



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: July 23, 2025

DATE: July 15, 2025

TO: Open Space and Regional Parks Commission

FROM: Faye-Marie Pekar, Park Planner
Community Services Dept., 328-3623, fpekar@washoecounty.gov

THROUGH: Aaron Smith, Operations Division Director
Community Services Dept, 328-2172, aasmith@washoecounty.gov

SUBJECT: Presentation, discussion, and possible recommendation to Board of County Commissioners to approve an easement deed between Washoe County (grantor) and Sierra Pacific Power Company doing business as NV Energy (grantee), on a portion of Lockwood Open Space, Assessor Parcel Number 084-700-01, granting an easement totaling $\pm 45,891$ square feet [at the appraised value of \$7,800.00]. If approved this easement will support NV Energy's gas distribution utility services to serve the Lockwood area within Storey County. (Commission District 4.)

SUMMARY

APN 084-700-01 is owned by Washoe County and is commonly known as Lockwood Open Space. NV Energy is proposing to install a permanent gas main to service the Lockwood area within Storey County.

The permanent, non-exclusive easement is $\pm 2,295$ feet long and 20 feet wide or approximately $\pm 45,891$ square feet.

An appraisal was conducted on May 28, 2025 by Johnson Perkins Griffin Real Estate Appraisers & Consultants, and the value determination for the permanent non-exclusive easement was \$7,800.00. NV Energy has made an offer to Washoe County to purchase the permanent easement for \$7,800.00. If approved this easement will support NV Energy's gas distribution utility services to serve the Lockwood area.

Washoe County Strategic Objective supported by this item: Economic Impacts: Support a thriving community.

PREVIOUS ACTION

A Right-Of-Entry was issued by Park staff to NV Energy in August 2024 to conduct test bore sites to determine the feasibility of the gas main location on the Lockwood Open Space parcel.

BACKGROUND

Washoe County, through its Community Services Department received a Parkland Easement Application request from NV Energy for a permanent gas main installation on APN 084-700-01, owned by Washoe County and commonly known as Lockwood Open Space. NV Energy is proposing to install a permanent gas main to service the Lockwood area within Storey County. The permanent non-exclusive easement is 2,295 feet long and 20 feet wide or approximately $\pm 45,891$ square feet beginning Fall of 2025.

An appraisal was conducted on May 28, 2025 by Johnson Perkins Griffin Real Estate Appraisers & Consultants, and the value determination for the permanent non-exclusive easement was \$7,800.00. NV Energy has made an offer to Washoe County to purchase the permanent easement for \$7,800.00.

Consideration of Alternative Alignments

NV Energy has received a request to provide natural gas service to the north side of I-80 at the Lockwood exit. The only source available is located in Canyon Way in Storey County south of the Truckee River. Because the only natural gas source available is south of the Truckee River that can connect to the identified area for future service, various routes were considered including areal crossing of the Truckee River, the Union Pacific Railroad and I-80 suspension on the existing bridges, and various alignments both east and west of the bridges. Constraints include the Truckee River, existing bridge abutments, railroad and highway crossings. Consideration of future additional maintenance needs for aboveground crossings and related security concerns was also evaluated.

The selected route allows placement of the new gas main underground, using existing access roads to minimize additional areas of disturbance. The chosen alignment avoids conflict with existing infrastructure including paved roads, the Kinder Morgan pipeline, railroad tracks, bridge abutments, and is considered the best option.

Environmental Impacts

To minimize impacts on the park property, the gas main will mostly follow the existing dirt road alignment of Lockwood Drive and will be underground with no permanent above ground features to interfere with the usability of the open space parcel with surfaces restored to pre-existing conditions. Any areas disturbed outside of Lockwood Drive will require site restoration and will require recommended seed mix, timelines and revegetation methods approved by Washoe County Regional Parks staff prior to implementation. Staff have determined that the proposed easements are consistent with the Parkland Easement Policy as there are no feasible or prudent alternatives and will benefit the public.

FISCAL IMPACT

Should this easement be approved, proceeds of \$7,800.00 will be deposited into GL property Sales (485191). The improvements associated with this project would be the responsibility of NV Energy.

RECOMMENDATION

It is recommended that the Open Space and Regional Parks Commission recommend that the Board of County Commissioners approve an easement deed between Washoe County

(grantor) and Sierra Pacific Power Company doing business as NV Energy (grantee), on a portion of Lockwood Open Space, Assessor Parcel Number 084-700-01, granting an easement totaling ±45,891 square feet [at the appraised value of \$7,800.00]. If approved this easement will support NV Energy's gas distribution utility services to serve the Lockwood area within Storey County.

POSSIBLE MOTION

Should the Commission agree with staff recommendation, a possible motion would be:
“Move to recommend that the Board of County Commissioners approve an easement deed between Washoe County (grantor) and Sierra Pacific Power Company doing business as NV Energy (grantee), on a portion of Lockwood Open Space, Assessor Parcel Number 084-700-01, granting an easement totaling ±45,891 square feet [at the appraised value of \$7,800.00]. If approved this easement will support NV Energy's gas distribution utility services to serve the Lockwood area within Storey County”



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

AN APPRAISAL
OF

**A PROPOSED
PERMANENT EASEMENT**

LOCATED AT

**10505 LOCKWOOD DRIVE,
NORTHWEST CORNER OF LOCKWOOD DRIVE
& CANYON WAY,
WASHOE COUNTY, NEVADA
(WASHOE COUNTY A.P.N. 084-700-01)**

OWNED BY

WASHOE COUNTY

PREPARED FOR

NV ENERGY

FOR THE PURPOSE OF
ESTIMATING THE FOLLOWING VALUE

Value Scenario	Value Addressed	Date of Value
Market Value	Permanent Easement	May 21, 2025



May 28, 2025

Mr. Chris Robinson, P.E.
Senior Right of Way Agent
NV Energy
775-834-4472
Email: Christopher.Robinson@nvenergy.com

Re: Appraisal-Permanent Easement A.P.N. 084-700-01

Dear Mr. Robinson:

This is in response to your request for an appraisal of a proposed Permanent Easement (PE) to be located on a parcel of land situated at the southwest corner of Lockwood Drive and Canyon Way, Washoe County, Nevada. The subject larger parcel is identified as Washoe County Assessor's Parcel Number 084-700-01. The subject larger parcel, which contains 29.22± acres (1,272,823± square feet), is further identified as 10505 Lockwood Drive, Washoe County, Nevada. The subject is owned by Washoe County and is the location of the Lockwood Trailhead Park.

The purpose of the appraisal is to estimate the Market Value of the fee simple interest in the subject larger parcel, and the Market Value of the proposed permanent easement which will be utilized for a gas main extension. This appraisal will recommend the real property compensation due to the owners of the property as a result of the proposed acquisition, as of a current date of value.

The client in this appraisal assignment is NV Energy. The intended users of the appraisal include NV Energy and Washoe County. The intended use of the appraisal will be for negotiations between NV Energy and Washoe County for the acquisition of the proposed Permanent Easement (PE). Any other use of this appraisal report requires the written authorization of this appraisal firm.

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 proposed easement on 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 not performed services as an appraiser regarding the property that is the subject of this appraisal 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 property and comparable properties analyzed, it is my opinion that the Market Value of the proposed Permanent Easement (PE), as described throughout the appraisal report, is as follows:

REAL PROPERTY ACQUISITION & MARKET VALUE SUMMARY		
Effective Date Of Value – May 21, 2025	Value Conclusion	Value Summary
Value Larger Parcel Before Acquisition	\$438,000	\$7,800
Value of Permanent Easement	\$7,800	
Value of Remainder, Before Acquisition	\$430,200	
Value of Remainder, After Acquisition	\$430,200	
Damages	\$0	
Special Benefits	\$0	
Market Value Conclusion, Permanent Easement		\$7,800

Respectfully Submitted,

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



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SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

SUBJECT PROPERTY SUMMARY	
Property Name	Lockwood Trailhead Park
Address	10505 Lockwood Drive, Washoe County, Nevada
General Location	Southwest Corner of Lockwood Drive & Canyon Way, Washoe County, Nevada
Assessor's Parcel Number	084-700-01
Land Area	29.22± Acres (1,272,823± Square Feet)
Owner of Record	Washoe County
Washoe County Zoning Designation	PR (Parks & Recreation)
Washoe County Master Plan Designation	R (Rural)
Flood Zone Designation	Zone "AE", "AE" Floodway
Improvements on Larger Parcel	Restrooms, Picnic Tables, Walking Paths

LARGER PARCEL LEGAL DESCRIPTION

Parcel A, Record of Survey Map 5078, as filed in the Official Records of Washoe County on June 13, 2008

PROPOSED EASEMENT AREA

Assessor's Parcel Number	Acreage	Square Feet
084-700-01	1.05± Acres	45,891± Square Feet

DATES OF APPRAISAL

Date Description	Date
Date of Inspection	May 21, 2025
Effective Date of Value	May 21, 2025
Completion Date of Appraisal	May 28, 2025

REAL PROPERTY ACQUISITION & MARKET VALUE SUMMARY

Effective Date Of Value – May 21, 2025	Value Conclusion	Value Summary
Value Larger Parcel Before Acquisition	\$438,000	\$7,800
Value of Permanent Easement	\$7,800	
Value of Remainder, Before Acquisition	\$430,200	
Value of Remainder, After Acquisition	\$430,200	
Damages	\$0	
Special Benefits	\$0	
Market Value Conclusion, Permanent Easement		\$7,800



PURPOSE, CLIENT, INTENDED USE & INTENDED USERS OF APPRAISAL	
Purpose of Appraisal	The purpose of the appraisal is to estimate the Market Value of a proposed permanent easement.
Client of Appraisal	NV Energy
Intended User of Appraisal	NV Energy & Washoe County
Intended Use of Appraisal	The intended use of the appraisal will be for negotiations between NV Energy and Washoe County for the acquisition of a proposed Permanent Easement (PE). Any other use of this appraisal report requires the written authorization of this appraisal firm.

VALUE DEFINED
“Value” means the highest price, on the date of valuation, that would be agreed to by a seller, who is willing to sell on the open market and has reasonable time to find a purchaser, and a buyer, who is ready, willing and able to buy, if both the seller and the buyer had full knowledge of all the uses and purposes for which the property is reasonably adaptable and available. In determining value, except as otherwise provided in this subsection, the property sought to be condemned must be valued at its highest and best use without considering any future dedication requirements imposed by the entity that is taking the property. If the property is condemned primarily for a profit-making purpose, the property sought to be condemned must be valued at the use to which the entity that is condemning the property intends to put the property, if such use results in a higher value for the property. ¹

DATES OF APPRAISAL	
Date Description	Date
Date of Inspection	May 21, 2025
Effective Date of Value	May 21, 2025
Completion Date of Appraisal	May 28, 2025

¹ Section 2, NRS 37.009(6)



DEFINITIONS OF PROPERTY RIGHTS APPRAISED	
Fee Simple Estate Defined	Fee Simple Estate is defined as “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” ²
Easement Defined	Easement is defined as “The right to use another’s land for a stated purpose.” ³
Market Rent Defined	The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. ⁴
Larger Parcel Defined	In governmental land acquisitions and in valuation of charitable donations of partial interests in property such as easements, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use. In most states, unity of ownership, contiguity, and unity of use are the three conditions that establish the larger parcel for the consideration of severance damages. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use. ⁵
Damages Defined	In condemnation, the loss in value to the remainder in a partial taking of property. Generally, the difference between the value of the whole property before the taking and the value of the remainder after the taking is the measure of the value of the part taken and the damages to the remainder. Note that different regions of the country and different courts may use terms such as <i>consequential damages</i> and <i>severance damages</i> differently. ⁶
Special Benefits Defined	In condemnation, the benefits that arise from the peculiar relation of the land in question to the public improvement, usually resulting from a change in its highest and best use. Special benefits may accrue to multiple parcels (such as all four quadrants of a newly constructed freeway interchange) because the parcels are directly benefitted in a similar manner, if not to the same degree. ⁷

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

³ Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, 2022, page 58.

⁴ Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, 2022, page 116-117.

⁵ Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, 2022, page 105.

⁶ Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, 2022, page 48.

⁷ Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, 2022, page 178.



SCOPE OF APPRAISAL

The completion of this appraisal assignment included:

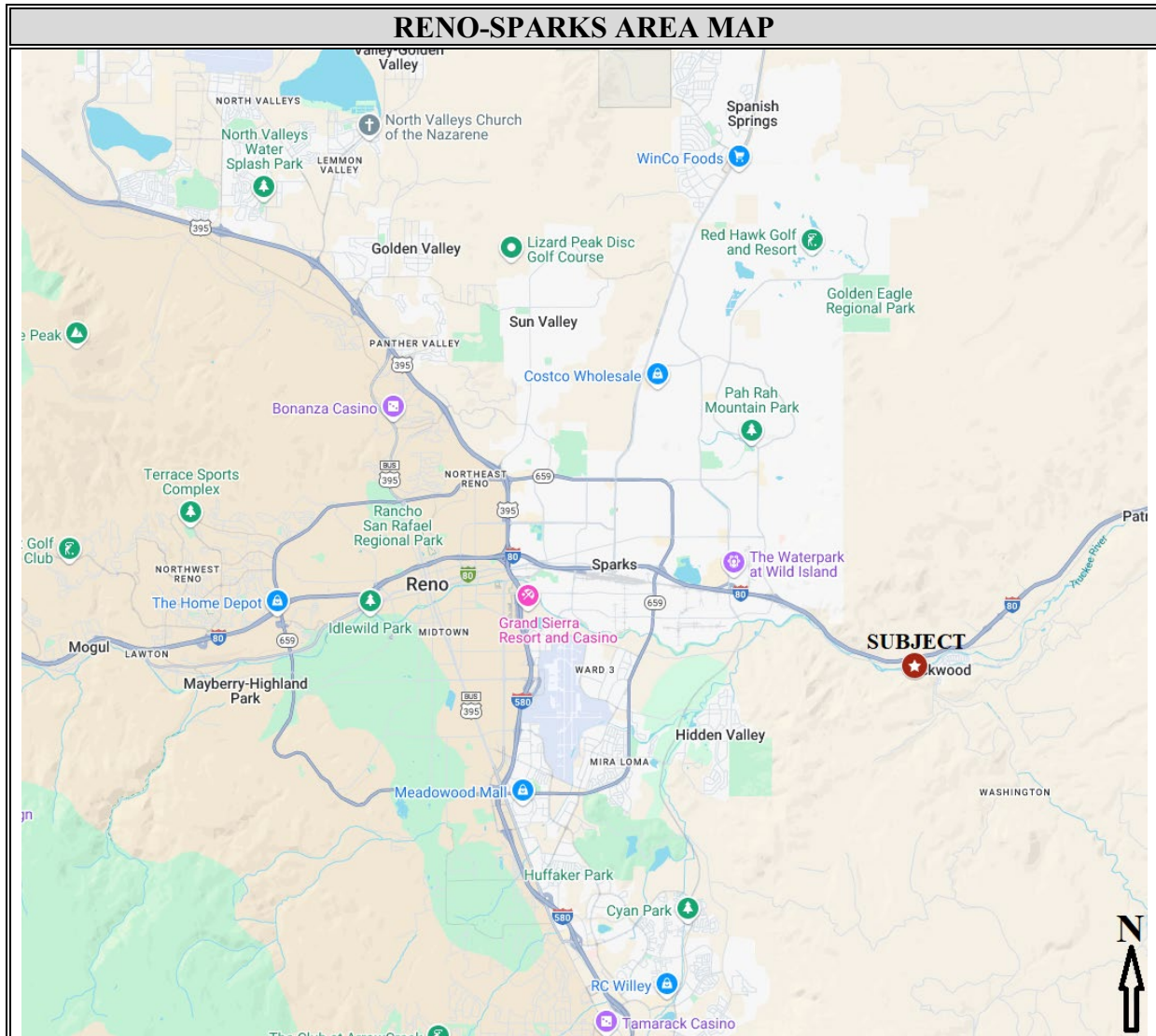
- Inspection of the subject property and analysis of subject property data provided by the client, the Washoe County Assessor's Office, the Washoe County Recorder's Office and the City of Reno;
- Review of available maps and photographs of the subject property;
- Identification and analysis of the subject market;
- Identification of the appraisal problem and description of the methodology of the appraisal report;
- Analysis of the location of the proposed acquisition, and identification of the Larger Parcel;
- Completion of a Highest and Best Use Analysis;
- Description and analysis of the larger parcel and acquisition area;
- Research of the Official Records of Washoe County, and other reliable sources for comparable land sales data;
- Verification of the comparable land sales data;
- Interviews with the real estate brokers, buyers, and sellers with knowledge of the land market in the subject market;
- Completion of a Sales Comparison Approach to Value for the identified larger parcel;
- Determination of an appropriate exposure and marketing time for the identified larger parcel;
- Estimation of the Market Value of the Permanent Easement area as a portion of the identified larger parcel;
- Analysis of damages and special benefits accruing to the subject property as a result of the proposed permanent easement;
- Preparation of the appraisal report.



STATEMENTS OF LIMITING CONDITIONS
EXTRAORDINARY ASSUMPTIONS
<p>An extraordinary assumption is defined as “An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions.”⁸ This appraisal has been prepared subject to the following extraordinary assumptions:</p> <ul style="list-style-type: none">• None
HYPOTHETICAL CONDITIONS
<p>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.”⁹ This appraisal has been prepared subject to the following hypothetical conditions:</p> <ul style="list-style-type: none">• None

⁸ Source: USPAP 2020-2021 Edition, Definitions; The Appraisal Foundation, Page 4.

⁹ Source: USPAP 2020-2021 Edition, Definitions; The Appraisal Foundation, Page 4.





