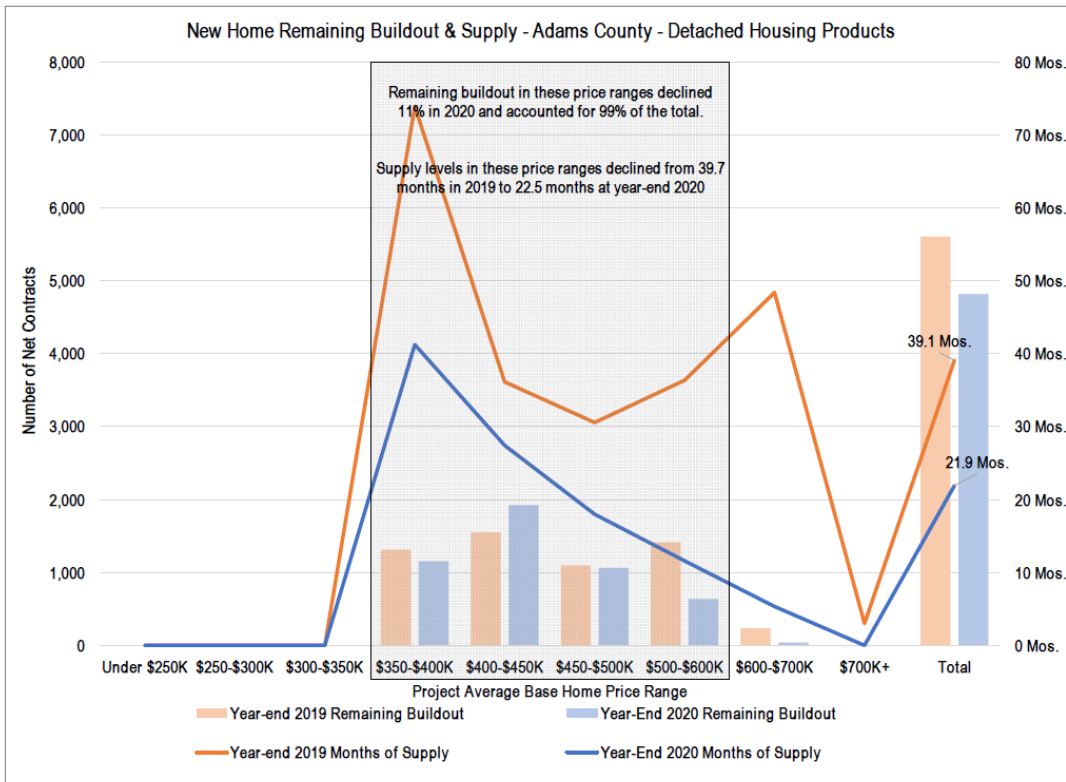
Lacking sufficient comparable sales for analysis, I have utilized the Land Residual Technique and relied on the above sales as a check of reasonableness.

### Land Residual Analysis

A Lot Residual Analysis is found on the following page. Based on the Zonda Report and the 1004 data, a base price of \$550,000 for an average 2,800 square foot residence is considered reasonable. It is noted however that this figure is at the upper end of the market range. The concluded base price is supported by the following graphs and charts.







The estimated cost to finish each lot is concluded at \$60,500. An additional \$20,088 is required to obtain raw water in order to get potable water service from the City of Brighton. The indicated paper platted lot price is \$22,000 per lot or \$1,012,000 for 46 paper platted lots. The two finished lots are adjusted upward \$80,588 each to arrive at a concluded value of \$103,000 for a total of \$206,000. The indicated final value conclusion is \$1,218,000. The Lot Residual Analysis for both paper-platted and finished lots are presented in the following pages.

Home Cost / Single Family Lot Residual Analysis						
<b>PROJECT:</b>						
Plan		Average				
Style		Unknown				
Product Type		SFD				
Number of Lots		48				
Average Lot Size (SF)		10,985				
Typical Lot Dimensions		Various				
Home Size (SF)		2,800				
<b>Basement Area Included (SF)</b>						
				<b>Per House</b>	<b>% of Base Home Price</b>	<b>% of Total Revenues</b>
						<b>Per SF</b>
<b>Revenues</b>						
	Average Base Home Price			\$550,000	100.00%	103.09%
	Lot Premiums			\$0	0.00%	0.00%
	Gross Option Revenue	7.0% of Base Price		\$38,500	7.00%	7.22%
	Discounts & Incentives	10.0% of Base Price		(\$55,000)	-10.00%	-10.31%
	<b>Total Revenues</b>			<b>\$533,500</b>	<b>97.00%</b>	<b>100.00%</b>
<b>Horizontal Land Costs</b>						
	Backbone Costs			\$0	0.00%	0.00%
	Less Reimbursements			\$0	0.00%	0.00%
	Net Backbone Costs			\$0	0.00%	0.00%
	Intract Lot Finish Costs			\$80,588	14.65%	15.11%
	<b>Total Horizontal Costs</b>			<b>\$80,588</b>	<b>14.65%</b>	<b>15.11%</b>
<b>Direct Vertical Costs</b>						
	Materials & Labor			\$218,400	39.71%	40.94%
	Permits & Fees	9.5% of Base Price		\$52,250	9.50%	9.79%
	Subtotal Direct Costs			\$270,650	49.21%	50.73%
	Cost of Options	65% of Option Revenue		\$25,025	4.55%	4.69%
	<b>Total Direct Costs With Options</b>			<b>\$295,675</b>	<b>53.76%</b>	<b>55.42%</b>
<b>Indirect &amp; Other Vertical Costs</b>						
	Construction Overhead			\$11,000	2.00%	2.06%
	Warranty			\$5,500	1.00%	1.03%
	Closing Costs			\$2,750	0.50%	0.52%
	Construction Financing & Loan Fees			\$11,000	2.00%	2.06%
	Sales Commissions			\$16,500	3.00%	3.09%
	Marketing & Models			\$16,500	3.00%	3.09%
	Administrative Overhead			\$16,500	3.00%	3.09%
	Property Taxes on Unsold Units			\$2,000	0.50%	0.37%
	<b>Total Indirect &amp; Other Costs</b>			<b>\$81,750</b>	<b>14.86%</b>	<b>15.32%</b>
<b>Profit Margin</b>						
				<b>\$53,350</b>	<b>9.70%</b>	<b>10.00%</b>
<b>Total Direct, Indirects &amp; Profit</b>						
				<b>\$511,363</b>	<b>92.98%</b>	<b>10.00%</b>
<b>Residual = Paper Platted Lot Price</b>						
				<b>\$22,137</b>	<b>4.02%</b>	<b>4.15%</b>
		Rounded to:		<b>\$22,000</b>	\$2.00	Per Sq. Ft. Land
		Percentage of Base Home Price:		<b>4.0%</b>		

Home Cost / Single Family Lot Residual Analysis						
<b>PROJECT:</b>						
Plan		Average				
Style		Unknown				
Product Type		SFD				
Number of Lots		48				
Average Lot Size (SF)		10,985				
Typical Lot Dimensions		Various				
Home Size (SF)		2,800				
<b>Basement Area Included (SF)</b>						
				<b>Per House</b>	<b>% of Base Home Price</b>	<b>% of Total Revenues</b>
						<b>Per SF</b>
<b>Revenues</b>						
	Average Base Home Price			\$550,000	100.00%	103.09%
	Lot Premiums			\$0	0.00%	0.00%
	Gross Option Revenue	7.0% of Base Price		\$38,500	7.00%	7.22%
	Discounts & Incentives	10.0% of Base Price		(\$55,000)	-10.00%	-10.31%
	<b>Total Revenues</b>			<b>\$533,500</b>	<b>97.00%</b>	<b>100.00%</b>
<b>Horizontal Land Costs</b>						
	Backbone Costs			\$0	0.00%	0.00%
	Less Reimbursements			\$0	0.00%	0.00%
	Net Backbone Costs			\$0	0.00%	0.00%
	Intract Lot Finish Costs			\$0	0.00%	0.00%
	<b>Total Horizontal Costs</b>			<b>\$0</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Direct Vertical Costs</b>						
	Materials & Labor			\$218,400	39.71%	40.94%
	Permits & Fees	9.5% of Base Price		\$52,250	9.50%	9.79%
	Subtotal Direct Costs			\$270,650	49.21%	50.73%
	Cost of Options	65% of Option Revenue		\$25,025	4.55%	4.69%
	<b>Total Direct Costs With Options</b>			<b>\$295,675</b>	<b>53.76%</b>	<b>55.42%</b>
<b>Indirect &amp; Other Vertical Costs</b>						
	Construction Overhead			\$11,000	2.00%	2.06%
	Warranty			\$5,500	1.00%	1.03%
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	Property Taxes on Unsold Units			\$2,000	0.50%	0.37%
	<b>Total Indirect &amp; Other Costs</b>			<b>\$81,750</b>	<b>14.86%</b>	<b>15.32%</b>
<b>Profit Margin</b>						
				<b>\$53,350</b>	<b>9.70%</b>	<b>10.00%</b>
<b>Total Direct, Indirects &amp; Profit</b>						
				<b>\$430,775</b>	<b>78.32%</b>	<b>10.00%</b>
<b>Residual = Finished Lot Price</b>						
				<b>\$102,725</b>	<b>18.68%</b>	<b>19.25%</b>
		Rounded to:		<b>\$103,000</b>	\$9.38	Per Sq. Ft. Land
		Percentage of Base Home Price:		<b>18.7%</b>		



**Discounting for Time**

The Lot Residual Analysis assumes that development of these lots would begin immediately. As discussed earlier, due to the various legal, developmental and ownership interests, which have to be resolved, the most likely buyer at this time is a developer/investor or speculator who can afford to hold the lots until the various issues are resolved. The estimated timing is concluded at three to four years. Thus, the concluded value of \$1,218,000 is before discounting for both time, risk and carrying cost are considered. After considering that an investor/speculator would not be acquiring the total remaining lots but would have to negotiated with the remaining lot owners, I have concluded to a 35% discount is reasonable for the unknown risks involved. This would reduce the market value to \$790,000 rounded.

**VALUE ESTIMATE BY SALES COMPARISON APPROACH  
(\$790,000)**

## ***Reasonable Marketing Time***

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Marketing time differs from exposure time. A reasonable marketing time is defined as follows:

"An estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during that period immediately after the effective date of an appraisal."<sup>2</sup>

To estimate reasonable marketing time, the criteria for estimating reasonable exposure time are expanded. Marketing time is an estimated amount of time it might take to sell a property interest in real estate at the estimated market value during the period immediately after the effective date of an appraisal.

