

# Exhibit 4

Ptn. of APN: 21-010-05

RETURN ORIGINAL TO:  
NEVADA DEPT. OF TRANSPORTATION  
RIGHT-OF-WAY DIVISION  
ATTN: STAFF SPECIALIST-ACQ.  
1263 S. STEWART ST.  
CARSON CITY, NV 89712

LEGAL DESCRIPTION PREPARED BY:  
KEVIN ALMETER  
WOOD RODGERS, INC.  
5440 RENO CORPORATE DRIVE  
RENO, NV 89511

Project: SPSR-0650(008)  
E.A.: 73511  
Parcel: S-650-WA-018.143PE

## PERMANENT EASEMENT DEED

THIS DEED, made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ between the BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION, ON BEHALF OF THE UNIVERSITY OF NEVADA, RENO, hereinafter called GRANTOR, and the STATE OF NEVADA, acting by and through its Department of Transportation, hereinafter called GRANTEE,

### WITNESSETH:

That the GRANTOR, for and in consideration of the sum of ONE DOLLAR AND NO/100 DOLLARS (\$1.00) lawful money of the United States of America, and other good and valuable consideration, the receipt whereof is hereby acknowledged, does by these presents grant unto the GRANTEE and to its assigns forever for those purposes as contained in Chapter 408 of the Nevada Revised Statutes, a perpetual easement and right-of-way for the location, construction and maintenance of a slope easement for a multi-use path upon, over and across certain real property of the undersigned. Said easement is described in Exhibit "A" and includes the terms as described in the Public Highway Agreement attached hereto and made a part hereof by reference.

EXCEPTING THEREFROM any and all water rights appurtenant to said parcel.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; with the exception of any and all

reservations as are previously hereinabove expressly excepted from this conveyance.

TO HAVE AND TO HOLD all and singular the said real property, together with the appurtenances, unto the said GRANTEE and to any heirs, successors and assigns forever.

IN WITNESS WHEREOF said GRANTOR has hereunto signed on the day and year first above written.

the BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION, ON BEHALF OF THE UNIVERSITY OF NEVADA, RENO

By: \_\_\_\_\_  
Name, Title (if applicable)

If signer shall be a corporation, trust, partnership or other unnatural person, an authorized person must sign on behalf of the signer. The agreement must be executed by the person approved by the bylaws, articles, or a certified, stamped copy of a resolution of the board of directors as provided with the executed agreement.

State of Nevada  
County of \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_.

S  
E  
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L

\_\_\_\_\_  
(Signature of notarial officer)

\_\_\_\_\_  
(Title and rank (optional))

## EXHIBIT "A"

Situate, lying and being in the County of Washoe, State of Nevada, being a portion of Section Sixteen (16), Township Nineteen (19) North, Range Twenty (20) East, M.D.M., and more particularly described as being a portion of the land as described in that certain Deed recorded on January 19, 1956, in Book 403, Page 171, as Document No. 255773, in the Deed Records of Washoe County, Nevada, and more fully described by metes and bounds as follows:

COMMENCING at the corner common to Sections 9, 10, 15, 16, said section corner being a found 2 inch brass cap monument, stamped "RLS 1643", shown on the Official Map To Offer for Dedication "Glendale Ave., Greg St., Kleppe Lane, Kresge Lane, Turner Dr., Turner Ct., Overmyer Rd., Purina Way, Packer Way, and Watson Way to the City of Sparks, Nevada", recorded as Dedication Tract Map No. 1576 on June 3, 1976, as File No. 411080, in said Official Records; thence departing said corner, South  $62^{\circ}26'29''$  West a distance of 2152.45 feet to the POINT OF BEGINNING; said point of beginning described as being on the right or easterly right-of-way line of SR-650 (South McCarran Boulevard) and on the present ordinary high water mark of the southerly bank of the Truckee River, 85.65 feet right of and at right angles to Highway Engineer's Station "O3" 39+31.99 P.O.T.; thence along said easterly right-of-way line and said ordinary high water mark, South  $69^{\circ}16'33''$  East a distance of 35.17 feet; thence departing said southerly ordinary high water mark and along said easterly right-of-way line the following four (4) courses and distances:

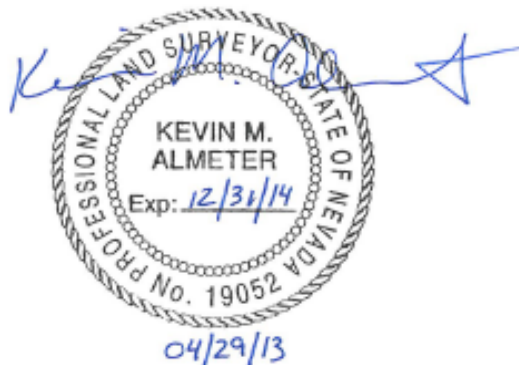
**EXHIBIT "A"**

1. South 20°43'27" West a distance of 54.12 feet;
2. South 59°56'27" West a distance of 39.95 feet;
3. South 25°11'14" West a distance of 413.56 feet;
4. South 54°36'54" West a distance of 29.45 feet to the former right-of-way line of said SR-650;

thence departing said easterly right-of-way line and along said former easterly right-of-way line, North 27°01'33" East a distance of 344.03 feet; thence continuing along said former easterly right-of-way line, North 21°01'11" East a distance of 179.88 feet to the point of beginning; said parcel contains an area of 6,166 square feet of land, more or less.

The Basis of Bearing for this description is the NEVADA STATE PLANE COORDINATE SYSTEM, NAD 83/94 DATUM, West Zone as determined by the State of Nevada, Department of Transportation.

Prepared by:  
Wood Rodgers, Inc.  
5440 Reno Corporate Dr.  
Reno, NV 89511



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Kevin M. Almeter, P.L.S.  
Nevada Certificate No. 19052

Project: SPSR-0650(008)  
E.A.: 73511  
Parcel(s): S-650-WA-018.143PE  
Ptn. of APN: 21-010-05  
Hwy. Agr. #: \_\_\_\_\_

PUBLIC HIGHWAY AGREEMENT

THIS AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between the BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION ON BEHALF OF THE UNIVERSITY OF NEVADA, RENO, hereinafter called the OWNER, and the STATE OF NEVADA, acting by and through its Department of Transportation, hereinafter called the STATE, WITNESSETH:

1. The OWNER, for and in consideration of the covenants and payments to be performed and paid as hereinafter provided agrees as follows:

(a) To grant a permanent easement and right-of-way for the location, construction and maintenance of a slope easement for a multi-use path upon, over and across certain real property to the STATE; said real property described in Exhibit "A" attached hereto and made a part hereof by reference.

(b) To deliver to the STATE an easement deed granting to the STATE a permanent easement and right-of-way upon, over and across certain real property described as Parcel S-650-WA-018.143PE; said real property described in Exhibit "A" attached hereto and made a part hereof by reference.

(c) To be responsible for said easement area, including risk and liability for loss and damage, including all repairs to said premises until such date as STATE has recorded the before mentioned deed, or such date as OWNER has given physical possession of said premises to the STATE.

(d) To permit the STATE, its authorized agents and contractors to enter in and upon OWNER'S before described lands for which a permanent easement interest (S-650-WA-018.143PE) is granted upon execution of this agreement.

2. The STATE, in consideration of the promises and covenants of the OWNER hereinabove set forth, agrees as follows:

(a) To pay to the OWNER in the manner hereinafter provided the sum of FOURTEEN THOUSAND SEVEN HUNDRED THIRTY-SEVEN DOLLARS (\$14,737.00), which shall be the total purchase price for the permanent easement right detailed as follows: Parcel S-650-WA-018.143PE, 6,166- SQ FT square feet of land.

(b) To deposit in escrow with First American Title Company, whose mailing address is 5310 Kietzke Lane, #100, Reno, NV 89511, the before mentioned total purchase price, which sum shall be disbursed in accordance with the herein recited covenants, promises and agreements made, and payments to be performed and paid.

(c) To deduct from the total purchase price, to be paid to the OWNER by the STATE, a sum to be prorated in escrow, with which said sum the STATE in the OWNER'S behalf will pay all due Washoe County property taxes, delinquency penalties and special assessments, if any, assessed against or accrued upon said property (S-650-WA-018.143PE) to be conveyed by OWNER to the STATE, up to and including the date of recording by the STATE of the before-mentioned deed in the Official Records of Washoe County, State of Nevada.

- (d) The creation of the easement will not restrict future development of the OWNER'S remaining and adjacent property.
- (e) Any use of easement will not change the flooding calculations or risks to the OWNER'S remaining or adjacent property.
- (f) STATE shall indemnify, defend, and hold harmless OWNER, its officers, employees, and agents from and against any and all liabilities, claims, losses, costs or expenses to the person or property of another, lawsuits, judgments, and/or expenses, including reasonable attorney fees, arising either directly or indirectly from any act or failure to act by STATE or any of its officers or employees, which may occur during or which may arise out of the performance of this Agreement.
- (g) STATE shall be responsible for any costs for servicing or maintaining the easement, or OWNER's remaining and adjacent properties due to the presence of any hazardous waste or adverse environmental conditions that occur as a result of the STATE's use of the easement.

3. It is mutually agreed and understood by the STATE and by the OWNER as follows:

(a) The laws of the State of Nevada shall be applied in interpreting and construing this Agreement. The parties consent to the exclusive jurisdiction of the Nevada district courts for enforcement of this agreement.

(b) It is understood and agreed by and between the parties hereto that in addition to the compensation shown in Paragraph 2. (a) hereinabove, the State, and its authorized agents and contractors shall perform the following construction contract items at the time of the installation of the proposed project:

- 1) Temporarily remove and replace OWNER'S existing field fencing.
- 2) Install temporary security fencing along the permanent easement area during construction of roadway improvements.

(c) All Highway Engineer's Stationing is approximate and subject to slight adjustment as necessary to meet construction requirements.

(d) All covenants and agreements herein contained shall extend to and be obligatory upon the heirs, executors, administrators, successors and assigns, as the case may be, of the respective parties.

(e) As used herein the term OWNER shall include the plural as well as the singular, and the feminine as well as the masculine and the neuter.

(f) That STATE shall have the right to adapt and improve the whole or any part of said property described in Exhibit "A" attached hereto and made a part hereof by reference, in accordance with the provisions of NRS 408.487.

(g) The covenants and agreements expressed in the AGREEMENT shall survive the Close of Escrow.

(h) The regulations pertaining to nondiscrimination and Title VI of the Civil Rights Act of 1964, as contained in Title 23, Code of Federal Regulations Part 200, and Title 49, Code of Federal Regulations Part 21, are hereby incorporated by reference and made a part of this Agreement.

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(i) Except as otherwise provided for by law or this Agreement, the rights and remedies of the parties hereto shall not be exclusive and are in addition to any other rights and remedies provided by law or equity.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first above written.

the BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION ON BEHALF OF THE ,  
UNIVERSITY OF NEVADA, RENO REVIEWED AND RECOMMENDED BY:

By: \_\_\_\_\_  
Name, Title (if applicable)

\_\_\_\_\_  
Paul A. Saucedo, Chief Right-of-Way Agent

If signer shall be a corporation, trust, partnership or other unnatural person, an authorized person must sign on behalf of the signer. The agreement must be executed by the person approved by the bylaws, articles, or a certified, stamped copy of a resolution of the board of directors as provided with the executed agreement.

APPROVED FOR LEGALITY AND FORM:

\_\_\_\_\_  
Deputy Attorney General

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STATE OF NEVADA acting by and through its  
Department of Transportation

\_\_\_\_\_  
Director

STATE OF NEVADA  
CARSON CITY

This instrument was acknowledged before me on \_\_\_\_\_ by

\_\_\_\_\_ as \_\_\_\_\_



Director of the Department of Transportation of the State of Nevada.

S  
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\_\_\_\_\_

State of Nevada  
County of \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by  
\_\_\_\_\_ as \_\_\_\_\_ of  
\_\_\_\_\_.

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\_\_\_\_\_  
(Signature of notarial officer)

\_\_\_\_\_  
(Title and rank (optional))

## EXHIBIT "A"

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COMMENCING at the corner common to Sections 9, 10, 15, 16, said section corner being a found 2 inch brass cap monument, stamped "RLS 1643", shown on the Official Map To Offer for Dedication "Glendale Ave., Greg St., Kleppe Lane, Kresge Lane, Tarner Dr., Tarner Ct., Overmyer Rd., Purina Way, Packer Way, and Watson Way to the City of Sparks, Nevada", recorded as Dedication Tract Map No. 1576 on June 3, 1976, as File No. 411080, in said Official Records; thence departing said corner, South 62°26'29" West a distance of 2152.45 feet to the POINT OF BEGINNING; said point of beginning described as being on the right or easterly right-of-way line of SR-650 (South McCarran Boulevard) and on the present ordinary high water mark of the southerly bank of the Truckee River, 85.65 feet right of and at right angles to Highway Engineer's Station "O3" 39+31.99 P.O.T.; thence along said easterly right-of-way line and said ordinary high water mark, South 69°16'33" East a distance of 35.17 feet; thence departing said southerly ordinary high water mark and along said easterly right-of-way line the following four (4) courses and distances:

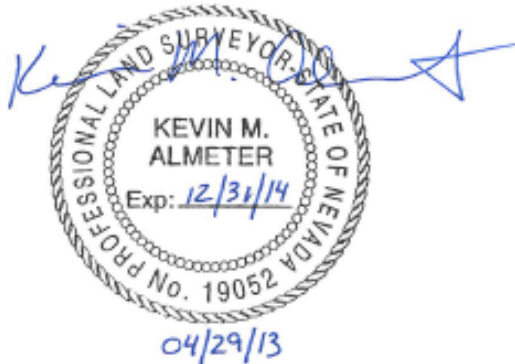
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Prepared by:  
Wood Rodgers, Inc.  
5440 Reno Corporate Dr.  
Reno, NV 89511



Kevin M. Almeter, P.L.S.  
Nevada Certificate No. 19052

ESCROW INSTRUCTIONS  
Nevada Department of Transportation

Project: SPSR-0650(008)  
E.A.: 73511  
Parcel(s): S-650-WA-018.143PE  
Owner/Grantor: The Board of Regents  
of the Nevada System of Higher  
Education

Escrow #: \_\_\_\_\_

To: First American Title Company, 5310 Kietzke Lane, #100, Reno, NV 89511

In accordance with the attached agreement between the Grantor and the State of Nevada please perform the following services:

1. Issue an updated preliminary title report reflecting all easements, encumbrances and liens of record.  
**(UPDATED TITLE REPORT MUST BE SUBMITTED TO AGENT PRIOR TO CLOSE OF ESCROW)**
2. Obtain all total or partial reconveyances or releases of interest which are necessary to unencumber the property.
3. Disburse the sum of FOURTEEN THOUSAND SEVEN HUNDRED THIRTY-SEVEN AND NO/100 DOLLARS (\$14,737.00) which sum will be furnished by the State of Nevada Department of Transportation for your deposit in escrow.
4. Pay all accrued, due or delinquent property taxes, public improvement bonds, sewer use fees or assessments, together with penalties, if any, up to and including the date of recording for S-650-WA-018.143PE.
5. Issue Title Insurance in the amount of \$14,737.00.
6. Record the instrument conveying title or interest to the State of Nevada, in the name of the State acting by and through its Department of Transportation.
7. Furnish a certified copy of the closing statement, acknowledged by Grantor, to both Grantor and State showing the complete breakdown of disbursements out of the escrow.
8. Full payment of escrow fees to be made upon completion and receipt of all items listed above.
9. The Nevada Department of Transportation is not responsible for and will not pay any real estate commissions nor will any real estate commissions be deducted from funds placed in escrow.
10. Issue Owner's Policy of Title Insurance showing title vested in the Nevada Department of Transportation, free and clear of all liens and encumbrances, except those indicated below.
11. If escrow is not ready to close within 30 days of receipt of funds from NDOT, said funds are to be deposited into an interest bearing account in favor of the Grantor.
12. Escrow Officer shall provide bi-weekly status updates of all escrows over 30 days old, and weekly status updates of escrows over 60 days old, to the Supervisory Right-of-Way Agent listed below.

You are to bill separately to the State of Nevada Department of Transportation and outside of the escrow any or all of the following costs:

- |                         |   |
|-------------------------|---|
| 1. Escrow fees          | 4. Prepayment penalty, if any.                    |
| 2. Escrow holder's fees | 5. Recording fees for reconveyances and releases  |
| 3. Conveyance fees      | 6. Title insurance policy costs if ordered herein |

\_\_\_\_\_  
Escrow Officer (Sign & return showing receipt) *Date*

ESCROW INSTRUCTIONS  
Nevada Department of Transportation

Project: SPSR-0650(008)  
E.A.: 73511  
Parcel(s): S-650-WA-018.143PE  
Owner: The Board of Regents of  
the Nevada System of Higher  
Education.

Escrow #: \_\_\_\_\_

To: First American Title Company, 5310 Kietzke Lane, #100, Reno, NV 89511

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6. Record the instrument conveying title or interest to the State of Nevada, in the name of the State acting by and through its Department of Transportation.
7. Furnish a certified copy of the closing statements, acknowledged by Grantor, to both Grantor and State showing the complete breakdown of disbursements out of the escrow.
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| 3. Conveyance fees      | 6. Title insurance policy costs if ordered herein |

\_\_\_\_\_  
Grantor Date

\_\_\_\_\_  
Supervisory Right-of-Way Agent Date

## **Exhibit 5**

### **Appraisals**

(3 Appraisals included and follow this cover page)

**REVIEW OF AN APPRAISAL**

**OF**

**Proposed Permanent Easement  
located within a portion of**

**Washoe County  
APN 020-010-05**

**1000 Clean Water Way  
in Reno, Nevada.**

**Prepared For:**

***UNR Real Estate Department***

**Prepared By:**

**Carter-Ott Appraisal, Inc.**

# ***Carter-Ott Appraisal, Inc.***

## ***Real Estate Appraisers and Consultants***

6170 Ridgeview Court, Suite E • Reno, NV 89519 • (775) 827-4550 • fax (775) 827-4555

December 18, 2013

UNR Real Estate  
MS 239  
Reno, NV 89557-0239

Re: Appraisal Review for Proposed Permanent Easement associated with the McCarran Widening Project, of which University of Nevada is the owner of said land (APN 021-010-05) which is the Main Station Field Lab, encompassing the easement area.

The following is a review of the appraisal for the above referenced property, the review of which is intended to comply with Standard 3 of the Uniform Standards of Professional Appraisal Practice (USPAP).

The purpose of this appraisal review is to evaluate the report for technical compliance along with evaluating whether or not the value in the report, based on data presented, appears reasonable. The client is the UNR Real Estate department and the intended users of this review are also the UNR Real Estate department and the Board of Regents, University of Nevada System. The intended use of the appraisal review is for internal purposes in consideration of just compensation for the potential purchase of the approximate 6,166 sq.ft. easement associated with the McCarran Boulevard road widening project. The easement appraisal reviewed was conducted by Mr. Anthony Wren with an effective valuation date of April 1, 2013.

The appraisal reviewed involved the fee simple interest with the following value conclusions made by Mr. Wren:

Effective Date of Valuation:	April 1, 2013
Value of Whole, Before the take:	\$520,542
Value of the Part Taken, as Part of the whole:	\$14,737 (the permanent easement)
Value of the Remainder, as a part of the whole:	\$505,805
Value of the Remainder, after the Take:	\$520,542*
Concluded Value of Permanent Easement:	\$14,737

\*Appraiser's conclusion, but should be \$505,805



The scope of this assignment involved reading the appraisal report along with reviewing the report for technical compliance to reporting requirements set forth under USPAP. Although not specifically stated in the appraisal document reviewed, the appraisal was prepared to conform to the Uniform Appraisal Standards for Federal Land Acquisitions.

In addition, I also read the appraisal to determine whether the value follows logically from the data and analysis in the report. I physically visited the property along with the sales comparables used. I also spoke with Mr. Wren regarding the methodology used for valuing the property and completed more research on each of the sales; I spoke with Nathan Gilbert, Associate Planner with the City of Reno, in order to analyze potential related entitlement costs associated with valuing the subject's "larger" parcel at its highest and best use.

The results of this review are summarized on the next two tables with additional comments regarding the content of the appraisal following.

<b>Appraisal Report - General</b>			
<b>Item</b>	<b>Acceptable</b>	<b>Unacceptable</b>	<b>N/A</b>
Subject Property Photos	X		
Identification of Subject	X		
Location Analysis and Summary	X		
Site Description	X		
Highest and Best use	X		
Improvement Description			X
Cost Approach			X
Sales Comparison Approach	X		
Income Capitalization Approach			X
Maps & Exhibits	X		
Comparable Photos	X		
Addenda Content	X		
Math Accuracy	X	clarification made	

USPAP and Other			
Item	Acceptable	Inadequate	N/A
Not Misleading	X		
Sufficient Information	X		
Extraordinary Assumption			X
Identity & Summarize Client & Intended Users	X		
State Intended Use	X		
Identify and Summarize Subject	X		
Real Property Interest Appraised	X		
Definition of Value	X		
Effective Date of Appraisal and Date of Report	X		
Scope of Appraisal	X		
Assumptions and Limiting Conditions	X		
Describe/Summarize Data Appraisal Procedure & Reasoning	X		
Highest and Best Use	X		
Exclusion of Usual Approach	X		
Signed Certification	X		
Conform to USPAP	X		
Appraisal Must be Written	X		
State Certified General Appraiser	X		

**Report Organization**

The report is well organized and logically flows from the location summary into the highest and best use and then valuation.

**Purpose, Intended Use, Users of Appraisal**

Since I did not receive a copy of the engagement letter for the appraisal reviewed, I am assuming that the appraiser's purpose and intended use, as referenced on page 7 of the report is accurate.

**Property Identification and Site Description**

On page 31 of the report reviewed, the flood zone was identified as the AE (100 year) flood zone, whereas on page 33 of the report within the conclusion section, the 5 acre portion of the property was identified as being in the Flood Zone X, shaded. Upon researching the Washoe County

Assessor's records and FEMA maps, except for the area closest to the Truckee River, the portion of the subject site, encompassing the majority of the larger parcel and easement area appears to be in flood zone X, shaded, which is a flood hazard area with .2 percent-annual-chance floodplain. Based on my confirmation, this (Flood Zone X, shaded) appears to be the correct flood zone designation. This clarification does not impact the value conclusion.

On page 31, under zoning, the property was identified to have "General Rural" or GR zoning under Washoe County. Because the subject is within the City of Reno's "sphere of influence" the parcel would be under the City of Reno's jurisdiction for any approvals and has a zoning identified by the City of Reno as UT or Unincorporated Transitional - 40 acres. The subject is also within a master planned area designated as a Special Plan Area. Regardless of any potential clarification with the zoning, this has no impact on the value. Similar to GR zoning, the minimum site size is 40 acres; however, per the highest and best use, there would be a probability of obtaining a zone change to industrial.

Although not specifically identified in the appraisal report reviewed, it is noted that the parcel directly south of the subject, owned by the University of Nevada, designated as APN 021-010-07, with 104+ acres, received a zoning map amendment with the a MSFL McCarran Center Planned Unit Development (PUD) effective March 27, 2013. The PUD calls for commercial, office flex, and business park uses along with roadway and drainage provisions on this 104+ acres.

### **Valuation**

The sales used for comparison purposes were shown on page 39, and while not shown on the chart, nor on the Land Sales Data sheets (pages 41 to 52), each of the parcels have the following flood zone designations:

Land Sale No. 1:	Zone AE
Land Sale No. 2:	X, unshaded
Land Sale No. 3:	X, unshaded
Land Sale No. 4:	X, unshaded
Land Sale No. 5:	X, unshaded
Land Sale No. 6:	X, shaded

Land Sale Nos. 2 through 5 have superior flood designations as the subject, whereas the flood designation for Land Sale No. 1 is inferior and the flood zone for Land Sale No. 6 is similar. The fact that comparable sales 2 through 5 have flood zone designations that are generally superior to that identified for the subject's larger 5+ acre parcel helps to support the superiority of these sales compared to the subject.

Land Sale No. 3 was rated as being similar in location to the subject property; however, it is my opinion that this location is somewhat inferior, since a railroad track must be crossed and this park does not have the proximity nor traffic exposure from a main thoroughfare, such as the subject's McCarran Boulevard area. However, I confirmed this sale, and it is judged that the buyer was motivated to purchase this property, paying an above market price, since the owner wanted to consolidate their business to this site and be near another property they occupy. Nonetheless, these two differences are offsetting, not impacting the value.

In addition, Land Sale No. 6 was purchased by McKenzie Properties in conjunction with several other parcels; thus, it is judged that a somewhat discounted price was achieved for economies of scale associated with essentially making a "bulk" purchase.

In spite of the nuances noted above, the concluded value of the subject appears reasonable.

#### **Value Conclusion**

All sale parcels were identified as having superior zoning as the subject, which I believe, is the overriding reason for all land sales being superior to the subject and for the value being weighted at the lower end. Upon conducting independent research on the possible cost to change the use to industrial, while probable, it is judged that the process could be both timely, contentious, and relatively expensive. Therefore, in spite of some of the nuances discussed above (for location and the bulk purchase No. 6), the lower end of the sale range appears to be supported for the value estimate of the larger parcel of \$2.39 per sq. ft. and also the permanent easement.

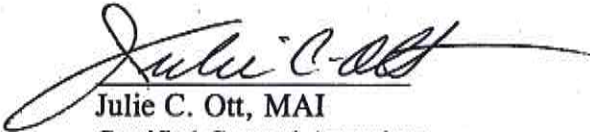
The appraiser's concluded value for the "remainder" defined on both page two of the cover letter and page 65 was estimated at \$520,542; however, the permanent easement figure of \$14,737 needs to be deducted, for the correct value of the "remainder, after the take" of \$505,805. However, this has no impact on the concluded permanent easement value.

