

AN APPRAISAL
OF

FIRE SCIENCE ACADEMY
UNIVERSITY OF NEVADA, RENO

LOCATED AT

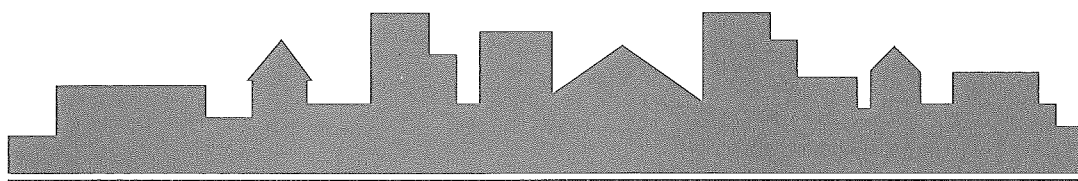
100 UNIVERSITY AVENUE
CARLIN, ELKO COUNTY, NEVADA

OWNED BY

BOARD OF REGENTS OF THE UNIVERSITY AND
COMMUNITY COLLEGE SYSTEM OF NEVADA

PREPARED FOR

UNIVERSITY OF NEVADA, RENO



JOHNSON~PERKINS & ASSOCIATES, INC.
REAL ESTATE APPRAISERS & CONSULTANTS

An Appraisal
Of

**Fire Science Academy
University of Nevada, Reno**

Located At

100 University Avenue
Carlin, Elko County, Nevada

Owned By

Board of Regents of the University and
Community College System of Nevada

Prepared For

University of Nevada, Reno

For the Purposes of
Estimating Market Value
As of
October 7, 2009

JOHNSON~PERKINS & ASSOCIATES, INC.

REAL ESTATE APPRAISERS & CONSULTANTS

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November 6, 2009

Mr. Troy Miller, Director of Real Estate
Business Center North
University of Nevada Real Estate Office
895 North Center Street
Reno, Nevada 89557

Re: Fire Science Academy, Carlin, Nevada

Dear Mr. Miller:

This is in response to your request for an appraisal of the Fire Science Academy located at 100 University Avenue, Carlin, Elko County, Nevada. The subject property, which is identified as Elko County Assessor's Parcel Number 005-280-002, is owned by the Board of Regents of the University and Community College System of Nevada.

The subject property contains 408.06± acres and is improved with the Fire Science Academy, an average to good quality educational facility including administrative offices, cafeteria, classrooms, residential units, fire station, parking areas, landscaping and waste water treatment facilities. In addition, the subject property includes various props used in conjunction with the operation of the Fire Science Academy. The subject property is more completely described in the following report.

The purpose of the appraisal is to estimate the Market Value of the fee simple interest in subject property as of a current date. The intended users of the appraisal report include representatives of the University of Nevada, Reno, the Nevada System of Higher Education, the Nevada National Guard and the State of Nevada. The intended use of this appraisal report is for internal management purposes and the possible disposition of the subject property.

This is a summary appraisal report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a summary appraisal report.

Reno ■ Lake Tahoe

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This report sets forth pertinent data, statistics and other information considered necessary to establish the Market Value of the subject property as of the effective date of valuation. Supporting documentation concerning the data, reasoning and analyses is retained in my file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use as stated herein. I am not responsible for unauthorized use of this report.

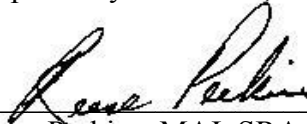
I attest that I have the knowledge and experience necessary to complete this appraisal assignment. No one other than the undersigned prepared the analysis, conclusions and opinions concerning real estate that are set forth in the accompanying appraisal report.

After careful consideration of all data available, and upon thorough personal investigation of the subject property and the comparable properties analyzed, it is my opinion that the market of the fee simple interest of the subject property, as of October 7, 2009, is as follows:

FINAL VALUE CONCLUSION

\$23,500,000

Respectfully Submitted,



Reese Perkins, MAI, SRA
Nevada Certified General Appraiser
License Number A.0000120-CG

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SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

Property Name	Fire Science Academy, University of Nevada, Reno
Property Type	Industrial Educational Campus
Address	100 University Avenue, Carlin, Elko County, Nevada
Location	North side of Frontage Road and Interstate 80, approximately 5 miles east of Carlin, Nevada
Assessor's Parcel Number	005-280-002
Owner of Record	The Board of Regents of the University and Community College System of Nevada
Land Area	408.06± Acres
Zoning/Master Plan	P (Public)
Improvements	An average to good quality, educational facility including administrative offices, cafeteria, classrooms, residential units, fire station, parking areas, landscaping and waste water treatment facilities. In addition, the subject property includes various props utilized in conjunction with the operation of the Fire Science Academy.
Year Built	1998
Quality/Condition	Average to Good/Average
Highest and Best Use	
As Vacant	Open Space
As Improved	Continued utilizations as an educational facility
Ownership Interest Appraised	Fee Simple Estate
Type of Report	Summary Appraisal Report
Completion Date of Report	November 6, 2009
Effective Date of Valuation	October 7, 2009

FINAL PROPERTY VALUE CONCLUSION

\$23,500,000

PURPOSE OF APPRAISAL

This appraisal was prepared for the purpose of estimating the Market Value of the subject's fee simple estate, as of October 7, 2009.

MARKET VALUE DEFINED

Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 1) Buyer and seller are typically motivated;
- 2) Both parties are well informed or well advised, and acting in what they consider their own best interest's;
- 3) A reasonable time is allowed for exposure in the open market;
- 4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

¹ Rules and Regulations, Federal Register, Vol. 55, No. 165, Page 34696, 12CFR Part 24.42(f)

SCOPE OF APPRAISAL

The preparation of this appraisal included:

- Identification, inspection and analysis of the subject property;
- Identification and analysis of the subject neighborhood;
- Reviewed the FSA Financial Sustainability Plan, prepared by the FSA Financial Sustainability Task Force, dated November 17, 2008;
- Completion of a Highest and Best Use Analysis;
- Land sales research, analysis, inspection and verification;
- Preparation of a Cost Approach;
- Correlation of the value indications to a final property value conclusion;
- Preparation of the Summary Appraisal report in accordance with Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice.

EFFECTIVE DATE OF VALUATION

The opinions of value, as set forth in this report, apply as of October 7, 2009.

COMPLETION DATE OF REPORT

This report was completed on November 6, 2009.

PROPERTY RIGHTS APPRAISED

The subject property is appraised as held in fee simple ownership. Fee simple ownership is defined as absolute ownership, unencumbered by any other estate or interest subject only to the limitations of eminent domain, escheat, police power, taxation and such typical encumbrances as mortgages and easements

INTENDED USE OF APPRAISAL

The intended use of this appraisal report is for internal management purposes and the possible disposition of the subject property.

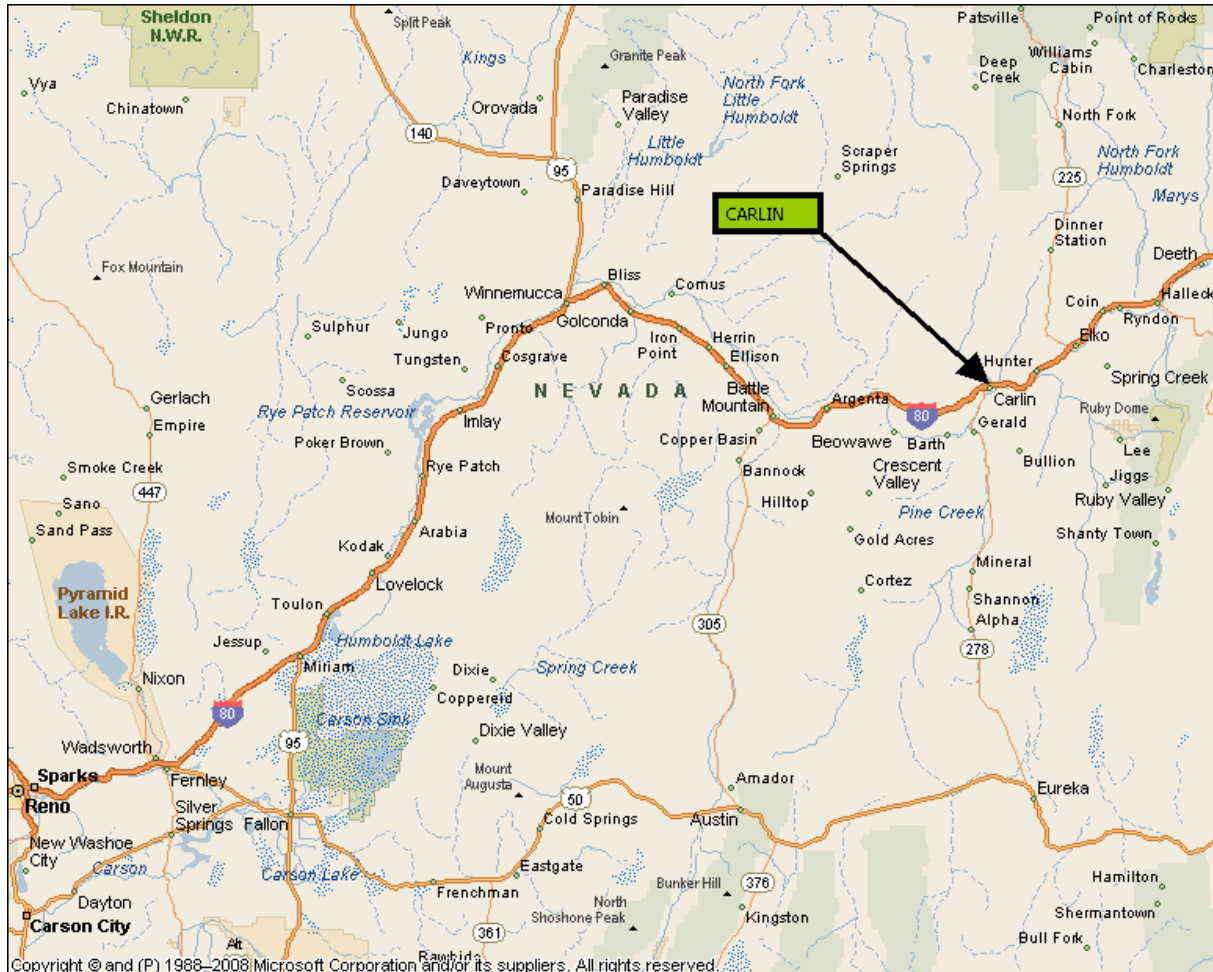
INTENDED USERS OF APPRAISAL

The intended users of the appraisal report include representatives of the University of Nevada, Reno, the Nevada System of Higher Education, the Nevada National Guard and the State of Nevada.

TYPE OF REPORT

This is a summary appraisal report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a summary appraisal report. As such, it presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in this appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use as stated herein.

ELKO COUNTY AREA MAP



ELKO AREA DESCRIPTION

The subject property is located in the City of Carlin, a rural community located approximately 23 miles west of Elko County, Nevada, along Interstate 80. Elko County is located in the northeast corner of Nevada, and is basically rural in nature. The City of Elko, which serves as the County Seat, is the largest urban area in the county; Spring Creek is a residential community located south of Elko. Other communities include Carlin, Wells, West Wendover, and Jackpot.

Location, Weather & Transportation Data

Elko County is located in the rugged high desert region of northeast Nevada, bordered on the north by Idaho, the east by Utah, and by neighboring Nevada counties to the west and south. Elko County is the fourth largest county in the United States, and includes 17,203± square miles of varied, scenic topography, and provides a variety of recreational opportunities. Elko County is located in the Great Basin, and is criss-crossed with ranges of mountains with elevations ranging from 4,000 feet above sea level to over 12,000 feet above sea level. The City of Elko is located at an elevation of 5,060± feet above sea level. The following summarizes Elko's proximity to a number of cities.

Elko Proximity Chart

City	Number of Miles
Reno	209 Miles (West of Elko)
Boise	230 Miles (North of Elko)
Salt Lake City	366 Miles (East of Elko)

The area is relatively arid and enjoys basically dry, sunny and warm summer seasons and cold, sunny winter seasons. Spring and autumn typically feature cool nights and warm sunny days. The following summarizes Elko's average climate data.

Elko Climate Data

Monthly Normal and Record High and Low Temperatures												
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Record High °F	65	70	78	86	97	104	108	107	99	88	78	65
Normal High °F	37	42.9	51.2	59.3	68.6	79.9	89.6	88.1	78.2	65	48.1	38.2
Normal Low °F	14.1	19.7	26	29.9	36.9	43.5	48.7	47	38.2	28.4	20.9	13.9
Record Low °F	-43	-37	-9	-2	10	23	30	20	9	1	-12	-38
Precipitation (in)	1.14	0.88	0.98	0.81	1.08	0.67	0.3	0.36	0.68	0.71	1.05	0.93

Source: National Climate Data Center

State and Federal highways that service the area include the Interstate 80 Freeway and U.S. Highway 93. Interstate 80, which passes through the City of Elko, is a two-way, four-lane, asphalt paved, limited access all weather freeway. Interstate 80 is one of the most important U.S. roadways connecting the East Coast and the central mid-west states to the West Coast. Access from the Interstate 80 Freeway to Elko is provided by on and off ramps, which are located in the southwest, central and northeast portions of the City of Elko.

Elko is also situated along State Routes 225 and 227; Route 225 provides access to areas north of the City of Elko, while Route 227 provides access to Spring Creek and Lamoille south of the City of Elko. These roadways are asphalt paved all weather highways, and are maintained by the Nevada Department of Transportation.

The Union Pacific Railroad provides east-west rail service through northern Nevada. This railroad runs roughly parallel to Interstate 80. Amtrak also provides passenger service out of Elko. Additionally, some bus service is available in the Elko area. The Elko Regional Airport is located in the west portion of the City, and currently has two runways; the Commercial Runway 150 feet wide by 7211 feet long, while the General Aviation Runway is 60 feet wide by 2879 feet long.

In general, the Elko area benefits from a variety of efficient transportation systems which link it to surrounding areas, as well as the balance of the country. While Elko is located in somewhat of an isolated area, overall accessibility is adequate.

Population & Labor Force Data

According to the Nevada State Demographer's Office, the population of Elko County and Elko has generally shown a gradual growth. Elko is the largest community in the county. The charts below summarize the historical population statistics of Elko County and the City of Elko, and the projected future population statistics for Elko County.

Historical Population Statistics For Elko County

Year	City of Elko		Elko County	
	Population	% Change	Population	% Change
1990	14,950	4.18%	33,770	3.50%
1991	15,675	4.85%	35,825	6.09%
1992	16,268	3.78%	37,416	4.44%
1993	16,595	2.01%	39,399	5.30%
1994	17,091	2.99%	41,004	4.07%
1995	17,693	3.52%	42,316	3.20%
1996	18,081	2.19%	44,428	4.99%
1997	19,189	6.13%	46,543	4.76%
1998	17,518	-8.71%	46,818	0.59%
1999	16,721	-4.55%	45,727	-2.33%
2000	17,191	2.81%	45,633	-0.21%
2001	17,093	-0.57%	46,668	2.27%
2002	16,690	-2.36%	46,577	-0.19%
2003	16,354	-2.01%	45,805	-1.66%
2004	17,140	4.81%	46,499	1.52%
2005	17,850	4.14%	47,586	2.34%
2006	18,183	1.87%	48,339	1.58%
2007	18,427	1.34%	50,434	4.33%
2008	18,424	-0.02%	50,561	0.25%

Although the City of Elko did see a slight drop in population between 2007 and 2008, Elko County did see a slight increase. Between 1998 and 2008 (ten year period), Elko County and the City of Elko have both seen increases in population.

Projected Population Statistics-Elko County

Year	2009	2010	2011	2012	2013	2014	2015
Elko County	53,590	54,305	54,968	55,600	56,203	56,768	57,235

The major economic contributors in the area include mining, tourism and gaming, government services and agriculture. Government service involves a high percentage of the county's economic base, primarily due to Elko being the hub of the region. Agriculture has long been an important economic factor in the form of livestock, alfalfa and potato production; Elko County one of the largest agriculture producing counties in the United States. Additionally, mining is a major factor in the local economy.

In addition to actual mining jobs, the gold mining industry has created a collection of other support industries. These support services include drilling suppliers, chemical suppliers, consultants and exploration firms. The chart below summarizes the average number of employees by industrial employment sector in Elko County in 2008. This information was provided by the State of Nevada Department of Employment, Training and Rehabilitation (DETR).

