



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

AN APPRAISAL
OF

THE FORMER COMMUNITY
ASSISTANCE CENTER PROPERTY

LOCATED AT

315 & 335 RECORD STREET,
PORTIONS OF RECORD STREET, AND THE NORTH SIDE OF
THE UNION PACIFIC RAILROAD RIGHT-OF-WAY,
RENO, WASHOE COUNTY, NEVADA

OWNED BY

THE CITY OF RENO

PREPARED FOR

THE CITY OF RENO

FOR THE PURPOSE OF ESTIMATING THE FOLLOWING VALUE

Valuation Scenario	Interest Appraised	Date Of Value
Market Value	Fee Simple Interest	May 15, 2024



May 30, 2024

Lori Miles, SR/WA
Property Program Technician
City of Reno Public Works
1 East First Street
Reno, Nevada 89501
Email: milesl@reno.gov

Re: Appraisal-Former Community Assistance Center & Adjacent Parcels

Dear Ms. Miles:

This is in response to your request for an appraisal of the former Community Assistance Center property located along Record Street in Reno, Washoe County, Nevada. The following chart sets forth a summary of the subject property to be appraised.

SUBJECT PROPERTY SUMMARY	
Property ID	Former Community Assistance Center Property
Property Type	2 Vacant Commercial Buildings & Adjacent Land
Property Address	315 & 335 Record Street
Property Location	Along Record Street, North of UPRR Right-of-Way
City, County & State	Reno, Washoe County, Nevada
Assessor's Parcel Numbers	007-313-27, 007-313-28, 007-313-30, 007-314-14, 008-350-10 (Portion), & Portion of Record Street (No Parcel Number)
Subject Ownership	The City of Reno
Land Area-A.P.N. 007-313-27	0.448± Acres (19,519± Square Feet)
Land Area-A.P.N. 007-313-28	0.389± Acres (16,965± Square Feet)
Land Area-A.P.N. 007-313-30	0.185± Acres (8,039± Square Feet)
Land Area-A.P.N. 007-314-14	0.310± Acres (13,512± Square Feet)
Land Area-A.P.N. 008-350-10 (Portion)*	0.807± Acres (35,159± Square Feet)*
Land Area-Portion of Record Street*	0.214± Acres (9,313± Square Feet)*
Total Land Area-All Parcels	2.353± Acres (102,507± Square Feet)
Subject Improvements	47,718± Square Foot Commercial Building (007-313-27) 21,882± Square Foot Commercial Building (007-313-28) Various Road, Parking, Park and Landscaping Improvements on other Parcels
Zoning Designation	(MD-ED) Mixed-Use Downtown Entertainment District & (MD-ID) Mixed-Use Downtown Innovation District
Master Plan Designation	Downtown Mixed-Use
* Land Areas Estimated Utilizing GIS & Data Provided by City of Reno	



This is an appraisal report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an appraisal report. The report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). This appraisal firm is not responsible for unauthorized use of this report. This appraisal firm is not responsible for unauthorized use of this report.

Please be advised that in accordance with the requirements of the *Uniform Standards of Professional Appraisal Practice*, that I have performed services as an appraiser regarding the property that is the subject of this appraisal report within the three-year period immediately preceding the date of this letter.

The following summarizes the purpose of the appraisal, the client of the appraisal, the intended users of the appraisal, and the intended use of the appraisal.

PURPOSE, CLIENT, INTENDED USE & INTENDED USERS OF APPRAISAL	
Purpose of Appraisal	The purpose of the appraisal is to form an opinion as to the Market Value of the Fee Simple Interest in the Subject Property as of the effective date of value.
Client of Appraisal	The Client of the appraisal report is the City of Reno.
Intended User of Appraisal	The Intended User of the appraisal report is the City of Reno.
Intended Use of Appraisal	The intended use of the appraisal will be for internal management purposes, and the possible future disposition of the subject property. Any other use of this appraisal report requires the written authorization of this appraisal firm.

This appraisal report is based upon the following Extraordinary Assumptions and Hypothetical Conditions.

- The subject property includes a portion of A.P.N. 008-350-10 and a portion of Record Street. Prior to issuance of this appraisal report, I have not been provided with a formal survey depicting the acreage associated with these two land areas. Therefore, I have estimated the land areas based upon data provided by the City of Reno and based upon calculations completed utilizing GIS. This appraisal report, and the Market Value conclusions set forth in the report, are based upon the Extraordinary Assumption that the acreages of these two land areas are accurate.
- Prior to issuance of this appraisal report, I have not been provided with a formal demolition cost estimate to demolish one or both buildings on the subject property. The cost to demolish the buildings is based upon comparable demolition costs of other buildings in the region, a verbal estimate of demolition costs provided to the City of Reno by a contractor, and an analysis of demolition costs in *Marshall Valuation Service*. This appraisal, and the Market Value conclusions set forth in the report, are based upon the



Extraordinary Assumption that the estimated demolition costs projected in the valuation analysis are accurate, based upon the best available data.

- The subject property is encumbered by several easements, including an existing power line and power pole, sewer easements, and storm drain easements. The Market Value conclusions in this report are based upon the Extraordinary Assumption that the location of these easements is as provided by the City of Reno.
- The subject property includes four entire parcels, a portion of a parcel, and a portion of a road. As of the effective date of value, the land area associated with these parcels and road were not one single parcel. This appraisal report is based upon the Hypothetical Condition that the entire property is comprised of a single, legal parcel containing 2.353± acres.
- The Market Value conclusion set forth in this appraisal report is based upon the Hypothetical Condition that the property is encumbered by a 10-foot access and maintenance easement along the far south end of the property, along the ReTRAC trench frontage of the site. The City of Reno will reserve this easement upon any sale of the subject property.

The appraised value as reported in this appraisal is effective as of May 15, 2024. After careful consideration of all data available, and upon thorough personal investigation of the subject property and comparable properties analyzed, it is my opinion that the Market Value of the subject property, under the requested valuation scenario, is set out as follows:

MARKET VALUE CONCLUSION				
Property Appraised	Value Addressed	Property Rights Appraised	Date Of Value	Value Conclusion
Former Community Assistance Center	Market Value	Fee Simple Interest	05/15/2024	\$3,350,000

Respectfully Submitted,

Scott Q. Griffin, MAI
Nevada Certified General Appraiser
License Number A.0003504-CG



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Subject Improvements	47,718± Square Foot Commercial Building (007-313-27) 21,882± Square Foot Commercial Building (007-313-28) Various Road, Parking, Park and Landscaping Improvements on other Parcels
Topography	Level-At Grade with Surrounding Roads & Parcels
Zoning Designation	(MD-ED) Mixed-Use Downtown Entertainment District & (MD-ID) Mixed-Use Downtown Innovation District
Master Plan Designation	Downtown Mixed-Use
Flood Zone Designation	Zone "X" (Unshaded)
Utilities	All Available
* Land Areas Estimated Utilizing GIS & Data Provided by City of Reno	

SUBJECT LAND AREA SUMMARY		
Parcel ID	Acres	Square Feet
A.P.N. 007-313-27	0.448 Acres	19,519 Square Feet
A.P.N. 007-313-28	0.389 Acres	16,965 Square Feet
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DATES OF APPRAISAL	
Date Description	Date
Date of Inspection	May 15, 2024
Effective Date of Value	May 15, 2024
Completion Date of Appraisal	May 30, 2024

MARKET VALUE CONCLUSION				
Property Appraised	Value Addressed	Property Rights Appraised	Date Of Value	Value Conclusion
Former Community Assistance Center	Market Value	Fee Simple Interest	05/15/2024	\$3,350,000



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MARKET VALUE DEFINED	
<p>Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:</p> <ol style="list-style-type: none">1) Buyer and seller are typically motivated;2) Both parties are well informed or well advised, and acting in what they consider their own best interests;3) A reasonable time is allowed for exposure in the open market;4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by any one associated with the sale.¹	

DEFINITIONS OF PROPERTY RIGHTS APPRAISED	
Fee Simple Estate Defined	Fee Simple Estate is defined as “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” ²

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¹ Rules and Regulations, Federal Register, Vol. 55, No. 165, Page 34696, 12CFR Part 34.42(f)

² Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, 2022, page 73.



SCOPE OF APPRAISAL

The preparation of this appraisal included:

- An inspection of the subject property, including an exterior and interior inspection of the two buildings located on the subject property;
- Identification and analysis of the subject neighborhood;
- Analysis of the subject property's physical and legal characteristics;
- Review of plans and exhibits provided by the City of Reno;
- Review of estimated rehabilitation costs associated with both buildings on the subject property, based upon data provided by the City of Reno;
- Completion of a Highest and Best Use Analysis for the subject property, including an analysis of the highest and best use of the property as vacant and as currently improved;
- Analysis of improved building sales to be utilized in determining the highest and best use of the subject property;
- Research and analysis of recent comparable land sales and listings;
- Completion of a Sales Comparison Approach Analysis to arrive at the Fee Simple Market Value of the subject property's underlying land;
- Analysis of potential demolition costs for the buildings on the site;
- Completion of a Sales Comparison Approach Analysis to arrive at the Fee Simple Market Value of the subject property as of the effective date of value, including deductions for required demolition costs to both buildings on the subject site;
- Projection of an appropriate exposure and marketing time for the subject property, based upon the final Market Value conclusion;
- Preparation of an appraisal report.



STATEMENTS OF LIMITING CONDITIONS

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as “An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”³ This appraisal has been prepared subject to the following extraordinary assumptions:

- The subject property includes a portion of A.P.N. 008-350-10 and a portion of Record Street. Prior to issuance of this appraisal report, I have not been provided with a formal survey depicting the acreage associated with these two land areas. Therefore, I have estimated the land areas based upon data provided by the City of Reno and based upon calculations completed utilizing GIS. This appraisal report, and the Market Value conclusions set forth in the report, are based upon the Extraordinary Assumption that the acreages of these two land areas are accurate.
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HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.”⁴ This appraisal has been prepared subject to the following hypothetical conditions:

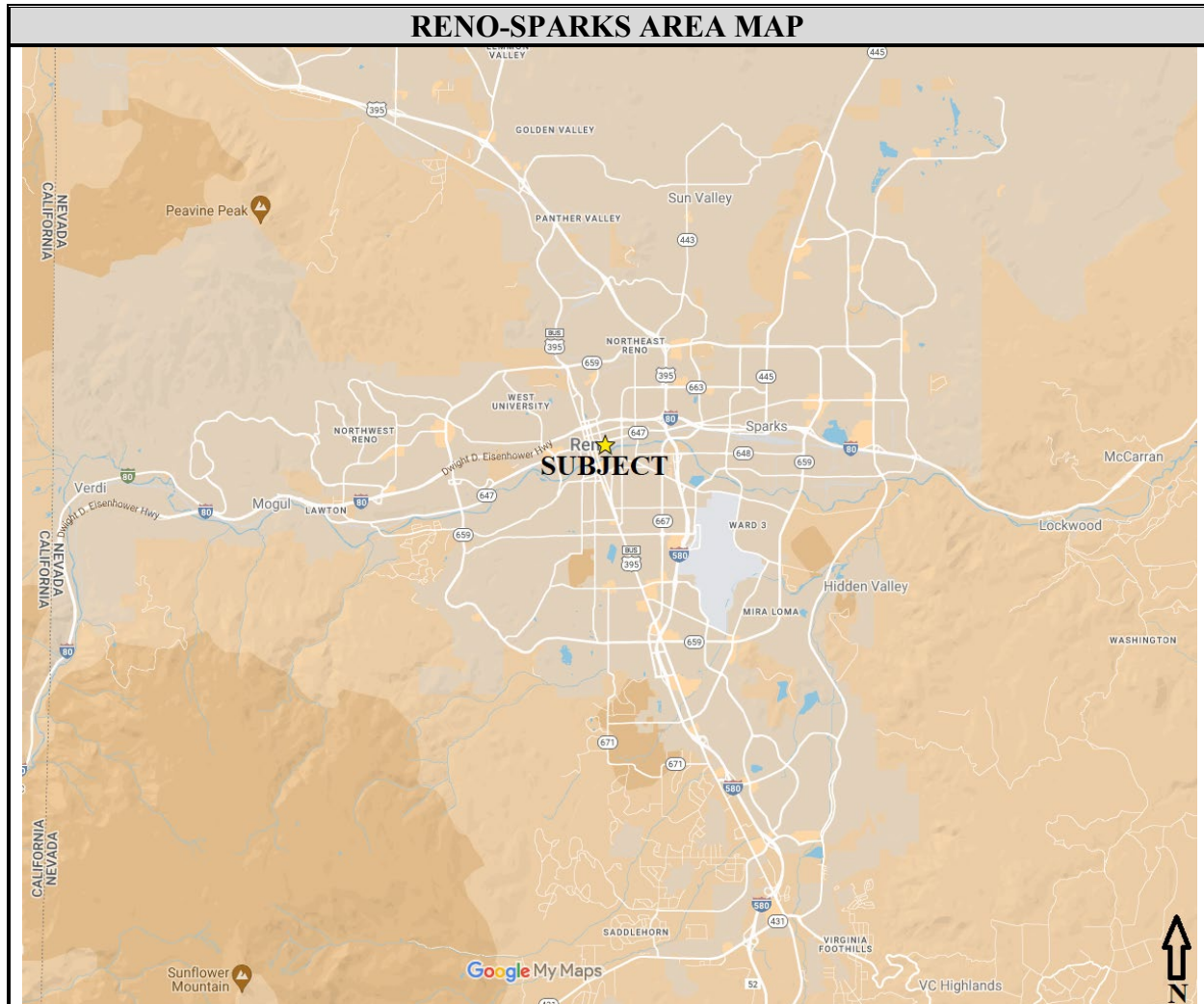
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³ Source: USPAP 2024 Edition, Definitions; The Appraisal Foundation, Page 4.

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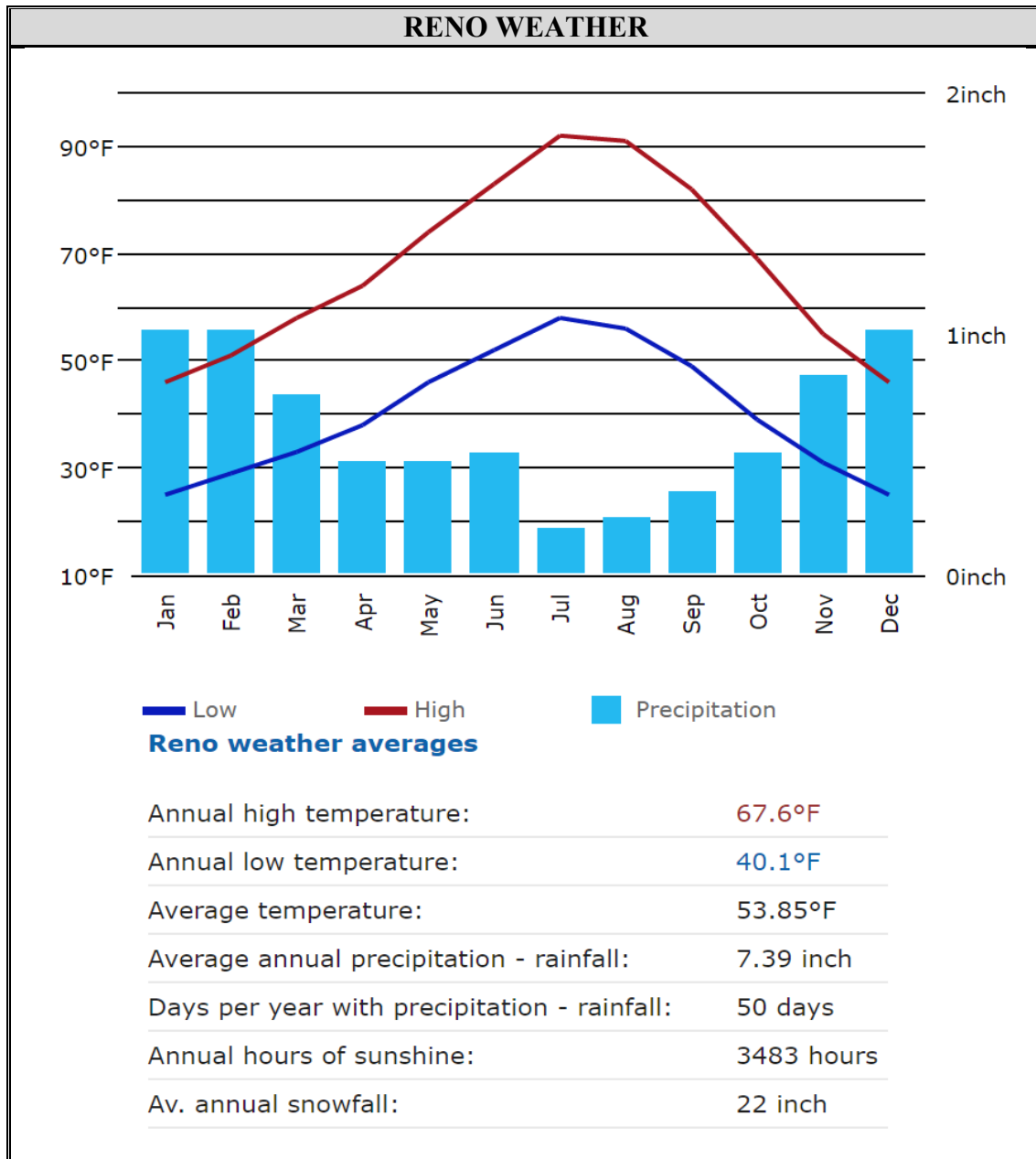
RENO-SPARKS AREA ANALYSIS AND DESCRIPTION

The Reno-Sparks metropolitan area is situated on the eastern slopes of the Sierra Nevada Mountain Range in a large valley known as the Truckee Meadows. Two major freeways serve the region. Interstate 80 runs in an east-west direction through Reno, while U.S. 395/I-580 runs in a north-south direction through Reno. The following summarizes Reno's vicinity to other major metropolitan areas in the region.

MILES BETWEEN RENO & MAJOR METROPOLITAN AREAS		
Market	Direction From Reno	Miles From Reno
San Francisco	West/Southwest	190± Miles
Los Angeles	Southwest	450± Miles
Portland	Northwest	440± Miles
Salt Lake City	East	520± Miles
Las Vegas	Southeast	450± Miles
Phoenix	Southeast	745± Miles

The Reno-Sparks metropolitan area's location is a positive amenity due to its proximity to major California markets, as well as the recreational and scenic amenities afforded by its proximity to the Sierra-Nevada Mountains and Lake Tahoe. Lake Tahoe is a 45-minute drive from downtown Reno and is the second largest alpine lake in the world, with 72 miles of Lake Frontage. Lake Tahoe also offers the greatest concentration of downhill skiing facilities in North America.

The Truckee Meadows is located at an elevation of approximately 4,400 feet above sea level and offers a semi-arid climate. The following chart summarizes weather data for the Reno area.



The primary source of water for the region is the Truckee River, which originates at Lake Tahoe, approximately 30 miles southwest of Reno, and terminates at Pyramid Lake approximately 30 miles north of Sparks. The river flows through the heart of downtown Reno and along the southern edge of Sparks. The Truckee River is a major recreational and scenic amenity for the region.



Population, Growth and Employment

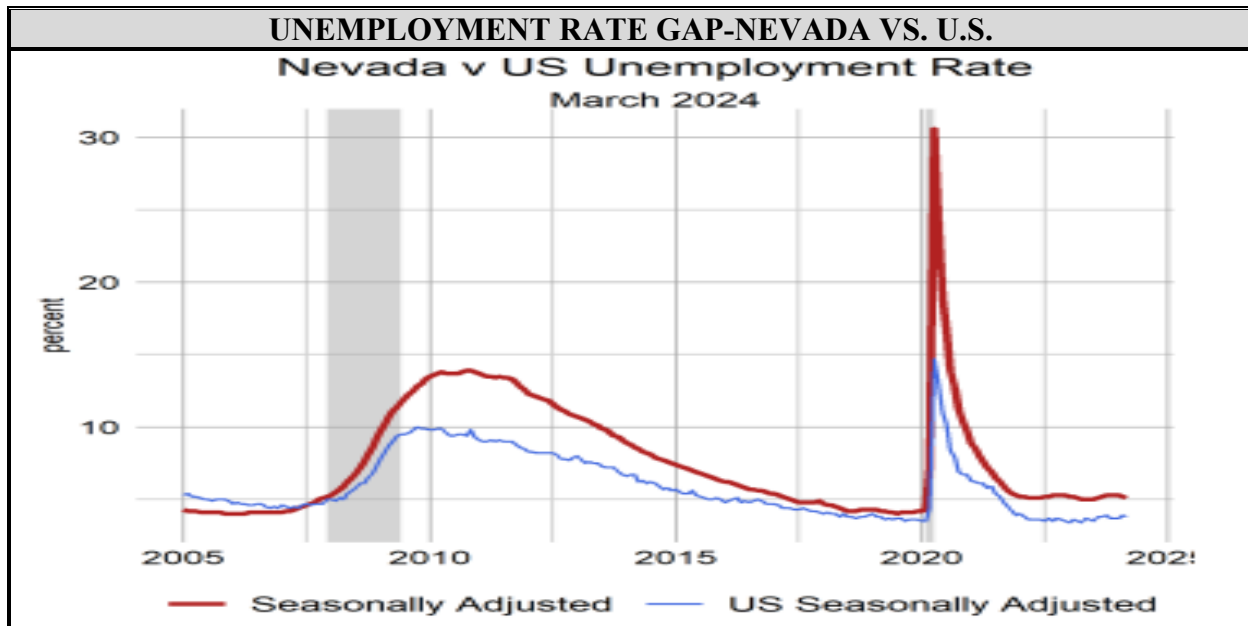
Since 1970, the Truckee Meadows have been one of the fastest growing areas in the nation. The following summarizes historical population estimates for the region.

HISTORICAL POPULATION ESTIMATES										
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Reno	235,371	238,615	242,158	244,612	248,806	255,170	258,230	264,318	274,129	277,517
Sparks	92,396	93,581	95,726	96,928	100,140	102,543	103,230	107,489	111,735	113,816
Unincorporated	109,030	109,750	110,432	110,383	111,291	112,088	112,146	113,306	115,771	117,426
Washoe County	436,797	441,946	448,316	451,923	460,237	469,801	473,606	485,113	501,635	508,759
Source: Nevada State Demographer										

Unemployment in Nevada has historically fluctuated in the region. Unemployment increased substantially in the first and second quarters of 2020 due to the Covid-19 Pandemic. However, unemployment rates recovered throughout 2022 and 2023. Unemployment rates for Nevada and individual counties in the state are summarized in the following chart.

NEVADA UNEMPLOYMENT DATA-FEBRUARY 2024				
Area	Labor Force	Number Employed	Number Unemployed	Unemployment Rate
Nevada	1,617,784	1,536,352	81,432	5.03%
Carson City	26,047	24,788	1,259	4.83%
Churchill County	10,965	10,510	455	4.15%
Clark County	1,201,452	1,138,708	62,744	5.22%
Douglas County	22,509	21,479	1030	4.58%
Elko County	25,340	24,394	946	3.73%
Esmeralda County	464	440	24	5.17%
Eureka County	930	889	41	4.41%
Humboldt County	7,539	7,249	290	3.85%
Lander County	3,128	3,016	112	3.58%
Lincoln County	1,948	1,861	87	4.47%
Lyon County	23,270	21,768	1,502	6.45%
Mineral County	1,542	1,438	104	6.74%
Nye County	18,584	17,345	1239	6.67%
Pershing County	2,278	2,156	122	5.36%
Storey County	2,158	2,060	98	4.54%
Washoe County	265,072	253,854	11,218	4.23%
White Pine County	4,559	4,398	161	3.53%

The unemployment rate for Washoe County and Nevada has historically averaged between 1% and 2% below the national average. The following chart summarizes the unemployment rate history for the State of Nevada.



Nevada offers one of the most liberal tax structures in the country. Nevada levies no personal or corporate income tax. Nevada's Freeport law exempts from taxation merchandise warehoused, assembled, or processed in the State of Nevada. Real estate taxes in the State of Nevada are limited by the State constitution to a maximum of \$5 per \$100 of assessed valuation. The assessed valuation is 35% of the Assessor's estimate of the taxable value of the property.

Although it is not located in Washoe County, construction of the Tesla Gigafactory in nearby Storey County within the Tahoe Reno Industrial Center has had a huge impact on the entire region. This project precipitated other large tech users, including Google and Apple, along with other smaller users, to move into the region. As a result, demand for housing and services has increased significantly in the area.

Gaming and Tourism Market

The Reno-Sparks area offers a large variety of hotel and motel rooms, including gaming and non-gaming facilities. Most of the hotel-casino facilities are located within the downtown Reno core area. Additional hotel-casino developments are in southern Reno along South Virginia Street including the Atlantis Casino resort and the Peppermill Hotel/Casino. The Grand Sierra Resort is located on the Reno-Sparks border and the Nugget Casino Resort is located east of Reno in central Sparks. The following chart summarizes the most recent data available for gaming revenue for the Reno-Sparks/Washoe County area, as well as other areas within the state.



GAMING WIN DATA						
Area	Current Period		% Change	Fiscal Year-to Date		% Change
	02/2024	02/2023		07/2023 - 02/2024	07/2022 - 02/2023	
Statewide	1,342,192,407	1,237,048,360	8.50%	10,627,278,313	10,099,467,258	5.23%
Clark County	1,177,117,250	1,081,084,129	8.88%	9,240,605,868	8,743,488,630	5.69%
LV Strip	800,745,371	712,395,002	12.40%	6,170,746,215	5,741,394,418	7.48%
Downtown	76,192,985	74,189,624	2.70%	614,232,900	599,938,928	2.38%
North Las Vegas	23,754,951	24,852,102	-4.41%	188,201,475	191,872,277	-1.91%
Laughlin	42,070,413	45,680,080	-7.90%	328,942,786	325,211,389	1.15%
Boulder Strip	75,685,118	75,267,907	0.55%	638,305,293	636,663,784	0.26%
Mesquite	16,085,324	15,900,338	1.16%	119,897,110	120,468,155	-0.47%
Balance of County	142,583,087	132,799,077	7.37%	1,180,280,090	1,127,939,678	4.64%
Washoe County	82,763,946	76,845,181	7.70%	714,764,613	680,587,936	5.02%
Reno	60,046,914	54,546,740	10.08%	513,637,935	481,683,120	6.63%
Sparks	13,895,095	13,449,815	3.31%	120,735,674	119,570,218	0.97%
North Lake Tahoe	1,971,158	2,081,750	-5.31%	18,571,892	18,588,354	-0.09%
Balance of County	6,850,779	6,766,876	1.24%	61,819,112	60,746,245	1.77%
South Lake Tahoe	21,351,030	18,907,128	12.93%	175,095,644	179,478,033	-2.44%
Elko County	33,741,453	33,003,194	2.24%	266,622,974	266,091,222	0.20%
Wendover	23,450,720	22,389,238	4.74%	180,542,677	177,929,000	1.47%
Balance of County	10,290,734	10,613,957	-3.05%	86,080,297	88,162,222	-2.36%
Carson Valley Area *	10,347,748	9,652,981	7.20%	89,456,217	87,272,482	2.50%
Other	16,870,980	17,555,747	-3.90%	140,732,996	142,548,956	-1.27%

* Carson Valley Area includes Carson City, Gardnerville, Minden and all other areas of Douglas County except South Lake Tahoe.

