

**City of Carson City
Agenda Report**

Date Submitted: January 8, 2013

Agenda Date Requested: January 17, 2013
Time Requested: 10 Minutes

To: Mayor and Supervisors

From: Parks and Recreation Department

Subject Title: For possible action to determine the fair market value of a proposed lease of approximately 625 square feet to accommodate the construction of an array of cellular telephone antennas at the topographical ridge on Lone Mountain, a portion of APN 002-102-81, is \$1,500 per month, as per the findings of a public hearing being held on January 17, 2013. (Juan F. Guzman)

Staff Summary: Cingular Wireless PCS, LLC, proposes to lease 625 square feet in order to develop telecommunication antennas. The Nevada Revised Statutes requires an appraisal and a public hearing to determine the value of a City property prior to a sale or lease.

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 determine the fair market value of a proposed lease of approximately 625 square feet to accommodate the construction of an array of cellular telephone antennas at the topographical ridge on Lone Mountain, a portion of APN 002-102-81, is \$1,500 per month, as per the findings of a public hearing being held on January 17, 2013.

Explanation for Recommended Board Action: This is one of the steps required by the Nevada Revised Statutes and the Carson City Municipal Code for the lease of City land. Specifically, N.R.S. 244.2795(a) allows the sale or lease of City property subject to one appraisal not older than 6 months and a public hearing for the determination of value. Subsequent steps require the adoption of a resolution for the lease of the property and approval of the lease and related documents. Cingular has obtained a Special Use Permit (SUP-11-101-81) subject to 18 conditions of approval for the construction of the proposed facility. Lone Mountain contains approximately 18 acres that were acquired by Carson City as a park as part of the development of the Northridge Subdivision. Existing improvements include an improved parking area, trail, and utility easements containing power distribution lines.

Applicable Statute, Code, Policy, Rule or Regulation:

N.R.S. 244.2795 Sale or lease of certain real property

N.R.S. 244.2815 Sale, lease or disposal of real property of county

Fiscal Impact: The appraisal cost was \$3,500. The update letter cost is \$1,500.

Explanation of Impact: The fiscal impacts are the cost of the appraisal and letter of update. In addition there will be a positive impact as a monthly lease payment of approximately \$1,500 per month which will be received from the lessor.


Funding Source: Parks and Recreation accounts

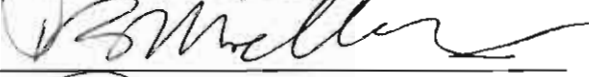
Alternatives:

Not to approve the lease.
Request changes to the lease.

Supporting Material:

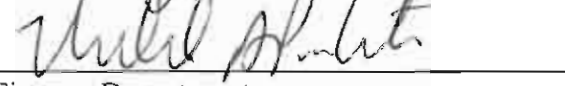
Appraisal dated August 13, 2011
Letter of appraisal update

Prepared By:  Date: 1/4/13
Juan F. Guzman, Open Space Manager

Reviewed By:  Date: 1/8/13
Roger Moellendorf, Parks & Recreation Director

 Date: 1/8/13
Lawrence A. Werner, City Manager

 Date: 1/8/13
District Attorney's Office

 Date: 1/8/13
Finance Department

Board Action Taken:

Motion: _____ 1: _____ Aye/Nay
2: _____

(Vote Recorded By)

An Appraisal of a

A Cellular Communication Site Lease and Associated Access Easement

Located North of the Lone Mountain Cemetery,
Northridge Drive at Winnie Lane and Roop St.
Carson City, NV

To Be Leased by
ATTor their nominee

Site Owned by
Cason City Parks and Recreation Department

Prepared for
Mr. Juan Guzman
Open Space Property Manager
Carson City Parks & Recreation Department

For Purpose of Developing an Opinion
Of Fair Market Rent

As of
August 13, 2011

Date of Report
August 26, 2011

Submitted by
Robert E. Schiffmacher, MAI

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

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85 Keystone Avenue, Suite C
Reno, Nevada 89503
Phone (775)686-2622
Fax (775)688-4681

ROBERT E. SCHIFFMACHER, MAI
bobws@gbis.com

August 26, 2011

Mr. Juan Guzman
Open Space Property Manager
Carson City Parks and Recreation Department
3303 Butti Way #9
Carson City, NV 89701

Re: Lone Mountain Cell Tower Site
APN 002-101-81 (a portion)

Dear Mr. Guzman,

At your request I have completed an appraisal of and prepared an appraisal report for the property referenced above. The purpose of my appraisal was to provide an opinion of an appropriate market rent for a proposed cellular telephone antenna site location and associated rights of access and to extend utilities. The proposed antenna array will involve new construction at the top of Lone Mountain. The lease or occupancy agreement will allow the installation of a platform based antenna array containing 12 antenna extending to a maximum height of 21'. Ultimately, this platform will be one of four in a telecommunications compound designed to accommodate a total of 4 antenna arrays, including one to serve the Carson City Public Works Department.

The compound will be at the south end of Assessor's Parcel 002-101-81 which is owned by the Carson City Parks and Recreation Department. The parcel contains 18.01±ac and is part of a larger tract of land owned by the Parks and Recreation Department, a portion of which is operated as the Lone Mountain Cemetery.

Research and analysis of the market has led me to the following conclusions.

ANNUAL RENTAL RATE	<u>\$1,300/month or \$15,600/year</u>
TERM	<u>5 years with five 5-year options</u>
RENTAL ADJUSTMENTS	<u>3% compounded annually</u>

This appraisal was prepared in conformance with the current requirements of the Appraisal Foundation as set forth in the *Uniform Standards of Professional Appraisal Practice* (USPAP). It is intended as a summary report as defined in Section 2-2(b) of USPAP. My conclusions and data and analysis upon which they are based are summarized in the attached report.

Respectfully Submitted,

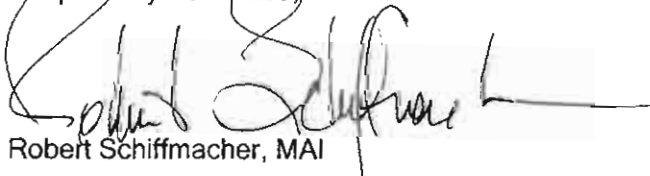

Robert Schiffmacher, MAI

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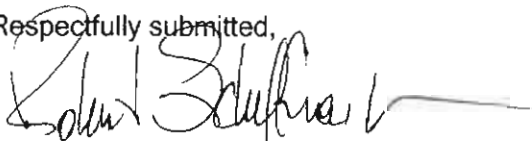
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APPRAISER'S CERTIFICATION

I certify that, unless otherwise noted in this appraisal report:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and I have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The appraisal was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of The Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

Respectfully submitted,



Robert E. Schiffmacher, MAI
Nevada Certified General Appraiser # A-0002492-CG

8-26-11

Date

EXECUTIVE SUMMARY

Property Name	Lone Mountain Cell Site ATT et al.
Address	Northridge Drive Carson City, NV 89706
Location	375' southeast of the intersection of Roop St. and Winnie Lane, north of the Lone Mountain Cemetery.
Latitude	North 39°, 11', 42.95"
Longitude	West 119°, 45', 40.04"
Property Owner	Carson City Department of Parks and Recreation
Assessor's Parcel Number	002-101-81
	The larger tract contains approximately 18.01±ac and the proposed antenna array will occupy approximately 625±sf of a larger compound that will contain approximately 6,000±sf. The compound will be designed and constructed to house a total of 4 antenna arrays, including one dedicated for the use of the Carson City Public Works Department.
Zoning	PC
	The site's zoning was recently changed from SF6 a medium density residential designation to the PC, Public Community designation. This change was approved by the Carson City Planning department May 25, 2011.
Current Use	The parcel is vacant, used for passive recreation
Effective Date of Value	August 13, 2011; the date of my inspection
Date of Report	August 26, 2011
Property Interest Appraised	Market rent for a 625±sf portion of a 6,000±sf telecommunication compound and associated rights of access and extension of utilities.
Purpose of Appraisal	To develop an opinion of an appropriate rental rate and terms for the proposed lease
Conclusions	
Annual Rental Rate	\$1,300/month or \$15,600 per year
Term	5 years with three to five 5-year options
Rental Adjustments	3% compounded annually

INTRODUCTION

Client	Mr. Juan Guzman Open Space Property Manager Carson City Parks and Recreation Department 3303 Butti Way #9 Carson City, NV 89701
Appraiser	Robert E. Schiffmacher, MAI Nevada Appraisal License #A.0002492-CG Warren & Schiffmacher, LLC 85 Keystone Avenue, Suite C Reno, Nevada 89503
Intended User/Users	Carson City Parks and Recreation Department and ATT and their assigns
Intended Use/User	To assist Carson City and ATT et al. in establishing an appropriate rental rate and terms for a proposed cellular communication site.

Market Value Defined

"Market Value" means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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.¹

Purpose of the Appraisal

To develop an opinion of an appropriate annual rental rate and terms for a proposed cellular communication site.

¹ Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions (f)

Market Rent

Market rent is the rental income that a property would most probably command in an open market; indicated by the current rents paid and asked for comparable space as of the date of value.

Identification of the Appraisal Problem

The appraisal must address the market rent and terms for a 625±sf site within a 6,000±sf telecommunications compound to be constructed by the tenant along with associated rights of access and extension of utilities.

Property Rights Appraised

Market rental rate

Appraisal Development and Reporting Process (Scope)

This document is a summary appraisal report, intended to conform with Sections 2-2(b) of the Uniform Standards of Professional Appraisal Practice.

In completing this appraisal, I undertook the following steps.

- a) Identified the subject and its surroundings;
- b) Inspected and photographed the subject;
- c) Interviewed representatives of the proposed tenant and the City of Carson City;
- d) Completed a highest and best use analysis;
- e) Researched and investigated cellular telephone site leases in the region;
- f) Correlated the available information to arrive at an estimate of the appropriate market rental rate and terms for the subject;
- g) Prepared this summary appraisal report.

Standard Assumptions and Limiting Conditions

This appraisal was prepared subject to a standard set of assumptions and limiting conditions which are typical for the appraisal industry. These assumptions and limiting conditions are set forth in the Addenda.

Extraordinary Assumptions

None

Hypothetical Conditions

None

LOCATION MAP



©2009 AAA, ESPI, NAVTEQ, TCS

LOCATION MAP



©2009 AAA, ESRI, NAVTEQ, TCS

AERIAL PHOTOGRAPH



AERIAL PHOTOGRAPH



SUBJECT PHOTOGRAPHS



View looking east toward the site from W. Winnie Lane



View looking north toward the site from the Lone Mountain Cemetery

SUBJECT PHOTOGRAPHS



View of the site from the top of Lone Mountain

CARSON CITY AREA DESCRIPTION

Carson City is the Nevada State Capital. It is a consolidated city-county municipal entity with a total jurisdictional area of approximately 153 square miles. It is bounded on the north by Washoe County, on the east by Lyon County, south by Douglas, and by California on the west. Most of the county's area is in Eagle Valley, an intermountain basin traversed by the Carson River.

In 2010, the state demographer estimated the county's population at 55,850, up from 15,464 in 1970. Between 1970 and 1980, the county's population more than doubled. In recent decades population growth slowed as demonstrated in the chart to the right.

Year	Estimate	% Change
1970	15,468	
1980	32,022	107.0%
1990	40,950	27.9%
2000	53,280	30.1%
2010	55,850	4.8%

Between 2000 and 2010 growth slowed significantly in response to the national recession which hit Nevada particularly hard and the growth of the nearby residential communities of Dayton to the east and the Minden Gardnerville Area to the south. Both communities are close to Carson City but outside the county's boundaries.

U.S. Highway 395 is the main transportation corridor through Carson City and Douglas County. Highway 395 runs north-south through the west coast interior, linking Southern California to Eastern Washington. It traverses all three of Northern Nevada's major population centers, including Reno, Carson City and Minden - Gardnerville.

U.S. Highway 50 links Carson City directly with Sacramento via South Lake Tahoe. Highway 50 connects with Highway 395 just north of the Douglas County/Carson City boundary. Highway 50 and Highway 395 are co-located for about two miles to the center of Carson City, at which point Highway 395 continues north, and Highway 50 departs to the east. It links Carson City with remote central Nevada communities scattered along its length.

Carson City is the state capital, and government employees comprise the largest single sector of its work force. In Douglas County which incorporates both the Minden Gardnerville areas and South Lake Tahoe employment is dominated by service jobs at the Stateline casinos. In the Carson Valley itself, where the bulk of the population lives, casino employment is nominal. The single largest casino employer in the Carson Valley is the Carson Valley Inn. Overall, the area's employment and unemployment have tracked Nevada's. Since 2007, total employment has dropped and unemployment has increased significantly as demonstrated below.

	2006	2007	2008	2009	2010	2011
	Average	Average	Average	Average	Average	June
CARSON CITY						
TOTAL LABOR FORCE	27,577	28,578	29,043	28,950	28,630	27,840
UNEMPLOYMENT	1,310	1,483	2,047	3,540	4,020	3,490
UNEMPLOYMENT RATE	4.8%	5.2%	7.0%	12.2%	14.1%	12.5%
TOTAL EMPLOYMENT 1/	26,267	27,093	26,996	25,410	24,610	24,350
DOUGLAS COUNTY						
TOTAL LABOR FORCE	22,260	22,877	22,958	22,400	22,070	21,320
UNEMPLOYMENT	1,057	1,201	1,679	2,860	3,510	3,090
UNEMPLOYMENT RATE	4.7%	5.2%	7.3%	12.8%	15.9%	14.5%
TOTAL EMPLOYMENT 1/	21,203	21,676	21,279	19,540	18,560	18,230

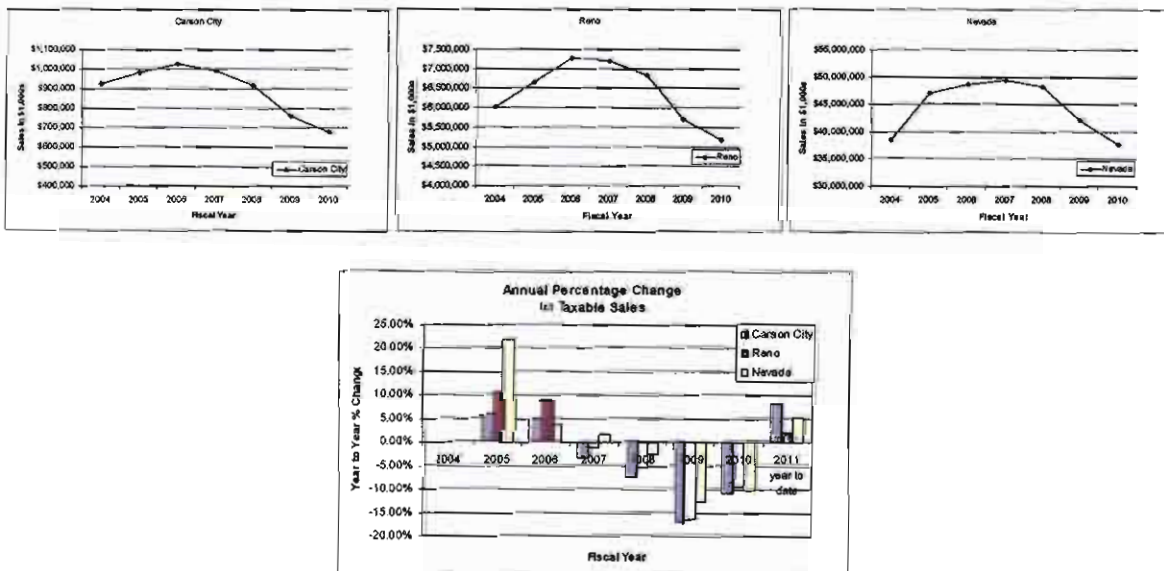
In Douglas County much of the employment revolves around the leisure and hospitality industries, but the area is becoming well known as a retirement area. Carson City's largest employment category is government, which is logical as it is the state capital.

Carson City and Douglas County to the south are affluent counties by Nevada standards. In 2009, the latest year for which statistics are available, Douglas County ranked in the top three with a median family income reported at \$60,578 and, Carson City ranked in near the mid point with a median family income of \$52,548. This compares with Nevada's median family income for the same period of \$53,310. Douglas County's income statistics are skewed, with a significant portion of its employees, particularly in the leisure and hospitality industries at the low end of the range, and extremely high income earners in and around the Lake Tahoe Basin at the high end of the range. These higher income individuals typically obtain their income from sources outside the local community.

Carson City's median household income reflects the large number of mid-level wage-earners employed by the state and federal governments in the capital city.

Retail trade is an increasingly important part of the region's economic picture. In the mid-1990's, Carson City's population reached a threshold where it attracted attention from national retailers. Carson City hosted Northern Nevada's first Wal-Mart in 1993 (now closed and moved to north Douglas County), and a Super K-Mart in 1995 (now closed), two Albertson's-anchored neighborhood centers opened in 1996, one at the south end of town on U.S. Highway 395, and one on the east side of town on U.S. Highway 50. During that same period, there was considerable infill along the south Highway 395 retail strip as well, with national restaurant chains (Applebee's), fast food restaurants, and similar users.

