

**City of Carson City  
Agenda Report**

**Date Submitted:** March 20, 2014

**Agenda Date Requested:** March 20, 2014  
**Time Requested:** Consent

**To:** Mayor and Supervisors

**From:** Public Works

**Subject Title:** For possible action: To approve the purchase of APN 010-031-07, located on the northwest corner of the East Fifth Street and Fairview Drive roundabout, owned by the State of Nevada, Division of State Lands and to authorize the Public Works Director or his designee to execute documents to complete the transaction. (Darren Schulz)

**Staff Summary:** The 3.71± acres are located on the north side of East Fifth Street, between Fairview Drive and Butti Way adjacent to the City Wastewater Treatment Plant. The State of Nevada, Division of State Lands has agreed to sell the lands to the City for \$60,000 which is the appraised value. The property is needed to allow for the planned expansion of the overflow basin at the Carson City Wastewater Treatment Plant and for piping and conduits as a part of the Treatment Plant.

**Type of Action Requested:** (check one)

- Resolution                       Ordinance  
 Formal Action/Motion     Other (Specify)

**Does This Action Require A Business Impact Statement:**  Yes     No

**Recommended Board Action:** I move to approve the purchase of APN 010-031-07, located on the northwest corner of the East Fifth Street and Fairview Drive roundabout, owned by the State of Nevada, Division of State Lands and to authorize the Public Works Director or his designee to execute documents to complete the transaction.

**Explanation for Recommended Board Action:** The parcel lies adjacent to the Wastewater Treatment Plant along East Fifth Street. The emergency overflow basin will be expanded over the next few years to provide additional capacity and the land is needed for this purpose and for future piping and conduit also as a part of the Wastewater Treatment Plant project.

**Applicable Statute, Code, Policy, Rule or Regulation:** N.R.S. 244.275 Purchase or lease of property.

**Fiscal Impact:** Approximately \$62,500 total acquisition cost.

**Explanation of Impact:** The purchase price of \$60,000 plus approximately \$2,500 for escrow and title insurance is the anticipated cost.

**Funding Source:** Phase 1 WWTP Upgrades

**Alternatives:** Do not purchase the property.

**Supporting Material:**

- Appraisal including Preliminary Title Report (Exhibit A)
- Letter to Supplement Appraisal (Exhibit B)
- Aerial photo of property and vicinity (Exhibit C)


Prepared By: Darren Schulz, Public Works Director

  
(Public Works Director)

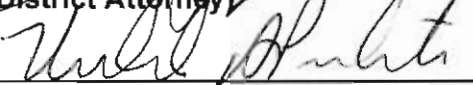
Date: 3/11/14

  
(City Manager)

Date: 3/11/14

  
(District Attorney)

Date: 3/11/14

  
(Finance Director)

Date: 3/11/14

**Board Action Taken:**

Motion: \_\_\_\_\_ 1: \_\_\_\_\_ Aye/Nay

2: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)

AN APPRAISAL  
OF

NEVADA STATE PRISON (PRIS-1)  
A VACANT 3.71± ACRE PARCEL OF LAND

LOCATED AT

THE NORTHWEST CORNER OF EAST FIFTH STREET  
AND THE FAIRVIEW DRIVE ROUNDABOUT, CARSON CITY, NEVADA

OWNED BY

STATE OF NEVADA

PREPARED FOR

STATE OF NEVADA DIVISION OF STATE LANDS

APPRAISED BY

STEPHEN R. JOHNSON, MAI, SREA & CINDY LUND FOGEL, MAI  
JOHNSON-PERKINS & ASSOCIATES, INC.



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

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An Appraisal  
Of

**Nevada State Prison (PRIS-1)  
A Vacant 3.71± Acre Parcel Of Land**

Located At

The Northwest Corner Of East Fifth Street And  
The Fairview Drive Roundabout, Carson City, Nevada

Owned By

State Of Nevada

Prepared For

State Of Nevada Division Of State Lands

Appraised By

Stephen R. Johnson, MAI, SREA & Cindy Lund Fogel, MAI  
Johnson-Perkins & Associates, Inc.

For the Purpose of  
Estimating Market Value  
As of  
October 18, 2013

**JOHNSON-PERKINS & ASSOCIATES, INC.**  
REAL ESTATE APPRAISERS & CONSULTANTS

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Karen K. Sanders  
Gregory D. Ruzzine  
Chad Gerken

October 22, 2013

Mr. Rick Murray, Land Agent III  
State of Nevada  
Division of State Lands  
901 S. Stewart Street, Suite 5003  
Carson City, Nevada 89701-5246

Re: Nevada State Prison (PRIS-1)  
Appraisal of 3.71± Acre Vacant Parcel of Land, Carson City, Nevada

Dear Mr. Murray:

This is in response to your request for an appraisal of a 3.71± acre vacant parcel of land located at the northwest corner of East Fifth Street and the Fairview Drive roundabout in Carson City, Nevada. The subject parcel is identified as Carson City Assessor's Parcel Number 010-031-07. According to the Carson City Assessor's Office, the subject parcel is currently owned by the State of Nevada.

This appraisal is being prepared for the purpose of estimating the fee simple "As Is" Market Value of the subject property as of a current date of valuation. The intended user of the appraisal report is State of Nevada Division of State Lands. The intended use of this appraisal report is for use by State of Nevada Division of State Lands for possible asset disposition purposes, and for internal management purposes. "The State of Nevada, by and through its Department of Corrections would like to direct sell to Carson City a portion of the property known as the Nevada State Prison. The property is approximately 3.71 acres." Any other use of this appraisal report requires the written authorization of this appraisal firm.

This is a self-contained appraisal report which is intended to comply with State of Nevada Appraisal requirements. This report is also intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. This report sets forth pertinent data, statistics, and other information

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considered necessary to establish the Market Value of the subject property as of the effective date of valuation.

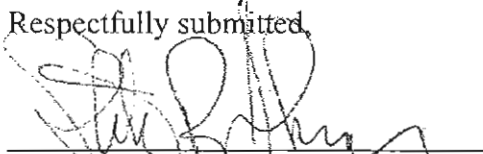
No one other than the undersigned prepared the analysis, conclusions and opinions concerning real estate that are set forth in the accompanying appraisal report. This report sets forth pertinent data, statistics and other information considered necessary to establish the "As Is" Market Value of the fee simple estate of the subject property.

After careful consideration of all data available, and upon thorough personal investigation of the subject parcel and the comparable properties analyzed, it is our opinion that the "As Is" Market Value of the subject property, as of October 18, 2013, is as follows:

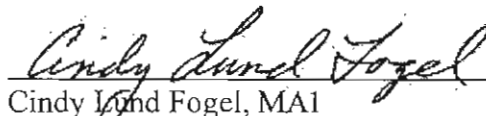
**FINAL "AS IS" MARKET VALUE CONCLUSION**  
**(As of October 18, 2013)**

**\$70,000**

Respectfully submitted,



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



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

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**SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS**

<b>Property Identification</b>	Nevada State Prison (PRIS-1)
<b>Property Type</b>	Vacant Land
<b>Property Location</b>	Northwest corner of the East 5 <sup>th</sup> Street & the Fairview Drive roundabout, Carson City, Nevada
<b>Legal Description</b>	Portion of the Southwest ¼ of Section 15, T.15 N., R.20 E., M.D.B & M.
<b>Assessor's Parcel Number</b>	010-031-07
<b>Ownership</b>	State of Nevada Division of State Lands 901 S. Stewart Street, Suite 5003 Carson City, Nevada 89701-5246
<b>Name of Appraisers</b>	Stephen R. Johnson, MAI, SREA Cindy Lund Fogel, MAI Johnson-Perkins & Associates, Inc. 295 Holcomb Avenue, Suite 1 Reno, Nevada, 89502
<b>Date of Inspection</b>	September 19, 2013 and October 18, 2013
<b>Property Owner Contact</b>	A representative of the State of Nevada was given notice of the inspection, and was given an opportunity to accompany the appraisers on the inspection. Mr. Kevin Olsen, Land Agent III, State of Nevada, accompanied the appraisers on the inspection on September 19, 2013.
<b>Interest Under Appraisal</b>	Fee Simple Interest
<b>Total Land Area</b>	3.71± acres (161,608± square feet)
<b>Flood Zone</b>	
FEMA Map Number	3200010111E
Effective Date	January 16, 2009
Flood Zone	"X" & Shaded "X"
<b>Zoning</b>	PR (Public Regional)



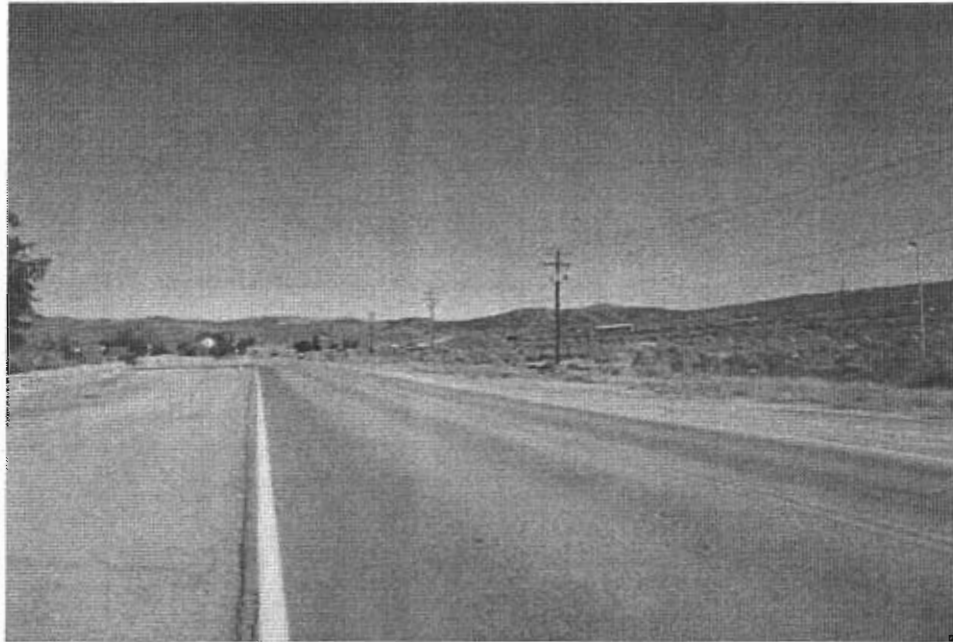
<b>Current Use</b>	Vacant & Unimproved
<b>Client &amp; Intended User</b>	State of Nevada Division of State Lands
<b>Intended Use</b>	Asset Disposition Purposes & Internal Management
<b>Type of Report</b>	Self-contained Appraisal
<b>Effective Date of Valuation</b>	October 18, 2013
<b>Date of Completion</b>	October 22, 2013
<b>FINAL "AS IS" MARKET VALUE CONCLUSION</b>	<b>\$70,000</b>

**SUBJECT PROPERTY AERIAL PHOTOGRAPH**



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**SUBJECT PHOTOGRAPHS**



**VIEW OF EAST FIFTH STREET FACING EAST FROM SUBJECT'S SOUTH BOUNDARY (PHOTO TAKEN BY CINDY FOGEL 9/19/13)**



**VIEW ALONG EAST FIFTH STREET FACING WEST FROM SUBJECT'S SOUTHEAST CORNER (PHOTO TAKEN BY CINDY FOGEL 9/19/13)**

**SUBJECT PHOTOGRAPHS**

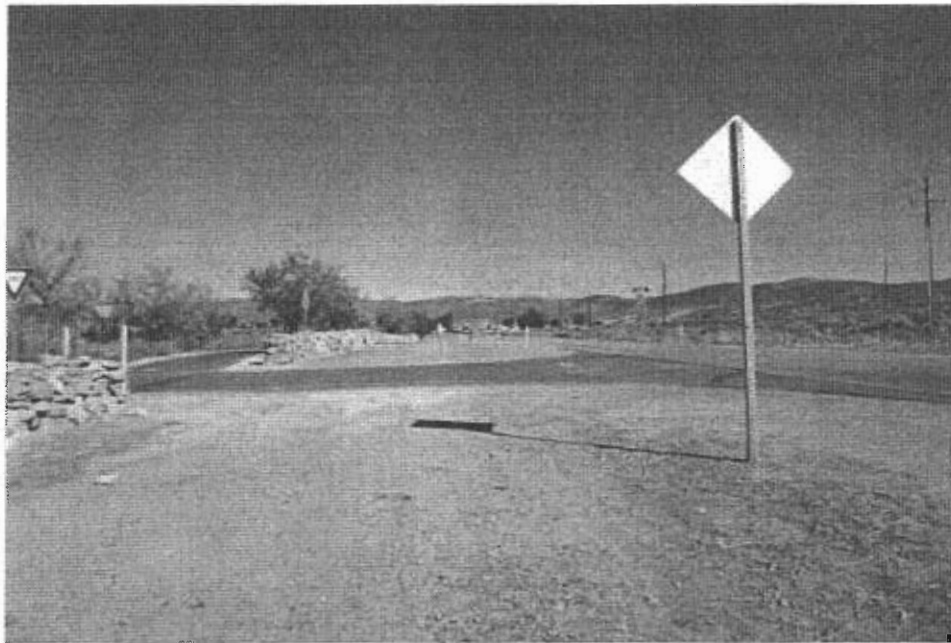


**VIEW OF THE FAIRVIEW DRIVE ROUNDABOUT FACING SOUTHEAST FROM SUBJECT'S EAST BOUNDARY (PHOTO TAKEN BY CINDY FOGEL 9/19/13)**

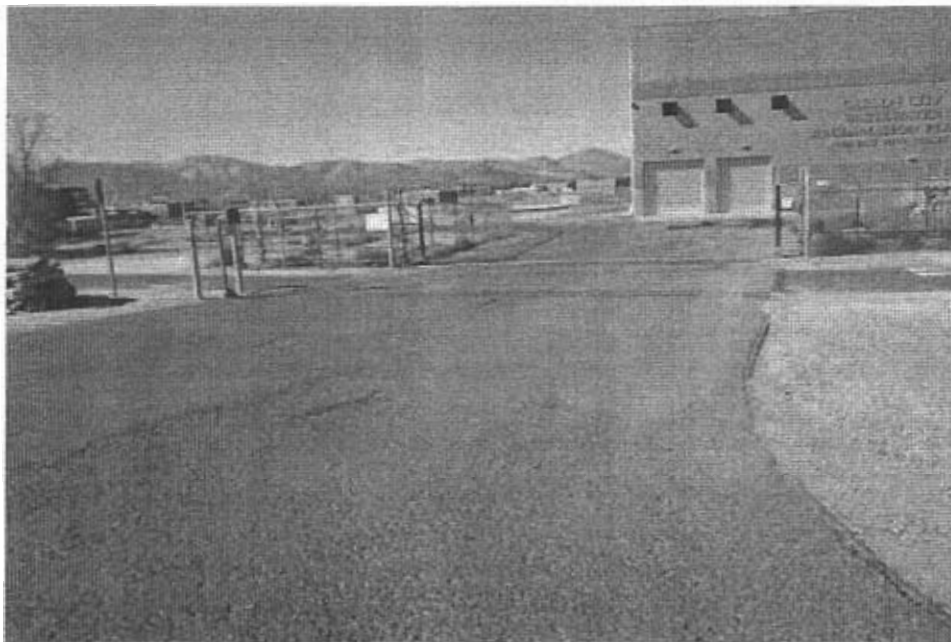


**VIEW OF SUBJECT FACING EAST FROM NEAR WEST BOUNDARY (PHOTO TAKEN BY CINDY FOGEL 9/19/13)**

**SUBJECT PHOTOGRAPHS**



**VIEW OF THE CENTRAL PORTION OF THE SUBJECT FACING EAST FROM  
NEAR EAST FIFTH STREET (PHOTO TAKEN BY CINDY FOGEL 9/19/13)**



**VIEW OF AN ACCESS IN THE CENTRAL PORTION OF THE SUBJECT FACING  
NORTH (PHOTO TAKEN BY CINDY FOGEL 9/19/13)**

**STATEMENTS OF LIMITING CONDITIONS**

For the purposes of this analysis we have been instructed to estimate the "As Is" Market Value of the subject property as an independent, free standing parcel without consideration as possible plottage to an adjoining ownership.

**STATEMENT OF CO-AUTHORSHIP**

Stephen R. Johnson, MAI and Cindy Lund Fogel, MAI contributed to the factual data and analysis contained in the appraisal report.

**APPRAISAL PROBLEM AND METHODOLOGY**

The subject property involves a vacant parcel of land containing 3.71± acres or 161,608± square feet. The property is generally located between the Nevada State Prison and the Carson City Waste Water Reclamation Plant and adjoining corporate yard. The subject site is very long and narrow in shape. Our physical inspection of the property did reveal markings for telecommunication, water and sewer lines and for a natural gas line in the area of the southerly portion of the subject site. As of the date of our October 18, 2013 inspection, a work crew was in the process of replacing the manholes for an existing sewer main near the south boundary of the subject site. In discussion with the project manager, it was indicated that in addition to the sewer main, there is an existing 12 inch water main. Drainage improvements were noted. Additionally, an asphalt paved driveway, leading from East 5<sup>th</sup> Street to the Waste Water Reclamation Plant directly north of the subject, traverses the central portion of the subject site. An asphalt paved bike path traverses the subject site in an east-west direction. An existing rock retaining wall generally runs the length of the bike path. Overall, the subject property is felt to be undevelopable due to its very long, narrow shape, the presence of the bike path, the rock retaining wall and as it appears to be encumbered with utility, drainage and access improvements.

In order to estimate an appropriate Market Value for the subject property, the Sales Comparison Approach will be utilized. Due to the lack of similar undevelopable vacant land sales, a two-step valuation method will be utilized. The Sales Comparison Approach to Value

will be utilized to estimate the unencumbered fee simple market value of the subject property based upon the hypothetical condition that the property is developable. In this analysis it is assumed that the subject is of a normal shape. The subject is currently zoned Public Regional, however, assuming private ownership of the site, it could possibly be rezoned to allow light industrial or industrial-commercial uses that would be compatible with the subject's location proximate to the waste water treatment facility and prison facility.

In the second step of the valuation analysis, a factor will be derived to apply to the subject's developable value. This factor will account for the fact that the property is not developable due to its long, narrow shape, the presence of the bike path and as the site appears to have utility, drainage and access improvements.

### **PURPOSE OF APPRAISAL**

This appraisal is being prepared for the purpose of estimating the fee simple Market Value of the subject property as of a current date of valuation.

### **PROPERTY RIGHTS APPRAISED**

The subject property is appraised as held in fee simple ownership. Fee simple estate is defined as "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."<sup>1</sup>

### **FUNCTION OF THE APPRAISAL INTENDED USER AND INTENDED USE OF APPRAISAL**

The client and intended user of the appraisal report is State of Nevada Division of State Lands. The intended use of this appraisal report is for use by State of Nevada for asset disposition purposes and internal management purposes. "The State of Nevada, by and through its Department of Corrections would like to direct sell to Carson City a portion of the property known as the Nevada State Prison. The property is approximately 3.71 acres." Any other use of this appraisal report requires the written authorization of this appraisal firm.

### **DATES OF APPRAISAL**

<b>Date Description</b>	<b>Date</b>
Dates of Inspection	September 19, 2013 October 18, 2013
Effective Date of Value	October 18, 2013
Completion Date of Appraisal	October 22, 2013

### **PROPERTY OWNER CONTACT**

A representative of the State of Nevada was given notice of the inspection, and was given an opportunity to accompany the appraisers on the inspection. Mr. Kevin Olsen, Land Agent III, State of Nevada, accompanied the appraisers on the inspection.

