
AN APPRAISAL
OF
LEAR BOULEVARD, APN #568-100-12
RENO, WASHOE COUNTY, NEVADA 89506



PREPARED FOR
ALICIA REBAN
EXECUTIVE DIRECTOR
NEVADA LAND TRUST
P.O. BOX 20288
RENO, NV 89515

DATE OF VALUE
JULY 10, 2023

DATE OF REPORT
JULY 18, 2023

SUBMITTED BY
ANTHONY J. WREN, MAI, SRA
CERTIFIED GENERAL APPRAISER #A.0000090-CG
P.O. BOX 20867
RENO, NEVADA 89515

**AN APPRAISAL
OF
LEAR BOULEVARD
APN, #568-100-12
RENO, WASHOE COUNTY, NEVADA 89506**

**OWED BY
LENNAR RENO, LLC**

**PREPARED FOR
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EXECUTIVE DIRECTOR
NEVADA LAND TRUST
P.O. BOX 20288
RENO, NV 89515**

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RENO, NEVADA 89515**

ANTHONY J. WREN AND ASSOCIATES

P.O. BOX 20867
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(775) 329-4221

TONY WREN, MAI, SRA
CERTIFIED GENERAL APPRAISER

SUSAN WREN
RESIDENTIAL APPRAISER (1984-2022)

July 18, 2023

Alicia Reban
Executive Director
Nevada Land Trust
P.O. Box 20288
Reno, NV 89515

Re: An Appraisal of Lear Boulevard, Reno, Washoe County, NV 89506
Owners of Record: Lennar Reno, LLC, APN #568-100-12

Dear Alicia:

I have made an inspection and analysis of the above-referred property which is more specifically described in the following report. The accompanying report sets forth pertinent data, statistics, and other information considered necessary to establish the market value of the subject property.

The purpose of this report is to estimate the fee simple market value of the subject property as of the date of valuation, which is July 10, 2023.

The function of this appraisal is for the use by the client. The client has indicated that they will be utilizing the appraisal for possible acquisition of the subject property.

The accompanying appraisal report is being prepared in conformance with this appraiser's understanding of the current Standards of Professional Appraisal Practice as adopted by the Appraisal Standards Board of the Appraisal Foundation, as well as the Supplemental Standards of the Appraisal Institute.

This appraiser attests that he has the knowledge and experience to complete this appraisal assignment and has appraised this type of property before.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The following report provides a summary description of the subject and a review of all the pertinent data analyzed in forming the estimates of value for the property. Based on the examination and study made, I have formed the opinion that as of the date of valuation, which is July 10, 2023, the estimated market value is:

THREE MILLION NINE HUNDRED EIGHTEEN THOUSAND DOLLARS
(\$3,918,000)

Sincerely,

A handwritten signature in blue ink that reads "Anthony J. Wren". The signature is written in a cursive, flowing style.

Anthony J. Wren MAI, SRA
Certified General Appraiser #A.0000090-CG

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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Address:	Lear Boulevard, Reno, Washoe County, Nevada 89506	
Assessor's Parcel No.:	568-100-12	
Owner of Record:	Lennar Reno, LLC	
Zoning:	(Industrial-Commercial)	
Land Area:	13.325± ac	
Improvements:	None	
Gross Living Area:	0.00± sf	
Year Built:	N/A	
Present Use:	Vacant	
Highest and Best Use:	Industrial Use	
Property Rights Appraised:	Fee simple	
Date of Value:	July 10, 2023	
Date of Report:	July 18, 2023	
Value Conclusions:	Cost Approach:	N/A
	Income Approach	N/A
	Direct Sales Comparison Approach	\$3,918,000
FINAL VALUE CONCLUSION:		<u>\$3,918,000</u>

STATE MAP



REGIONAL MAP

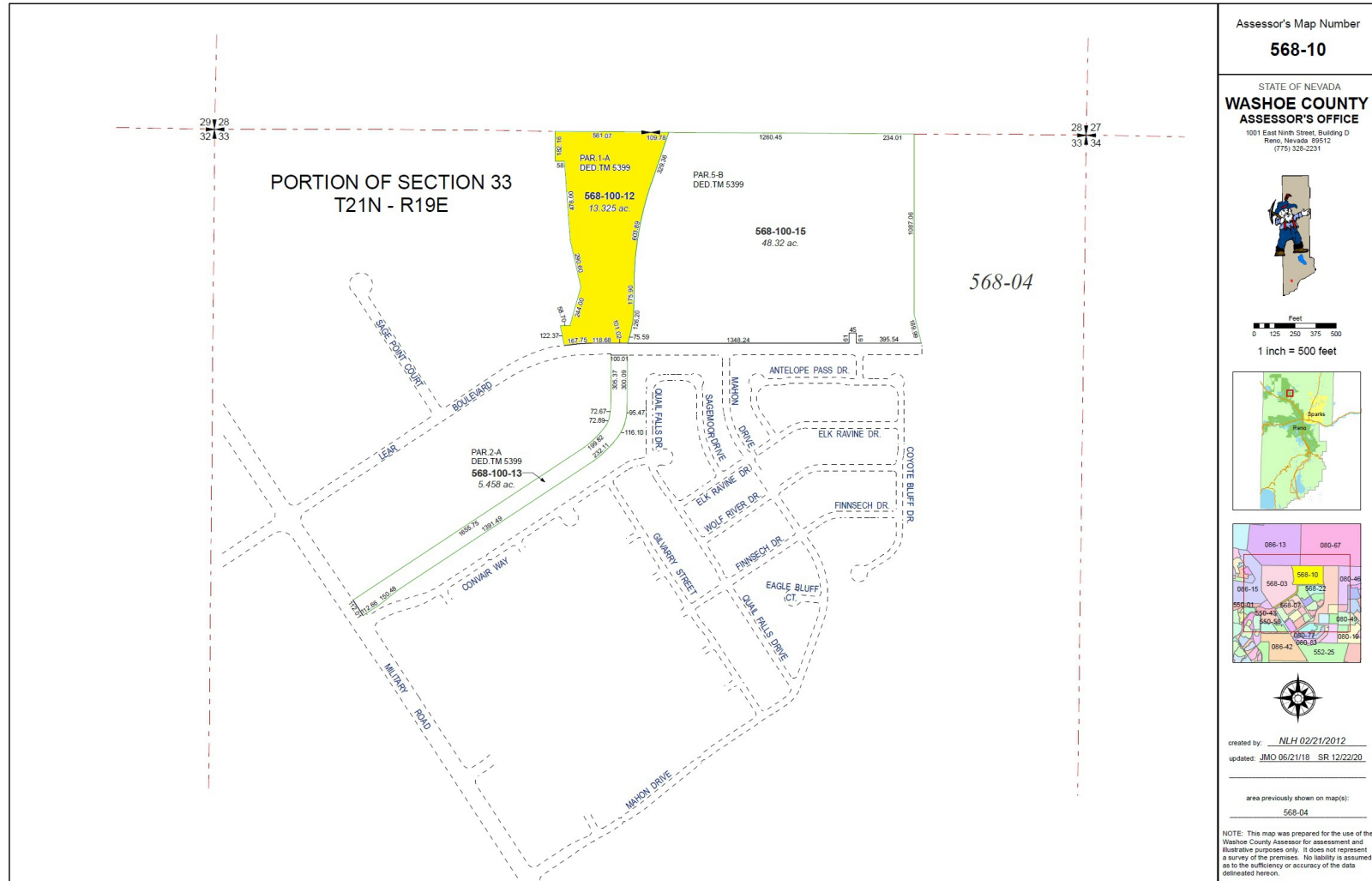


AREA MAP



RENO/SPARKS MAP

ASSESSOR'S PARCEL MAP



AERIAL MAP



LIMITING CONDITIONS**IN ACCEPTANCE OF THIS APPRAISAL ASSIGNMENT AND THE COMPLETION OF THE APPRAISAL REPORT SUBMITTED HERewith, IT HAS BEEN ASSUMED BY THIS APPRAISER:****1. LIMIT OF LIABILITY:**

The liability of Anthony J. Wren & Associates and employees is limited to the client only and to the fee actually received by the Appraiser. Further, there is no accountability, obligation or liability to any third party. If this report is disseminated to anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees that if a legal action is initiated by any lender, partner, part owner in any form of ownership, tenant, or any other party, the client will hold the Appraiser completely harmless in any such action from any and all awards or settlements of any type, regardless of outcome.

2. COPIES, PUBLICATION, DISTRIBUTION, 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 other than its intended use; the physical report(s) remain the property of the Appraiser for the use of the client, the fee being for the analytical services only.

The Bylaws and Regulations of the Appraisal Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate. Except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as the may select; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of the appraiser. (See last item in following list for client agreement/consent).

3. CONFIDENTIALITY:

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 whose signature appears on the appraisal report, unless indicated as "Review Appraiser". No change of any item in the report shall be made by anyone other than the Appraiser. The Appraiser and firm shall have no responsibility if any such unauthorized change is made. The Appraiser may not divulge the material (evaluation) contents of the report, analytical findings, or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the Appraisal Institute as they may request in confidence for ethics enforcement, or by a court of law or body with the power of subpoena.

4. INFORMATION USED:

No responsibility is assumed for accuracy of information furnished by work of others, the client, his designee, or public records. We are not liable for such information or the work of possible subcontractors. 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 source thought reasonable; all are considered appropriate for such inclusion to the best of our factual judgement and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds or subject property.

5. TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE:

The contract for appraisal, consultation or analytical service is fulfilled and the total fee is payable upon completion of the report, and/or as agreed upon between the parties involved. The Appraiser or those assisting in the preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

6. EXHIBITS:

Any sketches, maps, and photographs in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Site plans are not surveys unless shown from separate surveyor.

7. LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL, OR MECHANICAL COMPONENTS; SOIL QUALITY:

No responsibility is assumed for matters legal in character or nature, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which 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 is assumed to be correct as used in this report as furnished by the client, his designee or as derived by the Appraiser.

Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy, soils and potential for settlement on drainage, matters concerning liens, title status and legal marketability and similar matters. The client should seek assistance from qualified architectural, engineering, or legal professionals regarding such matters. The lender and owner should inspect the property before any disbursement of funds. Further, it is likely that the lender or owner may wish to require mechanical or structural

inspections by a qualified and licensed contractor, civil or structural engineer, architect, or other expert.

The Appraiser has inspected as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structural or other components. We have not critically inspected mechanical components within the improvements and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimates considers there being no such conditions that would cause a loss of value. The land or the soil of the area being appraised appears firm; however, subsidence in the area is unknown. The Appraiser does not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil, or structures or toxic materials which would render it more or less valuable. 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 status standard for properties of the subject type. Condition of heating, cooling, ventilating, electrical, and plumbing equipment, is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment may be made by us as to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment which is assumed standard for the subject property's age and type.

If the Appraiser has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representations or warranties are made concerning the above mentioned items.

The Appraiser assumes no responsibility for any costs or consequences arising due to the need, or the 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.

8. LEGALITY OF USE:

The appraisal is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report, and that all applicable zoning, building, use regulations and restrictions of all types have been complied with unless otherwise stated in the report. It is further assumed that all required licenses, consents, permits, or other legislative or administrative approvals from all applicable local, state, federal and/or private authorities have been or can be obtained or renewed for any use considered in the value estimate.

9. COMPONENT VALUES:

The allocation of the total valuation in this report between land and improvements, if included in this report, applies only under the use of the property which is assumed in this report. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

10. AUXILIARY AND RELATED STUDIES:

No environmental or impact studies, special market study or analysis, special highest and best use study or feasibility study has been requested or made unless otherwise specified in an agreement for services or so stated in the report.

11. DOLLAR VALUES, PURCHASING POWER:

The market value estimated and the costs used are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and value of the dollar as of the date of the value estimates.

12. VALUE CHANGE, DYNAMIC MARKET, INFLUENCES, ALTERATION OF ESTIMATE BY APPRAISER:

The estimated market value, which is defined in the report, is subject to change with market changes over time. Value is highly related to exposure, time, promotional effort, terms, motivation and conditions. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the market place as of the date of value.

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

The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

The appraisal report and value estimate are subject to change if the physical or legal entity or the terms of financing are different from what is set forth in this report.

13. INCLUSIONS:

Except as specifically indicated and typically considered as a part of the real estate, furnishings, equipment, other personal property, or business operations have been disregarded with only the real estate being considered in the value estimate. In some property types, business and real estate interests and values are combined but only if so stated within this report.

14. PROPOSED IMPROVEMENTS, CONDITIONED VALUE:

Improvements proposed, if any, on-site or off-site, as well as any repairs required, are considered for purposes of this appraisal to be completed in a good and workmanlike manner according to information submitted and/or considered by the appraiser. In cases of proposed construction, the appraisal is subject to change upon inspection of the property after construction is

completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and projected, unless otherwise stated.

15. MANAGEMENT OF THE PROPERTY:

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

16. FEE:

The fee for this appraisal or study is for the service rendered and not solely for the time spent on the physical report itself.

17. INSULATION AND TOXIC MATERIALS:

Unless otherwise stated in this report, the Appraiser signing this report has no knowledge concerning the presence or absence of toxic materials and/or urea-formaldehyde foam insulation in existing improvements. If such is present the value of the property may be adversely affected and reappraisal at additional cost will be necessary to estimate the effects of such.

18. CHANGES, MODIFICATIONS:

The Appraiser reserves the right to alter statements, analyses, conclusions or any value estimate in the appraisal if there becomes known to him facts pertinent to the appraisal process which were unknown when the report was finished.

19. FHLBB REGULATIONS

The Federal Home Loan Bank Board has special requirements for appraisals to be used by Savings and Loan Associations for some types of loans. This appraisal has been made in compliance with CEBA requirements according to FHLBB regulation 563.17-1a.

20. ACCEPTANCE AND/OR USE OF THIS APPRAISAL REPORT BY THE CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS. APPRAISER LIABILITY EXTENDS ONLY TO THE STATED CLIENT AND NOT TO SUBSEQUENT PARTIES OR USERS, AND THE LIABILITY IS LIMITED TO THE AMOUNT OF FEE RECEIVED BY THE APPRAISER.

PURPOSE OF THE APPRAISAL

This appraisal has been prepared for the purpose of estimating the market value as of the date of inspection, which was July 10, 2023. This appraisal is for possible acquisition of the property.

FUNCTION AND USE OF THE APPRAISAL

The function of this appraisal is for the use by the client. The client has indicated that they will be utilizing the appraisal for possible acquisition of the subject property.

INTENDED USER

The intended user of this report is considered to be the client.

SCOPE OF THE APPRAISAL

The appraiser, in preparation of this appraisal assignment, has made an interior and exterior inspection of the subject improvements. The subject neighborhood was inspected by the appraiser to assist the appraiser in determining the characteristics of the neighborhood. Real estate signs on both vacant land and improved properties were noted for later investigation and confirmation.

Sales of comparable improved properties were identified in the local Assessor's and Recorder's Offices as well as the local MLS files. The sales were confirmed by the appraiser or his research analyst. In addition, the appraiser has an extensive data bank of previously confirmed sales similar to those of the subject property.

The valuation of the real estate was made considering all three approaches to value: the Cost Approach, the Direct Sales Comparison Approach, and the Income Approach. The Cost Approach has been eliminated from this report due the fact that the subject is vacant land and the fact that it is neither relevant nor necessary. The Income Approach has been eliminated from this report due to the lack of market derived indicators and the fact that it is neither relevant nor necessary. The Direct Sales Comparison Approach has been considered relevant and has been included in this report.

MARKET VALUE DEFINITION

"Market Value" means the most probable price which a property should bring in a competitive and open market under all conditions requisite of a fair sale, the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus, whereby the sale is consummated on a specified date and the title to the property is passed from the seller to the buyer under the following conditions:

- a. The buyer and seller are typically motivated,
- b. The buyer and seller are well informed or advised and acting in what they consider to be their best interests,
- c. A reasonable time is allowed to expose the property for sale on the open market,
- d. Payment is made with United States dollars in cash or in terms of financial arrangements comparable thereto, and
- e. The sale price represents the normal consideration for the property and is unaffected by special or creative financing or sales concessions granted by any person associated with the sale." ¹

EFFECTIVE DATE OF VALUE

The effective date of valuation is as of the date of inspection, July 10, 2023.

LEGAL DESCRIPTION

A full legal description is retained in the appraiser's file. The subject is describe as Parcel 1-A, Tract Map 5399B, and contains 13.325± acres.

PROPERTY RIGHTS APPRAISED

The subject property is appraised as a fee simple estate. A fee simple estate is encumbered only by the four powers of the government.

OWNER OF RECORD

According to public records, the subject property is vested in the names of Lennar Reno, LLC.

¹Assembly Bill AB #80, effective June 18, 1993

INSPECTION

The appraiser performed a thorough inspection of the subject property on July 10, 2023.

LAND AREA

The subject site contains 13.325± acres or 580,437± square feet.

TOPOGRAPHY

The subject site is located slightly above street grade and is essentially level. Drainage off the site appears to be adequate during normal times.

