



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

AN APPRAISAL
OF

SIX VACANT PARCELS
CONTAINING 27.316± ACRES

LOCATED AT

THE SOUTHWEST CORNER OF CLEAR ACRE LANE
AND SCOTTSDALE ROAD,
RENO, WASHOE COUNTY, NEVADA

OWNED BY

REGIONAL TRANSPORTATION COMMISSION OF
WASHOE COUNTY

PREPARED FOR

CITY OF RENO

FOR THE PURPOSE OF
ESTIMATING THE FOLLOWING VALUE

VALUE ADDRESSED	INTEREST APPRAISED	DATE OF VALUE
MARKET VALUE	FEE SIMPLE INTEREST	May 17, 2024



May 2nd, 2024

Via Email: miles1@reno.gov

Lori Miles, SR/WA
Property Agent
Public Works – Capital Projects
City of Reno
1 East First Street
Reno, Nevada 89501

Re: Appraisal-Six Vacant Parcels Containing 27.316± Acres, Reno, Washoe County, Nevada

Dear Ms. Miles:

This is in response to your request for an appraisal of a parcel of land containing 27.316± acres (1,189,885± square feet) located at the southwest corner of Clear Acre Lane and Scottsdale Road, Reno, Washoe County, Nevada. The subject property is owned by the Regional Transportation Commission of Washoe County. The following chart sets forth a summary of the subject property.

SUBJECT PROPERTY SUMMARY				
Assessor's Parcel Number	Acres	Square Feet	Master Plan	Zoning
035-033-02	4.40± Ac	191,644± SF	SF (Single-Family Neighborhood)	SF-3 (Single-Family Residential)
004-061-22	1.042± Ac	45,389± SF	SF (Single-Family Neighborhood)	SF-3 (Single-Family Residential)
004-061-26	0.576± Ac	25,087± SF	SF (Single-Family Neighborhood)	SF-3 (Single-Family Residential)
004-061-20	4.447± Ac	193,711± SF	SF (Single-Family Neighborhood)	SF-3 (Single-Family Residential)
004-061-29	16.308± Ac	710,376± SF	PQP (Public/Quasi-Public)	MS (Mixed-Use Suburban)
004-082-18	0.543± Ac	23,644± SF	PQP (Public/Quasi-Public)	MS (Mixed-Use Suburban)
TOTAL	27.316± Ac	1,189,851± SF		



The purpose of the appraisal is to estimate the Market Value of the fee simple interest in the subject property as of a current date of value. The intended use of the appraisal is for internal management purposes and to assist in the possible disposition of the subject property. The client in this appraisal assignment is the City of Reno. The intended users of the appraisal include the City of Reno and the Regional Transportation Commission of Washoe County.

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. I have performed services as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

I attest to have the knowledge and experience necessary to complete this appraisal assignment and have appraised this property type many times before. No one other than the undersigned prepared the analysis, conclusions and opinions concerning real estate that are set forth in the accompanying appraisal report.

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 fee simple Market Value of the subject property is as follows:

FINAL MARKET VALUE CONCLUSION				
Property Identification	Value Addressed	Property Rights Appraised	Date Of Value	Value Conclusions
27.316± Acres	Market Value	Fee Simple Interest	May 17, 2024	\$2,656,000

Respectfully Submitted,

Reese Perkins, MAI, SRA
Nevada Certified General Appraiser
License Number A.0000120-CG



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SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

SUBJECT PROPERTY SUMMARY	
Property Type	Vacant Land
Assessor's Parcel Numbers	035-033-02, 004-061-22, 004-061-26, 004-061-20, 004-061-29, 004-082-18
Location	The Southwest Corner of Clear Acre Lane and Scottsdale Road
City, County, State	Reno, Washoe County, Nevada
Subject Ownership	Regional Transportation Commission of Washoe County
Improvements	None-Vacant
Utilities	Electricity, Sewer, Water, Gas Available
Water Rights	None Included in Valuation of Subject
Topography	Gently Sloping to Steeply Sloping, Bluff, Undulating Topography
Views	Good Views of the Truckee Meadows and Sierra Nevada Mountains
Easements	Assumed Typical Public Utility Easements
Flood Zone Designation	Zone "X" (Unshaded)

LAND AREA SUMMARY				
Assessor's Parcel Number	Land Area Acres	Land Area Square Feet	Master Plan	Zoning
035-033-02	4.40± Ac	191,644± SF	SF (Single-Family Neighborhood)	SF-3 (Single-Family Residential)
004-061-22	1.042± Ac	45,389± SF	SF (Single-Family Neighborhood)	SF-3 (Single-Family Residential)
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TOTAL	27.316± Ac	1,189,851± SF		



DATES OF APPRAISAL	
Date Description	Date
Date of Inspection	May 17, 2024
Effective Date of Value	May 17, 2024
Completion Date of Appraisal	May 21, 2024

FINAL MARKET VALUE CONCLUSION				
Property Identification	Value Addressed	Property Rights Appraised	Date Of Value	Value Conclusions
28.511	Market Value	Fee Simple Interest	May 17, 2024	\$2,656,000



PURPOSE, CLIENT, INTENDED USER & INTENDED USE OF THE APPRAISAL	
Purpose of Appraisal	Estimate the Market Value of the fee simple interest in the subject property as of a current date of value
Client	City of Reno
Intended User of Report	City of Reno
Intended Use of Report	Internal management and to assist in the possible disposition of the subject property

PROPERTY RIGHTS APPRAISED
The subject property is appraised as held in fee simple ownership, affected by typical encumbrances such as mortgages, easements and zoning ordinances.

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.” ¹

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 are 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.²

¹ Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, 2022, page 73.

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



SCOPE OF APPRAISAL

- 1) An inspection of the subject property;
- 2) Identification and analysis of the subject neighborhood;
- 3) Interviews with representatives of the subject ownership;
- 4) Review of data on the subject property provided by the client, the Washoe County Assessor's Office and the City of Reno;
- 5) Analysis of the physical and legal attributes of the subject property;
- 6) Description of the subject property's physical and legal attributes;
- 7) Completion of a Highest and Best Use Analysis;
- 8) Analysis of comparable land sales and listings;
- 9) Completion of a Sales Comparison Approach to Value in order to arrive at the Market Value of the subject property as of the effective date of value.;
- 10) Projection of an appropriate exposure and marketing time for the subject property, based upon the final Market Value conclusion;
- 11) Preparation of the appraisal report.

STATEMENTS OF LIMITING CONDITIONS

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as "An assumption, directly related to a specific assignment, as of the effective date of the assignment results, 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:

- None

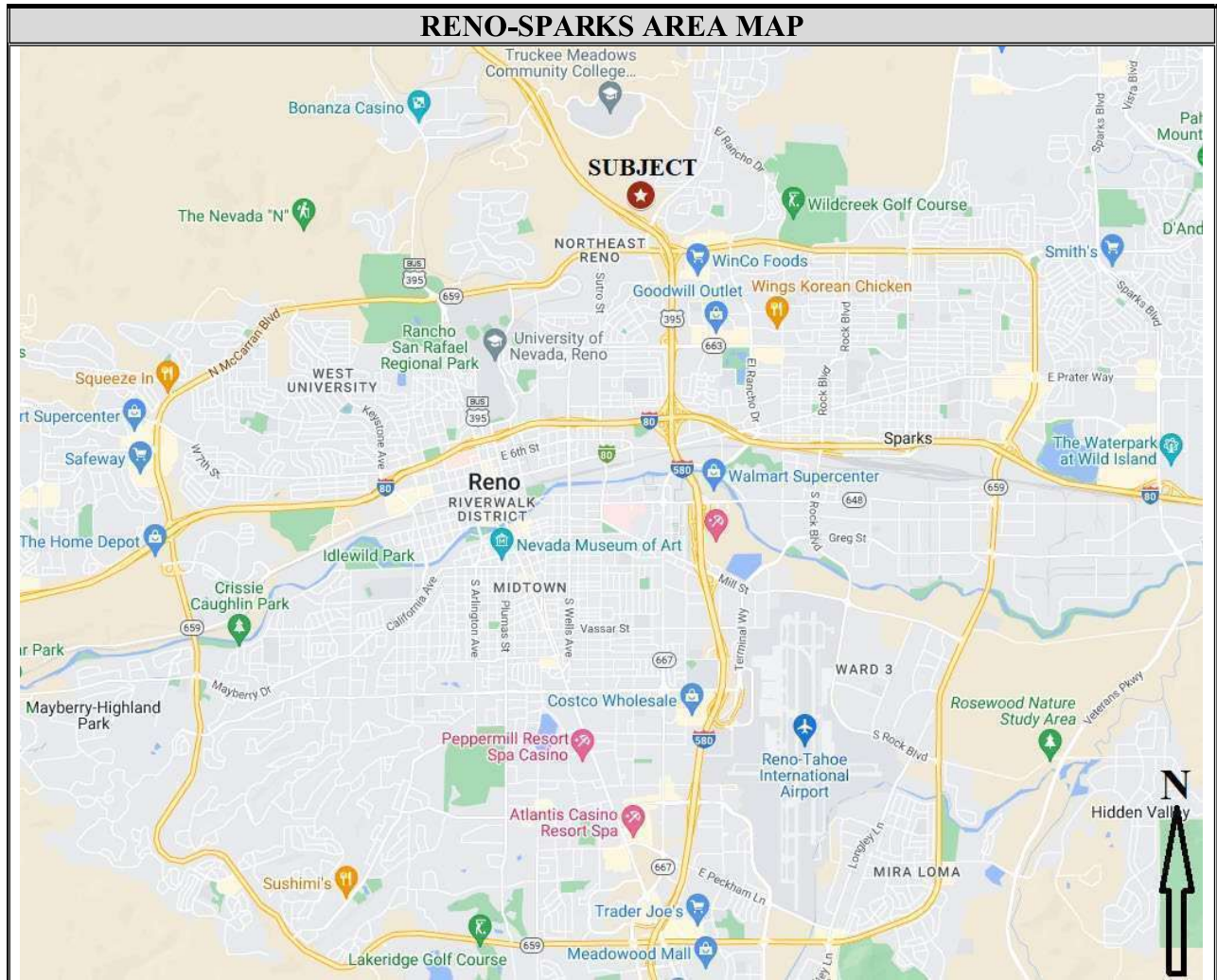
HYPOTHETICAL CONDITIONS

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:

- None

³ Source: USPAP 2020-2021 Edition, Definitions; The Appraisal Foundation, Page 4.

⁴ Source: USPAP 2020-2021 Edition, Definitions; The Appraisal Foundation, Page 4.





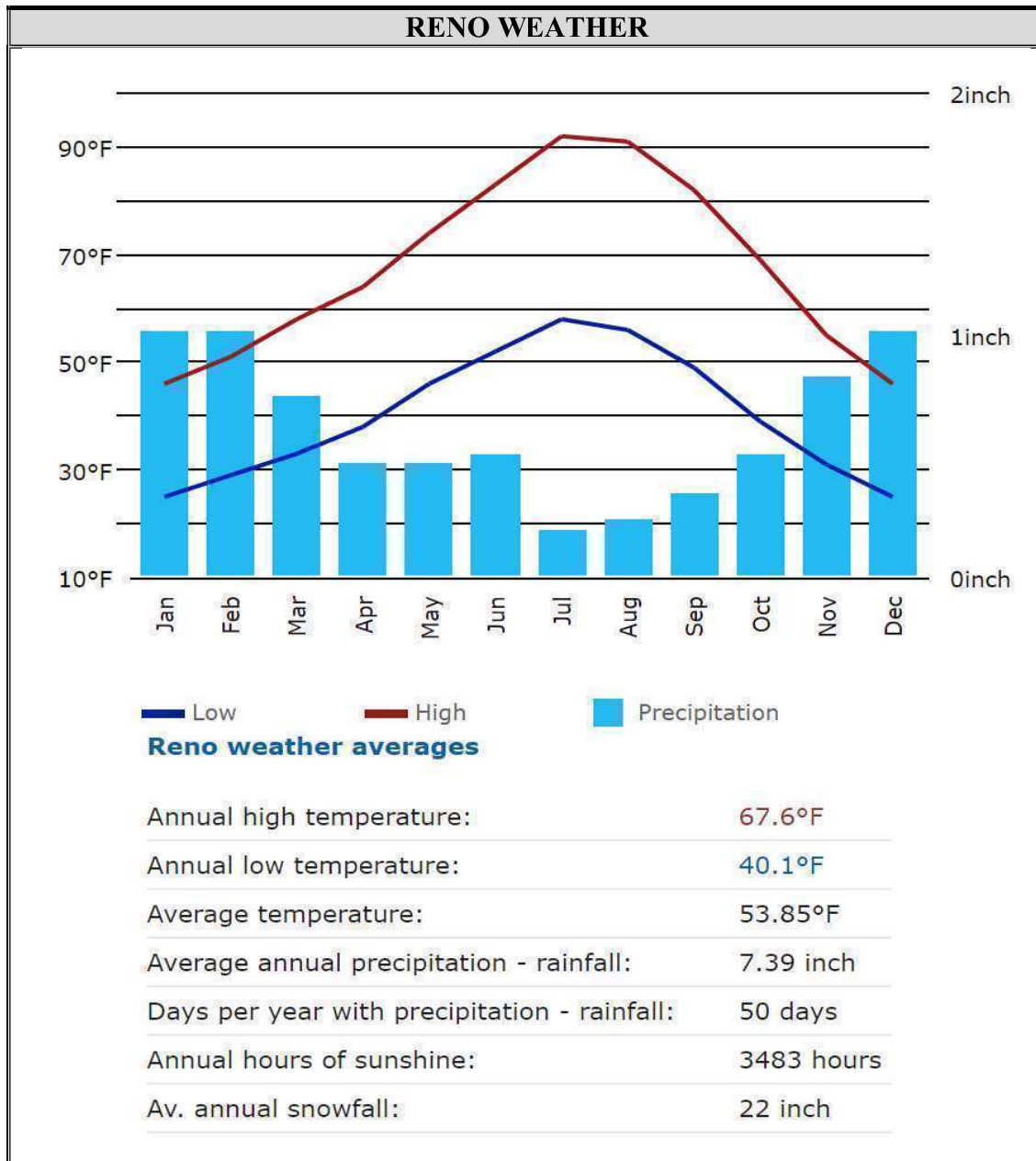
RENO-SPARKS AREA ANALYSIS AND DESCRIPTION

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

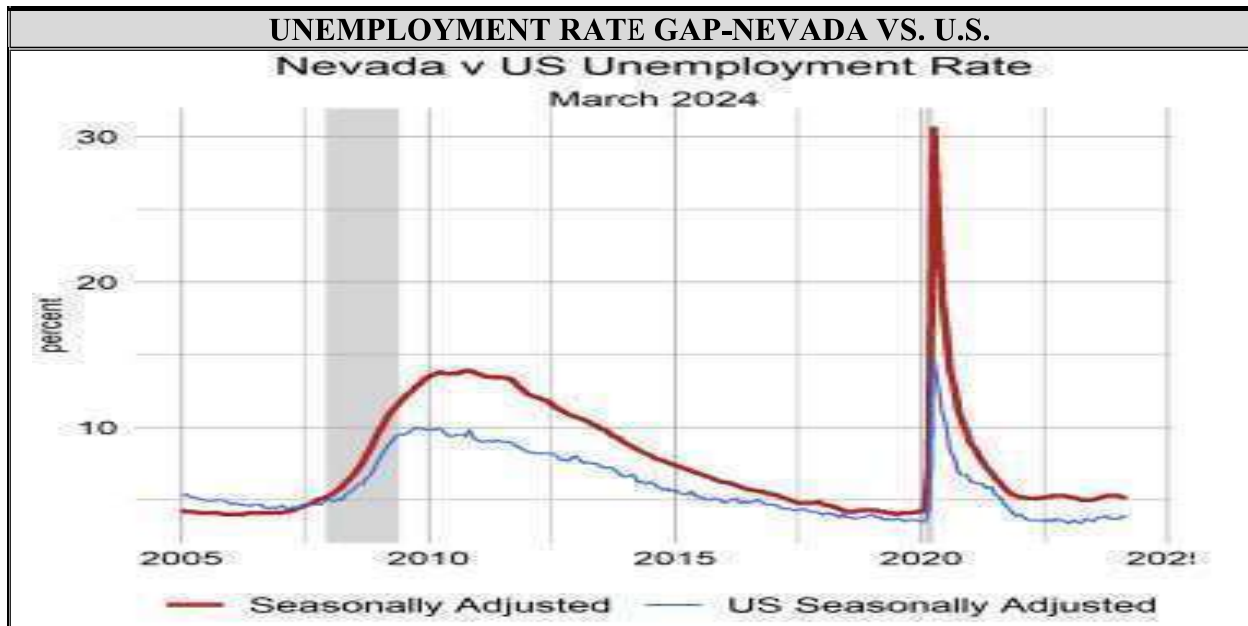
Since 1970, the Truckee Meadows have been one of the fastest growing areas in the nation. The following summarizes historical population estimates for the region.

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

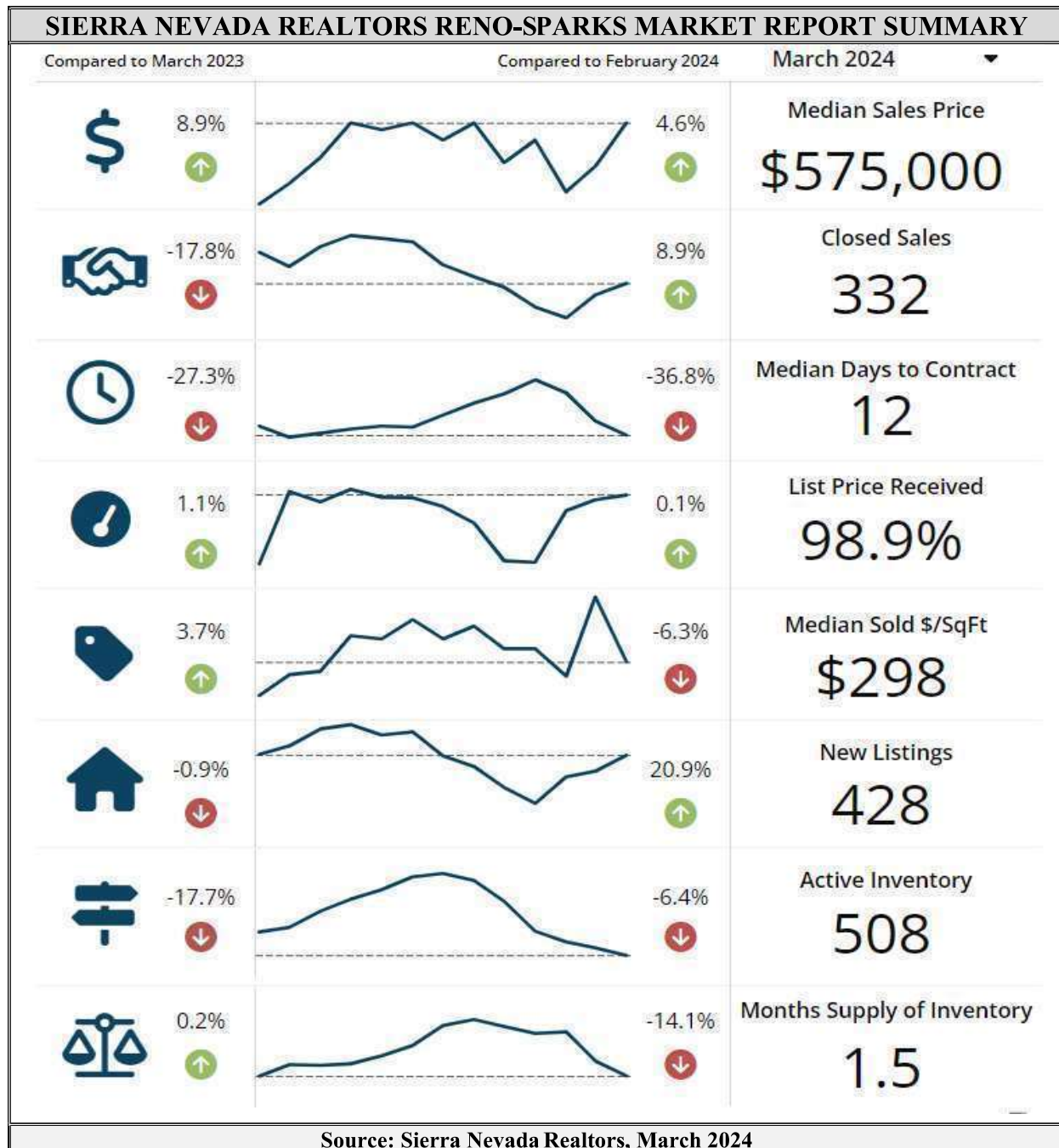
* Recalculated estimated Visitor Counts based on 2015 Visitor Profile Data
** Estimated Visitor Counts based on new 2019 Visitor Profile Data (effective January 2020)

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.





Multifamily Market

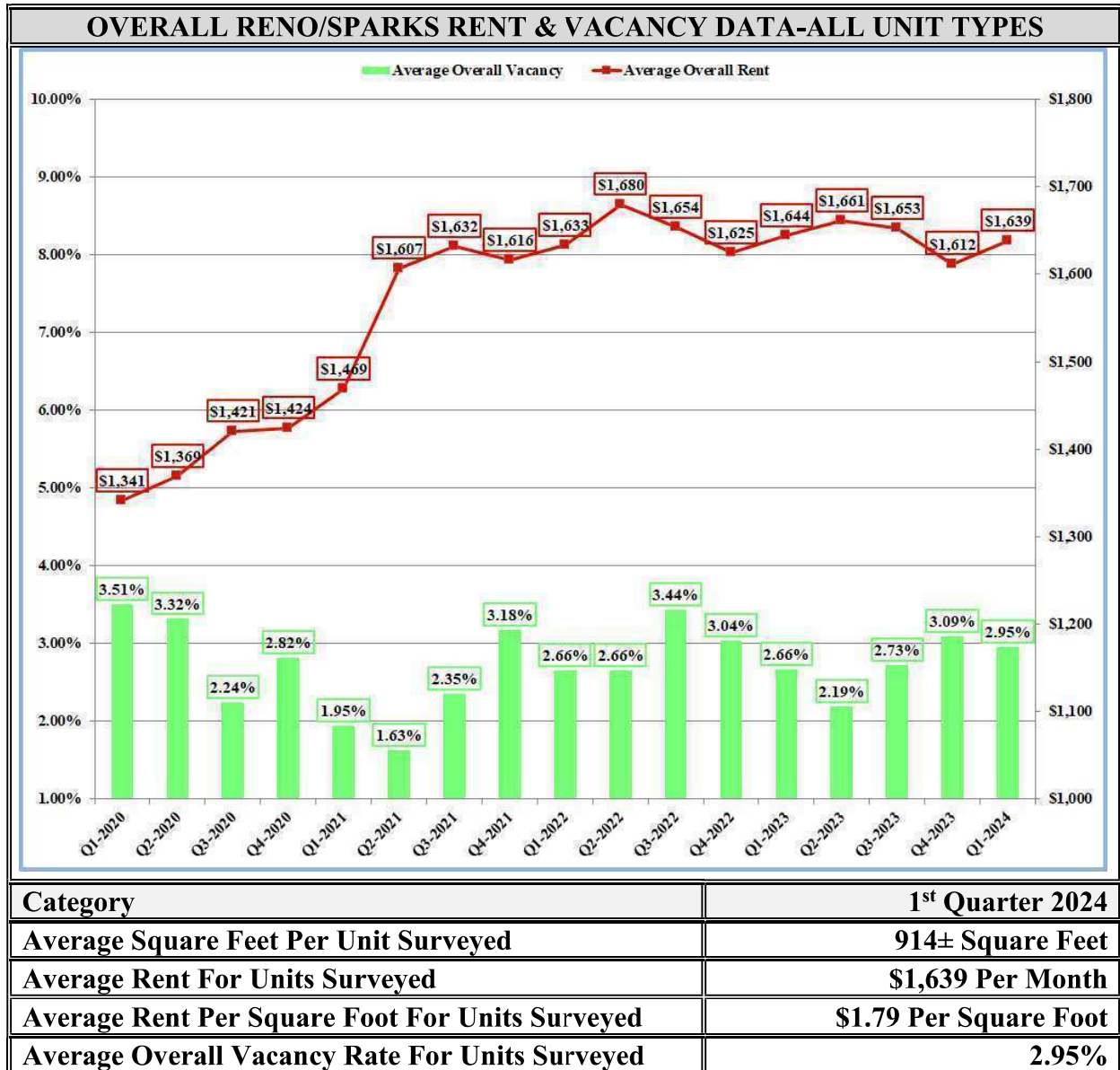
The following summarizes data from the 1st Quarter 2024 *Apartment Survey*, which is a quarterly survey conducted by Johnson Perkins Griffin, LLC.

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*.



