

INTERLOCAL AGREEMENT FOR PURCHASE AND CONTROL OF ACCESS TO A STATE  
HIGHWAY

This Agreement, made and entered into on \_\_\_\_\_, by and between the State of Nevada, acting by and through its Department of Transportation, hereinafter called the "DEPARTMENT", and The City of Reno, hereinafter called the "CITY".

WITNESSETH:

WHEREAS, an Interlocal Agreement is defined as an agreement by public agencies to "obtain a service" from another public agency; and

WHEREAS, pursuant to the provisions contained in Chapter 408 of the Nevada Revised Statutes (NRS), the Director of the DEPARTMENT may enter into those agreements necessary to carry out the provisions of the Chapter; and

WHEREAS, NRS 277.180 authorizes any one or more public agencies to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which any of the public agencies entering into the agreement is authorized by law to perform and refers to such as an interlocal contract; and

WHEREAS, the parties to this Agreement are public agencies and authorized to enter into agreements in accordance with NRS 277.180; and

WHEREAS, the CITY has approved development in the vicinity of the Boomtown Garson/I-80 Interchange, as depicted in Exhibit "A"; and

WHEREAS, future development approved by the CITY will result in the need for a new traffic study, which will likely require additional improvements to the Boomtown Garson/I-80 Interchange; and

WHEREAS, development depicted in Exhibit "A" has resulted in necessary improvements to the Boomtown Garson/I-80 Interchange(hereinafter referred to as the "PROJECT") which includes the construction of a roundabout at the intersection of Boomtown Garson Road and the I-80 eastbound ramps; and

WHEREAS, modification to the DEPARTMENT'S control of access is needed to accommodate the construction of a roundabout at the southern right of way limits at Boomtown Garson Road. Upon completion of the project, the CITY will donate the acquired parcels to the DEPARTMENT via a Quitclaim Deed; and

WHEREAS, the DEPARTMENT will be compensated for the value of the modification to the control of access to a state highway as established in the Johnson Perkins Appraisal Report with a Valuation Date of July 2, 2021 as depicted in Exhibit "B-1 and B-2"; and

WHEREAS, the purpose of this Agreement is for the CITY to acquire the parcels needed for the PROJECT to which the CITY will transfer to the DEPARTMENT upon completion of the PROJECT. The CITY will compensate the DEPARTMENT for the modification of the control of access to a state highway; and

WHEREAS, this Agreement will benefit the CITY, the DEPARTMENT, and to the public;  
and

WHEREAS, the parties are willing and able to perform the terms described above and herein.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

#### ARTICLE I - CITY AGREES

1. To compensate the DEPARTMENT for modifications to the the control of access used for the PROJECT;

2. To pay the DEPARTMENT, within (90) calendar days of the execution of this Agreement , the sum of One Hundred Fifteen Thousand Three Hundred Seventy Five and 0/100 Dollars (\$115,375.00), which represents the appraised value of the modified control of access for the PROJECT as depicted in Exhibit "B-1 and B-2";

3. To, upon completion of the PROJECT, transfer any and all right, title and interest of the public right-of-way to the DEPARTMENT, said public right-of-way will be described by metes and bounds, mutually agreed upon by the CITY and the DEPARTMENT, said transfer of public right-of-way shall be executed by Quitclaim Deed;

4. The CITY will provide the necessary legal descriptions, associated exhibits and title reports to the DEPARTMENT for review and verification;

5. The CITY shall, at its own expense, obtain and pay for all licenses, permits, and/or fees and comply with all applicable federal, state, and local laws, statutes, ordinances, rules, and regulations and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this Agreement, including, without limitation, worker's compensation laws, licensing laws, and regulations;

6. To not begin construction until all required DEPARTMENT encroachment permits for the applicable improvements have been approved by the DEPARTMENT.

#### ARTICLE II - DEPARTMENT AGREES

1. To sell to the CITY any and all rights needed to change the control of access used for the PROJECT as depicted on Exhibit "A";

2. To, upon completion of the PROJECT, accept all right, title and interest of that public right-of-way offered from the CITY, to be described in said Quitclaim Deed attached hereto as Exhibit "C";

3. To process an encroachment permit application for the applicable improvements as required by DEPARTMENT standards.

4. To observe, review, and inspect all work associated with the project during construction with the understanding that any and all items of concern are reported to the CITY's representative for correction.

#### ARTICLE III - IT IS MUTUALLY AGREED

1. The term of this Agreement shall be from the date first written above through and including \_\_\_\_\_, or until the construction of all improvements contemplated herein have been completed and accepted by the DEPARTMENT.

2. This Agreement shall not become effective until and unless approved by appropriate official action of the governing body of each party.

3. The CITY shall not proceed with said work until a written "Notice to Proceed" has been issued from the DEPARTMENT. Furthermore, the CITY shall not rely on the terms of this Agreement in any way, including, but not limited to, any written or oral representations and warranties made by the DEPARTMENT or any of its agents, employees, or affiliates, or on any dates of performance, deadlines, indemnities, or any other term contained in this Agreement or otherwise prior to receipt of the Notice to Proceed. In the event CITY violates the provisions of this Section, it waives any and all claims and damages against the DEPARTMENT, its employees, agents and/or affiliates, including, but not limited to, monetary damages and/or any other available remedy at law or in equity arising under the terms of this Agreement.

4. This Agreement may be terminated by mutual consent of both parties. The parties expressly agree that this Agreement shall be terminated immediately if for any reason the City's funding ability to satisfy this Agreement is withdrawn, limited, or impaired.

5. All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by facsimile with simultaneous regular mail, or by certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address set forth below:

FOR DEPARTMENT:

Kristina L. Swallow, P.E., Director  
Attn.:  
Nevada Department of Transportation  
Division:  
1263 South Stewart Street  
Carson City, Nevada 89712  
Phone:  
Fax:  
E-mail:

FOR CITY OF RENO:

**DOUG THORNLEY, CITY MANAGER**  
**CITY OF RENO**  
**P.O. Box 1900**  
**Reno, Nevada 89501**  
**One East First Street**  
Phone: 775-334-2400  
Fax: 775-334-2097  
E-mail: thornleyd@reno.gov

With a copy to:  
Reno City Attorney's Office  
One East First Street  
P.O. Box 1900  
Reno, Nevada 89501  
Phone: 775-334-2050  
Fax: 775-334-2420  
E-mail: thornleyd@reno.gov

6. Each party agrees to keep and maintain under generally accepted accounting principles full, true, and complete records and documents (written, electronic, computer related, or otherwise) pertaining to this Agreement and present, at any reasonable time, such information for inspection, examination, review, audit, and copying at any office where such records and documentation are maintained. Such records and documentation shall be retained for three (3) years after final payment is made.

7. Failure of either party to perform any obligation of this Agreement shall be deemed a breach. Except as otherwise provided for by law or this Agreement, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, but not limited to, the recovery of actual damages and the prevailing party's reasonable attorney's fees and costs.

8. The parties do not waive and intend to assert available NRS Chapter 41 liability limitations in all cases. Agreement liability of both parties shall not be subject to punitive damages. Actual damages for any parties breach shall never exceed the amount of funds which have been appropriated for payment under this Agreement, but not yet paid, for the fiscal year budget in existence at the time of the breach.

9. Neither party shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitations, earthquakes, floods, winds, or storms. In such an event, the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Agreement after the intervening cause ceases.

10. To the fullest extent of NRS Chapter 41 liability limitations, each party shall indemnify, hold harmless, and defend, not excluding the other's right to participate, the other from and against all liability, claims, actions, damages, losses, and expenses, including, but not limited to, reasonable attorneys' fees and costs, caused by the negligence, errors, omissions, recklessness, or intentional misconduct of its own officers, employees, and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described herein. This indemnification obligation is conditioned upon the performance of the duty of the party seeking indemnification (indemnified party) to serve the other party (indemnifying party) with written notice of an actual or pending claim, within thirty (30) calendar days of the indemnified party's notice of such actual or pending claim or cause of action. The indemnifying party shall not be liable for reimbursement of any attorney's fees and costs incurred by the indemnified party due to said party exercising its right to participate with legal counsel.

11. The parties are associated with each other only for the purposes and to the extent set forth in this Agreement. Each party is and shall be a public agency separate and distinct from the other party and shall have the right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Agreement. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for one agency whatsoever with respect to the indebtedness, liabilities, and obligations of the other agency or any other party.

12. Failure to declare a breach or the actual waiver of any particular breach of this Agreement or its material or nonmaterial terms by either party shall not operate as a waiver by

such party of any of its rights or remedies as to any other breach, including another breach of the same provision.

13. The illegality or invalidity of any provision or portion of this Agreement shall not affect the validity of the remainder of the Agreement and this Agreement shall be construed as if such provision did not exist. The unenforceability of such provision or provisions shall not be held to render any other provision or provisions of this Agreement unenforceable.

14. Neither party shall assign, transfer, or delegate any rights, obligations, or duties under this Agreement without the prior written consent of the other party.

15. Except as otherwise expressly provided by this Agreement, all or any property presently owned by either party shall remain in such ownership upon termination of this Agreement, and there shall be no transfer of property between the parties during the course of this Agreement.

16. Pursuant to NRS Chapter 239, information or documents may be open to public inspection and copying. The parties will have the duty to disclose unless a particular record is confidential by law or a common law balancing of interests.

17. Each party shall keep confidential all information, in whatever form, produced, prepared, observed, or received by that party to the extent that such information is confidential by law or otherwise required by this Agreement.

18. The parties hereto represent and warrant that the person executing this Agreement on behalf of each party has full power and authority to enter into this Agreement and that the parties are authorized by law to perform the services set forth herein.

19. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The parties consent to the exclusive jurisdiction of the Nevada state district courts for enforcement of this Agreement.

20. It is specifically agreed between the parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to create in the public or any member thereof a third party beneficiary status hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement.

21. In connection with the performance of work under this Agreement, the parties agree not to discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity or expression, age, disability or national origin, including, without limitation, with regard to employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff, or termination, rates of pay or other forms of compensation, and selection for training, including, without limitation, apprenticeship. Race includes traits associated with race, including, without limitation, hair texture and protective hairstyles.

22. This Agreement constitutes the entire agreement of the parties and such is intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Agreement specifically displays a mutual intent to amend a particular part of this Agreement, general conflicts in language between any such attachment and this Agreement shall be construed consistent with the terms of this Agreement. Unless otherwise expressly authorized by the terms of this Agreement, no

modification or amendment to this Agreement shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto and approved by the Attorney General.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

City of Reno

State of Nevada, acting by and through its  
DEPARTMENT OF TRANSPORTATION

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Director

---

Name and Title (Print)

Approved as to Legality and Form:

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Deputy Attorney General

---

---

Name and Title (Print)

Approved as to Form:

---

Attorney

( DEDICATION AREAS EXHIBIT )

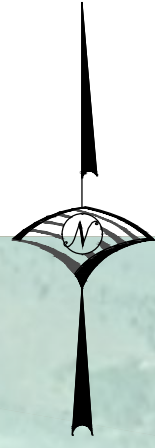
# BOOMTOWN GARSON/I-80 INTERCHANGE

BT SOUTH, LLC

RENO

NEVADA

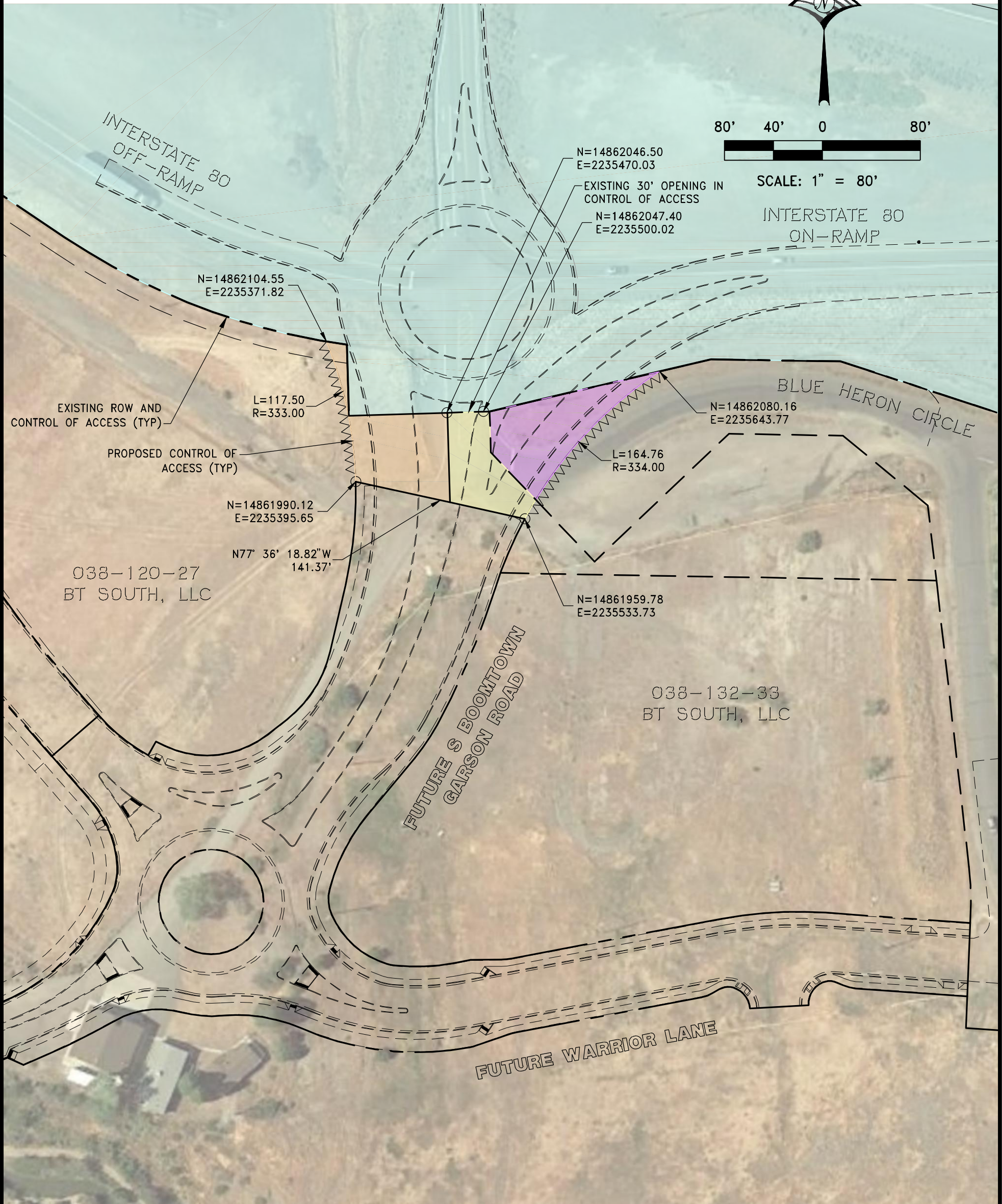
NOVEMBER, 2022



80' 40' 0 80'





SCALE: 1" = 80'



 EXISTING NDOT ROW AREA

 WASHOE COUNTY/COR ROW

 038-120-27 BT SOUTH, LLC

 038-132-33 BT SOUTH, LLC

**WOOD RODGERS**  
BUILDING RELATIONSHIPS ONE PROJECT AT A TIME  
1361 Corporate Boulevard Reno, NV 89502 Tel 775.823.4068 Fax 775.823.4066



JOHNSON | PERKINS | GRIFFIN  
REAL ESTATE APPRAISERS & CONSULTANTS

---

AN APPRAISAL  
OF

## TWO PARCELS OF LAND

LOCATED AT

THE SOUTHEAST TERMINUS AND THE SOUTHWEST  
TERMINUS OF BOOMTOWN-GARSON ROAD,  
AT THE SOUTH SIDE OF INTERSTATE-80,  
RENO, WASHOE COUNTY, NEVADA

OWNED BY

BT SOUTH, LLC

PREPARED FOR

TOLL BROTHERS

FOR THE PURPOSE OF  
ESTIMATING MARKET VALUE  
AS OF  
JULY 2, 2021





November 10, 2021

Via Email: [jwong1@tollbrothers.com](mailto:jwong1@tollbrothers.com)

Ms. Julie Wong  
Land Development Manager  
Toll Brothers  
9433 Double Diamond Parkway  
Reno, Nevada 89521

Re: Boomtown-Garson / I-80 Interchange Project

Dear Ms. Wong:

This is in response to your request for an appraisal of two parcels of land located on the south side of Interstate-80 at the southerly terminus of Boomtown-Garson Road, Reno, Washoe County, Nevada.

Subject Property One, commonly known as Meridian 120 South, Villages 1 and 2, is located at the southeast terminus of Boomtown-Garson Road. Subject Property One, which is identified as Washoe County Assessor's Parcel Number 038-132-33, contains a gross land area of 80.64± acres, and a net land area of 53.645± acres. Subject Property One is owned by BT South, LLC.

Subject Property Two is located at the southwest terminus of Boomtown-Garson Road, Reno, Washoe County, Nevada. It is commonly known as Meridian 120 South, Villages 3 and 4. Subject Property Two is identified as Washoe County Assessor's Parcel Number 038-120-27, and contains a gross land area of 61.25± acres. Subject Property Two is owned by BT South, LLC.

It is my understanding that access to the subject properties is currently provided by an existing 30-foot-wide opening in the control of access located along the south side of Interstate-80 at the current terminus of the Boomtown-Garson Road. BT South, LLC and Toll Brothers have requested that the existing 30 wide opening be relocated in a southerly direction and



widened to approximately 141.57 feet. The purpose of the proposed opening in the control of access is to assist in the development of the Santerra-Quilici Properties and to provide the necessary access to the Boomtown-Garson/I-80 Interchange.

The purpose of the appraisal is to estimate the Market Value of the subject properties in their “As-Is” condition, the value of the right-of-way dedications which are required, and the Market Value of the subject properties in the after condition, and as a result of the proposed widening and relocation of the opening in the control of access from Interstate-80. The intended use of the appraisal is to assist BT South, LLC and Toll Brothers, and their designated representatives, in acquiring the proposed relocation and widening of the opening in the control of access from Interstate-80.

The client in this appraisal assignment is Toll Brothers. The intended users of the appraisal include Toll Brothers, BT South, LLC, the Nevada Department of Transportation and the City of Reno.

This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. This report sets forth pertinent data, statistics, and other information considered necessary to establish the market value of the subject property as of the effective date of valuation.

Please be advised that in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that I have performed services on the subject properties as an appraiser within the three-year period immediately preceding the date of this report.

After careful consideration of all data available, and upon thorough personal investigation of the subject properties and comparable properties analyzed, it is my opinion that the Market Value of the subject properties, as of July 2, 2021, is as set forth on pages 1 through 4, entitled “Summary of Salient Facts and Important Conclusions”:

Respectfully Submitted

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



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**SUBJECT PROPERTY ONE  
 SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS**

| <b>PROPERTY SUMMARY</b>         |   |
|---------------------------------|---|
| <b>Property Type</b>            | Residential Land with Tentative Map Approval                                |
| <b>Property Address</b>         | None Assigned   |
| <b>Location</b>                 | The southeast terminus of Boomtown-Garson Road, Reno, Washoe County, Nevada |
| <b>Assessor's Parcel Number</b> | 038-132-33  |
| <b>Owner of Record</b>          | BT South, LLC   |

| <b>LEGAL DESCRIPTION</b>  |
|---|
| A portion of Parcel A, Parcel Map 2502 and Parcel 6-A, Record of Survey 6033; a portion of the south ½ of Section 16, Township 19N, Range 18E |

| <b>SUBJECT PARCEL LAND AREA</b> |                        |                      |              |
|---------------------------------|------------------------|----------------------|--------------|
| <b>Assessor's Parcel Number</b> | <b>Gross Land Area</b> | <b>Net Land Area</b> | <b>Shape</b> |
| 038-132-33                      | 80.64± Acres           | 53.645± Acres        | Irregular    |

|                             |                         |
|-----------------------------|-------------------------|
| <b>Highest and Best Use</b> | Residential Subdivision |
|-----------------------------|-------------------------|

|                                     |  |
|-------------------------------------|--|
| <b>Interest Appraised</b>           | 100% Fee Simple Interest in the subject property |
| <b>Type of Report</b>               | Appraisal Report                                 |
| <b>Date of Valuation</b>            | July 2, 2021                                     |
| <b>Date of Completion of Report</b> | November 10, 2021                                |



| <b>MARKET VALUE ANALYSIS AND CONCLUSIONS</b> |               |                    |
|--|---------------|--------------------|
| <b>SUBJECT PROPERTY ONE</b>                  |               |                    |
| <b>Meridian South 120 Villages 1 and 2</b>   |               |                    |
| <b>(APN 038-132-33)</b>                      |               |                    |
| <b>Before Condition Analysis</b>             |               |                    |
| Land Area, "As-Is" Condition                 |               |                    |
| Gross Land Area                              | 80.64± Acres  | 3,512,678± SF      |
| Net Land Area                                | 53.645± Acres | 2,336,776± SF      |
| <b>Market Value, 'As-Is' Condition</b>       |               |                    |
| <b>53.645± Acres @ \$174,000/Acre</b>        |               | <b>\$9,334,000</b> |

| <b>After Condition Analysis</b>            |               |                    |
|--|---------------|--------------------|
| Land Area, After Access Widening           |               |                    |
| Gross Land Area                            | 80.64± Acres  | 3,512,678± SF      |
| Net Land Area                              | 53.645± Acres | 2,336,776± SF      |
| <b>Market Value, After Access Widening</b> |               |                    |
| <b>53.645± Acres @ \$175,000/Acre</b>      |               | <b>\$9,387,875</b> |

| <b>Value Summary, Subject Property One</b>            |                  |
|---|------------------|
| Market Value, Before Condition                        | \$9,334,000      |
| Market Value, After Condition                         | \$9,387,875      |
| <b>Value Increase, As A Result of Access Widening</b> | <b>\$ 53,875</b> |

| <b>Right-of-Way Dedication Analysis</b>             |                 |
|---|-----------------|
| Value of Right-of-Way Dedication (Before Condition) |                 |
| Value Per Acre                                      | \$174,000/Ac    |
| Value Per Square Foot (\$174,000 ÷ 43,560 SF)       | \$4.00/SF       |
| <b>Right-of-Way Dedication Value</b>                |                 |
| <b>3,778± SF @ \$4.00/SF</b>                        | <b>\$15,110</b> |



**SUBJECT PROPERTY TWO  
 SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS**

| <b>PROPERTY SUMMARY</b>         |   |
|---------------------------------|---|
| <b>Property Type</b>            | Residential Land with Tentative Map Approval                                |
| <b>Property Address</b>         | None Assigned   |
| <b>Location</b>                 | The southwest terminus of Boomtown-Garson Road, Reno, Washoe County, Nevada |
| <b>Assessor's Parcel Number</b> | 038-120-27  |
| <b>Owner of Record</b>          | BT South, LLC   |

| <b>LEGAL DESCRIPTION</b>  |
|---|
| A portion of Parcel A, Parcel Map 2502 and Parcel 5-A, Record of Survey 6033; a portion of the south ½ of Section 16, Township 19N, Range 18E |

| <b>SUBJECT PARCEL LAND AREA</b> |                        |              |
|---------------------------------|------------------------|--------------|
| <b>Assessor's Parcel Number</b> | <b>Gross Land Area</b> | <b>Shape</b> |
| 038-120-27                      | 61.25± Acres           | Irregular    |

|                             |                         |
|-----------------------------|-------------------------|
| <b>Highest and Best Use</b> | Residential Subdivision |
|-----------------------------|-------------------------|

**Interest Appraised** 100% Fee Simple Interest in the subject property

**Type of Report** Appraisal Report

**Date of Valuation** July 2, 2021

**Date of Completion of Report** November 10, 2021



| <b>MARKET VALUE ANALYSIS AND CONCLUSIONS</b>        |              |                     |
|---|--------------|---------------------|
| <b>SUBJECT PROPERTY TWO</b>                         |              |                     |
| <b>Meridian South 120 Villages 3 and 4</b>          |              |                     |
| <b>(APN 038-120-27)</b>                             |              |                     |
| <b>Before Condition Analysis</b>                    |              |                     |
| Land Area, Before Right-of-Way Dedication           |              |                     |
| Gross Land Area                                     | 61.25± Acres | 2,668,050± SF       |
| <b>Market Value, Before Right-of-Way Dedication</b> |              |                     |
| <b>61.25± Acres @ \$249,000/Acre</b>                |              | <b>\$15,251,000</b> |

| <b>After Condition Analysis</b>            |              |                     |
|--|--------------|---------------------|
| Land Area, After Access Widening           |              |                     |
| Gross Land Area                            | 61.25± Acres | 2,668,050± SF       |
| <b>Market Value, After Access Widening</b> |              |                     |
| <b>61.25± Acres @ \$250,000/Acre</b>       |              | <b>\$15,312,500</b> |

| <b>Value Summary, Subject Property Two</b>            |                  |
|---|------------------|
| Market Value, Before Condition                        | \$15,251,000     |
| Market Value, After Condition                         | \$15,312,500     |
| <b>Value Increase, As A Result of Access Widening</b> | <b>\$ 61,500</b> |

| <b>Right-of-Way Dedication Analysis</b>             |                 |
|---|-----------------|
| Value of Right-of-Way Dedication (Before Condition) |                 |
| Value Per Acre                                      | \$249,000/Ac    |
| Value Per Square Foot (\$249,000 ÷ 43,560 SF)       | \$5.72/SF       |
| <b>Right-of-Way Dedication Value</b>                |                 |
| <b>5,237± SF @ \$5.72/SF</b>                        | <b>\$29,955</b> |



**PURPOSE OF APPRAISAL**

The purpose of the appraisal is to estimate the Market Value of the subject properties in their “As-Is” condition, prior to the proposed right-of-way dedication, the value of the right-of-way dedications which are required, and the Market Value of the subject properties in the after condition, and as a result of the proposed widening and relocation of the opening in the control of access from Interstate-80.

**CLIENT AND INTENDED USERS OF APPRAISAL**

The client in this appraisal assignment is Toll Brothers. The intended users of the appraisal include Toll Brothers, BT South, LLC, The Nevada Department of Transportation, and the City of Reno.

**INTENDED USE OF THE APPRAISAL**

The intended use of this appraisal is to assist Toll Brothers and BT South, LLC, and their designated representatives, in acquiring the proposed relocation and widening of the opening in the control of access from Interstate-80. It is my understanding that access to the subject properties is currently provided by an existing 30-foot wide opening in the control of access located along the south side of Interstate-80 at the current terminus of the Boomtown-Garson Road. BT South, LLC and Toll Brothers have requested that the existing 30-foot wide opening be relocated in a southerly direction and widened to approximately 141.57 feet. The purpose of the proposed opening in the control of access is to assist in the development of the Santerra/Quilici Properties and to provide the necessary access to the Boomtown-Garson/I-80 Interchange.

**PROPERTY RIGHTS APPRAISED – FEE SIMPLE INTEREST**

The subject properties are appraised as held in fee simple ownership, subject to any existing easements. Fee Simple Estate is defined as “absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”<sup>1</sup>

| <b>DATES OF APPRAISAL</b>    |                   |
|------------------------------|-------------------|
| <b>Date Description</b>      | <b>Date</b>       |
| Date of Inspection           | July 2, 2021      |
| Effective Date of Value      | July 2, 2021      |
| Completion Date of Appraisal | November 10, 2021 |

<sup>1</sup> Source: The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, Page 90.



The subject properties were inspected at various times during the months of June and July, 2021, the most recent of which was July 2, 2021, which is the effective date of value

### **MARKET VALUE DEFINED**

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

- 1) Buyer and seller are typically motivated;
- 2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- 3) A reasonable time is allowed for exposure in the open market;
- 4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>2</sup>

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



### **SCOPE OF APPRAISAL**

The completion of this appraisal assignment included:

- Identification and analysis of the subject neighborhood;
- Identification and description of each of the subject properties;
- Identification of the appraisal problem and description of the methodology of the appraisal report;
- Preparation of a Highest and Best Use Analysis for each of the subject properties;
- Research of the official records of Washoe County and other reliable sources for comparable land sales data;
- Verification of the comparable land sales;
- Preparation of a Sales Comparison Approach to Value for each of the subject properties to arrive at the fee simple Market Value of the subject properties;
- Allocation of the final Market Value conclusions for each of the subject properties to the proposed right-of-way dedication;
- Analysis and estimate of the appropriate exposure/marketing time applicable to each of the subject properties;
- Preparation of the appraisal report in accordance with Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice.



## STATEMENTS OF LIMITING CONDITIONS

### Extraordinary Assumptions

An extraordinary assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”<sup>3</sup> The appraisal has been prepared based upon the following Extraordinary Assumptions:

In the preparation of this appraisal, no extraordinary assumptions were made.

### 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.”<sup>4</sup> In the preparation of this appraisal assignment, no hypothetical conditions were utilized.

In the preparation of this appraisal, no hypothetical conditions were made.

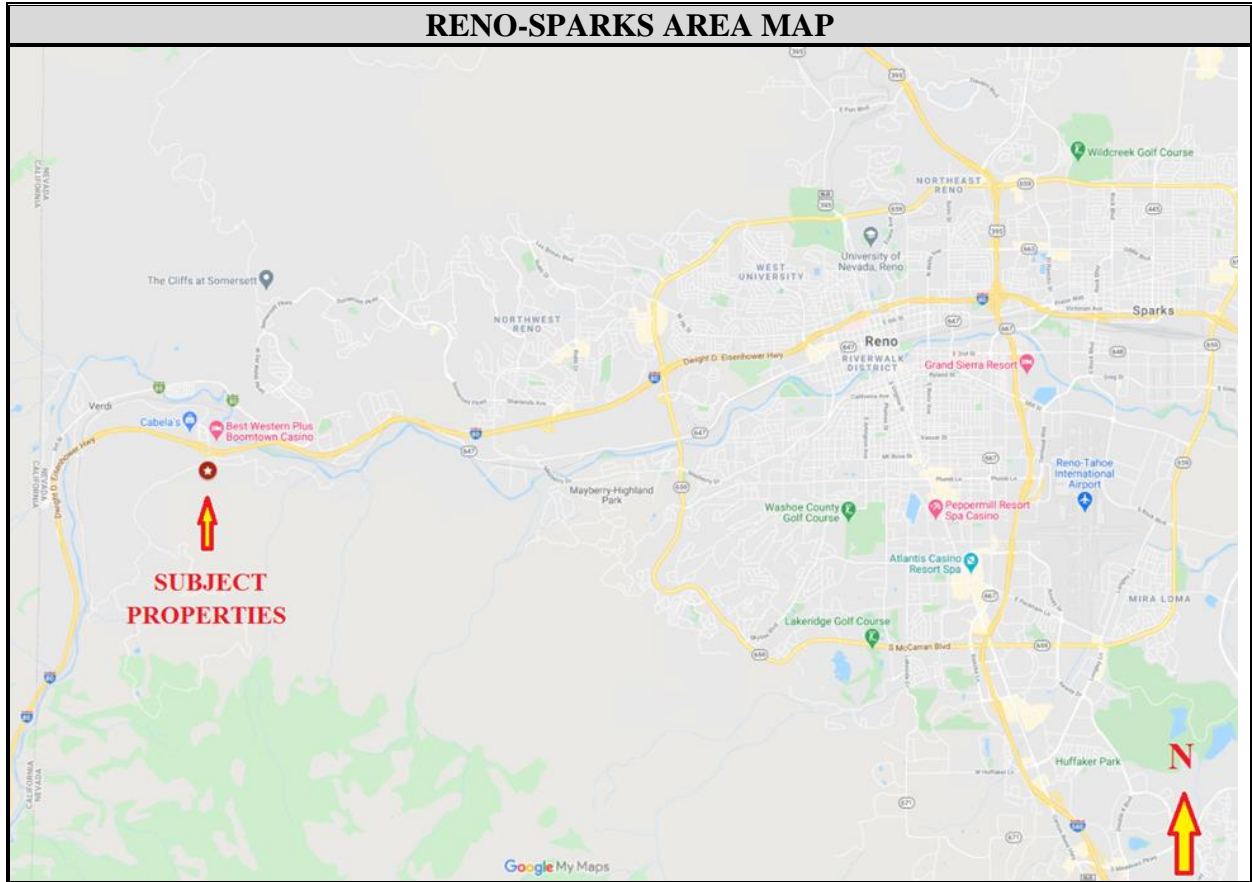
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<sup>3</sup> Source: USPAP 2020-2021 Edition, Definitions; The Appraisal Foundation, Page 4.

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



### RENO-SPARKS AREA MAP





### **RENO-SPARKS AREA ANALYSIS AND DESCRIPTION**

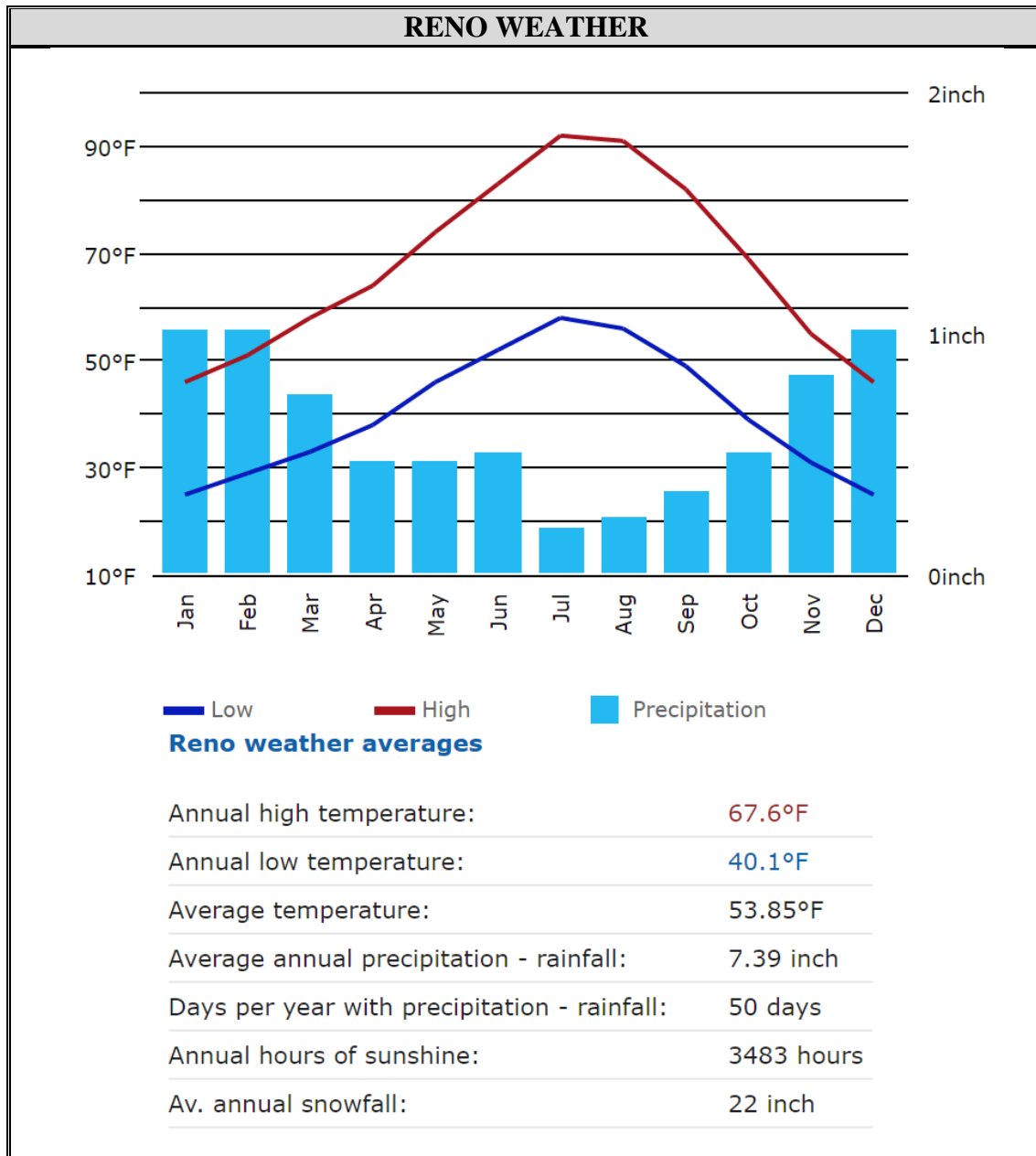
The Reno-Sparks metropolitan area is situated on the eastern slopes of the Sierra Nevada Mountain Range in a large valley known as the Truckee Meadows. Two major freeways serve the region. Interstate-80 runs in an east-west direction through Reno, while U.S. 395/I-580 runs in a north-south direction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

| <b>MILES BETWEEN RENO &amp; MAJOR METROPOLITAN AREAS</b> |                            |                        |
|--|----------------------------|------------------------|
| <b>Market</b>  | <b>Direction From Reno</b> | <b>Miles From Reno</b> |
| 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             |

McCarran Boulevard is a ring road that encircles the Reno-Sparks area and facilitates access between the various quadrants of the region. Overall, the Reno-Sparks area has very good roadway and highway access.

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, with the population increasing by over 100% by 1990. According to the Nevada State Demographer’s Office at the University of Nevada, the population of Washoe County was estimated to be 473,606 in 2020. The following summarizes historical population estimates for the region.

| <b>HISTORICAL POPULATION ESTIMATES</b> |             |             |             |             |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Year</b>                            | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> |
| Reno                                   | 222,801     | 229,859     | 232,243     | 235,371     | 238,615     | 242,158     | 244,612     | 248,806     | 255,170     | 258,230     |
| Sparks                                 | 92,302      | 90,214      | 91,551      | 92,396      | 93,581      | 95,726      | 96,928      | 100,140     | 102,543     | 103,230     |
| Unincorporated                         | 106,490     | 107,131     | 108,530     | 109,030     | 109,750     | 110,432     | 110,383     | 111,291     | 112,088     | 112,146     |
| Washoe County                          | 421,593     | 427,204     | 432,324     | 436,797     | 441,946     | 448,316     | 451,923     | 460,237     | 469,801     | 473,606     |

**Source: Nevada State Demographer**

Unemployment in Nevada has decreased over the past three years. Unemployment increased substantially in the first and second quarters of 2020 due to the Covid-19 Pandemic. However, the unemployment rates have been improving over the last few quarters. Preliminary unemployment rates for Nevada and individual counties in the state are summarized on the following chart.

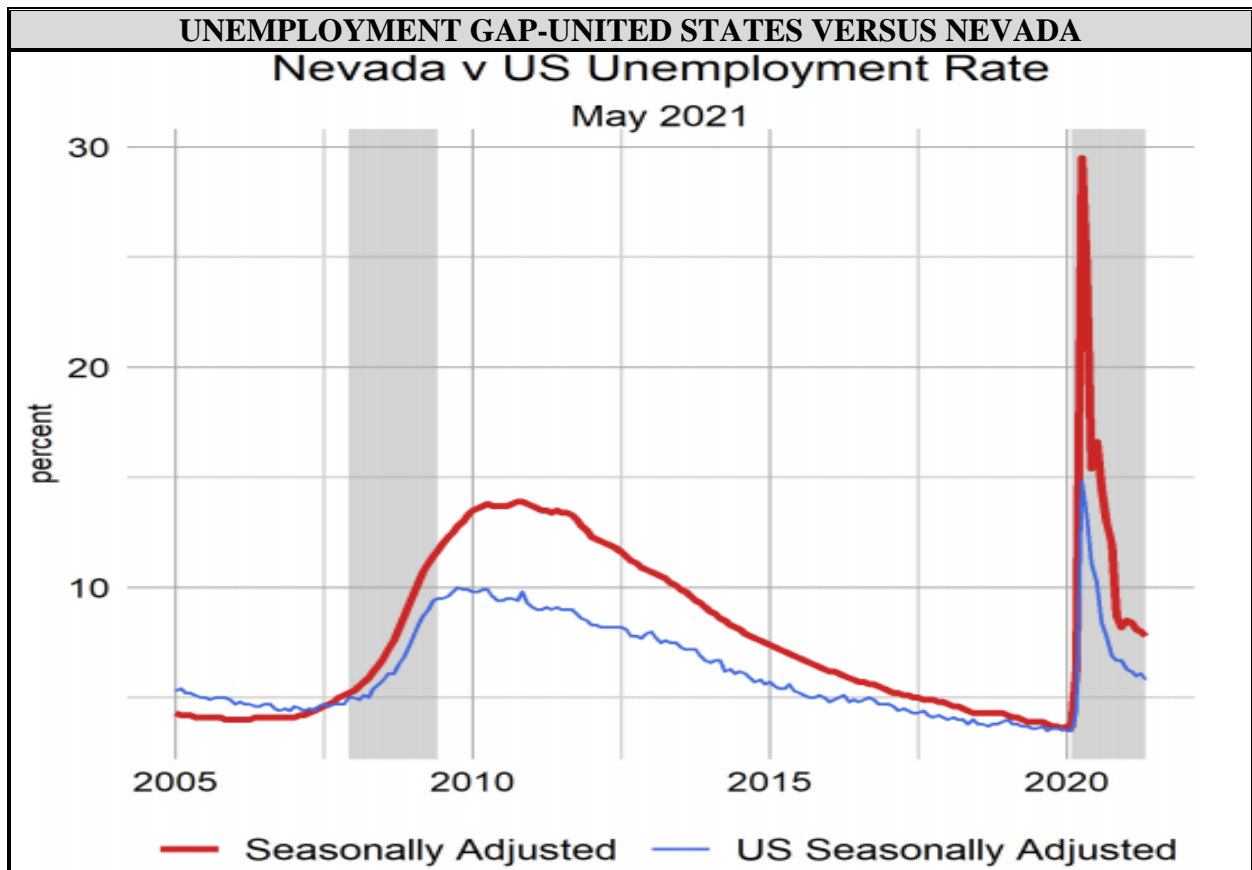
| <b>NEVADA UNEMPLOYMENT DATA-APRIL 2021</b> |                    |                        |                          |                          |
|--|--------------------|------------------------|--------------------------|--------------------------|
| <b>Area</b>                                | <b>Labor Force</b> | <b>Number Employed</b> | <b>Number Unemployed</b> | <b>Unemployment Rate</b> |
| Nevada                                     | 1,552,572          | 1,430,539              | 122,033                  | 7.86%                    |
| Carson City                                | 27,180             | 25,694                 | 1,486                    | 5.47%                    |
| Churchill County                           | 12,476             | 11,983                 | 493                      | 3.95%                    |
| Clark County                               | 1,122,052          | 1,020,326              | 101,726                  | 9.07%                    |
| Douglas County                             | 22,935             | 21,776                 | 1,159                    | 5.05%                    |
| Elko County                                | 29,132             | 28,050                 | 1,082                    | 3.71%                    |
| Esmeralda County                           | 497                | 480                    | 17                       | 3.42%                    |
| Eureka County                              | 1,428              | 1,394                  | 34                       | 2.38%                    |
| Humboldt County                            | 9,125              | 8,778                  | 347                      | 3.80%                    |
| Lander County                              | 3,515              | 3,381                  | 134                      | 3.81%                    |
| Lincoln County                             | 2,321              | 2,232                  | 89                       | 3.83%                    |
| Lyon County                                | 24,525             | 23,107                 | 1,418                    | 5.78%                    |
| Mineral County                             | 2,168              | 2,068                  | 100                      | 4.61%                    |
| Nye County                                 | 18,280             | 17,144                 | 1,136                    | 6.21%                    |
| Pershing County                            | 3,003              | 2,897                  | 106                      | 3.53%                    |
| Storey County                              | 2,142              | 2,023                  | 119                      | 5.56%                    |
| Washoe County                              | 267,417            | 254,346                | 13,071                   | 4.89%                    |
| White Pine County                          | 4,975              | 4,806                  | 169                      | 3.40%                    |

The unemployment rate for Washoe County and Nevada has historically averaged between 1% and 2% below the national average. However, with the economic downturn which





began in 2008, Nevada was one of the hardest hit in the nation and currently has among the highest unemployment rate in the country. The following chart summarizes the unemployment rate gap between the State of Nevada and the United States.



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 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 new Tesla Gigafactory in nearby Storey County within the Tahoe Reno Industrial Center is expected to have a huge impact on the entire region. On September 5, 2014, Tesla announced that the Tahoe Reno Industrial Park (TRIC), located east of Sparks, had landed the coveted Gigafactory. Over \$1.25 billion in State of Nevada incentives were approved for development of the project. In return,



Tesla will be required to complete \$5 billion in capital investments on the facility through 2028. The cost for the building and site infrastructure will be \$1.1 billion. Machinery and equipment will account for the remaining \$3.9 billion, including materials processing and product assembly. Once the 5.5 million square foot facility reaches full operation, it will produce enough batteries for 500,000 Tesla electric cars each year. As part of the deal, the USA Parkway extension was fast-tracked; this \$43 million project extends USA Parkway from its current terminus in TRIC, to U.S. Highway 50 in Silver Springs, greatly reducing travel times between Interstate-80 and U.S. Highway 50. In January 2015, Las Vegas-based Switch announced plans to build a 3 million square foot data center project in the same industrial center. The project is expected to be built in phases with a total of \$1 billion in investment with it; the first phase was completed in 2017.

### Gaming and Tourism Market

It is estimated that the Reno-Sparks area currently offers approximately 25,000 hotel and motel rooms. The vast majority of the hotel-casino facilities are located within the downtown Reno core area. As a result, this area is one of the primary employment centers in the Reno-Sparks area. Additional hotel-casino developments are located 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. It is noted that the Nugget was recently purchased by a new owner and is undergoing major renovations. 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 |
|                       | 04/2021        | 04/2020   |          | 07/2020 - 04/2021   | 07/2019 - 04/2020 |          |
| Statewide             | 1,039,444,911  | 3,665,706 | *        | 8,240,518,192       | 8,755,683,838     | -5.88%   |
| Clark County          | 865,463,845    | 3,738,569 | *        | 6,751,370,840       | 7,519,844,844     | -10.22%  |
| LV Strip              | 483,403,485    | 3,398,682 | *        | 3,674,327,333       | 4,767,477,411     | -22.93%  |
| Downtown              | 76,232,902     | 441,402   | *        | 528,169,906         | 505,997,388       | 4.38%    |
| North Las Vegas       | 26,358,290     | 4,917     | *        | 208,953,680         | 218,653,125       | -4.44%   |
| Laughlin              | 45,486,884     | -14,243   | *        | 368,284,342         | 365,382,098       | 0.79%    |
| Boulder Strip         | 80,823,722     | -48,212   | *        | 709,159,212         | 638,096,664       | 11.14%   |
| Mesquite              | 15,517,307     | -5,277    | *        | 125,305,924         | 96,680,633        | 29.61%   |
| Balance of County     | 137,641,255    | -38,699   | *        | 1,137,170,443       | 927,557,527       | 22.60%   |
| Washoe County         | 87,431,561     | -79,019   | *        | 745,352,014         | 630,960,204       | 18.13%   |
| Reno                  | 61,853,207     | -64,784   | *        | 530,413,367         | 460,833,594       | 15.10%   |
| Sparks                | 14,745,574     | -4,473    | *        | 123,563,437         | 101,183,669       | 22.12%   |
| North Lake Tahoe      | 1,923,259      | -3,681    | *        | 20,643,275          | 19,094,243        | 8.11%    |
| Balance of County     | 8,909,521      | -6,082    | *        | 70,731,935          | 49,848,698        | 41.89%   |
| South Lake Tahoe      | 21,760,733     | 80        | *        | 206,341,026         | 175,291,299       | 17.71%   |
| Elko County           | 32,498,090     | 4,045     | *        | 271,660,289         | 226,253,425       | 20.07%   |
| Wendover              | 21,557,559     | 3,669     | *        | 182,490,415         | 153,537,299       | 18.86%   |
| Balance of County     | 10,940,531     | 376       | *        | 89,169,874          | 72,716,127        | 22.63%   |
| Carson Valley Area ** | 11,591,393     | 2,169     | *        | 100,401,214         | 80,242,989        | 25.12%   |
| Other                 | 20,699,290     | -138      | *        | 165,392,810         | 123,091,077       | 34.37%   |

\* Percentage change does not display values greater than 1000.

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

Source: Nevada Gaming Control Board



Within the past decade, legalized gaming has continued to spread across the country and gaming revenues for northern Nevada have been impacted. The opening of several Indian casinos in the State of California in recent years and the proposed openings of several other Indian Casinos in California have had a dramatic effect on the gaming economy in the Reno-Sparks area. Over the past decade, several casinos in the downtown Reno market, including the Sundowner Hotel Casino, the Comstock Hotel Casino, Fitzgerald, and the Golden Phoenix Hotel Casino, have closed.