Carson City's retail inventory continues to grow but the recent financial crisis has had a marked impact on retail sales. After climbing to over \$1.024 billion in 2006, retail sales fell to \$678.6 million in 2010. This drop in sales is somewhat greater than experienced by Nevada and the Reno/Sparks area as demonstrated below



The impact of the recession on Carson City's taxable sales has been exacerbated by the opening of several major retailers just over the Carson City/Douglas County line to the south.

These properties are convenient but tax revenues from sales to Carson City residents go to Douglas County. It is noted that for the year to date, Carson City's taxable revenues appear to be recovering somewhat faster than the state or Reno/Sparks.

Northern Nevada has a strong industrial market, centered primarily on the warehouse distribution sector in Reno/Sparks. Carson City is an important part of the total industrial picture in Northern Nevada, but development here and in Douglas County has focused on light manufacturing rather than distribution centers. The Reno/Sparks market is well served by major road and rail transportation corridors, and by Reno-Tahoe International Airport. These services are not as convenient to the Carson/Douglas market, and thus the emphasis on light manufacturing over distribution.

Carson City's industrial district is in the northeast part of town, centered on the municipal airport. Small to mid-sized assembly plants and similar facilities dominate. Typical industrial occupants in Carson City include a manufacturer of ski lifts, electronics component assembly, metallurgical works, and so forth.

Another important part of Carson City's industrial inventory is industrial flex, otherwise known as incubator office-warehouses. Many blocks of industrial flex have been constructed on the east side of Carson City south of the airport industrial area. New developments are clustered around the newly constructed interchange of College Parkway and the U.S. Highway 395 freeway.

When the local and national economies rebound, both Carson City and Nevada overall are expected to experience a fairly long and slow L shaped recovery. It is noted that the State Demographer in his 2010 - 2030 population estimate is projecting Carson City's population to decline by nearly 5% in the next 5 years and Douglas County's population to decline by nearly 2.5% during the same time frame.

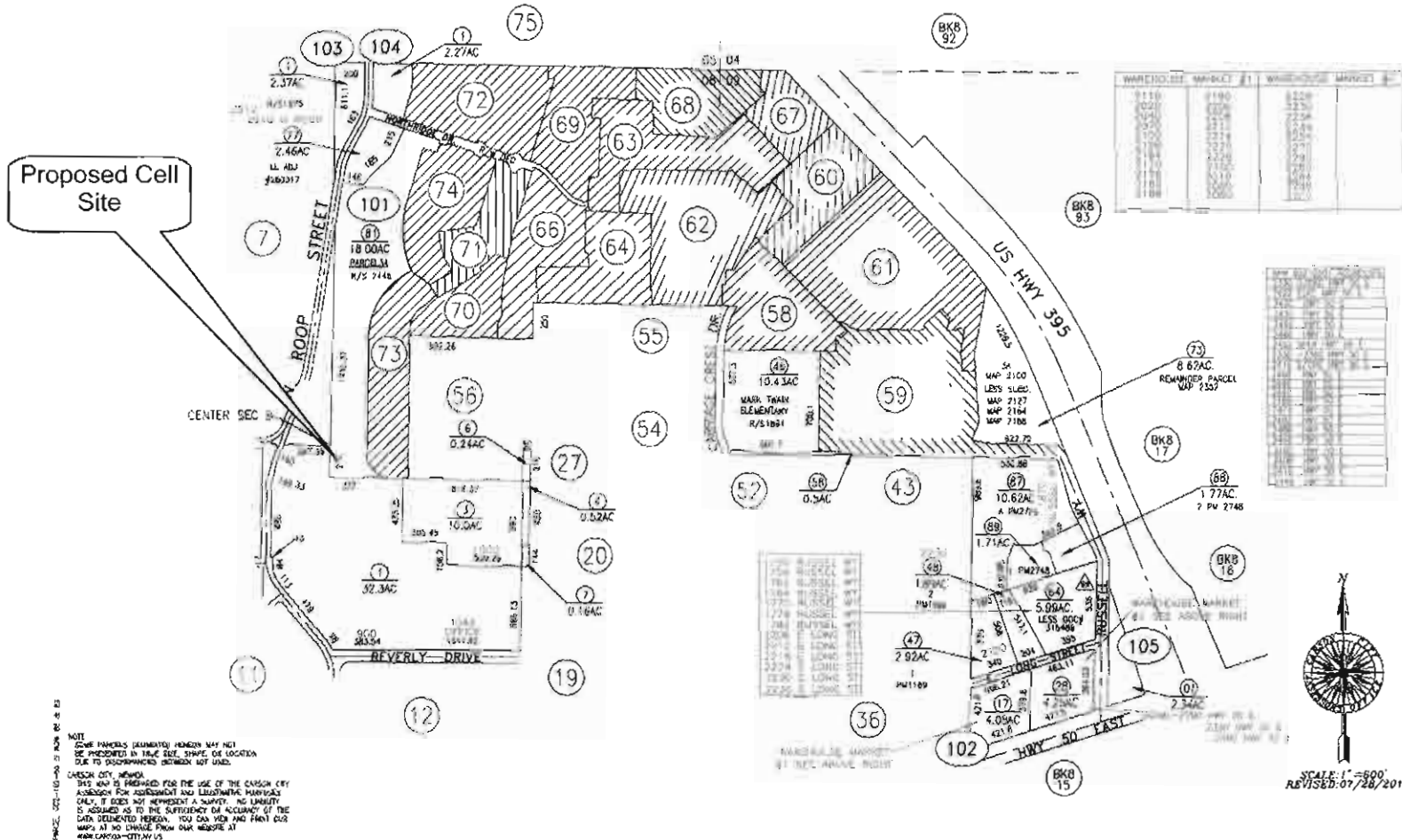
In Carson City, future job growth will probably come from the industrial sector. The state budget problems suggest that there may be a loss of government employment over the next several years as the state grapples with significant budget deficits, an obsolete tax structure and the real possibility of significant budget cuts.

In Carson City, one of the major public works projects that will have an impact on the shape of growth in the area is the extension of the U.S. Highway 395 freeway. This will provide a freeway bypass of Business 395, which is frequently congested on its traverse through downtown Carson City. The first leg of this project extended the existing freeway south from Washoe Valley through northeast Carson City to terminate at Highway 50 on the east side of town and is complete. The second phase will connect this segment to Highway 50's westward extension at the south end of Carson City, and will tie freeway 395 with the existing surface route south of Highway 50. At present, the freeway terminates at Fairview Drive. This project is funded by the State of Nevada and the Federal Highway Administration, but the local jurisdiction is engaged in improving connecting streets and redesigning circulation to accommodate two major new interchanges constructed at College Parkway and Highway 50. If NDOT is able to proceed as planned, within 10 years there will be freeway-quality access north to Interstate 80 into Reno. This may have a positive effect on Carson City's suitability as a distribution center and will significantly decrease traffic in the downtown core.

In summary, Carson City is the state's capital. Much of the community's employment is based on governmental spending with state government and support agencies dominating the landscape. Future population growth may be slow because of the prospect of cuts in governmental employment brought on by the current financial crisis. As the population of the

region grows, the availability of development land in the adjoining counties of Douglas, Lyon and Washoe will likely provide much of the area's housing. US 395 gives the area easy access from throughout northern Nevada. Although it lacks rail and commercial air service, those services are available in the Truckee Meadows 30 miles to the north.

ASSESSOR'S PARCEL MAP 002-101-81



NOTE:
 SOME PARCELS (UNIMPROVED) HEREON MAY NOT BE PRECISELY IN VALUE, SIZE, SHAPE OR LOCATION DUE TO DISCREPANCIES BETWEEN LOT LINES.

CARSON CITY, NEVADA
 THIS MAP IS PREPARED FOR THE USE OF THE CARSON CITY ASSessor FOR ADJUSTMENT AND ILLUSTRATIVE PURPOSES ONLY. IT DOES NOT REPRESENT A WARRANTY. NO LIABILITY IS ASSUMED AS TO THE ACCURACY OR COMPLETENESS OF THE DATA HEREON. YOU CAN VIEW AND PRINT OUR MAPS AT NO CHARGE FROM OUR WEBSITE AT WWW.CARSONCITY.NV.GOV

PROPERTY IDENTIFICATION AND SITE DESCRIPTION

Property Name Lone Mountain Cell Tower Site

Address Northridge Drive,
Carson City, NV

Location

Assessor's parcel number 002-101-81 is on the east side of Roop Street, south of Northridge Street, north of Beverly Drive, west of the intersection of Roop Street and Winnie Lane in eastern Carson City. The mapping provided indicates that the proposed telecommunications compound will be located at the southwest end of the site. The lease will include easements for utilities and access. Available mapping indicates the following GPS coordinates:

Latitude	North 39°, 11', 42.95"
Longitude	West 119°, 45', 40.04"

Parcel Number/Land Area 002-101-81 18.01±ac

Based on a review of the special use permit for the proposed cell "tower" site, when built out the compound will contain approximately 6,000±sf and the ATT et al. platform will contain approximately 625±sf.

Frontage/Access

The parent tract has frontage on Roop Street to the west and Northridge to the north. Neither of those frontages has developed access. There is an access narrow parcel that connects the parent tract to Table Rock Drive in the Northridge Subdivision to the east. The parcel is currently owned by the CC Treasurer, having been acquired by tax deed on 6-6-2011.

Easements and Encumbrances

A title report was not made available. However, a physical inspection of the site shows power lines crossing the site in a north/south direction and may extend directly over the portion of the site proposed for the communications compound.

Property Ownership & Recent History

The Carson City Assessor's office reports that the site is owned by the Carson City Parks Department. It was acquired as open space from Landmark Homes 5-28-2002.

Utilities

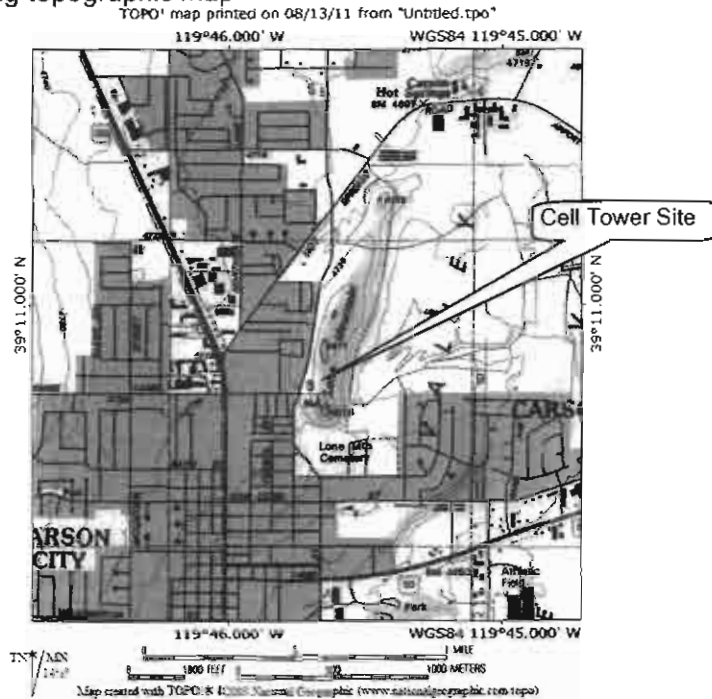
Electricity and telephone in the vicinity but both will have to be extended to the site. Mapping of the proposed development shows a new utility line to be extended from Table Rock Dr. northeast of the site. Development and occupancy of the site will not require any other utility extensions.

Environmental Observations

An environmental site assessment was not available. A physical inspection of the area revealed no overt signs of environmental contamination. The area is undeveloped and has been used for passive recreation; hiking, walking etc. There is trash and broken glass on the site, but nothing that would suggest environmental contamination.

Topography

The site stands at between 4,810' - 4,820', about 100' above the surrounding topography. It is depicted on the following topographic map



Flood Zone

Zone X, community panel 3200010103E

Seismic Hazard

Seismic Risk Zone 3

Wetlands

None

Zoning

PC - Public Community

The subject's zoning was changed from SF6 on 5-25-2011 concurrent with the approval of a special use permit for the construction of the proposed cell tower.

Utilities including telecommunication antenna/towers are allowed in the PC zoning with a special use permit.

The Carson City Municipal Code - Chapter 18.15 COMMUNICATION FACILITIES AND EQUIPMENT ORDINANCE governs the development of new cellular communications towers. Copies of both the PR zoning code and the Communication Facilities and Equipment Ordinance are contained in the addenda.

Real Property Taxes

Because the parcel is owned by the Carson City Parks Department it is exempt from real estate taxation.