Source: Nevada Gaming Control Board

The following summarizes data provided by the Reno-Sparks Convention and Visitors Authority, regarding visitor counts for the Reno-Sparks area.

ESTIMATED VISITOR COUNTS-RENO/SPARKS AREA										
Month	2015 *	2016 *	2017 *	2018 *	2019 *	2020 **	2021 **	2022 **	2023 **	2024 **
January	297,101	271,677	289,266	288,249	301,727	292,326	227,507	255,972	252,470	245,329
February	288,597	306,208	303,225	307,042	276,808	319,114	235,348	279,063	275,562	273,290
March	322,907	346,778	366,014	357,284	330,374	174,181	291,828	346,621	300,345	
April	317,110	338,936	356,756	339,425	329,874	55,450	303,322	312,876	335,336	
May	351,439	339,088	362,055	368,210	352,930	82,009	322,688	321,163	323,597	
June	373,053	399,053	418,830	417,508	383,674	218,587	378,034	359,856	384,619	
July	397,011	409,494	445,918	416,832	401,238	258,260	382,167	369,903	395,953	
August	400,440	400,652	441,297	410,188	409,466	277,640	363,154	354,736	367,691	
September	386,837	412,613	427,238	401,226	385,165	279,117	349,700	363,599	382,373	
October	362,186	348,030	366,379	347,875	349,921	276,291	322,846	329,890	312,769	
November	279,360	303,310	313,133	301,964	300,252	215,769	284,618	271,995	262,401	
December	322,181	328,382	340,231	319,299	309,632	206,042	282,815	276,282	275,207	
Totals	4,098,222	4,204,221	4,430,342	4,275,102	4,131,062	2,654,786	3,744,027	3,841,956	3,868,322	518,619


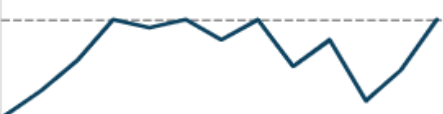

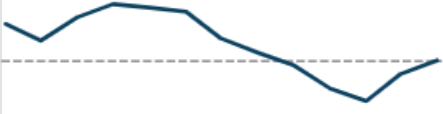

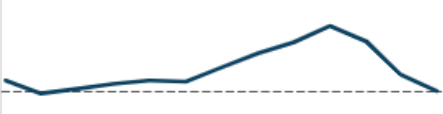

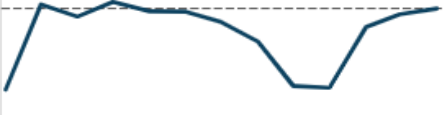

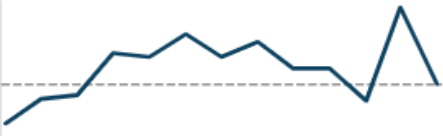



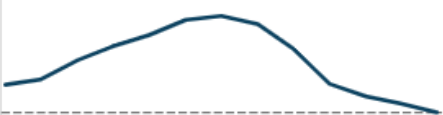

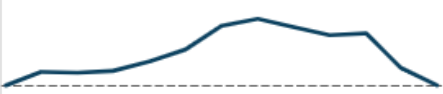
* Recalculated estimated Visitor Counts based on 2015 Visitor Profile Data
 ** Estimated Visitor Counts based on new 2019 Visitor Profile Data (effective January 2020)

Source: Reno-Sparks Convention and Visitors Authority



Residential Market

The residential market in Reno-Sparks has seen tremendous growth over the past several years, with both for-sale home prices and for-rent multi-family rents increasing substantially. The following tables summarize data as reported in the most recent Sierra Nevada Realtors Reno-Sparks Market Report.

SIERRA NEVADA REALTORS RENO-SPARKS MARKET REPORT SUMMARY				
Compared to March 2023		Compared to February 2024		March 2024 ▼
	8.9% ↑		4.6% ↑	Median Sales Price \$575,000
	-17.8% ↓		8.9% ↑	Closed Sales 332
	-27.3% ↓		-36.8% ↓	Median Days to Contract 12
	1.1% ↑		0.1% ↑	List Price Received 98.9%
	3.7% ↑		-6.3% ↓	Median Sold \$/SqFt \$298
	-0.9% ↓		20.9% ↑	New Listings 428
	-17.7% ↓		-6.4% ↓	Active Inventory 508
	0.2% ↑		-14.1% ↓	Months Supply of Inventory 1.5
Source: Sierra Nevada Realtors, March 2024				



Multifamily Market

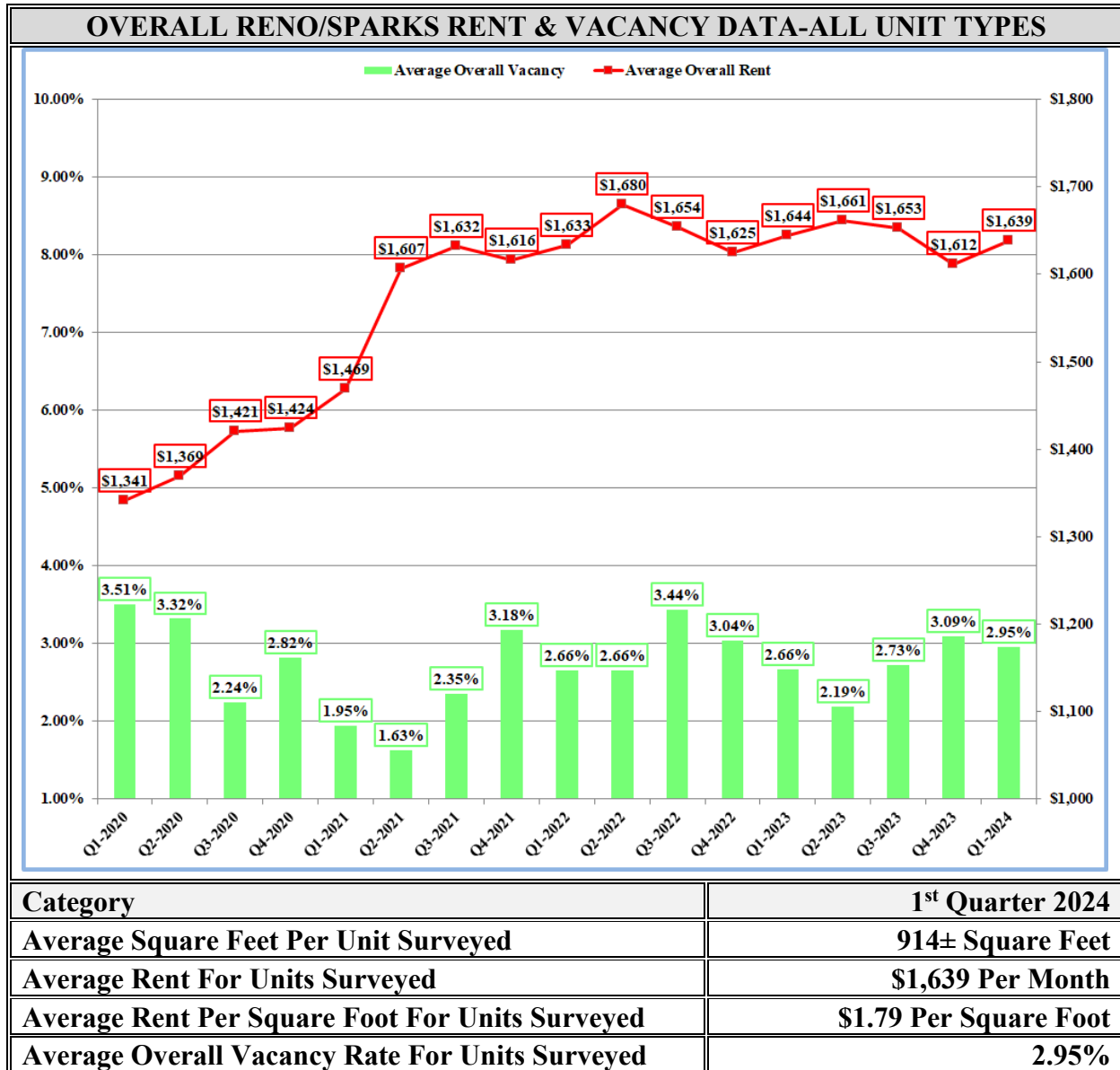
The following summarizes data from the 1st Quarter 2024 *Apartment Survey*, which is a quarterly survey conducted by Johnson Perkins Griffin, LLC.

AVERAGE SIZE, RENT & VACANCY RATE BY UNIT TYPE							
CATEGORY	STUDIOS	1 BED/1 BATH	2 BED/1 BATH	2 BED/2 BATH	3 BED/2 BATH	TOWNHOME	TOTALS
Average SF-By Unit Type	446 SF	727 SF	863 SF	1,081 SF	1,306 SF	1,234 SF	914 SF
Average Rent-By Unit Type	\$1,234	\$1,456	\$1,476	\$1,807	\$2,204	\$1,898	\$1,639
Average Rent/SF-By Unit Type	\$2.76	\$2.00	\$1.71	\$1.67	\$1.69	\$1.54	\$1.79
Indicated Vacancy Rate-By Unit Type	3.95%	2.59%	3.15%	2.82%	4.86%	2.60%	2.95%

OVERALL AVERAGE RENT & VACANCY-PRIOR & CURRENT QUARTER			
Category	4 th Quarter 2023	1 st Quarter 2024	Change
Average Vacancy	3.09%	2.95%	-14 Basis Points
Average Rent	\$1,612	\$1,639	+\$27 or +1.67%

COMPARISON OF RENTAL RATES & VACANCY RATES TO PRIOR QUARTER						
UNIT TYPE	AVERAGE RENT			AVERAGE VACANCY		
	4 th Qtr. 2023	1 st Qtr. 2024	Result	4 th Qtr. 2023	1 st Qtr. 2024	Result
Studio	\$1,193	\$1,234	+\$41	2.72%	3.95%	+1.23%
1 Bedroom/1 Bath	\$1,433	\$1,456	+\$23	2.97%	2.59%	-0.38%
2 Bedroom/1 Bath	\$1,485	\$1,476	-\$9	2.85%	3.15%	+0.30%
2 Bedroom/2 Bath	\$1,763	\$1,807	+\$44	3.17%	2.82%	-0.35%
3 Bedroom/2 Bath	\$2,182	\$2,204	+\$23	3.68%	4.86%	+1.17%
Townhouse	\$1,892	\$1,898	+\$7	4.43%	2.60%	-1.82%
TOTALS	\$1,612	\$1,639	+\$27	3.09%	2.95%	-0.14%

RENTAL AND VACANCY RATES BY SUB-MARKET AREA							
Area	Sub-Market	AVERAGE RENT			AVERAGE VACANCY		
		4 th Qtr. 2023	1 st Qtr. 2024	Result	4 th Qtr. 2023	1 st Qtr. 2024	Result
1	Northwest Reno	\$1,676	\$1,745	+\$69	2.53%	2.02%	-0.52%
2	Northeast Reno	\$1,390	\$1,375	-\$15	2.42%	2.49%	+0.08%
3	W. Sparks/N. Valley	\$1,450	\$1,488	+\$38	2.60%	2.95%	+0.35%
4	East Sparks	\$1,764	\$1,754	-\$10	4.21%	3.71%	-0.50%
5	West Reno	\$1,581	\$1,674	+\$92	1.78%	3.91%	+2.13%
6	Southwest Reno	\$1,392	\$1,480	+\$88	2.39%	1.91%	-0.48%
7	Brinkby/Grove	\$1,200	\$1,205	+\$5	1.07%	2.55%	+1.48%
8	Airport	\$1,430	\$1,584	+\$155	5.36%	4.59%	-0.77%
9	Lakeridge	\$1,667	\$1,701	+\$34	3.27%	3.05%	-0.22%
10	South Reno	\$1,699	\$1,714	+\$15	2.86%	2.51%	-0.35%
11	Downtown Urban	\$1,687	\$1,668	-\$19	6.64%	6.11%	-0.53%
Overall Reno-Sparks		\$1,612	\$1,639	+\$27	3.09%	2.95%	-0.14%





Industrial Market

To diversify the economic base of the area, community leaders have focused upon the expansion of the industrial segment of the economy. The industrial industry has experienced substantial growth over the past decade because of the region's central location, good transportation, infrastructure and liberal tax laws. Numerous major U.S. and foreign corporations have headquarters or have located large facilities in the area, including Tesla, Google, Apple Amazon, International Gaming Technology (IGT), Barnes and Noble, Patagonia, Sherwin Williams, Wal-Mart, J.C. Penney's, R.R. Donnelley and many more.

As most major cities in the western portion of the United States are located within relatively proximity and driving time to Northern Nevada, the Reno-Sparks area is a major distribution warehousing center. This development is further being enhanced by the favorable tax environment in the state of Nevada. Leases for industrial users in the Reno-Sparks market are typically based upon triple net lease terms. The CBRE *Reno Industrial Market View 1st Quarter 2024 Report* indicates the following:



COMMENTARY-CBRE RENO INDUSTRIAL MARKET VIEW 1st QUARTER 2024

INDUSTRIAL OVERVIEW

The Reno industrial market was comprised of approximately 114 million sq. ft. at the close of Q1 2024. There was over 2.7 million sq. ft. of new product delivered to the market in Q1 2024. The construction pipeline had over 960,000 sq. ft. underway with another 17.3 million sq. ft. in various planning stages.

The overall average asking lease rates closed Q1 2024 at \$0.86 NNN. West Reno and South Reno posted the highest average asking rates at \$0.96 NNN and \$1.01 NNN, respectively.

During Q1 2024, the overall vacancy rate increased to 7.2%, while the availability rate reached 10.1%. Notably, this quarter marked the first instance of negative absorption since Q3 2019, resulting in -752,000 sq. ft. of net absorption. Despite stable demand, the market faced challenges due to an influx of 2.7 million square feet in deliveries, significant lease expirations, and the introduction of new sublease space. In addition, multiple 3PL companies rightsized their portfolio over the last quarter to adjust to post-pandemic demand. Nonetheless, multiple leases and sales exceeding 100,000 sq. ft. signed as noted in the top leases and sales tables.

Looking forward, vacancy and availability are expected to decline as newly delivered projects begin to lease. Additionally, the Reno market is not expecting any new deliveries until late 2024 to early 2025. The demand for electric vehicle (EV) and related supply chain manufacturing, along with data center users will continue to drive growth in the Reno market, specifically in the East Valley as the Tahoe Reno Industrial Center expands.

The following charts summarize the overall and submarket industrial markets, and include data related to rental rates and vacancies. The data is from the CBRE *Reno Industrial 1st Quarter 2024*.



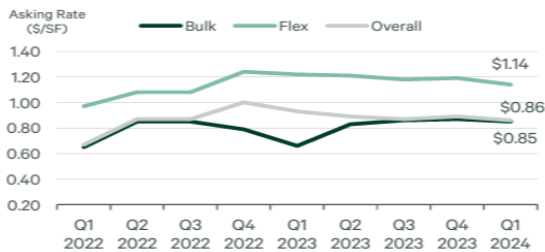
INDUSTRIAL RENTS & VACANCIES BY SUBMARKET

Submarket	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Q1 Net Absorption	YTD Net Absorption	Average Asking Rate NNN (\$)
Central / Airport	10,787,034	5.8	7.1	(156,384)	(156,384)	0.96
Bulk	8,125,560	6.3	7.8	(216,939)	(216,939)	0.95
Flex	2,661,474	4.3	5.0	60,555	60,555	1.05
East Valley	31,689,887	8.5	13.1	609,993	609,993	0.77
Bulk	31,567,200	8.6	13.1	609,993	609,993	0.77
Flex	122,687	0.0	0.0	0	0	0.00
North Valley	27,009,257	6.8	8.8	(889,707)	(889,707)	0.86
Bulk	26,780,301	6.9	8.8	(889,707)	(889,707)	0.86
Flex	228,956	0.0	3.5	0	0	0.00
South Reno	11,042,701	10.6	13.1	143,038	143,038	1.01
Bulk	9,058,650	12.1	15.0	136,404	136,404	0.99
Flex	1,984,051	3.9	4.6	6,634	6,634	1.37
Sparks	30,918,395	4.5	7.3	(451,030)	(451,030)	0.87
Bulk	27,957,143	4.5	7.6	(451,053)	(451,053)	0.85
Flex	2,961,252	3.9	4.8	23	23	1.11
West Reno	3,053,123	17.6	19.1	(8,209)	(8,209)	0.96
Bulk	2,644,063	20.0	21.6	0	0	0.95
Flex	409,060	2.0	3.1	(8,209)	(8,209)	1.55
Market Total	114,500,397	7.2	10.1	(752,299)	(752,299)	0.86
Bulk	106,132,917	7.5	10.5	(811,302)	(811,302)	0.85
Flex	8,367,480	3.8	4.6	59,003	59,003	1.14

Source: CBRE Research, Q1 2024

HISTORICAL INDUSTRIAL DATA

FIGURE 5: Asking Rates



Source: CBRE Research, Q1 2024

FIGURE 7: Construction Activity



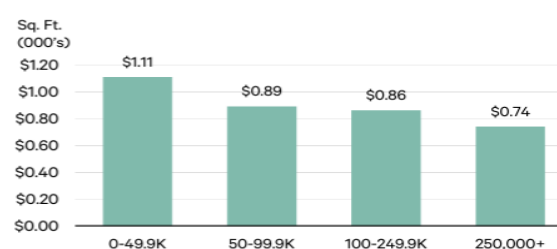
Source: CBRE Research, Q4 2023

FIGURE 6: Vacancy & Availability



Source: CBRE Research, Q1 2024

FIGURE 8: Average Asking Rates by Size Segment (Sq. Ft.)



Source: CBRE Research, Q4 2023



Retail Market

The Reno-Sparks area now has three regional shopping centers and numerous neighborhood or local shopping centers. The three major regional centers are Meadowood Mall, the Summit Sierra Mall, and the Legends at Sparks Marina.

According to the Nevada Department of Taxation, taxable sales in the region have increased significantly over the past decade. The following chart summarizes historical taxable sales totals for Washoe County.

WASHOE COUNTY TAXABLE SALES HISTORY		
Fiscal Year	Taxable Sales	Percentage Change
2009/2010	\$5,176,981,699	-9.30%
2010/2011	\$5,282,936,232	2.05%
2011/2012	\$5,522,605,351	4.54%
2012/2013	\$5,824,726,136	5.47%
2013/2014	\$6,370,684,534	9.37%
2014/2015	\$6,817,588,648	7.02%
2015/2016	\$7,550,466,734	10.70%
2016/2017	\$7,989,009,111	5.81%
2017/2018	\$8,531,252,745	6.79%
2018/2019	\$8,829,863,974	3.50%
2020/2021	\$9,250,415,486	4.76%
2021/2022	\$11,049,067,465	19.40%
2022/2023	\$12,267,765,904	11.02%
Source: Nevada Department of Taxation		



The Colliers *Reno Retail 1st Quarter 2024 Report* indicates the following:

COMMENTARY-COLLIERS RENO RETAIL REPORT 1 st QUARTER 2024
Net Absorption Posts New Peak Since Pandemic <p>Northern Nevada's retail market saw shrinking vacancy, cooling investment activity, and healthy employment growth in the first quarter of 2024. Vacancy is now half of its previous 7.0 percent peak in mid-2021, falling 350 basis points in eleven quarters. Robust tenant demand, lack of available space, and minimal new construction have led to solid rent growth of 3.4% over the past year. While investor interest in retail properties is not completely extinguished, quarterly sales volume dipped to the second lowest total since the second quarter of 2020. Unemployment remained unchanged year-over-year, though the region did see an increase of more than 6,000 jobs. Retail looks promising in Reno this year.</p>
Key Takeaways <ul style="list-style-type: none">• Retail tenant demand grew sharply at the start of 2024 with first quarter net absorption reaching nearly 160,000 square feet• First quarter retail sales volume cooled to \$23.6 million, down 72.1 percent quarter-over-quarter; sales price per square foot fell to \$217 per square foot in Q1• One new freestanding building delivered this quarter, adding nearly 16,200 square feet of retail space to Spanish Springs• Reno added 6,100 jobs between March 2023 and March 2024 as unemployment remained stable at 4.2 percent

The following charts summarize the overall and submarket retail markets, and include data related to rental rates, vacancies, development, and sales. The data is from the Colliers *Reno Retail 1st Quarter 2024 Report*.



RETAIL RENTS & VACANCIES COMMENTARY

Market Commentary

The Silver State saw an increase of 51,200 jobs year-over-year between March 2023 and March 2024. These job gains accounted for a 3.4 percent increase in total employment as Nevada reached a labor force of 1.58 million at the close of the first quarter. The construction sector added the most jobs at 1,700, while Accommodation and Food Services added the second most at 1,600 jobs. The statewide unemployment rate remained unchanged year-over-year at 5.1 percent, though it did see a 30 basis point decrease quarter-over-quarter. Northern Nevada also saw robust job gains this year, adding 6,100 jobs in the year since March 2023. Reno's unemployment rate grew 30 basis points this quarter, reaching 4.2 percent, however it also remained unchanged year-over-year.

Northern Nevada's retail market began 2024 with a burst of tenant demand, reaching nearly 160,000 square feet of net absorption. The region has started to see an increase in demand for big box space, with notable tenant activity among fitness and entertainment concepts. Demand has been concentrated in the Spanish Springs, South Reno, and Sparks submarkets, which have recorded steady population gains in recent years. Grocery-anchored centers and triple-net leased buildings remain in high demand for retail investors. With a robust development pipeline, healthy tenant demand, and continued employment gains, Reno's retail market is poised for a bright 2024.

RETAIL RENTS & VACANCIES BY SUBMARKET

Colliers | Reno, Nevada | 24Q1 | Retail Market Statistics

Market / Submarket	Inventory Square Feet	Availability Rate	Vacancy Rate	Vacancy Rate Previous	Net Absorption Square Feet	Under Construction	Annual Deliveries	Avg. Asking Rate (NNN)
Central/Airport	3,392,988	3.2%	2.8%	6.0%	109,581	4,800	-	\$2.00
Downtown	576,608	13.5%	11.4%	11.5%	690	-	-	\$1.70
Meadowood	3,338,680	7.5%	6.0%	7.5%	51,894	-	-	\$1.92
North Valleys	925,665	0.3%	0.3%	1.1%	7,839	-	-	-
Northeast Reno	103,220	6.4%	1.0%	1.0%	0	-	-	\$1.79
Northwest Reno	1,416,176	0.9%	0.9%	0.6%	(4,729)	-	-	\$1.21
South Reno	2,370,547	2.6%	2.0%	1.9%	(2,187)	4,125	-	\$2.18
Southwest Reno	434,398	0.6%	0.1%	0.7%	2,678	-	-	\$1.44
Spanish Springs	1,797,686	3.0%	2.6%	4.1%	26,936	5,000	16,196	\$2.20
Sparks	4,423,007	6.8%	4.1%	3.4%	(33,978)	32,300	-	\$1.48
MARKET TOTAL	18,778,975	4.7%	3.5%	4.3%	158,724	44,425	16,196	\$1.71

RETAIL RENTS & VACANCIES BY PROPERTY TYPE

Property Type	Inventory Square Feet	Availability Rate	Vacancy Rate	Vacancy Rate Previous	Net Absorption Square Feet	Under Construction	Annual Deliveries	Avg. Asking Rate (NNN)
Community Center	4,814,771	5.5%	4.6%	6.4%	87,934	-	-	\$1.68
Neighborhood Center	4,017,736	3.4%	2.7%	1.8%	(33,366)	5,000	-	\$2.10
Power Center	3,706,347	5.0%	4.1%	4.0%	(2,021)	-	-	-
Specialty Center	231,117	2.1%	0.5%	1.1%	1,329	-	-	\$1.81
Strip Center	2,085,027	3.0%	2.9%	4.0%	21,891	-	-	\$2.70
Freestanding Retail	2,532,804	1.3%	1.0%	4.2%	80,869	8,925	16,196	\$1.86
Mixed-Use	809,118	20.1%	7.8%	7.8%	0	32,300	-	\$2.60
Lifestyle Center	582,055	4.4%	4.1%	4.5%	2,088	-	-	-
MARKET TOTAL	18,778,975	4.7%	3.5%	4.3%	158,724	44,425	16,196	\$1.71



HISTORICAL RETAIL DATA

Historic Comparison

	23Q1	23Q4	24Q1
Total Inventory (In Millions of SF)	18.8	18.8	18.8
New Supply (In Thousands of SF)	30.0	8.3	16.2
Net Absorption (In Thousands of SF)	67.0	39.1	158.7
Total Vacancy	4.9%	4.3%	3.5%
Under Construction (In Thousands of SF)	135.0	112.3	44.4
Overall Asking Lease Rate (NNN)	\$1.67	\$1.67	\$1.71

HISTORICAL RETAIL DATA (CONTINUED)

Market Fundamentals



HISTORICAL RETAIL DATA COMMENTARY

Reno continued its streak of strong tenant demand with thirteen straight quarters of positive net absorption since the end of 2020. The first quarter of 2024 saw net absorption skyrocket to nearly 160,000 square feet, which is more than three times the average quarterly net absorption in the past three years. Vacancy fell to 3.5 percent this quarter, down 80 basis points quarter-over-quarter and 140 basis points year-over-year. With persistent elevated borrowing and construction costs, new deliveries were minimal last year.



RETAIL DEVELOPMENT DATA

Retail Development

Even with the economy showing strength recently and potential interest rate cuts by the Federal Reserve on the horizon, banks continue to tighten credit standards for commercial loans, citing a less favorable or more uncertain economic outlook and increased risk aversion in decision making. Construction costs, however, should begin to feel some easing throughout the year and into 2025 after reaching new heights in recent years. With a large renovation at The Oddie District, and a handful of new construction projects currently underway, the region is poised to gain plenty of attractive retail space in the next few years.



RETAIL PROJECT DATA

Projects Under Construction/Renovation

Developer	Site	Tenant	SF	Submarket	Delivery	Type
Foothill Partners	The Oddie District	The Generator, Innovation Collective, Cartwheel	170,000	Sparks	TBD	Mixed-Use
Rhino Holdings	The Summit	Dave & Busters	20,000	South Reno	TBD	Freestanding
IRG	645 E Plumb Ln	Chop Stop, Wing Stop	4,800	Central/Airport	Q1 2025	Freestanding
Winn Communities	Pioneer Meadows East	TBD	5,000	Spanish Springs	Q4 2024	Neighborhood Center
Rhino Holdings	The Summit	Starbucks	1,800	South Reno	Q2 2024	Freestanding
Rhino Holdings	The Summit	Chipotle	2,325	South Reno	Q2 2024	Freestanding

RETAIL RECENT DELIVERIES

Recent Deliveries

Developer	Site	Tenant	SF	Submarket	Delivery	Type
Victory Development	155 Ingenuity Ave	Caliber Collision	16,196	Spanish Springs	Q1 2024	Freestanding
Winn Communities	Pioneer Meadows East	Pacific Dental, Sparks Modern Dentistry, Chimichurri's	5,500	Spanish Springs	Q4 2023	Neighborhood Center
K Corp	The Crossing at Meadowood Square	Panera Bread	3,950	Meadowood	Q4 2023	Freestanding
S3 Development	West End Commons	Panera Bread	4,300	Downtown	Q4 2023	Community Center
S3 Development	West End Commons	Cracker Barrel	22,746	Downtown	Q3 2023	Community Center
Tolles Development	705 N Virginia Street	Jimmy John's, Qargo Coffee	9,591	Downtown	Q3 2023	Freestanding
Fritz Duda	Meadow Creek	The Cheese Board, Yogurt Beach, Zephyr Wine Bar, Pinon Bottle Co	30,000	South Reno	Q1 2023	Strip Center



RETAIL SALES DATA

Significant Sales Activity – Q1 2024



2580 S Kietzke Lane | Central/Airport

Reno Airstream Adventures purchased a 74,124 square foot building for \$9,200,000 this quarter, with plans to use the space for Reno Airstream Adventures. Located among many other auto retailers on Kietzke lane, the former Scandinavian Designs furniture store featured a large warehouse, mezzanine, showroom space and back office space.