#### **Review Conclusion**

In spite of the clarifications discussed above, the appraiser's concluded market value of the permanent easement appears reasonable. Furthermore, while the overall area market conditions (unemployment rate and industrial market) have improved for Reno/Sparks, since the effective date of valuation (April 1, 2013) to the time period of this review, it is judged that there has not been any market data that would support a different value in light of the subject's larger parcel site characteristics and entitlements required for a development to its highest and best use.

Assumptions and limiting conditions along with a certification applicable to this review letter are attached. Please do not hesitate to call with any questions.

Sincerely,



Julie C. Ott, MAI  
Certified General Appraiser  
State of Nevada, License No. A.0000748-CG  
Expires 8/31/2014

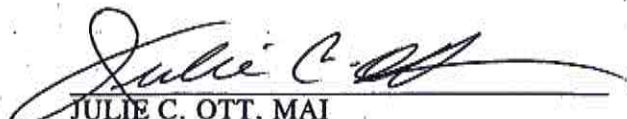
## ASSUMPTIONS AND LIMITING CONDITIONS

1. This review is based on data and information contained in the appraisal report under review as well as additional information from other sources identified.
2. Except for those items that could be checked easily by sources known, it is assumed that data and information contained in the appraisal under review are factual and accurate.
3. The appraisal review is based on an effective valuation date of April 1, 2013, as identified in the appraisal reviewed.
4. Unless otherwise stated, all of the assumptions and limiting conditions in the appraisal report under review are also conditions of this report.
5. As noted, since I did not receive a copy of the engagement letter for the appraisal reviewed, I am assuming that the appraisers purpose and intended use, as referenced on the cover letter and pages 7 and 8 of the report are accurate.
6. Under Section A-9 and D-1b of the Uniform Appraisal Standards for Federal Land Acquisitions, it is noted that estimates of a marketing and exposure time shall not be used in a report completed under UASFLA standards. While contrary to USPAP, this is a Jurisdictional Exception Rule under USPAP. Thus, no marketing/ exposure time were included in the report reviewed.

## CERTIFICATION

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

1. The facts and data reported by the reviewer and used in the review process are true and correct.
2. The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this work under review or to the parties involved with this assignment.
4. I have no bias with respect to the property that is the subject of this report under review or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal under review.  
  
Furthermore, the appraisal review assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
7. My analyses, opinions, and conclusions were developed and this review report was prepared in conformity the Uniform Standards of Professional Appraisal Practice.
8. I have not made a personal inspection of the subject property of the work under review.
9. No one provided significant professional assistance to the person signing this report.
10. 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 and the Standards of Professional Practice of the Appraisal Institute.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. In accordance with the competency provision of the Uniform Standards of Professional Appraisal Practice (USPAP), I have verified that my knowledge and experience is sufficient to allow me to competently complete this appraisal review unless stated otherwise in this report.
13. I have not performed appraisal services regarding the subject property within the prior three years.

  
JULIE C. OTT, MAI  
Certified General Appraiser  
State of Nevada, License No. A.0000748-CG  
Expires 8/31/2014

# JOHNSON~PERKINS & ASSOCIATES, INC.

REAL ESTATE APPRAISERS & CONSULTANTS

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Scott Q. Griffin, MAI  
Daniel B. Oaks, MAI  
Benjamin Q. Johnson, MAI

Karen K. Sanders  
Gregory D. Ruzzine  
Chad Gerken

April 26, 2013

Mr. William Coleman, P.E., Senior Engineer  
Wood Rodgers  
5440 Reno Corporate Drive  
Reno, Nevada 89511

Mr. Steven Harris, Project Manager  
Overland, Pacific & Cutler, Inc.  
8950 Cal Center Drive, Suite 102  
Sacramento, California 95826

Re: McCarran Widening Project  
Project Code WDR-002 APP-003.2  
A.P.N. 021-010-05 (The Board of Regents, University of Nevada System)

Gentlemen:

In response to your request, I have prepared a review of the appraisal report of a parcel of land located at 1000 Clean Water Way, Reno, Nevada. The subject property, which is owned by the Board of Regents, University of Nevada System, is a portion of Washoe County Assessor's Parcel Number 021-010-05. The entire ownership contains 118.613± acres. The larger parcel has been identified as a 5± acre parcel of land located within the entire ownership, and more specifically, at the northwest corner of the property.

The appraisal report was prepared by Mr. Anthony J. Wren, MAI, SRA, Nevada Certified General Appraiser No. A.0000090-CG. Mr. Wren prepared the appraisal report on March 4, 2013. Mr. Wren estimated the Market Value of the subject property and the total recommendation for compensation, as a result of the proposed project, as follows:

Reno ■ Lake Tahoe

Effective Date of Valuation	April 1, 2013
Market Value, Before Acquisition	\$520,542
Market Value, After Acquisition	\$520,542
Market Value, Permanent Easement	(Rd) \$14,737
Total Recommended Compensation	(Rd) \$14,737

This appraisal review was prepared on April 26, 2013.

The intended users of this appraisal review report include Wood Rodgers, Overland, Pacific & Cutler, the Nevada Department of Transportation and the Regional Transportation Commission of Washoe County. The intended use of the appraisal review is for internal management purposes and to assist in establishing an offer of just compensation for the purchase of a 6,166± square foot permanent easement for the Nevada Department of Transportation, Southeast McCarran Widening Phase II, Longley Lane to Greg Street Project. The client in this appraisal review assignment is Wood Rodgers and Overland, Pacific & Cutler.

The purpose of the appraisal review assignment is to evaluate the appraisal report and its compliance with the Uniform Standards of Professional Appraisal Practice and the Uniform Appraisal Standards for Federal Land Acquisitions, and to assess the reasonableness of the analysis and conclusions as set forth in the appraisal report.

The scope of the appraisal review included a desk review of the appraisal report, an exterior inspection of the subject property and the comparable sales as set forth in the appraisal report, a check of mathematical calculations as set forth in the appraisal report, an interview with the appraiser, Mr. Anthony J. Wren, MAI, SRA and the preparation of the appraisal review report. The appraisal review has been prepared in accordance with the requirements set forth under Standards Rule 3 of the Uniform Standards of Professional Appraisal Practice for an appraisal review, and the Standards for Review of Appraisals as set forth in the Uniform Appraisal Standards for Federal Land Acquisitions.





**APPRAISAL COMMENTS**

**Appraiser's Name** Anthony J. Wren, MAI, SRA  
Nevada Certified General Appraiser  
#A.0000090-CG

A summary of Mr. Wren's qualifications as a real estate appraiser is set forth in the addenda to the appraisal report.

**Client** Wood Rodgers and Overland, Pacific & Cutler

**Effective Date of Valuation** April 1, 2013

**Effective Date of Report** April 8, 2013

**Intended Users of Report**

The appraiser indicates that the intended users include Wood Rodgers, Overland, Pacific & Cutler, the Nevada Department of Transportation and the Regional Transportation Commission.

**Intended Use of Report**

The appraiser indicates that the intended use of the appraisal is for use by the client in negotiating an equitable price for a permanent easement for the McCarran Widening Project to be acquired by the Nevada Department of Transportation (NDOT).

**Purpose of Report**

The appraiser indicates that the purpose of the appraisal is to provide an opinion of the current Market Value of the property appraised and make a recommendation as to the just compensation due for the acquisition of a permanent easement, as of the effective date of value.

**Statement of Assumptions and Limiting Conditions**

A statement of general assumptions and limiting conditions is set forth on Pages 66-70 of the appraisal report. In the preparation of the appraisal report, Mr. Wren has not made any extraordinary assumptions and limiting conditions or estimated the Market Value of the subject property, subject to a hypothetical condition.

**Description of the Subject Property**

<b>Assessor's Parcel Number</b>	021-010-05
<b>Address</b>	1000 Clean Water Way, Reno, Nevada
<b>Location</b>	The entire ownership is located at the northeast corner of South McCarran Boulevard and Clean Water Way, Reno Washoe County, Nevada. The larger parcel, which is estimated to contain 5± acres, is generally located in the most northwesterly portion of the entire ownership.
<b>Name of Owner</b>	Board of Regents, University of Nevada System

**Known and Observed Encumbrances**

The appraiser does not indicate any overt signs of easements or other encumbrances which would have a detrimental impact on the subject property's development potential.

**Title Information**

In the preparation of the appraisal report, Mr. Wren has utilized a Preliminary Title Report prepared by First American Title Company, Commitment No. 9015-2423301, dated March 31, 2012. Mr. Wren indicates that all exceptions were considered to be typical. Mr. Wren further summarizes numerous exceptions as set forth on Pages 29-30 of the appraisal report. Mr. Wren concludes that these exceptions have no impact on value.

### **Sales History**

The appraiser indicates that there have been no arm's length transactions of record with respect to the subject property in the past 10 years.

### **Area Description**

A Reno-Sparks area description is set forth on Pages 13-23 of the appraisal report. The summary and conclusion is set forth on Page 23 of the appraisal report. Mr. Wren indicates that growth, or the lack thereof, continues to be the defining element of the Truckee Meadows. The appraiser further indicates that although the economy remains in crisis, there are some small signs of improvement. He further indicates that the long term impact of the housing crisis, the inventory of foreclosed homes, high gas prices, high unemployment and the National recessions impact on area employment, retail sales, gaming revenue and construction is not yet known, however, most experts are forecasting a long recession and a slow recovery for the local economy and real estate markets.

### **Neighborhood Description**

The neighborhood description is set forth on Pages 25-27 of the appraisal report. The appraisal describes the subject neighborhood as a multi-use area, which includes industrial uses such as distribution and warehousing, professional offices, retail-commercial uses and tourist-commercial uses and residential areas.

### **Zoning**

GR (General Rural)

### **Present Use**

The subject property is a portion of the University of Nevada Farm, Main Station Field Laboratory, which is operated as an agricultural research facility for the University of Nevada. The appraiser indicates that the subject property is improved with older farm buildings, none of which are located within the proposed permanent easement.

**Land area**

<b>Entire Ownership</b>	118.613± Acres
<b>Larger Parcel</b>	5± Acres

**Utilities**

All available in the vicinity of the subject property

**Large Parcel**

An analysis of the subject's larger parcel is set forth on Pages 32-33 of the appraisal report. A diagram depicting the approximate location of the larger parcel is set forth on Page 33. In addition, two aerial photographs are set forth on Page 6 of the appraisal report depicting the subject larger parcel, as well as the approximately location of the proposed permanent easement.

As indicated in the appraisal, the proposed 6,166± square foot permanent easement is located in the most northwesterly portion of the subject property, which contains 118.613± acres. The appraiser further indicates that the University of Nevada Farm, Main Station Field Laboratory includes approximately 1,000± acres. However, the appraiser indicates that, "although the ownership meets two of the tests necessary to constitute a single larger parcel, it is unlikely that it would sell as a single agricultural unit. Its utility as an agricultural holding is unique to the University and its educational mandate. The exclusion of one portion of the entire holding would not affect the operation of the balance. It is unlikely the "University Farm" would sell as a unified agricultural holding. It is more likely that if the University were to choose to divest themselves of the Farm, it would be done on a piecemeal basis. Smaller parcels would be sold to individual buyers, each with a unique expectation regarding their ability to use the site."

Under the current zoning (GR) General Rural, the minimum site size would be 40 acres. As a result, Mr. Wren has analyzed a 40 acre parcel located in the most westerly portion of the 118.613± acre parcel. Further, the appraiser has identified approximately 5± acres of the most northwesterly portion of the 40 acres to be suitable for industrial development. Therefore, the appraiser has identified the subject larger parcel to be a vacant 5± acre site ready to be developed to its highest and best use. Based upon the analysis contained in the appraisal report, I concur with Mr. Wren's identification of the larger parcel.

#### **Highest and Best Use**

The highest and best use analysis is set forth on Pages 34-37 of the appraisal report. Under the analysis of legally permissible uses of the subject property, the appraiser indicates that the subject property is zoned GR, which is a general rural zoning designation. The appraiser further indicates that the parcel located directly south of the subject property, also owned by the University, has recently been annexed into the City of Reno, and that the City Council has approved a zoning change from GR to Industrial. As a result, the appraiser concludes that there is a likelihood that the property could be rezoned to industrial uses. This review appraiser concurs with this analysis.

#### **Physically Possible Uses**

The appraiser reaffirms the concept of the larger parcel, utilizing a 5± acre site as the basis for analysis. The appraiser further indicates that the subject property has access from South McCarran Boulevard, which is adequate and typical. Although this review appraiser does not disagree with this analysis, it is noted that the ingress and egress to the subject property from South McCarran Boulevard is limited to right-in/right-out for northbound traffic only.

Mr. Wren concludes that the highest and best use of the subject property, as vacant, would be for future development at a time when economic conditions would warrant new industrial construction within the Reno-Sparks market, and that the most probable purchaser of the subject property would be an investor.

This review appraiser concurs with that analysis.

### APPROACHES TO VALUE

To arrive at an indication of the Market Value of the subject property, prior to the acquisition of the temporary construction easement, the appraiser has utilized the Sales Comparison Approach or Market Approach to Land Value.

A summary of the comparable sales utilized by the appraiser is set forth on Page 39 of the appraisal report. Following the Comparable Land Sale Chart is a Comparable Land Sales Location Map and Comparable Land Sales Data Profile Sheets.

The comparable sales utilized in the appraisal analysis range in date of sale from March 30, 2011 to October 16, 2012, in comparison to the subject's effective date of valuation of April 1, 2013. The comparable sales range in land area from .81± acres (35,240± square feet) to 9.576± acres (417,131± square feet), in comparison to the subject larger property, which contains 5.0± acres or 217,800± square feet. The comparable sales have a variety of zoning classifications ranging from I (Industrial) to MUNV (Mixed Use North Valleys). The subject property is zoned GR, and is considered to have a highest and best use for Industrial development.

The principle comparison factors utilized by the appraiser include property rights, terms of sale, date of sale (time), location, utility, zoning and size. An analysis of the comparable sales is set forth on Pages 54-57 of the appraisal report. A summary and conclusion of value, including a comparable land sales adjustment chart, is set forth on Page 57 of the appraisal report.

Generally, this review appraiser concurs with the analysis as set forth in this section of the appraisal report. The comparable sales occurred during 2011-2012, in comparison to the subject's March 7, 2013 effective date of valuation. The market has generally stabilized during this time frame, and there have been relatively few industrial land sales in the Reno-Sparks market.



The appraiser sets forth an adequate discussion of the adjustments made to the comparable sales in comparison to the subject property, including location, utility, zoning and size. The appraiser sets forth a brief discussion of each of the comparable sales in comparison to the subject property. A Summary and Conclusion of Value is set forth on Page 57 of the appraisal report. An adjustment chart summarizes the adjustments which the appraiser has made to each of the comparable sales in comparison to the subject property.

An analysis of the proposed permanent easement is set forth on Pages 58-63 of the appraisal report. Pages 59-60 sets forth a legal description for the permanent easement and Page 61 contains a Plat Map identifying the permanent easement. As indicated, the permanent easement is located along the subject's westerly property line. It is my understanding that the permanent easement will be a slope easement to be utilized in conjunction with the McCarran Widening Project.

A discussion of the restrictions which will be imposed as a result of the permanent easement is also set forth on Pages 62-63 of the appraisal report. The appraiser indicates that the easement will impose certain physical and legal restrictions on the use and development of the subject property. The easement will preclude construction of permanent structures within the area encumbered, although it is the appraiser's opinion this will be a minor inconvenience due to the easements location. The appraiser indicates that typically this area is utilized or set aside for utilities, telephone or similar easements. The imposition of the easement will not restrict the owner's right to sell, lease, give away or otherwise convey the real estate.

Given the utilization of the permanent easement as a slope easement in conjunction with the McCarran Widening Project, the appraiser concludes that the burden of the easement ranks near the top of the burdened area. As a result, the appraiser concludes that the Market Value of the permanent easement would be approximately 100% of the fee value of the subject property. The appraiser indicates that the permanent easement is for slope control, which totally limits the property owner's use.

As a result, the appraiser has valued the proposed permanent easement to be \$2.39 per square foot, which when applied to the estimated land area of 6,166± square feet, results in an indicated value of \$14,737.

An analysis of the Market Value of the remainder, after the acquisition of the easement, is set forth on Pages 64-65 of the appraisal report. I concur with the appraiser's conclusion that there will be no visual impact on the subject site, as the permanent easement is for slope control. I further concur with the appraiser that there are no damages or benefits associated with the project as a result of the acquisition of the permanent easement.

Mr. Wren has taken the position that the Market Value of the remainder parcel, after the take, will remain the same as the Market Value of the whole property prior to the take, in the amount of \$520,542. This review appraiser disagrees with that conclusion. Essentially, Mr. Wren has estimated the Market Value of the permanent easement to be 100% of the fee simple value. Although the subject property owner retains an ownership interest in the demised premises, the appraiser does indicate that the easement is for slope control, which totally limits the property owner's use.

As a result, the Market Value of the remainder parcel, after the acquisition, is equal to the Market Value of the subject property, in the before condition, less the Market Value of the permanent easement. The following chart sets forth a summary of this analysis. It is noted that this analysis does not affect the appraiser's recommendation of just compensation due the subject property owner as a result of the proposed acquisition.

Market Value, Larger Parcel, Before Acquisition	\$520,542
Market Value, Permanent Easement	(Rd) <u>\$14,737</u>
Market Value, Remainder, Before Acquisition	\$505,805
Market Value, Remainder, After Acquisition	\$505,805
Damages	None
Special Benefits	None
Recommended Just Compensation	(Rd) \$14,737

**REVIEW APPRAISER REMARKS**

It is this review appraiser's opinion that the appraisal report submitted by Mr. Wren constitutes a summary appraisal report as defined by the Uniform Standards of Professional Appraisal Practice. Further, it is my opinion that the appraisal report meets the appraisal requirements of the Uniform Standards of Professional Appraisal Practice and the requirements of the Uniform Appraisal Standards for Federal Land Acquisitions.

Based upon a review of the data and analysis contained in the appraisal report, the methodology utilized in the appraisal report and the assumptions and limiting conditions as set forth in the appraisal report, I concur with Mr. Wren's final value estimate of the fee simple interest in the subject property in the amount of \$2.39 per square foot, as of April 1, 2013.

Further, I concur with the analysis of the compensation due the owner for the acquisition of a permanent easement in the amount of \$14,737 (Rd).

Therefore, it is my recommendation that the appraisal of the subject property be approved as an adequate basis for the establishment of the offer of just compensation.

The review appraisal report has been prepared in accordance with the requirements of Standards Rule 3 of the Uniform Standards of Professional Appraisal Practice and the requirements for a review appraisal as set forth in the Uniform Appraisal Standards for Federal Land Acquisitions.

### REVIEW APPRAISER'S CERTIFICATION

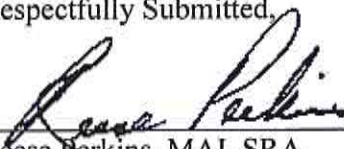
Each of the undersigned do hereby certify that, unless otherwise noted in this appraisal review report:

- I have made an exterior 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 review report.
- I have performed no services as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- To the best of my knowledge and belief, the statements of fact contained in this appraisal review 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*.
- The appraisal review was made and the appraisal review report prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisition.
- The appraisal review was made and the appraisal review report prepared in conformity with the Appraisal Foundation's Uniform Standards for Professional Appraisal Practice, except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions required invocation of USPAP's Jurisdictional Exception Rule, as described in Section D1 of the Uniform Appraisal Standards for Federal Land Acquisitions. As a result, an estimate of Exposure and Marketing Time is not required in the appraisal, which is the subject of this review.

- 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.
- 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 review 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.

This Review Appraisal Report was prepared on April 26, 2013.

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 & Associates, Inc. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of Johnson-Perkins & Associates, as employees, not as individuals. The liability of Johnson-Perkins & 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 4/30/15

**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
National USPAP Update Course	2008

Appraisal Foundation

1999 USPAP Review	1998
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**Appraisal Seminars**

Various Appraisal and Continuing Education Seminars	1974-2010
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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  
Aggregate Quarries  
Mortuaries and Cemeteries  
Water Companies  
Open Pit Mines  
Fire Science Academies

**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  
Clark County Board of Equalization  
White Pine County Board of Equalization  
Nevada State Board of Equalization



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(NDOT)

An Appraisal of

Assessor's Parcel Number 021-010-05

Located at  
1000 Clean Water Way  
Reno, Washoe County, Nevada 89502

Owned by

The Board of Regents, University Of Nevada System

Prepared For  
William Coleman P.E., Senior Engineer  
Wood Rodgers  
5440 Reno Corporate Drive  
Reno, Nevada 89511

For the Purpose of Estimating the Value of a  
6,166± sf Permanent Easement for the Nevada  
Department of Transportation, S.E. McCarran Widening  
Phase II Longley Lane to Greg Street Project

As Of April 1, 2013

Date of Report  
April 8, 2013

ANTHONY J. WREN AND ASSOCIATES

P.O. BOX 20867  
RENO, NEVADA 89515  
(775) 329-4221  
FAX (775) 329-5382

TONY WREN, MAI, SRA  
CERTIFIED GENERAL APPRAISER

SUSAN WREN  
CERTIFIED RESIDENTIAL APPRAISER

April 8, 2013

William Coleman P.E., Senior Engineer  
Wood Rodgers  
5440 Reno Corporate Drive  
Reno, Nevada 89511

RE: 1000 Clean Water Way, Reno, NV 89502  
McCarran Widening Project  
Project Code NDT-002 APP-003.1  
APN: 021-010-05

Dear Mr. Coleman

At your request, I have completed an appraisal of and prepared the following appraisal report for the property referenced above. The purpose of my appraisal is to estimate the market value of the property and make a recommendation of compensation for the acquisition of a 6,166± square foot permanent easement for the widening of McCarran Boulevard. The subject is identified as Assessor's Parcel Number 021-010-05. The entire property contains 118.613± acres but a larger parcel concept is being used. The larger parcel is considered to be 5.00± acres. It is owned by The Board of Regents, University Of Nevada System.

This appraisal is being prepared for the purpose of estimating the market value of one permanent easement containing 6,166± sf of land. The Nevada Department of Transportation, (NDOT) will acquire this easement. The proposed easement is permanent in nature and an acquisition is involved. The purpose of this analysis is to estimate the market value which will represent just compensation due the property owner.

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

The report is intended to conform with Section 2-2(b) of the Uniform Standards of Appraisal Practice and is considered to be a summary report.

The subject property is an improved agricultural site. After inspection of the property and a review of the location of the permanent easement, it was determined that the easement does not affect the improvements. Therefore, the appraisal will be made as if the property were vacant, and the valuation "as is" will be as vacant land only.

Further, the client has indicated to the appraiser that any improvements disturbed due to the easement such as landscaping, sidewalks, curbs, gutters, etc., will be

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**An Appraisal of**

**Assessor's Parcel Number 021-010-05**

**Located at  
1000 Clean Water Way  
Reno, Washoe County, Nevada 89502**

**Owned by  
The Board of Regents, University Of Nevada System**

**Prepared For  
William Coleman P.E., Senior Engineer  
Wood Rodgers  
5440 Reno Corporate Drive  
Reno, Nevada 89511**

**For the Purpose of Estimating the Value of a 6,166± sf Permanent  
Easement for the Nevada Department of Transportation, S.E.  
McCarran Widening Phase II Longley Lane to Greg Street Project**

**As Of April 1, 2013**

**Date of Report  
April 8, 2013**

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

mitigated and will be returned to their "as is" condition in the after condition. Therefore, no further analysis of any improvements is included in this analysis.

The proposed easement is a strip of land located along the north/west boundary of the subject site. Based on my inspection of the subject and a thorough research of the market, my conclusions and recommendations of compensation are as follows:

### SUMMARY OF VALUE CONCLUSIONS

(Accounting tabulation not indicative of appraisal method employed)

A.	Value of the whole, before the take:		\$520,542
B.	Value of the part taken, as part of the whole:		\$14,737
	Permanent easements	\$14,737	
C.	Value of the remainder, as part of the whole:(A – B)		\$505,805
D.	Value of the remainder, after the take:		\$520,542
E.	Damages		\$0.00
	Severance damages (C – D)	\$0.00	
	Cost to cure damages	\$0.00	
F.	Other		\$0.00
G.	Total Value of the Part Taken (B + E + F)		\$14,737

The following is an appraisal report in a summary format. It has been prepared in conformance with the reporting requirements of the Appraisal Foundation as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), as well as the Supplemental Standards required by the Appraisal Institute. My conclusions and the data and analysis upon which they are based are summarized in the attached appraisal report.

Respectfully Submitted,

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

**Hypothetical Condition:**

The subject property will be appraised as though it is a 5± acres vacant site and ready to be put to its highest and best use, which is as vacant industrial use.

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**NDOT CERTIFICATE OF APPRAISER<sup>1</sup>**

Project: NDT-002 APP-003.1

I hereby certify:

That on April 1, 2013, I personally made a field inspection of the property herein appraised, and that I have afforded the property owner, or his designated representative, the opportunity to accompany me at the time of the inspection. I have also, in January/February 2013, personally made field inspections of the comparable sales relied upon in making said appraisal. The subject and the comparable sales relied upon in making said appraisal were as represented in said appraisal.

That to the best of my knowledge and belief the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed therein are based is correct; subject to the limiting conditions therein set forth.

That any decrease or increase in the market value of real property prior to the date of valuation caused by the proposed public improvement for which said property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, will be disregarded in determining the compensation for the property.

That I understand said appraisal is to be used in connection with the acquisition of right of way for a highway to be constructed by the State of Nevada with the assistance of Federal-aid highway funds, or other Federal funds.