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



**LEGAL DESCRIPTION**

The north half of the southwest quarter of Section 15, T15N, R20E, M.D.B.&M.,  
Carson City, Nevada;

Excepting Therefrom that portion as conveyed to Carson City in Deed recorded  
September 13, 1960 in Book 89 of Deeds, Page 158 as Instrument No. 34996.

Excepting Therefrom those portions lying easterly of the westerly right-of-way line of  
Fairview Drive and southerly of the northerly right-of-way line of E. Fifth Street, as they now  
exist.

### SCOPE OF APPRAISAL

The completion of this appraisal assignment included:

- Inspection of the subject property and analysis of data provided by the client, State of Nevada Division of State Lands and Carson City Assessor's Office;
- Identification and analysis of the subject market;
- Analysis and description of the subject property based upon our inspection of the property and data provided by the subject ownership and the Carson City Assessor's Office;
- Identification of the appraisal problem and description of the methodology of the appraisal report;
- Completion of a Highest and Best Use Analysis;
- Research of the Official Records of Carson City and adjacent Lyon County, and other reliable sources for comparable land sales data, including current listing data;
- Verification of the comparable land sales and listing data;
- Interviews with the real estate brokers with knowledge of the land market in Carson City and Northern Nevada;
- Completion of a Sales Comparison Approach to Value for the subject property, assuming it to be of normal shape and having development potential compatible with surrounding improvements;
- Investigation and analysis of a factor to apply to the subject's developable value estimate to account for the fact that the property is not developable due to its long, narrow shape, the presence of the bike path and as the site appears to have utility, drainage and access improvements;
- Estimation of the "As Is" Market Value of the subject property's fee simple interest, as of the effective date of value;
- Preparation of the Self-Contained Appraisal report in accordance with Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice.

### **MARKET VALUE DEFINED**

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

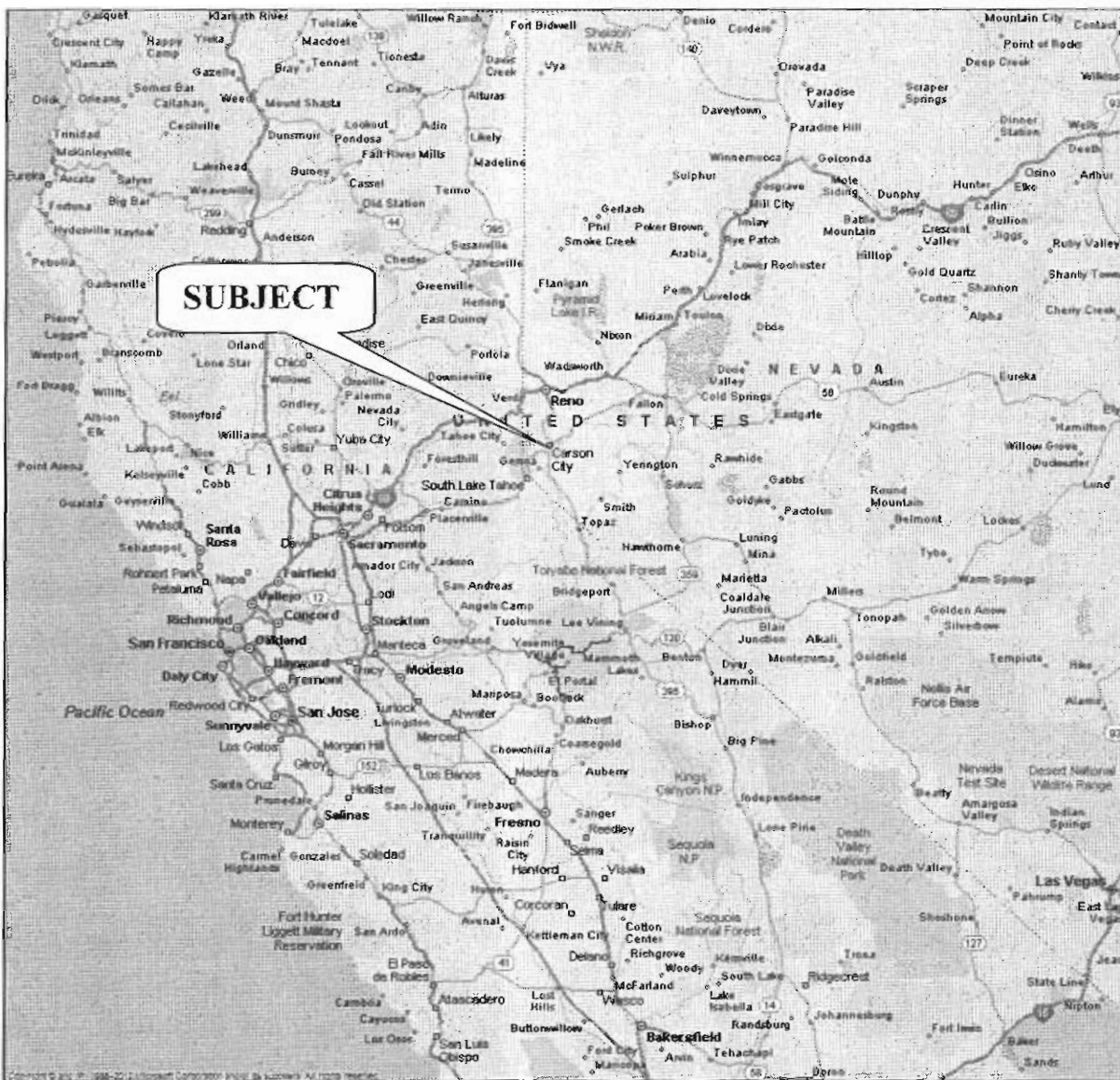
- 1) Buyer and seller are typically motivated;
- 2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- 3) A reasonable time is allowed for exposure in the open market;
- 4) Payment is made in terms of cash in U.S. dollars or in terms of financial 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.<sup>2</sup>

### **"AS IS" MARKET VALUE**

The "as is" Market Value of the subject property is the condition observed upon the day of inspection and as it physically and legally exists without hypothetical conditions, assumptions or qualifications.

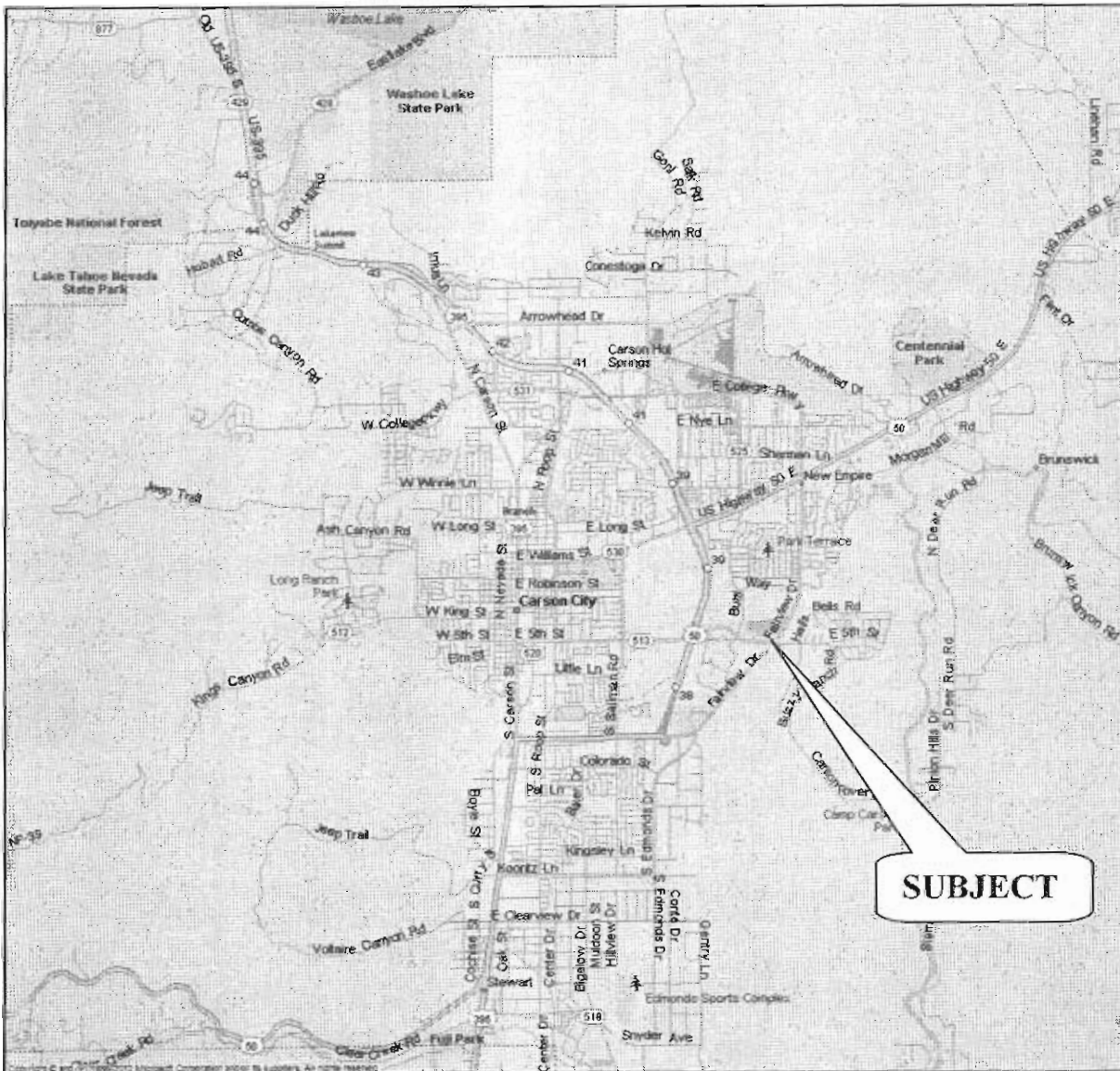
<sup>2</sup> Rules and Regulations, Federal Register, Vol. 55, No. 165, Page 34696, 12CFR Part 34.42(f)

REGIONAL MAP



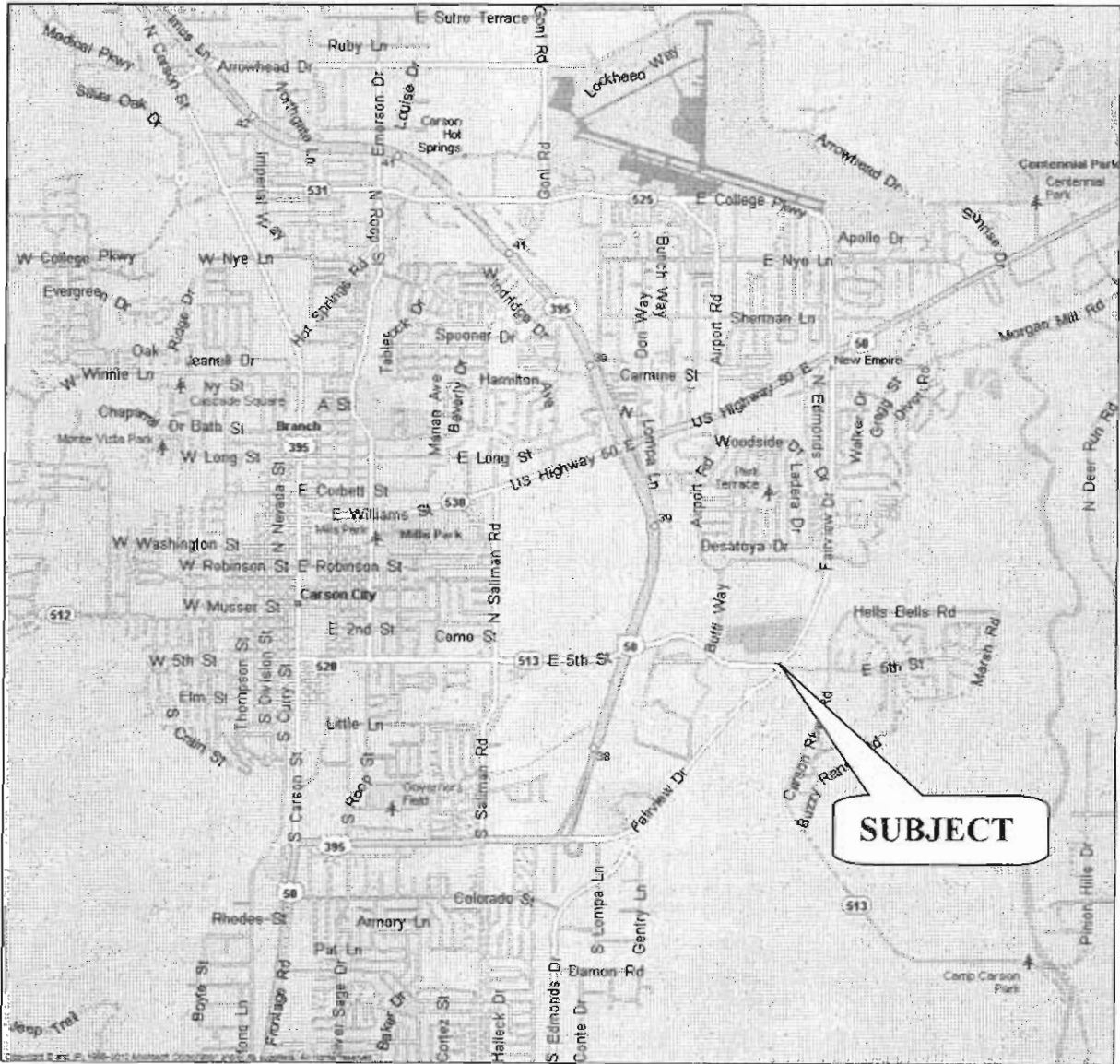
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**CARSON CITY AREA MAP**



**SUBJECT**

**NEIGHBORHOOD MAP**



## CARSON CITY AND NEIGHBORHOOD ANALYSIS

The subject property is located in Carson City, Nevada. Carson City is situated approximately 30 miles south of Reno, 14 miles east of Lake Tahoe and 15 miles southwest of Virginia City. Carson City is situated at an elevation of 4,675± feet above sea level and experiences a moderate, high desert climate. Summers are warm and dry with cool evenings; winters are cold and dry with moderate snowfall. The mean annual precipitation is 11.83 inches and the average annual snowfall is 31.6 inches. Carson City averages 266 days of sunshine per year.

The primary employers in the area are the State of Nevada and the Federal Government. The gaming and tourism industry is the next largest private employer, followed by the manufacturing industry, and wholesale-retail trades.

### Population

The 2003 to 2012 population of Carson City as estimated by the Nevada State Demographer is set out on the following table.

#### Historical Population Estimates

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Carson City	55,220	56,146	57,104	57,701	57,723	57,600	56,506	55,850	56,066	55,411

Source: Nevada State Demographer

As indicated from the table, population has decreased in Carson City in 2008, 2009, 2010 and 2012, although there was a slight increase between 2010 and 2011. The overall decline over the last five years has been linked to the economic downturn.

### Employment

The downturn in the economy has particularly impacted the labor force in Nevada. Unemployment rates for the United States, Nevada and its three largest metropolitan statistical areas are summarized following.

**Unemployment Rate Data**

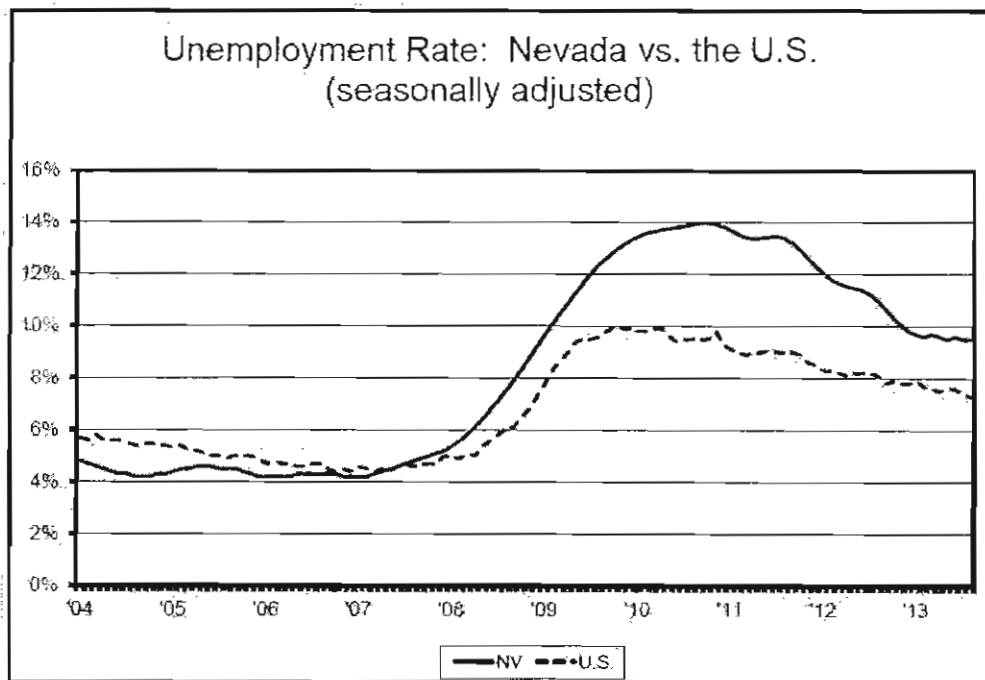
	Annual 2007	Annual 2008	Annual 2009	Annual 2010	Annual 2011	Annual 2012	August 2013
<b>United States</b>	4.62%	5.78%	9.25%	9.63%	8.07%	8.90%	7.35%
<b>Nevada</b>	4.68%	7.09%	11.72%	13.80%	13.21%	11.06%	9.38%
<b>Las Vegas MSA</b>	4.68%	7.03%	11.92%	14.17%	13.53%	11.23%	9.56%
<b>Reno-Sparks MSA</b>	4.46%	7.18%	11.51%	13.14%	12.72%	10.90%	9.08%
<b>Carson City MSA</b>	4.98%	7.49%	11.45%	13.07%	12.76%	11.13%	9.43%

Source: Nevada Department of Employment, Training & Rehabilitation

The unemployment rate for Nevada has historically averaged between 1% and 2% below the national average. However, with the economic downturn which began in 2007 and 2008, Nevada was one of the hardest hit in the nation. Nevada's unemployment rate is above the national average. The following chart summarizes unemployment rates of the United States in comparison to Nevada between 2003 and 2013.

**Unemployment Rate Comparison**

Source: Nevada Department of Employment, Training & Rehabilitation



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**Tourism**

Tourism is a major component of the economy in Carson City. There are approximately 1,500 hotel rooms in Carson City, including the 200-room Ormsby House (currently closed for renovation). In addition to the hotel and motel rooms in Carson City, there are accommodations for campers and travel trailers. Carson City also offers many fine restaurants, most of which are within walking distance of the motels and hotels. This area is famous for its fine Basque cuisine and also offers many other restaurants. Additionally, Carson City is a shopping hub for a geographical area of approximately 70,000 people.

**Retail Sales**

The following table presents the aggregate change in retail sales from 2005/2006 to 2011/2012 in Carson City and Douglas County. As evidenced from the table, retail sales in Carson City declined significantly from 2005/2006 which is evidence of the economic downturn. However, Carson City's Taxable Sales have increased from 2009/2010 to 2012/2013 by a total of 14.83%.

**Carson City and Douglas County Taxable Retail Sales**

Fiscal Year YTD	Carson City	Difference (%)
2005/2006	\$1,024,709,559	
2006/2007	\$991,893,429	-3.20%
2007/2008	\$919,266,455	-7.32%
2008/2009	\$761,379,338	-17.18%
2009/2010	\$678,625,833	-10.87%
2010/2011	\$735,131,302	8.33%
2011/2012	\$756,078,488	2.85%
2012/2013	\$779,297,546	3.07%

Source: Nevada Department of Taxation

**Education**

The Carson City School District is governed by an elected board of trustees. The district includes seven elementary schools, two junior high schools and one high school. There are also several private schools. Western Nevada College provides continuing adult education and involves a large facility which is located in northwest Carson City.

