

**Carson City Board of Supervisors
Agenda Report**

Date Submitted: October 18, 2012

Agenda Date Requested: November 1, 2012

Time Requested: Consent

To: Mayor and Supervisors

From: Public Works

Subject Title: For Possible Action: To approve an agreement between Carson City and Joost Land and Cattle Company for the purpose of land exchange at the west terminus of Ash Canyon Road. (Sharp)

Staff Summary The proposed agreement would exchange a 1.50 acre strip of land owned by the City for a 2.90 acre strip of land owned by Joost. An appraisal was prepared and the value of the 1.50 acres was determined to be \$26,250 compared with the value of the 2.90 acres at \$50,750. Joost has agreed to donate to the City the difference in value. No money would exchange hands as a result of the proposed transaction.

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to approve an agreement between Carson City and Joost Land and Cattle Company for the purpose of land exchange at the west terminus of Ash Canyon Road.

Explanation for Recommended Board Action: For many years Joost and the City have owned adjacent properties at the west terminus of Ash Canyon Road. The Board of Supervisors recently approved the City purchase of 29.75 acres of land from Joost in the Fall of 2011 in order accommodate construction of a new tank access road and flood control facilities. That purchase agreement (recorded doc. #415236) included a provision that the City and Joost would cooperate in the future in negotiating a mutually beneficial lot line adjustment to accomplish the transfer of City ultimate ownership of the tank access road. The City completed construction of the new tank access road and flood control facilities in the Spring of 2012, with a portion of the improvements being located on Joost property. Staff is recommending approval of the proposed land exchange agreement in order to achieve the desired intent of full City ownership of the tank access road and flood control facilities. The proposed agreement would exchange a 1.50 acre strip of land owned by the City for a 2.90 acre strip of land owned by Joost. An appraisal was prepared by Johnson-Perkins and Associates and the value of the 1.50 acres was determined to be \$26,250 compared with the value of the 2.90 acres at \$50,750. Joost has agreed to donate to the City the difference in value of the two strips of land, resulting in a \$24,500 benefit to the City. No money would exchange hands as a result of the proposed transaction.

Applicable Statute, Code, Policy, Rule or Regulation: NRS 244.276(1)

Fiscal Impact: None

Explanation of Impact: N/A

Funding Source: N/A

Alternatives: Do not approve the agreement.

Supporting Material: Agreement; Exhibits A - D; Overview Map; Previous Agreement Doc #415236; Appraisal.


Prepared By: Jeff Sharp, City Engineer

Reviewed By:



(Public Works Director)

Date: 10-23-12



(City Manager)

Date: 10/23/12



(Finance Director)

Date: 10/23/12



(District Attorney)

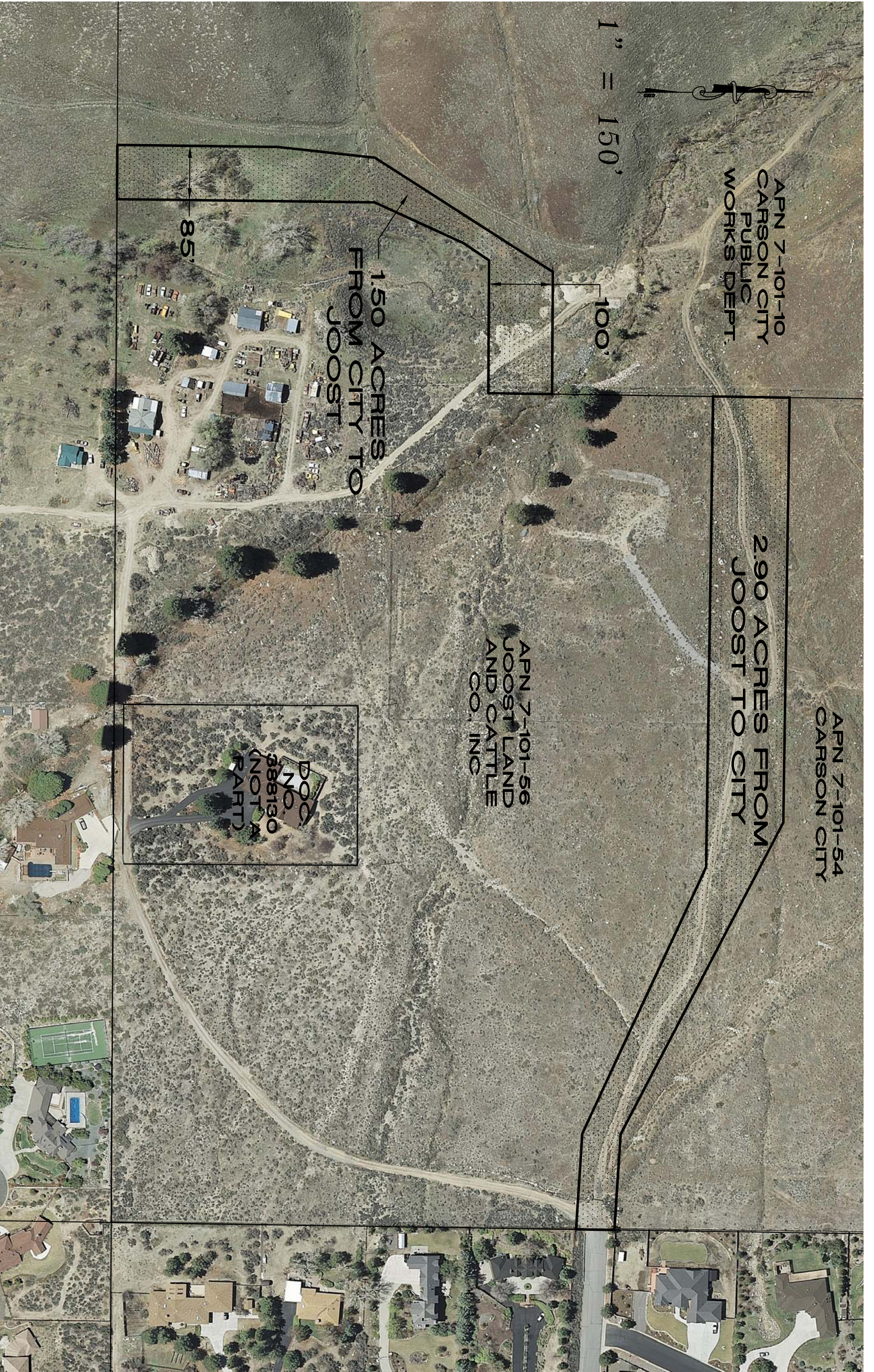
Date: 10/23/12

Board Action Taken:

Motion: _____

	Aye/Nay
1) _____	_____
2) _____	_____
3) _____	_____
4) _____	_____
5) _____	_____

(Vote Recorded By)



PORTION SW 1/4, SECTION 12, T.15N. R.19E., MDM

AREA SWAP

PORTION OF SOUTHWEST 1/4,
SECTION 12, T.15N. R.19E., MDM
CARSON CITY, NEVADA



TRI STATE SURVEYING, LTD
425 E. Long Street
Carson City, Nevada 89706
(775) 887-9911 * FAX: (775) 887-9915

Land Information Solutions

JN 08342.01.CM

**AGREEMENT BETWEEN
CARSON CITY
AND JOOST LAND AND CATTLE COMPANY, INC.
FOR THE PURPOSE OF LAND EXCHANGE
AT THE WEST TERMINUS OF ASH CANYON ROAD**

This Agreement made and entered into the _____ day of _____, 2012, by and between CARSON CITY, a consolidated municipality of the State of Nevada, herein referred to as "CITY," and JOOST LAND AND CATTLE COMPANY, INC., a Nevada corporation, herein referred to as "JOOST."

WITNESSETH:

WHEREAS, the CITY and JOOST own adjacent properties at the west terminus of Ash Canyon Road, known as APN 007-101-54 and APN 007-101-10 (CITY) and APN 007-101-56 (JOOST); and

WHEREAS, a portion of the Ash Canyon tank access road was built on property currently owned by JOOST; and

WHEREAS, the CITY desires to obtain a 2.90 acre strip of land from JOOST (APN 007-101-56) to establish full CITY ownership of the Ash Canyon tank access; and

WHEREAS, JOOST desires to obtain a 1.50 acre strip of land from the CITY (APN 007-101-10) in exchange for the 2.90 (APN 007-101-56) acres desired by the CITY; and

WHEREAS, Johnson-Perkins and Associates, Inc. prepared an appraisal, dated June 29, 2012, for the two strips of land in question and the value of the 2.90 acres (APN 007-101-56) is \$50,750.00 compared with the value of the 1.50 acres (APN 007-101-10) at \$26,250.00; and

WHEREAS, the CITY and JOOST agree that the exchange of the two strips of land in question will be mutually beneficial to both parties.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

ARTICLE I - CITY AGREES

1. To prepare a boundary line adjustment as previously agreed in that Land Purchase and Exchange Agreement, Document Number 415236, approved by the Carson City Board of Supervisors on September 1, 2011, for the purposes of transferring ownership of 1.50 acres of CITY property to JOOST and transferring 2.90 acres of JOOST property to the CITY as depicted on Exhibits "A", "B", "C," and "D."

2. To transfer to JOOST fee title ownership of a 1.50 acre strip of land as depicted on Exhibits "A" and "B" which will become a part of APN 007-101-56.

ARTICLE II – JOOST AGREES

1. To transfer to CITY fee title ownership of a 2.90 acre strip of land as depicted on Exhibits "C" and "D" which will become a part of APN 007-101-54 and will be subject to all conditions and restrictions agreed to in the Land Purchase and Exchange Agreement, Document Number 415236, approved by the Carson City Board of Supervisors on September 1, 2011.

2. To donate to the CITY the difference in value between the 2.90 acre strip of land and the 1.50 acre strip of land, a total of \$24,500.00 as determined by the appraisal, such that no money will exchange hands as a result of this transaction.

ARTICLE III - IT IS MUTUALLY AGREED

1. This Agreement shall not become effective until and unless approved by appropriate official action of the Carson City Board of Supervisors. It is anticipated that all approvals shall be obtained by December 15, 2012, and the boundary line adjustment and transactions contemplated herein shall be executed, delivered, and recorded on or before that date.

2. All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by facsimile with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address set forth below:

FOR CITY: Jeff Sharp, City Engineer
 City of Carson City
 3505 Butti Way
 Carson City, Nevada 89701
 Phone: (775) 283-7084
 Fax: (775) 887-2112
 E-mail: JSharp@carson.org

FOR JOOST: Karen Joost, President
 Joost Land and Cattle Company, Inc.
 P.O. Box 25
 Carson City, Nevada 89702

3. Failure of either party to perform any material obligation under this Agreement shall be deemed a breach. The non-breaching party shall give written notice of the alleged breach and an opportunity to cure. If the breach is not cured within a reasonable time, the non-breaching party may terminate this Agreement and exercise the rights and remedies available to it by law. In the event legal action is required to enforce the terms of this Agreement or to prevent its breach, then in addition to any other rights and remedies available to such party at law or in equity, the prevailing party to such action shall be entitled to a recovery of its reasonable attorney's fees and costs.

4. Neither party waives, and each intends to assert, available NRS Chapter 41 liability limitations in all cases.

5. The parties are associated with each other only for the purposes and to the extent set forth in this Agreement. Each party is and shall be separate and distinct from the other party and shall have the right to supervise, manage, operate, control and direct performance of the details incident to its duties under this Agreement. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for one party whatsoever with respect to the indebtedness, liabilities, and obligations of the other party or any other party.

6. Neither party shall assign, transfer or delegate any rights, obligations or duties under this Agreement without the prior written consent of the other party.

7. The parties hereto represent and warrant that the person executing this Agreement on behalf of each party has full power and authority to enter into this Agreement and that the parties are authorized by law to perform the acts contemplated herein.

8. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The parties consent to the exclusive jurisdiction of the Nevada First Judicial District Court, Carson City, Nevada, for enforcement of this Agreement.

9. This Agreement constitutes the entire agreement of the parties and such is intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Agreement specifically displays a mutual intent to amend a particular part of this Agreement, general conflicts in language between any such attachment and this Agreement shall be construed consistent with the terms of this Agreement. Unless otherwise expressly authorized by the terms of this Agreement, no modification or amendment to this Agreement shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement.

JOOST LAND AND CATTLE COMPANY, INC.

By: Karen Joost October 18, 2012
KAREN JOOST, President Date

STATE OF NEVADA)
) SS.
CARSON CITY)

This instrument was acknowledged before me on October 18, 2012, by KAREN JOOST, as President of JOOST LAND AND CATTLE COMPANY, INC., a Nevada corporation.

Joylyn Harmer
NOTARY PUBLIC



CARSON CITY:

REVIEWED AND RECOMMENDED BY:

Jeff Sharp 10/18/12
JEFF SHARP, P.E. Date
City Engineer

APPROVED FOR LEGALITY AND FORM:

Carson City District Attorney Date

ROBERT CROWELL, Mayor Date

ATTEST:

ALAN GLOVER, Clerk-Recorder Date



Land Information Solutions

TRI STATE SURVEYING, LTD.

425 E. Long Street
Carson City, Nevada 89706
Telephone (775) 887-9911 ♦ FAX (775) 887-9915
Toll Free: 1-800-411-3752

JN 08342.01.CM

EXHIBIT A Transfer Parcel From Carson City to Joost Land and Cattle Co., Inc

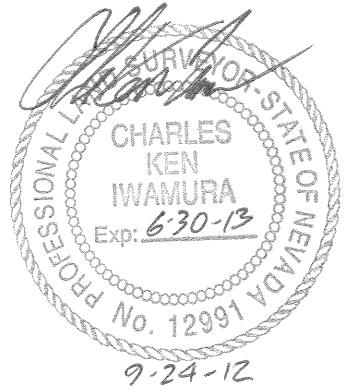
An portion of land, situate within a portion of the Southwest one-quarter (SW 1/4) of the Section Twelve (12), Township Fifteen (15) North, Range Nineteen (19) East, M.D.M., Carson City, State of Nevada, being more particularly described as follows:

BEGINNING at a point that bears South 89°29'17" West, 1603.30 feet from the South one-quarter (S 1/4) of said Section Twelve (12);
Thence North 00°08'30" West, 403.65 feet;
Thence North 23°44'14" East, 153.00 feet;
Thence North 33°07'07" East, 48.85 feet;
Thence North 89°29'17" East, 208.15 feet;
Thence North 00°00'30" East, 100.00 feet;
Thence South 89°29'17" West, 191.61 feet;
Thence South 31°49'35" West, 331.52 feet;
Thence South 05°25'54" West, 154.44 feet;
Thence South 00°08'30" East, 250.10 feet;
Thence North 89°29'17" East, 85.00 feet to the **POINT OF BEGINNING** and end of this description.

Contains 1.50 Acres (65,271 Sq. Ft.), more or less.

The basis of bearings for this description is identical to that Parcel Map for Joost Land and Cattle Company, Inc, Map no. 2767, Official Record of Carson City, Nevada.

Prepared by Tri State Surveying, Ltd.



Charles Ken Iwamura, PLS
Nevada Certificate No. 12991

APN 7-101-10
CARSON CITY
PUBLIC WORKS DEPT.

APN 7-101-56
JOOST LAND AND
CATTLE CO., INC

1" = 200'

1.50 ACRES
65,271 SQ. FT.
FROM CITY TO
JOOST

P.O.B.

N 89°29'17" E 1603.30'

1/4 CORNER

LINE TABLE		
LINE	BEARING	LENGTH
L1	N00°08'30"W	403.65'
L2	N23°44'14"E	153.00'
L3	N33°07'07"E	48.85'
L4	N89°29'17"E	208.15'
L5	N00°00'30"E	100.00'
L6	S89°29'17"W	191.61'
L7	S31°49'35"W	331.52'
L8	S05°25'54"W	154.44'
L9	S00°08'30"E	250.10'
L10	N89°29'17"E	85.00'

EXHIBIT "B"

AREA SWAP
CARSON CITY
TO
JOOST LAND & CATTLE CO., INC
TOPOR. SW 1/4, SEC. 12, T15N R19E, MDM
CARSON CITY, NEVADA



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JN 08342.01.CM

EXHIBIT C Transfer Parcel From Joost Land and Cattle Co., Inc to Carson City

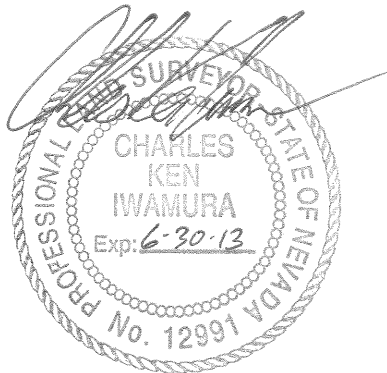
An portion of land, situate within a portion of the Southwest one-quarter (SW 1/4) of the Section Twelve (12), Township Fifteen (15) North, Range Nineteen (19) East, M.D.M., Carson City, State of Nevada, being more particularly described as follows:

BEGINNING at a point that bears North 00°01'16" East, 728.89 feet from the South one-quarter (S 1/4) of said Section Twelve (12);
Thence North 00°01'16" East, 60.07 feet;
Thence North 87°08'01" West, 150.00 feet;
Thence North 63°16'24" West, 551.52 feet;
Thence North 89°59'30" West, 665.63 feet;
Thence South 00°00'30" West, 120.00 feet;
Thence South 89°59'30" East, 737.40 feet;
Thence South 65°54'58" East, 460.95 feet;
Thence South 87°08'01" East, 150.00 feet to the **POINT OF BEGINNING** and end of this description.

Contains 2.90 Acres (126,484 Sq. Ft.), more or less.

The basis of bearings for this description is identical to that Parcel Map for Joost Land and Cattle Company, Inc, Map no. 2767, Official Record of Carson City, Nevada.

Prepared by Tri State Surveying, Ltd.



Charles Ken Iwamura, PLS
Nevada Certificate No. 12991

9-24-12

APN 7-101-10
 CARSON CITY
 PUBLIC WORKS DEPT.

LINE TABLE		
LINE	BEARING	LENGTH
L1	N00°01'16"E	60.07'
L2	N87°08'01"W	150.00'
L3	N63°16'24"W	551.52'
L4	N89°59'30"W	665.63'
L5	S00°00'30"W	120.00'
L6	S89°59'30"E	737.40'
L7	S65°54'58"E	460.95'
L8	S87°08'01"E	150.00'

APN 7-101-56
 JOOST LAND AND
 CATTLE CO., INC

APN 7-101-54
 CARSON CITY



1" = 200'

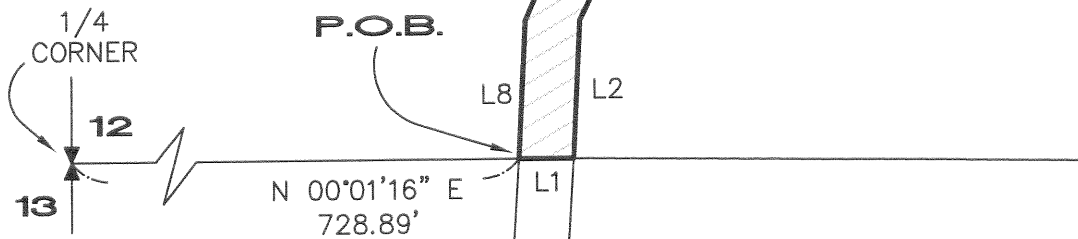


EXHIBIT "D"

AREA SWAP
 JOOST LAND & CATTLE CO., INC
 TO
 CARSON CITY
 POR. SW 1/4, SEC. 12, T15N R19E, MDM
 CARSON CITY, NEVADA



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 Carson City, Nevada 89706
 (775) 887-9911
 * FAX: (775) 887-9915

Land Information Solutions

JN 08342.01.CM

APN 7-101-54

APN _____

APN _____

RECORDED AT THE
REQUEST OF

CARSON CITY CLERK TO
THE BOARD

2011 SEP -6 PM 4:58

FILE NO. 415236

ALAN BLOYER
CARSON CITY RECORDER

REC'D NK DEP 07

FOR RECORDER'S USE ONLY

Land Purchase & Exchange Agreement
TITLE OF DOCUMENT

I, the undersigned, hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain personal information of any person or persons. (NRS 239B.030)

I, the undersigned, hereby affirm that the attached document, including any exhibits, hereby submitted for recording does contain personal information of a person or persons as required by law. State specific law: _____

Signature

Print Name & Title

WHEN RECORDED MAIL TO:

CARSON CITY CLERK TO
THE BOARD

415236

LAND PURCHASE AND EXCHANGE AGREEMENT

This Land Purchase and Exchange Agreement ("Agreement") is entered into as of this 1st day of September, 2011, by and between DAVID M. LEID, a Single Person (Parcel #1 Seller; *collectively referred to as "LEID"*), and CARSON CITY, a Consolidated Municipality (Parcel #1 Buyer / Parcel #1 Grantor / Parcel #2 Grantee; *collectively referred to as "CITY"*), and JOOST LAND AND CATTLE COMPANY, INC., a Nevada Corporation (Parcel #2 Grantor / Parcel #1 Grantee; *collectively referred to as "JOOST"*).