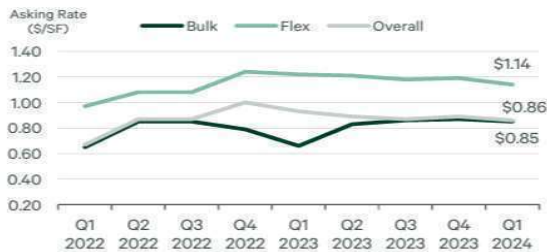
INDUSTRIAL RENTS & VACANCIES BY SUBMARKET

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

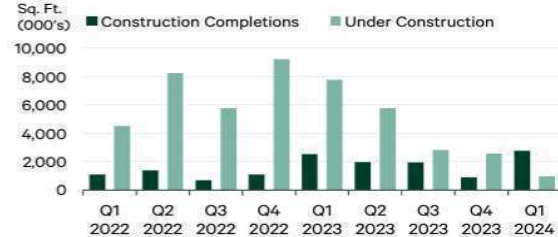
HISTORICAL INDUSTRIAL DATA

FIGURE 5: Asking Rates



Source: CBRE Research, Q1 2024

FIGURE 7: Construction Activity



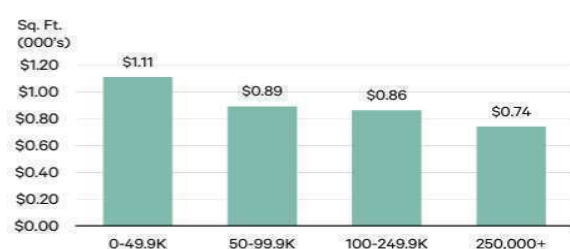
Source: CBRE Research, Q4 2023

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 3rd Quarter 2023 Report* indicates the following:

COMMENTARY-COLLIERS RENO RETAIL REPORT 3 rd QUARTER 2023
<h3>Recovering Investment Activity as Tenant Demand Surges</h3> <p>Northern Nevada's retail market experienced rebounding investment sales, robust tenant demand, and minimal deliveries in the third quarter of 2023. Healthy leasing activity and lack of new supply have combined to push the vacancy rate down to its lowest level since Q2 2007. After an incredible dip in retail sales volume during the second quarter, investment activity picked back up and is more in line with typical quarterly totals. Tenant demand remained strong this quarter as net absorption totaled around 76,000 square feet and has been positive since late 2020. Just one building delivered this quarter at West End Commons; future construction will likely be muted in the near future.</p>
<h3>Key Takeaways</h3> <ul style="list-style-type: none">• Retail tenant demand remained positive this quarter at 76,367 square feet, pushing year-to-date net absorption to more than 170,000 square feet• Third quarter retail sales volume rebounded to \$41.8 million, up 85.5 percent quarter-over-quarter and the average sale price per square foot stabilized to \$256 per square foot• New deliveries totaled just 23,000 square feet with the completion of the Cracker Barrel restaurant in Downtown Reno• Reno added 8,900 jobs in the last 12 months as the unemployment rate increased 80 basis points year-over-year to 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 3rd Quarter 2023 Report*.



RETAIL RENTS & VACANCIES COMMENTARY

Market Commentary

Nevada added nearly 51,000 jobs year-over-year after nine consecutive months of job gains in September 2023. Nevada's labor force also exceeded 1.6 million for the first time in state history. Statewide unemployment fell just 10 basis points year-over-year to 5.4 percent. Northern Nevada has seen strong job growth, too, with Reno gaining 2,300 jobs in September 2023, also adding nearly 9,000 jobs year-over-year. Reno's unemployment rate dropped slightly to 4.2 percent in September, though it is still up 80 basis points year-over-year.

The Reno/Sparks region saw some healthy market fundamentals in the third quarter of this year. Quarterly investment activity recovered to more typical levels after a

large decline in the middle of the year. The market posted another robust quarter of positive net absorption. And while tenant demand remains strong, construction activity has remained slow to pick up. Elevated interest rates have deterred developers from breaking ground on speculative builds, which has dried up the construction pipeline in the past couple of years.

As Northern Nevada's population continues to expand and demand for retail space remains healthy in the market, the region appears poised to weather future uncertainty in the real estate ecosystem.

RETAIL RENTS & VACANCIES BY SUBMARKET

Colliers | Reno, Nevada | 23Q3 | 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	4.3%	4.3%	4.5%	21,186	-	-	\$1.80
Downtown	576,608	17.2%	11.3%	10.8%	(3,000)	84,300	22,746	\$1.42
Meadowood	3,338,680	7.7%	7.6%	7.0%	(6,168)	4,200	-	\$1.42
North Valleys	925,665	1.1%	1.1%	1.1%	0	-	-	\$1.78
Northeast Reno	103,220	1.0%	1.0%	1.0%	0	-	-	\$1.35
Northwest Reno	1,416,176	0.6%	0.6%	0.7%	1,273	-	-	\$1.99
South Reno	2,370,547	3.3%	2.8%	3.1%	6,577	-	30,000	\$2.09
Southwest Reno	434,398	2.8%	0.6%	0.8%	750	-	-	\$1.55
Spanish Springs	1,797,686	5.7%	5.4%	5.7%	7,907	-	-	\$2.12
Sparks	4,423,007	6.6%	4.5%	5.9%	47,842	32,300	-	\$1.59
MARKET TOTAL	18,778,975	5.4%	4.5%	4.8%	76,367	120,800	52,746	\$1.69

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	7.4%	7.4%	6.8%	(20,543)	4,300	22,746	\$1.64
Neighborhood Center	4,017,736	2.6%	2.4%	3.7%	56,781	-	-	\$1.67
Power Center	3,706,347	4.3%	4.0%	4.2%	9,009	-	-	\$2.00
Specialty Center	231,117	1.6%	0.0%	0.3%	750	-	-	\$2.32
Strip Center	2,085,027	4.6%	4.4%	5.2%	17,512	-	30,000	\$1.48
Freestanding Retail	2,532,804	1.6%	1.9%	1.3%	(14,216)	4,200	-	\$1.75
Mixed-Use	809,118	23.7%	8.3%	9.5%	22,800	112,300	-	\$1.90
Lifestyle Center	582,055	10.1%	8.1%	8.8%	4,274	-	-	-
MARKET TOTAL	18,778,975	5.4%	4.5%	4.8%	76,367	120,800	52,746	\$1.69



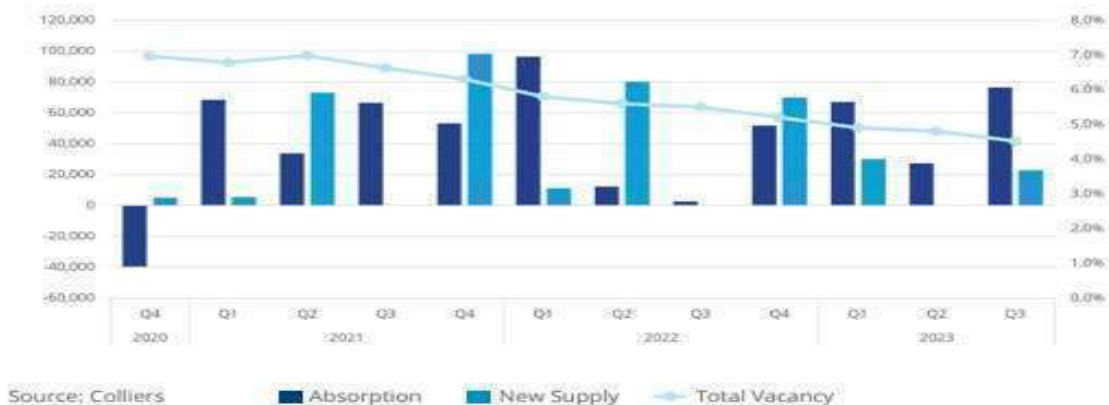
HISTORICAL RETAIL DATA

Historic Comparison

	22Q3	23Q2	23Q3
Total Inventory (In Millions of SF)	18.8	18.8	18.8
New Supply (In Thousands of SF)	0.0	0.0	22.7
Net Absorption (In Thousands of SF)	2.5	27.2	76.4
Total Vacancy	5.5%	4.8%	4.5%
Under Construction (In Thousands of SF)	235.0	135.0	120.8
Overall Asking Lease Rate (NNN)	\$1.57	\$1.68	\$1.69

HISTORICAL RETAIL DATA (CONTINUED)

Market Fundamentals



HISTORICAL RETAIL DATA COMMENTARY

With eleven consecutive quarters of positive net absorption, tenant demand has remained steady over the past three years. Third quarter net absorption of roughly 76,000 square feet pushed annual net absorption to surpass 170,000 square feet. Vacancy fell to 4.5 percent this quarter, down 100 basis points year-over-year. However, the availability rate is 90 basis points higher than vacancy. While expensive construction costs and high interest rates have halted much of the construction in the region, West End Commons saw the Cracker Barrel deliver and open this fall.



RETAIL DEVELOPMENT DATA

Retail Development

With heightened interest rates lingering, adding upward pressure to construction loan cost, new construction and renovation work has been slow to start in the retail market. These raised project costs have made speculative construction far less likely to begin. Reno's retail market currently has around 121,000 square feet of retail space under construction, with a handful of renovation projects underway. While this year has seen only a fraction of typical deliveries, this quarter saw the completion of the new Cracker Barrel at West End Commons in Downtown Reno, the first one in the region. Located in the same development, Panera bread is expected to deliver next quarter. This freestanding restaurant will be the third Panera in the region and will be equipped with a drive-thru.



RETAIL PROJECT DATA

Projects Under Construction/Renovation

Developer	Site	Tenant	Square Feet	Submarket	Delivery	Type
Foothill Partners Inc	Reno Public Market	Sprouts, Makers Paradise	132,012	Central / Airport	Q4 2021	Community Center
S3 Development	West End Commons**	Starbucks, In N Out, Firehouse Subs, Mountain Mike's Pizza	20,378	Downtown	Q4 2021	Community Center
WinCo Foods LLC	Dakota Hills Dr	WinCo Foods	80,000	Spanish Springs	Q2 2022	Freestanding
Olympia Gaming	Legends Bay Casino*	Legends Bay Casino	80,000	Sparks	Q3 2022	Casino/ Entertainment
Alamo Equities	210 N Sierra St	TBD	52,960	Downtown	Q4 2022	Freestanding
Lyon Living	Reno Experience District	TBD	70,000	Central / Airport	Q4 2022	Mixed-Use
Fritz Duda	Meadow Creek	The Cheese Board, Yogurt Beach, Zephyr Wine Bar, Pinon Bottle Co	30,000	South Reno	Q1 2023	Strip Center
CAI Investments	Reno City Center***	TBD	80,000	Downtown	TBD	Mixed-Use
S3 Development	West End Commons**	Cracker Barrel	22,746	Downtown	Q3 2023	Community Center
S3 Development	West End Commons**	Panera Bread	4,300	Downtown	Q4 2023	Community Center
Apex Construction	The Crossing at Meadowood	Panera Bread	4,200	Meadowood	Q4 2023	Freestanding
Foothill Partners Inc	The Oddie District	The Generator, Innovation Collective	170,000	Sparks	Q1 2024	Mixed-Use



RETAIL SALES DATA

Significant Sales Activity – Q3 2023



517 – 587 E Prater Way | Sparks

Park Terrace Investments of San Jose purchased a roughly 37,000 square foot portion of the Ironhorse Shopping Center in Sparks from Rhino Holdings. The two sections of the retail strip sold for \$9.5 million. The center was fully leased at the time of sale with a tenant mix that includes Dotty's Casino, The Rock Thrift Store, and Pizza Plus.

\$9.5 million | \$256.88/SF



2244 Oddie Boulevard | Sparks

The Children's Cabinet, Inc purchased the more than 65,000 square foot retail building on the corner of Oddie Boulevard and Sullivan Lane from Guardian Capital. The building, located on 7.5 acres, was purchased by a group that also includes The Food Bank of Northern Nevada, The Community Health Alliance, and the Boys and Girls Club.

\$7.6 million | \$116.98/SF



1360 Scheels Drive | Sparks

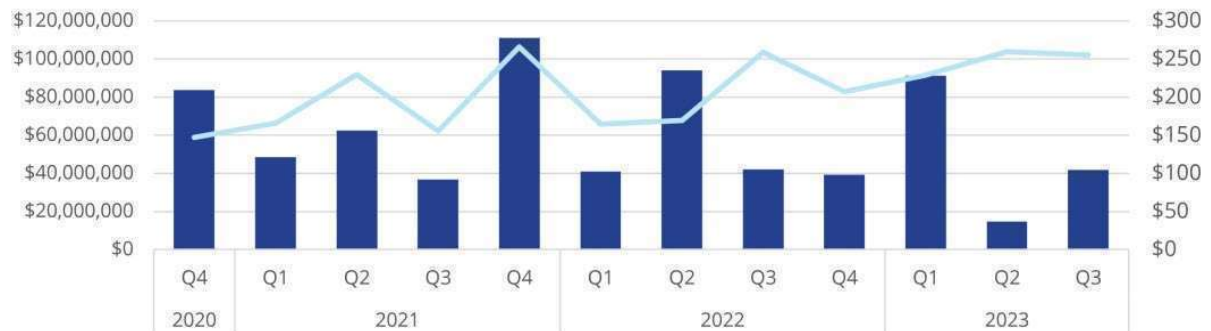
Viking Properties purchased the roughly 7,100 square foot multi-tenant building on a 1.06 acre pad from RED Development, LLC. The building occupied by Mattress Firm and AAA, was fully leased at the time of sale. The building reached a price of \$4.8 million and sold at a roughly 6.0 percent cap rate in a Colliers-brokered sale.

\$4.8 million | \$672.80/SF

HISTORICAL RETAIL SALES DATA

Retail Market Sales Activity

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



Source: Colliers, CoStar

■ Quarterly Sales Volume — Average Sale Price/SF

RETAIL SALES COMMENTARY

Investment Trends

Reno's retail market investment activity recovered this quarter as a few large sales transacted recently. While stubborn inflation has made securing debt harder and made investment opportunities more difficult to pencil, the region saw an increase in retail asset sales in Q3. Third quarter sales volume of \$41.8 million pushed annual totals to nearly \$150.0 million and was up 85.5 percent quarter-over-quarter. Average sale price per

square foot settled at \$255.73 this quarter and was largely unchanged year-over-year. The largest transactions occurred in Sparks this quarter, with most sales being investment sales and only a couple owner-user purchases. Investor demand for net leased properties remains strong as two of the three largest sales this quarter had net leases in place.



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*.



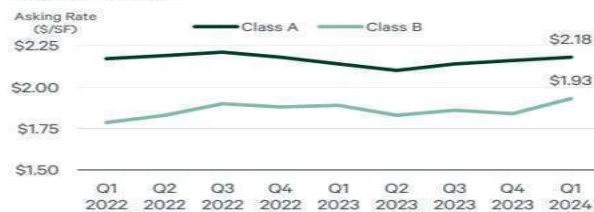
OFFICE RENTS & VACANCIES BY SUBMARKET

	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

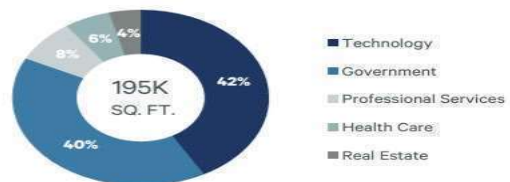
HISTORICAL OFFICE DATA

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

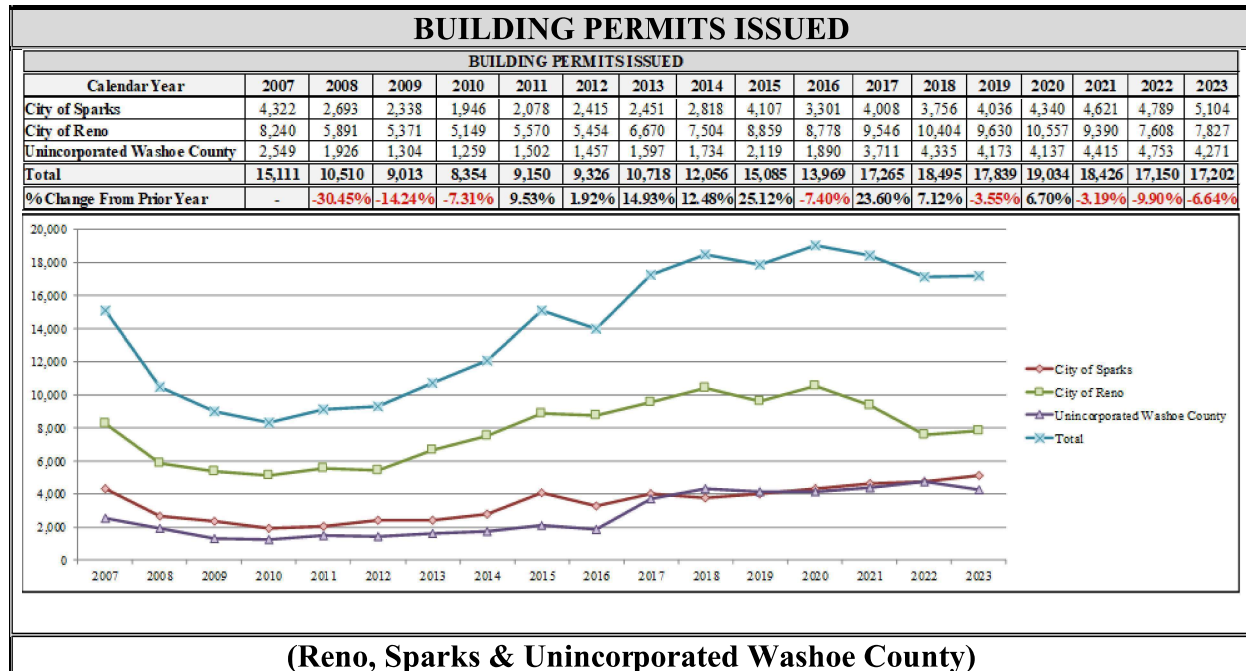


Source: CBRE Research, Q1 2024



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.



(Reno, Sparks & Unincorporated Washoe County)

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 following chart summarizes passenger statistics for the Reno-Tahoe International Airport.



RENO-TAHOE INTERNATIONAL AIRPORT STATISTICS

Total Passengers Feb-24							Total Enplaned Passengers Feb-24				
	Passengers		% Diff.	Passengers		YOY % Diff.	Month	2022	2023	2024	% Diff.
	2022	2023		2024							
JAN	296,641	344,268	16.1%	346,845		0.7%	JAN	147,773	171,374	172,968	0.9%
FEB	310,738	327,934	5.5%	354,252		8.0%	FEB	155,233	162,964	177,670	9.0%
MAR	368,946	380,363	3.1%				MAR	185,671	193,748		
1st QTR	976,325	1,052,565	7.8%				APR	163,973	177,665		
APR	326,787	357,924	9.5%				MAY	174,487	183,112		
MAY	352,255	368,930	4.7%				JUN	191,234	203,452		
JUN	384,429	409,467	6.5%				JUL	203,375	220,645		
2nd QTR	1,063,471	1,136,321	6.9%	0			AUG	199,365	214,616		
JUL	407,867	442,942	8.6%				SEP	206,819	212,376		
AUG	409,942	438,621	7.0%				OCT	193,074	197,692		
SEP	397,404	408,732	2.9%				NOV	171,626	171,361		
3rd QTR	1,215,213	1,290,295	6.2%	0			DEC	162,680	176,035		
OCT	385,466	396,147	2.8%				TOTAL	2,155,310	2,285,040		
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 Cargo Volume in Pounds Feb-24							Total Deplaned Passengers				
	Cargo in Pounds		% Diff.	Pounds		Metric Tons	Month	2022	2023	2024	% Diff.
	2022	2023		2024							
JAN	11,052,383	9,768,668	-11.6%	8,769,205		3,977	JAN	148,868	172,894	173,877	0.6%
FEB	10,991,076	8,963,956	-18.4%	8,896,368		4,035	FEB	155,505	164,970	176,582	7.0%
MAR	12,265,793	11,124,124	-9.3%				MAR	183,275	186,615		
1st QTR	34,309,252	29,856,748	-13.0%				APR	162,814	180,259		
APR	11,470,613	8,704,717	-24.1%				MAY	177,768	185,818		
MAY	10,966,757	9,094,192	-17.1%				JUN	193,195	206,015		
JUN	12,105,721	9,694,997	-19.9%				JUL	204,492	222,297		
2nd QTR	34,543,091	27,493,906	-20.4%	0			AUG	210,577	224,005		
JUL	11,289,066	8,508,207	-24.6%				SEP	190,585	196,356		
AUG	11,751,228	9,888,463	-15.9%				OCT	192,392	198,455		
SEP	11,624,360	9,237,788	-20.5%				NOV	171,504	169,723		
3rd QTR	34,664,654	27,634,458	-20.3%	0			DEC	164,673	180,937		
OCT	10,502,407	8,731,063	-16.9%				TOTAL	2,155,648	2,288,344		
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.

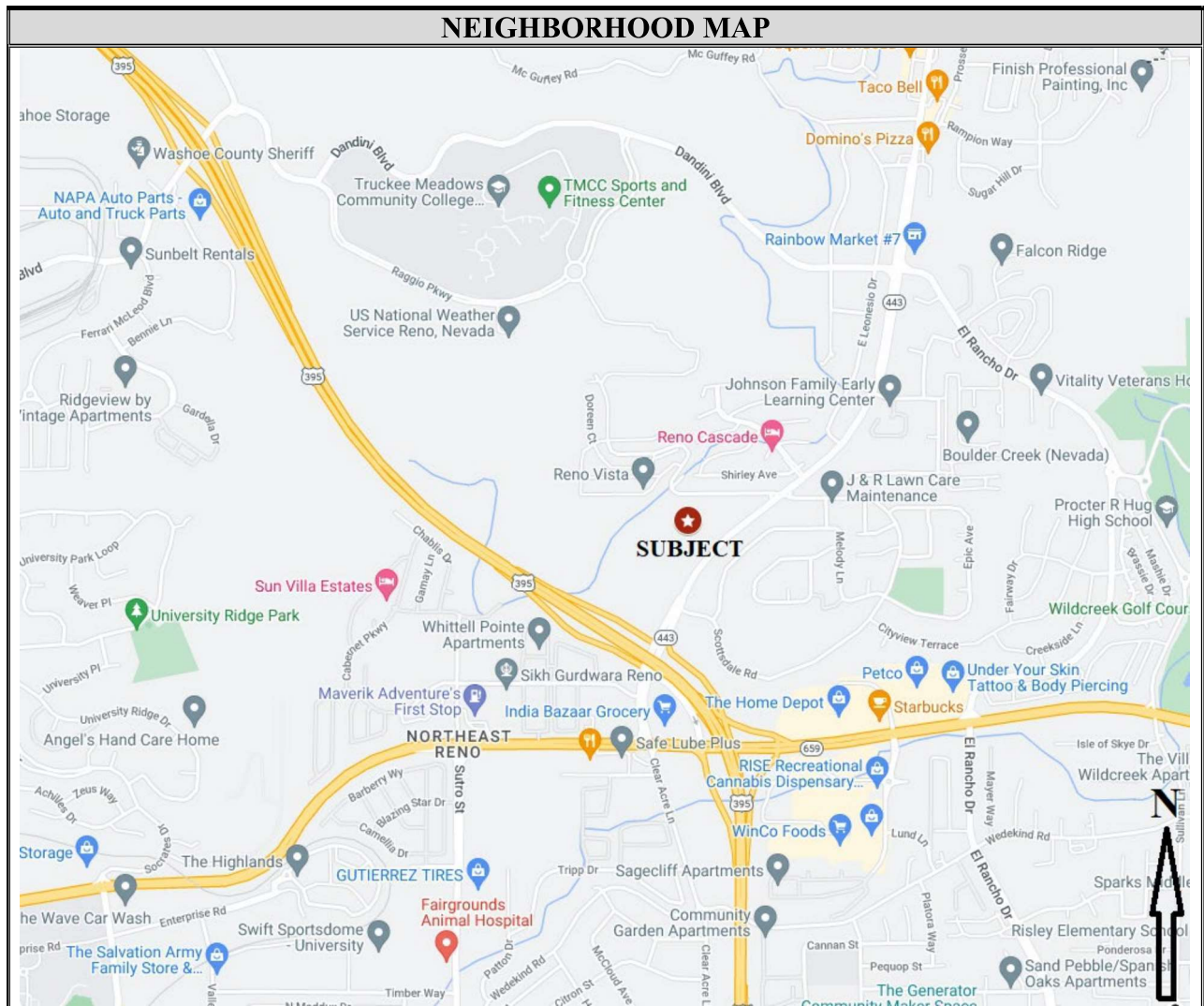


The Washoe County School District provides public schools. The University of Nevada-Reno is situated on a 200-acre campus just north of downtown Reno. There are approximately 21,000 students currently enrolled at the University. The area is also served by the Truckee Meadows Community College, which 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 neighborhood is located in the northeast portion of Reno in Washoe County, Nevada. Portions of the subject neighborhood are located within the unincorporated areas of Washoe County. El Rando Drive generally forms the easterly boundary of the subject neighborhood. North Virginia Street (U. S. Business 395) generally forms the westerly boundary of the subject neighborhood, while North McCarran Boulevard forms the southerly boundary. The City of Reno/Washoe County boundary generally forms the northerly boundary of the subject neighborhood.

Development within the subject neighborhood consists of a mixture of property utilizations, including single family residences, apartments, recreational vehicle and mobile home parks, industrial and retail/commercial developments. The primary constraints to development in the subject neighborhood are areas of hillside topography and of expansive clay subsoils.

Major Roadways

Primary access is provided to the subject neighborhood by I-580 (U.S. 395). I-580 is a two-way, six and eight-lane, concrete surfaced limited access freeway which extends in a north-south direction through the central portion of the Reno-Sparks metropolitan area. I-580 extends south of the Reno-Sparks area and provides access to Carson City. Access to I-580 in the subject neighborhood is from interchanges at Parr Boulevard, Clear Acre Lane, and North McCarran Boulevard.

North McCarran Boulevard, which bisects the southerly portion of the subject neighborhood, is a limited access; four-lane divided roadway with left center turn lanes at all intersections. McCarran Boulevard is a ring road which encircles the Reno-Sparks area.

Parr Boulevard is located in the central/westerly portion of the subject neighborhood and is an east-west road connecting North Virginia Street with U.S. 395. Parr Boulevard is a two-lane, two-way, asphalt paved roadway. Extending in an easterly direction from its intersection with U.S. 395, the roadway is identified as Dandini Boulevard and provides access to the Desert Research Institute, the Truckee Meadows Community College and Sun Valley, a residential suburb located to the north of the Reno-Sparks area.



