

BOARD OF REGENTS – INVESTMENT COMMITTEE
BRIEFING PAPER

Agenda Item Title: Transfer of Real Property at 820 N. Center Street, Reno NV from the University of Nevada, Reno Foundation to NSHE

Meeting Date: March 5 - 6, 2015

1. BACKGROUND & POLICY CONTEXT OF ISSUE:

The University of Nevada, Reno is requesting approval to accept a deed transfer of a real property from the University of Nevada, Reno Foundation (Foundation) to the Nevada System of Higher Education for the benefit of the University of Nevada, Reno. The property was gifted to the Foundation in December of 2014, according to the donor's wishes of closing escrow in 2014. The property is being offered for transfer without monetary consideration.

Location of Property: The property is located just south of the University of Nevada, Reno campus at 820 N. Center Street (Exhibit 1), and is within the area of the Master Plan, which was approved by the Board of Regents at the December, 2014 meeting.

Property Description: The property comprises an area of approximately 7,000 square feet (0.16 acres) and presently consists of three buildings. The first building is a 2,295 Square foot 4-unit residential rental building with a 1,170 square foot basement (Building 1). The second building is a 500 square foot residential cottage that is currently used as a residential rental (Building 2). The third building is a 216 square foot garage (Building 3). (Exhibit 2)

Current use: Buildings 1 and 2 are currently leased as residential rental properties. Building 3 and the basement of building 1 are currently utilized as storage space for the University of Nevada Reno, Real Estate department. UNR maintains and manages the property through a lease agreement with the Foundation. UNR intends to continue to lease Buildings 1 and 2 until the area is needed for another use.

Foundation Corporate Resolution: The Executive Committee of the Foundation approved a resolution on January 13th, 2015 to gift the property to NSHE. (Exhibit 3). There are no restrictions on the gift.

Estimated Value: The approximate current market value is \$500,000 based on an appraisal by Johnson-Perkins. (Exhibit 4)

Other: No mineral or water rights are associated with this property.

Closing Costs: The grantee will pay the closings costs, which include, but are not limited to, a policy of title insurance, escrow fee, and deed preparation. The title company closing costs are estimated at \$1,500.00.

Phase 1 Environmental Report: Based on regulatory database review, there are no known violations of environmental laws and regulations related to the site. An underground heating oil tank was removed on December 4, 2008. At the time of the tank removal, soil contamination was found beneath the tank. Remediation and testing steps were conducted and The Nevada Division of Environmental Protection (NDEP) issued correspondence that required No Further Action (NFA).

Original Gift Deed: The property was gifted to the Foundation in 2014. There were no deed restrictions for the use, transfer or sale of the property.

Resolution: The University of Nevada, Reno seeks approval of the Resolution authorizing Chancellor Klaich, or his assignee, to approve and sign the corresponding escrow and title documents associated with the transfer of the property deed. (Exhibit 5.)

2. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

President Marc Johnson is requesting approval of the deed transfer of 820 N. Center Street from the University of Nevada, Reno Foundation to the Nevada System of Higher Education as a gift on behalf of the University of Nevada, Reno.

3. IMPETUS (WHY NOW?):

- The property was a gift to the Foundation for the benefit of the University of Nevada Reno.
- The property is offered for deed transfer without any consideration.

4. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- The property is located within the Board approved Campus Master Plan, within the key UNR planned Gateway project.
- The Acquisition is consistent with the University's Strategic Plan and Campus Master Plan.
- The property contains equity with no debt service or major concern for property condition or liability.

5. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

None. The Foundation is eager for the University of Nevada, Reno to own and operate the property for its benefit, both in the near and long term, given its development potential as part of the Gateway Project.

6. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Pass on the opportunity until such time that it may acquire the property for market value or other agreed upon terms.

7. COMPLIANCE WITH BOARD POLICY:

- Consistent With Current Board Policy: Title # 4 Chapter # 10 Section # 1.9 and 9
 Amends Current Board Policy: Title # _____ Chapter # _____ Section # _____
 Amends Current Procedures & Guidelines Manual: Chapter # _____ Section # _____

Other: Procedures & Guidelines Manual, Chapter 5, Section 3, Preparation and Approval of NSHE Contracts
 Fiscal Impact: Yes _____ No X
Explain: This transfer of real property involves no consideration.

EXHIBIT 1

820 N. Center Street Location



White arrow shows the location of 820 N. Center Street south of the University of Nevada, Reno campus

EXHIBIT 2

820 N Center Street Parcel



**University of Nevada, Reno Foundation
Corporate Resolution
Property at 820 North Center Street**

A meeting of the Executive Committee of the University of Nevada, Reno Foundation (Foundation), a non-profit organization, was held on January 13, 2015. The following resolution was approved.

Background

In late 2014, T.S.T.H., LLC, a Nevada Limited Liability Company, of which the University of Nevada, Reno Foundation (the "Foundation") is the sole member and the manager, received a donation of the real property located at 820 North Center Street, Reno, Washoe County, Nevada (the "Real Property"), for the use and benefit of the University of Nevada at Reno (the "University"). The Foundation's gift acceptance policy states that the Foundation can accept gifts of real property into T.S.T.H., LLC for the purpose of holding such real property pending the sale or transfer of such Real Property for the purpose of funding programs and endowments, and for the benefit of the University. Since the Real Property is anticipated to be useful and beneficial to the University of Nevada at Reno, the Executive Director of the Foundation recommended that the Foundation, in its capacity as the sole member and manager of T.S.T.H., LLC, authorize and approve the transfer of the Real Property and its contents from T.S.T.H., LLC, without consideration, to the NSHE Board of Regents for the purpose of benefitting the University and in conformance with the donor's intent.

Resolution

At the time of the meeting, the Executive Committee, through its authority to act on behalf of the Foundation in carrying out the regular business of the Foundation pursuant to its Bylaws, considered the resolution and:

RESOLVED, on behalf of the Foundation and through its authority as Manager and Member of T.S.T.H., LLC to gift the property at 820 North Center Street, Reno, Washoe County, Nevada (the "Real Property"), to the NSHE Board of Regents for the use and/or for any other purpose for the advancement of the University of Nevada at Reno as determined by the President of the University, in accordance with the donor's intent.

RESOLVED FURTHER, that John K. Carothers, as the Executive Director of the Foundation, which is the Manager of T.S.T.H., LLC be authorized to execute the documentation necessary on behalf of T.S.T.H., LLC to effectuate the above transfer.



Bruce A. Mack
Associate Director/Secretary

JANUARY 13, 2015

Date

AN APPRAISAL
OF

A FIVE UNIT RESIDENTIAL PROPERTY

OWNED BY

SATRE CENTER STREET PROPERTIES, LLC

LOCATED AT

820 NORTH CENTER STREET
RENO, WASHOE COUNTY, NEVADA

PREPARED FOR

THE UNIVERSITY OF NEVADA, RENO



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

An Appraisal
Of

A FIVE UNIT RESIDENTIAL PROPERTY

Owned By

Satre Center Street Properties, LLC

Located At

820 North Center Street
Reno, Washoe County, Nevada

Prepared for

The University Of Nevada, Reno

For The Purpose Of
Estimating Fair Market Value

As Of December 16, 2014

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

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January 21, 2015

Mr. Troy Miller, Director of Real Estate
Business Center North
University of Nevada, Reno/239
895 North Center Street
Reno, Nevada 89557-0329

Re: 820 North Center Street, Reno, Washoe County, Nevada

Dear Mr. Miller:

This is in response to your request for an appraisal of a property located at 820 North Center Street, Reno, Washoe County, Nevada. The subject property is identified as Washoe County Assessor's Parcel Number 007-222-12.

The subject property is located on the east side of North Center Street, 220± feet south of Ninth Street. The subject property includes a two-story 2,295± square foot residential building, a two-story 576± square foot residential building and a garage.

This appraisal is being prepared for the purpose of estimating the fair market value of the subject property as of a current date of value. The intended use of the appraisal is for gift tax and internal management purposes. The intended users of the appraisal report included Satre Center Street Properties, LLC, Grant Thorton, LLP, the University of Nevada, Reno, the University of Nevada Board of Regents and The Internal Revenue Service. The client in this appraisal assignment is The University of Nevada, Reno.

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

Reno ■ Lake Tahoe

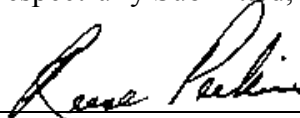
This report sets forth pertinent data, statistics and other information considered necessary to establish the Fair Market Value of the subject property as of a current date of valuation. No one other than the undersigned prepared the analysis, conclusions and opinions concerning real estate that are set forth in the accompanying appraisal report.

After careful consideration of all data available, and upon thorough personal investigation of the subject property and the comparable properties analyzed, it is my opinion that the Fair Market Value of the subject property, as of December 16, 2014, is:

FAIR MARKET VALUE CONCLUSION

\$500,000

Respectfully Submitted,



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

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SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

Assessor's Parcel Number	007-222-12
Address	820 North Center Street, Reno, Washoe County, Nevada
Location	East Side of North Center Street, 220± Feet South of Ninth Street, Reno, Washoe County, Nevada
Owner of Record	Satre Center Street Properties, LLC
Land Area	7,000± Square Feet (0.1607± Acres)
City of Reno Zoning Area	Mixed Use
Master Plan	Special Planning Area/University of Nevada Regional Center
Flood Zone	Flood Zone "X"
Highest and Best Use	
As Vacant	Assemblage with adjacent parcels
As Improved	Continued Use of Existing Improvements/Future Assemblage
Current Improvements/Use	4-Unit 2,295± Square Foot Residence/576± Square Foot Residence/Garage
Interest Appraised	Fee Simple Interest, subject to short term leases
Exposure and Marketing Time	Six Months to One Year
Type of Report	Appraisal Report
Date of Valuation	December 16, 2014
Completion Date of Report	January 21, 2014

FAIR MARKET VALUE CONCLUSION

\$500,000

PURPOSE OF APPRAISAL

This appraisal is being prepared for the purpose of estimating the “as-is” Fair Market Value of the fee simple estate of the subject property as of December 16, 2014.

PROPERTY RIGHTS APPRAISED

The subject property is being appraised as held in fee simple ownership, affected by typical encumbrances such as mortgages, easements, short term leases and zoning ordinances.

FEE SIMPLE ESTATE DEFINED

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

INTENDED USERS OF APPRAISAL

The intended users of the appraisal report included Satre Center Street Properties, LLC, Grant Thorton, LLP, the University of Nevada, Reno, the University of Nevada Board of Regents and The Internal Revenue Service. The client in this appraisal assignment is The University of Nevada, Reno.

INTENDED USE OF APPRAISAL

The intended use of this appraisal report is for gift tax and internal management purposes.

¹ Source: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, page 78.

SCOPE OF APPRAISAL

The completion of this appraisal assignment included:

- Inspection of the subject property and analysis of subject property data;
- Identification and analysis of the subject neighborhood;
- Analysis and description of the subject property;
- Analysis of the subject property's Highest and Best Use;
- Research and analysis of comparable residential building rents, vacancies, operating expenses, and an analysis of comparable overall capitalization rates of residential building sales;
- Completion of an Income Approach to Value for the subject property;
- Research of the Official Records of Washoe County and other reliable sources for recent sales and listings considered comparable to the subject property;
- Verification of the sales and listing data;
- Completion of a Direct Sales Comparison Approach to Value for the subject property;
- Correlation of the approaches to value to arrive at the "as-is" Market Value of the subject property as of a current date of value;
- Analysis of an appropriate exposure and marketing time for the subject property;
- Preparation of the appraisal report.

“FAIR MARKET VALUE” FOR ESTATE PLANNING PURPOSES

“Fair Market Value’ is defined as the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.”²

² Source: *Internal Revenue Bulletin – 1/20/2004, Section 1.170A-1(C)(2).*

DATE OF INSPECTION

The subject property was inspected on December 16, 2014.