Special Assessments

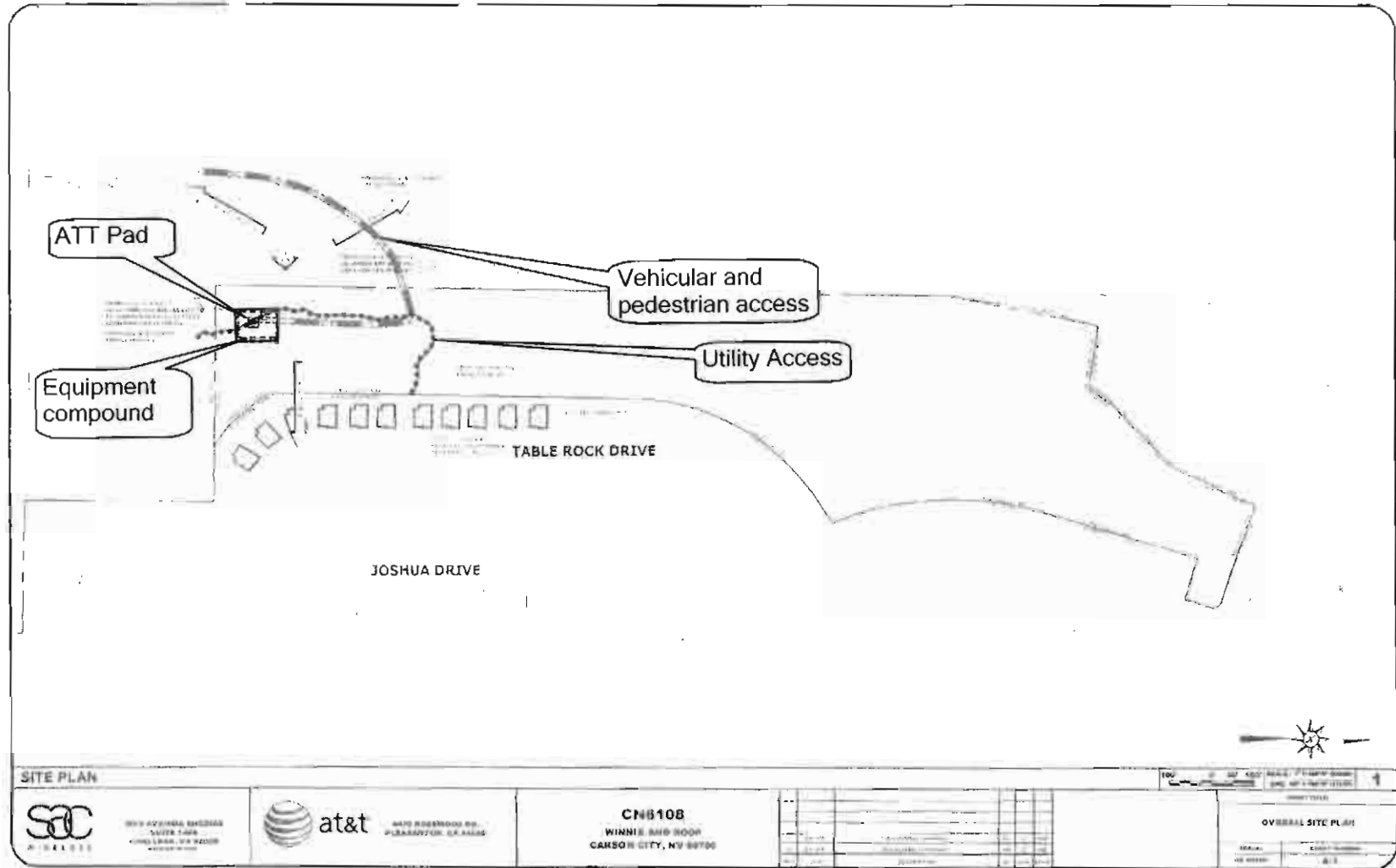
None

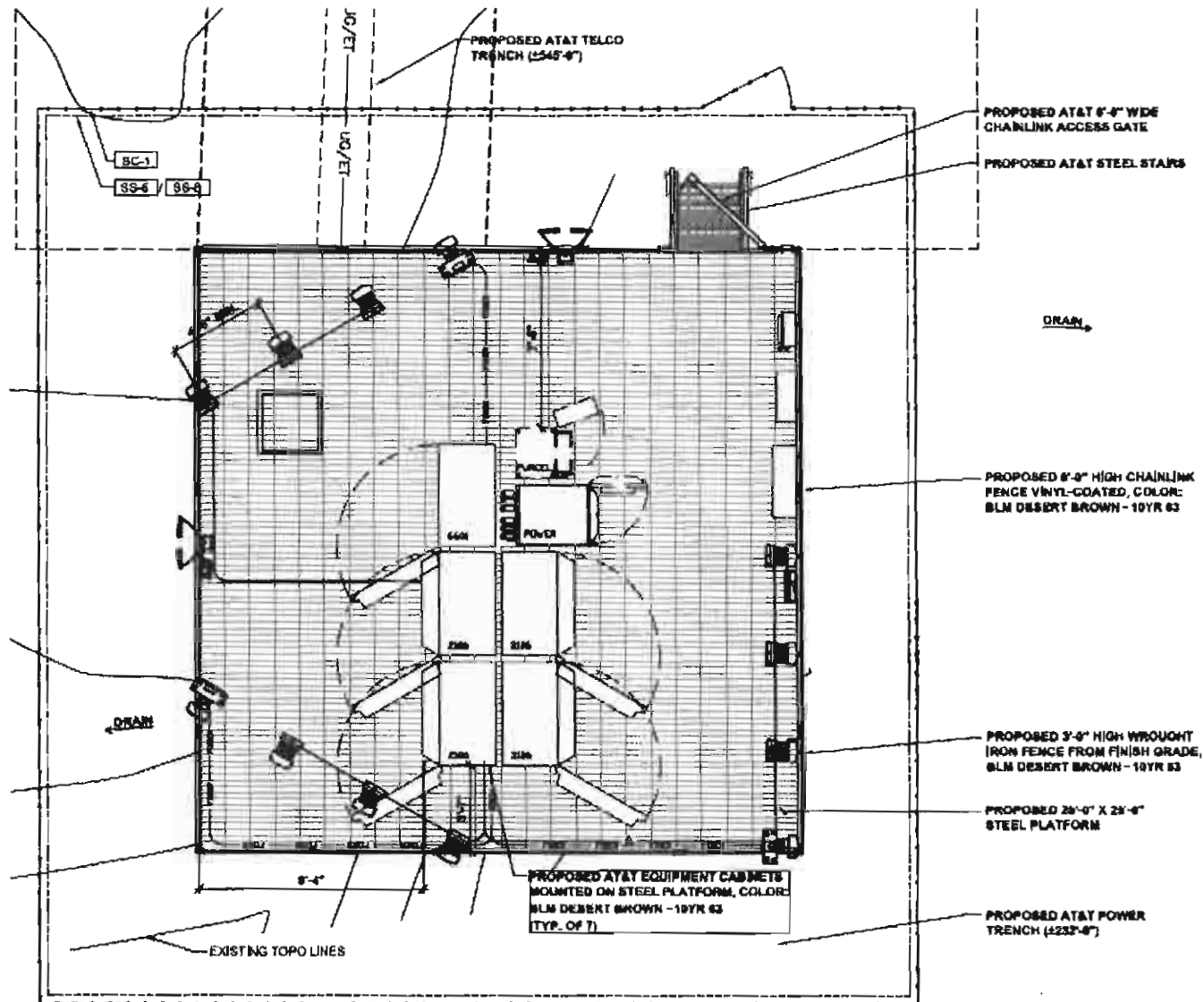
Adjacent Land Uses

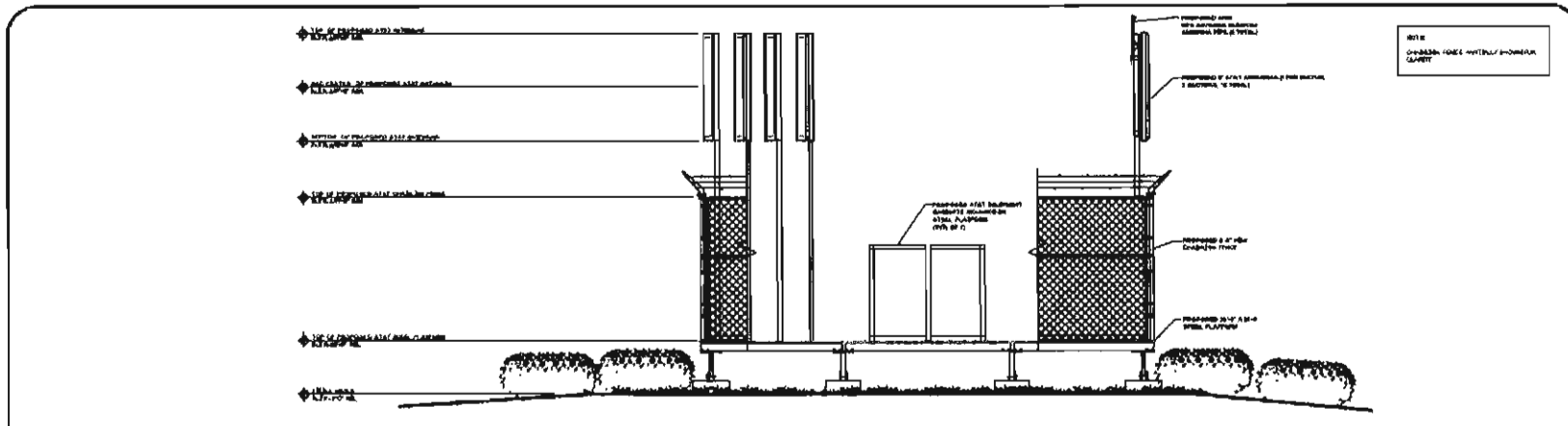
North	Mixed Residential and commercial
East	Sundance Ridge Subdivision
South	Lone Mountain Cemetery
West	Mixed residential and general commercial

Leased Area

The tract of land which is the subject of this analysis is capable of housing a 25 x 25' metal platform that will be installed to accommodate the ATT antenna array and associated mechanical equipment. The agreement will include a right of access or access easement along the west side of Lone Mountain connecting the site to one of the interior roads in the Lone Mountain Cemetery, a foot path enhancement connecting the Lone Mountain Ridge trail to the intersection of Roop St. and Winnie Lane and the right to install utilities or a utility easement. Drawings depicting the proposed improvements are presented on the following pages. Where applicable the drawings have it has been annotated for clarity.

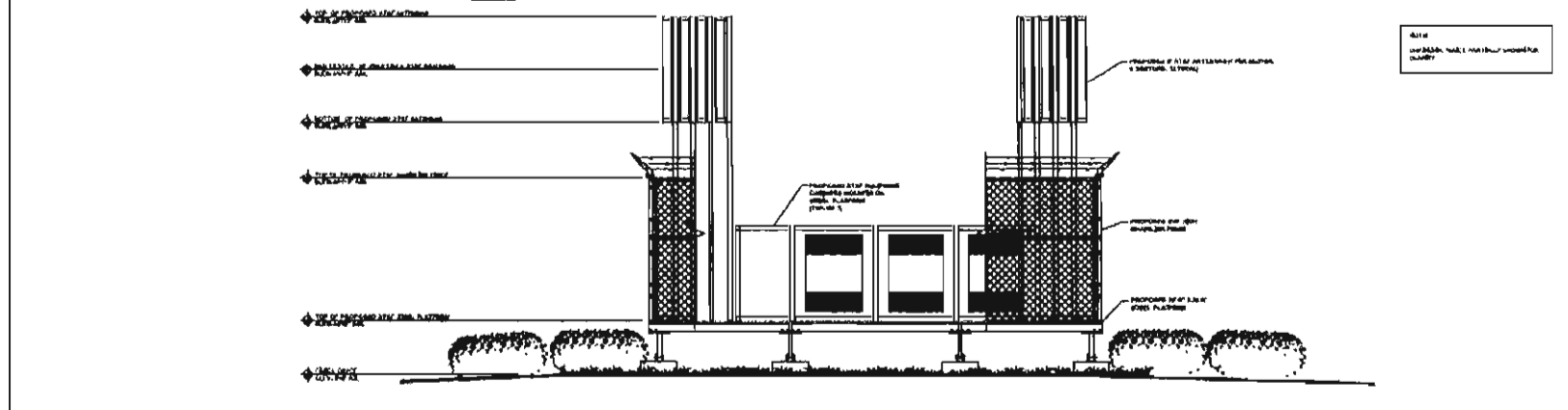






SOUTH ELEVATION

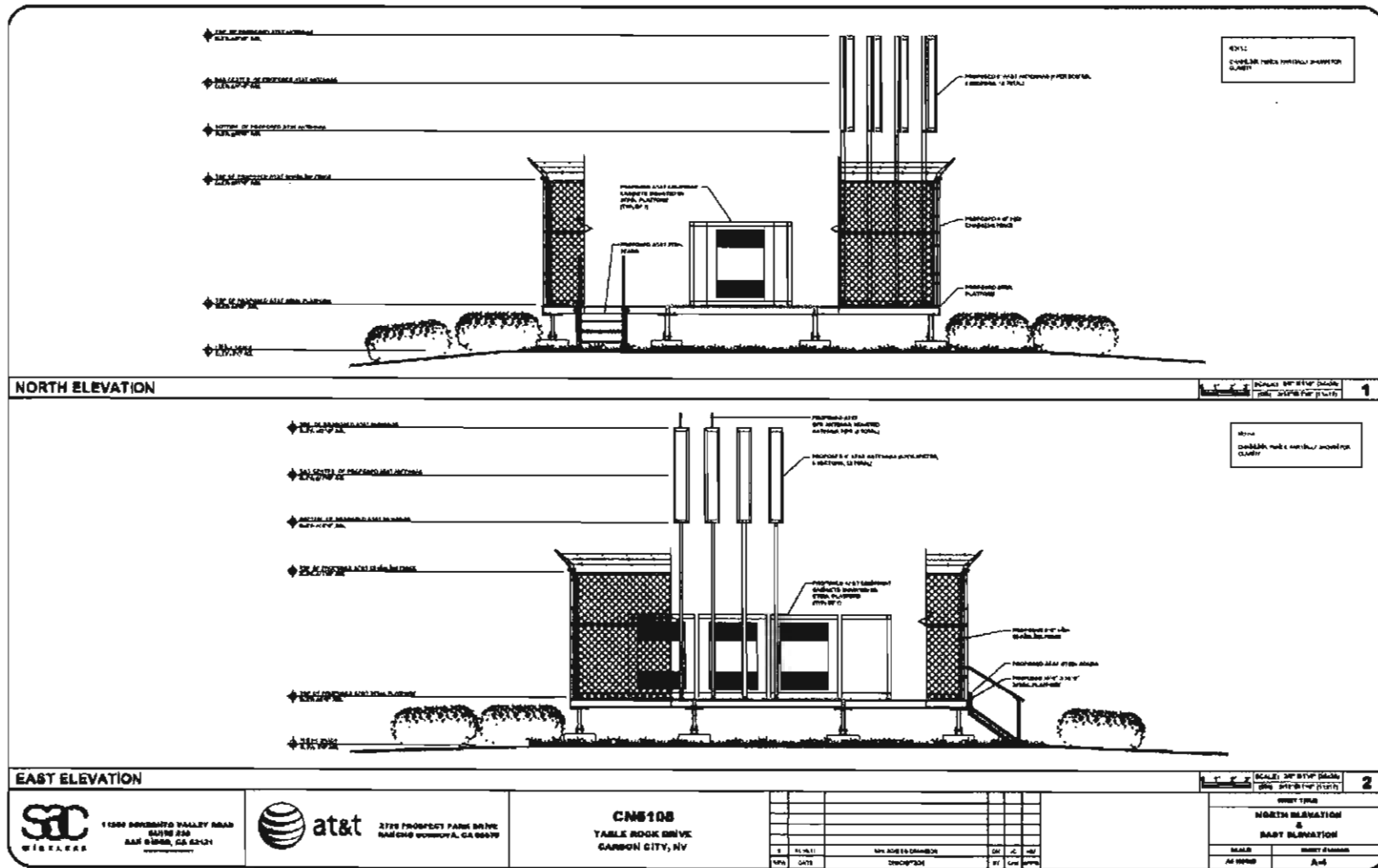
SCALE: 1/8" = 1'-0" (SEE NOTE 1)
 1



WEST ELEVATION

SCALE: 1/8" = 1'-0" (SEE NOTE 1)
 2

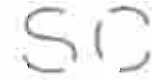
<p>11200 ADDRESS TO VALLEY ROAD SUITE 200 AAA BIRMG, CA 94134</p>	<p>3729 PROSPECT PARK DRIVE RANCHO CORONADO, CA 92670</p>	<p>CN6108 TABLE ROCK DRIVE CARSON CITY, NV</p>	<table border="1"> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>																		<table border="1"> <tr> <td colspan="2">SHEET TITLE</td> </tr> <tr> <td colspan="2">SOUTH ELEVATION AND WEST ELEVATION</td> </tr> <tr> <td>SCALE</td> <td>SHEET NUMBER</td> </tr> <tr> <td>AS SHOWN</td> <td>A-2</td> </tr> </table>	SHEET TITLE		SOUTH ELEVATION AND WEST ELEVATION		SCALE	SHEET NUMBER	AS SHOWN	A-2
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WARREN & SCHIFFMACHER, LLC