Clear Acre Lane is a major north/south roadway in the central portion of the subject neighborhood. Clear Acre Lane is a two-way, four-lane asphalt paved roadway with left center turn lanes at most major intersections. This roadway connects Wedekind Road and McCarran Boulevard to the south, with the residential developments in the northern portion of the subject neighborhood as well as Sun Valley. El Rando Drive is a two way, four lane asphalt paved arterial, improved with concrete curbs, gutters, and sidewalks, which extends in a northerly direction and which generally forms the easterly boundary of the subject neighborhood.

In addition, the subject neighborhood is bisected by the Union Pacific Railroad, which generally runs through the subject neighborhood in a northwesterly to southeasterly direction. This railroad provides railroad spur service to a number of industrial users in the subject neighborhood.

Retail Uses

Most retail uses within the subject neighborhood are located along the North McCarran corridor. The Northtowne Marketplace is located on the southeast corner of North McCarran Boulevard and U.S. 395. The anchor tenants in this shopping center is WinCo Foods and Ross Dress for Less. The center also includes in-line shopping space and restaurant pad sites. This project was completed in 1994 and is in average condition at the present time. The Northtowne Marketplace offers a number of pad sites, several of which have been improved. These improvements include a bank branch, fast food restaurants, and a fitness center.

A Home Depot is located north of and across North McCarran Boulevard from Northtowne Marketplace. East of this Home Depot is the Northtowne Plaza Shopping Center, which includes an Office Depot, Petco, and a Del Taco.

University Village is located at the northeast corner of North McCarran Boulevard and Clear Acre Lane. This center includes a Jackson's gas station/market as well as several restaurants. On the northwest corner of North McCarran Boulevard and Clear Acre Lane is a smaller strip center which includes a SuperPawn, O'Reilly Auto Store and a fast-food restaurant. Some retail development has occurred on the south side of North McCarran Boulevard, between Clear Acre Lane and Sutro Street, including a Jiffy Lube, a tire store and a fast food restaurant.

Located to the north of Parr Boulevard, along the east side of North Virginia Street is the Bonanza Casino and restaurant. The Bonanza Shopping Center, which is anchored by Ben's

Discount Liquor Store as well as a number of smaller retail stores, is located adjacent to the Bonanza Casino.

Residential Uses

While there is substantial commercial development in the subject neighborhood, the majority of the neighborhood involves residential uses including detached single-family residences, duplexes, townhomes, condominiums, mobile home parks and apartments. The greatest concentrations of residential properties are typically located in the southern portions of the subject neighborhood, to the north of McCarran Boulevard, although scattered single-family residences and mobile homes are located throughout the subject neighborhood. A variety of mixed quality residential housing is located in the northern portion of the subject neighborhood including older mobile home parks.

Sun Valley located in the easterly portion of the neighborhood is a developed area of northern Reno that consists primarily of mobile homes, some stick-built homes, and some commercial uses. The existing mobile home sites are generally located within the central and south portions of Sun Valley. In recent years more intensive residential development has taken place within the north and northeast portions of Sun Valley. A majority of these developments have been average quality single family residential homes. Overall, the single-family residential developments within the subject neighborhood have met with adequate to good market acceptance.

Industrial Uses

In the westerly portion of the neighborhood, development has been predominately industrial in nature. Industrial utilizations including office/warehouses, storage yards, manufacturing plants, industrial buildings and distribution buildings are located along both sides of Parr Boulevard and in the Panther Valley area in the northwesterly portion of the subject neighborhood. The Washoe County Sheriff's Office and Detention Facility is located along Parr Boulevard, as well as the Jan Evans Juvenile Justice Center.

The primary development in the southeast-central portion of the subject neighborhood includes the Truckee Meadows Community College (TMCC) and the Desert Research Institute (DRI) facility.



Additional development in the central portion of the subject neighborhood includes the Regional Public Safety Training Center and the SPCA of Northern Nevada Shelter which are located along Spectrum Boulevard.

The balance of the subject neighborhood is undeveloped and consists principally of steep and undulating topography. As a result, some of the properties in the subject neighborhood do have excellent views of the Reno-Sparks area and the Sierra Nevada Mountains.

Public Services

There are four elementary schools within the subject neighborhood. North Valleys High School is located just to the north of the subject neighborhood in Golden Valley. The new Hug High School was recently constructed on the site of the Wildcreek Golf Course southeast of Sun Valley. Truckee Meadows Community College is centrally located in the subject neighborhood.

Fire service is provided by the Reno Fire Department, while police protection is provided by the Reno Police Department and Washoe County Sheriff's Office. RTC Ride does provide bus access within portions of the subject neighborhood.

Summary

In summary, the subject neighborhood is located in northeast Reno and has good access to the Reno-Sparks area by means of North Virginia Street, McCarran Boulevard and I-580 (U.S. 395). Development within the subject neighborhood is primarily a combination of residential, commercial, and industrial utilizations. There is a wide variety of shopping facilities which service the residential developments. The subject neighborhood generally has all utilities available and also has adequate access to educational facilities, including the main campus for the Truckee Meadows Community College.



SOURCE: CITY OF RENO GIS



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF SUBJECT PROPERTY FACING SOUTHWESTERLY FROM CLEAR ACRE LANE AND SCOTTSDALE ROAD



VIEW OF CLEAR ACRE LANE FACING SOUTHWESTERLY FROM SCOTTSDALE ROAD



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SUBJECT PROPERTY PHOTOGRAPHS



**VIEW OF SUBJECT PROPERTY FACING NORTHWESTERLY
FROM CLEAR ACRE LANE**



**VIEW OF CLEAR ACRE LANE FACING NORTHEASTERLY TOWARDS
SCOTTSDALE ROAD**



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SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF SUBJECT PROPERTY FACING WESTERLY FROM SCOTTSDALE ROAD



VIEW OF SCOTTSDALE ROAD FACING WESTERLY FROM CLEAR ACRE LANE



SUBJECT PROPERTY PHOTOGRAPHS



**VIEW OF EASTERLY PORTION OF SUBJECT PROPERTY FACING EASTERLY
FROM SCOTTSDALE ROAD**



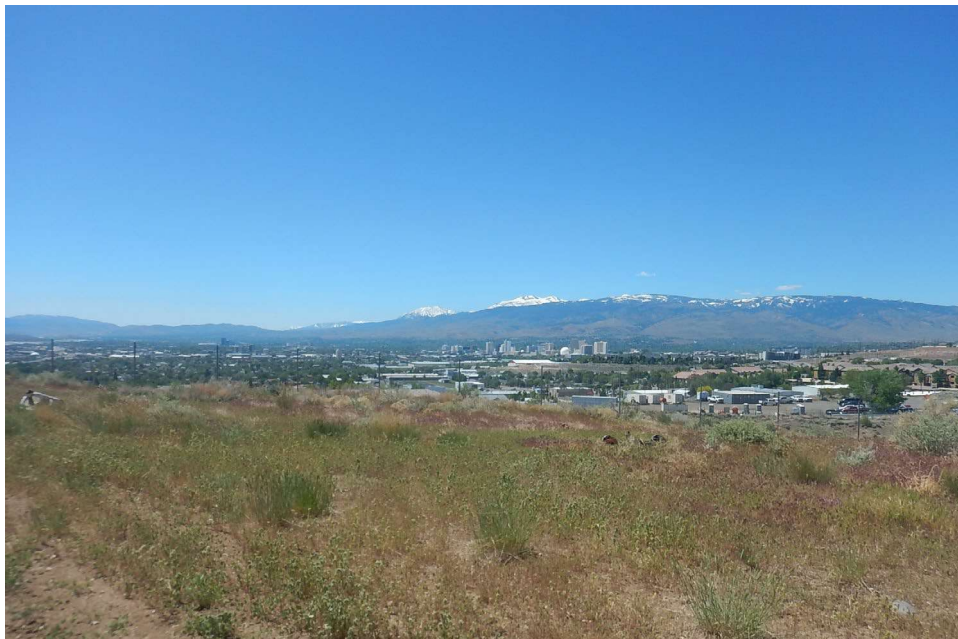
**VIEW OF SCOTTSDALE ROAD FACING EASTERLY
TOWARDS CLEAR ACRE LANE**



SUBJECT PROPERTY PHOTOGRAPHS



**VIEW OF WESTERLY PORTION OF SUBJECT PROPERTY
FROM SCOTTSDALE ROAD**



VIEW FROM WESTERLY PORTION OF SUBJECT FACING SOUTHWESTERLY



SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF NORTHWERLY PORTION OF SUBJECT PROPERTY



ADDITIONAL VIEW OF SUBJECT PROEPRTY FACING NORTHERLY



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SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF PORTION OF SUBJECT PROPERTY FACING SOUTHEASTERLY



VIEW OF SUBJECT PROPERTY FACING NORTHEASTERLY



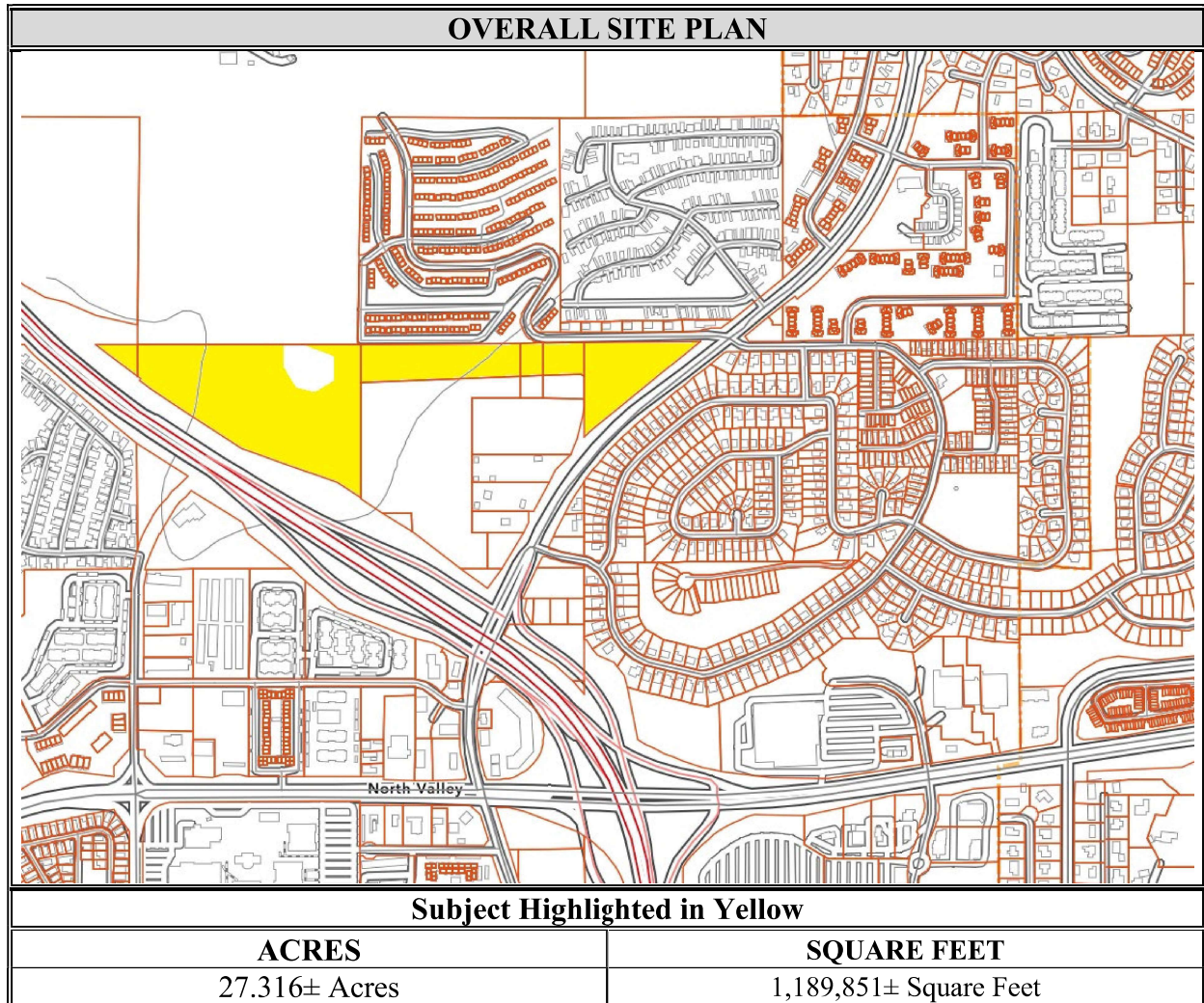
SUBJECT PROPERTY PHOTOGRAPHS



VIEW OF PORTION OF SUBJECT PROPERTY FACING SOUTHERLY



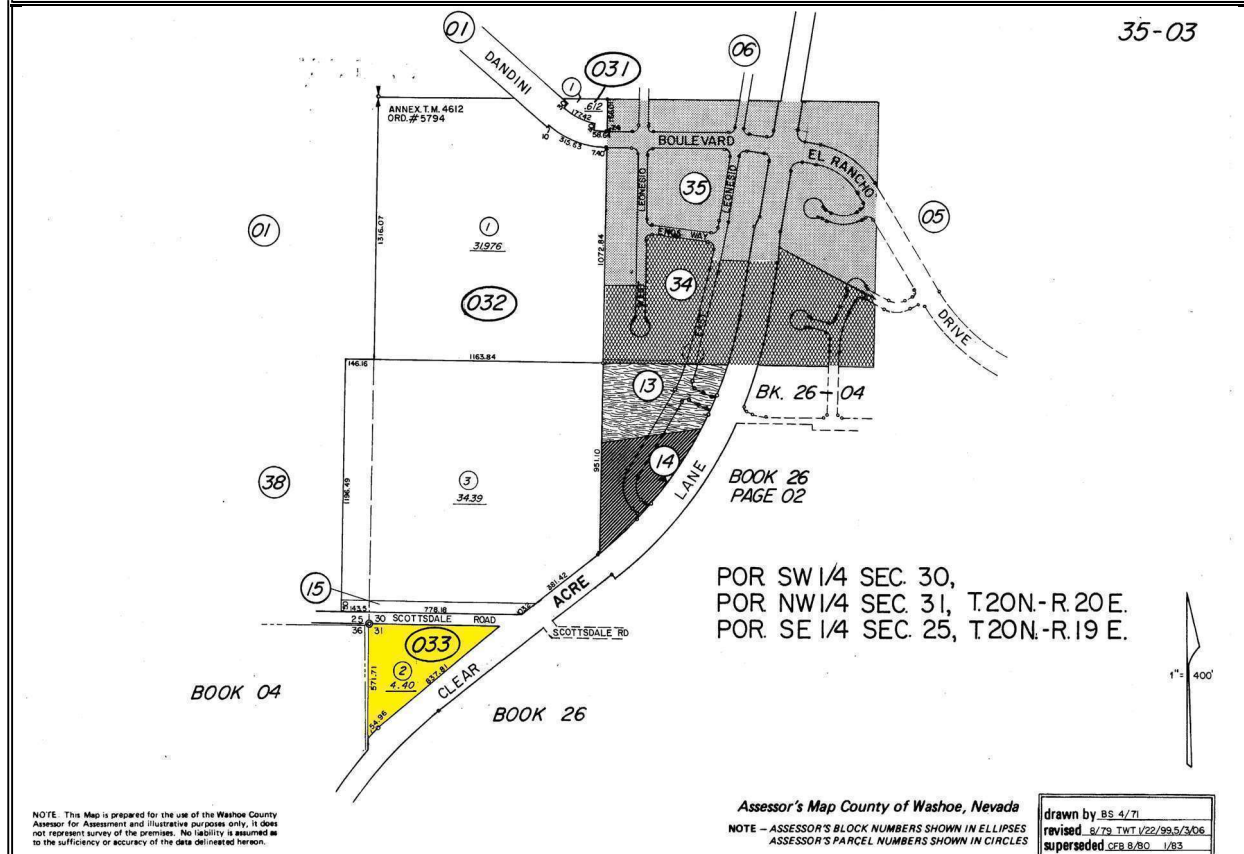
**APPROXIMATE LOCATION OF FUTURE TRUCKEE MEADOWS WATER
AUTHORITY WATER TANK SITE**



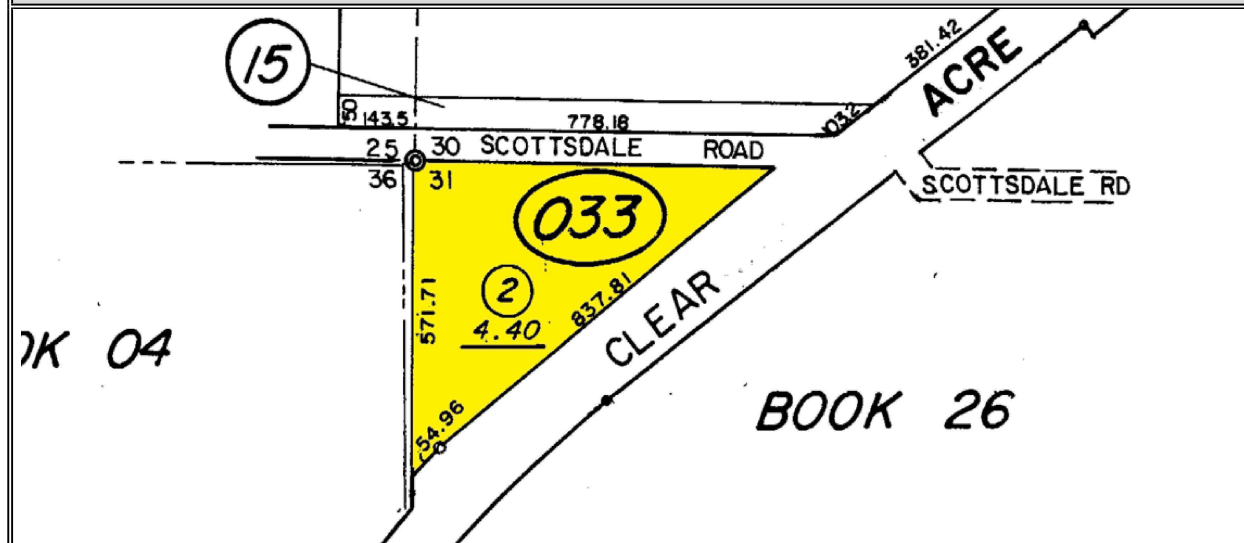


SUBJECT PLOT MAP-BOOK 35, PAGE 3

A.P.N. 035-033-02



SUBJECT PLOT MAP ENLARGED

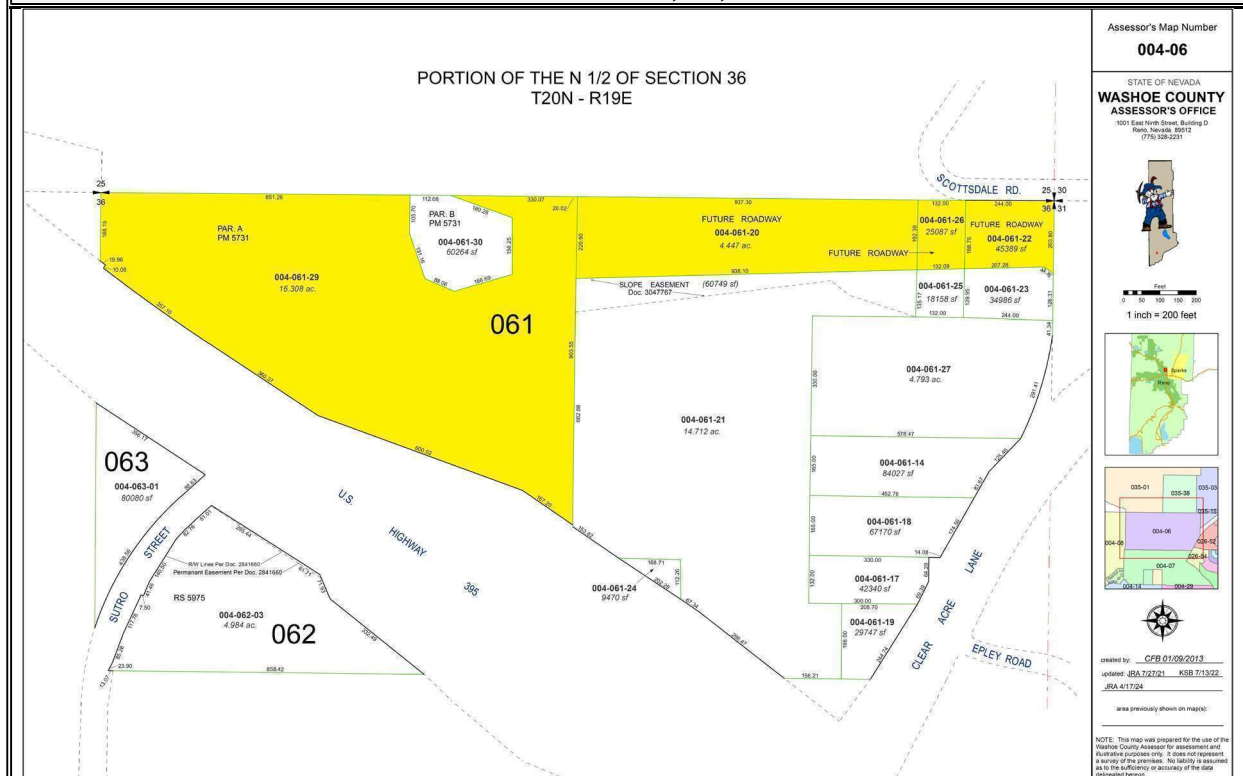


A.P.N.	ACRES	SQUARE FEET
035-033-02	4.40± Acres	191,644± Square Feet



SUBJECT PLOT MAP-BOOK 4, PAGE 6

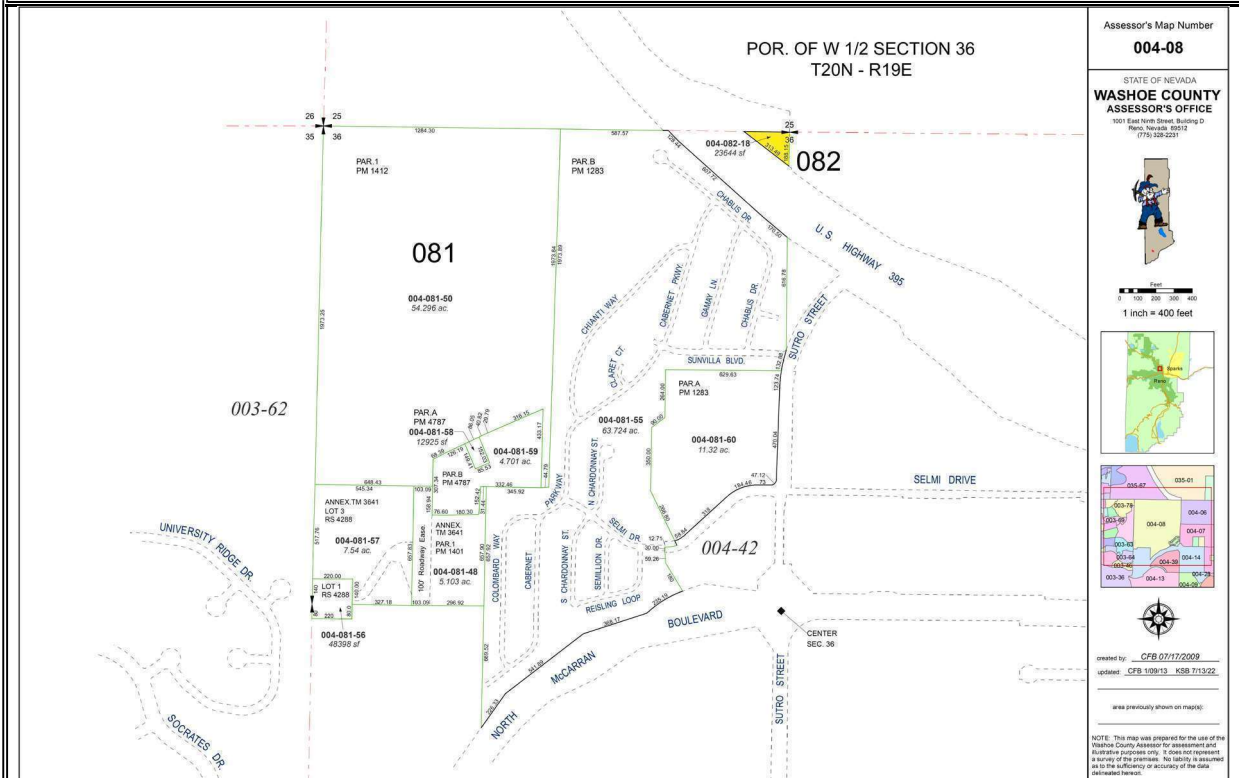
A.P.N.s 004-061-22, 26, 20 & 28



A.P.N.	ACRES	SQUARE FEET
004-061-22	1.042± Acres	45,389± Square Feet
004-061-26	0.576± Acres	25,087± Square Feet
004-061-20	4.447± Acres	193,711± Square Feet
004-061-29	16.308± Acres	710,376± Square Feet



A.P.N. 004-082-18



A.P.N.	ACRES	SQUARE FEET
004-082-18	0.543± Acres	23,644± Square Feet



PROPERTY IDENTIFICATION AND SITE DESCRIPTION

SUBJECT PROPERTY SUMMARY	
Property Type	Vacant Land
Assessor's Parcel Numbers	035-033-02, 004-061-22, 004-061-26, 004-061-20, 004-061-29, 004-082-18
Location	The Southwest Corner of Clear Acre Lane and Scottsdale Road
City, County, State	Reno, Washoe County, Nevada
Subject Ownership	Regional Transportation Commission of Washoe County
Improvements	None-Vacant
Utilities	Electricity; Sewer, Water, Gas Available
Water Rights	None Included in Valuation of Subject
Topography	Gently Sloping to Steeply Sloping, Bluff, Undulating Topography
Views	Good Views of the Truckee Meadows and Sierra Nevada Mountains
Easements	Assumed Typical Public Utility Easements
Flood Zone Designation	Zone "X" (Unshaded)

LAND AREA SUMMARY				
Assessor's Parcel Number	Land Area Acres	Land Area Square Feet	Master Plan	Zoning
035-033-02	4.40± Ac	191,644± SF	SF (Single-Family Neighborhood)	SF-3 (Single-Family Residential)
004-061-22	1.042± Ac	45,389± SF	SF (Single-Family Neighborhood)	SF-3 (Single-Family Residential)
004-061-26	0.576± Ac	25,087± SF	SF (Single-Family Neighborhood)	SF-3 (Single-Family Residential)
004-061-20	4.447± Ac	193,711± SF	SF (Single-Family Neighborhood)	SF-3 (Single-Family Residential)
004-061-29	16.308± Ac	710,376± SF	PQP (Public/Quasi-Public)	MS (Mixed-Use Suburban)
004-082-18	0.543± Ac	23,644± SF	PQP (Public/Quasi-Public)	MS (Mixed-Use Suburban)
TOTAL	27.316± Ac	1,189,851± SF		



SUBJECT PROPERTY LEGAL DESCRIPTION

A portion of the northwest corner of Section 31, Township 20 North – Range 20 East and a portion of the north half of Section 36, Township 20 North – Range 19 East

UTILITIES AND PUBLIC SERVICES

Utility & Public Service	Provider	Availability On Subject
Electricity	NV Energy	Available
Natural Gas	NV Energy	Available
Telephone	Various Carriers	Available
Water	Truckee Meadows Water Authority	Available
Sewer	City of Reno	Available
Waste Disposal	Waste Management	Service Available
Cable	Various Carriers	Must be Extended
Internet	Various Carriers	Must be Extended
Fire Protection	City of Reno Fire Department	Covered
Police Protection	City of Reno Police Department	Covered
Public Transportation	RTC Ride	In Vicinity

WATER RIGHTS

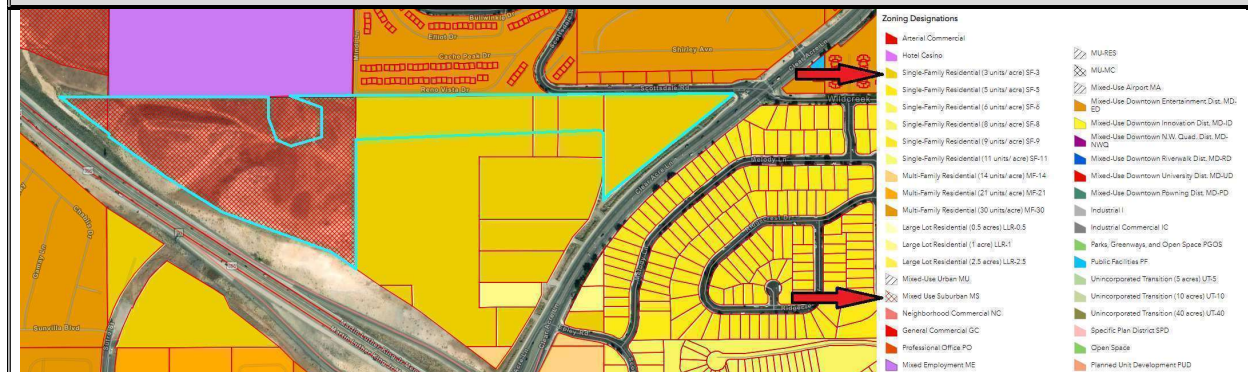
I am unaware of any water rights appurtenant to the subject property. Therefore, no water rights are included in the value of the subject property.