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

| <b>ESTIMATED VISITOR COUNTS-RENO/SPARKS AREA</b> |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Month  | 2012             | 2013 *           | 2014 *           | 2015 **          | 2016 **          | 2017 **          | 2018 **          | 2019 **          | 2020 ***         | 2021 ***         |
| January  | 281,231          | 270,740          | 256,535          | 297,101          | 271,677          | 289,266          | 288,249          | 301,727          | 292,326          | 227,507          |
| February   | 341,375          | 268,823          | 271,750          | 288,597          | 306,208          | 303,225          | 307,042          | 276,808          | 319,114          | 235,348          |
| March  | 361,802          | 320,899          | 318,612          | 322,907          | 346,778          | 366,014          | 357,284          | 330,374          | 174,181          | 291,828          |
| April  | 383,750          | 319,270          | 323,515          | 317,110          | 338,936          | 356,756          | 339,425          | 329,874          | 55,450           | 303,322          |
| May  | 381,261          | 349,140          | 354,521          | 351,439          | 339,088          | 362,055          | 368,210          | 352,930          | 82,009           | 322,688          |
| June   | 439,008          | 401,351          | 380,881          | 373,053          | 399,053          | 418,830          | 417,508          | 383,674          | 218,587          | -                |
| July   | 447,787          | 394,696          | 403,597          | 397,011          | 409,494          | 445,918          | 416,832          | 401,238          | 258,260          | -                |
| August   | 462,034          | 397,010          | 400,777          | 400,440          | 400,652          | 441,297          | 410,188          | 409,466          | 277,640          | -                |
| September  | 446,791          | 365,385          | 373,170          | 386,837          | 412,613          | 427,238          | 401,226          | 385,165          | 279,117          | -                |
| October  | 371,788          | 315,009          | 331,036          | 362,186          | 348,030          | 366,379          | 347,875          | 349,921          | 276,291          | -                |
| November   | 293,121          | 270,133          | 281,192          | 279,360          | 303,310          | 313,133          | 301,964          | 300,252          | 215,769          | -                |
| December   | 326,467          | 286,323          | 306,501          | 322,181          | 328,382          | 340,231          | 319,299          | 309,632          | 206,042          | -                |
| <b>Totals</b>                                    | <b>4,536,415</b> | <b>3,958,780</b> | <b>4,002,086</b> | <b>4,098,222</b> | <b>4,204,221</b> | <b>4,430,342</b> | <b>4,275,102</b> | <b>4,131,062</b> | <b>2,654,786</b> | <b>1,380,693</b> |

**Source: Reno-Sparks Convention and Visitors Authority**

## Residential Market

The residential market in the Reno-Sparks area grew tremendously in the 1990's and this growth continued until 2006, when the residential housing crisis began. The downturn in the residential market had a tremendous impact on residential development and sales within the Reno-Sparks market, resulting in very limited new construction for the past five years. Although the residential real estate market has struggled there are signs of recovery. The existing residential home sales and prices are on the rebound. Market activity has increased significantly in Northern Nevada in recent months and the residential market is on the rebound after a long period of decline. Sale offers are reported at or above list prices and sellers are receiving multiple offers.

The May 2021 Market Report presented by the Reno/Sparks Association of Realtors reports that, during May 2021, the report showed Reno/Sparks had 535 sales of existing single-family homes; a decrease of 8.1 percent from May 2021 and a 32.4 percent increase from May 2020. The report listed the median sales price for an existing single-family residence in



Reno/Sparks in May 2021 at \$502,000; an increase of 1.5 percent from last month and a 25.5 percent increase from the previous year. All sales numbers are for existing “stick built, single-family dwellings” only and do not include condominiums, townhomes, manufactured, modular or newly constructed homes. The median sales price of an existing condominium/townhome in Reno/Sparks in May 2021 was \$315,000; an increase of 16.7 percent from last year.

May 2021, Reno (including North Valleys) had 368 sales of existing single-family homes; an increase of 29.1 percent from last year and a decrease of 12.6 percent from April 2021. The median sales price in Reno for an existing single-family residence in May 2021 was \$550,000; a 9.6 percent increase from the previous month and an increase of 37.5 percent from 2020. All sales numbers are for existing “stick built, single-family dwellings” only and do not include condominiums, townhomes, manufactured, modular or newly constructed homes. The existing condominium/townhome median sales price for May 2021 in Reno was \$317,450; an increase of 17.6 percent from the prior year.

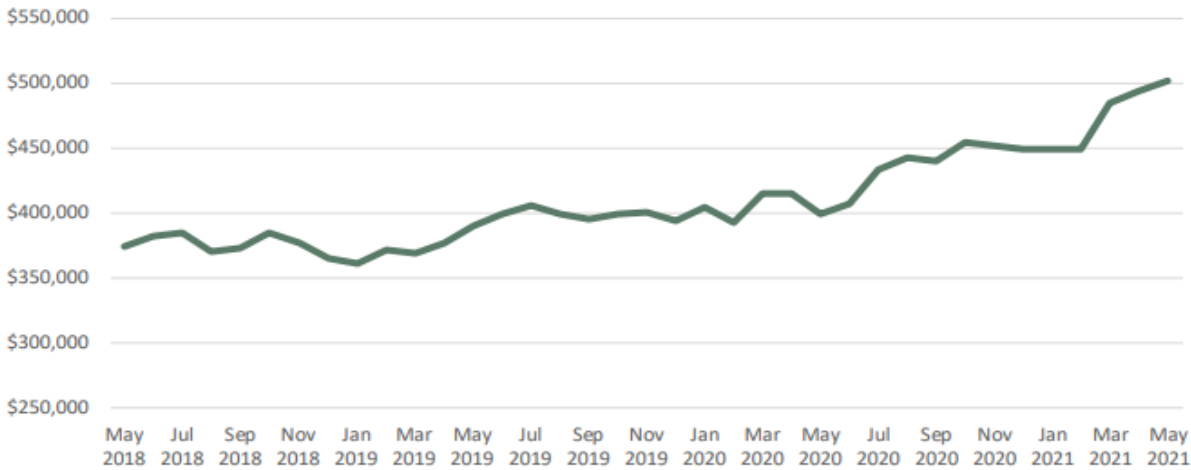
Sparks (including Spanish Springs) had 167 sales of existing single-family homes in May 2021; an increase of 40.3 percent from last year and a 3.7 percent increase from the previous month. The Sparks median sales price for an existing single-family residence in May 2021 was \$453,500; an increase of 17.8 percent from last year and a decrease of 1.4 percent from April 2021. All sales numbers are for existing “stick built, single-family dwellings” only and do not include condominiums, townhomes, manufactured, modular or newly constructed homes. The existing condominium/townhome median sales price for May 2021 in Sparks was \$297,500; an increase of 3.5 percent from last year.



**RENO-SPARKS MAY 2021 MEDIAN PRICE SOLD**

**Median Sold Price**

| Year over Year   |                  |                | Month over Month |               | Year to Date     |                  |                |
|------------------|------------------|----------------|------------------|---------------|------------------|------------------|----------------|
| May 2021         | May 2020         | Change         | Apr 2021         | Change        | 2021             | 2020             | Change         |
| <b>\$502,000</b> | <b>\$399,900</b> | <b>▲ 25.5%</b> | <b>\$494,500</b> | <b>▲ 1.5%</b> | <b>\$480,000</b> | <b>\$405,000</b> | <b>▲ 18.5%</b> |



**RENO-SPARKS MAY 2021 UNITS SOLD**

**Units Sold**

| Year over Year |            |                | Month over Month |                | Year to Date |              |               |
|----------------|------------|----------------|------------------|----------------|--------------|--------------|---------------|
| May 2021       | May 2020   | Change         | Apr 2021         | Change         | 2021         | 2020         | Change        |
| <b>535</b>     | <b>404</b> | <b>▲ 32.4%</b> | <b>582</b>       | <b>▼ -8.1%</b> | <b>2,349</b> | <b>2,168</b> | <b>▲ 8.3%</b> |

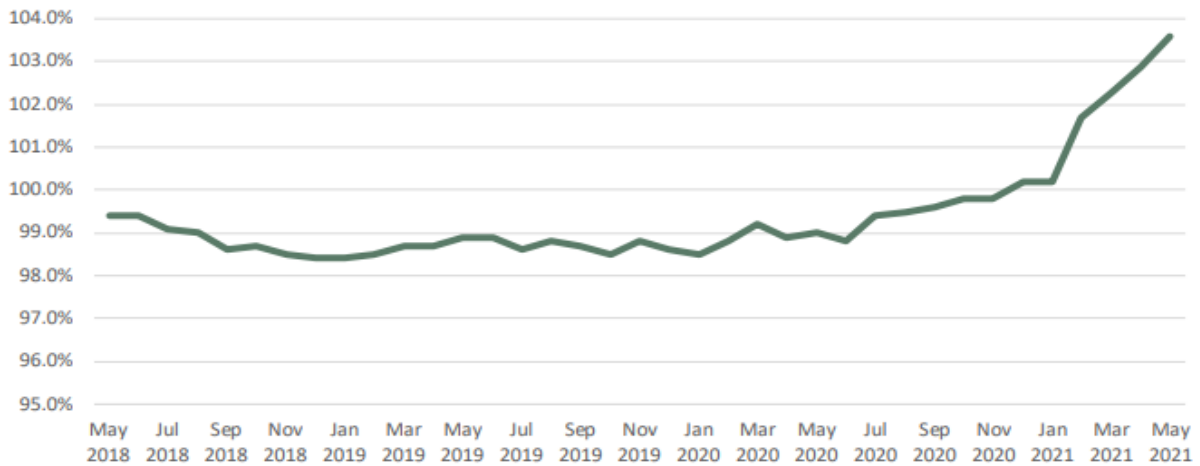




**RENO-SPARKS MAY 2021 PERCENT OF ASK PRICE RECEIVED**

**Percent of Ask Price Received**

| Year over Year |          |        | Month over Month |        |               | Year to Date |        |  |
|----------------|----------|--------|------------------|--------|---------------|--------------|--------|--|
| May 2021       | May 2020 | Change | Apr 2021         | Change | 2021          | 2020         | Change |  |
| <b>103.6%</b>  | 99.0%    | ▲ 4.6% | 102.9%           | ▲ 0.7% | <b>102.3%</b> | 98.9%        | ▲ 3.4% |  |



**RENO-SPARKS MAY 2021 NEW LISTINGS**

**New Listings**

| Year over Year |          |         | Month over Month |         | Year to Date |       |         |
|----------------|----------|---------|------------------|---------|--------------|-------|---------|
| May 2021       | May 2020 | Change  | Apr 2021         | Change  | 2021         | 2020  | Change  |
| <b>589</b>     | 619      | ▼ -4.8% | 648              | ▼ -9.1% | <b>2,698</b> | 2,863 | ▼ -5.8% |

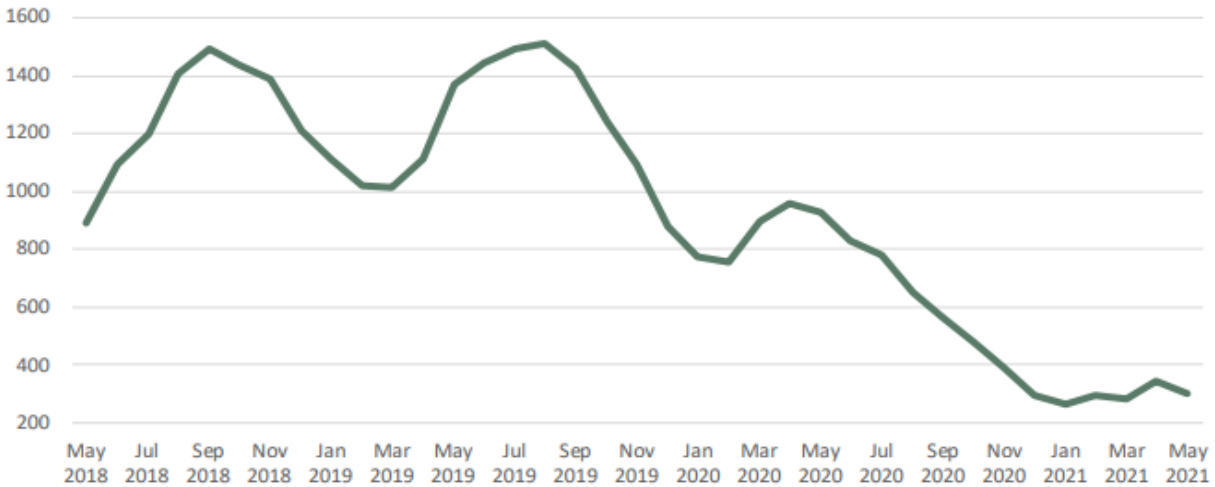




**RENO-SPARKS MAY 2021 ACTIVE INVENTORY UNITS**

**Active Inventory Units**

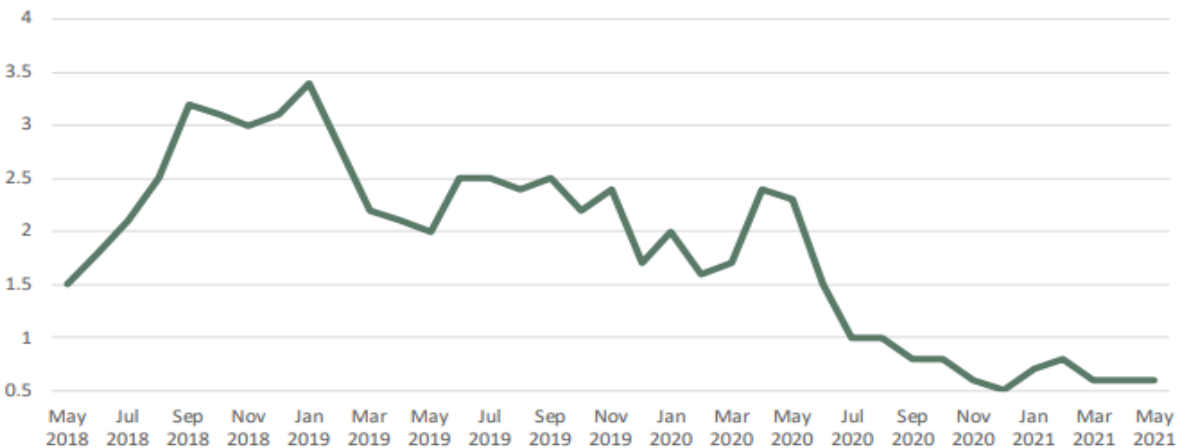
| Year over Year |          |          | Month over Month |          |
|----------------|----------|----------|------------------|----------|
| May 2021       | May 2020 | Change   | Apr 2021         | Change   |
| <b>300</b>     | 930      | ▼ -67.7% | 345              | ▼ -13.0% |



**RENO-SPARKS MAY 2021 MONTHS SUPPLY OF INVENTORY**

**Months Supply of Inventory**

| Year over Year |          |          | Month over Month |        |
|----------------|----------|----------|------------------|--------|
| May 2021       | May 2020 | Change   | Apr 2021         | Change |
| <b>0.6</b>     | 2.3      | ▼ -73.9% | 0.6              | ▬ 0.0% |





Improvement in the residential market is stimulating new construction. Most of the bulk finished lots within the market have been purchased by developers; most of these lots were bank owned during the recession. With job growth projected at over 50,000 new jobs in the coming years, demand for new housing in the area is expected to be extremely strong.

**Multifamily Market**

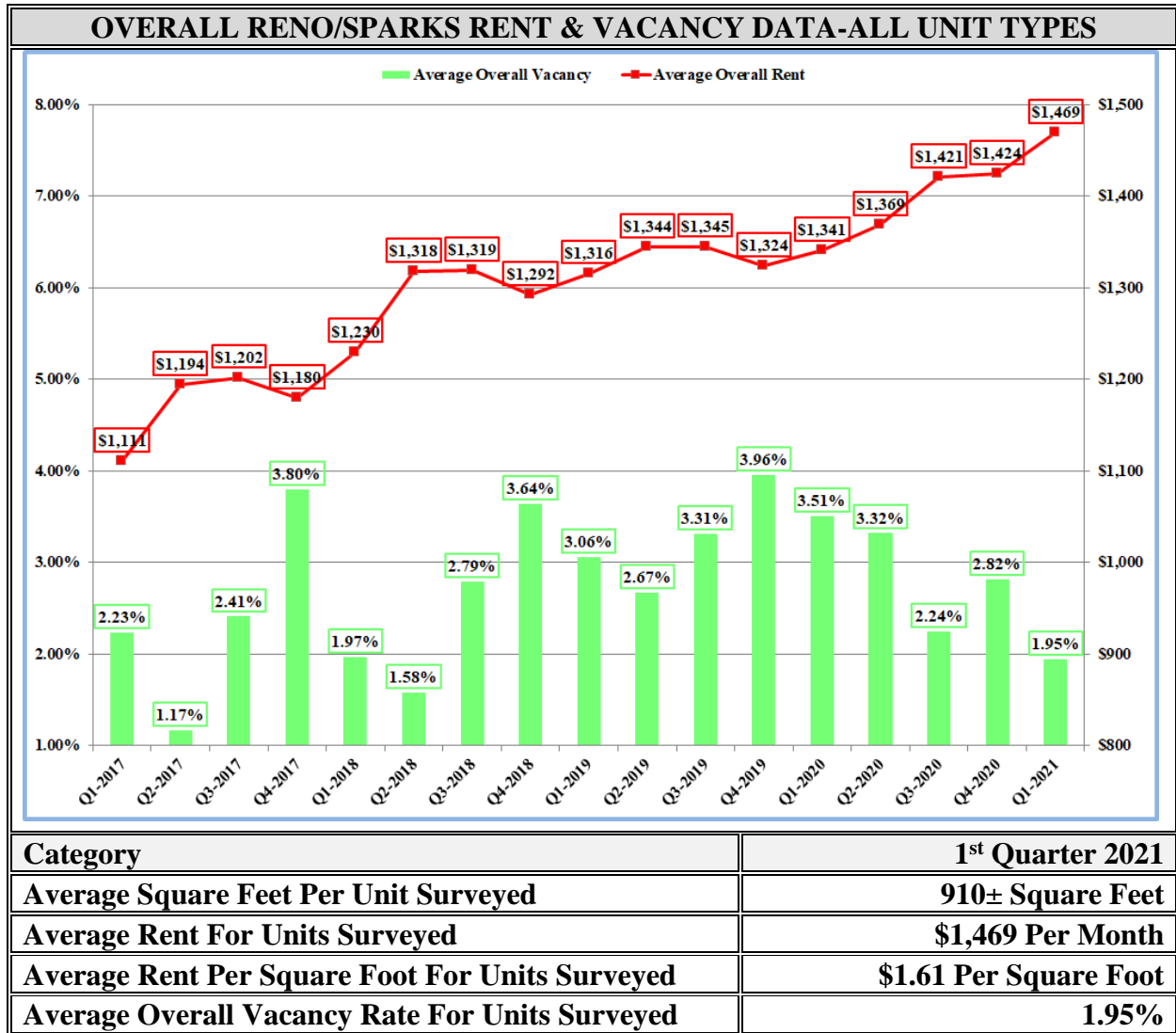
The following summarizes data from the 1<sup>st</sup> Quarter 2021 *Apartment Survey*, which is a quarterly survey conducted by Johnson Perkins Griffin, LLC.

| <b>AVERAGE SIZE, RENT &amp; VACANCY RATE BY UNIT TYPE</b> |         |              |              |              |              |          |         |
|---|---------|--------------|--------------|--------------|--------------|----------|---------|
| 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                                   | 420 SF  | 729 SF       | 862 SF       | 1,063 SF     | 1,291 SF     | 1,256 SF | 910 SF  |
| Average Rent-By Unit Type                                 | \$944   | \$1,306      | \$1,327      | \$1,625      | \$1,961      | \$1,656  | \$1,469 |
| Average Rent/SF-By Unit Type                              | \$2.25  | \$1.79       | \$1.54       | \$1.53       | \$1.52       | \$1.32   | \$1.61  |
| Indicated Vacancy Rate-By Unit Type                       | 2.65%   | 1.94%        | 1.62%        | 1.88%        | 2.71%        | 1.89%    | 1.95%   |

| <b>OVERALL AVERAGE RENT &amp; VACANCY-PRIOR &amp; CURRENT QUARTER</b> |                              |                              |                  |
|---|------------------------------|------------------------------|------------------|
| Category  | 4 <sup>th</sup> Quarter 2020 | 1 <sup>st</sup> Quarter 2021 | Change           |
| Average Vacancy   | 2.82%                        | 1.95%                        | -87 Basis Points |
| Average Rent  | \$1,424                      | \$1,469                      | +\$45 or +3.16%  |

| <b>COMPARISON OF RENTAL RATES &amp; VACANCY RATES TO PRIOR QUARTER</b> |                           |                           |              |                           |                           |               |
|--|---------------------------|---------------------------|--------------|---------------------------|---------------------------|---------------|
| UNIT TYPE  | AVERAGE RENT              |                           |              | AVERAGE VACANCY           |                           |               |
|  | 4 <sup>th</sup> Qtr. 2020 | 1 <sup>st</sup> Qtr. 2021 | Result       | 4 <sup>th</sup> Qtr. 2020 | 1 <sup>st</sup> Qtr. 2021 | Result        |
| Studio   | \$927                     | \$944                     | +\$17        | 3.18%                     | 2.65%                     | -0.53%        |
| 1 Bedroom/1 Bath   | \$1,279                   | \$1,306                   | +\$28        | 2.72%                     | 1.94%                     | -0.78%        |
| 2 Bedroom/1 Bath   | \$1,301                   | \$1,327                   | +\$26        | 2.63%                     | 1.62%                     | -1.01%        |
| 2 Bedroom/2 Bath   | \$1,565                   | \$1,625                   | +\$60        | 2.87%                     | 1.88%                     | -0.99%        |
| 3 Bedroom/2 Bath   | \$1,887                   | \$1,961                   | +\$74        | 3.54%                     | 2.71%                     | -0.83%        |
| Townhouse  | \$1,612                   | \$1,656                   | +\$45        | 1.89%                     | 1.89%                     | 0.00%         |
| <b>TOTALS</b>  | <b>\$1,424</b>            | <b>\$1,469</b>            | <b>+\$45</b> | <b>2.82%</b>              | <b>1.95%</b>              | <b>-0.87%</b> |





**Industrial Market**

In an effort 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 as a result of the region’s central location, good transportation, infrastructure and liberal tax laws. At the present time, over 500 major U.S. and foreign corporations have headquarters or located large facilities in the area, including Amazon.com, International Gaming Technology (IGT), Barnes and Noble, Patagonia, Sherwin Williams, Wal-Mart Distribution Center, J.C. Penney’s Catalog Distribution Center, and R.R. Donnelley, one of the nation’s largest publishers.



On September 5, 2014, Tesla announced that the Tahoe Reno Industrial Park (TRIC), located east of Sparks, had landed the coveted Gigafactory. Over \$1.25 billion in State of Nevada incentives were approved for development of the project. In return, Tesla will be required to complete \$5 billion in capital investments on the facility through 2028. The cost for the building and site infrastructure will be \$1.1 billion. Machinery and equipment will account for the remaining \$3.9 billion, including materials processing and product assembly. Once the 5.5 million square foot facility reaches full operation, it will produce enough batteries for 500,000 Tesla electric cars each year. As part of the deal, the USA Parkway extension was fast-tracked; this \$43 million project extended USA Parkway from its current terminus in TRIC, to U.S. Highway 50 in Silver Springs, greatly reducing travel times between Interstate-80 and U.S. Highway 50.

As most major cities in the western portion of the United States are located within relatively close 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 1<sup>st</sup> Quarter 2021 Report* indicates the following:



### COMMENTARY-CBRE RENO INDUSTRIAL MARKET VIEW 1<sup>ST</sup> QUARTER 2021

The Northern Nevada industrial market continued to build off its momentum from the previous year by posting strong market fundamentals again in Q1 2021. Gross absorption for the quarter reached 1.9 million sq. ft. while net absorption was also robust, posting positive 1.3 million sq. ft., representing the seventh quarter in a row where net absorption totaled more than positive 800,000 sq. ft. Low vacancy rates have also allowed for sizable increases in asking lease rates as both bulk and flex asking rates experienced an increase. Bulk industrial product has seen asking lease rates climb 23% since the start of 2019. Market conditions continue to favor owners in the short term as rental increases are contributing to larger returns on investments and favorable transaction terms for owners while low vacancy rates make it harder for tenants to find the right space.

Leasing activity continued to boom across the region in Q1 2021 with 2.9 million sq. ft. of leases being signed and the average deal size growing, coming in at just under 100,000 sq. ft. Large transactions remain a staple of the industrial market as the largest lease of the quarter was a pre-lease on new construction signed with an undisclosed company at Reno Logistics Center (795,926 sq. ft.). Early tenant renewals are also becoming more commonplace as occupiers are looking to ensure they can secure space in an increasingly competitive market. The next two largest leases were renewals as Home Depot signed a renewal at 555 Milan Drive (566,875 sq. ft.) and Fracht Fwo at 1402 S McCarran Boulevard (261,992 sq. ft.).

The market is still seeing significant investment capital flow into the region as the largest sale transactions for the quarter were investment trades. The largest sale of Q1 2021 occurred at 14100 Lear Boulevard (447,122 sq. ft.) in the North Valleys submarket when Industrial Realty Group purchased the property from LSC Communications in a bankruptcy sale. The second largest sale by building size was 9715 N Virginia Street (185,000 sq. ft.), a fully leased warehouse purchased by LBA Realty from Scannell Properties.

The construction pipeline swelled during the quarter with 1.3 million sq. ft. of new projects commencing construction in Q1 2021. This pushes the total square footage of properties currently under construction to 4.2 million sq. ft., which is the highest mark ever recorded in the Northern Nevada industrial market. The most notable deliveries of the quarter were 727 Milan Drive (663,600 sq. ft.) in East Valley which was vacant upon completion and 4615 Echo Avenue (259,740 sq. ft.) in North Valleys which was pre-leased to Continental Tire. In total, there were 903,840 sq. ft. of vacant deliveries which helped push market-wide vacancy and availability rates slightly higher.

As most current construction is slated to deliver late this year and into early 2022, several pending leases are expected to drive down vacancy and availability in the short term. Consistent tenant demand will continue to produce strong market fundamentals throughout the year.

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 Market View 1<sup>st</sup> Quarter 2021*.



## INDUSTRIAL RENTS & VACANCIES BY SUBMARKET

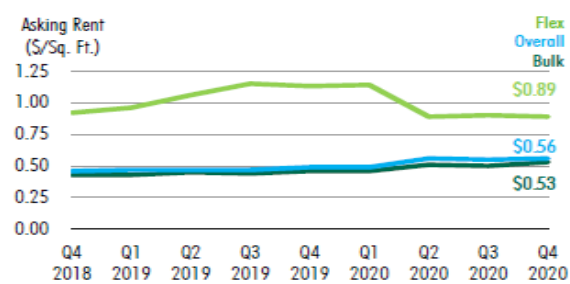
Figure 2: Reno Industrial Market Statistics

| Submarket           | Net Rentable Area | Total Vacancy % | Total Availability % | Q1 Net Absorption | YTD Net Absorption | Average Asking Rate \$ |
|---------------------|-------------------|-----------------|----------------------|-------------------|--------------------|------------------------|
| Central / Airport   | 9,258,911         | 3.3             | 3.9                  | 41,006            | 41,006             | 0.90                   |
| Bulk                | 6,693,270         | 1.6             | 2.1                  | 57,409            | 57,409             | 0.91                   |
| Flex                | 2,565,641         | 7.6             | 8.5                  | (16,403)          | (16,403)           | 0.89                   |
| East Valley         | 21,624,181        | 7.5             | 9.5                  | 16,629            | 16,629             | 0.46                   |
| Bulk                | 22,165,094        | 7.3             | 9.2                  | 16,629            | 16,629             | 0.46                   |
| Flex                | 122,687           | 0.0             | 0.0                  | 0                 | 0                  | N/A                    |
| North Valley        | 23,709,072        | 3.8             | 4.4                  | 799,731           | 799,731            | 0.51                   |
| Bulk                | 23,407,226        | 3.7             | 4.4                  | 799,731           | 799,731            | 0.51                   |
| Flex                | 301,846           | 4.5             | 4.5                  | 0                 | 0                  | N/A                    |
| South Reno          | 9,121,595         | 0.9             | 3.6                  | 120,187           | 120,187            | 0.72                   |
| Bulk                | 7,062,790         | 0.9             | 4.0                  | 103,307           | 103,307            | 0.62                   |
| Flex                | 2,058,805         | 1.0             | 2.2                  | 16,880            | 16,880             | 1.06                   |
| Sparks              | 29,220,407        | 1.0             | 1.2                  | 309,583           | 309,583            | 0.70                   |
| Bulk                | 26,069,315        | 1.0             | 1.2                  | 300,074           | 300,074            | 0.67                   |
| Flex                | 3,151,092         | 0.7             | 1.1                  | 9,509             | 9,509              | 0.92                   |
| West Reno           | 2,517,880         | 0.4             | 0.4                  | 4,800             | 4,800              | 0.85                   |
| Bulk                | 2,108,682         | 0.0             | 0.0                  | 4,800             | 4,800              | N/A                    |
| Flex                | 409,198           | 2.1             | 2.2                  | 0                 | 0                  | 0.85                   |
| <b>Market Total</b> | <b>95,452,046</b> | <b>3.3</b>      | <b>4.3</b>           | <b>1,291,936</b>  | <b>1,291,936</b>   | <b>0.56</b>            |
| <b>Bulk</b>         | <b>87,506,377</b> | <b>3.4</b>      | <b>4.4</b>           | <b>1,281,950</b>  | <b>1,281,950</b>   | <b>0.53</b>            |
| <b>Flex</b>         | <b>8,609,269</b>  | <b>3.0</b>      | <b>3.7</b>           | <b>9,986</b>      | <b>9,986</b>       | <b>0.89</b>            |

Source: CBRE Research, Q1 2021. \*See survey criteria on page 4.

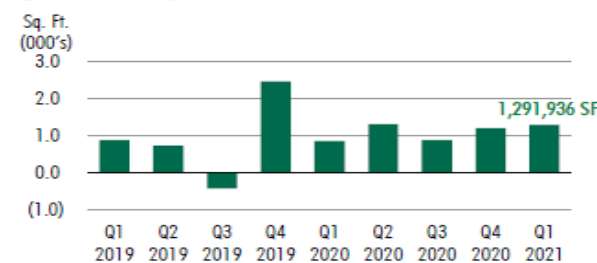
## HISTORICAL INDUSTRIAL DATA

Figure 4: Lease Rates



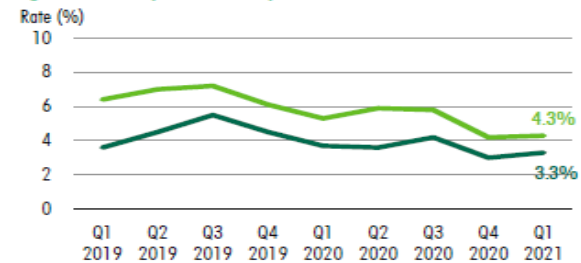
Source: CBRE Research, Q1 2021.

Figure 5: Net Absorption



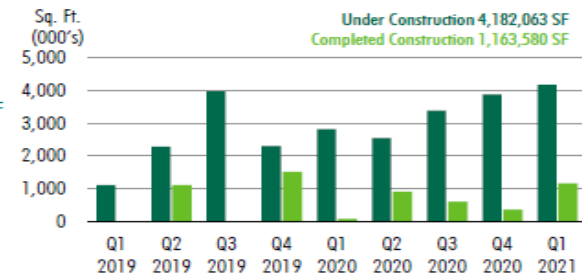
Source: CBRE Research, Q1 2021.

Figure 6: Vacancy & Availability



Source: CBRE Research, Q1 2021.

Figure 7: Construction Activity



Source: CBRE Research, Q1 2021.



## Retail Market

The Reno-Sparks area now offers three regional shopping centers and more than 100 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, 2010/2011 to 2018/2019 fiscal taxable sales show an increase from year-to-date numbers for each of the past nine years. The following chart summarizes taxable sales totals for Washoe County from 1998/1999 (fiscal years) through 2020/2021.

| <b>WASHOE COUNTY TAXABLE SALES HISTORY</b> |                      |                          |
|--|----------------------|--------------------------|
| <b>Fiscal Year</b>                         | <b>Taxable Sales</b> | <b>Percentage Change</b> |
| 1998/1999                                  | \$4,679,515,860      | 6.90%                    |
| 1999/2000                                  | \$4,966,612,920      | 6.14%                    |
| 2000/2001                                  | \$5,194,146,044      | 4.58%                    |
| 2001/2002                                  | \$5,292,178,588      | 1.89%                    |
| 2002/2003                                  | \$5,481,582,915      | 3.47%                    |
| 2003/2004                                  | \$6,003,368,280      | 9.52%                    |
| 2004/2005                                  | \$6,660,263,045      | 10.6%                    |
| 2005/2006                                  | \$7,268,593,250      | 9.13%                    |
| 2006/2007                                  | \$7,202,640,557      | -0.91%                   |
| 2007/2008                                  | \$6,823,700,706      | -5.3%                    |
| 2008/2009                                  | \$5,707,791,051      | -16.35%                  |
| 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%                    |

**Source: Nevada Department of Taxation**

Leases for retail space in the Reno-Sparks market are typically based upon triple net lease terms or modified gross lease terms. Under triple net lease terms, tenants typically pay a base rental rate, and are also responsible for paying most operating expenses associated with the property, including utilities, taxes, insurance, management, typical repairs and maintenance, and other expense items. In multi-tenant projects, these additional fees are most often billed back to



tenants; these are often referred to as Common Area Maintenance (CAM) fees. The CBRE *Reno Retail Market View 1<sup>st</sup> Quarter 2021 Report* indicates the following:

| <b>COMMENTARY-CBRE RENO RETAIL MARKET VIEW 1<sup>ST</sup> QUARTER 2021</b>   |  |
|--|--|
| <i>Source: CBRE Research, Q1 2021.</i>   |  |
| <p>Despite the challenging economic climate from the COVID-19 pandemic, the Reno retail market posted record high market fundamentals for Q1 2021. The overall market posted 111,845 sq. ft. of positive net absorption, the second consecutive quarter of positive absorption and the highest number of occupancy gains for the region in three years. Both vacancy and availabilities rates decreased to 5.1% and 6.4%, respectively. The average asking lease rate increased by \$0.14 to \$1.61 NNN quarter-over-quarter.</p> <p>The Reno retail market has benefitted significantly from decreased COVID-19 restrictions and the vaccine being distributed in a rapid pace. At the close of the first quarter, Washoe County reported over 181,000 vaccines administered and approximately 15.5% of residents have been fully vaccinated. Restaurants and retailers can now operate at 50% occupancy levels. This coupled with an influx of new residents taking advantage of lower cost of living and increased quality of life, the Reno retail market is expected to continue this pattern of growth.</p> <p>Leasing activity for the quarter remained steady with several large anchor tenants signing leases. The largest lease of the quarter was signed by C-A-L</p> | <p>Ranch Stores (67,769 sq. ft.) at Kietzke Center as the ranch and farm supply company plans to move into the former Mervyn's. The next two largest leases of the quarter were equal in size (30,000 sq. ft. each) as United Cerebral Palsy signed a new lease at Evergreen Plaza and Crunch Fitness at Legends at Sparks Marina.</p> <p>Sales activity in the region was highlighted by both investment and owner/user transactions. The largest sale of the quarter was at 5150 Mae Anne Ave (94,385 Sq. ft.). The former Kohl's building was purchased by Arnold Schlesinger at a price of \$9.5 million. The second largest sale of the quarter occurred at 2580 Kietzke Lane (74,124 sq. ft.) for \$6.5 million to Paul Blanco Good Car Company which they plan to occupy. As the Reno population continues to grow, investment interest is expected to increase, however a lack of available product will present challenges.</p> <p>Unemployment in the region has decreased to 4.9% as of January, this partnered with the \$1.9 trillion relief bill signed earlier in the quarter has led to increased consumer spending in the region and retailers are reaping the benefits. While the economy has not fully recovered, all indicators are pointing toward a healthy market for the rest of 2021.</p> |

The following charts summarize the overall and submarket retail markets, and include data related to rental rates and vacancies. The data is from the CBRE *Reno Retail Market View 1<sup>st</sup> Quarter 2021*.



## RETAIL RENTS & VACANCIES BY SUBMARKET

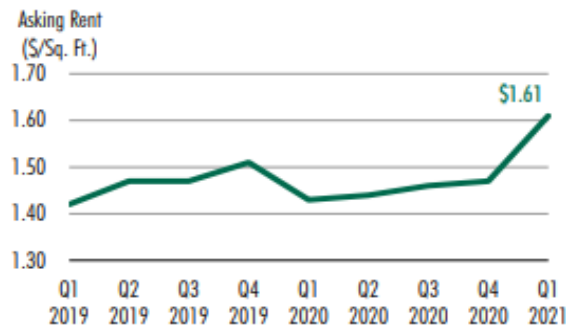
Figure 2: Reno Retail Market Statistics

| Submarket           | Gross Leaseable Area | Total Vacancy % | Total Availability % | Q1 Net Absorption | YTD Net Absorption | Average Asking Rate \$ |
|---------------------|----------------------|-----------------|----------------------|-------------------|--------------------|------------------------|
| Central/Airport     | 1,588,438            | 3.5%            | 3.7%                 | 81,317            | 81,317             | 1.25                   |
| Downtown            | 360,635              | 4.5%            | 4.5%                 | 2,312             | 2,312              | 1.25                   |
| Meadowood           | 3,285,664            | 5.9%            | 8.3%                 | 7,104             | 7,104              | 1.16                   |
| North Valleys       | 954,780              | 1.4%            | 2.1%                 | 0                 | 0                  | 1.86                   |
| Northwest Reno      | 1,786,328            | 2.7%            | 2.9%                 | (1,608)           | (1,608)            | 1.73                   |
| South Reno          | 2,519,210            | 4.4%            | 5.0%                 | (13,609)          | (13,609)           | 2.13                   |
| Southwest Reno      | 754,844              | 7.8%            | 9.5%                 | 3,983             | 3,983              | 1.61                   |
| Spanish Springs     | 1,664,402            | 6.0%            | 6.8%                 | 5,414             | 5,414              | 1.99                   |
| Sparks              | 3,480,926            | 6.9%            | 9.6%                 | 26,932            | 26,932             | 1.53                   |
| <b>Market Total</b> | <b>16,054,315</b>    | <b>5.1%</b>     | <b>6.4%</b>          | <b>111,845</b>    | <b>111,845</b>     | <b>1.61</b>            |

Source: CBRE Research, Q1 2021. \*See survey criteria on page 4.

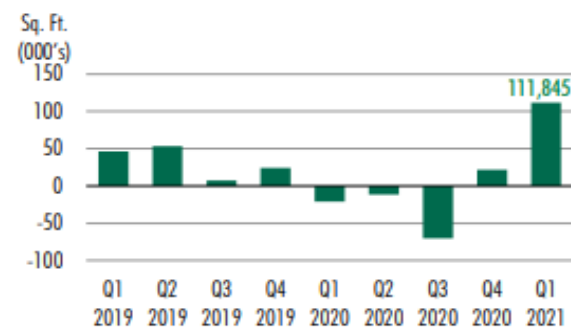
## HISTORICAL RETAIL DATA

Figure 6: Lease Rates



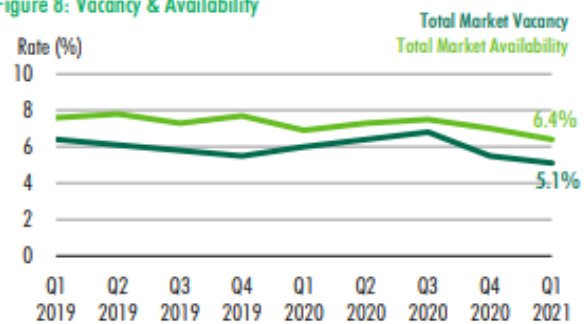
Source: CBRE Research, Q1 2021.

Figure 7: Net Absorption



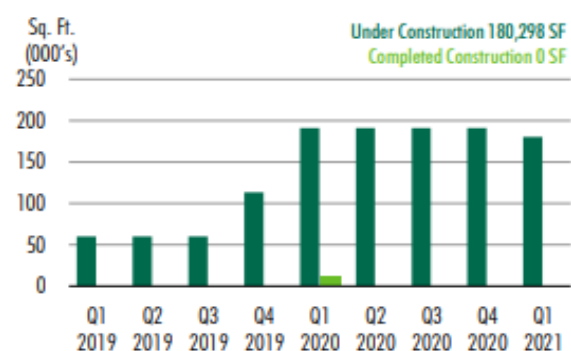
Source: CBRE Research, Q1 2021.

Figure 8: Vacancy & Availability



Source: CBRE Research, Q1 2021.

Figure 9: Construction Activity



Source: CBRE Research, Q1 2021.



**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. Leases for professional office uses in the Reno-Sparks market are typically based upon full service gross lease terms or modified gross lease terms. Under full service gross lease terms, owners are responsible for all operating costs associated with the building. Typically, these leases incorporate base year expense stops, with tenants responsible for any increases in operating expenses over the base year. Under modified gross lease terms, the tenant is typically responsible for utilities and janitorial service. Due to increases in utility expenses, many property owners now market properties on modified gross lease terms, with some even marketing properties on triple net lease terms, in which the tenant is responsible for all operating expenses associated with the building. The CBRE *Reno Office Market View 1<sup>st</sup> Quarter 2021 Report* indicates the following:

| <b>COMMENTARY-CBRE RENO OFFICE MARKET VIEW 1<sup>ST</sup> QUARTER 2021</b>  |  |
|---|--|
| <small>Source: CBRE Research Q1 2021.</small>   |  |
| <p>The Reno office market closed Q1 2021 with 21,230 sq. ft. of positive net absorption, the second consecutive quarter of occupancy gains in the last year since the start of the COVID-19 pandemic. The market wide vacancy rate continued its downward trend and is now sitting at 9.9% and the availability rate decreased to 13.4%. Average asking lease rates increased to \$1.86 per sq. ft., surpassing pre-Covid levels. All indicators are pointing toward a full economic recovery for the Reno office market.</p> <p>The outlook for the Reno economy is becoming very positive as COVID-19 vaccines are deployed at a rapid pace. At the close of the first quarter Washoe County reported a total of 181,481 vaccines administered and approximately 15.5% of the residents have been fully vaccinated and businesses are now allowed to operate at 50% occupancy levels. Unemployment for the Reno Metro area is down to 4.9% as of January, a slight decrease from 5% that was reported in December.</p> <p>Leasing activity in the region has also picked up significantly this quarter. The largest lease of the quarter was signed by Harley Davison for 28,856 sq. ft. at 9850 Double R Boulevard in the South Reno submarket. The second largest lease of the quarter was signed by Ridgeline for 16,841 sq. ft. at 9670</p> | <p>Gateway Drive in the South Reno submarket. Several tenants have re-entered the market after putting their leasing requirements on hold during work-from-home mandates, a strong sign for increased activity to come. It is expected that there will be increased lateral movement throughout the region as companies evaluate their space requirements and navigate the next wave of office needs.</p> <p>The efforts to expand and diversify the Reno economy have not gone unnoticed as EDAWN announced that StemExpress, a biotech company, and PayCertify, a fintech company, are moving their headquarters to Reno and bringing 200 new jobs to the region. The largest sale of the quarter was for 52,100 sq. ft. and was an owner-user deal for the new StemExpress headquarters in the South Reno submarket. It was a double escrow sale originally purchased for \$5.8 million as an investment by Benjamin Garfinkle and then sold to StemExpress for \$6.6 million (\$126.68 per sq. ft.) that same day.</p> <p>Overall market fundamentals are headed in a healthy direction for the Reno Office market as the vaccine continues to be distributed. This will allow occupiers to become more comfortable with moving back into the office, offering increased activity in the quarters to come.</p> |

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 1<sup>st</sup> Quarter 2021*.





## OFFICE RENTS & VACANCIES BY SUBMARKET

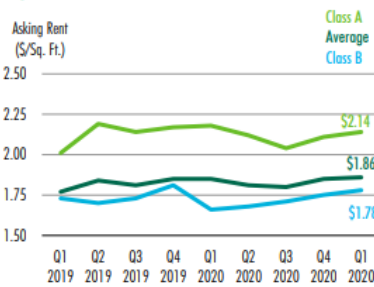
Figure 2: Reno Office Market Statistics

| Submarket           | Net Rentable Area | Total Vacancy % | Total Availability % | Q3 Net Absorption | YTD Net Absorption | Average Asking Rate \$ |
|---------------------|-------------------|-----------------|----------------------|-------------------|--------------------|------------------------|
| Airport             | 778,126           | 14.0            | 15.1                 | (9,726)           | (9,726)            | 1.31                   |
| Class A             | 32,376            | -               | -                    | -                 | -                  | -                      |
| Class B             | 398,234           | 12.8            | 14.1                 | 5,220             | 5,220              | 1.38                   |
| Central             | 602,601           | 9.9             | 12.3                 | (920)             | (920)              | 1.52                   |
| Class A             | -                 | -               | -                    | -                 | -                  | -                      |
| Class B             | 290,135           | 9.8             | 13.2                 | -                 | -                  | 1.62                   |
| Downtown            | 1,329,114         | 13.4            | 16.7                 | (5,587)           | (5,587)            | 2.04                   |
| Class A             | 810,695           | 14.1            | 18.0                 | 2,163             | 2,163              | 2.15                   |
| Class B             | 273,830           | 15.8            | 19.5                 | (2,547)           | (2,547)            | 1.79                   |
| Meadowood           | 1,691,242         | 10.5            | 13.3                 | (15,570)          | (15,570)           | 1.96                   |
| Class A             | 841,274           | 12.6            | 14.9                 | (5,292)           | (5,292)            | 2.18                   |
| Class B             | 755,728           | 8.3             | 10.8                 | (11,034)          | (11,034)           | 1.88                   |
| South Reno          | 1,399,415         | 2.7             | 10.5                 | 45,697            | 45,697             | 1.92                   |
| Class A             | 990,231           | 2.4             | 6.8                  | 45,697            | 45,697             | 1.96                   |
| Class B             | 409,184           | 3.4             | 19.3                 | -                 | -                  | 1.79                   |
| Sparks              | 93,693            | -               | 7.0                  | 10,515            | 10,515             | 1.25                   |
| Class A             | -                 | -               | -                    | -                 | -                  | -                      |
| Class B             | 93,693            | -               | 7.0                  | 10,515            | 10,515             | 1.25                   |
| West Reno           | 196,268           | 20.6            | 20.6                 | (3,179)           | (3,179)            | 2.18                   |
| Class A             | 14,493            | -               | -                    | -                 | -                  | -                      |
| Class B             | 44,311            | 48.1            | 48.1                 | -                 | -                  | 2.65                   |
| <b>Market Total</b> | <b>6,090,459</b>  | <b>9.9</b>      | <b>13.6</b>          | <b>21,230</b>     | <b>21,230</b>      | <b>1.86</b>            |
| <b>Class A</b>      | <b>2,689,069</b>  | <b>9.1</b>      | <b>12.6</b>          | <b>42,568</b>     | <b>42,568</b>      | <b>2.13</b>            |
| <b>Class B</b>      | <b>2,265,115</b>  | <b>9.8</b>      | <b>14.8</b>          | <b>2,154</b>      | <b>2,154</b>       | <b>1.78</b>            |

Source: CBRE Research, Q1 2021. \*See survey criteria on page 4.

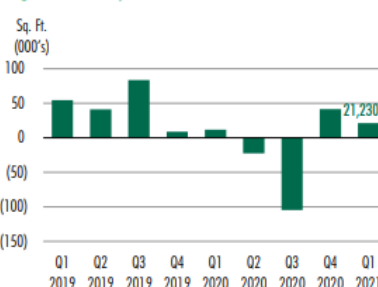
## HISTORICAL OFFICE DATA

Figure 4: Lease Rates



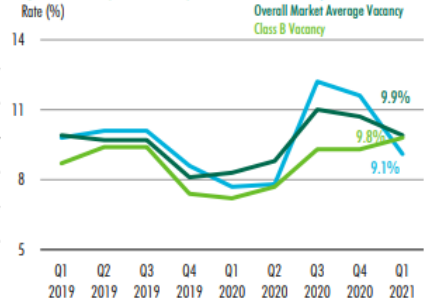
Source: CBRE Research, Q1 2021.

Figure 5: Net Absorption



Source: CBRE Research, Q1 2021.

Figure 6: Vacancy & Availability Rate (%)

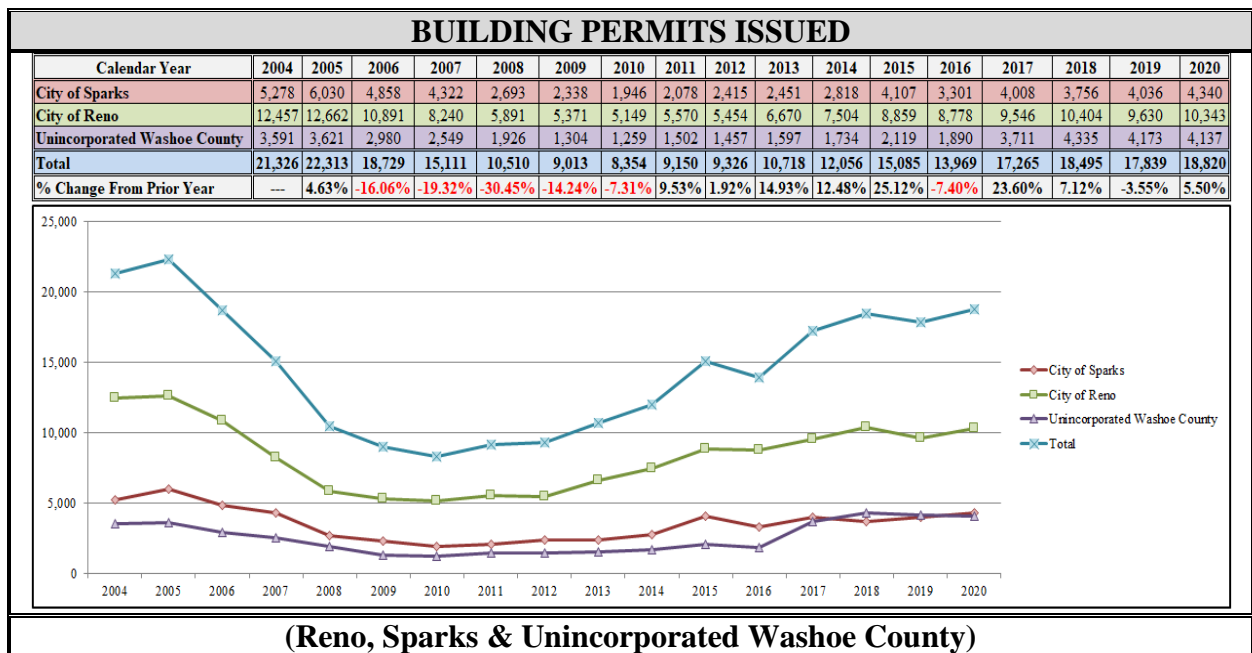


Source: CBRE Research, Q1 2021.