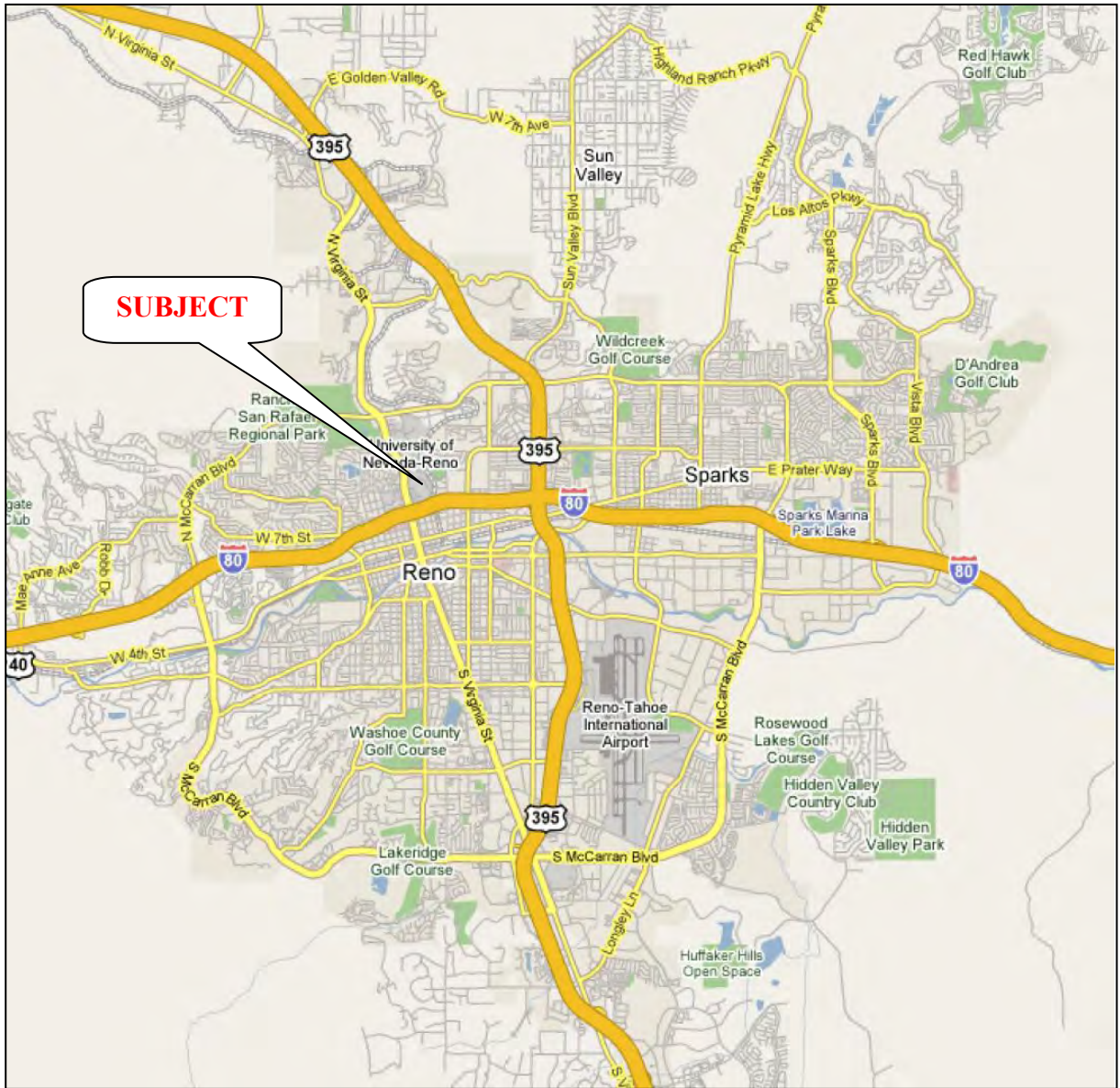
EFFECTIVE DATE OF VALUATION

The market value conclusion applies as of December 16, 2014

COMPLETION DATE OF REPORT

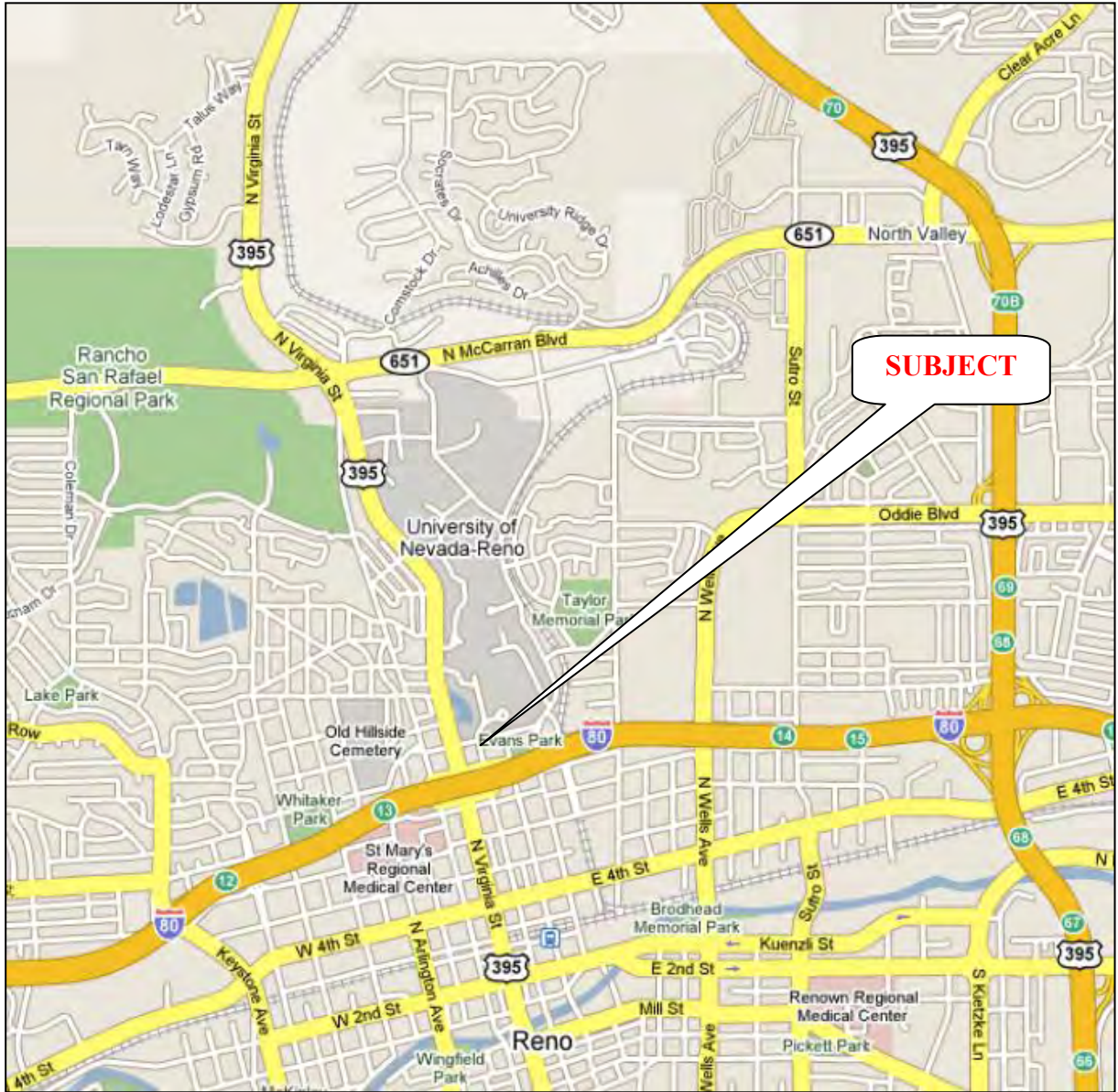
This appraisal report was completed on January 21, 2015.

RENO-SPARKS AREA MAP



Reno ■ Lake Tahoe

NEIGHBORHOOD MAP



Reno ■ Lake Tahoe

NEIGHBORHOOD DESCRIPTION

The subject property is located directly across the street from the University of Nevada, Reno campus. The subject neighborhood is encompassed by North McCarran Boulevard to the north, Valley Road to the east, Interstate 80 to the south, and Keystone Avenue to the west. The major roadways servicing the subject neighborhood include Interstate 80, North Virginia Street, North Sierra Street, North Center Street, Evans Avenue and McCarran Boulevard.

The principal development in the subject neighborhood is the University of Nevada, Reno campus. The campus comprises approximately 200 acres of land and is located between McCarran Boulevard to the north, East Ninth Street to the south, Valley Road to the east and North Sierra Street to the west. The enrollment on campus is approximately 19,000 students.

In addition to classrooms and research buildings, the university includes nine residence halls and various support facilities. The northern portion of the Nevada campus includes Mackey Stadium, which is utilized for University of Nevada football games and seats approximately 32,000 people. Other major sporting structures on the University of Nevada campus include Lawlor Events Center and the Bill Peccole Baseball Complex.

The Joe Crowley Student Union Building is located in the northeast-central portion of the campus. This four-story, 167,000± square foot building is home to a variety of uses, including one of the largest Starbucks Coffee shops west of the Mississippi River. Additional uses in the building include the ASUN Bookstore, Tahoe Creamery, Port of Subs, Baja Fresh, Keva Juice, JC&C Wireless, Kaplan Test Preparation Center, Silver State Schools Credit Union, a Clinique make-up counter, a Convenience Store, a 220 seat surround-sound movie theater, and a sports grill. The building is an environmentally sustainable building with several green aspects.

Adjacent to the student union building is the newer library facility, known as the Mathewson-IGT Knowledge Center. The library, which is a five-story, 295,000± square foot

structure, is one of the most technically advanced libraries in the country. This project houses over a million volumes of books and journals, with 15,000± electronic journals and a growing collection of electronic books. A robotic storage and retrieval system houses older books and journals.

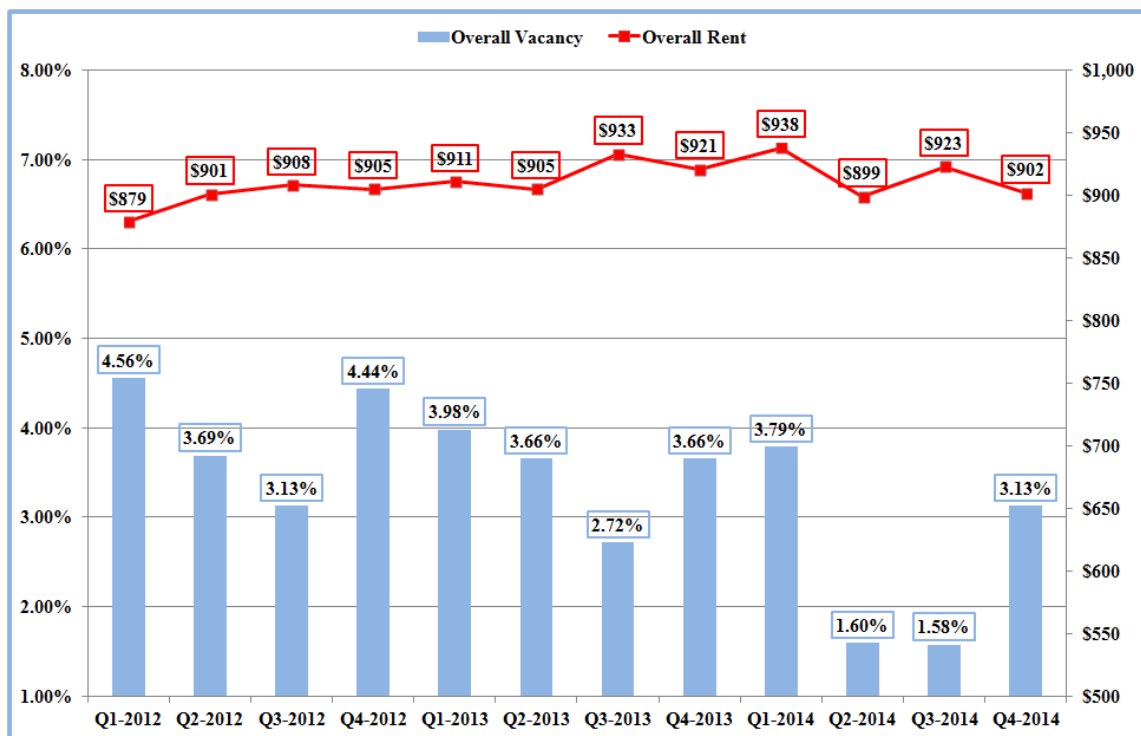
While the university dominates the central portion of the subject neighborhood, the periphery of the neighborhood is primarily developed with support facilities for the campus including apartments, fraternity houses, sorority houses and older single family residences which have been converted to rentals and support commercial facilities.

Valley Road, which forms the easterly boundary of the subject neighborhood, extends in a north-south direction from near West Fourth Street to McCarran Boulevard. The northern portion of Valley Road is developed with retail commercial and light industrial uses. Sierra Vista Elementary School is located along Valley Road in the northeastern portion of the subject neighborhood. Development along the southern portion of Valley Road includes several older single family residences as well as the University of Nevada, Reno Agricultural Experimental Farm and Equestrian Center. Additionally, the new Sterling Sierra student apartment project is located along Valley Road. Valley Road is a two-lane, two-way, asphalt-paved roadway that is improved with concrete curbs, gutters, sidewalks and light standards.

The easterly portion of the subject neighborhood is developed with older single family and multi-family residential uses. It is estimated that the majority of the residential developments within the subject neighborhood are in excess of 50 years of age. The majority of the residential development in the subject neighborhood provides housing for students, faculty and employees at the University of Nevada, Reno campus. Much of the student housing is older and in fair to average condition at the present time. Many of the older homes include brick construction and are on concrete or stone and mortar foundations having composition shingle gabled roofs. These residences are felt to be typical for older average quality homes in the Reno-Sparks area.

The Northwest Reno area is also home to several large apartment complexes. Johnson-Perkins & Associates conducts a quarterly apartment survey which encompasses the entire Reno-Sparks Market. The subject neighborhood falls within Area 1 (Northwest Reno) of the subject survey. The chart below summarizes average apartment rents and vacancies with the Northwest Reno Submarket. This data is from the *Apartment Survey, 4th Quarter 2014*.

**AREA 1-NORTHWEST RENO
 AVERAGE RENT & VACANCY DATA**



**Northwest Reno Submarket Averages
 (Based Upon Units Surveyed)**

Category	4 th Quarter 2014 Data
Total Projects Surveyed	14 Projects
Total Units Surveyed	3,742 Units
Average Square Feet Per Unit Surveyed	882± Square Feet
Average Rent For Units Surveyed	\$902 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.02 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	3.13%
Number of Projects Offering Concessions As Of Date Surveyed	5 Projects

The southern boundary of the subject neighborhood is formed by Interstate 80. Interstate 80 is a limited access all weather freeway connecting the San Francisco and Sacramento area to the west with Salt Lake City to the east. Interstate 80 passes in an east-west direction through the Reno-Sparks area. In the subject neighborhood, North Virginia Street enjoys full access to Interstate 80. Overall, the subject neighborhood is considered to have good access to Interstate 80.

Virginia Street is the major north-south commercial thoroughfare in the city of Reno. This street divides the subject neighborhood and provides access to the downtown Reno casino core area. Within the subject neighborhood, development along North Virginia Street includes a mixture of residential and university utilizations with some retail-commercial uses. South of the subject neighborhood is the downtown Reno area, which has a heavy concentration of hotel-casinos, older hotel-motel buildings, and retail commercial uses. North Virginia Street, in the vicinity of the subject neighborhood, is a four-lane, two-way, asphalt-paved roadway that is improved with a left center turn lane as well as concrete curbs, gutters, and sidewalks.