SUBJECT PROPERTY ZONING SUMMARY		
Assessor's Parcel Number	Zoning	Description
035-033-02, 004-061-22, 26, & 20	SF-3	Single-Family Residential
004-061-29, 004-082-18	MS	Mixed-Use Suburban

The purpose of the Mixed-Use Suburban (MS) district is intended to accommodate a mix of low-intensity, auto-oriented uses, while supporting the gradual transition of the city's suburban corridors to a mix of higher-density residential, retail, commercial, and other employment- and service-oriented uses. This zoning code allows a wide variety of uses, including residential and commercial uses. Some industrial uses are also allowed. The purpose of the SF-3 (Single Family Residential) district is primarily intended to accommodate single family detached residential uses. Secondary uses include parks, school, community gardens, and home occupations. This zoning district functions as a transition from the large-lot zoning districts to the higher intensity residential districts.

SUBJECT ZONING MAP



Subject Outlined in Teal



SUBJECT PROPERTY ZONING STANDARDS – SF-3

Chapter 18.02 Zoning Districts

Article 2 Residential Districts

18.02.204 SF-3: Single-Family Residential

18.02.204 SF-3: Single-Family Residential

(a) Purpose

The SF-3 district is primarily intended to accommodate single-family detached residential uses. Secondary uses include parks, schools, community gardens, and home occupations. This zoning district functions as a transition from the large-lot zoning districts to the higher-intensity residential districts.

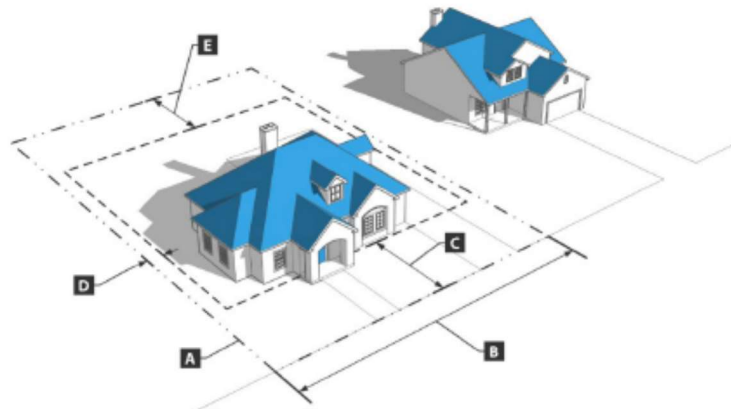


Table 2-7 SF-3: Lot and Building Standards

Lots		
	Base density, maximum	3 du/acre
A	Lot size, minimum	15,000 sf
B	Lot width, minimum	80 ft
Setbacks, minimum [1]		
C	Front	Principal Building: 30 ft; Accessory Structure: [2]
D	Side	5 ft
E	Rear	30 ft; 30 ft/5 ft [3]
F	Street-facing garage	30 ft, measured from sidewalk or planned sidewalk to face of garage
Height, maximum		
	Principal Building	Accessory Structure
	Height	35 ft; 29 ft/16 ft/12 ft [4]
	Stories	2.5; [4]
Other		
	Building coverage, maximum	40%
	Accessory uses/structures	See Chapter 18.03 Article 4
	Site and building standards for residential districts	See Chapter 18.04 Article 9
	Development standards (parking, landscaping, etc.)	See Chapter 18.04

Notes:

[1] 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.

[2] All accessory structures shall be located behind the front face of the existing principal structure.

[3] The lower rear setback applies to any single-story accessory building/structure up to 16 feet in height. Other accessory buildings/structures shall comply with the higher rear setback.

[4] 29 feet maximum for a single accessory building on each lot; 16 feet maximum for one-story residential garage or carport; 12 feet maximum for all other accessory structures.



SUBJECT PROPERTY ZONING STANDARDS – MS

Chapter 18.02 Zoning Districts

Article 3 Mixed-Use Districts

18.02.308 MS: Mixed-Use Suburban

18.02.308 MS: Mixed-Use Suburban

(a)

Purpose

The MS district is intended to accommodate a mix of low-intensity, auto-oriented uses, while supporting the gradual transition of the city's suburban corridors to a mix of higher-density residential, retail, commercial, and other employment- and service-oriented uses.

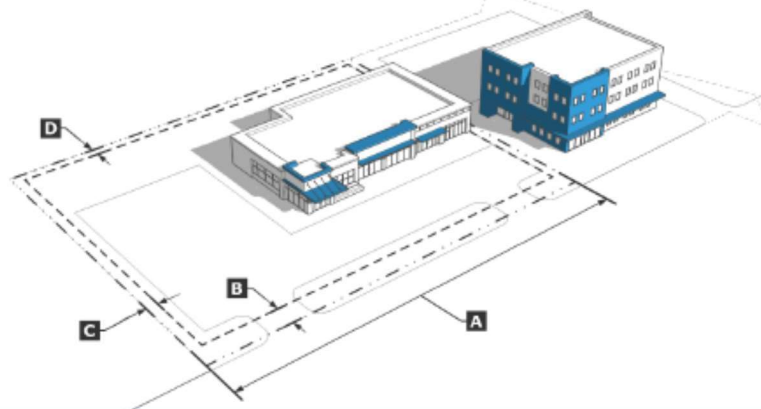


Table 2-21 MS: Lot and Building Standards

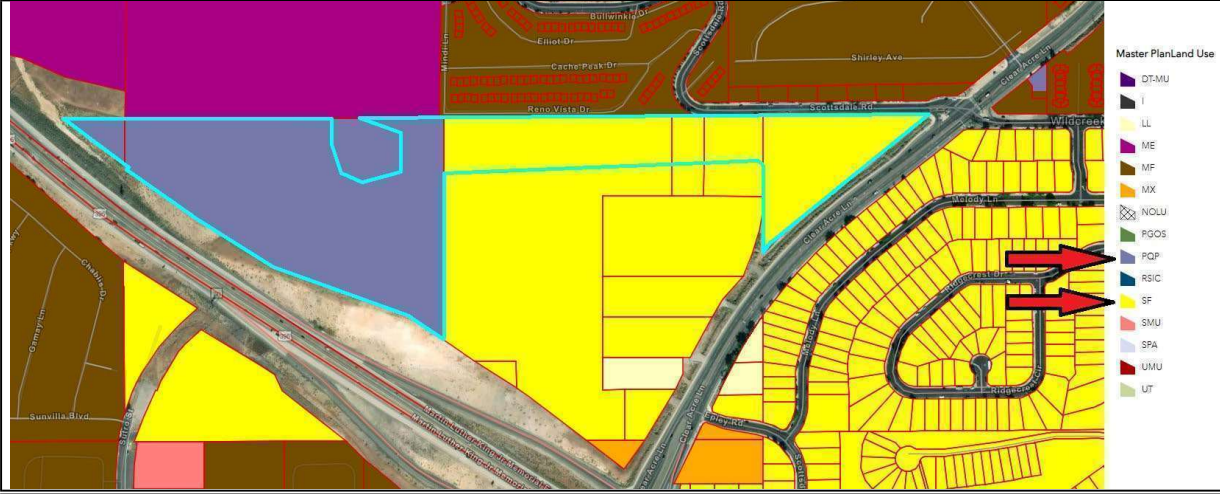
General Standards		
A	Lot Width, minimum	50 ft
	FAR, minimum	--
	FAR, maximum	--
	Density, minimum	--
	Density, maximum	--
Setbacks, minimum		
B	Front	10 ft [1]
C	Side	0 ft / 5 ft [1] [2]
D	Rear	0 ft / 5 ft [1] [2]
	Street-Facing Garage	20 ft measured from sidewalk or planned sidewalk to face of garage
	Building Separation	10 ft between principal buildings
Height, maximum		
	Height	-- [3]
	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] 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.

[2] 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.

[3] Site Plan review required for buildings over 55 ft.



MASTER PLAN DESIGNATION DATA & MAP	
City of Reno Master Plan Designation	
SF (Single-Family Neighborhood), PQP (Public/Quasi-Public)	
MASTER PLAN MAP	
	
Subject Outlined in Teal	
MASTER PLAN USES AND CHARACTERISTICS	
Single-Family Neighborhood (SF)	
<p>Range of Densities Typically between 2 and 8 units per acre.</p> <p>Uses Primary: Single-family detached homes</p> <p>Secondary: Accessory dwelling units and other complementary neighborhood uses</p> <p>Characteristics</p> <ul style="list-style-type: none"> Comprised primarily of single-family detached homes with varied lot sizes. Housing type diversity is encouraged through the construction of accessory dwelling units where desired by property owners. Secondary uses are designed in a manner to fit the scale and character of neighborhoods or are integrated into the overall design of new neighborhoods. 	<p>Conforming Base Zoning Districts</p> <ul style="list-style-type: none"> LLR2.5: Large Lot Residential (2.5 acres) LLR1: Large Lot Residential (1 acre) LLR.5: Large Lot Residential (0.5 acres) SF3: Single-Family Residential (3 units per acre) SF5: Single-Family Residential (5 units per acre) SF8: Single-Family Residential (8 units per acre) PGOS: Parks, Greenways, and Open Space PF: Public Facilities PUD: Planned Unit Development SPD: Specific Plan District
Public/Quasi-Public (PQP)	
<p>Range of Densities N/A</p> <p>Uses Public institutions, airports, cultural centers, religious institutions, government centers, libraries, hospitals, schools and utility installations.</p> <p>Conforming Base Zoning Districts</p> <ul style="list-style-type: none"> MA: Mixed-Use Airport PF: Public Facilities PGOS: Parks, Greenways, and Open Space PUD: Planned Unit Development SPD: Specific Plan District 	<p>Characteristics</p> <ul style="list-style-type: none"> Ownership may be public, quasi-public, or private. Public facilities may serve a neighborhood or have a larger service area such as a city quadrant or the entire Truckee Meadows region. Some major facilities may create impacts on adjacent properties that need mitigation, and appropriate zoning districts should be determined based on intensity of use. Intensity of use is determined by vehicular trip generation, size and scale of the facility, and compatibility with residential uses.



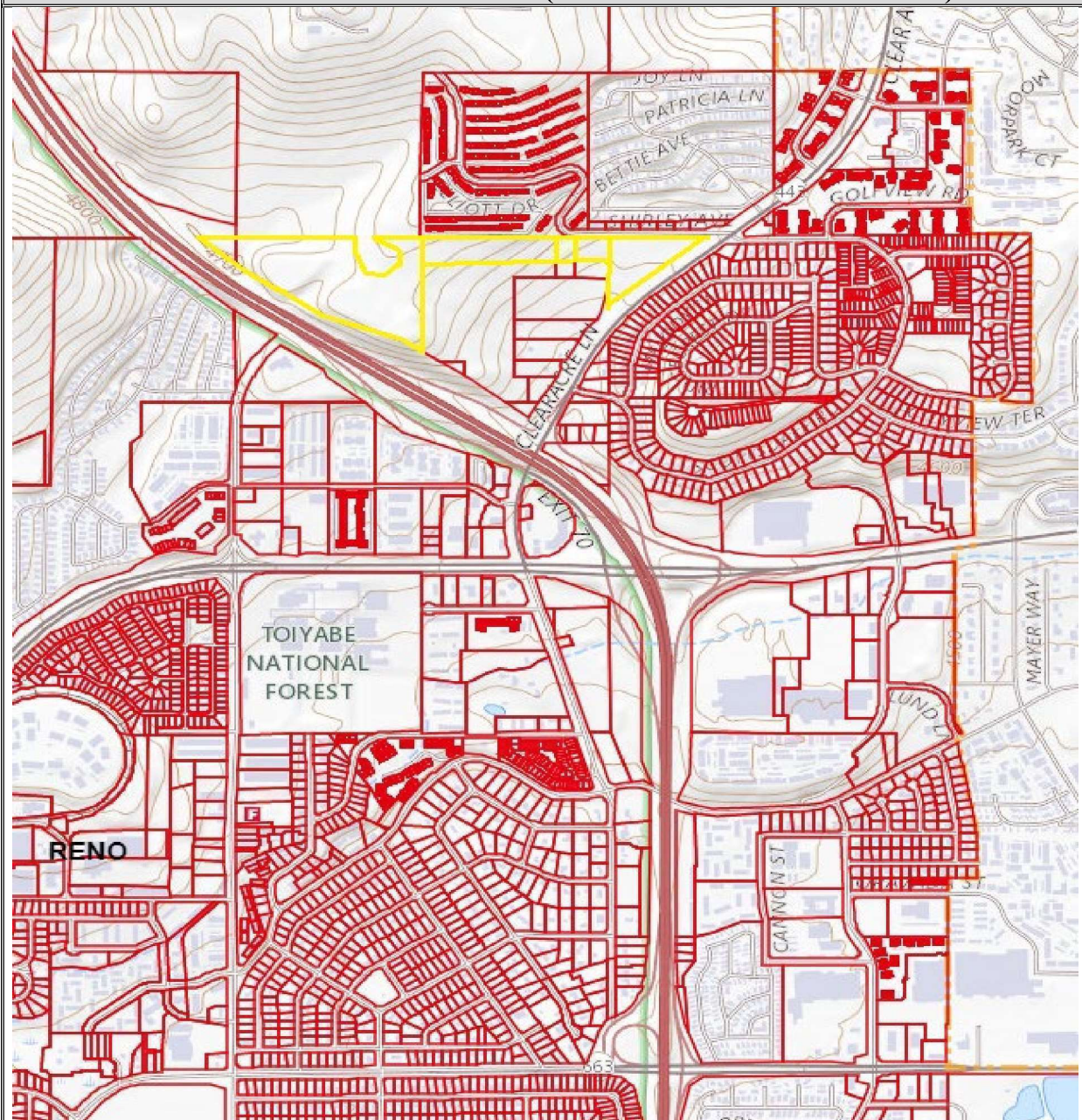
SUBJECT FLOOD ZONE DATA		
FEMA Map #	Effective Date	Flood Zone
32031C3033G	03/16/2009	X (Unshaded)
SUBJECT FLOOD ZONE MAP (SOURCE: FEMA)		
Approximate Subject Location		
ZONE	DESCRIPTION	
C and X (unshaded)	Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. Zone 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.	



SUBJECT PROPERTY TOPOGRAPHY

The topography of the subject property is gently sloping to steeply sloping, with areas of undulating topography. The westerly portions of the subject ownership form a gentle bluff, overlooking the Truckee Meadows. A ravine separating the bluff areas is located in the more westerly portion of the site. The subject's topography will be one of the greater development constraints to the property, with portions of the property likely to be kept as open space, or requiring cut and fill prior to development.

SUBJECT TOPOGRAPHY MAP (SOURCE: CITY OF RENO GIS)



Subject Outlined in Yellow



SUBJECT PROPERTY ROADWAY DESCRIPTIONS & ACCESS

The subject property is located at the southwest corner of Clear Acre Lane and Scottsdale Road. The subject's easterly property line abuts Clear Acre Lane, which in the vicinity of the subject property is a two way, four and five lane asphalt paved roadway improved with concrete curbs, gutters and sidewalks. A portion of the subject's northerly property line abuts Scottsdale Road, which in the vicinity of the subject is a two way, two lane asphalt paved roadway improved with concrete curbs, gutters and sidewalks. The intersection of Clear Acre Lane and Scottsdale Road is signalized.

In addition, the subject's southwesterly property line identified as Assessor's Parcel Numbers 004-061-29 and 004-082-18 abuts the U.S. Highway 395 North right-of-way. At the present time, access to the subject property is from a street cut located on Clear Acre Lane and a street cut located on Scottsdale Road.

USES SURROUNDING SUBJECT PROPERTY

The subject property is located in the North Reno market. Located on the north side of Scottsdale Road, in the vicinity of the subject property, are a number of fourplexes, as well as the Reno Vista at Panorama Village apartment complex. A major mobile homes park, Reno Cascade, is located to the north and northeast of the subject property. Residential and multi-family residential utilizations are located on the east side of the Clear Acre Lane and along both sides of Scottsdale Road. Situated to the south of the subject property is open space as well as a few older wood frame single family residences. A number of retail and commercial utilizations, including a neighborhood shopping center as well as fast food restaurants, are located on both sides of Clear Acre Lane, between Selmi Drive and North McCarran Boulevard.

SUBJECT PROPERTY HAZARDOUS SUBSTANCES

Prior to issuance of this appraisal report, I was not provided with an Environmental Survey of the subject property. The valuation analysis as set forth herein assumes that the subject property is not negatively impacted by the existence of toxic materials or hazardous wastes. The reader is cautioned, however, that I am not an expert at detecting hazardous substances. Should additional remediation for hazardous substances be required in the future, the value conclusions set forth in this appraisal report could change significantly.

SUBJECT PROPERTY EARTHQUAKE ZONE

The Reno area is within a region with a number of local faults and where there is a relatively strong probability of moderate to strong seismic activity. The *Uniform Building Code* does require special construction techniques as a result of earthquake hazards. Additionally, a structural engineer typically reviews plans for residential and commercial buildings in order 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 Reno area.



SUBJECT PROPERTY SOIL CHARACTERISTICS

A soil survey of the subject parcels was not provided to me. The map and chart below summarize the subject's soils based upon data provided by the United States Department of Agriculture (USDA). The map below shows soils within the fields where the subject parcels are located.

SUBJECT SOILS MAP (SOURCE: USDA)



Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
190	Manogue cobbly clay, 2 to 8 percent slopes	2.6	9.7%
191	Manogue cobbly clay, 8 to 15 percent slopes	4.0	14.8%
310	Risley-Rock outcrop complex, 8 to 15 percent slopes	3.9	14.4%
311	Risley-Rock outcrop complex, 15 to 30 percent slopes	3.9	14.4%
313	Risley cobbly clay loam, 8 to 15 percent slopes	2.5	9.4%
871	Xman very stony loam, 15 to 30 percent slopes	10.0	37.3%
Totals for Area of Interest		26.8	100.0%

Subject Lines Approximate

EASEMENTS AND ENCUMBERANCES

In the preparation of the appraisal report a current preliminary title report was not available. For the purposes of this appraisal, it is assumed that the subject property is subject to normal public utility easements which would not adversely effect its development potential. The valuation analysis and conclusions is set forth herein, are subject to modification upon review of a current preliminary title report.



SUBJECT SALES HISTORY DATA

There have been no arms-length transactions of record with respect to the subject property in the past ten years. The subject property is proposed to be acquired by the City of Reno, acting as an intermediary, from the Regional Transportation Commission. It is my understanding that the City of Reno will act solely as an intermediary, facilitating the sale of the property from the Regional Transportation Commission to the City of Reno, followed by its immediate purchase by the Northern Nevada Building and Construction Trades Council Development Corporation. The Northern Nevada Building and Construction Trades Council Development Corporation has proposed a project which will consist of approximately 400 affordable housing units, as well as 240 units of workforce housing. The purchase price from the RTC to the City of Reno acting as the intermediary, and then to the Northern Nevada Building and Construction Trades Council Development Corporation, will be based upon an appraisal.

SUBJECT PROPERTY OPPORTUNITY ZONE ANALYSIS

The subject property is not located in a designated Opportunity Zone.

SUBJECT PROPERTY TAX ASSESSMENT DATA

Assessor's Parcel Number	Land Area Acres	Land Area Square Feet	Master Plan	Zoning	2023 Assessed Value	2024 Taxable Value	2023-2024 Real Estate Tax
035-033-02	4.40± Ac	191,644± SF	SF (Single-Family Neighborhood)	SF-3 (Single-Family Residential)	\$23,562	\$67,320	\$0 (\$862.39)
004-061-22	1.042± Ac	45,389± SF	SF (Single-Family Neighborhood)	SF-3 (Single-Family Residential)	\$23,830	\$68,085	\$0 (\$871.99)
004-061-26	0.576± Ac	25,087± SF	SF (Single-Family Neighborhood)	SF-3 (Single-Family Residential)	\$29,750	\$85,000	\$0 (\$1,088.88)
004-061-20	4.447± Ac	193,711± SF	SF (Single-Family Neighborhood)	SF-3 (Single-Family Residential)	\$28,262	\$80,750	\$0 (\$1,034.41)
004-061-29	16.308± Ac	710,376± SF	PQP (Public/Quasi-Public)	MS (Mixed-Use Suburban)	\$93,712	\$267,750	\$0 (\$3,429.85)
004-082-18	0.543± Ac	23,644± SF	PQP (Public/Quasi-Public)	MS (Mixed-Use Suburban)	\$41,377	\$118,220	\$0 (\$1,514.41)
TOTAL	27.316± Ac	1,189,851± SF	SF, PQP	SF-3, MS	\$240,493	\$687,125	\$0 (8,801.93)

As the subject property is owned by a government agency, it is exempt from real property taxation. If the property were owned privately, the real estate taxes for the assessment year 2023-2024 are indicated to be \$8,801.03. Taxed for the assessment year 2024-2025 have not yet been established.

SPECIAL ASSESSMENTS

A review of Special Assessments on the subject property was conducted through Assessment Management Group. No Special Assessments owing on the subject property were indicated.

HIGHEST AND BEST USE ANALYSIS

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

Physically Possible

The subject property, which consists of six vacant parcels containing a total land area of 27.316± acres, is located at the southwest corner of Clear Acre Lane, an arterial leading into Sun Valley, and Scottsdale Road. The subject property is irregular in shape and has gently sloping to moderate and steeply sloping topography, with areas in the westerly portion of the ownership forming a bluff overlooking the Truckee Meadows. As a result, the property does have good views of the Sierra Nevada mountains and the Truckee Meadows. Utilities are reasonably available to the subject property. The principle constraints to the development to the subject property include its irregular shape, topography and the presence of clay soils which will require mitigation prior to development.

Legal Permissibility

The easterly portion of the subject ownership, including APN 035-033-02, 004-061-22, 26, 20 & 28, are zoned SF-3 which is a zoning district primarily intended to accommodate single family detached residential uses. In addition the district functions as a transition to higher intensity residential districts.

The westerly portion of the subject ownership, including APNs 004-061-29 and 004-082-18, are zoned MS (Mixed-Use Suburban), which is intended to accommodate a mix of low intensity, auto-oriented uses, while supporting the gradual transition of the city suburban corridors to a mix of higher density residential, retail, commercial and other employment and service oriented uses. This zoning code allows a wide variety of uses, including residential and commercial uses.

As indicated, both zoning designations transition to higher density residential uses. While the existing zoning designations would allow single family residential utilizations, more intensive multi-family residential utilizations may require approval from the City of Reno for a change in land use and zoning.