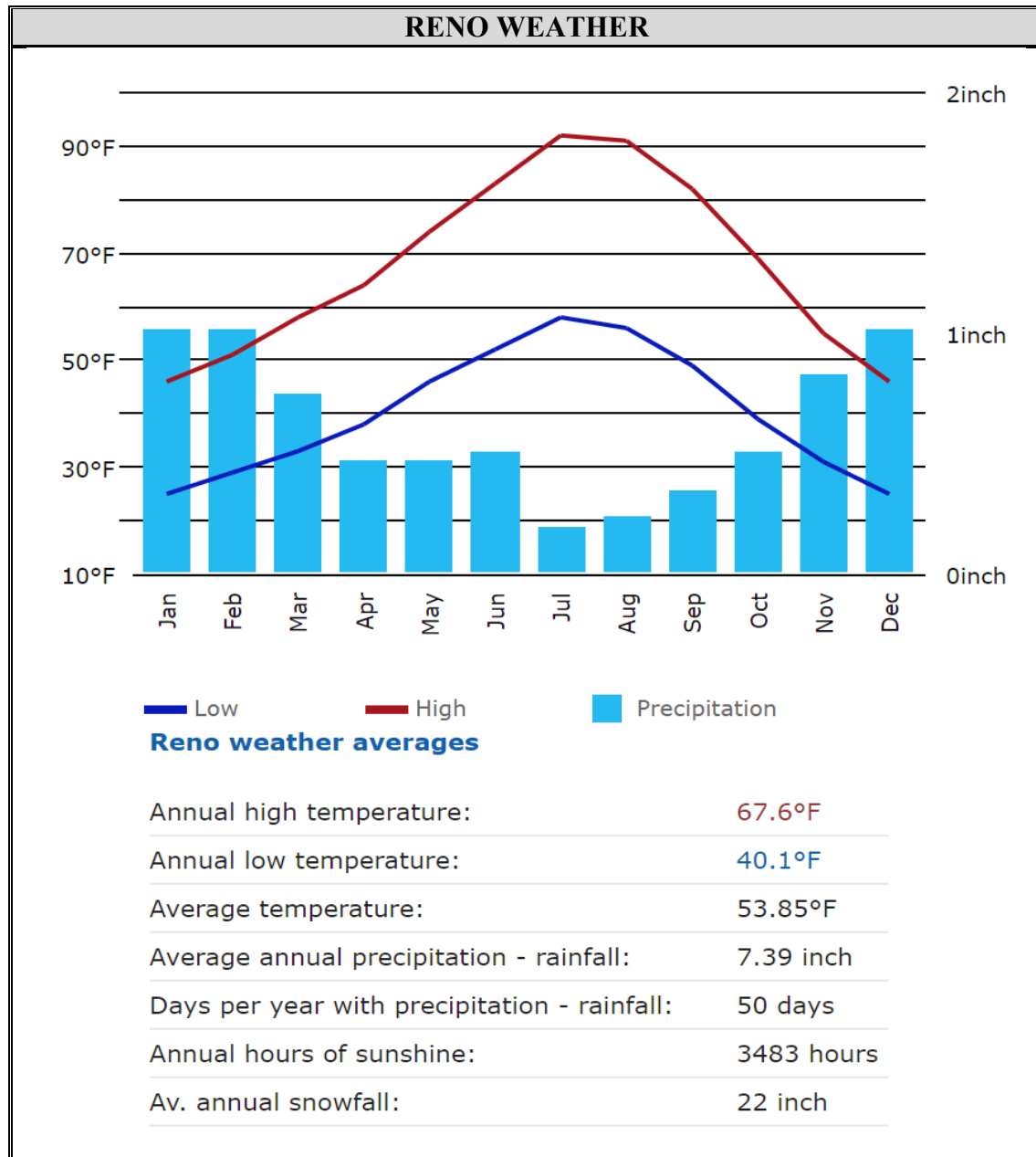
RENO-SPARKS AREA ANALYSIS AND DESCRIPTION

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

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

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

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



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



Population, Growth and Employment

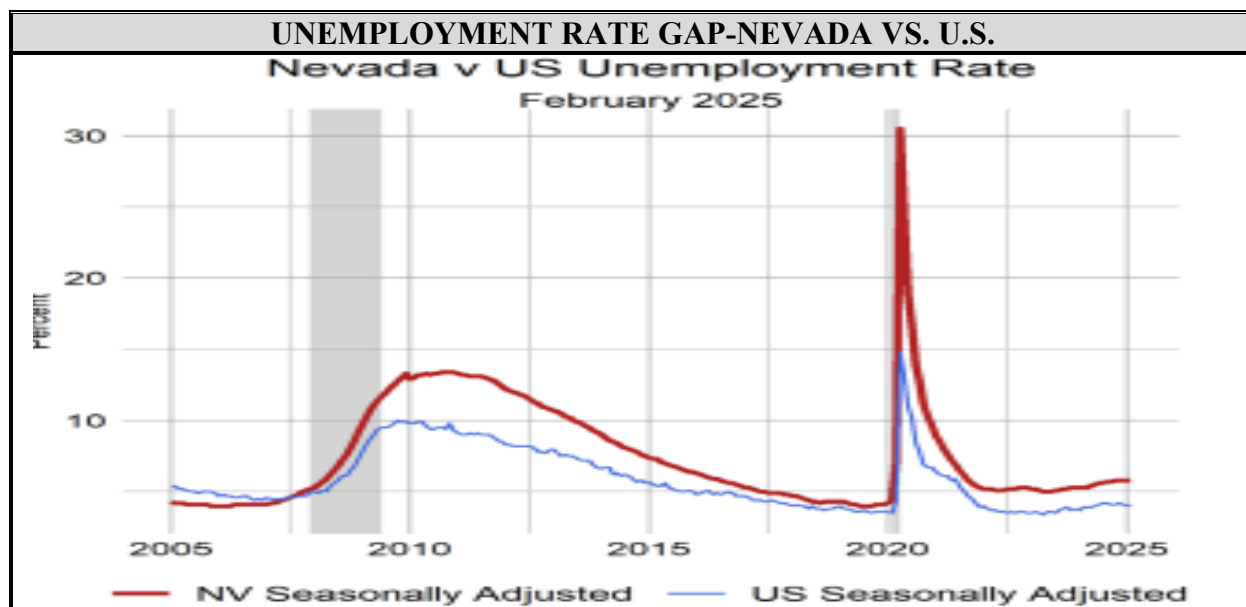
Since 1970, the Truckee Meadows have been one of the fastest growing areas in the nation. The following summarizes historical population estimates for the region.

HISTORICAL POPULATION ESTIMATES										
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Reno	238,615	242,158	244,612	248,806	255,170	258,230	264,318	274,129	277,517	281,015
Sparks	93,581	95,726	96,928	100,140	102,543	103,230	107,489	111,735	113,816	115,240
Unincorporated	109,750	110,432	110,383	111,291	112,088	112,146	113,306	115,771	117,426	117,599
Washoe County	441,946	448,316	451,923	460,237	469,801	473,606	485,113	501,635	508,759	513,854
Source: Nevada State Demographer										

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

NEVADA UNEMPLOYMENT DATA-FEBRUARY 2025				
Area	Labor Force	Number Employed	Number Unemployed	Unemployment Rate
Nevada	1,676,987	1,582,094	94,893	5.66%
Carson City	28,936	27,514	1,422	4.91%
Churchill County	10,710	10,177	533	4.98%
Clark County	1,238,701	1,165,387	73,314	5.92%
Douglas County	23,804	22,651	1,153	4.84%
Elko County	27,444	26,263	1,181	4.30%
Esmeralda County	271	245	26	9.59%
Eureka County	670	623	47	7.01%
Humboldt County	8,169	7,823	346	4.24%
Lander County	2,459	2,318	141	5.73%
Lincoln County	1,711	1,613	98	5.73%
Lyon County	30,634	28,936	1,698	5.54%
Mineral County	1,140	1,027	113	9.91%
Nye County	19,171	17,767	1,404	7.32%
Pershing County	2,228	2,120	108	4.85%
Storey County	1,790	1,682	108	6.03%
Washoe County	274,451	261,397	13,054	4.76%
White Pine County	3,661	3,501	160	4.37%

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



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

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

Gaming and Tourism Market

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



GAMING WIN DATA						
Area	Current Period		% Change	Fiscal Year-to Date		% Change
	02/2025	02/2024		07/2024 - 02/2025	07/2023 - 02/2024	
Statewide	1,217,662,484	1,342,206,155	-9.28%	10,505,182,656	10,626,446,456	-1.14%
Clark County	1,063,320,730	1,177,005,877	-9.66%	9,124,033,572	9,239,648,511	-1.25%
LV Strip	690,328,113	800,626,298	-13.78%	5,973,471,098	6,169,776,666	-3.18%
Downtown	72,463,849	76,208,001	-4.91%	625,506,036	614,339,470	1.82%
North Las Vegas	23,108,304	23,749,839	-2.70%	188,382,762	188,184,058	0.11%
Laughlin	42,230,545	42,070,413	0.38%	312,596,005	328,942,786	-4.97%
Boulder Strip	74,704,212	75,685,118	-1.30%	633,342,651	638,305,293	-0.78%
Mesquite	16,528,389	16,085,324	2.75%	124,973,400	119,897,110	4.23%
Balance of County	143,957,318	142,580,883	0.97%	1,265,761,619	1,180,203,129	7.25%
Washoe County	78,527,888	82,822,480	-5.19%	713,294,620	714,882,308	-0.22%
Reno	56,234,690	60,105,415	-6.44%	515,841,723	513,756,917	0.41%
Sparks	13,527,214	13,895,267	-2.65%	119,652,241	120,735,846	-0.90%
North Lake Tahoe	1,787,115	1,971,158	-9.34%	18,230,528	18,571,892	-1.84%
Balance of County	6,978,869	6,850,639	1.87%	59,570,128	61,817,653	-3.64%
South Lake Tahoe	17,646,178	21,351,030	-17.35%	173,612,374	175,095,644	-0.85%
Elko County	31,275,284	33,741,453	-7.31%	263,163,675	266,622,995	-1.30%
Wendover	21,675,149	23,450,720	-7.57%	178,431,069	180,542,677	-1.17%
Balance of County	9,600,135	10,290,734	-6.71%	84,732,606	86,080,318	-1.57%
Carson Valley Area *	10,297,812	10,347,748	-0.48%	91,026,354	89,456,217	1.76%
Other	16,594,592	16,937,567	-2.02%	140,052,062	140,740,780	-0.49%

Source: Nevada Gaming Control Board

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

ESTIMATED VISITOR COUNTS-RENO/SPARKS AREA										
Reno-Sparks Convention and Visitors Authority Estimated Visitor Counts to Reno-Sparks and Washoe County Area Calendar Year										
Month	2016 *	2017 *	2018 *	2019 *	2020 **	2021 **	2022 **	2023 **	2024 **	2025 **
January	271,677	289,266	288,249	301,727	292,326	227,507	255,972	252,470	245,329	274,049
February	306,208	303,225	307,042	276,808	319,114	235,348	279,063	275,562	273,290	265,543
March	346,778	366,014	357,284	330,374	174,181	291,828	346,621	300,345	296,160	-
April	338,936	356,756	339,425	329,874	55,450	303,322	312,876	335,336	305,314	-
May	339,088	362,055	368,210	352,930	82,009	322,688	321,163	323,597	314,796	-
June	399,053	418,830	417,508	383,674	218,587	378,034	359,856	384,619	370,784	-
July	409,494	445,918	416,832	401,238	258,260	382,167	369,903	395,953	380,690	-
August	400,652	441,297	410,188	409,466	277,640	363,154	354,736	367,691	398,031	-
September	412,613	427,238	401,226	385,165	279,117	349,700	363,599	382,373	359,672	-
October	348,030	366,379	347,875	349,921	276,291	322,846	329,890	312,769	333,727	-
November	303,310	313,133	301,964	300,252	215,769	284,618	271,995	262,401	262,888	-
December	328,382	340,231	319,299	309,632	206,042	282,815	276,282	275,207	280,207	-
Totals	4,204,221	4,430,342	4,275,102	4,131,062	2,654,786	3,744,027	3,841,956	3,868,322	3,820,887	539,592

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

Source: Reno-Sparks Convention and Visitors Authority



ECONOMIC OUTLOOK

STATE & METRO AREA PRESS RELEASE

For Immediate Release
March 27, 2025

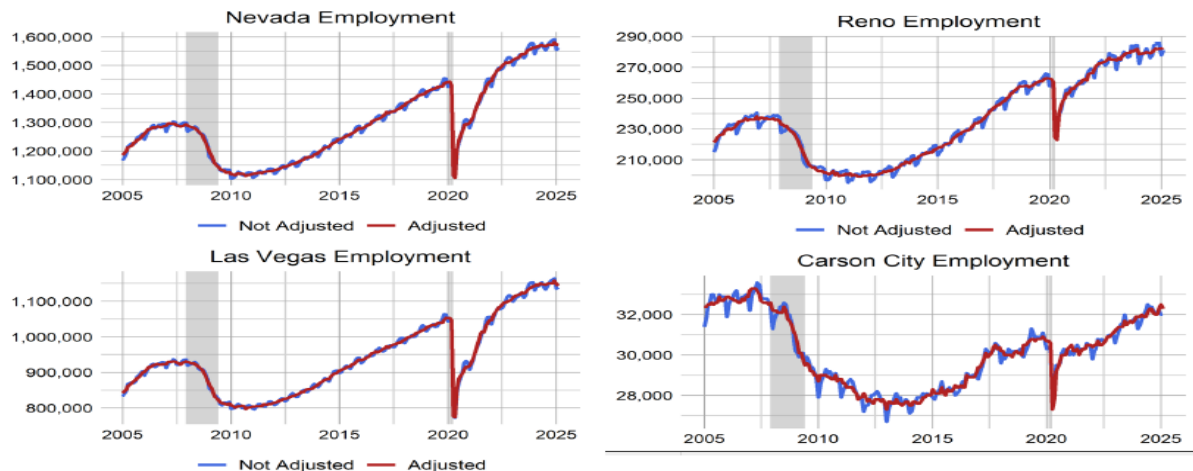
DETR Releases February Jobs Report

CARSON CITY, NV - According to the Nevada Department of Employment, Training and Rehabilitation's (DETR) February 2025 economic report, Nevada's unemployment rate remained constant at 5.8 percent, the labor force grew by 3,318. The total number of nonfarm jobs in Nevada was 1,572,200, an increase of 0.4 percent over the past year and a decrease of 1,600 jobs since last month.

Metropolitan Statistical Area (MSA) Employment (Seasonally Adjusted):

- Las Vegas employment decreased by 3,600 jobs (0.3%) since January, a decrease of 2,600 jobs (0.2%) since February 2024.
- Reno employment had an increase of 500 jobs (0.2%) since January, an increase of 4,100 jobs (1.5%) since February 2024.
- Carson City employment had a decrease of 200 jobs (0.6%) since January, an increase of 400 jobs (1.3%) since February 2024.

"The jobs report for February reflects a labor market that is rebalancing after our rapid post-COVID expansion. Annual employment growth fell to 0.4 percent in Nevada, led by declines in the logistics, information, and professional and business services industries. Each of these saw rapid expansion in recent years, with the current job losses bringing employment levels more in line with longer-term growth trends in those industries. The unemployment rate remains steady, and trends in hourly wage growth remain strong, reflecting ongoing demand for workers in the state," said David Schmidt, Chief Economist.



(Source: Nevada Department of Employment, Training and Rehabilitation Labor Market Summary February, 2025)

ECONOMIC INDICATORS

February 2025 Seasonally Adjusted Employment Summary (in thousands)

Area	Current Month	Previous Month	Monthly Change	M/M Growth	Previous Year	Annual Change	Y/Y Growth
U.S.	159,218.0	159,067.0	151.0	0.1%	157,271.0	1,947.0	1.2%
Nevada	1,572.2	1,573.8	-1.6	-0.1%	1,565.8	6.4	0.4%
Carson City MSA	32.3	32.5	-0.2	-0.6%	31.9	0.4	1.3%
Las Vegas MSA	1,144.2	1,147.8	-3.6	-0.3%	1,146.8	-2.6	-0.2%
Reno - Sparks MSA	282.7	282.2	0.5	0.2%	278.6	4.1	1.5%

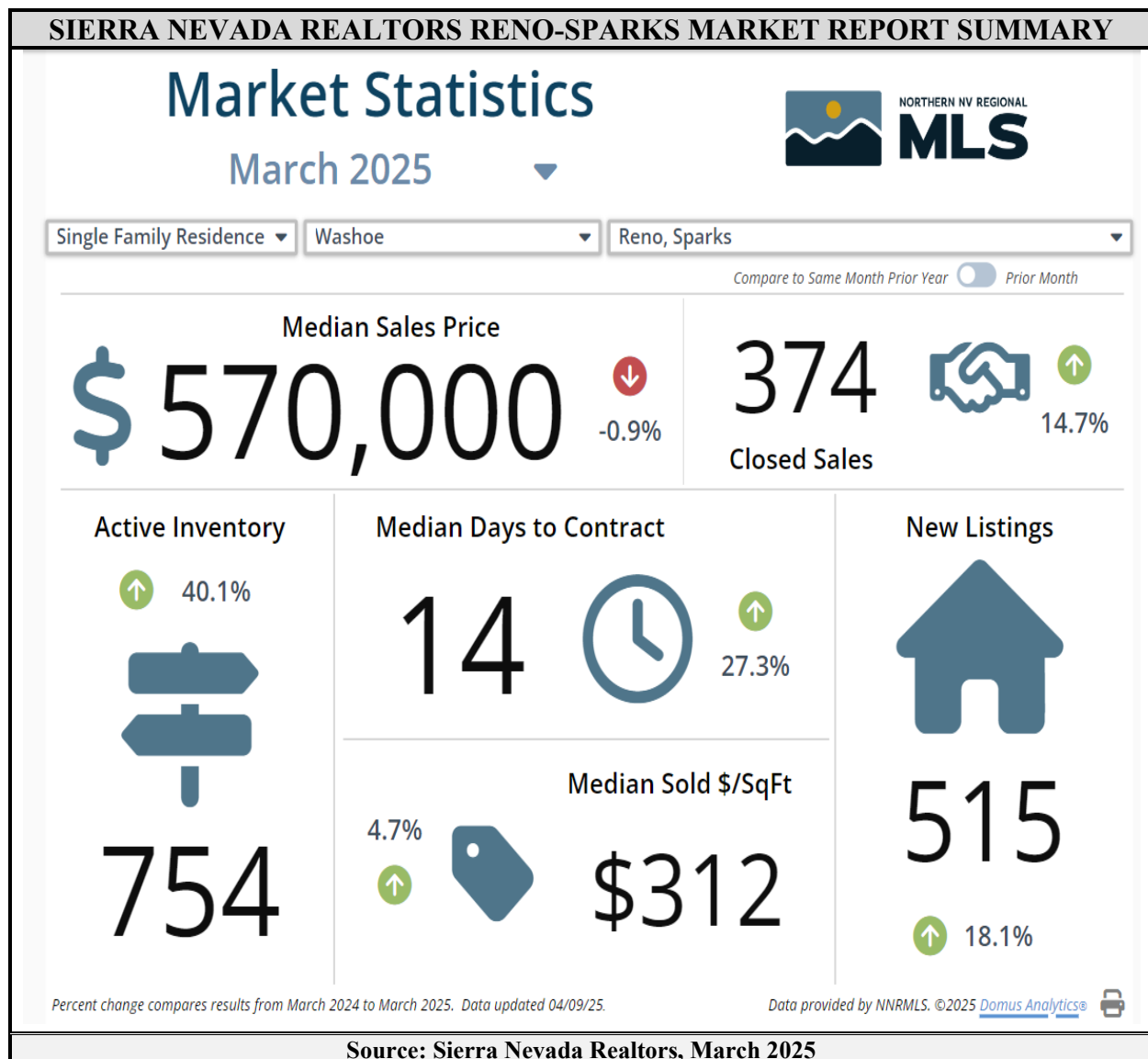
February 2025 Not Seasonally Adjusted Employment Summary (in thousands)

Area	Current Month	Previous Month	Monthly Change	M/M Growth	Previous Year	Annual Change	Y/Y Growth
U.S.	157,983.0	157,092.0	891.0	0.6%	156,007.0	1,976.0	1.3%
Nevada	1,561.9	1,555.4	6.5	0.4%	1,558.4	3.5	0.2%
Carson City MSA	32.0	32.0	0.0	0.0%	31.5	0.5	1.6%
Las Vegas MSA	1,138.2	1,135.8	2.4	0.2%	1,142.1	-3.9	-0.3%
Reno - Sparks MSA	281.2	278.0	3.2	1.2%	277.2	4.0	1.4%

(Source: Nevada Department of Employment, Training and Rehabilitation Labor Market Summary February, 2025)

Residential Market

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





Multifamily Market

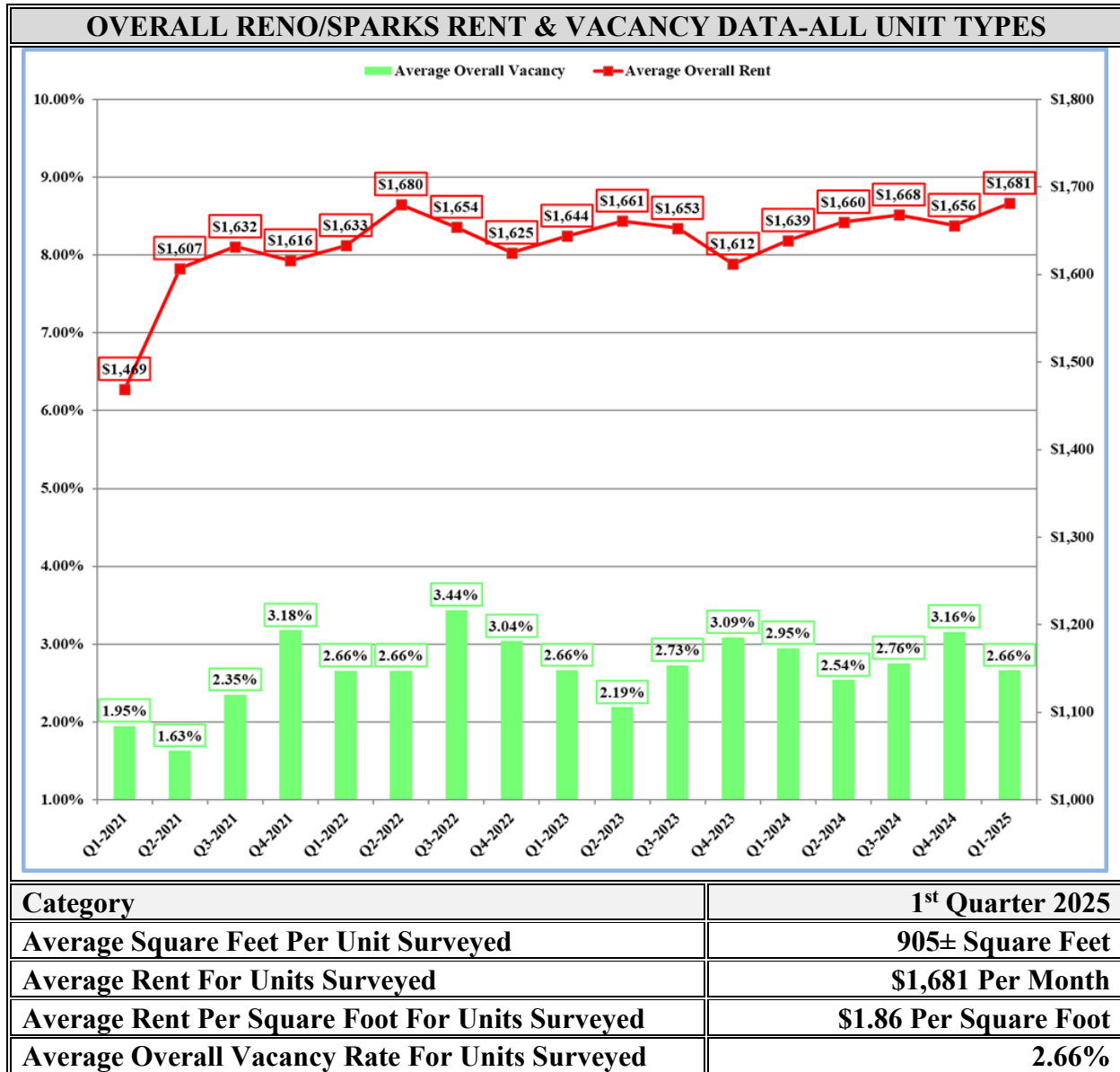
The following summarizes data from the 1st Quarter 2025 *Apartment Survey*, which is a quarterly survey conducted by Johnson Perkins Griffin, LLC.