WHEREAS, pursuant to Carson City Charter § 1.010, § 2.140, § 6.010, and NRS 244.275-.276 the CITY may acquire, control, improve and dispose of any real or personal property for the general use of the City, or for flood control;

WHEREAS, LEID as Parcel #1 Seller, is the owner of record title of the Property and desires to sell such Property to the CITY at a price that exceeds the appraised market value, but at an amount that is equal to the appraised market value of JOOST's parcel, to wit: that Parcel #1 is that certain 5.939± acres of real property located at 3475 ASH CANYON ROAD, CARSON CITY, NEVADA (APN 007-101-11) (hereinafter "Parcel #1");

WHEREAS, JOOST desires to acquire by exchange of land with the CITY, without any additional money consideration, Parcel #1 in exchange for JOOST's Parcel #2 immediately after the CITY acquires title to Parcel #1;

WHEREAS, the CITY desires to acquire Parcel #2 by exchange from JOOST, to wit: that certain 29.75± acres of real property located generally NORTHWEST OF THE WEST TERMINUS OF ASH CANYON ROAD AND WEST OF THE WELLINGTON CRESCENT SUBDIVISION, CARSON CITY, NEVADA (APN 007-101-54) (hereinafter "Parcel #2") to construct an access road to the CITY's water facilities in Ash Canyon and engage in a fifty (50) year restricted use flood control project to mitigate periodic flooding alleged by the Home Owner's Association of the Wellington Crescent Subdivision against the CITY's Parcel #2 water line easement, and after the fifty (50) year restricted use, free unencumbered lawful use by the CITY;

WHEREAS, the 29.75± acre Parcel #2 shall, upon grant to the CITY by JOOST, have a fifty (50) year deed restriction with a reversionary right to JOOST; and with regard to Parcel #2 only, this Agreement shall be merged in part into the resulting Parcel #2 deed and this Agreement shall be recorded with the deed to Parcel #2;

LEID Initials Dh

CITY Initials LC

JOOST Initials JL

415236

WHEREAS, LEID, CITY and JOOST intend that the purchase and exchange of real property shall be through two (2) contiguous sequential real estate transaction escrows, to wit:

LAND PURCHASE ESCROW ("First Escrow"), CITY shall pay LEID for Parcel #1 a fixed agreed amount that exceeds the market value of the 5.939± acres, but which amount is equivalent to the market value established on February 15, 2011 by the CITY's contracted and duly appointed appraiser, Johnson-Perkins & Associates, Inc., regarding the CITY's ultimately desired 29.75± acres of JOOST Property parceled out of APN 007-101-51; and

LAND EXCHANGE ESCROW ("Second Escrow"), upon close of the First Escrow, JOOST shall deliver its executed Quitclaim Deed transferring all of its right, title and interest in Parcel #2 to the CITY; and the CITY shall deliver its executed Quitclaim Deed transferring all of its right, title and interest in Parcel #1 to JOOST;

NOW, THEREFORE, in consideration of the respective agreements and conditions set forth below and for valuable consideration, the receipt and sufficiency of which is acknowledged, LEID, CITY and JOOST agree as follows:

1. Description of Property.

- a. **PARCEL #1 SALE (FIRST ESCROW):** LEID (Seller) agrees to sell and convey to CITY (Buyer) and Buyer agrees to purchase from Seller, subject to the terms and conditions set forth in this Agreement, certain Parcel #1 as described herein, real property commonly known as 5.939± acres of real property located generally at 3475 ASH CANYON ROAD, CARSON CITY, NEVADA (APN 007-101-11), consisting of unimproved vacant land, said property being located in Carson City, County of Carson City, Nevada and legally described as: A portion of the Southeast 1/4 of the Southwest 1/4 of Section 12, Township 15 North, Range 19 East, M.D.B.&M, and more particularly described as follows:

Beginning at a point that bears N 0°11' East 443.84 feet from the Southwest corner of the Southeast 1/4 of the Southwest 1/4 of Section 12; running thence N 0°11' East, along the one-sixteenth section line for a distance of 500 feet; thence South 89°49' East at right angles to the one-sixteenth section line for a distance of 517.4 feet; thence South 0°11' West parallel to the one-sixteenth section line for a distance of 500 feet; thence North 89°49' West at right angles to the one-sixteenth section line for a distance of 517.4 feet to the point of beginning,

LEID Initials

CITY Initials

JOOST Initials

together with all of Seller's right, title and interest in and to any rights, licenses, privileges, reversions and easements pertinent to the real property, including, without limitation, all minerals, oils, gas and other hydrocarbon substances on and under the real property as well as all development rights, air rights, water rights, water and water stock relating to the real property and any other easements, rights of way or appurtenances used in connection with the beneficial use and enjoyment of the real property (collectively, the "Parcel #1").

b. PARCEL #2 EXCHANGE (SECOND ESCROW):

- i. Step 1: JOOST ("Grantor") agrees to quitclaim, release and convey in its "AS IS" condition to CITY ("Grantee") any and all right, title and interest in and to Parcel #2 as described herein, and Grantee agrees to exchange real property as set forth below in Step 2, subject to the terms and conditions set forth in this Agreement, a certain Parcel #2 real property commonly known as 29.75± acres of real property located generally NORTHWEST OF THE WEST TERMINUS OF ASH CANYON ROAD AND WEST OF THE WELLINGTON CRESCENT SUBDIVISION, CARSON CITY, NEVADA (APN ~~007-101-54~~), consisting of vacant land nominally improved only with regard to the CITY's and State of Nevada's water line easements, said property being located in Carson City, County of Carson City, Nevada and legally described as: All that certain parcel situate within a portion of the East One-Half (E 1/2) of the Southwest Quarter (SW 1/4) of Section Twelve (12), Township Fifteen (15) North, Range Nineteen (19) East, M.D.M., Carson City, State of Nevada, being more particularly described as follows:

BEGINNING at a point on the East line of the E 1/2 of the SW 1/4 of Section 12, from which the South Quarter corner bears South 00°01'16" West, 788.96 feet; Thence departing said East line, North 87°08'01" West, 150.00 feet; Thence North 63°16'24" West, 551.52 feet; Thence North 89°59'30" West, 665.63 feet to a point on the West line of the E 1/2 of the SW 1/4 of Section 12; Thence along said West line, North 00°00'30" East, 906.04 feet; Thence departing said West line North 89°13'06" East, 1308.46 feet to a point on the abovementioned East line of the E 1/2 of the SW 1/4 of Section 12; Thence along said East line, South 00°01'16" West, 1179.53 feet to the POINT OF BEGINNING and the end of this description. Containing 29.75 acres, more or less,

LEID Initials LL
CITY Initials Law
JOOST Initials JF

together with all of Grantor's right, title and interest in and to any rights, licenses, privileges, reversions and easements pertinent to the real property, including, without limitation, all minerals, oils, gas and other hydrocarbon substances on and under the real property as well as all development rights, air rights, water rights relating to the real property and any other easements, rights of way or appurtenances used in connection with the beneficial use and enjoyment of the real property (collectively, the "Parcel #2"). Grantor reserves any Ash Canyon Creek surface water rights which may be attached to this Parcel #2.

- ii. Step 2: CITY ("Step 2-Grantor") agrees to quitclaim, release and convey in its "AS IS" condition to JOOST ("Step 2-Grantee") any and all right, title and interest in and to Parcel #1, and Step 2-Grantee agrees to exchange real property as set forth above in Step 1, subject to the terms and conditions set forth in this Agreement, a certain Parcel #1 real property commonly known as 5.939± acres of real property located generally at 3475 ASH CANYON ROAD, CARSON CITY, NEVADA (APN 007-101-11), consisting of unimproved vacant land, said property being located in Carson City, County of Carson City, Nevada and legally described in Section 1.a. above, together with all of Step 2 Grantor's right, title and interest in and to any rights, licenses, privileges, reversions and easements pertinent to the real property, including, without limitation, all minerals, oils, gas and other hydrocarbon substances on and under the real property as well as all development rights, air rights, water rights, water and water stock relating to the real property and any other easements, rights of way or appurtenances used in connection with the beneficial use and enjoyment of the real property (collectively, the "Parcel #1").

2. **Earnest Money**. Shortly after the execution of this Agreement by LEID, CITY and JOOST, CITY shall deposit into the FIRST ESCROW its Earnest Money Deposit of ONE THOUSAND DOLLARS (\$1,000.00). The Earnest Money will be held by Northern Nevada Title Company ("Title Company") for the benefit of the parties pursuant to the terms of this Agreement. Interest will accrue on the Earnest Money for the benefit of the Buyer; provided, however, that if Buyer forfeits the Earnest Money to Seller pursuant to the terms of this Agreement, then all interest accrued on the Earnest Money will be paid to Seller.

LEID Initials DL

CITY Initials LO

JOOST Initials JK

415236

3. Purchase Price / Exchange Value.

- a. **PARCEL #1 SALE (FIRST ESCROW):** The total purchase price for the LEID Property (the "Parcel #1 Purchase Price") will be FIVE HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$595,000.00), of which the Earnest Money is a part. The Purchase Price, including the Earnest Money, will be paid to Seller-LEID in cash or cash equivalent from the Buyer-CITY. The parties acknowledge that the Parcel #1 Purchase Price represents more than the fair market value of the Property, which is agreed to by the CITY contingent upon completion of the land exchange for Parcel #2 in the SECOND ESCROW.
- b. **PARCEL #2 EXCHANGE (SECOND ESCROW):** The total exchange value for the JOOST Property (the "Parcel #2 Exchange Value") is a simple exchange of land, Parcel #1 (5.939± acres) for Parcel #2 (29.75± acres), with no additional money consideration. The parties acknowledge that it is not an equal market value exchange and JOOST's willingness to accept a less than equal exchange is based upon non-economic reasons that are extrinsic of market value. The parties acknowledge that Parcel #2 was appraised as part of a larger parcel on February 15, 2011 at \$20,000.00 per acre by the CITY's appointed appraiser, Johnson-Perkins & Associates, Inc., and has a total market value of \$595,000.00. The parties further acknowledge that Parcel #1 was likewise appraised by the CITY's same appointed appraiser on March 31, 2011 at a total market value of \$300,000.00.

4. ALTA Survey.

- a. **PARCEL #1 (FIRST ESCROW):** Because the Buyer-CITY intends upon close of the First Escrow to quitclaim Parcel #1 to JOOST in Step 2 of the Second Escrow, all parties waive any need for an ALTA Survey of Parcel #1, which is contiguous to JOOST's existing property.
- b. **PARCEL #2 (SECOND ESCROW):** Because JOOST and CITY have agreed in this Agreement to cooperate now and in the future in creating a new access easement to Parcel #2 from Ash Canyon Road, or otherwise JOOST and the CITY will cooperate in one or more mutually beneficial lot line adjustments to accomplish the CITY's access needs, the parties waive any need for an ALTA Survey of Parcel #2.

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5. Title to the Property.

5.1 Conveyance. At closing of the FIRST ESCROW, and at closing of the SECOND ESCROW, the Seller of Parcel #1, the Step 1-Grantor of Parcel #2, and the Step 2-Grantor of Parcel #1 shall convey to each respective Buyer or Grantee fee simple title to the applicable Property as described in Section 1 of this Agreement, above, through a duly executed and acknowledged deed, to wit:

FIRST ESCROW: A Statutory Warranty Deed, free and clear of all defects and encumbrances and subject only to those exceptions that Buyer approves pursuant to Section 5.3 (Title Policy) and Section 6.4 (Satisfaction/Waiver of Buyer's or Grantee's Contingencies); and

SECOND ESCROW: Step 1: Quitclaim Deed; and Step 2: Quitclaim Deed; but, with regard to Parcel #2 only:

5.1.1 PARCEL #2: Fifty (50) Year Deed Restriction with Reversionary Interest in 29.75± acres: JOOST agrees to grant Parcel #2 in fee simple title to CITY on the condition that Parcel #2 be used exclusively for such purposes as construction of an access road to the CITY's water system facilities in Ash Canyon. This road must be fenced on both sides and may not be used as a primary or secondary access for the development of any public or private property. This road may be used to allow the public to access other contiguous public lands by traveling across Parcel #2. Other purposes include storm water or flood water mitigation, erosion control, or any other purpose directly benefiting the water and storm water management programs of the Carson City Public Works Department for a period of fifty (50) years. Upon close of the SECOND ESCROW, said fifty (50) years will commence upon the Closing Date. If, anytime within a period of fifty (50) years from the Closing Date, CITY uses Parcel #2 for any other purposes, including but not limited to, the use of Parcel #2 as part of a published municipal trail system or any other form of open space with public access, recreational use of Parcel #2, or attempts to sell, donate or transfer the fee simple title to Parcel #2 to a third party, the fee simple title to Parcel #2 shall revert to JOOST, its heirs or assigns. The reversionary interest shall not be effective until after Notice of Default has been served in writing by JOOST upon the CITY and the CITY has not cured its default within ninety (90) calendar days thereafter. After the period of fifty (50) years from the Closing Date, any reversionary interest shall be deemed re-conveyed to CITY and the CITY shall be permitted to use the Property for any legal purpose

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and may lease, sell, donate or transfer Parcel #2 without any restrictions and without the fee simple title to the Parcel #2 reverting to JOOST, its heirs or assigns.

5.2 Preliminary Commitment. Each respective Buyer or Grantee, at their own initial expense and with the full cooperation of the respective Seller or Grantor, may at their own discretion order a Preliminary Commitment for an owner's standard C.L.T.A. coverage policy of title insurance in the amount of the Purchase Price to be issued by the Title Company and accompanied by copies of all required documents (the "Preliminary Commitment").

Regardless of any C.L.T.A. coverage, all monetary encumbrances other than non-delinquent ad valorem property taxes will be deemed to be disapproved. Notwithstanding anything to the contrary in this Agreement, respective Seller or Grantor shall remove from title on or before the Closing Date all monetary encumbrances other than those approved by the respective Buyer or Grantee.

If Buyer-CITY in the FIRST ESCROW elects to terminate this Agreement under Section 6.4 (Satisfaction/Waiver of Buyer's or Grantee's Contingencies), both the FIRST and SECOND ESCROWS shall be terminated, the Deposit must be returned immediately, all documents and other funds will be returned to the party who deposited them, and no party will have any further rights or obligations under this Agreement except as otherwise provided in this Agreement. If this Agreement is terminated through no fault of Seller-LEID, then Buyer-CITY shall pay the costs of terminating both escrows and any cancellation fees for the Preliminary Commitments.

5.3 Title Policy. If a party elects to obtain C.L.T.A. title insurance coverage, each applicable Seller or Grantor shall cause the Title Company to issue to each applicable Buyer or Grantee at closing of both the FIRST and SECOND ESCROWS, as appropriate, a C.L.T.A. standard coverage owner's policy of title insurance insuring each such applicable Buyer's or Grantor's title to the applicable Property in the full amount of the Purchase Price subject only to the Permitted Exceptions (the "Title Policy"). Any such Title Policy must be dated as of the Closing Date.

6. Conditions to Closing.

6.1 Due Diligence Materials. Each respective Seller or Grantor shall provide to each respective Buyer or Grantee, or make available to such Buyer or Grantee for inspection, as soon as possible (but in any event no later than fifteen (15) days after the Effective Date of this Agreement) all materials specified in this Section 6.1 that exist and that are in such Seller's or Grantor's actual possession or that such Seller or Grantor knows exist and to which

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such Seller or Grantor has access (collectively, the "Due Diligence Materials"). If such Seller or Grantor thereafter discovers any additional items that should have been included among or disclosed as part of the Due Diligence Materials, such Seller or Grantor shall promptly deliver them to such Buyer or Grantee. Due Diligence Materials include:

6.1.1 Existing Easements. Copies of any existing and proposed easements, covenants, restrictions, agreements or other documents that, to each respective Seller's or Grantor's knowledge, affect title to the Property and that are not disclosed by the Preliminary Commitment.

6.1.2 Surveys. All surveys, plats or plans to the applicable Property.

6.1.3 Leases and Licenses. All leases and licenses for the applicable Property, or any portion thereof.

6.1.4 Warranties. All warranties and guarantees affecting any portion of the applicable Property.

6.1.5 Litigation. Notice of any existing or threatened litigation affecting or relating to the applicable Property and copies of any pleadings with respect to that litigation.

6.1.6 Permits. All governmental permits and approvals obtained or held by the respective Seller or Grantor and relating to: (i) the construction, operation, use or occupancy of any part of the applicable Property, or (ii) zoning, land-use, subdivision, environmental, building and construction laws and regulations restricting, regulating or otherwise affecting the use, occupancy or enjoyment of the Property.

6.1.7 Notice of Violations. Any notices of violation of any permits, or laws and regulations set forth in Section 6.1.6, above.

6.1.8 Environmental. All environmental assessment reports with respect to the applicable Property that were performed or are being performed by or for the respective Seller or Grantor, including: any raw data that relates to the environmental condition of the applicable Property; any governmental correspondence, orders, requests for information or action and other legal documents that relate to the presence of Hazardous Material (as defined in Section 12, below) on, in or under the applicable Property; and any other information or

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material to the environmental condition or potential contamination of the applicable Property.

6.2 Inspection of Property.

6.2.1 Thirty Day Period Feasibility Study. Within the 30-day period prior to closing, each respective Buyer or Grantee may conduct a review with respect to the applicable Property and satisfy itself with respect to the environmental condition, other conditions and other matters related to the Property and its suitability for each respective Buyer's or Grantee's intended use ("Feasibility Study"). Each respective Feasibility Study may include all inspections and studies each Buyer or Grantee deems necessary or desirable, in its sole discretion. Each Buyer or Grantee and their agents, representatives, consultants, architects and engineers will have the right, from time to time, from and after the date of this Agreement to enter onto the applicable Property and make borings, drive test piles and conduct any other test and studies that may be necessary or desirable to ascertain the condition and suitability of the Property for each Buyer's or Grantee's intended use. Such tests and inspections are to be performed in a manner not disruptive to tenants or to operation of the Property. Each respective Buyer or Grantee shall protect, defend and indemnify the applicable Seller or Grantor from and against any construction or other liens or encumbrances arising out of or in connection with its exercise of this right of entry and shall cause any such liens or encumbrances to be promptly released.

6.2.2. Confidentiality of Reports. Prior to closing, each respective Buyer or Grantee will not distribute or divulge the information or materials it and its agents and consultants may generate in connection with the Feasibility Study to other persons except as may be required by law or as may be necessary or desirable in connection with each Buyer's or Grantee's evaluation of the Property and its suitability.

6.3 Buyer's or Grantee's Contingencies. Each respective Buyer's or Grantee's independent obligation to purchase or accept the applicable Property is expressly contingent upon the following:

6.3.1 Approval of the Carson City Board of Supervisors. This Agreement and the expenditure of funds to complete the purchase of Parcel #1, and subsequent exchange of Parcel #1 for Parcel #2, must be prior approved by the Carson City Board of Supervisors.

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6.3.2 Close of Escrow on Parcel #1 and Parcel #2. Buyer-CITY's duty to purchase Parcel #1 from Seller-LEID is contingent upon the successful closing of the SECOND ESCROW regarding the CITY's acquisition of Parcel #2 by Quitclaim Deed from JOOST. Grantor-JOOST's duty to grant Parcel #2 to CITY is contingent upon the CITY's FIRST ESCROW purchase and subsequent SECOND ESCROW grant of Parcel #1 by Quitclaim Deed to JOOST.

6.3.3 Feasibility Study. Each respective Buyer's or Grantee's duty to purchase is contingent upon their respective approval of the Section 6.1 Due Diligence Materials, and their respective approval of the suitability, condition and environmental condition of the applicable Property, prior to expiration of the Feasibility Study time period.

6.3.4 Parcel #1 and Parcel #2 Survey. All parties waive any need for an ALTA Survey. However, in consideration of that waiver CITY and JOOST hereby agree:

6.3.4.1 Ash Canyon Road Access Agreement - Lot Line Adjustment or Easement: JOOST intends to create a new parcel map establishing the legal existence of Parcel #2. JOOST agrees to create an adequate CITY access easement to Parcel #2 from Ash Canyon Road. JOOST and CITY agree to cooperate in the creation of that adequate access easement to Parcel #2 from Ash Canyon Road. JOOST and CITY agree to cooperate in the future in negotiating one or more mutually beneficial lot line adjustments to accomplish the transfer to the CITY ultimate ownership of Parcel #2 access from Ash Canyon Road. At the time the lot line adjustments are completed, CITY will fence, at its expense, the resulting south boundary of Parcel #2.

6.3.5 Title Policy. Each applicable Buyer's or Grantee's duty to purchase or accept is contingent upon receipt of any exercised right to require a Title Company's firm commitment to issue, upon closing, the C.L.T.A. Title Policy as described in this Agreement.

6.3.6 Representations and Warranties. Each respective Buyer's or Grantee's duty to purchase or accept is contingent upon that all the representations and warranties contained in or made pursuant to this Agreement are true and correct when made and as of the Closing Date.

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
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6.3.7 Seller's or Grantor's Compliance. Each respective Buyer's or Grantee's duty to purchase or accept is contingent upon each respective Seller's or Grantor's timely performance of all of its obligations under this Agreement; provided each respective Seller or Grantor will be given notice of any failure on its part to perform obligations pursuant to the respective Seller's or Grantor's covenants and warranties made in this Agreement and those obligations required of it during the Feasibility Study period and will have a period of time, that is reasonable under the circumstances, to cure its nonperformance.

The foregoing conditions contained in Section 6.3 are collectively referred to in the Agreement as "Buyer's or Grantee's Contingencies."

6.4 Satisfaction/Waiver of Buyer's or Grantee's Contingencies. Each Buyer's or Grantee's Contingencies are solely for the benefit of the respective Buyer or Grantee. If any of the respective Buyer's or Grantee's Contingencies are not timely satisfied, that particular Buyer or Grantee will have the right at its sole election to terminate this Agreement. If a respective Buyer or Grantee elects to terminate this Agreement, the applicable escrow will be terminated, the Earnest Money must immediately be returned to applicable party, and all documents and other funds will be returned to the party who deposited them, and no applicable party will have any further rights or obligations under this Agreement, except as otherwise provided in this Agreement, except that the party electing to terminate shall pay the complete cost of termination of the applicable escrow.

7. Closing Date. Because of the contingency interdependence between the two escrows, this transaction will be closed in two (2) sequential escrows contiguous in time by the Title Company acting as escrow agent ("Escrow Agent"). The closing will be held at the office of the Title Company on or before that date which is fifteen (15) days after the end of the Feasibility Study, but in any event no later than September 30, 2011 for both the PARCEL #1 FIRST ESCROW and PARCEL #2 SECOND ESCROW, unless another date or time is agreed to by the parties in writing ("Closing Date"); provided the applicable Buyer or Grantee shall have no obligation to agree to a later Closing Date unless applicable Seller or Grantor agrees in writing to such later Closing Date. If any respective closing does not occur on the Closing Date, or any later date mutually agreed to in writing by the applicable Buyer or Grantee and applicable Seller or Grantor, Escrow Agent will immediately terminate the escrow, forward the Earnest Money to the party entitled to receive it as provided and return all documents to the party that deposited them.

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8. Closing.

8.1 Seller's and Grantor's Escrow Deposit. On or before the Closing Date, each respective Seller or Grantor shall deposit into escrow the following:

8.1.1 Grant Bargain & Sale Deed. Seller-LEID to deposit into the First Escrow a duly executed and acknowledged Grant, Bargain & Sale Deed to Parcel #1 and evidence to the satisfaction of the Escrow Agent that Seller-LEID is the sole surviving member or heir of any recorded joint tenancy or tenants in common title to Parcel #1.

8.1.2 Quitclaim Deeds. Grantor-JOOST to deposit into the Second Escrow (Step 1) a duly executed and acknowledged Quitclaim Deed to Parcel #2 to CITY; Grantor-CITY to deposit into the Second Escrow (Step 2) a duly executed and acknowledged Quitclaim Deed to Parcel #1 to JOOST.




8.1.3 Documents. Any other documents, instruments, records, correspondence and agreements called for hereunder that have not previously been delivered.

8.2 Buyer's or Grantee's Escrow Deposits. On or before the Closing Date, each respective Buyer or Grantee shall deposit into each respective escrow the following:

8.2.1 Purchase Price. Buyer-CITY to deposit into the First Escrow funds in an amount sufficient to pay the Purchase Price for Parcel #1 to LEID, plus all closing costs.

8.2.2 Other Documents. Any other documents or instruments respective Buyer or Grantee is obligated to provide pursuant to this Agreement (if any) in order to close this transaction.

8.3 Additional Instruments and Documentation. Each respective Seller or Grantor and Buyer or Grantee shall each deposit any other instruments and documents that are reasonably required by Escrow Agent or otherwise required to close the escrow and consummate the purchase and sale or exchange of the applicable Property in accordance with this Agreement.

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8.4 Closing Costs.

8.4.1 Buyer's Costs. Buyer-CITY in the First Escrow and Grantee/Grantor-CITY in the Second Escrow shall be obligated to pay any associated closing costs related to the escrows and the recordation of documents on the purchase and land exchange.

8.4.2 Seller's or Grantor's Costs. Seller or Grantor shall pay any State of Nevada Real Property Transfer Taxes applicable to the respective sale or exchange of real property.

8.4.3 No Tax Warranties. The parties make no warranties to each other in connection with, or with respect to, tax treatment of any transactions contemplated under this Agreement under state or federal law.

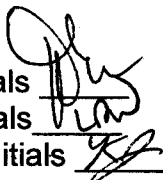
9. **Adjustments and Prorations.** The following adjustments and prorations will be made as of the Closing Date (with Buyer or Grantee either responsible for or entitled to a credit for, as the case may be, on the actual Closing Date).

9.1 **Property Taxes.** All property taxes payable in the year of closing and assessments approved by applicable Buyer or Grantee, if any, will be prorated.

9.2 **Utilities.** All gas, electric and other utility charges, if any, will be prorated as of the Closing Date.

9.3 **Accounts Payable.** Except as may be otherwise agreed by the applicable Seller or Grantor and applicable Buyer or Grantee in writing, all sums due for accounts payable that were owing or incurred in the maintenance or operation of the Property prior to the Closing Date will be paid by the applicable Seller or Grantor on or prior to the Closing Date or adequate provisions reasonably satisfactory to applicable Buyer or Grantee will be made in respect to such payment. Applicable Seller or Grantor agrees to indemnify and hold applicable Buyer or Grantee harmless with respect to all such obligations. Applicable Buyer or Grantee shall furnish to applicable Seller or Grantor for payment promptly following receipt of any bills to be paid by Seller or Grantor. Except as may be otherwise agreed to by applicable Buyer or Grantee and Seller or Grantor in writing, all accounts payable incurred on or after the Closing Date with respect to the Property will be paid by Buyer or Grantee, and Buyer or Grantee agrees to indemnify Seller or Grantor with respect thereto.

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10. Seller's or Grantor's Covenant to Maintain and Preserve the Property.

Prior to Closing Date, respective Seller or Grantor shall preserve, maintain, repair, manage and operate the Property so as to preserve the existing improvements, if any, in their current condition, and the respective Seller or Grantor shall not permit the transfer of any of the Property and shall maintain in full force and effect policies of liability and property insurance.

11. Representations, Warranties, Covenants. The following covenants shall survive closing and, unless expressly provided otherwise herein, shall not be merged into the Deed.

11.1 Seller's or Grantor's Representations and Warranties. Respective Seller or Grantor represents and warrants to respective Buyer or Grantee as follows:

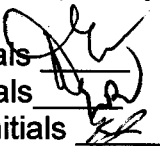
11.1.1 Authority. Seller or Grantor has full power and authority to convey the Property to Buyer or Grantee.

11.1.2 Compliance with Laws. To the best of Seller's or Grantor's knowledge, the Property is now, or will be as of the Closing Date, in compliance with all material respects with all applicable zoning, land-use, building, construction, subdivision and other local, state and federal laws, ordinances and regulations and with all existing covenants, conditions and restrictions.

