

Item # 7

**City of Carson City
Agenda Report**

Date Submitted: February 6, 2007

Agenda Date Requested: February 15, 2007
Time Requested: 15 Minutes

To: Mayor and Supervisors

From: Parks and Recreation Department

Subject Title: Discussion and possible action to approve the purchase and sale agreement calling for the use of Open Space funds to make an offer for the fee title acquisition of the Desormier 19-acre property located at 4706 Golden Eagle Lane, APN 10-502-01.

Staff Summary: The attached purchase and sale agreement calls for the fee title acquisition of the Desormier 19 acre property located near the U.S.G.S. flow gauge at the Carson River. The offer for \$300,000 which is also the appraised value, has been verbally accepted by the Desormiers pending the Board of Supervisors approval. The property has previously been prioritized by the Board of Supervisors for acquisition after finding that it is located within the Carson River priority area, in accordance with the Open Space Master Plan.

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: Move to approve the purchase and sale agreement calling for the use of Open Space funds to make an offer for the fee title acquisition of the Desormier 19-acre property located at 4706 Golden Eagle Lane, APN 10-502-01.

Explanation for Recommended Board Action: The Desormier property is listed on the open market for \$335,000. The Desormiers have agreed to sell to Carson City for the appraised value which is \$300,000. Carson City Municipal Code, Section 21.07.040 grants the Board of Supervisors authority to use funding from the Quality of Life special revenue fund to acquire open space. In accordance with Section 13.05.060, on February 6, 2007, the Open Space Advisory Committee took action to recommend to the Board of Supervisors the approval of this transaction.

Applicable Statute, Code, Policy, Rule or Regulation:
Carson City Municipal Code, Chapter 21.07 - Quality of Life (Sale and Use Tax)
Carson City Municipal Code, Chapter 13.06, Open Space
Nevada Revised Statutes 244.275 Purchase for use of county; appraisal

Fiscal Impact: Approximately \$300,000 from the Open Space Acquisition Fund, plus approximately \$2,500 for the close of escrow, and \$3,000 for an environmental review, phase 1.

Explanation of Impact: The Desormiers have verbally agreed to sell to Carson City the 19-acre property for \$35,000 less than listed. The escrow costs are to be shared equally, 1/2 between buyer and seller. The total cost of the transaction is estimated at \$300,000 for the purchase price, plus \$2,500 for covering the City's one-half of the total escrow cost, plus approximately \$3,000 for an environmental phase one report.

Funding Source: Open Space Acquisition Fund

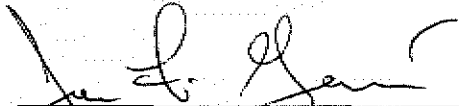
Alternatives: Not to approve the purchase agreement

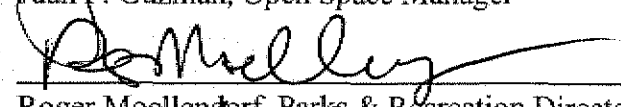
Supporting Material:


Purchase and Sale Agreement (Pages)

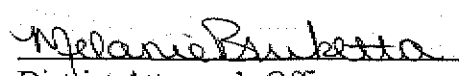
Preliminary Title Report (Pages)


Appraisal (Pages)

Prepared By:  **Date:** 2/6/07
Juan F. Guzman, Open Space Manager

Reviewed By:  **Date:** 2/6/07
Roger Moellendorf, Parks & Recreation Director

 for CM **Date:** 2/6/07
Linda Ritter, City Manager

 **Date:** 2/6/07
District Attorney's Office

 **Date:** 2/6/07
Finance Department

Board Action Taken:

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

(Vote Recorded By)

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 2007, by and between the William L. and Patricia L. Desormier Family Trust, U/D/T/ 05-18-00, 5176 Golden Eagle Lane, Carson City, Nevada, 89701 ("SELLER"), and Carson City, a consolidated municipality of the State of Nevada by and through its Board of Supervisors, of 201 North Carson Street, Suite 2, Carson City, Nevada 89701 ("BUYER"). SELLER and BUYER are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties."

RECITALS

A. SELLER is the fee simple owner of all that land and real property lying and situated in Carson City, Nevada, more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference (herein sometimes referred to as "Property") and SELLER desires to sell and BUYER desires to acquire the Property. It is understood that this purchase agreement includes one (1) specific parcel of real property comprising approximately 19.28 acres and specifically designated as APN 10-502-01 and more specifically set forth in the Preliminary Title Report attached hereto as "Exhibit A" and incorporated herein by this reference. There are no known water rights appurtenant to this property.

B. The Parties desire and intend by this Agreement to memorialize their agreements by this writing.

NOW THEREFORE, in consideration of the mutual covenants, terms and conditions herein contained, the Parties hereby agree as follows:

1. REPRESENTATIONS AND WARRANTIES: NO PERSON IS AUTHORIZED TO MAKE, AND BY EXECUTION HEREOF BUYER ACKNOWLEDGES THAT NO PERSON HAS MADE, ANY REPRESENTATION, WARRANTY, GUARANTY OR PROMISE EXCEPT AS SET FORTH HEREIN; AND NO AGREEMENT, STATEMENT,

REPRESENTATION OR PROMISE MADE BY ANY SUCH PERSON WHICH IS NOT CONTAINED HEREIN SHALL BE VALID OR BINDING ON SELLER. THE ONLY REPRESENTATIONS OR WARRANTIES OUTSTANDING WITH RESPECT TO THE SUBJECT MATTER OF THIS TRANSACTION, EITHER EXPRESS OR IMPLIED BY LAW, ARE SET FORTH HEREIN, AND BUYER EXPRESSLY WAIVES THE RIGHT TO ANY WARRANTY IMPLIED BY LAW. THE PARTIES ACKNOWLEDGES THAT BUYER AND SELLER HAVE MADE THE SUBJECT PROPERTY AVAILABLE FOR THE OTHER'S INDEPENDENT INSPECTION.

2. PURCHASE AND SALE OF PROPERTY: SELLER agrees to convey the Property, together with all rights, title and interest in accordance with the terms of this Agreement the following which shall comprise the sale contemplated in this Agreement:

a. All of the real property lying and situate in Carson City, Nevada, consisting of 19.28 acres, more or less, and described in "Exhibit A."

b. Any and all licenses, encroachment permits, ways, easements of whatever type or kind, together with all mineral rights, oil rights, gas rights, geothermal rights, sands and gravels which are appurtenant to or associated in anyway with the Property which are owned by SELLER.

The foregoing listed elements of the Property in this Paragraph 2 are hereinafter collectively referred to as the "Property".

3. PURCHASE PRICE: The purchase price for the above described Property shall be Three Hundred Thousand and 00/100 dollars (\$300,000), which shall be paid by BUYER to SELLER in accordance with the terms of this Agreement.

4. ESCROW, CONVEYANCE, AND TITLE INSURANCE: Escrow shall be with NORTHERN NEVADA TITLE CO. ("Escrow Holder"), which is located at 512 North Division St., Carson City, Nevada, 89703-4103

a. Escrow shall open as of the date upon which Escrow Holder has received a fully signed original, or counterpart originals, of this Agreement, accompanied by the sums and

documents required herein. The date all such items have been delivered to Escrow Holder shall be referred to herein as the "Opening of Escrow" and reported by letter to the Parties by Escrow Holder, and the date escrow actually closes and the deed is recorded shall be referred to as "Close of Escrow." If Close of Escrow does not occur prior to March 31, 2007, this transaction shall terminate and SELLER shall be released from any further obligation to convey the Property to Buyer. Escrow Holder is hereby authorized and instructed to act in accordance with the provisions of this Agreement, which Agreement, together with Escrow Holder's standard escrow instructions, shall constitute Escrow Holder's escrow instructions. As between the Parties, if there is a conflict between Escrow Holder's standard instructions and this Agreement, this Agreement will control.

b. Ad valorem property taxes for the current fiscal year shall be prorated as of the Close of Escrow.

c. All assessments, and/or special taxes, including the full principal amount of all bonded indebtedness encumbering the Property, if any, shall be prorated to the close of escrow. To the extent such amounts can be identified or reasonably estimated by Escrow Holder they shall be accordingly paid (or reserved for payment) at Close of Escrow.

d. SELLER, at SELLER'S expense, shall furnish BUYER with a C.L.T.A. owner's policy of title insurance in the full amount of the purchase price issued by NORTHERN NEVADA TITLE COMPANY, subject only to those exceptions disclosed herein or otherwise not objected to by BUYER or the preliminary title report.

e. BUYER and SELLER shall each pay one-half ($\frac{1}{2}$) of the escrow fee and any and all other fees, including recording fees, document preparation fees, real property transfer taxes and similar costs not specifically allocated in this Agreement.

f. Title to the Property shall be conveyed by Grant, Bargain and Sale Deed AND MUST CONTAIN THE FOLLOWING LANGUAGE: "This land was purchased with Quality of Life Sales and Use Tax Funds and is subject to the provisions of the Carson City Municipal Code Section 13.06."

5. PAYMENT OF PURCHASE PRICE: The Purchase Price for the Property described in Paragraph 3 above and detailed on the Exhibits hereto shall upon satisfaction of the conditions set forth in Paragraph 6 be paid by BUYER to Escrow Holder for SELLER as follows:

The sum of Three Hundred Thousand and no/100 dollars (\$300,000) shall be paid into Escrow on or before the date set for the Close of Escrow, as described in Paragraph 4a above, in cash, fed funds or other readily available funds.

6. BUYER'S CONDITIONS ON CLOSE OF ESCROW: Close of Escrow shall be subject to the following conditions: SELLER and BUYER shall diligently attempt to achieve the satisfaction of these conditions without undue delay. If any of these conditions cannot be met, then, unless waived by BUYER, Escrow Holder, upon receipt of notification from BUYER or from SELLER that it cannot or will not be able to satisfy a condition, shall immediately cancel the escrow and if such cancellation occurs before March 31, 2007, return the respective documents to SELLER and BUYER, and each party shall be responsible for one-half (½) of the escrow costs incurred, and thereafter neither Party shall have any further obligation, rights, or liability under this Agreement.

a. Except as otherwise approved by BUYER, title to the Property shall be conveyed to BUYER free of liens and encumbrances. SELLER shall, at its expense, furnish BUYER with a preliminary title report and, upon request, copies of all recorded exceptions to title referred to therein within fifteen (15) days after Opening of Escrow. Within twenty (20) days of receipt of: (i) the preliminary title report and all documents referred to in it; or (ii) any supplemental or amendatory report and the documents referred to as exceptions thereto, BUYER shall give SELLER notice specifying those matters which are unacceptable conditions of title. Said preliminary title report as supplemented and/or amended is hereinafter referred to as the "Title Report." All exceptions in the Title Report not specifically disapproved by BUYER within twenty (20) days after receipt of the initial submittal and/or, as applicable, supplementary or amendatory materials by BUYER, shall be deemed to have been approved. SELLER shall

remove such objectionable items within fifteen (15) days thereafter, but in any event prior to the Close of Escrow and if SELLER fails to remove such objectionable items within said period, and/or if the Title Policy will not be issued in the exact form approved by BUYER, SELLER shall notify BUYER in writing of such fact, and BUYER shall have the election to be exercised in writing within five (5) days after delivery to BUYER of such notice of SELLER of either:

1) terminating this Agreement, in which event Escrow Holder shall return the documents deposited herein to the Party depositing same; or

2) accepting the Property subject to the objectionable items.

b. To the extent that the same exists, SELLER shall furnish BUYER with any and all land surveys, engineering information, environmental assessments, planning or zoning information or other evaluations of the Property in SELLER's possession, within twenty (20) days after Opening of Escrow, if any exist. Should BUYER fail to close escrow for whatever reason, BUYER shall promptly return all such land surveys, engineering information, environmental assessments, planning or zoning information or other evaluations of the Property to SELLER and treat as confidential all information contained therein.

c. BUYER shall perform and approve, at its sole cost and expense, a Phase I Site Assessment.

d. This Agreement shall be approved by the Carson City Board of Supervisors.

In the event that any of the conditions to close are not met within the time frames set forth herein the SELLER or the BUYER may cancel and terminate this Agreement and the Escrow attendant hereto or the transaction does not close by March 31, 2007, then in either of such events, this Agreement shall become null and void and the parties shall be returned to their original pre-Agreement condition. The parties will be released from any further obligation to each other and neither will be liable to the other for costs of partial performance or failure to perform. BUYER will be entitled to the return of all monies paid by it to the Escrow less one-half of the reasonable charges incurred by the Escrow Agent.

7. SELLER'S REPRESENTATIONS, COVENANTS, WARRANTIES AND OBLIGATIONS:

a. SELLER represents to BUYER that to the best knowledge of SELLER, the title to be conveyed to BUYER will not be encumbered by any easements, persons in possession, government patents or other rights, other than those items disclosed on the Title Report or which would be disclosed by a physical inspection of the Property. To the best knowledge of SELLER, there is no hazardous, toxic or radioactive material on the Property. SELLER agrees BUYER and/or its agents may make all disclosures and file all reports which, may be required by law with respect to discovery of any hazardous, toxic or radioactive materials on the Property as a result of such investigations and hereby releases and holds BUYER harmless with respect to liability arising out of such disclosure.

b. To best knowledge of SELLER, SELLER warrants there are no threatened or pending annexation or condemnation proceedings against or affecting any part of the Property.

c. SELLER shall not commit knowingly or suffer to be committed any waste in or upon the Property. Waste shall include, but not be limited to, any injury to the Property which renders it in a condition materially different from its condition at the date of this Agreement.

d. To the best knowledge of SELLER, SELLER has complied, and the Property is in compliance, with all laws relating to the storage, use and disposal of hazardous, toxic or radioactive materials (collectively, "Toxic Materials").

e. To the best knowledge of SELLER, the execution and consummation of this Agreement pursuant to its terms will not result in a material breach of, contravene any provisions of, violate, or constitute a default under any articles of incorporation, charter, bylaw, mortgage, contract agreement to which SELLER is subject.

f. From the date of this Agreement to the Close of escrow, the SELLER will continue to provide BUYER full access to all of the Property and information relating to the historical use and operation of the Property.

8. POSSESSION: Possession of the Property shall be given to the BUYER at Close of Escrow, but during the term of this Agreement BUYER and its agents may enter upon the Property for the purpose of performing environmental or engineering, surveying or soil testing. BUYER agrees to pay, defend, indemnify and hold SELLER harmless from all liability, claims, costs and expense, except such as might accrue from the mere discovery of hazardous or toxic material, resulting from BUYER's activities on the Property during the escrow period. Should the BUYER fail to acquire the Property, then it is agreed that SELLER shall receive copies of all studies, test results and engineering generated by BUYER.

9. GOOD FAITH AND FAIR DEALING: During the term of this transaction the parties hereto agree and covenant, one unto the other, to act in good faith and to fairly and openly deal with each other to accomplish the goals and objectives of the respective parties in closing the escrow envisioned herein.

10. BINDING EFFECT: This Agreement shall bind and inure to the benefit of the respective heirs, representatives, successors and assigns of BUYER and SELLER.

11. NOTICES: No notice, request, demand, instruction or other document to be given hereunder to any Party shall be effective for any purpose unless personally delivered to the person at the appropriate address set forth below (in which event such notice shall be deemed effective only upon such delivery) delivered by air courier next-day delivery (e.g., Federal Express), or delivered by U.S. mail, sent by registered or certified mail, return receipt requested as follows:

If to SELLER, to: William and Patricia Desormier
5176 Golden Eagle Lane
Carson City, NV 89701

If to BUYER, to: Carson City, a Consolidated Municipality
Attn: Juan F. Guzman
3303 Butti Way, Building #9
Carson City, Nevada 89701

Notices delivered by air courier shall be deemed to have been given the next business day after deposit with the courier and notices mailed shall be deemed to have been given on the second day following deposit of same in any United States Post Office mailbox in the state to which the notice is addressed or on the third day following deposit in any such post office box other than in the state to which the notice is addressed, postage prepaid, addressed as set forth above. The addresses and addressees, for the purpose of this Paragraph, may be changed by giving written notice of such change in the manner herein provided for giving notice. Unless and until such written notice of change is received, the last address and addressee stated by written notice, or provided herein if no such written notice of change has been received, shall be deemed to continue in effect for all purposes hereunder.

12. TIME: Time is of the essence for each provision of this Agreement of which time is a factor, and if this transaction is not completed prior to March 31, 2007, it shall terminate and SELLER shall be relieved of any further obligation to convey the Property to BUYER. SELLER has requested that this transaction be completed prior to March 31, 2007.

13. ATTORNEYS' FEES: In the event of any action or proceeding, including an arbitration brought by either Party against the other under this Agreement, the prevailing Party shall be entitled to recover all costs and expenses including the actual fees of its attorneys incurred for prosecution, defense, consultation or advice in such action or proceeding.

14. COMPUTATION OF PERIODS: All periods of time referred to in this Agreement shall include all Saturdays, Sundays and state or national holiday, unless the period of time specifies business days, provided that if the date to perform any act or give any notice with respect to this Agreement, shall fall on a Saturday, Sunday or state or national holiday, such act or notice may be timely performed or given on the next succeeding day which is not a Saturday, Sunday or state or national holiday.

15. INTERPRETATION: The Parties hereto acknowledge and agree that each has been given the opportunity to review this Agreement with legal counsel independently, and/or has the requisite experience and sophistication to understand, interpret and agree to the particular

language of the provisions hereof. The Parties have equal bargaining power, and intend the plain meaning of the provisions herein. In the event of an ambiguity in or dispute regarding the interpretation of same, the interpretation of this Agreement shall not be resolved by any rule of interpretation providing for interpretation against the Party who causes the uncertainty to exist or against the draftsman. This Agreement contains the entire agreement between the parties relating to the transactions contemplated hereby and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged and integrated into this Agreement.

16. SURVIVABILITY: All covenants of BUYER or SELLER which are intended hereunder to be performed in whole or in part after Close of Escrow and all representations, warranties and indemnities by either Party to the other, shall survive Close of Escrow and delivery of the Grant, Bargain and Sale Deed, and be binding upon and inure to the benefit of the respective Parties.

17. MUTUAL INDEMNITY: SELLER and BUYER hereby agree to indemnify, defend and hold the other Party harmless against any and all liability, claims, costs or expenses arising directly or indirectly out of the covenants, representations and warranties given by the indemnifying Party to the other in this Agreement.

18. AUTHORITY OF PARTIES: Any corporation signing this Agreement, and each agent, officer, director, or employee signing on behalf of such corporation, but in his individual capacity, represents and warrants that said Agreement is duly authorized by and binding upon said corporation. Any individual signing this Agreement on behalf of a partnership or business entity other than a corporation represents that such other entity has power and authority to enter into this Agreement, and by such person's act is bound hereby.

19. COUNTERPART: This Agreement and any other agreement (or document) delivered pursuant hereto may be executed in one or more counterparts and by different Parties in separate counterparts. All of such counterparts shall constitute one and the same agreement

and shall become effective when one or more counterparts of this Agreement have been signed by each Party and delivered to the other Parties.

IN WITNESS WHEREOF, SELLER and BUYER have fully executed this Agreement as of the date first above written.

"SELLER"

"BUYER"

WILLIAM L. DESORMIER, TRUSTEE

Juan F. Guzman, Open Space
CARSON CITY

PATRICIA L. DESORMIER, TRUSTEE

DATE

DATE

PRELIMINARY REPORT

Northern Nevada Title Company
512 N. Division Street
Carson City, NV 89703-4103
(775)-883-7513 FAX (775)-887-5065

To: **Carson City Parks & Recreation**
Attn: **Juan Guzman**

Escrow No. **CC-1060839-TO**
Title No. **1060839**

Your No.

Property Address
4706 Golden Eagle Lane
Carson City, NV 89701

Sell

Assessor's Parcel Number
010-502-01

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

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are available from the office which issued this report. Copies of the Policy forms should be read.

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

Dated: **December 29, 2006** at 7:30 A.M.


Carey Rotoli, Title Officer

The form of policy of title insurance contemplated by this report is: **CLTA Owners**

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

A fee as to Parcel 1 and an easement as to Parcel 2

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

William L. Desormier and Patricia L. Desormier, Trustees, and their Successors, under The William L. & Patricia L. Desormier Family Trust U/D/T 05-18-00, as Community Property

The land referred to in the report is situate in the State of Nevada, County of **Carson City** and is described as follows:

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

CC-1060839-TO
1060839

EXHIBIT "A" ATTACHED TO PRELIMINARY TITLE REPORT DATED DECEMBER 29, 2006

EXHIBIT "A"

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

PARCEL 1:

Being a portion of the Southwest $\frac{1}{4}$ of Northwest $\frac{1}{4}$ Section 2, Township 14 North, Range 20 East, M.D.B.&M., Carson City, Nevada and more particularly described as follows:

COMMENCING at a found G.L.O. brass cap being the Northwest Section corner Section 2, Township 14 North, Range 20 East, M.D.B.&M.;

THENCE South $00^{\circ}07'39''$ East, 1,256.90 feet to a point, said point being the Northwest $\frac{1}{16}$ corner of Section 2, said point also being the **TRUE POINT OF BEGINNING**;

THENCE North $89^{\circ}54'47''$ East, 1,258.36 feet to a point, said point being on the mean high water line of the Carson River;

THENCE along the mean high water line of the Carson River on the following meander courses:

South $62^{\circ}35'32''$ West, 92.58 feet;

South $53^{\circ}05'57''$ West, 134.18 feet;

South $49^{\circ}51'49''$ West, 428.27 feet;

South $21^{\circ}27'15''$ West, 99.30 feet;

South $22^{\circ}33'08''$ West, 333.41 feet;

South $35^{\circ}06'07''$ West, 421.11 feet;

South $60^{\circ}05'44''$ West, 205.86 feet;

South $70^{\circ}58'07''$ West, 162.66 feet;

THENCE leaving said meander courses of the Carson River North $00^{\circ}07'39''$ West, 1,297.88 feet to **THE TRUE POINT OF BEGINNING**.

Reference is hereby made to that certain Record of Survey Map No. 2201, recorded on February 14, 1997 as Document No. 199227.

Continued...

EXHIBIT "A" CONTINUED...

PARCEL 2:

Roadway and utility rights of way as described in Grant of Easement recorded in the office of the County Recorder of Carson City, State of Nevada, on October 1, 1984 in Book 377 at Page 233, 237 and 241 as Document No.'s 30615, 30616 and 30617, Official Records.

NOTE: Legal description previously contained in Document No. 250331, recorded on July 5, 2000.

**NORTHERN NEVADA TITLE COMPANY
PRELIMINARY REPORT**

Escrow No. CC-1060839-TO

At the date hereof exceptions to coverage, in addition to the exclusions contained in said policy form, would be as follows:

EXCEPTIONS FROM COVERAGE

The policy, with the exception of any ALTA Lenders policy, contemplated to be issued hereunder will not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

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

PART II

- 1) The lien, if any, for taxes for improvements completed or in progress, but which were not shown on the tax bill for the current year.
- 2) Liens levied by the Carson City Water and Sewer District for water, sewer and storm water utilities, by reason that subject property is located within said district. To verify payments, delinquencies or liens, contact Carson City Utilities at (775) 887-2355 extension 1020.
- 3) Lack of ingress and/or egress to said land, access may be provided by the United States Department of the Interior, Bureau of Land Management over that portion of the West 1/2 of Lot 2 within the Northwest 1/4 of Section 2, Township 14 North, Range 20 East.
- 4) Notes, easements and recitals as set forth on Parcel Map No. 704, and Record of Survey Map No.'s 894, 1071 and 2201 herein referred. Said notes, easements and recitals will affect the use of the herein described property and a review of said map is advised.
- 5) Any easement or claims of easement or rights of access based on prescription or by implied dedication to the public over said land or any part thereof, for access (or recreational purposes) to or upon the Carson River.

Continued...

NORTHERN NEVADA TITLE COMPANY
PRELIMINARY REPORT

Escrow No. CC-1060839-TO

At the date hereof exceptions to coverage, in addition to the exclusions contained in said policy form, would be as follows:

- 6) Any adverse claim based upon the assertion that:
- a) "Said land or any part thereof is now, or at any time has been, below the ordinary high water mark of the Carson River."
 - b) "Some portion of said land has been created by artificial means or has accreted to such portions so created."
 - c) "Some portion of said land has been brought with the boundary thereof by an avulsive movement of the Carson River or has been formed by accretion to any such portion."
- 7) Such rights and easements for navigation and fishery which may exist over that portion of said land lying beneath the waters of Carson River.
- 8) Easement, together with the rights incidental thereto,

RESERVED BY:	H.F. Dangberg Land & Live Stock Company, a Nevada Corporation
PURPOSE:	Rights of other users of common ditches, canals, streams in accordance with, but not limited to, historical custom and usage
RECORDED:	March 30, 1979
BOOK:	227, Official Records
PAGE:	612
DOCUMENT NO.:	78173
AFFECTS:	A portion of said land exact location is not defined of record

- 9) Rights of way, easement and conditions as set forth in those certain Grants of Easements,

RECORDED:	October 1, 1984
BOOK:	377, Official Records
PAGE:	233, 237 and 241
DOCUMENT NO.'S:	30615, 30616 and 30617

Continued...

NORTHERN NEVADA TITLE COMPANY
PRELIMINARY REPORT

Escrow No. CC-1060839-TO

At the date hereof exceptions to coverage, in addition to the exclusions contained in said policy form, would be as follows:

10) Terms, conditions and fees as set forth in Decision for Right-of-Way Grant,

FILE CASE NO.: N-39520
RECORDED: October 3, 1984
BOOK: 377, Official Records
PAGE: 368
DOCUMENT NO.: 30685

Assignment of Right-of-Way Grant,

RECORDED: February 4, 1985
BOOK: 386, Official Records
PAGE: 276
DOCUMENT NO.: 33372

Decision Right-of-Way for Partial Assignment approved Amendment approved.

DATED: July 7, 1992

Assignment of Right-of-Way Grant N-39520 for use of access road by other owners.

11) Agreement, on the terms and conditions contained therein.

PURPOSE: Road Maintenance Agreement
EXECUTED BY: William L. Desormier, Eli H. Keeran, Jack
Foerschler and John J. Stein
RECORDED: March 16, 1989
DOCUMENT NO.: 82797, Official Records

12) Grant of Easement, together with the rights incidental thereto,

GRANTED TO: Jack Foreschler and Charlene Foerschler
PURPOSE: Easement and right-of-way for and adequate
travelway and right-of-way for all useful utility
access for residential purposes, but not
commercial purposes
RECORDED: May 1, 2000
DOCUMENT NO.: 247954, Official Records

Continued...

NORTHERN NEVADA TITLE COMPANY
PRELIMINARY REPORT

Escrow No. CC-1060839-TO

At the date hereof exceptions to coverage, in addition to the exclusions contained in said policy form, would be as follows:

13) Easement, together with the rights incidental thereto,

GRANTED TO: Paul D. Desormier and Sandra K. Desormier
PURPOSE: Permanent easement and right-of-way for an
adequate travelway and right-of-way for all
useful utility access, and residential purposes,
but not commercial purposes
RECORDED: April 14, 2004
DOCUMENT NO.: 317100, Official Records

14) Easement, together with the rights incidental thereto,

GRANTED TO: Paul D. Desormier and Sandra K. Desormier
PURPOSE: Permanent easement and right-of-way for an
adequate travelway and right-of-way for all
useful utility access, and residential purposes,
but not commercial purposes
RECORDED: April 14, 2004
DOCUMENT NO.: 317101, Official Records

15) Easement, together with the rights incidental thereto,

GRANTED TO: Paul D. Desormier and Sandra K. Desormier
PURPOSE: Permanent easement and right-of-way for an
adequate travelway and right-of-way for all
useful utility access, and residential purposes,
but not commercial purposes
RECORDED: April 14, 2004
DOCUMENT NO.: 317102, Official Records

16) Easement, together with the rights incidental thereto,

GRANTED TO: William L. Desormier and Patricia
L.Desormier, Trustee, under The William L. &
Patricia L. Desormier Family Trust, U/D/T
05-18-00
PURPOSE: Permanent easement and right-of-way for an
adequate travelway and right-of-way for all
useful utility access, and residential purposes,
but not commercial purposes
RECORDED: April 14, 2004
DOCUMENT NO.: 317104, Official Records

Continued...

NORTHERN NEVADA TITLE COMPANY
PRELIMINARY REPORT

Escrow No. CC-1060839-TO

At the date hereof exceptions to coverage, in addition to the exclusions contained in said policy form, would be as follows:

17) Easement, together with the rights incidental thereto,

GRANTED TO: William L. Desormier and Patricia
L.Desormier, Trustees, under The William L.
& Patricia L. Desormier Family Trust, U/D/T
05-18-00
PURPOSE: Permanent easement and right-of-way for an
adequate travelway and right-of-way for all
useful utility access, and residential purposes,
but not commercial purposes
RECORDED: April 14, 2004
DOCUMENT NO.: 317105, Official Records

18) Easement, together with the rights incidental thereto,

GRANTED TO: David K. Riske and Alisa D. Riske, Husband
and Wife as Joint Tenants with Right of
Survivorship
PURPOSE: Permanent easement and right-of-way for an
adequate travelway and right-of-way for all
useful utility access, and residential purposes,
but not commercial purposes
RECORDED: April 14, 2004
DOCUMENT NO.: 317108, Official Records

19) Easement, together with the rights incidental thereto,

GRANTED TO: Jack Foerschler and Charlene Foerschler,
Husband and Wife as Joint Tenants with Right
of Survivorship
PURPOSE: Permanent easement and right-of-way on an
adequate travelway and right-of-way for all
useful utility access, and residential purposes,
but not commercial purposes
RECORDED: April 14, 2004
DOCUMENT NO.: 317109, Official Records

20) The requirement that an executed Certification of Trust pursuant to NRS 164.400 et.seq. be submitted prior to the
issuance of a Title Insurance Policy.

Continued...

NORTHERN NEVADA TITLE COMPANY
PRELIMINARY REPORT

Escrow No. CC-1060839-TO

At the date hereof exceptions to coverage, in addition to the exclusions contained in said policy form, would be as follows:

21) "Preliminary Reports" are furnished in connection with an application for title insurance and are offers to issue a title policy subject to the stated exceptions set forth in the report. The information contained herein, while deemed reliable, does not reflect the information that would be shown in an abstract of title, and no liability is assumed nor is any assurance given as to the accuracy of the vesting, legal description or items contained in or deleted from this report.

If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

NOTE: As a matter of information, we report that taxes for the year 2006-2007, have been paid in full.

TOTAL AMOUNT:	\$301.35
ASSESSORS PARCEL NO.:	010-502-01

oOo

Northern Nevada Title Company
512 N. Division Street
Carson City, NV 89703

Privacy Policy Notice
as of September 20, 2005

PURPOSE OF THIS NOTICE

Northern Nevada Title Company (NNTC) and its Underwriters share your concerns about privacy. Each Company is committed to respecting the privacy of our policyholders. Therefore, in accordance with Federal and State laws and regulations, we are providing you with this notice of how we might use the information about you which we gather in the process of issuing a policy of title insurance.

Title V of the Gramm-Leach-Bliley Act (GLBA) and the laws of the State in which you reside generally prohibit us from sharing non public personal information about you with a third party unless we provide you with this notice of our privacy policies and practices, such as the type of information that we collect about you and the categories of persons or entities to whom that information may be disclosed. In compliance with the GLBA and the laws of this State, we are providing you with this document, which notifies you of the privacy policies and practices of NNTC and its Underwriters.

