

SHEET NO. 1 OF 1

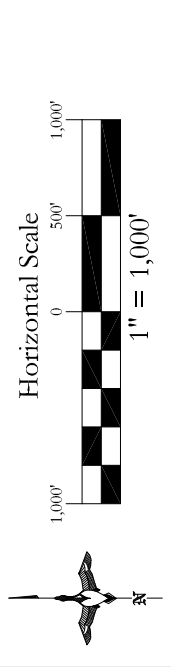
REVISIONS	
No.	Date

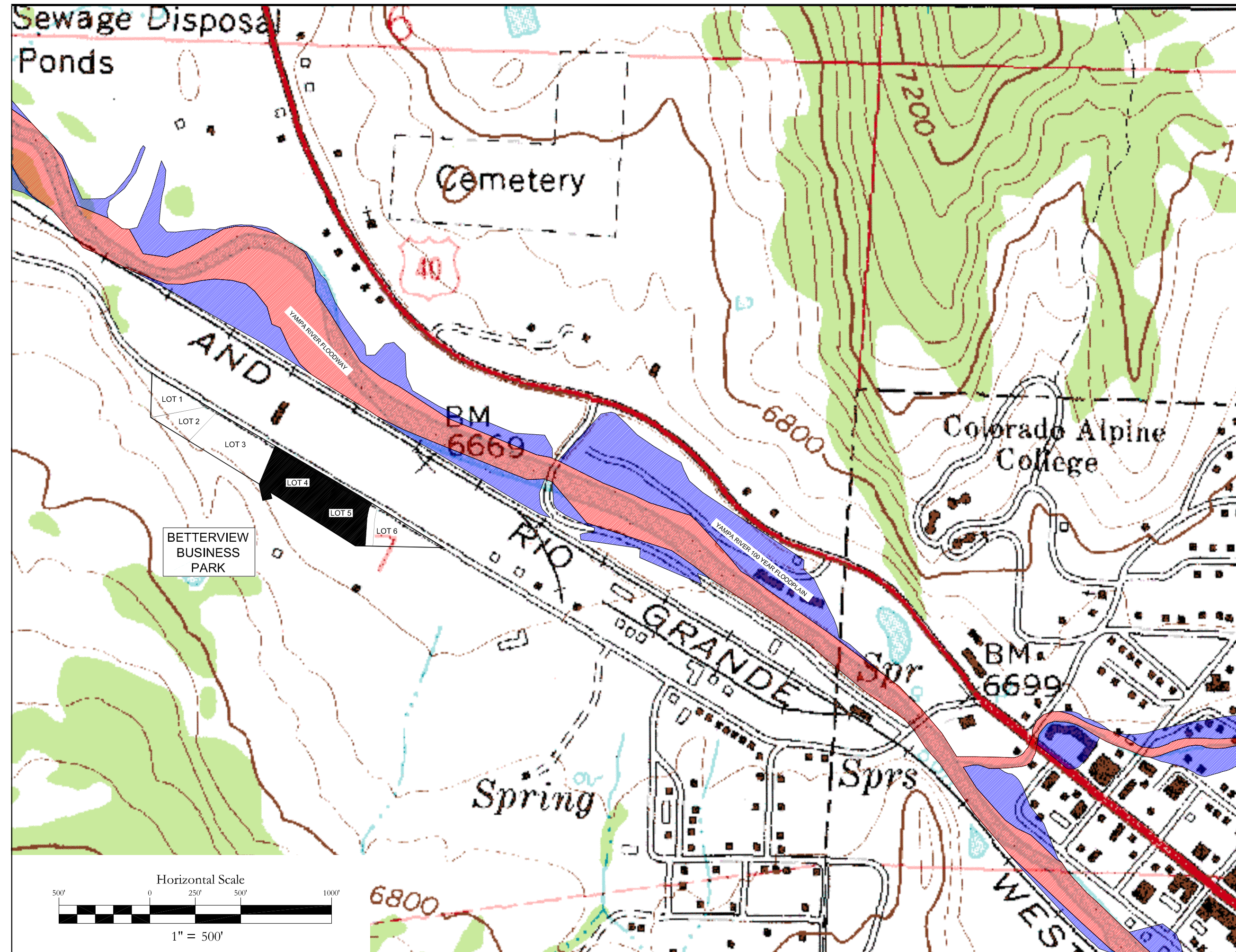
Western Biometrics, LLC
 Natural Resource Management Services
 348 RIVER ROAD STEAMBOAT SPRINGS, CO 80487 970-970-9031

Date: _____
 Drawn: _____
 Delimited: _____

BETTERVIEW BUSINESS PARK LOTS 4 & 5

FIGURE 1.
GENERAL VICINITY



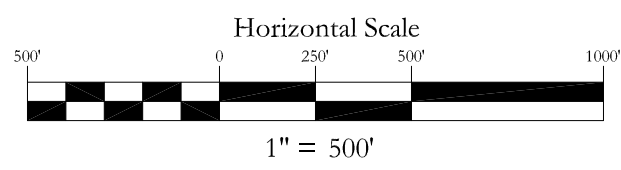


BETTERVIEW BUSINESS PARK LOTS 4 & 5

FIGURE 2.
FEMA FLOOD INSURANCE RATE MAPPING

 **Western Bionomics, LLC**
Natural Resource Management Services
348 RIVER ROAD STEAMBOAT SPRINGS, CO 80487 970-870-9031

Date: 10/09/08	Drawn: KC	Delineated:
SHEET NO. 1 OF 1		
REVISIONS		
No.	Item	Date

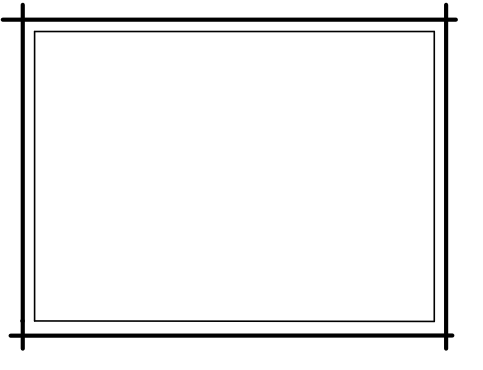




Brooks Design / Build, Inc.
 P.O. Box 775481
 Steamboat, CO 80477
 Phone: 970.870.6531
 FAX: 970.879.9286
 brooksdesignbuild.com