Additional major north-south streets servicing the subject neighborhood are Sierra Street and Center Street. In the north portion of the subject neighborhood, Sierra Street is a two-lane, two-way, asphalt-paved roadway. In the south portion of the subject neighborhood, Sierra Street turns to a three-lane, one-way, asphalt paved roadway providing access for southbound traffic. Center Street is a three-lane, one-way roadway that provides access for northbound traffic. Center Street terminates at the south end of the University of Nevada, Reno campus. Center Street and Sierra Street parallel North Virginia Street, with Center Street located one block east of Virginia Street and Sierra Street located one block west of Virginia Street.

A number of secondary streets cross the subject neighborhood and provide access to the residential developments on the east and west sides of the University of Nevada, Reno campus.

The subject neighborhood is located within the Reno City limits and has access to all city facilities. Police and fire protection are provided by the City of Reno. Schools and busing are provided by the Washoe County School District. Public transportation in the subject neighborhood is provided by the RTC Ride bus service. The University of Nevada, Reno campus has numerous bus routes, which travel the periphery of the campus. As a result, the subject neighborhood is considered to have excellent access to the public transportation system.

All utilities are immediately available within the subject neighborhood. NV Energy provides electricity and gas service. Water service is provided by the Truckee Meadows Water Authority. The City of Reno provides sewer service and telephone service is provided by various carriers. Waste Management provides solid waste disposal and cable television is provided by Charter Communications.

In summary, the subject neighborhood primarily involves the University of Nevada, Reno campus as well as the areas surrounding the university. The central portion of the neighborhood is comprised of the campus, while the eastern, southern and western edges of the neighborhood involve support residential and commercial facilities. Although many of the residential and commercial facilities are older and in fair to average condition at the present time, demand is strong for both utilizations due to the University of Nevada, Reno campus.

SUBJECT AERIAL PHOTOGRAPH



SUBJECT PROPERTY STREET SCENE PHOTOGRAPHS



**VIEW OF SUBJECT PROPERTY FACING SOUTHEASTERLY FROM
NORTH CENTER STREET**



**VIEW OF NORTH CENTER STREET FACING IN A SOUTHERLY DIRECTION
FROM NINTH STREET**

SUBJECT PROPERTY STREET SCENE PHOTOGRAPHS



**VIEW OF SUBJECT PROPERTY FACING IN A NORTHEASTERLY DIRECTION
FROM NORTH CENTER STREET**



**VIEW OF NORTH CENTER STREET FACING NORTHERLY TOWARDS THE
UNIVERSITY OF NEVADA, RENO**

EXTERIOR SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF DETACHED RESIDENTIAL UNIT



VIEW OF DETACHED GARAGE

EXTERIOR SUBJECT PROPERTY PHOTOGRAPHS



**VIEW OF SUBJECT PROPERTY FACING SOUTHWESTERLY FROM THE
ADJOINING ALLEYWAY**



VIEW OF ALLEY WAY FACING IN A SOUTHERLY DIRECTION

EXTERIOR SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF SUBJECT 4-PLEX FACING WESTERLY



VIEW OF ADJACENT ALLEYWAY FACING IN A NORTHERLY DIRECTION

INTERIOR SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF TYPICAL BEDROOM IN SUBJECT PROPERTY



VIEW OF TYPICAL KITCHEN IN SUBJECT PROPERTY

INTERIOR SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF BASEMENT LOCATED IN SUBJECT 4-PLEX



VIEW OF SUBJECT BASEMENT/LAUNDRY AREA

INTERIOR SUBJECT PROPERTY PHOTOGRAPHS

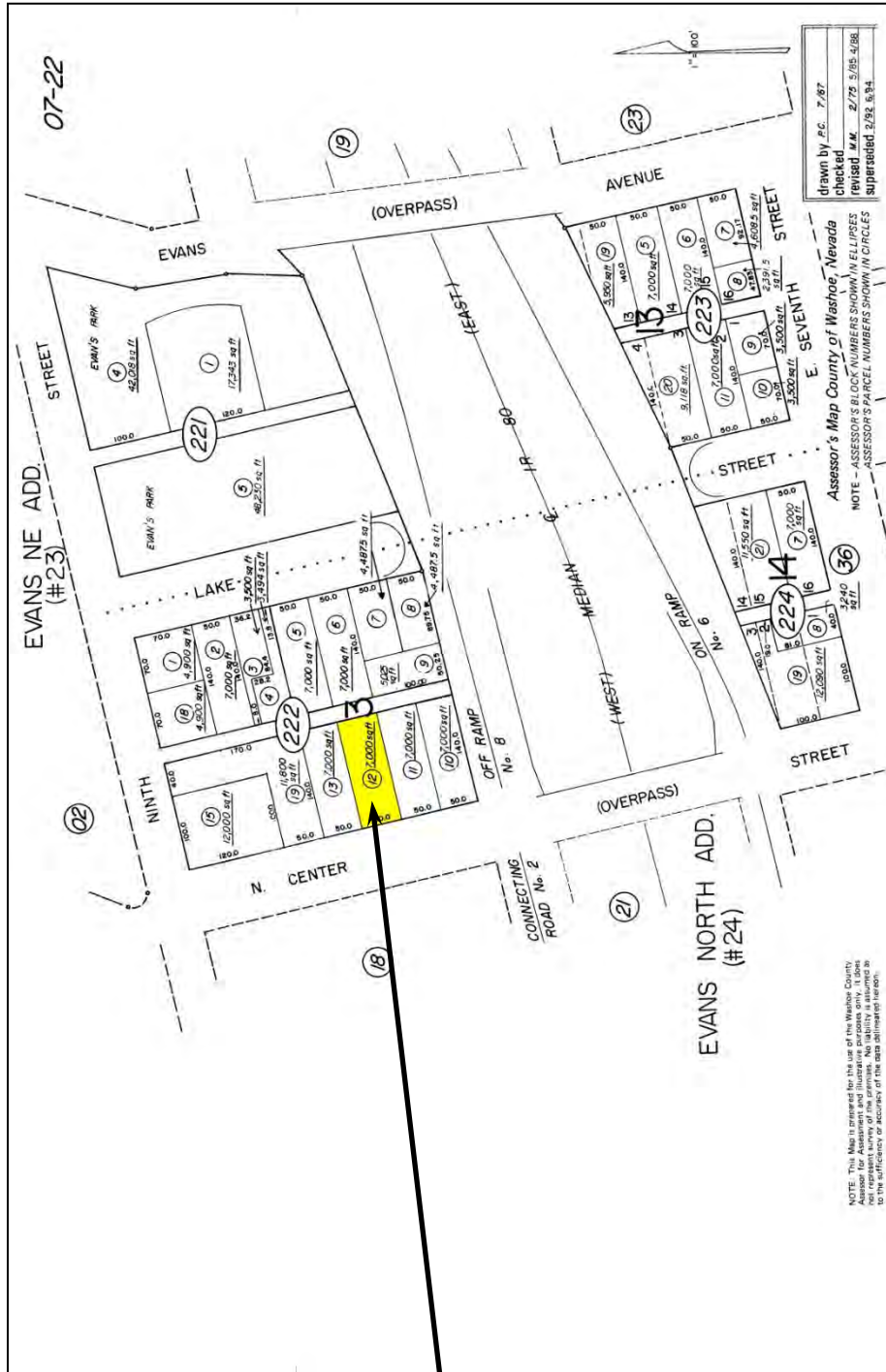


VIEW OF KITCHEN LOCATED IN DETACHED RESIDENCE



VIEW OF LIVING AREA IN SUBJECT DETACHED RESIDENCE

SUBJECT PROPERTY PLOT MAP



drawn by P.C. 7/87
 checked by P.C. 8/78
 revised M.M. 8/78
 supervised S.R. 8/84

Assessor's Map County of Washoe, Nevada
 NOTE - ASSessor's BLOCK NUMBERS SHOWN IN ELLIPSES
 - ASSessor's PARCEL NUMBERS SHOWN IN CIRCLES

NOTE: This Map is prepared for the use of the Washoe County Assessor for Assessment and illustrative purposes only. It is not to be used for any other purpose and the Assessor assumes no responsibility for the sufficiency or accuracy of the data obtained therefrom.

Subject Property
Washoe County Assessor's Parcel Number 007-222-12
Total Land Area: 7,000± Square Feet (0.1607± Acres)

SUBJECT ZONING MAP
City of Reno: Mixed Use (Commercial)



Subject Outlined In Yellow

**SUBJECT MASTER PLAN MAP
Special Planning Area
University of Nevada Regional Center (UNRC)**

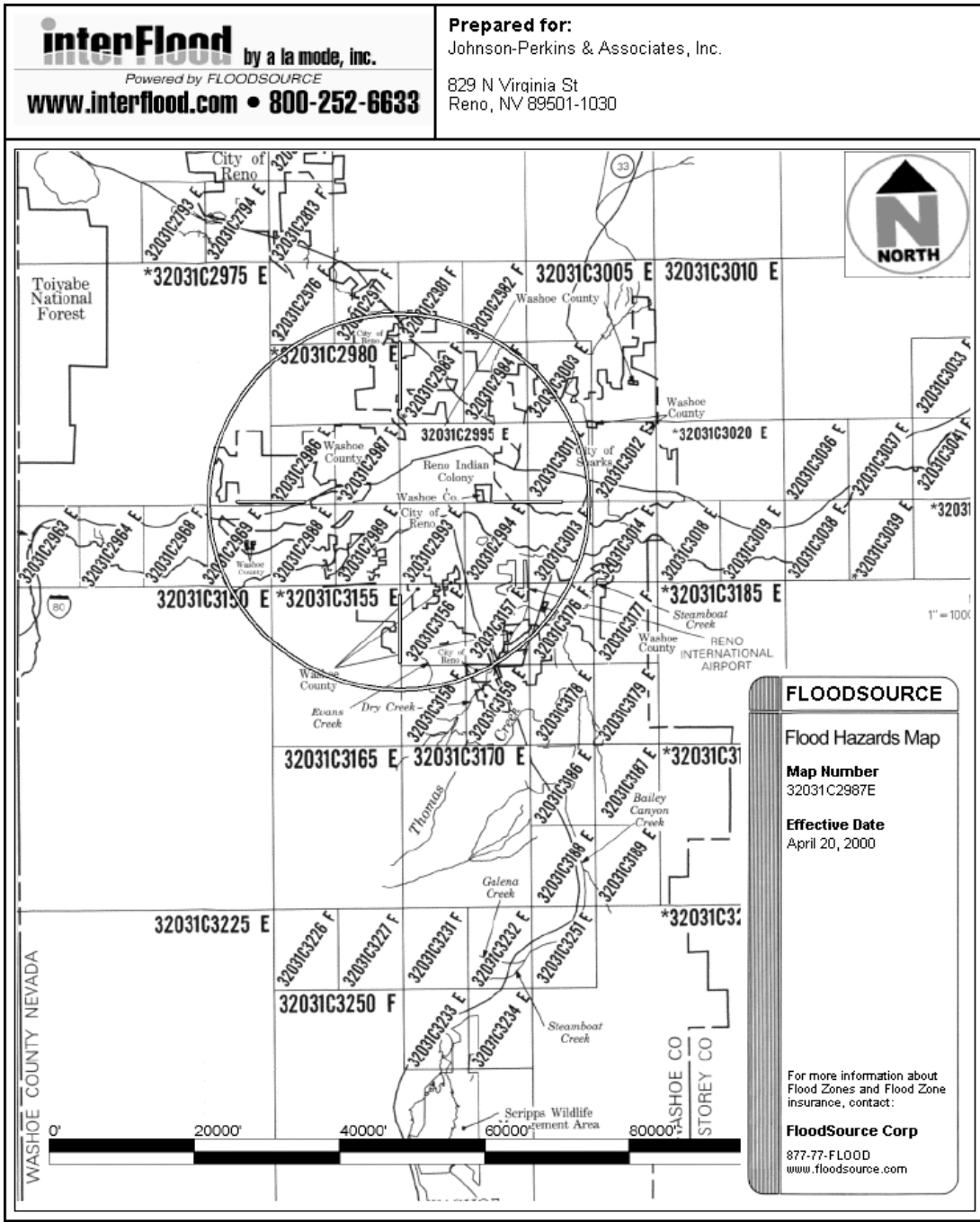


Subject Outlined In Yellow

JOHNSON~PERKINS & ASSOCIATES, INC.

REAL ESTATE APPRAISERS & CONSULTANTS

SUBJECT FLOOD ZONE MAP



© 1999-2002 FloodSource Corp. All rights reserved. For more information, please e-mail info@floodsource.com.

Federal Emergency Management Agency's Flood Insurance Rate Map
Community Panel Number 32031C3037G
Effective Date: June 18, 2013
Flood Zone: "X"

Reno ■ Lake Tahoe

PROPERTY IDENTIFICATION AND SITE DESCRIPTION

Assessor's Parcel Number 007-222-12

Address 820 North Center Street, Reno, Washoe County,
Nevada

Location East Side of North Center Street, 220± Feet
South of Ninth Street, Reno, Washoe County,
Nevada

Owner of Record Satre Center Street Properties, LLC

Land Area 7,000± Square Feet (0.1607± Acres)

Land Dimensions

50.00± feet along the west property line, abutting North Center Street;
140.00± feet along the south property line, abutting an adjacent parcel;
50.00± feet along the east property line, abutting an alleyway;
140.00± feet along the north property line, abutting an adjacent parcel.

The above land area and dimensions are based upon maps provided by the Washoe County Assessor's Office, and are assumed to be correct.