Financially Feasible & Maximally Productive

The highest and best use of the subject site must be financially feasible and maximally productive. In order to be financially feasible, there must be adequate demand at sufficient price levels to support the proposed use. 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 location of the subject property, which is located adjacent to existing multi-family and multi-residential development, and adjacent to an arterial leading into Sun Valley, residential and/or multi-family development is the most likely use of the property. Although commercial and some industrial uses are allowed on that portion of the property which is zone Mixed Use, there is limited demand for new retail or commercial development in the immediate neighborhood, and the property's location would not be desirable for retail, office development, or industrial development.

Although the subject property does have significant development constraints, primarily the property's topography, shape and soil conditions, both residential and/or multi-family residential development of the site is considered to be feasible.

Based upon the analysis set forth above, it is my opinion that the most financially feasible use of the property would be development of the subject property with a residential, multi-family or mixed use residential development. Given to the size of the subject property, as well as its shape, it is anticipated that development of the property would occur in phases.

The maximally productive use of the site will be dictated by the subject's topography, shape and soil conditions. Overall, it is my opinion that the highest and best use of the subject property would be for residential and/or multi-family development, or a combination of both residential and multi-family residential development.



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.

Methodology

The purpose of this appraisal report is to estimate the Market Value of the fee simple interest of the subject property. As the subject parcels are vacant parcels, the Sales Comparison Approach to Value was determined to be the best indicator of value for the subject property. Therefore, the Sales Comparison Approach to Value will be the only approach utilized in this analysis. The Cost Approach and Income Approach to Value were not deemed appropriate approaches to utilize in the valuation of the subject property.

The Sales Comparison Approach is based upon the principal 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. The subject property is compared to vacant land parcels which have recently sold or which are currently available for sale.

SALES COMPARISON APPROACH TO VALUE

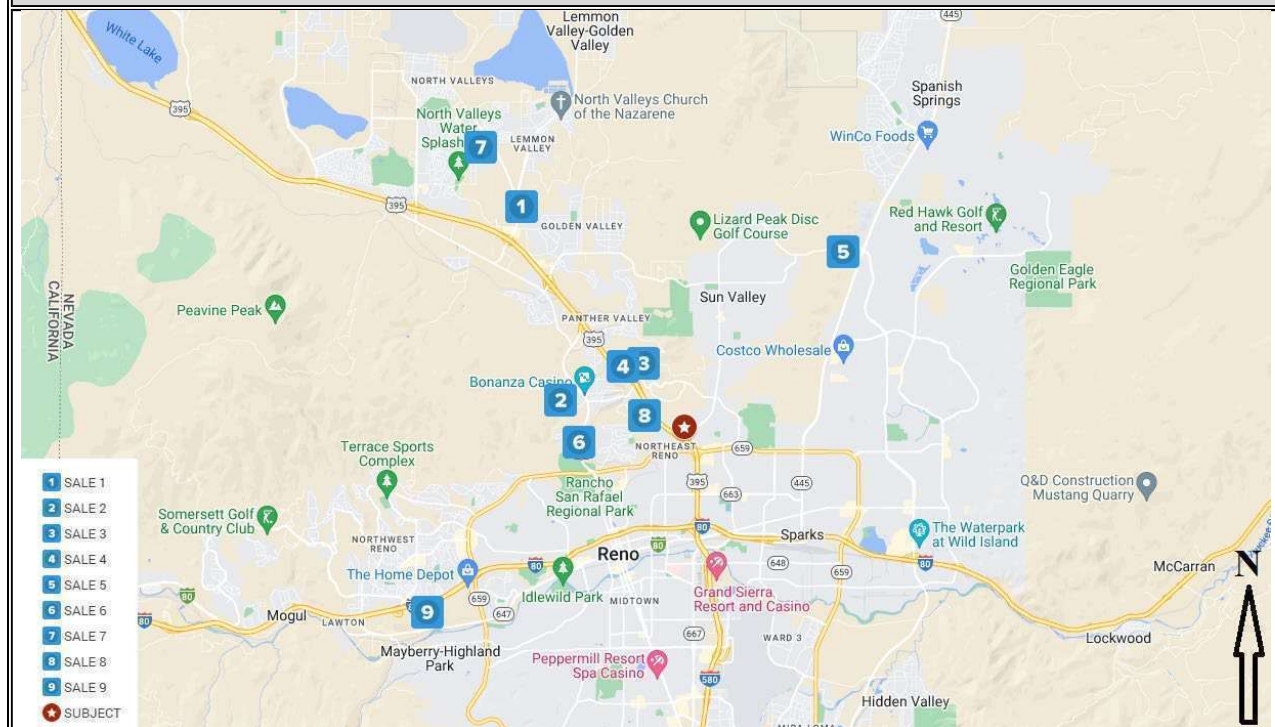
To arrive at an estimate of the Market Value of the subject property, the Official Records of Washoe County were searched for recent sales of similar properties. Additional resources, including *Loopnet*, *CoStar*, and *Multiple Listing Service*, were also utilized. Additionally, numerous brokers, buyers and sellers of similar types of property were interviewed. The chart on the following page summarizes the most comparable land sales in the market which have occurred. The chart is followed by profile sheets discussing the sales. This is followed by a correlation of the sales to the subject property.



COMPARABLE LAND SALES CHART

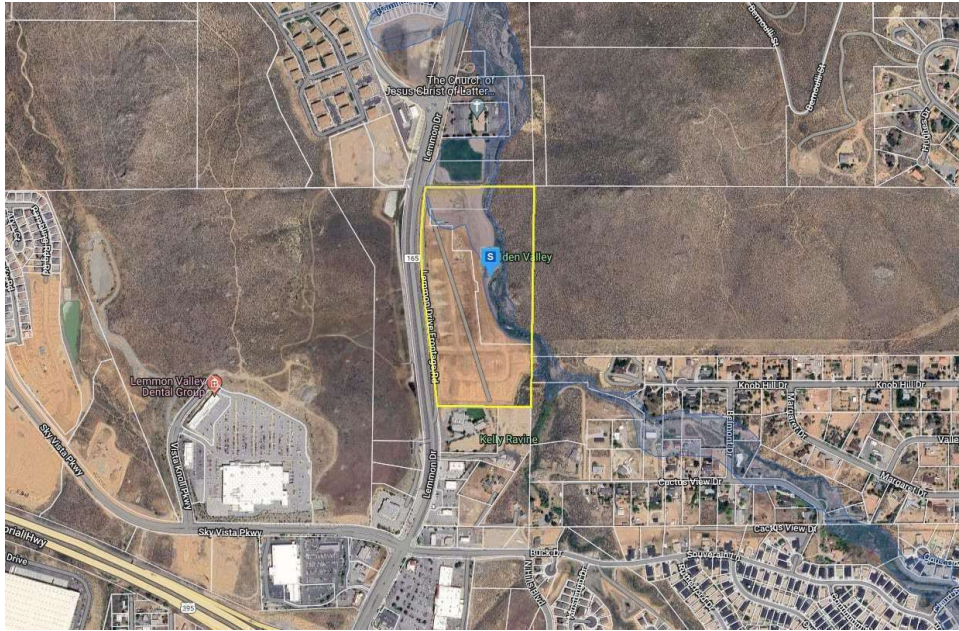
Sale Number	Assessor's Parcel Number Location	Sale Date Sale Price	Zoning	Topography	Land Area	Sale Price/ Acre	Sale Price/ Sq. Ft.
1	552-210-18 East Side of Lemmon Drive, 625' South of Military Road, Reno	1/31/2020 \$2,000,000	MDS	Level to Moderate	33.97 Ac 1,479,733 SF	\$58,875	\$1.35
2	003-020-12 & 42 Vista Rafael Parkway Terminus, Reno	5/4/2021 \$1,800,000	MF-14	Moderate to Steep	28.04 Ac 1,221,422 SF	\$64,194	\$1.47
3	035-682-02 East Side of Spectrum Boulevard, 1,620' North of Dandini Boulevard, Reno	5/17/2021 \$1,025,000	MS	Gentle/Moderate to Steep	11.88 Ac 517,493 SF	\$86,279	\$1.98
4	035-681-07 West Side of Spectrum Boulevard, 560' North of Dandini Boulevard, Reno	7/22/2021 \$5,000,000	MS	Moderate Slopes	21.89 Ac 953,528 SF	\$228,415	\$5.24
5	083-011-18 South Side of Highland Ranch Parkway, 785' Northwest of Pyramid Way, Sparks	12/15/2021 \$3,400,000	C2	Level/Moderate to Steep	57.16 Ac 3,400,000 SF	\$59,482	\$1.00
6	003-050-02 East Terminus of Mica Place, 120' East of Gypsum Road, Reno	2/25/2022 \$925,000	GC	Steep, Bluff	10.426 Ac 453,985 SF	\$88,721	\$2.04
7	086-421-12, 13, 38 & 40 West Side of Military Road, Between Tholl Drive and Wandering Way, Reno	4/22/2022 \$4,687,500	SF-5	Level to Moderate	55.02 Ac 2,396,671 SF	\$85,196	\$1.96
8	035-672-14, 15 & 17 East Terminus of West Court, The West Side of US Hwy 395, Reno	3/9/2023 \$4,000,000	MS	Moderate to Steep	30.24 Ac 1,317,254 SF	\$132,275	\$3.04
9	039-161-10 South Side of I-80, Southeast of Robb Drive Interchange, Reno	4/1/2024 \$9,625,000	LLR-1	Gentle to Upslope	85.22 Ac 3,712,140 SF	\$112,943	\$2.59
Subject Property	035-033-02; 004-061-20, 22, 26 & 29; 004-082-18 Southwest Corner of Clear Acre Lane and Scottsdale Road, Reno	Date of Value 5/17/2024	SF-3/MS		27.316 Ac 1,189,891 SF	---	---

COMPARABLE LAND SALES MAP





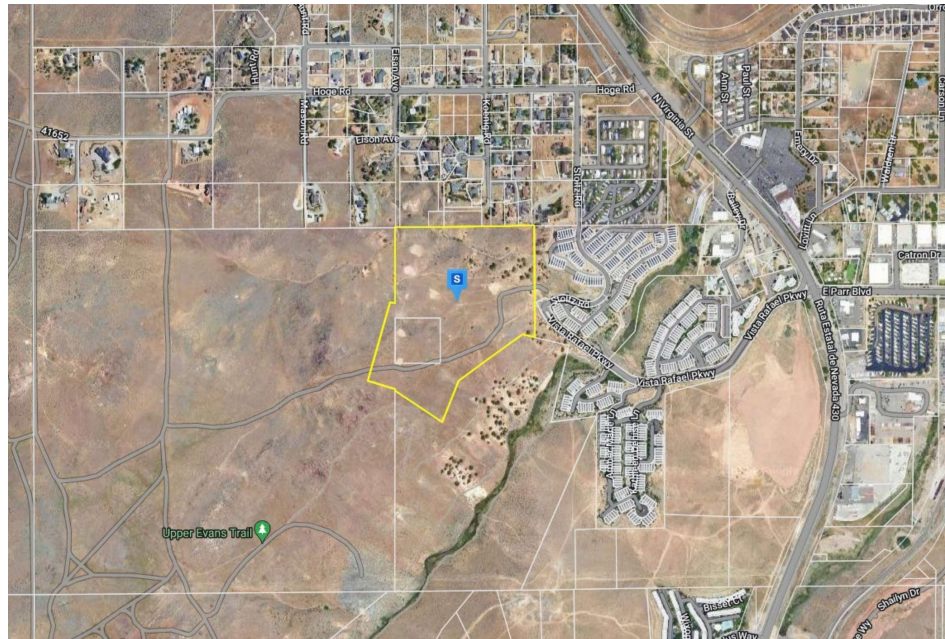
COMPARABLE LAND SALE PROFILE SHEET SALE 1



Property ID:	Lemmon Drive Land	Submarket:	Lemmon Valley
Property Type:	Vacant Land	City:	Reno
Location:	East Side Lemmon Drive	County:	Washoe
A.P.N.:	552-210-18	State:	Nevada
Topography:	Level to Moderate	Frontage:	1,734± Feet-Lemmon Drive
Zoning:	MDS-Medium Density Suburban	Utilities:	All Adjacent in Lemmon Drive
Parcel Acreage:	33.97± Acres	Water Rights:	None Included
Parcel Square Feet:	1,479,733± Square Feet	Improvements:	None-Vacant
# of Lots/Units:	98 Lots	Flood Zone:	“X” Unshaded & “AE”
Approvals:	Tentative Map	Proposed Use:	Residential Subdivision
Recording Date:	01/31/2020	Grantor:	The Lakes at Lemmon Valley, LLC
Sale Price:	\$2,000,000	Grantee:	Brian J. Eddy, Trustee, et al.
Document #:	4996904	Arm’s Length:	Yes
Transfer Taxes:	\$8,200.00	Terms of Sale:	Cash to Seller
Price/Acre:	\$58,875	Conditions of Sale:	None Noted
Price/Square Foot:	\$1.35	Time on Market:	N/A
Price/Unit:	\$20,408	Verification:	Mark Krueger-Archcrest
<p>This comparable site is located on the east side of Lemmon Drive in the Lemmon Valley area of north Reno. This site is located along Lemmon Drive, and has extensive frontage along this roadway, as well as allowed access from this road. The prior property owners did apply for a Tentative Map for the development of a 98-lot subdivision, but were denied by the Washoe County Planning Commission in May 2018 over grading and access issues.</p>			



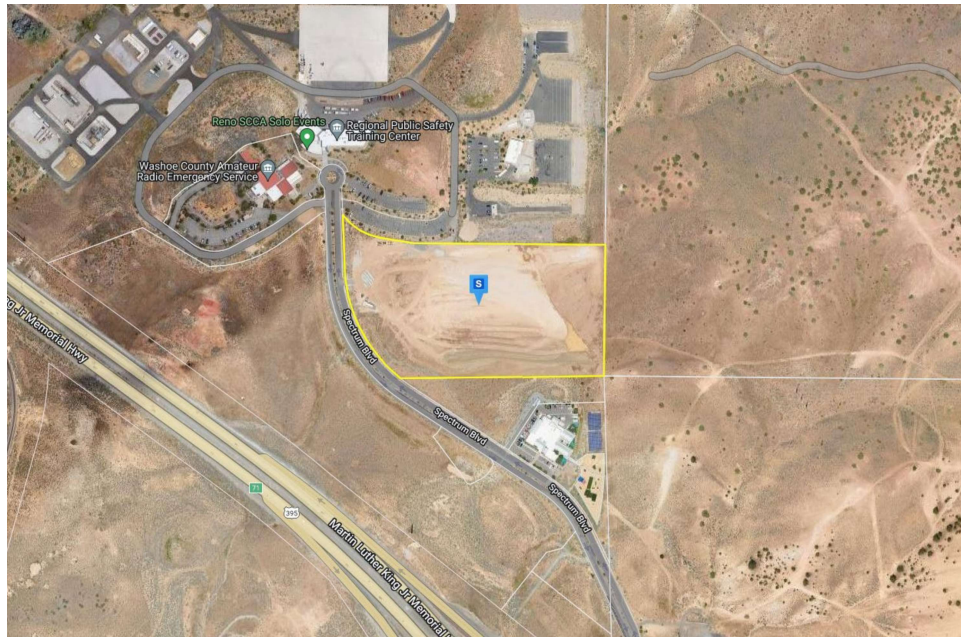
COMPARABLE LAND SALE PROFILE SHEET SALE 2



Property ID:	Vista Rafael Land	Submarket:	North Reno
Property Type:	Vacant Land	City:	Reno
Location:	Vista Rafael Pkwy Terminus	County:	Washoe
A.P.N.:	003-020-12 & 42	State:	Nevada
Topography:	Moderate to Steep	Frontage:	Vista Rafael Pkwy. Terminus
Zoning:	MF-14 (Multi-Family 14/DU/AC)	Utilities:	Must be Extended from East
Parcel Acreage:	28.04± Acres	Water Rights:	None Included
Parcel Square Feet:	1,221,422± Square Feet	Improvements:	None-Vacant
# of Lots/Units:	N/A-Allows 392± Units	Flood Zone:	"X" (Unshaded)
Approvals:	Just Zoning	Proposed Use:	142 Townhomes
Recording Date:	05/04/2021	Grantor:	Joseph & Marrina Jeng
Sale Price:	\$1,800,000	Grantee:	Merlion Development Group, LLC
Document #:	5175901	Arm's Length:	Yes
Transfer Taxes:	\$7,380.00	Terms of Sale:	Cash to Seller
Price/Acre:	\$64,194	Conditions of Sale:	None Noted
Price/Square Foot:	\$1.47	Time on Market:	N/A
Price/Unit:	\$12,676	Verification:	Public Records
<p>The sale property is located in northeast Reno at the north terminus of Vista Rafael Parkway. As a result, this site has very limited street frontage. This property is situated approximately 1/3rd± mile west of North Virginia Street. Surrounding properties include vacant land, the Rancho San Rafael Townhomes and the Eagle's Nest condominium homes. Evans Creek and Evans Canyon are located to the south of the property. Evans Canyon Trail is a popular running, hiking and mountain biking trail. This property is zoned MF-14; this district is intended to accommodate single-family residential development and low-density multi-family residential development such as duplexes, triplexes, fourplexes, townhomes, and small multi-family buildings. Secondary uses include parks, schools, and community gardens. The buyer intends to develop the property with a 142-unit townhome project; approvals for this project were not included in the sale.</p>			



COMPARABLE LAND SALE PROFILE SHEET SALE 3



Property ID:	Spectrum Boulevard Land	Submarket:	North Reno
Property Type:	Vacant Land	City:	Reno
Location:	East Side Spectrum Blvd.	County:	Washoe
A.P.N.:	035-682-02	State:	Nevada
Topography:	Gentle/Moderate to Steep	Frontage:	712± Feet-Spectrum Boulevard
Zoning:	MS (Mixed-Use Suburban)	Utilities:	Within Spectrum Boulevard
Parcel Acreage:	11.88± Acres	Water Rights:	None Included
Parcel Square Feet:	517,493± Square Feet	Improvements:	None-Vacant
# of Lots/Units:	N/A	Flood Zone:	"X" (Unshaded)
Approvals:	Just Zoning	Proposed Use:	40,000± SF Industrial Building
Recording Date:	05/17/2021	Grantor:	Dandini Group, LLC
Sale Price:	\$1,025,000	Grantee:	William M. Pelter, III
Document #:	5181608	Arm's Length:	Yes
Transfer Taxes:	\$4,202.50	Terms of Sale:	Cash to Seller
Price/Acre:	\$86,279	Conditions of Sale:	None Noted
Price/Square Foot:	\$1.98	Time on Market:	3.5± Years
Price/Unit:	N/A	Verification:	Tom Fennell-DCG
The sale property is located in northeast Reno on the east side of Spectrum Boulevard approximately 1/3 rd ± mile northwest of Dandini Boulevard. This site has extensive street frontage and visibility on Spectrum Boulevard. Access is provided to the property from Spectrum Boulevard. This property is zoned Mixed Use Suburban. This property was purchased by the owner of Reno Iron Works and is being developed with a 40,000± square foot industrial building for use by the buyer.			



COMPARABLE LAND SALE PROFILE SHEET SALE 4



Property ID:	Spectrum/Dandini Land	Submarket:	North Reno
Property Type:	Vacant Land	City:	Reno
Location:	Between U.S. 395 & Spectrum	County:	Washoe
A.P.N.:	035-681-07	State:	Nevada
Topography:	Moderate Slopes	Frontage:	Spectrum Boulevard
Zoning:	MS (Mixed-Use Suburban)	Utilities:	Within Spectrum Boulevard
Parcel Acreage:	21.89± Acres	Water Rights:	None Included
Parcel Square Feet:	953,528± Square Feet	Improvements:	None-Vacant
# of Lots/Units:	420 Proposed Units	Flood Zone:	"X" (Unshaded)
Approvals:	Fully Entitled for 420 Units	Proposed Use:	Apartment Development
Recording Date:	07/22/2021	Grantor:	Dandini Spectrum, LLC
Sale Price:	\$5,000,000	Grantee:	Dandini Spectrum Holdings, LLC
Document #:	5206869	Arm's Length:	Yes
Transfer Taxes:	\$20,500.00	Terms of Sale:	Cash to Seller
Price/Acre:	\$228,415	Conditions of Sale:	None Noted
Price/Square Foot:	\$5.24	Time on Market:	3.5± Years
Price/Unit:	\$11,905	Verification:	Heidi Chisholm-DCG
<p>The sale property is located in northeast Reno between Spectrum Boulevard and U.S. Highway 395, 400± feet west of Dandini Boulevard. As a result, this site has extensive street frontage with freeway visibility. The site has moderately sloping topography. Access is provided to the property from Spectrum Boulevard. This property is zoned Mixed Use Suburban. According to the listing broker this property was fully entitled for a multi-family development consisting of 420 units. A slightly different configuration of the sale property, which involved 25.66± acres (prior A.P.N.s 035-681-01 & 02) sold on September 29, 2017 for \$4,152,500 or \$3.72 per square foot of land area.</p>			



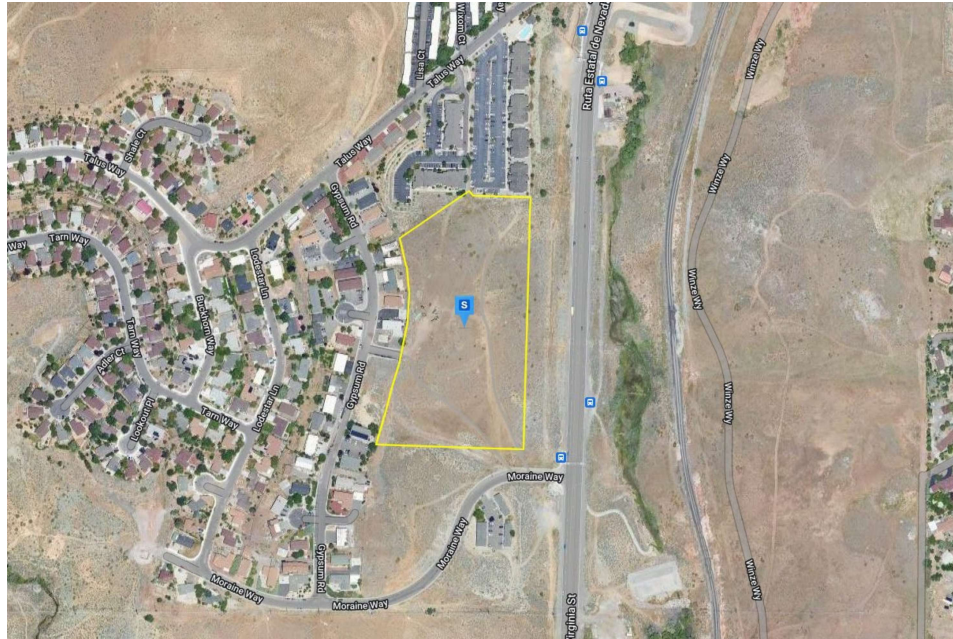
COMPARABLE LAND SALE PROFILE SHEET SALE 5



Property ID:	Highland Ranch Parkway Land	Submarket:	Spanish Springs
Property Type:	Vacant Land	City:	Sparks
Location:	South Side Highland Ranch	County:	Washoe
A.P.N.:	083-011-18	State:	Nevada
Topography:	Level/Moderate/Steep	Frontage:	Highland Ranch Parkway
Zoning:	C2 (Commercial)	Utilities:	In Close Proximity
Parcel Acreage:	57.16± Acres	Water Rights:	None Included
Parcel Square Feet:	2,489,977± Square Feet	Improvements:	None-Vacant
# of Lots/Units:	N/A	Flood Zone:	"X" (Unshaded)
Approvals:	Just Zoning	Proposed Use:	Power Substation
Recording Date:	12/15/2021	Grantor:	Bruce Investment Group, LLC
Sale Price:	\$3,400,000	Grantee:	Sierra Pacific Power Company
Document #:	5259095	Arm's Length:	Yes
Transfer Taxes:	\$13,940.00	Terms of Sale:	Cash to Seller
Price/Acre:	\$59,480	Conditions of Sale:	None Noted
Price/Square Foot:	\$1.37	Time on Market:	N/A
Price/Unit:	N/A	Verification:	NV Energy Representative
<p>The comparable property is located on the south side of Highland Ranch Parkway in the Spanish Springs area of Sparks. The parcel has adequate access from Highland Ranch Parkway. As the sale site is situated a short distance west of the intersection of Pyramid Way and Highland Ranch Parkway, it does have visibility from this signalized intersection. The parcel has an irregular shape and contains 57.16± acres of land area. The property has level to gentle topography in the very northerly portion of the site which is generally at street grade. However, the majority of the property involves moderate to steeply upsloping hillside. The property lies in a Flood Zone "X", which denotes areas of minimal flooding potential. The property was purchased by NV Energy for the development of a new substation.</p>			



COMPARABLE LAND SALE PROFILE SHEET
SALE 6



Property ID:	Mica Place/Gypsum Road Land	Submarket:	North Reno
Property Type:	Vacant Land	City:	Reno
Location:	The E. Terminus of Mica Place, 120' E of Gypsum Road	County:	Washoe
A.P.N.:	003-050-02	State:	Nevada
Topography:	Steep Slopes/Bluff	Frontage:	Limited from Mica Place
Zoning:	GC (General Commercial)	Utilities:	In Close Proximity
Parcel Acreage:	10.426± Acres	Water Rights:	None Included
Parcel Square Feet:	453,985± Square Feet	Improvements:	None-Vacant
# of Lots/Units:	N/A	Flood Zone:	"X" (Unshaded)
Approvals:	Zoning Only	Proposed Use:	Future Residential Development
Recording Date:	02/25/2022	Grantor:	Southern Edge at Reno, LLC
Sale Price:	\$925,000	Grantee:	United Development, LLC
Document #:	5280526	Arm's Length:	Yes
Transfer Taxes:	\$3,792.50	Terms of Sale:	Cash to Seller
Price/Acre:	\$88,721	Conditions of Sale:	None Noted
Price/Square Foot:	\$2.04	Time on Market:	N/A
Price/Unit:	N/A	Verification:	County Records/CoStar
This sale property is located in a multi-family residential neighborhood located to the north of Rancho San Rafael Regional Park by the University of Nevada, and to the west of U.S. Highway 395 (business route). The sale property has steeply sloping topography, extending in an uphill direction from North Virginia street, forming a bluff with access from Mica Place.			