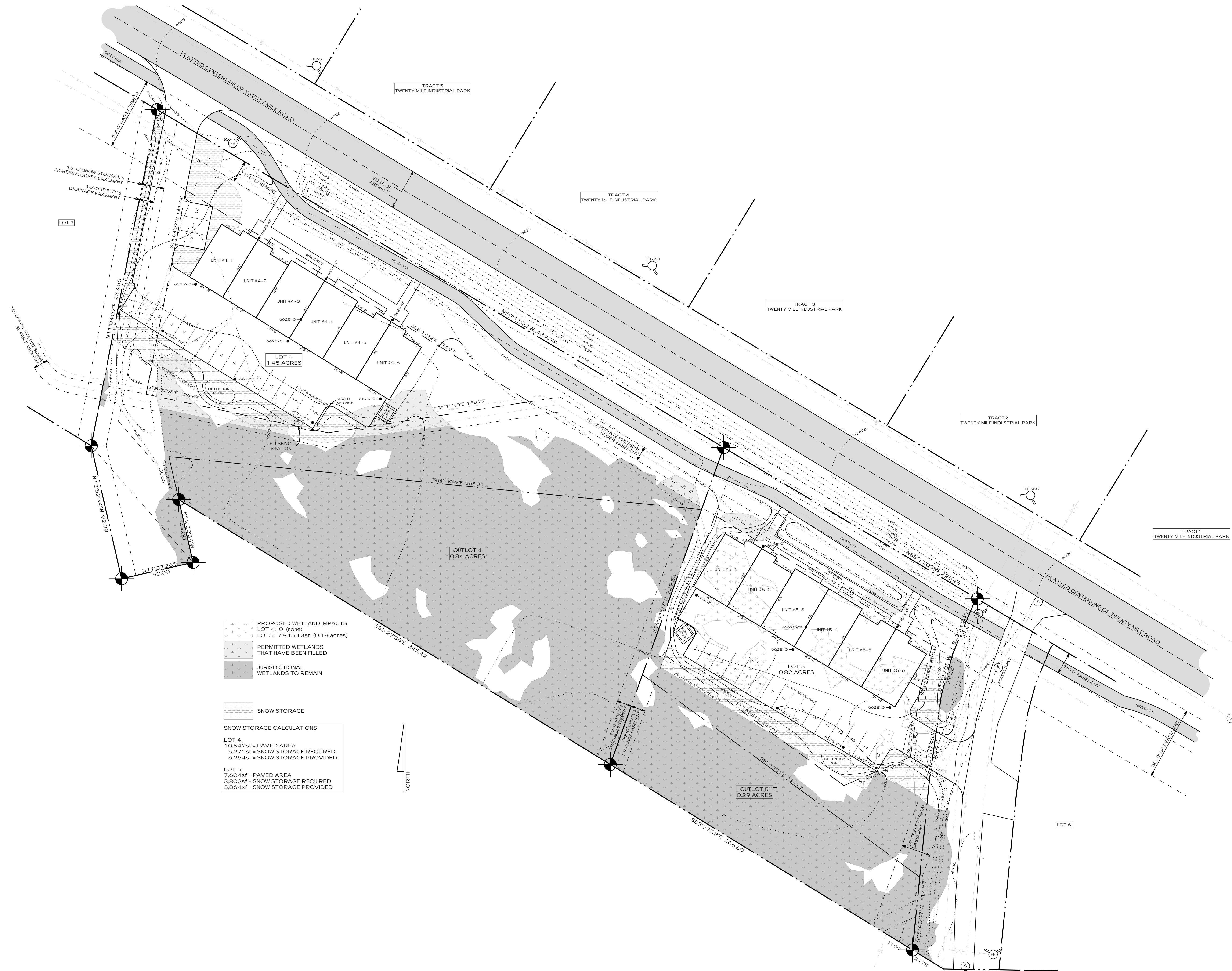
Betterview Business Park
 Lot #4 & Lot #5
 1825 & 1725 Thirteenth Street
 Routt County, Colorado 80487
 Alt A: No Site Improvements

JOB NUMBER: 08020
 ISSUE DATE: 09/15/08



© 2008
 Substantially similar reuse of this
 material without specific written
 permission of Brooks Design/Build,
 Inc. is illegal.

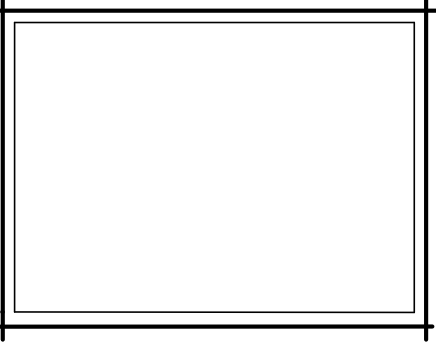
SHEET #:
Alt A
 Page: 1 of 4



Brooks Design / Build, Inc.
 P.O. Box 775481
 Steamboat, CO 80477
 Phone: 970.870.6531
 FAX: 970.879.9286
 brooksdesignbuild.com

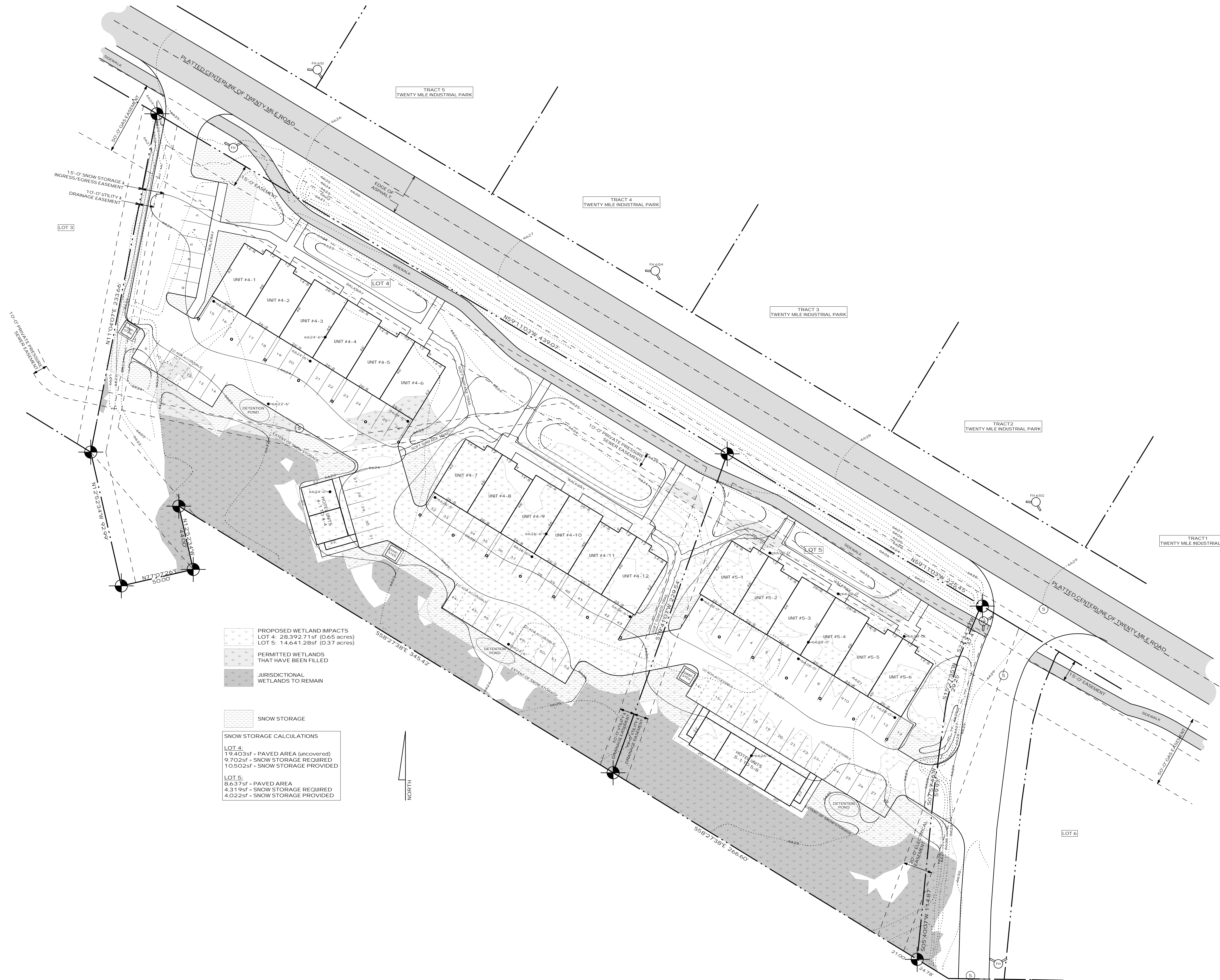
Betterview Business Park
 Lot #4 & Lot #5
 1825 & 1725 Thirteenth Street
 Routt County, Colorado 80487
 Alternative B Site Plan

JOB NUMBER: 08020
 ISSUE DATE: 09/15/08



© 2008
 Substantially similar reuse of this material without specific written permission of Brooks Design/Build, Inc. is illegal.