### Construction Activity

Construction activity in the area was limited during the housing crisis, but has shown signs of recovery. Within the Reno-Sparks market, building permits issued began to drop in 2006, and dropped every year through 2010; beginning in 2011, building permit activity continued to increase through 2015. As the chart and graph below indicate, at the peak of the market in 2005, 22,313 total building permits were issued in Washoe County, including the City of Reno and the City of Sparks. In 2020, the latest full calendar year, 18,820 building permits were issued.



### 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                            |                 |             |         |             |             | Total Enplaned Passengers |           |           |         |         |         |
| Feb-21                                      |                 |             |         |             |             | Feb-21                    |           |           |         |         |         |
|   | Passengers      |             | % Diff. | Passengers  |             | Month                     | 2019      | 2020      | 2021    | % Diff. |         |
|   | 2019            | 2020        |         | 2021        | % Diff.     |                           |           |           |         |         |         |
| JAN   | 335,095         | 342,796     | 2.3%    | 145,421     |             | JAN                       | 168,909   | 172,452   | 72,887  | -57.7%  |         |
| FEB   | 306,800         | 341,935     | 11.5%   | 162,071     |             | FEB                       | 152,933   | 170,067   | 80,263  | -52.8%  |         |
| MAR   | 383,215         | 194,796     | -49.2%  |             |             | MAR                       | 195,310   | 99,986    |         |         |         |
| 1st QTR                                     | 1,025,110       | 879,527     | -14.2%  |             |             | APR                       | 166,676   | 8,690     |         |         |         |
| APR   | 337,062         | 17,265      | -94.9%  |             |             | MAY                       | 175,621   | 22,807    |         |         |         |
| MAY   | 354,311         | 46,015      | -87.0%  |             |             | JUN                       | 197,397   | 48,274    |         |         |         |
| JUN   | 397,211         | 98,619      | -75.2%  |             |             | JUL                       | 213,326   | 66,039    |         |         |         |
| 2nd QTR                                     | 1,088,584       | 161,899     | -85.1%  | 0           |             | AUG                       | 211,958   | 93,015    |         |         |         |
| JUL   | 432,188         | 140,986     | -67.4%  |             |             | SEP                       | 202,280   | 82,844    |         |         |         |
| AUG   | 431,640         | 183,343     | -57.5%  |             |             | OCT                       | 193,859   | 87,379    |         |         |         |
| SEP   | 392,353         | 164,103     | -58.2%  |             |             | NOV                       | 158,558   | 74,910    |         |         |         |
| 3rd QTR                                     | 1,256,181       | 488,432     | -61.1%  | 0           |             | DEC                       | 187,914   | 76,164    |         |         |         |
| OCT   | 380,879         | 173,682     | -54.4%  |             |             | TOTAL                     | 2,224,741 | 1,002,627 | 153,150 |         |         |
| NOV   | 318,022         | 148,777     | -53.2%  |             |             | YTD Total                 |           | 342,519   | 153,150 | -55.3%  |         |
| DEC   | 381,897         | 154,103     | -59.6%  |             |             |                           |           |           |         |         |         |
| 4th QTR                                     | 1,080,798       | 476,562     | -55.9%  | 0           |             |                           |           |           |         |         |         |
| TOTAL                                       | 4,450,673       | 2,006,420   | -54.9%  |             |             |                           |           |           |         |         |         |
| YTD   |                 | 684,731     |         | 307,492     |             |                           |           |           |         | -55.1%  |         |
| Total Cargo Volume in Pounds                |                 |             |         |             |             | Total Deplaned Passengers |           |           |         |         |         |
| Feb-21                                      |                 |             |         |             |             | Feb-21                    |           |           |         |         |         |
|   | Cargo in Pounds |             | % Diff. | Metric Tons |             | Month                     | 2019      | 2020      | 2021    | % Diff. |         |
|   | 2019            | 2020        |         | Pounds      | Metric Tons |                           |           |           |         |         | % Diff. |
| JAN   | 11,940,830      | 11,008,444  | -7.8%   | 11,805,228  | 5,354       | 7.2%                      | JAN       | 166,186   | 170,344 | 72,534  | -57.4%  |
| FEB   | 11,559,065      | 10,266,728  | -11.2%  | 10,068,001  | 4,566       | -1.9%                     | FEB       | 153,867   | 171,868 | 81,808  | -52.4%  |
| MAR   | 11,770,662      | 11,356,256  | -3.5%   |             |             |                           | MAR       | 187,905   | 94,810  |         |         |
| 1st QTR                                     | 35,270,557      | 32,631,428  | -7.5%   |             |             | APR                       | 170,386   | 8,575     |         |         |         |
| APR   | 11,208,216      | 11,090,789  | -1.0%   |             |             | MAY                       | 178,690   | 23,208    |         |         |         |
| MAY   | 12,273,193      | 11,613,489  | -5.4%   |             |             | JUN                       | 199,814   | 50,345    |         |         |         |
| JUN   | 11,988,693      | 12,488,906  | 4.2%    |             |             | JUL                       | 218,862   | 74,947    |         |         |         |
| 2nd QTR                                     | 35,470,102      | 35,193,184  | -0.8%   | 0           |             | AUG                       | 219,682   | 90,328    |         |         |         |
| JUL   | 12,537,938      | 13,387,102  | 6.8%    |             |             | SEP                       | 190,073   | 81,259    |         |         |         |
| AUG   | 12,909,571      | 12,563,172  | -2.7%   |             |             | OCT                       | 187,020   | 86,303    |         |         |         |
| SEP   | 11,350,614      | 13,014,081  | 14.7%   |             |             | NOV                       | 159,464   | 73,867    |         |         |         |
| 3rd QTR                                     | 36,798,123      | 38,964,355  | 5.9%    | 0           |             | DEC                       | 193,983   | 77,939    |         |         |         |
| OCT   | 12,662,270      | 13,281,548  | 4.9%    |             |             | TOTAL                     | 2,225,932 | 1,003,793 | 154,342 |         |         |
| NOV   | 11,428,318      | 11,988,995  | 4.9%    |             |             | YTD Total                 |           | 342,212   | 154,342 | -54.9%  |         |
| DEC   | 15,270,324      | 15,834,177  | 3.7%    |             |             |                           |           |           |         |         |         |
| 4th QTR                                     | 39,360,912      | 41,104,720  | 4.4%    | 0           |             |                           |           |           |         |         |         |
| TOTAL                                       | 146,899,694     | 147,893,687 | 0.7%    |             |             |                           |           |           |         |         |         |
| YTD   |                 | 21,275,172  |         | 21,873,229  | 9,920       | 2.8%                      |           |           |         |         |         |
| Enplaned Passengers & Load Factor           |                 |             |         |             |             |                           |           |           |         |         |         |
| Airline                                     | Enplaned PAX    | Feb-21      | Feb-20  | Diff.       |             |                           |           |           |         |         |         |
| Alaska/Horizon                              | 9,123           | 65.2%       | 74.7%   | -9.5        |             |                           |           |           |         |         |         |
| Allegiant Air                               | 2,159           | 50.8%       | 64.9%   | -14.2       |             |                           |           |           |         |         |         |
| American                                    | 13,783          | 73.4%       | 87.9%   | -14.5       |             |                           |           |           |         |         |         |
| Delta                                       | 9,951           | 51.8%       | 82.5%   | -30.8       |             |                           |           |           |         |         |         |
| Frontier                                    | 928             | 73.7%       | 85.4%   | -11.7       |             |                           |           |           |         |         |         |
| JetBlue                                     | 835             | 42.8%       | 74.1%   | -31.3       |             |                           |           |           |         |         |         |
| Southwest                                   | 27,558          | 75.0%       | 70.5%   | 4.5         |             |                           |           |           |         |         |         |
| United                                      | 14,372          | 67.2%       | 82.1%   | -14.8       |             |                           |           |           |         |         |         |
| Volaris                                     | 821             | 35.8%       | 69.2%   | -33.4       |             |                           |           |           |         |         |         |

The Reno-Sparks area also has adequate rail service and bus service. The area has excellent access to trucking facilities, with over 60 firms serving the Reno area. 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 four private general hospitals and one Veterans' Administration hospital. While the area is considered to have good hospital facilities, the hospitals in Nevada are some of the more expensive in the country. The two largest hospitals, St. Mary's and Renown, have both opened satellite hospitals in south Reno, and have both undergone major expansions at their main facilities.

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 21,300 students currently enrolled at the University. The area is also served by the Truckee Meadows Community College, which has an enrollment of approximately 11,600 students per year.

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

### **COVID-19 Pandemic**

Due to the Covid-19 Pandemic a national emergency was declared on March 1, 2020. In an effort to control the spread of the virus, the Federal Government issued social distancing guidelines, and Nevada Governor Steve Sisolak has issued stay at home directives as well as mandatory closures of all non-essential businesses, schools, and universities. This ultimately caused a significant decrease in business activity and a dramatic increase in the unemployment rate. Many of these directives have since been lifted; however, the long-term economic impact on the Reno-Sparks area due to the Covid-19 pandemic is still unknown.

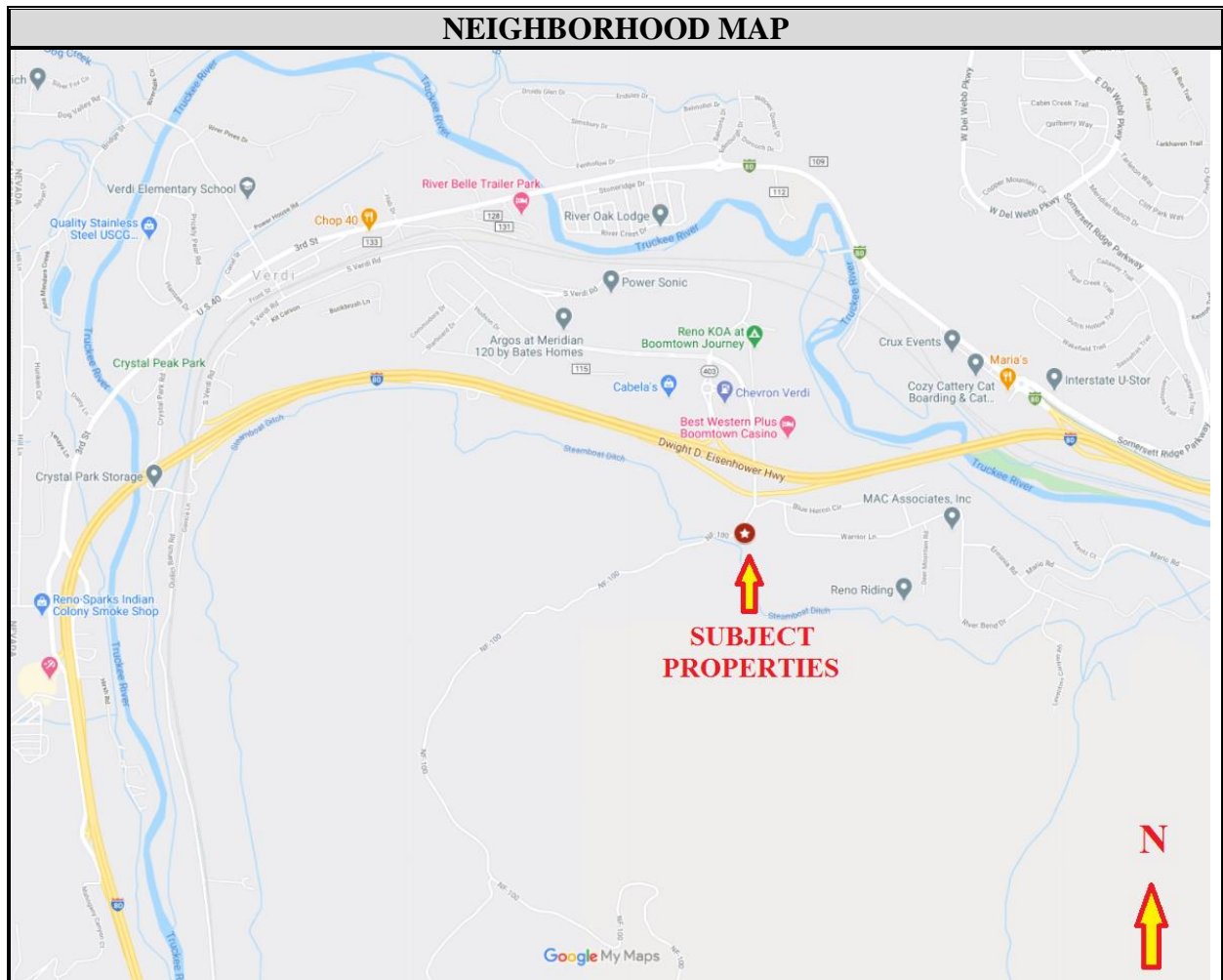
### **Summary**

In summary, the Reno-Sparks area has experienced rapid population growth over the past several decades due to the excellent quality of life. Historically, the gaming industry has been the principal economic base for the area. With the legalization of gaming across the United States, the area's principal industry is experiencing a major challenge.

In response to this challenge, the National Bowling Stadium and Downtown Events Center have been built, the Reno-Sparks Convention Center has been expanded and renovated,



special events have been expanded, the City of Reno is actively supporting downtown revitalization, and a AAA professional baseball stadium was completed in April of 2009. Tesla began construction on their new Gigafactory just east of Sparks in the Tahoe Reno Industrial Park in 2014. The area has experienced success in broadening the economic base with the expansion of the hi-tech and back office industries.





## NEIGHBORHOOD DESCRIPTION

The subject property is located in the Verdi area of Reno, Washoe County, Nevada. Verdi is a small community located approximately ten miles west of the City of Reno along the Interstate-80/Truckee River Corridor. The Truckee River is a defining feature of the Verdi area and directly connected to the community. The Verdi community is made up of three distinct neighborhoods including central Verdi, Mogul, and Belli Ranch. Verdi is located in a transition zone between alpine and high desert where the Sierra Nevada mountain range meets the Truckee Meadows. The elevation is roughly 5,000 feet with surrounding peaks approaching 9,000 feet. Temperatures are much cooler than sections of the Truckee Meadows located farther east, with about three times as much precipitation. With the discovery of gold in California in 1848, the 49ers traveled northwest out of Verdi up what is now known as the Dog Valley Creek Road to reach the Truckee/Donner Lake area on their journey west to the mining areas of the Sierra foothills. The railroad and surface road (eventually known as U.S. 40 and subsequently Interstate-80) were later located in the Truckee Canyon and became the main transportation corridor. Since the 1960s when Interstate-80 opened, U.S. 40, the main street in town, has become a local arterial.

The subject neighborhood is located approximately 10 miles west of downtown Reno and approximately 23 miles northeast of Truckee, California. The subject neighborhood has been designated as a scenic corridor. Major geographic landmarks include the Truckee River and the Sierra Nevada mountain range, which are characterized by canyons and steeply sloping topography. Vegetation in the subject neighborhood consists of both coniferous and deciduous trees, sagebrush, bitterbrush and other native shrubs, native grasses and riparian growth along the river.

Interstate-80 and the Union Pacific Railroad pass through the heart of the subject neighborhood. Interstate-80 generally parallels the Truckee River, crossing the river at various points throughout the neighborhood. The Union Pacific Railroad also parallels the Truckee River and is primarily utilized for freight service. Interstate-80 is a limited access, major transcontinental freeway that connects the Truckee Meadows area with Sacramento and San Francisco to the west and Salt Lake City to the east. The subject neighborhood has good accessibility via Interstate-80 to the downtown Reno-Sparks area and to California. The subject neighborhood generally extends in an east-west direction from Robb Drive to Verdi. An interchange at I-80 has been installed at Mogul, providing additional access to this area of the subject neighborhood as well as to the Somersett Planned Unit Development to the north.



Verdi, Mogul, and Belli Ranch are rural suburban residential areas. Primary development involves average to good quality custom built homes on large estate size lots. Mogul, which is located on the north side of Interstate-80 and the Truckee River to the east of Verdi, is primarily being developed with average to good quality single-family residences on lots generally ranging from 1/3 to two acres.

In July of 2001 approximately 2,724 acres in the unincorporated area of Verdi was annexed into the City of Reno. The site is located generally on the north and south sides of Interstate-80 between the Garson Road Interchange and the Verdi Interchange. Washoe County filed a lawsuit regarding this annexation which resulted in a Settlement Agreement. The Settlement Agreement defines a maximum density and density distribution for the annexed properties as well as criteria to be used to develop the land use plan for the site. The Settlement Agreement allows a maximum of 3,000 residential units, 124 acres of commercial land uses along the I-80 corridor, and an additional 176 acres of commercial along the I-80 corridor or the railroad tracks. The most intense commercial land uses will be located on both sides of the freeway near the existing Boomtown Casino.

The West Meadows Estates is currently under development in the Verdi area on the north side of old U.S. Highway 40, adjacent to the Truckee River. This property is located directly north of the River Oak Subdivision. The West Meadows Estates includes approximately 200 acres which is planned to be improved with 324 homes on 1/3± acre lots, a 2.6± acre neighborhood park, 3.8± acres of Neighborhood Commercial land and 88± acres of Open Space/Common Area. The home builder is D.R. Horton.

Tourist-commercial uses are generally located in the vicinity of Interstate-80. The largest tourist-commercial facility is the Boomtown Hotel-Casino located at the Interstate-80 Freeway interchange with Garson Road. This facility contains guest rooms, a casino area, and a recreational vehicle park. The Cabela's sporting goods store is located on the north side of Interstate-80, west of Boomtown Road, in the Verdi area of Washoe County. The Cabela's retail store contains 125,000± square feet of retail showroom, educational and entertainment attractions. The store also includes banquet and meeting facilities as well as a restaurant. Other smaller scale tourist-commercial uses are located in the vicinity of Interstate-80, near the state line between Nevada and California, south of Verdi.





Existing light industrial utilizations in the subject neighborhood are primarily situated on the south side of U.S. Highway 40 in the vicinity of East Verdi. The Verdi Business Park is located along U.S. Highway 40 within close proximity to its interchange with U.S. Interstate-80. Developments within the business park are primarily owner-users. Development includes industrial-commercial, multi-tenant office and office/warehouse users. The improvements within the Verdi Business Park are generally of average to good quality construction and are in average to good condition.

The Somersett master planned golf community is located to the north of the subject neighborhood, west and north of Mae Anne Avenue. This area is improved with an 18-hole Tom Kite signature golf course and country club along with a 9 hole golf course. The Town Center for the Somersett community includes retail, restaurants and professional services. The Somersett community also incorporates 27 miles of hiking and bike trails, two public parks, e-community technology, 3,300-plus homes and custom homesites, and a fire station, are all part of this unique setting.

In summary, the subject neighborhood is a predominantly residential suburban area located within close proximity to the Reno-Sparks urban area, with most of the subject neighborhood having good access via Interstate-80. The subject neighborhood is located on the easterly slopes of the Sierra Nevada range of mountains and the upper elevations of the subject neighborhood are forested. The Interstate-80 Freeway and a major Union Pacific railroad line run through the canyon formed by the Truckee River, which meanders through the subject neighborhood. Much of the subject neighborhood consists of large tracts of vacant land, while primary development in the subject neighborhood includes rural residential utilizations. Additional uses in the subject neighborhood include secondary-commercial, tourist-commercial, and some light industrial utilizations.



**SUBJECT PROPERTY ONE  
MERIDIAN SOUTH 120  
VILLAGES 1 AND 2**



### SUBJECT AERIAL MAP



\*Source: WRMS



**SUBJECT PHOTOGRAPHS**



**VIEW OF SUBJECT PROPERTY FACING SOUTHEASTERLY FROM  
THE TERMINUS OF BOOMTOWN-GARSON ROAD**



**VIEW OF OLD TOWN ROAD FACING EASTERLY ALONG THE  
SUBJECT'S NORTHERLY PROPERTY LINE**



**SUBJECT PHOTOGRAPHS**



**VIEW OF SUBJECT PROPERTY FACING IN A SOUTHERLY DIRECTION  
FROM THE TERMINUS OF BOOMTOWN-GARSON ROAD**



**VIEW OF OLD TOWN ROAD FACING IN A SOUTHERLY DIRECTION  
FROM BLUE HERON CIRCLE**



**SUBJECT PHOTOGRAPHS**



**VIEW OF SUBJECT PROPERTY FACING WESTERLY FROM  
DEER MOUNTAIN ROAD**



**VIEW OF DEER MOUNTAIN ROAD FACING IN A SOUTHERLY DIRECTION**



**SUBJECT PHOTOGRAPHS**



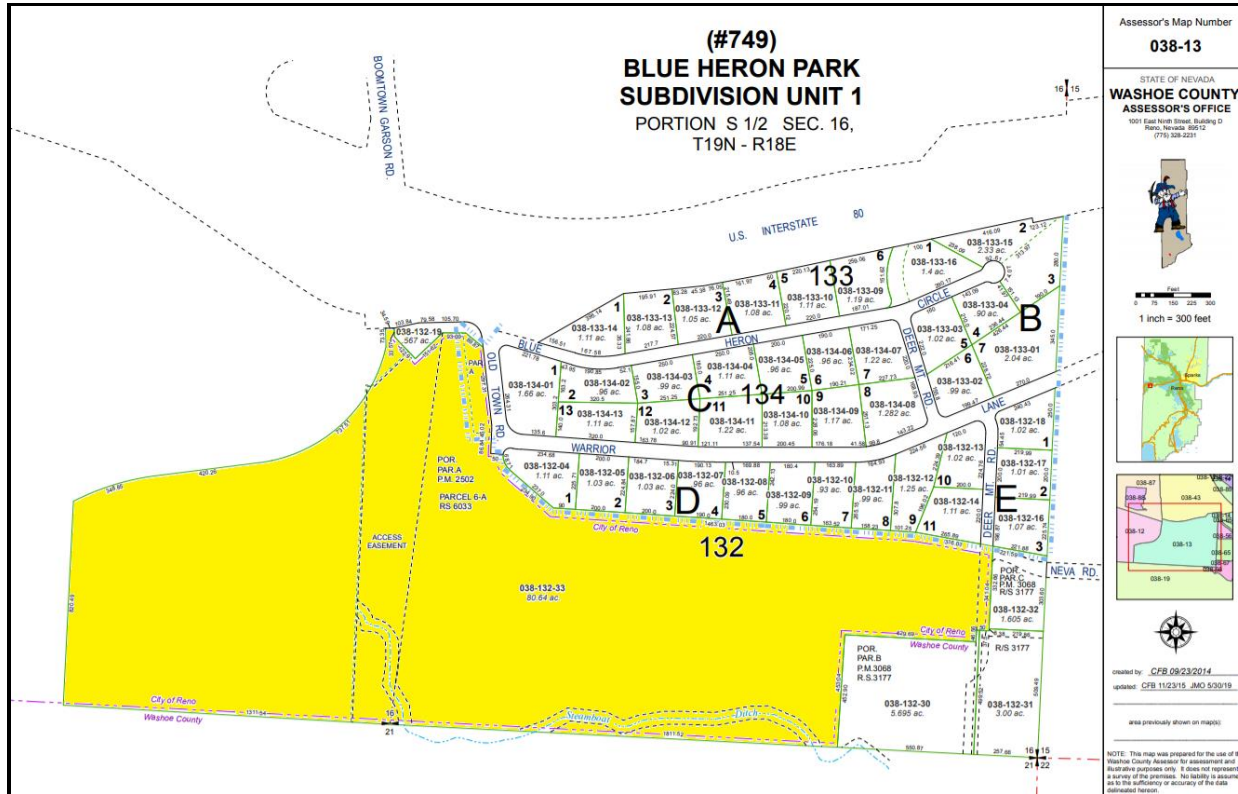
**VIEW OF INTERSTATE-80 FACING EASTERLY**



**VIEW OF INTERSTATE FACING WESTERLY**

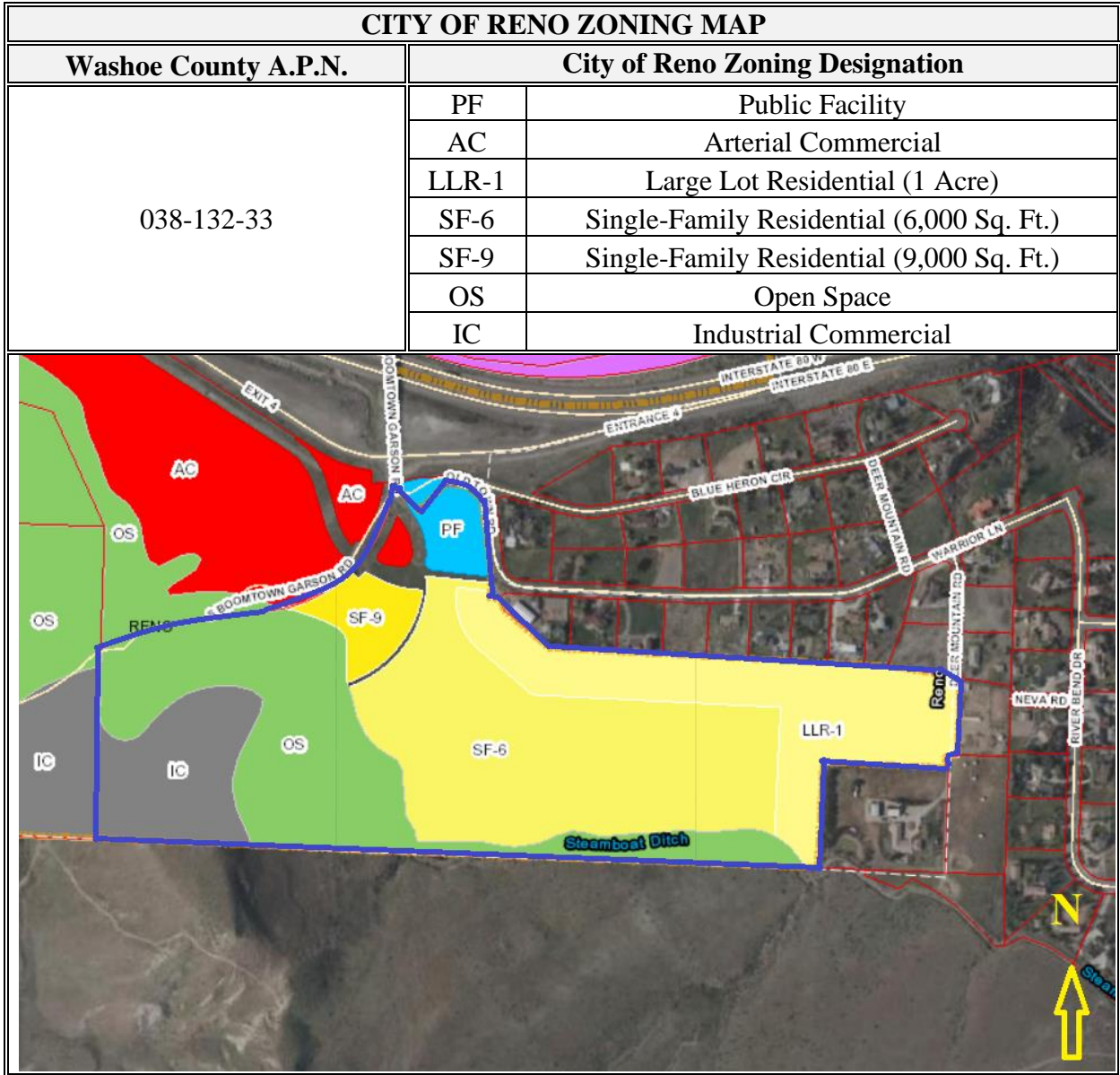


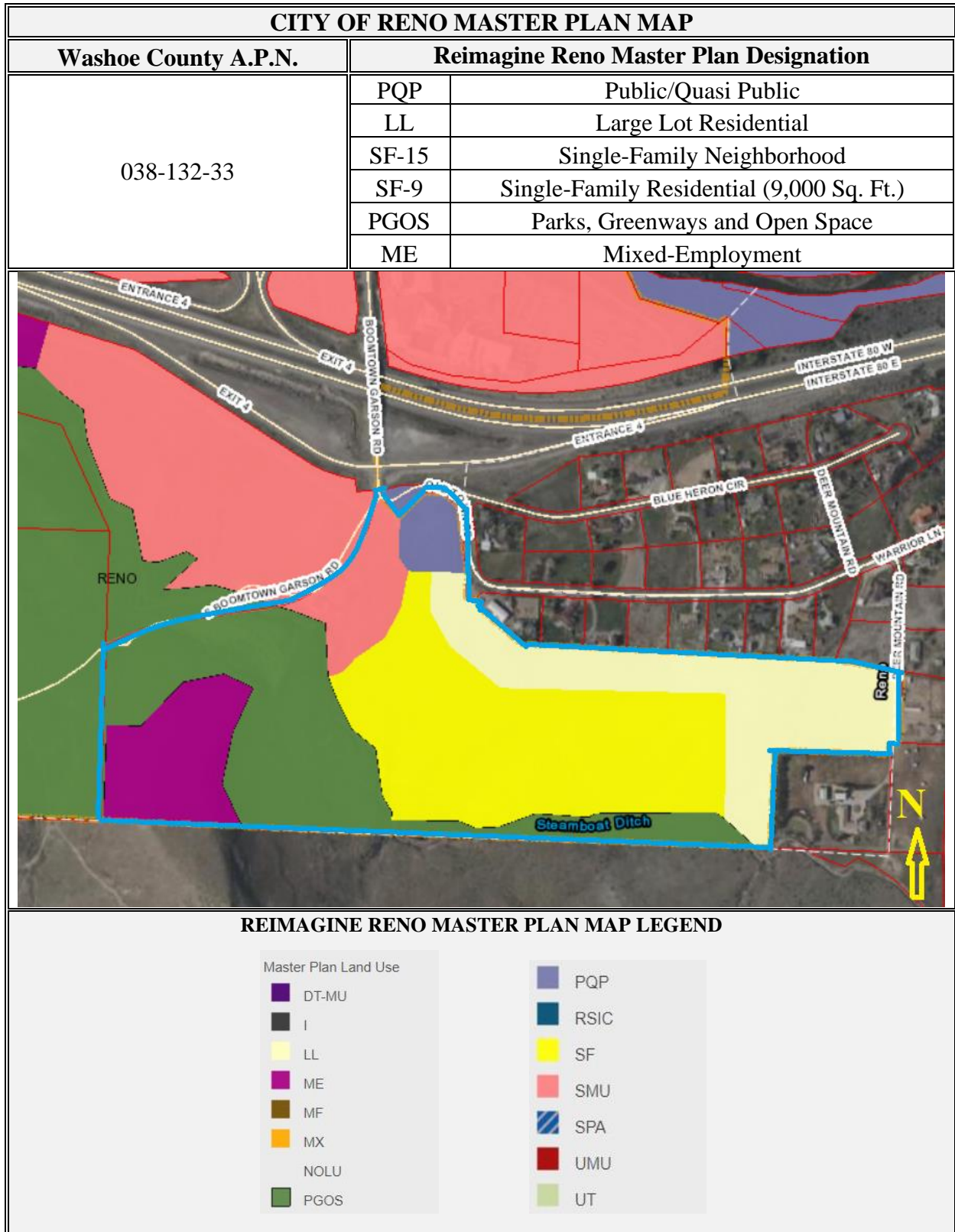
**SUBJECT PLOT MAP**



**Washoe County A.P.N. 038-132-33**  
**Gross Land Area: 80.64± Acres**  
**Net Land Area: 53.645± Acres**  
**Subject Larger Parcel Highlighted In Yellow**





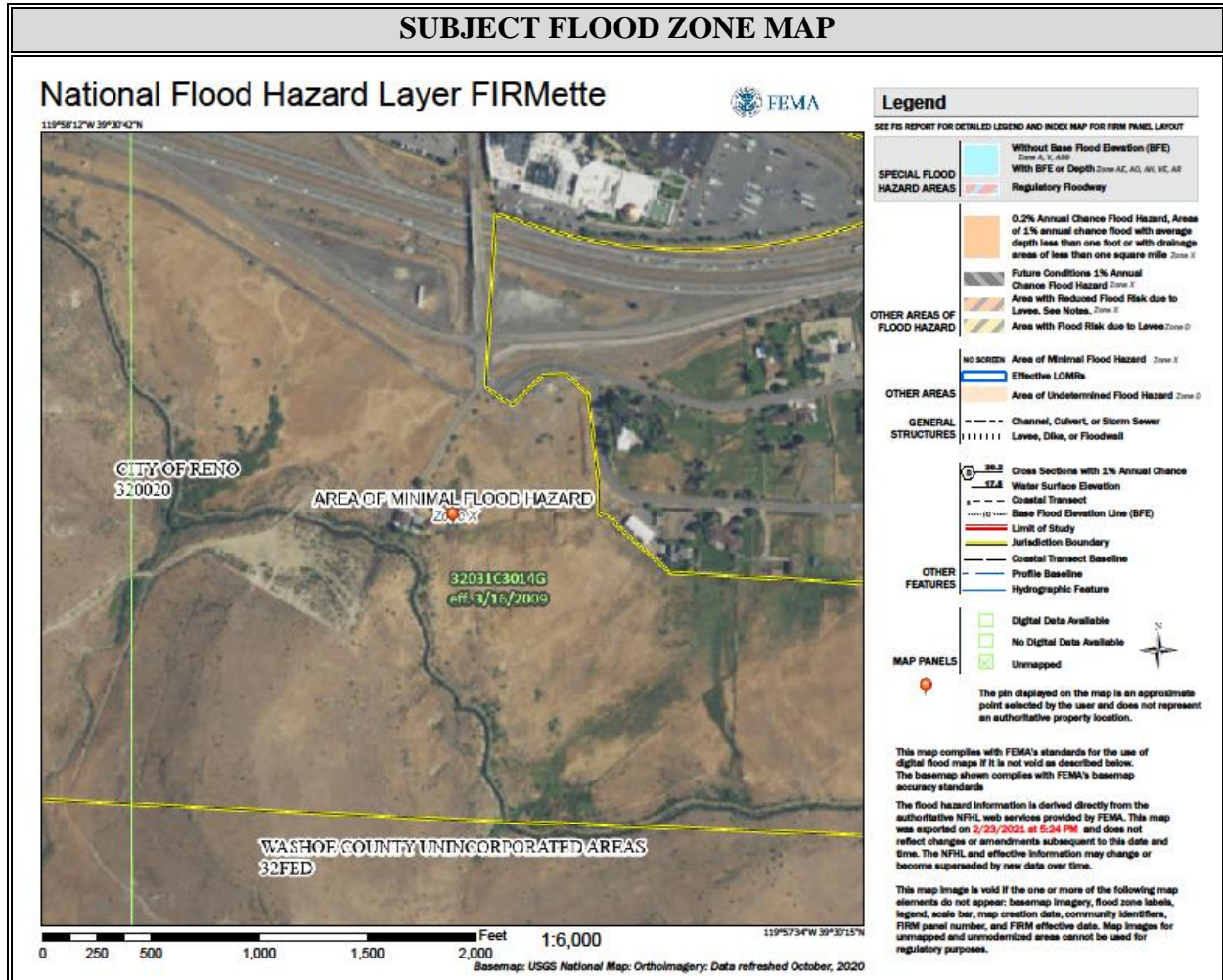




**SUBJECT PROPERTY FLOOD ZONE INFORMATION**

The subject property is located within Flood Zone “X”. Zone “X” designs areas of minimal zoning potential. The map below depicts the subject’s flood zone, as provided by FEMA.

**SUBJECT FLOOD ZONE MAP**



| Flood Zone Designation | FEMA Map # | Effective Date of Flood Zone Designation |
|------------------------|------------|--|
| Unshaded Zone “X”      | 32031C301G | March 16, 2009                           |
| <b>Source: FEMA</b>    |            |  |



**SUBJECT TOPOGRAPHY MAP**





## SUBJECT PROPERTY IDENTIFICATION AND SITE DESCRIPTION

| PROPERTY SUMMARY                |   |
|---------------------------------|---|
| <b>Property Type</b>            | Residential Land with Tentative Map Approval                                |
| <b>Property Address</b>         | None Assigned   |
| <b>Location</b>                 | The southeast terminus of Boomtown-Garson Road, Reno, Washoe County, Nevada |
| <b>Assessor's Parcel Number</b> | 038-132-33  |
| <b>Owner of Record</b>          | BT South, LLC   |

| LEGAL DESCRIPTION   |
|---|
| A portion of Parcel A, Parcel Map 2502 and Parcel 6-A, Record of Survey 6033; a portion of the south ½ of Section 16, Township 19N, Range 18E |

| SUBJECT PARCEL LAND AREA |                 |               |           |
|--------------------------|-----------------|---------------|-----------|
| Assessor's Parcel Number | Gross Land Area | Net Land Area | Shape     |
| 038-132-33               | 80.64± Acres    | 53.645± Acres | Irregular |

### Access

Principle access to the subject property, at the present time, is from the present terminus of Boomtown-Garson Road, and to the south of the interchange of Interstate-80 and Boomtown-Garson Road. Secondary access to the subject property is provided along the subject's easterly property line abutting Old Town Road. Old Town Road, in the vicinity of the subject property, is a two-way, two-lane asphalt paved roadway, providing access to the Blue Heron Park Residential Subdivision. In addition, the most easterly property line, abutting Deer Mountain Road, provides access to the subject property. Deer Mountain Road is a two-way, two-lane asphalt and graveled roadway which extends in a southerly direction from its intersection with Warrior Lane.



### **SUBJECT ZONING AND MASTER PLAN SUMMARY**

The subject property is located within the City of Reno. The City of Reno Reimagine Reno Master Plan indicates that the subject property has a variety of master plan designations including PQP (Public Quasi Public), LL (Large Lot Residential), SF-15 (Single-Family Neighborhood), SF-9 (Single-Family Residential, 9,000 Sq. Ft.), PGOS (Parks, Greenways and Open Space), and ME (Mixed-Employment).

The City of Reno Zoning Map Indicates that the subject property is subject to a number of zoning designations including PF (Public Facility), AC (Arterial Commercial), LLR-1 (Large Lot Residential, 1 acre), SF-6 (Single-Family Residential, 6,000 Sq. Ft.), SF-9 (Single-Family Residential, 9,000 Sq. Ft.), OS (Open Space), and IC ( Industrial Commercial).

It is my understanding that the owner of the subject property applied for and received approval from the City of Reno to modify the residential zoning designation to SF-15, to bring it into conformance with the ReImagine Reno Master Plan and the Mortensen-Garson Neighborhood Plan and Overlay District.

It is further my understanding that the property owner has applied for a change in master plan designation and zoning designation for that portion of the subject property which is currently master planned ME (mixed-employment), and zoned IC (industrial-commercial). This 8.3± acre portion of the subject property is located in the most southwesterly portion of the site, and to the south of the Steamboat Ditch, and has moderate to steeply sloping topography. The applicant has requested that this portion of the property be rezoned to OS (open space).

### **TENTATIVE MAP / SPECIAL USE PERMIT APPROVALS**

On April 10, 2017, the owners of the subject property applied to the City of Reno for tentative map approval and a special use permit with respect to development of the subject property. Initially, the tentative map was to develop a total of 78 lots on 53.6± acres including 64 - 9,000± square foot minimum single-family residential lots and 14 large lot, residential 1-acre minimum lots. In addition, the applicante applied for a special use permit for grading that results in fills greater than 10-feet.

The project, known as Meridian 120 South, Villages 1 and 2, is a portion of Washoe County Assessor's Parcel Number 038-132-33, which contains a gross land area of 80.64± acres.

As indicated in the tentative map application, the project is located within the Mortensen-Garson Neighborhood Plan, and is further identified within the Mortensen-Garson Overlay District (MGOD) as single-family residential 9,000 square foot minimum lots, large lot residential 1-acre minimum lots and open space.

The Mortensen-Garson Neighborhood Plan (MGMP) was developed in the mid 1990's as a result of a settlement agreement between the City of Reno and Washoe County. The subject property is identified as being within Planning Area 3 of the MGMP. With the adoption of the MGMP, the MGOB was added to the Reno Municipal Code.

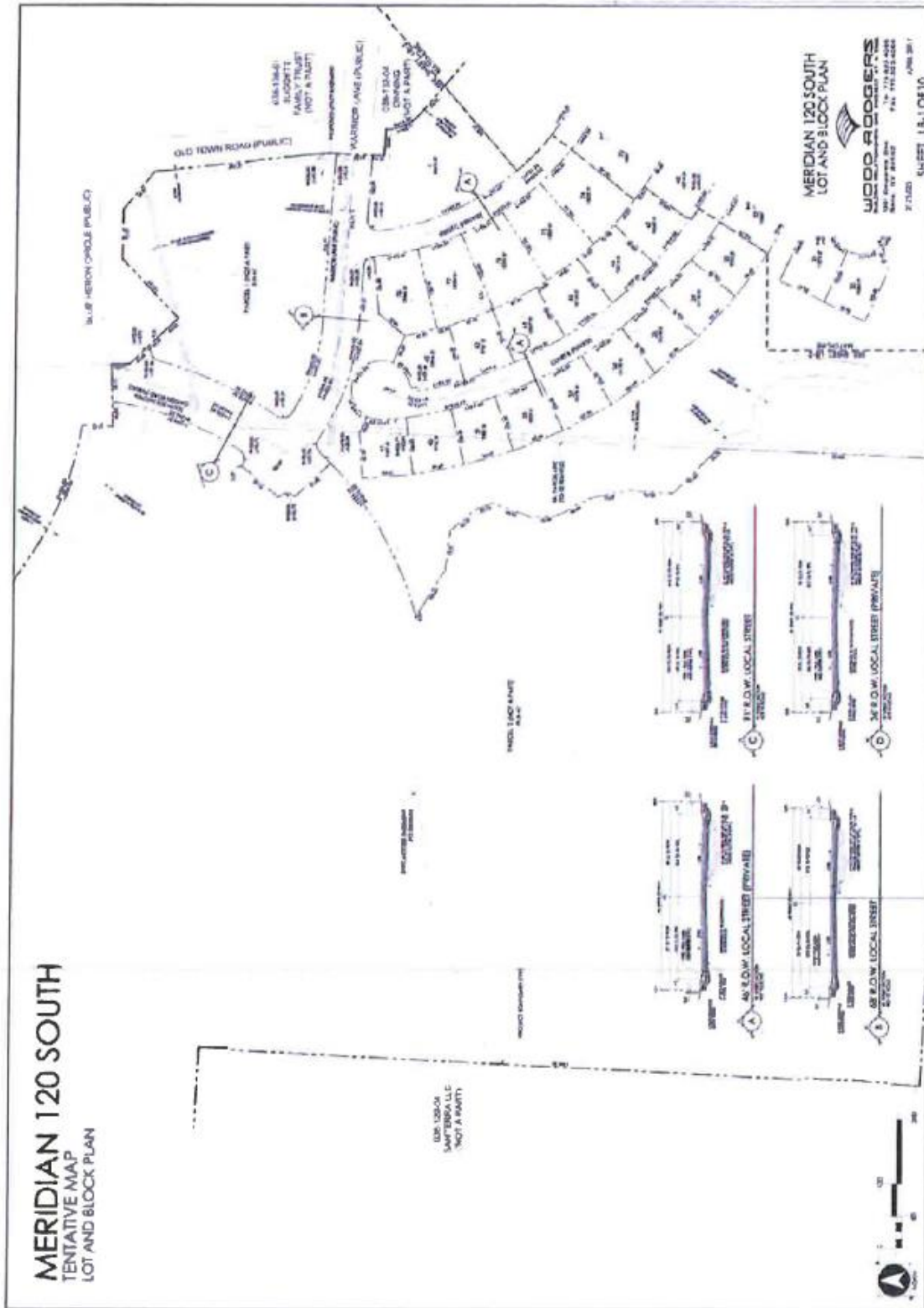
Subsequently, the owners of the subject property applied for a modification in the tentative map application. LDC 20-00013 (Meridian 120 South Villages 1 and 2 cluster development) reflects the current configuration of the proposed development including 13 large lot single-family residential lots and 62 single-family residential lots with a minimum land area of 9,000± square feet. On June 10, 2020, the Reno City Council upheld the decision of the Planning Commission and approved the tentative map and/or special use permits for LDC 17-00061 (Meridian 120 South Villages 1 and 2), and LDC 20-00013 (Meridian 120 South Villages 1 and 2 cluster development).



