



March 18, 2015

Ms. Anna Mauss, PE
Colorado Water Conservation Board
1313 Sherman, Suite 718
Denver, CO 80203

Re: Partial Release of Collateral
CWCB Loan Contract Number C150328

Dear Ms. Mauss:

There is an agricultural project we are currently working on that requires the use of approximately 40 acres of our land in Pueblo County. We need to use these 40 acres as collateral on this project; however, the CWCB has a first lien on this property.

We would like to issue payment for the release of the land listed on Exhibit A. Included in the email containing this letter is a copy of appraisal dated December 21, 2011 showing a value of \$140,000 for approximately 160 acres, or \$875/acre. The land listed on Exhibit A is approximately 40 acres. We propose paying the CWCB \$875/acre X 40 acres plus a 50% premium (for a total of \$52,500) for the release of the land listed on Exhibit A.

If you have any questions, please feel free to call me at 303-222-1032.

Sincerely,

A handwritten signature in blue ink, appearing to read "Wayne Harding", is written over a horizontal line.

Wayne Harding, CFO
Two Rivers Water & Farming Company



EXHIBIT A

County of Pueblo, Colorado: NW4 SE4 15-22-63 FORMERLY #23-000-00-037

FROM:

Andersen Appraisals
 40 S Villa Del Sol Ct
 Pueblo West, CO 81007
 Email: Andappraisals@aol.com

Telephone Number: 719-568-4113

Fax Number: 719-547-8536

TO:

Wayne Harding
 Two Rivers Water Company
 2000 S Colorado Blvd, Annex Bldg Suite 200
 Denver, CO 80222

Telephone Number: (303) 222-1032

Fax Number: (303) 222-1012

Alternate Number:

E-Mail: wharding@2riverswater.com

INVOICE

INVOICE NUMBER

11-2206

DATE

01/05/2012

Effective Date: 12/21/2011

REFERENCE

Internal Order #: 11-2206

Lender Case #:

Client File #:

Main File # on form: 11-2206

Other File # on form:

Federal Tax ID: 45-2478846

Employer ID:

DESCRIPTION

Lender: Colorado Water Conservation Board

Client: Two Rivers Water Company

Purchaser/Borrower: Two Rivers Water Company

Property Address: 39327 Harbour Rd

City: Avondale

County: Pueblo

State: CO

Zip: 81022

Legal Description: SE4 LESS E 30 FT + S 30 FT RD + 50X200 FT TR 15-22-63 158.70A M/L

FEES**AMOUNT**

Summary Appraisal Report / Multiple Appraisal Discount

400.00

SUBTOTAL

400.00

PAYMENTS**AMOUNT**

Check #:

Date:

Description:

Check #:

Date:

Description:

Check #:

Date:

Description:

SUBTOTAL

Due Upon Receipt...Thanks!

TOTAL DUE

\$

400.00

ANDERSEN APPRAISALS



SUMMARY APPRAISAL REPORT

Property Location:	39327 Harbour Rd SE4 LESS E 30 FT + S 30 FT RD + 50X200 FT TR 15-22-63 158.70/ Avondale, CO 81022
Borrower:	Two Rivers Water Company
Client:	Colorado Water Conservation Board 1313 Sherman St, Room 721 Denver, CO 80203
Effective Date:	12/21/2011
Prepared By:	John M. Andersen Certified General Appraiser #CG40019884



Andersen Appraisals
40 S Villa Del Sol Ct
Pueblo West, CO 81007

Summary Appraisal Report

APPRAISAL OF REAL PROPERTY

LOCATED AT

39327 Harbour Rd
Avondale, CO 81022

SE4 LESS E 30 FT + S 30 FT RD + 50X200 FT TR 15-22-63 158.70A M/L

ADDITIONAL INTENDED USER

Colorado Water Conservation Board
1313 Sherman St, Room 721
Denver, CO 80203

OPINION OF MARKET VALUE

140,000

EFFECTIVE DATE

12/21/2011

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LAND APPRAISAL SUMMARY REPORT

File No.: 11-2206

SUBJECT	Property Address: 39327 Harbour Rd		City: Avondale		State: CO		Zip Code: 81022								
	County: Pueblo		Legal Description: SE4 LESS E 30 FT + S 30 FT RD + 50X200 FT TR 15-22-63 158.70A M/L												
	Assessor's Parcel #: 23-000-00-037		Tax Year: 2010		R.E. Taxes: \$ 602.8		Special Assessments: \$ 0								
	Market Area Name: Avondale / Boone		Map Reference: 39380		Census Tract: 0032.00										
ASSIGNMENT	Current Owner of Record: Two Rivers Water Company		Borrower (if applicable): Two Rivers Water Company												
	Project Type (if applicable): <input type="checkbox"/> PUD <input type="checkbox"/> De Minimis PUD <input type="checkbox"/> Other (describe)		HOA: \$ 0 <input type="checkbox"/> per year <input type="checkbox"/> per month												
	Are there any existing improvements to the property? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		If Yes, indicate current occupancy: <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant <input type="checkbox"/> Not habitable												
	If Yes, give a brief description: The subject property includes a 1,064 SF ranch house with small basement built in 1920, miscellaneous outbuildings, electricity, domestic well, septic system, barbed wire fencing, and gravel surfaced drive areas. However, the primary value of the subject property is the land (acreage). Furthermore, no irrigation shares or water rights are included in the valuation of this report.														
	The purpose of this appraisal is to develop an opinion of: <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe)														
MARKET AREA DESCRIPTION	This report reflects the following value (if not Current, see comments): <input checked="" type="checkbox"/> Current (the Inspection Date is the Effective Date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective														
	Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)														
	Intended Use: Assistance In Decision Process For Loan Underwriting, Internal Decision Making and/or Loan Portfolio Management.														
	Intended User(s) (by name or type): The clients, Two Rivers Water Company & Colorado Water Conservation Board, and their successors and/or assigns.														
	Client: Two Rivers Water Company		Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222												
SITE DESCRIPTION	Appraiser: John M. Andersen		Address: Andersen Appraisals, 40 S Villa Del Sol Ct, Pueblo West, CO 81007												
	Characteristics		Predominant Occupancy		One-Unit Housing		Present Land Use		Change in Land Use						
	Location: <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input checked="" type="checkbox"/> Rural		<input checked="" type="checkbox"/> Owner		PRICE AGE		One-Unit 05 %		<input checked="" type="checkbox"/> Not Likely						
	Built up: <input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input checked="" type="checkbox"/> Under 25%		<input type="checkbox"/> Tenant		\$ (000) (yrs)		2-4 Unit %		<input type="checkbox"/> Likely * <input type="checkbox"/> In Process *						
	Growth rate: <input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Slow		<input type="checkbox"/> Vacant (0-5%)		50 Low 02		Multi-Unit %		* To: NA						
	Property values: <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		<input checked="" type="checkbox"/> Vacant (>5%)		450+ High 110		Comm'l %								
	Demand/supply: <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply				150 Pred 25		Vacant 95 %								
	Marketing time: <input type="checkbox"/> Under 3 Mos. <input type="checkbox"/> 3-6 Mos. <input checked="" type="checkbox"/> Over 6 Mos.														
	Factors Affecting Marketability														
	Item		Good	Average	Fair	Poor	N/A	Item		Good	Average	Fair	Poor	N/A	
	Employment Stability		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequacy of Utilities		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Convenience to Employment		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Property Compatibility		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Convenience to Shopping		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Protection from Detrimental Conditions		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Convenience to Schools		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Police and Fire Protection		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Adequacy of Public Transportation		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	General Appearance of Properties		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Recreational Facilities		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appeal to Market		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Market Area Comments: The boundaries of the neighborhood are the outlying rural areas situated east of Pueblo Highway 50. The neighborhood is composed primarily of scattered homes on 5.0 to 35+ acre parcels of land. I am unaware of any adverse neighborhood influences. Per the Pueblo Association of Realtors MLS, typical marketing time for vacant land in the area is estimated to be 128 days, the median sales price is \$130,000 (all larger acreage sales east of Pueblo to La Junta), and the median list to sale price ratio is approximately 89.6%. Thus, the marketing time for the subject property is estimated to be 9-12 months if listed realistically with an active broker. In addition, the estimated exposure period is 9-12 months which is presumed to precede the effective date of the appraisal report. Furthermore, the local market appears to be relatively stable at this time; however, large acreage sales are extremely limited due to the lack of market activity over the past two years. Statistics for single family dwellings on 5+ acres available for the market area for the prior two years indicate a median sales price of \$153,000, a median list to sale price ratio of 92.6%, a median price per square foot of \$85.33, and a median market time of 163 days. Furthermore, the single family dwelling market has stabilized this past year from a significant decline in the prior few years. In addition, there are currently an in balance of homes available in market place at this time; however, marketing times are somewhat extended.															
	Dimensions: Refer to plat maps (three contiguous parcels - survey not provided)				Site Area: 158.7 Acres										
	Zoning Classification: A-1				Description: Agricultural District - 35 Acre Minimum										
	Do present improvements comply with existing zoning requirements? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Improvements														
	Uses allowed under current zoning: Refer to the attached zoning description for uses by right and uses by review.														
	Are CC&Rs applicable? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unknown				Have the documents been reviewed? <input type="checkbox"/> Yes <input type="checkbox"/> No		Ground Rent (if applicable) \$ 0/								
	Comments:														
	Highest & Best Use as improved: <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain) Due to the extreme lack of demand in the market place, the Highest & Best Use of the subject property at this time is the continued ranch / farm use. Subdivision is not feasible due to the extreme lack of demand.														
	Actual Use as of Effective Date: Agricultural Use (Ranch / Farm)				Use as appraised in this report: Agricultural Use (Ranch / Farm)										
	Summary of Highest & Best Use: Continued Agricultural Use (subdivision development is not feasible due to the lack of demand). The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). However, no irrigating ditch shares and/or water rights are included in the valuation. In addition, I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property.														
	Utilities		Public	Other	Provider/Description		Off-site Improvements		Type	Public	Private	Frontage	Typical (Large Acreage Parcel)		
	Electricity		<input checked="" type="checkbox"/>	<input type="checkbox"/>			Street		Harbour Rd & 40th Lane	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Topography		Slightly Sloping (1.1% Slope)	
	Gas		<input type="checkbox"/>	<input checked="" type="checkbox"/>	Propane		Width		Typical			Size		Large Acreage Site	
	Water		<input type="checkbox"/>	<input checked="" type="checkbox"/>	Domestic Well		Surface		Gravel & Asphalt (Corner Site)			Shape		Refer To The Enclosed Maps	
	Sanitary Sewer		<input type="checkbox"/>	<input checked="" type="checkbox"/>	Septic System		Curb/Gutter		None	<input type="checkbox"/>	<input type="checkbox"/>	Drainage		Appears Adequate	
Storm Sewer		<input type="checkbox"/>	<input type="checkbox"/>			Sidewalk		None	<input type="checkbox"/>	<input type="checkbox"/>	View		Average		
Telephone		<input checked="" type="checkbox"/>	<input type="checkbox"/>			Street Lights		None	<input type="checkbox"/>	<input type="checkbox"/>	Access		Typical		
Multimedia		<input type="checkbox"/>	<input type="checkbox"/>			Alley		None	<input type="checkbox"/>	<input type="checkbox"/>	Additional		Irrigation Available		
Other site elements: <input type="checkbox"/> Inside Lot <input checked="" type="checkbox"/> Corner Lot <input type="checkbox"/> Cul de Sac <input type="checkbox"/> Underground Utilities <input checked="" type="checkbox"/> Other (describe)										Large Acreage Property					
FEMA Spec'l Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No FEMA Flood Zone X										FEMA Map # 0801470400B		FEMA Map Date 09/29/1989			
Site Comments: I did not observe any unfavorable easements, encroachments or adverse site conditions the date of the field inspection. A copy of the assessor's overhead GIS plat imagery and additional mappings are included with this report. The utilities mentioned above are common and available in the area. The subject property is improved with a small ranch house, miscellaneous outbuildings, fencing, and additional supporting features for ranch / farm use. The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). However, no irrigating ditch shares and/or water rights are included in the valuation. In addition, I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property. Refer to the enclosed photographs, maps and attachments which are integral parts of this Summary Appraisal Report.															