That said appraisal has been made in conformity with the Uniform Standards of Professional Appraisal Practice, appropriate State laws, regulations, policies and procedures applicable to appraisal of right of way for such purposes; and that to the best of my knowledge no portion of the value assigned to such property consists of items which are non-compensable under the established law of said state.

That the provisions of Public Law 91-646, Title III, Section 301, were taken into consideration in the performance of this appraisal.

That neither my employment nor my compensation for preparing this appraisal is in any way contingent upon the values reported herein.

That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property appraised.

That I have not revealed the findings and results of said appraisal to anyone other than the proper officials of the Nevada Department of Transportation or the Federal Highway Administration and I will not do so until so authorized by State officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

That the conclusions set forth in this appraisal were reached without collaboration or direction as to value.

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<sup>1</sup>Rev. 3/11

This appraisal report has been made in conformity with, and is subject to, the requirements of the Code of Professional Ethics and Standards of Professional Practice 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.

As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

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

That my opinion of the market value of the property appraised, as of April 1, 2013, is as follows:

Value of the Whole, Before the Take:	\$520,542
Value of the Remainder, After the Take:	\$520,542
Total Value of the Part Taken:	\$14,737

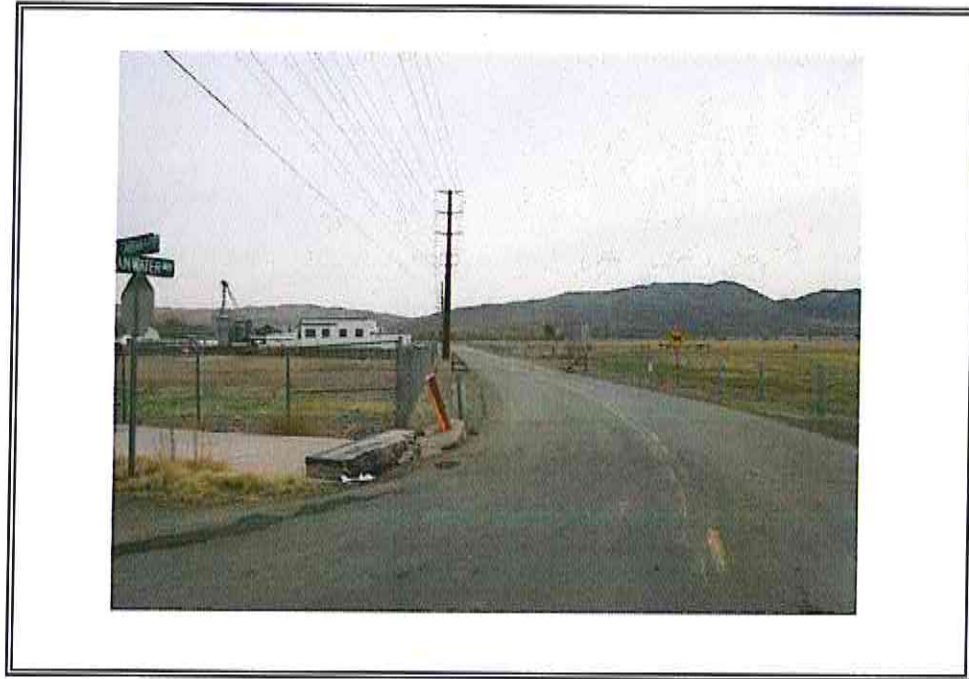
Signature \_\_\_\_\_  
Anthony J. Wren, MAI, SRA  
Nevada Certified General Appraiser # A.0000090-CG

Date \_\_\_\_\_

**Hypothetical Condition:**

The subject property will be appraised as though it is a 5± acres vacant site and ready to be put to its highest and best use, which is as vacant industrial use.

**SUBJECT PROPERTY PHOTOGRAPHS**



**View of Clean Water Way looking east**



**View of S. McCarran looking north**



**SUBJECT PROPERTY PHOTOGRAPHS**



**View of the permanent easement area**



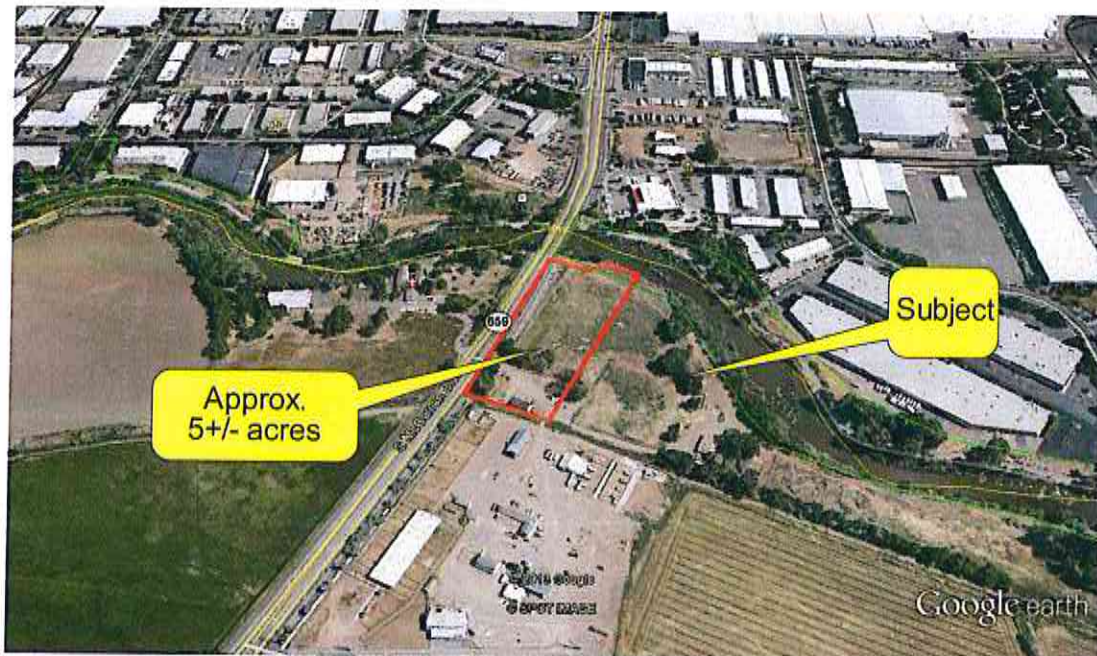
**View of S. McCarran Blvd. Looking north**

**SUBJECT PROPERTY PHOTOGRAPHS**



**View of the permanent easement area**

SUBJECT AERIAL PHOTOGRAPH



## INTRODUCTION

**Client** William Coleman P.E., Senior Engineer  
Wood Rodgers  
5440 Reno Corporate Drive  
Reno, Nevada 89511

**Appraiser** Anthony J. Wren, MAI, SRA  
Nevada Certified General License # A.0000090-CG  
Anthony J. Wren & Associates  
85 Keystone Avenue, Suite C  
Reno, Nevada 89503

**Subject** Assessor's Parcel Number 021-010-05

### **Intended Use/Users of the Report**

For use by the client, Wood Rodgers, Overland Pacific & Cutler (OPC) and the Nevada Department of Transportation (NDOT), in negotiating an equitable price of a permanent easement for the project known as McCarran Widening to be acquired by the Department of Transportation.

### **Identification of the Appraisal Problem**

The appraisal must address the compensation to the owner as a result of the acquisition of a permanent easement.

### **Owner of Record/Sale History**

According to the preliminary title report prepared by First American Title Company, and dated March 31, 2012, Commitment No. 9015-2423301, the property is vested in the name of The Board of Regents, University Of Nevada System,. The subject property has not sold in the last ten years.

### **Purpose of the Appraisal**

To provide an opinion of the current market value of the property appraised and make a recommendation as to the just compensation due for the acquisition of a permanent easement, as of the effective date of value.

### **Intended Use of the Report**

For use by the client in negotiating an equitable price for a permanent easement for the McCarran Widening Project to be acquired by the Department of Transportation.

**Interest Appraised** Fee Simple

**Effective Date of Value** April 1, 2013

**Date of Report** April 8, 2013

### **Appraisal Development and Reporting Process (Scope)**

This is an appraisal, communicated in a summary format. The report is intended to conform with Section 2-2(b) of the Uniform Standards of Professional Appraisal Practice. In the course of conducting this appraisal, I undertook the following activities.

- a) Performed an inspection of the subject and its neighborhood;
- b) Researched the subject's current physical and legal condition, as well as its background and history;
- c) Examined the market area to determine the existing and proposed inventory, demand, and marketability of properties similar to the subject;

- d) Researched and investigated relative market data including recent sales, leases, and other transactions.
- e) Investigated and analyzed the impact of the proposed easement on the value and utility of the affected parcel.
- f) Prepared the following summary appraisal report.

**Standard Assumptions and Limiting Conditions**

This appraisal was prepared subject to a standard set of assumptions and limiting conditions which are typical for the appraisal industry. These assumptions and limiting conditions are provided in detail at the end of this report.

**Special Limiting Condition:**

None

**Extraordinary Assumptions**

None

**Hypothetical Conditions**

The subject property will be appraised as though it is a 5± acres vacant site and ready to be put to its highest and best use, which is as vacant industrial use.

**DEFINITIONS**

**Condemnation Blight<sup>2</sup>**

A diminution in the market value of a property due to pending condemnation action.

**Controlled Access Highways<sup>3</sup>**

"Controlled Access Highway" means every highway to or from which owners or occupants of abutting lands and other persons have no legal right of access except at such points only and in such manner as may be determined by a public authority.

**Cost to Cure<sup>4</sup>**

A method of measuring damages. This method can be used when the property being appraised has suffered damage that can be physically and economically corrected, e.g., through correction of drainage, replacement of fencing, reestablishment of physical access, or replacement of sewage or water systems. Under no circumstances can the cost to cure measure of damage be applied if the cost to cure exceeds the diminution in value that would result if such a cure were not undertaken. However, if the cost to cure is less than the diminution in the value of the remainder, the cost to cure measure of damage *must* be used.

<sup>2</sup>The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), p.41

<sup>3</sup>Nevada Revised Statutes, Chapter 484.041

<sup>4</sup>Real Estate Valuation in Litigation, 2<sup>nd</sup> ed. (Chicago: Appraisal Institute, 1995), p.296

**Divided Highway<sup>5</sup>**

"Divided highway" means a highway divided into two or more roadways by means of a physical barrier or dividing section, constructed so as to impede the conflict of vehicular traffic traveling in opposite directions.

**Easement<sup>6</sup>**

The right to perform a specific action on a particular land parcel, or portion of a parcel of land, without owning the underlying fee. A continuous easement across multiple tracts of land is often referred to as a right-of-way.

**Exposure Time<sup>7</sup>**

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

**Fee Simple Estate<sup>8</sup>**

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

**General Benefits<sup>9</sup>**

In eminent domain valuation, the benefits that accrue to the community at large as a result of the new public work and the increased general prosperity that accompanies development.

**Highest and Best Use<sup>10</sup>**

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property -specific with respect to the user and timing of the use-that is adequately supported and results in the highest present value.

**Highest and Best Use of land or a site as though vacant<sup>11</sup>**

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

<sup>5</sup>Nevada Revised Statutes, Chapter 484.048

<sup>6</sup>Real Estate Valuation in Litigation, 2<sup>nd</sup> ed. (Chicago: Appraisal Institute, 1995), p.351

<sup>7</sup>The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), p. 73

<sup>8</sup>The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), p. 78

<sup>9</sup>The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), p. 86

<sup>10</sup>The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), p.93

<sup>11</sup>The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), p.93

**Highest and Best Use of land or a site as improved**<sup>12</sup>

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

**Just Compensation**<sup>13</sup>

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken; should put the owner in as good a position pecuniarily as he or she would be if the property had not been taken. Just compensation should put the owner in as good a position as he or she would be if the property had not been taken.

**Larger Parcel**<sup>14</sup>

In governmental land acquisitions, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use.

**Market Value**<sup>15</sup>

Value" means the highest price, on the date of valuation, that would be agreed to by a seller, who is willing to sell on the open market and has reasonable time to find a purchaser, and a buyer, who is ready, willing and able to buy, if both the seller and the buyer had full knowledge of all the uses and purposes for which the property is reasonably adaptable and available. In determining value, except as otherwise provided in this subsection, the property sought to be condemned must be valued at its highest and best use without considering any future dedication requirements imposed by the entity that is taking the property.

**Project Enhancement**<sup>16</sup>

The increase in a property's market value in anticipation of a public project requiring condemnation action.

**Salvage Value**<sup>17</sup>

The term salvage value means the probable sale price of an item, if offered for sale on the condition that it will be removed from the property at the buyer's expense, allowing a reasonable period of time to find a person buying with knowledge of the uses and purposes for which it is adaptable and capable of being used, including separate use of serviceable components and scrap when there is no reasonable prospect of sale except on that basis.

<sup>12</sup>The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), p.94

<sup>13</sup>The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), p.106

<sup>14</sup>The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010) p.110

<sup>15</sup>Nevada Revised Statutes, Chapter 37.009(6)

<sup>16</sup>The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), p.152

<sup>17</sup>49 CFR Subtitle A §24.2(s)

**Scope of the Project Rule<sup>18</sup>**

In eminent domain, any decrease or increase in the fair market value of real property, prior to the date of valuation, caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project other than that due to physical deterioration within the reasonable control of the owner.

**Severance Damages<sup>19</sup>**

The diminution of the market value of the remainder area, in the case of a partial taking, which arises (a) by reason of the taking (severance), and/or (b) the of the improvement in the manner proposed.

**Special Benefits<sup>20</sup>**

In eminent domain valuation, the benefits that arise from the peculiar relation of the land in question to the public improvement, usually resulting from a change in its highest and best use. Special benefits may accrue to multiple parcels (such as all four quadrants of a newly constructed freeway interchange) because the parcels are directly benefitted in a similar manner, if not to the same degree.

**Tenant Owned Improvement<sup>21</sup>**

Any building, structure, or other improvement, which would be considered to be real property if owned by the owner of the real property on which it is located. This shall include any improvement of a tenant-owner who has the right or obligation to remove the improvement at the expiration of the lease term. Just compensation for tenant-owned improvements is the amount, which the improvement contributes to the fair market value of the whole property, or its salvage value, whichever is greater.

**Easement<sup>22</sup>**

The right to perform a specific action on a particular land parcel, or a portion of a parcel of land, without owning the underlying fee.

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<sup>18</sup>The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), p.176

<sup>19</sup>Real Estate Valuation in Litigation, 2<sup>nd</sup> ed. (Chicago: Appraisal Institute, 1995), p. 289

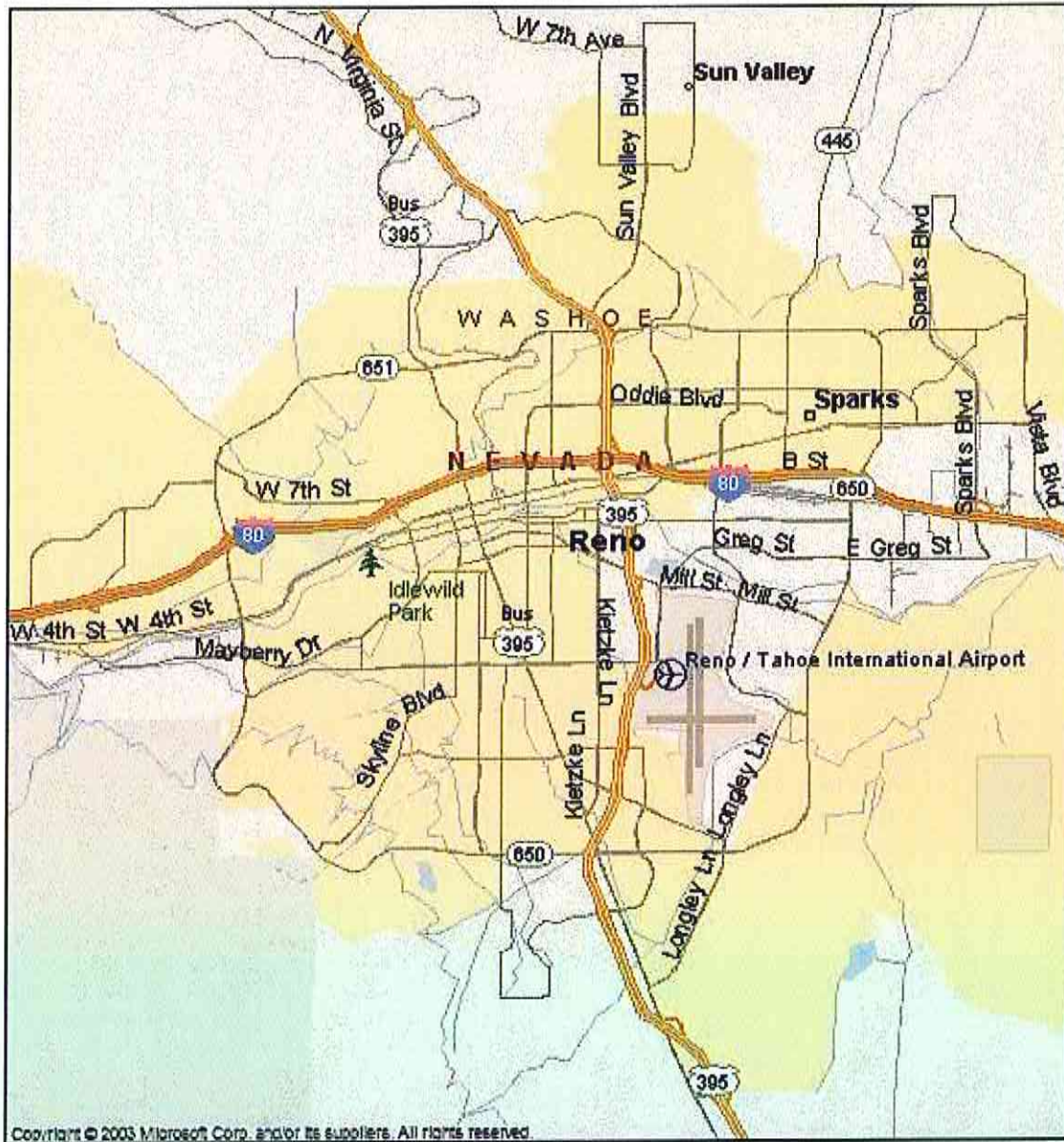
<sup>20</sup>The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), p. 183

<sup>21</sup>49 CFR Subtitle A §24.105(a)(b)(c)

<sup>22</sup> *Real Estate Valuation & Litigation*, 2<sup>nd</sup> Edition (Chicago: Appraisal Institute, 1995), p. 351



AREA MAP



**RENO/SPARKS AREA DESCRIPTION**

Reno and Sparks comprise the second largest urban area in Nevada. They are located in southern Washoe County, and occupy a broad basin at the foot of the Sierra Nevada Mountains. Because the Truckee River traverses the basin on its way from Lake Tahoe to Pyramid Lake, the area is known as the Truckee Meadows, although little remains of the once extensive tracts of meadow.

**Population/Housing Stock**

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

**Truckee Meadows Population, 1980-2012  
Fiscal Year End July 1**

Year	Reno	Sparks	Unincorporated	Total	Annual Change
1980	100,756	40,780	52,087	193,623	---
1990	134,930	53,440	68,750	257,120	2.86%
2000	181,603	67,350	92,982	341,935	2.88%
2007	220,613	89,449	107,999	418,061	2.91%
2008	223,012	91,684	109,137	423,833	1.38%
2009	218,143	91,237	107,252	416,632	-1.70%
2010	217,282	91,237	108,860	417,379	0.18%
2011	222,801	92,302	106,490	421,593	1.01%
2012				422,991	0.03%

Historically, population growth has led to strong gains in the area's housing industry. At the end of 2000, the area's total housing stock stood at nearly 150,000 units, including 103,253 single family residences and 46,201 multi-family residences. Regionally, population growth and were very strong through 2005. In 2006, the region began to see the impact of overbuilding. This downturn was compounded by the collapse of the sub-prime lending market and ensuing collapse of the real estate markets.

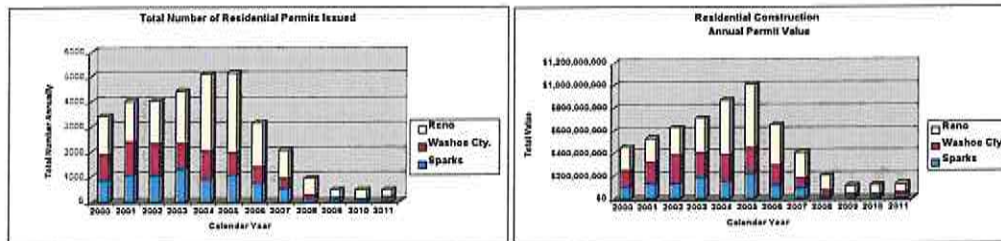
The tables set forth below chronicle the number of single family and multi-family permits issued in the community over the past several years.

**Housing Construction Summary  
Calendar Basis**

	Single Family Permits				Multi Family Unit Count			
	Reno	Sparks	Washoe	Total	Reno	Sparks	Washoe	Total
2000	1,275	868	1,036	3,179	1,101	259	3	1,363
2001	1,453	1,085	1,308	3,846	582	600	4	1,186
2002	1,425	1,029	1,323	3,777	594	312	2	908
2003	1,794	1,343	1,058	4,195	711	295	6	1,012
2004	2,825	908	1,132	4,865	656	163	2	821
2005	2,885	1,492	936	5,313	1,025	147	-	1,172
2006	1,497	618	710	2,825	387	488	5	880
2007	985	595	390	1,970	82	13	-	95
2008	643	122	153	918	4	300	-	304
2009	316	120	70	506	235*	42	-	277
2010	357	88	32	477	134	-	-	134
2011	317	130	73	520	24	-	-	24

\* includes permits to replace 230 multi family units that burned at the Alexander Apartment project being built on South Virginia St. by AJ Spanos.

The single family permit data is depicted on the following graphs.



Year-to-date statistics suggest a slight improvement in both the number of permits and total dollar value over 2011.

Residential projects that had been in the pipeline at the onset of the recession, including master planned communities at all stages of approval and other parcels in the development pipeline would have allowed for future housing growth of between 25,000 and 30,000 homes. Since the beginning of the recession, many of these projects collapsed and many more have lost their entitlements. At the peak of the market, developers and city planners were projecting that, had all of these projects come to fruition and assuming a stabilized absorption of 3,000 to 4,000 dwelling units a year the Truckee Meadows would, in essence, have been built out in the 8 to 10 years. The collapse of the housing market changed these projections and the market's dynamic significantly.

The Reno/Sparks area was hit exceptionally hard by the collapse of the housing market, sub-prime lending melt down and ensuing recession. These events affected housing starts as indicated above and employment as will be reported subsequently. The impact of the recession and housing crisis have bled over into the demand for all forms of commercial properties including office, retail, industrial and other commercial buildings.

In the office market, a number of national and regional home builders including Centex, Lennar, Reynen and Bardis and Pulte Homes had, or were in the process of establishing local headquarters in the area when the crisis hit and many have pulled out of the area.

Sub-prime lenders and other development related enterprises were also severely affected. Their loss and the subsequent loss of employment throughout the market resulted in very high and sustained office vacancies and very soft rents.

### **Employment**

Employment growth drives residential growth. In the years up to 2007, the Truckee Meadows had experienced strong job growth, coupled with unemployment rates below national levels. Historically, employment in the Truckee Meadows was dominated by the gaming industry. In 1990, leisure and hospitality (hotels, gaming, and recreation) accounted for approximately 26.26% of the area's employment. By 2000, the area's reliance on these industries had dropped and these segments of the market accounted for 22.10% of total employment. This trend continued and year to date, on average in 2011 they accounted for only 18.38% of the area's total employment. Most striking, the total number of leisure and hospitality employees stood at 36,100 in September 2012 as compared with an average of 42,900 in 2000. This represents a loss of 6,800 jobs. Even more striking is that this represents a loss of 1,600 jobs in this segment of the economy since 1990.

The crisis in the housing market has had a significant impact on the region's employment; construction employment has dropped by 12,500 since 2007 or 60%. Wholesale and retail trade employment has dropped 4,500 or 12.75% during that time and similar declines can be seen in other categories. The most important statistic is the change in total employment, which has dropped from an average of 223,900 in 2007 to a 2012 average, through September of 188,300. This represents a loss of 35,600 jobs or 15.09% of the work force in 5 years.

The recent announcement by Apple that they will be developing a presence in the Reno/Sparks area including a data center to house its cloud computing service east of Sparks and a business and purchasing center in downtown Reno. Reportedly, this announcement has led to inquiries from a number of large tech companies that may be interested in taking advantage of Nevada's tax friendly environment. It is hoped that this is an indication that a positive trend may be developing.

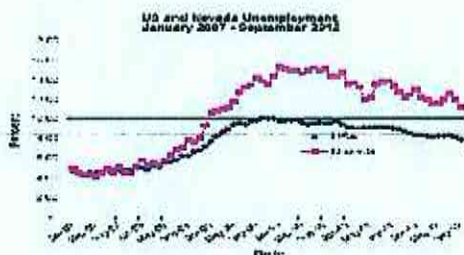
All indications are that the local housing market will remain depressed for some years and that recovery will be slow. Commercial development which is currently at a standstill is also expected to take several years to recover. Retail sales are soft, and all segments of the real estate market are significantly over built.