11.1.3 Inaccuracies. To the best of Seller's or Grantor's knowledge, all Due Diligence Materials to this Agreement are complete and accurate originals or copies, and Seller or Grantor shall advise Buyer or Grantee in writing of any inaccuracies of these materials as Seller or Grantor becomes aware of them. With respect to all other instruments and documents delivered or required to be delivered to Buyer or Grantee by Seller or Grantor pursuant to this Agreement, Seller or Grantor has not purposely altered or withheld any of them.

11.1.4 Special Assessments. Seller or Grantor has not received notice of any special assessment or condemnation proceedings affecting the Property.

11.1.5 Pending Litigation. To the best of Seller's or Grantor's knowledge, except for threatened litigation by Wellington Crescent homeowners regarding seasonal water run-off from Parcel #2, there is no pending litigation or threatened litigation against Seller or Grantor (or any basis for any claim) that arises out of the ownership of the

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Property and that might materially and detrimentally affect: (i) the use or operation of the Property for Buyer's or Grantee's intended use; or (ii) the ability of Seller or Grantor to perform its obligations under this Agreement, or (iii) the value of the Property.

11.1.6 Organizational Status. LEID is a single person. CITY is a Nevada consolidated municipality and JOOST is a Nevada corporation, both of which are duly organized and validly existing under the laws of the State of Nevada. This Agreement and all documents executed by respective Seller or Grantor that are to be delivered to respective Buyer or Grantee at closing are, or at the time of closing will be (i) duly authorized, executed and delivered by Seller or Grantor, (ii) legal, valid and binding obligations of Seller or Grantor, (iii) sufficient to convey title (if they purport to do so), and (iv) in compliance with all provisions of all agreements and judicial orders to which Seller or Grantor is a party or to which Seller or Grantor or all or any portion of the Property is subject.

11.1.7 Deposits. As of the Effective Date, respective Seller or Grantor have no liability for tenant security or lease deposits.

11.1.8 Notice of Failure. Respective Seller or Grantor has received no notice of any failure of Seller or Grantor to comply with any applicable governmental requirements in respect to the use, occupation and construction of the Property, including but not limited to, environmental, fire, health, safety, zoning, subdivision and other land use requirements that have not been corrected to the satisfaction of the appropriate governmental authority, and Seller or Grantor has received no notice of, and has no knowledge of, any violations or investigation relating to any such governmental requirement.

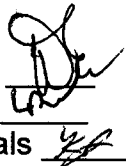
11.1.9 Notice of Default. Respective Seller or Grantor has received no notice of default or breach by Seller or Grantor under any covenants, conditions, restrictions, rights of way or easements that may affect Seller or Grantor in respect to the Property or may affect the Property or any portion thereof and no such default or breach now exists.

11.1.10 Encroachments. No building or other improvement encroaches on the Property, nor does any building or improvement that is a part of the Property encroach on lands of others or any public or private road or right of way.

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11.1.11 Default. To the respective Seller's or Grantor's knowledge there has been no default or any claim of default and no event has occurred that with notice or lapse of time or both would constitute a default under any tenant lease and to Seller's or Grantor's knowledge no tenant has asserted or has any defense, set off or claim with respect to its tenancy pursuant to the lease, any law or otherwise.

11.1.12 Existing Leases. There is no existing lease affecting this Property. Respective Seller or Grantor represents that there are no other written or oral promises, understandings or agreements between Seller or Grantor and any tenant that has not been disclosed by Seller or Grantor as a part of the materials provided to Buyer or Grantee.

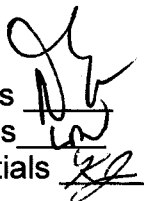
11.1.13 Permits. To the Respective Seller's or Grantor's knowledge there are no permits, licenses or consents required by any governmental authority in connection with the use and occupancy of the Property except those previously obtained by Seller or Grantor and delivered to Buyer or Grantee, and Seller or Grantor knows of no local improvement districts proposed which will affect the Property.

11.1.14 Public Utilities. All public utilities, if any, required for the operation of the Property either enter the Property through adjoining public streets or, if they pass through adjoining private lands, do so in accordance with valid public easements that will inure to the benefit of respective Buyer or Grantee on the Closing Date.

11.1.15 Survival of Representations. All representations, warranties and covenants of respective Seller or Grantor contained in this Agreement are true and correct as of the Effective Date and as of the Closing Date and will survive the closing of the transaction contemplated by this Agreement.

11.2 Buyer's or Grantee's Representations and Warranties. Respective Buyer or Grantee represents and warrants to respective Seller or Grantor that Buyer or Grantee to this Agreement and all documents executed by Buyer or Grantee that are to be delivered to Seller or Grantor at closing are, or at the time of closing will be (i) duly authorized, executed and delivered by Buyer or Grantee, (ii) legal, valid and binding obligations of Buyer or Grantee, and (iii) in compliance with all provisions of all agreements and judicial orders to which Buyer or Grantee is a party or to which Buyer or Grantee is subject.

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11.3 **Legal Counsel.** Respective Buyer or Grantee and Seller or Grantor have had the opportunity to consult with independent legal counsel and are aware of the potential risks and obligations of proceeding with this Agreement.

12. Hazardous Material.

12.1 Definitions.

12.1.1 Environmental Laws. The term "Environmental Laws" means any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health and the environment.




12.1.2 Hazardous Material. The term "Hazardous Material" means any hazardous or toxic substance, material or waste, including but not limited to, those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 C.F.R. Sec. 172.10) or by the United States Environmental Protection Agency as hazardous substances (40 C.F.R. pt. 302 and amendments thereto) or in the Nevada Hazardous Materials Act (NRS chapter 459), petroleum products and their derivatives, and such other substances, materials and wastes regulated or subject to cleanup authority under any Environmental Laws.

12.2 Compliance with Environmental Laws. Respective Seller or Grantor represents and warrants that:

12.2.1 Seller or Grantor has no actual knowledge of the release or presence of any Hazardous Material on, in, from or onto the Property;

12.2.2 Seller or Grantor has not generated, manufactured, refined, transported, stored, handled, disposed of or released any Hazardous Material on the Property, nor has Seller or Grantor permitted the same;

12.2.3 To the best of Seller's or Grantor's actual knowledge, Seller or Grantor has obtained all approvals and caused all notifications to be made as required by Environmental Laws;

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12.2.4 To the best of Seller's or Grantor's actual knowledge, Seller or Grantor has not received any notice of any violation of any Environmental Laws;

12.2.5 To the best of Seller's or Grantor's actual knowledge, no action has been commenced or threatened regarding Seller's or Grantor's compliance with any Environmental Laws;

12.2.6 To the best of Seller's or Grantor's actual knowledge, no tanks used for the storage of any Hazardous Material above or below ground are present or were at any time present on or about the Property; and

12.2.7 To the best of Seller's or Grantor's actual knowledge, no action has been commenced or threatened regarding the presence of any Hazardous Material on or about the Property.

12.3 No Waiver of Liability Set. Respective Seller or Grantor has not released or waived and will not release or waive the liability of any previous owner, lessee or operator of the applicable Property or any party who may be potentially responsible for the presence or removal of any Hazardous Material on or about the applicable Property. Seller or Grantor has made no promises of indemnification regarding Hazardous Material to any party.

12.4 Environmental Inspection. During the Feasibility Study period, respective Buyer or Grantee will have the right to take soil and water samples (including ground water samples) from the Property, and to test and analyze those samples to determine the extent of any contamination of the soils and water (including ground water) on or about the applicable Property and to conduct such additional studies or investigations as Buyer or Grantee deems necessary, including without limitation asbestos surveys.

13. Possession. Respective Seller or Grantor shall deliver possession of the Property to respective Buyer or Grantee on the Closing Date.

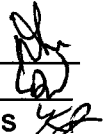
14. Events of Default.

14.1 By Respective Seller or Grantor. If there is an event of default under this Agreement by respective Seller or Grantor (including a breach of any representation, warranty or covenant), respective Buyer or Grantee will be entitled: (i) in addition to all other remedies available at law or in equity, to seek specific performance of Seller's or Grantor's obligations under this Agreement, or (ii) to terminate this Agreement by written notice to Seller or

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JOOST Initials



Grantor and Escrow Agent. If Buyer or Grantee terminates this Agreement as provided for herein, the escrow will be terminated, the entire Earnest Money Deposit must be immediately returned to Buyer or Grantee, and all documents will be immediately returned to the party who deposited them, and no party will have any further rights or obligations under this Agreement, except that Seller or Grantor shall pay any costs of terminating the respective escrow and any cancellation fee for the Preliminary Commitment.

14.2 By Respective Buyer or Grantee. In the event respective Buyer or Grantee fails, without legal excuse, to complete the purchase of the Property, the Earnest Money Deposit made by Buyer or Grantee will be forfeited to respective Seller or Grantor as the sole and exclusive remedy available to Seller or Grantor for such failure.

15. Notices. Any notice under this Agreement must be in writing and be personally delivered, delivered by recognized overnight courier service or given by mail or via facsimile. Any notice given by mail must be sent, postage prepaid, by certified or registered mail, return receipt requested. All notices must be addressed to the parties at the following addresses or such other addresses as the parties may from time to time direct in writing:

PARCEL #1 SELLER:

David M. Leid
1419 Longview Way
Carson City, NV 89703

PARCEL #1 BUYER / PARCEL #1 GRANTOR / PARCEL #2 GRANTEE:

Carson City
3505 Butti Way
Carson City, NV 89701

With Copy to:

Carson City District Attorney's Office
885 East Musser St. Ste #2030
Carson City, NV 89701

PARCEL #2 GRANTOR / PARCEL #1 GRANTEE:

Joost Land and Cattle Company, Inc.
Post Office Box 25
Carson City, NV 89702

LEID Initials 

CITY Initials 

JOOST Initials 

Any notice will be deemed to have been given, if personally delivered, when delivered, and if delivered by courier service, one business day after deposit with the courier service, and if mailed, two business days after deposit at any post office in the United States of America, and if delivered via facsimile, the same day as verified, provided that if any verification occurs after 5 p.m. on a business day, or at any time on a Saturday, Sunday, or holiday, it will be deemed to have occurred as of 9:00 a.m. on the following business day.

16. **Brokers and Finders.** None of the parties have had any contact or dealings with the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who can claim a right to a commission or a finder's fee as procuring cause of the transactions contemplated by this Agreement. If any broker or finder perfects a claim for a commission or finder's fee based upon any other contract, dealings or communication, the party through whom the broker or finder makes his or her claim will be responsible for that commission or fee and shall indemnify, defend and hold harmless the other parties from and against any liability, cost or damages (including attorney fees and costs) arising out of that claim.
17. **Amendments.** This Agreement may be amended or modified only by a written instrument executed by LEID, CITY and JOOST and must be approved by the Carson City Board of Supervisors.
18. **Continuation of Survival of Representations and Warranties.** All representations and warranties by the respective parties contained in this Agreement or made in writing pursuant to this Agreement are intended to and will remain true and correct as of the time of closing, will be deemed to be material and will survive the execution and delivery of this Agreement and the delivery of any deed and transfer of title. Such representations and warranties, however, are not assignable and do not run with the land, except as may be expressly provided herein or contained in a written instrument signed by the party to be charged.
19. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Nevada. Venue shall be in the First Judicial District Court of the State of Nevada, Carson City.
20. **Entire Agreement.** This Agreement and the exhibits, if any, to it constitute the entire agreement between the parties with respect to the purchase and sale of the Property, and supersedes all prior agreements and understandings between the parties relating to the subject matter of this Agreement. It is

LEID Initials

CITY Initials

JOOST Initials

WV
LD
SR

expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants and conditions herein set forth.

21. **Attorney Fees.** Each party shall pay its own legal fees relating to negotiation and drafting of this Agreement and the documents to be executed at closing. If any party fails to perform any of its obligations under this Agreement or if a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not substantially prevailing in the dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights under this Agreement, including without limitation, court costs and reasonable attorney fees incurred in connection with any federal, state or bankruptcy court proceeding.
22. **Time is of the Essence.** Time is of the essence of this Agreement.
23. **Exclusivity.** Respective Seller or Grantor shall not market the Property actively until after the expiration of the Feasibility Study period and then only if Respective Buyer or Grantee elects not to proceed with the purchase of the Property.
24. **Waiver.** Neither respective Seller's or Grantor's nor respective Buyer's or Grantee's waiver of the breach of any covenant under this Agreement will be construed as a waiver of a subsequent breach of the same covenant.
25. **Parcel #1 Non-merger.** With regard to Parcel #1, the terms and provisions of this Agreement, including, without limitation, all indemnification obligations will not merge in the resulting deed, but will survive, the closing of the transaction contemplated under this Agreement.
26. **Parcel #2 Merger in Part.** With regard to Parcel #2, the terms and provisions of this Agreement relevant to the reversionary interest of JOOST will merge into the resulting deed. As to those provisions of this Agreement that do not merge, including without limitation, all indemnification obligations that will not merge in the resulting deed, they shall survive the closing of the transaction contemplated under this Agreement.
27. **Negotiation and Construction.** This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the parties, and the language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against any party.

LEID Initials 

CITY Initials 

JOOST Initials 

28. **Government Approval.** The parties acknowledge and understand that this Agreement does not bind Carson City until it has been approved by the Carson City Board of Supervisors in an open and publicly noticed meeting.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and intend to be legally bound thereby.

PARCEL #1 SELLER:

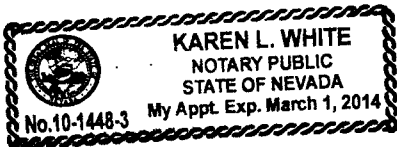
DAVID M. LEID, a Single Person

David M. Leid
DAVID M. LEID

State of Nevada

County of *Carson City*

This instrument was acknowledged before me on the *18th* day of *August*, 2011, by DAVID M. LEID.




Karen L. White
.....
(Signature of notarial officer)
Notary Public
.....
(Title and rank [optional])

(Seal)

LEID Initials *DL*
CITY Initials *CH*
JOOST Initials *JL*

PARCEL #1 BUYER / PARCEL #1 GRANTOR / PARCEL #2 GRANTEE:

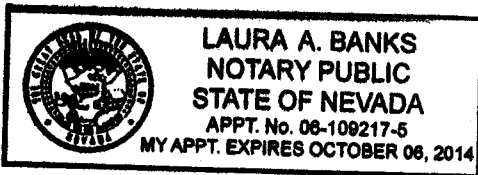
Carson City, a Consolidated Municipality

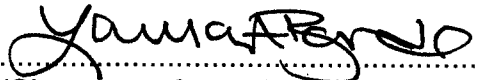
By: 
LAWRENCE A. WERNER, City Manager

State of Nevada

County of Carson City

This instrument was acknowledged before me on the 1st day of September, 2011, by LAWRENCE A. WERNER, as City Manager of CARSON CITY, NEVADA, a Consolidated Municipality.

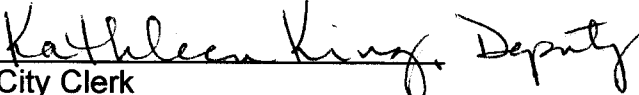



.....
(Signature of notarial officer)

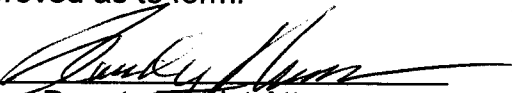
.....
(Title and rank [optional])




(Seal)

Approved by the Carson City Board of Supervisors:

Attest:  Deputy
for: City Clerk

Approved as to form:

By: 
Deputy District Attorney

LEID Initials 
CITY Initials 
JOOST Initials 

PARCEL #2 GRANTOR / PARCEL #1 GRANTEE:

JOOST LAND AND CATTLE COMPANY, INC., a Nevada Corporation

By: *Karen Joost*
KAREN JOOST, President

State of Nevada

County of CARSON

This instrument was acknowledged before me on the 18th day of August, 2011, by KAREN JOOST, as President of JOOST LAND AND CATTLE COMPANY, INC., a Nevada Corporation.



Jessica Tatham
(Signature of notarial officer)

.....
(Title and rank [optional])

(Seal)

415236

LEID Initials *LS*
CITY Initials *WJ*
JOOST Initials *KJ*

A SUMMARY APPRAISAL
OF

TWO VACANT TRACTS OF LAND

SUBJECT EXCHANGE PARCEL ONE – A.P.N. 007-101-56 (PORTION)
LOCATED DIRECTLY WEST OF THE WEST TERMINUS OF ASH
CANYON ROAD, CARSON CITY, NEVADA

OWNED BY

JOOST LAND & CATTLE COMPANY, INC.

AND

SUBJECT EXCHANGE PARCEL TWO – A.P.N. 007-101-10 (PORTION)
LOCATED $\frac{1}{4}\pm$ MILE SOUTHWEST OF THE WEST TERMINUS OF ASH
CANYON ROAD, CARSON CITY, NEVADA

OWNED BY

CARSON CITY

PREPARED FOR

THE CARSON CITY PUBLIC WORKS DEPARTMENT



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

A Summary Appraisal
Of

Two Vacant Tracts of Land

Subject Exchange Parcel One – A.P.N. 007-101-56 (Portion)
Located Directly West of the West Terminus of Ash Canyon Road,
Carson City, Nevada

Owned By
Joost Land & Cattle Company, Inc.

And

Subject Exchange Parcel Two – A.P.N. 007-101-10 (Portion)
Located $\frac{1}{4}\pm$ Mile Southwest of the West Terminus of Ash Canyon Road,
Carson City, Nevada

Owned By
Carson City

Prepared For
The Carson City Public Works Department

For the Purpose of Estimating
Market Value
As of
June 21, 2012

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

Main Office: 295 Holcomb Avenue, Suite 1 ■ Reno, Nevada 89502 ■ Telephone (775) 322-1155
Lake Tahoe Office: P.O. Box 11430 ■ Zephyr Cove, Nevada 89448 ■ Telephone (775) 588-4787
FAX: Main Office (775) 322-1156 ■ Lake Tahoe Office (775) 588-8295
E-mail: jpareno@johnsonperkins.com ■ jpatahoe@johnsonperkins.com

Stephen R. Johnson, MAI, SREA
Reese Perkins, MAI, SRA
Cynthia Johnson, SRA
Cindy Lund Fogel, MAI
Scott Q. Griffin, MAI
Daniel B. Oaks, MAI
Benjamin Q. Johnson, MAI

Karen K. Sanders
Gregory D. Ruzzine
Chad Gerken

June 29, 2012

VIA EMAIL: JSharp@carson.org

Mr. Jeff Sharp, P.E.
City Engineer
Carson City Public Works Department
3505 Butti Way
Carson City, Nevada 89701

Re: Joost Ranch Land Exchange, Carson City, Nevada

Dear Mr. Sharp:

This is in response to your request for a summary appraisal of two properties located in Carson City, Nevada. It is our understanding that the property owners are planning to exchange these properties, and as a result require an appraisal of each parcel. Each of the subject exchange parcels is a vacant tract of land.

Subject Exchange Parcel One consists of 2.90± acres of land, located directly west of the west terminus of Ash Canyon Road, Carson City, Nevada. Subject Exchange Parcel One is identified as a portion of Carson City Assessor's Parcel No. 007-101-56 and is owned by Joost Land & Cattle Company, Inc.

Subject Exchange Parcel Two consists of 1.50± acres of land located approximately 1/4 mile southwest of the west terminus of Ash Canyon Road, Carson City, Nevada. This 1.50± acre parcel is situated a short distance south of the southwest corner of Subject Exchange Parcel One. Subject Exchange Parcel Two is identified as a portion of Carson City Assessor's Parcel No. 007-101-10 and is owned by Carson City Public Works Department.

The subject properties will be described in detail in the following report.

The purpose of this appraisal is to establish an estimate of the Market Value of each of the subject property's fee simple estate as of a current date of valuation. It is our understanding that the intended use of this appraisal report is to establish the basis for the possible exchange of the two properties. The intended users of the appraisal report will include Carson City and Joost Land & Cattle Company, Inc. and their representatives. Any other use of this appraisal report requires the prior written authorization of the undersigned appraisers. The appraisers are not responsible for unauthorized use of the appraisal report.

A summary appraisal report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the *Uniform Standards of Professional Appraisal Practice* for a summary appraisal report. As such, it presents only summary discussions of the data, reasoning and analyses that are used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraisers' file. The depth of the discussion contained in the report is specific to the needs of the client and for the intended use as stated herein. This appraisal firm is not responsible for unauthorized use of the report.

The appraisal has been prepared based upon the following Extraordinary Assumptions:

- The proposed Subject Exchange Parcel One contains 2.90± acres of land and is a portion of Carson City Assessor's Parcel No. 007-101-56. The proposed Subject Exchange Parcel Two contains 1.50± acres of land and is a portion of Carson City Assessor's Parcel No. 007-101-10. Each of the proposed Exchange Parcels will be generally long and narrow in shape. The land areas for the proposed Exchange Parcels are taken from the "Area Swap" Exhibit Map (Map No. JN 08342.01.CM), prepared by Tri State Surveying, Ltd., and are assumed to be correct.

The appraisal has been prepared based upon the following Hypothetical Conditions:

- Due the long, narrow shape as well as the small size of each of the proposed Exchange Parcels relative to surrounding properties, for the purposes of this analysis, we have identified the subject's larger parcel as consisting of APN 007-101-56, which contains 30.98± acres and the 1.5± acre portion of APN 007-101-10 which constitutes Subject Exchange Parcel Two. For the purposes of this analysis, it is being assumed that the subject's larger parcel contains approximately 32.48± acres of land area. Additionally, the value of the subject's larger parcel will be estimated assuming it to be a vacant, legally existing, independent parcel of land. The subject's exchange parcels will be valued as a portion of the larger parcel.

After careful consideration of all data available, and upon thorough personal investigation of the subject properties and comparable properties analyzed, it is our opinion that the fee simple Market Value of the subject properties as part of the larger parcel, as of June 21, 2012, under the extraordinary assumptions and hypothetical conditions set forth herein, are as follows:

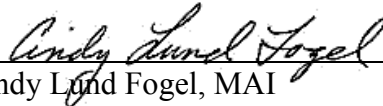
SUBJECT EXCHANGE PARCEL ONE VALUE CONCLUSION **\$50,750**
(2.90± Acre Parcel, Joost Land & Cattle Company, Inc.)

SUBJECT EXCHANGE PARCEL TWO VALUE CONCLUSION **\$26,250**
(1.50± Acre Parcel, Carson City)

Respectfully submitted,



Stephen R. Johnson, MAI, SREA
Nevada Certified General Appraiser
License Number A.0000003-CG



Cindy Lund Fogel, MAI
Nevada Certified General Appraiser
License Number A.0002312-CG

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ANALYSIS OF SUBJECT’S LARGER PARCEL

The proposed Subject Exchange Parcel One consists of 2.90± acres of land and is a portion of Carson City Assessor’s Parcel No. 007-101-56 which contains 30.98± acres. Subject Exchange Parcel One is under the ownership of Joost Land & Cattle Company, Inc. The proposed Subject Exchange Parcel Two consists of 1.50± acres of land located approximately 1/4 mile southwest of the west terminus of Ash Canyon Road and a short distance south of the southwest corner of Subject Exchange Parcel One. Subject Exchange Parcel Two is a portion of Carson City Assessor’s Parcel No. 007-101-10 which contains 36.18± acres. Subject Exchange Parcel Two is under the ownership of Carson City. Each of the proposed Exchange Parcels are generally long and narrow in shape.

Due the long, narrow shape as well as the small size of each of the proposed Exchange Parcels relative to surrounding properties, for the purposes of this analysis, we have identified the subject’s larger parcel as consisting of APN 007-101-56, which contains 30.98± acres and the 1.5± acre portion of APN 007-101-10 which constitutes Subject Exchange Parcel Two. For the purposes of this analysis, it is being assumed that the subject’s larger parcel contains approximately 32.48± acres of land area. Additionally, the value of the subject's larger parcel will be estimated assuming it to be a vacant, legally existing, independent parcel of land.

Land Area Identified Larger Parcel	
APN 007-101-56	30.98± Acres
APN 007-101-10 (Portion)	<u>1.50± Acres</u>
Total Land Area Larger Parcel	32.48± Acres

The ranch house and ancillary buildings for the Joost Ranch are situated within the southwest corner of the larger parcel. As these improvements are situated outside the Subject Exchange Parcels’ land areas and will not be impacted by the land exchange they will not be addressed in this analysis.