SHEET #:
Alt B
 Page: 2 of 4



- PROPOSED WETLAND IMPACTS
LOT 4: 28,392.71sf (0.65 acres)
LOT 5: 14,641.28sf (0.37 acres)
- PERMITTED WETLANDS THAT HAVE BEEN FILLED
- JURISDICTIONAL WETLANDS TO REMAIN

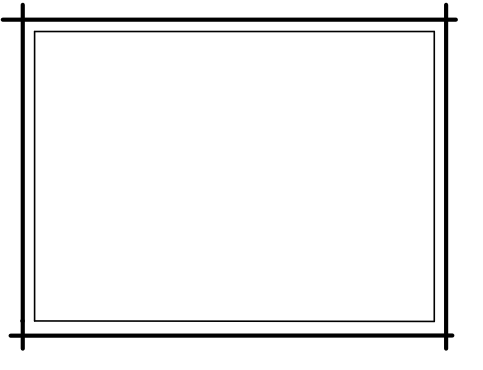
SNOW STORAGE

SNOW STORAGE CALCULATIONS	
LOT 4:	
19,403sf = PAVED AREA (uncovered)	
9,702sf = SNOW STORAGE REQUIRED	
10,502sf = SNOW STORAGE PROVIDED	
LOT 5:	
8,637sf = PAVED AREA	
4,319sf = SNOW STORAGE REQUIRED	
4,022sf = SNOW STORAGE PROVIDED	

Brooks Design / Build, Inc.
P.O. Box 775481
Steamboat, CO 80477
Phone: 970.870.6531
FAX: 970.879.9286
brooksdesignbuild.com

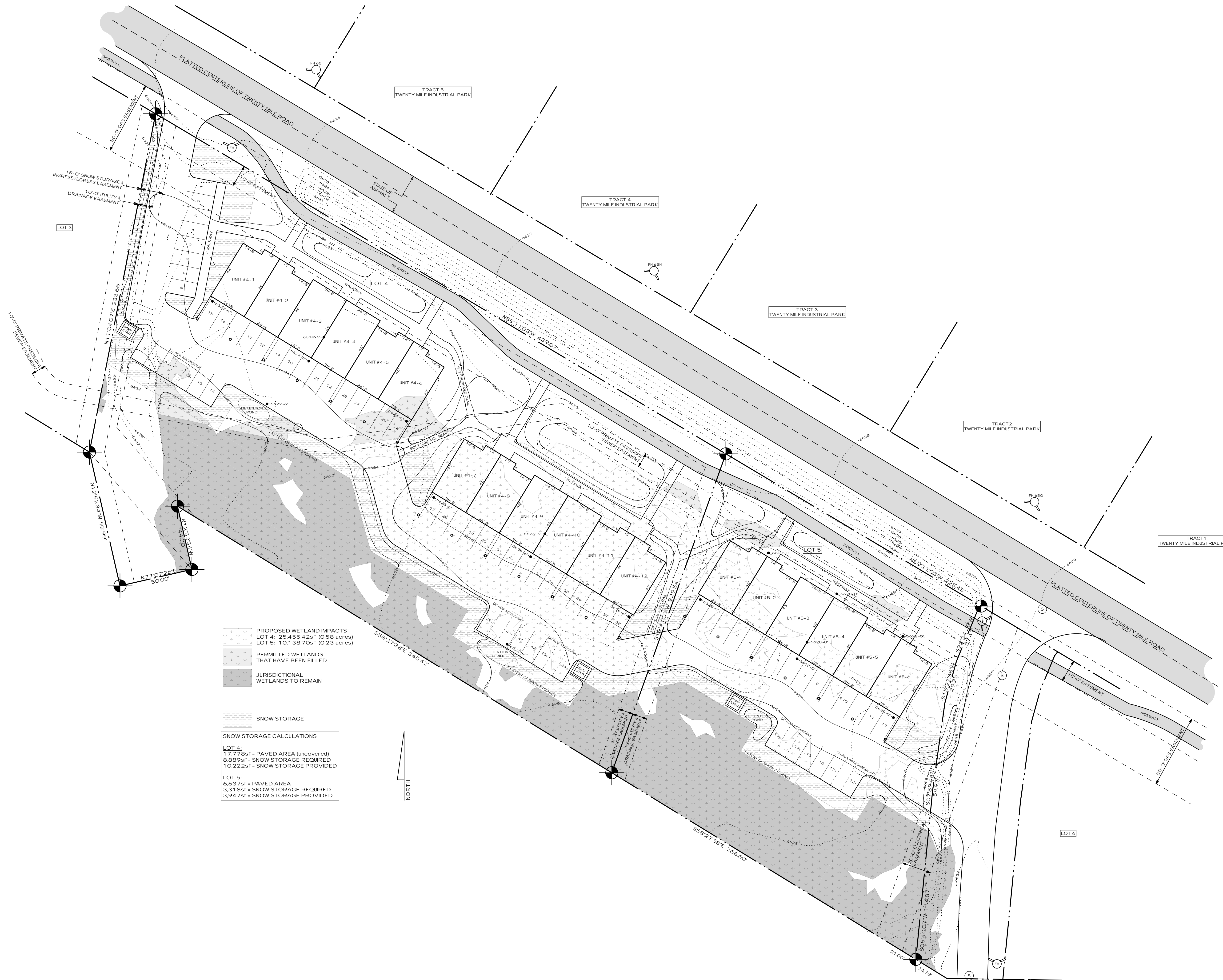
Betterview Business Park
Lot #4 & Lot #5
1825 & 1725 Thirteenth Street
Routt County, Colorado 80487
Alternative C Site Plan

JOB NUMBER: 08020
ISSUE DATE: 09/15/08



© 2008
Substantially similar reuse of this material without specific written permission of Brooks Design/Build, Inc. is illegal.