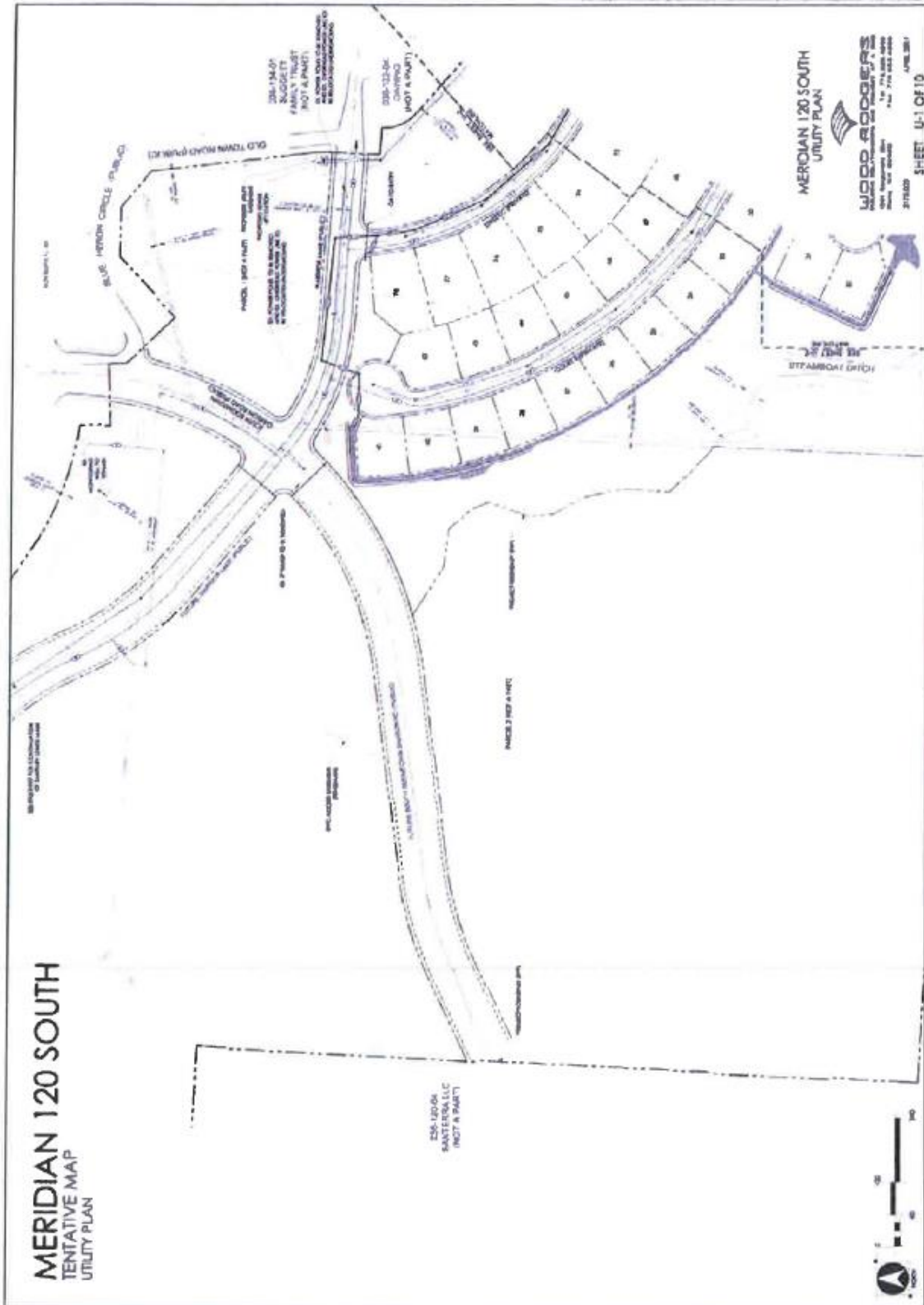
TENTATIVE MAPS

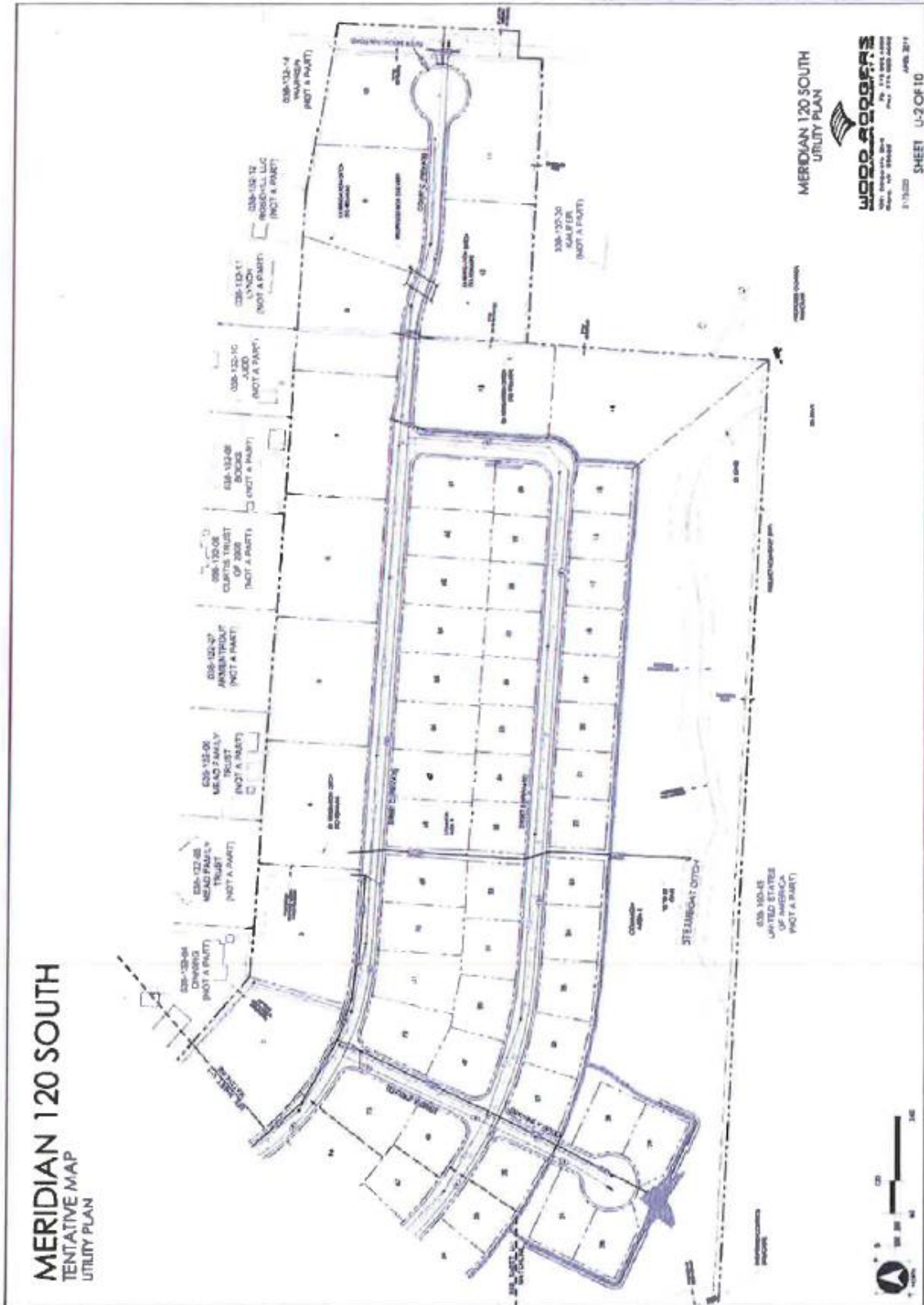






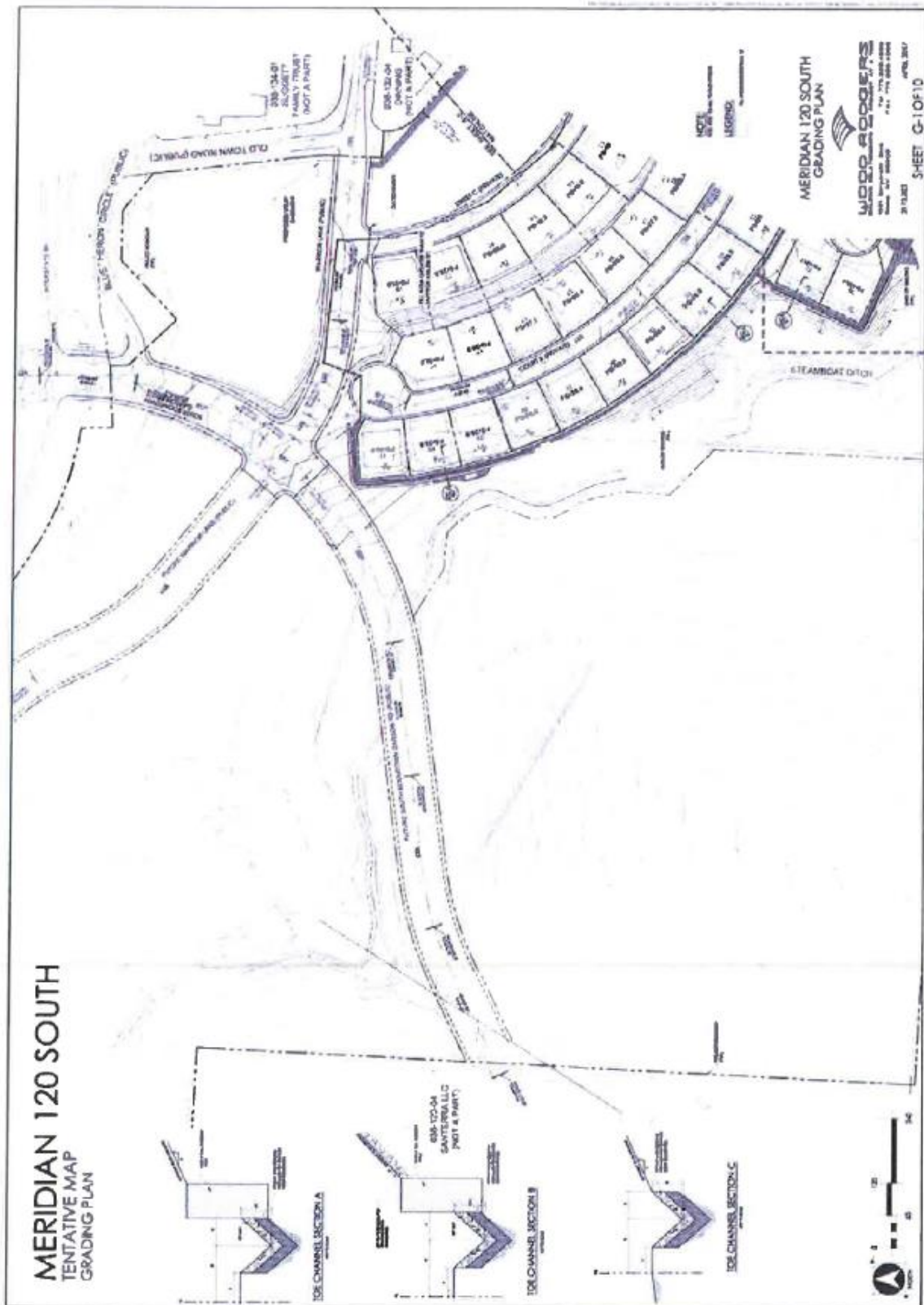


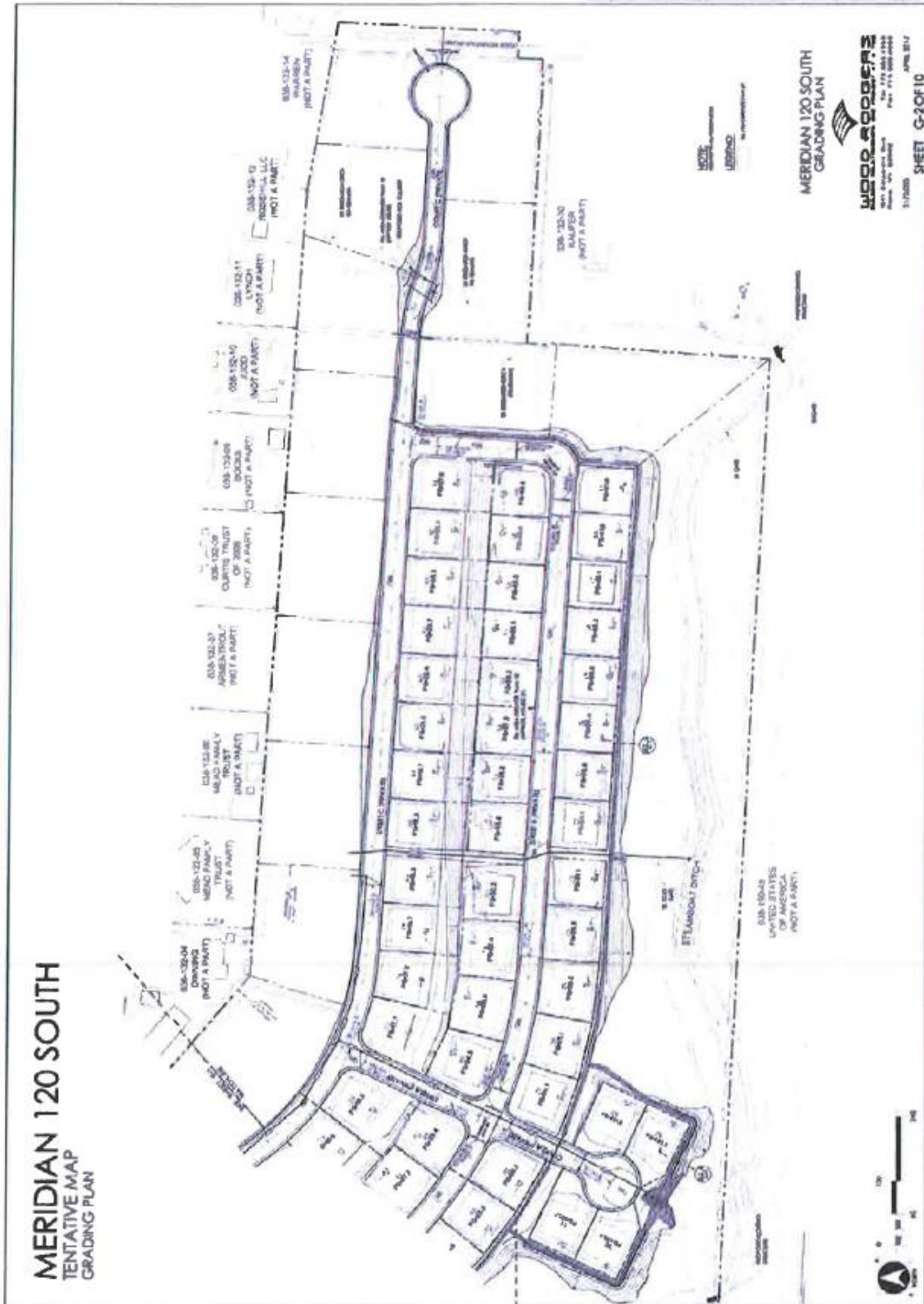


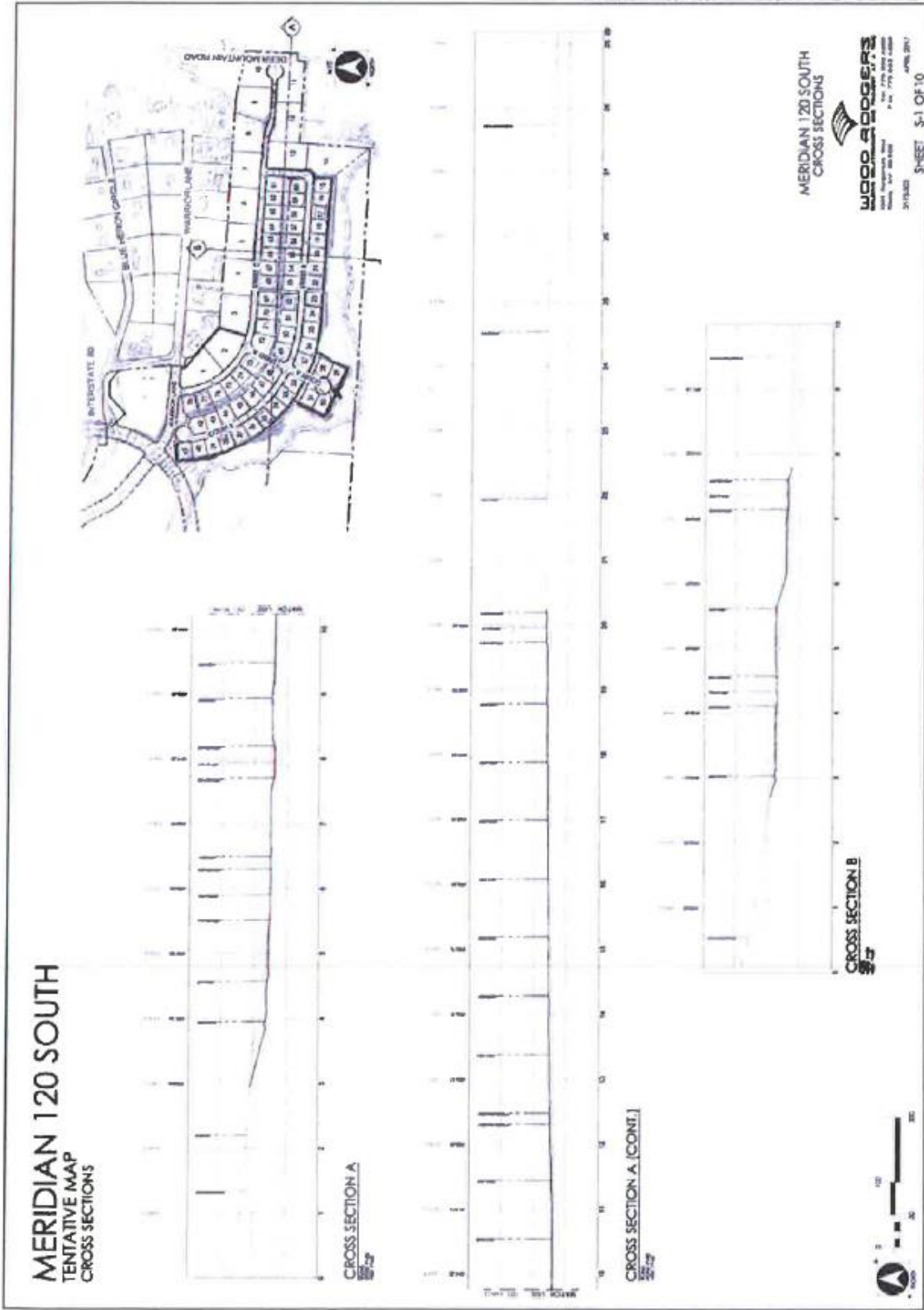


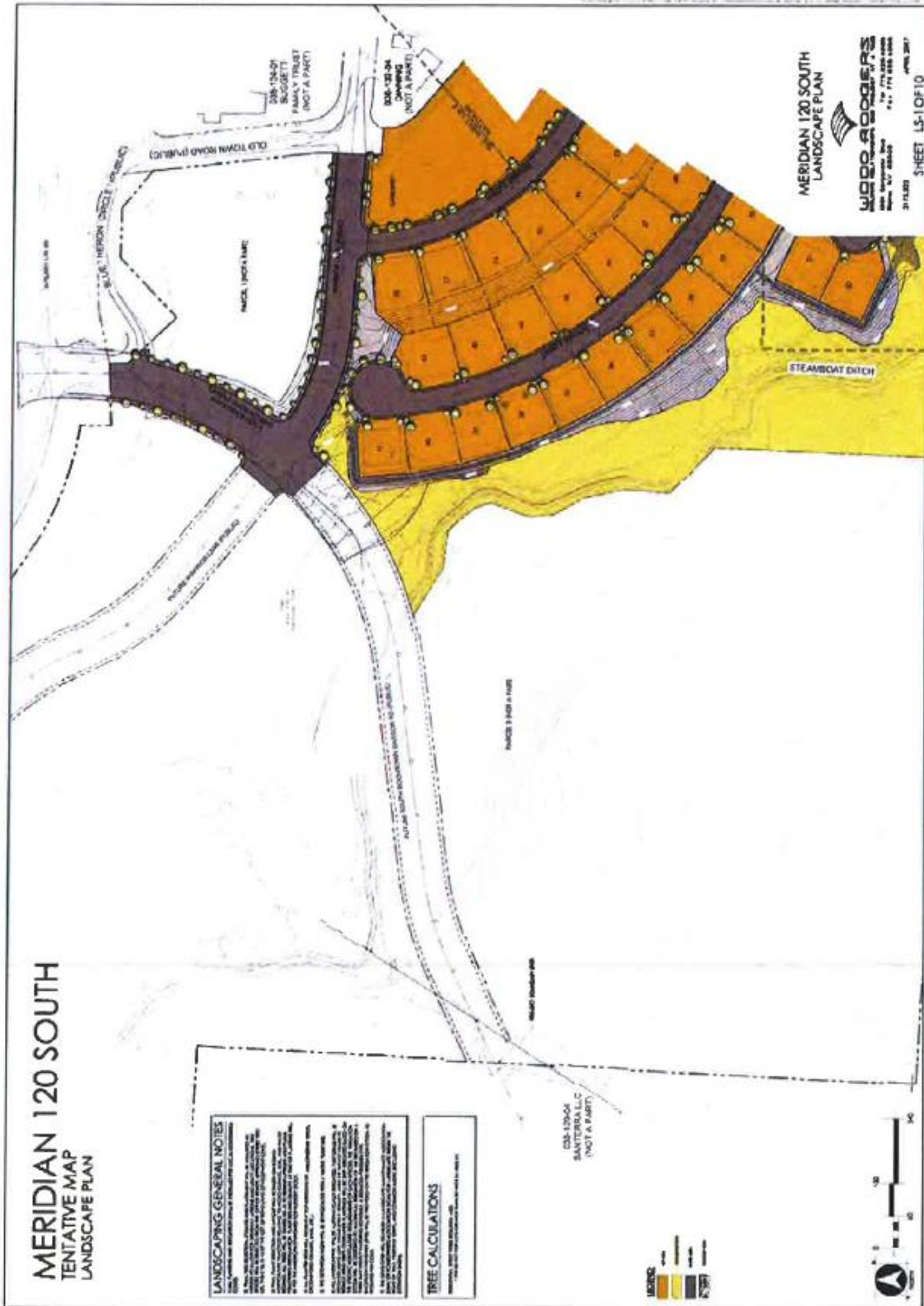
MERIDIAN 120 SOUTH  
UTILITY PLAN

**WOOD GROUP**  
10000 Woodloch Forest Dr.  
Suite 100, Dallas, TX 75244  
Tel: 972.988.4444  
Fax: 972.988.4444  
E: 11/2020 SHEET U-2 OF 10 APR 2014















### **Topography**

The subject property has level to gently upsloping topography with slopes of 15% or less on approximately 90% of the site. The southwesterly and southerly portions of the subject property have moderately sloping topography, and as a result, will be designated as open space. The Steamboat Ditch traverses the westerly portion of the subject site, and then parallels the subject's southerly property line.

### **Utilities & Public Services**

| <b>Utility &amp; Public Service</b> | <b>Provider</b>  |
|-------------------------------------|--|
| Electricity                         | NV Energy  |
| Natural Gas                         | NV Energy  |
| Telephone                           | Various Carriers   |
| Water                               | Truckee Meadows Water Authority (TMWA)                             |
| Sewer                               | Municipal Sewer Service<br>Reno-Stead Waste Water Treatment Plant  |
| Waste Disposal                      | Waste Management   |
| Cable                               | Various Carriers   |
| Internet                            | Various Carriers   |
| Fire Protection                     | Reno/Truckee Meadows Fire Protection District                      |
| Police Protection                   | City of Reno Police Department<br>Washoe County Sheriff Department |
| Public Transportation               | N/A  |

According to the tentative map application, utilities are currently available nearby and will be extended to serve the subject property. Water service will be provided by the Truckee Meadows Authority via a water system that is currently serving the adjacent Boomtown development. Sewer service will be provided by the City of Reno. An existing 21-inch sewer line located on the north side of Interstate-80, will be extended under Interstate-80 to the intersection of Boomtown-Garson Road. It is my understanding that a forced main and lift station will connect the proposed subdivision gravity system to the new section of 21-inch sewer main. NV Energy will provide gas and electric service to the project. Telephone service will be provided by ATT, while cable service will be from Charter Communications.

### **Seismic Zone**

The subject property, as well as the entire Reno-Sparks area, falls within a Seismic Risk Zone 3, an area identified as being subject to moderate seismic activity. As a result, building plans are typically reviewed by a structural engineer to assess earthquake hazards. This appraisal report and the market value conclusions set forth in the report, assume



that the subject property is not adversely impacted by earthquake hazards to a greater degree than is typical for the Reno-Sparks area.

**Environmental and Soils Data**

According to the tentative map application, the subject property is located in the Verdi Quadrangle Geologic Map which characterizes this site as being comprised of sandstone of the Hunter Creek formation capped by Quaternary Outwash and terraced deposits. As a result, the site may have highly variable units, conditions of clay, silt or sand. The tentative map application indicates that clay soils are present on the property. As a result, standard spread foundations and slab on grade flooring are anticipated to be the preferred design approach for all phases of development.

**Hazardous Substances**

My standard on-site inspection of the subject property did not reveal any readily apparent evidence suggesting the presence of contaminants or hazardous wastes on the subject site. As we have not been provided with an Environmental Assessment on the site, this appraisal report assumes that the subject site is free and clear of contamination. For the purposes of this appraisal, it is assumed that the value of the subject property is not negatively impacted by the existence of toxic materials or hazardous waste.

**Improvements**

The subject larger parcel is vacant land.

| <b>Flood Zone Designation</b> | <b>FEMA Map #</b>  | <b>Effective Date of Flood Zone Designation</b> |
|-------------------------------|--|---|
| Unshaded Zone "X"             | 32031C301G   | March 16, 2009                                  |
| <b>Source: FEMA</b>           |  |   |
| <b>ZONE</b>                   | <b>DESCRIPTION</b>   |   |
| <b>C and X (unshaded)</b>     | Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. Zone C may have ponding and local drainage problems that don't warrant a detailed study or designation as base floodplain. Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood. |   |

The subject property is located within a Flood Zone "X", which is an area of minimal flood potential.



### **Easements and Encumbrances**

In the preparation of the appraisal report, a current Preliminary Title Report was not made available. Reference is made to Record of Survey 6033b, a copy of which is set forth in this appraisal report. As indicated in this document, the subject property is identified as Parcel 6-A. A review of the Record of Survey indicates that the subject property is subject to two communication easements per Document Numbers 624631 and 624632 which are located in the most northerly portions of the site near the interchange of Interstate-80 and the Boomtown-Garson Road.

The subject property is subject to the Steamboat Ditch easement per Parcel Map 2502. As indicated, the Steamboat Ditch traverses the southwesterly portion of the subject property and the most southerly portion of the subject property.

In addition, the subject's easterly property line is encumbered an access and utility easement per Document Number 159102.

Finally, a blanket easement encumbers the most westerly portion of the subject site and is identified as Document Number 776528.

My physical inspection of the subject site did not reveal the presence of any other easements or encumbrances which might affect the subject property's use potential or market value. Other than the easements outlined above, which are typical for surrounding parcels, it is assumed that there are no easements on the subject property, which would limit the utility or development potential of the subject.

### **Subject Sales History**

There have been no arm's length transactions of record with respect to the subject property in the past three years. The subject property is currently available for an asking price of approximately \$9,793,000. According to Mr. Ted Stoeber, Executive Vice President, Kidder Matthews, the asking price is based upon 62 residential lots with a minimum land area of 9,000 square feet each and an asking price of \$120,000 per lot in the "as-is" condition and 13 one acre lots with an asking price of \$181,000.



## **Summary**

To summarize, the subject property contains a gross land area of 80.64± acres and a net land area of 53.645± acres. The subject property is located the southeast terminus of the Boomtown-Garson Road, and to the south of the interchange of Interstate-80 and the Boomtown-Garson Road. The subject property, which is irregular in shape, has level to gently sloping topography with the exception of the southwesterly and southerly portions of the site which have moderately sloping topography. A portion of the Steamboat Ditch traverses the subject property. All utilities are reasonably available. The subject property has received tentative map approval from the City of Reno for the development of a 75-lot single-family residential subdivision including 13 1-acre residential homesites and 62 single-family residential homesites with a minimum land area of 9,000± square feet. The average lot area for the proposed subject subdivision is indicated to be 17,500± square feet.



**ASSESSMENT, TAXABLE VALUE & REAL PROPERTY TAX DATA**  
**Assessment & Taxable Value Data**

| <b>Assessor's Parcel Number</b> | <b>038-132-33</b> |             |
|---------------------------------|-------------------|-------------|
| Assessment Year                 | 2020-2021         | 2021-2022   |
| Land Assessed                   | \$1,128,960       | \$1,128,960 |
| Improvements Assessed           | \$54,002          | \$50,538    |
| Total Assessed Value            | \$1,182,962       | \$1,179,499 |
| Taxable Value                   | \$3,379,892       | \$3,369,997 |
| Tax Cap Value                   | \$2,276,900       | N/A         |
| Real Estate Tax                 | \$31,643.87       | N/A         |

The taxable value of the property is based upon the Assessor's estimate of the full cash value of the site. The taxable value of the improvements is based upon the replacement cost new of the improvements which the Assessor estimates utilizing *Marshall Valuation Service*, a nationally recognized and accepted cost estimating publication. Straight line depreciation of 1.5% per year is deducted from the replacement cost new of the improvements.

Upon recordation of a final map within the subject property, the Washoe County Assessor's Office will reappraise the individual lots within the subdivision, and a new taxable value will be assigned to each parcel.

**Special Assessments**

None



## HIGHEST AND BEST USE ANALYSIS

Highest and best use is defined in the 6th Edition of The Dictionary of Real Estate Appraisal (Appraisal Institute, Chicago, 2015) 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.”

## HIGHEST AND BEST USE AS THOUGH VACANT

### Physically Possible

The subject property is located at the southeast terminus of the Boomtown-Garson Road and to the south of the Interstate-80 / Boomtown-Garson Road interchange. The subject is of irregular shape and utility services are available to the property. The property is subject to a number of easements which are not considered to adversely affect the development potential of the subject property. The subject property contains a gross land area of 80.64± acres and a net land area of 53.645± acres. The subject property has level to gently sloping topography to the south, with moderately sloping hillside topography in the southwesterly portion and southerly portion of the site. The Steamboat Ditch traverses a portion of the subject property. The subject’s physical characteristics are suitable for a variety of residential utilizations.

### Legally Permissible

Legally permissible uses are generally controlled by local zoning ordinances. The subject property is located within the City of Reno and is master planned for residential development. The subject property has received tentative map approval for the development of 75 residential homesites, including 13 1-acre homesite and 62 residential homesites with a minimum land area of 9,000± square feet. A portion of the subject property is zoned PF (Public Facility); and with the recordation of the first final map within the proposed development, this portion of the property will be dedicated to the City of Reno for a future fire station site. In addition, a portion of the subject property is zoned IC (Industrial Commercial). As a result of this portion of the property involving moderately steep sloping topography, a request has been made to rezone that portion of the property to Open Space.

Based upon the subject’s master plan designation, zoning designation and tentative map approval, legally permissible uses include single-family residential development.



### **Financially Feasible / Maximally Productive**

The highest and best use of the subject property must be financially feasible and maximally productive. To be maximally productive, the highest and best use of the subject must be the most intense utilization for which the subject property could be developed. Given the physical characteristics, location, master plan designation, zoning designation and tentative map approval, as well as with consideration given to market conditions in the Reno-Sparks area, which involve strong demand for single-family residences, it is my opinion that the highest and best use of the subject property is for single-family residences as proposed.

### **Conclusion**

The highest and best use of the subject property, as vacant, is for a single-family residential subdivision as proposed.





**SUBJECT PROPERTY ONE  
MARKET APPROACH TO LAND VALUE  
BEFORE CONDITION**

To establish an estimate of the Market Value of the subject property, the Sales Comparison Approach, or Market Approach to Land Value, is utilized. As the subject property is a vacant parcel of land, the Cost Approach and Income Approach to Value are not considered to be applicable. The Sales Comparison Approach is based upon the principal of substitution, which holds that the value tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability.

The following chart summarizes the comparable land sales which are considered to be indicative of the Market Value of the subject property. The sales will be analyzed and compared to the subject property based upon the sale price per acre.

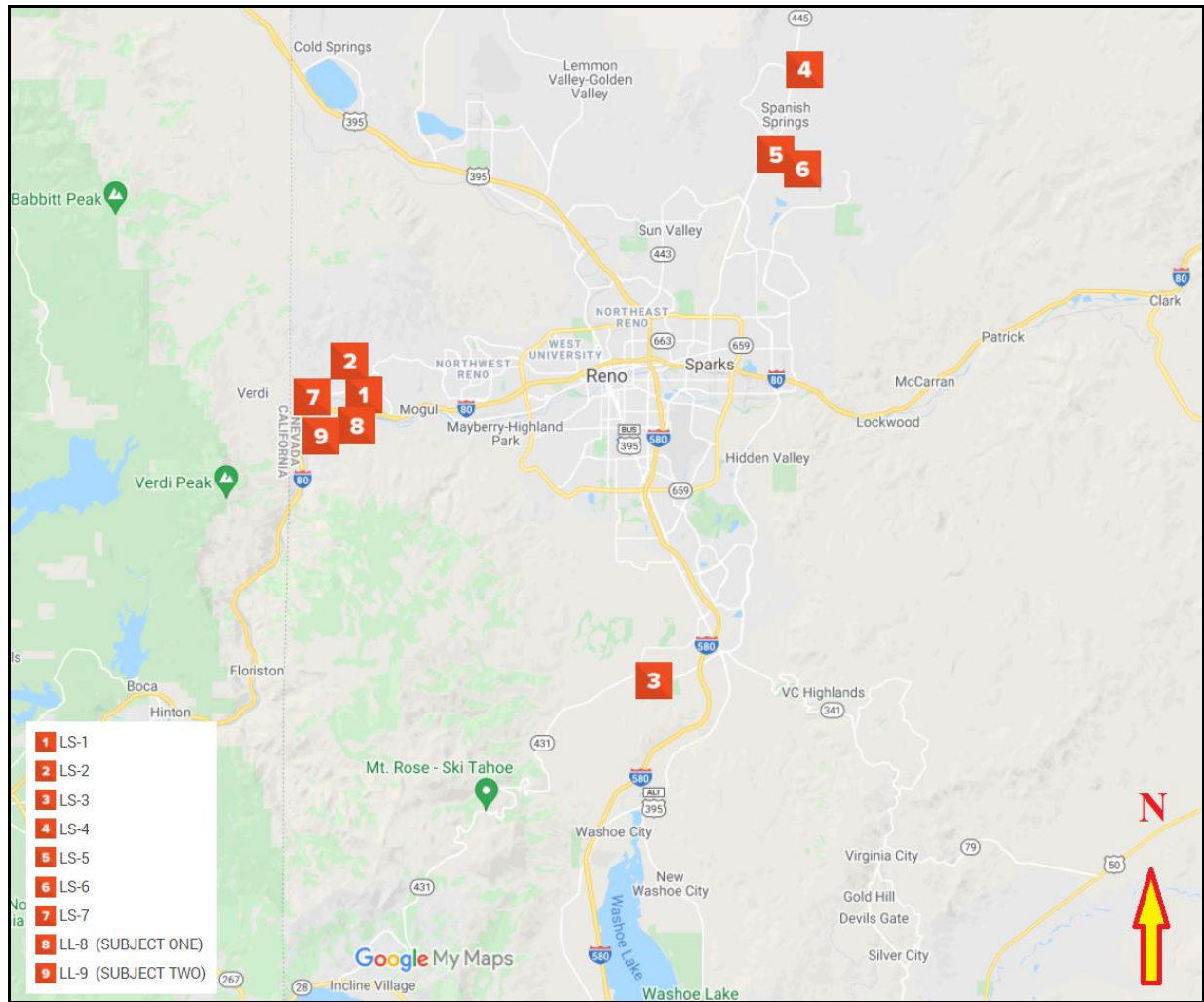


**COMPARABLE SUBDIVISION LAND SALES CHART**

| Sale Number | Assessor's Parcel Number<br>Name<br>Location   | Sale Date<br>Sale Price                   | Zoning<br>Topography                     | Water Rights<br>Approvals | Land Area                                   | # of Units<br>Density      | Sale Price/<br>Unit | Sale Price/<br>Acre                        |
|-------------|--|---|--|---------------------------|---|----------------------------|---------------------|--|
| LS-1        | 038-120-17, 18 & 19<br>Meridian North 120<br>Both Sides Boomtown - Garson Road<br>Between I-80 and South Verdi Road, Reno          | 04/29/2019<br>\$12,167,435                | LLR/SF6<br>SF 15<br>Level to<br>Gentle   | 7.58 AF<br>Tentative Map  | 101.76± Ac<br>(Gross)<br>61.2± Ac<br>(Net)  | 273<br>4.46 DU/AC<br>(Net) | \$44,569            | \$119,570<br>(Gross)<br>\$198,814<br>(Net) |
|             | 038-111-03 and 038-830-07 Thru 10<br>West Meadows Estates,<br>North Side of U.S. Highway 40,<br>Northwest of East I-80 Interchange | 01/10/2017,<br>05/16/2017<br>\$20,820,000 | PUD<br>Level to<br>Steeply Sloping       | None<br>Handbook          | 69.81± Ac<br>(Net)                          | 322<br>4.61 DU/AC          | \$64,658            | \$298,238                                  |
| LS-2        | 049-402-02<br>Colina Rosa<br>SWC of Mt. Rose Hwy and Edmonton Drive, Reno  | 10/06/2017<br>\$6,500,000                 | NC<br>Gentle to<br>Moderate Slope        | None<br>Tentative Map     |   | 94<br>4.67 DU/AC           | \$69,149            | \$322,901                                  |
|             | 534-562-07 and 534-571-01<br>Blackstone and Sugarloaf<br>North Side of Calle De La Plata, Sparks                                   | 05/15/2018<br>\$8,400,000                 | MDS<br>Level                             | None<br>Tentative Map     | 20.13± Ac<br>98.32± Ac                      | 280<br>2.85 DU/AC          | \$30,000            | \$84,435                                   |
| LS-3        | 528-020-16, 19, 20 & 21<br>Stonebrook<br>East Side of Pyramid Highway, Sparks  | 06/15/2018<br>\$12,500,000                | NUD<br>Level to<br>Gentle                | 186 AF<br>Handbook        | 168.06± Ac                                  | N/A                        | N/A                 | \$74,378                                   |
|             | 528-030-40, 51, 61 & 62<br>Stonebrook E1, F1, G1, G2, G3<br>South End of Stonebrook  | 08/20/2020<br>\$19,373,047                | NUD<br>Level to<br>Gentle                | None<br>Tentative Map     | 119.60± Ac                                  | 467<br>3.90 DU/AC          | \$41,484            | \$161,982                                  |
| LS-4        | 236-151-01<br>Meridian 120 North Village 3<br>West End of Starboard Drive  | 04/01/2021<br>\$6,790,000                 | LLR-1, SF6<br>Level to<br>Moderate Slope | None<br>Tentative Map     | 28.895± Ac                                  | 97<br>3.36 DU/AC           | \$70,000            | \$234,989                                  |
|             | 038-132-33<br>Meridian South 120 Villages 1 and 2<br>Southeast Terminus of Boomtown-Garson Road                                    | Listing<br>\$9,793,000                    | Mixed<br>Level to<br>Gentle Slope        | None<br>Tentative Map     | 80.64± Ac<br>(Gross)<br>53.645± Ac<br>(Net) | 75<br>1.40 DU/AC           | \$130,573           | \$182,552<br>(Net)                         |
| LL-5        | 038-120-27<br>Meridian South 120 Villages 3 and 4<br>Southwest Terminus of Boomtown-Garson Road                                    | Listing<br>\$17,235,000                   | Mixed<br>Level to<br>Steep Slope         | None<br>Tentative Map     | 61.25± Ac                                   | 285<br>4.65 DU/AC          | \$60,474            | \$281,388                                  |



### COMPARABLE SUBDIVISION LAND SALES MAP





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



|  |  |                            |  |
|--|--|----------------------------|--|
| <b>Property ID:</b>  | Meridian North 120   | <b>City:</b>               | Reno                                     |
| <b>Property Type:</b>  | Raw Residential Subdivision Land                                   | <b>County:</b>             | Washoe                                   |
| <b>Location:</b>   | Both sides Boomtown-Garson Road<br>btwn. I-80 and South Verdi Road | <b>State:</b>              | Nevada                                   |
| <b>A.P.N.:</b>   | 038-120-17, 18 & 19  |                            |  |
| <b>Topography:</b>   | Level to Gentle  | <b>Flood Zone:</b>         | “X”                                      |
| <b>Zoning:</b>   | LLR, SF6, SF15   | <b>Utilities:</b>          | Available                                |
| <b>Parcel Acreage (Gross):</b>   | 11.76± Acres   | <b>Water Rights:</b>       | 7.58 Acre Feet                           |
| <b>Parcel Acreage (Net):</b>   | 61.2± Acres  | <b>Proposed Use:</b>       | Single-Family Residential<br>Development |
| <b># of Lots/Units:</b>  | 273 Lots   | <b>Approvals:</b>          | Tentative Map                            |
| <b>Recording Date:</b>   | April 29, 2016, March 23, 2017                                     | <b>Price Per Acre:</b>     | \$198,814 (Net)                          |
| <b>Sale Price:</b>   | \$12,167,435 (Total Acquisition)                                   | <b>Price/Unit:</b>         | \$44,569                                 |
| <b>Grantor:</b>  | Reno Land Development Company,<br>LLC                              | <b>Terms of Sale:</b>      | Cash to Seller                           |
| <b>Grantee:</b>  | Bates Stringer – Reno, LLC   | <b>Conditions of Sale:</b> | None Noted                               |
| <b>Document Number:</b>  | 4584671, 4689609   | <b>Verification:</b>       | Public Records; John S. Wright,<br>MAI   |
| <b>Comments:</b> The sale property involves the acquisition of three parcels of land located to the west of Boomtown and on the north side of Interstate-80. The sale property has been annexed into the City of Reno and is located within the Mortensen-Garson Overlay. The sale property had utilities to the site; however, access to the first lots to be developed would be by a 168-foot roadway extension. |  |                            |  |
| Generally, the sale property had level to gently sloping topography with the northerly portion of the site involving steeply sloping topography.   |  |                            |  |



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



|  |  |                        |   |
|--|--|------------------------|---|
| <b>Property ID:</b>  | West Meadows Estates   | <b>City:</b>           | Reno  |
| <b>Property Type:</b>  | Raw Residential Subdivision Land                                 | <b>County:</b>         | Washoe  |
| <b>Location:</b>   | North side of U.S. Hwy 40,<br>Northwest of East I-80 Interchange | <b>State:</b>          | Nevada  |
| <b>A.P.N.:</b>   | 038-111-03, 038-830-07 through 10                                |                        |   |
| <b>Topography:</b>   | Gentle to Steeply Sloping  | <b>Flood Zone:</b>     | "X"   |
| <b>Zoning:</b>   | PUD  | <b>Utilities:</b>      | Available to Site   |
| <b>Parcel Acreage (Gross):</b>   | 181.4± Acres   | <b>Water Rights:</b>   | None  |
| <b>Parcel Acreage (Net):</b>   | 69381± Acres   | <b>Proposed Use:</b>   | Single Family Residential<br>Development                          |
| <b># of Lots:</b>  | 322 Lots   | <b>Approvals:</b>      | Tentative Map, Mortensen-Garson<br>Development Standards Handbook |
| <b>Recording Date:</b>   | January 10, 2017, May 16, 2017                                   | <b>Price Per Acre:</b> | \$298,238   |
| <b>Sale Price:</b>   | \$20,820,000   | <b>Price/Unit:</b>     | \$64,658  |
| <b>Grantor:</b>  | West Meadows Investments, LLC                                    | <b>Terms of Sale:</b>  | Cash to Seller  |
| <b>Grantee:</b>  | DR Horton, Inc.  | <b>Verification:</b>   | Ted Stoever, Selling Broker                                       |
| <b>Document Number:</b>  | 4669648  |                        |   |
| <b>Conditions of Sale:</b>   | None Noted   |                        |   |
| <b>Comments:</b> The sale property is located on the north side of U.S. Highway 40, northwesterly of the Interstate-80 interchange in the easterly portion of the community of Verdi. The Truckee River borders the sale property to the west and north. The sale property is currently being developed with two pods of residential development, while the northerly and easterly portions of the site remain as open space. In addition, the sale property included approximately 13.1 acres of commercial zoned land. |  |                        |   |



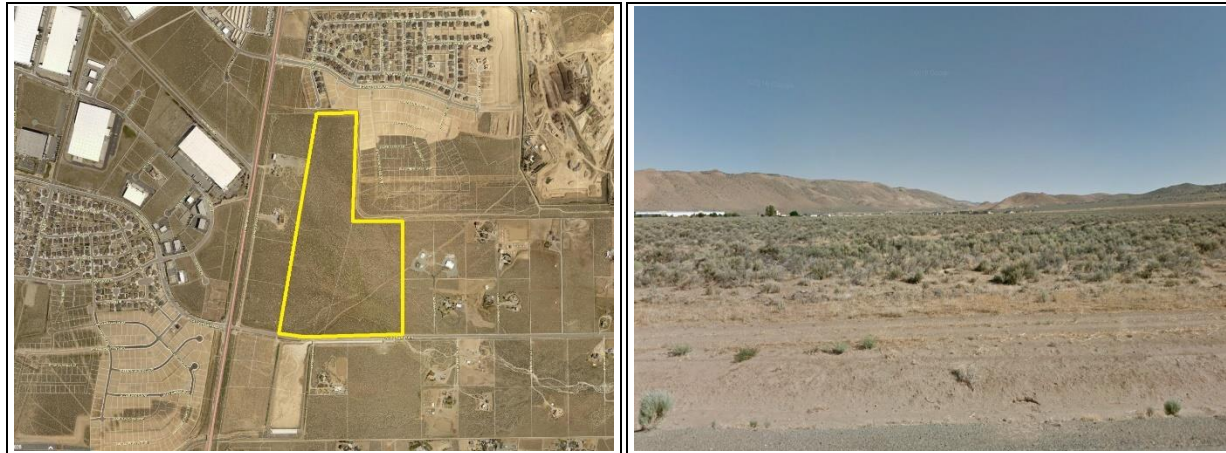
**COMPARABLE LAND SALE PROFILE SHEET  
 SALE LS-3**



|  |                                 |                           |                                |
|--|---------------------------------|---------------------------|--------------------------------|
| <b>Property ID:</b>  | Colina Rosa                     | <b>Submarket:</b>         | Southwest Suburban             |
| <b>Property Type:</b>  | Raw Land-Zoned NC               | <b>City:</b>              | Reno                           |
| <b>Location:</b>   | Mt. Rose Highway & Edmonton Dr. | <b>County:</b>            | Washoe                         |
| <b>A.P.N.:</b>   | 049-402-02 & 07                 | <b>State:</b>             | Nevada                         |
| <b>Topography:</b>   | Level to Gentle-Raw Land        | <b>Flood Zone:</b>        | "X", Minimal Risk Areas        |
| <b>Zoning:</b>   | NC (Neighborhood Commercial)    | <b>Utilities:</b>         | Along Periphery of Site        |
| <b>Parcel Acreage:</b>   | 20.13± Acres                    | <b>Water Rights:</b>      | None Included                  |
| <b>Parcel Square Feet:</b>   | 876,863± Square Feet            | <b>Proposed Use:</b>      | Single Family Residential Lots |
| <b># of Lots/Units:</b>  | 94 Lots                         | <b>Approvals:</b>         | Buyer Obtained Approvals       |
| <b>Recording Date:</b>   | October 6, 2017                 | <b>Price Per Acre:</b>    | \$322,901                      |
| <b>Sale Price:</b>   | \$6,500,000                     | <b>Price/Square Foot:</b> | \$7.41                         |
| <b>Grantor:</b>  | HBT Properties of Nevada LLC    | <b>Grantee:</b>           | D.R. Horton, Inc.              |
| <b>Document Number:</b>  | 4751696                         | <b>Terms of Sale:</b>     | Cash to Seller                 |
| <b>Conditions of Sale:</b>   | None Noted                      | <b>Verification:</b>      | Public Records                 |
| <b>Comments:</b> This sale involves two parcels totaling 20.13± acres located on the southwest corner of the Mount Rose Highway and Edmonton Drive in the south suburban area of Reno, Nevada. The seller in this transaction had purchased the parcels for \$4,900,000 in July of 2016. In the October 2017 transaction, the buyer D.R. Horton, obtained approvals for a 94-lot subdivision named Colina Rosa prior to close of escrow. This site has level to gently sloping topography, although soils on the site include large boulders. Development of the new subdivision began shortly after close of escrow. The proposed subdivision will include 94 lots with an average lot size of 6,835± square feet, and 1.75± acres of open space. |                                 |                           |                                |



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



|  |   |                            |  |
|--|---|----------------------------|--|
| <b>Property ID:</b>  | Blackstone & Sugarloaf  | <b>Submarket:</b>          | Spanish Springs  |
| <b>Property Type:</b>  | Raw Land  | <b>City:</b>               | Sparks   |
| <b>Location:</b>   | North Side Calle De La Plata  | <b>County:</b>             | Washoe   |
| <b>A.P.N.:</b>   | 534-562-07 & 534-571-01   | <b>State:</b>              | Nevada   |
| <b>Topography:</b>   | Level-Raw Land  | <b>Frontage:</b>           | Calle De La Plata  |
| <b>Zoning:</b>   | MDS (Medium Density Suburban)   | <b>Utilities:</b>          | Must Be Extended Onto Site                                   |
| <b>Parcel Acreage:</b>   | 534-562-07-39.835± Acres<br>534-571-01-58.487± Acres<br>Total-98.322± Acres | <b>Water Rights:</b>       | None Included  |
| <b>Parcel Square Feet:</b>   | Total-4,282,906± Square Feet  | <b>Improvements:</b>       | None-Vacant  |
| <b># of Lots/Units:</b>  | 07-Sugarloaf Ranch Estates-119 Lots<br>01-Blackstone Estates-161 Lots       | <b>Approvals:</b>          | Tentative Maps   |
| <b>Recording Date:</b>   | 534-562-07-06/22/2018<br>534-571-01-05/15/2018                              | <b>Price Per Acre:</b>     | 534-562-07-\$89,620<br>534-571-01-\$82,582<br>Total-\$85,434 |
| <b>Sale Price:</b>   | 534-562-07-\$3,570,000<br>534-571-01-\$4,830,000<br>Total-\$8,400,000       | <b>Price/Square Foot:</b>  | 534-562-07-\$2.06<br>534-571-01-\$1.90<br>Total-\$1.96       |
| <b>Document #:</b>   | 534-562-07-4825289<br>534-571-01-4814836                                    | <b>Price/Lot:</b>          | 534-562-07-\$30,000<br>534-571-01-\$30,000<br>Total-\$30,000 |
| <b>Transfer Taxes:</b>   | Total-\$34,440.00   | <b>Terms of Sale:</b>      | Cash to Seller   |
| <b>Grantor:</b>  | 534-562-07-Sugarloaf Peak, LLC  | <b>Conditions of Sale:</b> | None Noted   |
| <b>Grantee:</b>  | 534-571-01-SP 58, LLC   | <b>Time on Market:</b>     | Less Than One Year   |
| <b>Arm's Length:</b>   | Yes   | <b>Verification:</b>       |  |
| <b>Comments:</b> This sale is two separate transactions with the same buyer for adjacent vacant land parcels. The first transaction was for a 58.487± acre site purchased for the development of the proposed 161-lot residential subdivision, which will include a park site; the average proposed lot size for Blackstone Estates is 11,140± square feet. The second transaction was for a 39.835± acre site purchased for the development of the proposed 119-lot Sugarloaf Ranch Estates subdivision; the average proposed lot size for Sugarloaf Ranch Estates is 10,317± square feet. All utility services, other than water, are located in close proximity to the site; reportedly water will have to be extended from the west side of Pyramid Highway. |   |                            |  |



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



|   |                                 |                            |                            |
|---|---------------------------------|----------------------------|----------------------------|
| <b>Property ID:</b>   | Stonebrook                      | <b>Submarket:</b>          | Spanish Springs            |
| <b>Property Type:</b>   | Raw Land-PUD Approvals          | <b>City:</b>               | Sparks                     |
| <b>Location:</b>  | East Side Pyramid Highway       | <b>County:</b>             | Washoe                     |
| <b>A.P.N.:</b>  | 528-020-16, 19, 20 & 21         | <b>State:</b>              | Nevada                     |
| <b>Topography:</b>  | Level to Gentle-Raw Land        | <b>Frontage:</b>           | Pyramid Highway            |
| <b>Zoning:</b>  | NUD (New Urban District)        | <b>Utilities:</b>          | Must Be Extended Onto Site |
| <b>Parcel Acreage:</b>  | 168.06± Acres                   | <b>Water Rights:</b>       | 186± Acre Feet             |
| <b>Parcel Square Feet:</b>  | 7,320,694± Square Feet          | <b>Improvements:</b>       | None-Vacant                |
| <b># of Lots/Units:</b>   | N/A-Was Not Finalized           | <b>Approvals:</b>          | Handbook Approvals         |
| <b>Recording Date:</b>  | June 15, 2018                   | <b>Price Per Acre:</b>     | \$74,376                   |
| <b>Sale Price:</b>  | \$12,500,000                    | <b>Price/Square Foot:</b>  | \$1.71                     |
| <b>Document #:</b>  | 4823473                         | <b>Price/Lot:</b>          | N/A                        |
| <b>Transfer Taxes:</b>  | \$51,250.00                     | <b>Terms of Sale:</b>      | Cash to Seller             |
| <b>Grantor:</b>   | Naniloa Investment Company, LLC | <b>Conditions of Sale:</b> | None Noted                 |
| <b>Grantee:</b>   | Denver Street Apartments, LLC   | <b>Time on Market:</b>     | Over One Year              |
| <b>Arm's Length:</b>  | Yes                             | <b>Verification:</b>       | Sean Alibrando-Buyer       |
| <b>Comments:</b> This sale is four lots totaling 168.06± acres located on the east side of Pyramid Highway in the Spanish Springs submarket of Sparks. The buyers of this property applied for and received approval to change the use of portions of the site. The property was approved for 19.1± acres of Multi-Family Residential (up to 24 units per acre), 38.6± acres of Commercial, 33.6± acres of Employment Center, 54.2± acres of Intermediate Density Residential, and 13.1± acres of Open Space. |                                 |                            |                            |