SUBJECT IDENTIFICATION MAP
Subject's Larger Parcel Outlined in Yellow



Subject Exchange Parcel 1

Subject Exchange Parcel 2

TRI STATE SURVEYING, LTD.
 425 E. Long Street
 Carson City, Nevada 89706
 (775) 887-9911 • FAX: (775) 887-9915
 Lead Information Solutions
 JN 08342.01.CM

AREA SWAP
 PORTION OF SOUTHWEST 1/4,
 SECTION 12, T.15N. R.19E., MDM
 CARSON CITY, NEVADA

PORTION SW 1/4, SECTION 12, T.15N. R.19E., MDM
 CONTOURS PROVIDED BY DOUGLAS COUNTY GIS
 CI = 20'
 PLOT ON 11"x17"

**SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS
(Subject Larger Parcel)**

Property Type	Vacant Land
Assessor's Parcel Number	007-101-56 and a Portion of 007-101-10
Location	Directly southwest of the west terminus of Ash Canyon Road, directly west of the Cogorno Estates Subdivision, Carson City, Nevada.
Legal Description	Portions of the South 1/2 of Section 12, Township 15 North, Range 19 East, M.D.B.&M.
Owner of Record APN 007-101-56 APN 007-101-10	Joost Land & Cattle Company, Inc. Carson City
Zoning	SF1A (Single-family, 1 Acre Lots)/PC (Public Community)
Land Area Larger Parcel APN 007-101-56 APN 007-101-10 (Portion)	30.98± Acres <u>1.50± Acres</u>
Total Land Area Larger Parcel	32.48± Acres
Land Areas Exchange Parcels Subject Exchange Parcel 1 Subject Exchange Parcel 2	2.90± Acres (Joost Land & Cattle Co., Inc.) 1.50± Acres (Carson City Ownership)
Flood Zone FEMA Map Number Effective Date Flood Zone	3200010091E January 16, 2009 Zone "AO"
Improvements	The subject's larger parcel has perimeter agricultural fencing. The ranch house and ancillary buildings for the Joost Ranch are situated within the southwest corner of the larger parcel. As these improvements are situated outside the Subject Exchange Parcels' land areas and will not be impacted by the land exchange they will not be addressed in this analysis.

Highest and Best Use	Speculative future single-family residential subdivision development, as market demand warrants.
Type of Report	Summary appraisal report
Completion Date of Report	June 29, 2012
Effective Date of Valuation	June 21, 2012

**SUBJECT EXCHANGE PARCEL ONE
(2.90± Acre Parcel)**

Assessor's Parcel Number	A portion of 007-101-56
Location	Directly west of the west terminus of Ash Canyon Road, being the very northerly portion of the subject's larger parcel, Carson City, Nevada.
Owner of Record	Joost Land & Cattle Company, Inc.
Land Area	2.90± Acres

FINAL LAND VALUE CONCLUSION **\$50,750**
(Subject's 2.90± Acre Exchange Parcel, As Of June 21, 2012)

**SUBJECT EXCHANGE PARCEL TWO
(1.50± Acre Parcel)**

Assessor's Parcel Number	A portion of 007-101-10
Location	1,840± feet west of the west terminus of Ash Canyon Road, abutting the southwest boundary of the subject's larger parcel to the west, Carson City, Nevada.
Owner of Record	Carson City
Land Area	1.50± Acres

FINAL LAND VALUE CONCLUSION **\$26,250**
(Subject's 1.50± Acre Exchange Parcel, As Of June 21, 2012)

PURPOSE OF APPRAISAL

This appraisal was prepared for the purpose of estimating the Market Value of the individual subject properties as part of the larger parcel as of a current date of valuation.

PROPERTY RIGHTS APPRAISED

The subject properties are appraised as held in fee simple ownership. 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 USE OF APPRAISAL

The intended use of the appraisal is to assist Carson City in negotiations regarding the possible exchange of the subject properties. Any other use of this appraisal report requires the prior written authorization of these appraisers. Johnson-Perkins & Associates, Inc. is not responsible for unauthorized use of the appraisal report.

INTENDED USERS OF APPRAISAL

The intended users of this appraisal include Carson City and Joost Land & Cattle Company, Inc. and their representatives.

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

SCOPE OF APPRAISAL

The preparation of this appraisal included:

- Identification, inspection and analysis of the subject exchange properties;
- Identification and analysis of the subject's larger parcel;
- Met with the property owners and representatives of Carson City;
- Identification and analysis of the subject neighborhood;
- Highest and Best Use Analysis;
- Research, comparison and analysis of comparable land sales;
- Completion of a Sales Comparison Approach Analysis for the subject's larger parcel;
- Correlation of the value indications to a final Market Value conclusion for the subject's larger parcel;
- Final Market Value conclusions for each of the individual subject exchange properties;
- Preparation of the Summary Appraisal Report in accordance with Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice.

EFFECTIVE DATE OF VALUATION

The opinions of value, as set forth in this report, apply as of June 21, 2012.

COMPLETION DATE OF REPORT

This report was completed on June 29, 2012.

MARKET VALUE DEFINED

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

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

TYPE OF REPORT

This is a summary appraisal report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a summary appraisal report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in these appraisers' file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use as stated herein. These appraisers are not responsible for unauthorized use of this report.

² The Dictionary of Real Estate Appraisal, Fifth Edition; Appraisal Institute; 2010.

EXTRAORDINARY ASSUMPTIONS

This report, and the value conclusions set forth herein, are subject to extraordinary assumptions. An extraordinary assumption is defined as “An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions.”³ This appraisal has been prepared subject to the following extraordinary assumptions:

The appraisal has been prepared based upon the following Extraordinary Assumptions:

- The proposed Subject Exchange Parcel One contains 2.90± acres of land and is a portion of Carson City Assessor’s Parcel No. 007-101-56. The proposed Subject Exchange Parcel Two contains 1.50± acres of land and is a portion of Carson City Assessor’s Parcel No. 007-101-10. Each of the proposed Exchange Parcels are generally long and narrow in shape. The land areas for the proposed Exchange Parcels are taken from the “Area Swap” Exhibit Map (Map No. JN 08342.01.CM), prepared by Tri State Surveying, Ltd., and are assumed to be correct.

³ Source: USPAP 2010-2011 Edition, Definitions; The Appraisal Foundation, Page U-3.

HYPOTHETICAL CONDITIONS

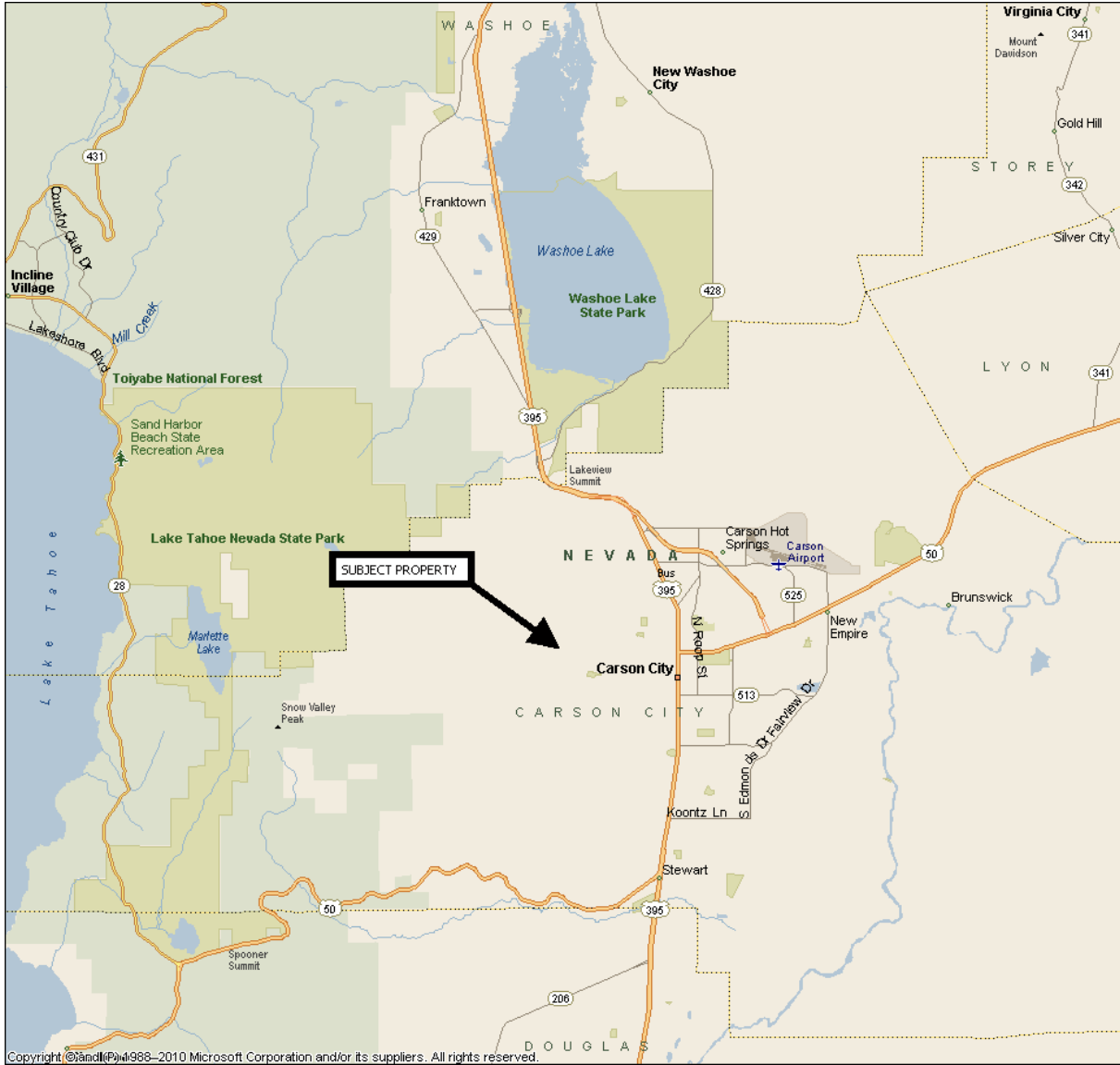
A hypothetical assumption is defined as “That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”⁴ This appraisal report has been prepared subject to the following Hypothetical Conditions:

The appraisal has been prepared based upon the following Hypothetical Conditions:

- Due the long, narrow shape as well as the small size of each of the proposed Exchange Parcels relative to surrounding properties, for the purposes of this analysis, we have identified the subject’s larger parcel as consisting of APN 007-101-56, which contains 30.98± acres and the 1.5± acre portion of APN 007-101-10 which constitutes Subject Exchange Parcel Two. For the purposes of this analysis, it is being assumed that the subject’s larger parcel contains approximately 32.48± acres of land area. Subject parcels will be valued as a portion of the larger parcel. Additionally, the value of the subject's larger parcel will be estimated assuming it to be a vacant, legally existing, independent parcel of land.

⁴ Source: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, page 97.

CARSON AREA MAP



NEIGHBORHOOD MAP



NEIGHBORHOOD DESCRIPTION

The subject property is located in the northwest area of Carson City. The subject neighborhood boundaries are generally considered to be the U.S. 395 Highway (North Carson Street) to the north and east, Ash Canyon Road to the south and the Toiyabe National Forest to the west.

U.S. Highway 395, which is more commonly referred to as Carson Street within the local Carson City community, is a major north-south highway that begins in Southern California, extends northeast into Nevada, and eventually into Oregon. Within Carson City, Carson Street (U.S. Highway 395) is a major four-lane, two-way, asphalt paved roadway, most of which is improved with concrete curbs, gutters, sidewalks and streetlights.

Carson Street (U.S. Highway 395) is also the primary artery that links Reno with South Lake Tahoe. Within much of the city limits of Carson City, the speed limit on Carson Street is 25 miles per hour. As a result of the commercial businesses, the link between Reno and South Lake Tahoe, and the 25-mile per hour speed limit, Carson Street can become congested during the rush hours and other peak periods of the day. The new Carson City Bypass freeway is under construction and has been completed to the Fairview Drive interchange.

Carson Street is a major commercial corridor through the city. Commercial development along North Carson Street, at Winnie Lane, includes a Safeway, a McDonald's restaurant, a Rite-Aid, and a number of strip shopping centers. Additional commercial development along Carson Street includes a number of freestanding commercial uses as well as smaller neighborhood shopping centers. These utilizations include a number of fast food restaurants, retail-commercial uses and automobile sales facilities. A Save Mart grocery store is located at College Parkway and North Carson Street. The Eagle Medical Center is a 65,000± square foot medical office building on the west side of North Carson Street and just south of West Nye Lane. This is a good quality building with an attractive appeal, and has met with good market acceptance.

The West Nye Lane Professional Center is located on West Nye Lane. This is a good quality center that involves four newer office buildings. Many of the suites in this center are occupied by physicians. A number of freestanding commercial uses as well as smaller neighborhood shopping centers are located along this corridor. These utilizations include a number of fast food restaurants and retail commercial uses.

Major roadways within the north portion of the subject neighborhood include East College Parkway and West Winnie Lane. Each of these roadways is an arterial street which provides access to the residential areas of north Carson City. East College Parkway also provides access to the industrial areas around the airport.

Overall, due to the arterial and collector streets, the subject neighborhood is considered to have good accessibility to most portions of the Carson City area.

The primary development within the northerly portion of the subject neighborhood includes single family residential uses. The largest single family residential development within the subject neighborhood is the Silver Oak planned unit development. The newer single family homes in this community range in size from 2,500 to 3,000 square feet. In addition to single-family homes, Silver Oak includes commercial development such as the Save Mart, office buildings and an assisted living complex and a skilled nursing facility. Approximately 76 acres within Silver Oak is designated for development with commercial uses, parks and roads. Silver Oak includes an 18-hole championship golf course. Overall, the Silver Oak development is one of the premier communities within Carson City.

In 2002, Carson-Tahoe Hospital purchased a large tract of land adjacent to the Silver Oak Community in the northeast area of the subject neighborhood, and a 350,000± square foot regional medical center has been completed on the site. The hospital is becoming the focal point of the neighborhood. A number of new medical offices have been developed in the vicinity of the new hospital. In addition, as it is located at the north end of Carson City,

with good visibility to southbound travelers along the new U.S. 395 freeway, it is anticipated that the regional medical center will become a Carson City landmark.

The regional medical center and the new freeway were factors behind the development of two limited service hotels along North Carson Street, near the hospital. A Holiday Inn Express opened in February of 2004 with 85 rooms, and an adjacent 85-room Hampton Inn was opened in 2007.

Additional residential utilizations within the subject neighborhood are primarily lower density uses involving one to 2.5 acre sites. The Lakeview Subdivision is located within the northeasterly portion of the subject neighborhood and has been developed with custom homes. Many of the lots within this subdivision have good view amenities and overlook either Washoe Lake or the city of Carson. The single-family residences in the Lakeview Subdivision were constructed between 1971 to present, and generally range in size from 2,500± square feet to 4,800± square feet. The Timberline Subdivision is located within the west central portion of the subject neighborhood and is also improved with custom homes. This is a more wooded area and many of the lots do enjoy good city views. The single-family residences within the Timberline Subdivision range in size from 2,000± square feet to 4,000± square feet, and range in age from 1988 to relatively new.

Those properties located within the southerly portion of the subject neighborhood, in the vicinity of West Winnie Lane, include a lower density, with lot sizes ranging from 2± acres to 5.5± acres. Those properties located on the east side of West Winnie Lane are improved with single-family residences ranging in age from 45 years to new. These homes range in size from 2,000± square feet to 5,000± square feet. Those properties on the west side of West Winnie Lane involve primarily custom homes, ranging in size from 2,000± square feet to 6,000± square feet. These homes range in age from approximately 38 years to the early 2000s.

The Carriage Square Subdivision is located on the south side of West Winnie Lane, a short distance east of Ormsby Boulevard. The single-family residences in this subdivision were constructed between 1979 and 1991, and generally range in size from 1,700± square feet to 2,500± square feet. Lots within this subdivision range in size from 7,000± square feet to 12,800± square feet.

The Wellington Crescent Subdivision is also located in the southerly portion of the subject neighborhood, and includes custom homes. These single-family residences range in size from 3,000± square feet to 4,600± square feet, and range in age from 12 years to new. The Wellington Crescent Subdivision is one of the most desirable residential developments in the Carson City area.

Overall, the immediate subject neighborhood is residential in nature, with a more rural setting, as the homesites primarily involve larger lots and a lower density. As previously noted, support commercial uses for the subject neighborhood are located along Carson Street.

As is the case across the nation, the demand for new residential development in the Carson City area has seen a significant slowdown over the past several years, with very limited demand for new residential development. In particular, demand for raw, undeveloped land has been extremely limited. Most residential land transactions within Northern Nevada have involved finished lots, or properties with partial approvals for development. The existing home sales continue to dominate the sales market in the region. This is in large part due to the foreclosure and short sale markets, which continue to generate large numbers of sales within the region. Each quarter the market is seeing more tentative maps expiring, which represent units that were approved in the past few years but, due to the economic downturn, have not been brought to market within the allotted time frame. Builders are going to be extremely cautious before attempting to add to that number with additional project approvals.

All public facilities are immediately available throughout the neighborhood. These utilities include municipal water and sewer service, electrical service, natural gas, telephone and cable television. Police protection is provided by Carson City Sheriff's Department, while fire protection is provided by the Carson City Fire Department.

In summary, the subject neighborhood is located in the northwestern portion of Carson City. The character of the neighborhood includes residential, commercial and professional and medical office uses. The largest project is Silver Oak, a planned unit development. The North Carson Street (U.S. Highway 395) commercial corridor consists of community shopping centers, fast food restaurants and other service-oriented retail facilities. There are no inharmonious uses in the subject neighborhood which would detract from property values.

SUBJECT LARGER PARCEL AERIAL MAP



Subject Property

SUBJECT PARCEL PHOTOGRAPHS



**A VIEW LOOKING EASTERLY ALONG ASH CANYON ROAD FROM
ITS WEST TERMINUS**



**A VIEW LOOKING WESTERLY TOWARD THE SUBJECT FROM THE WEST
TERMINUS OF ASH CANYON ROAD**

SUBJECT PARCEL PHOTOGRAPHS



A VIEW LOOKING SOUTHWESTERLY TOWARD THE SUBJECT'S LARGER PARCEL FROM ASH CANYON ROAD



A VIEW LOOKING SOUTHERLY TOWARD THE CENTRAL PORTION OF THE SUBJECT'S LARGER PARCEL

SUBJECT PARCEL PHOTOGRAPHS



**A VIEW LOOKING SOUTHEASTERLY TOWARD THE SUBJECT'S
LARGER PARCEL**



**A VIEW LOOKING EASTERLY TOWARD THE SOUTHWESTERLY PORTION OF
THE SUBJECT'S LARGER PARCEL**

SUBJECT LARGER PARCEL PLOT MAP (A.P.N. 007-101-56 and Portion of A.P.N. 07-101-10)

7-10

SOUTH 1/2 SECTION 12, T.15 N., R.19 E., M.D.B. & M.



Hypothetical Site Land Area: 32.48± Acres

SUBJECT FLOOD ZONE MAP



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**Subject
 Flood Zone AO**

SUBJECT IDENTIFICATION AND SITE DESCRIPTION
(Subject's Larger Parcel)

Assessor's Parcel Number	007-101-56 and a Portion of 007-101-10
Location	Directly southwest of the west terminus of Ash Canyon Road, directly west of the Cogorno Estates Subdivision, Carson City, Nevada.
Legal Description	Portions of the South 1/2 of Section 12, Township 15 North, Range 19 East, M.D.B.&M.
Owner of Record	
APN 007-101-56	Joost Land & Cattle Company, Inc.
APN 007-101-10	Carson City
Land Area Larger Parcel	
APN 007-101-56	30.98± Acres
APN 007-101-10 (Portion)	<u>1.50± Acres</u>
Total Land Area Larger Parcel	32.48± Acres
Land Areas Exchange Parcels	
Subject Exchange Parcel 1	2.90± Acres (Joost Land & Cattle Co., Inc.)
Subject Exchange Parcel 2	1.50± Acres (Carson City Ownership)
Hypothetical Site Land Area	32.48± Acres

For the purposes of this analysis, it is being assumed that the subject's larger parcel contains approximately 32.48± acres of land area. Additionally, the value of the subject's larger parcel will be estimated assuming it to be a vacant, legally existing, independent parcel of land. It is noted that the land area for the subject's larger parcel is based upon a review of the Carson City Assessor's Map and the "Area Swap" Exhibit Map, prepared by Tri State Surveying, Ltd., and is assumed to be correct.

Land Shape

The subject's larger parcel is irregular in shape. Each of the subject exchange parcels are generally long and narrow in shape.

Access

The subject's larger parcel has access from the west terminus of Ash Canyon Road. Ash Canyon Road, in the vicinity of the subject, is a two-way, two-lane, asphalt paved roadway portions of which are improved with concrete curbs and gutters. Overall, the subject has adequate access. It is noted that if or when the property is developed that in all likelihood a secondary access would be required.

Zoning

APN 007-101-56
APN 007-101-10

SF1A (Single-family, One Acre Lots)
PC (Public Community)

The vast majority of the subject's larger parcel is zoned SF1A. The primary permitted uses in the SF1A single-family district include single-family dwellings and public parks. Accessory permitted uses include accessory structures, agricultural uses, guest building, home occupancy and recreational uses such as a swimming pool or tennis court for individual or subdivision use. Conditional uses include churches/temples, group or child care facilities, municipal well facilities, public/private schools, temporary tract sales offices and utility substations. The required minimum lot area in the SF1A district is one acre. The required minimum lot width is 120 feet, minimum front yard and rear setbacks are 30 feet for each structure, and the minimum side yard setback is 15 feet for each structure (20 feet abutting a street), and the maximum allowable building height is 32 feet.

The very southwesterly portion of the subject's larger parcel is zoned PC (Public Community). Public Community means facilities and uses that serve primarily a large portion of Carson City. The purpose of the PC district is to accommodate the wide range of public institutional and auxiliary uses which are established in response to the health, safety, cultural and welfare needs of the citizens of the city.

Master Plan

APN 007-101-56
APN 007-101-10

LDS (Low Density Suburban)
Public/Quasi Public

The vast majority of the subject's larger parcel is master planned Low Density Residential, 1/3 to 5 acres per dwelling unit. The Low Density Residential Master Plan classification allows single family residential development at a maximum density of 0.2 to 3 dwelling units per one acre. Secondary complementary uses include schools, parks, recreation and open space in a planned neighborhood setting. The characteristics of the LDR is a mix of low density housing types in a neighborhood setting. Clustering of residential units is encouraged as a means of preserving open spaces while retaining a suburban density character.

The very southwesterly portion of the subject's larger parcel is master planned Public/Quasi Public. Permitted uses within the Public/Quasi Public district include schools, government offices, community centers, fire stations, airport, libraries, hospitals, cemeteries, churches and other places of worship. Also includes facilities needed for essential public services such as electrical substations, water and wastewater facilities and other similar uses. It is our expectation that this area could be utilized as open space for a cluster development.

Soils and Topography

The majority of the subject's larger parcel has level to gently sloping topography. The westerly portion of the site has moderately sloping topography. These appraisers were not provided with a soil survey for the subject site. It has been noted that surrounding development does not appear to have been adversely impacted due to soil conditions. For the purposes of this appraisal, it is assumed that the soil conditions are adequate for a variety of development.

Flood Zone

FEMA Map Number	3200010091E
Effective Date	January 16, 2009
Flood Zone	Zone "AO"

Ash Canyon Creek traverses the westerly portion of the subject's larger parcel. The subject site is situated in a Flood Zone "AO". A Flood Zone "AO" denotes river or stream

flood hazard areas, and areas with a 1% chance or greater chance of shallow flooding each year, usually in the form of sheet flow, with an average depth ranging from 1 to 3 feet. Base flood elevations have not been determined in the “AO” zones. Those properties located in an “AO” zone do require flood mitigation measures.

Earthquake Zone

Risk Zone 3

According to the most recent Uniform Building Code, the subject property is located in a Seismic Risk Zone 3. This zone encompasses areas which have a number of local faults and where there is relatively strong probability of moderate to strong seismic activity.

Seismic Risk Zone 3 is characteristic of the entire area.

Hazardous Substances

Our standard on-site inspection of the subject property did not reveal any readily apparent evidence which would suggest the presence of contaminates 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.

Utilities

Water	Carson City
Sewer	Carson City
Natural Gas	Southwestern Gas
Electric	NV Energy
Telephone	AT&T

All utilities are reasonably available to the subject site.