Please note that the indicated value by the Sales Comparison Approach represents a cash equivalent price which reflects the end product of any preceding discounting during the listing period. Published statistics tend to be skewed by the calculation of the statistic from the *last* list price and may not reflect previous market exposure at a higher original price. On this basis, it appears reasonable to assume that if *property priced and marketed*, the exposure and marketing time for the subject should be three years or longer.

After considering all of the factors involved, it is my opinion that the reasonable marketing time for the subject property after the initial exposure time is 36 to 48 months.

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<sup>2</sup>Appraisal Standards Board of the Appraisal Foundation, Advisory Opinion G-7; September 16, 1992.

## *Certification*

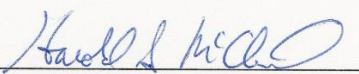
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I certify that, to the best of my knowledge and belief, ...

- 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 properties that are the subjects of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the properties that are the subjects 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* of the Appraisal Foundation and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- Harold S. McCloud, MAI, AI-GRS has made a personal inspection of the properties that are the subjects of this report.
- No one provided significant real estate appraisal assistance to the person signing this certificate.
- The use of this report is subject to the requirements of the Appraisal Institute and the Appraisal Foundation relating to review by their duly authorized representatives.
- As of the date of this report, Harold S. McCloud, MAI, AI-GRS has completed the requirements of the continuing education program of the Appraisal Institute.

- A review of my records indicated that I never appraised the subject lots.
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- In my opinion, the Market Value, as of January 20, 2021, is **\$790,000**.

**FINAL VALUE ESTIMATE**  
**(\$790,000)**



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Harold S. McCloud, MAI, AI-GRS  
Certified General Appraiser in  
Colorado #CG01313633

## *Qualifications of the Appraiser*

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**NAME:** Harold S. McCloud

**EDUCATION:** Bachelor of Arts, Metropolitan State College Major: History;  
Minor: Real Estate - Various Continuing Education Seminars

**APPRAISAL ASSOCIATIONS:** **MAI** (Member, Appraisal Institute),  
Certificate No. 9758, December 1992  
**AI-GRS** (General Review Specialist)  
Appraisal Institute - Colorado Chapter President 2006  
Approved Appraiser - Colorado Department of Transportation  
Review Appraiser - Colorado Department of Transportation  
Review Appraiser – Federal Aviation Administration (FAA)

**MEMBER OF:** President, Parker Properties I, Canterbury I & II  
Metropolitan Districts, 1990-Present  
President-Canterberry Crossing (1,700 homes) 1993-2000  
Council-Member-Town of Parker 1994-1996  
Member: DRCOG, CML & E-470 Authority 1994-1996  
National Golf Foundation - 1996-2014

**STAFF INSTRUCTOR:** Construction Lending School 2010-2015, Arapahoe Community  
College and Emily Griffith Opportunity School - 1993-1999  
Marshall & Swift – Marshall Valuation Service

**APPRAISAL INSTITUTE INSTRUCTOR:** Course-Appraisal Principles  
Course-Appraisal Procedures  
Course-Sales Comparison Approach  
Course-Site Valuation & Cost Approach  
Course-Income Capitalization Approach Part I  
Course-Income Capitalization Approach Part II  
Course-Business Practices and Ethics  
Course-Real Estate Finance, Statistics & Valuation Modeling  
Course-Review Theory  
Course-Market Analysis & Highest and Best Use  
Course-Advanced Market Analysis & Highest and Best Use  
Course-Advanced Income Capitalization Approach  
Course-Advanced Concepts & Case Studies  
**Various one-day seminars**

- Solving Land Valuation Puzzles
- Advanced Land Valuation
- Marketability Studies: 6 Step Process Basic Applications
- Two-Day Advanced Income Capitalization/Part A & Part B

**LICENSES:** Certified General Appraiser in Colorado - #CGO1313633  
Colorado Real Estate Broker - #ER01100755  
Class B Contractors License (inactive)  
Certified – Master Scuba Diver



**BUSINESS AFFILIATIONS:** McCloud & Associates  
P. O. Box 295  
Parker, Colorado 80134  
**Telephone:** 720-747-4710  
**E-Mail:** [hdmcccloud@comcast.net](mailto:hdmcccloud@comcast.net)

**APPRAISAL EXPERIENCE:**

**Land:** Commercial pads, residential, multi-family, industrial and commercial parcels, residential & commercial subdivisions from 100 to 3,600 acres

**Adams County:** Land area 100 acres to 640+ acres (**Subdivisions:** Buckley Ranch, Fallbrook Farms and Turnberry)

**Arapahoe County:** Land area 100 acres to 800+ acres (**Subdivisions:** Estancia and Southshore)

**Broomfield County:** Land area 30 acres to 2,000+ acres (**Subdivisions:** Wildgrass and Vista Ridge)

**Douglas County:** Land area 100 acres to 3,600+ acres (**Subdivisions:** Hunting Hills, Stroh Ranch, Canterbury Crossing, Pine Bluffs, Idyllwilde, Dawson Ridge, Hidden Valley, Plum Creek, Bell Mountain Ranch, Perry Park, Sageport, Puma Ridge and Castle Pines)



- Jefferson County:** Land area 100 acres to 500+ acres
- Elbert County:** Land area ¼ Section to 2,500+ acres (**Subdivisions:** Bandera, Spring Valley Ranch & Deer Creek Ranch)
- Weld County:** Land area 50 to 320+ acres

**Apartments:** Low, Medium & High-rise buildings, projects & condominiums from 6 to 800 units

**Industrial:** Single & Multi-tenant buildings from 1,000 to 865,000 square feet

**Office:** Low, Medium & High-rise buildings & projects, condominiums from 2,000 to 350,000 square feet Class C to AA

**Retail:** Single & Multi-tenant buildings, Stand-alone, Small Strip Center to Super Regional Mall

**Special Purpose:**

Aggregate production, airplane hangars/terminals, bowling alleys, casinos, car washes, conference centers, congregate care facilities, day-care facilities, gentlemen's clubs, golf courses & driving ranges, heliport, hotels, ice arenas, mobile home parks, marina's, motels, mini-marts, quick-lubes, recreational properties, restaurants, silos (frac-sand), theaters veterinary clinic/hospitals and water storage facilities. Furniture, Fixtures & Equipment and Business component valued and presented separately

**Construction Experience:**

I have been licensed as a general contractor since 1977 and have extensive bid estimation experience. I have processed the reproduction cost for more than 700 properties using the quantity survey method per the Construction Specifications Institute (CSI). I last functioned as a general contract and constructed my own 3,028 square foot office building in Parker that received its certificate of occupancy in November 2004. I am a Marshall & Swift instructor and have passed the Marshall Cost Estimation Course.

**Interests:** Fee simple, leasehold, and leased fee interests. Condominium and partial ownership interests and right-of-way & facade easements. Historic designations, historic districts, and national landmarks

**Major**

**Assignments:** **Douglas County** - Eminent Domain - various projects  
**National Park Service** – Grand Canyon National Park  
Yellowstone National Park  
Grand Teton National Park  
Mesa Verde National Park  
Lake Mead National Recreation Area  
Glen Canyon National Recreation Area

**CAREER**

**HISTORY:**

Owner, McCloud & Associates and Unique Properties Valuation and Consulting. Principal Appraiser with MacTaggart and Mosier from 1990 to 1995; Associate Appraiser with Joseph Farber & Company, Inc. from 1986 to 1990. Two years with John Ratkovich, Century 21 as a commercial real estate salesman. From 1969 to 1984, Held various positions in construction from journeyman to management.

**E & O INSURANCE** Zurich American Insurance Company - #EOC 9827639 01

**EXPERT WITNESS TESTIMONY**

- Adams County District Court
- Arapahoe County District Court
- Boulder County District Court
- Denver District Court
- Douglas County District Court
- Elbert County District Court
- Gilpin County District Court
- Jefferson County District Court
- Weld County District Court
- Anoka County District Court, Minnesota
- Cook County, Illinois
- Santa Fe, New Mexico
- Numerous tax appeals at County & State level