\$9.2 million | \$124.12



155 Ingenuity Avenue | Spanish Springs

VRD at Spanish Springs purchased a roughly 16,200 square foot building, located just off Pyramid Way, for \$6,400,000 this quarter. The triple-net leased investment property was fully occupied by Caliber Collision, a high-quality collision and auto glass repair company, and traded at a reported 5.75 percent cap rate.

\$6.4 million | \$395.16



9610 S McCarran Blvd | Northwest Reno

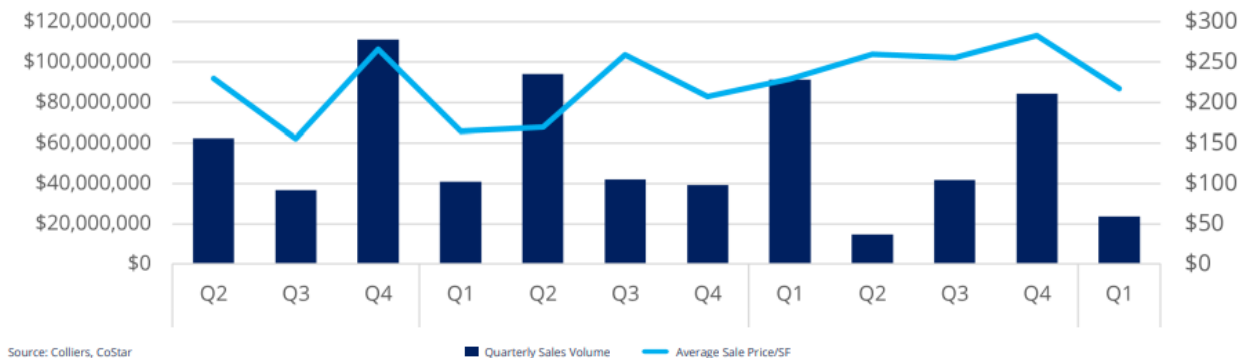
Supremacy Holdings sold the roughly 4,100 square foot MY SALON Suite building in Northwest Reno for \$1,875,000 this quarter. The triple-net leased investment property is one of six MY SALON Suite locations in the region, and various tenants in the building offer beauty services such as haircuts, skincare, and massage and spa treatments.

\$1.9 million | \$475.21

HISTORICAL RETAIL SALES DATA

Retail Market Sales Activity

Quarterly Deal Volume & Average Price/SF in the Greater Reno/Sparks Area



RETAIL SALES COMMENTARY

Investment Trends

Reno's retail market investment activity ramped up toward the second half of 2023, reaching an annual total of \$232.2 million, which was in line with annual totals in 2021 and 2022. While retail properties continue to trade in the region, total transaction volume has steadily slowed since 2021. First quarter sales volume reached \$23.6 million, which was 59.4

percent below the quarterly average of last year. The average sale price per square foot fell sharply to \$217 this quarter, though much of this dip can be attributed to the largest sale of the quarter which was completely vacant at a price per square foot of \$124. Pricing is only down 5.1 percent year-over-year, however.



Office Market

The Reno-Sparks office market consists of a variety of product types, from older second and third generation properties, to new, high-end Class A office space. The CBRE *Reno Office Market View 1st Quarter 2024 Report* indicates the following:

COMMENTARY-CBRE RENO OFFICE MARKET VIEW 1st QUARTER 2024

OFFICE OVERVIEW

The Reno office market was comprised of 6.1 million sq. ft. at the close of Q1 2024. The overall vacancy rate decreased across the region in Q1 2024 from 12.9% to 12.1% quarter-over-quarter. Availability also saw a decrease from 16.6% to 15.9% quarter-over-quarter. Net absorption saw more space absorbed than added during the quarter and ended Q1 2024 at 43,500 sq. ft.

The overall average asking rate for office space in Reno increased quarter-over-quarter from \$1.92 to \$1.99 per sq. ft. in Q1 2024 on a monthly, full-service, direct basis (FSG).

Meadowood reported the highest average rent at \$2.25 FSG, while the Airport submarket maintained the most economical average asking rate at \$1.32 FSG. Leasing activity was healthy in Reno/Sparks during Q1 2024 as highlighted by the State of Nevada signing a new lease for 80,000 sq. ft. at 10375 Professional Circle and Sierra Air signing a new lease for 53,000 sq. ft. at 520 S Rock Blvd.

Looking ahead, the Reno office market will struggle to meet the demand for Class A space throughout the region. The lack of new construction in the region will continue to keep vacancy low as employers balance hybrid and in-person work policies. Despite the lack of new construction, new supply will continue to be added to the market in 2024. However, the Reno/Sparks office market is better positioned when compared to larger office markets in the West.

The following charts summarize the overall and submarket office markets, and include data related to rental rates and vacancies. The data is from the CBRE *Reno Office Market View 1st Quarter 2024*.



OFFICE RENTS & VACANCIES BY SUBMARKET

	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Average Direct Asking Rate (\$)	Q1 Net Absorption	YTD Net Absorption
Airport	734,126	10.0%	10.7%	\$1.32	(3,345)	(3,345)
Class A	32,376	0	0	0	0	0
Class B	398,234	12.4%	12.7%	\$1.33	(1,660)	(1,660)
Central	602,601	5.3%	5.3%	\$1.49	2,906	2,906
Class A	0	0	0	0	0	0
Class B	290,135	6.8%	6.8%	\$1.51	0	0
Downtown	1,405,903	12.6%	14.1%	\$1.98	(18,670)	(18,670)
Class A	887,484	11.9%	13.6%	\$1.95	(18,670)	(18,670)
Class B	273,830	19.6%	22.3%	\$2.03	0	0
Meadowood	1,691,242	9.6%	14.6%	\$2.25	9,875	9,875
Class A	841,274	13.1%	19.7%	\$2.28	1,205	1,205
Class B	755,728	5.9%	8.5%	\$2.30	7,848	7,848
South Reno	1,401,086	17.7%	25.1%	\$2.12	53,425	53,425
Class A	990,231	20.4%	28.3%	\$2.22	53,425	53,425
Class B	410,855	11.1%	17.6%	\$1.70	0	0
Sparks	93,693	7.3%	7.3%	0	0	0
Class A	0	0	0	0	0	0
Class B	93,693	7.3%	7.3%	0	0	0
West Reno	196,268	21.9%	30.1%	\$2.05	(638)	(638)
Class A	14,493	0	0	0	0	0
Class B	44,311	48.1%	48.1%	\$2.65	0	0
Reno Office Market	6,124,919	12.1%	15.9%	\$1.99	43,553	43,553
Class A	2,765,858	15.1%	20.5%	\$2.18	35,960	35,960
Class B	2,266,786	10.6%	13.1%	\$1.93	6,188	6,188

Source: CBRE Research, Q1 2024

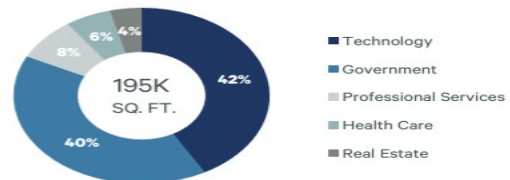
HISTORICAL OFFICE DATA

FIGURE 5: Lease Rates



Source: CBRE Research, Q1 2024

FIGURE 7: Top 10 Leases of the Quarter by Industry



Source: CBRE Research, Q1 2024

FIGURE 6: Vacancy & Availability



Source: CBRE Research, Q1 2024

FIGURE 8: Top 10 Leases by Type

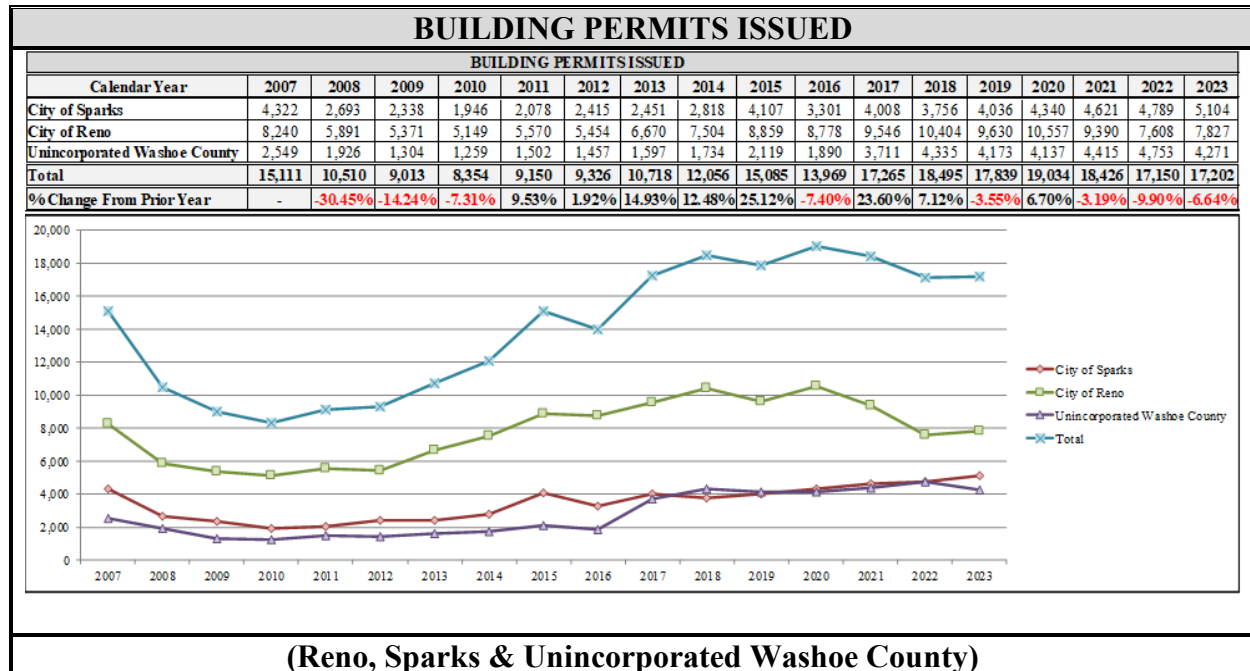


Source: CBRE Research, Q1 2024



Construction Activity

Construction activity in the area has seen tremendous growth over the decade. The chart and graph below show total building permits for Washoe County, the City of Sparks and the City of Reno.



Transportation

The Reno-Tahoe International Airport serves the Reno-Sparks area. The airport offers daily departures to over 30 North American destinations with non-stop or one-stop service. This level of service is normally found in cities with populations four to five times the size of the Reno-Sparks area.

The airport is currently undergoing a major expansion by the RTIA known as the More RNo. This project includes the expansion and improvement to the ticket hall, remodel of the terminal mezzanine, terminal entrance, and concourse. In addition, other improvements will be completed including the addition of a new loop road, a new consolidated car rental facility, and parking expansion. The following chart summarizes passenger statistics for the Reno-Tahoe International Airport.



RENO-TAHOE INTERNATIONAL AIRPORT STATISTICS

Total Passengers						
Feb-24						
	Passengers		% Diff.	Passengers		YOY % Diff.
	2022	2023		2024		
JAN	296,641	344,268	16.1%	346,845		0.7%
FEB	310,738	327,934	5.5%	354,252		8.0%
MAR	368,946	380,363	3.1%			
1st QTR	976,325	1,052,565	7.8%			
APR	326,787	357,924	9.5%			
MAY	352,255	368,930	4.7%			
JUN	384,429	409,467	6.5%			
2nd QTR	1,063,471	1,136,321	6.9%	0		
JUL	407,867	442,942	8.6%			
AUG	409,942	438,621	7.0%			
SEP	397,404	408,732	2.9%			
3rd QTR	1,215,213	1,290,295	6.2%	0		
OCT	385,466	396,147	2.8%			
NOV	343,130	341,084	-0.6%			
DEC	327,353	356,972	9.0%			
4th QTR	1,055,949	1,094,203	3.6%	0		
TOTAL	4,310,958	4,573,384	6.1%			

Total Enplaned Passengers				
Feb-24				
Month	2022	2023	2024	% Diff.
JAN	147,773	171,374	172,968	0.9%
FEB	155,233	162,964	177,670	9.0%
MAR	185,671	193,748		
APR	163,973	177,665		
MAY	174,487	183,112		
JUN	191,234	203,452		
JUL	203,375	220,645		
AUG	199,365	214,616		
SEP	206,819	212,376		
OCT	193,074	197,692		
NOV	171,626	171,361		
DEC	162,680	176,035		
TOTAL	2,155,310	2,285,040		

Total Deplaned Passengers				
Month	2022	2023	2024	% Diff.
JAN	148,868	172,894	173,877	0.6%
FEB	155,505	164,970	176,582	7.0%
MAR	183,275	186,615		
APR	162,814	180,259		
MAY	177,768	185,818		
JUN	193,195	206,015		
JUL	204,492	222,297		
AUG	210,577	224,005		
SEP	190,585	196,356		
OCT	192,392	198,455		
NOV	171,504	169,723		
DEC	164,673	180,937		
TOTAL	2,155,648	2,288,344		

Total Cargo Volume in Pounds						
Feb-24						
	Cargo in Pounds		% Diff.	Pounds		YOY % Diff.
	2022	2023		2024	Metric Tons	
JAN	11,052,383	9,768,668	-11.6%	8,769,205	3,977	-10.2%
FEB	10,991,076	8,963,956	-18.4%	8,896,368	4,035	-0.8%
MAR	12,265,793	11,124,124	-9.3%			
1st QTR	34,309,252	29,856,748	-13.0%			
APR	11,470,613	8,704,717	-24.1%			
MAY	10,966,757	9,094,192	-17.1%			
JUN	12,105,721	9,694,997	-19.9%			
2nd QTR	34,543,091	27,493,906	-20.4%	0		
JUL	11,289,066	8,508,207	-24.6%			
AUG	11,751,228	9,888,463	-15.9%			
SEP	11,624,360	9,237,788	-20.5%			
3rd QTR	34,664,654	27,634,458	-20.3%	0		
OCT	10,502,407	8,731,063	-16.9%			
NOV	11,569,577	9,273,796	-19.8%			
DEC	13,806,179	11,347,689	-17.8%			
4th QTR	35,878,163	29,352,548	-18.2%	0		
TOTAL	139,395,160	114,337,660	-18.0%			

Enplaned Passengers & Load Factor				
Airline	Enplaned PAX	Feb-24	Feb-23	Diff.
Alaska/Horizon	9,972	90.6%	79.9%	10.7
Allegiant Air	0	n/a	63.3%	n/a
American	29,930	91.9%	88.7%	3.2
Delta	14,966	83.9%	84.6%	-0.7
Frontier	0	n/a	64.1%	n/a
JetBlue	4,734	73.1%	61.7%	11.3
New Pacific	702	48.5%	n/a	n/a
Southwest	78,056	76.2%	73.1%	3.2
Spirit	8,256	78.2%	77.2%	1.0
Sun Country	1,608	48.0%	48.9%	-0.9
United	26,918	87.7%	85.4%	2.3
Volaris	2,528	70.6%	73.2%	-2.6

The Reno-Sparks area also has adequate rail service and bus service. The area has excellent access to trucking facilities. Rail service through the area is provided by Union Pacific Railroad. The rail lines pass through downtown Reno with most of the rail traffic involving freight transportation. Additionally, Amtrak provides passenger rail service to the area.

Hospitals, Education and Public Services

The Reno-Sparks area has five private general hospitals and one Veterans' Administration hospital. Construction was completed in 2022 on the newest regional hospital, Northern Nevada Sierra Medical Center, which is located at the southeast corner of Longley Lane and Double R Boulevard.

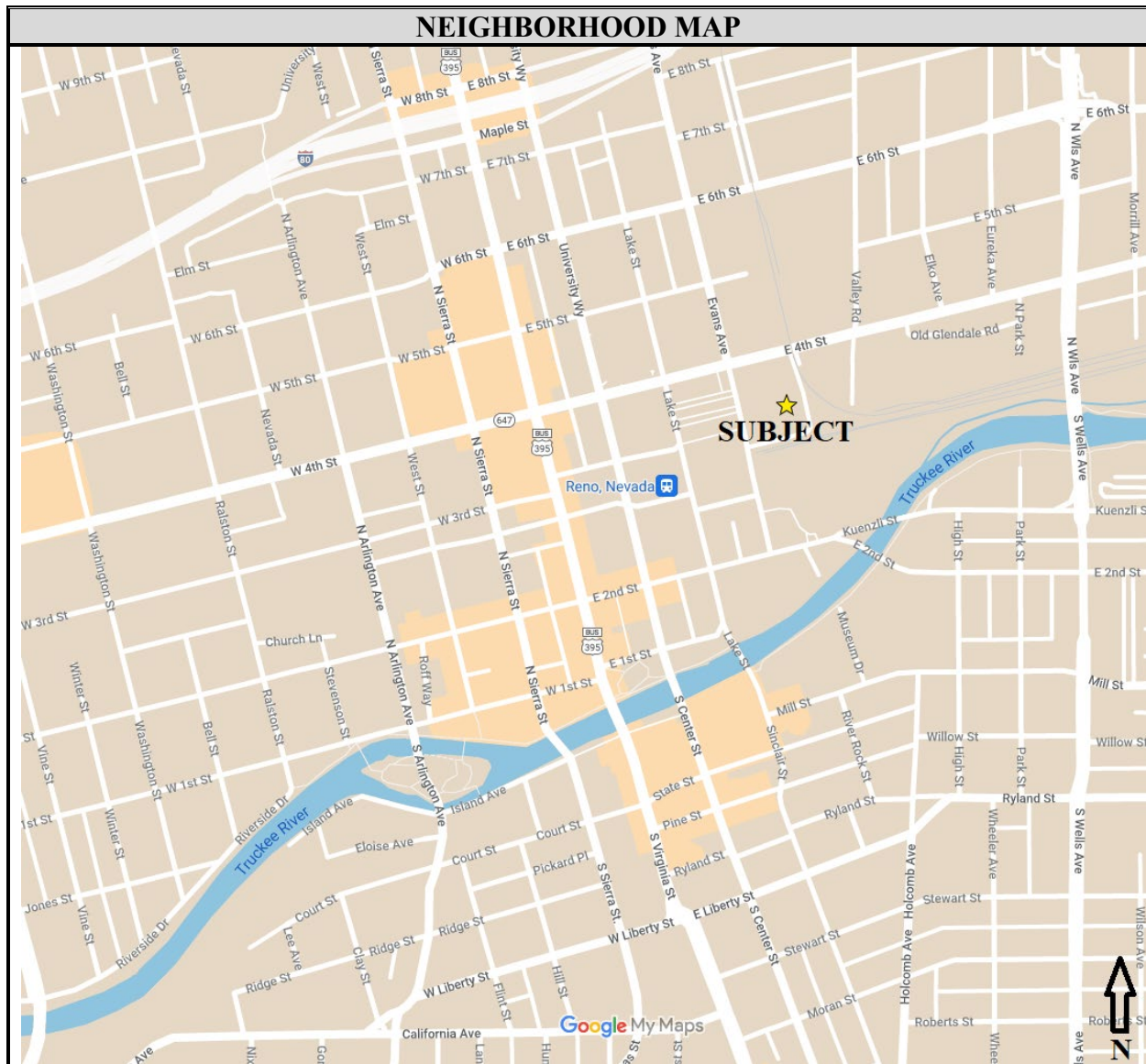


The Washoe County School District provides public schools. The University of Nevada-Reno is situated on a 200-acre campus just north of downtown Reno. There are approximately 21,000 students currently enrolled at the University. The area is also served by the Truckee Meadows Community College, which has an enrollment of approximately 10,000 students per year. Both institutions have seen tremendous growth in enrollment over the past decade.

Each of the municipalities in the Reno-Sparks area offers police and fire protection. Municipal recreational facilities in the Reno-Sparks area include several golf courses, several indoor/outdoor swimming pools, numerous public parks and several public libraries. RTC Ride provides public transportation to the region.

Summary

In summary, the Reno-Sparks area has experienced rapid population growth over the past several decades due to the excellent quality of life. Unemployment increased substantially in the first and second quarters of 2020 due to the Covid-19 Pandemic. However, the unemployment rates in the Reno-Sparks area have since normalized and are now at historically low levels. The Reno-Sparks market has seen a rapid influx of new businesses and residents, particularly from California, due to the lower tax structure of the area, and the quality of life. This growth is not without problems however, as price increases in for-sale homes and rent increases in apartment projects have priced out many lower wage workers. However, the Reno-Sparks market continues to show growth in the various real estate sectors, including residential, office, retail and industrial.





NEIGHBORHOOD DESCRIPTION

The subject property is in the northeast portion of downtown Reno. The downtown area is bounded on the north by Interstate 80, on the east by Wells Avenue, on the south by California Avenue and on the west by Keystone Avenue. The neighborhood described above is largely commercial in nature, but includes a variety of uses, such as older single-family residences, professional offices, multi-family projects and light industrial uses.

Major Roadways

The major roadway connecting Reno-Sparks and the west Reno area is Interstate-80. Interstate-80 generally forms the northerly boundary of the subject neighborhood. The subject neighborhood has good accessibility to the Interstate 80 Freeway from interchanges at Keystone Avenue, Virginia Street/Center Street, and further east at Wells Avenue. As Interstate 80 intersects with Interstate 580 in central Reno, the subject neighborhood has good access to the Reno-Sparks area. The Interstate 80 Freeway also provides access to California to the west and continues across the United States to the east.

Major roadways within the subject neighborhood include Virginia Street, Sierra Street, Center Street/University Way, Arlington Avenue, Keystone Avenue, Second Street, Fourth Street, and Liberty Street. Virginia Street is considered the main north-south arterial roadway through downtown Reno. Fourth Street is the main east-west road through the central portion of downtown Reno; Fourth Street was formerly the U.S. 40 Highway and connects east and west Reno with downtown Reno and continues east to Sparks.

Truckee River

The Truckee River runs along the south portion of the neighborhood and runs from west to east. The major commercial and casino developments in downtown Reno area are located on the north side of the river, while the financial district and major office buildings are located south of the Truckee River. Within downtown Reno, the Truckee River is generally improved with residential, retail and office uses. Several older residences located in downtown Reno near the Truckee River have been converted to office, commercial, coffee shop and restaurant uses. Idlewild Park is located along the Truckee River.

Due to its proximity to the river, many portions of the subject neighborhood lie within the river's floodplain. Of the various floodplain classifications promulgated by the Federal Emergency Management Agency (FEMA), those which have the greatest impact on property



values are the "AE" and "floodway" designations. Properties located in the "AE" zone can, and frequently are, developed with a variety of uses (commercial, industrial, residential, etc.) in both the cities of Reno and Sparks. The main constraints to development of properties in the "AE" zone are the cost of additional engineering and fill material required to raise the bottom of the lowest floor beam or basement floor one foot above the base flood elevation.

Railway/ReTRAC

The Union Pacific Railroad passes through the central portion of the subject neighborhood. Along with U.S. Interstate 80, the Union Pacific Railroad generally parallels the Truckee River, crossing the river at various points throughout the neighborhood. The Union Pacific Railroad is primarily utilized for freight service.

Through downtown Reno, Granite Construction completed the ReTRAC train trench project in 2005, which involved the depression of the railroad tracks through downtown Reno. This has resulted in a fully grade-separated two-track main line railroad corridor through the central portion of downtown Reno. This project was the largest public works project ever constructed in the City of Reno. The portion of the trench located between West Street and Virginia Street in the downtown core was covered for the construction of a public plaza.

Gaming & Tourism Market

A majority of the area's tourist commercial development, which consists of hotel-casino uses and smaller tourist commercial retail uses, are situated in the downtown Reno core. The Reno casino core area contains the largest concentration of hotel casino utilizations in northern Nevada. The major hotel casinos include the Silver Legacy Hotel Casino, the Circus-Circus Hotel Casino, the Eldorado Hotel Casino, the J Resort (formerly the Sands Hotel Casino) and the Cal-Neva Casino. As a result, this area does involve a major employment center for the Reno-Sparks area.

Commercial & Retail Uses

Commercial uses in central Reno include casinos and hotel-casinos in the heart of downtown, high rise office buildings in the financial district in the southeast portion of the subject neighborhood, as well as a variety of older commercial buildings and shopping centers. The casino core area is located between Interstate 80 and the Truckee River, while the downtown financial district occupies the area between the Truckee River and California Avenue in the central portion of the subject neighborhood. Additionally, the university district is in the



northeast portion of the subject neighborhood, the ballpark district is in the eastern portion of the neighborhood and the new Reno Neon Line district will be generally located in the northwest portion of the subject neighborhood.

Jacobs Investments, Inc., through its wholly owned subsidiary Jacobs Entertainment, Inc. (JEI) and other entities has been purchasing properties in the downtown area as part of a 20-block project bordered on the north by I-80, on the east by West Street, on the south by Second Street and on the west by Keystone Avenue. To date Jacobs has acquired or controlled approximately 100± properties for a large redevelopment project that is called Reno's Neon Line. The district is planned to include residential units, including affordable housing components. In addition to residential uses, Neon is planned to have retail, office and restaurants that are pedestrian friendly with new streetscapes and wider sidewalks. Neon will be anchored by the J Resort on the east and the Gold Dust West Casino on the west. Jacobs recently renovated the J Resort, which was formerly known as the Sands Hotel Casino.

Office Market

Most of the better-quality professional offices are located around the center of the downtown Reno financial district, which is in the south portion of the subject neighborhood at the intersection of South Virginia Street and Liberty Street. Several major financial institutions active in Northern Nevada have administrative offices and/or main branches located within a short distance of this downtown financial core. The four most prominent buildings in the financial core area include the Meadows Bank building, the U.S. Bank building, the Chase Bank building, and the Museum Towers building. These structures range in height between 6 and 12 stories and are good quality Class "A" professional office buildings.

In addition to the major financial institutions, the Washoe County Courthouse is located on the northwest corner of South Virginia Street and Court Street in the central portion of the subject neighborhood. Washoe County also utilizes a courthouse complex located at the southwest corner of South Sierra Street and Island Avenue. Additionally, the Federal Courthouse is located on the block bounded by South Virginia Street, Liberty Street, Center Street and Stewart Street.

Other professional and medical office developments are located west of downtown Reno. These include small, single-user office buildings to larger multi-tenant office buildings. Reno Orthopedic Clinic has expanded their medical office building on Arlington Avenue; this area of

downtown includes a large amount of medical office uses, due to its proximity to St. Mary's Hospital, which is located on West Sixth Street.