Legal Description

According to a Preliminary Title Report prepared by Ticor Title of Nevada, Inc. as Order No. 01404686-CD, dated December 1, 2014, the legal description of the subject property is:

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

Commencing at the intersection of the north line of 8th Street with the east line of University Avenue, Reno, Nevada; thence northerly along the east line of University Avenue 100 feet to the true point of beginning for the description of this parcel of land; thence northerly along the east line of University Avenue 50 feet; thence easterly parallel with the north line of 8th Street, 140 feet; thence southerly parallel with the east line of University Avenue 50 feet; thence westerly parallel with the north line of 8th Street 140 feet to the point of beginning.

APN: 007-222-12

Document Number 2857539 is provided pursuant to the requirements of Section 1.NRS 111.312

Zoning/Master Plan

According to the City of Reno Community Development Department, the subject property is zoned MU (Mixed Use) and is located within the University of Nevada Regional Special Planning Area (UNRC). This district modifies the underlying mixed use zoning land uses, development standards, and development review procedures with the University of Nevada Regional Center Planning Area and is intended to maintain and enhance the University of Nevada and promote compatible land uses in the immediate vicinity.

The subject is located within the commercial land use area.

Master Plan Discussion

The Special Planning Area designation allows any individual land use, or land uses in combination which are compatible and complementary within the project boundaries and with adjoining properties; gaming may be appropriate within the Regional Centers and transit corridors. The SPA designation is appropriate for large holdings which could be developed with a mix of land uses (e.g., planned unit developments, regional centers, and transit corridors). The Special Planning Area designation is also appropriate for areas undergoing a transition in land use to more intense development, areas that would become more stable with development of mixed uses that complement each other, or areas where the City of Reno wants to encourage investment.

The University of Nevada Regional Center was designated as Special Planning Area in the Reno Land Use Plan at the time this Regional Center Plan was adopted. The Special Planning Area designation recognizes that customized land use and zoning provisions are appropriate in designated regional centers. Map 1: Development Concept-Land Use serves as the detailed land use plan. Provisions of this Regional Center Plan govern land use and development within the University Regional Center. When this Regional Center Plan does not specifically address an issue, provisions of other parts of the Reno Master Plan apply.

The majority of the Regional Center was rezoned to the Mixed Use base zoning district and University Regional Center Planning Area Overlay at the time this Regional Center Plan was adopted. The properties within the University Regional Center Plan boundary not owned by the University of Nevada that are between Sierra and Virginia Street and in the neighborhood east of Evans, as well those properties designated as Open Space, will be automatically rezoned if and when they are acquired by the University of Nevada. These properties are identified on Map 1: Development Concept-Land Use. Prior to acquisition the existing zoning regulations and designations apply to these properties. Mixed use development (i.e., combinations of uses) is permitted by the underlying Mixed Use base zoning district. Specific modifications to allowed land uses, development standards and processing requirements are identified in the University Regional Center Planning Area Overlay. This Planning Area Overlay designation permits continuation of existing uses when a currently established use is going to be maintained or expanded. In other words, as long as the use remains the same it is considered a conforming use. Any change in the use must be to a use included in the list of uses allowed by the University Regional Center Planning Area Overlay. To help encourage new development, most projects internal to the Regional Center Plan are allowed to proceed without discretionary review by the City of Reno. A special use permit is not required for uses which operate between the hours of 11 p.m. and 6 a.m. if not directly adjacent to existing single family residential development, skyways except on Virginia Street and over City of Reno rights-of-way, and grading consistent with Map 5: University of Nevada Regional Center Grading.

Topography

The subject site has generally level topography that is slightly above street grade with North Center Street. The subject's topography and soils appear to provide adequate drainage.

Flood Zone

According to the Federal Emergency Management Agency's Flood Insurance Map Community Panel No. 32031C30376, with an effective date of June 18, 2013, the subject property is located in a Flood Zone "X", which is identified as areas determined to be within the 500-year floodplain.

Earthquake Zone

In 2005, the City of Reno adopted the *International Building Code*. The International Building Code does not directly address earthquake hazards by geologic reasons. However, it requires that all building plans be reviewed by a structural engineer to assess earthquake issues. Prior to 2005, the City of Reno utilized the *Uniform Building Code*. According to the 1997 edition of the *Uniform Building Code*, the Reno-Sparks area is located in a Seismic Risk Zone 3. This zone encompasses areas which have a number of local faults and where there is a relatively strong probability of moderate to strong seismic activity. The *Uniform Building Code* does require special construction techniques as a result of earthquake hazards. Additionally, a structural engineer typically reviews plans for residential and commercial buildings in order to assess earthquake hazards.

As a result, for the purposes of this analysis, it is being assumed that the subject property is not impacted by earthquake hazards to a greater degree than is typical for the Reno-Sparks area.

Roadway Frontages/Access

The subject site has 50.00± feet of frontage along North Center Street. In the vicinity of the subject, North Center Street is a north-south, two-way, three-lane asphalt paved roadway and is improved with concrete curbs, gutters and sidewalks. North Center Street

provides access to the Interstate-80 Freeway, which runs in an east-west direction adjacent to East Eighth Street. North Center Street is the main north-south arterial through downtown Reno, where it is a north heading one way roadway. North Center Street becomes a two-way road at the Interstate 80 overpass.

Access to the subject site is also available from an alleyway that runs along the eastern property line. Access to the alleyway is available from Ninth Street only.

Ninth Street is an east-west, two-way, two-lane asphalt paved roadway. In the vicinity of the subject site, Ninth Street runs from North Sierra Street west of the subject site, to Evans Avenue east of the subject site. Evans Park is located at the east terminus of Ninth Street.

Eighth Street is a one-way, three-lane asphalt paved roadway which travels in an east to west direction in the vicinity of the subject site. Eighth Street runs from North Center Street at the Interstate 80 off-ramp and terminates at the Sierra Street interchange with the Interstate 80 freeway, to the west of the subject.

Overall, the subject property has adequate roadway frontage and adequate visibility due to its location on North Center Street. For a clearer depiction of the subject's street frontage, reference is made to the Subject Plot Map, Subject Aerial Photograph, and Subject Photographs located in the prior section of this appraisal report.

Easements and Encumbrances

A Preliminary Title Report was prepared on the subject property by Ticor Title of Nevada, Inc. on December 1, 2014. Based upon a review of this Report, there are no easements which limit development on the site, or detract from the market value of the site. A copy of the Title Report is contained in the Addenda of this appraisal report.

Hazardous Substances

My standard on-site inspection of the subject property did not reveal any readily apparent evidence suggesting the presence of contaminants or hazardous wastes on the subject property. For the purposes of this appraisal, it is assumed that the value of the subject property is not negatively impacted by the existence of toxic materials or hazardous waste.

Public Services

The subject property has adequate access to all typical public services including fire protection, police protection and public transportation. The City of Reno Fire Department provides fire protection to the subject neighborhood, while the City of Reno Police Department and the University of Nevada Police Department provide police service to the area. Public transportation is available in the immediate vicinity of the subject property from RTC Ride.

Utilities

Electricity	NV Energy
Water	Truckee Meadows Water Authority
Natural Gas	NV Energy
Sewer	City of Reno
Telephone	Various Carriers
Waste Removal	Waste Management

Subject's Sale History

There have been no arms length transactions of record with respect to the subject property in the past 3 years prior to the effective date of valuation.

Tax Data

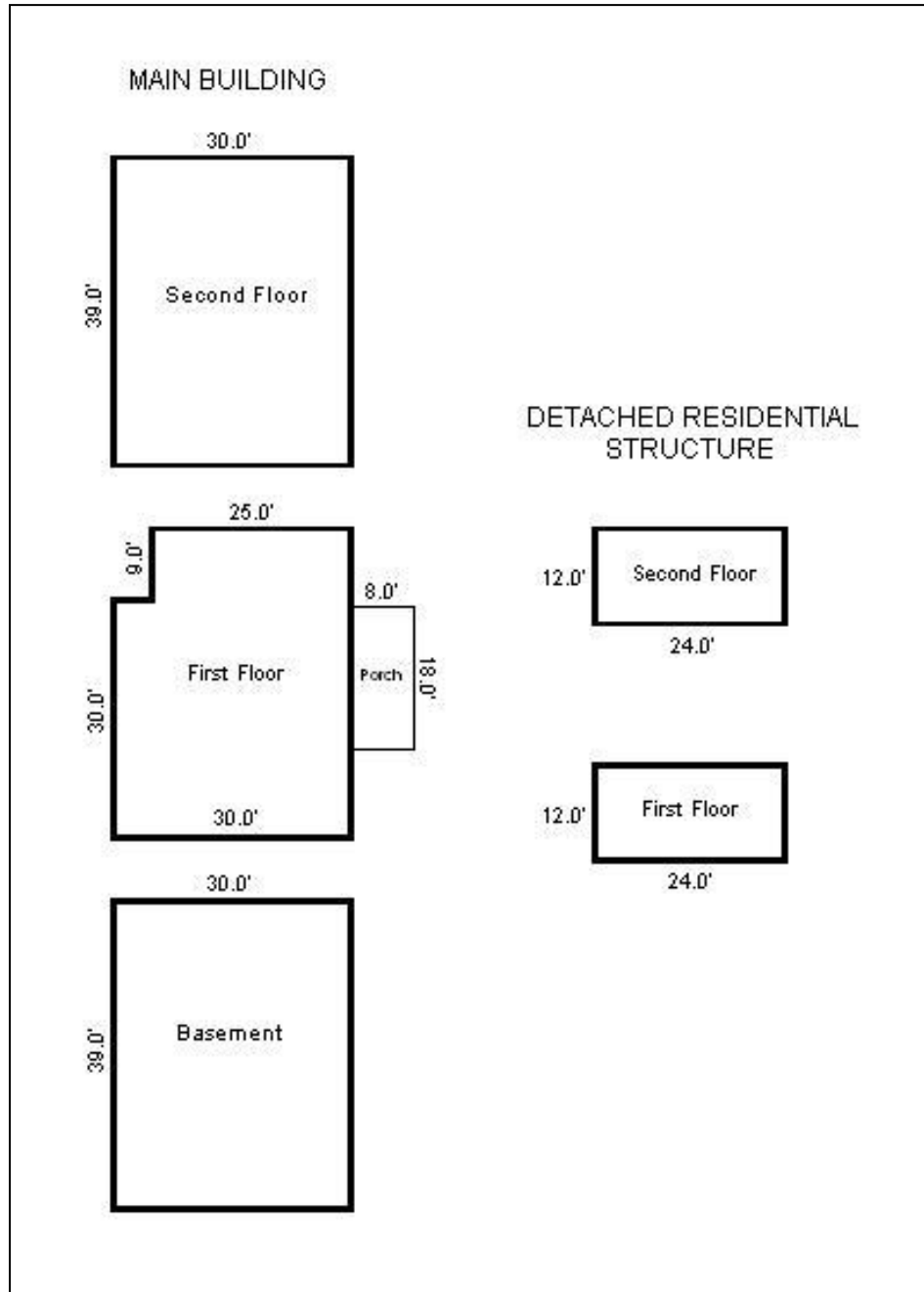
Assessor's Parcel Number	007-222-12	
Assessment Year	2014-2015	2015-2016
Assessed Values		
Land	\$11,550	\$14,000
Improvements	\$23,617	\$25,120
Total Assessed Values	\$35,167	\$39,120
Real Estate Tax	\$1,489.08	N/A
Taxable Value	\$100,476	\$111,770

Under Nevada State Law, the Washoe County Assessor's Office estimates the taxable value of the subject site through direct comparison with recent land sales in the area. Then, the Assessor's Office estimates the replacement cost new of the improvements based upon *Marshall Valuation Service* and deducts straight line depreciation at 1.5% per year to arrive at an estimate of the taxable value of the subject improvements. A 35% assessment ratio is then applied to the taxable value to arrive at the assessed value of the property.

Special Assessments

A review of Special Assessments on the subject property was conducted through Assessment Management Group. The subject property is not currently subject to any Special Assessments.

SUBJECT PROPERTY BUILDING SKETCH



DESCRIPTION OF SUBJECT IMPROVEMENTS

The subject property is currently improved with two residential structures and a garage. The largest residential structure is an average quality two-story residential building that was constructed around 1906; this building has been remodeled and contains four one-bedroom rental units and a basement, and is currently in average to good condition. The smaller residential structure contains 576± square feet on two stories, and is located at the northeast corner of the lot; this smaller residential structure is currently in average to good condition. The garage structure is located toward the southeast corner of the site.

Building Type 4-Unit Residential Building & Detached 576±
Square Foot Residential Structure

Main Residence Gross Building Area

First Floor	1,125± Square Feet
Second Floor	1,170± Square Feet
Basement	1,170± Square Feet

Detached Residence Gross Building Area 576± Square Feet

Year Built 1906

Number of Units

The main residential structure includes 4 one-bedroom, one-bath units with kitchens. The basement of the main residence includes storage areas and a laundry room for tenants. The detached residential structure contains a single unit with a kitchen and bathroom.

Construction and Exterior Finish

The subject main building has wood frame construction with wood siding. The building has a high-pitched gable roof with composition shingles. Exterior windows throughout the building are original to the residence and have been refinished. The entrance is located on the south side of the building and has a wood and glass door with narrow windows on either side. There is a large porch located at the south side entrance which has a stone and mortar foundation. In addition, there is a balcony above the porch which is accessible from the second floor hallway.

The detached residence has wood frame construction with wood siding. The roof has composition shingles. This building has recently been remodeled and is in average to good condition.

Interior Building Description

The interior of main residence has plaster and sheetrock walls and ceilings. Flooring within the building is a combination of hardwood and good quality carpeting that is in fair to average condition. Restrooms have vinyl flooring, plaster walls, wall mounted sinks, claw-foot bathtub and standard water closets. An interior wood stairway provides access to the second floor rooms. All of the units have been remodeled to include a full kitchen. The basement contains the tenant laundry room and furnace room. The laundry room contains one coin-operated washing machine and one coin-operated dryer. Heating is provided by forced air furnaces. The owner reported to us that the electrical wiring has been completely redone and the furnaces and hot water heater have been recently replaced.