**Reno/Sparks MSA Employment Statistics  
Washoe County Employment Statistics**

	1990 Avg	2000 Avg	2007 Avg	Jun-11
<b>Total All Industries</b>	<b>144.7</b>	<b>194.1</b>	<b>223.9</b>	<b>187.7</b>
<b>Goods Producing</b>	<b>17</b> 11.75%	<b>28.5</b> 14.68%	<b>36</b> 16.08%	<b>20.6</b> 10.97%
Natural Resources & Mining	1.3 0.90%	0.5 0.26%	0.4 0.18%	0.4 0.21%
Construction	8 5.53%	14.3 7.37%	21 9.38%	9.6 5.11%
Manufacturing	7.7 5.32%	13.6 7.01%	14.6 6.52%	10.6 5.65%
Misc. Manufacturing	1.2 0.83%	3.1 1.60%	3.5 1.56%	2.6 1.39%
<b>Services Producing</b>	<b>127.7</b> 88.25%	<b>165.7</b> 85.37%	<b>188</b> 83.97%	<b>167.1</b> 89.03%
<b>Private Service Producing</b>	<b>109.4</b> 75.60%	<b>141.2</b> 72.75%	<b>158.6</b> 70.84%	<b>139.1</b> 74.11%
Trade, Transportation & Utilities	33.3 23.01%	42.4 21.84%	48.5 21.66%	40.5 21.58%
Wholesale	7.7 5.32%	10.9 5.62%	10.7 4.78%	8.7 4.64%
Retail	18.2 12.58%	21.2 10.92%	24.6 10.99%	20.3 10.82%
Gen. Merchandise & Clothing	4.5 3.11%	5.1 2.63%	7.3 3.26%	6.3 3.36%
Food & Beverage Stores	2.9 2.00%	3.4 1.75%	3.5 1.56%	3.2 1.70%
Trans, Warehousing & Utilities	7.4 5.11%	10.3 5.31%	13.1 5.85%	11.5 6.13%
Information	3.6 2.49%	3.7 1.91%	2.8 1.25%	2.3 1.23%
Financial Activities	8.3 5.74%	10.1 5.20%	10.1 4.51%	8.1 4.32%
Finance and Insurance	5 3.46%	6.2 3.19%	6.2 2.77%	5.1 2.72%
Prof & Bus Services	10.2 7.05%	20.3 10.46%	29.2 13.04%	24.1 12.84%
Admn. & Support and Waste Mgt.	4.7 3.25%	10.8 5.56%	15.5 6.92%	11.9 6.34%
Education and Health Services	11.6 8.02%	15.9 8.19%	20.6 9.20%	22.2 11.83%
Leisure and Hospitality	38 26.26%	42.9 22.10%	40.1 17.91%	34.9 18.59%
Accommodation and Food Service	32.4 22.39%	36.7 18.91%	33.7 15.05%	29.6 15.77%
Accommodation	25.5 17.62%	27 13.91%	20 8.93%	15.8 8.42%
Casino Hotels and Gaming	23.1 15.96%	26.3 13.55%	19 8.49%	14.9 7.94%
Food Serv. and Drinking Places	6.8 4.70%	9.7 5.00%	13.7 6.12%	13.8 7.35%
Other Services	4.3 2.97%	5.9 3.04%	7.3 3.26%	7 3.73%
Government	18.4 12.72%	24.5 12.62%	29.4 13.13%	28 14.92%
Federal	3.2 2.21%	3.3 1.70%	3.4 1.52%	3.5 1.86%
State	5.9 4.08%	8.1 4.17%	9.6 4.29%	9 4.79%
Local	9.3 6.43%	13.1 6.75%	16.4 7.32%	15.5 8.26%

As of September 2012, the Nevada Department of Employment Security was reporting that in the Reno MSA unemployment stood at 10.8%, up from an average of 4.6% in 2007 but down from its peak of 15.1% in January 2010. Nevada's unemployment rate stood at 11.8% in September, up from 4.8% in 2007 but down from its peak of 15.3% in January 2010.

In comparison the national unemployment rate stood at 7.8% as of September 2012. Nevada's unemployment is a direct result of the national economic crisis and the region's dependence on employment in the construction, gaming and service industries. Recent trends in unemployment are demonstrated on the following graphs from the Nevada Department of Employment Security.



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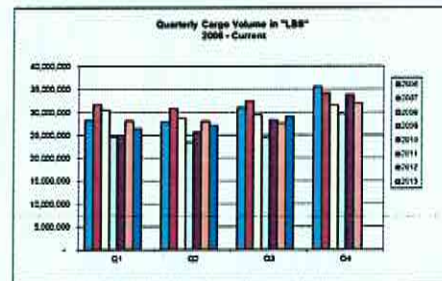
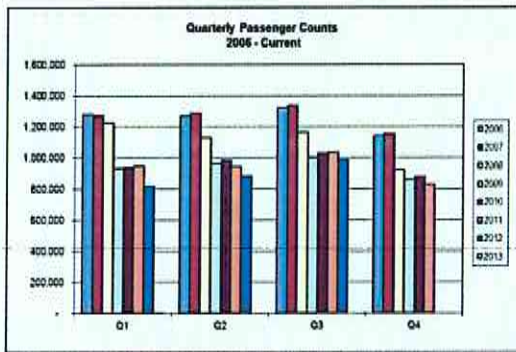
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Reno/Sparks is traversed by Interstate 80, which provides direct freeway access from Reno to the San Francisco Bay area in about four hours and Salt Lake City is about eight hours to the east. U.S. Highway 395 traverses the area in a north south direction and provides direct access to interior Washington, Oregon and southern California. The Reno/Sparks urban area is served by a loop road; McCarran Boulevard. Originally envisioned as an urban beltway, this use is eroding as continued development brings new street connections and signalized intersections. In some areas, notably east Sparks and south Reno, it is a commercial artery.

The area is served by the Reno/Tahoe International Airport located in the east central downtown area. At present, the airport is served by approximately seven airlines with over 130 flights per day. Because Reno/Sparks has a tourist based economy, it serves an high number of passengers with counts reaching a peak of 6,900,000 in 1997.

The terrorist attack in September 2001 had a profound impact on the local tourist economy and travel in general. After 9-11, passenger counts at the Reno Tahoe International Airport rebounded a bit but were then stagnant for several years before gaming competition and the recession pushed them lower as can be seen below.

Year	Annual Passenger Count	Annual Change
2002	4,510,992	
2003	4,586,027	0.0166
2004	5,093,914	+11.07%
2005	5,169,256	+1.48%
2006	5,000,663	-3.26%
2007	5,043,964	+0.86%
2008	4,434,638	-12.08%
2009	3,755,935	-15.30%
2010	3,822,485	0.0177



Year 2012, cargo volumes dropped 1.31% from 2011 but are still above the After dropping significantly between 2007 and 2009, passenger counts were essentially level in 2010 and 2011 but, year to date through September 2012 passenger counts have fallen 8.25% from the prior year.

In contrast, after dropping in 2008 and 2009, cargo volumes at the Reno Tahoe International Airport were up in both 2010 and 2011 suggesting that the national recovery is having a positive impact on the region. The abundance of distribution warehouses in the area serve the larger Northern California and western regional markets have benefitted from modest recoveries regionally.

Recent cargo volume figures are depicted on the following chart and graph.

Year	Annual Passenger Count	Annual Change
2006	122,490,191	
2007	129,249,404	0.0552
2008	120,232,329	-6.98%
2009	102,358,767	-14.87%
2010	113,016,942	0.1041
2011	114,454,111	1.27%

Year to date through Q3 2012, cargo volumes dropped 1.31% from 2011 but are still above the lows experienced at the depth of the recession.

**Tourism/Gaming**

Over the past two to three decades the Reno Tahoe area and the state of Nevada have been affected by a loss of its gaming franchise. With the expansion of Indian gaming and other gaming venues throughout the county, it has become more and more difficult to attract tourists to the area.

Gaming revenues have been falling but they remain a mainstay of the Reno/Sparks economy; state and local gaming revenues for the past several years are summarized below.

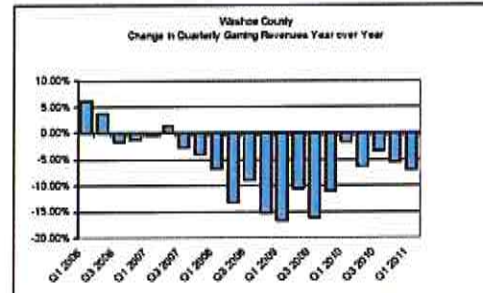
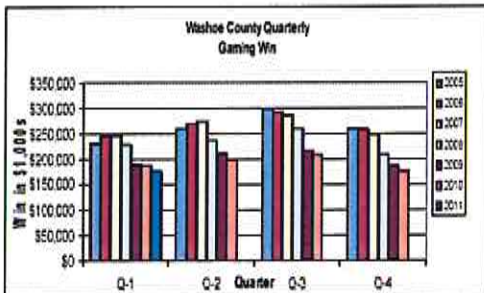
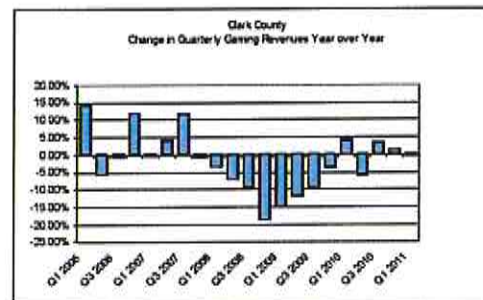
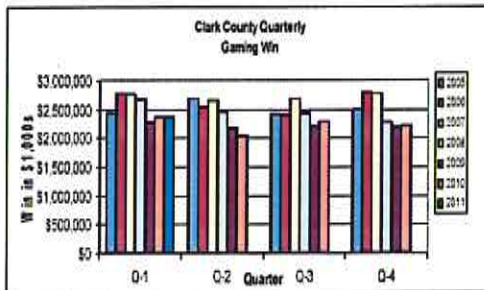
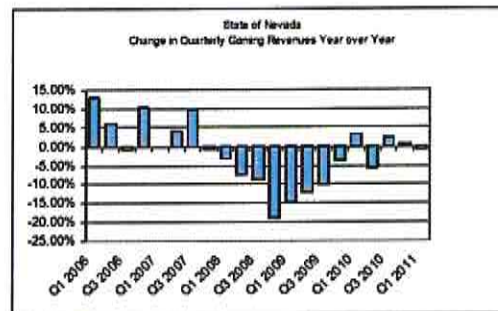
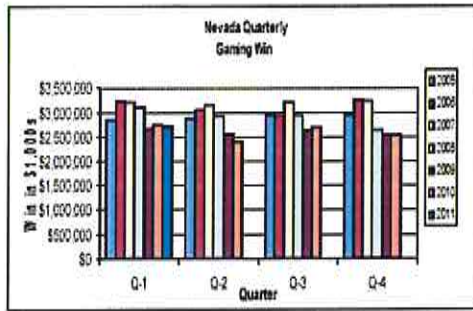
**ANNUAL GAMING REVENUE COMPARISON (FYE 6-30)**

Fiscal Year End	Nevada	% Change	Clark	% Change	Washoe	% Change
2005	\$11,005,538		\$9,138,065		\$1,016,684	
2006	\$12,195,337	10.81%	\$10,215,402	+11.79%	\$1,072,806	+5.52%
2007	\$12,588,667	3.23%	\$10,598,607	+3.75%	\$1,067,275	-0.52%
2008	\$12,500,684	-0.69%	\$10,590,569	-0.07%	\$996,312	-6.65%
2009	\$10,788,770	-13.69%	\$9,138,788	-13.71%	\$870,612	-12.62%
2010	\$10,327,739	-4.27%	\$8,806,294	-3.64%	\$788,545	-9.43%
2011	\$10,635,158	2.98%	\$9,162,924	4.05%	\$751,472	-4.70%
2012	\$10,705,829	0.66%	\$9,240,293	0.83%	\$738,152	-1.77%

\*Nevada Gaming Revenue Report

The Nevada Gaming Control Board reports that in fiscal year ending June 30, 2012 Washoe County Gaming Revenues were down 1.7% from the prior year, and 31.2% from their peak in 2005-2006. Clark County revenues increased 0.84% from the prior year but remained 12.8% below their 2006-2007 peak. State wide, gaming revenues were up 0.66% from the prior year but remained 14.96% below their 2006-2007 peak. Recently gaming revenues rebounded both statewide and in Clark County. In contrast, Washoe County's gaming revenues declined in 22 of the past 24 quarters when compared to the prior year.

The graphs below demonstrate the trends in quarterly gaming revenues statewide and in Clark and Washoe Counties.



In 1984 Washoe County accounted for slightly more than 20% of the total statewide gaming win and in 2011 the county's percentage of state gaming revenue dropped to less than 7% for the first time. Clearly, although tourism and gaming are very important to the local economy they no longer dominate it. A number of old casinos in the downtown core have been converted to condominiums and the last new casino built in downtown Reno was the Silver Legacy in the early 1990s.

Developers and the redevelopment agency are hopeful that as the recession softens, new residential demand will be the economic engine that drives the rebirth of downtown Reno. However, the projects undertaken during the mid 2000s did not fare well, and most including several projects to repurpose closed casinos and several ground up residential developments in the downtown core collapsed during the planning or development stages

Falling gaming revenues and the closure of a number of downtown gaming properties has, to a great degree become a self-fulfilling prophecy; fewer gamblers leads to fewer properties which then leads to fewer gamblers and at some point the desirability of the Reno area as a gaming destination erodes to the point that sales of part time residences to people who want to vacation in a gaming destination are no longer viable.

**Trade**

Reno is the largest city in a relatively sparsely populated region which encompasses much of



northern Nevada, eastern California, and southeastern Oregon. As such, it is a regional trade center. The Reno/Sparks area has one large regional shopping mall and over 90 neighborhood shopping centers with more than 13,000,000 square feet of retail space. Meadowood Mall contains roughly 1,000,000 square feet and is well regarded and well-populated. It is the area's largest enclosed retail complex. The area's second largest and one of the oldest enclosed malls was Park Lane. Park Lane Mall closed at the end of 2006 and the improvements demolished. The property is under new ownership was poised for redevelopment until the area was hit by the recession.

The majority of the area's retail space is scattered throughout the region's suburban residential neighborhoods.

Three major retail districts were developed between 2002 and 2007. The South Virginia/Mt Rose Corridor, the Pyramid Lake Highway Corridor, and the Marina District in Sparks.

- The Sierra Summit, a life style center containing approximately 1,000,000 square feet of retail space at the corner of South Virginia Street and the Mt. Rose Highway in southwest Reno opened in late 2007. Although there has been no recent construction in the past several years, the project is nearly built out.
- In the Spanish Springs area of Sparks, 1,300,000 square feet were built in three projects: The Sparks Galleria, Spanish Springs Town Center, and the Sparks Crossing, all in the Pyramid Lake Highway portion of Spanish Springs/Sparks. These projects saw phased development of the retail space, and the first of the buildings were occupied in spring 2006. There are several sites that are still available, but there has been little or no new construction in the past several years.
- Finally, the Legends at Sparks Marina Project, a 1,300,000± sf retail/entertainment project at Interstate 80 and Sparks Boulevard is well underway. If development continues according to plan, Scheel's, the project's 295,000± sf retail anchor which opened in October 2008 will be joined by 1,000 hotel rooms, several hundred thousand square feet of restaurants, retail and entertainment space and approximately 75,000± sf of casino floor area. Phase II of this project opened in mid June 2009. This project was built with a significant contribution from the STAR bond program. Recent construction in this center includes a Best Buy, the relocation of an existing Target Store and a new Lowe's home improvement store both of which replaced existing stores that were then closed.

The market has seen a rash of retail closings including the area's two Mervyn's department stores, Gottschalk's department store, Comp USA, Circuit City, Kmart, Linens and Things, Shoe Pavilion, TGI Fridays, Southwest Grill and a variety of smaller shop and restaurants.

Since the peak of the market, average retail rents have dropped from around \$1.65/sf to \$1.32/sf per month while vacancies have increased from around 6% to over 16%. With an inventory estimated at 16.9 million, this results in a total vacancy of almost 2.8 million square feet. It is noted that net absorption has been nominally positive for the past 9 quarters.

In spite of the growth of the retail inventory both state wide and locally, taxable sales fell in 2008 as compared to prior years and that trend accelerated in 2009. Retail sales were up slightly in 2010 and somewhat more robustly in 2011. Set forth on the following chart is a summary of Nevada, Washoe County and Clark County taxable sales for the past seven years.

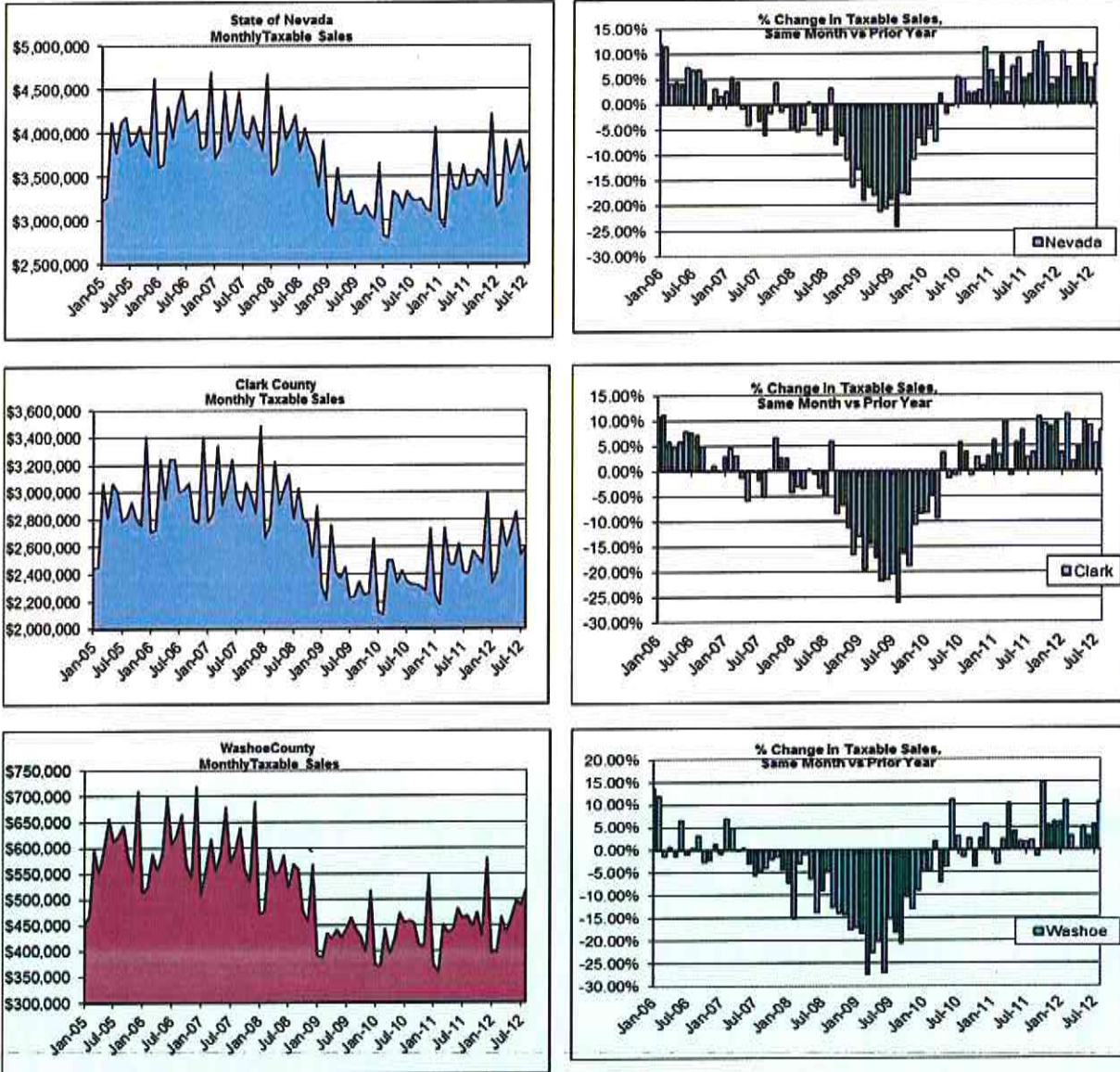
**Annual Retail Sale Summary**

Annual				Percent change from prior year		
	Nevada	Washoe	Clark	Nevada	Washoe	Clark
2005	\$46,777,223	\$7,051,072	\$34,356,895			
2006	\$49,210,288	\$7,198,642	\$36,186,696	5.20%	2.09%	5.33%

2007	\$49,078,620	\$7,098,343	\$36,368,245	-0.27%	-1.39%	0.50%
2008	\$46,354,893	\$6,390,750	\$34,582,122	-5.55%	-9.97%	-4.91%
2009	\$38,422,980	\$5,205,342	\$28,503,921	-17.11%	-18.55%	-17.58%
2010	\$38,710,062	\$5,217,629	\$28,307,925	0.75%	0.24%	-0.69%
2011	\$41,438,083	\$5,410,694	\$30,105,393	7.05%	3.07%	6.35%

\*Taxable sales in Thousands

Monthly taxable sales in Nevada, Clark and Washoe Counties are depicted on the following charts.



Taxable sales have been increasing fairly steadily since early 2010 but are still well below the levels experienced in the middle of the last decade.

The decline in real estate values, gaming revenues and retail sales and the resulting declines in associated tax revenues have had a significant impact on both local and state budgets.

**Office**

Reno is a regional banking center, with regional corporate headquarters for U.S. Bancorp., Bank of America, Wells Fargo Bank, and others. Several smaller community banks are also headquartered in Reno.

The Reno/Sparks market has between 11,000,000 and 12,000,000 square feet of professional office space, of which approximately 6,200,000 is in buildings over 10,000±sf. that are surveyed for occupancy and rental trends. Vacancy rates in the past three to four years have increased significantly from approximately 11.6% in the last quarter of 2006 to over 20%. At the same time, rents fell from around \$1.90/sf to \$1.42/sf. Both vacancy rates and rental rates have improved slightly in the past several quarters.

**Industry**

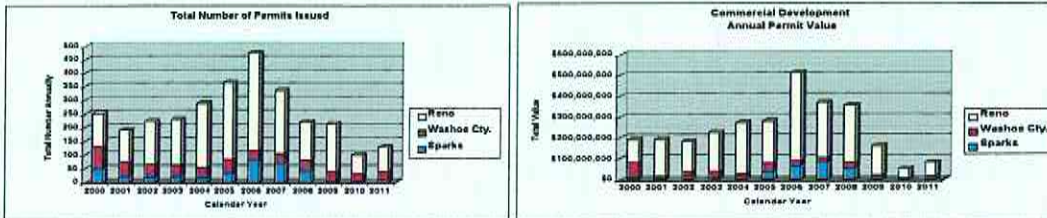
The current inventory of industrial space in the Truckee Meadows area is between 70 and 75 million square feet. Several areas contain the bulk of this industrial space. These include the original Sparks industrial district, the Vista corridor, southeast Reno near the Reno-Tahoe International Airport, South Meadows and Stead, north of Reno. Occupancy in the industrial sector is cyclical, after reaching a vacancy of 5.8% in late 2006/early 2007, the current recession pushed the area's vacancy rate to 14.2% or 10,290,000 sf. The current statistics represent a modest improvement over 2010, but are still well above a typical healthy market. Much of the current vacancy resulted from the construction boom between 2000 and 2006. During that time, the Tahoe Reno Industrial Center east of Reno added 2,210,273±sf, Sparks added 4,214,510±sf and Stead added 1,940,424±sf.

Large scale industrial users are attracted to the area by Nevada's favorable taxation policies, by Reno's good transportation network and proximity to major west coast markets. Nevada levies no inventory tax, nor unitary or corporate income tax. In addition, the area has a well-educated, stable work force and little unionization.

Smaller industrial users including contractors, subcontractors and construction vendors occupy much of the older incubator or flex space. This segment of the market accounts for approximately 10% of the market or 5 to 6 million square feet.

**Commercial Development**

Commercial development trends have followed the residential trends discussed above. The number and value of the building permits issued for new construction have dropped dramatically during the recession but recovered slightly in 2011. But, as can be seen in the following graphs development remains well below recent historic levels.



**Infrastructure/Community**

The Truckee Meadows has the infrastructure consistent with its size and age. The school district is well respected, and the various governments provide police and fire protection, ambulance and medical care. The area is served by the University of Nevada system which includes the University of Nevada, Reno (UNR) and Truckee Meadows Community College (TMCC).

Water service is provided by the Truckee Meadows Water Authority (TMWA). NV Energy, formerly Sierra Pacific Power Company (SPPCo) now NVEnergy provides electric power and natural gas throughout the region. Public sewage disposal is provided by the Reno/Sparks Joint Regional Sanitation District. Trash removal is handled by contract carriers in the cities of Reno and Sparks and in Washoe County.