LAND APPRAISAL SUMMARY REPORT

File No.: 11-2206

TRANSFER HISTORY

My research ☒ did ☐ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): Court House Records; Owner

1st Prior Subject Sale/Transfer

Date: 08/31/2011

Price: \$400,000

Source(s): Crt Hse; Owner; Contract

2nd Prior Subject Sale/Transfer

Date: None

Price: None

Source(s): Court House

Analysis of sale/transfer history and/or any current agreement of sale/listing: The prior sale of the subject property included five non-contiguous parcels containing approximately 1,120 acres with some supporting improvements. Extensive improvements have been completed to the acreage for irrigation efficiency since the prior sale. In addition, the subject property was not known to be exposed to the open market. Any previous sales of the subject property and/or comparable sales have no affect on the current opinion of market value. The subject property has not been listed for sale since acquired, or known to be under contract.

Refer to the following page for the comparable sales transfer history.

SALES COMPARISON APPROACH

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address 39327 Harbour Rd Avondale, CO 81022		6265 Huerfano Rd Avondale, CO 81022		17961 County Road T Rush, CO 80833		1696 US Highway 96 Fowler, CO 81039	
Proximity to Subject		4.87 miles SE		56.31 miles NE		20.86 miles E	
Sale Price	\$		\$ 400,000		\$ 485,000		\$ 200,000
Price/ Acre	\$	\$ 1,176.47		\$ 1,515.63		\$ 692.04	
Data Source(s)	Court House / Owner	PARMLS#106678; DOM 475		PARMLS#117062; DOM 1183		PARMLS#125255; DOM 586	
Verification Source(s)	Inspection	Exterior Inspection; Assessor; Clerk		Agent; Court House		Exterior Inspection; Assessor; Clerk	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing	N/A	ArmLth		ArmLth		ArmLth	
Concessions	N/A	Conv; 0		Conv; 0		1031Exchange; 0	
Date of Sale/Time	N/A	s06/09/2008	0	s08/02/2011	0	s03/04/2011	0
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avondale / Boone	Avondale / Boone	0	Punkin Center	0	Fowler	
Site Area (in Acres)	158.7 Acres	340 Acres	+5	320 Acres	+5	289 Acres	+5
Irrigation	HCIC Ditch Available	HCIC Ditch Available		Rights+Augmentation	-25	Adj. Wells (Partial)	0
Zoning	Agricultural	Agricultural		Agricultural		Agricultural	
Improvements	Dwelling/MiscOutbldg	LgDwelling/Outbldgs	-20	Dwlg/OBs/4PivSystem	-20	Outbuilding	+5
Topography	Slightly Sloping	Huerfano River	-10	Slightly Sloping		Rugged Areas	+10
Additional Consideration	Farm / Ranch	Hobby Farm/Ranch	0	Farm / Ranch		Hobby Ranch	
Net Adjustment (Total, in \$)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$	-294.12	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$	-606.25	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$	138.41
Net Adjustment (Total, in % of \$ / Acre)		Net 25.0 %	(-25 % of \$/Acre)	Net 40.0 %	(-40 % of \$/Acre)	Net 20.0 %	(20 % of \$/Acre)
Adjusted Sale Price (in \$ / Acre)		Gross 35.0 %	\$ 882.35	Gross 50.0 %	\$ 909.38	Gross 20.0 %	\$ 830.45

Summary of Sales Comparison Approach It is imperative to understand that comparable acreage sales similar to the subject property are extremely limited at this time. Consequently, some less than ideal comparable sales were analyzed that required larger than desired adjustments and/or are located many miles from the subject property. However, the nine comparable properties utilized in this appraisal report share many similarities to the subject property, and they provide support for a credible value range conclusion. Comparable sale #1 includes superior improvements (dwelling and outbuildings) in comparison to the subject. In addition, this property is bisected by the Huerfano River which warrants further consideration for premium river bottom frontage. Comparable sale #2 includes irrigating water rights with augmentation, and four pivot systems. Comparable sale #3 required the appropriate adjustments for inferior improvements and topography. The quantitative adjustments applied to the comparable sales in the comparison analysis grid are rounded percentage adjustments based on my opinion of qualitative variances between the comparable sales and subject property. The applicable adjustments have been rounded to a 5% variance increment based on rating and/or market extracted trend indicators. The adjustments essentially consider the appropriate percentage variances of price per acre paid between the comparable sales and subject property. Additional information is retained in the work file.

PUD

PROJECT INFORMATION FOR PUDs (if applicable) ☐ The Subject is part of a Planned Unit Development.

Legal Name of Project:

Describe common elements and recreational facilities:

Refer to the additional comparable properties on the following pages for further support of the opinion of market value.

RECONCILIATION

Indicated Value by: Sales Comparison Approach \$ 139,700 or \$ 880 per Acre

Final Reconciliation The subject property has an adjusted value range from \$805 to \$1,008 per acre which has been resolved to \$880 per acre as applicable to the subject acreage. Comparable sales #1 and #6 are most comparable to the subject property and given most weight due to location.

This appraisal is made ☒ "as is", or ☐ subject to the following conditions: The Indicated Value by Sales Comparison Approach shown above has been rounded to \$140,000 as the final opinion of market value applicable to the subject property. The Cost Approach and the Income Approach to value have not been developed in this report as agreed upon by myself and the client. The subject improvements have an estimated contributory value of \$45,000.

☐ This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based upon an inspection of the subject property, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 140,000 , as of: 12/21/2011 , which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

ATTACH.