Surrounding Development

The property to the north of the subject is vacant land and is owned by the Carson City Public Works Department. This property is utilized for access to two water tanks on an adjacent site to the north and for drainage purposes. The Wellington Crescent and Cogorno Estates Subdivisions are located northeast and east of the subject, and are improved with

custom homes on 1± acre lots. The property to the south of the subject is a part of the Joost Ranch. The property located west of the subject is vacant hillside land that is owned by the Carson City Public Works Department.

Easements

A review of the Carson City Assessor's map for the subject denotes right-of-way easements within the northerly and easterly portions of the subject's larger parcel. A review of Parcel Map 2767, recorded August 30, 2011 indicates that these easements are access easements. The northerly right-of-way easement is 15 feet in width and was created to provide ingress and egress from the west terminus of Ash Canyon Road to a vacant parcel to the west which was previously owned by David and Loretta Leid. This parcel is now under the ownership of the Joost Land and Cattle Company, Inc. and has been incorporated into the subject's larger parcel per a Lot Line Deletion recorded March 1, 2012 at Document No. 419913.

The easterly right-of-way easement is 30 feet in width and provides ingress and egress to two homesites situated in the central portion of the Joost Ranch. The easement is improved with a graded dirt road. It is noted that these homesites are not a part of the Joost Ranch ownership. This road also provides physical access to the Joost ranch house and accessory buildings in the southwest corner of the subject's larger parcel.

Parcel Map 2767 also denotes 10 foot wide electric and communication easements which traverse the very easterly portion of the subject in a north/south direction and the central portion of the subject in an east/west direction. These electric and communication easements appear to provide service to the Joost ranch facilities and ranch house as well as to the adjoining homesites.

Parcel Map 2767 also indicates that the subject's larger parcel is in a Flood Zone "AO". Our physical inspection of the subject did reveal the presence of Ash Canyon Creek

which traverses the westerly and southerly portions of the subject's larger parcel in a northwesterly to southeasterly direction.

We are unaware of any other easements or other encumbrances affecting the subject properties use potential. This appraisal has been conducted based upon the assumption that there are no easements, encumbrances, or restrictions which would prevent development of the subject property to its highest and best use.

Subject Sales History

A Lot Line Deletion was recorded for Joost Land & Cattle Company, Inc. on March 1, 2012 at Document No. 419913. The Lot Line Deletion included Carson City Assessor's Parcels 007-101-11, 52 and 53 which now constitutes Subject APN 007-101-56. APN 007-101-11, was acquired by the Joost Land & Cattle Company, Inc. in September of 2011. This parcel was previously owned by Mr. David Leid and was purchased by Carson City in September of 2011. In discussions with Ms. Karen Joost, of Joost Land & Cattle Company, Inc. it was indicated that the acquisition of APN 007-101-11 essentially involved an exchange with Carson City for a 29.75± acre site to the north of the subject's larger parcel which was under the ownership of the Joost Land & Cattle Company, Inc.

APN 007-101-10, which is a portion of the subject's larger parcel, has not been involved in any arms length transfers within the past five years.

Current Assessment & Taxable Value Data

Assessor's Parcel Number 2012-2013 Tax Year	007-101-56	007-101-10 Portion	Total
Assessed Values	Ag Deferment	Government Entity	
Land	\$28,000	\$3,150	\$31,150
Improvements	\$22,305	\$0	\$22,305
Ag Land	\$112	N/A	\$112
Total Assessed Value	\$50,417	\$3,150	\$53,567
2012 Taxes	N/A	Exempt	N/A
2011-2012 Taxable Value	\$144,049	\$9,000	\$153,049

Improvements

The subject's larger parcel has perimeter agricultural fencing. The ranch house and ancillary buildings for the Joost Ranch are situated within the southwest corner of the larger parcel. As these improvements are situated outside the Subject Exchange Parcels' land areas and will not be impacted by the land exchange they will not be addressed in this analysis.

Summary and Conclusion

In summary, the subject's larger parcel is an irregular shaped site containing a total land area of 32.48± acres. The majority of the site is zoned Single Family 1 Acre with 1.5± acres in the westerly portion of the site zoned Public. The property has level to moderately sloping topography. Due to the topography of the site, it does enjoy good views of the Carson City area to the southeast and of the Sierra Nevada Mountains to the west. The property is located in northwest Carson City, directly southwest of the west terminus of Ash Canyon Road. Overall the subject has adequate access. All necessary utilities are reasonably available to the subject site.

Reference is made to photographs and plot plan contained elsewhere in this appraisal report, which will enable the reader to more clearly 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 that 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.”

As the subject property is being addressed as vacant and unimproved land, the Highest and Best Use of the subject site as vacant and available to be developed to its Highest and Best Use will be addressed.

In assessing the areas of physical possibility, consideration must be given to any constraints on development of the subject property as a result of its location or physical features. The subject’s larger parcel contains 32.48± acres and the vast majority of the site is zoned for single-family residential use at a maximum of one acre per lot. The subject is located in northwest Carson City. The immediate subject neighborhood is predominately oriented towards single family residential uses. The Wellington Crescent Subdivision is located directly northeast of the subject, and includes good quality custom homes. These single-family residences range in size from 3,000± square feet to 4,600± square feet on one acre lots. The Wellington Crescent Subdivision is one of the most desirable residential developments in the Carson City area. The Cogorno Estates Subdivision is located directly east of the subject and includes good quality custom homes. Overall, the immediate subject neighborhood includes good quality, upper end, custom built homes on larger lots in a desirable more rural setting.

Access to the subject is provided by means of Ash Canyon Road which terminates at the subject’s northeast corner. All necessary utilities are reasonably available to the subject. The subject has adequate soils to support a wide variety of development and there are no known earthquake hazards or other environmental hazards which would adversely impact the

development potential of the subject property. Ash Canyon Creek traverses the westerly portion of the subject's larger parcel. As a result, the subject site is situated in a Flood Zone "AO". A Flood Zone "AO" denotes river or stream flood hazard areas, and areas with a 1% chance or greater chance of shallow flooding each year, usually in the form of sheet flow, with an average depth ranging from 1 to 3 feet. Base flood elevations have not been determined in the "AO" zones. Those properties located in an "AO" zone do require flood mitigation measures. On the other hand, the presence of Ash Canyon Creek is considered an enhancement as it could provide a green belt or other common area amenity to a residential subdivision project on the subject site. The site has level to moderately sloping topography providing the parcel with good views of the Carson City area and the Sierra Nevada Mountains.

Based upon an analysis of the available data, it is these appraisers' opinion that the subject's location and physical characteristics are most conducive to residential development.

In order to satisfy the criterion of highest and best use, a proposed use must also be legally permissible. The legally permissible utilizations of a property are governed by zoning ordinances, master plan designations and other restrictions. Under the zoning ordinance, the vast majority of the subject's larger parcel is designated SF1A and master planned LDR. The very southwesterly 1.5± acres of the subject's larger parcel are zoned Public Community and master planned Public. The SF1A zoning allows single-family residential development at a minimum of one acre per lot. The Low Density Residential classification allows single family residential development at a maximum density of 2 to 3 dwelling units per one acre. The purpose of the PC district is to accommodate the wide range of public institutional and auxiliary uses which are established in response to the health, safety, cultural and welfare needs of the citizens of the city

Overall, from a legally permissible perspective, the subject could be developed with a single-family residential subdivision, consisting of 1/3 to 1± acre homesites.

In order for any utilization to represent the Highest and Best Use of the property, it must also be financially feasible. In other words, there must be sufficient demand to warrant the proposed use. The residential market has seen a significant slowdown over the past several years, with very limited demand for new residential development. In particular, demand for raw, undeveloped land has been extremely limited. Most residential land transactions within the market have involved finished lots, or properties with partial approvals for development. The existing home sales continue to dominate the sales market in the region. This is in large part due to the foreclosure and short sale markets, which continue to generate large numbers of sales within the region. Each quarter the market is seeing more tentative maps expiring, which represent units that were approved in the past few years but, due to the economic downturn, have not been brought to market within the allotted time frame. Overall, based upon the current residential market, the amount of available land and the lack of demand for individual residential lots and new homes, development of the subject, in the short term, is not feasible at the present time.

The highest and best use of the subject must also be maximally productive. To be maximally productive, the highest and best use must be the most intense utilization for which the subject could be developed. As has been demonstrated by the adjacent residential subdivisions, there has been demand for single family residential homes in the Carson City area. With strong consideration given to the subject's location, immediately surrounding utilizations and current zoning, it is our opinion that single-family residential subdivision uses would meet the criteria of a maximally productive utilization of the subject.

As indicated above, the four criteria of the Highest and Best Use analysis indicates that the highest and best use for the subject would be for future development with a single family residential subdivision use. However, with consideration given to the current soft economy and to the very limited demand for vacant development land, it is these appraisers' opinion that it would be unlikely that the subject would be developed with any kind of project in the foreseeable future. Therefore, it is these appraisers' opinion that the most likely

purchaser of the subject would be an investor who would anticipate a lengthy holding period until economic conditions improve.

Based upon a careful review of all information available, it is these appraisers' opinion that the highest and best use of the subject's larger parcel, would be for future development with single-family residential subdivision uses, as market demand warrants development.

INTRODUCTION TO VALUATION ANALYSIS

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

As the subject's larger parcel involves vacant, unimproved land, the Cost Approach and the Income Approach to Value were not considered applicable and were not utilized in this appraisal assignment.

In this appraisal, the Sales Comparison Approach will be utilized to derive a value for the subject property. The Sales Comparison Approach is based on the principal of substitution which holds that the value of the subject property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability.

SALES COMPARISON APPROACH TO LAND VALUE

In the Sales Comparison Approach Analysis, sales of similar properties are analyzed to arrive at an indication of the market value of the subject property. To establish an indication of the market value of the subject property, the Official Records of Carson City were searched for land sales in and around the local market with similar characteristics as the subject property. As our research revealed a very limited number of comparable land sales within the Carson City area, we did expand our search to nearby Lyon and Washoe Counties.

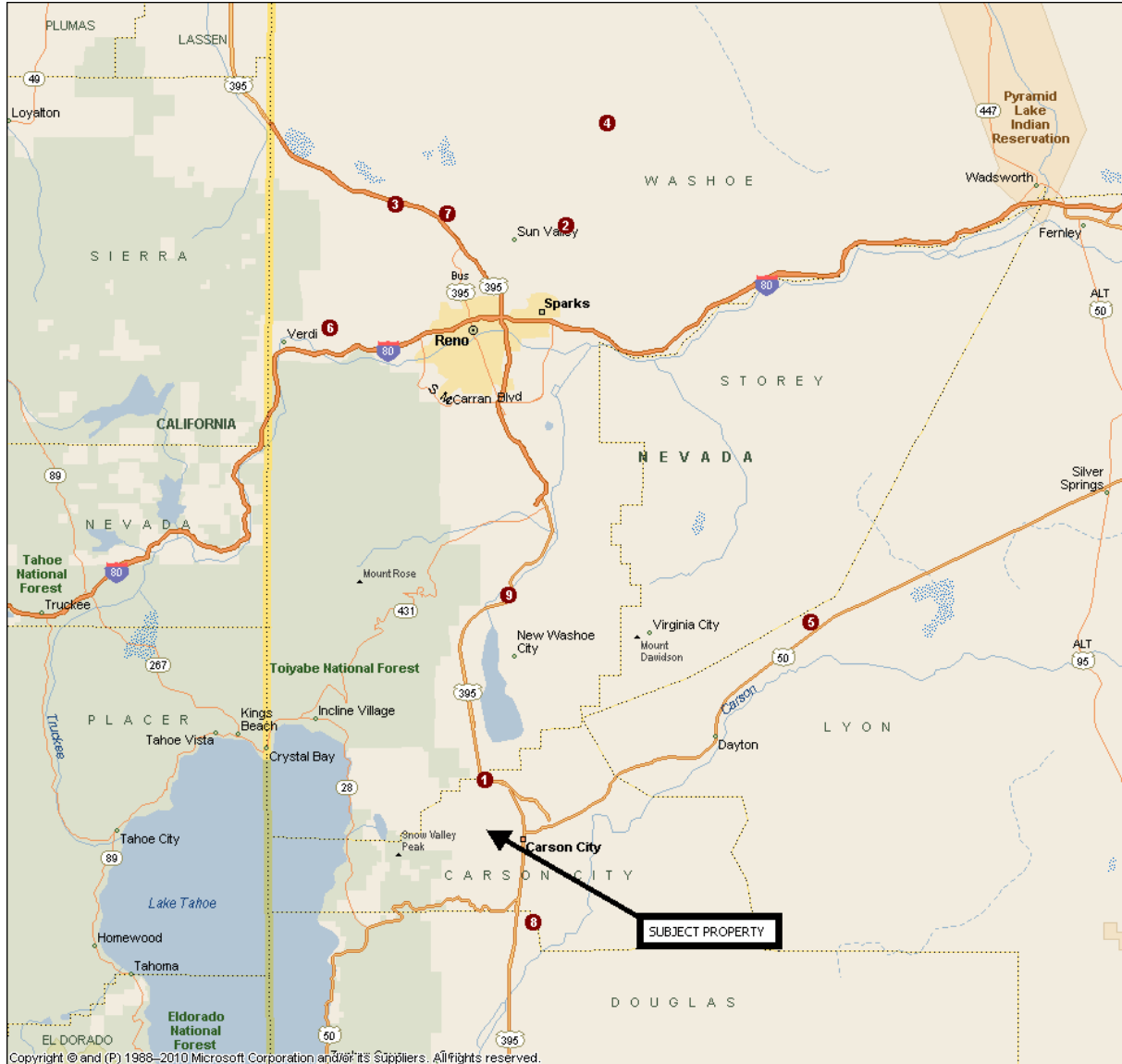
Sales of large acreage undeveloped land have been very limited over the past several years. Therefore, current listings of comparable properties will also be included. In addition, interviews with buyers, sellers, and brokers knowledgeable in the market will be incorporated in the valuation section of the report.

All sales found were investigated, analyzed and compared to the subject property. The sales set forth on the following chart were considered to be indicative of an appropriate land value for the subject's larger parcel. Once the fee simple value of the subject's larger parcel has been estimated, the value of the subject's individual exchange parcels, as a portion of the larger parcel will be analyzed.

COMPARABLE LAND SALES CHART

Sale Number	Assessor's Parcel Number Project Name Location	Sale Date Sale Price	Zoning Approvals/Lots Water Rights	Topography Flood Zone	Gross Land Area Potential Density DU/Acre	Price Per Acre
LS-1	07-092-12 1/4± Mile Northeast of the Northeast terminus of Buckskin Road, 1/3± mile east of Lakeview Road, Carson City	4/13/2009 \$1,000,000	SF1A Tentative Map (16 Units, 3-4 Ac Lots) Will Serve Letter	Moderately Sloping D	60.11± Ac \$.27	\$16,636
LS-2	510-071-34 Kiley Ranch North, Village 38 Sparks Boulevard & Kiley Ranch Parkway, Spanish Springs Valley, Sparks, NV	1/12/2010 \$400,000	NUD/MR 100 Conceptual Lots No Water Included	Level Partially Graded X	21.007± Acres 7.76	\$19,041
LS-3	570-200, et al Amber Meadows Reno-Stead Corridor Between US 395 and N. Virginia Street At Seneca Drive, North Valleys, Reno, NV	2/19/2010 \$1,350,000	MUNV 339 Projected 114 Final Mapped Lots Expired Map (225 Lots) Adequate water rights for 114 Final Lots	Level/Gentle Partially Graded X	96.98± Acres 3.50	\$13,920
LS-4	534-450-12 Shadow Ridge Pyramid High. & Horizon View Ave. Spanish Springs Valley, Sparks, NV	5/7/2010 \$993,200	LDS Tentative Map For 126 Lots 64.3± AF of Water Rights	Level/Gentle Partially Graded X	64.585± Acres 1.95	\$15,378
LS-5	016-021-38 Copper Canyon Estates Phase 2 W/S Bryce Street at W. Terminus of Moab Lane, Dayton, NV	9/16/2011 \$500,000	E1/MDR Expired Map (98 Lots) None	Level, Partially Graded X	39.59± Acres 2.48	\$12,629
LS-6	234-490-09 Somerset 5D Vacant Graded Residential Land, Reno, NV	12/28/2011 \$645,000	PUD Expired Map- Handbook (113 Tentative Lots) None	Level, Graded X	20.938± Acres 5.40	\$30,805
LS-7	552-132-17 Cabernet Highlands (Portion) Golden Valley Road & U.S. 395 Highway, North Valleys Area of Reno, NV	03/13/12 \$816,000	SPD 272 Lots Tentative Map None	Level/Gentle X, Shaded X And AE	90.105± Acres 3.02	\$9,056
LL-8	009-311-65,67,68, 010-671-06 thru 15 Schulz Ranch Between Center Drive & Schulz Drive at the East Terminus of Topsy Lane, Carson City, NV	Current Listing 06-21-12 \$900,000	SR-SPA 403 Projected 8 Final Mapped Lots 395± Tentative Mapped Lots Letter of Intent	Level/Moderate X, Shaded X	90.887± Acres 4.43	Asking \$9,902
LL-9	046-090-27 W/S of U.S. 395 Highway, ½ mile S. of Pagni Lane, Washoe Valley, Washoe County, NV	Current Listing 06-21-12 \$550,000	MDS/MDR (Possible 32 Lots, ½ plus ac lots) None	Hillside Land Washoe Valley Views, Mountain Views X	17.09± Acres 1.87	\$32,183
Subject	07-101-56 & 07-101-10 (Portion) SW of West Terminus of Ash Canyon Road, Carson City, NV	Date of Appraisal 06-21-2012	SF1A/PC 1 Units/Acre LDS Master Plan 2-3 Units/Acre None/None	Level to Gentle Small Portion Moderate AO	32.48± Acres 1.00 to 3.00	---

COMPARABLE LAND SALES MAP



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**COMPARABLE LAND AERIAL MAP AND DISCUSSION
 SALE LS-1**



Property Type:	Vacant Land	City:	Carson City
Location:	1/4± mile northeast of the northeast terminus of Buckskin Road, 1/3± mile east of Lakeview Road	County:	Carson City
A.P.N.:	07-092-12	State:	Nevada
Topography:	Moderately Sloping	Flood Zone:	D, Areas of possible, but undetermined flooding potential
Zoning:	SF1A (1 Dwelling Unit/Acre)	Utilities:	Electric, telephone in proximity, municipal water to be extended, needs septic
Parcel Acreage:	60.11± Acres	Shape:	Flag Shape
Approvals:	Tentative Map – 16 Lots (3 to 4 Acre Lots)	Water Rights:	Will Serve Letter from Carson City for up to 60 lots
Recording Date:	April 13, 2009	Views:	City and mountain views
Sale Price:	\$1,000,000	Sale Price/Acre:	\$16,636
Document Number:	388570/403209	Terms Of Sale:	\$250,000 Down Payment, seller financing, undisclosed terms
Transfer Tax:	\$3,900	Time on Market:	Approximately one year
Grantor:	Daniel & Lori Jenkins, et al	Proposed Use:	Residential
Grantee:	Limited Partnership Management Services LLC, Marco Suarez, Trustee	Verification:	MLS, Realty Executives Nevada's Choice, Lori Jenkins, Seller, and Public Records

The central portion of this comparable has primarily gentle to moderately sloping topography and slopes more steeply up to the easterly and southerly portions of the parcel. Electric and telephone service are available to the site but will need to be extended prior to development. There is a canyon that runs from east to west on the south portion of the parcel. The property has good views of Carson City to the south and mountain views to the west. Access is via a dirt road extending from the end of Buckskin Road. The buyer had obtained Tentative Map approval for a 16 unit subdivision. Reportedly, the property includes a will-serve letter from Carson City for water for up to 60 lots. According to Ms. Jenkins, the property was originally available in 2006 for an asking price of \$3,000,000.

**COMPARABLE LAND AERIAL MAP AND DISCUSSION
 SALE LS-2**



Property Name:	Vacant Land Kiley Ranch North, Village 38	City:	Sparks (Spanish Springs Valley)
Location:	The Southwest Corner of Sparks Boulevard & Kiley Parkway	County:	Washoe
A.P.N.:	510-071-34	State:	Nevada
Topography:	Level, Partially Graded	Flood Zone:	Zone "X"
Zoning:	NUD/MR (Medium Residential)	Utilities:	All Reasonably Available
Parcel Acreage:	21.007± Acres	Water Rights:	None
Number of Units:	100 Conceptual Lots	Approvals:	None
Recording Date:	January 12, 2010	Price/Acre:	\$19,041
Sale Price:	\$400,000	Transfer Tax:	\$1,640.00
Document Number:	3838794	Terms Of Sale:	Cash to Seller
Grantor:	Kiley Ranch Communities, Inc.	Time On Market:	N/A
Grantee:	CAV Investments, LLC	Verification:	Public Records, Matt Kiley, Seller Carlos Vasquez, Buyer

This property is Kiley Ranch Village 38 located in the Spanish Springs Valley area of Sparks. This site is surrounded on three sides by dedicated public streets with some additional frontage along Eagle Pass Road. Sparks Boulevard, adjacent to the site, is an arterial roadway. This parcel has level topography and all utilities were reasonably available. The property is zoned New Urban Development and is master planned for Medium Residential uses. In interviews with both the buyer and the seller, who are business associates, it was indicated that the sale was an arm's length market transaction. However, it was indicated that the seller was highly motivated to sell.

**COMPARABLE LAND AERIAL MAP AND DISCUSSION
 SALE LS-3**



Property Name:	Amber Meadows	City:	Reno (North Valleys)
Location:	Reno-Stead Corridor, Between U.S. 395 & North Virginia Street at Seneca Drive	County:	Washoe
A.P.N.:	570-200, et al	State:	Nevada
Topography:	Level to Gently Sloping, Partially Graded	Flood Zone:	Zone "X"
Zoning:	MUNV (Mixed Use North Virginia St.)	Utilities:	All Available
Parcel Acreage:	96.98± Acres	Water Rights:	Adequate for Final 114 Mapped Lots
Number of Units:	339 Potential Lots	Approvals:	114 Final Mapped Lots 225 Tentative Map Expired
Recording Date:	February 19, 2010	Price/Acre:	\$13,920
Sale Price:	\$1,350,000	Transfer Tax:	\$5,535
Document Number:	3851126	Terms of Sale:	Cash to Seller
Grantor:	ILD Assets, LLC	Time on Market:	N/A
Grantee:	SJ&R Amber Properties	Verification:	Washoe County Records & Mr. Robert Schiffmacher, MAI

This comparable is the Amber Meadows subdivision site located in the North Valleys area of Reno. This property is situated between U.S. 395 and North Virginia Street at Seneca Drive. The property is zoned MUNV a Mixed Use North Virginia Street Corridor zoning classification. This property consists of 114 final mapped lots which are partially completed. The property also includes 64± acres of undeveloped land with an expired map for 225 tentative lots. Overall this property has a total potential of 339 lots. The final lots are partially graded as are a number of the proposed streets within the subdivision and underground utilities have been installed. The sale included adequate water rights for the 114 final mapped lots.

**COMPARABLE LAND AERIAL MAP AND DISCUSSION
 SALE LS-4**



Property Name:	Shadow Ridge	City:	Sparks (Spanish Springs)
Location:	1/3± Mile East of Pyramid Hwy, North Side of Horizon View Avenue	County:	Washoe
A.P.N.:	534-450-12	State:	Nevada
Topography:	Level to Gently Sloping, Partially Graded	Flood Zone:	Zone "X"
Zoning:	LDS (Low Density Suburban)	Utilities:	All Reasonably Available
Parcel Acreage:	64.585± Acres	Water Rights:	64.30± Acre Feet
Number of Units:	126 Tentative Lots	Approvals:	126 Tentative Map Lots
Recording Date:	May 7, 2010	Price/Acre:	\$15,378
Sale Price:	\$993,200	Transfer Tax:	\$4,073.36
Document Number:	3879235	Terms of Sale:	Cash
Grantor:	Bank of America, N.A.	Time on Market:	16 Months
Grantee:	Trinity Mills Midway Partners, LTD. & TNK Ryder, L.P.	Verification:	Ryder Homes Representatives

This comparable is located on the east side of Pyramid Highway, ½ mile north of Calle de la Plata in northern Spanish Springs. The listing includes 126 tentatively mapped homesites, comprising of a portion of the Shadow Ridge residential community. This portion of the property does have 85% of the rough grading completed, although infrastructure for the individual lots had not been installed. This property was sold by Bank of America, who previously foreclosed on the property. R & K Homes was the prior owner. The sale included 64.30 acre feet of water rights. This property was previously listed with the adjoining 59 finished lots for \$3,470,000 in June 2009. The adjoining 59 finished lots, two model homes and one partially finished home sold on July 22, 2009 for \$2,450,000.