ACCESS

The subject site has access via Lear Boulevard. Access is considered to be both typical and adequate.

UTILITIES

The subject site is provided with all available utilities. The property has city water. Gas and electricity are provided by NV Energy. Sewer is provided by a private septic system, telephone is provided by AT&T, while cable television is provided by Charter Cable. Utilities appear to be typical.

ZONING

According to public records, the subject property is zoned IC (Industrial Commercial) allowing a mixture of industrial and commercial uses. The purpose of this district is to provide for a mix of industrial and small-scale commercial land uses. This type of zoning should be separated from residential development by natural or manmade buffers such as major drainage ways and arterial roadways.

The following standards shall apply in an IC District: retail and commercial uses.

a. Retail and commercial uses are intended to serve the local industrial uses, except wholesale of construction materials and sale of low volume bulky goods that may serve a regional market.

b. If a retail/commercial area exceeds five acres in size, a special use permit is required. In the case of separately platted lots, if the total area of adjacent retail/commercial lots exceeds five acres, then a special use permit is required.

The purpose of the IC zoning is as follows:

The IC district is intended to provide for a mix of industrial, research and

development, and commercial uses. Sites are commonly comprised of large-footprint buildings designed for warehousing, flex space, manufacturing, and supporting office uses. This zoning district should be separate from residential development by natural and manmade buffers.

Table 1.27 IC: Lot and Building Standards		
	Lots	
A	Lot size, minimum	0.5 acre
B	Lot width, minimum	50 feet
	Setbacks, minimum	Principal Buildings
C	Front	Sites 20 acres or less: 10 feet Sites more than 20 acres: 30 feet
D	Side	0/10 feet
E	Rear	0/10 feet
	Height, maximum	
	Height	45 feet [2] ⁵¹
	Stories	3 stories

Notes:

[1] Side and Rear Yard setbacks: The building shall be either placed on the property line or set back a minimum of 10 feet. However, if the building is located immediately adjacent to a residentially zoned property, a minimum setback shall be 10 feet, and subject to residential adjacency standards.

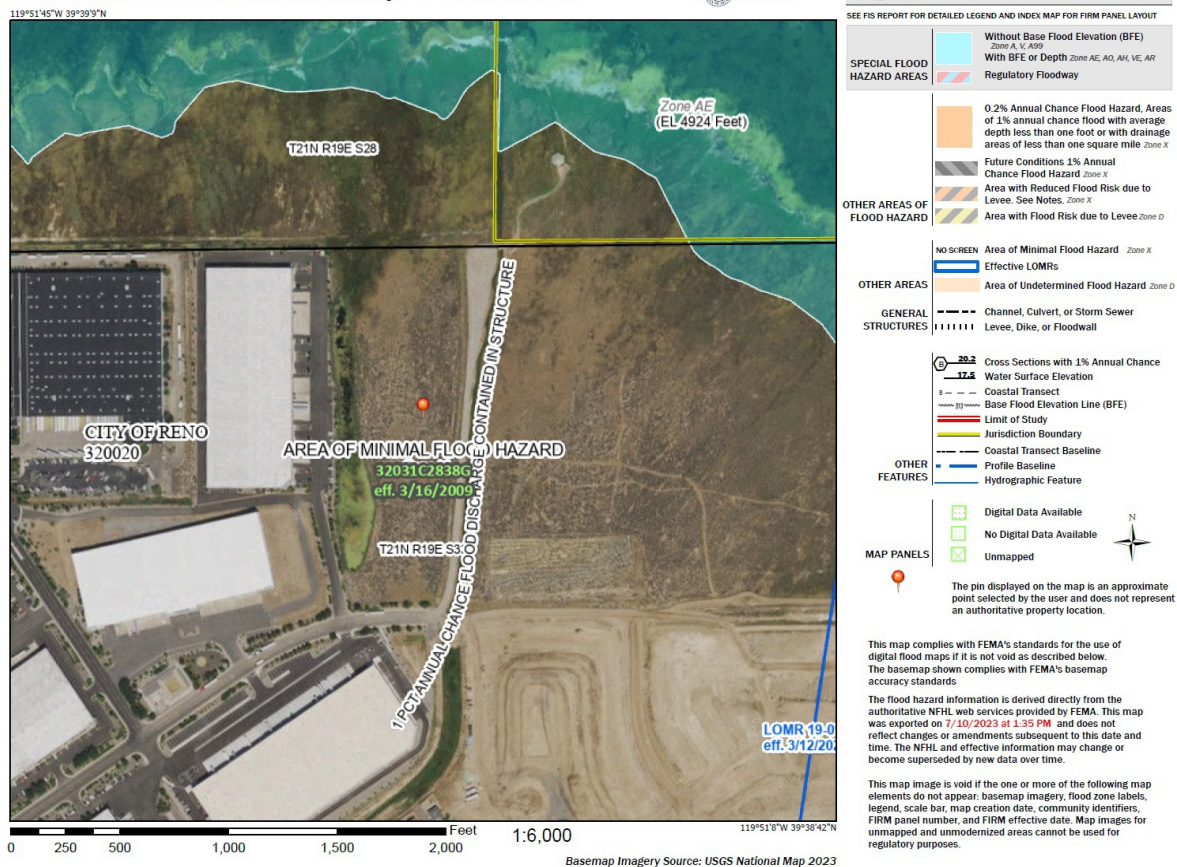
[2] One foot of additional step back is required for each one foot above the height of 35 feet.

FLOOD ZONE

According to the Flood Insurance Rate Map (FIRM) published by the Federal Emergency Management Agency, Community Panel Number 32031C 2838G revised March 16, 2009, the subject is located in a Zone X, which is an area of minimal flood hazard.

FLOOD MAP

National Flood Hazard Layer FIRMette



EARTHQUAKE ZONE

According to the current edition of the Uniform Building Code, Washoe County is located in a Seismic Risk Zone 3. This Zone encompasses areas having a number of local faults and where there is a relatively strong probability of moderate to strong seismic activity. Earthquakes of approximately 6.5 on the Richter scale would be associated with a Seismic Risk Zone 3. Because of these earthquake hazards, Washoe County requires all plans for commercial and residential structures to be reviewed by a structural engineer.

The Nevada Bureau of Mines and Geology produces an earthquake hazards map. According to this map, the subject is in the immediate vicinity of an early to mid Pleistocene fault. A fault in this category generally has not experienced movement for a period between 100,000 years and 1.8 million years. Therefore, this fault is not considered active at the present time. The fault line does not cross the subject site and it is a remote possibility that an earthquake could impact the subject property. Most portions of Washoe County are considered likely to experience moderate

shaking in the event of major earthquakes. This is also based on the earthquake hazards map. Because the subject site is impacted in a similar manner to the rest of Washoe County, property values are not considered to be impacted to a greater degree than other properties would.

SOILS

No soils report was provided to this appraiser. However, according to the USDA Soils Conservation Service information of the Soils Survey of Washoe County, Nevada, the subject site appears to be influenced by as many as four different soil types. These include the Chalco Very Stony Clay Loam, the Chalco Stony Loam, the Reno Sandy Loam and the Badland Chalco-Verdico Complex. According to the information regarding these four soil types, all seem to be suitable for development subject to constraints of some high clay content which must be mitigated for foundations and pavement. It is assumed that the soils are acceptable and that a professional soils engineer was utilized to prepare a soils suitability report for the subject.

FIVE-YEAR SALES HISTORY

The subject property has not changed hands in the last five years.

TAX DATA

The subject property contains one identifiable Assessor's Parcel Number. The assessed value for the subject property is based upon a 35% assessment ratio of the Assessor's estimate of the taxable value of the individual subject parcel. The 2023-2024 taxes for the district within which the subject property is located were \$8.27.

As is discussed in the *Area Analysis* of this report, the Reno/Sparks area and the State of Nevada have a very favorable tax rate. There are no apparent or anticipated increases in taxes in the foreseeable future, nor are there any anticipated assessments that would affect the subject property. The taxes for the subject property are typical for the area and do not appear to have any positive or negative effect on the overall value of the subject improvements. According to the Assessor's and Treasurer's Offices of Washoe County, the taxes are current. Taxes on the improvements are considered to be typical for the area and again, do not appear to have an overall effect on valuation. The following chart sets forth the summary of tax data for the individual parcel contained in the subject property.

APN	Assessed Value		Total Assessed Value	2023-2024 Taxes	Taxable Value
	Land	Improvements			
568-100-12	\$175.00	\$0.00	\$175.00	\$8.27	\$500

SPECIAL ASSESSMENTS

The appraiser has contacted the Washoe County Treasurer's Office to determine if there are any special assessments against the subject property. As of July 10, 2023, the date of inspection, a representative of the Treasurer's Office indicated to this appraiser that there are no current, pending special assessments against the subject property.

RENO/SPARKS AREA MAP



RENO/SPARKS AREA DESCRIPTION

The Reno-Sparks urban area is Nevada's second largest population center, after the Las Vegas metro area. The Reno metro area is traversed by the Truckee River, giving rise to the region's common name as the Truckee Meadows. The Truckee Meadows encompasses Rattle Snake Mountain at Huffaker Park, following the span of Steamboat Creek to the southern east end of Washoe and Storey County ending at the base of the Virginia Highlands. The Truckee Meadows is a north-south basin covering approximately 94 square miles in western Nevada. It is bounded on the east by the Virginia Range, on the west by the Carson Range, on the south by the Steamboat hills, and on the north by Peavine Peak. The Northern Nevada business and economic climate is currently experiencing a major boom. The Reno/Sparks market is comprised of 84 million square feet of industrial space and 7 million square feet of office space with 3 million square feet classified as Class A. Commercial real estate is quickly being leased up as more businesses are establishing operations in Northern Nevada, following the footsteps of Google, Tesla, Switch and Apple. Nevada offers these companies one of the most business-friendly environments in the country along with favorable incentives and a high quality of life. The region's optimal location to San Francisco, Portland, Salt Lake City, Las Vegas and Los Angeles all within a day's drive, is another added benefit.

Population

Robust population growth was the dominant feature of the Truckee Meadows' economy for several decades. The following chart sets forth a summary of the area's current population and depicts recent population trends.

**The 2008 Nevada State Demographer's Forecast of Washoe County Population
(2008 – 2030)***

Year	Population
2008	426,966
2009	436,776
2010	445,329
2011	453,875
2012	462,514
2013	471,132
2014	479,581
2015	487,936
2016	496,119
2017	503,940
2018	511,366
2019	518,351
2020	524,944
2021	531,204
2022	537,270
2023	543,087
2024	548,709
2025	554,134
2026	559,373
2027	564,448
2028	569,371
*2029	576,491
*2030	583,612

Source: Washoe County and Nevada State Demographer.

Robust population growth supported an active and relatively healthy housing industry for many years. In the early 2000s, building spiked upward, fueled in part by unsustainable demand from the junk-lending boom. When the sub-prime lending market collapsed, demand virtually ceased overnight, leaving homebuilders in Reno with huge inventories of unsold homes and land in various stages of development. The area has seen a robust recovery over the last few years, starting in about 2014 and continuing strong onto 2023.

Employment

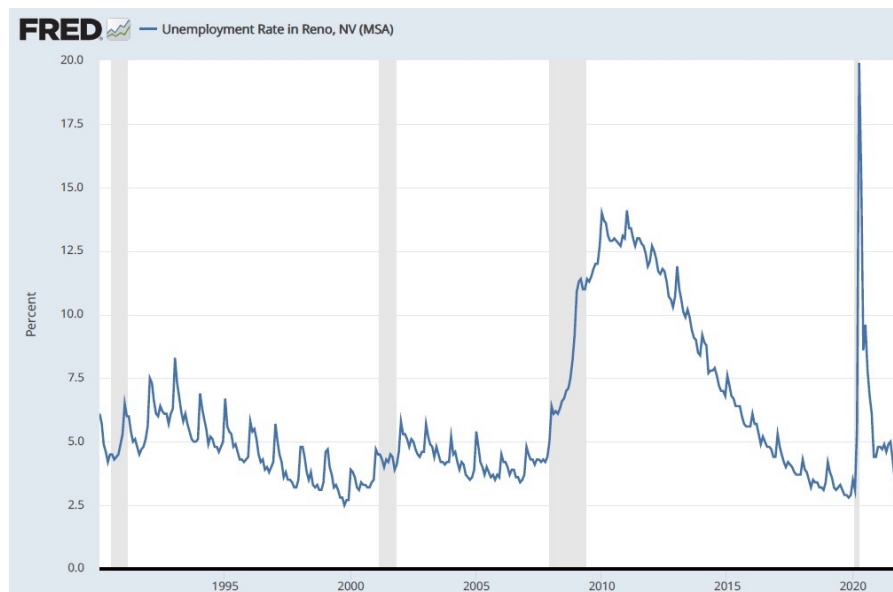
Employment in the Truckee Meadows was dominated by the gaming industry from the 1950s. By 1980, Nevada had lost its exclusive franchise on gaming and the industry started to lose market share to competing locations. However, gaming related employment was still the area's dominant sector in 1990, when leisure and hospitality employment (hotels, gaming, and recreation) accounted for approximately 26% of the area's employment. By 2000, gaming's decline, and the expansion of the area's non-gaming employment, had decreased the gaming sector share to 22% of total employment.

The 2008-09 national recession was especially hard on Washoe Valley's key industry. By 2012, leisure and hospitality employment had dropped to approximately 17.5% of total employment. Because the total number of persons employed in all sectors declined during the recession, gaming employment's share is calculated on a

smaller employment base. The 2014 statistics reveal a decline in real numbers for the gaming sector. The total number of leisure and hospitality employees was 42,900 in 1990, but 35,500 in 2014. This represents a real loss of 7,400 jobs or 17.25%.

As of March 2023, the Nevada Department of Employment Security reported Washoe Valley MSA unemployment at 5.5%, compared to national unemployment of 3.4%. This report shows a continued rebound in employment growth in Nevada with the state adding 2,600 jobs in March of 2023, and being up 73,000 jobs since March of 2022. The state's unemployment rate continues to drop, with the seasonally adjusted unemployment rate falling from 6.4 percent in December 2021 to 5.5 percent in March 2023, and the unadjusted unemployment rate raising only slightly from 5.2 percent to 5.4 percent. The state's labor market is continuing its recovery as we emerge from the COVID recession, particularly in the industries that were hit hardest by the pandemic" said David Schmidt, Chief Economist.

The Reno MSA's unemployment rate was 5.4 percent in March 2023, increasing from 2.8 percent in December 2021 and 4.4 percent in December 2020, non-seasonally adjusted. As of March 2023 Nevada has 1,485,980 employed individuals and 86,661 unemployed individuals, seasonally adjusted.



Transportation

Reno/Sparks is traversed by Interstate 80, which provides direct freeway access from Washoe Valley to the San Francisco Bay area in four hours and to Salt Lake City in eight. US Highway 395 traverses the area north-south, and provides direct access to interior Washington, Oregon and southern California.

The area is served by Reno/Tahoe International Airport, as the 64th busiest commercial airport in the nation, Reno-Tahoe International Airport (RTIA) serves

approximately 4.7 million passengers per year. Located 5 minutes from downtown Reno and 40 minutes from some of the finest ski resorts and outdoor recreation in the world, Reno-Tahoe International is the Gateway to Lake Tahoe and the entire region.

This airport has service by 10 airlines with more than 73 daily flights that serve 20 non-stop destinations. The airport also prides itself on a high level of customer service and convenience. In March of 2023 RTIA serviced 380,363 passengers, which is an increase of 3.1 percent compared to March of 2022. DHL Cargo volumes at the Reno/Tahoe International Airport were up by 35.1% in March of 2023 when compared with March of 2022, suggesting that the national recovery is having a positive impact on the region's warehousing industry. The abundance of distribution warehouses in the area serve the larger Northern California and western regional markets and have benefitted from modest recoveries regionally.

Tourism/Gaming

New Jersey voters passed a referendum legalizing gaming in Atlantic City in 1976. Since then, gaming in some form, whether state lotteries or full casino gaming, has spread across the US. During the same period, Indian gaming has proliferated as well. There are now few major metropolitan areas in the US that are more than a few hours' drive from legal gaming venues.

The Reno-Tahoe market in particular has lost market share to California Indian casinos. Unlike Las Vegas, which is an international gaming destination, the Reno-Tahoe market is largely regional. Most Reno visitors drive from northern California. A significant portion of this market is now intercepted at Indian gaming properties in northern California, several of which rival any of Reno's major gaming resorts in size and quality.

As of March 2023, Nevada has exceeded \$1bn in monthly gross gaming revenue. In January of 2023 the Nevada Gaming Control Board reported \$1.27bn in revenue for the month, showing an 18% increase year-over-year. Although tourism and gaming are still important to the local economy, they no longer dominate it. The last new, ground up casino built in Reno was the Legends Bay Casino, which officially opened in August of 2022 after taking almost 15 years to build. A number of old casinos in the downtown core have been converted to condominiums. Local officials are hopeful that new residential demand will be the economic engine that drives the rebirth of downtown Reno.

