

EXHIBIT E

EXHIBIT E



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

AN APPRAISAL
OF

**A 75± ACRE PORTION OF
THE WILDCREEK GOLF COURSE &
WATER RIGHTS ASSOCIATED WITH
WILDCREEK GOLF COURSE**

GENERALLY LOCATED ON A PORTION OF
ASSESSOR'S PARCEL NUMBER 027-011-05,
SPARKS, WASHOE COUNTY, NEVADA

OWNED BY

WASHOE COUNTY

PREPARED FOR

THE WASHOE COUNTY SCHOOL DISTRICT

FOR THE PURPOSE OF
ESTIMATING THE FOLLOWING VALUES

Value Scenario	Date of Value
Market Value Range of 75± Acre Portion of A.P.N. 027-011-05	November 1, 2017
Market Value Range of Municipal Water Rights Associated with Subject Property	November 1, 2017



November 14, 2017

Mr. Mike Boster
School Planner
Washoe County School District
14101 Old Virginia Road
Reno, Nevada 89521
mboster@washoeschools.net

RE: Wildcreek Golf Course Property Appraisal

This is in response to your request for an appraisal of a 75.00± acre portion of the Wildcreek Golf Course located in Sparks, Washoe County, Nevada. The 75.00± acre parcel is located on a portion Washoe County Assessor's Parcel Number 027-011-05. The subject property is summarized in the chart below:

SUBJECT PROPERTY SUMMARY						
Washoe County Assessor's Parcel #	City	County	State	Gross Land Area (Entire Parcel)	Land Area Appraised	Owner of Record
027-011-05 (Portion)	Sparks	Washoe	Nevada	212.223± Acres	75.00± Acres*	Washoe County
* Based Upon Acreage Provided by the Washoe County School District						

The purpose of this appraisal report is to provide an opinion of the Market Value Range of the subject property as of a current date of value. In addition, this appraisal report addresses the Market Value Range on a per acre foot basis of water rights associated with the Wildcreek Golf Course property. The client and intended user of the appraisal report is the Washoe County School District. The intended use of the appraisal is for use by the Washoe County School District to acquire the subject property for the development of a new high school.



Please be advised that in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that I have not performed services as an appraiser or in any other capacity regarding the property that is the subject of this appraisal within the three-year period immediately preceding the date of this letter.

This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. This report sets forth pertinent data, statistics, and other information considered necessary to establish the market value range of the subject property as of the effective date of valuation.

This appraisal has been prepared subject to the following Extraordinary Assumptions and Hypothetical Conditions:

- The subject is currently zoned Public Facility. The client has requested that the appraisal report addresses the Market Value of the subject property, based upon the Extraordinary Assumption that the Public Facility zoning will remain in place on the subject property.
- The exact location of the 75± acres of land on the subject parcel has not yet been finalized. Therefore, this appraisal report addresses the Market Value Range of a 75± acre parcel of land; the Market Value Range conclusion is based upon the Extraordinary Assumption that the 75± acres will be located on a portion of Washoe County Assessor's Parcel Number 027-011-05, and will have adequate dimensions for development of the 75± acres to its highest and best use.
- The subject property is a portion of a parcel which contains significant water rights. Based upon the instructions of the client, this appraisal report addresses the Market Value Range of water rights associated with the Wildcreek Golf Course on a per acre foot basis. The Market Value Range conclusion for the water rights is based upon the Extraordinary Assumption that the water rights are able to be utilized for municipal water service.
- The subject property is a 75.00± acre portion of a larger parcel. As the subject 75.00± acre parcel is not a legally existing parcel, this report is subject to the Hypothetical Condition that the 75.00± acre parcel is a legally existing parcel as of the effective date of value.



After careful consideration of all data available, and upon thorough personal investigation of the subject property and comparable properties analyzed, it is my opinion that the market value of the subject property is set out as follows:

FINAL MARKET VALUE CONCLUSIONS				
Property Description	Value Addressed	Property Rights Appraised	Effective Date Of Value	Market Value Range Conclusion
75.00± Acre Portion of Wildcreek Golf Course	Market Value	Fee Simple Interest	November 1, 2017	\$1,500,000 to \$1,875,000*
Water Rights Associated With Wildcreek	Market Value	Fee Simple Interest	November 1, 2017	\$6,500 to \$7,500 Per Acre Foot**
* Based Upon Extraordinary Assumption That Property Remains Zoned Public Facility (PF) & No Water Rights				
** Based Upon Extraordinary Assumption That Water Rights can be Utilized for Municipal Water Service				

Respectfully Submitted,

Scott Q. Griffin, MAI
Nevada Certified General Appraiser
License Number A.0003504-CG



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SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

SUBJECT PROPERTY SUMMARY						
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027-011-05 (Portion)	Sparks	Washoe	Nevada	212.223± Acres	75.00± Acres*	Washoe County
* Based Upon Acreage Provided by the Washoe County School District						

SUBJECT PROPERTY CHARACTERISTICS SUMMARY	
Assessor's Parcel Number	027-011-05 (Portion)
Site Address	3500 Sullivan Lane, Sparks, Washoe County, NV
Gross Land Area-Entire Parcel	212.223± Acres (9,244,434± Square Feet)
Parcel Size Appraised	75.00± Acres (3,267,000± Square Feet)
Property Type	Currently Operated as a Golf Course (27 Total Holes)
Improvements	12,596± SF Clubhouse & Various Storage Buildings
Sparks Zoning Designation	PF (Public Facility)
Sparks Land Use Designation	CF (Community Facilities)
Flood Zone	Unshaded Zone "X"
Highest & Best Use Conclusion*	Public Facility Use*
* Based Upon Extraordinary Assumption That Property Remains Zoned Public Facility (PF)	

DATES OF APPRAISAL	
Date Description	Date
Date of Inspection	October 4, 2017 & November 1, 2017*
Effective Date of Value	November 1, 2017
Completion Date of Appraisal	November 14, 2017
* The subject property was originally inspected on November 1, 2017. A subsequent peripheral inspection was completed on November 1, 2017	

FINAL MARKET VALUE CONCLUSIONS				
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* Based Upon Extraordinary Assumption That Property Remains Zoned Public Facility (PF) & No Water Rights				
** Based Upon Extraordinary Assumption That Water Rights can be Utilized for Municipal Water Service				



PURPOSE OF APPRAISAL

The purpose of this appraisal report is to provide an opinion of the Market Value Range of the subject property as of a current date of value.

VALUATION SCENARIOS

Property ID	Valuation Premise	Interests Appraised
Portion Washoe County A.P.N. 027-011-05	Market Value Range of 75± Acre Portion of A.P.N. 027-011-05	Fee Simple Interest
Water Rights Associated With A.P.N. 027-011-05	Market Value Range of Municipal Water Rights Associated with Subject Property	Fee Simple Interest

DEFINITIONS OF PROPERTY RIGHTS APPRAISED

Fee Simple Estate Defined

Fee Simple Estate is defined as “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”¹

CLIENT, INTENDED USER & INTENDED USE OF THE APPRAISAL

Client	Washoe County School District
Intended User of Report	Washoe County School District
Intended Use of Report	The intended use of the appraisal is for use by the Washoe County School District to acquire the subject property for the development of high school.

DATES OF APPRAISAL

Date Description	Date
Date of Inspection	October 4, 2017 & November 1, 2017*
Effective Date of Value	November 1, 2017
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¹ Source: The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, page 90.



MARKET VALUE DEFINED

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 are 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 any one associated with the sale.²

SCOPE OF APPRAISAL

- Physical inspection of the subject property, and analysis of subject property data provided by the Washoe County Assessor's Office, the Washoe County Recorder's Office, the City of Sparks, and other governmental agencies;
- Review of data provided by the client pertinent to the appraisal report;
- Identification and analysis of the subject market;
- Analysis and description of the subject property based upon my inspection of the property and data provided by the client, Washoe County and the City of Sparks;
- Identification of the appraisal problem and description of the methodology of the appraisal report;
- Analysis of the subject site as a portion of an identified property, as provided by the client;
- Description and analysis of the area appraised, including an analysis of the subject property's physical and legal attributes;
- Completion of a Highest and Best Use Analysis;
- Research of the Official Records of Washoe County, and other reliable sources for comparable land sales data, including current listing data;
- Verification of the comparable land sales and listing data;
- Interviews with the real estate brokers, realtors, buyers and sellers with knowledge of the land market in Northern Nevada;
- Completion of a Sales Comparison Approach to Value for the identified property;
- Estimation of the Market Value Range of the subject property as of the effective date of value;
- Analysis and determination of the Market Value Range of water rights included in the appraisal;
- Analysis and determination of an appropriate exposure and marketing time for the subject property;
- Preparation of an appraisal report.

² Rules and Regulations, Federal Register, Vol. 55, No. 165, Page 34696, 12CFR Part 34.42(f)



STATEMENTS OF LIMITING CONDITIONS

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as “An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.”³ This appraisal has been prepared subject to the following extraordinary assumptions:

- The subject is currently zoned Public Facility. The client has requested that the appraisal report addresses the Market Value of the subject property, based upon the Extraordinary Assumption that the Public Facility zoning will remain in place on the subject property.
- The exact location of the 75± acres of land on the subject parcel has not yet been finalized. Therefore, this appraisal report addresses the Market Value Range of a 75± acre parcel of land; the Market Value Range conclusion is based upon the Extraordinary Assumption that the 75± acres will be located on a portion of Washoe County Assessor’s Parcel Number 027-011-05, and will have adequate dimensions for development of the 75± acres to its highest and best use.
- The subject property is a portion of a parcel which contains significant water rights. Based upon the instructions of the client, this appraisal report addresses the Market Value Range of water rights associated with the Wildcreek Golf Course on a per acre foot basis. The Market Value Range conclusion for the water rights is based upon the Extraordinary Assumption that the water rights are able to be utilized for municipal water service.

HYPOTHETICAL CONDITIONS

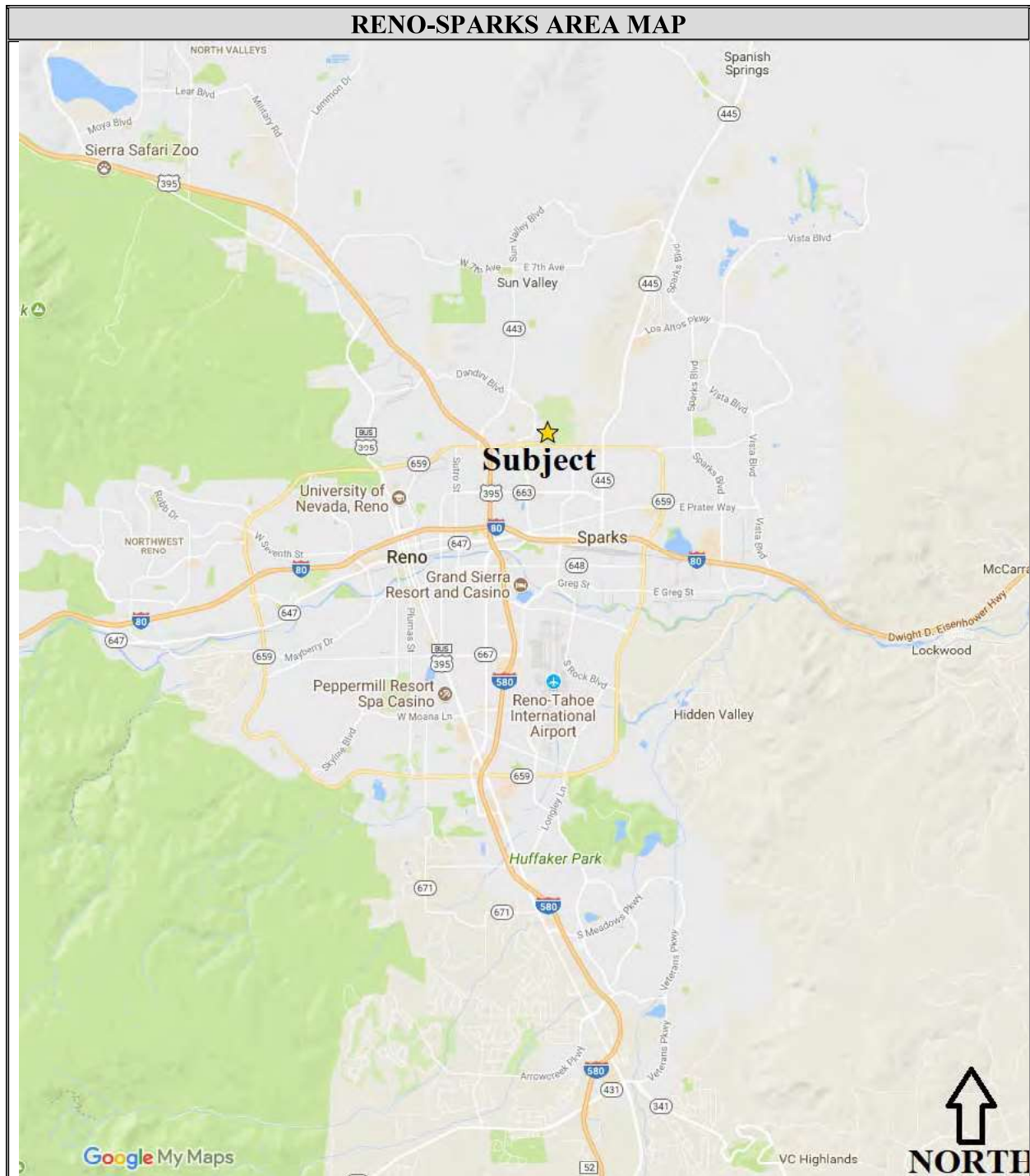
A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.”⁴ This appraisal has been prepared subject to the following hypothetical conditions:

- The subject property is a 75.00± acre portion of a larger parcel. As the subject parcel is not a legally existing parcel, this report is subject to the Hypothetical Condition that the identified 75.00± acre parcel is a legally existing parcel as of the effective date of value.

³ Source: USPAP 2016-2017 Edition, Definitions; The Appraisal Foundation, Page 3.

⁴ Source: USPAP 2016-2017 Edition, Definitions; The Appraisal Foundation, Page 3.







RENO-SPARKS AREA ANALYSIS AND DESCRIPTION

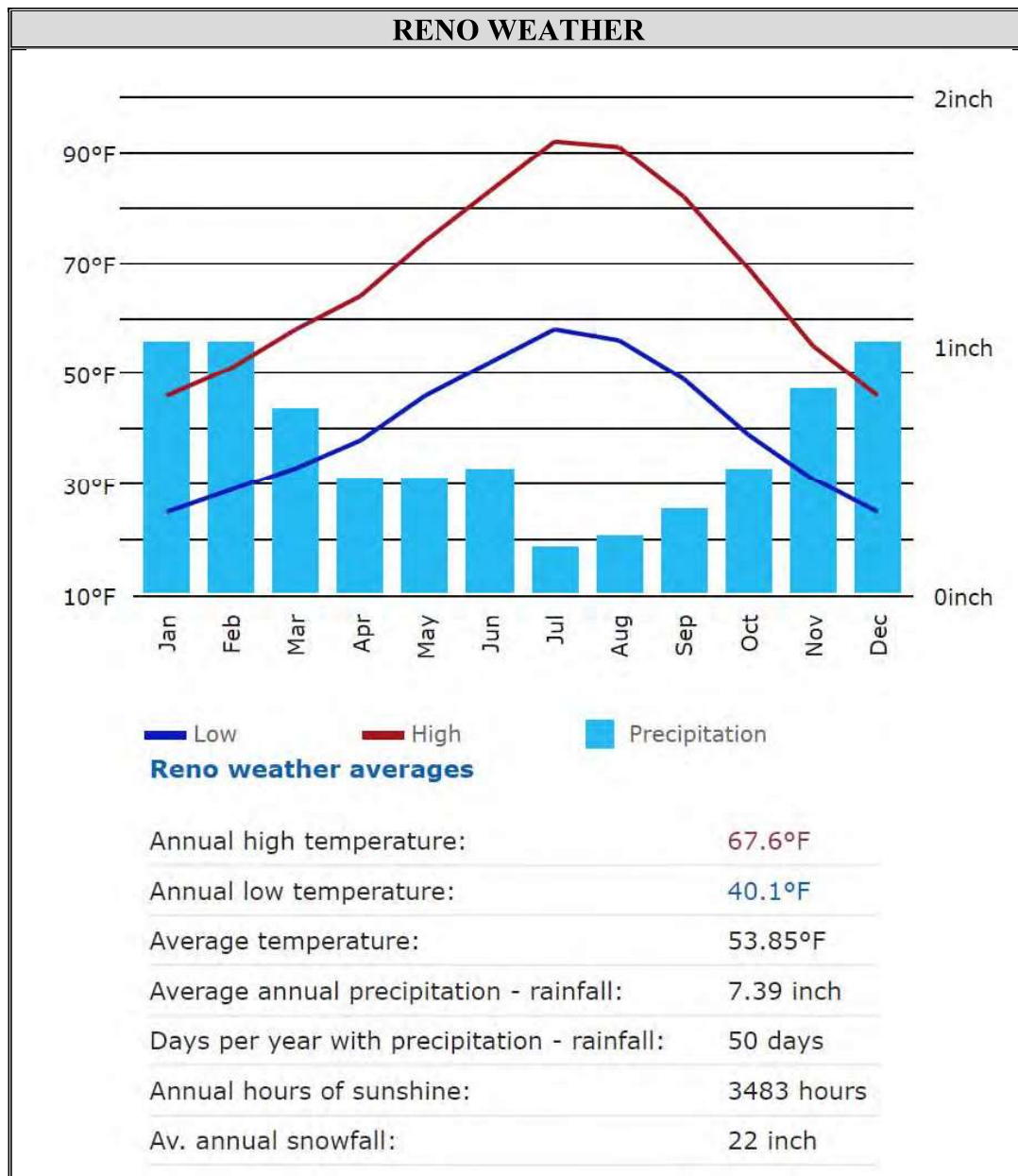
The Reno-Sparks metropolitan area is situated on the eastern slopes of the Sierra Nevada Mountain Range in a large valley known as the Truckee Meadows. Two major freeways serve the region. Interstate 80 runs in an east-west direction through Reno, while U.S. 395/I-580 runs in a north-south direction through Reno. The following summarizes Reno's vicinity to other major metropolitan areas in the region.

MILES BETWEEN RENO & MAJOR METROPOLITAN AREAS		
Market	Direction From Reno	Miles From Reno
San Francisco	West/Southwest	190± Miles
Los Angeles	Southwest	450± Miles
Portland	Northwest	440± Miles
Salt Lake City	East	520± Miles
Las Vegas	Southeast	450± Miles
Phoenix	Southeast	745± Miles

McCarran Boulevard is a ring road that encircles the Reno-Sparks area and facilitates access between the various quadrants of the region. Overall, the Reno-Sparks area has very good roadway and highway access.

The Reno-Sparks metropolitan area's location is a positive amenity due to its proximity to major California markets, as well as the recreational and scenic amenities afforded by its proximity to the Sierra-Nevada Mountains and Lake Tahoe. Lake Tahoe is a 45-minute drive from downtown Reno and is the second largest alpine lake in the world, with 72 miles of Lake Frontage. Lake Tahoe also offers the greatest concentration of downhill skiing facilities in North America.

The Truckee Meadows is located at an elevation of approximately 4,400 feet above sea level and offers a semi-arid climate. The following chart summarizes weather data for the Reno area.



The primary source of water for the region is the Truckee River, which originates at Lake Tahoe, approximately 30 miles southwest of Reno, and terminates at Pyramid Lake approximately 30 miles north of Sparks. The river flows through the heart of downtown Reno and along the southern edge of Sparks. The Truckee River is a major recreational and scenic amenity for the region.



Population, Growth and Employment

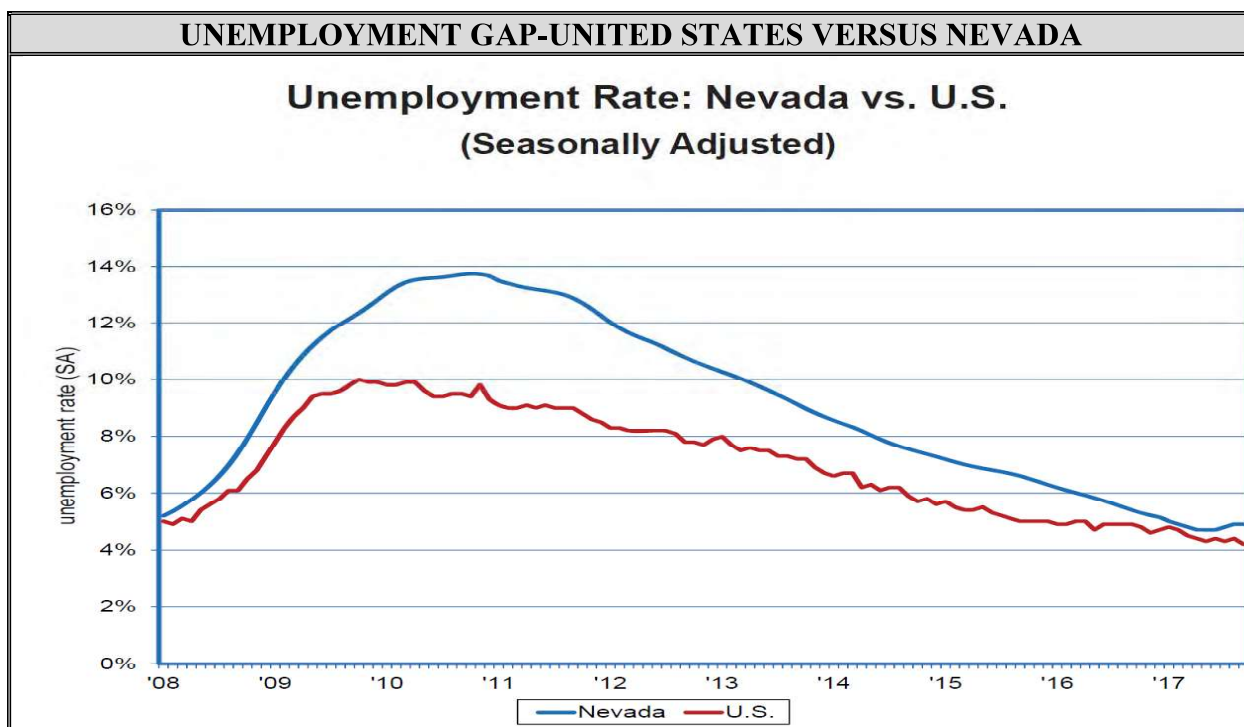
Since 1970, the Truckee Meadows have been one of the fastest growing areas in the nation, with the population increasing by over 100% by 1990. According to the Nevada State Demographer's Office at the University of Nevada, the population of Washoe County was estimated to be 436,797 in 2014. The following summarizes historical population estimates for the region.

HISTORICAL POPULATION ESTIMATES											
Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Reno	214,371	220,613	223,012	218,143	217,282	222,801	229,859	232,243	235,371	238,615	242,158
Sparks	87,846	89,449	91,684	91,237	92,331	92,302	90,214	91,551	92,396	93,581	95,726
Unincorporated	106,868	107,999	109,137	107,252	107,766	106,490	107,131	108,530	109,030	109,750	110,432
Washoe County	409,085	418,061	423,833	416,632	417,379	421,593	427,204	432,324	436,797	441,946	448,316
Source: Nevada State Demographer											

The downturn in the economy has particularly impacted the labor force in Nevada, although over the past two years unemployment has decreased significantly. Unemployment rates for Nevada and individual counties in the state are summarized on the following chart.

NEVADA UNEMPLOYMENT DATA-SEPTEMBER 2017				
Area	Labor Force	Employed	Unemployed	Rate
Nevada	1,457,790	1,385,527	72,263	4.96%
Carson City	24,789	23,609	1,180	4.76%
Churchill County	10,355	9,915	440	4.25%
Clark County	1,073,563	1,017,592	55,971	5.21%
Douglas County	22,382	21,374	1,008	4.50%
Elko County	27,035	26,124	911	3.37%
Esmeralda County	505	486	19	3.76%
Eureka County	1,078	1,047	31	2.88%
Humboldt County	8,099	7,769	330	4.07%
Lander County	3,157	3,036	121	3.83%
Lincoln County	2,032	1,945	87	4.28%
Lyon County	21,347	20,121	1,226	5.74%
Mineral County	2,036	1,939	97	4.76%
Nye County	16,291	15,228	1,063	6.53%
Pershing County	2,560	2,442	118	4.61%
Storey County	1,939	1,852	87	4.49%
Washoe County	235,951	226,555	9,396	3.98%
White Pine County	4,672	4,494	178	3.81%

The unemployment rate for Washoe County and Nevada has historically averaged between 1% and 2% below the national average. However, with the economic downturn which began in 2008, Nevada was one of the hardest hit in the nation and currently has among the highest unemployment rate in the country. Improvement has occurred in the employment market, with the State of Nevada now under 5% unemployment. The following chart summarizes the unemployment rate gap between the State of Nevada and the United States.



Nevada offers one of the most liberal tax structures in the country. Nevada levies no personal or corporate income tax. Nevada's Freeport law exempts from taxation merchandise warehoused, assembled or processed in the State of Nevada. Real estate taxes in the State of Nevada are limited by State constitution to a maximum of \$5 per \$100 of assessed valuation. The assessed valuation is 35% of the Assessor's estimate of the taxable value of the property.

Although it is not located in Washoe County, construction of the new Tesla Gigafactory in nearby Storey County within the Tahoe Reno Industrial Center is expected to have a huge impact on the entire region. On September 5, 2014, Tesla announced that the Tahoe Reno Industrial Park (TRIC), located east of Sparks, had landed the coveted Gigafactory. Over \$1.25 billion in State of Nevada incentives were approved for development of the project. In return,



Tesla will be required to complete \$5 billion in capital investments on the facility through 2028. The cost for the building and site infrastructure will be \$1.1 billion. Machinery and equipment will account for the remaining \$3.9 billion, including materials processing and product assembly. Once the 5.5 million square foot facility reaches full operation, it will produce enough batteries for 500,000 Tesla electric cars each year. As part of the deal, the USA Parkway extension was fast-tracked; this \$43 million project extends USA Parkway from its current terminus in TRIC, to U.S. Highway 50 in Silver Springs, greatly reducing travel times between Interstate 80 and U.S. Highway 50. In January 2015, Las Vegas-based Switch announced plans to build a 3 million square foot data center project in the same industrial center. The project is expected to be built in phases with a total of \$1 billion in investment with it; the first phase was completed in 2017.

Gaming and Tourism Market

It is estimated that the Reno-Sparks area currently offers approximately 25,000 hotel and motel rooms. The vast majority of the hotel-casino facilities are located within the downtown Reno core area. As a result, this area is one of the primary employment centers in the Reno-Sparks area. Additional hotel-casino developments are located in southern Reno along South Virginia Street including the Atlantis Casino resort and the Peppermill Hotel/Casino. The Grand Sierra Resort is located on the Reno-Sparks border and John Ascuaga's Nugget is located east of Reno in central Sparks. It is noted that the Nugget was recently purchased by a new owner and is undergoing major renovations. The following chart summarizes the most recent data available for gaming revenue for the Reno-Sparks/Washoe County area, as well as other areas within the state.

GAMING WIN DATA						
Area	Current Period			Fiscal Year-to Date		
	9/1/17 to 9/30/17	9/1/16 to 9/30/16	% Change	7/1/17 to 9/30/17	7/1/16 to 9/30/16	% Change
Statewide	979,859,876	948,991,121	3.25%	2,967,348,377	2,825,693,853	5.01%
Clark County	831,713,123	808,860,810	2.83%	2,521,880,058	2,401,365,422	5.02%
LV Strip	567,889,878	542,540,638	4.67%	1,679,041,750	1,605,125,059	4.61%
Downtown	49,254,942	49,247,367	0.02%	142,887,232	133,864,950	6.74%
North Las Vegas	19,369,176	21,117,698	-8.28%	67,847,755	65,768,145	3.16%
Laughlin	36,867,134	35,896,218	2.70%	116,605,249	110,515,048	5.51%
Boulder Strip	52,992,665	56,476,894	-6.17%	193,676,566	185,783,643	4.25%
Mesquite	9,613,735	8,820,939	8.99%	27,512,835	25,348,835	8.54%
Balance of County	95,725,594	94,761,056	1.02%	294,308,671	274,959,742	7.04%
Washoe County	80,044,450	74,016,873	8.14%	235,152,629	220,292,555	6.75%
Reno	58,720,827	53,793,230	9.16%	173,504,597	161,474,117	7.45%
Sparks	11,976,083	11,915,849	0.51%	34,688,316	33,751,729	2.77%
North Lake Tahoe	2,919,751	2,505,501	16.53%	9,513,245	8,681,049	9.59%
Balance of County	6,427,789	5,802,293	10.78%	17,446,470	16,385,660	6.47%
South Lake Tahoe	21,084,873	21,728,657	-2.96%	70,514,303	73,610,274	-4.21%
Elko County	24,706,731	23,483,413	5.21%	72,677,217	68,061,452	6.78%
Wendover	17,116,356	15,440,489	10.85%	48,421,584	44,075,385	9.86%
Balance of County	7,590,375	8,042,924	-5.63%	24,255,633	23,986,068	1.12%
Carson Valley Area *	9,221,835	8,826,197	4.48%	28,141,761	26,265,919	7.14%
Other	13,088,863	12,075,171	8.39%	38,982,409	36,098,231	7.99%

* Carson Valley Area includes Carson City, Gardnerville, Minden and all other areas of Douglas County except South Lake Tahoe.