2008 Elko County Industrial Employment Summary

Employment Sector	Average Number Employed (2008)
Natural Resources & Mining	2,475
Construction	1,253
Manufacturing	220
Trade, Transportation & Utilities	3,806
Information	186
Financial Activities	542
Professional & Business Services	973
Education & Health Services	1,299
Leisure & Hospitality	6,192
Other Services	617
Government	3,786
Total	21,367

In general, the largest employers within Elko County are mining companies, utility companies, tourist commercial projects, and the government. The chart below summarizes the largest employers in the County, as of the 4th Quarter of 2008.

Elko County Largest Employers-4th Quarter 2008

County	Ownership	Industry	Size Class	Legal Name	Trade Name
Elko County	Local Government	Elementary And Secondary Schools	1000 To 1499 Employees	Elko County School District	Elko County School District
Elko County	Private	Casino Hotels	600 To 699 Employees	Peppermill Casinos Inc	Rainbow Casino And Hotel
Elko County	Private	Casino Hotels	600 To 699 Employees	Cactus Petes Inc	Cactus Petes Inc
Elko County	Private	Casino Hotels	500 To 599 Employees	Peppermill Casinos Inc	Peppermill Hotel Casino - Wendover
Elko County	Private	Casino Hotels	500 To 599 Employees	Wendover Casino Inc	Montego Bay Casino Resort
Elko County	Private	Casino Hotels	400 To 499 Employees	Generation 2000 LLC	Wendover Nugget
Elko County	State Government	Junior Colleges	300 To 399 Employees	U Of Nv-Bus. Ctr No.	Great Basin College
Elko County	Local Government	Executive & Legislative Offices Combined	300 To 399 Employees	Elko County	Elko County
Elko County	Private	Casino Hotels	300 To 399 Employees	Nav Elko Rlic LLC	Red Lion Inn And Casino '
Elko County	Private	Warehouse Clubs And Supercenters	300 To 399 Employees	Wal-Mart Associates, Inc	Wal-Mart Supercenter
Elko County	Private	Casino Hotels	200 To 299 Employees	Club 93 Inc	Club 93 Inc
Elko County	Private	Gold Ore Mining	200 To 299 Employees	Newmont Usa Limited	Newmont Midas
Elko County	Private	General Medical And Surgical Hospitals	200 To 299 Employees	Phc Of Elko Inc	Northeastern Nv Regional Hosp
Elko County	Private	Gold Ore Mining	100 To 199 Employees	Barrick Gold Of North America	Barrick Gold Of North America
Elko County	Local Government	Executive & Legislative Offices Combined	100 To 199 Employees	City Of Elko	City Of Elko
Elko County	Local Government	Tribal Governments	100 To 199 Employees	Shoshone Paiute Tribes	Shoshone Paiute Tribes
Elko County	Private	Support Activities For Metal Mining	100 To 199 Employees	Boart Longyear Nevada	Boart Longyear Nevada
Elko County	Private	Nonresidential Site Preparation Contrs	100 To 199 Employees	Ames Construction Inc	Ames Construction Inc
Elko County	Private	Casino Hotels	100 To 199 Employees	Holder Group Red Garter LLC	Red Garter Hotel And Casino
Elko County	State Government	Transportation Program Administration	100 To 199 Employees	Nevada Dept Of Transportation	Nevada Dept Of Transportation

The largest unknowns, regarding the stability of the gold mining industry in the area, are the fluctuation in the price of gold and the amount of remaining deposits. However, within the past several years, the price of gold has dramatically increased, which has led to new employment opportunities within the mining industry. These new jobs have had a positive effect on the City of Elko, whose economy relies heavily on the mining industry.

The following table provides labor force, employment and unemployment data for the Elko County region. This information was provided by the State of Nevada Department of Employment, Training and Rehabilitation (DETR).

Elko Area Labor Force & Employment Data

Year	Labor Force	Employment	Unemployment	Unemployment Rate
2009 (June)	28,679	26,882	1,797	6.27%
2008	27,858	26,692	1,166	4.19%
2007	13,075	12,483	592	4.53%
2007	27,053	26,116	937	3.46%
2006	25,372	24,463	909	3.58%
2005	24,311	23,432	879	3.62%
2004	23,804	22,864	940	3.95%
2003	23,624	22,526	1,098	4.65%
2002	24,170	23,054	1,116	4.62%
2001	24,295	23,088	1,207	4.97%
2000	25,002	24,024	978	3.91%
1999	22,747	21,597	1,150	5.06%
1998	23,444	22,069	1,375	5.87%
1997	23,387	22,247	1,140	4.87%
1996	22,967	21,778	1,189	5.18%
1995	21,926	20,586	1,340	6.11%
1994	21,657	20,298	1,359	6.28%
1993	21,042	19,692	1,350	6.42%
1992	20,249	19,025	1,224	6.04%
1991	18,936	17,961	975	5.15%
1990	18,197	17,250	947	5.20%

Elko County's current (June 2009) unemployment rate is at the highest rate it has been at since before 1990. However, Elko County's unemployment rate sits below the State of Nevada's average unemployment rate at the same period, which was 12.1%.

Taxable retail sales have continued to increase in Elko County. The chart below summarizes Elko County's taxable retail sales between 1999 and 20008.

Taxable Retail Sales-Elko County

Year	Taxable Retail Sales
2008	\$1,148,378,661
2007	\$1,193,448,998
2006	\$1,032,095,694
2005	\$866,701,174
2004	\$762,885,666
2003	\$703,654,716
2002	\$719,322,584
2001	\$777,371,828
2000	\$776,225,197

Personal income, on a per capita basis, has also risen over the last several years in Elko County. The chart below summarizes per capita personal income between 2005 and 2007 (latest available) in Elko County; this information was provided by the United States Bureau of Economic Analysis.

Elko County Per Capita Personal Income (2005-2007)

2007	Per Capita Personal Income - BEA	\$34,869
2006	Per Capita Personal Income - BEA	\$32,559
2005	Per Capita Personal Income - BEA	\$30,607

Tourism & Gaming

Tourism and gaming are important components of Elko's economy. Elko is home to over 2,000 hotel and motel rooms, 6 RV parks, a convention center with a theatre and stage, a fairground complex, a variety of sit down and fast food restaurants, hotel-casinos, various standalone casinos, and several major casinos. The charts below summarize hotel and casino facilities in and around the City of Elko.

Elko Hotel/Motel Facilities

Property Name	Number of Rooms
American Inn	19
Budget Inn	63
Centre Motel	22
Comfort Inn	51
Country Hearth Inn	106
Day's Inn	32
Econolodge Inn & Suites	61
Economy Inn	18
Elko Inn Express	49
Elko Motel	32
Esquire Motor Lodge	20
Gold Country Inn	150
High Desert Inn	171
Hilton Garden Inn	84
Holiday Inn Express	77
Holiday Motel	17
Hotel Lamoille	3
Key Motel	33
Manor Motor Lodge	24
Mid-Town Motel	25
Motel 6	123
Oak Tree Inn	120
Red Lion	222
Rodeway Inn	27
Shilo Inn	70
Stampede Motel	18
Stockmen's Hotel & Casino	141
Super 8	72
Thunderbird Motel	70
Traveler's Motel	14
Travelodge	61
Western Inn	39

City of Elko Major Gaming Facilities

Property Name	Square Feet of Gaming Space*	Number Of Slots	Table Games
Commercial Casino	6,440± SF	161	None
Gold Country Inn & Casino	9,680± SF	148	None
Gold Dust West	14,464± SF	350	Yes
Red Lion Inn & Casino	17,850± SF	357	Yes
Scoreboard Sports Lounge	1,180± SF	104	None
Stockmen's Hotel Casino	8,614± SF	203	None

* As Reported By Nevada Gaming Control Board

Like a majority of the State of Nevada, gaming revenues and gaming wins in the Elko County market declined in the last fiscal year. The chart below summarizes gaming wins in Elko County over the past four fiscal years; it is noted that the largest amount of gaming space in Elko County is located in West Wendover.

Elko County Gaming Win Summary

Fiscal Year	Gaming Win	Change Over Prior Fiscal Year
2005-2006	\$262,975,750	6.41%
2006-2007	\$288,751,782	9.80%
2007-2008	\$300,628,514	4.11%
2008-2009	\$278,558,535	(7.34)%

Government

Elko County has a Commissioner form of government. The five County Commissioners and other elected officials are elected to four-year terms. The day-to-day operations of the County are administered by a County Manager, who is an appointed official.

The City of Elko is incorporated and is governed by a Mayor and four City Councilmen who are elected on a rotating basis. A City Manager position exists to manage the day-to-day operations of the City.

Schools, Utilities & Recreation

The Elko County School District includes a total of 22 separate schools which are all governed by an elected board. The following summarizes the schools located in Elko County.

Elementary Schools	Middle Schools	High Schools	Combined Schools	Rural Schools
Grammar #2	Adobe Middle School	Adult High School	Carlin	Independence Valley
Mountain View	Flag View	Elko High School	Jackpot	Montello
Northside	Spring Creek Middle School	Spring Creek High School	Owyhee	Mound Valley
Sage	--	West Wendover	Wells	Petan Ranch
Southside	--	--	--	Ruby Valley
Spring Creek Elementary	--	--	--	--
West Wendover Elementary	--	--	--	--

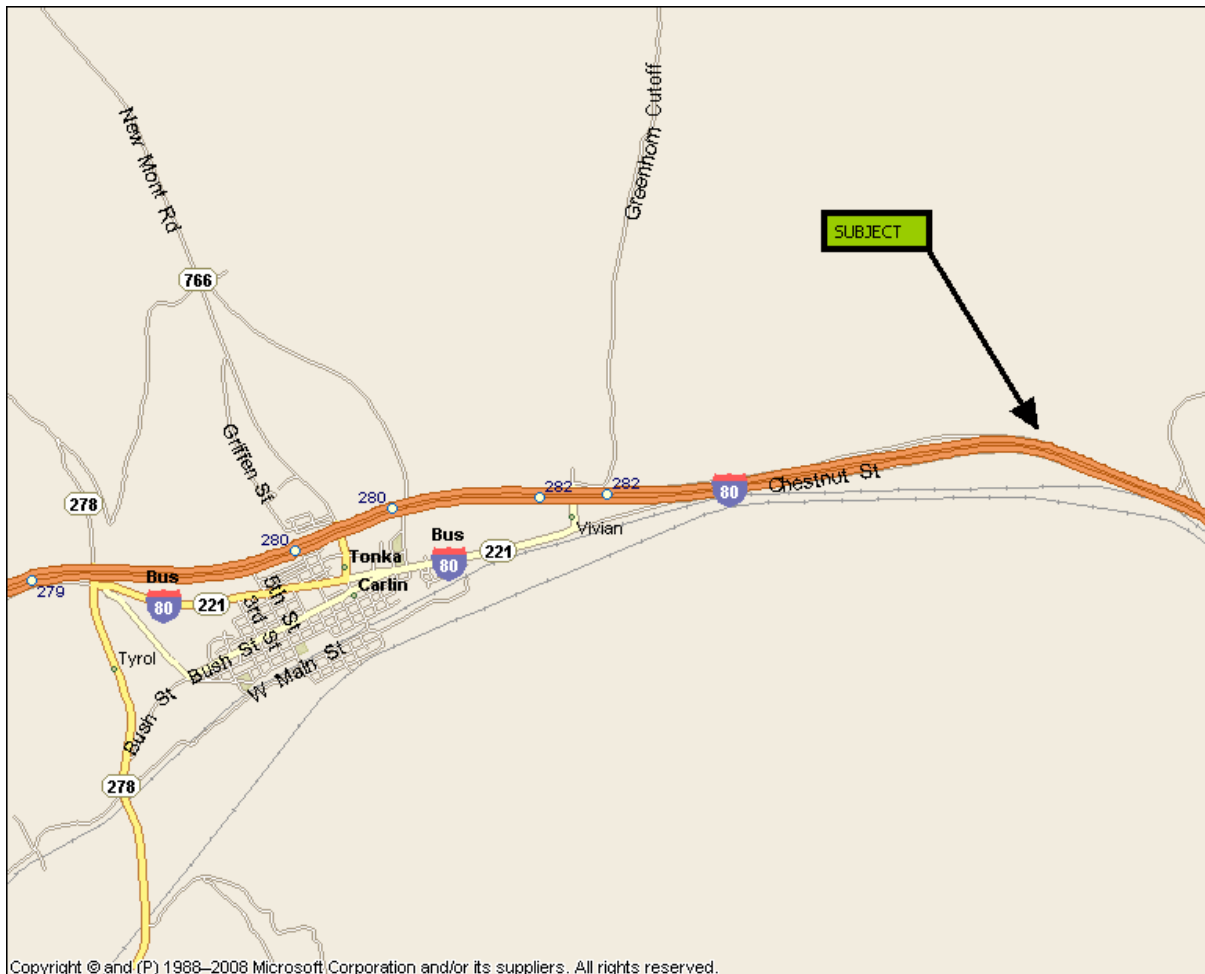
The main campus of Great Basin College campus is located in Elko. This school is on a 44± acre site. A \$4.5 million grant project from the Donald W. Reynolds Foundation, completed in June of 2001, improved the campus with a landmark bell tower, waterway, outdoor amphitheater, glass solarium, and new landscaping. Additionally, the City of Elko has a public library.

Public utilities, including municipal water and sewer, are available in the City of Elko. Natural gas is provided by Southwest Gas Corporation, telephone service is provided by SBC and electrical service is provided by NV Energy. Propane and fuel oil are also available from several distributors.

Medical services are primarily provided by the Northeast Nevada Regional Hospital; this 127,000± square foot, 75-bed facility was constructed in 2001 on a 50± acre campus at a cost of \$40 million. News service is provided to the area by the Elko Daily Free Press; in addition, the Reno-Gazette Journal is available on a daily basis within Elko. There is cable television service available to many portions of the community and regular television service is available by translator. Radio stations are also available.

Elko enjoys numerous parks, playgrounds and recreational facilities including a modern indoor and outdoor swimming facility, baseball and softball fields, soccer fields, tennis courts, horseshoe pitching facilities and picnic facilities. There is also an 18-hole golf course located within Elko City limits. Excellent hunting, fishing, camping and other outdoor activities are available within reasonable distances from Elko.

CARLIN AREA MAP



CARLIN NEIGHBORHOOD DESCRIPTION

The City of Carlin is a small community located in northeast Nevada, approximately 23 miles west of Elko and situated along Interstate 80. The city limits encompass approximately nine square miles. Currently, the residential population of Carlin is 2,281.

The developed portion of the City of Carlin is approximately one-half square mile. Approximately 75% of the City of Carlin lies north of the Humboldt River, and the remaining 25% lies south of the river. Important tributaries to the Humboldt River which flow through the City are Maggie Creek and Mary's Creek, which generally serve as the easterly and westerly boundaries of the community.

Carlin is noted as the gateway to two of the world's largest gold mines. Mining is a major employment base. Located north of Carlin is the Carlin Trend, which includes two of the largest open pit gold mines in the world. The Newmont Gold Quarry site is visible from Interstate 80 and the northern slopes of Carlin.

The University of Nevada Fire Science Academy Crisis and Emergency Management Institute is located a short distance east of the City of Carlin.

Carlin is located approximately 261 miles west of Salt Lake City and 271 miles northwest of Reno. The City of Carlin was incorporated in 1971 and has a Mayor Counsel form of government. The Mayor and four council members are elected to four year terms.

The area is known for a variety of recreational activities including hunting, rock hounding, hiking and dirt bike riding. Local services include a Pilot Truck Stop, fast food restaurants, retail and commercial facilities and industrial utilizations servicing the mining industry.

Electricity is provided by Wells Rural Electric Company, while the City of Carlin provides water and sewer service. Trash removal is provided by Elko Sanitation, while telephone service is provided by Frontier Telephone. Southwest Gas Corporation provides natural gas in some areas, and propane is also available.

Educational facilities include a combined school servicing kindergarten through high school.