### **Utilities**

Electrical service in the Carson City area is provided by NV Energy. Natural gas service is provided by Southwest Gas Corporation. Water and sewer are provided by the Carson City Sewer and Water Department. Cable television is available from various carriers.

### **Municipal Services**

Police protection is provided by the Carson City Sheriff's Department, while fire protection is provided by the Carson City Fire Department, which includes a main station and several substations.

### **Subject Neighborhood Description**

The subject neighborhood is located in the northeastern portion of Carson City. The subject neighborhood is generally formed by Carson Street to the west, Highway 50 East to the north, the Carson River to the east, and Prison Hill to the south.

Major roadways in the subject neighborhood include U.S. Highway 50, also known as East William Street, Carson Street (U.S. 395 Freeway), South Edmonds/Fairview Drive and College Parkway. Airport Road, which forms the westerly boundary of the subject neighborhood, becomes College Parkway near the Carson City Airport.

U.S. Highway 50 intersects with North Carson Street (U.S. Highway 395), just north of the downtown casino core area. This roadway provides access to the residential areas in eastern Carson City as well as to Moundhouse, Virginia City, Dayton, Silver Springs and Fallon. Most of the development on U.S. Highway 50 includes retail-commercial uses, office uses and some limited residential utilizations. U.S. Highway 50 (East William Street) experiences some of the highest traffic counts in the entire Carson City area. The new U.S. 395 Freeway Bypass has been completed to Fairview Drive in the westerly portion of the subject neighborhood. The Bypass currently diverts traffic from North Carson Street to Fairview Drive at the southern end of Carson City. Construction of the Bypass west of

Fairview Drive, is ongoing and it will ultimately connect with Highway 50 West at U.S. 395 South. A full interchange with U.S. 395 is located at U.S. Highway 50.

U.S. Highway 395 is a six-lane highway that extends from Southern California, north to Reno, and eventually into northern California and Oregon. U.S. Highway 395 runs centrally through Carson City and the cities of Minden and Gardnerville, Douglas County. U.S. Highway 395 between Minden and Carson City is a four lane, two way divided asphalt paved highway. This highway is a major commercial arterial in the Carson City area that provides access from the towns of Minden and Gardnerville and to U.S. Highway 50. U.S. Highway 395 provides access to the Reno-Sparks area, approximately 30 miles to the north of Carson City.

As Carson City is the state capital of Nevada, there are several state government buildings located along Carson Street (U.S. Highway 395), including the State Capitol and the Nevada Legislature within the downtown area. Land uses along U.S. Highway 395 in downtown Carson City are primarily commercial in nature.

South Edmonds Drive, which becomes Fairview Drive in south central Carson City, is an arterial roadway through the easterly portion of the subject neighborhood. Fairview Drive/South Edmonds Drive provides access from U.S. Highway 50 to the residential subdivisions to the south of the highway as well as to the Carson City Corporate Yard, the Nevada State Prison and eventually to Fairview Drive. There is a full interchange at the U.S. 395 Freeway and Fairview Drive. Arrowhead Drive and Airport Road are secondary arterial streets, which provide access to the residential areas of northeast Carson City as well as to the industrial areas around the airport. Airport Road becomes College Parkway north of the neighborhood. College Parkway has become a major roadway with development of the Shaheen Business Park and the Wal-Mart center. There is a full interchange at College Parkway with U.S. 395.

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

The Carson City Airport is located in the northerly portion of the subject neighborhood off of College Parkway. There is no regularly scheduled commercial air service into the Carson City Airport. Most of the traffic is single or twin engine propeller aircraft or small private jets. The taxiways are asphalt paved and range in width from 35 to 50 feet. There are two primary aircraft parking aprons at the airport providing approximately 150 tie-down positions. The Airport does include airfield lighting and is equipped with an automated weather observation system. Fuel, maintenance and aircraft storage services are available on the airport property.

The heaviest concentration of industrial development in Carson City is located around the airport. Development in this area has been fostered by Carson City, the developer of the Carson City Airpark Industrial Park. The developments within the Carson City Airport market are primarily light industrial users. The majority of these improvements were constructed in the mid 1970's to the mid 1980's and include a variety of construction ranging from metal materials to concrete tilt-up and concrete block. A number of newer buildings have been constructed within the northerly portion of the subject neighborhood. These improvements generally include light manufacturing, light industrial and high-tech or fabricating type uses. These developments are both single tenant and multi-tenant projects. These improvements are currently in average condition.

Over the past decade, a second industrial area east of the airport has developed. This industrial area is known as the Arrowhead Business Park. Development within this park includes relatively newer buildings which include average to good quality construction and are currently in average to good condition, including Harley Davidson and CGI, Inc.

In their *Commercial Scene Report 2013* for the Carson City area, Coldwell Banker Commercial indicates that industrial vacancy rates have decreased significantly from 21% in

2009 (prior report) to a current vacancy rate of 7%. Coldwell Banker reports that business is brisk and the pace of the recovery in industrial properties has shown a huge improvement. However, they also report that “despite the pickup in business, it appears too early in the cycle for industrial construction of any significant quantity”.

The primary commercial corridors in Carson City include Carson Street (Business U.S. 395) and William Street (U.S. Highway 50). Commercial development along South Carson Street includes a number of freestanding commercial uses as well as neighborhood shopping centers and the Casino Fandango. Further north along South Carson Street there are several automotive dealers. Within the past three years, a new Toyota, a new Subaru and new Honda dealership facilities have been constructed along South Carson Street south of Rhodes Street. In addition, the GMC dealership facility has undergone a major remodel. It is noted that the new development along South Carson Street has made this area more desirable and is attracting more retailers including some who have relocated from the north end of Carson Street. These include the Subaru and Honda dealerships noted above, as well as Big Five Sporting Goods. Burlington Coat Factory, Big Lots and Kohl’s are in the same shopping center as Big 5 and are new to south Carson City. An Olive Garden restaurant was completed in the early part of 2012 along South Carson Street in the same center as the Burlington Coat Factory. An Auto Zone Store and a new Discount Tire store were recently constructed along South Carson Street.

The northern portion of the neighborhood, along U.S. Highway 50, includes primarily secondary commercial and industrial-commercial development such as retail stores, taverns, automobile repair facilities, building supply stores, service stations, mobile home sales lots and used car lots. Additionally, the Gold Dust West Casino is located on the south side of U.S. Highway 50 at Lompa Lane. A number of shopping centers are also located along U.S. Highway 50, generally to the west of the U.S. 395 interchange. These centers include the Pinion West Center, Plaza 50 Center and the Mills Park Plaza.

Coldwell Banker Commercial Premier Brokers reported in their *2011 Carson City State of the Market* survey (most recent available) a vacancy factor of 17.8% for the retail submarket. In recent discussions with numerous retail brokers within the market, it was indicated that the retail market in the Carson City area remains soft. Although no formal survey of retail vacancy has recently been conducted for the area, it is the sense of the interviewees that vacancy rates are still high and may be in the range of 15% to 30%.

The primary residential development within the subject neighborhood is single family homes. These single family residential developments are situated both north and south of Highway 50 East. These homes were constructed in the late 1960's and early 1970's and are generally of average quality and fair to average condition. The properties in the vicinity of Airport Road, south of Highway 50 East, involve a fairly high concentration of multi-family developments which are of average quality and are generally in average condition.

The single family residential market in the Carson City area has experienced significant decline since the peak in late 2005/early 2006. Sale prices depreciated approximately 29% over the past 5 years. However, prices have increased significantly over the past year. September 2013's median price was \$190,900, which indicates a 18% price change increase on an annual basis (from September 2012). Most signs in the market do indicate a recovery in housing, as median prices have generally continued to increase over the past two years. Buyer activity has increased in recent months with the greatest activity involving first time buyers. Overall, it appears from this data and through interviews with Realtors and other real estate professionals that the improved residential market is stabilizing to increasing after a long period of decline.

Similar to the rest of the U.S. the recent recession has had a negative impact on most sectors of the local economy. However, the Northern Nevada economic climate is improving and there are signs of recovery particularly in the single family residential and the industrial submarkets.

The topography of the subject neighborhood is gently sloping down from north to south. While most of the neighborhood is located in an area of minimal flooding, there is a large floodway extending in a northwesterly-southeasterly direction through the Steinheimer Trust Property, west of Airport Road. The floodway crosses Lompa Lane and U.S. Highway 50 onto the Lompa Ranch. Extensive flood control channels have been constructed along U.S. Highway 50 as well as along Lompa Lane in order to channelize flood flows and reduce the impact on surrounding properties.

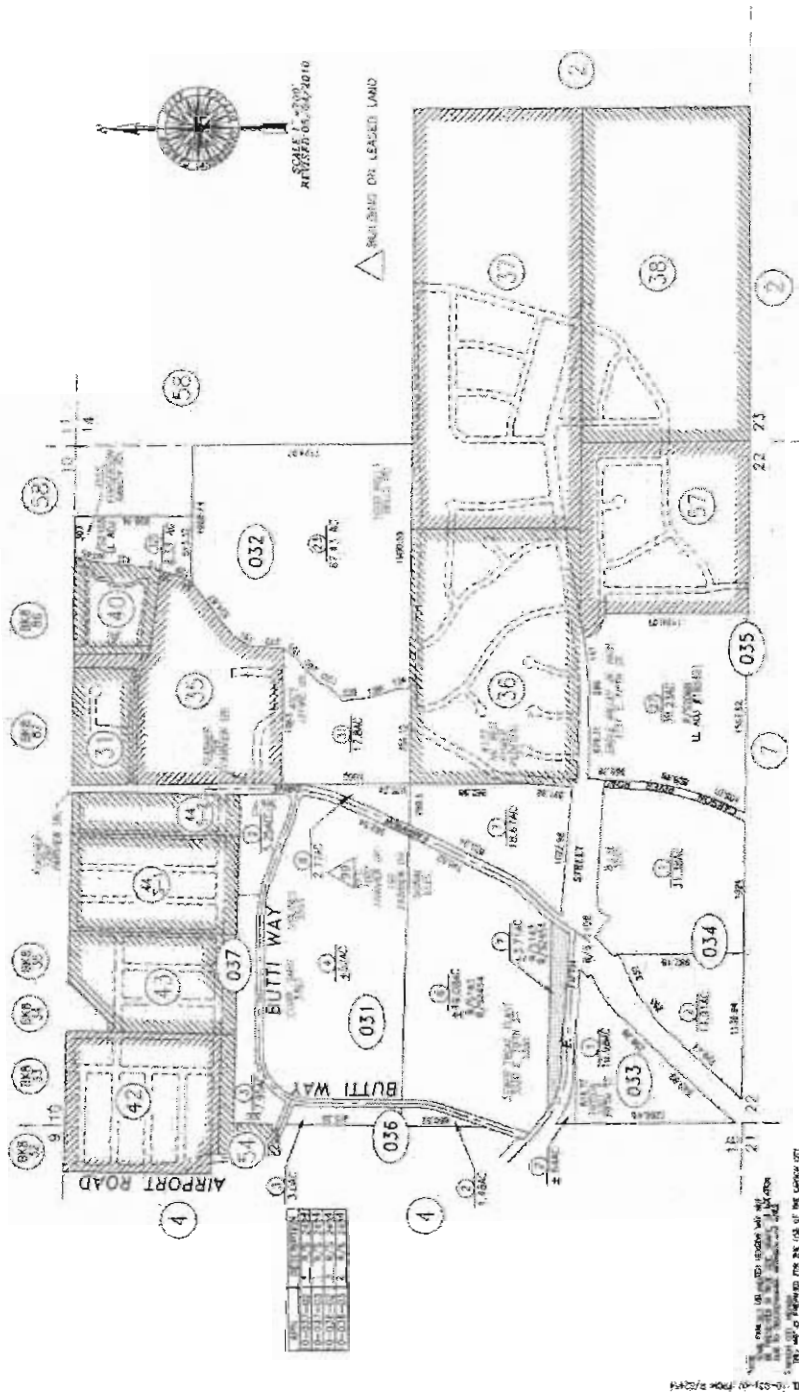
Recreational opportunities within or proximate to the subject neighborhood include the Eagle Valley Golf Course, the Empire Ranch Golf Course, the Prison Hill Recreation Area, Riverview Park and the Carson River.

In summary, the subject neighborhood is located in the southeastern portion of Carson City, generally south of U.S. Highway 50 (East William Street). The subject neighborhood is a mixture of residential, commercial, and industrial utilizations. The subject neighborhood has adequate to good access to public facilities, shopping, schools and arterial roadways.

**SUBJECT PLOT MAP  
 (A.P.N. 010-031-07)**

10-03

SECTION 15, T.15 N., R.20 E., M.D.B. & M.



**Subject Parcel Filled In Yellow**



**SUBJECT RECORD OF SURVEY MAP**

**RESOURCE CONCEPTS, INC.**  
 ENGINEERING • PLANNING • RESOURCE MANAGEMENT  
 240 S. WICKSBURY STREET • CARSON CITY, NEVADA 89703-4813 • OFFICES: 702-883-1000 • FAX: 702-883-1001 • WWW.RESOURCE-CONCEPTS.COM

DATE: 11/15/01  
 SHEET 1 OF 1

**OWNER'S CERTIFICATE**  
 I, the undersigned, owner of the above described property, do hereby certify that the above described property is the same as shown on the attached map and that the same is the same as shown on the attached map and that the same is the same as shown on the attached map and that the same is the same as shown on the attached map.

**SURVEYOR'S CERTIFICATE**  
 I, the undersigned, Licensed Professional Surveyor, do hereby certify that the above described property is the same as shown on the attached map and that the same is the same as shown on the attached map and that the same is the same as shown on the attached map and that the same is the same as shown on the attached map.

**TREASURER CERTIFICATE**  
 I, the undersigned, Treasurer of the above described property, do hereby certify that the above described property is the same as shown on the attached map and that the same is the same as shown on the attached map and that the same is the same as shown on the attached map and that the same is the same as shown on the attached map.

**CLERK-RECORDERS CERTIFICATE**  
 I, the undersigned, Clerk-Recorder of the above described property, do hereby certify that the above described property is the same as shown on the attached map and that the same is the same as shown on the attached map and that the same is the same as shown on the attached map and that the same is the same as shown on the attached map.

Carson City  
 1000 W. WASHINGTON ST., SUITE 100, CARSON CITY, NV 89701

**NOTES**

1. THIS MAP IS A RECORD OF SURVEY AND NOT A DEED. IT DOES NOT CONVEY TITLE.
2. THE PROPERTY IS SUBJECT TO ALL EASEMENTS AND ENCUMBRANCES SHOWN HEREON.
3. THE PROPERTY IS SUBJECT TO ALL EASEMENTS AND ENCUMBRANCES SHOWN HEREON.
4. THE PROPERTY IS SUBJECT TO ALL EASEMENTS AND ENCUMBRANCES SHOWN HEREON.

**LEGEND**

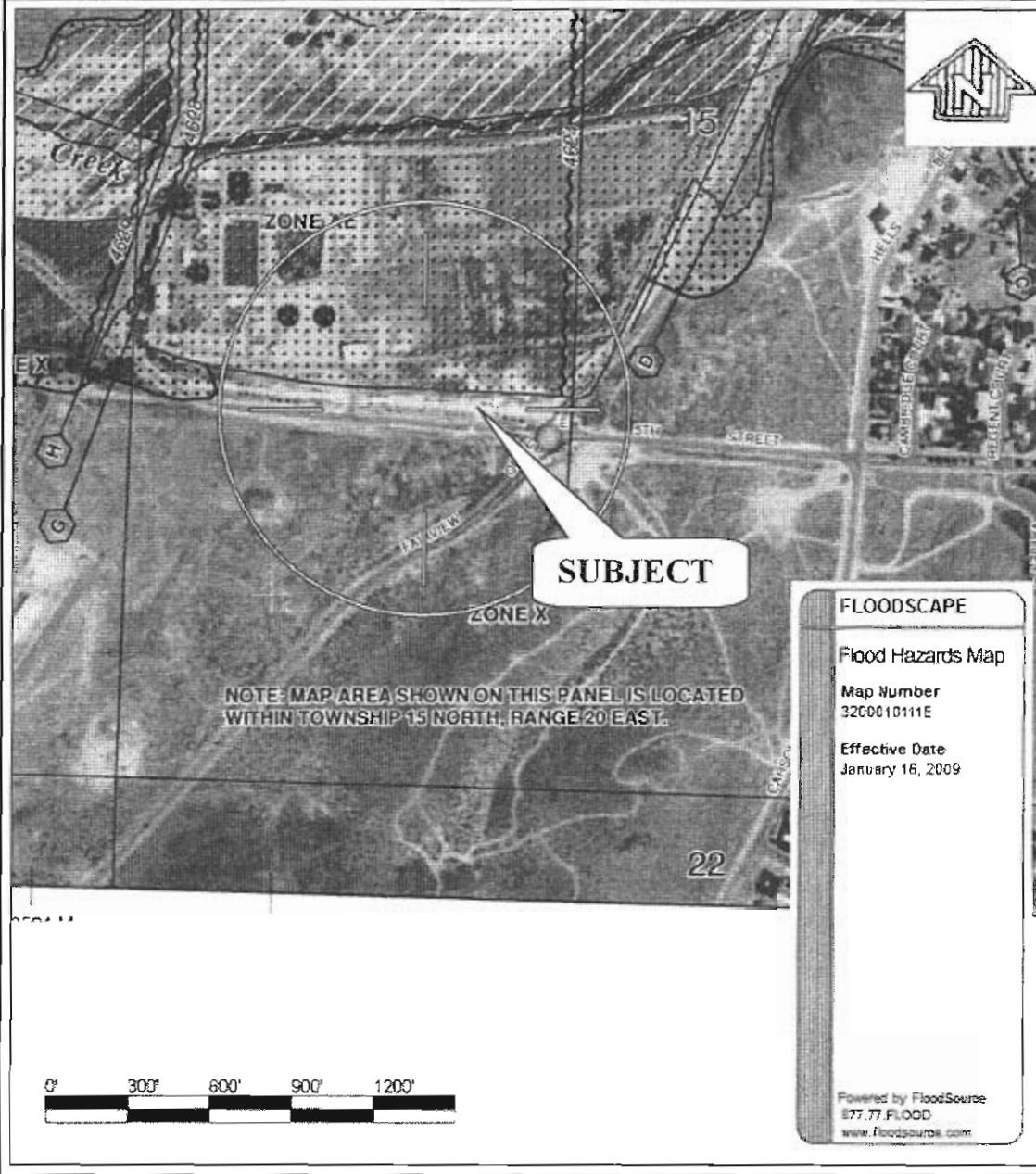
- A. EXISTING IMPROVEMENTS
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**Subject In Yellow**  
**Record of Survey Map No. 2454**  
**Recorded May 30, 2002**

**SUBJECT FLOOD ZONE MAP**

**InterFlood**   
 by a la mode  
 www.interflood.com • 1-800-252-6633

**Prepared for:**  
 Johnson-Perkins & Associates, Inc.  
 3303 Butti Way  
 Carson City, NV 89701-5173



© 1999-2013 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 5,631,326 and 6,678,515. Other patents pending. For info: info@floodsource.com.