Other Improvements

In addition, the subject property is improved with an average quality wood framed garage/storage building. Currently utilized by the University of Nevada Maintenance Department, an interior inspection of the garage was not made. The balance of the subject site includes average quality landscaping and concrete flat work.

Overall, the subject property involves an average quality 5-unit multi-family residential building including a 4-plex which originally was constructed in 1906. The subject improvements have been refurbished and are generally in average to good condition. References made to photographs and building sketches contained elsewhere in this appraisal report which will enable the reader to visualize the subject property.

HIGHEST AND BEST USE ANALYSIS

Highest and best use is defined in the 5th Edition of *The Dictionary of Real Estate Appraisal* (Appraisal Institute, Chicago, 2010) as “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.”

Highest and best use is a three-step process. The first step is to determine the highest and best use of the subject site as vacant and available to be developed to its highest and best use. The determination must be made to leave the site vacant or to improve it. If the conclusion is to improve the site, the second step is to determine the ideal improvement.

The final step is a comparison between the ideal improvement on the site and the existing improvement. A determination must be made to maintain the property in its present form, or to modify the improvements with a more ideal development.

HIGHEST AND BEST USE AS VACANT

Physically Possible

The subject site contains a total land area 7,000± square feet (0.1607± acres). The subject property is located on the east side of North Center Street, 220± feet south of Ninth Street, near the University of Nevada-Reno. The subject site has level topography, which is slightly above grade with North Center Street. The subject site has roadway frontage along North Center Street and frontage and access along an alleyway on the eastern property line. All utilities are available to the site.

The main physical limitation to development of the site is its small land area of 7,000± square feet. Due to the subject’s small land area, and as the subject is an interior parcel, its development potential would benefit from assemblage with adjacent parcels.

Legally Permissible

According to the City of Reno Community Development Department, the subject property is zoned MU (Mixed-Use) and is located within the University of Nevada Regional Plan. According to the land use plan map, the subject property is located in a district that is designated for commercial utilizations. Overall, the subject's legally permissible uses include a variety of multi-residential retail and commercial uses.

Financially Feasible

The highest and best use of the subject site must be financially feasible. To be financially feasible, there must be adequate demand to support the highest and best use of the subject property. In analyzing demand for the subject property, consideration is given to the surrounding improvement within the immediate neighborhood.

The subject site is located south of and in close proximity to the University of Nevada Campus. Surrounding developments in the immediate vicinity of the site include the University of Nevada Campus, older residential uses and motels, convenience stores, restaurants and a Walgreens drug store.

The subject site sits to the north of the Interstate 80 freeway and the downtown Reno casino district. The subject site sits within one block of the University of Nevada Campus.

Over the past two years, investors and developers have actively purchased smaller parcels around the vicinity of the University, with plans for eventual high density developments. Most of these purchases have occurred along the major roadways, including Virginia Street and Sierra Street. Many of these properties are improved with residential rental units; typically, buyers continue to rent the units until development of the site becomes economically viable.

Based upon surrounding uses within the area, and with consideration given to the subject property's physical characteristics and current economic conditions in the immediate

subject neighborhood, it is my opinion that the most financially feasible use of the subject property as a standalone parcel, if vacant, is for a multi-family residential development oriented toward University students or faculty. Due to the subject's small land area interior site, the financial feasible uses of the subject property could be enhanced through assemblage with adjacent parcels in order to accommodate a larger, more intense development for a University oriented use.

Maximally Productive

To be maximally productive, the highest and best use of the subject must be the most intense use to which the site could be developed and remain financially feasible. Based upon the physically possible uses of the site, the legally permissible uses of the site, and the financially feasible uses of the site, it is my opinion that a multi-family residential development for University students or faculty represents the maximally productive use of the site as a standalone parcel. Due to the subject's small land area and interior site, the maximally productive uses of the subject property could be enhanced through assemblage with adjacent parcels in order to accommodate a larger, more intense development for a University oriented use.

Conclusion

Based upon the analysis set forth, and with consideration given to the physically possible, legally permissible and financially feasible and maximally productive uses for the subject site, it is my opinion that the highest and best use of the subject property, if vacant, is for a multi-family residential development as a standalone parcel, or as part of an assemblage with adjacent parcels to create a larger parcel.

HIGHEST AND BEST USE AS IMPROVED

The next step in the highest and best use analysis is to consider the subject property as currently improved. The subject property is currently improved with two residential structures and an older garage structure. The largest residential structure is an average quality residential building that was constructed around 1906; this building has been remodeled and contains four one-bedroom rental units, and is currently in above average condition. The smaller residential structure contains 576± square feet, and is located at the northeast corner of the lot; this smaller residential structure is currently in average to good condition. The garage structure is located toward the southeast corner of the site.

Based upon the condition of the subject improvements, surrounding utilization and current market conditions, it is my opinion that the existing improvements represent the highest and best use of the subject property as improved.

The five multi-family residential units are supported by the highest and best use of the property as a vacant standalone parcel. The subject buildings are currently fully leased. In assessing the highest and best use as improved, consideration is given to the current improvements.

INTRODUCTION TO VALUATION ANALYSIS

There are typically three approaches to value an appraiser generally considers in estimating the market value of a property. These approaches include the Cost Approach, the Income Approach and the Direct Sales Comparison Approach. In this appraisal report, I have been asked to estimate the Market Value of subject property as of a current date of value. The following explains the three different approaches to value utilized in estimating the market value of the subject property under the different scenarios discussed above.

Methodology & Approaches to Value

To estimate the Market Value of the subject property, I have utilized an Income Approach to Value and a Direct Sales Comparison Approach to Value. Due to the age of the subject improvements, and as buyers and sellers within the local and regional market typically do not rely on a Cost Approach for a project of the subject's age, a Cost Approach was not completed.

The Income Approach to Value is based upon the principal that value is created by the anticipation of future benefits. In this appraisal, the Income Approach to Value, utilizing a Direct Capitalization technique, will be utilized. Direct Capitalization is a method used to convert a single year's net operating income the subject property is capable of generating into an indication of value.

The Direct Sales Comparison Approach is based upon the principal of substitution, which holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability. In this approach, the Direct Sales Comparison Approach will be completed utilizing a price per unit analysis.

In the final property value correlation and conclusion, the indications of value from the various approaches utilized are then correlated to arrive at the appraiser's final estimate of the Market Value of the subject property.

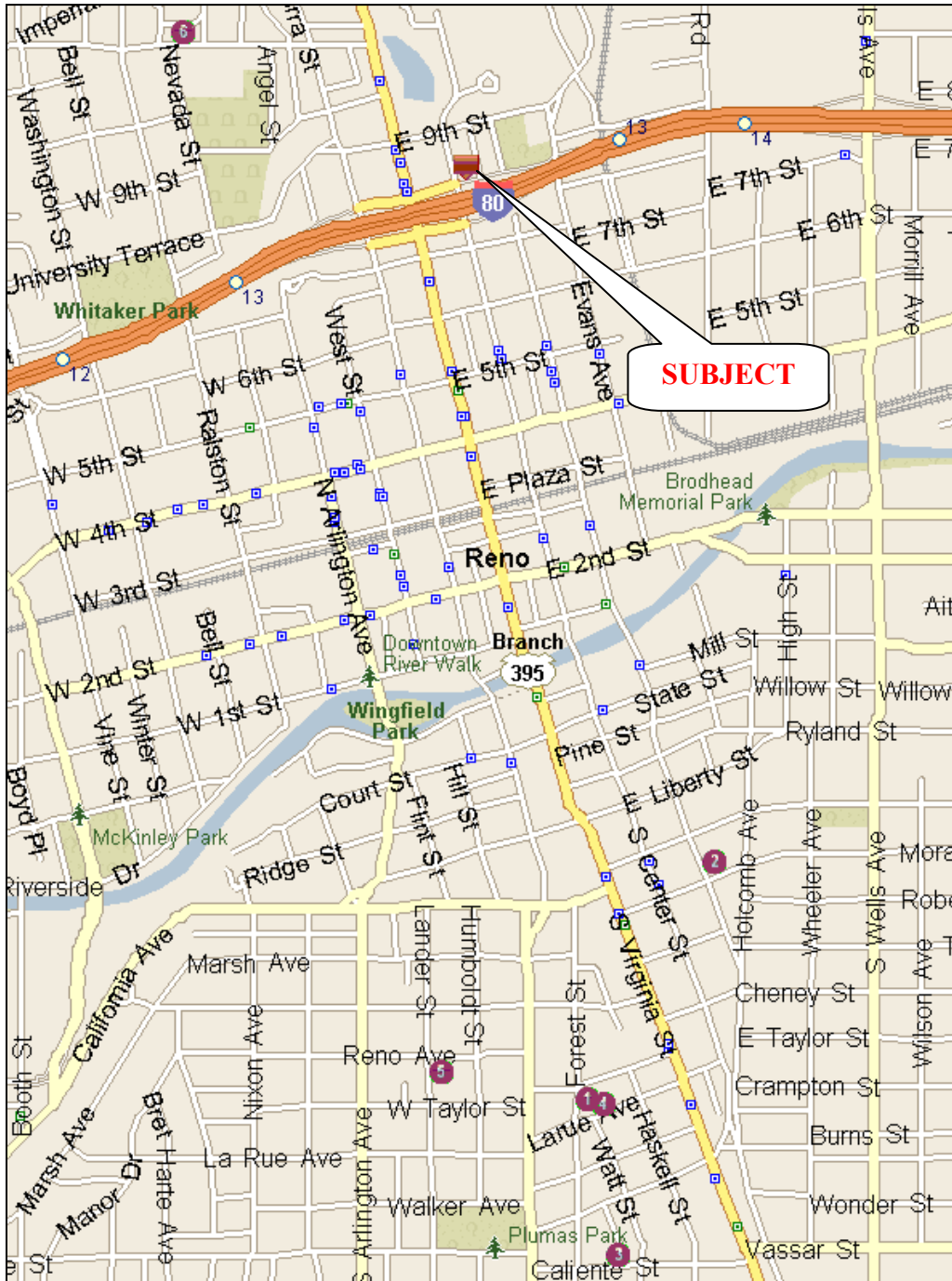
DIRECT SALES COMPARISON APPROACH TO VALUE

To establish an estimate of the Market Value of the subject property by the Direct Sales Comparison Approach, the Official Records of Washoe County were searched for recent sales of similar multi-family projects in the Reno-Sparks area. The comparable sales and listings utilized in this analysis will be compared on a price per unit analysis.

COMPARABLE MULTI-FAMILY SALES CHART

Sale Number	A.P.N. Address	Sale Date Sale Price	Age Construction Condition	Number of Units Gross Bldg. Area	Effective Gross Income G.C.I.M.	Operating Expenses \$ %	Net Operating Income O.A.R.	SP/Unit SP/Sq.Ft.	Expenses/ Unit	Avg. Area/ Unit
MS-1	011-324-02 905 Forest Street	02/14/2014 \$385,000	1999 Masonry Frame Average	4 4,187± SF	\$37,800 10.19	\$6,500 17.20%	\$31,300 8.13%	\$96,250 \$91.95	\$1,625	1,047 SF
MS-2	011-193-06 587 Sinclair Street	05/30/2014 \$390,000	1944 Masonry Average	4 3,211± SF	\$35,040 11.13	\$8,760 25%	\$26,280 6.74%	\$97,500 \$121.46	\$2,190	803 SF
MS-3	014-055-14 249 Caliente Street	09/25/2014 \$419,500	1950/1998 Frame Ave./Good	4 3,415± SF	\$34,200 12.27	\$8,550 25%	\$25,650 6.11%	\$104,875 \$122.84	\$2,138	854 SF
MS-4	011-326-18 145 La Rue Avenue	11/26/2014 \$360,000	1926/2002 Frame Ave./Good	3 2,177± SF	\$30,475 11.81	\$4,502 14.78%	\$25,973 7.21%	\$120,000 \$165.37	\$1,501	726 SF
MS-5	011-262-08 855 Lander Street	12/05/2014 \$250,000	1936 Masonry Average	3 1,994± SF	\$22,220 11.25	\$10,490 47.21%	\$11,730 4.69%	183,333 \$125.38	\$3,497	665 SF
ML-6	007-113-04 355 West 11 th Street	Listing \$307,000	1942 Frame Fair	4 2,100± SF	\$25,800 11.90	\$7,066 27.39%	\$18,734 6.10%	\$76,750 \$146.19	\$1,767	525 SF
ML-7	011-271-07 737 Forest Street	Listing \$535,000	1917 Frame Masonry Average	5 3,954± SF	\$34,875 \$15.34	\$6,975 20%	\$27,900 5.22%	\$107,000 \$135.31	\$1,395	791 SF
Subject Property	007-222-12 820 N. Center Street	Date if Appraisal 12/16/2014	1906/1913 Wood Frame Ave./Good	5 2,871± SF	---	---	---	---	---	574 SF

COMPARABLE MULTI-FAMILY SALES MAP



Reno ■ Lake Tahoe

COMPARABLE APARTMENT SALES PHOTOGRAPHS



**SALE MS-1
905 FOREST STREET, RENO**



**SALE MS-2
587 SINCLAIR STREET, RENO**

COMPARABLE APARTMENT SALES PHOTOGRAPHS



**SALE MS-3
249 CALIENTE STREET, RENO**



**MS-4
145 LARUE AVENUE, RENO**

COMPARABLE APARTMENT SALES PHOTOGRAPHS



**SALE MS-5
855 LANDER STREET, RENO**



**LISTING ML-6
355 W. 11TH STREET**

Reno ■ Lake Tahoe

COMPARABLE APARTMENT SALES PHOTOGRAPHS



**LISTING ML-7
737 FOREST STREET**

**COMPARABLE MULTI-FAMILY SALES DISCUSSION, COMPARISON
AND CONCLUSION**

The comparable sales utilized in this analysis range in date of sale from February 2014 to December 2014 in comparison to the subject's effective date of valuation of December 16, 2014. The comparable sales range in number of units from 3 to 5, and indicate sales prices per unit from \$83,333 per unit to \$120,000 per unit. Two listings indicate asking prices ranging from \$76,750 per unit to \$107,000 per unit.