SUBJECT AERIAL PHOTOGRAPHS



VIEW OF FIRE SCIENCE ACADEMY



OVERALL VIEW OF SUBJECT

SUBJECT PROPERTY PHOTOGRAPHS



OVERALL VIEW OF FIRE SCIENCE ACADEMY FACING NORTHWESTERLY



**VIEW OF FRONTAGE ROAD AND FIRE SCIENCE ACADEMY
FACING WESTERLY**

SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF ENTRY TO FIRE SCIENCE ACADEMY FACING NORTHERLY



VIEW OF EASTERLY PORTION OF CAMPUS FACING SOUTHEASTERLY

SUBJECT PROPERTY PHOTOGRAPHS



**VIEW OF ADMINISTRATION BUILDING AND RESIDENCE BUILDING
FACING SOUTHWESTERLY**



VIEW OF FOOD SERVICE BUILDING AND EASTERLY PORTION OF CAMPUS

SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF WESTERLY PORTION OF PROP FIELD FACING NORTHERLY



VIEW OF CENTRAL PORTION OF PROP FIELD FACING NORTHERLY

SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF EASTERLY PORTION OF PROP FIELD



**VIEW OF WESTERLY PORTION OF SUBJECT PROPERTY
FACING SOUTHWESTERLY**

SUBJECT PROPERTY PHOTOGRAPHS

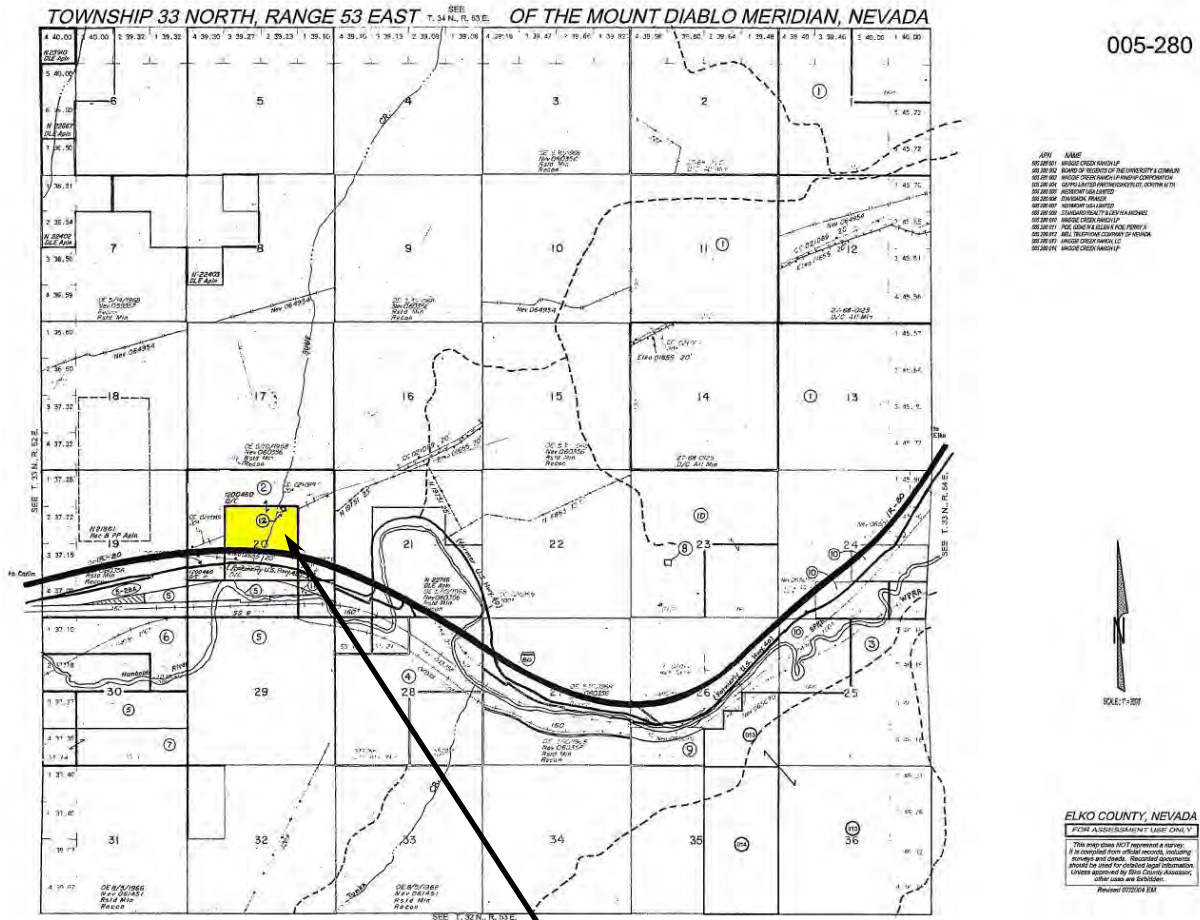


**VIEW OF CENTRAL PORTION OF SUBJECT PROPERTY FACING SOUTHERLY
TOWARDS MAIN CAMPUS**



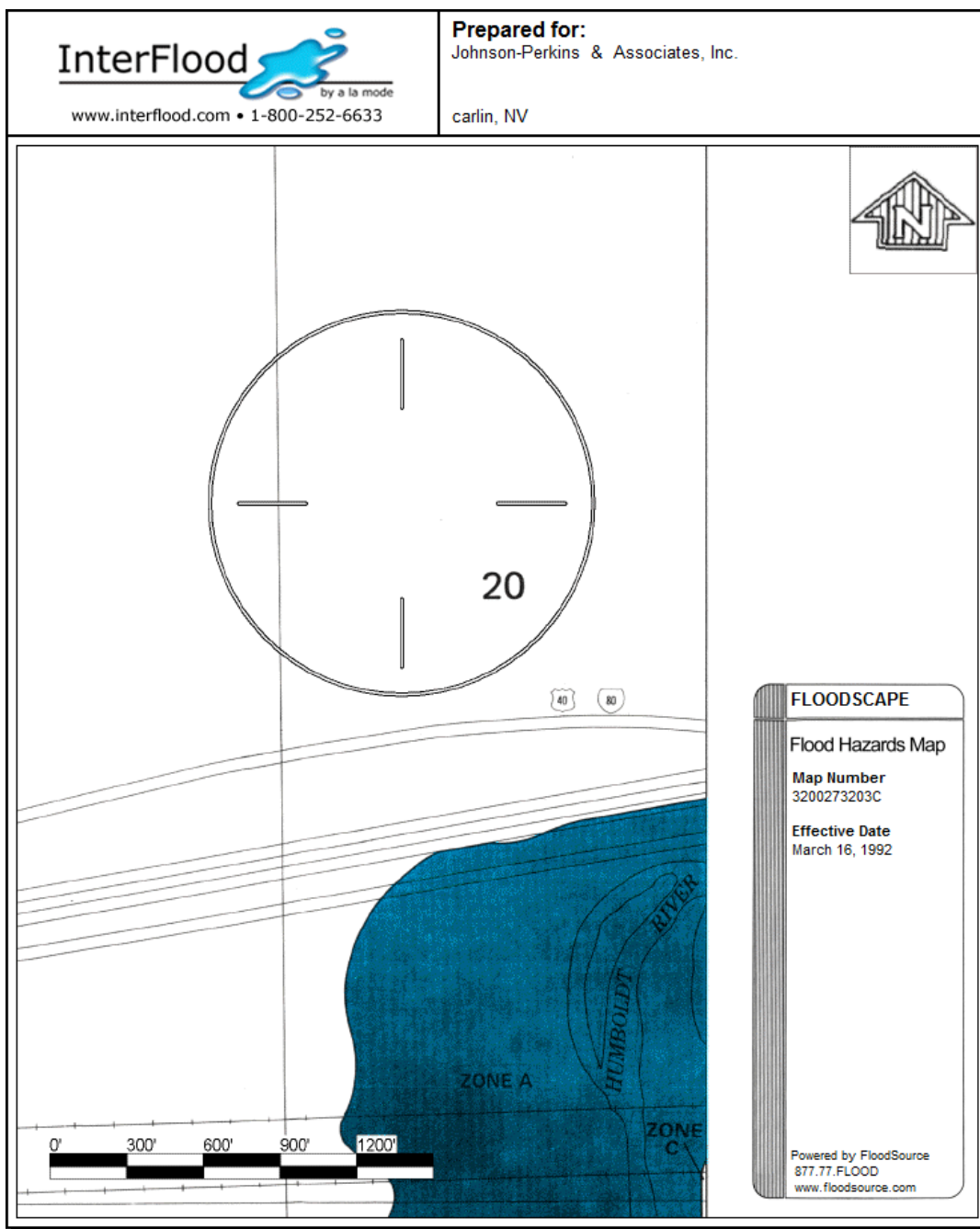
VIEW OF EASTERLY PORTION OF SUBJECT OWNERSHIP

SUBJECT PLOT PLAN
(Assessor's Parcel Number 005-280-002)



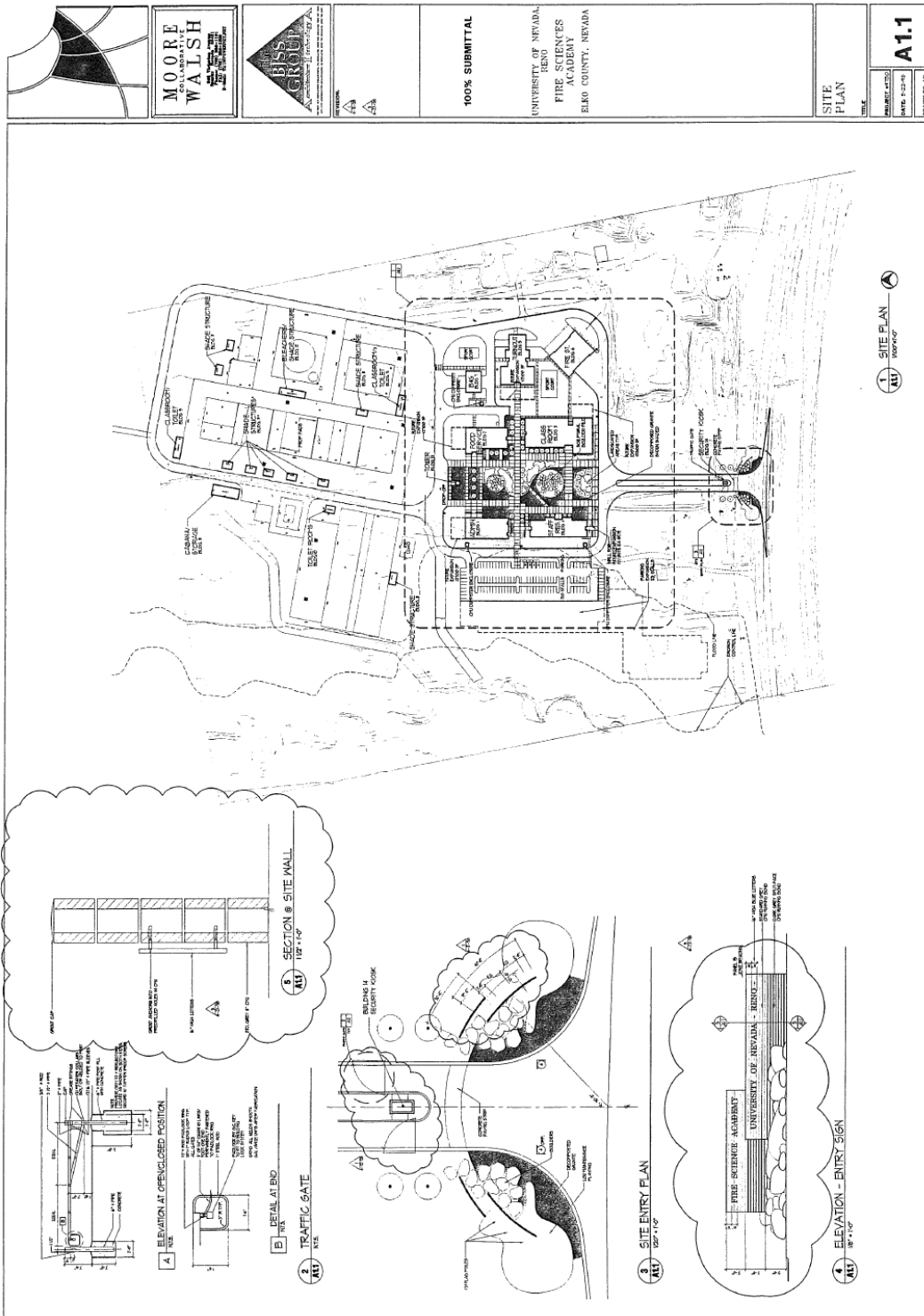
Subject Property
Gross Land Area: 408.06± Acres

FLOOD ZONE MAP

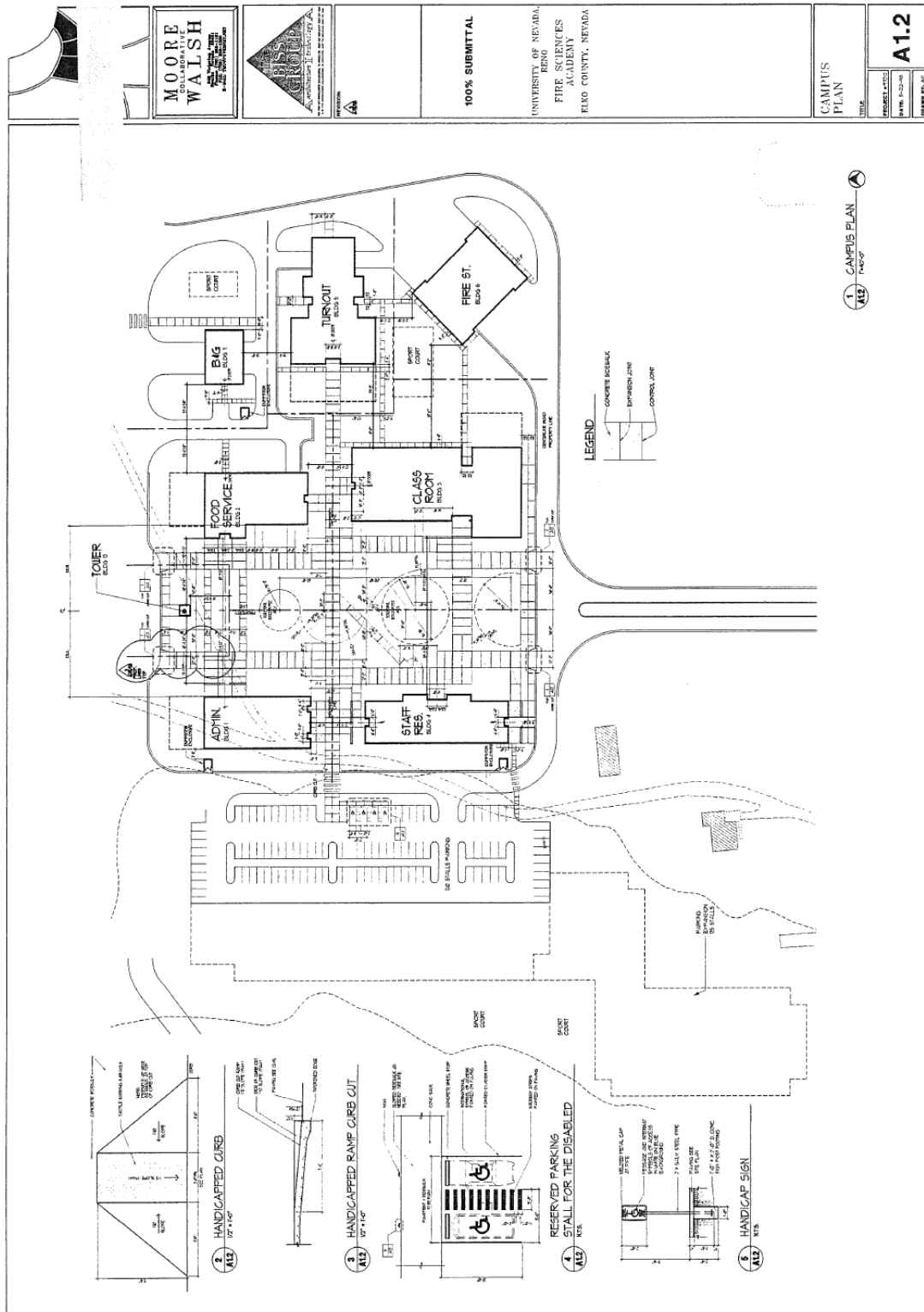


Subject Property
Federal Emergency Management Agency's Flood Insurance Rate Map
Community Panel Number 3200273203C
Effective Date: March 16, 1992

FIRE SCIENCE ACADEMY SITE PLAN



FIRE SCIENCE ACADEMY CAMPUS PLAN



PROPERTY IDENTIFICATION AND SITE DESCRIPTION

Property Name	Fire Science Academy, University of Nevada, Reno
Property Type	Educational Facility (Industrial Emergency Services Training Institution)
Address	100 University Avenue, Carlin, Elko County, Nevada
Location	The north side of University Avenue (a frontage road) and the north side of Interstate 80, approximately 5 miles east of the City of Carlin, Elko County, Nevada
Assessor's Parcel Number	005-280-002
Legal Description	A portion of Section 20, T33N, R53E, M.D.B.&M. Reference is made to a preliminary title report prepared by Stewart Title of Nevada, Order No. 1023020-01, dated October 7, 2009, which sets forth a complete legal description of the subject property, and is contained in the addenda to this appraisal report.
Owner of Record	The Board of Regents of the University and Community College System of Nevada
Parcel Shape	Generally Rectangular Referenced is made to a plot plan and site plan contained elsewhere in this appraisal report, which will enable the reader to visualize the shape and dimensions of the subject site.
Land Area	408.06± Acres The land area and dimensions, as set out above, are based upon calculations prepared by the Elko County Assessor's office and are assumed to be correct.