Trade

Reno is the largest city in a relatively sparsely populated region which encompasses much of northern Nevada, eastern California and southeastern Oregon. As such, it is a regional trade center. The Reno/Sparks area has two large regional

shopping malls and over 90 neighborhood shopping centers with more than 13,000,000 square feet of retail space. The majority of the area's retail space is scattered throughout the region's suburban residential neighborhoods.

Reno MSA Leading Index¹ declined between March and April 2021, though it still exceeds pre-pandemic levels, a trend started September 2020. The RLI shows a 2.39% decline between March and April 2021. The index increased by 29.99% over the same period last year (April 2020 to 2021). This is the first full month of the index comparing pandemic levels month to month and previous year, as the initial impact of COVID-19 occurred in March 2020.

There are two reasons for the decline in the monthly index. The biggest reason is taxable sales in April 2021 are estimated are relatively regular levels, compared to March 2021 which experienced the second highest sales level (second to December 2020) recorded. As a result, while April levels are not lower than expected, they show a strong decline compared to historically high March levels. The second reason is the increase in the initial claims of unemployment compared to the previous month.

All series are showing significant improvements compared to April 2020, which was the full first month of pandemic impacts. This indicates recovery from the pandemic is well on its way in the region.

Reno MSA Leading Economic Index

Series	Latest Period- April 2021	Prev. Period- March 2021	Change Prev. Period	Prev. Year- April 2020	Change Prev. Year
Taxable Sales (Washoe Co, SA, CPI)	449,048,103	582,426,991	-22.90%	396,403,019	13.28%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	51,076,248	48,092,477	6.20%	631,289	7990.79%
# of Single Family Homes Sold (Washoe Co., SA)	763	742	2.81%	670	13.90%
Airport Passengers (RTIA, SA)	255,012	229,393	11.17%	17,809	1331.91%
Airport Cargo Lbs. Shipped (RTIA, SA)	13,719,115	13,349,437	2.77%	12,064,672	13.71%
Initial Claims for Unemployment (Nevada, SA)	11,083	10,665	3.92%	55,917	-80.18%
S&P 500 Index (US, CPI)	2,379	2,266	4.99%	1,684	41.28%
M2 Money Supply (US, CPI)	11,474	11,446	0.24%	10,116	13.43%
Leading Index Result	177.68	182.04	-2.39%	136.69	29.99%

Source: US Department of Labor, Nevada Gaming Control Board, Washoe County Assessor/Center for Regional Studies (UNR), Federal Reserve Bank of St. Louis, Nevada Department of Taxation, Reno-Tahoe International Airport (RTIA).

SA-Series results are seasonally adjusted.

CPI-Series results are adjusted for inflation to 1995.

EDUCATION:

The Washoe County School District administers all public schools (K-12) in the county. The district includes 67 elementary schools, 17 middle schools and 13 high schools, as well as 5 alternative schools. The school district employs approximately 7,500 people and serves more than 65,538 students. The district has increased its graduation rate from 75% to 85% over that last 5 years, and is ranked in the top 50% of all public school districts in the state. As of 2023, there are 37 private schools in the

Truckee Meadows area including Bishop Manogue High School with an enrollment of approximately 720..

Higher education is provided by Truckee Meadows Community College and the University of Nevada, Reno. Truckee Meadows Community College, founded in 1971, serves more than 25,000 students.

MEDICAL:

City and county residents have a wide array of medical services available in the Reno/Sparks area. The facilities serve the Truckee Meadows' existing permanent population and its nearly 10 million annual visitors. There are seven hospitals including Renown Medical Center, recently expanded, St. Mary's Regional Medical Center, Northern Nevada Medical Center, the Ioannis A. Lougaris VA Medical Center, which is expanding, Nevada Mental Health Institute, also expanding and West Hills Hospital, an acute care psychiatric facility.

GOVERNMENT:

The unincorporated areas of Washoe County are governed by a board of five elected commissioners, with a county manager administering day-to-day operations. Reno and Sparks are governed by a mayor and six councilmen, all elected by popular vote.

Law enforcement in the Truckee Meadows area is provided by each jurisdictional police force. Each of the cities and counties provides fire protection to their respective areas.

UTILITIES:

All necessary utility services are available within the Reno/Sparks area. NV Energy Company produces and distributes electricity and natural gas in the area. Water service is provided by TMWA within the urban areas. In rural areas, natural gas and water services are provided by wells and propane tanks. Sewer service within the urban areas are provided through the Reno/Sparks Joint Sewer Treatment Plant or by the Washoe County Sewer Treatment Plant. However, in many outlying areas sewer service is provided by individual on-site septic tanks. Telephone service in the area is provided by AT&T, while solid waste disposal is provided by Reno Disposal or Sparks Sanitation Company.

TELEVISION AND NEWSPAPERS:

One large daily newspaper providing Sunday delivery, plus other smaller local newspapers service the area. Five major TV stations are located in the Truckee Meadows. Four stations are affiliated with major networks, and one is a public (PBS)

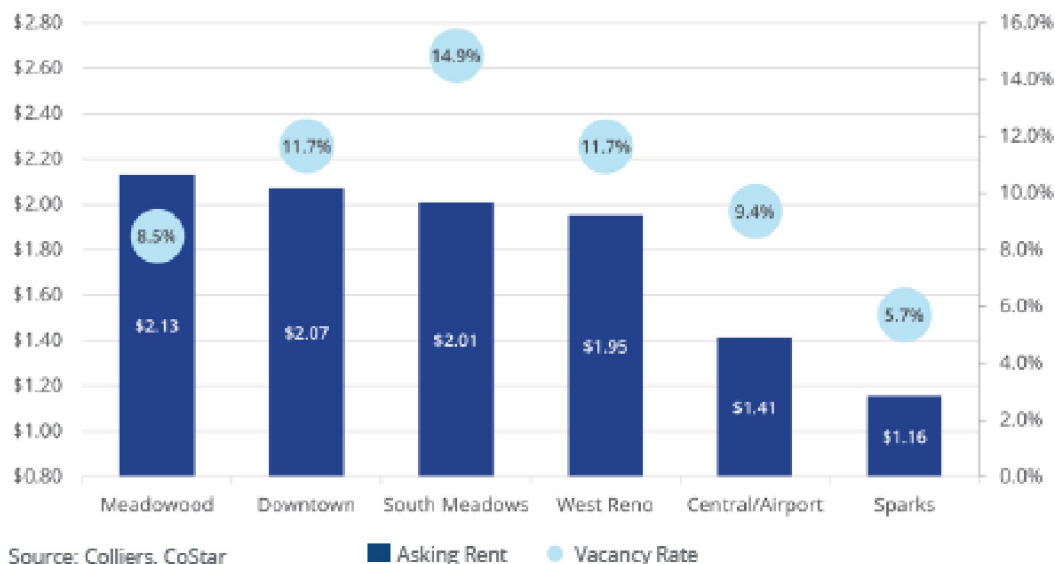
station. Twenty radio stations (approximately three AM, seventeen FM) supply a wide range of radio broadcasting. Additional newspapers, TV stations (cable TV), and radio stations are available from Sacramento and San Francisco Bay areas.

Office:

The Reno office market activity ended 2022 slightly cooled off, but the Northern Nevada office market continues to remain active and ended the year with positive momentum. The 4th quarter of 2022 showed that the market tallied six consecutive quarters of positive demand, however quarterly net absorption has trended downward as new space continues to come on the market. The year to date net absorption hit nearly 129,000 square feet, and the available sublease space grew from 22.2 percent in the third quarter of 2022, to 23.1 percent in the fourth quarter. Rents continue to be up 4.2 percent since the end of 2021.

What then will be the big trends we see in 2023? Will the larger companies that implemented a hybrid or work from home order adjust their strategy? How will Landlords continue to adapt to new tenant demands concerning flexibility and layout changes? Will inflationary risk start to affect the leasing market rates, annual escalations, and tenant improvement concessions? No matter what we see in 2023, the past three years can tell us that the Reno office market is resilient and adaptable.

Reno Office Vacancy Rates & Asking Rents by Submarket

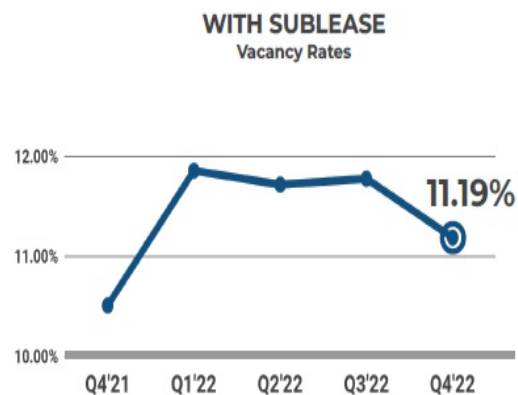
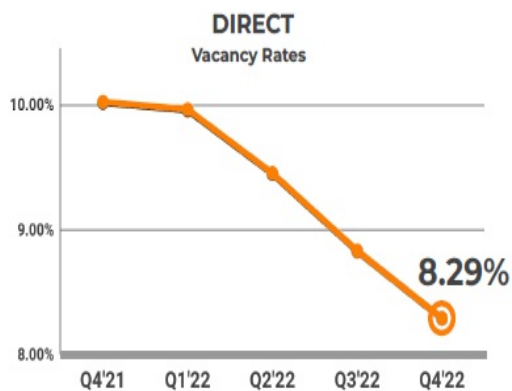
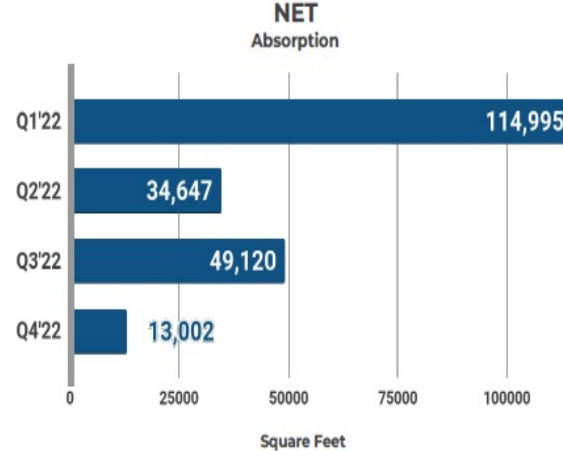
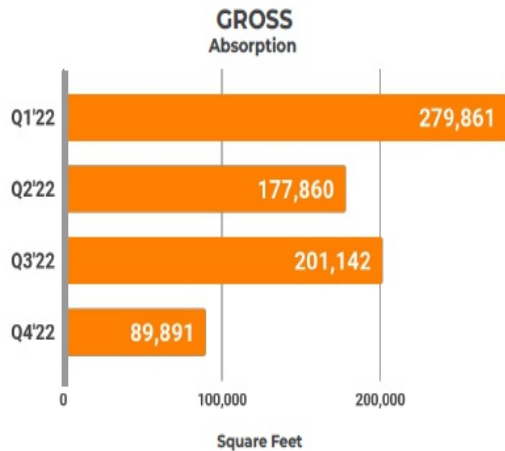


VACANCY AND ABSORPTION

As both direct and sublet space continued to hit the market, net absorption began to slow toward the end of 2022. The fourth quarter net absorption of 32,580 square feet helped to push the annual net absorption to 128,206 square feet. Valley Tech Systems, an engineering company, expanded by more than 6,800 square feet at their office space at Mill@McCarran, in the Central/Airport submarket, giving them a total of almost 11,400 square feet. At 100 West Liberty Street Signature Bank is occupying 11,400 square feet of new space. The market wide vacancy rate showed improvement over the year, dropping 160 basis points and to 10 percent in the fourth quarter of 2022. Downtown vacancy declined 320 basis points to 10.7 percent.

NORTHERN NEVADA OFFICE

Q4



SALES

The fourth quarter of 2022 saw a sales total of \$42.1 million, which had shrunk slightly from the previous quarter and was down 11.7 percent from the average quarterly sales over the past five years. The uncertainty surrounding interest rates slowed sales activity and compressed average sales pricing in the second and third quarters of 2022, but the fourth quarter saw a strong recovery in pricing. The average price of square foot has increased by 2.7 percent since the end of 2021, and jumped by 31 percent quarter over quarter. The largest sale in the fourth quarter of 2022 was when Sierra Nevada Media Group increases across the board in overall volume, price per square foot, and numb purchased 6995 Sierra Center Parkway, a nearly 20,000 square foot building, for \$6.6 million.

MARKET FORECAST

Nevada saw statewide record employment over the summer of 2022, however the unemployment rate began to rise later in the year. The Reno/Sparks area added 8,500 jobs since November of 2021, and Reno's unemployment rate is in line wit the national average. The financial and business sectors saw an increase of 1,500 jobs in 2022, and employment in the education and health sectors grew by 1,500. At the end of 2022, sublet space had increased by 7.0 from the year prior, accounting for 23.1 percent of all available space. If sublease space begins to outpace demand, the region could be in for a challenging office market in the coming years, but so far tenant demand has been strong enough to keep net absorption positive..

According to Kidder Mathews, at the start of 2023 approximately 7.5 million square feet of speculative construction in the pipeline was anticipated to be delivered in the next 12-24 months. This represents a 7 percent increase in total market size, with a marketing total of over 100 million square feet. With this being the most robust development pipeline the region has seen, vacancy was expected to rise as more product became available. As expected, the overall vacancy rate jumped to 3.14 percent in the first quarter of 2023, compared to 1.37 percent in the fourth quarter of 2022. Seven buildings, totaling 1.95 million square feet of new speculative construction, were delivered in the first quarter of 2023, and 53 percent of the new speculative construction was delivered preleased at the time of delivery.

The market posted a positive net delivery for the first quarter of 2023, and roughly 5.5 million square feet of speculative construction is expected to be delivered by the end of 2024. This makes it likely that market availability will steadily rise over the next few quarters.

Reno Office Sales Activity



Construction

Village at Rancharrah Transformed into a community at 7100 Rancharrah Parkway on a 140.80 acre property.

New UHS Hospital Full service hospital at intersection of Double R Blvd and Longley Ln is projected to be 350,000 SF of hospital and medical office space after the initial phase. The new hospital, opening in 2022, will include 200 private patient rooms and 262 beds.

New Renown Expansion of South Meadows Hospital Renown plans to expand its 16.164 acre hospital site at 10101 Double R Blvd with 154,000 gross SF of new surgery rooms, public spaces, new facade and upgrades for the Medical Center. Majority of this project should be done by fall of 2023.

Reno City Center Former Harrah's property being redeveloped by CAI investments. Plans call for a mixed-use complex with 530 apartments, 150,000 square feet of office space and 78,500 square feet of retail (including a potential grocery store). The large plaza in front of Harrah's will be transformed to public green space with open seating.

223 Court Street - Kimpton hotel project being developed by CAI, starting in May

2021, 75,000 square feet of class A office space, upscale international boutique hotel with 271 rooms, and 45 branded residential units.

Skypointe Southeast corner of McCarran Boulevard and South Virginia Street, will offer a six story building with 180,000 SF of office space and 50,000 SF of energized retail and restaurant space.

Mayberry Gardens Office Project - 5 building, 23,200 square foot office and

medical development. Under construction.

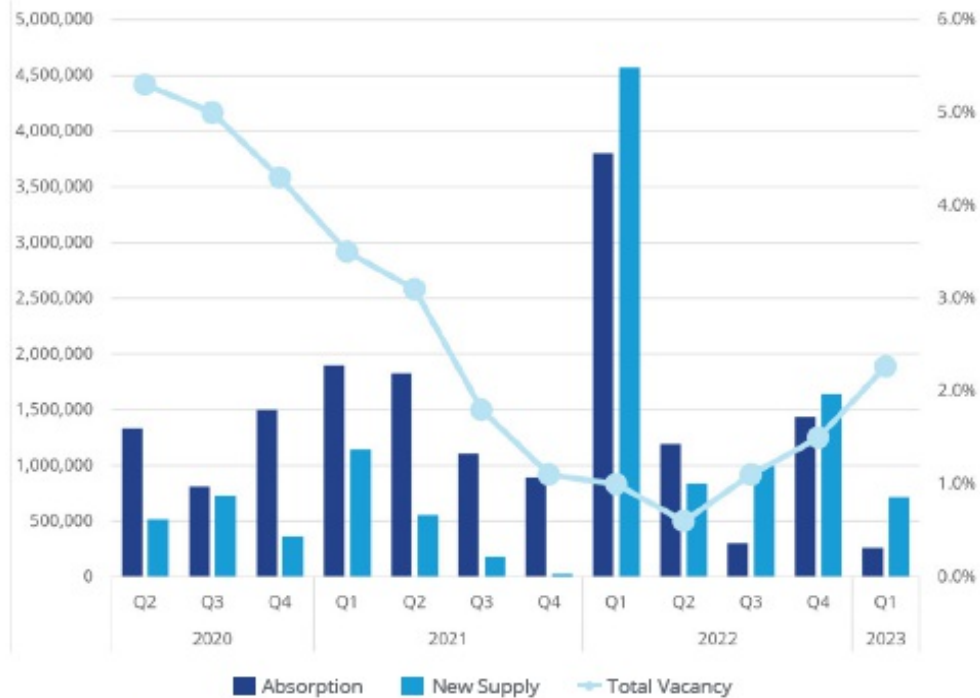
UNR Gateway Project - At the northern tip of downtown, the University has acquired all the land for the proposed Gateway Project that will include a new Life Sciences building, College of Business and a parking structure with a skyway bridge connecting to the path on Manzanita Lake. A new RTC Rapid transfer station is also part of this multi-block development project.