Industrial Market

Industrial utilizations are found east and west of the downtown casinos, adjacent to the Union Pacific Railroad tracks and include small manufacturing and repair facilities, auto wreckers and outside storage yards. Transit warehouses and truck terminals are prominent uses in the northeast portions of the subject neighborhood. These facilities are typically operated by interstate trucking firms for redistribution and reloading of interstate freight.

Residential Market

Residential uses within the subject neighborhood include single-family and multi-family uses and several condominium projects. In the downtown Reno core, several new multi-family projects and redevelopment projects have taken place over the last several years. The multi-family projects include the 3rd Street Flats, Renova Flats, The Mod, Loft 205, Center + Pine, ParcOne60 and Canyon Flats.

In January 2020, Caesars confirmed that Harrah's Hotel-Casino, a Reno landmark since 1937, when Bill Harrah opened a bingo parlor in downtown Reno, had been sold. In the second half of 2020, the property was closed, and it is currently being converted into a non-gaming facility with market rate apartments, office space and retail space. The repurposed building will be called Reno City Center, although financial issues have delayed the completion of this project.

In April 2022, Pacific Development broke ground on Ballpark, a 369-unit multi-family development, that is located at the northeast corner of East 2nd Street and Lake Street next to the Reno Ace's baseball stadium. Numerous other smaller apartment projects are either under construction or have recently been completed in the western portion of downtown Reno.

Major condominium projects in the downtown market include the Belvedere, Palladio, the Montage, Arlington Towers, and the Residence at Riverwalk.

Single-family residential growth started in the eastern portion of the subject neighborhood and progressed westward. The area near Keystone Avenue involves older homes constructed from the 1930s to the 1950s. Residential development along Mayberry Drive involves newer homes and has traditionally been a desirable neighborhood. Residential



development along West Fourth Street has been more sporadic and involves a few older mobile home parks and converted older motels.

Other Uses

The Nevada Discovery Museum, a hands-on children's museum, is in the southeast portion of the neighborhood. The main branch of the Washoe County library system is located on the northwest corner of Liberty Street and Center Street, and the William F. Harrah National Automobile Museum is located on the northeast corner of Mill Street and Sinclair Street. Additionally, the Nevada Museum of Art is located on Liberty Street in the financial district of downtown Reno.

The Saint Mary's Regional Medical Center lies at the intersection of West Sixth Street and North Arlington Avenue within the northwest portion of the subject neighborhood. Numerous low-rise medical office buildings have also been developed within the proximity of Saint Mary's Regional Medical Center. In addition, many of the older residences have been converted into medical offices and other professional or commercial uses in this area.

Greater Nevada Field, home of the AAA professional baseball team the Reno Aces, is generally located on the northeast corner of East Second Street and Evans Avenue in the eastern portion of downtown Reno. The stadium utilized the historic Freight House in its design and has a seating capacity for 9,000± fans. The Reno Brewery District, comprised of restaurants, breweries, and boutique hotels, extends east in downtown Reno along Fourth Street.

Idlewild Park and Wingfield Park are located along the Truckee River in the central portions of the subject neighborhood. There is a walking/bike path along the Truckee River from the western portion of the subject neighborhood to downtown Reno. This path also continues past downtown Reno and terminates past Vista Boulevard in Sparks.

The neighborhood has access to all typical public services. Fire protection is provided by the City of Reno Fire Department. The City of Reno Police Department provides police protection. Public transportation is provided by the Regional Transportation Commission (RTC), which does maintain bus stops along major roadways in the neighborhood.



An aerial photograph of an industrial area in Chicago. A yellow outline highlights a specific parcel, 007-313-27, and its adjacent parcels 007-313-28, 007-313-29, 007-313-30, 007-314-14, and 007-314-15. The map shows various industrial buildings, parking lots, and streets including EATH ST, RECORD, and PLAZA ST. A railroad track runs along the bottom of the highlighted area. A north arrow is located in the bottom right corner.

SUBJECT PROPERTY OUTLINED IN YELLOW



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SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF THE BUILDING LOCATED AT 315 RECORD STREET



VIEW OF THE BUILDING LOCATED AT 335 RECORD STREET



SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF RECORD STREET FACING NORTH ON THE SUBJECT PROPERTY



VIEW OF RECORD STREET FACING EAST ON THE SUBJECT PROPERTY



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SUBJECT PROPERTY PHOTOGRAPHS



**VIEW FACING EAST OF A PARKING AREA
LOCATED ALONG RECORD STREET ON THE SUBJECT PROPERTY**



**VIEW OF THE EAST PORTION OF THE PORTION OF A.P.N. 008-350-10
INCLUDED AS A PORTION OF THE SUBJECT PROPERTY**



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SUBJECT PROPERTY PHOTOGRAPHS



**VIEW FACING NORTHEAST OF A PARKING AREA AND A POWER POLE
LOCATED ON THE SUBJECT PROPERTY**



**VIEW OF THE PARK AREA
LOCATED ON THE EAST PORTION OF A.P.N. 007-314-14**

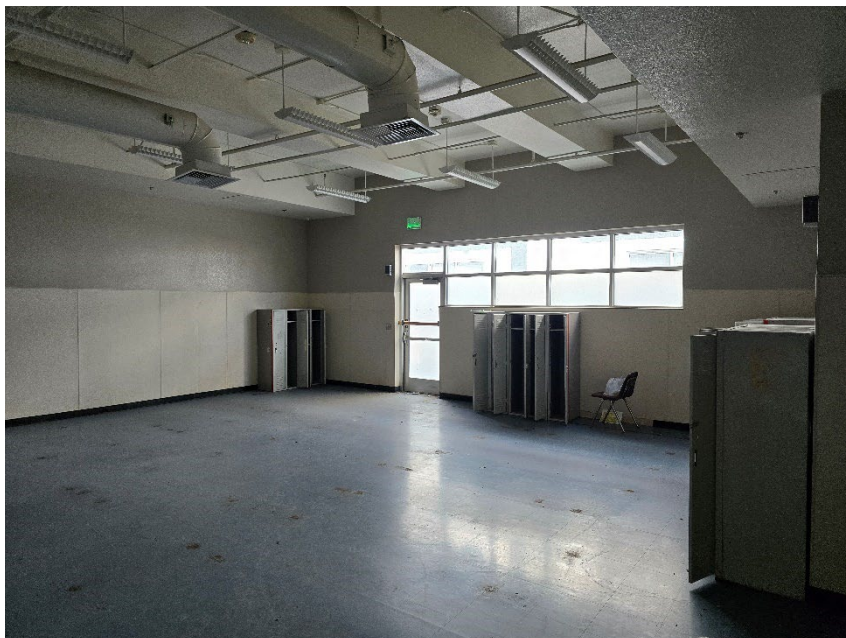


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SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF THE INTERIOR OF THE BUILDING AT 315 RECORD STREET



VIEW OF THE INTERIOR OF THE BUILDING AT 315 RECORD STREET



SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF THE INTERIOR OF THE BUILDING AT 315 RECORD STREET



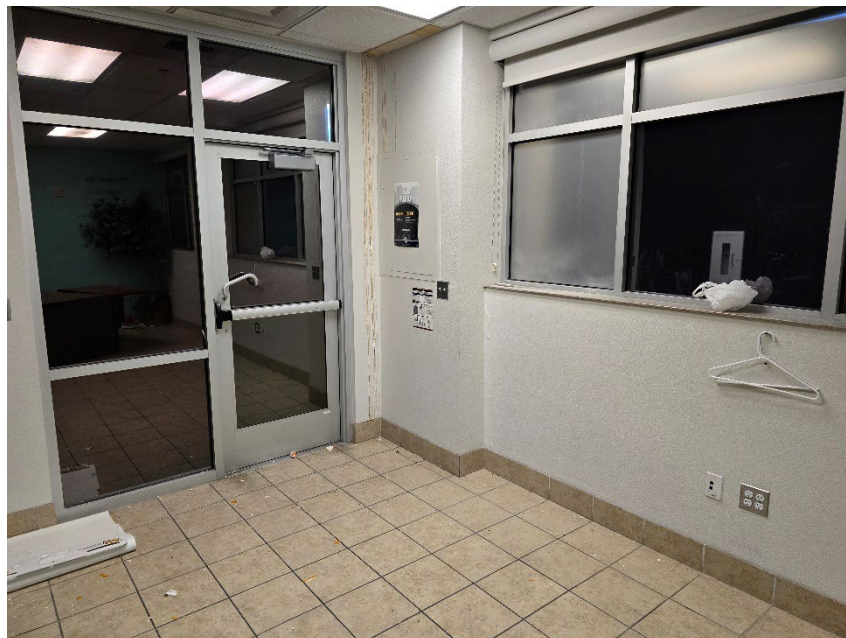
VIEW OF THE INTERIOR OF THE BUILDING AT 315 RECORD STREET



SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF THE INTERIOR OF THE BUILDING AT 315 RECORD STREET



VIEW OF THE INTERIOR OF THE BUILDING AT 315 RECORD STREET



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SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF THE INTERIOR OF THE BUILDING AT 335 RECORD STREET



VIEW OF THE INTERIOR OF THE BUILDING AT 335 RECORD STREET

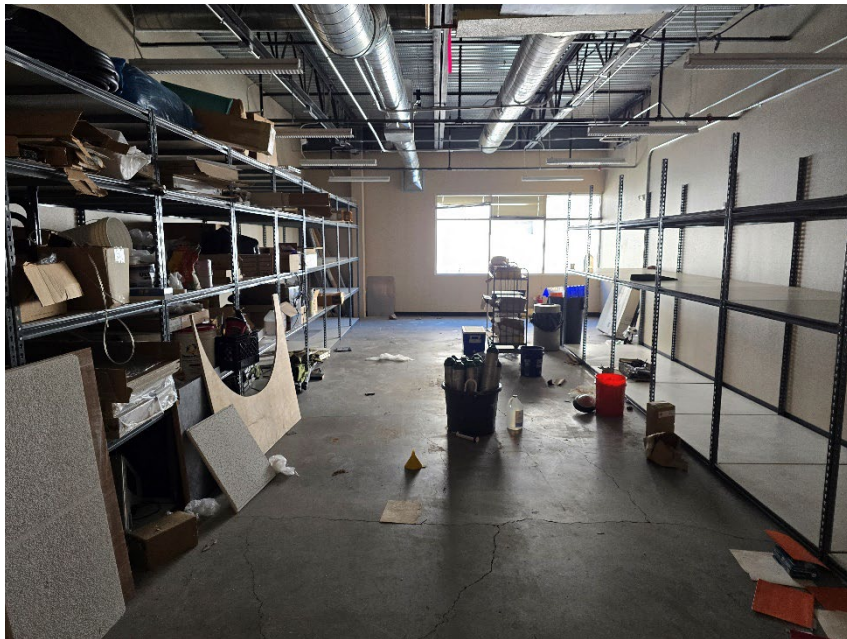


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SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF THE INTERIOR OF THE BUILDING AT 335 RECORD STREET



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SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF THE INTERIOR OF THE BUILDING AT 335 RECORD STREET

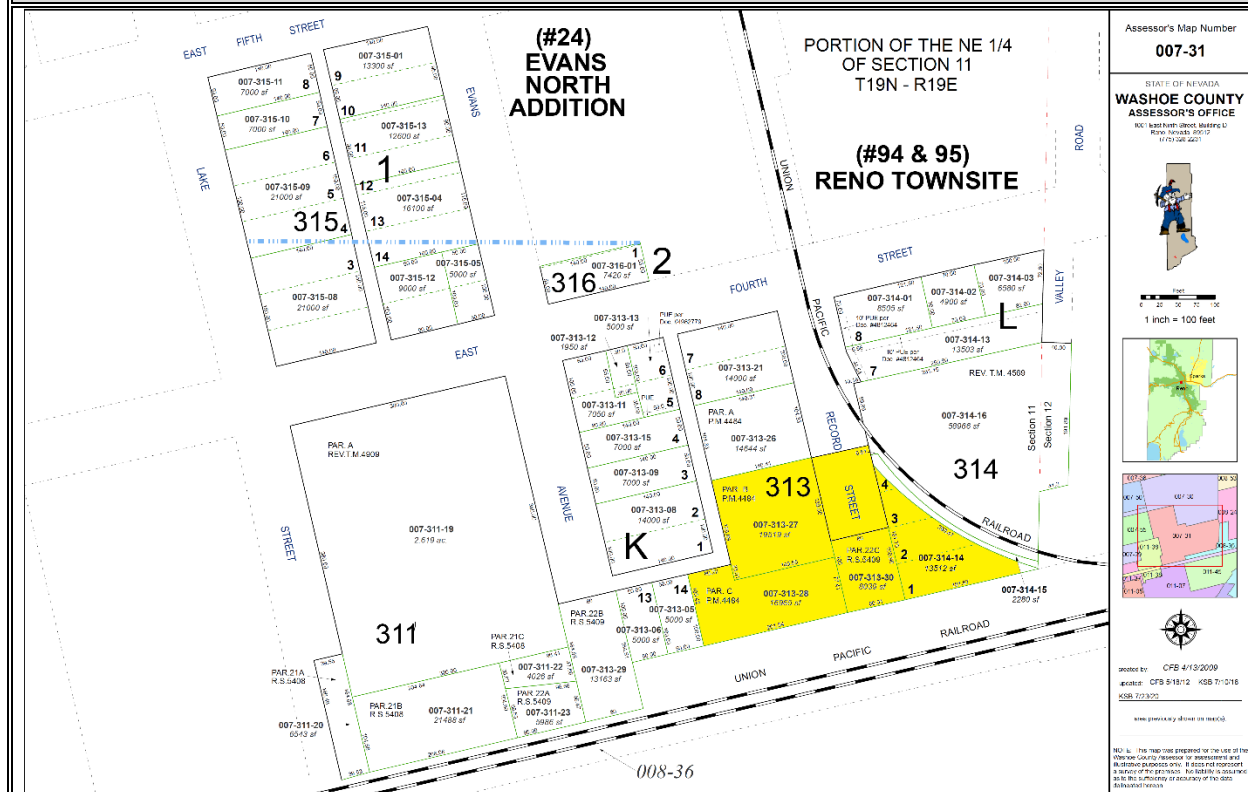


VIEW OF THE INTERIOR OF THE BUILDING AT 335 RECORD STREET



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SUBJECT PROPERTY PLOT MAP-BOOK 007/PAGE 31



SUBJECT LAND AREA SUMMARY

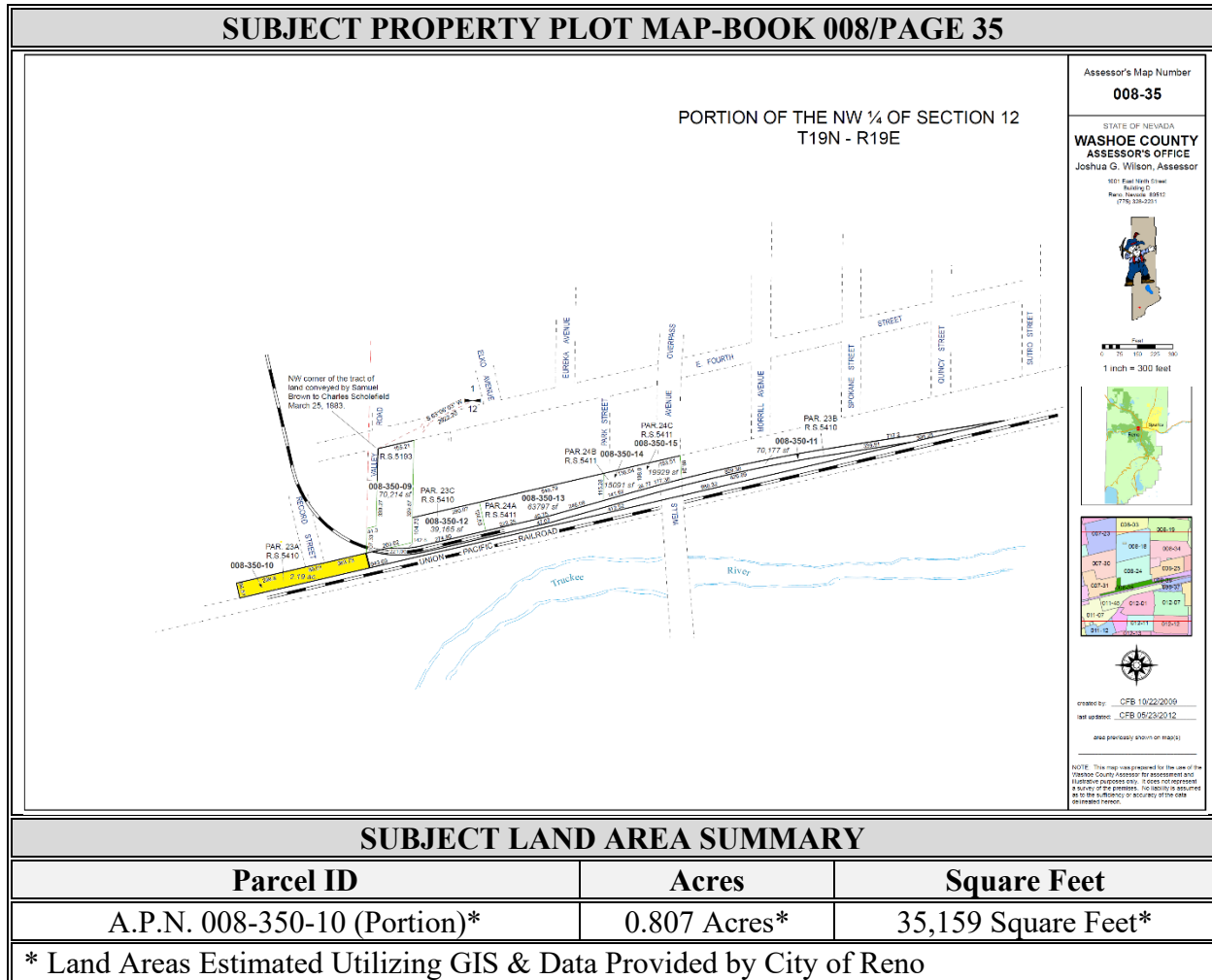
Parcel ID	Acres	Square Feet
A.P.N. 007-313-27	0.448 Acres	19,519 Square Feet
A.P.N. 007-313-28	0.389 Acres	16,965 Square Feet
A.P.N. 007-313-30	0.185 Acres	8,039 Square Feet
A.P.N. 007-314-14	0.310 Acres	13,512 Square Feet
Portion of Record Street*	0.214 Acres*	9,313 Square Feet*

* Land Areas Estimated Utilizing GIS & Data Provided by City of Reno



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SUBJECT PROPERTY PLOT MAP-BOOK 008/PAGE 35





SUBJECT PROPERTY IDENTIFICATION AND DESCRIPTION

SUBJECT PROPERTY SUMMARY	
Property ID	Former Community Assistance Center Property
Property Type	2 Vacant Commercial Buildings & Adjacent Land
Property Address	315 & 335 Record Street
Property Location	Along Record Street, North of UPRR Right-of-Way
City, County & State	Reno, Washoe County, Nevada
Assessor's Parcel Numbers	007-313-27, 007-313-28, 007-313-30, 007-314-14, 008-350-10 (Portion), & Portion of Record Street (No Parcel Number)
Subject Ownership	The City of Reno
Land Area-A.P.N. 007-313-27	0.448± Acres (19,519± Square Feet)
Land Area-A.P.N. 007-313-28	0.389± Acres (16,965± Square Feet)
Land Area-A.P.N. 007-313-30	0.185± Acres (8,039± Square Feet)
Land Area-A.P.N. 007-314-14	0.310± Acres (13,512± Square Feet)
Land Area-A.P.N. 008-350-10 (Portion)*	0.807± Acres (35,159± Square Feet)*
Land Area-Portion of Record Street*	0.214± Acres (9,313± Square Feet)*
Total Land Area-All Parcels	2.353± Acres (102,507± Square Feet)
Subject Improvements	47,718± Square Foot Commercial Building (007-313-27) 21,882± Square Foot Commercial Building (007-313-28) Various Road, Parking, Park and Landscaping Improvements on other Parcels
Topography	Level-At Grade with Surrounding Roads & Parcels
Zoning Designation	(MD-ED) Mixed-Use Downtown Entertainment District & (MD-ID) Mixed-Use Downtown Innovation District
Master Plan Designation	Downtown Mixed-Use
Flood Zone Designation	Zone "X" (Unshaded)
Utilities	All Available
* Land Areas Estimated Utilizing GIS & Data Provided by City of Reno	

SUBJECT LAND AREA SUMMARY		
Parcel ID	Acres	Square Feet
A.P.N. 007-313-27	0.448 Acres	19,519 Square Feet
A.P.N. 007-313-28	0.389 Acres	16,965 Square Feet
A.P.N. 007-313-30	0.185 Acres	8,039 Square Feet
A.P.N. 007-314-14	0.310 Acres	13,512 Square Feet
A.P.N. 008-350-10 (Portion)*	0.807 Acres*	35,159 Square Feet*
Portion of Record Street*	0.214 Acres*	9,313 Square Feet*
Total Land Area-All Parcels	2.353 Acres	102,507 Square Feet
* Land Areas Estimated Utilizing GIS & Data Provided by City of Reno		



LEGAL DESCRIPTIONS				
Parcel ID	Map Number	Document Number	Recording Date	Property Location
A.P.N. 007-313-27	Parcel Map 4484	3305778	11/09/2005	Parcel B
A.P.N. 007-313-28	Parcel Map 4484	3305778	11/09/2005	Parcel C
A.P.N. 007-313-30	Record of Survey 5409	4100135	04/04/2012	Parcel 22C
A.P.N. 007-314-14	N/A-See Below	N/A	N/A	N/A
A.P.N. 008-350-10 (Portion)	Record of Survey 5410	4100137	04/04/2012	Parcel 23A
Portion of Record Street	N/A-See Below	N/A	N/A	N/A
The subject parcels are all located within Northeast ¼ of the Southeast ¼ of the Northeast ¼ of Section 11, Township 19 North, Range 19 East, M.D.B.&M. A small portion of the portion of A.P.N. 008-350-10 included in this appraisal is located within Section 12, Township 19 North, Range 19 East, M.D.B.&M.				

SUBJECT PROPERTY FRONTAGE/ACCESS
The subject parcels are generally located along the west side of Record Street, and the east side of Evans Avenue. Record Street is a secondary roadway which runs south from East Fourth Street, and then curves west to Evans Avenue. Record Street is currently accessed from East Fourth Street, while the Evans Avenue access is gated. Washoe County Assessor's Parcel Numbers 007-313-30 and 008-350-10 are partially improved with Record Street, as is the portion of Record Street included in this analysis which does not have a parcel number; these parcels are also improved with parking spaces. Washoe County Assessor's Parcel Number 007-314-14 is also partially improved with street and parking improvements.

UTILITIES & PUBLIC SERVICES		
Utility Service	Provider	Availability
Electricity	NV Energy	On-Site
Natural Gas	NV Energy	On-Site
Water	City of Reno	On-Site
Sewer	City of Reno	On-Site
Telephone	Various	On-Site
Internet	Various Providers	Available
Waste Disposal	Waste Management	Subject Serviced
Fire Protection	City of Reno Fire Department	Covered
Police Protection	City of Reno Police Department	Covered
Public Transportation	RTC Ride	Stops in Vicinity



SUBJECT PROPERTY ZONING DATA	
Parcel ID	City of Reno Zoning Designation
A.P.N. 007-313-27	(MD-ED) Mixed-Use Downtown Entertainment District
A.P.N. 007-313-28	(MD-ED) Mixed-Use Downtown Entertainment District
A.P.N. 007-313-30	(MD-ED) Mixed-Use Downtown Entertainment District
A.P.N. 007-314-14	(MD-ID) Mixed-Use Downtown Innovation District
A.P.N. 008-350-10 (Portion)	(MD-ED) Mixed-Use Downtown Entertainment District & (MD-ID) Mixed-Use Downtown Innovation District
Portion of Record Street	No Zoning
SUBJECT ZONING MAP	
<p align="center">SUBJECT PROPERTY OUTLINED IN BLUE</p> <p align="center">PARCELS IN ORANGE-ZONED MIXED-USE DOWNTOWN ENTERTAINMENT DISTRICT</p> <p align="center">PARCELS IN YELLOW-ZONED MIXED-USE DOWNTOWN INNOVATION DISTRICT</p>	
<p>Comments: The subject parcels are all zoned Mixed-Use, and include zoning designations of Mixed-Use Downtown Entertainment District and Mixed-Use Downtown Innovation District. It is noted that the portion of Record Street included in this analysis is not currently zoned, as it is not a legally existing parcel. The following pages set forth information for the above two zoning districts, as provided by the City of Reno.</p>	



ZONING DATA-MIXED-USE DOWNTOWN ENTERTAINMENT DISTRICT

18.02.301 MD-ED: Downtown - Entertainment District

(a) **Purpose**

The MD-ED district is intended to support the most intensive transit-supportive development within the downtown regional center and the region as a whole. The MD-ED district functions as the 24-hour gaming area, as facilitated by the Gaming Overlay District, and includes major hotel-casinos and cultural/entertainment/recreational facilities, as well as retail, restaurants, high-density residential, and urban open spaces. Active uses are focused along Virginia Street, Sierra Street, 2nd Street, Commercial Row, and 4th and 5th Streets.

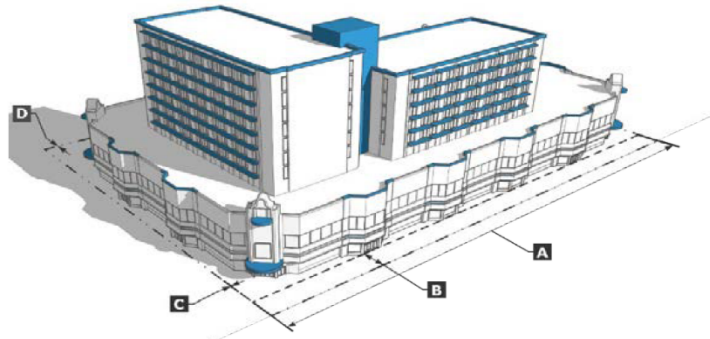


Table 2-14 MD-ED: Lot and Building Standards

General Standards		
A	Lot width, minimum	30 ft
	FAR, minimum	3.0 [1]
	FAR, maximum	--
	Density, minimum	45 du/acre [1]
	Density, maximum	--
Setbacks, minimum		
B	Front (Virginia Street and Fourth Street)	18 ft [2]
B	Front (All other streets)	12 ft [2] [3]
C	Side	0 ft / 5 ft [3] [4]
D	Rear	0 ft / 5 ft [3] [4]
	Rear (Porches/Canopies)	5 ft
	Street-facing garage	20 ft measured from sidewalk or planned sidewalk to face of garage
	Building separation	10 ft between principal buildings
Height, maximum		
	Height	--
	Stories	--
Other		
	Accessory uses/structures: See Chapter 18.03 Article 4	
	Site and building standards for mixed-use districts: See Chapter 18.04 Article 10	
	Development standards (parking, landscaping, etc.): See Chapter 18.04	

Notes: [1] See general standards for density in MD districts in Section 18.04.1003(a)(4).

[2] See general standards for front setbacks in MD districts in Section 18.04.1003(a)(2).