Topography

Generally, the south central and southeast portions of the subject property involve level to gentle sloping topography. This is generally the location of the Fire Science Academy Campus. The more easterly and westerly portions of the subject site involve moderately sloping hillside topography, consistent with the surrounding area.

Vegetation

Within the Fire Science Academy area, vegetation consists of lawn areas and landscaping. The balance of the subject site includes sagebrush and bitter brush.

Flood Zone

According to the Federal Emergency Management Agency's Flood Insurance Map Community Panel No. 3200273203C, effective date of March 16, 1992, the subject property is located in a Flood Zone C. A Flood Zone C is the former designation for areas which are now designated as Flood Zone X, which are areas determined to be areas of minimal flooding.

Earthquake Zone

The subject property, as well as the general Elko area, is located in an area which is identified as being subject to moderate seismic activity.

Hazardous Materials

The subject property is utilized as a Fire Science Academy, and as a result, is approved and permitted to create fires and emergencies using thousands of gallons of real flammable liquid fuels. In addition to the fuel storage tanks and piping located on the campus, there are extensive props which are utilized to create hands on simulations with respect to industrial, transportation and hazardous material disasters. The subject property has an extensive industrial water treatment facility. This facility provides water for the fire training exercises, and all water is collected in a series of drains and is treated for reuse.

According to management, the subject property currently meets or exceeds every environmental permit requirement.

For the purposes of this appraisal, it is assumed that the value of the subject property has not been negatively impacted by the existence of toxic materials or hazardous waste.

Access

The subject property is located on the north side of Interstate 80 and a frontage road, and as a result, has good roadway exposure from the Interstate. The frontage road is a two-way, two-lane asphalt paved roadway, while Interstate 80 is a limited access, four-lane, two-way highway.

Access to the property is somewhat circuitous, via an interchange with Interstate 80 located approximately two miles to the west and along US Highway 40, which parallels Interstate 80 to the south. An overpass from US Highway 40 provides access to the subject site via the frontage road.

Utilities

Electricity	Wells Rural Electric Cooperative
Natural Gas	Propane
Water Service	City of Carlin
Telephone	Frontier Telephone
Waste Disposal	On-Site Sewer Plant
Rubbish Removal	Elko County

Public Services

The subject property has adequate access to public services. Fire protection for the subject is provided by the City of Carlin and Fire Science Academy on-site personnel. Police protection is provided by the City of Carlin and the Elko County Sheriff's office. There is no public transportation available.

Easements

Reference is made to a preliminary title report prepared by Stewart Title Company, Order No. 1023020-01, dated October 7, 2009, set forth in the addenda to this appraisal report.

The subject property is encumbered by a variety of public utility and access easements which are not considered to affect the overall developmental potential of the subject property or its current utilization.

Reference is made to Exceptions 13 and 14 as set forth in the preliminary title report. Both of these exceptions refer to Grant, Bargain and Sale Deeds involving the subject property concurrent with its original development. Both documents set forth the express condition that the said real property, including any and all improvements now or later made thereto, and all replacements thereto, shall be used for educational purposes and all purposes necessary and proper which are related and incident thereto. Given the current utilization of the subject property for educational purposes, and given that the most probable buyer of the subject property would continue to utilize the existing improvements for educational purposes, this provision is not considered to adversely affect the marketability of the subject property.

Zoning

P (Public District)

Public Districts are created to apply to land that is owned by a governmental agency and is in some form of public use, including open space, parks, schools and other public buildings and facilities. The purpose of designating such land as a "P" District on the zoning map is to relate the zoning map to major elements of actual land use and the county wide master plan. The Public Use District is intended to provide zoning regulations for such land and building as may be used for public purposes, which in the future , may be released for private purposes, or which may be developed for intensive public purposes.

Permitted uses include buildings and uses of governmental agencies not subject to regulation by the code and public building and uses of the County and other governmental agencies that are subject to the zoning code, when in conformity with the master plan and the provisions of other applicable laws.

Conditional uses, permitted only when authorized by the Planning Commission, include prevocial or private elementary or secondary schools, either non profit or operated for a profit, attendance at which satisfies the requirements of the compulsory education laws of the State of Nevada, and churches.

In addition, the subject property is subject to a one mile buffer around the Fire Science Academy which is intended to limit utilizations in the vicinity of the Fire Science Academy to those which are compatible, such as industrial. It is further intended to prevent the encroachment of residential utilizations within one mile of the Fire Science Academy.

Soils Conditions

Based upon the existence of the subject improvements, I have assumed that the soil has sufficient load bearing characteristics to adequately support the existing improvements.

Subject Sales History

There have been no arm's length sales of record of the subject property in the past three years.

Tax Data

Assessor's Parcel Number	005-280-002
Assessed Values	
Land	\$21,420
Improvements	\$2,395,204
Total Assessed Value	\$2,416,624
2009-2010 Taxes	\$0

Under Nevada State Law, the Elko County Assessor's office estimates the taxable value of the subject site through direct comparison with recent land sales in the area. The Assessor's office estimates the replacement cost new of the improvements based upon Marshall Valuation Service, and deduct straight-line depreciation at 1.5% per year to arrive at an estimate of the taxable value of the subject improvements. A 35% assessment ratio is then applied to the taxable value to arrive at the assessed value of the property. Based upon this formula, the Assessor's estimate of the current taxable value of the subject property is indicated to be \$6,904,640.

As the subject property is owned and operated by the University of Nevada, Reno, it is exempt from real property taxation.

Special Assessments	None
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Surrounding Development

The subject property is located approximately five miles east of the City of Carlin along Interstate 80. Located to the west, north and east of the subject property are rolling foothills which are publicly owned and utilized as open space.

Located on the south side of Interstate 80, in the vicinity of the subject property, are a number of industrial utilizations utilized in conjunction with mining activities in the area. These facilities include DuPont and Univar. In addition, the Union Pacific Railroad main line runs parallel to Interstate 80 along the south side of the right-of-way.

Summary

The subject property contains 408.06± acres. Generally, the south central and southeasterly portions of the subject site involve level to gently sloping topography and provide the location for the existing Fire Science Academy. The balance of the subject site involves moderately sloping hillside topography to the west, north and northeast. The subject property has typical soils and adequate drainage for development. The subject property has

adequate access to utilities and public services, as well as having adequate access and reasonably good exposure.

Based upon interviews with the management of the Fire Science Academy, as well as a physical observation of the campus itself, it is estimated that approximately 40 acres of the subject site is utilized in the immediate operation of the Fire Science Academy Campus. The balance of the subject site containing approximately 368.06± acres would be classified as open space at the present time.