OUR PRIVACY POLICIES AND PRACTICES

I. Information we collect and sources from which we collect it:

We do not collect any nonpublic personal information about you other than the following:

Information we receive from you or from your attorney or other representatives on applications or other forms;

Information about your transactions with us, our affiliates or our Underwriters.

In addition, we may collect other non public personal information about you from individuals and companies other than those proposed for coverage.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional information will be collected about you.

II. Information we disclose to third parties:

In the course of our general business practices, we may disclose the information that we collect (as described above) about you or others without your permission to the following types of institutions for the reasons described:

To a third party such as a surveying, real estate tax research or municipal data firm if the disclosure will enable that party to perform a business, professional or insurance function for us;

To an insurance institution, agent, or credit reporting agency in order to detect or prevent criminal activity, fraud or misrepresentation in connection with an insurance transaction;

To an insurance institution, agent, or credit reporting agency for either this Company or the entity to whom we disclose the information to perform a function in connection with an insurance transaction involving you;

To an insurance regulatory authority, law enforcement, or other governmental authority in order to protect our interests in preventing or prosecuting fraud, or if we believe that you have conducted illegal activities;

To an actuarial or research organization for the purpose of conducting actuarial or research studies.

The disclosures described above are permitted by law.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH AFFILIATES OR NON-AFFILIATED THIRD PARTIES FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

III. Your right to access and amend your personal information:

You have the right to request access to the personal information that we record about you. Your right includes the right to know the source of the information and the identity of the persons, institutions or types of institutions to whom we have disclosed such information within 2 years prior to your request. Your right includes the right to view such information and copy it in person, or request that a copy of it be sent to you by mail (for which we may charge you a reasonable fee to cover our costs). Your right also includes the right to request corrections, amendments or deletions of any information in our possession. The procedures that you must follow to request access to or an amendment of your information are as follows:

To obtain access to your information from Northern Nevada Title Company: You should submit a request in writing Northern Nevada Title Company, 512 N. Division Street, Carson City, Nevada 89703. The request should include your name, address, policy number, telephone number, and the information to which you would like access. The request should state whether you would like access in person or a copy of the information sent to you by mail. Upon receipt of your request, we will contact you within 30 business days to arrange providing you with access in person or the copies that you have requested.

To obtain access to your information from the Underwriter: You should submit your written request including the specified information to the address stated above. The request should include the same information mentioned above for requests to NNTC. The request will be forwarded to the Underwriter which insured your transaction

To correct, amend, or delete any of your information: You should submit a request in writing to the address referenced directly above. The request should include your name, address, policy number, telephone number, the specific information in dispute, and the identity of the document or record that contains the disputed information. Upon receipt of your request, we will contact you within 30 business days to notify you either that we have made the correction, amendment or deletion, or that we refuse to do so and the reasons for the refusal which you will have an opportunity to challenge.

IV. Our practices regarding information confidentiality and security:

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

v. Our policy regarding dispute resolution:

Any controversy or claim arising out of or relating to our privacy policy, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

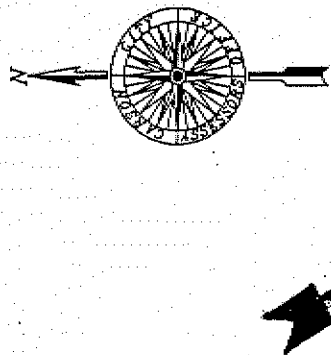
VI. Reservation of the right to disclose information in unforeseen circumstances:

In connection with the potential sale or transfer of its interests, Northern Nevada Title Company, its Underwriters and their respective affiliates reserve the right to sell or transfer your information (including but not limited to your address, name, age, sex, zip code, state and country of residency and other information that you provide through other communications) to a third party entity that (1) concentrates its business in a similar practice or service; (2) agrees to be a successor in interest of Northern Nevada Title Company or the Underwriter with regard to the maintenance and protection of the information collected; and (3) agrees to the obligations of this privacy statement.

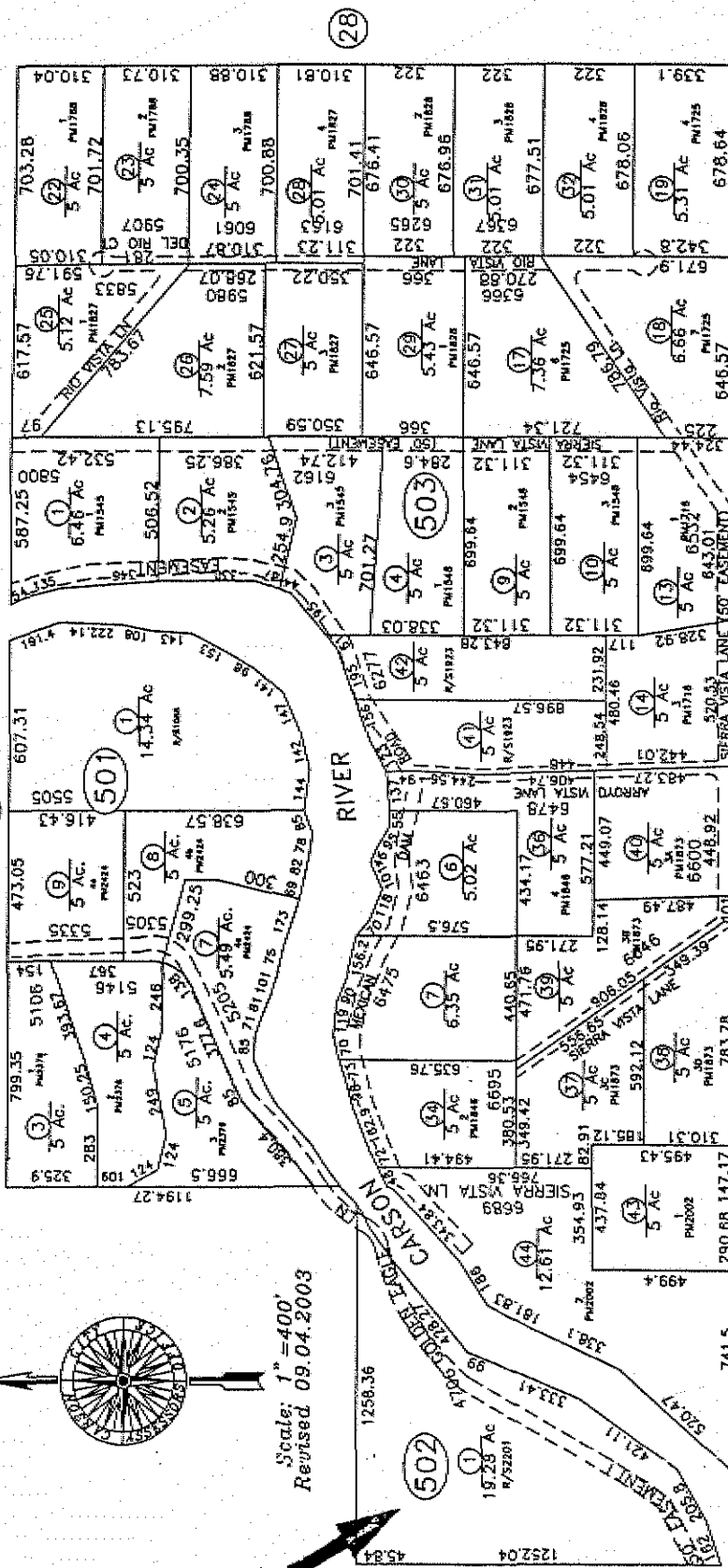
Northern Nevada Title Company does not represent this plat as a survey of the land indicated hereon, although believed correct, no liability is assumed as to the accuracy thereof.

10-50

N 1/2 SECTION 2, T.14 N., R.20 E., M.D.B. & M.



Scale: 1" = 400'
Revised 09.04.2003



NOTES:
OWNERSHIP TO HIGH-WATER MARK OF RIVER.
EASEMENT LOCATIONS PER PUBLIC MAPS LISTED.
EASEMENTS NAMED BY PUBLIC WORKS FOR ADDRESS PURPOSES.

SEE CARSON RIVER AREA ADDRESS FOLDER
BEFORE ADDING ADDRESSES TO LAND MANAGEMENT

28

CARSON CITY, NEVADA
THIS MAP IS PREPARED FOR THE USE OF THE CARSON CITY
ASSESSOR FOR ASSESSMENT AND ILLUSTRATIVE PURPOSES
ONLY. IT DOES NOT REPRESENT A SURVEY. NO LIABILITY
IS ASSUMED AS TO THE SUFFICIENCY OR ACCURACY OF
THE DATA DELINEATED HEREON.

Added New Street Name GOLDEN EAGLE LN

22

1028

2201

SURVEYORS CERTIFICATE:

1. JAMES P. NEWMAN, A PROFESSIONAL LAND SURVEYOR
 IN THIS STATE, HAS CONDUCTED A RECONSTRUCTION
 OF THE SURVEY AND ACTIVELY PARTICIPATED
 IN THE PREPARATION OF THIS SURVEY AND
 THE PLAT THEREOF. HE HAS REVIEWED THE
 FIELD NOTES AND THE ORIGINAL FIELD DATA
 AND THE COMPUTATIONS AND HAS FOUND THAT
 THE SURVEY IS CORRECT AND ACCURATE
 AND THAT THE SURVEYOR HAS COMPLIED WITH ALL
 THE REQUIREMENTS OF THE SURVEYING ACTS
 AND THE REGULATIONS THEREUNDER. HE
 HEREBY CERTIFIES THAT THE SURVEY IS
 CORRECT AND ACCURATE AND THAT HE IS
 A LICENSED SURVEYOR IN THIS STATE.



James P. Newman
 Surveyor
 State of Nevada
 No. 1028
 4/14/27



BASIS OF BEARINGS
 THE BEARINGS AND DISTANCES IN THIS SURVEY
 WERE OBTAINED BY THE USE OF A TRANSIT

TOTAL AREA = 19.28 ACRES

RECORD OF SURVEY

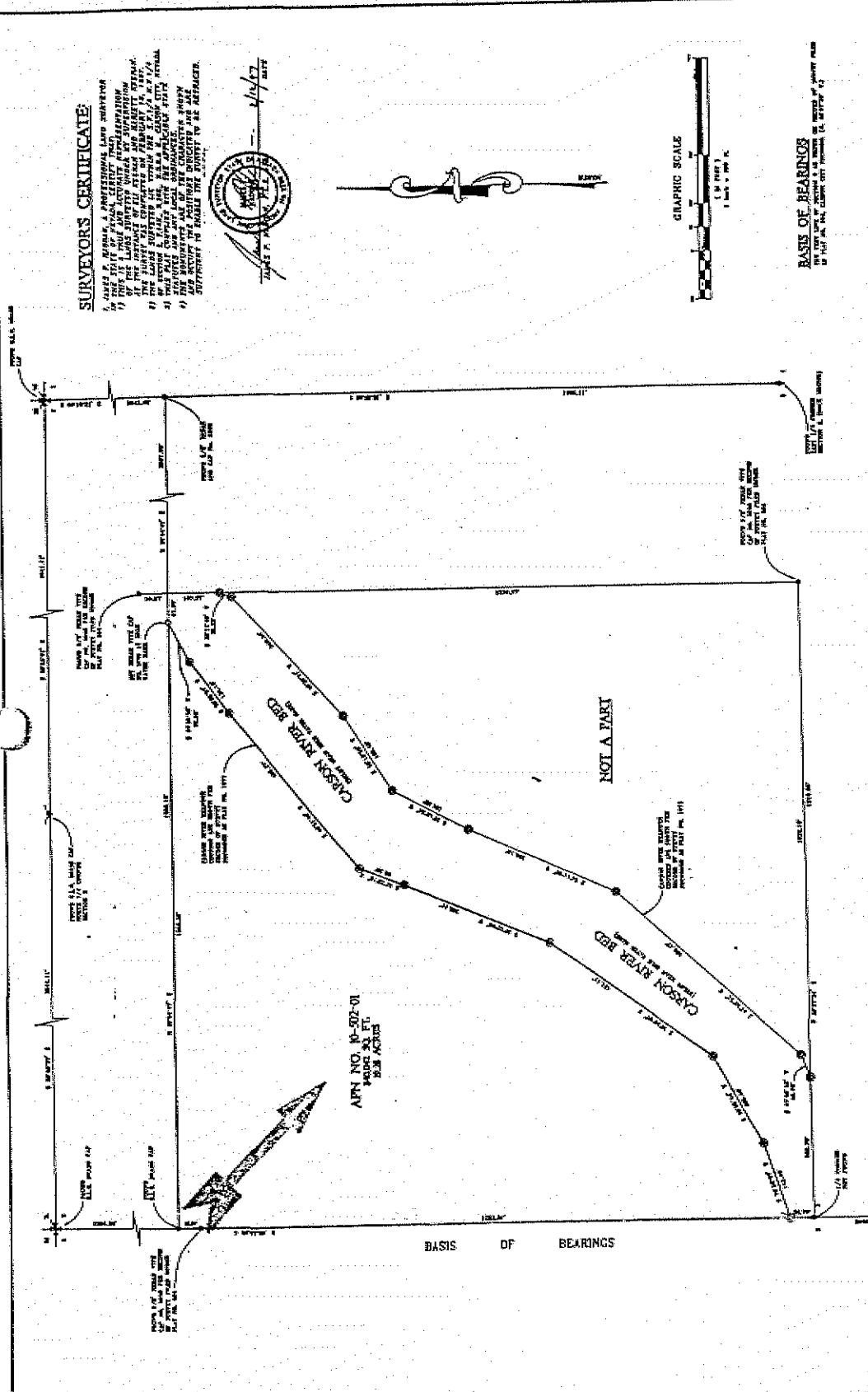
FOR
 ELLI H. KEHRAN AND HARRIETT M. KEHRAN
 BEING A PORTION OF THE SEVEN EIGHTH SECTION 2,
 T40N, R22E, M22A N., CARSON CITY, NEVADA



ALL RIGHTS RESERVED
 THIS SURVEY WAS MADE FOR THE SURVEYOR BY
 THE ENGINEER AND THE SURVEYOR HAS REVIEWED
 THE SURVEY AND ACTIVELY PARTICIPATED IN
 THE PREPARATION OF THIS SURVEY AND THE
 PLAT THEREOF. HE HAS REVIEWED THE FIELD
 NOTES AND THE ORIGINAL FIELD DATA AND
 THE COMPUTATIONS AND HAS FOUND THAT THE
 SURVEY IS CORRECT AND ACCURATE AND THAT
 THE SURVEYOR HAS COMPLIED WITH ALL THE
 REQUIREMENTS OF THE SURVEYING ACTS AND
 THE REGULATIONS THEREUNDER. HE HEREBY
 CERTIFIES THAT THE SURVEY IS CORRECT
 AND ACCURATE AND THAT HE IS A LICENSED
 SURVEYOR IN THIS STATE.

LEGEND

- ✱ - SECTION CORNER, AS INDICATED
- - 1/4 SECTION CORNER
- - SET 2 1/2" PEGS AND 1/4" GAL. 1/4"
- - PEGS AS INDICATED
- - METERS FOUND ON SET



APN NO. 10-302-01
 14000 SQ. FT.
 0.32 ACRES

Northern Nevada Title Company does not represent this plat as a survey of the land indicated hereon, although believed correct, no liability is assumed as to the accuracy thereof.

Northern Nevada Tile Company does not represent this plat as a survey of the land indicated hereon, although believed correct, no liability is assumed as to the accuracy thereof.

704



ANALYST'S CERTIFICATE

This plat was prepared in that state before me, and I have examined the same, and find that the same is a true and correct copy of the original as shown to me by the said Northern Nevada Tile Company, and that the same is a true and correct copy of the original as shown to me by the said Northern Nevada Tile Company, and that the same is a true and correct copy of the original as shown to me by the said Northern Nevada Tile Company.

Richard [Signature]
 Notary Public

OWNER'S CERTIFICATE

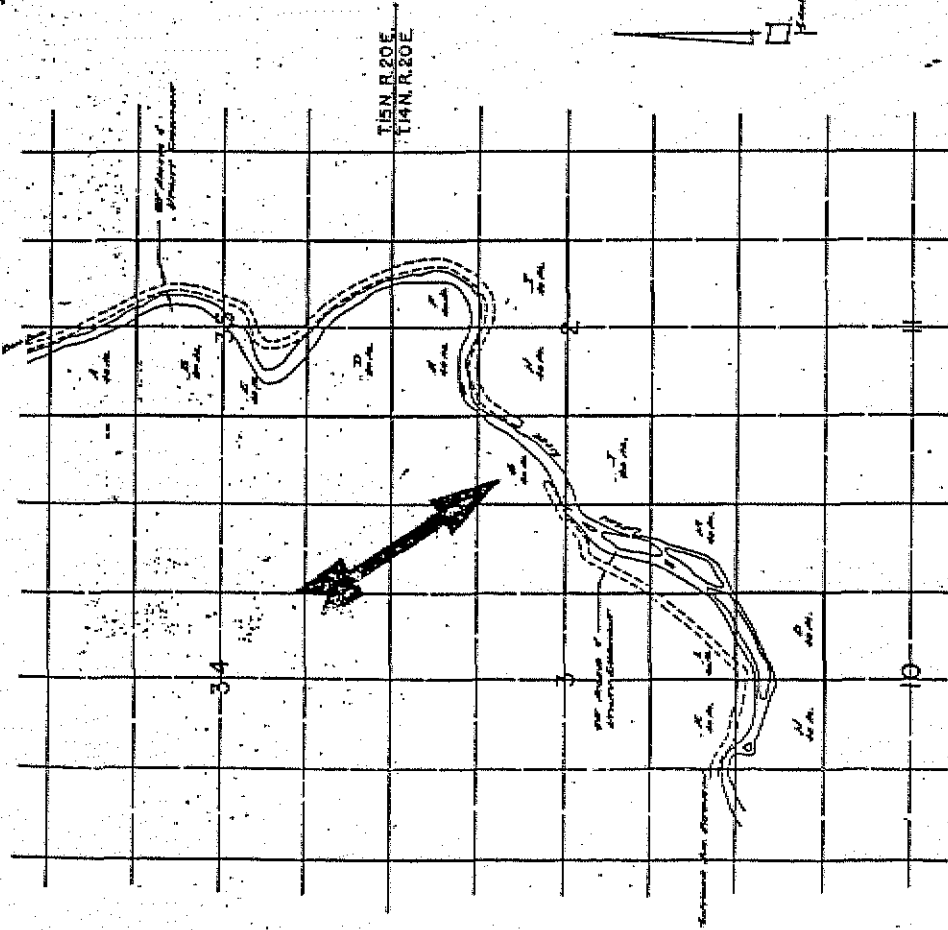
I, the undersigned, being the owner of the land shown on this plat, do hereby certify that the same is a true and correct copy of the original as shown to me by the said Northern Nevada Tile Company, and that the same is a true and correct copy of the original as shown to me by the said Northern Nevada Tile Company.

[Signature]
 Owner

NOTICE

This plat was prepared in that state before me, and I have examined the same, and find that the same is a true and correct copy of the original as shown to me by the said Northern Nevada Tile Company, and that the same is a true and correct copy of the original as shown to me by the said Northern Nevada Tile Company.

[Signature]
 Notary Public



ANALYST'S CERTIFICATE

This plat was prepared in that state before me, and I have examined the same, and find that the same is a true and correct copy of the original as shown to me by the said Northern Nevada Tile Company, and that the same is a true and correct copy of the original as shown to me by the said Northern Nevada Tile Company.

[Signature]
 Notary Public

OWNER'S CERTIFICATE

I, the undersigned, being the owner of the land shown on this plat, do hereby certify that the same is a true and correct copy of the original as shown to me by the said Northern Nevada Tile Company, and that the same is a true and correct copy of the original as shown to me by the said Northern Nevada Tile Company.

[Signature]
 Owner

LAND DIVISION MAP
 FOR
NEVIS INDUSTRIES, INC.
 PORTION OF SECTION 35 T. 15 N. R. 20 E. M.D.M. AND
 PORTIONS OF SECTIONS 2, 3, 6, 10 T. 14 N. R. 20 E. M.D.M.
 CARSON CITY, NEVADA

704

SURVEYOR'S CERTIFICATE:

1. RICHARD WHITNEY, A REGISTERED LAND SURVEYOR IN THE STATE OF NEVADA, CERTIFY THAT:
2. THIS IS A TRUE AND ACCURATE REPRESENTATION OF THE LANDS SURVEYED UNDER MY SUPERVISION AT THE INSTANCE OF MICHAEL JACKSON.
3. THE LANDS SURVEYED LIE WITHIN SECTION 10, T.14 N., R.20 E., M.O.M. THE SURVEY WAS CONDUCTED ON 5-21-81 AND ANY LOCAL ORDINANCES AND APPLICABLE STATE STATUTES OCCUPY THE POSITIONS INDICATED.



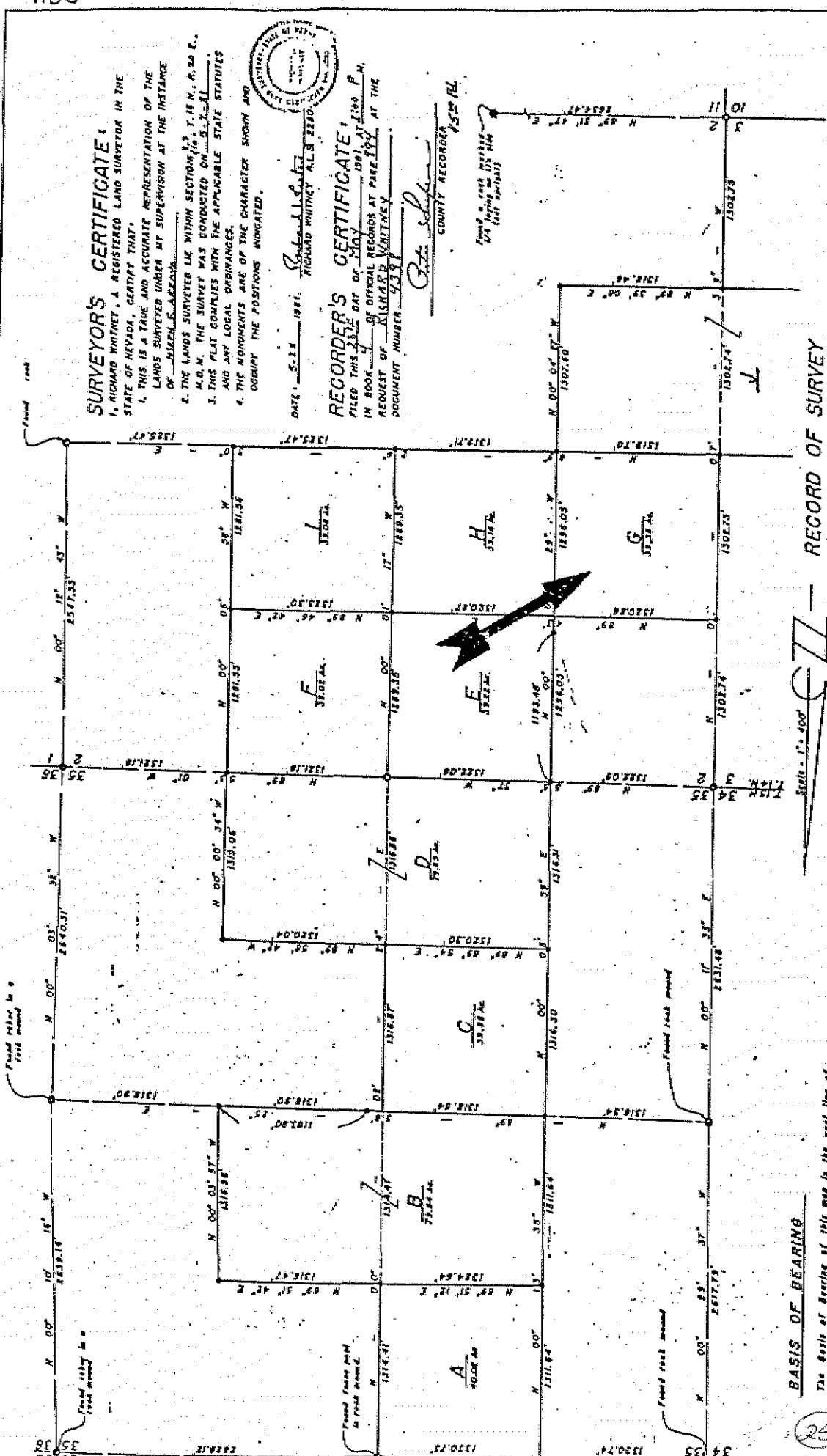
DATE: 5-21-1981
 RICHARD WHITNEY, R.L.S. 2280

RECORDER'S CERTIFICATE:

FILED THIS 21ST DAY OF MAY 1981, AT 1:00 P.M.
 IN BOOK 4 OF OFFICIAL RECORDS AT PAGE 179, AT THE
 REQUEST OF MICHAEL JACKSON, SURVEYOR
 DOCUMENT NUMBER 5337

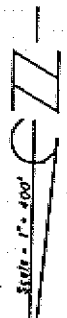
C. J. [Signature]
 COUNTY RECORDER 452M/BL

Found 2 brass cap monuments
 1/4" bearing on 1/2" dia
 (all points)



RECORD OF SURVEY for Joseph F. Arroyo

being portions of Section 35, T.15N., R.20E. and
 Sections 2, 3 and 10, T.14 N., R.20E., M.D.M.
 County of Carson City, Nevada



LEGEND

- Found Brass Cap monument
- Found Road Mound as noted
- * Not 5/8" steel with cap, R.L.S. 2280

BASIS OF BEARING

The Basis of Bearing of this map is the west line of
 Section 2 which bears N 00° 07' 33" W.

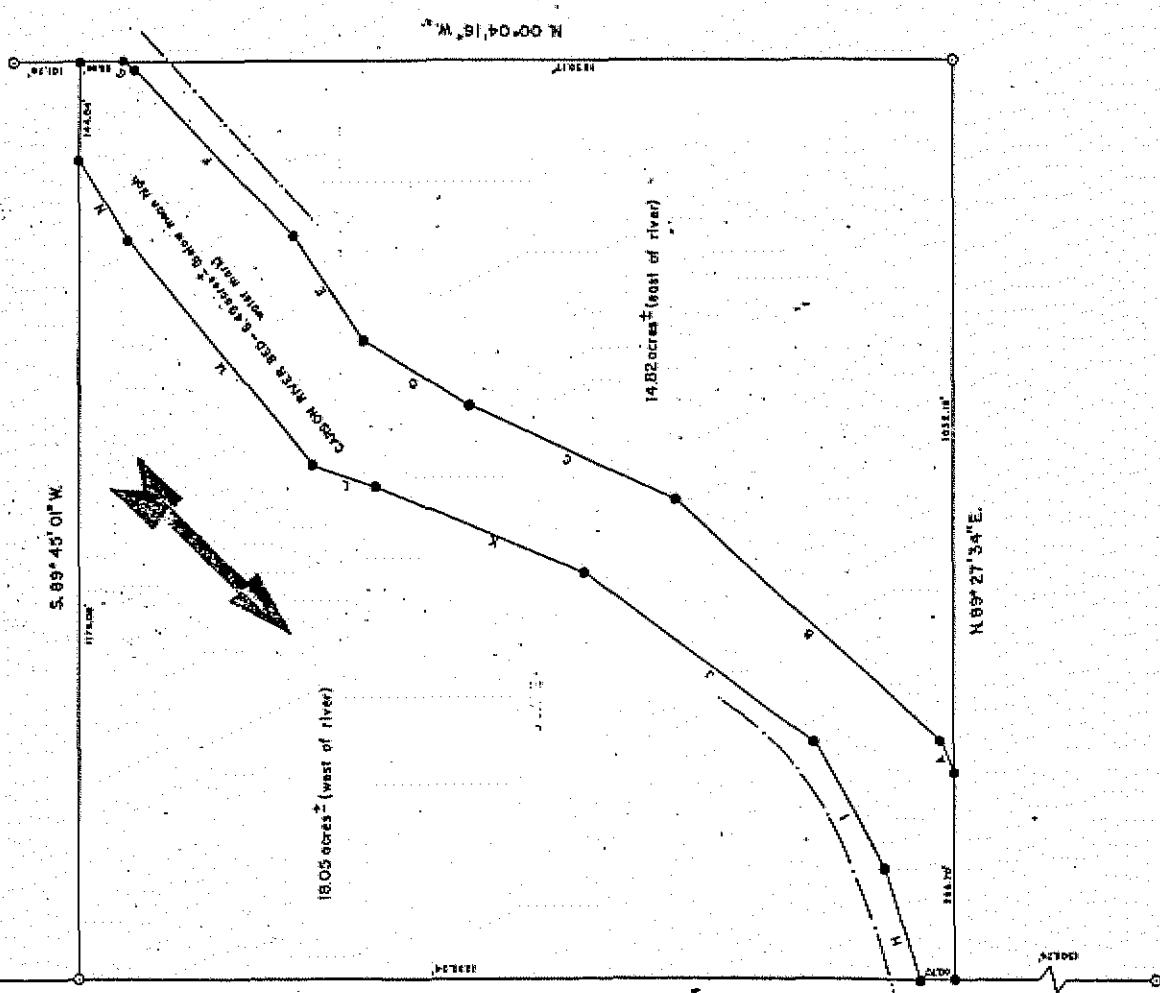
25

Northern Nevada Title Company does not represent this
 plat as a survey of the land indicated hereon, although
 believed correct, no liability is assumed as to the
 accuracy thereof.

MARTIN ENGINEERING
 P.O. BOX 418
 ZEPHYRUS COVE, NEVADA 89448
 (702) 588-4547

34 23 G.L.O. BRASS CAP

Northern Nevada Title Company does not represent this plat as a survey of the land indicated hereon, although believed correct, no liability is assumed as to the accuracy thereof.



ON RIVER MEANDER COURSES

BE	BEARING	DISTANCE
1	84° 22' 41\"	48.34'
2	81° 50' 51\"	50.84'
3	82° 14' 02\"	73.80'
4	81° 45' 52\"	108.44'
5	81° 45' 52\"	111.84'
6	82° 14' 02\"	24.37'
7	82° 14' 02\"	82.84'
8	82° 14' 02\"	80.84'
9	82° 14' 02\"	79.30'
10	81° 50' 51\"	40.27'
11	81° 50' 51\"	134.31'

20 APPROXIMATE CENTERLINE OF 50' 5\"

76

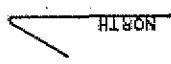
SURVEYOR'S CERTIFICATE

I, JAMES P. HADDON, HEREBY CERTIFY THAT THIS MAP CONSISTING OF ONE SHEET ACCURATELY REPRESENTS THE LANDS SHOWN HEREON, AS SURVEYED BY ME BETWEEN MAY 17, 1984 AND JUNE 4, 1984 AT THE INSTIGATION OF ELI KEERAN.



JAMES P. HADDON R.L.S. 5286

BASIS OF BEARINGS: THE WEST LINE OF SECTION 2 AS SHOWN ON RECORD OF SURVEY FILED IN THE CARSON CITY RECORDER'S UNDER PLAT NO. 894, (N. 00° 07' 39\"



SCALE: 1" = 100'

RECORDER'S CERTIFICATE

FILED FOR RECORD THIS 12th DAY OF JULY 1984 AT 11:42 A.M. IN BOOK 22 PAGE 533 OF THE OFFICIAL RECORDS OF CARSON CITY, NEVADA AT THE REQUEST OF JAMES HADDON. RECORDING FEE \$2.00 FILE NO. 228533.