LONE MOUNTAIN
CN6108
N. ROOP ST & WINNIE LN
CARSON CITY, NV 89706



5865 AVENIDA ENCINAS SUITE 1428
CARLISLE, CA 92308
OFFICE: (714) 715-0280

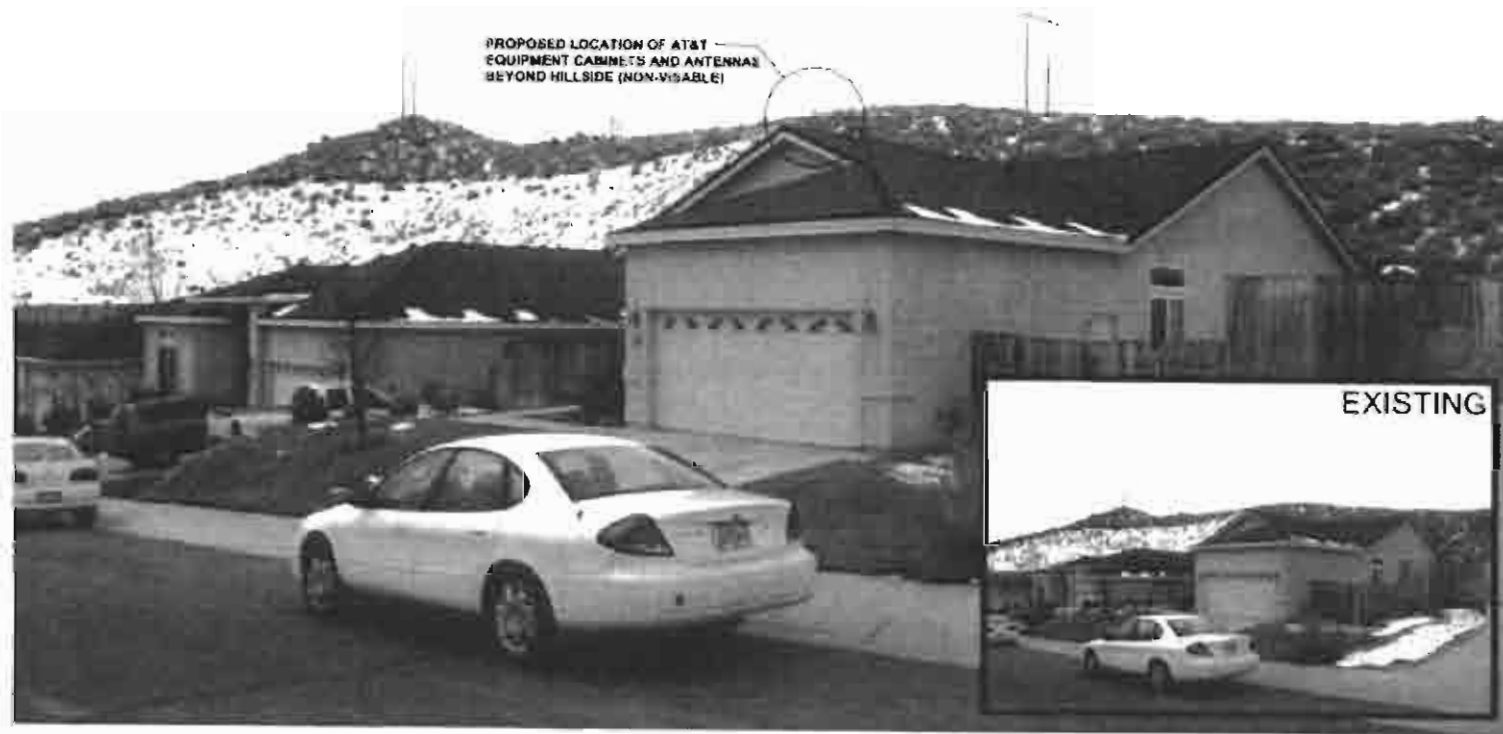
PHOTOSIMULATION VIEW 1



PHOTOSIMULATION VIEW 2



LONE MOUNTAIN
CN6108
N. ROOP ST & WINNIE LN
CARSON CITY, NV 89705



PHOTOSIMULATION VIEW 3

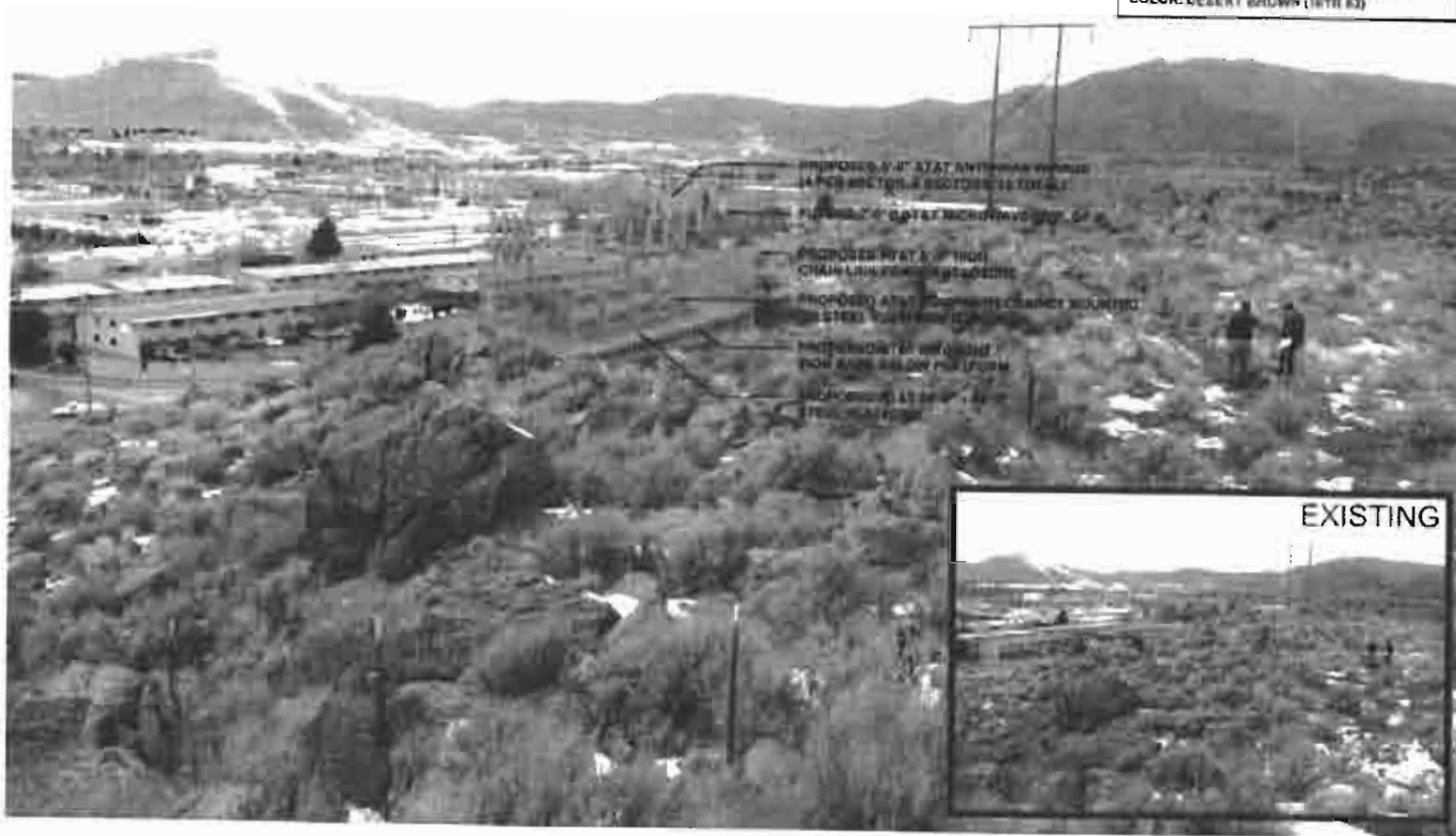


LONE MOUNTAIN
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CARSON CITY NV 89705



1000 AVENUE ERICINAS, SUITE 142B
LAS VEGAS, NEVADA
OFFICE: 702.735.5200

NOTE:
PROPOSED AT&T EQUIPMENT CABINETS,
ANTENNAS WIRING, CHAIN LINK FENCE, STEEL
PLATFORM AND WROUGHT IRON BARS TO BE
PAINTED IN STANDARD ENVIRONMENTAL
COLOR: DESERT BROWN (197R 83)



Conclusion

The site being addressed in this analysis is specifically configured to accommodate a telecommunications compound adequate for the location of the proposed ATT installation and 3 additional carriers including Carson City Public Works Department. Based upon its location, elevation and orientation of the antenna array, the presumed coverage objective is the residential and commercial districts in north Carson; West along Winnie to Ormsby Blvd., to the north up to College Parkway, to the south bordering Williams Street and to the east bordering Highway 50. Although it is the intent of current zoning ordinances to minimize the impact of cellular installations by collocation with existing facilities, placing them on existing structures while providing the coverage objective new sites are allowed with justification. In the special use permit application, ATT indicated that no existing facilities were available that fit the coverage objectives of both the City and ATT.

The site's location, design and the design of the proposed improvements were established through consultation with the City of Carson City, the Parks Department, the neighborhood and ATT.

HIGHEST AND BEST USE

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

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

Highest and Best Use as if Vacant

Physically Possibilities

Specifically, the subject of this analysis is a small (625± sf) tract of land whose dimensions are approximately 25' x 25' and includes the right of 24/7 pedestrian and vehicular access and the right to extend utilities to the compound. As a standalone parcel, with associated rights of access the site's physical characteristics severely restrict its utility. The site is specifically designed to accommodate the proposed use. Were it not for the proposed lease, the subject would likely remain an indistinguishable part of the Carson City open space parcel and continue to be used for passive recreation.

The site is uniquely well suited for the development of a telecommunications site. Its elevation puts it about 100' above the surrounding area, there is fairly dense development to the west, the presumed target coverage area, utilities are available, and as will be discussed subsequently, its current zoning allows the development of new telecommunications sites.

Legal Permissibility

The site is zoned PC, Carson City's Public Regional zoning designation. The uses that are allowed under the PC are generally municipal and recreational in nature. Utilities including telecommunication towers/antennas are allowed, with a special use permit on PC zoned property. It is important to note that communication towers/antennas are prohibited in residentially zoned parcels, unless the new facility is co-located on an existing antenna. To a great degree, this prohibition limits potential alternative telecommunication sites in the area.

Carson City has enacted a Communication Facilities and Equipment ordinance that sets out specific regulations for communication facilities and equipment. While much of the ordinance is not particularly restrictive, there is one clause that appears to be giving cellular telephone "tower companies" concern. Article 18.15.030 section (2) addresses "co-location".

2. Co-location.

a. To minimize the number of communication towers throughout the city, service providers shall employ all reasonable measures to co-locate their antenna equipment on existing towers, unless a higher priority location is proposed as set forth in this chapter.

b. If the proposed use will be a new freestanding tower, as a mandatory condition of approval, the applicant shall agree to limit, any future costs assessed to other service providers requesting to co-locate. The costs shall be limited to a proportional share of the ground lease, site acquisition costs, design, capital costs for construction of the freestanding tower including associated permitting costs and reasonable maintenance, repair and replacement costs.

It is my understanding that future carriers at this location will be the tenants of Carson City and not subtenants or "co-location" tenants of ATT. However, this restriction may have the effect of stopping or slowing the development of new tower sites through out the community rendering

existing locations more valuable. Many of the towers that I surveyed had multiple tenants, and several had no additional capacity without structural renovation or upgrades. A reading of the ordinance indicates a preference by Carson City Planning for the use of existing towers.

In the application for the special use permit for this site, the proponent made a compelling argument that there were no suitable alternative locations that would accommodate the same coverage objective.

Financially Feasibility

As a freestanding parcel, it has few financially feasible uses other than the one which is being proposed.

Most Probable Purchaser/Tenant

The most probable disposition of the subject as configured and approved is occupancy by a telecommunications company.

APPRAISAL OVERVIEW

The purpose of this analysis is to establish an appropriate market rental rate and terms for the site as defined. This analysis assumes that the tenant, in this case Verizon Wireless, will fund all construction and permitting costs including mapping, extension of utilities, construction of the improvements and security associated with the site's development. In essence, the following analysis will establish an appropriate annual rental rate for a raw land site with the physical and legal characteristics described previously.

The first step in this analysis is to identify the highest and best use of the subject. The site was specifically created occupancy as a cellular communications site. It is poorly suited for any other use.

When establishing a market rent for the subject, I have researched cellular telephone site and co-location rents in the Carson City area. Based on my research, it appears that the most recently established, new site, in Carson City was developed in 2003. Because I was unable to identify and confirm the rental rates for recent site leases in Carson City, I expanded the search to include the Truckee Meadows approximately 30 miles to the north.

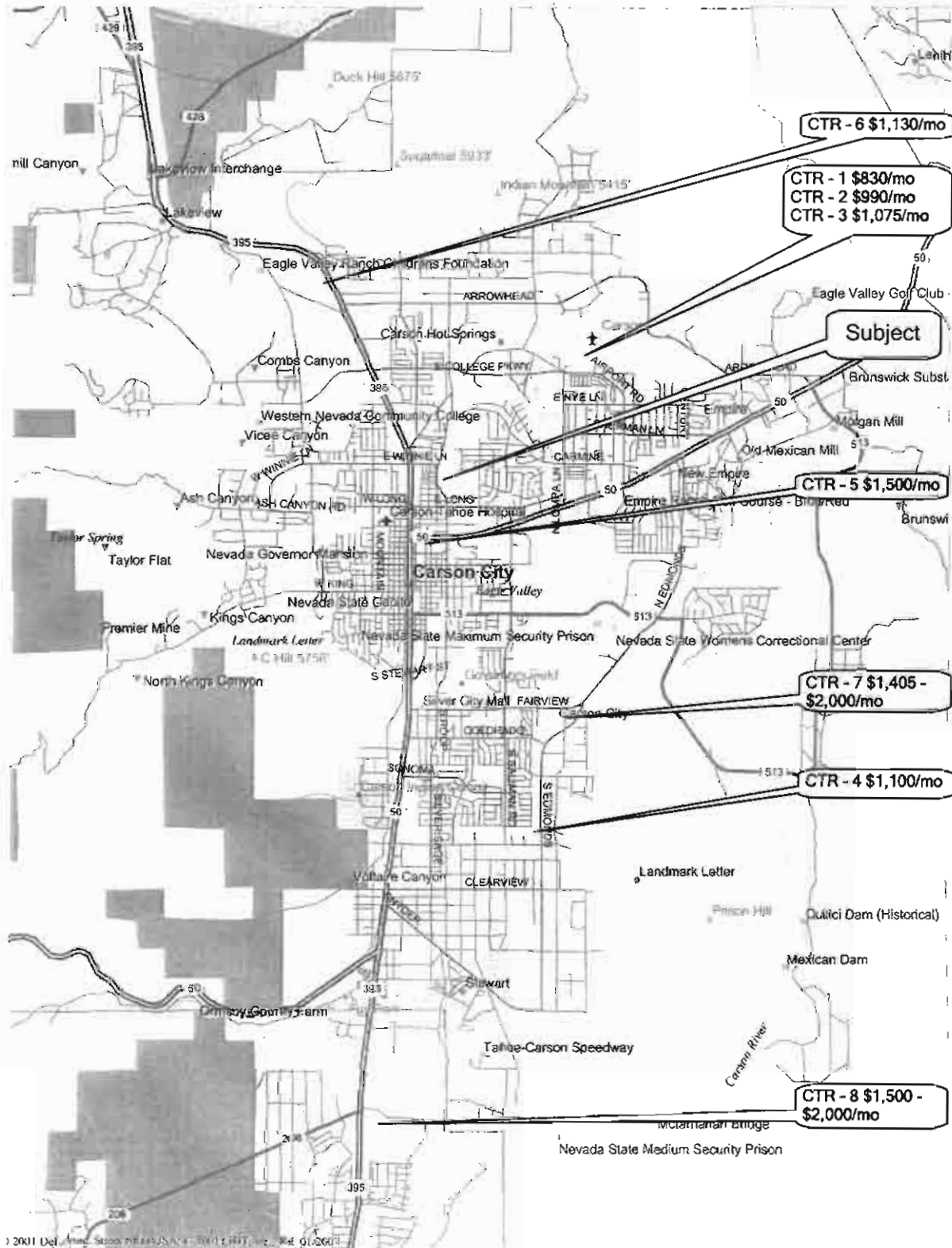
Set forth on the following pages is a summary of the information which I obtained. The data is divided into two groups. The first is the information developed from the Carson City market which includes only two site rents. The second group involves site lease information in the Reno Sparks area.

COMPARABLE CELL TOWER CO-LOCATION RENTAL CHART
Carson City Data

Rental Number	Location	Carrier	Lease Date	Term Options	Monthly Rent	Escalation Clause
CTR-1	Carson Airport 2600 Graves Lane	ATT	6/2000	5 years 5 @ 5 years	\$830	\$600 starting rent, 3% per year increases
CTR-2	Carson Airport 2600 Graves Lane	Clearwire	8/2005	5 years 5 @ 5 years	\$990	\$900 starting rent, 10% increase at every option period
CTR-3	Carson Airport 2600 Graves Lane	Cricket	3/2001	5 years 5 @ 5 years	\$1,075	\$800 starting rent, 3% annual increases
CTR-4*	Edmunds Sports Complex Edmunds Drive Carson City	Cricket	5/2002	5 years 5 @ 5 years	\$1,100	\$1,000 starting rent, 10% increase at every option, in the first option period
CTR-5	Carson Federal Building 705 N. Plaza St. Carson City	Verizon	6/1997	5 years 3 @ 5 years	\$1,500	\$1,500 beginning rent, flat for the entire term including option periods
CTR-6*	Sierra RV 4550 N. Carson St. Carson City	Verizon	8/2003	5 years 6 @ 5 years	\$1,130	\$1,000 starting rent, 13% increase at every option period
CTR-7	2088 S. Lompa Lane Carson City	Verizon Clearwire, ATT/ Cingular	Varies	Not disclosed	\$1,500- \$2,000	Details regarding term/terms were not available. Most common: 5 year term, 4-6 5 year options, annual 3% or CPI increases
CTR-8	3616 Sunridge Dr Carson City	Sprint, Clearwire, ATT TMobile	Varies	Not disclosed	\$1,408- \$2,000	Details regarding term/terms were not available. Most common: 5 year term, 4-6 5 year options, annual 3% or CPI increases

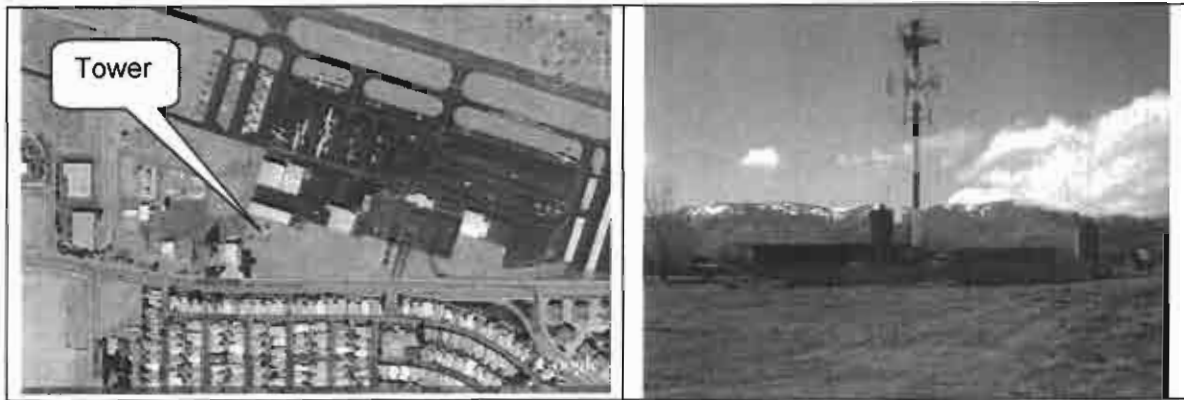
*Site Lease

COMPARABLE CELL TOWER CO-LOCATION RENTAL MAP



© 2011 Del... [Small text]

CELL TOWER SITE LEASE PROFILE
CTR - 1



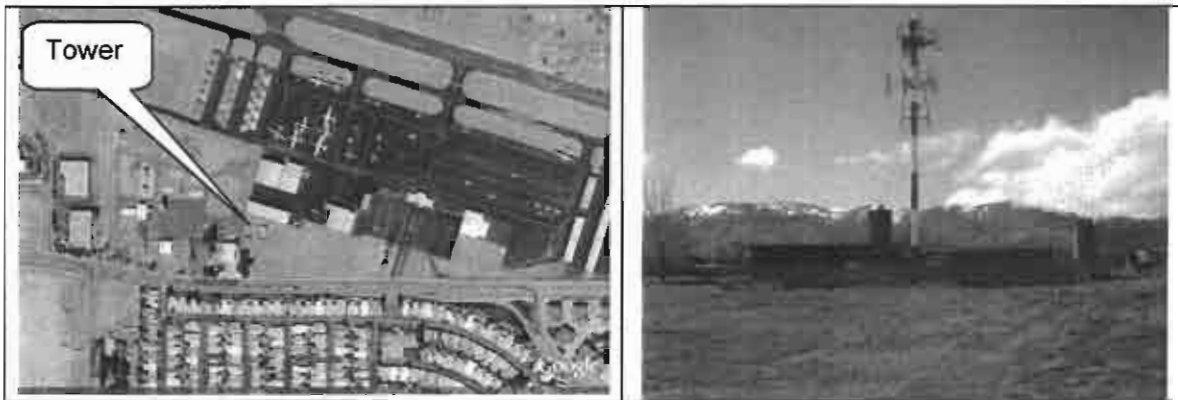
APN: 005-011-01
 Address: Carson City Airport
 2600 College Parkway
 Carson, City

Carrier	ATT
Lease Date	6/2000
Initial Rent	\$600
Current Rent	\$830
Lease Term	5 years
Options	5 @ 5 years
Escalation Clauses	3% annual increases

This comparable involves a co-location on an existing airport beacon tower.