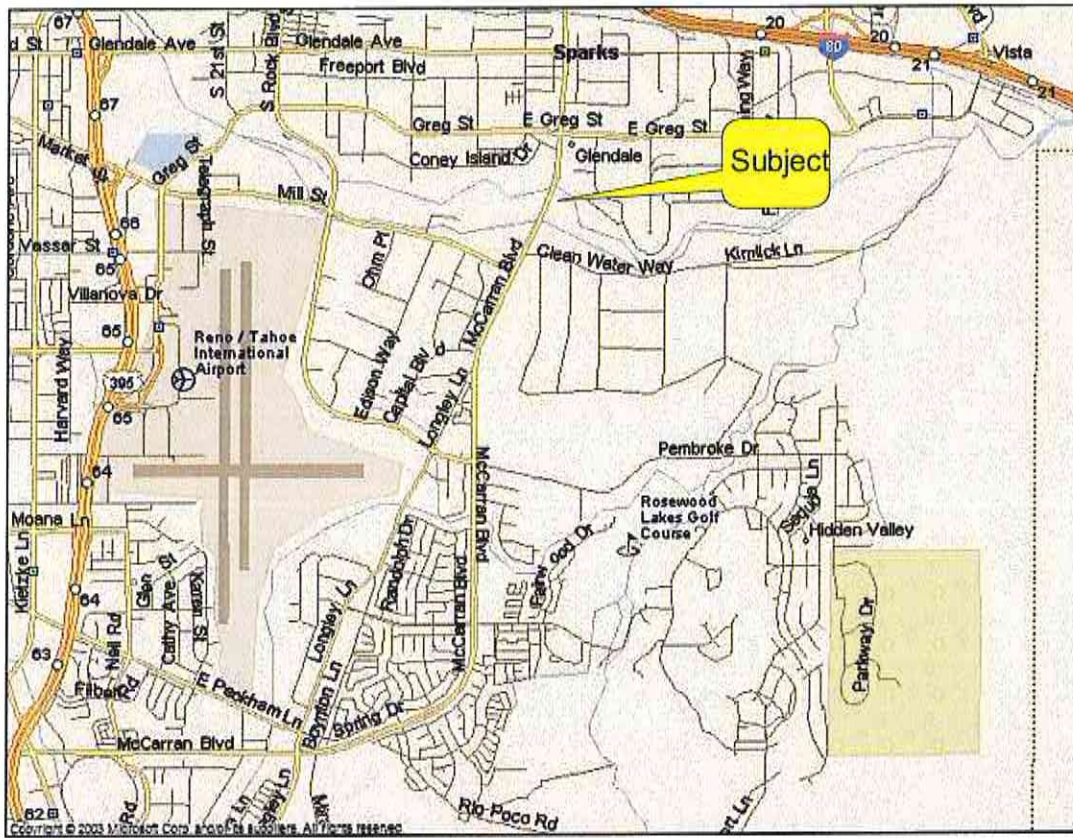
#### **Summary and Conclusion**

Growth or the lack thereof, continues to be the defining element of the Truckee Meadows. Large scale Industrial and warehouse users continue to look at the region, and business relocations, particularly from California, are significant to the local economy. Past economic diversification efforts have drawn potential users to the market. However, because of their sheer size, the local tourism and gaming sectors remain dominant industries.

The recent announcement by Apple of a proposed expansion into the region is a positive step. It is noted that the decision was, in part the result of a sales tax abatement offered by the community with an estimated savings to Apple of approximately \$89 million.

The preceding discussion depicts an economy that remains in crisis but one that is no longer in free fall and is showing some small signs of improvement. The area lacks an apparent catalyst to jump start a recovery. The long term impact of the housing crisis, the inventory of foreclosed homes, high gas prices, very high unemployment and the national recession's impact on area employment, retail sales, gaming revenue and construction is not yet known but, most pundits are forecasting a long recession and slow, "L" shaped recovery for the local economy and real estate markets.

NEIGHBORHOOD MAP



## NEIGHBORHOOD DESCRIPTION

### Location

The subject property is located within the eastern portion of the subject neighborhood. This is approximately 2½ to 3 miles east of the downtown central core area of Reno and just south of the southern part of Sparks, Nevada.

### Neighborhood Boundaries

The neighborhood is defined as that area bounded on the north by E. Greg Street, on the west by the US 395 freeway, on the east by the foothills of the Virginia Mountains, which includes, industrial properties, vacant land, and residential properties. and on the south by McCarran Boulevard. The subject property is situated in a mixed use neighborhood involving industrial, commercial, professional office uses, vacant land and single family development. The utilizations within the subject neighborhood include the Reno-Tahoe International Airport, industrial and office developments along Mill Street, Rock Boulevard and McCarran Boulevard, the University Stations farm property, the residential subdivisions east of Longley Lane and in the Hidden Valley and Rosewood Lakes areas.

### Primary Streets

The major north-south roadways servicing the subject neighborhood include the US Highway 395 freeway, Terminal Way, Rock Boulevard, which becomes Pembroke Dr. at McCarran Blvd. and south McCarran Boulevard. The US 395 freeway, which generally forms the neighborhood's western boundary, is a six-lane, limited access freeway running in a north-south direction through the northeast and southeast portions of the city of Reno. The US 395 freeway has interchanges within the subject neighborhood at Glendale Avenue, Mill Street, Villanova Drive, and East Plumb Lane.

Pembroke Drive extends in an east-west direction through the central portion of the subject neighborhood. This roadway is a two-lane asphalt paved-roadway with a graded gravel shoulder. Pembroke Drive provides access to the Hidden Valley area from South McCarran Boulevard.

Terminal Way is a four-lane, two-way asphalt paved roadway improved with a left center turn lane. The roadway runs in a north-south direction between East Plumb Lane and Mill Street. Terminal Way becomes Greg Street at Mill Street. The improvements along Terminal Way include hotel-casino development, professional office, industrial, commercial, and warehouse facilities. Additionally, the Reno/Tahoe International Airport is located west of the intersection of East Plumb Lane and Terminal Way. The roadway is improved with concrete curbs, gutters, and streetlights.

Rock Boulevard is a major four-lane, two-way asphalt paved roadway improved with a left center turn lane. Rock Boulevard originates at North McCarran Boulevard and extends south through the central portion of the city of Sparks and the eastern portion of the city of Reno. Rock Boulevard curves in a southeasterly direction at Brookside Court and becomes Pembroke Drive on the east side of South McCarran Boulevard. The primary developments along Rock Boulevard in the area of the subject neighborhood include professional offices, industrial use, and commercial uses and limited single and multifamily uses. Additionally, Rock Boulevard forms the northeasterly boundary of the Reno/Tahoe International Airport.

Longley Lane is a major arterial roadway, which traverses the west portion of the neighborhood in a north-south direction. Longley Lane is a four-lane, two-way, asphalt paved roadway which is improved with center turn lanes. Properties in the vicinity of Longley Lane are improved with a variety of office-warehouse and distribution facilities as well as neighborhood shopping centers and single family residential developments.

South McCarran boulevard is a ring road which encircles the Reno/Sparks area. In the subject neighborhood, South McCarran Boulevard is a two-way, four-lane asphalt paved roadway with portions having a landscaped central median. South McCarran Boulevard provides access from the subject neighborhood to the Sparks industrial area to the north where it intersects the I-80 freeway approximately 1 mile north of the neighborhood. South McCarran Boulevard in the area of the subject neighborhood is developed with single- and multi-family residential and commercial and professional office uses. Additionally, there are some historic agricultural uses.

The major east-west roadways servicing the subject neighborhood include East Greg Street and Mill Street. Mill Street, within the subject neighborhood, is a major four-lane, two-way asphalt paved roadway improved with a left center turn lane. Mill Street originates at North Virginia Street in the downtown Reno core area, extends east through the south central portion of Reno, and terminates at South McCarran Boulevard. The Reno/Tahoe International Airport is located south of Mill Street between Terminal Way and Rock Boulevard. In the area of the subject neighborhood, portions of Mill Street are improved with concrete curbs and gutters. The developments along Mill Street are primarily commercial, industrial, and professional office. Additionally, the Grand Sierra Hotel/Casino is located along the north side of Mill Street between the US 395 freeway and the Truckee River. The Grand Sierra Hotel/Casino encompasses several acres and involves 2,000 hotel rooms, a large casino area, retail shops, a bowling alley, convention facilities, and an RV park.

### **Neighborhood Trends and Characteristics**

The north east portion of the subject neighborhood is considered to be in a state where vacant parcels are gradually being developed into industrial and business types of development which are complementary to the nearby airport and to the industrial areas on both sides of the Truckee River. New residential development is limited. Exceptions to this include new development which is taking place just to the north of the intersection of Rock Boulevard and Longley Lane in an area known as the Cottages.

The City of Reno Land Use and Transportation Guide, a master plan adopted by the Reno City Council on September 10, 1984, designates the area east of Terminal Way, south of Greg Street and west and north of the Reno/Tahoe International Airport as primarily an industrial district allowing distribution and warehousing usages.

Much of the subject neighborhood is industrially oriented, but the area along Terminal Way does have a high proportion of offices plus some tourist-commercial uses. The largest hotel/casino in the Reno/Sparks area is the Grand Sierra Hotel/Casino located in the northeast portion of the subject neighborhood. This hotel/casino plus the Airport Plaza take advantages of their locations near the airport.

The south east portion of the neighborhood is single family in nature with medium price homes typically built in the early 1980's. The south east corner of McCarran and Mira Loma drive is improved with a neighborhood strip shopping center. The north east corner of McCarran and Mira Loma is a neighborhood park. Residential uses are located throughout the subject neighborhood including multifamily and single family utilizations. The portion of the neighborhood proximate to Peckham Lane has a mixture of primarily older fair-to-average quality single family residences and smaller apartment complexes. The Hidden Valley area, located in the southeast portion of the neighborhood, generally has average to very good quality single-family residences.

The Dermody Business Park is located at the southwest corner of Mill Street and McCarran Boulevard. This park, which was established in the early 1980s, contains 190± acres of total land area. The buildings in this development include a mixture of good-quality professional office and office warehouse utilizations. The Dermody Aircenter is a 195± acre site located on both sides of Longley Lane, north of McCarran Boulevard in the southwest portion of the subject neighborhood. Development within the Dermody Aircenter is light industrial uses, including office/warehouse, light manufacturing and distribution warehouses. These improvements generally range in size from 40,000± square feet to 200,000± square feet. The majority of the buildings, which consist of both multi-unit and freestanding facilities, are tenant occupied. The subject neighborhood is a portion of a larger industrial market identified as the Airport market. The Airport market is one of the largest industrial neighborhoods in the Reno-Sparks service area. Typically, a majority of the buildings in the Airport market area are warehouses or warehouse distribution facilities, with the remaining buildings typically utilized as multi-tenant or single tenant office/warehouse.

### **Summary**

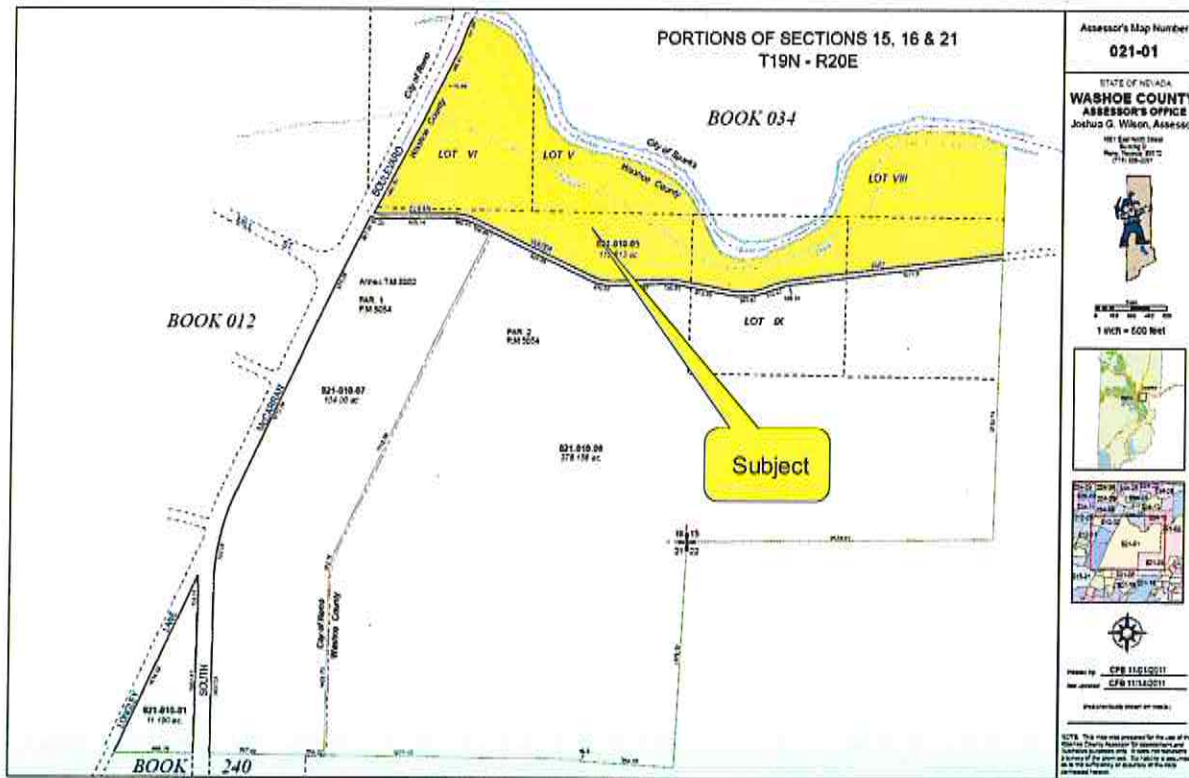
In summary, the subject neighborhood does involve a multi-use area which includes industrial uses such as distribution and warehousing, professional office uses, retail-commercial uses, and tourist-commercial uses and residential uses. The major influence

upon the area is the Reno/Tahoe International Airport. The primary negative impact in the neighborhood is the airport noise. The types of uses being developed and that have been developed around the airport are those which are least affected by this noise. This development trend should continue at a steady pace in the future.

The subject neighborhood should continue to develop in relation to the airport that it surrounds. Because of an expanding influence of the airport with extensions of runway lengths and the possibility of a new runway and expanding taxiways, surrounding properties will be impacted. There is a strong likelihood that some properties adjacent to the airport property will be needed to facilitate the expansion of the Reno/Tahoe International Airport. This expansion is considered to be a positive step for the neighborhood because of the impact that the airport has on the economic base of the Reno and Sparks area and the subject neighborhood.



ASSESSOR'S PARCEL MAP



Anthony J. Wren, MAI, SRA  
McCarran Widening Project – Project Code NDT-002 APP-003.1  
#7488

**PROPERTY IDENTIFICATION AND SITE DESCRIPTION**

<b>Property Owner</b>	The Board of Regents, University Of Nevada System
<b>Parcel Address</b>	1000 Clean Water Way, Sparks, NV 89502
<b>Assessor's Parcel Number/Land Area</b>	021-010-05/118.613± acres

**Access**

The subject property has access via S. McCarran Blvd. Access is considered to be both adequate and typical.

**Site Shape and Dimensions**

The subject property is irregular in shape, and contains 118.613.00± acres. Specific dimensions of the site are numerous. The reader is referred to several maps within this report to better visualize the site.

**Topography**

The subject property involves almost level terrain below street grade with average drainage.

**Easements**

The preliminary title report that was provided to assist in the preparation of the appraisal report had a total of 32 exemptions. The preliminary title report was prepared by First American Title Company, Commitment No. 9015-2423301 and was dated March 31, 2012. All exceptions were considered to be typical.

Exception #10 is any rights of way for the Tahoe-Pyramid Link as disclosed by the Washoe County Assessor's Map. There appears to be no impact on value.

Exception #13 is an Easement for electric power line and incidental purposes, recorded January 19, 1957 in Book No. 434, Page 207 as Instrument No. 269299 of Official Records. There appears to be no impact on value.

Exception #14 is an easement for railroad and transportation and incidental purposes recorded March 04, 1974, Book No. 2044, page 64 as Instrument No. 318894 of official records an easement for pole lines and incidental purposes, recorded May 13, 1957 in Book No. 444, Page 558 as Instrument No. 273944 of Official Records. There appears to be no impact on value.

Exception #15 is an Easement for a permanent easement and right of way for clearing and maintaining the Truckee River Channel for flood control purposes and incidental purposes, recorded June 18, 1959 in Book No. 516, Page 393 as Instrument No. 304967 of Official Records. There appears to be no impact on value.

Exception #16 is an Easement for pole lines, guy wires and incidental purposes, recorded October 17, 1962 in Book No. 652, Page 60 as Instrument No. 369691 of Official Records. There appears to be no impact on value.

Exception #17 is an Easement for underground sewer pipelines and incidental purposes, recorded May 25, 1967 in Book No. 256, Page 109 as Instrument No. 88512 of Official Records. There appears to be no impact on value.

Exception #18 is an Easement for pole lines, guy wires and anchors and incidental purposes, recorded May 6, 1970 in Book No. 460, Page 684 as Instrument No. 173187 of Official Records. There appears to be no impact on value.

Exception #19 is An Easement for pole lines, guy wires, and anchors and incidental

purposes, recorded July 7, 1971 in Book No. 556, Page 588 as Instrument No. 211371 of Official Records. There appears to be no impact on value.

Exception #20 is a waiver of any claims for damages by reason of the location, construction, landscaping or maintenance of a contiguous freeway, highway or roadway, as contained in the document recorded September 13, 1971 in Book No. 574, Page 540 as Instrument No. 218570 of Official Records. There appears to be no impact on value.

Exception #21 is an Easement for underground pipelines, for the purpose of conveying sewage or other matters and incidental purposes, recorded February 22, 1979 in Book No. 1361, Page 734 as Instrument No. 589993 of Official Records. There appears to be no impact on value.

Exception #22 is a document entitled "Agreement For Restrictive Covenants and For Right of First Refusal or Gift", recorded March 1, 1979, in Book 1364, Page 209 as Instrument No. 591366 of Official Records. There appears to be no impact on value.

Exception #23 is an Easement for a roadway for ingress and egress and incidental purposes, recorded March 1, 1979 in Book No. 1364, Page 220 as Instrument No. 591367 of Official Records. There appears to be no impact on value.

Exception #24 is an Easement for electric underground facilities and incidental purposes, recorded August 21, 1979 in Book No. 1421, Page 22 as Instrument No. 624630 of Official Records. There appears to be no impact on value.

Exception #25 is an Easement for pole lines, guy wires and anchors and incidental purposes, recorded April 30, 1980 in Book No. 1498, Page 934 as Instrument No. 670545 of Official Records. There appears to be no impact on value.

Exception #26 is an Easement for underground communication facilities and incidental purposes, recorded July 9, 1982 in Book No. 1764, Page 115 as Instrument No. 804512 of Official Records. There appears to be no impact on value.

Exception #27 is an Easement for electric transmission and distribution and incidental purposes, recorded June 21, 1990 in Book No. 3097, Page 189 as Instrument No. 1407905 of Official Records. There appears to be no impact on value.

Exception #28 is an Easement for electric transmission and distribution and incidental purposes, recorded June 21, 1990 in Book No. 3087, Page 192 as Instrument No. 1407906 of Official Records. There appears to be no impact on value.

Exception #29 is an Easement for gas transmission facilities and incidental purposes, recorded June 19, 1991 in Book No. 3278, Page 516 as Instrument No. 1488012 of Official Records. There appears to be no impact on value.

As indicated, all other exceptions appear to be typical with no impact on value.

#### Utilities

Type of Utility	Purveyor	Availability
Electricity	NV Energy	Developed to the site
Natural Gas/Propane	NV Energy	Available
Water	City water	Available
Sewage	City sewer	Available
Telephone	AT&T	Developed to the site

**Water Rights**

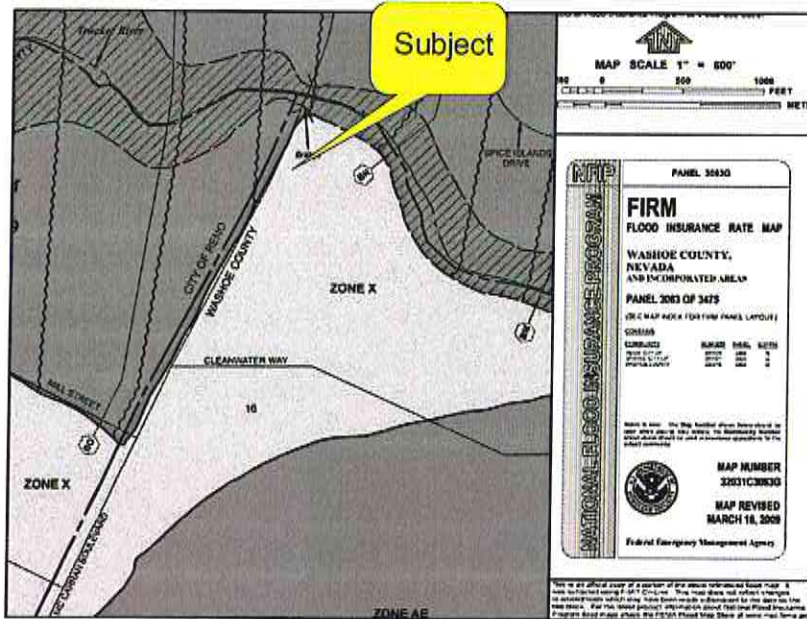
None noted/none to be acquired. The property is serviced with all public utilities.

**Environmental Observations**

The subject property is an improved 118.613± acre site. The property has been used as a portion of the University Farms. A physical inspection of the site revealed no overt signs of environmental contamination, and none is anticipated.

**Flood Zone**

Flood Zone AE (100 year flood zone) FEMA Community Panel Number 32031C3063G, Effective date March 16, 2009.



**Wetlands**

None noted, none anticipated.

**Zoning**

GR (General Rural)

**Development Approval/Entitlements**

None pending—the subject property is in the sphere of Influence of Reno and Sparks.

**Current Use**

Agricultural

**Highest and Best Use**

Industrial

**Assessed Values and Taxes**

Assessor's Parcel Number	021-010-05
Assessed Values	2012-2013
Land	\$684,973
Improvements	\$200,099
Total Assessed Value	\$885,072
Total Taxes	\$227.56
Taxable Value	\$1,957,065

The subject property is owned by the University of Nevada and is exempt from taxation.

**Special Assessments**

None

**Soil Conditions**

A soils report was not available. However, the character of the surrounding improvements suggests that soil conditions are conducive to development.

**Seismic Hazards**

According to the 1997 Uniform Building Code, the Truckee Meadows area falls within a seismic risk zone 3. Zone 3 encompasses areas that have a number of local faults and where there is a relatively strong possibility of moderate seismic activity. Special construction techniques are necessary but these conditions are typical throughout northern Nevada.

**Surrounding Uses**

To the north of the subject the properties are improved with University Farms. To the north, west, east and south of the subject property, the properties are developed into industrial uses.

**Site Improvements**

The subject property is improved with older farm buildings none of which are located within the proposed permanent easement. After an inspection of the subject site and a review of the proposed permanent easement, it is this appraiser's opinion that the permanent easement does not affect the subject improvements. Therefore, the property will be valued as vacant and ready to be put to its highest and best use, which is vacant industrial land. According to the client, any improvements disturbed due to the easement such as landscaping, walkways, shrubs, curbs, gutters, etc., will be mitigated by the developer and will be put back to an "as is" condition after the intended use of the easement has been completed.

**Larger Parcel<sup>23</sup>**

In governmental land acquisitions, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use.

**LARGER PARCEL ANALYSIS**

The Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) state the following: Essential in the appraiser's conclusion of highest and best use is the determination of the *larger parcel* (emphasis added). The appraiser must make a larger parcel determination in every appraisal conducted under these Standards, even in the case of a minor partial acquisition where the client agency has determined a complete before and after appraisal is not necessary.

*The Dictionary of Real Estate Appraisal* defines the larger parcel thus: "In condemnation, that tract or tracts of land which are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use."<sup>24</sup>

Although the definition is specifically directed to an appraisal undertaken in eminent domain proceedings, the first UASFLA excerpt cited above is unequivocal with regard to the larger parcel determination. The significance of the larger parcel determination is that it is the larger parcel that must be considered for valuation in USPAP. The nature of the larger parcel

<sup>23</sup>The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010) p.110

<sup>24</sup>The Appraisal Institute *Dictionary of Real Estate Appraisal*, 13<sup>th</sup> Edition, Chicago, The Appraisal Institute 2008

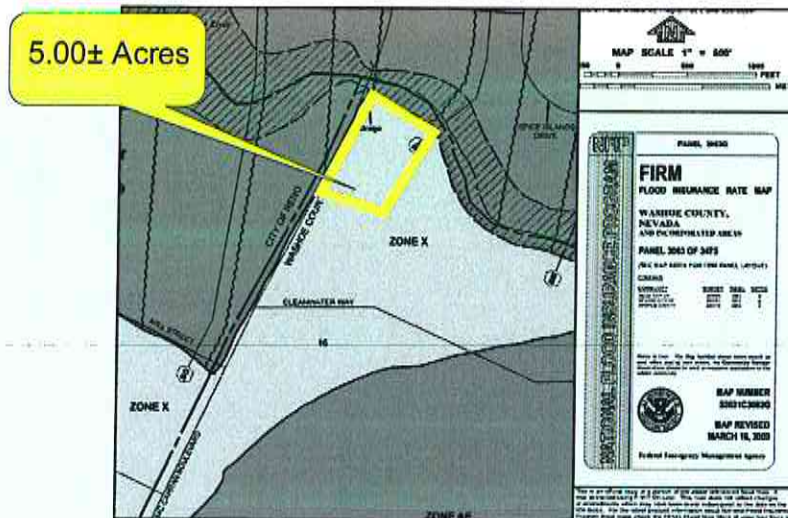
thus is a crucial element of the appraiser's value opinion. The proposed 6,166± permanent easement is located in north/west edge of the subject site which contains a total of 118.613± acres.

- All parcels on the University Farm share the same ownership
- All of the parcels are contiguous, that they abut one another

The subject is part of a multi parcel holding. The University of Nevada owns over 1,000 acres including the subject that make up the University of Nevada Farm, Main Station Field Laboratory. The university Farm is operated as an agricultural research station for the University of Nevada. Although the ownership meets two of the tests necessary to constitute a single larger parcel, it is unlikely that it would sell as a single agricultural unit. Its utility as an agricultural holding is unique to the University and its educational mandate. The exclusion of one portion of the entire holding would not affect the operation of the balance. It is unlikely the "University Farm" would sell as a unified agricultural holding. It is more likely that, if the University were to choose to divest themselves of the farm, it would be done on a piecemeal basis. Smaller parcels would be sold to individual buyers, each with a unique expectation regarding their ability to use the site.