AVERAGE SIZE, RENT & VACANCY RATE BY UNIT TYPE							
CATEGORY	STUDIOS	1 BED/1 BATH	2 BED/1 BATH	2 BED/2 BATH	3 BED/2 BATH	TOWNHOME	TOTALS
Average SF-By Unit Type	445 SF	724 SF	862 SF	1,068 SF	1,308 SF	1,234 SF	905 SF
Average Rent-By Unit Type	\$1,243	\$1,497	\$1,558	\$1,845	\$2,270	\$1,917	\$1,681
Average Rent/SF-By Unit Type	\$2.79	\$2.07	\$1.81	\$1.73	\$1.73	\$1.55	\$1.86
Indicated Vacancy Rate-By Unit Type	4.79%	2.63%	2.37%	2.46%	3.13%	2.86%	2.66%

OVERALL AVERAGE RENT & VACANCY-PRIOR & CURRENT QUARTER			
Category	4 th Quarter 2024	1 st Quarter 2025	Change
Average Vacancy	3.16%	2.66%	-50 Basis Points
Average Rent	\$1,656	\$1,681	+\$25 or +1.51%

COMPARISON OF RENTAL RATES & VACANCY RATES TO PRIOR QUARTER						
UNIT TYPE	AVERAGE RENT			AVERAGE VACANCY		
	4th Qtr. 2024	1st Qtr. 2025	Result	4th Qtr. 2024	1st Qtr. 2025	Result
Studio	\$1,218	\$1,243	+\$25	3.68%	4.79%	+1.11%
1 Bedroom/1 Bath	\$1,467	\$1,497	+\$30	2.83%	2.63%	-0.20%
2 Bedroom/1 Bath	\$1,536	\$1,558	+\$23	3.23%	2.37%	-0.86%
2 Bedroom/2 Bath	\$1,810	\$1,845	+\$35	3.30%	2.46%	-0.84%
3 Bedroom/2 Bath	\$2,262	\$2,270	+\$8	3.63%	3.13%	-0.49%
Townhouse	\$1,974	\$1,917	-\$57	3.39%	2.86%	-0.52%
TOTALS	\$1,656	\$1,681	+\$25	3.16%	2.66%	-0.49%

RENTAL AND VACANCY RATES BY SUB-MARKET AREA							
Area	Sub-Market	AVERAGE RENT			AVERAGE VACANCY		
		4th Qtr. 2024	1st Qtr. 2025	Result	4th Qtr. 2024	1st Qtr. 2025	Result
1	Northwest Reno	\$1,726	\$1,733	+\$7	3.05%	2.19%	-0.86%
2	Northeast Reno	\$1,416	\$1,454	+\$38	2.79%	2.27%	-0.53%
3	W. Sparks/N. Valley	\$1,484	\$1,508	+\$24	2.81%	2.64%	-0.17%
4	East Sparks	\$1,762	\$1,823	+\$61	3.17%	2.17%	-1.00%
5	West Reno	\$1,684	\$1,708	+\$23	3.35%	3.63%	+0.28%
6	Southwest Reno	\$1,565	\$1,506	-\$59	2.87%	2.63%	-0.24%
7	Brinkby/Grove	\$1,277	\$1,274	-\$3	2.79%	2.14%	-0.65%
8	Airport	\$1,592	\$1,566	-\$25	3.32%	2.68%	-0.64%
9	Lakeridge	\$1,781	\$1,771	-\$9	3.56%	3.78%	+0.22%
10	South Reno	\$1,750	\$1,770	+\$20	3.04%	2.78%	-0.27%
11	Downtown Urban	\$1,620	\$1,664	+\$44	5.47%	4.46%	-1.01%
Overall Reno-Sparks		\$1,656	\$1,681	+\$25	3.16%	2.66%	-0.49%





Industrial Market

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

As most major cities in the western portion of the United States are located within relatively 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 1st Quarter 2025 Report* indicates the following:



COMMENTARY-CBRE RENO INDUSTRIAL MARKET VIEW 1st QUARTER 2025

INDUSTRIAL OVERVIEW

The Reno industrial market was comprised of approximately 116 million sq. ft. at the close of Q1 2025. There were three new industrial buildings delivered to the market in Q1 2025, totaling 600,000 sq. ft. The construction pipeline had 1.5 million sq. ft. underway with another 15.9 million sq. ft. in various planning stages.

The overall average asking lease rate at the end of the quarter was \$0.81 NNN. The Central/Airport and South Reno posted the highest average asking rates at \$0.98 NNN and \$1.03 NNN, respectively.

During Q1 2025, the overall vacancy rate decreased to 11.5%, while the availability rate decreased to 13.0%. Notably, this quarter marked the first instance of positive net absorption since 2023. Sublease space continued to flow into the market, which represented 1.3 million sq. ft. of the total available space in Q1 2025.

Q1 2025 boasted a large increase in overall transactions with sublease space spearheading that growth. East Valley continued to be a hotbed for many industrial users, as it recorded 1.1 million sq. ft. of absorption.

Looking ahead, we expect to see a high volume of transactions throughout 2025 thanks to inbound demand and tenants that were on the sideline taking advantage of an opportunistic market. The market is expected to continue experiencing an upswing in tenant demand indicative of the increased number of letters of intent, RFPs, and lease activity at the end of Q1 2025. Institutional owner interest in the region will persist, and sales activity is expected to increase throughout 2025.

The charts on the following page summarize the overall and submarket industrial markets, and include data related to rental rates and vacancies. The data is from the CBRE *Reno Industrial 1st Quarter 2025*.



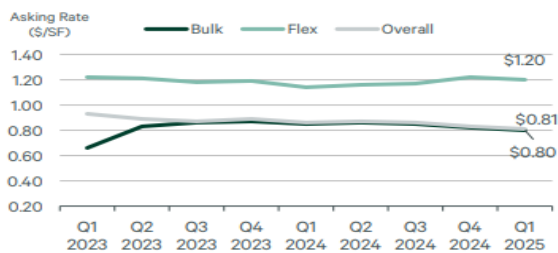
INDUSTRIAL RENTS & VACANCIES BY SUBMARKET

Submarket	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Q1 Net Absorption	YTD Net Absorption	Average Asking Rate NNN (\$)
Central / Airport	10,787,157	5.1	5.6	3,090	3,090	0.98
Bulk	8,125,683	5.1	5.4	18,974	18,974	0.94
Flex	2,661,474	5.2	6.1	(15,884)	(15,884)	1.07
East Valley	32,475,919	11.0	13.2	1,125,655	1,125,655	0.73
Bulk	32,353,232	11.1	13.3	1,125,655	1,125,655	0.73
Flex	122,687	0.0	0.0	0	0	0.00
North Valley	27,695,101	13.6	16.1	247,637	247,637	0.81
Bulk	27,466,145	13.7	16.2	247,637	247,637	0.81
Flex	228,956	0.0	0.0	0	0	0.00
South Reno	11,246,701	16.8	17.6	(121,085)	(121,085)	1.03
Bulk	9,262,650	19.4	20.2	(116,275)	(116,275)	1.01
Flex	1,984,051	4.4	5.3	(4,810)	(4,810)	1.33
Sparks	31,106,039	10.1	11.0	(406,371)	(406,371)	0.72
Bulk	28,144,775	10.9	11.8	(405,711)	(405,711)	0.71
Flex	2,961,264	2.6	3.1	(660)	(660)	1.27
West Reno	3,053,123	13.4	13.4	98,785	98,785	0.89
Bulk	2,644,063	15.2	15.2	104,000	104,000	0.88
Flex	409,060	1.3	0.0	(5,215)	(5,215)	1.50
Market Total	116,364,040	11.5	13.0	947,711	947,711	0.81
Bulk	107,996,548	12.1	13.7	974,280	974,280	0.80
Flex	8,367,492	3.7	4.3	(26,569)	(26,569)	1.20

Source: CBRE Research, Q1 2025

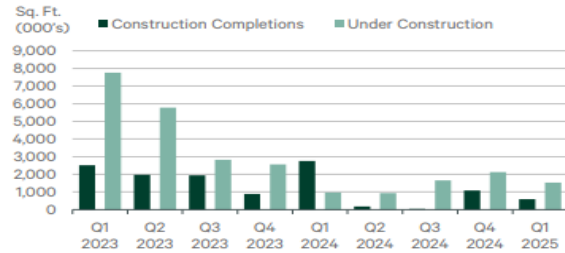
HISTORICAL INDUSTRIAL DATA

FIGURE 5: Asking Rates



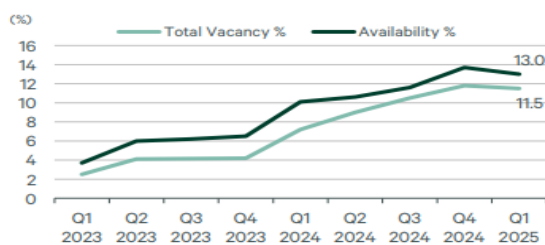
Source: CBRE Research, Q1 2025

FIGURE 7: Construction Activity



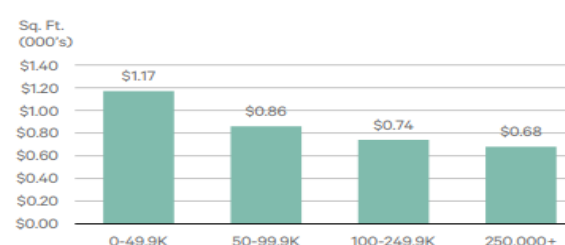
Source: CBRE Research, Q1 2025

FIGURE 6: Vacancy & Availability



Source: CBRE Research, Q1 2025

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



Source: CBRE Research, Q1 2025



Retail Market

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

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

WASHOE COUNTY TAXABLE SALES HISTORY		
Fiscal Year	Taxable Sales	Percentage Change
2009/2010	\$5,176,981,699	-9.30%
2010/2011	\$5,282,936,232	2.05%
2011/2012	\$5,522,605,351	4.54%
2012/2013	\$5,824,726,136	5.47%
2013/2014	\$6,370,684,534	9.37%
2014/2015	\$6,817,588,648	7.02%
2015/2016	\$7,550,466,734	10.70%
2016/2017	\$7,989,009,111	5.81%
2017/2018	\$8,531,252,745	6.79%
2018/2019	\$8,829,863,974	3.50%
2020/2021	\$9,250,415,486	4.76%
2021/2022	\$11,049,067,465	19.40%
2022/2023	\$12,267,765,904	11.02%
2023/2024	\$12,383,862,434	0.94%
Source: Nevada Department of Taxation		



The Colliers *Reno Retail 4th Quarter 2024 Report* indicates the following:

COMMENTARY-COLLIERS RENO RETAIL REPORT 4th QUARTER 2024

Reno-Sparks' retail market vacancy rate held steady at 4.5%, slightly above last quarter and the U.S. average of 4.1%, but still well below historical averages.

While national chain closures put pressure on the market, strong tenant demand and a lack of new supply continue to support occupancy levels.

The lack of quality retail space across the region is a challenge for tenants in the market and could support new development in the year ahead.

Roxanne Stevenson | Senior Vice President

Key Takeaways

- Even with the fourth quarter's occupancy losses, the market still recorded 43,838 SF of annual net absorption in 2024.
- The vacancy rate of 4.5% was up from the record low set last quarter as several larger spaces were vacated this quarter. Vacancy was still 110 basis points below the five-year trailing average.
- Low vacancy rates could spur new construction starts in 2025. There was 79,805 SF under construction at year-end 2024 after only 15,546 SF of new retail space delivered throughout 2024.
- Quarterly sales volume of \$107.4 million was the highest since Q4 2021 and pushed 2024's annual volume up to \$190.7 million.

The following charts summarize the overall and submarket retail markets, and include data related to rental rates, vacancies, development, and sales. The data is from the Colliers *Reno Retail 4th Quarter 2024 Report*.



RETAIL RENTS & VACANCIES COMMENTARY

Market Commentary

Northern Nevada has seen significant economic development and population growth in the last decade. Tourism remains a significant driver of the local economy, enhancing consumer spending in the retail sector, and supporting the opening of new establishments, despite broader economic challenges. However, the rate of both job growth and population growth has moderated in the last two years compared to 2019 to 2022 levels.

The Reno-Sparks metro area's unemployment rate increased 50 basis points over the course of 2024 to 4.5% in December.

The region's total employment grew just 0.8% year-over-year, however, Leisure and Hospitality employment increased 1.0%. While labor constraints and costs remain pressing challenges for retailers and restaurants across the region, 2024 saw significant economic development, with EDawn supporting \$2.9 billion in new capital investments and creating 1,500 jobs with an average salary of more than \$80,000. Over 80% of these announcements came from companies in the high-tech industry as the region's economy continued to diversify, which will help support the retail sector's growth in the future.

RETAIL RENTS & VACANCIES BY SUBMARKET

Colliers | Reno, Nevada | 24Q4 | Retail Market Statistics

Market / Submarket	Inventory Square Feet	Availability Rate	Vacancy Rate	Vacancy Rate Previous	Net Absorption Square Feet	Under Construction	Annual Deliveries	Avg. Asking Rate (NNN)
Central/Airport	3,404,617	3.8%	3.9%	3.6%	(2,680)	4,800	0	\$1.57
Downtown	582,813	19.0%	16.8%	9.9%	(36,693)	0	0	\$1.83
Meadowood	3,338,680	8.2%	7.8%	6.4%	(47,358)	0	0	\$1.54
North Valleys	925,665	1.9%	1.3%	0.8%	(5,003)	0	0	\$1.50
Northeast Reno	103,220	12.1%	12.1%	12.1%	0	0	0	--
Northwest Reno	1,416,176	1.4%	1.1%	0.9%	(3,371)	0	0	\$2.75
South Reno	2,403,533	2.3%	2.0%	1.5%	(958)	70,005	15,546	\$2.28
Southwest Reno	434,398	1.1%	0.3%	1.0%	3,080	0	0	\$2.67
Spanish Springs	1,797,686	2.2%	2.2%	2.5%	(2,149)	5,000	0	--
Sparks	4,344,485	5.4%	5.2%	4.0%	(27,369)	0	0	\$1.26
MARKET TOTAL	18,751,273	4.8%	4.5%	3.7%	(122,501)	79,805	15,546	\$1.62

RETAIL RENTS & VACANCIES BY PROPERTY TYPE

Property Type	Inventory Square Feet	Availability Rate	Vacancy Rate	Vacancy Rate Previous	Net Absorption Square Feet	Under Construction	Annual Deliveries	Avg. Asking Rate (NNN)
Community Center	5,100,007	4.5%	4.7%	3.4%	(20,258)	0	0	\$1.76
Neighborhood Center	3,877,364	5.6%	5.2%	3.5%	(83,670)	49,970	0	\$1.67
Power Center	3,434,332	6.0%	5.9%	5.3%	(29,323)	2,761	13,221	\$1.20
Specialty Center	231,117	7.0%	4.3%	1.9%	(5,484)	0	0	\$2.18
Strip Center	2,155,837	3.1%	2.4%	1.6%	(7,627)	0	0	\$1.60
Freestanding Retail	2,529,957	2.0%	2.1%	1.9%	(38)	4,800	0	--
Mixed-Use	838,279	10.1%	7.4%	10.6%	23,772	0	0	\$1.61
Lifestyle Center	584,380	3.3%	2.7%	2.8%	127	22,274	2,325	--
MARKET TOTAL	18,751,273	4.8%	4.5%	3.7%	(122,501)	79,805	15,546	\$1.62



HISTORICAL RETAIL DATA

Historic Comparison

	24Q4	24Q3	23Q4
Total Inventory SF	18,751,273	18,866,545	18,778,975
New Supply SF	0	8,755	8,250
Net Absorption SF	-122,501	65,502	39,138
Total Vacancy	4.5%	3.7%	4.3%
Under Construction SF	79,805	76,957	112,300
Overall Asking Lease Rate (NNN)	\$1.62	\$1.78	\$1.67

HISTORICAL RETAIL DATA (CONTINUED)

Market Fundamentals



Source: Colliers

■ Net Absorption ■ New Supply — Total Vacancy



HISTORICAL RETAIL DATA COMMENTARY

Despite an 81 basis point increase in vacancy this quarter, the 4.5% vacancy rate at the end of 2024 was the eighth straight quarter of sub-5.0% vacancy. In 2019, the vacancy rate averaged 6.5%. Following the lockdowns and closures of 2020, vacancy peaked at 7.0% in Q4 2020. Since then, there has been generally steady downward pressure on the vacancy rate as the Reno-Sparks region's population increased, leading to retailers and restaurants opening new concepts or expanding local footprints. The market set a record low vacancy rate of 3.7% in Q3 2024. Construction has been limited, with just 240,000 SF completed in the last three years, while cumulative net absorption over that same period has been 450,000 SF.

RETAIL DEVELOPMENT DATA

Retail Resilience: A Steady Path Forward for Reno-Sparks

The Reno-Sparks retail market displayed resilience in 2024, even as vacancy increased at the end of the year amid several large closures. Despite challenges from national chain bankruptcies, inflation, and economic uncertainty, the market has maintained a vacancy rate below 5.0% over the last two years. Sustained tenant demand has driven occupancy gains, though 2024's net absorption decreased notably compared to 2023. This year saw minimal new construction activity and current development remains scarce. Sales activity rebounded in Q4, fueled by the sale of Firecreek Crossing, with future deal volume expected to rise. Though challenges persist from planned store closures and lingering inflation, the Reno-Sparks retail market is well-positioned for stability and growth in 2025.