Discussion of Adjustments

The comparable properties utilized in this analysis will be compared and correlated to the subject property based upon several adjustment criteria. These included property rights conveyed, financing terms, conditions of sale, market conditions, location and physical characteristic. The sales will be analyzed based upon a price per unit basis, which is most often analyzed in the local market for small multi-family residential sales.

Within the adjustment to sales section, qualitative adjustments will be made to the sales and listing to the adjustment criteria. An upward adjustment is made to the comparables' price per unit when the subject is superior to the sale for a specific criteria; likewise, a downward adjustment is made to the comparables, price per unit when the subject is inferior to the subject for a specific criteria.

Adjustment to Sales

The following summarizes the adjustments made to the comparable sales and listing analyzed.

COMPARABLE MULTI-FAMILY SALES ADJUSTMENT CHART

Sale Number	A.P.N. Address	Price/Unit	Terms of Sale	Market Conditions	Location	Size (Average Area/Unit)	Age	Quality	Condition	Overall
MS-1	011-324-02 905 Forest Street	\$96,250	Cash =	\$02/2014 =	1 Way St. +	1,047 SF -	1949 -	Average =	Average +	Low to Reasonable
MS-2	011-193-06 587 Sinclair Street	\$97,500	Cash =	05/2014 =	SE Reno +	803 SF -	1944 -	Fair +	Fair ++	Low to Reasonable
MS-3	014-055-14 249 Caliente Street		Cash =	09/2014 =	Mid-Town 1 Way St. +	854 SF -	1950/1998 -	Average =	Ave./Good =	Slightly High
MS-4	011-326-18 145 La Rue Avenue		Cash =	11/2014 =	Mid-Town =	726 SF -	1926/2002 -	Average =	Ave./Good =	High Indicator
MS-5	011-262-08 855 Lander Street		Cash =	12/2014 =	Old SW Reno =	665 SF -	1936 -	Average =	Average +	Low Indicator
ML-6	007-113-04 355 West 11 th Street		N/A N/A	Listing -	West University =	525 SF =	1942 -	Fair +	Fair ++	Low Indicator
ML-7	011-271-07 737 Forest Street		N/A N/A	Listing -	1 Way St. +	791 SF -	1917 =	Average =	Average +	Slightly High
Subject Property	007-222-12 820 N. Center Street	---	Cash		574 SF	1906/ 1913-	---	Average	Above Average	574 SF

To summarize Comparable Sale MS-1 at \$96,250 per unit is considered to be a low to reasonable indicator of value, as is Comparable Sale MS-2, at \$97,500 per unit.

Comparable Sale MS-5 at \$83,333 per unit and Comparable Listing ML-6 at \$76,750 per unit are considered to be low indicators of a per unit value applicable to the subject property.

Comparable Sale MS-4 at \$120,000 per unit, is considered to be a high indication of a per unit value applicable to the subject property, which Comparable Sale MS-3, at \$104,875 per unit and Comparable Sale ML-7 at \$107,000 per unit are both considered to be slightly high indicators of a per unit value applicable to the subject property.

In arriving at an appropriate per unit value for the subject property, consideration is given to its location on North Center Street, approximately ½ block south of the University of Nevada, Reno Campus. In addition, consideration is given to the subject's age, quality, condition, refurbishing and various other factors.

Based upon a review of the available data, and with consideration given to the analysis as set forth above, it is my opinion that a per unit value of \$100,000 is applicable to the subject property. Applying the indicated per unit value to the subject's 5 residential units results in an indication value of \$500,000, as of December 16, 2014.

INDICATED FAIR MARKET VALUE, DIRECT SALES COMPARISON \$500,000

INCOME APPROACH TO VALUE

The Income Approach to Value is based upon the principal that value is created by the anticipation of future benefits. In this appraisal, the Income Approach to Value, utilizing a Direct Capitalization Analysis, will be utilized. Direct Capitalization is a method used to convert a single year's net operating income the subject property is capable of generating into an indication of value.

Direct Capitalization Approach

The first step in the Direct Capitalization Analysis is to project the potential gross annual income that the subject property could reasonably be expected to produce as of the effective date of valuation. The potential gross annual income will be established through an analysis of the income currently being generated by the subject property as an apartment project, as well as by an analysis of similar apartment complexes in the southeast Reno area.

The next step in the Direct Capitalization Approach is to establish a realistic estimate of the vacancy and credit loss that the subject will most likely incur over a normal holding period. An appropriate vacancy and credit loss will be established through an analysis of the subject property and competing properties in the Reno-Sparks area.

The total effective gross annual income that the subject property can produce will be estimated by subtracting the vacancy and credit loss allowance from the potential gross annual income estimate.

The next step in this analysis is to establish a realistic estimate of the operating expenses that will most likely be incurred in order to generate the effective gross income. The operating expenses will be projected through an analysis of the subject's operating history, as well as by comparisons to similar apartment complexes. The total operating expenses will then be deducted from the total effective gross income in order to arrive at an estimate of the net operating income which the subject property could reasonably be expected to generate as of the effective date of valuation.

An overall capitalization rate, developed through direct extraction from sales of competing apartment complexes, as well as an analysis of national indicators, will then be applied to the net operating income to arrive at an indication of the market value by the Direct Capitalization Approach to Value.

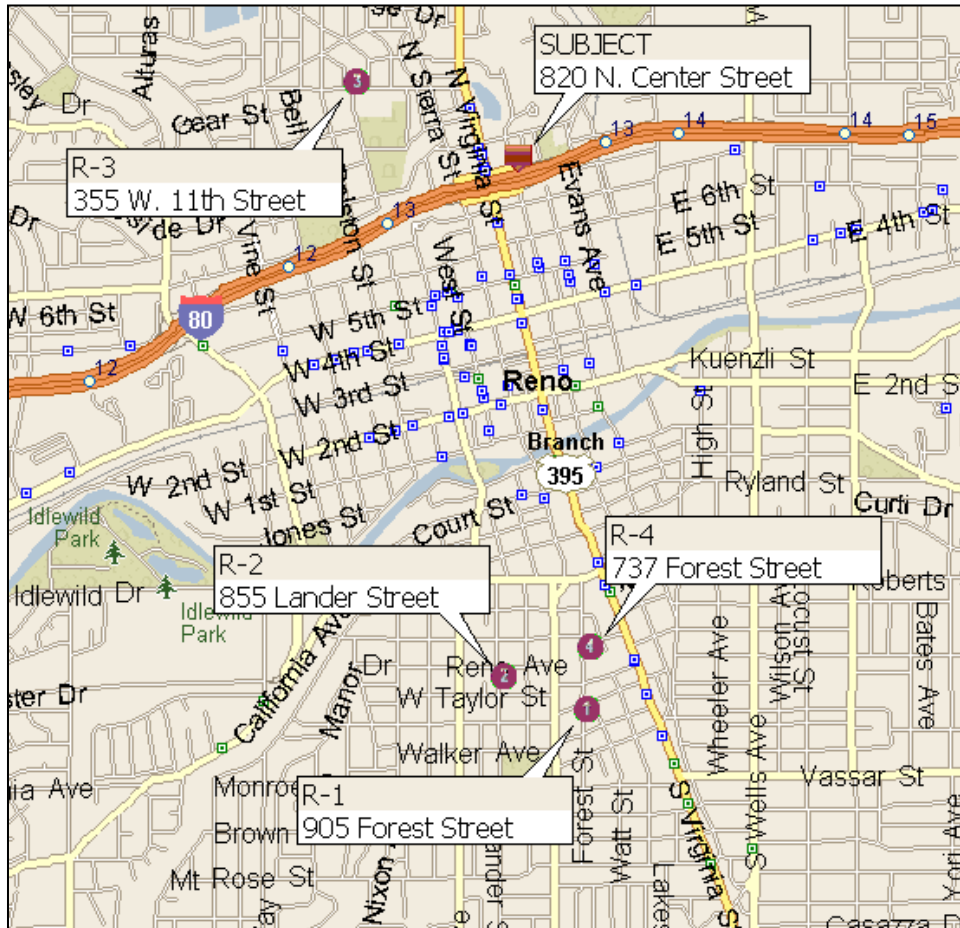
MARKET RENTAL ANALYSIS

To establish an indication of the Market Rent which the subject property could be reasonably expected to generate, a number of small multi-family residential complexes in Southeast Reno were surveyed. The following chart sets forth a summary of the comparable rentals analyzed.

COMPARABLE APARTMENT RENTAL CHART

Rental No.	Location	Year Built Quality	No. of Units	Unit Types	Monthly Rental Rate
R-1	905 Forest Street Reno	1949 Average	4	1 x 1 2 x 1	\$650 \$925
R-2	855 Lander Street Reno	1936 Average	3	1 x 1 2 x 1	\$600 \$825
R-3	355 W 11 th Street, Reno	1942 Average	4	1 x 1	\$550
R-4	737 Forest Street Reno	1917 Average	5	1 x 1 1 x 1 2 x 1	\$425-\$550 \$615 \$740-\$800
Subject	820 N. Center St. Reno	1906-1913 Average	5	1 x 1 1 x 1	\$600 \$700

COMPARABLE MULTI-FAMILY RENTAL MAP



Reno ■ Lake Tahoe

COMPARABLE APARTMENT RENTAL PHOTOGRAPHS



**RENTAL R-1
905 FOREST STREET, RENO**



**RENTAL R-2
855 LANDER STREET, RENO**

COMPARABLE APARTMENT RENTAL PHOTOGRAPHS



**RENTAL R-3
355 W. 11TH STREET, RENO**



**RENTAL R-4
737 FOREST STREET, RENO**

MARKET RENTAL CONCLUSION

The comparable rentals utilized in this analysis are located in competitive locations in Reno. Comparable Rental R-3 is located in the west University neighborhood.

The comparable rentals indicate a range in rent per month for 1 bedroom/1bathroom apartments from \$475 per month to \$650 per month. Currently, the subject's 1 bedroom/1bathroom apartment units located in the 4-plex are rented for \$600 per month, including utilities, while the detached rental unit is rented for \$700 per month.

A review of comparable garage rental rates in apartment complexes indicates that the Market Rent applicable to the subject's detached garage is \$100 per month.

Based upon a review of the available data, and with consideration given to the analysis as set forth above, it is my opinion that the subject's current rental rates represent their market rental rates.

POTENTIAL GROSS INCOME

4 Units @ \$600/Month x 12 Months	\$28,800
1 Unit @ \$700/Month x 12 Months	\$8,400
Garage @ \$100/Month x 12 Months	<u>\$1,200</u>
GROSS ANNUAL INCOME	\$38,400

VACANCY AND CREDIT LOSS ANALYSIS

To establish an indication of the vacancy and credit loss applicable to the subject property, I have reviewed the subject's past operating history, as well as analyzed the vacancy rates of the comparable rentals analyzed. Currently, the comparable rentals analyzed are 100% occupied. The subject property is also currently 100% occupied.

In addition, I have considered the vacancy rates as indicated by the 4th quarter 2014 Apartment Survey, prepared by Johnson Perkins & Associates. This survey indicates that the overall vacancy rate in the Reno-Sparks area for the 4th Quarter 2014 is 3.31% The Northeast Reno market, which the subject property is located, indicates an overall vacancy rate of 3.13%.

Based upon a review of the available data and with consideration given to the analysis as set forth above, it is my opinion that a stabilized vacancy and credit loss applicable to the subject's projected gross annual income is 5%.

GROSS ANNUAL INCOME	\$38,400
VACANCY AND CREDIT LOSS (5%)	<u>(\$1,920)</u>
EFFECTIVE GROSS INCOME	\$36,480

OPERATING EXPENSE ANALYSIS

The next step in Income Approach is to project the operating expenses that would be incurred by the subject project to generate the effective gross income. In order to generate the effective gross income, the subject property incurs expenses including real estate taxes, insurance, utility cost, repairs and maintenance, management fees, advertising and marketing costs, and general and administrative expenses.

To establish an indication of the stabilized operating expenses applicable to the subject property, I have reviewed the operating expenses of the subject property for the past calendar year. The follow chart sets forth a summary of this data.

2014 OPERATION EXPENSES

Power/Gas	\$3,887
Water	\$669
Sewer	\$694
Trash	\$799
Maintenance/Repairs	\$2,419
Real Estate Taxes	\$1,490

In arriving at an indication of the operating expenses applicable to the subject property, consideration is given to their age, quality, design and condition. The following summarizes the subject's projected stabilized operating expenses.

Stabilized Expenses

Management	\$750
Insurance	\$750
Real Estate Tax	\$1,490
Utilities	\$4,000
Trash Removal	\$800
Water	\$670
Sewer Use Fees	\$700
Maintenance & Repair	<u>\$1,500</u>
Total Operating Expenses	\$10,660
EFFECTIVE GROSS INCOME	\$36,480
OPERATING EXPENSES	<u>(\$10,660)</u>
NET OPERATING INCOME	\$25,820

CAPITALIZATION RATE ANALYSIS

The next step in the Direct Capitalization Approach is to establish an estimate of an appropriate overall capitalization rate for the subject property. Capitalization is the process in the Income Approach that translates an income projection into an indication of value. The connecting link is a rate that reflects the return necessary to attract investment capital. To project an overall capitalization rate applicable to the subject property, I have analyzed the comparable apartment sales utilized in this appraisal.