RED (Reno Experience District) Tech campus includes 4 proposed buildings totaling 382,000 square feet One 6-story building offers ±132,000 sq. ft of rentable workspace two 5-story buildings offer ±220,000 sq. ft of rentable workspace One 1-story building offers ±30,000 sq. ft. of rentable workspace Bonde Lane Single-story Medical Office, ±30,000-35,000 sq. ft. Construction commencing January 2022.

Industry:

In the first quarter of 2023, Reno's industrial market has experienced a cooling tenant demand, shrinking investment activity, and a slight increase in vacancy. After a strong period of tenant demand, the first quarter saw only about 263,000 square feet of net absorption. Investment Sales have slowed to less than \$12 million , due to rapidly rising interest rates. This is down 56.3 percent year-over-year. Three new buildings delivered a 60.9 percent vacancy this quarter, and pairing that with a few larger vacancies hitting the market, the regional vacancy grew to 2.3 percent this quarter. This is the highest it has been since the second quarter of 2021.

Market Fundamentals



Source: Colliers

Historic Comparison

	22Q1	22Q4	23Q1
Total Inventory (in Thousands of SF)	109,635	113,081	113,863
New Supply (in Thousands of SF)	3,976.2	1,646.9	717.6
Net Absorption (in Thousands of SF)	3,802.6	1,439.0	262.8
Overall Vacancy	1.0%	1.5%	2.3%
Under Construction (in Thousands of SF)	3,431.6	6,375.6	7,073.5
Overall Asking Lease Rates (NNN)	\$0.78	\$0.84	\$0.94

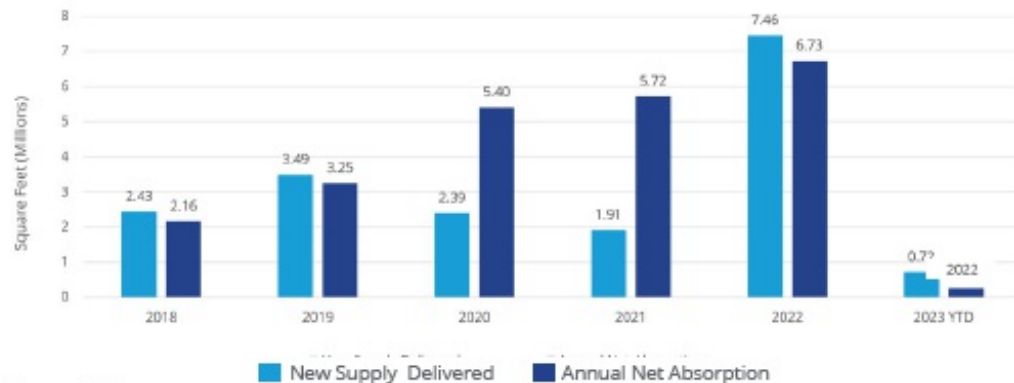
Vacancy:

Regional vacancy has increased steadily since the middle of last year, when the market saw a tight 0.6 percent vacancy. The region saw two large vacancies at 14100 Lear Boulevard in the North Valley, and 2275 E Newlands in Fernely, in addition to some smaller industrial vacancies. This placed upward pressure on the market wide vacancy this quarter. The average asking rents increased this quarter, due to more small spaces entering the market, however as a whole asking rates are not increasing in any of the size ranges. For now, industrial tenants are breathing a sigh of relief and closely watching the rate needle. .

SUPPLY AND DEMAND:

In the first quarter 2023 three new warehouse and distribution buildings were delivered, adding 251,00 square feet of product to the South Reno submarket and an additional 466,200 square feet of product to the 1-80 East Corridor. 39.1 percent of the buildings were preleased at delivery, which added pressure to the regions vacancy rate. Tenant demand for industrial space remains positive, however it is not quit as strong as it has been over the past four years. The amount of preleased space did fall in the first quarter, and it is anticipated that this could trend over the year if the economic environment does not change.

Reno Historical Industrial Supply & Absorption



Reno Historical Industrial Asking Rents & Vacancy Rates



Source: Colliers

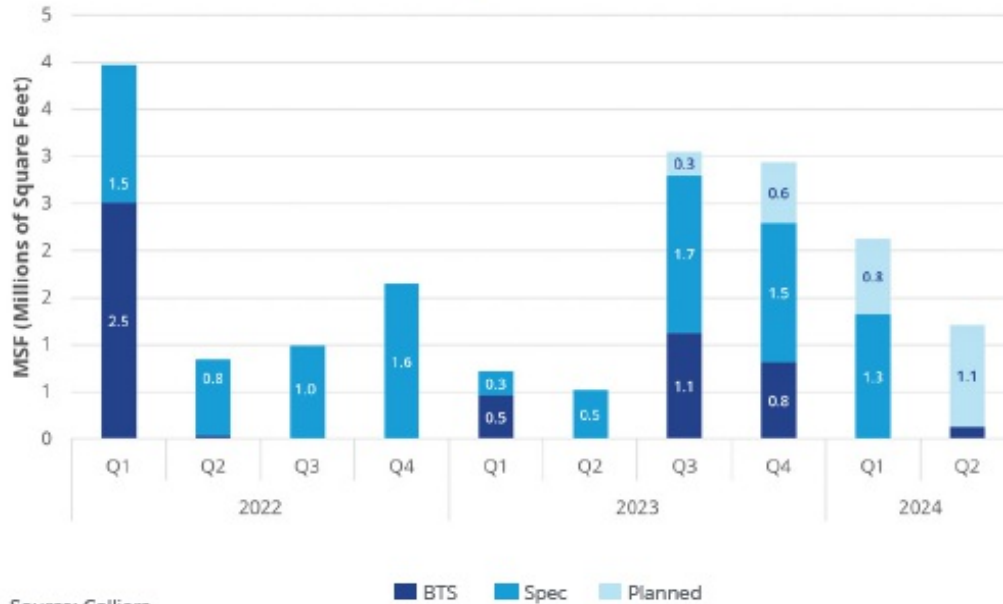
Investment Sales

While 2022 saw an incredible year of industrial deliveries, the completions in the first quarter of 2023 were minimal at 717,580 square feet. There are currently 25 buildings that are scheduled to be completed over the next five quarters, and nearly half of that space is already leased out. Peaking interests rates have had the largest effect on new construction, and many local projects have been delayed. Significant sales in the first quarter to 2023 include 2999 Waltham way, a 21,050 square foot space, which was purchased by Aqua Metals for \$4.3 million (\$203/SF). A 42,330 square foot space located at 650 Spice Islands Drive was purchased by PCBP Properties for \$3.6 million (\$90/SF). Finally, T&T Capital purchased 20,000 square feet at 152-156 Coney Island Drive for \$1.3 million (\$65/SF).

Construction:

Developers struggled to secure steel trusses and lumber, among other construction materials this year with disruptions throughout the supply chain. Fortunately, it appears there may be some relief in the future with the cost of materials waning and improving delivery times for building supplies. The market is set to gain 7.3 MSF of planned warehouse, distribution, flex, and manufacturing space that will potentially break ground in the next two years. Competition for entitled industrial sites remains fierce, resulting in rising land prices.

Industrial Construction Pipeline



Infrastructure/Community:

Washoe County and the Cities of Reno and Sparks are the three local municipal services providers. All three entities saw significant employment reductions during the 2008-09 recession, and none has managed to return to pre-recession budget and employment levels. Although local governments have improved their financial resources since the depths of the recession, budgets are still tight.

Metro area water service is provided by the Truckee Meadows Water Authority (TMWA). NVEnergy provides electric power and natural gas throughout the region. Public sewage disposal is provided by the Reno/Sparks Joint Regional Sanitation District. Trash removal is handled by contract carriers in the cities of Reno and Sparks and in Washoe County.

A county-wide school district includes all public schools. The University of Nevada, Reno and Truckee Meadows Community College provide higher education.

Reno Housing Market:

In March of 2023, the median home sales price in Reno, NV was \$530,000, a 3.4 percent increase over February 2023 median sales price of \$512,500. Year-over-year, March's median sale price is down 7.8 percent. March also saw the sold price per square feet (PPSF) increase by 0.6 percent from February at \$288.41/SF. Year-over-year, March's median sold PPSF was down 10.8 percent. Home sales rose significantly in the month of March with 401 homes sold, a month-over-month increase of 45.3 percent.

As of March 2023, there are currently 550 homes available for purchase in the Reno-Sparks market, and 512 homes that are pending sale. March median days on the market came in at 75 days, a decrease of 11 days from February's number.

There are 89 neighborhoods in Reno. South Reno is voted the number 1 most livable place in all of Reno, and also has the highest average home rate \$500,000. Northwest Reno is considered the more affordable area to live, but median house prices will still run you approximately \$450,000. The Montreux/Pleasant Valley neighborhood has a median home listing price of \$1,376,642, making in the most expensive neighborhood in the region. The most affordable neighborhood is the area of East 4th Street, with has a median home price of \$299,840..

Housing affordability remains a problem for many residents of the Biggest Little City as a new report named Reno one of the least affordable cities in the U.S. In a 2021 report, Reno was named the 21st least affordable city among the 100 biggest metro areas in the country in the latest housing analysis released by real estate listing site Realty Hop. The study cited the high price of housing in the Reno-Sparks metro in relation to household incomes in the area.

"The Reno housing market has been booming thanks to the historic low interest rates and population inflow from neighboring cities and counties," Lee said. "More and more high-income Californians choose to call Reno home to enjoy tax benefits and low cost of living."

Conclusion

Rapid population growth was the driver of the local and statewide economy from the 1960s until 2006, when the housing boom ended with a crash. From the late 1990s through 2005, Nevada rarely fell out of the top one or two fastest-growing states in the country. Las Vegas's gaming-driven population growth made it a national center for real estate speculation and development.

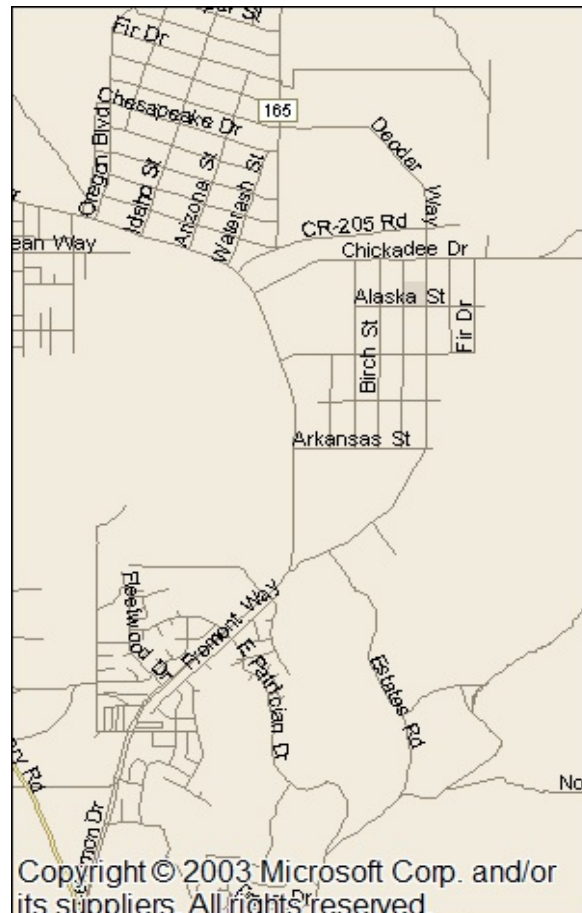
Northern Nevada had a brief casino boom in the 1970s and early 1980s, but most of the area's population increase was fueled by growth of the industrial sector, lifestyle choices made by California retirees, and growth in retail and "back-office" functions. During the residential market hyper-boom from about 2003 to 2005, construction employment was the driving factor. Reno's construction-fueled economy created a period of prosperity that masked underlying weakness: construction as the primary industry, without an underlying economic engine of non-construction job growth, has a short cycle. During the market's most frenzied years, both private developers and local governments, flush with profits and tax revenues, made bets on future growth and revenue streams that have not been realized. Coping with actual population loss and declining economic activity

has been the major challenge of the last several years in much of Nevada. After a two- to three-year period of declining employment, massive personal and business bankruptcies and foreclosures, and profound retrenchment of state and local government, the 2023 economy is in the midst of a seemingly sustained rebound.

Truckee Meadows is climbing its way back to more robust employment growth and more vigorous economic activity. Home prices are increasing, and there is a sense of optimism from the construction sector. Retail sales have increased. The regional population is again on the increase. Vacant holes in shopping centers are starting to refill. The general outlook is one of optimism.

NEIGHBORHOOD MAP

LEMMON VALLEY AREA



NEIGHBORHOOD DESCRIPTION

The North Valleys area is comprised of distinct clusters of residential development located north of Reno along US Highway 395 North. From south to north, they are generally considered to include Panther Valley, Golden Valley, Lemmon Valley, Stead, and Cold Springs. Each neighborhood has a small commercial center, and there are a few destination retail centers located along Highway 395. From a commercial standpoint, the most important location is Lemmon Drive and Highway 395, which houses a Wal-Mart Supercenter and a Smith's grocery on one leg, and an older neighborhood center on the other. The latter center housed Scolari's, which closed in September 2012. Big Lots and Grocery Outlet now occupy the Scolari's space. Other businesses include Starbucks and McDonald's on exterior pads.

The North Hills center at Highway 395 and Golden Valley Drive is anchored by Raley's grocery store, and includes a branch of the Washoe County Library, restaurants, and specialty retailers.

North Valley neighborhoods are characterized by entry-level and modest mid-level homes. Mobile homes are an important part of the housing mix, especially in Lemmon Valley, which has one of the earliest large-lot mobile home subdivisions in the region, dating from the 1970s. Areas, such as Golden Valley, tend to have large lots, while other areas, including Stead and Cold Springs, have conventional subdivision lots.

North Valley's housing stock varies in age. Most areas had an existing stock of 1970s-era subdivisions when the housing boom hit in the early 2000s. The boom fostered extensive new construction, especially Cold Springs and Stead. In general, North Valleys neighborhoods are characterized by affordability. This area has long been one of the primary entry-level housing markets in the metro area.

The North Valleys also house one of Reno's primary industrial districts, centered around the Lear property in Stead. This district houses some of the area's largest single industrial buildings.

Silver Knolls, a large neighborhood of mostly one half-acre lots with modest homes, lies just north of the Silver Lake on both sides of Red Rock Road.

Red Rock Road is one of the area's major points of access. It serves Silver Knolls, and goes on to serve rural Red Rock Valley, where there are about two hundred homes scattered in 10 to 40 acre lots across the floors of Antelope and Red Rock Valleys. Just north of Highway 395, Red Rock Road connects with Moya Boulevard, which provides access to the Stead industrial district, as well as to the large, high-density Silver Shores subdivision lying between it and Highway 395.

