

DRAFT

Self-Contained Appraisal of

Valmont Butte

71 acres located south of Valmont Road
East of the City of Boulder, in Boulder County

For

Mr. Doug Newcomb
Property Agent
Open Space and Mountain Parks
City Of Boulder
P.O. Box 791
Boulder, Colorado 80306

Ms. Hillary Merritt
Field Representative
The Trust for Public Land
1410 Grant Street, Suite D210
Denver, Colorado 80203

Date of Value: April 24, 2008

Date of Report: April 24, 2008

By

W. West Foster, MAI, CRE, SR/WA
Foster Valuation Company LLC
910 54th Avenue, Suite 210
Greeley, Colorado 80634

Federal Tax ID# 84-1157920

FOSTER VALUATION COMPANY LLC

April 24, 2008

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Property Agent
Open Space and Mountain Parks
City Of Boulder
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Field Representative
The Trust for Public Land
1410 Grant Street, Suite D210
Denver, Colorado 80203

RE: Valmont Butte

Dear Mr. Newcomb and Ms. Merritt:

As requested, I have prepared a self-contained appraisal of the Valmont Butte property consisting of approximately 71 acres located south of Valmont Road and east of North 63rd Street, just east of the City of Boulder, in unincorporated Boulder County. The appraisal contains a total of 48 pages and is subject to the assumptions and limiting conditions set forth on pages 46 and 47.

Property rights appraised are of the fee simple estate. The date of value is April 24, 2008, the date of last inspection. The purpose of this appraisal is to estimate the market value of the subject property, which is defined on pages 7 and 8 of this report.

I have inspected the property and endeavored to consider all factors that affect value. The narrative report that follows describes the methods of valuation used and sets forth the analysis of data and reasoning involved in deriving my conclusions.

I have been asked to provide two value estimates: 1) under the assumption that the Valmont Mill is razed to clear the site, and 2) under the premise that it remains. I have also been asked to provide my opinion with respect to the impact on value or marketability the property will have if it is placed on a historical register.

W. West Foster, MAI, CRE, SR/WA ♦ Sue Anne Foster, MAI, SRA
Michael J. Keefe, SRA ♦ Jon M. Vaughan

Real Estate Appraisers & Counselors ♦ 910 54th Avenue, Suite 210, Greeley, Colorado 80634
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Market Value Estimate Under the Assumption that the Mill is Razed

If the mill is razed, I have determined that the highest and best use is to divide the property into two 35-acre± parcels for development with two single-family residential estate lots. As part of this process, the necessary easements could be recorded to protect the American Indian interests and to provide the access needed to the Valmont Pioneer Cemetery. Easements could also be put in place to protect the tailings site. My research suggests that the Valmont Mill is not of historical significance. Furthermore, it is a monument to the environmental degradation of that era, creates an attractive nuisance, and is a major liability to the property owner. As a result, I recommend that it be razed.

I am including photographs of the Cardinal Mill that we inspected together on April 4, 2008. As you know, this mill has been owned by Boulder County since May of 2003 and is managed by the Parks and Open Space Department. Boulder County officials have been working diligently to restore the mill; and even with their resources, they have only made a dent in its restoration.

I am also including photographs of the Tommy Jones' Stage Stop in Valmont. It is reported to be the oldest structure in Boulder County, and ancestors of current Valmont area residents reportedly lived there temporarily until their families could get established in the community. I consider this structure to be of far greater historical significance than the Valmont Mill. Yet, restoring this structure appears to be a daunting task. Similar groups that should have interest in restoring the Tommy Jones' Stage Stop have sought to preserve the Valmont Mill, which would involve a complex and extremely costly restoration process. Therefore, when considering the lack of historical significance, the hazardous attractive nuisance aspects of the property, the complex and costly restoration process, and the apparent inability of local private groups to restore properties that should be restored and could be restored much more easily, I recommend that the mill be razed.

Under that premise, I estimate the market value of the fee simple estate in the Valmont Butte property, as of April 24, 2008, to be as follows:

TWO MILLION FIVE HUNDRED SIXTY THOUSAND DOLLARS

(\$2,560,000)

Market Value Estimate Under the Assumption that the Mill is Retained

The Valmont Butte site contains an estimated 71 acres, subject to a survey by a Professional Land Surveyor. The Valmont Mill takes up an estimated eight acres in the western part of the property, which could be greater if some of the ancillary buildings are preserved. If the mill is maintained as it currently exists or in a preserved state and split off from the remainder of the site, the remaining land area will be too small to split it into two separate tracts. This leaves a remainder that has only one residential building site and essentially reduces the value by 50 percent. Depending on what the size the remainder property is ultimately determined to be, the discount may not be as great as 50 percent because there may be a slight premium for size. Lacking all the information necessary to make that distinction, I estimate the market value of the fee simple estate in the Valmont Butte property with the mill retained, as of April 24, 2008 to be as follows:

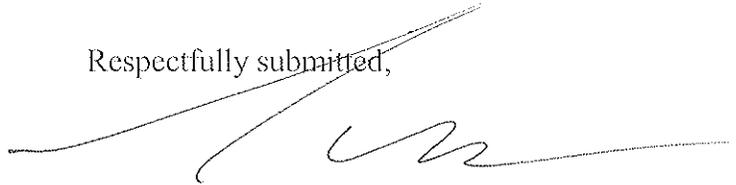
ONE MILLION TWO HUNDRED EIGHTY THOUSAND DOLLARS

(\$1,280,000)

Historical Register Considerations

If the decision is made to obtain a historical designation on the Valmont Mill or other parts of the Valmont Butte property, in my opinion, the property would be less marketable and would likely be reduced in value. Quantifying that reduction in value is another matter. I believe that all of the various interests (sometimes referred to as stakeholders) in the Valmont Butte property can be accommodated adequately through the use of easements.

Respectfully submitted,



W. West Foster, MAI, CRE, SR/WA
State Certification No. CG00001795

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