**FEMA Community Panel Number 3200010111E**  
**Effective Date of Map-January 16, 2009**

**SUBJECT PROPERTY IDENTIFICATION AND SITE DESCRIPTION**

<b>Property Identification</b>	Nevada State Prison (PRIS-1)
<b>Property Type</b>	Vacant Land
<b>Property Location</b>	Northwest corner of East 5 <sup>th</sup> Street & Fairview Drive, Carson City, Nevada
<b>Legal Description</b>	Portion of the Southwest ¼ of Section 15, T.15 N., R.20 E., M.D.B & M.
<b>Assessor's Parcel Number</b>	010-031-07
<b>Ownership</b>	State of Nevada
<b>Total Land Area</b>	3.71± acres (161,608± square feet)

The land area set out above is taken from the Carson City Assessor's Parcel Map for the subject and is assumed to be correct.

**Shape** The subject parcel is long and narrow in shape.

**Roadway Frontages/Access**

The subject parcel has extensive frontage on East Fifth Street along its south property line. East Fifth Street, in the vicinity of the subject, is a two-lane, two-way asphalt paved roadway, which is not improved with concrete curbs or gutters. The subject's east boundary abuts the Fairview Drive roundabout. The roundabout and portions of Fairview Drive, in the vicinity of the subject, are improved with concrete curbs, gutters and sidewalks and landscaping. Fairview Drive is a two-way asphalt paved arterial roadway with an interchange with the U.S. 395 Freeway in the south portion of the subject neighborhood.

**Zoning**

**PR (Public Regional)**

The subject property is zoned PR, a Carson City Public Regional designation.

**18.04.185 - Public Regional (PR).**

PR means Federal, state and city facilities and uses whose main purpose is to sustain wide regional needs.

The Conditional Uses permitted in the PR District which require approval of a Special Use Permit are:

Airports/heliports; Animal shelter; Archaeological heritage/cultural resource;  
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;  
Bus terminal/station;  
Cemetery; Child care facility; Civic auditorium and theater; Clinic;  
Community institution (non-profit); Communication antenna/tower;  
Congregate care housing/senior citizen home; Conservation and wildlife sanctuary;  
Convention facility; Corporate yard; Crisis care facility/residency/center;  
Equestrian center; Fairground/theme Park; Farm; Farmer's market;  
Flood/storm drain protection devices; Forest area; Fuel storage tank facility;  
Golf course/driving range/club house; Historical site; Hospital;  
Impound yard; Institutional use; Library; Maintenance garage;  
Military facility; Municipal well facility; Municipal garage; Municipal training facility;  
Museum; Noise attenuation barrier; Open space; Outside storage;  
Pavilion/stadium; Prison; Public administrative office; Public nursery;  
Public park/playground; Public parking lots; Public performing arts center;  
Public utility building; Public water supply; Quarry/extraction site;  
Radio station/TV station tower; Regional park;  
Resource management use/groundwater recharge use;  
Schools (elementary, middle, high school, and college/university);  
Sewage works facility; Social services center/facility offices;  
Special complementary uses; Sport playing field; Storage;  
Storage containers (permanent) subject to Division 1 and 1.10 Personal Storage of the Development Standards;  
Storage facility; Storm drainage and floodplain devices; Summer camp;  
Tennis court complex; Transfer station/sanitary landfill;  
Utility easement; Utility facilities; Utility substation;  
Warehouse; Waste disposal area/site facility; Wastewater treatment facility;  
Watchman's quarters; Water facility;  
Water, oil, gas or geothermal drilling operation sites; Water tank; Water works facility;  
Wilderness area; Wildlife park/preserves/habitat area; Wind energy conversion facility;  
Zoo.

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

*(Ord. No. 2008-33, § IX, 9-4-2008)*

**Master Plan**

**P/QP (Public/Quasi-Public)**

The following summarizes the Public/Quasi-Public district, and is from the Carson City Master Plan.

LAND USE CATEGORY	RANGE OF DENSITY/SIZE	USES	CHARACTERISTICS	ZONE DISTRICTS
<b>PUBLIC/INSTITUTIONAL</b>				
Public/Quasi-Public (P/QP)	N/A	<i>Primary:</i> Schools, government offices, community centers, fire stations, airport, libraries, hospitals, cemeteries, churches, and other places of worship. Also include facilities needed for essential public services such as electrical substations, water and wastewater facilities, and other similar uses.	<ul style="list-style-type: none"> <li>▪ Provided by the City, special districts, or by a quasi-public organization.</li> <li>▪ Churches are also an acceptable use in residential and some commercial areas and may not be designated as Public/Quasi-Public.</li> <li>▪ <i>Relationship to previous Master Plan:</i> Public/Quasi-Public replaces the Public Neighborhood, Public Community, and Public Regional land use categories.</li> </ul>	P, PN, PC PR

**General Improvement District**

None

**Subject Flood Zone Designation**

According to the FEMA Flood Map, Community Panel Map Number 3200010111E, with effective dates of January 16, 2009, the subject property is located in a Flood Zone "X". According to FEMA, a Flood Zone "X" identifies areas of minimal flood hazard.

A small portion of the very west end of the subject site appears to be within a Flood Zone Shaded "X". According to FEMA, a Flood Zone Shaded "X" identifies an area of moderate flood hazard.

ZONE	DESCRIPTION
<b>B and X (shaded)</b>	Area of moderate flood hazard, usually the area between the limits of the 100-year and 500-year floods. Are also used to designate base floodplains of lesser hazards, such as areas protected by levees from 100-year flood, or shallow flooding areas with average depths of less than one foot or drainage areas less than 1 square mile
<b>C and X (unshaded)</b>	Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

**Utilities**

Electricity	NV Energy
Water	Carson City
Sewer	Carson City
Natural Gas	Southwest Gas
Telephone	AT&T

All utilities are reasonably available to the subject property.

**Earthquake Zone**

Northern Nevada is an area which has a number of local faults in where there is a relatively strong possibility of moderate to strong seismic activity. As a result, building plans are typically reviewed by a structural engineer to assess earthquake hazards. This appraisal report and the market value conclusions set forth in the report, assume that the subject property is not adversely impacted by earthquake hazards to a greater degree than is typical for the area.

**Topography**

The subject site has level topography and is at grade with East Fifth Street.

**Environmental and Soils Data**

An environmental site assessment was not provided to us by our client. However, based upon surrounding improvements, it appears that the subject property has adequate soil features for development. This appraisal report assumes that the subject soils are sufficient for development on the subject site.

**Hazardous Substances**

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

### **Easements and Encumbrances**

We were provided a Preliminary Title Report for the subject prepared by First American Title Company, with an effective date of October 1, 2013 (Order Number 143-2455285). Exceptions listed include:

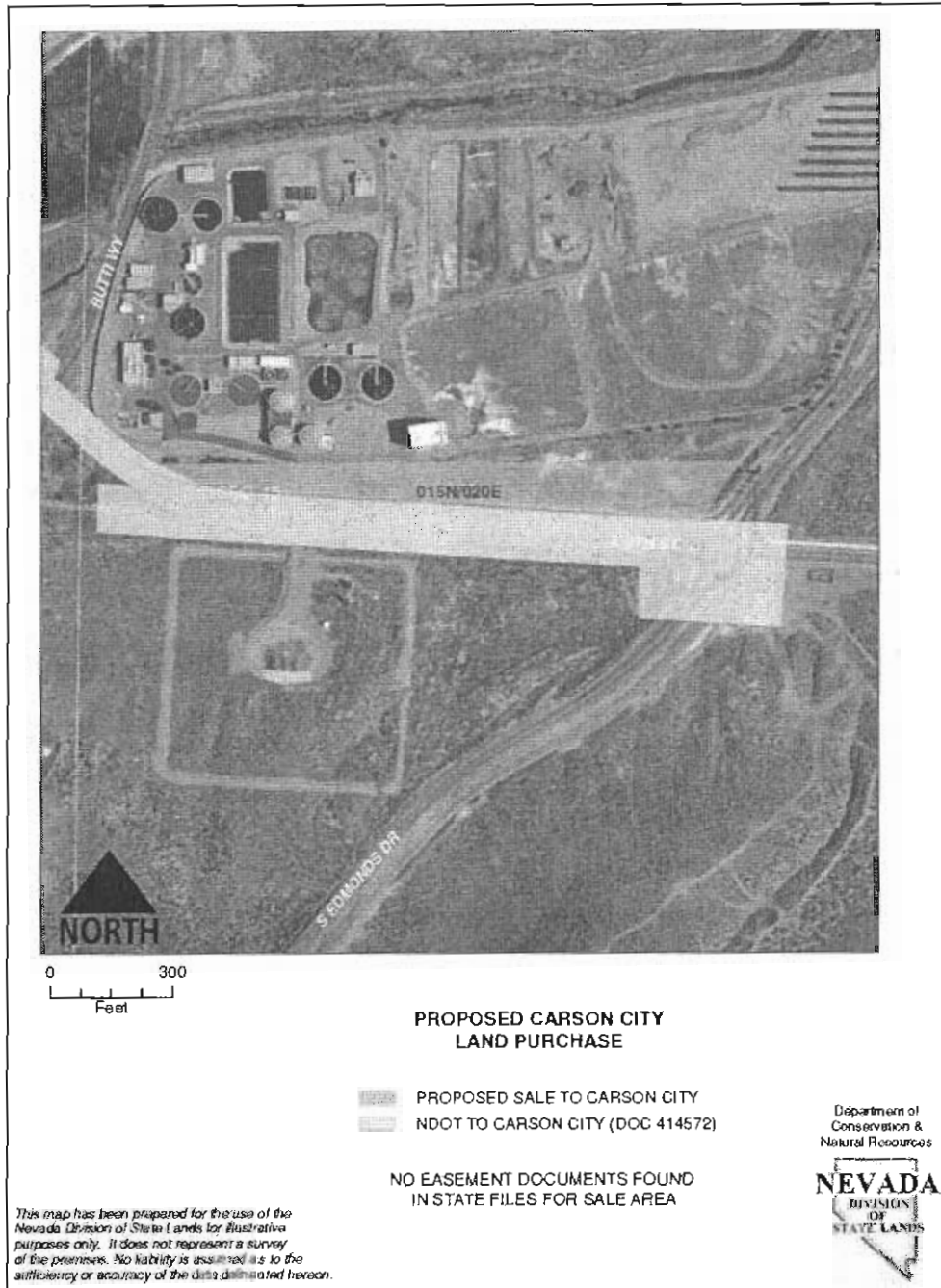
- Easements, liens or encumbrances, or claims thereof, not shown by the Public Records;
- Easements, dedications, reservations, provisions, relinquishments, recitals, certificates, and any other matters as provided for or delineated on Survey Map No. 143, Right-of-Way Map No. 1106 and Record of Survey Map No. 2454;
- A document entitled "Resolution of Relinquishment of a portion of State Highway Right-of-Way", recorded June 30, 2009, as Instrument No. 391154 of Official Records;
- A document entitled "Resolution of Relinquishment of a portion of State Highway Right-of-Way", recorded August 15, 2011, as Instrument No. 414572 of Official Records;
- Existing rights in use in favor of the public or third parties for highways, roads, railroads, pipelines, telephone, telegraph and electrical transmission lines, canals, laterals and drains.

A complete copy of the Preliminary Title Report is set out in the Addenda to this report.

A review of the exceptions in the Preliminary Title Report, as well as the recorded maps for the subject, did not reveal any easements encumbering the property. However, our physical inspection of the property revealed markings for telecommunications, water and sewer lines and for a natural gas line in the area of the southerly portion of the subject site. Drainage improvements were also noted. An asphalt paved driveway, leading from East 5<sup>th</sup> Street to the Waste Water Reclamation Plant directly north of the subject, traverses the central portion of the subject site. An asphalt paved bike path traverses the subject site in an east-west direction. An existing rock retaining wall generally runs the length of the bike path. Overall, the subject property is felt to be negatively impacted by the presence of the bike path, the rock retaining wall and as it appears to be encumbered with utility, drainage and access improvements.

An Exhibit Map prepared by Nevada Division of State Lands is set forth below:

**EXHIBIT MAP**





**Assessment & Taxable Value Data**

The assessment of real property in Nevada is governed by the Nevada Revised Statutes, which requires the County Assessor to assess at 35% of the taxable value of the property. The taxable value of the property is based upon the Assessor’s estimate of the full cash value of the site. The chart below summarizes Assessment and Taxable Valuation data for the subject property.

**Tax Data**

Tax Year	2013-2014
Assessor’s Parcel Number	010-031-07
Assessed Values	
Land	\$100.00
Improvements	None
Total Assessed Values	\$100.00
Exemptions	\$100.00
<b>Taxable Value</b>	<b>\$286.00</b>
<b>Taxes</b>	<b>Exempt</b>

**Real Property Tax Data**

The subject property is owned by a division of the State of Nevada, and is therefore exempt from real property taxes.

**Subject’s Sale History**

The subject property has not been involved in any arm’s length sales transactions over the past 10 year period. Based upon research conducted through the Official Records of Carson City, no recent transfer of ownership transactions have occurred with respect to the subject. It is our understanding that the State of Nevada, by and through its Department of Corrections, is negotiating the sale of the subject parcel to Carson City, the adjoining property owner.

**Surrounding Development**

Development in the immediate vicinity of the subject includes the Carson City Wastewater Reclamation Plant, the Carson City Corporate Yard and the Nevada State Prison.

The Linear Park is located at East Fifth Street and Butti Way a short distance west of the subject. The Prison Hill Recreation Area and the Riverview Park are located south and east of the subject. The Carson River skirts the east boundary of the Riverview Park. Single family residential uses are located a short distance north and east of the subject.

**Summary**

The subject property is a 3.71± acre parcel located at the northwest corner of East Fifth Street and the Fairview Drive roundabout. The site has extensive frontage on East Fifth Street with nominal frontage on Fairview Drive. The subject property is owned by the State of Nevada and is a portion of the Nevada State Prison site. The subject site is long and narrow in shape, has level topography and is zoned Public Regional.

### HIGHEST AND BEST USE ANALYSIS

Highest and best use is defined in the 5<sup>th</sup> Edition of *The Dictionary of Real Estate Appraisal* (Appraisal Institute, Chicago, 2010) as “The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.”

This appraisal is being prepared for the purpose of estimating the Market Value as of a current date of value. The subject parcel is vacant and unimproved; therefore, the highest and best use analysis will analyze the subject as vacant.

#### **Highest and Best Use As Vacant-Physically Possible**

The subject is a vacant parcel with a total gross land area of 3.71± acres. The subject property is located at the northwest corner of East Fifth Street and the Fairview Drive roundabout. The subject site is generally located between the Nevada State Prison and the Carson City Water Treatment Plant and adjoining corporate yard. The site has extensive frontage on East Fifth Street with limited frontage on Fairview Drive. The subject site is long and narrow in shape, has level topography and is zoned Public Regional.

The main physical limitation to development of the subject parcel is its very long, narrow shape. Additionally, the length of the subject parcel is traversed by an asphalt paved bike path and rock retaining wall, both of which run in an east-west direction. The site appears to be encumbered with public utility and drainage improvements. An asphalt paved driveway, leading from East 5<sup>th</sup> Street from the south to the adjacent Waste Water Reclamation Plant to the north of the subject, bisects the central portion of the subject site.

In regards to physically possible, the subject is not of sufficient shape and depth to allow development as an independent parcel. Furthermore, the presence of the bike path, retaining wall and what appears to be access, drainage and utility improvements are also considered to severely limit the development potential of the subject site.

**Legally Permissible**

The subject is zoned PR, a Carson City Public Regional zoning district. The Public Regional district is intended to provide for federal, state and city facilities and uses whose main purpose is to sustain wide regional needs. The subject is master planned P/QP, a Public/Quasi-Public district which is primarily intended for schools, government offices, community centers, fire stations, airport, library, hospitals, cemeteries and places of worship. Allowed uses also include facilities needed for essential public services, such as electrical substations, water and wastewater facilities and other similar uses.

Overall, the subject's legally permissible uses are currently limited by the underlying zoning designation.

**Financially Feasible & Maximally Productive**

The highest and best use of the subject site must be financially feasible. To be financially feasible, there must be adequate demand to support the highest and best use of the subject property. To be maximally productive, the highest and best use of the subject must be the most intense use to which the site could be developed and remain financially feasible.

Given the subject's very long, narrow shape coupled with the presence of the bike path, access, drainage and possible public utility improvements, the development potential of the subject, as an independent freestanding parcel is considered to be very limited. It is noted that the subject's location proximate to the waste water treatment plant also negatively impacts the desirability of the site.

Overall, the Highest and Best use of the subject site is very restricted. It is our opinion that a potential buyer would anticipate holding the property for speculative future sale for utility easement acquisitions or possible sale to an adjoining property owner.

## INTRODUCTION TO VALUATION ANALYSIS

There are three approaches to value typically utilized in appraising real estate. These approaches are the Cost Approach to Value, the Income Approach to Value and the Sales Comparison Approach to Value. To establish an indication of the Market Value of the subject property, we have utilized the Sales Comparison Approach to Value. As the subject property is vacant land, the Cost and Income Approaches to Value were not considered to be applicable. This approach is the approach typically utilized in appraising vacant properties in the local and regional market.

### **Methodology**

In order to estimate an appropriate Market Value for the subject property, the Sales Comparison Approach will be utilized. Due to the lack of sales data for similar undevelopable vacant land, a two-step valuation method will be utilized. The Sales Comparison Approach to Value will be utilized to estimate the unencumbered fee simple market value of the subject property based upon the hypothetical condition that the property is developable. In the first step of the analysis, it will be assumed that the subject is of a normal shape. The subject is currently zoned Public Regional, however, assuming private ownership of the site, it could possibly be rezoned to allow light industrial or industrial-commercial uses that would be compatible with the subject's location proximate to the waste water treatment facility and prison facility.

In the second step of the valuation analysis, a factor will be derived to apply to the subject's developable value estimate. This factor will account for the fact that the property is not developable due to its long, narrow shape, the presence of the bike path, retaining wall and as the site appears to have utility, drainage and access improvements.

### SALES COMPARISON APPROACH TO LAND VALUE

The Sales Comparison Approach is based on the principal of substitution, which holds that the value of the subject property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability. Set out on the following page are the land sales which were felt to be most indicative of the subject's land value, assuming it to be a developable parcel, as of a current date of value. Following the chart will be a locational map for the sales followed by individual profile sheets for each of the comparables.

In this analysis it will be assumed that the subject is of a normal shape and could be developed with light industrial or industrial-commercial uses that would be compatible with the subject's location proximate to the waste water treatment facility and prison facility. Once the hypothetical developable value estimate has been estimated for the subject property, a factor will be derived to apply to this value to arrive at the final land value conclusion for the subject as undevelopable, due to its long, narrow shape and numerous encumbrances impacting the site.