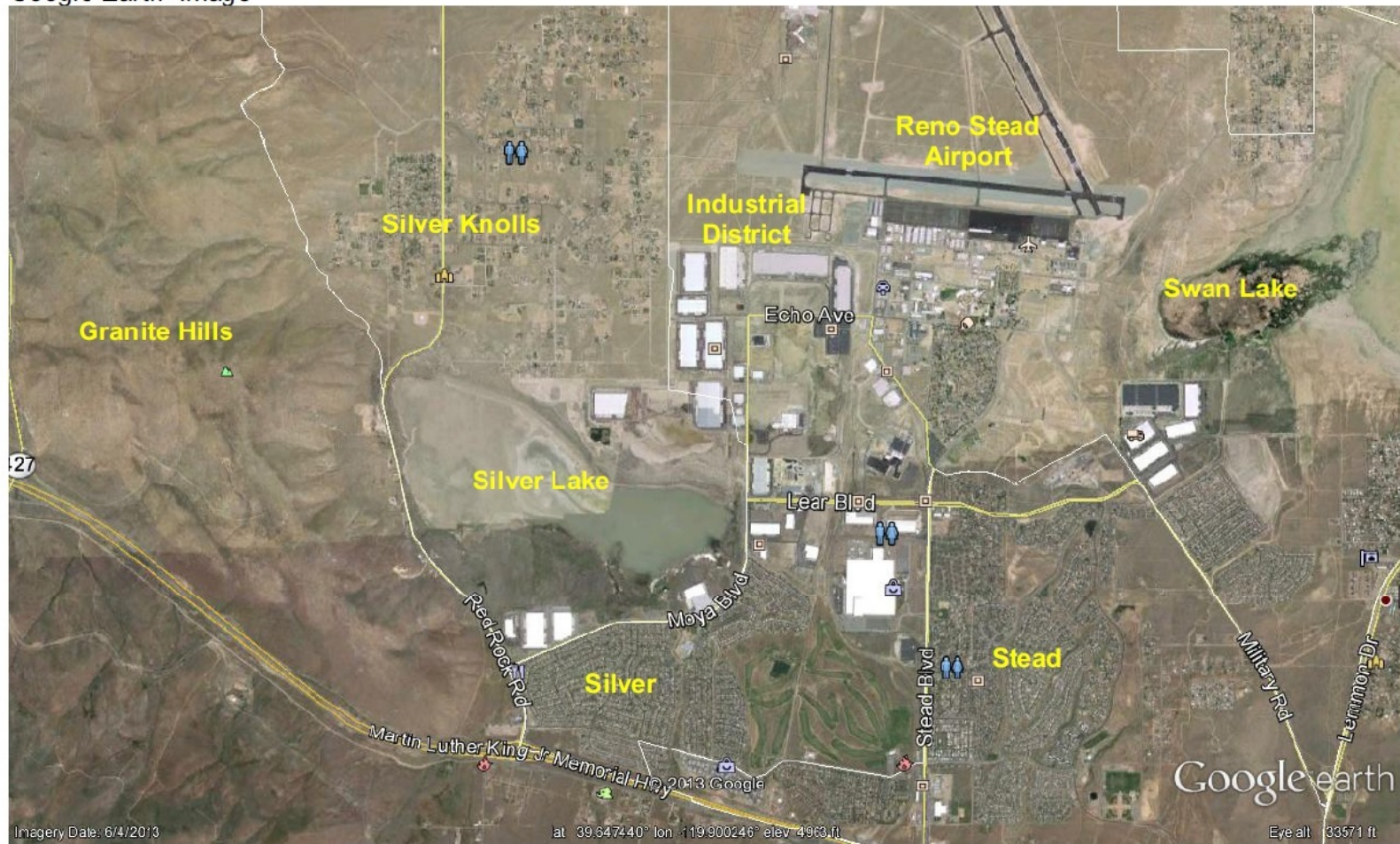
Silver Lake is a playa, a very slowly permeable surface that holds water during the wet season. Its main source of water is run-off from Peavine Peak to the south. There are two intermittent creeks that originate high on Peavine and enter the lake from the south.

The south shore hosts tracts of wetlands vegetation around the stream inlets. The north shore has sagebrush-covered dunes composed of fine-grained material from the lake surface. The lake fills intermittently. In dry years it may have little, if any, water, while in wet years it can fill to its rim or beyond. The playa surface is extremely fine-grained and is a source of airborne fine particles when dry.

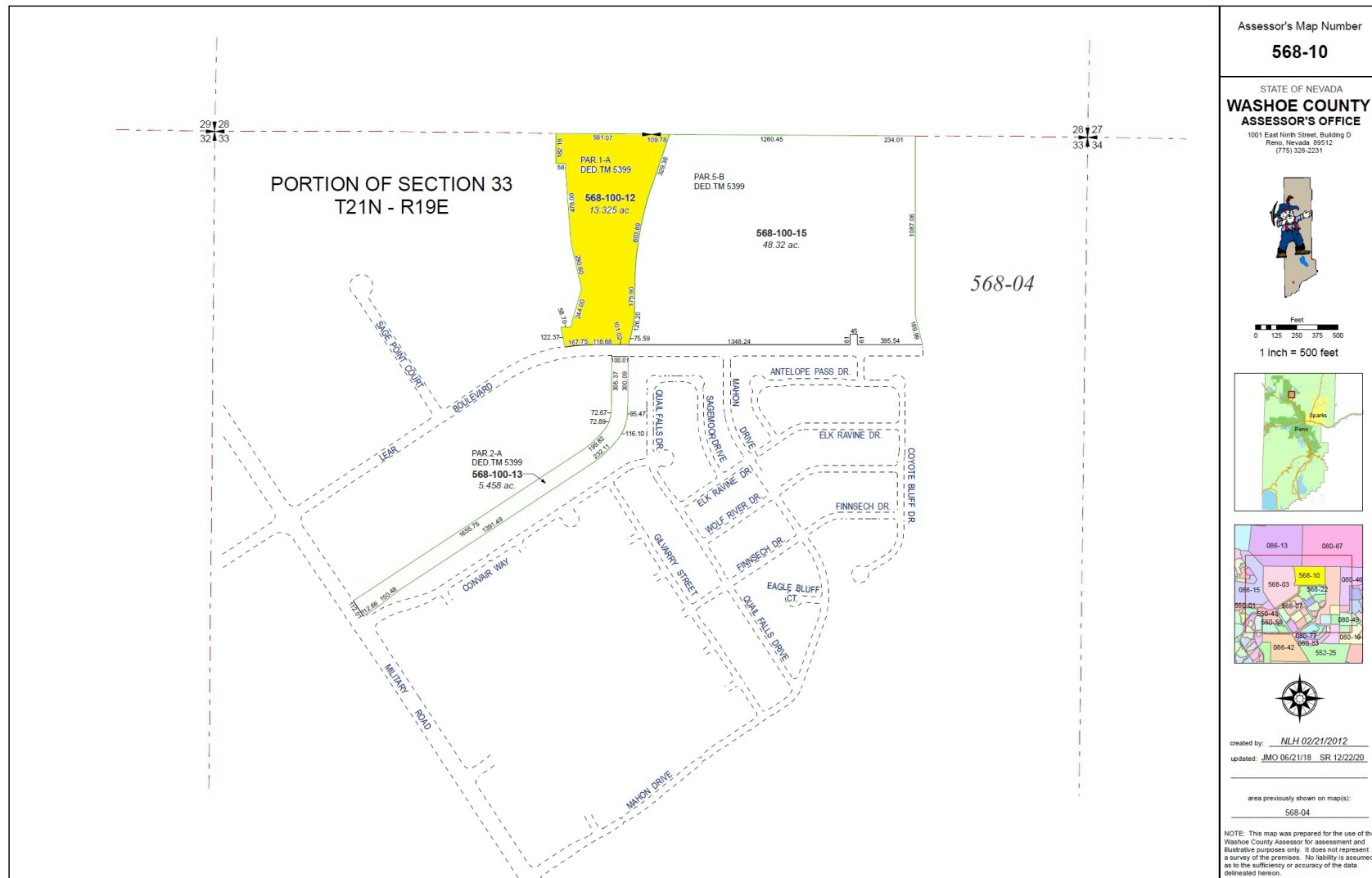
Washoe County Regional Parks maintains a developed trailhead with a parking area on the east shore of the lake.

Subject Property's Local Area

Google Earth® Image



ASSESSOR'S PARCEL MAP



SITE DATA

Location and Access:

The subject property is located on the north side of Lear Boulevard east of the Sage Point Court. Access is via Lear Boulevard. Access is both adequate and typical.

Easements:

The appraiser has not been made aware of any adverse easements on the subject property which would have an effect on valuation. The appraiser is aware of public utility easements but these appear to have no effect on valuation. Therefore, no positive or adverse effects of the easements or restrictions are included in this report.

Topography and Drainage:

The subject property has an almost level terrain and is slightly above street grade. The appraiser has not been supplied with a soils analysis, but drainage on the site appears to be adequate with the exception of the recent flooding.

Utilities:

Electricity is provided to the subject property by NV Energy. The subject property has city water and private septic system. Telephone is provided by AT&T. The subject property has cable television provided by Charter Communications. Utilities are both adequate and typical for the area.

Shape:

The subject property is considered to be somewhat irregular in shape. According to the Assessor's Parcel Map, the subject site contains 13.325± acres or 580,437± square feet.

SUBJECT PROPERTY PHOTOGRAPHS



View of Lear Boulevard



View of the subject site

SUBJECT PROPERTY PHOTOGRAPHS



View of the subject site



View of Lear Boulevard

SUBJECT PROPERTY PHOTOGRAPHS



View of the subject site



View of the subject site

SUBJECT PROPERTY PHOTOGRAPHS



View of the subject site



View of the subject site

HIGHEST AND BEST USE ANALYSIS

The term "highest and best use," as used in this appraisal report, has been defined as:

"the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."²

Implied in this definition is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals, as well as the benefits of that use to individual property owners. An additional implication is that the determination of highest and best use results from the appraiser's judgment and analytical skills. In other words, the use determined from analysis represents an opinion, not a fact to be found.

In appraisal practice, the concept of highest and best use represents the premise on which value is based. The use should take the highest advantage of the attributes of the property while neutralizing, to the greatest possible extent, any negative characteristics. At the same time, the use should operate within the limits of approved and justified investment.

In arriving at an estimation of the highest and best use for the subject property, the appraiser has followed a four point analysis, as set out below:

1. Legally Permissible – The uses that are legally permitted by private restrictions, zoning, building codes, historic district controls and environmental regulations on the site.
2. Physically Possible – The use to which it is physically possible to put the site in question.
3. Financially Feasible – The possible and permissible uses that will produce a net income, or return, equal to or greater than the amount needed to satisfy operating expenses, financial obligations and capital amortization.
4. Maximally Productive – Of the financially feasible uses, the use that produces the highest residual land value consistent with the rate of return warranted by the market for that use is the highest and best use.

²*The Appraisal of Real Estate*, 12th Edition, page 318, published by the Appraisal Institute 2001

HIGHEST AND BEST USE AS IF VACANT

Legally Permissible

The first consideration of the highest and best use of the subject property is the legally permissible uses of the property as if vacant. Primarily, this is directed at the zoning of the property; the covenants, conditions, and restrictions of the property; and the development standards of the subdivision in which the subject property is located.

The subject property is located within the City of Reno, Washoe County, and is subject to their current zoning ordinance. According to a representative of the Zoning Department of the City of Reno, the subject property is currently zoned IC, Industrial-Commercial, an industrial zoning classification. As explained in the *Zoning Analysis* section of this report, this zoning classification is intended to permit industrial utilizations.

The appraiser is aware that there are several easements on the property. These easements were analyzed to determine the impact of potential property uses. Due to the location of these easements, it was concluded that these encumbrances would not impact the use or development of the subject property. The subject property is not restricted by any protective covenants, conditions, or restrictions, and this is typical for the area.

Zoning and the lack of any protective covenants or conditions are common to other residential areas in the Reno/Sparks area. There are no other deed restrictions or legal encumbrances which further constrain the legally permissible uses of the subject site. Based on the legal characteristics of the property, specifically the zoning, it is this appraiser's opinion that an industrial building similar to what is already surrounding the property is appropriate for the subject site.

Physically Possible

The next step in estimating the subject site's highest and best use is to determine which legally permissible use(s) is physically possible for the subject property. This analysis considers the physical characteristics of the site as well as surrounding uses which might influence the potential use. As explained in the Site Analysis section of this report, the subject site contains 13.325± acres or 580,437± square feet. The site is relatively level and is located in a Flood Zone X, an area of minimal flooding hazard. The subject property has access from Lear Boulevard. Access is considered to be adequate and typical. There are no adverse easements that would affect value or the utility of the property. Public water and private sewer are available, as are electricity, telephone, and cable. The subject site can utilize all of these typical utilities.

Due to the access and visibility of the subject site, it is felt that the site is adequate for various industrial uses. Thus, the subject's physical attributes are considered to be conducive for industrial use as is typical for the immediate neighborhood.

The appraiser has also examined the surrounding properties and development

trends in the immediate area in order to gain insight as to physical constraints experienced by other similar sites. The surrounding acreage enjoys the same positive attributes as the subject site and basically the same physical characteristics. The majority of the properties surrounding the subject property have been developed with similar industrial utilizations. There are few vacant industrial sites in the area available for development.

Surrounding land use relates to the principle of conformity. This principle holds that "real property value is created and sustained when the characteristics of a property conform to the demands of its market."³ Inherent in this principle is a compatibility of land uses in an area, as well as a reasonable degree of homogeneity. From a compatibility standpoint it is most likely that the subject site as vacant would be developed with some type of industrial use because of the fact that this type of use blends well with the surrounding development.

In conclusion, the physical aspects of the subject site best lend themselves to some type of industrial use because of the surrounding development and the general characteristics of the immediate area. The principle of conformity leads the appraiser to the conclusion that some type of industrial development is appropriate for the subject site.

Financially Feasible

The legally permissible and more specifically, the physically possible and compatible considerations narrowed the subject site's potential development alternatives to industrial use. The next consideration is that of financial feasibility, specifically whether or not a residential use indicated by the legally permissible and physically possible considerations is profitable at this time. In other words, do the potential benefits from the operation of the selected uses outweigh the cost of constructing such a project?

According to the *Area Analysis* of the Reno/Sparks area, it is indicated that the Reno/Sparks market had seen a major decline in its economic base starting in approximately 2006 and has rebound over the last few years. There has been various building permits and recently there has been an increase in building permits for industrial utilization in the Reno/Sparks area. The sales chart found in the Direct Sales Comparison Approach would indicate that there is good demand for industrial properties. According to the current economic conditions of the Reno/Sparks area, there appears to be good demand for existing industrial properties as well as vacant sites for development. The subject meets the physical and legal characteristics for industrial development, and there is a demand for industrial development. This is positive indication that there is good demand for industrial use.

³**The Appraisal of Real Estate**, 12th Edition, published by the Appraisal Institute, 2001, page 319

Therefore, as of the date of the appraisal, it is this appraiser's opinion that the financially feasible use of the site would be to be developed as an industrial site.

Maximally Productive Use

The final step in estimating the highest and best use is to determine which use among the feasible uses would produce the highest net return or the highest net present value to the property. This analysis also focuses on the most appropriate density, type of finish-out, and other building attributes that are more specific than the use of the property.

It was concluded in the *Financially Feasible* section, that there is demand for new industrial development in the Reno/Sparks area and the property should be utilized as an industrial site. There is no need for further analysis of the maximally productive use. The highest and best use as vacant is estimated to be for industrial development.

Conclusion, As If Vacant

Based on the preceding analysis of the legally permissible, physically possible, financially feasible, and maximally productive uses, it is the appraiser's opinion that the highest and best use of the subject site, as if vacant, would be to be developed as an industrial utilization.

APPROACHES TO VALUE

In the appraisal of real estate, there are three basic traditional approaches for estimating property values. The three approaches are: Direct Sales Comparison Approach (also referred to as the Market Approach), the Cost Approach and the Income Approach. The final step in estimating a property's "retrospective market value" (i.e., the most probable selling price), is to correlate the value estimate of the three approaches into a single value estimate.

THE COST APPROACH

This approach is based on the proposition that an informed purchaser would pay no more than the cost of producing a substitute property with the same utility as the subject property. It is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use for the land, or when unique or specialized improvements are located on the site for which there exists no comparable properties on the market. Due to the fact that the site is vacant it is not necessary or relevant, the Cost Approach has been omitted from this report.

INCOME APPROACH

This approach is based on the proposition that a property is worth no more than the capitalized value of the income stream that the property is capable of generating. The procedure converts anticipated benefits (dollar income), to be derived from the ownership of property into a value estimate. The Income Approach is widely applied in appraising income producing properties. Due to the fact that the site is vacant, the Income Approach is not considered necessary or applicable and therefore has been eliminated from this report.

DIRECT SALES COMPARISON APPROACH

This approach is based on the proposition that an informed purchaser would pay no more for a property than the cost to him of acquiring an existing property with the same utility. It is applicable when an active market provides sufficient quantities of reliable data which can be verified from authoritative sources. Adjustments extracted from the market are applied to the comparable sales for any differences that exist between the sales and the subject. The categories of adjustment include, but are not limited to, location, access, size, shape, market conditions at the time of sale and the terms of the sale.

SALES COMPARISON APPROACH TO VALUE

The sales comparison approach, also called the market approach, is a method of estimating retrospective market value whereby a subject property is compared with comparable properties that have sold recently. One premise of the sales comparison approach is that the market will determine the price for the property being appraised in the same manner that it determines the prices of comparable, competitive properties. The steps of this approach involve:

1. Researching the market to obtain information about transactions and offerings for sale.
2. Verifying the information to determine if the data is factually accurate and if the transactions are arm's length market considerations.
3. Determining relevant units of comparison (e.g., unit, square foot, room, multiplier), and develop a comparative analysis for each appropriate unit.
4. Comparing the subject and comparable sales according to the elements of comparison and adjust the sale price of each comparable as appropriate or eliminate the property as a comparable.
5. Reconciling the multiple value indications that result from the comparables into a single value indication.