The following chart sets forth a summary of the indicated capitalization rates from the comparable apartment sales.

COMPARABLE MULTI-FAMILY CAPITALIZATION RATE CHART

Sale Number	A.P.N. Address	Sale Date Sale Price	Net Operating Income O.A.R.
MS-1	011-324-02 905 Forest Street	02/14/2014 \$385,000	\$31,300 8.13%
MS-2	011-193-06 587 Sinclair Street	05/30/2014 \$390,000	\$26,280 6.74%
MS-3	014-055-14 249 Caliente Street	09/25/2014 \$419,500	\$25,650 6.11%
MS-4	011-326-18 145 La Rue Avenue	11/26/2014 \$360,000	\$25,973 7.21%
MS-5	011-262-08 855 Lander Street	12/05/2014 \$250,000	\$11,730 4.69%
ML-6	007-113-04 355 West 11 th Street	Listing \$307,000	\$18,734 6.10%
ML-7	011-271-07 737 Forest Street	Listing \$535,000	\$27,900 5.22%
Subject Property	007-222-12 820 N. Center Street	Date if Appraisal 12/16/2014	---

As indicated, the comparable indicate a range in overall capitalization rates from 4.69% to 8.13%, while two current listings indicate capitalization rates of 5.22% to 6.10%, based upon their asking prices.

In arriving at an indication of the overall capitalization rate applicable to the subject property, consideration is given to the subject property's age, quality and condition. In particular, consideration is given to the subject property's close proximity to the University of Nevada. Finally, consideration is given to current market conditions including low vacancy rates and increasing rental rates.

Based upon a review of the available data, and with consideration given to the analysis as set forth above, it is my opinion that an appropriate capitalization rate applicable to the subject property would be 5.25%.

OVERALL CAPITALIZATION RATE CONCLUSION 5.25%

The following chart sets forth a summary and indicated value of the subject property by the Income Approach to Value.

INCOME APPROACH TO VALUE SUMMARY AND CONCLUSION

Potential Gross Income	
4 Units @ \$600/Month x 12 Months	\$28,800
1 Unit @ \$700/Month x 12 Months	\$8,400
Garage @ \$100/Month x 12 Months	<u>\$1,200</u>
Gross Annual Income	\$38,400
Vacancy and Credit Loss (5%)	<u>(\$1,920)</u>
Effective Gross Rental Income	\$26,480

FINAL PROPERTY VALUE CORRELATION AND CONCLUSION

In this portion of the appraisal, the appraisers weigh the relative significance, applicability and defensibility of each of the indications of value derived from each of the approaches to value. The appraiser then places the most weight and reliance upon the method which, in his professional judgment, best approximates the value being sought in the appraisal. In this section, the “As-Is” Market Value of the subject property is being addressed.

Market value is that value which most nearly represents what a typical, informed, rational purchaser would pay for the subject property, if it were available for sale on the open market, as of the date of appraisal, given all data analyzed in this report. The values indicated by each of the approaches are summarized as follows:

Indicated Values

Cost Approach to Value	Not Applicable
Income Approach to Value	\$492,000
Direct Sales Comparison Approach to Value	\$500,000

The Income Approach to Value is considered a very reliable indication of value. Investors in apartment projects typically view the income producing capabilities of an apartment project as the most important factor when purchasing a project. The Income Approach to Value is felt to be well supported by the operating history of the subject, as well as through comparisons with similar and competing apartment projects. Overall capitalization rates indicated by apartment sales, interviews and other techniques were felt to support a reliable indication of value. Overall, the Income Approach to Value is considered to be a reliable indication of value.

In the Direct Sales Comparison Approach to Value, the sales and listings of several multi-family properties were compared with the subject property utilizing a price per unit basis. Generally, the Direct Sales Comparison Approach is considered to reflect the actions

of the buyers and sellers in the marketplace, and as a result, is considered to be a reliable value indicator.

In the final analysis, all three approaches to value were given consideration. Based upon a review of the available data, and with consideration given to the analysis as set forth above, it is my opinion that the Fair Market Value of the subject property, as of December 16, 2014, is:

FINAL MARKET VALUE CONCLUSION **\$500,000**

EXPOSURE AND MARKETING TIME

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

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

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

Based upon a review of the available data, it is our opinion that an appropriate exposure and marketing time for the subject property, assuming it is marketed at its final property value conclusion, would be approximately six months to one year.

EXPOSURE AND MARKETING TIME

SIX MONTHS TO ONE YEAR

APPRAISER'S CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.

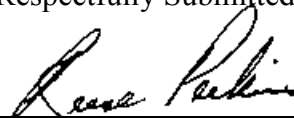
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The Appraisal Institute conducts a mandatory program of continuing education for its designated members. As of the date of this report, 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.

The subject of this appraisal report was valued as of December 16, 2014, as follows:

FAIR MARKET VALUE CONCLUSION

\$500,000

Respectfully Submitted,



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

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

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

LIMITS OF LIABILITY

The liability of Johnson-Perkins & Associates, Inc., 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.

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

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) appear(s) 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 governmental 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. 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 because of any subpoena, 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 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(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/are not a construction, engineering, or architectural expert(s), 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 site 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.

AMERICANS WITH DISABILITIES ACT COMPLIANCE

The Americans with Disabilities Act (ADA) became effective January 26, 1992. Unless otherwise noted in this report, we have not made a specific compliance survey or analysis of this property to determine whether or not it is in 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. Since we have no direct evidence relating to this issue, and since these appraisers are not experts at identifying whether a property complies or does not comply with the ADA, we 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 re-appraisal at an additional cost may be necessary to estimate the effects of such circumstances.

TOXIC MATERIALS AND HAZARDS

Unless otherwise stated in the appraisal 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 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 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 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, sub-surface rights (mineral and oil) were not considered in making this appraisal. 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/are 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/have 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 assume(s) 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 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

If the total property value set forth in this report is distributed between land and improvements, this distribution applied only under the existing program of utilization as set forth in the appraisal. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

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.

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) do(es) 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. They 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) do(es) 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.

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.

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 a good and workmanlike manner in accord with plans, specifications, or other information supplied to these appraisers and set forth in the appraisal report. 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 super-efficient.

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.

CHANGES AND MODIFICATIONS

The appraiser(s) reserve(s) the right 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 when the appraisal report was prepared.

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
National USPAP Update Course		2010
National USPAP Update Course		2013
National USPAP Update Course		2014

Appraisal Foundation

1999 USPAP Review	1998
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Appraisal Seminars

Various Appraisal and Continuing Education Seminars	1974-2014
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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
Alliance Bank of Arizona
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
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
Umpqua Bank
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



PRELIMINARY REPORT

PROPOSED BUYER:

PROPOSED LENDER:

PROPERTY ADDRESS: 820 North Center Street, Reno, Nevada

Escrow Office:

**Ticor Title of Nevada, Inc.
5441 Kietzke Lane, Suite 100
Reno, Nevada 89511**

Phone: (775) 824-3232 Fax: (775) 824-3233

Escrow Officer: Commercial Division

Customer No.: /

Title Office:

**Ticor Title of Nevada, Inc.
5441 Kietzke Lane, Suite 100
Reno, Nevada 89511**

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

Order No.: 01404686-CD

**The information contained in this report is through the date of
December 1, 2014 at 7:30 a.m.**

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

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

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

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

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

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

This report (and any supplements or amendments thereof) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby.

Countersigned

A handwritten signature in cursive script that reads 'Shelly Saltz'.

Shelly Saltz, Title Officer

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

1. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below:

Limited Liability Company: Satre Center Street Properties, LLC, a Nevada limited liability company

- a) A copy of its operating agreement, if any, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member
- b) If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendments thereto with the appropriate filing stamps
- c) If the Limited Liability Company is member-managed, a full and complete current list of members certified by the appropriate manager or member
- d) If the Limited Liability Company was formed in a foreign jurisdiction, evidence, satisfactory to the Company, that it was validly formed, is in good standing and authorized to do business in the state of origin
- e) If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.

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

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

SCHEDULE A

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

FEE

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

Satre Center Street Properties, LLC, a Nevada limited liability company

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

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

SCHEDULE B

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

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof, (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.
6. Any lien or right to lien for services, labor or material not shown in the Public Records.
7. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Nevada Revised Statutes.
8. Any unpaid sewer service charges plus interest and penalties, which would create a lien and attach to said Land, pursuant to Reno Municipal Code. Specific amounts may be obtained by calling (775) 334-2095.
9. Any unpaid charges for Waste Management, plus any interest and/or penalties, which would create a lien and attach to said Land, pursuant to Nevada Revised Statutes.
10. Rights of way for any existing roads and alleys, trails, canals, ditches, flumes, conduits, pipes, poles or transmission lines on, under, over, through or across the Land.
11. The Land lies with the boundaries of the City of Reno "Downtown Redevelopment Project Area No. 2" pursuant to Ordinance No. 5726, as set forth below:
Recording Date: September 23, 2005
Recording No.: Document No. 3281548, Official Records
Re-Recording Date: November 18, 2005
Re-Recording No.: Document No. 3309643, Official Records

An amendment to Redevelopment Area No. 2 by Ordinance No. 5842, recorded June 28, 2006, as Document No. 3407019, Official Records.
12. Rights and claims of parties in possession by reason of unrecorded leases, if any, that would be disclosed by an inquiry of the parties or by an inspection of said Land.

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

Assessor's Parcel No.: 007-222-12
Fiscal Year: 2014 - 2015
Total Taxes: \$1,489.08

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

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

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

Type of Dwelling: 2 Single Family Residences
Address: 820 North Center Street, Reno, Nevada

Order No.: 01404686-CD

EXHIBIT A

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

Commencing at the intersection of the North line of 8th Street with the East line of University Avenue, Reno, Nevada;

Thence Northerly along the East line of University Avenue 100 feet to the true point of beginning for the description of this parcel of land;

Thence Northerly along the East line of University Avenue 50 feet;

Thence Easterly parallel with the North line of 8th Street, 140 feet;

Thence Southerly parallel with the East line of University Avenue 50 feet;

Thence Westerly parallel with the North line of 8th Street 140 feet to the point of beginning.

APN: 007-222-12

Document No. 3713939 is provided pursuant to the requirements of Section 6.NRS 111.312.

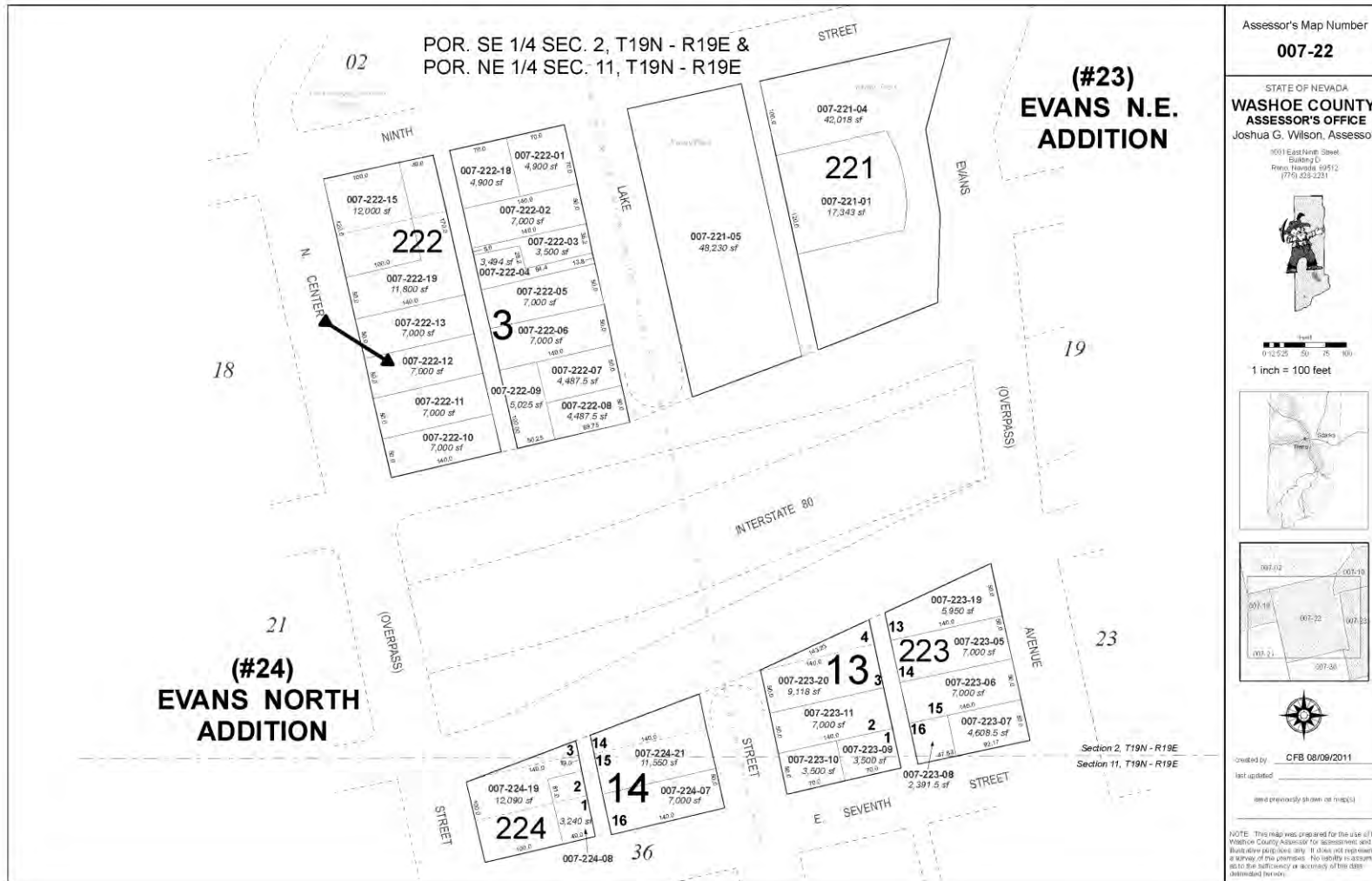


Exhibit A (Revised 06-05-14)

**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990 (04-08-14)**

EXCLUSIONS FROM COVERAGE

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

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

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

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

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

EXCLUSIONS

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

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

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8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

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

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

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

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

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

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

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

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4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

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

EXCEPTIONS FROM COVERAGE

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

PART I

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

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

PART II

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

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

EXCLUSIONS FROM COVERAGE

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

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

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

EXCEPTIONS FROM COVERAGE

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

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

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.