**COMPARABLE DEVELOPABLE LAND SALES CHART**

Sale No.	A.P.N. Location	Sale Date Sale Price	Zoning Topography Flood Zone	Document No. Grantcc Terms of Sale	Land Area	Sale Price Per SF
LS-1	008-123-27 1250 Old Hot Springs Road N/S Old Hot Springs Road, 1 Block West of Research Way	05/03/12 \$115,000	TC Level to Gentle X500	421921 California Broadband Coop Inc.	1.00± Ac 43,560± SF	\$2.64
LS-2	005-061-02 Industrial Air Park 2271 Arrowhead Drive, SWC Arrowhead Drive and Ryan Way	06/26/12 \$149,500	ATP Level X, Shaded X	423588 Click Bond, Inc. Cash	1.18± Ac 51,401± SF	\$2.91
LS-3	016-425-05 Diamondback Parcels Phase 2 59 Diamondback Way, S/S Diamondback Way, 230± feet West of Carry Way, Mound House	01/18/13 \$107,000	M1 Level X	501877 Dandini Wallach, LLC Cash	1.637± Ac 71,307± SF	\$1.50
LS-4	008-152-06 (Now 23 & 24) S/S Highway 50 East, at the S. terminus of Humboldt Street, 900±' W. of U.S. 395	03/15/13 \$962,500	GC Level to Gentle AE	432274 California Gold Development Corp. Cash	3.82± Ac 166,399± SF	\$5.78
LS-5	016-184-14 NEC Cash Drive and Brown Drive, Mound House	07/08/13 \$78,500	M1 Level X	509371 Helical Wire, Inc. Cash	1.05± Ac 45,738± SF	\$1.72
LL-6	008-522-06 5855 Sheep Drive, S/S of Sheep Drive, 650± feet North of Highway 50 East	Current Listing 10/18/13 \$699,000	G1 Level X	N/A Owner of Record Granite Construction Co. N/A	6.50± Ac 283,140± SF	Asking \$2.47
LL-7	009-031-11 S/S Rhodes Street, 615± feet West of S. Curry Street	Current Listing 10/18/13 \$400,000	LI/SF12 Level to Gentle A	N/A Silver Hills Community Church	3.66± Ac 159,430± SF	Asking \$2.51
Subject Property	010-031-07 NWC E. 5 <sup>th</sup> Street and Fairview Drive Roundabout	Date of Valuation 10/18/2013	PR Level X & Shaded X	--- ---	3.71± Ac 161,608± SF	---

**COMPARABLE COMMERCIAL LAND SALE PROFILE SHEET  
 SALE LS-1**

PORTION SECTION 5, AND PORTION SECTION 4, T15 N., R.20 E., M.D.B. & M.

8-12



<b>Property Address:</b>	1250 Old Hot Springs Road	<b>City:</b>	Carson City
<b>Location:</b>	N/S Old Hot Springs Road, 1 Block West of Research Way	<b>County:</b>	Carson City
<b>A.P.N.:</b>	008-123-27	<b>State:</b>	Nevada
<b>Legal Description:</b>	Parcel 3A of Parcel Map 2366, Recorded May 1, 2000, Document No. 247958	<b>Property Rights Conveyed:</b>	Fee Simple
<b>Topography:</b>	Level to Gentle	<b>Flood Zone:</b>	X500 (Shaded X), Areas of Low to Moderate Risk of Flooding
<b>Land Area:</b>	1.00± Ac (43,560± SF)	<b>Zoning:</b>	TC (Tourist Commercial)
<b>Sale Price:</b>	\$115,000	<b>Price/Square Foot:</b>	\$2.64
<b>Recording Date:</b>	May 3, 2012	<b>Document Number:</b>	421921
<b>Grantor:</b>	Lumos & Associates Inc.	<b>Grantee:</b>	California Broadband Cooperative, Inc.
<b>Terms:</b>	Cash to Seller	<b>Sale Verification:</b>	Bruce Robertson, CCIM, Sperry Van Ness & Public Records

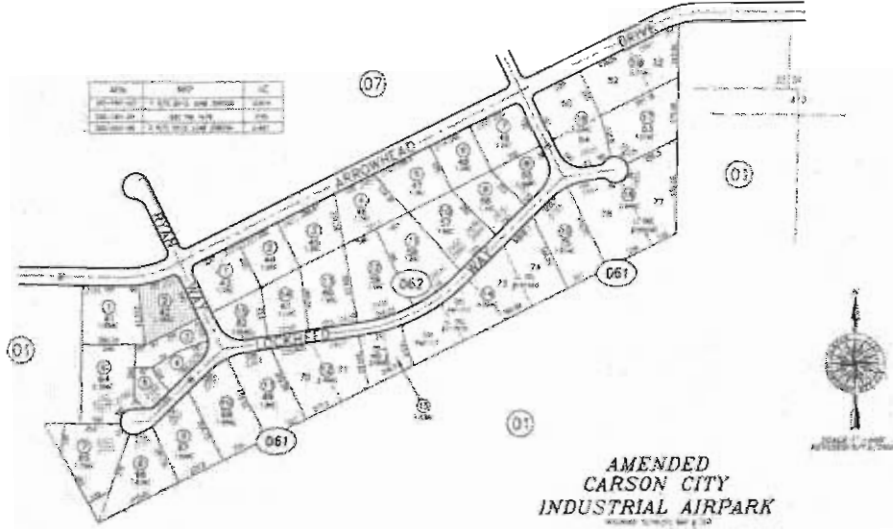
This comparable is located on the north side of Old Hot Springs Road approximately one block west of Research Way in northeast Carson City. The site is located a short distance east of the US Highway 395, but sits well below this elevated freeway. This site is of slightly irregular shape and contains 1.00± acres. All utilities are reasonably available. Development in the immediate neighborhood includes primarily light industrial and industrial-commercial uses. The Nevada Department of Transportation warehouse and yard areas are located west and north of the property. Vacant tracts of land surround the sale property to the north and east. The old Hot Springs Motel and pool are located a short distance east of the sale site. A drainage way was noted in the south (street frontage) and east portions of the site. The listing broker has indicated that the easement was not an issue for the buyer.



**COMPARABLE COMMERCIAL LAND SALE PROFILE SHEET  
 SALE LS-2**

PORTION N1/2 SECTION 4, T.15 N., R.20 E., M.D.B. & M

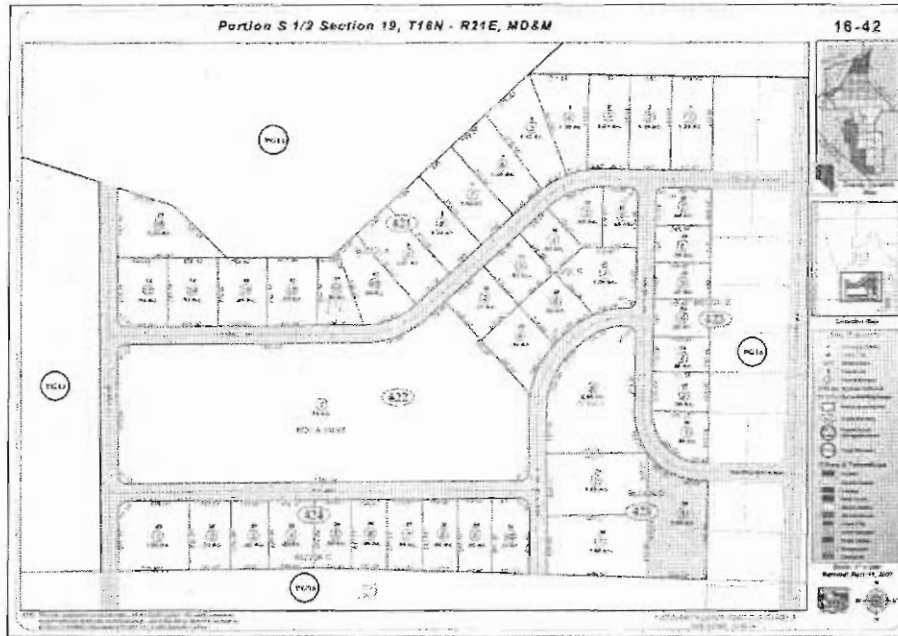
5-06



<b>Property Address:</b>	2271 Arrowhead Drive	<b>City:</b>	Carson City
<b>Location:</b>	SWC Arrowhead Drive and Ryan Way	<b>County:</b>	Carson City
<b>A.P.N.:</b>	005-061-02	<b>State:</b>	Nevada
<b>Legal Description:</b>	Lot 42, of Carson City Industrial Airpark, according to the map thereof, filed August 20, 1968, in Book 2 of Maps, page 318, File No. 41674, County Recorder of Carson City, Nevada, Amended December 14, 1971, File No. 98759	<b>Property Rights Conveyed:</b>	Fee Simple
<b>Topography:</b>	Level	<b>Flood Zone:</b>	X, Shaded X, Low to Moderate Risk Areas
<b>Land Area:</b>	1.18± Ac (51,401± SF)	<b>Zoning:</b>	AIP (Airport Industrial Park)
<b>Sale Price:</b>	\$149,500	<b>Price/Square Foot:</b>	\$2.91
<b>Recording Date:</b>	June 26, 2012	<b>Document Number:</b>	423588
<b>Grantor:</b>	Pinnacle Properties LLC	<b>Grantee:</b>	Click Bond, Inc.
<b>Terms:</b>	Cash	<b>Sale Verification:</b>	Fred Miller, Dickson Commercial Real Estate and Public Records

This comparable is located in the Industrial Air Park proximate to the Carson City Airport. The sale property is situated at the southwest corner of Arrowhead Drive and Ryan Way. The site contains 1.18± acres of land and sold for \$2.91 per square foot. In discussions with the listing broker, Mr. Fred Miller of Dickson Commercial, it was indicated that the seller was in bankruptcy at the time of sale and was motivated to sell the property. This parcel was purchased by Click Bond, Inc. an adjoining property owner for plottage.

**COMPARABLE COMMERCIAL LAND SALE PROFILE SHEET  
 SALE LS-3**



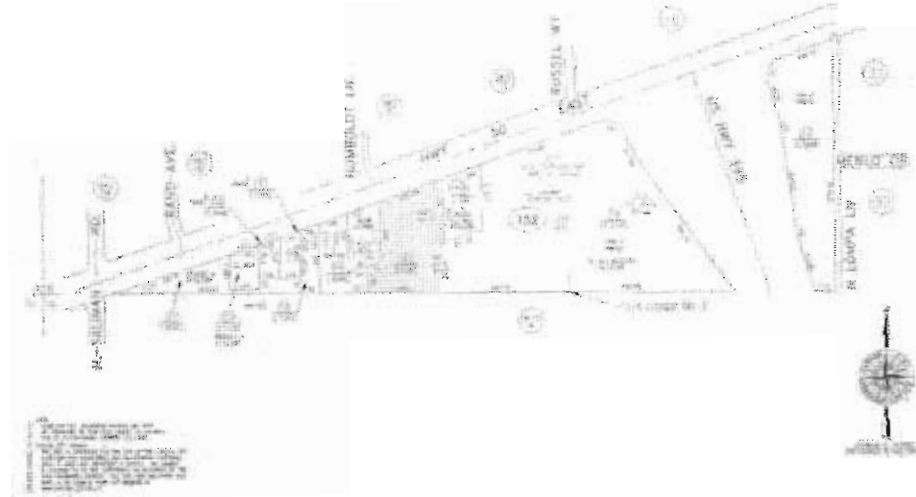
<b>Property Address:</b>	59 Diamondback Way	<b>City:</b>	Mound House
<b>Location:</b>	S/S Diamondback Way, 230± feet West of Carry Way	<b>County:</b>	Lyon County
<b>A.P.N.:</b>	016-425-05	<b>State:</b>	Nevada
<b>Legal Description:</b>	Lot 39 in Block D, Record of Survey for Diamondback Parcels, Phase 2, as shown on the final map recorded Official Records of Lyon County, Nevada, on December 8, 2004 as File No. 337592	<b>Property Rights Conveyed:</b>	
<b>Topography:</b>	Level	<b>Flood Zone:</b>	X, Low Risk Area
<b>Land Area:</b>	1.637± Ac (71,307± SF)	<b>Zoning:</b>	M1 (General Industrial)
<b>Sale Price:</b>	\$107,000	<b>Price/Square Foot:</b>	\$1.50
<b>Recording Date:</b>	January 18, 2013	<b>Document Number:</b>	501877
<b>Grantor:</b>	Paul and Margaret Holloway	<b>Grantee:</b>	Dandini Wallach, LLC
<b>Terms:</b>	Cash	<b>Sale Verification:</b>	Andy Wilson, Coldwell Banker Commercial and Public Records

This comparable is located on the south side of Diamond Back Way, approximately 230 feet west of Carry Way in the Mound House area of Lyon County. Mound House is generally east of the northeast quadrant of Carson City. This comparable contains 1.637± acres and is slightly irregular in shape. The site has reasonable availability of utilities other than sewer service, which will require an individual septic system. In discussions with the listing broker, it was indicated that the same buyer purchased the adjoining improved property at 70 Julius Street. It is our understanding that the vacant lot was purchased for additional outdoor storage or possible future expansion.

**COMPARABLE COMMERCIAL LAND SALE PROFILE SHEET  
 SALE LS-4**

PORTION SW 1/4 SECTION 9 T15N R20E M.D.B. & M.

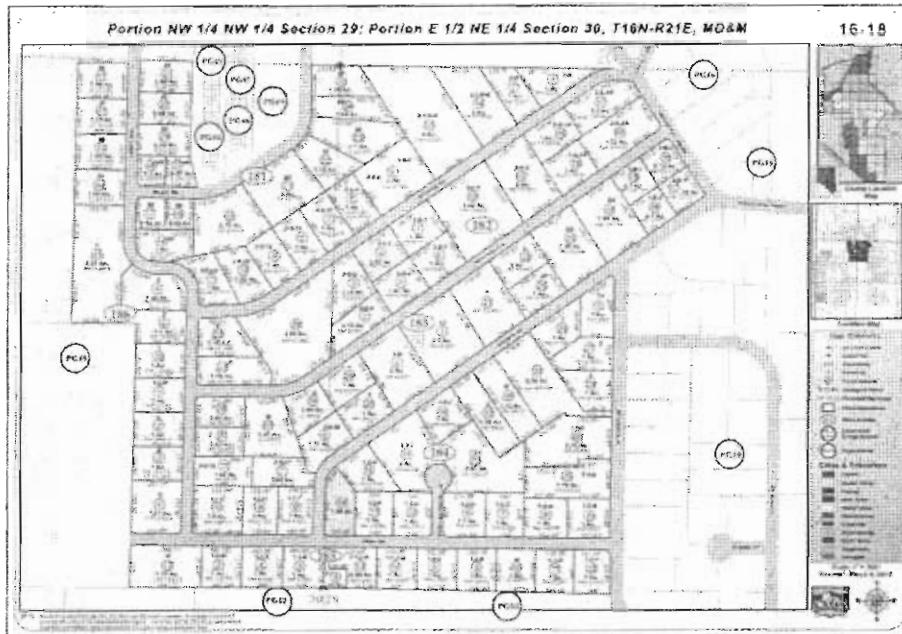
B-15



<b>Property Address:</b>	2035 E. William Street (Highway 50 East)	<b>City:</b>	Carson City
<b>Location:</b>	S/S of Highway 50 East at the south terminus of Humboldt Street	<b>County:</b>	Carson City
<b>A.P.N.:</b>	008-152-06 (Now 23 and 24)	<b>State:</b>	Nevada
<b>Legal Description:</b>	Portion of the SW 1/4 of Section 9, T15N, R20E, M.D.B. & M.	<b>Property Rights Conveyed:</b>	Fee Simple
<b>Topography:</b>	Level to Gentle	<b>Flood Zone:</b>	AE, Areas of High Risk Potential Flooding
<b>Land Area:</b>	3.82± Ae (166,399± SF)	<b>Zoning:</b>	GC (General Commercial)
<b>Sale Price:</b>	\$962,500	<b>Price/Square Foot:</b>	\$5.78
<b>Recording Date:</b>	March 15, 2013	<b>Document Number:</b>	432274
<b>Grantor:</b>	Maurice Cook, Trustee	<b>Grantee:</b>	California Gold Development Corporation
<b>Terms:</b>	Cash	<b>Sale Verification:</b>	Public Records, Loopnet, Coldwell Banker

This property is located on the south side of Highway 50 East at the south terminus of Humboldt Street, a short distance west of U.S. Highway 395. The site has approximately 340 feet of frontage on Highway 50. According to the listing broker, Ms. Andy Wilson of Coldwell Banker Premier Properties, all utilities were reasonably available at the time of sale. This site is located within a flood plain and it is our understanding that it did require significant fill prior to development. The property was subsequently improved with a 3,220± square foot commercial building.

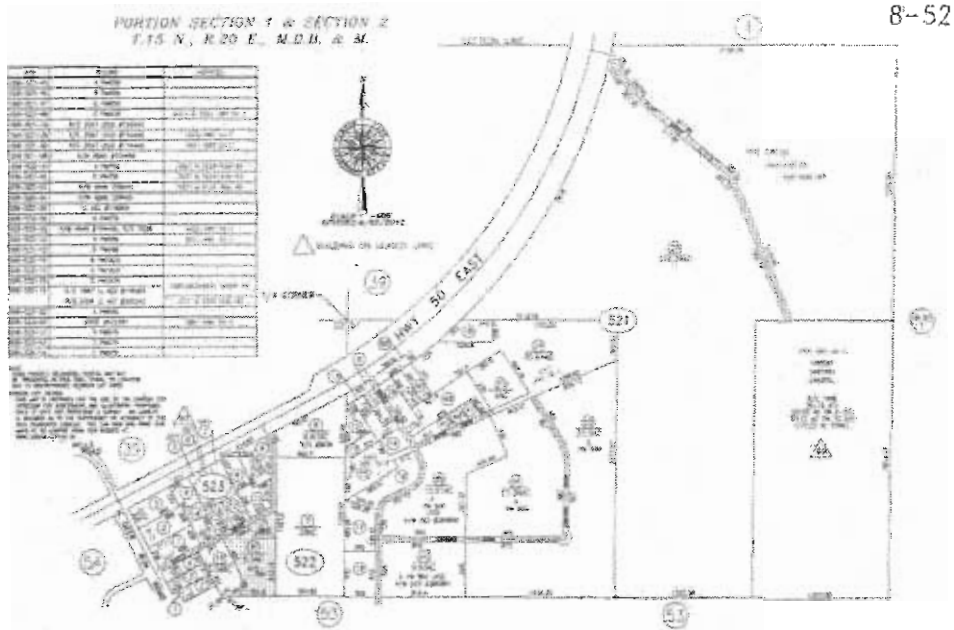
**COMPARABLE COMMERCIAL LAND SALE PROFILE SHEET  
 SALE LS-5**



<b>Property Address:</b>	N/A	<b>City:</b>	Mound House
<b>Location:</b>	NEC Cash Drive and Brown Drive	<b>County:</b>	Lyon County
<b>A.P.N.:</b>	016-184-14	<b>State:</b>	Nevada
<b>Legal Description:</b>	Portion of the SW ¼ of the NW ¼ of Section 29, T16N, R21E, M.D.B & M.	<b>Property Rights Conveyed:</b>	Fee Simple
<b>Topography:</b>	Level	<b>Flood Zone:</b>	X, Minimal Flooding Potential
<b>Land Area:</b>	1.05± Ae (45,738± SF)	<b>Zoning:</b>	M1 (General Industrial)
<b>Sale Price:</b>	\$78,500	<b>Price/Square Foot:</b>	\$1.72
<b>Recording Date:</b>	July 8, 2013	<b>Document Number:</b>	509371
<b>Grantor:</b>	Valley Septic Service, Inc.	<b>Grantee:</b>	Helical Wire, Inc.
<b>Terms:</b>	Cash	<b>Sale Verification:</b>	Andy Wilson, Coldwell Banker Commercial and Public Records

This comparable is located at the northeast corner of Cash Drive and Brown Drive in the Mound House area of Lyon County. Mound House is situated east of the northeast quadrant of Carson City. This parcel is of slightly irregular shape and has level topography. The sale property contains 1.05± acres. With the exception of sewer service, all utilities were reasonably available at the time of sale. Individual septic systems are required within this neighborhood. According to the listing agent, Ms. Andy Wilson of Coldwell Banker Commercial, the buyer, Helical Wire Inc., owned the building next door and they purchased this lot for future expansion.