**COMPARABLE LAND SALE PROFILE SHEET**  
**SALE LS-6**



|  |                                  |                            |                                     |
|--|----------------------------------|----------------------------|-------------------------------------|
| <b>Property ID:</b>  | Stonebrook Villages E1, F1, G    | <b>Submarket:</b>          | Spanish Springs                     |
| <b>Property Type:</b>  | Tentative Map Residential Land   | <b>City:</b>               | Sparks                              |
| <b>Location:</b>   | South End Stonebrook             | <b>County:</b>             | Washoe                              |
| <b>A.P.N.:</b>   | 528-030-40, 51, 61 & 62          | <b>State:</b>              | Nevada                              |
| <b>Topography:</b>   | Level to Gentle-Partially Graded | <b>Frontage:</b>           | Future Extension of Stonebrook Pkwy |
| <b>Zoning:</b>   | NUD (New Urban District)         | <b>Utilities:</b>          | Must Be Extended Onto Site          |
| <b>Parcel Acreage:</b>   | 119.595± Acres                   | <b>Water Rights:</b>       | None Included                       |
| <b>Parcel Square Feet:</b>   | 5,209,558± Square Feet           | <b>Improvements:</b>       | None-Vacant                         |
| <b># of Lots/Units:</b>  | 467 Residential Lots             | <b>Approvals:</b>          | Tentative Map Approvals             |
| <b>Recording Date:</b>   | August 20, 2020                  | <b>Price Per Acre:</b>     | \$161,989                           |
| <b>Sale Price:</b>   | \$19,373,047                     | <b>Price/Square Foot:</b>  | \$3.72                              |
| <b>Document #:</b>   | 5067486                          | <b>Price/Lot:</b>          | \$41,484 (Per Project Book)         |
| <b>Transfer Taxes:</b>   | \$79,431.35                      | <b>Terms of Sale:</b>      | Cash to Seller                      |
| <b>Grantor:</b>  | Sparks Stonebrook LLC            | <b>Conditions of Sale:</b> | None Noted                          |
| <b>Grantee:</b>  | Toll NV Limited Partnership      | <b>Time on Market:</b>     | N/A                                 |
| <b>Arm's Length:</b>   | Yes                              | <b>Verification:</b>       | Mark Krueger-Archcrest              |
| <b>Comments:</b> This comparable is the sale of a property located in the southeast portion of the 425.855± acre Stonebrook Master-Planned Community in northern portion of Spanish Springs Valley. La Posada Drive, which is located north of the sale site is the dividing line between the City of Sparks and unincorporated portions of Washoe County. The sale site was rough graded approximately 10 years ago, but the property was covered with native vegetation and required some re-grading. Stonebrook has an approved Development Standards Handbook, and this portion of the property was allowed a total of 467 residential units based upon the project book recorded for Stonebrook. The sale did not include any water rights. According to Mark Krueger of Archcrest Commercial Partners, this portion of the takedown was in the “as-is” condition, and did not include backbone infrastructure installed. |                                  |                            |                                     |



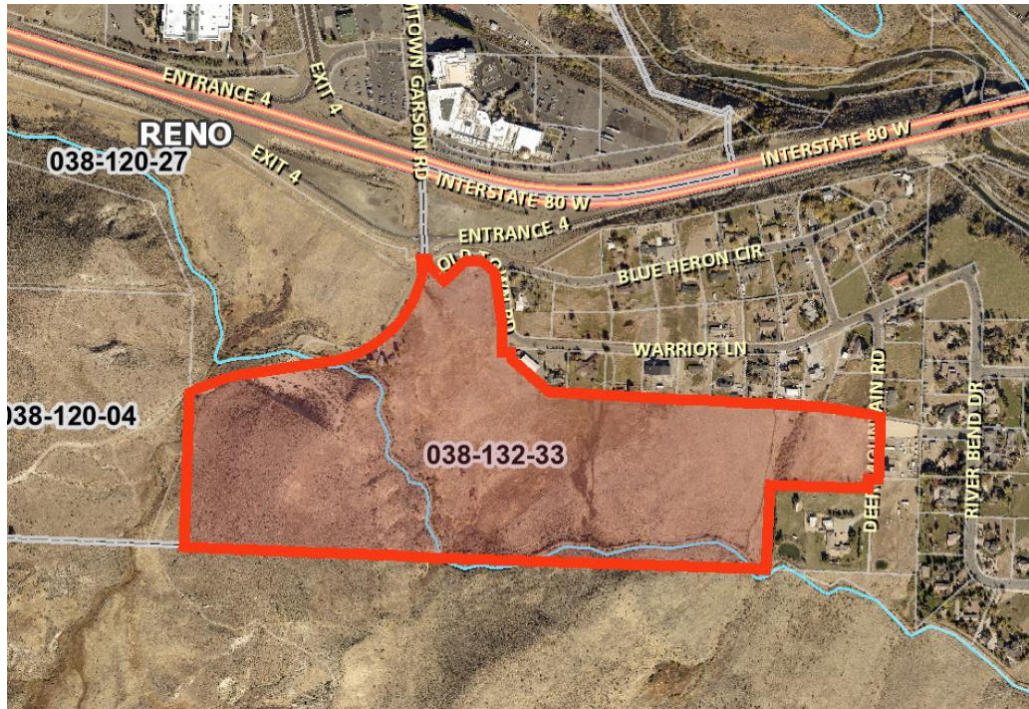
**COMPARABLE LAND SALE PROFILE SHEET  
 SALE LS-7**



|  |                                  |                        |  |
|--|----------------------------------|------------------------|--|
| <b>Property ID:</b>  | Meridian North 120, Village 3    | <b>City:</b>           | Sparks   |
| <b>Property Type:</b>  | Raw Residential Subdivision Land | <b>County:</b>         | Washoe   |
| <b>Location:</b>   | The west end of Starboard Drive  | <b>State:</b>          | Nevada   |
| <b>A.P.N.:</b>   | 236-151-01                       |                        |  |
| <b>Topography:</b>   | Level to Gentle Slope            | <b>Flood Zone:</b>     | "X"  |
| <b>Zoning:</b>   | LLR-1, SF6                       | <b>Utilities:</b>      | Available to Site  |
| <b>Parcel Acreage:</b>   | 28.895± Acres                    | <b>Water Rights:</b>   | None   |
| <b># of Lots</b>   | 97 Lots                          | <b>Proposed Use:</b>   | Single-family Residential Development                            |
|  |                                  | <b>Approvals:</b>      | Mortensen-Garson Development Standards Handbook                  |
| <b>Recording Date:</b>   | April 28, 2021                   | <b>Price Per Acre:</b> | \$234,898  |
| <b>Sale Price:</b>   | \$6,790,000                      | <b>Price/Unit:</b>     | \$70,000   |
| <b>Grantor:</b>  | Bates Stringer-Reno, LLC         | <b>Terms of Sale:</b>  | Cash to Seller   |
| <b>Grantee:</b>  | VCH Quest Reno, LLC              | <b>Verification:</b>   | Public Records, John S. Wright, MAI, Ted Stoeber, Listing Broker |
| <b>Document Number:</b>  | 5160949                          |                        |  |
| <b>Conditions of Sale:</b>   | None Noted                       |                        |  |
| <b>Comments:</b> The sale property involves the 3 <sup>rd</sup> village of Meridian North 120. Villages 1 and 2 were developed by Bates Stringer-Reno, LLC. It is my understanding that the same homes as built on Village 2 will be built on Village 3, however, this sale property will be developed by VCH Quest Reno. The sale property abuts the west bound lanes of Interstate-80, although the property is below grade with the freeway. The sale property is proposed to be developed with 97 lots ranging in size from 6,029± square feet to 43,565± square feet. The purchase involved the "as-is" condition of the property, with some grading having been completed and utilities available to the property lines. However, backbones infrastructure was not included in the purchase price. |                                  |                        |  |



**COMPARABLE LAND LISTING PROFILE SHEET  
 LISTING LL-8 (SUBJECT PROPERTY ONE)**



|   |  |                              |                              |
|---|--|------------------------------|------------------------------|
| <b>Property ID:</b>   | Meridian South 120, Villages 1 & 2             | <b>City:</b>                 | Reno                         |
| <b>Property Type:</b>   | Tentative Map Residential Land                 | <b>County:</b>               | Washoe                       |
| <b>Location:</b>  | The southeast terminus of Boomtown-Garson Road | <b>State:</b>                | Nevada                       |
| <b>A.P.N.:</b>  | 03-132-33                                      |                              |                              |
| <b>Topography:</b>  | Level to Moderate                              | <b>Flood Zone:</b>           | "X"                          |
| <b>Zoning:</b>  | Mixed  | <b>Utilities:</b>            | Available                    |
| <b>Parcel Acreage (Gross):</b>  | 80.64± Acres                                   | <b>Water Rights:</b>         | None Included                |
| <b>Parcel Acreage (Net):</b>  | 53.645± Acres                                  | <b>Improvements:</b>         | None                         |
| <b># of Lots:</b>   | 75 Lots  | <b>Approvals:</b>            | Tentative Map                |
| <b>Recording Date:</b>  | Current Listing                                | <b>Price Per Acre (Net):</b> | \$182,552                    |
| <b>List Price:</b>  | \$9,793,000                                    | <b>Price Per Lot:</b>        | \$130,573                    |
| <b>Grantor:</b>   | N/A  | <b>Terms of Sale:</b>        | Assumes Cash to Seller       |
| <b>Grantee:</b>   | N/A  | <b>Conditions of Sale:</b>   | None Noted                   |
| <b>Document Number:</b>   | N/A  | <b>Time on Market:</b>       | N/A                          |
| <b>Transfer Tax:</b>  | N/A  | <b>Verification:</b>         | Ted Stoever, Kidder Matthews |
| <b>Owner:</b>   | BT South, LLC                                  |                              |                              |
| <b>Arm's Length</b>   | Assumes Will Be                                |                              |                              |
| <b>Comments:</b> This comparable is the current listing of Subject Property One, Meridian South 120, Villages 1 and 2. Reference is made to the property identification and site description section of this appraisal report which sets forth a complete description of the listed property. |  |                              |                              |



**COMPARABLE LAND LISTING PROFILE SHEET  
 LISTING LL-9 (SUBJECT PROPERTY TWO)**



|  |  |                              |                              |
|--|--|------------------------------|------------------------------|
| <b>Property ID:</b>  | Meridian South 120, Villages 3 & 4             | <b>City:</b>                 | Reno                         |
| <b>Property Type:</b>  | Tentative Map Residential Land                 | <b>County:</b>               | Washoe                       |
| <b>Location:</b>   | The southwest terminus of Boomtown-Garson Road | <b>State:</b>                | Nevada                       |
| <b>A.P.N.:</b>   | 038-120-27                                     |                              |                              |
| <b>Topography:</b>   | Level to Steep                                 | <b>Flood Zone:</b>           | “X”                          |
| <b>Zoning:</b>   | Mixed  | <b>Utilities:</b>            | Available                    |
| <b>Parcel Acreage (Gross):</b>   | 61.25± Acres                                   | <b>Water Rights:</b>         | None                         |
| <b># of Lots:</b>  | 285 Lots                                       | <b>Improvements:</b>         | None                         |
|  |  | <b>Approvals:</b>            | Tentative Map Approval       |
| <b>Recording Date:</b>   | Current Listing                                | <b>Price Per Acre (Net):</b> | \$281,388                    |
| <b>List Price:</b>   | \$17,235,000                                   | <b>Price Per Lot:</b>        | \$60,747                     |
| <b>Grantor:</b>  | BT South, LLC                                  | <b>Terms of Sale:</b>        | Assumes Cash to Seller       |
| <b>Grantee:</b>  | N/A  | <b>Conditions of Sale:</b>   | None Noted                   |
| <b>Document Number:</b>  | N/A  | <b>Time on Market:</b>       | N/A                          |
| <b>Transfer Tax:</b>   | N/A  | <b>Verification:</b>         | Ted Stoever, Kidder Matthews |
| <b>Owner:</b>  | BT South, LLC                                  |                              |                              |
| <b>Arm’s Length</b>  | Assumes Will Be                                |                              |                              |
| <b>Comments:</b> This comparable is the current listing of Subject Property Two. Reference is made to the property identification and site description section of this appraisal report which sets forth a complete description of the comparable. |  |                              |                              |

## COMPARABLE LAND SALES DISCUSSION AND COMPARISON SUBJECT PROPERTY ONE, 'AS-IS' CONDITION

The comparable sales utilized in this analysis range in date of sale from March 23, 2017 to April 1, 2021, in comparison to the subject's effective date of value of July 2, 2021. In addition, two current listings, including the listing of the subject property, are included in this analysis. The comparable sales and listings range in land area from 20.13± acres to 119.6± acres in comparison to the subject property which has a gross land area of 80.64± acres and a net land area of 53.645± acres. The difference between the gross land area and the net land is attributable to the subject's open space.

The comparable sales range in sale price per acre from \$74,373 per acre to \$322,901 per acre, while two current listing indicate asking prices ranging from \$182,552 per acre to \$281,388 per acre. The comparable sales and listing indicate a range in price per dwelling unit from \$30,000 to \$130,573.

This portion of the appraisal analysis will address the Market Value of the subject property in its "as-is" condition, prior to the proposed right-of-way dedication. As indicated previously, the subject property has received tentative map approval from the City of Reno for the development of a 75-lot single-family residential subdivision including 13 one-acre residential homesites and 62 single-family residential homesites. However, access to the subject property is currently provided by an existing 30 foot wide opening in the control of access located on the south side of Interstate-80 at the current terminus of the Boomtown-Garson Road.

### Discussion of Adjustments

The comparable properties utilized in this analysis will be compared and correlated to the subject property based upon several adjustment criteria. These include property rights conveyed, financing terms, conditions of sale, market conditions, location, physical characteristics and development potential.

### Property Rights Conveyed

In this section of the appraisal, the fee simple Market Value of the subject property is being estimated. As each of the sales utilized in this analysis involve the sale of the fee simple interest of the property, no adjustment for property rights is required.



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

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

### **Conditions of Sale**

Based upon a review of the public records and/or interviews with the persons involved with each of the sales utilized in this analysis, no adjustments are required for conditions of sale.

### **Market Conditions (Date of Sale)**

The comparable sales range in date of sale from March 23, 2017 to April 1, 2021, in comparison to the subject's effective date of value of July 2, 2021. In addition, two current listings are considered in this analysis, including the listing of the subject property. As a result of strong market demand for residential subdivision land throughout the Reno-Sparks area, an upward adjustment for date of sale is indicated to Comparable Sales LS-1 through LS-6, which occurred between March 2017 and August 2020. Comparable Sale LS-7, the most recent sale occurred in April 2021. No adjustment for date of sale is indicated.

Listings LL-8 and LL-9 involve asking prices rather than actual sales. As a result, a downward adjustment is indicated.

### **General Location**

The subject property is located at the southeast terminus of the Boomtown-Garson Road and to the south of the interchange of Interstate-80 and the Boomtown-Garson Road. The subject is further located in the Verdi submarket, which is experiencing strong market demand and the development of good quality single-family residences. Comparable Sales LS-1, LS-2, LS-7 and LL-9 are all located in the Verdi submarket, as is Listing LL-8, the subject property. No adjustment for location is indicated.

Comparable Sale LS-3 is located on the Mt. Rose Highway and is considered to be a competitive location in comparison to the subject property.

Comparable Sale LS-4 is located in the northerly portion of the Spanish Spring Valley, and as a result, is considered to involve an inferior location in comparison to the subject property. An upward adjustment is indicated.

Comparable Sales LS-5 and LS-2 are located in the Stonebrook residential subdivision in the Spanish Springs Valley. An upward adjustment for location is indicated.

### **Approvals**

The subject property has Tentative Map approval in accordance with the requirements of the Mortensen-Garson Development Standards Handbook and the City of Reno. The comparable sales involve tentative map approval or handbook approval, and as a result, are considered equal to the subject property.

### **Topography**

The subject property consisting of 80.64± acres including level to gently sloping topography within the usable land area of 53.645± acres, and moderately sloping topography in those areas of the subject property which are designated as open space. Comparable Sales LS-1, LS-4, LS-5, LS-6 and the listing of the subject property (LL-8) are considered to have similar topography in comparison to the subject property. The balance of the comparable sales have level to moderately sloping topography, requiring an upward adjustment in comparison to the subject property.

### **Size**

The subject property contains a net land area of 53.645± acres, and a gross land area of 80.64± acres. The comparable sales indicate land areas ranging from 20.13± acres to 168.06± acres. Generally, a relationship exists between the size of the property and the price per acre paid for that property. Properties with smaller land areas tend to have a higher price per unit while properties with larger land areas tend to have a lower price per unit. A qualitative adjustment for size will be made in this appraisal analysis.

### **Density**

The subject property has a density of 1.40 dwelling units per acre, based upon the net usable land area of 53.645± acres. The average size of the lots within the subject subdivision is estimated to be 17,500± square feet. There will be a total of 13 one-acre parcels and 62 single family residential homesites with a minimum land area of 9,000± square feet within the subject property. The comparable sales indicate a range in density from 2.85 dwelling units per acre to 4.67 dwelling units per acre in comparison to the subject's density of 1.40 dwelling units per acre. No sales similar to the subject property with respect to density and locational characteristics were found. As a result, a qualitative adjustment for density is indicated. A



downward adjustment is indicated to those sales which have higher densities per unit in comparison to the subject property.

### **Access**

At the present time, access to the subject property from the Garson Road/Boomtown Interchange with Interstate-80 is limited to a 30 foot wide opening. Comparable Sales LS-1 and LS-6 required extension of roadways to provide access to the sale properties. As a result, access is considered similar to the subject property. Comparable Sales LS-2, LS-3, LS-4, LS-5 and LS-7 are considered to have superior access, requiring a downward adjustment to the subject property in its “as-is” condition. Comparable Listing LL-8 is the current listing of the subject property and Comparable Listing LL-9 is the current listing of Meridian South 120, Villages 3 and 4, which is designated as Subject Property Two in this appraisal. Access is considered equal to the subject property.

### **Other Adjustments**

The purchases of Comparable Sales LS-1 and LS-5 included water rights, requiring a downward adjustment in comparison to the subject property.

The following charts set forth a summary of the comparable sales in comparison to the subject property, in its “as-is” condition.





## COMPARABLE LAND SALES ADJUSTMENT CHART “AS-IS” CONDITION

| Sale Number                         | Assessor's Parcel Number<br>Name<br>Location   | Sale Price/<br>Acre | Terms of<br>Sale  | Market<br>Conditions                    | Location                 | Approvals                | Topography                 | Land<br>Area               | Density          | Access   | Other           | Overall                   |
|-------------------------------------|--|---------------------|-------------------|---|--------------------------|--------------------------|----------------------------|----------------------------|------------------|--|-----------------|---------------------------|
| LS-1                                | 038-120-17, 18 & 19<br>Meridian North 120<br>Both Sides Boomtown - Garson Road<br>Between I-80 and South Verdi Road, Reno          | \$198,814<br>(Net)  | Cash to<br>Seller | 03/23/2017<br>++++                      | I-80/Verdi               | Tentative<br>Map         | Level to<br>Gentle         | 61.2 Ac<br>(Net)           | 4.46 DU/AC       | Required<br>Extension<br>of Road               | Water<br>Rights | High<br>Indicator         |
| LS-2                                | 038-111-03 and 038-830-07 Thru 10<br>West Meadows Estates,<br>North Side of U.S. Highway 40,<br>Northwest of East I-80 Interchange | \$298,238           | Cash to<br>Seller | 01/10/2017,<br>05/16/2017<br>++++       | U.S. 40/<br>Verdi        | Handbook                 | Level to<br>Steep          | 69.81 Ac<br>(Net)          | 4.61 DU/AC       | North Side<br>U.S. 40                          | N/A             | High<br>Indicator         |
| LS-3                                | 049-402-02<br>Colina Rosa<br>SWC of Mt. Rose Hwy and Edmonton Dr., Reno  | \$322,901           | Cash to<br>Seller | 10/06/2017<br>++++                      | Mt. Rose<br>Highway      | Tentative<br>Map         | Gentle to<br>Moderate      | 20.13 Ac                   | 4.67 DU/AC       | Mt. Rose Hwy<br>& Edmonton                     | N/A             | Very<br>High<br>Indicator |
| LS-4                                | 534-562-07 and 534-571-01<br>Blackstone and Sugarloaf<br>North Side of Calle De La Plata, Sparks                                   | \$84,435            | Cash to<br>Seller | 05/15/2018<br>+++                       | North<br>Spanish Springs | Tentative<br>Map         | Level                      | 98.32 Ac                   | 2.85 DU/AC       | Frontage on<br>Calle De Plata                  | N/A             | Low<br>Indicator          |
| LS-5                                | 528-020-16, 19, 20 & 21<br>Stonebrook<br>East Side of Pyramid Highway, Sparks  | \$74,378            | Cash to<br>Seller | 06/15/2018<br>+++                       | Spanish Springs          | Handbook                 | Level to<br>Gentle         | 168.06 Ac                  | N/A              | Frontage on<br>Pyramid Hwy                     | Water<br>Rights | Low<br>Indicator          |
| LS-6                                | 528-030-40, 51, 61 & 62<br>Stonebrook E1, F1, G1, G2, G3<br>South End of Stonebrook  | \$161,982           | Cash to<br>Seller | 08/20/2020<br>+                         | Spanish Springs          | Tentative<br>Map         | Level to<br>Gentle         | 119.60 Ac                  | 3.90 DU/AC       | Required<br>Extension of Road                  | N/A             | Low<br>Indicator          |
| LS-7                                | 236-151-01<br>Meridian 120 North Village 3<br>West End of Starboard Drive  | \$234,989           | Cash to<br>Seller | 4/01/2021<br>=                          | I-80/Verdi               | Tentative<br>Map         | Level to<br>Moderate       | 28.95 Ac                   | 3.56 DU/AC       | Roads Extended<br>to Site                      | N/A             | High<br>Indicator         |
| LL-8                                | 038-132-33<br>Meridian South 120 Villages 1 and 2<br>Southeast Terminus of Boomtown-Garson Road                                    | \$182,552           | N/A               | Listing<br>-                            | I-80/Verdi               | Tentative<br>Map         | Level to<br>Gentle         | 53.645 Ac<br>(Net)         | 1.40 DU/AC       | Subject<br>Property                            | N/A             | High<br>Indicator         |
| LL-9                                | 038-120-27<br>Meridian South 120 Villages 3 and 4<br>Southwest Terminus of Boomtown-Garson Road                                    | \$281,388           | N/A               | Listing<br>-                            | I-80/Verdi               | Tentative<br>Map         | Level to<br>Steep          | 61.25 Ac                   | 4.65 DU/AC       | Adjacent to<br>Subject                         | N/A             | High<br>Indicator         |
| <b>Subject<br/>Property<br/>One</b> | <b>038-132-33<br/>Meridian South 120 Villages 1 and 2<br/>Southeast Terminus of Boomtown-Garson Road</b>                           | <b>---</b>          | <b>Cash</b>       | <b>Date of<br/>Value<br/>07/02/2021</b> | <b>I-80/<br/>Verdi</b>   | <b>Tentative<br/>Map</b> | <b>Level<br/>to Gentle</b> | <b>53.645 Ac<br/>(Net)</b> | <b>1.4 DU/AC</b> | <b>Limited, Shared<br/>30' Wide<br/>Access</b> | <b>None</b>     | <b>---</b>                |

### **SUBJECT PROPERTY ONE, FINAL LAND VALUE CONCLUSION “AS-IS” CONDITION**

To summarize, Comparable Sales LS-1, at \$198,814 per acre, LS-2, at \$298,238 per acre, LS-3, at \$322,901 per acre, LS-7, at \$234,989, and LL-9, at \$281,388 per acre are considered to be high indicators of a per acre value applicable to the subject property, primarily due to their higher densities, ranging from 3.36 dwelling units per acre to 4.67 dwellings per acre.

Comparable Sale LS-4, at \$84,435 per acre is considered to be a low indication of a per acre value applicable to the subject property, primarily due to its inferior location. Comparable Sale LS-5, at \$74,378 per acre is considered to be a low indication of a per acre value applicable to the subject property, primarily due to its larger land area, and as it does include water rights.

Comparable Sale LS-6, at \$161,982 per acre is considered to be a slightly low indication of a per acre value applicable to the subject property, primarily due to its larger land area.

Comparable Sale LS-7, the most recent comparable utilized in this analysis, is considered to be a high indicator of a per acre value applicable to the subject property. The sale property is located on the north side of Interstate-80, and to the west of Boomtown. The sale property is smaller than the subject property and has a higher density at 3.36 dwelling units per acre.

Comparable Listing LL-9, the current listing of Meridian South 120, Villages 3 and 4, is considered to be a high indication of a per acre value applicable to the subject property, primarily due to its higher density at 4.65 dwelling units per acre, and as it does involve an asking price, rather than an actual sale.

The current listing of the subject property, at \$182,552 per acre, is considered to be a high indication of a per acre value applicable to the subject property, as it does involve an asking price, rather than an actual sale.

In the final analysis, consideration is given to the subject's location, topography, tentative map approval and density, which includes 13 single-family residential homesites with a one-acre minimum size, and 62 single-family residential homesites with a minimum land area of 9,000± square feet. The density of the proposed development is indicated to be 1.40 dwelling units per acre.



In addition, access to the subject property is limited to a 30 foot wide shared roadway in the before condition. Prior to development of the subject property, as proposed, it will be necessary for the owners of the subject property to acquire approximately an additional 101.57 feet in the opening of the control of access to assist in the development of the Santerra/Quilici properties and to provide the necessary access to the Boomtown-Garson/I-80 Interchange.

Based upon a review of the available data, and with consideration given to analysis as set forth above, it is my opinion that a per unit value of \$174,000 per acre would be applicable to the subject property in its “as-is” condition. Applying the indicated per acre value to the subject’s net land area of 53.645± acres, results in an indicated value of \$9,334,230, which is rounded to \$9,334,000. It is my opinion that the Market Value of the fee simple interest in the subject property, in its “as-is” condition, as of July 2, 2021, is \$9,334,000.

|   |                    |
|---|--------------------|
| <b>FINAL VALUE CONCLUSION – SUBJECT PROPERTY ONE<br/>(“AS-IS” CONDITION – BEFORE ACCESS WIDENING)</b> | <b>\$9,334,000</b> |
|---|--------------------|



**SUBJECT PROPERTY ONE RIGHT-OF-WAY DEDICATION ANALYSIS  
“AS-IS” CONDITION, BEFORE RIGHT-OF-WAY DEDICATION**

The owners of the subject property, BT South, LLC, and Toll Brothers have entered into a joint development agreement of Meridian South 120 and the Quilici Ranch. With the development of these properties, it will be necessary to develop a round-about on the south side of Interstate-80, and at the interchange with Interstate-80 and the Boomtown-Garson Road.

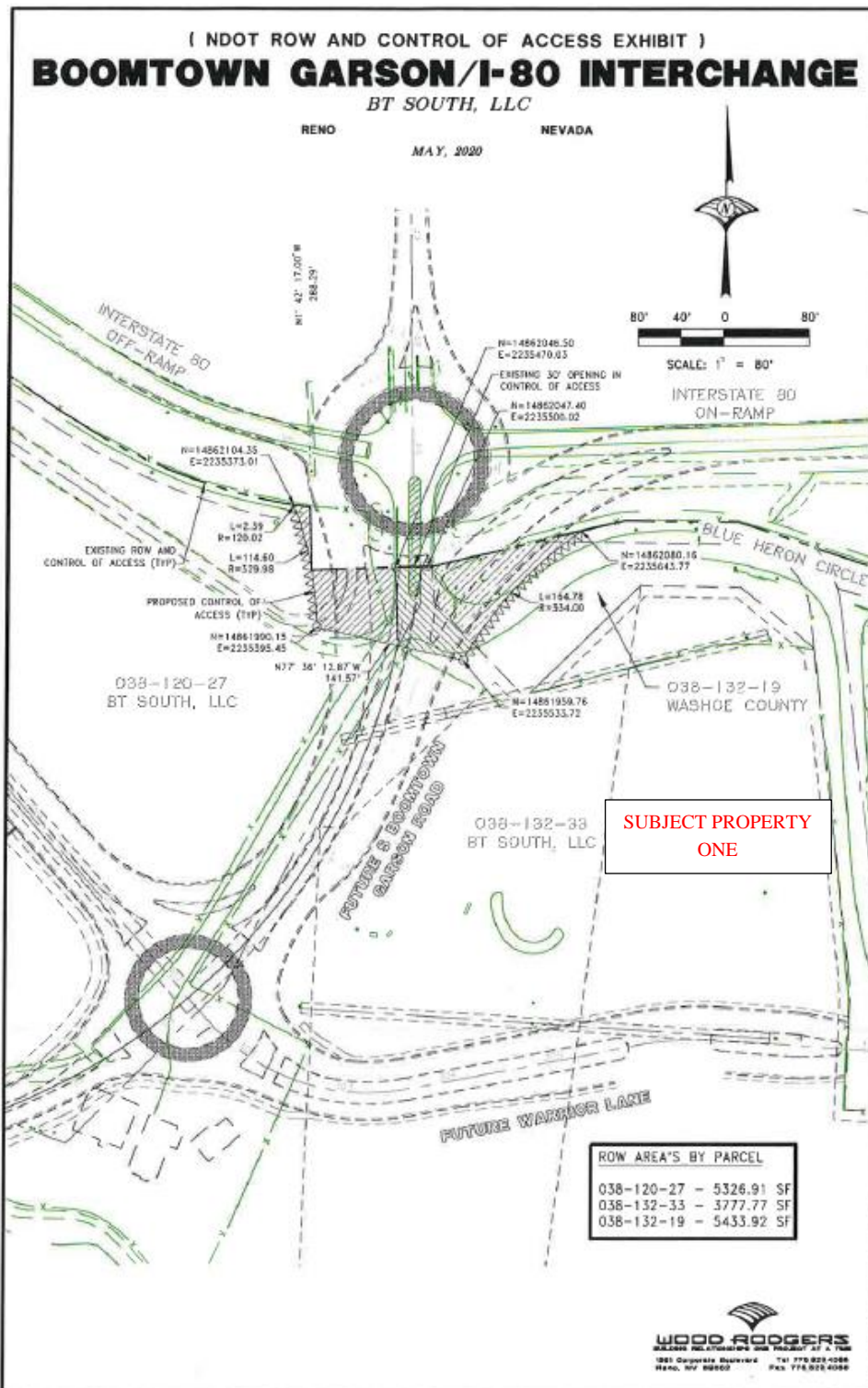
At the present time, the existing opening in the control of access along Interstate-80 is 30-foot wide, however, with the development of Meridian South 120 and the Quilici Ranch, Garson Road will become the main roadway into the development. As a result, the developers of the subject properties have requested that the opening in the control of access be widened to 141.57 feet.

In order to expand the opening in the control of access, it will be necessary for the property owners to dedicate portions of their property to the Interstate-80 right-of-way. According to the Boomtown-Garson / I-80 Interchange NDOT Right-of-Way and Control of Access Exhibit, the necessary right-of-way acquisition for Meridian South 120, Villages 1 and 2 (APN 038-132-33) will be 3,778± square feet.

The following exhibit depicts the proposed right-of-way dedication and requested opening in the control of access for the subject property.



**BOOMTOWN-GARSON / I-80 INTERCHANGE NDOT RIGHT-OF-WAY  
AND CONTROL OF ACCESS EXHIBIT**





The Market Value of Subject Property One was estimated to be \$9,334,000, or \$174,000 per acre, based upon the subject’s net usable land area of 53.645± acres. The indicated per square foot value is \$4.00 per square foot. Applying the indicated per square foot value to the proposed right-of-way dedication in the amount of 3,787± square feet, results in an indicated value of \$15,112, rounded to \$15,110.

The following chart sets forth a summary of the value right-of-way dedication for Subject Property One.

| <b>SUBJECT PROPERTY ONE<br/>RIGHT-OF-WAY DEDICATION SUMMARY</b>             |             |
|---|-------------|
| Market Value, Subject Property One  | \$9,334,000 |
| Right of Way Dedication (APN 138-132-33)<br>3,778± Sq. Ft. @ \$4.00/Sq. Ft. | \$15,110    |

**SUBJECT PROPERTY ONE  
COMPARABLE LAND SALES DISCUSSION AND COMPARISON  
AFTER CONDITION**

In the before condition, access is provided by an existing 30 foot wide opening in the control of access located along the south side of Interstate-80 at the current terminus of the Boomtown-Garson Road. BT South, LLC and Toll Brothers have requested that the existing 30 foot wide opening be relocated in a southerly direction and widened to approximately 141.57 feet. The purpose of the proposed opening in the control of access is to assist in the development of the Santerra-Quilici properties and to provide the necessary access to the Boomtown-Garson I-80 Interchange.

In the before condition, the subject's net usable land area was indicated to be 53.645± acres. The subject property, together with Meridian South 120, Villages 3 and 4, will share a common opening in the control of access along the south side of Interstate-80 at the Boomtown-Garson Road interchange with a width of approximately 141.57± feet. This will allow the developers of the subject property to proceed with the development of the subject property as proposed, as well as providing the main access into the proposed Santerra-Quilici Development. The subject will continue to have level to gently sloping topography with the exception of the southwesterly and southerly portions of the site which have moderately sloping topography. The subject property has tentative map approval from the City of Reno for the development of a 75-lot single-family residential subdivision including 13 one-acre residential homesites and 62 single-family residential homesites with a minimum land area of 9,000± square feet. The average lot area for the proposed subject subdivision will continue to be 17,500± square feet.

As a result, it is my opinion that the highest and best use of the subject property in the after condition, is for a single-family residential subdivision as proposed.

To establish an indication of the Market Value of the subject property, in the after condition, the Direct Sales Comparison Approach to Value will be utilized. Reference is made to the comparable land sales chart, land sales map and profile sheets set forth previously in this appraisal report.

The comparable sales utilized in this analysis range in date of sale from March 23, 2017 to April 1, 2021, in comparison to the subject's effective date of value of July 2, 2021. In addition, two current listings, including the listing of the subject property, are included in this



analysis. The comparable sales and listings range in land area from 20.13± acres to 119.6± acres.

The comparable sales range in sale price per acre from \$74,373 per acre to \$322,901 per acre, while two current listing indicate asking prices ranging from \$182,552 per acre to \$281,388 per acre. The comparable sales and listing indicate a range in price per dwelling unit from \$30,000 to \$130,573.

### **Discussion of Adjustments**

The comparable properties utilized in this analysis will be compared and correlated to the subject property based upon several adjustment criteria. These include property rights conveyed, financing terms, conditions of sale, market conditions, location, physical characteristics and development potential.

### **Property Rights Conveyed**

In this section of the appraisal, the fee simple Market Value of the subject property is being estimated. As each of the sales utilized in this analysis involve the sale of the fee simple interest of the property, no adjustment for property rights is required.

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

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

### **Conditions of Sale**

Based upon a review of the public records and/or interviews with the persons involved with each of the sales utilized in this analysis, no adjustments are required for conditions of sale.

### **Market Conditions (Date of Sale)**

The comparable sales range in date of sale from Marth 23, 2017 to April 1, 2021, in comparison to the subject's effective date of value of July 2, 2021. In addition, two current listings are considered in this analysis, including the listing of the subject property. As a result of strong market demand for residential subdivision land throughout the Reno-Sparks area, an upward adjustment for date of sale is indicated to Comparable Sales LS-1 through LS-6, which occurred between March 2017 and August 2020. Comparable Sale LS-7, the most recent sale occurred in April 2021. No adjustment for date of sale is indicated.





Listings LL-8 and LL-9 involve asking prices rather than actual sales. As a result, a downward adjustment is indicated.

### **General Location**

The subject property is located at the southeast terminus of the Boomtown-Garson Road and to the south of the interchange of Interstate-80 and the Boomtown-Garson Road. The subject is further located in the Verdi submarket, which is experiencing strong market demand and the development of good quality single-family residences. Comparable Sales LS-1, LS-2, LS-7 and LL-9 are all located in the Verdi submarket, as is Listing LL-8, the subject property. No adjustment for location is indicated.

Comparable Sale LS-3 is located on the Mt. Rose Highway and is considered to be a competitive location in comparison to the subject property.

Comparable Sale LS-4 is located in the northerly portion of the Spanish Spring Valley, and as a result, is considered to involve an inferior location in comparison to the subject property. An upward adjustment is indicated.

Comparable Sales LS-5 and LS-2 are located in the Stonebrook residential subdivision in the Spanish Springs Valley. An upward adjustment for location is indicated.

### **Approvals**

The subject property has Tentative Map approval in accordance with the requirements of the Mortensen-Garson Development Standards Handbook and the City of Reno. The comparable sales involve tentative map approval or handbook approval, and as a result, are considered equal to the subject property.

### **Topography**

The subject property consisting of 80.64± acres including level to gently sloping topography within the usable land area of 53.645± acres, and moderately sloping topography in those areas of the subject property which are designated as open space. Comparable Sales LS-1, LS-4, LS-5, LS-6 and the listing of the subject property (LL-8) are considered to have similar topography in comparison to the subject property. The balance of the comparable sales have level to moderately sloping topography, requiring an upward adjustment in comparison to the subject property.



### **Size**

The subject property contains a net land area of 53.645± acres, and a gross land area of 80.64± acres. The comparable sales indicate land areas ranging from 20.13± acres to 168.06± acres. Generally, a relationship exists between the size of the property and the price per acre paid for that property. Properties with smaller land areas tend to have a higher price per unit while properties with larger land areas tend to have a lower price per unit. A qualitative adjustment for size will be made in this appraisal analysis.

### **Density**

The subject property will continue to have a density of 1.40 dwelling units per acre, based upon the net usable land area of 53.56± acres. The average size of the lots within the subject subdivision is estimated to be 17,500± square feet. There will be a total of 13 one-acre parcels and 62 single family residential homesites with a minimum land area of 9,000± square feet within the subject property. The comparable sales indicate a range in density from 2.85 dwelling units per acre to 4.67 dwelling units per acre in comparison to the subject's density of 1.40 dwelling units per acre. No sales similar to the subject property with respect to density and locational characteristics were found. As a result, a qualitative adjustment for density is indicated. A downward adjustment is indicated to those sales which have higher densities per unit in comparison to the subject property.

### **Other Adjustments**

The purchases of Comparable Sales LS-1 and LS-5 included water rights, requiring a downward adjustment in comparison to the subject property.

The following charts set forth a summary of the comparable sales in comparison to the subject property.



**COMPARABLE LAND SALES ADJUSTMENT CHART**

| Sale Number                 | Assessor's Parcel Number   | Sale Price/Acre    | Terms of Sale  | Market Conditions                   | Location                 | Approvals            | Topography             | Land Area                  | Density          | Other          | Overall             |
|-----------------------------|--|--------------------|----------------|-------------------------------------|--------------------------|----------------------|------------------------|----------------------------|------------------|----------------|---------------------|
| LS-1                        | 038-120-17, 18 & 19<br>Meridian North 120<br>Both Sides Boomtown - Garson Road<br>Between I-80 and South Verdi Road, Reno          | \$198,814<br>(Net) | Cash to Seller | 03/23/2017<br>++++                  | I-80/Verdi               | Tentative Map        | Level to Gentle        | 61.2 Ac<br>(Net) +         | 4.46 DU/AC       | Water Rights - | High Indicator      |
| LS-2                        | 038-111-03 and 038-830-07 Thru 10<br>West Meadows Estates,<br>North Side of U.S. Highway 40,<br>Northwest of East I-80 Interchange | \$298,238          | Cash to Seller | 01/10/2017,<br>05/16/2017<br>++++   | U.S. 40/<br>Verdi        | Handbook             | Level to Steep         | 69.81 Ac<br>(Net) +        | 4.61 DU/AC       | N/A            | High Indicator      |
| LS-3                        | 049-402-02<br>Colima Rosa<br>SWC of Mt. Rose Hwy and Edmonton Drive, Reno  | \$322,901          | Cash to Seller | 10/06/2017<br>++++                  | Mt. Rose<br>Highway      | Tentative Map        | Gentle to Moderate     | 20.13 Ac                   | 4.67 DU/AC       | N/A            | Very High Indicator |
| LS-4                        | 534-562-07 and 534-571-01<br>Blackstone and Sugarloaf<br>North Side of Calle De La Plata, Sparks                                   | \$84,435           | Cash to Seller | 05/15/2018<br>++++                  | North<br>Spanish Springs | Tentative Map        | Level                  | 98.32 Ac                   | 2.85 DU/AC       | N/A            | Low Indicator       |
| LS-5                        | 528-020-16, 19, 20 & 21<br>Stonebrook<br>East Side of Pyramid Highway, Sparks  | \$74,378           | Cash to Seller | 06/15/2018<br>++++                  | Spanish Springs          | Handbook             | Level to Gentle        | 168.06 Ac                  | N/A              | Water Rights - | Low Indicator       |
| LS-6                        | 528-030-40, 51, 61 & 62<br>Stonebrook El, F1, G1, G2, G3<br>South End of Stonebrook  | \$161,982          | Cash to Seller | 08/20/2020<br>+                     | Spanish Springs          | Tentative Map        | Level to Gentle        | 119.60 Ac                  | 3.90 DU/AC       | N/A            | Low Indicator       |
| LS-7                        | 236-151-01<br>Meridian 120 North Village 3<br>West End of Starboard Drive  | \$234,989          | Cash to Seller | 4/01/2021<br>=                      | I-80/Verdi               | Tentative Map        | Level to Moderate      | 28.95 Ac                   | 3.36 DU/AC       | N/A            | High Indicator      |
| LL-8                        | 038-132-33<br>Meridian South 120 Villages 1 and 2<br>Southeast Terminus of Boomtown-Garson Road                                    | \$182,552          | N/A            | Listing<br>-                        | I-80/Verdi               | Tentative Map        | Level to Gentle        | 53.645 Ac<br>(Net) =       | 1.40 DU/AC       | N/A            | High Indicator      |
| LL-9                        | 038-120-27<br>Meridian South 120 Villages 3 and 4<br>Southwest Terminus of Boomtown-Garson Road                                    | \$281,388          | N/A            | Listing<br>-                        | I-80/Verdi               | Tentative Map        | Level to Steep         | 61.25 Ac                   | 4.65 DU/AC       | N/A            | High Indicator      |
| <b>Subject Property One</b> | <b>038-132-33<br/>Meridian South 120 Villages 1 and 2<br/>Southeast Terminus of Boomtown-Garson Road</b>                           | <b>- - -</b>       | <b>Cash</b>    | <b>Date of Value<br/>07/02/2021</b> | <b>I-80/<br/>Verdi</b>   | <b>Tentative Map</b> | <b>Level to Gentle</b> | <b>53.645 Ac<br/>(Net)</b> | <b>1.4 DU/AC</b> | <b>None</b>    | <b>- - -</b>        |

**SUBJECT PROPERTY ONE  
FINAL LAND VALUE CONCLUSION AFTER CONDITION**

To summarize, Comparable Sales LS-1, at \$198,814 per acre, LS-2, at \$298,238 per acre, LS-3, at \$322,901 per acre, LS-7, at \$234,989, and LL-9, at \$281,388 per acre are considered to be high indicators of a per acre value applicable to the subject property, primarily due to their higher densities, ranging from 3.36 dwelling units per acre to 4.67 dwellings per acre.

Comparable Sale LS-4, at \$84,435 per acre is considered to be a low indication of a per acre value applicable to the subject property, primarily due to its inferior location. Comparable Sale LS-5, at \$74,378 per acre is considered to be a low indication of a per acre value applicable to the subject property, primarily due to its larger land area, and as it does include water rights.

Comparable Sale LS-6, at \$161,982 per acre is considered to be a slightly low indication of a per acre value applicable to the subject property, primarily due to its larger land area.

Comparable Sale LS-7, the most recent comparable utilized in this analysis, is considered to be a high indicator of a per acre value applicable to the subject property. The sale property is located on the north side of Interstate-80, and to the west of Boomtown. The sale property is smaller than the subject property and has a higher density at 3.36 dwelling units per acre.

Comparable Listing LL-9, the current listing of Meridian South 120, Villages 3 and 4, is considered to be a high indication of a per acre value applicable to the subject property, primarily due to its higher density at 4.65 dwelling units per acre, and as it does involve an asking price, rather than an actual sale.

The current listing of the subject property, at \$182,552 per acre, is considered to be a high indication of a per acre value applicable to the subject property, as it does involve an asking price, rather than an actual sale.

In the final analysis, consideration is given to the subject's location, topography, tentative map approval and density, which includes 13 single-family residential homesites with a one-acre minimum size, and 62 single-family residential homesites with a minimum land area of 9,000± square feet. The density of the proposed development is indicated to be 1.40 dwelling units per acre.



Based upon a review of the available data, and with consideration given to analysis as set forth above, it is my opinion that a per unit value of \$175,000 per acre would be applicable to the subject property. Applying the indicated per acre value to the subject's net usable land area in the after condition of 53.645± acres, results in an indicated value of \$9,387,875. It is my opinion that the Market Value of the fee simple interest in the subject property, as of July 2, 2021, is \$9,387,875.