Source: Nevada Gaming Control Board



Within the past decade, legalized gaming has continued to spread across the country and gaming revenues for northern Nevada have been impacted. The opening of several Indian casinos in the State of California in recent years and the proposed openings of several other Indian Casinos in California have had a dramatic effect on the gaming economy in the Reno-Sparks area. Over the past decade, several casinos in the downtown Reno market, including the Sundowner Hotel Casino, the Comstock Hotel Casino, Fitzgerald, and the Golden Phoenix Hotel Casino, have closed.

The following summarizes data provided by the Reno-Sparks Convention and Visitors Authority, regarding visitor counts for the Reno-Sparks area.

ESTIMATED VISITOR COUNTS-RENO/SPARKS AREA										
Month	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
January	333,022	315,092	294,059	299,173	281,231	321,606	299,638	343,067	316,333	337,537
February	370,723	295,138	328,050	321,307	341,375	320,629	317,344	333,754	359,816	353,085
March	392,945	347,408	386,010	351,791	361,802	379,107	366,211	372,914	408,908	427,889
April	368,515	355,994	361,443	357,305	383,750	373,910	374,077	364,488	393,666	411,342
May	386,746	383,952	384,619	373,994	381,261	410,307	409,936	402,554	392,771	415,356
June	405,058	407,199	443,619	407,326	439,008	464,030	442,926	428,339	464,938	463,556
July	423,823	392,702	420,724	424,276	447,787	464,634	463,881	461,255	475,751	515,248
August	455,120	419,108	407,140	419,488	462,034	465,526	460,178	462,746	464,049	510,215
September	415,503	425,876	420,555	417,120	446,791	429,600	430,243	443,255	473,840	492,603
October	399,343	370,325	358,623	347,074	371,788	370,259	383,157	419,970	404,279	-
November	316,383	307,233	290,725	297,589	293,121	321,139	326,680	325,605	353,026	-
December	316,117	334,396	310,695	316,657	326,467	343,766	356,925	388,261	385,730	-
Totals	4,583,298	4,354,423	4,406,270	4,345,141	4,536,415	4,664,514	4,631,195	4,746,207	4,893,105	3,946,830
Source: Reno-Sparks Convention and Visitors Authority										

Residential Market

The residential market in the Reno-Sparks area grew tremendously in the 1990's and this growth continued until 2006, when the residential housing crisis began. The downturn in the residential market had a tremendous impact on residential development and sales within the Reno-Sparks market, resulting in very limited new construction for the past five years. Although the residential real estate market has struggled there are signs of recovery. The existing residential home sales and prices are on the rebound. Market activity has increased significantly in Northern Nevada in recent months and the residential market is on the rebound after a long period of decline. Sale offers are reported at or above list prices and sellers are receiving multiple offers.

The October 2017 Market Report presented by the Reno/Sparks Association of Realtors reports that, "The recently released tax reform framework promises to lower taxes for the middle class and create economic growth," said John Graham, 2017 President of the Reno/Sparks



Association of REALTORS. “However, restricting the Mortgage Interest Deduction to just the top 5 percent and repealing the deduction for state and local taxes would eliminate the time-honored tax incentives of owning a home for current and prospective homeowners. It could also lower the value of all homes by more than 10 percent and inhibit growth.”

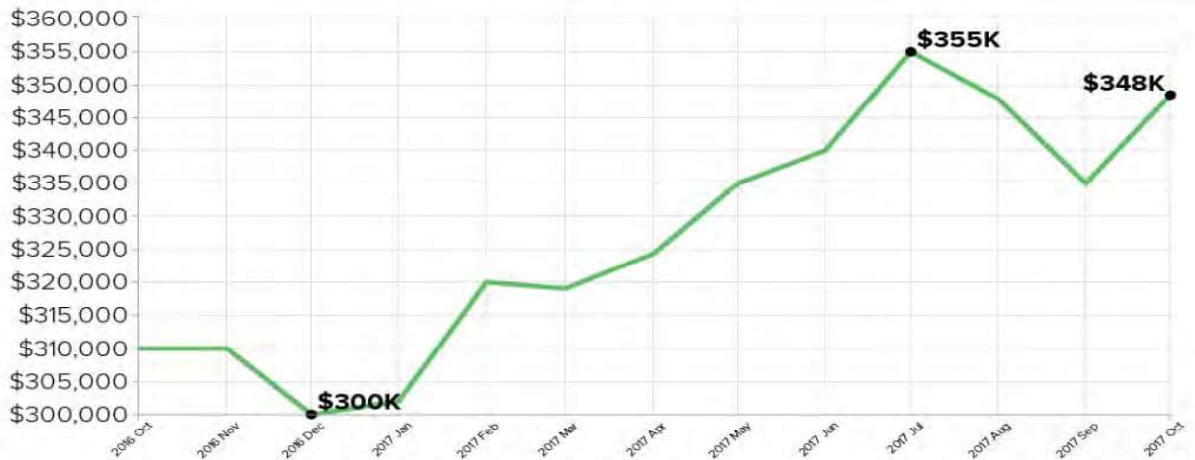
- The October median price at \$348,500 is up 4% from September and up 12% from a year ago.
- October unit sales at 538 are down 12% from September and up 4% compared to October 2016.
- October new listings are down 5% at 536 compared to September and down 8% from one year ago.
- The Reno market is a seller’s market, at 1.7 months supply of inventory. Months supply of inventory is the time it would take to exhaust the active inventory at the current rate of sales. The Reno/Sparks Association of REALTORS calculates the Months Supply of Inventory by dividing active inventory by unit sales. Pending sales are excluded from the calculation.
- Sales were down in October. Year-to-date sales are at a record high of 5,779. That's 266 sales or 5% increase over the same period in 2016.
- The October median sales for the Reno/Sparks area at \$348,500 is up 12% from a year ago. The median price has leveled the past three months, after a high for the year in July.
- New listing inventory has been on the decline since June of this year.
- The available active inventory is at new low at just 899 active available listings. In all prices ranges except over \$750,000, there a less than 3 months supply of inventory. Over \$750,000 there is 8 Months Supply of Inventory.
- The average days to contract are 49 in October down 8% compared to October 2016.
- Properties are remaining on the market an average of 88 days down 5% from October 2016.
- Sellers are receiving an average of 99% of list price level up less than 1% from October 2016.



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RENO-SPARKS OCTOBER 2017 MEDIAN PRICE SOLD

Median Sold Price



Sold Price (PM%)
\$348,450
4.0% ▲

Sold Price prior month
\$335,000

Sold Price (PY%)
\$348,450
12.4% ▲

Sold Price prior year
\$310,000

RENO-SPARKS OCTOBER 2017 UNITS SOLD

Number of Units Sold



Units Sold (PM%)
538
-12.2% ▼

Units Sold prior month
613

Units Sold (PY%)
538
4.1% ▲

Units Sold prior year
517



RENO-SPARKS OCTOBER 2017 NEW LISTINGS

Number of New Listings



New Listings (PM%)

536

-4.8% ▼

New Listings prior mo.

563

New Listings (PY%)

536

-7.9% ▼

New Listings prior year

582

RENO-SPARKS OCTOBER 2017 PRICE PER SQUARE FOOT

Average Price per Square Foot (PPSF)



Price / SF (PM%)

\$196.15

-1.8% ▼

Price / SF prior month

\$199.77

Price / SF (PY%)

\$196.15

9.6% ▲

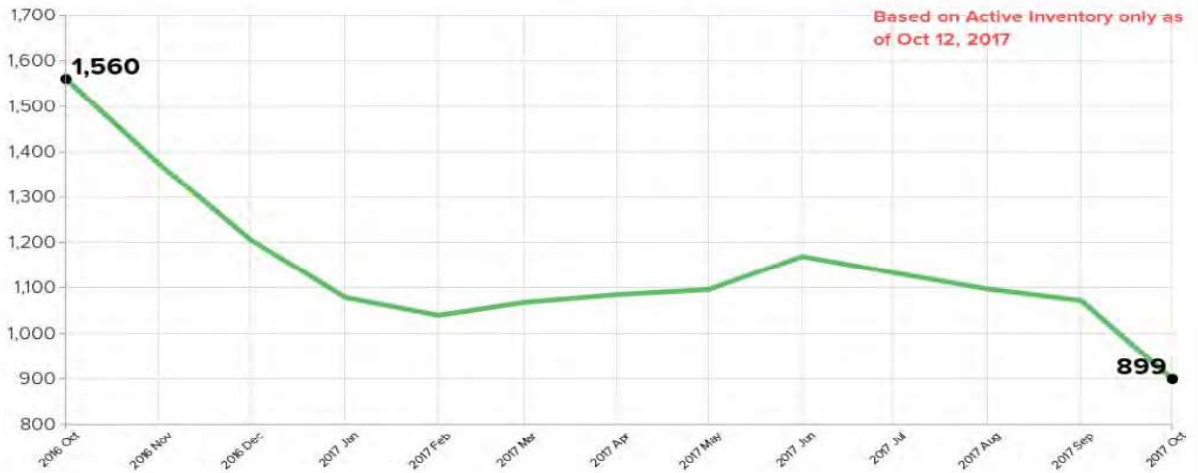
Price / SF prior year

\$178.92



RENO-SPARKS OCTOBER 2017 INVENTORY

Active Inventory (Number of Units)



Inventory (PM%)

899

-16.1% ▼

Inventory prior month

1,071

Inventory (PY%)

899

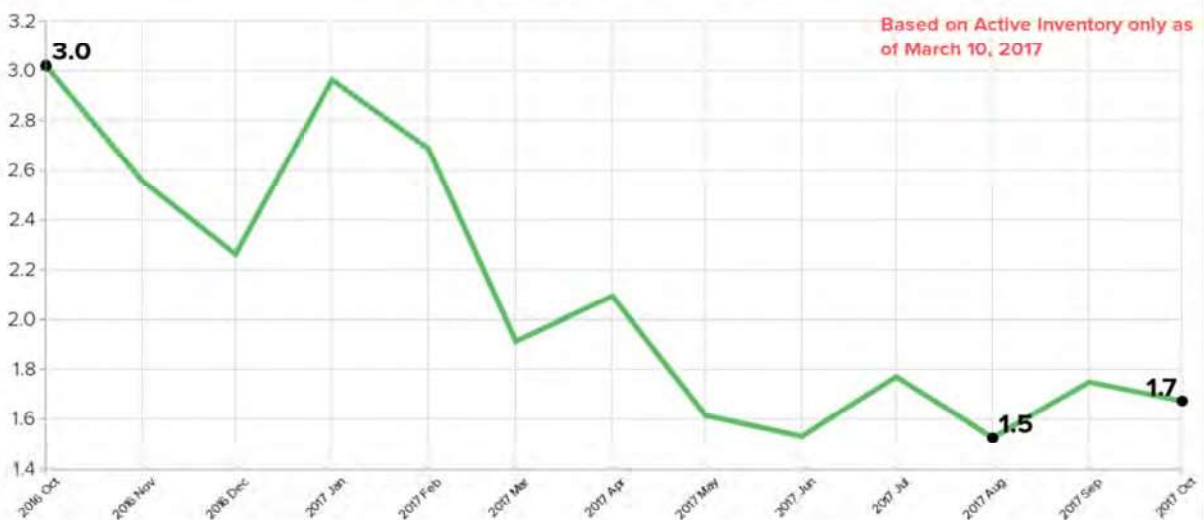
-42.4% ▼

Inventory prior year

1,560

RENO-SPARKS OCTOBER 2017 MONTHS SUPPLY OF INVENTORY

Months Supply of Inventory (MSI)



MSI (PM%)

1.7

-4.4% ▼

MSI prior month

1.7

MSI (PY%)

1.7

-44.6% ▼

MSI prior year

3.0



Improvement in the residential market is stimulating new construction. Most of the bulk finished lots within the market have been purchased by developers; most of these lots were bank owned during the recession. With job growth projected at over 50,000 new jobs in the coming years, demand for new housing in the area is expected to be extremely strong.

Multifamily Market

The following summarizes data from the *Apartment Survey*, which is a quarterly survey conducted by Johnson Perkins Griffin, LLC.

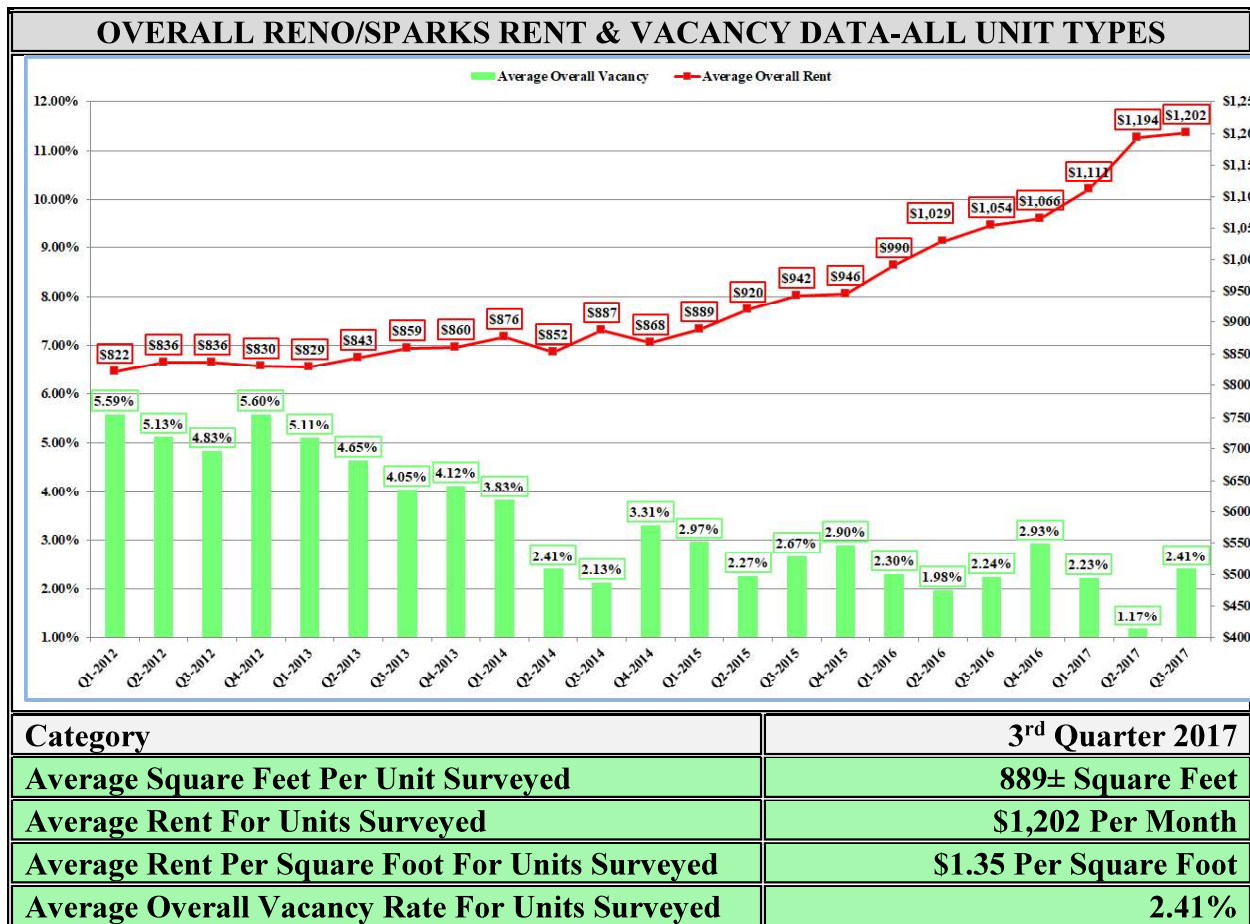
AVERAGE SIZE, RENT & VACANCY RATE BY UNIT TYPE							
CATEGORY	STUDIOS	1 BED/ 1 BATH	2 BED/ 1 BATH	2 BED/ 2 BATH	3 BED/ 2 BATH	TOWNHOME	TOTALS
Average SF-By Unit Type	404 SF	720 SF	862 SF	1,042 SF	1,266 SF	1,263 SF	889 SF
Average Rent-By Unit Type	\$737	\$1,071	\$1,103	\$1,346	\$1,616	\$1,396	\$1,202
Average Rent/SF-By Unit Type	\$1.82	\$1.49	\$1.28	\$1.29	\$1.28	\$1.11	\$1.35
Indicated Vacancy Rate-By Unit Type	1.32%	2.21%	2.20%	2.60%	3.80%	1.89%	2.41%

OVERALL AVERAGE RENT & VACANCY-PRIOR & CURRENT QUARTER			
Category	2nd Quarter 2017	3rd Quarter 2017	Change
Average Vacancy	1.17%	2.41%	+124 Basis Points
Average Rent	\$1,194	\$1,202	+\$8 or +0.67%

COMPARISON OF RENTAL RATES & VACANCY RATES TO PRIOR QUARTER						
UNIT TYPE	AVERAGE RENT			AVERAGE VACANCY		
	2nd Qtr. 2017	3rd Qtr. 2017	Result	2nd Qtr. 2017	3rd Qtr. 2017	Result
Studio	\$715	\$737	+\$22	1.17%	1.32%	+0.15%
1 Bedroom/1 Bath	\$1,060	\$1,071	+\$11	1.28%	2.21%	+0.93%
2 Bedroom/1 Bath	\$1,081	\$1,103	+\$22	0.95%	2.20%	+1.25%
2 Bedroom/2 Bath	\$1,353	\$1,346	-\$7	1.15%	2.60%	+1.45%
3 Bedroom/2 Bath	\$1,595	\$1,616	+\$21	1.05%	3.80%	+2.75%
Townhouse	\$1,338	\$1,396	+\$58	1.85%	1.89%	+0.04%
TOTALS	\$1,194	\$1,202	+\$8	1.17%	2.41%	+1.24%



RENTAL AND VACANCY RATES BY SUB-MARKET AREA							
Area	Sub-Market	AVERAGE RENT			AVERAGE VACANCY		
		2nd Qtr. 2017	3rd Qtr. 2017	Result	2nd Qtr. 2017	3rd Qtr. 2017	Result
1	Northwest Reno	\$1,301	\$1,298	-\$3	1.02%	1.76%	+0.74%
2	Northeast Reno	\$1,081	\$1,056	-\$25	0.84%	0.99%	+0.15%
3	W. Sparks/N. Valley	\$1,013	\$1,064	+\$51	1.62%	2.01%	+0.39%
4	East Sparks	\$1,475	\$1,406	-\$69	1.86%	4.96%	+3.10%
5	West Reno	\$1,007	\$1,081	+\$74	2.22%	1.33%	-0.89%
6	Southwest Reno	\$1,050	\$1,117	+\$67	1.04%	3.44%	+2.40%
7	Brinkby/Grove	\$815	\$855	+\$40	0.74%	0.41%	-0.33%
8	Airport	\$924	\$930	+\$6	0.54%	0.54%	0.00%
9	Lakeridge	\$1,285	\$1,369	+\$84	1.60%	3.59%	+1.99%
10	Southeast Reno	\$1,184	\$1,186	+\$2	0.49%	1.85%	+1.36%
11	Downtown Urban	\$1,322	\$1,371	+\$49	4.64%	2.90%	-1.74%
Overall Reno-Sparks		\$1,194	\$1,202	+\$8	1.17%	2.41%	+1.24%





Industrial Market

In an effort to diversify the economic base of the area, community leaders have focused upon the expansion of the industrial segment of the economy. The industrial industry has experienced substantial growth over the past decade as a result of the region's central location, good transportation, infrastructure and liberal tax laws. At the present time, over 500 major U.S. and foreign corporations have headquarters or located large facilities in the area, including Amazon.com, International Gaming Technology (IGT), Barnes and Noble, Patagonia, Sherwin Williams, Wal-Mart Distribution Center, J.C. Penney's Catalog Distribution Center, and R.R. Donnelley, one of the nation's largest publishers.

On September 5, 2014, Tesla announced that the Tahoe Reno Industrial Park (TRIC), located east of Sparks, had landed the coveted Gigafactory. Over \$1.25 billion in State of Nevada incentives were approved for development of the project. In return, Tesla will be required to complete \$5 billion in capital investments on the facility through 2028. The cost for the building and site infrastructure will be \$1.1 billion. Machinery and equipment will account for the remaining \$3.9 billion, including materials processing and product assembly. Once the 5.5 million square foot facility reaches full operation, it will produce enough batteries for 500,000 Tesla electric cars each year. As part of the deal, the USA Parkway extension will be fast-tracked; this \$43 million project will extend USA Parkway from its current terminus in TRIC, to U.S. Highway 50 in Silver Springs, greatly reducing travel times between Interstate 80 and U.S. Highway 50; this road project is nearing completion.

As most major cities in the western portion of the United States are located within relatively close proximity and driving time to Northern Nevada, the Reno-Sparks area is a major distribution warehousing center. This development is further being enhanced by the favorable tax environment in the state of Nevada. Leases for industrial users in the Reno-Sparks market are typically based upon triple net lease terms. The CBRE *Reno Industrial Market View 2nd Quarter 2017 Report* indicates the following:



COMMENTARY-CBRE RENO INDUSTRIAL MARKET VIEW 2ND QUARTER 2017

The Northern Nevada industrial market recorded 877,317 sq. ft. of positive net absorption in Q2 2017 and over 1.7 million sq. ft. of gross leasing activity. This was largely due to available space being leased prior to being brought to the market vacant. The market wide vacancy rate now rests at 3.6%, a decrease of 70 basis points (bps) from last quarter. Additionally, the overall average asking lease rate increased by \$0.04 to \$0.43 NNN, a 10.2% increase.

Large leases were a common theme over the past quarter with the market seeing a healthy amount of activity for spaces over 200,000 sq. ft. Notable leases for the last quarter include Ansell Healthcare, Inc. for 271,992 sq. ft., Patagonia for 221,000 sq. ft., and Panasonic for 220,000 sq. ft. Additionally, there is strong tenant demand from users seeking 150,000 sq. ft. or more.

Sales volume was limited; however, Angelo, Gordon & Co purchased over 1.2 million sq. ft. at 9295 Prototype Dr. from International Game Technology in South Reno. This was the largest single sale since Q4 2014 when LBA Realty Trust bought Sierra Commerce Park in Sparks (1.5 million sq. ft.).

A single building was completed during the quarter, Patagonia's 221,000 sq. ft. distribution facility in the Dermody Properties' LogistiCenter at I-80 West. One new project broke ground this quarter at Sage Point Business Park adding 240,500 sq. ft. with 79,200 sq. ft. preleased to NBF. Both the 430,000 sq. ft. at LogistiCenter at I-80 West and 352,957 sq. ft. at Panattoni's North Valley Commerce Center are expected to break ground next quarter. Despite the 2.6 million sq. ft. under construction (the lion's share of this being Tesla's expansion), there are no buildings designed to accommodate smaller users.

With rising net absorption levels and decreasing vacancy rates, the Northern Nevada industrial market is poised for additional expansion and market growth. Increasing asking rates at all size ranges indicate that demand continues to exceed supply. Net absorption is expected to greatly increase in the coming quarters as build-to-suit and speculative projects complete. As large occupiers enter the market and competition for large blocks of high-cube space increases, expect much of the vacant new product to lease quickly if not lease prior to vacancy.

The following charts summarize the overall and submarket industrial markets, and include data related to rental rates and vacancies. The data is from the *CBRE Reno Industrial Market View 2nd Quarter 2017*.

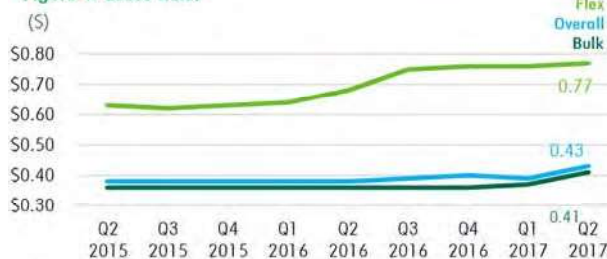


INDUSTRIAL RENTS & VACANCIES BY SUBMARKET

Submarket	Net Rentable Area	Total Vacancy %	Total Availability %	Q2 Net Absorption	YTD Net Absorption	Average Asking Rate \$
Central / Airport	9,687,729	3.8	5.5	106,249	(56,889)	0.59
Bulk	7,109,599	4.5	6.2	60,496	(110,103)	0.52
Flex	2,578,130	1.9	3.6	45,753	53,214	0.82
East Valley	17,387,320	4.5	7.7	(24,440)	(448,220)	0.33
Bulk	17,264,633	4.5	7.7	(24,440)	(448,220)	0.33
Flex	122,687	0.0	0.0	0	0	0.00
North Valley	18,229,864	4.8	7.0	433,591	297,236	0.35
Bulk	17,905,852	4.8	7.1	433,591	296,836	0.35
Flex	324,012	3.6	3.6	0	400	0.79
South Reno	9,607,686	1.9	3.7	147,079	341,061	0.64
Bulk	7,589,317	1.7	3.8	98,491	279,283	0.54
Flex	2,018,369	2.3	3.3	48,588	61,778	0.87
Sparks	29,037,171	2.9	10.7	23,554	94,573	0.47
Bulk	25,934,143	3.1	11.7	5,920	57,895	0.46
Flex	3,103,028	1.1	2.5	17,634	36,678	0.66
West Reno	1,772,015	3.7	4.0	191,284	59,280	0.64
Bulk	1,402,593	1.2	1.7	204,000	204,000	0.50
Flex	369,422	13.1	13.1	(12,716)	(144,720)	0.70
Market Total	85,721,785	3.6	7.8	877,317	287,041	0.43
Bulk	77,206,137	3.8	8.3	778,058	279,691	0.41
Flex	8,515,648	2.2	3.5	99,259	7,350	0.77

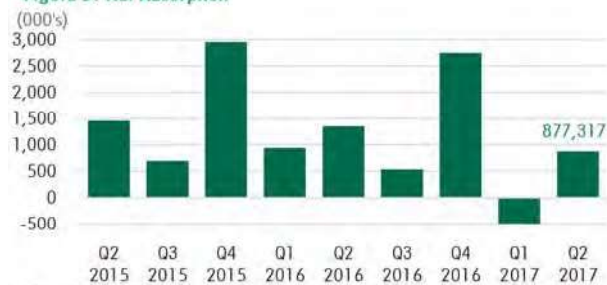
HISTORICAL INDUSTRIAL DATA

Figure 4: Lease Rates



Source: CBRE Research, Q2 2017.

Figure 5: Net Absorption



Source: CBRE Research, Q2 2017.

Figure 6: Vacancy & Availability



Source: CBRE Research, Q2 2017.

Figure 7: Construction Activity



Source: CBRE Research, Q2 2017.



Retail Market

The Reno-Sparks area now offers three regional shopping centers and more than 100 neighborhood or local shopping centers. The three major regional centers are Meadowood Mall, the Summit Sierra Mall, and the Legends at Sparks Marina.

According to the Nevada Department of Taxation 2010/2011 to 2015/2016 fiscal taxable sales show an increase from year-to-date numbers for each of the past six years. The following chart summarizes taxable sales totals for Washoe County from 1997/1998 (fiscal years).

WASHOE COUNTY TAXABLE SALES HISTORY		
Fiscal Year	Taxable Sales	Percentage Change
1997/1998	\$4,377,547,590	3.22%
1998/1999	\$4,679,515,860	6.90%
1999/2000	\$4,966,612,920	6.14%
2000/2001	\$5,194,146,044	4.58%
2001/2002	\$5,292,178,588	1.89%
2002/2003	\$5,481,582,915	3.47%
2003/2004	\$6,003,368,280	9.52%
2004/2005	\$6,660,263,045	10.6%
2005/2006	\$7,268,593,250	9.13%
2006/2007	\$7,202,640,557	-0.91%
2007/2008	\$6,823,700,706	-5.3%
2008/2009	\$5,707,791,051	-16.35%
2009/2010	\$5,176,981,699	-9.30%
2010/2011	\$5,282,936,232	2.05%
2011/2012	\$5,522,605,351	4.54%
2012/2013	\$5,824,726,136	5.47%
2013/2014	\$6,370,684,534	9.37%
2014/2015	\$6,817,588,648	7.02%
2015/2016	\$7,550,466,734	10.70%
2016/2017	\$7,989,009,111	5.81%
Source: Nevada Department of Taxation		

Leases for retail space in the Reno-Sparks market are typically based upon triple net lease terms or modified gross lease terms. Under triple net lease terms, tenants typically pay a base rental rate, and are also responsible for paying most operating expenses associated with the property, including utilities, taxes, insurance, management, typical repairs and maintenance, and other expense items. In multi-tenant projects, these additional fees are most often billed back to tenants; these are often referred to as Common Area Maintenance (CAM) fees. The CBRE *Reno Retail Market View 2nd Quarter 2017 Report* indicates the following:



COMMENTARY-CBRE RENO RETAIL MARKET VIEW 2ND QUARTER 2017

The Reno retail market ended Q2 2017 recording 72,789 sq. ft. of positive net absorption, its 10th consecutive quarter. Three big box spaces highlighted leasing activity; Marshalls/HomeGoods signed for 40,233 sq. ft. at Sparks Galleria, while Ross and Planet Fitness signed leases at Northtowne Marketplace for 22,653 sq. ft. and 19,000 sq. ft., respectively.

The overall vacancy rate fell by 50 basis points (bps) in Q2 2017 to 10.5%, a year-over-year decline of 150 bps. Spanish Springs led all submarkets recording a 640 bps decrease in the vacancy rate due to Marshalls and Sprouts leasing big box space in Sparks Galleria. Vacancy rates for this submarket have now fallen below 11.0% for the first time since 2009.