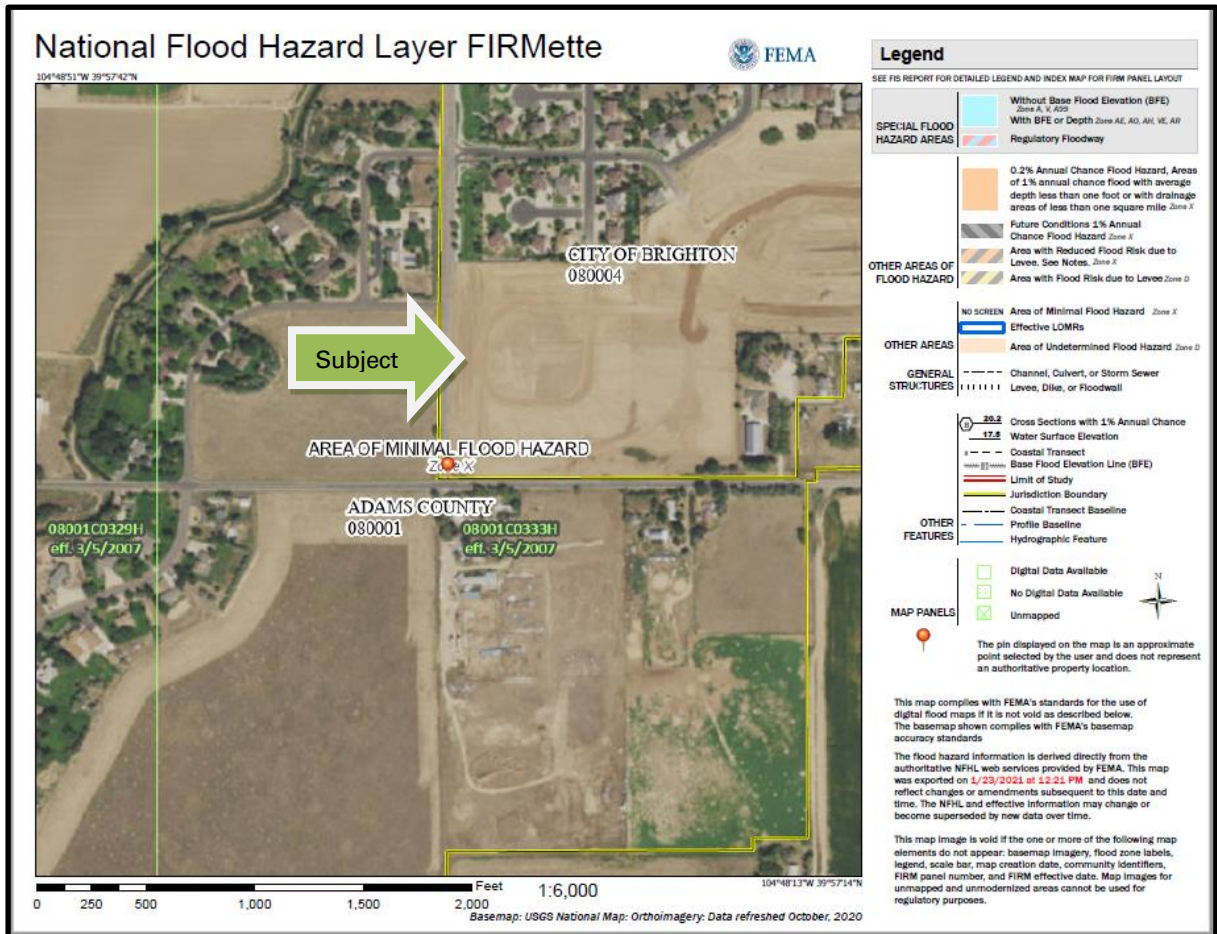
## **ADDENDUM**

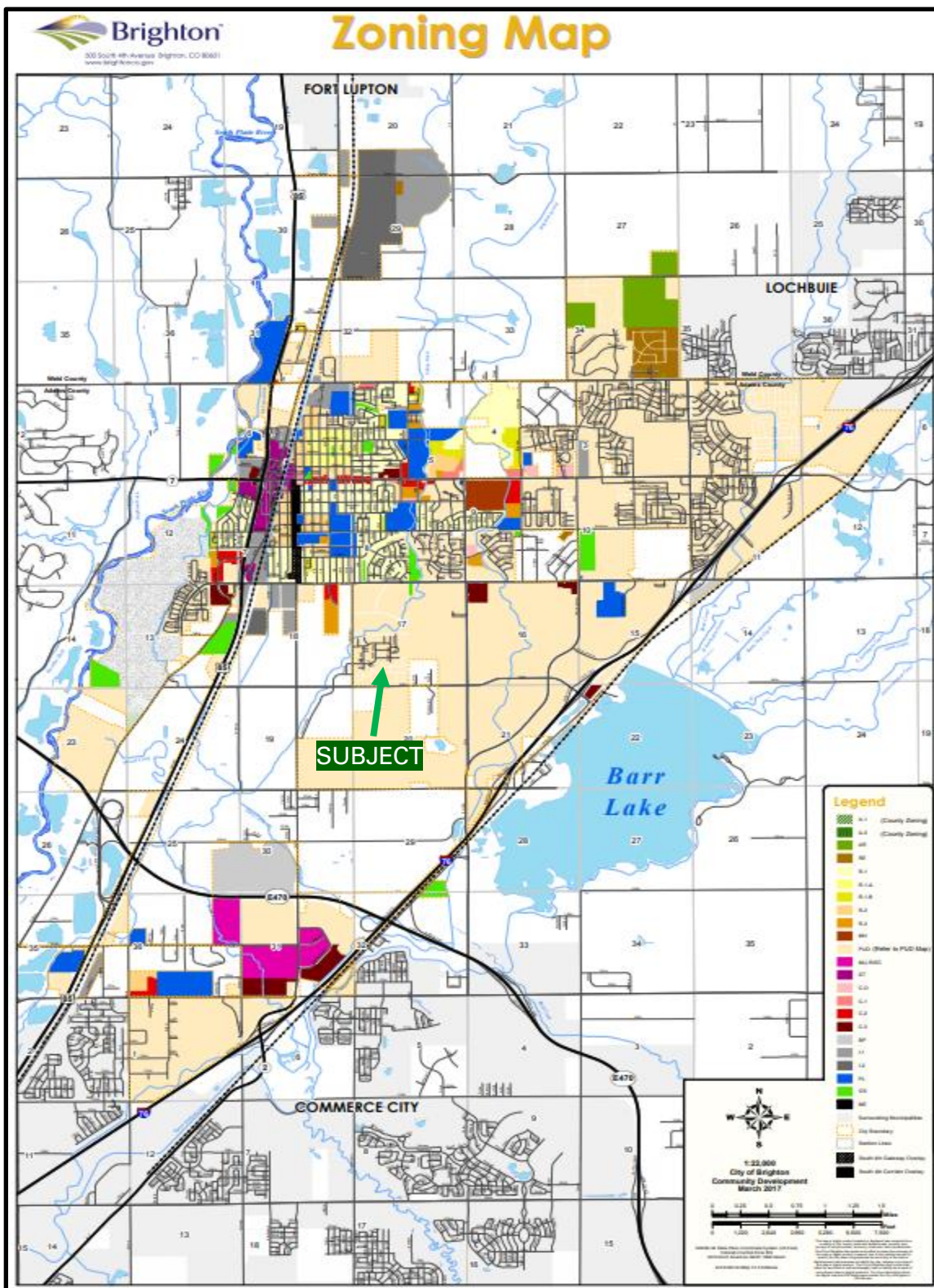
### Brighton Community Development Map



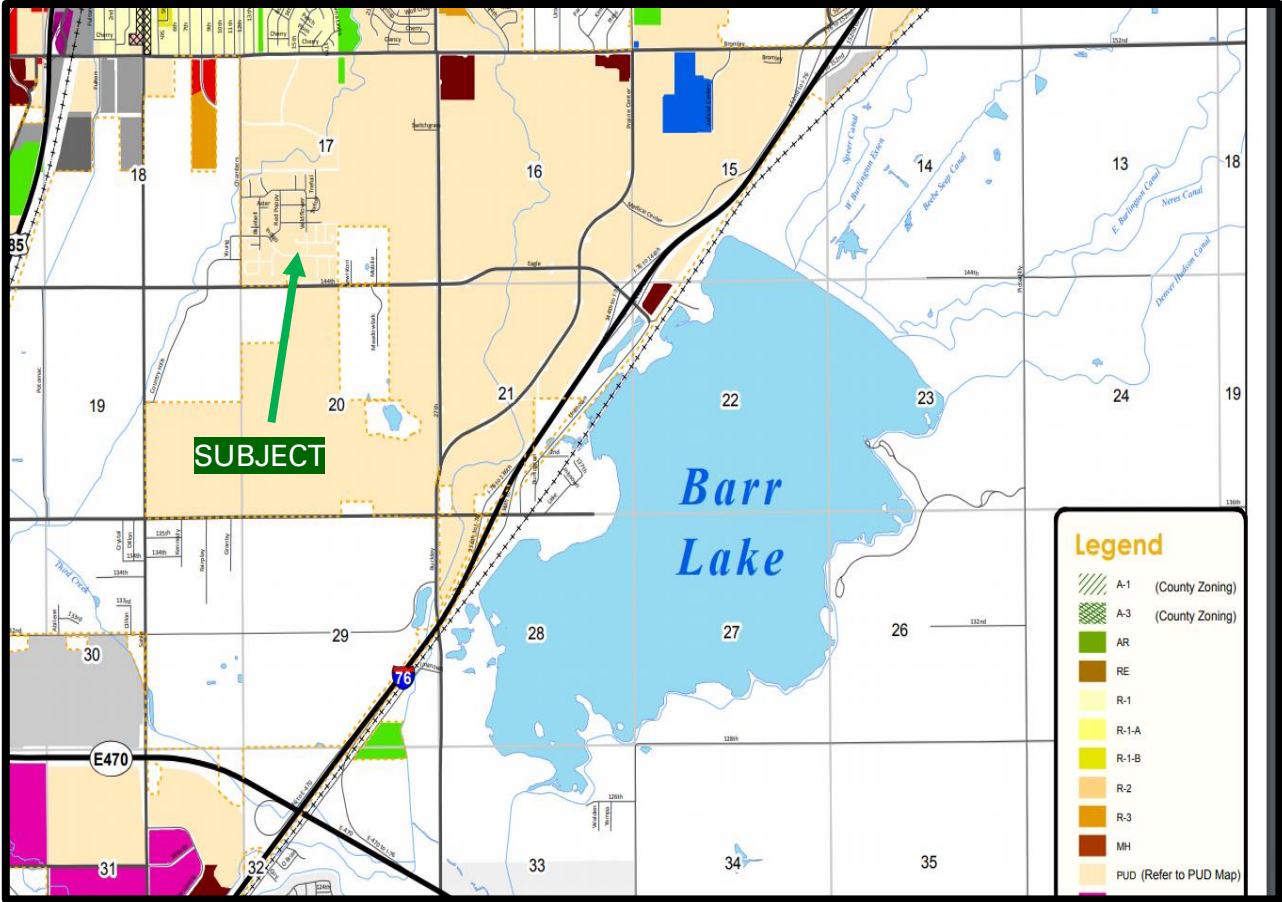


## Flood Plain Map





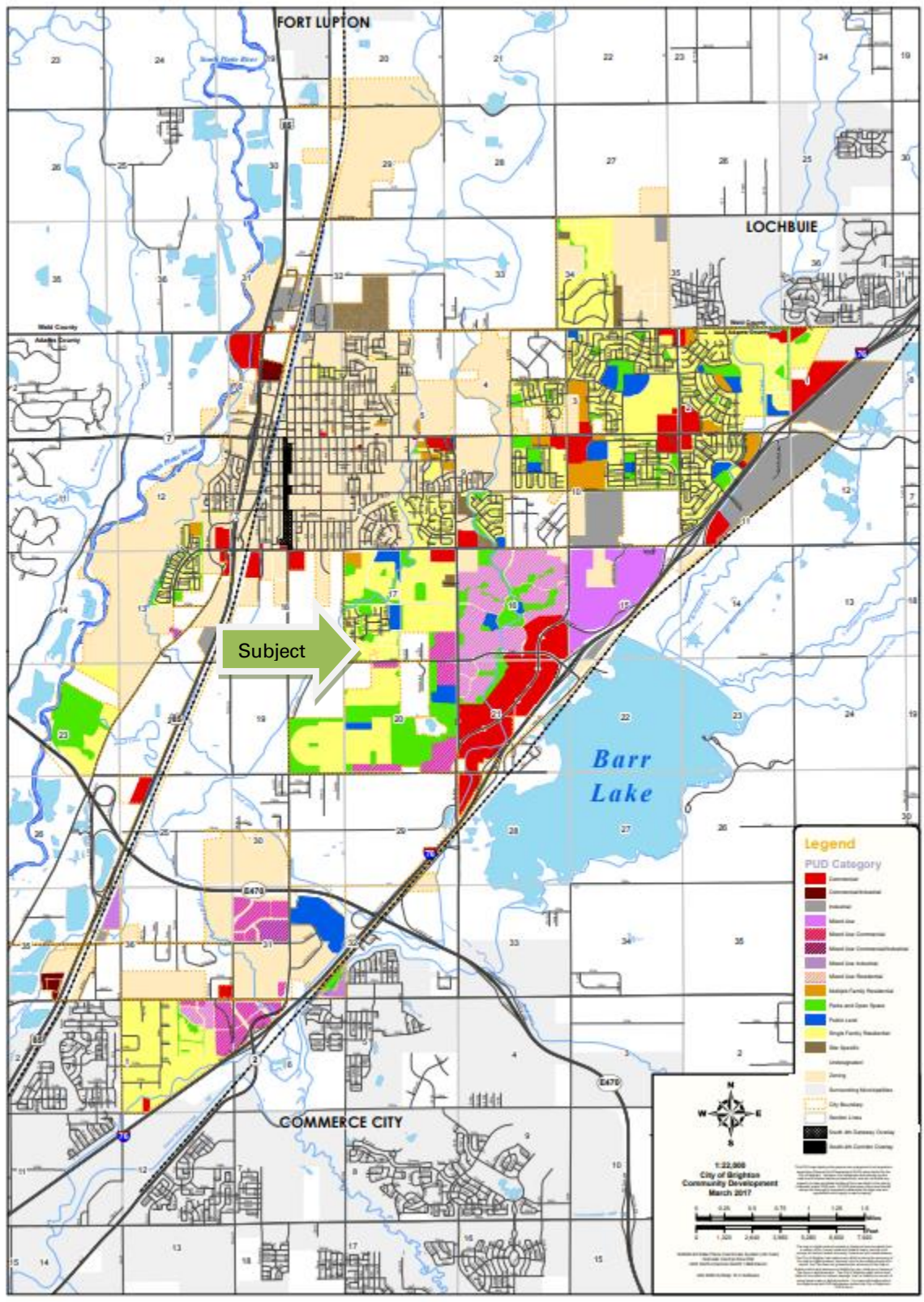






# PUD Land Use Map

(Supplemental to Zoning Map)

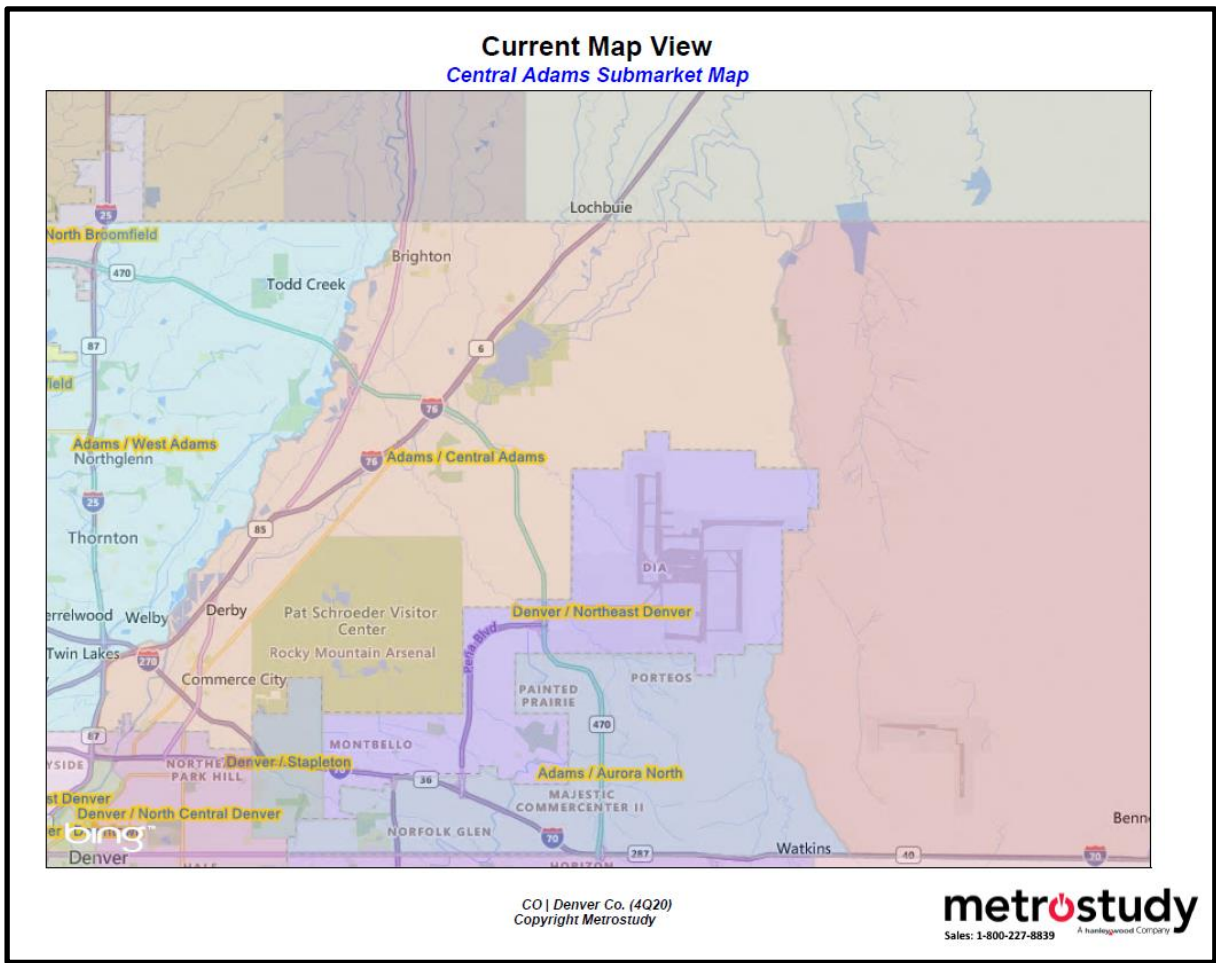


### Subject Assessor and Taxes Information

Block 9	Lot	Assessor		Taxes	Misc	Lien	Lien	Total	
	Size	Actual	Assessor	Due	Due	Due	Interest	Due	
	18	20,786	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
	19	12,025	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
	20	16,108	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
	21	15,132	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
	22	16,085	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
	23	15,187	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
	24	15,244	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
	25	15,106	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
	26	15,068	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
	27	15,031	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
	28	15,050	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
<b>Block 12</b>									
	7	15,579	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	8	9,152	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	9	7,475	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	10	7,475	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	11	8,625	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	12	8,475	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
<b>Block 13</b>									
	3	16,739	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
	4	15,539	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
	5	14,606	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
	6	15,085	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
	7	14,832	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
	8	15,607	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
	9	9,152	\$20,499.00	\$5,930.00	\$950.76	\$7.00	\$1,263.34	\$112.22	\$2,333.32
	10	7,476	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	11	7,476	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	12	7,476	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	13	9,352	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	14	9,244	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
<b>Block 14</b>									