A true and complete copy of this report contains 24 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report, which contains the following attached exhibits: ☒ Scope of Work

☒ Limiting Cond./Certifications ☐ Narrative Addendum ☒ Location Map(s) ☒ Flood Map Addendum ☒ Additional Sales & Listings

☒ Photo Addenda ☒ Parcel Maps ☐ Hypothetical Conditions ☐ Extraordinary Assumptions ☐ DCF Analysis

SIGNATURES

Client Contact: Wayne Harding Client Name: Two Rivers Water Company

E-Mail: wharding@2riverswater.com Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222

APPRaiser



Appraiser Name: John M. Andersen

Company: Andersen Appraisals

Phone: (719) 568-4113 Fax: (719) 547-8536

E-Mail: andappraisals@aol.com

Date of Report (Signature): 01/05/2012

License or Certification #: CG40019884 State: CO

Designation: Certified General Appraiser

Expiration Date of License or Certification: 12/31/2014

Inspection of Subject: ☒ Did Inspect ☐ Did Not Inspect (Desktop)

Date of Inspection: 12/21/2011

SUPERVISORY APPRAISER (if required)
or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:

Company:

Phone: Fax:

E-Mail:

Date of Report (Signature):

License or Certification #: State:

Designation:

Expiration Date of License or Certification:

Inspection of Subject: ☐ Did Inspect ☐ Did Not Inspect

Date of Inspection:

ADDITIONAL COMPARABLE SALES

File No.: 11-2206

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address 39327 Harbour Rd Avondale, CO 81022		1498 36th Ln Pueblo, CO 81006		7081 S Interstate 25 Pueblo, CO 81004		5182 40th Ln Avondale, CO 81022	
Proximity to Subject		7.29 miles N		18.61 miles SW		1.75 miles S	
Sale Price	\$		\$ 200,000		\$ 400,000		\$ 232,000
Price/ Acre	\$	\$ 2,521.43		\$ 912.22		\$ 644.44	
Data Source(s)	Court House / Owner	PARMLS#134352; DOM 11		PARMLS#124339; DOM 425		Owner; Contract	
Verification Source(s)	Inspection	Previous Appraisal; Assessor; Clerk		Exterior Inspection; Assessor; Clerk		Previous Appraisal; Assessor; Clerk	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+ (-) % Adjust	DESCRIPTION	+ (-) % Adjust	DESCRIPTION	+ (-) % Adjust
Sales or Financing	N/A	ArmLth		ArmLth		ArmLth	
Concessions	N/A	Conv; 0		Cash; 0		Conv; non-MLS	0
Date of Sale/Time	N/A	s04/08/2011	0	s08/09/2010	0	s09/19/2005	0
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avondale / Boone	St Charles Mesa	-30	Hatchet Ranch	0	Avondale / Boone	
Site Area (in Acres)	158.7 Acres	79.32 Acres	-5	438.49 Acres	+5	360 Acres	+5
Irrigation	HCIC Ditch Available	Bessemer Available	-20	Sub-Irrigated	0	*HCIC Now Available	+15
Zoning	Agricultural	Agricultural		Agricultural		Agricultural	
Improvements	Dwelling/MiscOutbldg	Dwelling/MiscOutbldg	-5	Dwelling/MiscOutbldg	-5	OldDwelling/Outbldg	+5
Topography	Slightly Sloping	Slightly Sloping		Partially Wooded	-10	Slightly Sloping	
Additional Consideration	Farm / Ranch	Farm / Ranch		Hobby Ranch	0	Farm / Ranch	
Net Adjustment (Total, in \$)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -1,512.86	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -91.22	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 161.11
Net Adjustment (Total, in % of \$ / Acre)		Net 60.0 %	(-60 % of \$/Acre)	Net 10.0 %	(-10 % of \$/Acre)	Net 25.0 %	(25 % of \$/Acre)
Adjusted Sale Price (in \$ / Acre)		Gross 60.0 %	\$ 1,008.57	Gross 20.0 %	\$ 821.00	Gross 25.0 %	\$ 805.55
Summary of Sales Comparison Approach These comparable sales of large acreage properties located in fairly close proximity to the subject have been added to provide further support of the price per acre and opinion of market value applicable to the subject property. As previously discussed, it is imperative to understand that comparable sales of large acreage properties similar to the subject are extremely limited at this time. Thus, some less than ideal comparable sales conveyed over one year ago that required larger than desired adjustments and/or are located several miles from the subject property were analyzed. However, the six comparable sales and three competitive listings utilized in this appraisal report share many similarities to the subject property, and provide support for a credible value range conclusion. Refer to the competitive listings on the following page.							
The quantitative adjustments applied to the comparable sales in the comparison analysis grid are rounded percentage adjustments based on my opinion of qualitative variances between the comparable sales and subject property. The applicable adjustments have been rounded to a 5% variance increment based on rating and/or market extracted trend indicators. Due to limited comparable sales of irrigated acreage properties, adjustments extracted from paired sales analysis are difficult to develop at this time. Although some of the comparable sales were conveyed over one year ago, time adjustments for market conditions were not warranted since the market has been relatively stable since these properties sold. Additional information is retained in the work file.							
The adjustments for site area essentially consider a price per acre variance between the comparable sales and subject property. Most of the comparable sales include smaller acreage sites which warrants the downward adjustments. As previously stated, large acreage sales similar to the subject are extremely limited at this time. The adjustments for improvements consider any existing improvements (or lack thereof) of the comparable sales in comparison to the subject property improvements. Furthermore, I have completed an inspection of the subject property and comparable properties unless otherwise noted.							
Comparable sale #1 is located just south of the subject property, and required a plus 5% adjustment for larger acreage. The sale included considerably superior improvements (dwelling and outbuildings) in comparison to the subject which required a minus 20% adjustment. This comparable sale includes premium Huerfano River frontage which warrants the minus 10% topography adjustment. Although this sale was conveyed over three years ago, it is given considerable weight in the reconciliation due to the close proximity. Furthermore, a time adjustment for changes in market conditions was not warranted.							
Comparable sale #2 is a recent sale of an irrigated farm operation located many miles northeast of the subject near Punkin Center & Rush. This comparable sale required a plus 5% adjustment for larger acreage site area in comparison to the subject. This property includes some irrigation rights with partial augmentation. Thus, a minus 25% irrigation rights adjustment was applied by paired sales analysis extraction. In addition, this large acreage property includes a dwelling, outbuildings and four pivot systems which warrants the minus 20% superior improvements adjustment. Although this comparable sale is not situated within the subject neighborhood, it is still considered a relevant indicator of market value, and is given some weight in the reconciliation process due to limited sales of large, irrigated acreage properties.							
Comparable sale #3 is a recent sale of a partially irrigated hobby ranch located northwest of Fowler near the Arkansas River. This sale required plus 5% respective adjustments for larger site area acreage and inferior improvements, and a plus 5% adjustment for rugged topography areas. This comparable sale is considered to be a good indictor of market value, and given some weight in the reconciliation due to date of sale.							
Comparable sale #4 is located on the St. Charles Mesa with smaller site area acreage than the subject acreage which warrants the minus 30% location adjustment and minus 5% site size adjustment. This property did not include any Bessemer Ditch shares; however, the acreage is irrigated with leased Bessemer Ditch share availability which demands a minus 20% adjustment consideration. This sale is given minimal weight due to large net adjustments.							
Comparable sale #5 is a recent sale of a hobby ranch located south of Pueblo west of Interstate-25 near Hatchet Ranch. This comparable sale required the respective plus 5% adjustment for smaller acreage site area, and minus 10% adjustment for superior wooded topography in comparison to the subject. Although this property does not include irrigation shares, and not considered suitable for farming, it is a large ranching acreage property considered a relevant indicator of market value, and is given some weight in the reconciliation process due to limited appropriate irrigated farm ground sales.							
Comparable sale #6 are large acreage property located in very close proximity to the subject. This property is larger than the subject acreage which warrants the plus 5% site area adjustment. In addition, this property was acquired prior to the availability of HCIC Ditch irrigation which warrants the plus 15% irrigation adjustment. In addition, the improvements are slightly inferior in comparison to the subject which warrants the plus 5% adjustment. Although this property was conveyed several years ago, a time adjustment for changes in market conditions does not appear to be warranted (considered within the irrigation availability). Furthermore, this sale is given considerable weight in the reconciliation due to location, use and lower net adjustments.							
Comparable Sales Prior Transfer / Sales History:							
Sale #1: No prior sales within 36 months							
Sale #2: No prior sales within 36 months							
Sale #3: No prior sales within 36 months							
Sale #4: No prior sales within 36 months							
Sale #5: No prior sales within 36 months							
Sale #6: No prior sales within 36 months							

Zoning Description & Water Article

File No. 11-2206

Borrower	Two Rivers Water Company				
Property Address	39327 Harbour Rd				
City	Avondale	County	Pueblo	State	CO Zip Code 81022
Client	Two Rivers Water Company				

ZONING USES A-1 (Agricultural District)

A use by right is any of the following uses, which are permitted upon issuance of a zoning permit by the County Zoning Administrator.

Agricultural custom contractor; Christmas tree sales (temp.); Church and religious buildings; Drilling company equipment yard; Equestrian arena, personal; Farming or ranching; Fruit and vegetable processing, wholesale and retail; Greenhouse and nursery; Guest house; Hay, grain, feed, seed and fertilizer - retail, storage and/or wholesale; Home, receiving (must possess a minimum of 5.0 acres of land, or a Special Use Permit is required) Housing, tenant; Mobile home; Ranch, guest; Recreation camps; Residence, 1-family; Residence, 2-family; Riding academy, stables; Roadside sale stand (retail agricultural products); Sawmill; Water distillation and bottling.

A use by review is any of the following uses, other than those uses which come within the purview of [S17.140.010\(F\)](#), which are permitted only upon issuance of a Special Use Permit by the Pueblo County Planning Commission.