Patricia Simpson
RECORDER
By: *Ken Yonke*, Deputy

SHEET 1 OF 1

RECORD OF SURVEY FOR ELI KEERAN SW 1/4 NW 1/4 SECTION 2 T.14N., R.20E., M.D.M. NEVADA

CARSON CITY
PLANNED BY
HADDON ENGINEERING
1807 N. NEVADA ST.
CARSON CITY, NEV. 89701

Appraisal Report

**A Vacant 19.280 Acre Parcel
Located on the Carson River in
Carson City, Nevada**

**Prepared for
Mr. Juan Guzman
Carson City Parks & Recreation Department
3303 Butti Way, Building 9
Carson City, NV 89701**

December 30, 2006

**Providing an Opinion of Market Value
As of December 6, 2006**

Warren & Schiffmacher, LLC
Real Property Consultants
85 Keystone Avenue, Suite C • Reno, NV 89503
(775) 686-2622

Appraisal Report

**A Vacant 19.280 Acre Parcel
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December 30, 2006

**Providing an Opinion of Market Value
As of December 6, 2006**

**Prepared by
Mark Warren, MAI**

Warren & Schiffmacher, LLC
85 Keystone Avenue, Suite C
Reno, Nevada 89503
775 686-2622

Mark Warren, MAI
markwws@sbcglobal.net

Robert E. Schiffmacher, MAI
bobwws@sbcglobal.net

December 30, 2006

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

RE: Contract 0607-031 (Desormier) Appraisal
APN 010-502-01

Dear Mr. Guzman:

At your request, I have prepared an appraisal report for the property referenced above. The purpose of my appraisal was to form an opinion of market value of this property as of the date of my most recent inspection. The report will be used by the Carson City Parks and Recreation Department as the basis for the acquisition of this parcel. The Carson City Parks and Recreation Department is the client and the intended user of this appraisal report.

The proposed acquisition property is detailed below.

Legal Parcel	Assessor's Parcel	Address	Acres
Ptn. SW ¼ NW ¼ Section 2, Township 14 North, Range 20 East, MDB&M	010-502-01	4760 Golden Eagle Lane	19.280

The Assessor's records indicate that the parcel is owned by W. L. & P. L. Desormier, Trustees.

Based on my research and analysis, I have formed the following opinion of value, effective December 6, 2006. This opinion of value is subject to important limiting conditions and assumptions, which are detailed in the body of the report, as well as the extraordinary assumption and hypothetical conditions detailed directly below.

Market Value Opinion, Effective December 6, 2006: **\$300,000**

Extraordinary Assumptions


- 1) It is an extraordinary assumption of this valuation that insurable legal access to the subject property could be obtained at moderate cost and without undue delay.
- 2) It is an assumption of this report that there is no significant adverse impact to the subject property if the public has acquired a prescriptive or implied easement for access to the Carson River for recreation.
- 3) It is assumed that there is no adverse impact on value from any implied or prescriptive navigation or fishery easements on the Carson River.
- 4) It is assumed that the property is free of environmental contamination.

Hypothetical Conditions

None

My conclusions, and the data and analyses upon which they are based, are presented in the attached appraisal report.

Sincerely,



Mark Warren, MAI

APPRAISER'S CERTIFICATION

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

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

Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional appraisal Practice.

- The use of this report is subject to the requirements of The Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

Respectfully submitted,



Mark Warren, MAI
Nevada Certified General Appraiser #A.0000093-CG
California Certified General Appraiser #AG026185

December 30, 2006

TABLE OF CONTENTS

EXECUTIVE SUMMARY 1
INTRODUCTION 1
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CONCLUSION OF VALUE 30
TIME ADJUSTMENT CALCULATION SUMMARY CHART 37
RECONCILIATION 45
ASSUMPTIONS AND LIMITING CONDITIONS |
ADDENDA 1

EXECUTIVE SUMMARY

Location Off Carson River Road, in south-central
Carson City, Nevada

Legal Parcel	Assessor's Parcel	Address	Acres
North of Carson River, RS 2201	010-502-01	4706 Golden Eagle Lane	19.280

Owner of Record W. & P. Desormier Family Trust dated 5/18/2000

Improvements None

Current Use Vacant

Highest and Best Use Residential building sites

Zoning SF5A, residential, five acre minimum

Flood Zone Status The subject parcel is mapped on FEMA Flood Insurance Rate Map 3200010175C, dated 9/30/93. Most of the subject parcel's land area is in Zone C, areas of minimal flooding. The areas along the river are in Flood Zone A29, within the 100-year floodplain with a base flood elevation of 4,645 feet.

Purpose of Appraisal To form an opinion of market value

Client Carson City Parks & Recreation Department

Intended Use of Appraisal Acquisition of property by Carson City Parks & Recreation Department

Intended User of Appraisal Client

Date of Report December 30, 2006

Date of Value December 6, 2006

Property Interest Appraised Fee simple estate

Market Value Opinion, Effective December 6, 2006: **\$300,000**

Extraordinary Assumptions

- 1) It is an extraordinary assumption of this valuation that insurable legal access to the subject property could be obtained at moderate cost and without undue delay.
- 2) It is an assumption of this report that there is no significant adverse impact to the subject property if the public has acquired a prescriptive or implied easement for access to the Carson River for recreation.
- 3) It is assumed that there is no adverse impact on value from any implied or prescriptive navigation or fishery easements on the Carson River.
- 4) It is assumed that the property is free of environmental contamination.

Hypothetical Conditions

None

INTRODUCTION

Client	Mr. Juan Guzman, Open Space Manager Carson City Parks & Recreation Department 3303 Butti Way, Bldg. 9 Carson City, NV 89701
Appraiser	Mark Warren, MAI Warren & Schiffmacher, LLC 85 Keystone Avenue, Suite C Reno, Nevada 89503
Subject	Vacant parcel located on both sides of Golden Eagle Lane, north the Carson River
Purpose of the Appraisal	To form an opinion of market value
Intended Use of the Appraisal	Acquisition of property by the Carson City Parks and Recreation Department.
Intended User	Client
Property Interest Appraised	Fee simple estate
Date of Value	December 6, 2006
Date of Report	December 30, 2006

Property Identification

The subject of this appraisal is a tract of vacant land located on Golden Eagle Lane and the west side of the Carson River in Carson City, Nevada.

Definitions

Market Value

“Value” means the most probable price which a property would bring in a competitive and open market under the condition of a fair sale, without the price being affected by undue stimulus, whereby the sale is consummated on a specified date and the title to the property is passed from the seller to the buyer under the following conditions:¹

¹ NRS 37.009(6)

- (a) The buyer and seller are acting prudently and knowledgeably;
- (b) The buyer and seller are typically motivated;
- (c) The buyer and seller are well informed or well advised and acting in what they consider are their own best interests;
- (d) A reasonable time is allowed to expose the property for sale on the open market;
- (e) Payment is made with United States dollars in cash or pursuant to another financial arrangement comparable thereto; and
- (f) The sale price represents the normal consideration for the property and is unaffected by special or creative financing or sales concessions granted by any person associated with the sale.

Fee Simple Estate

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.²

Extraordinary Assumption

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions.³

Hypothetical Conditions

That which is contrary to what exists but is supposed for the purpose of analysis.⁴

Scope of the Appraisal

This document is a summary appraisal report setting forth the results of an appraisal of the subject property. The report is intended to comply with the appraisal reporting requirements of the *Uniform Standards of Professional Appraisal Practice* (USPAP), 2006 Edition, as they apply to scope of work requirements.

In the course of conducting this appraisal, I undertook the following activities:

² The Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed., Chicago: The Appraisal Institute, 2002, p. 113

³ Appraisal Standards Board, *Uniform Standards of Professional Appraisal Practice*, 2005 ed., Washington D. C.: The Appraisal Foundation, p. 3

⁴ *Ibid.*, p. 3

- Performed an inspection of the subject property on December 6, 2006;
- Researched the subjects' current physical and legal condition, as well as its background and history;
- Examined the market area to determine existing and proposed inventory, demand, and marketability of properties similar to the subject;
- Contacted Carson City planning personnel;
- Researched records of Carson City to identify, verify and analyze appropriate sales data.
- Interviewed the property owner, William Desormier, on December 27, 2006.

Special Limiting Conditions None

Extraordinary Assumptions

- 1) It is an extraordinary assumption of this valuation that insurable legal access to the subject property could be obtained at moderate cost and without undue delay.
- 2) It is an assumption of this report that there is no significant adverse impact to the subject property if the public has acquired a prescriptive or implied easement for access to the Carson River for recreation.
- 3) It is assumed that there is no adverse impact on value from any implied or prescriptive navigation or fishery easements on the Carson River.
- 4) It is assumed that the property is free of environmental contamination.

Hypothetical Conditions None

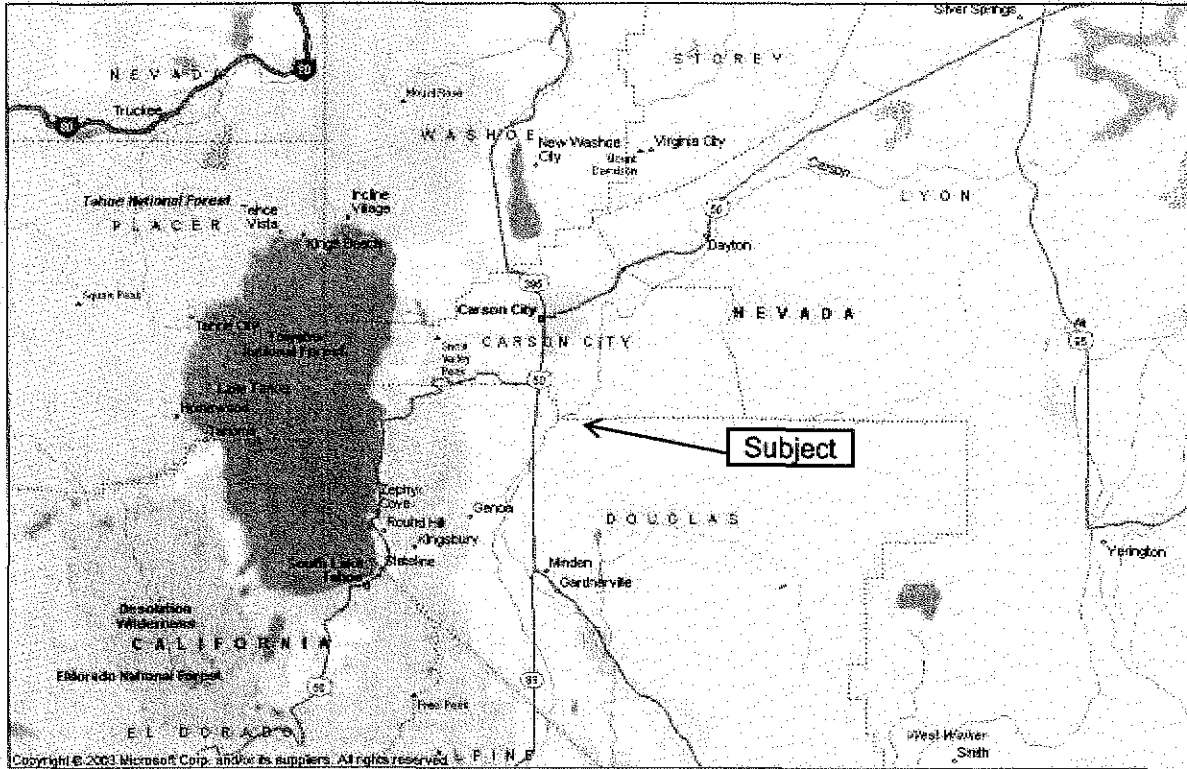
Exposure Time

The Comment to Standard Rule 1, 2(c) of the *Uniform Standards of Professional Appraisal Practice* states:

When the purpose of an assignment is to develop an opinion of market value, the appraiser must also develop an opinion of reasonable exposure time linked to the value opinion.

The opinion of value contained in this report is predicated on an exposure time of six to twelve months.

REGIONAL MAP



THE CARSON CITY REGION

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

Population

Rapid population growth has been a given in northern Nevada, which includes Carson City, since at least 1970. The table below is illustrative:

Carson City Population Estimates

Year	Population Estimate as of July 1	% Increase
1970	15,468	-----
1980	32,022	130%
1990	40,950	34%
2000	53,208	37%
2005	57,104	7.3%

Source: State of Nevada Demographer

Annualized growth from 1970 to 1980 was 10.4%; from 1980 to 1990, 2.4%, and from 1990 to 2000, 5.2%. The current decade's average of 1.4% reflects a much larger base, as well as price increases in Carson City's housing market that have pushed prospective residents to newly developing alternative areas in Lyon County, east of Carson City.

Carson City is a consolidated municipal/county entity, so that all residents of the area are city residents. The town is spread across a wide area, with tracts of open space interspersed through the urban zone.

Transportation

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

US Highway 50 links Carson City directly with Sacramento via South Lake Tahoe. Highway 50 connects with Highway 395 at the south end of Carson City. Highway 50

and Highway 395 are co-located for about two miles to the center of Carson City, at which point Highway 395 continues north, and Highway 50 departs to the east. It links Carson City with remote central Nevada communities scattered along its length.

Carson City is not served by rail. The airport is capable of handling multi-engine craft but has no scheduled service. Local residents rely on the Reno-Tahoe International Airport in Reno for commercial air service.

Employment/Economy

Carson City's employment base is more diverse than that of the state as whole. As the state capital, it houses many relatively well-paid state and federal employees, making government one of the largest employment sectors. Manufacturing and service employment round out the employment numbers.

2005 Employment Profile, Carson City

Sector	No. employed
Total Nonfarm employment	34,000
Manufacturing/Other goods-producing	5,700
Service (non-gov't) incl. hotel-casino, retail	17,100
Service (gov't)	11,200

In 2004, Carson City ranked third in per capita income of Nevada's 17 counties (US Department of Commerce Bureau of Economic Analysis). This reflects the large number of mid-to-upper level wage earners employed by the state and federal governments in the capital city.

Trade

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

About the same time that Carson City began to attract national retailers, big-box retailers arrived in Reno. The first of these was Costco, which opened its first store in Reno in the 1980's. Home Depot was the next to arrive; shortly thereafter Firecreek

Crossing in South Reno opened a local version of a power center. As these big-box retailers became familiar with the Northern Nevada market, some began to look for sites in Carson City as well.

Carson City traditionally had been considered part of the Reno retail market, but the growth of Carson City and its surrounding communities, particularly Douglas County, began to attract the interest of these retailers in Carson City as a market unto itself. With the exception of Super K-mart, which built at the north end of Carson, most of the big-box retailers located in south Carson, because this enabled them conveniently to serve not only Carson City, but also Carson Valley and Lake Tahoe.

Development of the south Carson highway strip as the most favorite retail site in the area sparked competition between Carson City and Douglas County for retail users. The Douglas County line is very near the Carson City urban area, and suitable large sites in Carson City itself, with highway frontage, are difficult to find. Costco built a 100,000 square-foot store in south Carson City in the Carson City limits in 2000, but the site does not have highway frontage. Costco was preceded in 1999 by Home Depot and Target, both located on large highway-frontage sites at the intersection of Jacks Valley Road and Highway 395 in Douglas County.

Carson City's Wal-Mart closed and relocated as a super center to a north Douglas County site in 2002. In 2004, Birmingham, Alabama-based AIG Baker developed another major retail project in Douglas County, Carson Valley Plaza, a 308,000± retail center featuring Borders, Bed Bath & Beyond, Cost Plus, World Market, PetCo and others.

In 2003, AIG Baker optioned a nearly 100-acre site on Highway 395 in north Douglas directly opposite their Carson Valley site. However, in 2005 they announced that they were not moving forward with the proposed regional mall on this site, and they let their option lapse. This development signaled a major slow-down in what had been very robust retail growth in this market.

In 2005, Wal-Mart returned to Carson City proper with a new Super Center in north Carson near the new College Parkway/US 395 interchange.

Industry

Northern Nevada has a strong industrial market, centered primarily on the warehouse distribution sector in Reno/Sparks. Carson City is an important part of the total industrial picture in northern Nevada, but development has focused on light manufacturing rather than distribution centers. The Reno/Sparks market is well served by major road and rail transportation corridors, and by Reno-Tahoe

International Airport. These services are not as convenient to the Carson City market, and thus the emphasis on light manufacturing over distribution.

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

Another important part of Carson City's industrial inventory is industrial flex, otherwise known as incubator office-warehouses. Many blocks of industrial flex have been constructed on the east side of Carson City south of the airport industrial area. New developments are clustered around the to-be-constructed interchange of College Parkway and the U.S. Highway 395 freeway. Often these kinds of projects are constructed at near 100% office finish and are occupied by State agency tenants.

Housing Market

Like many communities throughout the West, Carson City's residential real estate market is now entering a cooling-off phase after a period of unprecedented inflation in the early years of the current decade. The table below is illustrative. This data is taken directly from the Multiple Listing Service, and includes all of the Carson City market. It hasn't been vetted for errors and anomalies. Thus it may not have much statistical validity, but it is at least illustrative of trends.

No. of Single Family Units Sold in June & Median Price

Year	No. Sold	Median Price	Total Listings
2003	36	\$176,250	440
2004	74	\$275,750	479
2005	59	\$298,900	479
2006	54	\$332,500	499

This data doesn't show the current cooling in the market. Although the much larger Reno/Sparks market has seen real declines in median selling prices, none is apparent in Carson City. The number of sales has decline since 2004, but the number of residential listings has remained relatively constant. However, much longer marketing periods are typical now. Where builders once maintained waiting lists and held lotteries to allocate available homes, most projects now have standing inventories of new homes. Builder incentives are common, such as free upgrades, no closing costs, extraordinary commissions to outside brokers, and so forth. However, based on the MLS data, one would have to characterize the current market as stable.

Future Developments

Carson City will probably continue steady population increase. Job growth will come from the industrial sector, and from continued growth in government. As the community grows, government officials will continue to be occupied mostly with planning for, financing and constructing the necessary infrastructure to accommodate population growth.

One of the major public works projects that will have an impact on the shape of growth in the area is the extension of the US Highway 395 freeway. This will provide a freeway bypass of Highway 395 in town, which is frequently congested. The first leg of this project opened in 2005, extending the existing freeway south from Washoe Valley through northeast Carson City to Highway 50. The second phase will connect this segment to Highway 50's westward extension at the south end of Carson City. This project is funded by the State of Nevada and the Federal Highway Administration, but the local jurisdiction is engaged in improving connecting streets and redesigning circulation to accommodate new interchanges. If the project moves ahead as planned, the freeway will be complete through Carson City in about five years. A direct freeway link to Interstate 80 in Reno may add to Carson City's appeal for industry.

Summary and Conclusion

The subject parcel is located in south Carson City on the Carson River. The community is a growing urban area with a reasonably healthy economy. Unlike much of Nevada, Carson City's employment is not heavily dependent on gaming. Carson City has seen considerable population growth in recent years, accompanied by an expanding retail base and ongoing industrial development.

The Subject's Local Area

The subject property is located on the Carson River in south central Carson City. The Carson enters the county from the south, flowing first northwest and then north through the county. Most of its course is well east of the traditional center of town, and the river corridor has received only limited attention as a residential area. Historically the river was used as a transportation corridor for fluming and floating wood products from the Lake Tahoe Basin to the Virginia City mines, and as a source of power for an active milling district processing Virginia City's ores. It was also, and continues to be, a source of irrigation water for ranches along the corridor.

There's no improved road access that traverses the length of the river corridor. The main access point is via the Carson River Road, which connects with Fifth Street, one of Carson City's main east-west thoroughfares, on the east side of town. After crossing the river, the Carson River Road turns to the north, where it connects with

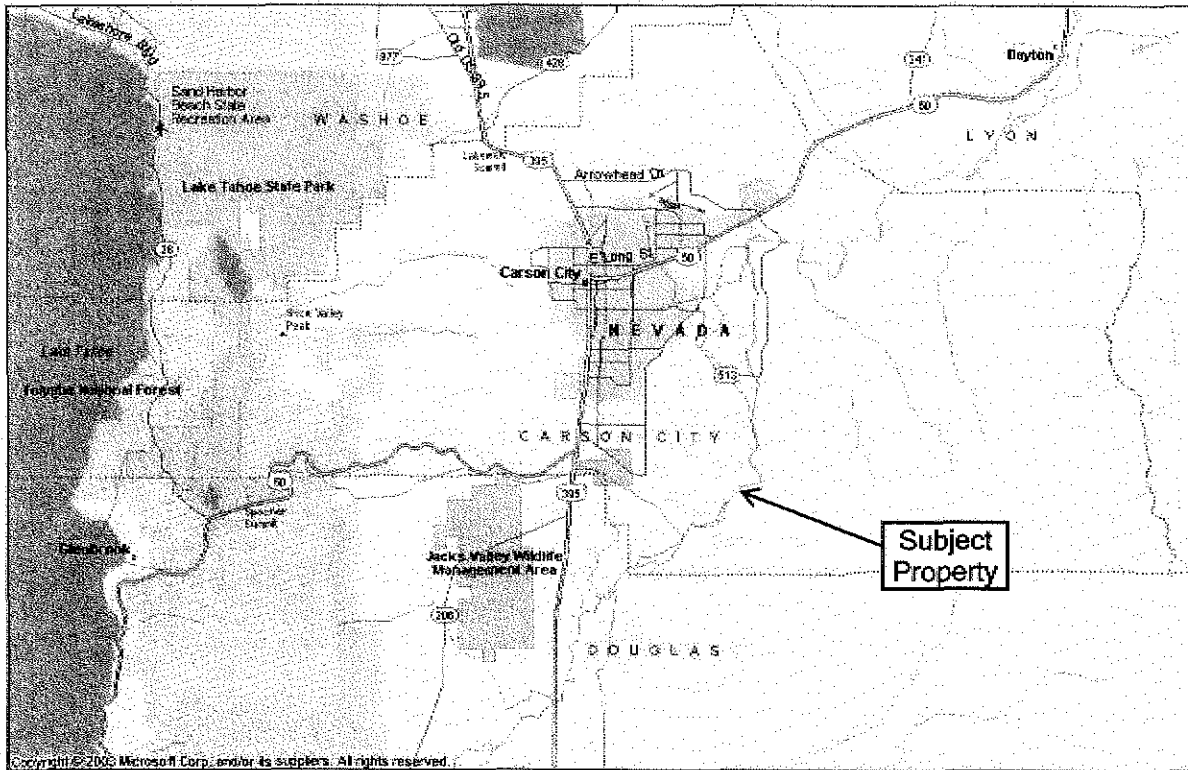
first Pinion Hills Drive and then Deer Run Road, and, as Deer Run, with US Highway 50 at the east Carson City limits. Naming seems to be ambiguous; properties on Pinion Hills and Deer Run often carry Carson River Road addresses. Pinion Hills serves a neighborhood of one acre home sites overlooking the river, with a few river-front lots. Homes are generally middle-market in design and price. There are approximately 50 homes in this area.

Sierra Vista Lane, also called Mexican Dam Road, runs south along the east side of the river from the Carson River Road bridge. It turns to dirt surface about two miles from the bridge, where it serves a neighborhood of five-acre home sites overlooking the river. It dead-ends there, although unimproved dirt roads go on to connect with paved roads about 8 to 10 miles south in Douglas County. The cluster of homes it serves includes good quality custom homes on river-front sites, as well as more modest homes. The area is served by the power and phone grid, and despite its seeming remoteness, is only a few minutes from east Carson schools and shopping. It encompasses about two dozen homes.

There is another cluster of homes at the south end of the river's course on the west bank. This area consists mostly of five acre and larger sites improved with custom homes, although there are a few older modest homes as well. There are probably fewer than a dozen homes in all. Access is via Golden Eagle Lane, which is an extension of Snyder Lane, a main east-west thoroughfare along the southern outskirts of Carson City. Snyder/Golden Eagle follows the river downstream on its west bank, and dead ends in steep terrain directly across the river from the Sierra Vista neighborhood described above. The subject is located in this neighborhood.

There are three good quality semi-custom homes on the east side of the river across from the Golden Eagle neighborhood. These sites are about a quarter-mile south of the subject. Access is either from the Sierra Vista neighborhood via primitive dirt roads, or from the south via average to good dirt roads from Stefanie Lane in Douglas County.

LOCATION MAP

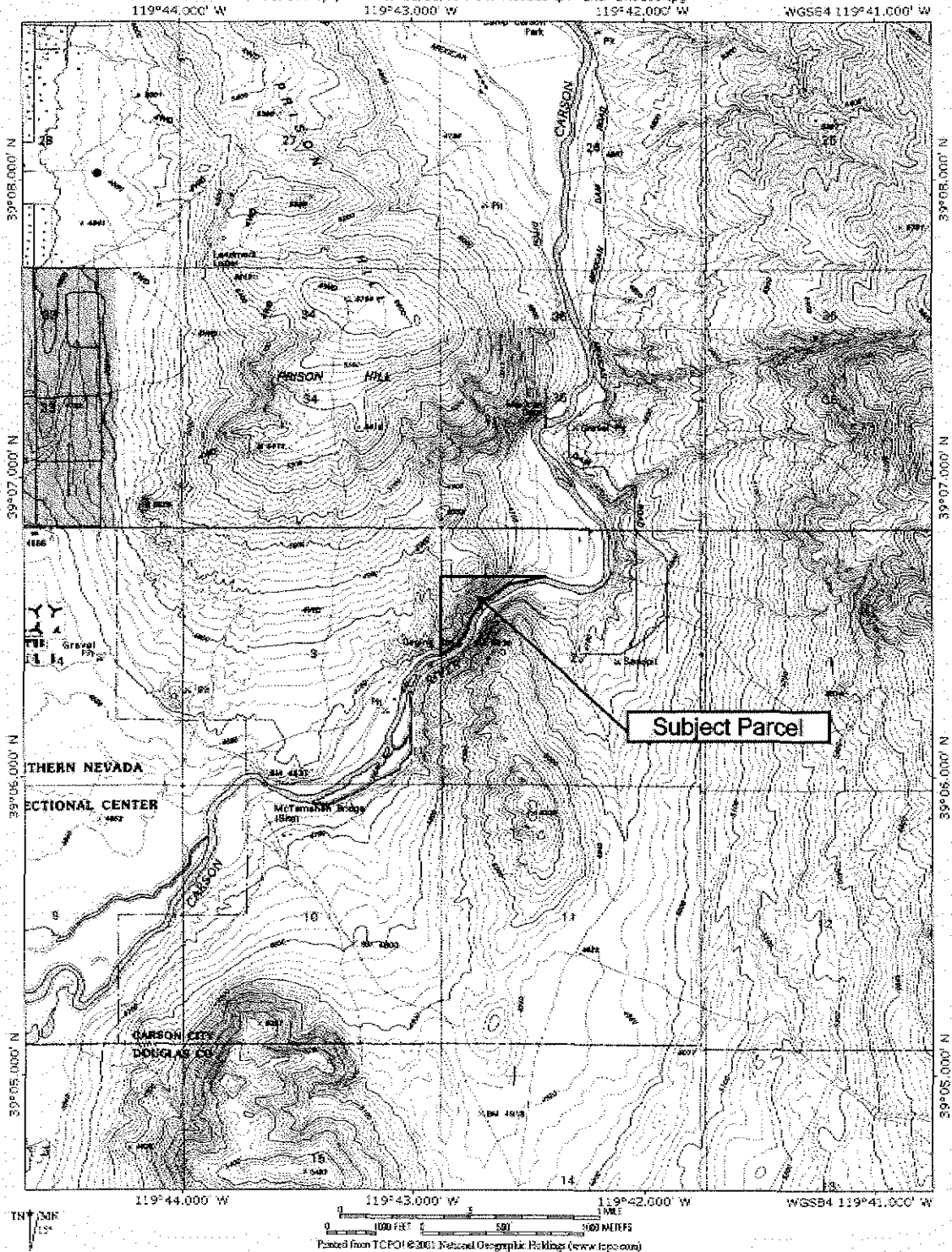


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USGS 7 1/2 MINUTE QUAD SHEET McTarnahan Hill, NV 1990

TOPOI map printed on 12/11/06 from "Nevada.tpo" and "Untitled.tpo"

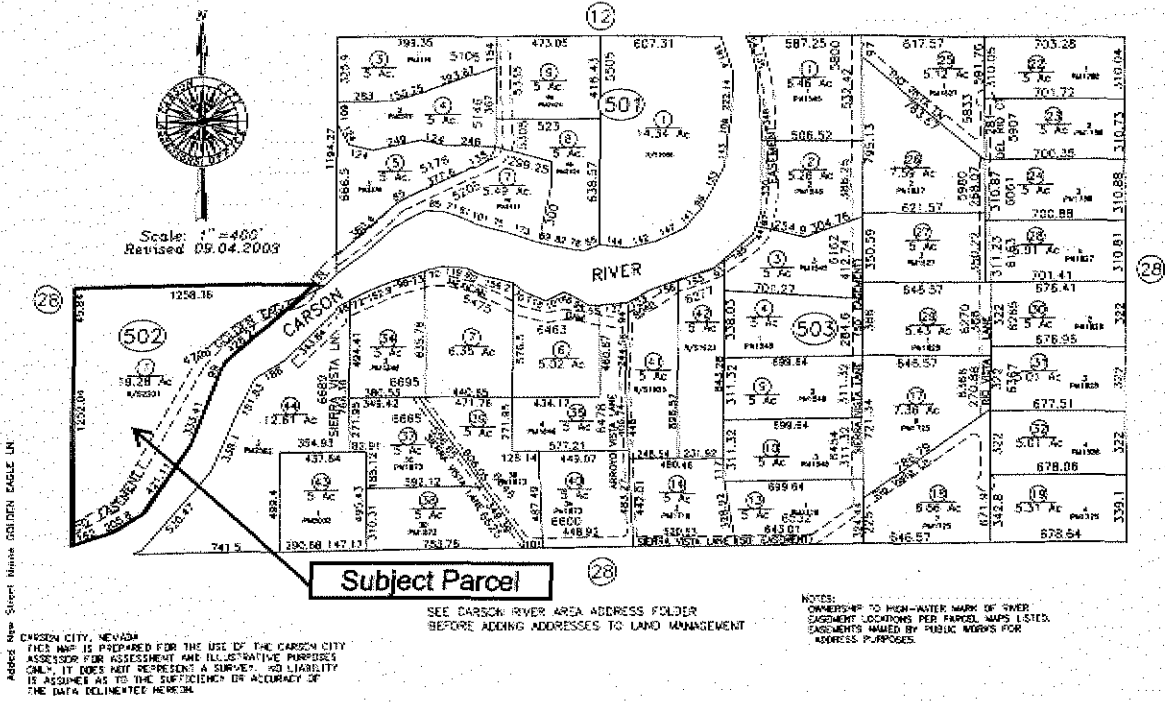


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ASSESSOR'S PARCEL MAP

N 1/2 SECTION 2, T.14 N., R.20 E., M.D.B. & M.