[3] A minimum zero-foot setback is allowed when the property line abuts an alley and at least 24 feet of backup space (including the alley) is provided from all garage doors and parking spaces that backup onto an alley.

[4] The building shall be either placed on the property line or set back a minimum of 5 feet. However, if the building is located immediately adjacent to a residentially zoned property, a minimum setback shall be 5 feet.



ZONING DATA-MIXED-USE DOWNTOWN INNOVATION DISTRICT

18.02.302 MD-ID: Downtown - Innovation District

(a) Purpose

The MD-ID district is intended support the district's transition into a mixed-use and light-manufacturing environment while retaining its eclectic character. The MD-ID district may include a range of employment uses, such as small-scale manufacturing, processing, wholesaling, office, and flex-space, as well as supporting uses like retail, restaurants, cultural facilities, high-density residential, and live/work.

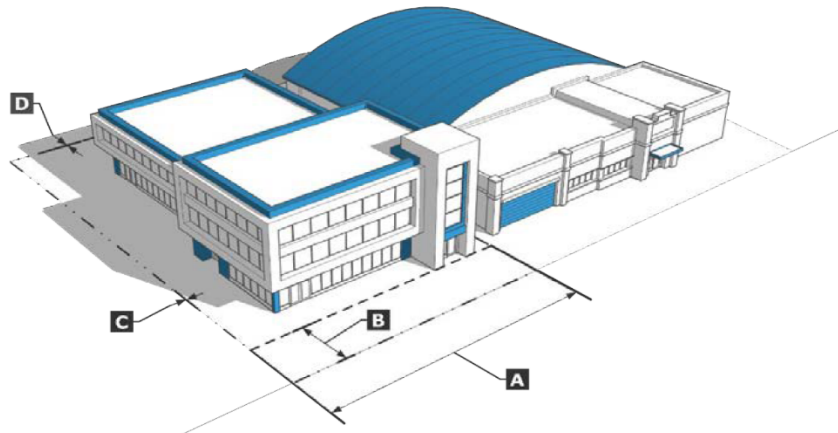


Table 2-15 MD-ID: Lot and Building Standards

General Standards		
A	Lot width, minimum	30 ft
	FAR, minimum	2.0 [1]
	FAR, maximum	--
	Density, minimum	30 du/acre [1]
	Density, maximum	--
Setbacks, minimum		
B	Front (Fourth Street)	18 ft [2]
B	Front (All other streets)	12 ft [2] [3]
C	Side	0 ft / 5 ft [3] [4]
D	Rear	0 ft / 5 ft [3] [4]
	Street-facing garage	20 ft measured from sidewalk or planned sidewalk to face of garage
	Rear (porches/canopies)	5 ft
	Building separation	10 ft between principal buildings
Height, maximum		
	Height	--
	Stories	--
Other		
	Accessory uses/structures: See Chapter 18.03 Article 4	
	Site and building standards for mixed-use districts: See Chapter 18.04 Article 10	
	Development standards (parking, landscaping, etc.): See Chapter 18.04	

Notes: [1] See general standards for density in MD districts in Section 18.04.1003(a)(4).

[2] See general standards for front setbacks in MD districts in Section 18.04.1003(a)(2)

[3] A minimum zero-foot setback is allowed when the property line abuts an alley and at least 24 feet of backup space (including the alley) is provided from all garage doors and parking spaces that backup onto an alley.

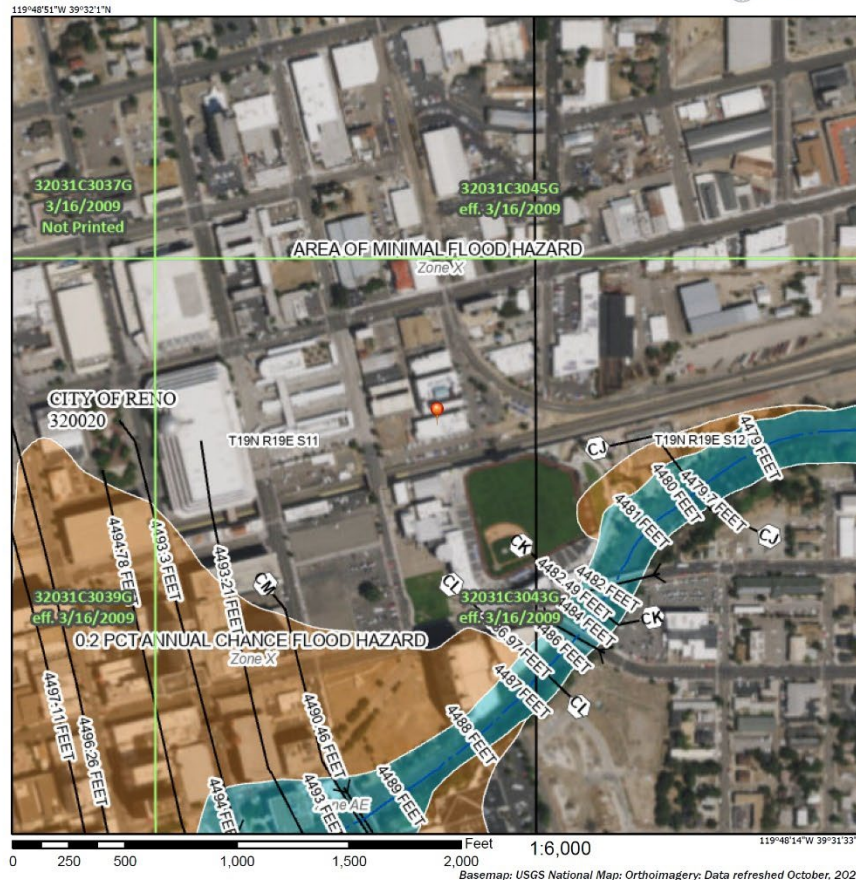
[4] The building shall be either placed on the property line or set back a minimum of 5 feet. However, if the building is located immediately adjacent to a residentially zoned property, a minimum setback shall be 5 feet.
























SUBJECT PROPERTY MASTER PLAN DATA	
Parcel ID	City of Reno Master Plan Designation
A.P.N. 007-313-27	Downtown Mixed-Use
A.P.N. 007-313-28	Downtown Mixed-Use
A.P.N. 007-313-30	Downtown Mixed-Use
A.P.N. 007-314-14	Downtown Mixed-Use
A.P.N. 008-350-10 (Portion)	Downtown Mixed-Use
Portion of Record Street	No Master Plan
SUBJECT MASTER PLAN MAP	
SUBJECT PROPERTY OUTLINED IN YELLOW	
Downtown Mixed-Use (DT-MU)	Downtown Mixed-Use (DT-MU)
<p>Range of Densities The most intense of the three mixed-use categories; actual densities vary by downtown district.</p> <p>Primary and Secondary Uses Varies by downtown district (see Design Principles for the Downtown Regional Center). Generally, Downtown is intended to include a diverse mix of employment, sports and tourism-related uses, specialty retail, bars and restaurants, arts and entertainment (including gaming), offices, cultural facilities, and high-density residential, civic and government facilities as well as uses, plazas, squares, pocket parks, and other public spaces.</p>	<p>Characteristics</p> <ul style="list-style-type: none"> Downtown serves as the heart of the community and region and is the main venue for street festivals, parades, and other community- or region-wide events. Development pattern is high-density with an emphasis on pedestrian amenities and transit access. Infill and redevelopment is encouraged on vacant or underutilized sites to promote ongoing revitalization and to expand housing options. <p>Conforming Base Zoning Districts</p> <ul style="list-style-type: none"> MD: Mixed-Use Downtown (all) PGOS: Parks, Greenways, and Open Space PF: Public Facilities PUD: Planned Unit Development SPD: Specific Plan District



National Flood Hazard Layer FIRMette



SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) Zone A, A99
		With BFE or Depth Zone AE, AO, AH, VE, AR Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Area of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes. Zone X
		Area with Flood Risk due to Levee Zone D
OTHER AREAS		NO SCREEN Area of Minimal Flood Hazard Zone X
		Effective LOMRs
GENERAL STRUCTURES		Area of Undetermined Flood Hazard Zone D
		Channel, Culvert, or Storm Sewer
		Levee, Dike, or Floodwall
OTHER FEATURES		Cross Sections with 1% Annual Chance Water Surface Elevation
		Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
		Coastal Transect Baseline
		Profile Baseline
		Hydrographic Feature
		Digital Data Available
		No Digital Data Available
MAP PANELS		Unmapped
		

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

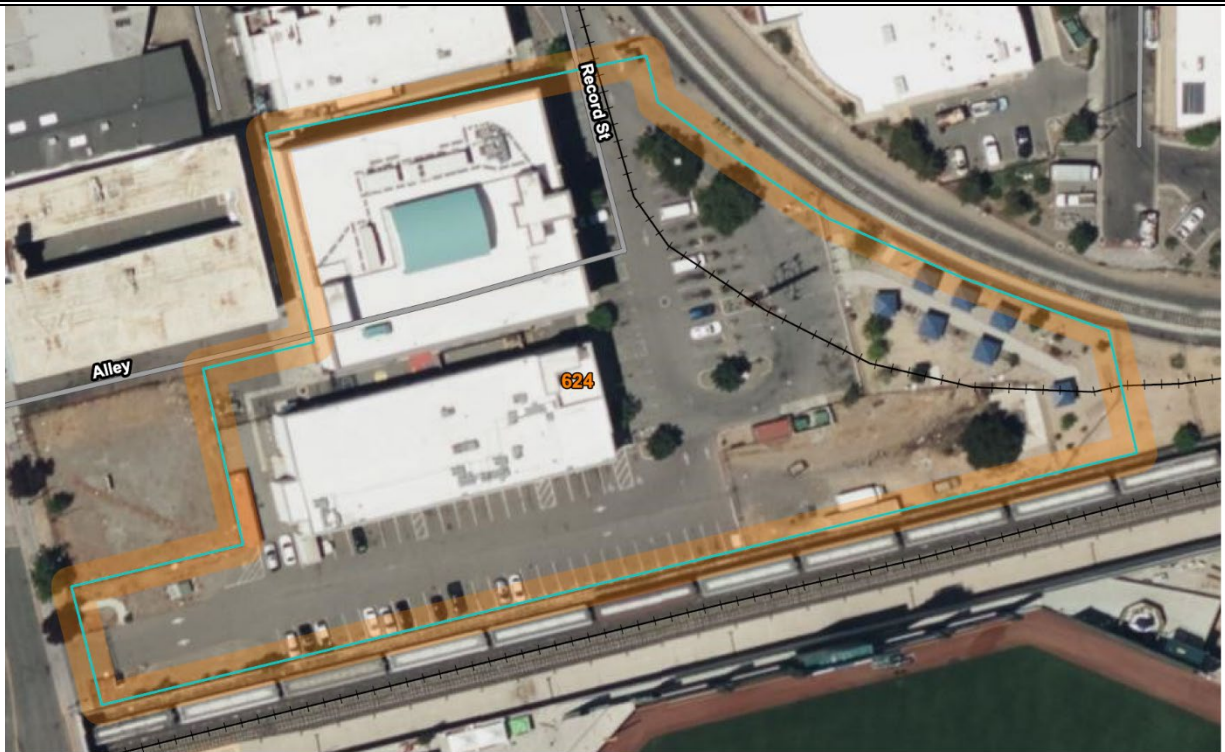
Flood Zone Designation	FEMA Map Number	Effective Date of Designation
Zone “X” (Unshaded)	32031C3045G	03/16/2009
ZONE	DESCRIPTION	
C and X (unshaded)	Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. Zone C may have ponding and local drainage problems that don't warrant a detailed study or designation as base floodplain. Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood.	

The subject parcels and adjacent parcels have level topography and are at grade with adjacent roads and parcels. The subject sits at an elevation of approximately 4,500± feet above sea level. It is noted that a portion of the site abuts the ReTRAC trench, which runs in an east-west direction below grade from the subject property, just south of A.P.N. 008-350-10.



SUBJECT PARCEL SOILS CHARACTERISTICS

A survey of the soils on the subject site has not been provided to me. A map depicting soils on the subject and adjacent land areas, as provided by the United States Department of Agriculture (USDA), is set forth below, which is followed by a chart summarizing the subject's soil type, as provided by the USDA.



Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
624	Orr gravelly sandy loam, 0 to 2 percent slopes	2.4	100.0%
Totals for Area of Interest		2.4	100.0%

SEISMIC ZONE

The subject parcels are in an area which has several local faults and where there is a relatively strong probability of moderate to strong seismic activity. A search of the U.S. Quaternary Faults through the USGS did not show any faults crossing the subject parcels. Typical building codes require special construction techniques because of earthquake hazards. Additionally, a structural engineer typically reviews plans for residential and commercial buildings to assess earthquake hazards. As a result, for the purposes of this analysis, it is being assumed that the subject property is not impacted by earthquake hazards to a greater degree than is typical for the area.



ENVIRONMENTAL AND HAZARDOUS SUBSTANCES

As I have not been provided with an Environmental Assessment on the site, this appraisal report assumes that the subject site is free and clear of contamination. For the purposes of this appraisal, it is assumed that the value of the subject property is not negatively impacted by the existence of toxic materials or hazardous waste.

SUBJECT SALES HISTORY

Parcel ID	Recorded Sales- Last 5 Years	Currently Under Contract	Currently Listed For Sale
A.P.N. 007-313-27	No	No	No
A.P.N. 007-313-28	No	No	No
A.P.N. 007-313-30	No	No	No
A.P.N. 007-314-14	No	No	No
A.P.N. 008-350-10 (Portion)	No	No	No
Portion of Record Street	No	No	No

The subject parcels have not been involved in any arm's length transactions over the past five years and are not currently listed for sale. There have been discussions between the City of Reno and a potential buyer of the subject property. The potential buyer was Bash Capital, who had discussed purchasing the property beginning in the Summer of 2023. The proposed use was for redevelopment of the site with a workforce housing apartment project.

SUBJECT RENTAL & USE HISTORY

Parcel ID	Current Use	Historical Use
A.P.N. 007-313-27	Vacant Commercial Building	Community Assistance Center
A.P.N. 007-313-28	Vacant Commercial Building	Community Assistance Center
A.P.N. 007-313-30	Street/Parking	Street/Parking
A.P.N. 007-314-14	Parking/Park	Parking/Park
A.P.N. 008-350-10 (Portion)	Parking/Vacant	Parking/Vacant
Portion of Record Street	Street/Parking	Street/Parking

Washoe County Assessor's Parcel Numbers 007-313-27 and 007-313-28 are improved with commercial buildings which are currently vacant but were previously utilized for the City of Reno Community Assistance Center. A further description of the improvements on these parcels is set forth in a subsequent section of this report. The other parcels are improved with street, parking, and park improvements.



SUBJECT PROPERTY EASEMENTS & ENCUMBRANCES

This appraisal firm was not provided with a Preliminary Title Report prior to issuance of this report. It is noted that there is a transmission line pole and transmission line which runs through a portion of the eastern parking area on the site. Additionally, the subject is encumbered by existing sewer and storm drain easements, which are depicted in the chart below. These easements are felt to have an impact on the development on portions of the site, as permanent improvements would not likely be able to be developed over these easements without relocating them. Finally, a 10-foot access and maintenance easement along the far south end of the property adjacent to the ReTRAC trench is assumed to be in-place, as it will be reserved by the City of Reno as part of any sale of the property.

SEWER & STORM DRAIN EASEMENT AERIAL



Subject Outlined in Yellow
Sewer Line Easements in Green; Storm Drain Easements in Blue



SUBJECT ASSESSMENT, TAXABLE VALUE & TAX HISTORY

A.P.N. 007-313-27

	Taxable Land	New Value	Taxable Imps	OBSO	Tax Cap Value	Taxable Total	Land Assessed	Imps Assessed	Total Assessed	Exemption Value
2024/25 NR	175,671	0	6,676,511	0		6,852,182	61,484	2,336,778	2,398,264	2,398,264
2024/25 VN	175,671	0	6,676,511	0		6,852,182	61,484	2,336,778	2,398,264	2,398,264
2023/24 FV	168,351	26,992	6,185,621	0	6,353,969	6,353,972	58,922	2,164,967	2,223,890	2,223,890

A.P.N. 007-313-28

	Taxable Land	New Value	Taxable Imps	OBSO	Tax Cap Value	Taxable Total	Land Assessed	Imps Assessed	Total Assessed	Exemption Value
2024/25 NR	152,685	0	3,043,620	0		3,196,305	53,439	1,065,267	1,118,707	1,118,707
2024/25 VN	152,685	0	3,043,620	0		3,196,305	53,439	1,065,267	1,118,707	1,118,707
2023/24 FV	146,323	0	2,846,507	0	2,992,831	2,992,830	51,213	996,277	1,047,490	1,047,490

A.P.N. 007-313-30

	Taxable Land	New Value	Taxable Imps	OBSO	Tax Cap Value	Taxable Total	Land Assessed	Imps Assessed	Total Assessed	Exemption Value
2024/25 NR	500	0	28,168	0		28,668	175	9,858	10,034	10,034
2024/25 VN	500	0	28,168	0		28,668	175	9,858	10,034	10,034
2023/24 FV	500	-6,362	24,618	0	25,119	25,118	175	8,616	8,791	8,791

A.P.N. 007-314-14

	Taxable Land	New Value	Taxable Imps	OBSO	Tax Cap Value	Taxable Total	Land Assessed	Imps Assessed	Total Assessed	Exemption Value
2024/25 NR	72,965	0	58,487	0		131,452	25,537	20,470	46,008	46,008
2024/25 VN	72,965	0	58,487	0		131,452	25,537	20,470	46,008	46,008
2023/24 FV	69,925	0	52,491	0	122,415	122,416	24,473	18,371	42,846	42,846

A.P.N. 008-350-10 (ALL OF PARCEL-SUBJECT IS A PORTION)

	Taxable Land	New Value	Taxable Imps	OBSO	Tax Cap Value	Taxable Total	Land Assessed	Imps Assessed	Total Assessed	Exemption Value
2024/25 NR	448,062	0	168,324	0		616,386	156,821	58,913	215,735	215,735
2024/25 VN	448,062	0	168,324	0		616,386	156,821	58,913	215,735	215,735
2023/24 FV	427,719	98,423	149,437	0	577,160	577,156	149,701	52,302	202,005	202,005

The taxable value of the properties is based upon the Assessor's estimate of the full cash value of the subject sites. The taxable value of the improvements is based upon the replacement cost new of the improvements which the Assessor estimates utilizing *Marshall Valuation Service* a nationally recognized and accepted cost estimating publication. Straight line depreciation of 1.5% per year is deducted from the replacement cost new of the improvements. It is noted that the subject parcel with no parcel number, which is a portion of Record Street, has not been assessed. As the subject parcels are all owned by the City of Reno, they are exempt from real property taxes.



DESCRIPTION OF SUBJECT IMPROVEMENTS-315 RECORD STREET	
GENERAL IMPROVEMENT DESCRIPTION	
Property A.P.N.	007-313-28
Property Address	315 Record Street
Property Type	2-Story Commercial Building
Gross Building Area	21,882± Square Feet
Year Built	2005
Number of Floors	2 Floors
Basement	No Basement
Building Class in Market	C
Construction	Concrete Tilt-Up
Quality of Construction	Average
Exterior Finishes	Painted Concrete, Brick, Windows
Power Source	800 Amp
Condition of Exterior	Fair
Exterior Curb Appeal	Fair
Main Interior Access	3 Single Glass Doors
Secondary Interior Access	Fire Rated Metal Doors
Interior Finishes	Average Quality
Condition of Interior	Fair to Poor
Upper Floor Access	1 Elevator (Not Working); Stairway
Roof Type	Flat Roof with Mechanical Mezzanine
HVAC	Roof Mounted & Interior Boilers
Deferred Maintenance	Yes-Extensive (See Comments)
COMMENTS	
<p>315 Record Street-The building located at 315 Record Street is a two-story building. The building was utilized as a part of the City of Reno Community Assistance Center. The building has concrete tilt-up construction, with a flat membrane covered roof which houses HVAC equipment. The building has various average quality finishes, including exposed concrete, vinyl, tile and carpeted floors, sheetrock walls, and acoustical tile ceilings. The building has one stairway and one non-functional elevator; according to the City of Reno, the elevator would require replacement. The exterior and interior of the building have extensive deferred maintenance. The exterior of the building has extensive cracking, a leaking roof, and shows signs of extensive wear. The interior of the building does not have a functional design for re-use as an office building. Additionally, the interior of the building shows signs of extensive deferred maintenance, including older finishes in fair to poor condition, a non-functional elevator, roof leaks, and various areas of holes in the walls and ceilings. Overall, the building is in fair to poor condition, and is likely at or near the end of its physical and economic life.</p> <p>A cost assessment to address the deferred maintenance for the building located at 315 Record Street is set forth on the following page, which was provided by the client. In total, Priority Class 1 and Class 2 projects total \$3,800,000.</p>	



PROJECTED COSTS TO REPAIR DEFERRED MAINTENANCE-315 RECORD

CAC – MEN'S & WOMEN'S DROP-IN & TRIAGE CENTER

Year Built 2005

315 Records St., Reno, NV 89512

21,937 Square Feet

Both buildings at 315 and 355 Record Street are presently in a state of substantial degradation with considerable water damage and a proliferation of mold which raises serious health concerns. The utilities encompassing the electrical, HVAC, and plumbing systems have faced substantial vandalism, and the boiler room is dismantled. Furthermore, the elevators in both the buildings have ceased to be functional due to a variety of reasons including decommissioning and vandalism.

Priority Class 1	Total Cost for Priority 1 Projects:	\$3,400,000
Immediate Attention		

ELECTRICAL, MECHANICAL, & PLUMBING Cost: \$500,000

Finish installation of Energy Management System controls for this building is recommended. Key components to both buildings electrical, HVAC, and plumbing systems have been compromised due to the vandalism of the integral wiring and piping that was removed or destroyed throughout all floors. The main boiler room has been dismantled and would need to be remodeled to the standard that is appropriate for the State of Nevada Department of Mechanical Compliance.

ELEVATOR MODERNIZATION Cost: \$400,000

The elevator inside the building at 315 Record Street was decommissioned through the approved State of Nevada permitting process, therefore needing a new elevator system if ever to be occupied. The elevators in the building were vandalized and deemed inoperable due to the unsafe electric and control panels, as well as the lack of ability to meet life safety requirements including mandatory elevator recall and fire alarm protocol, and other Building Code requirements.

INTERIOR FINISHES & FIXTURE UPGRADE Cost: \$1,600,000

The interiors of these buildings are heavily used. Recent repairs have been made; however, additional repairs are needed. The men's shelter restroom and other areas need to be rebuilt to "institutional grade". There is significant damage to the interior walls which need repairs and a full interior painting. The flooring is past its useful life and needs to be fully replaced. The amount of water damage that these buildings have been subject to is an ideal environment for many types of toxic mold that is obvious to the naked eye throughout the building.

MOLD ABATEMENT Cost: \$500,000

The years of neglect on the leaking roofs present another life-safety related issue regarding dangerous levels of mold. The amount of water damage that these buildings have been subject to is an ideal environment for many types of toxic mold that is obvious to the naked eye throughout both buildings. There is confirmed mold in the ceiling tiles and exposed drywall panels throughout both buildings.

ROOFING UPGRADE Cost: \$400,000

The roofing membrane has been damaged by staff and clients. It has been patched numerous times but is now at the point where it needs to be replaced. The building's roof structure is severely leaking water into the entire interior space including all floors, ceilings, and wall cavities throughout. The amount of water damage is evident by the falling ceiling tiles, deteriorated drywall panels, and bulging wall paint throughout both buildings. The potential of structural damage to the floor and ceiling assemblies is very high, noting the length of time and volume of rainwater exposure.

Priority Class 2	Total Cost for Priority 2 Projects:	\$400,000
Timely Manner		

TREATMENT OF BUILDING ENVELOPE Cost: \$400,000

The exterior finish is the building's first defense against the weather elements. It is important to maintain the finish, weather resistance, and appearance of the building. Moisture and weather intrusion into a building causes indoor air quality issues and premature failure of the building. This project also includes repairing or replacing any sealant and gaskets in and around windows, flashing, fixtures, and other penetrations or transitions to maintain the building in a good, weather tight condition.

Priority Class 3	Total Cost for Priority 3 Projects:	\$0
Lower Urgency		

Total estimated cost for Priority 1 projects:	\$3,400,000
Total estimated cost for Priority 2 projects:	\$400,000
Total estimated cost for Priority 3 projects:	\$0
TOTAL	\$3,800,000

SOURCE: CITY OF RENO



DESCRIPTION OF SUBJECT IMPROVEMENTS-335 RECORD STREET	
GENERAL IMPROVEMENT DESCRIPTION	
Property A.P.N.	007-313-27
Property Address	335 Record Street
Property Type	3-Story Commercial Building
Gross Building Area	47,718± Square Feet
Year Built	2007
Number of Floors	3 Floors
Basement	No Basement
Building Class in Market	C
Construction	Steel Frame with Concrete
Quality of Construction	Average
Exterior Finishes	Painted Concrete, Brick, Windows
Power Source	2,000 Amp
Condition of Exterior	Fair to Average
Exterior Curb Appeal	Fair to Average
Main Interior Access	3 Double Glass Doors
Secondary Interior Access	Fire Rated Metal Doors
Interior Finishes	Average Quality
Condition of Interior	Fair to Poor
Upper Floor Access	2 Elevators (Not Working); 2 Stairways
Roof Type	Flat Roof with Mechanical Mezzanine
HVAC	Roof Mounted & Interior Boilers
Deferred Maintenance	Yes-Extensive (See Comments)
COMMENTS	
<p>335 Record Street-The building located at 335 Record Street is a three-story building. The building was utilized as a part of the City of Reno Community Assistance Center. The building has steel and concrete construction, with a flat membrane covered roof which houses HVAC equipment. The building has various average quality finishes, including exposed concrete, vinyl, tile and carpeted floors, sheetrock walls, and acoustical tile and sheetrock ceilings. The building has two stairways and two elevators, both of which are non-functional and would need replacement. The exterior of the building has some minor signs of deferred maintenance, and the interior of the building has more extensive deferred maintenance. The exterior of the building has some cracks and would likely need new paint. The interior of the building shows extensive signs of deferred maintenance, including older finishes in fair to average condition, and various areas of ceiling leaks. Overall, the building is in fair to poor condition.</p> <p>A cost assessment to address the deferred maintenance for the building located at 335 Record Street is set forth on the following page, which was provided by the client. In total, Priority Class 1 and Class 2 projects total \$6,300,000.</p>	



PROJECTED COSTS TO REPAIR DEFERRED MAINTENANCE-335 RECORD

CAC – FAMILY SHELTER

Year Built 2007

335 Records St., Reno NV, 89512

59,778 Square Feet

Both buildings at 315 and 355 Record Street are presently in a state of substantial degradation with considerable water damage and a proliferation of mold which raises serious health concerns. The utilities encompassing the electrical, HVAC, and plumbing systems have faced substantial vandalism, and the boiler room is dismantled. Furthermore, the elevators in both the buildings have ceased to be functional due to a variety of reasons including decommissioning and vandalism.

