OPERATING COST SUMMARY

1501 W 124th Avenue, Suite 700 | Westminster, Colorado | ±1,791 SF Office Condominium
Urban Box 2 Condos | APN: R0190174 | Legal: Urban Box 2 Condos Unit 1501-700

Prepared for the Buyer and Buyer's Representative
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May 2026

PURPOSE & SCOPE

This summary presents the seller's good-faith projection of recurring operating costs associated with ownership and occupancy of Suite 700. Confirmed inputs are clearly distinguished from estimated inputs, and every assumption underlying an estimate is disclosed in the notes below. These figures are a directional underwriting reference — not a representation, warranty, or substitute for your own due diligence.

Two categories are presented. Core Ownership Costs are the unavoidable costs of owning the real estate — taxes, HOA, insurance, maintenance. Operational Costs are use-dependent expenses that vary by how your business runs the space. Debt service on your purchase loan is not included here — that varies by your financing structure and is covered in the Buyer/Broker Advisory Package.

Note on context: The Adams County Assessor values this property at $680,580 for 2025 — above the $665,000 asking price. At list price, the core ownership costs below translate to a cost-of-occupancy of $16.70/SF/year. When compared to prevailing NNN lease rates in this corridor ($27/SF), the economics of ownership are compelling for a business with a multi-year occupancy horizon.

SUMMARY OF ESTIMATED OPERATING COSTS

Line Item	Monthly	Annual	Basis
CORE BUILDING OPERATING COSTS — COST OF OWNERSHIP			
Property Taxes (2025 actual)	$1,657.44	$19,889.22	Confirmed — Adams County
HOA Dues (2025 actual average)	$505.00	$6,060.00	Confirmed — Margo Schultz, Westside Properties

Line Item	Monthly	Annual	Basis
Supplemental Insurance — Owner Policy	$179.33	$2,152.00	2025 Actual
Interior Maintenance Reserve	$150.00	$1,800.00	Estimated
Subtotal — Core Ownership Costs	**$2,491.75**	**$29,901.00**	
OPERATIONAL COSTS — USE-DEPENDENT			
Internet / Telecom	$115.00	$1,380.00	Estimated
Janitorial / Cleaning Service	$300.00	$3,600.00	Estimated
Pest Control (Interior)	$30.00	$360.00	Estimated
Security / Alarm Monitoring	$45.00	$540.00	Estimated
Subtotal — Operational Costs	**$490.00**	**$5,880.00**	
TOTAL ESTIMATED OPERATING COSTS	**$2,981.75**	**$35,781.00**	

Per-Square-Foot Reference (±1,791 SF): Core Ownership Costs **$16.70/SF/yr** | Total Estimated Operating Costs **$19.98/SF/yr**

INPUT ASSUMPTIONS & SOURCE NOTES

The following notes accompany each line item so your underwriting team can stress-test, replace, or refine any figure with your own data.

1. Property Taxes — Confirmed

Source: 2025 actual property tax bill of $19,889.22 ($1,657.44/month). This represents a $1,844 increase from 2024 ($18,045) — a 10.2% year-over-year change driven by the 2025 statutory reassessment cycle. Colorado reassesses in odd-numbered years; 2026 taxes will bill against the 2025 valuation, so material further change is unlikely absent a mill-levy adjustment. Buyer should confirm the 2026 mill levy and any pending bond authorizations through the Adams County Assessor and Treasurer.

2. HOA Dues — Confirmed

Source: Direct confirmation from Margo Schultz, Westside Properties (westsideproperties2@comcast.net), HOA management contact of record. Suite 700 averaged $505.00/month in 2025. HOA dues cover: master-policy building insurance, common-area maintenance and inspections, association management, landscaping and snow removal, Xcel Energy (common areas), waste management, water and sewer, bookkeeping, legal and accounting, and banking. As an owner, you are not responsible for these items separately — they are included in the monthly HOA payment. The 2026 figure has not been independently re-verified and is presented on the 2025 confirmed basis. Buyer should request the current 2026 budget, year-end 2025 financials, reserve study, and any minutes referencing fee adjustments from Westside Properties during standard due diligence.