RETAIL INVESTMENT DATA

Investment Trends

After three quarters of subdued sales activity, 2024 ended on a high note. Bolstered by the sale of Firecreek Crossing, quarterly sales volume shot up to \$107.4 million after averaging just \$44.4 million per quarter over the last eight quarters. Annual sales volume of \$190.7 million declined 17.9% from 2023. The weighted average annual price of \$228/SF in 2024 also decreased 11.3% year-over-year. Cap rates in

2024 stabilized at 6.2%, essentially level with 2023, but up 30 basis points from 2022. Nationally, there is a sense of cautious optimism and collective confidence for 2025 from investors following November's election. With buyers increasingly targeting retail real estate and the sector's fundamentals holding up well, it is projected that 2025 will see robust sales activity.



RETAIL PROJECT DATA

Projects Under Construction

Developer	Site	Tenant	SF	Submarket	Delivery	Type
Roger Norman	Double R Marketplace - Phase I	TBD	44,970	South Reno	Q3 2025	Neighborhood Center
Rhino Holdings	Shayden Summit - Pad 4	Dave & Busters	20,087	South Reno	Q2 2025	Lifestyle Center
Winn Communities	Pioneer Meadows West - Pad E	TBD	5,000	Spanish Springs	Q1 2025	Neighborhood Center
Industrial Realty Group	645 E Plumb Ln	Chop Stop, Wing Stop	4,800	Central/Airport	Q1 2025	Freestanding
Lewis Retail Centers	Damonte Ranch Town Center - Pad 4	Slim Chickens	2,761	South Reno	Q2 2025	Power Center
Rhino Holdings	Shayden Summit - Pad 3	Starbucks	2,187	South Reno	Q1 2025	Lifestyle Center

RETAIL SALES DATA

Retail Market Sales Activity

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



Source: Colliers, CoStar

■ Quarterly Sales Volume — Four-Quarter Trailing Avg. Price / SF



Office Market

The Reno-Sparks office market consists of a variety of product types, from older second and third generation properties, to new, high-end Class A office space. The CBRE *Reno Office Market View 1st Quarter 2025 Report* indicates the following:

COMMENTARY-CBRE RENO OFFICE MARKET VIEW 1st QUARTER 2025

OFFICE OVERVIEW

The Reno office market was comprised of 6.1 million sq. ft. at the close of Q1 2025. The overall vacancy rate fell slightly across the region in Q1 2025 from 11.0% to 10.1% quarter-over-quarter (QoQ). The availability rate stood at 12.8% in Q1 2025. Net absorption was positive for the consecutive quarter ending Q1 2025 at 42,037 sq. ft.

The overall average asking rate for office space in Reno rose to \$2.16 (FSG) in Q1 2025. Meadowood reported the highest average rent at \$2.49 FSG. The Airport submarket was the most economical average asking rate at \$1.49 FSG in Q1 2025.

Leasing activity was healthy in Reno/Sparks during Q1 2025 as highlighted by Ctrl IQ signing 6,800 sq. ft. and Guild Mortgage signing 6,030 sq. ft. both leasing space at 5340 Kietzke Ln, Reno.

In Q1 2025, Reno office sales saw an increase in both investor activity and owner user transactions. However, sales continue to be limited due to persistently high interest rates and the divide in pricing expectations between buyers and sellers.

Looking forward, the Reno office market faces ongoing challenges in addressing the limited availability of Class A space throughout the region. The Meadowood submarket, which is Reno's financial district, is experiencing robust leasing activity, driving up rents for premium Class A spaces. The "Revival" project, formerly "Reno City Center", is an adaptive reuse of the former Harrah's Casino into a mixed-use development. This project underscores the significant trend of revitalization and commercial growth in Reno, highlighting the increasing demand and transformation within the city's office market. New construction will likely take place in the future to meet the rising demand for Class A office space.

The following charts summarize the overall and submarket office markets, and include data related to rental rates and vacancies. The data is from the CBRE *Reno Office Market View 1st Quarter 2025*.

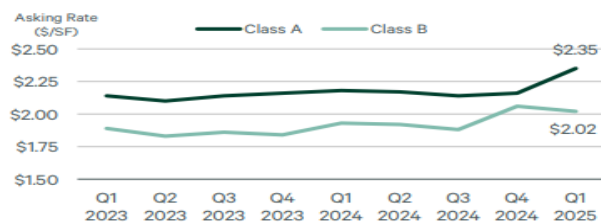


OFFICE RENTS & VACANCIES BY SUBMARKET

	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Average Direct Asking Rate (\$)	Q1 Net Absorption	YTD Net Absorption
Airport	681,396	9.3	10.4	1.49	(1,012)	(1,012)
Class A	32,376	8.2	8.2	0.00	(2,646)	(2,646)
Class B	398,234	10.2	10.9	1.50	1,588	1,588
Central	602,601	10.9	12.5	1.53	(20,813)	(20,813)
Class A	0	0	0	0	0	0
Class B	290,135	9.7	9.9	1.53	(5,422)	(5,422)
Downtown	1,405,903	11.6	13.3	2.19	13,152	13,152
Class A	887,484	9.8	11.2	2.35	6,629	6,629
Class B	273,830	21.4	24.7	1.95	6,523	6,523
Meadowood	1,695,687	8.5	10.6	2.49	41,025	41,025
Class A	845,719	10.7	13.4	2.68	41,561	41,561
Class B	755,728	6.8	8.4	2.07	1,796	1,796
South Reno	1,401,086	10.0	16.1	2.17	2,264	2,264
Class A	990,231	11.6	20.1	2.10	5,728	5,728
Class B	410,855	6.3	6.3	2.63	(3,464)	(3,464)
Sparks	93,693	7.3	7.3	0.00	0	0
Class A	0	0	0	0	0	0
Class B	93,693	7.3	7.3	0.00	0	0
West Reno	196,268	14.5	15.7	2.41	7,421	7,421
Class A	14,493	0	0	0.00	0	0
Class B	44,311	48.1	48.1	2.65	0	0
Reno Office Market	6,076,634	10.1	12.8	2.16	42,037	42,037
Class A	2,770,303	10.7	15.0	2.35	51,272	51,272
Class B	2,266,786	10.3	11.4	2.02	1,021	1,021

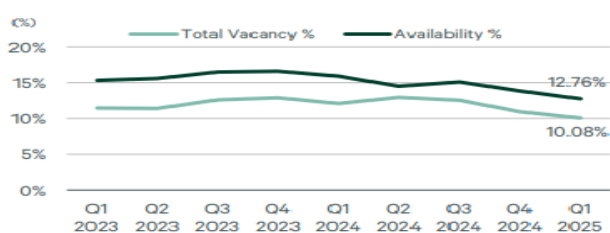
HISTORICAL OFFICE DATA

FIGURE 5: Lease Rates



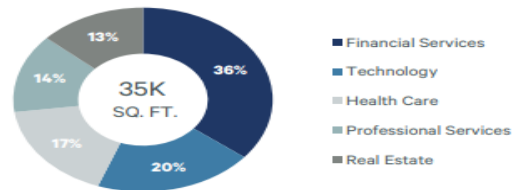
Source: CBRE Research, Q1 2025

FIGURE 6: Vacancy & Availability



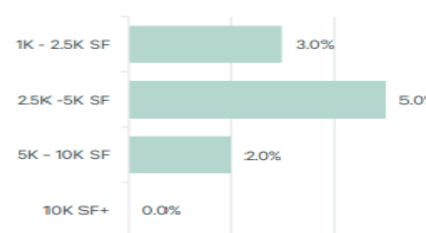
Source: CBRE Research, Q1 2025

FIGURE 7: Top 10 Leases of the Quarter by Industry



Source: CBRE Research, Q1 2025

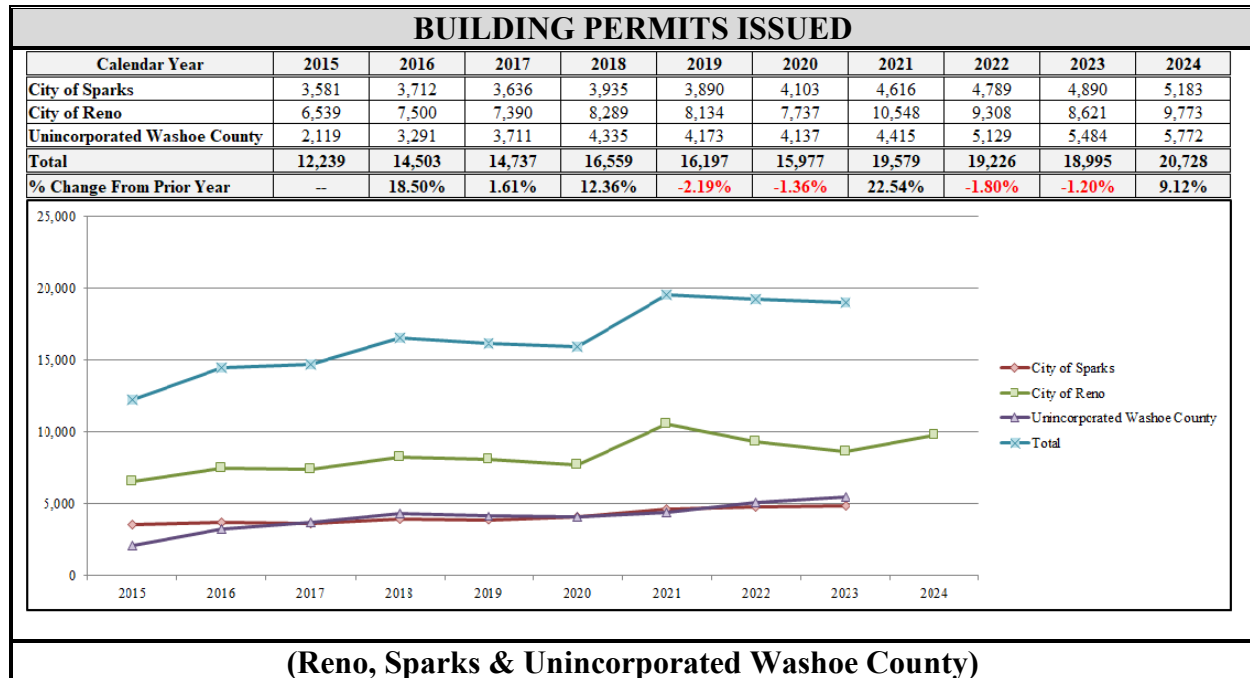
FIGURE 8: Top 10 Leases by Size



Source: CBRE Research, Q1 2025

Construction Activity

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



Transportation

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

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



RENO-TAHOE INTERNATIONAL AIRPORT STATISTICS

Total Passengers					
Feb-25					
	Passengers		% Diff.	YOY %	
	2023	2024			2025
JAN	344,268	346,845	0.7%	365,265	5.3%
FEB	327,934	354,252	8.0%	356,037	0.5%
MAR	380,363	395,906	4.1%		
1st QTR	1,052,565	1,097,003	4.2%		
APR	357,924	364,374	1.8%		
MAY	368,930	386,391	4.7%		
JUN	409,467	457,524	11.7%		
2nd QTR	1,136,321	1,208,289	6.3%		
JUL	442,942	479,858	8.3%		
AUG	438,621	479,829	9.4%		
SEP	408,732	419,203	2.6%		
3rd QTR	1,290,295	1,378,890	6.9%		
OCT	396,147	418,241	5.6%		
NOV	341,084	346,927	1.7%		
DEC	356,972	400,626	12.2%		
4th QTR	1,094,203	1,165,794	6.5%		
TOTAL	4,573,384	4,849,977	6.0%		

Total Enplaned Passengers				
Feb-25				
Month	2023	2024	2025	% Diff.
JAN	171,374	172,968	184,251	6.5%
FEB	162,964	177,670	177,521	-0.1%
MAR	193,748	202,409		
APR	177,665	179,020		
MAY	183,112	190,496		
JUN	203,452	226,631		
JUL	220,645	238,290		
AUG	214,616	235,899		
SEP	212,376	217,408		
OCT	197,692	211,333		
NOV	171,361	174,680		
DEC	176,035	195,212		
TOTAL	2,285,040	2,422,016		

Total Deplaned Passengers				
Feb-25				
Month	2023	2024	2025	% Diff.
JAN	172,894	173,877	181,014	4.1%
FEB	164,970	176,582	178,516	1.1%
MAR	186,615	193,497		
APR	180,259	185,354		
MAY	185,818	195,895		
JUN	206,015	230,893		
JUL	222,297	241,568		
AUG	224,005	243,930		
SEP	196,356	201,795		
OCT	198,455	206,908		
NOV	169,723	172,247		
DEC	180,937	205,414		
TOTAL	2,288,344	2,427,960		

Total Cargo Volume in Pounds						
Feb-25						
	Cargo in Pounds		% Diff.	2025		YOY %
	2023	2024		Pounds	Metric Tons	
JAN	9,768,668	8,769,205	-10.2%	6,901,224	3,130	-21.3%
FEB	8,963,956	8,896,368	-0.8%	6,922,536	3,139	-22.2%
MAR	11,124,124	8,545,646	-23.2%			
1st QTR	29,856,748	26,211,219	-12.2%			
APR	8,704,717	8,581,674	-1.4%			
MAY	9,094,192	9,253,876	1.8%			
JUN	9,694,997	9,160,826	-5.5%			
2nd QTR	27,493,906	26,996,376	-1.8%			
JUL	8,508,207	8,878,130	4.3%			
AUG	9,888,463	8,876,453	-10.2%			
SEP	9,237,788	7,402,906	-19.9%			
3rd QTR	27,634,458	25,157,489	-9.0%			
OCT	8,731,063	7,565,778	-13.3%			
NOV	9,273,796	7,420,506	-20.0%			
DEC	11,347,689	9,030,713	-20.4%			
4th QTR	29,352,548	24,016,997	-18.2%			
TOTAL	114,337,660	102,382,081	-10.5%			

Enplaned Passengers & Load Factor				
Airline	Enplaned PAX	Feb-25	Feb-24	Diff.
Alaska/Horizon	17,146	82.6%	90.6%	-8.0
Allegiant Air	0	n/a	n/a	n/a
American	26,754	85.3%	91.9%	-6.6
Delta	17,624	81.2%	83.9%	-2.8
JetBlue	1,598	70.6%	73.1%	-2.4
New Pacific	0	n/a	48.5%	n/a
Southwest	69,457	72.9%	76.2%	-3.3
Spirit	10,122	89.9%	78.2%	11.7
Sun Country	1,541	51.8%	48.0%	3.8
United	30,631	81.2%	87.7%	-6.5
Volaris	2,648	74.9%	70.6%	4.3

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

Hospitals, Education and Public Services

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



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

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

Summary

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



NEIGHBORHOOD MAP

The map displays the Lockwood area, featuring the Truckee River and several roads. Key locations and landmarks include:

- Lockwood Trailhead** (marked with a green tree icon)
- Lockwood Market** (marked with a blue circle icon)
- Lockwood** (marked with a red star icon and labeled **SUBJECT**)
- Shield Storage** (marked with a green circle icon)
- Menezes Brothers** (marked with a blue circle icon)
- Granite Construction - Lockwood Facility** (marked with a blue circle icon)
- Peri Ranch Rd** (marked with a blue circle icon)
- Landfill Rd** (marked with a blue circle icon)
- Red Ravine Creek** (marked with a green circle icon)
- Lockwood Trailhead** (marked with a green tree icon)
- Lockwood Market** (marked with a blue circle icon)
- Lockwood** (marked with a red star icon and labeled **SUBJECT**)
- Shield Storage** (marked with a green circle icon)
- Menezes Brothers** (marked with a blue circle icon)
- Granite Construction - Lockwood Facility** (marked with a blue circle icon)
- Peri Ranch Rd** (marked with a blue circle icon)
- Landfill Rd** (marked with a blue circle icon)
- Red Ravine Creek** (marked with a green circle icon)

A north arrow is located in the bottom right corner of the map.

SUBMARKET ANALYSIS & DESCRIPTION

The subject neighborhood is located in Storey County, Nevada between 5 and 15 miles east of the Reno-Sparks area, and 10 to 15 miles west of the community of Fernley. The subject neighborhood is situated along the Interstate 80 corridor.

The subject neighborhood is characterized by large tracts of vacant land, the Tracy Power Plant, and the Tahoe-Reno Industrial Center. Major geographic landmarks include the Truckee River and the Virginia and Pah Rah mountain ranges, which are characterized by large canyons, steeply sloping topography and numerous rock outcroppings. Vegetation in the area consists of sagebrush, native grasses and riparian growth, including stands of mature cottonwood trees along the Truckee River. Interstate 80 and the Union Pacific Railroad and the Burlington Northern Santa Fe Railway pass through the heart of the subject neighborhood. Interstate 80 lies north of and roughly parallels the Truckee River. The Union Pacific Railroad parallels the Truckee River, crossing the river at various points throughout the subject neighborhood. Interstate 80 is a limited access, major transcontinental highway which services the western United States. The Union Pacific Railroad and Burlington Northern Santa Fe Railway are used primarily for freight service.

Tahoe-Reno Industrial Center

The Tahoe-Reno Industrial Center (TRIC) is a portion of the former Asamera Ranch, a 107,000-acre tract of private land owned by one of the project master developers, Tahoe-Reno Industrial Center, LLC. This ranch comprises approximately 54% of the land area of Storey County. The TRI Center encompasses a 30,000 acre developable industrial complex and is one of the largest industrial parks in the world. The park is a mixed-use, nonresidential development, consisting of a wide range of industrial, office, and commercial businesses.

The main entrance to TRIC is the USA Parkway interchange at Interstate 80. USA Parkway was originally a privately built, six-mile-long road. The Nevada Department of Transportation finished extending the Parkway by more than 12 miles to reach U.S. 50 near Silver Springs. The approximately 18-mile-long, four-lane state roadway between Interstate 80 and U.S. 50 increases the link between the greater Reno/Sparks and Fernley/Fallon areas with the U.S. 50 Silver Springs corridor, enhancing regional mobility and creating an additional route for commuter, freight and other traffic. The road also helps support regional economic development and serves as another route in the event of emergency or weather-related road closures. The \$75.9 million road extension project opened in September 2017.



The Tesla battery Gigafactory is currently operating in the Tahoe-Reno Industrial Park. 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. Tesla outlined 6,500 jobs to be created over eight years including production associates, equipment technicians, engineers and senior staff. In January 2023, Tesla announced the planning of an additional factory to manufacture fully electric, long haul semi-trucks. In March 2023, the Governor's Office of Economic Development (GOED) board approved a \$330 million tax abatement for Tesla for this production facility.

Other major users in TRIC include Switch, which is completing the Citadel Campus which will have up to 650MW of power upon completion, making it the world's most powerful data center campus, and numerous large warehouse distribution warehouses, logistics centers, and fulfillment centers such as Chewy and Walmart.

Google's Northern Nevada facility was completed in 2020 at their 1,210-acre site located within the Tahoe Reno Industrial Center. Google pledged to invest \$600,000,000 in the data center as the tech giant secured approval from the state for a set of tax incentives related to the project. In 2024, Google announced plans to invest an additional \$400,000,000 in Nevada to support its data center campuses in Storey County and Clark County.

In January of 2018, Blockchains closed on the purchase of over 68,000 acres of land within the Tahoe Reno Industrial Center for \$170 million (including additional water rights). Originally devised for the digital currency Bitcoin, blockchain is a public electronic ledger that can be openly shared among disparate users and creates an unchangeable record of their transactions, each one time-stamped and linked to the previous one. At a launch event in Prague, Czech Republic on December 15, 2020, Blockchains CEO Jeffrey Berns unveiled the ambitious undertaking of the company, which owns 62% of the space at the Tahoe-Reno Industrial Center. Berns said the proposed "Innovation Park" would "showcase the true power of the public blockchain" through a series of projects, including a Blockchains campus, an e-sports arena, a content creation studio, and a residential community. He said the master-planned community would include houses, apartments, condos, banks, markets, stores and schools, all using "the

public blockchain wherever possible.” However, in 2021, Blockchains announced it would no longer be moving forward with its plans citing a lack of state support. In August 2023, Blockchains sold more than 2,200 acres of their holdings within TRIC.