	1	8,954	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	2	9,710	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	3	10,277	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	4	7,774	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	5	7,605	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	6	7,605	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
<b>Block 15</b>									
	1	9,152	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	2	7,476	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	3	7,476	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	4	7,820	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	8	7,956	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	9	7,605	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	10	7,605	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	11	9,312	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
<b>Block 16</b>									
	1	8,864	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	8	9,152	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	9	7,475	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	10	7,475	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
	11	7,820	\$16,360.00	\$4,740.00	\$759.98	\$14.00	\$1,046.22	\$89.99	\$1,910.19
		<b>\$859,782</b>	<b>\$248,940</b>	<b>\$39,913</b>	<b>\$546</b>	<b>\$54,127</b>	<b>\$4,720</b>	<b>\$99,305</b>	



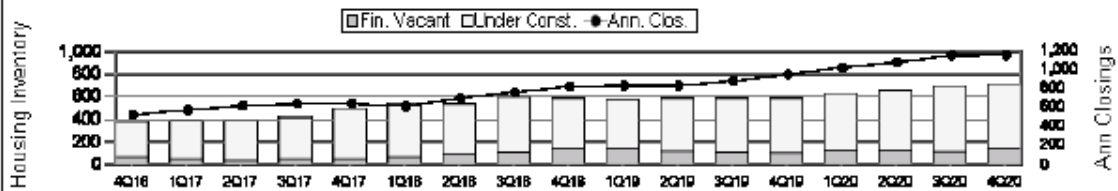
# Metro Study Data



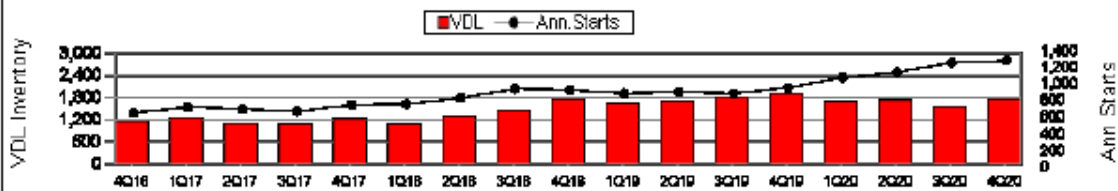
### Historical Housing Activity Summary Central Adams Submarket - Detached

Qtr	Qtr Clos	Ann Clos	Model	FinVac	UC	Total Inv	Total Supply	Qtr Starts	Ann Starts	VDL	VDL Supply	Fut Lots	Ann Lot Deliv
4Q16	137	517	22	68	318	408	9.5	134	648	1,165	21.6	32,933	678
1Q17	177	568	21	48	349	418	8.8	187	717	1,257	21.0	33,107	808
2Q17	165	612	24	37	363	424	8.3	171	695	1,102	19.0	32,787	654
3Q17	154	633	26	50	369	445	8.4	175	667	1,084	19.5	33,494	671
4Q17	138	634	27	48	443	518	9.8	211	744	1,224	19.7	33,228	803
1Q18	149	606	29	67	470	566	11.2	197	754	1,086	17.3	33,629	583
2Q18	254	695	32	96	431	559	9.7	247	830	1,298	18.8	32,986	1,026
3Q18	215	756	37	108	485	630	10.0	286	941	1,461	18.6	32,539	1,318
4Q18	200	818	49	145	435	629	9.2	199	929	1,762	22.8	32,720	1,467
1Q19	159	828	54	149	421	624	9.0	154	886	1,655	22.4	25,959	1,455
2Q19	254	828	53	121	460	634	9.2	264	903	1,707	22.7	25,604	1,312
3Q19	262	875	60	108	472	640	8.8	268	885	1,825	24.7	24,527	1,249
4Q19	271	946	57	106	475	638	8.1	269	955	1,920	24.1	23,895	1,113
1Q20	234	1,021	54	130	497	681	8.0	277	1,078	1,694	18.9	23,734	1,117
2Q20	308	1,075	57	129	519	705	7.9	332	1,146	1,739	18.2	23,596	1,178
3Q20	337	1,150	58	116	578	752	7.8	384	1,262	1,561	14.8	23,294	998
4Q20	273	1,152	63	146	565	774	8.1	295	1,288	1,766	16.5	23,228	1,134