**Conclusion**

The proposed permanent easement will be acquired from APN # 021-010-05 which contains a total of 118.613± acre. This 118.613± acre lies along the southern bank of the Truckee River. Due to the location of the river the majority of the 118.613± acre can not be developed due to flood ways and flood plains. The 118.813± acres is zoned GR (General Rural). The minium site size under this zoning is 40± acres. The proposed easement will be located in the north west corner of the 118.613 acres. Therefore the larger parcel area will be considered to be the 40± acres that encompasses the most westerly end of the 118.613± acres. It is felt that the property, due to it's long and narrow configuration is considered to have zones of value. The proposed easement is located next to McCarran Boulevard. The highest and best use of the parcel where the proposed easement is located is estimated to be I (industrial). Only about 5± acres to 12± acres of the most north/ westerly portion of the 40± acres, is suitable for industrial development because of flood ways and flood zones. Approximately 5± acres of 40± acres is located in a shaded X flood zone, a 100 flood zone and capable of development. This area is considered to be a different zone of value than rest of the site due to flood ways and flood zones. Therefore, the subject property will be appraised as though it is a 5± acre vacant site, ready to be put to its highest and best use, which is vacant industrial use. The following flood map shows the approximate area of the 5.00± acres.



**HIGHEST AND BEST USE ANALYSIS**

The concept of highest and best use is fundamental to the appraisal process. Generally, land is appraised at its highest and best use as vacant. Highest and best use is a matter of opinion, not a finding of fact. It is based on an analysis of the site's physical attributes, its legal entitlements, and its market environment.

The Appraisal Institute, in its standard text *The Appraisal of Real Estate* defines highest and best use as "the reasonable, probable, and legal use of a vacant land or an improved property which is physically possible, appropriately supported, and results in the highest value.

**HIGHEST AND BEST USE AS IF VACANT****Legally Permissible**

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

The subject property is located within the City of Reno, Washoe County, and is subject to their current zoning ordinance. According to a representative of the Zoning Department of the City of Reno, the subject property is currently zoned GR (General Rural). This zoning classification is intended to permit residential development on large acreage. It allows many uses similar to the type of construction currently on the subject site.

The appraiser is aware that there are several easements on the property. These easements were analyzed to determine the impact of potential property uses. Due to the location of these easements, it was concluded that these encumbrances would not impact the use or development of the subject property.

The subject is surrounded by industrial utilizations. If in fact the property were not part of the larger ownership of the University Farms, it is most likely that the site would be put to an industrial use. The parcel directly south of the subject also owned by the University has recently been annexed into the City of Reno, and the City Council has approved a zoning change from GR to Industrial use. This would suggest that there is a likely hood that the property could be rezoned Industrial.

There are no other deed restrictions or legal encumbrances which further constrain the legally permissible uses of the subject site. Based on the legal characteristics of the property, specifically the possibility of a zoning change, it is this appraiser's opinion that an industrial use similar to what is already in the vicinity is appropriate for the subject site.

**Physically Possible**

The next step in estimating the subject site's highest and best use is to determine which legally permissible use(s) is physically possible for the subject property. This analysis considers the physical characteristics of the site as well as surrounding uses which might influence the potential use. As explained in the Site Analysis section of this report, the subject site contains 118.163± acres. But for analysis purposes a larger parcel concept of 5.00± acres is being used. The site is relatively level and is located in a Flood Zone shaded X with in the 100-year flood area. The subject property has access from S. McCarran Blvd., and access is considered to be both adequate and typical. There are no adverse easements that would affect the value or the utility of the property. Public water and sewer are available, as are gas, electricity, telephone, and cable.

Due to the access and visibility of the subject site, it is felt that the site is adequate for various types of property uses. Those property uses which require high visibility and high traffic volume would be typical for the subject site. Thus, the subject's physical attributes are considered to be conducive for industrial or industrial flex, service oriented properties, and/or

office/industrial uses which would require high volumes of traffic.

The appraiser has also examined the surrounding properties and development trends in the immediate area in order to gain insight as to physical constraints experienced by other similar sites. The surrounding acreage enjoys the same positive attributes as the subject site and basically the same physical characteristics. The majority of the properties surrounding the subject property have been developed with similar industrial buildings.

Surrounding land use relates to the principle of conformity. This principle holds that "real property value is created and sustained when the characteristics of a property conform to the demands of its market."<sup>25</sup> Inherent in this principle is a compatibility of land uses in an area, as well as a reasonable degree of homogeneity. From a compatibility standpoint it is most likely that the subject site as vacant would be developed with some type of industrial facility because of the fact that this type of use blends well with the surrounding development.

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

### **Financially Feasible**

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

According to the *Area Analysis* of the Reno/Sparks area, it is indicated that the Reno/Sparks market has seen a major decline in its economic base. Nor have there been any new building permits issued in the Reno/Sparks area for industrial purposes within the last few years. Further, the sales chart found in the Direct Sales Comparison Approach would indicate that there is only a limited amount of industrial activity for development of that approach. Many industrial properties have been listed for sale in the Reno/Sparks market for well over a year and have not sold. Foreclosures and vacancies of residential, commercial, and industrial properties are high in the Reno/Sparks area. According to the current economic conditions of the Reno/Sparks area, there does not appear to be any demand for any new industrial use. Therefore, even though the subject meets the physical and legal characteristics for industrial development, there is no indication in the current market that there is any demand for any new industrial development. This is further supported by the fact that many properties in the immediate area currently have vacancies in the 50% range, thus indicating lack of current demand. Therefore, as of the date of the appraisal, it is this appraiser's opinion that the financially feasible use of the site is to be held as vacant for future speculation.

### **Maximally Productive Use**

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

As it was concluded in the *Financially Feasible* section, there is no current demand for any

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<sup>25</sup>The Appraisal of Real Estate, 12<sup>th</sup> Edition, published by the Appraisal Institute, 2001, page 319



new industrial development in the Reno/Sparks area and the property should be held as vacant for future speculation. There is no need for further analysis of the maximally productive use. The highest and best use as vacant is estimated to be held as vacant for future speculation.

**Conclusion, As If Vacant**

Based on the preceding analysis of the legally permissible, physically possible, financially feasible, and maximally productive uses, it is the appraiser's opinion that the highest and best use of the subject site, as if vacant, would be to be held as vacant for future development at a time when economic conditions would warrant new industrial construction within the Reno/Sparks market.

**Most Probable Purchaser**

The most probable purchaser of the subject site is considered to be an investor.

## APPRAISAL OVERVIEW

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

### **The Cost Approach**

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

### **Income Approach**

This approach is based on the proposition that a property is worth no more than the capitalized value of the income stream that the property is capable of generating. The procedure converts anticipated benefits (dollar income), to be derived from the ownership of property into a value estimate. The Income Approach is widely applied in appraising income producing properties. Anticipated future income and/or reversions are discounted to a present worth figure through the capitalization process. The subject property is improved with an agricultural use. However, the subject property is being appraised as though vacant and read to be put to its highest and best use. The Income Approach is not considered to be relevant and therefore has been omitted from this report.

### **Direct Sales Comparison Approach**

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

**SALES COMPARISON APPROACH TO VALUE**

The first step in this approach is to identify the highest and best use of the subject. Then, the public record is canvassed for sales of properties with the same or a similar highest and best use. The appropriate sales are verified, and the sale prices are reduced to a consistent unit of measure, in this case an industrial site. These prices can then be used to establish a typical range of value for a property of the subject's class. Individual elements of these sales are compared to the subject, and an overall judgment can be made as to how the subject compares with other properties in its class.

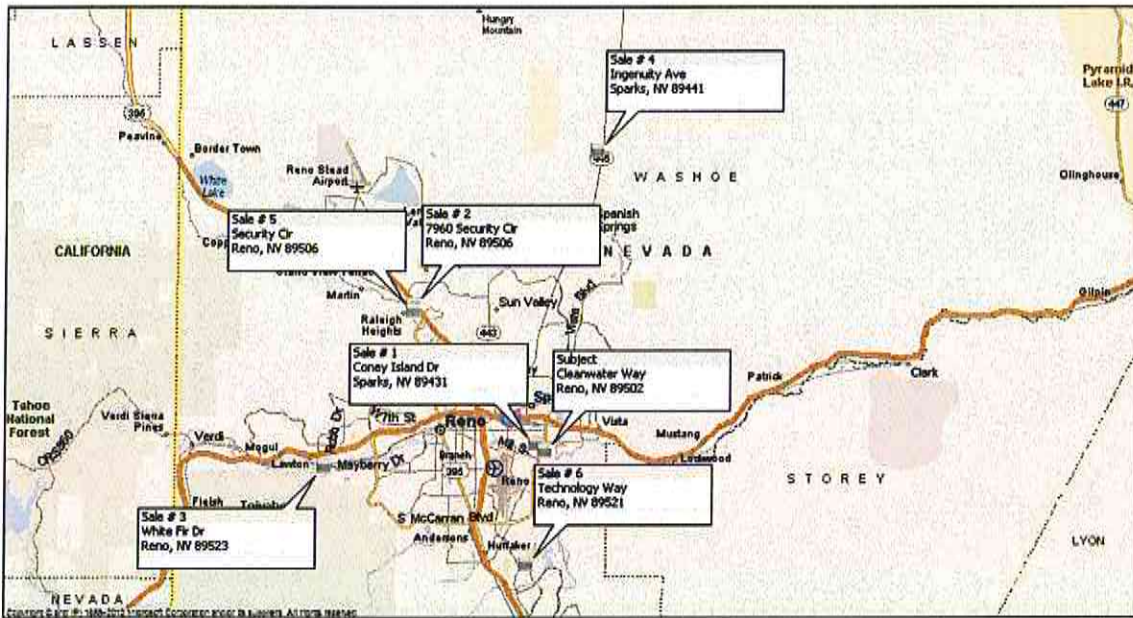
The sales charted on the next page are appropriate for the valuation of the subject.

## COMPARABLE LAND SALE CHART

Sale No.	APN Address	Sale Date Sale Price	Land Area	Zoning	Price/SF	Grantor Grantee Doc. No.
1	034-363-12 Coney Island Drive Sparks, NV	03-30-11 \$185,000	.81± ac 35,240± sf	I	\$5.25	Jaye L. Brond Crown Beverages 3988083
2	082-492-17 7960 Security Circle Reno, NV	11-23-11 \$538,500	2.989± ac 130,200.84± sf	MUNV	\$4.14	Lee M. And Suzan L. Steinberg Kappes, Cassidy & Assoc. 4061062
3	212-050-12 White Fir and Woodland Reno, NV	07-05-12 \$256,000	1.02± ac 44,431± sf	MUW4	\$5.76	Messenger Molding Inc. Rocking O, LLC 4128787
4	538-161-04 425 Ingenuity Sparks, NV	07-31-12 \$169,873.20	1.24± ac 53,928± sf	I	\$3.15	Spanish Spring Silverado Land 4136983
5	082-492-21 Security Circle Reno, NV	08-02-12 \$170,000	1.636± ac 71,264± sf	MUNV	\$2.39	Teresa M. Rietz Cool Express 4138000
6	163-090-15 Technology Way Reno, NV	10-16-12 \$1,295,400	9.576± ac 417,130.56± sf	PUD	\$3.11	Prologis Land LSPI Exchange 4163445
Subject	021-010-05 1000 Clean Water Way Reno, NV	-- --	5.00± ac* 217,800± sf	GR	--	-- -- --

\* See Larger Parcel Concept and Hypothetical Assumption

COMPARABLE LAND SALES LOCATION MAP



Anthony J. Wren, MAI, SRA  
McCarran Widening Project – Project Code NDT-002 APP-003.1  
#7488

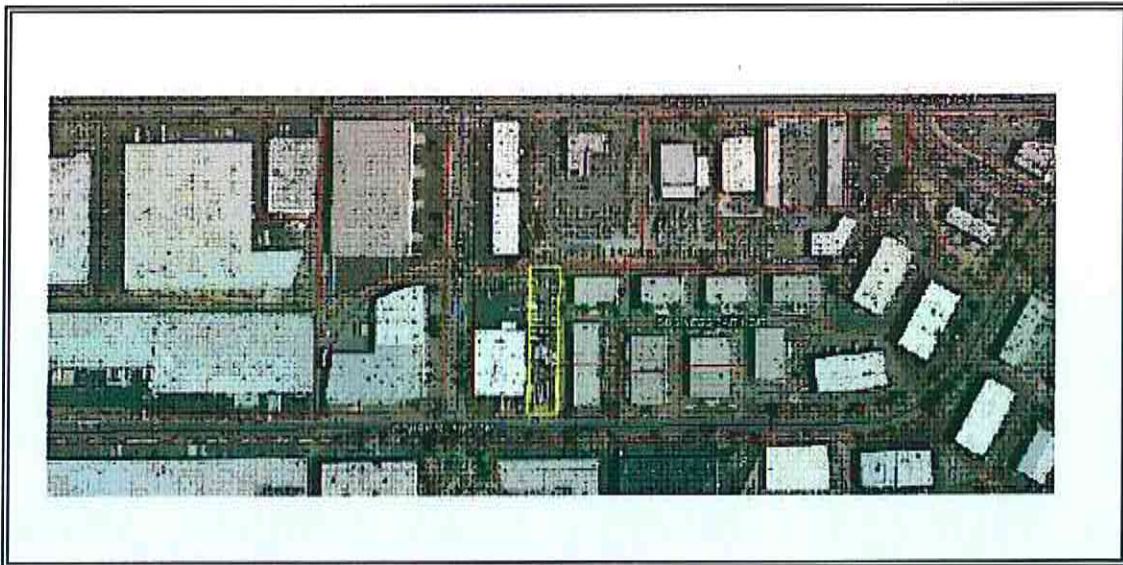
LAND SALES DATA

COMPARABLE LAND SALE #1

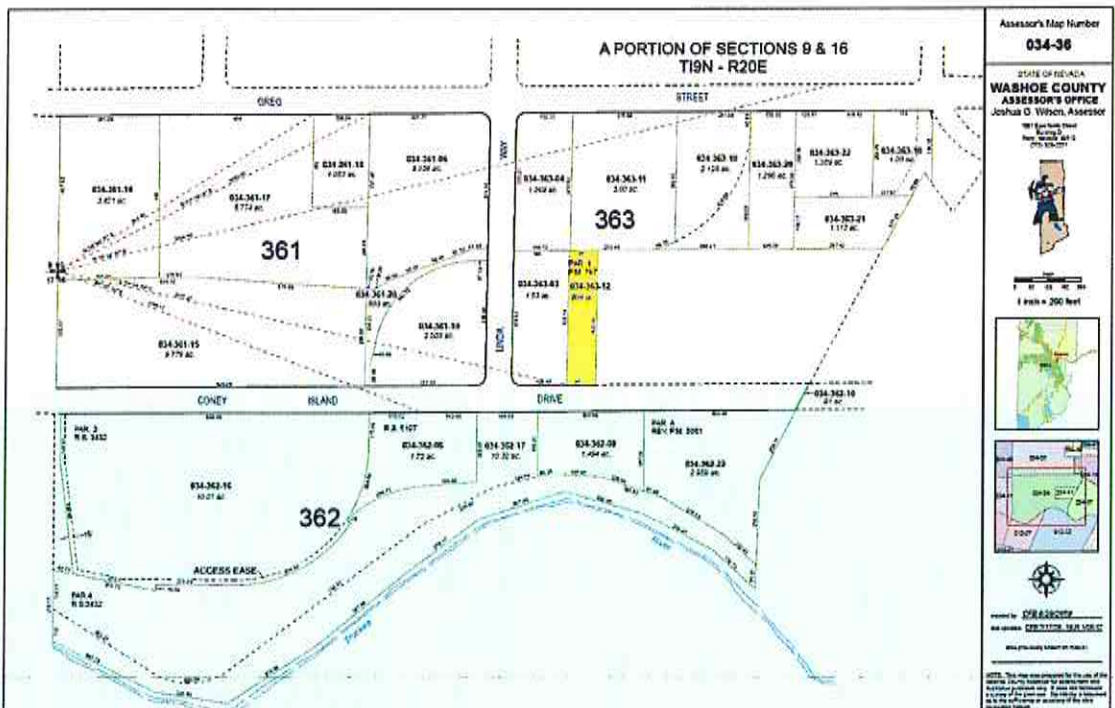
**County:** Washoe                      **APN:** 034-363-12    **Type:** Industrial Land  
**Location:** Coney Island Drive, Sparks, NV 89431  
**Grantor:** Jaye L. Brond (Trustee)  
**Grantee:** Crown Beverages Inc.  
**Deed Date:** 03-29-11                      **Recording Date:** 03-30-11  
**RPTT:** \$758.50                              **Doc. No.:** 3988083  
**Legal Description:** Parcel #1 of Parcel Map No. 797 for Helen Close  
**Size:** .81± ac or 35,240± sf                      **Zoning:** I (Industrial)  
**Land Use:** Vacant Industrial                      **Utilities:** Extended to the site  
**Access:** Paved, good                              **Topography:** Level  
**Sale Price:** \$185,000                              **Unit Price:** \$5.25/sf  
**Financing:** Cash to seller                              **Assessment Balance:** None

**Remarks:** This is a vacant industrial site located approximately 135 feet east of the northeast corner of Linda Way and Coney Island Drive. This is a thin, narrow parcel currently undeveloped. This was a family relationship. The property was sold between trusts at the appraised value from a Johnson-Perkins appraisal and is assumed to have transferred at current market value.

**Verified with:** Public records  
 Anthony J. Wren, MAI, SRA, 2/13



LAND SALE # 1



**COMPARABLE LAND SALE #2**

**County:** Washoe                      **APN:** 082-492-17    **Type:** Industrial Land  
**Location:** 7960 Security Circle, Reno, NV 89506  
**Grantor:** Lee M. Steinberg and Suzan L. Steinberg (Trustees)  
**Grantee:** Kappes, Cassiday & Associates  
**Deed Date:** 11-21-11                      **Recording Date:** 11-23-11  
**RPTT:** \$2,207.85                              **Doc. No.:** 4061062  
**Legal Description:** Parcel D of Parcel Map 636 for Emerson J. Wilson, Louise L. Wilson and Big Six Investment Co.  
**Size:** 2.989± ac or 130,200.84± sf                      **Zoning:** MUNV (Industrial)  
**Land Use:** Vacant Industrial                      **Utilities:** Extended to the site  
**Access:** Paved, good                      **Topography:** Level  
**Sale Price:** \$538,500                      **Unit Price:** \$4.14/sf  
**Financing:** Cash sale                      **Assessment Balance:** None

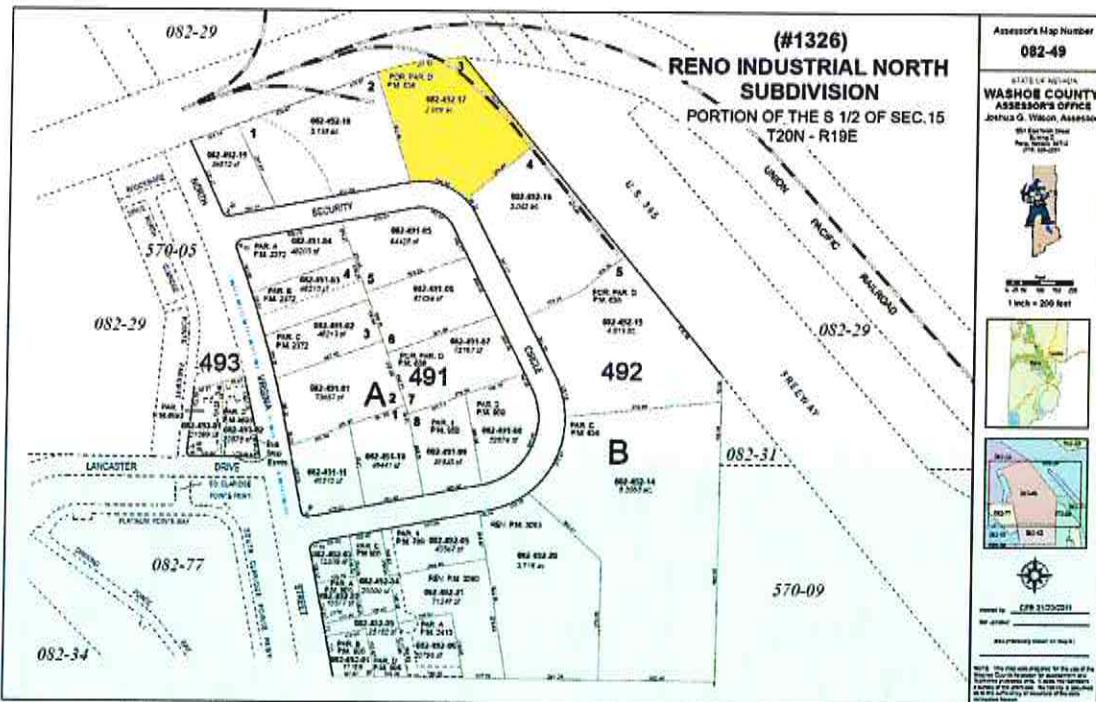
**Remarks:** Flood Zone X. This parcel was purchased by an adjoining property owner. The site is level, at street grade, and has rail access. Access is good, but somewhat circuitous. The surrounding uses include a number of unrelated industries including manufacturing, firewood sales, propane sales, etc. Kappes, Cassiday purchased the site as a long-term investment and possible expansion but has no immediate plans for development. Mr. Albert also indicated that the rail spur across the back of the property did not affect the sale price.

**Verified with:** Terry Albert, broker (775) 972-7575  
Robert E. Schiffmacher, MAI 2/13





LAND SALE # 2



**COMPARABLE LAND SALE #3**

**County:** Washoe **APN:** 212-050-12 **Type:** Industrial Land

**Location:** SEC of White Fir Street and Woodland Avenue, Reno, NV 89509

**Grantor:** Messenger Molding, Inc.

**Grantee:** Rocking O, LLC

**Deed Date:** 05-26-12

**Recording Date:** 07-05-12

**RPTT:** \$1,049.60

**Doc. No.:** 4128787

**Legal Description:** Lot 2, Block A of Reno West Business Park

**Size:** 1.02± ac or 44,431± sf

**Zoning:** MUW4 (Industrial)

**Land Use:** Vacant Industrial

**Utilities:** Extended to the site

**Access:** Paved, good

**Topography:** Level

**Sale Price:** \$256,000

**Unit Price:** \$5.76/sf

**Financing:** Cash to seller

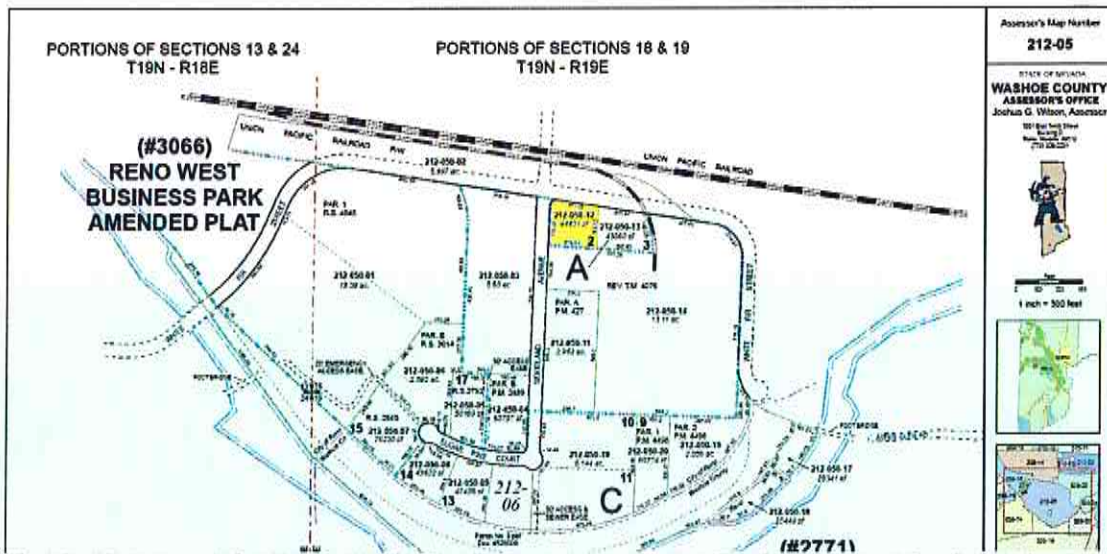
**Assessment Balance:** None

**Remarks:** Flood Zone X. This is a level site located at the entrance to the Reno West Business Park. In the years prior to the sale, the property had been offered for lease at \$0.10/sf per month with no interest. The buyer, who owns Reno Green Landscaping and already has a presence in the area, had made several attempts to purchase the property and was able to reach an agreement with the seller in spring 2012. Both buyer and seller believe the price is similar to the property's value in 2004-2005. The site has level topography and access to all public utilities. Surrounding properties include a mixture of single- and multi-tenant industrial and warehouse/distribution buildings. The property is close to town and has easy access.

**Verified with:** Scott Owen (775) 852-8952 ext. 107  
Robert E. Schiffmacher, MAI 2/13



LAND SALE # 3



**COMPARABLE LAND SALE #4**

**County:** Washoe                      **APN:** 538-161- 04    **Type:** Industrial land  
**Location:** 425 Ingenuity Avenue, Sparks, NV 89431  
**Grantor:** Spanish Springs Associates Limited Partnership  
**Grantee:** Silverado Land Management LLC  
**Deed Date:** 07-27-12                      **Recording Date:** 07-31-12  
**RPTT:** \$697.00                                      **Doc. No.:**            4136983  
**Legal Description:** Parcel 1 of 16<sup>th</sup> Parcel Map for Spanish Springs Associated Limited Partnership  
**Size:** 1.24± ac or 53,928± sf                      **Zoning:** I (Industrial)  
**Land Use:** Vacant Industrial                      **Utilities:** Extended to the site  
**Access:** Paved, good                      **Topography:**            Level  
**Sale Price:** \$169,873.20                      **Unit Price:** \$3.15/sf  
**Financing:** Cash to seller                      **Assessment Balance:** None  
**Remarks:** This was the sale of a vacant parcel located at the southeast corner of Ingenuity Avenue and Hawco Court. This vacant industrial site was level, in a Flood Zone X and almost rectangular in shape. This site has subsequently been fenced with security fencing and is utilized as an industrial construction yard.