SHEET #:
Alt C
Page: 3 of 4

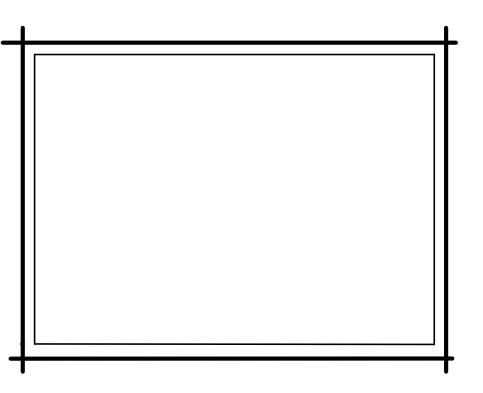


PROPOSED WETLAND IMPACTS
 LOT 4: 25,455.42sf (0.58 acres)
 LOT 5: 10,138.70sf (0.23 acres)
 PERMITTED WETLANDS THAT HAVE BEEN FILLED
 JURISDICTIONAL WETLANDS TO REMAIN
 SNOW STORAGE
 SNOW STORAGE CALCULATIONS
LOT 4:
 17,778sf - PAVED AREA (uncovered)
 8,889sf - SNOW STORAGE REQUIRED
 10,222sf - SNOW STORAGE PROVIDED
LOT 5:
 6,637sf - PAVED AREA
 3,319sf - SNOW STORAGE REQUIRED
 3,947sf - SNOW STORAGE PROVIDED

Brooks Design / Build, Inc.
 P.O. Box 775481
 Steamboat, CO 80477
 Phone: 970.870.6531
 FAX: 970.879.9286
 brooksdesignbuild.com

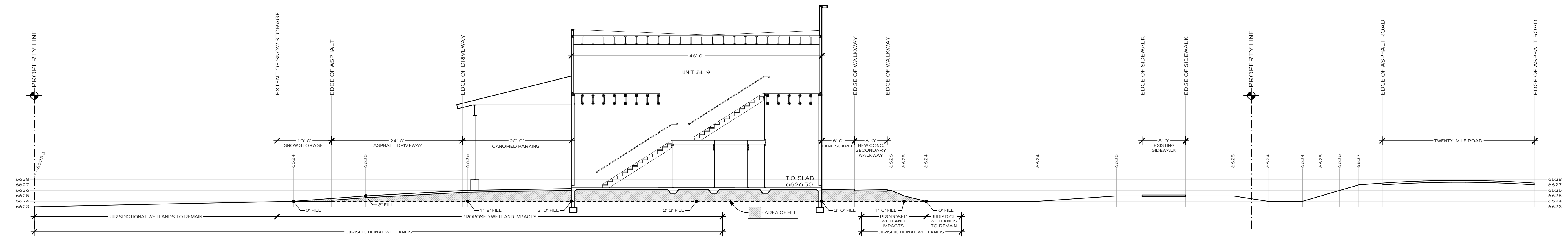
Betterview Business Park
 Lot #4 & Lot #5
 1825 & 1725 Thirteenth Street
 Routt County, Colorado 80487
 Alternative D Site Plan

JOB NUMBER: 08020
 ISSUE DATE: 09/15/08



© 2008
 Substantially similar reuse of this material without specific written permission of Brooks Design/Build, Inc. is illegal.

SHEET #:
Alt D
 Page: 4 of 4

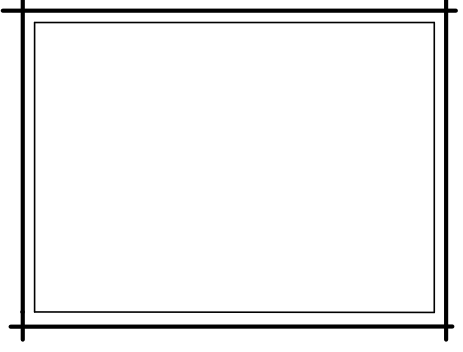


Alternative D Site Section
SCALE: 1" = 10'

Brooks Design / Build, Inc.
 P.O. Box 775481
 Steamboat, CO 80477
 Phone: 970.870.6531
 FAX: 970.879.9286
 brooksdesignbuild.com

Betterview Business Park
 Lot #4 & Lot #5
 1825 & 1725 Thirteenth Street
 Routt County, Colorado 80487
 Alternative D Site Section

JOB NUMBER: 08020
 ISSUE DATE: 09/15/08



© 2008
 Substantially similar reuse of this material without specific written permission of Brooks Design/Build, Inc. is illegal.

SHEET #:
Sect
 Page: 5 of 4

Applicant Provided Alternatives

1.1 DEVELOPMENT ALTERNATIVES

1.1.1 Alternatives eliminated from detailed consideration

During the planning process, several alternative project approaches were considered. These alternatives are described below. The reason they were rejected is provided within each section.

1.1.1.1 Full Development

The applicants considered developing lots 4 & 5 in a manner that would fill all wetlands in Lots 4 & 5. This alternative would have impacted 1.60 acres of jurisdictional wetland. Development of the entire site would allow construction of larger buildings, more parking, and produce a greater economic benefit to the applicant. In order to minimize their impacts, the developers rejected the full development scenario in favor of the proposed alternative. It is the applicant's goal to develop the site in an economically practicable manner with the least impact to jurisdictional wetlands. As a consequence, the proposed alternative described below (Alternative C) was developed.

1.1.2 Alternatives Considered in Detail

Implementation of any of the action alternatives (Alternatives B – D) would have no impact on significant or high priority wildlife habitat, floodplain, or cultural resources. There are no critical or high priority species or habitats present on the development parcels. Similarly, there are no significant cultural resources, nor does the 100 year floodplain encroach on the property. Thus, none of the action alternatives would pose significant impacts to these resources.

The factors that affect the practicability of the project rest with the total acreage of wetland filled for the development, the benefit to the public, and the economic practicability of the project. The analysis of alternatives presented below is focused on these three factors. Table 3 presents the physical extent of wetland impacts. Appendix D presents the economic analysis for each of the action alternatives.

1.1.2.1 Alternative A – No Action

Under the No action alternative (Figure 3, Alt A), 0.08 acres of wetland on Lots 4 & 5 that were impacted via installation of utility lines would remain the only wetland impacts on either parcel (refer to Table 3). The permit under which the previously permitted impact was issued has since expired, so no further impacts to wetlands would be allowed under the 2007 permit authorization. Lot 5 does not have any space to build a commercial facility, or any facility, under this scenario. Development of Lot 4 could proceed without additional wetland impacts; however the applicant contends that such development is not economically practicable (See economic analysis, Appendix D).

Construction of light industrial condominiums lot 4 would not meet the purpose and need of the

proposed project, therefore the current owner, Gerencser Inc., would divest itself of both parcels. Remaining wetlands on Lots 4 & 5 would continue to provide a low level of ecological function. The Lots would continue to provide low quality wildlife habitat, as a result of the lack of vegetative structure and of the encroachment of industrial businesses on nearby lots.

Similar to the Action alternatives, as described below, there would be no impact to culturally significant resources or threatened or endangered species.

1.1.2.2 Alternative B – Two Light Industrial Condominiums Only

The currently existing baseline includes 15,946 square feet (0.3661 acre) of wetland impacts (refer to Table 3) that have been previously implemented under the 2007 Clean Water Act permit. Development of Lots 4 & 5 via Alternative B would result in the fill of an additional 0.18 acre of wetland above and beyond the currently existing baseline (Figure 4, Alt B). The cumulative amount of fill to be deposited within wetlands on Lots 4 & 5 would increase to 0.25 acre.

The total cumulative amount of wetland fill at the Betterview Business Park would increase to 0.55 acre under this alternative; above the ½ acre limit of Nationwide Permit #39. This alternative would build the identical buildings that were submitted in the previous permit application. The acreage difference (0.54 vs. 0.4999) is due to the additional impact of snow storage in wetlands being included in the current impact figure. Snow storage was omitted in the previous permit application.

Implementation of this alternative would not impact culturally significant resources nor federally listed

Table 3. Betterview Business Park, Lots 4 & 5. Comparison of Development Alternatives' Wetland Impacts.