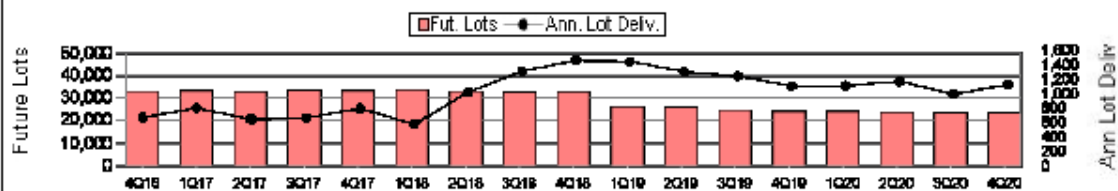
**Housing Inventory and Closings By Quarter**



**Vacant Developed Lots and Starts By Quarter**



**Future Lots and Deliveries By Quarter**



## Quarterly Activity and Inventory Report

### Central Adams Submarket - Detached

*Sorted By Subdivision*

Subdivision Name (Map No)	Sub Area	Price Range	Lot Size	Status	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	Ann. Rates/ *Inv. Supply
<b>Hayesmount Ridge Estates (Manufactured) (63)</b>					<b>Adm-Central Adams</b>									
F1 - Premier Community				Starts	0	0	1	0	0	1	1	0	0	2
\$400-\$500	275x350			Act 2Q04 Closings	0	0	1	0	0	2	2	0	0	4
Premier Community Homes, LTD				Housing Inv	3	3	3	3	3	2	1	1	1	3.0 mos
				VDL Inv	6	6	5	5	5	4	3	3	3	18.0 mos
<b>Hightower Ranch // (45)</b>					<b>Adm-Central Adams</b>									
Future F2				Starts	0	0	0	0	0	0	0	0	0	0
\$0-\$0	65x100			Future Closings	0	0	0	0	0	0	0	0	0	0
				Housing Inv	0	0	0	0	0	0	0	0	0	0.0
				VDL Inv	0	0	0	0	0	0	0	0	0	0.0
Future F3				Starts					0	0	0	0	0	0
\$0-\$0	55x110			Future Closings					0	0	0	0	0	0
				Housing Inv					0	0	0	0	0	0.0
				VDL Inv					0	0	0	0	0	0.0
Future F4				Starts					0	0	0	0	0	0
\$0-\$0	45x110			Future Closings					0	0	0	0	0	0
				Housing Inv					0	0	0	0	0	0.0
				VDL Inv					0	0	0	0	0	0.0
Future F5				Starts					0	0	0	0	0	0
\$0-\$0	35x110			Future Closings					0	0	0	0	0	0
				Housing Inv					0	0	0	0	0	0.0
				VDL Inv					0	0	0	0	0	0.0
<b>Hightower Ranch // Totals</b>					Starts	0	0	0	0	0	0	0	0	0
					Closings	0	0	0	0	0	0	0	0	0
					Housing Inv	0	0	0	0	0	0	0	0	0.0
					VDL Inv	0	0	0	0	0	0	0	0	0.0
<b>Indigo Trails / (16)</b>					<b>Adm-Central Adams</b>									
F1 - United Construction				Starts	0	0	0	0	0	0	0	0	0	0
\$0-\$0	100x120			Act 1Q19 Closings	0	0	0	0	0	0	0	0	0	0
Colorado Homes LLC				Housing Inv	0	0	0	0	0	0	0	0	0	0.0
				VDL Inv	0	11	33	33	33	33	33	33	33	n/a
F1 - United Construction				Starts	0	0	0	0	0	0	0	0	0	0
\$0-\$0	65x115			Future Closings	0	0	0	0	0	0	0	0	0	0
Colorado Homes LLC				Housing Inv	0	0	0	0	0	0	0	0	0	0.0
				VDL Inv	0	0	0	0	0	0	0	0	0	0.0
<b>Indigo Trails / Totals</b>					Starts	0	0	0	0	0	0	0	0	0
					Closings	0	0	0	0	0	0	0	0	0
					Housing Inv	0	0	0	0	0	0	0	0	0.0
					VDL Inv	0	11	33	33	33	33	33	33	n/a



Current Activity and Profile Report																			
Central Adams Submarket - Detached																			
Sorted by Subdivision																			
Map No	Subdivision Name	Sub Area	Qtr Active	Qtr Blt Out	Lot Size	Lot Dim	Price Range	Qtr Starts	Ann Starts	Qtr Clos	Ann Clos	Occ	Inventory			VDL	Future	Total	
													Mod	Fin Vac	U/C				
45	Hightower Ranch //	Adm-Central Adams																	
	Future F2		Future		6,500 sf	65x100	\$0 - \$0	0	0	0	0	0		0	0	0	0	176	176
	Future F3		Future		6,050 sf	55x110	\$0 - \$0	0	0	0	0	0		0	0	0	0	144	144
	Future F4		Future		4,950 sf	45x110	\$0 - \$0	0	0	0	0	0		0	0	0	0	60	60
	Future F5		Future		3,850 sf	35x110	\$0 - \$0	0	0	0	0	0		0	0	0	0	207	207
	<b>Subdivision Totals</b>							0	0	0	0	0		0	0	0	0	587	587
16	Indigo Trails /	Adm-Central Adams																	
	F1 - United Construction		1Q19		12,000 sf	100x120	\$0 - \$0	0	0	0	0	0		0	0	0	33	47	80
	F1 - United Construction		Future		7,475 sf	65x115	\$0 - \$0	0	0	0	0	0		0	0	0	0	52	52
	<b>Subdivision Totals</b>							0	0	0	0	0		0	0	0	33	99	132
59	Lochbuie Station - Horizon View	Adm-Central Adams																	
	F1 - Horizon View		3Q20		4,950 sf	45x110	\$0 - \$0	0	0	0	0	0		0	0	0	58	144	202
32	Mountain View-AD /	Adm-Central Adams																	
	Future F1		Future		sf	0x0	\$0 - \$0	0	0	0	0	0		0	0	0	0	111	111
	Future F2		Future		sf	0x0	\$0 - \$0	0	0	0	0	0		0	0	0	0	197	197
	<b>Subdivision Totals</b>							0	0	0	0	0		0	0	0	0	308	308
50	North Star-AD	Adm-Central Adams																	
	F1		3Q16		8,500 sf	85x100	\$350 - \$409	0	0	0	2	2		0	0	0	5	0	7
18	Park Place	Adm-Central Adams																	
	F1		3Q05		11,200 sf	80x140	\$485 - \$650	1	6	2	3	61		0	1	2	12	0	76
56	Pierson Park // LGI	Adm-Central Adams																	
	F3 AMD1 - LGI		Future		5,450 sf	50x109	\$0 - \$0	0	0	0	0	0		0	0	0	0	102	102
	F3 AMD1 - LGI		Future		6,540 sf	60x109	\$0 - \$0	0	0	0	0	0		0	0	0	0	48	48
	<b>Subdivision Totals</b>							0	0	0	0	0		0	0	0	0	150	150

<b>Future Lot Inventory Report</b>														
<b>Central Adams Submarket - Detached</b>														
Sorted by Subdivision														
Map No	Subdivision Section	Sub Area Developer	Qtr Active	Lot Size	Lot Dim	Future Lots	Platting Dates		Vacant Land	Survey Stakes	Equip on site	Exca- vation	Street Paving	Streets in
							Prelim	Record						
40	Cutler Farms /	Adm-Central Adams												
	F1	*Southwestern Investment Group,	Future	4,500 sf	45x100	172		3/28/2007	172	0	0	0	0	0
	F1	*Southwestern Investment Group,	Future	5,500 sf	50x110	92		3/28/2007	92	0	0	0	0	0
	F1	*Southwestern Investment Group,	Future	6,050 sf	55x110	112		3/28/2007	112	0	0	0	0	0
	F1	*Southwestern Investment Group,	Future	6,600 sf	60x110	34		3/28/2007	34	0	0	0	0	0
	F1	*Southwestern Investment Group,	Future	10,500 sf	75x140	32		3/28/2007	32	0	0	0	0	0
	F1	*Southwestern Investment Group,	Future	11,900 sf	85x140	20		3/28/2007	20	0	0	0	0	0
	<b>Subdivision Totals</b>				45'-85'	462	0	462	462	0	0	0	0	0
10	Farmlore //	Adm-Central Adams												
	Future - SFD Alley	*Vintage Homes and Land, LLC	Future	3,850 sf	35x110	100			100	0	0	0	0	0
	Future - SFD Traditional	*Vintage Homes and Land, LLC	Future	5,500 sf	50x110	225	7/7/2004		225	0	0	0	0	0
	<b>Subdivision Totals</b>				35'-50'	325	325	0	325	0	0	0	0	0
11	Farmlore // (DU)	Adm-Central Adams												
	Future	*Vintage Homes and Land, LLC	Future	sf	0x0	144			144	0	0	0	0	0
45	Hightower Ranch //	Adm-Central Adams												
	Future F2	*Blend Communities / BFB	Future	6,500 sf	65x100	176			176	0	0	0	0	0
	Future F3	*Blend Communities / BFB	Future	6,050 sf	55x110	144			144	0	0	0	0	0
	Future F4	*Blend Communities / BFB	Future	4,950 sf	45x110	60			60	0	0	0	0	0
	Future F5	*Blend Communities / BFB	Future	3,850 sf	35x110	207			207	0	0	0	0	0
	<b>Subdivision Totals</b>				35'-65'	587	587	0	587	0	0	0	0	0
16	Indigo Trails /	Adm-Central Adams												
	F1 - United Construction	RH Indigo Trails, LLLP	1Q19	12,000 sf	100x120	47		3/23/2001	0	0	0	47	0	0
	F1 - United Construction	*RH Indigo Trails, LLLP	Future	7,475 sf	65x115	52		3/23/2001	0	0	0	52	0	0
	<b>Subdivision Totals</b>				65'-100'	99	0	99	0	0	0	99	0	0
59	Lochbuie Station - Horizon View	Adm-Central Adams												
	F1 - Horizon View	Horizon View Homes (Aspen View)	3Q20	4,950 sf	45x110	144	8/15/2018	1/28/2019	0	0	0	144	0	0
32	Mountain View-AD /	Adm-Central Adams												
	Future F1	*AMREP Southwest, Inc.	Future	sf	0x0	111			111	0	0	0	0	0
	Future F2	*Amreco, Inc.	Future	sf	0x0	197	10/18/2000		197	0	0	0	0	0
	<b>Subdivision Totals</b>				0'-0'	308	308	0	308	0	0	0	0	0