**FINAL VALUE CONCLUSION – SUBJECT PROPERTY ONE  
(AFTER CONDITION, WITH ACCESS WIDENING)**

**\$9,387,875**



**SUBJECT PROPERTY TWO  
MERIDIAN SOUTH 120  
VILLAGES 3 AND 4**



### SUBJECT AERIAL MAP



\*Source: WRMS



**SUBJECT PHOTOGRAPHS**



**VIEW OF SUBJECT PROPERTY FACING SOUTHWESTERLY FROM  
BOOMTOWN-GARSON ROAD**



**VIEW OF BOOMTOWN-GARSON ROAD FACING IN A SOUTHERLY  
DIRECTION FROM THE INTERSTATE-80 INTERCHANGE**





**SUBJECT PHOTOGRAPHS**



**VIEW OF SUBJECT PROPERTY FACING IN A SOUTHEASTERLY  
FROM THE NORTHWESTERLY PROPERTY CORNER**



**VIEW OF 20-FOOT WIDE ACCESS EASEMENT TRAVERSING SUBJECT  
PROPERTY FACING EASTERLY**



**SUBJECT PHOTOGRAPHS**



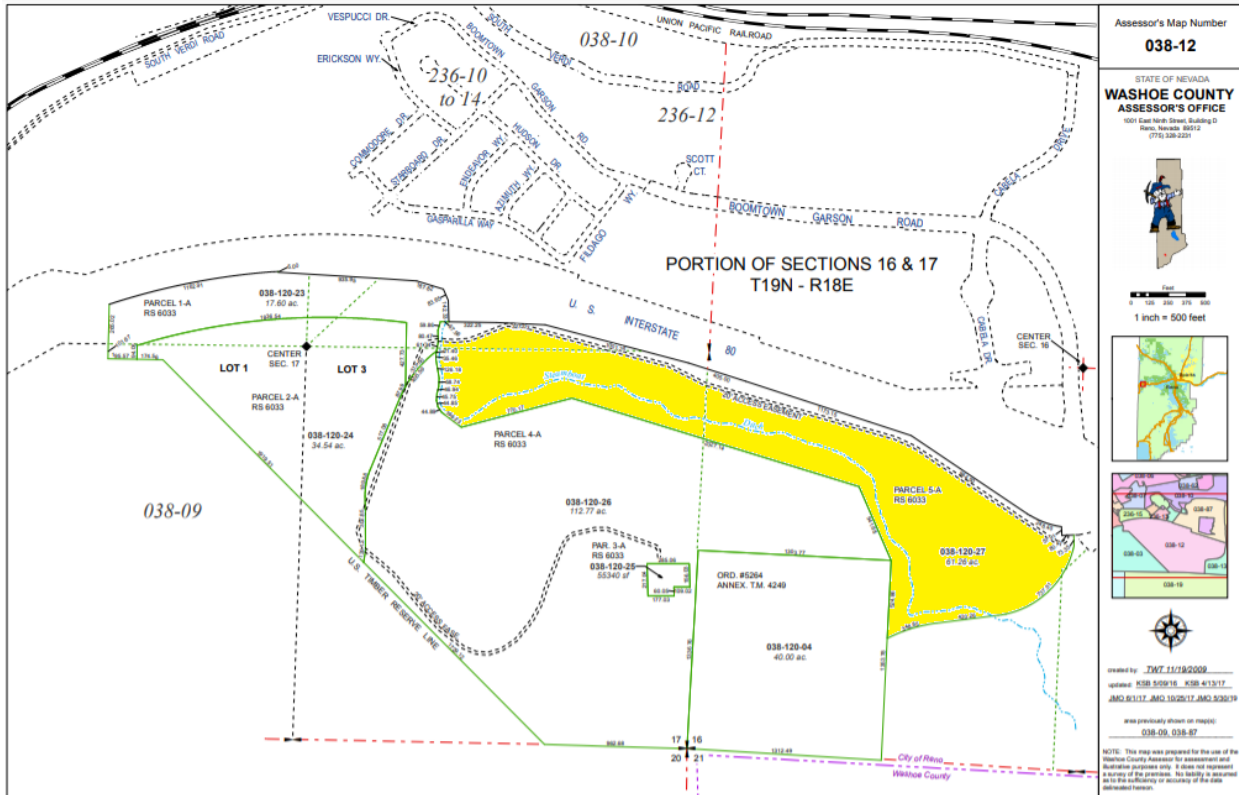
**VIEW OF INTERSTATE-80 FACING IN A WESTERLY DIRECTION**



**VIEW OF INTERSTATE-80 FACING IN AN EASTERLY DIRECTION**



**SUBJECT PLOT MAP**



Assessor's Map Number  
**038-12**

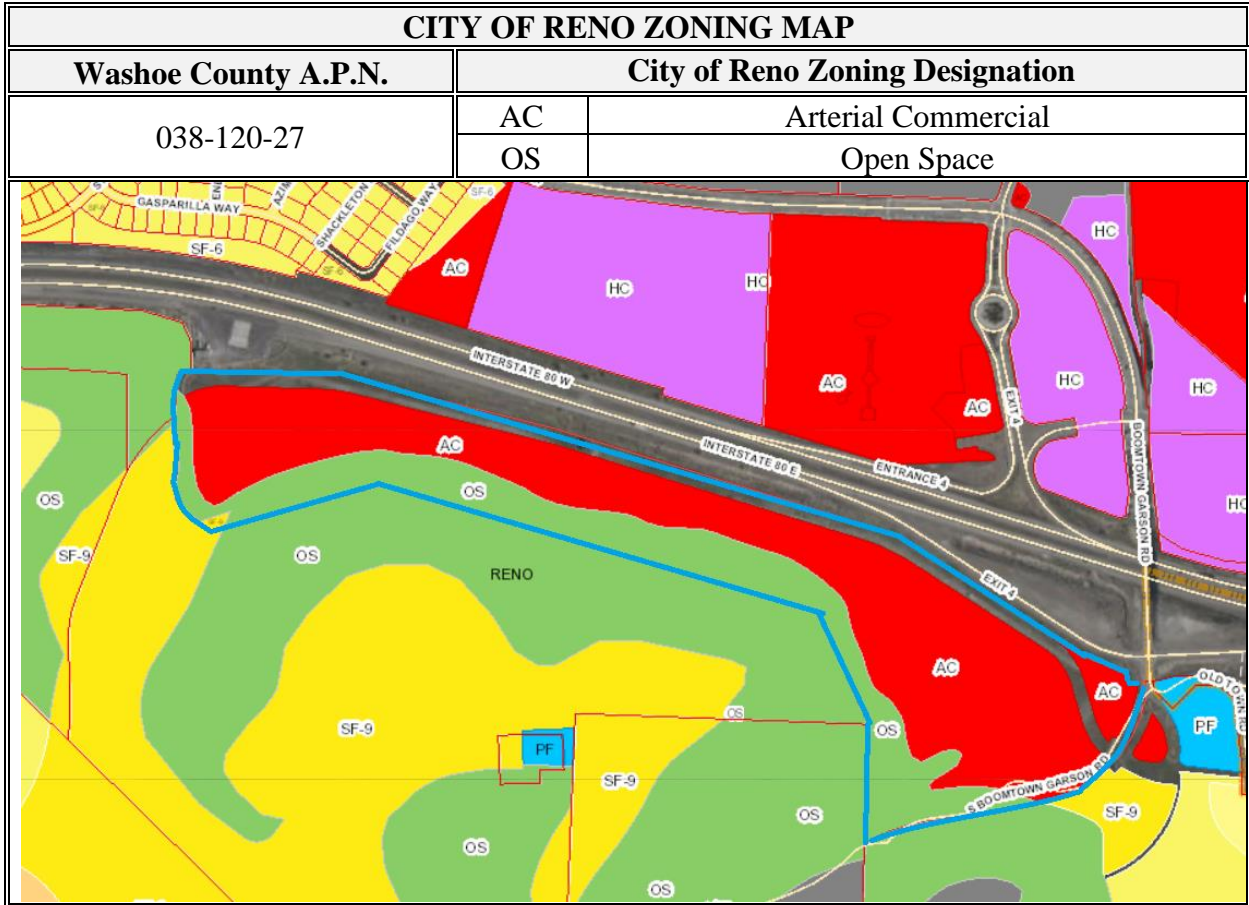
STATE OF NEVADA  
**WASHOE COUNTY**  
 ASSESSOR'S OFFICE  
 1001 East North Street, Building D  
 Reno, Nevada 89502  
 (775) 338-2201

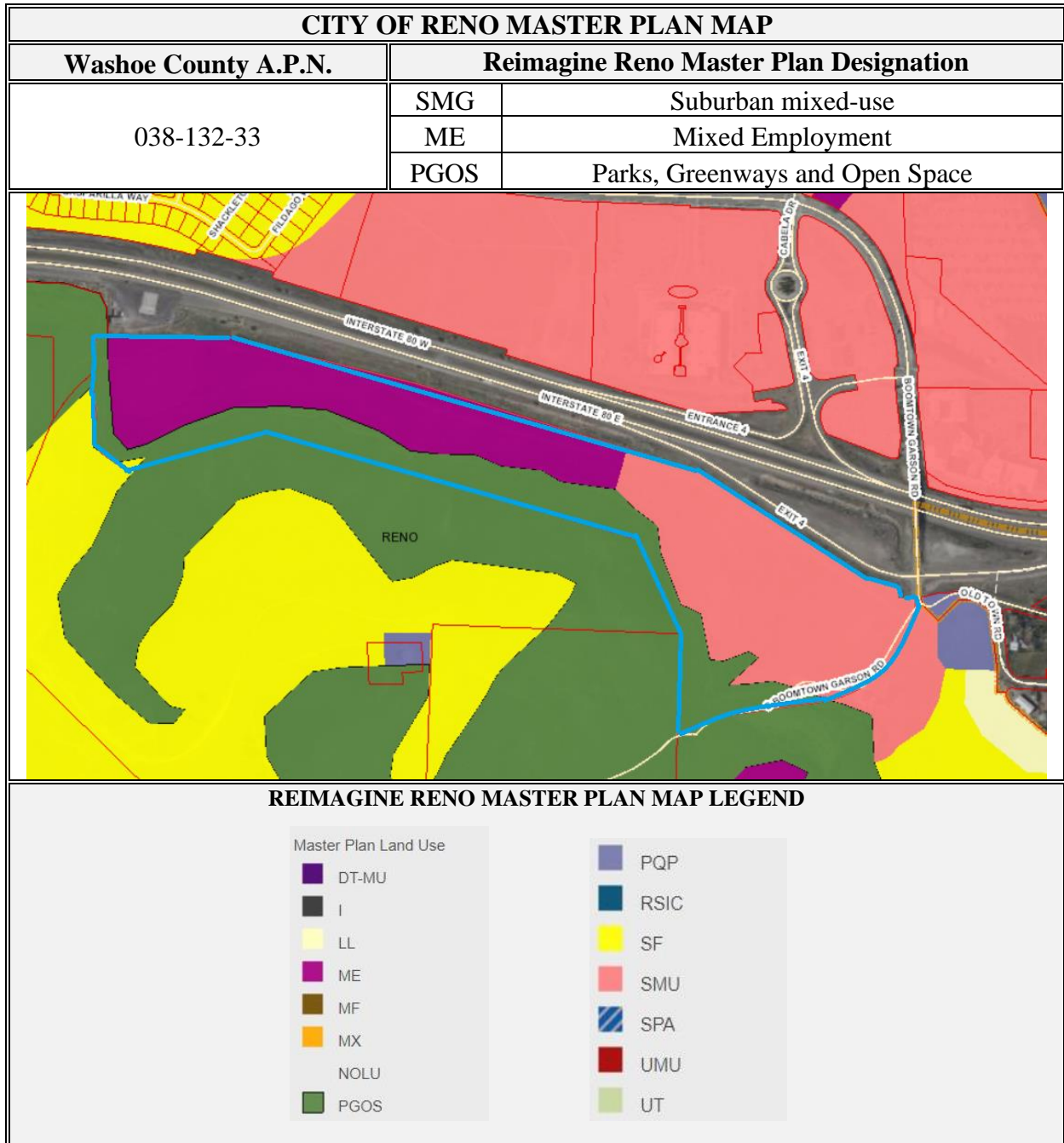
1 inch = 500 feet

Created by: **TWT 11/29/2009**  
 Updated: **KSB 5/09/16, KSB 4/13/17, JMO 6/13/17, JMO 10/26/17, JMO 5/30/19**  
 www.parcelsystem.com/nvmap/038-09, 038-07

NOTE: This map was prepared for the use of the Washoe County Assessor for assessment and maintenance purposes only. It does not represent a survey of the premises. No liability is assumed as to the accuracy or reliability of the data delineated herein.

**Washoe County A.P.N. 038-120-27**  
**Gross Land Area: 61.25± Acres**  
**Subject Larger Parcel Highlighted In Yellow**



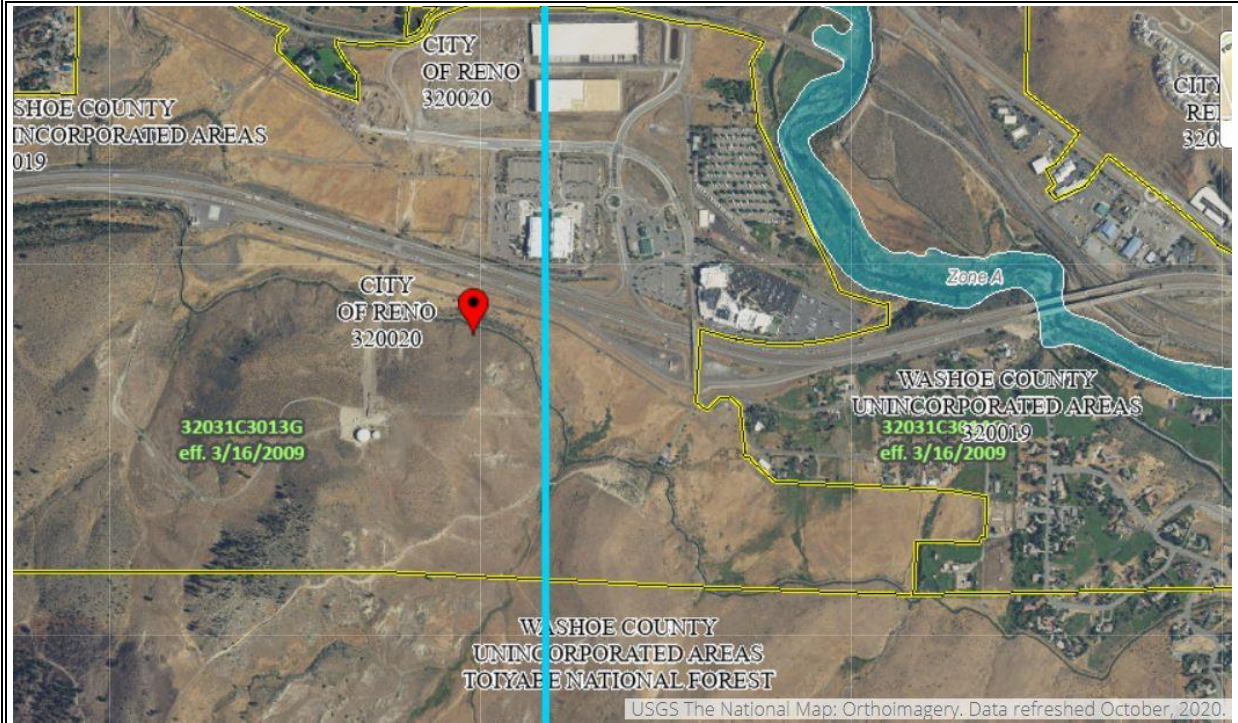




**SUBJECT PROPERTY FLOOD ZONE INFORMATION**

The subject property is located within Flood Zone “X”. Zone “X” designs areas of minimal zoning potential. The map below depicts the subject’s flood zone, as provided by FEMA.

**SUBJECT FLOOD ZONE MAP**



| <b>Flood Zone Designation</b> | <b>FEMA Map #</b> | <b>Effective Date of Flood Zone Designation</b> |
|-------------------------------|-------------------|---|
| Unshaded Zone “X”             | 32031C3013G       | March 16, 2009                                  |
| <b>Source: FEMA</b>           |                   |   |



**SUBJECT TOPOGRAPHY MAP**





**SUBJECT PROPERTY IDENTIFICATION AND SITE DESCRIPTION**

| <b>PROPERTY SUMMARY</b>         |   |
|---------------------------------|---|
| <b>Property Type</b>            | Residential Land with Tentative Map Approval                                |
| <b>Property Address</b>         | None Assigned   |
| <b>Location</b>                 | The southwest terminus of Boomtown-Garson Road, Reno, Washoe County, Nevada |
| <b>Assessor's Parcel Number</b> | 038-120-27  |
| <b>Owner of Record</b>          | BT South, LLC   |

| <b>LEGAL DESCRIPTION</b>  |
|---|
| A portion of Parcel A, Parcel Map 2502 and Parcel 5-A, Record of Survey 6033; a portion of the south ½ of Section 16, Township 19N, Range 18E |

| <b>SUBJECT PARCEL LAND AREA</b> |                        |              |
|---------------------------------|------------------------|--------------|
| <b>Assessor's Parcel Number</b> | <b>Gross Land Area</b> | <b>Shape</b> |
| 038-120-27                      | 61.25± Acres           | Irregular    |

**Access**

Principle access to the subject property, at the present time, is from the present terminus of Boomtown-Garson Road, and to the south of the interchange of Interstate-80 and Boomtown-Garson Road. A 20-foot wide access road traverses the subject property in an east/west direction, to the south of the subject's northerly property line and to the south of Interstate-80.





### **SUBJECT ZONING AND MASTER PLAN SUMMARY**

The subject property is located within the City of Reno. The City of Reno Reimagine Reno Master Plan indicates that the subject property has a variety of master plan designations including SMU (Suburban Mixed-Use), ME (Mixed-Employment) and PGOS (Parks, Greenways and Open Space).

The City of Reno Zoning Map Indicates that a majority of the subject property is zoned AC (Arterial Commercial), while the most southerly portions of the site are zoned OS (Open Space).

It is my understanding that the owner of the subject property applied for a tentative map to develop a total of 95 tri-plex, single-family units, for a total of 285 condominiums on the subject property, together with a special use permit for single-family attached, in an arterial commercial zoning with the total number of units exceeding 100 and grading that results and feels greater than 10 feet.



### **TENTATIVE MAP / SPECIAL USE PERMIT APPROVALS**

On July 24, 2019, the owners of the subject property applied to the City of Reno for tentative map approval and a special use permit with respect to development of the subject property. The tentative map was to develop a total of 95 triplex attached single-family units (285 condominiums) and a special use permit for single-family, attached in an arterial commercial zoning with a total number of units exceeding 100 feet and grading that results and fills greater than 10 feet. The project, known as Meridian 120 South, Villages 3 and 4, is identified as Washoe County Assessor's Parcel Number 038-132-33.

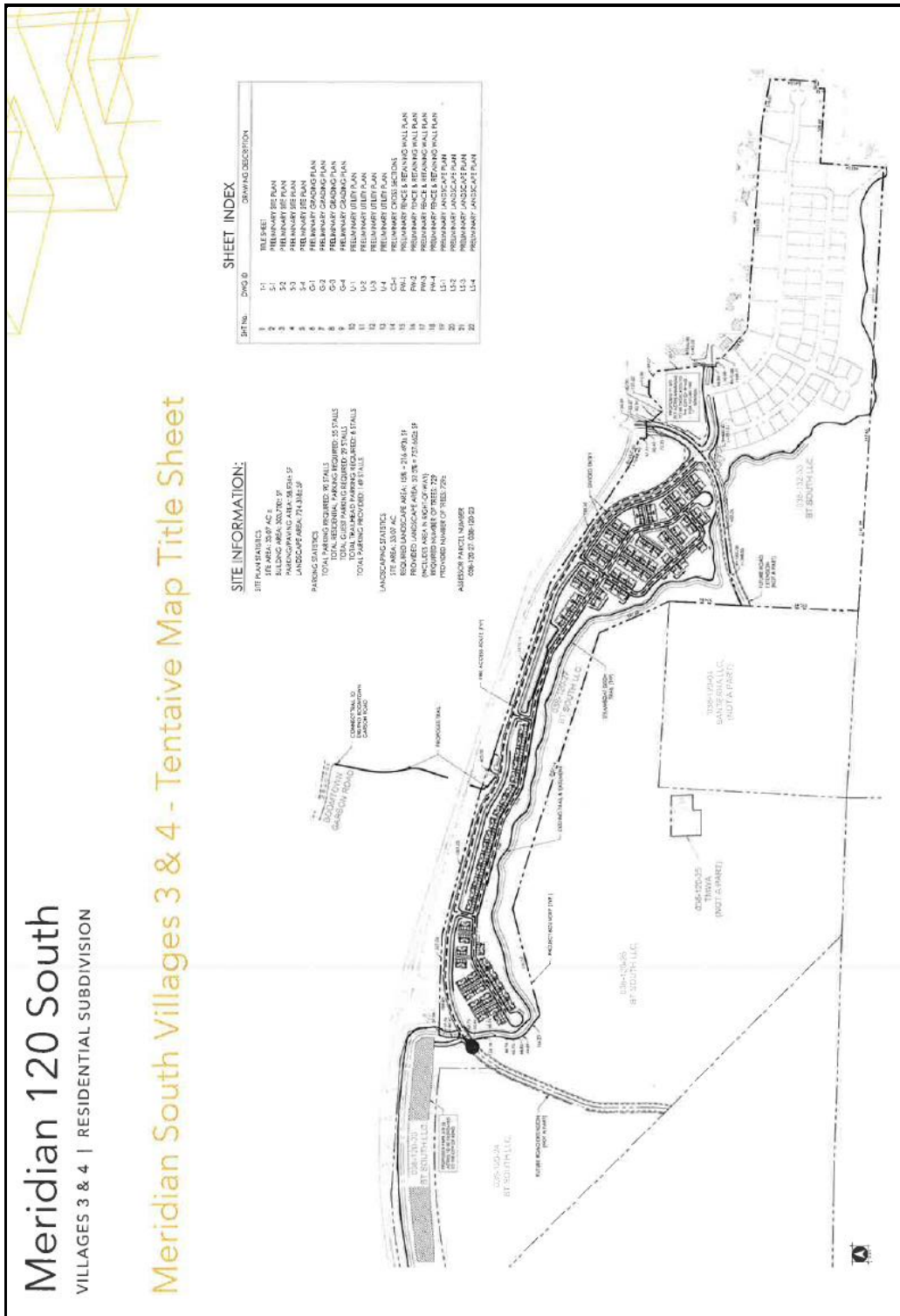
As indicated in the tentative map application, the project is located within the Mortensen-Garson Neighborhood Plan, and is further identified within the Mortensen-Garson Overlay District (MGOD).

The Mortensen-Garson Neighborhood Plan (MGMP) was developed in the mid 1990's as a result of a settlement agreement between the City of Reno and Washoe County. The subject property is identified as being within Planning Area 3 of the MGMP. With the adoption of the MGMP, the MGOD was added to the Reno Municipal Code.

On June 10, 2020, the Reno City Council upheld the decision of the Planning Commission and approved the tentative map and/or special use permits for LDC 17-00061 (Meridian 120 South Villages 1 and 2), and LDC 20-00013 (Meridian 120 South Villages 1 and 2 cluster development).



TENTATIVE MAPS



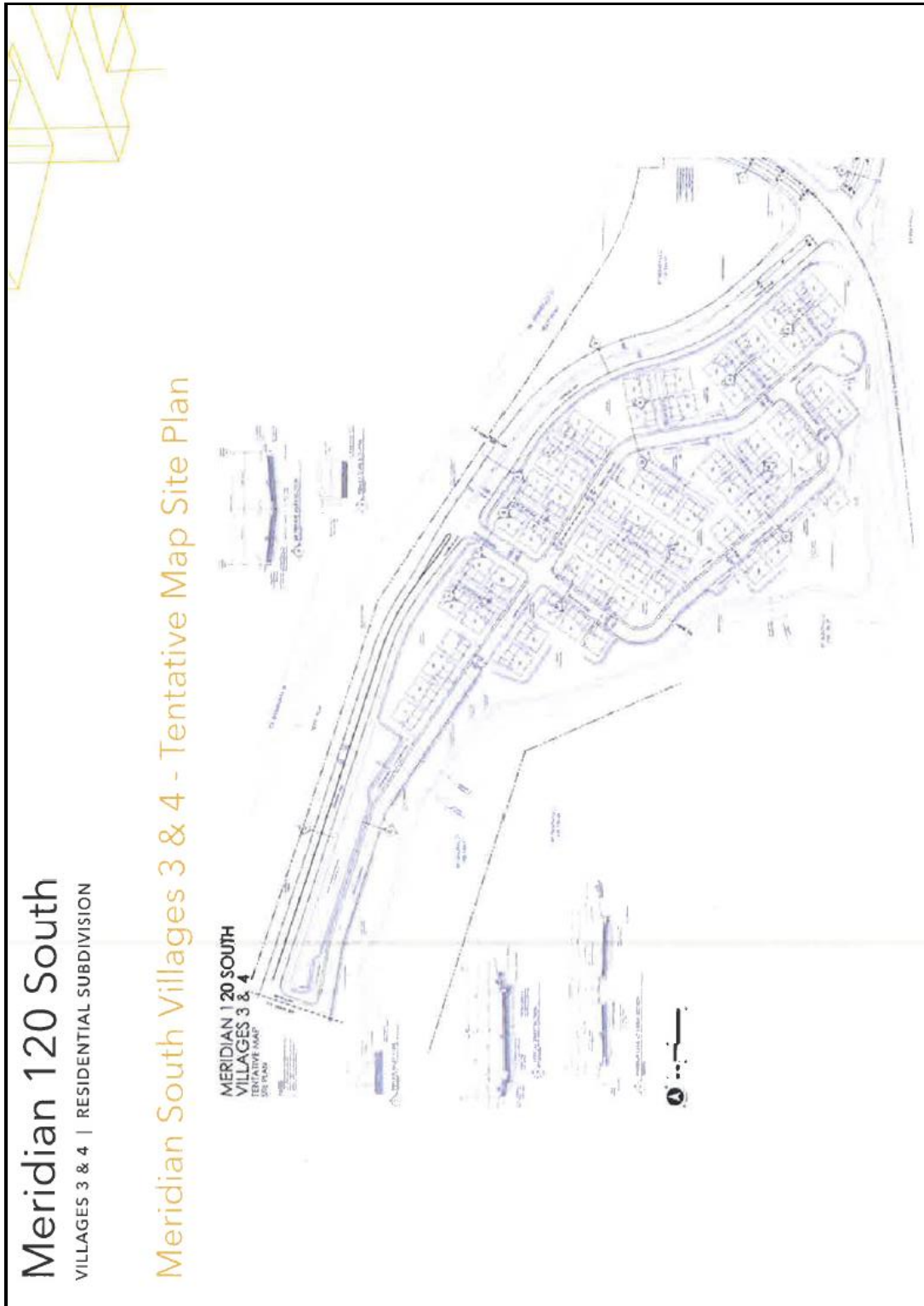
**SHEET INDEX**

| Sheet No. | Sheet ID | Drawing Description            |
|-----------|----------|--------------------------------|
| 1         | 1-1      | 1-1 SITE PLAN                  |
| 2         | 2-1      | 2-1 PRELIMINARY SITE PLAN      |
| 3         | 3-1      | 3-1 PRELIMINARY SITE PLAN      |
| 4         | 4-1      | 4-1 PRELIMINARY SITE PLAN      |
| 5         | 5-1      | 5-1 PRELIMINARY SITE PLAN      |
| 6         | 6-1      | 6-1 PRELIMINARY CHANGING PLAN  |
| 7         | 7-1      | 7-1 PRELIMINARY CHANGING PLAN  |
| 8         | 8-1      | 8-1 PRELIMINARY CHANGING PLAN  |
| 9         | 9-1      | 9-1 PRELIMINARY CHANGING PLAN  |
| 10        | 10-1     | 10-1 PRELIMINARY CHANGING PLAN |
| 11        | 11-1     | 11-1 PRELIMINARY CHANGING PLAN |
| 12        | 12-1     | 12-1 PRELIMINARY CHANGING PLAN |
| 13        | 13-1     | 13-1 PRELIMINARY CHANGING PLAN |
| 14        | 14-1     | 14-1 PRELIMINARY CHANGING PLAN |
| 15        | 15-1     | 15-1 PRELIMINARY CHANGING PLAN |
| 16        | 16-1     | 16-1 PRELIMINARY CHANGING PLAN |
| 17        | 17-1     | 17-1 PRELIMINARY CHANGING PLAN |
| 18        | 18-1     | 18-1 PRELIMINARY CHANGING PLAN |
| 19        | 19-1     | 19-1 PRELIMINARY CHANGING PLAN |
| 20        | 20-1     | 20-1 PRELIMINARY CHANGING PLAN |
| 21        | 21-1     | 21-1 PRELIMINARY CHANGING PLAN |
| 22        | 22-1     | 22-1 PRELIMINARY CHANGING PLAN |

**SITE INFORMATION:**

- SITE PLAN NUMBER: 2024-001
- SITE AREA: 3387 AC ±
- BUILDING AREA: 107,000 SF
- LANDSCAPE AREA: 714,165 SF
- PARKING SPACES: 1,000
- TOTAL PAVING REQUIRED: 95 STALLS
- TOTAL PAVING PROVIDED: 100 STALLS
- TOTAL MAINTENANCE PAVING REQUIRED: 15 STALLS
- TOTAL MAINTENANCE PAVING PROVIDED: 16 STALLS
- LANDSCAPING STATISTICS: 100,000
- SITE AREA: 3387 AC ±
- BUILDING AREA: 107,000 SF
- LANDSCAPE AREA: 714,165 SF
- INCLUDED AREA IN SIGHT-OF-WAY: 1,000 SF
- REQUIRED NUMBER OF TREES: 729
- PROPOSED NUMBER OF TREES: 729
- ASBESTOS: 100,000
- CONTRACT NO. 2024-001







**Topography**

The subject property has level to gently sloping topography with slopes of 15%. The southerly portion of the subject property has moderately steeply sloping topography, rising to the south, and as a result, is designated as open space. The Steamboat Ditch traverses the southerly portion of the subject site.

**Utilities & Public Services**

| <b>Utility &amp; Public Service</b> | <b>Provider</b>  |
|-------------------------------------|--|
| Electricity                         | NV Energy  |
| Natural Gas                         | NV Energy  |
| Telephone                           | Various Carriers   |
| Water                               | Truckee Meadows Water Authority (TMWA)                             |
| Sewer                               | Municipal Sewer Service<br>Reno-Stead Waste Water Treatment Plant  |
| Waste Disposal                      | Waste Management   |
| Cable                               | Various Carriers   |
| Internet                            | Various Carriers   |
| Fire Protection                     | Reno/Truckee Meadows Fire Protection District                      |
| Police Protection                   | City of Reno Police Department<br>Washoe County Sheriff Department |
| Public Transportation               | N/A  |

According to the tentative map application, utilities are currently available nearby and will be extended to serve the subject property. Water service will be provided by the Truckee Meadows Authority via a water system that is currently serving the adjacent Boomtown development. Sewer service will be provided by the City of Reno. An existing 21-inch sewer line located on the north side of Interstate-80, will be extended under Interstate-80 to the intersection of Boomtown-Garson Road. It is my understanding that a forced main and lift station will connect the proposed subdivision gravity system to the new section of 21-inch sewer main. NV Energy will provide gas and electric service to the project. Telephone service will be provided by ATT, while cable service will be from Charter Communications.

**Seismic Zone**

The subject property, as well as the entire Reno-Sparks area, falls within a Seismic Risk Zone 3, an area identified as being subject to moderate seismic activity. As a result, building plans are typically reviewed by a structural engineer to assess earthquake hazards. This appraisal report and the market value conclusions set forth in the report, assume that the subject property is not adversely impacted by earthquake hazards to a greater degree than is typical for the Reno-Sparks area.



**Environmental and Soils Data**

According to the tentative map application, the subject property is located in the Verdi Quadrangle Geologic Map which characterizes this site as being comprised of sandstone of the Hunter Creek formation capped by Quaternary Outwash and terraced deposits. As a result, the site may have highly variable units, conditions of clay, silt or sand. The tentative map application indicates that clay soils are present on the property. As a result, standard spread foundations and slab on grade flooring are anticipated to be the preferred design approach for all phases of development.

**Hazardous Substances**

My standard on-site inspection of the subject property did not reveal any readily apparent evidence suggesting the presence of contaminants or hazardous wastes on the subject site. As we have not been provided with an Environmental Assessment on the site, this appraisal report assumes that the subject site is free and clear of contamination. For the purposes of this appraisal, it is assumed that the value of the subject property is not negatively impacted by the existence of toxic materials or hazardous waste.

**Improvements**

The subject larger parcel is vacant land.

| <b>Flood Zone Designation</b> | <b>FEMA Map #</b>  | <b>Effective Date of Flood Zone Designation</b> |
|-------------------------------|--|---|
| Unshaded Zone "X"             | 32031C301G   | March 16, 2009                                  |
| <b>Source: FEMA</b>           |  |   |
| <b>ZONE</b>                   | <b>DESCRIPTION</b>   |   |
| C and X (unshaded)            | Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. Zone C may have ponding and local drainage problems that don't warrant a detailed study or designation as base floodplain. Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood. |   |

The subject property is located within a Flood Zone "X", which is an area of minimal flood potential.

**Easements and Encumbrances**

In the preparation of the appraisal report, a current Preliminary Title Report was not made available. Reference is made to Record of Survey 6033b, a copy of which is set forth in this appraisal report. As indicated in this document, the subject property is identified as Parcel 5-A.



The subject property is subject to the Steamboat Ditch Easement per Parcel Map 2502. As indicated, the Steamboat Ditch traverses the southerly portion of the subject property.

The subject property is subject to a 20-foot wide access easement located to the south of the subject's northerly property line, abutting Interstate-80. The access easement provides access to the Steamboat Ditch, near the subject's westerly property line.

In addition, the subject property is subject to a waterline easement which extends through the westerly portion of the subject in a north/south direction.

Finally, an unrecorded easement depicts the extension of the Boomtown-Garson road into property to the south and southwest of the subject property.

My physical inspection of the subject site did not reveal the presence of any other easements or encumbrances which might affect the subject property's use potential or market value. Other than the easements outlined above, which are typical for surrounding parcels, it is assumed that there are no easements on the subject property, which would limit the utility or development potential of the subject.

### **Subject Sales History**

There have been no arm's length transactions of record with respect to the subject property in the past three years. The subject property is currently available with an asking price \$17,235,000, or \$281,388 per acre. According to Mr. Ted Stoeber, Executive Vice President, Kidder Matthews, the asking price is based upon a total of 95 triplexes, or 285 residential homes. The average asking price is indicated to be \$60,747 per lot.

### **Summary**

To summarize, the subject property contains 61.25± acres. The subject property is located the southwest terminus of the Boomtown-Garson Road, and to the south of the interchange of Interstate-80, westerly of the Boomtown-Garson Road. The subject property, which is irregular in shape, has level to gently sloping topography, with the exception of the southerly portions of the site which have moderately sloping topography. The Steamboat Ditch traverses the southerly portion of the subject property in an east/west direction. All utilities are reasonably available. The subject property has received tentative map approval from the City of Reno for the development 95 triplex buildings, with a total of 285 residential units.







## **HIGHEST AND BEST USE ANALYSIS**

Highest and best use is defined in the 6th Edition of The Dictionary of Real Estate Appraisal (Appraisal Institute, Chicago, 2015) 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.”

### **HIGHEST AND BEST USE AS THOUGH VACANT**

#### **Physically Possible**

The subject property is located at the southwest terminus of the Boomtown-Garson Road and to the south of the Interstate-80 / Boomtown-Garson Road interchange. The subject is of irregular shape and utility services are available to the property. The subject property is subject to easements which are not considered to adversely affect the development potential of the subject property. The subject property contains a gross land area of 61.25± acres. The subject property has level to gently sloping topography, with moderately sloping hillside topography in the southerly portion of the site. The Steamboat Ditch traverses a portion of the subject property. The subject’s physical characteristics are suitable for a variety of residential, commercial or mixed-employment utilizations.

#### **Legally Permissible**

Legally permissible uses are generally controlled by local zoning ordinances. The subject property is located within the City of Reno and is master planned for residential or mixed employment utilizations. The subject property has received tentative map approval for the development of 95 triplexes, with a total of 285 residential units within an arterial commercial zoning designation.

Based upon the subject’s zoning designation and tentative map approval, legally permissible uses include single-family density residential development.

#### **Financially Feasible / Maximally Productive**

The highest and best use of the subject property must be financially feasible and maximally productive. To be maximally productive, the highest and best use of the subject must be the most intense utilization for which the subject property could be developed. Given the physical characteristics, location, master plan designation, zoning designation and tentative map approval, as well as with consideration given to market conditions in the Reno-Sparks area,



which involve strong demand for single-family residences, it is my opinion that the highest and best use of the subject property is for single-family residences as proposed.

**Conclusion**

The highest and best use of the subject property, as vacant, is for a single-family residential subdivision as proposed.



**SUBJECT PROPERTY TWO  
MARKET APPROACH TO LAND VALUE  
“AS-IS” CONDITION**

To establish an estimate of the Market Value of the subject property, the Sales Comparison Approach, or Market Approach to Land Value, is utilized. As the subject property is a vacant parcel of land, the Cost Approach and Income Approach to Value are not considered to be applicable. The Sales Comparison Approach is based upon the principal of substitution, which holds that the value tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability.

The following chart summarizes the comparable land sales which are considered to be indicative of the Market Value of the subject property. The sales will be analyzed and compared to the subject property based upon the sale price per acre.

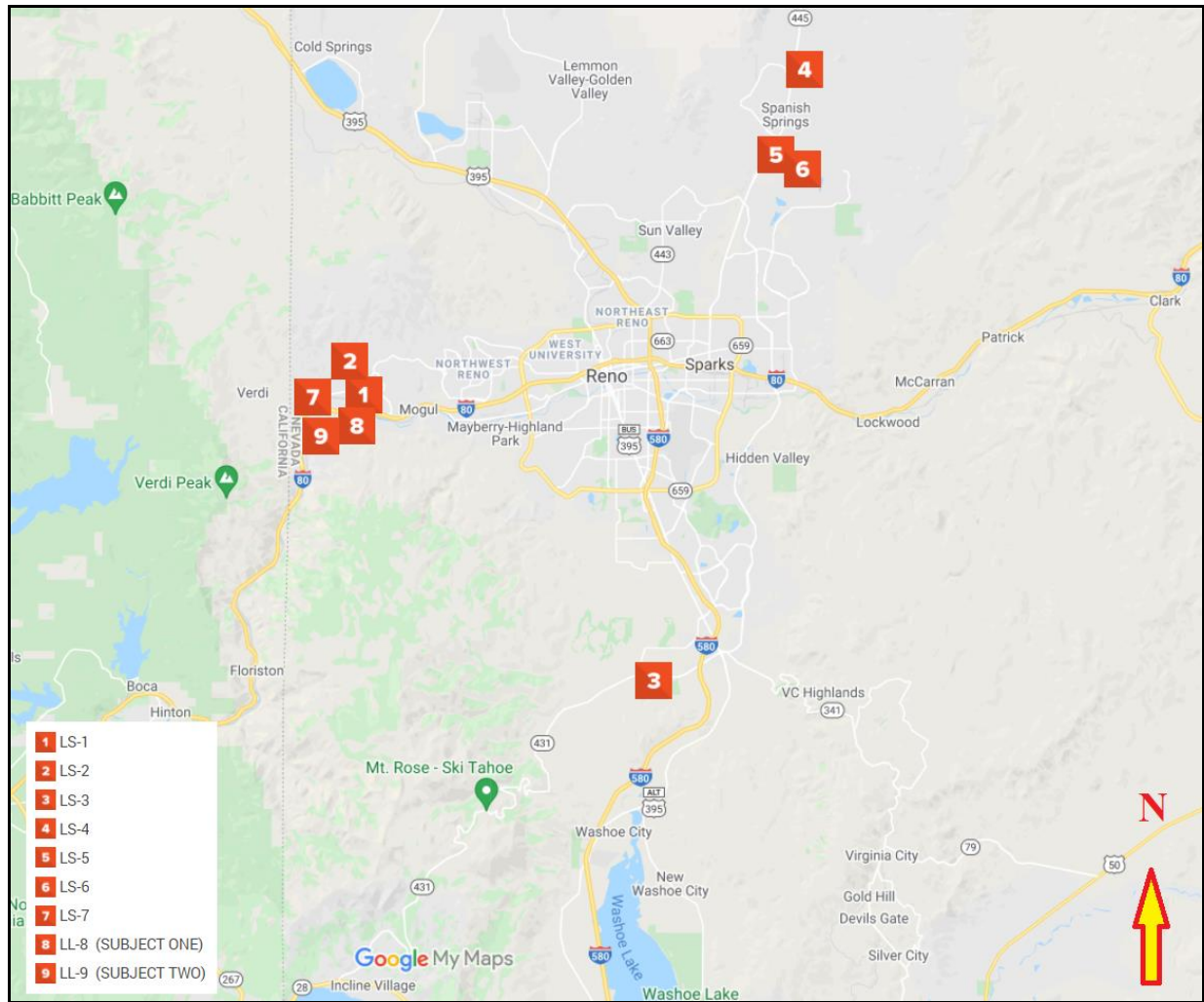


**COMPARABLE SUBDIVISION LAND SALES CHART**

| Sale Number                     | Assessor's Parcel Number<br>Name<br>Location  | Sale Price  | Zoning Topography                        | Water Rights Approvals          | Land Area                                   | # of Units Density         | Sale Price/ Unit | Sale Price/ Acre                           |
|---------------------------------|---|---|--|---------------------------------|---|----------------------------|------------------|--|
| LS-1                            | 038-120-17, 18 & 19<br>Meridian North 120<br>Both Sides Boomtown - Garson Road<br>Between I-80 and South Verdi Road, Reno                     | 04/29/2019<br>03/23/2017<br>\$12,167,435                | LLR/SF6<br>SF 15<br>Level to<br>Gentle   | 7.58 AF<br>Tentative Map        | 101.76± Ac<br>(Gross)<br>61.2± Ac<br>(Net)  | 273<br>4.46 DU/AC<br>(Net) | \$44,569         | \$119,570<br>(Gross)<br>\$198,814<br>(Net) |
| LS-2                            | 038-111-03 and 038-830-07 Thru 10<br>West Meadows Estates,<br>North Side of U.S. Highway 40,<br>Northwest of East I-80 Interchange            | 01/10/2017,<br>05/16/2017<br>\$20,820,000<br>10/06/2017 | PUD<br>Level to<br>Steeply Sloping<br>NC | None<br>Handbook<br>None        | 69.81± Ac<br>(Net)                          | 322<br>4.61 DU/AC          | \$64,658         | \$298,238                                  |
| LS-3                            | 049-402-02<br>Colina Rosa<br>SWC of Mt. Rose Hwy and Edmondton Drive, Reno  | \$6,500,000<br>05/15/2018                               | Gentle to<br>Moderate Slope<br>MDS       | None<br>Tentative Map           | 20.13± Ac                                   | 4.67 DU/AC                 | \$69,149         | \$322,901                                  |
| LS-4                            | 534-562-07 and 534-571-01<br>Blackstone and Sugarloaf<br>North Side of Calle De La Plata, Sparks  | \$8,400,000<br>06/15/2018                               | Level<br>NUD<br>Level to                 | None<br>Tentative Map<br>186 AF | 98.32± Ac                                   | 2.85 DU/AC                 | \$30,000         | \$84,435                                   |
| LS-5                            | East Side of Pyramid Highway, Sparks  | \$12,500,000<br>08/20/2020                              | Gentle<br>NUD<br>Level to                | Handbook<br>None                | 168.06± Ac                                  | N/A<br>467                 | N/A              | \$74,378                                   |
| LS-6                            | 528-030-40, 51, 61 & 62<br>Stonebrook E1, F1, G1, G2, G3<br>South End of Stonebrook   | \$19,373,047<br>04/01/2021                              | Gentle<br>LLR-1, SF6<br>Level to         | Tentative Map<br>None           | 119.60± Ac                                  | 3.90 DU/AC                 | \$41,484         | \$161,982                                  |
| LS-7                            | 236-151-01<br>Meridian 120 North Village 3<br>West End of Starboard Drive   | \$6,790,000<br>Listing                                  | Moderate Slope<br>Level to               | Tentative Map<br>None           | 28.895± Ac                                  | 3.36 DU/AC                 | \$70,000         | \$234,989                                  |
| LL-8<br>Subject<br>Property One | 038-132-33<br>Meridian South 120 Villages 1 and 2   | \$9,793,000<br>Listing                                  | Mixed<br>Level to<br>Gentle Slope        | None<br>Tentative Map           | 80.64± Ac<br>(Gross)<br>53.645± Ac<br>(Net) | 75<br>1.40 DU/AC           | \$130,573        | \$182,552<br>(Net)                         |
| LL-9<br>Subject<br>Property Two | Southeast Terminus of Boomtown-Garson Road<br>038-120-27<br>Meridian South 120 Villages 3 and 4<br>Southwest Terminus of Boomtown-Garson Road | \$17,235,000<br>Listing                                 | Mixed<br>Level to<br>Steep Slope         | None<br>Tentative Map           | 61.25± Ac                                   | 285<br>4.65 DU/AC          | \$60,474         | \$281,388                                  |



### COMPARABLE SUBDIVISION LAND SALES MAP





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



|   |  |                            |  |
|---|--|----------------------------|--|
| <b>Property ID:</b>   | Meridian North 120   | <b>City:</b>               | Reno                                     |
| <b>Property Type:</b>   | Raw Residential Subdivision Land                                   | <b>County:</b>             | Washoe                                   |
| <b>Location:</b>  | Both sides Boomtown-Garson Road<br>btwn. I-80 and South Verdi Road | <b>State:</b>              | Nevada                                   |
| <b>A.P.N.:</b>  | 038-120-17, 18 & 19  |                            |  |
| <b>Topography:</b>  | Level to Gentle  | <b>Flood Zone:</b>         | “X”                                      |
| <b>Zoning:</b>  | LLR, SF6, SF15   | <b>Utilities:</b>          | Available                                |
| <b>Parcel Acreage (Gross):</b>  | 11.76± Acres   | <b>Water Rights:</b>       | 7.58 Acre Feet                           |
| <b>Parcel Acreage (Net):</b>  | 61.2± Acres  | <b>Proposed Use:</b>       | Single-Family Residential<br>Development |
| <b># of Lots/Units:</b>   | 273 Lots   | <b>Approvals:</b>          | Tentative Map                            |
| <b>Recording Date:</b>  | April 29, 2016, March 23, 2017                                     | <b>Price Per Acre:</b>     | \$198,814 (Net)                          |
| <b>Sale Price:</b>  | \$12,167,435 (Total Acquisition)                                   | <b>Price/Unit:</b>         | \$44,569                                 |
| <b>Grantor:</b>   | Reno Land Development Company,<br>LLC                              | <b>Terms of Sale:</b>      | Cash to Seller                           |
| <b>Grantee:</b>   | Bates Stringer – Reno, LLC   | <b>Conditions of Sale:</b> | None Noted                               |
| <b>Document Number:</b>   | 4584671, 4689609   | <b>Verification:</b>       | Public Records; John S. Wright,<br>MAI   |
| <b>Comments:</b> <b>Comments:</b> The sale property involves the acquisition of three parcels of land located to the west of Boomtown and on the north side of Interstate-80. The sale property has been annexed into the City of Reno and is located within the Mortensen-Garson Overlay. The sale property had utilities to the site; however, access to the first lots to be developed would be by a 168-foot roadway extension. |  |                            |  |
| Generally, the sale property had level to gently sloping topography with the northerly portion of the site involving steeply sloping topography.  |  |                            |  |



## COMPARABLE LAND SALE PROFILE SHEET SALE LS-2



|  |  |                        |   |
|--|--|------------------------|---|
| <b>Property ID:</b>  | West Meadows Estates   | <b>City:</b>           | Reno  |
| <b>Property Type:</b>  | Raw Residential Subdivision Land                                 | <b>County:</b>         | Washoe  |
| <b>Location:</b>   | North side of U.S. Hwy 40,<br>Northwest of East I-80 Interchange | <b>State:</b>          | Nevada  |
| <b>A.P.N.:</b>   | 038-111-03, 038-830-07 through 10                                |                        |   |
| <b>Topography:</b>   | Gentle to Steeply Sloping  | <b>Flood Zone:</b>     | "X"   |
| <b>Zoning:</b>   | PUD  | <b>Utilities:</b>      | Available to Site   |
| <b>Parcel Acreage (Gross):</b>   | 181.4± Acres   | <b>Water Rights:</b>   | None  |
| <b>Parcel Acreage (Net):</b>   | 69381± Acres   | <b>Proposed Use:</b>   | Single Family Residential<br>Development                          |
| <b># of Lots:</b>  | 322 Lots   | <b>Approvals:</b>      | Tentative Map, Mortensen-Garson<br>Development Standards Handbook |
| <b>Recording Date:</b>   | January 10, 2017, May 16, 2017                                   | <b>Price Per Acre:</b> | \$298,238   |
| <b>Sale Price:</b>   | \$20,820,000   | <b>Price/Unit:</b>     | \$64,658  |
| <b>Grantor:</b>  | West Meadows Investments, LLC                                    | <b>Terms of Sale:</b>  | Cash to Seller  |
| <b>Grantee:</b>  | DR Horton, Inc.  | <b>Verification:</b>   | Ted Stoeber, Selling Broker                                       |
| <b>Document Number:</b>  | 4669648  |                        |   |
| <b>Conditions of Sale:</b>   | None Noted   |                        |   |
| <b>Comments:</b> The sale property is located on the north side of U.S. Highway 40, northwesterly of the Interstate-80 interchange in the easterly portion of the community of Verdi. The Truckee River borders the sale property to the west and north. The sale property is currently being developed with two pods of residential development, while the northerly and easterly portions of the site remain as open space. In addition, the sale property included approximately 13.1 acres of commercial zoned land. |  |                        |   |





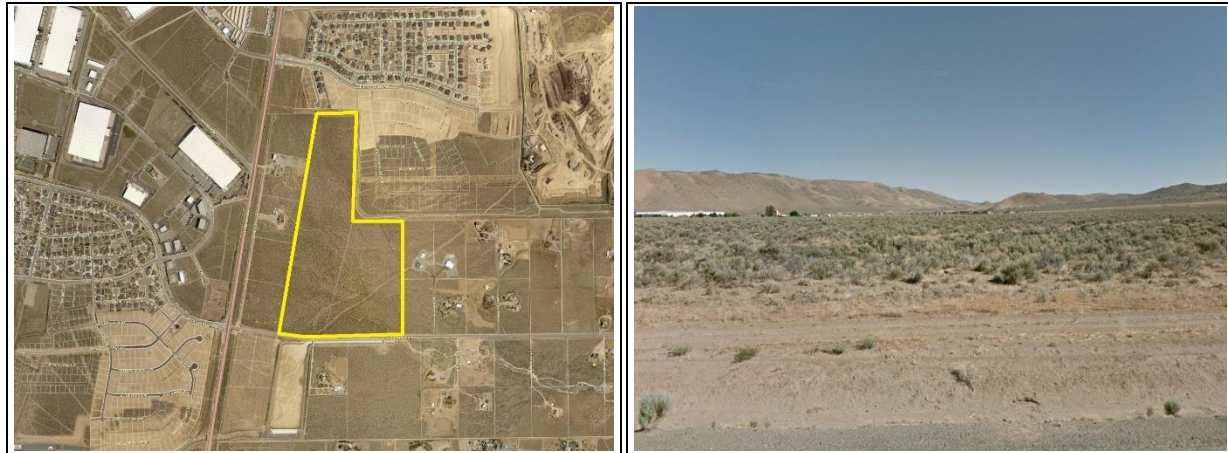
**COMPARABLE LAND SALE PROFILE SHEET  
 SALE LS-3**



|  |                                 |                           |                                |
|--|---------------------------------|---------------------------|--------------------------------|
| <b>Property ID:</b>  | Colina Rosa                     | <b>Submarket:</b>         | Southwest Suburban             |
| <b>Property Type:</b>  | Raw Land-Zoned NC               | <b>City:</b>              | Reno                           |
| <b>Location:</b>   | Mt. Rose Highway & Edmonton Dr. | <b>County:</b>            | Washoe                         |
| <b>A.P.N.:</b>   | 049-402-02 & 07                 | <b>State:</b>             | Nevada                         |
| <b>Topography:</b>   | Level to Gentle-Raw Land        | <b>Flood Zone:</b>        | "X", Minimal Risk Areas        |
| <b>Zoning:</b>   | NC (Neighborhood Commercial)    | <b>Utilities:</b>         | Along Periphery of Site        |
| <b>Parcel Acreage:</b>   | 20.13± Acres                    | <b>Water Rights:</b>      | None Included                  |
| <b>Parcel Square Feet:</b>   | 876,863± Square Feet            | <b>Proposed Use:</b>      | Single Family Residential Lots |
| <b># of Lots/Units:</b>  | 94 Lots                         | <b>Approvals:</b>         | Buyer Obtained Approvals       |
| <b>Recording Date:</b>   | October 6, 2017                 | <b>Price Per Acre:</b>    | \$322,901                      |
| <b>Sale Price:</b>   | \$6,500,000                     | <b>Price/Square Foot:</b> | \$7.41                         |
| <b>Grantor:</b>  | HBT Properties of Nevada LLC    | <b>Grantee:</b>           | D.R. Horton, Inc.              |
| <b>Document Number:</b>  | 4751696                         | <b>Terms of Sale:</b>     | Cash to Seller                 |
| <b>Conditions of Sale:</b>   | None Noted                      | <b>Verification:</b>      | Public Records                 |
| <b>Comments:</b> This sale involves two parcels totaling 20.13± acres located on the southwest corner of the Mount Rose Highway and Edmonton Drive in the south suburban area of Reno, Nevada. The seller in this transaction had purchased the parcels for \$4,900,000 in July of 2016. In the October 2017 transaction, the buyer D.R. Horton, obtained approvals for a 94-lot subdivision named Colina Rosa prior to close of escrow. This site has level to gently sloping topography, although soils on the site include large boulders. Development of the new subdivision began shortly after close of escrow. The proposed subdivision will include 94 lots with an average lot size of 6,835± square feet, and 1.75± acres of open space. |                                 |                           |                                |