Confirmation
Lease

**CELL TOWER SITE LEASE PROFILE
CTR - 2**



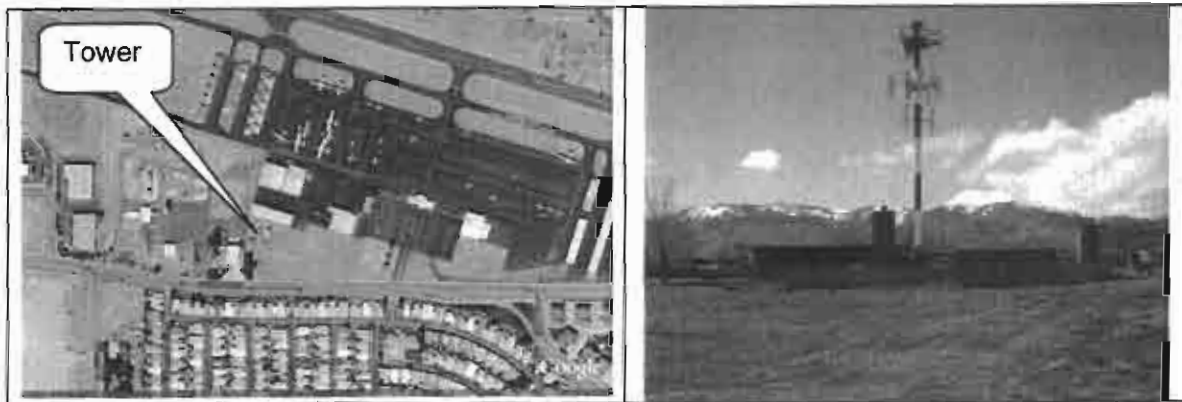
APN: 005-011-01
 Address: Carson City Airport
 2600 College Parkway
 Carson, City

Carrier	Clearwire
Lease Date	8-2005
Initial Rent	\$900
Current Rent	\$990
Lease Term	5 years
Options	5 @ 5 years
Escalation Clauses	10% increase at the commencement of each option period

This comparable involves a co-location on an existing airport beacon tower.

Confirmation
Lease

CELL TOWER SITE LEASE PROFILE
CTR - 3



APN: 005-011-01
Address: Carson City Airport
 2600 College Parkway
 Carson, City

Carrier	Cricket
Lease Date	3/2001
Initial Rent	\$800
Current Rent	\$1,075
Lease Term	5 years
Options	5 @ 5 years
Escalation Clauses	3% annual increases

This comparable involves a co-location on an existing airport beacon tower.

Confirmation
 Lease

**CELL TOWER SITE LEASE PROFILE
CTR - 4**



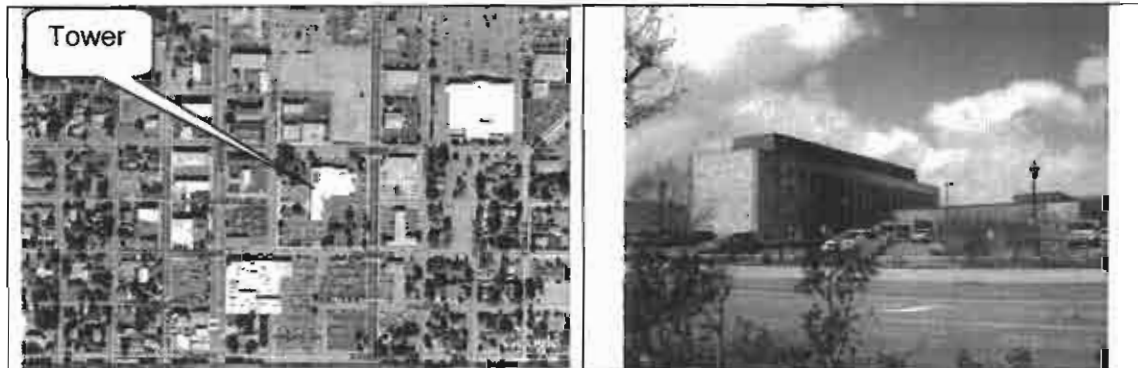
APN: 010-221-14
Address: Edmunds Sports Complex
 1555 Livermore Lane
 Carson City

Carrier	Cricket
Lease Date	5/2002
Initial Rent	\$1,000
Current Rent	\$1,100
Lease Term	5 years
Options	5 @ 5 years
Escalation Clauses	10% increase at the beginning of each option period

This comparable involves a position on a light tower in the Edmunds Sports Complex. The tower was built by Cricket and replaced an existing lamp pole. After completion the tower became the property of Carson City and, the city reserved co-location rights. This is, in essence a site lease.

Confirmation
 Scott Fahrenbruch
 Juan Guzmann - City of Carson City

**CELL TOWER SITE LEASE PROFILE
CTR - 5**



APN: 004-262-02
Address: Carson City Federal Building
 705 N. Plaza St.
 Carson City

Carrier	Verizon
Initial Rent	\$1,500
Current Rent	\$1,500
Lease Date	6/1997
Lease Term	5 years
Options	3 @ 5 years
Escalation Clauses	Rent is flat for the entire term, including options

This comparable involves a building located site on the Carson Federal building in downtown Carson City. It is the only comparable that I am aware of with a flat rent for the entire term, including option periods.

Confirmation
 Molly Kales - Verizon Wireless

**CELL TOWER SITE LEASE PROFILE
CTR - 6**



APN: 07-531-27
 Address: Sierra RV
 4550 N. Carson St
 Carson City

Carrier	Verizon
Initial Rent	\$1,000/month
Current Rent	\$1,130/month
Lease Date	8/2003
Lease Term	5 years
Options	6 @ 5 years
Escalation Clauses	13% increase at the commencement of each option

This is a site lease. This comparable is well positioned to serve the US 395 corridor and the new hospital at the north end of Carson City.

Confirmation
 Molly Kales - Verizon Wireless
 Bruce Robertson - Sperry Van Ness

**CELL TOWER SITE LEASE PROFILE
CTR - 8**



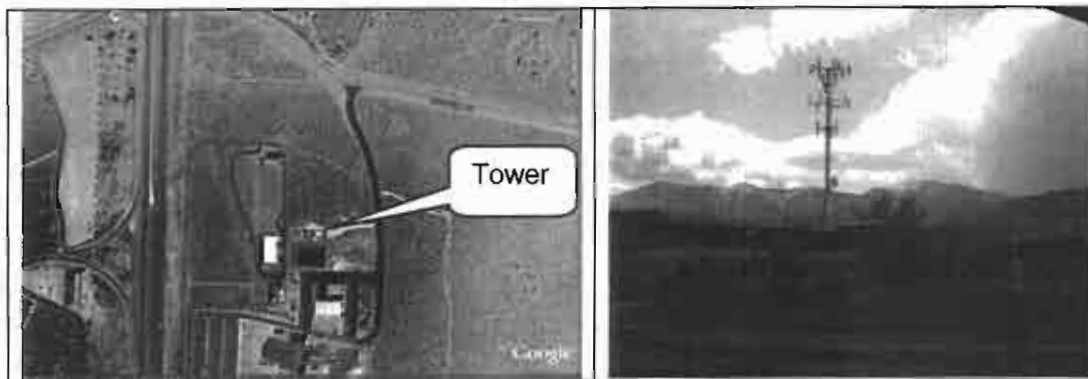
APN: 010-061-62
Address: 2088 S. Lompa Lane
 Carson City

Carrier	Clearwire, ATT, T-Mobile
Initial Rent	Not available
Current Rent	\$1,405 - \$2,000
Lease Date	Not available
Lease Term	5 years
Options	4 - 6 @ 5 years
Escalation Clauses	Preferred escalation clause involves 3% per year, compounded

Because of the secrecy and proprietary nature of the wireless communication industry, only general information was available on the carriers at this location.

Confirmation
 Confidential

**CELL TOWER SITE LEASE PROFILE
CTR - 7**



APN: 1420-07-501-002
Address: 3616 N. Sunridge Dr.
 Douglas County

Carrier	Clearwire, ATT, Sprint and T-Mobile
Initial Rent	Not available
Current Rent	\$1,500 - \$2,000
Lease Date	Not available
Lease Term	5 years
Options	4 - 6 @ 5 years
Escalation Clauses	Preferred escalation is 3% per year, compounded

Because of the secrecy and proprietary nature of the wireless communication industry, only general information was available on the carriers at this location.

Confirmation
 Confidential

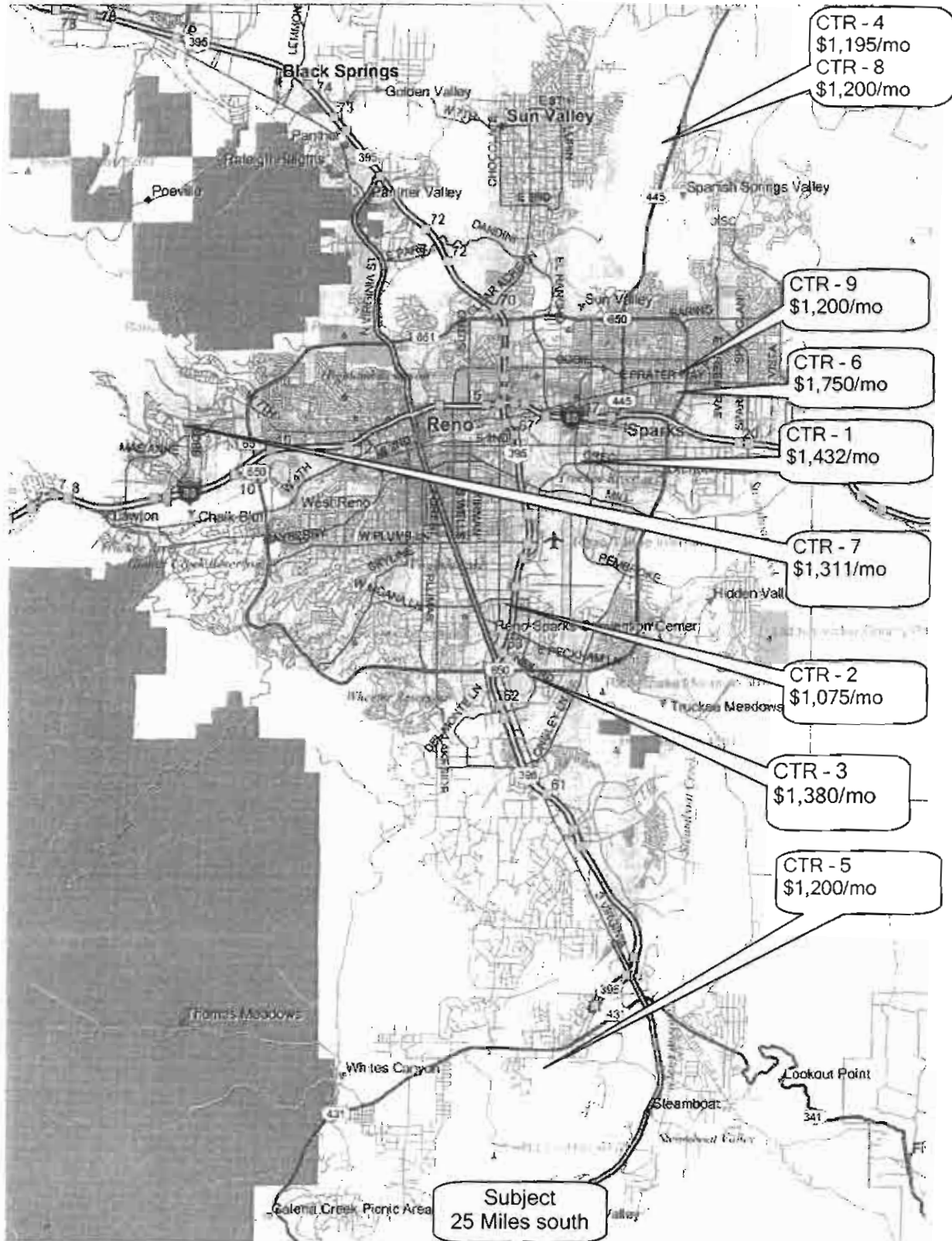
In addition to the information developed in the Carson City area which focused primarily on rents paid for "co-location" on existing towers or other facilities, the search was expanded to include site rents in the Reno/Sparks area. With the expansion of the local population in the early and mid 2000's many carriers had to expand their "footprint" in the community. As new neighborhoods were developed, and the population density increased in the existing urban areas, a number of new cell site locations were added to the inventory. It appears that the location standards in the Reno Sparks area are somewhat more flexible than Carson City's.

The information developed in the Reno Sparks area is summarized on the following pages.

COMPARABLE CELL TOWER SITE RENTAL CHART

Rental Number	Location	Carrier	Lease Date	Term Options	Monthly Rent	Escalation Clause
CTR - 1	025-524-02 Abbey Carpet 1180 S. Rock Blvd	T-Mobile	2005-2006	5 years 5 @ 5 years	\$1,432	\$1,250/month starting rent 3% compounded annually
CTR - 2	020-251-25 Sportsman's Warehouse 3306 Kietzke Lane	Cingular	2005-2006	5 years 3 @ 5 years	\$1,075	\$900/month starting rent 3% compounded annually
CTR - 3	025-524-02 Speedway Market 1400 E. Peckham Lane	T-Mobile	2005-2006	5 years 5 @ 5 years	\$1,380	\$1,200/month starting rent 15% at the commencement of each 5 year option period
CTR - 4	Summit Christian Church 7075 Pyramid Highway	T-Mobile	2005-2006	5 years 5 or 6 @ 5 years	\$1,195	\$1,000/month starting rent 3% compounded annually
CTR - 5	Galena High School 3600 Butch Cassidy Way	Sprint PCS	2005-2006	5 years 4 @ 5 years	\$1,200	\$533.75/mo starting rent, \$1,200/mo beginning year 6, then 15% at the beginning of each subsequent 5 year option
CTR - 6	Ironhorse Shopping Center 635 E. Prater Way	T-Mobile	August 2008	5 years 5 @ 5 years	\$1,750	Flat during the primary term, future escalations not disclosed
CTR - 7	Quail North West 675 Robb Drive	T-Mobile	2008	5 years 5 @ 5 years	\$1,311	\$1,200/mo starting rent 3% compounded annually
CTR - 8	Summit Christian Church 7075 Pyramid Highway	ATT	4-2011	5 years 4 @ 5 years	\$1,200	\$1,200/month 3% compounded annually, 15% co- location rent sharing
CTR-9	Operative Plasterers and Concrete 808 Gleeson Way	ATT	Mid 2010	5 years multiple 5 year options	\$1,200	\$1,200/month specifics regarding escalation were not available but believed to be 3% compounded annually
Subject	Lone Mountain Northridge Drive Carson City, NV	ATT	2011			

COMPARABLE CELL TOWER SITE RENTAL MAP



CELL TOWER SITE LEASE PROFILE
CTR - 1



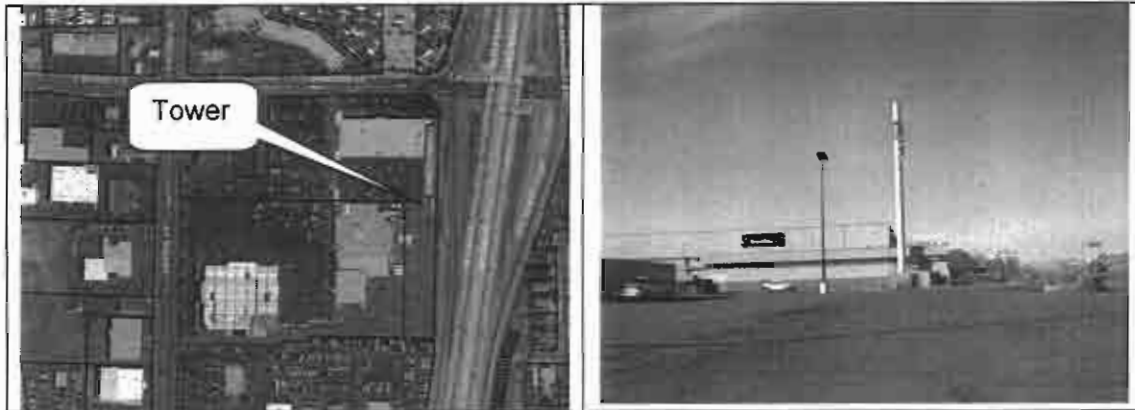
APN: 025-524-02
 Address: Abbey Carpet
 1180 S. Rock Blvd
 Reno, NV

Lessor	James and Sharon Ziegler
Carrier	T-Mobile
Lease Date	2005-2006
Initial Rent/Current Rent	\$1,250/month - \$1,432/month
Lease Term	5 years
Options	5 @ 5 years each
Escalation Clauses	3% per year, compounded

This is a site rent. The tower is located in a commercial/industrial neighborhood in southeast Reno.