**COMPARABLE COMMERCIAL LAND SALE PROFILE SHEET  
 LISTING LL-6**



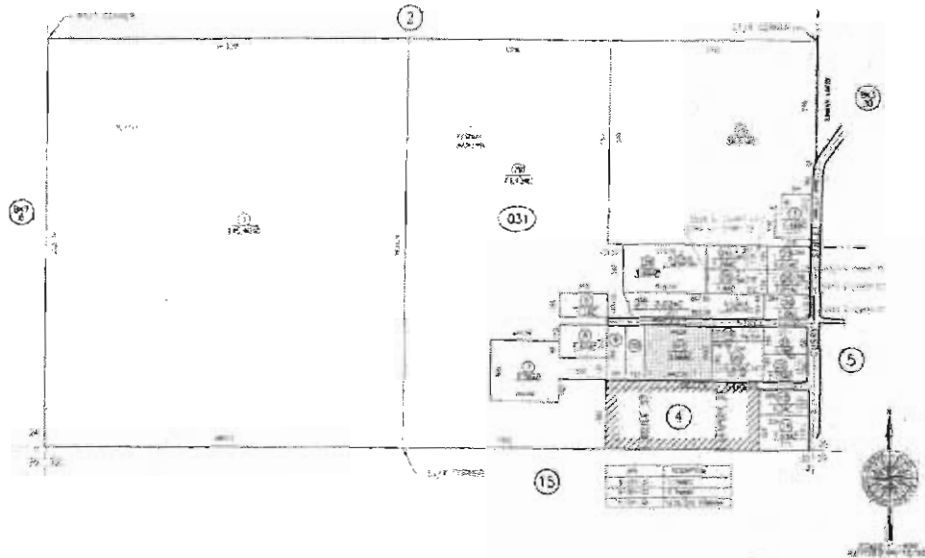
<b>Property Address:</b>	5855 Sheep Drive	<b>City:</b>	Carson City
<b>Location:</b>	S/S of Sheep Drive, 650± feet North of Highway 50 East	<b>County:</b>	Carson City
<b>A.P.N.:</b>	008-522-06	<b>State:</b>	Nevada
<b>Legal Description:</b>	Portion of the SE ¼ of Section 2, T15N, R20E, M.D.B. & M., Record of Survey Map 1887 for Lot Line Adjustment, Document No. 116004, Recorded May 30, 1991, Official Records, Carson City, Nevada	<b>Property Rights Conveyed:</b>	Fee Simple
<b>Topography:</b>	Level	<b>Flood Zone:</b>	X, Minimal Flood Potential
<b>Land Area:</b>	6.50± Ae (283,140± SF)	<b>Zoning:</b>	G1 (General Industrial)
<b>Asking Price:</b>	\$699,000	<b>Asking Price/SF:</b>	\$2.47
<b>Listing Date:</b>	August 19, 2013	<b>Document Number:</b>	N/A
<b>Owner of Record:</b>	Granite Construction Co.	<b>Grantee:</b>	N/A
<b>Terms:</b>	N/A	<b>Sale Verification:</b>	Chris Fairchild, Avisou Young and Public Records

This comparable is located at 5855 Sheep Drive and was previously the Granite Construction office and maintenance facility and does include a large fenced storage yard. Improvements include a 3,000± square foot maintenance/shop structure and two smaller buildings that were utilized as office space with restroom facilities. This comparable contains 6.5± acres and is currently being marketed as industrial land.

**COMPARABLE COMMERCIAL LAND SALE PROFILE SHEET  
 LISTING LL-7**

S1/2 SECTION 19, T.15 N., R.20 E., M.D.B. & M.

9-03



<b>Property Address:</b>	369 Rhodes Street	<b>City:</b>	Carson City
<b>Location:</b>	S/S Rhodes Street, 615± feet West of S. Curry Street	<b>County:</b>	Carson City
<b>A.P.N.:</b>	009-031-11	<b>State:</b>	Nevada
<b>Legal Description:</b>	Portion of the SE ¼ of Section 19, T15N, R20E, M.D.B. & M.	<b>Property Rights Conveyed:</b>	Fee Simple
<b>Topography:</b>	Level to Gentle	<b>Flood Zone:</b>	A, High Risk Areas
<b>Land Area:</b>	3.66± Ac (159,430± SF)	<b>Zoning:</b>	LI/SF12 (Limited Industrial/ Single-Family 12,000)
<b>Asking Price:</b>	\$400,000	<b>Asking Price/SF:</b>	\$2.51
<b>Listing Date:</b>	September 19, 2013	<b>Document Number:</b>	N/A
<b>Grantor:</b>	N/A	<b>Grantee:</b>	Silver Hills Community Church
<b>Terms:</b>	N/A	<b>Sale Verification:</b>	Jack Brower, Sperry Van Ness, Commercial Real Estate and Public Records

This comparable is located on the south side of Rhodes Street, a short distance west of South Curry Street in west Carson City. This comparable is of rectangular shape and contains 3.66± acres. The site does have level to gentle topography. All utilities are reasonably available, however, it is our understanding that they will need to be extended to the site. This site is located in a Flood Zone A, which denotes areas of high risk of flooding. The property has a mixed zoning of Limited Industrial and Single-Family 12,000 square foot homesites. According to the listing broker, sewer service is located approximately 620 linear feet east along Curry Street. Electrical lines are located on the south property line of Betts Street, which borders the comparable parcel to the south. The site is located approximately one and one-half blocks west of U.S. Highway 395 (South Carson Street) in an older mixed use neighborhood.

**LAND SALES DISCUSSION AND CORRELATION**  
**(Assuming the Subject is Developable)**

The comparable land sales utilized in this analysis range in land area from 1.00± acres to 6.50± acres in comparison to the subject's total land area of 3.71± acres. The comparable sales occurred between May 2012 and July 2013, in comparison to the subject's current date of valuation. The listings were current as of the date of valuation. In this analysis an estimate of the value of the subject property's unencumbered fee simple interest will be based upon the hypothetical condition that the property is developable. In this analysis it is assumed that the subject is of a normal shape and could be developed with light industrial or industrial-commercial uses that would be compatible with the subject's location proximate to the waste water treatment facility and prison facility.

**Discussion of Adjustments**

The comparable properties utilized in this analysis will be compared and correlated to the subject property based upon several adjustment criteria. These include property rights conveyed, financing terms, conditions of sale, market conditions, zoning/use, location and other physical characteristics. The sales will be analyzed based upon a sale price per square foot basis.

Due to a lack of paired sales, qualitative adjustments will be made to the sales for the adjustment criteria. An upward adjustment is made to the comparable's price per square foot when the subject is superior to the sale or listing for a specific criteria; likewise, a downward adjustment is made to the comparable's price per square foot when the subject is inferior to the sale or listing for a specific criteria.

**Property Rights Appraised**

Each of the land sales utilized involved the fee simple interest of the property, which is the interest being appraised in this analysis. Therefore, no adjustments are warranted to the sales for property rights appraised.

**Financing-Terms of Sale (Cash Equivalency)**

All of the sales utilized in this analysis were cash to seller or cash equivalent transactions; therefore, no adjustment for cash equivalency is required to the sales.

**Conditions of Sale**

Based upon a review of the public records and/or interviews with the persons involved with each of the sales utilized in this analysis, conditions of sale adjustments are required for Sales LS-2, LS-3 and LS-5. Sale LS-2 is located in the Industrial Air Park and sold for \$2.91 per square foot in 2012. In discussions with the listing broker, Mr. Fred Miller of Dickson Commercial, it was indicated that the seller was in bankruptcy at the time of sale and was motivated to sell the property. This parcel was purchased by Click Bond, Inc. an adjoining property owner for plottage. Although the seller was motivated, it is our understanding that Click Bond, Inc. was also motivated to purchase as they already owned a number of parcels in the vicinity of the sale property and are in the process of expanding. Therefore, no adjustment for conditions of sale has been made as these two factors are felt to be offsetting.

In regards to conditions of sale, both Sales LS-3 and LS-5 involved plottage to an adjoining property, requiring downward adjustment.

None of the other sales require adjustments for this criteria, as there were no known conditions of sale, other than typical buyer and seller motivations, which impacted the sale prices.

**Market Conditions (Date of Sale)**

In researching market conditions, and the general state of the commercial land market in Carson City, we have interviewed several brokers and participants in the marketplace. We have interviewed the following persons considered knowledgeable in the land submarket.



<b>Person Interviewed</b>	<b>Company</b>
Dave Simonsen, CCIM, SIOR	NAI Alliance
Terry Yeager	Carson Properties, Inc. Commercial Real Estate
Chris Fairchild, CCIM	Avison Young Intelligent Real Estate Solutions
Brad Bonkowski, CCIM	Coldwell Banker Commercial

It is the sense of the interviewees that although the real estate market is showing signs of recovery, given the relatively high vacancy rate for the commercial sector, the demand for vacant land remains limited. In reviewing the sales data, there is no market evidence to suggest a market conditions adjustment to the sales. The sales all occurred within a relatively short time frame; therefore, no market conditions adjustment has been made to the comparables. As Comparables LL-6 and LL-7 involve asking prices, each of these comparables requires a downward adjustment due to their listing status.

### **Zoning**

The subject is zoned Public Regional, however, in this analysis it is assumed that the subject is a developable parcel. As previously noted, in this step of the analysis it is assumed that the subject is under private ownership and could be developed with light industrial or industrial-commercial uses that would be compatible with the subject's location proximate to the waste water treatment facility and prison facility.

Sales LS-1 is zoned Tourist Commercial and master planned Community/Regional Commercial. Although this parcel's zoning would allow a higher intensity commercial use, given the surrounding development of primarily industrial uses, it is our opinion that the more likely development potential of this site would be a industrial-commercial or light industrial utilization.

Sale LS-4 is zoned for General Commercial uses and is located on Highway 50 East, a commercial corridor. As a result, this comparable requires a downward adjustment for its superior development potential.

Listing LL-7 is zoned a combination of Light Industrial and Single Family Residential 12,000. As a portion of this site is zoned for single family uses an upward adjustment is warranted.

The remaining sales do not require adjustment for zoning.

### **General Location**

The subject property is located at the northwest corner of East Fifth Street and the Fairview Drive roundabout. The subject site is generally located between the Nevada State Prison and the Carson City Water Treatment Plant and adjoining corporate yard. The subject is located in a more rural neighborhood within proximity to the Linear Park, the Prison Hill Recreation Area and the Riverview Park. The Carson River skirts the east boundary of the Riverview Park. Single family residential uses are located a short distance north and east of the subject. The site has extensive frontage on East Fifth Street with nominal frontage on Fairview Drive.

With respect to general location, Sales LS-1 and LS-2 are located in the Airport Industrial submarket and are considered superior to the subject. Sale LS-4 is located within the Highway 50 East commercial corridor and requires a large downward adjustment for location. Listing LL-7 is located in west central Carson City, less than two blocks west of South Carson Street, required a large downward adjustment for its closer in location.

Sales LS-3 and LS-5 are located in the Mound House area and are considered inferior to the subject in regards to location and require large downward adjustments. Listing LL-7 involves a secondary location as compared to the subject, requiring upward adjustment.

**Karen Leet**

**From:** Sunset Station Hotel & Casino <SSreservations@stationcasinos.com>  
**Sent:** Wednesday, February 12, 2014 7:42 AM  
**To:** Karen Leet  
**Subject:** Your confirmation



CONFIRMED

256-3838-431-0582

Curtis Horton  
3505 Butti Way  
Carson City, NV 89701

Dear Curtis,

A sincere thank you for booking your reservation at Sunset Station. We can't wait to see you during your upcoming visit 03/03/2014.

Here are the details for your stay:

Arrival Date: 03/03/2014  
Departure Date: 03/05/2014  
Confirmation Code: TWLFK

Hotel Amenity Fee: \$14.99 per night + applicable taxes at 13% (not included in room rate) and includes Wired and Wireless High Speed In-Room Internet, Unlimited Domestic Long Distance Calls, Unlimited Local & 800 Calls, Fitness Center Access, Daily Local Newspaper, Gift Shop Discount, Copy/Fax Services, Special Daily Offers and Discounts.

We have guaranteed your booking with a credit card deposit in the amount of \$61, using the RMC you provided. If you need to change or cancel your reservation for any reason, just let us know at least 3 days before you arrive and we will be more than happy to change your dates, or cancel your reservation at no charge. Cancellation within 3 days of arrival will be subject to one night's room and tax being charged to the card provided.

A cash or credit card deposit of \$100.00 per stay is required upon check in for incidentals and the balance of room, tax and Hotel Amenity Fee for the remainder of your stay.

Looking for additional hospitality? Just let us know what we can do to make your stay more comfortable and our team at Sunset will make it happen for you.

Thank you again. We're looking forward to your arrival!

Sincerely,

Bryan Lindsey  
Vice President and General Manager

deposit / deposit Reversed

(let-01)

**Karen Leet**

**From:** Sunset Station Hotel & Casino <SSreservations@stationcasinos.com>  
**Sent:** Wednesday, February 12, 2014 7:42 AM  
**To:** Karen Leet  
**Subject:** Your confirmation



Conex, 70

Justin Tiarney  
3505 Butti Way  
Carson City, NV 89701

256 3038-431-0580

Dear Justin,

A sincere thank you for booking your reservation at Sunset Station. We can't wait to see you during your upcoming visit 03/03/2014.

Here are the details for your stay:

Arrival Date: 03/03/2014  
Departure Date: 03/05/2014  
Confirmation Code: C2XMX

Hotel Amenity Fee: \$14.99 per night + applicable taxes at 13% (not included in room rate) and includes Wired and Wireless High Speed In-Room Internet, Unlimited Domestic Long Distance Calls, Unlimited Local & 800 Calls, Fitness Center Access, Daily Local Newspaper, Gift Shop Discount, Copy/Fax Services, Special Daily Offers and Discounts.

<61.01>

We have guaranteed your booking with a credit card deposit in the amount of \$61 using the RMC you provided. If you need to change or cancel your reservation for any reason, just let us know at least 3 days before you arrive and we will be more than happy to change your dates, or cancel your reservation at no charge. Cancellation within 3 days of arrival will be subject to one night's room and tax being charged to the card provided.

61.01

A cash or credit card deposit of \$100.00 per stay is required upon check in for incidentals and the balance of room, tax and Hotel Amenity Fee for the remainder of your stay.

Looking for additional hospitality? Just let us know what we can do to make your stay more comfortable and our team at Sunset will make it happen for you.

Thank you again. We're looking forward to your arrival!

Sincerely,

deposit / deposit Reversed

Bryan Lindsey  
Vice President and General Manager

**Karen Leet**

**From:** Sunset Station Hotel & Casino <SSreservations@stationcasinos.com>  
**Sent:** Wednesday, February 12, 2014 7:52 AM  
**To:** Karen Leet  
**Subject:** Your confirmation



Con Expo

Darren Schulz  
3505 Butti Way  
Carson City, NV 89701

256 30358-431-05-80

Dear Darren,

A sincere thank you for booking your reservation at Sunset Station. We can't wait to see you during your upcoming visit 03/03/2014.

Here are the details for your stay:

Arrival Date: 03/03/2014  
Departure Date: 03/05/2014  
Confirmation Code: JY25C

Hotel Amenity Fee: \$14.99 per night + applicable taxes at 13% (not included in room rate) and includes Wired and Wireless High Speed In-Room Internet, Unlimited Domestic Long Distance Calls, Unlimited Local & 800 Calls, Fitness Center Access, Daily Local Newspaper, Gift Shop Discount, Copy/Fax Services, Special Daily Offers and Discounts.

We have guaranteed your booking with a credit card deposit in the amount of \$61, using the RMC you provided. If you need to change or cancel your reservation for any reason, just let us know at least 3 days before you arrive and we will be more than happy to change your dates, or cancel your reservation at no charge. Cancellation within 3 days of arrival will be subject to one night's room and tax being charged to the card provided.

61.01

(61.01)

A cash or credit card deposit of \$100.00 per stay is required upon check in for incidentals and the balance of room, tax and Hotel Amenity Fee for the remainder of your stay.

Looking for additional hospitality? Just let us know what we can do to make your stay more comfortable and our team at Sunset will make it happen for you.

Thank you again. We're looking forward to your arrival!

Sincerely,

deposit / deposit reversed

Bryan Lindsey  
Vice President and General Manager

**Karen Leet**

**From:** Sunset Station Hotel & Casino <SSreservations@stationcasinos.com>  
**Sent:** Wednesday, February 12, 2014 7:52 AM  
**To:** Karen Leet  
**Subject:** Your confirmation



CONFIRM

Andrew Burnham  
3505 Butti Way  
Carson City, NV 89701

256 3038-431-05-80

Dear Andrew,

A sincere thank you for booking your reservation at Sunset Station. We can't wait to see you during your upcoming visit 03/03/2014.

Here are the details for your stay:

Arrival Date: 03/03/2014  
Departure Date: 03/05/2014  
Confirmation Code: BBZ2Y

Hotel Amenity Fee: \$14.99 per night + applicable taxes at 13% (not included in room rate) and includes Wired and Wireless High Speed In-Room Internet, Unlimited Domestic Long Distance Calls, Unlimited Local & 800 Calls, Fitness Center Access, Daily Local Newspaper, Gift Shop Discount, Copy/Fax Services, Special Daily Offers and Discounts.

We have guaranteed your booking with a credit card deposit in the amount of \$61, using the RMC you provided. If you need to change or cancel your reservation for any reason, just let us know at least 3 days before you arrive and we will be more than happy to change your dates, or cancel your reservation at no charge. Cancellation within 3 days of arrival will be subject to one night's room and tax being charged to the card provided.

<61.01>

A cash or credit card deposit of \$100.00 per stay is required upon check in for incidentals and the balance of room, tax and Hotel Amenity Fee for the remainder of your stay.

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Thank you again. We're looking forward to your arrival!

Sincerely,

deposit / deposit reversed

Bryan Lindsey  
Vice President and General Manager

**Karen Leet**

**From:** Sunset Station Hotel & Casino <SSreservations@stationcasinos.com>  
**Sent:** Monday, February 10, 2014 1:21 PM  
**To:** Karen Leet  
**Subject:** Your confirmation

*Carroll Project Meeting*  
~~515-201-434-7040~~  
~~PO # 051301~~



*510-3201-434-0580*

Jim Morris  
3505 Butti Way  
Carson City, NV 89701

Dear Jim,

A sincere thank you for booking your reservation at Sunset Station. We can't wait to see you during your upcoming visit 03/05/2014.

Here are the details for your stay:

Arrival Date: 03/05/2014  
Departure Date: 03/06/2014  
Confirmation Code: WMTKN

Hotel Amenity Fee: \$14.99 per night + applicable taxes at 13% (not included in room rate) and includes Wired and Wireless High Speed In-Room Internet, Unlimited Domestic Long Distance Calls, Unlimited Local & 800 Calls, Fitness Center Access, Daily Local Newspaper, Gift Shop Discount, Copy/Fax Services, Special Daily Offers and Discounts.

We have guaranteed your booking with a credit card deposit in the amount of \$112, using the RMC you provided. If you need to change or cancel your reservation for any reason, just let us know at least 3 days before you arrive and we will be more than happy to change your dates, or cancel your reservation at no charge. Cancellation within 3 days of arrival will be subject to one night's room and tax being charged to the card provided.

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A cash or credit card deposit of \$100.00 per stay is required upon check in for incidentals and the balance of room, tax and Hotel Amenity Fee for the remainder of your stay.

Looking for additional hospitality? Just let us know what we can do to make your stay more comfortable and our team at Sunset will make it happen for you.

Thank you again. We're looking forward to your arrival!

Sincerely,

*deposit / deposit reversed*

Bryan Lindsey  
Vice President and General Manager

**Karen Leet**

**From:** Sunset Station Hotel & Casino <SSreservations@stationcasinos.com>  
**Sent:** Monday, February 10, 2014 9:55 AM  
**To:** Karen Leet  
**Subject:** Your confirmation

*Carallo Project Meeting*



*515-0000-434-70-40*

*# 05+301*

*510.3201-434-05-80*

Darren Schulz  
3505 Butti Way  
Carson City, NV 89701

Dear Darren,

A sincere thank you for booking your reservation at Sunset Station. We can't wait to see you during your upcoming visit 03/05/2014.