In December 2021, Redwood Materials, a battery recycling company, broke ground on a 175-acre site in the Tahoe Reno Industrial Center. The principal of the startup, Redwood Materials, is a former Tesla executive. Redwood expects to spend \$3.5 billion over 10 years on its battery materials campus. In June of 2022, Redwood materials purchased an additional 75 acres of property in TRIC for expansion. Redwood Materials received a \$105 million abatement from the State of Nevada. The plant is expected to hire up to 1,500 workers.

Microsoft purchased over 200 acres of land within the Tahoe Regional Industrial Center in the first quarter of 2023 for \$96,000,000.

At the end of the third quarter 2023, Tract, a Denver based company purchased 2,200 acres from Blockchains, LLC in TRIC. In February 2024, Tract announced the acquisition of an additional 517 acres in Storey County, adjacent to its existing project within TRIC. The property was acquired with existing improvements begun prior to transaction. The improvements included a pre-graded section of a planned initial 120± acre pad. Water and sewer infrastructure connecting to the TRI General Improvement District were in place adjacent to the site. The company specializes in making pad ready sites for companies seeking high power usage. As such, once horizontal infrastructure is completed, the parcels will be marketed to data centers and the like. Following this purchase, Tract announced a purchase of over 8,500 acres in the southwest portion of TRIC in February 2024. Tracts current holdings include over 11,000 acres within TRIC. The combined purchase price for all holdings is over \$340,000,000 according to public records.

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 area is a major distribution warehousing center. This development is further being enhanced by the favorable tax environment in the state of Nevada. The Northern Nevada industrial market remains an attractive area for distributors. Shipping has become more efficient, sophisticated and competitive in today’s market. Demand for shipping has increased due, in part, to the growth of e-commerce as well as mail-order.

The CBRE Reno Industrial Market View 1st Quarter 2025 summarizes industrial data within the East Valley area, as reported by CBRE.

EAST VALLEY INDUSTRIAL MARKET						
Submarket	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Q1 Net Absorption	YTD Net Absorption	Average Asking Rate NNN (\$)
East Valley	32,475,919	11.0	13.2	1,125,655	1,125,655	0.73
Bulk	32,353,232	11.1	13.3	1,125,655	1,125,655	0.73
Flex	122,687	0.0	0.0	0	0	0.00

Residential development near the subject neighborhood includes the Rainbow Bend Subdivision. This area also includes two trailer parks, the Hillside Elementary School, Louise Peri Park and various other mobile homes and single-family residences, as well as various industrial uses and the Lockwood Trailhead Park.

The Tracy and Pinon Power Plants are situated in the central portion of the neighborhood and include numerous electrical transmission lines, electrical generating power plants and support facilities. The Dove Substation is located to the southeast of the Tracy Power Plant. The Naniwa Power Plant is located south of Waltham Way within the Tahoe-Reno Industrial Center project.

Typical community services are available to the subject neighborhood. Police protection is provided by the Washoe County Sheriff's Department and/or the Storey County Sheriff's Department..

In summary, the subject neighborhood is a rural location generally located along the Interstate 80 corridor between the Reno-Sparks area and Fernley. Much of the subject neighborhood consists of large tracts of vacant land and development consists primarily of several electrical generating power plants and industrial uses. With the expansion and growth of the Reno-Sparks and Fernley areas and with the diminishing supply of vacant land in the urban areas, this development trend is expected to continue.



IDENTIFICATION OF THE LARGER PARCEL

In governmental land acquisitions, the larger parcel is defined as “the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use. In most states, unity of ownership, contiguity, and unity of use are the three conditions that establish the larger parcel for the consideration of severance damages. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use.”¹⁰

NV Energy has plans to develop a gas main extension through a portion of the subject property identified as Washoe County Assessor’s Parcel Number 084-700-01. The proposed point of connection to the existing gas system is south of the Truckee River in Canyon Way, Storey County. The line will extend below and under the river to the Washoe County parcel then continue north through the adjacent UPRR parcel, then further north under Interstate 80 to serve the parcels on the north side of Interstate 80. The line is proposed to be an 8 inch main, with the sending pit located on the Washoe County parcel. The proposed gas main extension, which will contain 45,891± square feet, is located adjacent to and parallel with the subject’s northerly property line.

The subject property, which is located at the southwest corner of Lockwood Drive and Canyon Way, contains 29.22± acres (1,272,823± square feet). In determining the larger parcel, consideration is given to the location of the proposed acquisition, within and adjacent to the subject’s northerly property line. Consideration is given to the three tests, which much be considered in determining the larger parcel, which are: unity of ownership, unity of use, and contiguity.

Unity of Ownership

Unity of Ownership requires legal control over a property’s future land use, as well as control over the ownership of the property. A review of the Records of the Washoe County Assessor’s Office indicates that there are no other properties in proximity to the subject property under the same ownership.

¹⁰ Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, 2022, page 105.



Unity of Use

The second test of the larger parcel requires that the property has the same use or an integrated use. A property identified as a larger parcel must share the same highest and best use or must have at least a common highest and best use. Unity of use does not require parcels that are physically adjacent to each other. A review of the Records of the Washoe County Assessor's Office indicates that there are no other properties in proximity to the subject property under the same ownership; therefore, there is not unity of use.

Contiguity/Proximity

The third test of the larger parcel analysis typically requires physical contiguity for a larger parcel to exist. In some cases, physical contiguity is not necessary, if a non-adjacent parcel has an integrated highest and best use with a property, it may meet the requirements of a larger parcel.

There are no properties contiguous or in close proximity to the subject property which are under the same ownership.

Conclusion

Based upon the three tests of a larger parcel and based upon the highest and best use analysis of the subject property set forth in this report, it is my opinion that the subject larger parcel is Washoe County Assessor's Parcel Number 084-700-01. This parcel meets the elements for consideration in determining a larger parcel, including contiguity (proximity) as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use.

As the proposed gas line extension permanent easement is located in the most northerly portion of the subject property, parallel with and adjacent to the subject's northerly property line, certain improvements located within the subject larger parcel, including the public restroom, walking paths, and picnic tables, are not impacted by the proposed acquisition. Therefore, the valuation analysis as set forth herein will address the Market Value of the subject site.



SUBJECT AERIAL MAP



IDENTIFIED LARGER PARCEL BORDER OUTLINED IN YELLOW

Source: DataTree



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SUBJECT PHOTOGRAPHS



VIEW OF THE SUBJECT PROPERTY FACING WESTERLY FROM CANYON WAY



VIEW OF CANYON WAY FACING NORTHWESTERLY



SUBJECT PHOTOGRAPHS



**VIEW OF THE SUBJECT PROPERTY FACING NORTHWESTERLY FROM
CANYON WAY**



**VIEW OF TRUCKEE RIVER FACING WESTERLY FROM CANYON WAY BRIDGE
(SUBJECT ON RIGHT)**



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

SUBJECT PHOTOGRAPHS



**VIEW OF THE SUBJECT PROPERTY FACING NORTHWESTERLY FROM
CANYON WAY**



VIEW OF CANYON WAY FACING NORTHERLY



SUBJECT PHOTOGRAPHS



**VIEW OF THE SUBJECT PROPERTY FACING SOUTHWESTERLY FROM
LOCKWOOD DRIVE AND CANYON WAY**



VIEW OF LOCKWOOD DRIVE FACING WESTERLY FROM CANYON WAY



SUBJECT PHOTOGRAPHS



VIEW OF TRUCKEE RIVER FACING EASTERLY



VIEW OF TRUCKEE RIVER FACING WESTERLY



SUBJECT PHOTOGRAPHS



**VIEW OF THE SUBJECT PROPERTY FACING SOUTHEASTERLY FROM
LOCKWOOD DRIVE**



VIEW OF LOCKWOOD DRIVE FACING EASTERLY (SUBJECT ON RIGHT)

[illegible]

[illegible]



SUBJECT PROPERTY IDENTIFICATION AND SITE DESCRIPTION

SUBJECT PROPERTY SUMMARY	
Property Name	Lockwood Trailhead Park
Address	10505 Lockwood Drive, Washoe County, Nevada
General Location	Southwest Corner of Lockwood Drive & Canyon Way, Washoe County, Nevada
Assessor's Parcel Number	084-700-01
Land Area	29.22± Acres (1,272,823± Square Feet)
Owner of Record	Washoe County
Washoe County Zoning Designation	PR (Parks & Recreation)
Washoe County Master Plan Designation	R (Rural)
Flood Zone Designation	Zone "AE", "AE" Floodway
Improvements on Larger Parcel	Restrooms, Picnic Tables, Walking Paths

LARGER PARCEL LEGAL DESCRIPTION

Parcel A, Record of Survey Map 5078, as filed in the Official Records of Washoe County on June 13, 2008

IMPROVEMENTS

The subject property is the Lockwood Trailhead Park, which is improved with a public restroom, picnic tables, and walking paths.

UTILITIES AND PUBLIC SERVICES

Utility & Public Service	Provider	Availability On Subject Parcel
Electricity	NV Energy	On Site
Natural Gas	NV Energy	None
Telephone	Various Carriers	Available
Water	None	None
Sewer	Septic System	On Site
Waste Disposal	Waste Management	Available
Cable	Various Carriers	Available
Internet	Various Carriers	Available
Fire Protection	Truckee Meadows Fire Department; Storey County Fire Department	Available
Police Protection	Washoe County & Storey County Sheriffs' Offices	Available
Public Transportation	None	None

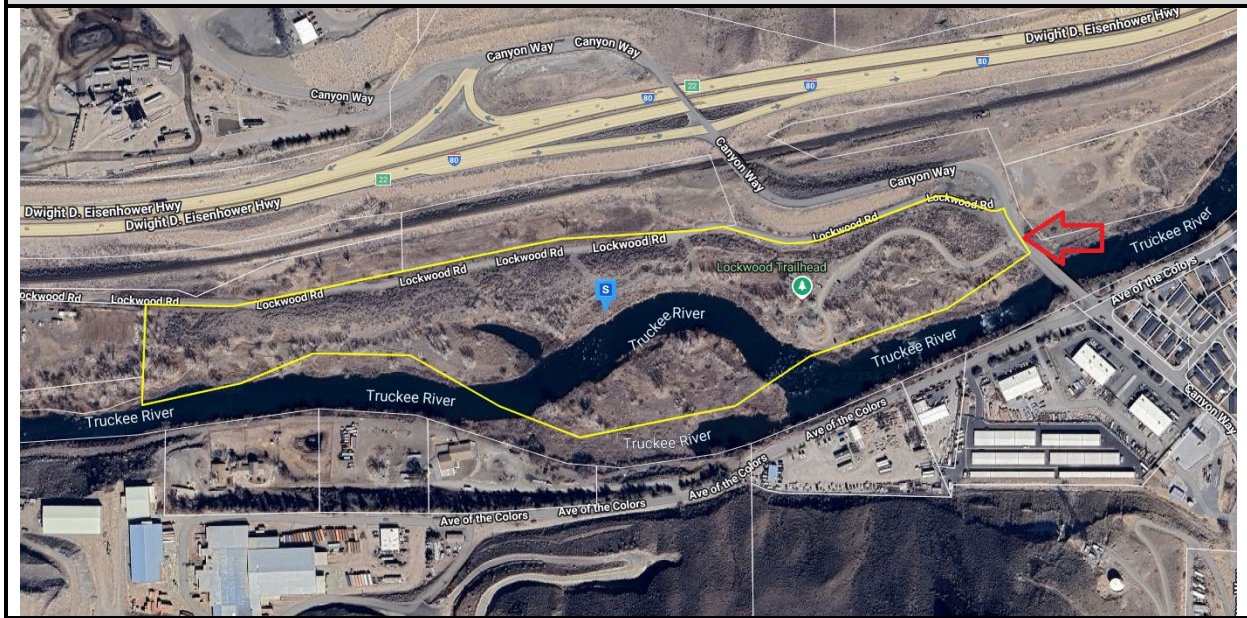


SUBJECT ROADWAY FRONTAGES AND ACCESS

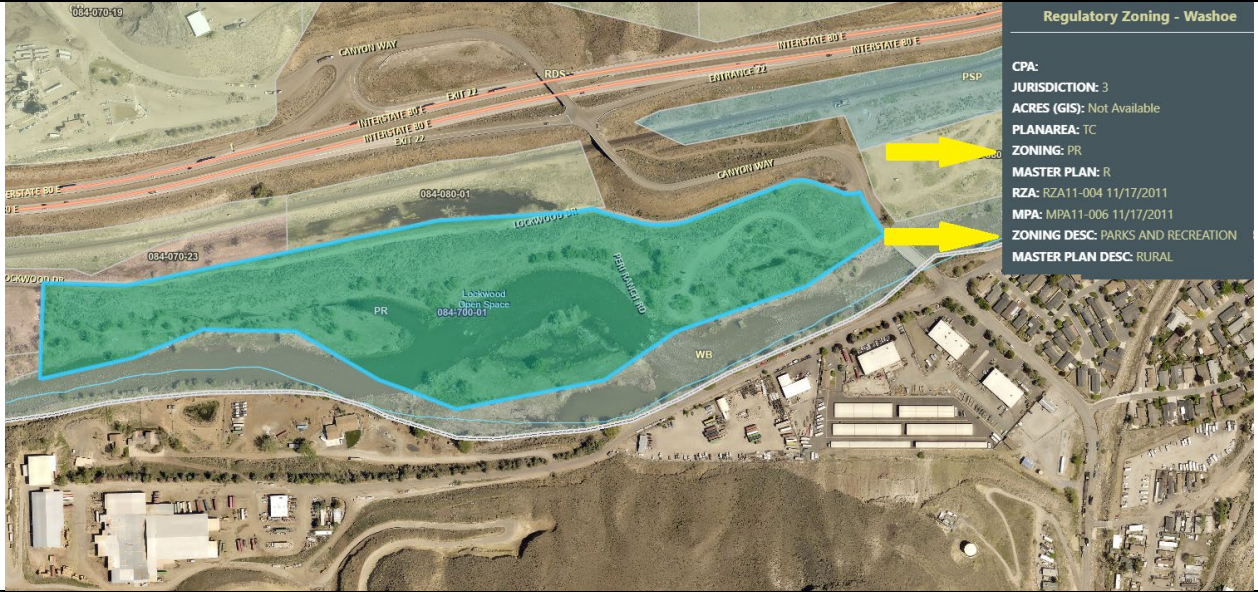
The subject property is located at the southwest corner of Lockwood Drive and Canyon Way. Canyon Way, which abuts the subject's easterly property line, is a two way, two lane asphalt paved roadway which extends from the eastbound offramp of Interstate 80 into the Lockwood area of Storey County. Lockwood Drive, which abuts the subject's northerly property line, is a two way, two lane dirt roadway.

Principal access to the subject property is via the park entrance, which is located along the subject's easterly property line, abutting Canyon Way

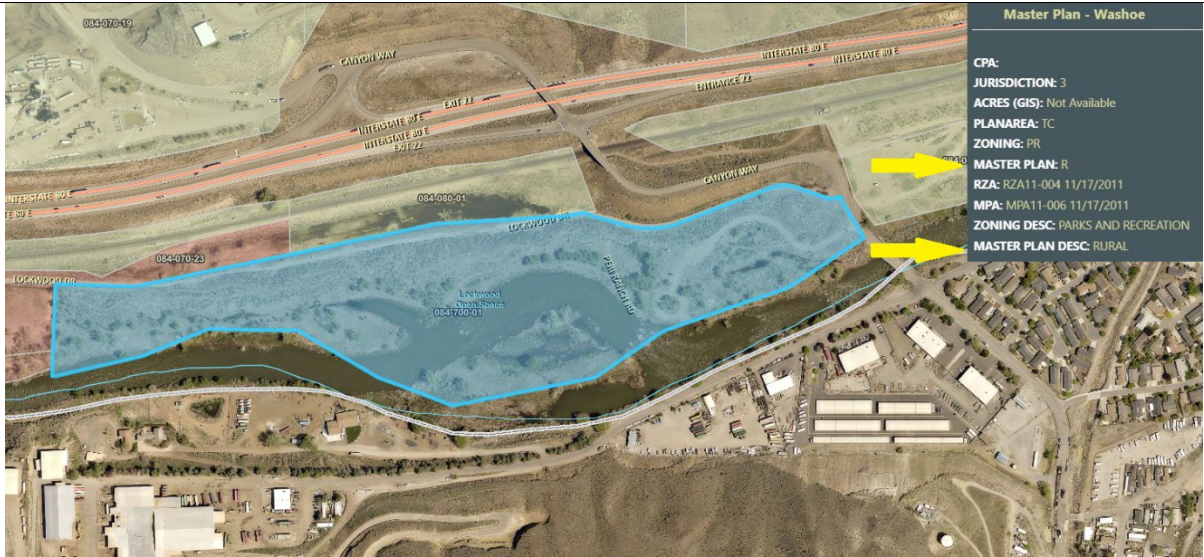
ACCESS AERIAL





SUBJECT PROPERTY ZONING		
Washoe County A.P.N.	Washoe County Zoning Designation	In Conformance?
084-700-01	PR (Parks & Recreation)	In Conformance
SUBJECT PROPERTY ZONING MAP		
 <div data-bbox="1182 499 1437 772"> <p>Regulatory Zoning - Washoe</p> <p>CPA: JURISDICTION: 3 ACRES (GIS): Not Available PLANAREA: TC ZONING: PR MASTER PLAN: R RZA: RZA11-004 11/17/2011 MPA: MPA11-006 11/17/2011 ZONING DESC: PARKS AND RECREATION MASTER PLAN DESC: RURAL</p> </div>		
SUBJECT PROPERTY ZONING DESCRIPTION		
<p>(o) <u>Parks and Recreation Regulatory Zone.</u> The Parks and Recreation (PR) Regulatory Zone is intended for parks, golf courses, ski resorts and other active and passive recreational areas. This category includes uses developed either by public or private capital which may be public or may be restricted, as in the case of private clubs. There is no minimum lot area for this regulatory zone.</p>		



SUBJECT PROPERTY MASTER PLAN DATA		
Washoe County A.P.N.	Washoe County Zoning Designation	In Conformance?
084-700-01	R (Rural)	In Conformance
SUBJECT MASTER PLAN MAP		
 <div data-bbox="1177 499 1409 766"> <p>Master Plan - Washoe</p> <p>CPA: JURISDICTION: 3 ACRES (GIS): Not Available PLANAREA: TC ZONING: PR MASTER PLAN: R RZA: RZA11-004 11/17/2011 MPA: MPA11-006 11/17/2011 ZONING DESC: PARKS AND RECREATION MASTER PLAN DESC: RURAL</p> </div>		
SUBJECT MASTER PLAN DESCRIPTION		
<p>(a) <u>Rural</u>. The Rural Master Plan category is intended for areas of the County that are remote, have minimal infrastructure, contain significant amounts of open spaces, and which are suitable for commercial agricultural and grazing uses, extraction industries, natural resource conservation, energy production, rural commerce, and large lot residential uses. A residential density of one (1) dwelling unit per forty (40) acres and greater is typical within the Rural Master Plan category. The following Regulatory Zones are allowed in and are consistent with the Rural Master Plan category: General Rural, General Rural Agricultural, Public and Semi-Public Facilities, Specific Plan, Parks and Recreation, and Open Space.</p>		



SUBJECT PROPERTY FLOOD ZONE INFORMATION

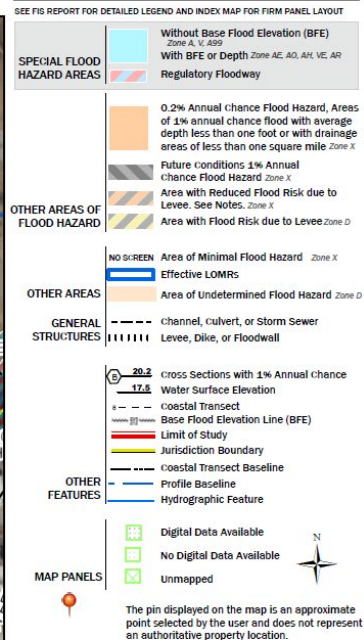
A majority of the subject property is located in a Zone “AE” Floodway. Portions of the property, located along the subject’s northerly property line are located in a Zone “AE”. The map below depicts the subject’s flood zone, as provided by FEMA.