**Verified with:** Jesse Haw (Hawco) (775) 425-2900  
 Anthony J. Wren, MAI, SRA, 2/13





**COMPARABLE LAND SALE #5**

**County:** Washoe                      **APN:** 082-492-21    **Type:** Industrial land  
**Location:** Security Circle, Reno, NV 89506  
**Grantor:** Teresa M. Rietz  
**Grantee:** Cool Express Inc.  
**Deed Date:** 06-30-12                      **Recording Date:** 08-02-12  
**RPTT:** \$697.00                              **Doc. No.:** 4138000  
**Legal Description:** Reversion Parcel Map No. 3380  
**Size:** 1.636± ac, 71,264± sf                      **Zoning:** MUNV (Industrial)  
**Land Use:** Vacant Industrial                      **Utilities:** Extended to the site  
**Access:** Paved, good                      **Topography:** Level  
**Sale Price:** \$170,000                      **Unit Price:** \$2.39/sf  
**Financing:** \$50,000 cash, bal. in seller note                      **Assessment Balance:** None

**Remarks:** This comparable involves an "L" shaped property with no public street frontage. The site is accessed using a private paved access easement between two existing buildings. The entire site is useable with level topography. The property was listed about one year prior to the sale.

Sale terms included a seller-carried note in the amount of \$120,000 at 8%, 20-year amortization, due in three years. The broker did not feel that the seller financing affected the sale price, because the term is relatively short and the interest rate is near market.

**Verified with:** Brian Armon, broker (775-851-9500)  
Robert E. Schiffmacher, MAI 2/13





**COMPARABLE LAND SALE #6**

**County:** Washoe                      **APN:** 163-090-15    **Type:** Industrial land  
**Location:** East side of Technology Way, Reno, NV 89511  
**Grantor:** Prologis Land, LLC  
**Grantee:** LSPI Exchange Corp.  
**Deed Date:** 10-11-12                      **Recording Date:** 10-16-12  
**RPTT:** \$5,311.55                              **Doc. No.:** 4163445  
**Legal Description:** Parcel C of Parcel Map 4057  
**Size:** 9.576± ac, 417,130.56± sf                      **Zoning:** PUD (Industrial)  
**Land Use:** Vacant Industrial                      **Utilities:** Extended to the site  
**Access:** Paved, good                      **Topography:** Level  
**Sale Price:** \$1,295,400                      **Unit Price:** \$3.11/sf  
**Assessment Balance:**                      None  
**Financing:** Cash to seller  
**Remarks:** This industrial land sale is located in a Flood Zone X. According to the broker this property was purchased as speculation to be held for future development. No immediate development is anticipated.

**Verified with:** Kelly Bland, broker NAI (775) 336-4600  
 Anthony J. Wren, MAI, SRA, 2/13







**COMPARISON FACTORS**

**Property Rights**

This appraisal considers the subject's fee simple interest. All the properties utilized in this report involved the fee simple and no adjustments were considered to be necessary.

**Terms**

Sales or listing will be adjusted to cash or terms reasonably equivalent to cash. Terms reasonably equivalent to cash are based upon normal financing terms for properties of comparable highest and best use.

**Time**

Sales will be analyzed for appreciation or depreciation from the date of the sale to the date of the appraisal.

**Location**

Adjustments may consider value differences attributed to location.

**Utility**

Adjustments may consider the physical shape, topography, street frontage or other factors of a parcel that influence value.

**Zoning**

Sales will be adjusted according to their zoning classification.

**Size**

Adjustments consider if size affects value.

## SALES ANALYSIS

For purposes of this report, the sales have been broken into a unit price on a per square foot basis. Buyers and sellers of industrial land in the Reno/Sparks area typically analyze sales and potential properties on a price per square foot basis. Therefore, this analysis is being made on a price per square foot basis. After a thorough search of the Reno/Sparks and Washoe County areas, the most recent sales were found and analyzed. These sales occurred between March 2011 and October 2012. The sales ranged in size from .81± acres up to 9.576± acres, while the price per square foot ranged from a low of \$2.39 a square foot to a high of \$5.76. The comparable properties utilized in this analysis will be compared and correlated to the subject property based on several different adjustment criteria. These include property rights, terms, time, location, utility, zoning, and overall size. The sales will be analyzed based on a sales price per square foot which is most often analyzed in the local market for industrial land sales. With the adjustment to the sales section, quality adjustments will be made to the sales for the adjusted indicators. An upward adjustment is made to the comparables' price per square foot when the subject is superior to the sale. Likewise, a downward adjustment is made for the comparables' price per square foot when the subject is inferior to the sale.

### Property Rights Conveyed

This appraisal considers the subject's fee simple interest. All the sales utilized in this report involved the transfer of fee, and no adjustments were considered to be necessary.

### Terms

All sales sold for cash or short-term deeds. All sales were considered to be cash to seller; therefore, there will be no adjustment for terms of sale.

### Time (Marketing Conditions)

The sales occurred between March of 2011 and October of 2012. As indicated in the *Area Analysis* section of this report and the *Highest and Best Use*, it has been indicated that the Reno/Sparks area has undergone a significant economic decline after its peak period, approximately 2006. Sales in 2011 and 2012 are sales that occurred after the economic downfall and are considered to be contemporary indicators for the subject's value. There has been very little sales activity in 2011 and 2012, with only six comparable industrial sales found similar and comparable to each other and the subject property. During this time period, market conditions appear to have stabilized and as a result, no adjustments for time to the sales is indicated.

### Location

Overall, location is a very important aspect in any sale. The subject property is located on S. McCarran. The subject's location is considered to be good and easily accessible. Sale #1 is located on Coney Island Drive. This location is considered to be similar when compared to that of the subject property, requiring no further adjustment. Sale #2 is located at 7960 Security Circle. This location is considered to be slightly inferior when compared to that of the subject property, requiring an upward adjustment. Sale #3 is located on the corner of White Fir and Woodland Drive. This location is considered to be similar to that of the subject property, requiring no further adjustment. Sale #4 is located at 425 Ingenuity. This location is considered to be inferior when compared to that of the subject property, requiring an upward adjustment. Sale #5 is located on Security Circle. This location is considered to be inferior to that of the subject property. The fact that this property has no visibility and shares common area for access further indicates an inferior location, requiring further upward adjustment. Sale #6 is located on Technology Way. This location is considered to be similar to that of the subject property, requiring no adjustment.

### Utility

Under utility, adjustments may be considered for physical shape, topography, street frontage, and other factors of a parcel that influence value. Utility of the subject is felt to be inferior when compared to all comparables. The subject is below street level, and is considered to have inferior topography. A downward adjustment is considered necessary for

all sales.

### Zoning

The subject site is zoned Gr, General Rural. The sales utilized in this report are zoned I, MUNV with Industrial Overlay, and UMN4 with an Industrial Overlay, as well as PUD with an Industrial Overlay. All sales are considered to be superior in zoning to that of the subject property, requiring a downward adjustment.

### Size

The subject site contains 5.00± acres. The sales utilized in this report range from .81± acres up to 9.576± acres. It is typically found in the market that smaller site sizes have a higher price per square foot, while larger site sizes have a lower price per square foot. Sale #1 contains .81± acre and is smaller than the subject property, requiring a downward adjustment. Sale #2 contains 2.989± acres, similar to the subject property, requiring no adjustment. Sale #3 contains 1.02± acres, smaller than the subject site, requiring a downward adjustment. Sale #4 contains 1.24± acres, smaller than the subject site, requiring a downward adjustment. Sale #5 contains 1.636± acres, smaller than the subject property, requiring a downward adjustment. Sale #6 contains 9.576± acres, requiring an overall upward adjustment.

### Other Adjustments

**Sale #1** is located on Coney Island Drive, Sparks, Nevada, and is further identified as APN 034-363-12. This property was vacant industrial land at the time of sale. The property was sold by Jaye L. Brond, Trustee, and was purchased by Crown Beverages Inc. The sale was consummated on March 29, 2011, and recorded on March 30, 2011, with Document No. 3988083. This property contains .81± acres or 35,240± sf. The property is zoned I, Industrial. Access is paved and is considered good. This property is level and sold for a reported sales price of \$185,000 indicating an overall price per square foot of \$5.25. This sale was cash to seller. This property was purchased by a family group. The property sold between two trusts at an appraised value as established by Johnson-Perkins appraisal. This sale is considered to be an arm's-length. This sale is considered to be a transfer of the property at an appropriate market value. Overall, when compared to the subject property, this is considered to be a high indicator, requiring downward adjustments.

**Sale #2** is located at 7960 Security Circle, Reno, Sparks, Nevada, and is further identified as APN 082-492-17. This property was sold by Lee M. Steinberg and Susan L. Steinberg, Trustees, and was purchased by Kappes Cassidy & Associates. This sale was consummated on November 21, 2011, and recorded November 23, 2011. This sale was recorded with Document No. 4061062. This property contains 2.989± acres or 130,200.84± sf. The property is zoned MUNV, which has an industrial overlay. Access to this site is paved and is considered good. The site is level. The overall sales price is \$538,500 indicating a price per square foot of \$4.14. This parcel was purchased by an adjoining property owner. The site is level and at street grade and has rail access. Access is good but somewhat circuitous. The surrounding uses includes a number of unrelated industrial including manufacturing, firewood sales, propane sales, etc. Kappes Cassidy & Associates purchased the site as a long-term investment and possible expansion. It has no immediate plans for development. Mr. Albright also indicated that the rail spur across the back of the property did not affect the sales price. Overall, when compared to the subject property, this is considered to be a high indicator, requiring downward adjustments.

**Sale #3** is located at the southeast corner of White Fir and Woodland Avenue, Reno, Nevada, and is further identified as APN 212-050-12. This property was sold by Messenger Molding Inc. and was purchased by Rocking O LLC. This sale was consummated on May 26, 2012, and recorded July 5, 2012. This sale was recorded with Document No. 4128787. This site contains 1.02± acres or 44,431± sf. This property is zoned MUW4 with an industrial overlay. Access is paved and is considered good. The parcel is level. The overall sales price was \$256,000 or \$5.76 a square foot. This is a level site located at the entrance of the Reno West Business Park. In the years prior to the sale, the property had been offered for lease at

10 cents per square foot per month with no interest. The buyer, who owns Reno Green Landscaping, and already has a presence in the area, made several attempts to purchase the property and was able to reach an agreement with the seller in the spring of 2012. Both buyer and seller believe the price is similar to the sale's value in 2004 and 2005. The site has level topography and access to all public utilities. Surrounding properties include a mixture of single- and multi-tenant industrial warehouse distribution buildings. Overall, when compared to the subject property, this is considered to be a high indicator, requiring downward adjustments.

**Sale #4** is located at 425 Ingenuity Avenue, Sparks, Nevada. This property is further identified as APN 538-161-04. This property was sold by Spanish Springs Associates Limited Partnership and purchased by Silverado Land Management LLC. This sale was consummated on July 27, 2012, and recorded July 31, 2012. This sale was recorded with Document No. 4136963. This parcel contains 1.24± acres or 53,928± sf. The property is zoned I, Industrial. Access is paved and is considered good. The site is level. The overall price was reported at \$169,873.20 or a per square foot of \$3.15. This site is a level corner industrial site which was purchased and fenced for an industrial security yard. Overall, when compared to the subject property, this is considered to be a high indicator, requiring downward adjustments.

**Sale #5** is located on Security Circle, Reno, Nevada, and is further identified as APN 082-492-21. This property was sold by Teresa M. Rietz and was purchased by Cool Express Inc. The sale was consummated on June 30, 2012, and recorded August 2, 2012. This sale was recorded with Document No. 4138000. This industrial site contains 1.636± acres or 71,264± sf. The site is zoned MUNV with an industrial overlay. Access is paved and is considered adequate. This site is level. The sales price was reported at \$170,000 or a price per square foot of \$2.39. This comparable involves an "L" shaped property with no public street frontage. The site is accessed using a private paved street. This access is a private paved access easement between two existing buildings. The entire site is usable with all utilities. The property was listed about one year prior to the sale. Sale terms include a seller-carried note in the amount of \$120,000 at 8%, 20-year amortization due in three years. The broker did not feel that the seller financing affected the sales price because the term is relatively short and the interest rate is near market. Overall, when compared to the subject property, this is considered to be a high indicator, requiring downward adjustments.

**Sale #6** is located on the east side of Technology Way, Reno, Nevada. This sale is further identified as APN 163-090-15. This property was sold by Prologis Land LLC and purchased by LSPI Exchange Corporation. This sale was consummated on October 11, 2012, and recorded October 16, 2012. This sale was recorded with Document No. 4163445. This site contains 9.576± acres or 417,130.56± sf. The property is zoned PUD with an industrial overlay. Access is paved and is considered good. The site is level. The sales price was \$1,295,400 or a unit price of \$3.11 a square foot. Overall, when compared to the subject property, this is considered to be a high indicator, requiring downward adjustments.

**SUMMARY AND CONCLUSION OF VALUE**

All sales and listings utilized in this report were felt to be similar to each other and as similar as possible to the subject property. The adjustments are considered to be relatively small. In the before condition, the sales ranged from a low of \$2.39 a square foot to a high of \$5.76 a square foot. Appropriate adjustments have been considered for property rights, terms, time, location, utilities, zoning, and size. A summary of adjustments for the price per square foot is as follows.

**SUMMARY OF ADJUSTMENTS FOR PRICE PER SQUARE FOOT**

Sale No.	Unadjust. Price/SF	Prop. Rights	Terms	Time	Location	Utility	Zoning	Size	Overall Adjust.
1	\$5.25	0	0	0	0	-	-	-	-
2	\$4.14	0	0	0	+	-	-	0	-
3	\$5.76	0	0	0	0	-	-	-	-
4	\$3.15	0	0	0	+	-	-	+	-
5	\$2.39	0	0	0	+	-	-	-	-
6	\$3.11	0	0	0	0	-	-	+	-

The value indications derived from the comparable sales are reconciled into a single value indication by arranging the six sales in an array relative to the subject property. Those sales considered superior to the subject property would be all sales.

<u>Comparable</u>	<u>Price Per SF</u>	<u>Overall Comparability</u>
Sale #3	\$5.76	Superior
Sale #1	\$5.25	Superior
Sale #2	\$4.14	Superior
Sale #4	\$3.15	Superior
Sale #6	\$3.11	Superior
Sale #5	\$2.39	Superior

**Subject Property**

As can be seen from the above chart, the subject property appears to fit below these sales. These sales were selected because of their comparability and location to the subject property. As indicated, in the before condition the sales ranged from a low of \$2.39 to a high of \$5.76. The most similar of these sales appear to be Sale #5 which sold at \$2.39 a square foot.

Therefore, based on the above analysis of the data contained in this report, with consideration given to the definition of value contained in this report, it is this appraiser's opinion that the indication of value of \$2.39 a square foot is most appropriate for the subject's current market value.

Applying \$2.39 a square foot to the subject's 5.00± acres or 217,800± square feet indicates a value of \$520,542 or \$2.39 a square foot.

**Indicated Value: \$520,542**  
**\$2.39 a square foot**

**PERMANENT EASEMENT LANGUAGE**

AFTER RECORDING RETURN TO:  
NEVADA DEPT. OF TRANSPORTATION  
RIGHT-OF-WAY DIVISION  
ATTN: STAFF SPECIALIST-ACQ.  
1263 S. STEWART ST.  
CARSON CITY, NV 89712

PERMANENT EASEMENT DEED

THIS DEED, made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
between  
hereinafter called GRANTOR, and the STATE OF NEVADA, acting by and through its  
Department of Transportation, hereinafter called GRANTEE,

WITNESSETH:

That the GRANTOR, for and in consideration of the sum of ONE DOLLAR (\$.00),  
lawful money of the United States of America, and other good and valuable consideration, the  
receipt whereof is hereby acknowledged, does by these presents grant unto the GRANTEE  
and to its assigns forever, for those purposes as contained in Chapter 408 of the Nevada  
Revised Statutes, a perpetual easement and right-of-way for the construction related to the  
Southeast McCarran Boulevard Project Phase II (Project). Said easement is described in  
Exhibit "A" attached hereto and made a part hereof by reference.  
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EXCEPTING THEREFROM any and all water rights appurtenant to said parcel.

TOGETHER with all and singular the tenements, hereditaments and appurtenances  
thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder  
and remainders, rents, issues and profits thereof; with the exception of any and all  
reservations as are previously hereinabove expressly excepted from this conveyance.

To hereby waive, with full knowledge, that a public highway and the necessary  
incidents thereto are to be located upon, over and across the lands hereinabove described,  
any claim for any and all damages to the remaining adjacent lands and property of the  
GRANTOR by reason of the location, construction, landscaping and maintenance of said  
highway and appurtenances in said location.

TO HAVE AND TO HOLD all and singular the said real property, together with the  
appurtenances, unto the said GRANTEE and to any heirs, successors and assigns forever.

IN WITNESS WHEREOF said GRANTOR has hereunto signed on the day and year  
first above written.

Use the applicable Notary Acknowledgment below:

**Form for acknowledgment in individual capacity**

State of Nevada  
County of

**PERMANENT EASEMENT LEGAL DESCRIPTION**

WRITTEN: KA  
CHECKED: WJC  
CALCS: TH  
TITLE:  
MAP:  
10k:

TECH V:  
SUPERVISOR:

DOCUMENT: 018143pe.docx  
PATH: j:\jobs\0525\_ndot-  
rtc\mccarran right of  
way\geomatics\legals\_exhibits\legal  
submittals\11-12-12\018143pe.docx  
DATE: 02/12/2013

Ptn of APN 021-010-05

AFTER RECORDING RETURN TO:  
NEVADA DEPT. OF TRANSPORTATION  
RIGHT-OF-WAY DIVISION  
1263 S. STEWART ST.  
CARSON CITY, NV 89712

LEGAL DESCRIPTION PREPARED BY:  
KEVIN ALMETER  
WOOD RODGERS, INC.  
5440 RENO CORPORATE DRIVE  
RENO, NEVADA 89511

Project: SPSR-0650 (008)  
E.A. 73511  
Parcel: S-650-WA-018.143PE

**Permanent Easement**

The Board of Regents, University of Nevada System

... situate, lying and being in the County of Washoe, State of Nevada, being a portion of Section Sixteen (16), Township Nineteen (19) North, Range Twenty (20) East, M.D.M., and more particularly described as being a portion of the land as described in that certain Deed recorded on January 19, 1956, in Book 403, Page 171, as Document No. 255773, in the Deed Records of Washoe County, Nevada, and more fully described by metes and bounds as follows:

COMMENCING at corner common to Sections 9, 10, 15, 16, said section corner being a found 2 inch brass cap monument, stamped "RLS 1643", shown on the Official Map To Offer for Dedication "Glendale Ave.,

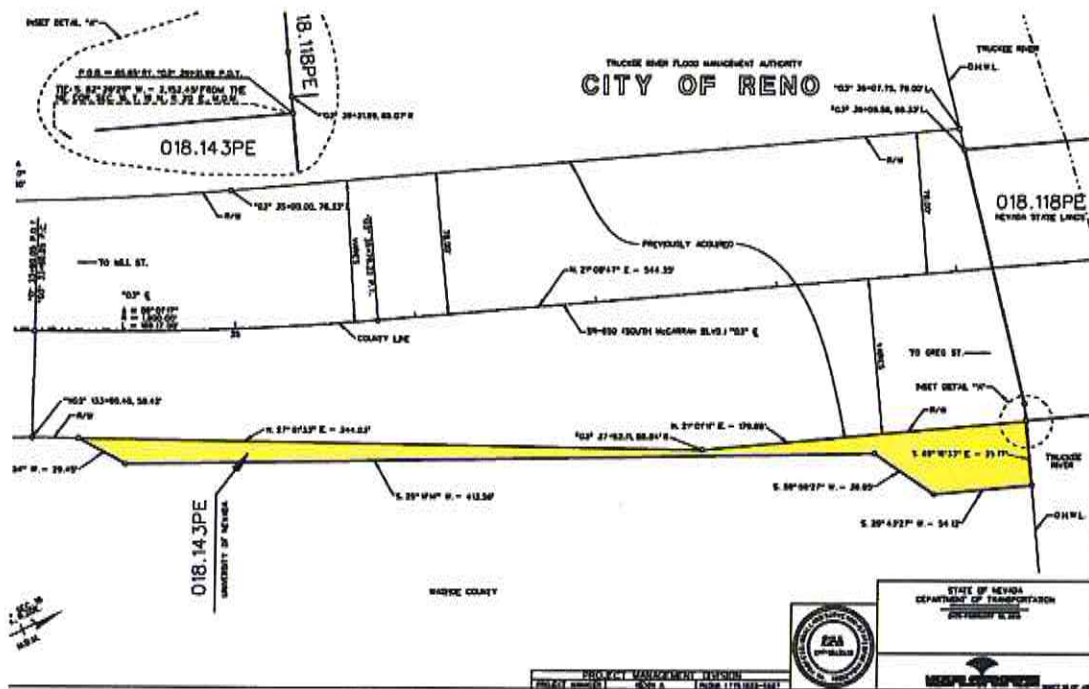


## PERMANENT EASEMENT LEGAL DESCRIPTION

Greg St., Kleppe Lane, Kresge Lane, Turner Dr., Turner Ct., Overmyer Rd., Purina Way, Packer Way, and Watson Way to the City of Sparks, Nevada', recorded as Dedicated Tract Map No. 1576 on June 3, 1976, as File No. 411080, in said Official Records; thence departing said corner, South 62°26'29" West a distance of 2152.45 feet to the POINT OF BEGINNING; said point of beginning described as being on the right or easterly right-of-way line of SR-650 (South McCarran Boulevard), 65.65 feet right of and at right angles to Highway Engineer's Station "03" 39+31.98 P.O.T.; thence departing said easterly right-of-way line and along the present ordinary high water line of the southerly bank of the Truckee River, South 89°18'33" East a distance of 35.17 feet; thence departing said southerly ordinary high water line, South 20°43'27" West a distance of 54.12 feet; thence South 59°56'27" West a distance of 39.95 feet; thence South 25°11'14" West a distance of 413.58 feet; thence South 54°36'54" West a distance of 29.45 feet to said easterly right-of-way line; thence along said easterly right-of-way line, North 27°01'33" East a distance of 344.03 feet; thence continuing along said easterly right-of-way line, North 21°01'11" East a distance of 179.88 feet to the point of beginning; said parcel contains an area of 6,166 square feet of land, more or less.

The Basis of Bearing for this description is the NEVADA STATE PLANE COORDINATE SYSTEM, NAD 83/84 DATUM, West Zone as determined by the State of Nevada, Department of Transportation.

EASEMENT MAP



## DESCRIPTION AND VALUATION OF THE PERMANENT EASEMENT Containing 6,166± sf

In a preceding section of this report, the estimated land value of the subject property was estimated to be \$2.39 a square foot. This \$2.39 a square foot will be extended to this section of the report. The permanent easement contains 6,166± sf.

The purpose of this analysis is establish the value of a 6,166± square foot permanent easement for slope control and to recommend compensation for its acquisition. The easement is located across the north/west boundary line of the subject site. It is the acquisition of a partial interest.

Fee simple ownership is typically viewed as absolute ownership, or full ownership subject to only certain universal limitations. This ownership is said to include the full "bundle of rights" inherent in the ownership of real estate. This "bundle of rights" includes the right to use real estate, to sell it, to lease it, to enter it, to give it away, or to choose to exercise all or none of these rights.

The easement that will be granted to the Nevada Department of Transportation (NDOT) will not restrict the property owner's right to sell, lease, give away, or otherwise convey the real estate. However, it will impose some physical and legal restrictions on the use and development of the subject. In determining the value of the easement, it is necessary to explore the impact of the easement on the "bundle of rights" that comes with fee ownership. After the imposition of the easement, the owner of the underlying parcel will have something less than the total "bundle of rights" typically associated with the ownership.

### Building Location

The easements will preclude construction of permanent structures within the area encumbered. In the case of the subject, this will be a minor inconvenience. This is primarily due to the fact that the easement is being located along the north/west property line of the subject site and will vary in size and width. This area of the site is typically utilized or set aside for utilities, telephone, or other similar easements. As indicated prior, the larger parcel contains 5.00± acres and the new permanent easement contains 6,166± sf and is located in an area typically set aside for other easements or similar easements. As a result of the easement, the grantee, NDOT, will have the right to remove or clear all buildings, fences, brush, landscaping, trees, etc. within the easement area at their discretion. Additionally, after the acquisition of the permanent easement, the property owner will be constrained from constructing any buildings, fences, or other structures in the easement area which in the judgement of the NDOT is inconsistent with their use of the easement area.

### Maintenance Access

As a result of the easement, NDOT will have, at all times, the right to enter the property for the purpose of constructing, altering, maintaining, inspecting, repairing, reconstructing and operating the slope easement constructed within the right-of-way area. Although it is expected that these incursions will be infrequent, the easement provides unlimited access.

### Summary

Overall, much of the utility of the land in the easement area will be lost to the owner of the underlying fee. While the easement will not restrict the owner's right to sell, lease, give away, convey or develop the parcel, there will be an impact on the owner's right to use the area to be encumbered by the easement. In essence, with the exception of the right to traverse the area, the property owner is restricted from incorporating the

area encumbered into their larger holding. They cannot build buildings, fences, or otherwise restrict access to the area. Additionally, the grantee, NDOT, has reserved the right to clear or remove all brush, improvements, and landscaping at their discretion.