Alternative	Source	Wetland Impacts							
		Lot 4		Lot 5		Total, Lots 4&5		Entire Betterview Business Park	
		ft ²	ac	ft ²	ac	ft ²	ac	ft ²	ac
Alt A - No Action	Existing Permitted Wetland Fills, current 07/20/08 ¹	2,632	0.0604	642	0.0147	3,274	0.0752	15,946	0.3661
Alt B – Construction of 2 light industrial condominiums.	Proposed Wetland Impact ²	0	0.0000	7,945	0.1824	7,945	0.1824		
	<i>Total Fill (Currently existing plus Alt B)</i>	2,632	0.0604	8,587	0.1971	11,219	0.2576	23,891	0.5485
Alt C – The Proposed Project	Proposed Wetland Impact ²	28,393	0.6518	14,641	0.3361	43,034	0.9879		
	<i>Total Fill (Currently existing plus Alt C)</i>	31,025	0.7122	15,283	0.3508	46,308	1.0631	58,980	1.3540
Alt D – Alternative C without the hotel units.	Proposed Wetland Impact ²	25,455	0.5844	10,139	0.2328	35,594	0.8171		
	<i>Total Fill (Currently existing plus Alt D)</i>	28,087	0.6448	10,781	0.2475	38,868	0.8923	51,540	1.1832

¹ Source – Betterview Business Park Site Development Plan, 08/03/05. Also Table 1 this document.

² Source - Brooks Design / Build, Inc.

species. Nor would it adversely impact any critical or significant habitat for wildlife.

There would be very little significant public benefit beyond the establishment of one sixplex office condominium. No rental housing for the long term labor force would be built, only six light industrial live/work facilities would be built, as opposed to the 18 proposed in the preferred alternative, and Twenty Mile Road would continue to exist as a part of the city less trafficked by pedestrians and bicyclists, and more trafficked by motor vehicles. Implementation of this alternative, according to the economic analysis prepared by the applicant, would not produce enough income to be economically practicable (refer to economic analysis, Appendix D). In fact, the Return on Investment derived from the project if built under this alternative would be - 3%, i.e. the project would loose money (Using the standard bank source, Risk Management Association [RMA] statistics, an expected Return on Investment [ROI] for a developer based on asset size in the \$2 million to \$10 million range is 10%). The income derived from development of two light industrial condominiums would not be sufficient to finance construction of the ADW facility, nor would there be anywhere to build it, as all buildable space would be utilized for construction of the 2 condominiums.

1.1.2.3 Alternative C (The Proposed Alternative) – Three Light Industrial Condominiums and Twelve Efficiency Hotel Units

Implementation of the proposed project would result in the deposit of fill within 0.99 acre of wetland over and above that which exists as the project baseline (refer to Table 2 and Figure 5 Alt C). The cumulative amount of fill to be deposited within wetlands on Lots 4 & 5 would increase to 1.06 acre.

The total cumulative amount of wetland fill at the Betterview Business Park would increase to 1.35 acres under this alternative; well over the ½ acre limit of Nationwide Permit #39. The remaining, non-impacted wetlands are along the south property line and are part of the same body of wetlands as that which exists on the adjacent property. The remaining wetlands will allow for hydraulic continuity between that wetland and the Yampa River, via Betterview Lot 3. These avoided wetlands would be enhanced via extensive planting of wetland and buffer strip riparian shrubs and trees including (as available and practical) willow, cottonwood, alder, and dogwood.

This alternative supports the plan by the City of Steamboat Springs to have this portion of 13th Street (Twenty Mile Road) be integrated as part of the city that is trafficked regularly by bicyclists and pedestrians. A sidewalk / bike-path runs along the entire road frontage of these properties. This option eliminates long stretches between structures that typically discourage non-vehicular traffic.

One of the biggest concerns facing Steamboat Springs as it struggles to keep pace with its unprecedented growth is an inadequate supply of rental housing for the long term labor force in the area. This proposal incorporates a dozen Efficiency Hotel Units within walking distance of downtown and of many jobs. It is also directly on the city bus route making much more of the city easily accessible without a private vehicle. By placing these long term residential rental units behind the commercial units, additional privacy is given to the tenants while also maintaining the consistent image of Business Park along the road.

Splitting the light industrial and live/work units into three general separate buildings across the two lots impacts the existing topography and related watershed to a lesser degree than building the largest units possible on the areas of the site that avoid any need for deposit of fill in wetlands. This division also proves appropriate in terms of scale and context for the area.

Similar to the discussion under Alternative B, this alternative would not impact culturally significant sites, nor would it disturb critical or high value wildlife habitat. There would be no effect on federally listed species as a result of implementation of this alternative.

Implementation of this alternative would provide sufficient cash flow to finance construction of the ADW shop. The ROI would be 12%, far more in line with the standard development industry norm as defined by RMA.

1.1.2.4 Alternative D – Three Light Industrial Condominiums

Implementation of Alternative D would impact 0.81 acre over and above that which exists as the project baseline (refer to Table 2 and Figure 6 Alt D). The cumulative amount of fill to be deposited within wetlands on Lots 4 & 5 under this alternative would increase to 0.89 acre.

The total cumulative amount of wetland fill at the Betterview Business Park would increase to 1.18 acres under this alternative; well over the ½ acre limit of Nationwide Permit #39. This alternative would provide many of the same benefits of Option 2, except it would provide no assistance in helping to alleviate the lack of rental units for long term work force.

Similar to the discussion under Alternatives B and C, this alternative would not impact culturally significant sites, nor would it disturb critical or high value wildlife habitat. There would be no effect on federally listed species as a result of implementation of this alternative.

Implementation of this alternative would provide less public benefit than would Alternative C. While this Alternative would provide 18 highly demanded live/work units in Steamboat Springs, it would not provide rental housing for the long term labor force as would the Hotel Efficiency Units proposed under alternative C.

Implementation of this alternative would provide sufficient cash flow to finance construction of the ADW shop, however the ROI would be less than that of Alternative C, and less than the standard rate of return according to RMA (see Appendix D).

1.1.2.5 Offsite Alternatives

The proposed project is not a "water dependent" activity. Therefore, according to the 404(b)(1) Guidelines, the applicant must demonstrate that practicable alternatives not involving wetlands are unavailable. At the current time, and at the time the properties were purchased, no practicable alternative sites were available for purchase for a project such as the current proposal. The following paragraphs demonstrate why this is so.

Lot #4 and Lot #5 are adjacent lots in Betterview Business Park subdivision. The current owner of these lots purchased them at separate times due to their availability on the market. Now that

both are under the same ownership, the opportunity to develop them simultaneously is a practical possibility that can enhance the continuity and connectivity of each individual site.

Lot #4 was purchased on March 30, 2007 for \$445,000 (\$7.05 / sq ft exclusive of .84 acre outlot). Lot #5 was purchased on December 7, 2007 for \$790,000 (\$22.12 / sq ft exclusive of .29 acre outlot).