## RE COLORADO Market Trends

RE COLORADO®

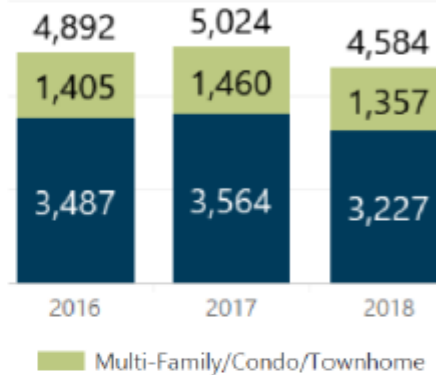
Market Watch

Greate

### +24% HOMES CLOSED

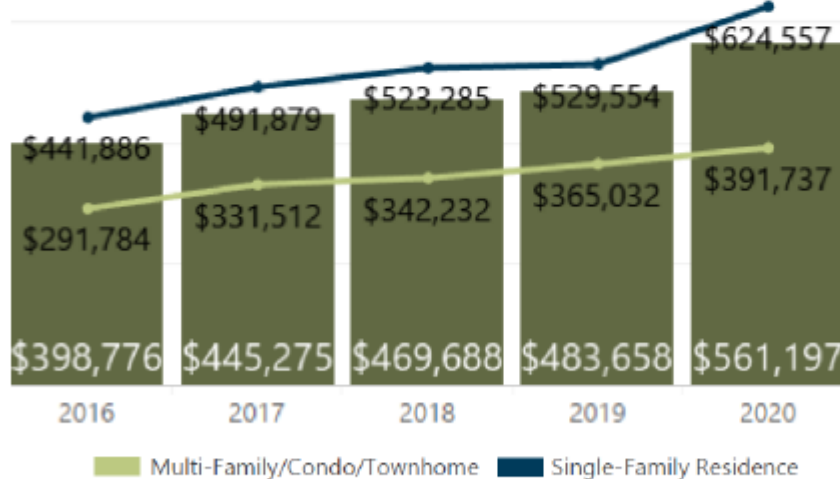
In October, more homes sold than any other October on record. Throughout the month, 6,368 homes closed, a **year-over-year increase of 24%** and a 1% decrease month over month.

The count of listings in Pending status was 6,158, which is 27% more than October 2019 and 2% more than last month, indicating the market has remained strong through the early fall months.



### Average Closed Prices

### +16% PRICES



The Average C the Denver me \$561,197, a ye. 16% and 4% h

The Average C family homes v over-year incre over-month in Condo/Townh Average Price over-year incre over-month in

### +12% NEW LISTINGS

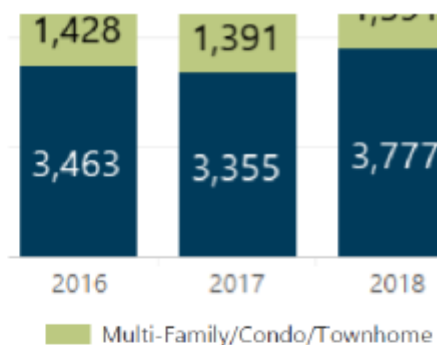
Throughout October, 6,098 New Listings of homes for sale hit the market, which is **12% higher than October of 2019**. Compared to last month, the count of New Listings



saw a seasonal decrease of 1%.

At the end of October, there were only 4,442 Active properties on the market, 46% fewer than last year at this time and 14% fewer than last month.

Currently, there are 3 weeks of inventory, 4 weeks fewer than this time last year and 1 week less than last month.



**SWORN DECLARATION OF MICHAELA. RICHARDSON**

I, Michael A. Richardson, being of legal age and having personal knowledge of the matters set forth in this Declaration, affirm that the following statements are true and correct to the best of my knowledge, information and belief:

1. I am the General Partner of RH Indigo Trails, LLLP, also known as Indigo Trails, LLLP (the "Limited Partnership"). The sole limited partner of the Limited Partnership is the MRFR Family Trust (the "Trust").

2. The Limited Partnership was created on or about April 9, 2001.

3. The Trust was established on or about November 9, 1993, by myself and my wife, Florine T. Richardson, as settlors, for the benefit of the settlors and our two children.

4. No one outside of my immediate family has any rights or interests in the Limited Partnership or the Trust.

5. I have had personal involvement for more than 20 years with Indigo Trails Filing No. 1 in Brighton, Colorado (the "Subdivision"). The Subdivision consists of 369 platted residential lots divided into six phases and encompassing approximately 121 acres, of which Phase 5 comprises 48 lots on 17.5 acres.

6. The Limited Partnership's involvement with the Subdivision dates back to 2001 when it purchased Phases 1 and 2 (along with an option on Phases 3-6) from Bob Hunt, and successfully completed a subdivision application through the City of Brighton, ultimately recording the approved Subdivision Plat in 2001 and an amendment to the Plat in 2015.

7. The Limited Partnership sold Phases 1 and 2, and then exercised its option on Phases 3 and 5, purchasing them from Hunt in 2008. None of the Limited Partnership's Indigo Trails transactions, prior to the sale of Phase 5 as described below, involved Colorado Homes, LLC ("Borrower"), or its principal, Ranko Mocevic.

8. I was introduced to Mr. Mocevic in 2016 by Mr. Hunt at or about the time Mr. Hunt sold Phases 4 and 6 of the Subdivision to Borrower. I had made an offer to Hunt for Phases 4 and 6 with the intent to develop them in coordination with Phase 5. After Mr. Hunt rejected my offer and sold Phases 4 and 6 to Borrower, Mr. Hunt introduced me to Mr. Mocevic. Mr. Mocevic and I proceeded to negotiate the terms under which the Limited Partnership would sell Phase 5 to Borrower.

9. On or about April 24, 2017, the Limited Partnership and Borrower entered into a Purchase and Sale Agreement (the "PSA") under which the Limited Partnership agreed to sell Phase 5 to Borrower for a price of \$2,400,000.

10. Closing occurred on May 4, 2017. Pursuant to the PSA, the Limited Partnership provided carry-back financing in the amount of \$2,375,000. Accordingly, Borrower executed and delivered the following loan documents:

a. A promissory note in the original principal amount of \$2,375,000 (the "Note");  
and

b. As security for the Note, Borrower executed a deed of trust against Phase 5 for the benefit of the Limited Partnership (the “Deed of Trust”), which was recorded on May 8, 2017, at Reception No. 2017000039863 of the Adams County real property records.

11. With the exception of its interest as a creditor under the Loan, the Limited Partnership retained no interest in Phase 5, and neither the Limited Partnership nor the Trust has had any other business relationship with Borrower, Mr. Mocevic, or any other entity in which Mr. Mocevic holds any interest.

12. Borrower failed to make the first principal reduction payment of \$275,000 due under the Note on June 18, 2017, or within the 45-day extension thereafter as provided in the Note. The Limited Partnership has applied interest at the default rate of 18 percent from and after August 31, 2017. Borrower has not made any principal or interest payments under the Note.

13. Counsel for the Limited Partnership issued a notice of default to Borrower on June 12, 2018.

14. In January 2019, unbeknownst to the Limited Partnership, Borrower executed a Security Agreement for the benefit of Commercial Business Solutions Group, Inc. (“CBSG”), which Security Agreement was recorded on January 30, 2019, at Reception No. 2019000007308 of the Adams County real property records. Neither the Limited Partnership nor the Trust has any interest in or business relationship with CBSG, and indeed I had never heard of CBSG until its security interest was brought to my attention during the course of our foreclosure.

15. On June 23, 2020, unbeknownst to the Limited Partnership, Borrower executed a special warranty deed conveying to Liberty 7<sup>th</sup> Avenue, LLC (“Liberty”), a 40-percent tenancy-in-common interest in Phase 5. The deed was recorded on July 10, 2020, at Reception No. 2020000064047 of the Adams County real property records. On the same day, Borrower (or Liberty) recorded a Memorandum of Tenancy-in-Common Agreement at Reception No. 2020000064048 of the Adams County real property records. Neither the Limited Partnership nor the Trust has any interest in or business relationship with Liberty, and indeed I had never heard of Liberty until the tenancy-in-common interest was brought to my attention during the course of our foreclosure.

16. The Limited Partnership accelerated the Note and provided notice thereof by letter from our counsel’s office dated July 13, 2020.

17. The Limited Partnership initiated foreclosure of the Deed of Trust by delivering a Notice of Election and Demand for Sale to the Adams County public trustee on July 28, 2020. The public trustee designated the matter as Public Trustee Sale No. 202078812, and recorded the Notice of Election and Demand on July 30, 2020, at Reception No. 2020000072563.

18. On October 29, 2020, the District Court for Adams County, Colorado, entered its Order Authorizing Sale pursuant to Rule 120 of the Colorado Rules of Civil Procedure.

19. On November 30, 2020 – two days prior to the public trustee sale scheduled for December 2, 2020 – the Limited Partnership’s counsel received notice of the litigation injunction in the PAR Funding receivership matter via email and attached correspondence from Borrower’s counsel, Jan Hammerman.

20. Based on the litigation injunction, the Limited Partnership elected to postpone the public trustee sale. The sale has been continued on a weekly basis.





ORDINANCE NO. 2363

INTRODUCED BY: Johnston

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BRIGHTON, COLORADO, AMENDING TITLE 13 OF THE BRIGHTON MUNICIPAL CODE PERTAINING TO WATER DEDICATION AND PLANT INVESTMENT FEES ASSESSED BY THE CITY OF BRIGHTON; SETTING FORTH EFFECTIVE DATES FOR SAID DEDICATION AND FEES; AND OTHER DETAILS RELATED THERETO

WHEREAS, pursuant to Section 14.2 of the Brighton City Charter authority is granted to the governing body of the City of Brighton, Colorado, to assess fees and charges for certain utility services provided by the City; and

WHEREAS, the Utilities Department has completed a water dedication study through consultation with White Sands Engineers, Inc.; and

WHEREAS, the analysis included a thorough review of the City’s raw water dedication policy in order to ensure developers provide the City with an appropriate amount of raw water to serve new development or redevelopment projects; and

WHEREAS, the result of this study shows the need for an increase in the amount of water to be dedicated to offset demand along with an increase in the equivalent amount of capital to offset the cost of that water if a fee is allowed to be paid in-lieu of dedication of water;

WHEREAS, the City Council has been advised by the City Manager that raw water dedication or fee-in-lieu, where applicable, should be amended to align with the City’s costs of water acquisition; and

WHEREAS, the City Manager has recommended and the City Council agrees that raw water dedication or fee-in-lieu, where applicable, adopted herein are reasonable, necessary, and supported by the White Sands Engineers, Inc. analysis, and shall become effective on the dates specified herein.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BRIGHTON, COLORADO AS FOLLOWS:

Section 1. The following amendments shall be effective for permits issued January 1, 2022 or later.