No construction projects completed during the quarter; however, South Meadows Promenade and its 80,160 sq. ft. remains under construction and is on track to complete next quarter. Further expansion at Legends at Sparks Marina began as Burlington Coat Factory broke ground this quarter on a 40,000 sq. ft. build-to-suit project. An additional 20,000 sq. ft. of speculative shop space is still planned for Q3 2017.

The average asking lease rate increased \$0.03 during the quarter to \$1.34 NNN. Lease rates have risen \$0.12 over the last two years. New construction, coupled with a high volume of leasing activity is expected to continue to push lease rates during the second half of the year.

Investment sales continued their positive momentum from last quarter with two additional retail center transactions. The largest was Sparks Crossing in Sparks whose 342,879 sq. ft. sold to RCG Sparks LLC for \$40 million. The other center was the 75,618 sq. ft. Southwest Pavilion in the South Reno submarket for \$8.5 million.

Market fundamentals indicate sustained growth throughout the Northern Nevada Region. For example, year to date big box leasing has already surpassed 2016 numbers in recording five leases of 15,000 sq. ft. or more compared to one at this point in 2016. The business incentives that have proven successful in recruiting established firms to the region continue to drive population and economic growth.

The following charts summarize the overall and submarket retail markets, and include data related to rental rates and vacancies. The data is from the *CBRE Reno Retail Market View 2nd Quarter 2017*.

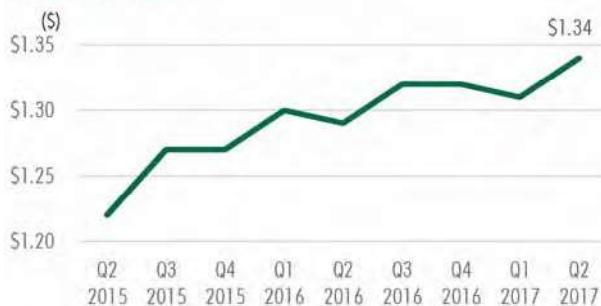


RETAIL RENTS & VACANCIES BY SUBMARKET

Submarket	Gross Leaseable Area	Total Vacancy %	Total Availability %	Q2 Net Absorption	YTD Net Absorption	Average Asking Rate \$
Central/Airport	1,864,587	22.7	28.0	(16,716)	(14,429)	1.21
Downtown	385,397	11.1	11.1	209	2,250	2.09
Meadowood	3,471,092	7.6	7.7	17,013	9,352	1.27
North Valleys	791,887	6.3	6.3	(9,729)	7,995	1.39
Northwest Reno	1,813,641	5.2	5.4	6,345	8,828	1.39
South Reno	2,443,237	13.2	13.2	(7,149)	16,396	1.38
Southwest Reno	757,064	9.5	11.2	(3,571)	(53)	1.34
Spanish Springs	1,612,633	11.6	11.8	37,232	32,207	1.43
Sparks	3,728,556	8.6	9.0	49,155	8,234	1.38
Market Total	16,868,094	10.5	11.3	72,789	70,780	1.34

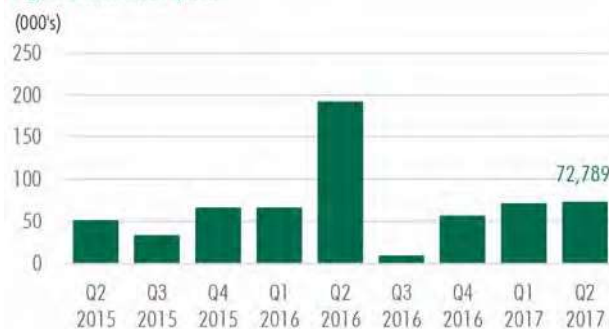
HISTORICAL RETAIL DATA

Figure 6: Lease Rates



Source: CBRE Research, Q2 2017.

Figure 7: Net Absorption



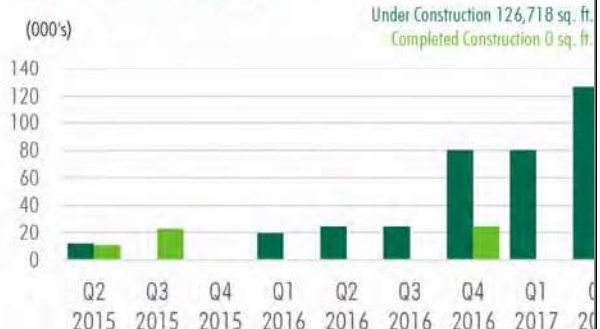
Source: CBRE Research, Q2 2017.

Figure 8: Vacancy & Availability



Source: CBRE Research, Q2 2017.

Figure 9: Construction Activity



Source: CBRE Research, Q2 2017.

Office Market

The Reno-Sparks office market consists of a variety of product types, from older second and third generation properties, to new, high-end Class A office space. Leases for professional office uses in the Reno-Sparks market are typically based upon full service gross lease terms or modified gross lease terms. Under full service gross lease terms, owners are responsible for all operating costs associated with the building. Typically, these leases incorporate base year expense stops, with tenants responsible for any increases in operating expenses over the base year. Under modified gross lease terms, the tenant is typically responsible for utilities and janitorial service. Due to increases in utility expenses, many property owners now market properties on modified gross lease terms, with some even marketing properties on triple net lease terms, in which the tenant is responsible for all operating expenses associated with the building. The CBRE *Reno Office Market View 3rd Quarter 2017 Report* indicates the following:

COMMENTARY-CBRE RENO OFFICE MARKET VIEW 3RD QUARTER 2017	
<p>The run of positive net absorption continued for the Reno office market with 81,584 sq. ft. recorded in Q3 2017. This marks the sixth consecutive quarter of positive net absorption and the highest quarterly net absorption total in 10 years. The vacancy rate remained unchanged from last quarter, sitting at 12.9%. This represents a 150 basis point (bps) decrease from Q3 2016. The average asking lease rate showed a slight decrease this quarter, closing at \$1.57 FSG. This still represents a \$0.03 increase from the same time last year. Class A office rates are showing promising growth across all submarkets.</p> <p>The Class A vacancy rates continued to drop with a 180 bps decrease to 9.8% this quarter. Large blocks of contiguous space remain scarce and at an increasing rate. This is further increasing landlords' negotiation power when discussing concessions. The largest lease of the quarter was US Bank signing an 18,531 sq. ft. lease at 1 E Liberty in downtown Reno, while Lighthouse Real Estate Solutions signed a 8,241 sq. ft. lease at 9790 Gateway in the South Meadows submarket. The top sale of the quarter was 6140 Plumas Street, a 27,676 sq. ft. Class B multi-tenant</p>	<p>office building in the Meadowood submarket which traded for \$2.9 million.</p> <p>Speculative office buildings in the Reno market continue to be under construction. McKenzie Properties' 40,826 sq. ft. Class B office building at 5520 Kietzke Ln is 50% pre-leased and the project is slated for completion in Q2 2018.</p> <p>Both investors and tenants are still keen on the Reno office market. With new inventory hitting the market, expect increasing rates moving forward. This holds especially true in the more desirable submarkets such as the Downtown Reno, Meadowood and the South Meadows submarket. Build-to-suit activity is expected to increase with supply of large contiguous spaces limited. With rising construction and increasing land costs, speculative new development has challenges; however, demand exists for well-located Class A office space. CAP Rates for stabilized assets remain relatively low, with well-located assets trading in the 6% to 7% CAP range. Investor activity is strong, a reflection of the strong growth prospects for the region.</p>

The following charts summarize the overall and submarket office markets, and include data related to rental rates and vacancies. The data is from the CBRE *Reno Office Market View 3rd Quarter 2017*.

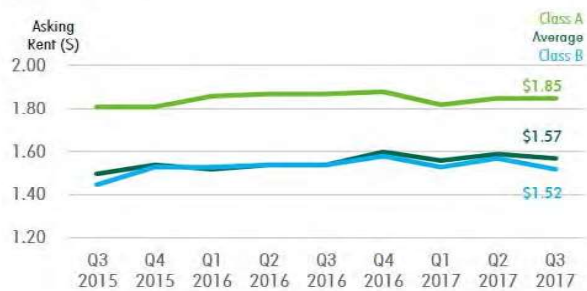


OFFICE RENTS & VACANCIES BY SUBMARKET

Submarket	Net Rentable Area	Total Vacancy %	Total Availability %	Q3 Net Absorption	YTD Net Absorption	Average Asking Rate \$
Airport	557,145	8.5	6.5	3,930	21,292	1.18
Class A	32,376	-	-	-	-	-
Class B	351,247	6.6	3.1	3,019	18,875	1.31
Central	715,639	18.8	33.1	8,591	35,850	1.29
Class A	-	-	-	-	-	-
Class B	334,444	15.6	15.9	1,117	24,645	1.47
Downtown	1,449,888	15.7	19.8	13,718	1,441	1.68
Class A	810,695	9.8	13.5	8,657	13,813	1.80
Class B	273,830	19.0	26.0	645	(20,329)	1.72
Meadowood	1,779,416	13.4	16.9	4,225	5,431	1.68
Class A	1,100,707	11.3	16.6	4,272	8,793	1.94
Class B	480,469	13.8	15.4	3,925	(252)	1.48
South Reno	1,399,415	8.3	14.0	53,005	66,399	1.69
Class A	1,112,924	8.3	13.0	40,907	55,262	1.73
Class B	286,491	8.0	17.7	12,098	11,137	1.56
Sparks	162,423	9.9	8.7	(1,885)	(7,136)	1.03
Class A	-	-	-	-	-	-
Class B	93,693	9.5	7.5	(1,885)	-	1.25
West Reno	37,495	13.9	13.9	-	-	2.05
Class A	14,493	35.9	35.9	-	-	2.05
Class B	23,002	-	-	-	-	-
Market Total	6,101,421	12.9	17.6	81,584	123,277	1.57
Class A	3,071,195	9.8	14.4	53,836	77,868	1.85
Class B	1,843,176	12.2	14.5	18,919	34,076	1.52

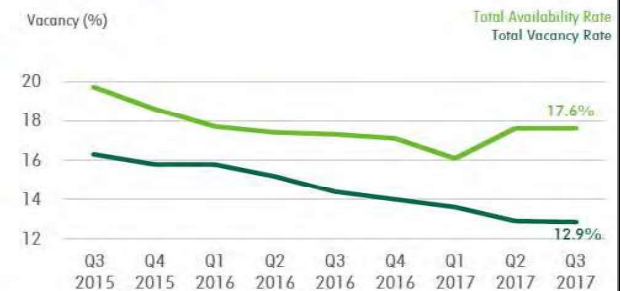
HISTORICAL OFFICE DATA

Figure 4: Lease Rates



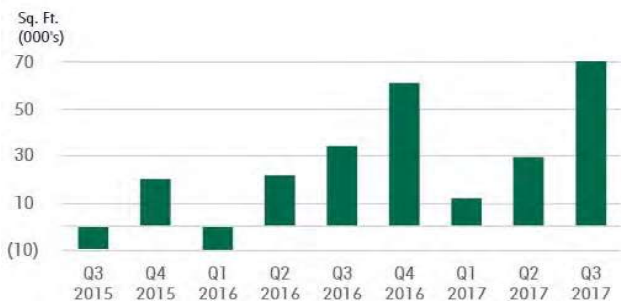
Source: CBRE Research, Q3 2017.

Figure 6: Vacancy & Availability



Source: CBRE Research, Q3 2017.

Figure 5: Net Absorption

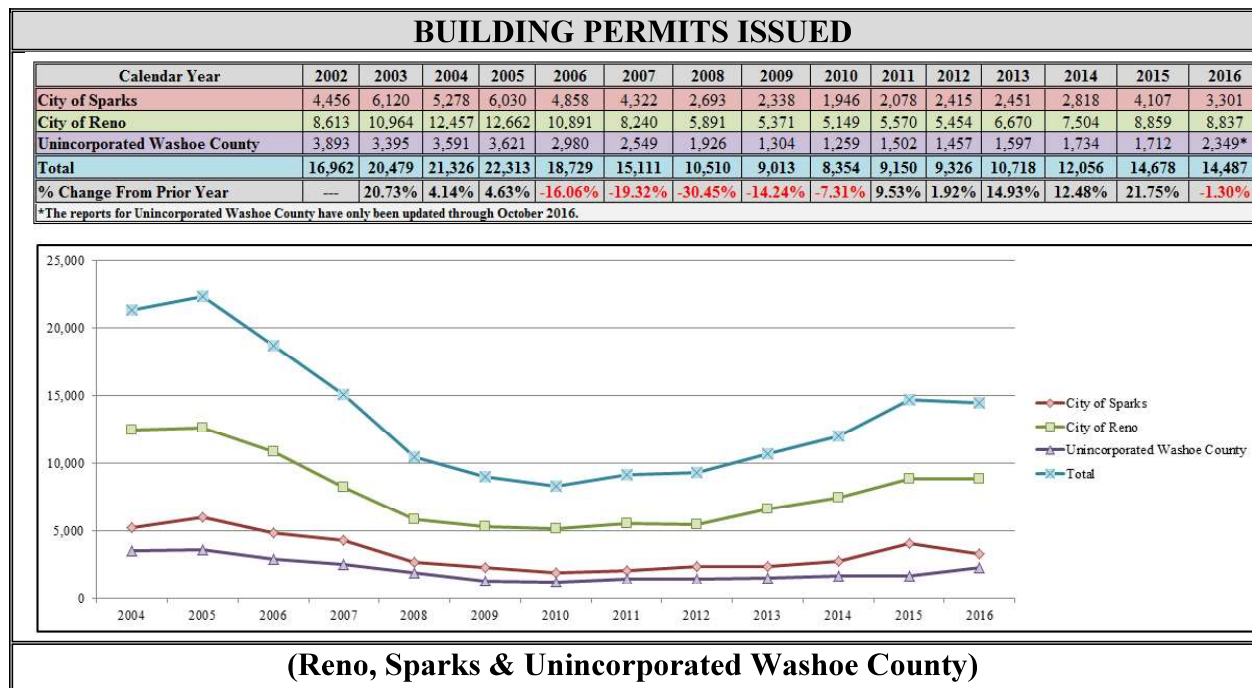


Source: CBRE Research, Q3 2017.



Construction Activity

Construction activity in the area was limited during the housing crisis, but has shown signs of recovery. Within the Reno-Sparks market, building permits issued began to drop in 2006, and dropped every year through 2010; beginning in 2011, building permit activity continued to increase through 2015. As the chart and graph below indicate, at the peak of the market in 2005, 22,313 total building permits were issued in Washoe County, including the City of Reno and the City of Sparks. In 2016, the latest full calendar year, 14,487 building permits, or 35% less than 2005, were issued.



Transportation

The Reno-Tahoe International Airport serves the Reno-Sparks area. The airport offers daily departures to over 30 North American destinations with non-stop or one-stop service. This level of service is normally found in cities with populations four to five times the size of the Reno-Sparks area. The following chart summarizes passenger statistics for the Reno-Tahoe International Airport.



RENO-TAHOE INTERNATIONAL AIRPORT STATISTICS

Total Passengers July-17						
	Passengers		% Diff.	Passengers		% Diff.
	2015	2016		2017		
JAN	246,571	259,868	5.4%	284,553	9.5%	
FEB	234,763	269,807	14.9%	286,322	6.1%	
MAR	277,477	311,974	12.4%	353,651	13.4%	
1st Quarter	758,811	841,649	10.9%	924,526	9.8%	
APR	256,823	273,707	6.6%	302,078	10.4%	
MAY	276,969	288,763	4.3%	317,935	10.1%	
JUN	319,309	338,954	6.2%	367,600	8.5%	
2nd Quarter	853,101	901,424	5.7%	987,613	9.6%	
JUL	350,823	356,768	1.7%	400,754	12.3%	
AUG	336,948	349,934	3.9%	393,478	12.4%	
SEP	297,299	325,698	9.6%			
3rd Quarter	985,070	1,032,400	4.8%			
OCT	295,749	304,447	2.9%			
NOV	253,494	270,367	6.7%			
DEC	286,105	300,543	5.0%			
4th Quarter	835,348	875,357	4.8%			
TOTAL	3,432,330	3,650,830	6.4%			
YTD Total		2,449,775		2,706,371	10.5%	

Total Cargo July-17						
	2015	2016	% Diff.	2017		% Diff.
	Cargo in Pounds			Pounds	Metric	
JAN	10,113,421	11,939,003	18.1%	12,749,916	5,782	6.8%
FEB	9,418,781	10,947,416	16.2%	12,023,060	5,453	9.8%
MAR	10,381,009	13,004,808	25.3%	13,595,007	6,166	4.5%
1st Quarter	29,913,211	35,891,227	20.0%	38,367,983	17,400	6.9%
APR	10,416,248	12,341,233	18.5%	11,974,440	5,431	-3.0%
MAY	10,634,389	12,088,321	13.7%	12,671,643	5,747	4.8%
JUN	10,595,645	13,432,224	26.8%	12,396,234	5,622	-7.7%
2nd Quarter	31,646,282	37,861,778	19.6%	37,042,317	16,799	-2.2%
JUL	11,775,072	12,691,135	7.8%	11,454,156	5,195	-9.7%
AUG	11,031,470	13,977,442	26.7%	13,472,975	6,110	-3.6%
SEP	12,360,393	13,347,173	8.0%			
3rd Quarter	35,166,935	40,015,750	13.8%			
OCT	12,160,586	12,305,525	1.2%			
NOV	11,657,012	13,089,468	12.3%			
DEC	17,907,699	17,247,162	-3.7%			
4th Quarter	41,725,297	42,642,155	2.2%			
TOTAL	138,451,725	156,410,910	13.0%			
YTD Total		100,421,582		100,337,431	45,505	-0.1%

Total Enplaned Passengers July-17				
Month	2015	2016	2017	% Diff.
JAN	124,505	130,546	143,070	9.6%
FEB	117,750	133,669	143,015	7.0%
MAR	141,314	156,542	179,473	14.6%
APR	128,088	136,453	150,827	10.5%
MAY	137,132	144,228	156,943	8.8%
JUN	159,989	168,313	182,045	8.2%
JUL	172,266	177,619	199,224	12.2%
AUG	166,935	171,150	192,726	12.6%
SEP	151,127	169,166		
OCT	150,567	153,936		
NOV	125,712	135,217		
DEC	142,253	146,741		
TOTAL	1,717,638	1,823,580		
YTD Total		1,218,520	1,347,323	10.6%

Total Deplaned Passengers				
Month	2015	2016	2017	% Diff.
JAN	122,066	129,322	141,483	9.4%
FEB	117,013	136,138	143,307	5.3%
MAR	136,163	155,432	174,178	12.1%
APR	128,735	137,254	151,251	10.2%
MAY	139,837	144,535	160,992	11.4%
JUN	159,320	170,641	185,555	8.7%
JUL	178,557	179,149	201,530	12.5%
AUG	170,013	178,784	200,752	12.3%
SEP	146,172	156,532		
OCT	145,182	150,511		
NOV	127,782	135,150		
DEC	143,852	153,802		
TOTAL	1,714,692	1,827,250		
YTD Total		1,231,255	1,359,048	10.4%

Enplaned Passengers & Load Factor				
Airline	Enplaned PAX	Jul-17	Jul-16	Diff.
Alaska/Horizon	21,483	88.6%	86.9%	1.7
Allegiant Air	1,961	92.2%	86.8%	5.3
American	39,599	86.6%	87.3%	-0.6
Delta	12,942	94.5%	91.2%	3.3
JetBlue	7,709	85.7%	87.6%	-1.9
Southwest	84,638	79.4%	75.0%	4.4
United	29,055	87.2%	88.3%	-1.1
Volaris	1,705	79.4%	70.6%	8.8

The Reno-Sparks area also has adequate rail service and bus service. The area has excellent access to trucking facilities, with over 60 firms serving the Reno area. Rail service through the area is provided by Union Pacific Railroad. The rail lines pass through downtown Reno with most of the rail traffic involving freight transportation. Additionally, Amtrak provides passenger rail service to the area.

Hospitals, Education and Public Services

The Reno-Sparks area has four private general hospitals and one Veterans' Administration hospital. While the area is considered to have good hospital facilities, the hospitals in Nevada are some of the more expensive in the country. The two largest hospitals, St. Mary's and Renown, have both opened satellite hospitals in south Reno, and have both undergone major expansions at their main facilities.

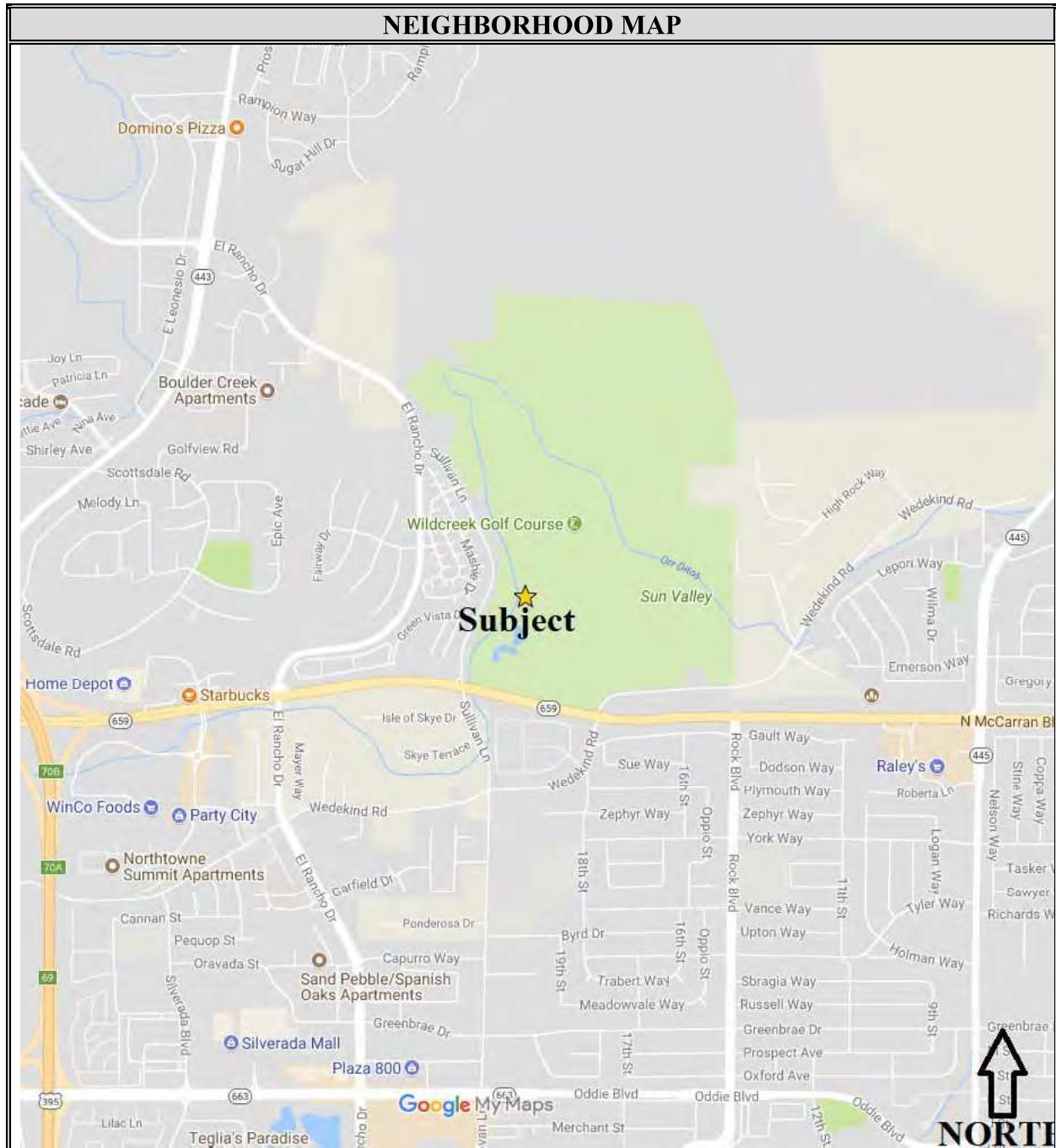
The Washoe County School District provides public schools. The University of Nevada-Reno is situated on a 200-acre campus just north of downtown Reno. There are approximately 21,300 students currently enrolled at the University. The area is also served by the Truckee Meadows Community College, which has an enrollment of approximately 11,600 students per year.

Each of the municipalities in the Reno-Sparks area offers police and fire protection. Both the police and fire protection is highly rated. Municipal recreational facilities in the Reno-Sparks area include a number of golf courses, several indoor/outdoor swimming pools, numerous public parks and several public libraries. RTC Ride provides public transportation to the region.

Summary

In summary, the Reno-Sparks area has experienced rapid population growth over the past several decades due to the excellent quality of life. Historically, the gaming industry has been the principal economic base for the area. With the legalization of gaming across the United States, the area's principal industry is experiencing a major challenge.

In response to this challenge, the National Bowling Stadium and Downtown Events Center have been built, the Reno-Sparks Convention Center has been expanded and renovated, special events have been expanded, the City of Reno is actively supporting downtown revitalization, and a AAA professional baseball stadium was completed in April of 2009. Tesla began construction on their new Gigafactory just east of Sparks in the Tahoe Reno Industrial Park in 2014. The area has experienced success in broadening the economic base with the expansion of the hi-tech and back office industries.





NEIGHBORHOOD DESCRIPTION

The subject neighborhood is situated in the northwest portion of Sparks. The subject neighborhood is bounded on the north by Sun Valley, the east by Pyramid Way, on the south by the Interstate 80 freeway and on the west by the Sparks City Limits. The major roadways servicing the subject neighborhood include North McCarran Boulevard, Sullivan Lane, Pyramid Way, Prater Way, Oddie Boulevard, Rock Boulevard, Victorian Avenue, El Rancho Drive, the U.S. 395 Freeway, and Interstate 80. The subject is situated in a neighborhood with a mixture of commercial and residential uses. The subject neighborhood is felt to have good accessibility to all portions of the Reno-Sparks area.

Major Roadways

The Interstate 80 Freeway, which forms the south boundary of the subject neighborhood, is a limited access, all weather Freeway connecting the San Francisco Bay area as well as the Sacramento area to the west with Salt Lake City to the east. The freeway, which lies north of the downtown Reno casino and business core area, passes through the center of the downtown Sparks core area. Access to the Interstate 80 Freeway in the subject neighborhood is from Rock Boulevard, Pyramid Way and McCarran Boulevard. The Interstate 80 Freeway provides good access from the subject neighborhood to the major employment centers of Reno and Sparks.

Prater Way extends in an east-west direction through the southern portion of the subject neighborhood. This roadway is a four-lane, two-way, asphalt paved roadway improved with concrete curbs, gutters, and sidewalks. Prater Way originates in east Sparks and terminates at the Victorian Avenue and Fourth Street intersection near the Reno-Sparks city line. Prater Way provides good access from Vista Boulevard in the eastern portion of the city of Sparks to the northeasterly portion of the city of Reno.

Originating at its interchange with Interstate 80, Pyramid Way, also identified as State Route 445, is a major north-south roadway through the eastern portion of the subject neighborhood. This roadway is a four-lane, two-way, asphalt paved roadway improved with concrete curbs, gutters, and sidewalks. The roadway provides a principal access into the residential communities of Sparks in the Spanish Springs Valley area. Ultimately, the roadway terminates at Pyramid Lake, 33 miles north of Sparks.

McCarran Boulevard is a limited access ring road that encircles the Reno-Sparks area. McCarran Boulevard provides access to all parts of the Reno-Sparks area from the subject

neighborhood. Construction of a major new interchange is nearing completion at the corner of McCarran Boulevard and Pyramid Way, which was undertaken to alleviate traffic at this major intersection.

Additional secondary roadways servicing the subject neighborhood include Oddie Boulevard, Sullivan Lane, El Rancho Drive and Victorian Avenue. Oddie Boulevard is an east-west roadway which has a full interchange with the U.S. 395 Freeway/I-580 in the western portion of the neighborhood. Oddie Boulevard extends west under the Freeway, where it becomes North Wells Avenue in Reno.

Sullivan Lane extends in a north-south direction and is a two-lane, two-way, asphalt-paved roadway. Sullivan Lane originates at Prater Way and extends in a northerly direction through the subject neighborhood with intersections at North McCarran Boulevard and terminating at its intersection with El Rancho Drive. Portions of Sullivan Lane are improved with streetlights, concrete curbs, gutters, and sidewalks.

El Rancho Drive extends in a north-south direction through the west-central portion of the subject neighborhood. Portions of this roadway are improved with streetlights as well as curbs, gutters and sidewalks. El Rancho Drive originates at Victorian Avenue in the southerly portion of the subject neighborhood and extends north past North McCarran Boulevard and terminates at its intersection with Clearacre Lane in the southerly portions of Sun Valley.

Victorian Avenue is a two-way, four-lane, asphalt paved roadway extending through the southerly portions of Sparks and the subject neighborhood. Victorian Avenue originates at North McCarran Boulevard in the central portion of the city of Sparks and extends westerly, paralleling Interstate 80 before terminating at Prater Way.

Due to the close proximity to Interstate 80, the U.S. 395 Freeway, Oddie Boulevard, Prater Way, Pyramid Way, McCarran Boulevard and Victorian Avenue, the subject neighborhood is considered to have good accessibility to most portions of the Reno-Sparks area.

Commercial Uses

Development in the subject neighborhood includes a wide variety of commercial and residential utilizations. The commercial uses are confined primarily to Pyramid Way, Oddie Boulevard, Victorian Avenue and Prater Way. The majority of the remainder of the subject



neighborhood involves residential uses including single family detached homes, condominium and townhouse projects, mobile home parks and various apartment complexes.