SUBJECT PHOTOGRAPHS



VIEW OF SUBJECT ADMINISTRATION BUILDING



VIEW OF EXECUTIVE DIRECTORS OFFICE

SUBJECT PHOTOGRAPHS



VIEW OF WORKROOM IN ADMINISTRATION OFFICE



VIEW OF CONFERENCE ROOM/LIBRARY

SUBJECT PHOTOGRAPHS



VIEW OF FOOD SERVICE BUILDING



VIEW OF DINING ROOM

SUBJECT PHOTOGRAPHS



VIEW OF GIFT SHOP



VIEW OF FOOD PREPARATION AREA

SUBJECT PHOTOGRAPHS



VIEW OF CLASSROOM BUILDING



VIEW OF LECTURE ROOM/AUDITORIUM

SUBJECT PHOTOGRAPHS



VIEW OF RESIDENCE BUILDING

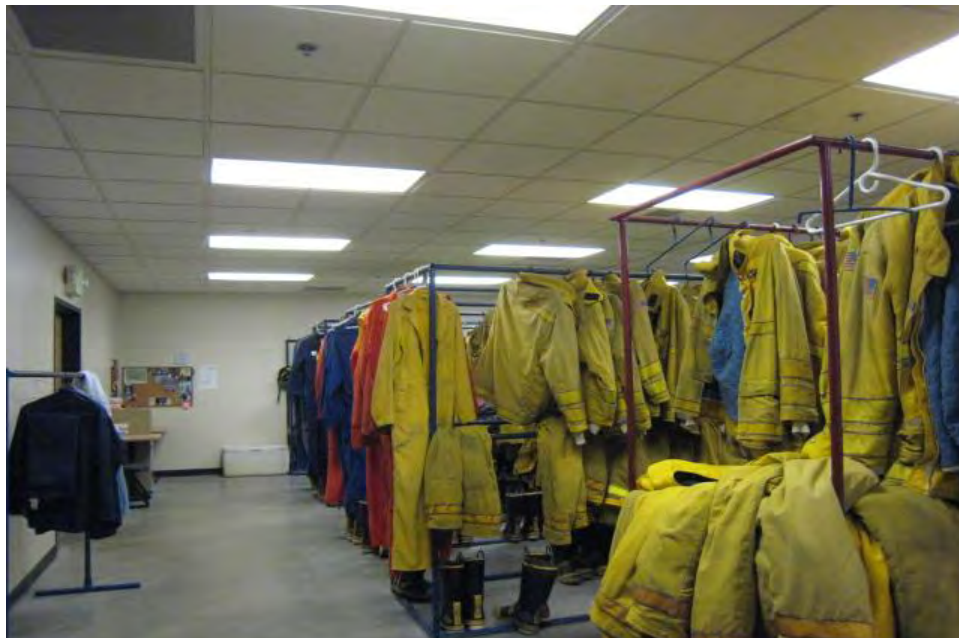


VIEW OF TYPICAL ROOM IN RESIDENCE BUILDING

SUBJECT PHOTOGRAPHS



VIEW OF TURNOUT BUILDING IN BACKGROUND BETWEEN FOOD SERVICE BUILDING AND CLASSROOM BUILDING



INTERIOR VIEW OF TURNOUT BUILDING

SUBJECT PHOTOGRAPHS



**VIEW OF FIRE STATION
(MAINTENANCE BUILDING)**



**INTERIOR VIEW OF FIRE STATION
(MAINTENANCE BUILDING)**

SUBJECT PHOTOGRAPHS



VIEW OF CLASSROOM STORAGE BUILDING



VIEW OF PROP FIELD CLASSROOM BUILDING

SUBJECT PHOTOGRAPHS



INTERIOR VIEW OF TYPICAL PROP FIELD CLASSROOM



VIEW OF SHADE STRUCTURE AND BLEACHERS

SUBJECT PHOTOGRAPHS



VIEW OF WATCH TOWER AND CENTRAL QUADRANGLE



VIEW OF DAF BUILDING

SUBJECT PHOTOGRAPHS

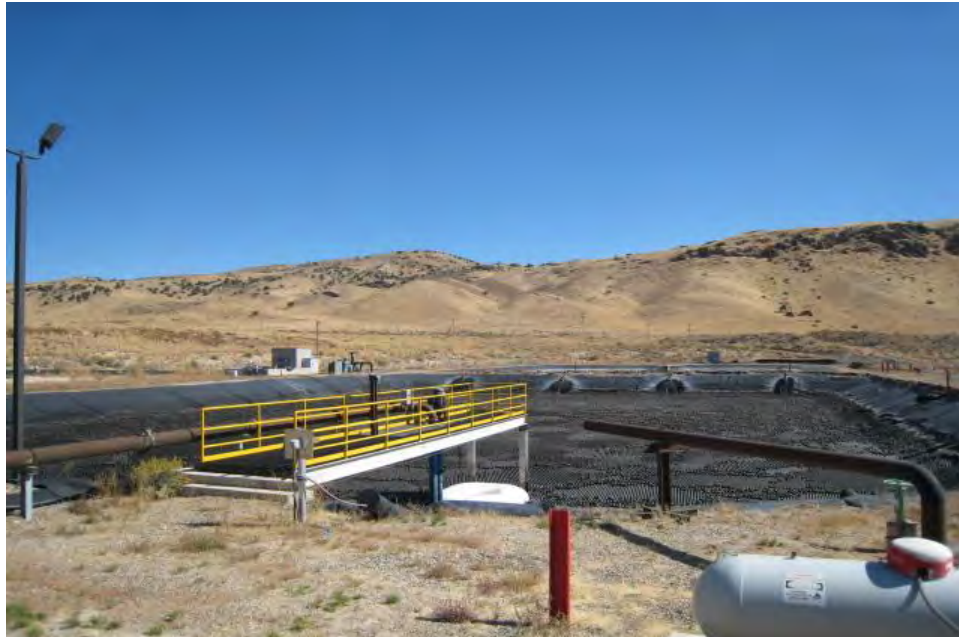


INTERIOR VIEW OF DAF BUILDING



VIEW OF WATER TREATMENT TANKS

SUBJECT PHOTOGRAPHS

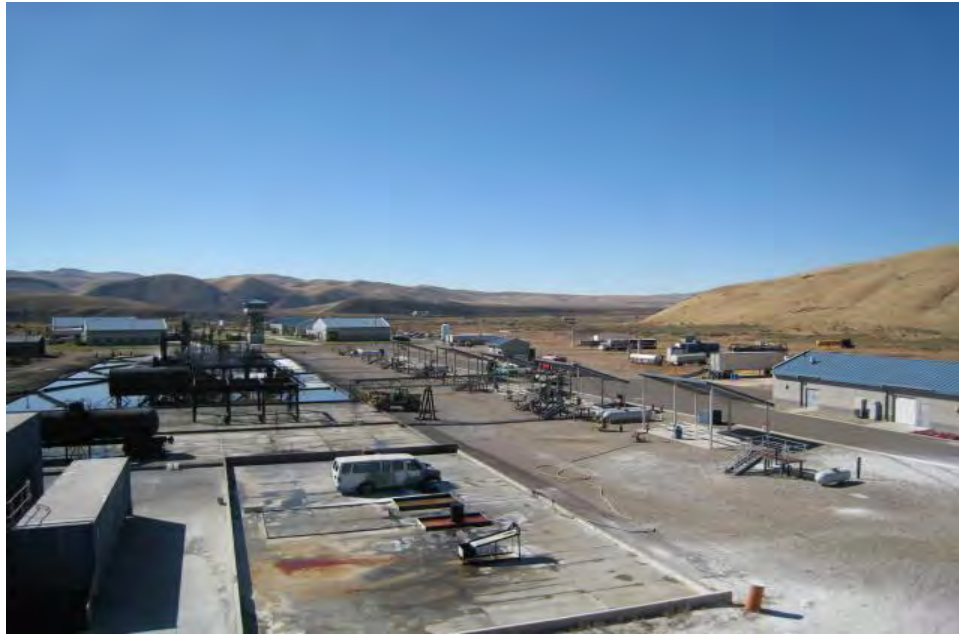


VIEW OF SETTLING POND



OVERALL VIEW OF PROP FIELD

SUBJECT PHOTOGRAPHS



VIEW OF PROP FIELD FACING SOUTHWESTERLY



VIEW OF PROP FIELD FACING SOUTHEASTERLY

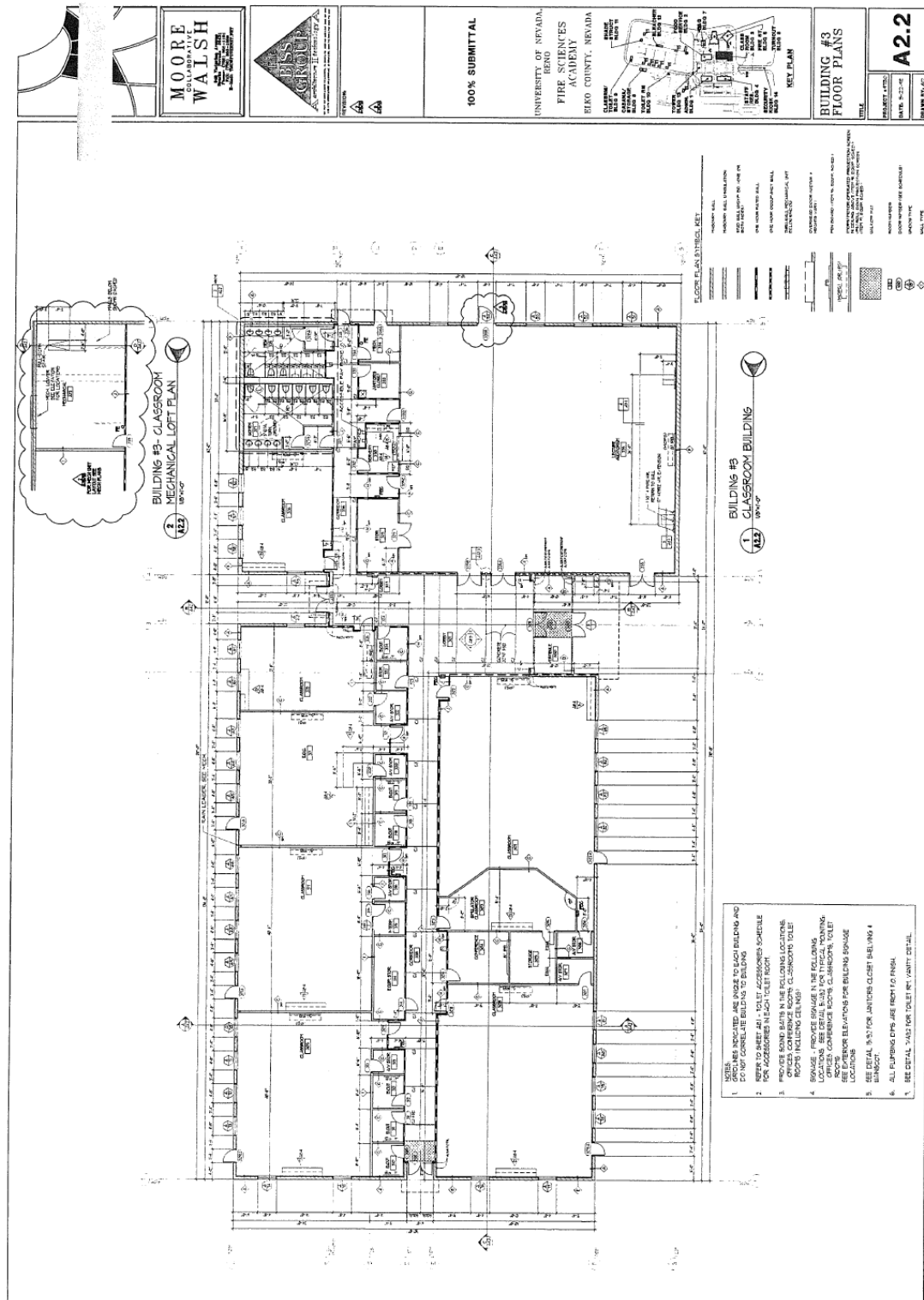
SUBJECT PHOTOGRAPHS



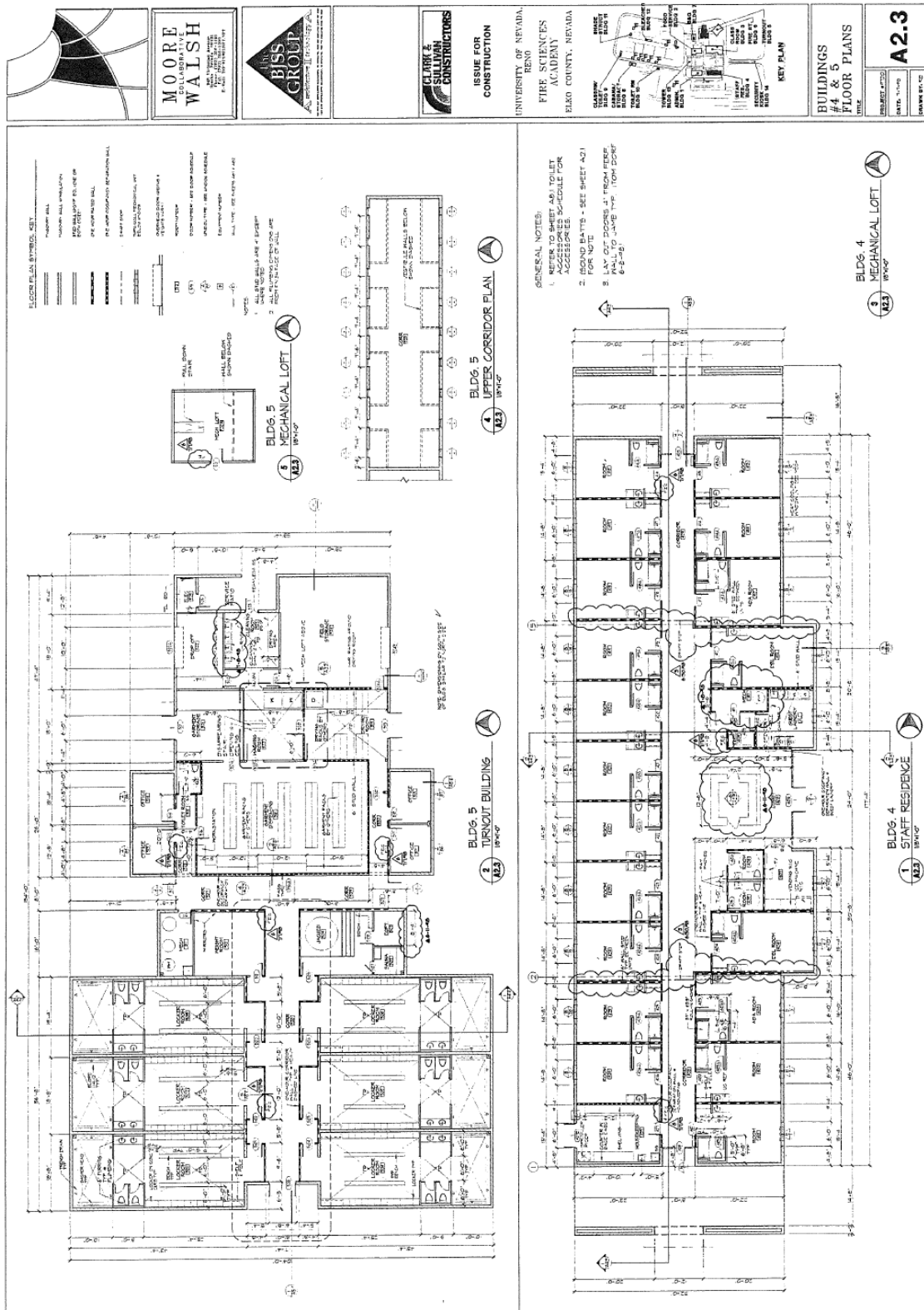
VIEW OF FUEL STORAGE TANK PROP



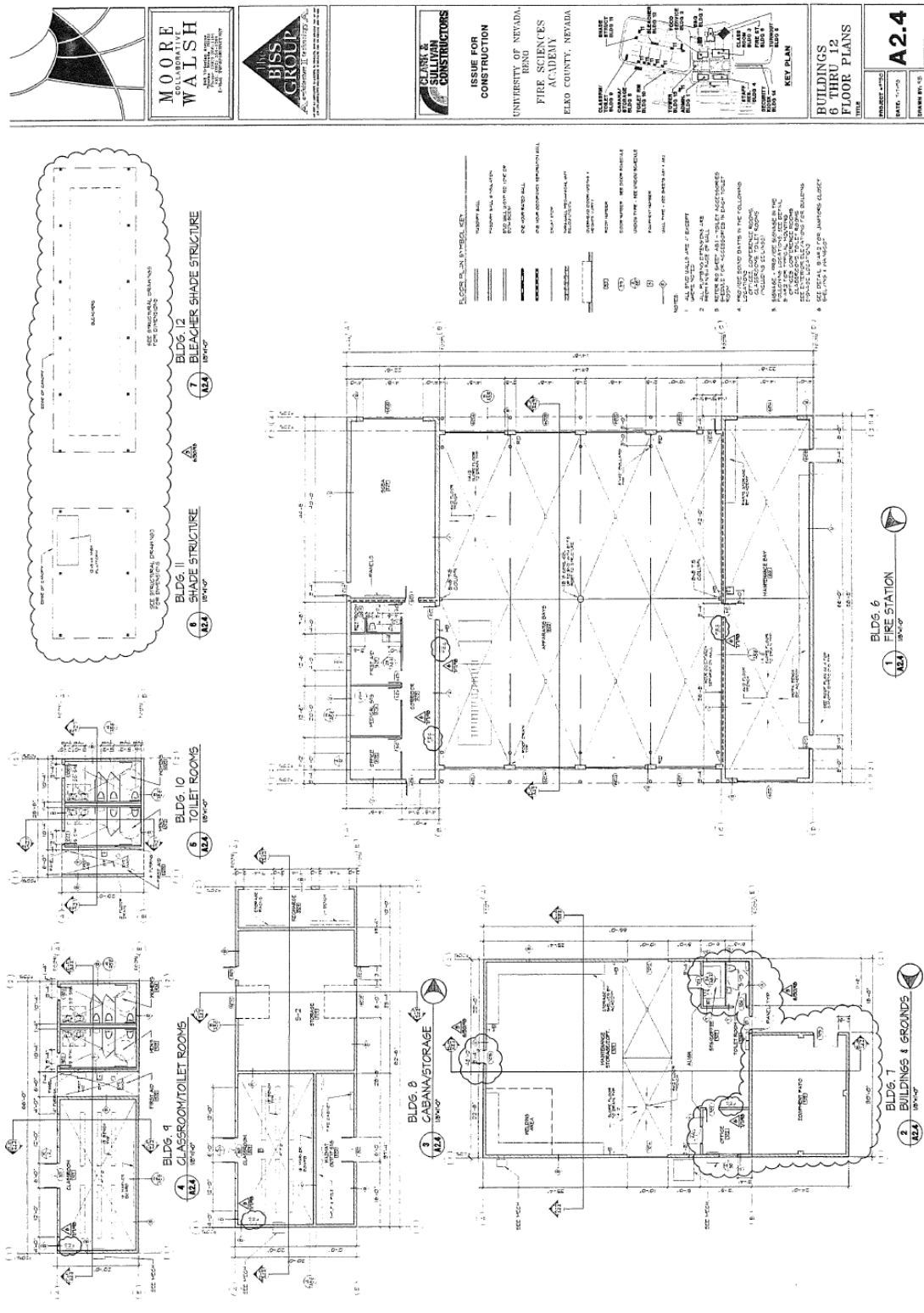
BUILDING SKETCHES



BUILDING SKETCHES



BUILDING SKETCHES



DESCRIPTION OF SUBJECT IMPROVEMENTS

The subject property is improved with the Fire Science Academy of the University of Nevada, Reno, an average to good quality educational facility which was constructed in 1998.

The descriptions as set forth herein are based upon a physical inspection of the subject property, a review of the records of the Elko County Assessor's office and a review of selected plans and specifications of the subject property prepared by Moore-Walsh Collaborative and the BJSS Group, Project No. 9730, dated May 22, 1998. In addition, reference was made to the plans and specifications of the fire water treatment system including the DAF Building, prepared by Stantec Consulting, Inc., Project No. 80100511, dated February 2002.

The subject property is located on a 408.06± acre parcel of land which has gentle to moderately sloping topography. The south central and southeasterly portion of the subject property are generally level to gently sloping and are the location of the Fire Science Academy. The balance of the subject ownership includes rolling hillside topography with moderate slopes.

Based upon information provided by the management of the Fire Science Academy, as well as a physical inspection of the subject site, it has been estimated that the land area attributable to the campus of the Fire Science Academy is approximately 40± acres.

The campus is improved with several buildings surrounding a landscaped quadrangle, including an administrative office building, food service building, classroom, staff residence building, fire station, turn out building and building and grounds building (equipment storage and maintenance). In addition, the campus is improved with an extensive industrial water treatment facility. This facility provides water for the fire training exercises and all water is collected in a series of drains and is treated for reuse.

Finally, the northerly portion of the Fire Science Academy involves a training field, in which a variety of props simulating various structures have been constructed. The prop field is comprised of full scale replicas of equipment and structures found in industries, such as refinery processing units, fuel storage tanks, gas and electric motors, valves, railcars and over the road trucks. Support facilities surrounding the perimeter of the prop field include restroom facilities, three free standing classrooms, as well as canopies, bleachers and observation areas. Generally, the buildings within the campus are of average to good quality, Class C, concrete block construction.

Typically, the buildings have poured-in-place concrete slab floors, dark gray split-face concrete block exterior walls with decorative treatment and gable roofs with a 5" to 12" slope. The gable roofs include wood frame trusses and metal roof covers.

Windows through the facility generally include dual glazed installed in metal frames.

Heating and air conditioning are typically provided by centrally located boiler and chiller plant, which is propane fired.

All of the main buildings have fire sprinklers.

Building 1 is the administrative office building, which contains a gross building area of 8,448± square feet. The administrative office building includes a series of individual offices along the perimeter of the building and a central core area which includes a library, workroom, filing, maintenance and storage, as well as restrooms. In addition, the professional office has a reception area, conference room and executive director's office.

The administrative office is finished with average to good quality wall-to-wall carpeting, painted and textured sheetrock walls and acoustical tile ceiling with fluorescent lights.

The central work areas include vinyl tile floor covering, painted and textured sheetrock walls and acoustical tile ceilings. The central work areas have formica countertops and cabinetry.

The executive director's office includes a private bathroom with oval basin, water closet and fiberglass shower, as well as a storage room.

The restrooms involve typical, commercial grade fixtures and handicap facilities.

Building 2 is the food service building, which contains 8,941± square feet. The food service building is essentially a large cafeteria, equipped with a dining room, gift shop and recreation room. The interior finish includes average to good quality wall-to-wall carpeting and vinyl tile floor coverings, painted and textured sheetrock walls with acoustical tile finish and recessed fluorescent lighting.

The food service building offers a full service kitchen with vinyl tile floor covering, sheetrock walls, acoustical tile ceiling and storage rooms.

Men's and women's restrooms involve good quality commercial fixtures with ceramic tile finish.

Located in the recreation room is a service bar and small fireplace.

Building 3 is the classroom building, which contains a gross building area of 19,732± square feet. The classroom building offers a large lecture/auditorium and seven additional classrooms, as well as instructor offices, conference rooms and storage rooms. Men's and women's restrooms are finished with good quality commercial grade fixtures and ceramic tile floor covering and wainscoting.

Central hallways are finished with a vinyl tile floor covering and painted and textured sheetrock walls with a wood railing, acoustical tile ceiling and fluorescent lighting.

Building 4, which contains 9,759± square feet, was originally designed as a staff residence. Essentially designed as an apartment or motel, the facility has a total of 18 single bed rooms, two of which are ADA equipped and two double-bed rooms. All of the rooms offer bathrooms including water closet, tub/shower combination and single oval basin installed in a formica countertop. There is a central lobby area interior corridor, laundry room, housekeeping room, as well as common area men's and women's restrooms.

Interior finish includes average to good quality wall-to-wall carpeting, painted and textured sheetrock walls with wall covering and sheetrock ceilings. Although the design was originally intended for residential purposes, the building could lend itself to additional administrative offices with little modification.

Building 5 is referred to as the turn out building. Building 5 contains 11,872± square feet. The turnout building serves as a locker room, changing area and equipment storage area for the students attending the Fire Science Academy. In addition to the men's and women's locker rooms and restrooms, the facility offers a weight room, Jacuzzi and sauna, as well as small private offices and storage rooms. The interior finish includes concrete floors and/or ceramic tile floor coverings in the bathroom and shower areas.

Attached to the turn out building is the central boiler plant and chillers providing HVAC to the individual buildings within the campus.

Building 6 was originally designed as a fire station, however, is currently utilized as a maintenance facility by the Academy. Building 6 contains 9,720± square feet and includes concrete block walls, poured-in-place concrete floors and a wood truss roof structure with metal roof covering. The facility is insulated and has fluorescent lighting as well as gas space

heaters. Included in the fire station building are small offices as well as a restroom equipped with water closet and sink.

Building 7, which contains 3,888± square feet, was originally designed for building and grounds, however is currently utilized for apparatus storage and maintenance. Building 7 is a concrete block service garage with sheetrock ceilings, fluorescent lighting and offers a small private office as well as restroom. Located around the perimeter of the prop field are a series of individual restrooms, storage rooms and classrooms utilized in conjunction with the field training. Typically, these facilities involve poured-in-place concrete foundations, concrete block walls and minimal interior finish. The restrooms have commercial grade fixtures. In addition, a number of shade structures, or canopies have been installed in the prop field area.