10-50



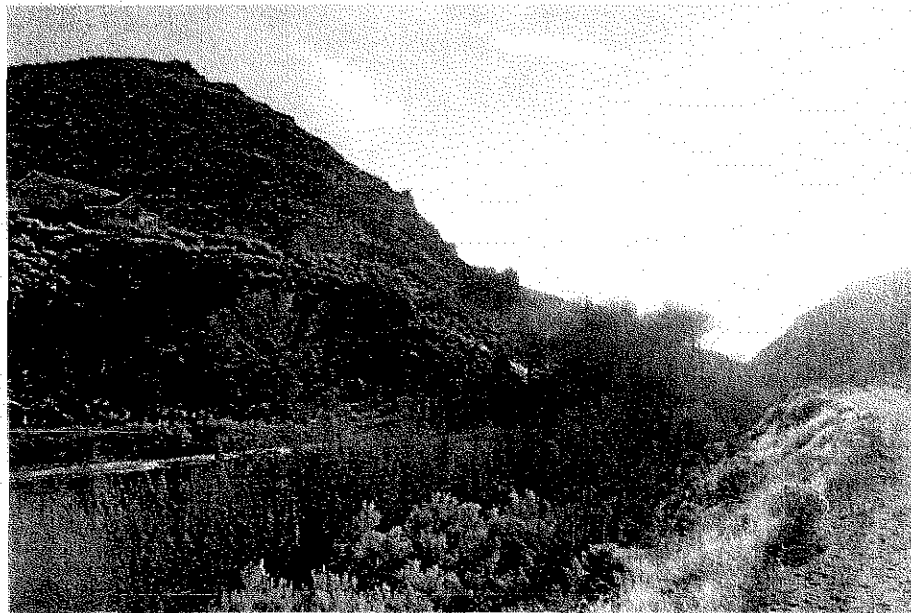
For additional documents, maps, and information visit www.ParcelRecords.com or call Toll Free 1-888-581-21

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SUBJECT PHOTOGRAPHS

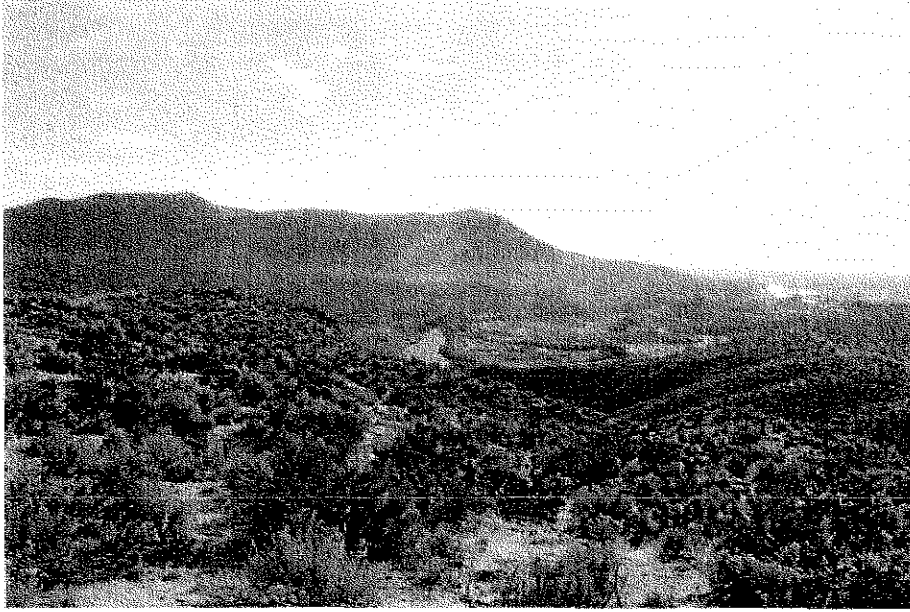


View Upstream on Golden Eagle Lane near Subject's South Corner

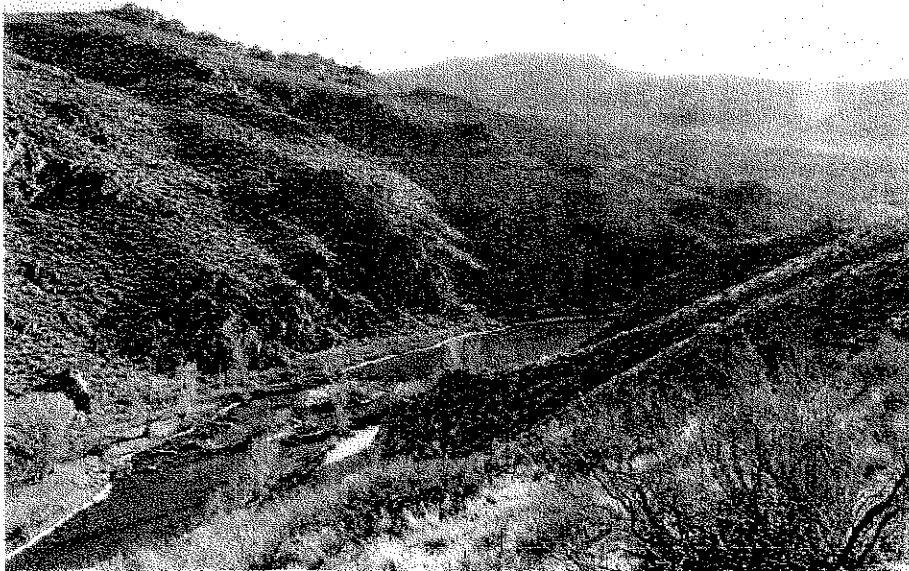


View Upstream on Carson along Subject's River Frontage

SUBJECT PHOTOGRAPHS

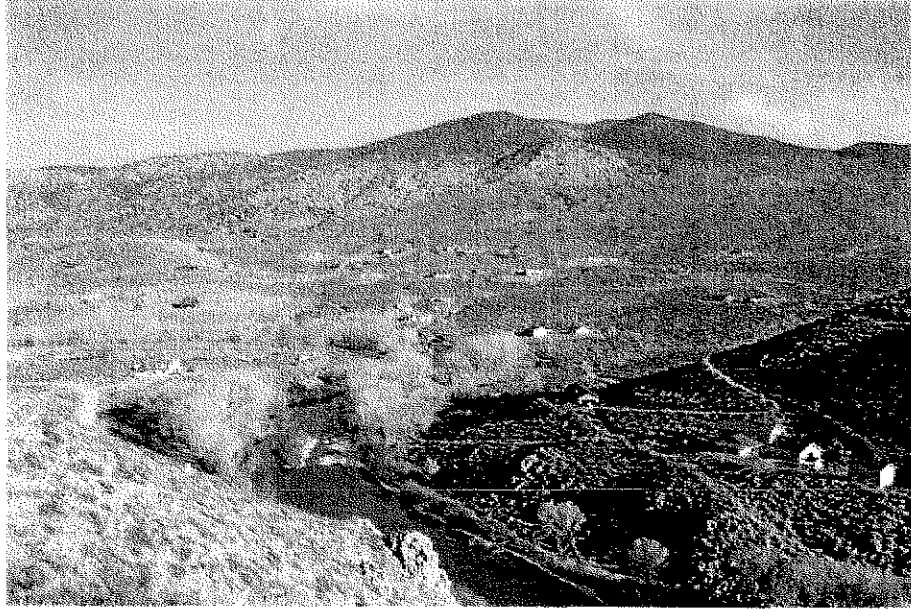


View Upstream from Subject's High Point



View from Subject to Golden Eagle Lane and Carson River

SUBJECT PHOTOGRAPHS



View Downstream to Sierra Vista Neighborhood from Subject



Subject's Road Frontage on Golden Eagle Lane

SITE DESCRIPTION**Location**

Legal Parcel	Assessor's Parcel	Address	Acres
Ptn. SW ¼ NW ¼ Section 2, Township 14 North, Range 20 East, MDB&M	10-502-01	4706 Golden Eagle Lane	19.28

Tax Data

APN	10-502-01
Land Assessed	\$17,107
Total Assessed	\$17,107
2006-07 Taxes	\$301.35

10-Year Sale History

The transfer record maintained by the Carson City Assessor shows that the last there have been no conveyances filed since 1997, when the current owner acquired the property from Keeran. Real property transfer tax affixed to the deed indicate a purchase price of \$50,000. The property was listed for with Coldwell Banker Best Seller Real Estate of Carson City on January 24, 2004. The list price was \$249,900. The listing resulted in an offer to purchase of \$237,500, which was accepted by the seller. The sale fell through when the buyer failed to complete his due diligence within the required time. After the sale fell through, Mr. Desormier increased the asking price to \$335,000 (May 5, 2004). The listing expired August 31, 2004. As of the date of this report, the property has just (December 27, 2006) been re-listed with Coldwell Banker for \$335,000.

Legal Description

See above. A detailed legal description appears in the preliminary title report provided by the client, a copy of which appears in the addendum to this report. The title report was prepared by Northern Nevada Title Company under file CC-1060839-TO, dated December 29, 2006.

Title Conditions

The title report noted above cites several exceptions from title coverage. These are:

Exceptions to Coverage – Part 1

Item	Description	Comments
Part 1-1	Property taxes	N/A
Part 1-2	Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the property or which may be asserted by persons in possession thereof.	Unknown, presumed to be minor.
Part 1-3	Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.	Unknown, presumed to be minor.
Part 1-4	Discrepancies, conflicts and boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.	Unknown, presumed to be minor.
Part 1-5	(a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) Water rights, claims or title to water, whether or not the matter is accepted under a, b, or c or shown by public records.	Unknown, presumed to be minor
Part 2-1	Property taxes for works in progress	N/A
Part 2-2	Liens levied by the Carson City Water and Sewer District for water, sewer and storm water utilities.	No significant impact.
Part 2-3	Lack of ingress and/or egress to said land.	Potential significant impact, discussed in appraisal report and noted as an extraordinary assumption.
Part 2-4	Notes, comments, easements and recitals set forth on Parcel Map 704, and Record of Survey Map Numbers 894, 1071 and 2201.	Impact unknown.
Part 2-5	Any easement or claims of easement or rights of access based on proscription, or by implied dedication to the public over said land or any	Impact unknown.

Item	Description	Comments
	part thereof for access for recreational purposes to or upon the Carson River.	
Part 2-6	Adverse claims arising from movements of the Carson River.	Potential impact; survey required to ascertain, impact assumed to be minimal for valuation purposes.
Part 2-7	Navigation and fishery easement as may exist on Carson River.	Impact unknown, presumed to be minor
Part 2-8	Easement reserved by H. F. Dangler Land and Livestock Company.	Easement retained when property was in agricultural use, affects rights of others to access irrigation works, canals and so forth. Impact presumed to be minor.
Part 2-9	Rights of way easements and conditions set forth under Certain Grants of Easements recorded October 1, 1984 as Documents 30615, 30616 and 30617.	Impact unknown.
Part 2-10	Terms, conditions and fees as set forth in Decision for Rights-of-Way Grant N-39520.	Concerns rights-of-way over federal lands, impact unknown.
Part 2-11	Road Maintenance Agreement dated March 16, 1989.	Relates to maintenance of Golden Eagle Lane.
Part 2-12	Grant of Easement	For the benefit of adjacent property owner to provide access, impact minor.
Part 2-13, 14, 15, 16, 17, 18, 19	Access easements for the benefit of subject property and adjacent properties, allows properties beyond subject to be accessed by Golden Eagle Lane.	
Part 2-20, 21	Title company disclaimers regarding signature requirements and legal description.	No apparent impact.

Access/Frontage

The parcel is traversed by a 50-foot wide private access easement which provides access to the subject and six other parcels at the terminus of Golden

Eagle Lane. According to Mr. Desormier, the easement was created for the benefit of the property owners at the end of Golden Eagle, which includes this property and other lands owned by Mr. Desormier and others. The road is maintained through a private maintenance agreement with the various property owners.

The title report notes that the property lacks legal access. Legal access to the subject parcel along Golden Eagle Lane is under a cloud. According to the client, and to Mr. Desormier, the actual legal status of Golden Eagle Lane is uncertain. A portion of the road is private and individual property owners have been granted permanent access along the existing road (as noted in the exceptions to title above). Undisputed long-standing public access along Golden Eagle stems from the early days of the 20th century when McTarnahan Bridge, the remains of which are located about a mile upstream of the subject, was one of the main public thoroughfares in the area. That portion of the road, which extends off Snyder Lane in Carson City, is paved, and according to local residents, is maintained by Carson City. County maintenance also extends to the unpaved portion of the road which extends north from McTarnahan Bridge to approximately the subject property, at which point the private maintenance agreement takes effect. The legal status of this portion of the road apparently is clouded, although not necessarily in dispute. Some regard it as public, and others regard it as private, and apparently the issue has never been resolved. Inasmuch as the road serves as the only access for a fairly large number of homes, apparently the issue has not been deemed unduly limiting to people's ability to build homes on vacant lots in the area.

Physical access is available via existing roads that traverse BLM lands. One access is via the north, where a dirt road connects with the terminus of

Golden Eagle Lane, and loops west, then south, to enter the north boundary of the subject along its high central ridge. This road connects with a primitive road that traverses a shallow canyon immediately west of the subject. Neither access road is sufficient for all-weather, passenger vehicle use.

The BLM typically will grant access to private properties through their lands if no other reasonable access exists. The access is granted in the form of a renewable license, rather than as a deeded right-of-way. There is a modest processing fee associated with the issuance of the permit. Whether BLM would grant such a permit in the current case is not known. The subject parcel is not technically land-locked, and the BLM could take the position that the property owner would have to develop access via the existing road frontage, even if the cost would be high.

Mr. Desromier believes that an access road could be constructed from the parcel's Golden Eagle frontage, without the need to resort to access through the BLM. This access would be a private driveway.

It is beyond the scope of this appraisal to offer a definitive opinion as to whether the subject property has insurable legal access, or whether it could be obtained at relatively modest cost and without undue delay. It is an extraordinary assumption of this report that insurable legal access could be obtained at moderate cost and without undue delay.

Zoning

SF-5A, Single family, minimum parcel five acres. Permitted uses include single family residences and ancillary buildings, agriculture, and parks. Other uses may be allowed by administrative permit or by special use permit. Only one primary residence is permitted per minimum parcel.

Seismic Hazard

Uniform Building Code Seismic Risk Zone 3, typical for northern Nevada. Potential purchasers of this property would not view its level of seismic risk to be greater or less than competing properties in the area.

Environmental Status

The client has not provided an environmental site assessment addressing the subject parcel. I did not detect any Recognized Environmental Concerns (RECs) during my inspection of the property, but I am not an expert in the detection of RECs. The client should retain a qualified environmental consultant for more detailed information about the property's environmental status. For the purposes of this valuation, I have assumed that the property has no RECs.

Flood Zone

The subject parcel is mapped on FEMA Flood Insurance Rate Map 3200010175C, dated 9/30/93. Most of the subject is in Zone C, areas of minimal flooding. The area along the river is in Flood Zone A29, within the 100-year floodplain with a base flood elevation of 4,645 feet.

Topography

The subject is mostly steep. It occupies south and east-facing slopes on a steep, rocky hill, and narrow ridges where topography is more moderate. The low point of the property is at the west bank of the Carson River, elevation approximately 4,600 feet, and the high point is approximately 4,960 feet. The high and low points are only a few hundred feet apart. Topography could be limiting with respect to subdividing the property. However, there is sufficient moderate topography to develop one or more home sites. The property's elevation would endow home sites with excellent views of the area.

Most of the parcel is covered with sagebrush. There is a narrow riparian band along the river with sagebrush, poplars, and annual and perennial grasses.

	<p>There are patches of wetlands with reeds and other hydrophilic species.</p>
Soils	<p>No site-specific soil survey was provided. Soils on the subject parcel appear to consist largely of coarse to medium-grained decomposed granite. Soils along the river appear to include silt loams and clayey loams. There are also numerous granite outcrops. Soils themselves do not appear to be limiting, but slopes may be.</p>
Utilities	<p>Improved parcels served by the power and phone grid abut the north side of the property. The property owner states that distance to power is approximately 1,400 feet, which is considerable but within the budget of a typical rural custom home.</p>
Water Rights	<p>None included.</p>
Land Use	<p>Vacant</p>
Adjacent Land Use	<p>Open lands under the jurisdiction of the BLM abut the north and west boundaries. The parcel is roughly triangular, and its boundary along its longest, southeast side is the west bank of the Carson River. Large home sites (mostly five acres), many improved with residences, face the subject on the east side of the Carson.</p>
Improvements	<p>None</p>
Comments	<p>The subject is located on the west side of the Carson River in steep terrain. It is accessed via Golden Eagle Lane, which traverses a private easement that benefits the subject parcel and other properties. The parcel has complex terrain, but has sufficient moderate terrain on its high ground to support one or more building sites.</p>

HIGHEST AND BEST USE

The highest and best use of a property is the use that provides the greatest financial reward to the property owner. The Appraisal Institute, in *The Appraisal of Real Estate*, defines highest and best use as "the reasonably probable and legal use of vacant land which is physically possible, appropriately supported, and that results in the highest value". *Probability* is key to highest and best use. It's not enough to envision a use that, if it were to occur, would result in a high land value. It has to be *likely* to occur, given existing zoning, physical attributes, and financial considerations.

The subject is located in an area along the Carson River where there are a number of five-acre home tracts. The subject is zoned for the same use. With 19.28± acres, it is conceivably capable of being divided into three parcels, but topographic constraints might limit it to fewer sites.

Any use of the property assumes that it has both perfected legal access and adequate physical access. In the current case, physical access seems to be more of an issue than legal, since the property is traversed by a 50 foot access easement that apparently provides adequate legal access. If legal access can be obtained over existing use roads that traverse the BLM, the subject's access could be secured at relatively modest cost. However, if access needs to be established through the parcel's frontage on Golden Eagle Lane, the cost to do so would detract from the property's desirability.

The highest and best use of the site is for one or more homes sites as topography permits.

VALUATION OVERVIEW

An appraisal is an opinion of value. The appraiser develops his or her opinion from a study of the market. Real estate markets contain lots of varied information about value, including sales, rents, construction contracts, building costs, assessments, and so forth. There are three different but interrelated methods that can be used to process this market information. These pathways are known as the cost, sales comparison, and income approaches to value.

Cost Approach

The cost approach is based on the premise that there is a relationship between the value of a parcel of real estate and the cost of reproducing it. The cost approach is mainly applicable to improved properties. The formula for this approach is simple:

	Site Value
+	Cost to construct the improvements
-	Accrued depreciation
=	Value

Income Approach

Commercial real estate generates operating income. Periodic rental income directly relates to value. The income approach provides a variety of techniques for processing income to value.

Sales Comparison Approach

The sales comparison approach is keyed to market competition. It relies on analysis of sales of competing properties in the general neighborhood of the property being appraised. The sales comparison approach usually is the most accessible of the three approaches to value, since it depends on a general "whole property" approach to valuation, based on direct comparisons between competing properties.

The Subject

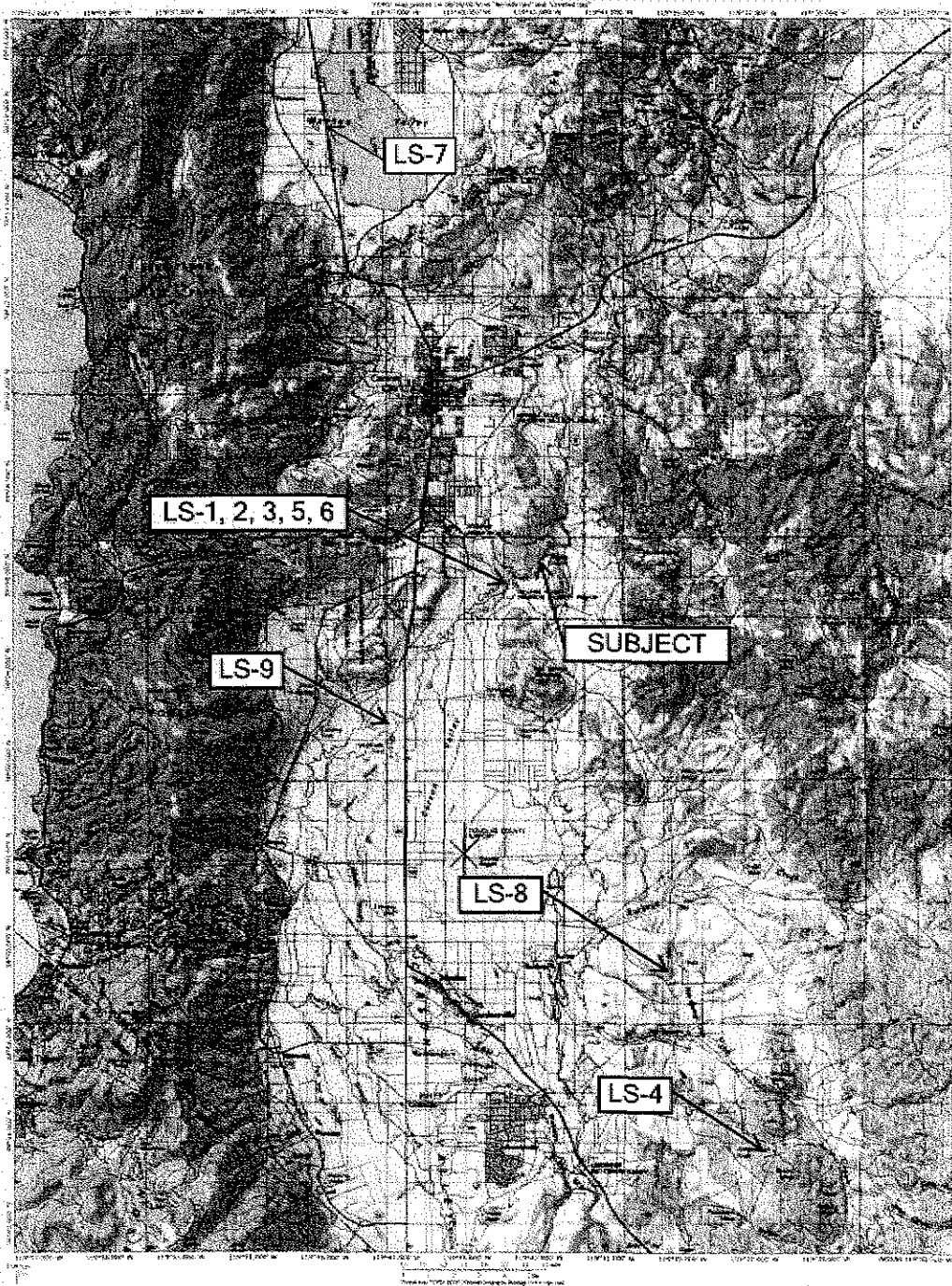
The subject is a vacant site. The only applicable valuation method is the sales comparison approach. The subject site is located in a small, localized market because of its unique location along the Carson River. However, this market doesn't have enough contemporary transactions to permit one to characterize it with any degree of confidence. Therefore, I have looked to nearby markets characterized by large parcels on the urban fringe. The sales charted below are representative.

I have analyzed the subject and the comparable sales on the per-acre basis rather than the price-per-potential lot basis. The reason for this is that given the subject's terrain, substandard access, and lack of infrastructure, it is still speculative as to the potential yield of lots that could be achieved. The comparable sales include both sales of parcels that are zoned the same as the subject, and parcels that have no potential for further divisions. Unit prices (price per acre) reflect the potential for subdivision and are considered in the value conclusion.

COMPARABLE LAND SALES SUMMARY CHART

Sale No.	APN Location	Sale Date Sale Price	Acres	Zoning Utilities	Price/Acre
1	10-121-18, 22, & 23 1 ½ miles S of Pinion Hills Road on Sierra Vista Road	9/10/99 \$299,000	60.6 \$4,933	SF5A (5 acre min) Power to site	\$4,933
2	10-281-32 4306 Golden Eagle Lane	6/27/00 \$150,000	21	SF5A Power to site Well & Septic	\$7,143
3	10-121-08 5455 Carson River Road	1/2/04 \$170,000	38	SF5A Power to site	\$4,474
4	1221-00-002-003 Off Pinenut Road, 5 mi. E of Gardnerville	5/31/05 \$499,000	39.59	FR-19 Power 1± mile	\$12,604
5	10-121-42 & 43 Terminus of Golden Eagle Lane	6/20/05 \$628,750	43.91	SF5A Power adjacent	\$14,319
6	10-121-44 Terminus of Golden Eagle Lane	6/20/05 \$595,000	20.4	SF5A Power adjacent	\$29,167
7	55-081-88 Hidden Lake Ranches, Washoe Valley	7/22/05 \$412,000	20.01	HDR Utilities to site	\$20,589
8	1321-32-001-011 Windmill Lane, Fish Springs	2/7/06 \$750,000	37.72	RA5 Power adjacent	\$19,888
9	1420-30-001-003 Off private dirt road, ¼ mi. W of US 395 at a point 1± mile N of Stefanie Lane	3/15/06 \$350,000	20.28	A19 Underground to site	\$17,258

COMPARABLE LAND SALES LOCATION MAP



CONCLUSION OF VALUE

Land Sale 1 is located on both sides of the Carson River at Mexican Dam. The property was purchased both as a home site and for potential resale of some of the components. Power and telephone were to the site at the time of sale. Access to west side parcels is via private road extension of Snyder Lane. East side access is off Sierra Vista Lane off Pinion Hills Drive. Terrain is moderate to steep.

Land Sale 2 is a 21-acre site located at the end of Golden Eagle Lane on the west side of the Carson River. The site mostly encompasses mild terrain along a bench above the river. Some in 100 year floodplain. Purchased as a home site.

Land Sale 3 is the January 2004 purchase of a 38-acre site located at the end of Golden Eagle Lane on the west side of the Carson River. The site is mostly steep terrain on a bluff and rocky slope. Purchased by the BLM via the Southern Nevada Public Land Management Act for conservation purposes. Purchase price established by independent appraisal, voluntary transaction.

Land Sale 4 is the May 2005 sale of a remote parcel off Pine Nut Road east of Fish Spring on the east side of Carson Valley. Divisible to two lots under current zoning (FR-19). Power and phone approximately one mile. Gravel road access. Moderate topography.

Land Sale 5 is located at the end of Golden Eagle Lane on the west side of the Carson River. The site is mostly steep terrain on a rocky slope above the Carson River. Good views, some mild terrain with meadow. Purchased for development into five-acre parcels.

Land Sale 6 is located at the end of Golden Eagle Lane on the west side of the Carson River. The site encompasses both steep terrain on a rocky slope above the Carson River and more mild terrain along the river bench. Purchased by a local resident as a home site and for eventual subdivision. Private, secluded parcel with no through access

Land Sale 7 is the July 2005 sale of a parcel in the Hidden Lake subdivision at the east end of William Brent Road in Washoe Valley. This parcel is one of about a dozen large parcels in a lake-centered gated community. Zoning would permit splits down to 2 1/2 acres, but water rights dedications required. There are several large custom homes complete or under construction in the community. Terrain is mostly level.

Land Sale 8 is the February 2006 sale of a 37 acre parcel in Fish Spring area east of Minden/Gardnerville. The parcel is in moderate terrain. Power and phone adjacent. The property is zoned for five acre home sites. It has good access on paved Windmill Road.

Land Sale 9 is a level building site located at the north end of Carson Valley. The parcel is accessed via a dirt road that connects with US Highway 395 at a point approximately one mile north of Stefanie Lane. The sale parcel is one of four twenty-acre home sites in this area. Underground utilities are installed to the site. The property sold in March 2006 for \$350,000.

Adjustments to Sales

The premise of this valuation analysis is that the sales charted above are the appropriate markers for the subject's value. This premise in turn is based on the assumption that these transactions occurred under market value conditions as defined in this report. Market value occurs in a free-will transaction, where knowledgeable parties transact business without duress and in good faith. The property is adequately exposed to the market, good and marketable title passes, and the consideration is cash or its equivalent. If any of the sales occurred under conditions that were not market conditions, then it is possible that the sale price may not be an accurate representation of market value. It may still be possible to rely upon this transaction, however, if there is enough information available to determine how the non-market elements of the transaction affected the sale price.

By convention, there are several elements of a sale transaction that are examined as a test of market value. These are addressed below:

Property Rights Conveyed

All the sales involved the transfer of the fee. No adjustments are necessary.

Financing

The table below summarizes terms of payment.

Sale No.	Sale Date Sale Price	Acres	Price/Acre	Cash at Close	Terms on Balance
1	9/10/99 \$299,000	60.6	\$4,933	100%	---
2	6/27/00 \$150,000	21	\$7,143	100%	---
3	1/2/04 \$170,000	38	\$4,474	100%	---
4	5/31/05 \$499,000	39.59	\$12,604	100%	---
5	6/20/05 \$628,750	43.91	\$14,319	0%	Unknown
6	6/20/05 \$595,000	20.4	\$29,167	100%	---
7	7/22/05 \$412,000	20.01	\$20,589	\$100,000 24.2%	Market
8	2/7/06 \$750,000	37.72	\$19,888	25%	Market
9	3/15/06 \$350,000	20.28	\$17,258	100%	---

Cash sales require no adjustment. Sale 5, however, involved no cash at closing. The seller provided 100% financing as an accommodation. The buyers are in the process of subdividing the property into five acre parcels; resale of these will pay off the purchase money deed of trust. The 100% financing needs to be converted to its cash equivalent, since the market value definition applicable in this valuation is based on a cash sale. Since the actual terms of repayment are unknown, this adjustment is based on the assumption that repayment will come from the sale of the lots to be created from the property, and that given the time required to process a subdivision and market lots, this will not take place for three years. Although there may be interim interest-only payments on the unpaid portion, the interest rate is not known. I have viewed the actual value of the financing to the seller to be equivalent to the present value of \$628,750 to be received in three years. I've discounted at a modest rate, based on the supposition that some of the difference is offset by interim interest payments. The formula, then, is the present value of \$628,750, discounted at 5% for

three years. The cash-equivalent value of the financing is thus \$579,629, rounded to \$580,000.

Sale 7 involved seller financing at market terms, but the buyer stated that financing did not influence price. Sale 8 involved seller financing at market terms, no impact on price.

Conditions of Sale

The condition of sale adjustment addresses various aspects of a transaction to make sure that the transaction itself generally meets the test of a market-value transaction. Market value implies a number of conditions, including a reasonable marketing effort, normal motivation on the part of the buyer and seller, and other factors.

The sale properties were transacted in the normal course of business by normally-motivated sellers and buyers. Not all were exposed to the market through brokers, but prices were negotiated without being affected by duress, family relationships, or other factors. None of the sales require adjustments.

Market Conditions

Prices have increased substantially in recent years, consistent with the trend in most of Nevada and most western markets. The sales range in date from September 1999 to March 2006. Since mid-2005, the market has slowed, and the rapid price increases of the earlier years have come to a halt. However, the earlier price increases have left the older sales no longer representative of current values. These older sales can be adjusted to their equivalent current values by examining price trends in the area.

The sales charted above show a definite upward trend, but they don't necessarily help to quantify rates of increase. Matching Sale 2 with Sale 6, both 20± acre parcels on the west side of the river, illustrates a price increase from \$7,143 per acre to \$29,147 per acre, an increase of 300% in five years, or 60% annually. It is evident from the sales data, however, that Sale 6 is unusually high, attributable to its particular characteristics.

The market for five acre parcels in the subject's area has been relatively active. Since many of these parcels are similar in their physical attribute, match-ups among them may serve to isolate value change attributable to time-related price increase.

Representative pairings are detailed below:

Time Pairing No. 1

Sale	APN	Acres	Sale Date	Sale Price	Unit Price
T1	10-503-29	5.43	10/12/00	\$61,000	\$11,234
T2	10-503-37	5	8/7/03	\$80,000	\$16,000
Difference			2.85 years		\$4,766
				% Difference	42%
Annualized rate of increase					14.7%

These parcels are about a quarter mile apart with similar views, access and terrain.

Time Pairing No. 2

Sale	APN	Acres	Sale Date	Sale Price	Unit Price
T3	10-503-32	5.01	4/19/01	\$62,500	\$12,475
T4	10-503-19	5.31	6/29/04	\$150,000	\$28,248
Difference			3.24 years		\$15,733
				% Difference	126%
Annualized rate of increase					38.9%

These two parcels sit side-by-side with similar views, access and terrain.