The largest commercial developments in the subject neighborhood are located on both sides of Oddie Boulevard and involve several neighborhood shopping centers. The neighborhood shopping centers include Paradise Plaza, Silverada Mall and the Oddie Mall. The Lowe's home improvement store that was formerly located in the Silverada Mall was closed and relocated to a new building located in the Legends shopping center in Sparks; the property has been purchased by Renown Health for office space.

In addition to the aforementioned shopping centers, another shopping center is located in the northwest portion of the subject neighborhood and is known as the Northtowne Marketplace; this project was formerly anchored by a WalMart, which relocated. The former WalMart space is currently occupied by a call center user. Other major tenants in this center include WinCo Foods and a Pet Supercenter.

The Greenbrae East Shopping Center and the Greenbrae West Shopping Center are located adjacent to each other, and are generally located on the north side of Greenbrae Lane, between Pyramid Way and 4th Street. Across Pyramid Way from these centers is the Pyramid Center, a shopping center anchored by Scolari's supermarket. Each of these shopping centers is older and is currently in fair to average condition.

The Sparks Mercantile Shopping Center is located at the southwest corner of Pyramid Way and McCarran Boulevard in the northeast portion of the subject neighborhood. This center is anchored by Raley's supermarket, which had closed their store further south on Pyramid Way. This good quality shopping center also includes a variety of pad and in-line tenants, including Starbucks, Bully's restaurant and McDonald's.

In addition to the major shopping centers servicing the subject neighborhood, there are several smaller strip centers. The Sierra Center is located at the intersection of Sullivan Lane and Greenbrae Drive and the Ross Center is located at the west side of Rock Boulevard, south of Merchant Street. There are also several freestanding retail-commercial and restaurant buildings along Oddie Boulevard.

While the primary commercial developments on Oddie Boulevard are shopping centers, the commercial development on Prater Way and Victorian Avenue generally include older, freestanding retail-commercial and shop buildings. At the present time, Victorian Avenue is primarily improved with older commercial buildings including weekly motels, car lots, repair shops, convenience stores and a variety of retail businesses. For the most part, this portion of the neighborhood has seen little new construction and many of the businesses situated along this section of Victorian Avenue are older single-family residences which have been converted to commercial uses.

Within the eastern portion of the neighborhood, between 15th Street and Pyramid Way, Victorian Avenue is known as Victorian Square, and is improved with a hotel-casino and ancillary uses including restaurants, bars and retail shops. Development of Victorian Square is the result of the efforts of the Sparks Redevelopment Agency, and has transformed this section of Victorian Avenue into a large pedestrian walkway with public areas, decorative sidewalks, and outdoor lighting and landscaped areas. Recent new developments in Victorian Square include several new apartment complexes, including Fountainhouse and Square One, as well as The Bridges, which is currently under construction. Additionally, a movie theater in Victorian Square is being converted to a luxury movie theater. Several other major projects are planned for Victorian Square, with hopes to make the area a walkable downtown living and shopping area.

Victorian Square is also home to a transit center, named Centennial Plaza. This center was developed by the Regional Transportation Commission on the south side of Victorian Avenue, between 14th Street and extending west of 15th Street. This transit center has 15 covered bus bays and resembles a railroad roundhouse.

Victorian Square is the primary tourist attraction in the city of Sparks and a number of special events, including a major rib cook-off, chili cook-offs, farmer's markets, craft fairs and parades are held annually.

The largest hotel-casino in Sparks is located in Victorian Square; John Ascuaga's Nugget offers 75,000± square feet of gaming area, approximately 110,000± square feet of convention space, and 1,382± hotel rooms with a variety of restaurants, lounges and showrooms. The Nugget is one of the more popular hotel-casinos in northern Nevada, and has expanded several times over the past 20 years. The Nugget also includes a multi-level parking garage located to

the east of the hotel-casino and south of Interstate 80. Recent major upgrades have been made to the property by new ownership.

From Pyramid Way to Nichols Boulevard, the north side of Victorian Avenue is improved with a variety of older commercial buildings and converted single family residences. East of Pyramid Way, the south side of Victorian Avenue abuts the right-of-way of Interstate 80.

Residential Uses

In addition to the commercial developments in the subject neighborhood, a majority of the neighborhood is improved with residential uses including detached single-family residences, duplexes, townhomes, condominiums, mobile home parks and apartments.

A majority of the single-family residential development in the subject neighborhood have average quality detached homes ranging in size from 800± square feet to 1,800± square feet. These homes are typically 30 to 60 years old and are in fair to average condition at the present time. In addition to the single-family residential developments in the subject neighborhood there are several mobile home parks. These mobile home parks generally are older, lesser quality units typically in fair to average condition at the present time.

Within Victorian Square, new residential developments are currently taking place. Reno based Silverwing Development completed construction of Fountainhouse west of and adjacent to the movie theater. Fountainhouse is a multi-use, residential/retail community located in Victorian Square. This project has 236 multi-family units and 8,400 square feet of retail space.

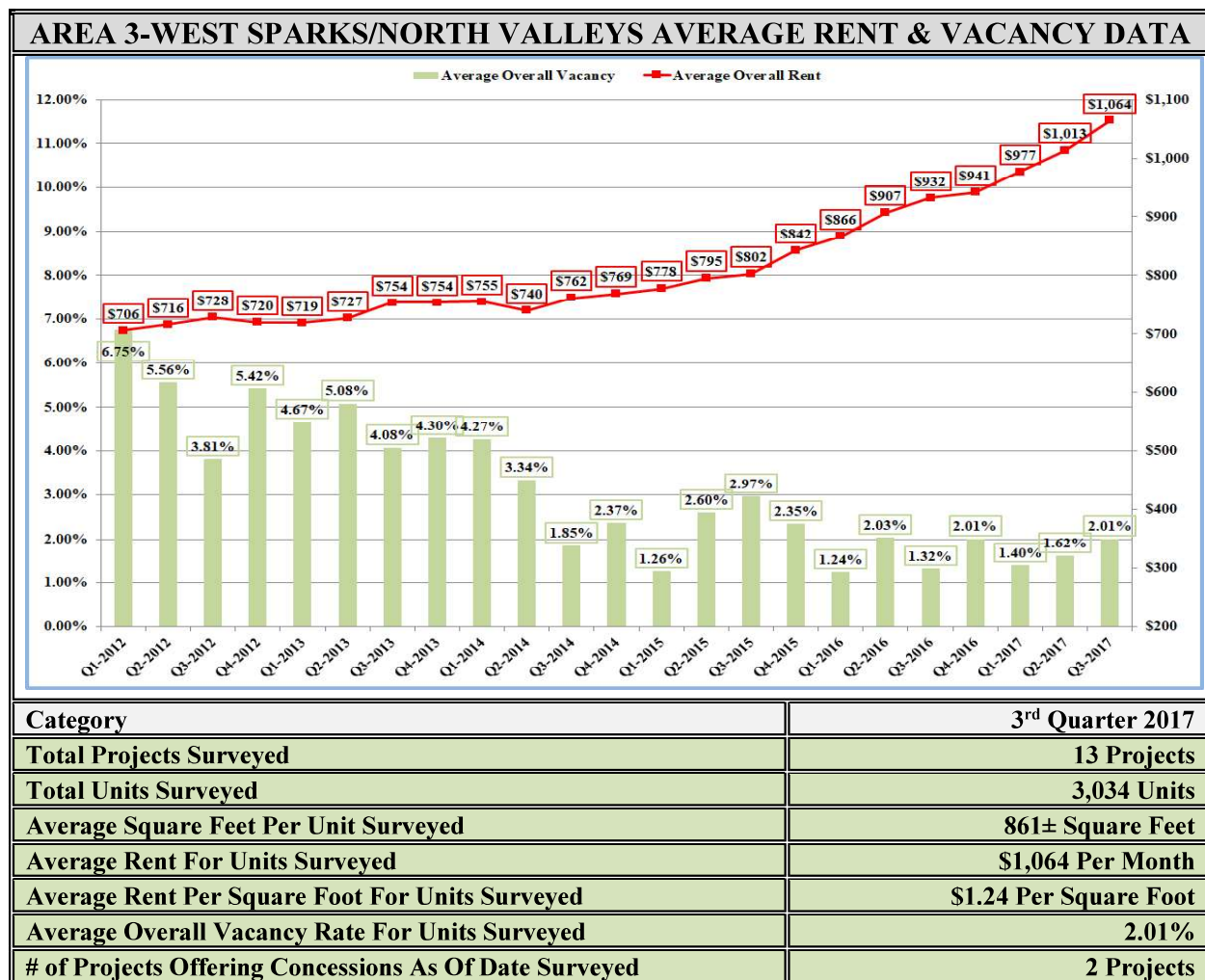
Also in Victorian Square, LandCap Investment Partners completed the renovation of the former Silver Club Hotel, a six-story building, into 100 urban style apartments called Square One. The entire building was renovated with modern, contemporary styled updates.

For the most part, existing apartment developments in the subject neighborhood primarily are two-story or three-story garden style apartment projects. The apartment complexes located throughout the neighborhood include Sandpebble Apartments, Spanish Oaks Apartments, Stonegate Apartments, Sierra Woods Apartments, Sierra Point Apartments, Lansdowne House Apartments, Courtside Garden Apartments, Sierra View Apartments and The Village at Wildcreek Apartments.



There are also many smaller, multi-family residential developments scattered throughout the subject neighborhood. These developments typically range in size from 4 to 16 units and typically range in age between 5 and 25 years. Most of the smaller multi-family residential developments are average quality construction and are in average condition at the present time. The Northern Nevada Community Housing Resource Board (NNCHRB) has developed the Aspen Village affordable housing project located on Sullivan Lane in Sparks, and they are currently developing another project on Oddie Boulevard.

The subject is located within the West Sparks/North Valleys Apartment market. This appraisal firm conducts a quarterly apartment survey. The data for the subject submarket, as of the 3rd Quarter 2017, is set forth below.





Other Uses

The subject neighborhood is centrally located with access to a wide variety of educational facilities. A number of elementary schools are located within the subject neighborhood, including Robert Mitchell Elementary School, Greenbrae Elementary School, Rita Cannan Elementary School, Kate Smith Elementary School and Agnes Risley Elementary School.

Middle schools located in the subject neighborhood include Sparks Middle School and George Dilworth Middle School. Sparks High School is located on 15th Street in the eastern portion of the subject neighborhood. The University of Nevada, Reno campus is located approximately three miles west of the subject neighborhood.

All utilities are available to the subject neighborhood including electricity, natural gas, telephone service, sewer, water and cable television. Electricity and natural gas service is provided by NV Energy, with the water service provided by Truckee Meadows Water Authority. Sewer service to the subject neighborhood is provided by the City of Sparks. Telephone and cable service are provided by various carriers.

There are a number of parks located within and in close proximity to the subject neighborhood. The largest, Paradise Park, is located on the southwest corner of Oddie Boulevard and El Rancho Drive. Paradise Park has a lake and a children's playground area. Other neighborhood parks and recreational facilities include Deer Park, Burgess Park and Oppio Park. Additionally, the Wildcreek Golf Course is located within the subject neighborhood.

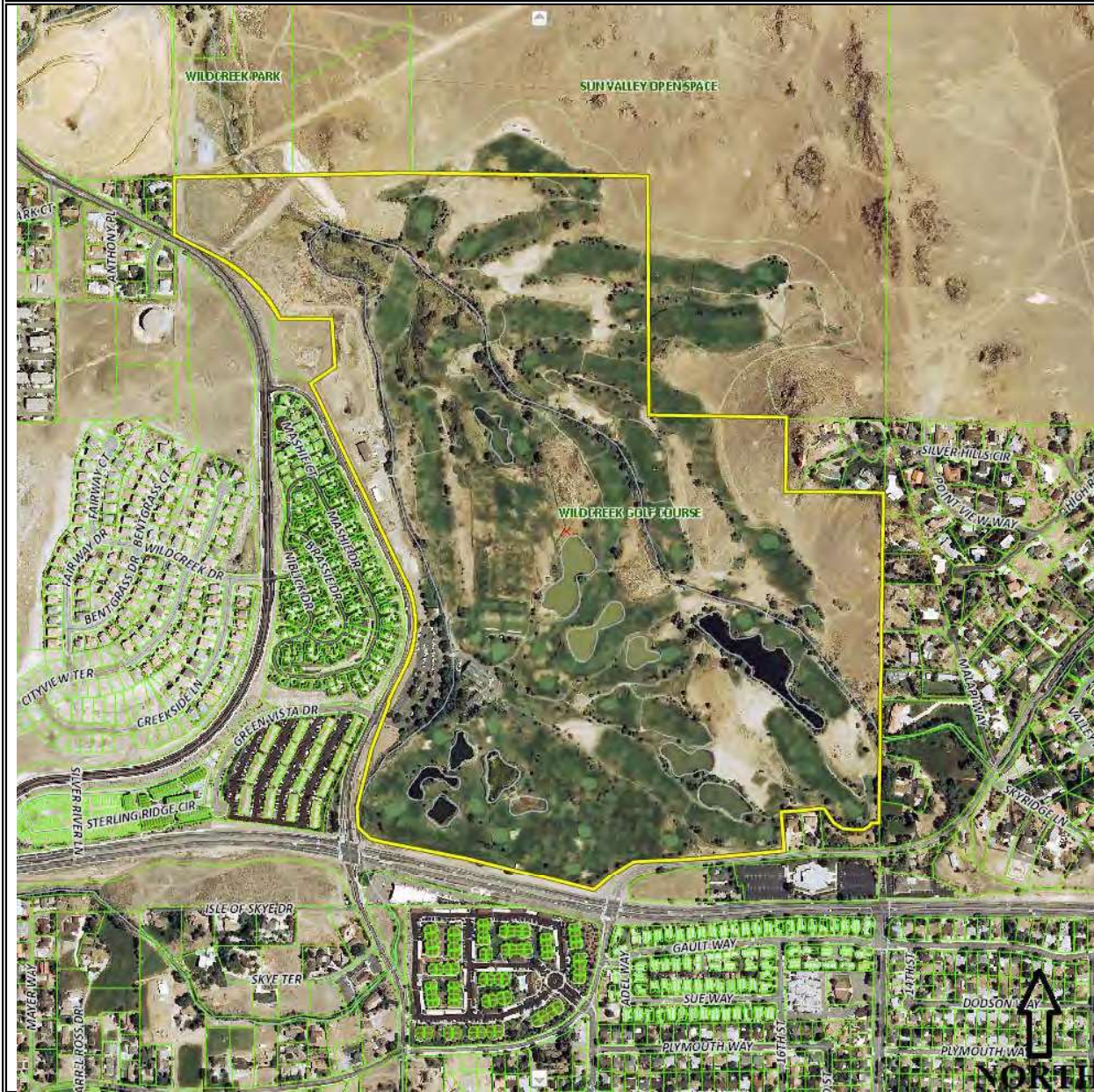
Summary

In summary, the subject neighborhood is the west portion of the city of Sparks. Development within the subject neighborhood includes a mixture of commercial, residential, multi-family and mobile home utilizations. In general, the single-family residences in the subject neighborhood typically involve older, average quality homes in fair to average condition at the present time. The multi-family residential developments range from duplexes to large apartment complexes. Commercial development is primarily confined to the areas of Oddie Boulevard, Pyramid Way, Victorian Avenue and Prater Way. The subject neighborhood, which is an older, established area with second and third generation improvements, has recently seen new development in the Victorian Square area, and reuse of existing vacated big box buildings. The neighborhood will likely see some new commercial development in the future.



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SUBJECT AERIAL MAP



A.P.N. 027-011-05 OUTLINED IN YELLOW

SOURCE: WASHOE COUNTY GIS



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SUBJECT PHOTOGRAPHS



**VIEW OF NORTH MCCARRAN BOULEVARD
FACING WEST IN THE VICINITY OF WILDCREEK GOLF COURSE**



**VIEW OF SULLIVAN LANE
FACING NORTH IN THE VICINITY OF WILDCREEK GOLF COURSE**



SUBJECT PHOTOGRAPHS



**VIEW OF WEDEKIND DRIVE
FACING SOUTHWEST IN THE VICINITY OF WILDCREEK GOLF COURSE**



**VIEW OF AN EXISTING PARKING LOT LOCATED WEST OF THE WILDCREEK
GOLF COURSE AND EAST OF SULLIVAN LANE**



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SUBJECT PHOTOGRAPHS



VIEW OF THE CLUBHOUSE BUILDING



VIEW OF A STORAGE BUILDING



SUBJECT PHOTOGRAPHS



VIEW OF A PRACTICE GREEN



VIEW OF THE EXISTING GOLF COURSE



SUBJECT PHOTOGRAPHS



VIEW OF THE EXISTING GOLF COURSE



VIEW OF THE EXISTING GOLF COURSE



SUBJECT PHOTOGRAPHS



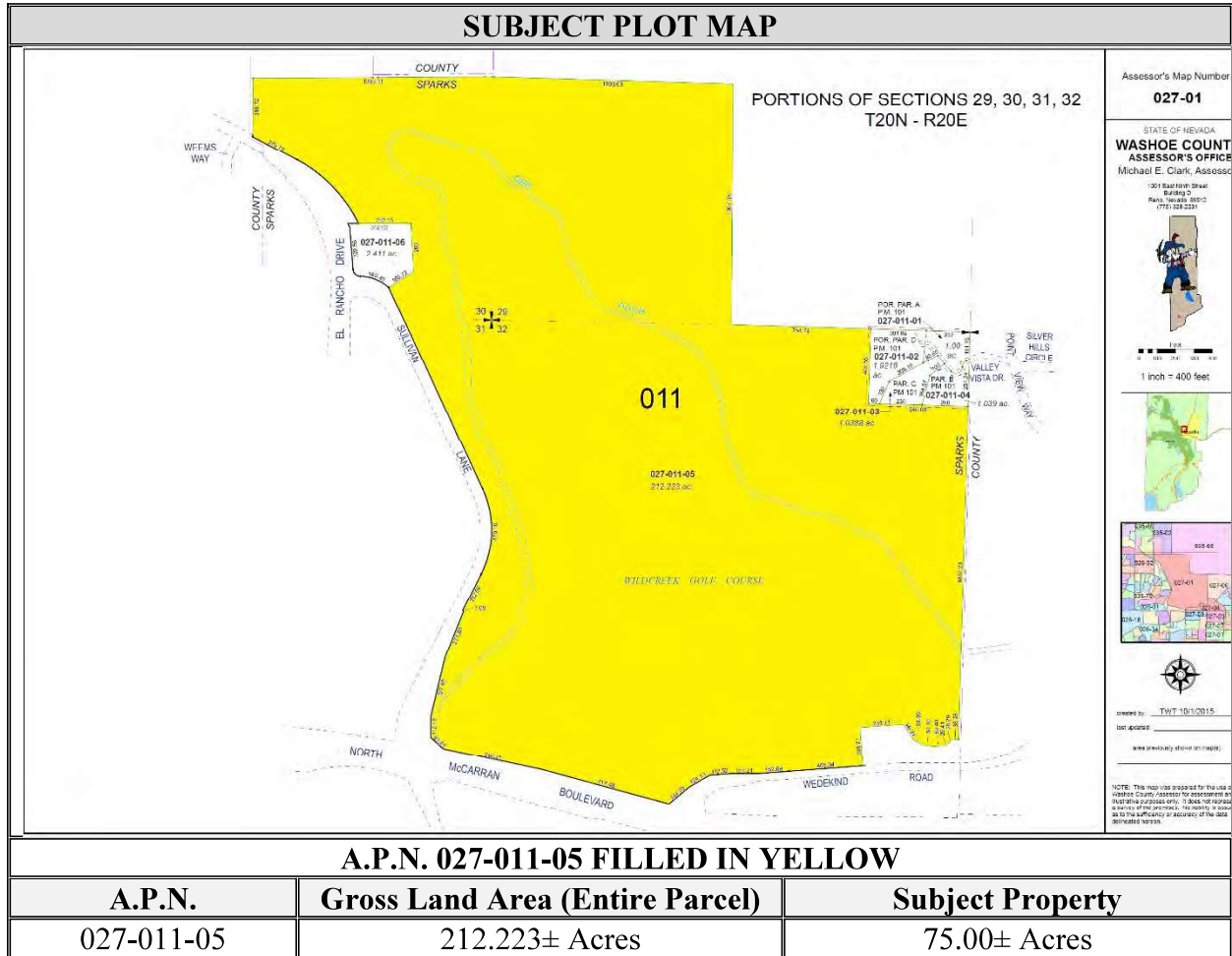
VIEW OF A POND ON THE SUBJECT PROPERTY

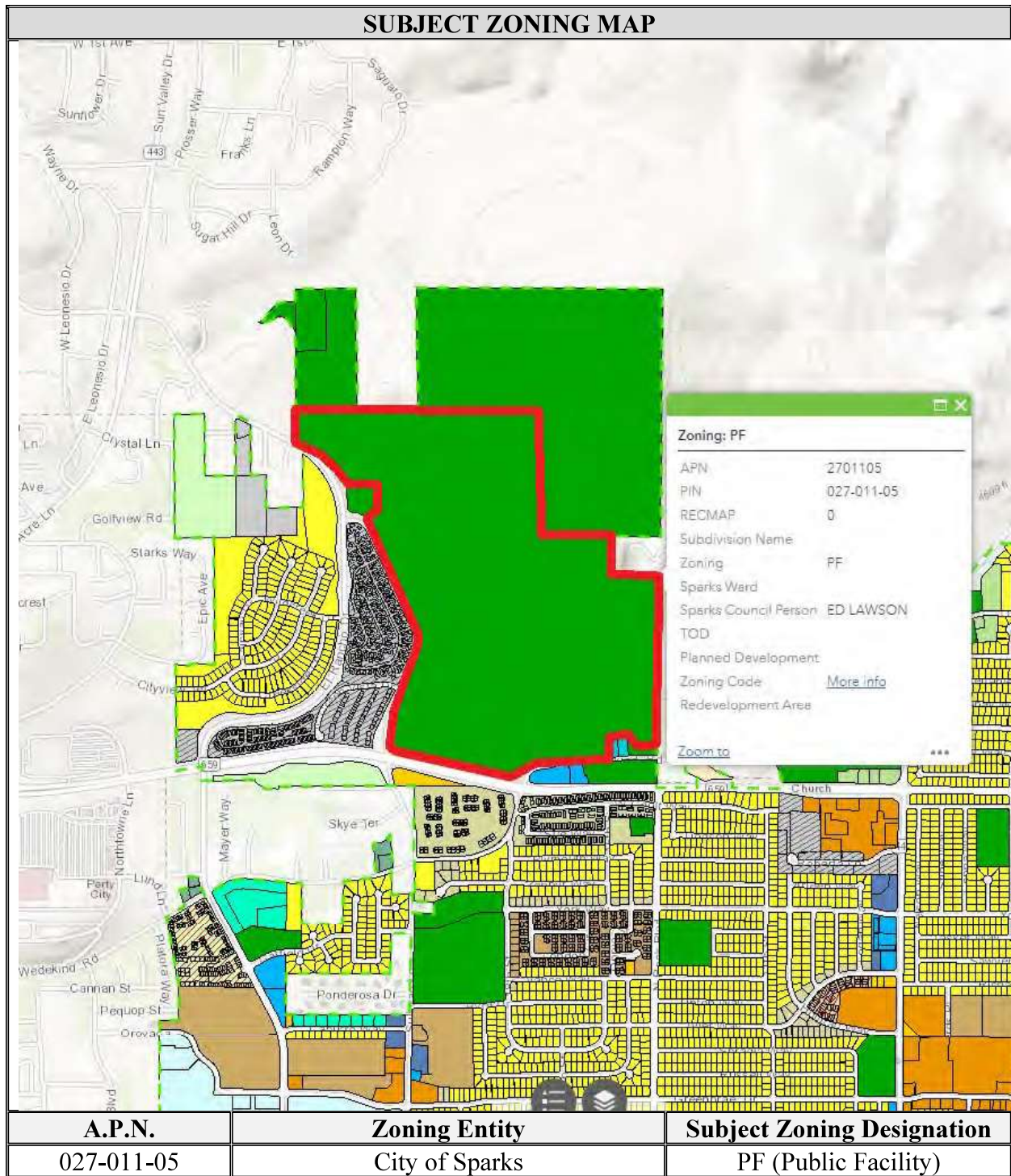


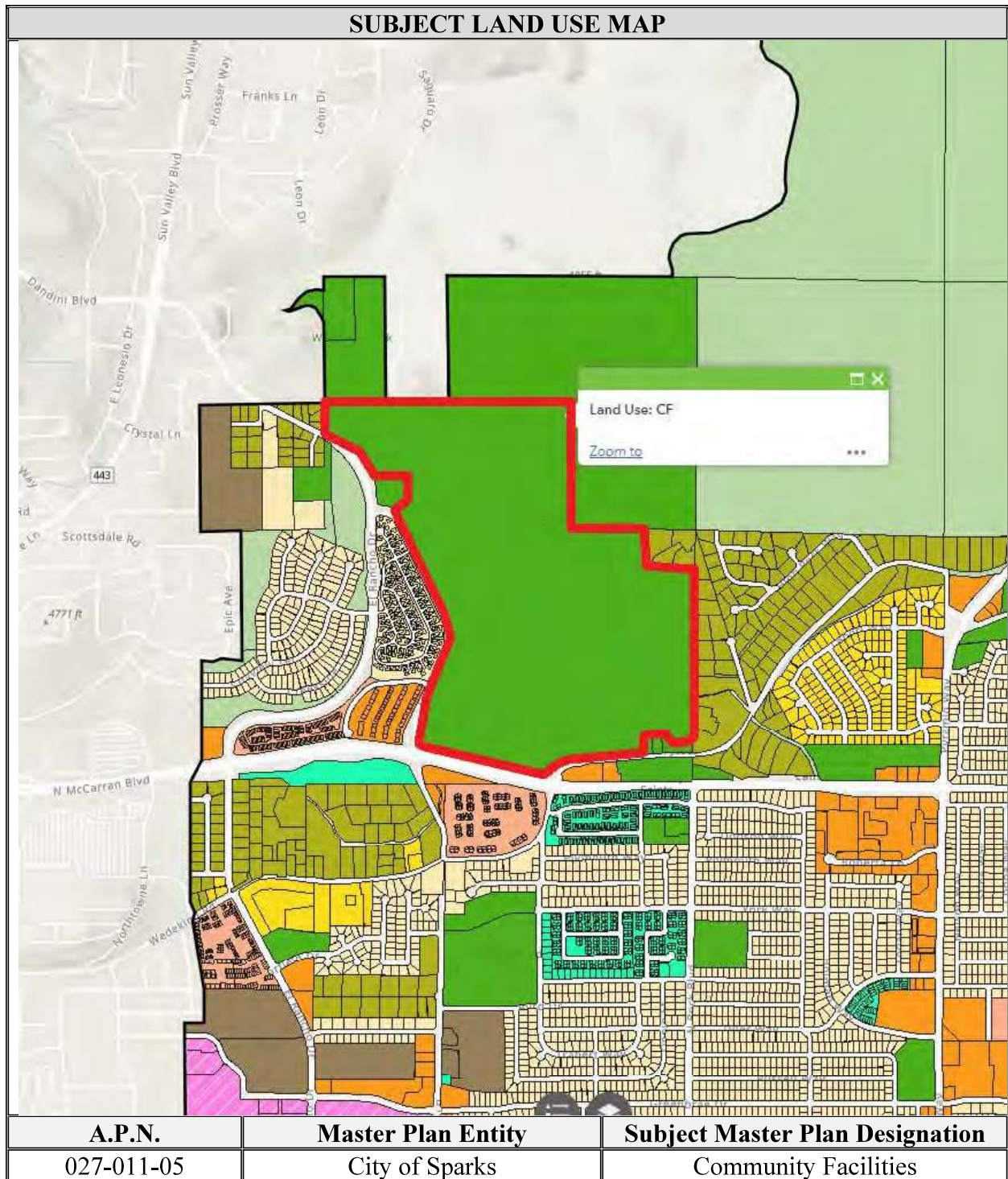
VIEW OF A CART PATH ON THE SUBJECT PROPERTY



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SUBJECT PROPERTY IDENTIFICATION AND SITE DESCRIPTION

SUBJECT PROPERTY SUMMARY						
Washoe County Assessor's Parcel #	City	County	State	Gross Land Area (Entire Parcel)	Land Area Appraised	Owner of Record
027-011-05 (Portion)	Sparks	Washoe	Nevada	212.223± Acres	75.00± Acres*	Washoe County
* Based Upon Acreage Provided by the Washoe County School District						

SUBJECT PROPERTY CHARACTERISTICS SUMMARY	
Assessor's Parcel Number	027-011-05 (Portion)
Site Address	3500 Sullivan Lane, Sparks, Washoe County, NV
Gross Land Area-Entire Parcel	212.223± Acres (9,244,434± Square Feet)
Parcel Size Appraised	75.00± Acres (3,267,000± Square Feet)
Property Type	Currently Operated as a Golf Course (27 Holes)
Improvements	12,596± SF Clubhouse & Various Storage Buildings
Sparks Zoning Designation	PF (Public Facility)
Sparks Land Use Designation	CF (Community Facilities)
Flood Zone	Unshaded Zone "X"

SUBJECT PROPERTY LEGAL DESCRIPTION	
Map Identification	Township & Range
75.00± Acre Portion of Washoe County Assessor's Parcel Number 027-011-05	A Portion of Sections 31 & 32, Township 20 North, Range 20 East, M.D.B. & M.