The restroom facility contains 573± square feet, while the cabana/storage building contains 2,480± square feet and the individual classrooms contain 1,980± square feet.

As a result of certain design and construction defects which became apparent in the facilities shortly after it opened in 1998, the University closed the Fire Science Academy, and subsequently, a number of law suits were initiated. In August 2001, the suits were settled as a result of a mediation agreement. As a result of the mediated settlement, the design build team which originally constructed the Fire Science Academy was required to construct an extensive water treatment facility consisting of oil/water separators, a dissolved air floatation treatment system, treatment tanks, recovered oil pipelines and pumps, domestic sewer lift station, overspray liner, filtration basin, certain offsite improvements including street lamps and signs, a pond which is double lined with additional monitoring wells and a pond which is landscape ready and has a chlorination system. The total cost of the mediated settlement agreements was \$7,527,851.

Included in the improvements made as a result of the mediated settlement agreement is the DAF building, which contains approximately 3,696± square feet. The DAF building is a

metal frame building which includes a laboratory, as well as a large open area in which skimmers have been installed.

The training field, or prop field, is located in the northerly portions of the improved campus. The prop field use comprised of full scale replicas of equipment and structures found in industry, such as refinery processing units, field storage tanks, gas and electric motors, valves, railcars and over the road trucks. Realistic emergencies, including air and rail disasters, hazardous materials releases, motor vehicle accidents and processing plant fires can be simulated. As a result, the Academy is able to provide classroom education, as well as actual field experience training.

As a result of the utilization of liquid petroleum fuels, chemicals and related support facilities, extensive plumbing, electrical work and site improvement work were required in the construction of the prop field. According to records provided to this appraiser from the original construction budget, the estimated cost of construction for site improvements, plumbing and electric, was \$9,500,000. In addition, management estimates the cost of constructing the various props to be \$500,000.

In addition, the campus offers various outbuildings including small storage buildings and a pump house. Located outside of the main campus area, and under separate ownership, is an older telephone building currently owned by AT&T. Reportedly, the building has been designated as an historic building.

A landscaped quad is located in the central portion of the campus. Located within the quad is a steel frame and concrete block observation tower. At the entry to the campus is a security kiosk. The balance of the improved portion of the campus includes asphalt paved and gravel driveways, as well as an asphalt paved parking area. Generally, these on-site improvements are in average condition, although the parking lot will require maintenance and resealing in the near future.

Overall, the subject improvements involve average to good quality masonry block educational and support facilities with above average quality architectural design and utility. Generally, the improvements are in average condition.

Reference is made to photographs, site plan and building sketches contained in this appraisal report, which will enable the reader to more clearly visualize the subject improvements.

HIGHEST AND BEST USE ANALYSIS

Highest and best use is defined as that reasonable and probable use that will support the highest present value, as defined, as of the effective date of valuation. Implicit in this definition is that the highest and best use must be physically possible, legally permissible, financially feasible and maximally productive.

The first step in the Highest and Best Use Analysis is to consider the subject site as vacant and available to be developed to its highest and best use. The subject property contains a gross land area of 408.06± acres, of which 40± acres is estimated to be attributable to the main campus of the Fire Science Academy and the balance of the ownership is considered to be open space. The subject property is generally rectangular in shape, has adequate access to public utilities and services, and has gentle to moderate sloping topography. The subject property has good roadway exposure from Interstate 80, and adequate access via a frontage road. Overall, it is my opinion that the subject's physical characteristics are adequate for a variety of utilizations.

In order for any utilization to represent the highest and best use of the site, it must also be legally permissible. The subject property is Zoned P (Public District), by Elko County. This district has been created to apply to land that is owned by a governmental agency and is in some form of public use, including open space, parks, schools and other public buildings and facilities. The P classification is appropriate for development of educational facilities.

Concurrent with the original development of the subject property, the grant, bargain and sale deed from Elko County to the University of Nevada included the express condition that the subject property, including any and all improvements now or later made thereto, shall be used for educational purposes and all purposes necessary and proper which are related and incident thereto. Given the current utilization of the subject property for educational purposes, and given that the most probable buyer of the subject property would continue to utilize the existing improvements for educational purposes, this provision is not considered to adversely affect the marketability of the subject property.

The highest and best use of the subject site must also be financially feasible. In order to be financially feasible, there must be adequate demand at sufficient rental levels to support the proposed use. In order to be maximally productive, the highest and the best use of the subject must be the most intensive use to which the site could be developed.

The subject property is located approximately five miles east of a northeastern rural Nevada community and along Interstate 80. The City of Carlin is considered the gateway to significant mining activity by Newmont Barrick, although development in the community is primarily residential in character, with some retail and commercial support facilities. Over the years, some industrial development has occurred in the vicinity of the subject property, along the south side of Interstate 80, in support of mining activities.

The balance of the area in the immediate vicinity of the subject property is primarily open space. It should be noted that with the creation of the Fire Science Academy and the P Zoning District, an additional one mile buffer was created surrounding the Fire Science Academy which limits residential encroachment.

Given the location, size and topography of the subject site, it is my opinion that the highest and best use of the subject site, if it were vacant and available to be developed to its highest and best use, would be for open space.

The next step in the Highest and Best Use Analysis is to consider the subject property as presently improved. The subject property is improved with the Fire Science Academy Campus, an average to good quality educational facility including administrative offices, cafeteria, classrooms, residential units, fire station, parking areas, landscaping and waste water treatment facilities. In addition, the subject property includes various props utilized in conjunction with the operation of the Fire Science Academy itself.

As a result of certain design and construction defects, which became apparent in the subject facility shortly after it opened in 1998, the University closed the Fire Science

Academy, and subsequently, a number of law suits were initiated. In August 2001, the suits were settled as a result of a mediation agreement. Subsequently, the Fire Science Academy reopened in 2002, although it was faced with the prospect of reestablishing itself, regaining clients and growing its revenue stream in an effort to move toward self-sustainability. On November 17, 2008, the Fire Science Academy Financial Sustainability Task Force issued its Financial Sustainability Plan for the subject property. This plan included six elements including corporate giving in the form of gifts and surcharges, sponsorships, tuition increase, partnership/consortiums, in particular with the Texas A&M University, State and local funding and Federal funding.

Assuming the subject property meets the goals of the Financial Sustainability Plan, and in addition expands its market share with additional programs, it is my opinion that the subject property, as presently improved, represents its highest and best use as an educational facility. It is further recognized that the subject campus, due to its design and facilities, would lend itself to a variety of related uses including a regional training center for State, local or Federal agencies.

Based upon a review of the available data, and with consideration given to the analysis as set forth above, it is my opinion that the highest and best use of the subject property, as presently improved, is for continuation of the subject's present use as an educational facility.

INTRODUCTION TO VALUATION ANALYSIS

There are typically three approaches to value that an appraiser should consider in estimating the value of a property. These approaches include the Cost Approach, the Income Approach and the Direct Sales Comparison Approach, or Market Approach to Value.

The Cost Approach to Value is based on the premise that the value of a property can be derived by adding the estimated value of the land to the current cost of constructing improvements of equal desirability and utility, less any depreciation. This approach is particularly useful in valuing new or nearly new improvements and properties that are not frequently exchanged in the market.

The Income Approach to Value is based upon the principal that value is created by the anticipation of future income. Typically, educational facilities are developed for owner occupancy, rather than their investment income producing capabilities. A potential purchaser of a property such as the subject would in all likelihood be an owner/user. As a result, the Income Approach to Value is not considered applicable to the subject property.

The third method of analysis available to appraisers involves the Direct Sales Comparison Approach to Value. The Direct Sales Comparison Approach is based on the principal of substitution, which holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability.

In the Sales Comparison Approach the subject property is compared with similar properties which have recently sold or which are currently available for sale. Typically, the prices paid for similar properties are analyzed by using the unit or units of comparison most reflective of the market.

As the subject property involves improvements which represent the highest and best use of the subject property, and as typically, educational facilities are not bought or sold, the Direct Sales Comparison Approach will not be utilized in this appraisal.

In the Final Property Value Correlation and Conclusion, the indications of value from the various approaches utilized are then correlated to arrive at the appraiser's final estimate of the market value of the fee simple estate of the subject property.

MARKET APPROACH TO LAND VALUE

To establish an estimate of the Market Value of the subject site, the Official Records of Elko County were searched for recent land sales in the subject neighborhood. All land sales found were investigated, analyzed and compared to the subject. In this analysis, the unit of comparison is the price per square acre. The comparable land sales set out on the following chart were considered to be most indicative of the subject's current land value.

COMPARABLE LARGE LAND SALES CHART

Sale No.	Assessor's Parcel Number Location	Sale Date Sale Price	Zoning Topography	Land Area	Price/Acre
LS-1	006-320-009 & 010 South side of E. Idaho Street, 7,340' E. of Osino Interchange	12/06/06 \$371,430	M-1 Level	37.143± Ac	\$10,000
LS-2	006-320-036 South side of E. Idaho Street, 6,400' E. of Osino Interchange	07/17/07 \$434,360	M-1 Level	44.415± Ac	\$9,780
LS-3	006-320-038 South side of E. Idaho Street, 4,800' E. of Osino Interchange	04/08/09 \$300,000	M-1 Level	30.0± Ac	\$10,000
LS-4	006-320-039 South side of E. Idaho Street, 3,800' E. of Osino Interchange	04/28/09 \$200,000	M-1 Level	20.0± Ac	\$10,000

COMPARABLE INDUSTRIAL LAND SALES CHART

Sale No.	Assessor's Parcel Number Location	Sale Date Sale Price	Zoning Topography	Land Area	Price/Acre
LS-5	006-690-003 1 Mile North and 2 Miles East of Elko	01/01/01 425000	Open Space Level to Undulating	752.52± Ac	\$565
LS-6	006-080-007 and Others Rural Elko County	07/23/09 544000	Open Space Undulating	687.64± Ac	\$791
LS-7	009-110-001 Rural Elko County	12/19/08 950000	Open Space Undulating	3,487± Ac	\$272
LS-8	006-320-001 South side of E. Idaho Street, 1± Mile E. of Osino Interchange	05/17/06 2000000	Ranch Open Space Generally Level	731.38± Ac	\$2.735

CORRELATION AND FINAL LAND VALUE CONCLUSION

As indicated in previous sections of this appraisal report, the land area considered directly attributable to the operation of the subject Fire Science Academy Campus is estimated to be 40 acres. This area is generally level, has a highest and best use oriented towards its current utilization as an educational facility with industrial related facilities.

To establish an indication of the Market Value of this portion of the subject property, reference was made to a number of comparable industrial land sales which have occurred in the Port of Elko, located approximately five miles east of the City of Elko. The Port of Elko is a newly developing industrial subdivision which is generally situated on the south side of Interstate 80, approximately one mile north of the Osino Interchange. Access to the industrial park is via a frontage road.

The comparable industrial land sales utilized range in date of sale from December 2006 to April 2009, and range in land area from 20± acres to 44.415± acres in comparison to the land area attributable to the subject campus, estimated at 40± acres. Generally, the comparable sales are level and have similar availability of utilities as the subject property.

The comparable sales indicate a range in sale price per acre from \$9,780 per acre to \$10,000 per acre. It should be noted that rail service is immediately available to the Port of Elko. In addition, water rights were acquired in conjunction with the acquisition of the sales, at additional consideration.

In comparison to the subject property, the comparable sales are considered to involve a superior location in closer proximity to the City of Elko. The sale properties are superior to the subject property with respect to rail availability. The comparable sales are similar to the subject property with respect to topography and land area.

In arriving at an indication of the per acre value applicable to the subject property, consideration is given to its size, current zoning classification, topography, availability of

utilities and access. Based upon a review of the available data, a per acre value of \$7,500 is considered applicable to the subject's 40± acres utilized in conjunction with the Fire Science Academy.

Applying the indicated per unit value to the subject's 40± acres results in an indicated value of \$300,000.

**ESTIMATED LAND VALUE,
LAND AREA ATTRIBUTABLE TO CAMPUS**

\$300,000

The balance of the subject property involves open space consisting of rolling hillside topography with moderate slopes. This portion of the subject ownership contains 368.06± acres.

To establish an indication of the Market Value of the balance of the subject ownership, reference was made to a number of rural land sales which have occurred in Elko County over the past several years. The comparable sales range in date of sale from January 2001 to July 2009. The comparable sales involve level to undulating topography and range in land area from 687.64± acres to 3,487± acres. The comparable sales indicate a range in sale price per acre from \$272 per acre to \$2,735 per acre.

Sale LS-8, at \$2,735 per acre, is considered to be a high indication of a per acre value applicable to the subject property. This is the acquisition of the Ellison Ranch, which was subsequently developed the Port of Elko Industrial Park. Generally, it is considered to have a superior location in comparison to the subject property.

Based upon a review of the available data, and with consideration given to the subject's location, access, land area and topography, it is my opinion that a per unit value of \$750 per acre would be applicable. Applying the indicated per unit value to the subject's 368.06± acres results in an indicated value of \$276,045, which is rounded to \$275,000.

INDICATED VALUE, SUBJECT'S OPEN SPACE LAND

\$275,000

The indicated value of the land area attributable to the Fire Science Academy was estimated to be \$300,000, while the indicated value of the balance of the subject ownership was indicated to have a value of \$275,000. As a result, it is my opinion that the Market Value of the entire subject land ownership, as of October 7, 2009, is \$575,000

FINAL LAND VALUE CONCLUSION

\$575,000

COST APPROACH TO VALUE

To establish an estimate of the cost new of the subject development, reference was made to historical cost information provided to this appraiser, the costs which were incurred as a result of the mediated settlement and to Marshall Valuation Service, a nationally recognized cost estimating publication.

The historical costs were trended upwards to establish an indication of the costs new of various components of the subject improvements, utilizing factors derived from Marshall Valuation Service.

The various buildings located on the subject campus were classified based upon utilization, quality of construction and type of construction. In utilizing Marshall Valuation Service, the subject improvements were classified as average to good, Class C (concrete block) improvements.

The base cost of the subject buildings were modified to account for various additives, such as sprinklers and HVAC. The adjusted base cost was further refined by an area perimeter multiplier and a wall height multiplier. Finally, the cost per square foot was adjusted by a current cost multiplier and a local cost multiplier, to reflect construction costs in the Elko area.

The following chart sets forth a summary of the indicated replacement costs new of the individual buildings in the subject complex.

**COST ESTIMATE SUMMARY
MARSHALL VALUATION SERVICE**

Building No.	1	2	3	4	5	6	7	8	9	10	Total
Description	Admin	Food Service	Classroom	Residence	Turnout	Fire Station	Building and Grounds	Cabana/Storage	Classrooms(2)	Restrooms(3)	
Quality	Average/Good	Average/Good	Average/Good	Average/Good	Average/Good	Average/Good	Average	Average	Average	Average	
Construction	Class C	Class C	Class C	Class C	Class C	Class C	Class C	Class C	Class C	Class C	
Section/Page	15/17	13/15	18/14	11/14	18/22	15/28	14/32	14/26	14/26	18/21	
Base Cost	\$111.35	\$114.86	\$123.84	\$113.40	\$119.80	\$69.21	\$46.86	\$43.57	\$43.57	\$113.68	
HVAC Adjustment	\$2.65	\$0.00	\$0.00	\$43	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Sprinkler Adjustment	\$3.95	\$3.95	\$3.95	\$3.95	\$3.95	\$3.95	\$3.95	\$0.00	\$0.00	\$0.00	
Other Adjustment	(\$4.75)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Adjusted Base Cost	\$113.20	\$118.81	\$127.79	\$117.78	\$123.75	\$73.16	\$46.86	\$43.57	\$43.57	\$113.68	
Area Perimeter Multiplier	.975	.969	.937	.959	.968	.949	1.121	1.168	1.168	1.00	
Wall Height Multiplier	1.023	1.023	1.055	1.085	1.092	1.230	1.00	1.00	1.00	1.023	
Current Cost Multiplier	1.00	1.00	.95	.96	.95	1.00	1.00	1.00	1.00	1.00	
Local Cost Multiplier	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	
Adjusted Cost/SF	\$117.42	\$122.49	\$124.81	\$122.36	\$129.24	\$88.81	\$54.63	\$59.93	\$59.93	\$120.95	
Gross Building Area	8,448± SF	8,941± SF	19,732± SF	9,759± SF	11,782± SF	9,720± SF	3,888± SF	2,480± SF	3,960± SF	1,719± SF	80,429± SF
Total Cost New	\$991,964	\$1,095,183	\$2,462,751	\$1,194,111	\$1,522,706	\$863,233	\$212,401	\$148,626	\$237,323	\$207,913	\$8,936,211

As indicated, the replacement cost of the main buildings located on the subject campus is estimated to be \$8,936,211.