DIRECT SALES COMPARISON APPROACH — LAND ONLY

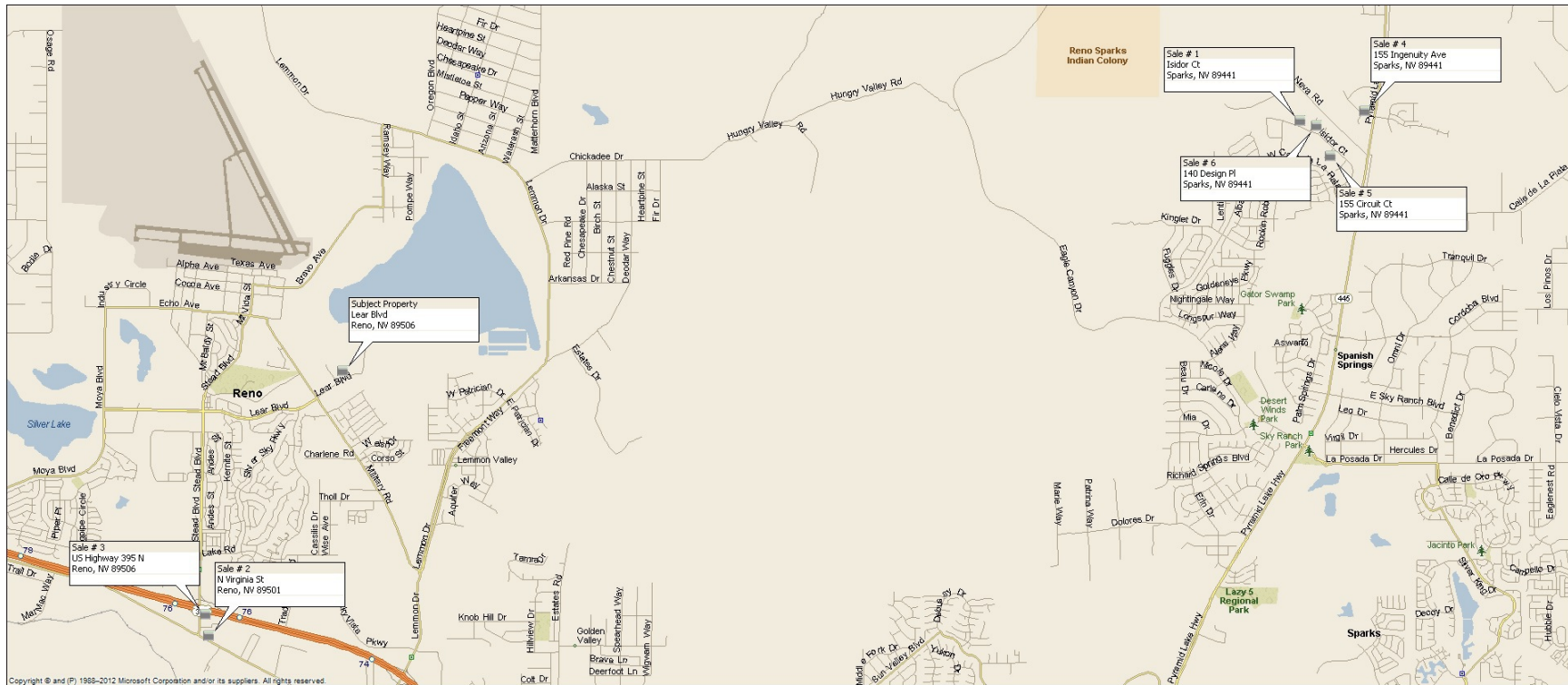
Site valuation is typically estimated by using the Direct Sales Comparison Approach. Similar sites competing in Storey County market sector are compared with the subject. Adjustments are applied to the comparable site sales for any differences that exist between the sales and the subject. The categories of adjustment include, but are not limited to, location, access, size, shape, market conditions at the time of sales, and terms of the sale. Because of the type and quality of the sales found, adequate actual paired sales cannot be made to ascertain exact adjustments. Therefore, for purposes of this report, a qualitative and not a quantitative analysis will be made. Therefore plus (+) and minus (-) signs will be used in these adjustments. These adjustments are not intended to be exact but to help lead the appraiser and the reader to an overall conclusion of value for the subject property.

Six sales which were considered to be similar to the subject were researched and are presented in the following sales chart. These sales occurred between August 2022 and May 2023. These sales were felt to be the most similar and the best indicators available at the time of appraisal. Following will be a sales chart of the individual sales and a sales map, followed by individual sale pages.

COMPARABLE LAND SALE CHART

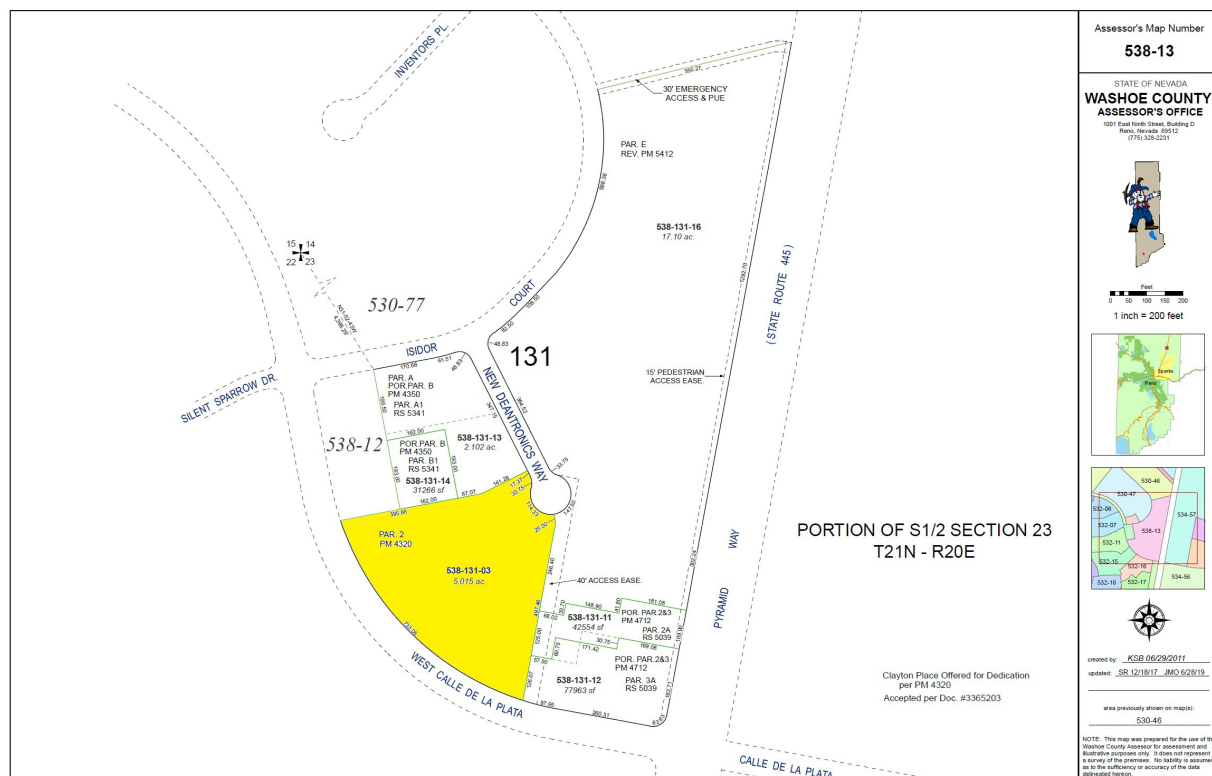
Sale No.	APN Address	Sale Date	Sale Price	Land Area	Zoning	Price/SF	Use
1	538-131-03 45 New Deantronics Way Washoe County, NV	08-05-22	\$1,475,000	5.015± ac	I	\$6.75	Vacant
2	082-101-20 0 N. Virginia Street Reno, NV	10-03-22	\$875,000	3.008± ac	IC	\$6.68	Vacant
3	082-092-33 US Highway 395 N Reno, NV	11-10-22	\$2,900,000	8.393± ac	IC	\$7.93	Vacant
4	530-492-01 155 Ingenuity Avenue Washoe County, NV	01-25-23	\$830,000	2.75± ac	I	\$6.93	Vacant
5	530-470-26 135 Circuit Court Washoe County, NV	03-27-23	\$395,000	1.187± ac	I	\$7.64	Vacant
6	538-141-07 140 Design Place Washoe County, NV	05-02-23	\$324,000	1.00± ac	I	\$7.85	Vacant
Subject	568-100-12 0 Lear Boulevard Reno, Nevada		--	13.325± ac	IC	--	Vacant

COMPARABLE SALES MAP



COMPARABLE LAND SALE #1**County:** Washoe **APN:** 538-131-03 **Type:** Vacant land**Address:** 45 New Deantronics Way, Washoe County, Nevada**Grantor:** Palomino Partners, LLC**Grantee:** DG Deantronics, LLC**Deed Date:** 05-31-22**Recording Date:** 08-05-22**RPTT:** \$6,047.50**Doc. No.:** 5323287**Legal Description:** Retained in Appraiser's file**Size:** 218,453.40± sf or 5.015± ac**Zoning:** I**Land Use:** Vacant Land**Utilities:** Typical**Access:** Average**Topography:** Level**Sale Price:** \$1,475,000**Unit Price:** \$6.75 per sf**Financing:** Cash to seller**Verified with:** Public records

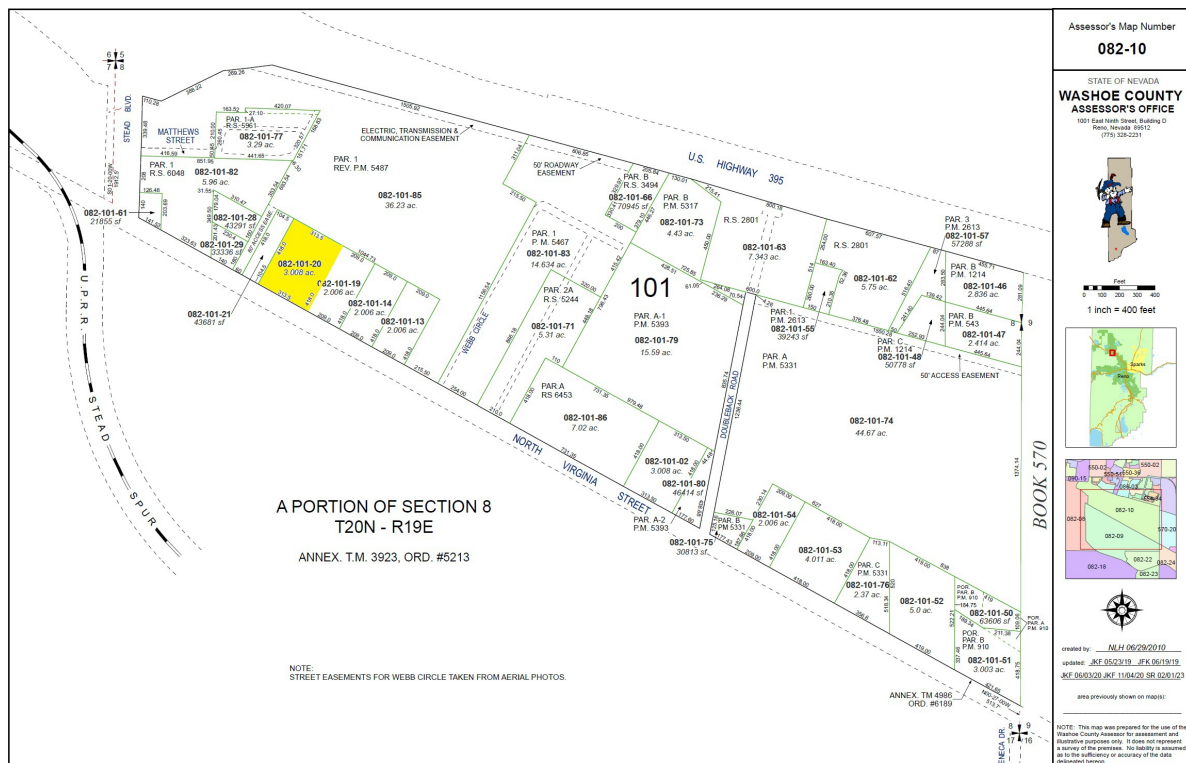
By Anthony J. Wren, MAI, SRA 7-23





COMPARABLE LAND SALE #2**County:** Washoe **APN:** 082-101-20 **Type:** Vacant land**Address:** 0 N. Virginia Street, Reno, Nevada**Grantor:** Stead III, LLC**Grantee:** Skyline Assets Management, LLC**Deed Date:** 09-27-22**Recording Date:** 10-03-22**RPTT:** \$3,587.50**Doc. No.:** 5337109**Legal Description:** Retained in Appraiser's file**Size:** 131,028.48± sf or 3.008± ac**Zoning:** IC**Land Use:** Vacant Land**Utilities:** Typical**Access:** Average**Topography:** Level**Sale Price:** \$875,000**Unit Price:** \$6.68 per sf**Financing:** Cash to seller**Verified with:** Public records

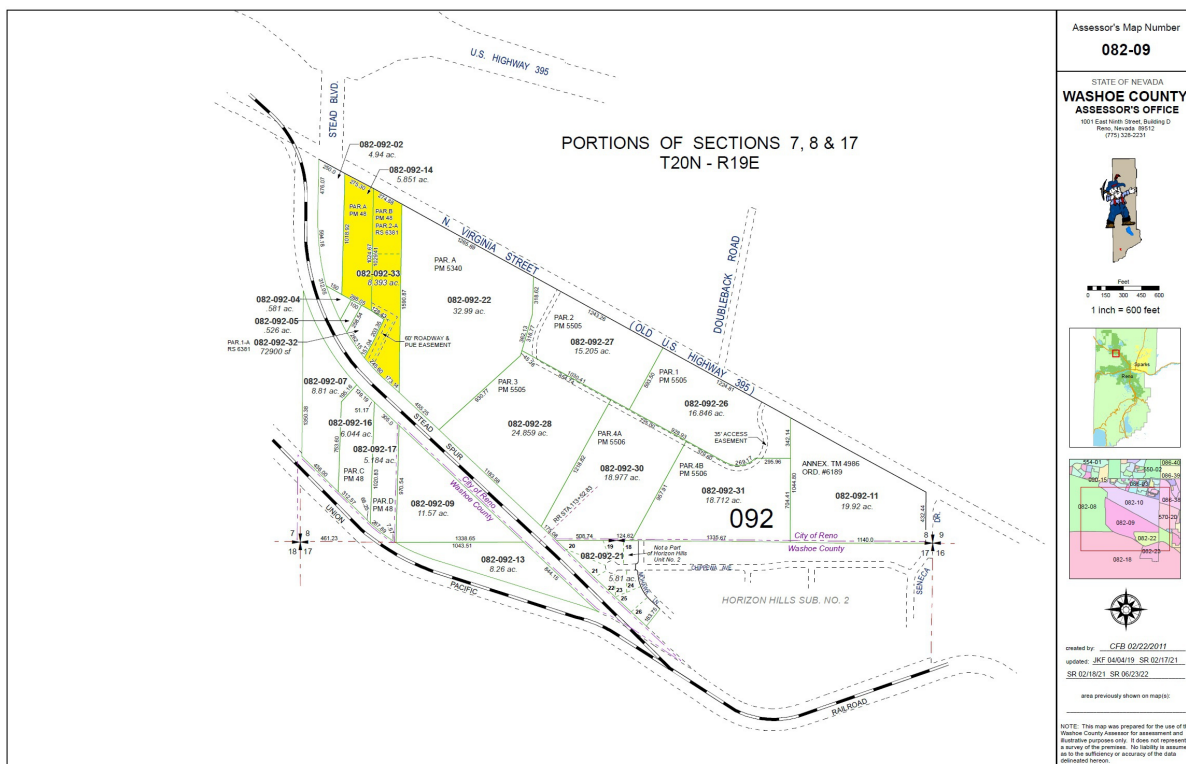
By Anthony J. Wren, MAI, SRA 7-23





COMPARABLE LAND SALE #3**County:** Washoe **APN:** 082-092-33 **Type:** Vacant land**Address:** 0 US Highway 395 N, Reno, Nevada**Grantor:** Epic Reno Industrial, LLC**Grantee:** Mohr North Virginia Street, LLC**Deed Date:** 11-09-22**Recording Date:** 11-10-22**RPTT:** \$11,890.00**Doc. No.:** 5344870**Legal Description:** Retained in Appraiser's file**Size:** 365,599.08± sf or 8.393± ac**Zoning:** IC**Land Use:** Vacant Land**Utilities:** Typical**Access:** Average**Topography:** Level**Sale Price:** \$2,900,000**Unit Price:** \$7.93 per sf**Financing:** Cash to seller**Verified with:** Public records