Time Pairing No. 3

Sale	APN	Acres	Sale Date	Sale Price	Unit Price
T4	10-503-19	5.31	6/29/04	\$150,000	\$28,248
T6	10-503-04	5.0	5/11/05	\$250,000	\$50,000
Difference			0.88 years		\$21,752
				% Difference	77%
Annualized rate of increase					87.5%

These more recent sales show a very strong rate of inflation. This period, mid-2004 to mid-to-late-2005, was when the market was at its most frenzied, as it were, and price increases in the housing sector were measured monthly.

About two miles upriver from the subject's area there is a neighborhood of mostly one acre lots overlooking the river. Some have river frontage, but most do not. I examined sales from this area as well, including one sale/resale of the same parcel:

Time Pairing No. 4

Sale	APN	Acres	Sale Date	Sale Price
T7	10-087-11	1	2/9/04	\$125,000
T8	10-087-11	1	2/8/06	\$250,000
Difference			1 year	\$125,000
			% Difference	100%
Annualized rate of increase				100%

This corresponds closely with Pairing No. 3.

If one looks at the long term trend here, the following results:

Time Pairing No. 5

Sale	APN	Acres	Sale Date	Sale Price
T9	10-097-07	1	9/22/00	\$57,500
T8	10-087-11	1	2/8/06	\$250,000
Difference			5.45 year	\$125,000
			% Difference	335%
Annualized rate of increase				61%

This pairing shows a long term trend of 60% appreciation per year. This of course, reflects slower appreciation from about 2000 to 2003 followed by rapid change after late 2003 or thereabouts. This experience corresponds almost exactly with the Reno/Sparks and Carson City residential market as well.

Time Pairing No. 6

Sale	APN	Acres	Sale Date	Sale Price	Unit Price
T1	10-503-29	5.43	10/12/00	\$61,000	\$11,234
T6	10-503-04	5.0	5/11/05	\$250,000	\$50,000
Difference			4.64 years		\$38,766
				% Difference	345%
Annualized rate of increase					74%

This long-term pairing supports the results of Pairing No. 5. It's clear that value increase has been robust. Applying the above results suggests that the older sales charted in the summary chart need to be adjusted about 60% annually. The

appropriate question is whether the same rates are applicable to the subject parcel. It's also relevant to note that price differences between parcels aren't necessarily all attributable to price inflation. Even parcels in close proximity to one another can vary in desirability due to views, neighbors, access, and so forth. Price differences can also reflect in part the relative skill buyers and/or their brokers bring to the bargaining table. Therefore, it is reasonable to assume that observed value differences over time reflect not just inflation, but include other intangible factors as well.

I also hedge because the time period encompassed by these sales includes the overheated market of 2003 to 2005, when the market was in its most frenzied phase. For a brief period, the market became, if not chaotic, at least detached from any normal rules of supply and demand. Buying decisions were made based on the notion that prices would continue to increase at double digit monthly rates. Huge profits were made opportunistically; sellers who had the right property at the right time reaped extraordinary profits.

The analyses above show that the market has undergone robust price increases. The annual rate of increase as calculated is large, but it is my duty as a market analyst to temper the results with a broader view than the simple mathematical results of the paired sales analyses. Therefore, I have elected to adjust prices at the rate of 40% annually. The rates calculated above are not compound rates, so the adjustment to the sales is not compounded. The chart below shows the calculation of the adjustments.

TIME ADJUSTMENT CALCULATION SUMMARY CHART

Sale No.	Sale Date	Sale Price	Acres	Sale Price Adjusted to	Adjustment Periods	% Adjusted	Adjusted Price	Adjusted Price/Acre
1	9/10/1999	\$299,000	60.6	12/30/2005	6.3	252.2%	\$754,144	\$12,445
2	6/27/2000	\$150,000	21	12/30/2005	5.5	220.3%	\$330,500	\$15,738
3	1/2/2004	\$170,000	38	12/30/2005	2.0	79.8%	\$305,622	\$8,043
4	5/31/2005	\$499,000	39.59	12/30/2005	0.6	23.3%	\$615,433	\$15,545
5	6/20/2005	\$580,000*	43.91	12/30/2005	0.5	21.1%	\$702,444	\$15,997
6	6/20/2005	\$595,000	20.4	12/30/2005	0.5	21.1%	\$720,611	\$35,324
7	7/22/2005	\$412,000	20.01	12/30/2005	0.0	0.0%	\$412,000	\$20,590
8	2/7/2006	\$750,000	37.72	12/30/2005	0.0	0.0%	\$750,000	\$19,883
9	3/15/06	\$350,000	20.28	12/30/2005	0.0	0.0%	\$350,000	\$17,258

*Adjusted for cash equivalent

**CASH EQUIVALENCE AND TIME ADJUSTED
COMPARABLE LAND SALES SUMMARY CHART**

Sale No.	APN Location	Sale Date Sale Price	Acres	Zoning Utilities	Price/Acre
1	10-121-18, 22, & 23 1 ½ miles S of Pinion Hills Road on Sierra Vista Road	9/10/99 \$754,144	60.6	SF5A (5 acre min) Power to site	\$12,445
2	10-281-32 4306 Golden Eagle Lane	6/27/00 \$330,500	21	SF5A Power to site Well & Septic	\$15,738
3	10-121-08 5455 Carson River Road	1/2/04 \$305,622	38	SF5A Power to site	\$8,043
4	1221-00-002-003 Off Pinenut Road, 5 mi. E of Gardnerville	5/31/05 \$615,433	39.59	FR-19 Power 1± mile	\$15,545
5	10-121-42 & 43 Terminus of Golden Eagle Lane	6/20/05 \$702,444	43.91	SF5A Power adjacent	\$15,997
6	10-121-44 Terminus of Golden Eagle Lane	6/20/05 \$720,611	20.4	SF5A Power adjacent	\$35,324
7	55-081-88 Hidden Lake ranches, Washoe Valley	7/22/05 \$412,000	20.01	HDR Utilities to site	\$20,590
8	1321-32-001-011 Windmill Lane, Fish Springs	2/7/06 \$750,000	37.72	RA5 Power adjacent	\$19,883
9	1420-30-001-003 Off private dirt road, ¼ mi. W of US 395 at a point 1± mile N of Stefanie Lane	3/15/06 \$350,000	20.28	A19 Underground to site	\$17,258

Other Adjustments

After making these adjustments, sale prices charted above range from \$8,043 per acre to \$35,324. This is an extremely wide range, and isn't much help in reaching a value conclusion for the subject parcel. Based on this range, the subject, with 19.28 acres, could range anywhere from about \$8,000 per acre, or \$154,000±, to \$35,000 per acre, or \$675,000. The next step in the process, then, is to try to reduce the variability of this range by making other comparisons based on the subject's physical attributes, with the goal of finding which of the sales charted above is most representative of the subject's value.

Prior to undertaking this step in the adjustment process, Sale 6 needs to be addressed. The adjusted unit sale price of \$35,000+ per acre doesn't seem to correspond with any other sales of similar properties. The seller's comment on this sale was that this was the "jewel" of the parcels he sold at this location, secluded, private and with a riverside meadow and riparian forest of cottonwoods. Apparently the buyer gave great weight to these attributes; the sale can't really be explained in any other way. All of the other sale prices tend to cluster around the \$15,000 to \$20,000 per acre range. Rather than try to reconcile Sale 6 with the other market evidence, it will be eliminated from further consideration.

In addition to the elements addressed above, it's evident that the sale properties are not uniform in their legal and/or physical attributes. They vary in location, size, access, proximity to utilities, and other features. In more active markets, it's possible to isolate how different attributes affect value. An example would be two sites that are similar in most respects, where one has utilities on site and the other does not. If the site with utilities sells for five dollars per square foot, and the site without sells for four dollars per square foot, it's a reasonable inference that having utilities on site contributes about a dollar per square foot to value. Thus, if one is appraising a site without utilities, it would be necessary to adjust the sale prices of any sites with utilities down by a dollar per square foot to emulate the condition of the property being appraised.

In the current case, the market is not nearly that structured. There aren't many sales of large parcels like the subject in the neighborhood, and thus the analysis depends in part on "foreign" sale from different but similar neighborhoods. The sales themselves vary widely in terrain, access, parcel size, and other feature, so it's really not possible to isolate the impact of any one element. However, it's possible to identify a few trends, as discussed below:

Location

Most of the sales come from the Carson River neighborhood where the subject is located. These sales are recapitulated below:

Sale No.	APN Location	Sale Date Sale Price	Acres	Zoning Utilities	Price/Acre
1	10-121-18, 22, & 23 1 ½ miles S of Pinion Hills Road on Sierra Vista Road	9/10/99 \$754,144	60.6	SF5A (5 acre min) Power to site	\$12,445
2	10-281-32 4306 Golden Eagle Lane	6/27/00 \$330,500	21	SF5A Power to site Well & Septic	\$15,738
3	10-121-08 5455 Carson River Road	1/2/04 \$305,622	38	SF5A Power to site	\$8,043
7	10-121-42 & 43 Terminus of Golden Eagle Lane	6/20/05 \$702,444	43.91	SF5A Power adjacent	\$15,997
Average Unit Price					\$13,056
Average Unit Price excluding Sale 3					\$14,726

A second group comes from Carson Valley immediately south of the subject.

Carson Valley Sales

4	1221-00-002-003 Off Pinenut Road, 5 mi. E of Gardnerville	5/31/05 \$615,433	39.59	FR-19 Power 1± mile	\$15,545
8	1321-32-001-011 Windmill Lane, Fish Springs	2/7/06 \$750,000	37.72	RA5 Power adjacent	\$19,883
9	1420-30-001-003 Off private dirt road, ¼ mi. W of US 395 at a point 1± mile N of Stefanie Lane	3/15/06 \$350,000	20.28	A19 Underground to site	\$17,258
Average Unit Price					\$17,577

The average selling price for these properties is about \$2,800 more per acre than the average (adjusted for Sale 3) of the properties in the subject's area.

Sale 7 is located in Washoe Valley, which is generally recognized as one of the area's highest-value markets outside the Tahoe Basin. Just one sale doesn't allow any

generalizations, but it's reasonable to think that Sale 7's location makes it more valuable than the subject.

Parcel Size

The table below ranks the sale parcels by parcel size.

Sales Ranked by Parcel Size

Sale No.	APN Location	Sale Date Sale Price	Acres	Price/Acre
7	55-081-88 Hidden Lake Ranches, Washoe Valley	7/22/05 \$412,000	20.01	\$20,590
9	1420-30-001-003 Off private dirt road, ¼ mi. W of US 395 at a point 1± mile N of Stefanie Lane	3/15/06 \$350,000	20.28	\$17,258 \$14,458*
2	10-281-32 4306 Golden Eagle Lane	6/27/00 \$330,500	21	\$15,738
8	1321-32-001-011 Windmill Lane, Fish Springs	2/7/06 \$750,000	37.72	\$19,883 \$17,083*
3	10-121-08 5455 Carson River Road	1/2/04 \$305,622	38	\$8,043
4	1221-00-002-003 Off Pinenut Road, 5 mi. E of Gardnerville	5/31/05 \$615,433	39.59	\$15,545 \$12,745*
5	10-121-42 & 43 Terminus of Golden Eagle Lane	6/20/05 \$702,444	43.91	\$15,997
1	10-121-18, 22, & 23 1 ½ miles S of Pinion Hills Road on Sierra Vista Road	9/10/99 \$754,144	60.6	\$12,445

*Sale price less \$2,800 location adjustment

The smallest parcel sold for the highest unit price and the largest parcel sold for the lowest. Other than that, there doesn't seem to be a strong correlation between parcel size and unit price. Even after making a \$2,800 per acre "location adjustment" on the Carson Valley sales, the analysis remains inconclusive. It's a principle of real estate, however, that an economy of scale discount often is manifested in sale prices. This principle is that, all other conditions being equal, a larger parcel will sell for a lower unit price than a smaller parcel. The relationship isn't straight line, and other factors come onto play as well. For example, Sale 7 isn't just the smallest parcel – its price was probably also influenced by its good location in a gated subdivision in Washoe Valley.

It is reasonable to give parcel size some consideration in the final analysis, but it has only minor impact.

Topography

Although intuitively one would think this factor to have a major impact on value, with the sale samples it does not seem to be important. One reason for this may be that although steep terrain makes for more difficult building sites, it also makes for better views because of elevation.

The subject's steep topography from Golden Eagle Lane will limit suitable building sites and will make the cost to establish access unusually high. It will have an impact on the subject's price.

Value Conclusion

The sales charted above range in price from \$8,043 per acre to \$20,590 per acre. For sales in the subject's immediate area on the Carson River, the range is \$8,043 to \$15,997. If this same range were applicable to the subject, its value would be approximately \$155,000 to \$308,000.

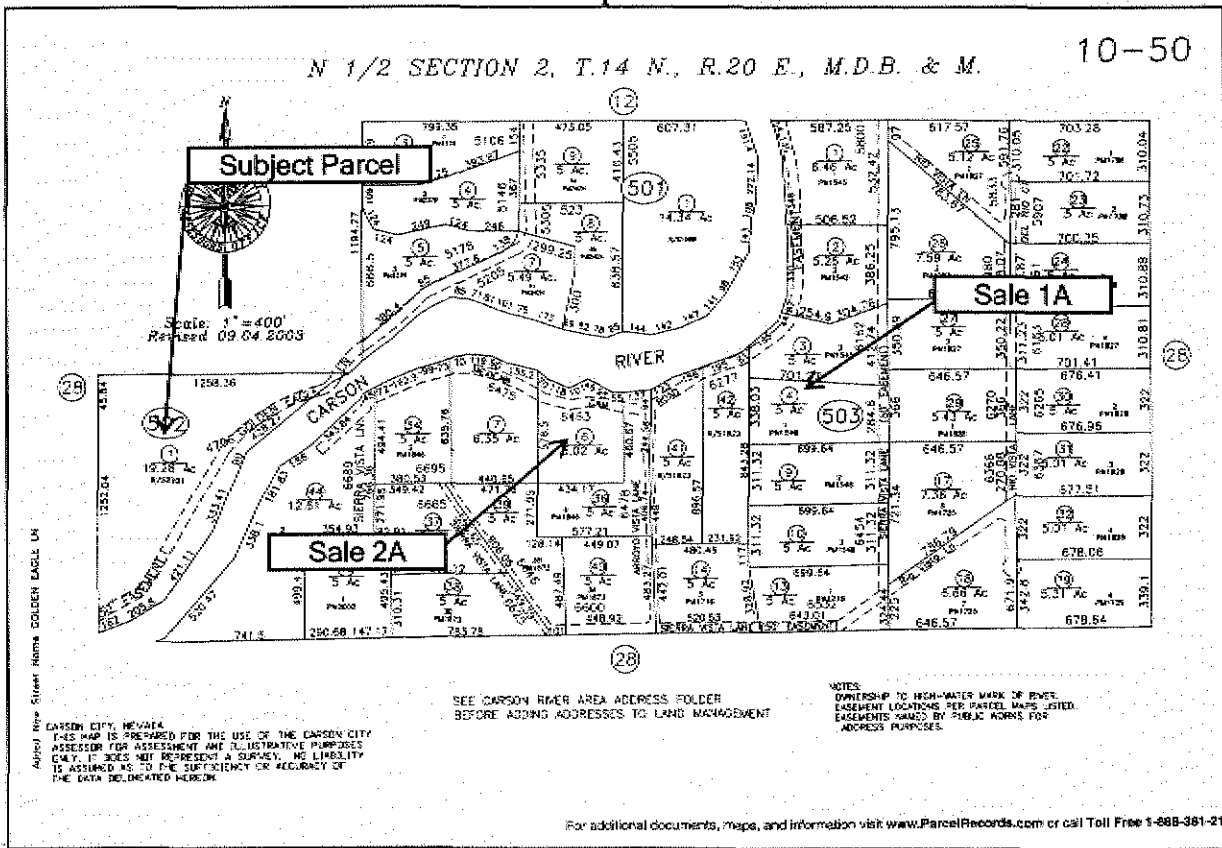
There are, of course, weaknesses in the data and apparent anomalies. Sale 1 is an older sale; its adjusted unit price of \$12,445 is a projection based on current market studies, but the sale occurred seven years ago and it has to be acknowledged that the time adjustment process is an approximation only. Sale 3 at \$8,043 per acre is also a low end indicator. This was a purchase by the BLM at a time when the market was not particularly active; it is possible that its adjusted unit price is anomalously low. Thus, one could discount to some degree the low-end markers, leaving the preponderance of market data ranging from about \$15,500 per acre (Sales 2, 4 and 5) to \$17,000 per acre (Sale 9). This range would yield a price for the subject's 19.28 acres of \$298,840 to \$325,000.

Another way to look at the issue is to look at individual building site sales. The predominant site size in the area is five acres. The subject has the potential for three building sites, but this potential is constrained by topography and access. However, as it stands today, the site is at a minimum suitable for a single home. Recent sales of single home sites on the Carson River are summarized below:

Carson River Five Acre Home Site Sales

Sale No.	APN Location	Sale Date Document	Acres	Zoning Utilities	Price
1A	10-503-04 Sierra Vista Lane	5/11/05 336315	5	SF5A (5 acre min) Power to site	\$250,000
2A	10-503-06 6463 Mexican Dam Road	8/21/06 \$335,000	5.02	SF5A Power to site Well & Septic	\$335,000

Five Acre Home Site Sales Location Map



Both properties are located in the Sierra Vista neighborhood across the river from the subject. Unlike the subject, both parcels have good road access via all-season gravel roads, and level terrain that will require normal site development and building costs. Sale 2A had a domestic well on site and underground utilities (power and phone) at the time of sale. Sale 1A has no river frontage, whereas Sale 2A has approximately 400 feet of frontage on the Carson River. However, the site's building area is located across Mexican Dam Road from its river frontage.

Strictly in terms of its suitability for use, the subject is inferior to either sale. It lacks developed access, power is some 1,400± feet distant, and its topography is extremely limiting. However, the subject has certain advantages. It has the potential for three separate building sites. Although there may well be significant engineering challenges to create two or three sites on the subject, that possibility is completely lacking in the sale properties, which are now at the zoned minimum parcel size. Additionally, the site's topography also has a positive aspect – the level buildable area on the subject, nearly 400 feet above the river, has commanding views of the region, a feature that tends to appeal to prospective buyers. The discussion above indicates that comparable sales support a value range for the subject of from about \$300,000 to \$325,000. These two sales support that range as reasonable.

Prior Sale of Subject

A third indicator of current value is the 2004 buy/sell agreement for the subject. That agreement yielded a purchase price of \$237,500. This agreement did not lead to a closed sale, so it is appropriate to regard this as a somewhat weak indicator of value. Whether it would have closed is unknown. According to the agent representing the seller, it was the seller's decision to walk away from the deal by refusing to extend the due diligence period when requested by the buyer.

If one accepts this deal at face value, it needs to be updated to current value, based on the same adjustment factors discussed earlier. I have made this adjustment, (see addendum), but the resulting "adjusted" sale price of \$408,500 isn't credible in light of the subject's current listing at \$335,000. It's rare that knowledgeable sellers (as Mr. Desormier appears to be), working with active local real estate agents, underprice their properties to any significant degree. If one completely discards the mathematical analysis, however, given the changes in the market over the last two or three years, it's almost certain that the subject's current value is in excess of the 2004 price of \$237,500.

Neither the five acre single home site sales, nor the 2004 buy/sell agreement for the subject, contradict the conclusion of the direct sales comparison approach, that the subject's value is in the range \$300,000 to \$325,000. The subject's steep topography suggests a value at the low end of this range.

Value by Sales Comparison Approach **\$300,000**

RECONCILIATION

The sales comparison approach is the only suitable approach for valuing the property. Although the report charts nine comparable sales, the market lacks good contemporary indicators of value. The need to apply a time adjustment also diminishes confidence in the data. Prices for most classes of real estate have increased substantially since the time of the earliest sales, but trying to quantify that increase is difficult. During late 2004 to mid-2005, when the market was at its most frenzied state, some reaped windfalls in sale-resale transactions just weeks apart. Some of these situations were just serendipitous – timing was perfect, and the needs of the buyers were compelling. The prevailing market mentality at the time was that prices would continue to increase, and that it was better to pay today’s asking price rather than wait and pay more. The challenge of this analysis is to calculate a rate of change that is broadly applicable across the market.

The sales comparison approach is the basis of the value opinions reported below:

Market Value Opinion, Effective December 6, 2006: \$300,000

Extraordinary Assumptions

- 1) It is an extraordinary assumption of this valuation that insurable legal access to the subject property could be obtained at moderate cost and without undue delay.
- 2) It is an assumption of this report that there is no significant adverse impact to the subject property if the public has acquired a prescriptive or implied easement for access to the Carson River for recreation.
- 3) It is assumed that there is no adverse impact on value from any implied or prescriptive navigation or fishery easements on the Carson River.
- 4) It is assumed that the property is free of environmental contamination.

Hypothetical Conditions

None

ASSUMPTIONS AND LIMITING CONDITIONS

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

LIMITS OF LIABILITY:

The liability of Mark Warren, MAI and Warren & Schiffmacher LLC is limited to the client only and to the fee actually received by the appraisal firm. There is no accountability, obligation, or liability to any third party. If the 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. The appraiser is not in any way to be responsible for any costs incurred to discover or correct any physical, financial and/or legal deficiencies of any type present in the subject property.

COPIES, PUBLICATION, DISTRIBUTION AND USE OF REPORT:

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

The By-Laws and Regulations of the Appraisal Institute require each Member to control the use and distribution of each appraisal report signed by such Member. Except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he may select. 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. The appraiser shall bear no responsibility for any unauthorized changes.

CONFIDENTIALITY:

Except as provided for subsequently, the appraiser may not divulge the analyses, opinions or conclusions developed in the appraisal report, nor may he give a copy of the report to anyone other than the client or his designee as specified in writing. However, this condition does not apply to any requests made by the Appraisal

Institute or the State of Nevada for purposes of confidential ethics enforcement. Also, this condition does not apply to any order or request issued by a court of law or any other body with the power of subpoena.

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

INFORMATION SUPPLIED BY OTHERS:

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

TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE:

The contract for each appraisal, consultation or analytical service is fulfilled and the total fee is payable upon completion of the report. The appraiser or anyone assisting in the preparation of the report will not be asked or required to give testimony in court or in any other hearing as a result of having prepared the appraisal, either in full or in part, except under separate and special arrangements at an additional fee. If testimony or a deposition is required because of any subpoena, the client shall be responsible for any additional time, fees and charges, regardless of the issuing party. Neither the appraiser nor anyone 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 and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in the report are there to assist the reader in visualizing the property and are not necessarily drawn to scale. The reliability of the information contained on any such map or drawing is assumed accurate by the appraiser and is not guaranteed to be correct.

TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS:

No responsibility is assumed by the appraiser for matters legal in character or nature. No opinion is rendered as to the status of title to any property. The title is presumed to be good and merchantable. The property is 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, 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 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 or does not exist. Specifically, no guarantee is given as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating systems, air conditioning systems, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, it is strongly suggested that a mechanical and/or structural inspection be made by a qualified and licensed contractor, a civil or structural engineer, an architect or other experts.

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

AMERICANS WITH DISABILITIES ACT:

The Americans with Disabilities Act became effective on January 26, 1992. Unless otherwise noted in this report, I have not made a specific compliance survey or analysis of this property to determine whether or not it is conformance with the various detailed requirements of the ADA. It is possible that a compliance survey

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

TOXIC MATERIALS AND HAZARDS:

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

SOILS, SUB-SOILS, AND POTENTIAL HAZARDS

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

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

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

LEGALITY OF USE

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

COMPONENT VALUES

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

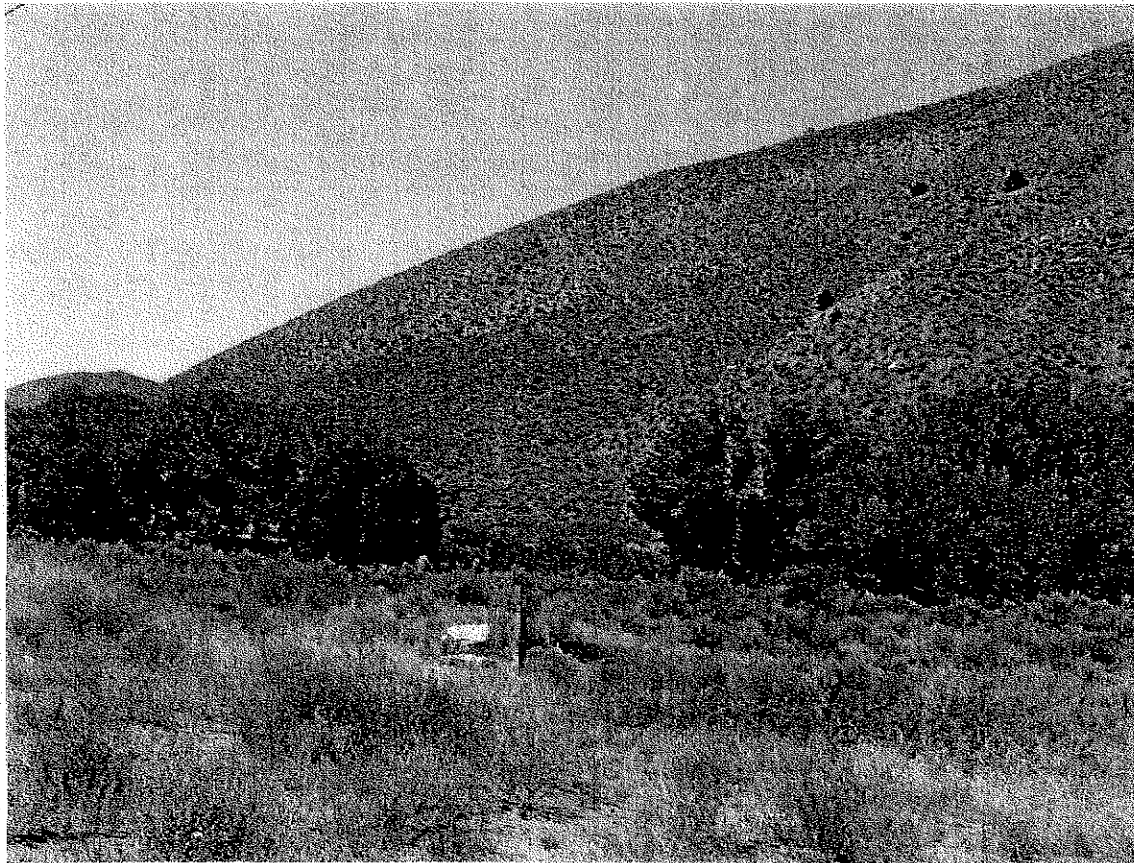
ADDENDA

Time Adjustment to Subject's 2004 Buy/Sell Agreement

The exact date of the sale isn't known, but it occurred prior to the May 2004 price hike on the listing, so for analytical purposes I have assumed that the sale occurred March 1, 2004. The sales charted earlier were all adjusted through 12/31/2005 at 40% annually. From March 1, 2004 to December 31, 2005 is 22 months or 1.8 years. At 40% per year, this means that the resulting adjustment is $40\% \times 1.8$, or 72%. Adjusting the 2004 sale price up by this amount yields a time-adjusted price of \$408,500.



Land Sale No. 1



Property Identification

Record ID 82
Property Type Residential, Vacant land
Property Name Carson River Home Site
Address Sierra Vista Lane, Carson City County, Nevada
Location Mexican Dam area
Tax ID 10-121-18

Sale Data

Grantor Charles Rikalko
Grantee Janice E. Crosby
Sale Date September 10, 1999
Deed Book/Page 240397
Property Rights Fee simple
Financing Trade, values established by buyer and seller
Verification Public Records; Confirmed by Mark Warren

Sale Price \$299,000

Land Data

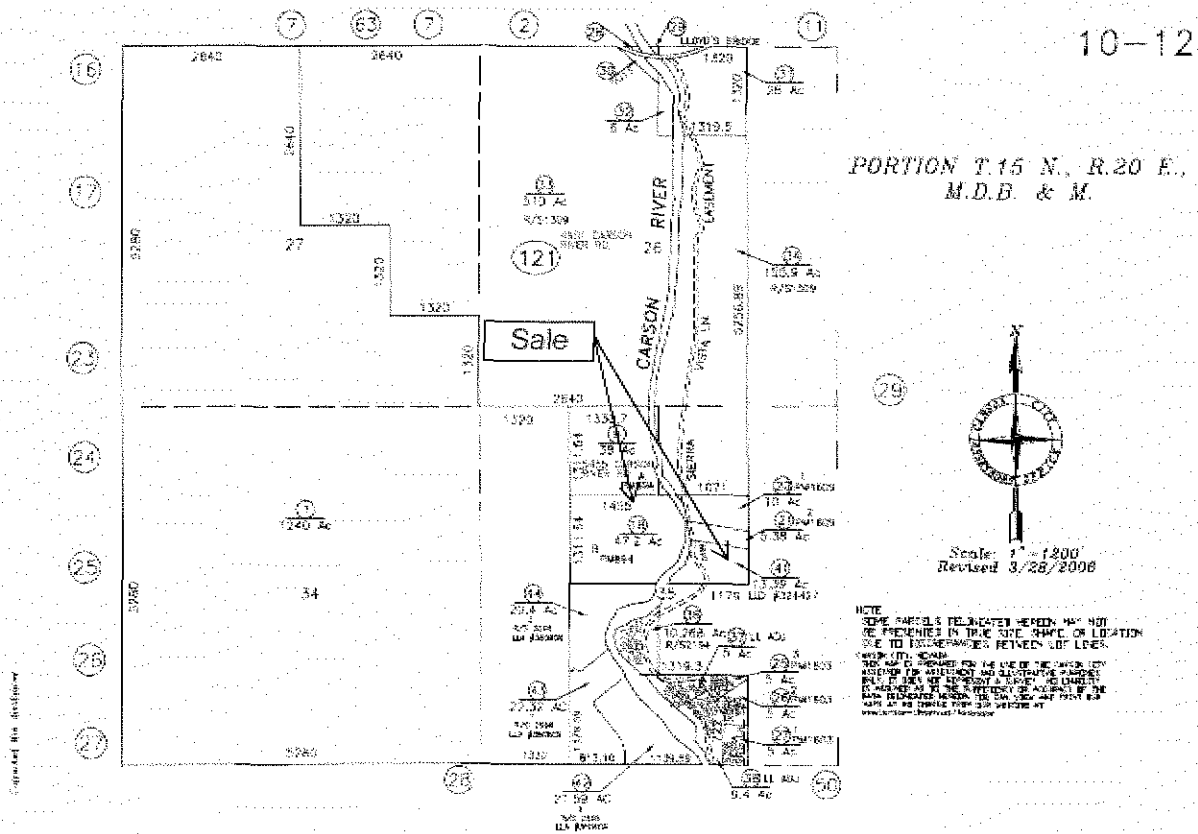
Zoning SF5A, Residential
Topography Moderate to steep
Utilities Power and phone

Dimensions Irreg, cut by river
Flood Info Some in Flood Zone A

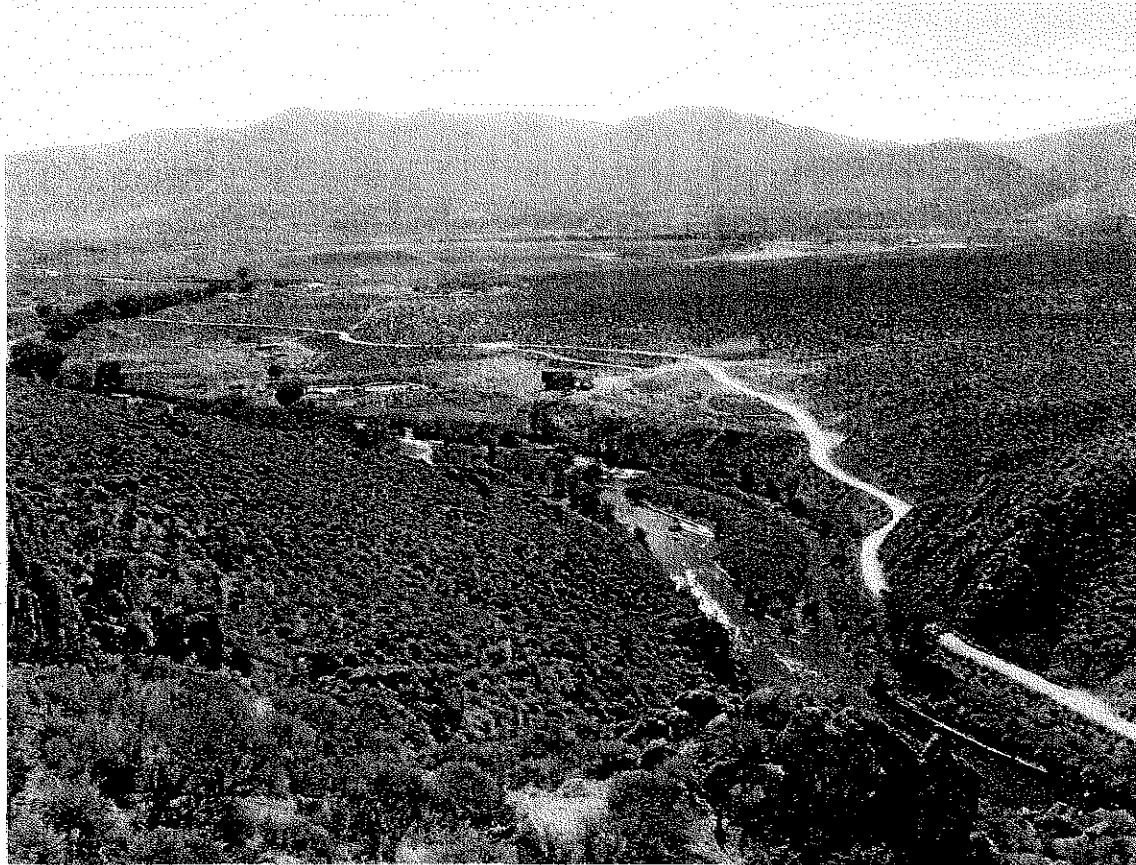
Land Size Information
Gross Land Size 60.600 Acres or 2,639,736 SF

Indicators
Sale Price/Gross Acre \$4,934
Sale Price/Gross SF \$0.11

Remarks
 Sale of parcel on both sides of Carson River in Mexican Dam area. Purchased for residential site. Traversed by Carson River. Access via Sierra Vista Lane (former Mexican Dam road). Area has scattered five acre sites, some improved with good quality homes.