Section 2. Section 13-4-90 (e) through (j) of the Brighton Municipal Code is hereby amended to read as follows:

(e) The water plant investment fee (PIF) for single-family detached, mobile home parks, mixed use, commercial, industrial, and other uses not specifically delineated herein shall be assessed based on tap size as follows:

Tap Size	Amount
3/4 Inch	\$ 13,354
1 Inch	\$ 22,257
1 1/2 Inch	\$ 44,513
2 Inch	\$ 71,221
3 Inch	\$ 142,443
4 Inch	\$ 222,557

(f) The water plant investment fee (PIF) for multi-family dwellings, including apartment buildings or condominiums and single-family attached (such as duplexes or townhomes) shall be based on number of units as follows:

First living unit \$13,354

Each additional unit \$8,012

(g) A dedication of water rights is required unless the City Council has previously granted by signed agreement the right to pay a fee-in-lieu. The water rights dedication amount for single family detached shall be assessed as follows (based on Firm Yield analysis by City or City designated consultant):

Units/Acre	Acre-Feet/Unit	Fee-In-Lieu/Unit
3 or less	0.58	\$34,359
4	0.56	\$33,174
5	0.47	\$27,842
6	0.46	\$27,250
7	0.42	\$24,880
8 or 9	0.40	\$23,696
10	0.39	\$23,103
11	0.38	\$22,511
12 or more	0.36	\$21,326

*(Special consideration for fee-in-lieu may be granted at the discretion of the Utilities Director and approved by Council for proposed and proven water conservation measures resulting in lower demand volumes than shown in this table.)*

*(Parks and other irrigated common areas will be addressed as stated in section (i) herein;)*

(h) A dedication of water rights is required unless the City Council has previously granted by signed agreement the right to pay a fee-in-lieu. The water rights dedication amount for multi-family dwellings, including apartment buildings or condominiums and single-family attached (such as duplexes or townhomes) shall be assessed based on number of units as follows (based on Firm Yield analysis by City or City designated consultant):

Multi-Family	Acre Feet/Unit	Fee-In-Lieu
Per unit	0.27	\$ 11,783

*(Special consideration for fee-in-lieu may be granted at the discretion of the Utilities Director and approved by Council for proposed and proven water conservation measures resulting in lower demand volumes than shown in this table)*

*(Parks and other irrigated common areas will be addressed as stated in section (i) herein;)*

(i) A dedication of water rights is required unless the City Council has previously granted by signed agreement the right to pay a fee-in-lieu. The water dedication amount for all other developments, including but not limited to commercial, industrial, mixed use, and public land donation, the owner shall provide to the City an acceptable water resource report authored by a registered professional engineer experienced in water resources that estimates the amount of water needed to support and irrigate said development. The report shall also include a firm yield analysis of the water rights to be dedicated. The City will review the report and if determined appropriate, the water dedication or fee shall be assessed based on the engineer's report. If the City's water rights consultant disagrees with the engineer's report, the City will provide an analysis to the developer and water dedication shall be assessed based on the City's recommendation.

(j) No connection to the City waterworks system shall be made unless all charges and assessments therefor are paid in full in advance of the connection.

Section 3. This Ordinance will be revisited in April of each calendar year and adjusted as necessary based on market costs and actual water demand volumes at the time of review.

Section 4. The purpose of this Ordinance is to provide for the health, safety, and welfare of the people.

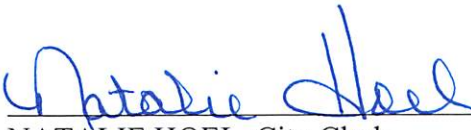
INTRODUCED, PASSED ON FIRST READING AND ORDERED PUBLISHED this 18<sup>th</sup> day of May, 2021.

INTRODUCED, PASSED ON SECOND READING AND ORDERED PUBLISHED BY TITLE ONLY this 1<sup>st</sup> day of June, 2021.

CITY OF BRIGHTON, COLORADO

  
\_\_\_\_\_  
GREGORY MILLS, Mayor

ATTEST:

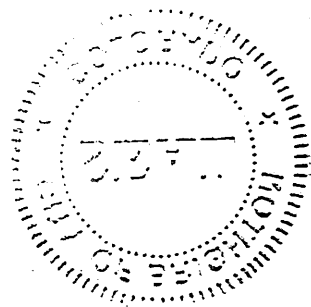
  
\_\_\_\_\_  
NATALIE HOEL, City Clerk



Published in the *Brighton Standard Blade*  
First Publication: May 26, 2021  
Final Publication: June 9, 2021

APPROVED AS TO FORM:

  
\_\_\_\_\_  
LENA McCLELLAND, Acting City Attorney



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
(West Palm Beach)

Case No. 20-CV-81205-RAR

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

COMPLETE BUSINESS SOLUTIONS GROUP, INC.,  
d/b/a PAR FUNDING, *et al.*

Defendants.

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**EXHIBIT I – DECLARATION OF ERIKA VOLLING**

I, Erika Volling, state and affirm the following under penalty of perjury:

1. I am over the age of 18 years and am competent to give testimony in this matter.
2. I am employed as the Executive Assistant of Vintage Homes, LLC, which assists Vintage Homes and Land, LLC (“VHL”), a Colorado limited liability company engaged in the business of providing real estate development management services. VHL has also provided loan administration services on behalf of RH Indigo Trails, LLLP, which does business under the registered trade name Indigo Trails, LLLP (“Indigo Trails”).
3. I have carefully reviewed Non-Party RH Indigo Trails LLLP’s Verified Motion to Intervene and Lift Litigation Injunction to Allow it to Complete Non-Judicial Foreclosure in Adams County, Colorado and Memorandum of Law (the “Motion”). With respect to the facts recited in the Motion and the exhibits attached thereto, through the course of my employment I have gained personal knowledge of the following matters:
  - a. Indigo Trails is the former owner of the Property as it is defined and described in paragraph 5 of the Motion. Indigo Trails sold the Property to Colorado Homes, LLC (“Colorado Homes”), on or about May 4, 2017. Colorado Homes paid Indigo Trails only \$25,000 upfront and financed the remainder of the purchase price through seller financing evidenced by various documents, including but not limited to a promissory note in the original principal amount of \$2,375,000 (the “Note”) and a deed of trust given as security for the Note encumbering the Property as a first and senior lien in favor of Indigo Trails.



- b. A true and correct copy of the Note is attached as Exhibit A to the Motion.
- c. A true and correct copy of the Deed of Trust is attached as Exhibit B to the Motion.
- d. Colorado Homes failed to make payments of interest and principal as required under the Note. In fact, it never paid principal or interest due under the Note.
- e. Colorado Homes failed to make payments of interest and principal as required under the Note. In fact, it never paid principal or interest due under the Note; consequently, Indigo Trails never received any money or other property from any of the Defendants.
- f. In January 2019, nineteen (19) months after execution of the Note and unbeknownst to Indigo Trails and without its consent, Colorado Homes apparently executed a Security Agreement for the benefit of Defendant CBSG (the “CBSG Security Agreement”), which was recorded against the Property on January 30, 2019, at Reception No. 2019000007308 of the Adams County real property records. Indigo Trails never executed any type of subordination agreement in favor of CBSG.
- g. On June 23, 2020, also unbeknownst to Indigo Trails and without its consent, Colorado Homes executed a special warranty deed conveying to Liberty 7th Avenue, LLC (“Liberty”), a 40-percent tenancy-in-common interest in the Property.
- h. On or about July 13, 2020, Indigo Trails provided written notice to Colorado Homes of its election to accelerate the Note based on payment defaults in accordance with paragraph 4 thereof, and demanded payment of the entire principal balance and all accrued interest under the Note. Colorado Homes failed to comply with the demand.
- i. Indigo Trails initiated foreclosure of the Deed of Trust by delivering a Notice of Election and Demand for Sale to the Adams County public trustee on July 28, 2020. The public trustee designated the matter as Public Trustee Sale No. 202078812, and recorded the Notice of Election and Demand on July 30, 2020, at Reception No. 2020000072563. A copy of the recorded notice is attached to the Motion as Exhibit C.
- j. On October 29, 2020, the District Court for Adams County, Colorado, entered its Order Authorizing Sale pursuant to Rule 120 of the Colorado Rules of Civil Procedure. A copy of the order authorizing sale is attached to the Motion as Exhibit D.
- k. In August and September 2020, before it knew of this case or the Receiver, Indigo Trails provided notices of its foreclosure to both CBSG and Liberty because the CBSG Security Agreement and Liberty TIC Deed appeared in title work obtained for the purposes of the foreclosure. Neither the entities nor the Receiver ever contracted Indigo Trails or its counsel (identified on all notices) objecting to foreclosure.
- l. On November 30, 2020 – two days prior to the scheduled sale date of December 2, 2020 – Indigo Trails’ counsel received correspondence from an attorney representing Colorado Homes that included a copy of the Litigation Injunction. Indigo

Trails' counsel forwarded the correspondence, including the Litigation Injunction, to Indigo Trails' managing partner, Michael Richardson, and me.

m. Based on the Litigation Injunction, Indigo Trails has continued its foreclosure sale from week to week since the original foreclosure sale date in December 2020.

n. With the foreclosure on hold, Indigo Trails elected to pursue a claim on the Note against Colorado Homes in the District Court for Arapahoe County, Colorado. On April 24, 2021, that court entered judgment in favor of Indigo Trails and against Colorado Homes for principal, interest and other sums due under the Note in the amount of \$3,944,595.11, plus interest in the amount of \$1,187.50 per day for each day from and including March 11, 2021 (the "Judgment"). A copy of the Judgment is attached to the Motion as Exhibit E.

o. Indigo Trails retained Harold S. McCloud, MAI, AI-GRS to perform an appraisal of the Property in January 2021. A true and correct copy of the appraisal delivered by Mr. McCloud to Indigo Trails is attached to the Motion as Exhibit F-1.

p. In the course of my employment, I have monitored the status of water dedication requirements imposed by the City of Brighton, and how such requirements affect development of the Property. I became aware in the spring of 2021 that Brighton was considering an ordinance that would increase water-dedication requirements, and I confirmed through the City of Brighton that Ordinance No. 2363 (the "Ordinance") was adopted on or about June 11, 2021. A true and correct copy of the Ordinance, as I obtained it from the City of Brighton's website, is attached to the Motion as Exhibit I.