Advertising device, off-premise ([See Chapter 17.116](#)); Agricultural implements, retail, wholesale, rental and service; Airplane beacon, marker or tower; Airport, private heliport, glider port; Asphalt (recycled), sale and storage; Associations, clubs and lodges; Athletic field, golf range, golf course; Atomic reactor and/or other scientific installation; Aviary; Bed and breakfast; Boat and RV storage; Broadcasting station, transmitter or tower; Carnival (temp.); Cemetery, crematory and/or mausoleum; Child care centers; Child care home (large); Cold storage lockers; Composting facility; Concrete (batch) plant; Contractor's yard; Emergency facility; Equestrian arena, commercial/club; Explosives, manufacture and wholesale; Farm products, processing, manufacture, storage and wholesale; Feed and fertilizer manufacture and processing; Game preserve, developed; Hide and tallow processing; Home for blind, disabled, elderly, elderly foster, maternity, nursing, religious; Hot mix (road) plant; Kennel, dog breeding and boarding; Livestock sales and auction; Lots, feed; Natural deposits, extraction and processing; Outdoor theater; Paintball field; Private school; Propane and butane, wholesale and retail service; Race track; Recreational vehicle park; Rental and service of construction equipment, retail and wholesale; Runway; Saddle and tack shop; Shooting range, outdoor; Solid waste disposal site and facility; Specialized group facilities; Utilities as outlined in [Section 17.120.130](#); Veterinary hospital (use by right until TA 60, 4/17/84); Wholesale vending machine products; Wind turbine for residential uses.

Newswire Article:

Two Rivers Water Company Acquires Majority Interest in Huerfano-Cucharas Irrigation Company

DENVER, Feb. 3 /PRNewswire-FirstCall/ — Two Rivers Water Company (OTC Bulletin Board: TURV), through its 50% owned joint venture HCIC Holdings LLC, has completed the purchase of 55% of the outstanding shares of the Huerfano-Cucharas Irrigation Company ("HCIC") in Southern Colorado. Additionally, Two Rivers has entered into separate agreements to purchase an additional 35% interest to bring its total ownership of HCIC to 90% by April 2010.

"Acquisition of a majority interest in the Huerfano-Cucharas Irrigation Company gives Two Rivers the opportunity to now move forward in the repair of the Cucharas Dam and Reservoir, one of Colorado's largest on stream reservoirs," commented John McKowen, Chairman and CEO of Two Rivers. "The Cucharas Reservoir, when restored, has 55,000 acre feet of storage capacity, which can be rebuilt for less than \$375 an acre foot, compared to a current cost of construction of over \$3,000 an acre foot for other large capacity reservoirs."

Two Rivers has begun engineering plans and commenced discussions with the Colorado State Engineers Office necessary to hopefully complete the restoration of the dam by spring of 2011, in time for the late spring snow melt. By restoring the Cucharas Reservoir, Two Rivers can supply the farmers and communities of Huerfano and Pueblo Counties with a new large, dependable source of water supply and storage.

Two Rivers has also purchased approximately 1,000 acres and entered into agreements to purchase 3,500 additional acres of farmland. Two Rivers expects to purchase as much as 15,000 acres of farmland and reintroduce water on the land and restore the HCIC ditches to what was once a thriving high yield farming community. Two Rivers agreed to provide the current farmers on the HCIC ditch with long term water contracts to enable them to continue and expand their farming operations. Additional surplus of storage capacity exists once the Cucharas Reservoir is restored beyond the expanded farming needs projected by Two Rivers.

Two Rivers has begun discussions with various water agencies to explore possibilities whereby the excess capacity of the HCIC system can be developed and assist in covering the projected shortfalls in Colorado's water needs.

Formed in December 2002, Two Rivers is focused on acquiring and developing water resources in Colorado.

Source: *Newswire Article @ [www.redorbit.com](#)*

Zoning Description & Water Article

File No. 11-2206

Borrower	Two Rivers Water Company				
Property Address	39327 Harbour Rd				
City	Avondale	County	Pueblo	State	CO Zip Code 81022
Client	Two Rivers Water Company				

Two Rivers Moves On Water Cases

By CHRIS WOODKA | cwoodka@chieftain.com | Posted: Thursday, January 5, 2012 12:00 am

Water court applications to move water up the Huerfano River and to change the use of water in Huerfano County were filed in late December by the Two Rivers Water Co.

Two Rivers, founded by Denver entrepreneur John McKowen and managed by Colorado Springs real estate broker Gary Barber, plans to bring irrigated farmland back into production in Southern Pueblo and Huerfano counties. It has a plan to restore Cucharas and Orlando reservoirs, but needs to exchange rights on the Huerfano River to initially fill them.

The company also wants to be able to offer water for domestic use in Huerfano County, where some developments and communities have run into groundwater replacement issues as they have grown.

“We have been talking to the Huerfano Conservancy District, but we don’t have any agreement yet,” Barber said.

Two Rivers has entered a five-year lease agreement with the Pueblo Board of Water Works in order to purchase 500 acre-feet of water annually beginning in April. The company will seek a substitute water supply plan from the state Division of Water Resources until it can obtain a court decree.

The application for an exchange right would allow Two Rivers to capture flood flows in Cucharas Reservoir, while making releases to the Arkansas River to cover depletions.

“About 20,000 acre-feet of water passed through Cucharas Reservoir last year,” Barber said.

Two Rivers' plans call for creating about 38,000 acre-feet of storage in Cucharas and Orlando reservoirs. The company owns about 4,700 acres of land in ditch systems fed by the reservoirs, including the Huerfano-Cucharas Ditch. This year, about one-third of that will be planted as the company ramps up to full production, Barber said.

In a separate change-of-use application in water court, Two Rivers wants to dry up about 150 irrigated acres on the Robert Rice Ditch, but would change the use of the water only so it could be used in Huerfano County. Two Rivers purchased the ditch, which has a water right dating back to 1867, making it fairly senior.

Under the purchase agreement, as much as 130 acre-feet could be made available to serve future developments in Huerfano County. The water also could be used to augment existing wells in communities such as Gardner, Barber said.

“It’s not speculation, since we do have an agreement with the seller, but we did not file for the augmentation of any specific wells,” Barber said.

Source: www.chieftain.com

Assumptions, Limiting Conditions & Scope of Work

File No.: 11-2206

Property Address:	39327 Harbour Rd	City:	Avondale	State:	CO	Zip Code:	81022
Client:	Two Rivers Water Company	Address:	2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222				
Appraiser:	John M. Andersen	Address:	Andersen Appraisals, 40 S Villa Del Sol Ct, Pueblo West, CO 81007				

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

— The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

— The appraiser may have provided a plat and/or parcel map in the appraisal report to assist the reader in visualizing the lot size, shape, and/or orientation. The appraiser has not made a survey of the subject property.

— If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

— The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

— The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

— The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

— The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.

— An appraiser’s client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser’s client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

— The appraiser’s written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database. Possession of this report or any copy thereof does not carry with it the right of publication.

— Forecasts of effective demand for the highest and best use or the best fitting and most appropriate use were based on the best available data concerning the market and are subject to conditions of economic uncertainty about the future.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):


Scope of Work: The scope of work includes a physical inspection of the subject property and comparable sales and/or listings. A review of court house data pertaining to the subject property and comparable sales and/or listings. A review of any pending listings or prior sales of the subject property and comparable sales. I have also collected sales and listing data from the multiple listing service, Realtors, property managers, developers, peer appraisers, and other sources of information. The sources of information are considered to be reliable sources, and I have not knowingly omitted any pertinent information from this appraisal report. After the appropriate data are collected, the data are verified, analyzed and reconciled. However, it is imperative to understand that the water rights and/or irrigation rights have not been valued separately. The irrigated aspect of the subject property is similar to that of the comparable sales analyzed in this report. Thus, no adjustment consideration nor value conclusions have been developed pertaining to individual water and/or irrigation rights. Moreover, the irrigated water delivery rights are typically necessary for the operation of a hobby ranch (hobby farm), and are assumed to be attached to the subject acreage as discussed below. Due to the availability of similar irrigated acreage comparable sales, and as agreed upon in advance by myself and the client, neither the Income Approach nor the Cost Approach have been developed in this Summary Appraisal Report. Additional information is retained in the appraisal work file.

Hypothetical Conditions / Extraordinary Assumptions: None.

The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). No irrigating ditch shares and/or water rights are included in the valuation. I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property. Perpetual irrigation water delivery to the subject acreage is a reasonable assumption, and the irrigation aspect of the subject property has a positive impact on site value.

Certifications & Definitions

File No.: 11-2206

Property Address: 39327 Harbour Rd		City: Avondale		State: CO		Zip Code: 81022	
Client: Two Rivers Water Company		Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222					
Appraiser: John M. Andersen		Address: Andersen Appraisals, 40 S Villa Del Sol Ct, Pueblo West, CO 81007					
APPRAISER'S CERTIFICATION I certify that, to the best of my knowledge and belief: — The statements of fact contained in this report are true and correct. — The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions. — I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved. — I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. — My engagement in this assignment was not contingent upon developing or reporting predetermined results. — My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. — My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared. — I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property. — Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report. — Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification. — I have not provided any services, as an appraiser or in any other capacity, with respect to the subject property of this appraisal report within the previous 36 months immediately preceding the acceptance of this appraisal assignment.							
DEFINITION OF MARKET VALUE *: Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: 1. Buyer and seller are typically motivated; 2. Both parties are well informed or well advised and acting in what they consider their own best interests; 3. A reasonable time is allowed for exposure in the open market; 4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. * This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.							
Client Contact: Wayne Harding		Client Name: Two Rivers Water Company		E-Mail: wharding@2riverswater.com			
		Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222					
APPRAISER  Appraiser Name: John M. Andersen Company: Andersen Appraisals Phone: (719) 568-4113 Fax: (719) 547-8536 E-Mail: andappraisals@aol.com Date Report Signed: 01/05/2012 License or Certification #: CG40019884 State: CO Designation: Certified General Appraiser Expiration Date of License or Certification: 12/31/2014 Inspection of Subject: <input checked="" type="checkbox"/> Did Inspect <input type="checkbox"/> Did Not Inspect (Desktop) Date of Inspection: 12/21/2011				SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable) Supervisory or Co-Appraiser Name: _____ Company: _____ Phone: _____ Fax: _____ E-Mail: _____ Date Report Signed: _____ License or Certification #: _____ State: _____ Designation: _____ Expiration Date of License or Certification: _____ Inspection of Subject: <input type="checkbox"/> Did Inspect <input type="checkbox"/> Did Not Inspect Date of Inspection: _____			