Confirmation
 Jim Ziegler

**CELL TOWER SITE LEASE PROFILE
CTR - 2**



APN: 020-251-25
Address: Sportsman's Warehouse
 3306 Kietzke Lane
 Reno

Lessor	Kietzke Plaza LLC
Carrier	Cingular
Initial Rent/Current Rent	\$900/month - \$1,075/month
Lease Date	2005-2006
Lease Term	5 years
Options	3 @ 5 years
Escalation Clauses	3% per year, compounded

This is a site rent. The tower is located at the rear of a shopping center at the southwest corner of US395 and Moana Lane. It is in a commercial/retail neighborhood and serves the US395 corridor.

Confirmation
 Gary Johnson

**CELL TOWER SITE LEASE PROFILE
CTR - 3**



APN: 025-524-02
Address: Speedway Market
 1400 E. Peckham Lane
 Reno

Lessor	Speedway Plaza LLC
Carrier	T-Mobile
Initial Rent/Current Rent	\$1,200/month - \$1,380/month
Lease Date	2005-2006
Lease Term	5 years
Options	5 @ 5 years
Escalation Clauses	15% of current rent at the commencement of each option period

This is a site rent. The tower is part of a small retail strip center serving a dense residential neighborhood in southeast Reno.

Confirmation
 Matthew Berry

CELL TOWER SITE LEASE PROFILE
CTR - 4



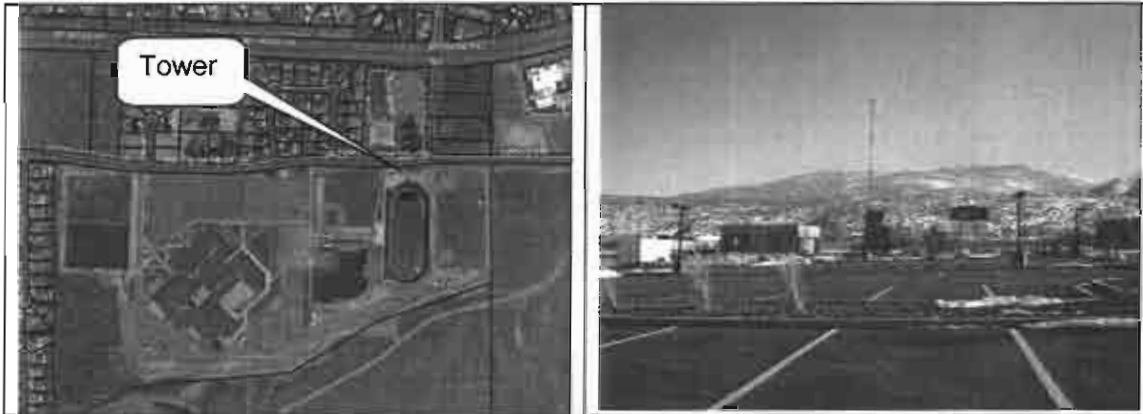
APN: 083-730-08
Address: Summit Christian Church
 7075 Pyramid Highway
 Sparks

Lessor	Summit Christian Church
Carrier	T-Mobile
Initial Rent/Current Rent	\$1,000 /month - \$1,195/month
Lease Date	2005-2006
Lease Term	5 years
Options	5 or 6 @ 5 years
Escalation Clauses	3% per year, compounded

This is a site rent. The site is on the hill on the west side of the Spanish Springs Valley. The antenna is concealed in the cross and the equipment compound is nearby. The service objective is the residential development to the east in Spanish Springs.

Confirmation
 John - Facilities manager, Summit Christian Church

**CELL TOWER SITE LEASE PROFILE
CTR - 5**



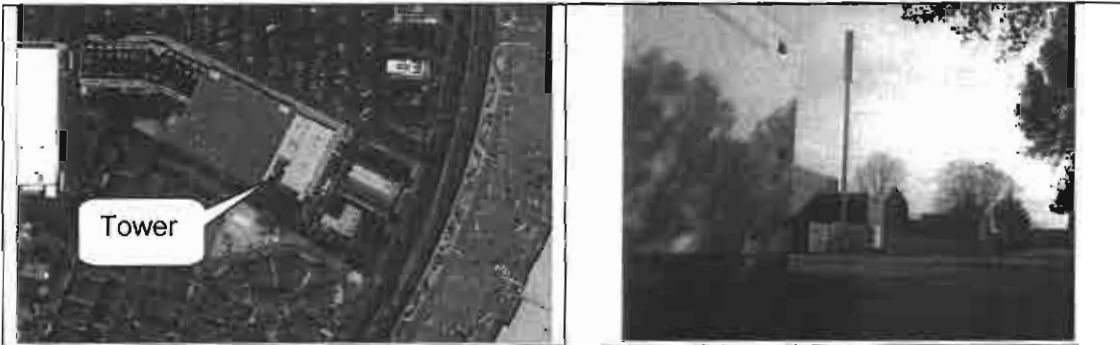
APN: 144-010-01
Address: Galena High School
 3600 Butch Cassidy Way,
 Reno

Lessor	Washoe County School District
Carrier	Sprint PCS
Initial Rent/Current Rent	\$533.75 /\$1,200
Lease Date	2005-2006
Lease Term	5 years
Options	4 @ 5 years
Escalation Clauses	Rent increased from \$533.75 to \$1,200/ month at the end of the primary term, and then will increase 15% at the beginning of each subsequent renewal term.

This is a site rent. The site is adjacent to the Galena High School football stadium. The service objective is the traffic on the Mt. Rose Highway and the residential development around the high school.

Confirmation
 Dena Sonnenburg - Washoe County School District

CELL TOWER SITE LEASE PROFILE
CTR - 6



APN: 033-152-19
Address: Iron Horse Shopping Center
 685 E. Prater Way
 Sparks

Lessor	Iron Horse Kohala LLC
Carrier	T-Mobile
Initial Rent/Current Rent	\$1,750 /\$1,750/month
Lease Date	8-2008
Lease Term	5 years
Options	5 @ 5 years
Escalation Clauses	Rent is flat for the primary term, escalations at options were not disclosed

This is a site rent. This site is at the rear of the shopping center. The service objective is the commercial and residential development surrounding the intersection of Prater Way and North McCarran Blvd in Sparks.

Confirmation
 Mark Keyzers, NAI Alliance

CELL TOWER SITE LEASE PROFILE
CTR - 7



APN: 200-590-11
Address: Quail North West
 675 Robb Drive
 Reno

Lessor	Quail North West LLC
Carrier	T-Mobile
Initial Rent/Current Rent	\$1,200 /\$1,311/month
Lease Date	2008
Lease Term	5 years
Options	5 @ 5 years
Escalation Clauses	3% per year, compounded

This is a site rent. The site is in a mixed commercial/retail development. The service objective is the commercial and residential development around the intersection of Mae Anne Ave and Robb Drive in the northwest Reno neighborhood of Northgate.

Confirmation
 Ed Yuill, Ribeiro Properties

**CELL TOWER SITE LEASE PROFILE
CTR - 8**



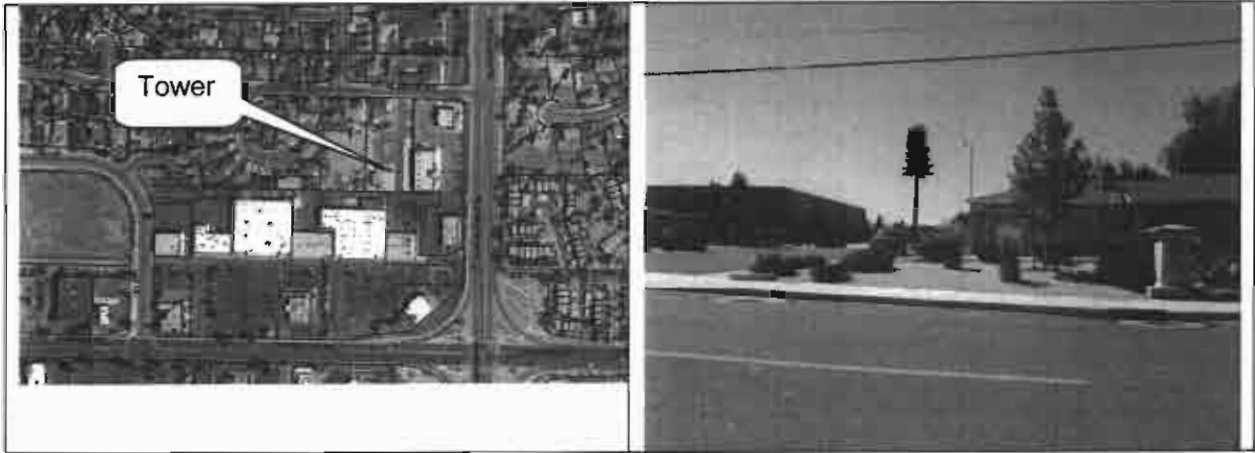
APN: 083-730-08
Address: Summit Christian Church
 7075 Pyramid Highway
 Sparks

Lessor	Summit Christian Church
Carrier	ATT
Initial Rent/Current Rent	\$1,200 /\$1,200/month
Lease Date	2011
Lease Term	5 years
Options	4 @ 5 years
Escalation Clauses	3% per year, compounded

This is a site rent. The site is adjacent to the site identified in Rental CTR-4 and has the same Spanish Springs valley service objective. The Summit Christian Church will participate in 15% of any rents charged by ATT for co-location.

Confirmation
 Robert DeHuff 775 424 5683

CELL TOWER SITE LEASE PROFILE
CTR - 9



APN: 033-103-03
Address: Operative Plasters and Cement
 810 Gleeson Way
 Reno

Lessor	Operative Plasters and Cement
Carrier	ATT
Initial Rent/Current Rent	\$1,200 /\$1,200/month
Lease Date	2010
Lease Term	5 years
Options	Multiple @ 5 years
Escalation Clauses	3% per year, compounded

This is a site rent. The site is located near the intersection of Prater Way and North McCarran Blvd. The service objective is the dense residential development in the area and the commercial development surrounding the intersection. Mr. Levitt was unsure about the escalation clause but believed it was as stated above.

Confirmation
 Mark Levitt, Operative Plasters and Cement

SITE ANALYSIS AND RENTAL CONCLUSION

The comparable site rents presented in the preceding charts and profiles were initiated in between 1997 and 2011. This is in comparison with the August 13, 2011 effective date of value. In the Carson City market these leases are considered contemporary to the date of value. Each of the comparables involves a small site or area for an equipment compound, access to a tower or building for the antenna and access to adequate utilities, telecommunication facilities and access for maintenance.

In each case the carrier collocates or the tower or location owner has retained the right to co-location.

Where specifics were available, without exception, each of the leases had an initial lease term of five years with several 5 year renewal options. Specifics were not available for Rentals CTR-8 and CTR-9, but during the confirmation, it was indicated that the terms were similar. Including the primary and option periods, the leases ranged in duration from 20 to 35 years.

The leases illustrated three escalation scenarios. The most prevalent was an annual increase of approximately 3%, compounded in annually. This was followed by a fixed increase of 10% to 13% increase calculated at the commencement of each option period and compounding through the term of the lease. One of the leases, that at the Carson City Federal Building had a relatively high initial rent and was flat during the primary and option periods. Again, specific escalation clause information was not for Rentals CTR-8 and CTR-9, but during the confirmation it was indicated that the escalation clauses at these locations were "standard".

First, addressing the data developed in the Carson City Area. When arrayed chronologically, it appears that cell tower rental rates are increasing with the passage of time and site rents are somewhat higher than co-location rents.

Rental	Lease Date	Initial Rent	Current Rent	
CTR-6	6/1997	\$1,500	\$1,500	Level for the entire term
CTR-1	6/2000	\$600	\$830	
CTR-3	3/2001	\$800	\$1,075	
CTR-4	5/2002	\$1,000	\$1,100	Carson City site rent
CTR-7	8/2003	\$1,000	\$1,130	Carson City site rent
CTR-2	8/2005	\$900	\$990	

A lease date for Rentals CTR-7 and CTR-8 were not available but based on the information that was provided during the confirmation it was indicated that co-location rents are increasing and that newer leases are being written at between \$1,500 and \$2,000 per month, which is above the adjusted rents indicated above.

Because of the nature of the Reno/Sparks market and possibly because the population grew as such a fast pace and new neighborhoods were being built during the early 2000s there were many more recent site leases.

The Reno Sparks comparables were all less than 6 years old and the data included two site leases that were negotiated within the past 24 months. On a monthly basis, the rents are summarized below.

Reno Sparks Data

Rental	Lease Date	Initial Rent	Current Rent
CTR-1	2005-2006	\$1,250	\$1,432
CTR-2	2005-2006	\$900	\$1,075
CTR-3	2005-2006	\$1,200	\$1,380
CTR-4	2005-2006	\$1,000	\$1,195
CTR-5	2005-2006	\$533.75	\$1,200
CTR-6	8/2008	\$1,750	\$1,750
CTR-7	2008	\$1,200	\$1,311
CTR-8	4/2011	\$1,200	\$1,200
CTR-9	Mid 2010	\$1,200	\$1,200

In the Reno Sparks area, the most recent site leases are fairly consistent. An initial lease rate of \$1,200 to \$1,300 and an escalation clause that increases rents 3% per year or 15% per option period are common.

Carson City's Communication Facilities and Equipment Ordinance will likely push rents on existing towers upward. The ordinance prohibits new towers in residential neighborhoods and in effort to provide a disincentive for the construction of new towers; the ordinance includes a co-location rent restriction clause that will likely limit the development of new towers. Eventually this may lead to a relative shortage of towers and strong demand for the better locations.

The specific information available suggests a rental rate range of \$1,000 to \$1,500 per month and the antidotal information available from the confirmation of CTR-8 and CTR-9 suggest an appropriate rent for the subject at the upper portion of that range.

In terms of relative desirability of the subject as a wireless communication site, the subject benefits from a fairly dense population, line of sight visibility to much of northeast Carson City and the new US395 Carson City bypass.

Overall, my analysis of the available data suggests an appropriate rental rate for the subject at \$1,300 per month, or \$15,600 per year, an initial lease term of five years, with five 5-year options and an annual escalation of 3% per annum compounded.