In addition to the replacement cost new of the subject buildings, the subject property has extensive on-site improvements utilized in conjunction with the Fire Science Academy and the prop field. These improvements include extensive plumbing, piping and electrical components, as well as on-site improvements including asphalt paving, concrete pads, etc. In discussions with management, it was further indicated that the historical site improvement costs included the common driveways, quadrangle landscaping, general landscaping and asphalt paved parking areas, as well as the various canopies located in the prop area.

Management has provided this appraiser with the historical cost to construct these facilities, which is indicated to be \$9,500,000. In addition, management estimates the cost of the props utilized in conjunction with the Academy to be \$500,000.

To establish an estimate of the cost new of the mediated settlement improvements, reference was made to the actual costs which were incurred as a result of the mediated settlement. These improvements included the oil/water separators, dissolved air floatation treatment system, including the DAF building and lab, treatment tanks, recovered oil pipeline/pump, domestic sewer lift station, overspray liner, rapid infiltration basin, certain offsite improvements including street lamps and signs, a double lined pond with leak detection and monitoring wells and a landscape ready/chlorination system pond. The total cost associated with these improvements was \$7,527,851.

Utilizing factors derived from Marshall Valuation Service, the replacement cost new of the water treatment facilities, trended upwards to reflect current replacement costs, is estimated to be \$9,108,700.

To summarize, the replacement cost new of the main campus facilities is estimated to be \$8,936,211. The replacement cost new of the water treatment facilities is estimated to be \$9,108,700. The total hard cost new is estimated to be \$18,044,911.

Soft costs are estimated to be 10% or \$1,804,491, indicating a total cost new of the main campus to be \$19,849,402.

The replacement cost new of the on-site improvements, generally associated with the operation of the prop field, including site work, mechanical, electrical and prop construction is estimated to be \$10,000,000.

The main campus of the subject property was constructed in 1998 and is estimated to have a physical life of 11 years. The age/life tables, as set forth in the Marshall Valuation Service, indicate accrued depreciation of 15%, based upon a 40 year typical life expectancy and an 11 year effective age.

Overall, the subject improvements in layout are considered to involve a functional design, and as a result, the subject development is not considered to suffer any functional obsolescence.

The subject property is considered to suffer no negative influences external to the property, and as a result, is considered to suffer no external obsolescence.

With respect to the on-site improvements, with consideration given to the utilization of these improvements in conjunction with the field training, accrued appreciation is estimated to be 40% of the replacement cost new.

To summarize, the depreciated cost of the main campus is estimated to be \$16,871,992. The depreciated cost of the on-site improvements is estimated to be \$6,000,000, indicating a total depreciated cost of \$22,871,992. Adding the estimated land value of the subject property

in the amount of \$575,000, results in an indicated value of the subject property, in the amount of \$23,446,992, which is rounded to \$23,500,000.

The following chart sets forth a summary and indicated value of the subject property by the cost approach:

COST APPROACH TO VALUE SUMMARY AND CONCLUSION

Cost New		
Main Campus		\$8,936,211
Water Treatment Facilities		<u>\$9,108,700</u>
Hard Cost New		\$18,044,911
Estimated Soft Costs (10%)		<u>\$1,804,491</u>
Total Cost New, Main Campus		\$19,849,402
Less Depreciation (15%)		<u>(\$2,977,413)</u>
Depreciated Cost, Campus		\$16,871,992
On-Site Improvements		
Sitework	\$5,000,000	
Mechanical	\$3,300,000	
Electrical	\$1,200,000	
Prop Construction	<u>\$500,000</u>	
Cost New, On-Sites	\$10,000,000	
Less Depreciation (40%)	<u>(\$4,000,000)</u>	
Depreciated Cost, On-Sites		<u>\$6,000,000</u>
Total Depreciated Cost		\$22,871,992
Add Land Value		<u>\$575,000</u>
INDICATED VALUE BY COST APPROACH (RD.)		<u>\$23,500,000</u>

FINAL PROPERTY VALUE CORRELATION AND CONCLUSION

In the final property value correlation, the appraiser weighs the relative significance, applicability and defensibility of the indications of value derived from each of the approaches to value. The appraiser then places the most weight and reliance on the one, which, in his professional judgment, best approximates the value being sought in the appraisal. In this appraisal, the value being sought is Market Value, which is that value which most nearly represents what the typical, informed, rational purchaser would pay for the subject property if it were available for sale on the open market, as of the date of the appraisal, given all of the data analyzed in this report.

The indicated values by the approaches utilized in this analysis are set out as follows:

SUMMARY OF VALUE INDICATIONS

Cost Approach	\$23,500,000
Sales Comparison Approach	N/A
Income Approach	N/A

In the Cost Approach to Value, the estimated cost new of the subject improvements was established through a comparison of the subject's actual, historical construction costs and with Marshall Valuation Service. The land value was estimated through the analysis of a number of land sales in Elko County. The cost approach to value is considered to be a reliable value indicator for owner occupied, or special purpose properties such as the subject. The subject property is considered to represent the highest and best use of the subject site, is relatively new, and suffers from normal physical deterioration. The cost approach is considered to be a reliable indication of Market Value for the subject property.

Although an Income Approach to Value was considered in this appraisal, it was not utilized as a potential purchase of the property such as the subject would in all likelihood be an owner/user.

The Direct Sales Comparison Approach was not utilized in this appraisal, as there have been no sales of similar facilities to the subject.

The Cost Approach to Value is considered to be well supported through the analysis of the actual construction costs of the subject property and Marshall Valuation Service. In addition, a number of land sales were available from which to establish the subject's land value.

Based upon a review of the data and analysis contained in this report, it is my opinion that the Market Value of the fee simple ownership of the subject property as of October 7, 2009, is \$23,500,000.

FINAL PROPERTY VALUE CONCLUSION

\$23,500,000

EXPOSURE AND MARKETING TIME

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

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

In arriving at an estimate of the exposure time and marketing time applicable to the subject property, consideration is given to the subject's utilization, the subject's location on Interstate 80 in a rural community in northeast Nevada and further consideration is given to the subject's age, quality, condition and type of improvements. As a result, it is my opinion that an appropriate exposure and marketing time for the subject property, assuming it to be marketed at the final property value conclusion set forth in this report, would be two to three years.

EXPOSURE AND MARKETING TIME CONCLUSION 2 YEARS TO 3 YEARS

APPRAISERS' CERTIFICATION

Each of the undersigned do hereby certify that, unless otherwise noted in this appraisal report:

- I have made a personal inspection of the property that is the subject of this report.
- I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- I am acting independently of the borrower.
- To the best of my knowledge and belief, the statements of fact contained in this appraisal report, upon which the analysis, opinions, and conclusions herein are based, are true and correct.
- This report sets forth all the limiting conditions (imposed by the terms of my assignment or by the undersigned) affecting the analysis, opinions, and conclusions contained in this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute*, which include the *Uniform Standards of Professional Appraisal Practice*.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- The appraisal was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- No one other than the undersigned prepared the analyses, conclusions and opinions concerning real estate that are set forth in this appraisal report.
- The Appraisal Institute conducts a mandatory program of continuing education for its designated members. As of the date of this report, Reese Perkins has

completed the requirements under the continuing education program of the Appraisal Institute.

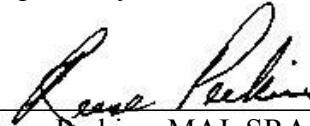
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

After careful consideration of all data available, and upon thorough personal investigation of the subject property and the comparable properties analyzed, it is my opinion that the market of the fee simple interest of the subject property, as of October 7, 2009, is as follows:

FINAL VALUE CONCLUSION

\$23,500,000

Respectfully Submitted,



Reese Perkins, MAI, SRA
Nevada Certified General Appraiser
License Number A.0000120-CG

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

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

LIMITS OF LIABILITY

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

COPIES, PUBLICATION, DISTRIBUTION AND USE OF REPORT

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

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

CONFIDENTIALITY

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

INFORMATION SUPPLIED BY OTHERS

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

TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE

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

EXHIBITS AND PHYSICAL DESCRIPTIONS

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

TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS

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

ENGINEERING, STRUCTURAL, MECHANICAL, ARCHITECTURAL CONDITIONS

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

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

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

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

TOXIC MATERIALS AND HAZARDS

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

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

SOILS, SUB-SOILS, AND POTENTIAL HAZARDS

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

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

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

ARCHEOLOGICAL SIGNIFICANCE

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

LEGALITY OF USE

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

COMPONENT VALUES

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

COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

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

AUXILIARY AND RELATED STUDIES

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

DOLLAR VALUES AND PURCHASING POWER

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

ROUNDING

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

QUANTITATIVE ANALYSIS

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

VALUE CHANGE, DYNAMIC MARKET, ALTERATION OF ESTIMATE BY APPRAISER

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

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

This appraisal is an estimate of value based on analysis of information known to us at the time the appraisal was made. The appraiser(s) does not assume any responsibility for incorrect analysis because of incorrect or incomplete information. If new information of significance comes to light, the value given in this report is subject to change without notice. The appraisal report itself and the value

estimates set forth therein are subject to change if either the physical or legal entity or the terms of financing are different from what is set forth in the report.

ECONOMIC AND SOCIAL TRENDS

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

EXCLUSIONS

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

SUBSURFACE RIGHTS

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

PROPOSED IMPROVEMENTS, CONDITIONED VALUE

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

MANAGEMENT OF PROPERTY

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

FEE

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

LEGAL EXPENSES

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

CHANGES AND MODIFICATIONS

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

DISSEMINATION OF MATERIAL

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

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

**QUALIFICATIONS OF APPRAISER
REESE PERKINS**

Professional Designations

MAI - Member of the Appraisal Institute

SRA - Senior Residential Appraiser

MAI - Member American Institute of Real Estate Appraisers, 1983

SRPA - Senior Real Property Appraiser; Society of Real Estate Appraisers, 1982

License

State of Nevada, Certified General Real Estate Appraiser, #A.0000120-CG,
Expiration date 4/30/09

Membership

Member, Nevada State Board of Equalization, 1992 - 1999

Chairman, 1999

Member, Nevada Commission of Real Estate Appraisers, 1995-2001

President, 2000

Offices Held

President - Reno/Carson/Tahoe Chapter No. 189, Society of Real Estate Appraisers, 1983-1984

Admissions Committee - Sierra Nevada Chapter #60, AIREA, 1984-1988 (Vice-Chairman, 1987-1988)

Southwest Region Review and Counseling Panel, AIREA

Admissions Chairman - Sierra Nevada Chapter No. 60, American Institute of Real Estate Appraisers, 1989 - 1990

Admissions Chairman - Reno/Carson/Tahoe Chapter of the Appraisal Institute, 1991

Board of Directors - Sacramento-Sierra Chapter of the Appraisal Institute, 1991 - 1995

President - Sacramento - Sierra Chapter of The Appraisal Institute, 1996.

Appraisal Experience

Principal Appraiser - Johnson-Perkins & Associates, 2006 - Present

Vice President - Johnson-Perkins & Associates, 1994 - 2006

Owner - Real Estate Appraisal and Consulting Firm, 1987 - 1994

President and Chief Operating Officer - Eagle Service Corporation;

Senior Vice President - First Federal Savings and Loan Association, 1985-1987

Vice President-Chief Appraiser - Eagle Service Corporation, 1983

Independent Fee Appraiser - 1980-1983

Assistant Vice President - First Western Service Corporation; Northern Division Manager - Master Appraisals, 1977-1980

Staff Appraiser - Eagle Service Corporation, First Federal Savings and Loan, 1975-1977

Associate Appraiser - Washoe County Assessor's Office, 1972-1975

**QUALIFICATIONS OF APPRAISER
REESE PERKINS**

Appraisal Education

Society of Real Estate Appraisers:

Course 101	
Introduction to Appraising Real Property, Santa Clara, California	1973
Course 201	
Principles of Income Property Appraising, Santa Clara, California	1974

American Institute of Real Estate Appraisers:

Course 2	
Urban Properties, San Francisco, California	1978
Exam 1B	
Capitalization Theory and Techniques	1979
Course 6	
Introduction to Real Estate Investment Analysis, Oakland, California	1982
Course 2-3	
Standards of Professional Practice, Sacramento, California	1985
Course 10	
Market Analysis, Boulder, Colorado	1987

Appraisal Institute:

Standards of Professional Appraisal Practice,	
Parts A and B, Reno, Nevada	1992
Part C, Reno, Nevada	1997
National USPAP Update Course	2003
National USPAP Update Course	2004
National USPAP Update Course	2006
National USPAP Update Course	2007

Appraisal Foundation

1999 USPAP Review	1998
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Appraisal Seminars

Various Appraisal and Continuing Education Seminars	1974-2007
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Formal Education

Tonopah High School Graduate, 1967	
Bachelor of Arts Degree in Political Science - University of Nevada, Reno, 1972	

**QUALIFICATIONS OF APPRAISER
REESE PERKINS**

Representative Appraisal Clients

AEGON USA Realty Advisors, Inc.
Airport Authority of Washoe County
AMB Institutional Realty Advisors
American Federal Savings Bank
ARCS Commercial Mortgage Corp.
AT&T Communications
Bank of America
Bank of the West
BHP Copper
California Department of Justice
Carson City
Caughlin Ranch Partnership
Centex Real Estate Corporation
CitiBank
City of Reno
City of Sparks
Coates Field Services, Inc.
Colonial Bank
Department of the Navy
Dermody Properties
Douglas County
Douglas County Assessor's Office
Federal Deposit Insurance Corporation
First Federal Lincoln
First Independent Bank of Nevada
First Merit Bank, N.A.
GMAC Commercial Mortgage Co.
Great Western Bank
Granite Construction Co.

Guardian Life Insurance Co.
Home Federal Savings Bank
Internal Revenue Service
KeyBank
McDonald's
Nevada Department of Transportation
Nevada Mining Association
Nevada State Bank
P.W. Funding
Redevelopment Agency of the
City of Reno
Regional Transportation Commission
Reno Housing Authority
Shelter Properties
Sierra Pacific Power Company
St Mary's Regional Medical Center
Summit Engineering Corporation
Texaco, Inc.
The CIT Group
The Howard Hughes Corporation
The Rouse Company
Truckee Meadows Community College
U.S. Bank
U.S. Department of Commerce
U.S. Forest Service
U.S. Postal Service
Union Oil Company
University Of Nevada
Various Private Clients, Law and
Accounting Firms
Washoe County
Washoe County School District
Washoe Medical Center
Wells Fargo Bank
Williams Communications, Inc.

**QUALIFICATIONS OF APPRAISER
REESE PERKINS**

Types of Property Appraised

Single Family Residences
Condominiums
Vacant Residential Lots
Professional Office Buildings
Warehouses and Industrial Buildings
Shopping Centers
Communication Sites
Motels
Residential Subdivisions
Vacant Land
Commercial Buildings
Apartment Complexes
Subdivisions
Hotels
Hotel/Casinos

Admitted as Expert Witness

United States District Court, District of Nevada
United States Bankruptcy Court, District of Nevada
United States Bankruptcy Court, District of Northern California
Washoe County District Court
Washoe County Board of Equalization
Douglas County Board of Equalization
Nevada State Board of Equalization



ESCROW OFFICE LOCATION

TITLE OFFICE LOCATION Northeastern Division

810 Idaho Street
Elko, NV 89801
Phone (775) 738-5181 Fax (866) 394-6991

PRELIMINARY TITLE REPORT

When replying please contact:
Title Officer: Annette Scates
Our Order No.: 1023020-01

PROPOSED PURCHASER/BORROWER:

Today's Date: October 7, 2009

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

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

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

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

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

Dated as of: October 2, 2009 at 7:30 a.m.

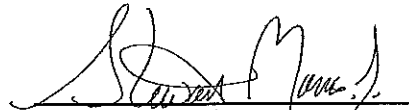
Countersigned by:



Authorized Countersignature

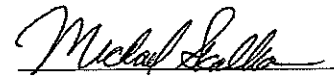
Stewart Title of Nevada-**Northeastern
Division**

810 Idaho Street
Elko, NV 89801
Phone (775) 738-5181 Fax (866) 394-
6991




Senior Chairman of the Board


Chairman of the Board


President

PROPERTY ADDRESS:

WHEN REPLYING PLEASE CONTACT
Escrow Officer:
Phone:

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

A FEE

Title to said estate or interest is vested in:

THE BOARD OF REGENTS OF THE UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF
NEVADA

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of Elko, described as follows:

PARCEL 1:

TOWNSHIP 33 NORTH, RANGE 53 EAST, M.D.B.&M.