SIGNATURES

Subject Photos

Borrower	Two Rivers Water Company				
Property Address	39327 Harbour Rd				
City	Avondale	County	Pueblo	State	CO Zip Code 81022
Client	Two Rivers Water Company				



Subject Improvements



Subject North Boundary



Subject Site Acreage



Subject Site Acreage



Subject Street



Subject Street

Comparable Photo Page

Borrower	Two Rivers Water Company				
Property Address	39327 Harbour Rd				
City	Avondale	County	Pueblo	State	CO Zip Code 81022
Client	Two Rivers Water Company				



Comparable 1

6265 Huerfano Rd
Prox. to Subject 4.87 miles SE
Sale Price 400,000
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location Avondale / Boone
View
Site 340 Acres
Quality
Age



Comparable 2

17961 County Road T
Prox. to Subject 56.31 miles NE
Sale Price 485,000
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location Punkin Center
View
Site 320 Acres
Quality
Age
Comment MLS photo due to distance.



Comparable 3

1696 US Highway 96
Prox. to Subject 20.86 miles E
Sale Price 200,000
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location Fowler
View
Site 289 Acres
Quality
Age

Comparable Photo Page

Borrower	Two Rivers Water Company				
Property Address	39327 Harbour Rd				
City	Avondale	County	Pueblo	State	CO
				Zip Code	81022
Client	Two Rivers Water Company				



Comparable 4

1498 36th Ln
Prox. to Subject 7.29 miles N
Sale Price 200,000
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location St Charles Mesa
View
Site 79.32 Acres
Quality
Age



Comparable 5

7081 S Interstate 25
Prox. to Subject 18.61 miles SW
Sale Price 400,000
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location Hatchet Ranch
View
Site 438.49 Acres
Quality
Age



Comparable 6

5182 40th Ln
Prox. to Subject 1.75 miles S
Sale Price 232,000
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location Avondale / Boone
View
Site 360 Acres
Quality
Age

Listing Photo Page

Borrower	Two Rivers Water Company				
Property Address	39327 Harbour Rd				
City	Avondale	County	Pueblo	State	CO Zip Code 81022
Client	Two Rivers Water Company				



Listing 1

TBD 56th Ln
Proximity to Subject 10.03 miles NE
List Price 260,000
Days on Market 192 days
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Age



Listing 2

2547 58th Ln
Proximity to Subject 10.09 miles NE
List Price 699,000
Days on Market 98 days
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Age

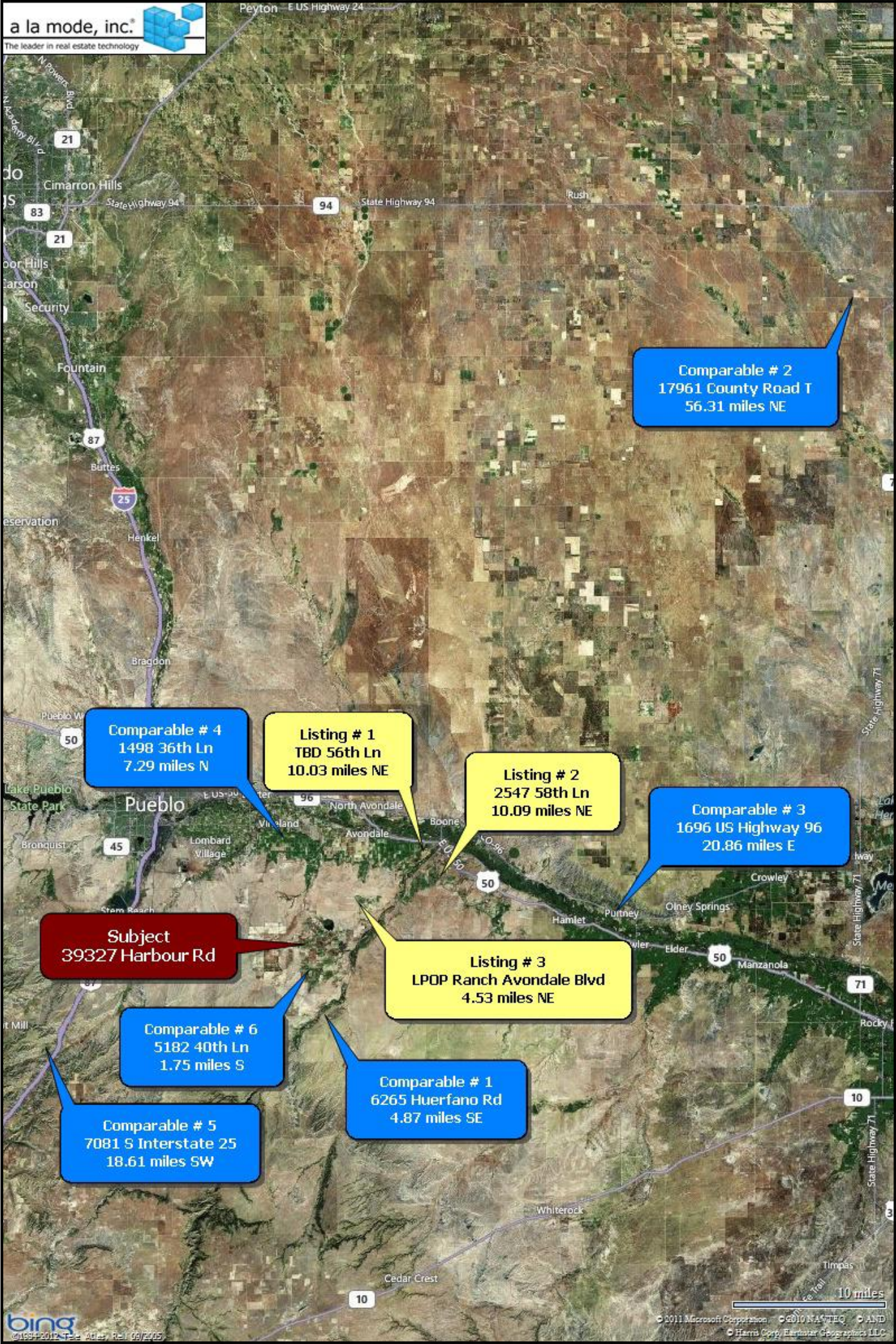


Listing 3

LPOP Ranch Avondale Blvd
Proximity to Subject 4.53 miles NE
List Price 400,000
Days on Market 107 days
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Age