SUBJECT PROPERTY GENERAL LOCATION
The subject property is a 75.00± acre portion of a 212.223± acre parcel located in Sparks, Washoe County, Nevada. The subject is generally located on the northeast corner of North McCarran Boulevard and Sullivan Lane, and north of Wedekind Road.

SUBJECT PROPERTY FRONTAGE/ACCESS		
A.P.N.	Road Frontage	Access
027-011-05 (Portion)	North McCarran Boulevard, Sullivan Lane & Wedekind Road	Sullivan Lane
The subject property is currently accessed from Sullivan Lane along the site's western property line via curb cuts which provide access into public parking areas near the golf course clubhouse.		



SUBJECT PROPERTY ZONING & LAND USE DESIGNATION & CONFORMANCE			
A.P.N.	City of Reno Zoning Designation	City of Reno Land Use Designation	Subject's Compliance
027-011-05 (Portion)	PF (Public Facilities)	CF (Community Facilities)	In Compliance
According to the City of Sparks, the subject is currently zoned Public Facilities and has a land use of Community Facilities. The chart below summarizes allowed uses in the Public Facilities zoning district, as set forth in the City of Sparks Municipal Code, and the Community Facilities land use summary as provided by the City of Sparks.			
PUBLIC FACILITIES ALLOWED USES			
Permitted Use		Conditional Use	Administrative Review
Group Home Life Care Halfway House ATM Office Church/Worship Center Correctional Institutions Public Maintenance Facility Public Safety Facility Social Assistance Services College/Technical School Personal Instructional Services Hospital Cultural Institution Entertainment Facility/Theater Park/Open Space Recreational Facility-Minor Bike Share Kiosk Heliport Transportation Passenger Terminal Wireless Communication Tower		RV Park Cemetery Recreational Facility-Major Mining & Quarrying Utility-Major Utility-Minor Renewable Energy Production	School (Public or Private)

TABLE 4 – OTHER LAND USES				
Land Use Category	Uses	Characteristics and Location	Existing Land Use Category	Zoning Districts
COMMUNITY FACILITIES (CF)	<p>Primary Uses: Government offices, police stations, fire stations, public schools, parks, libraries, community centers, cemeteries, public services such as electrical substations, water and wastewater facilities and other similar uses, religious institutions, golf courses, community gardens</p> <p>Other Uses: Public utility structures</p> <p>Minimum Density: None</p>	<p>Lands and buildings intended to be used for public and civic use, utilities and/or religious institutions.</p> <p>These uses are located and planned throughout the City.</p> <p>The uses may be regional or city wide in scale and intensity (such as large athletic fields, community parks, biking and hiking trails) while others are intended to serve surrounding neighborhood needs such as playgrounds and pocket parks or public schools.</p> <p>Generally compatible with most other urban land uses, especially residential.</p> <p>Parks and schools should have pedestrian and bike trail access.</p>	PARK PF PI SCHOOL SCHOOL/PARK	PF



Washoe County Assessor's Parcel Number 027-011-05 has level to steeply sloping, undulating topography. In general, the northern and eastern portions of the site have steeper topography which rises up to the northeast, while the south and west portions of the site have level to gently sloping, undulating topography. The map below depicts the subject site's topography.

This topographic map illustrates the proposed 18-hole Wildcreek Golf Course layout, highlighted in green. The course is situated in a hilly area, with the 18th hole located at the highest elevation. The map shows the course's proximity to existing infrastructure, including El Rancho Dr to the west and Green Vista Dr to the south. The surrounding landscape is characterized by dense contour lines, indicating significant elevation changes. The proposed layout includes a clubhouse, parking area, and various green spaces, all integrated into the natural terrain.

**A.P.N. 027-011-05 OUTLINED IN YELLOW
PORTION BEING APPRAISED OUTLINED IN RED (APPROXIMATED)**



SUBJECT PROPERTY FLOOD ZONE INFORMATION

The subject property is located within an Unshaded Zone “X”. The Zone “X” designation does not require flood insurance. It is noted that the subject is encumbered by the Orr Ditch, along with several ponds. The map below depicts the subject’s flood zone, as provided by FEMA.

SUBJECT FLOOD ZONE MAP



IDENTIFIED LARGER PARCEL OUTLINED IN YELLOW (APPROXIMATED)

ZONE	DESCRIPTION		
C and X (unshaded)	Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. Zone C may have ponding and local drainage problems that don't warrant a detailed study or designation as base floodplain. Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood.		
A.P.N.	Flood Zone Designation	FEMA Map #	Effective Date of Flood Zone Designation
027-011-05 (Portion)	Unshaded Zone “X”	32031C3045G & 32031C3034G	March 16, 2009
SOURCE: FEMA			



SUBJECT PROPERTY ENVIRONMENTAL ANALYSIS

The following sets forth general findings and conclusions set forth in a Phase I Environmental Site Assessment prepared by McGinley & Associates on September 14, 2017. The appraisal report has been completed assuming the data set forth in the Phase I, which found no major items of hazardous substances or environmental concerns on the site.

Findings

General Findings

- The Subject Property has operated as the Wildcreek Golf Course since the late-1970s and was utilized as pasture land and a possible ranch prior to its development as a golf course.
- According to the information provided by EDR, the Wildcreek Golf Course is recorded as: a Resource Conservation and Recovery Act (RCRA) conditionally exempt small quantity generator (CESQG) site, a NV underground storage tank (UST) site, an Environmental Protection Agency's Facility Index Database System (FINDS) site, an Environmental Protection Agency's Enforcement and Compliance History Online Database (ECHO) site and a National Pollutant Discharge Elimination System Permit (NPDES) site.
- De minimis staining was observed in numerous locations throughout the Subject Property. The stains were observed primarily in locations where equipment is stored or where petroleum products are handled. The stains appeared to be the result of drips and/or minor spills and are considered to be de minimis in nature.
- A leaking electrical transformer was observed to the south of the maintenance building on the Subject Property. Stained soil was observed proximal to the unit, however the staining is considered to be de minimis in nature. MGA confirmed with NV Energy that PCB's are not utilized in this transformer or in the other transformers located on the Subject Property.
- Numerous containers used to store a range of petroleum products and hazardous substances were observed throughout the Subject Property. The contents of the containers consisted primarily of: new and used automotive fluids, lubricants, mineral spirits/solvents, cleaning products, paints and paint thinners, water additives/supplements, pesticides, herbicides, rodenticides, fungicides and fertilizers. At the time of the site reconnaissance, the observed containers used to store these substances appeared to be in good condition with no obvious signs of leaking or severe damage.
- Two 2,000-gallon USTs (east of maintenance building) and one 1,000-gallon UST (immediately west of golf cart facility) previously existed at the Subject Property. The former USTs were used to store gasoline and diesel fuel for the golf course, but were removed in November 1998. Based on available regulatory information, it does not appear that the USTs leaked. The USTs were replaced by a 1,000-gallon AST, which is currently located on the Subject Property, above the location of the removed USTs.
- A concentrated area of discarded debris was observed within the northwestern portion of the Subject Property. Golf course personnel indicated that this area is used for discarding golf course landscaping debris. The discarded debris consisted primarily of: tree branches and brush, lumber, concrete, metal/plastic piping and some miscellaneous household trash. No evidence of dumping petroleum products and/or hazardous materials was observed in this area of the Subject Property.
- The Wildcreek Golf Course currently maintains a National Pollutant Discharge Elimination System (NPDES) groundwater discharge permit associated with utilization of reclaimed water for irrigation purposes. Information obtained from the NDEP indicates that the permit was last renewed in March 2013 and expired in March 2018.

Historical Recognized Environmental Conditions (HREC)

No historical recognized environmental conditions were found for the Subject Property.

Controlled Recognized Environmental Conditions (CREC)

No controlled recognized environmental conditions were found for the Subject Property.

Recognized Environmental Conditions (REC)

No recognized environmental conditions were found for the Subject Property.

Conclusions

MGA has performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527 of the Wildcreek Golf Course (APN 027-011-05) located in the City of Sparks, Nevada, the property. Any exceptions to, or deletions from, this practice are described in Section 7 of this report.

Upon conclusion of our Phase I ESA, and based on the information reviewed, this assessment has revealed no evidence of recognized environmental conditions or controlled recognized environmental conditions in connection with the Subject Property. Based on the information reviewed for this assessment, MGA is of the opinion that no additional investigations at the Subject Property are warranted at this time. However, MGA suggests that that leaking electrical transformer observed on the Subject Property be repaired or replaced. In addition, it is recommended that the de minimis petroleum staining caused by the leaking transformer be cleaned up and any contaminated soil should be disposed of in accordance with local, state and federal regulations.



SUBJECT PROPERTY WATER RIGHTS

Washoe County Assessor's Parcel Number 027-011-05, which the subject is a portion of, does have appurtenant water rights. According to Ms. Vivian Carvin, who researched water rights on the property, the subject includes portions of Permit Numbers 78563 and 78564. The following summarizes Ms. Carvin's findings, as provided to Wood Rodgers in a letter dated October 5, 2017.

Results of Research:

SURFACE WATER:

Permit No. 78563 - Certificate No. 18122:

506.784 AFA (Duty of 4.0 acre feet per acre from all sources) from Wells Creek
Manner of Use is Recreation to Irrigate Wildcreek Golf Course
on APN's 027-011-05 and 035-080-04.

Permit No. 78564 – Certificate No. 18123:

69.20 AFA (Duty of 4.0 acre feet per acre from all sources) from Truckee River via Orr Ditch
Manner of Use is Recreation to Irrigate Wildcreek Golf Course
on APN's 027-011-05 and 035-080-04.

Permit Nos. 78563 and 78563 have a combined duty of not to exceed 520.19 acre feet per acre from all sources. There is a total of 43.2 afa on 10.8 acres within APN 035-080-04.
Water right Permits are in the name of Reno-Sparks Convention and Visitors Authority and land is in the name of Washoe County

GROUND WATER:

There were no wells or ground water found on APN 027-011-05.

CONCLUSION:

The water rights that are appurtenant to APN 027-011-05 are portions of Permit Nos. 78563 and 78564, being 119.39 acres at a duty of 4 acre feet per acre for a total of **477.56 afa**. The remaining 43.2 afa of water would be appurtenant to APN 035-080-04

In addition to the above water rights, the subject ownership has also reportedly transferred 448.88± acre feet of Truckee River water rights to the Truckee Meadows Water Authority (TMWA), in order to utilize 500± acre feet of effluent on the existing golf course on the property. The Market Value analysis for the 75.00± acres does not include water rights. A separate analysis of water rights will address the Market Value Range of water rights on the subject site which are assumed to be usable for municipal water service.



SUBJECT PROPERTY UTILITIES & PUBLIC SERVICES		
Utility Service	Provider	Availability
Electricity	NV Energy	On-Site
Gas Service	NV Energy	On-Site
Telephone	Various Carriers	On-Site
Water	TMWA	On-Site
Sewer	City of Sparks	On-Site
Internet	Various Carriers	On-Site
Fire Protection	City of Sparks Fire Department	Covered
Police Protection	City of Sparks Police Department	Covered
The subject currently has immediate access to electricity, water, gas, phone and internet services. In addition, the subject site does have access to an effluent line, which is reportedly located toward the southeast portion of the site, and effluent can be utilized for irrigation on the site.		

SUBJECT PROPERTY EASEMENTS			
Title Report Provided	Title Company	Effective Date	Title Report ID
Yes	Ticor Title of Nevada, Inc.	06/07/2017	017-02907-TO
Prior to issuance of this appraisal report, I was provided with a Title Report prepared by Ticor Title of Nevada, Inc. This report indicates numerous exceptions to coverage, including many easements encumbering the entire property. A copy of the Title Report is set forth in the Addenda of this report. Based upon a review of the Title Report, and based upon discussions with the client and representatives of Wood Rodgers, Inc., the easements do not materially impact the development potential of the site. It is noted that various utility easements, including power line easements, must be accounted for in any development of the subject property.			

SUBJECT PROPERTY EARTHQUAKE ZONE
The subject region is located in a zone which encompasses areas which have a number of local faults and where there is a relatively strong probability of moderate to strong seismic activity. The <i>Uniform Building Code</i> does require special construction techniques as a result of earthquake hazards. Additionally, a structural engineer typically reviews plans for residential and commercial buildings in order to assess earthquake hazards. As a result, for the purposes of this analysis, it is being assumed that the subject property is not impacted by earthquake hazards to a greater degree than is typical for the area.

SUBJECT PROPERTY SOIL CHARACTERISTICS
A survey of the soils on the subject site has not been provided to me. This appraisal report and the market value conclusions set forth in the report, assume that the subject soils have sufficient load bearing properties for development of the site to its highest and best use.



SUBJECT PROPERTY IMPROVEMENTS

The subject property is improved with an 18-hole golf course, a 9-hole executive par 3 course, a driving range, a 12,596± square foot clubhouse building constructed in 1979, a storage building, a covered picnic structure, various irrigation equipment and other improvements associated with the golf course. Additionally, the subject is improved with various parking areas and cart paths. Improvements on the site were in average condition as of the date of inspection.

SUBJECT SALES & USE HISTORY

A.P.N.	Recorded Sales- Last 10 Years	Currently Under Contract	Currently Listed For Sale
027-011-05 (Portion)	No	No	No

The subject property has not been involved in any arm's length transactions over the past 10-year period. The client of this report, the Washoe County School District, has expressed an interest in purchasing the subject property for the development of a new high school on the site.

SUBJECT ASSESSMENTS, TAXABLE VALUES

A.P.N. 027-011-05 (ENTIRE PARCEL)

Valuation History for 027-011-05										
Roll Year	Land Taxable Value	Parcel New Construction	Supplemental Roll	Buildings Taxable Value	Total Taxable Value	Tax Cap Value	Land Assessed	Building Assessed	Secured Total Assessed	Land Use
2017 FV	781,182	0		2,148,757	2,929,939	2,929,940	273,414	752,065	1,025,479	450
2017 NR	781,182	0		2,148,757	2,929,939		273,414	752,065	1,025,479	450
2017 VN2	781,182	0		2,148,757	2,929,939		273,414	752,065	1,025,479	450
2016 FV	772,693	0		2,205,127	2,977,820	2,977,820	270,443	771,794	1,042,237	450
2015 FV	762,719	0		2,241,127	3,003,846	3,003,846	266,952	784,394	1,051,346	440
2014 FV	746,590	0		2,319,801	3,066,391	3,066,391	261,307	811,930	1,073,237	440
2013 FV	728,339	0		2,405,074	3,133,413	3,133,415	254,919	841,776	1,096,695	440
2012 FV	716,243	0		2,411,218	3,127,461	3,127,460	250,685	843,926	1,094,611	044
2011 FV	697,992	0		2,497,861	3,195,853	3,195,851	244,297	874,251	1,118,548	044
2010 FV	691,800	0		2,589,797	3,281,597	3,281,595	242,130	906,429	1,148,559	044
2009 FV	704,100	0		2,452,725	3,156,825	3,156,826	246,435	858,454	1,104,889	044
2008 FV	667,600	0		2,518,556	3,186,156	3,186,158	233,660	881,495	1,115,155	044
2007 FV	649,400	0		2,405,172	3,054,572	3,054,573	227,290	841,810	1,069,100	044
2006 FV	606,900	0		3,271,780	3,878,680	3,878,680	212,415	1,145,123	1,357,538	044
2005 FV	2,228,310	0		3,191,953	5,420,263	5,420,264	779,908	1,117,184	1,897,092	044
2004 FV	2,122,200	281,250		3,307,727	5,429,927		742,770	1,157,704	1,900,474	044
2003 FV	2,122,200	0		2,997,625	5,119,825		742,770	1,049,169	1,791,939	044
2002 FV	2,122,200	0		3,074,014	5,196,214		742,770	1,075,905	1,818,675	044
2001 FV	2,122,200	0		3,044,709	5,166,909		742,770	1,065,648	1,808,418	044
2000 FV	2,207,086	0		3,419,086	5,626,171		772,480	1,196,680	1,969,160	044
1999 FV	2,207,086	0		3,419,086	5,626,171		772,480	1,196,680	1,969,160	044
1998 FV	2,207,086	0		3,368,557	5,575,643		772,480	1,178,995	1,951,475	044
1997 FV	2,122,200	0		3,318,774	5,440,974		742,770	1,161,571	1,904,341	044

The taxable value of the property is based upon the Assessor's estimate of the full cash value of the site. The taxable value of the improvements is based upon the replacement cost new of the improvements which the Assessor estimates utilizing *Marshall Valuation Service* a nationally recognized and accepted cost estimating publication. Straight line depreciation of 1.5% per year is deducted from the replacement cost new of the improvements.



SUBJECT REAL PROPERTY TAXES (ENTIRE PARCEL)						
A.P.N. 027-011-05						
Installments						
Period	Due Date	Tax Year	Tax	Penalty/Fee	Interest	Total Due
INST 1	8/21/2017	2017	\$0.00	\$0.00	\$0.00	\$0.00
Total Due:			\$0.00	\$0.00	\$0.00	\$0.00
Tax Detail						
	Gross Tax		Credit		Net Tax	
▼ <u>City of Sparks</u>	\$9,842.55		(\$9,842.55)		\$0.00	
▼ <u>Remediation</u>	\$31.89		\$0.00		\$31.89	
▼ <u>State of Nevada</u>	\$1,743.31		(\$1,743.31)		\$0.00	
▼ <u>Washoe County</u>	\$14,271.59		(\$14,271.59)		\$0.00	
▼ <u>Washoe County Sc</u>	\$11,675.08		(\$11,675.08)		\$0.00	
▼ <u>Water District</u>	\$585.95		\$0.00		\$585.95	
Total Tax		\$38,150.37	(\$37,532.53)		\$617.84	
Payment History						
Tax Year	Bill Number	Receipt Number		Amount Paid	Last Paid	
2017	2017045114	B17.5937		\$617.84	7/21/2017	
The subject property is owned by Washoe County, and is therefore exempt from real property taxes. If the property were to be owned by a private entity, the property would be subject to real property taxes.						

HIGHEST AND BEST USE ANALYSIS

Highest and best use is defined in the 6th Edition of *The Dictionary of Real Estate Appraisal* (Appraisal Institute, Chicago, 2015) as:

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

Physically Possible

The subject property is a 75.00± acre portion of a 212.223± acre parcel. The subject parcel is summarized in the chart below.

SUBJECT PROPERTY CHARACTERISTICS SUMMARY	
Assessor's Parcel Number	027-011-05 (Portion)
Site Address	3500 Sullivan Lane, Sparks, Washoe County, NV
Gross Land Area-Entire Parcel	212.223± Acres (9,244,434± Square Feet)
Parcel Size Appraised	75.00± Acres (3,267,000± Square Feet)
Property Type	Currently Operated as a Golf Course (27 Holes)
Improvements	12,596± Square Foot Clubhouse
City of Sparks Zoning Designation	PF (Public Facility)
City of Sparks Land Use Designation	CF (Community Facilities)
Flood Zone	Unshaded Zone "X"

The subject property has adequate physical characteristics for development. The subject site has sufficient size, adequate shape, utilities immediately available, and adequate topography and soils for development. The subject site is encumbered by the Orr Ditch as well as several ponds, which must be addressed if the property were to be developed; the Orr Ditch could be incorporated as open space in a development, or could be undergrounded through the property.

Overall, the physically possible uses of the site include a wide variety of development possibilities, including commercial and residential uses.



Legally Permissible

The following summarizes the subject's current zoning and land use designations, and discusses zoning on the site.

SUBJECT PROPERTY ZONING & LAND USE DESIGNATION & CONFORMANCE			
A.P.N.	City of Reno Zoning Designation	City of Reno Land Use Designation	Subject's Compliance
027-011-05 (Portion)	PF (Public Facilities)	CF (Community Facilities)	In Compliance
According to the City of Sparks, the subject is currently zoned Public Facilities and has a land use of Community Facilities. The chart below summarizes allowed uses in the Public Facilities zoning district, as set forth in the City of Sparks Municipal Code, and the Community Facilities land use summary as provided by the City of Sparks.			
PUBLIC FACILITIES ALLOWED USES			
Permitted Use		Conditional Use	Administrative Review
Group Home Life Care Halfway House ATM Office Church/Worship Center Correctional Institutions Public Maintenance Facility Public Safety Facility Social Assistance Services College/Technical School Personal Instructional Services Hospital Cultural Institution Entertainment Facility/Theater Park/Open Space Recreational Facility-Minor Bike Share Kiosk Heliport Transportation Passenger Terminal Wireless Communication Tower		RV Park Cemetery Recreational Facility-Major Mining & Quarrying Utility-Major Utility-Minor Renewable Energy Production	School (Public or Private)

This appraisal report, and the market value conclusions set forth in the report, are based upon the Extraordinary Assumption that the subject site will remain in the Public Facility (PF) zoning district. As is indicated in the chart above, legally permissible uses on a PF zoned property are limited to uses associated with public uses, and do not include residential, industrial, or retail development. It is noted that office uses are an allowed use, as are various public uses such as schools and hospitals.



Financially Feasible & Maximally Productive

The highest and best use of the subject property must be financially feasible and represent the maximally productive use of the property. To be financially feasible, there must be adequate demand to support the highest and best use of the property.

The subject, under its current and assumed PF zoning designation, would allow various public facility uses and office development. Development with residential, retail or industrial would not be allowed for the most part, unless it was part of a Public Facility use.

Based upon the physically possible uses of the property, and based upon the subject's current and assumed Public Facility zoning, I have determined that the highest and best use of the site would be for development or use with a Public Facility use. The client of this appraisal report intends to purchase the site for development with a new high school, which would represent a maximally productive use of the site.



INTRODUCTION TO VALUATION ANALYSIS-LAND VALUE

There are three approaches to value an appraiser generally must consider in estimating the value of a property. These approaches include the Cost Approach, the Income Approach and the Sales Comparison Approach.

Valuation Techniques

This appraisal is being prepared for the purpose of estimating the Market Value of the identified subject property as of the effective date of value. As this appraisal report is addressing the Market Value of vacant land, the Sales Comparison Approach to Value is the method utilized to determine the Market Value of the larger parcel.

The Sales Comparison Approach is based upon the principal of substitution, which holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability. In valuing the Fee Simple Market Value of the subject property as of the effective date of value, the Sales Comparison Approach to Value will be completed. This approach to value is felt to represent the best indicator of market value for the subject property as of the effective date of value.

Selection of Sales

In selecting comparable land sales data, I have researched the Official Records of Washoe County, interviewed numerous realtors and brokers in the market, and have researched other providers of real estate data in the market including *Multiple Listing Service*, *CoStar*, and *Loopnet*. The chart below summarizes the sales data utilized to value the subject parcel, which is followed by a sales map, profile sheets and the valuation of the subject property as of the effective date of value.

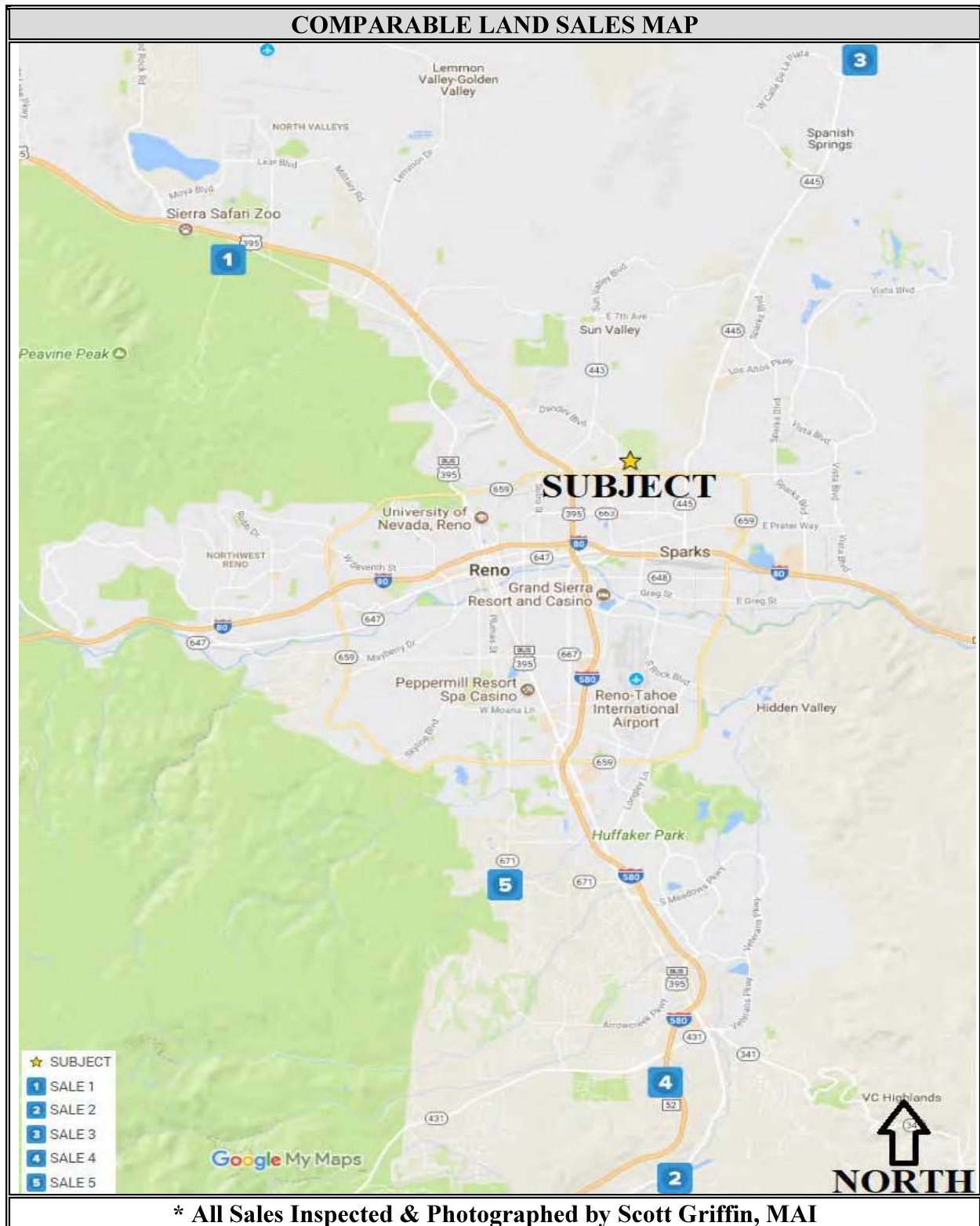


COMPARABLE LAND SALES SUMMARY

Sale #	Property Name A.P.N.s Location	Recording Date Sale Price	Document # Grantor Grantee	Utilities Topography Flood Zones	Zoning Approvals Water Rights Included	Total Land Acres Total Land Square Feet	Sale Price/Acre Sale Price/SF
1	Vacant Land-Stead Area 082-083-07 Stead (North Reno) Reno, NV	6/23/2016 \$2,700,000	4602756 Sierra Front, LLC Ladera North Valley LLC, et al	Must Be Extended Level to Steep "X"	I, CC & OS No Approvals Other Than Zoning No Water Rights	239.292 Acres 10,423,560 SF	\$11,283/Acre \$0.26/SF
2	Steamboat Creek Parcel 017-430-01 Pleasant Valley Washoe County, NV	12/14/2016 \$625,000	4662009 Naomi E. Braun Willey Land, LLC	Must Be Extended Level to Steep "X", "AE" & Floodway	GR No Approvals Other Than Zoning Yes-Steamboat Creek	35.903 Acres 1,563,935 SF	\$17,408/Acre \$0.40/SF
3	The Village at the Peak 534-571-01 Spanish Springs Washoe County, NV	5/5/2017 \$1,600,000	4702081 Jacie, LLC, et al SP 58 LLC	Must Be Extended Level "X" (Small Portion "AO")	MDS No Approvals Other Than Zoning No Water Rights	58.487 Acres 2,547,694 SF	\$27,357/Acre \$0.63/SF
4	Redfield Campus Business Park 144-070-03 South Reno Reno, NV	5/22/2017 \$4,500,000	4706369 Nell J. Redfield Foundation Chalkur LLC	Must Be Extended Level to Steep "X"	Mixed Use No Approvals Other Than Zoning No Water Rights	66.667 Acres 2,904,015 SF	\$67,500/Acre \$1.55/SF
5	Shadow Canyon Ranch 041-130-58 Southwest Reno Reno, NV	6/12/2017 \$3,900,000	4712928 Deborah C. Day, Trustee Valerie Ayer Gordon, et al	Must Be Extended Level to Gentle "X", "AE" & Floodway	HDR, MDR & GR No Approvals Other Than Zoning 217.64 Acre Feet	72.800 Acres 3,171,168 SF	\$53,571/Acre \$1.23/SF
Subject Property	Wildcreek Golf Course (Portion) 027-011-05 (Portion) North Sparks Sparks, NV	Date of Appraisal 11/1/2017	--- Current Owner- Washoe County	On-Site Level-Moderate "X"	PF No Approvals Other Than Zoning No Water Rights Included In Value of Land	75.000 Acres 3,267,000 SF	--- ---



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COMPARABLE LAND SALE PROFILE SHEET SALE 1



Property Type:	Vacant Land	Submarket:	Stead
Address:	North Virginia Street	City:	Reno
General Location:	S. Side UPRR, S. of Stead/395 Exit	County:	Washoe
A.P.N.:	082-083-07	State:	Nevada
Topography:	Level to Steep/Undulating	Frontage:	Dirt Road via North Virginia Street
Zoning:	Industrial, CC, Open Space	Utilities:	Electricity/Phone Adjacent
Parcel Acreage:	239.292± Acres	Water Rights:	None Included
Parcel Square Feet:	10,423,560± Square Feet	Improvements:	None-Vacant
Recording Date:	June 23, 2016	Price Per Acre:	\$11,283
Sale Price:	\$2,700,000	Price/Square Foot:	\$0.26
Document #:	4602756	Terms of Sale:	Cash to Seller
Transfer Taxes:	\$11,070.00	Conditions of Sale:	None Noted
Grantor:	Sierra Front LLC	Time on Market:	N/A
Grantee:	Ladera North Valley LLC, et al.	Verification:	Public Records
Comments: This sale is a 239.292± acre parcel located on the southwest side of the Union Pacific Railroad, just southwest of the Stead Exit in the Stead area of north Reno, Nevada. This property has an access agreement with the railroad, which allows access onto the site. The property slopes up to the south and west, and has level to steeply sloping, undulating topography. The site is incorporated into the City of Reno, and has mixed zoning which includes Industrial, Community Commercial, and Open Space. Other than zoning, the site had no development approvals. The purchase did not include any water rights.			