**COMPARABLE LAND AERIAL MAP AND DISCUSSION
 SALE LS-5**



Property Name:	Copper Canyon Phase 2	City:	Dayton
Location:	W/S Bryce Street at W. Terminus of Moab Lane	County:	Lyon
A.P.N.:	016-021-38	State:	Nevada
Topography:	Basically Level, Partially Graded	Flood Zone:	X, Minimal Flooding Potential
Zoning:	E1/MDR	Utilities:	All Available
Parcel Acreage:	39.59± Acres	Water Rights:	None
Number of Units:	98	Approvals:	Expired
Date of Recording:	September 16, 2011	Price/Acre:	\$12,629
Sale Price:	\$500,000	Transfer Tax:	\$1,950
Document Number:	481896	Terms Of Sale:	Cash to Seller
Grantor:	LP Pioneer Copper, LLC	Time on Market:	N/A
Grantee:	American West Home Sellers, LLC	Verification:	Public Records, Copper Canyon Estates Listing Package

This comparable is Phase 2 of the Copper Canyon Estates located in Dayton. This site is situated a short distance northwest of U.S. Highway 50 on the west side of Bryce Street. The sale parcel is of irregular shape and contains 39.59± acres. The property is adjacent to Phase 1 of Copper Canyon which has been fully improved with 102 lots. The southerly portion of the sale property is encumbered with at 50 foot wide access and public utility easement (future extension of Snow Court) and a 40 foot wide power line easement.

**COMPARABLE LAND AERIAL MAP AND DISCUSSION
 SALE LS-6**



Property Name:	Somerset 5D	City:	Reno (Somerset)
Location:	East of Del Webb Parkway East	County:	Washoe
A.P.N.:	234-490-09	State:	Nevada
Topography:	Level, Graded	Flood Zone:	Zone "X"
Zoning:	PUD (Planned Unit Development)	Utilities:	All Reasonably Available
Parcel Acreage:	20.938± Acres	Water Rights:	None Included
Number of Units:	Expired Tent. Map-113 SFR Lots	Approvals:	Expired
Recording Date:	December 28, 2011	Price/Acre:	\$30,805
Sale Price:	\$645,000	Transfer Tax:	\$2,644.50
Document Number:	4070706	Terms of Sale:	Cash to Seller
Grantor:	Santa Barbara Bank & Trust, NA	Time on Market:	Six Months
Grantee:	Lewis Investment Company of Nevada, LLC	Verification:	Mark Krueger-Grubb & Ellis (Selling Broker)

This comparable is located east of Del Webb Parkway East in the western portion of Somerset, a master planned community in northwest Reno. This site is situated on the north side of Back Nine Trail just east of Del Webb Parkway East. Somerset is one of the premier single family residential projects in the Reno-Sparks area. This property has good mountain views and overlooks a portion of the Somerset Country Club golf course. The site sits on a knoll and the site has been graded. This property was originally approved, through the Somerset Handbook, for development with 240 townhouse units. The property had been subsequently approved with a tentative map for 113 single-family lots, although this map had expired at the time of sale. The property was foreclosed on in June 2011 by the seller in this transaction. The property had been listed for \$900,000 since June 2011, and had seen significant interest; however, the property was subject to approximately \$200,000 in Special Assessments. Ultimately, the seller agreed to sell the property for \$645,000, with the buyer being responsible for the Special Assessments.

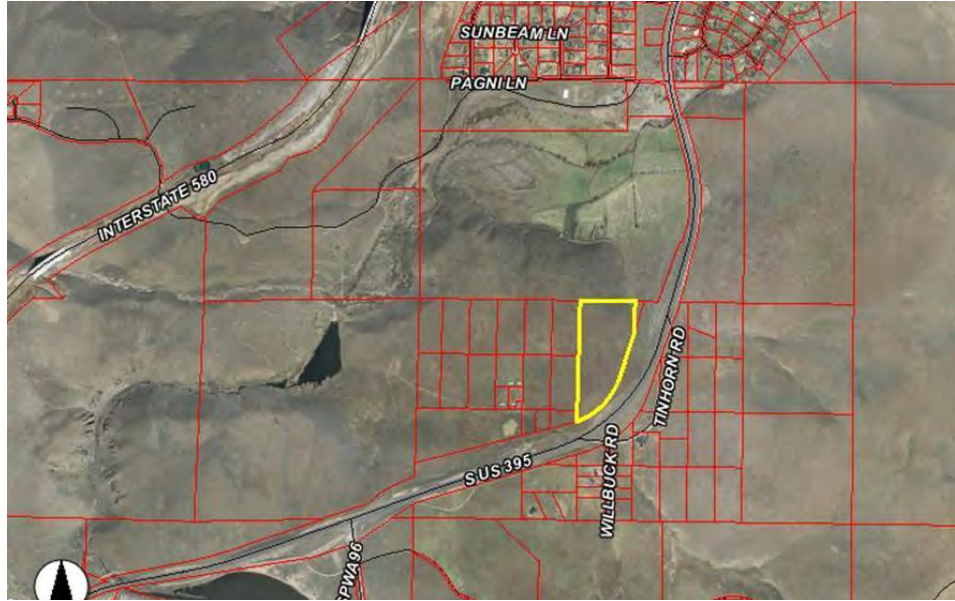
**COMPARABLE LAND AERIAL MAP AND DISCUSSION
 LISTING LL-8**



Property Name:	Schulz Ranch	City:	Carson City
Location:	Between Center Drive & Schulz Drive at the East Terminus of Topsy Land	County:	Carson
A.P.N.:	009-311-65,67,68, 010-671-06 thru 15	State:	Nevada
Topography:	Level to Moderate	Flood Zone:	“X”, Shaded “X”
Zoning:	SR-SPA	Utilities:	Reasonably Available
Parcel Acreage:	90.887± Acres	Water Rights:	Letter of Intent
Number of Units:	8 Final Mapped Lots, 395± Tentative Mapped Lots	Approvals:	403 Projected, 8 Final Mapped Lots, 395± Tentative Mapped Lots
List Status:	Current Listing	Price per Acre:	\$9,902
Asking Price:	\$900,000	Terms of Sale:	N/A
Owner of Record:	F B Holdings, LLC (Bank Owned)	Verification:	Peter Ghishan, Commercial Partners of Nevada

This listing is the Schulz Ranch site located between Center Drive and Schulz Drive at the east terminus of Topsy Lane in southeast Carson City. The ownership contains 90.887± acres of gross land area. The topography of the site varies from generally level to moderately sloping. The property is essentially raw land at the present time as no lots have been completed and it requires the extension of infrastructure including water and sewer services as well as interior roadways, prior to development. The map approvals have been extended to August 21, 2014. Mr. Ghishan did indicate that the list price was recently reduced from \$1,120,000 (\$12,378/acre) to \$900,000 (\$9,902/acre).

**COMPARABLE LAND AERIAL MAP AND DISCUSSION
 LISTING LL-9**



Property Type:	Vacant Land	City:	Washoe Valley
Location:	West side of U.S. 395 Highway, ½ mile south of Pagni Ln.	County:	Washoe
A.P.N.:	046-090-27	State:	Nevada
Topography:	Steeply Sloping	Flood Zone:	Zone "X"
Zoning:	MDS/MDR (Medium Density Suburban/Medium Density Rural)	Utilities:	Reasonably Available
Parcel Acreage:	17.09± Acres	Shape:	Slightly Irregular
Approvals:	None other than zoning	Water Rights:	None
Listing Date:	Current Listing	Views:	Mountain
Asking Price:	\$550,000	Price Per Acre:	\$32,183
Document Number:	N/A	Terms of Sale:	N/A
Transfer Tax:	N/A	Time on Market:	Approximately 3.5 years
Owner of Record:	Jacob Saeedi, et al	Proposed Use:	N/A
Grantee:	N/A	Verification:	MLS, Barbara Rainey, Coldwell Banker Best Sellers

This property is located on the west side of U.S. 395 approximately one-half mile south of Pagni Lane in the Pleasant Valley area of Washoe County. This comparable involves moderate to steeply sloping topography. It is our understanding that the property has the possibility for development of up to 32 lots for residential homesites. The site is zoned Medium Density Suburban and Medium Density Rural. The site features views of the Sierra Nevada Mountains to the southwest. Since its original listing, the asking price has been reduced numerous times. The listing agent indicated that she had not received any real interest in the reduced asking price of \$550,000. The owner has considered dropping the asking price to \$300,000 or \$17,554 per acre.

**COMPARABLE LAND SALES DISCUSSION AND COMPARISON
(Subject's Larger Parcel - 32.48± Acres)**

To arrive at an estimate of the Market Value of the subject's larger parcel, six land sales and two listings were considered. The comparable sales occurred between January 2010 and March 2012. Sales of raw, undeveloped land have been very limited. Therefore, current listings of comparable properties have been included. The comparables range in size between 17.09± acres and 96.98± acres, in comparison to the subject's 32.48± acres. The comparables range in sale price from \$9,056 per acre and \$32,183 per acre.

The comparable properties utilized in this analysis will be compared and correlated to the subject property based upon several adjustment criteria. These include property rights conveyed, financing terms, conditions of sale, market conditions, location, zoning/use and physical characteristics. The next step in this analysis is to analyze each comparable and make appropriate qualitative adjustments for numerous factors. Due to the very limited number of comparables and the heterogeneous nature of the data, it is not possible to extract credible quantitative adjustments; therefore qualitative adjustments will be applied to each of the sales and listings for various elements of comparison in order to achieve comparability to the subject property.

Consideration is also given to current market conditions. As is the case across the nation, the demand for new residential development in the Northern Nevada has declined significantly over the past few years. Based upon interviews with real estate developers and land brokers, it is generally recognized that the market was experiencing increased prices through 2006, at which time the market peaked. Subsequently, the market experienced very soft market conditions and extended marketing times resulting in a dramatic decline in residential subdivision land prices.

The following analysis will compare and correlate the sales in order to estimate the market value of the subject's larger parcel.

Adjustments to Sales

As each of the sales involved fee simple cash or cash equivalent transactions, no adjustments are necessary due to property rights conveyed or terms of sale.

Sale LS-1 is the April 2009 sale of a 60.11± acre site located 1/4± mile northeast of the northeast terminus of Buckskin, 1/3± mile east of Lakeview Road in northwest Carson City.

In comparison to the subject property, this comparable requires a large downward adjustment due to its older date of sale in a declining market. A downward adjustment is required due to this comparable's superior views, however, this adjustment is considered to be offset somewhat due to the presence of Ash Canyon Creek on the subject parcel. This comparable is similar to the subject in regards to zoning. However, this sale included a tentative subdivision map for 16 units which roughly equates to 3.75± acre lots, indicating a lower density than the subject's potential at 1/3 to one acre lots. Overall, a minor downward adjustment is indicated as the sale did include a tentative map, however, this adjustment is considered to be offset by the subject's potential for a higher density. A minor downward adjustment is required due to this property's Flood Zone "D", which denotes areas of moderate flood hazard. As previously noted, the subject is in a Zone "AO" floodplain. On the other hand, an upward adjustment is required due to the subject's superior access. An upward adjustment is warranted due to the subject's superior topography. This comparable requires upward adjustments due to the subject's superior access to utilities and much smaller size. This comparable is considered similar to the subject in regards to its location and shape.

Overall, Sale LS-1, at \$16,636 per acre, is considered to be a low indication of an appropriate per acre value for the subject site.

Sale LS-2 is the February 2010 sale of Kiley Ranch Village 38 located in the Spanish Springs Valley area of Sparks. In comparison to the subject property, this comparable requires a downward adjustment due to its older date of sale in a declining market. This sale

property requires a downward adjustment due to its superior location and street frontage. A downward adjustment is required due to this comparable's higher potential density of 4.76 units per acre as compared to the subject at 1.00 to 3.00 units per acre. Downward adjustments are warranted as this property was partially graded, due to its smaller size, and as it is outside the floodplain. On the other hand, this comparable requires upward adjustments due to the subject's views and as Ash Canyon Creek traverses the subject. Ash Canyon Creek is considered an enhancement to the subject as it could be incorporated into a common area use such as a greenbelt and trail for a single family residential subdivision development on the subject site.

Overall, Sale LS-2, at \$19,041 per acre, is considered to be a high indication of an appropriate per acre value for the subject's larger parcel.

Sale LS-3 is the February 2010 sale of the Amber Meadows subdivision site located in the North Valleys area of Reno. This property is situated between the U.S. 395 freeway and North Virginia Street at Seneca Drive.

In comparison to the subject property, this comparable requires a downward adjustment due to its date of sale. This sale property requires downward adjustments as it included final mapped lots for 114 of its projected 339 units and water rights for the final mapped lots. A downward adjustment is required due to this comparable's higher potential density. A downward adjustment is warranted as this property was partially graded, at the time of sale. A downward adjustment is required due to this comparable's Flood Zone "X". On the other hand, this comparable requires a large upward adjustment due to its much larger size as compared to the subject. A large upward adjustment is required due to this comparable's remote location, in the North Valley's area of Reno. Upward adjustments are required due to the subject's superior views, the presence of Ash Canyon Creek and situs proximate to higher end subdivision development.

Overall, Sale LS-3, at \$13,920 per acre, is considered to be a low indication of an appropriate per acre value for the subject's larger parcel.

Sale LS-4 is the May 2010 sale of a 64.585± acre parcel of land located on the east side of Pyramid Highway, north of Calle de la Plata in the Spanish Springs area of Sparks. This property is a portion of the Shadow Ridge community.

In comparison to the subject property, this comparable requires a downward adjustment due to its date of sale. This sale property requires a downward adjustment as it included 64.59± acres of water rights. Downward adjustments are warranted as this property was partially graded and is situated outside the floodplain. This comparable did include tentative subdivision map approvals, however due to weak market demand only a minor downward adjustment is warranted. On the other hand, this comparable requires a large upward adjustment due to its much larger size as compared to the subject. A large upward adjustment is required due to this comparable's remote location on the Pyramid Lake Highway. An upward adjustment is required due to the subject's superior views, the presence of Ash Canyon Creek and the subject's situs proximate to higher end subdivision development.

Overall, Sale LS-4, at \$15,378 per acre, is considered to be a low indication of an appropriate per acre value for the subject's larger parcel.

Sale LS-5 is the September of 2011 sale of Phase 2 of the Copper Canyon Estates, containing 39.59± acres located in Dayton, Lyon County.

In comparison to the subject property, this comparable requires a minor downward adjustment due to its date of sale. Downward adjustments are warranted as this property was partially graded at the time of sale and is situated outside the floodplain. On the other hand, this comparable requires a large upward adjustment due to the subject's superior closer-in location. Upward adjustments are required due to the subject's superior views, the presence

of Ash Canyon Creek and the subject's situs proximate to higher end subdivision development.

Overall, Sale LS-5, at \$12,629 per acre, is considered to be a very low indication of an appropriate per acre value for the subject's larger parcel.

Sale LS-6 is the December 2011 sale of Sumersett D located in the western portion of Somersett, a master planned community in northwest Reno. This site is situated on the north side of Back Nine Trail just east of Del Webb Parkway East. Somersett is one of the premier single family residential projects in the Reno-Sparks area. This property has good mountain views and overlooks a portion of the Somersett Country Club golf course. The site sits on a knoll and the site has been graded.

In comparison to the subject property, this comparable requires a large downward adjustment due to its superior location. A large downward adjustment is required due to this comparable's much higher potential density as compared to the subject. Downward adjustments are warranted as this property was graded at the time of sale, due to its smaller size and as it is situated outside the floodplain. A downward adjustment is required due to the comparable's superior views. On the other hand, this comparable requires an upward adjustment due to the presence of Ash Canyon Creek which traverses the subject's larger parcel.

Overall, Sale LS-6, at \$30,805 per acre is considered to be a very high indication of an appropriate per acre value for the subject's larger parcel.

Sale LS-7 involves a 90.105± acre parcel in Cabernet Highlands in the Golden Valley area of North Reno.

In comparison to the subject property, downward adjustments are required due to this comparable's superior topography and as the majority of the sale property is situated outside

the floodplain. This comparable did include tentative subdivision map approvals, however; due to weak market demand only a minor downward adjustment is warranted. On the other hand, this comparable requires a large upward adjustment due to its much larger size. A large upward adjustment is required due to this comparable's remote location, in the North Valley's area of Reno. Upward adjustments are required due to the subject's superior views, the presence of Ash Canyon Creek and situs proximate to higher end subdivision development.

Overall, Sale LS-7, at \$9,056 per acre, is considered to be a very low indication of an appropriate per acre value for the subject's larger parcel.

Listing LL-8 is the 90.887± acre Schulz Ranch property, located in southeast Carson City.

In comparison to the subject property, downward adjustments are required as this comparable includes water rights and as the sale property is situated outside the floodplain. This comparable did include 5 final mapped lots and 395± tentative subdivision map approvals, however; due to weak market demand only a minor downward adjustment is considered warranted. A downward adjustment is required due to this comparable's higher potential density. A downward adjustment is required due to this comparable's listing status. On the other hand, this comparable requires a large upward adjustment due to the subject's superior location. A large upward adjustment is required due to this comparable's much larger size. Upward adjustments are required due to the subject's amenities including superior views and Ash Canyon Creek.

Overall, Listing LL-8, at \$9,902 per acre is considered to be a very low indication of an appropriate per acre value for the subject's larger parcel.

Listing LL-9 is located on the west side of U.S. 395 approximately ½ mile south of Pagni Lane in Washoe Valley. It is noted that this site has been available for sale for a number of years. It was listed in 2008 at an asking price of \$850,000 and is currently

available for \$550,000. The listing agent did note that the owners are considering dropping the asking price to \$300,000 which equates to \$17,554 per acre.

In comparison to the subject property, this comparable requires a downward adjustment due to its much smaller size. A downward adjustment is required due to this comparable's Flood Zone "X". On the other hand, this comparable requires a large upward adjustment due to its steeply sloping topography. An upward adjustment is required due to the subject's superior location and the presence of Ash Canyon Creek which traverses the subject site.

In light of current market conditions, and the significant decline in land values over the past few years, the asking price of \$550,000 or \$32,183 per acre, is considered to be well above current market levels. On the other hand, the \$17,554 per acre asking price, which is under consideration by the property owners, is considered to be more indicative of current market levels.

To summarize, Sale LS-6, at \$30,805 per acre, was considered to be a very high indication of an appropriate per acre value for the subject's larger parcel. Listing LL-9, at \$32,183 per acre, was considered to be a very high indicator, however, the potential reduced asking price of \$17,554 per acre is considered to be more indicative of current market levels. Sale LS-2, at \$19,041 per acre, was considered to be a high indicator. Sales LS-3 and LS-7 and Listing LL-8, at \$9,056 to \$12,629 per acre, were considered to be very low indicators. Sales LS-1 and LS-4, at \$15,378 to \$16,378 per acre were considered to be low indicators.

In estimating an appropriated per acre land value for the subject, consideration has been given to its good location in west Carson City, proximate to higher end single family residential development including the Wellington Crescent Subdivision. Wellington Crescent is one of the most desirable residential developments in the Carson City area and includes good quality, upper end custom built homes on larger lots in a desirable, more rural setting. Consideration is given to the subject's accessibility, topography, size, development potential,

views and Ash Canyon Creek amenities, and other physical characteristics. Consideration is also given to its presence in a floodplain. Consideration is also given to the very limited demand for development land and current soft real estate market conditions.

Overall, based upon a review of the available data, it is our opinion that a per unit land value applicable to the subject's 32.48± acre larger parcel, as of June 21, 2012, is \$17,500 per acre. Applying the \$17,500 per acre value to the subject's 32.48± acres results in an indicated fee simple value of the subject's hypothetical parcel of \$568,400, which is rounded to \$570,000.

FINAL LAND VALUE CONCLUSION
(Subject's Larger Parcel - 32.48± Acres)

\$570,000

FINAL PER ACRE VALUE CONCLUSION

\$17,500/ACRE

SUBJECT EXCHANGE PARCEL ONE PHOTOGRAPHS



VIEW LOOKING WESTERLY TOWARD THE SUBJECT PARCEL ONE FROM THE WEST TERMINUS OF ASH CANYON ROAD



VIEW LOOKING EASTERLY TOWARD THE EASTERLY PORTION OF SUBJECT EXCHANGE PARCEL ONE

SUBJECT EXCHANGE PARCEL ONE PHOTOGRAPHS



**VIEW LOOKING WESTERLY TOWARD THE WESTERLY PORTION OF
SUBJECT EXCHANGE PARCEL ONE**



**VIEW LOOKING EASTERLY TOWARD SUBJECT EXCHANGE PARCEL ONE
FROM ITS NORTHWEST CORNER**

**DESCRIPTION OF SUBJECT EXCHANGE PARCEL ONE
(2.90± Acre Parcel)**

Assessor's Parcel Number	A portion of 007-101-56
Location	Directly west of the west terminus of Ash Canyon Road, being the very northerly portion of the subject's larger parcel, Carson City, Nevada.
Owner of Record	Joost Land & Cattle Company, Inc.
Land Area	2.90± Acres

Subject Exchange Parcel One contains 2.90± acres of land area and is long and narrow running the length of the north portion of the subject's larger parcel in an east-west direction. Subject Exchange Parcel One varies in width from 60± feet along its east boundary and 120± feet in width at its west boundary. The acquisition area has generally level to upsloping topography to the northwest. This parcel is improved with a graded access road providing ingress and egress to parcels which are under the ownership of Carson City to the west and to the north of the Joost Ranch.

**INDICATED VALUE OF SUBJECT EXCHANGE PARCEL ONE
(As Part of Larger Parcel)**

As previously described, the subject property is involved in a possible land exchange between the property owner (Joost Land & Cattle Company, Inc) and Carson City. As was previously indicated, the fee simple value for the subject's larger parcel has been estimated to be \$17,500 per acre. Applying the indicated per unit value to the Subject Exchange Parcel One land area of 2.90± acres, results in an indicated fee simple value of \$50,750. As a result, it is our opinion that the indicated value of the Subject Exchange Parcel One, as of June 21, 2012, is as follows:

<u>SUBJECT EXCHANGE PARCEL ONE VALUE CONCLUSION</u> (2.90± Acre Parcel)	<u>\$50,750</u>
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SUBJECT EXCHANGE PARCEL TWO PHOTOGRAPHS



**VIEW LOOKING NORTHEASTERLY TOWARD THE NORTHERLY LEG OF
SUBJECT EXCHANGE PARCEL TWO**



**VIEW LOOKING EASTERLY TOWARD THE NORTHERLY PORTION OF
SUBJECT EXCHANGE PARCEL TWO**

SUBJECT EXCHANGE PARCEL TWO PHOTOGRAPHS



**VIEW LOOKING NORTHERLY TOWARD THE SOUTHERLY PORTION OF
SUBJECT EXCHANGE PARCEL TWO**



**VIEW LOOKING SOUTHERLY TOWARD THE SOUTHERLY PORTION OF
SUBJECT EXCHANGE PARCEL TWO**

SUBJECT EXCHANGE PARCEL TWO EXHIBIT MAP



TOTAL LAND AREA: 1.50± ACRES

**DESCRIPTION OF SUBJECT EXCHANGE PARCEL TWO
(1.50± Acre Parcel)**

Assessor's Parcel Number	A portion of 007-101-10
Location	1/4± mile northwest of the west terminus of Ash Canyon Road, being the very southwesterly portion of the subject's larger parcel, Carson City, Nevada.
Owner of Record	Carson City
Land Area	1.50± Acres

Subject Exchange Parcel Two contains 1.50± acres of land area and is long and narrow arching along the southwest corner of the subject's larger parcel in a generally northeasterly to southwesterly direction. Subject Exchange Parcel Two varies in width from 85± feet along its south boundary and 100± feet in width along its north boundary. The acquisition area has undulating topography varying from level at its north leg to up sloping to the southwest.