COMPARABLE LAND SALE PROFILE SHEET
SALE 7



Property ID:	Military Road Parcels	Submarket:	Stead
Property Type:	Vacant Land	City:	Reno
Location:	West Side Military Road	County:	Washoe
A.P.N.:	086-421-12, 13, 38 & 40	State:	Nevada
Topography:	Level to Moderate	Frontage:	Military Road, Cassilis Drive
Zoning:	SF5	Utilities:	Along Military Road
Parcel Acreage:	55.02± Acres	Water Rights:	None Included
Parcel Square Feet:	2,396,671± Square Feet	Improvements:	None-Vacant
# of Lots/Units:	236 Lots	Flood Zone:	"X" (Unshaded), "A" & "AE"
Approvals:	Tentative Map-236 Lots	Proposed Use:	Residential Subdivision
Recording Date:	04/22/2022	Grantor:	Reno Arroyo Crossings, LLC
Sale Price:	\$4,687,500	Grantee:	D.R. Horton, Inc.-NNV
Document #:	5283506	Arm's Length:	Yes
Transfer Taxes:	\$19,218.75	Terms of Sale:	Cash to Seller
Price/Acre:	\$85,196	Conditions of Sale:	None Noted
Price/Square Foot:	\$1.96	Time on Market:	1± Year
Price/Unit:	N/A	Verification:	CoStar; Listing Package
This sale included four parcels totaling 55.02± acres of land located on the west side of Military Road in the Stead submarket of Reno. The property had an approved tentative map for 236 lots at the time of sale. The buyer in the transaction was D.R. Horton. The property has generally level topography, with some areas of moderate undulations. The property had good access to utility services.			



COMPARABLE LAND SALE PROFILE SHEET
SALE 8



Property ID:	US Highway 395 Land	Submarket:	Parr Boulevard Industrial
Property Type:	Vacant Land	City:	North Reno
Location:	The East Terminus of Wes Court, On the West Side of US Hwy 395	County:	Washoe
A.P.N.:	035-672-14, 15 & 17	State:	Nevada
Topography:	Moderate to Steep Upslope/ Hillside	Frontage:	US Highway 395 Visibility, Wes Court Access (Road to be extended)
Zoning:	MS (Mixed-Use Suburban)	Utilities:	In proximity, need to be extended
Parcel Acreage:	30.24± Acres	Water Rights:	N/A
Parcel SF:	1,317,254± Square Feet	Improvements:	None – Vacant
# of Lots/Units:	N/A	Flood Zone:	“X” (Unshaded)
Approvals:	Just Zoning	Opportunity Zone:	N/A
Easements:	60' H-Frame Powerline	Shape:	Irregular
Recording Date:	03/09/2023	Grantor:	Reno Development Group, LLC
Sale Price:	\$4,000,000	Grantee:	SportLogic Northern Nevada Inc.
Document No.:	5367076	Arm's Length:	Yes
Transfer Taxes:	\$16,400.00	Terms of Sale:	50% Down Payment, Seller Financing
Price/Acre:	\$132,275.13	Conditions of Sale:	None Known
Price/Square Foot:	\$3.04	Time on Market:	N/A
Price/Unit:	N/A	Verification:	Confidential and Public Records
This sale included three adjoining parcels totaling 30.24± acres. This property is located along the west side of US Highway 395 on the southeast side of Bennie Lane. This site has limited Bennie Lane frontage and access is via Wes Court. It is noted that Wes Court is a private road easement which is included in the sale acreage. Wes Court is currently unimproved. This property has moderate to upsloping hillside topography. It is noted that a 75-foot-wide H-Frame powerline easement traverses the southerly portion of the property. This property is proposed to be improved with a soccer stadium.			



COMPARABLE LAND LISTING PROFILE SHEET SALE 9



Property ID:	I-80 Land	Submarket:	West Reno
Property Type:	Vacant Land	City:	Reno
Location:	S/S of I-80, Southeast of the I-80/Robb Drive Interchange	County:	Washoe
A.P.N.:	039-161-10	State:	Nevada
Topography:	Undulating – Gentle to Upsloping Hillside	Frontage:	Interstate 80 Visibility, Access to be Extended
Zoning:	LLR-1 (Residential)	Utilities:	Must be Extended to Site
Parcel Acreage:	85.22± Acres	Water Rights:	None Included
Parcel SF:	3,712,140± Square Feet	Improvements:	None-Vacant
# of Lots/Units:	N/A	Flood Zone:	“X” (Unshaded)
Approvals:	Just Zoning	Opportunity Zone:	No
Easements:	Typical	Shape:	Irregular
Recording Date:	04/01/2024	Grantor:	Heiser-Scholten Properties
Sale Price:	\$9,625,000	Grantee:	FJ Management Inc.
Document No.:	5445805	Arm’s Length:	Yes
Transfer Taxes:	\$39,462.50	Terms of Sale:	Cash to Seller
Price/Acre:	\$112,943	Conditions of Sale:	None Reported
Price/Square Foot:	\$2.59	Time on Market:	6± Years
Price/Unit:	N/A	Verification:	Rick LaMay, Avison Young and Public Records
<p>This comparable is the recent sale of 85.22± acres located in west Reno. This property is situated on the south side of Interstate 80, a short distance southeast of the I-80/Robb Drive interchange. This property involves undulating level to upsloping hillside topography which affords the site good views of downtown Reno. The property has extensive frontage on Interstate 80, however access would not be allowed from the highway. Prior to development a road as well as utility services will need to be extended to the site. According to the City of Reno a request has been made for a master plan amendment for the property from Large Lot Residential to Suburban Mixed-Use, and Parks, Greenways and Open Space (PGOS) and a zoning change to Specific Plan District (SPD). The proposed Heiser Specific Plan District includes use types to provide for retail, residential and flex industrial opportunities. According to Mr. LaMay no water rights are included in the sale price.</p>			



SALES COMPARISON APPROACH SUMMARY AND CONCLUSION

The comparable sales utilized in this analysis range in date of sale from January 31, 2020 to April 1, 2024, in comparison to the subject's effective date of value of May 17, 2024. The comparable sales indicate a range in land area from 10.426± acres (453,985± square feet) to 85.22± acres (3,712,140± square feet) in comparison to the subject property which contains 27.316± acres (1,189,891± square feet). The comparable sales indicate a range in sale price per acre from \$58,875 per acre to \$228,415 per acre. The comparable sales indicate a range in sale price per square foot from \$1.00 per square foot to \$5.24 per square foot.

Adjustments to Sales

Adjustments have been made to the comparable sales for market conditions, property rights, financing of the sale, conditions of sale, zoning, location, size, density, approvals and other factors. The sales will be analyzed based upon a sale price per square foot basis.

Due to a lack of paired sales and market evidence supporting quantitative adjustments, qualitative adjustments have been utilized for a majority of the adjustment criteria.

Property Rights Conveyed

In this report, I am estimating the fee simple market value of the subject property. Each of the comparable properties analyzed involved the sale, contract or listing of the fee simple interest of the properties; therefore, no adjustments for property rights are required to the comparable properties when comparing them to the subject's fee simple estate.

Financing-Terms of Sale

With the exception of Comparable Sale 8, the comparable sales involve cash equivalent sale terms. Comparable Sale 8 involved seller financing, however, the buyer placed a 50% cash downpayment. Overall, no adjustments are necessary to the comparable properties for cash equivalency.

Conditions of Sale

All of the comparable sales involve closed sales transactions, and no conditions of sale were noted for any of the sales. Therefore, no conditions of sale adjustments are required to the sales.



Buyer Expenditures

All of the comparable properties involve vacant parcels, and no immediate buyer expenditures were required. Overall, no adjustments have been made to the sales for buyer expenditures.

Market Conditions (Date Of Sale)

The comparable sales utilized in this analysis range in date of sale from January 31, 2020 to April 1, 2024, in comparison to the subject's effective date of value of May 17, 2024. In general, market conditions have continued to show increases in land prices in the local and regional market. As a result, an upward adjustment for date of sale is indicated to Comparable Sales 1-7, which occurred between January 2020 and April 2022. Comparable Sales 8 and 9 occurred in 2023 and 2024, and as a result, a minimal time adjustment is indicated.

Zoning/Approvals

The subject property has a mix of SF-3 (Single-Family Residential) and MS (Mixed U Suburban) zoning designations. The comparable sales utilized in this analysis have a variety of zoning designations, and with the exception of Comparable Sales 5 and 6, are considered to have similar development potential. Comparable Sales 5 and 7, which have commercial zoning designations, do require a downward adjustment.

In its current condition, the subject property does not have any current development approvals. Comparable Sale 4 included entitlements for the development of 420 multi-family units, requiring a substantial downward adjustment in comparison to the subject property. Comparable Sale 7 included tentative map approval, requiring a downward adjustment. The balance of the comparable sales analyzed are similar to the subject property.

Location

The subject property is located in the North Reno submarket, as are Comparable Sales 2, 3, and 6. No adjustment for general location indicate to these sales. Comparable Sales 4 and 8 are also located in the North Reno submarket, however they have extensive frontage and visibility from US Highway 395. As a result, a downward adjustment is indicated to these sales. Comparable Sales 1 and 7 are located in the North Valleys, which has experienced strong market demand for residential properties. A downward adjustment for location is indicated. Comparable Sale 5 is located between Sun Valley and Spanish Springs Valley, in a competitive neighborhood. No adjustment is indicated. Comparable Sales 9 is located in the West Reno

submarket, with extensive frontage and visibility from Interstate 80. A downward adjustment for general location is indicated.

Topography

The subject has gently sloping to steeply sloping topography with the westerly portion of the ownership forming a bluff overlooking the Truckee Meadows. Minor drainage area divides the bluff. The subject's topography will be one of the greater development constraints to the property. Comparable Sales 3, 4, 6, 8 and 9 are considered to have similar topography in comparison to the subject property. Comparable Sale 1 had level to moderate topography, requiring a downward adjustment. Comparable Sale 7 has level to moderate topography requiring a downward adjustment. Comparable Sale 2 has level to steeply sloping topography, requiring an upward adjustment in comparison to the subject property.

Utilities

The subject property has reasonable access to utilities, as do Comparable Sales 1-8. Comparable Sale 9 will require extension of utilities; and upward adjustment is indicated.

Size

The subject property contains 27.316± acres, while the comparable sales ranging land area from 10.426± acres to 85.22 ± acres. Generally, a relationship exists between the size of the parcel and the per unit price paid. Larger parcels tend to have a lower price per unit paid, while smaller parcels tend to have a larger price to unit paid. A qualitative adjustment for size is indicated to the comparable sales for the variations in size.

Access

The subject property has access from Clear Acre Lane and Scottsdale Road. Comparable Sales 1, 3, 4, 5, and 7 have similar access. Comparable Sales 2 and 6 have limited frontage and access requiring an upward adjustment in comparison to the subject property. Comparable Sales 8 and 9 have limited access, requiring an upward adjustment in comparison to the subject property.

Other Adjustments

Comparable Sale 8 is encumbered by a major overhead powerline easement, and as a result, an upward adjustment is indicated.



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The following chart summarizes the adjustment to the comparable sales in comparison to the subject property.

COMPARABLE LAND SALES ADJUSTMENT CHART												
Sale Number	Assessor's Parcel Number Location	Sale Price/ Sq. Ft.	Terms of Sale	Sale Date Sale Price	Location	Size	Topography	Zoning	Approvals	Access	Other	Overall Indicator
1	552-210-18 East Side of Lemmon Drive, 625' South of Military Road, Reno	\$1.35	Cash to Seller =	1/31/2020 ++	North Valleys, Lemmon Valley -	33.970± Ac +	Level to Moderate -	MDS =	None =	Lemmon Drive =	N/A	Low Indicator
2	003-020-12 & 42 Vista Rafael Parkway Terminus, Reno	\$1.47	Cash to Seller =	5/4/2021 +	North Reno =	28.040± Ac =	Level to Steep +	MF-14 =	None =	Limited Frontage +	N/A	Low Indicator
3	035-682-02 East Side of Spectrum Boulevard, 1,620' North of Dandini Boulevard, Reno	\$1.98	Cash to Seller =	5/17/2021 +	North Reno =	11.880± Ac -	Gentle/Moderate to Steep =	MS =	None =	Spectrum Blvd. =	N/A	Slightly Low Indicator
4	035-681-07 West Side of Spectrum Boulevard, 560' North of Dandini Boulevard, Reno	\$5.24	Cash to Seller =	7/22/2021 +	North Reno, US 395 -	21.890± Ac -	Moderate Slopes =	MS =	Approval, 420 Units -	Spectrum Blvd. =	N/A	High Indicator
5	083-011-18 South Side of Highland Ranch Parkway, 785' Northwest of Pyramid Way, Sparks	\$1.00	Cash to Seller =	12/15/2021 +	Spanish Springs =	57.160± Ac +	Level/Moderate to Steep +	C2 -	None =	Highland Ranch =	N/A	Very Low Indicator
6	003-050-02 East Terminus of Mica Place, 120' East of Gypsum Road, Reno	\$2.04	Cash to Seller =	2/25/2022 +	North Reno =	10.426± Ac -	Steep, Bluff =	GC -	None =	Limited Frontage +	N/A	Slightly Low Indicator
7	086-421-12, 13, 38 & 40 West Side of Military Road, Between Tholl Drive and Wandering Way, Reno	\$1.96	Cash to Seller =	4/22/2022 +	North Valleys, Stead -	55.020± Ac +	Level to Moderate -	SF-5 =	Tentative Map -	Military Road =	N/A	Slightly Low Indicator
8	035-672-14, 15 & 17 East Terminus of West Court, The West Side of US Hwy 395, Reno	\$3.04	Seller, 50% Down =	3/9/2023 =	North Reno, US 395 -	30.240± Ac +	Moderate to Steep =	MS =	None =	Limited Access +	Powerline Easement +	High Indicator
9	039-161-10 South Side of I-80, Southeast of Robb Drive Interchange, Reno	\$2.59	Cash to Seller =	4/1/2024 =	West Reno, I-80 -	85.220± Ac ++	Undulating Upslope =	LLR-1 =	None =	Limited Access +	Requires Utility Extension +	High Indicator
Subject Property	035-033-02; 004-061-20, 22, 26 & 29; 004-082-18 Southwest Corner of Clear Acre Lane and Scottsdale Road, Reno	---	Cash	Date of Value 5/17/2024	North Reno	27.316± Ac	Gentle to Steep, Bluff	SE-3/MS	None	Clear Acre, Scottsdale Road	---	---

Summary

The comparable sales indicate a range in price from \$1.00 per square foot to \$5.24 per square foot.

Upward adjustments were required to the sales for market conditions, as demand for vacant land in the Reno market has continued to push land prices upward. Other adjustment made to the sales include adjustments for zoning, approvals, location, topography, utilities, size and access. Although the subject property does have topography which will require significant grading, each of the sale analyzed do involve raw land that will require grading and site work prior to vertical construction.

Based on a review of the available date, and with consideration given to the analysis as set forth above, it is my opinion that a per unit price of \$2.25 per square foot to \$2.50 per square



foot would be applicable to the subject property, assuming it to be unencumbered by the tank access, utility, and drainage facilities easement granted to the Truckee Meadows Water Authority. The impact of the easement will be discussed in a subsequent section of this appraisal report. Applying the indicated per square foot value range to the subject's 1,189,885± square feet results in an indicated value range of \$2,677,241 to \$2,974,713, which is correlated to a final value conclusion of \$2,750,000.

UNENCUMBERED FEE VALUE CONCLUSION

\$2,750,000



ACCESS AND UTILITY EASEMENT ANALYSIS

In the prior section of this appraisal, the value of the subject property was estimated, unencumbered by the tank access, utility, and drainage facilities easement granted to the Truckee Meadows Water Authority. This section of the appraisal report will address the Market Value of the subject property, subject to the easement.

On April 4, 2024, the Regional Transportation Commission of Washoe County (grantor) granted to the Truckee Meadows Water Authority (grantee) a grant of easement for tank access, utility, and drainage facilities. This easement was recorded as Document No. 5446485 in the Official Records of Washoe County. A copy of the easement is set forth in the addenda to this appraisal report.

The grantor granted to the grantee an exclusive easement over a portion of the subject property as a relocatable permanent and nonexclusive easement for tank access, water, and drainage facilities. The relocatable permanent and exclusive easement is intended for tank access, water, and drainage facilities, over, across, upon, under, and through portions of the subject property, and is required to construct, erect, alter, maintain, inspect, repair, reconstruct, and operate one or more water pipes, under ground electric, water distribution, communication facilities, and access road, together with fences, gates, conduits, pipes, pressure regulators, generators, valves, valve boxes, switches, and pad mounted transformers, fixtures, pump to waster facilities, and other necessary or convenient utility facilities and pertinence. The grantee shall at all times have ingress and egress to the easement areas via the access road. The grantee shall install at least 4 inch compacted Type 2 gravel base and/or paving from Clear Acre Lane to the water tank site and shall maintain the access road.

Reference is made to the addenda to this appraisal report, which sets forth a copy of the easement. The following sets forth the legal descriptions and sketches of the Truckee Meadows Water Authority Easement.



EASEMENT FOR TANK ACCESS, UTILITY, AND DRAINAGE FACILITIES

Document No. 5446485

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EXHIBIT "A"
GRANTOR PROPERTY
LEGAL DESCRIPTIONS

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

Parcel 1:

A portion of the North 1/2 of the Northeast 1/4 of Section 36, Township 20 North, Range 19 East, M.D.B. & M. described as follows:

Commencing at the Northeast corner of Section 36, Township 20 North, Range 19 East M.D.B. & M, as said corner found to be a brass cap as shown on the Record of Survey File No. 848926; thence along the North line of said Section 36, North 89°30'38" West 376.02 feet to the Northeast corner of said Parcel and the POINT OF BEGINNING; thence leaving said North line along the West line of that parcel of land described in a Grant Deed filed for record on July 28, 1998 in Book 5326 of Official Records, Page 14, Document No. 2235831 records of said County of Washoe South 00°49'14" West 192.39 feet; thence leaving said West line South 88°44'53" West 938.10 feet to the West line of said Northeast 1/4 of the Northeast 1/4 of Section 36; thence along said West line North 00°52'23" East 220.90 feet to said Northline of Section 36; thence along said North line South 89°30'38" East 937.30 feet to the POINT OF BEGINNING.

APN: 004-061-20

Document No. 3047767 is provided pursuant to the requirements of Section 6.NRS 111.312.

Parcel 2:

A portion of the Northeast 1/4 of the Northeast 1/4 of Section 36, Township 20 North, Range 19 East, M.D.B. & M., being in the City of Reno, County of Washoe, State of Nevada, and further described as being a portion of that parcel of land described in a Grant, Bargain and Sale Deed filed for record on August 17, 1999, as Document No. 2371630, Official records of Washoe County, described as follows:

Beginning at the Northeast corner of said Section 36, Township 20 North, Range 19 East, M.D.B. & M., as said corner found to be brass cap as shown on Record of Survey for Michael Maskali, as File No. 848926, filed for record on April 14, 1983, as Survey Map No. 1580, in the office of the County Recorder of said County of Washoe; thence along the North line of said Section 36, North 89°30'38" West a distance of 244.01 feet to the East line of Parcel 1, described in a Grant, Bargain and Sale Deed to Regional Transportation Commission of Washoe County, filed for record on October 8, 1999, as Document No. 2387943, records of said County of Washoe; thence along said East line, South 00°49'15" West a distance of 188.75 feet; thence leaving said East line, North 88°44'53" East a distance of 207.28 feet; thence along a 40.19 foot radius curve to the right, through a central angle of 63°48'50", an arc distance of 44.76 feet, subtended by a chord of South 59°20'42" East a distance of 42.48 feet to the East line of said Section 36; thence along said East line, North 00°49'19" East a distance of 203.80 feet to THE POINT OF BEGINNING.

Together with the access rights, including the abutter's rights in and to Sutro Street and Sr-443 (Clear Acre Lane) along the following described line:

Commencing at the Northeast corner of Section 36, Township 20 North, Range 19 East, M.D.B. & M., as said corner found to be a brass cap as shown on Record of Survey for Michael Maskali, as File No. 848926, filed for record on April 14, 1983, as Survey Map No. 1580, in the office of the County Recorder of said County of Washoe; thence along the North line of said Section 36, North 89°30'38" West a distance of 244.01 feet to the East line of Parcel 1, described in a Grant, Bargain and Sale Deed to Regional Transportation Commission of Washoe County, filed for record on October 8, 1999, as Document No. 2387943, records of said County of Washoe; thence along said East line South 00°59'15" West a distance of 188.75 feet to THE POINT OF BEGINNING; thence leaving said East line, North 88°44'53" East a distance of 207.28 feet; thence along a 40.19 foot radius curve to the right, through a central angle of 63°48'50", an arc distance of 44.76 feet, subtended by a chord of South 59°20'42" East a distance of 42.48 feet to the East line of said Section 36; thence along said East line, South 00°49'19" West a distance of 126.31 feet to the Northeast corner of that parcel of land described in a Deed of Reconveyance recorded December 11, 1992 in Book 3630 of Official Records, Page 8, Document No. 1629508, records of said County of Washoe, the POINT OF ENDING.

APN: 004-061-22



EASEMENT FOR TANK ACCESS, UTILITY, AND DRAINAGE FACILITIES CONT.

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**EXHIBIT "A" Continued
GRANTOR PROPERTY
LEGAL DESCRIPTIONS**

Parcel 3:

A portion of the Northeast 1/4 of the Northeast 1/4 of Section 36, Township 20 North, Range 19 East, M.D.B. & M. described as follows:

Commencing at the Northeast corner of said Section 36; thence Westerly along the North line of said Section 36, a distance of 244.00 feet to THE TRUE POINT OF BEGINNING; thence Westerly along said line a distance of 132.00 feet; thence South a distance of 192.39 feet; thence East a distance of 132.09 feet; thence North a distance of 188.75 feet to THE POINT OF BEGINNING.

Together with a right of way easement for a 20 foot roadway over and across the South 20 feet of the premises and a right of way easement over and across a roadway described in a Deed of Easement recorded January 25, 1978, as Document No. 584608, Official records. Said easements are also shown on the Record of Survey recorded December 19, 1978, as Document No. 578017, Survey map no. 1252.

EXCEPTING THEREFROM any portion taken by Final Order of Condemnation, recorded June 2, 2004, as Document No. 3047767, Official Records.

APN: 004-061-26

Document No. 3047767 is provided pursuant to the requirements of Section 6 NRS 111.312.

Parcel 4:

A portion of the Northwest 1/4 of the Northwest 1/4 of Section 31, Township 20 North, Range 20 East, M.D.B. & M. described as follows:

Beginning at the Northwest corner of Section 31, Township 20 North, Range 20 East, M.D.B. & M.; thence South 89°41'01" East 702.62 feet to the Westerly line of Clear Acre Lane; thence along said line South 52°03'39" West 533.04 feet; thence on a curve to the left, with a central angle of 11°05'23" and a radius of 2075 feet, an arc distance of 401.62 feet; and thence North 00°49'24" East 607.61 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM that portion taken by Final Order of Condemnation, recorded January 5, 1999 in Book 5528, page 123, as Document No. 2293224, Official Records.

APN: 035-033-02

Document No. 2416431 is provided pursuant to the requirements of Section 6 NRS 111.312

[Above Legal Descriptions were referenced directly from that Preliminary Title Report produced by Ticor Title of Nevada Inc. as Order No. 02303279-TO on November 3rd, 2023.]



EASEMENT FOR TANK ACCESS, UTILITY, AND DRAINAGE FACILITIES CONT.

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**EXHIBIT "A" Continued
GRANTOR PROPERTY
LEGAL DESCRIPTIONS**

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

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

PARCEL 5:

All that portion of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 36, Township 20 North, Range 19 East, M.D.B.&M., lying Northerly of the Northerly right-of way line of U.S. Highway 395, as conveyed to the State of Nevada by Deed Recorded December 21, 1966 under File No. 77516, Official Records.

EXCEPTING THEREFROM

All that certain real property conveyed by a Quitclaim Deed to the State of Nevada, acting by and through its Department of Transportation, recorded April 11, 2022 as Document No. 5293488, Official Records, and more particularly described as follows:

A portion of the Northwest-quarter of the Northeast-quarter of Section 36, T. 20 N., R. 19 E., M.D.M., being in the City of Reno, County of Washoe, State of Nevada, and further described as being a portion of that certain parcel of land described in a Final Order of Condemnation filed for record on December 28, 1999, as Document No. 2410169, records of said County of Washoe, and more particularly described by metes and bounds as follows, to wit:

COMMENCING at the North quarter-corner of Section 36, T. 20 N., R. 19 E., M.D.M., as said corner found to be a brass cap as shown on Record of Survey for Desert Research Institute, filed for record on July 9, 1981 as File No. 747512, Survey Map No. 1492, in the office of the County Recorder of said County of Washoe; thence along the West line of the Northeast-quarter of said Section 36, S. $00^{\circ}55'28''$ W. a distance of 188.15 feet (57.348 meters) to an intersection with the right or northeasterly right-of-way line of US 395, the POINT OF BEGINNING, said point of beginning further described as being 220.66 feet (67.257 meters) right of and measured radially from Highway Engineer's Station "ASm" 2014+14.515 P.O.C.; thence continuing along said West line of the Northeast-quarter of said Section 36, S. $00^{\circ}55'28''$ W. a distance of 85.48 feet (26.054 meters) to the former right or northeasterly right-of-way line of US-395, as conveyed to the State of Nevada by Deed, filed for record on December 21, 1966 in Book 226, Page 605, of Official Records, as Document No. 77516; thence along said former right or northeasterly right-of-way line, the following four (4) courses and distances:

- 1) S. $50^{\circ}31'10''$ E. 258.31 feet (78.734 meters);
- 2) S. $61^{\circ}27'40''$ E. 851.13 feet (259.425 meters);
- 3) S. $55^{\circ}09'51''$ E. 200.06 feet (60.979 meters);
- 4) S. $49^{\circ}56'41''$ E. 247.59 feet (75.467 meters)

To the East line of the Northwest-quarter of the Northeast-quarter of said Section 36;



EASEMENT FOR TANK ACCESS, UTILITY, AND DRAINAGE FACILITIES CONT.