Land Sale No. 2

**Property Identification**

Record ID	83
Property Type	Residential, Vacant land
Property Name	Carson River Home Site
Address	Golden Eagle Lane, Carson City County, Nevada
Location	Mexican Dam area
Tax ID	10-281-32

Sale Data

Grantor	Elizabeth Rees
Grantee	Gilbert & Karen A. Goode
Sale Date	June 27, 2000
Deed Book/Page	250104
Property Rights	Fee simple
Financing	Cash
Verification	Gil Goode; Confirmed by Mark Warren

Sale Price	\$150,000
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Land Data

Zoning	SF5A, Residential
Topography	Moderate to steep, bench along river
Utilities	Power and phone

Dimensions Irreg, cut by river
Shape Irreg
Flood Info Some in Flood Zone A

Land Size Information

Gross Land Size 21.000 Acres or 914,760 SF

Indicators

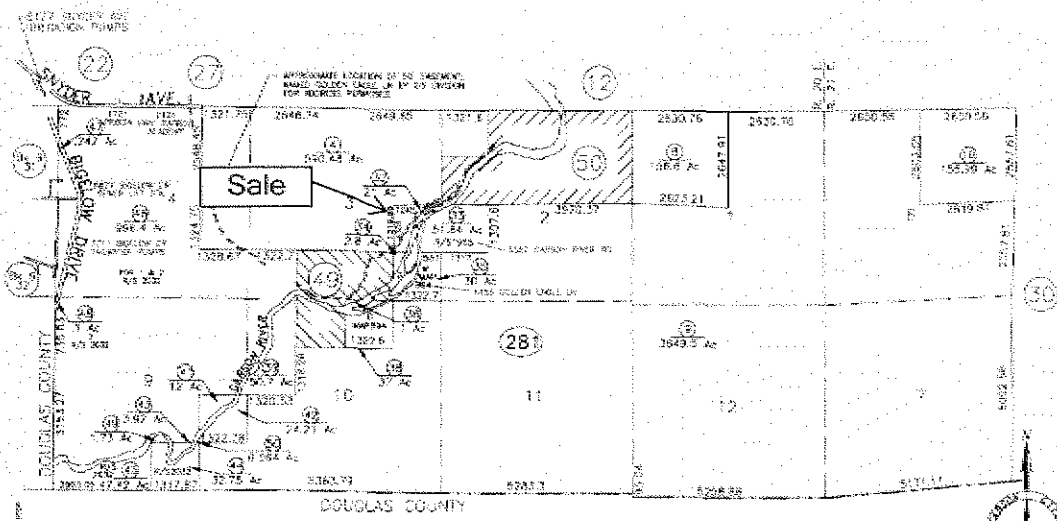
Sale Price/Gross Acre \$7,143
Sale Price/Gross SF \$0.16

Remarks

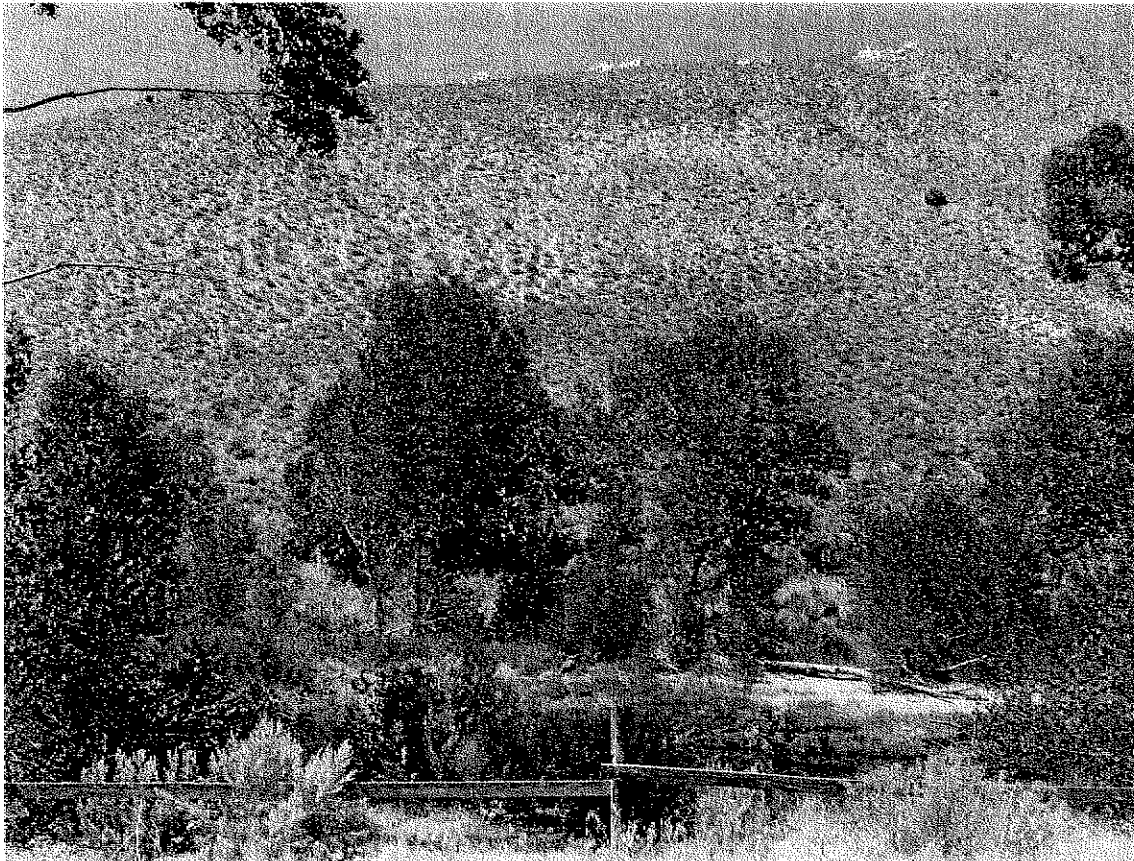
Sale of parcel on west side of Carson River south of Mexican Dam. Purchased for residential site. Fronts Carson River. Access via Golden Eagle Lane. Area has scattered five acre sites, some improved with good quality homes. Pond, mature trees. Improved with domestic well and septic system at time of sale.

10-28

PORTION T.14 N., R.20 E & R.21 E., M.D.B. & M.



Land Sale No. 3

**Property Identification**

Record ID	84
Property Type	Residential, Vacant land
Property Name	Carson River Home Site
Address	Golden Eagle Lane, Carson City County, Nevada
Location	Mexican Dam area
Tax ID	10-121-08

Sale Data

Grantor	Jack Foerschler
Grantee	USA
Sale Date	January 02, 2004
Deed Book/Page	311927
Property Rights	Fee simple
Financing	Cash
Verification	Public records; Confirmed by Mark Warren

Sale Price	\$170,000
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Land Data

Zoning	SF5A, Residential
Topography	Mostly steep
Utilities	Power and phone

Dimensions Irreg, cut by river
Shape Irreg
Flood Info Some in Flood Zone A

Land Size Information

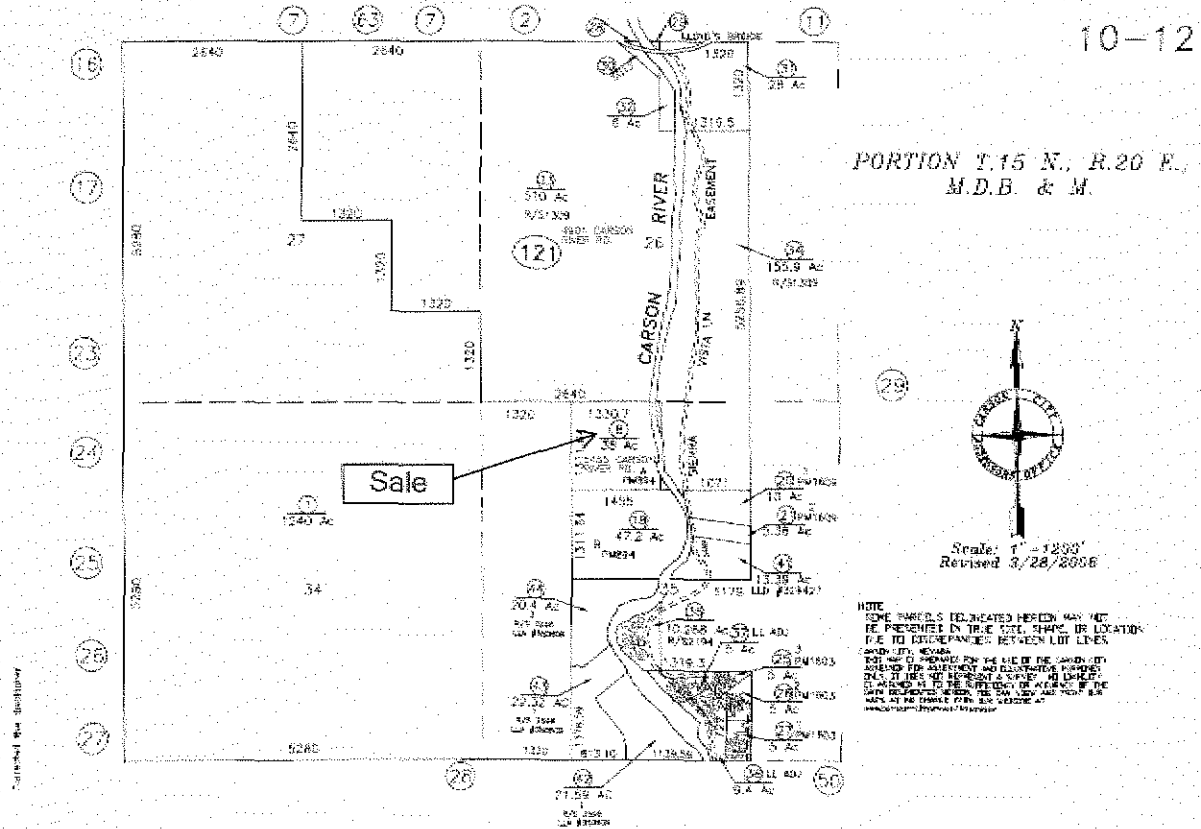
Gross Land Size 38.000 Acres or 1,655,280 SF

Indicators

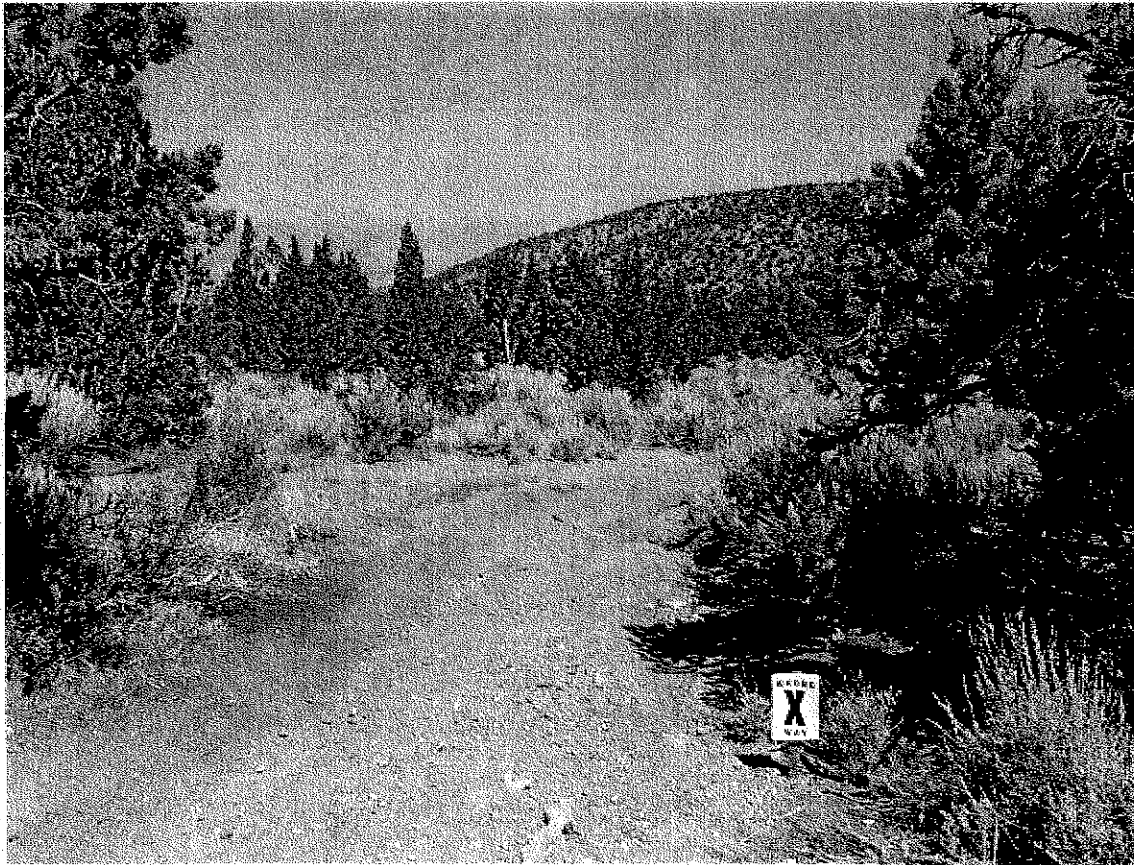
Sale Price/Gross Acre \$4,474
Sale Price/Gross SF \$0.10

Remarks

Sale of parcel on west side of Carson River at Mexican Dam. Purchased by BLM through Southern Nevada Public Land Management Act for environmental purposes. Sale price based on third-party appraisal. Voluntary transfer not conducted under color of condemnation. Parcel is steep; limited access.



Land Sale No. 4

**Property Identification**

Record ID	86
Property Type	Residential, Vacant land
Property Name	Douglas County home site
Address	Pine Nut Road, Gardnerville, Douglas County, Nevada
Location	5 miles E of Gardnerville off Pine Nut Road
Tax ID	1221-03-000-001

Sale Data

Grantor	Michael W. Chaney
Grantee	David H. Schwarz
Sale Date	May 31, 2005
Deed Book/Page	645607
Property Rights	Fee simple
Financing	Cash
Verification	Lyn Norberg, MAI; Other sources: Public record, Confirmed by Mark Warren

Sale Price	\$499,000
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Land Data

Zoning	FR-19, Residential
Topography	Moderate

Utilities Power and phone
Dimensions 1,320' x 1,320'
Shape rectangle

Land Size Information

Gross Land Size 39.590 Acres or 1,724,540 SF

Indicators

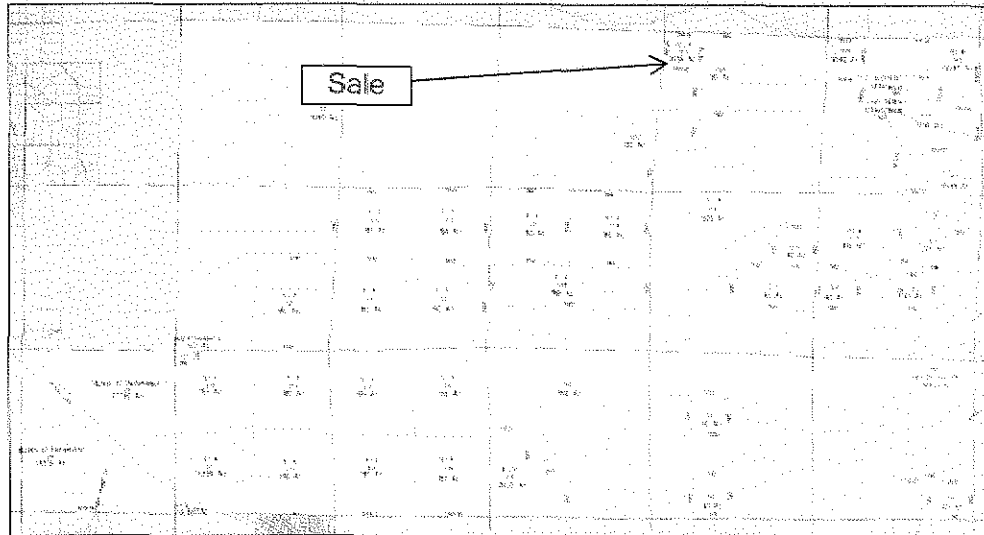
Sale Price/Gross Acre \$12,604
Sale Price/Gross SF \$0.29

Remarks

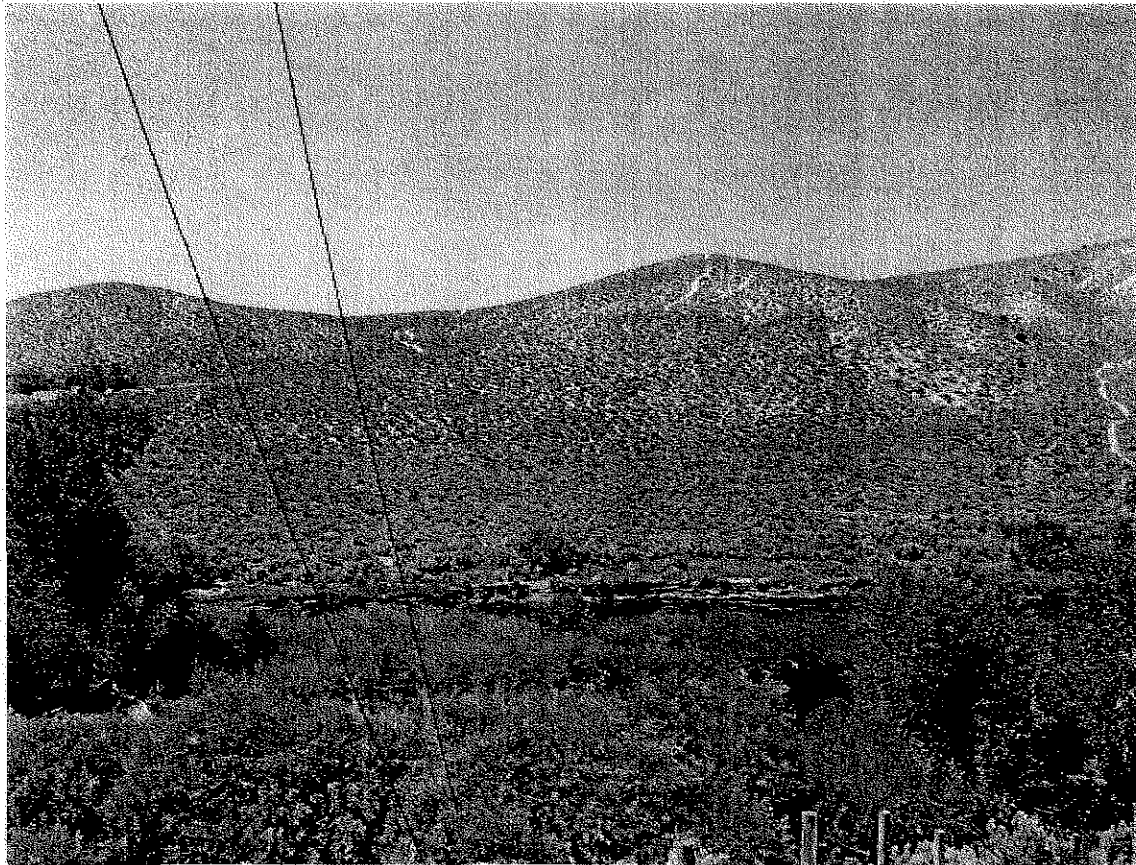
Remote parcel off Pine Nut Road east of Fish Springs on the east side of Carson Valley. Divisible to two lots under current zoning (FR-19). Power and phone approximately one mile. Gravel road access.

Douglas County, Nevada <small>Map Date: 10/2011 Date of Survey: 10/2011</small>	Map Legend Parcel Boundary Sale Boundary Easement Town Boundary Township/Range/Section Open Space/Conservation Riparian Area	110 111 112 113 114 115 116 117 118 119 120	Face Number Face Sub-Set Number Face Address Face Block Number Face Lot Number Face Address	T12N R21E S 2 TWP 	1221-00-042
		120 121 122 123 124 125 126 127 128 129 130	Face Number Face Sub-Set Number Face Address Face Block Number Face Lot Number Face Address	130 131 132 133 134 135 136 137 138 139 140	Face Number Face Sub-Set Number Face Address Face Block Number Face Lot Number Face Address

10/2011: This map is prepared for the use of Douglas County, Nevada. It is prepared for informational purposes only. It does not constitute a warranty of any kind, and the user assumes all responsibility for its use.



Land Sale No. 5



Property Identification

Record ID 88
Property Type Residential, Raw land
Property Name Carson River Home Site
Address End of Golden Eagle Lane, Carson City County, Nevada
Location Mexican Dam area
Tax ID 10-121-42 and 43

Sale Data

Grantor Dieter Bulin & Cherisse Hollingsworth
Grantee River Ranch Holdings, LLC and Alpenglow Development, LLC
Sale Date June 20, 2005
Deed Book/Page 338322 and 324
Property Rights Fee simple
Financing 100% seller financing
Verification Dieter Bulin; August 24, 2006; Other sources: MLS, assessor, Confirmed by Mark Warren

Sale Price \$628,750

Land Data

Zoning SF5A, Residential
Topography Mostly steep

Utilities Power and phone
Dimensions Irreg, borders river
Shape Irreg
Flood Info Some in Flood Zone A

Land Size Information

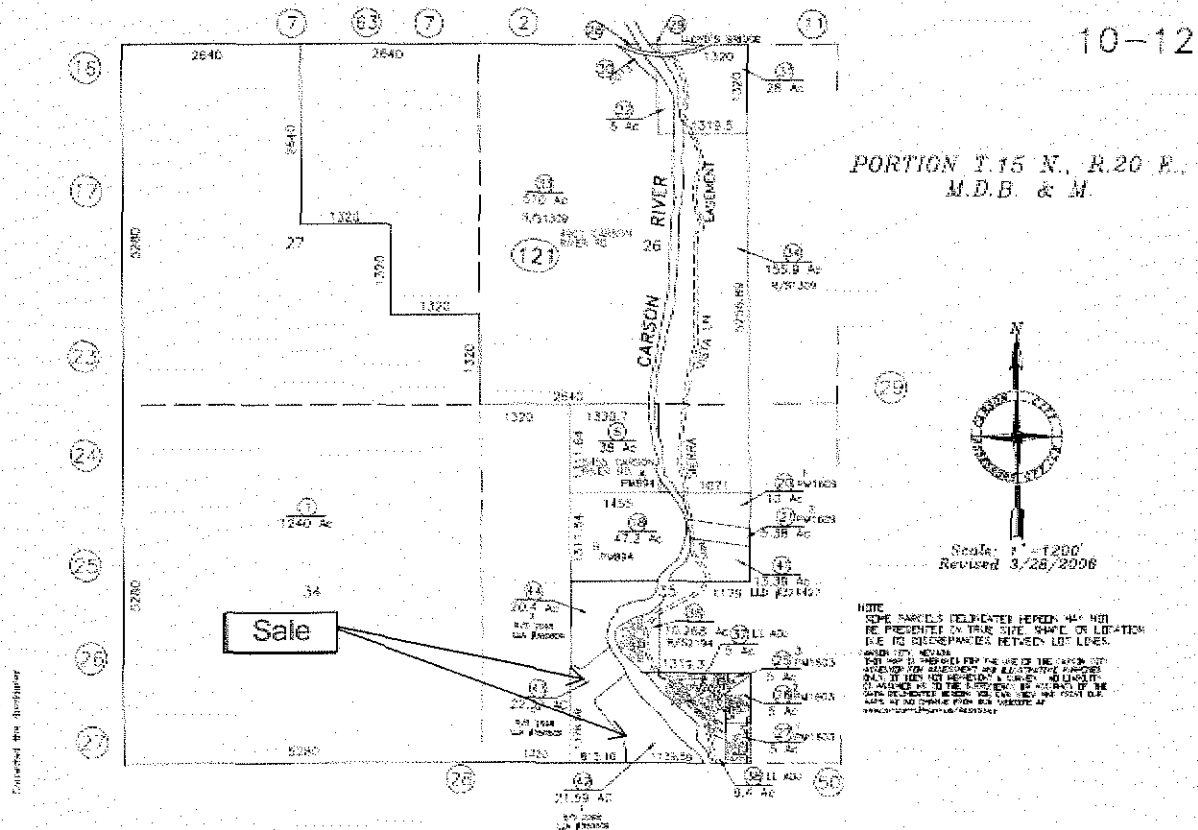
Gross Land Size 43.910 Acres or 1,912,720 SF

Indicators

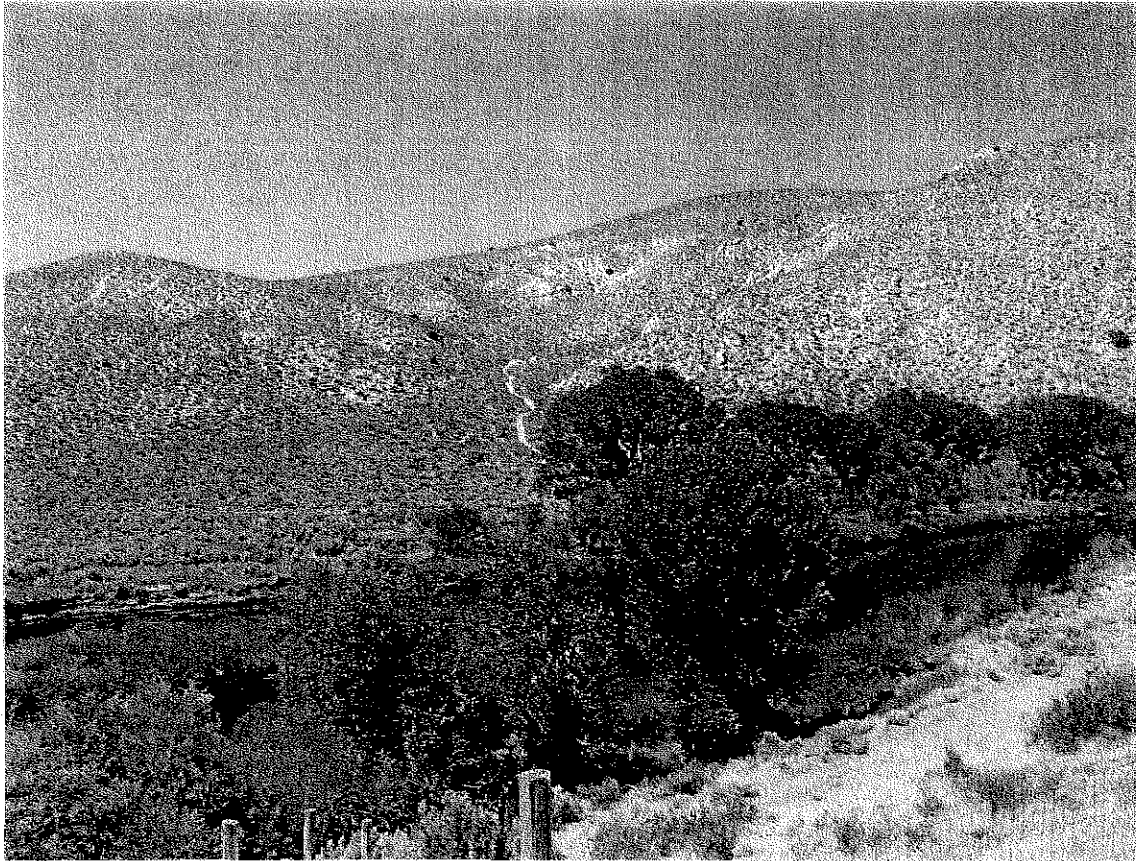
Sale Price/Gross Acre \$14,319
Sale Price/Gross SF \$0.33

Remarks

Sale of adjacent parcels on the west side of Carson River at Mexican Dam. Purchased by two separate LLC's, seller says same individual. Purchased by developer for eventual split into five acre parcels. Access via private extension of Golden Eagle Lane. Power and phone to adjacent parcels. Steep terrain.