COMPARABLE LAND SALE PROFILE SHEET SALE 2



Property Type:	Vacant Land	Submarket:	Pleasant Valley
Address:	134 Andrew Lane	City:	Unincorporated
General Location:	South Side S. Virginia Street	County:	Washoe
A.P.N.:	017-430-01	State:	Nevada
Topography:	Level to Steep/Undulating	Frontage:	Andrew Lane & S. Virginia St.
Zoning:	GR (General Rural)	Utilities:	Electricity, Phone, Old Well
Parcel Acreage:	35.903± Acres	Water Rights:	23 Acre Feet (Steamboat Creek)
Parcel Square Feet:	1,563,935± Square Feet	Improvements:	None-Vacant
Recording Date:	December 14, 2016	Price Per Acre:	\$17,408
Sale Price:	\$625,000	Price/Square Foot:	\$0.40
Document #:	4662009 (Re-Recorded 4662440)	Terms of Sale:	Cash to Seller
Transfer Taxes:	\$2,562.50	Conditions of Sale:	None Noted
Grantor:	Naomi E. Braun	Time on Market:	1,740 Days
Grantee:	Willey Land, LLC	Verification:	Shelly Dougherty-ERA Realty
Comments: This sale is a 35.903± acre parcel located on the south side of South Virginia Street (Old U.S. 395 Highway), and east of Andrew Lane in Pleasant Valley, an unincorporated area south of Reno, Nevada. This property was listed for almost five years, with an initial asking price of \$1,299,000 in March of 2012. The list price was reduced over several years, and the property was listed at \$689,000 when it finally sold in December 2016 for \$625,000. The sale included 23± acre feet of Steamboat Creek water rights. The site includes a large meadow area with level to gently sloping topography, and the south portions of the site have moderate to steeply sloping topography. The lower portions of the site are located in a Flood Zone "A", with some areas being in the floodway. An older well was on the property, but it had not been utilized in many years.			



COMPARABLE LAND SALE PROFILE SHEET SALE 3



Property Type:	Vacant Land	Submarket:	Spanish Springs
Address:	350 Calle De La Plata	City:	Sparks Sphere of Influence
General Location:	North Side Calle De La Plata	County:	Washoe
A.P.N.:	534-571-01	State:	Nevada
Topography:	Level	Frontage:	Calle De La Plata
Zoning:	MDS (Medium Density Suburban)	Utilities:	Must be Extended
Parcel Acreage:	58.487± Acres	Water Rights:	None Included
Parcel Square Feet:	2,547,694± Square Feet	Improvements:	None-Vacant
Recording Date:	May 5, 2017	Price Per Acre:	\$27,357
Sale Price:	\$1,600,000	Price/Square Foot:	\$0.63
Document #:	4702081	Terms of Sale:	Cash to Seller
Transfer Taxes:	\$6,560.00	Conditions of Sale:	None Noted
Grantor:	Jacie, LLC, et al.	Time on Market:	Several Years
Grantee:	SP 58 LLC	Verification:	Samuel Douglass-John Uhart RE
Comments: This sale is a 58.487± acre parcel located on the north side of Calle De La Plata, 675± feet east of Pyramid Highway in the northern portion of Spanish Springs, Washoe County, Nevada. The site was originally listed along with two other adjoining parcels. The property is located south of Shadow Ridge Estates. The property was listed for several years. The sale did not include any water rights. The site was zoned a mix of Medium Density Suburban, Industrial and Neighborhood Commercial, but the buyer rezoned the parcel during the escrow period to all Medium Density Suburban, which allows three residential units per acre. The buyer obtained a tentative map with approximately 161 homesites, and is reportedly close to selling the property again to a developer with approvals in place for a subdivision.			



COMPARABLE LAND SALE PROFILE SHEET
SALE 4



Property Type:	Vacant Land	Submarket:	South Reno
Address:	No Physical Address	City:	Reno
General Location:	West Side I-580	County:	Washoe
A.P.N.:	144-070-03	State:	Nevada
Topography:	Level to Moderate	Frontage:	I-580 Right-of-Way
Zoning:	Mixed Use	Utilities:	Must be Extended
Parcel Acreage:	66.667± Acres	Water Rights:	None Included
Parcel Square Feet:	2,904,015± Square Feet	Improvements:	None-Vacant
Recording Date:	May 22, 2017	Price Per Acre:	\$67,500
Sale Price:	\$4,500,000	Price/Square Foot:	\$1.55
Document #:	4706369	Terms of Sale:	Cash to Seller
Transfer Taxes:	\$18,450.00	Conditions of Sale:	None Noted
Grantor:	Nell J. Redfield Foundation	Time on Market:	Approximately 3± Years
Grantee:	Chilkur LLC	Verification:	Public Records
Comments: This sale is a 66.667± acre parcel located on the west side of the I-580 Freeway right-of-way, southeast of the Redfield Campus along Mt. Rose Highway in the south portion of Reno, Washoe County, Nevada. Access to this site is through the Redfield Campus, although at the time of sale only dirt roads provided access to the site. The property has level to moderately sloping topography, and enjoys good visibility from the I-580 Freeway. The property is zoned Mixed Use, which allows a wide variety of commercial and residential developments. Prior to development, the site will require the extension of utilities. No water rights were included in the sale. The property was originally listed for \$6 million.			



COMPARABLE LAND SALE PROFILE SHEET
SALE 5



Property Type:	Vacant Land	Submarket:	Southwest Reno
Address:	8900 Lakeside Drive	City:	Reno
General Location:	SWC Lakeside Dr. & Holcomb Ln.	County:	Washoe
A.P.N.:	041-130-58	State:	Nevada
Topography:	Level to Moderate	Frontage:	Lombardi Lane
Zoning:	HDR, MDR & GR	Utilities:	Electricity & Phone
Parcel Acreage:	72.800± Acres	Water Rights:	217.64 Acre Feet Surface Rights
Parcel Square Feet:	2,904,015± Square Feet	Improvements:	None-Vacant
Recording Date:	June 12, 2017	Price Per Acre:	\$53,571
Sale Price:	\$3,900,000	Price/Square Foot:	\$1.23
Document #:	4712928	Terms of Sale:	Cash to Seller
Transfer Taxes:	\$15,990.00	Conditions of Sale:	None Noted
Grantor:	Deborah C. Day, Trustee	Time on Market:	Approximately 3± Years
Grantee:	Chilkur LLC	Verification:	David Geddes-Dickson Commercial
Comments: This sale is a 72.80± acre parcel located at the southwest corner of Lakeside Drive and Holcomb Lane, along the west side of Lombardi Lane in southwest Reno, Washoe County, Nevada. This property is known as the Shadow Canyon Ranch, and has been utilized for pasture in the past. The sale included 217.64± acre feet of water rights. At the time of sale, the property was listed for \$4,250,000. The property is zoned a mix of High Density Rural (HDR), Medium Density Rural (MDR), and General Rural (GR).			



MARKET VALUE ANALYSIS & CONCLUSION

In analyzing the Market Value of the subject property, a total of four land sales and one land listing were considered. The chart below summarizes the sales and listing.

SUMMARY OF LAND SALES ANALYZED						
Sale	Property ID	A.P.N.	Date of Sale	Sale Price	Land Acres	Price Per Acre
1	Vacant Land-Stead Area	082-083-07	6/23/2016	\$2,700,000	239.292 AC	\$11,283
2	Steamboat Creek Parcel	017-430-01	12/14/2016	\$625,000	35.903 AC	\$17,408
3	The Village at the Peak	534-571-01	5/5/2017	\$1,600,000	58.487 AC	\$27,357
4	Redfield Campus Business Park	144-070-03	5/22/2017	\$4,500,000	66.667 AC	\$67,500
5	Shadow Canyon Ranch	041-130-58	6/12/2017	\$3,900,000	72.800 AC	\$53,571
			LOW	6/23/2016	\$625,000	35.903 AC
			HIGH	6/12/2017	\$4,500,000	239.292 AC
			AVERAGE	2/13/2017	\$2,665,000	94.630 AC
			MEDIAN	5/5/2017	\$2,700,000	66.667 AC

Discussion of Adjustments

The comparable properties utilized in this analysis will be compared and correlated to the subject property based upon several adjustment criteria. These include property rights conveyed, financing terms, conditions of sale, market conditions, location, physical characteristics, zoning/use, and non-realty components of value. The sales will be analyzed based upon a sale price per acre basis.

Within the adjustment to sales section, most adjustments made will be qualitative adjustments, due to a lack of sale and resale activity from which to garner quantitative adjustments. In qualitatively adjusting the sales, an upward (+) adjustment is made to the comparable sale's price per acre when the subject is superior to the sale for specific criteria; likewise, a downward adjustment (-) is made to the comparable sale's price per acre when the subject is inferior to the sale for specific criteria. If the comparable sale is similar to the subject for specific criteria, then no adjustment is warranted (=).

Several of the comparable land sales included water rights. In this appraisal, no water rights are included in the valuation of the subject property. As there is a market for water rights and there is sufficient data with which to make quantitative adjustments for water rights, the sales which included water rights will be adjusted quantitatively; the sales which included water rights will be adjusted downward on a per acre basis.



Quantitative Adjustments

Water Rights Adjustment

Although the subject property does have a significant amount of water rights, this portion of the appraisal report assumes that there is not water rights attributable to the land; a separate analysis of the Market Value of water rights will be completed. Two of the sales included water rights, while three of the sales did not include water rights. The two sales which included water rights had 23± acre feet (Sale 2) and 217.64± acre feet (Sale 5) of water rights; both sales must be adjusted downward for water rights. The remaining sales do not require adjustments for water rights.

In order to determine an appropriate adjustment, I have reviewed several water rights transactions which have occurred in the marketplace. The following chart summarizes numerous water rights transactions which have occurred.

WATER RIGHTS SALES CHART					
Recording Date Sale Price	Document # County	Claim # Permit #	Permitted Use At Time of Sale	Acre-Feet Annually (AFA)	Sale Price Per Acre Foot
5/27/2011 \$2,586,880	4008048 Washoe	384/385/644 47020/47021	Irrigation/ Stockwater	323.36	\$8,000
1/17/2012 \$4,293,650	4075567 Washoe	346/347 None	Irrigation	898.73	\$4,777
4/5/2012 \$267,500	4100276 Washoe	94 & 94A 81144	Municipal/ Domestic	50.00	\$5,350
7/23/2012 \$140,000	4133978 Washoe	94 & 94A 81144	Municipal/ Domestic	22.00	\$6,364
9/12/2012 \$140,000	4150797 Washoe	94 & 94A 81144	Municipal/ Domestic	20.00	\$7,000
4/30/2013 \$194,750	4232122 Washoe	N/A 65580-65582	Municipal/ Domestic	38.95	\$5,000
5/16/2013 \$35,000	4237774 Washoe	346/347 None	Irrigation	7.00	\$5,000
11/14/2013 \$58,000	4299124 Washoe	N/A 66823	Municipal/ Domestic	19.26	\$3,011
12/31/2013 \$490,150	4313095 Washoe	118 None	Municipal/ Domestic	98.03	\$5,000
6/9/2014 \$147,430	4362020 Washoe	N/A 81394	Municipal/ Domestic	26.86	\$5,489
4/10/2015 \$3,083,364	4456769 Washoe	Various N/A	Municipal/ Domestic	501.36	\$6,150
9/30/2015 \$2,177,038	4518720 Washoe	207/208.5 N/A	Municipal/ Domestic	353.99	\$6,150
2/29/2016 \$1,537,500	4564762 Washoe	47 N/A	Municipal/ Domestic	250.00	\$6,150
1/6/2017 \$2,896,000	4669035 Washoe	14 N/A	Municipal/ Domestic	362.00	\$8,000
1/31/2017 \$1,129,293	4675689 Washoe	206.5/207/207.5 N/A	Municipal/ Domestic	192.22	\$5,875



In general, water rights have ranged in price per acre foot of between \$5,000 and \$8,000, depending on place of use, permitted use, and quantity of water rights. Water rights may also be purchased from the Truckee Meadows Water Authority (TMWA), who currently charges \$7,500 per acre foot. Water rights are available on the open market, and as is evidenced in the chart above, water rights purchases are generally below or near TMWA rates.

Based upon a review of the water rights sales, and with consideration given to the amount of water rights included in the sales and the subject, I have adjusted the sales for water rights at \$7,000 per acre foot. The chart below summarizes the water rights adjustments made to the sales.

WATER RIGHTS ADJUSTMENT CHART							
Sale #	Acres Acres	Price/Acre	Acre Feet Water Included	Value Per Acre Foot	Total Adjustment	Per Acre Adjustment	Adjusted Per Acre Price
1	239.292 AC	\$11,283	0.00 AF	\$7,000	\$0	\$0	\$11,283
2	35.903 AC	\$17,408	23.00 AF	\$7,000	(\$161,000)	(\$4,484)	\$12,924
3	58.487 AC	\$27,357	0.00 AF	\$7,000	\$0	\$0	\$27,357
4	66.667 AC	\$67,500	0.00 AF	\$7,000	\$0	\$0	\$67,500
5	72.800 AC	\$53,571	217.64 AF	\$7,000	(\$1,523,480)	(\$20,927)	\$32,645
Subject	75.000 AC	N/A	0.00 AF	\$7,000	N/A	N/A	N/A

After adjusting for water rights, the sales indicate an adjusted price per acre range between \$11,283 per acre and \$67,500 per acre.

Qualitative Adjustments

In the following analysis, comparisons will be made to the subject parcel and the comparable sales data. Due to a lack of paired sales data, qualitative adjustments will be made to the comparable data for the remaining adjustment criteria.

Property Rights Conveyed

In this analysis I am estimating the fee simple market value of the subject property. Each of the sales analyzed involved the sale of the fee simple interest of the property; therefore, no adjustments for property rights are required to the sales when comparing them to the subject's fee simple estate.



PROPERTY RIGHTS CONVEYED ADJUSTMENT SUMMARY		
Property	Interest Conveyed	Adjustment Required
1	Fee Simple	No Adjustment
2	Fee Simple	No Adjustment
3	Fee Simple	No Adjustment
4	Fee Simple	No Adjustment
5	Fee Simple	No Adjustment
Subject	Fee Simple	=

Financing-Terms of Sale (Cash Equivalency)

All of the other sales involved cash equivalent sale terms, and do not require adjustments for cash equivalency.

FINANCING TERMS ADJUSTMENT SUMMARY		
Property	Terms of Sale	Adjustment Required
1	Cash to Seller	No Adjustment
2	Cash to Seller	No Adjustment
3	Cash to Seller	No Adjustment
4	Cash to Seller	No Adjustment
5	Cash to Seller	No Adjustment
Subject	Assumes Cash Equivalent Terms	=

Conditions of Sale

Based upon interviews with the persons involved in each of the sales utilized in this analysis, no adjustments are necessary for conditions of sale for any of the sales.

CONDITIONS OF SALE ADJUSTMENT SUMMARY		
Property	Conditions of Sale	Adjustment Required
1	None Noted	No Adjustment
2	None Noted	No Adjustment
3	None Noted	No Adjustment
4	None Noted	No Adjustment
5	None Noted	No Adjustment
Subject	Assumes None	=

Buyer Expenditures

Each of the sales involved vacant, raw land sales. Although the subject does have improvements, they are not felt to contribute value to a 75± acre site. Additionally, the exact



location of the subject 75± acres has not been finalized, and therefore some of the improvements may not be included in the final 75± acre site; therefore, no adjustments for buyer expenditures are necessary to the sales for buyer expenditures.

BUYER EXPENDITURE ADJUSTMENT SUMMARY		
Property	Buyer Expenditure	Adjustment Required
1	None Noted	No Adjustment
2	None Noted	No Adjustment
3	None Noted	No Adjustment
4	None Noted	No Adjustment
5	None Noted	No Adjustment
Subject	Assumes None	=

Market Conditions

The sales occurred between June 2016 and June 2017. Although none of the comparable sales has been involved in a sale/resale over this period, I have analyzed other market factors to determine if a market conditions adjustment is warranted. Additionally, I have interviewed a number of buyers, sellers and brokers in the market. Each of the interviewees indicated that demand for vacant land has increased significantly in the Reno-Sparks market over the several years, and this trend has continued into 2016 and 2017. Overall, upward qualitative adjustments for market conditions are made to the sales; the two 2016 sales require larger qualitative adjustments for market conditions.

MARKET CONDITIONS ADJUSTMENT SUMMARY		
Property	Date of Sale	Adjustment Required
1	06/23/2016	Larger Upward Adjustment
2	12/14/2016	Larger Upward Adjustment
3	05/05/2017	Upward Adjustment
4	05/22/2017	Upward Adjustment
5	06/12/2017	Upward Adjustment
Subject	10/03/2017	=

Zoning/Legal Development Potential

The subject is currently zoned Public Facility (PF), and is within the City of Sparks. This appraisal report assumes that the subject will remain within the PF zoning district. The PF zoning district allows uses consistent with public facilities; the allowed uses are set forth in a prior section of this report.



Other than sale 2, each of the sale properties is felt to have superior zoning in-place, in comparison to the subject's PF zoning designation. Sale 2 has General Rural zoning, which is felt to be less desirable than the subject's PF zoning. Overall, downward adjustments have been made to Sales 1, 3, 4 and 5 for zoning/legal development potential. Sale 2 has been adjusted upward for zoning/development potential.

ZONING/LEGAL DEVELOPMENT ADJUSTMENT			
Property	Zoning	Development Potential	Adjustment Required
1	I/CC/OS	Industrial/Commercial/Residential	Downward Adjustment
2	GR	40± Acre Lot Minimum Residential	Upward Adjustment
3	MDS	161 Homesites	Downward Adjustment
4	Mixed Use	Various High-Density Uses	Large Downward Adjustment
5	HDR/MDR/GR	Larger Lot Residential	Downward Adjustment
Subject	PF	Public Facilities/Office	=

General Location

The subject is located in Sparks, generally on a parcel located at the northeast corner of North McCarran Boulevard and Sullivan Lane. The specific location of the 75± acre subject site has not yet been finalized, but the site is assumed to be developable to its highest and best use. The chart below summarizes adjustments made to the sales for general location.

GENERAL LOCATION ADJUSTMENT		
Property	General Location	Adjustment Required
1	Stead	Upward Adjustment
2	Pleasant Valley	Upward Adjustment
3	Spanish Springs	Upward Adjustment
4	South Reno	Downward Adjustment
5	Southwest Reno	Downward Adjustment
Subject	Northwest Sparks	=

Frontage/Access

Adjustments will be made to the sales in comparison to the subject property based upon their accessibility from adjacent roadways. The subject site is assumed to have sufficient access, with the main access point along Sullivan Lane, and possible frontages along North McCarran Boulevard and Wedekind Lane, although the only frontage which is assured is along Sullivan Lane. The chart below summarizes adjustments made to the sales for frontage/access.



FRONTAGE ADJUSTMENTS		
Property	Frontage	Adjustment Required
1	Dirt Roads	Upward Adjustment
2	South Virginia/Andrew Lane	Upward Adjustment
3	Calle De La Plata	Upward Adjustment
4	I-580	No Adjustment
5	Limited on Lakeside	Upward Adjustment
Subject	McCarran/Sullivan/Wedekind	=

ACCESS ADJUSTMENTS		
Property	Access	Adjustment Required
1	Dirt-Via Easement	Upward Adjustment
2	Andrew-1 Access Point	Upward Adjustment
3	Calle De La Plata	Slight Upward Adjustment
4	Dirt-Access Road Must Be Extended	Upward Adjustment
5	Lakeside-Via Driveway	Upward Adjustment
Subject	Sullivan-Multiple Locations	=

Topography

According to the Washoe County School District, a vast majority of the proposed 75± acre site will be in an area with level to moderate, undulating topography. The following summarizes adjustments made to the sales for topography.

TOPOGRAPHY ADJUSTMENT		
Property	Topography	Adjustment Required
1	Level to Steep/Undulating	Upward Adjustment
2	Level to Steep/Undulating	Upward Adjustment
3	Level	Downward Adjustment
4	Level to Moderate/Undulating	No Adjustment
5	Level to Moderate/Undulating	No Adjustment
Subject	Level to Moderate/Undulating	=

Utilities

The subject property has immediate access to all utility services, although further extension of utilities would be required for any new development on undeveloped portions of the site. The following summarizes adjustments made to the sales for utilities.



UTILITY ADJUSTMENT		
Property	Utility Availability	Adjustment Required
1	Must be Extended	Upward Adjustment
2	Electricity & Phone	Upward Adjustment
3	Available-Must Be Extended	Upward Adjustment
4	Available-Must Be Extended	Upward Adjustment
5	Electricity & Phone	Upward Adjustment
Subject	On-Site	=

Flood Zone

The subject property is located in a Flood Zone “X”, as are all of the comparable sales and the listing. No adjustments for flood zone are required.

FLOOD ZONE ADJUSTMENTS		
Property	Flood Zone	Adjustment Required
1	“X”	No Adjustment
2	“X” & “A”	Upward Adjustment
3	“X”	No Adjustment
4	“X”	No Adjustment
5	“X”	No Adjustment
Subject	“X”	=

Size

The sales range in size between 35.903± and 239.292± acres. The subject property contains 75.00± acres. Generally, a relationship exists between the size of the parcel and the per unit price paid. An upward adjustment will be made to the sales of larger parcels, while a downward adjustment will be made for sales with smaller parcel sizes. The following chart summarizes the size of the sale properties, and the qualitative adjustment required to each sale for size in comparison to the subject.

SIZE ADJUSTMENTS		
Property	Property Size	Adjustment Required
1	239.292 Acres	Upward Adjustment
2	35.903 Acres	Downward Adjustment
3	58.487 Acres	Downward Adjustment
4	66.667 Acres	No Adjustment
5	72.800 Acres	No Adjustment
Subject	75.00 Acres	=



Adjustment Chart

The following chart summarizes the adjustments made to the sales in comparison to the subject property. An equal sign (=) indicates the sale property and the subject are similar and/or competitive for a particular criterion. A plus sign (+) indicates that the subject is superior for a particular criterion, and an upward adjustment is required to the sale price per acre of the comparable; likewise, a minus sign (-) indicates that the subject is inferior for a particular criterion, and a downward adjustment is required to the sale price per acre of the comparable.

LAND SALES ADJUSTMENT SUMMARY CHART						
Sale Number	Subject	1	2	3	4	5
Sale Price	N/A	\$2,700,000	\$625,000	\$1,600,000	\$4,500,000	\$3,900,000
Acres	75.00 AC	239.29 AC	35.90 AC	58.49 AC	66.67 AC	72.80 AC
Sale Price/Acre	N/A	\$11,283	\$17,408	\$27,357	\$67,500	\$53,571
QUANTITATIVE ADJUSTMENTS						
Water Rights	None	\$0	(\$4,484)	\$0	\$0	(\$20,927)
Adjusted Price/Acre	N/A	\$11,283	\$12,924	\$27,357	\$67,500	\$32,645
QUALITATIVE ADJUSTMENTS						
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
	=	=	=	=	=	=
Terms of Sale	Assuming Cash	Cash Equ.	Cash Equ.	Cash Equ.	Cash Equ.	Cash Equ.
	=	=	=	=	=	=
Sale Conditions	Assuming None	None	None	None	None	None
	=	=	=	=	=	=
Buyer Expenditures	None	None	None	None	None	None
	=	=	=	=	=	=
Market Conditions	11/1/2017	6/23/2016	12/14/2016	5/5/2017	5/22/2017	6/12/2017
		++	++	+	+	+
Zoning/Development	PF	I, CC & OS	GR	MDS	MU	HDR, MDR & GR
		-	+	-	--	-
General Location	NW Sparks	Stead	Pleasant V.	Sp. Springs	S. Reno	SW Reno
		+	+	+	-	-
Frontage	Sullivan/ Others	Dirt	S. Virginia	Calle	I-580	Lakeside
		+	+	+	=	+
Access	Good	Fair	Fair	Average	Poor	Fair
		+	+	=/+	++	+
Topography	Level/ Moderate	Level-Steep	Level-Steep	Level	Level-Mod.	Level-Mod.
		+	+	-	=	=
Utilities	Available	Inferior	Inferior	Inferior	Inferior	Inferior
		+	+	+	+	+
Flood Zone	Unshaded X	X	X & A	X	X	X
		=	+	=	=	=
Size	75.00 AC	239.29 AC	35.90 AC	58.49 AC	66.67 AC	72.80 AC
		+	-	-	=	=
Other	N/A	=	=	=	=	=

Analysis of Sales

Sale 1 indicates a price per acre sale price of \$11,283, which did not require adjustment for water rights. This sale requires upward adjustments for market conditions, general location,



frontage, access, topography, utilities and size. A downward adjustment was warranted for zoning/legal development. Overall, this sale property's \$11,283 per acre sale price is considered a low indicator of value for the subject property on a per acre basis.

Sale 2 indicates a price per acre sale price of \$17,408; after adjustment for water rights, the adjusted per acre price is \$12,924. This sale requires upward adjustments for market conditions, zoning/legal development, general location, frontage, access, topography, utilities, and flood zone. A downward adjustment was warranted for size. Overall, this sale property's \$12,924 adjusted per acre sale price is considered a low indicator of value for the subject property on a per acre basis.

Sale 3 indicates a price per acre sale price of \$27,357, which did not require adjustment for water rights. This sale requires upward adjustments for market conditions and general location, and slight upward adjustments are warranted for frontage, access, and utilities. Downward adjustments are warranted for zoning/legal development, topography and size. Overall, this sale property's \$27,357 per acre sale price is considered a high indicator of value for the subject property on a per acre basis.

Sale 4 indicates a price per acre sale price of \$67,500, which did not require adjustment for water rights. This sale requires upward adjustments for market conditions, access and utilities. A large downward adjustment is warranted for zoning/legal development, and a downward adjustment is warranted for location. Overall, this sale property's \$67,500 per acre sale price is considered a high indicator of value for the subject property on a per acre basis; this property has zoning in place to allow a vast number of potential uses, including high density development.

Sale 5 indicates a price per acre sale price of \$53,571; after adjustment for water rights, the adjusted per acre price is \$32,645. This sale requires a slight upward adjustment for market conditions, and requires upward adjustments for frontage, access and utilities. On the other hand, downward adjustments are warranted to this sale for zoning/legal development, as well as general location. Overall, this sale property's \$32,645 adjusted per acre sale price is considered a high indicator of value for the subject property on a per acre basis; this sale property has zoning in place to allow single-family residential development in one of the more exclusive residential areas of Reno.



Conclusion

In estimating an appropriate per acre value for the subject property as of the effective date of value, consideration has been given to the parcel's location, zoning designation, and highest and best use. Consideration is given to the comparable land sales data, the effective date of value, and the definition of market value being addressed.

It is realized that the exact location of the subject 75± acre site has not yet been finalized, but the site will be located on Washoe County Assessor's Parcel Number 027-011-05, and will include at a minimum significant frontage along Sullivan Lane. The client has requested a value range to account for the unknown exact location on the site. It is my opinion that a site located toward the south of A.P.N. 027-011-05 with frontage along North McCarran Boulevard would be the most desirable location and is represented by the higher end of my value range, due to increased frontage and visibility from this major arterial roadway and better topography. It is my opinion that a 75± acre site further north is less desirable and is represented by the lower end of my value range, as it has less frontage and visibility and steeper topography.

Based upon a careful review and analysis of the available data, it is my opinion that an appropriate per acre value range applicable to the subject property is \$20,000 to \$25,000. The following summarizes the market value conclusion for the subject property as of the effective date of value.

MARKET VALUE CALCULATION			
A.P.N.	Acres	Value Range Per Acre	Total Value Range Conclusion
027-011-05 (Portion)	75.00± Acres	\$20,000-\$25,000	\$1,500,000-\$1,875,000*
* Based Upon Extraordinary Assumption That Property Remains Zoned Public Facility (PF); Does Not Include Value of Water Rights (Addressed Separately)			

FINAL MARKET VALUE CONCLUSION-SUBJECT LAND				
Property Description	Value Addressed	Property Rights Appraised	Effective Date Of Value	Market Value Range Conclusion
75.00± Acre Portion of Wildcreek Golf Course	Market Value	Fee Simple Interest	November 1, 2017	\$1,500,000 to \$1,875,000*
* Based Upon Extraordinary Assumption That Property Remains Zoned Public Facility (PF); Does Not Include Value of Water Rights (Addressed Separately)				



VALUATION ANALYSIS OF WATER RIGHTS

The client of this appraisal report has requested an analysis of water rights values associated with water rights associated with the subject site which could be utilized for municipal water. The following sets forth an analysis of water rights on the subject property.