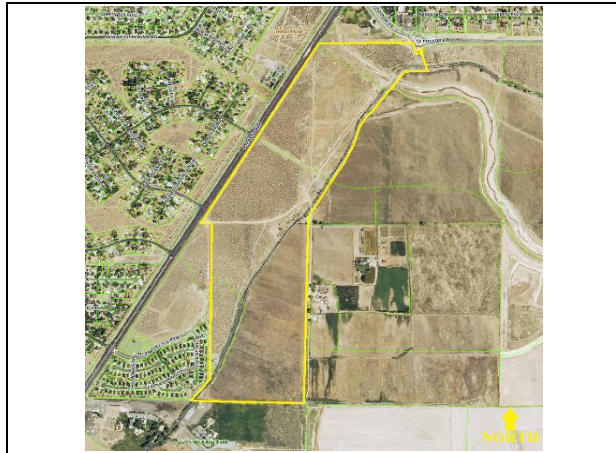
**COMPARABLE LAND SALE PROFILE SHEET**  
**SALE LS-4**



|  |   |                            |  |
|--|---|----------------------------|--|
| <b>Property ID:</b>  | Blackstone & Sugarloaf  | <b>Submarket:</b>          | Spanish Springs  |
| <b>Property Type:</b>  | Raw Land  | <b>City:</b>               | Sparks   |
| <b>Location:</b>   | North Side Calle De La Plata  | <b>County:</b>             | Washoe   |
| <b>A.P.N.:</b>   | 534-562-07 & 534-571-01   | <b>State:</b>              | Nevada   |
| <b>Topography:</b>   | Level-Raw Land  | <b>Frontage:</b>           | Calle De La Plata  |
| <b>Zoning:</b>   | MDS (Medium Density Suburban)   | <b>Utilities:</b>          | Must Be Extended Onto Site                                   |
| <b>Parcel Acreage:</b>   | 534-562-07-39.835± Acres<br>534-571-01-58.487± Acres<br>Total-98.322± Acres | <b>Water Rights:</b>       | None Included  |
| <b>Parcel Square Feet:</b>   | Total-4,282,906± Square Feet  | <b>Improvements:</b>       | None-Vacant  |
| <b># of Lots/Units:</b>  | 07-Sugarloaf Ranch Estates-119 Lots<br>01-Blackstone Estates-161 Lots       | <b>Approvals:</b>          | Tentative Maps   |
| <b>Recording Date:</b>   | 534-562-07-06/22/2018<br>534-571-01-05/15/2018                              | <b>Price Per Acre:</b>     | 534-562-07-\$89,620<br>534-571-01-\$82,582<br>Total-\$85,434 |
| <b>Sale Price:</b>   | 534-562-07-\$3,570,000<br>534-571-01-\$4,830,000<br>Total-\$8,400,000       | <b>Price/Square Foot:</b>  | 534-562-07-\$2.06<br>534-571-01-\$1.90<br>Total-\$1.96       |
| <b>Document #:</b>   | 534-562-07-4825289<br>534-571-01-4814836                                    | <b>Price/Lot:</b>          | 534-562-07-\$30,000<br>534-571-01-\$30,000<br>Total-\$30,000 |
| <b>Transfer Taxes:</b>   | Total-\$34,440.00   | <b>Terms of Sale:</b>      | Cash to Seller   |
| <b>Grantor:</b>  | 534-562-07-Sugarloaf Peak, LLC  | <b>Conditions of Sale:</b> | None Noted   |
| <b>Grantee:</b>  | 534-571-01-SP 58, LLC   | <b>Time on Market:</b>     | Less Than One Year   |
| <b>Arm's Length:</b>   | Yes   | <b>Verification:</b>       |  |
| <b>Comments:</b> This sale is two separate transactions with the same buyer for adjacent vacant land parcels. The first transaction was for a 58.487± acre site purchased for the development of the proposed 161-lot residential subdivision, which will include a park site; the average proposed lot size for Blackstone Estates is 11,140± square feet. The second transaction was for a 39.835± acre site purchased for the development of the proposed 119-lot Sugarloaf Ranch Estates subdivision; the average proposed lot size for Sugarloaf Ranch Estates is 10,317± square feet. All utility services, other than water, are located in close proximity to the site; reportedly water will have to be extended from the west side of Pyramid Highway. |   |                            |  |



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



|   |                                  |                            |                            |
|---|----------------------------------|----------------------------|----------------------------|
| <b>Property ID:</b>   | Stonebrook                       | <b>Submarket:</b>          | Spanish Springs            |
| <b>Property Type:</b>   | Raw Land-PUD Approvals           | <b>City:</b>               | Sparks                     |
| <b>Location:</b>  | East Side Pyramid Highway        | <b>County:</b>             | Washoe                     |
| <b>A.P.N.:</b>  | 528-020-16, 19, 20 & 21          | <b>State:</b>              | Nevada                     |
| <b>Topography:</b>  | Level to Gentle-Raw Land         | <b>Frontage:</b>           | Pyramid Highway            |
| <b>Zoning:</b>  | NUD (New Urban District)         | <b>Utilities:</b>          | Must Be Extended Onto Site |
| <b>Parcel Acreage:</b>  | 168.06± Acres                    | <b>Water Rights:</b>       | 186± Acre Feet             |
| <b>Parcel Square Feet:</b>  | 7,320,694± Square Feet           | <b>Improvements:</b>       | None-Vacant                |
| <b># of Lots/Units:</b>   | N/A-Was Not Finalized            | <b>Approvals:</b>          | Handbook Approvals         |
| <b>Recording Date:</b>  | June 15, 2018                    | <b>Price Per Acre:</b>     | \$74,376                   |
| <b>Sale Price:</b>  | \$12,500,000                     | <b>Price/Square Foot:</b>  | \$1.71                     |
| <b>Document #:</b>  | 4823473                          | <b>Price/Lot:</b>          | N/A                        |
| <b>Transfer Taxes:</b>  | \$51,250.00                      | <b>Terms of Sale:</b>      | Cash to Seller             |
| <b>Grantor:</b>   | Nanioloa Investment Company, LLC | <b>Conditions of Sale:</b> | None Noted                 |
| <b>Grantee:</b>   | Denver Street Apartments, LLC    | <b>Time on Market:</b>     | Over One Year              |
| <b>Arm's Length:</b>  | Yes                              | <b>Verification:</b>       | Sean Alibrando-Buyer       |
| <b>Comments:</b> This sale is four lots totaling 168.06± acres located on the east side of Pyramid Highway in the Spanish Springs submarket of Sparks. The buyers of this property applied for and received approval to change the use of portions of the site. The property was approved for 19.1± acres of Multi-Family Residential (up to 24 units per acre), 38.6± acres of Commercial, 33.6± acres of Employment Center, 54.2± acres of Intermediate Density Residential, and 13.1± acres of Open Space. |                                  |                            |                            |



**COMPARABLE LAND SALE PROFILE SHEET**  
**SALE LS-6**



|  |                                  |                            |                                     |
|--|----------------------------------|----------------------------|-------------------------------------|
| <b>Property ID:</b>  | Stonebrook Villages E1, F1, G    | <b>Submarket:</b>          | Spanish Springs                     |
| <b>Property Type:</b>  | Tentative Map Residential Land   | <b>City:</b>               | Sparks                              |
| <b>Location:</b>   | South End Stonebrook             | <b>County:</b>             | Washoe                              |
| <b>A.P.N.:</b>   | 528-030-40, 51, 61 & 62          | <b>State:</b>              | Nevada                              |
| <b>Topography:</b>   | Level to Gentle-Partially Graded | <b>Frontage:</b>           | Future Extension of Stonebrook Pkwy |
| <b>Zoning:</b>   | NUD (New Urban District)         | <b>Utilities:</b>          | Must Be Extended Onto Site          |
| <b>Parcel Acreage:</b>   | 119.595± Acres                   | <b>Water Rights:</b>       | None Included                       |
| <b>Parcel Square Feet:</b>   | 5,209,558± Square Feet           | <b>Improvements:</b>       | None-Vacant                         |
| <b># of Lots/Units:</b>  | 467 Residential Lots             | <b>Approvals:</b>          | Tentative Map Approvals             |
| <b>Recording Date:</b>   | August 20, 2020                  | <b>Price Per Acre:</b>     | \$161,989                           |
| <b>Sale Price:</b>   | \$19,373,047                     | <b>Price/Square Foot:</b>  | \$3.72                              |
| <b>Document #:</b>   | 5067486                          | <b>Price/Lot:</b>          | \$41,484 (Per Project Book)         |
| <b>Transfer Taxes:</b>   | \$79,431.35                      | <b>Terms of Sale:</b>      | Cash to Seller                      |
| <b>Grantor:</b>  | Sparks Stonebrook LLC            | <b>Conditions of Sale:</b> | None Noted                          |
| <b>Grantee:</b>  | Toll NV Limited Partnership      | <b>Time on Market:</b>     | N/A                                 |
| <b>Arm's Length:</b>   | Yes                              | <b>Verification:</b>       | Mark Krueger-Archcrest              |
| <b>Comments:</b> This comparable is the sale of a property located in the southeast portion of the 425.855± acre Stonebrook Master-Planned Community in northern portion of Spanish Springs Valley. La Posada Drive, which is located north of the sale site is the dividing line between the City of Sparks and unincorporated portions of Washoe County. The sale site was rough graded approximately 10 years ago, but the property was covered with native vegetation and required some re-grading. Stonebrook has an approved Development Standards Handbook, and this portion of the property was allowed a total of 467 residential units based upon the project book recorded for Stonebrook. The sale did not include any water rights. According to Mark Krueger of Archcrest Commercial Partners, this portion of the takedown was in the “as-is” condition, and did not include backbone infrastructure installed. |                                  |                            |                                     |



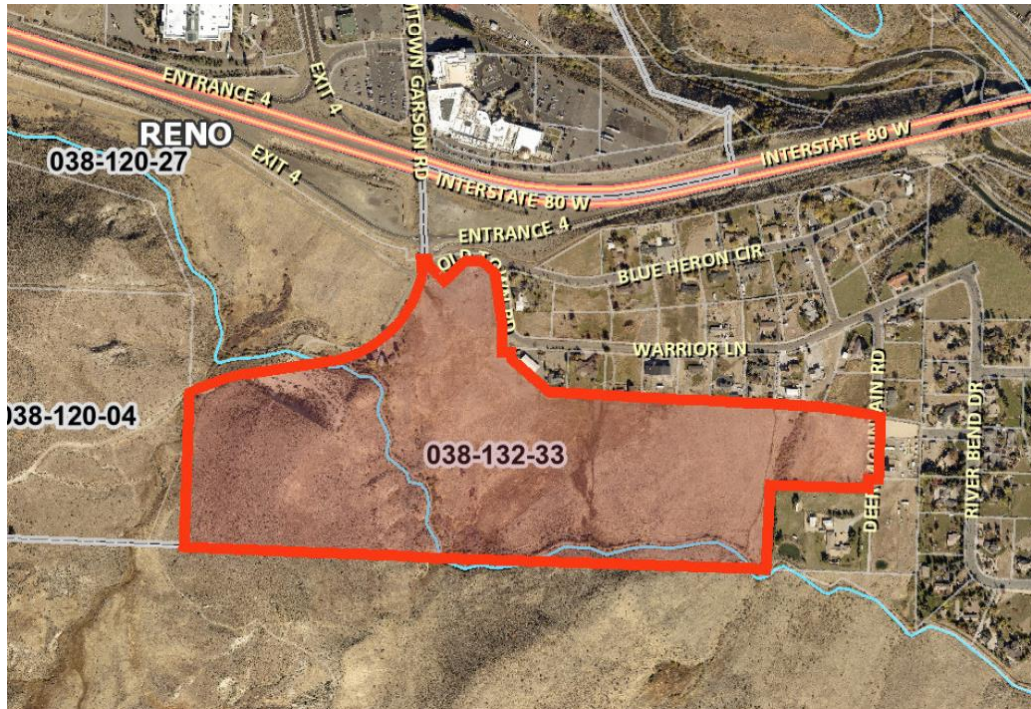
**COMPARABLE LAND SALE PROFILE SHEET  
 SALE LS-7**



|  |                                  |                        |  |
|--|----------------------------------|------------------------|--|
| <b>Property ID:</b>  | Meridian North 120, Village 3    | <b>City:</b>           | Sparks   |
| <b>Property Type:</b>  | Raw Residential Subdivision Land | <b>County:</b>         | Washoe   |
| <b>Location:</b>   | The west end of Starboard Drive  | <b>State:</b>          | Nevada   |
| <b>A.P.N.:</b>   | 236-151-01                       |                        |  |
| <b>Topography:</b>   | Level to Gentle Slope            | <b>Flood Zone:</b>     | "X"  |
| <b>Zoning:</b>   | LLR-1, SF6                       | <b>Utilities:</b>      | Available to Site  |
| <b>Parcel Acreage:</b>   | 28.895± Acres                    | <b>Water Rights:</b>   | None   |
| <b># of Lots</b>   | 97 Lots                          | <b>Proposed Use:</b>   | Single-family Residential Development                            |
|  |                                  | <b>Approvals:</b>      | Mortensen-Garson Development Standards Handbook                  |
| <b>Recording Date:</b>   | April 28, 2021                   | <b>Price Per Acre:</b> | \$234,898  |
| <b>Sale Price:</b>   | \$6,790,000                      | <b>Price/Unit:</b>     | \$70,000   |
| <b>Grantor:</b>  | Bates Stringer-Reno, LLC         | <b>Terms of Sale:</b>  | Cash to Seller   |
| <b>Grantee:</b>  | VCH Quest Reno, LLC              | <b>Verification:</b>   | Public Records, John S. Wright, MAI, Ted Stoeber, Listing Broker |
| <b>Document Number:</b>  | 5160949                          |                        |  |
| <b>Conditions of Sale:</b>   | None Noted                       |                        |  |
| <b>Comments:</b> The sale property involves the 3 <sup>rd</sup> village of Meridian North 120. Villages 1 and 2 were developed by Bates Stringer-Reno, LLC. It is my understanding that the same homes as built on Village 2 will be built on Village 3, however, this sale property will be developed by VCH Quest Reno. The sale property abuts the west bound lanes of Interstate-80, although the property is below grade with the freeway. The sale property is proposed to be developed with 97 lots ranging in size from 6,029± square feet to 43,565± square feet. The purchase involved the "as-is" condition of the property, with some grading having been completed and utilities available to the property lines. However, backbones infrastructure was not included in the purchase price. |                                  |                        |  |



**COMPARABLE LAND LISTING PROFILE SHEET  
 LISTING LL-8 (SUBJECT PROPERTY ONE)**



|   |  |                              |                              |
|---|--|------------------------------|------------------------------|
| <b>Property ID:</b>   | Meridian South 120, Villages 1 & 2             | <b>City:</b>                 | Reno                         |
| <b>Property Type:</b>   | Tentative Map Residential Land                 | <b>County:</b>               | Washoe                       |
| <b>Location:</b>  | The southeast terminus of Boomtown-Garson Road | <b>State:</b>                | Nevada                       |
| <b>A.P.N.:</b>  | 03-132-33                                      |                              |                              |
| <b>Topography:</b>  | Level to Moderate                              | <b>Flood Zone:</b>           | "X"                          |
| <b>Zoning:</b>  | Mixed  | <b>Utilities:</b>            | Available                    |
| <b>Parcel Acreage (Gross):</b>  | 80.64± Acres                                   | <b>Water Rights:</b>         | None Included                |
| <b>Parcel Acreage (Net):</b>  | 53.645± Acres                                  | <b>Improvements:</b>         | None                         |
| <b># of Lots:</b>   | 75 Lots  | <b>Approvals:</b>            | Tentative Map                |
| <b>Recording Date:</b>  | Current Listing                                | <b>Price Per Acre (Net):</b> | \$182,552                    |
| <b>List Price:</b>  | \$9,793,000                                    | <b>Price Per Lot:</b>        | \$130,573                    |
| <b>Grantor:</b>   | N/A  | <b>Terms of Sale:</b>        | Assumes Cash to Seller       |
| <b>Grantee:</b>   | N/A  | <b>Conditions of Sale:</b>   | None Noted                   |
| <b>Document Number:</b>   | N/A  | <b>Time on Market:</b>       | N/A                          |
| <b>Transfer Tax:</b>  | N/A  | <b>Verification:</b>         | Ted Stoever, Kidder Matthews |
| <b>Owner:</b>   | BT South, LLC                                  |                              |                              |
| <b>Arm's Length</b>   | Assumes Will Be                                |                              |                              |
| <b>Comments:</b> This comparable is the current listing of Subject Property One, Meridian South 120, Villages 1 and 2. Reference is made to the property identification and site description section of this appraisal report which sets forth a complete description of the listed property. |  |                              |                              |



**COMPARABLE LAND LISTING PROFILE SHEET  
 LISTING LL-9 (SUBJECT PROPERTY TWO)**



|  |  |                              |                              |
|--|--|------------------------------|------------------------------|
| <b>Property ID:</b>  | Meridian South 120, Villages 3 & 4             | <b>City:</b>                 | Reno                         |
| <b>Property Type:</b>  | Tentative Map Residential Land                 | <b>County:</b>               | Washoe                       |
| <b>Location:</b>   | The southwest terminus of Boomtown-Garson Road | <b>State:</b>                | Nevada                       |
| <b>A.P.N.:</b>   | 038-120-27                                     |                              |                              |
| <b>Topography:</b>   | Level to Steep                                 | <b>Flood Zone:</b>           | "X"                          |
| <b>Zoning:</b>   | Mixed  | <b>Utilities:</b>            | Available                    |
| <b>Parcel Acreage (Gross):</b>   | 61.25± Acres                                   | <b>Water Rights:</b>         | None                         |
| <b># of Lots:</b>  | 285 Lots                                       | <b>Improvements:</b>         | None                         |
|  |  | <b>Approvals:</b>            | Tentative Map Approval       |
| <b>Recording Date:</b>   | Current Listing                                | <b>Price Per Acre (Net):</b> | \$281,388                    |
| <b>List Price:</b>   | \$17,235,000                                   | <b>Price Per Lot:</b>        | \$60,747                     |
| <b>Grantor:</b>  | BT South, LLC                                  | <b>Terms of Sale:</b>        | Assumes Cash to Seller       |
| <b>Grantee:</b>  | N/A  | <b>Conditions of Sale:</b>   | None Noted                   |
| <b>Document Number:</b>  | N/A  | <b>Time on Market:</b>       | N/A                          |
| <b>Transfer Tax:</b>   | N/A  | <b>Verification:</b>         | Ted Stoeber, Kidder Matthews |
| <b>Owner:</b>  | BT South, LLC                                  |                              |                              |
| <b>Arm's Length</b>  | Assumes Will Be                                |                              |                              |
| <b>Comments:</b> This comparable is the current listing of Subject Property Two. Reference is made to the property identification and site description section of this appraisal report which sets forth a complete description of the comparable. |  |                              |                              |

## **COMPARABLE LAND SALES DISCUSSION AND COMPARISON SUBJECT PROPERTY TWO, BEFORE ACCESS WIDENING**

The comparable sales utilized in this analysis range in date of sale from March 23, 2017 to April 1, 2021, in comparison to the subject's effective date of value of July 2, 2021. In addition, two current listings, including the listing of the subject property, are included in this analysis. The comparable sales and listings range in land area from 20.13± acres to 119.6± acres in comparison to the subject property which contains a gross land area of 61.25± acres.

The comparable sales range in sale price per acre from \$74,373 per acre to \$322,901 per acre, while two current listing indicate asking prices ranging from \$182,552 per acre to \$281,388 per acre. The comparable sales and listing indicate a range in price per dwelling unit from \$30,000 to \$130,573.

This portion of the appraisal analysis will address the Market Value of the subject property in its "as-is" condition, prior to the proposed right-of-way dedication. As indicated previously, the subject property has received tentative map approval from the City of Reno for the development of 95 tri-plex, single-family units, or 285 condominiums on the subject property, together with a special use permit for single-family attached in an arterial commercial zoning with a total number of units exceeding 100. However, access to the subject property is currently provided by an existing 30 foot wide opening in the control of access located on the south side of Interstate-80 at the current terminus of the Boomtown-Garson Road.

### **Discussion of Adjustments**

The comparable properties utilized in this analysis will be compared and correlated to the subject property based upon several adjustment criteria. These include property rights conveyed, financing terms, conditions of sale, market conditions, location, physical characteristics and development potential.

### **Property Rights Conveyed**

In this section of the appraisal, the fee simple Market Value of the subject property is being estimated. As each of the sales utilized in this analysis involve the sale of the fee simple interest of the property, no adjustment for property rights is required.





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

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

### **Conditions of Sale**

Based upon a review of the public records and/or interviews with the persons involved with each of the sales utilized in this analysis, no adjustments are required for conditions of sale.

### **Market Conditions (Date of Sale)**

The comparable sales range in date of sale from March 23, 2017 to April 1, 2021, in comparison to the subject's effective date of value of July 2, 2021. In addition, two current listings are considered in this analysis, including the listing of the subject property. As a result of strong market demand for residential subdivision land throughout the Reno-Sparks area, an upward adjustment for date of sale is indicated to Comparable Sales LS-1 through LS-6, which occurred between March 2017 and August 2020. Comparable Sale LS-7, the most recent sale occurred in April 2021. No adjustment for date of sale is indicated.

Listings LL-8 and LL-9 involve asking prices rather than actual sales. As a result, a downward adjustment is indicated.

### **General Location**

The subject property is located at the southwest terminus of the Boomtown-Garson Road and to the south of the interchange of Interstate-80 and the Boomtown-Garson Road. The subject is further located in the Verdi submarket, which is experiencing strong market demand and the development of good quality single-family residences. Comparable Sales LS-1, LS-2, LS-7 and LL-9 are all located in the Verdi submarket, as is Listing LL-8, the subject property. No adjustment for location is indicated.

Comparable Sale LS-3 is located on the Mt. Rose Highway and is considered to be a competitive location in comparison to the subject property.

Comparable Sale LS-4 is located in the northerly portion of the Spanish Spring Valley, and as a result, is considered to involve an inferior location in comparison to the subject property. An upward adjustment is indicated.



Comparable Sales LS-5 and LS-2 are located in the Stonebrook residential subdivision in the Spanish Springs Valley. An upward adjustment for location is indicated.

### **Approvals**

The subject property has Tentative Map approval in accordance with the requirements of the Mortensen-Garson Development Standards Handbook and the City of Reno. The comparable sales involve tentative map approval or handbook approval, and as a result, are considered equal to the subject property.

### **Topography**

The subject property has level to gently sloping topography with the exception of the southerly portion which has a moderate uphill slope to the south. Comparable Sales LS-1, LS-4, LS-5, LS-6 and LL-8 have level to gently sloping topography requiring a downward adjustment. Comparable Sale LS-2 has level to steeply sloping topography, requiring an upward adjustment. Comparable Sales LS-3 and LS-7 have level to moderately sloping topography similar to the subject property. No adjustment is indicated.

### **Size**

The subject property contains a net land area of 53.645± acres, and a gross land area of 80.64± acres. The comparable sales indicate land areas ranging from 20.13± acres to 168.06± acres. Generally, a relationship exists between the size of the property and the price per acre paid for that property. Properties with smaller land areas tend to have a higher price per unit while properties with larger land areas tend to have a lower price per unit. A qualitative adjustment for size will be made in this appraisal analysis.

### **Density**

The subject property has a density of 4.65 dwelling units per acre, based upon the subject's land area of 61.25± acres. The comparable sales indicate a range in density from 2.85 dwelling units per acre to 4.67 dwelling units per acre. Comparable Sale LS-4 has a density of 2.85 dwelling units per acre, and Comparable Listing LL-8 has a density of 1.4 dwelling units per acre, both of which require a downward adjustment in comparison to the subject property. the balance of the comparable sales have similar densities as the subject property, and as a result, do not require and adjustment.



### **Access**

At the present time, access to the subject property from the Garson Road/Boomtown Interchange with Interstate-80 is limited to a 30 foot wide opening. Comparable Sales LS-1 and LS-6 required extension of roadways to provide access to the sale properties. As a result, access is considered similar to the subject property. Comparable Sales LS-2, LS-3, LS-4, LS-5 and LS-7 are considered to have superior access requiring a downward adjustment to the subject property in its “as-is” condition. Comparable Listing LL-8 is the current listing of Subject Property One and Comparable Listing LL-9 is the current listing of the subject property, Meridian South 120, Villages 3 and 4. The listings are considered equal to the subject property, with respect to access in the before condition.

### **Other Adjustments**

The purchases of Comparable Sales LS-1 and LS-5 included water rights, requiring a downward adjustment in comparison to the subject property.

The following charts set forth a summary of the comparable sales in comparison to the subject property.



## COMPARABLE LAND SALES ADJUSTMENT CHART “AS-IS” CONDITION

| Sale Number                | Assessor's Parcel Number<br>Name<br>Location   | Sale Price/<br>Acre | Terms of<br>Sale  | Market<br>Conditions              | Location                 | Approvals        | Topography            | Land Area          | Density    | Access                                | Other           | Overall                   |
|----------------------------|--|---------------------|-------------------|-----------------------------------|--------------------------|------------------|-----------------------|--------------------|------------|---------------------------------------|-----------------|---------------------------|
| LS-1                       | 038-120-17, 18 & 19<br>Meridian North 120<br>Both Sides Boomtown - Garson Road<br>Between I-80 and South Verdi Road, Reno          | \$198,814<br>(Net)  | Cash to<br>Seller | 03/23/2017<br>++++                | I-80/Verdi               | Tentative<br>Map | Level to<br>Gentle    | 61.2 Ac<br>(Net)   | 4.46 DU/AC | Required<br>Extension<br>of Road      | Water<br>Rights | Low<br>Indicator          |
| LS-2                       | 038-111-03 and 038-830-07 Thru 10<br>West Meadows Estates,<br>North Side of U.S. Highway 40,<br>Northwest of East I-80 Interchange | \$298,238           | Cash to<br>Seller | 01/10/2017,<br>05/16/2017<br>++++ | U.S. 40/<br>Verdi        | Handbook         | Level to<br>Steep     | 69.81 Ac<br>(Net)  | 4.61 DU/AC | North Side<br>U.S. 40                 | N/A             | High<br>Indicator         |
| LS-3                       | 049-402-02<br>Colina Rosa<br>SWC of Mt. Rose Hwy and Edmonston Drive, Reno   | \$322,901           | Cash to<br>Seller | 10/06/2017<br>++++                | Mt. Rose<br>Highway      | Tentative<br>Map | Gentle to<br>Moderate | 20.13 Ac           | 4.67 DU/AC | Mt. Rose Hwy<br>& Edmonston           | N/A             | Very<br>High<br>Indicator |
| LS-4                       | 534-562-07 and 534-571-01<br>Blackstone and Sugarloaf<br>North Side of Calle De La Plata, Sparks                                   | \$84,435            | Cash to<br>Seller | 05/15/2018<br>++++                | North<br>Spanish Springs | Tentative<br>Map | Level                 | 98.32 Ac           | 2.85 DU/AC | Frontage on<br>Calle De Plata         | N/A             | Low<br>Indicator          |
| LS-5                       | 528-020-16, 19, 20 & 21<br>Stonebrook<br>East Side of Pyramid Highway, Sparks  | \$74,378            | Cash to<br>Seller | 06/15/2018<br>++++                | Spanish Springs          | Handbook         | Level to<br>Gentle    | 168.06 Ac          | N/A        | Frontage on<br>Pyramid Hwy            | Water<br>Rights | Low<br>Indicator          |
| LS-6                       | 528-030-40, 51, 61 & 62<br>Stonebrook El, F1, G1, G2, G3<br>South End of Stonebrook  | \$161,982           | Cash to<br>Seller | 08/20/2020<br>+                   | Spanish Springs          | Tentative<br>Map | Level to<br>Gentle    | 119.60 Ac          | 3.90 DU/AC | Required<br>Extension of Road         | N/A             | Low<br>Indicator          |
| LS-7                       | 236-151-01<br>Meridian 120 North Village 3<br>West End of Starboard Drive  | \$234,989           | Cash to<br>Seller | 4/01/2021<br>=                    | I-80/Verdi               | Tentative<br>Map | Level to<br>Moderate  | 28.95 Ac           | 3.36 DU/AC | Roads Extended<br>to Site             | N/A             | Reasonable<br>Indicator   |
| LL-8                       | 038-132-33<br>Meridian South 120 Villages 1 and 2<br>Southeast Terminus of Boomtown-Garson Road                                    | \$182,552           | N/A               | Listing                           | I-80/Verdi               | Tentative<br>Map | Level to<br>Gentle    | 55.645 Ac<br>(Net) | 1.40 DU/AC | Subject<br>Property                   | N/A             | Low<br>Indicator          |
| LL-9                       | 038-120-27<br>Meridian South 120 Villages 3 and 4<br>Southwest Terminus of Boomtown-Garson Road                                    | \$281,388           | N/A               | Listing                           | I-80/Verdi               | Tentative<br>Map | Level to<br>Moderate  | 61.25 Ac           | 4.65 DU/AC | Adjacent to<br>Subject                | N/A             | High<br>Indicator         |
| Subject<br>Property<br>Two | 038-120-27<br>Meridian South 120 Villages 3 and 4<br>Southwest Terminus of Boomtown-Garson Road                                    | ---                 | Cash              | Date of<br>Value<br>07/02/2021    | I-80/<br>Verdi           | Tentative<br>Map | Level<br>to Gentle    | 61.25 Ac           | 4.65 DU/AC | Limited, Shared<br>30' Wide<br>Access | None            | ---                       |

**SUBJECT PROPERTY TWO  
FINAL LAND VALUE CONCLUSION  
“AS-IS” CONDITION**

To summarize, Comparable Sales LS-1, at \$198,814 per acre, LS-4 at \$84,435 per acre, LS-5 at \$74,378 and LS-6 at \$161,982 per acre are considered to be low indications of a per acre value applicable to the subject property. Comparable Sale LS-2, at \$298,238 per acre is considered to be a slightly high indication of a per acre value applicable to the subject property. Comparable Sale LS-3, at \$322,901 per acre, is considered to be a high indication of a per acre value applicable to the subject property, primarily due to its smaller land area.

Comparable Sale LS-7, the most recent sale analyzed, at \$234,989 per acre is considered to be a reasonable indicator of a per acre value applicable to the subject property.

Comparable Listing LL-8, Meridian South 120, Villages 1 and 2, at \$182,552 per acre is considered to be a low indication of a per acre value applicable to the subject property, primarily as its density is substantially lower than that of the subject property.

Comparable Listing LL-9, the current listing of the subject property, at \$281,388 per acre, is considered to be a high indication of a per acre value applicable to the subject property, as it does involve an asking price, rather than an actual sale.

In the final analysis, consideration is given to the subject’s location, topography, tentative map approval and density at 4.65 dwelling units per acre.

In addition, access to the subject property is limited to a 30 foot wide shared roadway in the before condition. Prior to development of the subject property, as proposed, it will necessary for the owners of the subject property to acquire approximately an additional 101.57 feet in the opening in the control of access to assist in the development in the Santerra/Quilici properties and to provide the necessary access to the Boomtown-Garson/I-80 Interchange.

Based upon a review of the available data, and with consideration given to analysis as set forth above, it is my opinion that a per unit value of \$249,000 per acre would be applicable to the subject property in its “as-is” condition, and prior to the proposed right-of-way dedication. Applying the indicated per acre value to the subject’s land area of 61.25± acres, results in an indicated value of \$15,251,250, which is rounded to \$15,251,000. It is my opinion that the



Market Value of the fee simple interest in the subject property, in its “as-is” condition, and in the before condition prior to the access widening, as of July 2, 2021, is \$15,251,000.

**FINAL VALUE CONCLUSION – SUBJECT PROPERTY TWO** **\$15,251,000**  
**(BEFORE CONDITION)**



**SUBJECT PROPERTY TWO RIGHT-OF-WAY DEDICATION ANALYSIS  
“AS-IS CONDITION, BEFORE RIGHT-OF-WAY DEDICATION**

The owners of the subject property, BT South, LLC, and Toll Brothers have entered into a joint development agreement of Meridian South 120 and the Quilici Ranch. With the development of these properties, it will be necessary to develop a round-about on the south side of Interstate-80, and at the interchange with Interstate-80 and the Boomtown-Garson Road.

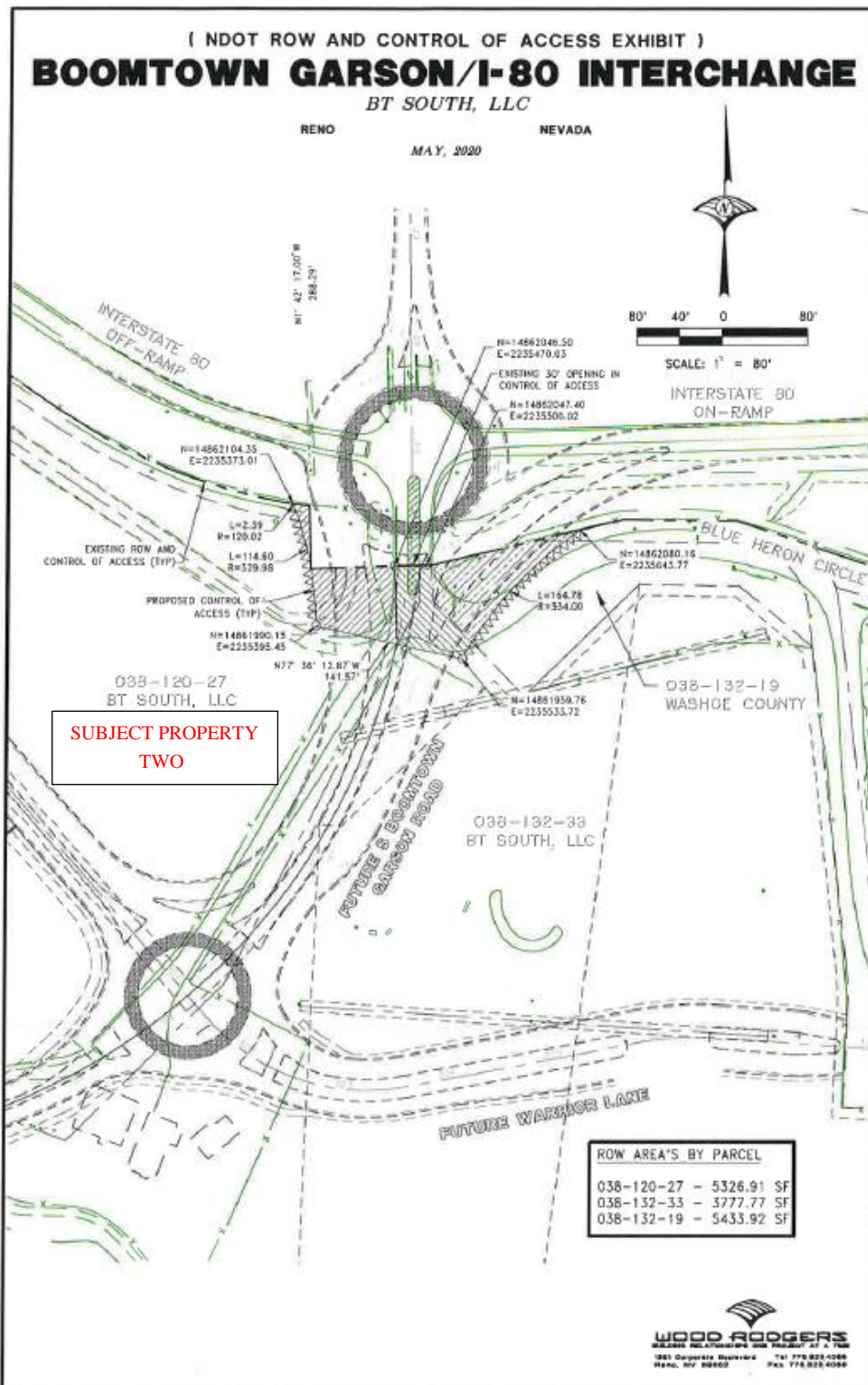
At the present time, the existing opening in the control of access along Interstate-80 is 30-foot wide, however, with the development of Meridian South 120 and the Quilici Ranch, Garson Road will become the main roadway into the development. As a result, the developers of the subject properties have requested that the opening in the control of access be widened to 141.57 feet.

In order to expand the opening in the control of access, it will be necessary for the property owners to dedicate portions of their property to the Interstate-80 right-of-way. According to the Boomtown-Garson / I-80 Interchange NDOT Right-of-Way and Control of Access Exhibit, the necessary right-of-way acquisition for Meridian South 120, Villages 3 and 4 (APN 038-120-27) will be 5,237± square feet.

The following exhibit depicts the proposed right-of-way dedication and requested opening in the control of access for the subject property.



**BOOMTOWN-GARSON / I-80 INTERCHANGE NDOT RIGHT-OF-WAY  
AND CONTROL OF ACCESS EXHIBIT**







The Market Value of Subject Property Two was estimated to be \$15,251,000, or \$249,000 per acre. The indicated per square foot value is \$5.72 per square foot. Applying the indicated per square foot value to the proposed right-of-way dedication in the amount of 5,237± square feet, results in an indicated value of \$29,955.

The following chart sets forth a summary of the value right-of-way dedication for Subject Property Two.

| <b>SUBJECT PROPERTY TWO<br/>RIGHT-OF-WAY DEDICATION SUMMARY</b>             |              |
|---|--------------|
| Market Value, Subject Property Two  | \$15,251,000 |
| Right of Way Dedication (APN 038-120-27)<br>5,237± Sq. Ft. @ \$5.72/Sq. Ft. | \$29,955     |

**SUBJECT PROPERTY TWO  
COMPARABLE LAND SALES DISCUSSION AND COMPARISON  
AFTER CONDITION, WITH ACCESS WIDENING**

In the before condition, access is provided by an existing 30 foot wide opening in the control of access located on the south side of Interstate-80 at the current terminus of the Boomtown-Garson Road. BT South, LLC and Toll Brothers have requested that the existing 30 foot wide opening be relocated in a southerly direction and widened to approximately 141.57 feet. The purpose of the proposed opening in the control of access is to assist in the development of the Santerra/Quilici properties and to provide the necessary access to the Boomtown-Garson/I-80 Interchange.

In the before condition, the subject property contained 61.25± acres. The subject property, together with Meridian South 120, Villages 1 and 2, will share a common opening in the control of access along the south side of Interstate-80 at the Boomtown-Garson Road interchange with a width of approximately 141.57 feet. This will allow the developers of the subject property to proceed with the development of the subject property as proposed, as well as providing the lane access into the proposed Santerra/Quilici Development. The subject property has tentative map approval from the City of Reno for the development of 95 triplexes or a total of 285 residential units. As a result, it is my opinion that the highest and best use of the subject property, in the after condition, is for a residential subdivision development as proposed.

To establish an indication of the Market Value of the subject property, in the after condition, the Direct Sales Comparison Approach to Value will be utilized. Reference is made to the comparable land sales chart, land sales map and profile sheets set forth previously in this appraisal report.

The comparable sales utilized in this analysis range in date of sale from March 23, 2017 to April 1, 2021, in comparison to the subject's effective date of value of July 2, 2021. In addition, two current listings, including the listing of the subject property, are included in this analysis. The comparable sales and listings range in land area from 20.13± acres to 119.6± acres in comparison to the subject property which contains a gross land area of 61.25± acres.

The comparable sales range in sale price per acre from \$74,373 per acre to \$322,901 per acre, while two current listing indicate asking prices ranging from \$182,552 per acre to \$281,388



per acre. The comparable sales and listing indicate a range in price per dwelling unit from \$30,000 to \$130,573.

### **Discussion of Adjustments**

The comparable properties utilized in this analysis will be compared and correlated to the subject property based upon several adjustment criteria. These include property rights conveyed, financing terms, conditions of sale, market conditions, location, physical characteristics and development potential.

### **Property Rights Conveyed**

In this section of the appraisal, the fee simple Market Value of the subject property is being estimated. As each of the sales utilized in this analysis involve the sale of the fee simple interest of the property, no adjustment for property rights is required.

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

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

### **Conditions of Sale**

Based upon a review of the public records and/or interviews with the persons involved with each of the sales utilized in this analysis, no adjustments are required for conditions of sale.

### **Market Conditions (Date of Sale)**

The comparable sales range in date of sale from March 23, 2017 to April 1, 2021, in comparison to the subject's effective date of value of July 2, 2021. In addition, two current listings are considered in this analysis, including the listing of the subject property. As a result of strong market demand for residential subdivision land throughout the Reno-Sparks area, an upward adjustment for date of sale is indicated to Comparable Sales LS-1 through LS-6, which occurred between March 2017 and August 2020. Comparable Sale LS-7, the most recent sale occurred in April 2021. No adjustment for date of sale is indicated.

Listings LL-8 and LL-9 involve asking prices rather than actual sales. As a result, a downward adjustment is indicated.



### **General Location**

The subject property is located at the southwest terminus of the Boomtown-Garson Road and to the south of the interchange of Interstate-80 and the Boomtown-Garson Road. The subject is further located in the Verdi submarket, which is experiencing strong market demand and the development of good quality single-family residences. Comparable Sales LS-1, LS-2, LS-7 and LL-9 are all located in the Verdi submarket, as is Listing LL-8, the subject property. No adjustment for location is indicated.

Comparable Sale LS-3 is located on the Mt. Rose Highway and is considered to be a competitive location in comparison to the subject property.

Comparable Sale LS-4 is located in the northerly portion of the Spanish Spring Valley, and as a result, is considered to involve an inferior location in comparison to the subject property. An upward adjustment is indicated.

Comparable Sales LS-5 and LS-2 are located in the Stonebrook residential subdivision in the Spanish Springs Valley. An upward adjustment for location is indicated.

### **Approvals**

The subject property has Tentative Map approval in accordance with the requirements of the Mortensen-Garson Development Standards Handbook and the City of Reno. The comparable sales involve tentative map approval or handbook approval, and as a result, are considered equal to the subject property.

### **Topography**

The subject property has level to gently sloping topography with the exception of the southerly portion which has a moderate uphill slope to the south. Comparable Sales LS-1, LS-4, LS-5, LS-6 and LL-8 have level to gently sloping topography requiring a downward adjustment. Comparable Sale LS-2 has level to steeply sloping topography, requiring an upward adjustment. Comparable Sales LS-3 and LS-7 have level to moderately sloping topography similar to the subject property. No adjustment is indicated.

### **Size**

The subject property contains a net land area of 53.645± acres, and a gross land area of 80.64± acres. The comparable sales indicate land areas ranging from 20.13± acres to 168.06±



acres. Generally, a relationship exists between the size of the property and the price per acre paid for that property. Properties with smaller land areas tend to have a higher price per unit while properties with larger land areas tend to have a lower price per unit. A qualitative adjustment for size will be made in this appraisal analysis.

### **Density**

The subject property has a density of 4.65 dwelling units per acre, based upon the subject's land area of 61.25± acres. The comparable sales indicate a range in density from 2.85 dwelling units per acre to 4.67 dwelling units per acre. Comparable Sale LS-4 has a density of 2.85 dwelling units per acre, and Comparable Listing LL-8 has a density of 1.4 dwelling units per acre, both of which require a downward adjustment in comparison to the subject property. the balance of the comparable sales have similar densities as the subject property, and as a result, do not require and adjustment.

### **Other Adjustments**

The purchases of Comparable Sales LS-1 and LS-5 included water rights, requiring a downward adjustment in comparison to the subject property.

The following charts set forth a summary of the comparable sales in comparison to the subject property.



**COMPARABLE LAND SALES ADJUSTMENT CHART**

| Sale Number                | Assessor's Parcel Number<br>Name<br>Location   | Sale Price/<br>Acre | Terms of<br>Sale  | Market<br>Conditions              | Location                 | Approvals        | Topography            | Land Area          | Density    | Other           | Overall                   |
|----------------------------|--|---------------------|-------------------|-----------------------------------|--------------------------|------------------|-----------------------|--------------------|------------|-----------------|---------------------------|
| LS-1                       | 038-120-17, 18 & 19<br>Meridian North 120<br>Both Sides Boomtown - Garson Road<br>Between I-80 and South Verdi Road, Reno          | \$198,814<br>(Net)  | Cash to<br>Seller | 03/23/2017<br>++++                | I-80/Verdi               | Tentative<br>Map | Level to<br>Gentle    | 61.2 Ac<br>(Net)   | 4.46 DU/AC | Water<br>Rights | Low<br>Indicator          |
| LS-2                       | 038-111-03 and 038-830-07 Thru 10<br>West Meadows Estates,<br>North Side of U.S. Highway 40,<br>Northwest of East I-80 Interchange | \$298,238           | Cash to<br>Seller | 01/10/2017,<br>05/16/2017<br>++++ | U.S. 40/<br>Verdi        | Handbook         | Level to<br>Steep     | 69.81 Ac<br>(Net)  | 4.61 DU/AC |                 | High<br>Indicator         |
| LS-3                       | 049-402-02<br>Colina Rosa<br>SWC of Mt. Rose Hwy and Edmonton Drive, Reno  | \$322,901           | Cash to<br>Seller | 10/06/2017<br>++++                | Mt. Rose<br>Highway      | Tentative<br>Map | Gentle to<br>Moderate | 20.13 Ac           | 4.67 DU/AC | N/A             | Very<br>High<br>Indicator |
| LS-4                       | 534-562-07 and 534-571-01<br>Blackstone and Sugarloaf<br>North Side of Calle De La Plata, Sparks                                   | \$84,435            | Cash to<br>Seller | 05/15/2018<br>+++                 | North<br>Spanish Springs | Tentative<br>Map | Level                 | 98.32 Ac           | 2.85 DU/AC | N/A             | Low<br>Indicator          |
| LS-5                       | 528-020-16, 19, 20 & 21<br>Stonebrook<br>East Side of Pyramid Highway, Sparks  | \$74,378            | Cash to<br>Seller | 06/15/2018<br>+++                 | Spanish Springs          | Handbook         | Level to<br>Gentle    | 168.06 Ac          | N/A        | Water<br>Rights | Low<br>Indicator          |
| LS-6                       | 236-151-01<br>Meridian 120 North Village 3<br>West End of Starboard Drive  | \$161,982           | Cash to<br>Seller | 08/20/2020<br>+                   | Spanish Springs          | Tentative<br>Map | Level to<br>Gentle    | 119.60 Ac          | 3.90 DU/AC | N/A             | Low<br>Indicator          |
| LS-7                       | 038-132-33<br>Meridian South 120 Villages 1 and 2<br>Southeast Terminus of Boomtown-Garson Road                                    | \$234,989           | Cash to<br>Seller | 4/01/2021<br>Listing              | I-80/Verdi               | Tentative<br>Map | Level to<br>Moderate  | 28.95 Ac           | 3.36 DU/AC | N/A             | Reasonable<br>Indicator   |
| LL-8                       | 038-120-27<br>Meridian South 120 Villages 3 and 4<br>Southwest Terminus of Boomtown-Garson Road                                    | \$182,552           | N/A               | -                                 | I-80/Verdi               | Tentative<br>Map | Level to<br>Gentle    | 53.645 Ac<br>(Net) | 1.40 DU/AC | N/A             | Low<br>Indicator          |
| LL-9                       | Meridian South 120 Villages 3 and 4<br>Southwest Terminus of Boomtown-Garson Road  | \$281,388           | N/A               | Listing                           | I-80/Verdi               | Tentative<br>Map | Level to<br>Moderate  | 61.25 Ac           | 4.65 DU/AC | N/A             | High<br>Indicator         |
| Subject<br>Property<br>Two | 038-120-27<br>Meridian South 120 Villages 3 and 4<br>Southwest Terminus of Boomtown-Garson Road                                    | - - -               | Cash              | Date of<br>Value<br>07/02/2021    | I-80/<br>Verdi           | Tentative<br>Map | Level<br>to<br>Gentle | 61.25 Ac           | 4.65 DU/AC | None            | - - -                     |



## **SUBJECT PROPERTY TWO FINAL LAND VALUE CONCLUSION**

To summarize, Comparable Sales LS-1, at \$198,814 per acre, LS-4 at \$84,435 per acre, LS-5 at \$74,378 and LS-6 at \$161,982 per acre are considered to be low indications of a per acre value applicable to the subject property. Comparable Sale LS-2, at \$298,238 per acre is considered to be a slightly high indication of a per acre value applicable to the subject property. Comparable Sale LS-3, at \$322,901 per acre, is considered to be a high indication of a per acre value applicable to the subject property, primarily due to its smaller land area.