q. The new requirements imposed by the Ordinance, which take effect on January 1, 2022, will impose greater burdens in two respects: first, the quantity of water required to be dedicated to the City ("Dedication") will increase by approximately 25 percent. Second, the credit granted to a developer (i.e., the owner of the land) toward the Dedication requirements represented by individual shares of water stock, heretofore measured based on average historical yields, will be measured by "firm yields." It is well known in the development community in the area of the Property that firm yields are substantially more conservative because they are based on drought years. Under the City of Brighton's current requirements, one share of "Fulton Ditch" water stock is credited as 1.7 acre-feet of water toward the Dedication requirement. Under the "firm yield" requirements taking effect in January 2022, one share of Fulton Ditch water stock will be credited as 0.8 acre-feet toward the Dedication requirement.

r. Attached as Exhibit I-1 to this Declaration is a comparison that I have prepared to illustrate the financial impact that the Ordinance will have if dedication requirements for the Property are not satisfied prior to year-end. The summary illustrates my best estimate of the current versus the projected costs of meeting water dedication requirements assuming that they are satisfied using Fulton Ditch water stock. As set forth in the comparison, my best estimate is that the cost of meeting water dedication

requirements for the Property will increase from \$964,159.69 under the current formula to \$2,500,966.88 under the formula taking effect under the new ordinance in January 2022.

s. Also in the course of my employment, I have monitored the status of tax assessments and payments on Property. I have monitored the tax status by utilizing the website maintained by the Adams County Treasurer (the "Treasurer's Website"). Via the following link to a page within the Treasurer's Website, I am able to enter the account number for each of the 48 lots encumbered by the Deed of Trust and obtain detail concerning the tax status: <https://adcotax.com/treasurer/treasurerweb/search.jsp>.

t. Attached to this Declaration as Exhibit I-2 is a summary that I have prepared utilizing the information obtained from the Treasurer's Website. The summary accurately states the amount of taxes outstanding on each of the lots according to the Treasurer's Website. As stated in the summary, taxes outstanding through October 31, 2021, total \$106,200.98.

I affirm under penalty of perjury that each of the foregoing averments is true and correct to the best of my knowledge, information and belief.

  
\_\_\_\_\_  
Erika Volling

INDIGO TRAILS FINAL PLAT FILING 1 - PHASE V

Water Dedication for Single Family Units

		Current Dedication		
		AF per Unit Requirement	AF required	Add'l 10% for unchanged
Total Lots	48	0.45	21.60	23.76
Acres of Land	14.8	AF per Acre 1.34	19.832	21.8152

		Dedication as of 1.1.2022		
		AF Per Unit Requirement	Add'l 10% for AF unchange Required	for AF unchange d
		0.58	27.84	30.62
AF per Acre		No reference in proposal to use AF per acre calculation		

Units per acre 3.14  
round DOWN to 3 units per acre

Preliminary Water Dedication for Parks and Open Space

		Current Dedication		
		AF per Unit Requirement	AF required	Add'l 10% for unchanged
Tracts Acre	4.47			
New System Calculation Numbers		AF per Acre 2.2	9.834	10.8174
Low Use Land	0			
Medium Use Land	4.47			
High Use Land	0			

		Dedication as of 1.1.2022		
		AF Per Unit Requirement	Add'l 10% for AF unchange Required	for AF unchange d
AF per Acre		1.43	0	0
		1.91	8.5377	9.39147
		3.43	0	0

Gross Acre 19.27

Current	
21.8152	current residential lots
10.8174	current irrigation
<b>32.6326</b>	<b>Total AF Required</b>

Due as of 1.1.2022	
30.62	new residential water
9.39147	new irrigation
<b>40.02</b>	<b>Total AF Required</b>

Fulton yield 1.71  
19.08 shares  
\$ **954,169.59** estimated cost

Fulton yield 0.8  
50.02 shares  
**2,500,966.88** estimated cost

Cost increase of \$ **1,546,797** as of 1.1.2022  
262%

	Adams County Assessor Account	as of 10.5.21					
		Taxes due	Interest due	Misc	Lien Interest	Lien Due	Total due
Tract L	R0145191			\$7.00	\$72.21	\$17.67	\$96.88
Tract L	R0178658	\$6.00	\$0.72	\$7.00	\$15.16	\$44.40	\$73.28
Tract L	R0178661			\$7.00	\$72.21	\$17.67	\$96.88
Lot 18, Block 9	R0134769			\$7.00	\$255.72	\$2,257.13	\$2,519.85
Lot 19, Block 9	R0134770			\$7.00	\$254.94	\$2,254.96	\$2,516.90
Lot 20, Block 9	R0134771			\$7.00	\$254.55	\$2,253.89	\$2,515.44
Lot 21, Block 9	R0134772			\$7.00	\$254.55	\$2,253.89	\$2,515.44
Lot 22, Block 9	R0134773			\$7.00	\$254.55	\$2,253.89	\$2,515.44
Lot 23, Block 9	R0134774			\$7.00	\$254.55	\$2,253.89	\$2,515.44
Lot 24, Block 9	R0134775			\$7.00	\$254.55	\$2,253.89	\$2,515.44
Lot 25, Block 9	R0134776			\$7.00	\$254.55	\$2,253.89	\$2,515.44
Lot 26, Block 9	R0134777			\$7.00	\$254.55	\$2,253.89	\$2,515.44
Lot 27, Block 9	R0134778			\$7.00	\$254.55	\$2,253.89	\$2,515.44
Lot 28, Block 9	R0134779			\$7.00	\$254.55	\$2,253.89	\$2,515.44
Lot 7, Block 12	R0134809			\$7.00	\$254.55	\$2,253.89	\$2,515.44
Lot 8, Block 12	R0134810			\$7.00	\$205.42	\$1,808.63	\$2,021.05
Lot 9, Block 12	R0134811			\$7.00	\$205.02	\$1,807.54	\$2,019.56
Lot 10, Block 12	R0134812			\$7.00	\$205.02	\$1,807.54	\$2,019.56
Lot 11, Block 12	R0134813			\$7.00	\$205.42	\$1,808.63	\$2,021.05
Lot 12, Block 12	R0134814			\$7.00	\$205.02	\$1,807.54	\$2,019.56
Lot 3, Block 13	R0134826			\$7.00	\$254.94	\$2,254.96	\$2,516.90
Lot 4, Block 13	R0134827			\$7.00	\$254.55	\$2,253.89	\$2,515.44
Lot 5, Block 13	R0134828			\$7.00	\$254.55	\$2,253.89	\$2,515.44
Lot 6, Block 13	R0134829			\$7.00	\$254.55	\$2,253.89	\$2,515.44
Lot 7, Block 13	R0134830			\$7.00	\$254.55	\$2,253.89	\$2,515.44
Lot 8, Block 13	R0134831			\$7.00	\$254.55	\$2,253.89	\$2,515.44
Lot 9, Block 13	R0134832			\$7.00	\$205.42	\$1,808.63	\$2,021.05
Lot 10, Block 13	R0134833			\$7.00	\$205.02	\$1,807.54	\$2,019.56
Lot 11, Block 13	R0134835			\$7.00	\$205.02	\$1,807.54	\$2,019.56
Lot 12, Block 13	R0134836			\$7.00	\$205.02	\$1,807.54	\$2,019.56
Lot 13, Block 13	R0134837			\$7.00	\$205.42	\$1,808.63	\$2,021.05
Lot 14, Block 13	R0134839			\$7.00	\$205.42	\$1,808.63	\$2,021.05
Lot 1, Block 14	R0134840			\$14.00	\$208.01	\$1,841.60	\$2,063.61
Lot 2, Block 14	R0134841			\$7.00	\$205.42	\$1,808.63	\$2,021.05
Lot 3, Block 14	R0134842			\$7.00	\$205.80	\$1,809.70	\$2,022.50
Lot 4, Block 14	R0134843			\$7.00	\$205.02	\$1,807.54	\$2,019.56
Lot 5, Block 14	R0134844			\$7.00	\$205.02	\$1,807.54	\$2,019.56
Lot 6, Block 14	R0134845			\$7.00	\$205.02	\$1,807.54	\$2,019.56
Lot 1, Block 15	R0134849			\$7.00	\$205.42	\$1,808.63	\$2,021.05
Lot 2, Block 15	R0134850			\$7.00	\$205.02	\$1,807.54	\$2,019.56
Lot 3, Block 15	R0134851			\$7.00	\$205.02	\$1,807.54	\$2,019.56
Lot 4, Block 15	R0134852			\$7.00	\$205.02	\$1,807.54	\$2,019.56
Lot 8, Block 15	R0134856			\$7.00	\$205.02	\$1,807.54	\$2,019.56
Lot 9, Block 15	R0134858			\$7.00	\$205.02	\$1,807.54	\$2,019.56
Lot 10, Block 15	R0134859			\$7.00	\$205.02	\$1,807.54	\$2,019.56
Lot 11, Block 15	R0134860			\$7.00	\$205.42	\$1,808.63	\$2,021.05
Lot 1, Block 16	R0134861			\$7.00	\$205.42	\$1,808.63	\$2,021.05
Lot 8, Block 16	R0134869			\$7.00	\$205.42	\$1,808.63	\$2,021.05
Lot 9, Block 16	R0134870			\$7.00	\$205.02	\$1,807.54	\$2,019.56
Lot 10, Block 16	R0134871			\$7.00	\$205.02	\$1,807.54	\$2,019.56
Lot 11, Block 16	R0134872			\$7.00	\$205.02	\$1,807.54	\$2,019.56
	<b>TOTAL</b>	\$6.00	\$0.72	\$364.00	\$10,901.80	\$94,928.46	\$106,200.98
		Taxes due	Interest due	Misc	Lien Interest	Lien Due	Total due

**Exhibit J**

**COLORADO HOMES PARCELS, ADAMS COUNTY PARCEL NUMBERS**

0156917310027	0156917308010
0156917310028	0156917308011
0156917310029	0156917308012
0156917310030	0156917308013
0156917310031	0156917308014
0156917310032	0156917308015
0156917310033	0156917308016
0156917310034	0156917308017
0156917310035	0156917308018
0156917310036	0156917308019
0156917310037	0156917308020
0156917314022	0156917312005
0156917314021	0156917312004
0156917314020	0156917312003
0156917314019	0156917312002
0156917314018	0156917312009
0156917314017	0156917312008
0156917308003	0156917312007
0156917308004	0156917312006
0156917308005	0156917313005
0156917308006	0156917313001
0156917308007	0156917313002
0156917308008	0156917313003
0156917308009	0156917313004