Table 4 compares the purchase prices of all of the available industrial properties in Steamboat Springs at the time of purchase of Lots #4 & #5. At the time of the purchases, there were very few options for purchasing industrial land in Routt County, let alone in Steamboat Springs. The values for the few available industrial properties were expensive at the time and have escalated steeply in the last year and a

Table 4. Betterview Business Park, Lots 4 & 5. Recent Closings on industrial property relevant to purchase dates of Lot 4 & 5.								
Subdivision	Lot Type	Comments	MLS	Address	Size (ac)	Price	Status	Date Sold
Pine Grove	Commercial	Awkward triangular lot located on Pine Grove. Commercial zoning is inappropriate for industrial usage.	113425	TBD Pine Grove Road	0.74	\$325,000	Sold	1/20/06
Downtown	Commercial	Small lot / not suited for industrial. Commercial zoning is inappropriate for industrial usage.	117847	TBD 13th Street	0.13	\$250,000	Sold	3/16/07
Betterview Lot 4	Industrial	Sold as 1.45 acre lot with 0.84 acre outlot	116495	1825 13th street	1.45	\$445,000	Sold	3/30/07
Copper Ridge #4	Industrial	Large lot with 10-12% slope. Unavailable due to sale.	NA	2636 Copper Ridge #15	0.99	\$710,000	Sold	4/10/08
Copper Ridge #4	Industrial	Small lot with maximum of 3 units. Too small for proposed project.	NA	1700 Copper Ridge Cir. #8	0.48	\$450,000	Sold	5/1/07
Copper Ridge #4	Industrial	Small lot with maximum of 3 units. Too small for proposed project.	NA	1711 Copper Ridge Spur	0.34	\$340,000	Sold	5/30/08
Hwy 40	Commercial	Commercial zoning is inappropriate for industrial usage. Unavailable due to sale.	119318	TBD Lincoln Ave	2.31	\$850,000	Sold	8/30/07
Betterview Lot 5	Industrial	Sold as a 0.82 acre sitNe w/ 0.29 acre outlot	120763	1725 13th street	0.82	\$790,000	Sold	12/7/07
Copper Ridge #4	Industrial	Small lot with maximum of 3 units. Too small for proposed project.	NA	2660 Copper Ridge #3	0.32	\$330,000	Sold	12/14/07

Table 5. Current MLS Listings for Industrial Property in Steamboat Springs, CO.								
Subdivision	Lot Type	Comments	MLS	Address	Size (ac)	Price	Status	Date Sold
Betterview Lot 2	Industrial	Listed as 0.48 acre with 0.25 acre outlot. Same wetland issues as Lot 4 & 5.	122696	1965 13th Street	0.48	\$599,000	Active	TBD
Hwy 40	Commercial	Next to Napa Auto. Purchase price way too expensive, steep hillside, wetland issues, more appropriate for commercial.	122000	TBD Lincoln Ave	3.46	\$2,200,000	Active	TBD
Fox Creek	Commercial	Bottom of Hilltop Connector, not appropriate for industrial usage, steep hillsides, way too expensive.	120126	TBD Hilltop	3.38	\$2,900,000	Active	TBD

Table 6. Closings from Hayden, CO, 25 miles west of Steamboat Springs.								
Subdivision	Lot Type	Comments	MLS	Address	Size (ac)	Price	Status	Date Sold
Hayden Airport	Industrial	Located 25 miles from Steamboat	113352	10780 RCR #51	3.61	\$240,000	Sold	10/25/05
Hayden Airport	Industrial	Located 25 miles from Steamboat	113403	10780 RCD #51	3.61	\$258,900	Sold	8/9/05

half. The table provides the reasoning for why each site is not practicable within the comments column for each site.

Table 5 outlines properties currently listed in the Multiple Listing Service (MLS) at the time of this correspondence. Again, this table provides the reasoning for why each site is not practicable within the comments column for each site.

Table 6 outlines recently sold properties near Yampa Valley Regional Airport in Hayden, CO. Despite being part of Routt County, these properties are 25 miles from Steamboat Springs, their land values are not comparable, and the location makes them non-practicable.

Currently, Lots #4 and #5 at Betterview Business Park present the applicants' only practicable alternative site for an industrial development in Steamboat Springs. However, the sites will require fill within federally jurisdictional wetlands to make them economically viable scenarios.

Betterview Development Alternative B

Build (2) Six Unit Industrial Buildings

Real Estate Development Proforma

September 15th, 2008

PROJECTED BUDGET COSTS

Item	Qty	Amount	Note or Description
INCOME			
GROSS SALES	Sq Ft	Sale Price	
Unit #1 - Building #1	2,400	\$545,000	
Unit #2 - Building #1	2,400	\$520,000	
Unit #3 - Building #1	2,400	\$520,000	
Unit #4 - Building #1	2,400	\$520,000	
Unit #5 - Building #1	2,400	\$520,000	
Unit #6 - Building #1	2,400	\$545,000	
Unit #7 - Building #2	2,400	\$545,000	
Unit #8 - Building #2	2,400	\$520,000	
Unit #9 - Building #2	2,400	\$520,000	
Unit #10 - Building #2	2,400	\$520,000	
Unit #11 - Building #2	2,400	\$520,000	
Unit #12 - Building #2	2,400	\$545,000	
Total Gross Sales		\$6,340,000	
COST OF SALES			
Real Estate Commission	6%	\$380,400	
Title Insurance		\$8,000	Subdivider's rate
Closing Costs		\$20,000	
Final Plat		\$6,000	Attorney, survey, filing fees, etc.
Total Cost of Sales		\$414,400	
NET INCOME		\$5,925,600	

EXPENSE			
Land Acquisition			
Lot #4 Purchase		\$445,000	Purchased mid-summer of 2007
Lot #5 Purchase		\$790,000	Purchased late winter of 2007
PROFESSIONAL FEES			
Soils Testing			
Lot #4		\$1,500	NWCC / Includes equipment costs
Lot #5		Paid	Included in purchase price
Wetland Mitigation & Approvals			
Fees for Army Corp Submittal		\$10	US Army Corps of Engineers
Mitigation Consultant		\$13,500	Western Bionomics
Planning Work		\$10,000	BDB
Attorney		\$2,000	Sherman & Howard
Steamboat Planning Approvals			
City Fees and Costs		\$1,000	This would be Use-With-Criteria
Planning Work		\$5,000	BDB
Attorney		\$1,000	Sherman & Howard
Misc. Consultants		\$0	TBD
Architecture & Engineering			
Architecture		\$45,000	BDB
Structural Engineering		\$10,000	Yampa Valley Engineering
Civil Engineering		\$15,500	LandMark Consultants
Mech Engineering		\$8,000	Architectural Engineering Consultants
Electrical Engineering		\$4,000	Architectural Engineering Consultants