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**EXHIBIT "A" Continued
GRANTOR PROPERTY
LEGAL DESCRIPTIONS**

Thence along said East line N. 00°52'23" E. a distance of 203.21 feet (61.938 meters) to said right or northeasterly right-of-way line of US-395; thence along said right or northeasterly right-of-way line the following six (6) courses and distances:

- 1) N. 55°38'29" W. 167.20 feet (50.964 meters)
- 2) N. 69°52'23" W. 600.02 feet (182.886 meters);
- 3) N. 56°35'47" W. 360.37 feet (109.840 meters);
- 4) from a tangent which bears the last described course, along a 4, 852.36 foot (1479.003-meter) radius curve to the right; through a central angle of 04°13'00", an arc distance of 357.10 feet (108.845 meters);
- 5) N. 37°37'13" E. 10.06 feet (3.066 meters);
- 6) N. 52°22'17" W. 19.96 feet (6.085 meters) to the point of beginning.

Document No. 5293488 is provided pursuant to the requirements of Section 6.NRS 111.312.

PARCEL 6:

Access easement, as set forth and contained in that Document entitled Grant of Public Access Easement, recorded November 21, 1995, in Book 4436, Page 811, as Document No. 1944037, Official Records.

APN: 004-061-28

[Above Legal Description was referenced directly from that First Amended Preliminary Title Report produced by Ticor Title of Nevada Inc. as Order No. 02303277-TO on October 25th, 2023.]



EASEMENT FOR TANK ACCESS, UTILITY, AND DRAINAGE FACILITIES CONT.

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**EXHIBIT B
LEGAL DESCRIPTION FOR
TMWA FACILITIES EASEMENT**

All that certain water facilities easement situate within a portion of the Northeast One-Quarter (NE 1/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Nineteen (19) East, and within a portion of the Northwest One-Quarter (NW 1/4) of Section Thirty-One (31), Township Twenty (20) North, Range Twenty (20) East, Mount Diablo Meridian, City of Reno, County of Washoe, State of Nevada, being portions of land as described in Final Order of Condemnation Document No. 2410169, recorded on December 28, 1999, Final Order of Condemnation Document No. 3047767, recorded on June 2, 2004, Grant, Bargain and Sale Deed Document No. 2416432, record January 21, 2000, and a portion of land as shown on Record of Survey Map No. 1580, recorded on April 14, 1983, as File No. 848926, all filed in the Official Records of Washoe County, Nevada, being 25 feet wide and lying 12.5 feet on each side of the following described centerlines:

EASEMENT AREA 1:

COMMENCING at the Northeast corner of said Section Thirty-Six (36), being marked by a found 1 1/2" Nevada Highway Department brass cap set in concrete;
THENCE departing said corner and along the North line of said Northeast One-Quarter of said Section Thirty-Six (36), North 89°29'50" West a distance of 1313.34 feet to the Northeast corner of the parcel described is said Document No. 2410169;
THENCE departing said North line and along the East line of said parcel, South 00°53'02" West a distance of 187.28 feet to the POINT OF BEGINNING, also hereinafter referred to as POINT A;
THENCE departing said East line and along said easement centerline, South 89°24'08" West a distance of 22.32 feet to a point hereinafter referred to as POINT B;
THENCE continuing along said easement centerline, South 89°24'08" West a distance of 155.14 feet to the POINT OF TERMINUS hereinafter referred to as POINT OF TERMINUS 1;

The sidelines of said easement shall be prolonged or shortened as to begin at the East line of said parcel, and to terminate at a line that bears North 00°01'48" West running through said POINT OF TERMINUS 1, also being the East line of a proposed TMWA water tank parcel.

ALSO BEGINNING at aforesaid POINT B;

THENCE along said easement centerline the following three (3) courses and distances:

1. North 00°37'28" East a distance of 131.35 feet;
2. North 09°30'28" West a distance of 42.16 feet;
3. North 06°29'35" West a distance of 14.95 feet to the POINT OF TERMINUS;

The sidelines of said easement shall be prolonged or shortened as to begin on the North line of the above described easement, and shall prolonged or shortened as to terminate on the North line of said parcel.

Containing a total of 8,836 square feet of land, more or less.



EASEMENT FOR TANK ACCESS, UTILITY, AND DRAINAGE FACILITIES CONT.

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**EXHIBIT B
LEGAL DESCRIPTION FOR
TMWA FACILITIES EASEMENT**

EASEMENT AREA 2:

BEGINNING at aforesaid POINT A, being on the West line Parcel 1 of said Document No. 3047767, from which the Northwest corner of said Parcel 1 bears North 00°53'02" East a distance of 187.28 feet;
THENCE departing said West line and along said easement centerline, North 89°24'08" East a distance of 626.07 feet;
THENCE continuing along said easement centerline, North 89°33'43" East a distance of 311.55 feet to a point hereinafter referred to as POINT C, also being the POINT OF TERMINUS for Easement Area 2;

The sidelines of said easement shall be prolonged or shortened as to begin and terminate on the West line and East line of said Parcel 1.

Containing 23,441 square feet of land, more or less.

See Exhibit "B-2", plat to accompany description, attached hereto and made a part hereof.

EASEMENT AREA 3:

BEGINNING at aforesaid POINT C, being on the West line of the parcel shown on said Record of Survey Map No. 1580, from which the Northwest corner of said parcel bears North 00°50'55" East a distance of 170.14 feet;
THENCE departing said West line and along said easement centerline, North 89°33'43" East a distance of 74.98 feet;
THENCE continuing along said easement centerline, North 86°47'25" East a distance of 57.18 feet to a point hereinafter referred to as POINT D, also being the POINT OF TERMINUS for Easement Area 3;

The sidelines of said easement shall be prolonged or shortened as to begin and terminate on the West line and East line of said parcel.

Containing 3,304 square feet of land, more or less.

See Exhibit "B-3", plat to accompany description, attached hereto and made a part hereof.

EASEMENT AREA 4:

BEGINNING at aforesaid POINT D, being on the West line of the Parcel 004-061-01 ROW described in said Document No. 3047767, from which the Northwest corner of said parcel bears North 00°50'53" East a distance of 165.20 feet;
THENCE departing said West line and along said easement centerline, North 86°47'25" East a distance of 144.55 feet;
THENCE continuing along said easement centerline, South 89°53'08" East a distance of 99.96 feet to a point hereinafter referred to as POINT E, also being the POINT OF TERMINUS for Easement Area 4;

The sidelines of said easement shall be prolonged or shortened as to begin and terminate on the West line and East line of said Parcel.

Containing 6,113 square feet of land, more or less.

See Exhibit "B-4", plat to accompany description, attached hereto and made a part hereof.



EASEMENT FOR TANK ACCESS, UTILITY, AND DRAINAGE FACILITIES CONT.

Document No. 5446485

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**EXHIBIT B
LEGAL DESCRIPTION FOR
TMWA FACILITIES EASEMENT**

EASEMENT AREA 5:

BEGINNING at aforesaid POINT E, being on the West line of the parcel described in said Document No. 2416432, from which the Northwest corner of said Section Thirty-One (31), being marked by a found 1 ½" Nevada Highway Department brass cap set in concrete, bears North 00°49'24" East a distance of 155.17 feet;

THENCE departing said West line and along said easement centerline, South 89°53'08" East a distance of 162.53 feet;

THENCE continuing along said easement centerline, South 89°47'01" East a distance of 330.89 feet to the Northwestern right-of-way of Clear Acre Lane per the Final Order of Condemnation Document No. 2293224, recorded on January 5, 1999, filed in said Official Records, also being the POINT OF TERMINUS for Easement Area 5;

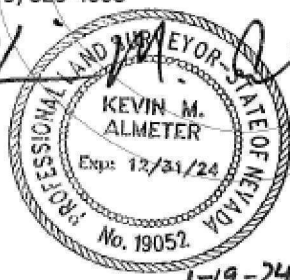
The sidelines of said easement shall be prolonged or shortened as to begin and terminate on the West line of said parcel and said Northwestern right-of-way.

Containing 12,336 square feet of land, more or less.

See Exhibit "B-5", plat to accompany description, attached hereto and made a part hereof.

The Basis of Bearings for this legal description is based on the Nevada State Plane Coordinate System, West Zone, North American Datum of 1983/1994, High Accuracy Network (NAD 83/94 HARN) as determined by using by using Real Time Kinematic (RTK) GPS observations from the Nevada GPS Network. The South line of the Southeast One-Quarter of said Section Twenty-Five taken as North 89°29'50" West.

Prepared by:
Wood Rodgers, Inc.
1361 Corporate Blvd.
Reno, NV 89502
Ph. (775) 823-4068



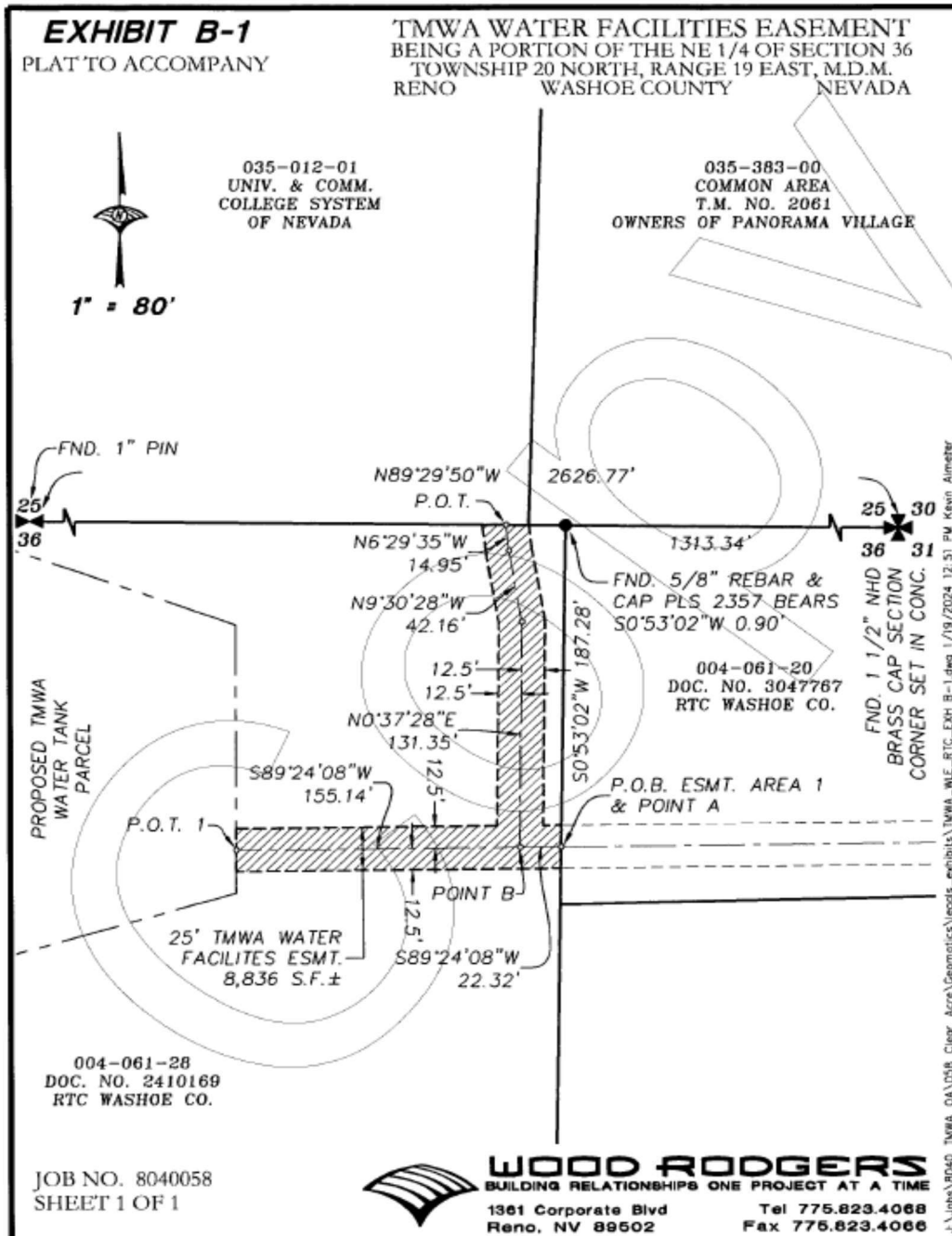
Kevin M. Almeter, P.L.S.
Nevada Certificate No. 19052



EASEMENT FOR TANK ACCESS, UTILITY, AND DRAINAGE FACILITIES CONT.

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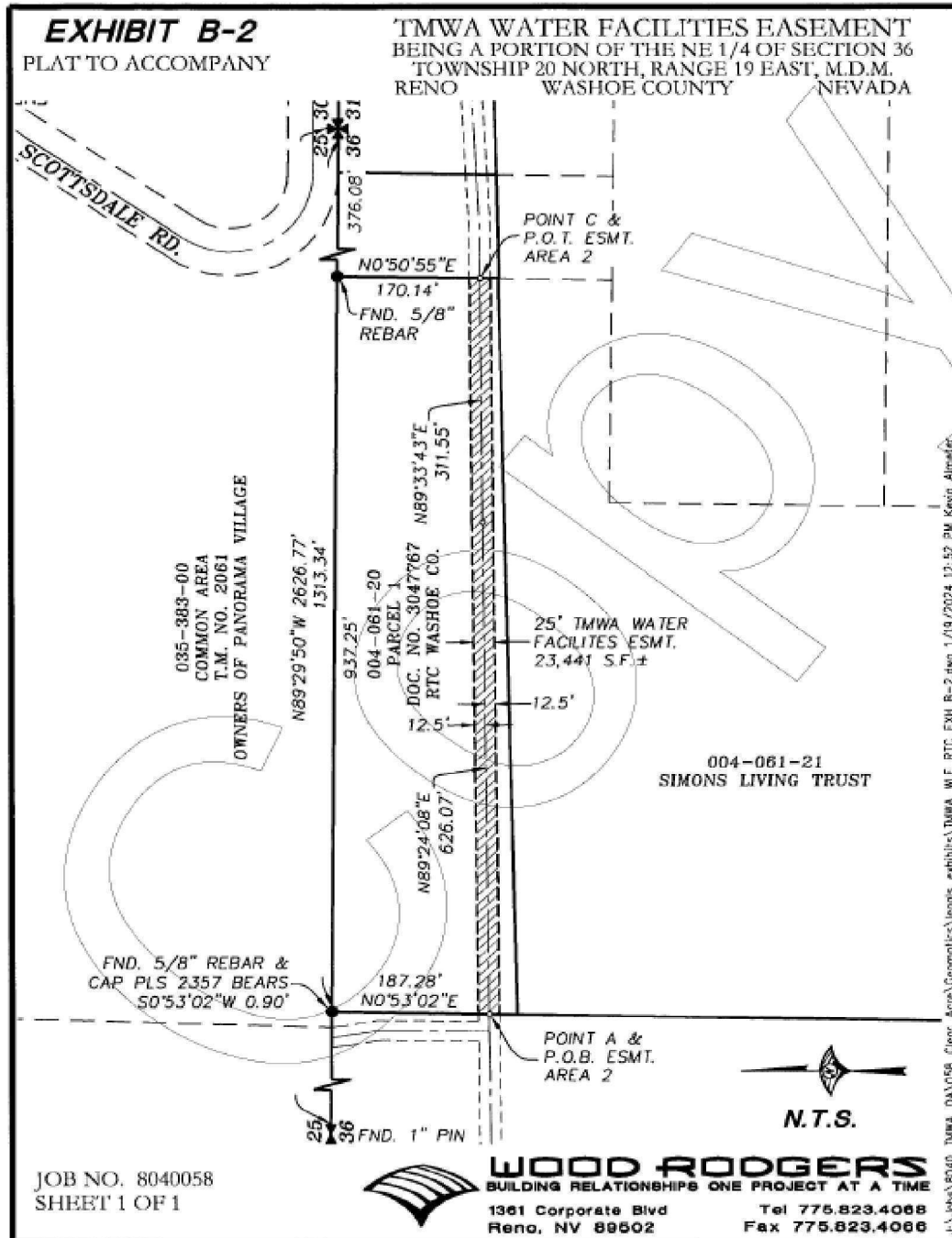


JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

EASEMENT FOR TANK ACCESS, UTILITY, AND DRAINAGE FACILITIES CONT.

Document No. 5446485

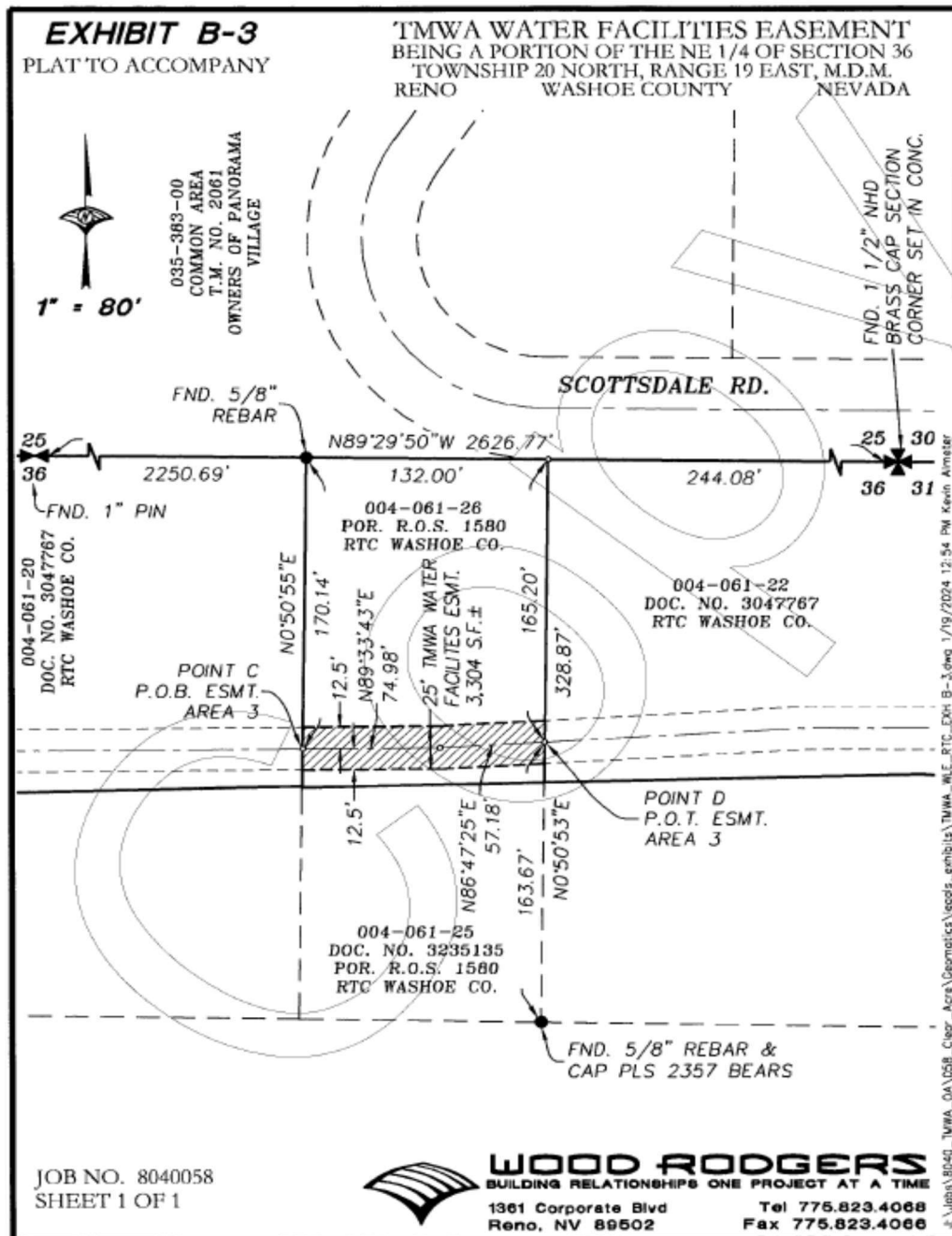
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EASEMENT FOR TANK ACCESS, UTILITY, AND DRAINAGE FACILITIES CONT.

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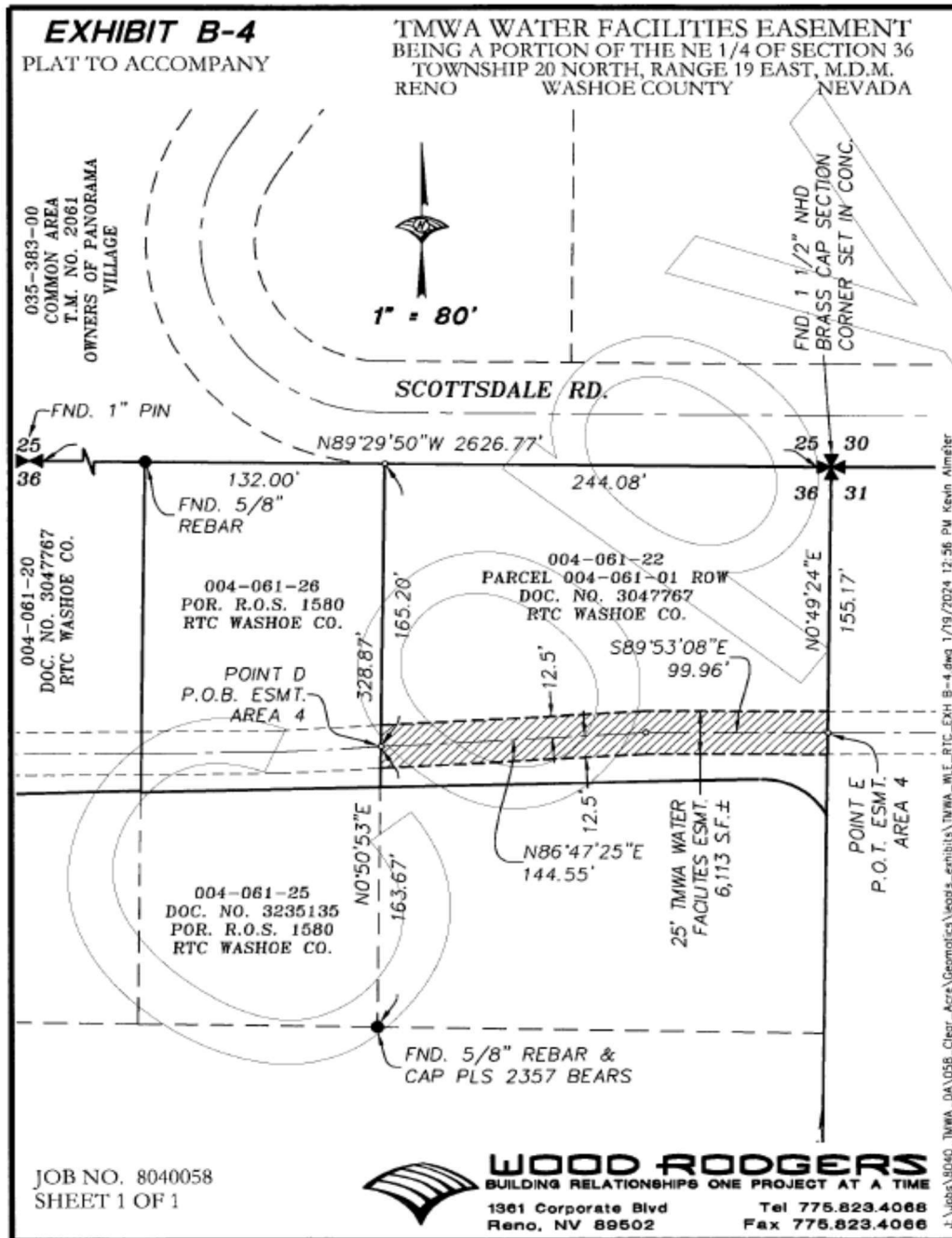




EASEMENT FOR TANK ACCESS, UTILITY, AND DRAINAGE FACILITIES CONT.