4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. Variable exceptions such as taxes, easements, CC&R's, etc. shown here.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
 - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in

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accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

Note: Notice of Available Title Insurance and Escrow Discounts

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

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

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

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

SHORT TERM RATE

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

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

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

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS

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

EMPLOYEE RATE

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

INVESTOR RATE

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

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

SENIOR CITIZEN RATE

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

MILITARY DISCOUNT

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

FIRST TIME HOMEBUYER RATE (APPLICABLE TO ZONE 2 ONLY)

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

EMPLOYEE RATES

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

INVESTOR RATE

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

FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

Fidelity National Financial, Inc. and its majority-owned subsidiary companies providing real estate- and loan-related services (collectively, “FNF”, “our” or “we”) respect and are committed to protecting your privacy. This Privacy Notice lets you know how and for what purposes your Personal Information (as defined herein) is being collected, processed and used by FNF. We pledge that we will take reasonable steps to ensure that your Personal Information will only be used in ways that are in compliance with this Privacy Notice.

This Privacy Notice is only in effect for any generic information and Personal Information collected and/or owned by FNF, including collection through any FNF website and any online features, services and/or programs offered by FNF (collectively, the “Website”). This Privacy Notice is not applicable to any other web pages, mobile applications, social media sites, email lists, generic information or Personal Information collected and/or owned by any entity other than FNF.

Collection and Use of Information

The types of personal information FNF collects may include, among other things (collectively, “Personal Information”): (1) contact information (e.g., name, address, phone number, email address); (2) demographic information (e.g., date of birth, gender marital status); (3) Internet protocol (or IP) address or device ID/UDID; (4) social security number (SSN), student ID (SIN), driver’s license, passport, and other government ID numbers; (5) financial account information; and (6) information related to offenses or criminal convictions.

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

- Applications or other forms we receive from you or your authorized representative;
- Information we receive from you through the Website;
- Information about your transactions with or services performed by us, our affiliates, or others; and
- From consumer or other reporting agencies and public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others.

Information collected by FNF is used for three main purposes:

- To provide products and services to you or one or more third party service providers (collectively, “Third Parties”) who are obtaining services on your behalf or in connection with a transaction involving you.
- To improve our products and services that we perform for you or for Third Parties.
- To communicate with you and to inform you about FNF’s, FNF’s affiliates and third parties’ products and services.

Additional Ways Information is Collected Through the Website

Browser Log Files. Our servers automatically log each visitor to the Website and collect and record certain information about each visitor. This information may include IP address, browser language, browser type, operating system, domain names, browsing history (including time spent at a domain, time and date of your visit), referring/exit web pages and URLs, and number of clicks. The domain name and IP address reveal nothing personal about the user other than the IP address from which the user has accessed the Website.

Cookies. From time to time, FNF or other third parties may send a “cookie” to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your

computer’s hard drive and that can be re-sent to the serving website on subsequent visits. A cookie, by itself, cannot read other data from your hard disk or read other cookie files already on your computer. A cookie, by itself, does not damage your system. We, our advertisers and other third parties may use cookies to identify and keep track of, among other things, those areas of the Website and third party websites that you have visited in the past in order to enhance your next visit to the Website. You can choose whether or not to accept cookies by changing the settings of your Internet browser, but some functionality of the Website may be impaired or not function as intended. See the [Third Party Opt Out](#) section below.

Web Beacons. Some of our web pages and electronic communications may contain images, which may or may not be visible to you, known as Web Beacons (sometimes referred to as “clear gifs”). Web Beacons collect only limited information that includes a cookie number; time and date of a page view; and a description of the page on which the Web Beacon resides. We may also carry Web Beacons placed by third party advertisers. These Web Beacons do not carry any Personal Information and are only used to track usage of the Website and activities associated with the Website. See the [Third Party Opt Out](#) section below.

Unique Identifier. We may assign you a unique internal identifier to help keep track of your future visits. We may use this information to gather aggregate demographic information about our visitors, and we may use it to personalize the information you see on the Website and some of the electronic communications you receive from us. We keep this information for our internal use, and this information is not shared with others.

Third Party Opt Out. Although we do not presently, in the future we may allow third-party companies to serve advertisements and/or collect certain anonymous information when you visit the Website. These companies may use non-personally identifiable information (e.g., click stream information, browser type, time and date, subject of advertisements clicked or scrolled over) during your visits to the Website in order to provide advertisements about products and services likely to be of greater interest to you. These companies typically use a cookie or third party Web Beacon to collect this information, as further described above. Through these technologies, the third party may have access to and use non-personalized information about your online usage activity.

You can opt-out of online behavioral services through any one of the ways described below. After you opt-out, you may continue to receive advertisements, but those advertisements will no longer be as relevant to you.

- You can opt-out via the Network Advertising Initiative industry opt-out at <http://www.networkadvertising.org/>.
- You can opt-out via the Consumer Choice Page at www.aboutads.info.
- For those in the U.K., you can opt-out via the IAB UK’s industry opt-out at www.youronlinechoices.com.
- You can configure your web browser (Chrome, Firefox, Internet Explorer, Safari, etc.) to delete and/or control the use of cookies.

More information can be found in the Help system of your browser. Note: If you opt-out as described above, you should not delete your cookies. If you delete your cookies, you will need to opt-out again.

When Information Is Disclosed By FNF

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To agents, brokers, representatives, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers who provide services or perform marketing services or other functions on our behalf;
- To law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders; and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

In addition to the other times when we might disclose information about you, we might also disclose information when required by law or in the good-faith belief that such disclosure is necessary to: (1) comply with a legal process or applicable laws; (2) enforce this Privacy Notice; (3) respond to claims that any materials, documents, images, graphics, logos, designs, audio, video and any other information provided by you violates the rights of third parties; or (4) protect the rights, property or personal safety of FNF, its users or the public.

We maintain reasonable safeguards to keep the Personal Information that is disclosed to us secure. We provide Personal Information and non-Personal Information to our subsidiaries, affiliated companies, and other businesses or persons for the purposes of processing such information on our behalf and promoting the services of our trusted business partners, some or all of which may store your information on servers outside of the United States. We require that these parties agree to process such information in compliance with our Privacy Notice or in a similar, industry-standard manner, and we use reasonable efforts to limit their use of such information and to use other appropriate confidentiality and security measures. The use of your information by one of our trusted business partners may be subject to that party's own Privacy Notice. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

We also reserve the right to disclose Personal Information and/or non-Personal Information to take precautions against liability, investigate and defend against any third-party claims or allegations, assist government enforcement agencies, protect the security or integrity of the Website, and protect the rights, property, or personal safety of FNF, our users or others.

We reserve the right to transfer your Personal Information, as well as any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets. We also cannot make any representations regarding the use or transfer of your Personal Information or other information that we may have in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors, and you expressly agree and consent to the use and/or transfer of your Personal Information or other information in connection with a sale or transfer of some or all of our assets in any of the above described proceedings. Furthermore, we cannot and will not be responsible for any breach of security by any third parties or for any actions of any third parties that receive any of the information that is disclosed to us.

Privacy Notice
Effective: January 24, 2014

Information from Children

We do not collect Personal Information from any person that we know to be under the age of thirteen (13). Specifically, the Website is not intended or designed to attract children under the age of thirteen (13). You affirm that you are either more than 18 years of age, or an emancipated minor, or possess legal parental or guardian consent, and are fully able and competent to enter into the terms, conditions, obligations, affirmations, representations, and warranties set forth in this Privacy Notice, and to abide by and comply with this Privacy Notice. In any case, you affirm that you are over the age of 13, as **THE WEBSITE IS NOT INTENDED FOR CHILDREN UNDER 13 THAT ARE UNACCOMPANIED BY HIS OR HER PARENT OR LEGAL GUARDIAN.**

Parents should be aware that FNF's Privacy Notice will govern our use of Personal Information, but also that information that is voluntarily given by children – or others – in email exchanges, bulletin boards or the like may be used by other parties to generate unsolicited communications. FNF encourages all parents to instruct their children in the safe and responsible use of their Personal Information while using the Internet.

Privacy Outside the Website

The Website may contain various links to other websites, including links to various third party service providers. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites. Other than under agreements with certain reputable organizations and companies, and except for third party service providers whose services either we use or you voluntarily elect to utilize, we do not share any of the Personal Information that you provide to us with any of the websites to which the Website links, although we may share aggregate, non-Personal Information with those other third parties. Please check with those websites in order to determine their privacy policies and your rights under them.

European Union Users

If you are a citizen of the European Union, please note that we may transfer your Personal Information outside the European Union for use for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information, you consent to both our collection and such transfer of your Personal Information in accordance with this Privacy Notice.

Choices with Your Personal Information

Whether you submit Personal Information to FNF is entirely up to you. You may decide not to submit Personal Information, in which case FNF may not be able to provide certain services or products to you.

You may choose to prevent FNF from disclosing or using your Personal Information under certain circumstances ("opt out"). You may opt out of any disclosure or use of your Personal Information for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization by notifying us by one of the methods at the end of this Privacy Notice. Furthermore, even where your Personal Information is to be disclosed and used in accordance with the stated purposes in this Privacy Notice, you may elect to opt out of such disclosure to and use by a third party that is not acting as an agent of FNF. As described above, there are some uses from which you cannot opt-out.

Please note that opting out of the disclosure and use of your Personal Information as a prospective employee may prevent you from being hired as an employee by FNF to the extent that provision of your Personal Information is required to apply for an open position.

If FNF collects Personal Information from you, such information will not be disclosed or used by FNF for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization unless you affirmatively consent to such disclosure and use.

You may opt out of online behavioral advertising by following the instructions set forth above under the above section "Additional Ways That Information Is Collected Through the Website," subsection "Third Party Opt Out."

Access and Correction

To access your Personal Information in the possession of FNF and correct inaccuracies of that information in our records, please contact us in the manner specified at the end of this Privacy Notice. We ask individuals to identify themselves and the information requested to be accessed and amended before processing such requests, and we may decline to process requests in limited circumstances as permitted by applicable privacy legislation.

Your California Privacy Rights

Under California's "Shine the Light" law, California residents who provide certain personally identifiable information in connection with obtaining products or services for personal, family or household use are entitled to request and obtain from us once a calendar year information about the customer information we shared, if any, with other businesses for their own direct marketing uses. If applicable, this information would include the categories of customer information and the names and addresses of those businesses with which we shared customer information for the immediately prior calendar year (e.g., requests made in 2013 will receive information regarding 2012 sharing activities).

To obtain this information on behalf of FNF, please send an email message to privacy@fnf.com with "Request for California Privacy Information" in the subject line and in the body of your message. We will provide the requested information to you at your email address in response.

Please be aware that not all information sharing is covered by the "Shine the Light" requirements and only information on covered sharing will be included in our response.

Additionally, because we may collect your Personal Information from time to time, California's Online Privacy Protection Act requires us to disclose how we respond to "do not track" requests and other similar mechanisms. Currently, our policy is that we do not recognize "do not track" requests from Internet browsers and similar devices.

Your Consent to This Privacy Notice

By submitting Personal Information to FNF, you consent to the collection and use of information by us as specified above or as we otherwise see fit, in compliance with this Privacy Notice, unless you inform us otherwise by means of the procedure identified below. If we decide to change this Privacy Notice, we will make an effort to post those changes on the Website. Each time we collect information from you following any amendment of this Privacy Notice will signify your assent to and acceptance of its revised terms for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you may submit in any manner that we may choose without notice or compensation to you.

If you have additional questions or comments, please let us know by sending your comments or requests to:

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

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EFFECTIVE AS OF: JANUARY 24, 2014

LAST UPDATED: JANUARY 24, 2014

EXHIBIT 5

RESOLUTION NO. _____

A RESOLUTION PERTAINING TO THE APPROVAL OF THE TRANSFER OF REAL PROPERTY, LOCATED AT 820 N CENTER STREET, RENO NEVADA, WASHOE COUNTY ASSESOR # 077-122-12 FROM THE UNIVERSITY OF NEVADA, RENO FOUNDATION TO THE NEVADA SYSTEM OF HIGHER EDUCATION ON BEHALF OF THE UNIVERSITY OF NEVADA, RENO, AND TO THE AUTHORIZATION OF CHANCELLOR DANIEL J. KLAICH, OR HIS DESIGNEE, TO APPROVE AND SIGN THE CORRESPONDING ESCROW AND TITLE DOCUMENTS ASSOCIATED WITH THE TRANSFER OF THE PROPERTY DEED.

BE IT RESOLVED that the Board of Regents approves the request to transfer the deed of 820 N Center Street from the University of Nevada, Reno Foundation to the Nevada System of Higher Education on behalf of the University of Nevada, Reno.

BE IT FURTHER RESOLVED that the Board of Regents hereby authorizes Chancellor Daniel J. Klaich, or his Designee, to approve and sign the corresponding escrow and title documents associated with the transfer of the property deed.

PASSED AND ADOPTED on _____, 2015.

Chairman
Board of Regents of the
Nevada System of Higher Education

(SEAL)
Attest:

Chief Executive Officer to the
Board of Regents