SUBJECT FLOOD ZONE MAP

National Flood Hazard Layer FIRMette



Legend



This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 4/17/2025 at 6:21 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

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

AE

The base floodplain where base flood elevations are provided. AE Zones are now used on new format FIRMs instead of A1-A30 Zones.

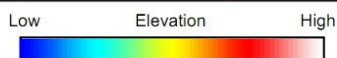
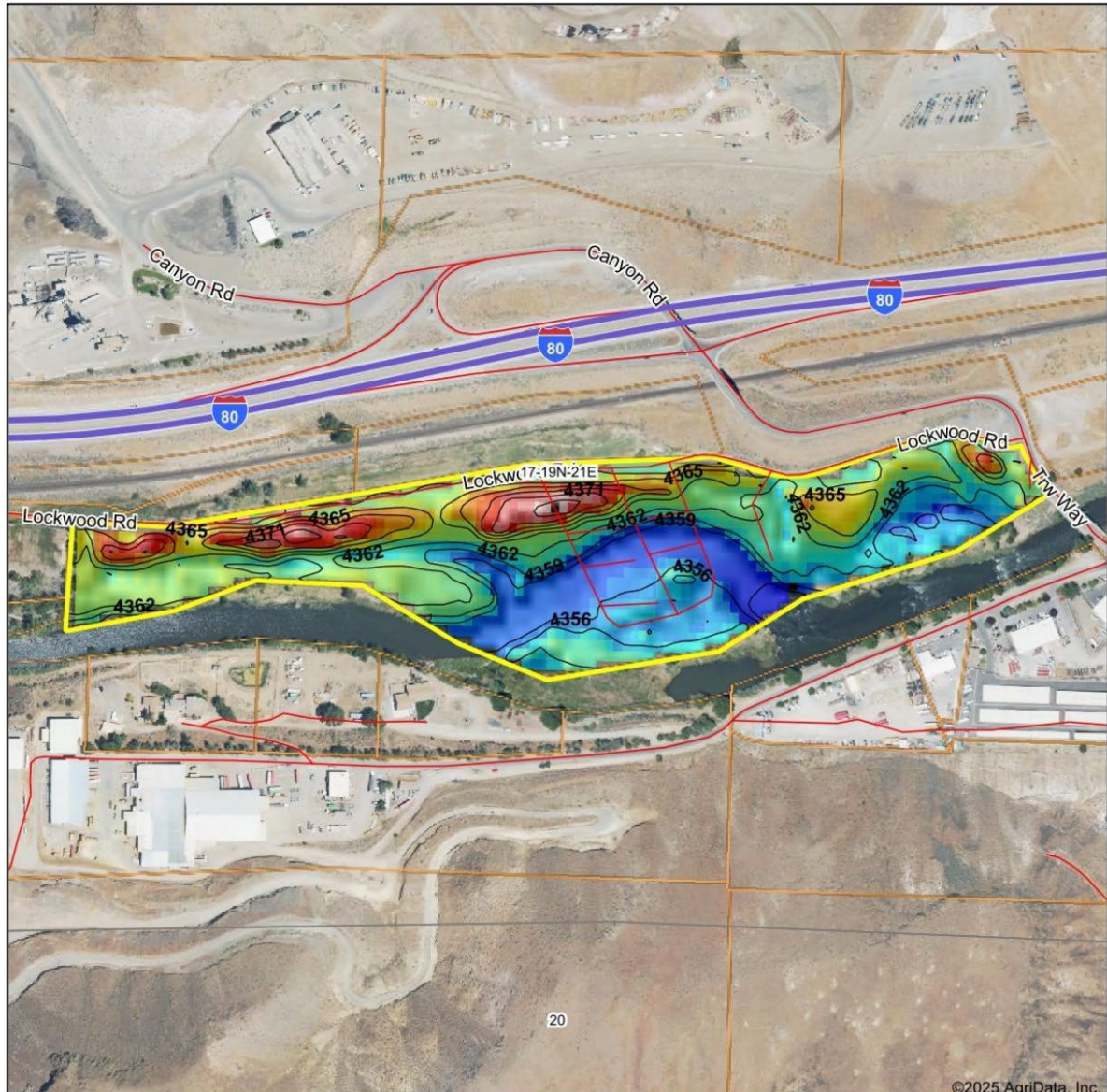
Flood Zone Designation	FEMA Map #	Effective Date of Flood Zone Designation
Zone “AE”, “AE” Floodway	32031C3069G	March 16, 2009
SOURCE: FEMA		



TOPOGRAPHY

The northerly portions of the subject site have moderately sloping topography above grade with Lockwood Drive. A majority of the subject property has gently sloping topography in a southerly directions towards the Truckee River.

TOPOGRAPHY MAP



Source: USGS 10 meter dem
Interval(ft): 3
Min: 4,352.3
Max: 4,379.4
Range: 27.1
Average: 4,361.5
Standard Deviation: 5.48 ft

0ft 494ft 989ft



17-19N-21E
Washoe County
Nevada

Boundary Center: 39° 30' 33.98, -119° 39' 16.63



SOILS DATA

A soils report was not provided in the preparations of this appraisal. However, based upon the subject's current park improvements, it is my expectation that portions of the subject property have adequate soil to allow for development.

SEISMIC ZONE

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

ENVIRONMENTAL AND HAZARDOUS SUBSTANCES

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

SUBJECT SALES & USE HISTORY

Property ID	Recorded Sales- Last 10 Years	Currently Under Contract	Currently Listed For Sale
10505 Lockwood Drive	None	No	No

The subject property is currently utilized as a park. There have been no arm's length transactions of record with respect to the subject property in the last 10 years.

EASEMENTS AND ENCUMBRANCES

In the preparation of this appraisal, a current Preliminary Title Report was not available. Reference is made to a copy of the Record of Survey Map 5078, set forth previously, which depicts certain easements encumbering the subject property. The subject property is subject to a 25 foot wide easement for ingress and egress per Document Number 229121 and Document Number 231347.



SUBJECT PROPERTY OPPURTUNITY ZONE ANALYSIS	
Property ID	In Opportunity Zone?
10505 Lockwood Drive	No
The subject property is not located in a designated Opportunity Zone. Opportunity Zones are a new community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. The Opportunity Zones program provides a tax incentive for investors to re-invest their unrealized capital gains into Opportunity Funds that are dedicated to investing into Opportunity Zones designated by the chief executives of every U.S. state and territory.	

SUBJECT ASSESSMENTS, TAXABLE VALUE HISTORY										
A.P.N. 084-700-01										
	Taxable Land	New Value	Taxable Imps	OBSO	Tax Cap Value	Taxable Total	Land Assessed	Imps Assessed	Total Assessed	Exemption Value
2025/26 NR	233,760	0	0	0		233,760	81,816	0	81,816	81,816
2025/26 VN	233,760	0	0	0		233,760	81,816	0	81,816	81,816
2024/25 FV	233,760	0	0	0	233,761	233,760	81,816	0	81,816	81,816
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 <i>Marshall Valuation Service</i> 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. Historically, real estate taxes were tied to the assessed values based upon this methodology; however, with passage of Assembly Bill 489 properties now have annual tax caps. Therefore, the relationship to assessed values and taxes is no longer always applicable, except for newly constructed properties.										

SUBJECT REAL PROPERTY TAXES			
A.P.N. 084-700-01			
Tax Authority Fund	Gross Tax	Credit Amount	Net Tax
State Of Nevada	\$139.09	-\$139.09	\$0.00
Truckee Meadows Fire Dist	\$441.81	-\$441.81	\$0.00
Washoe County	\$1,138.63	-\$1,138.63	\$0.00
Washoe County Sc	\$931.48	-\$931.48	\$0.00
Water District	\$220.22	\$0.00	\$220.22
Reclamation Dam Safety	\$104.00	\$0.00	\$104.00
Total 2024 Real Property Taxes		\$324.22	

HIGHEST AND BEST USE ANALYSIS

Highest and best use is defined in the 7th Edition of *The Dictionary of Real Estate Appraisal* (Appraisal Institute, Chicago, 2022) as “The reasonably probable use of a property that results in the highest value. The four criteria 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 the Lockwood Trailhead Park, located at the southwest corner of Lockwood Drive and Canyon Way, Washoe County, Nevada. The subject property, which contains 29.22± acres, has gently sloping to moderately sloping topography. Electricity is available to the subject property. Access to the subject property is from an entrance located along the subject’s easterly property line abutting Canyon Way. The subject property is irregular in shape. The principal constraint to the development of the subject property is the presence of the Truckee River which traverses adjacent to the subject site. As a result, a major portion of the subject property is located within a floodway.

Legally Permissible

The subject property is zone PR (Parks and Recreation), which is a regulatory zone intended for parks, golf courses, ski resorts, and other active and passive recreational areas. The current use of the subject property as a park is consistent with its zoning designation. In addition, the subject property has a master plan designation of Rural. This category is intended for areas of Washoe County that are remote, have minimal infrastructure, contains significant amounts of open space, and which are suitable for commercial, agricultural, and grazing uses, etc. The use of the subject property as a park is consistent with the subject’s master plan designation.

Financially Feasible & Maximally Production

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

Given the subject’s physical characteristics and constraints, as well as the subject’s zoning and master plan designations, it is my opinion that the most financially feasible use of the subject property, and as a result, the subject’s highest and best use, is for its continued utilization as a park.



INTRODUCTION TO VALUATION ANALYSIS

There are typically three approaches to value an appraiser generally considers in estimating the market value of a property. These approaches include the Cost Approach, the Income Approach and the Sales Comparison Approach. The purpose of this appraisal is to estimate the Market Value of the subject larger parcel as of the effective date of value, and to provide an estimate of value of the proposed permanent easement. This portion of the report addresses the following value:

VALUE BEING ADDRESSED		
Interest Appraised	Value Addressed	Date Of Value
Fee Simple Interest of the Larger Parcel	Market Value	May 21, 2025

Methodology

In order to estimate the Market Value of the larger parcel, I have utilized the Sales Comparison Approach to Value. The Income Approach to Value and Cost Approach to Value were not felt to be applicable in valuing the subject property. Within the local and regional market, the Sales Comparison Approach is the approach relied upon and utilized by appraisers, brokers, buyers, and sellers in valuing vacant land.

SALES COMPARISON APPROACH TO VALUE

To establish an estimate of the market value of the subject property, the Official Records of Washoe County were searched for sales and listings of similar properties. Additionally, research was conducted through *CoStar*, *Loopnet* and *Multiple Listing Service*. All sales and listings found were investigated, analyzed, and compared to the subject.

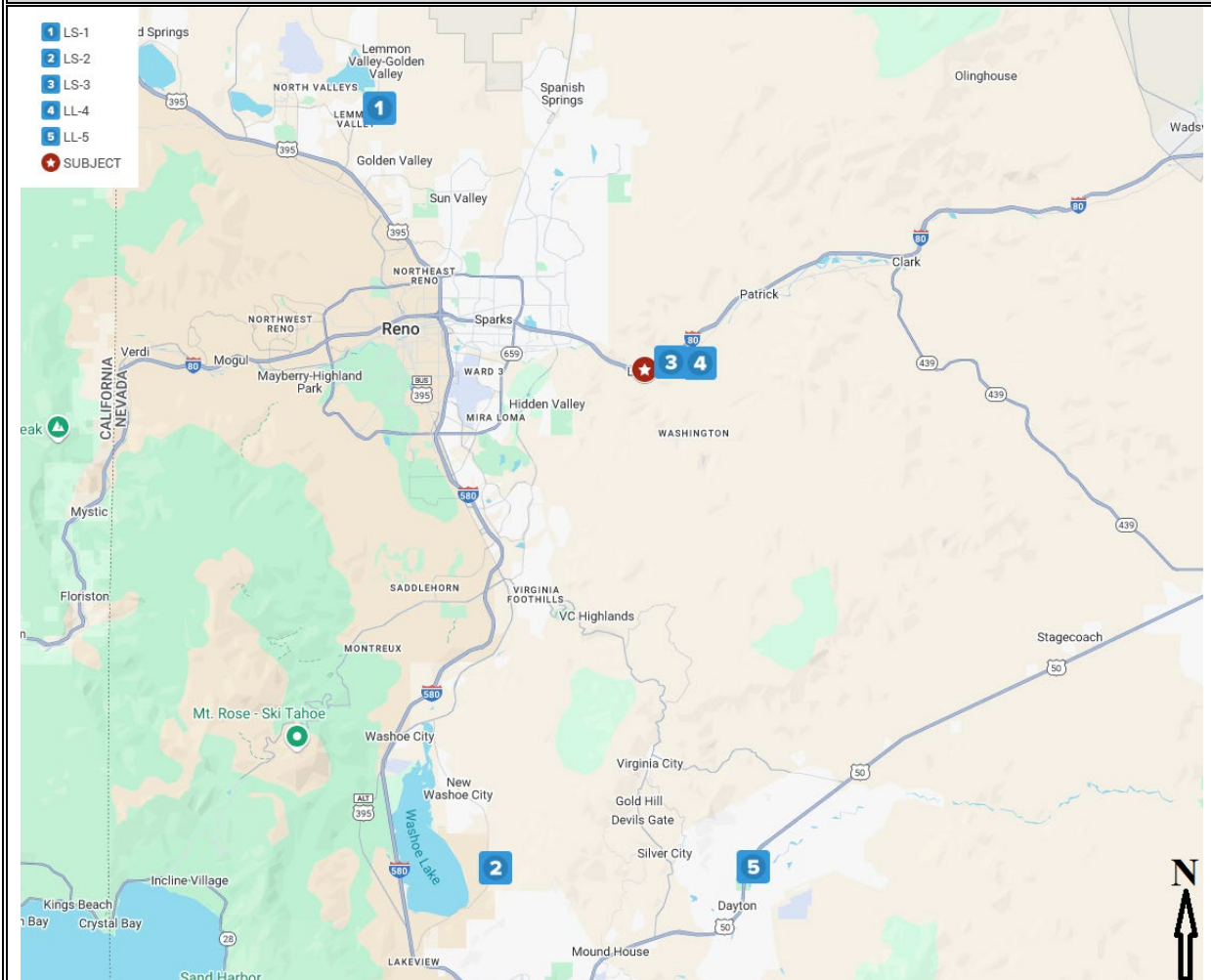
The Comparable Sales Chart is followed by the Comparable Sales Map and individual profile sheets detailing each land sale and listing utilized in this analysis. The sales set forth on the following chart were considered to be indicative of the market value of the subject larger parcel as of the effective date of value.



COMPARABLE LAND SALES CHART

Sale Number	Assessor's Parcel Number Location	Sale Price Sale Date	Zoning	Topography	Flood Zone	Land Area	Sale Price/Ac
LS-1	080-635-01/02; 080-730-21/35; 552-210-07 (Washoe) Southeast of Lemmon Drive Reno, NV	12/1/2021 \$2,025,000	MDS	Level to Steep	"X"	128.590± Ac	\$15,748
LS-2	050-351-23/51 (Washoe) 5375 Eastlake Boulevard Washoe Valley, NV	6/28/2022 \$1,550,000	GR, HDR	Level to Moderate Slope	"X"	113.950± Ac	\$13,602
LS-3	084-080-17 (Washoe) 12615 Mustang Road Mustang, NV	3/29/2024 \$100,000	GR	Moderate Slope	"AE"	7.804± Ac	\$12,814
LL-4	004-111-43/44/47/48/49 (Storey) Both Sides of Peri Ranch Road, Southwest of Mustang Road, Mustang, NV	Listing \$7,000,000	I1, I2	Level to Steep	"AE" Floodway	169.200± Ac	\$41,371
LL-5	016-322-10 (Lyon) 5 River Road Dayton, NV	Listing \$699,000	RR-1, C-2	Level to Gentle	"AE"	40.000± Ac	\$17,475
Subject Property	084-700-01 10505 Lockwood Drive Lockwood, NV	Date of Value 5/21/2025	PR	Gentle Slope	"AE" Floodway	29.220± Ac	—

COMPARABLE LAND SALES MAP





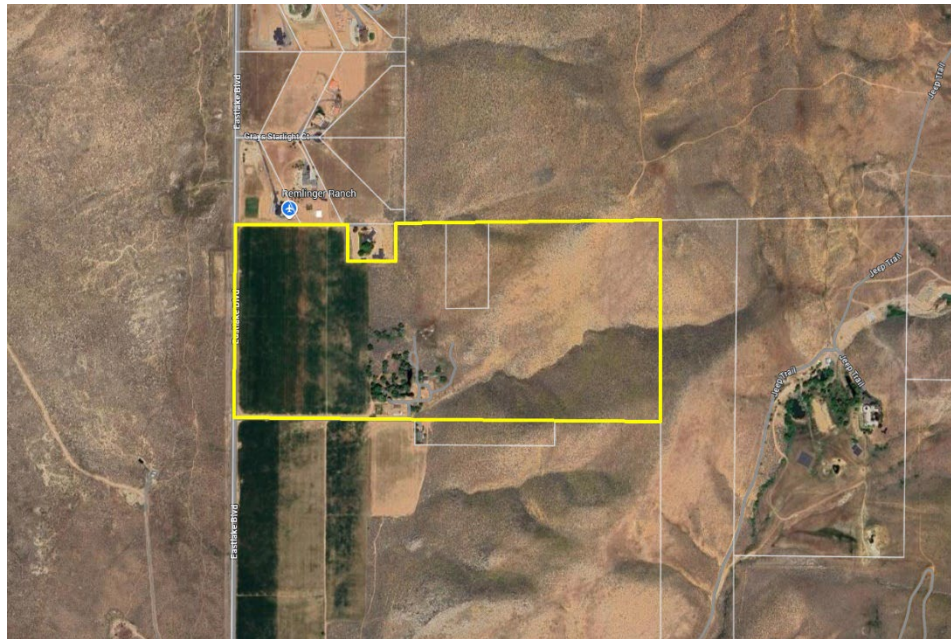
COMPARABLE LAND SALE PROFILE SHEET
SALE LS-1



Property ID:	Sierra Vista	Submarket:	Lemmon Valley
Property Type:	Vacant Land	City:	Reno
Location:	Southeast of Lemmon Drive	County:	Washoe County
A.P.N.'s:	080-635-01/02; 080-730-21/35; 552-210-07	State:	Nevada
Access:	Dirt Roads via Adjacent Parcels	Use At Sale:	Vacant Land
Topography:	Level to Steep	Proposed Use:	Large Lot Residential
Zoning:	MDS	Utilities on Site:	Electricity Adjacent
Land Area:	128.59± Acres	Improvements:	None
Water Rights:	No	Flood Zone:	Zone "X", Unshaded
Property Rights:	Fee Simple Estate	Constraints:	Shape/Access/Utilities/Topography
Recording Date:	12/01/2021	Grantor:	JDS Group LLC
Document #:	5253813	Grantee:	JC Sierra Vista, LLC
Sale Price:	\$2,025,000	Terms of Sale:	Cash to Seller
Price/Acre:	\$15,748	Conditions of Sale:	None Noted
Price/SF:	\$0.36	Verification:	Mark Krueger-Archcrest (Broker)
The sale included five parcels totaling 128.59± acres located in the Lemmon Valley area north of Reno, within an unincorporated portion of the area. The property was vacant and unimproved and involves a very irregularly shaped property. At the time of this sale, the property had level to steep topography, with most of the property having moderate slopes. This site had limited access from dirt roads from adjacent residential streets. The buyer reportedly intended to develop the site with large lot residential.			