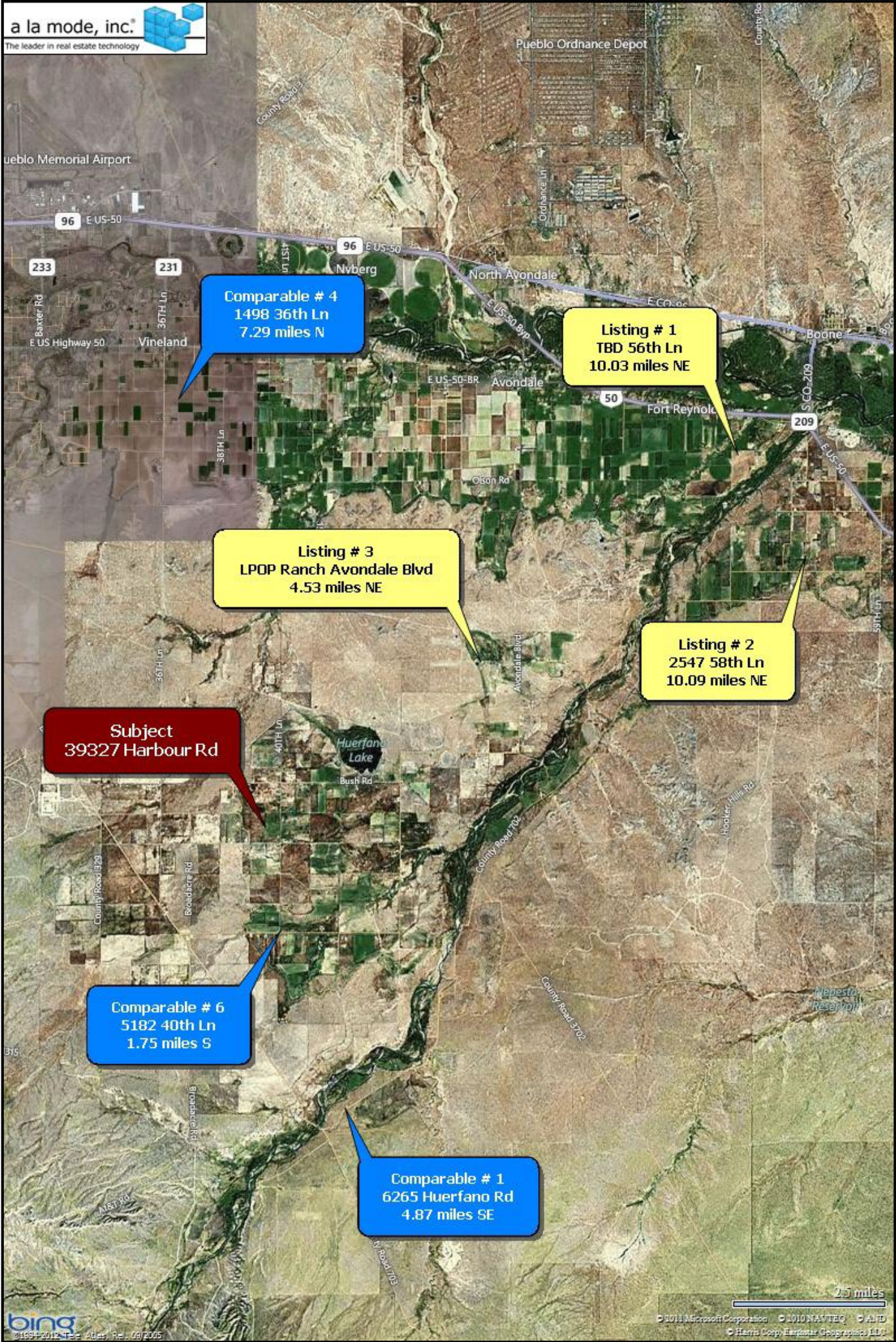
Comparable Location Map

Borrower	Two Rivers Water Company			
Property Address	39327 Harbour Rd			
City	Avondale	County	Pueblo	State CO Zip Code 81022
Client	Two Rivers Water Company			



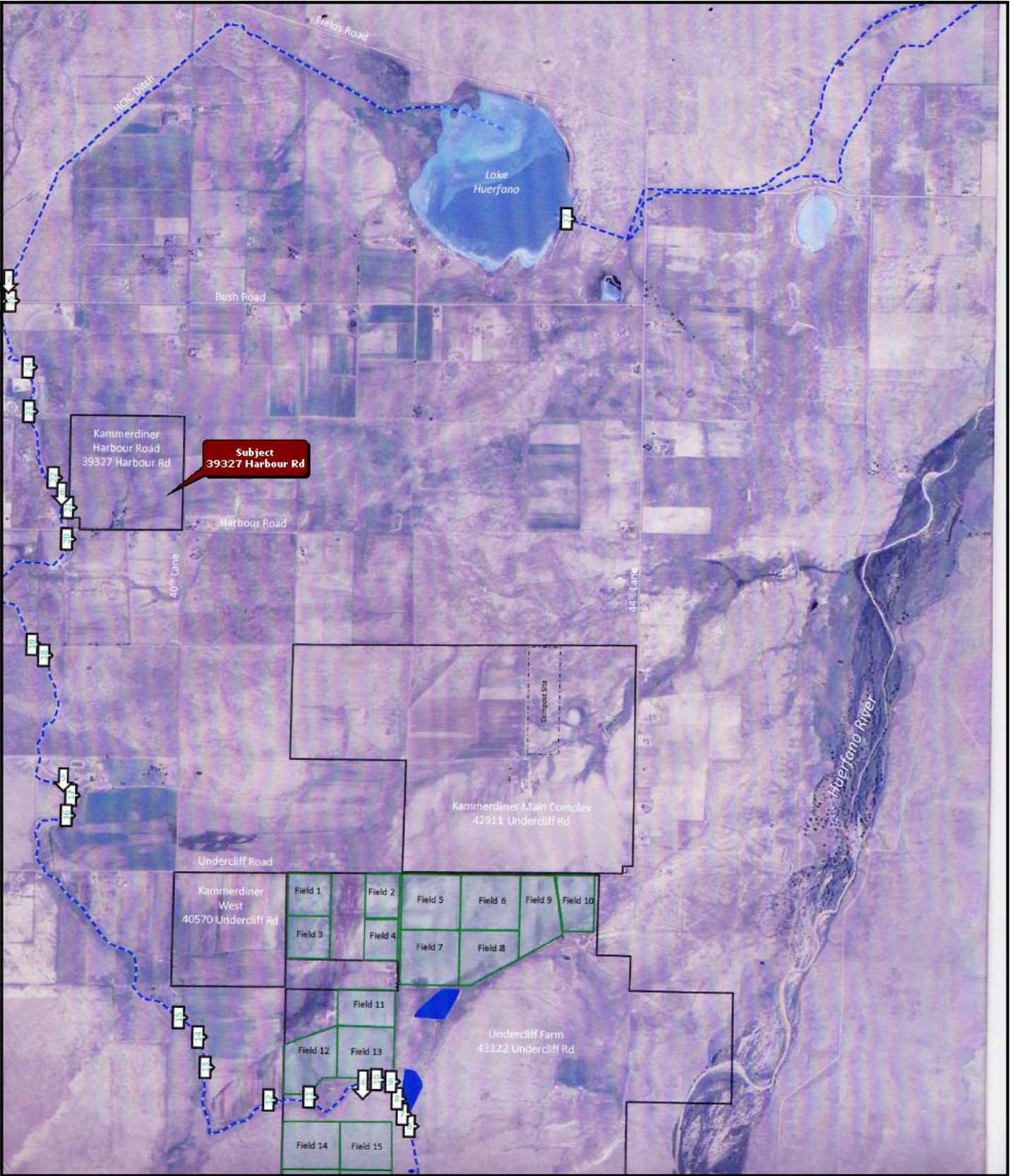
Vicinity Location Map

Borrower	Two Rivers Water Company			
Property Address	39327 Harbour Rd			
City	Avondale	County	Pueblo	State CO Zip Code 81022
Client	Two Rivers Water Company			



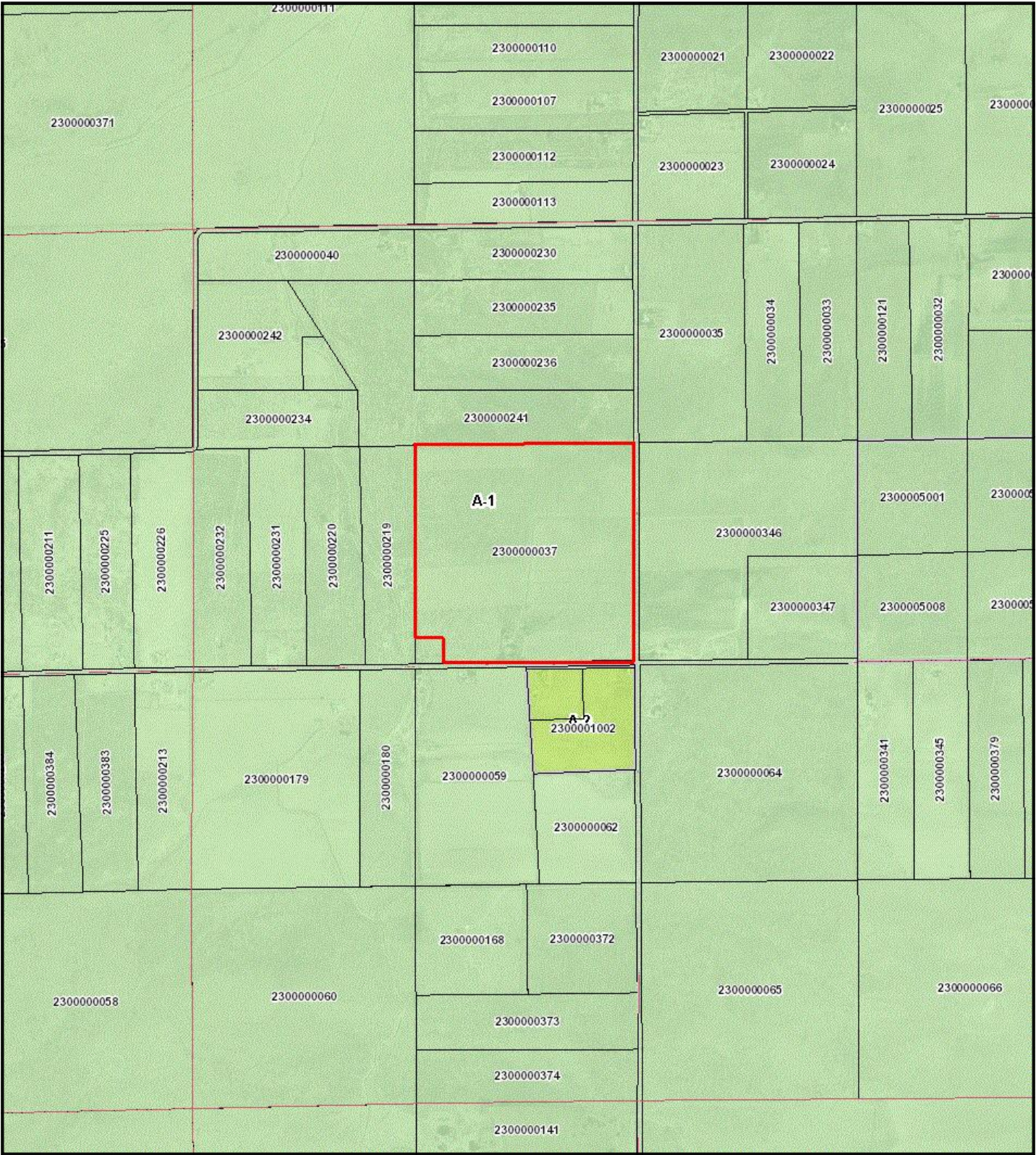
Subject Overhead Imagery

Borrower	Two Rivers Water Company			
Property Address	39327 Harbour Rd			
City	Avondale	County	Pueblo	State CO Zip Code 81022
Client	Two Rivers Water Company			