Land Sale No. 6

**Property Identification**

Record ID	87
Property Type	Residential, Raw land
Property Name	Carson River Home Site
Address	End of Golden Eagle Lane, Carson City County, Nevada
Location	Mexican Dam area
Tax ID	10-121-44

Sale Data

Grantor	Dieter Bulin & Cherisse Hollingsworth
Grantee	Mexican Dam, LLC
Sale Date	June 20, 2005
Deed Book/Page	338326
Property Rights	Fee simple
Financing	Cash
Verification	Dieter Bulin; August 24, 2006; Other sources: MLS, assessor, Confirmed by Mark Warren

Sale Price	\$595,000
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Land Data

Zoning	SF5A, Residential
Topography	Mostly steep, some mild terrain

Utilities Power and phone
 Dimensions Irreg, borders river
 Shape Irreg
 Flood Info Some in Flood Zone A

Land Size Information

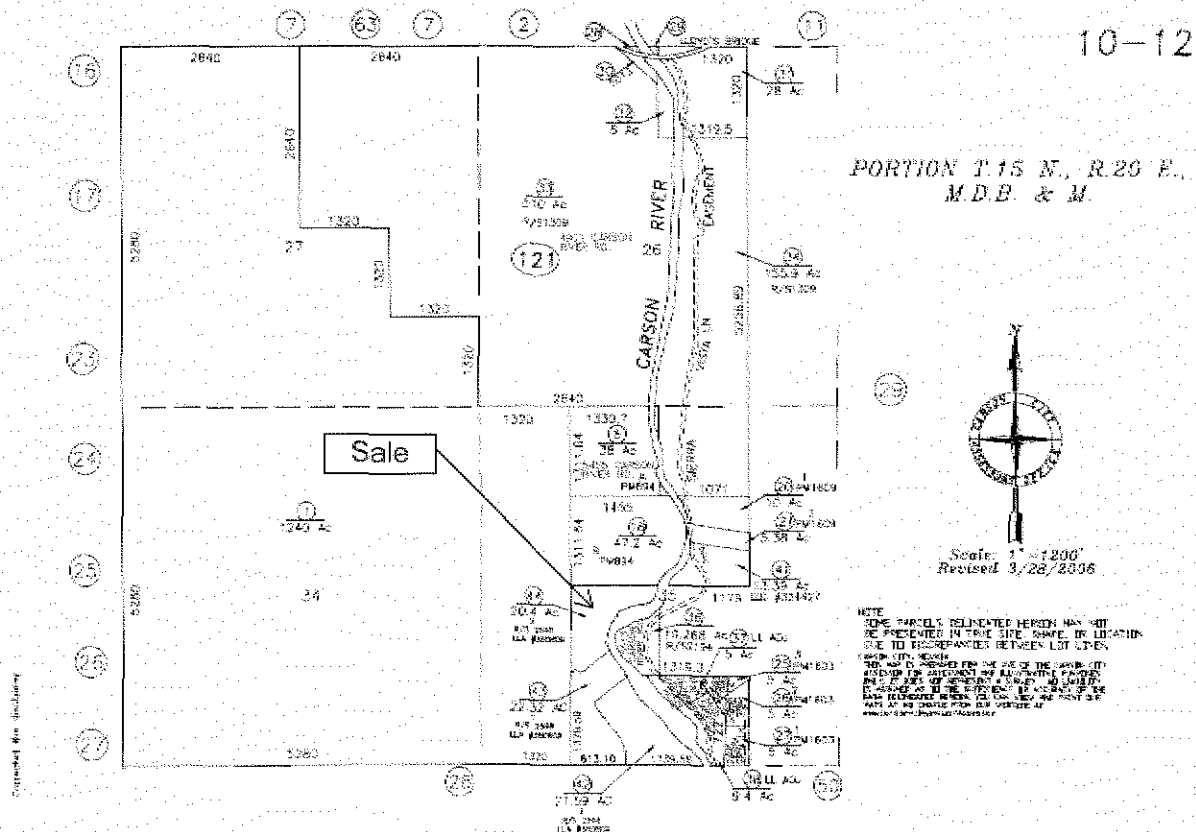
Gross Land Size 20.400 Acres or 888,624 SF

Indicators

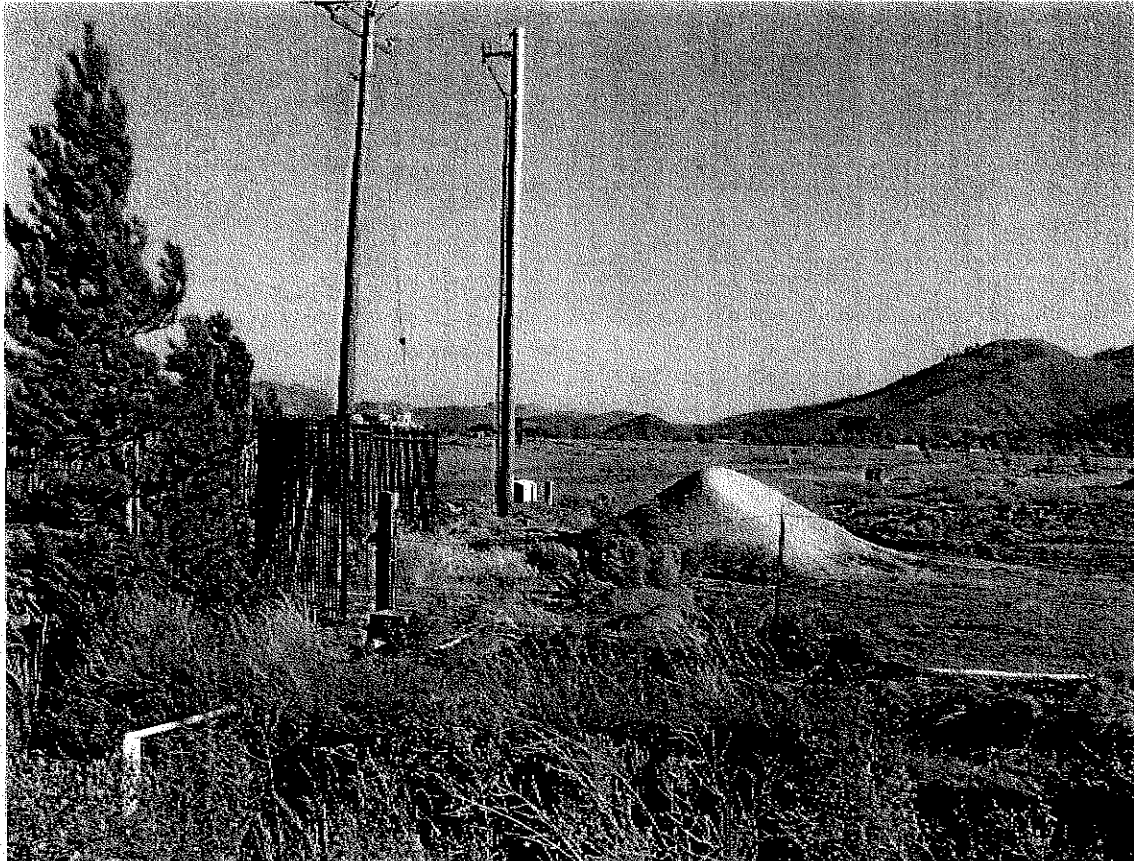
Sale Price/Gross Acre \$29,167
 Sale Price/Gross SF \$0.67

Remarks

Sale of parcel on west side of Carson River at Mexican Dam. Purchased by for eventual split into five acre parcels and as personal home site. Access via private extension of Golden Eagle Lane. Private parcel at end of lane, good views from potential home site. Purchased by local area resident. Power and phone to adjacent parcels.



Land Sale No. 7

**Property Identification**

Record ID	92
Property Type	Residential, Vacant land
Property Name	Hidden Lake Ranch
Address	18520 Lake Vista Road, Washoe County, Nevada
Location	Washoe Valley
Tax ID	55-081-88

Sale Data

Grantor	RTD Realty, LLC
Grantee	KTBE, LLC
Sale Date	July 22, 2005
Deed Book/Page	3249637
Property Rights	Fee simple
Conditions of Sale	Market
Financing	\$312,000 deed of trust with seller
Sale History	Newly created parcel
Verification	Public records; Other sources: Lyn Norberg, MAI, Confirmed by Mark Warren
Sale Price	\$41,200
Cash Equivalent	\$412,000

Land Data

Zoning	MDS, Rural
Topography	Level
Utilities	To site
Dimensions	Irreg
Shape	Irreg
Flood Info	Not in flood zone

Land Size Information

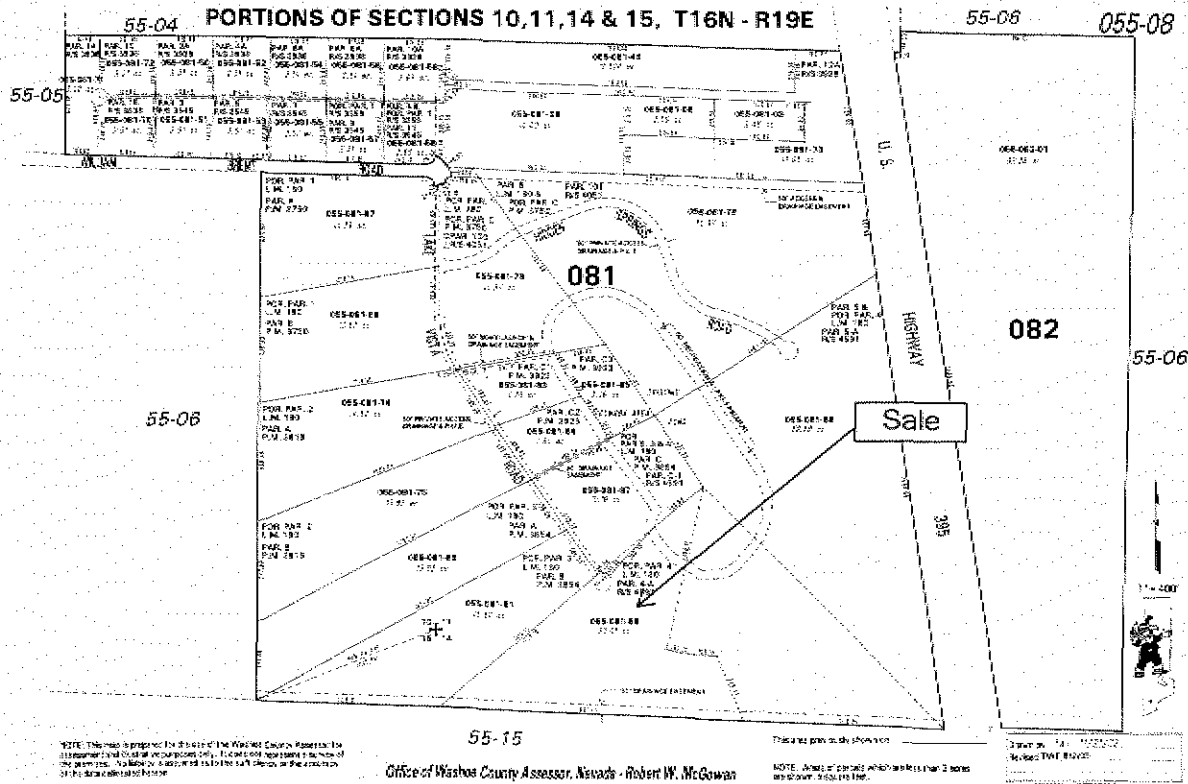
Gross Land Size 20.010 Acres or 871,636 SF

Indicators

Sale Price/Gross Acre	\$2,059
Sale Price/Gross SF	\$0.05

Remarks

Sale of a parcel in the Hidden Lake subdivision at the east end of William Brent Road in Washoe Valley. One of about a dozen large parcels in a lake-centered gated community. Zoning would permit splits down to 2 1/2 acres, but water rights dedications required. Several estate-quality homes in area.



Land Sale No. 8



Property Identification

Record ID 93
Property Type Residential, Vacant land
Property Name Douglas County home site
Address Windmill Road, Gardnerville, Douglas County, Nevada
Location Fish Spring, approx. 5 miles E of Gardnerville
Tax ID 1321-32-001-011

Sale Data

Grantor Walter Adamski
Grantee David Friedman
Sale Date February 07, 2006
Deed Book/Page 667471
Property Rights Fee simple
Financing Seller financed
Verification Public records; Confirmed by Mark Warren

Sale Price \$750,000

Land Data

Zoning RA-5, Residential
Topography Level
Utilities Power and phone

Dimensions Approx. 1/4 mi square
Shape Rectangular
Flood Info Not in flood plain

Land Size Information

Gross Land Size 37.720 Acres or 1,643,083 SF

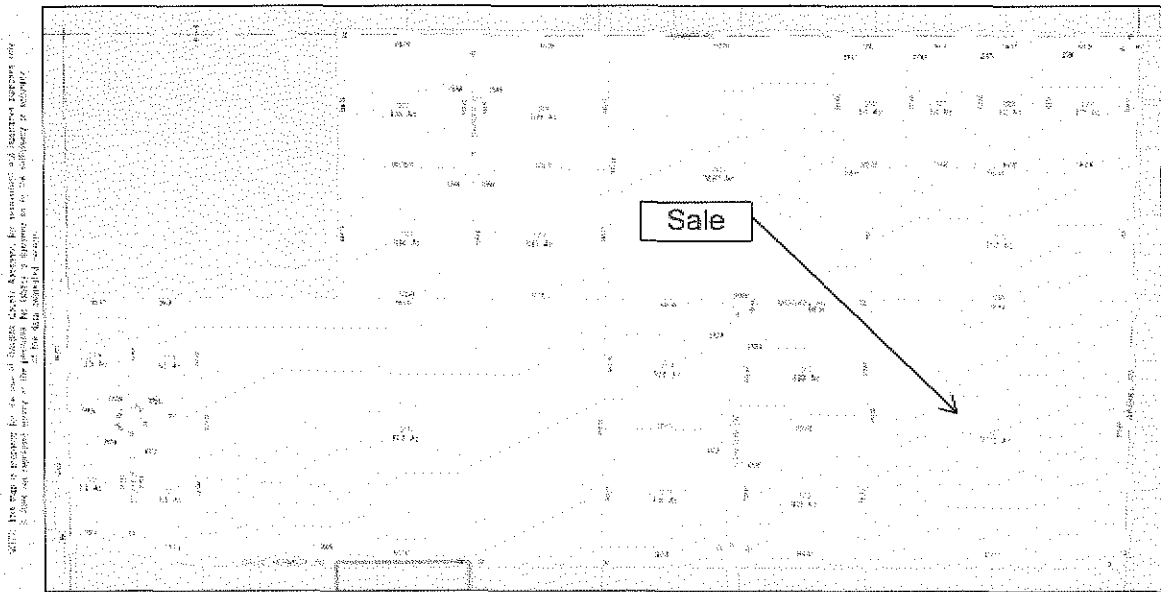
Indicators

Sale Price/Gross Acre \$19,883
Sale Price/Gross SF \$0.46

Remarks

Parcel in Fish Spring area east of Minden/Gardnerville. Parcel in moderate terrain. Power and phone adjacent. Zoned for 5 acre home sites. Numerous semi-custom homes in area.

Douglas County Nevada 888-71-2191 7000 S. Durbin Avenue	Map Legend Parcel Boundary Subdiv. Boundary Easements Town Boundary Township/Range/Section State/County/Range Line Section Line	Parcel Number Parcel Sub-Section Number Parcel Usage Parcel Block Number Parcel Lot Number Parcel Address	T13 N R21 E SEC. 32 N 2 SEC 1321-32-001
		110 11 11 11 11 11	



Land Sale No. 9



Property Identification

Record ID 150
 Property Type Vacant land, Vacant land
 Property Name Vacant Home Site
 Address N/A, Douglas County, Nevada
 Location Cradlebaugh Bridge Area
 Tax ID 1420-30-001-003

Sale Data

Grantor Doug Lippincott
 Grantee Michael & Margaret Hakansson
 Sale Date March 15, 2006
 Deed Book/Page 669979
 Property Rights fee simple
 Conditions of Sale Market
 Financing Cash
 Verification Public records; Confirmed by Mark Warren

Sale Price \$350,000

Land Data

Zoning A19, Residential
 Topography Level

Utilities Underground to site
Dimensions Irregular
Shape Irregular
Flood Info Mostly in Zone A (100-year floodplain)

Land Size Information

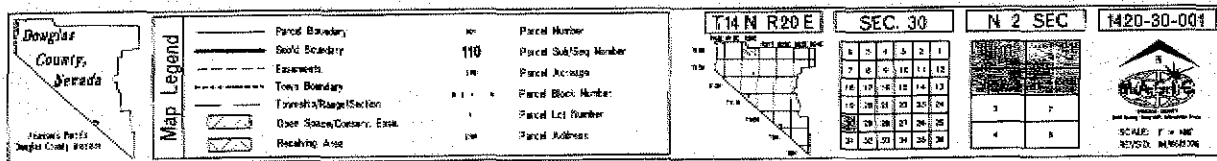
Gross Land Size 20.280 Acres or 883,397 SF

Indicators

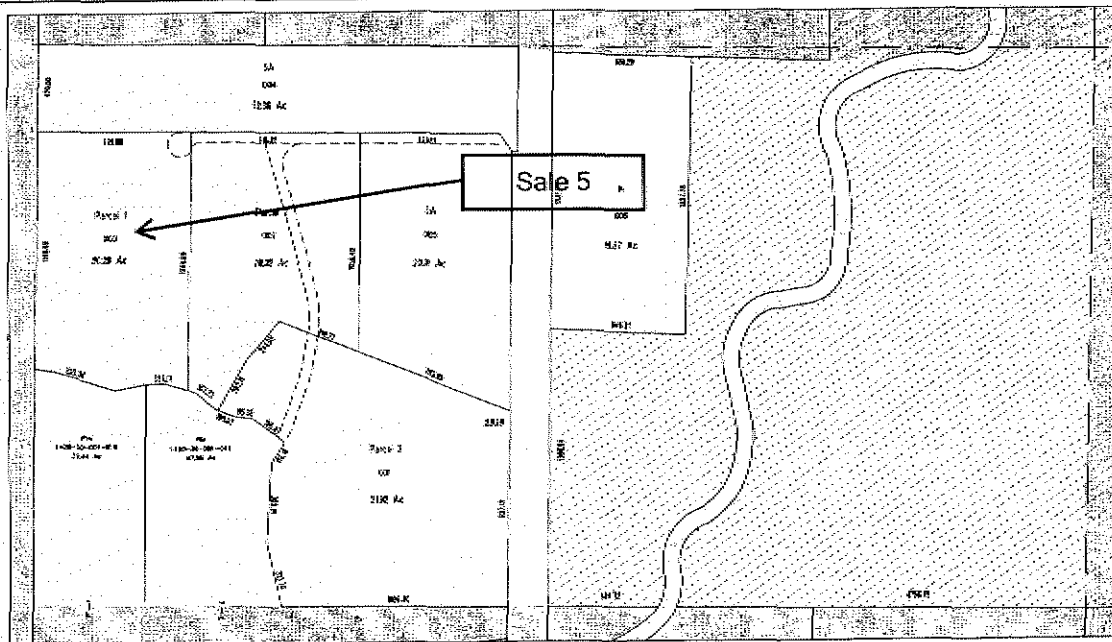
Sale Price/Gross Acre \$17,258
Sale Price/Gross SF \$0.40

Remarks

Sale of a level building site in the north end of Carson Valley near Cradlebaugh Bridge. The site is one of four 20 acre home sites north of Carson River and west of US Highway 395. Access is via a private dirt surface road. Underground utilities to the site. Other large sites in the area are improved with good quality semi-custom homes and hobby ranches.



NOTE: This map is prepared for the use of Douglas County Assessor, for assessment and narrative purposes only. It does not represent survey of the premises. No liability is assumed as to the accuracy or accuracy of the data obtained herein.



QUALIFICATIONS OF MARK WARREN, MAI**PROFESSIONAL AFFILIATIONS:**

Member of the Appraisal Institute, MAI

1998 President Reno-Carson-Tahoe Chapter of the Appraisal Institute

LICENSES:

Nevada Certified General Real Estate Appraiser #0093

California Certified General Real Estate Appraiser #AG026185

BACKGROUND AND EXPERIENCE:

Warren & Schiffmacher, LLC	2002 to present
Wright, Warren & Schiffmacher, LLC, Principal	1997-2002
Independent Fee Appraiser, Reno, Nevada	1992-1997
Senior Appraiser, First Interstate Bank of Nevada, Reno, Nevada	1991-1992
Staff Appraiser, Western Farm Credit Bank, Alturas, California	1987-1991
Appraiser/Loan Officer, Intermountain Federal Land Bank Association/ Sierra Nevada Production Credit Association, Alturas, California	1983-1987
Appraiser/Loan Officer, USDA Farmers Home Administration, Arroyo Grande and Alturas, California	1979-1983
Peace Corps, Agriculture Program, Chile	1977-1979

FORMAL EDUCATION:

University of California, Davis

B.S. Degree, Plant Science

1977

APPRAISAL EDUCATION:

Appraisal Institute

Appraisal Litigation Practice & Courtroom Management	2003
Uniform Standards of Professional Appraisal Practice, 2003 Update	2003
Uniform Standards for Federal Land Acquisitions (The Yellow Book)	2002
Condemnation Appraising (Courses 710 and 720)	2001
Federal Land Acquisition	2000
Principles of Valuation (Course 110), Exam	1993
Valuation Procedures (Course 120), Exam	1994
Case Studies in Real Estate Valuation (Course 2-1)	1992
Report Writing and Valuation Analysis (Course 540)	1994
Capitalization Theory & Techniques A & B (Courses 1B-A, 1B-B)	1991
Standards of Professional Appraisal Practice, Parts A & B	1991
Livestock Ranch Valuation	1986

American Society of Farm Managers and Rural Appraisers

Uniform Standards of Professional Appraisal Practice	1990
Appraiser Certification	1990
Advanced Rural Appraisal	1988
Principles of Rural Appraisal	1988
Report Writing	1987
Fundamentals of Rural Appraisal	1987

TYPES OF PROPERTY APPRAISED:

Industrial buildings	Automobile dealerships
Subdivisions	Irrigated farms
Development land	Livestock ranches
Offices	Orchards and vineyards
Shopping centers	Recreation land
Single family residences	Timberland
Apartments	Sawmills
Restaurants	Geothermal facilities
Auto service centers	Utility easements

REPRESENTATIVE APPRAISAL CLIENTS:

- | | |
|--|-------------------------------------|
| AMRESCO | Nations Bank |
| Bank of America Nevada | Nevada Department of Transportation |
| Bank of the West | Pegasus Gold Corporation |
| Bureau of Land Management | Plumas Bank |
| California Trout, Inc. | Regional Transportation Commission |
| California Wildlife Conservation Board | Rocky Mountain Elk Foundation |
| City of Reno | Sierra County, California |
| Comstock Bank | Sierra Pacific Power Company |
| Conservation Fund | Siskon Gold Corporation |
| Douglas County, Nevada | Tahoe Donner Land Trust |
| First Chicago Bank | The Trust for Public Land |
| First Interstate Bank | Various individuals and trusts |
| First Western Savings Bank | Washoe County Water Authority |
| Gordon and Silver, Ltd. | Wells Fargo Bank |
| Hale, Lane, Peek, Dennison and Howard | Western Agricultural Finance |
| Lassen County, California | |

PRELIMINARY REPORT

Northern Nevada Title Company
512 N. Division Street
Carson City, NV 89703-4103
(775)-883-7513 FAX (775)-887-5065

To: **Carson City Parks & Recreation**
Attn: **Juan Guzman**

Escrow No. **CC-1060839-TO**
Title No. **1060839**

Your No.

Property Address
4706 Golden Eagle Lane
Carson City, NV 89701

Assessor's Parcel Number
010-502-01

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

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are available from the office which issued this report. Copies of the Policy forms should be read.

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

Dated: **December 29, 2006** at 7:30 A.M.


Carey Rotoli, Title Officer

The form of policy of title insurance contemplated by this report is: **CLTA Owners**

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

A fee as to Parcel 1 and an easement as to Parcel 2

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

William L. Desormier and Patricia L. Desormier, Trustees, and their Successors, under The William L. & Patricia L. Desormier Family Trust U/D/T 05-18-00, as Community Property

The land referred to in the report is situate in the State of Nevada, County of Carson City and is described as follows:

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

(110)

CC-1060839-TO
1060839

EXHIBIT "A" ATTACHED TO PRELIMINARY TITLE REPORT DATED DECEMBER 29, 2006

EXHIBIT "A"

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

PARCEL 1:

Being a portion of the Southwest ¼ of Northwest ¼ Section 2, Township 14 North, Range 20 East, M.D.B.&M., Carson City, Nevada and more particularly described as follows:

COMMENCING at a found G.L.O. brass cap being the Northwest Section corner Section 2, Township 14 North, Range 20 East, M.D.B. &M.;

THENCE South 00°07'39" East, 1,256.90 feet to a point, said point being the Northwest 1/16 corner of Section 2, said point also being the **TRUE POINT OF BEGINNING**;

THENCE North 89°54'47" East, 1,258.36 feet to a point, said point being on the mean high water line of the Carson River;

THENCE along the mean high water line of the Carson River on the following meander courses:

South 62°55'32" West, 92.58 feet;

South 53°05'57" West, 134.18 feet;

South 49°51'49" West, 428.27 feet;

South 21°27'15" West, 99.30 feet;

South 22°33'08" West, 333.41 feet;

South 35°06'07" West, 421.11 feet;

South 60°05'44" West, 205.86 feet;

South 70°58'07" West, 162.66 feet;

THENCE leaving said meander courses of the Carson River North 00°07'39" West, 1,297.88 feet to **THE TRUE POINT OF BEGINNING**.

Reference is hereby made to that certain Record of Survey Map No. 2201, recorded on February 14, 1997 as Document No. 199227.

Continued...

EXHIBIT "A" CONTINUED...

PARCEL 2:

Roadway and utility rights of way as described in Grant of Easement recorded in the office of the County Recorder of Carson City, State of Nevada, on October 1, 1984 in Book 377 at Page 233, 237 and 241 as Document No.'s 30615, 30616 and 30617, Official Records.

NOTE: Legal description previously contained in Document No. 250331, recorded on July 5, 2000.

PAGE 2

Escrow No. CC-1060839-TO

**NORTHERN NEVADA TITLE COMPANY
PRELIMINARY REPORT**

At the date hereof exceptions to coverage, in addition to the exclusions contained in said policy form, would be as follows:

EXCEPTIONS FROM COVERAGE

The policy, with the exception of any ALTA Lenders policy, contemplated to be issued hereunder will not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

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

PART II

- 1) The lien, if any, for taxes for improvements completed or in progress, but which were not shown on the tax bill for the current year.
- 2) Liens levied by the Carson City Water and Sewer District for water, sewer and storm water utilities, by reason that subject property is located within said district. To verify payments, delinquencies or liens, contact Carson City Utilities at (775) 887-2355 extension 1020.
- 3) Lack of ingress and/or egress to said land, access may be provided by the United States Department of the Interior, Bureau of Land Management over that portion of the West ½ of Lot 2 within the Northwest ¼ of Section 2, Township 14 North, Range 20 East.
- 4) Notes, easements and recitals as set forth on Parcel Map No. 704, and Record of Survey Map No.'s 894, 1071 and 2201 herein referred. Said notes, easements and recitals will affect the use of the herein described property and a review of said map is advised.
- 5) Any easement or claims of easement or rights of access based on prescription or by implied dedication to the public over said land or any part thereof, for access (or recreational purposes) to or upon the Carson River.

Continued...

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NORTHERN NEVADA TITLE COMPANY
PRELIMINARY REPORT

Escrow No. CC-1060839-TO

At the date hereof exceptions to coverage, in addition to the exclusions contained in said policy form, would be as follows:

- 6) Any adverse claim based upon the assertion that:
 - a) "Said land or any part thereof is now, or at any time has been, below the ordinary high water mark of the Carson River."
 - b) "Some portion of said land has been created by artificial means or has accreted to such portions so created."
 - c) "Some portion of said land has been brought with the boundary thereof by an avulsive movement of the Carson River or has been formed by accretion to any such portion."
- 7) Such rights and easements for navigation and fishery which may exist over that portion of said land lying beneath the waters of Carson River.
- 8) Easement, together with the rights incidental thereto,

RESERVED BY: H.F. Dangberg Land & Live Stock Company, a Nevada Corporation

PURPOSE: Rights of other users of common ditches, canals, streams in accordance with, but not limited to, historical custom and usage

RECORDED: March 30, 1979

BOOK: 227, Official Records

PAGE: 612

DOCUMENT NO.: 78173

AFFECTS: A portion of said land exact location is not defined of record

- 9) Rights of way, easement and conditions as set forth in those certain Grants of Easements,

RECORDED: October 1, 1984

BOOK: 377, Official Records

PAGE: 233, 237 and 241

DOCUMENT NO.'S: 30615, 30616 and 30617

Continued...

NORTHERN NEVADA TITLE COMPANY
PRELIMINARY REPORT

Escrow No. CC-1060839-TO

At the date hereof exceptions to coverage, in addition to the exclusions contained in said policy form, would be as follows:

10) Terms, conditions and fees as set forth in Decision for Right-of-Way Grant,

FILE CASE NO.: N-39520
RECORDED: October 3, 1984
BOOK: 377, Official Records
PAGE: 368
DOCUMENT NO.: 30685

Assignment of Right-of-Way Grant,

RECORDED: February 4, 1985
BOOK: 386, Official Records
PAGE: 276
DOCUMENT NO.: 33372

Decision Right-of-Way for Partial Assignment approved Amendment approved.

DATED: July 7, 1992

Assignment of Right-of-Way Grant N-39520 for use of access road by other owners.

11) Agreement, on the terms and conditions contained therein.

PURPOSE: Road Maintenance Agreement
EXECUTED BY: William L. Desormier, Eli H. Keeran, Jack
Foerschler and John J. Stein
RECORDED: March 16, 1989
DOCUMENT NO.: 82797, Official Records

12) Grant of Easement, together with the rights incidental thereto,

GRANTED TO: Jack Foreschler and Charlene Foerschler
PURPOSE: Easement and right-of-way for and adequate
travelway and right-of-way for all useful utility
access for residential purposes, but not
commercial purposes
RECORDED: May 1, 2000
DOCUMENT NO.: 247954, Official Records

NORTHERN NEVADA TITLE COMPANY
PRELIMINARY REPORT

Escrow No. CC-1060839-TO

At the date hereof exceptions to coverage, in addition to the exclusions contained in said policy form, would be as follows:

13) Easement, together with the rights incidental thereto,

GRANTED TO: Paul D. Desormier and Sandra K. Desormier
PURPOSE: Permanent easement and right-of-way for an adequate travelway and right-of-way for all useful utility access, and residential purposes, but not commercial purposes
RECORDED: April 14, 2004
DOCUMENT NO.: 317100, Official Records

14) Easement, together with the rights incidental thereto,

GRANTED TO: Paul D. Desormier and Sandra K. Desormier
PURPOSE: Permanent easement and right-of-way for an adequate travelway and right-of-way for all useful utility access, and residential purposes, but not commercial purposes
RECORDED: April 14, 2004
DOCUMENT NO.: 317101, Official Records

15) Easement, together with the rights incidental thereto,

GRANTED TO: Paul D. Desormier and Sandra K. Desormier
PURPOSE: Permanent easement and right-of-way for an adequate travelway and right-of-way for all useful utility access, and residential purposes, but not commercial purposes
RECORDED: April 14, 2004
DOCUMENT NO.: 317102, Official Records

16) Easement, together with the rights incidental thereto,

GRANTED TO: William L. Desormier and Patricia L. Desormier, Trustee, under The William L. & Patricia L. Desormier Family Trust, U/D/T
PURPOSE: Permanent easement and right-of-way for an adequate travelway and right-of-way for all useful utility access, and residential purposes, but not commercial purposes
RECORDED: April 14, 2004
DOCUMENT NO.: 317104, Official Records

Continued...