Priority Class 1	Total Cost for Priority 1 Projects:	\$5,900,000
Immediate Attention		

ELECTRICAL, MECHANICAL, & PLUMBING

Cost: \$700,000

Finish installation of Energy Management System controls for this building is recommended. Key components to both buildings electrical, HVAC, and plumbing systems have been compromised due to the vandalism of the integral wiring and piping that was removed or destroyed throughout all floors. The main boiler room has been dismantled and would need to be remodeled to the standard that is appropriate for the State of Nevada Department of Mechanical.

ELEVATOR MODERNIZATION

Cost: \$800,000

The elevator inside the building at 315 Record Street was decommissioned through the approved State of Nevada permitting process, therefore needing a new elevator system if ever to be occupied. The elevators in the building were vandalized and deemed inoperable due to the unsafe electric and control panels, as well as the lack of ability to meet life safety requirements including mandatory elevator recall and fire alarm protocol, and other Building Code requirements.

INTERIOR FINISHES & FIXTURE UPGRADE

Cost: \$3,200,000

The interiors of these buildings are heavily used. Recent repairs have been made; however, additional repairs are needed. The men's shelter restroom and other areas need to be rebuilt to "institutional grade". There is significant damage to the interior walls which need repairs and a full interior painting. The flooring is past its useful life and needs to be fully replaced. The amount of water damage that these buildings have been subject to is an ideal environment for many types of toxic mold that is obvious to the naked eye throughout the building.

MOLD ABATEMENT

Cost: \$800,000

The years of neglect on the leaking roofs present another life-safety related issue regarding dangerous levels of mold. The amount of water damage that these buildings have been subject to is an ideal environment for many types of toxic mold that is obvious to the naked eye throughout both buildings. There is confirmed mold in the ceiling tiles and exposed drywall panels throughout both buildings.

ROOFING UPGRADE

Cost: \$400,000

The roofing membrane has been damaged by staff and clients. It has been patched numerous times but is now at the point where it needs to be replaced. The building's roof structure is severely leaking water into the entire interior space including all floors, ceilings, and wall cavities throughout. The amount of water damage is evident by the falling ceiling tiles, deteriorated drywall panels, and bulging wall paint throughout both buildings. The potential of structural damage to the floor and ceiling assemblies is very high, noting the length of time and volume of rainwater exposure.

Priority Class 2	Total Cost for Priority 2 Projects:	\$400,000
Timely Manner		

TREATMENT OF BUILDING ENVELOPE

Cost: \$400,000

The exterior finish is the building's first defense against the weather elements. It is important to maintain the finish, weather resistance, and appearance of the building. Moisture and weather intrusion into a building causes indoor air quality issues and premature failure of the building. This project also includes repairing or replacing any sealant and gaskets in and around windows, flashing, fixtures, and other penetrations or transitions to maintain the building in a good, weather tight condition.

Priority Class 3	Total Cost for Priority 3 Projects:	\$0
Lower Urgency		

Total estimated cost for Priority 1 projects:	\$5,900,000
Total estimated cost for Priority 2 projects:	\$400,000
Total estimated cost for Priority 3 projects:	\$0
TOTAL	\$6,300,000

SOURCE: CITY OF RENO

HIGHEST & BEST USE ANALYSIS-AS VACANT

Highest and best use is defined in the 7th Edition of *The Dictionary of Real Estate Appraisal* (Appraisal Institute, Chicago, 2022) as:

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS-International Valuation Standards)
3. The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

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

The final step is a comparison between the ideal improvement on the site and the existing improvement. A determination must be made to maintain the property in its present form, or to modify the improvements with a more ideal development. The analysis below summarizes the highest and best use conclusion for the subject property, based upon the physically possible uses, legally permissible uses, financially feasible uses, and maximally productive uses.

Highest and Best Use-As Vacant

Physically Possible

The subject property is comprised of all of four existing parcels, a portion of another existing parcel, and a portion of a road (Record Street). The subject property is generally located along the west side of Record Street, and the east side of Evans Avenue. The following chart summarize physical data as it relates to the subject property.



SUBJECT SITE PHYSICAL DATA	
Property ID	Former Community Assistance Center Property
Property Location	Along Record Street, North of UPRR Right-of-Way
City, County & State	Reno, Washoe County, Nevada
Assessor's Parcel Numbers	007-313-27, 007-313-28, 007-313-30, 007-314-14, 008-350-10 (Portion), & Portion of Record Street (No Parcel Number)
Land Area-A.P.N. 007-313-27	0.448± Acres (19,519± Square Feet)
Land Area-A.P.N. 007-313-28	0.389± Acres (16,965± Square Feet)
Land Area-A.P.N. 007-313-30	0.185± Acres (8,039± Square Feet)
Land Area-A.P.N. 007-314-14	0.310± Acres (13,512± Square Feet)
Land Area-A.P.N. 008-350-10 (Portion)*	0.807± Acres (35,159± Square Feet)*
Land Area-Portion of Record Street*	0.214± Acres (9,313± Square Feet)*
Total Land Area-All Parcels	2.353± Acres (102,507± Square Feet)
Topography	Level-At Grade with Surrounding Roads & Parcels
Access	Via Record Street via Evans Avenue & E. 4th Street
Flood Zone Designation	Zone "X" (Unshaded)
Utilities	All Available
* Land Areas Estimated Utilizing GIS & Data Provided by City of Reno	

The subject property has good development potential based upon its physical characteristics. The site has level topography, sufficient size for development, utilities to the site, and adequate access. The main physical limitation to the development of the property is its slightly irregular shape, and the existence of easements on portions of the site. The subject site has a transmission line pole and transmission line which runs through a portion of the eastern parking area on the site. Additionally, the subject is encumbered by existing sewer and storm drain easements. These easements are felt to have an impact on the development on portions of the site, as permanent improvements would not likely be able to be developed over these easements without relocating them. Finally, a 10-foot access and maintenance easement along the far south end of the property adjacent to the ReTRAC trench is assumed to be in place, as it will be reserved by the City of Reno as part of any sale of the property.

Based upon the layout of the property, and the location of the power pole and the ReTRAC trench south of the property, the most likely portion of the site to be developed with permanent buildings is toward the west end of the site, in the general area of the existing buildings on the site. Although the property is comprised of four full parcels, a portion of another parcel, and a portion of an existing road, based upon the layout of the site, a single development is more likely feasible from a physical perspective.

Legally Permissible

According to the City of Reno Community Development Department, the subject parcels are all zoned Mixed-Use, and include zoning designations of Mixed-Use Downtown Entertainment District and Mixed-Use Downtown Innovation District. It is noted that the portion of Record Street included in this analysis is not currently zoned, as it is not a legally existing parcel; it is likely that if this portion of the site was sold as a developable portion of the subject property, it would be zoned Mixed-Use in either the Downtown Entertainment District or the Downtown Innovation District.

Under both zoning codes, allowed development of the property includes a variety of residential and commercial uses, subject to required or restricted densities, building heights, setbacks, parking, and other factors. The building standards for these zoning districts are set forth below.

BUILDING STANDARDS-DOWNTOWN ENTERTAINMENT & INNOVATION		
Zoning District	Downtown Entertainment	Downtown Innovation
Lot Width-Minimum	30 Feet	30 Feet
FAR-Minimum	3.0	2.0
FAR-Maximum	---	---
Density-Minimum	45 Dwelling Units/Acre	30 Dwelling Units/Acre
Density-Maximum	---	---
Setback-Front (Virginia & 4th Street)	18 Feet (Virginia & 4th)	18 Feet (4th)
Setback-Front (All Other)	12 Feet	12 Feet
Setback-Side	0 Feet	0 Feet
Setback-Rear	0 Feet	0 Feet
Setback-Street Facing Garage	20 Feet	20 Feet
Setback-Rear (Porches/Canopies)	5 Feet	5 Feet
Building Separation	10 Feet (Principal Buildings)	10 Feet (Principal Buildings)
Height-Maximum	---	---
Stories	---	---

Both zoning designations have similar building standards, with the main difference being the minimum density. Both designations allow a wide variety of uses, including residential development, public and institutional uses, commercial and retail development, lodging uses, office and professional service uses, personal services, recreation and entertainment developments, and other miscellaneous uses.



Financially Feasible

The highest and best use of the subject property must be financially feasible. To be financially feasible, there must be adequate demand at sufficient rental levels to support the proposed use. The surrounding development and utilizations in the immediate subject neighborhood are primarily retail uses (Reno Brewery District), entertainment uses (Greater Nevada Field), public uses (RTC 4th Street Station), secondary industrial uses, and older motel buildings.

Further west of the immediate subject neighborhood is the main downtown Reno casino core, which includes various hotels and hotel-casinos, the Reno Events Center, the Reno Ballroom, the National Bowling Stadium, and other tourist related uses.

Within the downtown market, historically land purchases were made by hotel-casinos and government agencies, but in more recent years several new developments, particularly in the north downtown market, have been undertaken. Most of these more recent land sales which have occurred have been above \$70 per square foot, with some over \$100 per square foot. Generally, these higher land prices limit the financially feasible uses of a property to very high density uses.

West of the central portion of downtown Reno, Jacob's Entertainment has been purchasing properties in the area as part of a 20-block project bordered on the north by I-80, on the east by West Street, on the south by Second Street and on the west by Keystone Avenue. The district is planned to eventually include residential units, including affordable housing components. In addition to residential uses, Neon is planned to have retail, office and restaurants that are pedestrian friendly with new streetscapes and wider sidewalks, so that people can live, work, and play in the district. Jacobs recently renovated the former Sands Hotel Casino, which they rebranded as the J Resort. As of the completion date of this appraisal, this group had assembled numerous properties in the west downtown/Keystone Avenue market. Many of these properties were improved with older structures, including numerous old motels; most of the motels have or are planned on being demolished.

Other smaller developments have been occurring throughout the downtown Reno market over the past decade. These include the redevelopment of various older projects, new student housing developments, new apartment projects, and new retail uses.

Within the immediate neighborhood, the largest developments have occurred around the Greater Nevada Field, which is a AAA baseball field that is home to the Reno Aces. In April 2022, Pacific Development broke ground on Ballpark, a 369-unit multi-family development, that is located at the northeast corner of East 2nd Street and Lake Street next to the Reno Ace's baseball stadium. Numerous other smaller apartment projects are either under construction or have recently been completed in various areas of downtown Reno.

Another large development in the neighborhood is the Reno City Center. In January 2020, Caesars confirmed that Harrah's Hotel-Casino, a Reno landmark since 1937, had been sold. In the second half of 2020, the property was closed, and was being converted into a non-gaming facility with market rate apartments, office space and retail space. However, financial delays have forced this project into bankruptcy, and the final development plan for the partially completed project is not yet known.

In analyzing the most financially feasible use of the subject property, if vacant, consideration is given to each of the subject's land area, location, and surrounding uses. One of the main limitations to the subject site is its secondary location in northeast downtown Reno, in an area which has seen numerous retail establishments close over the past decade. The subject site has limited potential for retail or office uses, as there is sufficient retail space along East Fourth Street, and there is no demand for new office space in the downtown Reno market, particularly in a secondary location like the subject.

Consideration is given to current economic conditions within the Reno market, as well as in the national markets. The subject is near the downtown Reno core and would likely generate development interest in a project which would primarily involve multi-family development. The City of Reno has received interest and offers from a potential developer for the redevelopment of the site with a workforce housing type of multi-family housing development.

Apartment rentals in downtown Reno have met with good market demand, and some units within these two submarkets generate rents of more than \$2.00 per square foot. Several other new apartment projects, involving new construction and the renovation of existing buildings, are planned for the downtown Reno market. However, it is recognized that there is a large apartment project currently under construction in the immediate neighborhood (Ballpark Apartments), and the possible addition of more apartment units once a new development plan has been finalized for the Reno City Center project.



Based upon the above analysis, and with consideration given to the subject property's physical characteristics, surrounding uses and current economic conditions in the market, it is my opinion that the most financially feasible use of the site, if vacant, would be for future high-density multi-family development. Development of the entire site for one cohesive development is the most feasible use of the site, due to the size and shape of the property.

Maximally Productive

To be maximally productive, the highest and best use of the subject must be the most intense use to which the site could be developed and remain financially feasible. Based upon the physically possible, legally permissible, and financially feasible uses for the subject property, it is my opinion that the maximally productive use of the subject property would likely be for future development of a multi-family project. Development of the entire site for one cohesive development is the most feasible use of the site, due to the size and shape of the property. Based upon minimum density requirements, the most likely multi-family project would be at a minimum of 30 to 45 dwelling units per acre.

Conclusion-As Vacant

Based upon the physically possible, legally permissible, financially feasible, and maximally productive uses for the subject property, it is my opinion that the highest and best use of the subject property would likely be for future development of a multi-family project. Development of the entire site for one cohesive development is the most feasible use of the site, due to the size and shape of the property. Based upon minimum density requirements, the most likely multi-family project would be at a minimum of 30 to 45 dwelling units per acre.

HIGHEST & BEST USE ANALYSIS-AS IMPROVED

The next step in the highest and best use analysis is to consider the subject property as presently improved. The subject property is presently improved with two buildings, one at 315 Record Street and the other at 335 Record Street. Both buildings were previously utilized as part of the City of Reno Community Assistance Center. Both buildings are currently vacant and have extensive deferred maintenance. Other improvements on the property include an old park area and a parking lot, both of which are in poor condition. The following briefly describes each of the buildings on the property.

315 Record Street

The building located at 315 Record Street is a two-story building containing 21,882± square feet of gross building area which was constructed in 2005. The building was utilized as a part of the City of Reno Community Assistance Center. The building has concrete tilt-up construction, with a flat membrane covered roof which houses HVAC equipment. The building has various average quality finishes, including exposed concrete, vinyl, tile and carpeted floors, sheetrock walls, and acoustical tile ceilings. The building has one stairway and one non-functional elevator; according to the City of Reno, the elevator would require replacement.

The exterior and interior of the building have extensive deferred maintenance. The exterior of the building has extensive cracking, a leaking roof, and shows signs of extensive wear. The interior of the building does not have a functional design for re-use as an office building. Additionally, the interior of the building shows signs of extensive deferred maintenance, including older finishes in fair to poor condition, a non-functional elevator, roof leaks, and various areas of holes in the walls and ceilings. Overall, the building is in fair to poor condition, and is likely at or near the end of its physical and economic life. A cost assessment to address deferred maintenance for the building located at 315 Record Street is set forth in a prior section of this report, which was provided by the client. In total, Priority Class 1 and Class 2 projects total \$3,800,000, or \$173.66 per square foot of gross building area (prior to profit).

335 Record Street

The building located at 335 Record Street is a three-story building containing 47,718± square feet of gross building area which was constructed in 2007. The building was utilized as a part of the City of Reno Community Assistance Center. The building has steel and concrete construction, with a flat membrane covered roof which houses HVAC equipment. The building has various average quality finishes, including exposed concrete, vinyl, tile and carpeted floors,

sheetrock walls, and acoustical tile and sheetrock ceilings. The building has two stairways and two elevators, both of which are non-functional and would need replacement.

The exterior of the building has some minor signs of deferred maintenance, and the interior of the building has more extensive deferred maintenance. The exterior of the building has some cracks and would likely need new paint. The interior of the building shows extensive signs of deferred maintenance, including older finishes in fair to average condition, and various areas of ceiling leaks. Overall, the building is in fair to poor condition. A cost assessment to address deferred maintenance for the building located at 335 Record Street is set forth in a prior section of this report. In total, Priority Class 1 and Class 2 projects total \$6,300,000, or \$132.03 per square foot of gross building area (prior to profit).

Analysis of Highest & Best Use as Improved

Both buildings on the subject property have extensive items of deferred maintenance, and both buildings have non-functional designs for re-use for anything other than community assistance type buildings.

In the cost assessment reports provided by the City of Reno, it was indicated that “Both buildings at 315 and 355 Record Street are presently in a state of substantial degradation with considerable water damage and a proliferation of mold which raises serious health concerns. The utilities encompassing the electrical, HVAC, and plumbing systems have faced substantial vandalism, and the boiler room is dismantled. Furthermore, the elevators in both the buildings have ceased to be functional due to a variety of reasons including decommissioning and vandalism.”

The cost of rehabilitating both buildings to address necessary deferred maintenance repairs total \$10,100,000 (prior to profit), based upon the study provided by the City of Reno. In analyzing the priority projects in these assessments, it is my opinion that both Priority 1 and Priority 2 projects would be necessary. However, upon completion of these repairs to the buildings, both buildings would continue to have the same non-functional design for reuse as anything other than their prior uses. On the open market, these two buildings would have limited demand based upon their current designs, other than for possible a similar use that they were previously utilized. Additionally, the cost assessments do not address other deferred maintenance associated with the property, including the replacement or re-sealing of the existing parking areas.

Reconfiguring the buildings to another use would require even more monetary expenditure. Reconfiguring the interior of the buildings for a different use would necessitate the removal existing walls and interior partitions, removal of unnecessary current uses (like large number of existing restrooms), and the reconfiguration of the buildings with new walls and interior finishes. This would add significantly to the costs required for simply addressing existing deferred maintenance in the buildings.

The buildings likely could not be reconfigured for multi-family use, which is the highest and best use of the site assuming it was vacant. The only reconfiguration which might be feasible from a physically possible perspective is for an office use; as was discussed in the highest and best use as vacant section of this report, there is no current demand for new office development in the downtown Reno market, particularly in the subject's immediate neighborhood.

To determine if the rehabilitation of the buildings, and possible reconfiguration of the buildings, would be feasible, I have analyzed building sales in the Reno-Sparks market, to determine the potential value per square foot of the subject buildings upon rehabilitation and possible reconfiguration of the buildings. The chart below sets forth several building sales in the market which have been analyzed.

COMPARABLE BUILDING SALES CHART											
Sale ID	Address	City	State	Condition	Year Built	Building Area	Land Area	Coverage %	Sale Date	Sale Price	Sale Price/SF
1	401 W. Second Street	Reno	NV	Fair-Average	1960	56,233 SF	1.55 Acres	83.13%	09/15/2020	\$4,800,000	\$85.36
2	245 E. Liberty Street	Reno	NV	Average	1981	48,034 SF*	0.66 Acres	100.00%	04/14/2021	\$6,400,000	\$133.24
3	1285 Financial Blvd.	Reno	NV	Average	1990	39,345 SF	3.48 Acres	25.93%	09/17/2021	\$3,900,000	\$99.12
4	1301 Cordone Avenue	Reno	NV	Average	1973	25,543 SF	0.67 Acres	87.30%	12/09/2021	\$2,800,000	\$109.62
5	2590 Orvada Street	Reno	NV	Good	1973	17,736 SF	3.00 Acres	13.57%	02/04/2022	\$2,700,000	\$152.23
6	1195 Corporate Blvd.	Reno	NV	Average	1984	30,000 SF	3.38 Acres	20.38%	05/23/2022	\$3,225,000	\$107.50
7	1315 Financial Blvd.	Reno	NV	Fair-Average	1993	36,112 SF	5.10 Acres	16.26%	08/30/2022	\$5,550,000	\$153.69
8	2597 Mill Street	Reno	NV	Fair-Average	1970	52,000 SF	2.89 Acres	41.36%	10/04/2023	\$6,000,000	\$115.38
9	1315 Financial Blvd.	Reno	NV	Fair-Average	1993	36,112 SF	5.10 Acres	16.26%	12/15/2023	\$6,618,000	\$183.26
10	1240 9th Street	Reno	NV	Average	1981	47,278 SF	3.42 Acres	31.74%	02/28/2024	\$4,800,000	\$101.53
				LOW	1960	17,736 SF	0.66 Acres	13.57%	09/15/2020	\$2,700,000	\$85.36
				HIGH	1993	56,233 SF	5.10 Acres	100.00%	02/28/2024	\$6,618,000	\$183.26
				AVERAGE	1980	38,839 SF	2.93 Acres	43.59%	06/19/2022	\$4,679,300	\$124.09
				MEDIAN	1981	37,729 SF	3.19 Acres	28.83%	03/30/2022	\$4,800,000	\$112.50
Subject	315 Record Street	Reno	NV	Fair-Poor	2005	21,882 SF	2.35 Acres	67.90%	05/15/2024	N/A	N/A
Subject	335 Record Street	Reno	NV	Fair-Poor	2007	47,718 SF	2.35 Acres	67.90%	05/15/2024	N/A	N/A
* Building Also Has a Subterranean Parking Garage (Property Has 184 Total Parking Spaces)											



The above chart sets forth sales of buildings which would be comparable to the subject buildings if rehabilitation of the buildings was completed. The building sales range between 17,736± square feet and 56,233± square feet and indicate a range in sale prices per square foot of between \$85.36 and \$183.26, with an average of \$124.09 per square foot and a median of \$112.50 per square foot.

The projected total cost to renovate both buildings is \$10,100,000, or \$145.11 per square foot based upon the total building area of 69,600± square feet (both buildings). In analyzing the total required value to support renovation, the underlying value of the land would have to be added to the cost of renovating the buildings. Additionally, additional costs to repair or replace parking areas, soft costs, and profit, would have to be included. Utilizing the land value of \$4,350,000 concluded in a subsequent section of this appraisal report, results in a total of \$14,450,000, or \$207.61. This amount does not include any costs associated with reconfiguring the building, soft costs, or profit. This amount is well above the values on a per square foot basis as set forth in the chart above.

The above analysis suggests that rehabilitation of the existing buildings on the subject property would not be financially feasible, and the resulting costs would be much higher than the property's value upon completion. Based upon this analysis, it is my opinion that the subject property, as currently improved, does not represent the highest and best use of the property. Additionally, it is my opinion that rehabilitation and/or reconfiguration of the existing buildings on the property does not represent a feasible alternative and does not represent the highest and best use of the property.

Based upon the physically possible uses, legally permissible uses, financially feasible uses, and maximally productive uses, it is my opinion that the highest and best use of the subject property, as improved, is for demolition of both buildings, to redevelop the subject property to its highest and best use as vacant.



INTRODUCTION TO VALUATION ANALYSIS

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

Although the subject property is currently improved with two buildings and various other improvements, it was determined in the highest and best use that these improvements no longer represented the highest and best use of the property, as the costs to complete rehabilitation on the existing buildings would be too high to justify doing so.

The purpose of this appraisal report is to estimate the Market Value of the Fee Simple interest of the subject property. The following chart summarizes the approaches to value utilized in valuing the fee simple interest in the subject property.

APPROACHES TO VALUE UTILIZED	
Approach to Value	Approach to Value Utilized?
Cost Approach to Value	Not Utilized
Income Approach to Value	Not Utilized
Sales Comparison Approach to Value	Utilized (Price Per Square Foot Analysis)

Valuation Techniques

The Cost Approach provides an indication of market value through the total of the estimated value of the site or land with an independent estimate of the replacement or reproduction cost of the subject improvements less an accounting for depreciation from all causes. This depreciation includes any physical deterioration due to age or wear and tear of the buildings as well as any functional or economic obsolescence suffered by the property. As the highest and best use of the subject property was determined to be demolition of existing improvements on the site, the Cost Approach was not completed in the valuation of the subject property in this appraisal report. It is noted that costs associated with the demolition of the existing improvements on the site have been utilized in the Sales Comparison Approach to Value.

The Income Approach provides an indication of a property's market value by comparing that property with other similar properties, which have recently been leased or rented to provide an indication of an economic rent level for the subject. From the estimate of economic rent,



potential annual income can be anticipated. This potential annual income is then reduced to an estimate of net operating income by subtracting an anticipated vacancy and collection loss and appropriate operating expenses as applicable. Capitalization of this net operating income provides an indication of market value by what is referred to as Direct Capitalization. As the highest and best use of the subject property was determined to be demolition of existing improvements on the site, the Income Approach was not completed in the valuation of the subject property in this appraisal report.

As this appraisal report is addressing the Market Value of the underlying land, less the cost of demolition, the Sales Comparison Approach to Value is the method utilized to determine the Market Value of the subject property. The Sales Comparison Approach is based upon the principle of substitution, which holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability. In valuing the Fee Simple Market Value of the underlying land of the subject property as of the effective date of value, the Sales Comparison Approach to Value will be completed. This approach to value is felt to represent the best indicator of market value for the subject property as of the effective date of value.

Overall, the Cost Approach to Value and Income Approach to Value were determined to not be useful in the valuation of the subject property. Typically, a Sales Comparison Approach to Value is utilized in the local market when appraising vacant land, or appraising improved properties which have improvements which no longer represent the highest and best use of the property. Therefore, a Sales Comparison Approach to Value will be utilized for the valuation of the subject property.

Methodology

To establish an indication of the Market Value of the subject property, I have utilized the Sales Comparison Approach to Value in as summarized below:

- In determining the Market Value of the subject property in its “as-is” condition, it is assumed that both buildings on the site will be demolished; therefore, the Sales Comparison Approach to Value will utilize comparable land sales. These land sales will be analyzed and compared to the subject to arrive at the Market Value of the subject property’s underlying land. From the concluded value of the subject’s underlying land, the cost to demolish both buildings and other improvements on the site will be deducted, which will result in the Market Value of the subject property in its “as-is” condition.



SALES COMPARISON APPROACH TO VALUE

To arrive at the Market Value of the subject property based upon the concluded highest and best use, which assumes a buyer would demolish all existing improvements on the subject property and redevelop the site, the Sales Comparison Approach to Value has been utilized. In completing the Sales Comparison Approach to Value, the Official Records of Washoe County were searched for recent sales of similar properties. In selecting comparable land sales data, I have researched the Official Records of Washoe County. In addition, I have interviewed numerous realtors and brokers in the market and have researched other providers of real estate data in the market including *CoStar*, *Multiple Listing Service* and *Loopnet*.

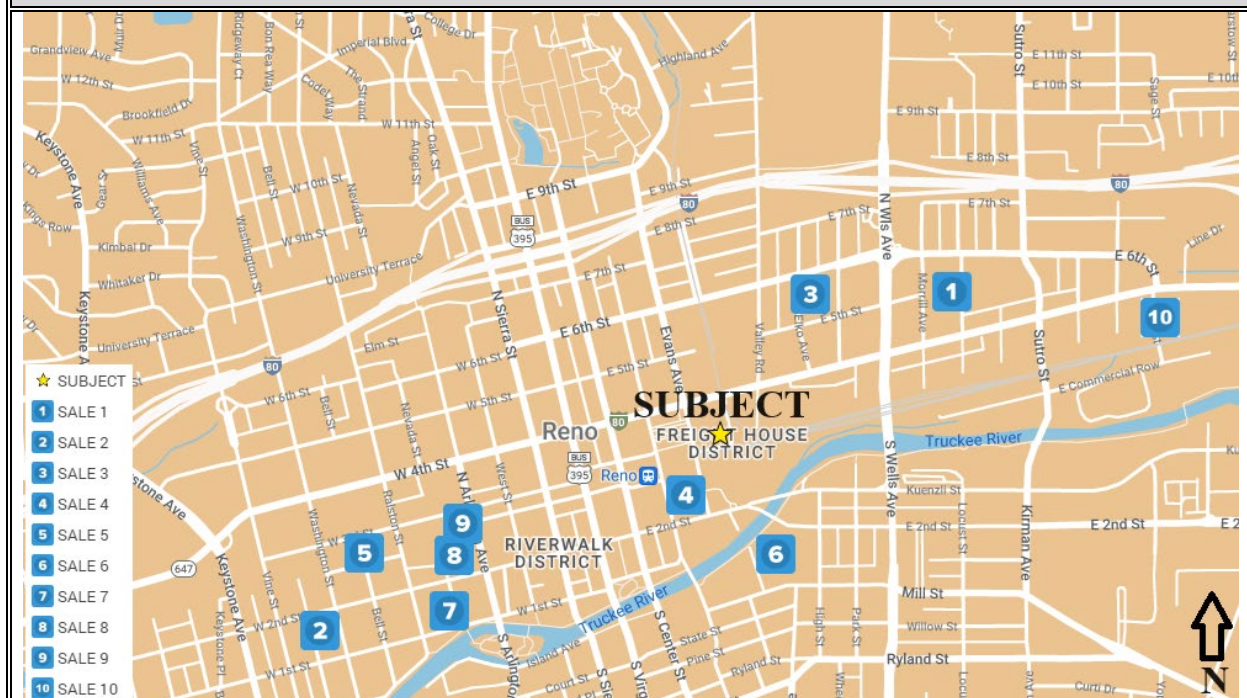
The chart on the following page summarizes the most comparable land sales in the market which have occurred. The chart is followed by a map and profile sheets discussing the sales. This is followed by a correlation of the sales to the subject.