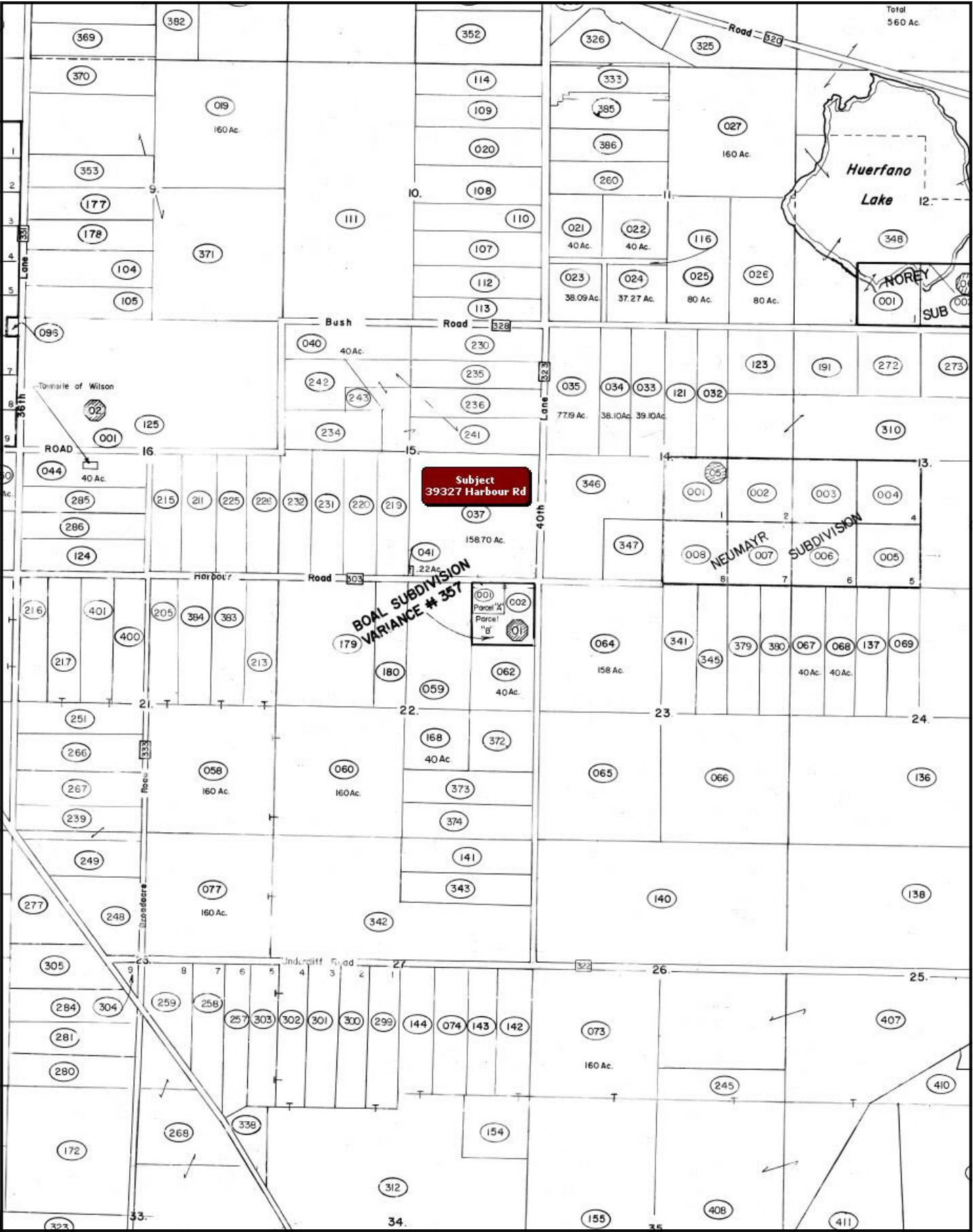
Zoning Map

Borrower	Two Rivers Water Company			
Property Address	39327 Harbour Rd			
City	Avondale	County	Pueblo	State CO Zip Code 81022
Client	Two Rivers Water Company			



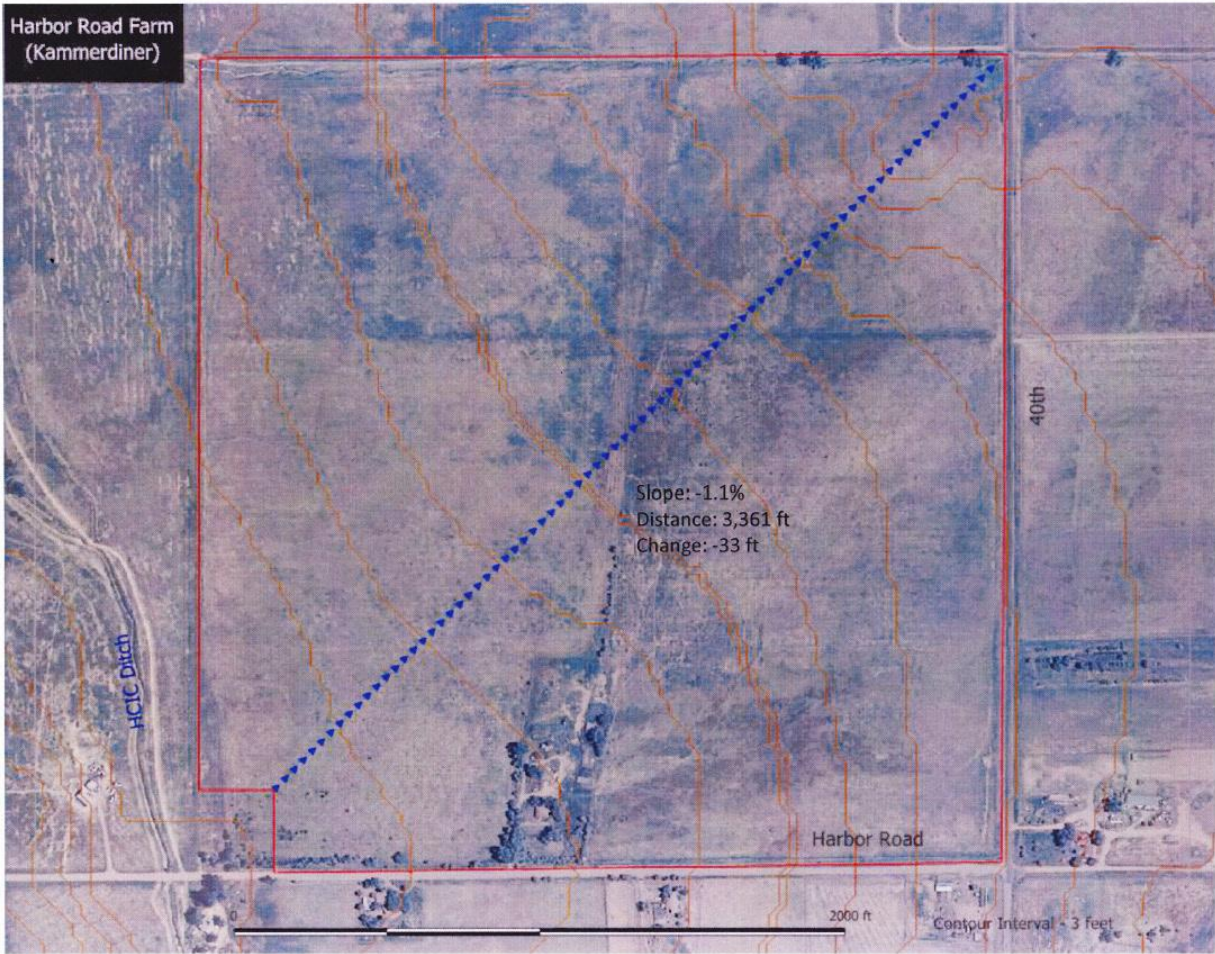
Plat Map

Borrower	Two Rivers Water Company			
Property Address	39327 Harbour Rd			
City	Avondale	County	Pueblo	State CO Zip Code 81022
Client	Two Rivers Water Company			