This project appears to create a utility corridor that will have little use to the owner of the underlying fee. Overall, I conclude that along the continuum of impacts that include at one end a property unaffected by the easement to a property which is involved in a total take, the burden of the easements ranks near the top of the burdened area.

Permanent easements are usually valued at somewhere between 0 and 100% of the fee simple value of the property. The appraiser has researched numerous articles within the appraisal field libraries to ascertain whether or not there is a definitive answer as to what percentage that fee should be. In reading these articles as well as in conversations with the purchasers of easements, sellers of easements, and other appraisers familiar with the valuation of easements, the appraiser has found no set definitive answer as to the fee amount actually being acquired. The most consistent answer is somewhere in mid range, or 50% of value, since the property owner retains ownership of the property and has some uses. This percentage is arguably considered higher or lower, depending on whether or not the easement is for a use that precludes the property owner from use of the property. In the case of the language pertinent to this assignment, the Nevada Department of transportation is purchasing the easement for slope control. Given no other definitive market information, it is the appraiser's opinion that a permanent easement of approximately 100% of the fee value is appropriate, leaving the property owner 0% value for future utilization. This permanent easement is for slope control, which totally limits the property owners use. Therefore, for purposes of this report, the permanent easement will be valued at 100% of its fee simple interest value.

In the preceding analysis, the value of the larger parcel was estimated at \$2.39 per square foot. The easement which is proposed for the subject contains 6,166± sf, indicating a value of \$14,736.54. 100% percent of the value indicates a value of \$14,736.54.

**Estimated Value of the Easement**  
**(6,166± sf @ \$2.39/sf x 100% = \$14,736.54)**

**(Rd.) \$14,737**

**Recommendation of Just Compensation for a  
Permanent Slope Easement: \$14,737**

### VALUE OF THE REMAINDER, AFTER THE ACQUISITION OF THE EASEMENT

In the before condition, the larger parcel was estimated to have a site value of \$520,542. Deducting the total market value of the Permanent easement, which is \$14,737, leaves the value of the remainder after the acquisition of the easement of a total of \$505,805.

The remainder consists of 217,800± sf, of which 211,800± sf is held as the remainder unencumbered fee, and 6,166± sf is held in fee subject to a permanent easement. An estate subject to an easement is known as the servient estate. Mathematically, the value of the remainder is as follows: \$520,542 minus \$14,737 equals \$505,805 (note, this is not market value)

The next step in the analysis is to determine the market value of the remainder parcel, after the permanent easement has been acquired. In the after condition, the larger parcel will continue to involve 5.00± acres or 217,800± sf with the physical and legal characteristics which have been described previously, with the addition of a 6,166± sf permanent easement. The new easement will be utilized for the widening of McCarran Boulevard.

#### Construction Disruption

As proposed, all of the construction activity associated with the widening of McCarran Boulevard will be conducted within the acquired permanent easement, existing public rights-of-way, existing access, and public utility easements. All existing driveways and utility connections will be maintained. If any disruption occurs, the property owner(s) affected will be notified, and the disruption will be short lived. Construction at any given location along the project corridor is expected to be completed fairly quickly, usually in a matter of weeks or months.

#### Visual Impact

There will be no visual impact on the subject site, since the permanent easement, is for slope control. There is no anticipated visual impact on the 5.00± acre parcel. Therefore, there appears to be no difference in value in the before condition and the after condition.

In an effort to determine the impact of the permanent easement on the price/value of land and improvements, I researched several permanent easements that have occurred through Reno and the surrounding suburban areas.

These permanent easements do not appear to have an impact on value. Overall, I conclude that the value of the remainder parcel, that is the entire ownership as unencumbered by the proposed easement will, after the project is complete, be unchanged. Damages or benefits associated with a project are calculated as the difference in the value of the remainder, before and after the acquisition and construction of the improvements. Since no improvements are being constructed, no actual take is being taken other than a permanent easement. I conclude that there are no monetary damages or benefits associated with the proposed permanent easement acquisition.

In the after condition appraisal, I researched the market to determine if any sales or market indications other than those used in the before approach were available. None better were found. The market indicators used previously had typical utility easements similar to the subject's after condition. Therefore, no further adjustments are considered necessary. After carefully considering all the appropriate information, it is this appraiser's opinion that the market value of the subject in the after condition is

estimated to be \$520,542.

In my analysis of the remainder after the acquisition of the permanent easement, I concluded that the highest and best use of the property has not changed. It is thus my observation that buyers will pay as much for a 5.00± acre parcel encumbered with a permanent easement as they will for a 5.00± acre parcel without a permanent easement. Based on my analysis of the data presented in the analysis of the larger parcel prior to the acquisition of the easement, and the information presented above, I concluded a value of the remainder after the acquisition of \$2.39 per square foot. Since damages or benefits associated with a project are calculated as the difference in the value of the remainder, before and after the acquisition and construction of the improvements, I concluded that there are no monetary damages or benefits associated with the proposed acquisition.

It is my conclusion that the two estates that comprise the remainder are not diminished in value by the acquisition of a permanent easement.

### SUMMARY OF VALUE CONCLUSIONS

(Accounting tabulation not indicative of appraisal method employed)

A. Value of the whole, before the take:		\$520,542
B. Value of the part taken, as part of the whole:		\$14,737
	Permanent easements	\$14,737
C. Value of the remainder, as part of the whole:(A – B)		\$505,805
D. Value of the remainder, after the take:		\$520,542
E. Damages		
	\$0.00	
	Severance damages (C – D)	\$0.00
	Cost to cure damages	\$0.00
F. Other		\$0.00
G. Total Value of the Part Taken (B + E + F)		\$14,737

## ASSUMPTIONS AND LIMITING CONDITIONS

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

### **LIMITS OF LIABILITY:**

The liability of Anthony J. Wren, MAI 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 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 assignment. The appraiser is not 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.

### **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 fee represents compensation only for the analytical services provided by the appraiser. The report remains the property of the appraiser, though it may be used by the client in accordance with these assumptions and limiting conditions.

The By-Laws and Regulations of the Appraisal Institute require each Member to control the use and distribution of each report signed by such Member. Except as hereinafter provided, the client may distribute copies of this report in its entirety to such third parties as he may select. However, selected portions of this report shall not be given to third parties without the prior written consent of the appraiser. Neither all nor any part of this report shall be disseminated to the general public by use of advertising media, public relations media, news media, sales media, or any other media for public communication without the prior written consent of the appraisal firm.

This report 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 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. The appraiser shall bear no responsibility for any unauthorized changes.

### **CONFIDENTIALITY:**

Except as provided for subsequently, the appraiser may not divulge the analyses, opinions or conclusions developed in the assignment, nor may he 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 or the State of Nevada 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.

The appraiser may be requested to submit copies of work to bona fide financial institutions in order to be approved to complete appraisal or consultation work for their institution. When requested, the appraiser will contact the client to obtain release to disseminate copies of the report to requesting institutions. Requests for dissemination will be controlled by the client; however, approval to disseminate the report will not be unreasonably withheld. Any reports

disseminated to requesting financial institutions would be edited to remove specific references to the subject property's name, location and owner. Additionally, any specific reference to the client will also be deleted.

**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. The appraiser is not liable for any information or the work product provided by subcontractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other sources thought reasonable. 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 appraiser or anyone 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 report, either in full or in part, except under separate and special arrangements at an additional fee. If testimony or a deposition is required because of any subpoena, the client shall be responsible for any additional time, fees and charges, regardless of the issuing party. Neither the appraiser nor anyone assisting in the preparation of the report is required to engage in post assignment 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 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. The reliability of the information contained on any such map or drawing is assumed accurate by the appraiser and is not guaranteed to be correct.

**TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS:**

No responsibility is assumed by the appraiser 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 analyzed as if free and clear, unless otherwise stated in the report. The legal description, as furnished by the client, his designee or as derived by the appraiser, is assumed to be correct as reported. The report 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 report should not be construed as a report on the physical items that are a part of any property described in the report. Although the report 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 analysis and not as a complete or detailed report on these physical items. The appraiser 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 report.

Any statement in the report 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 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 analysis, any comments on observed conditions given in this appraisal report should not be taken as a guarantee that a problem does or 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, it is strongly suggested 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 analysis is based on the assumption that there are no apparent or unapparent conditions on the property site or improvements, other than those stated in the report, which would materially alter the value of the subject. 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 analysis 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.

**AMERICANS WITH DISABILITIES ACT:**

The Americans With Disabilities Act became effective on January 26, 1992. Unless otherwise noted in this report, I have not made a specific compliance survey or analysis of this property to determine whether or not it is conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, would reveal that the property is not in compliance with one or more requirements of the Act. If so, this fact could have a negative effect on the value of the property as derived in the attached report. Since I have no direct evidence relating to this issue, and since I am not an expert at identifying whether a property complies or does not comply with the ADA, unless otherwise stated in the report, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property. Before committing funds to any property, it is strongly advised that appropriate experts be employed to ascertain whether the existing improvements, if any, comply with the ADA. Should the improvements be found to not comply with the ADA, a reappraisal at an additional cost may be necessary to estimate the effects of such circumstances.

**TOXIC MATERIALS AND HAZARDS:**

Unless otherwise stated in the report, no attempt has been made to identify or report any toxic materials and/or conditions such as asbestos, urea-formaldehyde foam insulation, or soils or ground water contamination on any land or improvements described in the 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 toxic materials and/or conditions. If any toxic materials and/or conditions are present on the property, the value of the property may be adversely affected and a reanalysis 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-soils 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, sub-surface rights (minerals and oil) were not considered in completing this analysis. Unless otherwise noted, the land and the soil in the area being analyzed appeared to be firm, but no investigation has been made to determine whether or not any detrimental sub-soil conditions exist. The appraiser is not liable for any problems arising from soil conditions. Therefore, it is strongly advised that, before any funds are committed to a property, the advice of appropriate experts be sought.

If the appraiser 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.

The appraiser assumes no 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.

**LEGALITY OF USE**

This analysis 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 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 analysis. 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.

**ADDENDUM**

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

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

**PROFESSIONAL INVOLVEMENT:**

- Appointed by the Governor of Nevada to serve on the Nevada Commission of Appraisers 9/94 to 6/97 and 7/97 to 6/00
- President, Commission of Appraisers of Real Estate, State of Nevada (1996, 1998)
- Expert Witness for Nevada District Court, Washoe and Elko Counties
- Member of the Appraisal Institute, National Board of Realtors, and Reno/Carson/ Tahoe Board of Realtors
- Over 30 years of Appraisal Experience

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

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

**OFFICES HELD:** *Member* Young Advisory Council SREA,  
San Diego & San Francisco, CA 1989 & 1991

*Education Chairman*, Reno/Tahoe/Carson Chapter  
Appraisal Institute 1993

*Board of Directors*, Reno/Carson/Tahoe Chapter  
Appraisal Institute 1993-2007

*President*, Reno/Carson/Tahoe  
Chapter 189 1988-1989

*First Vice President*, Reno/Carson/Tahoe  
Chapter 189 1987-1988

*Secretary*, Reno/Carson/Tahoe  
Chapter 189 1986-1987

*President*, Reno/Carson/Tahoe  
Chapter 189 2000

**Appraisal Instruction**

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

**APPRAISAL COURSES AUDITED:**

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

**APPRAISAL COURSES SATISFACTORILY CHALLENGED:**

A1: Course I210 Residential Case Studies	(1993)
A1: Course 410 Standards of Professional Appraisal Practice	(1991)
A1: Course 420 Ethics of the Professional Appraisal Practice	(1991)
A1: Course 420 Ethics of the Professional Appraisal Practice	(1991)
SREA: Course 301 Special Applications of Real Estate Analysis	(1989)
SREA: Course 202 Applied Income Property Valuation	(1985)
SREA: Course 201 Principles of Income Property Appraising	(1984)

SREA: Course 101 An Introduction to Appraising Real Property (1983)  
 SREA: Course 102 Applied Residential Property Valuation (1983)

**Classes Attended**

AQB USPAP Instructor Recertification Course	(Dedham, MA)	02/24/07
AQB USPAP Instructor Recertification Course	(Tucson, AZ)	12/04/04
Water Rights in Nevada		12/01/03
Training & Development Conference		08/26/03
AQB USPAP Instructor Recertification	(San Francisco, CA)	10/30/02
Appraisal Continuing Education		12/10/02
Property Flipping and Predatory Lending Seminar		10/17/01
2001 USPAP Update for Instructors & Regulators-CA	(San Diego, CA)	12/09/00
Lake Tahoe Case Studies in Commercial Highest & Best Use	(Sacramento, CA)	10/20/00
Supporting Sales Comparison Grid Adjustments for Residential Properties	(Reno, NV)	09/29/00
Case Studies in Commercial Highest and Best Use	(Reno, NV)	07/28/00
Tools For Teaching Excellence, Day 1		07/09/00
USPAP Update for Instructors and Regulators	(Las Vegas, NV)	07/08/00
Tools For Teaching Excellence, Day 2		07/10/00
Residential Consulting		03/31/00
Residential Consulting		2000
FHA's Home buyer Protection Plan & the Appraisal Process Seminar		1991
Affordable Housing Valuation Seminar		1997
Alternative Residential Reporting Forms		1986
Business Valuation Part 1		1996
Understanding Limited Appraisals – General		1995
Data Confirmation & Verification Methods		1995
Mandatory Faculty Workshop		1995
Appraising 1- to 4-Family Income Properties		1995
Investment Techniques with the HP-17/19II Calculator		1994
Fair Lending and the Appraiser		1994
Mock Trial		1994
Electronic Spreadsheet Workshop		1994
Basic Argus Training (Spreadsheets)		1994
Investment Techniques with the HP-17/19II Calculator		1994
FNMA URAR Update		1993
Maximizing the Value of an Appraisal Practice		1993
Litigation Valuation		1992
101 "Instructors Clinic		1990
Comprehensive Appraisal Review		1990

**Meetings Attended**

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

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

**PARTIAL LIST OF RECENT APPRAISAL CLIENTS**

255 North Sierra Street, LLC	Central Pacific Mortgage
Abnet	CFS Mortgage Corporation
Accubank Mortgage	Chase Manhattan Mortgage
Advanta Finance	Chase Mortgage
Advantage Financial	Chesapeake Appraisal & Settlement
Affinity Mortgage	Circuit City Relocation
Affirmative Mortgage	Citizens for Affordable Homes
Airport Authority of Washoe County	City of Reno
All Western Mortgage	City of Sparks
Allied Mortgage Capital Corp.	Claims Adjusting Groups, Inc.
AMC Financial, Inc.	CLT Appraisals
Amera Mortgage Corporation	Coast to Coast
America's Wholesale Lender	Coastal Pacific Financial Services
American Benefit	Coldwell Banker Relocation
American Fidelity	Colonial Bank
American Realty Advisors	Commercial Mortgage Services
American Residential	Commonwealth Relocation
American Trust Mortgage	Commonwealth United Mortgage
Americorp Relocation Management	Countrywide Funding Mortgage
Amwest Mortgage	Countrywide Valuations
Appraisal Institute	County of Lander
Appraisal Management Company	Crawford Technical Services
Armada West Campus, Inc.	CTX Mortgage
Associates Relocation Management	Custom Home Loans
ATM Corp Of America	Datacomp Appraisal Service
Bank of America	Dauenhauer Manufacturing Co.
Bank of Blue Valley	Deere & Company
Bank of Clark County	Dept. Of Water Resources
Bankers Mutual	Dickson Realty
Barrick Gold Corporation	Discount Mortgage
Battle Mountain Flood Plain Pro	Diversified Marketing
Baywest Investment, LLC	E-Trade Financial
Beneficial Foreclosure	Easton Mortgage
Boatmans Relocation	EBMC
BSB Bank & Trust	Empire Home Loan
Builder's Association of Northern Nevada	Erickson, Thorpe & Swainston Ltd.
Business Bank of Nevada	Eugene Burger Management Corp.
Cal Pacific Mortgage	Excellerate HRO
Calaveras	Executive Relocation
California Federal Bank	Fannie Mae
Cendant Mobility Services	Farmers Home Administration
Cendant Mortgage Service	Federal Deposit Insurance Corp.
Cendant Relocation	Fidelity Valuation Services
	Fieldstone Mortgage
Financial Mortgage Product Inc.	First Interstate Bank
First Bank of Nevada	First Mortgage Corporation
First Federal Lincoln	First National Bank of Nevada
First Financial Funding Group	First Nationwide Mortgage
First Horizon	First Plus Bank
First Independent Bank of Nevada	First Priority Financial
	First Republic Bank



<p>                     First Union National Bank of DE                      Fleet Mortgage                      FMEA                      G.F. Hansen Loan Quality Service                      GE Capital                      John Gezelin, Attorney At Law                      GMAC Commercial Mortgage                      GMAC Mortgage Company                      Golden Appraisal                      Golden Pacific Mortgage                      Great Basin College                      Great Bay Funding                      GreenLink LLC                      H &amp; R Block                      Glade Hall                      Hammond Securities                      Harbor View Mortgage                      Bilbo Helms                      Heritage Bank                      HFS Asset Services                      HFS Mobility Services                      Hoffman, Test, Guinan &amp; Collier                      Home Equity Mortgage                      Home Equity Relocation                      Home Finance of America                      Homebuyers Mortgage                      HomeFocus Valuation Services                      Homesteps by Freddie                      Huntington Mortgage                      INDY MAC                      Integrated Asset Services, Inc.                      Interbank Funding Group                      Interbay Funding                      Interwest Bank                      Interwest Mortgage                      James Nutter &amp; Co.                      Jenkins &amp; Fry, Attorneys At Law                      Kennedy Mortgage                      Key Bank of Wyoming                      Keystone Realty                      Keystone Relocation Services                      KRETS                      Lakeshore Mortgage                      LandAmerica One Stop                      Landsafe Appraisal Service                      Lane, Duncan &amp; Lambertson                      LDS Church                      Legend Mortgage                      Lender Life Mortgage                      Lenders Financial Services                      Lifeline Estate Services, Inc.                      Lighthouse Funding                      Lincoln Services Mortgage                      LMSC Federal                 </p>	<p>                     LoanWork                      Lockheed Federal Credit Union                      M&amp;I Mortgage Corporation                      Margaretten &amp; Company                      Metropolitan Mortgage &amp; Securities                      Michelin North American                      Mortgage Lenders                      MRI Relocation Management                      National Equity Relocation                      National Handicap Housing Inst.                      National Residential                      Nationwide Appraisal Services                      Navy Federal Credit Union                      NEI Global Relocation Company                      Nevada Community Reinvestment                      Nevada Department of Business                      Nevada Department of Transportation                      Nevada Federal Credit Union                      Nevada Federal Financial                      Nevada Financial                      Nevada Land Conservancy                      Nevada National Bank                      Nevada Rural Housing Authority                      Nevada State Bank                      Northern California Chapter of the                      Appraisal Institute                      North American Funding                      North American Mortgage Company                      Northern Nevada Bank                      Norwest Mortgage                      Nova Mortgage Credit                      Novastar Mortgage                      NRI Relocation                      NW LLC                      Oakmont Mortgage                      One Source Relocation                      Operating Engineers                      Option One Mortgage Corporation                      Overlake Mortgage                      Pacific Mortgage                      Pacific Relocation                      Parallel Commercial Capital                      PHH Homeequity Relocation                      PHH US Mortgage Company                      Pinnacle Group Associates                      Pope &amp; Talbot Inc.                      Carol Pope, Esq.                      PPH Asset                      PPH Homeequity                      Preferred Financial                      Primacy Relocation LLC                      Primis Net                      Primis Inc.                      Procter &amp; Gamble Real Estate                 </p>
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Property Specialists Inc.  
 Prudential Relocation  
 Quality Mortgage USA Inc.  
 Rainbow Bend Subdivision  
 RE/MAX Relocation  
 Real Estate Recovery  
 Recovery & Compliance Tax Service  
 Reliance Field Services  
 Relo Action  
 Relocation  
 Relocation Today, Inc.  
 Richardson-Miller  
 RKS Mortgage Services Inc.  
 Roussel Financing  
 Running Bear Mortgage  
 Rural Community Assistance Corp.  
 S&L Home Loans  
 Sahara Mortgage Corporation  
 SC Funding  
 Scarpello, Huss & OashinCoan  
 Ltd.Schering-Plough Corporation  
 Seacoast Equities  
 Second Generation Mortgage  
 Secured Funding  
 Security First Mortgage of Nevada  
 Security Pacific Financial  
 Security Service FCU  
 Shared Services Relocation  
 SIBCYCLINE Relocation Services  
 Sierra Assisted Living  
 Sierra Nevada Funding  
 Sierra Pacific Power Company  
 Land & Right-of-Way Agent  
 Land Service  
 Sierra West Bank  
 Silver Lake Mortgage  
 Silver Sierra Mortgage  
 Sointec  
 Source D Realty & Mortgage  
 Source One  
 Richard Spitzer, Esq.  
 St. Mary's Hospital  
 Standard Motor Products  
 Stanwell Mortgage  
 Stars Relocation  
 State of Nevada  
 Sterling Capital Mortgage  
 Storey County Building Dept.  
 Summit Engineering  
 Support Historic Genoa Inc.  
 Surrogate Mortgage  
 The 7-Eleven Inc.  
 The Mortgage Company  
 The Relocation Center  
 Trans Equity Relocation  
 Transcoastal Mortgage  
 Transequity Inc.  
 Transfer Services  
 Tri-Corp  
 Truckee Meadows Water Authority  
 TruePoint Mortgage Inc.  
 TRW-Countrywide  
 USG Annuity & Life Company  
 United Lending Group  
 United States Marshall Service  
 UNR Property Manager  
 US BanCorporation  
 US Bank  
 US Bank Mortgage Services  
 US Dept. Of Housing & Urban Dev.  
 US Mortgage  
 US Relocation  
 USA Federal Credit Union  
 USDA FMHA  
 Vectra Bank Colorado  
 Verner Construction  
 Viking Freight  
 Wade Development Company  
 Warren & Schiffmacher LLC  
 Washington Mutual

Washoe Credit Union  
Washoe Tribe of Nevada  
Weichert Relocation  
Wells Fargo  
West Coast Mortgage  
Western Federal Mortgage  
Western Financial Bank  
Western Relocation  
Westgate Mortgage Company  
Westwood Funding  
WHR Group  
Winsor Valley Mortgage  
World Business Credit  
Wright Mortgage  
Zions First National Bank

Also numerous individuals, corporations, law firms, and real estate brokerage firms.

Appraiser Introductory Letter

**ANTHONY J. WREN AND ASSOCIATES**

REAL PROPERTY CONSULTANTS

Tony Wren MAI, SRA  
CERTIFIED GENERAL APPRAISER  
TWRENMAI@AOL.COM

P.O. BOX 20867  
Reno, Nevada 89515  
Phone (775) 329-4221  
Fax (775) 329-6382

Susan A. Wren  
CERTIFIED RESIDENTIAL APPRAISER  
SAW12345@AOL.COM

2-27-2013

University of Nevada Systems (Troy Miller)

695 N Center

Reno, Nevada 89501

Appraiser Introductory Letter  
Project: McCarran Widening  
APP-003.1  
Parcel: 021-010-06 and 07

1000 & 7300 Clean Water Way

Dear Mr. Miller:

The location and preliminary design of a portion of the McCarran Widening has been approved by your local government officials, the Nevada Department of Transportation (NDOT), the Federal Highway Administration and the Regional Transportation Commission (RTC). This approval was preceded by a public hearing held to give all interested parties an opportunity to participate in the location and design of this facility.

Your property will be affected by this portion of the roadway and it will be necessary for the State and the RTC to have it appraised. Appraisal of the affected properties will begin in the near future. I will be appraising your property and would like you to accompany me when I physically inspect your property. If you wish to do so, please call me (collect if out of area) at (775) 329-4221.

If your property is tenant occupied, please notify them that an appraisal will be made and that it will be on the premises. Additionally, please inform them that this is a preliminary activity and that they will be notified a minimum of three months in advance of any need for your property. Also, persons displaced are entitled to personal assistance and other worthwhile benefits.

You may be interested to learn that the purpose of this appraisal is to estimate the fair market value of your property, i.e., what it would probably sell for on the open market. Any assistance and information you can give me in this regard will be appreciated. Should you desire additional information regarding this project, please contact your District Right-of-Way Office located at 1263 South Steward St. Carson City, Nevada or the RTC at 1105 Terminal Way # 211 Reno, Nevada 89502.

Please contact me within ten (10) days at the address or telephone number above in order that we might establish a date and time of mutual convenience. I hope to hear from you, but after the ten-day period, in order to meet my contractual obligation to the Department of Transportation, I will need to proceed with my inspection and appraisal of your property.

Sincerely,

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

APPRAISAL • HIGHEST AND BEST USE STUDIES • MARKET ANALYSIS

**SENDER COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the envelope so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 WWR  
 Troy Miller  
 Real Estate  
 895 N. Center St  
 Reno, NV 89501

2. Article Number  
 (Transfer from service label) **7001 1140 0001 1582 7259**

PS Form 3811, February 2004

**ADDRESSEE COMPLETE THIS SECTION**

A. Signature  
 [Signature]

B. Received by (Print Name)  
 [Signature]

C. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below: [Blank]

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  G.O.D.  
 Restricted Delivery? (Extra Fee)  Yes

Postmark: FEB 17 2013

**OFFICIAL USE**

7001 1140 0001 1582 7259

Postage	\$ 80.46
Certified Fee	43.10
Return Receipt Fee (Endorsement Required)	42.00
Restricted Delivery Fee (Endorsement Required)	40.00
<b>Total Postage &amp; Fees</b>	<b>\$ 205.56</b>

Postmark: FEB 17 2013

Send To:  
 WWR - Troy Miller  
 Street, Apt. No., or PO Box No.: 895 N. Center St  
 City, State, ZIP+4: Reno, NV 89501