Document Reproduction		\$2,000	In process printing costs
Construction Administration		\$10,000	Combination of Arch, Mech, Civil and Elec
Surveying			
Pre-Development Survey		\$1,200	LandMark Surveying
Initial Site Points		\$2,000	LandMark Surveying
RE Attorney		\$6,000	Sherman & Howard
Construction Management		\$35,000	700 hours @\$50 each
Document Reproduction		\$4,000	Final construction documents
Document Management		\$2,500	StructureTek
Prof Fees Contingency	3%	\$5,376	
CONSTRUCTION (for both units)			
Building Fees			
Building Permit Fees		\$145,000	City, County, Building Dept.
Construction Costs		\$3,200,000	
Site			
Wetlands Mitigation		see abv	
Overall Site Work		\$350,000	Grading, fill, and compaction
Sidewalk		\$15,000	Interior sidewalks only, main path is complete
Curb and Gutter		NA	
Site Lighting		\$1,500	Verify need
Site Paving		\$70,000	\$35,000 per lot
Dumpster Enclosure		\$8,000	\$4,000 per enclosure
Landscaping & Irrigation		\$70,000	\$35,000 per lot
Utility Tap Fees			
Water & Sewer Tap		\$55,000	based on (12) 2,400 sq ft units with one bath each
Gas		\$1,000	(2) Taps into the main line, no meter charge
Electric		\$20,000	10K budget per building as budget
Phone/CATV		\$6,000	Trenching and conduit
Construction Contingency	3%	\$118,245	
FINANCE			
LAND CARRY FINANCE			
Lot #4		\$34,000	Carry up to construction start
Lot #5		\$68,000	Carry up to construction start
CONSTRUCTION FINANCE			<i>10 month build</i>
Loan Interest		\$200,000	Assume 8% Interest on 10 month build
Loan Fees		\$25,000	Assume half point
Appraisal		\$6,000	Should see shared expence
CONSTRUCTION CARRY			
Loan Interest		\$225,000	8% at graduated reduction over 12 month carry
SOFT COSTS			
Wrap Up / GL Insurance		\$20,000	Verify amount needed on commercial basis
Property Taxes Lot #4		\$8,840	Two Years
Property Taxes Lot #5		\$8,568	Two Years
Taxes Until Sell-Out		\$28,000	One year of carry on six units
RESERVES			
HOA Operating Seed		\$10,000	\$5,000 for each HOA
HOA Operating to Sell-Out		\$8,750	6 units @ 12 months @ \$120 a month
TOTAL EXPENSE (lines 1-62)		\$6,121,489	
NET PROFIT		-\$195,889	

Total Amount Risked	\$6,121,489
Total Cash Equity Required (30%)	\$1,836,447
% Return on Total Amount Risked	-3%
% Return on Equity	-11%

Betterview Development Alternative C

Preferred Alternative

Build (3) Six Unit Industrial Buildings & Employee Units

Real Estate Development Proforma

September 15th, 2008

PROJECTED BUDGET COSTS

Item	Qty	Amount	Note or Description
INCOME			
GROSS SALES	Sq Ft	Sale Price	
Unit #1 - Building #1 - Lot #4	2,400	\$545,000	
Unit #2 - Building #1 - Lot #4	2,400	\$520,000	
Unit #3 - Building #1 - Lot #4	2,400	\$520,000	
Unit #4 - Building #1 - Lot #4	2,400	\$520,000	
Unit #5 - Building #1 - Lot #4	2,400	\$520,000	
Unit #6 - Building #1 - Lot #4	2,400	\$545,000	
Unit #7 - Building #2 - Lot #4	2,400	\$545,000	
Unit #8 - Building #2 - Lot #4	2,400	\$520,000	
Unit #9 - Building #2 - Lot #4	2,400	\$520,000	
Unit #10 - Building #2 - Lot #4	2,400	\$520,000	
Unit #11 - Building #2 - Lot #4	2,400	\$520,000	
Unit #12 - Building #2 - Lot #4	2,400	\$545,000	
Unit #13 - Building #3 - Lot #5	2,400	\$545,000	
Unit #14 - Building #3 - Lot #5	2,400	\$520,000	
Unit #15 - Building #3 - Lot #5	2,400	\$520,000	
Unit #16 - Building #3 - Lot #5	2,400	\$520,000	
Unit #17 - Building #3 - Lot #5	2,400	\$520,000	
Unit #18 - Building #3 - Lot #5	2,400	\$545,000	
(12) Long Term Employee Units	5,280	\$1,600,000	
Total Gross Sales		\$11,110,000	
COST OF SALES			
Real Estate Commission	6%	\$570,600	Units #1 through #18 only
Title Insurance		\$15,000	Subdivider's rate
Closing Costs		\$35,000	
Final Plat		\$12,000	Attorney, survey, filing fees, etc.
Total Cost of Sales		\$632,600	
NET INCOME		\$10,477,400	

EXPENSE			
Land Acquisition			
Lot #4 Purchase		\$445,000	Purchased mid-summer of 2007
Lot #5 Purchase		\$790,000	Purchased late winter of 2007
PROFESSIONAL FEES			
Soils Testing			
Lot #4		\$1,500	NWCC / Includes equipment costs
Lot #5		Paid	Included in purchase price
Wetland Mitigation & Approvals			
Fees for Army Corp Submittal		\$10	US Army Corps of Engineers
Mitigation Consultant		\$13,500	Western Bionomics
Wetland Credits Purchase		\$135,000	Based on 1 +/- acre of mitigation
Planning Work		\$10,000	BDB
Attorney		\$2,000	Sherman & Howard
Steamboat Planning Approvals			
City Fees and Costs		\$1,500	
Planning Work		\$15,000	BDB
Traffic Consultant		\$2,500	Fox Higgins
Attorney		\$3,500	Sherman & Howard
Misc. Consultants		\$3,000	TBD
Architecture & Engineering			
Industrial Buildings			
Architecture		\$45,000	BDB
Structural Engineering		\$10,000	Yampa Valley Engineering
Civil Engineering		\$15,500	LandMark Consultants
Mech Engineering		\$8,000	Architectural Engineering Consultants

Electrical Engineering		\$4,000	Architectural Engineering Consultants
Document Reproduction		\$2,000	In process printing costs
Construction Administration		\$10,000	Combination of Arch, Mech, Civil and Elec
Employee Units			
Architecture		\$25,000	BDB
Structural Engineering		\$4,000	Yampa Valley Engineering
Civil Engineering		\$3,500	LandMark Consultants
Mech Engineering		\$6,000	Architectural Engineering Consultants
Electrical Engineering		\$4,000	Architectural Engineering Consultants
Document Reproduction		\$2,000	In process printing costs
Construction Administration		\$6,000	Combination of Arch, Mech, Civil and Elec
Surveying			
Pre-Development Survey		\$1,200	LandMark Surveying
Initial Site Points		\$3,500	LandMark Surveying
RE Attorney		\$12,000	Sherman & Howard
Construction Management		\$70,000	1,400 hours @ \$50 each
Document Reproduction		\$5,000	Final construction documents
Document Management		\$3,500	StructureTek
Prof Fees Contingency	3%	\$12,831	
CONSTRUCTION (Three Buildings + Employee Units)			
Building Fees			
Building Permit Fees		\$250,000	City, County, Building Dept.
Construction Industrial Buildings		\$4,500,000	
Construction Employee Units		\$750,000	
Site			
Wetlands Mitigation		see abv	
Overall Site Work		\$525,000	Grading, fill, and compaction
Sidewalk		\$55,000	Interior sidewalks only, main path is complete
Curb and Gutter		NA	
Site Lighting		\$5,500	Verify need
Site Paving		\$165,000	\$55,000 per site
Dumpster Enclosure		\$12,000	\$4,000 per enclosure
Landscaping & Irrigation		\$105,000	\$35,000 per site
Utility Tap Fees			
Water & Sewer Tap		\$135,000	based on (18) 2,400 sq ft units with one bath each
Gas		\$2,500	(5) Taps into the main line, no meter charge
Electric		\$35,000	7K budget per building as budget
Phone/CATV		\$10,000	Trenching and conduit
Construction Contingency	3%	\$196,500	
FINANCE			
LAND CARRY FINANCE			
Lot #4		\$34,000	Carry up to construction start
Lot #5		\$68,000	Carry up to construction start
CONSTRUCTION FINANCE			
			<i>10 month build</i>
Loan Interest		\$350,000	Assume 8% Interest on 10 month build
Loan Fees		\$35,000	Assume half point
Appraisal		\$9,000	Should see shared expense
CONSTRUCTION CARRY			
Loan Interest		\$300,000	8% at graduated reduction over 12 month carry
SOFT COSTS			
Wrap Up / GL Insurance		\$40,000	Verify amount needed on commercial basis
Property Taxes Lot #4		\$8,840	Two Years
Property Taxes Lot #5		\$8,568	Two Years
Taxes Until Sell-Out		\$52,000	One year of carry on twelve units
RESERVES			
HOA Operating Seed		\$15,000	\$5,000 for each HOA
HOA Operating to Sell-Out		\$20,160	12 units @ 12 months @ \$120 a month
TOTAL EXPENSE (lines 1-62)		\$9,362,609	
NET PROFIT		\$1,114,791	