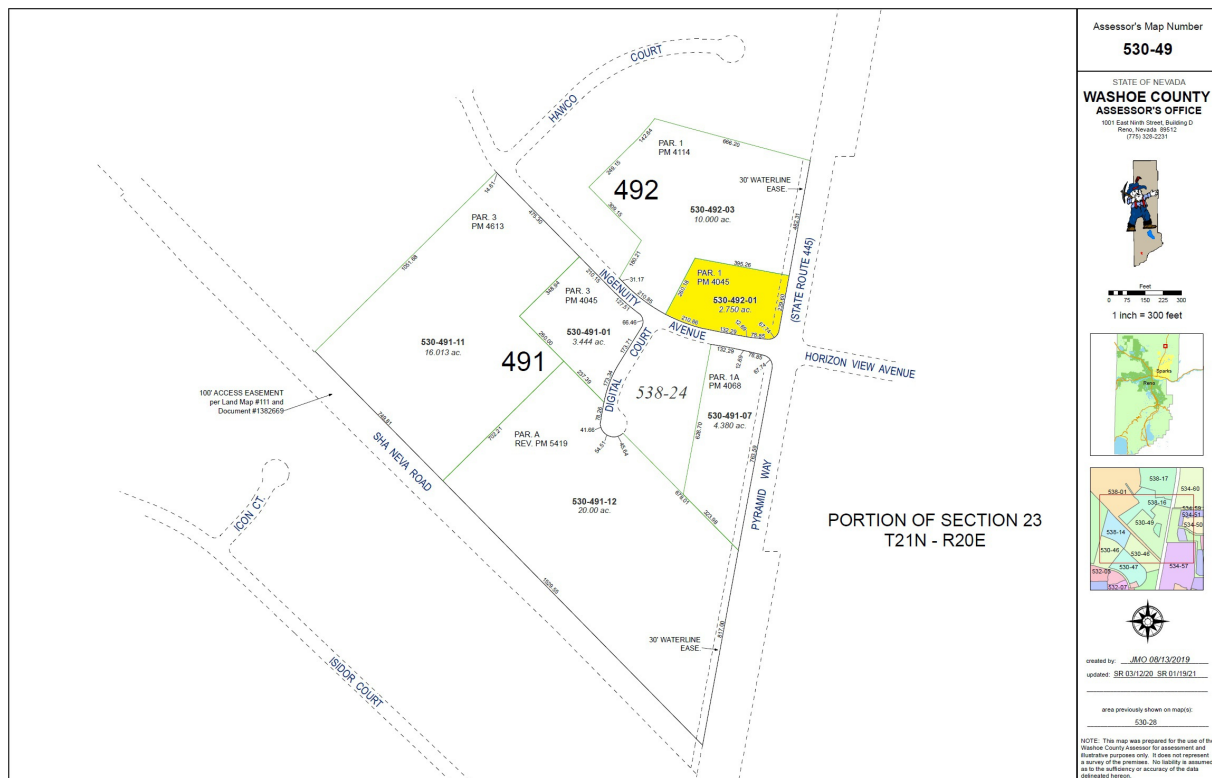
By Anthony J. Wren, MAI, SRA 7-23

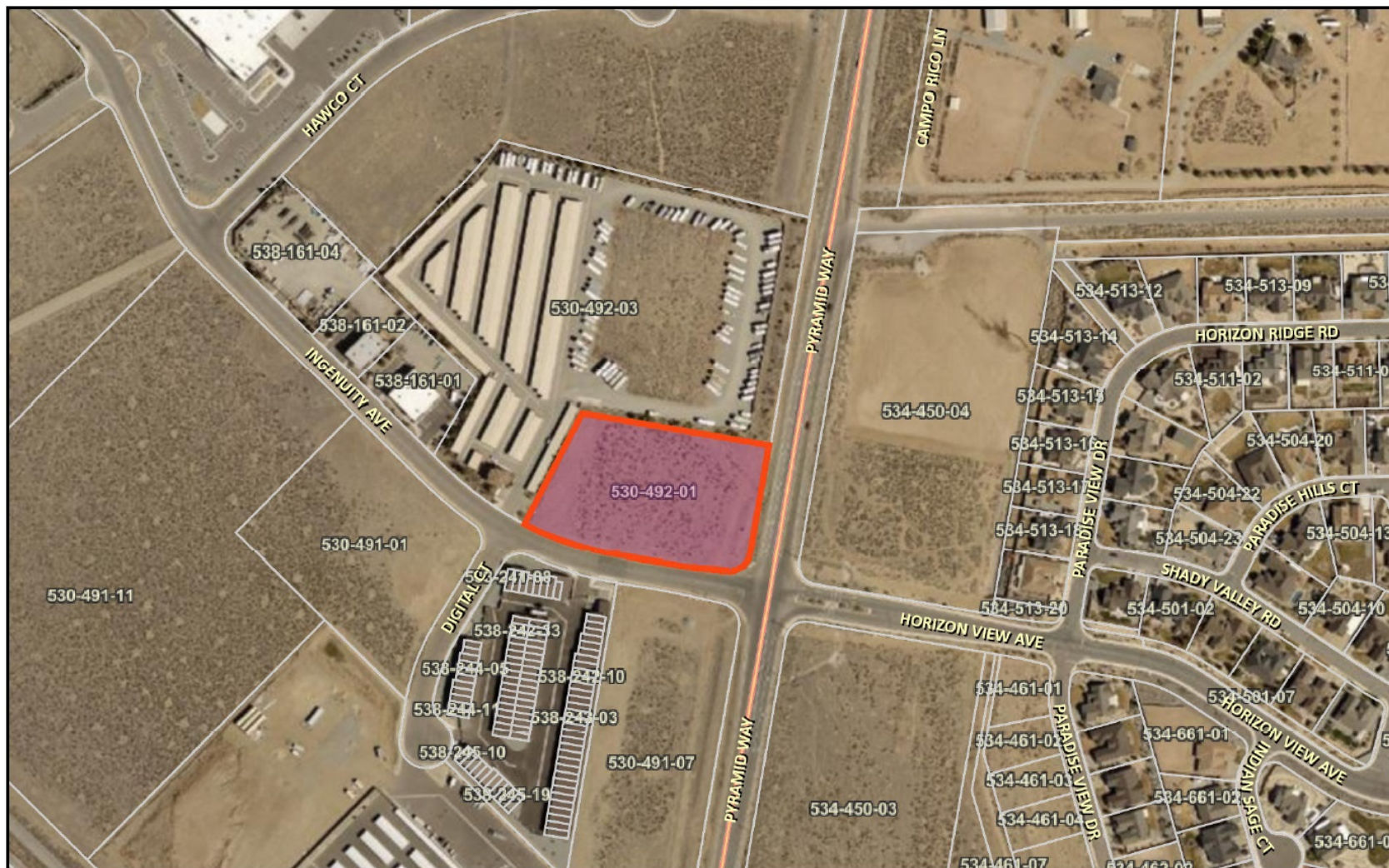




COMPARABLE LAND SALE #4**County:** Washoe **APN:** 530-492-01 **Type:** Vacant land**Address:** 155 Ingenuity Avenue, Washoe County, Nevada**Grantor:** Richard Wilson and Christine Wilson**Grantee:** VRD at Spanish Springs, LLC**Deed Date:** 01-13-23**Recording Date:** 01-25-23**RPTT:** \$3,403.00**Doc. No.:** 5358993**Legal Description:** Retained in Appraiser's file**Size:** 119,790± sf or 2.75± ac **Zoning:** I**Land Use:** Vacant Land**Utilities:** Typical**Access:** Average**Topography:** Level**Sale Price:** \$830,000**Unit Price:** \$6.93 per sf**Financing:** Cash to seller**Verified with:** Public records

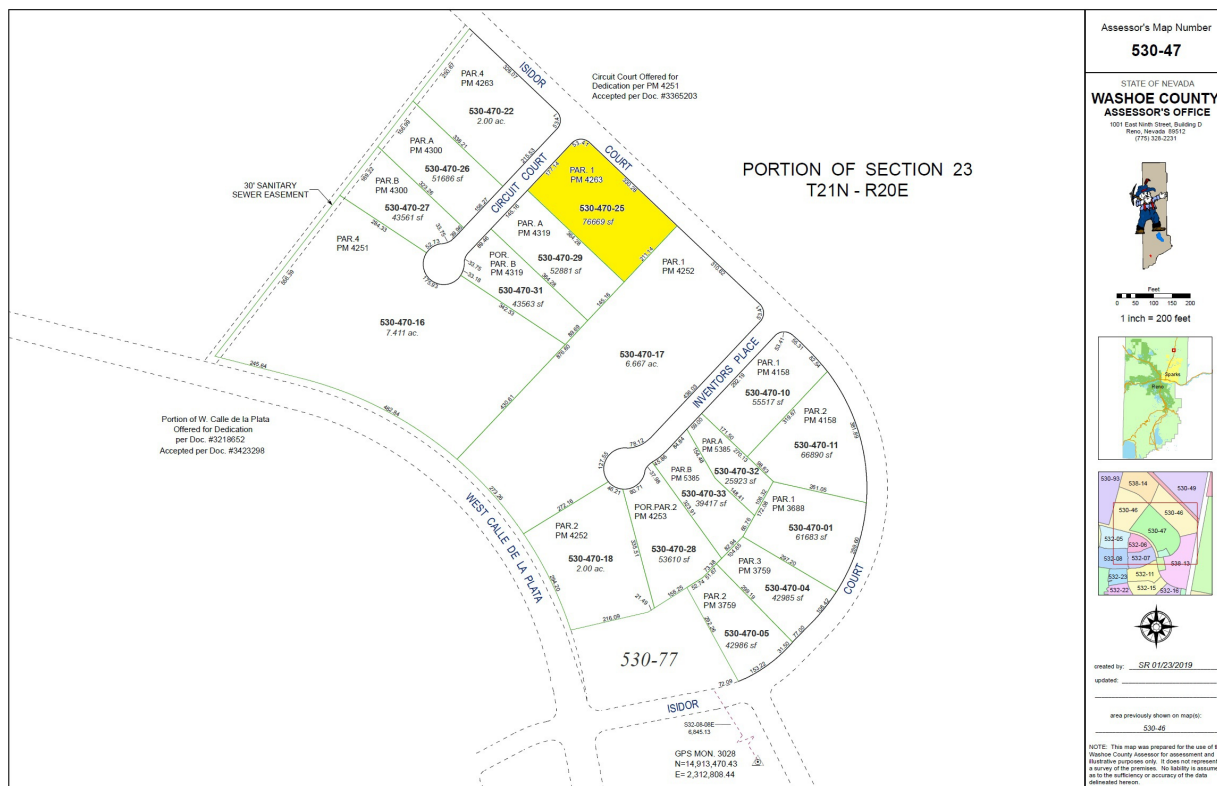
By Anthony J. Wren, MAI, SRA 7-23





COMPARABLE LAND SALE #5

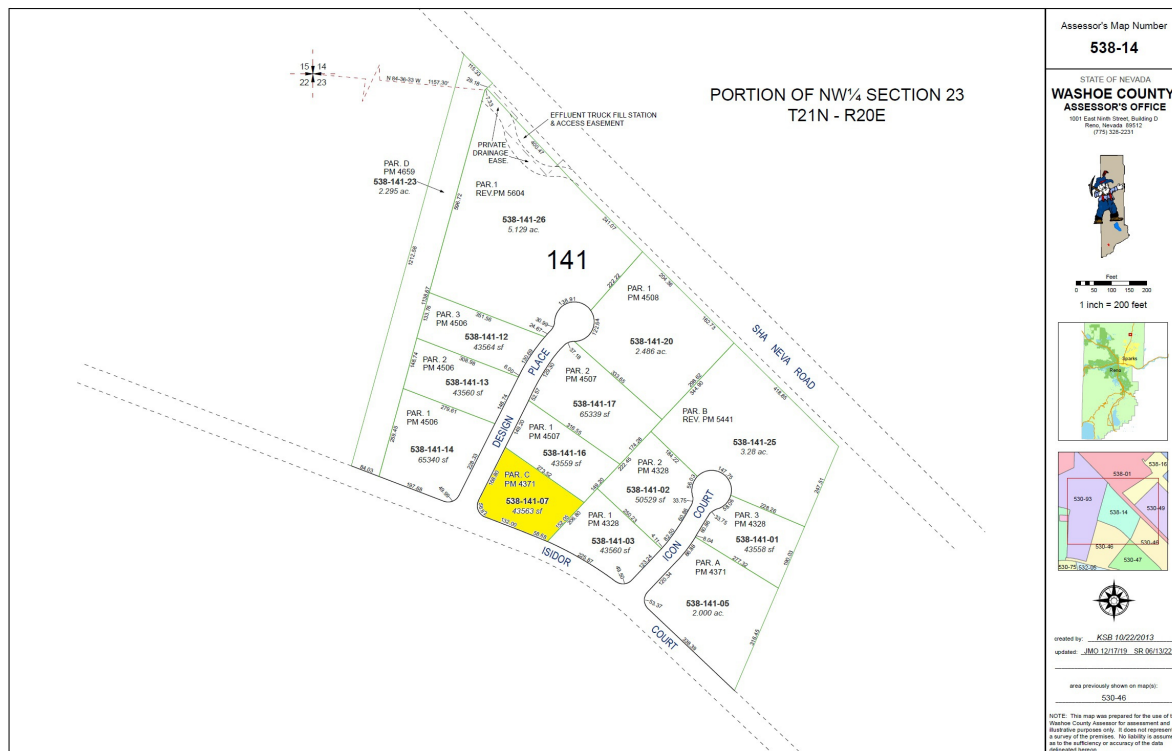
County: Washoe **APN:** 530-470-26 **Type:** Vacant land
Address: 135 Circuit Court, Washoe County, Nevada
Grantor: Michael Ray Sutton, Trustee
Grantee: Jimmy D. Cooper and Marianna Cooper, Trustees
Deed Date: 03-21-23 **Recording Date:** 03-27-23
RPTT: \$1,619.50 **Doc. No.:** 5370068
Legal Description: Retained in Appraiser's file
Size: 51,686.00± sf or 1.187± ac **Zoning:** I
Land Use: Vacant Land **Utilities:** Typical
Access: Average **Topography:** Level
Sale Price: \$395,000 **Unit Price:** \$7.64 per sf
Financing: Cash to seller
Verified with: Public records
 By Anthony J. Wren, MAI, SRA 7-23





COMPARABLE LAND SALE #6

County: Washoe **APN:** 538-141-07 **Type:** Vacant land
Address: 140 Design Place, Washoe County, Nevada
Grantor: Rocklin Road, LLC, 21 Investments and Real Estate, LLC and Kumar Realty, LLC
Grantee: James P. Nuss and Kristine H. Nuss
Deed Date: 04-30-23 **Recording Date:** 05-02-23
RPTT: \$1,402.20 **Doc. No.:** 5376831
Legal Description: Retained in Appraiser's file
Size: 43,563.00± sf or 1.00± ac **Zoning:** I
Land Use: Vacant Land **Utilities:** Typical
Access: Average **Topography:** Level
Sale Price: \$342,000 **Unit Price:** \$7.85 per sf
Financing: Cash to seller
Verified with: Public records
By Anthony J. Wren, MAI, SRA 7-23





PRICE PER UNIT ANALYSIS

For purposes of this report, the sales have been broken into a price per square foot. Buyers and sellers of vacant land in the Reno/Sparks, Washoe County area typically analyze sales of potential properties on a price per square foot basis similar to that of the subject property. Therefore, this analysis is being made on a price per square foot basis. After a thorough research of the Reno/Sparks and Washoe County areas and specifically the surrounding areas around the subject property, the most recent sales were found and analyzed. These sales occurred between August 2022 and May 2023. The sales ranged in size from 1.00± ac to 8.393± ac, as compared to the subject's 13.325± ac. The price per square foot of these sales ranged from a low of \$6.68 to a high of \$7.93. The comparable properties utilized in this analysis will be compared and correlated to the subject property based on several different adjustment criteria. These include property rights, terms, time, location, utility, zoning, and overall size. The sales will be analyzed based on an overall price per square foot, which is most often analyzed in the local market for residential land sales in the Reno/Sparks area. An upward adjustment is made to the comparables' prices per square foot when the subject is superior to the sale. Likewise, a downward adjustment is made for the comparables' price per square foot when the subject is inferior to the sale.

Sale #	Sale Price	Price/SF
1	\$1,475,000	\$6.75
2	\$875,000	\$6.68
3	\$2,900,000	\$7.93
4	\$830,000	\$6.93
5	\$395,000	\$7.64
6	\$324,000	\$7.85

Sale #1 is located at 45 New Deantronics Way, Washoe County, Nevada. This sale is further identified as APN #538-131-03. This property was sold by Palomino Partners, LLC, a Nevada limited liability company. The property was purchased by DG Deantronics LLC, a Delaware limited liability company. The meetings of the minds occurred on May 31, 2022. The sale was recorded August 5, 2022. This sale was recorded with Document No. 5323287. This property contains 218,453.40± sf or 5.015± acres. The property is zoned I, an industrial zoning classification. The sales price was reported at \$1,475,000 or \$6.75 a square foot. The prior sale was recorded on February 4, 2005, for \$1,093,356.

In comparison with the subject property, Sale #1 is smaller in size, requiring a downward adjustment. Overall, because of the size and condition, this sale is considered

to be a high indicator requiring downward adjustments.