SUBJECT PROPERTY WATER RIGHTS
Washoe County Assessor's Parcel Number 027-011-05, which the subject is a portion of, does have appurtenant water rights. According to Ms. Vivian Carvin, who researched water rights on the property, the subject includes portions of Permit Numbers 78563 and 78564. The following summarizes Ms. Carvin's findings, as provided to Wood Rodgers in a letter dated October 5, 2017.
Results of Research:
SURFACE WATER:
Permit No. 78563 - Certificate No. 18122:
506.784 AFA (Duty of 4.0 acre feet per acre from all sources) from Wells Creek Manner of Use is Recreation to Irrigate Wildcreek Golf Course on APN's 027-011-05 and 035-080-04.
Permit No. 78564 – Certificate No. 18123:
69.20 AFA (Duty of 4.0 acre feet per acre from all sources) from Truckee River via Orr Ditch Manner of Use is Recreation to Irrigate Wildcreek Golf Course on APN's 027-011-05 and 035-080-04.
Permit Nos. 78563 and 78563 have a combined duty of not to exceed 520.19 acre feet per acre from all sources. There is a total of 43.2 afa on 10.8 acres within APN 035-080-04. Water right Permits are in the name of Reno-Sparks Convention and Visitors Authority and land is in the name of Washoe County
GROUND WATER:
There were no wells or ground water found on APN 027-011-05.
CONCLUSION:
The water rights that are appurtenant to APN 027-011-05 are portions of Permit Nos. 78563 and 78564, being 119.39 acres at a duty of 4 acre feet per acre for a total of 477.56 afa . The remaining 43.2 afa of water would be appurtenant to APN 035-080-04
In addition to the above water rights, the subject ownership has also reportedly transferred 448.88± acre feet of Truckee River water rights to the Truckee Meadows Water Authority (TMWA), in order to utilize 500± acre feet of effluent on the existing golf course on the property.



Analysis of Water Rights Values

The subject has a significant amount of water associated with the property. The Washoe County School District has asked for an analysis of water rights values associated with the water rights on the subject property which could be utilized for municipal water rights use. In order to determine a Market Value Range of water rights, I have analyzed sales of water rights, and have interviewed water rights experts, the Truckee Meadows Water Authority (TMWA), and brokers, buyers and sellers of water rights. The following chart summarizes numerous water rights transactions which have occurred in the Reno-Sparks market.

WATER RIGHTS SALES CHART					
Recording Date Sale Price	Document # County	Claim # Permit #	Permitted Use At Time of Sale	Acre-Feet Annually (AFA)	Sale Price Per Acre Foot
5/27/2011 \$2,586,880	4008048 Washoe	384/385/644 47020/47021	Irrigation/ Stockwater	323.36	\$8,000
1/17/2012 \$4,293,650	4075567 Washoe	346/347 None	Irrigation	898.73	\$4,777
4/5/2012 \$267,500	4100276 Washoe	94 & 94A 81144	Municipal/ Domestic	50.00	\$5,350
7/23/2012 \$140,000	4133978 Washoe	94 & 94A 81144	Municipal/ Domestic	22.00	\$6,364
9/12/2012 \$140,000	4150797 Washoe	94 & 94A 81144	Municipal/ Domestic	20.00	\$7,000
4/30/2013 \$194,750	4232122 Washoe	N/A 65580-65582	Municipal/ Domestic	38.95	\$5,000
5/16/2013 \$35,000	4237774 Washoe	346/347 None	Irrigation	7.00	\$5,000
11/14/2013 \$58,000	4299124 Washoe	N/A 66823	Municipal/ Domestic	19.26	\$3,011
12/31/2013 \$490,150	4313095 Washoe	118 None	Municipal/ Domestic	98.03	\$5,000
6/9/2014 \$147,430	4362020 Washoe	N/A 81394	Municipal/ Domestic	26.86	\$5,489
4/10/2015 \$3,083,364	4456769 Washoe	Various N/A	Municipal/ Domestic	501.36	\$6,150
9/30/2015 \$2,177,038	4518720 Washoe	207/208.5 N/A	Municipal/ Domestic	353.99	\$6,150
2/29/2016 \$1,537,500	4564762 Washoe	47 N/A	Municipal/ Domestic	250.00	\$6,150
1/6/2017 \$2,896,000	4669035 Washoe	14 N/A	Municipal/ Domestic	362.00	\$8,000
1/31/2017 \$1,129,293	4675689 Washoe	206.5/207/207.5 N/A	Municipal/ Domestic	192.22	\$5,875

In general, water rights have ranged in price per acre foot of between \$5,000 and \$8,000, depending on place of use, permitted use, and quantity of water rights. Water rights may also be purchased from the Truckee Meadows Water Authority (TMWA), who currently charges \$7,500 per acre foot. Water rights are available on the open market, and as is evidenced in the chart above, water rights purchases are generally below or near TMWA rates.



Based upon a review of the water rights sales, and with consideration given to asking water rights prices from TMWA, it is my opinion that the water rights on the subject site, which have the ability to be utilized for municipal service, have a Market Value Range of between \$6,500 per acre foot and \$7,500 per acre foot.

FINAL MARKET VALUE CONCLUSION-WATER RIGHTS				
Property Description	Value Addressed	Property Rights Appraised	Effective Date Of Value	Market Value Range Conclusion
Water Rights Associated With Wildcreek	Market Value	Fee Simple Interest	November 1, 2017	\$6,500 to \$7,500 Per Acre Foot**
** Based Upon Extraordinary Assumption That Water Rights can be Utilized for Municipal Water Service				



EXPOSURE AND MARKETING TIME

Exposure time is defined as the length of time that would have been necessary to expose the property on the open market, in order to have consummated the sale at the effective date of valuation. This analysis assumes the property was marketed at the value conclusion contained in this report.

Marketing time, on the other hand, is the time necessary to consummate a sale of the subject property assuming that a marketing effort is begun as of the effective date of valuation and that the property is marketed at the final property value conclusions contained in this report.

In arriving at an estimate of an appropriate exposure and marketing time for the subject property, consideration is given the subject property's physical characteristics. Consideration is also given to the exposure and marketing times of other residential land in the Reno area, and interviews with brokers and property managers familiar with similar properties.

Based upon a review of the available data, it is my opinion that an appropriate exposure and marketing time for the subject property, assuming it is marketed at its final property value conclusions, would be as follows:

EXPOSURE & MARKETING TIME CONCLUSION		
Property Description	Exposure Time	Marketing Time
75.00± Acre Portion of Washoe County A.P.N. 027-011-05	6-12 Months	6-12 Months



APPRAISERS' CERTIFICATION

Each of the undersigned does hereby certify that, unless otherwise noted in this appraisal report, that they do certify to the best of their belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our 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 not performed services, as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- 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*.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The Appraisal Institute conducts a mandatory program of continuing education for its designated members. As of the date of this report, Scott Griffin has completed the requirements under the continuing education program of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. This report sets forth pertinent data, statistics, and other information considered necessary to establish the market value range of the subject property as of the effective date of valuation.

This appraisal has been prepared subject to the following Extraordinary Assumptions and Hypothetical Conditions:



- The subject is currently zoned Public Facility. The client has requested that the appraisal report addresses the Market Value of the subject property, based upon the Extraordinary Assumption that the Public Facility zoning will remain in place on the subject property.
- The exact location of the 75± acres of land on the subject parcel has not yet been finalized. Therefore, this appraisal report addresses the Market Value Range of a 75± acre parcel of land; the Market Value Range conclusion is based upon the Extraordinary Assumption that the 75± acres will be located on a portion of Washoe County Assessor's Parcel Number 027-011-05, and will have adequate dimensions for development of the 75± acres to its highest and best use.
- The subject property is a portion of a parcel which contains significant water rights. Based upon the instructions of the client, this appraisal report addresses the Market Value Range of water rights associated with the Wildcreek Golf Course on a per acre foot basis. The Market Value Range conclusion for the water rights is based upon the Extraordinary Assumption that the water rights are able to be utilized for municipal water service.
- The subject property is a 75.00± acre portion of a larger parcel. As the subject 75.00± acre parcel is not a legally existing parcel, this report is subject to the Hypothetical Condition that the 75.00± acre parcel is a legally existing parcel as of the effective date of value.

After careful consideration of all data available, and upon thorough personal investigation of the subject property and comparable properties analyzed, it is my opinion that the market value of the subject property is set out as follows:

FINAL MARKET VALUE CONCLUSIONS				
Property Description	Value Addressed	Property Rights Appraised	Effective Date Of Value	Market Value Range Conclusion
75.00± Acre Portion of Wildcreek Golf Course	Market Value	Fee Simple Interest	November 1, 2017	\$1,500,000 to \$1,875,000*
Water Rights Associated With Wildcreek	Market Value	Fee Simple Interest	November 1, 2017	\$6,500 to \$7,500 Per Acre Foot**
* Based Upon Extraordinary Assumption That Property Remains Zoned Public Facility (PF) & No Water Rights				
** Based Upon Extraordinary Assumption That Water Rights can be Utilized for Municipal Water Service				

Respectfully Submitted,

Scott Q. Griffin, MAI
Nevada Certified General Appraiser
License Number A.0003504-CG

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent upon the following assumptions and limiting conditions.

LIMITS OF LIABILITY

This report was prepared by Johnson Perkins Griffin, LLC. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of Johnson-Perkins & Associates, as employees, not as individuals. The liability of Johnson Perkins Griffin, LLC and its employees and associates is limited to the client only and to the fee actually received by the appraisal firm. There is no accountability, obligation, or liability to any third party. If the appraisal report is disseminated to anyone other than the client, the client shall make such party or parties aware of all limiting conditions and assumptions affecting the appraisal assignment. Neither the appraisers nor the appraisal firm is in any way to be responsible for any costs incurred to discover or correct any physical, financial and/or legal deficiencies of any type present in the subject property. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in the event of a lawsuit brought by a lender, a partner or part owner in any form of ownership, a tenant or any other party, the client will hold the appraiser(s) and the appraisal firm completely harmless in such action with respect to any and all awards or settlements of any type in such lawsuits.

COPIES, PUBLICATION, DISTRIBUTION AND USE OF REPORT

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for any purpose or any function other than its intended use, as stated in the body of the report. The appraisal fee represents compensation only for the analytical services provided by the appraiser(s). The appraisal report remains the property of the appraisal firm, though it may be used by the client in accord with these assumptions and limiting conditions.

This appraisal is to be used only in its entirety, and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the appraiser(s) whose signature(s) appears on the appraisal report, unless it is indicated that one or more of the appraisers was acting as "Review Appraiser." No change of any item in the report shall be made by anyone other than the appraiser(s). The appraiser(s) and the appraisal firm shall bear no responsibility for any such unauthorized changes.

CONFIDENTIALITY

Except as provided for subsequently, neither the appraiser(s) nor the appraisal firm may divulge the analyses, opinions or conclusions developed in the appraisal report, nor may they give a copy of the report to anyone other than the client or his designee as specified in writing. However, this condition does not apply to any requests made by the Appraisal Institute for purposes of confidential ethics enforcement. Also, this condition does not apply to any order or request issued by a court of law or any other body with the power of subpoena.

INFORMATION SUPPLIED BY OTHERS

Information (including projections of income and expenses) provided by informed local sources, such as government agencies, financial institutions, Realtors, buyers, sellers, property owners, bookkeepers, accountants, attorneys, and others is assumed to be true, correct and reliable. No responsibility for the accuracy of such information is assumed by the appraiser(s). Neither the appraiser(s) nor the appraisal firm is liable for any information or the work product provided by subcontractors. The client and others utilizing the appraisal report are advised that some of the individuals associated with Johnson Perkins Griffin, LLC are independent contractors and may sign the appraisal report in that capacity. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other sources thought reasonable. To the best of our judgment and knowledge, all such information is considered appropriate for inclusion. In some instances, an impractical and uneconomic expenditure of time would be required in attempting to furnish absolutely unimpeachable verification. The value conclusions set forth in the appraisal report are subject to the accuracy of said data. It is suggested that the client consider independent verification as a prerequisite to any transaction involving a sale, a lease or any other commitment of funds with respect to the subject property.

TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE

The contract for each appraisal, consultation or analytical service is fulfilled and the total fee is payable upon completion of the report. The appraisers(s) or those assisting in the preparation of the report will not be asked or required to give testimony in court or in any other hearing as a result of having prepared the appraisal, either in full or in part, except under separate and special arrangements at an additional fee. If testimony or a deposition is required, the client shall be responsible for any additional time, fees and charges, regardless of the issuing party. Neither the appraiser(s) nor those assisting in the preparation of the report is required to engage in post-appraisal consultation with the client or other third parties, except under a separate and special arrangement and at an additional fee.

EXHIBITS AND PHYSICAL DESCRIPTIONS

It is assumed that the improvements and the utilization of the land are within the boundaries of the property lines of the property described in the report and that there is no encroachment or trespass unless noted otherwise within the report. No survey of the property has been made by the appraiser(s) and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in the report are there to assist the reader in visualizing the property and are not necessarily drawn to scale. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced or used apart from the report.

TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS

No responsibility is assumed by the appraiser(s) or the appraisal firm for matters legal in character or nature. No opinion is rendered as to the status of title to any property. The title is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in the appraisal report. The legal description, as furnished by the client, his designee or as derived by the appraiser(s), is assumed to be correct as reported. The appraisal is not to be construed as giving advice concerning liens, title status, or legal marketability of the subject property.



ENGINEERING, STRUCTURAL, MECHANICAL, ARCHITECTURAL CONDITIONS

This appraisal should not be construed as a report on the physical items that are a part of any property described in the appraisal report. Although the appraisal may contain information about these physical items (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed report on these physical items. The appraiser(s) is not a construction, engineering, or architectural expert, and any opinion given on these matters in this report should be considered tentative in nature and is subject to modification upon receipt of additional information from appropriate experts. The client is advised to seek appropriate expert opinion before committing any funds to the property described in the appraisal report.

Any statement in the appraisal regarding the observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service, all mechanicals, and all matters relating to construction is based on a casual inspection only. Unless otherwise noted in the appraisal report, no detailed inspection was made. For instance, the appraiser is not an expert on heating systems, and no attempt was made to inspect the interior of the furnace. The structures were not investigated for building code violations, and it is assumed that all buildings meet the applicable building code requirements unless stated otherwise in the report.

Such items as conditions behind walls, above ceilings, behind locked doors, under the floor, or under the ground are not exposed to casual view and, therefore, were not inspected, unless specifically so stated in the appraisal. The existence of insulation, if any is mentioned, was discovered through conversations with others and/or circumstantial evidence. Since it is not exposed to view, the accuracy of any statements regarding insulation cannot be guaranteed.

Because no detailed inspection was made, and because such knowledge goes beyond the scope of this appraisal, any comments on observed conditions given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is given as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating systems, air conditioning systems, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, we would strongly suggest that a mechanical and/or structural inspection be made by a qualified and licensed contractor, a civil or structural engineer, an architect or other experts. This appraisal report is based on the assumption that there are no hidden, unapparent or apparent conditions on the property or improvements which would materially alter the value as reported. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and standard for the properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made in the appraisal as to the adequacy of insulation, the type of insulation, or the energy efficiency of the improvements or equipment which is assumed to be standard for the subject's age, type and condition.

TOXIC MATERIALS AND HAZARDS

Unless otherwise stated in the appraisal report, no attempt has been made to identify or report the presence of any potentially toxic materials and/or condition such as asbestos, urea formaldehyde foam insulation, PCBs, any form of toxic waste, polychlorinated biphenyl, pesticides, lead-based paints or soils or ground water contamination on any land or improvements described in the appraisal report. Before committing funds to any property, it is strongly advised that appropriate experts be employed to inspect both land and improvements for the existence of such potentially toxic materials and/or conditions. If any potentially toxic materials and/or conditions are present on the property, the value of the property may be

adversely affected and a re-appraisal at an additional cost may be necessary to estimate the effects of such circumstances.

SOILS, SUB-SOILS, AND POTENTIAL HAZARDS

It is assumed that there are no hidden or unapparent conditions of the soils or sub-soil which would render the subject property more or less valuable than reported in the appraisal. No engineering or percolation tests were made and no liability is assumed for soil conditions. Unless otherwise noted, the land and the soil in the area being appraised appeared to be firm, but no investigation has been made to determine whether or not any detrimental sub-soil conditions exist. Neither the appraiser(s) nor the appraisal firm is liable for any problems arising from soil conditions. These appraisers strongly advise that, before any funds are committed to a property, the advice of appropriate experts be sought.

If the appraiser(s) has not been supplied with a termite inspection report, survey or occupancy permit, no responsibility is assumed and no representation is made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained.

Neither the appraiser(s) nor the appraisal firm assumes responsibility for any costs or for any consequences arising from the need or lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for flood hazard insurance.

ARCHEOLOGICAL SIGNIFICANCE

No investigation has been made by the appraiser and no information has been provided to the appraiser regarding potential archeological significance of the subject property or any portion thereof. This report assumes no portion of the subject property has archeological significance.

LEGALITY OF USE

This appraisal report assumes that there is full compliance with all applicable federal, state and local environmental regulations and laws, unless non-compliance is stated, defined and considered in the appraisal report. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state or national government, private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

COMPONENT VALUES

Any distribution of the total value between the land and improvements, between partial ownership interests or any other partition of total value applies only under the stated use. Moreover, separate allocations between components are not valid if this report is used in conjunction with any other analysis.

COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. It is assumed that the property is in direct compliance with the various detailed requirements of the ADA.



AUXILIARY AND RELATED STUDIES

No environmental or impact studies, special market studies or analyses, special highest and best use studies or feasibility studies have been requested or made by the appraiser(s) unless otherwise specified in an agreement for services and so stated in the appraisal report.

DOLLAR VALUES AND PURCHASING POWER

The estimated market value set forth in the appraisal report and any cost figures utilized are applicable only as of the date of valuation of the appraisal report. All dollar amounts are based on the purchasing power and price of the dollar as of the date of value estimates.

ROUNDING

Some figures presented in this report were generated using computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded. Thus, these figures may be subject to small rounding errors.

QUANTITATIVE ANALYSIS

Although this analysis employs various mathematical calculations to provide value indications, the final estimate is subjective and may be influenced by our experience and other factors not specifically set forth in this report.

VALUE CHANGE, DYNAMIC MARKET, ALTERATION OF ESTIMATE BY APPRAISER

All values shown in the appraisal report are projections based on our analysis as of the date of valuation of the appraisal. These values may not be valid in other time periods or as conditions change. Projected mathematical models set forth in the appraisal are based on estimates and assumptions which are inherently subject to uncertainty and variations related to exposure, time, promotional effort, terms, motivation, and other conditions. The appraiser(s) does not represent these models as indicative of results that will actually be achieved. The value estimates consider the productivity and relative attractiveness of a property only as of the date of valuation set forth in the report.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value, investment value or value in use is a reflection of such benefits and of the appraiser's interpretation of income, yields and other factors derived from general and specific client and market information. Such estimates are as of the date of valuation of the report, and are subject to change as market conditions change.

This appraisal is an estimate of value based on analysis of information known to us at the time the appraisal was made. The appraiser(s) does not assume any responsibility for incorrect analysis because of incorrect or incomplete information. If new information of significance comes to light, the value given in this report is subject to change without notice. The appraisal report itself and the value estimates set forth therein are subject to change if either the physical or legal entity or the terms of financing are different from what is set forth in the report.



ECONOMIC AND SOCIAL TRENDS

The appraiser assumes no responsibility for economic, physical or demographic factors which may affect or alter the opinions in this report if said economic, physical or demographic factors were not present as of the date of value of this appraisal. The appraiser is not obligated to predict future political, economic or social trends.

EXCLUSIONS

Furnishings, equipment, other personal property and value associated with a specific business operation are excluded from the value estimate set forth in the report unless otherwise indicated. Only the real estate is included in the value estimates set forth in the report unless otherwise stated.

SUBSURFACE RIGHTS

No opinion is expressed as to the value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials, except as is expressly stated.

PROPOSED IMPROVEMENTS, CONDITIONED VALUE

It is assumed in the appraisal report that all proposed improvements and/or repairs, either on-site or off-site, are completed in an excellent workmanlike manner in accord with plans, specifications or other information supplied to these appraisers and set forth in the appraisal report, unless otherwise explicitly stated in the appraisal. In the case of proposed construction, the appraisal is subject to change upon inspection of the property after construction is completed. The estimate of market value is as of the date specified in the report. Unless otherwise stated, the assumption is made that all improvements and/or repairs have been completed according to the plans and that the property is operating at levels projected in the report.

MANAGEMENT OF PROPERTY

It is assumed that the property which is the subject of the appraisal report will be under typically prudent and competent management which is neither inefficient nor superefficient.

FEE

The fee for any appraisal report, consultation, feasibility or other study is for services rendered and, unless otherwise stated in the service agreement, is not solely based upon the time spent on any assignment.

LEGAL EXPENSES

Any legal expenses incurred in defending or representing ourselves concerning this assignment will be the responsibility of the client.



CHANGES AND MODIFICATIONS

The appraiser(s) reserves the right, at the cost of the client, to alter statements, analyses, conclusions, or any value estimates in the appraisal if any new facts pertinent to the appraisal process are discovered which were unknown on the date of valuation of this report.

DISSEMINATION OF MATERIAL

Neither all nor any part of the contents of this report shall be disseminated to the general public through advertising or sales media, public relations media, new media or other public means of communication without the prior written consent and approval of the appraiser(s).

The acceptance and/or use of the Appraisal Report by the client or any third party constitutes acceptance of the Assumptions and Limiting Conditions set forth in the preceding paragraphs. The appraiser's liability extends only to the specified client, not to subsequent parties or users. The appraiser's liability is limited to the amount of the fee received for the services rendered.



QUALIFICATIONS OF APPRAISER SCOTT QUINN GRIFFIN

Professional Designations

MAI-Member Appraisal Institute (MAI Designation Number 12359) 2005

State Licensing and Certification

Certified General Appraiser – State of Nevada 2000
License Number A.0003504-CG (Certified Through 03/31/2018)

Offices Held

Board of Directors-Reno/Carson/Tahoe Chapter Appraisal Institute 2009-2013
Treasurer-Reno/Carson/Tahoe Chapter Appraisal Institute 2002-2003
President-University of Nevada Young Alumni Chapter 1999

Appraisal Education and Technical Training

Appraisal Institute
Course 110-Appraisal Principles 1997
Course 120-Appraisal Procedures 1998
Course 310-Basic Income Capitalization 1998
Course 400-Uniform Standards of Professional Appraisal Practice Update 2004
Course 410-Standard of Professional Practice-Part A 1999
Course 420-Standard of Professional Practice-Part B 1999
Course 510-Advanced Income Capitalization 1999
Course 520-Highest & Best Use Analysis 2002
Course 530-Advanced Sales & Cost Approaches 2004
Course 540-Course Report Writing & Valuation Analysis 2003
Course 550-Advanced Applications 2003
Other Courses and Seminars
The High-Tech Appraisal Office 1997
GIS Applications for Appraisal 1997
Uniform Standard of Professional Appraisal Practice 2002
Comprehensive Appraisal Workshop 2004
Evaluating Commercial Construction 2006
Attacking & Defending An Appraisal In Litigation 2007
Analyzing Distressed Real Estate 2008
7-Hour National USPAP Update Course 2010/2012/2014/2016
Condemnation Appraising 2010
Appraising Convenience Stores 2010
Analyzing Distressed Real Estate 2012
Apartment Appraisal, Concepts & Applications 2012
Small Hotel/Motel Valuation 2012
Business Practice & Ethics 2014
Real Estate Finance Statistics and Valuation Modeling 2014
The Discounted Cash Flow Model: Concepts, Issues, and Apps 2014
Expert Witness for Commercial Appraisers 2016
Analyzing Operating Expenses 2016
Supervisor-Trainee Course (Nevada) 2016

Formal Education

University of Nevada, Reno 1995
Bachelor of Science in Business Administration; Major-Finance, Minor-Economics

Occupational History

Johnson Perkins Griffin, LLC 03/2015-Present
Johnson-Perkins & Associates 03/1997-02/2015



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

QUALIFICATIONS OF APPRAISER SCOTT QUINN GRIFFIN

Types of Property Appraised

Single Family Residences
Condominiums
Vacant Residential Lots
Subdivisions
Vacant Commercial Land
Industrial Buildings/Warehouses
Shopping Centers
Retail Buildings
Professional/Medical Office Buildings
Apartment Complexes
Affordable Housing Apartment Complexes
Hotels/Motels
Casinos/Hotel-Casinos
Farmland/Ranchland
Various Special Use Properties
Condemnation Appraisals

Admitted as Expert Witness

United States District Court, District of Nevada
United States Bankruptcy Court, District of Nevada
United States District Court
Superior Court-State of California
Washoe County District Court
Washoe County Board of Equalization
Nevada State Board of Equalization

APPRAISER CERTIFICATE		
STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY		
NOT TRANSFERABLE	REAL ESTATE DIVISION	NOT TRANSFERABLE
This is to Certify That : SCOTT Q GRIFFIN		Certificate Number: A.0003504-CG
Is duly authorized to act as a CERTIFIED GENERAL APPRAISER from the issue date to the expiration date at the business address stated here in, unless the certificate is sooner revoked, cancelled, withdrawn, or invalidated.		
Issue Date: March 24, 2016		Expire Date: March 31, 2018
In witness whereof, THE DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION, by virtue of the authority vested in Chapter 645C of the Nevada Revised Statutes, has caused this Certificate to be issued with its Seal printed thereon. This certificate must be conspicuously displayed in place of business.		
FOR: JOHNSON PERKINS GRIFFIN, LLC 245 E LIBERTY STREET, STE 100 RENO, NV 89501		REAL ESTATE DIVISION JOSEPH (JD) DECKER <i>Administrator</i>
		

ADDENDA



PRELIMINARY REPORT

Proposed Buyer:

Proposed Lender

Proposed Loan Amount: \$0.00

Property Address: 3500 Sullivan Lane, Sparks, Nevada

Escrow Office:

Ticor Title of Nevada, Inc.

5441 Kietzke Lane, Suite 100

Reno, NV 89511

Phone: (775) 324-7400 Fax: (775) 324-7402

Escrow Officer: Title Only

Customer No.: /

Title Office:

Ticor Title of Nevada, Inc.

5441 Kietzke Lane, Suite 100

Reno, NV 89511

Phone: (775) 324-7400 Fax: (775) 324-7402

Order No.: 01702907-TO

**The information contained in this report is through the date of
June 7, 2017 at 7:30 a.m.**

*In response to the application for a policy of title insurance referenced herein, **Ticor Title of Nevada, Inc.** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

*The policy(s) of title insurance to be issued hereunder will be policy(s) of **Chicago Title Insurance Company**.*

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

A handwritten signature in black ink, appearing to read 'Cheryl Perez'.

Cheryl Perez, Title Officer

THE FOLLOWING REQUIREMENTS MUST BE MET PRIOR TO CLOSE OF ESCROW:

1. Pay current all taxes, sewer, water and Waste Management fees.
2. If an ALTA/Extended Owners Policy is requested, this office will require an ALTA/NSPS Land Title Survey prior to the close of this transaction.
3. Provide to title insurer an Owners Affidavit prior to close of this transaction. Additional requirements may be requested upon receipt and review.
4. The requirement that a copy of the Staff Report and Motion and approval of same by the County of Washoe, State of Nevada, acting through its Reno-Sparks Convention Authority be furnished to this Company authorizing or ratifying the proposed conveyance of herein described land.

The Company reserves the right of add additional items or make further requirements after review of the required documentation.

5. Information in the possession of the Company indicates that a division of land has occurred or is contemplated in the current transaction involving the Land described in this report. Such contemplated division of land appears to fall within the purview of N.R.S. 278. As a prerequisite to the issuance of any title insurance under this application, at least one of the following requirements must be accomplished to the Company's satisfaction:

A Subdivision or Parcel Map has been recorded in compliance with N.R.S. 278 or Washoe County related ordinances/requirements.

Evidence of compliance with N.R.S. 278 or waiver from Washoe County.

Other evidence, satisfactory to the Company, indicating compliance or non-violation must be furnished.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

6. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.