Here are the details for your stay:

Arrival Date: 03/05/2014  
Departure Date: 03/08/2014  
Confirmation Code: BCW3C

Hotel Amenity Fee: \$14.99 per night + applicable taxes at 13% (not included in room rate) and includes Wired and Wireless High Speed In-Room Internet, Unlimited Domestic Long Distance Calls, Unlimited Local & 800 Calls, Fitness Center Access, Daily Local Newspaper, Gift Shop Discount, Copy/Fax Services, Special Daily Offers and Discounts.

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We have guaranteed your booking with a credit card deposit in the amount of \$112, using the RMC you provided. If you need to change or cancel your reservation for any reason, just let us know at least 3 days before you arrive and we will be more than happy to change your dates, or cancel your reservation at no charge. Cancellation within 3 days of arrival will be subject to one night's room and tax being charged to the card provided.

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Thank you again. We're looking forward to your arrival!

*deposit / deposit reversed*

Sincerely,

Bryan Lindsey  
Vice President and General Manager



**Karen Leet**

**From:** Sunset Station Hotel & Casino <SSreservations@stationcasinos.com>  
**Sent:** Monday, February 10, 2014 9:55 AM  
**To:** Karen Leet  
**Subject:** Your confirmation

Carroll Project Meeting

~~75-000-0347-10~~  
A 05/2014



510-320-434-05-80

David Bruketta  
3505 Butti Way  
Carson City, NV 89701

Dear David,

A sincere thank you for booking your reservation at Sunset Station. We can't wait to see you during your upcoming visit 03/05/2014.

Here are the details for your stay:

Arrival Date: 03/05/2014  
Departure Date: 03/06/2014  
Confirmation Code: LVWYVW

Hotel Amenity Fee: \$14.99 per night + applicable taxes at 13% (not included in room rate) and includes Wired and Wireless High Speed In-Room Internet, Unlimited Domestic Long Distance Calls, Unlimited Local & 800 Calls, Fitness Center Access, Daily Local Newspaper, Gift Shop Discount, Copy/Fax Services, Special Daily Offers and Discounts.

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Thank you again. We're looking forward to your arrival!

Sincerely,

Bryan Lindsey  
Vice President and General Manager

111.80

(111.80)

deposit / deposit reversed

**Karen Leet**

**From:** Sunset Station Hotel & Casino <SSreservations@stationcasinos.com>  
**Sent:** Monday, February 10, 2014 10:05 AM  
**To:** Karen Leet  
**Subject:** Your confirmation

*Carroll Project Meeting*



*510-3201-4341-70-40*  
*# 051 501*

Randall Gray  
3505 Butti Way  
Carson City, NV 89701

*510-3201-4341-0580*

Dear Randall,

A sincere thank you for booking your reservation at Sunset Station. We can't wait to see you during your upcoming visit 03/05/2014.

Here are the details for your stay:

Arrival Date: 03/05/2014  
Departure Date: 03/06/2014  
Confirmation Code: QHNGY

Hotel Amenity Fee: \$14.99 per night + applicable taxes at 13% (not included in room rate) and includes Wired and Wireless High Speed In-Room Internet, Unlimited Domestic Long Distance Calls, Unlimited Local & 800 Calls, Fitness Center Access, Daily Local Newspaper, Gift Shop Discount, Copy/Fax Services, Special Daily Offers and Discounts.

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Looking for additional hospitality? Just let us know what we can do to make your stay more comfortable and our team at Sunset will make it happen for you.

Thank you again. We're looking forward to your arrival!

Sincerely,

*deposit / deposit reversed*

Bryan Lindsey  
Vice President and General Manager

**Karen Leet**

**From:** Sunset Station Hotel & Casino <SSreservations@stationcasinos.com>  
**Sent:** Monday, February 10, 2014 10:05 AM  
**To:** Karen Leet  
**Subject:** Your confirmation

Carroll Project Meeting



510 3201-4311-70-40  
40512501

Martin Harper  
3505 Butti Way  
Carson City, NV 89701

510 3201-4311-05-80

Dear Martin,

A sincere thank you for booking your reservation at Sunset Station. We can't wait to see you during your upcoming visit 03/05/2014.

Here are the details for your stay:

Arrival Date: 03/05/2014  
Departure Date: 03/06/2014  
Confirmation Code: ZMTFC

Hotel Amenity Fee: \$14.99 per night + applicable taxes at 13% (not included in room rate) and includes Wired and Wireless High Speed In-Room Internet, Unlimited Domestic Long Distance Calls, Unlimited Local & 800 Calls, Fitness Center Access, Daily Local Newspaper, Gift Shop Discount, Copy/Fax Services, Special Daily Offers and Discounts.

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We have guaranteed your booking with a credit card deposit in the amount of \$112, using the RMC you provided. If you need to change or cancel your reservation for any reason, just let us know at least 3 days before you arrive and we will be more than happy to change your dates, or cancel your reservation at no charge. Cancellation within 3 days of arrival will be subject to one night's room and tax being charged to the card provided.

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Thank you again. We're looking forward to your arrival!

Sincerely,

deposit / deposit reversed

Bryan Lindsey  
Vice President and General Manager

Karen Leet

**From:** Sunset Station Hotel & Casino <SSreservations@stationcasinos.com>  
**Sent:** Monday, February 10, 2014 9:55 AM  
**To:** Karen Leet  
**Subject:** Your confirmation

*Carroll Project Meeting*



*915-431-0580  
# 03/05/14*

Andrew Burnham  
3505 Butti Way  
Carson City, NV 89701

*510-3201-431-05-80*

Dear Andrew,

A sincere thank you for booking your reservation at Sunset Station. We can't wait to see you during your upcoming visit 03/05/2014.

Here are the details for your stay:

Arrival Date: 03/05/2014  
Departure Date: 03/06/2014  
Confirmation Code: BZCNR

Hotel Amenity Fee: \$14.99 per night + applicable taxes at 13% (not included in room rate) and includes Wired and Wireless High Speed In-Room Internet, Unlimited Domestic Long Distance Calls, Unlimited Local & 800 Calls, Fitness Center Access, Daily Local Newspaper, Gift Shop Discount, Copy/Fax Services, Special Daily Offers and Discounts.

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We have guaranteed your booking with a credit card deposit in the amount of \$112, using the RMC you provided. If you need to change or cancel your reservation for any reason, just let us know at least 3 days before you arrive and we will be more than happy to change your dates, or cancel your reservation at no charge. Cancellation within 3 days of arrival will be subject to one night's room and tax being charged to the card provided.

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Thank you again. We're looking forward to your arrival!

Sincerely,

*deposit / deposit reversed*

Bryan Lindsey  
Vice President and General Manager

**Size**

The comparable sales range in land area from 1.00± acres to 6.50± acres, as compared to the subject site, which contains 3.71± acres of land area. Generally a relationship exists between the size of the parcel and the per unit price paid. For those sales which are smaller than the subject property, a downward adjustment will be made to the price per square foot. Conversely, for those sales which are larger than the subject property, an upward adjustment will be made to the price per square foot.

**Availability of Utilities**

The subject property has immediate access to all necessary utilities. Each of the comparables, with the exception of Sales LS-3 and LS-5, had immediate or reasonable access to utilities. Municipal sewer service is not available to Sales LS-3 and LS-5, as a result, these comparables require a minor upward adjustment for availability of utilities.

**Other**

As previously noted, Listing LL-6 is the old Granite Construction facility site, which does include some older office and shop building improvements. It is recognized that these improvements could be utilized as an interim use therefore; it is our opinion that a downward adjustment is necessary due to this comparable's existing improvements.

The following summarizes the adjustments made to the sales. Due to a lack of paired sales data, qualitative adjustments have been made for all categories.

**Adjustments to Sales**

Sale Number Indicated S/SF	Subject N/A	LS-1 \$2.64	LS-2 \$2.91	LS-3 \$1.50	LS-4 \$5.78	LS-5 \$1.72	LL-6 \$2.47	LL-7 \$2.51
Property Rights	Fee Simple	Fee Simple =	Fee Simple =	Fee Simple =	Fee Simple =	Fee Simple =	Fee Simple =	Fee Simple =
Terms of Sale	Assuming Cash	Cash to Seller =	Cash to Seller =	Cash to Seller =	Cash to Seller =	Cash to Seller =	Cash to Seller =	Cash to Seller =
Conditions of Sale	Assuming None	None =	Offsetting =	Plottage =	None =	Plottage =	None =	None =
Market Conditions	10/18/13	05/03/2012 =	06/26/2013 =	01/18/2013 =	03/15/2013 =	07/08/2013 =	Listing =	Listing =
General Location	SE Carson City	Airport Industrial Submarket -	Airport Industrial Submarket -	Mound House ++	Highway 50 E. Corridor -	Mound House ++	Northeast Carson City +	West Central Carson City -
Zoning	PR	TC* =	AIP =	M1 =	GC =	M1 =	G1 =	L1/SF12 =/+
Topography	Level	Level-Gentle =	Level =	Level =	Level-Gentle =	Level =	Level =	Level-Gentle =
Utilities	Available	Similar =	Similar =	Available, Except Sewer =/+	Similar =	Available, Except Sewer =/+	Similar =	Reasonably Available =
Size	3.71± AC	1.00± AC -	1.18± AC -	1.637± AC -	3.82± AC =	1.05± AC -	6.50± AC +	3.66± AC =
Frontage/ Access	East 5 <sup>th</sup> St.	Old Hot Springs Road ++/=	Arrowhead Dr./Corner -	Diamondback Way +/-	Highway 50 East -/=	Cash Drive/Corner +/-	Sheep Drive +/-	Rhodes Street ++/=
Flood Zone	X	X500 =	X =	X =	AE Will Require Fill ++	X =	X =	A +
Other	None	=	=	=	=	=	Improvements -	=
Indicator of Value	N/A	Reasonable	High	Low	High	Low	Reasonable	Reasonable

\*Similar Development Potential as Subject, Assuming Subject Developable Site

As indicated by the adjustments summarized above, Sales LS-2 and LS-4, at \$2.91 per square foot and \$5.78 per square foot are considered to be high indicators of an appropriate per unit land value for the subject assuming it to be a developable site. Sale LS-2 was considered a high indicator primarily due to its superior location, smaller land area and corner situs. Sale LS-4 was considered a high indicator primarily due to its much superior general location, superior development potential and highway frontage.

Sales LS-3 and LS-5, at \$1.50 per square foot and \$1.72 per square foot are considered to be low indicators. Each of these comparables is located in the Mound House area which is considered inferior to the subject's location. The subject is considered superior to each of these sale properties in regards to street frontage, as East 5<sup>th</sup> Street is a minor arterial, and availability of utilities.

Sale LS-1 and Listings LL-6 and LL-7, at \$2.47 per square foot to \$2.64 per square foot are considered to be reasonable indicators of an appropriate per unit land value for the subject assuming it to be a developable site.

In comparison to the subject, Sale LS-1 required downward adjustments for general location, and due to its smaller land area. On the other hand, this comparable required a large upward adjustment due to the subject's superior street frontage. Overall, Sale LS-1, at \$2.64 per square foot is considered to be reasonable indicator of an appropriate market value for the subject site, assuming the subject to be a developable site.

In comparison to the subject, Listing LL-6 required downward adjustments for its existing improvements and due to its listing status. On the other hand, this comparable required upward adjustments due to its inferior location, inferior street frontage and larger land area. Overall, Listing LL-6, at \$2.47 per square foot, is considered to be reasonable indicator of an appropriate market value for the subject site, assuming the subject to be a developable site.

In comparison to the subject, Listing LL-7 required large downward adjustments for general location and due to its listing status. On the other hand, this comparable required upward adjustments due to its inferior street frontage, location within a floodplain, and as it is partially zoned for single family residential uses. Overall, Listing LL-7, at \$2.51 per square foot is considered to be reasonable indicator of an appropriate market value for the subject site, assuming the subject to be a developable site.

#### **Reconciliation and Value Conclusion – Assuming Developable Site**

In estimating an appropriate per square foot land value for the subject, consideration has been given to its location in southeast Carson City, its street frontage, accessibility, size of the subject site, topography and other physical characteristics. As previously noted, in this section of the valuation analysis, it is assumed that the subject is a developable site.

Based upon a careful review and analysis of the available data, it is our opinion that the Market Value of the subject property is \$2.50 per square foot as of the October 18, 2013 date of valuation. Applying the \$2.50 per square foot value estimate to the subject property's 161,608± square feet indicates a market value of \$404,019, which is rounded to \$400,000.

**HYPOTHETICAL MARKET VALUE CONCLUSION** **\$400,000**  
**(Unencumbered Fee Simple Interest-Assuming Currently Developable)**

The above value conclusion is based upon the hypothetical condition that the property is currently developable. In fact, the property has a very long, narrow shape, is traversed by a bike path and the site appears to have utility, drainage and access improvements. As described in the *Introduction to Valuation Analysis* section of this report, the next step is to derive a factor to apply to the developable value to account for the fact that the subject property is undevelopable.



**FINAL "AS IS" MARKET VALUE CONCLUSION**

The second step in the two-step method of analysis being utilized in this report is to derive an appropriate factor to apply to the value previously derived based upon the hypothetical condition that the subject property is currently developable.

The subject property involves a vacant parcel of land containing 3.71± acres or 161,608± square feet. The property is generally located between the Nevada State Prison and the Carson City Waste Water Reclamation Plant and adjoining corporate yard. The subject site is very long and narrow in shape. Additionally, the length of the subject parcel is traversed by an asphalt paved bike path and rock retaining wall which run in an east-west direction. The site appears to be encumbered with public utility and drainage improvements. An asphalt paved driveway, leading from East 5<sup>th</sup> Street from the south to the adjacent Waste Water Reclamation Plant to the north of the subject, bisects the central portion of the subject site. The subject is not of sufficient shape and depth to allow development as an independent parcel. Overall, the subject property is felt to be undevelopable due to its very long, narrow shape, the presence of the bike path, the rock retaining wall and as it appears to be encumbered with utility, drainage and access improvements.

In the previous section of this report, a value was derived for the subject property based upon the hypothetical condition that it is developable. The unencumbered fee simple value estimate, as of October 18, 2013, was \$400,000, assuming the subject to be currently developable.

In order to derive an appropriate factor to apply to the developable value to account for the fact that the property is not currently developable, we will review and analyze sales involving developable sites versus either non-developable sites or those with restricted development potential. We will also review sales of land encumbered with conservation easements. In granting a conservation easement, the landowner typically relinquishes much of the ability to develop their property.

We reviewed and analyzed homesites in Rubicon Bay on the west shore of Lake Tahoe. The developable homesite sales are compared with adjacent sites that are within Stream Environment Zones (SEZ). Typically, a property within an SEZ is essentially undevelopable. The reason buyers purchased the SEZ sites in the following table was for expansion of their property for a larger backyard or for open space.

**DEVELOPABLE VS. NON-DEVELOPABLE LAND SALES CHART**  
**Rubicon Point, West Shore of Lake Tahoe, California**

Sale Number	A.P.N. Address	Sale Date	Sale Price	Percentage of Developable Value
UDS-1	16-451-06 8982 Crest Drive, Rubicon	08-08-02	\$20,000	10.81%
DS-1	16-293-02 8657 Rubicon Drive, Rubicon	01-12-00	\$185,000	----
UDS-2	16-361-21 8778 Victoria Circle, Rubicon	09-17-02	\$30,000	16.22%
DS-2	16-293-02 8657 Rubicon Drive, Rubicon	01-12-00	\$185,000	----
UDS-3	16-461-04 8897 Glen Drive, Rubicon	04-08-03	\$45,000	22.73%
DS-3	16-292-32 8637 Rubicon Drive, Rubicon	09-20-00	\$198,000	----
UDS-4	16-421-06 8909 Woodland Drive, Rubicon	06-09-03	\$20,000	10.10%
DS-4	16-292-32 8637 Rubicon Drive, Rubicon	09-20-00	\$198,000	----
UDS-5	16-423-03 8933 Woodland Drive, Rubicon	09-12-03	\$42,500	21.46%
DS-5	16-292-32 8637 Rubicon Drive, Rubicon	09-20-00	\$198,000	----
UDS-6	083-440-02 4111 Courchevel Road, Alpine Peaks	11-25-05	\$85,000	15.89%
DS-6	083-420-029 4037 Courchevel Road, Alpine Peaks	06/19/05	\$535,000	----
UDS-7	083-252-001 855 Snowshoe Court, West Shore	05/25/09	\$51,000	26.30%
DS-7	083-281-005 1200 Edelweiss Drive, West Shore	04/30/09	\$193,950	----

As indicated by this table, the undevelopable sites have values ranging from 10.10% to 26.30% of the value of the adjacent developable homesites. It is unlikely that any of the undevelopable sites in this table could be developed due to their location in a SEZ zone. Sale's Comparison 7 is the most recent sales which these appraisers' were able to develop. It

should be noted that Developable Sale DS-7 sold for an actual price of \$130,950. In order for the site to be developable, the listing agent indicated that \$63,000 would have to be paid to elevate the IPES score to a buildable level. As a result, the total purchase price was \$193,950. It is felt that this adjusted price was still a low indicator of the buildable value, as the buyers were still going to have to take steps to achieve a buildable lot status. As a result, the percentage factor of 26.30% was felt to be a high indicator of an appropriate factor applicable to the subject property.

We have also analyzed a number of older sales of land encumbered with very restrictive conservation easements in the Lake Tahoe Basin. Although these sales are older, it is felt that they were still reflective of an appropriate factor which would then be applied to the current buildable value for the subject. As this appraisal firm had prepared the appraisals on each of these properties, we had a very thorough understanding of the factors involved and had very high confidence in the indicated factors. These sales involved parcels owned by the Nevada Division of State Lands. The parcels were encumbered with very restrictive conservation easements and then sold to adjacent property owners. These sales are summarized on the following chart.

Sale Number	A.P.N. County	Buyer	Date of Sale	Purchase Price/ Percentage of Unencumbered Fee Simple Value
GB-1	05-181-28 Douglas County	R.V. Kerley	03-03-95	\$13,000/ 18%
GB-2	122-114-03 Washoe County	D.R. Meyerscough	10-11-95	\$15,000/ 14%
GB-3	123-161-13 Washoe County	M.H. Jester	12-12-91	\$16,000/ 19%
GB-4	125-163-03 Washoe County	W. & H. Gardella	07-17-91	\$10,000/ 22%
GB-5	123-161-09 Washoe County	R.F. Caris	06-21-91	\$16,750/ 17%
GB-6	123-161-07 Washoe County	E.T. Gastanaga	06-12-91	\$18,750/ 19%
GB-7	125-163-27 Washoe County	A.A. Anooshian	04-08-91	\$7,125/ 19%
GB-8	125-503-13 Washoe County	J. McConnell	02-05-91	\$9,000/ 19%

The sales indicate that the residual land value as encumbered with a very restrictive conservation easement ranges from 14% to 22% of the unencumbered fee simple value. The majority of the sales indicate percentages between 17% and 19%. Although the dates of these sales are old, the percentages attributable to the conservation easements are felt to still be valid as of a current date. Little to no utilizations are allowed on the encumbered parcels. However, by purchasing an adjacent open space parcel, the buyer is able to fence both parcels to create a larger ownership and thereby increase their yard space, privacy and seclusion.

Finally, we considered the indicated factors associated with the Nevada State Lands Question 1 Purchases of Conservation Easements. Under the Question 1 Purchase, the Nevada Division of State Lands was able to assist in providing funding for the acquisition of conservation easements. Seven of the conservation easements are summarized on the following chart.