Sale #2 is located at 0 N. Virginia Street, Reno, Nevada. This sale is further identified as APN #082-101-20. This property was sold by Stead III, LLC, a Nevada limited liability company. The property was purchased by Skyline Assets Management, LLC, a Nevada limited liability company. The meetings of the minds occurred on September 23, 2022. The sale was recorded October 03, 2022. This sale was recorded with Document No. 5337109. This property contains 131,028.48± sf or 3.008± acres. The property is zoned IC, an industrial-commercial zoning classification. The sales price was reported at \$875,000 or \$6.68 a square foot. The prior sale was recorded on July 31, 2008, for \$450,000.

In comparison with the subject property, Sale #1 is smaller in size, requiring a downward adjustment. Overall, because of the size and condition, this sale is considered to be a high indicator requiring downward adjustments.

Sale #3 is located at 0 US Highway 395 N, Reno, Nevada. This sale is further identified as APN #082-092-33. This property was sold by Epic Reno Industrial, LLC, a Idaho limited liability company. The property was purchased by Mohr North Virginia Street LLC, a Texas limited liability company. The meetings of the minds occurred on November 9, 2022. The sale was recorded November 10, 2022. This sale was recorded with Document No. 5344870. This property contains 365,599.08± sf or 8.393± acres. The property is zoned IC, an industrial-commercial zoning classification. The sales price was reported at \$2,900,000 or \$7.93 a square foot. The prior sale was recorded on July 12, 2005, for \$2,550,000.

In comparison with the subject property, Sale #1 is smaller in size, requiring a downward adjustment. Overall, because of the size and condition, this sale is considered to be a high indicator requiring downward adjustments.

Sale #4 is located at 155 Ingenuity Avenue, Washoe County, Nevada. This sale is further identified as APN #530-492-01. This property was sold by Richard Wilson and Christine Wilson, husband and wife. The property was purchased by VRD at Spanish Springs LLC, a Texas limited liability company. The meetings of the minds occurred on January 13, 2023. The sale was recorded January 25, 2023. This sale was recorded with Document No. 5358993. This property contains 119,790.00± sf or 2.75± acres. The property is zoned I, an industrial zoning classification. The sales price was reported at \$830,000 or \$6.93 a square foot. The prior sale was recorded on May 27, 2020, for \$360,000.

In comparison with the subject property, Sale #1 is smaller in size, requiring a

downward adjustment. Overall, because of the size and condition, this sale is considered to be a high indicator requiring downward adjustments.

Sale #5 is located at 135 Circuit Court, Washoe County, Nevada. This sale is further identified as APN #530-470-26. This property was sold by Michael Ray Sutton, Trustee of the Michael Ray Sutton Living Trust dated March 24, 2022. The property was purchased by Jimmy D. Cooper and Marianna Cooper, Trustees of the Jimmy D. and Marianna Cooper Family Trust dated January 29, -2019. The meetings of the minds occurred on March 21, 2023. The sale was recorded March 27, 2023. This sale was recorded with Document No. 5370068. This property contains 51,686± sf or 1.187± acres. The property is zoned I, an industrial zoning classification. The sales price was reported at \$395,000 or \$7.64 a square foot. The prior sale was recorded on June 27, 2022, for \$287,000.

In comparison with the subject property, Sale #1 is smaller in size, requiring a downward adjustment. Overall, because of the size and condition, this sale is considered to be a high indicator requiring downward adjustments.

Sale #6 is located at 140 Design Place, Washoe County, Nevada. This sale is further identified as APN #538-141-07. This property was sold by Rocklin Road, LLC, a California limited liability company, and 21 Investments and Real Estate, LLC, a California limited liability company, and Kumar realty LLC, a California limited liability company, as to an undivided 1/3 interest as tenants in common. The property was purchased by James P. Nuss and Kristine H. Nuss, Trustees of the Nuss Family Trust Agreement dated April 21, 2017. The meetings of the minds occurred on April 30, 2023. The sale was recorded May 2, 2023. This sale was recorded with Document No. 5376831. This property contains 43,563± sf or 1.00± acres. The property is zoned I, an industrial zoning classification. The sales price was reported at \$342,000 or \$7.85 a square foot. The prior sale was recorded on November 24, 2021, for \$199,900.

In comparison with the subject property, Sale #1 is smaller in size, requiring a downward adjustment. Overall, because of the size and condition, this sale is considered to be a high indicator requiring downward adjustments.

SALES ANALYSIS

As can be seen, these properties are all located in the same marketing area as the subject and are felt to be good indicators. The sale dates ranged from August 2022 to May 2023. The overall sales prices ranged from a low of \$324,000 to a high of \$2,900,000. The land area of the sales ranged from 1.00± ac up to 8.393± ac as compared to the subject's 13.325± acres. All properties were zoned Industrial or Industrial Commercial as compared to the subject's Industrial-Commercial zoning. These zoning classifications were considered similar, requiring no adjustment. The chart below indicates where the subject is felt to fall.

Sale #1	\$7.93	Superior
Sale #6	\$7.85	Superior
Sale #5	\$7.64	Superior
Sale #4	\$6.93	Superior
Sale #1	\$6.75	Superior
Sale #2	\$6.68	Superior

Predicated on the above information it is felt that the subject's overall property value should fall within this range. It appears that the best indicator for the subject property is at the lower end of the value range due mainly to its larger size. Therefore, predicated on this information it is the appraiser's opinion that the subject's value, as of the date of valuation is \$6.75 a square foot. Applying \$6.75 to the subjects 580,437.00± square feet, indicated a value of \$3,917,949.75, which will be rounded to \$3,918,000.

THREE MILLION NINE HUNDRED EIGHTEEN THOUSAND DOLLARS
(\$3,918,000)

EXPOSURE AND MARKETING TIME ANALYSIS

The appraiser has been asked to consider the probable exposure time for the subject. Exposure time is the market period that would reasonably be anticipated for the subject property prior to the date of value necessary for the subject if it had in fact been marketed for sale. USPAP requires the appraiser to address exposure time. Exposure time, again, is that time that would have been necessary to expose the subject property on the open market in order to have consummated a sale at the value conclusion.

Marketing time is that time that would be necessary to consummate a sale on the subject property at the final value conclusion, assuming it was first placed on the market on the effective date of valuation. In a stable market, exposure and marketing time are generally synonymous.

The appraiser has interviewed several real estate agents in the Reno/Sparks areas who have been active in commercial real estate for the last several years. These individuals indicate that properties such as the subject would have a high demand if they were placed on the market for sale. In all cases, it was indicated to the appraiser that the property should be able to be sold if reasonably marketed and priced in a six to twelve month period.

Based upon those discussions, it would appear as though a typical exposure time for the subject property should be in the range of 6 to 12 months. that the subject should have an exposure time somewhere between 1 and 3 months.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. the statements of fact contained in this report are true and correct;
2. the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, that are my personal, impartial, and unbiased professional analyses, opinions, and conclusions;
3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest with respect to the parties involved;
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. my engagement in this assignment was not contingent upon developing or reporting predetermined results;
6. 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;
7. My reported analysis, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. As well as the Uniform Standards of Professional Appraisal Practice as adopted by the Appraisal Foundation. The opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice;
8. I have made a personal inspection of the property that is the subject of this report;
9. no one provided significant real property appraisal assistance to the person signing this certification;
10. The use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives;
11. As of the date of this report, I, Anthony J. Wren MAI, SRA have completed the requirements of the continuing education program of the Appraisal Institute.
12. I have performed no services (an appraisal) as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The estimate of value of the herein described property as of the effective date of value, which is July 10, 2023, the value for the subject property is:

THREE MILLION NINE HUNDRED EIGHTEEN THOUSAND DOLLARS
(\$3,918,000)



Anthony J. Wren, MAI, SRA
Certified General Appraiser #A.0000090-CG

ADDENDUM

QUALIFICATIONS OF APPRAISER

QUALIFICATIONS OF ANTHONY J. WREN, MAI, SRA REAL ESTATE APPRAISER

PROFESSIONAL DESIGNATIONS: MAI – Member Appraisal Institute* 1991
 SRPA – Senior Real Property Appraiser* 1987
 SRA – Senior Residential Appraiser* 1984

* These are no longer considered to be acronyms by the Appraisal Institute

PROFESSIONAL INVOLVEMENT:

- Re-Appointed by the Governor of Nevada to serve on the Nevada State Board of Taxation, Current Chairman 11/19 to 10/23
- Appointed by the Governor of Nevada to serve on the Nevada State Board of Taxation, Current Member 5/16 to 10/19
- Appointed by the Governor of Nevada to serve on the Nevada State Board of Equalization, Chairman as of January 2009 3/08 to 3/12
 Reappointed to a new term and Chair 3/12 to 10/15
- Appointed by the Governor of Nevada to serve on the Nevada Commission of Appraisers 9/94 to 6/97 and 7/97 to 6/00
- President, Commission of Appraisers of Real Estate, State of Nevada (1996, 1998)
- Expert Witness for Nevada District Court, Washoe, Storey, Clark and Elko Counties
- Member of the Appraisal Institute, National Board of Realtors, and Reno/Carson/ Tahoe Board of Realtors
- Over 45 years of Appraisal Experience

APPRAISAL LICENSE: Nevada Certified General Appraiser
 #A.0000090-CG

REAL ESTATE BROKERAGE: Nevada Real Estate Brokerage Licensed Broker
 Anthony J. Wren #B.0023456.INDV.

OFFICES HELD: *Member* Young Advisory Council SREA, San Diego & San Francisco, CA 1989 & 1991
Education Chairman, Reno/Tahoe/Carson Chapter Appraisal Institute 1993
Board of Directors, Reno/Carson/Tahoe Chapter Appraisal Institute 1993-2007
President, Reno/Carson/Tahoe Chapter 189 1988-1989
First Vice President, Reno/Carson/Tahoe Chapter 189 1987-1988
Secretary, Reno/Carson/Tahoe Chapter 189 1986-1987

President, Reno/Carson/Tahoe Chapter 189

2000

Appraisal Instruction

Several USPAP Update Courses taught through		2023
Business Practices and Ethics		2020
4 Hour Nevada Assessors Ethics Class		2021
15-Hour National USPAP		2018
Comparison Valuation of Small, Mixed-Use Properties		2011
Income Valuation of Small, Mixed-Use Properties		2011
15-Hour National USPAP Course		03/23/07
15-Hour Standards of Professional Practice (Seattle, WA)		03/22/07
7-Hour National USPAP Update (Las Vegas, NV)		03/02/07
7-Hour National USPAP Update (Chicago, IL)		04/15/05
7-Hour National USPAP Update (Reno, NV)		02/24/05
USPAP Update 2003 – Standards & Ethics for Professionals		09/05/03
Business Practices and Ethics		07/25/03
7-Hour National USPAP Update Course		05/02/03
15-Hour National USPAP		03/22/03
Appraisal Procedures		05/19/01
Sales Comparison Valuation of Small, Mixed-Use Properties		03/31/01
Standards of Professional Practice, Part B (USPAP)		02/10/01
Income Valuation of Small, Mixed-Use Properties		02/19/00
Standards of Professional Practice, A, B, & C, USPAP		1992–2003
Reno, NV, Casper, WY, Eugene, OR, Sacramento, CA, Las Vegas, NV		
Income Valuation of Small Mixed Use Properties		
(Reno, NV)		1998
(Casper, WY)		1999
(Sacramento, CA)		1999
Residential Case Study, Course 210	(Las Vegas, NV)	10/97
Alternative Residential Reporting Forms	(Buffalo, WY)	09/97
(Polson, MT)		09/97
Data Confirmation and Verification	(Richland, WA)	11/96
(Riodoso, NM)		09/96
(Reno, NV)		03/96
(Savannah, GA)		12/95
Understanding the Limited Appraisal	(Savannah, GA)	12/95
(Tucson, AZ)		09/94
110 "Real Estate Appraiser Principles"	(Minneapolis, MN)	07/99
(Sacramento, CA)		05/95
(Wenatchee, WA)		09/94
(St. Louis, MO)		02/94
(Las Vegas, NV)		05/94
URAR Update	(Casper, WY)	01/94
(Reno, NV)		12/93
1A2 Basic Valuation Procedures	(Las Vegas, NV)	05/92
Course 207B, Income Valuation Appraising	(Reno, NV)	Fall 1989
Truckee Meadows Community College	(Reno, NV)	Spring 1989

APPRAISAL COURSES AUDITED:

Case Studies in Real Estate Valuation	1991
Cost Valuation of Small, Mixed-Use Properties	1988
Income Valuation of Small Mixed-Use Properties	
Sales Comparison Valuation of Small, Mixed-Use Properties	

APPRAISAL COURSES SATISFACTORILY CHALLENGED:

A1: Course I210 Residential Case Studies	(1993)
A1: Course 410 Standards of Professional Appraisal Practice	(1991)

A1: Course 420 Ethics of the Professional Appraisal Practice	(1991)
A1: Course 420 Ethics of the Professional Appraisal Practice	(1991)
SREA: Course 301 Special Applications of Real Estate Analysis	(1989)
SREA: Course 202 Applied Income Property Valuation	(1985)
SREA: Course 201 Principles of Income Property Appraising	(1984)
SREA: Course 101 An Introduction to Appraising Real Property	(1983)
SREA: Course 102 Applied Residential Property Valuation	(1983)

Classes Taken Online

New Construction Essentials: Luxury Homes	2023
Residential Construction and the Appraiser	2023
Residential Property Inspection for Appraisers	2023
The Basics of Expert Witness for Commercial Appraisers	2021
Supporting your adjustments	2021
Introduction to the Uniform Dataset (2 hours)	2019
USPAP Instructor Recertification Course 2018-2019 (4 hours)	2018
USPAP Instructor Recertification Course 2016-2017 (4 hours)	2016
USPAP Instructor Recertification Course 2014-2015 (4 hours)	2014

Classes Attended

Las Vegas Market Symposium	2023
Rapid Response; Market Analysis in Volatile Markets	2021
Uniform Appraisal Standards for Federal Land Acquisition	2017
2018-2019 Instructors Recertification Course (USPAP)	2017
Architectural Styles and the UAD	2017
Constructing the Profession Report	2017
FHA SFR Appraising -Handbook 4000.1	2017
Comprehensive Square Foot Calculations	2017
2016-2017 USPAP Instructor Recertification Course	2015
Business Practice and Ethics Instructor Training	2015
Tahoe Litigation Conference	2014
Evaluating Residential Construction	2014
Appraisal Review General	2012
Uniform Appraisal Standards for Federal Land Acquisitions (Phoenix, AZ)	12/17 & 18/09
Valuation of Easements and Other Partial Interests (Reno, NV)	12/04/09
General Market Analysis and Highest & Best Use (Las Vegas, NV)	08/31/09 – 09/03/09
Introduction to International Valuation Standards (Online)	08/01/31 – 08/31/09
Valuation of Green Residential Properties (Phoenix, AZ)	02/19/09
REO Appraisal: Appraisal of Residential Property Foreclosures (Las Vegas, NV)	10/11/08
Forecasting Review	10/10/08
AQB Awareness Training for Appraisal Institute Instructors (Online)	08/15/07
Committee CE Credit (Chapter Level)	12/31/09
AQB USPAP Instructor Recertification Course (Dedham, MA)	02/24/07
AQB USPAP Instructor Recertification Course (Tucson, AZ)	12/04/04
Water Rights in Nevada	2/01/03
Training & Development Conference	08/26/03
AQB USPAP Instructor Recertification (San Francisco, CA)	10/30/02
Appraisal Continuing Education	12/10/02
Property Flipping and Predatory Lending Seminar	10/17/01
2001 USPAP Update for Instructors & Regulators-CA (San Diego, CA)	12/09/00
Lake Tahoe Case Studies in Commercial Highest & Best Use (Sacramento, CA)	10/20/00
Supporting Sales Comparison Grid Adjustments for Residential Properties (Reno, NV)	09/29/00

Case Studies in Commercial Highest and Best Use (Reno, NV)	07/28/00
Tools For Teaching Excellence, Day 1	07/09/00
USPAP Update for Instructors and Regulators (Las Vegas, NV)	07/08/00
Tools For Teaching Excellence, Day 2	07/10/00
Residential Consulting	03/31/00
Residential Consulting	2000
FHA's Home buyer Protection Plan & the Appraisal Process Seminar	1991
Affordable Housing Valuation Seminar	1997
Alternative Residential Reporting Forms	1986
Business Valuation Part 1	1996
Understanding Limited Appraisals – General	1995
Data Confirmation & Verification Methods	1995
Mandatory Faculty Workshop	1995
Appraising 1- to 4-Family Income Properties	1995
Investment Techniques with the HP-17/19II Calculator	1994
Fair Lending and the Appraiser	1994
Mock Trial	1994
Electronic Spreadsheet Workshop	1994
Basic Argus Training (Spreadsheets)	1994
Investment Techniques with the HP-17/19II Calculator	1994
FNMA URAR Update	1993
Maximizing the Value of an Appraisal Practice	1993
Litigation Valuation	1992
101 "Instructors Clinic	1990
Comprehensive Appraisal Review	1990

Meetings Attended

Committee Credit – National	12/31/00
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FORMAL EDUCATION:

University of Texas at Arlington (No Degree)	1974
Casper College (No Degree)	1973
Peacock Military Academy (High School)	1972