CONCLUSION:**MARKET RENT AT COMMENCEMENT****\$1,300/month or \$15,600/year****LEASE TERM****5-year initial term****OPTIONS****Five 5-year extension options****ESCALATION****3% compounded annually**

**QUALIFICATIONS OF APPRAISER
ROBERT E. SCHIFFMACHER**

Professional Affiliations

Member of the Appraisal Institute, MAI	93675
Nevada Certified General Real Estate Appraiser	#A.0002492-CG
Member of the International Right of Way Association	7898243

Formal Education

University of Northern Colorado, Greeley	1976-1978
Course work in Sociology and Police Science	
Community College of Denver, Golden Colorado	1977
Course work in Police Science	
University of Nevada, Reno	1978-1981
BS Business Administration	
Course work in Finance and Marketing	

Appraisal Education and Technical Training

Real Estate 101	1981
Real Estate Appraisal I	1989
Real Estate Appraisal Principles 1A-1	1991
Basic Valuation Procedures 1A-2	1991
Capitalization Theory and Techniques Part A	1992
Capitalization Theory and Techniques Part B	1992
Nevada Law (N.R.S. 645C)	1993
Standards of Professional Practice Parts A & B	1993
Advanced Applications	1993
Report Writing and Valuation Analysis	1995
Ethics, USPAP Statements	1996
Comprehensive Appraisal Workshop	2000
Water Rights in Nevada	2001
Condemnation Appraising (Courses 710 and 720)	2001
Appraisal Litigation Practice & Courtroom Management	2003
Supporting Capitalization Rates	2004
Rates and Ratios: Making Sense of GIMs, OARs and DCF	2004
Uniform Standards of Professional Appraisal Practice	2006
Condominiums, Co-Ops, and PUD's	2006
Intro to GIS applications for Real Estate Appraisal	2006
Uniform Standards for Federal Land Acquisitions	2002, 2007
Appraisal of Partial Acquisitions (IRWA)	2009

Offices Held

Reno-Carson-Tahoe Chapter Appraisal Institute:	
Chapter President	2003
Chapter Vice President	1999, 2002
Chapter Secretary	1997
Chapter Treasurer	1998, 2000, 2001
Board of Directors	2002 - 2010

QUALIFICATIONS OF APPRAISER
ROBERT E. SCHIFFMACHER
(Continued)

Related Seminars

Real Estate Syndication	1986
Marshall Swift Commercial/Residential Workshop	1995

Occupational History

Warren & Schiffmacher, LLC Principal	2002-Present
Wright, Warren & Schiffmacher, LLC Principal	1997-2002
Washoe County Assessor's Office Appraiser III	1995-1996
Johnson - Perkins & Associates Associate Appraiser	1991-1995
California Pacific Research Inc. Financial Manager	1985-1991
Paine Webber Inc. Registered Representative	1984
First Interstate Bank of Nevada Trust Administrator	1982-1984

Representative Appraisal Clients

Airport Authority of Washoe County	Mineral County
Bank of America	Nevada Department of Transportation
Bank of the West	Norwest Bank
California Federal Bank	Pioneer Citizens Bank
City of Reno	Regional Transportation Commission
City of West Wendover	Sierra Pacific Power Company, (kna NVEnergy)
Comstock Bank	Southwest Gas Corporation
Dermody Properties	Truckee Meadows Flood Management Project
Dover House Capital, LLC	Truckee Meadows Water Authority
Financial Development Corp.	U. S. Bank
First Interstate Bank	University of Nevada
General Services Administration	Washington Capital Management
GMAC Commercial Mortgage	Washington Mutual Bank
Imperial Thrift & Loan	Washoe County Water Authority
Lowe Enterprises	Wells Fargo Bank

Types of Properties Appraised

Various Types of Vacant Land	Shopping Centers
Retail Buildings	Apartment Complexes
Hotel-Casinos	Office Buildings
Industrial Buildings	Motels
Special Use Properties	Rights of way
Easements	

ASSUMPTIONS AND LIMITING CONDITIONS

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

LIMITS OF LIABILITY:

The liability of Robert E. Schiffmacher, MAI and Warren & Schiffmacher LLC is limited to the client only and to the fee actually received by the appraisal firm. There is no accountability, obligation, or liability to any third party. If the report is disseminated to anyone other than the client, the client shall make such party or parties aware of all limiting conditions and assumptions affecting the assignment. The appraiser is not in any way to be responsible for any costs incurred to discover or correct any physical, financial and/or legal deficiencies of any type present in the subject property.

COPIES, PUBLICATION, DISTRIBUTION AND USE OF REPORT:

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

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

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

CONFIDENTIALITY:

Except as provided for subsequently, the appraiser may not divulge the analyses, opinions or conclusions developed in the assignment, nor may he give a copy of the report to anyone other than the client or his designee as specified in writing. However, this condition does not apply to any requests made by the Appraisal Institute or the State of Nevada for purposes of confidential ethics enforcement. Also, this condition does not apply to any order or request issued by a court of law or any other body with the power of subpoena.

The appraiser may be requested to submit copies of work to bona fide financial institutions in order to be approved to complete appraisal or consultation work for their institution. When requested, the appraiser will contact the client to obtain release to disseminate copies of the report to requesting institutions. Requests for dissemination will be controlled by the client; however, approval to disseminate the report will not be unreasonably withheld. Any reports disseminated to requesting financial institutions would be edited to remove specific references to the subject property's name, location and owner. Additionally, any specific reference to the client will also be deleted.

INFORMATION SUPPLIED BY OTHERS:

Information (including projections of income and expenses) provided by informed local sources, such as government agencies, financial institutions, Realtors, buyers, sellers, property owners, bookkeepers, accountants, attorneys, and others is assumed to be true, correct and reliable. No responsibility for the accuracy of such information is assumed by the appraiser. The appraiser is not liable for any information or the work product provided by subcontractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other sources thought reasonable. In some instances, an impractical and uneconomic expenditure of time would be required in attempting to furnish absolutely unimpeachable verification. The value conclusions set forth in the appraisal report are subject to the accuracy of said data. It is suggested that the client consider independent verification as a prerequisite to any transaction involving a sale, a lease or any other commitment of funds with respect to the subject property.

TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE:

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

EXHIBITS AND PHYSICAL DESCRIPTIONS:

It is assumed that the improvements and the utilization of the land are within the boundaries of the property lines of the property described in the report and that there is no encroachment or trespass unless noted otherwise within the report. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in the report are there to assist the reader in visualizing the property and are not necessarily drawn to scale. The reliability of the information contained on any such map or drawing is assumed accurate by the appraiser and is not guaranteed to be correct.

TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS:

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

ENGINEERING, STRUCTURAL, MECHANICAL, ARCHITECTURAL CONDITIONS:

This report should not be construed as a report on the physical items that are a part of any property described in the report. Although the report may contain information about these physical items (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property analysis and not as a complete or detailed report on these physical items. The appraiser is not a construction, engineering, or architectural expert, and any opinion given on these matters in this report should be considered tentative in nature and is subject to

modification upon receipt of additional information from appropriate experts. The client is advised to seek appropriate expert opinion before committing any funds to the property described in the report.

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

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

Because no detailed inspection was made, and because such knowledge goes beyond the scope of this analysis, any comments on observed conditions given in this appraisal report should not be taken as a guarantee that a problem does or does not exist. Specifically, no guarantee is given as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating systems, air conditioning systems, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, it is strongly suggested that a mechanical and/or structural inspection be made by a qualified and licensed contractor, a civil or structural engineer, an architect or other experts.

This analysis is based on the assumption that there are no apparent or unapparent conditions on the property site or improvements, other than those stated in the report, which would materially alter the value of the subject. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and standard for the properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made in the analysis as to the adequacy of insulation, the type of insulation, or the energy efficiency of the improvements or equipment which is assumed to be standard for the subject's age, type and condition.

AMERICANS WITH DISABILITIES ACT:

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

TOXIC MATERIALS AND HAZARDS:

Unless otherwise stated in the report, no attempt has been made to identify or report any toxic materials and/or conditions such as asbestos, urea-formaldehyde foam insulation, or soils or ground water contamination on any land or improvements described in the report. Before committing funds to any property, it is strongly advised that appropriate experts be employed to inspect both land and improvements for the existence of such toxic materials and/or conditions. If any toxic materials and/or conditions are present on the property, the value of the property may be adversely affected and a reanalysis at an additional cost may be necessary to estimate the effects of such circumstances.

SOILS, SUB-SOILS, AND POTENTIAL HAZARDS

It is assumed that there are no hidden or unapparent conditions of the soils or sub-soils which would render the subject property more or less valuable than reported in the appraisal. No engineering or percolation tests were made and no liability is assumed for soil conditions. Unless otherwise noted, sub-surface rights (minerals and oil) were not considered in completing this analysis. Unless otherwise noted, the land and the soil in the area being analyzed appeared to be firm, but no investigation has been made to determine whether or not any detrimental sub-soil conditions exist. The appraiser is not liable for any problems arising from soil conditions. Therefore, it is strongly advised that, before any funds are committed to a property, the advice of appropriate experts be sought.

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

The appraiser assumes no responsibility for any costs or for any consequences arising from the need or lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for flood hazard insurance.

LEGALITY OF USE

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

COMPONENT VALUES

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

ADDENDA

CARSON CITY ZONING

18.04.180 - Public community (PC).

Public community (PC) means facilities and uses that serve primarily a large portion of Carson City. The purpose of the public community (PC) district is to achieve the following:

1. 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.
2. To organize the assemblage of specific, nonprofit and profit public facilities into efficient functionally compatible, and attractively planned administrative centers in conformance with the master plan and to establish special use permit approval for all uses thereby ensuring compatibility with adjacent more restrictive districts. All public community (PC) district development standards relative to lot area, setbacks, building height, landscaping, off-street parking and signs shall be based on requirements and conditions of the special use permit.
3. To establish site plan approval for many uses thereby ensuring compatibility with adjacent more restrictive districts and to organize the assemblage of specific, nonprofit and profit public facilities into efficient functionally compatible and attractively planned uses in conformance with the master plan.

The conditional uses permitted in the public community(PC) district which require approval of a special use permit are:

Buildings and facilities owned, leased, or operated by the city of Carson City, Carson city school district or any other district, state of Nevada or the government of the United States;

- Cemetery;
- Child care facility;
- Civic auditorium and theater;
- Fire station;
- Historical site;
- Hospital;
- Library;
- Municipal well facility;
- Museum;
- Public administrative office;
- Public parks;
- Public parking lots;
- Resource management use/groundwater recharge use;
- Schools (elementary, middle, high school, and college/university);
- Senior center;
- Sheriff's office and jail;
- Storage;
- Storage containers (permanent) as an accessory to a primary permitted use, subject to Division 1 and 1.10 (Personal Storage) of the development standards;
- Storm drainage and floodplain devices;
- Swimming pool;

Utility easement;
Utility facilities;
Utility substation;

Development standards. All public community (PC) district development standards relative to lot area, setbacks, building height, landscaping, off-street parking, and signs shall be based on requirements and conditions of the special use permit.

(Ord. 2006-4 § 10 (part), 2006: Ord. 2002-22 § 2 (part), 2002).

Chapter 18.15 COMMUNICATION FACILITIES AND EQUIPMENT

Sections:

18.15.005 Title.18.15.010 Purpose and intent.18.15.015 Applicability.18.15.020 Exemptions.18.15.025 Procedures.18.15.030 Wireless telecommunication facilities.**18.15.005 Title.**

This chapter shall be known as the Communication Facilities and Equipment Ordinance. (Ord. 2005-7 § 1 (part), 2005: Ord. 2001-23 § 2 (part), 2001).

18.15.010 Purpose and intent.

The purpose of Chapter 18.15 (Communication Facilities and Equipment) is to set forth the regulations for communication facilities and equipment, including but not limited to, wireless telecommunication towers and antennas, satellite dishes and antennas and equipment shelters. It is the intent of this chapter to address the health, safety and welfare concerns related to the siting and development of these facilities and equipment. The regulations set forth in this chapter are consistent with applicable directives and standards issued by the Federal Communication Commission and the Federal Aviation Administration. (Ord. 2001-23 § 2 (part), 2001).

18.15.015 Applicability.

Process-oriented standards are contained in this section. Design-oriented standards are contained in the development standards which is parallel in authority to this section. (Ord. 2001-23 § 2 (part), 2001).

18.15.020 Exemptions.

The following systems are exempt from this title:

1. Conventional television antennas designed to receive locally transmitted television signals for personal, non-commercial use only, and which do not exceed the height restrictions in the district they are located.
2. Small satellite dish antennas designed for television reception only that do not exceed 18 inches in diameter and do not extend above the roof surface.
3. Conventional amateur radio antennas designed for personal, non-commercial use, located in residential zoning districts and which do not exceed 40 feet in height or violate other regulations of the district in which they are located.
4. Satellite dishes in all use districts that are fully screened by a parapet wall or other architectural means and that meet all other applicable standards and regulations of the respective use district in which they are located.
5. Tubular antennas mounted on an existing structure that do not exceed 4 inches in width and 10 feet in height above the existing structure.

(Ord. 2005-7 § 1 (part), 2005: Ord. 2001-23 § 2 (part), 2001).

18.15.025 Procedures.

1. Wireless telecommunication facilities and equipment are prohibited in all residential zoning districts except that:
 - a. Co-location on existing facilities or placement on existing structures within a residential zoning district in an architecturally integrated manner may be permitted subject to the provisions of Title 18 (Special Use Permits) or;

b. New structures for wireless telecommunication antennas and equipment may be constructed within the SF5A zoning district, limited to Sections 34, 35 and 36 of Township 15 N., Range 19 E., provided that such structures are stealth in design to blend in with the residential character of the area and the natural landscape, and provided that no new structures solely for the placement of communication antennas may be constructed within one mile of other such structures, subject to all other development standards related to the placement and design of communication facilities including setbacks from other adjacent residential properties and subject to approval of a special use permit.

2. Wireless telecommunication facilities are permitted within all non-residential zoning districts subject to special use permit approval, the conditions of this chapter and the provisions of Division 1 of the development standards, except as follows:

a. Wireless telecommunication facilities and/or equipment may locate on any existing guyed tower, lattice tower, monopole, electric utility transmission tower, fire tower, water tower, or other existing structure or public facility use subject to a building permit and approval of an administrative permit as defined by Title 18 (Administrative Provisions), and subject to Division 1 of the development standards, provided that such installations do not increase the height of the existing structure by more than 10 feet.

b. Telecommunication facilities that meet the height and setback requirements of the applicable zoning district in which the facility is located or do not increase the height of an existing, approved structure that exceeds the height requirement of the zoning district are permitted subject to a building permit and subject to Division 1 of the development standards.

(Ord. 2005-7 § 1 (part), 2005: Ord. 2001-23 § 2 (part), 2001).

18.15.030 Wireless telecommunication facilities and equipment.

Regulations and standards set forth in this section, and Division 1 of the development standards, are designed to address wireless telecommunication facilities and equipment used for the commercial broadcasting/receiving of transmissions regulated under the Telecommunications Act of 1996. Definitions for the various uses and terms referenced in this section are included in Title 18 (Definitions). Electrical or mechanical equipment that creates video or audio interference in customary residential electrical appliances or causes fluctuations in line voltage outside the dwelling unit is prohibited.

1. Submittal Requirements. In addition to the submittal materials required by planning and community development and other pertinent departments, the following materials must be submitted with an administrative use permit or special use permit for wireless telecommunication facilities or equipment:

a. Technical specifications, materials list, and/or equipment brochures for the proposed use, including any security barrier proposed.

b. Color samples for all visible components proposed.

c. Visual representation, either through photographic simulations or other acceptable techniques, of the proposed use and its location within the subject property. The graphic should include perspectives from surrounding viewpoints, particularly if residential in nature. All components of the proposed use shall be depicted.

d. All dimensional measurements (length, height, width, circumference, etc.) of the proposed use.

e. Proposed siting and screening provisions.

f. Justification statement for the proposed location and height of the facility. The statement should include a consideration of location priorities as set forth in this chapter and Division 1 of the development standards, a discussion of alternate sites considered but ultimately rejected, and the need for the proposed sit in relation to other facilities in the area that are part of the service provider's network. If the proposal includes a new structure or an increase of more than 10 feet in height of an existing structure, the justification shall include a coverage area map and

propagation study, prepared by an engineer certified to prepare such studies, to address the justification as noted above.

g. Documentation that either the applicant or co-applicant is a carrier licensed by the Federal Communications Commission and has the legal right to install and use the proposed facility.

2. Co-location.

a. To minimize the number of communication towers throughout the city, service providers shall employ all reasonable measures to co-locate their antenna equipment on existing towers, unless a higher priority location is proposed as set forth in this chapter.

b. If the proposed use will be a new freestanding tower, as a mandatory condition of approval, the applicant shall agree to limit, any future costs assessed to other service providers requesting to co-locate. The costs shall be limited to a proportional share of the ground lease, site acquisition costs, design, capital costs for construction of the freestanding tower including associated permitting costs and reasonable maintenance, repair and replacement costs.

3. Abandonment.

a. Any facility that ceases to operate for a period of 1 year, or which falls into a state of disrepair, shall be considered abandoned and removed at the owner's expense.

b. Removal shall include a complete restoration of the site to its pre-construction state, except any landscaping and grading.

c. A facility shall not be considered abandoned until all users cease operation of the facility.

4. Variances.

a. Variances to the provisions of this chapter shall be granted only if it can be demonstrated that a "barrier to entry" will exist, as defined by the FCC Telecommunications Act of 1996, if the Variance is not granted and according to FCC provisions on height.