**INDICATED VALUE OF SUBJECT EXCHANGE PARCEL TWO
(As Part of Larger Parcel)**

As previously described, the subject property is involved in a possible land exchange between the property owner (Carson City) and Joost Land & Cattle Company, Inc. As was previously indicated, the fee simple value for the subject's larger parcel has been estimated to be \$17,500 per acre. Applying the indicated per unit value to the Subject Exchange Parcel Two land area of 1.50± acres, results in an indicated fee simple value of \$26,250. As a result, it is our opinion that the indicated value of the Subject Exchange Parcel Two, as of June 21, 2012, is as follows:

<u>SUBJECT EXCHANGE PARCEL TWO VALUE CONCLUSION</u> (1.50± Acre Parcel)	<u>\$26,250</u>
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APPRAISER'S CERTIFICATION

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

- We have made a personal inspection of the property that is the subject of this report.
- We have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- To the best of our knowledge and belief, the statements of fact contained in this appraisal report, upon which the analysis, opinions, and conclusions herein are based, are true and correct.
- This report sets forth all the limiting conditions (imposed by the terms of my assignment or by the undersigned) affecting the analysis, opinions, and conclusions contained in this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute*, which include the *Uniform Standards of Professional Appraisal Practice*.
- Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- The appraisal was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- No one other than the undersigned prepared the analyses, conclusions and opinions concerning real estate that are set forth in this appraisal report.
- The Appraisal Institute conducts a mandatory program of continuing education for its designated members. As of the date of this report, Stephen R. Johnson and Cindy Lund Fogel have completed the requirements under the continuing education program of the Appraisal Institute.
- We have the knowledge, the experience and the geographic competency to complete this appraisal assignment and have appraised this property type before.
- Neither we nor our current employer have been sued by a regulatory agency or financial institution for fraud or negligence involving appraisal services.

- Stephen R. Johnson and Cindy Lund Fogel have performed a previous appraisal involving the subject property within the three years prior to this assignment.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- These appraisers have appraised the subject property within the preceding three years.

After careful consideration of all data available, and upon thorough personal investigation of the subject properties and the comparable properties analyzed, it is our opinion that the Market Value of the subject properties' fee simple estate, under the extraordinary assumptions and hypothetical conditions set forth herein, as of June 21, 2012, are set out as follows:

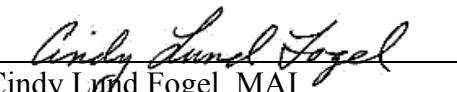
SUBJECT EXCHANGE PARCEL ONE VALUE CONCLUSION **\$50,750**
(2.90± Acre Parcel, Joost Land & Cattle Company, Inc.)

SUBJECT EXCHANGE PARCEL TWO VALUE CONCLUSION **\$26,250**
(1.50± Acre Parcel, Carson City)

Respectfully submitted,



Stephen R. Johnson, MAI, SREA
Nevada Certified General Appraiser
License Number A.0000003-CG



Cindy Lund Fogel, MAI
Nevada Certified General Appraiser
License Number A.0002312-CG

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

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

LIMITS OF LIABILITY

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

COPIES, PUBLICATION, DISTRIBUTION AND USE OF REPORT

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

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

CONFIDENTIALITY

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

INFORMATION SUPPLIED BY OTHERS

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

TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE

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

EXHIBITS AND PHYSICAL DESCRIPTIONS

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

TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS

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

ENGINEERING, STRUCTURAL, MECHANICAL, ARCHITECTURAL CONDITIONS

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

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

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

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

TOXIC MATERIALS AND HAZARDS

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

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

SOILS, SUB-SOILS, AND POTENTIAL HAZARDS

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

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

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

ARCHEOLOGICAL SIGNIFICANCE

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

LEGALITY OF USE

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

COMPONENT VALUES

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

COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

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

AUXILIARY AND RELATED STUDIES

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

DOLLAR VALUES AND PURCHASING POWER

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

ROUNDING

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

QUANTITATIVE ANALYSIS

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

VALUE CHANGE, DYNAMIC MARKET, ALTERATION OF ESTIMATE BY APPRAISER

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

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

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

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

ECONOMIC AND SOCIAL TRENDS

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

EXCLUSIONS

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

SUBSURFACE RIGHTS

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

PROPOSED IMPROVEMENTS, CONDITIONED VALUE

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

MANAGEMENT OF PROPERTY

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

FEE

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

LEGAL EXPENSES

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

CHANGES AND MODIFICATIONS

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

DISSEMINATION OF MATERIAL

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

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

**QUALIFICATIONS OF APPRAISER
STEPHEN R. JOHNSON**

Professional Designations

MAI - Member Appraisal Institute (Certified through 2012)	1976
SREA - Senior Real Estate Analyst; Society of Real Estate Appraisers	1984

State Licensing and Certification

Certified General Appraiser-State of Nevada License #A.0000003-CG (Certified through 04/30/2013)	1991
Certified General Appraiser-State of California License #AG007038 (Certified through 06/18/2013)	1992

Association Memberships and Affiliations

Member Reno Board of Realtors	
Member Nevada Association of Realtors	
International Right-of-Way Association	
Member Nevada State Board of Equalization - (Appointed by Governor Richard Bryan, January 1984 & 1988)	1984-1991
(Appointed by Governor Kenny C. Guinn, March 2000 & 2004)	2000-2008
Member Nevada Commission of Appraisers of Real Estate - (Appointed by Governor Bob Miller, August 7, 1989)	1989-1994
Commissioner, Nevada Commission of Appraisers of Real Estate (Appointed by Governor Jim Gibbons)	2009-Present

Offices Held

Chairman, National Ethics Administration Division	1995
Vice Chairman, National Ethics Commission	1993/94
Regional Member, Ethics Administration Appraisal Institute, Region I	1989-1992
President, Sierra-Nevada Chapter #60, AIREA -	1989
Vice President, Sierra-Nevada Chapter #60, AIREA -	1988
Secretary, Sierra-Nevada Chapter #60, AIREA -	1987
Vice Governor District 3 (Northern California & Nevada) Society of Real Estate Appraisers (SREA) -	1980-1981
Past President & Membership Chairman - Reno/Carson/Tahoe Chapter #189	
Member 1976 Young Men's Council, SREA, Atlanta, Georgia	
Discussion Leader 1977 Young Men's Council, SREA, Las Vegas, Nevada	

**QUALIFICATIONS OF APPRAISER
STEPHEN R. JOHNSON**

Offices Held (continued)

Elected 1 of 2 National Representatives to the International Board of Governors of the SREA, representing the Young Men's Council -	1977
International Professional Practice Committee, SREA -	1978-1981
International Conference Committee, SREA -	1978 & 1979
National Candidates Guidance Committee of the American Institute of Real Estate Appraisers (AIREA) -	1978-1981
Chairman National Division of Member and Chapter Services, AIREA -	1981
Board of Directors Northern California Chapter #11, AIREA -1	1980
Admissions Committee, Sierra-Nevada Chapter #60, AIREA	
Board of Directors, Sierra-Nevada Chapter #60, AIREA	1984-1986
Board of Directors, Reno-Carson-Tahoe Chapter	

Appraisal Experience

Independent Fee Appraiser	1976 to present
President, Stephen R. Johnson & Associates	1976-1992
President, Johnson - Wright & Associates	
President, Johnson - Perkins & Associates (Staff of 11 Appraisers)	1994 to present
Alves Appraisal Associates	1972-1976
Alves-Kent Appraisal Associates	1970-1972

Qualified as an Expert Witness

Nevada District Courts:
Washoe County, Carson City, Douglas County,
and Elko County

U.S. Bankruptcy Courts:
Reno, Las Vegas, Sacramento, and Los Angeles

U.S. District Court, San Francisco, California

United States Tax Court

Arizona Superior Court, Maricopa County, Phoenix

Douglas County Board of Equalization

Washoe County Board of Equalization

Nevada State Board of Equalization

King County Superior Court, Seattle, Washington

**QUALIFICATIONS OF APPRAISER
STEPHEN R. JOHNSON**

Formal Education

Reno High School Graduate -	1966
Bachelor of Science Degree in Business Administration Majoring in Real Estate, from the University of Nevada, Reno -	1972

Appraisal Education

University of Nevada:	
B.A. 430 Real Estate Evaluation	1970
B.A. 432 Real Estate Appraisal Problems	1971
American Institute of Real Estate Appraisers:	
Course 1A Basic Appraisal Principles, Methods & Techniques, San Francisco, CA	1972
Course 1B Capitalization Theory & Techniques, San Francisco, California	1973
Course 2 Urban Properties, San Francisco, California	
Course 6 Investment Analysis, Memphis, Tennessee	1976
Society of Real Estate Appraisers:	
Course 301 Special Applications of Appraisal Analysis, Pomona, California	1974

Numerous Continuing Education Seminars and Courses

Appraisal Instructor

Nevada Association of Realtors
Department of Commerce, Real Estate Division, State of Nevada
Appraisal "A" Residential Appraising
Appraisal "B" Apartment and Commercial Property Appraising
Western Nevada Community College
R.E. 206 Real Estate Appraising
Northern Nevada Real Estate School
Real Estate Appraisal

QUALIFICATIONS OF APPRAISER
STEPHEN R. JOHNSON
REPRESENTATIVE APPRAISAL CLIENTS AND PROPERTIES

BARTON MEMORIAL HOSPITAL
CITY OF RENO
CITY OF SPARKS
COLONIAL BANK
R.J.B. DEVELOPMENT COMPANY CARSON CITY
DOUGLAS COUNTY
LINCOLN COUNTY
LYON COUNTY
WASHOE COUNTY
MINERAL COUNTY
EMERALD BAY POST OFFICE
NEVADA STATE PARK SYSTEM
NEVADA STATE DEPT. OF TRANSPORTATION
NEVADA STATE DIVISION OF LANDS
NEVADA ATTORNEY GENERAL'S OFFICE
U.S. DEPARTMENT OF NAVY
U.S. FOREST SERVICE
FNMA - REGIONAL OFFICE
INTERNAL REVENUE SERVICE
FEDERAL TRADE COMMISSION
WASHOE COUNTY REGIONAL TRANS.
RENO TAHOE AIRPORT AUTHORITY
TAHOE REGIONAL PLANNING AGENCY
CALIFORNIA ATTY GENERAL'S OFFICE
CALIFORNIA TAHOE CONSERVANCY
CITY OF SOUTH LAKE TAHOE
PLACER COUNTY REDEVELOPMENT AGENCY
NEW HAMPSHIRE DEPARTMENT OF JUSTICE
MISSOURI HWY AND TRANS. DEPT COMMISSION
IDAHO TRANSPORTATION DEPARTMENT
COLONIAL BANK
PLUMAS BANK
SECURITY BANK OF NEVADA
LIBERTY BANK
FIRST INDEPENDENT BANK OF NV
NORTHERN NEVADA BUSINESS BANK
NEVADA STATE BANK
UNION BANK
VALLEY BANK OF NEVADA
BANK OF AMERICA
THE BANK OF CALIFORNIA
CROCKER NATIONAL BANK
WELLS FARGO BANK
B OF A TRUST DEPARTMENT
FIRST FEDERAL SAVINGS & LOAN
FIRST WESTERN SAVINGS & LOAN
AMERICAN SAVINGS AND LOAN
NEVADA SAVINGS & LOAN
DILORETO CONST. & DEVELOPMENT
DERMODY PROPERTIES
TRAMMELL CROW CO.
MCKENZIE PROPERTIES
HOMEWOOD HIGH & DRY MARINA
TAHOE KEYS MARINA
TAHOE CITY MARINA

WASHOE MEDICAL CENTER
PLAZA RESORT CLUB
ROYAL BANK OF SCOTLAND
CARSON-TAHOE HOSPITAL
JOHNNY RIBEIRO BUILDER
KEEVER CONSTRUCTION COMPANY
SIERRA PACIFIC POWER COMPANY
SOUTH LAKE TAHOE PUBLIC UTILITY DIST.
TAHOE DOUGLAS SEWER DISTRICT
GLENBROOK WATER COMPANY
TAHOE PARK WATER COMPANY
NORTH FOOTHILL APARTMENTS
MEADOWOOD APARTMENTS
WOODSIDE VILLAGE APARTMENTS
SIERRA WOODS APARTMENTS
AMESBURY PLACE APARTMENTS
SUNDANCE APARTMENTS
KEYSTONE SQUARE SHOPPING CTR.
POZZI MOTORS
CARSON CITY DATSUN-AMC-JEEP
LEMMON VALLEY LAND COMPANY
CONSOLIDATED FREIGHTWAYS
RINGSBY UNITED
SYSTEMS 99
EASTMAN KODAK
HALLMARK CARDS
OSCAR MEYER AND COMPANY
GENERAL ELECTRIC
CHEMETRO
CITY SERVICES MINERAL CO.
SUPERIOR OIL COMPANY
TRAVELERS INSURANCE
FARMERS INSURANCE COMPANY
FIRST AMERICAN TITLE CO. OF NV.
FIDELITY TITLE INSURANCE CO
MERRILL LYNCH RELOCATION
YOUNG ELECTRIC SIGN COMPANY
THE TRUST FOR PUBLIC LANDS
THE TRUCKEE DONNER LAND TRUST
THE CONSERVATION FUND
THE NATURE CONSERVANCY
SUGAR BOWL SKI RESORT
THE FEATHER RIVER LAND TRUST
SKI INCLINE RESORT
KIRKWOOD ASSOCIATES
NORTHSTAR
SQUAW VALLEY U.S.A.
LEWIS HOMES OF NEVADA
SYNCON HOMES
MGM GRAND HOTEL CASINO & THEME PARK
EL DORADO HOTEL - CASINO
COMSTOCK HOTEL - CASINO
LAKESIDE INN HOTEL - CASINO
RAMADA EXPRESS HOTEL - CASINO

**QUALIFICATIONS OF APPRAISER
 CINDY LUND FOGEL**

Professional Designations

MAI – Member of the Appraisal Institute 2000

State Licensing and Certification

Nevada Certified General Appraiser
 License #A.0002312-CG (Certified through 5/31/14) 1996

Offices Held

Board of Director, Reno/Carson/Tahoe Chapter Appraisal Institute	2011/2012
President, Reno/Carson/Tahoe Chapter Appraisal Institute	2009/2010
Vice President, Reno/Carson/Tahoe Chapter Appraisal Institute	2008
Education Chair, Reno/Carson/Tahoe Chapter Appraisal Institute	2006
Education Chair, Reno/Carson/Tahoe Chapter Appraisal Institute	2003
Education Chair, Reno/Carson/Tahoe Chapter Appraisal Institute	2002
President, Reno/Carson/Tahoe Chapter Appraisal Institute	2001
Vice President, Reno/Carson/Tahoe Chapter Appraisal Institute	2000
Treasurer, Reno/Carson/Tahoe Chapter Appraisal Institute	1999
Secretary, Reno/Carson/Tahoe Chapter Appraisal Institute	1998

Occupational History

Johnson - Perkins & Associates Real Estate Appraiser	1994 - Present
Johnson - Wright & Associates Real Estate Appraiser	1992 - 1994
Stephen R. Johnson & Associates Real Estate Appraiser	1990 - 1992

Admitted as Expert Witness

Washoe County Board of Equalization
 Nevada State Board of Equalization

Appraisal Education & Technical Training

Real Estate 103 and 202	1986
Real Estate Financing	1986
American Institute of Real Estate Appraisers	1991
Course 1A-1 "Real Estate Appraisal Principles"	
Course 1A-2 "Basic Valuation Procedures"	
Course 1BA "Cap Theory & Tech, Part A"	1992
Course 1BB "Cap Theory & Tech, Part B"	
Nevada Law (NRS 645C)	1993

**QUALIFICATIONS OF APPRAISER
 CINDY LUND FOGEL**

Appraisal Education & Technical Training (Continued)

Standards of Professional Practice Parts A & B	1993
Advanced Applications	1993
Report Writing and Valuation Analysis	1995
Case Studies in Law and Ethics	1998
Standards of Professional Practice, Part C	1998
Advanced Income Capitalization	1999
Standards of Professional Practice, Part C	2000 & 2002
7-Hour National USPAP Update Course	2004
7-Hour National USPAP Update Course	2006
Cost Approach to Commercial Appraising	2006
Uniform Appraisal Standards/Federal Land Acquisitions	2007
7-Hour National USPAP Update Course	2007
7-Hour National USPAP Update Course	2008
Business Practices and Ethics	2008
Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book)	2009
7-Hour National USPAP Update Course	2010
Business Practices and Ethics	2010

Appraisal Seminars

Corridor Valuation & Yellow Book Issues and Divided Partial Interests	2010
The Lending World in Crisis – What Clients Need There Appraisers to Know	2011
Qualitative Analysis: How and Why It Is Important	2011
Diminution of Value and Severance Damages 2011	
Forecasting Revenue/Appraising Distressed Commercial Real Estate	2009
Valuation of Easements and Other Partial Interests	2009
Construction Defects and Cost Trends & Feasibility Analysis	2008
Valuation of Detrimental Conditions	2008
Spotlight on Common Errors & Confidentiality USPAP Issues	2008
The Essentials, Current Issues & Misconceptions in Appraising	2007
Attacking & Defending an Appraisal in Litigation	2007
Market Analysis and Site to do Business	2006
Analyzing Distressed Properties	2005
Appraising From Blueprints and Specifications 2005	
Appraisal Valuation Modeling	2004
Subdivision Valuation	2004
The Road Less Traveled: Special Purpose Properties	2004
Scope of Work Seminar	2003
Appraisal Consulting: A Solutions Approach for Professionals	2002

Formal Education

University of Nevada-Reno: Bachelor of Arts, College of Arts and Science	1989
Truckee Meadows Community College, Associate in Arts	1984
Sparks High School, Sparks, Nevada	1975

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR
Contract No. 1112-199

Appraisal Services for Joost Ranch - Exchange

THIS CONTRACT is made by and between the City and County of Carson City, a political subdivision of the State of Nevada, hereinafter referred to as the "**CITY**", and Johnson-Perkins & Associates, Inc., hereinafter referred to as the "**CONTRACTOR**".

1 CONTRACT TERM:

1.1 This Contract shall be effective from June 4, 2012 to July 30, 2012, unless sooner terminated by either party in accordance with its terms.

2 CONSIDERATION:

2.1 The parties agree that **CONTRACTOR** will provide the **SERVICES** specified in **Section 3 Scope of Work** and **CITY** agrees to pay **CONTRACTOR** the **CONTRACT SUM** for a not to exceed maximum amount of Four Thousand Dollars and No Cents (\$4,000.00).

2.2 **CONTRACT SUM** represents full and adequate compensation for the completed **SERVICES**, and includes the furnishing of all materials; all labor, equipment, tools, and appliances; and all expenses, direct or indirect, connected with the proper execution of the **SERVICES**.

2.3 **CITY** has provided a sample invoice and **CONTRACTOR** shall submit its request for payment using said sample invoice.

2.4 Payment by **CITY** for the **SERVICES** rendered by **CONTRACTOR** shall be due within thirty (30) calendar days from the date **CITY** acknowledges that the performance meets the requirements of this Contract or from the date the correct, complete, and descriptive invoice is received by **CITY** employee designated on the sample invoice, whichever is the latter date.

2.5 **CITY** does not agree to reimburse **CONTRACTOR** for expenses unless otherwise specified.

2.6 The continuation of this Contract beyond June 30, 2012 is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the Carson City Board of Supervisors.

For P&C Use Only	
CCBL expires	_____
GL expires	_____
AL expires	_____
PL expires	_____
WC expires	_____

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3 NOTICE:

3.1 All notices or other communications required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by e-mail, by telephonic facsimile, or by certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address specified below.

3.1.1 Notice to **CONTRACTOR** shall be addressed to:

Cindy Lund Fogel
Johnson-Perkins & Associates, Inc.
295 Holcomb Avenue, Suite 1
Reno, NV 89502
Office: 775-322-1155
Fax: 775-322-1156
clf@johnson-perkins.com

3.1.2 Notice to **CITY** shall be addressed to:

Carson City Purchasing and Contracts
Kim Belt, Purchasing and Contracts Manager
201 North Carson Street, Suite 3
Carson City, NV 89701
775-283-7137 / FAX 775-887-2107
KBelt@carson.org

4 SCOPE OF WORK:

4.1 **CONTRACTOR** shall provide and perform the following services set forth in **Exhibit A** attached hereto and incorporated herein by reference for and on behalf of **CITY** hereinafter referred to as the "**SERVICES**".

4.2 **CONTRACTOR** represents that it is duly licensed by Carson City for the purposes of performing the **SERVICES**.

4.3 **CONTRACTOR** represents that it is duly qualified and licensed in the State of Nevada for the purposes of performing the **SERVICES**.

4.4 **CONTRACTOR** represents that it and/or the persons it may employ possess all skills and training necessary to perform the **SERVICES** described herein and required hereunder. **CONTRACTOR** shall perform the **SERVICES** faithfully, diligently, in a timely and professional manner, to the best of its ability, and in such a manner as is customarily performed by a person who is in the business of providing such services in similar circumstances.

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CONTRACTOR shall be responsible for the professional quality and technical accuracy of all **SERVICES** furnished by **CONTRACTOR** to **CITY**.

4.5 **CONTRACTOR** represents that neither the execution of this Contract nor the rendering of services by **CONTRACTOR** hereunder will violate the provisions of or constitute a default under any other contract or agreement to which **CONTRACTOR** is a party or by which **CONTRACTOR** is bound, or which would preclude **CONTRACTOR** from performing the **SERVICES** required of **CONTRACTOR** hereunder, or which would impose any liability or obligation upon **CITY** for accepting such **SERVICES**.

4.6 Before commencing with the performance of any work under this Contract, **CONTRACTOR** shall obtain all necessary permits and licenses as may be necessary. Before and during the progress of work under this Contract, **CONTRACTOR** shall give all notice and comply with all the laws, ordinances, rules and regulations of every kind and nature now or hereafter in effect promulgated by any Federal, State, County, or other Governmental Authority, relating to the performance of work under this Contract. If **CONTRACTOR** performs any work that is contrary to any such law, ordinance, rule or regulation, he shall bear all the costs arising therefrom.

4.7 CITY Responsibilities:

4.7.1 **CITY** shall make available to **CONTRACTOR** all technical data that is in **CITY'S** possession, reasonably required by **CONTRACTOR** relating to the **SERVICES**.

4.7.2 **CITY** shall provide access to and make all provisions for **CONTRACTOR** to enter upon public and private lands, to the fullest extent permitted by law, as reasonably required for **CONTRACTOR** to perform the **SERVICES**.

4.7.3 **CITY** shall examine all reports, correspondence, and other documents presented by **CONTRACTOR** upon request of **CITY**, and render, in writing, decisions pertaining thereto within a reasonable time so as not to delay the work of **CONTRACTOR**.

4.7.4 It is expressly understood and agreed that all work done by **CONTRACTOR** shall be subject to inspection and acceptance by **CITY** and approval of work shall not forfeit the right of **CITY** to require correction, and nothing contained herein shall relieve **CONTRACTOR** of the responsibility of the work required under the terms of this Contract until all work has been completed and accepted by **CITY**.

5 TIMELINESS OF BILLING SUBMISSION:

5.1 The parties agree that timeliness of billing is of the essence to this Contract and recognize that **CITY** is on a fiscal year which is defined as the period beginning July 1 and ending June 30 of the following year. All billings for dates of service prior to July 1 must be submitted to **CITY** no later than the first Friday in August of the same year. A billing submitted

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after the first Friday in August will subject **CONTRACTOR** to an administrative fee not to exceed \$100.00. The parties hereby agree this is a reasonable estimate of the additional costs to **CITY** of processing the billing as a stale claim and that this amount will be deducted from the stale claim payment due to **CONTRACTOR**.

6 CONTRACT TERMINATION:

6.1 Termination Without Cause:

6.1.1 This Contract may be terminated by either party without cause by giving the other party ten (10) calendar days written notice of the intent to terminate and specifying the date upon which the termination will be effective.

6.2 Cause Termination for Default or Breach:

6.2.1 A default or breach may be declared with or without termination.

6.2.2 This Contract may be terminated by either party upon written notice of default or breach to the other party as follows:

6.2.2.1 If **CONTRACTOR** fails to provide or satisfactorily perform any of the conditions, work, deliverables, goods, or services called for by this Contract within the time requirements specified in this Contract or within any granted extension of those time requirements; or

6.2.2.2 If any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by **CONTRACTOR** to provide the goods or services required by this Contract is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or

6.2.2.3 If **CONTRACTOR** becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the bankruptcy court; or

6.2.2.4 If **CITY** materially breaches any material duty under this Contract and any such breach impairs **CONTRACTOR'S** ability to perform; or

6.2.2.5 If it is found by **CITY** that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by **CONTRACTOR**, or any agent or representative of **CONTRACTOR**, to any officer or employee of **CITY** with a view toward securing a contract or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such contract; or

6.2.2.6 If it is found by **CITY** that **CONTRACTOR** has failed to disclose any material conflict of interest relative to the performance of this Contract.