COMPARABLE LAND SALES CHART

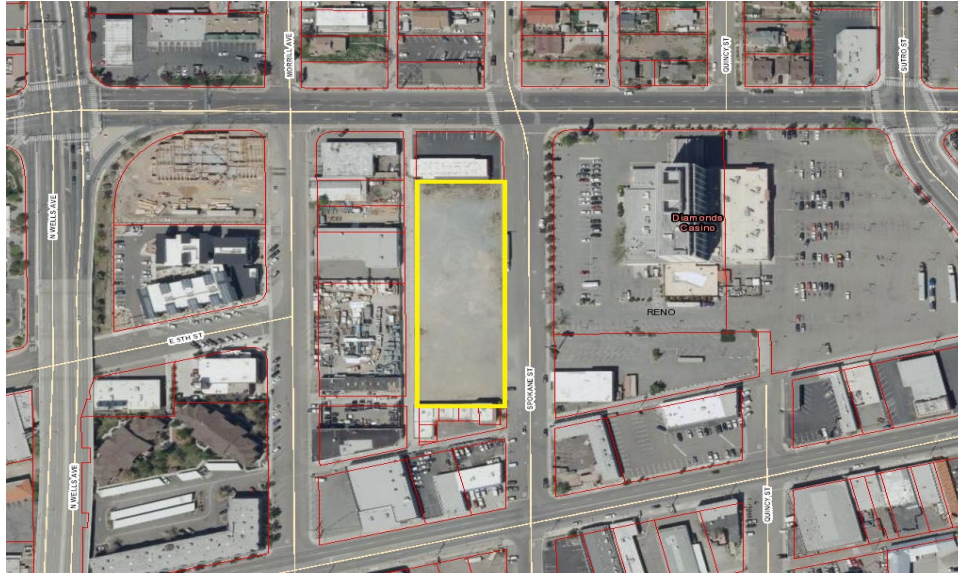
Sale #	A.P.N.	Location	Zoning	Sale Date	Sale Price	Gross Acres	Gross SF	Price/Acre	Price/SF
1	008-343-08	West Side Spokane St.	MU	06/23/2021	\$1,000,000	1.40 AC	61,118 SF	\$712,720/Acre	\$16.36/SF
2	011-016-01/10/11	724 West 2nd Street	MD-PD	08/05/2021	\$1,600,000	0.60 AC	26,030 SF	\$2,677,526/Acre	\$61.47/SF
3	008-532-03	550 Elko Avenue	MD-ID	09/02/2021	\$1,250,000	1.18 AC	51,606 SF	\$1,055,110/Acre	\$24.22/SF
4	011-074-33	201 Evans Avenue	MD-ED	09/03/2021	\$12,000,000	2.89 AC	125,932 SF	\$4,150,812/Acre	\$95.29/SF
5	011-640-09	West Commercial Row	MD-NWQ	09/30/2021	\$6,275,000	2.74 AC	119,267 SF	\$2,291,824/Acre	\$52.61/SF
6	012-440-04/08	Mill St. & Museum Dr.	MD-RD	12/03/2021	\$14,000,000	5.58 AC	242,945 SF	\$2,510,198/Acre	\$57.63/SF
7	011-024-18	155 Stevenson Street	MD-PD	01/28/2022	\$7,750,000	1.29 AC	56,000 SF	\$6,028,393/Acre	\$138.39/SF
8	011-026-03	West 2nd Street	MD-PD	02/11/2022	\$2,540,000	0.90 AC	39,057 SF	\$2,832,844/Acre	\$65.03/SF
9	011-360-28	251 N. Arlington Street	MD-ED	06/29/2022	\$1,400,000	0.39 AC	16,982 SF	\$3,591,096/Acre	\$82.44/SF
10	008-381-26 & 45	360 Sage Street	MU	01/06/2023	\$2,400,000	1.57 AC	68,584 SF	\$1,524,321/Acre	\$34.99/SF
				LOW	06/23/2021	\$1,000,000	0.39 AC	\$712,720/Acre	\$16.36/SF
				HIGH	01/06/2023	\$14,000,000	5.58 AC	\$2,510,198/Acre	\$57.63/SF
				AVERAGE	12/23/2021	\$5,021,500	1.85 AC	\$2,737,484/Acre	\$62.84/SF
				MEDIAN	11/01/2021	\$2,470,000	1.34 AC	\$2,593,862/Acre	\$59.55/SF
Subject	5 Parcels+	315/335 Record Street	MD-ED/ID	05/15/2024	N/A	2.35 AC	102,507 SF	N/A	N/A

COMPARABLE LAND SALES MAP





COMPARABLE LAND SALE PROFILE SALE 1



Property Type:	Vacant Land	City:	Reno
Location:	West Side of Spokane Street	County:	Washoe
A.P.N.:	008-343-08	State:	Nevada
Improvements:	None-Vacant	Flood Zone:	Zone "X"
Zoning:	Mixed Use Urban	Utilities:	Reasonably Available
Master Plan:	Urban Mixed Use	Topography:	Level
Site Acreage:	1.40± Acres	Water Rights:	None Included
Site Square Feet:	61,118± Square Feet	Proposed Use:	38 SFR Attached Townhomes
Shape:	Rectangular	Opportunity Zone:	Yes
Recording Date:	June 23, 2021	Document #:	5196148
Sale Price:	\$1,000,000	Grantor:	JDHQ Land Holdings, LLC
Price/Acre:	\$712,720	Grantee:	Urban Lofts XXII Ltd.
Price/Square Foot:	\$16.36	Transfer Tax:	\$4,100.00
Time on Market:	19 Months	Conditions of Sale:	Deed Restricted
Verification:	Chris Moton-DCG	Terms Of Sale:	Cash to Seller

This is the sale of a vacant parcel located on the west side of Spokane Street, approximately 75± feet south of East 6th Street. The site was vacant at the time of sale. The sale site has level topography, and all utilities were reasonably available to the site. This property was on the market for approximately 19 months. The property was purchased by a developer, and according to records with the City of Reno Planning Department, there are plans for a 38-unit single family attached townhome project on the site. According to the listing package, there was a deed restriction in place at the time of sale pertaining to the property's location across Spokane Street from Diamonds Casino, which prohibits development of the site with any activities associated with a licensed cannabis business; a public or private child daycare facility, school or other educational institution, a church or other religious organization, public parks or playgrounds and any activity involving the use of a premises by a substantial minor clientele, or for any other purpose that could be grounds for the Hospitality Properties to be determined by state or local regulatory bodies to be unsuitable locations for a gaming establishment under Nevada Gaming Commission; or any industrial activity that could cause a condition that would be deleterious or noxious to the operation of a hotel, casino and hospitality business being conducted on the Hospitality Properties.



COMPARABLE LAND SALE PROFILE SALE 2



Property Type:	Vacant Land	City:	Reno
Location:	724 West Second Street	County:	Washoe
A.P.N.:	011-016-01, 10 & 11	State:	Nevada
Improvements:	None-Vacant	Flood Zone:	Zone "X"
Zoning:	Mixed-Use Downtown Powning	Utilities:	Available
Master Plan:	Downtown Mixed Use	Topography:	Level
Site Acreage:	0.60± Acres	Water Rights:	None Included
Site Square Feet:	26,030± Square Feet	Proposed Use:	64-Unit Apartment Project
Shape:	Generally Rectangular	Opportunity Zone:	Yes
Recording Date:	August 5, 2021	Document #:	5212392
Sale Price:	\$1,600,000	Grantor:	El Cortez Reno Holdings LLC
Price/Acre:	\$2,677,526	Grantee:	490 W. Second Street, LLC
Price/Square Foot:	\$61.47	Transfer Tax:	\$6,560.00
Time on Market:	75 Days	Conditions of Sale:	None Noted
Verification:	Fred Myer-Myer Realty	Terms Of Sale:	Cash to Seller
This is the sale of three adjacent vacant parcels of land located on the southeast corner of West Second Street and Winter Street in the west downtown area. This property was vacant at the time of sale. After the sale, a new map was recorded on the property to create one parcel. The buyer intended on developing an apartment project on the site. The proposed project was subsequently submitted to the City of Reno, and the ultimate development is a 64-unit four-story apartment building over a parking podium.			



COMPARABLE LAND SALE PROFILE SALE 3



Property Type:	Vacant Land	City	Reno
Location:	550 Elko Avenue	County:	Washoe
A.P.N.:	008-532-03	State:	Nevada
Improvements:	None	Flood Zone:	Zone "X" (Unshaded)
Zoning:	Mixed-Use Downtown Innovation	Utilities:	All Available
Master Plan:	Downtown Mixed Use	Topography:	Level
Site Acreage:	1.185± Acres	Water Rights:	None Included
Site Square Feet:	51,606± Square Feet	Proposed Use:	Assemblage
Shape:	Generally Rectangular	Opportunity Zone:	Yes
Recording Date:	September 2, 2021	Document #:	5222654
Sale Price:	\$1,250,000	Grantor:	Alfa One Investments, LLC
Price/Acre:	\$1,055,110	Grantee:	Ritter Properties Trust
Price/Square Foot:	\$24.22	Transfer Taxes:	\$5,125.00
Time on Market:	N/A	Conditions of Sale:	Assemblage
Verification:	Michael Dorn, Logic	Terms of Sale:	Cash to Seller
<p>The sale property is located at the southeast corner of Elko Avenue and East 6th Street, just east of downtown Reno. The property is slightly irregular in shape and was vacant at the time of sale. According to Mr. Michael Dorn, the seller of the property had plans completed for a five-unit townhome project. It is noted that grantee transferred the ownership to a related entity immediately after recordation. Michael Dorn with Logic, the Listing Broker, the property was purchased by an adjacent property owner, but there was no assemblage value attributed to the transaction.</p>			



COMPARABLE LAND SALE PROFILE SALE 4



Property Type:	Vacant Land (Parking Lot)	City:	Reno
Location:	201 Evans Avenue	County:	Washoe
A.P.N.:	011-074-33	State:	Nevada
Improvements:	Asphalt Paving & Fencing	Flood Zone:	Zone "X"
Zoning:	Mixed-Use Downtown Entertainment	Utilities:	Available
Master Plan:	Downtown Mixed Use	Topography:	Level
Site Acreage:	2.89± Acres	Water Rights:	None Included
Site Square Feet:	125,932± Square Feet	Proposed Use:	Apartment Project with Retail
Shape:	Rectangular	Opportunity Zone:	Yes
Recording Date:	September 3, 2021	Document #:	5222735
Sale Price:	\$12,000,000	Grantor:	Nevada Land IV, LLC
Price/Acre:	\$4,150,813	Grantee:	Ballpark Property Owner LLC
Price/Square Foot:	\$95.29	Transfer Tax:	\$49,200.00
Time on Market:	N/A	Conditions of Sale:	None Noted
Verification:	County Records	Terms Of Sale:	Cash to Seller
<p>This comparable sale is the September 2021 sale of a rectangular block of land located on the north side of East Second Street, between Lake Street and Evans Avenue in downtown Reno, Nevada. The property is located across Evans Avenue from the Reno Aces ballpark, an AAA baseball stadium. Pacific Development purchased the property for the development of a 369-unit, five-story apartment project which will include a parking garage with 496 spaces. The building will also have some ground level retail space.</p>			



COMPARABLE LAND SALE PROFILE SALE 5



Property Type:	Vacant Land	City:	Reno
Location:	West Commercial Row	County:	Washoe
A.P.N.:	011-640-09	State:	Nevada
Improvements:	None-Vacant	Flood Zone:	Zone "X"
Zoning:	Mixed-Use Downtown NW	Utilities:	Reasonably Available
Master Plan:	Downtown Mixed Use	Topography:	Level
Site Acreage:	2.74± Acres	Water Rights:	None Included
Site Square Feet:	119,267± Square Feet	Proposed Use:	Assemblage
Shape:	Rectangular	Opportunity Zone:	Yes
Recording Date:	September 30, 2021	Document #:	52332551
Sale Price:	\$6,275,000	Grantor:	Kathy's Land, LLC
Price/Acre:	\$2,291,824	Grantee:	Jacobs Investments
Price/Square Foot:	\$52.61	Transfer Tax:	\$25,727.50
Time on Market:	1 Year 8 Months	Conditions of Sale:	Assemblage
Verification:	Rex Massey-CBRE	Terms Of Sale:	Cash to Seller
<p>This comparable sale is a vacant rectangular parcel of vacant land located on the south side of the U.P.R.R. Right-of-Way, between Washington Street and Ralston Street. Ralston Street does bridge the tracks and so it is one of the more heavily trafficked streets in the immediate submarket. The sale site has level topography, and all utilities were available to the site. This property has been on the market for approximately one year and eight months. According to Mr. Rex Massey, the Listing Broker with CBRE, the parcel was purchased by Jacobs Investments as part of the assemblage of their Reno Neon Line project, a 20-block, \$1 billion redevelopment project for the west side of downtown Reno. The transaction closed on September 30, 2021. The negotiated terms included an all-cash offer at a sale price of \$6,275,000. The deal included a 30-day due diligence period with a 10% non-refundable earnest deposit. Prior to negotiations, the property was listed for \$5,000,000, or \$41.92 per square foot. The buyer constructed a parking lot on the site after this sale.</p>			



COMPARABLE LAND SALE PROFILE SALE 6



Property Type:	Vacant Land	City:	Reno
Location:	NEC of Mill Street & Museum Drive	County:	Washoe
A.P.N.:	012-440-04 & 08	State:	Nevada
Improvements:	None-Vacant	Flood Zone:	Zone "X"
Zoning:	Mixed Use Riverwalk District	Utilities:	Installed to Site
Master Plan:	DT-MU (Downtown-Mixed-Use)	Topography:	Level
Site Acreage:	5.5772± Acres	Water Rights:	None Included
Site Square Feet:	242,945± Square Feet	Proposed Use:	MF Residential Development
Shape:	Irregular	Opportunity Zone:	Yes
Recording Date:	December 3, 2021	Document #:	5254648
Sale Price:	\$14,000,000	Grantor:	CFCP, LLC
Price/Acre:	\$2,425,502	Grantee:	Grants Landing, LLC
Price/Square Foot:	\$55.68	Transfer Tax:	\$57,400
Time On Market:	N/A	Conditions of Sale:	None Noted
Verification:	Tom Fennell & Public Records	Terms of Sale:	Cash to Seller
<p>This is the December of 2021 sale of a 5.772± acre parcel of land situated on the northeast corner of Mill Street and Museum Drive in Downtown Reno. The property does have frontage along the Truckee River but is not situated within a flood zone. The sale property had previously been rough graded with streets and some infrastructure installed, although the listing Broker (Tom Fennell) indicated that the condition of existing infrastructure is not known. The property is situated within an opportunity zone. The sale property was proposed to be developed with 375 multi-family residential units. The sale occurred on December 3, 2021, for \$14,000,000, which equates to a purchase price per acre of \$2,425,502, and a price per square foot of \$57.63.</p>			



COMPARABLE LAND SALE PROFILE SALE 7



Property Type:	Vacant Land	City:	Reno
Location:	155 Stevenson Street	County:	Washoe
A.P.N.:	011-024-18	State:	Nevada
Improvements:	None-Vacant	Flood Zone:	Zone "X" (Shaded)
Zoning:	Mixed-Use Downtown Powning	Utilities:	On-Site
Master Plan:	Downtown Mixed Use	Topography:	Level-At Grade
Site Acreage:	1.29± Acres	Water Rights:	None Included
Site Square Feet:	56,000± Square Feet	Proposed Use:	Multi-Family Development
Shape:	Rectangular	Opportunity Zone:	Yes
Recording Date:	January 28, 2022	Document #:	5272289
Sale Price:	\$7,750,000	Grantor:	Greenway Reno II, LLC
Price/Acre:	\$6,028,393	Grantee:	Riverwalk 155 LLC
Price/Square Foot:	\$138.39	Transfer Tax:	\$31,775.00
Time on Market:	N/A	Conditions Of Sale:	None Noted
Verification:	County Records	Terms Of Sale:	Cash to Seller
<p>This is the January 2022 sale of a vacant parcel of land that had historically been improved with the Greyhound Bus Station facility. The seller in this transaction had purchased the property in March of 2018 for \$3,750,000; at the time of this previous sale, it was improved with the bus station, which was subsequently demolished. The property was purchased by a developer for the eventual development of a multi-family project on the site. This property is located across West First Street from the Truckee River. The property had been sold previously on March 29, 2018, for \$3,750,000, or \$66.96 per square foot of land area. The sale is recorded at the Official Records of Washoe County, Nevada under Document Number 4800131. At the time of the original sale, the site was improved with the old Greyhound bus station, which was planned to be demolished. Reportedly, demolition of improvements on the site cost approximately \$210,000. This sale and re-sale, after adjusting for demolition, indicate an increase in value equal to 95.71%, or 2.08% per month over the 46 months of elapsed time between sales.</p>			



COMPARABLE LAND SALE PROFILE SALE 8



Property Type:	Vacant Land (Parking Lot)	City:	Reno
Location:	West Second Street	County:	Washoe
A.P.N.:	011-026-03	State:	Nevada
Improvements:	Asphalt Paving & Fencing	Flood Zone:	Zone "X" (Shaded/Unshaded)
Zoning:	Mixed-Use Downtown Powning	Utilities:	On-Site
Master Plan:	Downtown Mixed Use	Topography:	Level-At Grade
Site Acreage:	0.90± Acres	Water Rights:	None Included
Site Square Feet:	39,057± Square Feet	Proposed Use:	60-Unit Apartment Complex
Shape:	Irregular	Opportunity Zone:	Yes
Recording Date:	February 11, 2022	Document #:	5276598
Sale Price:	\$2,540,000	Grantor:	The City of Reno
Price/Acre:	\$2,832,844	Grantee:	Reno Real Estate Development, LLC
Price/Square Foot:	\$65.03	Transfer Tax:	\$10,414.00
Time on Market:	Not Openly Marketed	Conditions Of Sale:	Assemblage
Verification:	City of Reno Representatives	Terms Of Sale:	Cash to Seller
<p>This is the February 2022 sale of a parcel of land located on the north side of West Second Street, ½ block west of North Arlington Avenue in downtown Reno, Nevada. The parcel was purchased by Jacobs Investments as part of the assemblage of their Reno Neon Line project, a 20-block, \$1.8 billion redevelopment project for the west side of downtown Reno. The property was purchased from the City of Reno. The property is planned to be utilized as part of a new 60-unit, 5-story apartment project, which includes portions of this parcel along with portions of adjacent parcels.</p>			



COMPARABLE LAND SALE PROFILE SALE 9



Property Type:	Vacant Land (Parking Lot)	City:	Reno
Location:	251 North Arlington Street	County:	Washoe
A.P.N.:	011-360-28	State:	Nevada
Improvements:	Asphalt Paving & Fencing	Flood Zone:	"X"-Unshaded
Zoning:	Mixed-Use Downtown Entertainment	Utilities:	On-Site
Master Plan:	DT-MU (Downtown Mixed Use)	Topography:	Level-At Grade
Site Acreage:	0.39± Acres	Water Rights:	None Included
Site Square Feet:	16,982± Square Feet	Proposed Use:	60-Unit Apartment Complex
Shape:	Rectangular	Opportunity Zone:	Yes
Recording Date:	June 29, 2022	Document #:	5315290
Sale Price:	\$1,400,000	Grantor:	Fitzgerald Arlington & Third, LLC
Price/Acre:	\$3,589,744	Grantee:	Reno Real Estate Development, LLC
Price/Square Foot:	\$82.44	Transfer Tax:	\$5,740.00
Time on Market:	Not Openly Marketed	Conditions Of Sale:	Assemblage
Verification:	Public Records	Terms Of Sale:	Cash to Seller
<p>This is the June 2022 sale of a parcel of land located on the west side of Arlington Avenue in downtown Reno, Nevada. The parcel was purchased by Jacobs Investments as part of the assemblage of their Reno Neon Line project, a 20-block, \$1.8 billion redevelopment project for the west side of downtown Reno. The property is planned to be utilized as part of a new 60-unit, 5-story apartment project, which includes portions of this parcel along with portions of adjacent parcels. At the time of sale, the parcel was improved with asphalt paving and some fencing.</p>			



COMPARABLE LAND SALE PROFILE SALE 10



Property Type:	Vacant Land	City:	Reno
Location:	360 Sage Street	County:	Washoe
A.P.N.:	008-381-26 & 45	State:	Nevada
Improvements:	Old Metal Warehouse	Flood Zone:	Zone "X" (Unshaded)
Zoning:	Mixed-Use Urban	Utilities:	All Available & To Portion
Master Plan:	Urban Mixed-Use	Topography:	Level
Site Acreage:	1.57± Acres	Water Rights:	None Included
Site Square Feet:	68,584± Square Feet	Proposed Use:	Affordable Housing
Shape:	Irregular	Opportunity Zone:	No
Recording Date:	January 6, 2023	Document #:	5355752
Sale Price:	\$2,400,000	Grantor:	Mohammad Amjad & Ulfat Begum
Price/Acre:	\$1,524,321	Grantee:	Community Housing Land Trust, LLC
Price/Square Foot:	\$34.99	Transfer Tax:	\$9,840.00
Time On Market:	N/A	Conditions of Sale:	Assemblage
Verification:	Tom Fennell, DCG	Terms of Sale:	Cash to Seller
<p>This property is located at 360 Sage Street in Reno, Nevada. Access is via a single curb cut off Sage Street which fronts along the west property line. This sale included two parcels which total 1.574± acres, or 68,584± square feet. The property was improved with a 4,000± square foot service repair garage built in 1973. According to Mr. Tom Fennell with DCG, the Selling Broker, the improvements did not contribute to the overall value of the property, but there was some value attributed to the fact that the grantee, The Community Housing Land Trust, is expanding their development of the Village on Sage Street. The first phase of this project is located adjacent to and south of the property profiled above. This sale property is irregular in shape and has level topography. The property sold on January 6, 2023, for \$2,400,000, which equates to a purchase price per square foot of \$34.99.</p>			



SALES COMPARISON APPROACH SUMMARY AND CONCLUSION-LAND

In this portion of the Sales Comparison Approach, each of the sales will be compared to the subject property based upon a sale price per square foot of gross land area. The following summarizes the sales utilized in the analysis.

COMPARABLE LAND SALES SUMMARY CHART						
Sale #	Sale Date	Sale Price	Gross Acres	Gross SF	Price/Acre	Price/SF
1	06/23/2021	\$1,000,000	1.40 AC	61,118 SF	\$712,720/Acre	\$16.36/SF
2	08/05/2021	\$1,600,000	0.60 AC	26,030 SF	\$2,677,526/Acre	\$61.47/SF
3	09/02/2021	\$1,250,000	1.18 AC	51,606 SF	\$1,055,110/Acre	\$24.22/SF
4	09/03/2021	\$12,000,000	2.89 AC	125,932 SF	\$4,150,812/Acre	\$95.29/SF
5	09/30/2021	\$6,275,000	2.74 AC	119,267 SF	\$2,291,824/Acre	\$52.61/SF
6	12/03/2021	\$14,000,000	5.58 AC	242,945 SF	\$2,510,198/Acre	\$57.63/SF
7	01/28/2022	\$7,750,000	1.29 AC	56,000 SF	\$6,028,393/Acre	\$138.39/SF
8	02/11/2022	\$2,540,000	0.90 AC	39,057 SF	\$2,832,844/Acre	\$65.03/SF
9	06/29/2022	\$1,400,000	0.39 AC	16,982 SF	\$3,591,096/Acre	\$82.44/SF
10	01/06/2023	\$2,400,000	1.57 AC	68,584 SF	\$1,524,321/Acre	\$34.99/SF
LOW	06/23/2021	\$1,000,000	0.39 AC	16,982 SF	\$712,720/Acre	\$16.36/SF
HIGH	01/06/2023	\$14,000,000	5.58 AC	242,945 SF	\$6,028,393/Acre	\$138.39/SF
AVERAGE	12/23/2021	\$5,021,500	1.85 AC	80,752 SF	\$2,737,484/Acre	\$62.84/SF
MEDIAN	11/01/2021	\$2,470,000	1.34 AC	58,559 SF	\$2,593,862/Acre	\$59.55/SF
Subject	05/15/2024	N/A	2.35 AC	102,507 SF	N/A	N/A

Methodology

In this valuation scenario, it is assumed that both buildings on the site will be demolished; therefore, the Sales Comparison Approach to Value in this scenario will utilize comparable land sales. The land sales are analyzed and compared to the subject to arrive at the Market Value of the subject property's underlying land. From this value, the cost to demolish both buildings will be deducted, which will result in the Market Value of the subject property under this valuation scenario. Therefore, in this portion of the analysis, it is assumed that both buildings on the site have been demolished. In a subsequent section, the cost to demolish the buildings will be projected, and this cost will be deducted from the underlying land value.

Adjustments to Sales

Given the disparity in physical characteristics, dates of sale and minimal number of transactions of similar properties to the subject, analysis of quantitative adjustments to the comparable sales is not considered to be reliable. Qualitative adjustments have been made to the comparable sales for numerous factors, including property rights, financing, conditions of sale, buyer expenditures, market conditions, zoning, approvals, location, frontage/access, topography, utilities, size, flood zone, easements, and other factors.



The following pages summarize the qualitative adjustments made to each sale. A downward (-) adjustment indicates that in comparison to the subject, the comparable property is superior, and the price per square foot requires downward adjustment to achieve comparability with the subject for a particular criterion. Conversely, an upward (+) adjustment indicates that in comparison to the subject, the comparable property is inferior, and the price per square foot requires upward adjustment to achieve comparability with the subject for a particular criterion. No adjustment (=) indicates that the comparable is similar or competitive to the subject for a particular adjustment criterion.

Property Rights Conveyed

In this analysis I am estimating the fee simple market value of the subject property. Each of the sales analyzed involved the sale of the fee simple interest of the property; therefore, no adjustments for property rights are required to the sales when comparing them to the subject property.

PROPERTY RIGHTS CONVEYED ADJUSTMENT SUMMARY		
Property	Interest Conveyed	Adjustment Required
1	Fee Simple	No Adjustment
2	Fee Simple	No Adjustment
3	Fee Simple	No Adjustment
4	Fee Simple	No Adjustment
5	Fee Simple	No Adjustment
6	Fee Simple	No Adjustment
7	Fee Simple	No Adjustment
8	Fee Simple	No Adjustment
9	Fee Simple	No Adjustment
10	Fee Simple	No Adjustment
Subject	Fee Simple	=

Financing-Terms of Sale (Cash Equivalency)

All the sales involved cash equivalent sale terms, and do not require adjustments for cash equivalency.