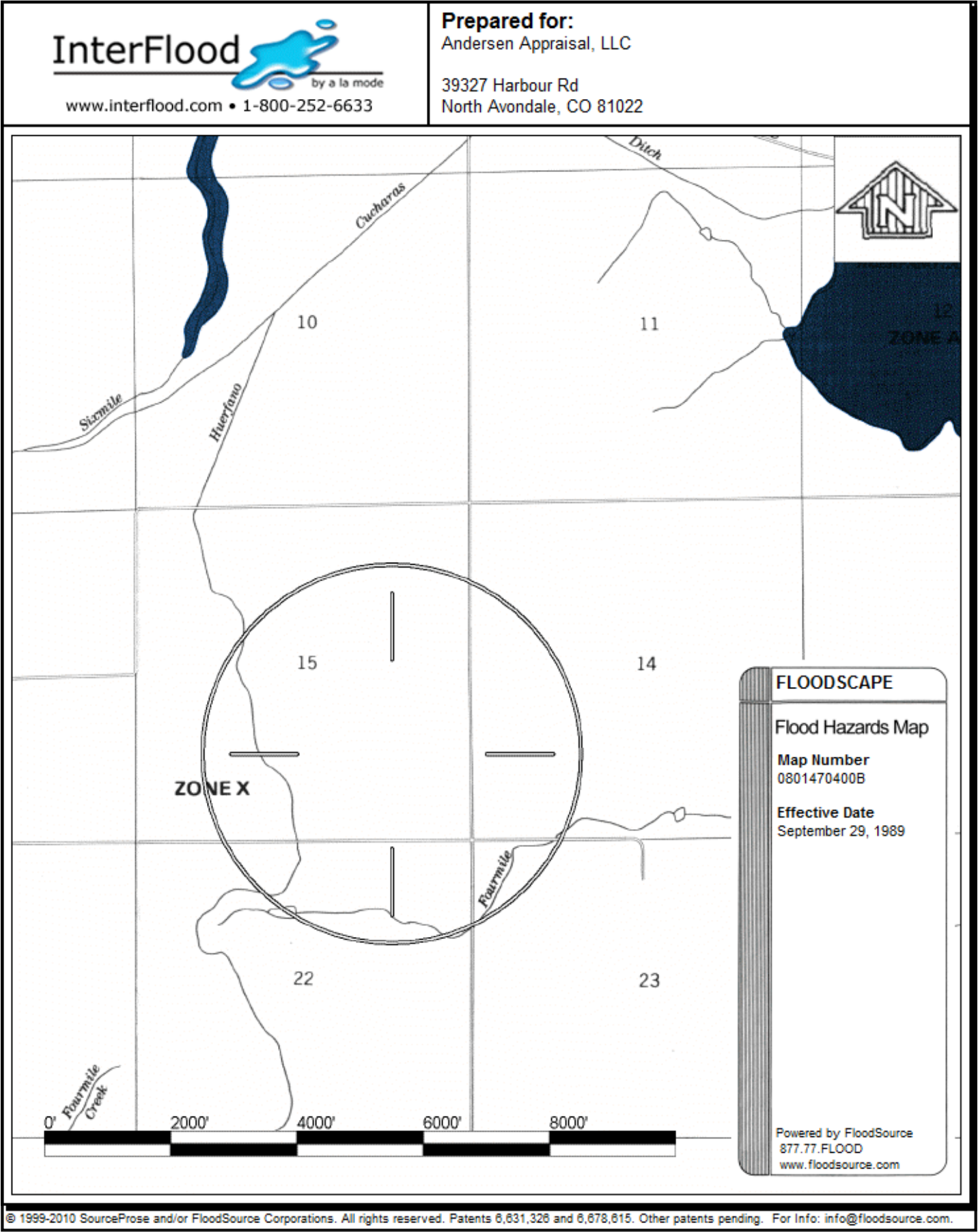
Drainage Map

Borrower	Two Rivers Water Company			
Property Address	39327 Harbour Rd			
City	Avondale	County	Pueblo	State CO Zip Code 81022
Client	Two Rivers Water Company			



Flood Map

Borrower	Two Rivers Water Company			
Property Address	39327 Harbour Rd			
City	Avondale	County	Pueblo	State CO Zip Code 81022
Client	Two Rivers Water Company			



Resume

File No. 11-2206

Borrower	Two Rivers Water Company			
Property Address	39327 Harbour Rd			
City	Avondale	County	Pueblo	State CO Zip Code 81022
Client	Two Rivers Water Company			

John M. Andersen
Certified General Appraiser
www.AndersenAppraisals.com



◆ QUALIFICATIONS & ORGANIZATIONS

The highest standards of professionalism and integrity are attributes that have been revered throughout my life. Commitment to these ethics has led me on many rewarding ventures in military experiences and personal business endeavors. Over the past several years, I have developed strong skills required for competent analysis of complex real estate valuations.

- 1986-Present
- Real Estate Appraiser, Business Manager, Property Manager, Consultant, Expert Valuation Witness, Skydiving Instructor
- 1997-2001
- Board of Directors, Frontier Pathways Scenic & Historic Byway
- 1996-1999
- President, Greenhorn Valley Chamber of Commerce
Vice-president, Greenhorn Valley Chamber of Commerce

◆ WORK HISTORY

- 2009-Present
- Certified General Appraiser, Andersen Appraisals, Pueblo West, Colorado
- 2009-Present
- Certified General Appraiser, ALWVCS, Inc., Pueblo, Colorado
- 2001-2009
- Certified Real Estate Appraiser, Clyde Laut & Associates - Pueblo, Colorado
Residential & Commercial Appraiser covering a multiple county region in Southeastern Colorado. Obtained higher levels of appraisal experience.
- 2001-2008
- Skydiving Instructor, Skydive the Rockies!! Fremont County Airport
First Jump Course, Accelerated Freefall, & Instructor Assisted Deployment
- 1999-2001
- Residential Appraiser, Grantham Appraisal Service - Cañon City, Colorado
Registered Appraiser (Apprentice Level). Accumulation of required appraisal hours for state license. Appraisal assignments were reviewed by Gary W. Grantham, Certified General Appraiser.
- 1996-2004
- Property Manager / Development Consultant - Ewing Ranch, Colorado City
Consultant for development of master plan, property leases, etc.
- 1994-1999
- Owner / Operator, Pizza Stop & Subs - Colorado City
Day to day restaurant operations: Accounting, Payroll, Inventory, Management, and Human Resources.
- 1986-1993
- Owner / Operator, Releford's Flowers & Greenhouse - Pueblo, Colorado
Day to day business operations: Accounting, Payroll, Inventory, Management, and Human Resources.
- 1984-1990
- SSG (E-6), Colorado National Guard Special Forces (Airborne)
CPL (E-4), US Army Special Forces / Military Freefall (HALO)
- 233 678 328 340" data-label="Section-Header">

◆ EDUCATION
- 2006-2011
- Certified General Appraiser Courses, Sales Comparison Valuation of Small, Mixed-Use Properties, Income Property Capitalization, Highest & Best Use Analysis, Market & Marketability Analysis, National Uniform Standards of Professional Appraisal Practice, USPAP 7 Hour Update Courses, FHA Appraisal Report Writing Seminar, Loss Prevention Seminar, UAD (Uniform Appraisal Dataset) Report Writing Seminar, Multiple Regression Analysis Seminar
- 2003-2005
- Certified Residential Appraiser Course, Complex Properties, Appraisal Review, Narrative Report Writing, Basic Income Capitalization, Uniform Standards of Professional Appraisal Practice (7 Hour Update), Appraisal Review & Reporting, Factory-Built Housing, FHA Appraising Today, FHA Exam Preparation Course, FHA Lead Based Paint Inspector Course, Developing & Growing An Appraisal Practice
- 1999-2001
- Uniform Standards of Professional Appraisal Practice,
Registered & Licensed Appraiser Courses (Real Estate Training Center)
- 1986-1990
- Business Administration, University of Southern Colorado
- 1983-1985
- High School Graduate / US Army Special Forces Qualification Course / Airborne School /
Military Freefall School

Resume

File No. 11-2206

Borrower	Two Rivers Water Company			
Property Address	39327 Harbour Rd			
City	Avondale	County	Pueblo	State CO Zip Code 81022
Client	Two Rivers Water Company			

◆ APPRAISAL LICENSES & CERTIFICATES

- 11/20/2008 Certified General Appraiser #CG40019884
- 11/24/2007 Colorado State Certified General Appraiser Examination
- 08/15/2005 Certified Residential Appraiser #CR40019884
- 12/02/2004 Colorado State Certified Residential Appraiser Examination
- 02/09/2004 FHA Appraisal Examination / Roster #COCG40019884
- 08/12/2001 Licensed Appraiser #AL40019884
- 07/12/2000 Registered Appraiser #AR40019884
- 06/14/2000 Colorado State Licensed Appraisal Examination
- 06/12/2000 Completion of Colorado Real Estate Commission Approved Course

◆ CLIENT LIST

An extensive list of lenders, contractors, attorneys and individuals for conventional appraisal reports, proposed construction appraisals, employee relocation, dissolution of marriage, REO (foreclosure), review appraisals, etc., completed through Grantham Appraisal Service, Andersen Appraisal Service, & Clyde Laut & Associates, Inc. To name a few: HUD (FHA Certified Appraiser), Fannie Mae, Pueblo Bank & Trust, Elk Valley Construction, Vectra Bank Colorado, Premier Mortgage, Canon National Bank, Chase Manhattan, Cendant Mobility, First National Bank Colorado, Colorado State Employee's Credit Union, Wells Fargo Bank, Royal Gorge Lending, US Bank, Zions Bank, Fremont National Bank, Frontier Bank, Canon National Bank, Colorado East Bank & Trust, Pueblo Bank & Trust

◆ REFERENCES

- Gary Grantham**, Cert. Gen. Appraiser, Grantham Appraisals, Cañon City
Phone: 719-275-7705
- Senator Kevin Grantham**, Cert. Gen. Appraiser, Grantham Appraisals
Phone: 719-275-7705
- John Thompson**, Vice President, First National Bank of Pueblo
Phone: 719-544-2265
- Mark Dunsmoor**, President, Colorado East Bank & Trust, Pueblo
Phone: 719-584-2000
- Jeannie Sandidge**, Loan Review Officer, Canon National Bank, Pueblo
Phone: 719-544-5548
- Chris Turner**, Attorney, Koncilja & Koncilja, Pueblo
Phone: 719-250-2806
- Alan Williams**, Certified General Appraiser, ALWVCS, Inc, Pueblo
Phone: 719-543-3323

◆ CONTACT INFORMATION

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