3. Supplemental Insurance — 2025 Actual

The HOA master policy covers the building shell, common elements, and association-level liability. It does not extend to interior improvements and betterments, the owner's contents and equipment, the owner's general liability for activities within the unit, or loss of business income. A separate Commercial Condo Unit Owner ('difference-in-conditions') policy is the standard response to this gap. The 2025 actual supplemental insurance premium for Suite 700 was $2,152.00 ($179.33/month). This figure is presented as a 2025 actual. Future premiums are subject to annual renewal and market conditions and may increase or decrease. Buyer should obtain their own insurance quotes through a qualified commercial insurance broker. Buyer should also obtain the HOA master policy declarations page to confirm whether coverage is 'bare walls,' 'single entity,' or 'all-in' — this materially affects what a supplemental policy needs to cover.

4. Interior Maintenance Reserve — Estimated

Given the building's 2016 vintage and 'Good' assessor quality rating, an interior maintenance reserve of approximately $1,800/year (~$1.00/SF) is a conservative and reasonable underwriting placeholder. This contemplates annual HVAC service, periodic plumbing and electrical fixture work, lighting replacement, carpet cleaning and paint touch-up, and miscellaneous handyman items. Actual cash outlay in early years of ownership typically runs lower; this reserve accounts for mid-life system service needs.

5. Internet / Telecom — Estimated

Two providers serve commercial accounts at this address: Comcast Business (Xfinity) and Quantum Fiber (CenturyLink/Lumen). Current published rates for a 2–8 user office: Comcast Business 250–300 Mbps, approximately $110–$150/month all-in. Quantum Fiber 500 Mbps–1 Gbps fiber, approximately $80–$110/month all-in. Combined midpoint estimate: $115/month ($1,380/year). Actual cost depends on provider, speed tier, and contract term.

6. Janitorial / Cleaning — Estimated

Suite-level cleaning is not provided by the HOA and is the unit owner/occupant's responsibility. For ±1,791 SF cleaned 2–3 times per week, current commercial janitorial pricing in Westminster runs approximately $250–$400/month. Estimate carried: $300/month ($3,600/year). Frequency and scope will move this figure.

7. Pest Control — Estimated

HOA coverage typically extends to common-area pest control only. A standard quarterly commercial interior service runs approximately $90–$130 per visit, or roughly $30/month amortized. Many professional office occupants elect not to carry this; included here as a conservative line.

8. Security / Alarm Monitoring — Estimated

A monitored commercial alarm is standard for professional service tenants with file confidentiality requirements. Monitoring contracts in the Denver-metro market typically run $45/month for a basic plan. The line above contemplates monitoring only; equipment costs are amortized separately.

ITEMS EXCLUDED FROM THIS SUMMARY

The following are intentionally excluded — they are either not operating costs of the real estate or are too buyer-specific to estimate responsibly:

Mortgage debt service (P&I) — varies by your loan structure; see the Buyer/Broker Advisory Package.
Capital improvements or build-out beyond the unit's existing condition.
Income taxes, transfer taxes, or other transaction-related costs.
Property management fees — only relevant if you lease the unit to a third party; typically 4–8% of gross rent in this submarket.
Office furniture, IT equipment, phones, copiers, and consumables — operating costs of your business, not the building.

RECOMMENDED BUYER VERIFICATION

Before relying on these projections, request and review the following directly from the seller and the HOA:

Current 2026 HOA budget and most recent year-end financial statements.
Most recent reserve study and current funded reserve balance.
HOA master insurance policy declarations page — confirm coverage form: bare walls, single entity, or all-in.
Last 24 months of HOA meeting minutes — identify any pending budget changes or fee adjustments.
Adams County 2026 tax bill or current mill levy certification once available.
Any service contracts the seller intends to assign at closing (HVAC, alarm, janitorial).

DISCLOSURE

Confirmed Figures: Property Taxes (2025 actual, Adams County — $19,889.22/yr) and HOA Dues (2025 actual, confirmed by HOA manager Margo Schultz, Westside Properties — $505.00/mo) and Supplemental Insurance (2025 actual — $2,152.00/yr) are presented as historical actuals. All other figures are good-faith estimates compiled from publicly available pricing data and prevailing Denver-metro commercial service rates as of May 2026.

Estimated Figures: Estimates have not been independently verified against vendor-specific quotes for this address. Actual costs will vary based on Buyer's specific use, vendor selection, market conditions, and contract terms. The Seller, the Listing Brokers, and LIV Sotheby's International Realty make no representation or warranty as to the accuracy of any estimated figure.

Forward-Looking Caution: Confirmed historical figures (taxes, HOA, insurance) reflect past actuals and are not guarantees of future costs. Property taxes are subject to reassessment; HOA dues are subject to annual board approval; insurance premiums are subject to annual renewal and market conditions.

RELEASE OF LIABILITY

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