COMPARABLE LAND SALE PROFILE SHEET SALE LS-2



Property ID:	Greil Ranch	Submarket:	East Washoe Valley
Property Type:	Residential/Agricultural Land	City:	Unincorporated
Location:	5375 Eastlake Boulevard	County:	Washoe County
A.P.N.'s:	050-351-23/51	State:	Nevada
Access:	Eastlake Boulevard	Use At Sale:	Agriculture/Residential
Topography:	Level to Moderately Sloping	Proposed Use:	Agriculture/Residential
Zoning:	GR & HDR	Utilities on Site:	Electricity & Well/Septic
Land Area:	113.95± Acres	Improvements:	Main House/Small Guest Houses
Water Rights:	Yes	Flood Zone:	Zone "X", Unshaded
Property Rights:	Fee Simple Estate	Constraints:	Conservation Easement/Topography
Recording Date:	06/28/2022	Grantor:	Newman Family Trust, et al.
Document #:	5314939	Grantee:	Greil Family Trust, et al.
Sale Price:	\$1,550,000	Terms of Sale:	Cash to Seller
Price/Acre:	\$13,602	Conditions of Sale:	None Noted
Price/SF:	\$0.31	Verification:	Alicia Reban-Nevada Land Trust
<p>The sale included two parcels of residential/agricultural land generally located at the southeast end of Washoe Valley, Nevada. According to the Assessor's Records, the property is improved with a 2,026± square foot single-family residence (main residence) and four small guest houses. The property is generally rectangular in shape and has level to moderate sloping topography. The property is encumbered with a Conservation Easement which was placed on the property in 2006 by the Nevada Land Trust. This Conservation Easement restricts the use of the property to the existing improvements with the balance of the property to be utilized for agricultural and wildlife purposes. The property is in a Flood Zone "X", Unshaded, which denotes areas of minimal flood potential. The property is zoned GR and HDR, which are agricultural and high-density residential zoning designations. However, the Conservation Easement restricts development on this parcel to the envelope of the existing structures with reasonable expansion (15' setback from ponds) allowed, along with accessory uses or structures allowed under the A-19 zoning district; the easement is into perpetuity. The property was previously sold on July 1, 2021, for \$1,300,000.</p>			



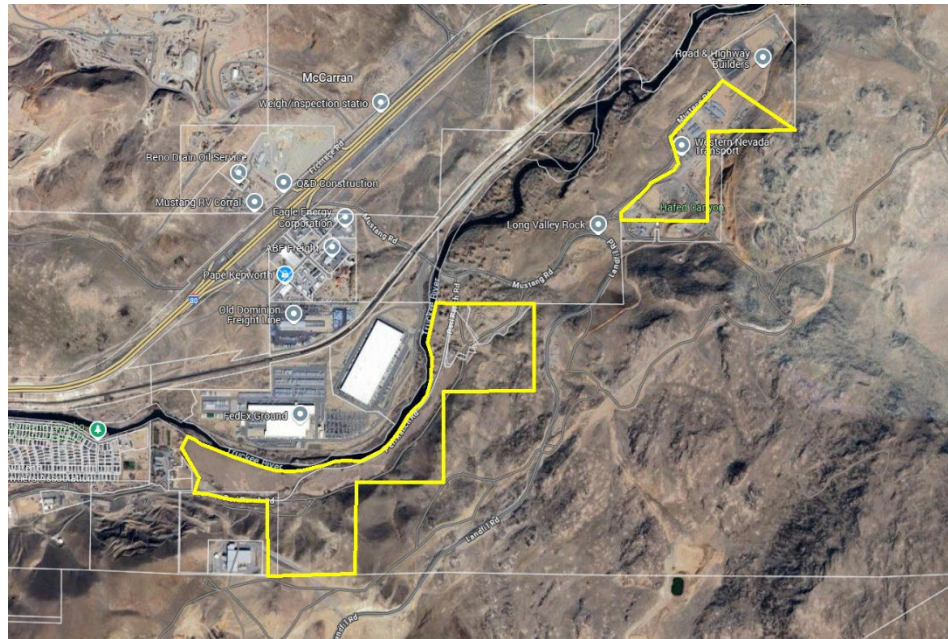
COMPARABLE LAND SALE PROFILE SHEET SALE LS-3



Property ID:	Mustang Road Parcel	Submarket:	Truckee Canyon
Property Type:	Vacant Land	City:	Unincorporated
Location:	12615 Mustang Road	County:	Washoe County
A.P.N.'s:	084-080-17	State:	Nevada
Access:	Dirt road extending from Mustang Rd	Use At Sale:	Vacant
Topography:	Moderate Slope	Proposed Use:	N/A
Zoning:	GR	Utilities on Site:	Onsite Electricity Available
Land Area:	7.804± Ac	Improvements:	None
Water Rights:	None	Flood Zone:	Zone "AE"
Property Rights:	Fee Simple Estate	Constraints:	Circuitous Access, Topography
Recording Date:	3/29/2024	Grantor:	Eric Dahl
Document #:	5445346	Grantee:	William D & Dora C Valentine
Sale Price:	\$100,000	Terms of Sale:	Seller, \$25,000 Downpayment
Price/Acre:	\$12,814	Conditions of Sale:	None Noted
Price/SF:	\$0.29	Verification:	County Records
The sale property is an irregularly shaped parcel with circuitous access via a dirt road extending from Mustang Road. The sale property is situated between the Truckee River and the Union Pacific Railroad right-of-way, and as a result does have frontage on the river.			



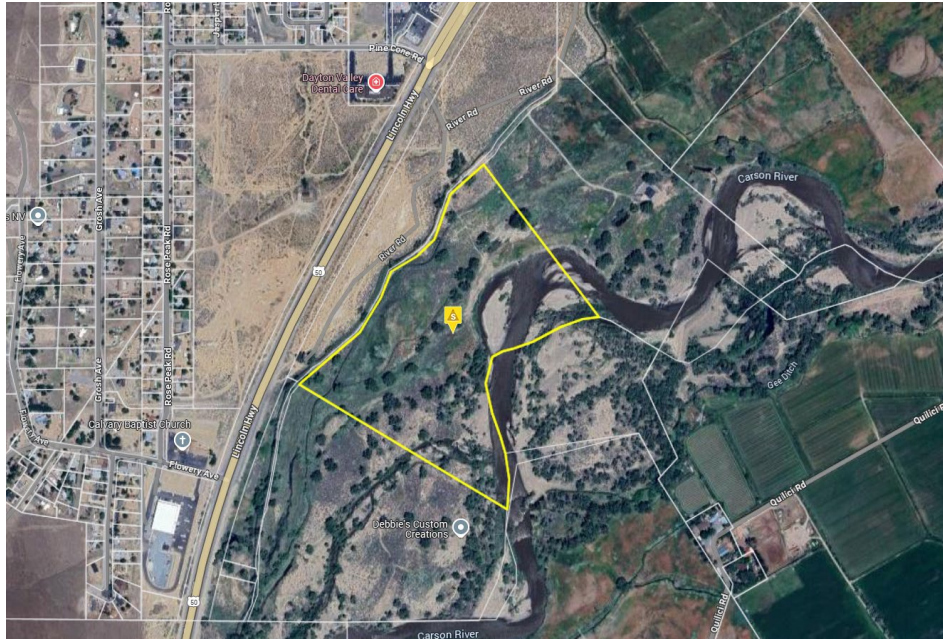
COMPARABLE LAND SALE PROFILE SHEET LISTING LL-4



Property ID:	Peri Ranch	Submarket:	Truckee Canyon
Property Type:	Agricultural Land/Open Space	City:	Unincorporated
Location:	B/S Peri Ranch Rd, SW Mustang Rd	County:	Storey County
A.P.N.'s:	004-111-43/44/47/48/49	State:	Nevada
Access:	Peri Ranch Road	Use At Sale:	Agricultural/Vacant
Topography:	Level to Steeply Sloping	Proposed Use:	Industrial
Zoning:	I1 & I2	Utilities on Site:	Electricity & Well/Septic
Land Area:	162.20± Ac	Improvements:	Vacant
Water Rights:	Yes	Flood Zone:	Zone "AE" Floodway
Property Rights:	Fee Simple Estate	Constraints:	Floodway/Steep Topography (portion)
Recording Date:	Current Listing	Grantor:	Mustang Business Park, LLC & International Investments, LLC
Document #:	N/A	Grantee:	N/A
Asking Price:	\$7,000,000	Terms of Sale:	N/A
Price/Acre:	\$41,371	Conditions of Sale:	N/A
Price/SF:	\$0.95	Verification:	CoStar & Chase Johnson Commercial Real Estate
The sale property is located on both sides of Peri Ranch Road, extending westerly from Mustang Road. A majority of the property is level at grade with Peri Ranch Road sloping in a northerly direction towards the Truckee River. As a result, the property is subject to flooding as it does have extensive frontage along the river. The sale property, which contains a combined land area of 169.20± acres, consists of 5 parcels ranging in land area from 6.16± acres to 94.97± acres, all of which are priced at \$0.95 per square foot. The combined land area of 169.20± acres is also priced at \$0.95 per square foot.			



COMPARABLE LAND SALE PROFILE SHEET LISTING LL-5



Property ID:	Dayton	Submarket:	Dayton Carson River
Property Type:	Vacant Land	City:	Dayton
Location:	5 River Road	County:	Lyon County
A.P.N.'s:	016-322-10	State:	Nevada
Access:	River Road	Use At Sale:	Vacant Land
Topography:	Level to Gentle	Proposed Use:	Future Residential/Agricultural
Zoning:	RR-1 & C-2	Utilities on Site:	Electricity in the Vicinity
Land Area:	40.00± Ac	Improvements:	None
Water Rights:	None	Flood Zone:	Zone "AE"
Property Rights:	Fee Simple Estate	Constraints:	Flood Zone "AE"
Recording Date:	Current Listing	Grantor:	Michael R McCallister
Document #:	N/A	Grantee:	N/A
Asking Price:	\$699,000	Terms of Sale:	N/A
Price/Acre:	\$17,475	Conditions of Sale:	N/A
Price/SF:	\$0.40	Verification:	Kaycee Summers & MLS
<p>This comparable listing is located on the south side of River Road, 2.50± miles northeast of central Dayton, Lyon County, Nevada. The comparable is comprised of a single Assessor's parcel containing 40.00± acres of land area. The topography of the site is level to gently sloping and the south portion of the property fronts on the Carson River. The property is zoned RR-1 & C-2 (Rural Residential, 1 Acre Minimum and General Commercial). The property did not include any water rights. The property is situated in a Flood Zone "AE". Electricity is available in the vicinity of the property and a well/septic system is required. The property was originally listed on July 17, 2024, for \$899,000. This asking price was reduced on August 25, 2024. The property is currently listed for \$699,000, or \$17,475 per acre.</p>			

COMPARABLE LAND SALES DISCUSSION AND COMPARISON

The comparable land sales utilized in this analysis range in date of sale from December 1, 2021 to March 29, 2024. In addition, two current listing are considered. In comparison, the subject's effective date of value is May 21, 2025. The comparable sales range in land area from 7.804± acres to 169.20± acres in comparison to the subject property which contains 29.22± acres. It is noted that comparable listing LL-4, which contains a combined land area of 169.20± acres consists of 5 individual parcels ranging in land area from 6.16± acres to 94.97± acres, all of which are priced at \$0.95 per square foot. The comparable sales indicate a range in sale price from \$12,814 per acre to \$15,748 per acre. The two comparable listings indicate a range in asking price from \$17,475 per acre to \$41,371 per acre.

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 market conditions, location and physical characteristics. The comparable sales involve the transfer of the fee simple interest in each of the properties, and as a result no adjustment for property rights conveyed is indicated. No extraordinary conditions of sale were included in any of the comparables utilized.

Terms of Sale

Comparable Sales LS-1 and LS-2 involve terms with cash to the seller and as a result no adjustment for cash equivalency is indicated. Comparable Sales LS-3 involves seller financing with a \$25,000 cash downpayment. The sale price per acre, at \$12,814, is consistent with the remainder of the comparable sales analyzed, and as a result the price does not appear to be affected by the terms of sale.

Market Conditions

The comparable sales occurred between December 1, 2021 to March 29, 2024, in comparison to the subject's effective date of value of May 21, 2025. As market conditions have continued to improve and as there continues to be moderate to strong demand for vacant land, an upward adjustment to Comparable Sales LS-1 and LS-2 is indicated. Comparable Sales LS-3 occurred in March 2024 with market conditions considered similar to the subject. No adjustment for date of sale is indicated. Comparable Listings LL-4 and LL-5 involve asking prices rather than actual transactions and therefore a downward adjustment is indicated for their listing status.



Location

The subject property is located in Lockwood, a mixed-use neighborhood including residential and industrial utilizations, located immediately to the south of the eastbound offramp of Interstate 80 at Lockwood. Comparable Sale LS-1 is located in Lemmon Valley in the North Valleys region of Washoe County, while Comparable Sale LS-2 is located in east Washoe Valley. Both locations are considered superior to the subject property, requiring a downward adjustment. Comparable Sale LS-3 and Listing LL-4 are located in the Mustang area to the east of the subject. This location is considered similar to the subject property. Comparable Listing LL-5 is located in Dayton, Nevada and on the Carson River. The location is considered superior to that of the subject property.

Size

Generally, a relationship exists between the size of the parcel and the per unit price. Larger land areas tend to have a lower price per square foot while properties with smaller land areas tend to have a higher price per square foot. For the purposes of this appraisal, a qualitative adjustment for size is indicated.

Zoning

The subject property is zoned PR (Parks and Recreation). The comparable sales involve a variety of zoning designations. Comparable Sale LS-1 with an MDS designation, Sale LS-3 with an industrial designation, and Listing LL-5 with residential and commercial designations, require downward adjustments in comparison to the subject's parks and recreation zoning designation. Although Comparable Sale LS-2 has a combination of GR (General Rural) and HDR (High Density Residential) zoning designations, the property is subject to a conservation easement which limits the development potential to a density of 1 residential unit per 19 acres. No adjustment for zoning designation is indicated.

Topography

The subject property has a combination of moderately sloping and gently sloping topography. Comparable Sale LS-1 and Listing LL-4 have level to steeply sloping topography requiring an upward adjustment in comparison to the subject property. Comparable Sales LS-3 has moderately sloping topography, requiring an upward adjustment in comparison to the subject property. Comparable Listing LL-5 has level to gently sloping topography, requiring a downward adjustment in comparison to the subject property. Comparable Sale LS-2 has level to moderately sloping topography, similar to the subject property so no adjustment is indicated.



Flood Zone

The subject property has a combination of “AE” and “AE” Floodway flood zone designations. A significant portion of the subject property is located within the “AE” Floodway as a result of the presence of the Truckee River. Comparable Sales LS-1 and LS-2 are located in a flood zone “X”, which does not require flood insurance. A downward adjustment is indicated. Comparable Sale LS-3 and Listing LL-5 are located in a flood zone “AE” requiring a downward adjustment in comparison to the subject property. Comparable Listing LL-4, which has a combination of “AE” and “AE” Floodway zoning designations is considered similar to the subject property in particular respect to its location on the Truckee River. No adjustment is indicated.

Other Adjustments

Comparable LS-2 included a single-family residence and guest houses. A downward adjustment for the contributory value of these improvements is indicated. Comparable Sale LS-3 has circuitous access via a dirt road. An upward adjustment is indicated in comparison to the subject property. Comparable Listings LL4- and LL-5 both have river frontage, as does the subject property.

Adjustment Summary

The following chart summarizes the adjustments made to the sales and listings in comparison to the subject property. An equal sign (=) indicates that the sale property and the subject are similar and/or competitive for a particular criterion. A plus sign (+) indicates that the subject is superior for a particular criterion, and an upward adjustment is required to the sale price per acre of the comparable; likewise, a minus sign (-) indicates that the subject is inferior for a particular criterion, and a downward adjustment is required to the sale price per acre of the comparable.



COMPARABLE LAND SALES ADJUSTMENT CHART											
Sale Number	Assessor's Parcel Number	Sale Price Per SF	Terms of Sale	Market Conditions	Location	Land Area	Topography	Flood Zone	Zoning	Other	Overall
LS-1	080-635-01/02; 080-730-21/35; 552-210-07 (Washoe) Southeast of Lemmon Drive Reno, NV	\$15,748	Cash to Seller =	12/1/2021 +	Lemmon Valley -	128.590± Ac +	Level to Steep +	"X" -	MDS -	N/A	Reasonable Indicator
LS-2	050-351-23/51 (Washoe) 5375 Eastlake Boulevard Washoe Valley, NV	\$13,602	Cash to Seller =	6/28/2022 +	East Washoe Valley -	113.950± Ac +	Level to Moderate =	"X" -	GR/HDR Conservation Easement =	Residence, Guest Houses -	Slightly Low Indicator
LS-3	084-080-17 (Washoe) 12615 Mustang Road Mustang, NV	\$12,814	Seller =	3/29/2024 =	Mustang =	7.804± Ac -	Moderate +	"AE" -	GR =	Circuitous Cirt Road +	Low Indicator
LS-4	004-111-43/44/47/48/49 (Storey) Both Sides of Peri Ranch Road, Southwest of Mustang Road, Mustang, NV	\$41,371	N/A -	Listing -	Mustang =	169.200± Ac +	Level to Steep +	"AE" "AE" Floodway =	11/12 -	River Frontage =	Very High Indicator
LS-5	016-322-10 (Lyon) 5 River Road Dayton, NV	\$17,475	N/A -	Listing -	Dayton -	40.000± Ac +	Level to Gentle -	"AE" -	RR-1/C-2 -	River Frontage =	High Indicator
Subject Property	084-700-01 10505 Lockwood Drive Lockwood, NV	---	Cash	Date of Value 5/21/2025	Lockwood	29.220± Ac	Gentle to Moderate	"AE" "AE" Floodway	PR	River Frontage	---

To summarize, Comparable Sale LS-1, at \$15,748 per acre, is considered to be a reasonable indication of a per acre value applicable to the subject property after consideration of the positive and negative adjustments.

Comparable Sale LS-2, at \$13,602 per acre, is considered to be a slightly low indication of a per acre value applicable to the subject property. The sale property requires an upward adjustment for date of sale and as it does have a substantially larger land area than that of the subject property. On the other hand, the sale property is superior to the subject with respect to residential improvements.

Comparable Sale LS-3, at \$12,814 per acre, is considered to be a low indication of a per acre value applicable to the subject property. The sale property requires a downward adjustment for smaller land area. On the other hand, the sale property has circuitous access via an unimproved dirt road.

Comparable Listing LL-4, at \$41,371 per acre, is considered to be an extremely high indication of a per acre value applicable to the subject property. The listed property requires a downward adjustment for its listing status and superior zoning designation.

Comparable Listing LL-5, at \$17,475 per acre, is considered to be a high indication of a per acre value applicable to the subject property. The listed property was selected due to its frontage on a river, however it does have a superior location in Dayton, Nevada, as well as superior topography and zoning designation.



**FINAL MARKET VALUE CONCLUSION
SUBJECT LARGER PARCEL**

In arriving at an indication of the per acre value applicable to the subject larger parcel, consideration is given to the subject's location, size, topography, and zoning designation. In particular, consideration is given to the subject's flood zone designation, which includes "AE" and "AE" Floodway due to the subject's extensive frontage on the Truckee River. Based upon a review of the available data, and with consideration given to the analysis as set forth above, it is my opinion that a per acre value of \$15,000 per acre would be applicable to the subject larger parcel. Applying the indicated per acre value to the subject's 29.22± acres, results in an indicated value of \$438,300, rounded to \$438,000. It is my opinion that the Market Value of the fee simple interest in the subject larger parcel, as of May 21, 2025 is \$438,000.

FINAL LARGER PARCEL MARKET VALUE CONCLUSION					
Property ID	Value Addressed	Property Rights Appraised	Date Of Value	Value Per/Ac	Value Conclusion
10505 Lockwood Dr	Market Value	Fee Simple Interest	May 21, 2025	\$15,000	\$438,000



EXPOSURE AND MARKETING TIME

Exposure time is defined as the length of time that would have been necessary to expose the property on the open market, 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 conclusions contained in this report.