(Ord. 2005-7 § 1 (part), 2005: Ord. 2001-23 § 2 (part), 2001

An Appraisal of a

A Cellular Communication Site Lease and Associated Access Easement

Located North of the Lone Mountain Cemetery,
Northridge Drive at Winnie Lane and Roop St.
Carson City, NV

Recently Leased by
The New Cingular (ATT)

Site Owned by
Carson City Parks and Recreation Department

Prepared for
Mr. Juan Guzman
Open Space Property Manager
Carson City Parks & Recreation Department

For Purpose of Developing an Opinion
Of Fair Market Rent

As of
January 7, 2013

Date of Report
January 7, 2013

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

85 Keystone Avenue, Suite C • Reno, Nevada 89503
Phone (775)686-2622 • Fax (775)688-4681

An Appraisal of a

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As of
January 7, 2013

Date of Report
January 7, 2013

Submitted by
Robert E. Schiffmacher, MAI

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

MARK WARREN, MAI
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Reno, Nevada 89503
Phone (775)686-2622
Fax (775)688-4681

ROBERT E. SCHIFFMACHER, MAI
bobws@gbis.com

January 9, 2013

Mr. Juan Guzman
Open Space Property Manager
Carson City Parks and Recreation Department
3303 Butti Way #9
Carson City, NV 89701

Re: Lone Mountain Cell Tower Site
APN 002-101-81 (a portion)

Dear Mr. Guzman,

In August 2011 I completed an appraisal of the above referenced property, at your request, on behalf of Carson City Parks and Recreation Department. The purpose of that appraisal was to provide an estimate of an appropriate market rent for a proposed cellular telephone antenna site and associated rights of access. In light of the City's completion of the negotiations with the cellular provider, you have asked that I revisit that appraisal to determine if the values reported in the previous appraisal remain valid.

The *Uniform Standards of Professional Appraisal Practice* (USPAP) do not provide for an "update" of a previous assignment. This is a new appraisal assignment. However, USPAP does provide reporting options in cases where the valuation assignment is to re-address a property previously appraised. Specifically, I have adopted the reporting option identified in USPAP Advisory Opinion AO-3, which provides that an appraiser may:

Provide a new report that incorporates by reference specified information/analysis from the prior report so that, in combination the referenced portions and the new information/analysis added satisfies the applicable reporting requirements. This option can only be used if the original appraiser's firm and the original intended users are involved, since the prior report was issued from that appraiser to those intended users, assuring they have access to a copy.¹

The limiting conditions of this option are met in this instance, inasmuch as all original assignment criteria, excluding date of value and date of report are the same as the original appraisal. The assignment criteria for the two reports are summarized below.

¹ Uniform Standards of Professional Appraisal Practice, 2012-13 Ed., Appraisal Foundation, Washington DC

Item	Original Assignment	New Assignment
Assignment Identifier	WS Job 11-024	WS Job 12-049
Purpose of Appraisal	To develop an opinion of an appropriate annual rental rate and terms for a proposed cellular communication site.	To develop an opinion of an appropriate annual rental rate and terms for a proposed cellular communication site.
Client	Mr. Juan Guzman Open Space Property Manager Carson City Parks and Recreation Department 3303 Butti Way #9 Carson City, NV 89701	Mr. Juan Guzman Open Space Property Manager Carson City Parks and Recreation Department 3303 Butti Way #9 Carson City, NV 89701
Intended Users	Carson City Parks and Recreation Department and ATT and/or their Assigns	Carson City Parks and Recreation Department and ATT and/or their Assigns
Intended Use	To assist Carson City and ATT et al. in establishing an appropriate rental rate and terms for a proposed cellular communication site.	To assist Carson City and ATT et al. in establishing an appropriate rental rate and terms for a proposed cellular communication site.
Date of Report	August 26, 2011	January 7, 2013
Date of Value	August 13, 2011	January 7, 2013

This report incorporates, by reference, the earlier report in its entirety. It is valid only for use by authorized intended users who are in possession of the original report.

The scope of the work for this assignment included:

- A survey of the market or determine if there is more current, relevant market data that bears consideration.
- A review of the lease for the proposed cellular communications site negotiated between Carson City and the New Cingular (ATT) et al.
- I did not re-inspect the subject for this assignment, but based on representations by the client have assumed that it is fundamentally unchanged.

The earlier appraisal resulted in the following conclusions.

ANNUAL RENTAL RATE \$1,300/month or \$15,600/year
TERM 5 years with five 5-year options
RENTAL ADJUSTMENTS 3% compounded annually

The recently negotiated lease contains the following terms.

ANNUAL RENTAL RATE \$1,500/month or \$18,000/year
TERM 5 years with four 5-year options
RENTAL ADJUSTMENTS 10% increase at the commencement
Of each option/extension period (compounded)

In the prior assignment, comparable cell tower site rents were drawn from the Carson City and Reno areas. The Carson City leases reflected rents ranging from \$830 to \$2,000 per month with rental escalation clauses that included flat rents, annual increases of 3% or CPI and increases at the commencement of each lease extension period.

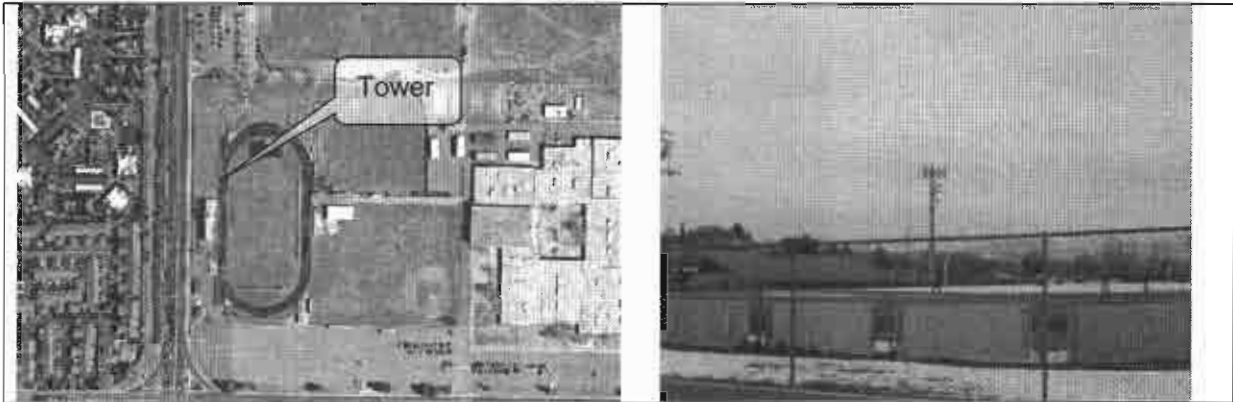
The Reno area leases reflected rental rates ranging from \$1,195 to \$1,750 per month with similar escalation clauses. Copies of the comparable rental charts from the prior appraisal are attached.

With respect to new data, I was unable to identify any new leases, other than the lease of the subject in the Carson City Market. In the Reno market, I was able to identify two cell site leases that were not available at the time the prior appraisal was completed. They are summarized below.

COMPARABLE CELL TOWER SITE RENTAL CHART
Reno Data

Rental Number	Location	Carrier	Lease Date	Term Options	Monthly Rent	Escalation Clause
CTR-10	Reed High School 1350 Baring Blvd Sparks, NV	Verizon	4/2011	5 years 5 @ 5 years	\$1,192	\$1,192 starting rent, 3% per year increases
CTR-11	Spanish Springs High School 1065 Eagle Canyon Drive Sparks, NV	Cingular Wireless (ATT)	11/2011	5 years 4 @ 5 years	\$1,400	\$1,400 starting rent, 3% per year increases
Subject	Lone Mountain North Ridge Drive Carson City, NV	New Cingular Wireless (ATT)	1/2013	5 years 4 @ 5 years	\$1,500	\$1,500 starting rent 10% increase at the commencement of each extension term (every 5 years)

CELL TOWER SITE LEASE PROFILE
CTR - 10



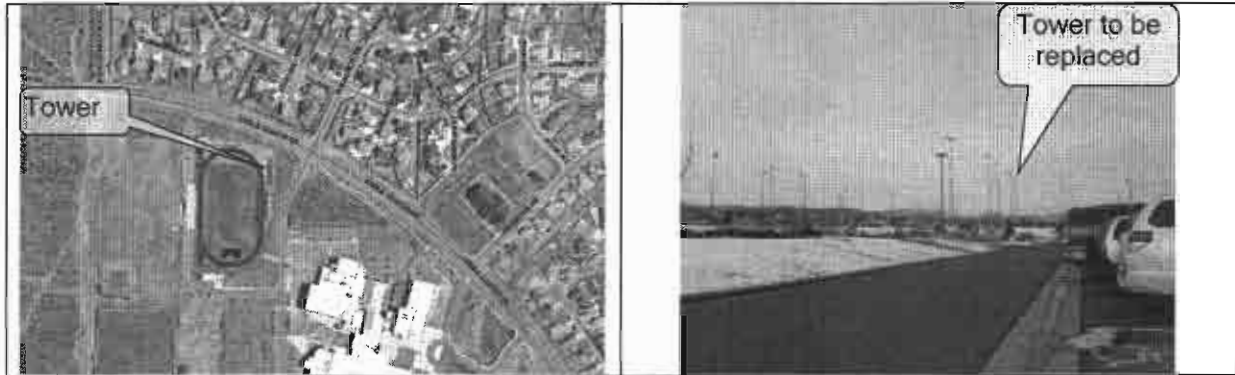
APN: 030-010-09
Address: Reed High School
 1350 Baring Blvd.
 Sparks, NV 89434

Lessor	Washoe County School District
Carrier	Verizon Wireless
Initial Rent/Current Rent	\$1,192/\$1,192 per month
Lease Date	Board of Trustees Resolution 4/5/2011
Lease Term	5 years
Options	5 @ 5 years plus an additional 5 @ 5 years.
Escalation Clauses	3% compounded annually

This is a site rent. The site is located at Spanish Springs High School. The carrier will replace one of the light poles at the football stadium with a monopole that will serve as the support for the antenna array and also continue as a light pole. The lease included a \$2,500 payment by Verizon Wireless at lease execution.

Confirmation
 Mike Boster, Washoe County School District

CELL TOWER SITE LEASE PROFILE
CTR - 11



APN: 530-480-02
Address: Spanish Springs High School
 1065 Eagle Canyon Drive
 Sparks, NV 89441

Lessor	Washoe County School District
Carrier	Cingular Wireless (ATT)
Initial Rent/Current Rent	\$1,400/\$1,400 per month
Lease Date	Board of Trustees Resolution 11/22/2011, lease commencement date began with execution of the agreement
Lease Term	5 years
Options	4 @ 5 years
Escalation Clauses	3% compounded annually

This is a site rent. The site is located at Spanish Springs High School. The carrier will replace one of the light poles at the football stadium with a monopole that will serve as the support for the antenna array and also continue as a light pole. The lease included a \$2,500 payment by Cingular at lease execution.

On the date the photo was taken, the project was still proposed.

Confirmation
 Mike Boster, Washoe County School District

The lease that was negotiated at the subject falls within the range indicated by the comparables used in the prior report and is supported by the two more recent comparables from the Reno market.

A rental rate at the upper end of the range is appropriate because of the restrictions imposed on new cell tower sites by Carson City's "Communication Facilities and Equipment" ordinance which has the effect of limiting the supply of new locations.

Overall, my analysis of the subject and data presented in the prior appraisal and that is presented here leads me to conclude that the recently negotiated lease does represent market value.

ANNUAL RENTAL RATE	<u>\$1,500/month or \$18,000/year</u>
TERM	<u>5 years with four 5-year options</u>
RENTAL ADJUSTMENTS	<u>10% increase at the commencement</u>
	<u>Of each option/extension period (compounded)</u>

This appraisal was prepared in conformance with the current requirements of the Appraisal Foundation as set forth in the *Uniform Standards of Professional Appraisal Practice* (USPAP). It incorporates by reference a prior appraisal of the subject and is intended as a summary report as defined in Section 2-2(b) of USPAP, reported in conformance with the recommendations set forth in USPAP, Advisory Opinion AO-3.

Respectfully Submitted,

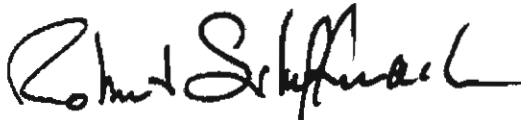


Robert Schiffmacher, MAI

APPRAISER'S CERTIFICATION

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and I have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The appraisal was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- I have performed one appraisals but no other services with regard to the subject of this report within the 3 year period immediately preceding the acceptance of this assignment.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional appraisal Practice.
- The use of this report is subject to the requirements of The Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

Respectfully submitted,



Robert E. Schiffmacher, MAI
Nevada Certified General Appraiser #A.0002492-CG

January 7, 2013
Date

ADDENDA

COMPARABLE CELL TOWER CO-LOCATION RENTAL CHART
Carson City Data

Rental Number	Location	Carrier	Lease Date	Term Options	Monthly Rent	Escalation Clause
CTR-1	Carson Airport 2600 Graves Lane	ATT	6/2000	5 years 5 @ 5 years	\$830	\$600 starting rent, 3% per year increases
CTR-2	Carson Airport 2600 Graves Lane	Clearwire	8/2005	5 years 5 @ 5 years	\$990	\$900 starting rent, 10% increase at every option period
CTR-3	Carson Airport 2600 Graves Lane	Cricket	3/2001	5 years 5 @ 5 years	\$1,075	\$800 starting rent, 3% annual increases
CTR-4*	Edmunds Sports Complex Edmunds Drive Carson City	Cricket	5/2002	5 years 5 @ 5 years	\$1,100	\$1,000 starting rent, 10% increase at every option, in the first option period
CTR-5	Carson Federal Building 705 N. Plaza St. Carson City	Verizon	6/1997	5 years 3 @ 5 years	\$1,500	\$1,500 beginning rent, flat for the entire term including option periods
CTR-6*	Sierra RV 4550 N. Carson St. Carson City	Verizon	8/2003	5 years 6 @ 5 years	\$1,130	\$1,000 starting rent, 13% increase at every option period
CTR-7	2088 S. Lompa Lane Carson City	Verizon Clearwire, ATT/ Cingular	Varies	Not disclosed	\$1,500- \$2,000	Details regarding term/terms were not available. Most common: 5 year term, 4-6 5 year options, annual 3% or CPI increases
CTR-8	3616 Sunridge Dr. Carson City	Sprint, Clearwire, ATT TMobile	Varies	Not disclosed	\$1,408- \$2,000	Details regarding term/terms were not available. Most common: 5 year term, 4-6 5 year options, annual 3% or CPI increases
Subject	Lone Mountain Northridge Drive Carson City, NV	ATT	1-2013	5 years 4 @ 5 years	\$1,500	\$1,500/mo 10% at the beginning of each 5 year extension

*Site Lease

COMPARABLE CELL TOWER SITE RENTAL CHART

Rental Number	Location	Carrier	Lease Date	Term Options	Monthly Rent	Escalation Clause
CTR - 1	025-524-02 Abbey Carpet 1180 S. Rock Blvd	T-Mobile	2005-2006	5 years 5 @ 5 years	\$1,432	\$1,250/month starting rent 3% compounded annually
CTR - 2	020-251-25 Sportsman's Warehouse 3306 Kietzke Lane	Cingular	2005-2006	5 years 3 @ 5 years	\$1,075	\$900/month starting rent 3% compounded annually
CTR - 3	025-524-02 Speedway Market 1400 E. Peckham Lane	T-Mobile	2005-2006	5 years 5 @ 5 years	\$1,380	\$1,200/month starting rent 15% at the commencement of each 5 year option period
CTR - 4	Summit Christian Church 7075 Pyramid Highway	T-Mobile	2005-2006	5 years 5 or 6 @ 5 years	\$1,195	\$1,000/month starting rent 3% compounded annually
CTR - 5	Galena High School 3600 Butch Cassidy Way	Sprint PCS	2005-2006	5 years 4 @ 5 years	\$1,200	\$533.75/mo starting rent, \$1,200/mo beginning year 6, then 15% at the beginning of each subsequent 5 year option
CTR - 6	Ironhorse Shopping Center 635 E. Prater Way	T-Mobile	August 2008	5 years 5 @ 5 years	\$1,750	Flat during the primary term, future escalations not disclosed
CTR - 7	Quail North West 675 Robb Drive	T-Mobile	2008	5 years 5 @ 5 years	\$1,311	\$1,200/mo starting rent 3% compounded annually
CTR - 8	Summit Christian Church 7075 Pyramid Highway	ATT	4-2011	5 years 4 @ 5 years	\$1,200	\$1,200/month 3% compounded annually, 15% co- location rent sharing
CTR-9	Operative Plasterers and Concrete 808 Gleeson Way	ATT	Mid 2010	5 years multiple 5 year options	\$1,200	\$1,200/month specifics regarding escalation were not available but believed to be 3% compounded annually
Subject	Lone Mountain Northridge Drive Carson City, NV	ATT	1-2013	5 years 4 @ 5 years	\$1,500	\$1,500/mo 10% at the beginning of each 5 year extension