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NORTHERN NEVADA TITLE COMPANY
PRELIMINARY REPORT

Escrow No. CC-1060839-TO

At the date hereof exceptions to coverage, in addition to the exclusions contained in said policy form, would be as follows:

17) Easement, together with the rights incidental thereto,

GRANTED TO: William L. Desormier and Patricia L. Desormier, Trustees, under The William L. & Patricia L. Desormier Family Trust, U/D/T 05-18-00
PURPOSE: Permanent easement and right-of-way for an adequate travelway and right-of-way for all useful utility access, and residential purposes, but not commercial purposes
RECORDED: April 14, 2004
DOCUMENT NO.: 317105, Official Records

18) Easement, together with the rights incidental thereto,

GRANTED TO: David K. Riske and Alisa D. Riske, Husband and Wife as Joint Tenants with Right of Survivorship
PURPOSE: Permanent easement and right-of-way for an adequate travelway and right-of-way for all useful utility access, and residential purposes, but not commercial purposes
RECORDED: April 14, 2004
DOCUMENT NO.: 317108, Official Records

19) Easement, together with the rights incidental thereto,

GRANTED TO: Jack Foerschler and Charlene Foerschler, Husband and Wife as Joint Tenants with Right of Survivorship
PURPOSE: Permanent easement and right-of-way on an adequate travelway and right-of-way for all useful utility access, and residential purposes, but not commercial purposes
RECORDED: April 14, 2004
DOCUMENT NO.: 317109, Official Records

20) The requirement that an executed Certification of Trust pursuant to NRS 164.400 et. seq. be submitted prior to the issuance of a Title Insurance Policy.

Continued...

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PAGE 7

NORTHERN NEVADA TITLE COMPANY
PRELIMINARY REPORT

Escrow No. CC-1060839-TO

At the date hereof exceptions to coverage, in addition to the exclusions contained in said policy form, would be as follows:

21) "Preliminary Reports" are furnished in connection with an application for title insurance and are offers to issue a title policy subject to the stated exceptions set forth in the report. The information contained herein, while deemed reliable, does not reflect the information that would be shown in an abstract of title, and no liability is assumed nor is any assurance given as to the accuracy of the vesting, legal description or items contained in or deleted from this report.

If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

NOTE: As a matter of information, we report that taxes for the year 2006-2007, have been paid in full.

TOTAL AMOUNT: \$301.35
ASSESSORS PARCEL NO.: 010-502-01

oOo

**Northern Nevada Title Company
512 N. Division Street
Carson City, NV 89703**

Privacy Policy Notice
as of September 20, 2005

PURPOSE OF THIS NOTICE

Northern Nevada Title Company (NNTC) and its Underwriters share your concerns about privacy. Each Company is committed to respecting the privacy of our policyholders. Therefore, in accordance with Federal and State laws and regulations, we are providing you with this notice of how we might use the information about you which we gather in the process of issuing a policy of title insurance.

Title V of the Gramm-Leach-Bliley Act (GLBA) and the laws of the State in which you reside generally prohibit us from sharing non public personal information about you with a third party unless we provide you with this notice of our privacy policies and practices, such as the type of information that we collect about you and the categories of persons or entities to whom that information may be disclosed. In compliance with the GLBA and the laws of this State, we are providing you with this document, which notifies you of the privacy policies and practices of NNTC and its Underwriters.

OUR PRIVACY POLICIES AND PRACTICES

I. Information we collect and sources from which we collect it:

We do not collect any nonpublic personal information about you other than the following:

Information we receive from you or from your attorney or other representatives on applications or other forms;

Information about your transactions with us, our affiliates or our Underwriters.

In addition, we may collect other non public personal information about you from individuals and companies other than those proposed for coverage.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional information will be collected about you.

II. Information we disclose to third parties:

In the course of our general business practices, we may disclose the information that we collect (as described above) about you or others without your permission to the following types of institutions for the reasons described:

To a third party such as a surveying, real estate tax research or municipal data firm if the disclosure will enable that party to perform a business, professional or insurance function for us;

To an insurance institution, agent, or credit reporting agency in order to detect or prevent criminal activity, fraud or misrepresentation in connection with an insurance transaction;

To an insurance institution, agent, or credit reporting agency for either this Company or the entity to whom we disclose the information to perform a function in connection with an insurance transaction involving you;

To an insurance regulatory authority, law enforcement, or other governmental authority in order to protect our interests in preventing or prosecuting fraud, or if we believe that you have conducted illegal activities;

To an actuarial or research organization for the purpose of conducting actuarial or research studies.

The disclosures described above are permitted by law.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH AFFILIATES OR NON-AFFILIATED THIRD PARTIES FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

III. Your right to access and amend your personal information:

You have the right to request access to the personal information that we record about you. Your right includes the right to know the source of the information and the identity of the persons, institutions or types of institutions to whom we have disclosed such information within 2 years prior to your request. Your right includes the right to view such information and copy it in person, or request that a copy of it be sent to you by mail (for which we may charge you a reasonable fee to cover our costs). Your right also includes the right to request corrections, amendments or deletions of any information in our possession. The procedures that you must follow to request access to or an amendment of your information are as follows:

To obtain access to your information from Northern Nevada Title Company: You should submit a request in writing Northern Nevada Title Company, 512 N. Division Street, Carson City, Nevada 89703. The request should include your name, address, policy number, telephone number, and the information to which you would like access. The request should state whether you would like access in person or a copy of the information sent to you by mail. Upon receipt of your request, we will contact you within 30 business days to arrange providing you with access in person or the copies that you have requested.

To obtain access to your information from the Underwriter: You should submit your written request including the specified information to the address stated above. The request should include the same information mentioned above for requests to NNTC. The request will be forwarded to the Underwriter which insured your transaction

To correct, amend, or delete any of your information: You should submit a request in writing to the address referenced directly above. The request should include your name, address, policy number, telephone number, the specific information in dispute, and the identity of the document or record that contains the disputed information. Upon receipt of your request, we will contact you within 30 business days to notify you either that we have made the correction, amendment or deletion, or that we refuse to do so and the reasons for the refusal which you will have an opportunity to challenge.

IV. Our practices regarding information confidentiality and security:

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

v. Our policy regarding dispute resolution:

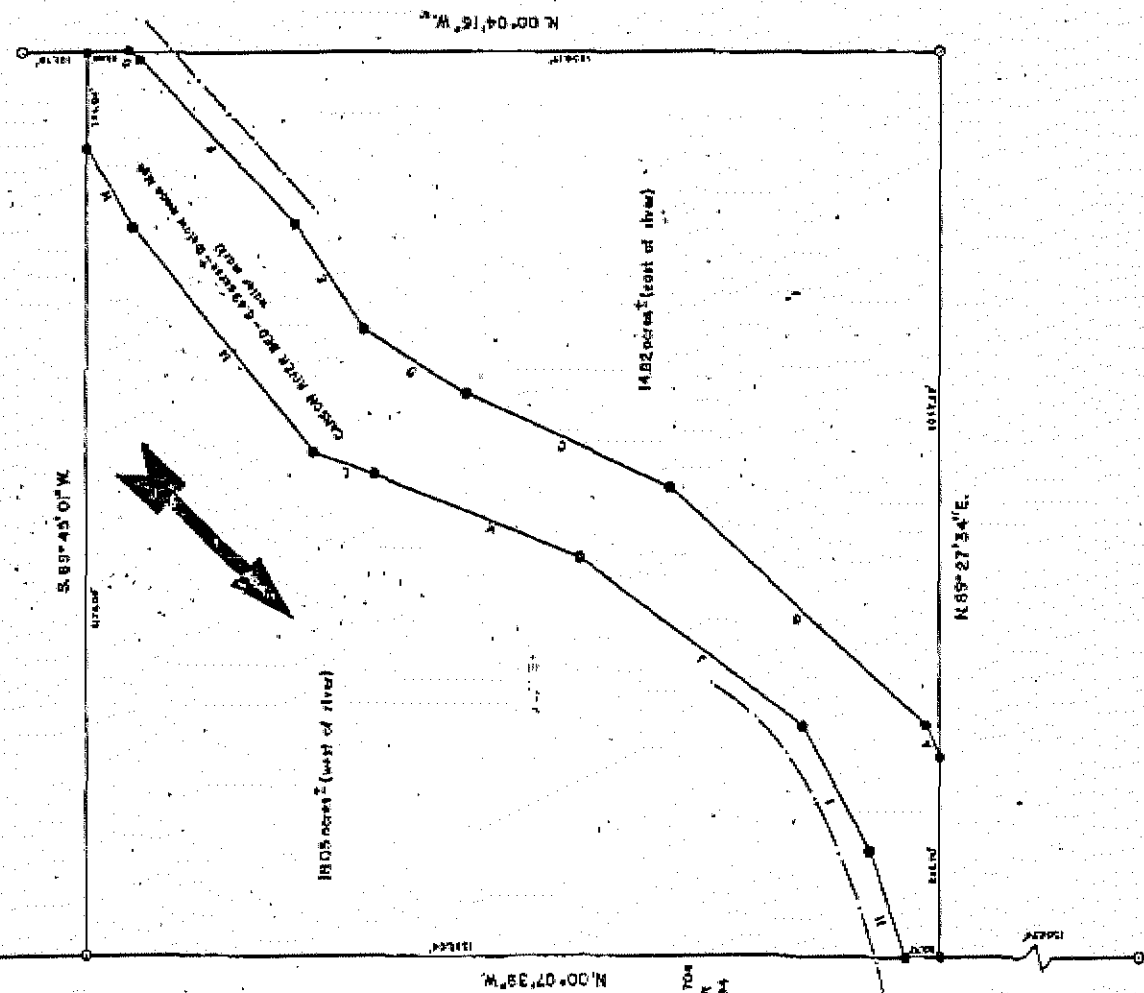
Any controversy or claim arising out of or relating to our privacy policy, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

VI. Reservation of the right to disclose information in unforeseen circumstances:

In connection with the potential sale or transfer of its interests, Northern Nevada Title Company, its Underwriters and their respective affiliates reserve the right to sell or transfer your information (including but not limited to your address, name, age, sex, zip code, state and country of residency and other information that you provide through other communications) to a third party entity that (1) concentrates its business in a similar practice or service; (2) agrees to be a successor in interest of Northern Nevada Title Company or the Underwriter with regard to the maintenance and protection of the information collected; and (3) agrees to the obligations of this privacy statement.

Northern Nevada Title Company does not represent this plat as a survey of the land indicated hereon, although believed correct, no liability is assumed as to the accuracy thereof.

35 1/2" OLD BRASS CAP



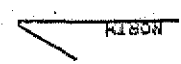
SURVEYOR'S CERTIFICATE

I, JAMES P. HADDAM, HEREBY CERTIFY THAT THIS MAP CONSISTING OF ONE SHEET ACCURATELY REPRESENTS THE LANDS SHOWN HEREON AS SURVEYED BY ME BETWEEN MAY 17, 1964 AND JUNE 4, 1965 AT THE REQUEST OF ELI REERAN



JAMES P. HADDAM
 1111 S. 10th St.
 LAS VEGAS, NEVADA

DATE OF BEARINGS: THE WEST LINE OF SECTION 2 AS SHOWN ON RECORD OF SURVEY FILED IN THE CARSON CITY RECORDER'S UNDER PLAT NO. 889, 10, 000, 01, 38 W3



SCALE: 1" = 100'

RECORDER'S CERTIFICATE

FILED FOR RECORD THIS 17th DAY OF JULY, 1965 AT 11:26 A.M. IN BOOK 22 PAGE 424 OF THE OFFICIAL RECORDS OF CARSON CITY, NEVADA AT THE REQUEST OF JAMES P. HADDAM, SURVEYOR RECORDING REG. 22-68, FILE NO. 20956

RECORDED
 By: *Paul M. ...*
 877 Low Middle, Dr. ...

SHEET 1 OF 1

RECORD OF SURVEY

FOR ELI REERAN

SW 1/4 SECTION 2 T.14N. R.20E. M.D.M. NEVADA

CARSON CITY
 PLACER COUNTY ENGINEERING
 1007 N. NEVADA ST.
 CARSON CITY, NEV. 89101
 (702) 885-1533

SURVEYOR'S CERTIFICATE

1. RONALD WHITNEY, A REGISTERED LAND SURVEYOR IN THE STATE OF NEVADA, CLADBY TRUST.

2. THIS IS A TRUE AND ACCURATE REPRESENTATION OF THE LAND SURVEYED UNDER MY SUPERVISION AT THE INSTANCES OF CLADBY TRUST.

3. THE LANDS SURVEYED IN WITHIN SECTION 35, T.14N., R.20E., M.D.M. THE SURVEY WAS CONDUCTED ON 5-2-21.

4. THIS PLAN COMPLIES WITH THE APPLICABLE STATE STATUTES AND ALL LOCAL ORDINANCES.

5. THE MONUMENTS ARE OF THE CHARACTER SHOWN AND DEEMED THE MOSTING WARRANTED.



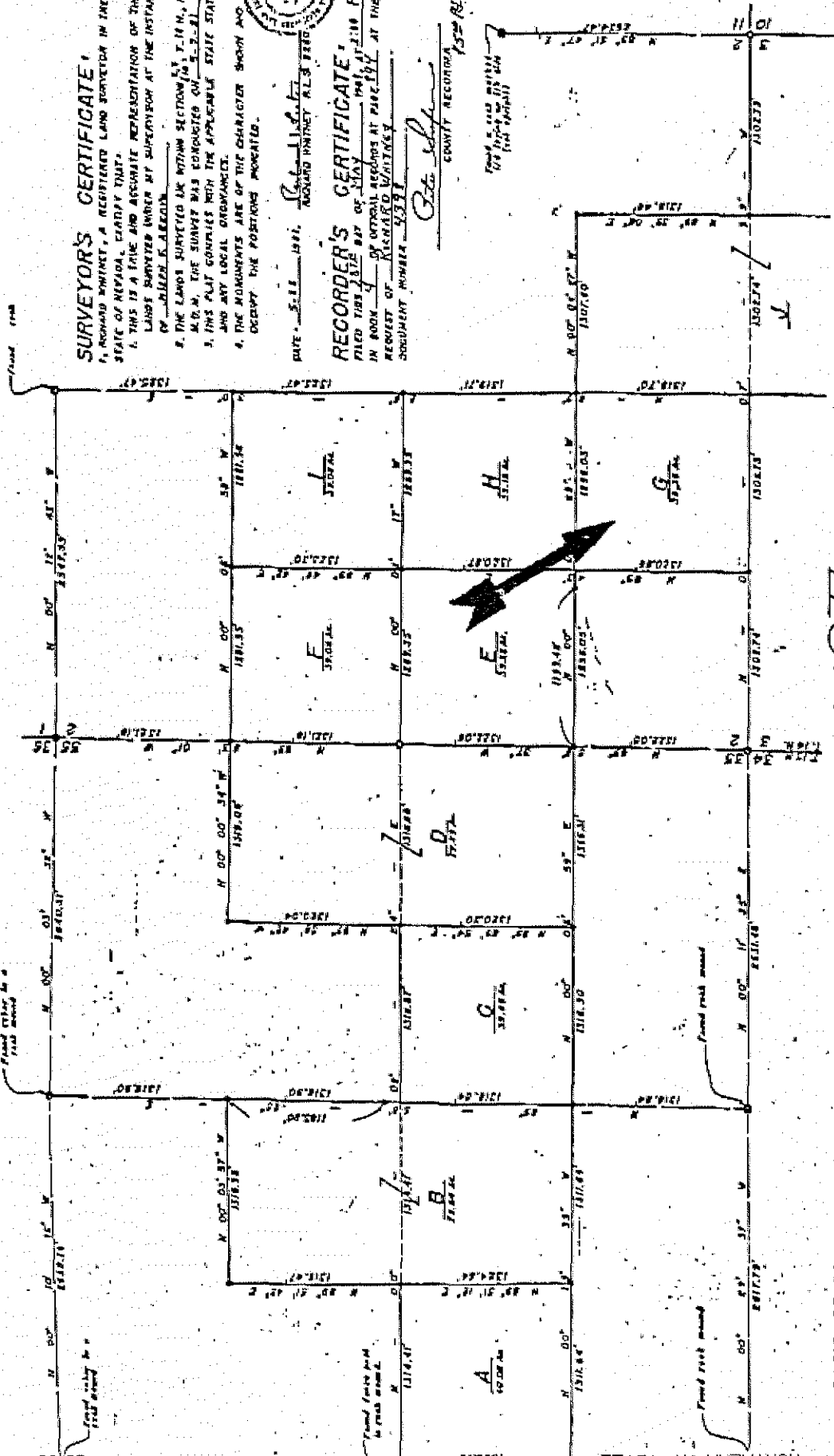
DATE: 5-2-21 1991. Ronald Whitney, R.L.S. REG. NO. 11007

RECORDER'S CERTIFICATE

FILED THIS 21ST DAY OF MAY 1991 AT 2:30 P.M. IN BOOK 4 OF OFFICIAL RECORDS AT PAGE 114 AT THE REQUEST OF CLADBY TRUST.

RECORDED NUMBER 1527 R1

Cladby Trust
COUNTY RECORDER



RECORD OF SURVEY
for Joseph F. Arroyo

being portions of Section 35, T.14N., R.20E. and Sections 8, 3 and 10, T.14N., R.20E., M.D.M. County of Carson City, Nevada

MARTIN ENGINEERING
P.O. BOX 418
ELKHORN 89402, NEVADA 89402
(702) 388-4347

BASIS OF BEARING

The Basis of Bearing of this map is the west line of Section 8 which bears N 00° 00' 30" W.

Northern Nevada Title Company does not represent this plat as a survey of the land indicated hereon, although believed correct, no liability is assumed as to the accuracy thereof.

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Northern Nevada Tile Company does not represent this plat as a survey of the land indicated hereon, although believed correct, no liability is assumed as to the accuracy thereof.



SURVEYER'S CERTIFICATE

The plat and certificate attached hereto were examined by me on the 11th day of May 1914, and I find that the same conform to the provisions of the laws of the State of Nevada in that behalf relating to the same, and I hereby certify that the same are correct and true to the best of my knowledge and belief.

Richard S. White
 State Engineer

OWNER'S CERTIFICATE

I, the undersigned, being the owner of the land shown on the above plat, do hereby certify that the same are correct and true to the best of my knowledge and belief, and I hereby authorize the State Engineer to file the same for record.

James H. Smith
 Owner

NOTARY PUBLIC

I, the undersigned, being a Notary Public for the State of Nevada, do hereby certify that the above plat and certificate were presented to me for record on the 11th day of May 1914, and I find that the same conform to the provisions of the laws of the State of Nevada in that behalf relating to the same, and I hereby certify that the same are correct and true to the best of my knowledge and belief.

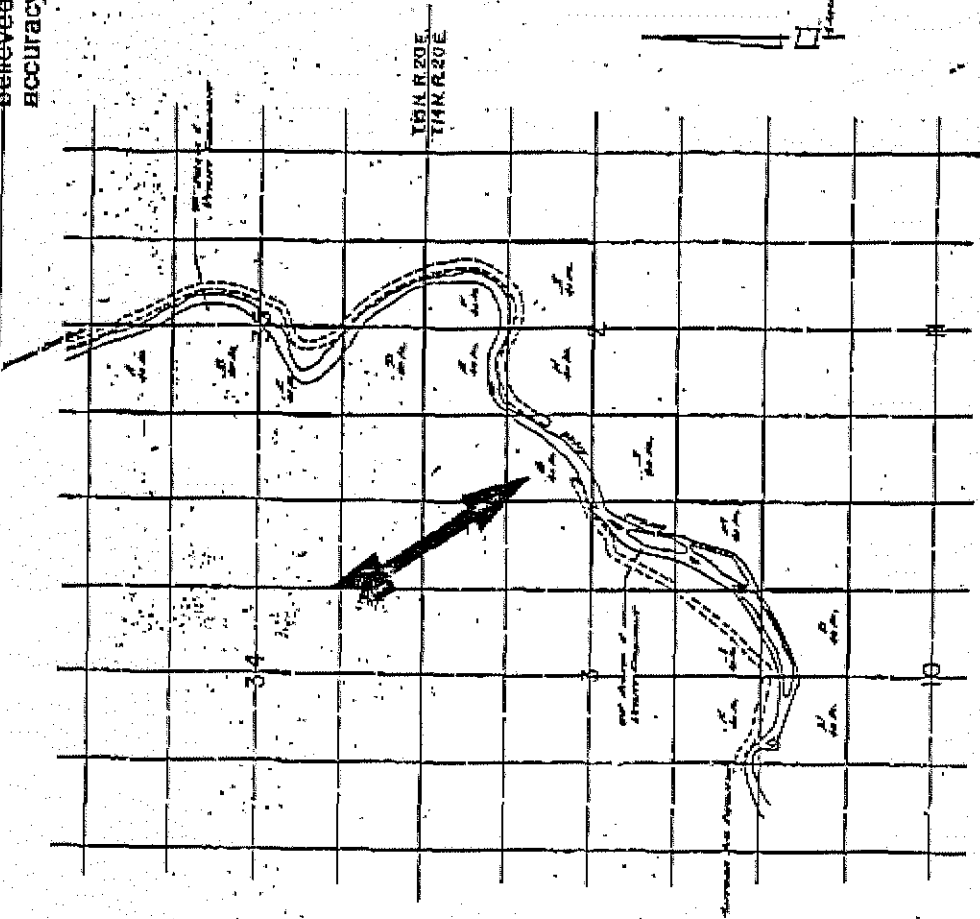
James H. Smith
 Notary Public



OWNER'S CERTIFICATE

The above plat and certificate were examined by me on the 11th day of May 1914, and I find that the same conform to the provisions of the laws of the State of Nevada in that behalf relating to the same, and I hereby certify that the same are correct and true to the best of my knowledge and belief.

James H. Smith
 Owner



SURVEYOR'S CERTIFICATE

The above plat and certificate were examined by me on the 11th day of May 1914, and I find that the same conform to the provisions of the laws of the State of Nevada in that behalf relating to the same, and I hereby certify that the same are correct and true to the best of my knowledge and belief.

James H. Smith
 State Engineer

OWNER'S CERTIFICATE

I, the undersigned, being the owner of the land shown on the above plat, do hereby certify that the same are correct and true to the best of my knowledge and belief, and I hereby authorize the State Engineer to file the same for record.

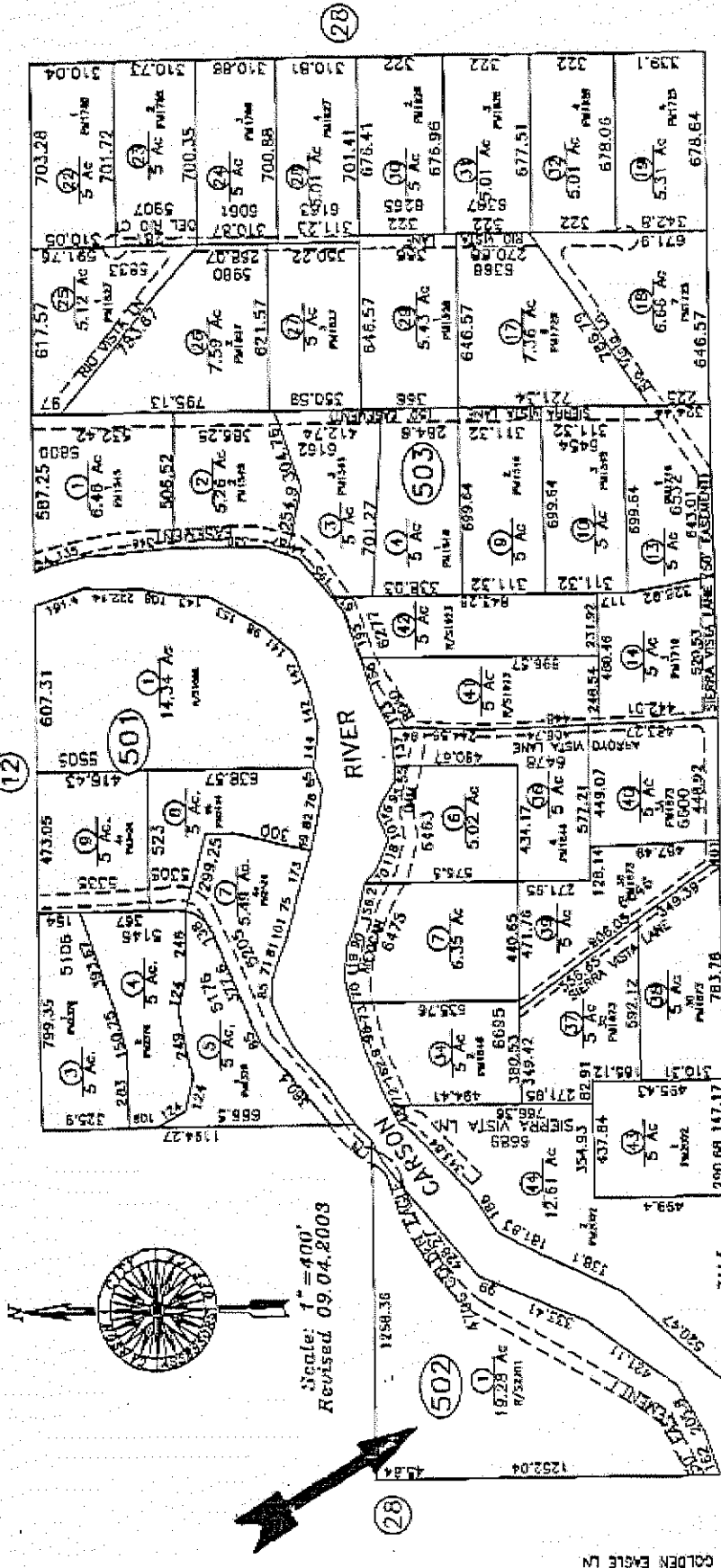
James H. Smith
 Owner

LAIN DIVISION MAP
 FOR
 NEVIS INDUSTRIES, INC.
 PORTION OF SECTION 35 T14N R20E M.D.M. AND
 PORTION OF SECTION 33, 34 T14N R20E M.D.M.
 CARSON CITY, NEVADA

Northern Nevada Tile Company does not represent this plat as a survey of the land indicated hereon, although believed correct, no liability is assumed as to the accuracy thereof.

10-50

N 1/2 SECTION 2, T.14 N., R.20 E., M.D.D. & M.



NOTE: BOUNDARIES TO HIGH-WATER MARK OF RIVER. CLIENTS SHOULD VERIFY LOCATIONS PER PARCEL MAPS LIMITED. EASEMENTS SHOWN BY PUBLIC WORKS FOR ADDRESS PURPOSES.

SEE CARSON RIVER AREA ADDRESS FOLDER BEFORE ADDING ADDRESSES TO LAND MANAGEMENT

CARSON CITY, NEVADA
THIS MAP IS PREPARED FOR THE USE OF THE CARSON CITY ASSESSOR FOR ASSESSMENT AND ILLUSTRATIVE PURPOSES ONLY. IT DOES NOT REPRESENT A SURVEY. NO LIABILITY IS ASSUMED AS TO THE SUFFICIENCY OR ACCURACY OF THE DATA ILLUSTRATED HEREON.

Address New Street North Golden Eagle LN

1080

SURVEYORS CERTIFICATE:

IN WITNESS WHEREOF, I have hereunto set my hand and seal at Las Vegas, Nevada, this 14th day of July, 1934.



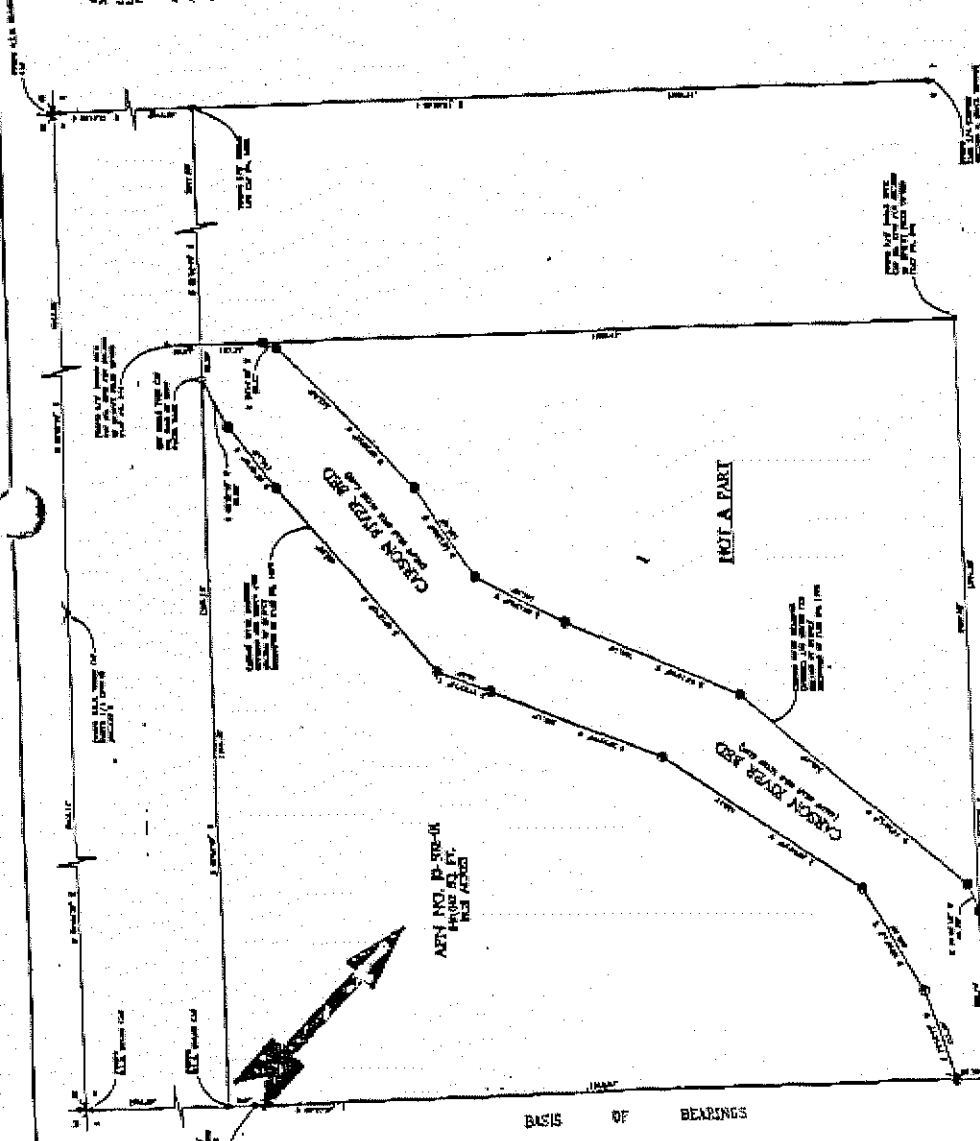
BASES OF BEARINGS
ON THE MERIDIAN OF GREENWICH, 1880

RECORD OF SURVEY

ELI H. KEEGAN AND HARRIETT M. KEEGAN
SINGLE PART OF THE NEVADA PUBLIC LANDS
TOWNSHIP 10 N., RANGE 12 E., COUNTY OF CLATSOP, OREGON

HADDAN ENGINEERING
1400 UNIVERSITY BLVD., PORTLAND, OREGON

LEGEND
- - - - - SECTION CORNER AS SHOWN
- - - - - 1/2 SECTION CORNER
- - - - - 1/4 SECTION CORNER
- - - - - 1/8 SECTION CORNER
- - - - - 1/16 SECTION CORNER
- - - - - 1/32 SECTION CORNER
- - - - - 1/64 SECTION CORNER



BASES OF BEARINGS

125

Northern Nevada Title Company does not represent this plat as a survey of the land indicated hereon, although believed correct, no liability is assumed as to the accuracy thereof.