Comparable Sale LS-7, the most recent sale analyzed, at \$234,989 per acre is considered to be a reasonable indicator of a per acre value applicable to the subject property.

Comparable Listing LL-8, Meridian South 120, Villages 1 and 2, at \$182,552 per acre is considered to be a low indication of a per acre value applicable to the subject property, primarily as its density is substantially lower than that of the subject property.

Comparable Listing LL-9, the current listing of the subject property, at \$281,388 per acre, is considered to be a high indication of a per acre value applicable to the subject property, as it does involve an asking price, rather than an actual sale.

In the final analysis, consideration is given to the subject's location, topography, tentative map approval and density at 4.65 dwelling units per acre.

Based upon a review of the available data, and with consideration given to analysis as set forth above, it is my opinion that a per unit value of \$250,000 per acre would be applicable to the subject property. Applying the indicated per acre value to the subject's land area of 61.25± acres, results in an indicated value of \$15,312,500. It is my opinion that the Market Value of the fee simple interest in the subject property, in the after condition and subsequent to the access widening, as of July 2, 2021, is \$15,312,500.

**FINAL VALUE CONCLUSION – SUBJECT PROPERTY TWO  
(AFTER CONDITION, WITH ACCESS WIDENING)**

**\$15,312,500**



### **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 properties, consideration is given to their location, physical characteristics, market conditions and tentative map approval.

Based upon a review of the available data, it is my opinion that an appropriate exposure and marketing time for the subject properties, assuming them to be marketed at the final property value conclusions, would be one year.

**EXPOSURE & MARKETING TIME CONCLUSION**

**ONE YEAR**





### APPRAISER'S CERTIFICATION

Each of the undersigned does 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.
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- 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 have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- No one provided significant real property appraisal assistance to the person signing this certificate.
- The appraisal was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- The appraiser's state registration/certification has not been revoked, suspended, canceled or restricted.
- The Appraisal Institute conducts a mandatory program of continuing education for its designated members. As of the date of this report, 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.

The real property, which is the subject of this appraisal report, was valued as of July 2, 2021.

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 Griffin, LLC, 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 4/30/23

**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 |
|-------------------|--|------|

### Appraisal Seminars

|   |  |             |
|---|--|-------------|
| Various Appraisal and Continuing Education Seminars |  | 1974 - 2021 |
|---|--|-------------|

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

|                         |                |                                    |
|-------------------------|----------------|------------------------------------|
| 437                     | Project:       | Boomtown-Garson Road Interchange   |
| <b>APPRAISAL REVIEW</b> | E.A.:          | Not Applicable                     |
|                         | Parcels:       | APN: 038-132-33<br>APN: 038-120-27 |
|                         | NDOT File No.: | 2021.047                           |

Original     Revision

|  |   |
|--|---|
| Owner  | BT South LLC  |
| Property   | The southeast terminus of Boomtown-Garson Road, south side of Interstate 80, Reno, NV   |
| Location/ID  | APN: 038-132-33 (Subject Property One)<br>APN: 038-120-27 (Subject Property Two)<br>Legal descriptions are contained within the Appraisal Report pages 49 and 108 |
| <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Rural | City of Reno Zoning: AC, PF, LLR-1, SF-6, SF-9, OS, IC<br>Interests Appraised: Fee Simple Estate  |

**APPRAISAL REPORT – Expanded Control of Access**

| Appraiser               | Appraisal Date | Valuation Date | Property             | Value Increase, As a Result of Access Widening |
|-------------------------|----------------|----------------|----------------------|--|
| Reese Perkins, MAI, SRA | 11/10/2021     | 07/02/2021     | Subject Property One | \$53,875                                       |
|                         |                |                | Subject Property Two | \$61,500                                       |

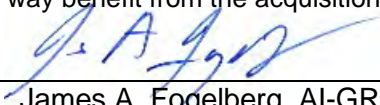
**REVIEWER DETERMINATION – APPRAISAL REPORT APPROVED**

The Appraisal Report is approved, and it is my opinion that the Market Value of the Value Increase As a Result of Access Widening are determined as follows:

| Property             | APN        | Value Indication           | Total    |
|----------------------|------------|----------------------------|----------|
| Subject Property One | 038-132-33 | Value Increase As a Result | \$53,875 |
| Subject Property Two | 038-120-27 | of Access Widening         | \$61,500 |

Damages:     Acc. Loss;     Chg. H&B Use;     Chg. Size or Shape;     Cost-to-Cure;     Consequential  
Benefits:     Yes     No

I understand that this determination may be used in a federally aided or State of Nevada Transportation Project. I have reviewed the above listed appraisal, and other pertinent information submitted. I have inspected the subject property, and the properties listed in the Appraisal Report as being sales of a comparable nature. I have independently reached this determination without direction or collaboration. I have no direct or indirect, present or contemplated future personal interest in the subject property or in any way benefit from the acquisition of such property appraised.

  
 \_\_\_\_\_  
 James A. Fogelberg, AI-GRS                      Review Date                      12/15/2021  
 NV Certified General Appraiser A.0004135-CG    Valuation Date                      07/02/2021

See attached Comments     Remarks

**IDENTIFICATION OF APPRAISAL UNDER REVIEW [SR 3-2(d), SR 4-2(d-e)]**

Appraiser: Reese Perkins, MAI, SRA  
Date of Report: 11/10/2021  
Date of Value: 07/02/2021 (Appraisal and Review Reports)  
Dates of Inspection: Appraiser – 07/02/2021, Reviewer – 11/23/2021  
Date of Review: 12/15/2021

Characteristics of the work under review: The report conveys an accurate description of the Subject Properties (One and Two), and the proposed expansion of Control of Access, as well as the area, neighborhood and market characteristics. The conclusions from the Highest and Best Use Analysis are reasonable and are supported by information included in the report. Overall, the methodology of the Appraisal is appropriate and the concluded values for the proposed Right-of-Way Dedications are credible, reasonable and adequately supported. The conclusions for the Value Increase, As a Result of Access Widening are credible, reasonable and adequately supported.

**PROPERTY IDENTIFICATION / WORK UNDER REVIEW [SR 3-2(d), SR 4-2(d)]**

The subject of the Appraisal, and the work under review, is located at the southeast terminus of Boomtown-Garson Road, south side of Interstate 80, Reno, NV

The Proposed Control of Access Expansion involves Washoe County Assessor Parcel Numbers 038-132-33 and 038-120-27, owned by BT South LLC in fee simple.

**Subject Property One**, commonly known as Meridian 120 South, Villages 1 and 2, is located at the southeast terminus of Boomtown-Garson Road. It is identified as Washoe County Assessor's Parcel Number 038-132-33, contains a gross land area of 80.64± acres, and a net land area of 53.645± acres. Subject Property One is owned by BT South, LLC.

**Subject Property Two**, commonly known as Meridian 120 South, Villages 3 and 4 is located at the southwest terminus of Boomtown-Garson Road. It is identified as Washoe County Assessor's Parcel Number 038-120-27 and contains a gross land area of 61.25± acres. Subject Property Two is owned by BT South, LLC.

Access to the subject properties is currently provided by an existing 30-foot-wide opening in the control of access located along the south side of Interstate-80 at the current terminus of the Boomtown-Garson Road. BT South, LLC and Toll Brothers have requested that the existing 30 wide opening be relocated in a southerly direction and widened to approximately 141.57 feet. The purpose of the proposed opening in the control of access is to assist in the development of the Santerra-Quilici Properties and to provide the necessary access to the Boomtown-Garson/I-80 Interchange.

The Proposed Control of Access expansion is described on Page 89 for Property One and Page 140 of the Appraisal Report. A title report was not provided nor reviewed within the Appraisal Report or by the Reviewer. Neither the Appraiser nor the Reviewer is responsible for exceptions, CC&Rs, deed restrictions, liens, lis

pendens or other issues that could impact marketability. The Appraisal Report identified no additional Assessor's Parcels or ownership interests.

**INTENDED USE / PURPOSE OF APPRAISAL / INTERESTS APPRAISED [SR 3-2(b-d), SR 4-2(b-d)]**

The intended use and purpose of the Appraisal Report is to aid the NDOT Department, Right-of-Way Division's agents and managers, as well as the front office and its Board of Directors, to properly follow the Uniform Act (49 CFR Part 24.102) by providing the Value Increase, as a result of access widening for the Boomtown-Garson Road Interchange for the referenced Subject Properties One and Two.

The interests appraised are the fee simple estate. Pre-existing encumbrances are believed to have minimal or no negative impact on the respective rights appraised. These are not evaluated or identified.

**CLIENT AND INTENDED USERS OF REVIEW REPORT [SR 3-2(a), SR 4-2(a)]**

The client for this Review Report is the NDOT Right-of-Way Division. Intended users include agents, management, supervisors, and its Board of Directors. There are no other intended users.

It is anticipated that the property owner will be provided a copy of the appraisal and review documents. Other copies are likely to be provided to state examiners or auditors by the intended users for their review and consideration.

**PURPOSE OF REVIEW [SR 3-2 (c), SR 4-2 (c)]**

The purpose of the review is to make a judgment as to the reasonableness of the Appraisal Report under review and to evaluate compliance with the State laws of Nevada (NAC Chapter 645C, NRS 37 and NRS 408), the Uniform Standards of Professional Appraisal Practice (USPAP), The Uniform Relocation Act, Federal laws pertaining to appraisals and acquisitions including Public Law 91-646, CFR 49 Part 24, CFR 23 as applicable and 12 CFR Part 34 as applicable, and the Nevada Department of Transportation (NDOT) Right of Way Manual as it pertains to appraisal policy.

**PROPERTY RIGHTS APPRAISED [SR 3-2(d), SR 4-2(d)]**

The property rights appraised per NRS and NDOT prescribed methodology are the fee simple estate, with existing, historical encumbrances. The basis is "Market Value" as defined within the Appraisal Report and is located on the next page of this Review Report.

**REVIEW ASSUMPTIONS AND HYPOTHETICAL CONDITIONS [SR 3-2(f-g), SR 4-2(f-g)]**

Reviewer and Appraiser assumptions are consistent with the Appraiser's inherent, implied or stated assumptions and conditions (paraphrased):

- Maps, drawings, sketches, plans and all exhibit-related information, including estimated sizes, provided by NDOT or public sources are assumed reasonably correct;
- There are no easements, encumbrances, deed restrictions, CC&Rs or lis pendens adversely affecting marketability other than those described in the report; none of the exhibits provided defined these items in full (if any);

- Title is free and marketable;
- No environmental or archeological issues that affect marketability are known to exist;

Specific Extraordinary Assumptions and Hypothetical Conditions include the following:

- Extraordinary Assumptions - The Reviewer's opinion of value is premised on the Extraordinary Assumption that the Appraisal Report under review accurately characterizes the subject property and the market data used in the analysis is accurate and the best available. It is noted that the use of this Extraordinary Assumption might have affected the assignment results.
- Hypothetical Conditions - None

None of the restrictions above or those considered routine represent extraordinary risk, in the opinion of the Reviewer.

**Market Value is defined as follows:**

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

**SCOPE OF REVIEW WORK [SR 3-2(g), SR 4-2(g)]**

The Reviewer has determined the scope of work necessary to produce credible assignment results in accordance with Standard 3 and the Scope of Work Rule of USPAP. Most information about the subject property and sales data was taken from the Appraisal Report under review.

**Extent of examination of work under review and analysis of the Appraisal Report**

The Reviewer has reviewed the entire Appraisal Report, consisting of 160 pages, including addenda, for content, analysis, and methodology, as well as for compliance with the Nevada Department of Transportation (NDOT) Right-of-Way Manual appraisal policy which incorporates as applicable:

State laws of Nevada (NAC Chapter 645C, NRS 37 and NRS 408), Uniform Standards of Professional Appraisal Practice (USPAP), the Appraisal Institute's Code of Ethics and Standards of Professional Practice, the Uniform Appraisal Standards for Federal Land Acquisition (UASFLA), Federal laws pertaining to appraisals and acquisitions (CFR 49 Part 24, CFR 23 and 12 CFR Part 34).

<sup>1</sup> Appraisal of Real Estate, Appraisal Institute, 15<sup>th</sup> Edition, Page 49



### **Extent of research concerning subject property, market, and comparable data**

The Reviewer assumes that information about the subject property, market data and comparable data presented in the Appraisal Report is accurate unless obvious inaccuracies are identified.

### **Extent of verification of data in report under review**

A broad scope appraisal review routinely involves subject and comparable property inspections, a search for additional sale data, and re-verification of the data. The Reviewer has inspected the subject property and the comparable land sales used in the Appraisal Report. The Reviewer has also relied upon photographs presented in the Appraisal Report, as well as aerial imagery and photographs (Google Street View) obtained from the database of a third party. Sales data was only re-verified if accuracy of data in the Appraisal Report appears questionable.

### **Extent of analysis of appraisal development process (tests of reasonableness)**

This review involves spot math checks, interviews and discussions with the Appraiser and others as needed. A final review and analysis of the market data to develop opinions as to the adequacy and relevance of the data, the propriety of any adjustments to the data, the appropriateness of appraisal methods and techniques used and whether the analyses, opinions, and conclusions in the report are appropriate and reasonable. The Reviewer's opined conclusions are subsequently presented.

### **Agreement/Disagreement with opinions and conclusions in work under review**

If the Reviewer disagrees with the value opinions and/or conclusions, support will be provided for the Reasons of Disagreement.

**Reviewer's Comments** – In this instance, the Reviewer believes that the value conclusions from the Appraisal Report for the Proposed Right-of-Way Dedication, and Control of Access expansion for the Subject Properties are credible, reasonable and adequately supported.

### **Reporting the Review Report**

This Review Report is prepared in accordance with Standard 4 of USPAP and applicable sections of the Nevada Department of Transportation (NDOT) Right-of-Way Manual. The Reviewer's Appraisal Reporting process is handled through the combination of the Appraisal Report under review plus the Reviewer's Review Report.

This Review is a supplementary critique for use in conjunction with the Appraisal Report under review. Assumptions and limiting conditions contained in the Appraisal Report are relevant to this review along with any additional limiting conditions stated within this review. The Reviewer has endeavored to create a separate and unique report for the benefit of the intended user(s) that, to paraphrase USPAP Standards Rule 3-3, offers an unbiased opinion as to the completeness, accuracy, adequacy, relevance and reasonableness of the analysis in the work under review, given law, regulations, or intended user requirements. Inherently this includes an opinion as to quality, reliability, and credibility.

The Uniform Standards of Professional Practice (USPAP) Standards Rule 1-2(c) (Comment) states in part:

468            Comment: When reasonable exposure time is a component of the definition for the value opinion  
469            being developed, the appraiser must also develop an opinion of reasonable exposure time linked to  
470            that value opinion.<sup>19</sup>

Since the Appraisal Report under review is to be used for determination of the Market Value of the Value Increase, As a Result of Access Widening, the requirement of USPAP SR 1-2(c) (Comment) to develop an opinion of reasonable exposure time is considered applicable. To re-emphasize, this review is performed on a limited scope basis. The scope of the review assignment is limited by the following.

- No environmental, archeological or geotechnical report was provided for review. Neither the Appraiser nor Reviewer have expertise in environmental or archeological assessment, land title search or land title law. The user/client should seek counsel and authorize Environmental Services and the Attorney General's office to expand on associated risks, if any. Some legal-title issues may reduce the net equity and dilute ownership interests in the Subject Properties. Easements and encumbrances could impact marketability. Historically significant sites could affect marketability;
- There is no completed survey for review; however, the Appraisal Report exhibits depicting the proposed Right-of-Way expanding Control of Access were reviewed. The Appraiser and Reviewer have relied solely upon engineering exhibits and calculations, as well as assessor parcel maps and other available public information.

### APPRAISAL PROBLEM / REVIEWER OPINIONS [SR 3-3, SR 4-2(h)]

The appraisal problem involved valuation of the fee simple interest as identified and defined of the Proposed Right-of-Way Dedication.

As part of the valuation process, issues encountered in the analysis of the appraisal problem included:

1. Finding recent or historical sale data from the local market;
2. Addressing critical elements of comparison;
3. Interpreting data to support the potential value for proposed Right-of-Way Dedications;
4. Recognizing significant factors that influenced the market transactions utilized in the appraisal;

**Reviewer's Comments** – The Reviewer is of the opinion that the Appraiser has adequately handled the issues presented. The conclusions regarding the highest and best use of the sites are supported by data and analysis presented in the Appraisal Report, and the methodology used to derive the value estimates for the subject properties, and Value Increase, As a Result of Access Widening are credible..

The following section summarizes the findings in the appraisal and isolates any Reviewer issues. For brevity, only the most significant items in the Appraisal Report will be discussed in this Review Report.

#### **Section I – Letter of Transmittal, Table of Contents, Summary of Salient Facts and Important Conclusions Subject Property One and Two, and other information**

The Letter of Transmittal describes the basic characteristics of the subject properties, the purpose of the appraisal, the client, and intended users. Following the Table of Contents, the final value conclusions are presented in the Summary of Salient Facts and Important Conclusions separately for Subject Property One and Subject Property Two.

The Summary of Salient Facts and Important Conclusions for each Subject Property outlines some of the pertinent information contained in the Appraisal Report, including the following categories:

- Property Summary
  - Property Type
  - Property Address
  - Location
  - Assessor's Parcel Number
  - Owner of Record
- Legal Description
- Subject Parcel Land Area
- Assessor's Parcel Number

Gross Land Area  
Net Land Area  
Shape  
Highest and Best Use  
Interest Appraised  
Type of Report  
Date of Valuation  
Date of Completion of Report  
Market Value Analysis and Conclusions  
    Before Condition Analysis  
    After Condition Analysis  
Value Summary, Subject Property One  
Right-of-Way Dedication Analysis

Following the Summary of Salient Facts and Important Conclusions (for Subject Properties One and Two) pertinent information was provided. This included Purpose of Appraisal, Client and Intended Users of Appraisal, Intended Use of the Appraisal, Property Rights Appraised – Fee Simple Interest, Dates of Appraisal, Market Value Defined, Scope of Appraisal, and Statements of Limiting Conditions,

The Client for the Appraisal Report is Toll Brothers. The intended users of the appraisal include Toll Brothers, BT South, LLC, The Nevada Department of Transportation and the City of Reno.

The Appraisal Report states, “the intended use of this appraisal is to assist Toll Brothers and BT South, LLC, and their designated representatives, in acquiring the proposed relocation and widening of the opening in the control of access from Interstate-80.” Furthermore, “...access to the subject properties is currently provided by an existing 30-foot wide opening in the control of access located along the south side of Interstate-80 at the current terminus of the Boomtown-Garson Road. BT South, LLC and Toll Brothers have requested that the existing 30-foot wide opening be relocated in a southerly direction and widened to approximately 141.57 feet. The purpose of the proposed opening in the control of access is to assist in the development of the Santerra/Quilici Properties and to provide the necessary access to the Boomtown-Garson/I-80 Interchange.”

**Market Value is defined** in the context of the Appraisal as follows:

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

**Reviewer’s Comments** – All of the items in the Letter of Transmittal, Table of Contents, Summary of Salient Facts and Important Conclusions and other information are considered adequate. The Definition of Market

Value, Scope of Appraisal, and Statements of Limiting Conditions are appropriate in the context of the analysis presented. There are no Extraordinary Assumptions or Hypothetical Conditions.

## **Section II – Reno-Sparks Area Analysis and Description and Neighborhood Description (Subject Properties One and Two)**

A Reno-Sparks Area Map was displayed and was followed by the Reno-Sparks Area Analysis and Description. This Area Analysis and Description includes the following categories:

- Introductory Location Information
- Population, Growth and Employment
- Gaming and Tourism Market
- Residential Market
- Multifamily Market
- Industrial Market
- Retail Market
- Office Market
- Construction Activity
- Transportation
- Hospitals, Education and Public Services
- COVID-19 Pandemic
- Summary

The Appraisal Report summarizes the Area Analysis by stating “the Reno-Sparks area has experienced rapid population growth over the past several decades due to the excellent quality of life. Historically, the gaming industry has been the principal economic base for the area. With the legalization of gaming across the United States, the area’s principal industry is experiencing a major challenge. In response to this challenge, the National Bowling Stadium and Downtown Events Center have been built, the Reno-Sparks Convention Center has been expanded and renovated, special events have been expanded, the City of Reno is actively supporting downtown revitalization, and a AAA professional baseball stadium was completed in April of 2009. Tesla began construction on their new Gigafactory just east of Sparks in the Tahoe Reno Industrial Park in 2014. The area has experienced success in broadening the economic base with the expansion of the hi-tech and back office industries.”

A Neighborhood Map follows the Area Analysis and Description and depicts the location of the Subject Properties. The Neighborhood Description focuses on the Verdi area of Reno and stated “the subject neighborhood is a predominantly residential suburban area located within close proximity to the Reno-Sparks urban area, with most of the subject neighborhood having good access via Interstate-80. The subject neighborhood is located on the easterly slopes of the Sierra Nevada range of mountains and the upper elevations of the subject neighborhood are forested. The Interstate-80 Freeway and a major Union Pacific railroad line run through the canyon formed by the Truckee River, which meanders through the subject neighborhood. Much of the subject neighborhood consists of large tracts of vacant land, while primary development in the subject neighborhood includes rural residential utilizations. Additional uses in the subject neighborhood include secondary-commercial, tourist-commercial, and some light industrial utilizations.”

**Reviewer’s Comments** – The description and analysis of the regional data including the Reno-Sparks area and Neighborhood (Verdi) is considered more than adequate, and demonstrates the completeness of the Appraisal Report.

### **Section III – Description and Valuation (Subject Properties One and Two)**

Each Subject Property (One and Two) are described separately. In addition, each Subject Property has a separate Highest and Best Use Analysis and Valuation Analysis.

#### **Description – Subject Property One**

For **Subject Property One**, the Appraisal Report presents a Subject Aerial Map with the subject property highlighted, Subject Photographs, Plot Map, Zoning Map, Master Plan Map, Flood Map, Topography Map, and Subject Property Identification and Site Description with the following items:

- Property Summary
  - Property Type
  - Property Address
  - Location
  - Assessor's Parcel Number
  - Owner of Record
- Legal Description
  - Subject Parcel Land Area
  - Assessors' Parcel Number
  - Gross Land Area
  - Shape
- Access
- Subject Zoning and Master Plan Summary
- Tentative Map/Special Use Permit Approvals
- Topography
- Seismic Zone
- Environmental and Soils Data
- Hazardous Substances
- Improvements
- Easements and Encumbrances
- Subject Sales History
- Summary
- Assessment, Taxable Value & Real Property Tax Data

The Appraisal Reports states "the subject property contains 61.25± acres. The subject property is located [at] the southwest terminus of the Boomtown-Garson Road, and to the south of the interchange of Interstate-80, westerly of the Boomtown-Garson Road. The subject property, which is irregular in shape, has level to gently sloping topography, with the exception of the southerly portions of the site which have moderately sloping topography. The Steamboat Ditch traverses the southerly portion of the subject property in an east/west direction. All utilities are reasonably available. The subject property has received tentative map approval from the City of Reno for the development 95 triplex buildings, with a total of 285 residential units."

The Highest and Best Use discussion follows the property description. The analysis of the Highest and Best Use as though Vacant discusses the four criteria of Highest and Best use; Physically Possible, Legally Permissible and Financially Feasible/Maximally Productive.

With respect to Physically Possible, the Appraisal Report indicates that "The subject's physical characteristics are suitable for a variety of residential, commercial or mixed-employment utilizations." In considering Legally Permissible Uses, the Appraisal Report further states "Based upon the subject's zoning designation and tentative

map approval, legally permissible uses include single-family density residential development.” The Financially Feasible/Maximally Productive discussion concludes that “Given the physical characteristics, location, master plan designation, zoning designation and tentative map approval, as well as with consideration given to market conditions in the Reno-Sparks area, which involve strong demand for single-family residences, it is my opinion that the highest and best use of the subject property is for single-family residences as proposed.”

**Reviewer’s Comments** – The description of the Subject Property is considered adequate and applicable description information is provided. Numerous photographs of the Subject Property, as well as street scenes are appropriate. Additional Site data clearly documents the location, access, size, shape, topography, zoning, and flood zone designation of the Subject Property. Property taxes are adequately discussed and relevant. The Highest and Best Use Analysis is sufficient and the conclusion is reasonable.

### **Valuation – Subject Property One**

The Valuation Section includes the following categories:

- Subject Property One Market Approach to Land Value Before Condition
- Comparable Subdivision Land Sales Chart
- Comparable Subdivision Land Sales Map
- Comparable Land Sale Profile Sheets
- Comparable Land Sales Discussion and Comparison, Subject Property One, ‘As-Is’ Condition
- Comparable Land Sales Adjustment Chart “As-Is” Condition
- Subject Property One, Final Land Value Conclusion “As-Is” Condition
- Subject Property One Right-of-Way Dedication Analysis, “As-Is” Condition, Before Right-of-Way Dedication
- Boomtown-Garson/I-80 Interchange NDOT Right-of-Way and Control of Access Exhibit
- Subject Property One, Comparable Land Sales Discussion and Comparison After Condition
- Comparable Land Sales Adjustment Chart
- Subject Property One Final Land Value Conclusion After Condition

### **Market Value, Before Condition (Before Access Widening or “As-Is” Condition)**

In this section the three traditional approaches to valuation were briefly discussed, and it was concluded that the sales comparison approach to value was utilized to value the Subject Property, and in this case is the only applicable approach for this type of property. The unit of comparison is the price per acre of land area, which is typically utilized by most market participants. Seven closed land sales and two listings (including the Subject Property) are presented.

**Reviewer’s Comments** – The Land Sales Chart, Map, and Profile Sheets include sufficient details of each sale.

The Comparable Land Sales were then discussed with respect to the Subject Property “As-Is” Condition. The sales, prior to adjustments range from \$74,373 per acre to \$322,901 per acre. The two current listings range from \$182,552 to \$281,388 per acre. On a price per dwelling unit basis, the comparables range from \$30,000 to \$130,573 per dwelling unit.

Adjustments for the Comparables include Terms of Sale, Market Conditions (time), Location, Approvals (mapping), Topography, Land Area (size), Density (units/acre), Access, and Other (water rights). All adjustments presented are qualitative. In other words, each comparable characteristic is rated inferior, superior, or similar to the subject property. Upward adjustments are indicated by “+” symbols; downward adjustments by “-” symbols; and similar attributes by “=” symbols. Then each comparable is rated as a Low or High Indicator of value.

After adjustments, Comparables 1, 2, 7, 8 and 9 are high indicators of value while Comparables 4, 5 and 6 are low indicators of value. The subject is bracketed by Comparables 6 (\$161,982/Acre) and 8 (\$182,552/Acre). The Appraisal Report concludes a value of \$174,000 per acre or  $(\$174,000 \times 53.645 \text{ acres}) = \$9,334,230$  rounded to \$9,334,000 for Subject Property One (“As-Is” Condition – Before Access Widening).

**Reviewer’s Comments** – The analysis of Comparable Sales is reasonable and adjustments are supported by additional discussion. The concluded value is considered reasonable and on a per acre basis, is within the range of the adjusted land sales.

As noted in the Appraisal Report “At the present time, the existing opening in the control of access along Interstate-80 is 30-foot wide, however, with the development of Meridian South 120 and the Quilici Ranch, Garson Road will become the main roadway into the development. As a result, the developers of the subject properties have requested that the opening in the control of access be widened to 141.57 feet. In order to expand the opening in the control of access, it will be necessary for the property owners to dedicate portions of their property to the Interstate-80 right-of-way. According to the Boomtown-Garson / I-80 Interchange NDOT Right-of-Way and Control of Access Exhibit, the necessary right-of-way acquisition for Meridian South 120, Villages 1 and 2 (APN 038-132-33) will be **3,778± square feet.**”

An exhibit of the Proposed Boomtown-Garson/I-80 Interchange NDOT Right-of-Way and Control of Access was provided.

#### **Market Value, After Condition (After Access Widening)**

The Appraisal Report then developed a value for Subject Property One, After Access Widening. The same seven closed land sales and two listings are presented in the analysis.

The Comparable Land Sales were then discussed with respect to the Subject Property “After Access Widening” Condition. The sales, prior to adjustments range from \$74,373 per acre to \$322,901 per acre. The two current listings range from \$182,552 to \$281,388 per acre. On a price per dwelling unit basis, the comparables range from \$30,000 to \$130,573 per dwelling unit.

Adjustments for the Comparables include Terms of Sale, Market Conditions (time), Location, Approvals (mapping), Topography, Land Area (size), Density (units/acre), Access, and Other (water rights). All adjustments presented are qualitative. In other words, each comparable characteristic is rated inferior, superior, or similar to the subject property. Upward adjustments are indicated by “+” symbols; downward adjustments by “-” symbols; and similar attributes by “=” symbols. Then each comparable is rated as a Low or High Indicator of value.

After adjustments, Comparables 1, 2, 3, 7, 8 and 9 are high indicators of value while Comparables 4, 5 and 6 are low indicators of value. The subject is bracketed by Comparables 6 (\$161,982/Acre) and 8 (\$182,552/Acre). The Appraisal Report concludes a value of \$175,000 per acre or  $(\$175,000 \times 53.645 \text{ acres}) = \$9,387,875$  for Subject Property One (“After Access Widening”).

**Reviewer’s Comments** – The analysis of Comparable Sales is reasonable and adjustments are supported by additional discussion. The concluded value is considered reasonable and on a per acre basis, is within the range of the adjusted land sales.

Based on the Market Value Before Condition (\$9,334,000) and the After Condition (\$9,387,875) the indicated Value Increase, As a Result of Access Widening is \$53,875. The following table is excerpted from the Appraisal Report:

Review Comments: The southeast terminus of Boomtown-Garson Road, south side of Interstate 80, Reno, NV  
 Owner: BT South LLC  
 Project: Boomtown-Garson Rd Interchange / Proposed Expansion of Control of Access  
 EA: Not Applicable  
 Parcel: APN 038-132-33 & 038-120-27  
 NDOT File No.: 2021.047

| <b>Value Summary, Subject Property One</b>            |                  |
|---|------------------|
| Market Value, Before Condition                        | \$9,334,000      |
| Market Value, After Condition                         | \$9,387,875      |
| <b>Value Increase, As A Result of Access Widening</b> | <b>\$ 53,875</b> |

**Description – Subject Property Two**

For **Subject Property Two**, the Appraisal Report presents a Subject Aerial Map with the subject property highlighted, Subject Photographs, Plot Map, Zoning Map, Master Plan Map, Flood Map, Topography Map, and Subject Property Identification and Site Description with the following items:

- Property Summary
  - Property Type
  - Property Address
  - Location
  - Assessor’s Parcel Number
  - Owner of Record
- Legal Description
  - Subject Parcel Land Area
  - Assessors’ Parcel Number
  - Gross Land Area
  - Shape
- Access
- Subject Zoning and Master Plan Summary
- Tentative Map/Special Use Permit Approvals
- Topography
- Seismic Zone
- Environmental and Soils Data
- Hazardous Substances
- Improvements
- Easements and Encumbrances
- Subject Sales History
- Summary
- Assessment, Taxable Value & Real Property Tax Data

The Appraisal Reports states “the subject property contains a gross land area of 80.64± acres and a net land area of 53.645± acres. The subject property is located [at] the southeast terminus of the Boomtown-Garson Road, and to the south of the interchange of Interstate-80 and the Boomtown-Garson Road. The subject property, which is irregular in shape, has level to gently sloping topography with the exception of the southwesterly and southerly portions of the site which have moderately sloping topography. A portion of the Steamboat Ditch traverses the subject property. All utilities are reasonably available. The subject property has received tentative map approval from the City of Reno for the development of a 75-lot single-family residential subdivision including 13 one-acre residential homesites and 62 single-family residential homesites with a minimum land area of 9,000± square feet. The average lot area for the proposed subject subdivision is indicated to be 17,500± square feet.”

The Highest and Best Use discussion follows the property description. The analysis of the Highest and Best Use as though Vacant discusses the four criteria of Highest and Best use; Physically Possible, Legally Permissible and Financially Feasible/Maximally Productive.



With respect to Physically Possible, the Appraisal Report indicates that “The subject’s physical characteristics are suitable for a variety of residential, commercial or mixed-employment utilizations.” In considering Legally Permissible Uses, the Appraisal Report further states “Based upon the subject’s zoning designation and tentative map approval, legally permissible uses include single-family density residential development.” The Financially Feasible/Maximally Productive discussion concludes that “Given the physical characteristics, location, master plan designation, zoning designation and tentative map approval, as well as with consideration given to market conditions in the Reno-Sparks area, which involve strong demand for single-family residences, it is my opinion that the highest and best use of the subject property is for single-family residences as proposed.”

**Reviewer’s Comments** – The description of the Subject Property is considered adequate and applicable description information is provided. Numerous photographs of the Subject Property, as well as street scenes are appropriate. Additional Site data clearly documents the location, access, size, shape, topography, zoning, and flood zone designation of the Subject Property. Property taxes are adequately discussed and relevant. The Highest and Best Use Analysis is sufficient and the conclusion is reasonable.

### **Valuation – Subject Property Two**

The Valuation Section includes the following categories:

- Subject Property Two Market Approach to Land Value “As-Is” Condition
- Comparable Subdivision Land Sales Chart
- Comparable Subdivision Land Sales Map
- Comparable Land Sale Profile Sheets
- Comparable Land Sales Discussion and Comparison, Subject Property Two, ‘As-Is’ Condition
- Comparable Land Sales Adjustment Chart “As-Is” Condition
- Subject Property Two, Final Land Value Conclusion “As-Is” Condition
- Subject Property Two Right-of-Way Dedication Analysis, “As-Is” Condition, Before Right-of-Way Dedication
- Boomtown-Garson/I-80 Interchange NDOT Right-of-Way and Control of Access Exhibit
- Subject Property Two, Comparable Land Sales Discussion and Comparison After Condition
- Comparable Land Sales Adjustment Chart
- Subject Property Two Final Land Value Conclusion After Condition

In this section the three traditional approaches to valuation were briefly discussed, and it was concluded that the sales comparison approach to value was utilized to value the Subject Property, and in this case is the only applicable approach for this type of property. The unit of comparison is the price per acre of land area, which is typically utilized by most market participants. Seven closed land sales and two listings (including the Subject Property) are presented.

**Reviewer’s Comments** – The Land Sales Chart, Map, and Profile Sheets include sufficient details of each sale.

The Comparable Land Sales were then discussed with respect to the Subject Property “As-Is” Condition. The sales, prior to adjustments range from \$74,373 per acre to \$322,901 per acre. The two current listings range from \$182,552 to \$281,388 per acre. On a price per dwelling unit basis, the comparables range from \$30,000 to \$130,573 per dwelling unit.

Adjustments for the Comparables include Terms of Sale, Market Conditions (time), Location, Approvals (mapping), Topography, Land Area (size), Density (units/acre), Access, and Other (water rights). All adjustments presented are qualitative. In other words, each comparable characteristic is rated inferior, superior, or similar to the subject property. Upward adjustments are indicated by “+” symbols; downward adjustments by “-” symbols; and similar attributes by “=” symbols. Then each comparable is rated as a Low or High Indicator of value.

After adjustments, Comparables 2, 3 and 9 are high indicators of value while Comparables 1, 4, 5, 6 and 8 are low indicators of value. Comparable 7 is considered a reasonable indicator. The subject is bracketed by Comparables 1 (\$198,814/Acre) and 9 (\$281,388/Acre). The Appraisal Report concludes a value of \$249,000 per acre or ( $\$249,000 \times 61.25$  acres) = \$15,251,250 rounded to \$15,251,000 for Subject Property Two (“As-Is” Condition – Before Access Widening).

**Reviewer’s Comments** – The analysis of Comparable Sales is reasonable and adjustments are supported by additional discussion. The concluded value is considered reasonable and on a per acre basis, is within the range of the adjusted land sales.

As noted in the Appraisal Report “At the present time, the existing opening in the control of access along Interstate-80 is 30-feet wide, however, with the development of Meridian South 120 and the Quilici Ranch, Garson Road will become the main roadway into the development. As a result, the developers of the subject properties have requested that the opening in the control of access be widened to 141.57 feet. In order to expand the opening in the control of access, it will be necessary for the property owners to dedicate portions of their property to the Interstate-80 right-of-way. According to the Boomtown-Garson / I-80 Interchange NDOT Right-of-Way and Control of Access Exhibit, the necessary right-of-way acquisition for Meridian South 120, Villages 3 and 4 (APN 038-120-27) will be **5,237± square feet.**”

An exhibit of the Proposed Boomtown-Garson/I-80 Interchange NDOT Right-of-Way and Control of Access was provided.

**Market Value, After Condition (After Access Widening)**

The Appraisal Report then developed a value for Subject Property Two, After Access Widening. The same seven closed land sales and two listings are presented in the analysis.

The Comparable Land Sales were then discussed with respect to the Subject Property “After Access Widening” Condition. The sales, prior to adjustments range from \$74,373 per acre to \$322,901 per acre. The two current listings range from \$182,552 to \$281,388 per acre. On a price per dwelling unit basis, the comparables range from \$30,000 to \$130,573 per dwelling unit.

Adjustments for the Comparables include Terms of Sale, Market Conditions (time), Location, Approvals (mapping), Topography, Land Area (size), Density (units/acre), Access, and Other (water rights). All adjustments presented are qualitative. In other words, each comparable characteristic is rated inferior, superior, or similar to the subject property. Upward adjustments are indicated by “+” symbols; downward adjustments by “-“ symbols; and similar attributes by “=” symbols. Then each comparable is rated as a Low or High Indicator of value.

After adjustments, Comparables 1, 4, 5, 6, and 8 are low indicators of value while Comparables 2, 3 and 9 are high indicators of value. Comparable 7 was concluded to be a reasonable indicator. The subject is bracketed by Comparables 1 (\$198,814/Acre) and 9 (\$281,388/Acre). The Appraisal Report concludes a value of \$250,000 per acre or ( $\$250,000 \times 61.25$  acres) = \$15,312,500 for Subject Property Two (“After Access Widening).

**Reviewer’s Comments** – The analysis of Comparable Sales is reasonable and adjustments are supported by additional discussion. The concluded value is considered reasonable and on a per acre basis, is within the range of the adjusted land sales.

Based on the Market Value Before Condition (\$15,251,000) and the After Condition (\$15,312,500) the indicated Value Increase, As a Result of Access Widening is \$61,500. The following table is excerpted from the Appraisal Report:

| Value Summary, Subject Property Two            |              |
|--|--------------|
| Market Value, Before Condition                 | \$15,251,000 |
| Market Value, After Condition                  | \$15,312,500 |
| Value Increase, As A Result of Access Widening | \$ 61,500    |

**Subject Property One and Two - Conclusions**

**Reviewer’s Comments** – The reviewer concurs with the indicated values within the Appraisal Report for the Proposed Right-of-Way Dedication for Subject Property One and Two. The following tables are excerpted from the Appraisal Report.

| Value Summary, Subject Property One            |             |
|--|-------------|
| Market Value, Before Condition                 | \$9,334,000 |
| Market Value, After Condition                  | \$9,387,875 |
| Value Increase, As A Result of Access Widening | \$ 53,875   |

| Value Summary, Subject Property Two            |              |
|--|--------------|
| Market Value, Before Condition                 | \$15,251,000 |
| Market Value, After Condition                  | \$15,312,500 |
| Value Increase, As A Result of Access Widening | \$ 61,500    |

**Reviewer’s Comments** – All of the items contained at the end of the Appraisal Report are adequate.

**REVIEWER’S COMMENTS/OPINIONS AND CONCLUSIONS ABOUT THE WORK UNDER REVIEW  
 [SR 3-3, SR 4-2(h)]**

The following comments address issues from report beginning to end.

Some issues by their nature can cause confusion to a layperson reader. The Reviewer recognizes mathematical rounding or minor errors, punctuation, syntax, spelling, and grammatical mistakes usually have no impact on the value opinions expressed, except where these may result in statements that conflict with other information in the report. The Reviewer attempts to recognize significant issues that could affect the credibility of the appraisal.

The Appraiser’s analyses are appropriate for the intended use and intended user, and the scope of work was adequate to fulfill the purpose of the appraisal and the needs of the client. The methodology used to form the opinions and conclusions presented in the report are in accordance with market standards and in the opinion of the Reviewer, the report is credible.

**CERTIFICATE OF REVIEW APPRAISER (SR 4-3)**


I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

- I have no present or prospective interest in the property that is the subject of the work under review and no personal interest with respect to the parties involved.
- I have performed no services, as an Appraiser, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
- My analyses, opinions, and conclusions were developed, and this Review Report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the subject of the work under review.
- No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification.

Additional Certification Statements:

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice 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.
- As of the date of this report, I have completed the Continuing Educations Requirements for Members of the Appraisal Institute.
- I am an employee of the Nevada Department of Transportation.

  
\_\_\_\_\_  
James A. Fogelberg, AI-GRS  
NV Certified General Appraiser  
#A.0004135-CG (Exp. 3/31/2022)

Date: December 15, 2021

APN: None

Recording requested by  
Grantee at address stated below

When recorded, mail to:  
Grantee at address stated below

Notice: Per NRS 239B.030, this document does not contain personal information as defined in  
NRS 603A.040

(Rev. 11-29-2022)

### QUITCLAIM DEED

**Grantor:** City of Reno, a municipal corporation  
One East First Street, 12<sup>th</sup> Floor  
Reno, Nevada 89501

**Grantee:** Nevada Department of Transportation  
1263 South Stewart Street  
Carson City, Nevada 89712

Grantor, for valuable consideration in hand and received, hereby quitclaims to Grantee all of Grantor's rights, title and interest in that real property located in the County of Washoe, State of Nevada, more particularly described as:

SEE EXHIBITS "A" AND "A-1" ATTACHED HERETO AND MADE A PART HEREOF.

**TOGETHER WITH** Grantor's rights title and interest, if any, in and to all easements, privileges, leases, rental agreements, contract rights, permits, development agreements appurtenant to the rights of Grantor.

**SUBJECT TO** all encumbrances of record.

**Grantor:**  
CITY OF RENO, a municipal corporation

By: \_\_\_\_\_  
Hillary L. Schieve, Mayor

State of Nevada     )  
                                  )  
County of Washoe    )

**Acknowledgement in representative capacity**  
(NRS 240.1665)

This instrument was acknowledged before me on \_\_\_\_\_ by Hillary L. Schieve as Mayor of the City of Reno.

\_\_\_\_\_  
Notary Public

**Exhibit A**  
**Legal Description**

**EXHIBIT A  
LEGAL DESCRIPTION  
FOR COMBINED AREA**

All that certain real property situate within the South One-Half (S 1/2) of Section 16, Township 19 North, Range 18 East, M.D.M., County Washoe, State of Nevada, being all that certain property described in Document No. \_\_\_\_\_ recorded \_\_\_\_\_, \_\_\_\_\_ and Document No. \_\_\_\_\_ recorded \_\_\_\_\_, \_\_\_\_\_, both in the Official Records of Washoe County, Nevada, being more particularly described as follows:

COMMENCING at the South One-Quarter (S 1/4) corner of said Section 16, being marked by a B.L.M. brass cap dated "1999";

THENCE departing said corner, North 00°50'25" East a distance of 1592.68 feet to the POINT OF BEGINNING, being on the southerly right-of-way of Interstate 80 and being the northerly most corner of Parcel C of Parcel Map \_\_\_\_\_ recorded \_\_\_\_\_, \_\_\_\_\_ as File No. \_\_\_\_\_ in the Official Records of Washoe County, Nevada;

THENCE departing said northerly most corner and along said southerly right-of-way,

North 76°46'31" East a distance of 142.52 feet to the beginning of a non-tangent curve to the left;

THENCE departing said southerly right-of-way, from a radial line which bears South 33°26'17" East, 164.76 feet along the arc of a 334.00 foot radius curve through a central angle of 28°15'46" to an angle point in the southerly line of said Parcel C;

THENCE along said southerly line, North 77°36'19" West a distance of 62.54 feet to the westerly line of said Parcel C;

THENCE departing said southerly and said westerly line, North 77°36'19" West a distance of 78.83 feet to the beginning of a non-tangent curve to the left;

THENCE from a radial line which bears South 88°20'27" West, 117.50 feet along the arc of a 333.00 foot radius curve through a central angle of 20°12'58" to the aforementioned southerly right-of-way of Interstate 80, being the beginning of a non-tangent curve to the left;

THENCE along said southerly right-of-way, from a radial line which bears North 09°39'49" East, 16.73 feet along the arc of a 550.00 foot radius curve through a central angle of 01°44'34";

THENCE continuing along said southerly right-of-way, South 01°42'48" East a distance of 57.91 feet;

THENCE continuing along said southerly right-of-way, North 88°17'12" East a distance of 115.00 feet to the POINT OF BEGINNING;

Containing 14,588 square feet of land, more or less.

*See Exhibit A-1, Plat to Accompany, attached here to and made a part hereof.*

The Basis of Bearings for this description is identical to said Parcel Map \_\_\_\_\_.

Prepared by:  
Wood Rodgers, Inc.  
1361 Corporate Blvd.  
Reno, NV 89502



Eric C. Sage, P.L.S.  
Nevada Certificate No. 23301

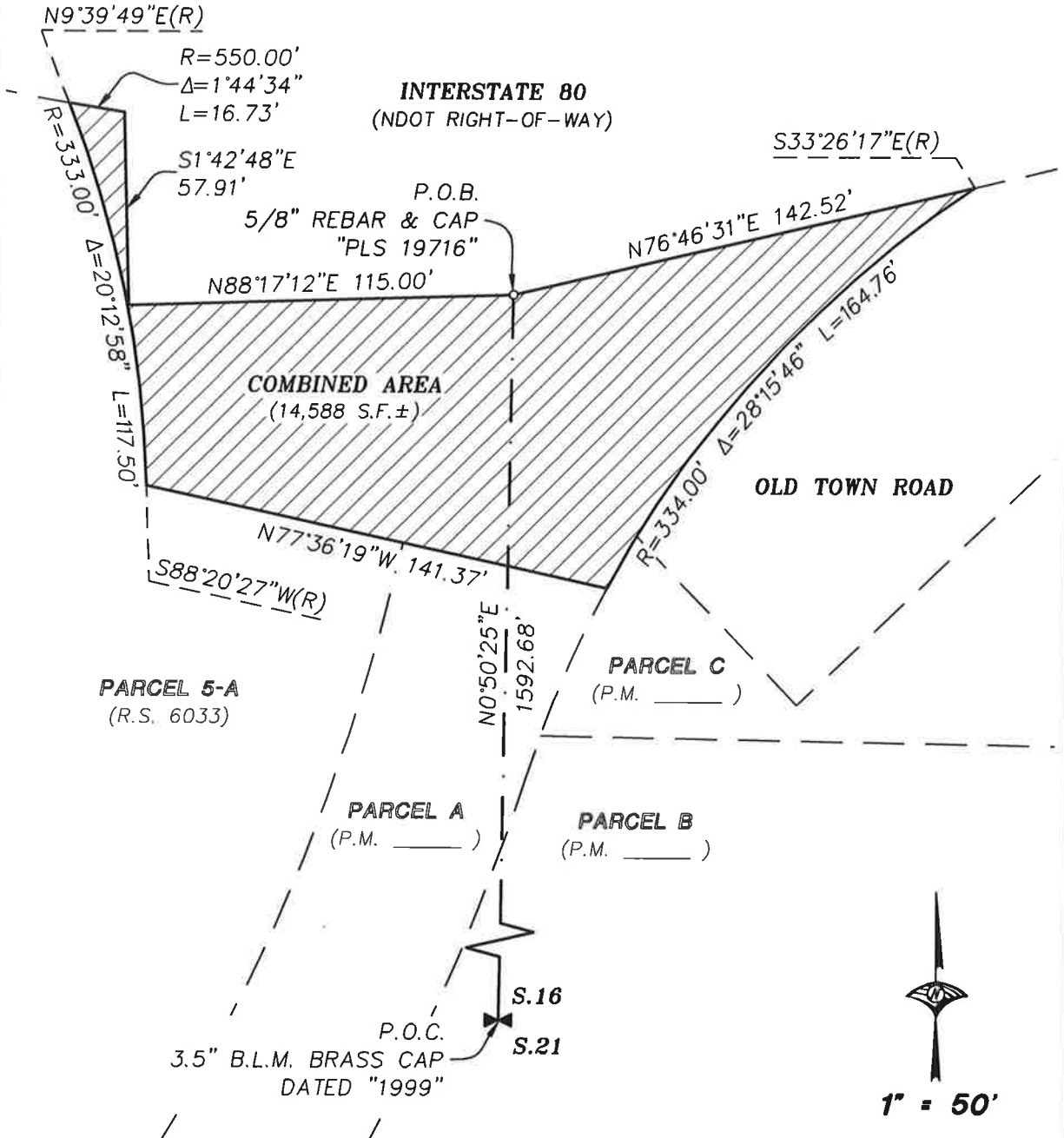


**EXHIBIT A-1**

PLAT TO ACCOMPANY

**COMBINED AREA**

SITUATE WITHIN THE S 1/2 OF SECTION 16  
TOWNSHIP 19 NORTH, RANGE 18 EAST, M.D.M.  
RENO WASHOE COUNTY NEVADA



JOB NO. 3173073  
SHEET 1 OF 1



**WOOD RODGERS**  
BUILDING RELATIONSHIPS ONE PROJECT AT A TIME

1361 Corporate Blvd  
Reno, NV 89502

Tel 775.823.4068  
Fax 775.823.4066