Total Amount Risked	\$9,362,609
Total Cash Equity Required (30%)	\$2,808,783
% Return on Total Amount Risked	12%
% Return on Equity	40%

Betterview Development Alternative D

Build (3) Six Unit Industrial Buildings

Real Estate Development Proforma

September 15th, 2008

PROJECTED BUDGET COSTS

Item	Qty	Amount	Note or Description
INCOME			
GROSS SALES	Sq Ft	Sale Price	
Unit #1 - Building #1 - Lot #4	2,400	\$545,000	
Unit #2 - Building #1 - Lot #4	2,400	\$520,000	
Unit #3 - Building #1 - Lot #4	2,400	\$520,000	
Unit #4 - Building #1 - Lot #4	2,400	\$520,000	
Unit #5 - Building #1 - Lot #4	2,400	\$520,000	
Unit #6 - Building #1 - Lot #4	2,400	\$545,000	
Unit #7 - Building #2 - Lot #4	2,400	\$545,000	
Unit #8 - Building #2 - Lot #4	2,400	\$520,000	
Unit #9 - Building #2 - Lot #4	2,400	\$520,000	
Unit #10 - Building #2 - Lot #4	2,400	\$520,000	
Unit #11 - Building #2 - Lot #4	2,400	\$520,000	
Unit #12 - Building #2 - Lot #4	2,400	\$545,000	
Unit #13 - Building #3 - Lot #5	2,400	\$545,000	
Unit #14 - Building #3 - Lot #5	2,400	\$520,000	
Unit #15 - Building #3 - Lot #5	2,400	\$520,000	
Unit #16 - Building #3 - Lot #5	2,400	\$520,000	
Unit #17 - Building #3 - Lot #5	2,400	\$520,000	
Unit #18 - Building #3 - Lot #5	2,400	\$545,000	
Total Gross Sales		\$9,510,000	
COST OF SALES			
Real Estate Commission	6%	\$570,600	Units #1 through #18 only
Title Insurance		\$12,000	Subdivider's rate
Closing Costs		\$30,000	
Final Plat		\$9,000	Attorney, survey, filing fees, etc.
Total Cost of Sales		\$621,600	
NET INCOME		\$8,888,400	

EXPENSE			
Land Acquisition			
Lot #4 Purchase		\$445,000	Purchased mid-summer of 2007
Lot #5 Purchase		\$790,000	Purchased late winter of 2007
PROFESSIONAL FEES			
Soils Testing			
Lot #4		\$1,500	NWCC / Includes equipment costs
Lot #5		Paid	Included in purchase price
Wetland Mitigation & Approvals			
Fees for Army Corp Submittal		\$10	US Army Corps of Engineers
Mitigation Consultant		\$13,500	Western Bionomics
Wetland Credits Purchase		\$125,000	Based on 1 +/- acre of mitigation
Planning Work		\$10,000	BDB
Attorney		\$2,000	Sherman & Howard
Steamboat Planning Approvals			
City Fees and Costs		\$1,500	
Planning Work		\$15,000	BDB
Traffic Consultant		\$2,500	Fox Higgins
Attorney		\$3,000	Sherman & Howard
Misc. Consultants		\$3,000	TBD
Architecture & Engineering			
Industrial Buildings			

Architecture		\$45,000	BDB
Structural Engineering		\$10,000	Yampa Valley Engineering
Civil Engineering		\$15,500	LandMark Consultants
Mech Engineering		\$8,000	Architectural Engineering Consultants
Electrical Engineering		\$4,000	Architectural Engineering Consultants
Document Reproduction		\$2,000	In process printing costs
Construction Administration		\$10,000	Combination of Arch, Mech, Civil and Elec
Surveying			
Pre-Development Survey		\$1,200	LandMark Surveying
Initial Site Points		\$3,500	LandMark Surveying
RE Attorney		\$10,000	Sherman & Howard
Construction Management		\$55,000	1,100 hours @\$50 each
Document Reproduction		\$4,000	Final construction documents
Document Management		\$3,500	StructureTek
Prof Fees Contingency	3%	\$10,461	
CONSTRUCTION (for three buildings)			
Building Fees			
Building Permit Fees		\$215,000	City, County, Building Dept.
Construction Industrial Buildings		\$4,500,000	
Site			
Wetlands Mitigation		see abv	
Overall Site Work		\$515,000	Grading, fill, and compaction
Sidewalk		\$55,000	Interior sidewalks only, main path is complete
Curb and Gutter		NA	
Site Lighting		\$5,500	Verify need
Site Paving		\$145,000	\$60,000 per lot
Dumpster Enclosure		\$12,000	\$4,000 per enclosure
Landscaping & Irrigation		\$90,000	\$45,000 per lot
Utility Tap Fees			
Water & Sewer Tap		\$85,000	based on (12) 2,400 sq ft units with one bath each
Gas		\$2,000	Taps into the main line, no meter charge
Electric		\$20,000	10K budget per building as budget
Phone/CATV		\$8,000	Trenching and conduit
Construction Contingency	3%	\$169,575	
FINANCE			
LAND CARRY FINANCE			
Lot #4		\$34,000	Carry up to construction start
Lot #5		\$68,000	Carry up to construction start
CONSTRUCTION FINANCE			
<i>10 month build</i>			
Loan Interest		\$300,000	Assume 8% Interest on 10 month build
Loan Fees		\$30,000	Assume half point
Appraisal		\$7,500	Should see shared expence
CONSTRUCTION CARRY			
Loan Interest		\$300,000	8% at graduated reduction over 12 month carry
SOFT COSTS			
Wrap Up / GL Insurance		\$35,000	Verify amount needed on commercial basis
Property Taxes Lot #4		\$8,840	Two Years
Property Taxes Lot #5		\$8,568	Two Years
Taxes Until Sell-Out		\$52,000	One year of carry on twelve units
RESERVES			
HOA Operating Seed		\$20,000	\$5,000 for each HOA
HOA Operating to Sell-Out		\$17,280	12 units @ 12 months @ \$120 a month
TOTAL EXPENSE (lines 1-62)		\$8,297,434	
NET PROFIT		\$590,966	

Total Amount Risked	\$8,297,434
Total Cash Equity Required (30%)	\$2,489,230
% Return on Total Amount Risked	7%
% Return on Equity	24%