**Nevada State Lands Question 1 Conservation Easement Purchases**

Sale No.	Name Location	Date of Purchase	Acreage	Value Before Easement	Value After Easement	Indicated Factor
NV-1	Greil Ranch East of Washoe Lake, Washoe County	2005	175.33± Ac	\$1,160,000	\$740,000	63.79%
NV-2	Kirman Field Carson River, 6 miles north of Minden, Douglas County	2005	932.0± Ac	\$2,875,000	\$875,000	30.43%
NV-3	Rambling River Ranches Carson River, west of Fallon, Churchill County	2007	291.03± Ac	\$7,550,000	\$1,500,000	19.87%
NV-4	Hoffman Property Near South Line Reservoir, Fallon, Churchill County	2007	33.11± Ac	\$175,000	\$62,040	35.45%
NV-5	Corkill Ranch Near Fallon Naval Air Station, Churchill County	2008	430.0± Ac	\$1,700,000	\$570,000	33.53%
NV-6	Horse Creek Ranch King Canyon Road, Carson City	2010	175.33± Ac	\$2,104,000	\$700,000	33.27%
NV-7	Rusk Ranch Washoe Valley, Washoe County	2011	45.0± Ac	\$1,685,000	\$545,000	32.34%

The Question 1 Conservation Easement purchases indicate the residual value of the property encumbered by the conservation easements ranging from a low of 19.87% to a high

of 61.05%. Sales NV-1 indicates the highest remaining factors and involves the Greil Ranch in Washoe Valley. Under the terms of the conservation easement, the owners will be allowed to continue to utilize their property for agricultural purposes and will be allowed to prohibit public access to the property. For these reasons, it is felt to be a very high residual indicator. The remaining six sales indicate factors between 19.87% and 35.45%. For these comparables, the owners were allowed to continue to use their property for agricultural purposes, and in some instances, they were even allowed to retain a building site on the remainder property. In comparison to the subject property, these Question 1 purchases were felt to be a high indicator as the subject's development potential is far more limited due to its narrow shape, the utility and other encumbrances.

The range of factors indicated by the sales of developable versus non-developable homesites in Rubicon Bay and Alpine Peaks area was roughly 10% to 26% of the developable value. The range of factors indicated by the sales of conversation easements in Lake Tahoe was roughly 14% to 22% of the unencumbered value. These factors are felt to be a reasonable indication of the factor applicable to the subject, as they do involve very restrictive conservation easements which are considered to be reflective of the very limited development potential of the subject property, due to its shape and easement encumbrances. The Question 1 Conservation Easement purchases indicated a range between 19.87% and 63.79%. Six of the sales indicated factors of between 19.87% and 35.45%. These factors were felt to be a high indicator of the appropriate factor applicable to the subject, as the residual values for the Question 1 purchases allowed the owners to continue agricultural utilizations of the property and to, in some cases, build an additional residence on the property.

In determining an appropriate factor for the subject property, consideration is given to its very long, narrow shape, the presence of the bike path and as it appears to be encumbered with utility, drainage and access improvements. Therefore, it is felt that a percentage factor for the subject would be in the range of 15% to 20% of the subject's unencumbered fee simple interest, assuming it to be developable.

Overall, based upon a review of the available data and the physical characteristics of the subject property, it is felt that the "As-Is" Market Value of the subject property is 15% to 20% of the developable value. The developable value was previously estimated to be \$400,000. Applying the selected factor range results in an "As-Is" value for the property of \$60,000 to \$80,000, which is correlated to \$70,000. Accordingly, it is these appraisers' opinion that the "As-Is" Market Value of the subject property, as of October 18, 2013, is \$70,000.

**FINAL "AS IS" MARKET VALUE CONCLUSION**

**\$70,000**

**APPRAISER'S CERTIFICATION**

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

- Stephen R. Johnson, MAI and Cindy Lund Fogel, MAI have made a personal inspection of the property that is the subject of this 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 profession analyses, opinions and conclusions.
- I have no present or contemplated interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have preformed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My employment and payment are not contingent upon the value found. 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*.
- Stephen R. Johnson, MAI and Cindy Lund Fogel, MAI contributed to the factual data and analysis contained in the appraisal report.
- No one provided significant real property appraisal assistance to the person signing this certificate.


- The appraisal was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- The appraiser's state registration/certification has not been revoked, suspended, canceled or restricted.
- The Appraisal Institute conducts a mandatory program of continuing education for its designated members. As of the date of this report, Stephen R. Johnson and Cindy Lund Fogel have completed the requirements under the continuing education program of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

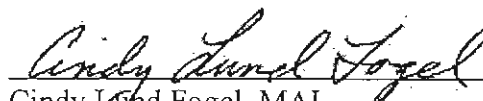
After careful consideration of all data available, and upon thorough personal investigation of the subject property and the comparable properties analyzed, it is our opinion that the "As Is" Market Value of the subject property, as of October 18, 2013, is as follows:

**"AS-IS" FINAL MARKET VALUE CONCLUSION**  
**(As of October 18, 2013)**

**\$70,000**

Respectfully submitted,

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

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



## STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

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

### LIMITS OF LIABILITY

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

### COPIES, PUBLICATION, DISTRIBUTION AND USE OF REPORT

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

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

### CONFIDENTIALITY

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

### **INFORMATION SUPPLIED BY OTHERS**

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

### **TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE**

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

### **EXHIBITS AND PHYSICAL DESCRIPTIONS**

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

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

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

### **ENGINEERING, STRUCTURAL, MECHANICAL, ARCHITECTURAL CONDITIONS**

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

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

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

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

### **TOXIC MATERIALS AND HAZARDS**

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

### **SOILS, SUB-SOILS, AND POTENTIAL HAZARDS**

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

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

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

### **ARCHEOLOGICAL SIGNIFICANCE**

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

### **LEGALITY OF USE**

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

### **COMPONENT VALUES**

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

### **COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT**

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

#### **AUXILIARY AND RELATED STUDIES**

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

#### **DOLLAR VALUES AND PURCHASING POWER**

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

#### **ROUNDING**

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

#### **QUANTITATIVE ANALYSIS**

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

#### **VALUE CHANGE, DYNAMIC MARKET, ALTERATION OF ESTIMATE BY APPRAISER**

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

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

This appraisal is an estimate of value based on analysis of information known to us at the time the appraisal was made. The appraiser(s) does not assume any responsibility for incorrect analysis because of incorrect or incomplete information. If new information of significance comes to light, the value given in this report is subject to change without notice. The appraisal report itself and the value estimates set forth therein are subject to change if either the physical or legal entity or the terms of financing are different from what is set forth in the report.

#### **ECONOMIC AND SOCIAL TRENDS**

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

#### **EXCLUSIONS**

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

#### **SUBSURFACE RIGHTS**

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

#### **PROPOSED IMPROVEMENTS, CONDITIONED VALUE**

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

#### **MANAGEMENT OF PROPERTY**

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

#### **FEE**

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

#### **LEGAL EXPENSES**

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

**CHANGES AND MODIFICATIONS**

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

**DISSEMINATION OF MATERIAL**

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

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

**QUALIFICATIONS OF APPRAISER  
STEPHEN R. JOHNSON**

**Professional Designations**

MAI - Member Appraisal Institute	1976
SREA - Senior Real Estate Analyst; Society of Real Estate Appraisers	1984

**State Licensing and Certification**

Certified General Appraiser-State of Nevada License #A.0000003-CG (Certified through 04/30/2015)	1991
Certified General Appraiser-State of California License #AG007038 (Certified through 06/18/2015)	1992

**Association Memberships and Affiliations**

Member Reno Board of Realtors	
Member Nevada Association of Realtors	
International Right-of-Way Association	
Member Nevada State Board of Equalization -	1984-1991
(Appointed by Governor Richard Bryan, January 1984 & 1988)	
(Appointed by Governor Kenny C. Guinn, March 2000 & 2004)	2000-2008
Member Nevada Commission of Appraisers of Real Estate -	1989-1994
(Appointed by Governor Bob Miller, August 7, 1989)	
Commissioner, Nevada Commission of Appraisers of Real Estate	2009-Present
(Appointed by Governor Jim Gibbons, 2009)	
(Appointed by Governor Sandoval, 2012)	
President, Nevada Commission of Appraisers of Real Estate	2012-2013

**Offices Held**

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



**QUALIFICATIONS OF APPRAISER  
STEPHEN R. JOHNSON**

**Offices Held (continued)**

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

**Appraisal Experience**

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

**Qualified as an Expert Witness**

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

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

U.S. District Court, San Francisco, California

United States Tax Court

Arizona Superior Court, Maricopa County, Phoenix

Douglas County Board of Equalization

Washoe County Board of Equalization

Nevada State Board of Equalization

King County Superior Court, Seattle, Washington

**QUALIFICATIONS OF APPRAISER  
STEPHEN R. JOHNSON**

**Formal Education**

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

**Appraisal Education**

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

Numerous Continuing Education Seminars and Courses

**Appraisal Instructor**

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

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

BARTON MEMORIAL HOSPITAL  
CITY OF RENO  
CITY OF SPARKS  
COLONIAL BANK  
R.J.B. DEVELOPMENT COMPANY CARSON CITY  
DOUGLAS COUNTY  
LINCOLN COUNTY  
LYON COUNTY  
WASHOE COUNTY  
MINERAL COUNTY  
EMERALD BAY POST OFFICE  
NEVADA STATE PARK SYSTEM  
NEVADA STATE DEPT. OF TRANSPORTATION  
NEVADA STATE DIVISION OF LANDS  
NEVADA ATTORNEY GENERAL'S OFFICE  
U.S. DEPARTMENT OF NAVY  
U.S. FOREST SERVICE  
FNMA - REGIONAL OFFICE  
INTERNAL REVENUE SERVICE  
FEDERAL TRADE COMMISSION  
WASHOE COUNTY REGIONAL TRANS.  
RENO TAHOE AIRPORT AUTHORITY  
TAHOE REGIONAL PLANNING AGENCY  
CALIFORNIA ATTY GENERAL'S OFFICE  
CALIFORNIA TAHOE CONSERVANCY  
CITY OF SOUTH LAKE TAHOE  
PLACER COUNTY REDEVELOPMENT AGENCY  
NEW HAMPSHIRE DEPARTMENT OF JUSTICE  
MISSOURI HWY AND TRANS. DEPT COMMISSION  
IDAHO TRANSPORTATION DEPARTMENT  
COLONIAL BANK  
PLUMAS BANK  
SECURITY BANK OF NEVADA  
LIBERTY BANK  
FIRST INDEPENDENT BANK OF NV  
NORTHERN NEVADA BUSINESS BANK  
NEVADA STATE BANK  
UNION BANK  
VALLEY BANK OF NEVADA  
BANK OF AMERICA  
THE BANK OF CALIFORNIA  
CROCKER NATIONAL BANK  
WELLS FARGO BANK  
B OF A TRUST DEPARTMENT  
FIRST FEDERAL SAVINGS & LOAN  
FIRST WESTERN SAVINGS & LOAN  
AMERICAN SAVINGS AND LOAN  
NEVADA SAVINGS & LOAN  
DILORETO CONST. & DEVELOPMENT  
DERMODY PROPERTIES  
TRAMMELL CROW CO.  
MCKENZIE PROPERTIES  
HOMWOOD HIGH & DRY MARINA  
TAHOE KEYS MARINA  
TAHOE CITY MARINA  
WASHOE MEDICAL CENTER  
PLAZA RESORT CLUB  
ROYAL BANK OF SCOTLAND  
CARSON-TAHOE HOSPITAL  
JOHNNY RIBEIRO BUILDER  
KEEVER CONSTRUCTION COMPANY  
SIERRA PACIFIC POWER COMPANY  
SOUTH LAKE TAHOE PUBLIC UTILITY DIST.  
TAHOE DOUGLAS SEWER DISTRICT  
GLENBROOK WATER COMPANY  
TAHOE PARK WATER COMPANY  
NORTH FOOTHILL APARTMENTS  
MEADOWOOD APARTMENTS  
WOODSIDE VILLAGE APARTMENTS  
SIERRA WOODS APARTMENTS  
AMESBURY PLACE APARTMENTS  
SUNDANCE APARTMENTS  
KEYSTONE SQUARE SHOPPING CTR.  
POZZI MOTORS  
CARSON CITY DATSUN-AMC-JEEP  
LEMMON VALLEY LAND COMPANY  
CONSOLIDATED FREIGHTWAYS  
RINGSBY UNITED  
SYSTEMS 99  
EASTMAN KODAK  
HALLMARK CARDS  
OSCAR MEYER AND COMPANY  
GENERAL ELECTRIC  
CHEMETRO  
CITY SERVICES MINERAL CO.  
SUPERIOR OIL COMPANY  
TRAVELERS INSURANCE  
FARMERS INSURANCE COMPANY  
FIRST AMERICAN TITLE CO. OF NV.  
FIDELITY TITLE INSURANCE CO  
MERRILL LYNCH RELOCATION  
YOUNG ELECTRIC SIGN COMPANY  
THE TRUST FOR PUBLIC LANDS  
THE TRUCKEE DONNER LAND TRUST  
THE CONSERVATION FUND  
THE NATURE CONSERVANCY  
SUGAR BOWL SKI RESORT  
THE FEATHER RIVER LAND TRUST  
SKI INCLINE RESORT  
KIRKWOOD ASSOCIATES  
NORTHSTAR  
SQUAW VALLEY U.S.A.  
LEWIS HOMES OF NEVADA  
SYNCON HOMES  
MGM GRAND HOTEL CASINO & THEME PARK  
EL DORADO HOTEL - CASINO  
COMSTOCK HOTEL - CASINO  
LAKESIDE INN HOTEL - CASINO  
RAMADA EXPRESS HOTEL - CASINO

**QUALIFICATIONS OF APPRAISER  
 CINDY LUND FOGEL**

**Professional Designations**

MAI – Member of the Appraisal Institute 2000

**State Licensing and Certification**

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

**Offices Held**

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

**Occupational History**

Johnson - Perkins & Associates 1994 - Present  
 Real Estate Appraiser

Johnson - Wright & Associates 1992 - 1994  
 Real Estate Appraiser

Stephen R. Johnson & Associates 1990 - 1992  
 Real Estate Appraiser

**Admitted as Expert Witness**

Washoe County Board of Equalization  
 Nevada State Board of Equalization

**Appraisal Education & Technical Training**

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

**QUALIFICATIONS OF APPRAISER  
 CINDY LUND FOGEL**

**Appraisal Education & Technical Training (Continued)**

Advanced Applications	1993
Report Writing and Valuation Analysis	1995
Case Studies in Law and Ethics	1998
Standards of Professional Practice, Part C	1998
Advanced Income Capitalization	1999
Standards of Professional Practice, Part C	2000 & 2002
7-Hour National USPAP Update Course	2004
7-Hour National USPAP Update Course	2006
Cost Approach to Commercial Appraising	2006
Uniform Appraisal Standards/Federal Land Acquisitions	2007
7-Hour National USPAP Update Course	2007
7-Hour National USPAP Update Course	2008
Business Practices and Ethics	2008
Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book)	2009
7-Hour National USPAP Update Course	2010
Business Practices and Ethics	2010
Corridor Valuation & Yellow Book Issues and Divided Partial Interests	2010
7-Hour National USPAP Update Course	2012
State of Nevada Economic Overview, Brian Bonnenfant	2013

**Appraisal Seminars**

Effective Rent and Seller Concessions in Market Value Appraisals	2013
Appraisal Curriculum Overview	2011
Diminution of Value and Severance Damages	2011
Qualitative Analysis: How and Why it is Important	2011
The Lending World in Crisis-What Clients Need	2011
Forecasting Revenue/Appraising Distressed Commercial Real Estate	2009
Valuation of Easements and Other Partial Interests	2009
Construction Defects and Cost Trends & Feasibility Analysis	2008
Valuation of Detrimental Conditions	2008
Spotlight on Common Errors & Confidentiality USPAP Issues	2008
The Essentials, Current Issues & Misconceptions in Appraising	2007
Attacking & Defending an Appraisal in Litigation	2007
Market Analysis and Site to do Business	2006
Analyzing Distressed Properties	2005
Appraising From Blueprints and Specifications	2005
Appraisal Valuation Modeling	2004
Subdivision Valuation	2004
The Road Less Traveled: Special Purpose Properties	2004
Scope of Work Seminar	2003
Appraisal Consulting: A Solutions Approach for Professionals	2002

**QUALIFICATIONS OF APPRAISER  
CINDY LUND FOGEL**

**Formal Education**

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

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

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Lake Tahoe Office: P.O. Box 11430 ■ Zephyr Cove, Nevada 89448 ■ Telephone (775) 588-4787  
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E-mail: [jpareno@johnsonperkins.com](mailto:jpareno@johnsonperkins.com) ■ [jpatahoe@johnsonperkins.com](mailto:jpatahoe@johnsonperkins.com)

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

Karen K. Sanders  
Gregory D. Ruzzine  
Chad Gerken

February 24, 2014

Via Email: [dmarlow@lands.nv.gov](mailto:dmarlow@lands.nv.gov)

Mr. Dave Marlow  
State of Nevada  
Division of State Lands  
901 S. Stewart Street, Suite 5003  
Carson City, Nevada 89701-5246

Re: Nevada State Prison (PRIS-1) – Appraisal of 3.71± Acre Vacant Parcel of Land,  
Carson City, Nevada

Dear Mr. Marlow:

On October 22, 2013 our firm completed an appraisal of the subject property. Based upon our investigation and analysis, we determined the Market Value of the subject property, as of October 18, 2013, to be \$70,000.

Based upon the maps available to these appraisers, we determined that the property was located in Flood Zone X. Carson City has apparently determined that between 40% and 50% of the subject property is in fact located within an AE Flood Zone. We have been told that this involves approximately the northern half of the subject property. For the purposes of this letter, it is being assumed that between 40% and 50% of the subject property lies within the AE Flood Zone.

In the appraisal we estimated the Market Value of the subject property assuming that it involved a normal shape. We then applied a factor of between 15% and 20% to account for the fact that this property involves a very long and narrow shape, and as a result, has limited development potential. As approximately 50% of the subject site is now reported to be within the AE Flood Zone, the development potential is felt to be further limited. Based upon a review of all information available, we have determined that it would be appropriate, if the subject property is located within the AE Flood Zone, that a factor of 15% be applied.

Reno ■ Lake Tahoe

Applying the 15% factor to the developable value of \$400,000, results in an indicated value for the subject property, with 50% being located in the AE Flood Zone, of \$60,000.


Based upon the above analysis, it is our revised opinion that the "As Is" Market Value of the subject property, assuming that 50% is in the AE Flood Zone, as of October 18, 2013, is \$60,000.


**REVISED FINAL "AS IS" VALUE CONCLUSION \$60,000**

This supplemental letter is intended to be an addendum to the original appraisal. This letter should not be utilized without referencing the original appraisal which was completed on October 22, 2013.

We hope this supplemental letter is of assistance, and should you have any additional questions, please do not hesitate to contact us.

Respectfully submitted,

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

  
\_\_\_\_\_  
Cindy Lind Fogel, MAI  
Nevada Certified General Appraiser  
License Number A.0002312-CG





APN 10-031-07  
Acquisition for  
Wastewater Treatment Plant

REV	DATE	DESCRIPTION	BY	APP'D

CARSON CITY  
PUBLIC WORKS DEPARTMENT

3505 BUTTE WAY CARSON CITY, NEVADA 89701  
PH: 775-887-2355 FAX: 775-887-2112

DESIGNED BY: YXX  
DRAWN BY: YXX  
CHECKED BY: YXX  
DWG NO.: WWT-PLAN-001-001  
SCALE (HORIZ): N/A  
SCALE (VERT): N/A  
PLOT DATE: 1/28/19



EXHIBIT C