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

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

EXPOSURE & MARKETING TIME CONCLUSION		
Property Description	Exposure Time	Marketing Time
Washoe County A.P.N. 084-700-01	Two Years	Two Years



DESCRIPTION OF THE PROPOSED PERMANENT EASEMENT

According to information provided by NV Energy, a permanent easement is required on the subject larger parcel. NV Energy has plans to develop a gas main extension through a portion of the subject property identified at Washoe County Assessor's Parcel Number 084-700-01. The proposed point of connection to the existing gas system is south of the Truckee River on Canyon Way, Storey County. The line will extend below and under the river to Washoe County, continuing north through the adjacent UPRR parcel, then further north underneath Interstate 80 to serve the parcels on the north side of Interstate 80. The line is proposed to be an 8 inch main, with the sending pit located on the Washoe County parcel. The proposed gas main extension, which will contain 45,891± square feet, is located adjacent to and parallel with the subject's northerly property line.

Reference is made to the descriptions and exhibits of the proposed permanent easement set forth throughout this report.



PROPOSED PERMANENT EASEMENT PHOTOGRAPHS



**APPROXIMATE LOCATION OF THE PROPOSED PERMANENT EASEMENT
FACING WESTERLY ALONG LOCKWOOD DRIVE**



**APPROXIMATE LOCATION OF THE PROPOSED PERMANENT EASEMENT
FACING EASTERLY ALONG LOCKWOOD DRIVE**



PROPOSED PERMANENT EASEMENT LEGAL DESCRIPTION 1 OF 2



W.O. 3003351271
WASHOE COUNTY
LOCKWOOD OPEN SPACE
APN: 084-700-01

EXHIBIT "A"
EASEMENT

A portion of the south half of Section 17, Township 19 North, Range 21 East, M.D.M., Washoe County, Nevada; situated within Parcel A of Record of Survey 5078 as shown on "Record of Survey in Support of a Deed of Combination for Washoe County" filed in the Official Records of Washoe County, Nevada as File Number 3659958 on June 13, 2008.

An easement, 20.00 feet in width, lying 10.00 feet on each side of the following described centerline:

Commencing at the eastern most corner of said Parcel A;

THENCE along the southerly line of said Parcel, South 57°54'11" West 11.97 feet to the POINT OF BEGINNING;

THENCE North 46°36'54" West, 171.38 feet to the beginning of a tangent curve to the left, having a radius of 250.00 feet and an included angle of 62° 56' 56";

THENCE along said curve 274.67 feet;

THENCE South 70°26'10" West, 315.01 feet to the beginning of a tangent curve to the right having a radius of 350.00 feet and an included angle of 37° 02' 09";

THENCE along said curve 226.24 feet;

THENCE North 72°31'41" West a distance of 102.80 feet to the beginning of a tangent curve to the left, having a radius of 240.00 feet and an included angle of 19° 51' 32";

THENCE along said curve 83.18 feet;

THENCE South 87°36'47" West, 263.29 feet to the beginning of a tangent curve to the left having a radius of 250.00 feet and an included angle of 4° 42' 14";

THENCE along said curve 20.52 feet;

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P.O. BOX 98910, LAS VEGAS, NEVADA 89151-0001 6226 WEST SAHARA AVENUE, LAS VEGAS, NEVADA 89146
P.O. BOX 10100, RENO, NEVADA 89520-0024 6100 NEIL ROAD, RENO, NEVADA 89511 nvenergy.com



PROPOSED PERMANENT EASEMENT LEGAL DESCRIPTION 2 OF 2



THENCE South 82°54'33" West, 385.46 feet to the beginning of a tangent curve to the left, having a radius of 1500.00 and an include angle of 04° 15' 57";

THENCE along said curve 111.68 feet;

THENCE South 78°38'36" West, 308.75 feet;

THENCE North 11°25'37" West, 31.88 feet to the northerly line of said Parcel A and the TERMINUS OF THIS DESCRIPTION.


The sidelines of said easement are to be extended or truncated to meet at angle points and to terminate on the north and southeast lines of said Parcel A.


Above-described easement contains 45,891 square feet of land more or less.

See Exhibit "A-1" attached hereto and made a part thereof.

The Basis of Bearings for this Exhibit is Record of Survey 1639, entitled "Record of Survey for Richard Hyer & Joseph D. Diprendzio" recorded as file number 907090 on February 14, 1984, in the Official Records of Washoe County, Nevada.

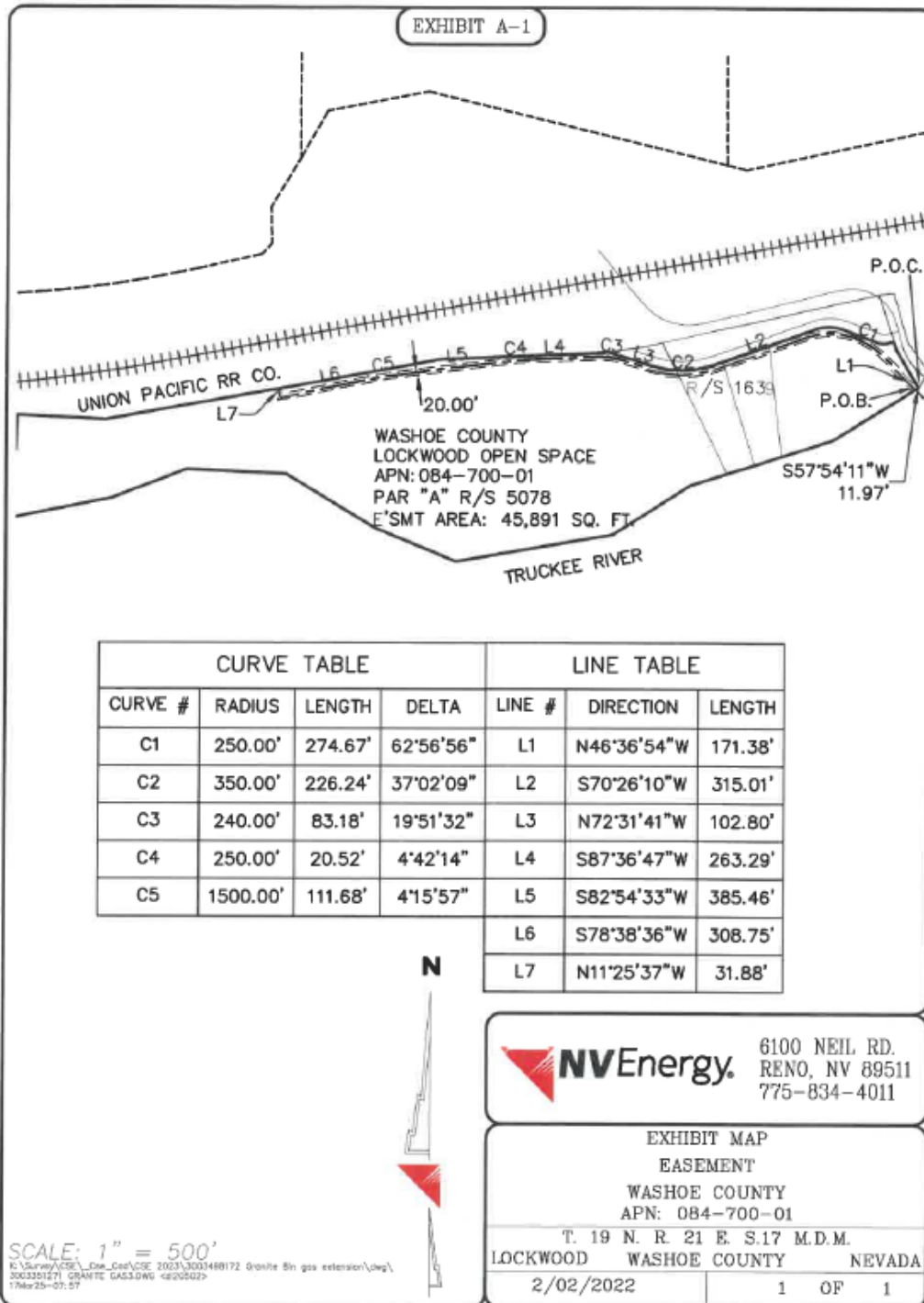
Prepared by Doug Larson, P.L.S. #15685


3/17/25





PROPOSED PERMANENT EASEMENT LEGAL MAP



VALUATION OF THE PROPOSED PERMANENT EASEMENT AS PART OF THE LARGER PARCEL BEFORE THE PROPOSED ACQUISITION

Once the fee simple unencumbered value of the easement area is derived, the next step is determining the value of the easement to be acquired. The easement addressed in this section of the appraisal report is a proposed permanent easement to be utilized for a gas main extension.

PROPOSED EASEMENT LAND AREA	
Easement	Square Feet
Permanent Easement 084-700-01	45,891± SF
Total	45,891± SF

The value of the subject's larger was previously estimated to be \$15,000 per acre, or \$0.34 per square foot. However, a permanent easement reflects something less than the unencumbered fee simple ownership. The property owner retains the underlying title, but use of the land area has been restricted by the permanent easement. As a result, the owner of the underlying parcel will have less than the total "bundle of rights" associated with real property ownership.

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

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

The best evidence of the value of an easement is demonstrated by the actions of utility companies and other governmental agencies that commonly acquire easements. In an interview with representatives of NV Energy (formerly Sierra Pacific Power Company), it was indicated



that they typically pay 30% to 50% of the unencumbered fee simple value for the acquisition of an overhead power line distribution easement, and that on some occasions, they pay between 75% and 90% of the unencumbered fee value for the acquisition of a high voltage transmission line easement. The officials of NV Energy, however, did point out that typically, when acquiring a high voltage transmission line easement; they are severely limiting the surface utilizations of the underlying property. NV Energy indicated that access easements are typically paid at 50% of the unencumbered fee simple value.

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

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

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

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



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

In valuing the proposed permanent easement on the identified larger parcel, consideration is given to the factors associated with the easement. These factors are summarized on the page below.



FACTORS CONSIDERED IN VALUATION OF THE PROPOSED EASEMENT	
Type of Easement	Gas Main Extension
Proposed Use of Easement	Gas Main
Term of Easement	Permanent
Location of Easement	Within and Parallel with the Subject's Northerly Property Line
Is Area Already Encumbered by Easements?	Yes
Impact of Easement on Permanent Improvements	None
Conditions of Easement	No Permanent Structures Allowed

In arriving at an indication of the factor applicable to the subject's proposed permanent easement, consideration is given to its location along the subject's northerly property line, as well as the presence of the existing easements, including a 25 foot wide access easement and overhead power distribution line. Based upon information provided by the client, it is my understanding that the land area encumbered by the existing 25 foot wide easement is estimated to be 29,480± square feet, or approximately 64% of the land area proposed to be encumbered by the gas line extension permanent easement. Based on a review of the available data, and with consideration given to the proposed utilization and location of the permanent easement as well as the burden of the existing 25 foot wide access easement, it is my opinion that a factor of 50% would be applicable to arrive at an indication of the Market Value of the proposed easement.

The unencumbered fee simple interest in the subject larger parcel was estimated to be \$0.34 per square foot. The permanent easement on the subject property is estimated to contain 45,891± square feet. Applying the indicated per unit value to the proposed easement land area of 45,891± square feet results in an indicated fee value of \$15,603. Applying the 50% factor for the easement results in a value of \$7,801, rounded to \$7,800.

MARKET VALUE, PERMANENT EASEMENT

\$7,800



VALUE OF THE REMAINDER AS PART OF THE LARGER PARCEL

The value of the remainder parcel as part of the larger parcel is the value of the property in the before condition less the value of the acquisition. My opinion of the remainder as part of the larger parcel in the before condition is as follows:

VALUE OF THE REMAINDER AS PART OF THE LARGER PARCEL	
Value of the Larger Parcel Before Acquisition	\$438,000
Less Value of Permanent Easement Acquisition Area	(\$7,800)
VALUE OF REMAINDER AS PART OF THE LARGER PARCEL	\$430,200



VALUE OF REMAINDER AFTER THE PERMANENT EASEMENT ACQUISITION

In this analysis, the value of the remainder after the proposed Permanent Easement acquisition is completed, disregarding any Special Benefits. Factors which are considered in the valuation of the remainder after the acquisitions include the physical and legal characteristics of the remainder parcel, the impact of the acquisition on the remainder parcel, and the highest and best use of the remainder parcel after the acquisition.

Physical Description of the Remainder

After proposed acquisition, which is a Permanent Easement, the subject property will have the essentially same physical characteristics as the property had in the before condition.

In the after condition, the subject property's land area will remain at 29.22± acres. The shape and access of the subject larger parcel will be the same as in the before condition. Park improvements, including public restroom, walking paths, and picnic tables will not be impacted by the proposed acquisition. The subject's zoning designation (Parks and Recreation) and master plan designation (Rural) will continue to be the same. In addition to the existing easements impacting the subject property, in the after condition, the subject property will be encumbered by the proposed permanent easement. The proposed easement is located within and parallel to the subject's northerly property line and does not impact the continued utilization of the subject larger parcel as a park. Overall, the subject's physical and legal characteristics will generally be the same after the acquisition other than the additional permanent easement.

Highest & Best Use-After Acquisition

The next step in the appraisal is to determine the Highest and Best Use of the remainder parcel after the acquisition. After the acquisition the remainder parcel will have the same legal characteristics. The subject's physical and legal characteristics will be the same after the acquisition other than the existence of the Permanent Easement. Overall, it is my opinion that the highest and best use, after the acquisition, is the same as the highest and best use before the acquisition.

Value of Remainder After Acquisition (Disregarding Special Benefits)



After the acquisition the subject property will have the same general physical characteristics, and the subject has the same highest and best use as it did before the acquisition. As a result, it is my opinion that the Market Value of the remainder, after the acquisition, is the same as the Market Value of the remainder, before the acquisition.

VALUE OF REMAINDER AFTER ACQUISITION	\$430,200
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CALCULATION OF SEVERANCE DAMAGES

Damages are defined as “In condemnation, the loss in value to the remainder in a partial taking of property. Generally, the difference between the value of the whole property before the taking and the value of the remainder after the taking is the measure of the value of the part taken and the damages to the remainder”¹¹

To assess any potential damages, I have analyzed and valued the subject property in the before and after condition. The proposed acquisition is a Permanent Easement acquisition.

Severance Damages are calculated by subtracting the value of the remainder after the acquisition (disregarding Special Benefits) from the value of the remainder as part of the larger parcel. The following sets forth this calculation:

SEVERANCE DAMAGE CALCULATION	
Value of the Remainder-Before Permanent Easement Acquisition	\$430,200
Less Value of the Remainder-After Permanent Easement Acquisition	\$430,200
SEVERANCE DAMAGES	None

¹¹ Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, 2022, page 48.

SPECIAL BENEFITS ANALYSIS

Special Benefits are defined as “In condemnation, the benefits that arise from the peculiar relation of the land in question to the public improvement, usually resulting from a change in its highest and best use. Special benefits may accrue to multiple parcels (such as all four quadrants of a newly constructed freeway interchange) because the parcels are directly benefitted in a similar manner, if not to the same degree.”¹²

In analyzing Special Benefits, it is important to distinguish between General Benefits and Special Benefits. In analyzing a property’s remainder value, only Special Benefits should be considered. The distinction between General Benefits and Special Benefits are described in the *Uniform Appraisal Standards for Federal Land Acquisitions* as follows:

Direct and special benefits commonly include new access to a waterway or highway, or filling in of swampland. An upward shift in the remainder property’s highest and best use is often an indication of special and direct benefits. For example, a partial acquisition for the extension of a mass transit system had a special and direct benefit on remainder property that was eligible for special zoning that would allow higher-density residential development due to its location within a certain distance of a new mass transit station. Comparable sales typically provide the best evidence of special and direct benefits. The existence or absence of special and direct benefits turns not on the specifications of the government project, but on its impact in the market. For instance, in a partial acquisition for reservoir purposes: “The question is whether the market value of the remainder was increased by its prospective frontage on the [new reservoir created by the government project, which spurred demand for lakeside subdivision]. Market value ‘is . . . a reflection of the state of mind of the public with respect to the property.

General and indirect benefits, in contrast, are those “which result to the public as a whole, and therefore to the individual as one of the public; for he pays in taxation for his share of such general benefits. Thus, compensation would not be offset by the benefit of a “general increase in the value of property in the neighborhood” caused by a government project. In modern federal acquisitions, appraisers are rarely, if ever, asked to analyze and estimate general and indirect benefits, which relate to taxation, not just compensation. But this makes the distinction between the types of benefits no less critical.”¹³

Essentially, Special Benefits are those which are direct to a property, and these benefits must be a direct result of the public improvement. General Benefits are those which result from sharing in the common advantage and convenience of increased public facilities and the general

¹² Source: *The Dictionary of Real Estate Appraisal*, 7th Edition, Appraisal Institute, 2022, page 178.

¹³ Source: *Uniform Appraisal Standards for Federal Land Acquisitions* (Yellow Book), 2016, pages 162-163.



advance in value of real estate in the vicinity. According to the Federal Rule, Special Benefits accrue to the remainder property value and can offset both the value of the part acquired and any damages. However, according to the State Rule for the State of Nevada, Special Benefits may only offset damages to the remainder. The State Rule is being utilized in this appraisal report, as any disputes relating to the acquisition of right-of-way and easements would be heard in Nevada District Court.

Under the State Rule, Special Benefits may only be used to offset Severance Damages to the remainder. As there are Severance Damages to the remainder, Special Benefits could affect the recommended compensation in this analysis.

Based upon a review of the property after the proposed acquisition, it is my opinion that there are no Special Benefits resulting from the proposed Permanent Easement acquisition, and therefore no offset to the severance damage calculation.

SPECIAL BENEFITS	
SPECIAL BENEFITS CONCLUSION	NONE

The following sets forth a summary of the real property acquisition and Market Value conclusions.

REAL PROPERTY ACQUISITION & MARKET VALUE SUMMARY		
Effective Date Of Value – May 21, 2025	Value Conclusion	Value Summary
Value Larger Parcel Before Acquisition	\$438,000	
Value of Permanent Easement	\$7,800	\$7,800
Value of Remainder, Before Acquisition	\$430,200	
Value of Remainder, After Acquisition	\$430,200	
Damages	\$0	
Special Benefits	\$0	
Market Value Conclusion, Permanent Easement		\$7,800



CERTIFICATION

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

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

Respectfully Submitted,

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



STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

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

LIMITS OF LIABILITY

This report was prepared by Johnson Perkins Griffin, LLC. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of Johnson Perkins 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 4/30/27

Membership

Member, Nevada State Board of Equalization 1992 - 1999

Chairman 1999

Member, Nevada Commission of Real Estate Appraisers 1995 - 2001

President 2000

Appraisal Institute: Life Designated Member 2025

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:

National USPAP Update Course	2013-Current
Business Practices and Ethics	2017, 2023
Introduction to Green Buildings: Principles & Concepts	2015
Evaluating Commercial Construction	2014
Appraising the Appraisal: Appraisal Review-General	2012
Fundamentals of Separating Real Property, Person Property, and Intangible Business Assets	2012
Diminution of Value and Severance Damages	2011

Appraisal Foundation

1999 USPAP Review	1998
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Appraisal Seminars

Various Appraisal and Continuing Education Seminars	1974 – Current
2024-2025 National USPAP Update	2025

Formal Education

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



**QUALIFICATIONS OF APPRAISER
REESE PERKINS**

Types of Property Appraised

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

Admitted as Expert Witness

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



**QUALIFICATIONS OF APPRAISER
REESE PERKINS**

Representative Appraisal Clients

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



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

COPY OF APPRAISAL LICENSE

APPRAISER CERTIFICATE

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE

REAL ESTATE DIVISION

NOT TRANSFERABLE

This is to Certify That : JAMES R PERKINS

Certificate Number: A.0000120-CG

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

Issue Date: April 29, 2025

Expire Date: April 30, 2027

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

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

REAL ESTATE DIVISION

SHARATH CHANDRA
Administrator