SCHEDULE A

The estate or interest in the land hereinafter described or referred to covered by this report is:

FEE

Title to said estate or interest at the date hereof is vested in:

County of Washoe, State of Nevada, acting through its Reno-Sparks Convention Authority

The land referred to in this Report is situate in the State of Nevada, County of Washoe and described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

SCHEDULE B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions in said policy form would be as follows:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof, (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.
6. Any lien or right to lien for services, labor or material not shown in the Public Records.
7. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2017-2018. Tax Identification No.: 027-011-05
8. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Nevada Revised Statutes.
9. Any unpaid sewer service charges plus interest and penalties, which would create a lien and attach to said Land, pursuant to Sparks Municipal Code. Specific amounts may be obtained by calling (775) 353-2360.
10. Any unpaid charges for Waste Management, plus any interest and/or penalties, which would create a lien and attach to said Land, pursuant to Nevada Revised Statutes.
11. Water rights, claims or title to water, whether or not disclosed by the public records.
12. Rights of way for any existing roads and alleys, trails, canals, ditches, flumes, conduits, pipes, poles or transmission lines on, under, over, through or across the Land.
13. Rights of way for the Orr Ditch, and any easements pertaining thereto, including but not limited to any prescriptive or implied rights and/or easements.
14. Reservations, exceptions and provisions contained in the patent from the United States of America, and in the acts authorizing the issuance thereof.
Recording Date: August 20, 1897
Recording No: Book A, Page 579, Patent Records
Affects: That portion of said land lying within Section 31

15. Reservations, exceptions and provisions contained in the patent from the State of Nevada, and in the acts authorizing the issuance thereof.
Recording Date: December 17, 1901
Recording No: Book A, Page 710, Patent Records
Affects: That portion of said land lying within the North $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ and the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 32
16. Reservations, exceptions and provisions contained in the patent from the State of Nevada, and in the acts authorizing the issuance thereof.
Recording Date: June 4, 1906
Recording No: Book B, Page 103, as Document No. 955, Patent Records
Affects: That portion of said land lying within Section 30
17. Reservations, exceptions and provisions contained in the patent from the United States of America, and in the acts authorizing the issuance thereof.
Recording Date: February 7, 1945
Recording No: Book E, Page 238, as Document No. 127349, Patent Records
Affects: That portion of said land lying within Section 29
18. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Sierra Pacific Power Company, a corporation
Purpose: an electric power line consisting of steel or wooden poles, with necessary guys and anchors and other necessary or convenient appurtenances connected therewith
Recording Date: September 15, 1949
Recording No: Book S, Page 379, as Document No. 177177, Bonds and Agreements Records
Affects: The Northerly portion of said land
19. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Bell Telephone Company of Nevada, a corporation
Purpose: underground wires, cables and other electrical conductors with associated conduits and other appurtenances
Recording Date: January 2, 1951
Recording No: Book 270, Page 310, as Document No. 191347, Deed Records
Affects: The Northwesterly portion of said land
20. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Sierra Pacific Power Company, a corporation
Purpose: a communication and electric power line and other appurtenances
Recording Date: August 29, 1952
Recording No: Book 305, Page 386, as Document No. 208887, Deed Records
Affects: The Southerly portion of said land
21. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Sierra Pacific Power Company, a corporation
Purpose: an electric power line, communication equipment and other appurtenances
Recording Date: September 18, 1953
Recording No: Book 330, Page 445, as Document No. 220453, Deed Records
Affects: The Southerly portion of said land

22. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Sierra Pacific Power Company, a corporation
Purpose: an electric power line, communication equipment and other appurtenances
Recording Date: September 18, 1953
Recording No: Book 330, Page 447, as Document No. 220454, Deed Records
Affects: The Southerly portion of said land
23. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Sierra Pacific Power Company, a corporation and Bell Telephone Company of Nevada
Purpose: underground anchors together with overhead guy wires
Recording Date: March 3, 1964
Recording No: Book 736, Page 305, as Document No. 408236, Deed Records
Affects: The Easterly portion of said land
24. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Sierra Pacific Power Company, a corporation
Purpose: an electric power line, communication equipment and other appurtenances
Recording Date: January 27, 1966
Recording No: Book 148, Page 497, as Document No. 51065, Official Records
Affects: The Northerly portion of said land
25. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Bell Telephone Company of Nevada
Purpose: communication facilities, other electrical conductors and other appurtenances
Recording Date: April 21, 1971
Recording No: Book 537, Page 330, as Document No. 203794, Official Records
Affects: The Northwesterly portion of said land
26. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Sierra Pacific Power Company, a Nevada corporation
Purpose: construct, maintain and repair an open ditch or drain, tile drain or pipeline drain
Recording Date: February 26, 1973
Recording No: Book 711, Page 39, as Document No. 276847, Official Records
Affects: The Northwesterly portion of said land
27. Easement(s) and rights incidental thereto as delineated or as offered for dedication on Record of Survey Map No. 865
Recording Date: July 22, 1974
Recording No: 334575, Official Records

28. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Sierra Pacific Power Company, a Nevada corporation
Purpose: an electric power line, communication equipment and other appurtenances
Recording Date: February 15, 1977
Recording No: Book 1052, Page 471, as Document No. 449286, Official Records
Affects: The Northwesterly portion of said land
29. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Bell Telephone Company of Nevada
Purpose: communication facilities and appurtenances
Recording Date: February 25, 1977
Recording No: Book 1055, Page 691, as Document No. 450965, Official Records
Affects: The Northwesterly portion of said land
30. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Sierra Pacific Power Company, a Nevada corporation and Bell Telephone Company of Nevada, a corporation
Purpose: a communication and electric power line and other appurtenances
Recording Date: April 18, 1977
Recording No: Book 1072, Page 626, as Document No. 459730, Official Records
Affects: The Northwesterly portion of said land
31. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Sierra Pacific Power Company, a Nevada corporation
Purpose: electric underground facilities and other appurtenances
Recording Date: May 17, 1977
Recording No: Book 1082, Page 507, as Document No. 465102, Official Records
Affects: The Southeasterly portion of said land
32. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Sierra Pacific Power Company, a Nevada corporation
Purpose: an electric power line, communication equipment and other appurtenances
Recording Date: May 17, 1977
Recording No: Book 1082, Page 521, as Document No. 465109, Official Records
Affects: The Southerly portion of said land
33. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Bell Telephone Company of Nevada
Purpose: communication facilities and appurtenances
Recording Date: November 7, 1977
Recording No: Book 1152, Page 148, as Document No. 496733, Official Records
Affects: The Northwesterly portion of said land

34. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: City of Sparks, a municipal corporation
Purpose: a sanitary sewer pipeline easement
Recording Date: January 13, 1978
Recording No: Book 1182, Page 520, as Document No. 508672, Official Records
Affects: The Southwesterly portion of said land
35. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Sierra Pacific Power Company, a Nevada corporation and Bell Telephone Company of Nevada, a corporation
Purpose: overhead and underground electric power and communication lines and other appurtenances
Recording Date: May 24, 1978
Recording No: Book 1246, Page 459, as Document No. 533929, Official Records
Affects: The Northwesterly portion of said land
36. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Sierra Pacific Power Company, a Nevada corporation
Purpose: underground anchors together with overhead guy wires
Recording Date: April 30, 1980
Recording No: Book 1498, Page 928, as Document No. 670542, Official Records
Affects: The Southwesterly portion of said land
37. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Sun Valley Water & Sanitation District, a quasi-municipal corporation and body politic organized and to the County of Washoe, a political subdivision of the State of Nevada
Purpose: a sewer line, lines or drains beneath the surface of the real property and other appurtenances
Recording Date: April 28, 1981
Recording No: Book 1625, Page 941, as Document No. 736068, Official Records
Affects: The Westerly portion of said land
38. Terms, provisions and conditions as contained in an instrument
Entitled: Resolution of Intent of Assignment
Executed by: The County of Washoe, by and through the Reno-Sparks Convention/Tourism Authority
Recording Date: May 18, 1983
Recording No.: Book 1867, Page 676, as Document No. 855523, Official Records
39. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: The City of Sparks, a municipal corporation
Purpose: a perpetual access and public utility easement
Recording Date: November 21, 1989
Recording No: Book 2996, Page 737, as Document No. 1363968, Official Records
Affects: The Northwesterly portion of said land

40. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: The City of Sparks, a municipal corporation
Purpose: a permanent easement and right-of-way for sanitary sewer facilities
Recording Date: February 9, 1996
Recording No: Book 4496, Page 589, as Document No. 1966931, Official Records
Affects: The Southwesterly portion of said land
41. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: The City of Sparks, a municipal corporation and the State of Nevada
Purpose: storm drain facilities, together with other necessary or convenient appurtenances connected therewith
Recording Date: May 17, 2001
Recording No: 2554517 Official Records
Affects: The Southwesterly portion of said land
- Terms, provisions and conditions as contained in an instrument
Entitled: Notice of Description of Final Easement Area and Partial Release of Easement
Executed by: The County of Washoe, a political subdivision of the State of Nevada and the Reno Sparks Convention & Visitors Authority
Recording Date: August 2, 2004
Recording No.: 3077449, Official Records
42. Rights and claims of parties in possession by reason of unrecorded leases, if any, that would be disclosed by an inquiry of the parties or by an inspection of said Land.

INFORMATIONAL NOTES

Note: Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts are:

Assessor's Parcel No.: 027-011-05

Fiscal Year: 2016-2017

Total Taxes: \$614.66

Note: The charge for a policy of title insurance, when issued through this title order, will be based on the Basic Title Insurance Rate.

Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

Note: The following information is provided strictly as an accommodation. According to the Assessor, the address of the Land is as follows:

Type of Dwelling: Golf Course

Address: 3500 Sullivan Lane, Sparks, Nevada

Order No.: 01702907-TO

EXHIBIT A

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:

Situate in the Southwest quarter of the Southwest quarter of Section 29; the Southeast quarter of the Southeast quarter of Section 30; the Northeast quarter of Section 31; and the Northwest quarter of Section 32, all in Township 20 North, Range 20 East, M.D.B.&M., Washoe County, Nevada, also being reflected as portion of Parcel 2 and 4 on Record of Survey Map No. 865, filed in the office of the County Recorder of Washoe County, Nevada on July 22, 1974, as File No. 334575, Official Records, and being described as follows:

Commencing at the Section corner common to Section 29, 30, 31 and 32 in said Township and Range;
Thence South 88°14'58" East 1,294.69 feet to the TRUE POINT OF BEGINNING;

Thence from the true point of beginning, South 88°14'58" East 755.85 feet;
Thence South 01°45'02" West 404.55 feet;
Thence South 88°24'50" East 540.00 feet;
Thence South 01°35'10" West 1,938.52 feet to a point on the Northerly right of way line of Wedekind Road;
Thence along said Northerly right of way line, North 89°46'31" West 308.22 feet;
Thence leaving said right of way line, North 04°15'02" West 208.71 feet;
Thence South 85°44'58" West 208.71 feet;
Thence South 04°15'02" East 208.71 feet to a point on said Northerly right of way line of Wedekind Road;
Thence continuing along said Northerly right of way line, South 85°44'58" West 405.04 feet;
Thence South 85°42'48" West 162.69 feet;
Thence South 89°58'40" West 154.24 feet;
Thence South 85°17'59" West 112.52 feet;
Thence South 59°56'39" West 124.13 feet;
Thence South 50°48'30" West 144.70 feet to a point of intersection of the Northerly right of way line of Wedekind Road and the Northerly right of way line of McCarran Boulevard;
Thence along said Northerly right of way line of McCarran Boulevard, North 74°57'40" West 717.48 feet;
Thence North 78°00'45" West 540.21 feet;
Thence North 48°53'14" West 93.45 feet to a point of intersection of the Northerly right of way line of McCarran Boulevard and the Easterly right of way line of Sullivan Lane;
Thence along said Easterly right of way line, North 00°03'22" East 112.18 feet;
Thence North 13°42'32" East 327.65 feet;
Thence North 22°01'47" East 271.80 feet;
Thence North 62°41'25" West 7.09 feet;
Thence North 26°50'31" East 222.00 feet;
Thence along the arc of a tangent curve to the left with a radius of 530.00 feet, through a central angle of 51°48'00", an arc distance of 479.16 feet;
Thence North 24°57'29" West 1,572.30 feet;
Thence along the arc of a tangent curve to the left with a radius of 780.00 feet through a central angle of 37°17'30", an arc distance of 507.67 feet;
Thence North 62°14'59" West 270.19 feet;
Thence leaving said Easterly right of way line of Sullivan Lane, North 00°24'15" East 318.72 feet;
Thence North 89°38'38" East, 1,303.11 feet;
Thence South 88°16'57" East, 1,300.63 feet;
Thence South 00°23'48" West 1,307.35 feet more or less, to the TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM those portions conveyed to Sierra Pacific Power Company by deed recorded May 24, 1978, in Book 1246, Page 457, as Document No. 533928, Official Records, and June 17, 1978, in Book 1265, Page 334, as Document No. 541079, Official Records.

ALSO EXCEPTING THEREFROM that portion conveyed to C. Richard Capurro, et al, by deed recorded December 3, 1984, in Book 2100, Page 611, as Document No. 965159, Official Records.

APN: 027-011-05

Document No. 345693 is provided pursuant to the requirements of Section 6.NRS 111.312.

ATTACHMENT ONE (Revised 05-06-16)

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13) ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

{Except as provided in Schedule B - Part II, { t{or T}his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

{PART I

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.}

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:}

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;

- or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
 3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
 4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
 5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records. }
7. {Variable exceptions such as taxes, easements, CC&R's, etc. shown here. }

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
 - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters

- (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
- 4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
 - 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
 - 6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
 - 7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
 - 8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
 - 9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
 - 10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
 - 11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

Note: Notice of Available Title Insurance and Escrow Discounts

Your transaction may qualify for one of the discounts shown below. In order to receive these discounts, you will need to contact your escrow officer or a company representative to determine if you qualify and to request the discount. Your escrow officer or company representative will provide a full description of the terms, conditions and requirements associated with each discount.

Available Title Insurance Discounts (These discounts will apply to all transactions where the company is issuing a policy of title insurance, including such transactions where the company is not providing escrow closing services.)

CREDIT FOR PRELIMINARY TITLE REPORTS AND/OR COMMITMENT CANCELLATION CHARGES ON SUBSEQUENT POLICIES

Where an order was cancelled and no major change in the title has occurred since the issuance of the original report or commitment, and the order is reopened within 24 - 36 months, all or a portion of the charge previously paid upon the cancellation of the report or commitment may be credited on a subsequent policy charge.

SHORT TERM RATE

The Short Term Rate is a reduction of the applicable insurance rate which is allowable only when the current order is placed within 60 months from the date of issuance of a prior policy of title insurance to the vested owner or an assignee of the interest insured. The short term rate is 80% of the Basic Rate. Unless otherwise stated, the reduction only applies to policies priced at 80% or greater of the basic rate. This reduction does not apply to Short Sale transactions or to any surcharge calculated on the basic rate.

PRIOR POLICY DISCOUNT (APPLICABLE TO ZONE 2, DIRECT OPERATIONS ONLY)

The Prior Policy Discount will apply when a seller or borrower provides a copy of their owner's policy upon opening escrow. The prior policy rate is 70% of the applicable owner's title premium. This discount may not be used in combination with any other discount and can only be used in transactions involving property located in Zone 2 (Zone 2 includes all Nevada counties except Clark, Lincoln and Nye) that are handled by a direct operation of the FNF Family of Companies.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities the charge for a policy shall be 50% to 70% of the appropriate title insurance rate, depending on the type of coverage selected. This discount shall not apply to charges for loan policies issued concurrently with an owner's policy.

EMPLOYEE RATE

No charge shall be made to employees of the Company, its subsidiary or affiliated companies (including employees on approved retirement) for policies issued in connection with financing, refinancing, sale or purchase of the employee's bonafide home property. Waiver of such charges is authorized only in connection with those costs which the employee would be obligated to pay, by established custom, as a party to the transaction.

INVESTOR RATE

This rate is available for individuals, groups of individuals or entities customarily engaged in real estate investments. The parties must provide reasonable proof that they currently hold title to or have transferred title to three (3) or more investment properties in the State of Nevada within the past twelve (12) months to qualify for this rate. On a sale transaction, the investor rate is 70% of the basic rate. This reduction does not apply to any surcharge calculated on the basic rate. On a refinance transaction or where the investor is obtaining a loan subsequent to a purchase, the rate shall be 85% of the applicable rate with a minimum charge of \$385.00. The loan discount shall only apply to transactions priced under Section 5.1 B (1b) of the title insurance rate manual. This rate is available upon request only.

Available Escrow Discounts These discounts will apply only to the escrow fee portion of your settlement charges, and the discounts will apply only if the company is issuing a policy of title insurance in conjunction with providing escrow services.

SENIOR CITIZEN RATE

If a valid identification is provided, principals to a given transaction who qualify as Senior Citizens (55 year of age and over) shall be charged 70% of their portion of the escrow fee wherein a valid identification is provided. This discount shall only apply on residential resale transactions wherein the principal resides in the subject property. This discount may not be used in combination with any other escrow rate discount. This rate is available upon request only.

MILITARY DISCOUNT

Any person on active military duty or a Veteran of the U.S. Armed Forces shall be charged 80% of their portion of the escrow fee. A copy of a current military identification card or a copy of the DD-214 (Certificate of Release or Discharge from Active Duty) must be provided. This discount may not be used in combination with any other discount. This rate is for sale transaction and it is available upon request only.

FIRST TIME HOMEBUYER RATE (APPLICABLE TO ZONE 2 ONLY)

A first time homebuyer of an owner-occupied residential property shall be charged 75% of their portion of the escrow fee, provided reasonable evidence is presented that this is their first home. Applies to all counties **except** Clark, Lincoln and Nye. This discount may not be used in combination with any other discount. This rate is for sale transactions and it is available upon request only.

EMPLOYEE RATES

An employee will not be charged an escrow fee for the purchase, sale or refinance of the employee's primary residence. The employee must be a principal to the transaction and the request for waiver of fees must be submitted to Management prior to approval.

INVESTOR RATE

This rate is available for individuals, groups of individuals or entities customarily engaged in real estate transactions. The parties must provide reasonable proof that they currently hold title to or have transferred title to three (3) or more investment properties within the State of Nevada within the past twelve (12) months to qualify for this rate. The charge is 70% of their portion of the escrow fee. This discount may not be used in combination with any other discount. This rate is for sale transactions and it is available upon request, only.

FIDELITY NATIONAL FINANCIAL

PRIVACY NOTICE

At Fidelity National Financial, Inc., we respect and believe it is important to protect the privacy of consumers and our customers. This Privacy Notice explains how we collect, use, and protect any information that we collect from you, when and to whom we disclose such information, and the choices you have about the use of that information. A summary of the Privacy Notice is below, and we encourage you to review the entirety of the Privacy Notice following this summary. You can opt-out of certain disclosures by following our opt-out procedure set forth at the end of this Privacy Notice.

Types of Information Collected. You may provide us with certain personal information about you, like your contact information, address, demographic information, social security number (SSN), driver's license, passport, other government ID numbers and/or financial information. We may also receive browsing information from your Internet browser, computer and/or mobile device if you visit or use our websites or applications.	How Information is Collected. We may collect personal information from you via applications, forms, and correspondence we receive from you and others related to our transactions with you. When you visit our websites from your computer or mobile device, we automatically collect and store certain information available to us through your Internet browser or computer equipment to optimize your website experience.
Use of Collected Information. We request and use your personal information to provide products and services to you, to improve our products and services, and to communicate with you about these products and services. We may also share your contact information with our affiliates for marketing purposes.	When Information Is Disclosed. We may disclose your information to our affiliates and/or nonaffiliated parties providing services for you or us, to law enforcement agencies or governmental authorities, as required by law, and to parties whose interest in title must be determined.
Choices With Your Information. Your decision to submit information to us is entirely up to you. You can opt-out of certain disclosure or use of your information or choose to not provide any personal information to us.	Information From Children. We do not knowingly collect information from children who are under the age of 13, and our website is not intended to attract children.
Privacy Outside the Website. We are not responsible for the privacy practices of third parties, even if our website links to those parties' websites.	International Users. By providing us with your information, you consent to its transfer, processing and storage outside of your country of residence, as well as the fact that we will handle such information consistent with this Privacy Notice.
The California Online Privacy Protection Act. Some FNF companies provide services to mortgage loan servicers and, in some cases, their websites collect information on behalf of mortgage loan servicers. The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through those websites.	
Your Consent To This Privacy Notice. By submitting information to us or by using our website, you are accepting and agreeing to the terms of this Privacy Notice.	Access and Correction; Contact Us. If you desire to contact us regarding this notice or your information, please contact us at privacy@fnf.com or as directed at the end of this Privacy Notice.

FIDELITY NATIONAL FINANCIAL, INC. PRIVACY NOTICE

Fidelity National Financial, Inc. and its majority-owned subsidiary companies providing title insurance, real estate- and loan-related services (collectively, “FNF”, “our” or “we”) respect and are committed to protecting your privacy. We will take reasonable steps to ensure that your Personal Information and Browsing Information will only be used in compliance with this Privacy Notice and applicable laws. This Privacy Notice is only in effect for Personal Information and Browsing Information collected and/or owned by or on behalf of FNF, including Personal Information and Browsing Information collected through any FNF website, online service or application (collectively, the “Website”).

Types of Information Collected

We may collect two types of information from you: Personal Information and Browsing Information.

Personal Information. FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- social security number (SSN), driver’s license, passport, and other government ID numbers;
- financial account information; and
- other personal information needed from you to provide title insurance, real estate- and loan-related services to you.

Browsing Information. FNF may collect the following categories of Browsing Information:

- Internet Protocol (or IP) address or device ID/UDID, protocol and sequence information;
- browser language and type;
- domain name system requests;
- browsing history, such as time spent at a domain, time and date of your visit and number of clicks;
- http headers, application client and server banners; and
- operating system and fingerprinting data.

How Information is Collected

In the course of our business, we may collect *Personal Information* about you from the following sources:

- applications or other forms we receive from you or your authorized representative;
- the correspondence you and others send to us;
- information we receive through the Website;
- information about your transactions with, or services performed by, us, our affiliates or nonaffiliated third parties; and
- information from consumer or other reporting agencies and public records maintained by governmental entities that we obtain directly from those entities, our affiliates or others.

If you visit or use our Website, we may collect *Browsing Information* from you as follows:

- Browser Log Files. Our servers automatically log each visitor to the Website and collect and record certain browsing information about each visitor. The Browsing Information includes generic information and reveals nothing personal about the user.
- Cookies. When you visit our Website, a “cookie” may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer’s hard drive. When you visit a website again, the cookie allows the website to recognize your computer. Cookies may store user preferences and other information. You can choose whether or not to accept cookies by changing your Internet browser settings, which may impair or limit some functionality of the Website.

Use of Collected Information

Information collected by FNF is used for three main purposes:

- To provide products and services to you or any affiliate or third party who is obtaining services on your behalf or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you and to inform you about our, our affiliates’ and third parties’ products and services, jointly or independently.

When Information Is Disclosed

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) and Browsing Information to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Please see the section “Choices With Your Personal Information” to learn how to limit the discretionary disclosure of your Personal Information and Browsing Information.

Disclosures of your Personal Information may be made to the following categories of affiliates and nonaffiliated third parties:

- to third parties to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to our affiliate financial service providers for their use to market their products or services to you;
- to nonaffiliated third party service providers who provide or perform services on our behalf and use the disclosed information only in connection with such services;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to market financial products or services to you;
- to law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoena or court order;
- to lenders, lien holders, judgment creditors, or other parties claiming an interest in title whose claim or interest must be determined, settled, paid, or released prior to closing; and

- other third parties for whom you have given us written authorization to disclose your Personal Information.

We may disclose Personal Information and/or Browsing Information when required by law or in the good-faith belief that such disclosure is necessary to:

- comply with a legal process or applicable laws;
- enforce this Privacy Notice;
- investigate or respond to claims that any material, document, image, graphic, logo, design, audio, video or any other information provided by you violates the rights of a third party; or
- protect the rights, property or personal safety of FNF, its users or the public.

We maintain reasonable safeguards to keep your Personal Information secure. When we provide Personal Information to our affiliates or third party service providers as discussed in this Privacy Notice, we expect that these parties process such information in compliance with our Privacy Notice or in a manner that is in compliance with applicable privacy laws. The use of your information by a business partner may be subject to that party's own Privacy Notice. Unless permitted by law, we do not disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors. You expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings. We cannot and will not be responsible for any breach of security by a third party or for any actions of any third party that receives any of the information that is disclosed to us.

Choices With Your Information

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you. The uses of your Personal Information and/or Browsing Information that, by law, you cannot limit, include:

- for our everyday business purposes – to process your transactions, maintain your account(s), to respond to law
- enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court
- orders, or report to credit bureaus;
- for our own marketing purposes;
- for joint marketing with financial companies; and
- for our affiliates' everyday business purposes – information about your transactions and experiences.

You may choose to prevent FNF from disclosing or using your Personal Information and/or Browsing Information under the following circumstances ("opt-out"):

- for our affiliates' everyday business purposes – information about your creditworthiness; and
- for our affiliates to market to you.

To the extent permitted above, you may opt-out of disclosure or use of your Personal Information and Browsing Information by notifying us by one of the methods at the end of this Privacy Notice. We do not share your personal information with non-affiliates for their direct marketing purposes.

For California Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties, except as permitted by California law. Currently, our policy is that we do not recognize "do not track" requests from Internet browsers and similar devices.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties, except as permitted by Vermont law, such as to process your transactions or to maintain your account. In addition, we will not share information about your creditworthiness with our affiliates except with your authorization. For joint marketing in Vermont, we will only disclose your name, contact information and information about your transactions.

Information From Children

The Website is meant for adults and is not intended or designed to attract children under the age of thirteen (13). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian. By using the Website, you affirm that you are over the age of 13 and will abide by the terms of this Privacy Notice.

Privacy Outside the Website

The Website may contain links to other websites. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States or are a citizen of the European Union, please note that we may transfer your Personal Information and/or Browsing Information outside of your country of residence or the European Union for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection and transfer of such information in accordance with this Privacy Notice.

The California Online Privacy Protection Act

FNF Privacy Statement (Eff. 5/1/2015) Last Updated March 1, 2017
MISC0219 (DSI Rev. 3/2/17)

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Page 3 Order No. 01702907-098-TO-CLP

For some FNF websites, such as the Customer CareNet ("CCN"), FNF is acting as a third party service provider to a mortgage loan servicer. In those instances, we may collect certain information on behalf of that mortgage loan servicer via the website. The information which we may collect on behalf of the mortgage loan servicer is as follows:

- first and last name;
- property address;
- user name and password;
- loan number;
- social security number - masked upon entry;
- email address;
- three security questions and answers; and
- IP address.

The information you submit through the website is then transferred to your mortgage loan servicer by way of CCN. **The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through this website. For example, if you believe that your payment or user information is incorrect, you must contact your mortgage loan servicer.**

CCN does not share consumer information with third parties, other than (1) those with which the mortgage loan servicer has contracted to interface with the CCN application, or (2) law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders. All sections of this Privacy Notice apply to your interaction with CCN, except for the sections titled "Choices with Your Information" and "Access and Correction." If you have questions regarding the choices you have with regard to your personal information or how to access or correct your personal information, you should contact your mortgage loan servicer.

Your Consent To This Privacy Notice

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information by us in compliance with this Privacy Notice. Amendments to the Privacy Notice will be posted on the Website. Each time you provide information to us, or we receive information about you, following any amendment of this Privacy Notice will signify your assent to and acceptance of its revised terms for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you submit to us in any manner that we may choose without notice or compensation to you.

Accessing and Correcting Information; Contact Us

If you have questions, would like to access or correct your Personal Information, or want to opt-out of information sharing with our affiliates for their marketing purposes, please send your requests to privacy@fnf.com or by mail or phone to:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer
(888) 934-3354

**Vivian Carvin
1806 Alexander Hamilton Dr.
Reno, NV 89509
(775) 333- 9504**

October 17, 2017

Mr. Andy Durling
Wood Rodgers
1361 Corporate Boulevard
Reno, NV 89502

REVISED

Re: Water Right Research for Wild Creek Golf Course

Dear Mr. Durling:

The following is a summary of the research I did at the Nevada Division of Water Resources (NDWR) and the Washoe County Recorder's Office related to the water rights appurtenant to APN 027-011-05. Water right research was performed using the data available from the NDWR and Washoe County Recorder Office.

Results of Research:

SURFACE WATER:

Permit No. 78563 - Certificate No. 18122:

506.784 AFA (Duty of 4.0 acre feet per acre from all sources) from Wells Creek
Manner of Use is Recreation to Irrigate Wildcreek Golf Course
on APN's 027-011-05 and 035-080-04.

Permit No. 78564 – Certificate No. 18123:

69.20 AFA (Duty of 4.0 acre feet per acre from all sources) from Truckee River via Orr
Ditch
Manner of Use is Recreation to Irrigate Wildcreek Golf Course
on APN's 027-011-05 and 035-080-04.

Permit Nos. 78563 and 78563 have a combined duty of not to exceed 520.19 acre feet per acre from all sources. There is a total of 43.2 afa on 10.8 acres within APN 035-080-04.

Water right Permits are in the name of Reno-Sparks Convention and Visitors Authority and land is in the name of Washoe County

GROUND WATER:

There were no wells or ground water found on APN 027-011-05.

EFFLUENT WATER:

Wildcreek Golf Course also receives water from the Cites of Reno-Sparks Effluent program. The water is billed out as rate used based on gallons, very similar to Truckee Meadows Water Authority (TMWA) billing. At this time there is also a structure and deliver fee to help cover the cost of building service to Wildcreek Golf Course. I do not have any details on the cost that are spent on these services.

CONCLUSION:

The water rights that are appurtenant to APN 027-011-05 are portions of Permit Nos. 78563 and 78564, being 119.39 acres at a duty of 4 acre feet per acre for a total of **477.56 afa**. The remaining 43.2 afa of water would be appurtenant to APN 035-080-04

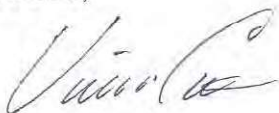
Permit No. 78563 (Wells Creek) will not easily be converted to TMWA since it is a creek right. A meeting with TMWA would be required to see if they have way to use the creek rights.

Permit No. 78564 can be turned to Municipal and into TMWA service areas by filing an Application to Change at the Nevada State Engineer's Office. The value of these rights would be around \$5000.00 per acre foot.

I have attached the copies of the Certificate Nos. 18122 and 18123 and the map showing the place of use irrigation rights of certificates. On the map I also show the outline of APN 027-011-05 and Wells Creek coming onto property.

Please give me a call if you have any questions.

Thanks,



Vivian Carvin