FINANCING TERMS ADJUSTMENT SUMMARY		
Property	Terms of Sale	Adjustment Required
1	Cash Equivalent Terms	No Adjustment
2	Cash Equivalent Terms	No Adjustment
3	Cash Equivalent Terms	No Adjustment
4	Cash Equivalent Terms	No Adjustment
5	Cash Equivalent Terms	No Adjustment
6	Cash Equivalent Terms	No Adjustment
7	Cash Equivalent Terms	No Adjustment
8	Cash Equivalent Terms	No Adjustment
9	Cash Equivalent Terms	No Adjustment
10	Cash Equivalent Terms	No Adjustment
Subject	Assumes Cash Equivalent Terms	=

Conditions of Sale

Based upon interviews with people involved in the comparable sales no conditions of sale adjustments are felt to be warranted to Sales 2, 3, 4, 6, and 7. Sale 1 was deed restricted which did not allow some uses, which requires an upward adjustment. Sales 5, 8, and 9 were all purchased by entities related to Jacobs Entertainment, which has been acquiring a large amount of land in the west downtown market. This assemblage began several years ago, and sellers are now aware of the assemblage; this has resulted in higher prices being paid for the assemblage. Therefore, I have made qualitative downward adjustments to Sales 5, 8, and 9 for conditions of sale, due to the ongoing assemblage. Sale 10 also involved an assemblage by an adjoining property owner, which was felt to place upward pressure on the price paid; therefore, a downward adjustment has been made to Sale 10 for condition of sale.

CONDITIONS OF SALE ADJUSTMENT SUMMARY		
Property	Conditions of Sale	Adjustment Required
1	Deed Restricted	Upward Adjustment
2	None Noted	No Adjustment
3	None Noted	No Adjustment
4	None Noted	No Adjustment
5	Assemblage	Downward Adjustment
6	None Noted	No Adjustment
7	None Noted	No Adjustment
8	Assemblage	Downward Adjustment
9	Assemblage	Downward Adjustment
10	Assemblage	Downward Adjustment
Subject	Assumes None	=

Buyer Expenditure

In this land sales analysis, it is assumed that the subject property is vacant and available for development to its highest and best use. The cost of demolition will be deducted in a subsequent section of this report.

Sales 1 through 9 were vacant at the time of sale, and did not require any demolition expenses or non-typical buyer expenditures, and therefore no buyer expenditure adjustments have been made to these sales. Sale 10 did have a 4,000± square foot service repair garage which required demolition and removal prior to development; therefore, an upward adjustment has been made to this sale for buyer expenditures to account for this development cost.

BUYER EXPENDITURES ADJUSTMENT SUMMARY		
Property	Buyer Expenditures	Adjustment Required
1	None Required	No Adjustment
2	None Required	No Adjustment
3	None Required	No Adjustment
4	None Required	No Adjustment
5	None Required	No Adjustment
6	None Required	No Adjustment
7	None Required	No Adjustment
8	None Required	No Adjustment
9	None Required	No Adjustment
10	Demolition of Building	Upward Adjustment
Subject	Demolition Required	=

Market Conditions

In this portion of the appraisal report, I am estimating the market value of the subject property as of May 15, 2024. The sales range in date of recording between June 2021 and January 2023. In general, market conditions continually improved in the region between 2021 and 2022; however, some softening of the market was observed toward the middle of 2022, and this pattern has continued into 2023 and 2024. There have been limited downtown Reno land sales transactions which have occurred in 2023 and 2024.

In discussions with brokers involved in the downtown Reno market, demand for land in the downtown Reno market showed increases up until borrowing costs (interest rates) began increasing in the Summer of 2022. Together with higher interest rates, continued construction cost increases have also limited demand for development land in the downtown Reno market.



This is supported by the lack of sales in the downtown Reno market since 2022. Overall, due to a lack of recent data to support market conditions adjustments, no market conditions adjustments have been made to the sales.

MARKET CONDITIONS ADJUSTMENT SUMMARY		
Property	Date of Sale	Adjustment Required
1	06/23/2021	No Adjustment
2	08/05/2021	No Adjustment
3	09/02/2021	No Adjustment
4	09/03/2021	No Adjustment
5	09/30/2021	No Adjustment
6	12/03/2021	No Adjustment
7	01/28/2022	No Adjustment
8	02/11/2022	No Adjustment
9	06/29/2022	No Adjustment
10	01/06/2023	No Adjustment
Subject	05/15/2024	=

Zoning/Approvals

Each of the comparable land sales had varying mixed-use zoning designations that permit development with similar uses to what would be permitted on the subject and have not been adjusted for this criterion. Additionally, none of the sales included any approvals other than zoning, and therefore no adjustments are required for approvals.

ZONING/APPROVALS ADJUSTMENTS			
Property	Zoning	Approvals	Adjustment Required
1	MU	None	No Adjustment
2	MD-PD	None	No Adjustment
3	MD-ID	None	No Adjustment
4	MD-ED	None	No Adjustment
5	MD-NWQ	None	No Adjustment
6	MD-RD	None	No Adjustment
7	MD-PD	None	No Adjustment
8	MD-PD	None	No Adjustment
9	MD-ED	None	No Adjustment
10	MU	None	No Adjustment
Subject	MD-ED & MD-ID	None	=



Location

The subject is in the northeast downtown submarket. The following summarizes the location adjustments made to the sales in comparison to the subject.

GENERAL LOCATION ADJUSTMENT		
Property	General Location	Adjustment Required
1	East Reno-Outside of Downtown (Inferior)	Upward Adjustment
2	West Downtown-Close to Jacob's Project (Superior)	Downward Adjustment
3	East of Downtown-Outside of Downtown (Inferior)	Upward Adjustment
4	East Downtown-Across Street from Baseball Field (Superior)	Downward Adjustment
5	West Downtown-Within Jacob's Project (Superior)	Downward Adjustment
6	Southeast Downtown-Adjacent to River (Superior)	Downward Adjustment
7	Southwest Downtown-Near Jacob's Project & River (Superior)	Downward Adjustment
8	Southwest Downtown-Near Jacob's Project (Superior)	Downward Adjustment
9	West Downtown-Within Jacob's Project (Superior)	Downward Adjustment
10	East of Downtown-Outside of Downtown (Inferior)	Upward Adjustment
Subject	Northeast Downtown	=

Access/Frontage

The subject property has sufficient access for development but has limited frontage along two roads. The following summarizes adjustments made for frontage and access to the sales.

FRONTAGE/ACCESS ADJUSTMENT				
Property	Access	Access Adjustment	Frontage	Frontage Adjustment
1	Adequate	No Adjustment	Secondary Road	No Adjustment
2	Adequate	No Adjustment	Corner	Downward Adjustment
3	Adequate	No Adjustment	Corner	Downward Adjustment
4	Adequate	No Adjustment	Three Roads	Downward Adjustment
5	Adequate	No Adjustment	2 Secondary Roads	No Adjustment
6	Adequate	No Adjustment	Three Roads	Downward Adjustment
7	Adequate	No Adjustment	Three Roads	Downward Adjustment
8	Adequate	No Adjustment	Corner	Downward Adjustment
9	Adequate	No Adjustment	One Road	No Adjustment
10	Adequate	No Adjustment	Limited on 2 Roads	No Adjustment
Subject	Adequate	=	2 Roads (Limited)	=

Topography

The subject property and comparable properties all have level topography. Therefore, no adjustments have been made to the sales for topography.



TOPOGRAPHY ADJUSTMENT		
Property	Topography	Adjustment Required
1	Level	No Adjustment
2	Level	No Adjustment
3	Level	No Adjustment
4	Level	No Adjustment
5	Level	No Adjustment
6	Level	No Adjustment
7	Level	No Adjustment
8	Level	No Adjustment
9	Level	No Adjustment
10	Level	No Adjustment
Subject	Level	=

Utilities

The subject property and comparable properties all have good access to utilities, and do not require adjustment for this factor.

UTILITIES ADJUSTMENT		
Property	Utilities	Adjustment Required
1	Available	No Adjustment
2	Available	No Adjustment
3	Available	No Adjustment
4	Available	No Adjustment
5	Available	No Adjustment
6	Available	No Adjustment
7	Available	No Adjustment
8	Available	No Adjustment
9	Available	No Adjustment
10	Available	No Adjustment
Subject	Available	=

Size

The sales range in size between 0.39± acres and 5.58± acres. The subject contains 2.35± acres. Generally, a relationship exists between the size of the parcel and the per unit price paid, with a smaller parcel generally selling at a higher price per square foot if all other characteristics are the same. Consideration is given to the fact that it is particularly difficult to purchase larger tracts of land within the downtown Reno submarket. Land in this submarket typically involves



smaller parcels that require assemblage. The following summarizes the adjustments made to the sales for size.

SIZE ADJUSTMENTS		
Property	Property Size	Adjustment Required
1	1.40 Acres	Small Downward Adjustment
2	0.60 Acres	Downward Adjustment
3	1.18 Acres	Small Downward Adjustment
4	2.89 Acres	No Adjustment
5	2.74 Acres	No Adjustment
6	5.58 Acres	Upward Adjustment
7	1.29 Acres	Small Downward Adjustment
8	0.90 Acres	Downward Adjustment
9	0.39 Acres	Downward Adjustment
10	1.57 Acres	Small Downward Adjustment
Subject	2.35± Acres	=

Flood Zone

The subject property and comparable properties all are in a Flood Zone “X”. Therefore, no adjustments have been made to the sales for flood zone.

FLOOD ZONE ADJUSTMENT		
Property	Flood Zone	Adjustment Required
1	“X”	No Adjustment
2	“X”	No Adjustment
3	“X”	No Adjustment
4	“X”	No Adjustment
5	“X”	No Adjustment
6	“X”	No Adjustment
7	“X”	No Adjustment
8	“X”	No Adjustment
9	“X”	No Adjustment
10	“X”	No Adjustment
Subject	“X”	=

Easements

The subject is encumbered by easements which are felt to be more limiting to future development than the easements located on the comparable sale properties. Therefore, small downward adjustments have been made to the sales for this factor.



EASEMENT ADJUSTMENT		
Property	Easements	Adjustment Required
1	Typical	Small Downward Adjustmenet
2	Typical	Small Downward Adjustmenet
3	Typical	Small Downward Adjustmenet
4	Typical	Small Downward Adjustmenet
5	Typical	Small Downward Adjustmenet
6	Typical	Small Downward Adjustmenet
7	Typical	Small Downward Adjustmenet
8	Typical	Small Downward Adjustmenet
9	Typical	Small Downward Adjustmenet
10	Typical	Small Downward Adjustmenet
Subject	Somewhat Restrictive	=

Other Adjustments

Other than Sale 5, all the sales have been adjusted downward as the subject is located along ReTRAC; Sale 5 has not been adjusted as it is also located along ReTRAC. Sales 6 and 7 have been adjusted downward due to their proximity to the Truckee River, which is felt to be an amenity. Sale 10 has been adjusted upward due to its inferior shape.

Adjustment Chart

The following chart summarizes the adjustments considered in the valuation of the subject property. A minus sign (-) indicates that in comparison to the subject, the comparable property is superior, and the price per square foot requires downward adjustment to achieve comparability with the subject for a particular criterion. Conversely, a plus sign (+) indicates that in comparison to the subject, the comparable property is inferior, and the price per square foot requires upward adjustment to achieve comparability with the subject for a particular criterion. An equal (=) sign indicates that the comparable is similar to the subject for a particular adjustment criterion.



COMPARABLE LAND SALES ADJUSTMENT GRID

COMPARABLE LAND SALES ADJUSTMENT CHART											
Sale Number	Subject	1	2	3	4	5	6	7	8	9	10
Sale Date	05/15/2024	06/23/2021	08/05/2021	09/02/2021	09/03/2021	09/30/2021	12/03/2021	01/28/2022	02/11/2022	06/29/2022	01/06/2023
Sale Price	N/A	\$1,000,000	\$1,600,000	\$1,250,000	\$12,000,000	\$6,275,000	\$14,000,000	\$7,750,000	\$2,540,000	\$1,400,000	\$2,400,000
Land Size	2.35 Acres	1.40 Acres	0.60 Acres	1.18 Acres	2.89 Acres	2.74 Acres	5.58 Acres	1.29 Acres	0.90 Acres	0.39 Acres	1.57 Acres
Sale Price/SF	N/A	\$16.36	\$61.47	\$24.22	\$95.29	\$52.61	\$57.63	\$138.39	\$65.03	\$82.44	\$34.99
Qualitative Adjustments											
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing/Cash Equ.	Assumes Cash	Cash Equ.	Cash Equ.	Cash Equ.	Cash Equ.	Cash Equ.	Cash Equ.	Cash Equ.	Cash Equ.	Cash Equ.	Cash Equ.
Conditions of Sale	None	Deed Rest. +	None	None	None	Assemblage	None	None	Assemblage	Assemblage	Assemblage
Expenditures	Assumes None	None	None	None	None	None	None	None	None	None	Demolition +
Market Conditions	05/15/2024	06/23/2021	08/05/2021	09/02/2021	09/03/2021	09/30/2021	12/03/2021	01/28/2022	02/11/2022	06/29/2022	01/06/2023
Zoning	MD-ED/ID	MU	MD-PD	MD-ID	MD-ED	MD-NWQ	MD-RD	MD-PD	MD-PD	MD-ED	MU
Approvals	Zoning	Zoning	Zoning	Zoning	Zoning	Zoning	Zoning	Zoning	Zoning	Zoning	Zoning
Location	NE Downtown	E. Reno +	W. Downtown	E. of Down. +	E. Downtown	W. Downtown	SE Downtown	SW Downtown	SW Downtown	W. Downtown	E. of Down. +
Access	Adequate	Adequate	Adequate	Adequate	Adequate	Adequate	Adequate	Adequate	Adequate	Adequate	Adequate
Frontage	Two Roads (Limited)	1 Road	Corner	Corner	3 Roads	2 Roads	3 Roads	3 Roads	Corner	1 Road	2 Roads
Topography	Level	Level	Level	Level	Level	Level	Level	Level	Level	Level	Level
Utilities	Available	Available	Available	Available	Available	Available	Available	Available	Available	Available	Available
Size (Acres)	2.35 AC	1.40 AC Small -	0.60 AC	1.18 AC Small -	2.89 AC	2.74 AC	5.58 AC +	1.29 AC Small -	0.90 AC	0.39 AC	1.57 AC Small -
Flood Zone	X	X	X	X	X	X	X	X	X	X	X
Easements	Slightly Restrictive	Typical	Typical	Typical	Typical	Typical	Typical	Typical	Typical	Typical	Typical
Other	ReTRAC	None	None	None	None	ReTRAC	None/River	None/River	None	None	None/Shape +/-
Indicator of Value		Low	High	Low	High	High	High	High	High	High	Low



Conclusion

The sales indicate sale prices per square foot ranging between \$16.36 and \$138.39. In arriving at an indication of the per unit value applicable to the subject property, consideration is given to the physical characteristics of the subject property, as well as its legal characteristics, location, and highest and best use.

Sales 1, 3, and 10 are felt to be low indicators of value. These three sales all have inferior locations in comparison to the subject and indicate prices per square foot of \$16.36 (Sale 1), \$24.22 (Sale 3), and \$34.99 (Sale 10). The remaining sales are felt to be high indicators of value, and indicate a range of prices per square foot of between \$52.61 and \$138.39 per square foot. It is my opinion that the Market Value of the subject property's underlying land, assuming all improvements on the site have been demolished and cleared, is between \$34.99 and \$52.61 per square foot.

Based upon a review of the available data, and with consideration given to the analysis as set forth above, it is my opinion that a square foot value range of \$40 to \$45 is applicable to the subject's gross land area as of the effective date of value. Applying the indicated per square foot value to the subject's 102,507± square feet of gross land area results in an indicated value range of \$4,100,280 to \$4,612,815, which is correlated to \$4,350,000, or \$42.44 per square foot.

SALES COMPARISON APPROACH TO VALUE CONCLUSION (UTILIZING COMPARABLE LAND SALES DATA-PRIOR TO DEMOLITION)				
Value Addressed	Approach to Value	Property Rights Appraised	Date Of Value	Value Conclusion
Market Value of Underlying Land-Prior to Demolition	Sales Comparison Approach	Fee Simple Interest	05/15/2024	\$4,350,000



DEMOLITION COST ANALYSIS

The subject is currently improved with two office buildings, along with various asphalt, concrete, and a small park area. The chart below summarizes the subject's building improvements.

SUBJECT IMPROVEMENTS		
Building ID	# of Floors	Total Gross Building Area
315 Record Street	2 Floors	21,882± Square Feet
335 Record Street	3 Floors	47,718± Square Feet
	TOTAL	69,600± Square Feet

Prior to redeveloping the subject site, demolition of the existing improvements would be required. To estimate an appropriate demolition cost, I have analyzed the costs of demolition of other buildings which are retained in our files. Additionally, I have utilized *Marshall Valuation Service*, a nationally recognized cost manual.

I have also considered a verbal estimate given to the City of Reno by a contractor over a year ago, which indicated the cost to demolish both buildings would be approximately \$500,000; this equates to a demolition cost per square foot of \$7.18 based upon the total gross building area (69,600± square feet) of both buildings on the site. This verbal estimate did not include the asphalt paving and concrete or park area and was not a formal estimate.

The demolition cost estimate will include both buildings, as well as removal and of existing asphalt, which is in poor condition. I have estimated the total square footage of asphalt and paving on the site at 50,000± square feet; this area also includes the park improvements, which are also included in the estimate.

The chart below summarizes the cost estimate for demolition of both buildings, asphalt/concrete, and park improvements on the subject property based upon *Marshall Valuation Service* data.



DEMOLITION COST ESTIMATE-BOTH BUILDINGS					
		Demolition Costs Per SF		Total Demolition Costs	
Building	Square Feet	Low	High	Low	High
315 Record Street	21,882	\$6.27	\$8.16	\$137,200	\$178,557
335 Record Street	47,718	\$10.40	\$14.32	\$496,267	\$683,322
Total Buildings Square Footage	69,600	\$9.10	\$12.38	\$633,467	\$861,879
Site Improvement Required	50,000	\$1.00	\$2.00	\$50,000	\$100,000
Total Demolition/Removal Costs-Subtotal				\$683,467	\$961,879
Contingency/Profit			20%	\$136,693	\$192,376
TOTAL ESTIMATED DEMOLITION & REMOVAL COSTS				\$820,161	\$1,154,255
INDICATED DEMOLITION & REMOVAL PER SQUARE FOOT				\$11.78	\$16.58

The chart above indicates a total demolition estimate of between \$820,000 (rounded) and \$1,150,000 (rounded). Based upon this data, I have projected demolition costs of \$1,000,000 for the buildings, asphalt/concrete, and park improvements on the property. Deducting this figure from the Market Value of the underlying land, which was \$4,350,000, indicates a final Market Value of \$3,350,000.

MARKET VALUE CONCLUSION				
Property Appraised	Value Addressed	Property Rights Appraised	Date Of Value	Value Conclusion
Former Community Assistance Center	Market Value	Fee Simple Interest	05/15/2024	\$3,350,000



EXPOSURE AND MARKETING TIME

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

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

In arriving at an estimate of an appropriate exposure and marketing time for the subject property, consideration is given to the subject property's physical characteristics. Consideration is also given to the exposure and marketing times of other properties in the market, and interviews with brokers, buyers, and sellers familiar with similar properties.

Based upon a review of the available data, assuming the subject property was marketed at its final property value conclusion, it is my opinion that appropriate exposure and marketing times for the subject property would as follows.

EXPOSURE & MARKETING TIMES		
Property Identification	Exposure Time	Marketing Time
Former Community Assistance Center	6 Months to 2 Years	6 Months to 2 Years



CERTIFICATION

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

- I have made a personal inspection of the property that is the subject of this report.
- I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- To the best of my knowledge and belief, the statements of fact contained in this appraisal report, upon which the analysis, opinions, and conclusions herein are based, are true and correct.
- This report sets forth all the limiting conditions (imposed by the terms of my assignment or by the undersigned) affecting the analysis, opinions, and conclusions contained in this report.
- My analyses, opinions, and conclusions were developed, and this review report was prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics and Standards of Professional Practice* of the Appraisal Institute.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- The appraisal was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- The appraiser's state registration/certification has not been revoked, suspended, cancelled or restricted.
- The appraiser has performed services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- No one other than the undersigned prepared the analyses, conclusions and opinions concerning real estate that are set forth in this appraisal report.
- The Appraisal Institute conducts a mandatory program of continuing education for its designated members. As of the date of this report, Scott Griffin has completed the requirements under the continuing education program of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Respectfully Submitted,

Scott Q. Griffin, MAI
Nevada Certified General Appraiser
License Number A.0003504-CG

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

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

LIMITS OF LIABILITY

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

COPIES, PUBLICATION, DISTRIBUTION AND USE OF REPORT

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

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

CONFIDENTIALITY

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



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INFORMATION SUPPLIED BY OTHERS

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

TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE

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

EXHIBITS AND PHYSICAL DESCRIPTIONS

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

TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS

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



ENGINEERING, STRUCTURAL, MECHANICAL, ARCHITECTURAL CONDITIONS

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

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

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

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

TOXIC MATERIALS AND HAZARDS

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

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

SOILS, SUB-SOILS, AND POTENTIAL HAZARDS

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

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

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

ARCHEOLOGICAL SIGNIFICANCE

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

LEGALITY OF USE

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

COMPONENT VALUES

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

COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

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



AUXILIARY AND RELATED STUDIES

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

DOLLAR VALUES AND PURCHASING POWER

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

ROUNDING

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

QUANTITATIVE ANALYSIS

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

VALUE CHANGE, DYNAMIC MARKET, ALTERATION OF ESTIMATE BY APPRAISER

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

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

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



ECONOMIC AND SOCIAL TRENDS

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

EXCLUSIONS

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

SUBSURFACE RIGHTS

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

PROPOSED IMPROVEMENTS, CONDITIONED VALUE

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

MANAGEMENT OF PROPERTY

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

FEE

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

LEGAL EXPENSES

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



CHANGES AND MODIFICATIONS

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

DISSEMINATION OF MATERIAL

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

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



QUALIFICATIONS OF APPRAISER SCOTT QUINN GRIFFIN

Professional Designations

MAI-Member Appraisal Institute (MAI Designation # 12359) 2005

State Licensing and Certification

Certified General Appraiser-State of Nevada License #A.0003504-CG 2000
(Certified Through 03/31/2026)

Certified General Real Estate Appraiser-State of California BREID #3010880 2022
(Certified Through 11/20/2024)

Offices Held

Board of Directors-Reno/Carson/Tahoe Chapter Appraisal Institute 2009-2013
Treasurer-Reno/Carson/Tahoe Chapter Appraisal Institute 2002-2003
President-University of Nevada Young Alumni Chapter 1999

Formal Education

University of Nevada, Reno 1995
Bachelor of Science in Business Administration; Major-Finance, Minor-Economics

Occupational History

Johnson Perkins Griffin, LLC 03/2015-Present
Johnson-Perkins & Associates 03/1997-02/2015

Types of Properties Appraised

Single-Family Residences
Condominiums
Vacant Residential Lots
Subdivisions
Vacant Commercial Land
Industrial Buildings/Warehouses
Shopping Centers
Retail Buildings
Professional/Medical Office Buildings
Apartment Complexes
Affordable Housing Projects
Hotels/Motels
Casinos/Hotel-Casinos
Farmland/Ranchland
Various Special Use Properties
Condemnation Appraisals
Right-of-Way Appraisals
Conservation Easements



QUALIFICATIONS OF APPRAISER SCOTT QUINN GRIFFIN

Appraisal Education and Technical Training

Course 110-Appraisal Principles	1997
Course 120-Appraisal Procedures	1998
Course 310-Basic Income Capitalization	1998
Course 400-Uniform Standards of Professional Appraisal Practice Update	2004
Course 410-Standard of Professional Practice-Part A	1999
Course 420-Standard of Professional Practice-Part B	1999
Course 510-Advanced Income Capitalization	1999
Course 520-Highest & Best Use Analysis	2002
Course 530-Advanced Sales & Cost Approaches	2004
Course 540-Course Report Writing & Valuation Analysis	2003
Course 550-Advanced Applications	2003
The High-Tech Appraisal Office	1997
GIS Applications for Appraisal	1997
Uniform Standard of Professional Appraisal Practice	2002
Comprehensive Appraisal Workshop	2004
Evaluating Commercial Construction	2006
Attacking & Defending an Appraisal in Litigation	2007
Analyzing Distressed Real Estate	2008
7-Hour National USPAP Update Course	2010/2012/2014/2016/2018/2020/2022/2024
Condemnation Appraising	2010
Appraising Convenience Stores	2010
Analyzing Distressed Real Estate	2012
Apartment Appraisal, Concepts & Applications	2012
Small Hotel/Motel Valuation	2012
Business Practice & Ethics	2014
Real Estate Finance Statistics and Valuation Modeling	2014
The Discounted Cash Flow Model: Concepts, Issues, and Apps	2014
Expert Witness for Commercial Appraisers	2016/2020
Analyzing Operating Expenses	2016
Supervisor-Trainee Course (Nevada)	2016
Comparative Analysis	2018
The Discounted Cash Flow Analysis Model	2018
Data Verification Methods	2018
Eminent Domain and Condemnation	2018
Appraisal of Assisted Living Facilities	2020
Intermediate Income Approach Case Studies for Commercial Appraisers	2020
Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book)	2021/2024

Admitted as Expert Witness

United States District Court, District of Nevada
 United States Bankruptcy Court, District of Nevada
 Superior Court-State of California
 Washoe County District Court
 Washoe County Board of Equalization
 Nevada State Board of Equalization



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

QUALIFICATIONS OF APPRAISER SCOTT QUINN GRIFFIN

COPIES OF APPRAISAL LICENSES

APPRAISER CERTIFICATE

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE

REAL ESTATE DIVISION

NOT TRANSFERABLE

This is to Certify That : SCOTT Q GRIFFIN

Certificate Number: A.0003504-CG

Is duly authorized to act as a CERTIFIED GENERAL APPRAISER from the issue date to the expiration date at the business address stated here in, unless the certificate is sooner revoked, cancelled, withdrawn, or invalidated.

Issue Date: March 26, 2024

Expire Date: March 31, 2026

In witness whereof, THE DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION, by virtue of the authority vested in Chapter 645C of the Nevada Revised Statutes, has caused this Certificate to be issued with its Seal printed thereon. This certificate must be conspicuously displayed in place of business.

FOR: JOHNSON PERKINS GRIFFIN, LLC
6121 LAKESIDE DRIVE, SUITE 160
RENO, NV 89511

REAL ESTATE DIVISION

SHARATH CHANDRA
Administrator



Business, Consumer Services & Housing Agency BUREAU OF REAL ESTATE APPRAISERS REAL ESTATE APPRAISER LICENSE

Scott Q. Griffin

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: 3010880

Effective Date: November 21, 2022
Date Expires: November 20, 2024

Angela Jemmot, Bureau Chief, BREA

3068806

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"