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6.3 Time to Correct:

6.3.1 Termination upon a declared default or breach may be exercised only after service of formal written notice as specified in **Section 2 Notice**, and the subsequent failure of the defaulting party within five (5) calendar days of that notice to provide evidence, satisfactory to the aggrieved party, showing that the declared default or breach has been corrected.

6.4 Winding Up Affairs Upon Termination:

6.4.1 In the event of termination of this Contract for any reason, the parties agree that the provisions of this paragraph survive termination:

6.4.1.1 The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination;

6.4.1.2 **CONTRACTOR** shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if so requested by **CITY**;

6.4.1.3 **CONTRACTOR** shall execute any documents and take any actions necessary to effectuate an assignment of this Contract if so requested by **CITY**;

6.4.1.4 **CONTRACTOR** shall preserve, protect, and promptly deliver into **CITY** possession all proprietary information in accordance with **Section 22 City Ownership of Proprietary Information**.

7 REMEDIES:

7.1 Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and costs. The parties agree that, in the event a lawsuit is filed and a party is awarded attorney's fees by the court, for any reason, the amount of recoverable attorney's fees shall not exceed the rate of \$125 per hour. **CITY** may set off consideration against any unpaid obligation of **CONTRACTOR** to **CITY**.

8 LIMITED LIABILITY:

8.1 **CITY** will not waive and intends to assert available Nevada Revised Statutes Chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise specified in the incorporated attachments. Damages for any **CITY** breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to **CONTRACTOR**, for the

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fiscal year budget in existence at the time of the breach. **CONTRACTOR'S** tort liability shall not be limited. Neither party shall be liable to the other for indirect, incidental, consequential or special damages, including loss of use or loss of profits.

9 FORCE MAJEURE:

9.1 Neither party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of this Contract after the intervening cause ceases.

10 INDEMNIFICATION:

10.1 To the extent permitted by law, including, but not limited to, the provisions of Nevada Revised Statutes Chapter 41, each party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other party from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorney's fees and costs, arising out of any alleged negligent or willful acts or omissions of the indemnifying party, its officers, employees and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of the indemnity which would otherwise exist as to any party or person described in this paragraph. Contractors indemnification obligations shall not apply to the extent any loss or damage is caused by the negligence or willful misconduct of an indemnified party.

10.2 Except as otherwise provided in Subsection 10.4 below, the indemnifying party shall not be obligated to provide a legal defense to the indemnified party, nor reimburse the indemnified party for the same, for any period occurring before the indemnified party provides written notice of the pending claim(s) or cause(s) of action to the indemnifying party, along with:

10.2.1 a written request for a legal defense for such pending claim(s) or cause(s) of action; and

10.2.2 a detailed explanation of the basis upon which the indemnified party believes that the claim or cause of action asserted against the indemnified party implicates the culpable conduct of the indemnifying party, its officers, employees, and/or agents.

10.3 After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall not be obligated to fund or reimburse any fees or costs provided by any additional counsel for the indemnified party, including counsel through which the indemnified party might voluntarily choose to participate in its defense of the same matter.

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10.4 After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall be obligated to reimburse the reasonable attorney's fees and costs incurred by the indemnified party during the initial thirty (30) day period of the claim or cause of action, if any, incurred by separate counsel.

11 INDEPENDENT CONTRACTOR:

11.1 An independent contractor is a natural person, firm or corporation who agrees to perform services for a fixed price according to his or its own methods and without subjection to the supervision or control of the other contracting party, except as to the results of the work, and not as to the means by which the services are accomplished.

11.2 It is mutually agreed that **CONTRACTOR** is associated with **CITY** only for the purposes and to the extent specified in this Contract, and in respect to performance of the contracted services pursuant to this Contract. **CONTRACTOR** is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract.

11.3 Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for **CITY** whatsoever with respect to the indebtedness, liabilities, and obligations of **CONTRACTOR** or any other party.

11.4 **CONTRACTOR** shall indemnify and hold **CITY** harmless from, and defend **CITY** against, any and all losses, damages, claims, costs, penalties, liabilities, expenses arising out of or incurred in any way because of, but not limited to, **CONTRACTOR'S** obligations or legal duties regarding any taxes, fees, assessments, benefits, entitlements, notice of benefits, employee's eligibility to work, to any third party, subcontractor, employee, state, local or federal governmental entity.

11.5 Neither **CONTRACTOR** nor its employees, agents, or representatives shall be considered employees, agents, or representatives of **CITY**.

12 INSURANCE REQUIREMENTS:

12.1 **CONTRACTOR**, as an independent contractor and not an employee of **CITY**, must carry policies of insurance in amounts specified and pay all taxes and fees incident hereunto. **CITY** shall have no liability except as specifically provided in this Contract.

12.2 **CONTRACTOR** shall not commence work before: (1) **CONTRACTOR** has provided the required evidence of insurance to Carson City Purchasing and Contracts, and (2) **CITY** has approved the insurance policies provided by **CONTRACTOR**.

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12.3 Prior approval of the insurance policies by **CITY** shall be a condition precedent to any payment of consideration under this Contract and **CITY'S** approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent this Contract. Any failure of **CITY** to timely approve shall not constitute a waiver of the condition.

12.4 Insurance Coverage:

12.4.1 **CONTRACTOR** shall, at **CONTRACTOR'S** sole expense, procure, maintain and keep in force for the duration of this Contract the following insurance conforming to the minimum requirements specified below. Unless specifically specified herein or otherwise agreed to by **CITY**, the required insurance shall be in effect prior to the commencement of work by **CONTRACTOR** and shall continue in force as appropriate until the latter of:

12.4.1.1 Final acceptance by **CITY** of the completion of this Contract; or

12.4.1.2 Such time as the insurance is no longer required by **CITY** under the terms of this Contract.

12.4.2 Any insurance or self-insurance available to **CITY** shall be in excess of and non-contributing with any insurance required from **CONTRACTOR**. **CONTRACTOR'S** insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by **CITY**, **CONTRACTOR** shall provide **CITY** with renewal or replacement evidence of insurance no less than thirty (30) calendar days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by this Contract, an insurer or surety shall fail to comply with the requirements of this Contract, as soon as **CONTRACTOR** has knowledge of any such failure, **CONTRACTOR** shall immediately notify **CITY** and immediately replace such insurance or bond with an insurer meeting the requirements.

12.5 General Requirements:

12.5.1 **Certificate Holder:** Each liability insurance policy shall list Carson City c/o Carson City Purchasing and Contracts, 201 N. Carson Street Suite 3, Carson City, NV 89701 as a certificate holder.

12.5.2 **Additional Insured:** By endorsement to the general liability insurance policy evidenced by **CONTRACTOR**, The City and County of Carson City, Nevada, its officers, employees and immune contractors shall be named as additional insureds for all liability arising from this Contract.

12.5.3 **Waiver of Subrogation:** Each liability insurance policy shall provide for a waiver of subrogation as to additional insureds.

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12.5.4 **Cross-Liability:** All required liability policies shall provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.

12.5.5 **Deductibles and Self-Insured Retentions:** Insurance maintained by **CONTRACTOR** shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by **CITY**. Such approval shall not relieve **CONTRACTOR** from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed \$5,000 per occurrence, unless otherwise approved by **CITY**.

12.5.6 **Policy Cancellation:** Except for ten (10) calendar days notice for non-payment of premium, each insurance policy shall be endorsed to state that; without thirty (30) calendar days prior written notice to Carson City Purchasing and Contracts, the policy shall not be canceled, non-renewed or coverage and /or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by certified mail to Carson City Purchasing and Contracts, 201 N. Carson Street Suite 3, Carson City, NV 89701.

12.5.7 **Approved Insurer:** Each insurance policy shall be issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to the State and having agents in Nevada upon whom service of process may be made, and currently rated by A.M. Best as "A-VII" or better.

12.5.8 **Evidence of Insurance:** Prior to commencement of work, **CONTRACTOR** must provide the following documents to Carson City Purchasing and Contracts, 201 North Carson Street Suite 3, Carson City, NV 89701:

12.5.8.1 **Certificate of Insurance:** The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to Carson City Purchasing and Contracts to evidence the insurance policies and coverages required of **CONTRACTOR**.

12.5.8.2 **Additional Insured Endorsement:** An Additional Insured Endorsement (CG20 10 or C20 26), signed by an authorized insurance company representative, must be submitted to Carson City Purchasing and Contracts to evidence the endorsement of **CITY** as an additional insured per Subsection 12.5.2.

12.5.8.3 **Schedule of Underlying Insurance Policies:** If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the Underlyer Schedule from the Umbrella or Excess insurance policy may be required.

12.5.9 **Review and Approval:** Documents specified above must be submitted for review and approval by Carson City Purchasing and Contracts prior to the commencement of work by **CONTRACTOR**. Neither approval by **CITY** nor failure to disapprove the insurance furnished by **CONTRACTOR** shall relieve **CONTRACTOR** of **CONTRACTOR'S** full responsibility to provide the insurance required by this Contract. Compliance with the insurance requirements of this Contract shall not limit the liability of **CONTRACTOR** or its sub-contractors, employees or

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agents to **CITY** or others, and shall be in addition to and not in lieu of any other remedy available to **CITY** under this Contract or otherwise. **CITY** reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

13 COMMERCIAL GENERAL LIABILITY INSURANCE:

13.1 Minimum Limits required:

13.1.1 Two Million Dollars (\$2,000,000.00) - General Aggregate

13.1.2 Two Million Dollars (\$2,000,000.00) - Products and Completed Operations Aggregate

13.1.3 One Million Dollars (\$1,000,000.00) - Each Occurrence

13.2 Coverage shall be on an occurrence basis and shall be at least as broad as ISO 1996 form CG 00 01 (or a substitute form providing equivalent coverage); and shall cover liability arising from premises, operations, independent contractors, completed operations, personal injury, products, civil lawsuits, Title VII actions and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

14 BUSINESS AUTOMOBILE LIABILITY INSURANCE:

14.1 Minimum Limit required:

14.1.1 One Million Dollars (\$1,000,000) per occurrence for bodily injury and property damage

14.2 Coverage shall be for "any auto", including owned, non-owned and hired vehicles. The policy shall be written on ISO form CA 00 01 or a substitute providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

15 WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE:

15.1 **CONTRACTOR** shall provide workers' compensation insurance as required by Nevada Revised Statutes Chapters 616A through 616D inclusive and Employer's Liability insurance with a minimum limit of \$500,000 each employee per accident for bodily injury by accident or disease.

15.2 **CONTRACTOR** may, in lieu of furnishing a certificate of an insurer, provide an affidavit indicating that **CONTRACTOR** is a sole proprietor; that **CONTRACTOR** will not use the services of any employees in the performance of this Contract; that **CONTRACTOR** has elected to not be included in the terms, conditions, and provisions of Nevada Revised Statutes

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Chapters 616A-616D, inclusive; and that **CONTRACTOR** is otherwise in compliance with the terms, conditions, and provisions of Nevada Revised Statutes Chapters 616A-616D, inclusive.

16 BUSINESS LICENSE:

16.1 **CONTRACTOR** shall not commence work before **CONTRACTOR** has provided a copy of his Carson City business license to Carson City Purchasing and Contracts.

16.2 The Carson City business license shall continue in force until the latter of: (1) final acceptance by **CITY** of the completion of this Contract; or (2) such time as the Carson City business license is no longer required by **CITY** under the terms of this Contract.

17 COMPLIANCE WITH LEGAL OBLIGATIONS:

17.1 **CONTRACTOR** shall procure and maintain for the duration of this Contract any state, county, city, or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by **CONTRACTOR** to provide the goods or services of this Contract. **CONTRACTOR** will be responsible to pay all government obligations, including, but not limited to, all taxes, assessments, fees, fines, judgments, premiums, permits, and licenses required or imposed by law or a court. Real property and personal property taxes are the responsibility of **CONTRACTOR** in accordance with Nevada Revised Statutes 361.157 and 361.159. **CONTRACTOR** agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract. **CITY** may set-off against consideration due any delinquent government obligation.

18 WAIVER OF BREACH:

18.1 Failure to declare a breach or the actual waiver of any particular breach of this Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

19 SEVERABILITY:

19.1 If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the nonenforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

20 ASSIGNMENT/DELEGATION:

20.1 To the extent that any assignment of any right under this Contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Contract, attempts to operate as a novation, or includes a waiver or

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abrogation of any defense to payment by **CITY**, such offending portion of the assignment shall be void, and shall be a breach of this Contract. **CONTRACTOR** shall neither assign, transfer nor delegate any rights, obligations or duties under this Contract without the prior written approval of **CITY**.

21 CITY OWNERSHIP OF PROPRIETARY INFORMATION:

21.1 Any files, reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer programs, computer codes, and computer records (which are intended to be consideration under this Contract), or any other documents or drawings, prepared or in the course of preparation by **CONTRACTOR** (or its subcontractors) in performance of its obligations under this Contract shall be the exclusive property of **CITY** and all such materials shall be delivered into **CITY** possession by **CONTRACTOR** upon completion, termination, or cancellation of this Contract. **CONTRACTOR** shall not use, willingly allow, or cause to have such materials used for any purpose other than performance of **CONTRACTOR'S** obligations under this Contract without the prior written consent of **CITY**. Notwithstanding the foregoing, **CITY** shall have no proprietary interest in any materials licensed for use by **CITY** that are subject to patent, trademark or copyright protection.

21.2 **CITY** shall be permitted to retain copies, including reproducible copies, of **CONTRACTOR'S** drawings, specifications, and other documents for information and reference in connection with this Contract.

21.3 **CONTRACTOR'S** drawings, specifications and other documents shall not be used by **CITY** or others without expressed permission of **CONTRACTOR**.

22 PUBLIC RECORDS:

22.1 Pursuant to Nevada Revised Statute 239.010, information or documents received from **CONTRACTOR** may be open to public inspection and copying. **CITY** will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests. **CONTRACTOR** may clearly label specific parts of an individual document as a "trade secret" or "confidential" in accordance with Nevada Revised Statute 332.061, provided that **CONTRACTOR** thereby agrees to indemnify and defend **CITY** for honoring such a designation. The failure to so label any document that is released by **CITY** shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

23 CONFIDENTIALITY:

23.1 **CONTRACTOR** shall keep confidential all information, in whatever form, produced, prepared, observed or received by **CONTRACTOR** to the extent that such information is confidential by law or otherwise required by this Contract.

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24 FEDERAL FUNDING:

24.1 In the event federal funds are used for payment of all or part of this Contract:

24.1.1 **CONTRACTOR** certifies, by signing this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

24.1.2 **CONTRACTOR** and its subcontractors shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.

24.1.3 **CONTRACTOR** and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions).

25 LOBBYING:

25.1 The parties agree, whether expressly prohibited by federal law, or otherwise, that no funding associated with this Contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence for any purpose the following:

25.1.1 Any federal, state, county or local agency, legislature, commission, counsel or board;

25.1.2 Any federal, state, county or local legislator, commission member, counsel member, board member, or other elected official; or

25.1.3 Any officer or employee of any federal, state, county or local agency; legislature, commission, counsel or board.

26 GENERAL WARRANTY:

26.1 **CONTRACTOR** warrants that all services, deliverables, and/or work product under this Contract shall be completed in a workmanlike manner consistent with standards in the trade, profession, or industry; shall conform to or exceed the specifications as set forth in the

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incorporated attachments; and shall be fit for ordinary use, of good quality, with no material defects.

27 PROPER AUTHORITY:

27.1 The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract. **CONTRACTOR** acknowledges that this Contract is effective only after approval by Carson City Purchasing and Contracts and only for the period of time specified in this Contract. Any services performed by **CONTRACTOR** before this Contract is effective or after it ceases to be effective are performed at the sole risk of **CONTRACTOR**.

28 ALTERNATIVE DISPUTE RESOLUTION:

29.1 Pursuant to NRS 338.150, public body charged with the drafting of specifications for a public work shall include in the specifications a clause requiring the use of a method of alternative dispute resolution before initiation of a judicial action if a dispute arising between the public body and the contractor engaged on the public work cannot otherwise be settled. Therefore, in the event that a dispute arising between **CITY** and **CONTRACTOR** cannot otherwise be settled, **CITY** and **CONTRACTOR** agree that, before judicial action may be initiated, **CITY** and **CONTRACTOR** will submit the dispute to non-binding mediation. **CITY** shall present **CONTRACTOR** with a list of three potential mediators. **CONTRACTOR** shall select one person to serve as the mediator from the list of potential mediators presented by **CITY**. The person selected as mediator shall determine the rules governing the mediation.

29 GOVERNING LAW; JURISDICTION:

29.1 This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction. **CONTRACTOR** consents and agrees to the jurisdiction of the courts of the State of Nevada located in Carson City, Nevada for enforcement of this Contract.

30 ENTIRE CONTRACT AND MODIFICATION:

30.1 This Contract and its integrated attachment(s) constitute the entire Contract of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other Contracts that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

Contract No. 1112-199

Appraisal Services for Joost Ranch - Exchange

parties unless the same is in writing and signed by the respective parties hereto and approved by Carson City Purchasing and Contracts.

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Contract No. 1112-199
Appraisal Services for Joost Ranch - Exchange

31 ACKNOWLEDGMENT AND EXECUTION:

31.1 In witness whereof, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

CARSON CITY
Finance Director
Attn: Kim Belt,
Purchasing and Contracts Manager
201 North Carson Street, Suite 3
Carson City, Nevada 89701
Telephone: 775-283-7137
Fax: 775-887-2107
KBelt@carson.org

CITY'S LEGAL COUNSEL
Neil A. Rombardo, District Attorney

I have reviewed this Contract and approve as to its legal form.

By: _____
Kim Belt

By: _____
Deputy District Attorney

DATED _____.

DATED _____.

I certify that funds are available and that CONTRACTOR will not be given authorization to begin work until this Contract has been signed by Purchasing and Contracts.

BY: Andy Burnham, Director
3505 Butti Way
Carson City, NV 89701
Telephone: 775-887-2355
Fax: 775-887-2116
ABurnham@carson.org

I certify that funds are available.

Darren Schulz, Deputy Public Works Director
Funding Source: 520-3505-435-7899
Amount: \$4,000.00

By: _____
ANDY BURNHAM

By: _____
DARREN SCHULZ

DATED _____

DATED _____

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR
Contract No. 1112-199

Appraisal Services for Joost Ranch - Exchange

Undersigned says: That she is the **CONTRACTOR** or authorized agent of the **CONTRACTOR**; that she has read the foregoing Contract; and that she understands the terms, conditions, and requirements thereof.

CONTRACTOR

BY: Cindy Lund Fogel

TITLE: MAI

FIRM: Johnson-Perkins & Associates, Inc.

CARSON CITY BUSINESS LICENSE #: 12-8977

Address: 295 Holcomb Avenue, Suite 1

City: Reno **State:** NV **Zip Code:** 89502

Telephone: 775-322-1155/**Fax#:** 775-322-1156

E-mail Address: clf@johnson-perkins.com



(Signature of **CONTRACTOR**)

DATED 6-7-12

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

Main Office: 295 Holcomb Avenue, Suite 1 ■ Reno, Nevada 89502 ■ Telephone (775) 322-1155
Lake Tahoe Office: P.O. Box 11430 ■ Zephyr Cove, Nevada 89448 ■ Telephone (775) 588-4787
FAX: Main Office (775) 322-1156 ■ Lake Tahoe Office (775) 588-8295
E-mail: jpareno@johnsonperkins.com ■ jpatahoe@johnsonperkins.com

Stephen R. Johnson, MAI, SREA
Reese Perkins, MAI, SRA
Cynthia Johnson, SRA
Cindy Lund Fogel, MAI
Scott Q. Griffin, MAI
Daniel B. Oaks, MAI
Benjamin Q. Johnson, MAI

Karen K. Sanders
Gregory D. Ruzzine
Chad Gerken

May 16, 2012

VIA EMAIL: JSharp@carson.org

Mr. Jeff Sharp, P.E.
City Engineer
Carson City Public Works Department
3505 Butti Way
Carson City, Nevada 89701

Re: Joost Ranch Land Exchange, Carson City, Nevada

Dear Mr. Sharp:

In response to your request, we have prepared a fee proposal for the preparation of a summary appraisal report of two properties located in Carson City, Nevada. It is our understanding that you are requesting an estimate of the Market Value of the fee simple interest of the individual subject properties as of a current date of valuation.

Subject Property 1a consists of 2.90± acres of land, located at the west terminus of Ash Canyon Road, Carson City, Nevada. Subject Property 1a is identified as a portion of Carson City Assessor's Parcel No. 007-101-56 and is owned by Joost Land & Cattle Company, Inc.

Subject Property 1b consists of 1.50± acres of land located approximately 1/3 mile southwest of the west terminus of Ash Canyon Road, Carson City, Nevada. The 1.50± acre parcel is situated a short distance south of the southwest corner of Subject 1a. Subject

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Property 1b is identified as a portion of Carson City Assessor's Parcel No. 007-101-10 and is owned by Carson City Public Works Department.

It is our understanding that Joost Land & Cattle Company, Inc. is to deed the 2.9± acre site to Carson City and that Carson City is to deed the 1.5 acre site to Joost Land & Cattle Company, Inc. The intended use of the appraisal is to assist the client in negotiations regarding the possible exchange of the subject properties. The intended users of the appraisal report will include Carson City and Joost Land & Cattle Company, Inc. and their representatives.

A summary appraisal report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the *Uniform Standards of Professional Appraisal Practice* for a summary appraisal report. As such, it presents only summary discussions of the data, reasoning and analyses that are used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraisers' file. The depth of the discussion contained in the report is specific to the needs of the client and for the intended use as stated herein. This appraisal firm is not responsible for unauthorized use of the report.

Based upon a review of the proposed assignment, we hereby propose to prepare a summary appraisal report on the properties described above for a fee of \$4,000. It should be noted that the fee addresses the cost of preparing the report only. In the event that extraordinary client meetings, property owner meetings and various other consultations are requested, you will be billed, in addition to the fee set forth above, for these additional services.

Based upon a review of our current work schedule and the scope of the proposed assignment, we hereby propose to deliver the completed appraisal report within 30 days from acceptance of this proposal. Unexpected delays over which these appraisers have no control may affect the delivery date.

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REAL ESTATE APPRAISERS & CONSULTANTS

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This firm will require the client to provide all information and documentation which he/she may have relative to previous purchases, listings or offers involving the subject properties. Our firm will also require copies of any engineering studies, environmental assessments, or other material information which could impact the value of the subject properties.

The appraisal fee, as set forth above, does not include provisions for additional professional services which may be required to complete the appraisal analysis, such as engineering, soils testing, cost estimating or preliminary title reports. If such professional services are required, these costs will be billed in addition to the above appraisal fee. Prior to incurring such expense, your review and authorization will be requested.

In the event that we are required to provide expert witness testimony in regard to the appraisal, you will be billed, in addition to the fee as set forth above, for pre-trial preparation, conferences and expert witness testimony. The fee for the principal appraiser will be \$300 per hour, while the fee for associate appraisers will range between \$90 per hour and \$275 per hour. Costs such as trial exhibits will be billed in addition to the fee for professional services.

All appraisal services provided by this firm will be developed and prepared in conformity with and subject to the requirements of the *Code of Ethics and Standards of Professional Practice* of the Appraisal Institute, as well as the *Uniform Standards of Professional Appraisal Practice* as promulgated by the Appraisal Foundation.

The appraisal report will be prepared in accordance with the requirements of *Nevada Revised Statute 645C*.

The appraisal report will be prepared in accordance with our Standard Assumptions and Limiting Conditions, which by reference are incorporated in this fee proposal, and which will be set forth in the completed appraisal report. The acceptance of this proposal indicates your acceptance and concurrence with the Standard Assumptions and Limiting Conditions under which your assignment will be prepared.

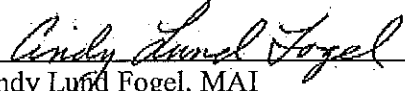
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REAL ESTATE APPRAISERS & CONSULTANTS

We appreciate being considered for this assignment. If you have any additional questions, please contact us.

Respectfully submitted,



Stephen R. Johnson, MAI, SREA
Nevada Certified General Appraiser
License Number A.0000003-CG



Cindy Lund Fogel, MAI
Nevada Certified General Appraiser
License Number A.0002312-CG

ACKNOWLEDGED AND ACCEPTED:

Signature

Print/Type Name

Title

Date

Enclosure