Section 20: N1/2N1/2; SW1/4NW1/4; NW1/4SW1/4; NE1/4SE1/4; SE1/4NE1/4;

EXCEPTING THEREFROM all right, title and interest in and to all coal, oil, gas, hydrocarbons, geothermal products, and minerals, whether hydrocarbon or not, or metallic or not, of every name and nature whatsoever lying in and under said land as reserved by Elizabeth S. Simpkins, et al, in Deed recorded December 29, 1989, in Book 710, Page 145, Official Records, Elko County, Nevada.

PARCEL 2:

TOWNSHIP 33 NORTH, RANGE 53 EAST, M.D.B.&M.

Section 20: NE1/4SW1/4; NW1/4SE1/4; SE1/4NW1/4; SW1/4NE1/4;

EXCEPTING THEREFROM that portion of said land conveyed to Bell Telephone Company of Nevada by deed recorded November 21, 1941, in Book 51, Page 172, Deed Records, Elko County, Nevada, more particularly described as follows:

Commencing at centerline Station 226+80.3, from which point the northeast corner of Section 20, TOWNSHIP 33 NORTH, RANGE 53 EAST, M.D.B.&M., bears NORTH 50°35'02" EAST, 2469.8 feet distant;

THENCE NORTH 15°43'04" WEST, 10.00 feet to a point on the north right of way line, the point of beginning;

THENCE NORTH 15°43'04" WEST, 100.00 feet;

THENCE NORTH 74°16'06" EAST, 100.00 feet;

THENCE SOUTH 15°43'04" EAST, 100.00 feet;

THENCE SOUTH 74°16'06" WEST, along the right of way line, 100.00 feet, to the point of beginning.

FURTHER EXCEPTING THEREFROM that portion of said land conveyed to the State of Nevada, by deed recorded April 19, 1966, in Book 67, Page 546, Official Records, Elko County, Nevada.

FURTHER EXCEPTING THEREFROM any portion of said land lying within the exterior boundaries of the Southern Pacific and Western Pacific Railroad right-of-ways.

FURTHER EXCEPTING THEREFROM an undivided one-half (1/2) interest in and to all right, title and interest in and to all coal, oil, gas, hydrocarbons, geothermal products, and minerals, whether hydrocarbon or not, or metallic or not, of every name and nature whatsoever lying in and under said land as reserved by Elizabeth S. Simpkins, in Deed recorded December 29, 1989, in Book 710, Page 142, Official Records, Elko County, Nevada.

At the date hereof, exceptions to coverage in addition to the printed exceptions and exclusions in a Policy of Title Insurance are as follows:

1. THE FACT THAT RECORD ACCESS TO AND FROM A REGULARLY DEDICATED ROAD IS NOT REFLECTED IN THE PUBLIC RECORDS OF ELKO COUNTY, NEVADA.
2. Taxes which may become a lien upon recordation of a deed to a taxable entity.
3. Reservations and exceptions contained in Patent from the United States of America,
Recorded June 29, 1938 in Book 8, Page 337, Patent Records, Elko County, Nevada.

Said reservation and exception recites as follows:

"Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws, and decisions of courts; and there is reserved from the lands hereby granted a right of way thereon for ditches or canals constructed by the authority of the United States. Subject to such rights for telephone and telegraph line purposes, as the Bell Telephone Company may have under the Act of March 4, 1911."

Affects the following described land:

TOWNSHIP 33 NORTH, RANGE 53 EAST, M.D.B.&M.

Section 20: NE1/4SW1/4; NW1/4SE1/4; SE1/4NW1/4; SW1/4NE1/4;

4. Reservations and exceptions contained in Patent from The United States of America, Recorded
March 25, 1966 in Book 66, Page 614, Official Records, Elko County, Nevada.

Said reservation and exception recites as follows:

"Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws, and decisions of courts; and there is reserved from the lands hereby granted, a right-of-way thereon for ditches or canals constructed by the authority of the United States.

Subject to such rights for telephone line purposes as the Bell Telephone Company may have under the Act of March 4, 1911 (36 Stat. 1253) as amended (43 U.S.C. Sec. 961).

There is also reserved a right of way for a Federal Aid Highway under the Act of November 9, 1921 (42 Stat. 212)."

Affects the following described land:

TOWNSHIP 33 NORTH, RANGE 53 EAST, M.D.B.&M.

Section 20: N1/2N1/2; SW1/4NW1/4; NW1/4SW1/4; NE1/4SE1/4; SE1/4NE1/4;

5. An easement affecting a portion of said land for the purposes stated herein, together with incidental rights thereto,
Granted to STATE OF NEVADA
Purpose public highway
Recorded March 4, 1940 in Book 50, Page 112, Deed Records of Elko County, Nevada.

Affects the following described land:

TOWNSHIP 33 NORTH, RANGE 53 EAST, M.D.B.&M.

Section 20: NE1/4SW1/4; NW1/4SE1/4;

6. An easement affecting a portion of said land for the purposes stated herein, together with incidental rights thereto,
Granted to BELL TELEPHONE COMPANY OF NEVADA
Purpose 20 feet in width for aerial and underground wires, : cables and other electrical conductors
Recorded November 21, 1941 in Book 12, Page 172, Miscellaneous Records of Elko County, Nevada.

Affects the following described land:

TOWNSHIP 33 NORTH, RANGE 53 EAST, M.D.B.&M.

Section 20: SW1/4NE1/4; SE1/4NW1/4;

7. An easement affecting a portion of said land for the purposes stated herein, together with incidental rights thereto,
Granted to BELL TELEPHONE COMPANY OF NEVADA
Purpose ingress and egress
Recorded June 8, 1942 in Book 51, Page 420, Deed Records of Elko County, Nevada.

Affects the following described land:

TOWNSHIP 33 NORTH, RANGE 53 EAST, M.D.B.&M.

Section 20: SW1/4NE1/4; NW1/4SE1/4;

8. An easement affecting a portion of said land for the purposes stated herein, together with incidental rights thereto,
Granted to BELL TELEPHONE COMPANY OF NEVADA
Purpose 10 feet in width aerial wires, cables and other electrical conductors
Recorded June 8, 1942 in Book 51, Page 421, Deed Records of Elko County, Nevada.

Affects the following described land:

TOWNSHIP 33 NORTH, RANGE 53 EAST, M.D.B.&M.

Section 20: SW1/4NE1/4; NW1/4SE1/4;

9. An easement affecting a portion of said land for the purposes stated herein, together with incidental rights thereto,
Granted to BELL TELEPHONE COMPANY OF NEVADA
Purpose 20 feet in width for aerial and underground wires, cables, and other electrical
conductors
Recorded July 31, 1942 in Book 51, Page 478, Deed Records of Elko County, Nevada.

Affects the following described land:

TOWNSHIP 33 NORTH, RANGE 53 EAST, M.D.B.&M..

Section 20: SW1/4NE1/4; SE1/4NW1/4;

The fact that the ownership of said land does not include any rights of ingress or egress to or from Interstate Route 80, as set forth in instrument.

Recorded in Book 67, Page 546, Official Records of Elko County, Nevada.

10. An easement affecting a portion of said land for the purposes stated herein, together with incidental rights thereto,
Granted to BELL TELEPHONE COMPANY OF NEVADA
Purpose 10 feet in width for aerial and underground wires, cables and other electrical
conductors
Recorded July 8, 1966 in Book 70, Page 487, Official Records of Elko County, Nevada.
Affects a portion of the N1/2SE1/4 of Section 20, TOWNSHIP 33 NORTH, RANGE 53
EAST, M.D.B.&M.
11. An easement for electric transmission and/or distribution line or system, and incidental purposes, as granted to WELLS RURAL ELECTRIC COMPANY by instrument,
Recorded July 12, 1983 in Book 427, Page 145, Official Records, Elko County, Nevada.
Affects location not disclosed
12. An easement affecting a portion of said land for the purposes stated herein, together with incidental rights thereto,
Granted to AMERICAN TELEPHONE AND TELEGRAPH COMPANY
Purpose 16.50 feet in width for communication systems
Recorded December 31, 1987 in Book 600, Page 87, Official Records of Elko County,
Nevada.
Affects location not disclosed
13. Reservations and exceptions contained in Deed from ELKO COUNTY, a Political Subdivision,
Recorded March 13, 1998, in Book 1036, Page 748, Official Records, Elko County,
Nevada.
14. Reservations and exceptions contained in Deed from THE BOARD OF REGENTS OF THE
UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA,
Recorded July 28, 1998, in Book 1056, Page 312, Official Records, Elko County, Nevada.

15. An easement affecting a portion of said land for the purposes stated herein, together with incidental rights thereto,
Granted to : the City of Carlin
Purpose : water pipeline
Recorded : May 7, 2002, Book 2, Page 15973, Document No. 482819,
Official Records of Elko County, Nevada
16. An easement affecting a portion of said land for the purposes stated herein, together with incidental rights thereto,
Granted to : the City of Carlin
Purpose : access road, pump house and water tank line
Recorded : May 7, 2002, Book 2, Page 15979, Document No. 482820,
Official Records of Elko County, Nevada
17. An easement affecting a portion of said land for the purposes stated herein, together with incidental rights thereto,
Granted to : The City of Carlin
Purpose : access road
Recorded : May 7, 2002, Book 2, Page 15990, Document No. 482821,
Official Records of Elko County, Nevada
18. An easement affecting a portion of said land for the purposes stated herein, together with incidental rights thereto,
Granted to : The City of Carlin
Purpose : pump house
Recorded : May 2, 2007, Book 2, Page 15995, Document No. 482822,
Official Records of Elko County, Nevada
19. An easement affecting a portion of said land for the purposes stated herein, together with incidental rights thereto,
Granted to : The City of Carlin
Purpose : water tank line
Recorded : May 2, 2007, Book 2, Page 15999, Document No. 482823,
Official Records of Elko County, Nevada
20. An easement affecting a portion of said land for the purposes stated herein, together with incidental rights thereto,
Granted to : The City of Carlin
Purpose : water pipeline
Recorded : May 14, 2002, Book 2, Page 16938, Document No. 483129,
Official Records of Elko County, Nevada

NOTE: The total liability assumed by Stewart Title and/or Stewart Title Guaranty Company by the Issuance of this report is limited to the amount of the fee collected for same.

END OF EXCEPTIONS

Alta Preliminary Report Form

**EXHIBIT "A" (Rev. 6-17-06)
AMERICAN LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 2006
EXCLUSIONS FROM COVERAGE**

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

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

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, which provides the "Company" insures, as of Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured be reason of:

The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

- the occupancy, use, or enjoyment of the Land;
- the character, dimensions, or location of any improvement erected on the Land;
- the subdivision of land; or
- environmental protection

If a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6, which provides the "Company" insures, as of Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured be reason of:

An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8, which provides the "Company" insures, as of Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured be reason of:
 - The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
 - Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy, however, this does not modify or limit the coverage provided under Covered Risk 9 and 10, which provides the "Company" insures, as of Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured be reason of:

Title being vested other than as stated in Schedule A or being defective

- as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or

- because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records

- (i) to be timely, or

- (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

- Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or

other

instrument of transfer in the Public Records that vests Title as shown in Schedule A: or,

- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is

- (a) a fraudulent conveyance or fraudulent transfer; or

- (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy, which provides the "Company" insures, as of Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured be reason of:

Title being vested other than as stated in Schedule A or being defective

- as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or

Alta Preliminary Report Form

- because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of its recording in the Public Records
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

EXCEPTIONS FROM COVERAGE – SCHEDULE B, PART I

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

PART I

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the Effective Date but prior to the date that proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Report.
2. Taxes for the current year.
3. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or any overlapping of improvements or other boundary or location disputes (can be eliminated or amended in mortgagee's policy upon proper evidence being furnished.)
4. Restrictive covenants affecting the property described in Schedule A.
5. Rights or claims of parties in possession, and not of record in the public records; liens for labor, services or material or claims to same which are not of record in said records.
6. Any roadway or easement, similar or dissimilar, on, under, over or across said property, or any part thereof and not of record in said public records.
7. Any titles or rights asserted by anyone, including but not limited to persons, corporations, governments, or other entities, to tidelands, or lands comprising the shores or bottoms of navigable rivers, lakes, bays, ocean or gulf, or lands beyond the line of the harbor or bulkhead lines as established or charged by the United States Government or riparian rights, if any.
8. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

2. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

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

1. Governmental police power, and the existence or violation of any law or governmental regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - (a) land use; (b) land division; (c) improvements on the land; (d) environmental protection.This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
 - (a) a notice of exercising the right appears in the public records on the Policy Date; (b) the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks:
 - (a) that are created, allowed, or agreed to by you; (b) that are known to you, but not to us, on the Policy Date – unless they appeared in the public records; (c) that result in no loss to you; (d) that first affect your title after the Policy Date – this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks.
4. Failure to pay value for your title.
5. Lack of a right
 - (a) to any land outside the area specifically described and referred to in Item 3 of Schedule A**OR** in streets, alleys, or waterways that touch your land.
This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

3. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (6-17-06) AND AMERICAN LAND TITLE ASSOCIATION LEASEHOLD LOAN POLICY (6-17-06) EXCLUSIONS AND COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, which provides the "Company" insures, as of Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the insured be reason of:

Alta Preliminary Report Form

The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

- the occupancy, use, or enjoyment of the Land;
- the character, dimensions, or location of any improvement erected on the Land;
- the subdivision of land; or
- environmental protection

if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6, which provides the "Company" insures, as of Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured be reason of:

An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8, which provides the "Company" insures, as of Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured be reason of:

- The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
- Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.

3. Defects, liens, encumbrances, adverse claims, or other matters

(a) created, suffered, assumed, or agreed to by the Insured Claimant;

(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

(c) resulting in no loss or damage to the Insured Claimant;

(d) attaching or created subsequent to Date of Policy, however, this does not modify or limit the coverage provided under Covered Risk 9 and 10, which provides the "Company" insures, as of Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the insured be reason of:

Title being vested other than as stated in Schedule A or being defective

- as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or

- because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records

(i) to be timely, or

(ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

- Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A: or,

(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

IMPORTANT NOTICE:

STATUTORY REGULATION FOR RECORDED DOCUMENTS

Effective July 1, 2003 a document submitted for recording, except maps, **MUST:**

1. Be on paper that is 8 ½ inches by 11 inches in size; and
2. Have a margin of 1 inch on the left and right sides and the bottom of each page; and
3. Have a space of 3 inches by 3 inches at the UPPER RIGHT corner of the first page; and
4. Have a margin of 1 inch at the top of each succeeding page

LEGISLATION: ANY DOCUMENT NOT MEETING THESE REQUIREMENTS WILL BE CHARGED AN ADDITIONAL FEE OF **\$25.00 PER DOCUMENT** FOR NON-COMPLIANCE.

All documents must have the **Assessor s Parcel Number** of the property at the top left corner of the first page.

These requirements can be found in the **NRS 247.100 and NRS 111.312**

STG Privacy Notice (Rev 01/26/09) Stewart Title Companies

WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the Stewart Title Guaranty Company and its affiliates (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business--to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information	Do we share?	Can you limit this sharing
For our everyday business purposes- to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes- to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes- information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and nonfinancial companies. <i>Our affiliates may include companies with the Stewart name; financial companies, such as Stewart Title Company</i>	Yes	No
For our affiliates' everyday business purposes- information about your creditworthiness	No	We don't share
For our affiliates to market you	Yes	No
For nonaffiliates to market to you- Nonaffiliates are companies not related by common ownership or control. They can be financial and nonfinancial companies.	No	We don't share

We may disclose your personal information to our affiliates or to nonaffiliates as permitted by law. If you request a transaction with a nonaffiliate, such as a third party insurance company, we will disclose your personal information to that nonaffiliate. [We do not control their subsequent use of information, and suggest you refer to their privacy notices.]

Sharing practices	
How often do the Stewart Title Companies notify me about their practices?	We must notify you about our sharing practices when you request a transaction.
How do the Stewart Title Companies protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal and state law. These measures include computer, file, and building safeguards.
How do the Stewart Title Companies collect my personal information?	<p>We collect your personal information, for example, when</p> <p style="text-align: center;">request insurance-related services provide such information to us</p> <p>We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.</p>
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.

Contact Us	If you have any questions about this privacy notice, please contact us at: Stewart Title Guaranty, 1980 Post Oak Blvd., Privacy Officer, Houston, Texas 77056.
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