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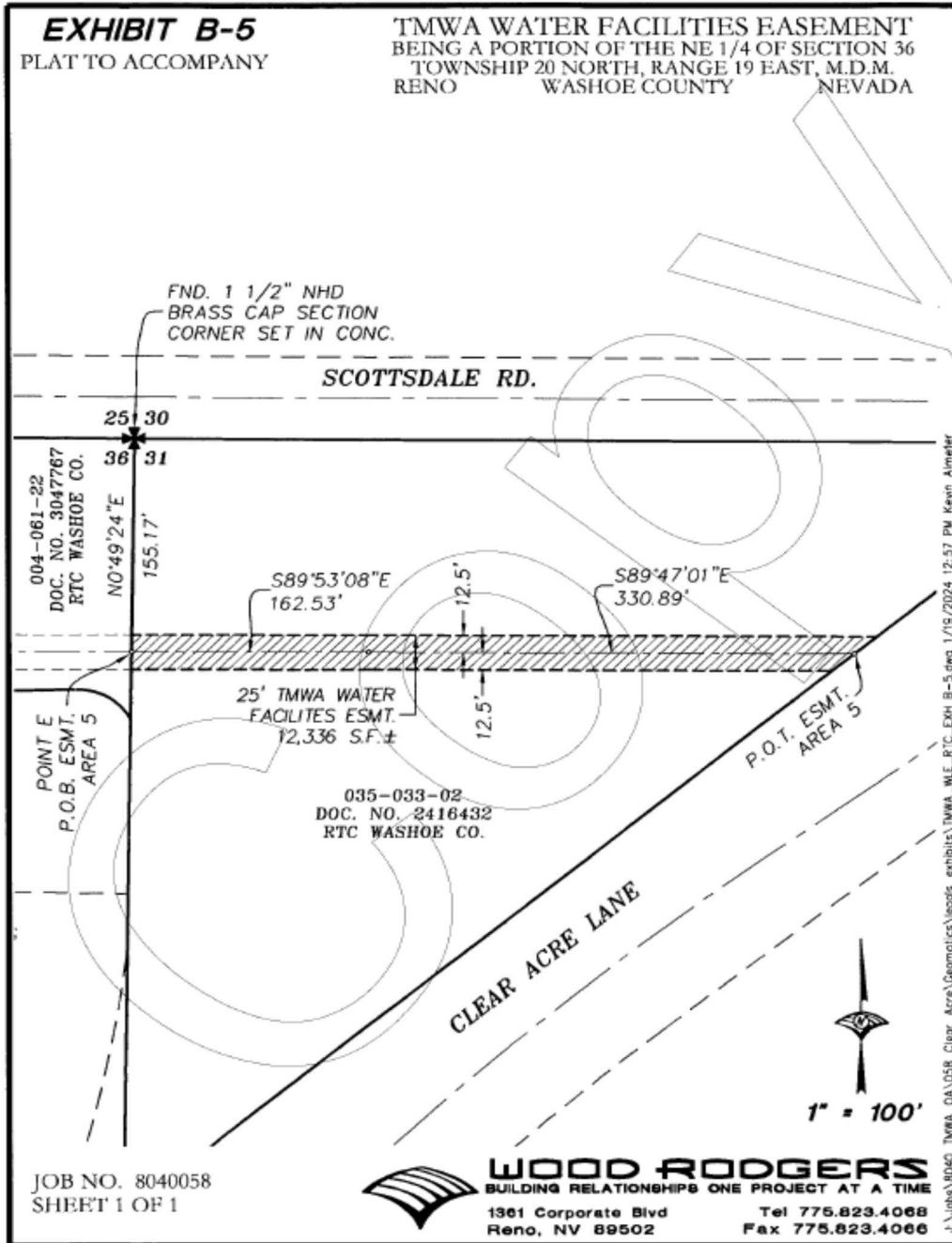




EASEMENT FOR TANK ACCESS, UTILITY, AND DRAINAGE FACILITIES CONT.

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EASEMENT FOR TANK ACCESS, UTILITY, AND DRAINAGE FACILITIES CONT.

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**WASHOE COUNTY
RECORDER**

OFFICE OF THE RECORDER
KALIE M. WORK, RECORDER

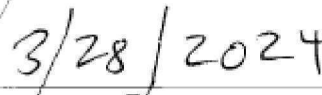
1001 E. NINTH STREET
RENO, NV 89512
PHONE (775) 328-3661
FAX (775) 325-8010

LEGIBILITY NOTICE

The Washoe County Recorder's Office has determined that the attached document may not be suitable for recording by the method used by the Recorder to preserve the Recorder's records. The customer was advised that copies reproduced from the recorded document would not be legible. However, the customer demanded that the document be recorded without delay as the parties rights may be adversely affected because of a delay in recording. Therefore, pursuant to NRS 247.120 (3), the County Recorder accepted the document conditionally based on the undersigned's representation that: (1) a suitable copy will be submitted at a later date; or (2) it is impossible or impracticable to submit a more suitable copy.

By my signing below, I acknowledge that I have been advised that once the document has been recorded it may not reproduce a legible copy.


Signature


Date


Printed Name



VALUATION OF ACCESS AND UTILITY EASEMENT

Once the fee simple unencumbered value of the easement area is derived, the next step is to determine the value of the easement. The easement addressed in this section of this appraisal report is a tank access, utility, and drainage facilities easement granted to Truckee Meadows Water Authority. The following summarized the land areas of the easement.

EASEMENT LAND AREA	
Assessor's Parcel Number	Land Area
004-061-20	23,441± SF
004-061-26	3,304± SF
004-061-22	6,113± SF
004-061-28	8,836± SF
035-033-02	12,336± SF
Total Easement Area	54 030± SF

The unencumbered value of the subject property was estimated to be \$2.31 per square foot. A permanent easement reflects something less than the unencumbered fee simple ownership. The property owner retains the underlying title, but use of the land area has been restricted by the permanent easement. As a result, the owner of the underlying parcel has less than the total “bundle of rights” associated with real property ownership.

In valuing an easement, consideration must be given to the impact of the easement on the larger parcel. Factors which are considered include the use of the easement, the term of the easement (permanent or temporary), location of the easement relative to the larger parcel, if the area is already encumbered by existing easements, and the terms and conditions of the easement.

In order to arrive at an estimate of the value for the permanent easement, a factor will be applied to the unencumbered fee simple value of the easement in order to account for the fact that the property owner now has something less than unencumbered fee simple ownership and that the use of the land is restricted. In order to derive an appropriate easement factor applicable to the subject property, I have analyzed various easement acquisition data.

The best evidence of the value of an easement is demonstrated by the actions of utility companies and other governmental agencies that commonly acquire easements. In an interview with representatives of NV Energy (formerly Sierra Pacific Power Company), it was indicated that they typically pay 30% to 50% of the unencumbered fee simple value for the acquisition of an overhead power line distribution easement, and that on some occasions, they pay between



75% and 90% of the unencumbered fee value for the acquisition of a high voltage transmission line easement. The officials of NV Energy, however, did point out that typically, when acquiring a high voltage transmission line easement; they are severely limiting the surface utilizations of the underlying property. NV Energy indicated that access easements are typically paid at 50% of the unencumbered fee simple value.

AT&T has acquired several underground easements for the installation of their fiber optic cables in the Reno area based upon 50% of the unencumbered fee simple value of the property.

Williams Communication Company has acquired underground fiber optic cable easements through the Truckee and Reno areas. In many cases the property owners were compensated 100% of the fee value, due to the small size of the required easement and the small dollars involved. Williams Communications Company was also willing to pay 100% of the fee value to avoid incurring appraisal, legal and other costs associated with condemning an easement. In instances where Williams Communications was required to obtain appraisal services and legal services, the compensations were based upon 50% to 75% of the unencumbered fee simple value.

Representatives of the Washoe County Department of Public Works in Reno, Nevada indicated that Washoe County has acquired storm drain easements based upon 50% of the unencumbered fee simple value of the property. In most of cases, the County acquires the necessary utility, drainage and roadway easements by simply requiring the developers to dedicate the easements as part of the approval process.

Consideration is also given to published articles relating to easement valuations. Mr. Donald Sherwood, MAI, SR/WA, published an easement valuation matrix. This matrix is often utilized as a check of reasonableness for easement valuations on a generalized basis. The chart on the following page summarizes this matrix.



EASEMENT VALUATION MATRIX		
Percentage of Fee	Comments	Potential Types of Easements
90% - 100%	<ul style="list-style-type: none">• Severe impact on surface use• Conveyance of future uses	Overhead electric, flowage easements, railroad right of way, irrigation canals, exclusive access easements
75% - 89%	<ul style="list-style-type: none">• Major impact on surface use• Conveyance of future uses	Overhead electric, pipelines, drainage easements, railroad right of way, flowage easements
51% - 74%	<ul style="list-style-type: none">• Some impact on surface use• Conveyance of ingress/egress rights	Pipelines, scenic easements
50%	<ul style="list-style-type: none">• Balanced use by both owner and easement holder	Water or sewer lines, cable lines, telecommunications
26% - 49%	<ul style="list-style-type: none">• Location along a property line• Location across non-usable land area	Water or sewer line, cable lines
11% - 25%	<ul style="list-style-type: none">• Subsurface or air rights with minimal effect on use and utility• Location with a setback	Air rights, water or sewer line
0% - 10%	<ul style="list-style-type: none">• Nominal effect on use and utility	Small subsurface easement

In valuing the easement granted to Truckee Meadows Water Authority, consideration is given to the factors associated with the easement. The access and utility easement extends from Clear Acre Lane to the easterly property line of the TMWA water tank site. It is noted that the access easement may be utilized in conjunction with the proposed affordable housing development on the subject property.

Based upon a review of the available data, and with consideration given to the utilization and location of the permanent easement, it is my opinion that a factor of 75% would be applicable to arrive at an indication of the Market Value of the easement.

The easement area contains 54,030± square feet. Applying the unencumbered fee value of \$2.31 per square foot results in an indicated value of the unencumbered fee in the amount of \$124,809. Applying the 75% easement factor results in the indicated value of the easement in



the amount of \$93,067. Deducting this amount from the unencumbered fee value of the subject property in the amount of \$2,750,000 results in an indicated value of the subject property, in its current condition, in the amount of \$2,656,393, rounded to \$2656,000. It is my opinion that the value of the subject property, as of May 17, 2024, is \$2,656,000.

FINAL LAND VALUE CONCLUSION

\$2,656,000



EXPOSURE AND MARKETING TIME

Exposure time is defined as the length of time that would have been necessary to expose the 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 a 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 conclusion contained in this report.

In arriving at an estimate of an appropriate exposure and marketing time for the subject property, consideration is given the subject property's physical characteristics. Consideration is also given to the exposure and marketing times of other properties in the Reno-Sparks area, particularly the comparable land sales, as well as on interviews with brokers, buyers and sellers with similar properties.

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

EXPOSURE & MARKETING TIME CONCLUSION		
Property Description	Exposure Time	Marketing Time
27.316± Acres	1 Year	1 Year



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, Reese Perkins 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,

Reese Perkins, MAI, SRA
Nevada Certified General Appraiser
License Number A.0000120-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.



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 REESE PERKINS

Professional Designations

MAI - Member of the Appraisal Institute

SRA - Senior Residential Appraiser

MAI - Member American Institute of Real Estate Appraisers 1983

SRPA - Senior Real Property Appraiser; Society of Real Estate Appraisers 1982

License

State of Nevada, Certified General Real Estate Appraiser, #A.0000120-CG,

Expiration date 4/30/25

Membership

Member, Nevada State Board of Equalization 1992 - 1999
Chairman 1999

Member, Nevada Commission of Real Estate Appraisers 1995 - 2001
President 2000

Offices Held

President - Reno/Carson/Tahoe Chapter No. 189,
Society of Real Estate Appraisers 1983 - 1984

Admissions Committee - Sierra Nevada Chapter #60, AIREA 1984 - 1988

Vice-Chairman 1987 - 1988

Southwest Region Review and Counseling Panel, AIREA

Admissions Chairman - Sierra Nevada Chapter No. 60,
American Institute of Real Estate Appraisers 1989 - 1990

Admissions Chairman - Reno/Carson/Tahoe Chapter of the Appraisal Institute 1991

Board of Directors - Sacramento-Sierra Chapter of the Appraisal Institute 1991 - 1995

President – Sacramento – Sierra Chapter of The Appraisal Institute, 1996

Appraisal Experience

Appraiser – Johnson Perkins Griffin, LLC 03/2015 - present

Principal Appraiser - Johnson-Perkins & Associates 2006 - 02/2015

Vice President - Johnson-Perkins & Associates 1994 - 2006

Owner - Real Estate Appraisal and Consulting Firm 1987 - 1994

President and Chief Operating Officer - Eagle Service Corporation;

Senior Vice President - First Federal Savings and Loan Association 1985 - 1987

Vice President-Chief Appraiser - Eagle Service Corporation 1983

Independent Fee Appraiser 1980 - 1983

Assistant Vice President - First Western Service Corporation;

Northern Division Manager, Master Appraisals 1977 - 1980

Staff Appraiser - Eagle Service Corporation, First Federal Savings and Loan 1975 - 1977

Associate Appraiser - Washoe County Assessor's Office 1972 - 1975



QUALIFICATIONS OF APPRAISER REESE PERKINS

Appraisal Education

Society of Real Estate Appraisers:

Course 101	Introduction to Appraising Real Property, Santa Clara, California	1973
Course 201	Principles of Income Property Appraising, Santa Clara, California	1974

American Institute of Real Estate Appraisers:

Course 2	Urban Properties, San Francisco, California	1978
Exam 1B	Capitalization Theory and Techniques	1979
Course 6	Introduction to Real Estate Investment Analysis, Oakland, California	1982
Course 2-3	Standards of Professional Practice, Sacramento, California	1985
Course 10	Market Analysis, Boulder, Colorado	1987

Appraisal Institute:

Standards of Professional Appraisal Practice,		
Parts A and B, Reno, Nevada		1992
Part C, Reno, Nevada		1997
National USPAP Update Course		2003
National USPAP Update Course		2004
National USPAP Update Course		2006
National USPAP Update Course		2007
National USPAP Update Course		2008
National USPAP Update Course		2010
National USPAP Update Course		2013
National USPAP Update Course		2014
National USPAP Update Course		2015
National USPAP Update Course		2017
National USPAP Update Course		2019
National USPAP Update Course		2021

Appraisal Foundation

1999 USPAP Review	1998
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Appraisal Seminars

Various Appraisal and Continuing Education Seminars	1974 - 2021
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Formal Education

Tonopah High School Graduate	1967
Bachelor of Arts Degree in Political Science - University of Nevada, Reno,	1972



**QUALIFICATIONS OF APPRAISER
REESE PERKINS**

Types of Property Appraised

- Single Family Residences
- Condominiums
- Vacant Residential Lots
- Professional Office Buildings
- Warehouses and Industrial Buildings
- Shopping Centers
- Communication Sites
- Motels
- Residential Subdivisions
- Vacant Land
- Commercial Buildings
- Apartment Complexes
- Subdivisions
- Hotels
- Hotel/Casinos
- Aggregate Quarries
- Mortuaries and Cemeteries
- Water Companies
- Open Pit Mines
- Fire Science Academies

Admitted as Expert Witness

- United States District Court, District of Nevada
- United States Bankruptcy Court, District of Nevada
- United States Bankruptcy Court, District of Northern California
- Washoe County District Court
- Washoe County Board of Equalization
- Douglas County Board of Equalization
- Clark County Board of Equalization
- White Pine County Board of Equalization
- Nevada State Board of Equalization
- Plumas County California Superior Court



**QUALIFICATIONS OF APPRAISER
REESE PERKINS**

Representative Appraisal Clients

AEGON USA Realty Advisors, Inc.	Nevada Department of Transportation
Airport Authority of Washoe County	Nevada Mining Association
Alliance Bank of Arizona	Nevada State Bank
AMB Institutional Realty Advisors	P.W. Funding
American Federal Savings Bank	Redevelopment Agency of the
ARCS Commercial Mortgage Corp.	City of Reno
AT&T Communications	Regional Transportation Commission
Bank of America	Reno Housing Authority
Bank of the West	Shelter Properties
BHP Copper	Shelter Properties
California Department of Justice	Sierra Pacific Power Company
Carson City	St Mary's Regional Medical Center
Caughlin Ranch Partnership	Summit Engineering Corporation
Centex Real Estate Corporation	Texaco, Inc.
CitiBank	The CIT Group
City of Reno	The Howard Hughes Corporation
City of Sparks	The Rouse Company
Coates Field Services, Inc.	Truckee Meadows Community College
Colonial Bank	Umpqua Bank
Department of the Navy	U.S. Bank
Dermody Properties	U.S. Department of Commerce
Douglas County	U.S. Forest Service
Douglas County Assessor's Office	U.S. Postal Service
Federal Deposit Insurance Corporation	Union Oil Company
First Federal Lincoln	University Of Nevada
First Independent Bank of Nevada	Various Private Clients, Law and
First Merit Bank, N.A.	Accounting Firms
GMAC Commercial Mortgage Co.	Washoe County
Great Western Bank	Washoe County School District
Granite Construction Co.	Washoe Medical Center
Guardian Life Insurance Co.	Wells Fargo Bank
Home Federal Savings Bank	Williams Communications, Inc.
Internal Revenue Service	
KeyBank	
McDonald's	



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

APPRAISER CERTIFICATE

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE

REAL ESTATE DIVISION

NOT TRANSFERABLE

This is to Certify That : JAMES R PERKINS

Certificate Number: A.0000120-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: February 28, 2023

Expire Date: April 30, 2025

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



ADDENDA

A.P.N: 004-061-20, 22, 26, 28 and 035-033-02

After Recordation Return To:
Truckee Meadows Water Authority
Attn: Heather Edmunson, Lands Administrator
P.O. Box 30013
Reno, Nevada 89520-3013

DOC #5446485

04/04/2024 10:12:06 AM
Electronic Recording Requested By
TRUCKEE MEADOWS WATER AUTHORIT
Washoe County Recorder
Kalie M. Work
Fee: \$0 RPTT: \$0
Page 1 of 17

The undersigned hereby affirms that this document, including any exhibits, submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030)

**GRANT OF EASEMENT FOR
TANK ACCESS, UTILITY AND DRAINAGE FACILITIES**

This Grant of Easement is made on March 28, 2024, by and between the **REGIONAL TRANSPORTATION COMMISSION OF WASHOE COUNTY**, a cooperative regional board created by the Washoe County Board of County Commissioners pursuant to N.R.S. Chapter 277A ("Grantor"), and **TRUCKEE MEADOWS WATER AUTHORITY**, a Joint Powers Authority entity created pursuant to a cooperative agreement among the cities of Reno, Nevada, Sparks, Nevada and Washoe County, Nevada, pursuant to NRS Chapter 277 ("Grantee").

RECITALS:

- A. Grantor owns the real property located in the Washoe County, Nevada, more particularly described as set forth on Exhibit "A" attached hereto (the "Grantor Property");
- B. Grantee operates a publicly owned municipal water system in Washoe County;
- C. Grantor desires to grant an exclusive easement to Grantee over a portion of the Grantor Property as a relocatable permanent and non-exclusive easement for tank access, water, and drainage facilities, for the purposes of and on the terms and conditions set forth herein.

NOW THEREFORE, for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

- 1. Grant of Easements. Grantor hereby grants to Grantee, its successors, assigns and agents, a relocatable permanent and exclusive easement intended for tank access, water and drainage facilities over, across, upon, under, and through those portions of the Grantor Property more fully described in Exhibits "B" and shown on Exhibits "B-1 thru B-5" attached hereto and made a part hereof (the "Easement Areas") for the following purposes:
 - a. to construct, erect, alter, maintain, inspect, repair, reconstruct, and operate one or more water pipes, underground electric, water distribution, communication facilities and access road, together with fences, gates, conduits, pipes, pressure regulators, generators, valves, valve boxes, switches

and pad-mount transformers, fixtures, pump-to-waste facilities, and other necessary or convenient utility facilities and appurtenances connected therewith, (collectively, "Utility Facilities") in the Easement Areas; and

b. to construct, erect, alter, maintain, inspect, repair, reconstruct, and operate one or more drainage facilities, including pipes, surface drainage channels and other related appurtenances (collectively, "Drainage Facilities"), to tie into any storm water discharge facilities on the Grantor Property, and to discharge waters from Grantee's water system facilities into, across, over and through the Easement Areas. Grantor, at its sole expense, shall obtain all governmental approvals to use such Drainage Facilities.

2. Access. Grantee shall at all times have ingress and egress to the Easement Areas via the Access Road (as defined below) for the purposes set forth above.

3. Access Road Improvements. Grantee shall install at least four-inch compacted type two gravel base, and/or paving from Clear Acre Lane to the water tank site (the "Access Road"). Grantee shall maintain the Access Road, as it deems appropriate for Grantee's purposes at its reasonable sole discretion, but makes no representations or warranties regarding the condition of the Access Road or its safety for access by others or for other uses. Grantor consents to Grantee installing a bar gate and signage on the Access Road advising users that it is a private road and trespassing is prohibited. Grantee reserves the right to construct, operate, repair and relocate a bar gate to a mutually agreed location for the purpose of restricting public access within the Easement Areas. Neither Grantor nor Grantee shall have any obligation to police, restrict, relocate, add impediments or otherwise make changes to the gate location through the Grantor Property. Grantee may undertake any such improvements deemed necessary by Grantee in its reasonable discretion, for access and operation of the Easement Areas. Snow removal shall not be the responsibility or obligation of the Grantor or Grantee. If the Grantor, or its successors, heirs or assigns, upgrade or make changes to the shared portion of the roadway by dedication to another agency, treating the surface, reshaping the surface, constructing drainage or retaining wall structures, causing any utility relocations, or other improvements or changes, it shall be done at no expense to Grantee, and Grantee shall not be required to maintain or repair the Access Road to its upgraded condition. If Grantor, or its successors, heirs or assigns, upgrades or makes changes to the shared portion of the roadway, Grantor shall indemnify, hold harmless, and defend Grantee against any claims, lawsuits, or other causes of action asserted against Grantee by anyone using the Access Road to access Grantor's Property.

4. Maintenance. Grantee shall maintain and repair the Easement Areas in a clean and safe condition for Grantee's purposes. Grantee will use caution during maintenance of the Utility and Drainage Facilities and maintain the Easement Areas for Grantee's purposes in a state of good repair and efficiency. Grantee shall not be responsible for the maintenance of storm drainage within the surrounding areas and shall be responsible only for damage directly attributed to the Easement Areas by tank overflow discharge. Grantor will repair damage caused to Grantee's Easement Areas that occur during or following storm events or due to Grantor's uses.

5. Hold Harmless. Subject to and without waiving the liability limitations in NRS Chapter 41, Grantee will at all times indemnify, save and hold harmless Grantor with respect to any and all losses, damages, costs, fees (including attorney's fees), claims, fines, penalties, actions, proceedings or liabilities whatsoever by reason of any injury or death to any person or any damage to the Grantor Property, the Easement Areas, or any property located thereon, to the extent caused by any act or omission of Grantee, its agents, employees, representatives, contractors, or subcontractors in using, constructing, erecting, altering, maintaining, inspecting, repairing, reconstructing and operating of the Easement Areas.

6. No Interference. Neither Grantor nor its agents shall plant, erect or construct within the Easement Areas, any shrubs, trees, buildings, fences or structures, nor shall Grantor or its agents conduct

any activity within the Easement Area which unreasonably interferes or endangers Grantee's use of the Easement Areas.

7. Removal of Obstructions. Grantee shall have the right to remove or clear any and all buildings, fences, structures, combustible materials, trees, brush, debris, or any other obstruction from the Easement Areas, which in the reasonable judgment of Grantee may impair, interfere with or endanger Grantee's use of the Easement Areas or the constructing, altering, maintaining, inspecting, repairing, reconstructing and operating of the tank access, water or drainage facilities.

8. Relocation of the Utility and Drainage Facilities. Grantor, or its successor-in-interest may, at any time, relocate the Utility and Drainage Facilities Easement Areas, including the Access Road and improvements, to a new location on the Grantor Property; provided, however, that Grantor must submit its relocation plan to Grantee for Grantee's review and approval, which shall not be unreasonably withheld, conditioned, or delayed. TMWA, in its sole discretion, may not approve the location change based on design standards, design constraints relating to hydraulic design criteria for the facility, or any other design restrictions that renders the new location not feasible for the water supply infrastructure. Any relocation must be suitable to Grantee for Grantee's intended purposes and Grantor must convey to Grantee an equivalent easement in the new location and pay for all reasonable out-of-pocket costs and expenses incurred by Grantee arising from or related to the relocations of the Utility Facilities and Drainage Facilities, whether on or off the Grantor Property, including design costs and retirement of existing facilities.

9. Grantor Warranties. Grantor warrants and represents to Grantee as follows:

a. Title to Grantor Property. Grantor owns fee title to Grantor Property and the Easement Areas and there are no prior encumbrances, liens, restrictions, covenants or, to Grantor's knowledge, conditions applicable to the Easement Areas which will frustrate or make impossible the purposes of the easements granted herein.

b. Authority. The person(s) signing this Easement on behalf of Grantor is duly authorized to so sign and has the full power and authority to bind Grantor, to sell and convey the Easement Areas to Grantee, and to enter into and perform the obligations hereunder.

c. Defects. Grantor has no reasonable knowledge of any defects or conditions of the Easement Areas or Grantor's Property which would impair Grantee's ability to enjoy the use and purpose of this Easement.

d. Contracts or Leases. There are no leases, licenses, permits or other contracts with third parties which affect any portion of the Easement Areas.

e. Pending Litigation. Grantor is not aware of any pending or threatened litigation or regulatory actions regarding the Easement Areas and the Easement Areas are not subject to any foreclosure or deed in lieu of foreclosure.

THIS GRANT OF EASEMENT and the terms contained herein shall run with the land and shall be binding upon and shall inure to the benefit of Grantor and Grantee and the successors, agents and assigns of Grantor and Grantee, and all rights herein granted may be assigned.

IN WITNESS WHEREOF, Grantor has caused these presents duly to be executed the day and year first above written.

GRANTOR:

REGIONAL TRANSPORTATION
COMMISSION OF WASHOE COUNTY

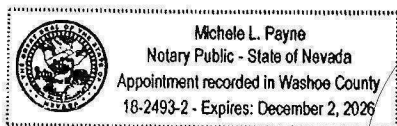
By: Dale Keller

Name: DALE KELLER

Title: DEPUTY EXECUTIVE DIRECTOR

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

This instrument was acknowledged before me this 26 day of March, 2024 by Dale Keller as Deputy Director of the **REGIONAL TRANSPORTATION COMMISSION OF WASHOE COUNTY**, as therein named.



Michele L. Payne
Notary Public